

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

2021 ANNUAL REPORT



AIR SERVICE



NONSTOP DESTINATIONS



TOTAL PASSENGER TRAFFIC COMPARISON

MONTH	2021	PERCENT INCREASE	2020	2019	2018	2017
JAN	23,545	-61.60%	61,309	54,895	53,177	47,515
FEB	26,299	-62.82%	70,732	58,276	53,564	46,549
MAR	46,596	4.76%	44,478	76,512	66,267	57,977
APR	56,563	1957.58%	2,749	83,560	65,648	56,012
MAY	71,512	445.60%	13,107	76,400	69,675	55,996
JUN	88,528	238.89%	26,123	89,609	72,600	61,044
JUL	97,221	252.10%	27,612	94,298	76,394	63,336
AUG	81,759	225.53%	25,116	90,524	77,851	77,851
SEP	49,330	93.11%	25,545	66,854	57,195	53,228
OCT	72,135	100.40%	35,995	77,794	69,736	67,261
NOV	70,589	132.45%	30,367	71,098	69,414	60,008
DEC	68,034	146.22%	27,631	72,150	61,453	55,826
TOTAL	752,111	92.47%	390,764	911,970	792,974	692,154



WE APPRECIATE YOU!

The Lehigh-Northampton Airport Authority (LNAA) wrapped up another successful Customer Appreciation Week in October.

Throughout this special week, passengers, customers, tenants, and stakeholders enjoyed a tasty travel treat (airplane cookies, chocolate-covered pretzels), free giveaways from airport advertisers, and musical entertainment.

Thank you to all our loyal ABE passengers.

RESURGENCE OF TRAVEL

Expectations for a quick return to normal air travel routines at Lehigh Valley International Airport (ABE) seemed unlikely in 2021.

Fortunately, the recovery timetable was expedited throughout the year as vaccinations increased and the comfort level surrounding air travel improved.

752,111 passengers traveled through ABE in 2021 – a 92.4 percent increase from 2020 – nearly reaching the 2018 total of 792,974.

“Would we have optimistically predicted over ¼ million passengers during the summer and over 700,000 passengers choosing your neighborhood airport for the year? I don’t think so. This resurgence was a welcome sight and certainly created positive momentum at the Airport,” said Thomas R. Stoudt, Executive Director, Lehigh-Northampton Airport Authority (LNAA).



MESSAGE FROM THE DIRECTOR



Executive Director

Thomas R. Stoudt

As the Executive Director of the Lehigh-Northampton Airport Authority (LNAA), the outlook for 2021 was overshadowed by a cloud of uncertainty as the COVID-19 pandemic continued its global impact on air travel. Industry experts predicted the recovery would be slow. Instead, two words can summarize what transpired: resurgence and resilience.

Stagnant first quarter traffic gave way to ABE's busiest July on record, with over a ¼ million travelers flying during the summer

season. Nearly all airline capacity returned to pre-pandemic levels, as airport officials joined regional leaders to break ground on a new pathway from the ticket counter to takeoff.

We were challenged by a national labor shortage, yet everyone demonstrated unwavering strength and determination as LNAA staff and stakeholders enabled our Airport System to rise and meet the challenge. Again, the entire team served as an inspiration, ensuring we would not fall short of being the best regional airport system in North America. Many thanks to this incredible team of dedicated individuals!

On behalf of the entire Airport Authority, I hope you read this Annual Report with pride as we outline the last twelve months for the LNAA, which included: investment in critical infrastructure, enhancement of customer service amenities, implementation of community initiatives, planned non-aeronautical development, and elevating general aviation across all LNAA facilities.

We look forward to seeing all of you in 2022. With this team, the sky is no longer the limit!

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FINANCIAL SUMMARY

The Lehigh-Northampton Airport Authority's (LNAA's) overall financial position is summed up by its net position. Changes to capital assets and timing of federal / state grant funding are the principal factors affecting net position each year.

As the result of a \$6.4 million increase in operational income (due to higher passenger volumes in the second half of 2021), a \$10.7 million sale of real estate, and \$3.5 million of operational CARES/CRRSA federal grant funding – the Airport Authority's assets exceeded liabilities by \$268 million as compared to \$241.2 million in 2020.

Residual impacts of the COVID-19 pandemic include labor / aircraft shortages within the aviation industry, suppressed business travel through 2024, and ongoing worldwide conflicts including the Russian/Ukraine War have strained fuel supplies and produced higher consumer prices; however, the resurgence of leisure air travel and a strategic fiscal approach by LNAA senior administration and Board of Governors provides an optimistic outlook for the future.

FINANCIAL POSITION SUMMARY

The Authority's financial position can be analyzed from its changes in net position over the years. As of December 31, 2021, the Authority's assets exceeded liabilities by \$268 million as compared to \$241.2 million in 2020.

	2021	2020	CHANGE
Assets and Deferred Outflows of Resources			
Current and Other Assets	\$ 39,180,116	\$ 26,943,378	\$ 12,236,738
Capital Assets	\$ 292,676,340	\$ 280,424,051	\$ 12,252,289
Net Pension Receivable / (Asset) (Note 10)	\$ 2,052,633	\$ 600,541	\$ 1,452,092
Deferred Outflows of Resources - Pension	\$ 442,523	\$ 653,386	\$ (210,863)
Total Assets and Deferred Outflows of Resources	\$ 334,351,612	\$ 308,621,356	\$ 25,730,256
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 19,412,243	\$ 17,524,229	\$ 1,888,014
Non-Current Liabilities	\$ 44,900,747	\$ 48,597,055	\$ (3,696,308)
Deferred Inflows of Resources - Pension	\$ 1,990,570	\$ 1,290,063	\$ 700,507
Total Liabilities and Deferred Inflows of Resources	\$ 66,303,560	\$ 67,411,347	\$ (1,107,787)
Net Position	\$ 268,048,052	\$ 241,210,009	\$ 26,838,043

CUSTOMER EXPERIENCE AND COMMUNITY

FLY LOCAL ABE

PLEDGE TO FLY LOCAL!

Discover Lehigh Valley (DLV), the Greater Lehigh Valley Chamber of Commerce (GLVCC), and the Lehigh Valley Economic Development Corporation (LVEDC) were the first signees of the Fly Local ABE Travel Pledge.

"Having a successful airport in the Lehigh Valley is invaluable, especially when highlighting the tourism industry," said Alex Michaels, President & CEO, DLV.

The Fly Local Travel Pledge asks the company or organization to use ABE based on the following criteria:

- ABE flight is available within four (4) hours of a departure time from a competing airport (i.e. – 8 a.m. from competing airport vs. 12 p.m. from ABE)
- Cost of the flight from ABE is within \$200 of the lowest priced tickets at competing airports

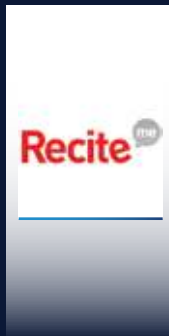
Any company or organization that signs the travel pledge is encouraged to require vendors and/or suppliers who travel to the Lehigh Valley to follow these guidelines. For more information, visit flyabe.com

RECITE ME

Accessing information at FlyABE.com can reduce the stress of air travel. Lehigh Valley International Airport (ABE) now ensures an inclusive and customer-friendly experience through Recite Me.

At a click of a button, Recite Me provides a translation tool with over 100 languages, text to speech functionality, fully customizable styling features, reading support aids including 35 text-to-speech voices and many other features.

Recite Me is available on mobile and desktop devices.



SENSORY GARDEN PROJECT AS PART OF THE VOLUNTEER CHALLENGE

As part of the Volunteer Challenge sponsored by the Volunteer Center of the Lehigh Valley, ABE assisted the Fountain Hill Elementary School in the Bethlehem Area School District (BASD) to create a sensory garden and playground.



Airport staff joined students from the leadership group Student Lighthouse – which is comprised of 3rd, 4th, and 5th graders – in constructing garden beds, a PVC xylophone, and painted designs to enhance the mindfulness curriculum.

"This sensory garden will give students a safe space to de-escalate and do some of their class work. By working with our amazing partners – the Airport – it's really giving all participating students a sense of ownership over their own school and enhancing their environment," said Morgan Dell, 4th grade teacher, Fountain Hill Elementary.



INFRASTRUCTURE AND BUSINESS

PARKING LOT UPGRADES!

Short-Term and Aero Club parking lots at Lehigh Valley International Airport (ABE) reopened following a \$1.7 million rehabilitation project.

The project consisted of repaving and painting spaces, replacing parking access and revenue control equipment (including new mobile options such as Apple Pay, Google Pay, Samsung Pay), adding 10 electrical vehicle charging stations, replacing light poles and fixtures, adding new location signage, and upgrading security cameras.





ELEVATING THE TRAVEL EXPERIENCE

After nearly 50 years, the passenger experience flying through your neighborhood airport will be transformed.

Since 1974, an underground tunnel has been the direct connection for passengers between the Main Terminal and Departure Building at Lehigh Valley International Airport (ABE).

Joined by federal, state, and local officials, the Lehigh-Northampton Airport Authority celebrated the takeoff of the Security Checkpoint/Terminal Connector Project.

“The tunnel was never designed to implement Transportation Security Administration (TSA) screening equipment post 9/11. The equipment keeps getting larger in size with enhancements that produce the highest level of security and safety,” said Thomas R. Stoudt, Executive Director, LNAA.

Additionally, the return to 2017 passenger traffic numbers in April 2021, and an even greater return to normal activity throughout the remainder of the year, all pointed to an immediate need for a third passenger security screening lane. While the pandemic impacted aviation across the world, ABE is already returning to those pre-pandemic passenger traffic levels which heightens the priority of completing this project.

With completion expected in 2023, the project cost is an estimated \$32 million and delivers the following upgrades at ABE:

- Up to (4) lanes of security screening with new equipment provided by the TSA
- New vertical circulation equipment with redundancy to enhance ADA compliance
- State-of-the-art air purification system and improved air circulation
- Separation of outbound and inbound passenger flow

“This critical infrastructure investment is necessary to meet the current demand and future travel needs of our growing region,” said Stoudt.

READY AHEAD OF SCHEDULE

Two airfield closures at Lehigh Valley International Airport (ABE) for pavement rehabilitation within the intersection of Runway 6-24 and Runway 13-31 finished ahead of schedule, ensuring an on-time return to flight operations.

“It took over 18 months of coordination between the Airport, commercial airlines (Allegiant, American, Delta, United), air cargo carriers, stakeholders and tenants to ensure everything operated smoothly,” said Thomas R. Stoudt, Executive Director, Lehigh-Northampton Airport Authority (LNAA).

With 12,000 tons of asphalt installed, the cross section of the Runway 6-24 is now 17 inches thick. The new runway pavement was designed for a useful life of 20 years while accommodating heavy Boeing 767-300 aircraft.

In total, 200 pieces of construction equipment and 250 contractors joined Airport Authority personnel and the construction management team to ensure successful completion of the project.



MAJESTIC AGREEMENT

The Lehigh- Northampton Airport Authority (LNAA) and Majestic Realty, Inc. finalized a land lease agreement of 308 acres in Hanover Township, Northampton County – which provides future non-aeronautical revenue to ensure the LNAA remains self-sustaining.



Development plans submitted by Majestic are compatible with existing zoning – Airport Flightpath Highway Business District (AFHBD).

“Generating additional non-aeronautical revenue remains a strategic goal for the Lehigh-Northampton Airport Authority (LNAA). Today’s announcement marks another milestone in assuring approximately 308 acres of airport property can help to enhance the future financial self-sustainability of the LNAA and while continuing to support the economic vitality of our region.

This is a journey that started nearly four years ago between the LNAA and Majestic Realty Co., and reaching this agreement is the result of a lot of hard work and dedication from both sides. We look forward to continuing this partnership into the future,” said Thomas R. Stoudt, Executive Director, LNAA.

OPERATIONS & SAFETY



IT'S ONLY AN EXERCISE!

The Lehigh-Northampton Airport Authority (LNAA) hosted the Triennial Full-Scale Emergency Exercise at Lehigh Valley International Airport (ABE) - which is required by the Federal Aviation Administration (FAA) every three years.

Personnel from the LNAA and mutual aid partners in the region – including firefighting and rescue equipment, emergency medical services and law enforcement agencies - responded to a simulated emergency scenario involving an aircraft. In total, 81 representatives from 36 agencies

participated in the event. Additionally, 27 volunteers (LNAA staff and family members) acted in various victim roles.

PERFECT INSPECTION!

For the third time in four years, Lehigh-Northampton Airport Authority (LNAA) received a perfect Federal Aviation Regulation (FAR) Part 139 Airport Certification Inspection for Lehigh Valley International Airport (ABE).

Basic phases of the inspection ensure Airports with Federal Aviation Administration (FAA) Operating Certificates meet requirements of FAR Part 139 through an administrative inspection of airport files, training records, and the Airport Certification Manual; an airfield inspection of runway approaches, navigational aids, pavements, and markings; an aircraft rescue and firefighting timed-response drill; fuel farm and mobile fueler inspections and a night inspection of airfield lighting and signs.

GENERAL AVIATION

CONSTRUCTION TAKEOFF

An estimated 120-day construction window started in early 2022, as Braden Airpark (N43) anticipates the arrival of a new Terminal Building.

The finished product will be a 2,300 square foot structure that provides meeting space for local groups/organizations, FBO offices, and a pilot services lounge.

Having received a \$325,000 matching state grant from the PennDOT Bureau of Aviation (BOA), the Lehigh-Northampton Airport Authority and lead engineer McFarland Johnson, Inc. purchased the pre-engineered building through The Interlocal Purchasing System (TIPS) in January 2021.

Several site elements are also on the pre-opening checklist, including a new airfield vehicle access roadway with security gate, new utility connections, ADA access ramps, sidewalks, and landscaping.

"This terminal building changes the face of N43. It's a first class facility for pilots to recharge their batteries before taking off again, and it can be utilized by community groups seeking a venue that takes their meeting to new heights," said Ryan Meyer, Director of Planning and Programming.

RESTRICTION RESCINDED

The Federal Aviation Administration (FAA) reinstated night approaches to Runway 15 at Queen City Airport (XLL) following a seven-year restriction due to tree obstructions in the Runway approach.

From January 2020 through April 2021, approximately 2.6 acres of trees within existing easements with the City of Allentown were removed as these obstructions were deemed unsafe for nighttime arrivals to Runway 15.

Approximately 100 new trees have been replanted with native tree species having lower mature heights to avoid recreating future tree obstruction issues in these critical runway approach areas.

With the benefit of a \$403,565 grant, the final phase of the project was 100% federally-funded through the FAA Airport Improvement Program (AIP).

