

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

2022 ANNUAL REPORT



AIR SERVICE



NONSTOP DESTINATIONS



- 1 Denver (DEN)
- 2 Fort Lauderdale/Hollywood (FLL)
- 3 Myrtle Beach (MYR)
- 4 Nashville (BNA)
- 5 Orlando Sanford (SFB)
- 6 Punta Gorda (PGD)
- 7 Sarasota/Bradenton (SRQ)
- 8 St. Pete/Clearwater (PIE)



- 11 Atlanta (ATL)
- 12 Detroit (DTW)



- 9 Charlotte (CLT)
- 10 Philadelphia (PHL)



- 13 Chicago O'Hare (ORD)
- 14 Newark (EWR)

TOTAL PASSENGER TRAFFIC COMPARISON

MONTH	2022	PERCENTAGE CHANGE	2021	2020	2019	2018
JAN	49,787	111.45%	23,545	61,309	54,895	53,177
FEB	53,000	101.53%	26,299	70,732	58,276	53,564
MAR	73,196	57.09%	46,596	44,478	76,512	66,267
APR	82,321	45.54%	56,563	2,749	83,560	65,648
MAY	83,502	16.77%	71,512	13,107	76,400	69,675
JUN	92,652	4.66%	88,528	26,123	89,609	72,600
JUL	97,401	0.19%	97,221	27,612	94,298	76,394
AUG	92,799	13.50%	81,759	25,116	90,524	77,851
SEP	68,531*	38.92%	49,330	25,545	66,854	57,195
OCT	78,534	8.87%	72,135	35,995	77,794	69,736
NOV	73,128	3.60%	70,589	30,367	71,098	69,414
DEC	67,405	-0.92%	68,034	27,631	72,150	61,453
TOTAL	912,256	21.29%	752,111	390,764	911,970	792,974

*Hurricane Ian resulted in 19 cancelled flights at ABE in September.

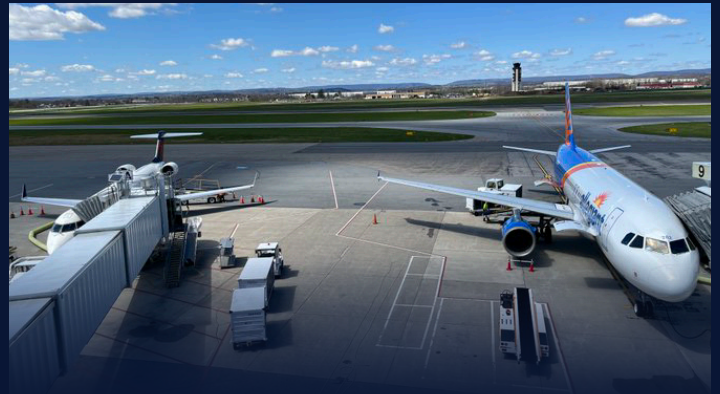
NEW CONNECTION

In June 2022, American Airlines (AA) started nonstop daily service from Lehigh Valley International Airport (ABE) to Philadelphia International Airport (PHL) aboard motor coaches provided by the Landline Company.

Landline vehicles accommodate up to (35) passengers and feature leather seating, complimentary Wi-Fi, streaming entertainment, and access to power outlets at every seat.

Passengers begin their trip at ABE by checking-in with American Airlines representatives before boarding the motor coach in the Multimodal Transportation Center and driving to PHL where they process through the Transportation Security Administration (TSA) Checkpoint.

United Airlines (UA) also transitioned to operating with Landline for their existing nonstop daily service from ABE to Newark International Airport (EWR) in October 2022.



WE'RE BACK!

Post-pandemic passenger traffic returned to Lehigh Valley International Airport (ABE) sooner than industry forecasts.

912,256 passengers traveled through ABE in 2022 – a 21.2 percent increase from 2021 – and surpassing the 2019 total of 911,970.

“Early indications of strong bookings and steady flight schedules had us preparing for a busy year, and that’s certainly what happened. Thank you to Airport staff and stakeholders for meeting the heavy demand of air travelers, particularly the ¼ of a million passengers that chose ABE during the busiest summer travel season in recent history,” said Thomas R. Stoudt, Executive Director, Lehigh-Northampton Airport Authority (LNAA).

MESSAGE FROM THE DIRECTOR



Executive Director
Thomas R. Stoudt

Industry experts predicted another year of recovery for aviation, with most airports operating below pre-pandemic passenger traffic levels. As the Executive Director of the Lehigh-Northampton Airport Authority (LNAA), I can tell you that prediction did not come to fruition at Lehigh Valley International Airport (ABE).

In fact, a “strong and steady” flow of air travelers in 2022 resulted in ABE surpassing our 2019 passenger traffic levels. Already famous for United Airlines bus service to Newark International Airport (EWR), ABE announced upgraded bus service to Newark and new bus service to Philadelphia International Airport (PHL) aboard Landline. The Airport community celebrated a remarkable resurgence alongside unexpected growth.

Infrastructure continues to be high priority across the LNAA aviation system, with all

eyes focused on 2023 for the opening of the new TSA Checkpoint / Terminal Connector at ABE. Additionally, the completion of Braden Airpark’s new terminal building elevates every pilot’s experience from the general aviation community.

Adhering to the organization’s core values - teamwork, humility, integrity, respect, service, and trust – the Airport Authority should be proud of our success in 2022. Through the entire pandemic and the mounting challenges we experienced, the determination of the entire staff ensured we were among the best regional airport systems in North America. Many thanks to the dedicated LNAA team. Job well done!

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 amenities, implementation of community initiatives, and elevating general aviation across all LNAA facilities.

We look forward to seeing you in 2023!

BOARD OF GOVERNORS

Appointed by Lehigh and Northampton Counties, a 15-member Board of Governors adheres to established bylaws and conducts monthly public meetings to provide oversight of the Airport Authority.

Brian Daems
(Secretary-Treasurer)
NORTHAMPTON

J. Michael Dowd
NORTHAMPTON

Frank V. Facchiano
LEHIGH

Dawn Godshall
NORTHAMPTON

Justin Grimshaw
LEHIGH

John Hayes
(Vice Chairman)
LEHIGH

Ronald Heckman
NORTHAMPTON

Larry Hemberger
LEHIGH

James Irwin
NORTHAMPTON

Jeffrey B. Matzkin
LEHIGH

Glenn Reibman
NORTHAMPTON

Michael Stershic
LEHIGH

Matthew Tuerk
(Chairman)
LEHIGH

Christopher Werley
LEHIGH

Tara Zrinski
NORTHAMPTON

FINANCIAL SUMMARY

FINANCIAL POSITION SUMMARY

The Airport Authority’s financial position can be analyzed from its changes in net position over the years. As of December 31, 2022, LNAA assets exceeded liabilities by \$278.8 million as compared to \$268.0 million in 2021.

The Lehigh-Northampton Airport Authority’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 the net position each year.

The Airport Authority’s assets exceeded liabilities by \$278.8 million as compared to \$268.0 million in 2021. This increase is based primarily on three factors: \$6.4 million in additional operational revenue due to a return to pre-pandemic passenger volumes in 2022; \$2.9 million of CARES / CRRSA federal grant funding; and the continued investment in airport infrastructure projects despite lingering effects of the COVID-19 pandemic, including labor shortages, supply chain challenges, and inflationary pressures.

The strategic fiscal approach taken by LNAA Administration and the Board of Governors has helped to secure the Airport Authority’s financial future during recovery from the pandemic. The vision of the LNAA is “to be the best regional airport system in North America.”

Assets and Deferred Outflows of Resources

	2022	2021	CHANGE
Current and Other Assets	\$ 36,466,684	\$ 39,180,116	\$ (2,713,432)
Capital Assets	\$ 308,861,052	\$ 292,676,340	\$ 16,184,712
GASB 87 - Right of Use Asset - Leases	\$ 678,094	\$ -	\$ 678,094
GASB 87 - Short Term Lease Receivable	\$ 2,641,833	\$ -	\$ 2,641,833
GASB 87 - Long Term Lease Receivable	\$ 10,280,514	\$ -	\$ 10,280,514
Deferred Outflows of Resources - Pension	\$ 2,531,256	\$ 442,523	\$ 2,088,733
Total Assets and Deferred Outflows of Resources	\$361,459,433	\$332,298,979	\$ 29,160,454

Liabilities and Deferred Inflows of Resources

Current Liabilities	\$ 18,267,324	\$ 19,412,243	\$ (1,144,919)
Non-Current Liabilities	\$ 48,373,923	\$ 44,900,747	\$ 3,473,176
GASB 87 - Lease Liability	\$ 675,612	\$ -	\$ 675,612
Net Pension Liability	\$ 1,925,942	\$ (2,052,633)	\$ 3,978,575
GASB - Deferred Inflows of Resources	\$ 13,004,053	\$ -	\$ 13,004,053
Deferred Inflows of Resources - Pension	\$ 379,860	\$ 1,990,570	\$ (1,610,710)
Total Liabilities and Deferred Inflows of Resources	\$ 82,626,714	\$ 64,250,927	\$ 18,375,787

Net Position	\$278,832,719	\$268,048,052	\$ 10,784,667
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CUSTOMER EXPERIENCE AND COMMUNITY



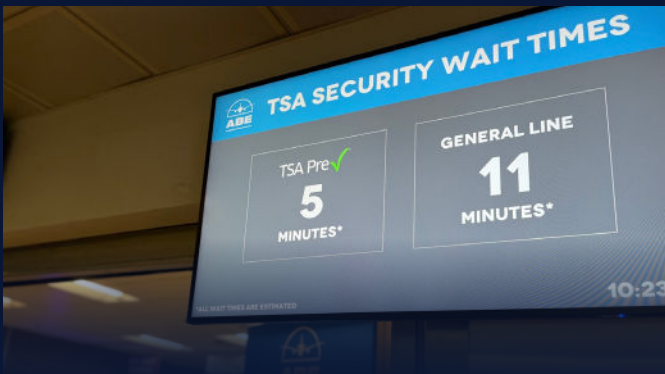
MYR ANNIVERSARY CELEBRATION

Since nonstop service began in 2012, Myrtle Beach has become one of the most popular destinations from your neighborhood airport.

That's a reason to celebrate!

Gate 7 in the Wilfred M. "Wiley" Post Concourse became Hole #7 with passengers testing their putting skills by trying for a hole-in-one. Regardless of their score, everyone walked off "the green" with a prize.

One lucky passenger discovered the Grand Prize in their ABE goodie bag – a golden ticket – which was redeemable for (2) flight vouchers to any non-stop destination served by Allegiant Air from ABE!



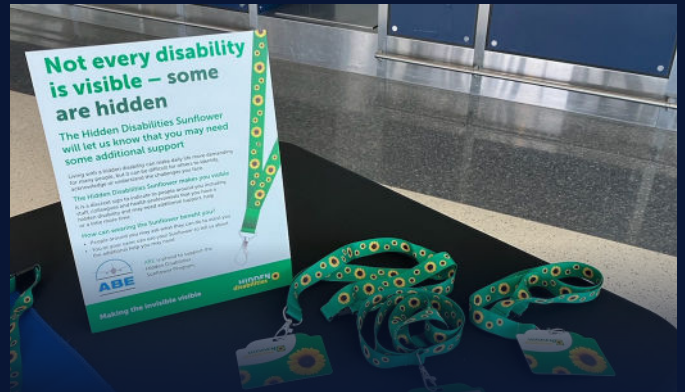
IS THERE A WAIT AT THE TSA CHECKPOINT?

Through a partnership with Veovo – a technology company powering smart decision-making across airports, Lehigh Valley International Airport (ABE) now has the capability to provide "up-to-the-minute" TSA Checkpoint wait times.

This invaluable information for passengers improves decision-making and allows the Airport to efficiently handle increased passenger volume which elevates the customer experience.

ABE passengers can access live and predicted wait times via displays within the Main Terminal and by visiting flyabe.com.

"We'll gain critical insight on passenger flow at our facility, which the Airport will use for operational assessments and communication efforts to ensure air travelers are experiencing the convenience they expect when choosing your neighborhood airport," said Thomas R. Stoudt, Executive Director, LNAA.



HELP FOR HIDDEN DISABILITIES

Lehigh Valley International Airport (ABE) unveiled the Sunflower Lanyard Program in April 2022.

First established at Gatwick Airport (LGW), this program exists to discreetly self-identify individuals with non-visible or Hidden Disabilities such as autism, chronic pain, dementia, visual limitations, speech difficulties, asthma, hearing loss, or general aging-related decline.

By wearing a Sunflower Lanyard, travelers at ABE will know that they get support, assistance, or even a little more time when they need it without having to disclose their invisible disability.

"Creating a stress-free environment for all travelers is important to us. We believe this program adds another valuable resource at ABE," said Colin Riccobon, Director of Public and Government Relations.

Sunflower Lanyards are available upon request at the Information Desk located on the Lower Level of the Main Terminal.

SUMMER KICK-OFF

Snacks, mascots, and music started the busiest travel season of the year.

ABE kicked off summer 2022 with a Customer Appreciation event and the much-anticipated return of Music in the Airport – which was temporarily halted due to the COVID-19 pandemic.

Airport advertising partners provided plenty of goodies and giveaways. Mascot Mania created a festive and fun travel atmosphere for everyone.



INFRASTRUCTURE AND BUSINESS



BRIDGE TO DEPARTURE

As part of a grant issued by the Federal Aviation Administration's (FAA) Airport Terminal Program (ATP) under the Bipartisan Infrastructure Law (BIL), the \$35 million TSA Checkpoint /Terminal Connector project at Lehigh Valley International Airport (ABE) received a \$5 million boost in funding.



During a visit to the Lehigh Valley in August 2022, U.S. Secretary of Transportation Pete Buttigieg joined Congresswoman Susan Wild for a tour of the construction site.

"We saw the commitment that was here, a very sound project with a very strong case for funding that is part of a bigger vision of how to modernize and upgrade this airport," said Secretary Buttigieg.

This infrastructure investment elevates the passenger experience through the following enhancements:

- Up to (4) security checkpoint lanes
- New redundant elevator and escalator equipment to enhance ADA compliance
- Shorter walking distances with separation of arriving and departing passengers
- Enhanced air purification system and improved air circulation

"What we're seeing is a whole new TSA area that is going to allow the Airport to expand traffic, which I think everybody who resides in our area will be thrilled about," said Congresswoman Wild.

In total, 450 tons (900,000 pounds) of steel was used to frame out the new structure.

Located near what was previously departure Gate 1A, a 22-foot-hole was excavated, and concrete forms were built for new elevators and escalators leading arriving passengers to baggage claim through the current TSA tunnel.

By the end of December, the project reached 67% completion with the opening scheduled for the Summer of 2023.

REHABILITATION CONTINUES

The \$90 million rehabilitation of Runway 6-24 at Lehigh Valley International Airport (ABE) continued in 2022, with the completion of Phase #4 of construction which included the following project elements:

- New Precision Approach Path Indicator (PAPI) system installed for Runway-24 approach
- Final asphalt strengthening lift installed on Runway 6-24
- Installation of new LED centerline lighting system
- Permanent runway pavement markings were completed



EMAS

Runway Safe Inc. completed seam seal maintenance services and strength testing for the Engineered Materials Arresting Systems (EMAS beds) on Runway-31 (departure end).

EMAS uses crushable concrete material placed at the end of a runway to stop aircraft overruns.

These preventative maintenance procedures are evaluated every five years to ensure the existing EMAS system will reach its 20-year projected service life.



RENOVATION AND REMODEL

To improve the customer experience, the public restrooms on the 2nd Level of the Main Terminal received a full renovation and remodel.

OPERATIONS & SAFETY

LIVE BURN SIMULATOR

For only the third time, the Lehigh-Northampton Airport Authority (LNAA) Aircraft Rescue and Firefighting (ARFF) Division hosted a Live Burn Mobile Simulator at Lehigh Valley International Airport (ABE).



This training, which is required by the Federal Aviation Administration (FAA), allowed ARFF personnel to invite mutual aid partners from Lehigh and Northampton counties to experience the intense conditions of a real-life emergency involving an aircraft.

“Preparedness through practice is the best way to ensure proper coordination among first responders rendering aid and assistance,” said Thomas R. Stoudt, Executive Director, LNAA.

Fire Force Inc. Mobile ARFF Training provided the 50-foot live-fire aircraft fuselage and a 1,300 square foot live-fire area to simulate fuel fires.

FAVORITE ASSIGNMENT

Of their 8,000 response calls in 2022, the Lehigh-Northampton Airport Authority (LNAA) Police Department didn’t miss out on their favorite assignment - Shop with an Airport Cop.

LNAA Police Officers and students from the Catasauqua Area School District enjoyed a holiday shopping spree at Target, followed by a gift-wrapping party complete with a visit from Santa Claus and Mrs. Claus.

“They are so worried about making the holidays good for someone else, they forget to buy something for themselves,” said Officer Timothy Varga, LNAA Police Department.

Thank you to all the event sponsors: Lehigh Valley Community Benefit, Target, Home Depot, Phillipsburg/Easton Honda, Nam Knights (Lehigh Valley Chapter), The Wanderers Club of Bethlehem, Isabella’s Pizza, and Mission BBQ.

“The sponsors are the heroes in the room. We could not do this without them. This just gets better every year,” said Sgt. Steve Gensits, LNAA Police Department.

GENERAL AVIATION

IT’S OFFICIAL!

Braden Airpark (N43) has a new terminal building.

With approximately 2,300 square feet of space, the new terminal building provides FBO offices, a pilot services lounge, and meeting space for local groups / organizations.



Having received fifty-percent of the project funds from the PennDOT Bureau of Aviation (BOA), the Lehigh-Northampton Airport Authority (LNAA) and lead engineer McFarland Johnson, Inc. purchased the pre-engineered building through The Interlocal Purchasing System (TIPS).



New awnings and a parking lot rehabilitation were completed to enhance the customer experience.

“The Airport Authority has stayed the course on our plan to rejuvenate N43 through capital improvements over recent years. Moving forward, we will continue to evaluate the Airpark’s infrastructure and identify potential funding mechanisms and non-aeronautical development opportunities for generating more revenue to support future projects,” said Thomas R. Stoudt, Executive Director, LNAA.

RUNWAY REHABILITATION

The Lehigh-Northampton Airport Authority (LNAA) received \$1.6 million in federal grant funding to support a multi-year / multi-phase project to rehabilitate Runway 15-33 at Queen City Airport (XLL).

Starting in 2023, Phase 1 will get underway, as crews structurally repair the distressed asphalt surface while strengthening the pavement section to meet future demand and aircraft weight requirements for the general aviation community.

“Through a process called full-depth asphalt reclamation – the contractor will recycle the existing three inches of asphalt and utilize the material as the base coarse prior to the final paving. This process reduces waste, reduces cost, and improves efficiency,” said Ryan Meyer, Director of Planning and Programming, LNAA.

Scheduled to begin in 2024, Phase 2 of the project includes: installation of upgraded LED runway lighting and new signage, plus a new airfield electrical vault



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