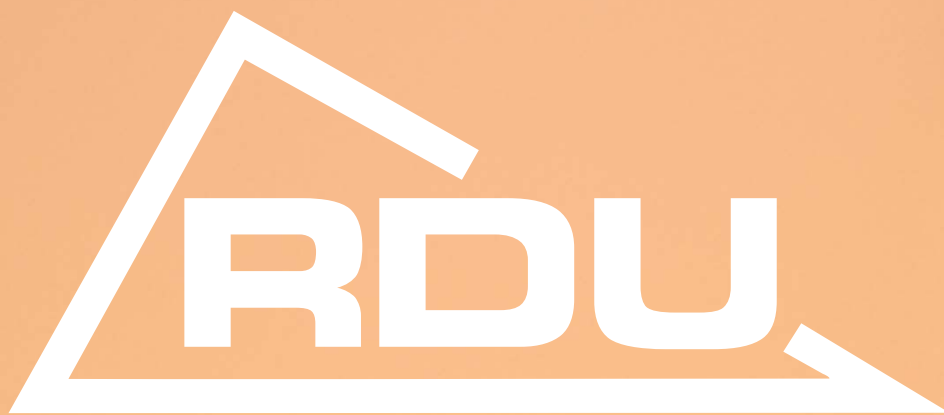




Raleigh-Durham International Airport

Business Plan 2021-22 (v 2.0)

Raleigh-Durham International Airport is governed by the Raleigh-Durham Airport Authority Board. The Authority Board is made up of eight representatives; two each are appointed from the City of Durham, Durham County, the City of Raleigh, and Wake County.





OUR VISION

To deliver a world-class airport experience

OUR MISSION

To deliver excellent airport services, facilities and
unparalleled customer service

OUR VALUES

Learning, Integrity, Team, Excellence, Respect

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2021-22 Business Plan (v 2.0)

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From the President and CEO



The COVID-19 pandemic made an unprecedented impact on Raleigh-Durham International Airport and the entire aviation industry in 2020. A year later, RDU's operating environment, passenger expectations, human capital concerns, technology dependency, the demand for innovation and the political, economic and social environments continue to evolve at an incredible pace.

These changes underscore the need to focus on the Raleigh-Durham Airport Authority's long-term strategy to support regional economic growth and improve domestic and global connectivity through the revision of its Strategic Plan. RDU added more than four million total annual passengers in the four years that followed its last update in 2015, and 2019 was the busiest year in airport history. While the global health pandemic disrupted RDU's steep growth trajectory, forecasts indicate RDU's passenger volume may meet or exceed 2019 levels by 2024.

This substantial revision to the Authority's 2021-2022 Business Plan reflects an airport on the runway to recovery. While the timing and level at which business travel returns is unknown, RDU is already rebuilding

its network of nonstop destinations to suit the leisure market. Most terminal stores and restaurants have re-opened under modified hours after being forced to close last spring, and three new concepts in Terminal 2 are expected to be announced later this year.

We are acting to facilitate recovery in other ways, as well. The airport convened dozens of regional companies and organizations to form the Triangle Takeoff Coalition — a first-of-its-kind group dedicated to inspiring travelers to take flight. And here on campus, we have adapted to the needs of today's world by establishing a new Guest Experience team and adopting contactless technologies.

The Business Plan, approved in March 2021, identified a variety of strategic projects inspired by RDU's mission, vision and core values — including additional tactics contingent on reaching certain enplanement and revenue growth targets. All these projects support the Authority's overarching competitive strategies: fiscal responsibility, customer experience and operational excellence.

The revised version now indicates which of those projects are prepared for activation. Park Economy 3 expansion, the overnight aircraft storage apron, roadway rehabilitation and enhancements to airport perimeter gates are ready for immediate activation. Terminal 2's security checkpoint, common use implementation and parking and ground transportation program improvements are approved to move forward. Some projects, such as RDU's eCommerce program and an on-campus health services evaluation, remain on hold.

The updated project list paints a picture of RDU's future: growing with the vibrant Research Triangle region and maintaining the airport's status as a major economic engine for the area, while remaining considerate of the thoughtful strategic planning that has successfully connected North Carolina to the globe for decades.

I look forward to seeing you at the airport again soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Landguth".

Michael J. Landguth, A.A.E.
President and CEO



Patrick Hannah
Chairman, Durham County



Sepideh Saidi
Vice Chair, City of Raleigh



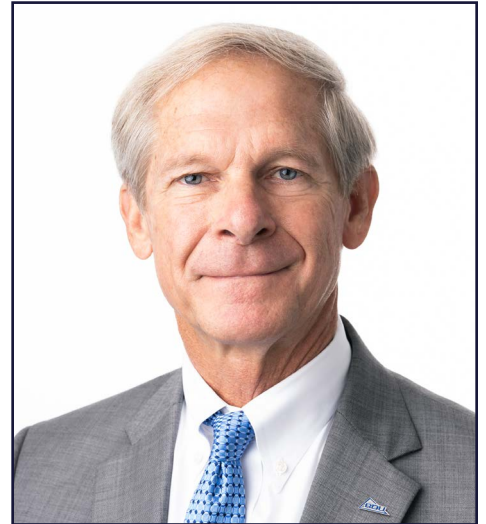
David Kushner
Secretary, Wake County



Tammie Hall
Treasurer, City of Durham



RDUAA
Board Members



Richard Thompson
City of Raleigh



David Morgan
Durham County



Ellis Hankins
Wake County



Yesenia Polanco-Galdamez
City of Durham

About the Airport Authority

Raleigh-Durham International Airport is governed by the Raleigh-Durham Airport Authority Board. The Authority Board is made up of eight representatives; two each are appointed from the City of Durham, Durham County, the City of Raleigh, and Wake County.

The General Assembly of North Carolina enacted legislation in 1939 enabling the cities of Raleigh and Durham and the counties of Wake and Durham to jointly establish, operate and maintain an airport and to appoint members to a board. This board was originally known as the Aeronautics Authority for the City of Raleigh, City of Durham, the County of Durham and the County of Wake. The enabling act further authorized the Aeronautics Authority to "act in an administrative capacity and be vested with the authority to control, lease, maintain, improve, operate and regulate the airport."

In 1945, the name changed to the Raleigh-Durham Airport Authority. Amendments to the Authority's enabling legislation have been enacted from time to time to better define and expand the Authority's powers to operate the Airport. The Authority is authorized to have its own police and firefighting units, whose jurisdictions extend approximately one mile outside the Airport's property boundaries.

The Authority Board meets on the third Thursday of each month. During these meetings, the Authority Board considers items on the agenda as well as any other matters deemed appropriate for discussion at that time.

The Authority Board leads RDU in investing in tomorrow, elevating our region, delivering unparalleled service and providing a world-class experience, while planning for the future and connecting our passengers worldwide.

A high-speed train, possibly a Shinkansen, is shown in motion, blurred background, with the text "OUR RECOVERY" overlaid in large white capital letters.

OUR RECOVERY



The emergence of COVID-19 disrupted life at Raleigh-Durham International Airport, but our airport and region are resilient and recovering.

Navigating the Path Forward

When the COVID-19 pandemic first began to impact passenger volume and revenues in March 2020, the Authority immediately took action to stabilize its operations and finances, and pursued operational efficiencies in response to the sudden and drastic loss of business. The Authority:

- Consolidated parking operations, temporarily closing all remote lots and redirecting all airport employees and ParkRDU customers to the parking deck, offering discounted daily maximum rates.
- Eliminated or reduced most contracts with third parties and employed novel programs such as Operation Clean Sweep to ensure continuity of critical upkeep services like maintenance of campus appearance and facilities.
- Completely overhauled the Authority's air service and business forecasting models, seeking a closer, more real-time understanding of market conditions and their impacts on operations.
- Reduced the Authority's head count from 343 full-time employees to 299 through a Voluntary Separation Incentive Program and natural attrition.

Concessionaires at RDU also experienced temporary and permanent closures, as well as heavily modified hours of operation and staffing. One tenant exited the concessions program in the fall of 2020, leaving five concessions units in Terminal 2 vacant.

Recovery

Since then, the number of passengers who travel through RDU has increased each month, and the week of Independence Day experienced the highest volume of passengers since the pandemic began.

In June, the Triangle Takeoff Coalition, comprised of eighteen area companies and organizations that understand the value of the airport to the Research Triangle's economy and quality of life, kicked off a campaign dedicated to helping RDU's recovery and encouraging travelers to get back in the air.

ParkRDU facilities are starting to fill up and the terminals are getting busier as more travelers return to RDU to

visit family and friends, take a vacation or embark on a business trip. The airport is seeing the highest volume of travelers during the early morning push, weekends and holidays, and leisure travel continues to outpace the return of corporate travel.

The recent upswing in air travel has initiated the re-opening of facilities that were closed for more than a year. The Authority re-opened Park Economy 3 (PE3) in advance of Memorial Day and recently expanded the number of spaces available in PE3 when transit buses were back in service.

Concessions

A majority of RDU's remaining food and beverage units have re-opened under modified (reduced) hours. They will return to normal operating hours as passenger demand and flight schedules warrant. Similarly, much of our specialty retail has re-opened under modified hours, but sales remain low.

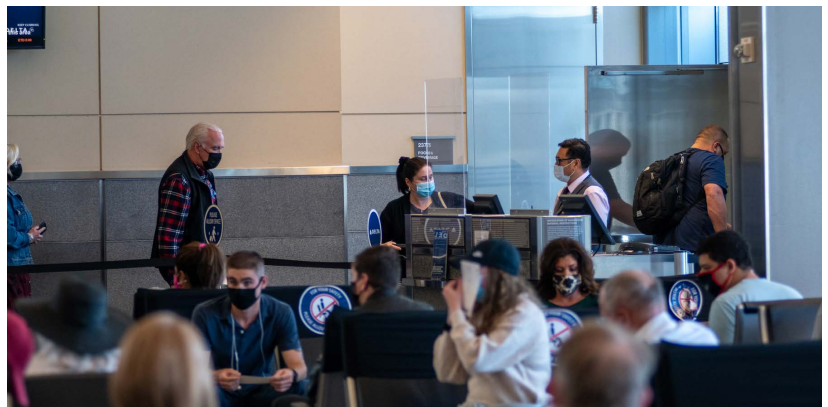
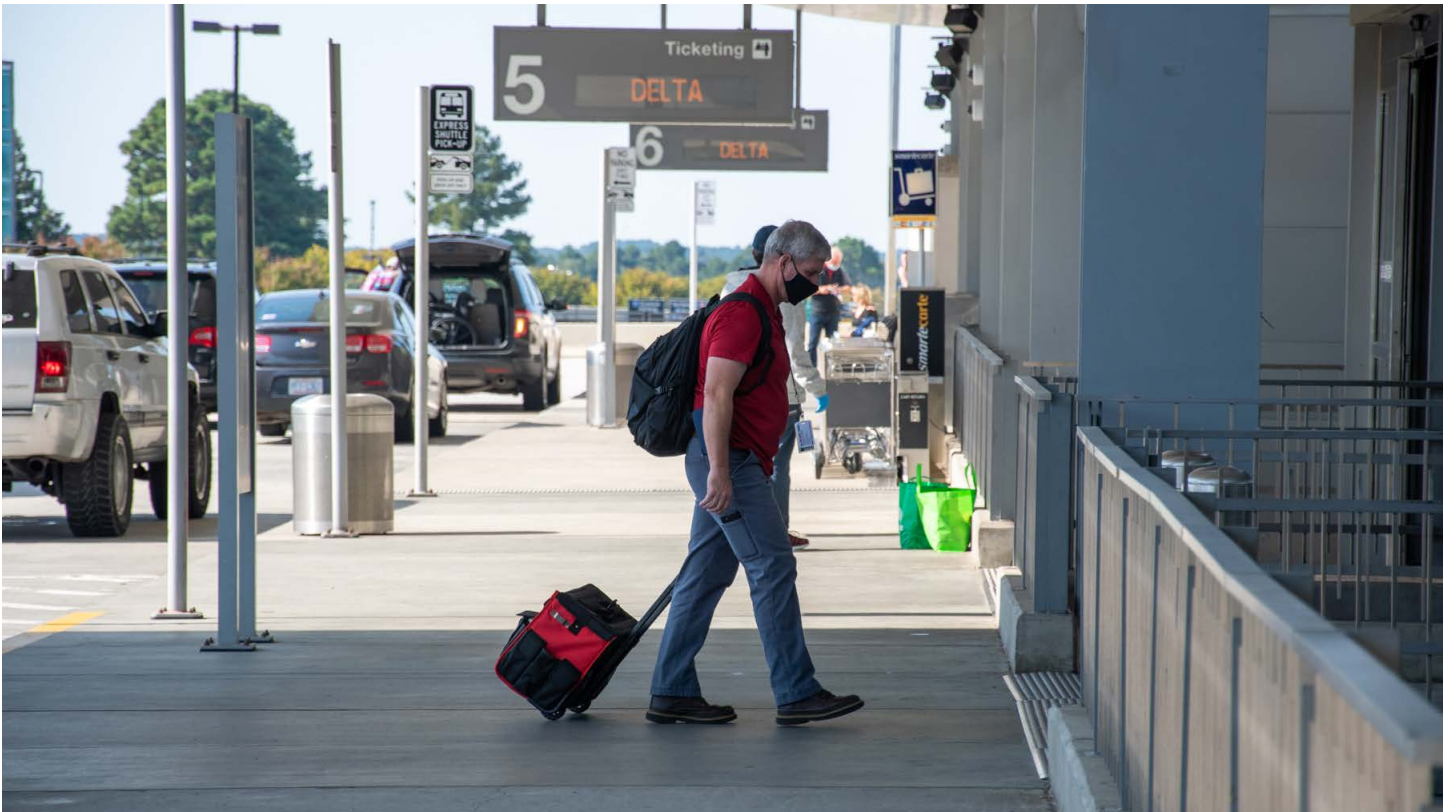
The Authority is updating its concessions offerings to bring more local flavor to Terminal 2. Award-winning La Farm Bakery + Café, the airport's new flagship restaurant, celebrated its grand opening in July and Uptown Burger Bar will open Summer 2021. In addition, the Authority is seeking proposals for three new concepts in the 42nd Street Oyster Bar, Starbucks Marketplace and former Camden Food Co. locations.

Vision 2040

Passenger recovery has also initiated review of many projects that were put on hold as a result of the pandemic.

The Authority is evaluating staffing needs across the Authority and will strategically increase head count as more travelers return to RDU and airport projects are re-initiated.

In July, the Authority Board of Directors held a special meeting to discuss strategy for reinstating Vision 2040 and Tactical Plan projects that will prepare the airport for future growth and preserve RDU's world-class airport experience.



December 2020

37 Nonstop Destinations

with 2 International Destinations



Atlanta
Austin
Baltimore-Washington
Boston
Charlotte
Chicago-Midway
Chicago-O'Hare
Dallas-Fort Worth
Dallas-Love Field
Denver
Detroit
Fort Lauderdale
Fort Myers
Houston-Bush

Houston-Hobby
Las Vegas
Los Angeles
Miami
Minneapolis
Nashville
Newark
New Orleans
New York-JFK
New York-LaGuardia
Orlando-International
Orlando-Sanford
Philadelphia
Phoenix

Punta Gorda
Salt Lake City
San Juan
Seattle
St. Louis
Tampa
Washington-Dulles

Cancun, Mexico
Montego Bay, Jamaica

43 Nonstop Destinations

with 2 International Destinations

July 2021



Atlanta
Austin
Baltimore-Washington
Boston
Buffalo
Charlotte
Chicago-Midway
Chicago-O'Hare
Cleveland
Dallas-Fort Worth
Dallas-Love Field
Denver
Destin-Fort Walton
Detroit
Fort Lauderdale
Hartford
Houston-Bush
Houston-Hobby
Las Vegas
Los Angeles
Miami

Minneapolis
Nashville
Newark
New York-JFK
New York-LaGuardia
Orlando-International
Philadelphia
Phoenix
Pittsburgh
Portland, Maine
Punta Gorda
Salt Lake City
San Francisco
San Juan
Seattle
St. Louis
Tampa
Trenton
Washington-Dulles
Washington-Reagan

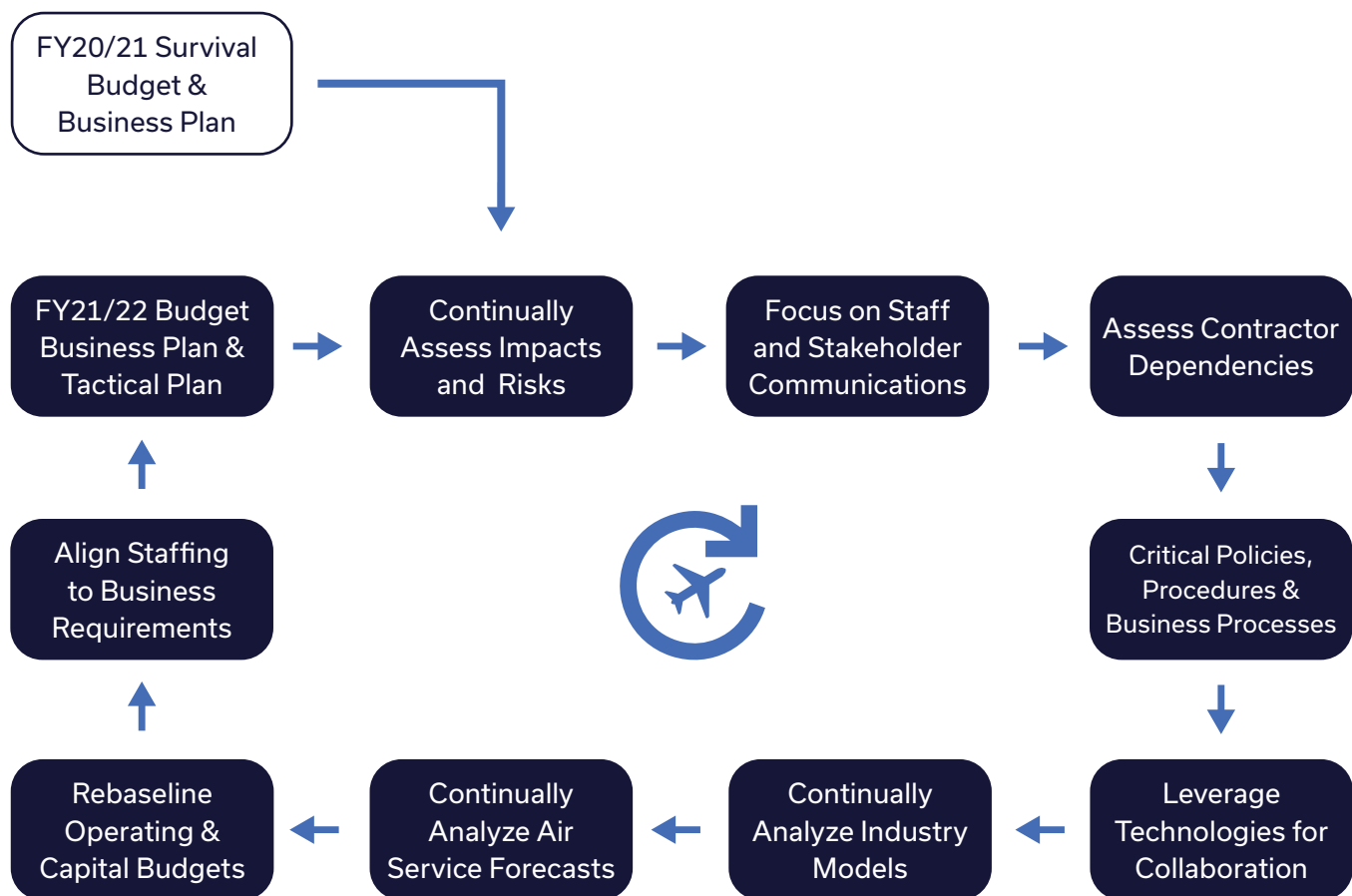
Cancun
Montego Bay

*Bold destinations denote added routes since December 2020



Our Steps to Stabilization and Recovery

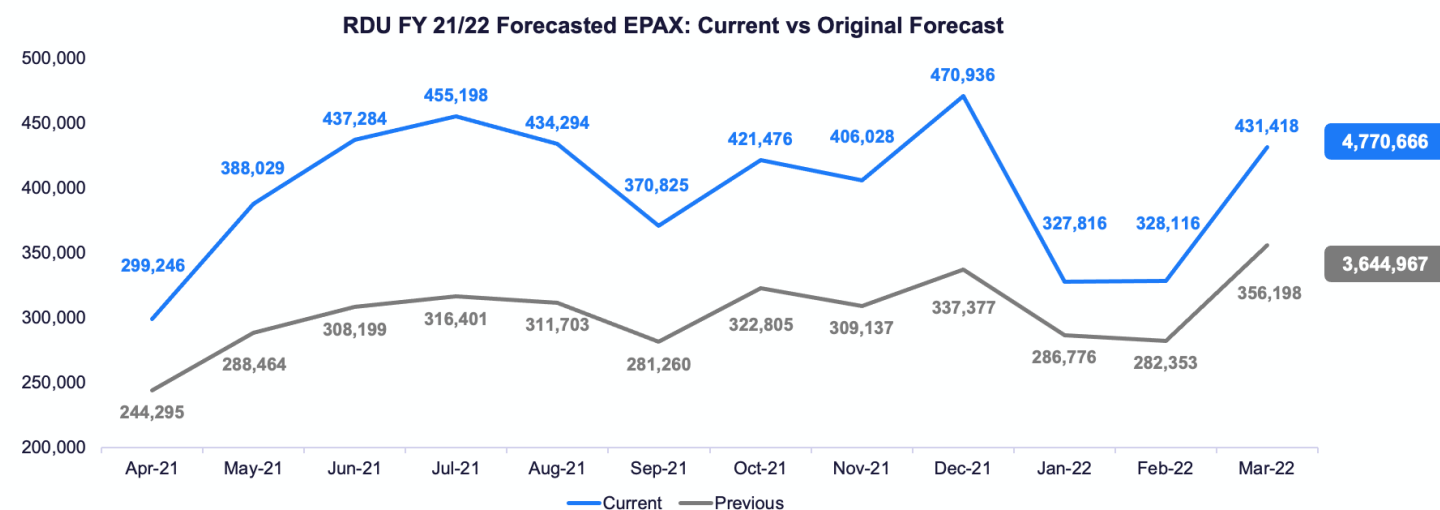
The Authority's revised 2021-22 Business Plan lays out our strategy to predict, prepare for and pursue a successful stabilization and recovery of passenger volume, air service, airport operations and revenue generation. This multi-step approach prepares us to develop and implement a "living" business plan and adjust to our dynamic environment.



Forecasts

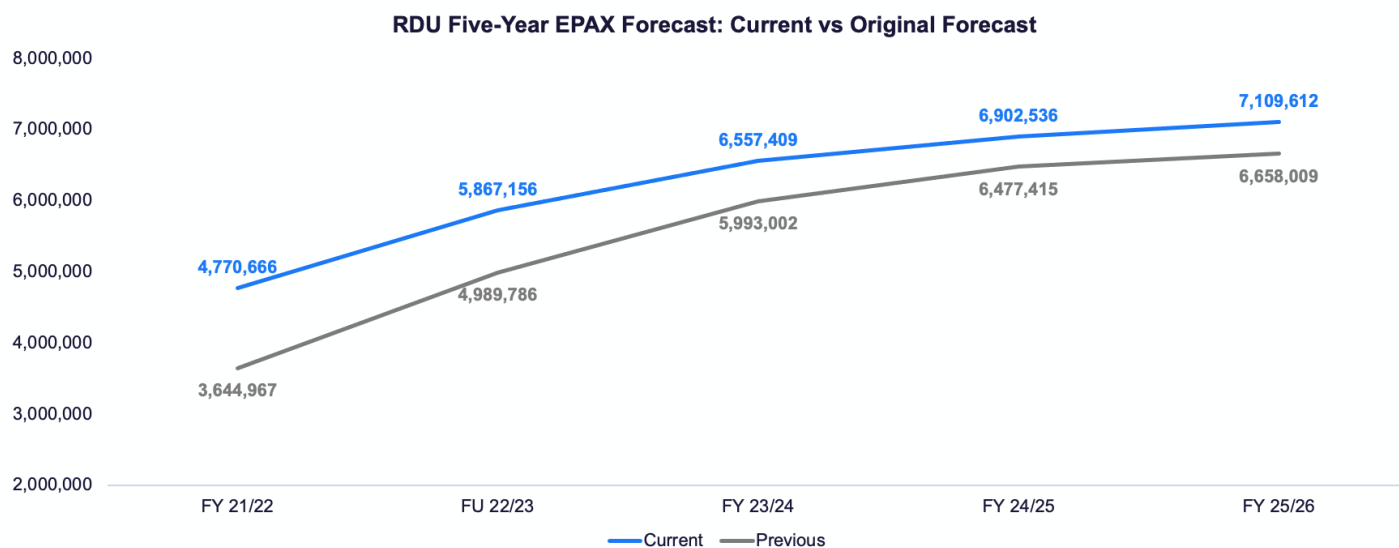
The Airport Authority continually consults multiple forecasting models to map our path forward. Current forecasts call for nearly 4.8m enplaned passengers for the current fiscal year, down 31% from last fiscal year and indicate a return to that year's levels by fiscal year 24-25.

Fiscal Year 21-22 Enplaned Passenger Forecast



*Results through June 2021 reflect actual traffic counts

Five-Year Fiscal Year Enplanement Forecast





Strategic Plan

Strategic planning is critical to business success. It involves vision and mission and describes a direction for the organization's Business Plan.

Our Strategic Plan directs us to continuously elevate the customer experience, remain fiscally competitive and achieve operational excellence.

We do this to support the economic vitality of the region in which we live, to provide services to meet the air travel demands of our community and to provide a welcoming experience to visitors from around the world.

The Strategic Plan focuses on three competitive strategies:

- ▶ Fiscal Responsibility
- ▶ Customer Experience
- ▶ Operational Excellence

Seven goals and 20 associated objectives are designed to support our strategic focus over the next several years. Our values of learning, integrity, team, excellence and respect are at the core of all we do and are critical to fulfilling our vision of delivering a world-class airport experience and our mission to deliver excellent airport services, facilities and unparalleled customer service.

The Strategic Plan is a living document, providing a roadmap to guide our journey in the operation and development of Raleigh-Durham International Airport.



Strategic Alignment

RDU's strategic alignment process illustrates how our Business Plan builds upon the foundation created by our employees who, daily, embrace and exhibit the organization's core values. Our initiatives and projects support our goals and objectives, which align with our three competitive strategies, ultimately enabling our vision and mission.







2021-22 BUSINESS PLAN (v 2.0)

RDU's Business Plan is the end result of an intensive planning process. Drawing inspiration from the airport's mission, vision and values, the Plan contains goals and objectives focused on three competitive strategies: Fiscal Responsibility, Customer Experience and Operational Excellence.

The 2021-2022 Business Plan included a variety of strategic projects, which are vital to enabling the vision and mission of RDU.

Also included in the 2021-2022 Business Plan were projects that would be evaluated based on passenger growth trends, financial position and long lead-time requirements every 90 days to determine if activation should be initiated. These projects are listed on page 23.





COMPETITIVE STRATEGY
FISCAL RESPONSIBILITY

GOAL—Operate a Fiscally Sound Airport

OBJECTIVE 1

Improve The Overall Financial Position

Tactic 1: Financial Strategic Planning

OBJECTIVE 2

Maintain an Exemplary Level of Risk Management, Controls and Governance

Tactic 1: Enterprise Risk Management Project

OBJECTIVE 3

Promote Efficiencies and Reduce Costs

Tactic 1: Business Intelligence (BI) Program

OBJECTIVE 4

Enhance and Diversify Revenue-Generating Products and Services

Tactic 1: General Aviation (GA) Corporate Campus Development



GOAL—Develop and Maintain Business Processes and Supporting Documentation

OBJECTIVE 1

Develop, Adopt and Maintain Up-To-Date Written Policies and Procedures

Tactic 1: Policy & Procedure Initiative - Final Year

OBJECTIVE 2

Embrace Industry Best Practices and Focus on Continuous Improvement

Tactic 1: Enterprise Resource Planning (ERP) Improvement Program

OBJECTIVE 3

Ensure Training, Implementation and Compliance with Adopted Policies and Procedures



COMPETITIVE STRATEGY

CUSTOMER EXPERIENCE

GOAL—Cultivate Mutually Beneficial Business and Community Partnerships

OBJECTIVE 1

Inform and Engage Customers, Community and Business Stakeholders

Tactic 1: COVID-19 Community Task Force Initiative

Tactic 2: Paid Public Relations Campaign

OBJECTIVE 2

Engage Public Officials to Advocate for Airport Priorities

Tactic 1: State Legislative Agenda

GOAL—Provide Products and Services That Exceed Customer Expectations

OBJECTIVE 1

Develop Business Plans for Facilities and Services

Tactic 1: Concessions Operating Management Structure Implementation

Tactic 2: FAA Section 163 Compliance

OBJECTIVE 2

Maintain, Enhance and Expand Flight Choices and Destinations as Determined by Travel Demand and Community Support

Tactic 1: Air Service Strategy - Visiting Friends and Relatives (VFR)



COMPETITIVE STRATEGY

OPERATIONAL EXCELLENCE

GOAL—Deliver and Maintain World-Class Facilities

OBJECTIVE 1

Create and Implement a Comprehensive Asset Management Program

Tactic 1: Runway 5L/23R Pavement Preservation Program

Tactic 2: Common Use Transformation Program - Touchless Technology
(SITA Flex System) - PHASE 1

Tactic 3: Fuel Farm Facility Improvement Program

Tactic 4: Rehabilitation & Energy Improvements for Parking Garage - PHASE 2

OBJECTIVE 2

Implement Vision 2040

Tactic 1: Runway 5L/23R & Taxiway B Replacement Program - ENVIRONMENTAL ASSESSMENT

Tactic 2: Lumley Road Relocation and Runway 5L/23R & Taxiway B Replacement – DESIGN

Tactic 3: Taxiway A1 and Taxiway A at A7 Rehabilitation - DESIGN & CONSTRUCTION

Tactic 4: Taxiway B Rehabilitation (North of Taxiway D)

Tactic 5: Taxiway D Rehabilitation (Between Taxiway A and Taxiway H)

Tactic 6: North Cargo Apron Reconstruction Program - 4 PHASES

Tactic 7: Taxiway E Rehabilitation

OBJECTIVE 3

Allocate and Align Resources to Achieve Success

GOAL—Invest in Talent that can Respond to Changing Business Needs

OBJECTIVE 1

Foster a Workplace that Emphasizes Communication, Collaboration, Consensus Building and Commitment to Achieve Organizational Goals

Tactic 1: Microsoft Technology Program

Tactic 2: Diversity, Inclusion and Equity Consulting

OBJECTIVE 2

Attract, Develop and Retain High-Performing Employees

OBJECTIVE 3

Utilize External Resources and Strategic Partnerships to Enhance Capabilities

GOAL—Operate a Safe, Secure and Environmentally Responsible Airport

OBJECTIVE 1

Deploy Resources to Ensure Safety and Security

Tactic 1: TSA Recapitalization of EDS Machines in T1 & T2

Tactic 2: Cyber Security Program

Tactic 3: Comprehensive Emergency and Irregular Operations Plan Review

OBJECTIVE 2

Promote Environmentally Sustainable Practices

Tactic 1: Sustainability Management Plan - PHASE 2

OBJECTIVE 3

Meet or Exceed All Regulatory Standards

Additional Projects

These projects were evaluated based on passenger growth trends, financial position and long lead-time requirements resulting in actions and additions listed below

Tactics in blue depict added projects in 2021-22 Business Plan v 2.0.



COMPETITIVE STRATEGY

FISCAL RESPONSIBILITY

Tactic 1: eCommerce Program - **On Hold**



COMPETITIVE STRATEGY

CUSTOMER EXPERIENCE

Tactic 1: Parking Program Improvements - **Activate**

Tactic 2: Ground Transportation Program Improvements - **Activate**

Tactic 3: Rental Car Redevelopment Strategy - **Activate**

Tactic 4: Passenger Experience Technology - **Include with T2 Landside Planning**

Tactic 5: Terminal 2 Landside Planning Program - **Activate**

Tactic 6: Terminal 1 Carpet Upgrades - **Activate**

Tactic 7: Terminal 2 Bathroom Refresh & Pet Relief Areas - **Activate**



COMPETITIVE STRATEGY

OPERATIONAL EXCELLENCE

Tactic 1: Common Use T2 Kiosk Replacements - PHASE 2 - **Activate**

Tactic 2: Common Use Implementation in T1 Gates 5 through 9 - **Activate**

Tactic 3: Terminal 2 Checkpoint Expansion - **Activate**

Tactic 4: On-Campus Health Services Evaluation - **On Hold**

Tactic 5: Park Economy 3 Expansion - **Activate**

Tactic 6: West RON Apron Construction - **Activate**

Tactic 7: Aviation Parkway / National Guard Drive Interchange - **Activate**

Tactic 8: Ramp Information System Replacement - **Activate**

Tactic 9: National Guard Drive Rehabilitation - **Activate**

Tactic 10: International Drive Rehabilitation - **Activate**

Tactic 11: Enhance Perimeter Gates - **Activate**



APPENDIX

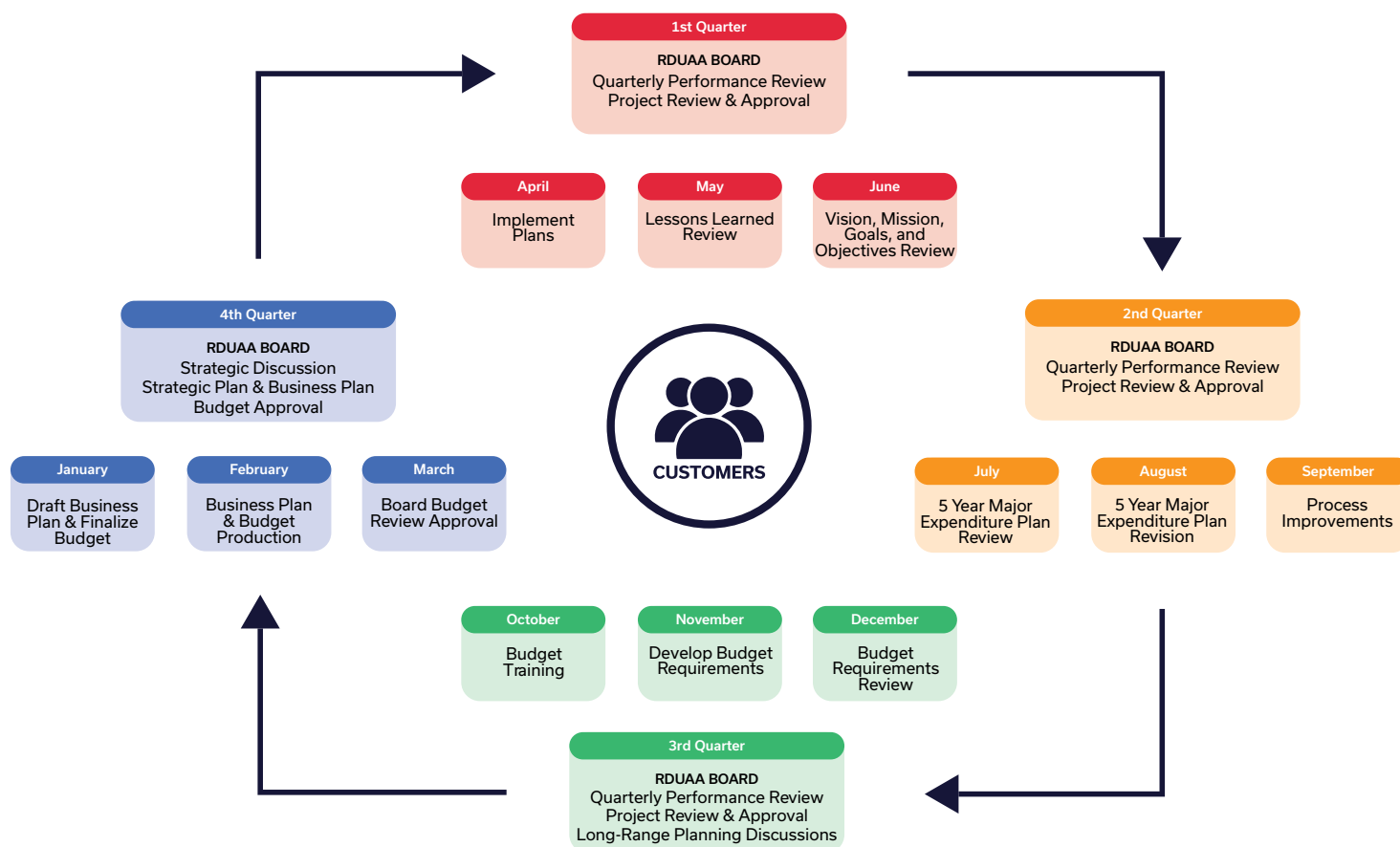
RDU's annual business planning process is critical to ensuring that we are focused on the projects that enable our vision and mission. The Business Plan provides alignment to our strategic plan and provides the foundation for the annual budget.

This section provides a macro view of our annual business planning cycle and a brief explanation of its purpose.

Business Planning

Business planning is a year-long process that begins and ends with our customers. Our vision, mission and core values guide the organization's goals and objectives. From this foundation, our staff identifies actions for each fiscal year that align with our three competitive strategies. From here, the organization's fiscal budget is built to allocate resources and funds for the actions that provide our customers with a world-class airport experience. Our process is explained in the diagram below. This is a repeatable process with a defined business planning calendar that we strive to improve each year by incorporating lessons learned from the previous year. This process allows us to create transparency while improving collaboration, providing training, setting expectations and improving communications between everyone across the campus.

Planning Cycle





Raleigh-Durham Airport Authority

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RDU Airport, NC 27623

RDU.com