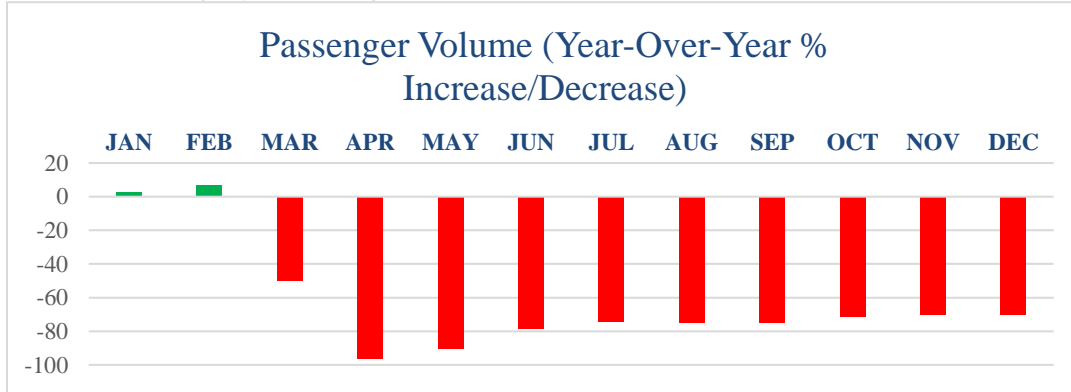


COVID-19 Airport Impacts

• Service Impacts

- Since the pandemic began, passenger traffic at Bradley International Airport has plummeted
 - Passenger volume dropped 97% year-over-year in April 2020
 - After slightly recovering, volume has stagnated approximately 70% lower than 2019 levels



- Approximately 50-60% of BDL's flights are still suspended due to lack of passenger demand
 - Air Canada and Aer Lingus still have not operated since travel restrictions were put in place, and all other airlines have suspended non-stop routes and frequencies
 - All airlines will emerge from the pandemic with fewer employees, fewer aircraft, and fewer routes
 - Competition between airports will be even more fierce to regain lost routes
- The lack of demand has also forced many airport concessionaires, rental car companies, and other stakeholders to close or severely curtail their operations
 - The Sheraton has laid off over 90 employees
 - Delta closed its maintenance station permanently, resulting in the loss of 22 jobs based at BDL
 - This will eventually result in the loss of approximately \$300,000 in annual revenues
 - Embraer is ceasing operations at BDL by the end of March
 - They currently have 32 employees at the airport

• Budgetary Impacts

- Bradley Airport receives no taxpayer funds, and its financial condition is completely reliant on its ability to generate revenues (predominantly derived from airline rates and charges) and cut costs
 - The CAA also must procure insurance for its operations due to a lack of state sovereign immunity, and its reserves cannot be exhausted without further impacting bond ratings
- Lower passenger volume results in drastically reduced airline revenue via landing fees, etc.
 - Also results in less passenger spend on parking, concessions, etc.
- BDL finished FY20 Q4 \$10 million under budgeted revenues (approx. 50% under budget)
 - Of remaining 50%, a big portion may not be realized due to lack of ability to pay
 - The CAA has been forced to defer and, in some cases, abate lease payments from many airport stakeholders to help them stay afloat and keep as many of their workers employed as possible
- To counter the shortfall, the CAA took steps to maintain stability and avoid layoffs for CAA staff
 - 10% across-the-board budget cuts in FY20, and a further 8% eliminated in FY21 below final FY20 levels
 - Over \$22 million worth of capital projects deferred
 - A hiring freeze established organization-wide
 - Voluntary separation and schedule reduction programs have been established
 - Salary increases deferred for non-union staff
 - Other unit-specific initiatives enacted to generate as many efficiencies as possible
- Aviation fuel tax revenues, which fund the operation of the CAA's five general aviation airports, Tweed-New Haven Airport, and capital projects for all non-BDL airports in the state, were down 55% in FY20
 - Aviation fuel tax revenues were down 75% in FY21 Q1
 - Lagging aviation fuel tax revenues will put further pressure on general aviation airport finances and drive the need for an overall strategic discussion about the future of Connecticut's airport system