



Office of Mayor Miro Weinberger

MEMORANDUM

TO: Burlington City Council

FROM: Mayor Miro Weinberger

DATE: May 23, 2013

RE: Appointment of Permanent Director of Aviation

Together, last July, we appointed Gene Richards the interim Director of Aviation of the Burlington International Airport. Gene has flourished in that role, generating progress at the airport on many fronts. Now, I respectfully request that the City Council approve Gene as the permanent Director of Aviation at your June 3, 2013 meeting.

Last July, I wrote the following to you in my interim appointment request:

The months immediately ahead represent an important time for the airport. The airport is attempting to refinance \$12 million of short-term debt, stabilize and improve the outlook of credit rating agencies, and increase revenues in multiple ways. Gene has been a force for change, a person who has driven the improvement of the past 18 months. He is the right person to run the airport until a permanent Aviation Director is named approximately six to nine months from now.

During the past 10+ months as interim Director of Aviation, Gene has far exceeded my high expectations. He has worked tirelessly to address long-standing issues, stabilize the airport's finances through both revenue and expense measures, improve airport facilities, and improve air service. Gene brings exactly the kind of passion, skills, community understanding, and character needed to succeed as the next permanent Director of Aviation.

Gene has made substantial progress on BTV's serious financial issues

The airport has been facing a number of serious financial concerns for several years. In 2010, these concerns caused Moody's to downgrade the airport to junk bond status. Gene – an experienced businessman and real estate professional – has been working on many fronts. His achievements include:

- Successfully refinancing \$12 million of short-term debt and an additional \$12 million of long-term debt, addressing significant liquidity concerns, and reducing borrowing costs approximately \$300,000 a year.
- Methodically addressing large numbers of long-neglected and lapsed leases, and restructuring space to create more leasable area, generating substantial new income.
- Negotiating large revenue increases from rental car tenants, the airlines, and concessionaires.

Restoring the airport's finances will require airport management to sustain and build on these successes. A permanent appointment will allow Gene to finish the financial fix he has started so well.

Gene already has completed substantial capital improvements at BTV

In Gene's short-time at the airport he has dramatically improved the facility:

- He negotiated deals that have resulted in substantial investments from private partners that have substantially upgraded the airport's food service facilities, and soon will entail dramatically enhanced retail facilities.
- In under a year Gene has created a nursing mother room, a yoga facility, scores of new charging stations, and enhanced restrooms. These enhanced traveler amenities have in large part been achieved, despite acute financial pressures, through creative sponsorships and donations.
- The north concourse TSA area was expanded to significantly improve the efficiency of the safety screening process.
- Gene has completed a roof replacement that had long plagued the facility.

The financial and operational success of BTV hinges in large part on facilities, maintenance, and leasing efforts. Gene's extensive property management experience will continue to serve him well as a permanent director.

Gene is working hard and making progress stabilizing and enhancing air service

The airline industry was hit very hard by the 2008 recession, and BTV – like virtually all established airports – has experienced significant enplanement reductions in the years since. Gene is working on multiple fronts to reverse this trend:

- He and his team secured an important air service grant and used it to secure new daily Delta air service to Atlanta that will begin in June.
- Even before becoming interim Director of Aviation, as an extremely active Airport Commission Chair, Gene helped secure Porter service from Toronto, the first international service in many years.
- Gene has worked hard to establish good relationships with the airlines. Local airline representatives have expressed considerable confidence in Gene's work.

These efforts should begin to be reflected in rising enplanements in the months ahead.

Gene has dramatically improved the workplace culture of the airport and staff morale

Gene's enthusiasm for his work and "can do" attitude are infectious and are impacting City operations beyond the airport. Even as an interim Director, Gene has become a leader among the City's department heads. I fully anticipate that, as permanent Director of Aviation, Gene's positive impact on overall municipal operations will expand considerably.

Further details of Gene's career can be found in the attached resume.

Thank you for your consideration of Gene Richards as Burlington International Airport's next permanent Director of Aviation.