

FY 2019-2023 STRATEGIC PLAN



Reno-Tahoe
Airport
Authority





Welcome to the Strategic Plan for the Reno-Tahoe Airport Authority (RTAA). This comprehensive five-year guide will help the airport staff from Reno-Tahoe International and Reno-Stead Airports navigate a well-planned course for success for our airports and community from 2019 to 2023.

The Strategic Plan was developed at the perfect time. Passenger traffic is at its highest level in a decade. New businesses and residents are flocking to Reno-Tahoe. Reno was recently named one of the top ten small cities in America thanks to an infusion of hi-tech companies and 100,000 new residents in three years. With the RTAA in the final steps of the a 20-year Master Plan process, the authority's Senior Leadership Team (SLT) team was able to incorporate extensive data, community/stakeholder input and projections from the Master Plan into the strategic planning process for a growing airport in a prospering region.

Supported by this fresh data, and guided by respected consultants, the SLT engaged in a detailed SWOT analysis. Looking beyond its own perspectives, the SLT embarked on a highly inclusive outreach program that solicited outstanding feedback from the Board of Trustees, community leaders, millennials, all levels of airport staff, tenants, the Community Outreach Committee, Airport Noise Advisory Panel and the Users Committee.

The result is an innovative, comprehensive Strategic Plan that blends the RTAA's unique employee-empowered culture with state of the art research. It features an inspiring Mission Statement, a strong Vision Statement and eight Strategic Priorities designed to carry a successful airport into an even brighter future.

Like our Mission Statement proudly proclaims, the RTAA is ready to move you...and our community...into the next decade with our 2019-2023 Strategic Plan.

Sincerely,

Marilyn Mora

President/CEO

Reno-Tahoe Airport Authority



**RENO-TAHOE AIRPORT AUTHORITY
BOARD OF TRUSTEES
JUNE 1, 2018**



<u>Board of Trustees</u>	<u>Position</u>	<u>Term Expires</u>	<u>Represents</u>
Shaun Carey	Chairman	June 2019	City of Sparks
Lisa Gianoli	Vice Chair	June 2019	Washoe County
Jenifer Rose	Treasurer	June 2019	City of Reno
Carol Chaplin	Secretary	June 2021	Reno-Sparks Convention & Visitors Authority
Nat Carasali	Trustee	June 2021	Washoe County
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SECTION ONE

BACKGROUND

*Planning Process and Current State of the
Reno-Tahoe Airport Authority*



PROCESS OVERVIEW

PURPOSE OF THE STRATEGIC PLAN

The purpose and desired outcomes of the Reno-Tahoe Airport Authority (RTAA) FY19-23 Strategic Plan are:

- **Shared Vision:** A strategic vision for the organization that is shared by staff and Board of Trustees.
- **Strategic Direction:** Core strategies that will help guide the RTAA over the next 5 years.
- **Roadmap:** A high-level plan to guide priority setting and serve as a helpful road map for staff and the Board of Trustees.
- **Planning Structure:** Long-term goals and performance measures that support the strategic priorities and provide a planning structure for objectives setting and annual action plans developed by the Senior Leadership Team.
- **Agility/Flexibility:** A living, breathing plan that provides direction, but is also flexible and broad enough to incorporate constant change in the aviation industry.

OVERVIEW OF THE PLANNING PROCESS

The FY19-23 planning process was initiated in October 2017 before the previous plan was set to expire in June 2018. The Airport Authority's Senior Leadership Team was charged with developing the Strategic Plan following Board direction provided in November 2017. The Senior Leadership Team (SLT) primarily responsible for the development of the plan included: Marily M. Mora, A.A.E., President/CEO; Dean Schultz, A.A.E., Executive Vice President/COO; Dan Bartholomew, Vice President of Planning, Engineering and Environmental Management; Mark Cameron, Vice President of Operations and Public Safety; Rick Gorman, Chief Financial Officer (CFO); Tina Iftiger, Vice President of Airport Economic Development; Brian Kulpin, Vice President of Marketing and Public Affairs; Brian Moore, SPHR, Vice President of Human Resources; Marty Mueller, Chief Information Officer; David Pittman, Vice President of Facilities & Maintenance; and Mike R. Scott, A.A.E., Manager of Reno-Stead Airport.

Phase 0 – Setting the State: Understanding the RTAA's internal situation and external environment was critical to developing an effective Strategic Plan. OnStrategy designed a process for the final plan deliverable and to guide the process of gathering and reviewing existing strategic information and documents, including the draft Master Plan. Executive interviews were conducted with individual Board Members and Executive Staff to establish expectations and gather input around strategic priorities. Initial data was gathered and planning assumptions were confirmed.

Phase 1 – Assess Current State: An understanding of the RTAA's internal and external environments is essential to the strategy development process. These insights, as well as market dynamics, were gathered, discussed and analyzed by the Planning Team to develop a SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis and craft strategic issues. From this data, the RTAA's Mission and preliminary Strategic Priorities were identified by the SLT.





Phase 2 – Establish Strategic Direction & Priorities: The RTAA’s Mission, Vision, SWOT and Strategic Issues were further refined and preliminary Strategic Priorities identified through the following stakeholder working sessions and interviews:

- Community Outreach Committee Working Session
- Master Plan Working Group Working Session
- Individual RTAA Board Member interviews
- Management Roundtable Working Session
- All-Employee Working Sessions

Phase 3 – Develop the Long-Term Goals & Annual Plans: The SLT drafted Long-Term Goals for each Strategic Priority. A Working Session with the Management Roundtable (RTAA management) further refined the Long-Term Goals and began identifying Performance Measures. The Senior Leadership Team presented recommended Long-Term Goals and Performance Measures to the Board in March and April. The 2018-19 Annual Plans were developed in tandem with the RTAA’s budget process.

Phase 4 – Rollout, Adoption & Budget Alignment: Following Board approval of the Strategic Plan and the FY2018-19 budget, the Strategic Plan will be shared at the Management Roundtable and all employee meetings (Town Halls). The new Strategic Plan will be shared with the community and its stakeholders via a brochure and standing Board Committees. Employee engagement with the Strategic Plan's execution will be achieved by including Management Roundtable members in the reporting of actual performance against Annual Action Plans at quarterly strategy review meetings.

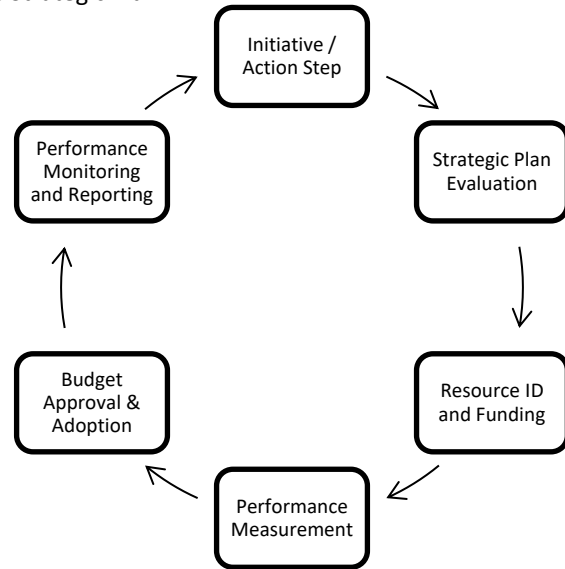
Phase 0: Setting the Stage	Phase 1: Assess the Current State	Phase 2: Establish the Strategic Direction & Priorities	Phase 3: Develop the Long-Term Goals & Annual Plans	Phase 4: Rollout, Adoption & Budget Alignment
Data Gathering: Existing data, synthesize Outreach from Master Plan, UNR Project, etc. CEO Communication to highlight the process	Board Update + Process Outline Staff Rollout to Celebrate Successes Draft Mission, Vision, Values SLT Sessions Draft Long-Term Goals + Performance Measures Management Roundtable	Stakeholder Input <ul style="list-style-type: none"> • Community Outreach Committee • Master Plan Working Group • Open Workshop Individual Board Insights: 2:1 interviews Board Workshop	Finalize the Annual Objectives + Action Items SLT Sessions Budget Board meeting	Plan Adoption - Board Meeting Budget Workshop and Adoption

STRATEGIC PLAN INTEGRATION

The Strategic Management Process is fully integrated as a key management system within the organization. Importantly, the Strategic Plan and the Annual Budget process are tightly aligned. On an annual basis, the planning and budgeting process flows as follows and specifically guides decision making for staff priorities and resource allocation:



- All budget initiatives and President/CEO Goals tied to the Strategic Plan
- Extensively discussed in the Introduction and Section 3 of the Budget Book
- Disclosure of annual funding of Strategic Plan Initiatives
- Quarterly Progress Report to the Board
- Performance measures incorporated into the employee evaluations
- Each Board Memo includes a specific tie to how the action supports the Strategic Plan



PLANNING DEFINITIONS & ACCOUNTABILITY STRUCTURE

OUTLINE OF THE PLAN STRUCTURE

The RTAA Strategic Plan consists of the following components, beginning with the broadest, long-term elements to the more specific, short-range and tactical activities:

Vision Statement: A short, concise, vivid statement of the RTAA’s future, answering the question: “*what will the RTAA look like in 10-20 years?*”

Mission Statement: An overarching, timeless expression of the RTAA’s purpose and aspiration, addressing both what the RTAA seeks to accomplish and the manner in which the RTAA seeks to accomplish it; a declaration of an organization’s core purpose. A mission statement answers the question: “*why do we exist?*”

Business Description: A clear and straightforward description of what the RTAA does. Not lofty or idealistic--pragmatic, true right now.

Core Values: Clarifies what the RTAA stands for, believes in and the behaviors the organization expects to see from its staff.

Strategic Priorities: The long-term, continuous strategic focus areas that move the organization closer to achieving the Vision Statement. Strategic Priorities are seen as having a five-year or more time horizon.

Long-Term Goals: Explain how we will accomplish the Strategic Priorities over the life of the plan, with clear results associated with the objectives.



Performance Measures: Quantifiable measures that show evidence of movement toward the RTAA’s Strategic Priorities, and ultimately to achieving the Vision. Key Performance Measures are viewed as the most important performance measures for a Strategic Priority/Goal (based on a strategy or major initiative).

Short-Term Objectives: Explain what will be accomplished in the short-term to achieve the long-term goals. Short-term objectives are developed by staff and included in department operating plans with full action plans to support each objective fully.

ACCOUNTABILITY STRUCTURE

The following accountability structure indicates *who owns the outcome* of each component of the Strategic Plan, as well as the planning period for each.

<u>Ownership Structure</u>	<u>Strategic Plan Elements</u>	<u>Definition & Purpose</u>
Board of Trustees	Mission, Vision & Values	Every 5 Years Reviewed Annually
	Strategic Priorities	Every 5 Years Reviewed Annually
CEO	Long-Term Goals	Every 3-5 Years Reviewed Annually
Senior Leadership Team & Management Roundtable	Initiatives & Performance Measures	Every 1-3 Years Established Annually
	Supporting Actions & Milestones	

AIRPORT SNAPSHOT

SUMMARY OF THE CURRENT STATE

The RTAA has maintained a solid financial position based on airport-derived revenues throughout volatile market cycles. Regional leaders and the community-at-large broadly support the organization and are actively engaged in helping shape its future. As of the beginning of 2018, the Reno-Tahoe International Airport (RNO) experienced consistent year-over-year increases in passenger and cargo volumes due to a growing and diversifying regional economy. The Reno-Stead Airport (RTS) is an active Unmanned Aircraft Systems (UAS) test site hosting NASA and has the potential for significant land development in the future. Collectively, both RNO and RTS are identified in the Strategic Plan as the “Airports.”



As a service organization, the RTAA's success relies on its positive internal culture and highly engaged workforce. Maintaining that over the next several years will be a significant challenge given the competitive labor market and employee retirements. The Strategic Plan outlines a series of steps to address this challenge.

The continued business development and growth in the region and catchment area present significant opportunities. Additionally, the continued economic diversification, emerging alternatives in transportation (such as drones and the future of self-driving cars), and the changing needs of travelers are trends that are expected to influence the future of RNO.

While the region is in a growth mode, uncertain economic conditions are always a possibility and the plan provides flexibility for the Board of Trustees and staff to take proactive steps in response.

Key Facts (beginning 2018):

- Nearly 11,000 passengers arrive and depart RNO every day.
- Approximately 108 commercial arrivals/departures take place every day, with two dozen non-stop destinations.
- Approximately 416,000 pounds of cargo arrive/depart daily.
- The following airlines operate out of RNO: Alaska, Allegiant, American, Delta, DHL (cargo), FedEx (cargo), Frontier, JetBlue, Southwest, United, UPS (cargo) and Volaris.
- Annually, about 4 million passengers arrived/departed RTIA.
- Annually, about 152 million pounds of air cargo arrived/departed RTIA.
- The organization employs about 260 employees.
- Total economic impact on the Reno-Tahoe area is estimated at \$2 billion.

Key Trends:

- **Passenger Trends:** During Calendar Year 2017, RNO's total passenger traffic of 4.015 million was significantly up by 10.0% as compared to the same period last year. Starting in June 2015, the positive economic winds and cumulative efforts of the community and the RTAA staff continue to be rewarded with RNO registering thirty-two (32) month-over-month increases in passenger traffic as compared to the prior year.
- **Cargo Trends:** During Calendar 2017, RNO handled 152,135,268 pounds of air cargo, a decrease of 2.7% when compared to the year 2016. However, this modest decrease comes on the heels of record lift in Calendar Year 2016 and a steady increase from 100 million pounds in 2009.

FINANCIAL OVERVIEW

The RTAA is financially self-sufficient meaning it is funded through airport operations and not local taxes. The FY2018-19 total operating revenue is estimated to be \$53.4 million from two key sources - airline and non-airline revenues. While airlines contribute 31% of the revenue stream based on cost recovery calculations negotiated in the airline use and lease agreement, the remaining



69% are generated by non-airline sources such as public parking fees and rents collected from airport tenants, concessionaires, hangar and land leases, etc.

RNO is a low-cost airport to the airlines with a budgeted cost per enplaned passenger of \$7.07 in FY18-19. In addition, the RTAA has very little outstanding debt of \$16 million as of July 1, 2018. With a Debt per Enplaned Passenger ratio of \$7.75, the RTAA has been very conservative in its borrowing and is well positioned and has great flexibility to fund future capital improvement needs. For example, this ratio is compared with the U.S. industry median of \$69.44 per enplaned passenger per Moody’s Investor Services. Additionally, over the past four years and for the FY 2017-18 and FY 2018-19 forecast estimates, the airline cost per enplaned passenger has remained steady in the range of \$5.75 to \$7.25.

Financial Operating Results and Ratios:

FINANCIAL	FY 14/15	FY 15/16	FY 16/17	FY 17/18 Forecast	FY 18/19 Budget
Operating Revenues					
Airline	\$13,777,587	\$13,677,518	\$13,526,032	\$14,842,773	\$16,575,321
Non-Airline	30,210,936	31,836,397	34,262,956	36,336,775	36,859,864
Total	\$43,988,524	\$45,513,916	\$47,788,989	\$51,179,548	\$53,435,185
Operating Expenses					
Personnel Services	\$24,638,525	\$25,007,616	\$26,672,375	\$28,344,335	\$30,478,615
Utilities & Communications	2,757,835	2,540,504	2,337,577	2,714,545	2,582,230
Purchased Services	4,763,544	4,803,679	4,595,802	5,289,058	5,907,323
Materials and Supplies	1,582,278	1,821,369	1,753,352	2,040,795	2,022,373
Administrative Expenses	2,113,887	2,443,771	2,579,040	2,801,636	3,153,688
Total	\$35,856,069	\$36,616,939	\$37,938,146	\$41,190,369	\$44,144,229
Financial Ratios					

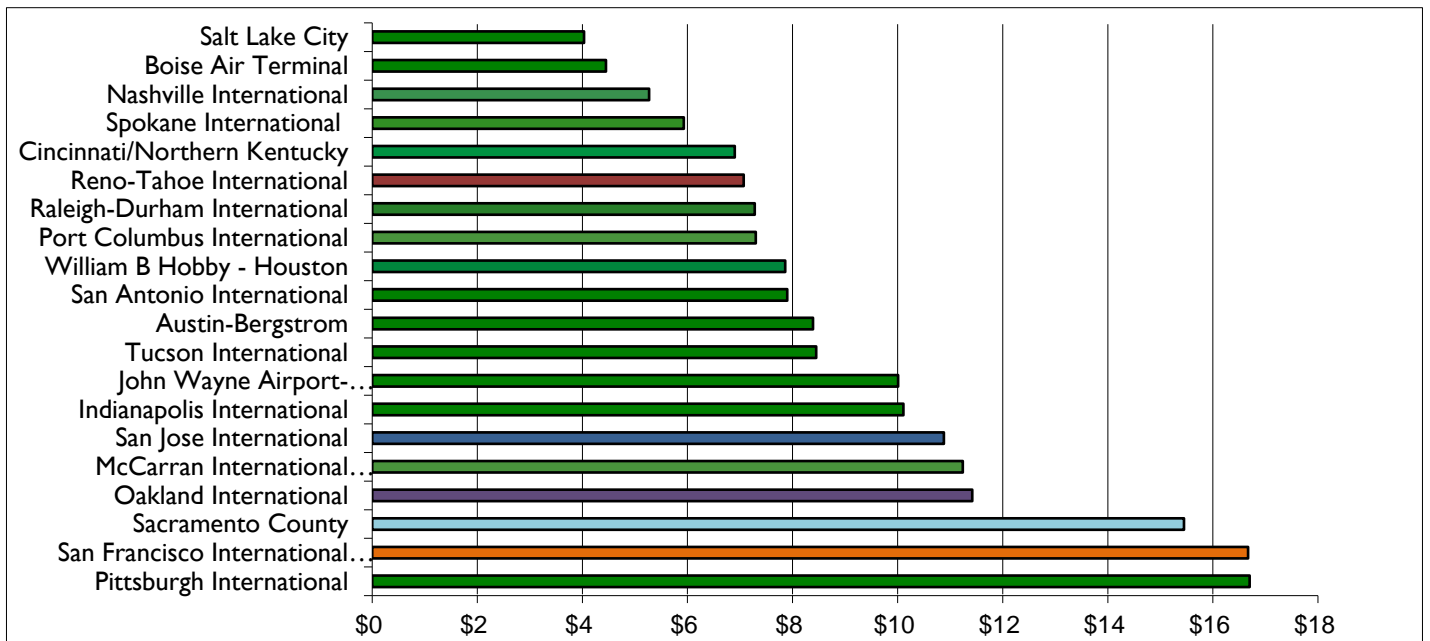


Enplaned Passengers	1,656,293	1,778,611	1,909,787	2,040,056	2,059,503
Airline Cost Per Enplaned Passenger	\$7.21	\$6.56	\$5.85	\$6.18	\$7.07
Debt Service Coverage Ratio	2.19X	2.61X	3.09X	6.99X	7.63X
Days Cash on Hand	381	449	483	514	499



COMPETITIVE OVERVIEW

Based on the 2017 Airports Council International-North American (ACI-NA) Benchmarking Survey, reflecting 2016 results, RNO is the sixth lowest in airline cost per enplaned passenger (CPE) out of the 19 benchmarked airports shown below. According to Moody's Investor Services, the median 2016 CPE average for all airports was \$8.42. RNO's cost per enplaned passenger was \$5.85 in FY 2016-17. The estimate is \$6.18 and \$7.07 for FY 2017-18 and FY 2018-19, respectively.



REGIONAL ECONOMIC OUTLOOK

In 2017, Northern Nevada's recovery continued its positive momentum as the region continued to experience economic revitalization. Nevada had the fastest-growing private sector in the nation through the first six months of 2017. According to the Nevada Department of Employment, Training and Rehabilitation (DETR), Nevada's economy grew in each of the past 16 quarters with Gross Domestic Product (GDP), exceeding the national economy in six of the past nine quarters.

Along with the other economic indicators, Nevada has the second highest population growth in the country. Statewide taxable sales increased 4.3% in the first six months of FY 2017-18 over the same period last year. December 2017 marked the 90th consecutive month of growth in Nevada's taxable sales, increasing 2.3%.



One of the largest economic drivers is Tesla Motor's new \$5 billion "Gigafactory" under construction 17 miles east of Sparks. This battery manufacturing facility is estimated to generate 6,500 direct on-site jobs and 10,700 indirect jobs in the community for a total of 17,200 jobs.

In addition to the significant employment at Tesla, this project has put Northern Nevada on the national map for high tech manufacturing and data centers, software development, research and development including unmanned aircraft systems supported by investors willing to finance these ventures. An additional factor is that many self-employed and entrepreneurial individuals and firms are leaving California for tax reasons and rising costs in the Bay Area.

Over the past three years, RCG Economics, the firm hired in 2015 to provide a Northern Nevada Regional Growth Forecast for the Economic Planning Indicator Committee (EPIC) and Economic Development Authority of Western Nevada (EDAWN), has plotted job and population growth in northwestern Nevada as compared to its forecast. As of December 31, 2017, actual employment growth has registered 34,163 or 9.7% between December 2014 and December 2017. This is modestly higher than the EPIC forecast of 32,941, or an increase of 9.3%. The EPIC study is estimating over 52,400 new jobs are coming to the Reno/Sparks area between December 2014 and December 2019.

As the local economy gathers positive national coverage, the economic data supports an optimistic picture with continued job growth and expansion, a low unemployment rate, and an increase in median home prices. While enjoying the benefits of this growth, our region also faces the challenges of investing in needed infrastructure (transportation, utilities and schools), building and maintaining affordable housing, attracting talent, and providing a trained workforce.

AIR SERVICE MARKET OUTLOOK

The 2017 financial results for the 10 publicly traded U.S. airlines (Alaska Airlines, Allegiant Airlines, American Airlines, Delta Air Lines, Hawaiian Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines, United Airlines and Virgin America) continues to reflect profitable operations due primarily to lower fuel costs. Collectively, these airlines reported a pre-tax profit margin of 11.0% in 2017 as compared to 14.2% the previous year.

According to Airlines for America (A4A), the industry trade group, the airlines combined operating revenues in 2017 were approximately \$164.2 billion, an increase of 4.5% from \$157.1 billion in 2016. As an offset, combined 2017 airline operating expenses totaled approximately \$143.5 billion, up 8.3% or \$11.0 billion as labor costs grew 7.1% and fuel costs grew 17.9%. While fuel costs increased as compared to the prior year, in 2016 fuel costs decreased 17% as compared to the prior year. Full-time equivalent (FTE) employment at U.S. passenger airlines reached over 426,100 jobs in 2017, the highest level since 2004.

A4A also reported that every U.S. flight in 2016 needed to fill 2 out of every 3 seats or 67% to avoid losing money. With load factors over the past five years ranging from 77% to 83%, a decrease of the breakeven point from 80.9% in 2012 to 68.2% in 2016 represents the improving profitability.



The improved airline cash flow in 2017 has allowed U.S. airlines to retire debt, acquire new aircraft, upgrade facilities, expand Wi-Fi, deploy more seats and reward investors. According to A4A, customers are seeing domestic seat supply at its highest level since 2005. Per the Bureau of Transportation statistics, traffic on all U.S. airlines reached record highs in 2017 with enplaned passengers rising 3.0% to 853.7 million

SECTION TWO

STRATEGIC DIRECTION

Mission, Vision, Values and Strategic Priorities





MISSION STATEMENT

Below is the RTAA's core purpose, our aspiration for the future, and the answer to "why we exist?"

We Move You! We Bring the World to Reno-Tahoe and Reno-Tahoe to the World.

People – We not only move individuals from place-to-place, but we MOVE them by providing a memorable, positive travel experience. This speaks to customer service, as well as the cleanliness, safety, and efficiency of our facilities. We Move You!

Businesses – We help businesses meet their objectives by affording them efficient, cost-effective, and convenient travel routes. We also offer facilities for tenants and vendors. We also bring customers to them. This speaks to our marketing and business development functions. We Move You Forward!

Air Transportation Industry – We help our industry advance by actively participating in development of new equipment, processes, and technology such as Unmanned Aircraft System (UAS) development. We provide facilities for UAS testing. We Move You Upward!

Communities – We provide and stimulate economic opportunity and growth for the communities in our catchment area. We serve the community by bringing goods and resources into the region. We are the community's gateway to the rest of the world. In direct and indirect ways, we improve life and living in the Reno-Sparks-Tahoe community. We Move Together!

Employees – We invest in our employees, and we treat them with respect. Through career development, wages and benefits, health programs and benefits, team building activities and employee assistance programs, we help our employees achieve their goals and to live healthy and happy lives. We Move as One!

BUSINESS DESCRIPTION

Below is a straightforward and pragmatic description of "what the RTAA does."

The RTAA provides/maintains air transportation facilities and delivers safe customer support services for the benefit of the region, while being financially self-sustaining.

CORE VALUES

The values as outlined below represent the guiding principles to answer the question of "how do we behave":

THRIVE:

Teamwork for Results

Honesty & Integrity

Respect & Recognition



Inspire & Innovate
Versatility
Enthusiasm for Excellence



Teamwork for Results

Teamwork is the foundation of any successful organization. In the working world, teamwork means staff needs to be able to trust one another in order to perform at the highest level and achieve the greatest results – regardless of what we are working on. This means that everyone on the team is empowered to do their best work, knowing that support is there when needed and that they have the autonomy to use their best judgment in any given situation. Working hard and having fun can be achieved simultaneously.

Honesty & Integrity

Honesty and Integrity are the first cousins of Trust. When staff operates from a position of honesty and integrity, all our interactions are more effective because we are working on an even playing field. Each employee trusts that other's words and actions are spoken and performed with good intentions for the individual as well as the organization. When all employees do the right things for the right reasons, everyone benefits. All employees are enabled to communicate their opinions and ideas honestly and directly.

Respect & Recognition

Respect and Recognition are both given and received. In a respectful environment, communication is open and courteous regardless of the subject matter or circumstance because every person who works here is of critical importance to the mission. The RTAA team will recognize and celebrate the good things employees do, both individually and as a team. Staff seeks to understand other viewpoints before arriving at decisions.

Inspire & Innovate

All RTAA employees have the capacity to Inspire and Innovate. With our respective talents and passions, every time we interact with another person, each individual can start the ripple effect that moves through the organization, igniting each of us with the remembrance that each of us does important work and impacts the lives of our co-workers and the community on a daily basis. With this in mind, the RTAA recognizes that each employee actively participates in the success of the organization and contributes by freely sharing great ideas. With innovation and good intentions, the occasional outcome is failure. The RTAA and its employees will use failures to learn.

Versatility

Versatility and agility, in an organization our size, is key to adapting to an ever-changing work environment. While clear direction is important, so too is the ability to be flexible in the way staff approach tasks, challenges, and opportunities. There is rarely only one way to do something, and each of us may need to explore various options in order to achieve the greatest success. Versatility provides the flexibility for all employees to support and assist each other during operational necessity and/or emergency situations.

Enthusiasm for Excellence

A positive attitude can really take you places. By choosing to bring an enthusiasm for excellence to every task staff undertakes, the RTAA recognizes the value of each employee's work and a spirit of continuous improvement. In a collaborative environment, where each person's contribution matters, a spirit of continuous improvement is achieved, and our best efforts lie in the next opportunity. This value aspires to create standards that others in the airport industry want to duplicate.



VISION STATEMENT

Below is the RTAA's vision for the future and answers the question: "what will the RTAA look like in 10-20 years?"

By 2036, the RTAA will provide modern, safe, convenient facilities and deliver customer satisfaction that is a source of community pride and serves as a significant contributor to the region's economic health.

- **Nationally respected** because the RTAA staff are innovative and adaptive, positioning the organization to embrace and pivot to changes through adapting to new technology, consumer trends and regional needs.
- **Modern, safe and convenient facilities** because the facilities are customer focused, adhere to the highest safety and security standards, and are environmentally sustainable.
- **Customer satisfaction** because the RTAA staff provides "real value" to customers and enable tenants to prosper.
- **Community's pride** because the organization is the best place to work that demonstrates forward thinking, employee-focused values with a highly skilled, engaged workforce.
- **Significant contributor** because the RTAA is a valued community partner and highly respected as the hub of the community, with RNO being easily accessible, meeting the community's needs of convenience and ease of travel.

STRATEGIC PRIORITY OVERVIEW

The Strategic Priorities provide the framework for the strategic direction of the RTAA over the next 5 years. With a holistic focus across the whole, the Strategic Priority explanations below further clarify the intent of how the RTAA will achieve its Vision. **NOTE:** *The Priorities are numbered for organizational purposes only and do not represent priority order or resource allocation.*

1. Retain and increase air service and cargo.
2. Foster an atmosphere to encourage general aviation growth at both airports.
3. Optimize existing facilities and facilitate new infrastructure (whether funded by the RTAA or outside third parties) at both Airports to address market demand and implement the RNO Master Plan.
4. Maintain high levels of safety and security for everyone who utilizes our Airports.
5. Grow and diversify non-airline revenues at both Airports.
6. Provide a positive environment and experience for all.
7. Our employees are the current and future strength of our organization.
8. Operate and manage the Airports with a holistic approach reflecting sustainability policies and practices along with environmental stewardship.

Within each of the Strategic Plan Initiatives, the RTAA has assessed the current state of the organization in light of the stated goal and indicated the "Degree of Shift" necessary to achieve alignment with the initiative. The following definitions correlate to the assessment of the SLT regarding each Strategic Initiative:

1. **Sustain:** The RTAA is headed in the right direction, with the right approach, at the right speed/velocity.



2. **Substantive:** The RTAA is headed in the right direction, but the approach or speed needs to be shifted.
3. **Transform:** What the RTAA is doing today needs to be very different in the future (due to market forces, trends, environmental factors, etc.)



STRATEGIC PRIORITY DETAIL

STRATEGIC PRIORITY #1: AIR SERVICE & CARGO

RETAIN AND INCREASE AIR SERVICE AND CARGO.

Retaining and increasing commercial air service and cargo activities at RNO are essential to the region's economic growth and the RTAA's long-term success. Growth in commercial air service greatly depends on three pillars - Air Carriers (supply), the Airport (infrastructure and facilities), and the Tourism and Business Communities (demand) - to stimulate demand and *sustain* it. The RTAA needs to support and nurture these pillars throughout RNO's catchment area, which extends to Lake Tahoe, Susanville, Gardnerville and Elko.

The supporting strategies to retain and increase air service and cargo activities over the next five years are as follows:

Retain and expand existing Air Service. The airline industry expansion and consolidation will continue to be uncertain and volatile. To mitigate volatility risk and market changes, RNO will make every effort to retain current routes and existing carriers, which representing over 90% of the total U.S. domestic market share. Going forward, the strategic intent is to sustain the current diversification of airlines with a balance of ultra low-cost, low-cost and legacy carriers. With existing air service, RNO offers one-stop options to virtually anywhere in the United States. There is also a presence of all three global alliances at RNO that provide numerous one-stop opportunities for international destinations. The RTAA will continue to work with incumbent airline partners, regional partners and other stakeholders to retain and expand (capacity in served markets) current air service.

Pursue NEW opportunities that are operationally viable. RNO has several domestic "bubble markets," or markets that are on the cusp of warranting non-stop service. RNO must continue to work with airlines (incumbent and potential new) and regional partners to attract new air service. At RNO, high-density altitude and terrain will continue to put some constraints on long-haul opportunities. The current U.S. Customs and Border Protection rules and regulations, and facility constraints limit RNO's international targets (airlines and destinations). A new Customs and Border Protection Facility is part of an updated terminal building under the 20-year RNO Master Plan, which would increase the ease of processing international passengers. There is an interim possibility to upgrade the current facility to accommodate 400 passengers an hour that will be explored (see Strategic Priority: Facilities for the Future). An upgrade could expedite travel and attract new international carriers. RNO will continue to pursue narrow body aircraft flights from Mexico/Central America and target pre-cleared non-stop flights from Canada.

Anticipate market shifts/demands through data-based decision making. RNO utilizes several data sources to monitor flight schedules, market demand/shifts, airline route health, airline strategies, etc. In addition to traditional air service sources, RNO partners with local stakeholders to identify leisure and business market demand for the Reno-Tahoe region.

Strengthen community awareness and support. An increase in passenger and cargo services is dependent upon ongoing partnerships, communication and marketing to the entire catchment area. The RTAA will continue to add new partnerships and



strengthen current relationships with the regional conventions and visitors' authorities, the Economic Development Authority of Western Nevada (EDAWN) and Nevada Commission on Tourism (Travel Nevada) to grow and sustain air service. RNO will continue the community awareness program that includes air service educational sessions, local presentations/meetings, etc. RNO will find opportunities to inform the community on which target markets are operationally viable to pursue, given the high-density altitude, terrain and other constraints. RNO will continue to work very closely with the Regional Air Service Corporation and assist the leadership to increase membership, which benefits air service development. RNO will continue to promote air service to the general public in the Reno-Tahoe catchment area by creating and executing an annual "Marketing Campaign." Unlike the tourism industry, this "Marketing Campaign" is focused on Reno originating traffic.

Increase airline regional awareness. It is very important for airlines to understand the true potential of markets they serve or are interested in serving. Airlines look at several sets of assumptions and forecasts consistent with the emerging trends taking place within the aviation industry. Most importantly, they look at the local demand and economic environment of the market they're interested in serving. RNO will focus on bringing airline representatives to the Reno-Tahoe region as guests to showcase the area through the use of private invitations, in participation with community air service educational sessions, special event attendance and more, in order to assist airlines to understand the true RNO market potential.

Retain and expand air cargo. In addition to dedicated cargo carriers, such as FedEx and UPS, certain passenger airlines carry belly freight, which offers an opportunity for increased revenue. Cargo demand drivers need to be better understood to ensure current weight and volumes are sustained. Cargo expansion may be drastically altered with a fourth cargo carrier entering the market. RNO has airfield capacity and land available in the RNO's southwest quadrant to support cargo expansion and regional distribution needs.

DEGREE OF SHIFT

The Strategic Direction/Shift is to substantively shift air service and cargo development to achieve the long-term goals.



STRATEGIC PRIORITY #2: GENERAL AVIATION

FOSTER AN ATMOSPHERE TO ENCOURAGE GENERAL AVIATION GROWTH AT BOTH AIRPORTS.

General Aviation (GA) includes all civil and military aviation operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that need more flexible transportation than scheduled commercial airlines offer. General Aviation is a key contributor to regional economic growth; it supports business growth not only from this region but also to this region (through jet services/MRO's, FBO's, etc.) To continue to foster an atmosphere to encourage GA services, facilities and operations growth, the strategic approach is as follows:

Maintain existing facilities at both RNO and RTS and support third-party private investment. The RTAA has a significant investment in existing airfield infrastructure at both Airports. To optimize and extend the useful life of these assets, staff will continue its ongoing program of preventive maintenance and major rehabilitation programs. In addition, the RTAA has several land, GA services, hangar, and industrial development opportunities that are "market-driven" and dependent upon private party investment. The RTAA will provide support and assistance to facilitate this investment in facilities at both Airports.

Balance all user needs at Reno-Stead Airport: The RTAA will promote the quiet enjoyment of GA at the RTS, leveraging the new terminal and encouraging private investment in facilities and businesses that meet changing demands. The RTAA supports and recognizes the important balance between the GA community, development of vacant land into a business park and the National Championship Air Races at the RTS - all of which have local economic impact.

Proactively engage with GA Community: The RTAA is in a position to promote and support GA changes with RNO and RTS tenants, visiting users, industry groups, and neighbors, including UAS, and accommodating user needs and preferences. The RTAA will work with tenants and users to promote common rules and business policies that contribute to a strong, safe GA community and sustainable airport facilities.

DEGREE OF SHIFT

The Strategic Direction is to sustain current efforts.



STRATEGIC PRIORITY #3: FACILITIES FOR THE FUTURE

OPTIMIZE EXISTING FACILITIES AND CONSTRUCT NEW INFRASTRUCTURE AT BOTH AIRPORTS TO ADDRESS MARKET DEMAND AND IMPLEMENT THE RNO MASTER PLAN.

As an integral element to all Strategic Priorities, the RTAA must not only support but also proactively respond to market demands. Infrastructure needs outlined in the RNO Master Plan provides a proactive response to the projected growth of passenger traffic at RNO by nearly 60% from 2017 to 2036, which is on top of a 10% increase from 2016. The strategic approach to create facilities for the future is:

Relieve congestion in RNO public parking and rental car facilities. RNO's growth over the last five years has resulted in congestion in the public parking facilities requiring the RTAA to implement overflow procedures more frequently during peak periods. Additionally, the Short-Term Parking area on the first floor of the garage fills to capacity during peak periods multiple times per week due to constraints caused by sharing the space with the rental car companies. Moreover, the rental car companies are requesting additional ready/return space to meet their growth in demand. To address these issues, the RTAA needs to fund and construct a new Consolidated Rental Car Facility (CONRAC) to move rental cars out of the public parking structure, which will increase parking capacity and improve customer service.

Replace RNO terminal concourses and provide a new Customs and Border Protection facility. With the existing concourses being 40 years old, the RTAA needs to replace RNO terminal concourses with new and larger concourses to address existing constraints, such as limited space for new amenities and concessions, and allow for future growth and expansion for both domestic and international travel. This effort will focus on development of the first phase of the following recommendations:

- Provide 24 gates, with a clear path of future expansion to achieve a total of at least 27 gates;
- Provide taxi-lanes sized to accommodate aircraft similar in size to the Boeing 757 (B757);
- Provide a new Customs and Border Protection (CBP) facility sized to process 400 passengers per hour and provide an improved passenger experience;
- Provide administrative office space sized and located to meet current and future needs;
- Provide expanded spaces for amenities, concessions and hold rooms.

Modernize the RNO Terminal Building to accommodate future technologies and enhance customer experience and wayfinding.

The terminal building consists of the functional areas in the non-sterile zone, including the ticketing hall, main lobby, security-screening checkpoint (SSCP) and baggage claim areas. The facility requirements analysis in the RNO Master Plan shows these areas are sufficient in size through the projected 2036 planning period. However, RNO currently experiences congestion, queuing and wayfinding issues. This effort will focus on the following areas:

- **Ticketing Hall** – Expand circulation by relocating the existing entry outside of the existing terminal building envelope into the curbside public space to improve queuing and circulation and build new restrooms near the ticket hall area.



- **Arriving Passengers** – Currently, arriving passengers move from the level 2 concourses to level 1 of the terminal building at the northwest corner of the SSCP area. This point of arrival at level 1 happens to coincide with the formal entry to the SSCP area causing potential confusion and congestion during regular operations, but even more so when SSCP queuing overflows. The RTAA will evaluate new terminal concourses and consider the option of a new arriving passenger experience at the north end of the existing baggage claim area.
- **Intuitive Wayfinding** – The basic layout at RNO allows for intuitive passenger wayfinding. However, the current organization of concessions, art, gaming, and other amenities has relied heavily on signs to communicate wayfinding. The execution of this signage diminishes the intuitive nature of the airport layout. The RTAA will focus on enhancing clarity through a number of improvements.

Modify the RNO Airfield to FAA Compliance. The runway and taxiway system are in good condition and meets FAA standards, except for some non-standard geometry that should be addressed as new airfield projects are implemented. The following are identified airfield improvements:

- **Runway 16R CAT II Approach:** Site the location of an additional Runway Visual Range (RVR) on Runway 16R to enhance instrument approach capabilities.
- **Deicing Aprons:** Examine dedicated deicing or anti-icing areas at ends of Runways 16R/L and 34L/R to help facilitate operations during winter storms.
- **Address taxiway hot spots and intersections:** The FAA has designated three areas on the airfield as being areas of high potential for incursion and improvements to these areas need to be evaluated to enhance safety.
- **Develop airfield geometry improvements to address non-standard taxiway geometry and intersections that do not comply with FAA taxiway design guidance.**
- **Consider moving aircraft hold short positions to 294 feet from runway centerlines.** The RTAA will coordinate with FAA Airport District Office to clarify the need for compliance with new standards.
- **Run-Up Aprons:** Evaluate areas to locate pavement where propeller aircraft can perform system checks prior to departure.

Develop a Plan of Finance and Negotiate Business Agreements. In order to provide funding for RNO Master Plan facility improvements, RTAA staff, in conjunction with a complete Financing Team, will review each project to identify funding sources and eligibility. The funding sources that do not affect airline rates and charges are Customer Facility Charges (CFC) from rental car customers, Airport Improvement Program (AIP) Grants from the FAA and Passenger Facility Charges (PFC) collected on each airline customer's ticket. Subject to providing funding for critical asset preservation and ongoing equipment replacement needs, these funding sources can be used on either a "pay-as-you-go" basis or CFCs and PFCs can be leveraged to support debt issuance. In addition, the RTAA will explore options for public-private partnerships (P3) and tenant financing associated with terminal development and landside concession opportunities where appropriate.



The RTAA also has internal funds derived from operations and the ability of the RTAA to issue airport system revenue. The RTAA is currently in a strong liquidity position and has a very low debt to enplaned passenger ratio as compared to other small and medium hub airports. Subject to airline approval, the RTAA has bonding capacity available to help meet this strategic priority.

For each capital project, a plan of finance will be developed based on a detailed programmatic study, design, and cost estimate. Each key stakeholder impacted by the project will be integrated in the design process. If a tenant is obligated to lease space in the facility and be impacted by fees and rents collected by the RTAA, a business agreement will be negotiated and executed prior to notice to proceed with construction.

Maintain existing facilities at both RNO and RTS and support third-party private investment. The RTAA has a significant investment in existing infrastructure at both Airports. To optimize and extend the useful life of these assets, staff will continue its ongoing program of preventive maintenance and major rehabilitation programs. The RTAA will also provide support and facilitate third-party private investment in facilities at both Airports.

DEGREE OF SHIFT

The Strategic Direction/Shift is to substantively change the facilities to accommodate increasing demands and dynamics of the marketplace.



STRATEGIC PRIORITY #4: SAFETY & SECURITY

MAINTAIN HIGH LEVELS OF SAFETY AND SECURITY FOR EVERYONE WHO UTILIZES OUR AIRPORTS.

The RTAA has a very successful record of managing and implementing RNO safety and security measures required of a commercial airport as well as those required of a 24/7 facilities operation (e.g., worker and customer safety) without negatively impacting the RNO's customer experience priority. The RTAA will strive to continually improve methods and systems to respond to, and improve the effectiveness of, programs related to safety and security for the well-being of all employees and the traveling public.

The strategic approach is to increase safety and security as follows:

Extend RNO security and safety plans, training, etc. beyond what is legally required. As safety and security risks evolve and expand beyond the traditional response to an aircraft accident, it is imperative RNO be prepared. This plan includes not only an appropriate response to the initial emergency, but also continuity of operations for situations that can have a longer lasting impact.

Be inclusive. Since a catastrophic event can quickly exhaust the available resources of the RTAA, we must continue to train in emergency preparedness with our RNO tenants and other community partners to enhance the effectiveness of our response.

Consider design and technology as opportunities. New technologies are continually being developed to increase safety and security and to provide positive customer experience and continuity of operations during an emergency. As such, the RTAA should evaluate the benefits of those new tools and incorporate them as appropriate.

Continue to maintain security at RTS. In compliance with GA airport requirements, the RTAA will evaluate opportunities to enhance or improve airport operations and facilities safety and security.

DEGREE OF SHIFT

The Strategic Direction is to sustain current and required regulatory efforts, while working to implement enhancements to employee training that are more focused and inclusive of all Airport stakeholders.



STRATEGIC PRIORITY #5: FINANCIAL DIVERSIFICATION & GROWTH

GROW AND DIVERSIFY NON-AIRLINE REVENUES AT BOTH AIRPORTS.

The RTAA is an independent entity that is not part of any other state or local government and does not use property or sales tax revenue to fund its operations. The RTAA must be financially self-sufficient, with revenues generated at both Airports paying operating expenses, debt service, and various capital asset needs. The long-term focus on revenue diversification and growth is a foundational priority. Standard approaches to revenue generation, such as parking and rental cars, may shift over the next five to ten years. Therefore, the strategic approach to optimizing long-term diversification is:

Continue competitive airline cost-per-enplanement focus to retain and attract air service. Due to the nature of the airport's financial structure and financial partnership with the airlines, revenues derived from the airlines are based on a cost recovery methodology outlined in the use and lease agreement. One important factor in the ability of the RTAA to attract air service is keeping a competitive cost structure, which requires prudent cost management. In addition, passenger airline costs to operate at RNO are reduced through a revenue sharing credit that is directly impacted by the growth and diversification of non-airline revenue sources. Any deterioration of obtaining fair market value rents from tenants will have a negative impact on affordability and financial viability for the airlines to retain existing or provide new air serve.

Encourage and foster new services and product offerings to address evolving market segments and customer expectations. Non-airline revenues comprised of public parking fees, rents collected from airport tenants, rental car and terminal concessions, and hangar and land leases generate 69% of total RTAA operating revenues. The net revenues allow the RTAA to reinvest back into facilities at both Airports and equipment that serve our customers and fund the other initiatives in the Strategic Plan. As the "baby boomers" enter retirement and "millennials" move into their working years and begin household formation, each generation will be looking for targeted services and facilities to enhance their travel experience. The RTAA has an opportunity to offer new services to meet changing consumer needs and preferences, which in turn can generate additional non-airline revenue.

Evaluate public parking/rental car services as demand may decline due to competing businesses and emerging technologies. Public Parking and Rental Car Concession and Facility leases are the main source of non-airline revenue. With the introduction of transportation network companies (Uber, Lyft, etc.) and the potential future for autonomous vehicles, the uses of these services may decrease these key non-airline revenue sources. In this new emerging environment, the RTAA will need to evaluate market segmentation and other dynamic parking/price options, as well as establishing strategies to best repurpose existing facilities, if needed.

Enhance the Reno-Stead Airport (RTS) revenue through land development. Through the existing Master Developer Agreement, the RTS has the potential to become an industrial hub for aviation and non-aviation related businesses, including unmanned aircraft, manufacturing, logistics and other businesses that prefer to be at a general aviation airport or located within Washoe County. With the intent to create a business park campus and employment center, RTS is 37% or 2,400 acres of the total vacant industrial land in Washoe County and 60% of the City of Reno land zoned for industrial or mixed use. Land leases offer the opportunity to be a



significant solution to diversifying revenue sources from traditional non-airline revenue sources. To ensure alignment with the General Aviation Strategic Priority, RTS development is currently restricted to approximately 1,700 non-contiguous acres to ensure its ability to host the Reno Air Races.

Develop and implement strategies to expand customer base to more than airline passengers. One current trend is for commercial airports to be a regional destination for local residents, beyond air travel. Some airports are enhancing services to create an attractive destination for local residents. The RNO Gateway offers an opportunity to attract additional revenue from the local community through a development partner that plans to construct a new hotel, restaurant and office facilities. In addition, RNO pre-security terminal services offer an opportunity to attract local residents to shop and take advantage of business services not solely focused on passenger needs and preferences. With the relocation of rental car operations, public parking availability will increase and its convenient proximity to the terminal facilities will support the local destination concept, which can be integrated into the planning and design features of the concourse replacement program. See Strategic Priority #3 - Facilities of the Future.

Engage RNO Land Development Opportunities. Through industry participation and developer relationships, continue to actively engage with prospective tenants, developers and capital investors.

DEGREE OF SHIFT

The Strategic Direction/Shift is to substantively shift revenue diversification to realize new sources within the next five years.



STRATEGIC PRIORITY #6: CUSTOMER EXPERIENCE

PROVIDE A POSITIVE ENVIRONMENT AND EXPERIENCE FOR ALL.

Both Airports makes the ultimate first and last impression when people come and go from our region. The RTAA's goal is to provide a welcoming environment that inspires a positive, lasting impression. First-class customer service is part of the RTAA's DNA and it is a goal to continue an environment reflective of the service-oriented culture. The RTAA views all customer types: millennials, seniors and families who use our Airports as an opportunity to create a positive experience. This means everyone at the Airports is the RTAA's customer, including airlines, tenants, concessionaires, general aviation, the military, our regional business community and anyone doing business with our family of tenants. This strategic priority focuses on enhancing the holistic customer experience for all stakeholders by:

Maintain RNO's ease of access: The central location of RNO is a competitive advantage to the airport itself and the region overall. Under the current 20-year RNO Master Plan, the RNO's location will be maintained in the center of the Reno-Sparks region. Strategies and collaboration with community partners will be leveraged to increase the ease of access from the I-580 interchange.

Ease of access also includes customer flow. Surveys highlight customer appreciation for the convenient facilities that make travel quick and easy. Proximity of the parking garage to rental cars, ticket lobby, checkpoint, and bag claim must be maintained, in accordance with the Master Plan, to continue to meet and exceed customer expectations.

Empower RNO passengers to control their travel experience. Technology enhancements and connectivity will continue to empower passengers to control and influence their own experience. Technology enhancements, especially common use facilities, must be considered to reduce passenger anxiety while making current processes more efficient.

Provide amenities that delight customers. Consistently measure and monitor the changing needs and preferences of customers to enhance facilities and services targeted at delighting and invigorating a wide range of customers. Partner with stakeholders and tenants to utilize customer data to help guide future decisions on enhancements.

Strengthen the RTAA's community leadership & branding. We Move You. Create a multifaceted marketing campaign to raise the community's awareness of the RTAA's value to the community and the services we offer. Broaden the RTAA's government relations engagement with regional, state and federal partners to maintain and enhance the RTAA brand. Strengthen community leadership through robust community outreach.

Continue to provide memorable positive travel experiences at RNO. The RTAA is known throughout the industry as a leader for being creative, innovative, and spontaneous. We have award-winning customer service programs and innovative event planning. We will continue to adopt proactive innovations to create a travel experience that delights passengers with above-and-beyond welcomes to our community, engaging social media posts, and creative media events.

DEGREE OF SHIFT

The Strategic Direction/Shift is to substantively shift current efforts to proactively address consumer demands.





STRATEGIC PRIORITY #7: PEOPLE

OUR EMPLOYEES ARE THE CURRENT AND FUTURE STRENGTH OF OUR ORGANIZATION.

The RTAA staff recognizes that the organizational team is the foundation of maintaining a world-class airport. In order to stay proactive in a changing industry, it is critical to invest in people while enhancing the respectful organizational environment. This effort will focus on training and innovation to strengthen the professional development, skills and abilities of the RTAA staff and the Board of Trustees, maintaining and enhancing the positive RTAA environment and organizational values, and fostering a collaborative and supportive working relationship between staff as well as the Board of Trustees.

The strategic approach to achieve this priority will focus on:

Continue to build a strong culture. The RTAA will continue its focus on fueling our vibrant workplace by continuing to engage and value our employees, enhance their employment experience and perpetuate the passion for our THRIVE values.

Encourage and invest in leadership development. The RTAA is committed to developing dynamic leaders who pursue constant growth, consider the needs of the organization before self or division, champion accountability, have a willingness to be self-critical and provide intentional mentorship.

Enhance workforce planning. The RTAA will nurture a forward-focused framework to ensure that the workforce is appropriately aligned to efficiently and effectively support the present and future needs of the organization.

DEGREE OF SHIFT:

The Strategic Direction/Shift is substantive so that the core tenets of the THRIVE core values are demonstrated through how we attract, develop and retain our employees at all levels.



STRATEGIC PRIORITY #8: SUSTAINABILITY

OPERATE AND MANAGE BOTH AIRPORTS WITH A HOLISTIC APPROACH REFLECTING SUSTAINABILITY POLICIES AND PRACTICES ALONG WITH ENVIRONMENTAL STEWARDSHIP.

Sustainability is a state of existing that can be supported and maintained at a specific level, indefinitely. It all boils down to living within our limits and making decisions with a long-term perspective to ensure the continued viability and future of the organization and the community we serve. The RTAA employs the Airport Council International's EONS approach to help guide sustainability policies and practices. Airport Sustainability is a holistic approach to managing an airport to ensure the integrity of the Economic Viability, Operational Efficiency, Natural Resource Conservation and Social Responsibility (EONS). Aviation industry research and sources validate that the environmental and energy-based sustainability initiatives, already being implemented and practiced at the RTAA, are in line with industry standards, expectations or any mandates required by regulatory agencies.

The strategic approach to sustainability and environmental responsibility is as follows:

Maintain a healthy balance between economic viability and environmental responsibility. Economic health ensures the future operations and continued viability of our Airports. RTAA staff strives to enhance economic viability by increasing revenue generation, decreasing costs, and investing in long-term projects with a return on capital investment. The RTAA's economic viability is the fundamental operational requirement underlying all aspects of sustainability.

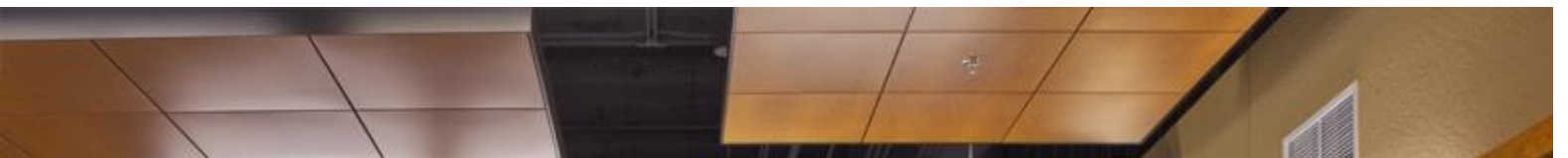
Prioritize operational efficiency to do more with less as a first place to start. Operational efficiency, in its simplest terms, is doing more with less because of effective management and creative ideas. The RTAA operates under the expectation that well-run facilities cost less to operate and maintain. Less, in this case, refers to any number of items, from staff hours to vehicle fuel to heating and cooling costs.

Conserve natural resources through policies, technology, recycling and reuse. Conserving and protecting our natural resources is the most easily identifiable sustainability focus area. The RTAA has long been committed to promoting environmental policies that endeavor to use less of our natural resources, to protect our resources from contamination, to reuse whenever possible, and to recycle. The RTAA will strive to expand on this philosophy and incorporate new technologies, as appropriate.

Be exceptional community stewards and leaders in social responsibility. Airports function in a social setting. Our customers include passengers, pilots, tenants, and employees, in addition to the residents and businesses in the surrounding community. Our social responsibility lies in enhancing the customer experience, while fostering an understanding of the value that airports provide to the community.

DEGREE OF SHIFT

Strategic Direction/Shift is expected to be substantive by expanding our efforts to incorporate sustainability policies and practices through EONS into the operation and management of both Airports.





FY2019-23 LONG-TERM GOALS AND PERFORMANCE MEASURES

Strategic Priority	Long-Term Goals	Performance Measures
AIR SERVICE AND CARGO	Maintenance of Existing Air Service Routes	<ul style="list-style-type: none"> Number of average daily seats Total number of airlines Total number of airline meetings
	Domestic Destination Growth	<ul style="list-style-type: none"> Number of non-stop domestic destinations Attend RASC Marketing Committee and Board meetings
	International Destination Growth	<ul style="list-style-type: none"> Number of non-stop international destinations
	Community Awareness	<ul style="list-style-type: none"> Number of educational sessions in the community Number of airline visits to the Reno-Tahoe region Number of and scope of community outreach/marketing program (Weekly RNO Explorer)
	Air Cargo Growth	<ul style="list-style-type: none"> Number of meetings with airlines Total pounds carried (dedicated cargo flights and belly cargo on commercial passenger flights)
GENERAL AVIATION	GA Community Relationships	<ul style="list-style-type: none"> GA Community attends, participates and partners in meetings and events GA Community engages in Airport projects and informs project goals and other users GA Community sentiment via survey/canvassing
	Reno-Tahoe and Reno-Stead Airports GA Providers and Private-Sector Capital Investment	<ul style="list-style-type: none"> RFP for 2nd FBO, MRO and/or hangar development on the east side of RNO RFP for FBO, MRO and other market-driven GA facilities at RTS
	GA User Needs and Market Demand	<ul style="list-style-type: none"> RNO GA facilities at % occupancy RTS GA facilities at % occupancy Annually assess facility conditions and budget accordingly at both Airports RTS % accommodation of requests for airfield use
	Military Community Relationships	<ul style="list-style-type: none"> Military community attends, participates and partners in meetings and events Military community engages in Airport projects and informs project goals and other users
FACILITIES FOR THE FUTURE	Plan of Finance and Business/ Intergovernmental Agreements	<ul style="list-style-type: none"> Prepare RFPs and select firms to serve on the Finance Team Complete Plan of Finance and execute agreements by project prior to NTP of construction Prepare RFP/RFQ solicitation and select governmental lobbyists
	Facility Infrastructure Enhancements	<ul style="list-style-type: none"> Increase Customer Facility Charge funding Consolidated Rental Car Facility (CONRAC) design Terminal Concourse replacement, Phase 1
	Facility Attractiveness and Functionality Advancement	<ul style="list-style-type: none"> Upgrade of Facility Asset Management System (FAMS)
	Technology Integration	<ul style="list-style-type: none"> Integrate Part 139 tracking software, FAMS, and Geographical Information Systems Total cost of ownership of major systems analysis
SAFETY AND SECURITY	FAA Part 139 Compliance	<ul style="list-style-type: none"> Pass FAA Part 139 Annual Certification with less than "x" number of discrepancies Thermoplastic airfield marking program - % of annual program completion
	TSA Part 1542 Compliance	<ul style="list-style-type: none"> Pass TSA Annual Inspection with less than "x" number of discrepancies
	Risk Management and Business Continuity	<ul style="list-style-type: none"> Risk Assessment and Prioritization



		<ul style="list-style-type: none"> • Business Continuity Matrix Development
	Emergency-Response Preparedness	<ul style="list-style-type: none"> • Plan Development - Annual rehearsal drills for RTAA staff and tenants • Number of emergency drills • Number of participants in emergency drills

FY2019-23 LONG-TERM GOALS AND PERFORMANCE MEASURES

Strategic Priority	Long-Term Goals	Performance Measures
SAFETY AND SECURITY	Safety/Security Systems Compliance/Enhancements	<ul style="list-style-type: none"> • Determine system needs; System Implementation • Cyber Security Plan Implementation • Payment Card Industry (PCI) Compliance • Data Loss Prevention System Implementation
FINANCIAL DIVERSIFICATION AND GROWTH	Competitive Airline Cost per Enplaned Passenger	<ul style="list-style-type: none"> • Prior to implementation of Phase 1 of the Master Plan: Airline cost per enplaned passenger (CPE) below the median U.S. airport average • After implementation of Phase 1 of the Master Plan improvements: CPE competitive with SMF, OAK and SJC
	Land Development at both Airports	<ul style="list-style-type: none"> • RFP for RNO new private-sector capital investment in a 2nd Fixed Based Operator (FBO) and/or Hangar Development • Number of meetings with prospective tenants, developers and capital investors • Opening of new Hotel and execution of a ground lease for Office and/or other RNO Gateway site development
	Public Parking/ Rental Car and Ground Transportation Revenues (New Competing Business Models/Technologies)	<ul style="list-style-type: none"> • Baseline of Revenue Ratios by Business Unit • Number of new Product/Pricing Options
CUSTOMER EXPERIENCE	Ease of access to RNO facilities	<ul style="list-style-type: none"> • Adopt Master Plan initiatives for RNO Parking/Rental Cars • Draft/implement I-580 Public Relations Plan • Number of presentations to public entities about RNO facilities and air service
	Passenger Empowerment	<ul style="list-style-type: none"> • Airline terminal common use study • Social Media followers
	Passenger Empathy	<ul style="list-style-type: none"> • Number of hours P4P (dog teams) volunteer • Number of Kindness Takes Flight activities • Number of annual Ask the Airport, social media responses
	RTAA Brand & Community Leadership	<ul style="list-style-type: none"> • Dollar value of media • Number of government presentations • Number of civic group presentations • New lobbyists • Number of Community Outreach Committee meetings
	Positive Travel Experience	<ul style="list-style-type: none"> • Customer satisfaction score
	Landside Operational Improvements	<ul style="list-style-type: none"> • Programmatic Study of Landside Improvements



PEOPLE	Employee Satisfaction	<ul style="list-style-type: none"> Implementation of improvement opportunities based on items identified in the Employee Engagement Survey
	Employee Engagement	<ul style="list-style-type: none"> Maximize the effectiveness of our teams through annual departmental moral building activities
	THRIVE Organizational Values are Active	<ul style="list-style-type: none"> Provide ongoing support of THRIVE values through relevant activities
	RTAA Leadership Program	<ul style="list-style-type: none"> Facilitate targeted feedback of performance measures Demonstrate a more united leadership team to the RTAA staff
	Employer of Choice	<ul style="list-style-type: none"> Conduct salary surveys, establish employment branding, highlight employee stories, maintain competitive benefits
	Succession Planning	<ul style="list-style-type: none"> % Completion of Talent Profiles % of employees being promoted Specific development goals identified on performance reviews Development of an internship program; number of internships
	Workforce Diversity	<ul style="list-style-type: none"> Development of a Diversity Program Progress towards approximating measures for local demographics as outlined in the RTAA Diversity Plan

FY2019-23 LONG-TERM GOALS AND PERFORMANCE MEASURES

Strategic Priority	Long-Term Goals	Performance Measures
SUSTAINABILITY	Environmental Responsibility and Awareness	<ul style="list-style-type: none"> Additional water bottle refill stations Number of outside tenants, GA participating in Recycling Program Number of tenant meetings promoting recycling Environmental practices into facility design standards Terminal Building Recycling as a percent of total waste
	Natural Resource Conservation	<ul style="list-style-type: none"> Implement LED lighting projects funded in the RTAA Capital Improvement Budget Reassess current lighting control system Implement Water Audit recommendations Construction project recycling as a percentage
	Operational Efficiency	<ul style="list-style-type: none"> Upgrade of the HR/Payroll and Financial Systems

APPENDIX

SUPPORTING DOCUMENTS

SWOT by Strategic Priority & Stakeholder Input Summary





SWOT BY STRATEGIC PRIORITIES

STRATEGIC PRIORITY #1: AIR SERVICE AND CARGO

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • RNO Executives and Air Service Development staff has the relationships to connect with nearly all airlines in the U.S., as well as Canada and Mexico. These relationships were built on credible business cases and communication. • Air Service Development staff has excellent relationships with local hotel properties and ski resorts, who generously provide accommodations for airline partners when they visit the Reno-Tahoe region, keeping the hosting cost low. This gives airline network planners the opportunity to see the Reno economic environment first hand. • RNO has a great relationship with Reno-Sparks Convention and Visitor’s Authority (RSCVA). RNO Air Service Development staff provides assistance in bringing conventions and events to the Reno-Tahoe region. In addition, RSCVA staff participates in specific Airline headquarters presentations. • The Regional Air Service Corporation (RASC) has the ability to sign Risk Mitigation contracts with airlines. The RASC membership is growing and diversifying with representation from business and leisure communities. • Air Service Development staff provides several Air Service 101 sessions in the community to spread awareness • Yields from RNO much better than those of other West Coast airports, making RNO attractive for airlines to add capacity into the market • RNO’s commitment to a low-cost environment has kept the cost per enplanement (CPE) significantly lower than the competing west coast airports • RNO’s passenger mix has shifted from a predominantly destination focus to a more balanced mix, with nearly 55% of all traffic as destination traffic, and 45% as originating traffic. The growing disposable income and low unemployment rate in the Reno-Tahoe region helps increase the Reno originating traffic. • Business traffic has increased significantly over the last few years • RNO experiences minimal delays and has ample capacity between gates and airfield • RNO has an excellent blend of traditional Legacy Carriers, Low Cost Carriers (LCCs) and Ultra Low Cost (ULCC) carriers • Each of the global airline alliances (OneWorld, SkyTeam and Star Alliance) has a presence at RNO 	<ul style="list-style-type: none"> • RNO has numerous “bubble markets,” or markets that are on the cusp of warranting nonstop service. Proving to carriers that there will be the additional bump needed to make the service viable will be the challenge and greatest opportunity for the air service staff. • Many carriers are scheduling more day-of-week or seasonal flying. This presents potential opportunities for markets that may not support daily service • Area hotel properties have shown significant interest in participating in seat buy programs in order to enhance the overall air service package • The presence of major warehousing, pharmaceutical, e-commerce and distribution facilities in the region play a key role in cargo growth • The growth at Tahoe Reno Industrial Center could help grow passenger and cargo service at RNO • The ability to pay for additional Customs and Border Protection officers can improve the primary processing time for current international flights • The continued growth and diversification of Regional Air Service Corporation would help increase Air Service funds and attract air service using Risk Mitigation programs. In addition, these funds could be used to retain or enhance air service in certain served markets • There is an opportunity to expand air service through tour operators in partnership with Reno-Sparks Convention and Visitors Authority • Charters sometimes play an important role in pre-seeding certain trans-border markets
WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Some weaknesses do exist that must be addressed or considered when developing airline business cases 	<ul style="list-style-type: none"> • Volatile fuel costs could again pose a threat to the air service industry



- Changing perceptions on what Reno-Tahoe has to offer, as both a leisure and business market, must continue
- In order to support air service development efforts, the RNO region should focus on the “gaming plus” side of Northern Nevada, complementing the hotel/gaming properties and supporting their efforts, while broadening the overall approach
- It is important to continue to strengthen relationships with local stakeholders. An increase in passenger air service and cargo service is dependent upon ongoing partnerships, communication and marketing to the entire catchment area.
- RNO has experienced a rapid growth in air service during the last three years. If the airlines are unable to maintain target load factors and/or yields, RNO could experience elimination of non-profitable routes.
- At RNO, high-density altitude and terrain will continue to put some constraints on long haul opportunities
- Reno-Tahoe’s location dictates that flights to some east coast target markets would overfly existing Midwestern or Southern Airline Hubs
- The current Federal Inspections Facility can accommodate only 200 passengers an hour and restrict airlines to operate wide body aircraft at RNO for International long-haul flights.

- A change in airline growth strategy could potentially work for or against air service at RNO
- While mergers create opportunities, they also create threats as the number of hub cities for each carrier grows. Over-flying hub cities to reach further hubs creates lost or diminished revenue opportunities for a carrier. An example is perfectly illustrated with the United/Continental merger, where United had five U.S. domestic hubs prior to the merger (Chicago, Denver, Los Angeles, San Francisco and Washington, DC), but incorporated three additional hubs (Houston and Newark) at the completion of the merger. Seeking Washington Dulles service will require the carrier to overfly three potential hubs (Chicago, Denver and Houston).
- With the recent growth in business traffic at RNO, certain Part 135 and Part 380 airlines are interested in starting flights between RNO and the Bay Area through Fixed Based Operators. Even though the overall flying opportunity could increase at RNO, there is a threat of cannibalizing effect of existing Part 121 operation through the RNO terminal on the above-mentioned route.
- The political climate of not only the U.S., but also the State of Nevada, may indeed shift the use of air travel as a means of transportation, in either a positive or a negative direction
- As always, the threat of terrorism will remain a game-changing factor in the industry
- Customs and Border Protection operating hours restricts international air service growth at RNO



STRATEGIC PRIORITY#2: GENERAL AVIATION

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • UAS visibility - positive support and recognition nationally • Significant upgrade and investment by Atlantic Aviation in FBO facilities • 24 hour/7 day a week RNO airfield with full FAA tower, ARFF and airfield maintenance services 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Grow by leveraging empty space / property • Unmanned Aircraft System – Emerging Business Growth on the RTAA land • Growing business and corporate aviation sector, especially with new Bay area businesses with facilities at TRIC
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of turnkey facilities to anticipate needs / attract business • General Aviation has declined more than 50% since 2010 (consistent with national trend) • Low jet fuel sales don't warrant investment by a second FBO provider • Inability to attract new hangar development due to a gap between developer return on investment requirements and tenants willingness to pay • Improvements needed in drainage and road access to general aviation locations 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Aging infrastructure, equipment and systems • Limited funding for infrastructure • Disruptive aviation / transportation technology and non-traditional user groups • Aging aviation demographics • Political / regulatory disruption: unfunded mandates • Encroachment issues as populations increase / spread (TRIC-Silver Springs, pop. density increases on flight paths); and growing community with a California bias against airport noise • Customer Service affected by not having the scale or modernized facilities we need to support growth • Increasing costs • Economic downturns; ebb and flow of economic cycles • National crisis, terrorism or disaster • Ability to meet facility demand • Per capita GDP in Reno-Carson-Fernley CSA projected to be flat for next 18 years • Oil prices



STRATEGIC PRIORITY #3: FACILITIES FOR THE FUTURE

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • An Independent Authority allows us to operate efficiently/ effectively without the level of restrictions faced by many airports • Solid Financial Position ensures autonomy and is appealing to airlines. • Facilities provide opportunities for growth • Experienced management team with extensive technical knowledge • Updated Master Plan available to plan and implement capital improvements in the future • Significant vacant land for development at both Airports • Grow by leveraging empty space / property • New Product Offerings especially related to our Public Parking Operations 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Passenger and cargo growth • Position ourselves as more than just transportation in the community - i.e. as an economic engine • Land Development at both Airports, UAS and cargo • Unmanned Aircraft System – Emerging Business Growth on RTAA land • Community growth will increase passengers • Advancing technology to enhance the passenger experience, safety and security • Potential for growth in air service from Frontier and Spirit, WOW Air • Improved and stable profitability has boosted additional investment in airline capacity, employee wages and reinvestment in improving the customer experience • Growing general aviation • Development of the 35,000 undeveloped acres in the Reno area for businesses and residents • Current government legislature may mean greater infrastructure spending which may have a direct benefit to U.S. Airports • Alternative transportation to and from RNO such as streetcar or light rail • Our new economic impact statement will further define us as an economic engine • Get ahead of the infrastructure needs to support population growth • Considered a valued Community Asset
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Limited / finite funding for infrastructure • Need to replace inefficient manual systems • Lack of turnkey facilities to anticipate needs / attract business • CBP Capacity • ADA Compliance • Aging infrastructure, equipment and systems • Technology maintenance costs • Future debt burdens associated with funding Master Plan Improvements • Customer Service affected by not having the scale or modernized facilities we need to support growth • Ability to meet facility demand 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Disruptive aviation / transportation technology and non-traditional user groups • Political / regulatory disruption: unfunded mandates • Increasing costs • Unfunded mandates and unpredictable federal budgeting • Increasing Political/Regulatory Pressures • Seismic and Other Natural Disaster Risks (Floods) • General Aviation has declined more than 50% since 2010 (consistent with national trend)



STRATEGIC PRIORITY #4: SAFETY AND SECURITY

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Proven Emergency and Security preparedness and performance • Consistent Adherence to Standards • Hit financial, safety and security goals, which ensures smooth operations 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Community growth will increase passengers • Advancing technology to enhance the passenger experience, safety and security • Current government legislature may mean greater infrastructure spending, which may have a direct benefit to U.S. Airports
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Do not have easily understood or readily available procedures • Need to replace inefficient manual systems • Behind on cyber / threat resilience • Resistance to change 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Aging infrastructure, equipment and systems • Limited funding for infrastructure • Technology maintenance costs • Disruptive aviation / transportation technology and non-traditional user groups • Political / regulatory disruption • Increasing costs • Unfunded mandates and unpredictable federal budgeting • Increasing Political/Regulatory Pressures • Potential labor shortages in our region • National crisis, terrorism or disaster • Worldwide Health Concerns - Travel restrictions, as well as other public health measures • Customers and Border Protection (CBP) staffing issues



STRATEGIC PRIORITY #5: FINANCIAL DIVERSIFICATION AND GROWTH

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • An Independent Authority allows us to operate efficiently/effectively without restrictions • Solid Financial Position ensures autonomy and is appealing to airlines • Positive Relationships with stakeholders reduces friction and increases effectiveness • Considered a valued Community Asset • Facilities provide opportunities for growth • Hit financial, safety and security goals, which ensures smooth operations • Low CPE Diversification of regional business & economy: Continued business development and growth in the immediate region and catchment area • Geographic Benefits • Strong community cohesion & support: Cohesion of business, tourism and government is pulling together the entire region • UAS visibility - positive support and recognition nationally • Relative to its location and size, RNO has a large number of airlines (9) and passenger traffic (3,051,651 through 9/17). Passenger traffic was significantly higher through September 2017 (+10%) when compared to 2016 • 2016 Revenue and passenger growth outpaced FAA West Region • RNO fares lower than U.S. average while O&D airline revenue was increasing (through June 2016) • Domestic Market share retention: 96% (2% to SFO, 2% to SMF) • All airlines increased scheduled seats 2015-2016 • Reno Cargo (pounds) increased 13.0% in 2016 over 2015. (Strong demand for passenger and cargo) • Corporate tax benefits have created incentives for corporations to establish business in N. Nevada • Tourism continues to increase at a steady rate • CPE is low relative to the median ratio for U.S. airports • Low unemployment rate positively impacts travel demand • Improved and stable profitability has boosted additional investment in airline capacity, employee wages and reinvestment in improving the customer experience • No offsite parking lots to compete for travelers 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Passenger and cargo growth • Grow by leveraging and developing RTAA property • Use Master Plan to plan and implement capital improvements in the future • Position ourselves as more than just transportation in the community - i.e. as an economic engine • Land Development at both Airports, UAS and cargo • New Product Offerings especially related to our Public Parking Operations • Unmanned Aircraft System – Emerging Business Growth on RTAA land • Community growth will increase passengers • The presence of major warehousing, pharmaceutical, e-commerce and distribution facilities in the region play a key role in cargo growth • Growing general aviation • Nevada scored best overall in Forbes inaugural American Dream Index in 2017, which may lead to more residential and economic growth. • Current government legislature may mean greater infrastructure spending, which may have a direct benefit to U.S. Airports • Goods producing employment has increased • Professional and business services has increased indicating potential increase in business travel • Our new economic impact statement will further define us as an economic engine • Get ahead of the infrastructure needs to support population growth • Economic forecasts through 2019 call for mild acceleration in growth; no deep downturns anticipated • Growth in advanced manufacturing and logistics could positively impact cargo growth
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Limited / finite funding for infrastructure • Need to replace inefficient manual systems • Lack of turnkey facilities to anticipate needs / attract business • Lack of focus on evaluating the return on investment and cost savings alternatives 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Demand for Air Travel - the Airport's Revenues depend significantly on the level of aviation activity and passenger traffic • Limited funding for infrastructure • Technology maintenance costs



- **Other agencies struggling with demand/growth - revenue stream is lagging the growth**
- **A limited number of residential communities** could constrain overall area growth
- **Transportation infrastructure is not robust enough** to handle the continued growth in the community
- **Large number of workforce in the leisure and hospitality industry** (low wages)
- **Washoe County per capita income** continues to be below the U.S. average
- **General Aviation has declined** more than 50% since 2010 (consistent with national trend)
- While enjoying the benefits of economic growth, Northern Nevada faces the **challenge of investing in needed infrastructure** (transportation, utilities and schools)
- **Real passenger yield projected to be flat over next 10 years;** decrease slightly for subsequent 10 years

- Future debt burdens associated with **funding Master Plan Improvements**
- **Political / regulatory disruption:** unfunded mandates
- **FBO market consolidation**
- **Growth away from convenient access to Airports**
- **Encroachment issues** as populations increase / spread (TRIC-Silver Springs, pop. density increases on flight paths); and growing community with a California bias against airport noise
- **Road planning** without proper consideration of the importance of the Airport
- **Increasing costs**
- **Unfunded mandates and unpredictable federal budgeting**
- **Increasing Political/Regulatory Pressures**
- **Changes in existing federal tax laws**
- **Economic downturns;** ebb and flow of economic cycles
- **National crisis, terrorism or disaster**
- **Per capita GDP** in Reno-Carson-Fernley CSA **projected to be flat** for next 18 years
- Oil prices
- While enjoying the benefits of economic growth, Northern Nevada faces the **challenge of investing in needed infrastructure** (transportation, utilities and schools)
- Potential of more mild winters in future, lessening demand to come to the region
- Potential of more legalized gambling in other areas of US, possibly lessening the attractiveness of the area for personal and convention visitors
- Customer transportation mode choices expanding to less traditional forms in the near and distant future (TNC's, Autonomous vehicles). Very likely has the potential to impact Parking and Rental Car revenue



STRATEGIC PRIORITY #6: CUSTOMER EXPERIENCE

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> ● Strong Customer Service brand supports community and political support ● Positive Relationships with stakeholders reduces friction and increases effectiveness ● Considered a valued Community Asset ● Consistent Adherence to Standards ● Hit financial, safety and security goals, which ensures smooth operations ● RNO fares lower than U.S. average while O&D airline revenue (cost of fares?) was increasing (through June 2016) ● Reno has strong representation from all three global alliances ● All airlines increased scheduled seats 2015-2016 ● Number of non-stop destinations increased to 22 in 2016 from 17 in 2010-2014 ● Hotels and Casinos in Reno, Sparks, and Lake Tahoe have made dramatic improvements to increase tourism, e.g. Atlantis, El Dorado (Tri-Properties), Grand Sierra, Hard Rock, Nugget, and Peppermill ● Frequent positive interactions with customers and aren't afraid to engage 	<ul style="list-style-type: none"> ● Diversification of regional business & economy: Continued business development and growth in the immediate region and catchment area ● Adherence to our new Master Plan: Use Master Plan to plan and implement capital improvements in the future ● Land Development at both Airports, UAS and cargo ● New Product Offerings especially related to our Public Parking Operations ● Community growth will increase passengers ● Advancing technology to enhance the passenger experience, safety and security ● Potential for growth in air service from Frontier and Spirit, WOW Air ● Adding non-stop service to large local markets: BOS, MSP, MCO, AUS, PHL, BWI, DCA, DTW, EWR ● Improved and stable profitability has boosted additional investment in airline capacity, employee wages and reinvestment in improving the customer experience ● Current government legislature may mean greater infrastructure spending, which may have a direct benefit to U.S. Airports ● Alternative transportation to and from RNO such as streetcar or light rail ● Get ahead of the infrastructure needs to support population growth
WEAKNESSES	THREATS
<ul style="list-style-type: none"> ● Limited / finite funding for infrastructure ● Need to replace inefficient manual systems ● Lack of turnkey facilities to anticipate needs / attract business ● Resistance to change ● Shallow labor pool ● Other agencies struggling with demand/growth - revenue stream is lagging the growth ● Scheduled seats since 2004 down 40% ● Although there are a large number of airlines at RNO, there is a lack of nonstop flights to in-demand destinations. ● There are many casinos and large upscale hotels in the Reno/Tahoe area but there is a lack of national brand hotels. ● Transportation infrastructure is not robust enough to handle the continued growth in the community ● Constrained concourses 	<ul style="list-style-type: none"> ● Constrained labor pool and employee attrition in a competitive labor market ● Aging infrastructure, equipment and systems ● Limited funding for infrastructure ● Increasing Technology maintenance costs ● Disruptive aviation / transportation technology and non-traditional user groups ● Aging aviation demographics ● Political / regulatory disruption: unfunded mandates ● Growth away from convenient access to Airports ● Encroachment issues as populations increase / spread (TRIC-Silver Springs, pop. density increases on flight paths); and growing community with a California bias against airport noise ● Road planning without proper consideration of the importance of the Airport ● Customer Service affected by not having the scale or modernized facilities we need to support growth ● Increasing costs ● Potential labor shortages in our region ● Millennial travelers vs Baby Boomers - inability to adapt to passenger behavior change ● Inability to meet facility demand



- Customs and Border Protection (CBP) staffing issues may restrict international service growth
- Airline mergers can affect scheduled seats at RNO

STRATEGIC PRIORITY #7: PEOPLE

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Positive, engaged internal culture with the right people in the right positions • Diverse and extensive experience among SLT • Experienced management team with extensive technical knowledge • Geographic Benefits 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Unify the organization around a clear vision and purpose • Succession Planning by motivating employees / middle management to become future leaders • Expand / focus on the employees feeling valued • Supporting each other's challenges / builds Teamwork • Perpetuate and deepen our "THRIVE" culture • Nevada scored best overall in Forbes inaugural American Dream Index in 2017 which may lead to more residential and economic growth
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Insufficient Employee Engagement due to lack of central, rallying purpose • Disconnected remote workforce • Do not adequately highlight our employees as a strategic priority • Challenged with keeping staff technology skills up-to-date • Concern around trust / accountability and leadership perceptions • Do not have well-documented procedures • Need to replace inefficient manual systems • Resistance to change • Shallow labor pool • Washoe County per capita income continues to be below the U.S average 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Constrained labor pool and employee attrition in a competitive labor market • Future retirements without adequate succession plan • Potential labor shortages in our region • Economic downturns; ebb and flow of economic cycles • Customers and Border Protection (CBP) staffing issues may restrict international service growth • There is a difficulty of attracting talent and providing a trained workforce to relocate and work for the new companies that are housed in Northern Nevada • An economic downturn, either dramatic or modest • Per capita GDP in Reno-Carson-Fernley CSA projected to be flat for next 18 years



STRATEGIC PRIORITY #8: SUSTAINABILITY

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Consistent Adherence to Standards • Proactive recycle program • Progressive LED lighting retrofit program • Water conservation awareness 	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Alternative transportation to and from RNO such as streetcar or light rail • Upgrade of airline ground service equipment (natural gas/ electric) • Solar power projects / battery storage • Conversion of Building Management system to Direct Digital Controls
<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of concentrated focus on sustainability (EONS) • Due to the recession, limits on funding availability to implement LED lighting improvements • Lack of affordability of solar and other alternative options as compared to existing power provided by NV Energy 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Political / regulatory disruption: unfunded mandates • Encroachment issues as populations increase / spread (TRIC-Silver Springs, pop. density increases on flight paths); and growing community with a California bias against airport noise • Unfunded mandates and unpredictable federal budgeting • Increasing Political/Regulatory Pressures • Encroachment/High growth may have impacts on noise complaints from new community residents • Climate Change Issues and Possible Related Regulation



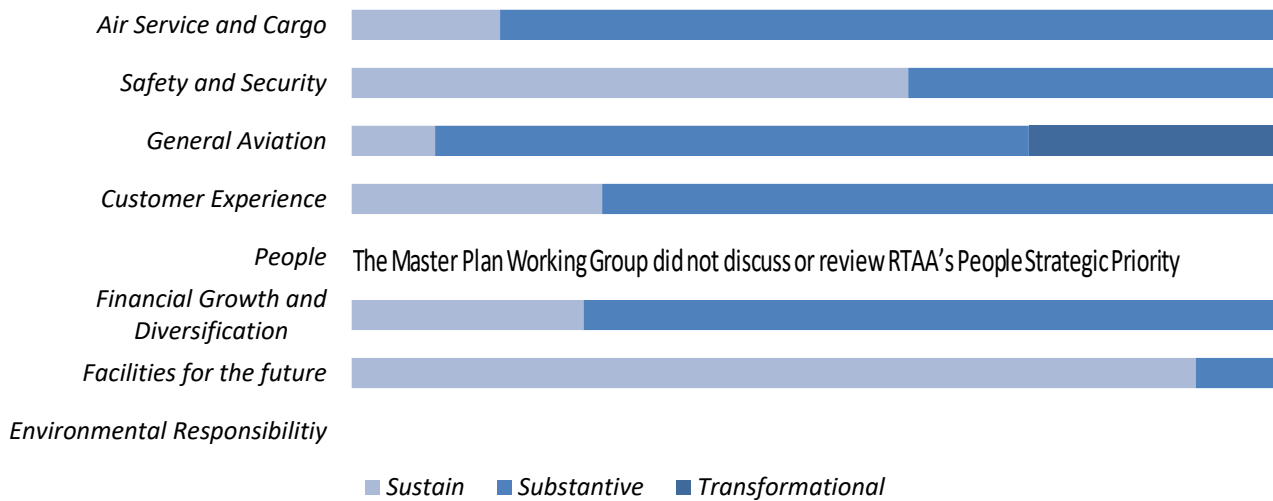
STAKEHOLDER INPUT

Sustain: Continue with the same degree of effort and approach.

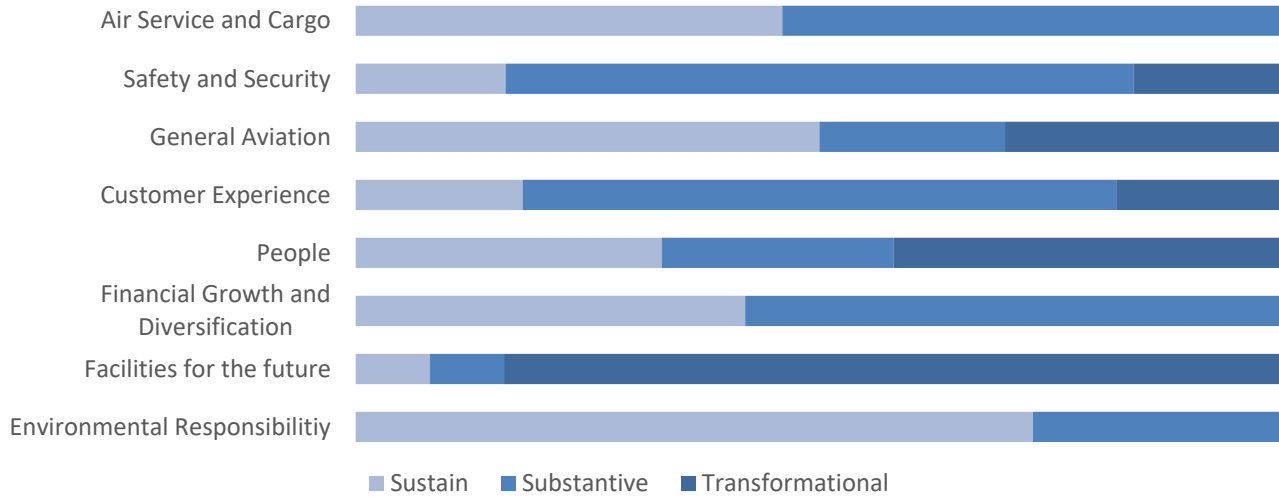
Substantive: Increase the degree of effort and generally maintain the approach.

Transformational: Significantly increase the degree of effort and take a completely new or different approach.

MASTER PLAN WORKING GROUP



COMMUNITY OUTREACH COMMITTEE



STRATEGIC LEADERSHIP TEAM

