



This special edition of *Connections* focuses on the impact of COVID-19 on CLT and changes made to keep both passengers and employees safe and healthy as people begin to travel again.

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

# CLT Finds Itself on Front Line of COVID-19 Pandemic

As soon as COVID-19 made news in China, it hit the radar of the Charlotte Douglas International Airport's Finance team. Anything that affects travel affects revenue. And an outbreak of a new and highly contagious disease has the potential to impact travel to CLT – even if it is halfway across the world.

By mid-February, Airport Director Brent Cagle was receiving almost daily briefings on ways to mitigate the potential financial impact.

"We were carefully monitoring it in Asia," Cagle said. "When the virus began to impact Europe, we knew the

Airport would be on the front line."

That's what flipped the switch. Cagle immediately widened his leadership team's focus and set priorities:

- Keep employees and passengers safe
- Keep the Airport operating
- Stay current on loan payments
- Provide financial help and flexibility to its business partners

"I knew we were going to have to look at social distancing across the board, but I didn't realize what I was saying when I first said it," said Chief Operating

Officer Jack Christine. "That week we did a lot of work developing a plan to continue to manage the operation while also protecting our employees. We set up a schedule we could settle into and that could be repetitive because we didn't know how long it was going to last. We still don't."

Most of the Aviation Department's administrative employees have been working from home since mid-March. Those whose jobs require them to be on-site – like bus drivers, maintenance workers, and operations officers – are divided into small teams working

staggered schedules to keep them as physically separated as possible. While some have had their work days and hours changed, no Aviation Department employees have been laid off or furloughed.

At about that same time, passenger traffic plummeted. The U.S. President enacted international travel restrictions. Many companies started to ban business-related travel. Governors across the country enacted stay-at-home orders. And airlines were forced to cut flights because of decreased demand.

*continues on page 2*

## Charlotte Douglas Implements New Safety Measures

The summer travel experience will be different for passengers flying in and out of Charlotte Douglas International Airport due to COVID-19. CLT has implemented several new safety measures to keep everyone safe and healthy. It's important to note, passengers also must do their part.

Passenger traffic is picking up again. Expect lines, and arrive at least two hours or earlier before domestic travel and three hours before international flights.

Wear a face covering. According to the CDC,

everyone wearing a face covering greatly reduces the risk of spreading the coronavirus.

Remember to wash your hands often with soap and water. Use alcohol-based hand sanitizer if soap and water are not readily available. Forty hand sanitizing stations are located inside the terminal.

Practice social distancing of at least 6 feet, when possible. CLT continues to work with its partners and concessionaires. Additionally, the FAA is currently reviewing how to social distance in airports.

### #CLTReady

Charlotte Douglas is #CLTReady to welcome growing passenger traffic this summer. Aviation Department employees are now required to wear a face covering. Many CLT partners and airlines have implemented a similar policy for their staff and customers.

Temporary markings for social distancing have been added to TSA queue lines. Plastic screens have been installed at service counters and parking toll plaza cashier booths. Housekeeping and Airport staff clean diligently daily and conduct nightly deep cleanings at the terminal and on buses.

The Aviation Department's internal Experience Recovery Team continues to implement short-term and long-term measures to help keep passengers safe.

Signage for social distancing is being added in the terminal and other facilities. Guidelines and protocols will continue to evolve. CLT and partners are prepared to adapt operations in the days and weeks ahead.

Before traveling, be sure to visit CLT's COVID-19 Travel Update webpage regarding all safety measures in place at CLT and long-term measures to help keep passengers safe. ♦

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continued from page 1

In April, CLT's passenger numbers dropped 90 percent. American, Delta, and United airlines drastically reduced the number of flights from Charlotte. Spirit, Jet Blue, Air Canada, and Lufthansa suspended service altogether.

Without passengers, the terminal's tenants were forced to shutter most restaurants and shops. Food and retail revenues fell 85 to 95 percent. More than 700 people who work for Airport vendors were furloughed or laid off.

"So many of our tenants are struggling beyond anything we could have anticipated. Just a few days into that first work-from-home week, it became clear to me this is a sustained situation," said Aviation's Chief Business and Innovation Officer Haley Gentry. "Unlike snow or aircraft incidents or even 9-11, we are not going to see a quick fix. The end is not in sight. We are going to have to work differently and for some time."

The Airport is an enterprise fund, meaning that although it's city-owned and operated, it is not supported by taxpayer dollars. The drastic drop in passengers translates to significant declines in Airport revenue from airlines, parking, concessions, and car rentals.

CLT's business had been booming. In 2019, the Airport served 50.2 million passengers, an all-time high. American Airlines announced it had surpassed 700 CLT flights per day. Numerous capital improvement projects were on a fast track, including a massive

Terminal Lobby Expansion, the largest renovation project in CLT's history.

There's never a good time for a pandemic. Because of the way the City's fiscal year runs, the Aviation Department was eight months into its most profitable year before COVID-19 impacted revenue. That allowed the Airport to advance profit sharing to its signatory airline partners and to defer rent for tenants in the last quarter of the fiscal year.

The Aviation Department generally spends eight months developing its budget. This year, the finance team turned it around in 30 days while working closely with managers to cut approximately 12 percent compared to what was anticipated pre-COVID-19.

Budget cuts restrict overtime, hiring, and travel and reduce demand-based contract services like traffic control, parking, and queuing at security lines, Cagle said. The department also adjusted its capital improvement program, suspending some projects until demand catches back up.

The Terminal Lobby Expansion is continuing. But a Joint Operations Center, the second phase of Concourse A expansion, and an already under-construction Concession Distribution & Receiving Center (CRDC) are all on hold for now.

"In my 24 years, this is the first time we had to cancel a contract for work that was underway. This is the time we've had to pull the trigger and make that difficult phone call. Considering

where we are, it had to be done," Christine said. "I'm hopeful we cut deep enough, but we won't know that for a while yet."

The Aviation Department received \$135 million from the Coronavirus Aid, Relief and Economic Security (CARES) Act, a federal grant to help fund continued operations of the nation's airports and save airport workers' jobs.

Cagle said the funding will be used for debt service, to fill the passenger facility charge shortfall, to help cover the cost of operations and potentially, for capital improvement projects.

Nobody truly knows what recovery will look like for the airline industry. When will passenger traffic return to pre-COVID-19 levels? What expectations will those travelers have in terms of social distancing? And what will it cost airports and airlines to meet those expectations?

The Aviation Department studied what industry, airline and finance experts are predicting and developed a plan in line with their forecasts. If it proves true, passenger numbers will rise slowly, but steadily. By January, passenger traffic will reach 90 percent of last year's numbers, but growth beyond that could take years.

"I'm confident we will fare better than most. Charlotte has always been very resilient," said Christine. "We are a natural choice for American to focus their effort because they get the biggest bang for their buck at CLT."



Charlotte Douglas charges airlines lower per-passenger operating fees than any major U.S. hub. Charlotte is American Airlines' second-largest hub; 90 percent of all flights from CLT are operated by American. Because of the sharp decline in passengers, hubs are more critical now because most travel requires a connecting flight as non-stop flights have become less viable for airlines.

On April 22, National Public Radio reported that according to data from Flight Aware CLT was the world's fourth busiest airport at that moment. On that day, the number of active/planned flights at CLT was 65 percent below last year's number.

"American has reiterated that Charlotte and Dallas will remain focus cities for them," Gentry said. "But I do think it's

completely intertwined and depends on the overall health of the country."

While CLT continues to adapt its operations and enhance safety measures to help create a safe, healthy, and positive travel experience, passenger traffic has so far picked up faster than anticipated.

TSA has seen a 400 percent increase in passenger screenings compared to mid-April. During the same period, total flights climbed 34 percent – reaching 48 percent of last year's number. Stores and restaurants are reopening in the terminal to meet the passenger demand.

"This is a very dynamic environment. True, our numbers are still down from a year ago, but we are showing very positive trends," Cagle said. "We are making sure CLT is ready." ♦

## Letter from Aviation Director/CEO Brent Cagle



A lot has changed at Charlotte Douglas International Airport over the past few months. COVID-19 has created a new normal. Air travel is different.

Our top priority, however, remains the safety and health of our passengers and employees. CLT has implemented several safety measures as a result, including daily deep cleanings throughout the terminal,

installation of hand sanitizing stations and requiring all Aviation Department employees to wear a mask. An Experience Recovery Team also has been established to examine all safety aspects of the traveler's experience. New innovative initiatives are underway.

We want our passengers to feel confident the Airport is #CLTReady when they fly again. I'm excited to see many are returning. Passenger traffic is growing each week. Airlines are ramping up air service. In fact, American Airlines plans to increase domestic service this summer in Dallas and Charlotte. For CLT, American's second largest hub behind DFW, it means a faster road to pre-COVID-19 numbers.

Our restaurants and retail stores are reopening as well. CLT is working with concessionaires to provide rent relief and terminal services at no cost to offset decreased revenues due to this spring's declining passenger traffic.

This month, the Aviation Department spearheaded the distribution of 2.3 million

face masks from FEMA and the FAA to CLT employees, passengers and other North and South Carolina airports.

As an integral part of the nation's economy and transportation network, CLT is responsible for transporting people, goods and services throughout the world. This is an important responsibility that is vital more than ever before. From flying healthcare workers to assist in New York to transporting face masks to local airports, CLT is honored to serve this community and the millions of passengers who fly through our terminal yearly. We thank you for your continued support.

While today may not be the best of times, CLT believes in the resilience of the Airport and our community. We've been through tough challenges before, 9/11 and the recession of 2008, and have come out stronger. Better days are ahead for the aviation industry, and when you're ready to return, we'll have a rocking chair with your name on it. ♦

## Essential Workers Rise to the Challenge

Airports are essential to the nation's transportation network, facilitating the movement of passengers and cargo goods and supplies. The people behind the scenes at Charlotte Douglas International are essential in making that happen, perhaps more so during the COVID-19 pandemic.

More than 400 employees in the Aviation Department are the boots on the ground helping to keep the Airport safe and clean. From the shuttle bus drivers moving people to the terminal to the maintenance teams keeping the runways open to the security crew making the Airport safe

– it takes a team.

"Staying safe and keeping spirits up are a big part of a driver's job every day. Now it's even more important with the uncertainty of COVID-19," said shuttle bus driver Ebony Leach. While there has been a reduction in passenger travel, it remains imperative to keep buses cleaned and sanitized.

Facilities Maintenance has been at the forefront of keeping things running at the Airport. As one of Aviation's largest work groups, it's a 24/7 operation. "Even if we completely close down and there were no airlines at the Airport, we would still have to

have people here," said Chris Hazen, the Facilities Maintenance Division director.

Fewer passengers has led to fewer security issues, but no one lets their guard down. Keeping the Airport safe is the No. 1 priority in normal times and during a pandemic. "It doesn't matter if there's one person in the Airport or 40,000, it's all the same rules," said Renee Tufts, security operations manager. "It's business as usual keeping our patrols up, compliance measures in check for the Airport security program and keeping the badging and access control system going." ♦



## Airport Concessions Reopen

The vast majority of CLT's restaurants and retail stores will reopen by July 1.

Several concessions were temporarily closed this spring due to lower passenger numbers attributed to COVID-19. Now customers are steadily returning and may dine and shop at most of their favorite concessions. That list includes Bojangles', Brookwood Farms BBQ, Auntie Anne's, Brighton Collectibles, Brooks Brothers and Charlotte News & Gifts. As passenger numbers continue to

increase, and as quickly as employees can return to work, more and more concepts will reopen.

To assist concessionaires who experienced declining revenue over the past four months, the Aviation Department is providing rent relief and terminal services at no cost. CLT additionally has formed an internal work group that meets weekly to discuss reopening plans.

Visit cltairport.com for updates about concession operating hours. ♦



## CLT Partners and Tenants Give Back to Community

During tough times, communities and people rally.

It is no different at Charlotte Douglas International Airport where the COVID-19 pandemic has changed the way the Airport operates and forced many CLT business partners to do the same.

Two CLT companies this spring rallied to give back to the community.

HMSHost, the food and beverage concessionaire, and American Airlines, CLT's largest air carrier, are helping to feed people so that providing meals is one less thing to worry about during these difficult times.

"The food donation program at CLT was born from a grassroots effort in our operations. A group of associates wanted to make a positive difference during these tough times," said Antonio Tillery, senior director of HMSHost at CLT. "Fresh, ready-to-eat food not only benefits the Airport's sustainability efforts, but, most importantly, helps feed the local community,

including our very own associates and Airport colleagues who have been affected by this devastating pandemic."

Team members at American Airlines hosted a food drive at the Airport over a seven-day period and collected more than \$10,000 worth of food that was donated to Camino Community Center, a Charlotte non-profit in need. With the help of HMSHost, American was also able to donate much needed perishable items that are sold in limited supplies in grocery stores.

HMSHost has a record of community food connections, to include sourcing products and ingredients used in Airport restaurants from local businesses and farmers. Since the pandemic began in March, HMSHost:

- partnered with Paradies Lagardère, the Airport's retail concessionaire, on a food drive for concessions' associates. Furloughed employees were given bags of food and beverages.

- opened its restaurant 1897 Market a couple of times a week for the HMSHost Market, which offered food for sale at cost to all Airport employees. The market included hard-to-find items such as gloves, toilet paper, eggs, and flour.
  - donated over 1,000 sandwiches and pastries to West Blvd Ministries.
  - donated pallets of pastries to the Atrium Health University, Atrium Health Pineville and Myers Park United Methodist Church for staff and donations.
  - provided free meals to associates while at work and to take home daily.
- "Right now, people are stretched to their limits and so are food banks trying to help those in need." Tillery said. ♦

## Tips for Traveling

- Arrive to the Airport at least two hours before a domestic flight and three hours before an international flight.
- Maintain social distancing wherever possible.
- Wear a face covering while in the Airport, especially when social distancing is not always possible.
- Wash hands frequently with soap and water.
- Don't touch your face.
- Use hand sanitizer when handwashing is not possible. Forty hand sanitizing stations are located throughout the terminal.
- TSA is currently allowing one liquid hand sanitizer up to 12 ounces per passenger in carry-on bags. It will have to be screened separately, so add some time to the checkpoint experience.

