

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

February 24, 2022

Commissioners in Attendance:

Chair, James “Jay” Joseph
Vice Chair, Rob Coleman
Treasurer, Thomas Herbert
Secretary, Lindsey Smith
Assistant Treasurer, Sharon Scott
Assistant Secretary, Brian Kelly

Staff members in Attendance:

Executive Director, Michael Giardino
Deputy Director, John Borden
Recorder, Barbara Rumsey
Operations Manager, Shaun Kelly
Business Development Manager, Chris Walton
Executive Assistant, Jamie O’Brien
Chief Finance Officer, Mark Adams
Counsel, L. Scott Seymour

Public Officials Present:

Ralph “Bo” Clayton, Newport News Assistant City Manager

Public Attendees: none

Mr. Joseph called the meeting to order at 8:00 a.m.

Minutes. Mr. Giardino provided an update of minutes: Under Planning & Development, the section on Land Release was updated. Also updated were the addition of Ms. Scott’s comments regarding pending legislation, House Bill 1085.

Ms. Smith made a motion to approve the January 27, 2022, Commission Meeting Minutes. Mr. Kelly seconded the motion. **Roll call by voice vote 5-0. Approved.**

Mr. Joseph noted that he contacted legislators regarding House Bill 1085 and informed them that PAC does not support it. Mr. Joseph was informed that the bill has been tabled for a year and will be reviewed in 2023.

Public Comment. None

Mr. Herbert provided the Finance Committee Report:

- Positive variance in operating expenses due to CRSSA grant receipt
- Ric Aviation has increased traffic resulting in twice the budgeted expectation
- Parking income is down due to poor weather, and the pandemic has caused a staffing shortage for pilots, resulting in cancelled flights

- Rental car income has increased by more than 30%
- The mobile home park income has decreased by 7% due to residents relocating, and a new flat rate has been imposed combining utilities with space rent. Mobile home park revenue is expected to continue to decline as more residents relocate.
- \$35,000 was received via grant from the Commonwealth for marketing, no more funds for this year.
- The CRSSA receipt completes the current allocation. We still have grant funds under the American Rescue Act
- Expenditures have increased due to:
 - Repairs
 - Software
 - Mobile home park utility repairs. These repairs will continue to increase due to declining infrastructure
- Mr. Joseph mentioned that we can advocate Waterworks and HRSD for credits for leaks. Ms. Scott stated that those funds are only available if we are making repairs to maintain the equipment. Mr. Giardino will investigate.
- The marketing budget is decreasing as will expenditures in this area
- The balance sheet is higher than last month due to Taxiway A project
- PAC is paying up front for projects and will expect reimbursement from the FAA
- FY23 budget must be approved by June 30th.

Mr. Joseph provided the Planning & Development Committee Report:

- Mobile home park update: There were 95 mobile homes last year and now there are 78 and will continue to decrease as units become unlivable, infrastructure fails, and the homes become too dilapidated to repair. Mr. Giardino will brief the Commission on the Mobile Home Park Plan. Ms. Scott would like to see plans of the Mobile Home park or any important topic in the full Commission and not just committees
- Aery Hangar Lease: Expect to close financing in the next week
- Land Releases Update:
 - We have release two releases – one for Waterworks and one for Dog Head
 - Still awaiting on release for McMurrin property
 - Habersham is still in the works
- Master Plan Update:
 - Mr. Giardino says RFQ process underway. We will interview the top two candidates, scope the project, and present to Board of Commissioners in April
 - There will be competitive grants and we will go after them
- TSA Lease Update:
 - Budget impact of ~\$9,000
 - Resolution 22-015. Mr. Joseph moved to accept from Committee. Roll call by voice vote. 6-0 approved.

Ms. Smith provided the Governance Committee Report:

- Expansion of PAC Update:
 - Newport News remains committed to PAC expansion. City manager will be briefed in March
 - Mr. Joseph requested staff to create an Annual Report for 2021.
- Mr. Giardino stated that enplanements are down 57% from 2019 pre-pandemic. In FY 2023 we expect 83,000 enplanements. This statistic is in part due to a pilot shortage

- IIJJ infrastructure bill is offering 100 million in available funds. We are going to compete with other airports for these funds. Deadline for application is March 28, 2022. It may take some PR and lobbying to garner an award of funds. PAC will focus on lack of funding and crumbling infrastructure
- R. Giardino assured the PAC that an Annual Report will be completed.

Staff Reports:

- Mr. Giardino commended Officer Lonnie Carrell for saving a life recently. A meritorious presentation will occur at the March PAC regular meeting
- Taxiway A project will continue and complete when weather warms
- Snow abatement team continues to do a great job keeping the airport open and safe. Equipment is holding up
- John Borden met with Shelly Simmons and Monty Mason in Richmond. Both want to add to the Aviation Academy and bring student interns back on the airport property. They are strong supporters of economic growth of the airport
- Hertz will be returning to our airport. Chris Walton is working on the rental agreement for all car rental companies
- Ms. Smith remarked that the monthly Air Service Report needs to reflect the proper dates throughout the document
- Mr. Joseph mentioned that mask mandates in the airport expire in March.

Marketing & Public Relations:

- Did not meet

Old Business:

- None

New Business:

- None

Mr. Joseph asked for a motion to enter in to closed session. Mr. Herbert made the motion; Ms. Scott gave the second. Roll call by voice vote: 6-0. Approved.

Mr. Seymour read Virginia law regarding a closed meeting from §2.23711. A5 and §2.23711 A9.

The Board of Commissioners went into closed session at 8:49 a.m.

Mr. Seymour read that PAC certified that the PAC only spoke about matters regarding the certifying exemptions.

The Board of Commissioners reconvened in an open session at 9:22 a.m.

Mr. Joseph adjourned the meeting at 9:24 a.m.

PENINSULA AIRPORT COMMISSION

**RESOLUTION 22-015 REGARDING LEASE WITH
TRANSPORTATION SECURITY ADMINISTRATION**

February 24, 2022

WHEREAS, the Peninsula Airport Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia, created pursuant to Chapter 22 of the Acts of the General Assembly of the Commonwealth of Virginia of 1946, as amended, and owns and operates Newport News – Williamsburg International Airport (the “Airport”);

WHEREAS, the Commission is vested with the authority to make provisions for the needs of aviation, commerce, shipping, and travel in, to and around the Airport to promote and develop the Airport, and in the exercise of such power, to enter into leases of Airport property;

WHEREAS, the Commission entered into a lease with the U.S. Transportation Security Administration, as Tenant (the “Tenant”), dated August 12, 2002, as amended (the “Lease”), for Tenant’s occupancy of a portion of the Airport, including part of the Terminal Building (lower floor, Concourse B) (the “Leased Premises”), for the Tenant’s use in providing homeland and transportation security activities with respect to the Airport;

WHEREAS, Staff of the Commission and the Tenant have agreed to the principal terms of an amendment (the “Lease Amendment”) to (i) reduce the total square footage of the Leased Premises, (ii) change the annual rent due under the Lease, (iii) incorporate revised floorplans for the Leased Premises, and (iv) incorporate FAR Clause 52.204-25 (Aug. 2020) into the Lease, all as more specifically set forth in the form of such Lease Amendment attached hereto as Exhibit A and made a part hereof, and such Lease Amendment has been reviewed by the Real Estate Committee and presented at this meeting; and

WHEREAS, the Commissioners of the Peninsula Airport Commission, after mature deliberation and upon the recommendation of the Planning & Development Committee, desire to approve the Lease Amendment and its execution and delivery on behalf of the Commission;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PENINSULA AIRPORT COMMISSION THAT:

1. The Lease Amendment is approved, and the Chairman and the Vice-Chairman, either of whom may act, upon advice of counsel to the Commission, are authorized and directed to execute the Lease Amendment consistent with the provisions of this Resolution.
2. Except as otherwise amended by the Lease Amendment, all other provisions of the Lease shall remain in full force and effect, and the Tenant’s occupancy under the Lease is hereby ratified and confirmed.
3. This Resolution shall take effect immediately.

Exhibit A
LEASE AMENDMENT