

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair

Michael Giardino, C.M., Executive Director

Wednesday, November 23, 2022

8:00 a.m.

Commission Room

900 Bland Blvd

Newport News, VA 23602

AGENDAS

Newport News Williamsburg Airport

PENINSULA AIRPORT COMMISSION

COMMITTEE MEETING AGENDA

FINANCE & AUDIT COMMITTEE

DATE: November 21, 2022

TIME: 4:00 p.m.

- 1) Call to Order

- 2) New Business
 - a) Performance Metrics

- 3) Old Business
 - a) October 2022 Financial Results

- 4) Closed Session: 2.2-3711. A. 5. Discussion concerning a prospective business or industry or the expansion of an existing business industry where no previous announcement has been made of the business' or industry's interest or expanding its facilities in the community.

- 5) Adjourn

Newport News Williamsburg Airport

PENINSULA AIRPORT COMMISSION

COMMITTEE MEETING AGENDA

PLANNING & DEVELOPMENT COMMITTEE

DATE: November 21, 2022

**TIME: Immediately following
Finance & Audit Committee meeting**

- 1) Call to Order
- 2) New Business
- 3) Old Business
 - a) Land Release Update
 - b) Mobile Home Park Update
 - c) Aery Hangar
 - d) Master Plan Update

- 4) Closed session:

In accordance with Virginia Code 2.2-3711. A. 5. For the discussion concerning a prospective business or industry or the expansion of an existing business industry where no previous announcement has been made of the business' or industry's interest or expanding its facilities in the community.

- 5) Adjourn

PENINSULA AIRPORT COMMISSION

REGULAR MEETING AGENDA

Date: November 23, 2022

Time: 8:00 a.m.

Location: Commission Room

- 1) Call to Order
- 2) Approval of Minutes from October 19, 2022
- 3) Read Instructions for Public Comment
- 4) Public Comment
- 5) Presentation of check to Youth Volunteer Corp of Hampton Roads
- 6) Committee Reports
 - a) Finance & Audit
 - b) Planning & Development
- 7) Executive Director Report
 - a) Avelo Update
 - b) Capital Improvements Update
 - c) ATAC Visit Summary
 - d) Marketing Meeting with City of Newport News
 - e) Debrief on Take-Off Conference
- 8) Old Business
- 9) New Business
- 10) Read instructions for closed session
- 11) Closed Session
 - a) Review of Executive Director
 - b) Discussion concerning prospective businesses

2.2-3711.A.1 discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body. Subsection A.5 discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

- 12) Open Session

13) Adjourn

MINUTES

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

October 19, 2022, 8:00 a.m.

Commissioners in Attendance:

Chair, Lindsey Carney Smith
Vice Chair, Brian Kelly
Secretary, Sharon Scott (arrived 8:08 a.m.)
Assistant Secretary, Thomas "Tommy" Garner
Treasurer, James "Jay" Joseph
Assistant Treasurer, Jennifer Smith

Staff Members in Attendance:

Police Chief Todd Rittenhouse
Finance Director, Mark Adams
Executive Assistant, Jamie O'Brien
Counsel, L. Scott Seymour
Ground Maintenance Supervisor, Howard "Skeeter" Lavelle

Public Officials Present:

Ralph "Bo" Clayton, Assistant City Manager

Public Attendees:

David Hause, Kiln Creek HOA

Chair Carney Smith called the meeting to order at 8:01 a.m.

Minutes. Commissioner Joseph moved to accept the September 22, 2022 meeting minutes as presented. Commissioner Kelly seconded and the minutes were approved unanimously.

Public Comment. Mr. David Hause indicated he would like to address the Commission. Jamie O'Brien read the Rules for Public Comment into the record. Mr. Hause stated his purpose for speaking was to introduce himself to the new PAC Board members.

Committee Reports: Chair Carney Smith announced that due to scheduling issues, the committees did not meet as they normally would. Commissioner Joseph stated that even though the Finance and Audit Committee did not meet, he did meet individually with Mark Adams, Director of Finance. Mr. Adams reported that September financials are in. Briefly, the results are as follows:

- Labor is below budget year-to-date but is expected to change now that we are staffed up for Avelo
- Repairs and office expenses are above budget due to preparing for the Avelo launch and having to make some repairs sooner than originally planned in order to accommodate the new air service

- Parking and rental cars are providing revenue near budget
- Restaurant revenue and expenses are both above budget due to inflation
- Utilities are above budget due to inflation and costs going up

Commissioner Kelly asked if the revenues from Parking and Rental Cars are closing the gap for the overall budget? Mr. Adams replied that the revenues are closing the gap compared to the prior year.

Chair Carney Smith said Planning and Development Committee did not meet however, there are two items that will be briefed in closed session.

Customer Experience Committee did not meet.

There will be an Executive Committee meeting prior to the next full Board of Commissioners meeting. Discussion will center around the format for the Executive Director's annual evaluation, and organizational structure.

Air Service Development Brief: Nicholas Haan of Crawford, Murphy, and Tilly, presented slides outlining air service industry trends and post-Covid recovery. In short, the industry continues to struggle with a regional jet pilot shortage and slow financial recovery to pre-Covid numbers. Mr. Haan provided evidence that PHF is in line with all other airports nationally as far as recovery and the pilot shortage problem. Mr. Haan further elucidated that plane capacities are smaller, jet fuel prices are increasing forcing air fares to increase, and changing requirements for pilots have all played a part in the slow recovery of the airline industry post-Covid. Avelo and other Ultra Low-Cost Carriers (ULCCs) are PHF's best opportunities for the near future as they continue to grow quickly and provide services that larger carriers don't. There was some discussion with commissioners to clarify and understand some of the points raised by Mr. Haan. Mr. Haan stressed that the success of Avelo is critical to the success of PHF.

COIA/FOIA Discussion: Attorney Seymour reminded commissioners that as a public body, they are subject to the transparency laws of Freedom of Information Act and Conflict of Interest Act. Each commissioner should have received training. Generally, training is provided by the City Clerks. Jamie O'Brien (Commission Clerk) was instructed to contact Newport News and Hampton City Clerks to verify all commissioners are up to date on their training. Certification is required every two years.

Old Business: none

New Business: Chair Carney Smith requested all commissioners read their email from Mr. Giardino with his Executive Director report summary.

Chair Carney Smith asked to go into closed session. Attorney Scott Seymour read the following, "The Chair will now entertain a motion to move the Commissioners of the Peninsula Airport Commission convene in closed session meaning pursuant to Virginia code section 2.2.3711.A.5 Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community (regarding expansion of [aviation services] where no previous announcement has been made);

A7 consultation with legal counsel and briefing by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Commission regarding the closure of the mobile home park; A.8 consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel.

Commissioner J. Smith made the motion to go into closed session; Commissioner Kelly seconded the motion. Voice vote by roll call: Chair Carney Smith - yes, Mr. Kelly – yes, Mr. Joseph – yes, Mr. Garner – yes, Ms. J. Smith – yes, Ms. Scott – yes. Motion passed unanimously.

Closed session began at 8:48 a.m.

Attorney Seymour read the following: “To conclude the closed session meeting and return to the open meeting and that prior to a roll call vote, the Commissioners of the Peninsula Airport Commission shall certify that to the best of their knowledge (i) only such public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened, were heard, discussed or considered in the meeting by the members of the Commission.

Any member of the Commission who believes that there was a departure from the requirements just stated must so state prior to the roll call vote and indicate the substance of the departure that, in such Commissioner’s judgment has taken place.

If there are no such statements of departure, if we could please have a motion and second to end and certify the closed session and return to open meeting.” The Commission certified that no departures were raised.

A motion to reconvene was made by Mr. Kelly and seconded by Ms. Scott. Voice vote by roll call: Chair Carney Smith - yes, Mr. Kelly – yes, Mr. Joseph – yes, Ms. Scott – yes, Mr. Garner – yes, Ms. J. Smith – yes. Motion passed unanimously.

Open session resumed at 8:59 a.m.

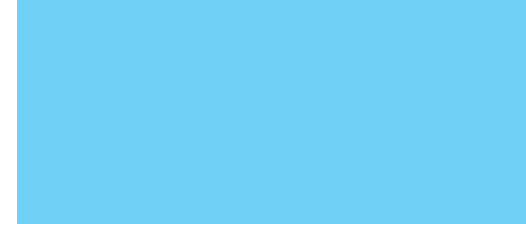
Chair Carney Smith asked if there was any other business to bring before the Commission. There being none, the meeting was adjourned at 8:59 a.m.

EXHIBITS



State of Airline Industry and Air Service

October 19, 2022



Presentation Overview

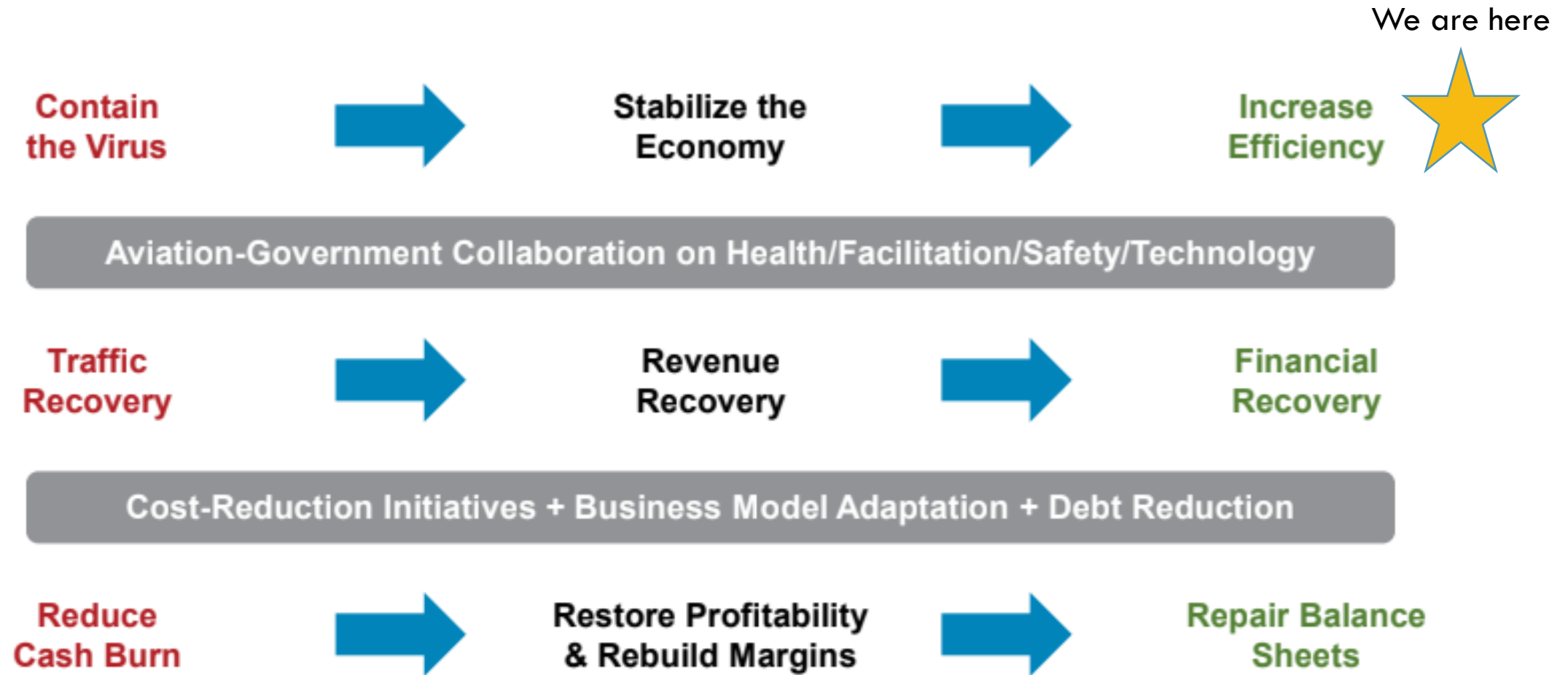
1. COVID-19 Recovery
2. Air Carrier Financials & Business Evolution
3. The U.S. Pilot Shortage
4. The Importance of Avelo



COVID-19 Recovery

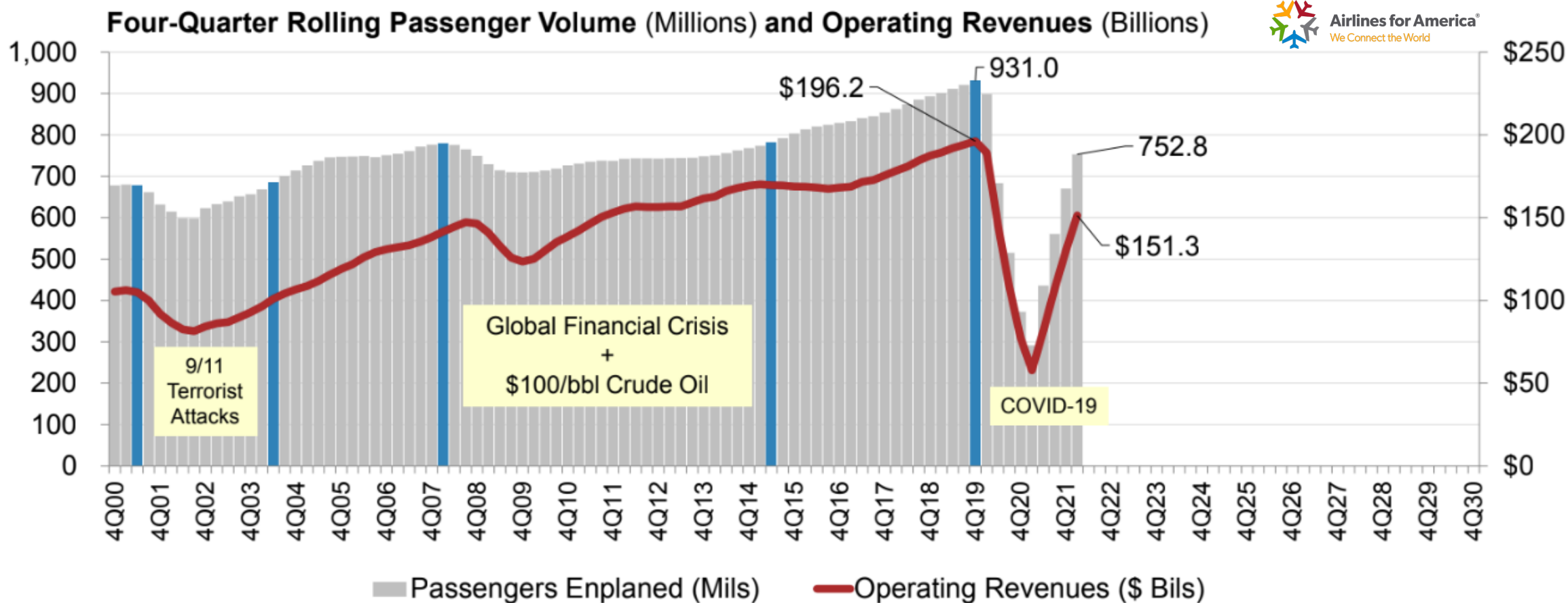


We are early into a multi-year, multi-stage recovery



Historical context

COVID's impact to the industry greatly surpassed previous disruptions



Source: A4A Passenger Airline Cost Index, BTS (Form 41 Schedule T1)

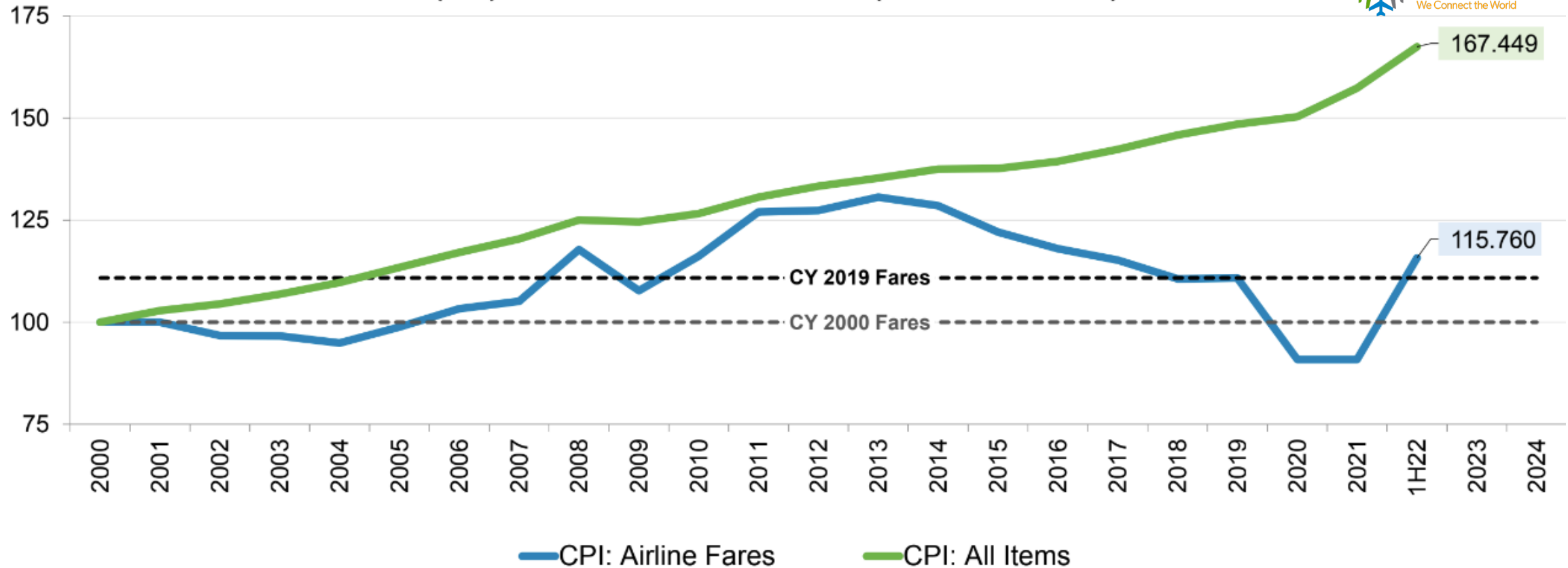
* Passengers enplaned systemwide on U.S. airlines in scheduled and nonscheduled services

The pandemic further suppressed airfares

On a CPI basis, airfare remains comparatively inexpensive



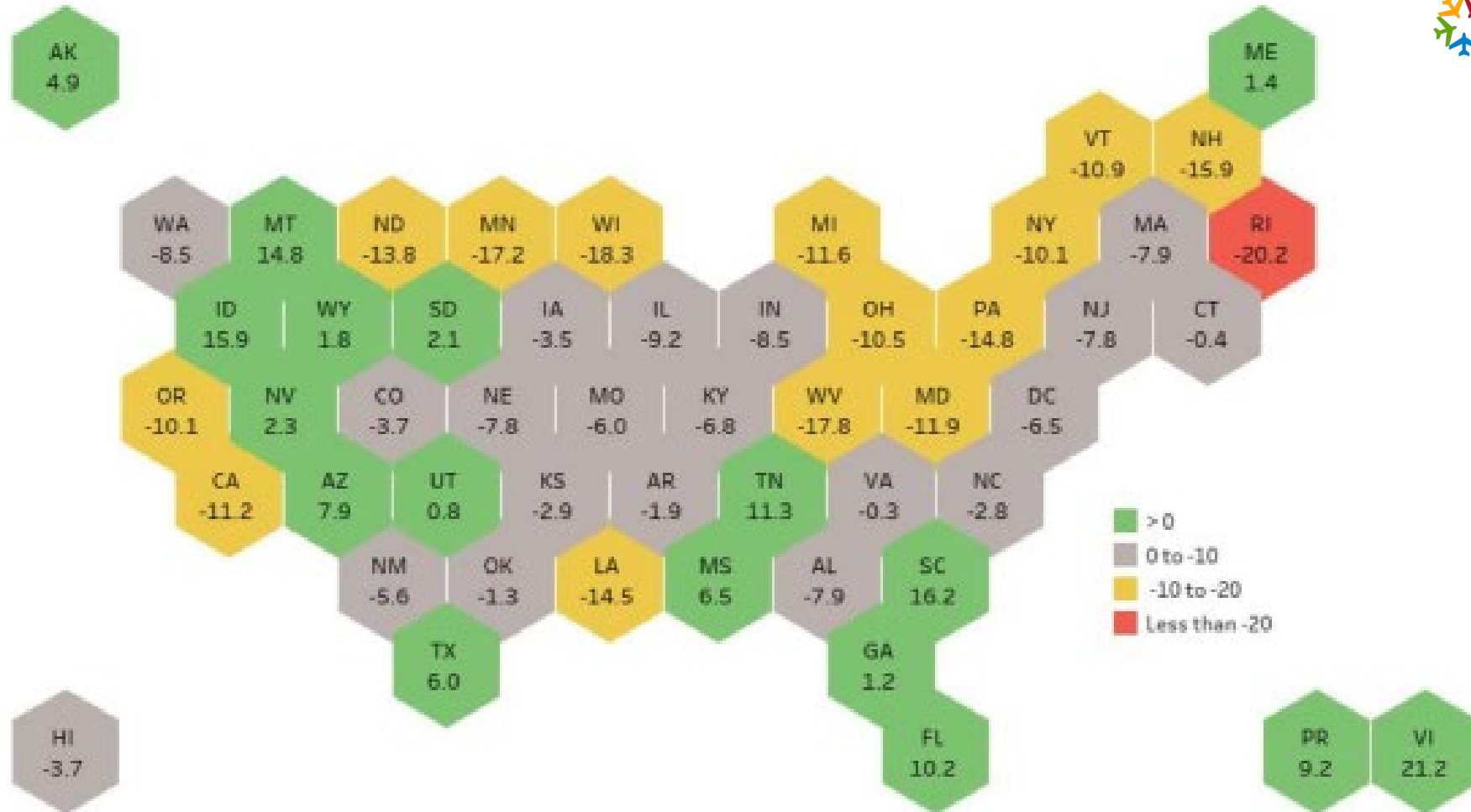
U.S. Consumer Price Index (CPI) – Airline Fares vs. All Items (Index: 2000 = 100)



Source: Bureau of Labor Statistics (CPI series CUSR0000SETG01 and CUUR0000SA0); for information on the BLS methodology for "airline fares," see <https://www.bls.gov/cpi/factsheets/airline-fares.htm>

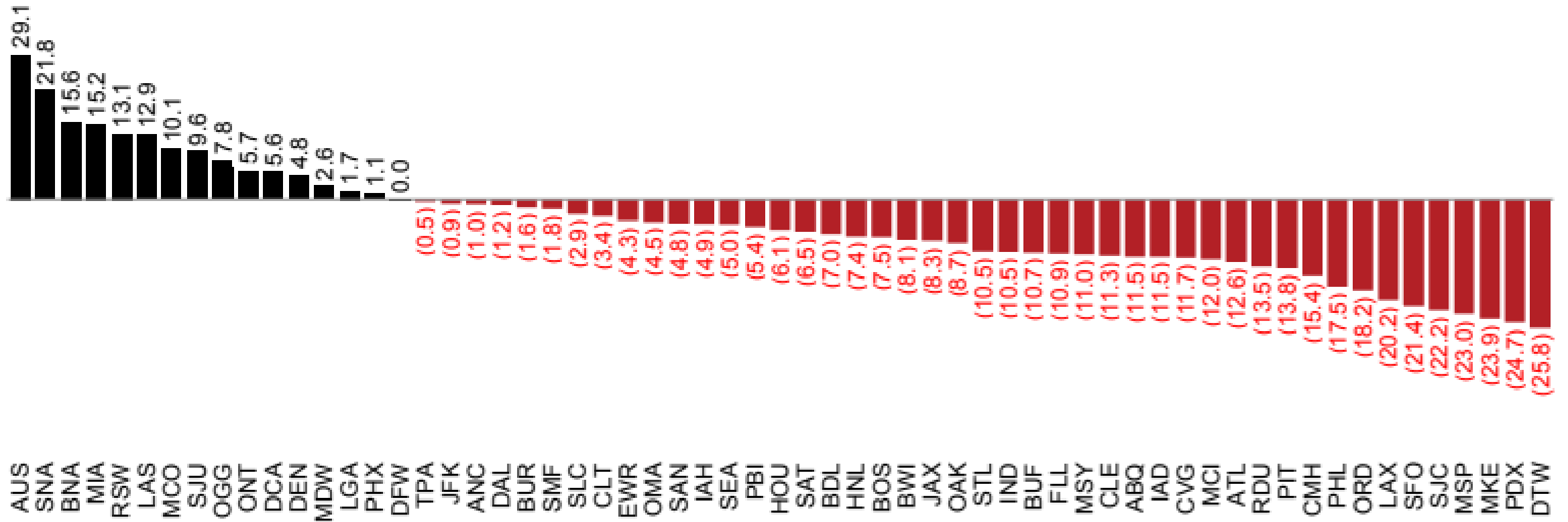
Passenger volume recovery

Only 17 US States & Territories have exceeded 2019 TSA Checkpoint Volume



While small airports have been more impacted, many large/medium airports have yet to recover

Change (%) in Systemwide Scheduled Seats: Oct-2022 vs. Oct-2019



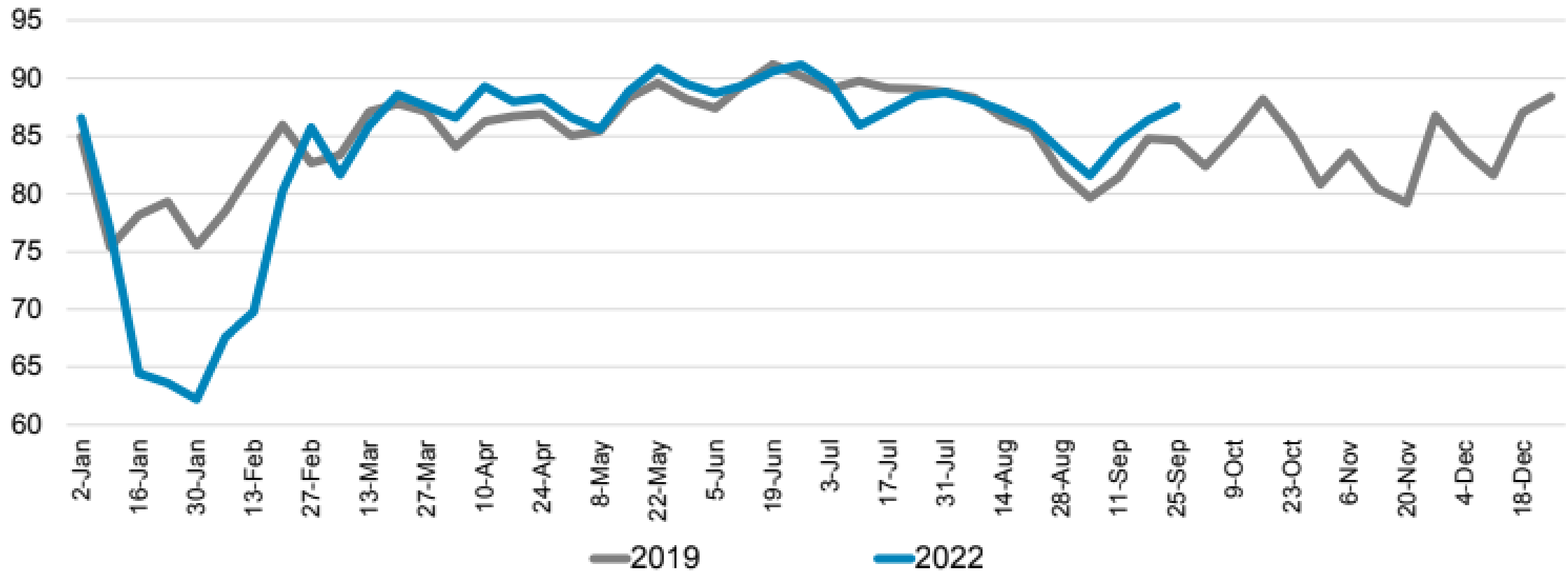
Source: Data by Cirium published schedules (Sept. 30, 2022) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

Load factor recovery

Percentage of seats filled by paying passengers has returned to 2019 levels



Weekly Average Domestic U.S. Load Factor* (%)



Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United) and branded code share partners

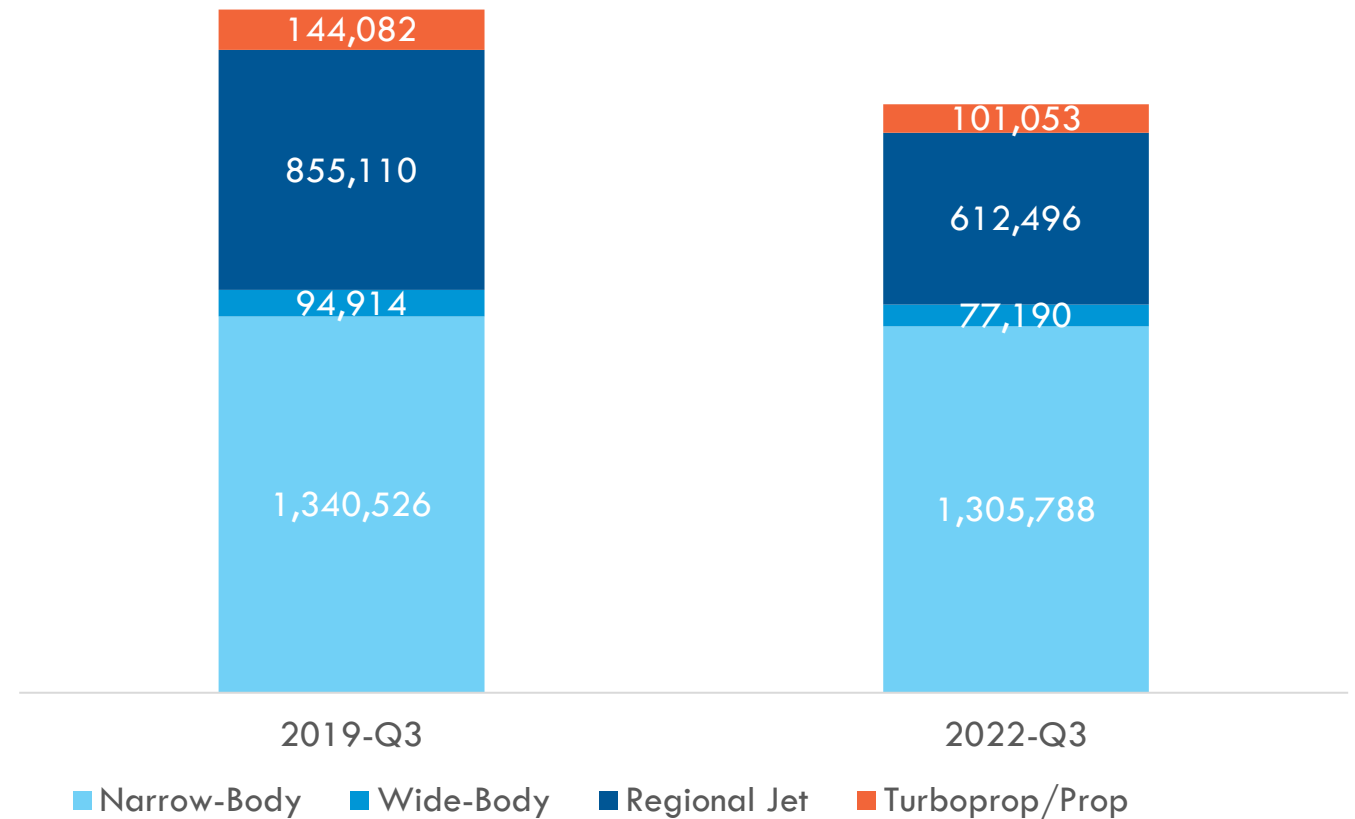
* Revenue passenger miles divided by available seat mile

Parked regional aircraft explain lack of supply

Represented 41% of U.S. departures in 2019

- Q3 2022 departures down 14% vs Q3 2019
- Change by fleet type:
 - Narrowbody: -2.6%
 - Widebody: -18.7%
 - **Regional Jet: -28.4%**
 - **Turboprops/props: -29.9%**

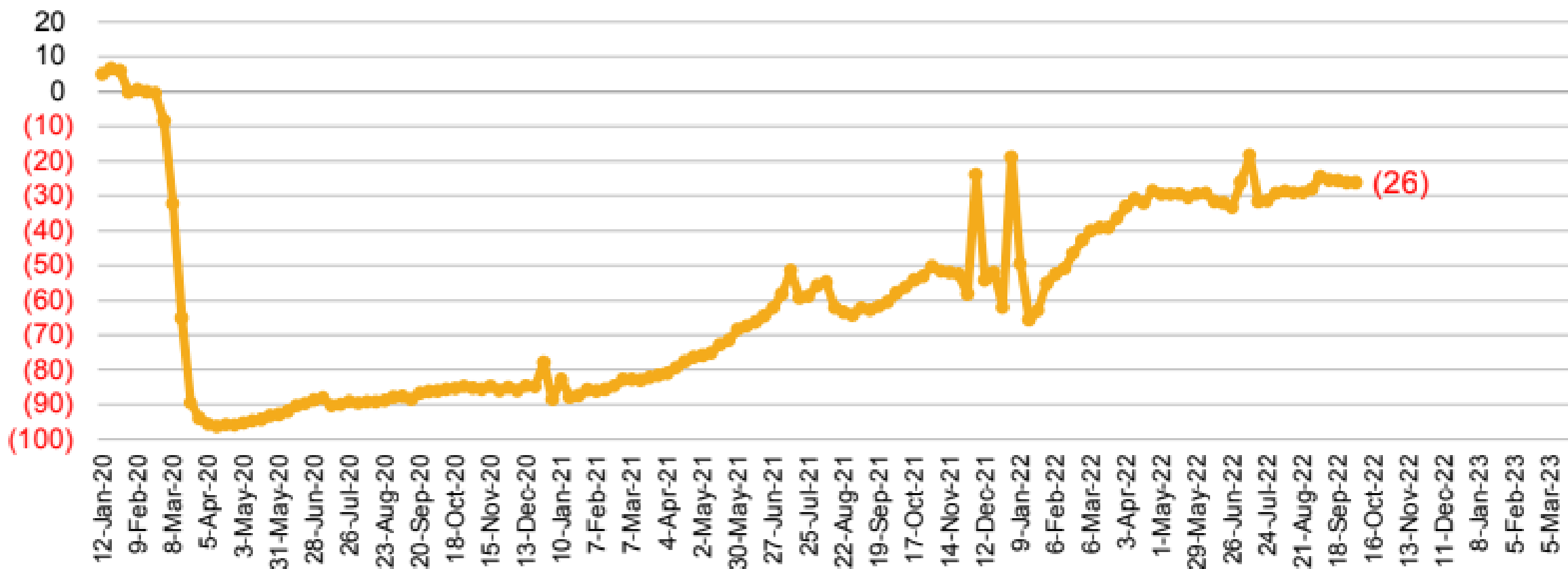
U.S. Departures by Fleet Type: Q3 2019 vs. Q3 2022



Business travel recovery

Business travel recovery continues to lag personal/leisure travel

Change (%) vs. 2019 in Corporate-Segment Weekly Tickets Sold* by U.S. Travel Agencies



Source: Airlines Reporting Corporation (ARC)

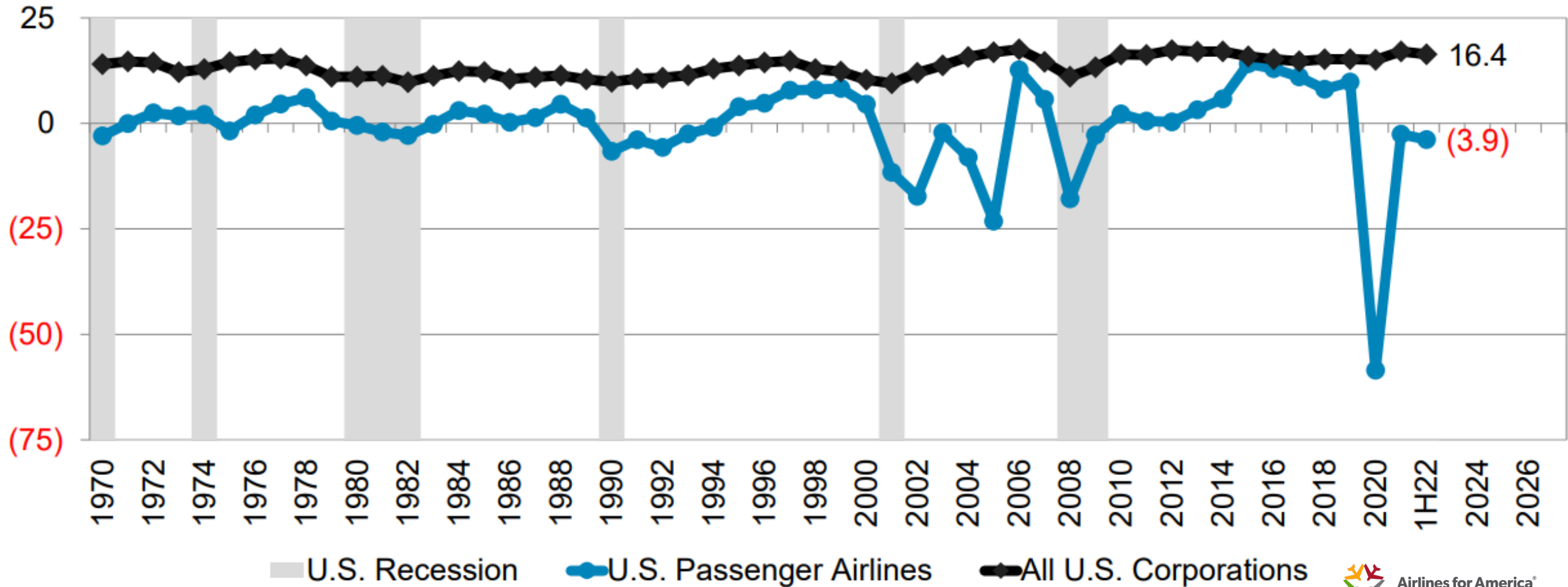
* Results reflect more than 10,000 agency sales outlets and do not include sales of tickets purchased directly from airlines and are not net of refunds or exchanges.

Air Carrier
Financials &
Business Evolution



Airline margins typically lag other industries

Even during successful 2014-2019, margins below U.S. aggregate



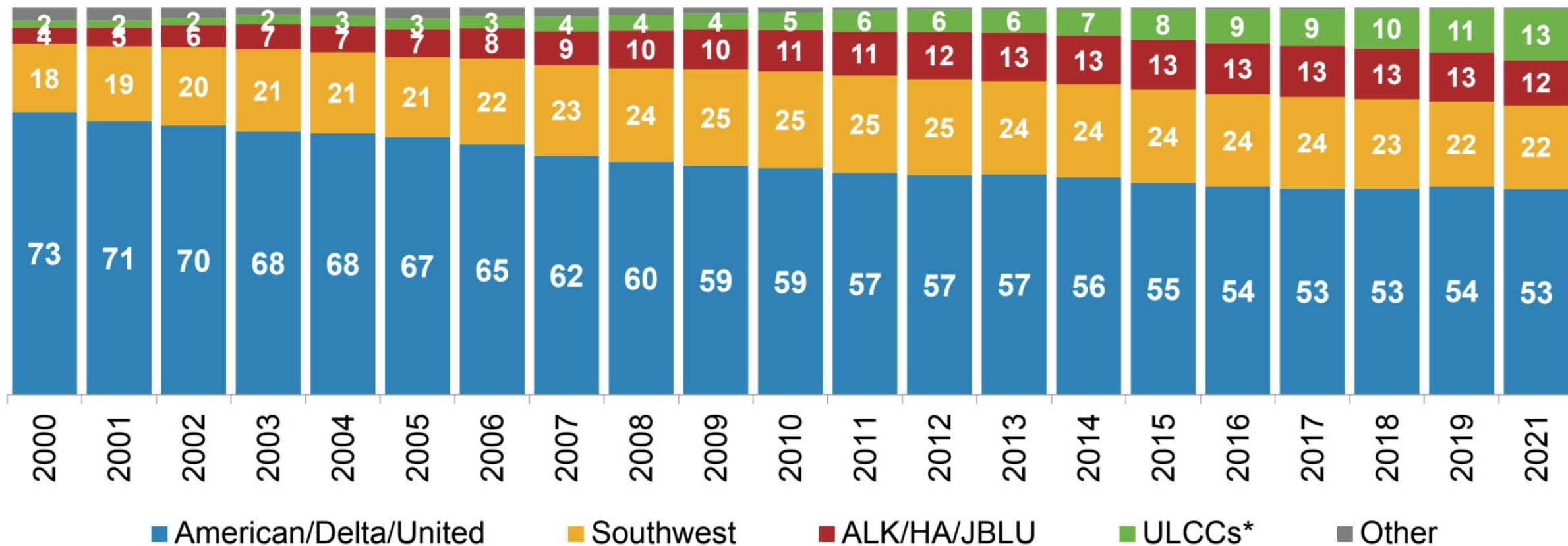
■ U.S. Recession ● U.S. Passenger Airlines ● All U.S. Corporations



Growth of the ULCC market

Low operating costs have driven ULCC growth

Share (%) of U.S. Domestic O&D Passengers by Airline Business Model

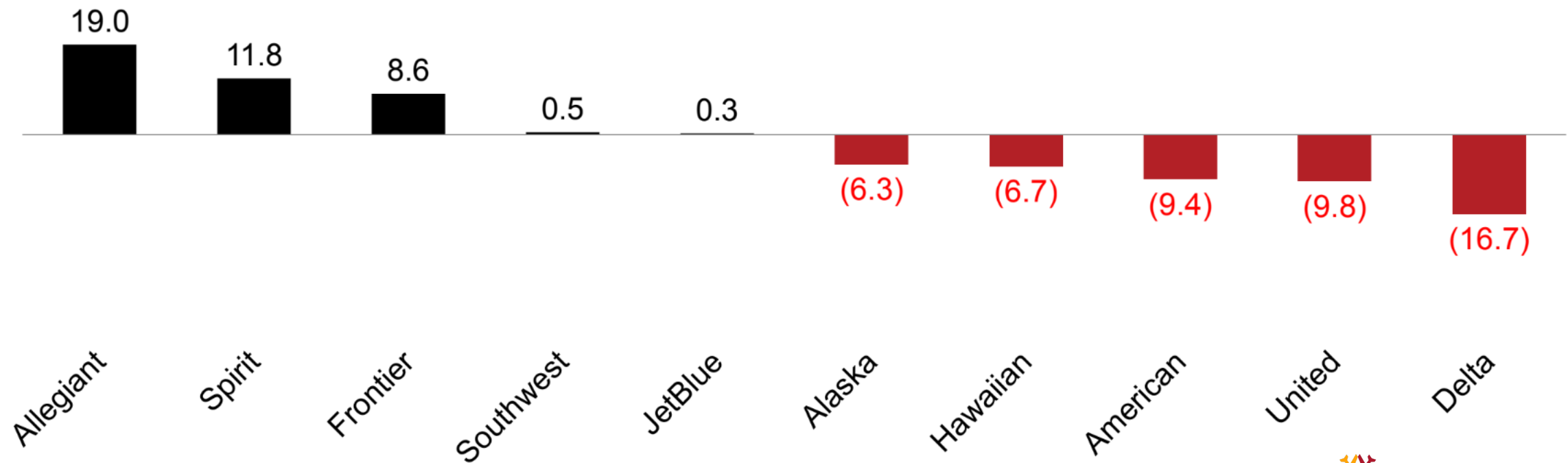


*Source: A4A analysis of U.S. airline bank data

Post-COVID capacity shift

ULCCs have filled gaps left by network carrier capacity cuts

Change (%) in Systemwide Scheduled Available Seat Miles: 3Q 2022 vs. 3Q 2019

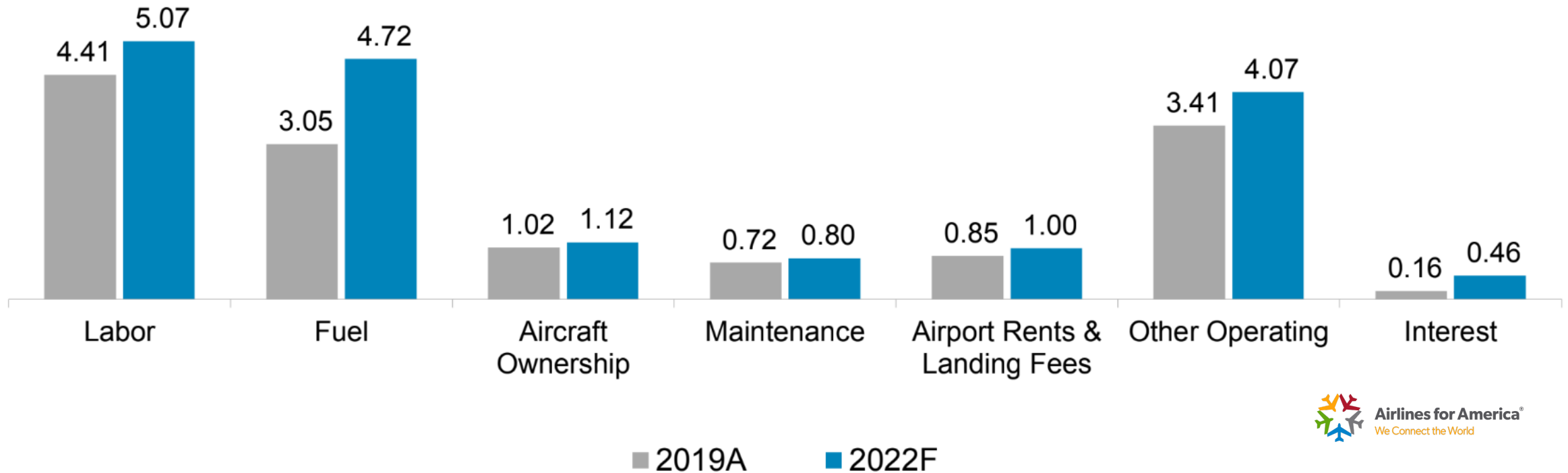


Source: Diio by Cirium published schedules (August 12, 2022) for selected marketing airlines (i.e., on a consolidated basis)

Increasing costs curtailing recovery

Limited supply and rising airline costs driving up break even fares

U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile

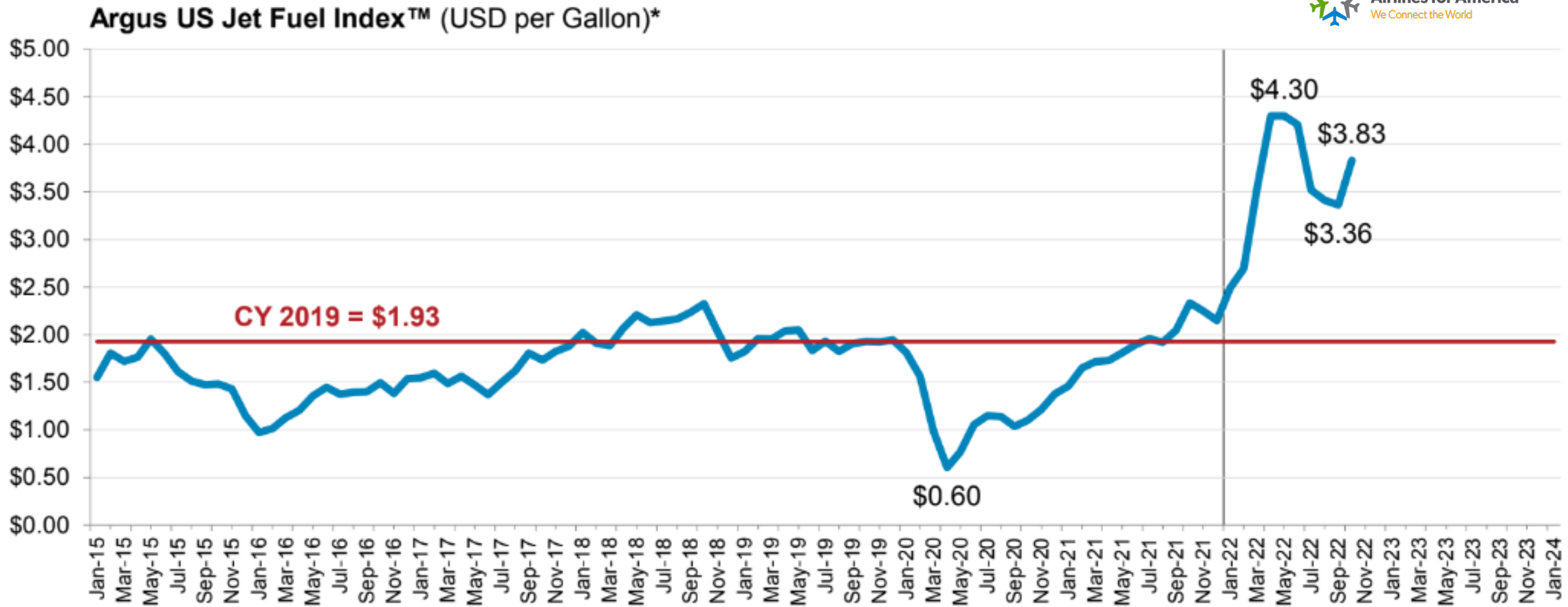


Source: A4A, Wolfe Research and filings of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit and United

*Source: A4A analysis of U.S. airline bank data

Rising jet fuel prices + 77% since 2019

Increasing demand caused a surge in prices, limiting network growth



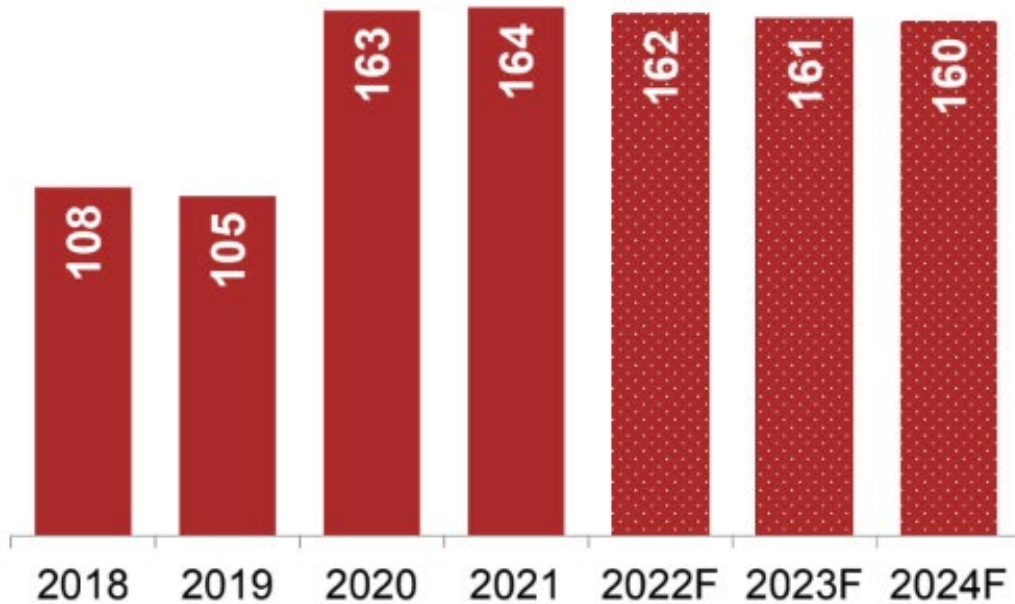
Sources: Argus Media as noted at <https://www.airlines.org/dataset/argus-us-jet-fuel-index/>

* Argus daily simple-average jet-fuel price for Chicago, Houston, Los Angeles and New York

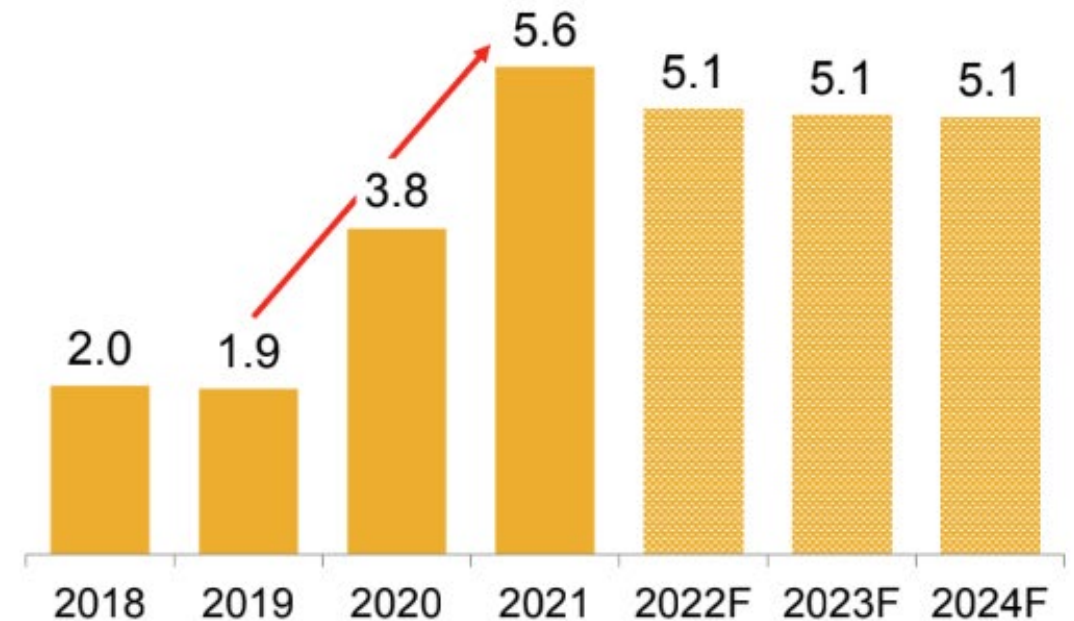
Air carrier debt

Debts incurred during the pandemic will limit future growth

Year-End Total Debt (\$ Billions)



Interest Expense, Net (\$ Billions)



Source: A4A, equity analysts and filings of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit and United



The U.S. Pilot Shortage

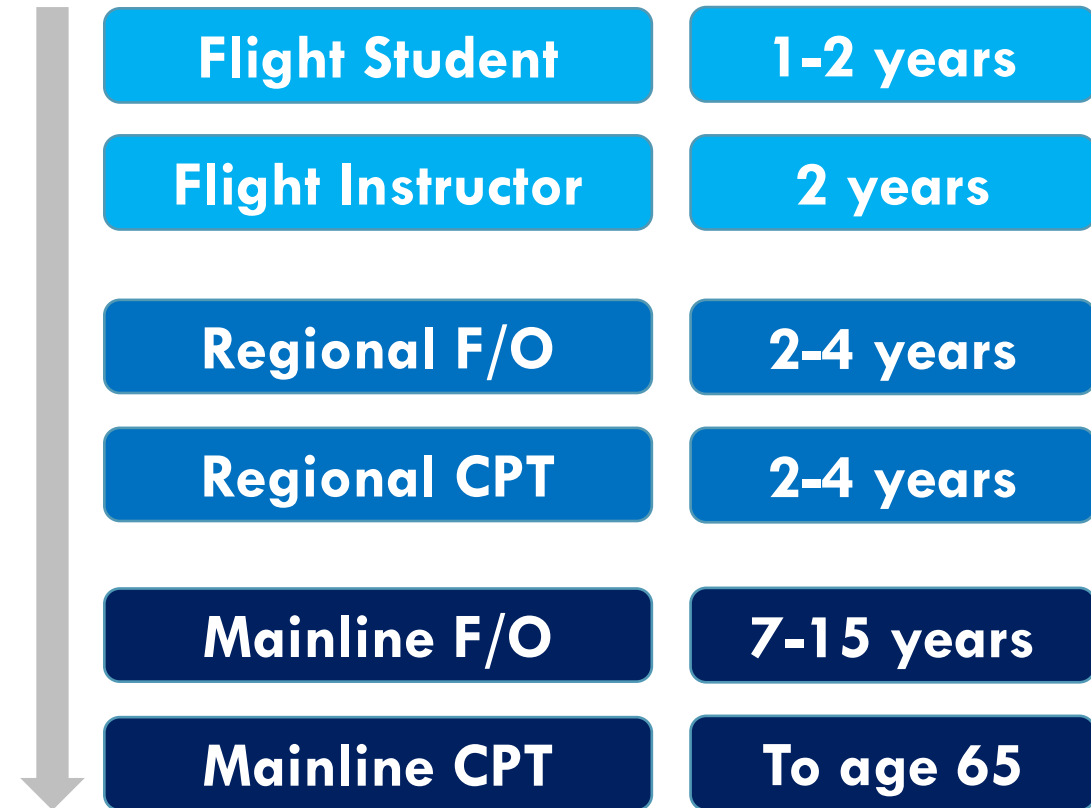


Airline pilot career progression

Civilian pilot training is expensive

- Students spend \$60-\$100K for flight ratings over 1-2 year period
- Can become flight instructor to gain hours & experience
- New pilots typically serve in low wage regional or cargo F/O positions
- Ultimate goal is to be hired by a mainline operator

Typical Civilian Pilot Career Progression



Colgan 3407

Crash of regional turboprop uncovered major industry safety issues

- As demand returned post 9/11, regional airlines cut flight time requirements to meet pilot demand
- Typical new hire pilots earned less than \$20K
- 2009 crash of Colgan 3407 killed 49 onboard and one on the ground
- Investigation found history of checkride failures for Captain and F/O commuting from Seattle to Newark due to inability to afford rent



Airline Safety & FAA Extension Act of 2010

How 1,500-hour rule is driving force behind the pilot shortage

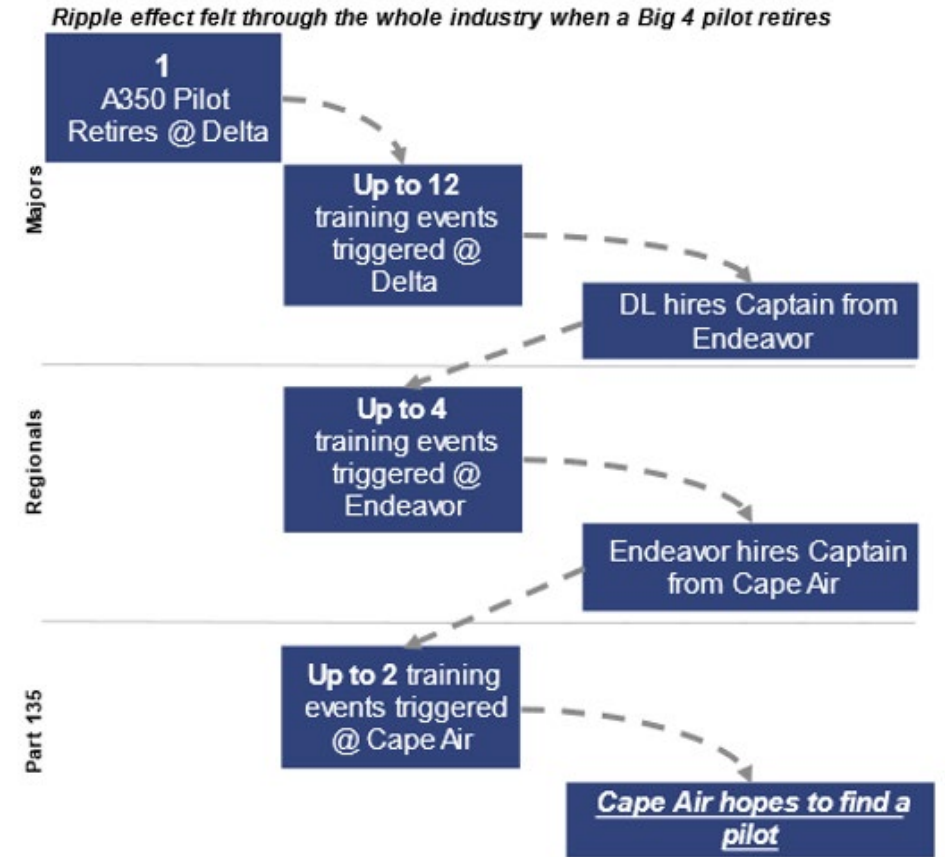
- Backed by the Colgan 3407 families, Congress passed substantial pilot training reforms in 2010
- U.S. airline pilots now require 1,500 hours of total flight time, or less under specific training conditions
- The “1,500-hour rule” reduced the pipeline of future pilots who were increasingly discouraged from the career



COVID effects on the pilot shortage

Early retirements have led large carriers to poach regional crews

- During pandemic legacy carriers offered early retirement for its senior pilots
 - Ex. 2,200 of Delta's 17K total pilots accepted
- Demand has led mainlines to poach regional pilots
- Industry response has been to increase starting regional airline pay to between \$80-\$90K
- Flight training funding and the time required to spool up new pilots remain an impediment
- Proposed "age 67" rule a short-term benefit



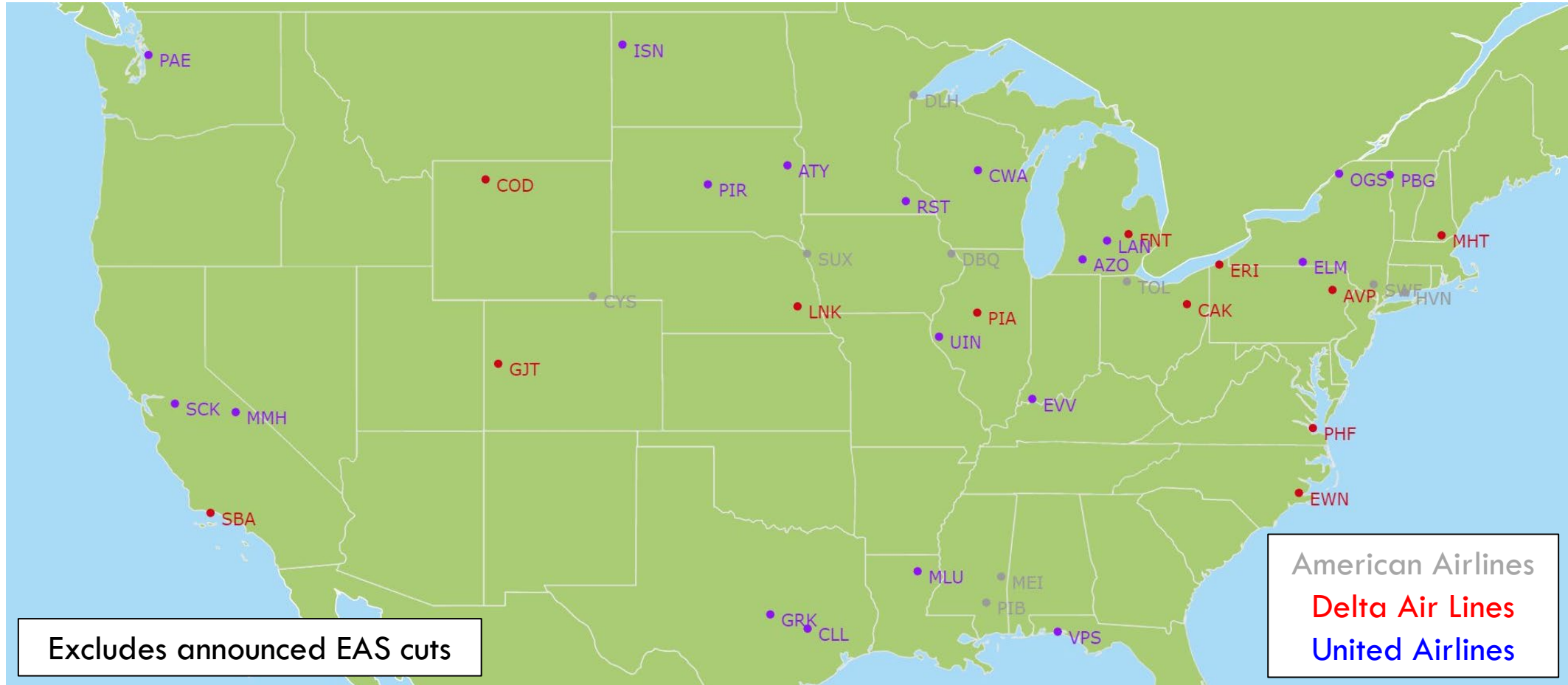
Source: Primary data sources & airline schedules filed with Cirium

Source: National Air Carrier Association via Allegiant

Impact of fleet & financials on networks

Legacy carriers cut 42 markets served in 2019 from their Q4 schedules

Dropped Legacy Markets (>30 departures): Q4 2022 vs Q4 2019



The Importance of Avelo



ULCCs see opportunities from contraction

New players and existing ULCCs will backfill some orphaned routes

- ULCC carriers such as Spirit and Frontier presented with strategic opportunity to fly abandoned mainline routes
- New carriers such as Avelo and Breeze, unburdened by COVID debts, find themselves in an advantageous position

Avelo to Offer Nonstop Service to Florida from Newport News-Williamsburg Airport this Fall

By WYDaily Staff July 26, 2022

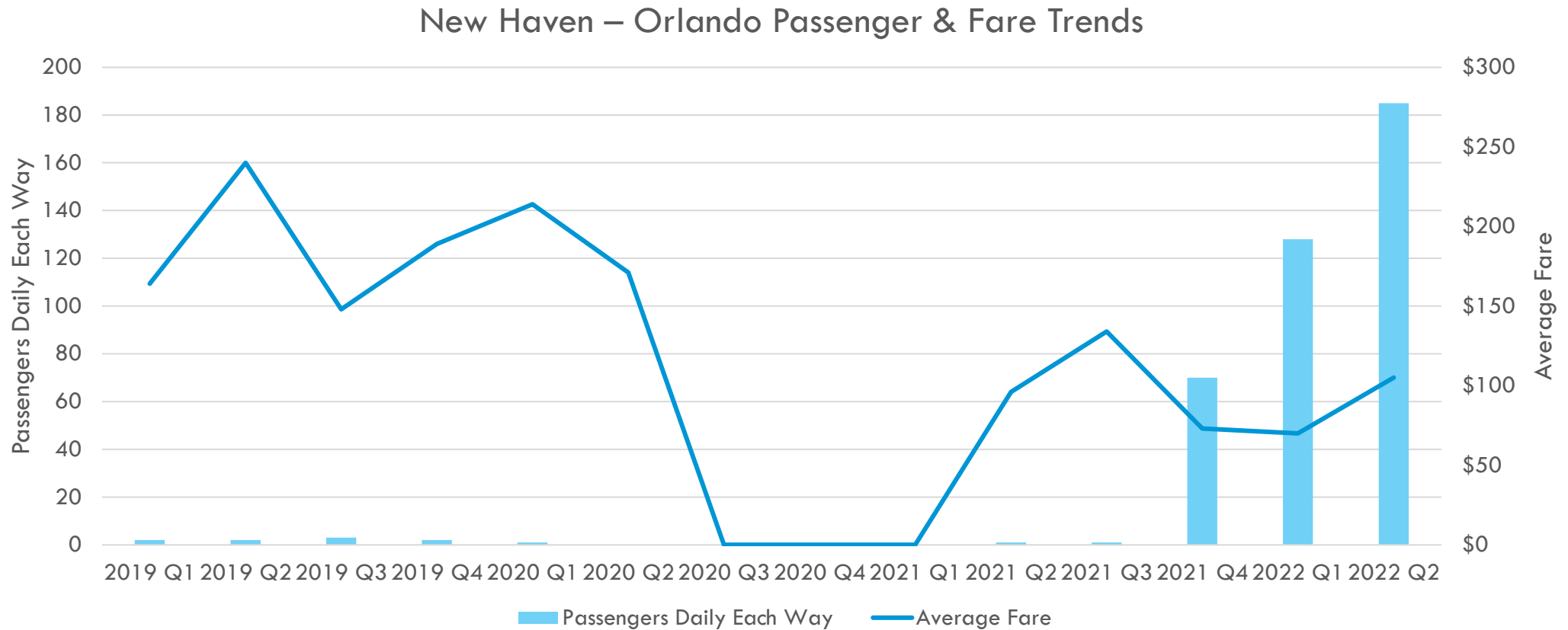
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(Avelo Airlines)

NEWPORT NEWS – Avelo Airlines announced Tuesday it will begin nonstop service to Orlando and Fort Lauderdale from the Newport News-Williamsburg Airport (PHF) this fall.

Avelo already has proven its ability to grow a market



And they have shown the ability to grow quickly when successful



- November '21 – Service to FLL/MCO/RSW/TPA
- December '21 – Service to PBI begins
- January '22 – Service to SRQ begins
- May '22 – Service to BNA/CHS/MYR/SAV/RDU/BWI/MDW begins

The **NEW** way to **FLORIDA HAVEN**



Everyday low fares at **AveloAir.com**

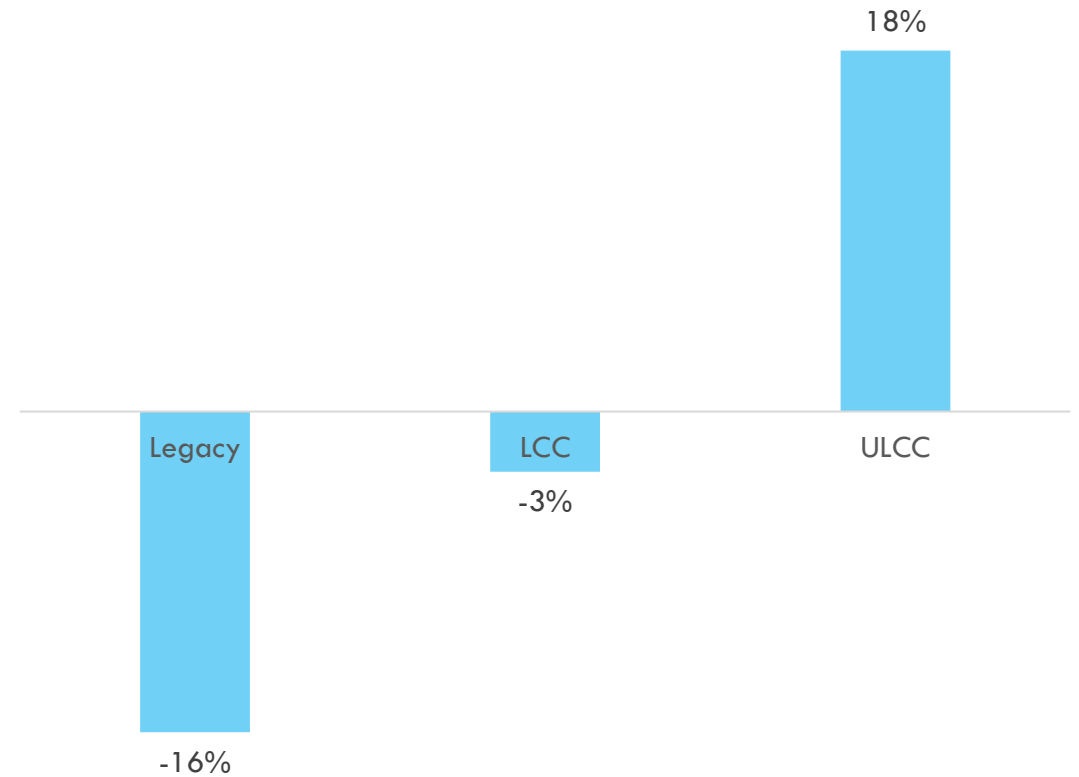
tweed NEW
Southern Connecticut's Airport

Avelo and other ULCCs are PHF's best opportunities in the near future

As discussed, network carriers are burdened by large challenges:

- Higher costs, driven by labor & fuel
- Lower revenues due to lack of business travel
- Shrinking regional fleet due to poorer aircraft economics & pilot shortage

Change in Scheduled Seats 2022 vs. 2019



The airport and community must support Avelo for PHF to continue to grow

If Avelo is successful:

- Additional routes & more low fares are likely to come
- Other carriers are likely to be attracted by the success

If Avelo is not successful:

- They will reallocate their resources to other markets
- Other carriers will doubt their ability to be successful at PHF

An Avelo airplane is shown in flight, angled upwards and to the right. The tail features a stylized logo with a blue and yellow wave. The word "avelo" is written in purple on the fuselage.

Hello, Avelo!

**THE NEWPORT NEWS WAY
to Ft. Lauderdale & Orlando**

Newport News
Williamsburg Airport

In conclusion

- The air service growth seen in the years prior to the pandemic will be stymied by staffing and fleet challenges
- Many airports will continue to see cuts to traditional service – particularly small airports
- Airports are competing for fewer flights
- We must do everything we can to ensure Avelo is successful at PHF

Hello, AVELO

The **NEWPORT NEWS**
Way to **ORLANDO &**
FT. LAUDERDALE/MIAMI, FL

Newport News /
Williamsburg, VA (PHF)

Orlando, FL
(MCO)

Fort Lauderdale, FL
(FLL)

\$22 OFF
all round trip flights*

USE PROMO CODE
OUTLETS22

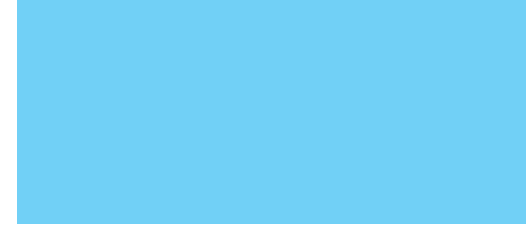
Newport News
Williamsburg Airport

* Valid for round trip flights only. Book and travel by 2/28/23. To receive promo savings, enter promo code on AveloAir.com. Discount applies to base fare only. Not valid on previously purchased itineraries. For full terms and conditions, please visit Avelo's Contract of Carriage.



State of Airline Industry and Air Service

October 19, 2022



FINANCIALS

**PENINSULA AIRPORT COMMISSION
OCTOBER 2022
OPERATING INCOME STATEMENT**

| DESCRIPTION | OCT 2022 ACTUAL | OCT 2022 BUDGET | | YTD ACTUAL | YTD BUDGET | | ANNUAL BUDGET | | PRIOR YR ACTUAL | |
|-------------------------------------|--------------------|--------------------|---------------|------------------|------------------|---------------|--------------------|--------------|--------------------|--------------|
| REVENUE | | | | | | | | | | |
| Airline Fees | 42,641 | 55,017 | 77.5% | 179,886 | 226,273 | 79.5% | 672,032 | 26.8% | 619,644 | 29.0% |
| Fixed Based Operators | 47,050 | 48,996 | 96.0% | 188,373 | 198,798 | 94.8% | 593,311 | 31.7% | 533,896 | 35.3% |
| Property Rental | 94,827 | 94,061 | 100.8% | 401,839 | 397,133 | 101.2% | 1,149,785 | 34.9% | 1,563,252 | 25.7% |
| Rental Cars | 234,952 | 155,113 | 151.5% | 764,174 | 660,683 | 115.7% | 1,937,986 | 39.4% | 1,948,834 | 39.2% |
| Parking Lot | 61,436 | 70,965 | 86.6% | 274,111 | 284,870 | 96.2% | 853,512 | 32.1% | 815,823 | 33.6% |
| Restaurant Income | 36,538 | 32,885 | 111.1% | 125,921 | 140,171 | 89.8% | 411,056 | 30.6% | 341,169 | 36.9% |
| TOTAL REVENUE | 517,444 | 457,037 | 113.2% | 1,934,304 | 1,907,928 | 101.4% | 5,617,682 | 34.4% | 5,822,618 | 33.2% |
| EXPENSES | | | | | | | | | | |
| Labor and Benefits | 358,868 | 358,671 | 100.1% | 1,407,178 | 1,434,684 | 98.1% | 4,304,073 | 32.7% | 4,300,036 | 32.7% |
| Marketing & Advertising | 43,351 | 63,177 | 68.6% | 176,210 | 252,708 | 69.7% | 758,911 | 23.2% | 647,857 | 27.2% |
| Office & Administration | 90,853 | 70,523 | 128.8% | 411,623 | 339,756 | 121.2% | 821,674 | 50.1% | 758,936 | 54.2% |
| Utilities | 50,494 | 47,187 | 107.0% | 235,490 | 188,748 | 124.8% | 677,486 | 34.8% | 646,068 | 36.4% |
| Repairs & Maintenance | 190,879 | 48,977 | 389.7% | 394,006 | 195,908 | 201.1% | 588,618 | 66.9% | 751,540 | 52.4% |
| Restaurant Expense | 40,488 | 29,402 | 137.7% | 151,370 | 125,075 | 121.0% | 367,136 | 41.2% | 361,674 | 41.9% |
| Bond Debt | 19,205 | 15,838 | 121.3% | 78,001 | 63,352 | 123.1% | 190,052 | 41.0% | 246,068 | 31.7% |
| TOTAL OPERATING EXPENDITURES | 794,138 | 633,775 | 125.3% | 2,853,878 | 2,600,231 | 109.8% | 7,707,950 | 37.0% | 7,712,179 | 22.1% |
| NET INCOME | (276,694) | (176,738) | 156.6% | (919,574) | (692,303) | 132.8% | (2,090,268) | 44.0% | (1,889,561) | 22.1% |
| OTHER ITEMS | | | | | | | | | | |
| Trailer Park | (129,180) | (80,000) | 161.5% | (309,456) | 270,000 | -114.6% | (500,000) | 61.9% | (361,014) | |
| Expense Subsidy | - | 268,489 | 0.0% | 643,165 | 643,166 | 100.0% | 689,688 | 93.3% | 4,184,276 | |
| Sale of Land | - | - | | 4,219,249 | - | | - | | 302,520 | |
| NET AFTER OTHER | (405,874) | 11,751 | | 3,633,384 | 220,863 | | (1,900,580) | | 2,236,221 | |

BALANCE SHEET

| | |
|--|-------------------|
| | <u>Total</u> |
| Cash - Unrestricted | 5,307,562 |
| Cash - Restricted | 14,065,792 |
| Other Current Assets | 243,080 |
| Fixed Assets (Net of Depreciation) | 78,124,972 |
| TOTAL ASSETS | 97,741,406 |
| Current Liabilities | 760,665 |
| Long Term Notes Payable - Restricted | 664,328 |
| Long Term Notes Payable - Unrestricted | 5,078,202 |
| OPEB | 8,852,056 |
| TOTAL LIABILITIES | 15,355,251 |
| Net Capital Beginning | 55,620,985 |
| Capital Contributions | 23,131,786 |
| YTD Earnings Current Year | 3,633,384 |
| TOTAL LIABILITIES AND CAPITAL | 97,741,406 |

AIR SERVICE REPORT

Monthly Air Service Report Summary October 2022

- Load factors:
 - 82.7% for American
 - 89.5% for Charters
 - 48.9% for Avelo
 - 73.7% Overall
- Flight Ops (landings & take offs)
 - 3176

| <u>FY23 Actual PAX</u> <u>(7/1/22 – 6/30/23)</u> | <u>FY23 Budgeted PAX</u> <u>7/1/22 – 6/30/23</u> | <u>FY22 Actual PAX</u> <u>(7/1/21 – 6/30/22)</u> | <u>FY21 Actual PAX</u> <u>(7/1/20 – 6/30/21)</u> |
|---|---|---|---|
| Jul: 17,738 | Jul: 15,830 | Jul: 21,586 | Jul: 12,409 |
| Aug: 16,853 | Aug: 15,208 | Aug: 18,582 | Aug: 9,589 |
| Sep: 15,198 | Sep: 16,055 | Sep: 16,210 | Sep: 8,384 |
| Oct: 16,161 | Oct: 18,812 | Oct: 19,044 | Oct: 11,463 |
| Nov: | Nov: 18,921 | Nov: 16,375 | Nov: 10,113 |
| Dec: | Dec: 19,552 | Dec: 15,846 | Dec: 10,201 |
| Jan: | Jan: 19,552 | Jan: 10,538 | Jan: 6,929 |
| Feb: | Feb: 17,660 | Feb: 11,864 | Feb: 6,775 |
| Mar: | Mar: 18,812 | Mar: 16,810 | Mar: 9,116 |
| Apr: | Apr: 22,902 | Apr: 15,896 | Apr: 12,840 |
| May: | May: 22,817 | May: 12,719 | May: 11,744 |
| Jun: | Jun: 22,902 | Jun: 13,702 | Jun: 20,408 |
| Total: 65,950 PAX | Total: 229,024 PAX | Total: 166,770 PAX | Total: 129,971 PAX |

RESOLUTION(S)

**PENINSULA AIRPORT COMMISSION
RESOLUTION 22-018
REGARDING AWARDING CONTRACT FOR AIRPORT PROPERTY
RECLAMATION**

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 ceased operations of the Patrick Henry Mobile Home Park on November 5, 2022, leaving approximately 55 uninhabitable mobile home park units on airport property; and

WHEREAS, the uninhabitable mobile homes and other abandoned property pose a health and life safety risk; and

WHEREAS, the Commission has made it customary to expediently eliminate such uninhabitable units from airport property to reduce the risk of vagrancy, injury, or worse outcomes for anyone (including trespassers) encountering uninhabitable units and abandoned property; and

WHEREAS, the Commission has received quotes for land reclamation from two (2) qualified vendors acting under paragraph 3.6 (Emergency Procedures) of the Commission's Procurement Policy Manual and is acting in accordance with Virginia Public Procurement Act, the Commission has considered the proposals that it has received and has conducted negotiations with selected offerors deemed fully qualified and best suited among those submitting proposals; and

WHEREAS, the Commissioners of the Peninsula Airport Commission, after mature deliberation and upon the recommendations of Staff, deem it prudent and desirable to award the engagement for airport land reclamation services to SPADES RENOVATION, LLC, "Vendor," which, in the opinion of the Commissioners of the Commission, has made the best proposal.

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

(1) The Executive Director of the Commission is hereby authorized and directed to enter into an engagement agreement with such contract to be upon such terms and conditions as specified in the vendor quote of November 21, 2022, at \$3,500 per unit, not to exceed \$192,500 and as further negotiated upon such further terms and conditions as the Executive Director, upon the advice of counsel to the Commission, may deem necessary and appropriate.

(2) This resolution shall take effect immediately.