

# Peninsula Airport Commission

Board of Commissioners Meeting Minutes

April 27, 2023, 8:00 a.m.

## **Commissioners in Attendance:**

Chair, Lindsey Carney Smith  
Vice Chair, Thomas “Tommy” Garner  
Secretary, Sharon Scott (arrived 8:07 a.m.)  
Treasurer, James “Jay” Joseph

## **Staff Members in Attendance:**

Interim Executive Director, John Borden  
Office Manager, Barbara Rumsey  
Air Service Development Manager, Bill Lamanque  
Director of Finance, Mark Adams  
Commission Clerk, Pat Speno

## **Public Officials Present:**

Assistant City Manager, Ralph “Bo” Clayton

## **Counsel:**

Counsel, L. Scott Seymour

## **Public Attendees:**

Kiln Creek HOA representative, David Hause  
PHF Hero’s Lounge Volunteer Manager, Jacqueline Wade  
GA Tenant, Brian Fenelon

Chair Carney Smith called the meeting to order at 8:04 a.m. Chair Smith stated for the record that Patrick Henry Field is open, will remain open, and will thrive again.

**Minutes:** Commissioner Garner moved to accept the March 23, 2023, meeting minutes as presented. Commissioner Joseph seconded and the minutes were approved unanimously. Commissioner Garner moved to accept the minutes from the Special Meeting held April 12, 2023. Commissioner Joseph seconded and those minutes were also accepted unanimously.

**Public Comment:** Mr. Brian Fenelon requested to address the Commission. Counselor Seymour read the instructions for public comment. Mr. Fenelon is a General Aviation hangar tenant at PHF. He is concerned about the availability of hangar space. He also asked if there is interest in the “Air Power History Tour” coming to PHF. Scheduling for 2024 has already begun.

Chair Smith stated she and Commissioner Garner had met with some of the other GA hangar tenants and reaffirmed the partnership between PHF and tenants.

Executive Director John Borden supports having the “Air Power History Tour” coming to PHF. He also said we expect more kids at the 2023 5K on the Runway and would like more static displays so perhaps he can work with Mr. Fenelon to achieve that.

**Finance and Audit Committee Report:** Commissioner Joseph said there was no quorum for the Finance and Audit Committee meeting but he reviewed the proposed budget and financial data with staff.

Three recommendations from staff were raised during the meeting.

1. Pre-pay the VRA loan without penalty to keep us from violating the covenant. Counselor Seymour said a motion would be necessary to prepay the bond subject to the terms of the bond. Commissioner Joseph made the motion to prepay the VRA loan using restricted funds in the State Capital Account. Commissioner Garner seconded the motion. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.
2. Towne Bank has requested communication of PHF’s course forward. Commissioner Joseph stated we should provide Towne Bank with the documents they requested as well as having someone from the PAC Board of Commissioners call to reassure Towne Bank of PHF’s intention to remain operational and in compliance.
3. PHF has an inactive account at Truist Bank that had historically been used for the former mobile home park although it was not specifically set-up or ear-marked for mobile home park usage. Because it is inactive, staff recommends closing it. Truist asks us to execute verification that the account is PHF’s account by passing a resolution to that affect. Right now, there is no one on staff who is authorized to transact business on the account. Mark Adams stated there is no signature authority on staff or on the PAC Board of Commissioners so new signatories are required. There is approximately a \$600,000 balance in the account. There was some discussion about how the account was set up and how it was used. Mr. Adams said the account had been inactive for some time and was not used when the mobile home park was being closed. Chair Smith recapped that Truist Bank needs a resolution indicating that someone at PHF is authorized to transact business with this account including closing it. Mr. Borden and Mr. Adams said the balance would be moved into the standard PHF operating account. Counselor Seymour said there was nothing objectionable in the standard resolution put forward by Truist Bank. Commissioner Joseph moved to accept the resolution to give new signatories to Truist Bank. Commissioner Garner seconded the motion. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

Commissioner Joseph said the March operating budget was in the Board Packet and a discussion of the budget would occur later on the agenda. This concluded Commissioner Joseph’s report.

**Planning and Development Committee Report:** The Habersham land release is on track to close imminently. Payment discussions have begun.

Mr. Borden said John Robinson at the FAA would be willing to shuffle PHF’s projects before the FAA so the easement for Hampton Roads Sanitation District (HRSD) can be prioritized. Chair Smith explained that HRSD counsel has made statements that we will not entertain. Chair Smith asked Counselor

Seymour to address HRSD counsel and make clear that those tactics are not in anyone's best interest. We are not willing to jeopardize the relationship with the FAA for this project.

Chair Smith moved on to recap the temporary construction easement project for Virginia Natural Gas (VNG) on PHF property. The easement is a 4-month project so VNG can lay pipes and there will be no monetary compensation to PHF. Chair Smith asked Kiln Creek Homeowner's Association representative David Hause to communicate that the project is temporary and not being developed at this time. Chair Smith asked for a motion on the VNG resolution with the amendment that VNG will put up a sign saying it is a temporary project. Commissioner Garner made the motion. Commissioner Scott gave the second. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

Next on the agenda was the right of first refusal for the Turnberry Crossing Shopping Center. Counselor Seymour said the owners of the shopping center are selling the property and have delivered a notice under the deed restrictions offering PHF the right of first refusal (ROFR). The seller has said the lender has asked for the right to be able to take the property in the event of foreclosure, without having to come back to PHF for another waiver of the ROFR. If the property becomes a voluntary surrender or foreclosure however, if the lender then sells the property to a third party, they request the waiver of the ROFR to apply. At that point it would kick back in for any future sales by that buyer. A draft resolution was presented to the Board of Commissioners. The resolution states that the PAC will not exercise the ROFR for this one sale. The seller has been non-responsive to requests for mark-up of the PAC's limited waiver. The seller did request that we remove the resolution from today's Board meeting as they are not ready to present. Counsel let the seller know the 60 day response period would expire before the next Board of Commissioners meeting. The PAC commissioners have the option of saying they will not exercise the ROFR for this one sale or allow the 60 day response period to expire and the ROFR restriction would apply to the next seller. Counselor Seymour does not recommend letting the 60 day response period expire as it lends an air of ambiguity. Chair Smith agrees with Counselor Seymour's recommendation. It is the recommendation to pass the resolution to waive the ROFR for this one sale. Any future sellers would be required to negotiate the ROFR with the PAC.

Commissioner Garner moved to approve the resolution with alternative language authorizing the PAC to elect not to exercise the ROFR limited to any additional owners; and authorizes the Chair and legal counsel to execute an additional limited waiver on terms consistent with this resolution and deliver a stoppel so they can get through their title insurance policies in case there are specific words needed.

Commissioner Scott seconded the motion made by Commissioner Garner. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

A resolution addressing on-call contract architectural consulting services was presented next. Mr. Borden stated this resolution is for the Master Plan and any possible service that might come afterward or during the development of the Master Plan. Per Jeff Breeden at the FAA, the contract that was in the RFQ must be utilized. Signing the contract is the last step to move forward. Commissioner Scott moved to approve the resolution as presented. Commissioner Garner seconded. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

The next item for the Planning and Development Committee was the Hampton Roads Transportation Planning Organization's study. It was presented last week to the Transportation Planning Organization (TPO) and Planning District Commission (PDC). The grant was submitted by Hampton Roads Alliance to Go Virginia for a \$100,000 grant to conduct a regional study on air transportation. The study would hire a consultant to study the seven airports within the region and how we can best use these assets in a collaborative fashion. The grant application was submitted on April 4, 2023. There was a panel interview last week. The next step is on May 3 when a regional board will review the application. On June 13, a state board will review the application. If the request is granted on June 13, then by July 1, the plan is that Hampton Roads Alliance will have a consultant in place. The Alliance has already begun to reach out to consultants whom they, ORF, and PHF have worked with in the past to inform them of the pending grant and that an RFQ would be coming so we can have a consultant in place on July 1. The consultant will examine all the airports within the region. The goal is that the consultant will have preliminary study/recommendations within 120 days. There is very good local collaboration on this initiative.

**Executive Director Report:** Mr. Borden attended the recent Transportation Planning Organization meeting. Meetings are held once a month. He gave a brief statement on the Master Plan, Taxiway Delta Rehabilitation CATEX which is completed, and now the design of the project will begin. Mr. Borden informally spoke with Greg Campbell of the Department of Aviation of Virginia (DOAV) who is very interested in the regional study. Mr. Borden will regularly attend these meetings.

Mr. Borden explained that PHF is continuing to seek new air service. The consultant hired to assist with air service development has been meeting with Mr. Borden and Mr. Bill LaManque. The consultant's approach is different than what we have historically done with previous air service consultants. He is more focused on economic development and what makes the most sense for partnership opportunities to increase various pathways of air service. Mr. LaManque will be approaching the local cities to discuss their 3-5-7 year plans of focus and see how the airport can tie into that. Mr. Borden asked the Board of Commissioners to help promote these meetings and encourage the cities' participation. Once PHF knows what the city focuses are, we can better present to the airlines. Mr. LaManque wants to be able to sell a consistent message to airlines. We want to be able to promote the same things the cities are promoting. He is looking for statistics on how many people retire here, industry data, payrolls, property values, etc. Since the air service conference is in June, Mr. LaManque will be trying to meet with city representatives well before then so he has time to prepare appropriate materials for the airlines he will solicit at the conference.

We hosted the first 5K meeting and we are a little ahead with the planning. Jamie O'Brien is taking over the chairing of the event with Chris Walton assisting with sponsorship. We will be doing a separate half mile run for kids and have additional activities targeted at them. Our charitable partner (Dream Catchers) attended the meeting and was excited to participate.

Mr. Borden moved on to present the FY24 budget. Labor expenses are down, marketing and advertising have been cut, restaurant has been downsized with fewer employees and fewer food items, repairs and maintenance costs are way down, utility expenses are being cut, parking fees have been raised to \$10, we are closing some parking areas and turning off those lights, the HVAC system is being adjusted so the bills are lower, etc. We are doing everything possible to cut expenses. Mr. Borden continued to review the budget presentation.

Commissioner Scott asked if there was a way to track car rentals not reserved by flight passengers. Mr. Mark Adams said we do not get a report detailed like that from the car rental agencies.

Mr. Borden said along with the budget cuts we are making, our break-even point is lower than we previously thought. We can meet our budget goals with 327-350 passengers a day. We will be approaching and considering all kinds of air service from the larger commercial airlines and commuter flights to cargo.

Mr. Borden also reviewed proposed projects and their timeline goals, along with their estimated costs.

Commissioner Joseph motioned to accept the budget as presented. Commissioner Garner seconded the motion. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

Mr. Borden stated that the next Board of Commissioners meeting is scheduled for May 25, however, he will be at the Virginia Aviation Board meeting in Staunton and unable to be present. He requested the PAC Board of Commissioners meeting be moved to May 18. Commissioner Garner made the motion to change the date of the next Board of Commissioners meeting to May 18. Commissioner Scott seconded the motion. A roll call vote was taken with results as follows: Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Garner – Yes, Commissioner Scott – Yes. Motion passed unanimously.

Chair Smith asked if there was any old business or new business to come before the commission. There was none.

Chair Smith stated that on May 10, the Newport News Tourism Commission is hosting an event at PHF in Concourse A. She encouraged all present to attend.

There being no further business to come before the commission, the meeting adjourned at 9:22 a.m.