

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair

John Borden, Acting Executive Director

Thursday, May 18, 2023

8:00 a.m.

Commission Room

900 Bland Blvd

Newport News, VA 23602

AGENDAS

PENINSULA AIRPORT COMMISSION

REGULAR MEETING AGENDA

Date: May 18, 2023

Time: 8:00 a.m.

Location: Commission Room

- 1) Call to Order
- 2) Approval of Minutes from April 2023
- 3) Read Instructions for Public Comment
- 4) Public Comment
- 5) Committee Reports
 - a) Finance & Audit
 - b) Planning & Development
- 6) Executive Director Report
- 7) Old Business
 - a) Update on ROFR for Turnberry property
- 8) New Business
- 9) Adjourn

Newport News Williamsburg Airport

PENINSULA AIRPORT COMMISSION COMMITTEE MEETING AGENDA FINANCE & AUDIT COMMITTEE

**DATE: May 15, 2023
TIME: 4:00 p.m.**

- 1) Call to Order
- 2) New Business
- 3) Old Business
 - a) April Financial Results
- 4) Adjourn

Newport News Williamsburg Airport

PENINSULA AIRPORT COMMISSION

COMMITTEE MEETING AGENDA

PLANNING & DEVELOPMENT COMMITTEE

DATE: May 15, 2023

TIME: 5:00 PM

- 1) Call to Order
- 2) New Business
- 3) Old Business
 - a) Update on Turnberry property ROFR
- 4) Adjourn

MINUTES

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. 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.

FINANCIALS

**PENINSULA AIRPORT COMMISSION
APRIL 2023
OPERATING INCOME STATEMENT**

DESCRIPTION	APR 2023 ACTUAL	APR 2023 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET		PRIOR YR ACTUAL	
REVENUE										
Airline Fees	29,088	57,676	50.4%	394,880	555,784	71.0%	672,032	58.8%	619,644	63.7%
Fixed Based Operators	52,331	50,202	104.2%	452,926	492,509	92.0%	593,311	76.3%	533,896	84.8%
Property Rental	93,702	94,142	99.5%	983,667	961,478	102.3%	1,149,785	85.6%	1,563,252	62.9%
Rental Cars	141,729	172,354	82.2%	1,624,476	1,587,531	102.3%	1,937,986	83.8%	1,948,834	83.4%
Parking Lot	64,950	71,398	91.0%	649,318	710,566	91.4%	853,512	76.1%	815,823	79.6%
Restaurant Income	23,391	36,584	63.9%	316,604	336,655	94.0%	411,056	77.0%	341,169	92.8%
TOTAL REVENUE	405,191	482,356	84.0%	4,421,871	4,644,523	95.2%	5,617,682	78.7%	5,822,618	75.9%
EXPENSES										
Labor and Benefits	368,393	358,671	102.7%	3,657,158	3,586,710	102.0%	4,304,073	85.0%	4,252,201	86.0%
Marketing & Advertising	55,707	63,177	88.2%	478,181	597,550	80.0%	793,911	60.2%	647,857	73.8%
Office & Administration	36,008	37,959	94.9%	785,757	710,606	110.6%	786,674	99.9%	758,936	103.5%
Utilities	55,919	47,187	118.5%	641,828	583,114	110.1%	677,486	94.7%	646,068	99.3%
Repairs & Maintenance	37,302	48,977	76.2%	1,243,545	490,688	253.4%	588,618	211.3%	751,540	165.5%
Restaurant Expense	37,377	32,602	114.6%	410,543	300,863	136.5%	367,136	111.8%	361,674	113.5%
Bond Debt	18,260	15,838	115.3%	188,437	158,380	119.0%	190,052	99.2%	246,068	76.6%
TOTAL OPERATING EXPENDITURES	608,966	604,411	100.8%	7,405,449	6,427,911	115.2%	7,707,950	96.1%	7,664,344	22.1%
NET INCOME	(203,775)	(122,055)	167.0%	(2,983,578)	(1,783,388)	167.3%	(2,090,268)	142.7%	(1,841,726)	22.1%
OTHER ITEMS										
Trailer Park	(338)	-		(637,532)	500,000	-127.5%	(500,000)	127.5%	(361,014)	
Expense Subsidy	-	-		689,688	689,689	100.0%	689,688	100.0%	4,300,988	
Sale of Land	-	-		4,219,249	-		-		302,520	
NET AFTER OTHER	(204,113)	(122,055)		1,287,827	(593,699)		(1,900,580)		2,400,768	

BALANCE SHEET

	<u>Total</u>
Cash - Unrestricted	3,914,013
Cash - Restricted	13,232,745
Other Current Assets	361,117
Fixed Assets (Net of Depreciation)	78,737,296
TOTAL ASSETS	96,245,171
Current Liabilities	739,500
Long Term Notes Payable - Restricted	582,957
Long Term Notes Payable - Unrestricted	4,850,947
OPEB	6,441,300
TOTAL LIABILITIES	12,614,704
Net Capital Beginning	58,031,741
Capital Contributions	24,310,899
YTD Earnings Current Year	1,287,827
TOTAL LIABILITIES AND CAPITAL	96,245,171

PENINSULA AIRPORT COMMISSION
APRIL 2023
PROJECTION OF CASH

	YTD 03/23	Rest of yr	Projected 06/23
Unrestricted cash beginning	2,775,071	3,914,013	2,775,071
Operating (loss) YTD	(2,983,579)	(584,550)	(3,568,129)
Other income/(Expense)	4,271,405	(30,000)	4,241,405
Capital expenditures	(2,116,905)	(40,000)	(2,156,905)
Debt principal payments	(470,986)	(94,198)	(565,184)
Other Assets/Liability changes	176,580	(176,580)	-
Unrestricted cash received (used)	(1,123,485)	(925,328)	(2,048,813)
Restricted cash expense reimbursement	689,994	20,000	709,994
Restricted cash capital reimbursement	1,572,434	364,000	1,936,434
Unrestricted cash ending	3,914,013	3,372,685	3,372,685
Restricted cash beginning	13,468,205	13,232,745	13,468,205
Restricted cash received	2,026,968	774,000	2,800,968
Restricted cash expense reimbursement	(689,994)	(20,000)	(709,994)
Restricted cash capital reimbursement	(1,572,434)	(364,000)	(1,936,434)
Restricted cash ending	13,232,745	13,622,745	13,622,745

PENINSULA AIRPORT COMMISSION RATES, FEES & CHARGES

FY 2024 (July 1st, 2023 – June 30th, 2024)

This document sets forth the policy under which the Peninsula Airport Commission (PAC) will establish annual rates, fees and charges at the Newport News/Williamsburg International Airport (the Airport). The rates, fees and charges provided by this policy shall be charged in addition to any other rates, charges and fees the PAC authorizes or assesses or in any other individual permits, agreements, permits or leases entered into by PAC and its tenants.

The PAC retains the right to adjust the rates, charges and fees described herein.

Definitions:

Airlines: provide regularly scheduled passenger service to and from the Airport and use the Airport Terminal Building to enplane and deplane passengers.

Signatory: an airline that has entered into a signed agreement to operate commercial air service (passenger/cargo) and or lease space inside the terminal building.

Non-Signatory: an airline that chooses not to sign an agreement to operate commercial air service (passenger/cargo) and or lease space inside the terminal building. Non-signatory rates will be 150% of the rates, fees and charges.

Scheduled Airline Type A: an airline offering regular scheduled service operating multiple daily flights to and from with a minimum of 6 flights per week.

Scheduled Airline Type B: an airline offering scheduled service operating less than 2 daily flights to a single destination with a minimum of 2 flights per week and no more than 5 flights per week throughout a calendar year.

Airline Operating and Space Use Agreement or Agreement: the agreement that all airlines must execute to operate at the Newport News/Williamsburg International Airport. Certified Maximum Gross Landed Weight (CMGLW): for any aircraft operated by any of the Airlines, the certified

maximum gross landing weight in one-thousand-pound units of such aircraft as certified by the FAA and as listed in the Airlines' FAA approved Flight Operations Manual.

Customer Facility Charge (CFC): a charge imposed by the PAC on each rental day of a rental car.

Enplaned Passengers: the originating and on-line or off-line transfer of passengers of each of the Airlines serving the Airport enplaning at the Terminal Building.

Exclusive Space: space assigned to an airline for specific and exclusive use.

Fiscal Year: July 1st of any calendar year through June 30th of the next calendar year.

Landing Fees: fees calculated by multiplying the landing fee rate determined by the applicable CMGLW.

Non-Exclusive Space: common circulation and operating space that is used by airline passengers and airline personnel.

Passenger Facility Charge (PFC): the charge imposed by the PAC pursuant to 14 CFR part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the PAC pursuant to or permitted by federal law.

Rates, Fees, and Charges: the rates, fees, and charges for any Fiscal Year calculated under this policy.

Federal Inspection Service (FIS): a facility at PHF used by Customs and Border Protection (CBP) to clear international passengers into the United States.

DESCRIPTION	RATE
Landing Fee (Signatory)	\$1.98 / 1,000 lbs.
Landing Fee (Non-Signatory)	\$2.97 / 1,000 lbs.
Overnight Aircraft Parking Fee (RON)	50% of landing fee
Law Enforcement (Signatory)	\$.20 / enplaned passenger
Law Enforcement (Non-Signatory)	\$1.00 / enplaned passenger
Passenger Facility Charge	\$4.50 / enplaned passenger
Scheduled Airline Type A & B per flight	Varies based on aircraft use, passengers handled and space occupied
Aircraft Recovery (AARF)	Cost plus 20%
Fire Suppressant (AARF)	Cost plus 20%
Airfield/Lighting/Signage Damage (Damage)	Cost plus 20%
Exclusive Finished Space Upper and Lower Levels	\$34 / sq. ft.
Exclusive Unfinished Space Upper and Lower Levels	\$24 / sq. ft.
Non-Exclusive (Shared) Space (Signatory)	\$2.40 / enplaned passenger
Non-Exclusive (Shared) Space (Non-Signatory)	\$3.60 deplaned passenger
Jetbridge Use (Signatory)	\$2,000 / mo.
Jetbridge Use (Non-Signatory)	\$30 / use
FIS (Signatory)	\$3.00 deplaned passenger
Communications (Space Utilities)	\$25.00/phone
Trash Disposal (Space Utilities)	\$50.00
Utilities (Space Utilities)	\$50.00
Employee Parking Permit (Parking)	\$35.00 employee/yr.
SIDA Access Control ID (Badging)	\$105/ID (other fees vary see OPS)
AOA Parking Permit (Parking)	\$35.00 first year / \$10.00 per year
AOA Access Control ID (Badging)	\$75.00
Lost / Unaccounted Badge Fee (Badging)	\$200.00
Janitorial Services (Facilities)	Negotiated based on service needs
Customer Facility Charge (CFC) (Concession)	\$4.25/ rental day
Food and Beverage (Concession)	Rate varies based on gross sales

Rental Car (Concession)	10% of Gross Revenue
Rental Car Overflow Parking Space (Concession)	\$465.00/mo.
Rental Car Exclusive Space Upper Level (Concession)	\$40.00 /sf
Retail (Concession)	Rate varies based on gross sales
Vending (Concession)	35% of gross sales
FBO (Concession)	2% of gross sales or flat fee (negotiated)
Fuel Flowage Fee (GA) (Fuel)	\$.05/gallon
Fuel Flowage Fee (Charter Airline) (Fuel)	\$.05/ gallon
Fuel Flowage Fee (Commercial) (Fuel)	\$.015/ gallon
Ground Lease Rate (Lease)	Varies based on location and size
Aeronautical Facility Use Fee (Aeronautical Space)	\$5,000.00 / mo.
Aeronautical Commercial Operator (Not an FBO) (Aeronautical Space)	5% of Gross Revenue
GA Hangar Lease Rates (Aeronautical Space)	Per PAC Hangar Leasing Policy and Condition
Traffic Violations (DPS)	City of Newport News Code
Security Violations (TSA)	Set by Transportation Security Administration
Commercial Ground Transportation (Ground Transportation)	\$3.00/pick up
Transportation Network Companies (Ground Transportation)	\$3.00 pick up & drop off
Copy Charges (For Information Requests) (FOIA)	\$.25/copy – B&W \$.50/copy - Color
Freedom of Information Request Charge (FOIA)	Cost of Administration / Reproduction
Finance Charge for late payment (General)	1.5%
Conference Room Rental (Space)	\$50.00 (flat fee)
Banquet Room Rental (Space)	\$75.00 (less than 4 hours) \$150.00 (more than 4 hours)
Terminal Building (Damage)	Cost Plus 20%

Landside/Parking Facilities (Damage)	Cost Plus 20%
PAC Maintenance Labor (Damage)	\$65.00/hour

AIR SERVICE REPORT

Monthly Air Service Report Summary April 2023

- Load factors:
 - 83.3% for American
 - 83.2% for Avelo
 - No Reported Charters for April 2023
 - 83.2% Overall
- 4196 Flight Ops (landings & take offs)

<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:	15,044	Jul:	15,830	Jul:	21,586	Jul:	12,409
Aug:	14,280	Aug:	15,208	Aug:	18,582	Aug:	9,589
Sep:	12,372	Sep:	16,055	Sep:	16,210	Sep:	8,384
Oct:	13,649	Oct:	18,812	Oct:	19,044	Oct:	11,463
Nov:	14,626	Nov:	18,921	Nov:	16,375	Nov:	10,113
Dec:	14,860	Dec:	19,552	Dec:	15,846	Dec:	10,201
Jan:	9,029	Jan:	19,552	Jan:	10,538	Jan:	6,929
Feb:	10,879	Feb:	17,660	Feb:	11,864	Feb:	6,775
Mar:	13,322	Mar:	18,812	Mar:	16,810	Mar:	9,116
Apr:	11,596	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: 129,657 PAX		Total: 229,024 PAX		Total: 166,770 PAX		Total: 129,971 PAX	

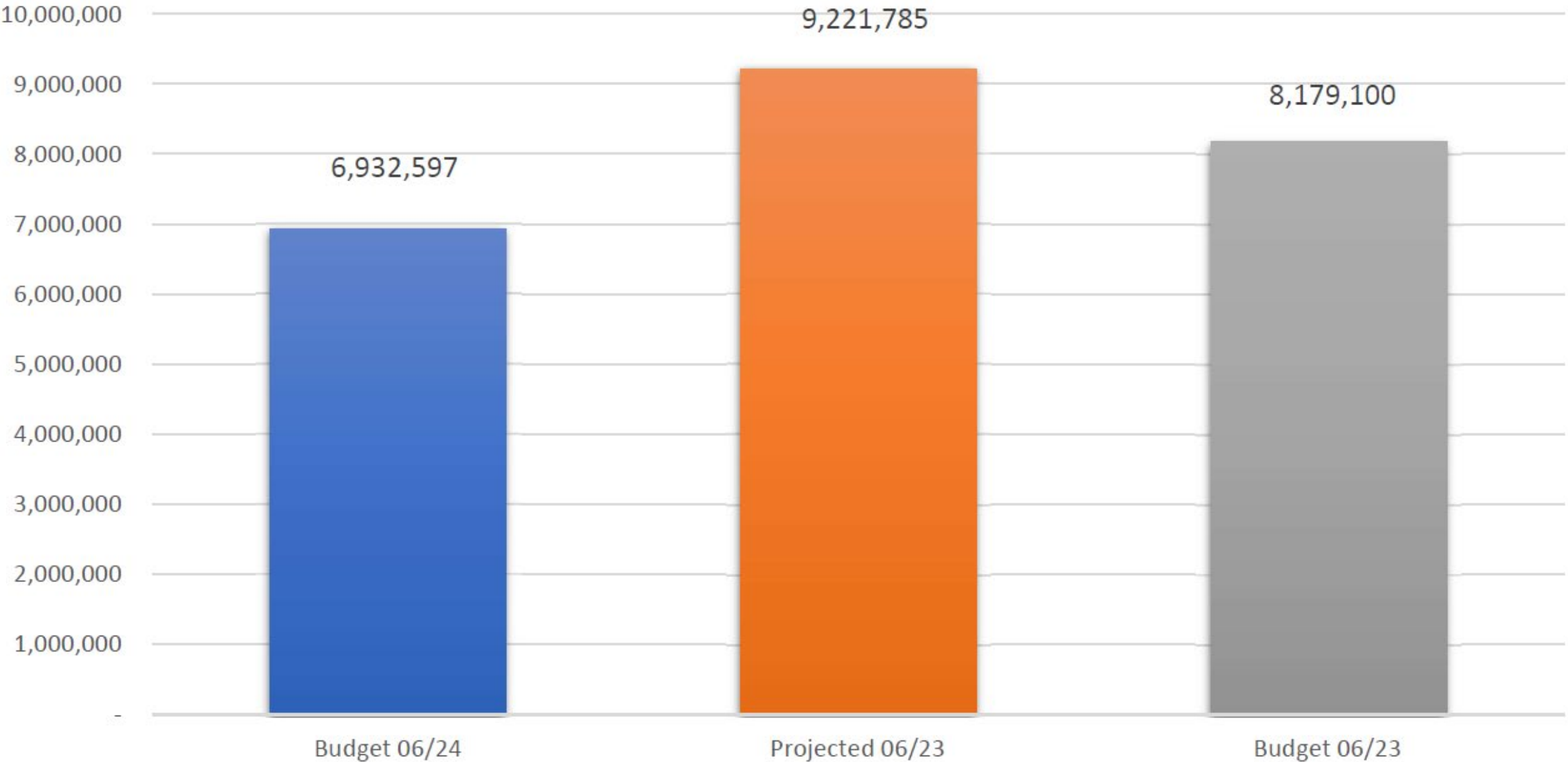
EXHIBIT ONE

PENINSULA AIRPORT COMMISSION FY24 BUDGET

**PENINSULA AIRPORT COMMISSION
ANNUAL CASH FLOW BUDGET
for
FISCAL YEAR ENDING JUNE 2024**

Peninsula Airport Commission

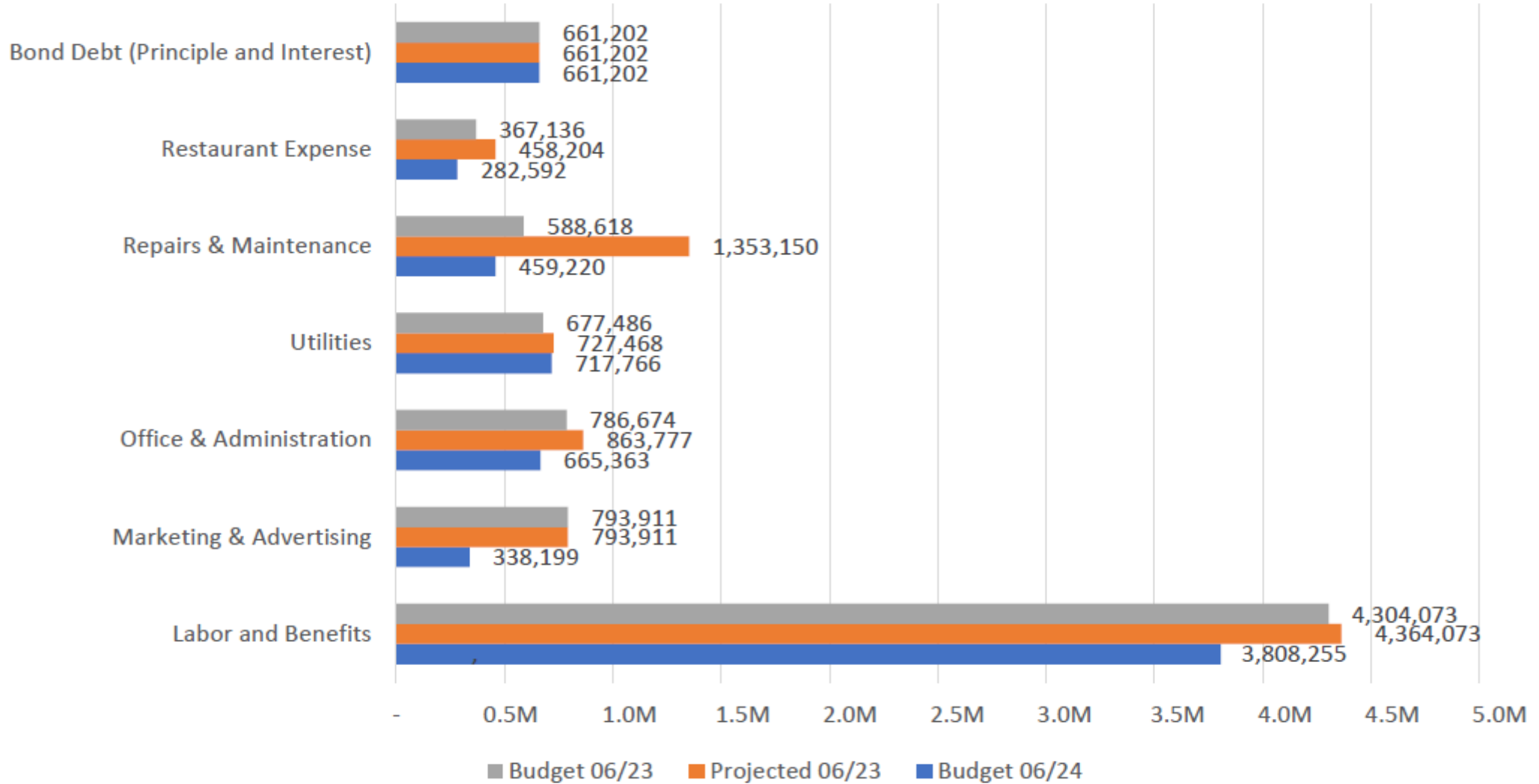
Expense Budget Fiscal Year June 2024



Expense Categories

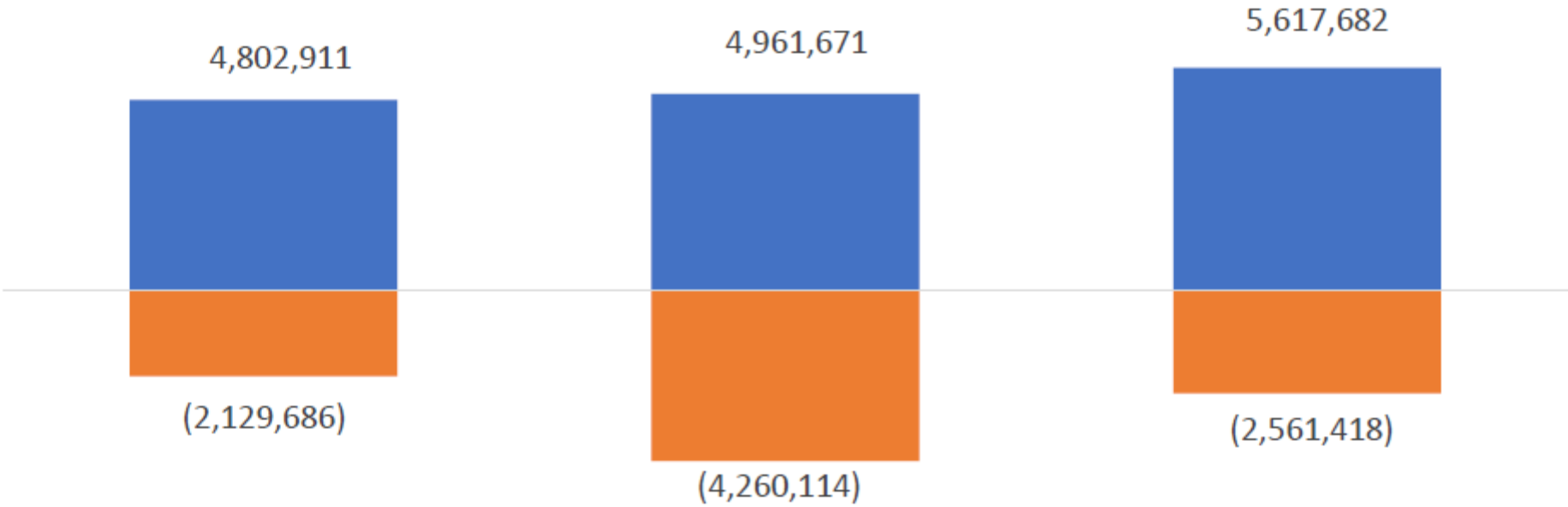
- Labor expenses are based on the current list of employed associates. Headcount reductions due to the termination of Avelo ground handling and customer service activities were implemented prior to the beginning of the budget year.
- Marketing and Advertising expenses have been reduced to a level consistent with only a legacy carrier operating. Maintenance level market education and change awareness programs are expected to be significantly less than the prior year campaigns related to new airline service.
- Office and Administration expenses are mostly fixed in nature and not expected to vary relative to the passenger count range used for the budget. All items have been reviewed to make sure the expense is necessary.
- Repairs and Maintenance have been reviewed to make sure everything necessary for the continued efficient operation of all buildings and equipment is accounted for. This budget line item includes an additional contingency amount of \$90K.
- Utility expense has been reviewed while looking for all usage efficiency possibilities. There is still a big unknown as to the potential inflation increases. The possibility of increases has not been factored into these budget amounts.

Peninsula Airport Commission Expense Budget Fiscal Year June 2024



Peninsula Airport Commission Cash Flow Budget Fiscal Year June 2024

■ Revenue ■ Net Loss

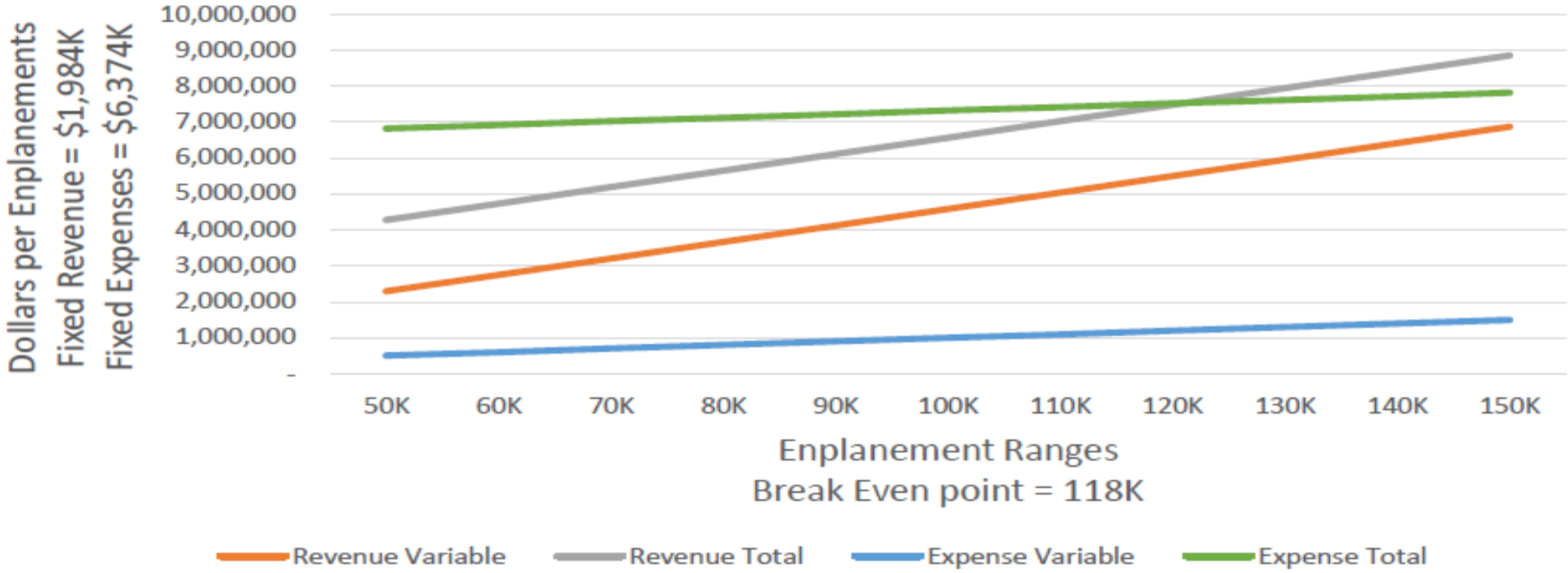


	Budget 06/24	Projected 06/23	Budget 06/23
■ Net Loss	(2,129,686)	(4,260,114)	(2,561,418)
■ Revenue	4,802,911	4,961,671	5,617,682

Revenue Categories

- Airline revenues are based on a steady passenger count for American Airlines. The seats available are expected to be 225 per day with 75% fill rate. Total enplaned passengers for the year budgeted at 61,600. This is down drastically from the budget for the year ending June 2023.
- Fixed Based Operators' revenues are expected to continue at the current trend.
- Property Rental revenue is based on the current list of tenants. Existing hangars and rental spaces are approximately 100% full and no new rental assets are scheduled to be brought on board in the budget year.
- Rental car revenue is directly tied to passenger count. This revenue is budgeted consistent with the historical rate per passenger count.
- Parking lot revenue is directly related to the number of passengers. The slight increase in per day charge to \$10 for all lots is expected to have a small impact on overall revenue dollars. The budget is based on a conservative amount per passenger count.

Peninsula Airport Commission Break Even Analysis Fiscal Year June 2024 Dollars per Enplanement Estimates



PENINSULA AIRPORT COMMISSION
 BUDGET FOR THE YEAR ENDED JUNE 2024

	Budget 06/24	Projected 06/23	Budget 06/23
	Total		
Revenue	4,802,911	4,961,671	5,617,682
Expense	6,932,597	9,221,785	8,179,100
Net	(2,129,686)	(4,260,114)	(2,561,418)
REVENUE			
Airline Fees	450,482	460,649	672,032
Fixed Based Operators	664,881	452,725	593,311
Property Rental	1,145,311	1,149,785	1,149,785
Rental Cars	1,690,718	1,820,947	1,937,986
Parking Lot	567,572	717,534	853,512
Restaurant Income	283,947	360,030	411,056
TOTAL REVENUE	4,802,911	4,961,671	5,617,682
EXPENSES			
Labor and Benefits	3,808,255	4,364,073	4,304,073
Marketing & Advertising	338,199	793,911	793,911
Office & Administration	665,363	863,777	786,674
Utilities	717,766	727,468	677,486
Repairs & Maintenance	459,220	1,353,150	588,618
Restaurant Expense	282,592	458,204	367,136
Bond Debt (Principle and Interest)	661,202	661,202	661,202
TOTAL EXPENSES	6,932,597	9,221,785	8,179,100

PENINSULA AIRPORT COMMISSION
CAPITAL PROJECT BUDGET

2023

PROJECT COST/FUNDING

Update Airport Master Plan	\$1,600,000 AIP/STATE
Rehabilitate Taxiway D Design (result of 2021 PMS)	\$1,000,000 AIP/STATE
Main Terminal Roof Replacement	\$2,400,000 AIG(A)/STATE

2024

Main Terminal Life Safety Egress Phase 1	\$2,400,000 AIG(A)/STATE
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2025

Rehabilitate Taxiway D Construction Phase 1	\$6,000,000 AIP/STATE
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2026

Rehabilitate Taxiway D Construction Phase 2	\$5,500,000 AIG(C)/STATE
Taxiway J Connector Extension to Full Parallel Design	\$1,700,000 AIP/STATE
Entrance Canopy and Wayfinding	\$2,851,967 AIG(A)/STATE

2027

No AIP/AIG A projects scheduled

2028

Taxiway J Extension to Full Parallel Construction Phase 1	\$6,000,000 AIP/STATE
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The background of the slide is a vibrant green color. On the left side, there are several thin, white, wavy lines that curve across the frame, creating a sense of motion and depth. The word "QUESTIONS?" is centered in the middle of the slide in a bold, dark blue font.

QUESTIONS?