

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

February 19, 2026 – Regular Meeting

Commissioners in Attendance:

Chair, Lindsey Carney Smith
Vice Chair, Tommy Garner
Assistant Secretary, John Lawson
Assistant Treasurer, McKinley Price, DDS

Staff Members in Attendance:

Executive Director, Chris Morello
Deputy Executive Director, John Borden
Executive Assistant, Jenna Coyle
Chief Financial Officer, Mark Adams
Director of Operations, Rob Gay

Public Officials Present:

Philip Jones, Mayor, City of Newport News
Kim Bracy, Communications Manager, City of Newport News

Counsel:

L. Scott Seymour

Public Attendees:

David Hause, Kiln Creek HOA
Dave Dober, ATAC
Mark Lee, Atlantic Aviation

Chair Smith called the meeting to order at 8:00 a.m. She began by thanking everyone in attendance. Chair Smith reported that Mr. Joseph is absent due to travel.

Approval of Minutes from December 18, 2025: Chair Smith asked if there were any comments or edits to the Minutes. Dr. Price made a motion to approve the Minutes as presented and Mr. Lawson seconded the motion. The motion was approved by voice vote, **4-0**.

Public Comment: Chair Smith asked if any speakers had signed in for Public Comment and Ms. Coyle stated that there were none.

Special Reports: Mr. Morello reported that each of the Traffic Impact Analyses (TIAs) for AirCommerce Park East (ACP East), and AirCommerce Park West (ACP West) have now been completed. He explained that the remaining requirement is to compile all necessary application materials for submission to VEDP, along with a Preliminary Engineering Report (PER), in order

to seek Tier 4 status for each territory. He reported that AirCommerce Park West required additional review due to its complexity and that a final quality assurance review is being conducted before submission to VEDP. He reported that VEDP has indicated that they will provide an expedited review and will either confirm Tier 4 status or provide follow-up questions if additional information is needed. Mr. Morello stated that there are opportunities to pursue further grant funding to support expanded due diligence and pre-development activities, and that he, Economic Development Authority (EDA) staff Florence Kingston and Tom O’Grady, and VEDP representatives are continuing planning discussions to determine which activities should be included in an application for the next round of VBRSP grant funding. Chair Smith reported that Mr. Morello is working with the EDA staff to develop ACP site identification signage to help market them as ready for development, although a specific timeline for the signage will require further coordination.

Master Plan Update: Mr. Morello stated that the consultant has submitted a group of draft sections that includes design alternatives, elements of the environmental overview, and the triggering events that would lead to different development paths. Mr. Morello reminded Commissioners that the Master Plan differs from previous plans because it is designed to incorporate flexibility for capital improvement, decisions, and funding sources, including federal, state, and local funding. He also explained that instead of waiting until the end of the process for approval from the Department of Aviation and the FAA, both entities have been actively involved and creating an efficiency by helping guide Plan drafting decisions that will lead to achieving quicker acceptance and approval. Mr. Morello reported that there is still substantial review required for the remaining draft sections to ensure the final document is both approvable and remains valuable and useful for the next ten years. Chair Smith agreed and added that the inclusion of the FAA in the process has been especially beneficial because it allows for real-time feedback that the consultant, Passero, can immediately incorporate.

Partnership Reports:

Mobile Innovation Center (MIC). Mr. Morello reminded Commissioners that the Virginia Mobile Innovation Center (MIC) is a private-sector–led initiative seeking approximately \$3 million in funding from the Go Virginia Grant program as part of a \$4.5 million total project budget, with the remaining funds provided through matching contributions and in-kind support, mostly from private sector partners. He reported that the proposal has recently been expanded to include a stronger focus on education and workforce development, with partners such as Christopher Newport University, Hampton University, community colleges, and other institutions developing aviation-related programs and the initiative will create a workforce training pipeline for the uncrewed aircraft systems (UAS) industry. This will involve training in piloting, sensor technologies, and emerging airspace technologies if the grant is awarded. Mr. Morello stated that the programs will span multiple education levels with the goal of building and retaining aviation workforce talent in the region. He said that while beyond-visual-line-of-sight (BVLOS) operations are not expected at the airport in the immediate future due to current regulatory barriers, the program aims to prepare the workforce for these future capabilities. He reported that the project team will present the revised proposal in a pitch call to the technical committee on February 26th, with the Go Virginia state board scheduled to consider final approval on March

24th. He stated that an update on the outcome is planned for the April meeting. Chair Smith stated leaders also noted that workforce availability is a key concern for companies considering locating at AirCommerce Park, and although the Hampton Roads region has strong workforce programs tied to maritime trades, aviation-specific training opportunities are more limited. She reported that expanding these resources is considered essential to attracting aviation-related businesses to the airport.

EVTOL Integration Pilot Program (EIPP). Mr. Morello reminded the Commission that this initiative is led by the Mid-Atlantic Aviation Partnership at Virginia Tech and the Virginia Department of Aviation. He said that it aims to establish one of seven national demonstration corridors for integrating Advanced Air Mobility (AAM) and other new aviation technologies, both crewed and uncrewed, into the national airspace system in cooperation with numerous private-sector partners involved in AAM through a previously authorized non-binding memorandum of understanding (MOU). He also reminded them that PAC is participating in both a state-level and a multi-state initiative and the state-level program focuses on the technical aspects of testing operations from airports and other potential launch locations. Mr. Morello stated that a multi-state effort led by the Pennsylvania Department of Transportation includes Virginia and nine additional states and focuses on broader policy development and national-level recommendations to the FAA on regulatory guidance for integrating these emerging technologies. He stated the application team is awaiting conclusion of both selection processes and is hopeful that a decision will be announced in the near future.

Committee Reports:

Finance & Audit Committee. Mr. Morello presented the Proposed FY27 Budget, beginning with an overview of the revenue, expense, and net income projections (see Exhibit A). He stated that the budget development process included extensive cross-departmental collaboration and multiple meetings to identify critical operational and capital needs. He directed attention to a multi-year capital planning document provided to Commissioners identifying non-recurring and critical projects, most of which are necessary for regulatory compliance or essential operational needs, with several tied directly to the long-term economic development strategy associated with the AirCommerce Park initiative. He explained that revenue projections were developed using analysis and conservative approaches informed by FY26 performance trends, among other factors. He stated that, as an example, FY26 reductions in airline service of two fewer flights per day were somewhat offset by higher load factors experienced by the remaining flights. Mr. Morello reported that some potential revenue sources, such as terminal space rentals for events, additional parking license agreements, advertising space, and a future landing fee billing capability, were intentionally omitted from the proposed FY27 revenue budget as part of a conservative approach. As for expense budgeting, he explained these were also developed conservatively, focusing on prioritizing critical needs and delaying nonessential expenditures, and that FY27 Labor and Benefits include planned wage adjustments. He further explained that a temporary two-year reduction in employer contributions to the Virginia Retirement System due to strong fund performance will help off-set standard annual wage and benefit increases. Mr. Morello reported that significant cost savings were identified in marketing and advertising by shifting away from traditional mass media toward more targeted, data-driven digital and social media strategies for FY27. He stated that savings will also be realized in Office Administration through improved operational efficiencies and reduced supply costs that began in FY26, and that

utility costs are expected to decline slightly in part due to energy efficiency improvements from recently installed terminal windows. Mr. Morello further explained that repairs and maintenance expenses for the presentation were separated into two categories, one being routine costs, and the other critical or non-recurring projects, including equipment replacements required for FAA compliance. He stated that the proposed budget projects a deficit, but also reflects a slightly smaller shortfall than the previous year. He informed the Commission that the net cash flow projection indicates a need for continued operating assistance from the City, and that a request similar to the previous year's \$3 million operating support request would be appropriate, but that no additional capital funding request is recommended at this time because major deferred and non-recurring maintenance items have already been incorporated into the operating budget. Chair Smith thanked Commissioner Price and Commissioner Joseph for their work reviewing the budget in detail and incorporating staff recommendations before presentation to the Commission as the proposed budget. Mr. Garner made a motion to approve the Proposed FY27 Budget as presented and Mr. Lawson seconded the motion. The motion was approved by voice vote, **4-0**.

Facilities Committee. Mr. Morello stated that there is no committee report, but that Mr. Borden will provide updates on current projects.

Terminal Roof Replacement. Mr. Borden stated that the terminal roof replacement is progressing faster than initially anticipated, and the team is performing very well. He reported favorably on the quality of their work and adherence to security protocols.

Taxiway Delta. Mr. Borden stated that Taxiway Delta had been closed during the week so that the contractor could begin marking, staking, and conducting survey work. He reported that the FAA 7460 obstruction permitting needed for the batch plant has not yet been approved, so the team will proceed with as much groundwork on Taxiway Delta as possible in the meantime. He stated that the closure of Runway 7/25 is still anticipated to begin on April 1st and is expected to last 30 days; however, the team plans to work around the clock in an effort to potentially shorten the closure duration if possible.

General Aviation Ramp. Mr. Borden reported that the GA Ramp rehabilitation project construction is progressing well and that the anticipated completion date is April 30th, unless delayed by weather. He stated that, as a precaution, May 10th has been identified as a buffer date in case of weather-related delays.

Capital Projects. Mr. Borden presented a Capital Projects planning program package that included a federal and state schedule, plus several airport maps outlining recent and proposed airfield improvement projects (see Exhibit B). He reviewed actions taken the previous year to secure federal funding, noting that two projects, ramp improvements and Taxiway Delta Phase 1, were advanced quickly in order to secure approximately \$1.8 million in FAA entitlement funds and \$2.3 million in Airport Infrastructure Grant (AIG) funds made available through federal legislation. He explained that an additional grant of approximately \$233,000 is forthcoming to complete the Taxiway Delta Phase 1 funding. He stated that for FY26, the airport will receive approximately \$1.3 million in additional FAA entitlement funding, with a remaining balance of just over \$1.1 million after the final Taxiway Delta Phase 1 allocation. He also reminded the

Commission that AIG funding, which has supported recent projects, will end after this fiscal year. Chair Smith offered additional clarification on the timing of funding, bidding, and construction associated with Taxiway Delta Phases 2A and 2B. Mr. Borden reported that the goal is to combine available funding to complete as much of the project as possible during the current cycle. He noted that FY27 and FY28 are expected to be “gap years” with few major capital projects while the airport rebuilds its FAA entitlement funding balance following recent expenditures and the end of AIG funding. Future projects may include improvements to the north general aviation ramp, Taxiway J connector work, and a potential Taxiway J extension. He stated that these projects depend on the outcomes of the Master Plan and the need to address the runway intersection “hot spot.” Mr. Borden added that FAA entitlement funds may be carried forward for up to four years and must be allocated by FY2031. The capital plan will continue to be reviewed annually during the AIP planning cycle, with updates provided to the Commission as needed.

Virginia Aviation Board. Mr. Borden reported that the airport received approval for Continuous Friction Monitoring Equipment (CFME), which measures runway surface friction to detect potential safety issues such as rubber buildup, deteriorating pavement, or ice accumulation. He stated that the equipment will help identify when runway maintenance actions, such as rubber removal or ice treatment, are needed and that the project was approved with a 90/10 funding split. He also said that the Virginia Aviation Board is expected to vote on maintaining that funding ratio rather than returning to the traditional 80/20 split.

Executive Director Report: Mr. Morello presented the 2025 Annual Report (see Exhibit C), highlighting the title reflecting the airport’s strategic refocus and messages from both the Commission Chair and the Executive Director. Mr. Morello also emphasized the Annual Report’s focus on staff’s community engagement activities throughout calendar year 2025, plus a workforce development section that emphasizes internal cross-training initiatives aimed at strengthening collaboration across departments, as well as the airport’s strong focus on safety and compliance led by Safety Manager Jeff Currence, who oversees training and regulatory adherence. He showed how the Annual Report also advertises available AirCommerce Park land lease opportunities as part of the overarching economic and revenue diversification theme.

Mr. Morello reported that an update on the VITA grant and a recent enhancement to it would be provided at the next meeting. He said that this will include progress made under the security grant, a comparison of the airport’s security capabilities before and after the improvements and planned next steps for cybersecurity enhancements.

Mr. Morello congratulated the City of Newport News and the City Fire Department on what was reported to be a successful groundbreaking ceremony for the future Fire Station 11 on Turnberry Boulevard. He stated that Fire Chief Torres and Director of Operations, Rob Gay, attended the event on behalf of the airport. Mr. Seymour stated that the airport had provided the City with a limited license agreement allowing temporary use of a portion of the airport parking lot for the event, with appropriate signage and an understanding that the use was at the City’s risk. Mr. Morello expressed appreciation that the parking area was left exceptionally clean following the ceremony.

Mr. Morello reported that he received a letter of appreciation from Thrive Peninsula recognizing the airport's participation in a recent food drive (see Exhibit D) which highlights and acknowledges the strong participation and community support from airport employees. He stated that the letter noted that airport staff collectively contributed 624 pounds of the total 7,565 pounds collected for Thrive Peninsula during the campaign.

Mr. Morello reported that the airport hosted a highly successful Uncrewed Systems Expo and Job Fair on January 21st in Concourse A. He stated that the event was organized by the eAviation and Drone Academy in partnership with the New Horizons Regional Educational Center and attracted an estimated 150 attendees who were greeted by nearly 40 exhibitors representing educational institutions, private companies, UAS service providers, and training organizations related to drone operations. Mr. Morello stated that the event brought many community members to the airport who might not otherwise visit except for travel. He stated that while a facility fee was not charged for the event, the airport has begun receiving additional inquiries for similar events and plans, and staff is working to develop a policy to appropriately monetize use of the concourse space in support of airport revenue generation.

Old Business: Chair Smith asked if there was any old business. There was none.

New Business: Chair Smith asked if there was any new business. There was none.

Closed Session: Chair Smith asked Mr. Seymour to read closed session statements for §2.2-3711(A)(1): Personnel, §2.2-3711(A)(3) Acquisition & disposition of real property, and §2.2-3711(A)(5): Prospective Business.

Dr. Price made a motion to enter into Closed Session and Mr. Garner seconded the motion. The motion was approved by roll call vote, **4-0, and the PAC entered Closed Session at 9:17am.**

Chair Smith asked Mr. Seymour to read the required certification statement to return to Open Session. Mr. Garner made a motion to return to Open Session and Dr. Price seconded the motion. The motion was approved by roll call vote, **4-0, and the PAC returned to Open Session at 10:08 a.m.**

Chair Smith adjourned the meeting at 10:09 a.m.

Next Regular Meeting Date: March 19, 2026, at 8:00 a.m.