

PENINSULA AIRPORT COMMISSION

MINUTES

September 22, 2016

PRESIDED: George Wallace

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, September 22, 2016 at 8:00 a.m. in the Airport Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, Sharon Scott and George Wallace.

Executive Director

Mr. Ken Spirito

Assistant Executive Director

Ms. Melissa Cheaney

Director, Finance and Administration

Ms. Renee Ford

Legal Counsel

Mr. Herbert V. Kelly, Jr.

Ms. Robyn Hansen

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

Jeff Wellman- Talbert & Bright

Jeff Tarkington-Talbert & Bright

Jared Alexander-PAC Operations Supervisor

Reema Amin-The Daily Press

COMMENTS FROM THE PUBLIC

There were no comments from the public at this time.

MINUTES OF COMMISSION MEETING HELD August 25, 2016

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held August 25, 2016.

Commissioner Aubrey Fitzgerald made the motion to adopt the August 25, 2016 minutes and Commissioner Jim Bourey seconded the motion.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon and George Wallace.

ASSISTANT EXECUTIVE DIRECTOR

Ms. Cheaney, Assistant Executive Director, gave the following report:

- Consolidated Checkpoint Project-we will be transitioning and changing the screening checkpoint from Concourse B to Concourse A during the week of October 3rd. We will transition passengers to Concourse A so that construction can be completed in the Concourse B area. All of the equipment TSA will need is currently in place in Concourse A and TSA will have an exit lane that will be a straight shot into the atrium making it easy for passengers to maneuver. TSA is in the process of approving the new configuration and we should have their approval by September 30, 2016. Once that is in place, we will begin the transition process on October 3rd and open Concourse B on October 4th or sometime later that week. DPS and OPS will be available to help guide passengers through the new configuration if needed. This will be the final transition until mid-January and then the new checkpoint will officially open.

(Commissioner Sharon Scott arrived at 8:02 a.m.)

AIRPORT PROPERTY-WETLANDS BANK STUDY

Ms. Cheaney reported that in 2000 the airport purchased from the city 200 acres of property between Denbigh Blvd. and Fort Eustis Blvd. In the deed, it stated the property was to be used as a wetlands bank for future airport development. A land owner typically purchases acreage in a wetlands bank when a project will impact existing wetlands on their property.

Talbert and Bright has provided a scope of work and will analyze and research the existing property, deeds, and history of the land. Talbert and Bright will also work with the FAA, Army Corps of Engineers, and the Department of Environmental Quality to determine if and how much of the 200 acres can actually be used as a wetlands bank. They will also look at how much acreage has been encumbered and how much will be

needed for future airport development. Finally Talbert and Bright will do a market analysis of the value of wetlands and recommend, if feasible, further steps to take to formalize the property as a wetlands bank. The budget impact for the cost of the study will be \$30,155.50.

Ms. Cheaney recommends the Commission approve the scope of work by Talbert & Bright for the Airport Property-Wetlands Bank Study.

RESOLVED, that the Peninsula Airport Commission approve the scope of work by Talbert & Bright for the Airport Property-Wetlands Bank Study.

Commissioner Steve Mallon made the motion to approve the scope of work by Talbert & Bright and Commissioner Sharon Scott seconded the motion.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, Sharon Scott and George Wallace.

DIRECTOR OF AIR SERVICE, MARKETING AND PUBLIC RELATIONS

Ms. Jessica Wharton, Director of Air Service, Marketing and Public Relations, was not in attendance, therefore, Executive Director, Ken Spirito, gave the following report:

- Passenger numbers for the month of August were slightly decreased but this is due to Delta's seat capacity. American Airlines increased seat capacity and in mid-December they will be adding additional seats as we go to all jets beginning December 16th. Also, all 3 flights of Delta's will be Boeing 717's so in December there will be a 10-15% increase in seat capacity.

DIRECTOR OF FINANCE & ADMINISTRATION

Renee Ford, Director of Finance & Administration gave the following report:

Ms. Ford reminded everyone that our annual Flu Shots will be given next Thursday, September 29, 2016 from 1:00-3:00 p.m. in the Banquet Room if anyone would like to receive one.

Ms. Ford reported the Airport's revenues were 9.2% better than budget and 5.6% above August 2015. Our expenditures for August 2016 totaled .2% above budget and 12.3% higher than August 2015.

CLOSED MEETING

BE IT RESOLVED, that the Commission enter into a Closed Meeting pursuant to the Virginia Freedom of Information Act; Section 2.2-3711.A. pertaining to:

Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Specifically, to discuss the disposition of publicly held real property.

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. Specifically, to discuss perspective business in the expansion of existing air service where no previous announcement has been made.

Consultation with legal counsel and briefings 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 public body; and consultation with legal counsel employed or retain by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Specifically, to consult with counsel regarding lease terms by an existing Airport tenant.

Commissioner Aubrey Fitzgerald made the motion, seconded by Commissioner James Bourey to hold a closed meeting.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, Sharon Scott and George Wallace.

The Commission entered into a Closed Meeting at 8:24 a.m. and reconvened in Open meeting at 9:10 a.m. Upon reconvening, it was

RESOLVED, that to the best of the Commission's knowledge, only public business matters lawfully exempt from open meeting requirements, and only such public business matters as were identified in the motion by which the Closed Meeting was convened, were heard, discussed or considered in Closed Meeting.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, Sharon Scott and George Wallace.

EXECUTIVE DIRECTOR 'S REPORT

Mr. Ken Spirito, Executive Director, gave the following report:

COMMERCIAL AIR SERVICE STUDY/COMPARISON

The Peninsula Airport Commission and executive staff have been working diligently to attract additional commercial air service at PHF. The commercial airline industry has dramatically changed in the last 10 years and more dramatically in the last 5 years. These changes have affected airports and their communities in significant ways. As the PAC continues to meet with airlines and offer incentives, it is necessary to look at the changes in the airline industry and its effects on a macro level and see how PHF ranks among its competitors.

To fully understand PHF's position and how it ranks with its peer airports, it is necessary to use data that airlines typically look at. Management is in the process of hiring Bill Swelbar of InterVISTAS consulting. Many of you know Bill as he has performed work for PHF in the past.

InterVistas will find 5 markets that are suffering and 5 markets that are either thriving or growing with similar economic and demographic attributes in the Peninsula area, including a study of the nature of economic/commercial activity. Not only will they assess numerous economic and demographic variables within a reasonable catchment area of the respective communities/regions analyzed, they will overlay that analysis with relevant air service data so as to correlate the two. The analysis will naturally access the catchment area to identify any competing airport that might be present. Then for PHF and its catchment area, join the analysis with a top down leakage study to identify just where the loss of PHF traffic is currently being accommodated. This is a comprehensive look at our market and what economic variables are driving as compared to others.

It is the intent to have this presented to the PAC at the next at the next board meeting on 10/27/16. Additionally, this will be presented to RAISE on the same day.

This expense will be covered with a State Grant.

Management would like to get the PACs support to provide this information so that it can be used internally and externally.

Mr. Spirito also reported on the following:

- Board Retreat- Mr. Spirito would like to have a Board Retreat to develop a public strategic plan. Mr. Spirito would also like to develop a State of the Airport Presentation that will provide an overview of the Airport's history and future opportunities. This presentation would be given to the public and will help show the community that we are doing all we can to attract new air service. We will send an email out with tentative dates for the Board Retreat
- RAISE Meeting- There will be a RAISE meeting on Thursday, October 27, 2016 and Mr. Bill Swellbar will present his findings of the Commercial Air Service Study/Comparison to the RAISE committee.
- Commission Meeting Date Changes- We will need to change the date of

the November Commission meeting as it currently falls on Thanksgiving Day and we will tentatively cancel the December meeting unless there is business that comes up that will need to be addressed.

- Commissioner Photographs will be taken and we will send out an email with tentative dates for the photographs.

ADJOURNED

There being no further business, the meeting was adjourned at 9:28 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, October 27, 2016 at 8:00 a.m. in the Commission Room.