



**NORFOLK
AIRPORT
AUTHORITY**

Board of Commissioner's Meeting

January 25, 2024



NORFOLK AIRPORT AUTHORITY

1. Call to Order

Norfolk Airport Authority
Board of Commissioner's Meeting



Agenda

1. CALL TO ORDER
2. APPROVAL OF PREVIOUS BOARD MEETING MINUTES
 - Thursday, November 30, 2023
3. PUBLIC COMMENTS
4. CEO & STAFF REPORT
5. NAA BOC CHAIR REPORT
6. COMMITTEE REPORTS
 - Business & Commercial Committee
 - Approval of Updated GA Minimum Standards
7. OLD BUSINESS
 - Hotel Developer Contract Update
8. CLOSED MEETING
9. NEW BUSINESS
 - Approval of FBO Services Provider Recommendation
10. ADJOURNMENT

2. Approval of Meeting Minutes

Norfolk Airport Authority
Board of Commissioner's Meeting



Regular Agenda

- Approval of Board Meeting Minutes of November 30, 2023

3. Public Comments

Norfolk Airport Authority
Board of Commissioner's Meeting



4. CEO & Staff Report

Norfolk Airport Authority
Board of Commissioner's Meeting

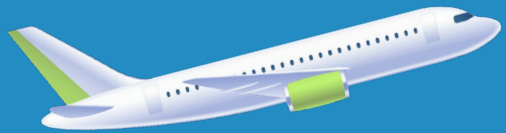


Featured Employees – ORF Mentor Class 1

- Mentor / Mentee – Department

- Mark / Lacy – Operations
- Steve / Shannon – Administration
- Anthony / Norman – Field Maintenance
- Shelia / Sally – Police Dispatch
- Jarred / Darnell – IT
- Jeff / Olivia – Finance
- Sheila / Caroline – Operations





Air Service/Marketing

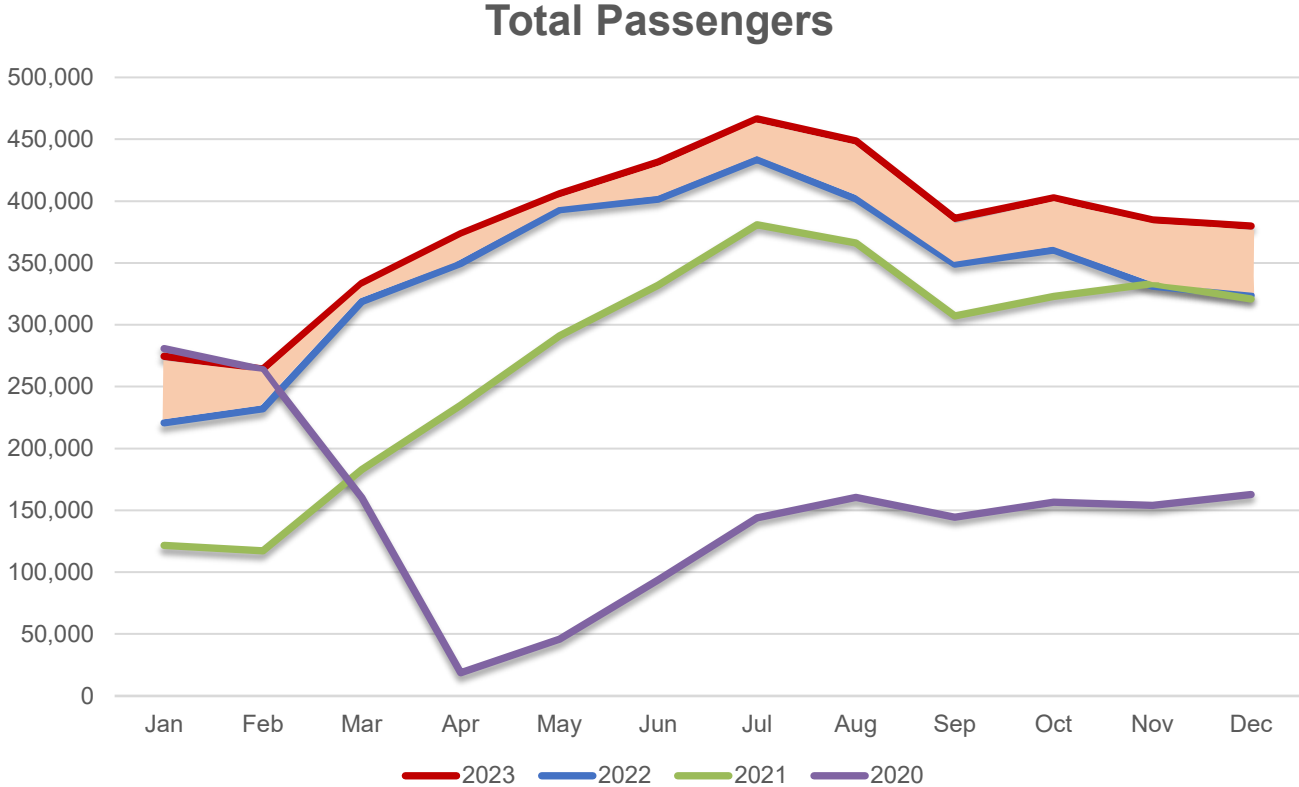
January 25, 2024



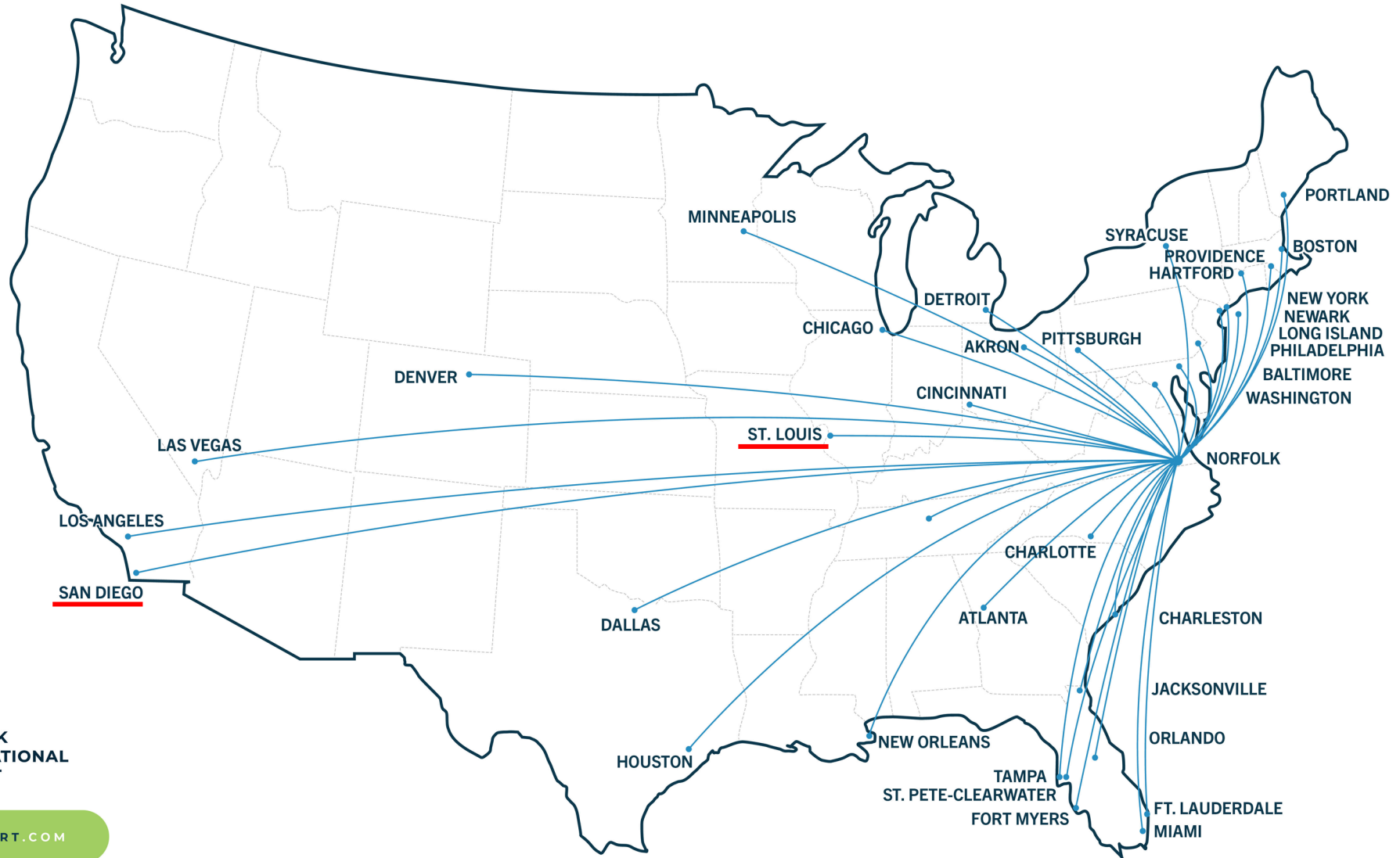
NORFOLK AIRPORT AUTHORITY

Our Market Strength Continues to Grow

- CY2023 was another record-breaking year!
- We saw 4.55 million passengers use our airport in 2023
- That's 437,000+ (10.6%) more passengers than CY2022
- Seat projections for 2024 are up another 10% over CY2023



Nonstop Cities Served via Norfolk International Airport

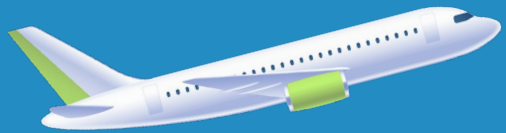


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WHERE WE FLY

Route Map includes seasonal air service.

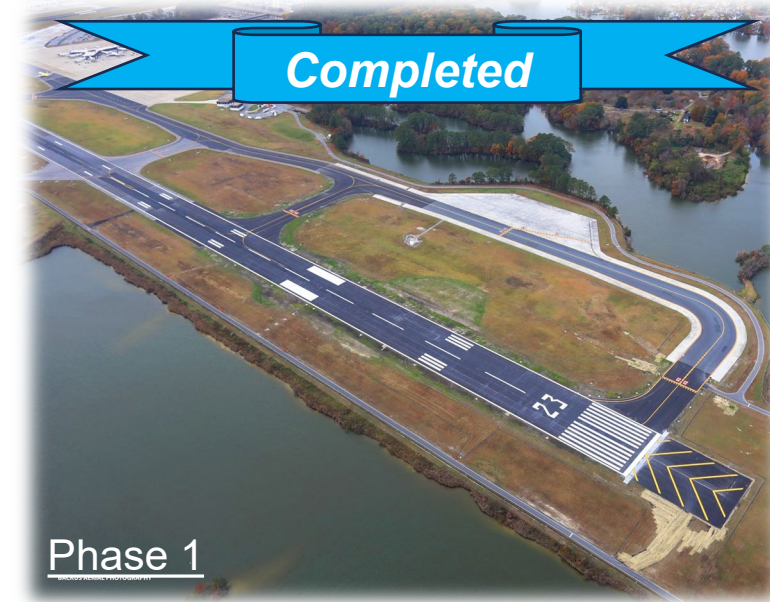


Capital Development



Runway 5/23 Rehabilitation

- Runway 5/23 Rehabilitation of Concrete Extensions
 - To be completed in two phases
 - Estimated cost of construction is \$30 million for both phases of construction
 - Phase 1 (R/W 23 end) completed Nov 2nd
 - Phase 2 (R/W 5 end) to begin April 1, 2024



Moving Walkways

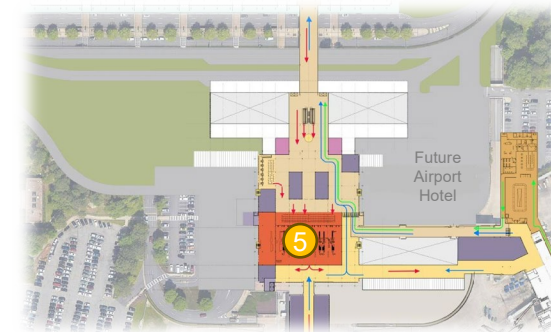
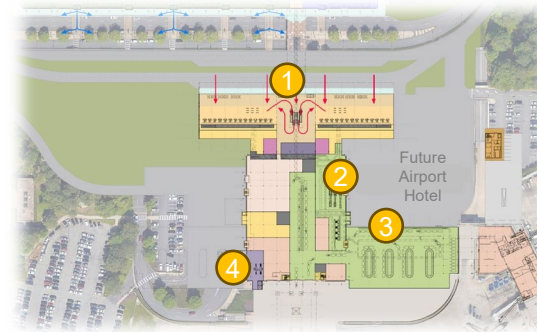
- Opened bids May 19th
- FAA approved low bid on Jul 24th
- Grant issued on Sep 12th
- Anticipated construction is May 2024 – Feb 2025 based on current schedule for delivery of materials



**BUILDING BETTER
AIRPORTS ACROSS AMERICA**

Terminal Development

- Project Scope:
 1. Linear Ticket Lobby
 2. Consolidated Checked Bag Inspection
 3. Expanded Baggage Make-up Area
 4. New Shipping and Receiving Area
 5. Consolidated TSA Checkpoint
- Design complete by end of 2024
- Construction start Summer of 2025
- Construction complete end of 2027



Alpha Expansion

- 3 Holdrooms / Gates
- Additional Restrooms/Pet Relief Area
- Estimated cost: \$33M
- Groundbreaking targeted for 4/1/24
- Completion date estimated as 7/31/25



CBP Federal Inspection Services Facility

- Part of the Alpha Expansion CMAr contract
- Estimated cost: \$37M
 - \$3.0M Congressionally Directed Spending (CDS) requested
 - \$20.0M BIL ATP grant requested
- Under design and coordination with CBP
- Will include a Global Entry processing center
- Groundbreaking late Fall 2024
- Completion December 2025



NAA Administration Building

- Consolidates most departments into a single facility
- Enabling project for terminal program



Consolidated Rental Car Facility

- Consolidates all rental car operations into a single facility
- Includes a QTA reducing the need to take cars off airport for servicing



Airport Hotel

- Continuing negotiations with ORF Hospitality
 - Contract under legal review
 - Begun due diligence process
- Working with City on TDFP map amendment
- Bring back to Board in March for contract approval



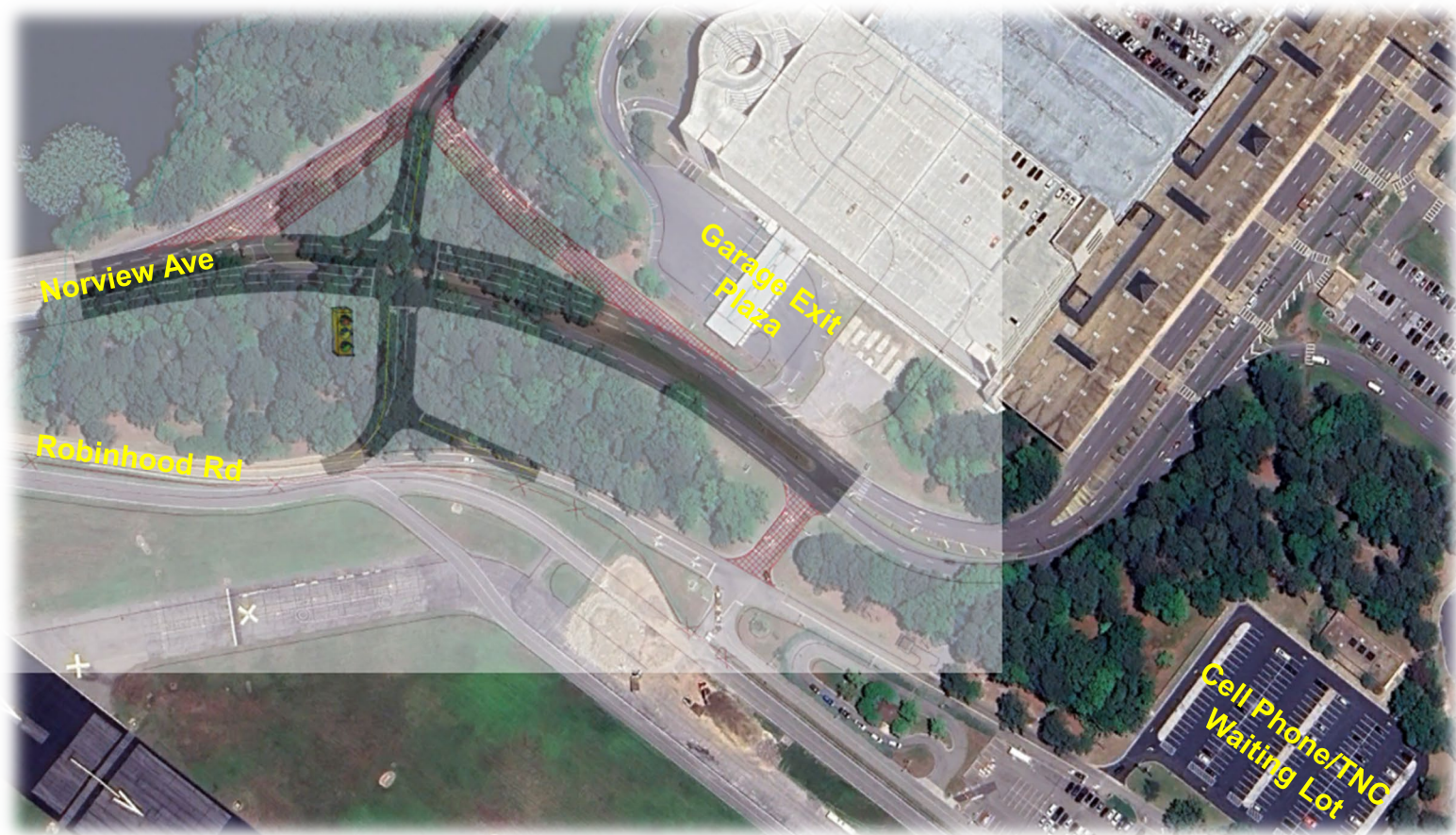
Proposed Cell Phone Waiting Lot

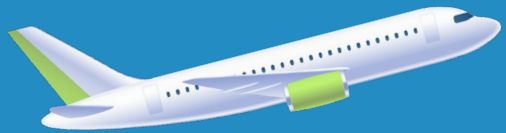
- New 80-space cellphone lot better situated to be more accessible & user friendly
- Currently in design and review by City
- Start construction in Spring 2024
- Cost: \$1.75M



Proposed Main Entrance Intersection

- New main entry road intersection
- Cleans up conflicting traffic from Robinhood Rd.
- Construction costs will be requested as part of FY25 budget
- Start construction in Fall 24





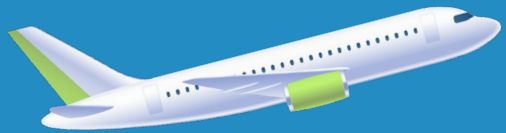
Finance/Administration

November Financial Highlights

- **Operating Expense – under budget (favorable) by \$2,106,849 or 11.0%**
 - **Salaries, wages and benefits** – under budget by \$890,974 or 8.7% due to open positions
 - **Advertising and promotions** – under budget by \$199,064 or 39.9% due to timing of advertising
 - **Utilities** – under budget by \$192,843 or 11.2% due to seasonality of utility expenses
 - **Insurance** – under budget by \$35,722 or 6.9% due to favorable insurance rates
 - **Stormwater and sanitation** – **over budget** by \$177 or 0.0%
 - **Professional services** – under budget by \$163,520 or 43.2% due to the timing of billing of services used during the year and reduction of legal professional services expenses
 - **Maintenance and repairs** – under budget by \$395,306 or 25.3% due to lower necessary maintenance requirements
 - **Administrative** – under budget by \$63,265 or 31.7% due to lower education and tuition expenses
 - **Supplies** – under budget by \$56,432 or 17.2% due to lower usage
 - **Services** – under budget by \$35,856 or 1.9% due to lower utilization of services
 - **Other** – under budget by \$74,045 or 29.5% due to lower fuel costs, timing of travel, and lower safety apparel expenses

November Financial Highlights

- **Operating Revenue** – ahead of budget (favorable) by **\$1,488,984** or **5.5%**
 - **Parking** – ahead of budget by \$678,086 or 6.8% due to seasonality and higher than expected activity and longer stay lengths than expected
 - **Rental cars** – ahead of budget by \$293,266 or 7.7% due to seasonality
 - **Landing fees** – ahead of budget by \$249,337 or 5.8% due to seasonality. Landing fees will be trued up at the end of year reconciliation
 - **Rent** – **under budget** by \$95,404 or 1.5% due to a gate being down for maintenance and the timing of Spirit’s incentives
 - **Concessions** – ahead of budget by \$326,256 or 13.7% due to seasonality and higher than expected food, retail, rideshare and advertising commissions
 - **Other** – ahead of budget by \$37,442 or 32.0%
- **Operating Income** – ahead of budget (favorable) by **\$3,595,834** or **45.1%**



Strategic Plan Update

January 25, 2024



NORFOLK AIRPORT AUTHORITY

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Strategic Plan Update

GOAL #1 OUR PEOPLE Support and develop our staff, maximize organizational and employee efficiency and performance.



3% FROM OCT 2023

69%

PERCENT COMPLETE

- 98% Objective 1A: Optimize our organizational structure
- 73% Objective 1B: Better engage our employees
- 52% Objective 1C: Foster a culture of transparency, and strong communications, where information is shared and voices are heard
- 52% Objective 1D: Create a formal employee training and development program
- 72% Objective 1E: Hire and retain diverse, qualified, and competent employees

GOAL #2 OUR CUSTOMERS Grow our traffic and provide a world-class customer experience.



0% FROM OCT 2023

52%

PERCENT COMPLETE

- 36% Objective 2A: Increase customer and passenger satisfaction; improve customer experience.
- 64% Objective 2B: Increase air service offerings and expand direct flight destinations
- 56% Objective 2C: Identify and capitalize on economic development opportunities

GOAL #3 OUR COMMITMENT Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.



14% FROM OCT 2023

69%

PERCENT COMPLETE

- 56% Objective 3A (Diversity): Assess the Diversity of the Authority
- 49% Objective 3B (Equity): Ensure applicants and employees are treated fairly and given equal opportunities
- 57% Objective 3C (Inclusion): Create an Inclusive Work Culture
- 71% Objective 3D: Enhance Small Business Participation
- 43% Objective 3E: Improve physical and mental accessibility into and throughout our facilities

OCTOBER 2023 GOALS PROGRESS

GOAL #1 OUR PEOPLE Support and develop our staff, maximize organizational and employee efficiency and performance.



3% FROM AUGUST 2023

66%

PERCENT COMPLETE

- 98% Objective 1A: Optimize our organizational structure
- 73% Objective 1B: Better engage our employees
- 47% Objective 1C: Foster a culture of transparency, and strong communications, where information is shared and voices are heard
- 42% Objective 1D: Create a formal employee training and development program
- 72% Objective 1E: Hire and retain diverse, qualified, and competent employees

GOAL #2 OUR CUSTOMERS Grow our traffic and provide a world-class customer experience.



0% FROM AUGUST 2023

52%

PERCENT COMPLETE

- 36% Objective 2A: Increase customer and passenger satisfaction; improve customer experience.
- 64% Objective 2B: Increase air service offerings and expand direct flight destinations
- 56% Objective 2C: Identify and capitalize on economic development opportunities

GOAL #3 OUR COMMITMENT Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.



21% FROM AUGUST 2023

55%

PERCENT COMPLETE

- 56% Objective 3A (Diversity): Assess the Diversity of the Authority
- 49% Objective 3B (Equity): Ensure applicants and employees are treated fairly and given equal opportunities
- 57% Objective 3C (Inclusion): Create an Inclusive Work Culture
- 71% Objective 3D: Enhance Small Business Participation
- 43% Objective 3E: Improve physical and mental accessibility into and throughout our facilities

GOAL #4 OUR FACILITY Optimize facilities to create and sustain growth, expand opportunities, and diversify revenue sources.



1% FROM AUGUST 2023

41%

PERCENT COMPLETE

- 64% Objective 4A: Enhance the Passenger Experience
- 20% Objective 4B: Expand and Diversify Revenue Sources
- 39% Objective 4C: Increase our infrastructure reliability, sustainability, and resiliency; decrease our environmental footprint

GOAL #4 OUR FACILITY Optimize facilities to create and sustain growth, expand opportunities, and diversify revenue sources.



0% FROM OCT 2023

41%

PERCENT COMPLETE

- 64% Objective 4A: Enhance the Passenger Experience
- 20% Objective 4B: Expand and Diversify Revenue Sources
- 39% Objective 4C: Increase our infrastructure reliability, sustainability, and resiliency; decrease our environmental footprint



5. Chair Report

Norfolk Airport Authority
Board of Commissioner's Meeting



6. Committee Reports

Norfolk Airport Authority
Board of Commissioner's Meeting



Business and Commercial Committee

- General Aviation (GA) Minimum Standards Update
 - Adopt an updated General Aviation Minimum Standards
- Staff Selection of FBO Services Provider
 - Current Agreement with Signature Flight Support expires 6/30/2024
 - Issued RFI in Jan 2023
 - Received 8 responses
 - Posted RFP on Oct 13, 2023
 - Received 5 responses
 - Conducted interviews on Jan 17, 2024
 - Shortlisted 3 respondents



GA Minimum Standards Update

- Purpose of Minimum Standards

- Ensure a safe, efficient, and adequate level of operations and services is offered to the public. Promotes safety in all airport activities, protects airport users from unlicensed and unauthorized products/services, maintains and enhances the availability of adequate services for all airport users, promotes orderly development of airport land, ensures efficiency of operations.

- Process of Updating Minimum Standards

- MS last updated in 2009 and adopted by NAA Board of Commissioners on June 25, 2009.
- Staff contracted Benzons Aviation Consulting and Kaplan Kirsh Rockwell for guidance and assistance with the update.
 - Solicited comments from FBO operators during the RFI process.
 - Solicited public comments by posting on website, by email through SFS to GA tenants and directly with FBO RFI respondents.

GA Minimum Standards Update

• Summary of Updates

- Reformatted order of content
- Additional terms added to definitions
- Clarified the right to self-fuel and to provide self-service fueling upon entering agreement with NAA
- Clarified MS are applicable to Commercial aeronautical activities as opposed to GA aeronautical activities
- Clarified non-applicable examples
- Established an application process for Commercial Aeronautical Activities
- Added reversion provisions for improvements performed by tenant/lessee
- Added requirement to remove obsolete, derelict or out of service aircraft from leased premises
- Added provision to require NAA written approval for subleases, subcontracts and assignments
- Updated certificates and ratings requirements for aircraft maintenance providers
- Removed references to the UST fuel storage
- Updated minimum staffing for line service technicians and customer service representatives
- Clarified FBO provide shuttle services within 10 miles of airport
- Updated Insurance limits
- Increased number of jet fuel refueling vehicles from 2 to 3
- Removed the requirement for FBO to provide at least (1) T-hangar with 10 aircraft capacity

7. Old Business

Norfolk Airport Authority
Board of Commissioner's Meeting



Old Business

- Hotel Developer Contract Update

8. Closed Meeting

Norfolk Airport Authority
Board of Commissioner's Meeting



9. New Business

Norfolk Airport Authority
Board of Commissioner's Meeting



New Business

- Approval of FBO Services Provider Recommendation

10. Adjournment

Next Meeting:
Thursday, March 28, 2024
1:00pm

