

# Board of Commissioners Meeting Packet

Thursday, July 27, 2023, 1:00 p.m.

# 2023

## Norfolk Airport Authority



**2200 Norview Avenue**  
**NAA Board Room**  
**Norfolk, Virginia 23518**  
**(757) 857-3351**

**Mekbib Gameda**  
**Vice-Chair**

**Mark A. Perryman, Assoc.**  
**AIA, President & CEO and**  
**Board Secretary**

# **Norfolk Airport Authority**

Board of Commissioners Meeting

Thursday, July 27, 2023

1:00 p.m.

## **AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF PREVIOUS BOARD MEETING MINUTES**
  - Tuesday, May 23, 2023
- 3. ELECTION OF FY24 OFFICERS**
  - Nominating and Strategy Committee
- 4. PUBLIC COMMENTS**
- 5. CEO & STAFF REPORT**
- 6. NAA BOC CHAIR REPORT**
- 7. COMMITTEE REPORTS**
  - Facilities Development Committee
- 8. OLD BUSINESS**
  - Airport Exhibit Recognizing Hampton Roads Sports and Entertainment Legends
- 9. CLOSED MEETING**
- 10. RECONVENE MEETING**
- 11. NEW BUSINESS**
- 12. ADJOURNMENT**



# **Regular Agenda**

**Board Meeting Minutes  
Tuesday, May 23, 2023**

# Norfolk Airport Authority

Board of Commissioners Meeting Minutes | Tuesday, May 23, 2023, 1:00 pm.

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The Norfolk Airport Authority (NAA) Board of Commissioners Meeting was held on Tuesday, May 23, 2023, at the Norfolk International Airport (NIA), the NAA Board of Commissioners Room, Main Passenger Terminal. Deborah H. Painter, Chair presided.

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**Commissioners Present:** Michael D. Burnette, CCIM  
Peter G. Decker III, Esquire  
Paul D. Fraim, Esquire  
Mekbib Gemedu  
Peggy H. Newby, RN, BSN, CAOHC, CPC-A  
Deborah H. Painter  
Charles ‘Chip’ W. Rock, Rear Admiral, USN, Retired  
Bruce B. Smith

**Commissioner Absent:** Susan C. Pilato

**Staff Present:** Sheila M. Balli, Associate Vice President, Human Resources  
Charles W. Braden, Associate Vice President, Market Development  
Mark A. Perryman, Assoc. AIA, President & CEO and Board Secretary  
Jarred M. Roenker, CPA, Vice President & Chief Financial Officer  
Anthony Rondeau, Executive Vice President & Chief Development Officer  
Steven C. Sterling, Executive Vice President & Chief of Staff and Board Assistant Secretary  
Shelia D. Ward, Ph.D., Vice President & Chief Operations Officer  
Sheri Watts, Executive Administrative Assistant and Board Assistant Secretary

**Others Present:** Jessica Dennis, City of Norfolk, Management Analyst & Lobbyist  
Anita O. Poston, Esquire, Woods Rogers Vandevanter Black, Counsel

**Welcome and Call to Order (Deborah H. Painter, Chair):**

Deborah H. Painter, Chair, determined that a quorum was present and called the meeting to order at 1:00 pm.

## REGULAR AGENDA

### **Approval of Minutes:**

Chair Painter entertained a motion by Vice Chair Gemeda to approve the minutes of the meeting held on March 23, 2023. Treasurer Decker III seconded the motion, which was then unanimously approved.

### **Public Comments:**

No one from the public requested to comment.

### **CEO Report (Mark A. Perryman, President & CEO):**

Mr. Perryman's presentation included the following:

#### Featured Department Manager:

Mr. Sterling introduced Mrs. Sheila M. Balli, Associate Vice President, Human Resources, and briefly summarized her background and primary role at the Authority.

#### Air Service/Marketing:

ORF is still leading the market with scheduled seats and continues to grow. April 2023 was the best in the Airport's history for scheduled seats.

#### Capital Projects included:

- Runway 5/23 Concrete Extensions Project: The design and construction will be completed in two phases. Phase 1 began on April 1. The anticipated completion date is November 2023. Phase 2 project timeline is April - November 2024. The projected total construction and design cost for both phases is \$30 million.
- Moving Sidewalk Project: Bids were opened on May 19. The construction period is January 1 – June 30, 2024. The estimated project cost is \$6M. The Authority received \$5.4M in funding with the discretionary Bipartisan Infrastructure Law Airport Terminal Program.
- Alpha Gate Addition Project: The addition includes three common use holdrooms, four gates, and additional restrooms. The construction period is January 1, 2024 – January 31, 2025. The estimated design and construction cost is \$33M.
- Terminal Development: The project consists of a linear ticket lobby, a consolidated check baggage inspection system, an expanded baggage make-up area, new shipping and receiving area, and a consolidated checkpoint. The design phase will begin in FY 2024. The anticipated construction timeline is FY 2025 – FY 2027. The estimated cost is \$260M. Funding will come from Passenger Facility Charges (PFCs) and general airport revenue bonds.
- Airport Hotel RFP: The presubmission meeting was held on Thursday, May 18, 2023, and proposals are due June 30, 2023. A selection will be made by August 31, 2023, and presented to the Board for final approval.

- Federal Inspection Services Facility Project: The project will allow passengers access to their baggage before screening. Staff is considering two options: (i) to redesign the existing FIS facility or (ii) to build a new stand-alone facility adjacent to the existing facility.

#### Finance/Administration:

Financial highlights include:

- The January 2023 Financial Report: Operating Revenues are over budget, and Expenses are under budget.
- New Airline Use & Lease Agreement: The current agreement expires on June 30, 2023. Meetings with the airlines regarding the new agreement are continuing.

#### Strategic Plan:

Mr. Sterling provided a current overview of the Strategic Plan and each of the four goals.

#### Board Chair Report:

Chair Painter commented positively on the CEO and Staff presentations and welcomed questions and comments from the Board. Also, she thanked the Board members for their participation in committees.

#### Committee Report:

##### Finance and Audit Committee :

- Final FY 2024 Budget Approval: Mr. Perryman noted minimal changes from the approved Preliminary Budget for FY 2024. On behalf of the Finance and Audit Committee, Chair Painter recommended approval of the Final Budget for FY 2024 and moved for its adoption. The motion was unanimously approved.
- Truist Bank Change from LIBOR Resolution: On behalf of the Finance and Audit Committee, Chair Painter recommended approval of the Resolution attached to the minutes, *The Implementation of an Alternate Variable Interest Rate for the Authority's 2020 line of credit*. The motion was unanimously approved.
- Financial Authority of President & CEO Resolution: On behalf of the Finance and Audit Committee, Chair Painter recommended approval of the resolution regarding the financial authority of the President. The motion was unanimously approved. A copy of the resolution is included in the minutes.

##### Business & Commercial Committee:

- FBO Path Forward Recommendation: The current Fixed Base Operation (FBO) contract is scheduled for renewal in June 2024. The Committee decided an RFP would be the best practice to identify and select a vendor for the next contract period and engaged a consultant to assist with the process.

##### Facilities Development Committee:

- Alpha Concourse Expansion: The Committee provided a detailed report as described in the *Facilities Development Committee Project Update Meeting PowerPoint* presentation, including the letter from the Architect dated May 3, 2023, setting forth the basis for the

suggested use of the Construction Management at Risk procurement process. Due to the complex nature of an immediate need for the facility improvements and the reasons set forth by the Architect, on behalf of the Facilities Development Committee, Committee Chair Rock moved that the Board approve the Staff recommendation to utilize the Construction Manager at Risk procurement process for the Alpha Expansion project. The motion was unanimously approved.

**Old Business:** None

**Closed Meeting (2:06 p.m.):**

Vice Chair Gameda moved that the Board of the Norfolk Airport Authority convene in a closed meeting pursuant to Section 2.2-3711. A.3 of the Code of Virginia for the following business:

***Subsection 1:** Discussion and consideration of the performance and salary of the President and Chief Executive Officer of the Authority;*

***Subsection 3.** Discussion of the acquisition of real property by the Authority for the benefit of the Norfolk International Airport and the related disposition of real property owned by the Authority, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Authority;*

***Subsection 7:** Consultation with legal counsel and briefings by staff members pertaining to probable litigation, where such consultation or briefing in an open meeting would adversely affect the negotiation or litigation posture of the Authority; and.*

***Subsection 8.** Consultation with staff and with legal counsel retained by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel.*

Treasurer Decker III seconded the motion, and the vote to approve was unanimous. Following the vote, the Authority convened in a closed meeting.

**Reconvene Open Meeting (2:50 p.m.):**

Following the closed meeting, Chair Painter reconvened the open meeting. Vice Chair Gameda moved for the adoption of the following Resolution and Certification:

*Now, therefore, be it resolved that the Board of the Norfolk Airport Authority hereby certifies that to the best of each Commissioner's knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Code, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting.*

Commissioner Burnette seconded the motion. The motion was approved by roll call vote as follows:

Commissioner	Response	Commissioner	Response
<b>Michael B. Burnette</b>	Yes	<b>Peter G. Decker III</b>	Yes
<b>Paul D. Fraim</b>	Yes	<b>Mekbib Gemed</b>	Yes
<b>Peggy H. Newby</b>	Yes	<b>Deborah H. Painter</b>	Yes
<b>Susan C. Pilato</b>	Absent	<b>Charles ‘Chip’ W Rock</b>	Yes
<b>Bruce B. Smith</b>	Yes		

### **New Business:**

#### **Airport Exhibit Recognizing Hampton Roads Sports Legends:**

Commissioner Smith proposed that the Authority highlight Virginia’s historical musicians and sports legends in the Airport. The Board suggested that the staff create criteria and make a presentation to the Board.

#### **President’s Compensation.**

On motion of Vice Chair Gemed, duly seconded, the Authority unanimously adopted the recommendation of the Chair regarding the annual bonus compensation for the President and CEO.

### **Adjournment (2:55 pm):**

There being no further business, Vice Chair Gemed moved that the meeting adjourn. Commissioner Smith seconded the motion, which was unanimously approved. The next meeting is scheduled for Tuesday, July 27, 2023, at 1:00 pm.

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Deborah H. Painter  
Chair

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Mark A. Perryman, Assoc. AIA  
President & CEO and Board  
Secretary



# NORFOLK AIRPORT AUTHORITY

## **PROPOSED RESOLUTION REGARDING CERTAIN FINANCIAL AUTHORITY OF THE PRESIDENT**

WHEREAS, the President and Chief Executive Office is charged with managing the operations of the Norfolk Airport Authority, and

WHEREAS it is necessary and appropriate for the President to take action which requires the expenditure of funds of the Authority in order to carry out the responsibilities of his position and the directions and policies of the Board; and

WHEREAS the President has responsibility to direct the expenditure of funds approved in the capital and operating budgets annually approved by the Board.

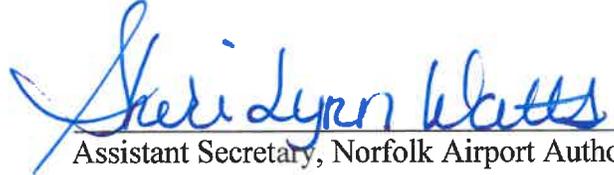
NOW, THEREFORE, BE IT RESOLVED as follows:

1. The President and Chief Executive Officer shall have full authority to implement the annual budgetary plans and projects approved by the Board and to proceed with any expenditure approved in the annual operating and capital budget without further approval by the Board; and
2. The President and Chief Executive Officer shall be, and hereby is, authorized to delegate to the management staff of the Airport such authority as he shall determine for the expenditure of funds approved in the budget; and
3. The President and Chief Executive Officer shall have the authority, in his discretion, to make commitments for capital and operating expenditures not otherwise approved in the annual budget in an amount not to exceed a total of \$1,000,000 in any fiscal year.

**CERTIFICATE**

The undersigned Assistant Secretary of the Norfolk Airport Authority (the "Airport Authority") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Commissioners of the Airport Authority present and voting at a meeting duly called and held on May 23, 2023, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this 23 day of May, 2023.

  
Assistant Secretary, Norfolk Airport Authority

SHERI LYNN WATTS  
NOTARY PUBLIC  
REGISTRATION # 7815645  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES  
DECEMBER 31, 2023



# NORFOLK AIRPORT AUTHORITY

## **RESOLUTION OF THE NORFOLK AIRPORT AUTHORITY AUTHORIZING THE IMPLEMENTATION OF AN ALTERNATE VARIABLE INTEREST RATE FOR THE AUTHORITY'S 2020 LINE OF CREDIT**

**WHEREAS**, the Norfolk Airport Authority (the "Airport Authority") has previously issued its Subordinate Lien Airport Revenue Note, Series 2020 (Revolving), in the aggregate principal amount outstanding at any one time not to exceed \$30,000,000 (the "Subordinate 2020 Note"), to finance certain capital improvements at Norfolk International Airport, pursuant to the following "Line of Credit Documents:" a Fifth Supplemental Indenture of Trust, between the Airport Authority and U.S. Bank National Association, as trustee, supplementing a Master Indenture of Trust dated as of April 1, 2001, between the Airport Authority and the trustee, and a Subordinate Lien Revolving Credit Agreement, between the Airport Authority and STI Institutional & Government, an affiliate of Truist Bank;

**WHEREAS**, the Subordinate 2020 Note is currently outstanding and bears interest at a variable rate based on the LIBOR Rate (as such term is defined in the Subordinate 2020 Note), subject to adjustment as provided in the Subordinate 2020 Note and the Subordinate Credit Agreement, including the adjustment to an "Alternate Rate" in the event that the LIBOR Rate is no longer maintained; and

**WHEREAS**, in contemplation of the cessation of LIBOR on June 30, 2023, the Airport Authority and the Line of Credit Lender desire to implement the "Alternate Rate" provisions of the Subordinate Credit Agreement to provide for a successor rate to the LIBOR Rate;

### **NOW, THEREFORE, BE IT RESOLVED BY THE NORFOLK AIRPORT AUTHORITY:**

1. The Airport Authority hereby authorizes the President and CEO, Chairman and Vice-Chairman, any of whom may act, with the advice of the Airport Authority's financial adviser and counsel, to negotiate, approve, enter into and execute such modifications, amendments, and supplements to the Line of Credit Documents to provide for a successor rate to the LIBOR Rate, provided that (i) any such modification, amendment, or supplement shall result in a successor rate that is approximately the economic equivalent to the LIBOR Rate, and (ii) no such modification, amendment, or supplement shall increase the principal amount of the 2020 Subordinate Note or extend its maturity.

2. Each authorized officer is authorized to execute and deliver on behalf of the Airport Authority such other instruments, documents or certificates and to do and perform such other things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution

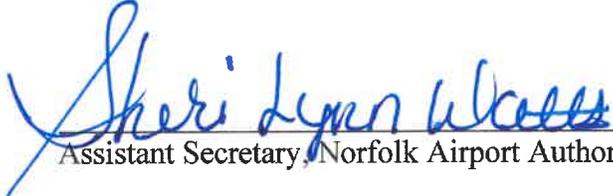
3. This Resolution shall take effect immediately upon its adoption.

**CERTIFICATE**

The undersigned Assistant Secretary of the Norfolk Airport Authority (the "Airport Authority") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Commissioners of the Airport Authority present and voting at a meeting duly called and held on May 23, 2023, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this 23 day of May, 2023.

SHERI LYNN WATTS  
NOTARY PUBLIC  
REGISTRATION # 7815645  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES  
DECEMBER 31, 2023

  
Assistant Secretary, Norfolk Airport Authority

# Facilities Development Committee Project Update Meeting

May 23, 2023



# Discussion Items

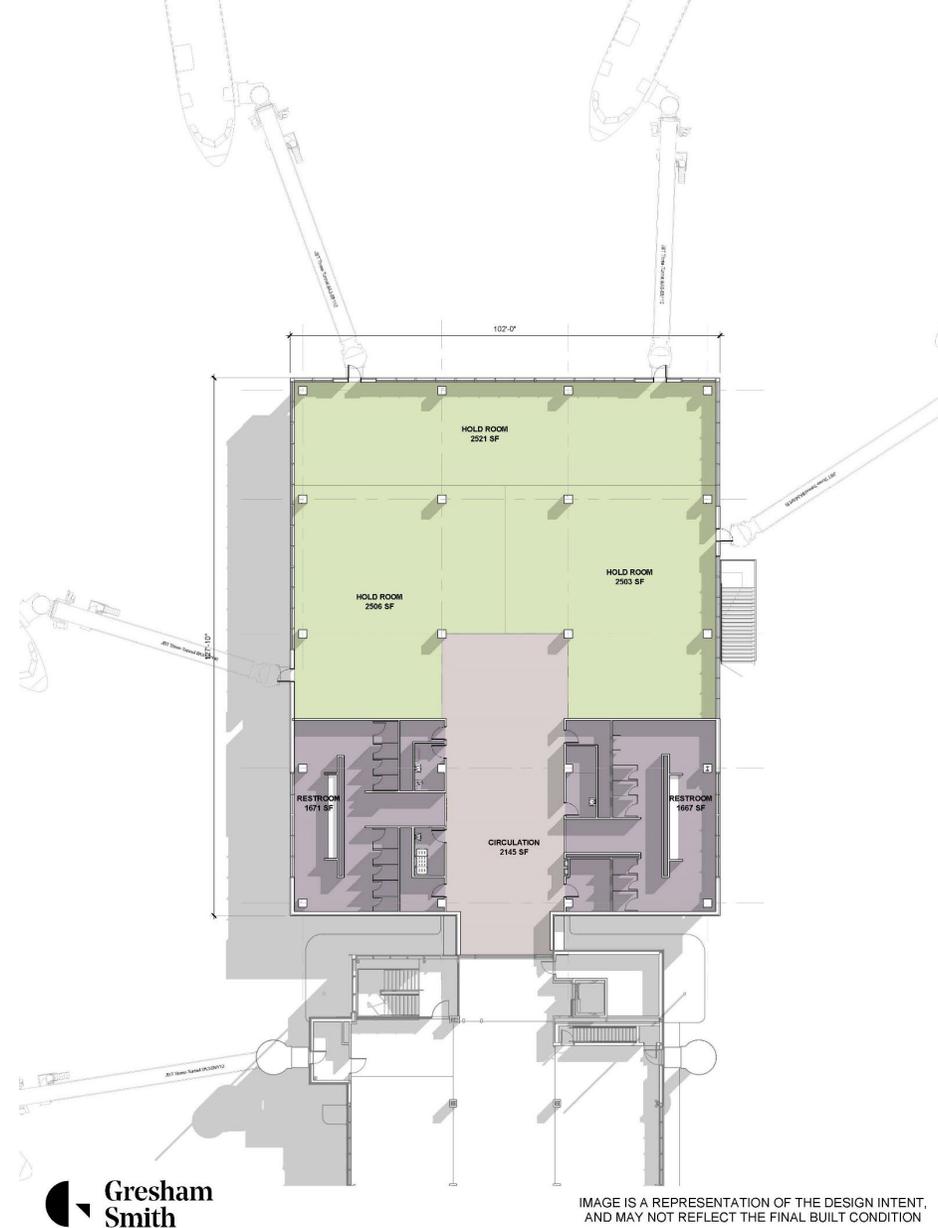
- Alpha Concourse Expansion Update
  - Layouts and Renderings
  - Discussion on Alternative Delivery Method
- Terminal Development Update
  - Layouts and Renderings
  - Next Steps
- Next Meeting
  - Purpose
  - Tentative Date

# Alpha Concourse Expansion



# Alpha Layout

- Approximately 13,500 sf
- Three 2,500 sf holdrooms
- 4 Loading Bridges
- Additional set of restrooms
  - Only 1 on Alpha now
- Service Animal Relief Area
  - Required by FAA
- Family Room
- No airline operational spaces on ground level
  - Will construct slab for future buildout



# Alpha Renderings



IMAGE IS A REPRESENTATION OF THE DESIGN INTENT,  
AND MAY NOT REFLECT THE FINAL BUILT CONDITION

# Alpha Renderings



**Gresham  
Smith**

IMAGE IS A REPRESENTATION OF THE  
DESIGN INTENT, AND MAY NOT REFLECT  
THE FINAL BUILT CONDITION

# Project Delivery Method

- The Authority desires to use an alternative delivery method for the construction of the Alpha Expansion project
- Construction Management at Risk is an authorized method per the Authority's Procurement Policy
- In order to use Construction Manager at Risk procurement the Authority must determine 1) that the use of competitive sealed bidding is not financial advantageous to the project, 2) that the project's complex nature lends to consideration of alternative delivery methods and 3) have an architect or engineer under contract to assist with this process

# Construction Manager at Risk

- Under a CM-at-Risk contract, the Authority engages a qualified Construction Manager (CM) under a negotiated contract to provide both preconstruction services and the construction of the project with a fixed fee and Guaranteed Maximum Price (GMP).
- CM-at-Risk allows for the early project involvement of a CM who can partner with the Architect and Authority to provide constructability assistance, estimating, design review and early procurement opportunities. Additionally, the start of construction can begin prior to 100% complete design documents.
- The CM-at-Risk typically also provides detailed cost estimates early in the design phase, so that value engineering and cost reduction ideas can be considered when they are the most easily addressed.

# Construction Manager at Risk

- Most often the reasons for choosing to implement the CM-at-Risk project delivery process include the following elements:
  - Foster collaboration through an integrated team
  - Increase Authority control and involvement
  - Accelerate delivery through early release packages
  - Reduce cost of construction through concurrent design and value engineering efforts
  - Manage risk

# Complexity Statement

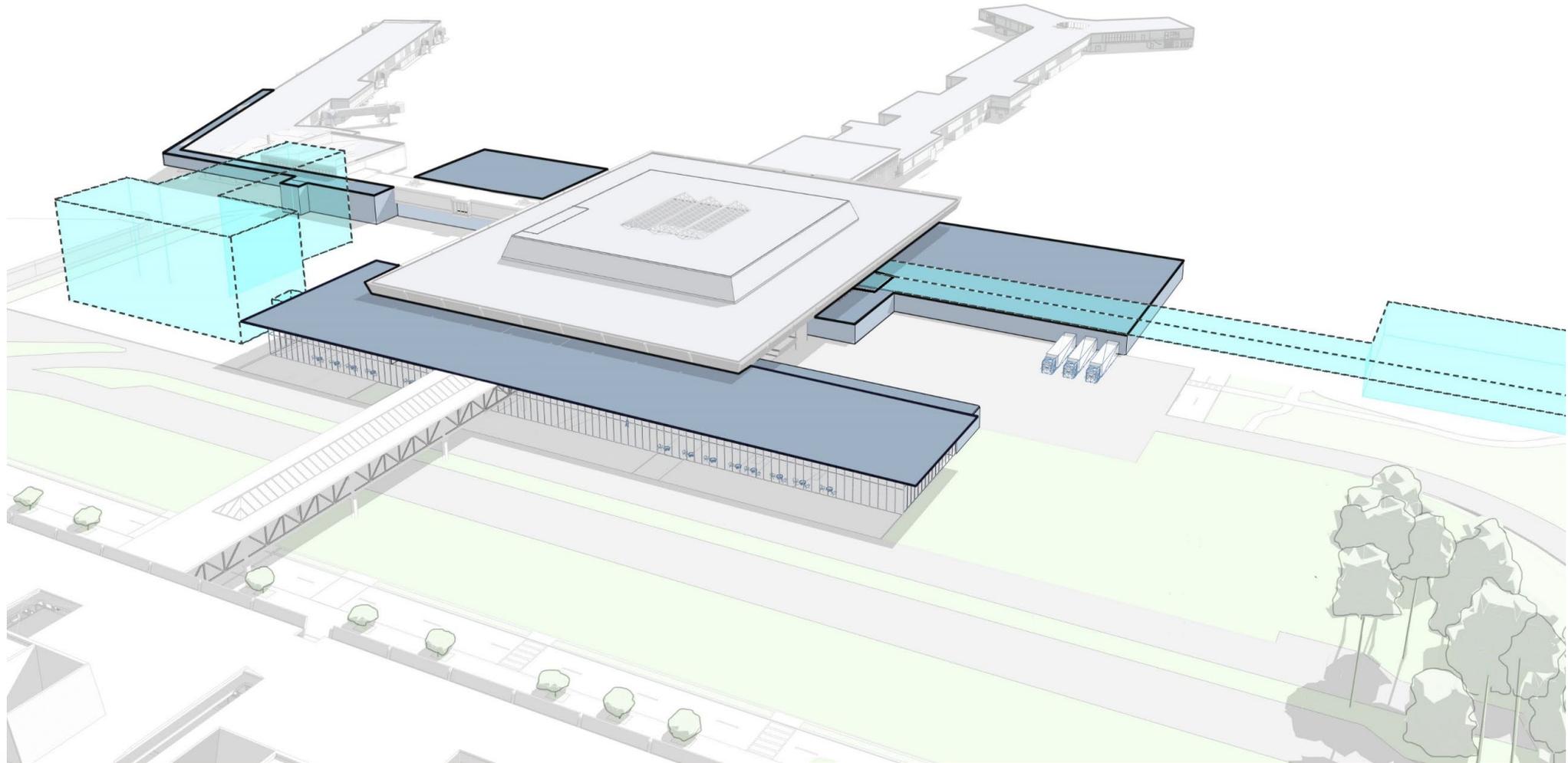
- Architect defined the complex elements of project per correspondence dated May 3, 2023
  - Accelerated schedule
  - Difficult site location
  - Unique equipment
  - Intricate phasing
- Staff concurs with statement by the Architect
- Based on the complex nature of this project, the use of competitive sealed bidding is an operational and financial disadvantage to the Authority
- Therefore, Staff recommends use of Construction Manager at Risk procurement to deliver the Alpha Expansion project

# Recommended Motion Language

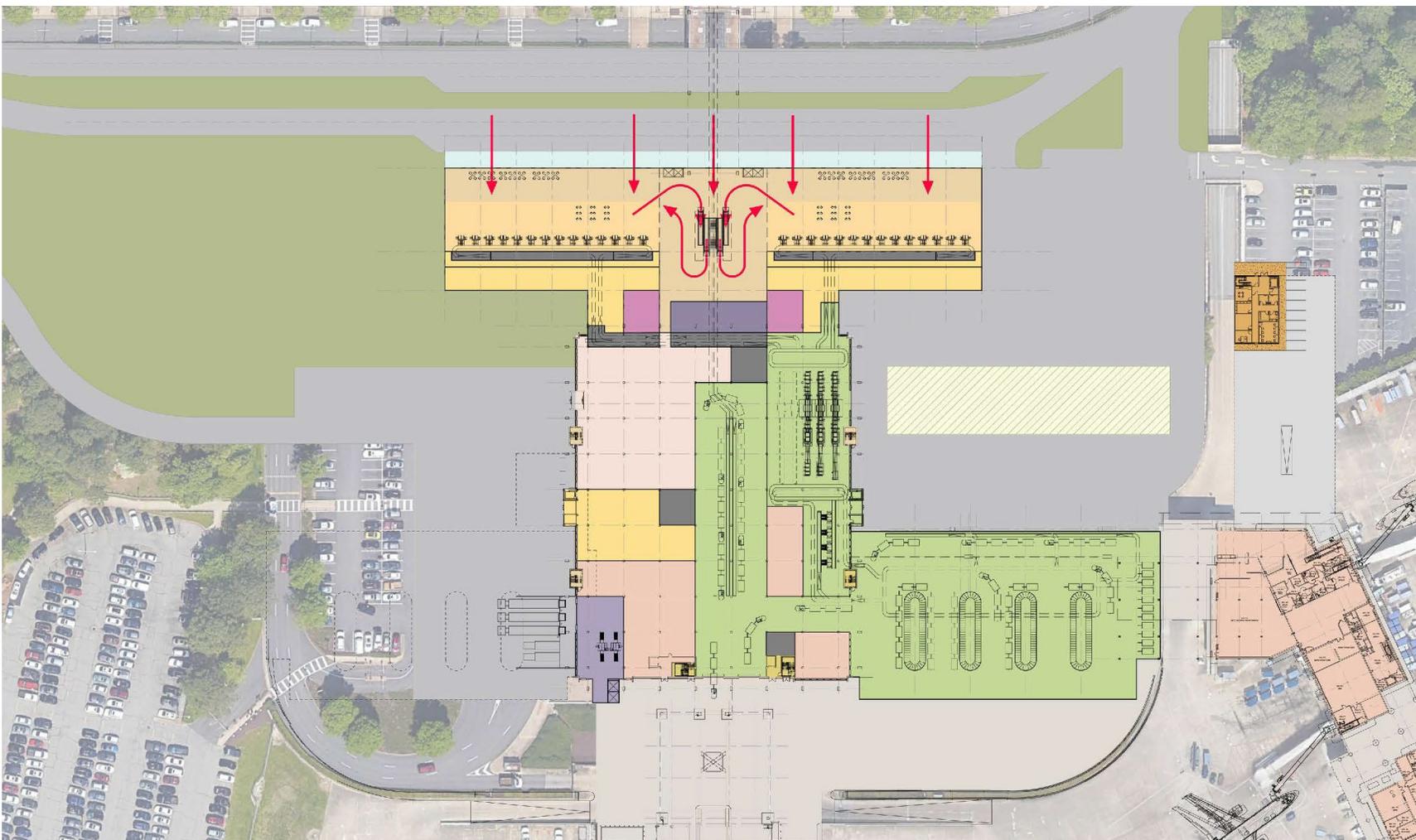
- The Facilities Development Committee makes the following motion at the May 22<sup>nd</sup> Board Meeting:

Due to the complex nature of and immediate need for the facility improvements, the Facilities Development Committee motions that the Board approve Staff's recommendation to utilize the Construction Manager at Risk procurement process for the Alpha Expansion project.

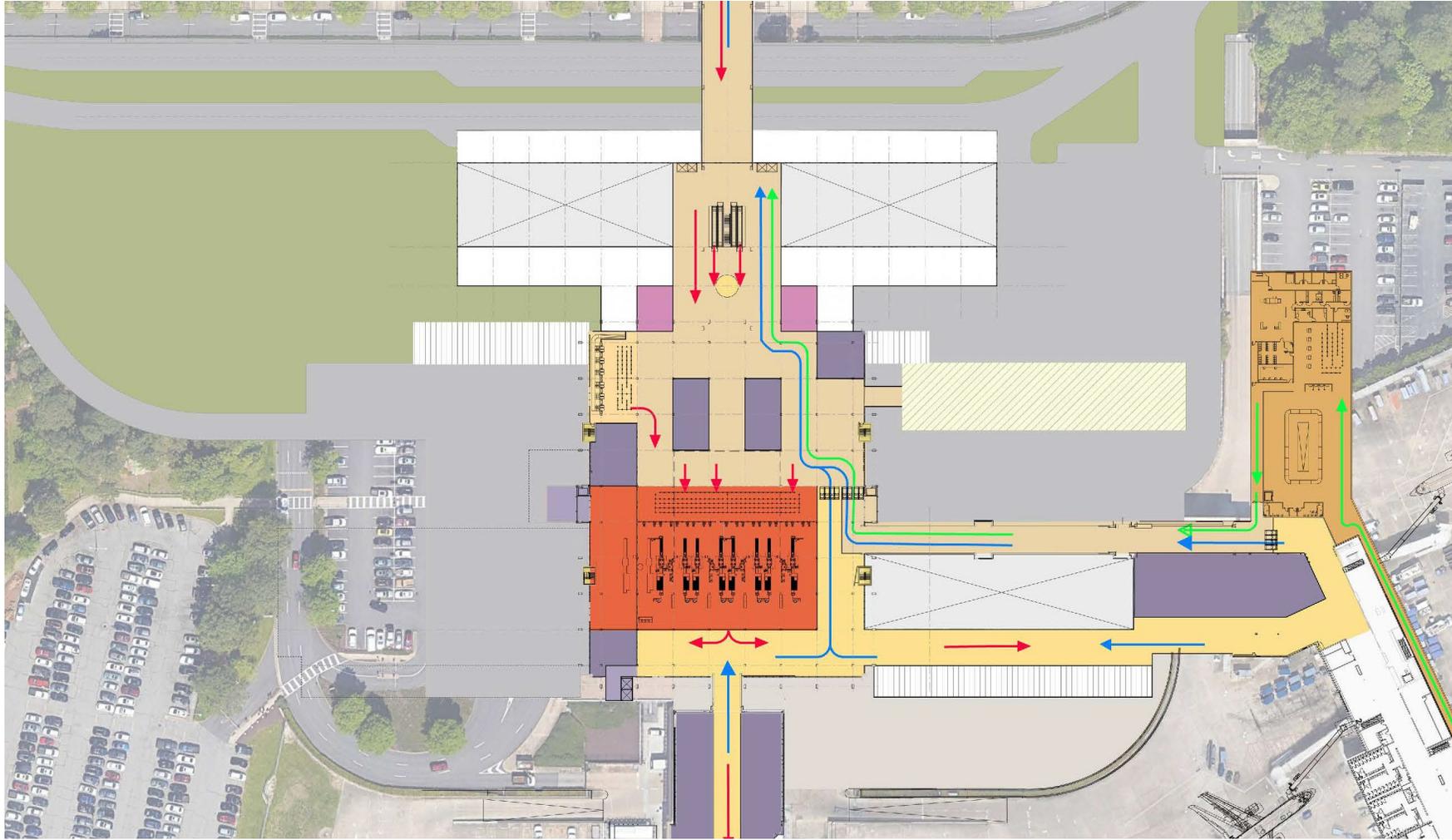
# Terminal Development Study



# Terminal Layout – Level 1



# Terminal Layout – Level 2



# Terminal Renderings



Norfolk International Airport Terminal Development Program: Conceptual Rendering 4/7/2023

# Terminal Renderings



Gresham  
Smith



Norfolk International Airport Terminal Development Program: Conceptual Rendering 4/7/2023

# Terminal Renderings



# Next Steps

- Work with Architect, Staff and Facilities Development Committee to create additional design concepts for consideration
- Executive Management Team and Committee members will submit images of other terminal and public facility elements that they like to [arondeau@norfolkairport.com](mailto:arondeau@norfolkairport.com)
- Design Team will create multiple additional design concepts for consideration which will be reviewed at next FDC meeting
- Note – Floor plan will not change. The design concepts will provide additional options for the architectural elements and overall aesthetic of the new terminal.

# Next Committee Meeting

- Week of July 10<sup>th</sup> – 14<sup>th</sup>
- Purpose of meeting is to select preferred design concept selected for presentation to full Board during July 27<sup>th</sup> Board Meeting
- Review and discuss additional terminal design concepts
- Anticipate need for two-hour meeting
- Staff will make recommendation of preferred design concept to Committee
- Committee will provide comments on design concepts
- Staff will modify concept per Committee's comments for their use at Board Meeting



# Questions?



# Adjournment

# **Norfolk Airport Authority**

## **Board of Commissioners Meeting**

**Thursday, July 27, 2023**

### **Adjourn Meeting**

#### **Adjourn Meeting:**

I move that the Board adjourn, and the next regular public meeting of the Board will be held at

**1:00 p.m.**

on

**Thursday, September 28, 2023**

in the

**NAA Board Room,**

Main Passenger Terminal,

Norfolk International Airport

or as otherwise determined and noticed.



**NORFOLK AIRPORT AUTHORITY**