

TRANSFORM

THE FUTURE OF ORF

Board of Commissioners Meeting

May 22, 2025



Agenda

1. Call to Order
2. Approval of Previous Board Meeting Minutes
 - Thursday, March 27, 2025
3. Public Comments
4. CEO & Staff Report
5. NAA BOC Chair Report
6. Committee Reports
 - Finance & Audit Committee
 - Nominating & Strategy Committee
7. Old Business
 - None
8. Closed Meeting
9. New Business
 - None
10. Adjournment

2. Approval of Meeting Minutes

Norfolk Airport Authority
Board of Commissioners Meeting

3. Public Comments

Norfolk Airport Authority
Board of Commissioners Meeting

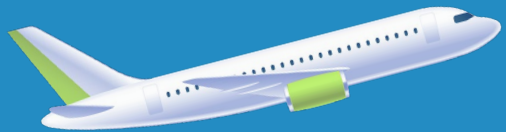
4. CEO & Staff Report

Norfolk Airport Authority
Board of Commissioners Meeting

Featured Employee

- Bruce Evans, Sr. Manager – Public Safety & Security
 - 15+ years with the Authority
 - Began his career with us as an Airport Firefighter
 - Bruce is responsible for all our departments within public safety and security including the police department, fire department, and airport security and badging.





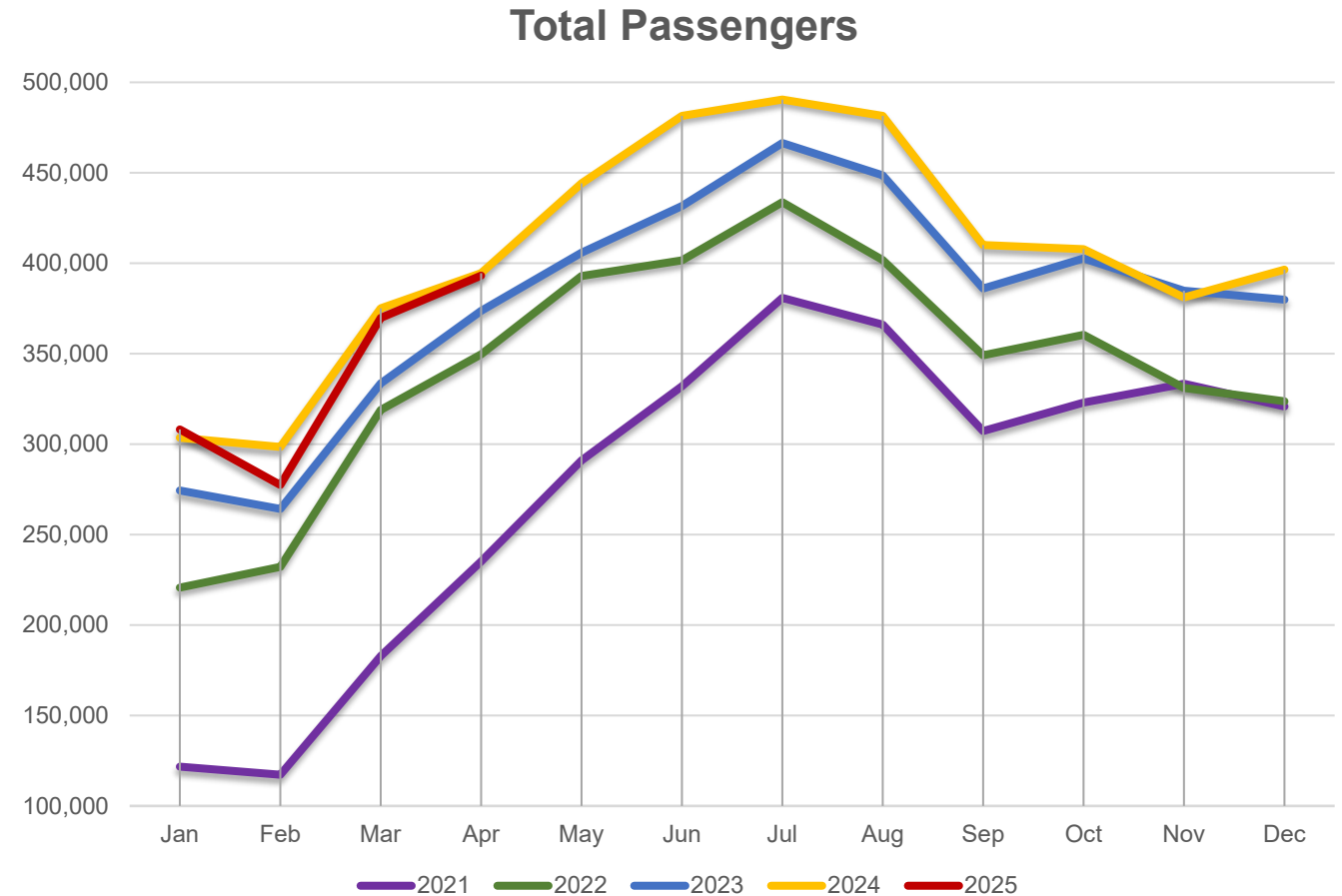
Air Service

May 22, 2025

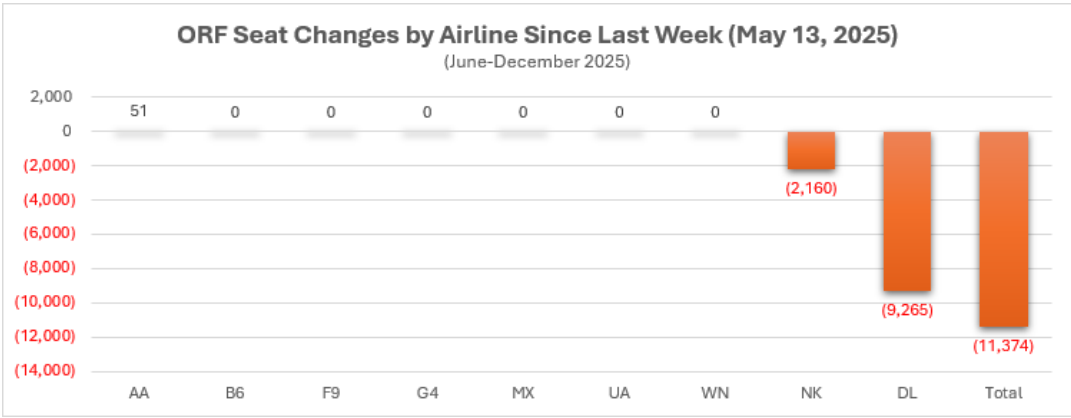
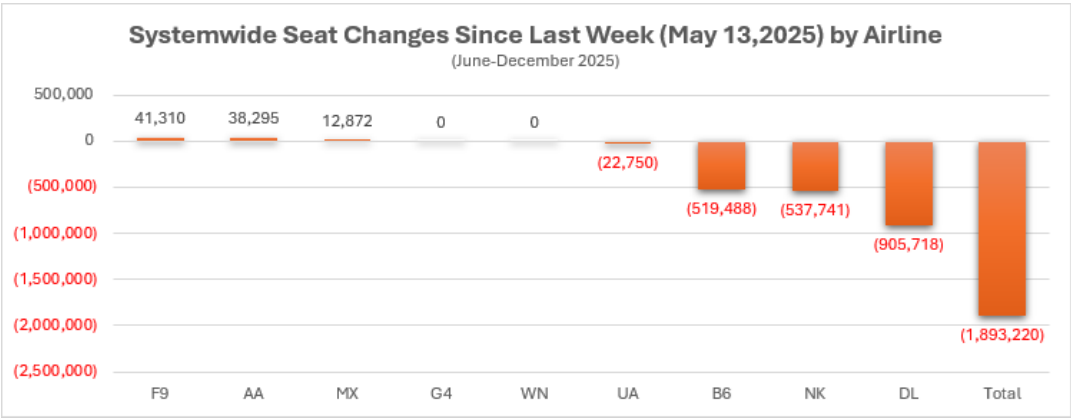
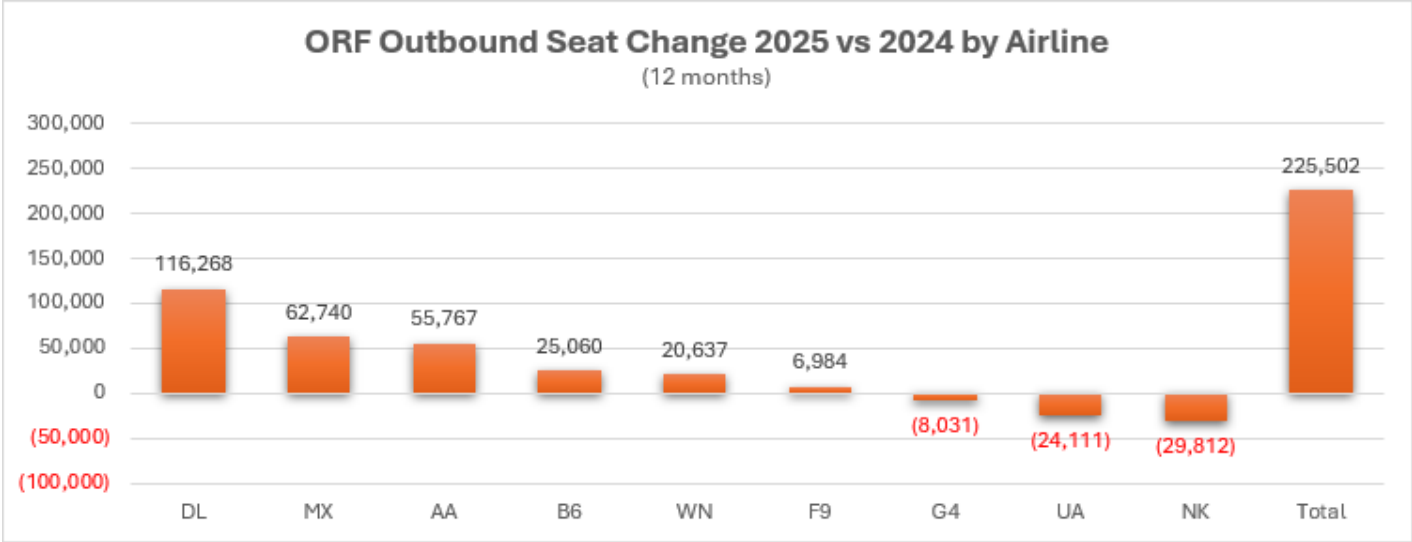


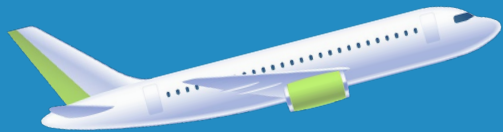
Our Market Strength Continues

- CY2025 is off to a slower start than last year
- YTD CY2025 is down 1.7% over 2024



ORF Future Seat Outlook Still Good





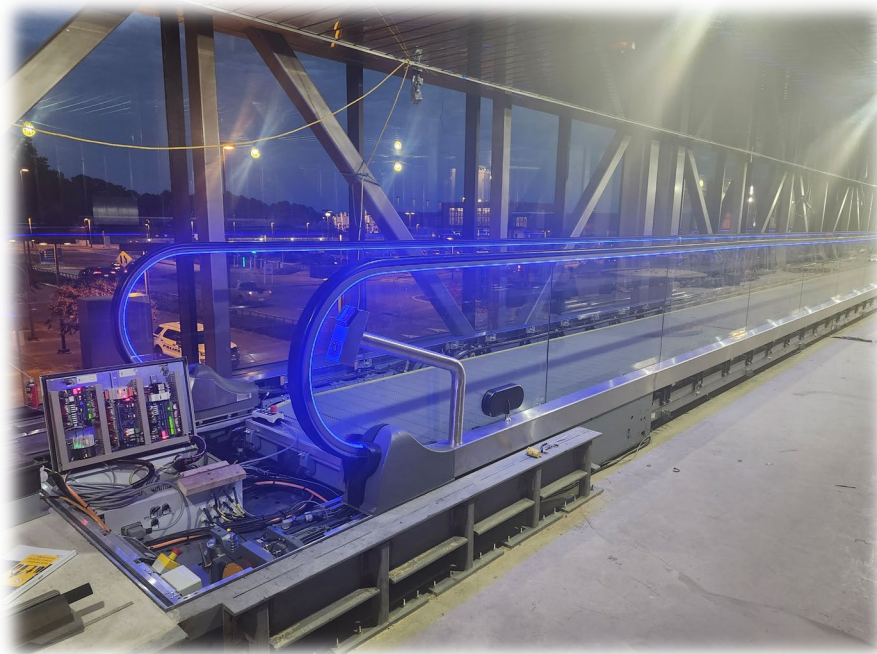
Capital Development Program

May 22, 2025



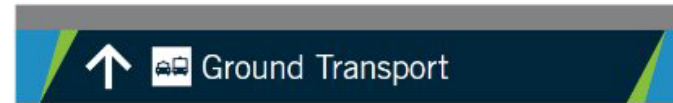
Moving Walkways

- Anticipated completion in Spring 2025
- Cost: \$2.5M



Interior Wayfinding

- Design Complete
- Contract Awarded
- Estimated Cost: \$3.0M



DR.00



DR.05



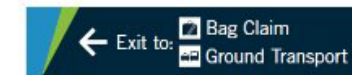
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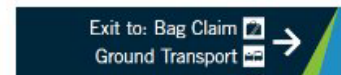
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ID.E1



DR.S1



DR.V2



DR.RB1

Typeface: Trade Gothic

Symbology: Custom symbols set (with modified accessible symbol to match a more standard look)



Alpha Expansion

- Estimated cost: \$25M
- 3 Gates / Holdrooms
- New Restrooms / Pet Relief Area
- Completion January 2026



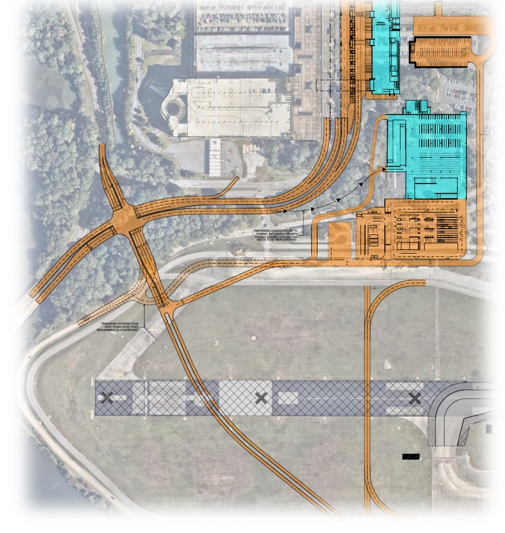
CBP International Arrivals Facility

- Estimated cost: \$25M
 - \$3M Congressionally Directed Spending
 - \$6M BIL ATP grant received
- Completion January 2026



Main Entrance Intersection Improvements

- Estimated cost: \$22M
 - Awarded \$14.7M in BIL ATP funds
- Realign and improve the intersection at the main entrance to the airport
- Branch Civil to begin construction in Summer 2025



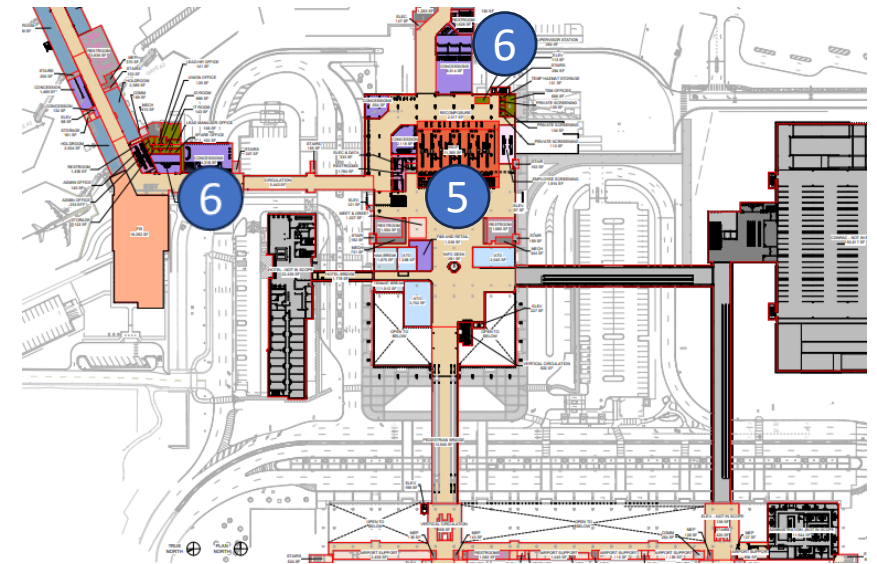
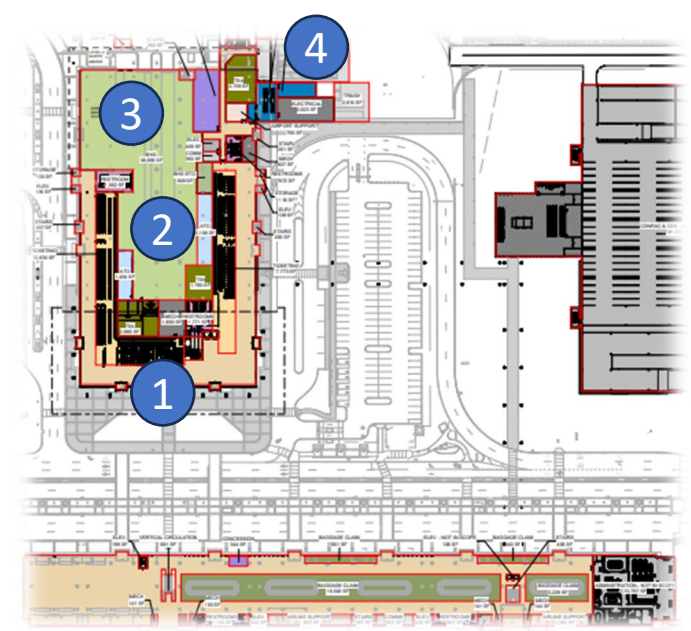
Consolidated Rental Car Facility

- Overall structure is 310,560 sf
- QTA Service Facility
 - 10 fueling / cleaning positions
 - 8 wash bays
- Increased onsite capacity
 - 1,488 total spaces
 - +845 over existing
 - Meets RAC's 20yr need of 1,377 spaces
- Enabling Project
 - TNC / Taxi Relocation and softening of Robin Hood Road curve



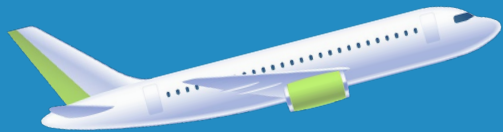
Terminal Development

- Project Scope:
 1. New Ticket Lobby Addition
 2. Consolidated Checked Bag Inspection
 3. Expanded Baggage Make-up Area
 4. New Shipping and Receiving Area
 5. Consolidated TSA Checkpoint
 6. New Concessions
- CMaR under contract Summer '25
- Construction start Summer of '26
- Construction complete end of '28





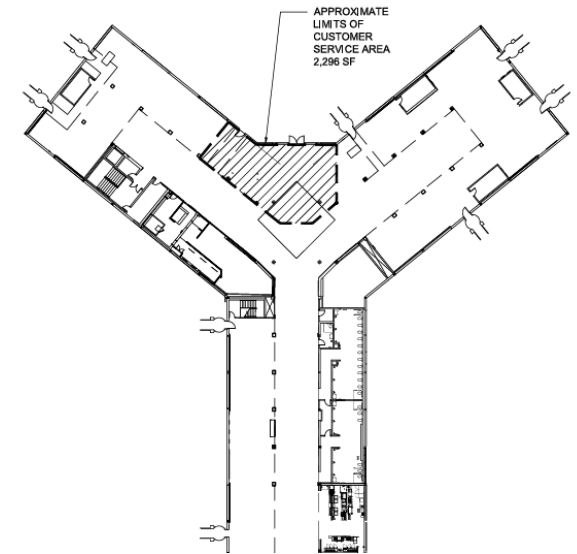
May 22, 2025



Business/Commercial

Concessions RFP – Short-term

- Issued an RFP for a full-service sports themed bar and restaurant on Concourse B
- Intent is to use an existing under-utilized area on Concourse B to bring in a new concession to begin the re-fresh and revitalization of our concessions program
- Schedule:
 - Issue RFP: May 9, 2025
 - Proposals Due: June 6, 2025
 - Notice of Intent to Award: July 25, 2025
 - Expected Opening: Fall/Winter 2025



Concessions RFP – Long-term

- Advertising for two new mixed-concession packages
 - Food, beverage, and retail
- Schedule:
 - Issue RFP Jun 2, 2025
 - Proposals Due Sep 15, 2025
 - NAA Board Meeting Nov 20, 2025
 - New Agreement Commencement Date Jul 1, 2026

RAC RFP

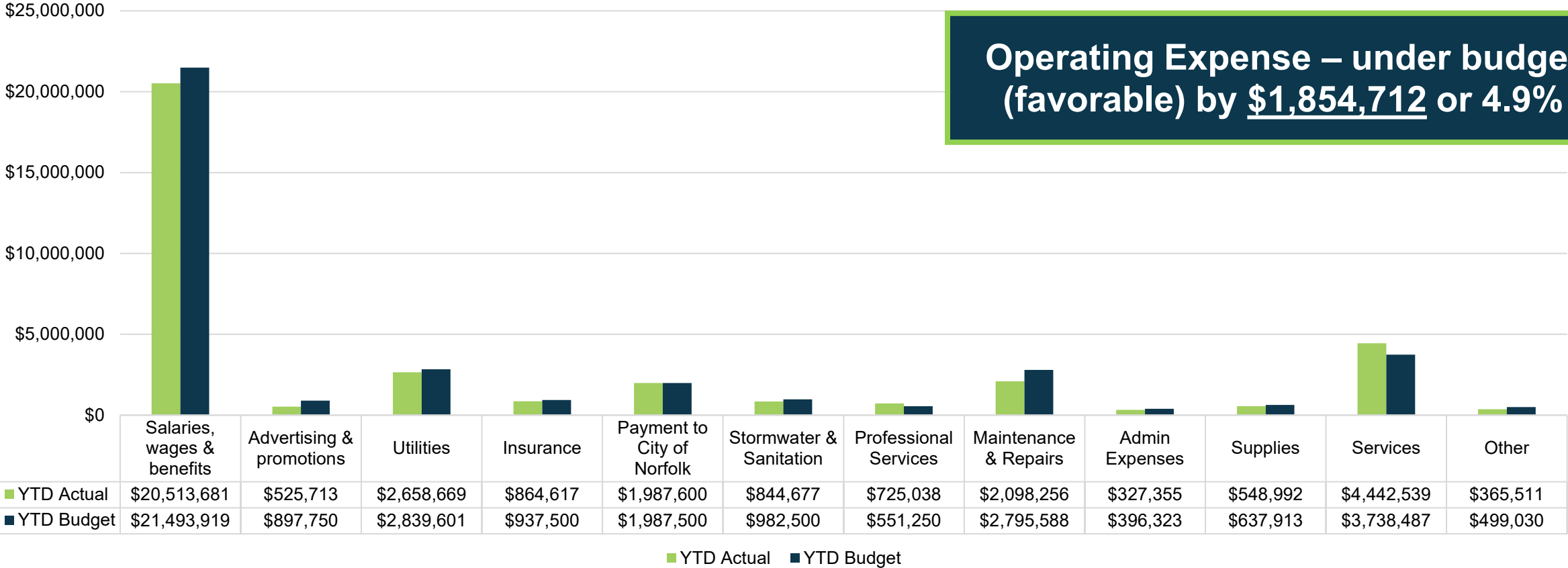
- Advertising for a new rental car concession contract
- Schedule:
 - Issue RFP Jul 1, 2025
 - Proposals Due Aug 27, 2025
 - NAA Board Meeting Sep 25, 2025
 - New Agreement Commencement Date Nov 1, 2025



Finance/Administration

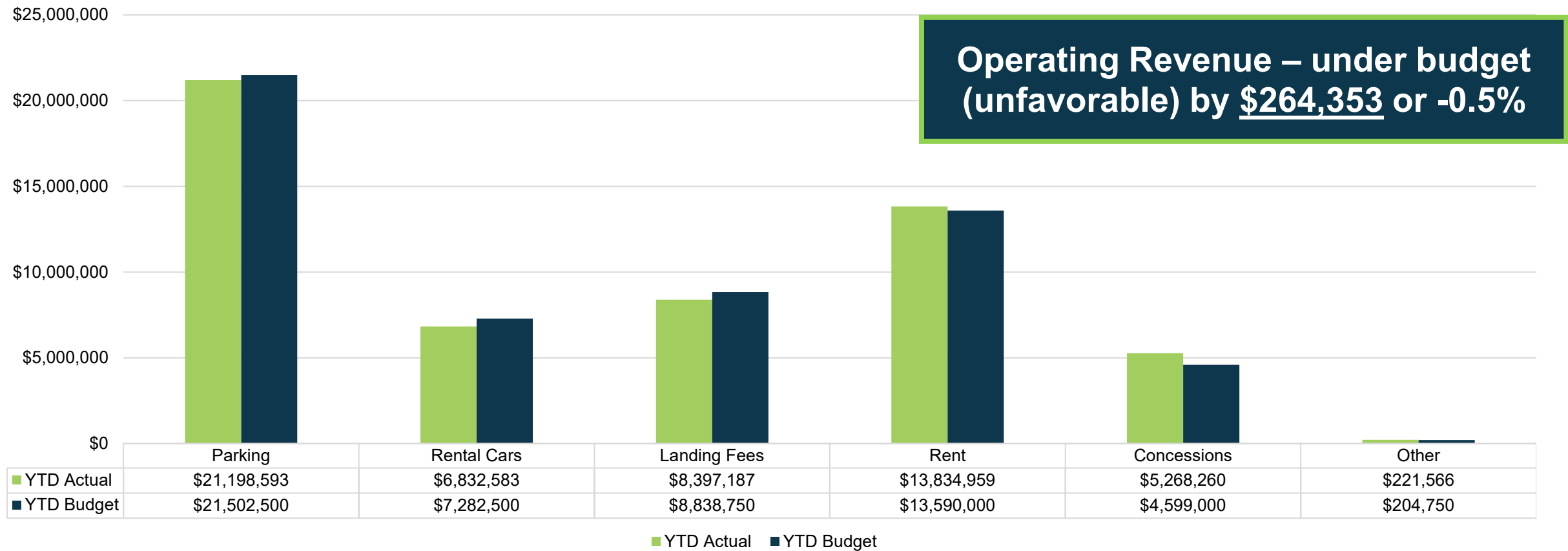
March 2025 Operating Expenses

Year to Date Budgeted vs Year to Date Actual



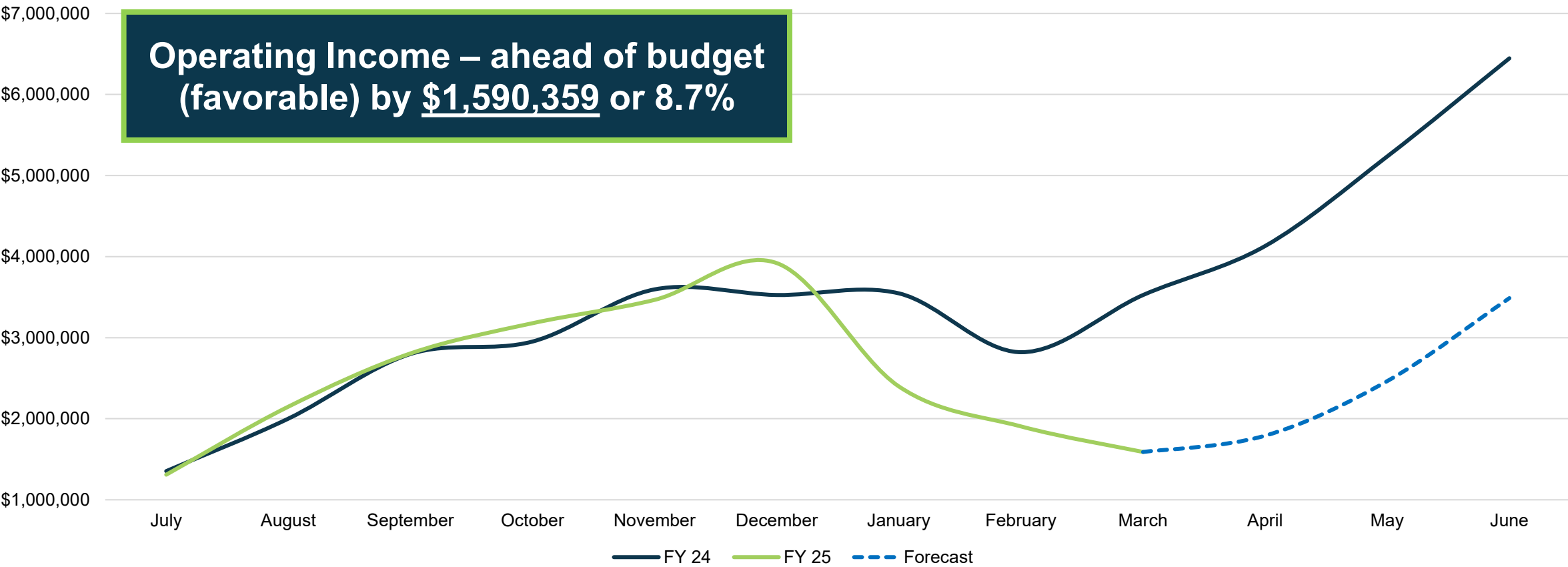
March 2025 Operating Revenues

Year to Date Budgeted vs Year to Date Actual



Year to Date Operating Income

Year to Date Operating Income Ahead of Budget - Current Year vs Last Year





Strategic Plan Update

May 22, 2025



Strategic Plan Update

APRIL 2025 GOALS PROGRESS

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



4%
FROM
FEB 2025

94%

PERCENT COMPLETE



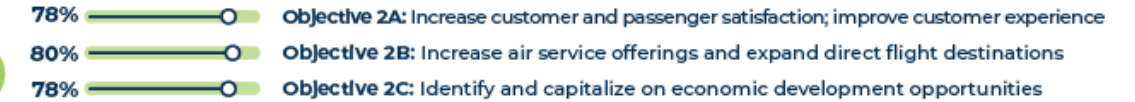
GOAL #2 OUR CUSTOMERS Grow our traffic and provide a world-class customer experience.



0%
FROM
FEB 2025

79%

PERCENT COMPLETE



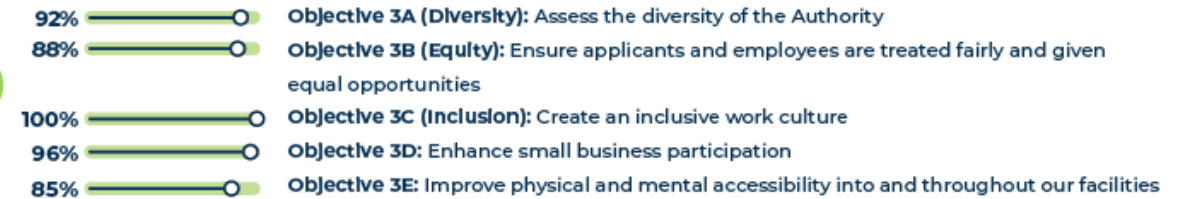
GOAL #3 OUR COMMITMENT Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.



0%
FROM
FEB 2025

92%

PERCENT COMPLETE



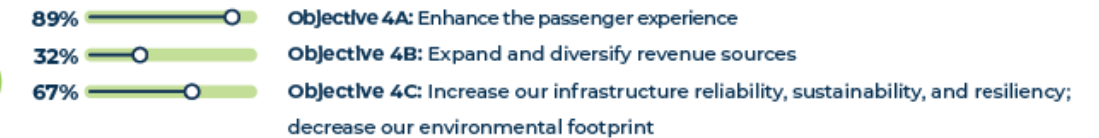
GOAL #4 OUR FACILITY Optimize facilities to create and sustain growth, expand opportunities, and diversify revenue sources.



1%
FROM
FEB 2025

63%

PERCENT COMPLETE

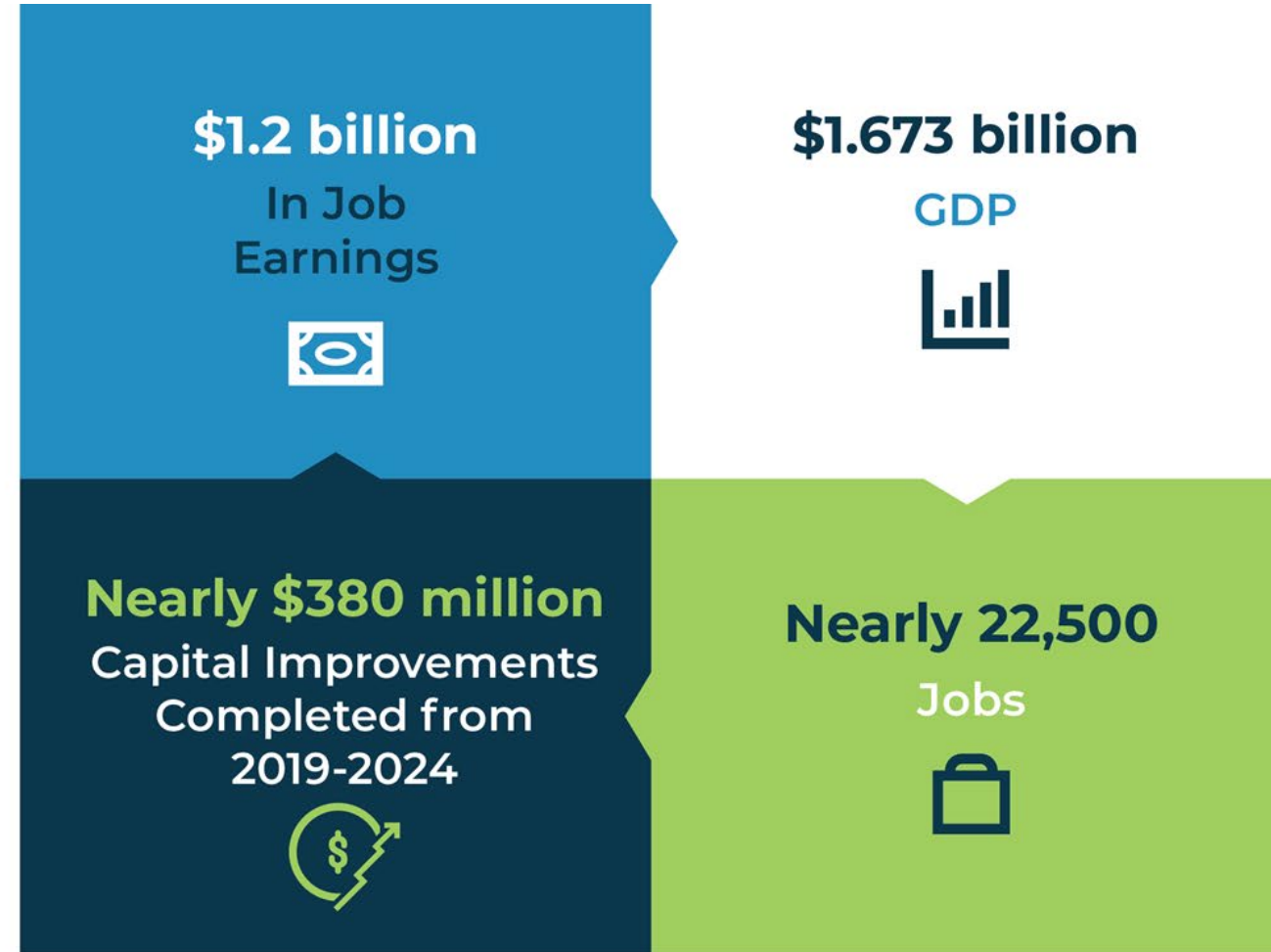


2024 Economic Impact of the Airport



ORF delivered **\$2.68 billion** to the economies of Virginia and Northeast North Carolina in 2024.

Transform ORF, now underway, is valued at nearly **\$1 billion**, all funded without local taxes.



In the Community

April 1 – V-TOP recognition as one of Virginia's Top Employers for Interns in 2025

April 3 – Greater Norfolk Corporation board meeting at ORF

April 7-11 – Statewide ARFF instruction at ORF fire training site

April 9 – Mark Perryman featured panelist at Passenger Terminal Expo in Madrid

April 9 – Prestigious Skytrax 4-Star Regional Airport honors for ORF

April 10 – Norview High School Naval J.R.O.T.C. student airfield tour

April 15 – Make Your Own Button activity commemorating World Art Day

April 18 – Tidewater Pipes & Drums performance welcome for Virginia International Tattoo

April 22-24 – Host of International Facility Management Association annual conference

April 22 – Earth Day activation in Main Lobby

April 23 – Volunteer Ambassador 25th Anniversary Appreciation Lunch & Tour

April 28 – Honorable Mention in Balchen/Post Snow & Ice Response national airport awards

April 30 – JetBlue's inaugural celebration to launch ORF-BOS service

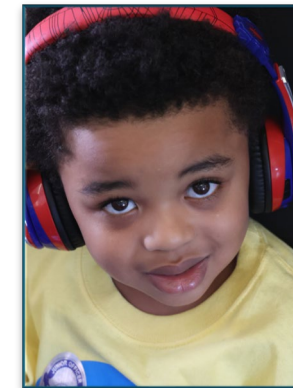
May 2 – Airfield photography experience for Hampton University aviation students

May 3 – "Wings for All" event for travelers with intellectual disabilities

May 7 – Norfolk Police Department Citizens Academy at ORF

May 14 – Hampton Roads Transportation Planning Organization board update

May 15 – "Coffee with a Cop" public meet and greet with NAA Police



- NAA staff also participated in Career Day events at Academy of Discovery at Lakewood (March 27), Kempsville High School (April 2) and Norfolk Highland Primary School (April 25).



May 22, 2025

TRANSFORM
THE FUTURE OF ORF

 **NORFOLK AIRPORT AUTHORITY**

Events on Approach

- May 31 Relay for Life of South Hampton Roads
- June 4-6 USCBP Mobile Global Entry
- June 13 Norfolk Tides Game Sponsor and Employee Outing
- July 8-13 High School Intern Program
- July TBD Sky's the Limit



Marketing & Media

May 22, 2025



Sharing our Successes



Norfolk Airport looks to revamp dining and shopping options with local businesses



10 ON YOUR SIDE
TIFFANY NIEVES
CO-FOUNDER, TOWN CENTER COLD PRESSED



Norfolk International Airport ranked No. 4 among domestic airports

Skytrax, a London-based airport research company, rated ORF higher than all other American domestic airports.



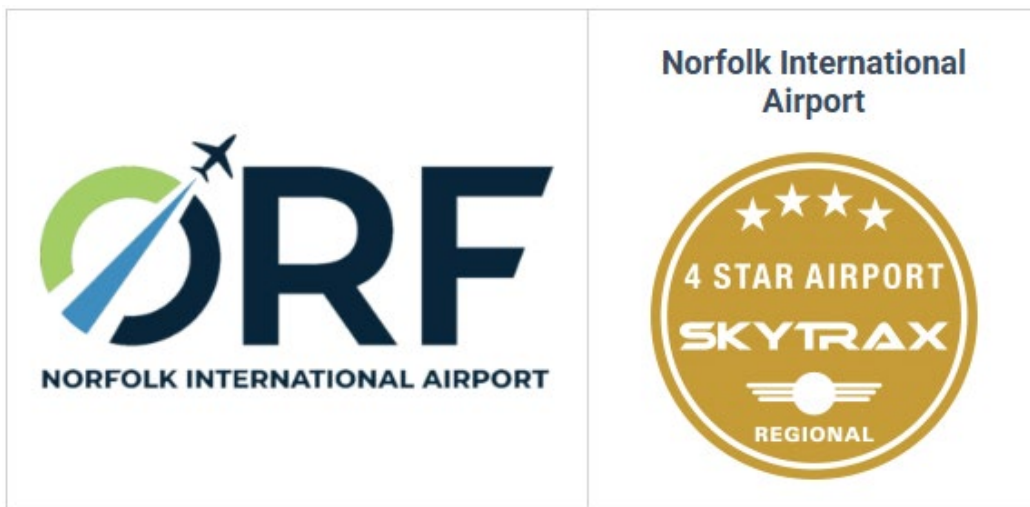
Norfolk International Airport's CEO explains why international flights may be on the horizon

WHRO | By Ryan Murphy
Published March 28, 2025 at 9:00 AM EDT



Norfolk airport taps new COO in leadership shuffle
Montgomery to begin new role in early June

2025 Skytrax Awards



“Norfolk International Airport is continuing to deliver a 4-Star Airport experience across various frontline product and service categories, demonstrating ongoing progress. Customer satisfaction levels in most touchpoints are generally above the 4-Star Rating level, with the primary limitations to a 5-Star rating being the bifurcated airside concourses, seating standards, and WiFi provision. We note that these areas are being addressed, alongside associated airside facility enhancements, and when completed Norfolk International Airport is well-positioned to achieve the highest 5-Star Airport Rating.”

SKYTRAX

World Airport Awards

Winners

About

Press

Winner History

🏆

World's Best Domestic Airports 2025

🏆

1

Tokyo Haneda

2

Osaka Itami

3

Chengdu Tianfu

4

Norfolk International

5

Dallas Love Field

6

Kagoshima

7

Chicago Midway

8

Kobe

9

Busan

10

Kansas City

5. Chair Report

Norfolk Airport Authority
Board of Commissioners Meeting

6. Committee Reports

Norfolk Airport Authority
Board of Commissioners Meeting

Committee Reports

- Finance & Audit Committee
- Nominating & Strategy Committee



Finance & Audit Committee

May 22, 2025



Final FY26 Operating Budget

Preliminary

	Budget FY25	Budget FY26	Variance FY26 Budget vs FY25 Budget
Operating Revenues:			
Parking	28,670,000	29,100,000	430,000
Landing fees	11,785,000	11,442,000	(343,000)
Rent	18,120,000	18,813,000	693,000
Concessions	4,841,000	5,419,000	578,000
Rental Cars	9,710,000	10,090,000	380,000
Other	1,564,000	2,049,000	485,000
Total Operating Revenues	74,690,000	76,913,000	2,223,000
Operating Expenses:			
Salaries, wages and benefits	28,670,558	31,456,110	2,785,552
Advertising and promotion	1,197,000	1,249,000	52,000
Utilities	3,786,134	3,681,530	(104,604)
Insurance	1,250,000	1,200,000	(50,000)
Payment to City of Norfolk	2,650,000	2,650,000	-
Stormwater and Sanitation	1,310,000	850,000	(460,000)
Professional services	700,000	1,025,000	325,000
Maintenance and repairs	3,337,200	3,206,100	(131,100)
Administrative expenses	1,218,350	1,189,750	(28,600)
Services	4,984,649	5,172,300	187,651
Other	1,236,253	1,190,905	(45,348)
Total Operating Expenses	50,340,144	52,870,694	2,530,550
Operating Income	24,349,856	24,042,306	(307,550)

Final

	Budget FY25	Budget FY26	Variance FY26 Budget vs FY25 Budget
Operating Revenues:			
Parking	28,670,000	29,100,000	430,000
Landing fees	11,785,000	11,378,000	↓ (407,000)
Rent	18,120,000	18,715,000	↓ 595,000
Concessions	4,841,000	5,419,000	578,000
Rental Cars	9,710,000	10,090,000	380,000
Other	1,564,000	2,049,000	485,000
Total Operating Revenues	74,690,000	76,751,000	↓ 2,061,000
Operating Expenses:			
Salaries, wages and benefits	28,670,558	31,615,218	↑ 2,944,660
Advertising and promotion	1,197,000	1,153,500	↓ (43,500)
Utilities	3,786,134	3,670,840	↓ (115,294)
Insurance	1,250,000	1,200,000	(50,000)
Payment to City of Norfolk	2,650,000	2,650,000	-
Stormwater and Sanitation	1,310,000	850,000	(460,000)
Professional services	700,000	957,500	↓ 257,500
Maintenance and repairs	3,337,200	3,140,700	↓ (196,500)
Administrative expenses	1,218,350	1,117,550	↓ (100,800)
Services	4,984,649	5,228,098	↑ 243,449
Other	1,236,253	1,108,355	↓ (127,898)
Total Operating Expenses	50,340,144	52,691,761	↓ 2,351,617
Operating Income	24,349,856	24,059,239	↑ (290,617)

Final FY26 Capital Expenditures

Major Capital Expenditures

Item	PROJECT	Department	Total Estimated Cost	Federal Funding Entitlements	BIL AIG Funds	State Funding Entitlements	Rental Car CFC Funds	Local Funding Amortized	Local Funding Expensed	GARB Debt Issuances
1	ConRAC/QTA - Construction	Transportation	161,000,000				161,000,000			
2	Authority Administration Office Consolidation - Construction	Terminal	30,000,000			3,600,000				26,400,000
3	Departures Terminal Program - Design to 30% to CDs (70% Eligible)	Terminal	20,000,000							20,000,000
4	Runway 14/32 Closure - Construction (AIP 2025 & BIL 2025 FUNDS)	Airfield	10,000,000	5,000,000	4,000,000			1,000,000		
5	Robin Hood Road Realignment - Design & Construction (BIL 2026 Reimbursement)	Transportation	10,000,000		6,000,000			4,000,000		
6	Hotel Preconstruction	Other	5,000,000					5,000,000		
7	Parking Administration and Customer Service Center - Design & Construction	Transportation	5,000,000							5,000,000
8	Wifi Upgrades	Terminal	1,250,000					1,250,000		
9	Pavement Management Plan Update	Airfield / Transportation	300,000					300,000		
10	PSA Hangar Parking Lot Expansion - Design and Construction	FBO	300,000					300,000		
11	Fuel Farm Line Inspection	Airfield	500,000					500,000		
12	FBO Tank Removal - Construction	FBO	500,000					500,000		
13	Garage Cell Phone Coverage Expansion - Design and Construction	Transportation	500,000					500,000		
14	Self Contained Deicer Truck to replace 53&56 (Tow Behind)	Field	650,000					650,000		
15	Sweeper Truck AP34	Field	405,000					405,000		
16	SELF-CONTAINED BREATHING APPARATUS (SCBA) REPLACEMENT	Fire	195,000					195,000		
17	Articulating Compact Boom Crawler Atrium Lift	Departures	185,000					185,000		
18	Life Cycle Analysis - Asset Management Study	Departures	350,000					350,000		
Total Major Capital Expenditures			246,135,000	5,000,000	10,000,000	3,600,000	161,000,000	15,135,000	-	51,400,000

Minor Capital Expenditures

		Department	Total Estimated Cost	Federal Funding Entitlements	BIL AIG Funds	State Funding Entitlements	Rental Car CFC Funds	Local Funding Amortized	Local Funding Expensed	GARB Debt Issuances
19	Garage Mechanic Tool Box & Specialty Tools for Shop	Field	95,000						95,000	
20	Pump Station #125 Generator Replacement	Field	100,000						100,000	
21	CenoBot Sp50 vacuum Sweeper	Janitorial	36,000						36,000	
22	Police Vehicle Replacement	Police	76,500						76,500	
23	Add new Ops Truck	Airfield Ops	65,000						65,000	
24	PARCS Server updates-Phase 1	Transportation	40,000						40,000	
Total Minor Capital Expenditures			412,500	-	-	-	-	-	412,500	-
Total			246,547,500	5,000,000	10,000,000	3,600,000	161,000,000	15,135,000	412,500	51,400,000

Final FY26 Airline Rates and Charges

Norfolk Airport Authority Rates and Charges Analysis

	FY 2024	Budget FY 2025	Budget FY 2026	Variance
Signatory Landing Fee Rate	\$ 3.26	\$ 3.68	\$ 3.50	\$ (0.19)
Average Terminal Rental Rate	\$ 74.79	\$ 82.84	\$ 84.28	\$ 1.44

	FY 2024	Budget FY 2025	Budget FY 2026	Variance
Landing Fees	9,078,702	10,859,960	10,656,724	(203,236)
Common Use Gates	1,400,656	1,650,000	1,900,000	250,000
Airline Space Rental	11,430,920	12,790,804	12,971,726	180,922
Total Airline Cost	<u>21,910,278</u>	<u>25,300,764</u>	<u>25,528,450</u>	<u>227,686</u>
Enplanements	2,383,005	2,500,000	2,500,000	
Cost Per Enplanement	\$ 9.19	\$ 10.12	\$ 10.21	

Recommended Motion Language

- The Finance and Audit Committee makes the following motion:
 - *The Finance and Audit Committee hereby moves that the Board approve Staff's recommended Final FY26 Budget.*



Nominating & Strategy Committee

May 22, 2025



Nominating & Strategy Committee

- Slate of FY26 Board Officers
 - Chair.....Peter Decker, III
 - Vice Chair.....Susan Pilato
 - Treasurer.....Michael Burnette
 - Secretary.....Mark Perryman
 - Assistant Secretary.....Anthony Rondeau
 - Assistant Secretary.....Mark Trank

Recommended Motion Language

- The Nominating and Strategy Committee makes the following motion:
 - *The Nominating and Strategy Committee hereby moves that the Board approve the recommended slate of Board Officers for FY26.*

7. Old Business

Norfolk Airport Authority
Board of Commissioners Meeting

Old Business

- None

8. Closed Meeting

Norfolk Airport Authority
Board of Commissioners Meeting

9. New Business

Norfolk Airport Authority
Board of Commissioners Meeting

New Business

- None

10. Adjournment

Next Meeting:
Thursday, July 24, 2025
Lunch: 12:30pm
Meeting: 1:00pm