

TRANSFORM

THE FUTURE OF ORF

Board of Commissioners Meeting

February 4, 2026



Agenda

1. CALL TO ORDER
2. APPROVAL OF PREVIOUS BOARD MEETING MINUTES
 - Thursday, December 4, 2025
3. PUBLIC HEARING
 - Bond and Other Financing Subject to TEFRA
4. OLD BUSINESS
 - Authorization of Modified Schedule for Preliminary Budget
 - Authorization of Line of Credit with TowneBank
 - Hampton Roads Transatlantic Air Service Coalition Update
5. CLOSED MEETING
6. ADJOURNMENT
 - Next meeting: April 2, 2026
 - Preliminary Budget Approval

2. Approval of Meeting Minutes

Norfolk Airport Authority
Board of Commissioners Meeting

3. Public Hearing

Norfolk Airport Authority
Board of Commissioners Meeting

February 4, 2026



Overview

- The Norfolk Airport Authority is requesting the assistance of the Norfolk City Council in connection with the Authority's plan of finance that includes the proposed issuance of tax-exempt Private Activity Bonds.
- This approval is required for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Financing Airport Facilities

- Federal tax regulations applicable to financings for airport facilities are complicated and result in potentially three different tax treatments for federal income tax purposes of revenue bond debt issued by the Authority:
 - **Governmental Use Bonds:** Tax-exempt bonds issued for Authority offices, public roadways, and other governmental and public use projects. These bonds are not subject to the federal alternative minimum tax (AMT).
 - **Private Activity Bonds (AMT Bonds):** Tax-exempt bond subject to the federal AMT that are used for projects primarily within the Airport terminal subject to the Authority's Airline Use Agreements or other facilities that have specific use by non-governmental entities (such as reserved non-public parking areas by ride-sharing companies).
 - **Taxable Bonds:** Issued to finance projects that are not otherwise eligible for tax-exempt financing either on an AMT or Non-AMT basis. This includes the majority of the planned consolidated rental car (ConRAC) facility.

TEFRA Approval

- The Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 amended the Code and requires that Private Activity Bonds (AMT) must be approved by an elected official or body after the holding of a public hearing for which reasonable public notice is provided.
 - Public notice is considered reasonable if posted on an official website or published in a newspaper of general circulation, at least seven days prior to the public hearing.
 - Approval must be obtained from an elected official or body having jurisdiction of the financed projects. Because the Authority board members are appointed, rather than elected, this approval has to be obtained from the City Council or a higher elected body or official.

Authority's Plan of Finance for its Capital Program

- The Authority updated its Master Plan for the Airport in 2021 to account for changes at the Airport, in the aviation industry, and in the region since the Airport's prior 2008 Master Plan.
- The Authority is now advancing its capital program which includes nearly \$1 billion of planned capital improvements from FY2026 through FY2030.
- The Authority's plan of finance will be funded by Airport cash, federal and state grants, passenger facility charges (PFC), customer facility charges (CFC) and Authority debt, which will include:
 - Interim financing including an expected direct draw line of credit bank facility, expected to be established in FY 2026
 - Long-term airport revenue bonds, expected to be issued in FY 2027/2028
 - Long-term CFC revenue bonds, expected to be issued in FY 2026

Authority's Plan of Finance for its Capital Program

- The Authority's plan of finance includes tax-exempt Private Activity Bonds for some or all of the following projects:
 - ConRAC, including roadways, a portion of the pedestrian bridge, utilities, surface ground transportation lots and other components of the project – bond issuance scheduled for March 2026
 - Departures Terminal Program
 - Administrative Offices Consolidation
 - Dedicated Deicing Facility
 - Parking Offices Building
 - Other airfield, terminal and landside capital improvement projects included in the capital plan
- The total plan of finance includes potential tax-exempt Private Activity Bond financing of approximately \$400 million over the next three years.

Authority's Plan of Finance for its Capital Program

Project Description	Construction Start	Current Budget
Alpha Concourse Gate Addition	FY 25	\$ 26,000,000
Gate 1 - FIS Modernization	FY 25	\$ 27,000,000
Administration Offices Consolidation	FY 26	\$ 19,000,000
FIDS and Common Use System Upgrades	FY 26	\$ 750,000
Departures Terminal Modernization and Expansion	FY 27	\$ 425,000,000
Subtotal TERMINAL		\$ 497,750,000
Closure of Runway 14/32	FY 26	\$ 10,000,000
Dedicated Deicing Facility	FY 26	\$ 20,000,000
Subtotal AIRFIELD		\$ 30,000,000
Intersection Improvement	FY 25	\$ 26,000,000
Robin Hood Road Realignment - North	FY 26	\$ 6,000,000
Parking Offices Building	FY 26	\$ 6,000,000
CONRAC Facility	FY 26	\$ 175,000,000
Subtotal OTHER		\$ 213,000,000
TOTAL CIP		\$ 740,750,000

Request to the City

- The Authority will hold the required public hearing and submit a report of the hearing to the City, after which the Authority requests the City consider an ordinance that would provide the TEFRA approval required under the Section 147(f) of the Code, as well as satisfy any consent requirement under the Authority's Charter.
 - This TEFRA approval is solely for purposes of satisfying the requirements of the Code. This approval does not create financial liability for the City with respect to the Authority's bonds.
 - The Authority is a financially self-sustaining enterprise, funded solely from Airport revenues (which support Authority revenue bonds) and grants. No local tax dollars fund the Airport.

4. Old Business

Norfolk Airport Authority
Board of Commissioners Meeting

Hampton Roads Transatlantic Air Service Coalition

WHEREAS, Air travel is a vital cog in the Commonwealth's economic engine, generating an estimated impact of nearly \$2.7 billion last year alone between portions of southeastern Virginia plus northeastern North Carolina; and

WHEREAS, Competition is extremely fierce for a limited number of airlines capable of operating nonstop service between Europe and non-hub U.S. airports, with many communities offering millions of dollars to support nonstop bids; and

WHEREAS, Federal regulations forbid U.S. airports from directly offering the necessary monetary support to entice such air carriers to operate transatlantic nonstop flights to undersized aviation markets such as Hampton Roads; and

WHEREAS, The introduction of transatlantic air service is widely desired among users of Norfolk International Airport for both business and leisure purposes;

WHEREAS, The Hampton Roads Alliance is the leading regional economic development organization for the region led by the region's most influential business leaders, local governments, and top academic institutions,

WHEREAS, The Hampton Roads Executive Roundtable, an organization made up of over 30 business and academic leaders, was established in 2023 to synchronize economic development strategy, advocacy, and initiatives for the region,

WHEREAS, The Norfolk Airport Authority manages and controls the operations and maintenance of the Norfolk International Airport, now therefore be it

RESOLVED, That the Hampton Roads Alliance, in partnership with the Hampton Roads Executive Roundtable, hereby agree on the establishment of the Hampton Roads Transatlantic Air Service Coalition (HRTASC); and

RESOLVED, That HRTASC shall function as a special committee of the Hampton Roads Alliance and be empowered to solicit funds from different sources (e.g.

businesses, government grants, community organizations), and manage those dollars for the above-stated specific, public interest mission; and

RESOLVED, That HRTASC's leadership shall be comprised as a seven-member board with four seats filled by appointees of the Hampton Roads Alliance and three seats filled by appointees of the Hampton Roads Executive Roundtable; and

RESOLVED, That the Norfolk Airport Authority and its agents may serve HRTASC solely in an advisory manner; and

RESOLVED, That HRTASC shall store any collected capital commitments from willing participants in interest-bearing accounts until a majority board vote authorizes their release as a minimum revenue guarantee and/or other purposes necessary to secure desired transatlantic air service to Norfolk International Airport; and

RESOLVED, That HRTASC shall maintain sole discretion on the type, level and length of specific support to be offered in the pursuit of transatlantic air service opportunities that may arise, with consultation from the Norfolk Airport Authority; and

RESOLVED, That HRTASC shall serve as the contracted entity for any such support agreements with air carriers, and will provide regular financial performance reports to its contributing parties, including updates on disbursements and year-end statements; and

RESOLVED, That any private or governmental entity that contributes money to HRTASC agrees to obligate those dollars to the control of HRTASC under contract for a predetermined period of time; if desired air service is obtained and no additional funds are needed, any remaining dollars may be returned to their respective contributor prorated to its funding commitment.

5. Closed Meeting

Norfolk Airport Authority
Board of Commissioners Meeting

6. Adjournment

Next Meeting:

Thursday, April 2, 2026

Lunch: 12:30pm

Meeting: 1:00pm