

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
June 6, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, June 6, 2018, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Lambeth called the meeting to order at 5:00 p.m. Vice-Chairman Hickman led the Pledge of Allegiance and Chairman Lambeth read the Authority's Code of Ethics statement. No conflicts of interest or potential conflicts of interest were identified at that time.

Airport Authority members present were; Carter Lambeth, Chairman; Dan Hickman, Vice-Chairman; Donna Girardot, Secretary; Tom Barber, Harry W. Stovall, W. Lee Williams, and Thomas Wolfe. Also present were Gary Broughton, Deputy Director; Robert Campbell, Finance Director; Carol LeTellier, Business Development Director; Granseur Dick, Planning and Development Director; Whitney Prease, Facilities Manager; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Anthony Wright, Air Wilmington; Jeff Farkas, All American Aviation Services; Bill Smith; Bill Cherry; Michael Blackmore, RS&H; Eric Canup, Live Oak Bank; Tom Goodwin, JDI, Inc.; Monte Coughlin, AOPA; Ken Norris and Alan Schultz.

Julie Wilsey, Airport Director, was absent from this meeting.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on May 2, 2018. Mr. Wolfe MOVED, SECONDED by Mr. Barber, to approve the minutes of the May 2, 2018 Airport Authority meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

Mr. Jeff Farkas, manager and flight instructor for All American Aviation Services, introduced himself to the Authority, noting that the company is under contract with and based out of Air Wilmington, providing flight instruction and aircraft rental, and scheduled to open June 15, 2018.

Mr. Goodwin addressed the Authority in follow-up to his previous public comments regarding Mr. Cool's airplane damage and on the matter of the Cape Fear Flying Club's interest in renting the South Ramp hangar.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following action items:

- a. **Aviation Engineer of Record Contract** – Approval of a 5 year contract for engineering services for aviation projects, excluding planning services, contingent upon favorable rate negotiations with Talbert & Bright, Inc. Mr. Wolfe MOVED, SECONDED by Mrs. Girardot to approve a 5 year contract with Talbert & Bright Inc. as engineer of record.

Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- b. **Demolition of the South Ramp Hangar (General Fund)** – In accordance with the ILM Capital Plan and ALP Update for repurposing of the South Ramp area and with rejection by Cape Fear Flight Training of the May 2nd proposal for temporary occupancy, recommendation of demolition of the existing hangar structure, NTE \$45,000. Mr. Barber MOVED, SECONDED by Mr. Wolfe to demolish the South Ramp Hangar as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- c. **Terminal Expansion Phase 1A – Enabling Phase Construction (NC Legislative Funds)** - Recommendation of approval for additional services related to the separate bidding and construction of the Enabling Phase improvements to the TSA Baggage Handling System to advance construction scheduling, NTE \$115,000 for additional architectural and engineering services. Mr. Wolfe MOVED, SECONDED by Mrs. Girardot to approve additional services related to the separate bidding and construction of the Enabling Phase improvements to the TSA Baggage Handling System to advance construction scheduling as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- d. **Resolution Authorizing Electronic Advertisement of Bids** – Recommend adoption of a resolution authorizing electronic advertisement of bids. Mr. Barber MOVED, SECONDED by Mr. Hickman to pass a resolution authorizing electronic advertisement of bids. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. (A copy of the Resolution of the New Hanover County Airport Authority for Authorizing Electronic Advertisement of Bids is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 203).

Mr. Dick updated the Authority on the status of the Gate 1 Jet Bridge noting that the AC unit on the bridge was damaged during shipping and the bridge itself sustained damage by the manufacturer during pre-inspection testing. Mr. Dick noted that staff has been informed that the bridge has been inspected and has a ship date of June 8th or June 11th to arrive in Wilmington within the next week or two. The AC unit has been picked up for return to the factory in California and the timeframe for re-inspection and either repair or replacement is also one to two weeks.

Mr. Dick updated the Authority on the terminal expansion project using a slide show for illustration of the design of Phases 1A and 1B.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's April financial summary, financials and cash summary. Mr. Campbell noted that most revenue categories were up for the month of April and pointed out that this is the first month of United's operations at ILM. Mr. Campbell pointed out that American had 54 more flights in April compared to last April and 20,000 more gallons of fuel was pumped in April, compared to March. More flights, more passengers turned into more parking and commission revenue.

Mrs. Girardot asked if the parking revenue being up almost 8%, if that was creating a problem in

the lots and Mr. Campbell responded that the short and long term lots (A, B, & C lots) fill up every week. Lots F & G, the closest credit card lots fill close to capacity every week. Staff is working with USA Parking to come up with alternative parking ideas. Mr. Campbell noted the revenue numbers seen in May were some of the highest seen at ILM and they generally aren't seen unless it is around the holidays. Mr. Barber noted that the Authority has raised the parking rates at least twice and Mr. Campbell confirmed that the rates have not been raised in about two years.

Mr. Campbell recommended the approval of the following action items:

- a. Approval of FY 2019 Budget of \$28,556,286 (\$7,902,150 Operating; \$20,654,136 Capital); FY 2019 Schedule of Rates and Charges; and FY 2018 Budget Amendments. Mr. Hickman MOVED, SECONDED by Mr. Wolfe to approve the FY 2019 Budget, Schedule of Rates and Charges and FY 2018 Budget Amendments, as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. (A copy of the FY2019 Budget, FY 2018 Schedule of Rates and Charges and FY 2018 Budget Amendments are hereby incorporated as part of the minutes and are contained in Exhibit Book III, Pages 204, 205 and 206).
- b. Approval of the purchase of a 0.57 acre tract on Old Winter Park Road for the appraised value of \$110,000, pending the results of the survey, and with a life estate to the seller. The property is adjacent to another parcel that is owned by the Airport Authority. After a brief discussion Mr. Wolfe MOVED, SECONDED by Mr. Barber to approve purchase of a 0.57 acre tract on Old Winter Park Road as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of the following action items:

- a. Approval to renew the rental car agreements for a term of 5 years, effective July 1, 2018 through June 30, 2023, with a 3% increase on their service facility land fees and an increase in the ready return space by 20%. ILM rental car companies include Avis/Budget, Hertz, Enterprise Leasing Company-Southeast LLC dba Alamo, Enterprise, and National, and GSP Transportation, Inc. dba Thrifty and Dollar Rent A Car. Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the renewal of the rental car agreements for a term of 5 years as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- b. Approval to renew a one year agreement with Fourth Day Advertising for the ILM television buys in the amount of \$48,120. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the renewal of a one year agreement with Fourth Day Advertising as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Ms. LeTellier updated the Authority on the following items:

- a. Parker Landscaping, that rents 1 ½ acres by the National Weather Service, has renewed their land lease for an additional 3 years.

- b. Cedar Peaks, a contractor on airport property, has rented a 10 x 10 office space in the underutilized 1817 Hall Drive building beside Battlehouse, on a month to month basis.

Mr. Barber asked for updates on the former AAI building or the new Business Park and Ms. LeTellier responded regarding the AAI building, there are about 23 offices in that space and staff is trying to generate revenue by leasing offices to contractors on a short term basis and may have multiple tenants in that area. Regarding the Flex Building, Ms. LeTellier reported having one very interested party that would take the remaining 2880 SF and noted that she and Mr. Stovall are in competition for another prospect.

Ms. LeTellier advised that Social Bark is getting ready to complete the bidding for their facility June 15th and their bank will order an appraisal and close the deal. They are hoping to break ground in July and hope to do a ceremony for that in early July.

Mr. Lambeth asked for a total number of tenants and Ms. LeTellier said she would gather that information and send out an overview to the Authority.

Mrs. Girardot noted that during the UDO process the committee is working on the Airport Industrial zoning and recommending to remove the current language that would allow nursing homes and residential facilities on airport property. Mrs. Girardot noted if the Authority and staff had no problem with that, the committee will move forward on removing that language.

GOVERNMENT

Mrs. Girardot reminded the Authority of the Joint Meeting with the New Hanover County Commissioners on Thursday, June 14th and that Mrs. Wilsey and Chairman Lambeth will be making the formal Annual Report to the Commissioners at their meeting on Monday, June 18th.

Mrs. Girardot reported that she and Ms. LeTellier attended the 50th Anniversary of the Southeastern Economic Development Commission where Senator Thom Tillis was their speaker. Senator Tillis informed Mrs. Girardot that the four week August recess would be shortened to 1 week. Mrs. Girardot noted that the North Carolina General Assembly passed in record speed their short session budget bill and the Governor has vetoed it but they have more than enough numbers to override it. This bill includes appropriations, school safety, salary increases for teachers, etc.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel cost and fuel flowage noting that the revenue passengers was up almost 11% in April and year to date ILM is up 4.6% and fuel flowage for April was up 42½%.

Mr. Broughton congratulated Air Wilmington for signing a contract with All American Aviation for a Part 141 Flight School.

Mr. Broughton reported that the Dallas service that American has added, which is currently weekend only, will go to daily service, year round in December and Mr. Lambeth noted that American is also adding a third flight to LGA but the date on that additional service is not yet available.

DIRECTOR'S REPORT

Mr. Broughton reported that the Global Entry event at ILM went well with reports that they processed 443 applicants and look forward to a future event in Wilmington around November. Mr. Broughton noted that Mrs. Wilsey has been at Jumpstart meeting with incumbent carriers, American, United and Delta, as well as Southwest and Allegiant. Mrs. Wilsey also met with two upstart airlines: OneJet, who has an interest in ILM to Ft. Lauderdale; and ViaJet, who is interested in Sanford/Orlando flights.

Mr. Broughton shared that United reported to Mrs. Wilsey that they are pleased with their Chicago and Dulles service out of ILM with both destinations running above 70% load factor. American is pleased with their DCA service and they are at 63% load factor and their yields are good. Delta's yields are about flat but they have said they are happy with their service as well. Delta reports that their July load factors are in the 90% range.

Mr. Broughton reviewed the calendars reminding the Authority of the Joint Meeting on June 14th and the ceremony to honor Arthur Bluethenthal at 9:30 am on June 22nd.

NEW BUSINESS

None.

UNFINISHED BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chairman Lambeth adjourned the meeting at 5:50 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Donna Girardot, Secretary

Date of Approval: July 11, 2018