

**NEW HANOVER COUNTY AIRPORT AUTHORITY
AND GENERAL ASSEMBLY LEGISLATIVE DELEGATION
SPECIAL MEETING
September 6, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met with the General Assembly Legislative Delegation for a special meeting on Thursday, September 6, 2018, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 8:05 a.m.

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

General Assembly members present were: Senator Bill Rabon; Senator Michael Lee; Representative Frank Iler; Representative Holly Grange; and Representative Deb Butler.

WELCOME

Chairman Girardot welcomed the legislators on behalf of the Airport Authority and ILM staff. Chairman Girardot reported that the Authority and ILM staff will show the legislators today how ILM has been good stewards of the \$11.9M that was awarded to ILM in the last 2 year budget cycle and will also show what ILM would use more money for if the legislators were to appropriate more funds to ILM in the next 2 year budget cycle.

PRESENTATION

Mrs. Wilsey introduced ILM staff to the legislators and used a slide show presentation to demonstrate how ILM has spent and will spend the appropriated funds. Mrs. Wilsey thanked the legislators for the ease with which they allowed recipients to use the money. Mrs. Wilsey noted, with the additional funding and the terminal expansion, ILM is projected to have over \$20M worth of capital projects in FY19.

Mr. Dick, focusing on the projects that have benefitted directly or indirectly from the appropriated funding, reported on the purchase of the new passenger boarding bridge at Gate 1 and the design of the terminal expansion project construction contracts 1 and 2, which will help to advance the terminal expansion project by 3 months. Mr. Dick noted that the remainder of the funds would be spent on terminal expansion contract 2 design; and the construction of contracts 1 and 2.

Using slides to illustrate, Mr. Dick updated the legislators on the various parts of construction contracts 1 and 2, noting that 100% of construction contract 1 (\$1.8M) is being funded by the NC Airport Appropriations Bill. Mr. Dick noted that contract 2 is where the public will really start to see changes at ILM and it is a \$12M (estimated) project with 76% (\$9.1M) of contract 2 being funded by the NC Airport Appropriations Bill.

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Mr. Dick noted that construction contract 3 would be starting in the spring of 2020 and would be a \$40M (estimated) project, which will be partially funded through future FAA AIP grants (\$30.4M) and PFCs (\$5M) with an additional \$4.6M in additional funding needed for this project. Mr. Dick asked that the legislators consider ILM for continued support as ILM continues to meet the needs of our growing region.

Chairman Girardot reminded the legislators that ILM is self-sufficient and does not receive any subsidy from the local municipalities. Chairman Girardot noted that American is bringing in larger jets because flights out of ILM are doing so well and we are now finding ourselves with overcrowding at certain times of the day at the TSA checkpoint, the gate area, restrooms, and parking lots. New funding would enable ILM to speed up this expansion so that we could more quickly meet our customer's needs and continue to provide that good customer experience for which ILM is known.

In response to Senator Rabon's question about ILM's needs, Mrs. Girardot stated that ILM will request \$15M over 2 years for the upcoming state budget.

LEGISLATOR COMMENTS

Representative Butler commented on Mrs. Wilsey's presentation regarding the room for expansion in the private hangar area noting that New Hanover County receives \$616,000 a year in ad valorem taxes on aircraft and expansion in those hangar areas would be a wonderful potential revenue stream for the county.

Representative Butler noted that ILM is vitally important to this community and for years ILM has been the first impression of the community to visitors and has been overwhelmingly superlative. The last thing we want is for that opinion to change because of congestion, frustration or inability to get in and out of Wilmington.

Chairman Girardot noted ILM is important for economic development as well because all of our economic candidates usually fly in – whether on their own planes or commercially. ILM is their first impression of whether they want to invest here or not.

Representative Grange agreed with Representative Butler's comments but wanted to applaud ILM for what it has accomplished from an economic development perspective. As a member of the advisory board for the Swain Center, Representative Grange noted that one of the biggest issues for industries and companies that want to come to Wilmington is that they want more direct or non-stop flights to different destinations and ILM has been able to accomplish that. Representative Grange stated that she understands the need for ILM to have what it needs to continue to operate smoothly and make that good first impression for flights coming in.

Representative Iler noted, from a Brunswick County perspective, that he is equidistant from ILM and Myrtle Beach International and asked for a comparison of the airports. Mrs. Wilsey noted that Myrtle Beach is a much larger airport with about 2M enplanements a year. Mrs. Wilsey noted that ILM is more for the business travelers while Myrtle Beach does more point to point destinations with ultra-low fare carriers. ILM has three network airlines with global reach.

Mrs. Wilsey, providing a few economic impact numbers, noted ILM's partners at the rental car

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counters do over \$10M worth of business a year through ILM and we receive a 10% commission (\$1M).

Senator Rabon responded there is about \$80M in income into the state coffers every year which goes into the General Fund that he has been trying to get into transportation for some years. Senator Rabon admitted there have been problems with that in the Senate and encouraged the Authority and the Representatives to lean on the Transportation Committee Chair, as the House is writing the budget this year, so that we will see that come to fruition. Senator Rabon noted that transportation dollars are dwindling with fuel taxes decreasing and there is a need to move short term vehicle lease revenue into transportation totally so they can "earmark" that money for airports. Money that is generated by the rental car industry on airports should be used for airport infrastructure.

Representative Iler noted that a good precedent was set with the last budget so he thinks the House can build on that.

Mrs. Girardot noted that all 72 NC airports would be coming to the legislators as one system again, and that it would not be just ILM asking. Senator Rabon noted it was very important for the airports to understand, when you are talking to the legislator or discussing it throughout the state, that it is important to get that money into the transportation system because it is transportation generated dollars. Representative Iler commented on the airports lobbying efforts noting that having the group of commercial airports come together as a group was very beneficial.

Mr. Wolfe reminded everyone of the Garner Report regarding the County's business and economic development, noting that a large part of that study emphasized this airport and the Authority has been trying to locate industry within this airport. Mr. Wolfe noted that one of the things that is a slight hazard to ILM is that many companies want to own the land that they are on and not lease it, so the Authority has a stumbling block in that way but we try to make up for it in other ways. ILM has most of the infrastructure in place with the roads and lighting systems and will soon have all the water and sewer, so it has not been lost on this Authority that we need to find other ways of raising revenue for the long term.

Chairman Girardot offered a short tour of the baggage handling area and the new jet bridge for anyone interested and thanked the legislators for coming.

The meeting was adjourned at 8:50 am and those interested departed for a short tour of the baggage area and jet bridge.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: November 7, 2018