

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
January 9, 2019**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, January 9, 2019, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. and Mr. Stovall led the Pledge of Allegiance. Chairman Girardot asked Authority members if they had any conflict of interest pursuant to the Authority's Code of Ethics statement. No conflicts of interest or potential conflicts of interest were identified.

Airport Authority members present were: Donna Girardot, Chairman; Thomas Wolfe, Vice Chairman; Tom Barber, Secretary; Carter T. Lambeth, Harry W. Stovall, F. Spruill Thompson and W. Lee Williams. Also present were Julie Wilsey, Airport Director; 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 Kemp Burpeau, Deputy County Attorney.

Guests present included Steve Bright, and Eric Stumph, Talbert & Bright, Inc.; Marty Wynn; Tom Goodwin; Tony Wright; and Jeff Farkas.

W. Lee Williams arrived at approximately 5:10 pm during the Facilities report.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on December 5, 2018. Mr. Barber MOVED, SECONDED by Mr. Wolfe, to approve the minutes of the December 5, 2018 Airport Authority meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Williams was not present for this vote.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following items:

- a) **Main Terminal Rehab (General, FEMA/Insurance Reimbursements)** – a contract to Rees Architecture, PC for NTE \$35,000 to provide bid documents and bidding phase services for construction work related to Hurricane Florence interior renovations to the terminal and other storm related damaged airport buildings. Mr. Thompson MOVED, SECONDED by Mr. Barber to approve the contract with Rees Architecture, PC as recommended above. Following a brief discussion, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Williams was not present for this vote.

- b) **New Entrance Sign (General)** – a contract for NTE \$37,000 to The Sign Company for fabrication and installation of new entrance sign on 23rd Street. Following a brief discussion, Mr. Stovall MOVED, SECONDED by Mr. Lambeth for the Facilities

Committee to review the new entrance sign design before it is presented to the Authority for final vote. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Williams was not present for this vote.

Mr. Williams arrived at 5:10 pm and was present for all subsequent votes.

- c) **Terminal Expansion – Contract 1 (NC Leg. Appropriations)** – change order #2 for \$9,547 for the relocation of an existing domestic waterline in baggage makeup area and the addition of a 200 amp breaker; and change order #3 for \$4,835 for replacement of two existing dampeners that are not operational, to Monteith Construction. Mr. Lambeth MOVED, SECONDED by Mr. Stovall to approve change order #2 and #3 as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- d) **ILM Wet Detention Basin and Ditch Project (AIP-54)** – Amendment #4 to Work Authorization to Talbert and Bright for \$30,592 for Construction Administration services associated with the additionally approved work items. Mr. Thompson MOVED, SECONDED by Mr. Lambeth to approve Amendment #4 as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Mr. Dick updated the Authority on the NC Commercial Services Airport Appropriations funds noting that ILM has currently, as of the end of December, expended \$3.2M of those funds. The balance of the funds should be fully encumbered once the project is awarded for Contract 2 which is bidding January 29th.

Discussion followed about the contractors interested in the terminal expansion project.

Chairman Girardot asked about the plan for generator replacement, including updates on ILM's internal after action review meetings and meetings with the County following Hurricane Florence. Mrs. Wilsey noted that the County has an after action review meeting to the Commissioners in February and it was suggested that ILM needs to be present at that meeting. Of particular concern is the County's plan for handling of evacuees who have nothing and need medical evaluation, resupply and housing. ILM can assist with developing a County plan, regardless of the location of the helipad.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's November financial summary, financials and cash summary.

Mr. Campbell noted that the parking lot fee changes, approved in December and in effect January 1, 2019, have not generated any negative feedback from the public so far.

Mr. Campbell reported on the savings and investment accounts which are now earning over 2% interest due to the finance committee suggestion of moving ILM monies to interest bearing accounts until the funds are needed for the terminal expansion project.

Mr. Campbell advised that staff continues to work with FEMA representatives and meeting weekly to provide the documentation and support FEMA needs for ILM's damages.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of the following items:

- a) **Fat Cat Pottery, Inc. Lease** for 2500 Blue Clay Road for a 5 year term with average annual rent of \$34,000. The premises will be used for a retail pottery store and adult pottery classes. The tenant is represented by Keith Austin of Maus, Warwick and Matthews Company of Wilmington. Mr. Stovall MOVED, SECONDED by Mr. Thompson to approve the lease with Fat Cat Pottery, Inc. as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- b) **Few Moves, LLC Lease** for 2610 N. 23rd Street for a 3 year term with two 3 year options to renew. Average annual rent is \$52,000 per year. Few Moves provides residential and commercial moving services and also has offices in Raleigh. The Tenant is represented by Tyler Pegg of Coldwell Banker Commercial, The CRESS Group of Wilmington, NC. Mr. Thompson MOVED, SECONDED by Mr. Stovall to approve the lease with Few Moves, LLC as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Ms. LeTellier updated the Authority regarding the completion of the assignment of the VA lease, to National Government Properties, which closed on November 20th.

Ms. LeTellier shared updates to the website regarding the new parking rates and information on the terminal expansion project which includes photographs to help keep the public informed of all that is happening at ILM. This information will be included in e-blasts, as well.

Ms. LeTellier reported that Tailwind revenues were up 38%, with \$2.4M through November, and Tailwind reported that this was their best year ever, with concessions at ILM out performing their other 16 locations across the United States. Ms. LeTellier noted that ILM receives 12% of that \$2.4M.

Ms. LeTellier shared statistics provided by Mrs. McNally, Marketing Specialist, noting that ILM's recent press coverage was equivalent to \$9,000 worth of advertising and had a reach of 977,000.

Chairman Girardot asked Ms. LeTellier to share with Mrs. Lawler that Bangz loves their terminal advertisement and that they've gotten more business from that advertisement.

GOVERNMENT

Chairman Girardot noted that ILM's legislative agenda has been shared with the Wilmington Chamber and New Hanover County and they have each included it in their legislative agendas as well. The New Hanover County Commissioners are going to Raleigh to lobby and will be taking ILM's agenda with them.

Chairman Girardot reported on a meeting she and Mrs. Wilsey attended with General Assembly members and County Commissioners noting that Commissioners White and Zapple mentioned ILM on multiple occasions throughout the meeting and pointed out how important the extra funding was for ILM.

Regarding our lobbyist, Chairman Girardot noted we have the same lobbyist, Tom Fetzer's group, and negotiated a fee of \$75,000 with the NCAA for all 72 NC airports to be represented by this group. Chairman Girardot noted the initial scope of work should include asking for recurring funding, and that rental car taxes be sent to the Division of Aviation. Allocations from these funds would be divided based on enplanement statistics and economic impact of the airport, so ILM would be looking at approximately \$10.4M over the next 2 year budget cycle which will certainly be very helpful in moving ILM forward on our terminal expansion.

Chairman Girardot noted that ILM's portion of the negotiated \$75,000 fee would be \$10,000. Mr. Lambeth MOVED, SECONDED by Mr. Thompson to approve paying the lobbyist \$10,000 through the NCAA contract for services related to the General Assembly funding. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Chairman Girardot reported that ILM's TSA officers are continuing to work during the government shutdown and we are very fortunate that they are. Mr. Broughton noted that the TSA manager reports that TSA employee sick calls for this year have actually decreased versus the same period last year, which speaks to the dedication of our TSA officers. Chairman Girardot noted that the National Weather Service, TSA, Customs and Border Patrol and the FAA are also affected by the shutdown, with some airports of entry having increased processing times. Suspended reviews of airport infrastructure improvement projects have also been impacted, which could delay beyond the spring and summer construction season. Preventative maintenance and maintaining navigational aids are also impacted.

Mr. Barber recommended that the Authority and staff pursue buying lunch for the TSA, FAA, NWS and CBP etc. as a gesture of support. Mrs. Wilsey noted that staff was planning this for Friday, January 11th, as their first missed paycheck is realized.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for November 2018.

Mr. Broughton reported that ILM's final numbers for December are in and ILM's 2018 year-to-date enplanements was 934,058 passengers, for an all-time record, up 11.7% from 2017. Mr. Broughton reported that fuel flowage is down due to decreased military activity in the area.

Mr. Broughton reported on the State of Aviation Economic Impact Report released by NC DOT which highlights the impact of all of 72 airports in North Carolina and their contribution to the communities and to the state. All publicly owned, 72 airports, contributed \$52B in economic output, which is 307,000 jobs, with \$12.6B in personal income and a little over \$2B in state and local taxes. ILM's input was \$1.752B; 13,000 jobs; \$456M in labor income; and \$66M in state and local taxes.

DIRECTOR'S REPORT

Mrs. Wilsey reported on the recent Intercity visit with Wilmington Chamber to Greenville, SC in December noting that it included Wilmington business leaders and City and County officials. The trip included a tour of the BMW factory. It was a long term vision of 20 years that helped Greenville thrive. The group talked about economic development and how Greenville, SC tracks

economic development. Greenville also has a separate arm of economic development focused particularly on intellectual capital companies because they have different needs than a manufacturing company.

Mrs. Wilsey noted that Greenville, SC has also done pretty great long term work with planning their downtown and parks area but it has taken a long term vision to make that happen. Greenville also used incentives to attract only the type of activities and mixed-use businesses that they want in particular areas instead of a flat incentive program.

Mrs. Wilsey advised the Authority that the Global Entry interview event at ILM is still on for February 18-22 provided the government shutdown ends by January 25th. The computer system for scheduling interview appointments and the officers reviewing applications and interviewing are not essential and not working. The event will be moved back or rescheduled in the event these dates are cancelled.

Mrs. Wilsey reported that the Economic Impact Study is very important and thanked Mr. Broughton and Mr. Dick for the work they did on that study. A portion of the formula used to determine the amount of funds ILM receives is derived from the economic impact that ILM provides locally. Even if infrastructure funding wasn't attached to the EI study, Mrs. Wilsey noted that ILM has an obligation to do a good job to tell what aviation does for the state.

Mrs. Wilsey shared ILM's top accomplishments for 2018:

1. United airlines started non-stop service to Chicago and Washington-Dulles in April 2018, adding 4 flights per day.
2. American Airlines added non-stop flights to Washington DC, Dallas-Fort Worth, and Chicago O'Hare.
3. Donna Girardot was named the First Female Airport Authority Chair in the state of North Carolina.
4. ILM's multi-year Terminal Expansion Project started in October 2018.
5. A new Flight School, All American Aviation Services, opened in the ILM Flex Building, located on Gardner Dr.
6. A new Avis Rental Car Service Facility opened on Hall Dr.
7. Airports Council International – North America awarded ILM with the 2018 Honorable Mention in Brand Identity for the airport's New Logo and Rebranding Campaign.
8. ILM served the most passengers on record for a calendar year – 934,058; +11.7%

Mrs. Wilsey pointed out that double digit growth is very special and we should celebrate these big numbers. Next year's growth will most likely be back to 3%, and at that pace, it may be 2021 before ILM breaks the 1M passenger mark. 2018 was a great year, despite the last quarter being tough with Hurricane Florence, it was a record breaking year and it is great to be a part of the team. Every employee had to do extra work to serve 98,000 more passengers in 2018 than we did in 2017. Considering we had the increase in flights only $\frac{3}{4}$ of the year, we still have room for growth in 2019 because of United's service starting in April.

Mrs. Wilsey noted that staff did a great job. The final numbers arrived on January 8th, around midday; they were double checked and press releases were prepared and ready to send out first thing this morning. The e-blast went out at 8:30 am. Staff wanted to be sure those closest to ILM found out before it was on the news. Everybody pitched in to make it work. That is how we operate at ILM.

Mrs. Wilsey noted it was special for her to have a great year like this because on January 5th, she celebrated her 20th anniversary at ILM.

Mrs. Wilsey shared that Modern Aviation acquired their second FBO in the US and Mr. Wright noted they are at three now as they also acquired an FBO at BFI in Seattle, Washington.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

Mr. Lambeth MOVED, SECONDED by Mr. Wolfe, to adjourn the meeting. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 5:52 p.m.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary
Date of Approval: February 6, 2019