

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
November 3, 2021**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, November 3, 2021, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Airport Authority members, ILM staff, and public participation was in person. Chairman Girardot called the meeting to order at 5:00 p.m. Mr. J. Thompson led the Authority in 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; Spruill Thompson, Vice Chairman; Nick Rhodes, Secretary; Julia Olson-Boseman, Tom Wolfe, Lee Williams, Jason Thompson, Wanda Copley, County Attorney and Kemp Burpeau, Deputy County Attorney. Also present were ILM staff Gary Broughton, Interim Airport Director; Granseur Dick, Facilities Director; Robert Campbell, Finance Director; Carol LeTellier, Business Development Director; and Rose Davis, Executive Assistant.

Approximately 10 guests from the public attended the Authority meeting.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on October 6, 2021. Mr. Wolfe MOVED, SECONDED by Mr. J. Thompson to approve the minutes of the October 6, 2021 Regular meeting as submitted. Upon vote, the MOTION WAS APPROVED.

The Authority has reviewed the minutes of the Special meeting on October 25, 2021. Mr. Williams MOVED, SECONDED by Mr. J. Thompson to approve the minutes of the October 25, 2021 Special meeting as submitted. Upon vote, the MOTION WAS APPROVED.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

Mr. Dick, on behalf of the Facilities committee, recommended the approval of the **Terminal Expansion Project – Supplemental Agreement #1– (NC Appropriations, NHC Loan, PFCs)** – approval of a supplemental agreement, pending Legal approval, to Monteith Construction Company for additional work as generally described in “Alternate #1 – Renovation & Expansion Baggage Claim Area” of the original bid documents. The SA value is \$7,058,346.00, including \$330,000.00 of owner's contingency allowance. The work will include expansion and renovation of the bag claim lobby, expansion of the ramp level bag receiving area, and replacement of the existing two claim devices with larger modernized equipment. The CO is expected to add approximately 180 days to the contract period. Mr. S. Thompson MOVED, SECONDED by Mr. Wolfe to approve the Supplemental Agreement #1 to Monteith Construction Company as recommended. Upon vote, the MOTION WAS APPROVED.

Mr. Dick updated the Authority on the air carrier apron expansion and the terminal expansion project. Mr. Dick also provided an update to the Authority on the large dirt pile near the Circle K construction site.

FINANCE & HUMAN RESOURCES

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

Mr. Campbell reported that during the month of September ILM had five open positions, with two being filled by temporary employees, noting that those temporary employees were offered full-time positions in October.

Mr. Campbell recommended the approval of the contract with New Hanover County to provide law enforcement duties at Wilmington International Airport for a one-year period for an amount not to exceed \$634,150. The one-year agreement may be extended for additional one-year terms upon mutual agreement by both parties and may be terminated by either party upon ninety days written notice. Mrs. Olson-Boseman MOVED, SECONDED by Mr. S. Thompson to approve the contract with New Hanover County as recommended. Upon vote, the MOTION WAS APPROVED.

BUSINESS DEVELOPMENT

Ms. LeTellier shared photos from the Airport Roundtable hosted by ILM October 27th - October 29th. There were 40 attendees including network partners from American Airlines, United, Sun Country, Southwest, and Avelo (virtual). Also attending were airport representatives from a variety of states including North Carolina, Ohio, Wisconsin, Texas and Pennsylvania.

Ms. LeTellier updated the Authority on the airport sponsorship of the Cucalorus Film Festival noting ILM was recognized as the "official travel sponsor."

Ms. LeTellier also noted that the Authority has 2 members featured in the Wilmington Biz Magazine's Top 100 Executives: Donna Girardot, was recognized as an Influencer – the change makers, in front of and behind the scenes; and Jason Thompson, was recognized as a Power Player – the businesspeople and officials having the greatest impact on the region's business and economic landscape.

GOVERNMENT

Chairman Girardot updated the Authority on the NC General Assembly budget, state redistricting and the status of the Federal Infrastructure bill.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for September 2021.

Mr. Broughton reported on American Airlines crew shortages noting that ILM had 8 cancellations and 1 delay, in and out, as a result of the crew shortage so far. Staff is concerned about the upcoming holidays and noted that so far ILM's impact has not been great, but connections are a concern.

IT REPORT

Mr. Dick updated the Authority on the transition of telephone services to VOIP with eTelecom; and outstanding proposals for providers of the public WIFI and the airport data display. Mr. Williams recommended that ILM build a relationship with the new IT Director for New Hanover County going forward as a resource for ILM's IT knowledge base.

Chairman Girardot inquired about a price for digital overhead signs for the roadways so that the smaller signs can be removed.

DIRECTOR'S REPORT

Mr. Broughton presented the proposed meeting schedule for the 2022 Authority meetings for Authority review. Mrs. Olson-Boseman MOVED, SECONDED by Mr. J. Thompson to approve the 2022 Authority meeting schedule as proposed. Upon vote, the MOTION WAS APPROVED.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Chairman Girardot called for a motion for the Authority to enter a closed session to discuss matters relating to the expansion of industries or economic development pursuant to NCGS §143-318.11(a)(4) and consideration of personnel matters pursuant to §143-318.11(a)(6). Mr. S. Thompson MOVED, SECONDED by Mr. Rhodes to enter closed session for the above referenced matter. Upon vote, the MOTION CARRIED.

All persons not Authority members or ILM staff were asked to leave the meeting. The Authority went into closed session at 5:25 pm.

OPEN SESSION

The Authority returned to open session at approximately 6:47 pm. Chairman Girardot reported that the Authority has completed its discussion of expansion of industries/economic development and personnel matters.

Regarding the personnel matter, the Search Committee recommends the Authority offer an employment contract to Jeffrey Bourk for the Airport Director position. Details will be released to the media on Thursday, November 4th. Mr. Wolfe MOVED, SECONDED by Mr. J. Thompson to offer an employment contract to Mr. Bourk for the Airport Director position as recommended. Upon vote, the MOTION WAS APPROVED.

Regarding expansion of industries/economic development matters, the Business Development committee recommends approval of a Land Lease Agreement for EV ILM, LLC to lease 11.42 acres and an option for an additional 18.25 acres, parcels 26 and part of 27. The first phase will consist of 2 buildings totaling 213,000 SF and the second phase 1 building totaling 330,000 SF. All 3 buildings will feature state of the art concrete tilt wall construction. The term will be 20 years with 2 options of 10 years and one option of 9 years for a total of 49 years. Annual rent of \$149,236.56 for Phase 1 of 11.25 acres (.30 psf/yr). Annual rent for Phase 2 is \$238,491. There are 5% increases every 5 years. The Due Diligence Period is 180 days with 2 options to extend

of 90 days each. Construction begins upon expiration of the Due Diligence Period. Rent payments begin upon issuance of a C of O or within 24 months. Mrs. Olson-Boseman MOVED, SECONDED Mr. S. Thompson to approve the Land Lease Agreement for EV ILM, LLC as recommended. Upon vote, the MOTION WAS APPROVED.

The Business Development committee recommends approval of a Land Lease Agreement for CIL, ILM, LLC to lease 27.2 acres, parcel 29. The initial term of the lease is 30 years with an option to renew equal to one year for each \$100,000, maximum number of extensions is twenty (20), totaling 50 years. Annual rent is \$355,449.60 (.30 psf/yr) and begins upon issuance of a C of O or within 24 months and increases 5% every 5 years and at year 20, a 25% increase, then 5% per year increases resume. Due Diligence Period includes an inspection period of 60 days; a User Feasibility Period of 180 days with 1 thirty-day extension, with \$100,000 due before exercising the Permitting Period of 12 months. The Permitting Period is 12 months to secure permits and if needed, CIL may request an extension. \$100,000 is due at the end of the Permitting Period, if cancelled NHCAA retains, if not, it is applied to rent. Construction begins upon expiration of the Due Diligence Period. Mrs. Olson-Boseman MOVED, SECONDED by Mr. S. Thompson to approve the Land Lease Agreement for CIL, ILM, LCC as recommended. Upon vote, the MOTION WAS APPROVED.

The Business Development committee recommends approval of an Airside Lease Agreement for CIL, ILM, LLC to lease 10 acres, a part of parcel 28. Option to lease 16.2 acres of the south ramp within 6 months from lease commencement. \$25,000 payment due if option exercised. Construction must begin within 15 months from date option exercised. Airside lease to be amended to include option property. The initial term is 30 years with an option to renew the term equal to one year for each \$100,000, maximum number of extensions is 20, totaling 50 years. Annual rent is \$138,956.40 with a 5% increase every 5 years and at year 20, a 25% increase, then 5% per year resumes. Due Diligence Period includes an inspection period of 60 days; a User Feasibility Period of 180 days with 1 thirty-day extension, with \$100,000 due before exercising the Permitting Period of 12 months. The Permitting Period is 12 months to secure permits and if needed, CIL may request an extension. \$100,000 is due at the end of the Permitting Period, if cancelled NHCAA retains, if not, it is applied to rent. Construction begins upon expiration of the Due Diligence Period. Mrs. Olson-Boseman MOVED, SECONDED by Mr. Wolfe to approve the Airside Lease Agreement for CIL, ILM, LCC as recommended. Upon vote, the MOTION WAS APPROVED.

ADJOURNMENT

Mr. Williams MOVED, SECONDED by Mr. J. Thompson to adjourn the meeting. Upon vote, the MOTION CARRIED. There being no further business to come before the Board, Chairman Girardot adjourned the meeting.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Nick Rhodes, Secretary
Date of Approval: December 1, 2021