

**NEW HANOVER COUNTY AIRPORT AUTHORITY
AND
NEW HANOVER COUNTY BOARD OF COMMISSIONERS
JOINT MEETING MINUTES
May 25, 2022**

CALL TO ORDER

The New Hanover County Airport Authority met in joint session with the New Hanover County Board of Commissioners on Wednesday, May 25, 2022, in the Executive Conference Room at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina.

Authority members present were Donna Girardot, Chairman; Spruill Thompson, Vice-Chairman; Nick Rhodes, Secretary; Thomas Wolfe, Lee Williams, Julia Olson-Boseman and Jason Thompson. ILM staff present included Jeff Bourk, Airport Director; Robert Campbell, Finance Director; Carol LeTellier, Business Development Director; Granseur Dick, Facilities Director; and Rose Davis, Executive Assistant.

County Commissioners present were Julia Olson-Boseman, Chairman; Deb Hays, Vice Chairman; Jonathan Barfield, Jr., Bill Rivenbark, and Rob Zapple.

County staff present included Chris Coudriet, County Manager; Lisa Wurtzbacher, Assistant County Manager; Jessica Loeper, Chief Communications Officer; Wanda Copley, County Attorney; and Kymberleigh G. Crowell, Clerk to the Board.

Guests present included Steve Bright, Amy Passaretti and Annick Joseph.

Authority Chairman Girardot and Commissioner Chairman Olson-Boseman called their respective boards to order at 8:50 a.m. noting that this joint meeting is for the purpose of hearing the Annual Report of the New Hanover County Airport Authority.

ANNUAL REPORT

Chairman Girardot made introductions of the Authority, thanked the County Commissioners and County staff for their support and summarized the good things happening at ILM, including ongoing construction projects, ILM budget and reserves, and Business Park development and future projects and goals.

Chairman Girardot turned the floor over to Mr. Bourk who thanked the Authority for hiring him 5 months ago and introduced the ILM team. Mr. Bourk reported that the next 6 months at ILM should be record setting in terms of enplanements and great things have happened in the Business Park, with 90 acres of new ground leases in the last year, which will bring in \$2.6 M in non-aeronautical revenue, and diversify airport revenues once all new tenants are paying rent. That should occur in the next 24 months.

Mr. Bourk reviewed the annual report starting with ILM's new route map highlighting ILM's 4 airlines; 12 nonstops and over 360 destinations. Mr. Bourk reported that ILM has recovered 100% of pre-pandemic levels as of April 2022, while NC is at 90% and the US is at 91%.

Mr. Bourk updated the Commissioners on the status of the terminal expansion project which is partially completed now with full project completion scheduled for Summer of 2023. Mr. Bourk reviewed the FY22 budget and the pending FY23 budget.

Mr. Bourk highlighted ILM's future projects to include terminal curb and Airport Blvd. improvements; runway overlay and taxiway relocation projects; and potential East Ramp GA Hangar infrastructure improvements.

Regarding Business Park Development, Mr. Bourk noted that Chairman Girardot deserves the credit for working hard to bring new tenants to the Business Park. New tenants will occupy 90 acres of business park property and should generate \$1.8 M in annual revenue (in about 24 months, if all projects become reality), which will increase the overall Business Park annual revenue to \$2.6 M.

Mr. Bourk introduced new and upcoming tenants Circle K; Aero Center Wilmington; Edgewater Ventures, CIL Capital; and ILM Airport Hotel Partners, and the upcoming plans for a Phase 2 of the Business Park and expanded airside development.

Mr. Bourk reviewed the route map again noting ILM's economic impact of \$2.2B, as reported by NCDOT.

Discussion followed about air service and the ILM market changes from primarily business to more leisure and more seasonal. Mr. Bourk stated it is important to note how the Tourism Development Authority (TDA) supported these new flights, which was critical in getting Avelo to come to ILM. Chairman Girardot noted that the Authority has been working to rebuild relationships with the General Aviation community; and partnerships with the TDA, and WBD.

Mr. Bourk explained the implementation of a common use platform for shared use by future airlines and existing airlines and the impact that will have on air service growth and flexibility at ILM.

Mr. Bourk provided an update on Avelo Airlines and their destinations and hubs noting ILM is one of only a few markets with 3 destinations that is not a hub and the hopes that Avelo will want to grow this market if it is supported and does well for Avelo.

Chairman Girardot acknowledged the Authority's support, direction and far sightedness regarding the Business Park development projects. Chairman Girardot reported that the Board of Adjustment granted the hotel's height variance request conditioned on the FAA's finding of no hazards to navigation, noting that their attorney found reference in the Authority minutes from 37 years ago seeking a hotel for the airport. Mr. Bourk explained the FAA's 7460 application and review process.

Mr. Williams pointed out that staff was sensitive to our existing carriers in negotiating with Avelo and Mr. Bourk noted that Avelo is only a small portion of our increased traffic, because American and Delta are flying bigger aircraft, which are adding more seats in the market and are a big part of the increase.

Mr. Bourk explained improvements to the TSA checkpoint, including new equipment and an additional lane being added, during the final stages of the terminal expansion project which will make the process more efficient and streamlined for travelers, especially during the morning launch with the larger aircraft.

Mr. Bourk noted the final stages of the expansion are to remodel the baggage claim area and double the capacity of the baggage handling area.

At the request of Commissioner Hays, Mr. J. Thompson updated the Commissioners on the status of the noise complaint issues and the solution worked out between the FAA Air Traffic Control Tower and the military, which the Authority helped facilitate.

Discussion followed regarding the curb, parking and Airport Blvd. improvements as well as improvements at the Hall Drive and Blue Clay Road entrance to ILM that will be required by the NCDOT.

Mr. Wolfe pointed out the new Business Park tenants would be contributing upwards of \$100M in ad valorem taxes to the County and Chairman Girardot noted the Authority is proud not to take money from the County but provide opportunities for additional tax revenue to the County. Mr. Wolfe pointed out these new tenants would also be adding jobs to the area and the Authority is being proactive in improving infrastructure to attract future tenants to the Business Park. Mr. Bourk noted CIL and the hotel would have 300 new jobs between them.

Mr. J. Thompson thanked the Commissioner for appointing him to the Authority last year and recognized Chairman Girardot for her leadership and achievements on the Authority and in the community and everyone applauded for her.

ADJOURNMENT

There being no further business to come before the joint session, Chairman Girardot and Chairman Olson-Boseman adjourned the joint meeting at 9:40 am.

Prepared by:

Rose M. Davis

Respectfully Submitted

Nick Rhodes, Secretary

Approved: July 13, 2022