



ILM

WILMINGTON INTERNATIONAL AIRPORT

***New Hanover County
Airport Authority
Meeting***

***Wednesday
July 12, 2023***

5:00 PM

ILM Executive Conference Room



New Hanover County Airport Authority
Meeting Agenda
July 12, 2023- 5:00 PM

- Call to Order
- Pledge of Allegiance
- Code of Ethics Clause
- Approval of Minutes Tab 1
- Farewell – Thomas Wolfe
- Welcome – Wanda Copley and Kemp Burpeau
- Election of Officers and Pass the Gavel Tab 1A
- RECESS
- Consent Agenda Tab 1B
- Public Comments (Limited to 3 Minutes)
- Staff Reports
 - Finance, Marketing & Air Service Development Tab 2
 - Operations & Facilities Tab 3
 - Business Development Tab 4
 - Director’s Report Tab 5
- Unfinished Business/New Business/Adjournment Tab 6



New Hanover County Airport Authority Code of Ethics

In accordance with the New Hanover County Board of Commissioners Resolution Adopting a Code of Ethics, adopted on January 5, 2015, and updated on January 9, 2023, it is the duty of all County boards and committees to respect and abide by the New Hanover County Code of Ethics in the performance of their duties.

More specifically all Airport Authority members should:

1. obey all applicable laws;
2. uphold the integrity and independence of the Authority;
3. avoid impropriety;
4. faithfully perform the duties of the office; and,
5. conduct the affairs of the Authority in an open and public manner.

It is further the duty of every Authority member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Authority today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.



Tab 1

Approval of Minutes

The Authority has been provided a copy of the minutes for the following:

- Regular Meeting minutes – June 7, 2023
- Closed Session minutes – June 7, 2023
- Special Meeting minutes – June 21, 2023



Farewell
Thomas Wolfe
September 2014 –
June 2023





Welcome
Wanda Copley



Welcome
Kemp Burpeau
Senior Deputy County Attorney



Tab 1A

Election of Officers

In accordance with Article IX of the Authority's By-Laws, a **Chairman, Vice-Chairman, and Secretary** shall be elected to serve a one-year period or until "their successors are elected and qualified."



Tab 1

Consent Agenda

1. Recommend approval of the purchase of parking lot equipment from Designa Southern Time for an amount not to exceed \$166,000.
2. Recommend approval of the purchase of interim signs from Capital Signs Solutions for an amount not to exceed \$125,000.
3. Approval of Amendment to Talbert & Bright WA for design of the Rehabilitation of RWY 6-24 and blast pads project for \$42,744 for additional design scope associated with Runway Safety Area improvements.
4. Approval of Work Authorization for Talbert & Bright for continued Construction Phase Services of the Terminal Expansion Project, including newly added project elements, through September 15, 2023, for \$157,720.
5. Approval of Contract to Pteris Global to modify the existing inbound baggage belt to accommodate 4 bag drop zones.

Staff Reports

Committee	Airport Authority Member	Staff Member's
Finance, Marketing & Air Service – Tab 2 <ul style="list-style-type: none"> • Monthly Financial Report • Monthly Activity and Performance Report • Marketing & Air Service Development Report • HR Report 	Lee Williams Tom Wolfe	Bob Campbell/Jeff Bourk
Operations and Facilities – Tab 3 <ul style="list-style-type: none"> • Construction/Expansion Report • Facilities/IT Report • Operations Report • General Aviation Report 	Jason Thompson Nick Rhodes	Granseur Dick/Jeff Bourk
Business Development - Tab 4 <ul style="list-style-type: none"> • Business Park Development Report • Airside & Terminal Development Report • Phase 2 Business Park Report • Advertising Report 	Faison Sutton LeAnn Pierce Tom Wolfe	Carol LeTellier/Jeff Bourk
Executive Committee <ul style="list-style-type: none"> • Legislative Priorities (consult with LeAnn Pierce as necessary) • Capital Budget Planning (beyond 1 year to 5 years) • General Update 	Spruill Thompson Nick Rhodes Tom Wolfe	Jeff Bourk
Director's Report – Tab 5	Will include updates from Executive Committee as necessary	



Tab 2

Finance, Marketing and Air Service Development

- **Action Item**

- Recommend approval of a one-year extension of the air service development agreement with Ailevon Pacific Aviation Consulting for \$108,000.

- **Information Items**

- Monthly Financials
- Monthly Activity and Performance Reports
- Marketing Report
- HR Report





Wilmington International Airport

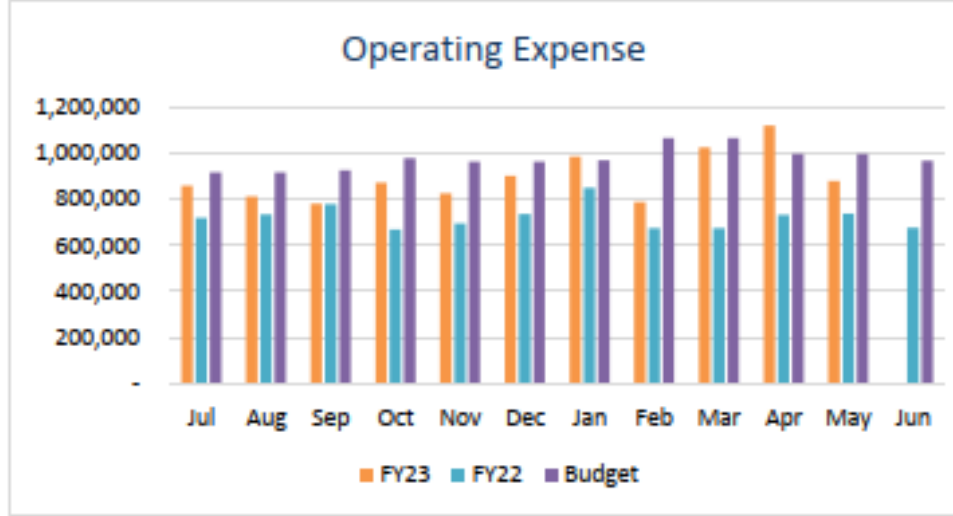
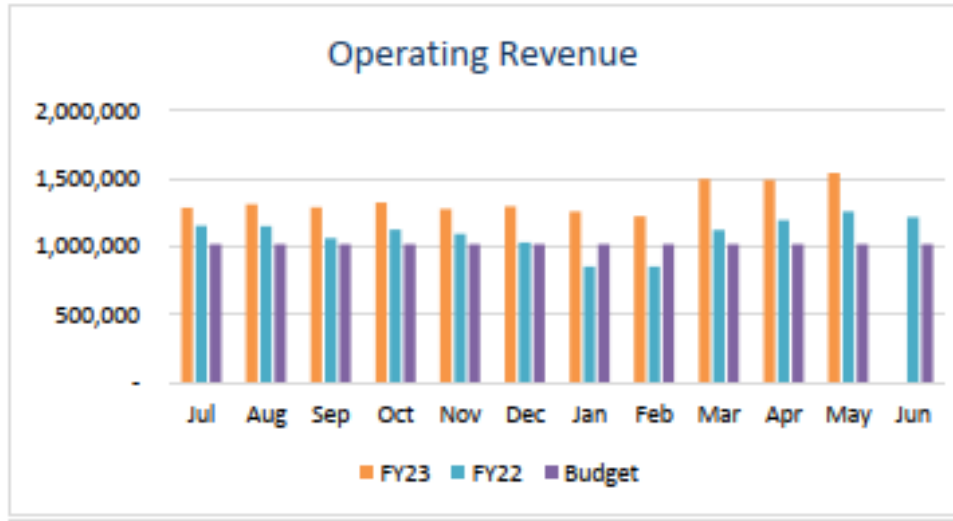
Monthly Financial Summary

May

Summary	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Monthly Revenue	1,542,002	1,018,242	1,256,244	51.4%	22.7%
Monthly Expense	879,217	996,380	738,287	-11.8%	19.1%
YTD Revenue	14,728,787	11,200,662	11,890,681	31.5%	23.9%
YTD Expense	9,849,022	10,760,680	8,000,555	-8.5%	23.1%

Revenue	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Aviation	193,161	136,225	182,519	41.8%	5.8%
Parking Lot	578,284	378,250	468,026	52.9%	23.6%
Rent	253,272	243,749	247,223	3.9%	2.4%
Commissions	240,433	172,750	268,425	39.2%	-10.4%
Security	53,183	49,583	57,313	7.3%	-7.2%
Other	30,477	26,852	29,510	13.5%	3.3%
Interest	193,193	10,833	3,228	1683.4%	5884.7%

Expense	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Salaries/Benefits	364,102	432,749	361,296	-15.9%	0.8%
Contracted Services	140,662	181,582	137,147	-22.5%	2.6%
Utilities	44,308	57,083	48,675	-22.4%	-9.0%
Repairs & Maint	58,170	86,833	44,940	-33.0%	29.4%
Professional Srvs	53,131	26,416	25,250	101.1%	110.4%
Advertising/Mktg	116,071	91,333	54,583	27.1%	112.6%
Insurance	59,191	55,458	22,930	6.7%	158.1%
Business Park	4,563	22,250	2,113	-79.5%	116.0%
Other	39,019	42,676	41,352	-8.6%	-5.6%



Summary of Significant Monthly Activity				
Revenue			Expense	
55,558 enplanements is the highest monthly enplanement figure ever recorded for the month of May. This was a 6% increase over May 2022. The increase in parking revenue and decrease in rental car commissions indicates more passengers originating at ILM for the month.			Salaries/Benefits - ILM had three open positions during the month of April; staff continues to work to fill those positions.	
	May 23	vs. Apr 23	vs. May 22	Contracted services - includes NHCSO service and parking lot management and consultants. Awaiting a few consulting invoices that will put this expense more in line with the budgeted figure.
Landing fees	131,228	4.9%	-0.3%	Professional Services - includes the cost of the project management consultant approved by Authority.
Fuel flowage fees	39,524	10.7%	22.3%	Advertising/Marketing - the monthly amount reflects new television and radio campaigns that started in March.
Rental car comm	178,479	5.2%	-16.3%	Insurance - policies finalized after budget approval.
Food commission	55,167	4.1%	12.6%	Other - includes equipment leasing, conference expense, and air service
Parking	578,284	8.6%	23.6%	
Interest income	193,193	-7.5%	5884.7%	
Enplanements	55,558	7.6%	6.1%	

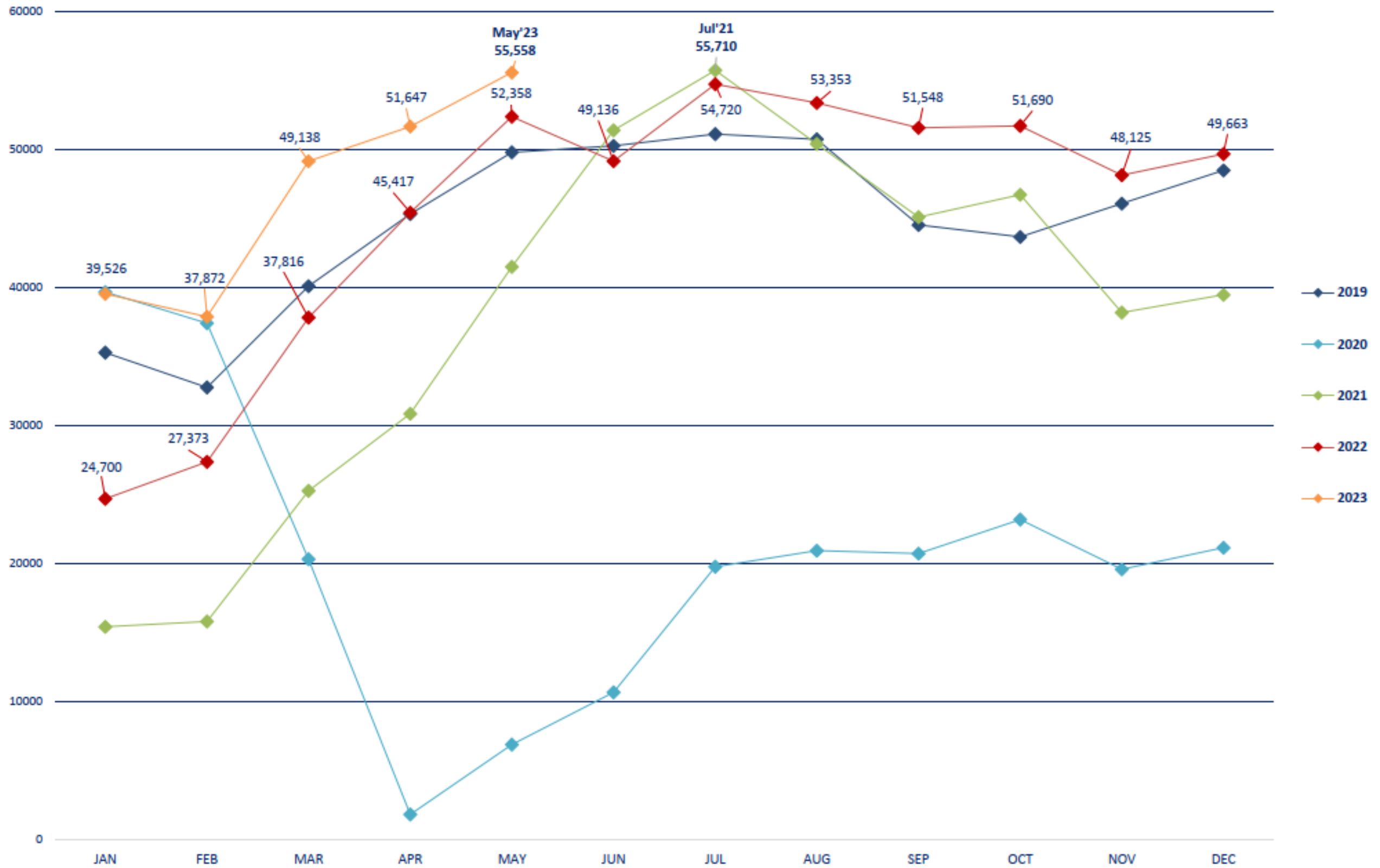


Cash Summary

Month End Account Balances		
Account Name	Interest Rate	Month End Balance
Truist General Operating Checking	N/A	\$ 1,010,282.97
South State General Operating Checking	N/A	\$ 911,928.35
South State Money Rate Savings	4.07%	5,822,668.27
NCCMT Investment Account-Govt	4.99%	34,189,012.06
South State PFC Money Rate Savings ***	4.07%	7,751,813.28
South State CFC Money Rate Savings ***	4.07%	4,379,303.54
Truist Safe Keeping	3.500%	3,908,212.22
South State Investment Services	4.250%	9,063,730.79
Petty Cash	N/A	1,000.00
Total Cash		67,037,951.48
Less Restricted Use ***		12,131,116.82
Less Reserves:		
Maintenance & Development Reserve		3,197,701.53
Operational Reserve		4,000,000.00
Unrestricted		\$ 47,709,133.13



MONTHLY PASSENGER ENPLANEMENTS 2019 - 2023

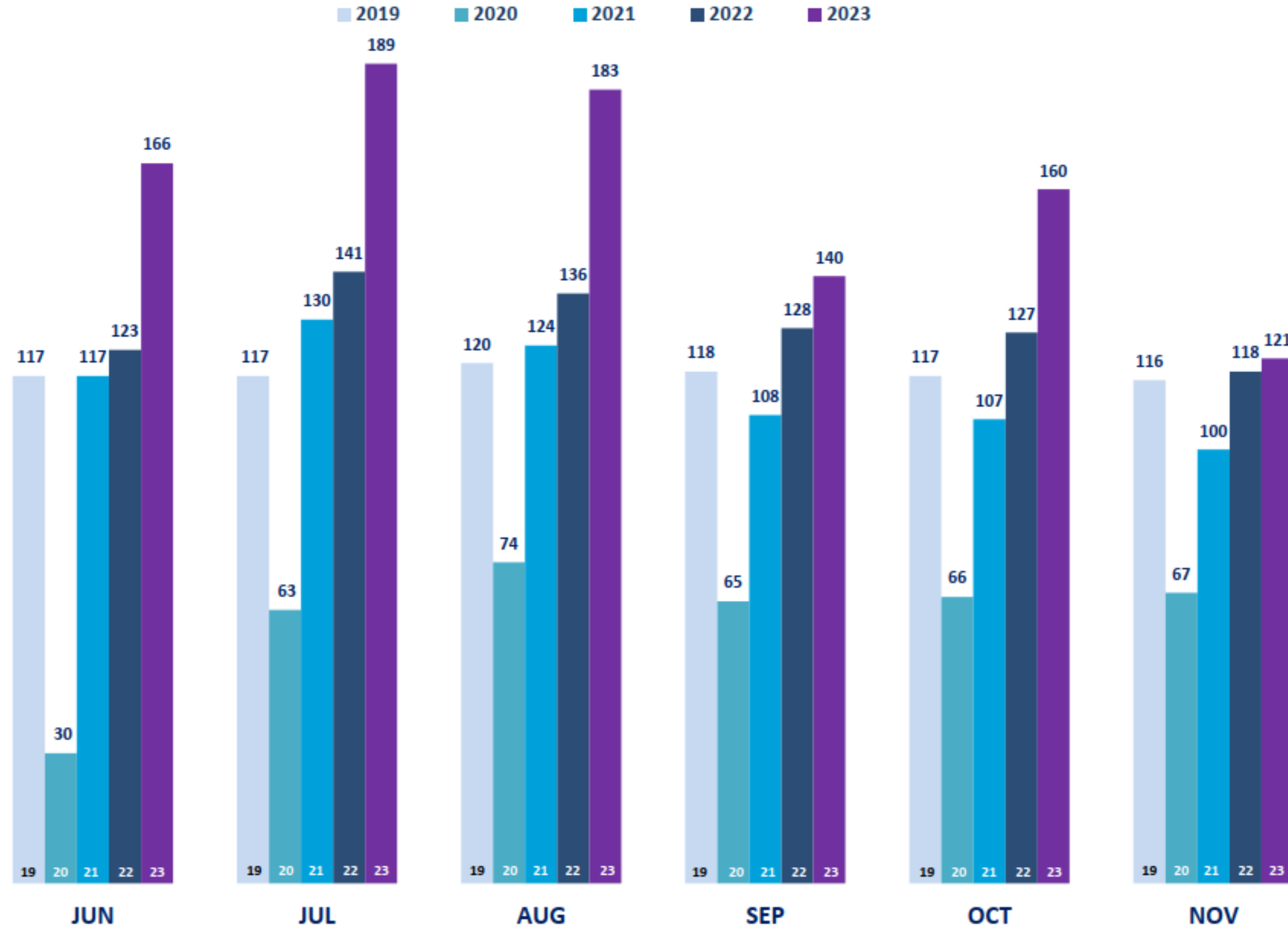


Source: Airline Passenger Statistics; ILM Airline Station Managers



SEAT CAPACITY June - November 2019-2023

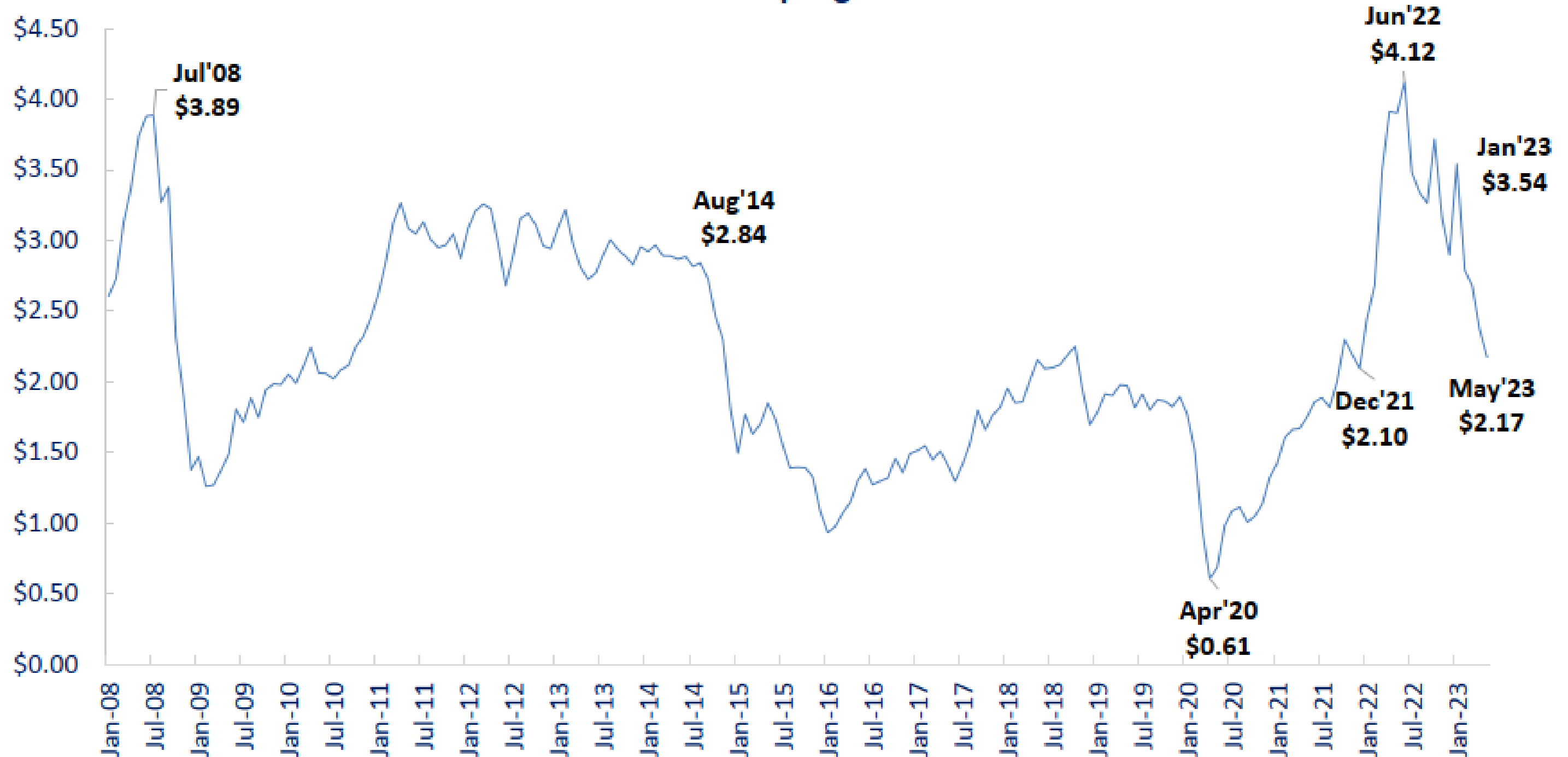
Thousands of total seats (inbound and outbound)



Source: DiiMi; Ailevon Pacific Aviation Consulting analysis



U.S. GULF COAST KEROSENE-TYPE JET FUEL SPOT PRICE FOB Dollars per gallon



Source: U.S. Energy Information Administration; Ailevon Pacific Aviation Consulting analysis



Tab 2

Marketing Report

Social Media Metrics:
1/1/2023-6/30/2023 vs. 1/1/2022-6/30/2022

Impressions	Engagements	Post Link Clicks
4,149,310 ↗14.7%	288,596 ↗29.2%	14,610 ↗30.7%

Top performing post in June (Sun Country)



Total Engagements	4,670
Reactions	1,305
Comments	53
Shares	131
Post Link Clicks	—
Other Post Clicks	3,181



Tab 3

Operations & Facilities

- **Action Items**

1. Terminal Curb and Airport Blvd. Improvements Project:
 - a. Accept Recommendation of Construction Manager at Risk
 - b. Authorize Authority Chairman to execute CM Contract based on Term Sheet (Provided In Advance of Meeting)
2. Procurement of Professional Services Firm(s) for Program Manager Services
 - a. Approval of Master Services Agreement for 3 Year Term to awarded firm(s)
 - b. Approval of Work Authorization for NTE \$350,000 for tasks related to management of planning, design and construction administration of initial phases of capital projects identified in 2023 Vision Plan, pending IFE, to awarded firm(s).
3. Approval of Work Authorization, pending IFE review, to WK Dickson for \$251,146 to provide design and bidding services associated with new water and sanitary sewer services for the East Side Development Area.

Operations & Facilities – Terminal Curb and Airport Blvd.



TERM SHEET FOR CONSTRUCTION MANAGER AT RISK

This term sheet is a summary of the principal terms with respect to certain proposed conditions entered into by the parties identified below. The summary of terms set forth in this Term Sheet is intended solely as a basis for further discussions and is not intended to be and does not constitute a legally binding obligation. A legally binding obligation will only be made pursuant to a mutually acceptable definitive agreement executed by the parties. In the event of any inconsistency between this term sheet and the definitive agreement, the definitive agreement shall govern.

Section Number	Description/Date
1) Project	The Project refers to Terminal Curbside and Airport Boulevard Improvements.
2) Parties	A. Construction Manager at Risk ("CMAR") B. New Hanover County Airport Authority ("Owner")
3) Contract Duration	July 2023 NTP; June 2026 Substantial Completion; September 2026 Contract Close-out
4) Preconstruction Period	July 13, 2023 – December 6, 2023
5) Preconstruction Fee	[TBD]
6) NTP Date Preconstruction	July 13, 2023
7) NTP Date CMAR GMP	December 6, 2023

Section Number	Description/Date
8) Anticipated Contract End Date	September 2026
9) CMAR Fee Percentage	[TBD]
10) CMAR Estimated General Conditions	[TBD]
11) CMAR Estimated Other	[TBD]
12) CMAR Designated Project Manager and Project Superintendent	[TBD]
13) CMAR Estimated GMP for Package 1 Date	November 30, 2023
14) Governing Law and Jurisdiction	The governing law of the State of North Carolina will dictate the Final Agreement.



Tab 3

Operations & Facilities

- **Information Items**
 - Construction/Expansion Report
 - All Gates Operational Prior to June 22/23 Route Launches
 - Bag Claim Device #2 Under Construction.
 - Rental Car Counter Renovations underway, Completing September.
 - Parks Griffin Plaque Installed
 - Facilities/IT Report
 - Parking / Curb & Roadway Update
 - Operations Report – Airport Operations Chart
 - Other
 - Landside Temporary Signage Plan – Signs out for production

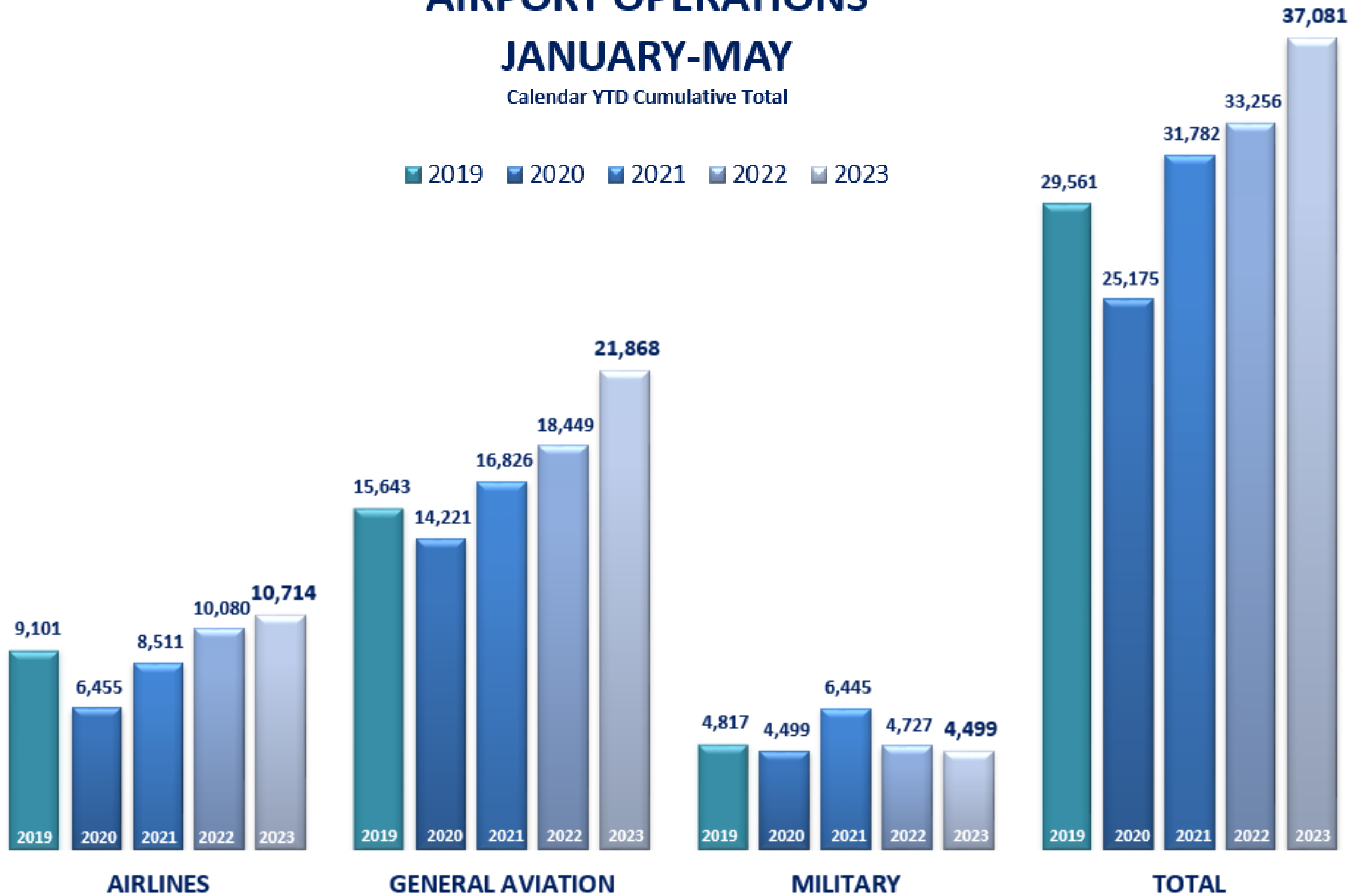


AIRPORT OPERATIONS

JANUARY-MAY

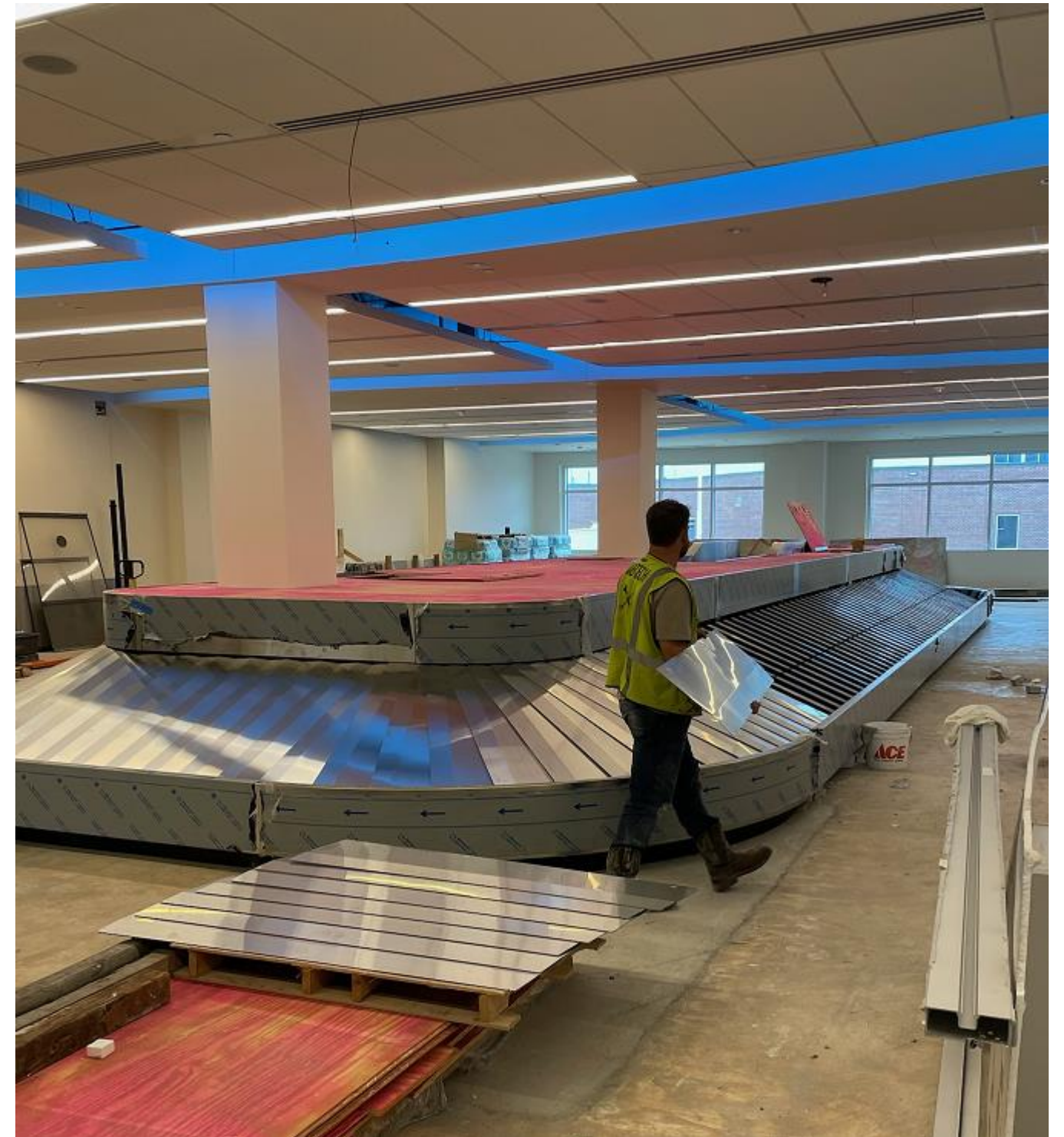
Calendar YTD Cumulative Total

2019 2020 2021 2022 2023



Tab 3

Operations & Facilities





Tab 4

Business Development

- **Action Items**

Recommend approval of the following:

- VCKH's Magnolia LLC, Entertainment and Parking Sublease of 16.1 acres
- AirPark Hangars, Inc consolidated lease of 1.94 acres

- **Information Items**

- Faber Concession: drawings reviewed by staff, and now out for bid, due July 18th.



VCKH's Magnolia LLC, Entertainment and Parking





VCKH's Magnolia LLC Landside Sublease (Entertainment Complex)	
Date:	7/10/2023
Area: Parcel 2	16.1 acres
Sublessee:	VCKH's Magnolia LLC, a South Carolina limited liability corporation.
Sublessor:	New Hanover County Airport Authority.
Sublease Term:	30 years Option to extend the term for one (1) 10-year period contingent on \$100,000 in building improvements, adjusted for inflation. Second option to extend the term for one (1) 9-year period contingent on \$50,000 in building improvements adjusted for inflation
Type Sublease:	Landside Sublease (#2)
Annual Increases:	3% per year
Due Diligence Period	18 Months from effective date.
Rental Commencement Date	2.5 years from effective date or receipt of Certificate of Occupancy whichever is earlier.
Application Fee	\$10,000 application/Deposit = 3 months' rent
Sublessee Pays:	All infrastructure & utilities to site.
Landlord Rights:	Right to Relocate or Cross Default (with other VCKH's leases)
Contact:	VCKH's Magnolia LLC 1513 Savannah Hwy. Charleston, SC 29407 ATTN: Tommy B. Baker tbaker@bakermotorcomany.com (843) 607-8888



Air Park Hangars, Inc





Land Lease – Airpark Hangars, Inc. Consolidated Airpark I, II and III	
Date Executed:	____ July, 2023
Area	84,312 SF (1.94 acres)
Sublessor:	Airpark Hangars, Inc.
Sublessee	New Hanover County Airport Authority.
Lease Term:	8/1/2023 – 5/10//2035
Option(s) to Extend	Option to extend the Term for one (1) ten (10) year renewal term provided Sublessee maintains the improvements in a reasonable state of repair as determined by Sublessor.
Type Lease:	Land Lease (NNN)
Annual increases	3% per year
Landlord Pays:	N/A
Lessee Pays:	All expenses to the site including mowing.
Contacts:	Dave Spetrino Chris Stevens

More choices within the Terminal at ILM



Port City Java



Dunkin' & Jimmy Johns



Flying Machine Brewing Co



New Retail Convenience Center

More choices within the Terminal at ILM



Port City Java – Coming Soon!



Tab 5

Director's Report

- **Action Item**
- **Information Items**
 - Inaugural flights May/June – Update
 - Air Service Update
 - Airport Events in June
 - County Commissioner Briefing June 21, 2023
 - Upcoming Events- Aviation Career Education (ACE) Camp (Sponsored by ILM and CFCC) – This week and week of July 31st.
 - Meeting Reminder – No August meeting. Next meeting is September 6th

Delta Inaugural: BOS



Sun Country Inaugural: MSP





Avelo Inaugurals: PBI, ILG, TPA



ILM-PBI, ILG, TPA Inaugurals 6/22/23 & 6/23/23

WILMINGTON INTERNATIONAL AIRPORT



Air Service Development

- ILM attended JumpStart Air Service Development Conference in June.
- ILM will attend Routes TakeOff in August
 - Events offer networking with airline network planners and meetings to share opportunities at ILM.



Beer Glasses & Boarding Passes

- 3 events with 394 entries.
- ILM had over 25 staff members and their families attend the 3 events in May/June. Employees that attended were entered into a drawing for a pair of round-trip air tickets to any of the 17 non-stops from ILM on our 5 airlines (American, Delta, Avelo, United, Sun Country).





ILM TEAM
COOKOUT
June 21, 2023

Next one
July 19th



July 2023						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4 Independence Day Admin Office Closed	5	6	7	8
9	10	11 12 pm Executive Comm. Mtg.	12 Authority Meeting	13	14	15
	ACE Camp – CFCC & ILM					
16	17	18	19 Genesis Block Conv. To Contracts Booth 7-11 am ILM Cookout 11 am – 1 pm	20	21	22
23	24	25	26 Lee Williams’ Birthday	27	28	29
30	31	No Scheduled Authority Meeting in August Next Authority Meeting September 6, 2023				
	ACE Camp – CFCC & ILM					



Tab 6

- **Unfinished Business**
- **New Business**
- **Adjournment**