

**NEW HANOVER COUNTY AIRPORT AUTHORITY
AND
NEW HANOVER COUNTY BOARD OF COMMISSIONERS
JOINT MEETING MINUTES
March 14, 2025**

CALL TO ORDER

The New Hanover County Airport Authority met in joint session with the New Hanover County Board of Commissioners on Friday, March 14, 2025, in the Executive Conference Room at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina.

Authority Chairman S. Thompson and County Commissioner Chair Bill Rivenbark called their respective Boards to order for this Special Meeting for the purpose of hearing the Annual Report of the Wilmington International Airport at 8:33 am.

Authority members present were Spruill Thompson, Chairman; Nick Rhodes, Vice-Chairman; Jason Thompson, Secretary; Wanda Copley, and LeAnn Pierce. ILM staff present included Jeff Bourk, Airport Director; Robert Campbell, Deputy Director; Granseur Dick, Deputy Director; Rose Davis, Executive Assistant; Erin McNally, Marketing, Air Service Development, and Public Relations Manager; Kenny Smith, Operations Manager; and Keaghon Stark, Facilities Manager, Shawn Allen, Administrative Assistant; and Jean Lawler, Advertising.

County Commissioners present were Bill Rivenbark, Chairman; LeAnn Pierce, Vice Chairman; Dane Scalise, Stephanie Walker, and Rob Zapple. County staff present included Jordan Smith, County Attorney; Crystal Whittaker, Executive Aide; Eric Credle, Chief Financial Officer; Kemp Burpeau, Deputy County Attorney; Josh Smith, Chief Communications Officer; and Kymberleigh G. Crowell, Clerk to the County Commissioners.

ANNUAL REPORT

Mr. Bourk provided the Annual Report to the County Commissioners as follows:

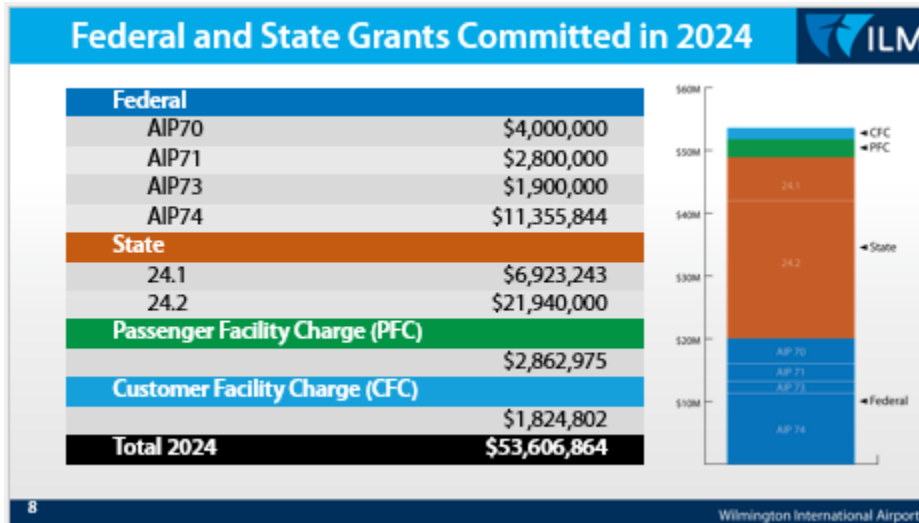
- 2024 Recap
- Forecasts
- Business Development, Communication and Marketing Plan
- 5-year Capital Plan (2022-2026) and (2027-2031)
- Financial Plan
- Environmental/Noise Studies
- Economic Impact Study
- ILM Aerospace Foundation

2024 RECAP

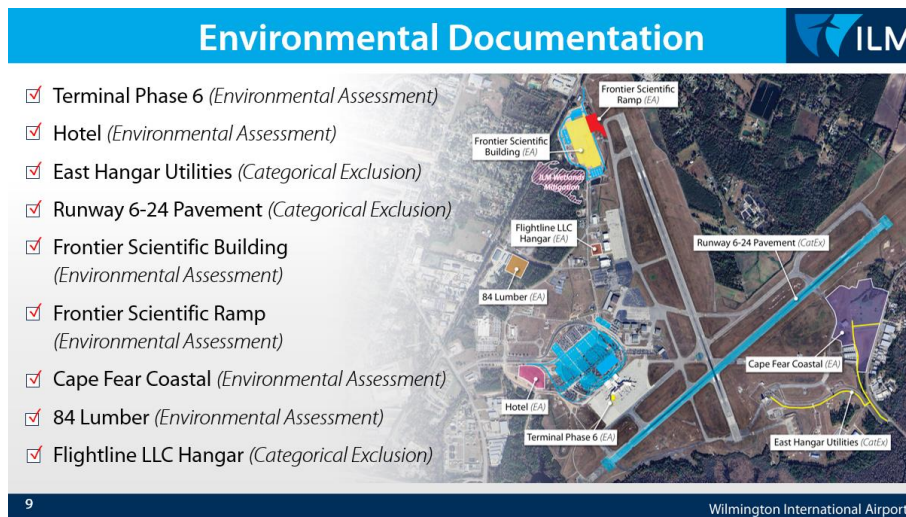
Mr. Bourk explained the annual Vision Plan, which was started three years ago, was recently updated for 2025. ILM and the Authority look ahead 5-10 years to meet the demands of the airport and the community overall.

Mr. Bourk provided a recap of 2024 for the Commissioners noting that 2024 has been a very busy year. Mr. Bourk pointed out that the Atrium remodel and the terminal curb front project are needed to get the facilities up to where they need to be to support the growth.

From a Grant standpoint 2024 was the biggest year ever with ILM receiving \$53M in grants from Federal and State with the bulk of these funds going to support the terminal curb front project.



On top of that, projects in the business park like the Frontier Scientific cold storage warehouse; hotel; and 84 Lumber expansion, as well as several hangar projects are happening and all of these projects require environmental documentation.



Over the last 3 years, a significant amount of the business park has been leased. These leases generate revenue for the airport and allows the airport to diversify its revenue and keep the rates and charges low for the airlines. You may have been asked why is it important for ILM to have a business park. It is important because revenue generated from the business park allows ILM to charge airlines less for expenses that are incurred.

Commercial Leases



Tenant	Rent Commencement	Status
1 Circle K		Actively Paying
2 VA Clinic		Actively Paying
3 84 Lumber		Actively Paying
4 Fat Cat Pottery		Actively Paying
5 Toshiba		Actively Paying
6 Battle House		Actively Paying
7 All American Aviation		Actively Paying
8 Enterprise Holdings		Actively Paying
9 Southern Sass Hair		Actively Paying
10 Turf Masters		Actively Paying
11 Fit Fight Fitness		Actively Paying
12 First Class Real Estate		Actively Paying
13 Wilmington Business Development		Actively Paying
14 Flightline LLC Hangar	2/1/25	Active Construction
15 Frontier Scientific	4/1/25	Active Construction
16 CL ILM Phase 2, LLC	4/1/25	Financing
17 CL ILM Phase 3, LLC	4/1/25	Financing
18 ILM Hotel Partners	4/5/25	Active Construction
19 84 Lumber	6/1/25	Active Construction
20 VCKH's Magnolia LLC (Bank)	1/1/26	Due Diligence
21 VCKH's Magnolia LLC (North Side Hangars)	1/1/26	Due Diligence
22 VCKH's Magnolia LLC (Entertainment Complex)	3/15/26	Due Diligence
23 Cape Fear Coastal Aviation (East Side Hangars Phase1)	12/6/26	Due Diligence
24 Cape Fear Coastal Aviation (East Side Hangars Phase2)	12/6/28	Due Diligence

- Rent for projects actively in construction: \$719,000.
- Rent for actively paying: \$3,056,259.



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Wilmington International Airport

Mr. Bourk pointed out that ILM had 8 non-stop routes in 2019 and now has 28 non-stop routes on 7 airlines. In 2024, jetBlue just announced a new route to Boston; Breeze added 4 non-stop routes earlier this week; and Avelo added 4 new routes and there are many more markets we can grow into.

New Routes Added in 2024/2025



Existing Non-Stop Routes


- Atlanta (ATL) — D E L T A
- Baltimore/Washington (BWI) — avelo
- Boston (BOS) — D E L T A
- Charlotte (CLT) — American Airlines
- Chicago O'Hare (ORD) — American Airlines
- Dallas-Fort Worth (DFW) — American Airlines
- Fort Lauderdale (FLL) — avelo
- Miami (MIA) — American Airlines
- Minneapolis-St. Paul (MSP) — sun country airlines
- New Haven (HVN) — D E L T A
- New York LaGuardia (LGA) — American Airlines
- Newark (EWR) — U N I T E D
- Orlando (MCO) — avelo
- Philadelphia (PHL) — American Airlines
- Tampa (TPA) — avelo
- Washington National (DCA) — American Airlines
- Wilmington (ILG) — avelo

New Non-Stop Routes in 2024

- Chicago O'Hare (ORD) — U N I T E D
- Denver (DEN) — U N I T E D
- Fort Myers (RSW) — breeze avelo
- Hartford (BDL) — breeze avelo
- Manchester (MHT) — avelo
- Nashville (BNA) — avelo
- Orlando (MCO) — breeze
- Providence (PVD) — breeze
- Rochester (ROC) — avelo

New Non-Stop Routes in 2025

- Boston (BOS) — jetBlue



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Wilmington International Airport

Mr. Rivenbark noted the furthest west destination of Denver, CO, and Mr. Bourk shared that United will be offering this non-stop route as summer seasonal. Miami started with one flight per week on American and is now daily and upgraded that airplane to mainline. The approach we are taking with the airlines is “just dip your toe in the water, you’re gonna love it, and you’re gonna expand it.”

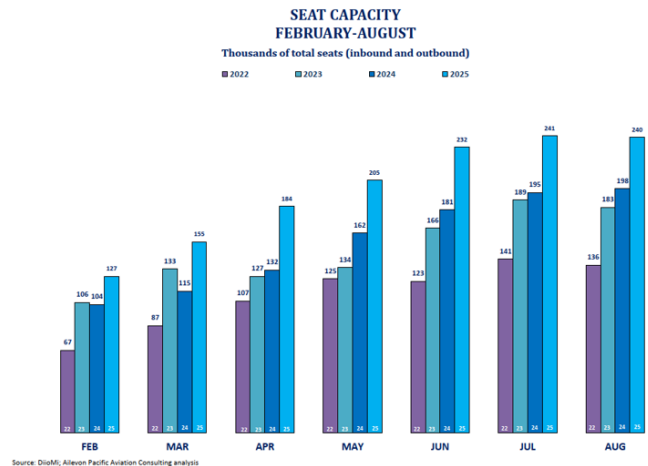
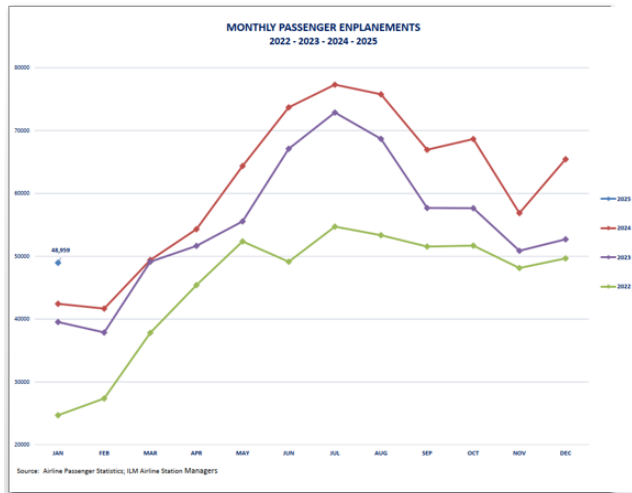
Mr. Zapple asked how all the new and existing routes were holding up. Mr. Bourk confirmed they seem to be doing well.

Mr. Bourk noted that ILM has increased passenger enplanements by 40-45% in a matter of a few years. The construction on the current terminal that was completed two years ago was designed for 550,000 enplanements and we will end this year (2025) at approximately 850,000 enplanements. ILM has already exceeded this terminal capacity by 35% and staff is working to make the existing facilities continue to work. Imagine your business growing 40-45% in a matter of a few years and how you would keep up with

that demand and what you would have to do for it to work. Those are the struggles we are working through here as an airport.

Mr. Bourk pointed out the green line on the Monthly Passenger Enplanement chart below shows 2022 enplanements and then you can see the growth in the purple (2023) and red (2024) lines. If you look ahead to this year, 2025 is going to be our biggest year yet for growth.

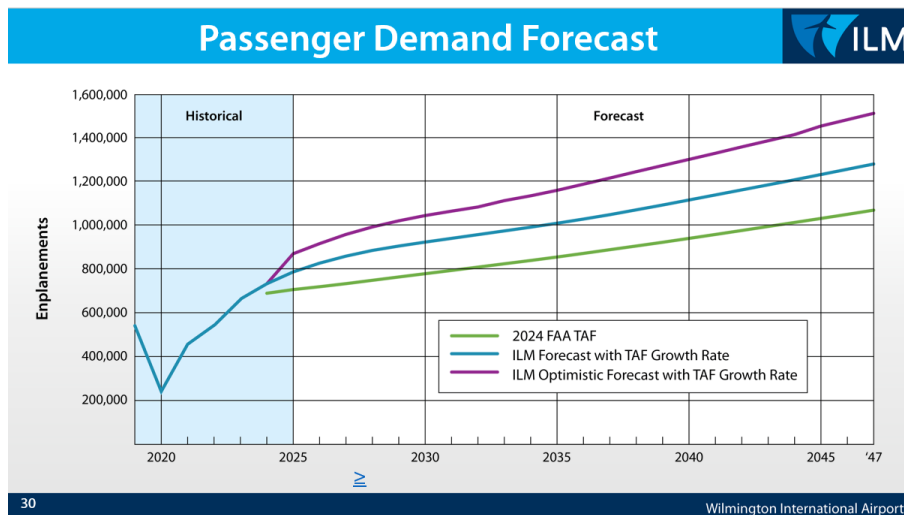
The Seat Capacity chart below shows seats in the market for 2022-2025. You can see how many more seats we have in the market compared to previous years. Seats don't mean enplanements but they mean the potential for enplanements and if those seats fill up, we will have a very strong year.

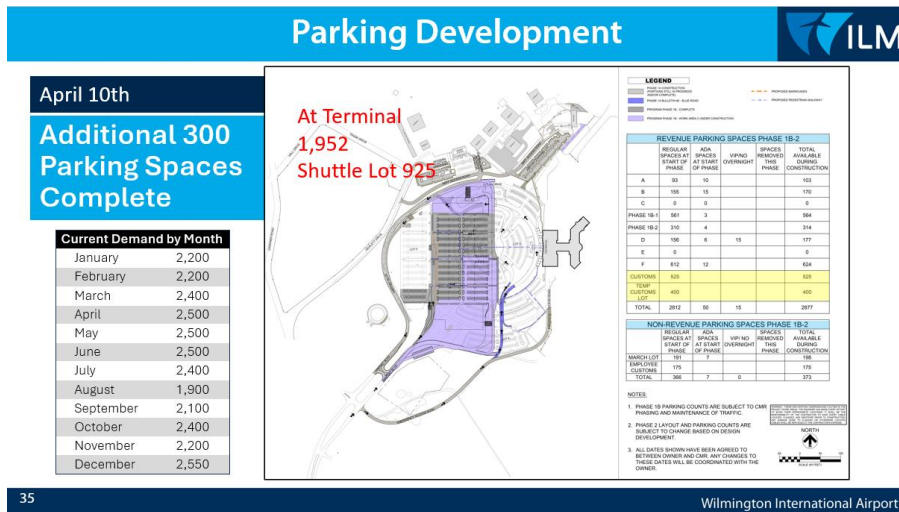


FORECASTS

Mr. Bourk reported that the FAA's forecast for ILM's growth (green line on chart below) is well below ILM's actual projected growth and if ILM follows the FAA forecast for capital development, we will be behind in several key areas and it would be very hard to catch up. That is where ILM is now - playing catchup to set ourselves up to continue to be able to grow in certain areas. We are going to build parking for now but also be able to expand parking easier in the future as needed.

Mr. Bourk presented the following slides:

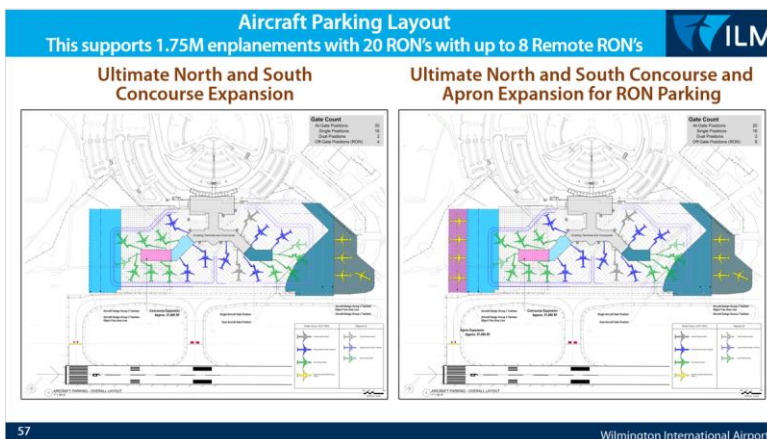




Mr. Bourk showed a slide of the Gate situation this summer. In July 2025, all gates will be full with 2 hard stand airplanes on the ramp, during the overnight operations. This is a strong indicator that we are running out of space.



Mr. Bourk shared the slides below showing the expanded terminal and the apron expansion that has to go with it, which is all part of the Vision Plan process.





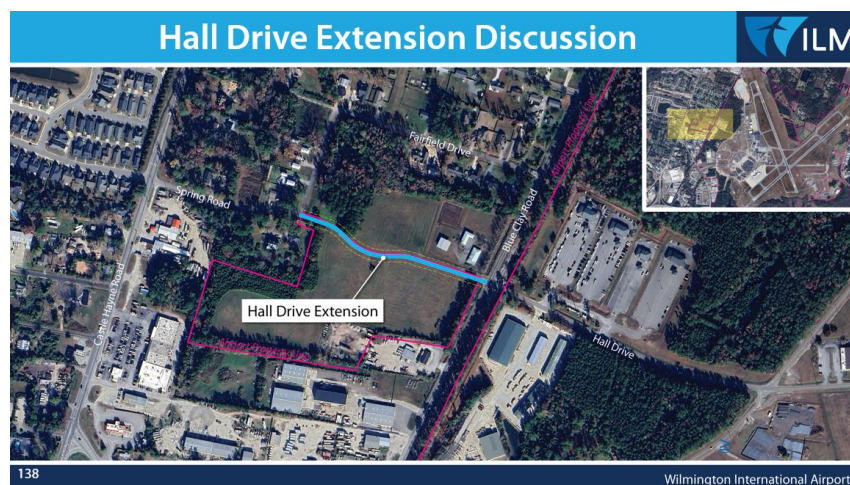
Mr. Bourk shared the new ILM marketing campaign that is launching in 2025 – “We’re Packed with Nonstops”. We connect now to over 500 destinations with 1 stop.

Mr. Zapple asked if we would ever have a non-stop to RDU. Mr. Bourk noted it is too close in his opinion.

Mr. Bourk shared our construction campaign with Parker Pelican helping to guide passengers through the construction site.

5-YEAR CAPITAL PLAN (2022-2026) AND (2027-2031)

Mr. Bourk updated the Authority on a couple of major capital projects. Because of all of the Business Park development at ILM, the Traffic Impact Analysis (TIA) shows that we have to make roadway improvements. These improvements are starting with extending two lanes on 23rd Street from MLK Blvd. to Airport Blvd. That project is underway. The NCDOT is designing it and the Airport Authority contributed \$1M to that project to get it fast tracked. It is approved and underway.



Mr. Bourk shared a video of the airport projects showing what ILM will look like in a few years. Mr. Bourk noted that everything seen in the video will be substantially completed by Fall 2026 with a few certain parts being completed by March 2027.

Ms. Pierce noted there are going to be growing pains in the next few years. When we talk to folks in the community we need to tell them how much better it’s going to be in the future.

Budget for Committed Projects (2022-2026)

	Prior Years	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Terminal Phase 1 & 4												
- Terminal Phase 1	\$3,000,000	-	-	-	-	-	-	-	-	-	-	\$3,000,000
Road, Curb, Parking												
- Part 1A Design and Construction	\$8,380,000	\$8,705,000	-	-	-	-	-	-	-	-	-	\$17,085,000
- Part 1B Design and Construction	-	\$19,536,000	\$2,449,000	-	-	-	-	-	-	-	-	\$21,985,000
- Part 2 Design	-	\$7,919,000	-	-	-	-	-	-	-	-	-	\$7,919,000
- Part 3 Construction	-	-	\$59,500,000	\$28,000,000	-	-	-	-	-	-	-	\$87,500,000
- Tunnel	-	-	\$2,500,000	-	-	-	-	-	-	-	-	\$2,500,000
- Other V.E. Items	-	-	(\$5,000,000)	-	-	-	-	-	-	-	-	(\$5,000,000)
Airfield												
- Runway 6-24 Rehabilitation Design	\$517,000	\$1,500,000	-	-	-	-	-	-	-	-	-	\$2,017,000
- Runway 6-24 Construction Phase 1	-	-	\$7,000,000	-	-	-	-	-	-	-	-	\$7,000,000
Terminal Phase 6												
- Design	\$158,000	\$500,000	\$300,000	\$500,000	\$500,000	-	-	-	-	-	-	\$2,158,000
3rd Street Improvements												
- Design	\$1,000,000	-	-	-	-	-	-	-	-	-	-	\$1,000,000
14 CFR Part 150 Noise Study												
- Design	\$500,000	\$500,000	-	-	-	-	-	-	-	-	-	\$1,000,000
East Ramp CA Utility Project												
- Design	-	\$500,000	\$600,000	-	-	-	-	-	-	-	-	\$1,100,000
TOTAL COMMITTED BUDGET	\$13,555,000	\$28,760,000	\$72,249,000	\$26,500,000	\$500,000	-	-	-	-	-	-	\$132,064,000

Budget for Uncommitted Projects (2027-2031)

	Prior Years	2025	2026	2027	2028	2029	2030	2031	Total
Road, Curb, Parking - Part 2 Construction									
- North/South Parking Expansion	-	-	-	-	-	\$1,800,000	-	-	\$1,800,000
- Ramp Level Bathroom Upgrades	-	-	-	-	-	-	\$375,000	-	\$375,000
Airfield									
- Runway 6-24 Construction Phase 2	-	-	-	\$8,400,000	-	-	-	-	\$8,400,000
Terminal Phase 6									
- Construction	-	-	-	\$18,000,000	\$12,000,000	-	-	-	\$30,000,000
- West Ticket Counter Baggage Belt	-	\$2,000,000	-	-	-	-	-	-	\$2,000,000
Airport Master Plan Update									
- Design	-	-	-	-	-	-	-	\$1,000,000	\$1,000,000
ILM Wetlands Mitigation Project									
- Design	-	-	-	-	-	-	\$2,000,000	-	\$2,000,000
Land Acquisition									
- Design	-	-	-	-	-	-	\$3,000,000	-	\$3,000,000
Business Park Upgrades									
- Avelo Building Upgrades/Ramp	-	\$500,000	-	-	-	-	-	-	\$500,000
- Temporary Parking	-	\$175,000	-	-	-	-	-	-	\$175,000
- Road Upgrade	-	\$1,900,000	-	-	-	-	-	-	\$1,900,000
- Tenant Building Design/Construction	-	-	-	-	-	-	\$200,000	\$1,800,000	\$2,000,000
TOTAL UNCOMMITTED BUDGET	-	\$2,675,000	\$1,900,000	\$8,400,000	\$18,000,000	\$13,800,000	\$5,575,000	\$5,575,000	\$53,750,000

Mr. Bourk shared the budget slides above noting that in 2022-2026 budget, there is \$154M in this period. Some of which has already been spent. Then in the 2027-2031 budget there is \$50M and some of those projects have moved up to 2024-2025. Basically we have \$200M of construction projects between now and 2031.

Estimated Capital Program Cash Flow (in 000s)

Cash Flow	Prior Years	2025	2026	2027	2028	2029	2030	2031
Beginning Reserve Balance	\$49,700	\$99,439	\$93,222	\$44,732	\$25,027	\$26,510	\$33,064	\$47,907
Available Funding	\$63,294	\$34,122	\$24,118	\$15,481	\$16,550	\$17,118	\$17,118	\$17,118
Committed Project Cost	(\$13,555)	(\$39,160)	(\$72,549)	(\$28,500)	(\$500)	-	-	-
Uncommitted Project Cost	-	(\$2,675)	(\$1,900)	-	(\$18,000)	(\$13,800)	(\$5,575)	(\$2,800)
Estimated Operating Surplus	-	\$1,496	\$1,841	\$1,714	\$3,433	\$3,236	\$3,300	\$3,300
Ending Reserve Balance	\$99,439	\$93,222	\$44,732	\$25,027	\$26,510	\$33,064	\$47,907	\$65,525

FINANCIAL PLAN

Mr. Bourk noted a key takeaway is that this airport is extremely profitable. We are one of the more profitable airports in the United States. ILM's net operating income is 30% and that will go to 35% once we retire our debt. By the time we open these facilities we will be producing what would be about a 35% operating income.

Small Hub Benchmark

	2019		2022		2023		2024	
	Average of Small Hubs	ILM	Average of Small Hubs	ILM	Average of Small Hubs	ILM	Average of Small Hubs	ILM
Enplanements	1,169,508	506,898	1,104,523	512,329	1,031,930	609,950	736,868	
Cost per enplaned passenger	\$7.28	\$4.23	\$7.24	\$4.78	\$7.61	\$4.31	\$3.85	
Operating revenue per enplaned passenger	\$16.07	\$15.74	\$18.62	\$14.22	\$18.60	\$17.55	\$18.14	
Days cash on hand	560	1,580	653	1,983	771	1,956	2,246	
Average payroll	\$10,068,452	\$4,293,650	\$10,337,285	\$4,193,816	\$9,884,016	\$4,657,182	\$5,183,150	
Average number of employees	115	48	107	49	93	47	49	

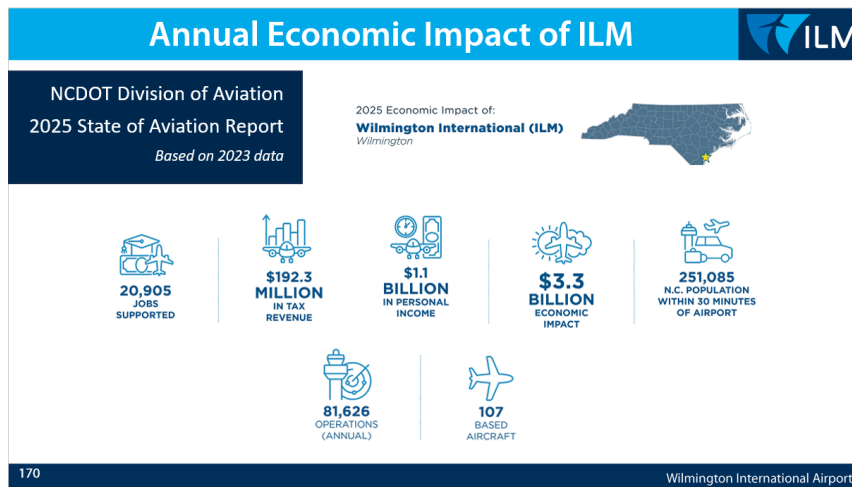
There was a brief discussion regarding parking rates and how to maximize revenue.

ENVIRONMENTAL/NOISE STUDIES

Mr. Bourk updated the Commissioners on the status of the Part 150 Noise Compatibility Study. ILM received an FAA grant for \$1M to do the study to really understand ILM’s noise contours and what the noise impacts may be. Phase 1 was completed. Phase 2 is starting.

ECONOMIC IMPACT STUDY

Mr. Bourk updated the Commissioners on the NCDOT Economic Impact Study noting ILM’s impact has increased by a little more than a third, which makes sense based on enplanement growth. Mr. Bourk reviewed the information on the slide below.



ILM AEROSPACE FOUNDATION

Mr. Bourk updated the Commissioners on the ILM Aerospace Foundation which is a non-profit organization created a few years ago with the goal to educate kids in our county about careers in aviation. Initial fundraising efforts have been at local general aviation events held twice a year and so far the Foundation has raised approximately \$135K. The Foundation is looking for a signature fundraising event.

Mr. Bourk has been speaking to an airshow promoter and he will be in Wilmington in May and would like to meet with the Commissioners and Authority to hear the County’s support for the event.

ADJOURNMENT

There being no further business to come before the joint session, Mr. Rhodes MOVED, SECONDED by Ms. Pierce, to adjourn the Airport Authority meeting. Mr. Scalise MOVED, SECONDED by Ms. Pierce, to adjourn the County Commissioner meeting. The meeting was adjourned at 9:41 am.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Jason Thompson, Secretary
Date of Approval: April 2, 2025