

**NEW HANOVER COUNTY AIRPORT AUTHORITY
AND
NEW HANOVER COUNTY BOARD OF COMMISSIONERS
JOINT MEETING MINUTES
March 10, 2026**

CALL TO ORDER

The New Hanover County Airport Authority met in joint session with the New Hanover County Board of Commissioners on Tuesday, March 10, 2026, in the Executive Conference Room at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina.

Authority Chair Nick Rhodes and County Commissioner Chair LeAnn Pierce called their respective Boards to order for this Special Meeting for the purpose of hearing the Annual Report of the Wilmington International Airport at 8:32 am.

Authority members present were Nick Rhodes, Chair; Jason Thompson, Vice-Chair; Faison Gibson, Secretary; Spruill Thompson, Past-Chair, Wanda Copley, Andrew Jones and LeAnn Pierce. ILM staff present included Jeff Bourk, Airport Director; Robert Campbell, 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.

County Commissioners present were LeAnn Pierce, Chair; Dane Scalise, Vice Chair; Bill Rivenbark Stephanie Walker, and Rob Zapple. County staff present included Chris Coudriet, County Manager; Jordan Smith, County Attorney; Crystal Whittaker, Executive Aide; Eric Credle, Chief Financial Officer; 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:

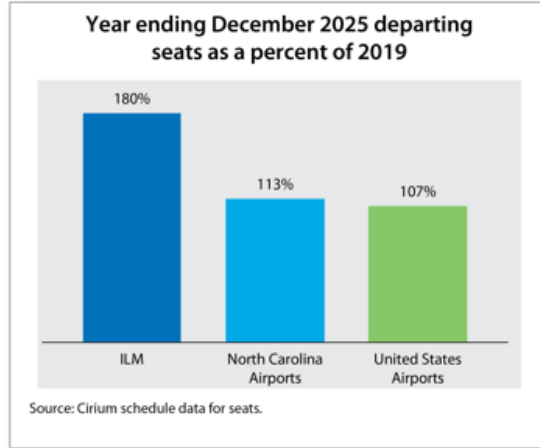
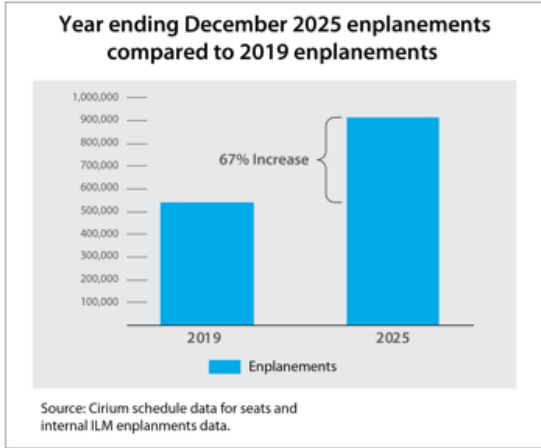
- Three Year Recap
- Forecasts
- 10-year Capital Plan (2022-2031)
- Financial Plan
- Environmental/Noise Studies
- Economic Impact Study
- Communication and Marketing Plan
- Airshow

THREE YEAR RECAP

Mr. Bourk explained this presentation is based on the annual update of the ILM Vision Plan and it outlines all of the projects and policy decisions by this board . The Annual Vision Plan was approved by the Airport Authority on February 25, 2026.

Mr. Bourk showed a recap video of projects completed and still in progress over the last three years. Mr. Bourk pointed out the performance recap slide below showing ILM has had a 67% increase in enplanements (one direction passengers) and compared to NC and the rest of the United States, ILM is up 180% while NC Airports are up 113% and US Airports are up 107% overall.

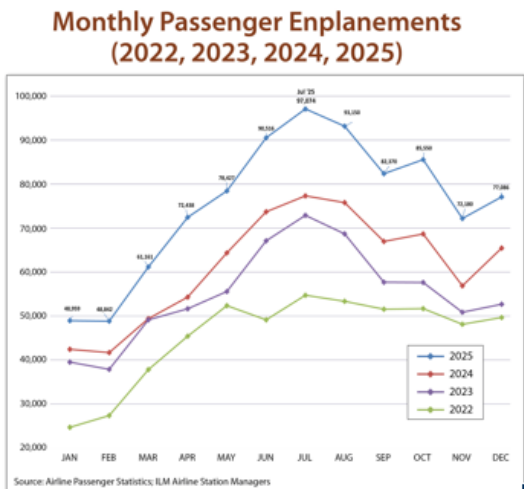
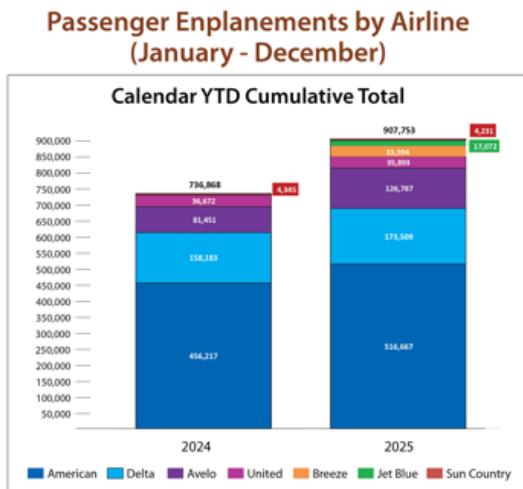
Air Service Development



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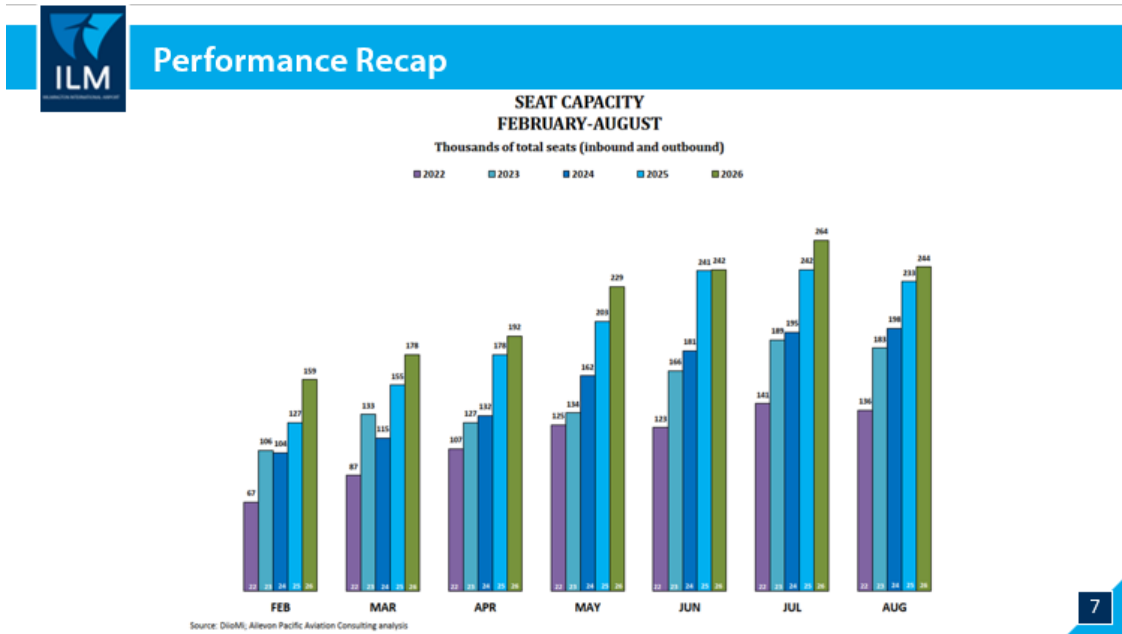
The chart on the left below indicates that every airline at ILM was up in 2025 over 2024 and the chart on the right shows the record-breaking passenger growth at ILM year after year from 2022 through 2025.

Performance Recap

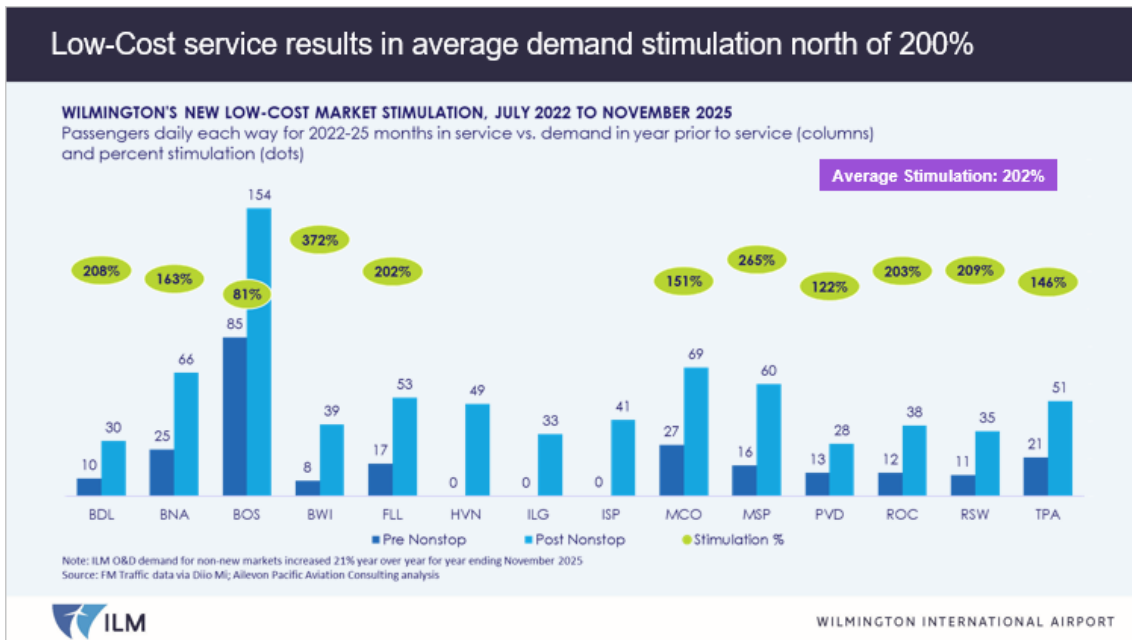


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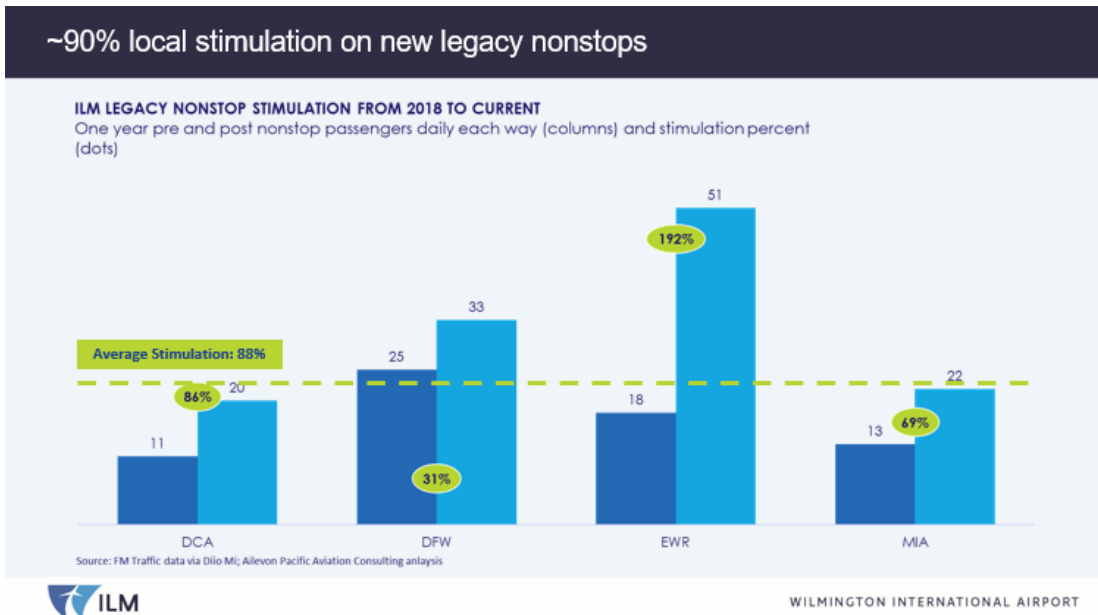
Mr. Bourk went on to explain how Avelo closed their base at ILM but did not stop service out of ILM. They are still operating 6 non-stops. Looking forward at the number of seats in the market compared to previous years, even without some of the Avelo flights, ILM's seat capacity is still growing. Other airlines at ILM picked up those flights that Avelo stopped.



Mr. Bourk pointed out that when non-stop/low-cost service comes into a market, there is increased stimulation to that market. The slide below shows the number of passengers daily between ILM and these destinations before the non-stop routes and the increased numbers to these destinations after.




That is what non-stop, low-cost service does. On average when we put non-stops in a market, we see that market stimulated by 202%. A lot of people ask what adding low-cost carriers does to the legacy carriers and the chart below shows that adding non-stops increases the numbers on the legacy carriers as well.



Mr. Bourk also shared the slide below comparing seat growth and actual onboard growth ending October 2025 vs. October 2024 for ILM and area airports. ILM is up 26% in terms of seats during that time period and ILM has filled 24% of those seats. ILM has had a phenomenal year, and we expect it to continue as a trend. This past year ILM added 2 new airlines and lots of new non-stops, even with the reduction in non-stops by Avelo. ILM has seven airlines in total, making Wilmington a much more attractive place for our residents and also visitors. Visitation has gone up. If you overlay our passenger enplanements chart with the room occupancy tax, it is a direct correlation.






Year Four Recap – Calendar Year 2025

| | 2022 | 2023 | 2024 | 2025 |
|-----------------------|--------------|--------------|--------------|---------------|
| Enplanements | 545,899 | 661,287 | 736,868 | 907,753 |
| Non-stop destinations | 9 | 17 | 23 | 31 |
| Operating revenue | \$14,056,484 | \$16,679,144 | \$18,883,000 | \$20,986,000* |
| Operating expenses | \$9,397,297 | \$12,202,889 | \$13,009,455 | \$14,905,000* |
| Net operating income | \$4,659,187 | \$4,476,255 | \$5,873,545 | \$6,081,000* |
| Net operating margin | 33.1% | 26.8% | 31.1% | 28.9%* |

*Estimated



ILM is averaging a 30% profit margin and producing net operating income of about 30% year over year, which is very strong compared to our peers. Reviewing ILM’s capital budget for 2022-2025, a total of \$108M has been spent improving the infrastructure here at ILM over that period of time on the projects below.



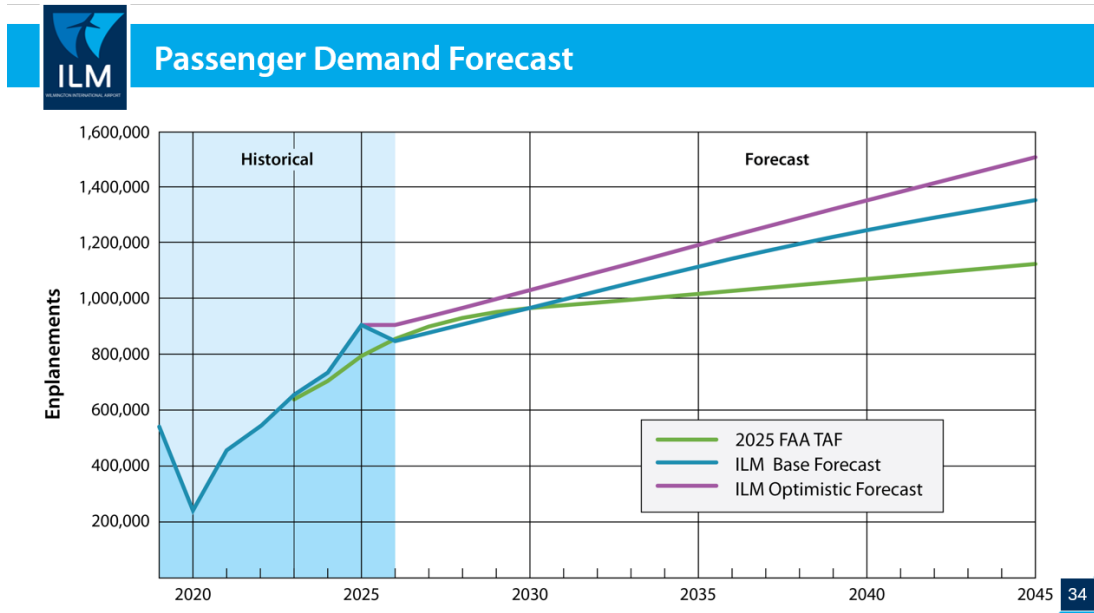
Completed Projects Under Vision Plan 2022-2025 (last 4 years)

| | Completion % | Cost to Date |
|---|--------------|----------------------|
| Terminal | | |
| Phase 3 Construction | 100% | \$45,828,800 |
| Phase 4 Construction | 100% | \$14,717,100 |
| Phase 5 Construction | 100% | \$4,534,600 |
| Ticket Counter/Bag Belt Addition | 100% | \$1,977,000 |
| Part 1 Design (Phase 6) | 11% | \$283,400 |
| Road, Curb, Parking | | |
| Phase 1A Design | 100% | \$1,776,000 |
| Phase 1A Construction | 100% | \$15,195,600 |
| Phase 1B Design | 100% | \$2,016,000 |
| Phase 1B Construction | 100% | \$2,287,400 |
| Phase 2 Design | 100% | \$9,028,000 |
| Phase 2 Construction | 20% | \$8,575,000 |
| 23 rd Street Design (DOT) – ILM Contribution | 100% | \$1,000,000 |
| Airfield | | |
| Runway 6-24 Design | 80% | \$750,000 |
| Commercial Ramp Design | 19% | \$116,000 |
| Eastside Utility | 28% | \$507,000 |
| Total | | \$108,591,900 |

FORECASTS

So where are we going from here? Mr. Bourk pointed out that ILM’s size has increased dramatically and almost doubled from 2019 to now when it hadn’t changed much in size before then. Mr. Bourk anticipates that ILM could double again in the next 10 years. We don’t want to be constrained again and

unable to grow. We have to invest in infrastructure so airlines can come in, and ILM can keep up with the growth of the community and be a world class airport. The Board has directed the staff to follow the optimistic growth forecast shown below so that is what we are going to plan for. We will have about \$190M going into infrastructure in the next 5-10 years here at ILM.



10-YEAR CAPITAL PLAN (2022-2031)

Mr. Bourk reviewed the Capital Plan noting that ILM has already spent about \$55M under this program. There is another \$240M in the projects below. Some of this work has already been completed.

| Airport Capital Projects | Costs |
|--|----------------------|
| ▶ Road, Curb, Parking | \$134,256,781 |
| ▶ Airfield – Runway 6-24 Rehab | \$25,061,000 |
| ▶ Commercial Terminal Ramp | \$12,795,000 |
| ▶ Terminal Phase 6 | \$36,662,000 |
| ▶ GA Ramp Improvements | \$500,000 |
| ▶ East Ramp GA Utilities | \$1,100,000 |
| ▶ Hall Drive Extension | \$3,000,000 |
| ▶ 23 rd Street Widening | \$1,000,000 |
| ▶ ILM Wetlands | \$2,000,000 |
| ▶ Land Acquisition | \$3,000,000 |
| ▶ Airport Master Plan | \$1,000,000 |
| ▶ Noise Study | \$1,100,000 |
| ▶ Outbound Baggage | \$3,500,000 |
| ▶ Inbound Baggage | \$12,800,000 |
| ▶ Contingency | \$5,000,000 |
| ▶ Taxiway Bravo Rehabilitation | \$500,000 |
| ▶ 2 nd Parking Garage | \$500,000 |
| Total Airport Capital Projects | \$243,774,781 |
| Total Tenant Capital Projects | \$250,000,000 |
| Total Airport-Wide Capital Projects | \$493,774,781 |

• ILM's total investment since 2022, through the end of this year's capital program, will be \$300M • Of the \$134,256,781, ILM has spent approximately \$40M

ILM Parking Development

2032 or 2033
Second Parking Garage anticipated. Location able to support four floors (up to 1,500 spaces) at an estimated cost of \$50M. This can be adjusted as needed.

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ILM Terminal Phase 6 – This project will enable 1.9M enplanements

| Building/Equipment | |
|---|--------------|
| Building Hard Costs for 25,000 sf (\$1,000/sf) | \$25,000,000 |
| 4 New Jet Bridges @ \$1.5M each | \$6,000,000 |
| Fixed Bridges 100 lf (\$6,800 lf) | \$680,000 |
| Phasing/Temporary Conditions | \$1,000,000 |
| Building-related Civil | |
| Asphalt Taxiway Connections | \$1,981,750 |
| *Construction Cost Estimated Total: \$33,661,750 | |

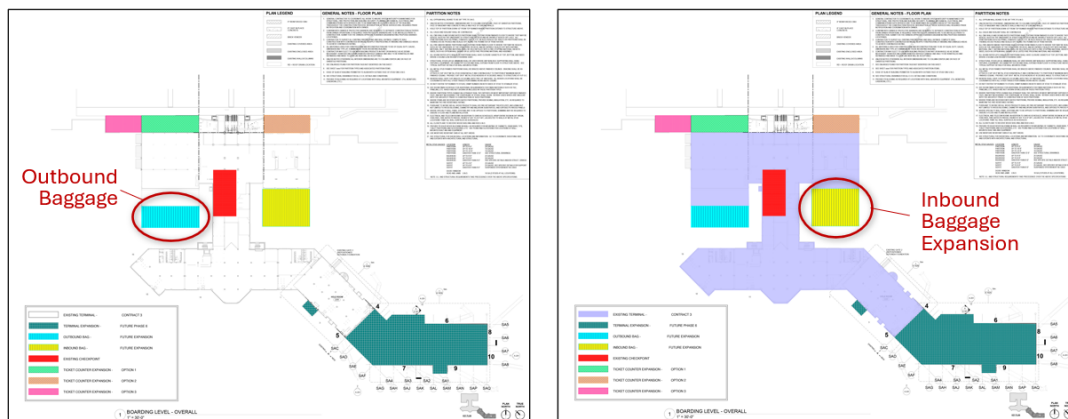
*Does not include soft costs

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Mr. Bourk reviewed the Road, Curb and Parking project with the final build out being shown above; and the Terminal Expansion project, which is required so that we can continue to grow in the coming years. To prepare for the terminal expansion, we have to expand the terminal ramp as well. That project will start later this fall. This is a \$13M project.

Mr. Bourk pointed out that other constraints at ILM are in Outbound and Inbound Baggage. Our Outbound Baggage is capped out and that is the next project. This \$3.5M project is starting this summer and should be done towards the end of the year. Last is Inbound baggage, which is the carousel where your bags come in. Same thing, if you can't handle the bags, you can't handle the expansion of flights. That project is in 2029/2030 to add another baggage carousel and create room for a fourth baggage carousel.

ILM Terminal Phase 6 – In/Out Baggage Expansion



Mr. Bourk reviewed the \$25M RWY 6-24 Rehab Project which will be going on for the next 5 years, which is rehabbing our primary runway. Phase 1 starts in April of this year; in 2027 the center will be rehabbed; and in 2031 we will overlay the whole RWY.

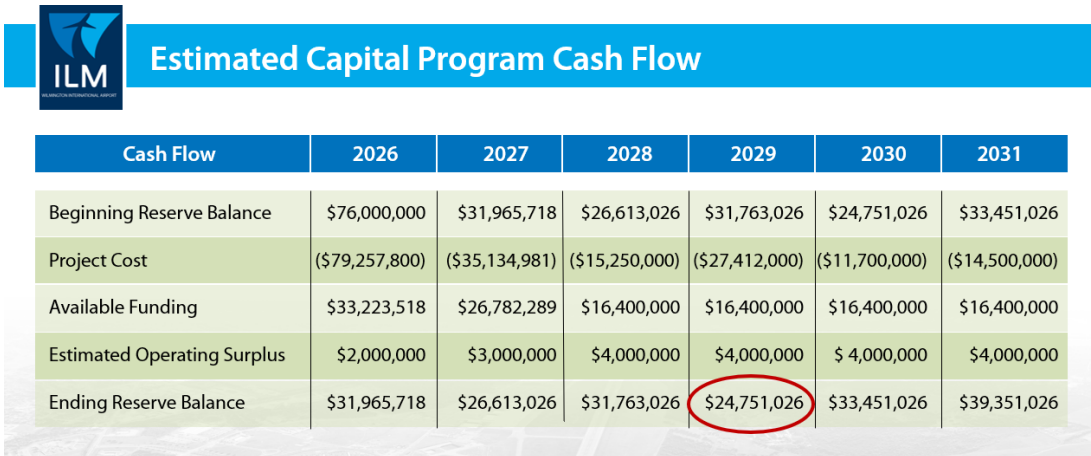
Mr. Bourk provided information on the East Ramp Utility project on the east side of the airfield which is wrapping up now. That is a historically underdeveloped area of the airport. By adding water and sewer to that side of the airfield we are creating a better infrastructure which is much cheaper for contractors to develop that area and there is a tenant project going on in that area.

Mr. Bourk updated the Commissioners on two major roadway improvement projects that are required to improve traffic flow as the ILM Business Park continues to grow. The first is Hall Drive Extension across Blue Clay Road to Castle Hayne Road, allowing truck traffic out of the Business Park to exit North to I-140 or South to MLK. That project is in design now and will be a \$3M project. The second project is the widening of 23rd Street, which is a DOT project. ILM contributed \$1M companion funds to help this project move along. This project will provide 2 dedicated lanes from MLK to Airport Blvd.

Mr. Bourk shared other terminal enhancements that will make ILM better which include privacy pods, smarte cartes ,and massage chairs, as well as a sidewalk from the Customs/Shuttle parking lot to the Rental Car Return lot.

Also in the budget is a 2nd parking garage. Around 2033 ILM will need a 2nd parking garage based on the forecasts and the numbers.

Mr. Bourk briefly reviewed the project schedules and the overall budget broken down by project. Mr. Bourk pointed out that the main thing to focus on is our cash position through all this. ILM is not borrowing any money. We receive state and federal grants. None of this money is coming from local taxpayers. If ILM didn't get the money it would go to some other airport in the state or in the federal system. At the end, ILM will have \$25M in cash on hand, which for us is about 2 years cash on hand. ILM will be in a strong economic position, even though we are spending down some of our reserves.



| Cash Flow | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Beginning Reserve Balance | \$76,000,000 | \$31,965,718 | \$26,613,026 | \$31,763,026 | \$24,751,026 | \$33,451,026 |
| Project Cost | (\$79,257,800) | (\$35,134,981) | (\$15,250,000) | (\$27,412,000) | (\$11,700,000) | (\$14,500,000) |
| Available Funding | \$33,223,518 | \$26,782,289 | \$16,400,000 | \$16,400,000 | \$16,400,000 | \$16,400,000 |
| Estimated Operating Surplus | \$2,000,000 | \$3,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| Ending Reserve Balance | \$31,965,718 | \$26,613,026 | \$31,763,026 | \$24,751,026 | \$33,451,026 | \$39,351,026 |

Mr. Bourk noted that all these project costs are estimates and will be updated as needed going forward with implementation.

FINANCIAL PLAN

Mr. Bourk reported that ILM's revenue is driven by enplanements. You can see our revenue and expenses. At the end of the day we plan to contribute between \$2M to \$4M each year to capital program from net operating income and we plan to produce a net operating income between 22% and 27% , and I think we are going to do closer to 30% but that is what we budgeted for.

| | BASE FORECAST | | | | | OPTIMISTIC FORECAST | | | | |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2026 | 2027 | 2028 | 2029 | 2030 |
| | Enplanements | 850,500 | 893,025 | 937,676 | 965,807 | 994,781 | 907,000 | 943,280 | 981,011 | 1,010,442 |
| Operating Revenue | | | | | | | | | | |
| Business Park | \$3,070,036 | \$4,558,624 | \$5,097,516 | \$5,091,202 | \$5,123,299 | \$3,070,036 | \$4,558,624 | \$5,097,516 | \$5,091,202 | \$5,123,299 |
| Aviation | \$2,552,926 | \$2,520,000 | \$2,557,800 | \$2,596,167 | \$2,635,110 | \$2,552,926 | \$2,520,000 | \$2,557,800 | \$2,596,167 | \$2,635,110 |
| Terminal | \$15,878,835 | \$16,074,450 | \$16,878,173 | \$17,384,518 | \$17,906,053 | \$16,842,990 | \$16,979,040 | \$17,658,202 | \$18,187,948 | \$18,733,586 |
| Total Operating Revenue | \$21,501,797 | \$23,153,074 | \$24,533,489 | \$25,071,887 | \$25,664,462 | \$22,465,952 | \$24,057,664 | \$25,313,518 | \$25,875,317 | \$26,491,995 |
| Operating Expense | \$16,691,250 | \$17,671,619 | \$18,201,767 | \$18,747,820 | \$19,310,255 | \$16,691,250 | \$17,671,619 | \$18,201,767 | \$18,747,820 | \$19,310,255 |
| Net Operating Income | \$4,810,547 | \$5,481,455 | \$6,331,721 | \$6,324,066 | \$6,354,207 | \$5,774,702 | \$6,386,045 | \$7,111,750 | \$7,127,496 | \$7,181,740 |
| Operating Profit Margin | 22.4% | 23.7% | 25.8% | 25.2% | 24.8% | 25.7% | 26.5% | 28.1% | 27.5% | 27.1% |
| Debt Service | (\$2,312,500) | (\$2,221,250) | - | - | - | (\$2,312,500) | (\$2,221,250) | - | - | - |
| Net Available for Capital Expenditures | \$2,498,047 | \$3,260,205 | \$6,331,721 | \$6,324,066 | \$6,354,207 | \$3,462,202 | \$4,164,795 | \$7,111,750 | \$7,127,496 | \$7,181,740 |
| Amount Carried Forward to Estimated Capital Program Cash Flow | \$2,000,000 | \$3,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$2,000,000 | \$3,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 |

Mr. Bourk noted that ILM also benchmarks against other small hub airports in the system. Mr. Bourk pointed out that ILM is about the same as all other small hub airports in terms of revenue, with one exception, charges to our airlines. We are charging them half what the other airports are charging. This helps us attract new airlines. We also operate more efficiently than other airports our size.

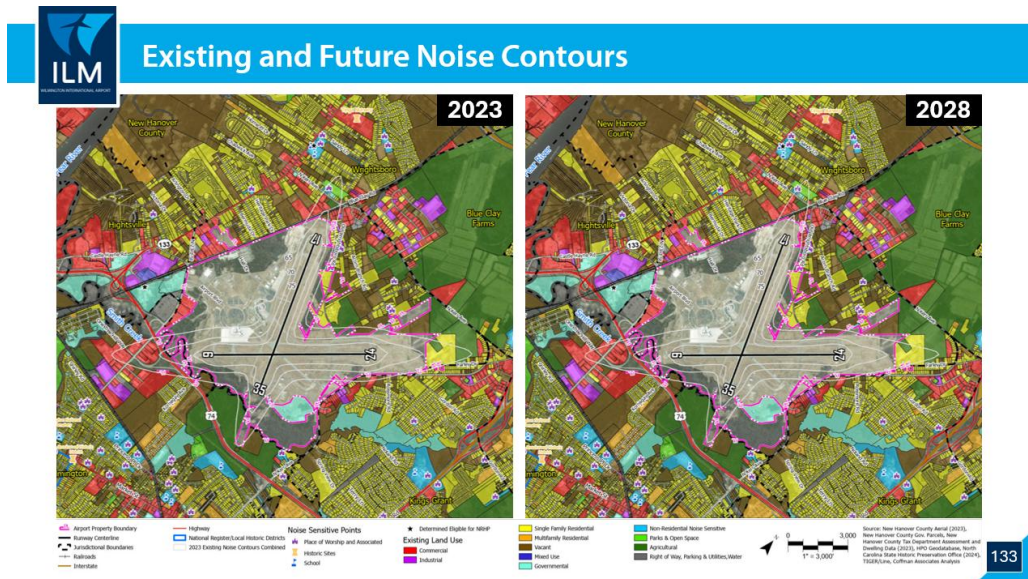
Mr. Bourk pointed out that ILM has a great team and staff expenses will be going up as we need to add more staff in order to continue to grow but we have to keep our expenses low so that we can keep our rates and charges low. Mr. Bourk also noted that ILM has a business park, when some of the other small hub airports don't and that is important because that money we make goes back into overall revenue of the airport. We wouldn't be able to have the low rates and charges we do without it.

Small Hub Benchmark

| | 2019 | | 2022 | | 2023 | | 2024 | | 2025 |
|---|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|--------------|
| | Average of Small Hubs | ILM | Average of Small Hubs | ILM | Average of Small Hubs | ILM | Average of Small Hubs | ILM | ILM |
| Enplanements | 1,169,508 | 506,898 | 1,104,523 | 512,329 | 1,031,930 | 609,950 | 1,139,646 | 686,313 | 907,753 |
| Food, beverage, and retail/EPAX | 1.44 | 0.66 | 1.29 | 0.85 | 1.28 | 0.97 | 1.52 | 1.07 | 1.36 |
| Parking and ground transportation/EPAX | 11.27 | 12.45 | 13.58 | 12.80 | 13.51 | 12.96 | 13.76 | 13.09 | 12.04 |
| Other operating revenue/EPAX | 3.37 | 2.62 | 3.75 | 0.93 | 3.80 | 3.92 | 3.38 | 4.25 | 3.90 |
| Total/EPAX | 16.07 | 15.74 | 18.62 | 14.57 | 18.60 | 17.85 | 18.67 | 18.40 | 17.31 |
| Passenger airline cost per enplanement | 7.28 | 4.23 | 7.24 | 4.78 | 7.61 | 4.31 | 8.53 | 3.85 | 3.82 |
| Total debt | 62,432,947 | 3,050,000 | 58,221,304 | 4,084,405 | 48,966,166 | 5,958,798 | 57,937,897 | 7,579,577 | 5,638,220 |
| Debt service (excluding coverage) | 5,768,644 | 384,296 | 5,792,002 | 2,702,199 | 4,830,870 | 2,619,120 | 5,220,695 | 2,530,431 | 2,446,485 |
| Unrestricted cash and investments | 33,751,158 | 31,543,022 | 41,914,309 | 46,970,490 | 48,063,764 | 57,958,053 | 47,177,569 | 81,990,428 | 67,952,313 |
| Days cash on hand | 560 | 1,580 | 653 | 1,983 | 771 | 1,956 | 664 | 2,246 | 1,593 |
| Total Payroll | 10,068,452 | 4,293,650 | 10,337,285 | 4,193,816 | 9,884,016 | 4,657,182 | 11,846,211 | 5,183,150 | 5,784,240 |
| Total Employees | 115 | 48 | 107 | 49 | 93 | 47 | 108 | 49 | 50 |

ENVIRONMENTAL/NOISE STUDIES

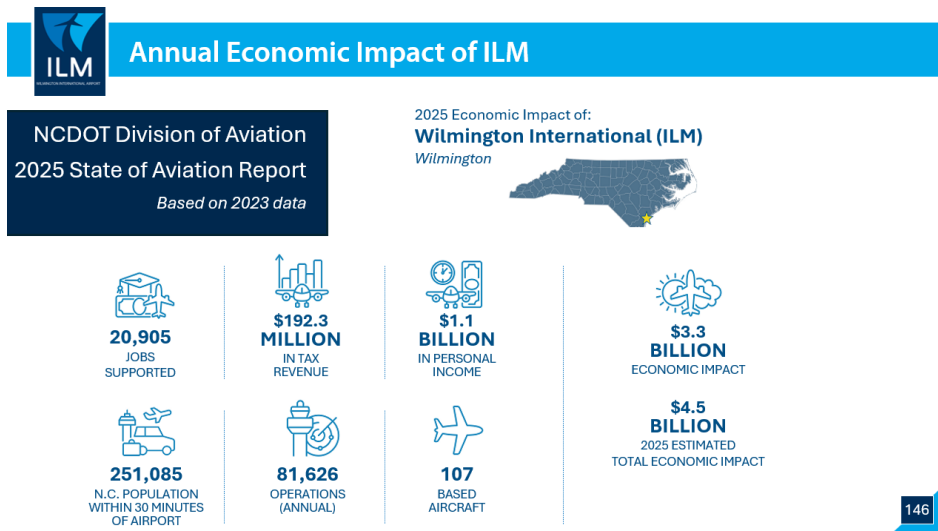
Mr. Bourk reviewed the Noise Study process noting the results are a Noise Exposure Map, which shows us where there is noise per the standard.



Mr. Bourk noted that the outer line around the airport is the 65 DNL noise contour. That is under the FAA definition considered a “noise impact”. What was impacted was 47 acres and 31 people living within those 47 acres. The Noise Exposure Maps will be approved and submitted to the FAA to issue final Noise Exposure Maps. Step 2 in the process is completing a noise compatibility program. ILM is just starting that part of the process. By the end of 2026 we will have the Noise Compatibility program complete. There is a technical review committee meeting later this month.

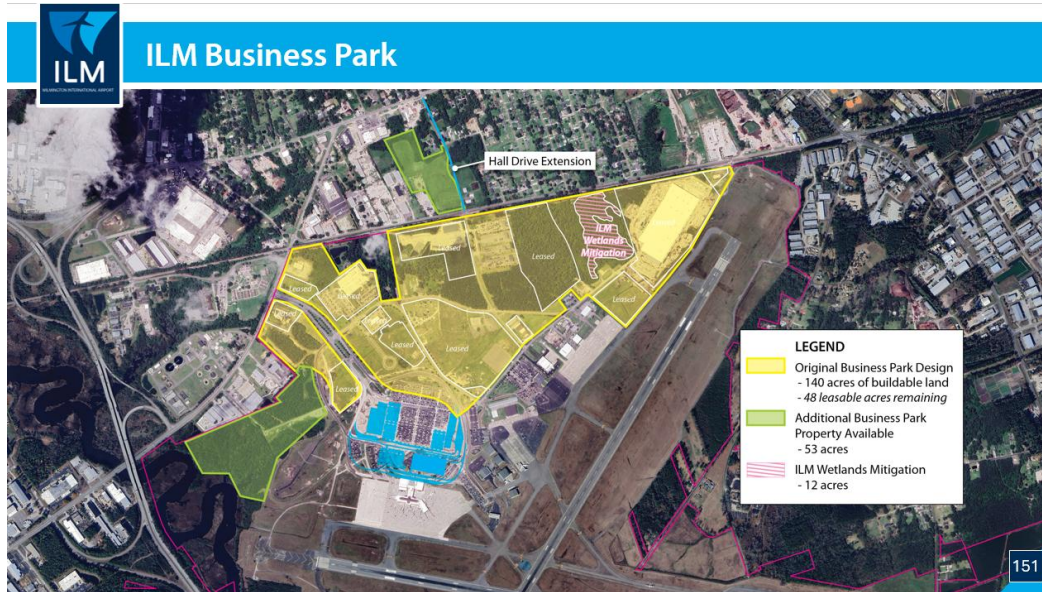
ECONOMIC IMPACT STUDY

Mr. Bourk shared the economic impact of the airport, which is updated every two years by the NCDOT. It shows that ILM has a huge impact on the region and generates a lot of jobs.



COMMUNICATION AND MARKETING PLAN

Mr. Bourk reviewed the status of the ILM Business Park noting that we are running out of room. The areas in green on the map below are the only spaces available for lease.



Mr. Bourk reviewed the status of current leases and the stages of development of the various tenant projects noting that tenant capital projects are \$250M. Between tenant projects and the projects being done by ILM there are about \$500M projects taking place on the ILM campus.

Mr. Bouk updated the Commissioners on Air Service Development noting the goal to attend at least 5 a year to promote ILM and the Wilmington area. Mr. Bourk noted everyone is talking about ILM and the growth that is happening here.

Mr. Bourk noted one of the best things we have done in the area is develop the ILM Air Service Alliance which is a combination of the Chamber, the CVB, the County and the Airport working together to get the message out about ILM.

AIRSHOW

Mr. Bourk shared information about the April 24-25, 2026, airshow coming up in Carolina Beach to prepare us for the larger airshow on September 10-12, 2027, with the Thunderbirds.

At Ms. Pierce's request, Mr. Bourk reported that the parking garage will open in October 2026; the curb front will open in March 2027 and the full project with the tunnel and vertical circulation and atrium will open in June of 2027. We are on schedule and on budget with that project for the most part.

Mr. Scalise asked Mr. Bourk what the unsaid challenge is we are facing and Mr. Bourk said that would be the economy, fuel prices, external factors, things we can't control. If fuel doubles that is a huge operating cost for the airline industry. Harder for them to make a profit. They do less business development. Avelo, reducing routes here had nothing to do with our market, it was because they lost 6 aircraft in their fleet and chose to close their mid-Atlantic bases (ILM and RDU) because it was the most efficient way to serve the rest of their network. ILM will see ups and downs in terms of growth. We have had strong growth for the last 4 years. I don't think 2026 is going to be a huge growth year but 2027, 28 and 29 we will see. One

thing is for sure, ILM over the next 10 to 20 years is going to see substantial growth. As long as that trend continues the way it is, and new routes added are successful we will continue to be able to attract new air service.

Mr. Scalise asked what else New Hanover County government could do to help the airport succeed and Mr. Bourk noted that the County has been hugely supportive of all of these efforts and the CVB does their piece and the County chips in extra money on top of that for new route incentives and it is important to keep that program going. It gives comfort to the new airline. That and keeping the CPE low is beneficial.

Mr. Scalise asked Mr. Jones, as the newest member of the Authority, what his view and perspective of the Authority is, and Mr. Jones noted that Jeff is doing a tremendous job leading the staff team and producing the numbers you are seeing. Mr. Jones noted that losing long term Authority member Spruill Thompson will be a big loss and encouraged the County to continue to add Authority members that will add things to the conversation, experiences and dynamics that will help us manage this organization.

Mr. J. Thompson added that the County should look carefully and be more strategic at rezoning around the airport that will help future development as the airport continues to grow.

At Ms. Walker's request, Mr. Bourk explained the need for the Stormwater Master Plan to be updated and at the request of Mr. Zapple, updated the Commissioners on the status of the hotel project which is still pursuing financing. Mrs. Copley explained the complicated process of selling bonds for their financing.

Ms. Pierce asked for an update on general aviation at ILM and Mr. Bourk noted we have more general aviation operations than anything else. General aviation can be single engine or private jets, and we also have military operations along with commercial aviation. All tenants are important to us and everything we do supports all of them.

Ms. Pierce commented that it is important to thank the Chamber and the CVB for their partnership. That has been huge for us to all work as a team together. Ms. Pierce noted this is a well-run airport and well-run board and you have a great team and do it with minimal staff. That is a credit to you, Jeff.

Mr. Zapple asked if ILM was seeing any of the long lines at the TSA checkpoint like other airports on the news and Mr. Bourk reported that we have not. We have a great group of TSA people. We track their call outs, and we have had very little of that. ILM is providing lunch to the TSA team once a week because we appreciate that they come to work when they aren't getting paid. We will continue that until they start getting paid again.

ADJOURNMENT

There being no further business to come before the joint session, Mr. J. Thompson MOVED, SECONDED by Mr. S. Thompson, to adjourn the Airport Authority meeting. Mr. Scalise MOVED to adjourn the County Commissioner meeting. The meeting was adjourned at 9:32 am.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Faison B. Gibson, Secretary

Date of Approval: April 1, 2026