

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the May 1, 2008 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Stan Campbell, Chair
Diane Carter, Vice Chair
Charlie Baker
Andrew Riolo
Dr. Henry Nicholson
Stan Vaughan
Crystal Jackson
Paul Korry
Jeff Hay
Grace Bailey

Staff Present

TJ Orr, Aviation Director
Jennifer Long, Staff Advisor
Erika Helm, Community Outreach Specialist

Absent

Tony Almeida

1. Call to Order

Chair Stan Campbell called the meeting to order at 8:00 a.m.

2. Pledge of Allegiance

3. Approval of the April 3, 2008 Minutes

The minutes were approved as written.

4. Business Agenda

1. Amendment to Air National Guard Lease at Airport

Action: Approve a lease amendment adding 4 acres of land to the North Carolina Air National Guard's leased premises.

Background:

- The North Carolina Air National Guard (NCANG) currently leases 99.30 acres of land at the Airport for their base. The acreage includes 21.57 acres added in a lease amendment approved by Council on August 25, 2003.
- On May 12, 2003, Council approved a Military Cooperative Construction Agreement in the amount of \$2.5 million under which they agreed to fund construction of a new road that will replace Airport Drive.
- In 2005, the relocation of Airport Drive was completed.
- This amendment adds 4.05 acres of additional land and represents the right-of-way for two roads within the Guard base abandoned when the new road opened.

Council Date: May 12, 2008

Motion: Vaughan
Second: Carter
Vote: 10-0

2. Third Parallel Runway Paving

- Action:**
- A. Approve a contract with Hi-Way Paving, Inc. of Hilliard, Ohio in the amount of \$69,629,709.50 for the paving and lighting of the Third Parallel Runway.**
 - B. Adopt a budget ordinance appropriating \$61,574,033.00 from the Airport Discretionary Fund Balance to be replaced with proceeds from future federal grants and 2008 General Airport Revenue Bond proceeds.**

Background:

- In April 2005, City Council approved a contract with Talbert & Bright, Inc. to design the Third Parallel Runway and the associated taxiways.
- In order to expedite construction and accommodate funding requirements, construction of the project was broken into multiple phases.
- In February 2007, City Council approved a construction contract to E.S. Wagner Company, LLC to provide grading and drainage installation for the project.
- This contract is to perform work which includes the construction of the concrete pavement, asphalt shoulders and the installation of airfield lights for the project.
- Permanent funding for this contract comes from federal grant funds in-hand, future federal grants allocated by a Letter of Intent (LOI) signed by the Federal Aviation Administration in December 2006 and proceeds of the 2007 and 2008 General Airport Revenue Bonds, the debt service of which will be paid for by Passenger Facility Charge (PFC) revenues.

Disadvantaged Business Opportunity

Established DBE Goal: 15%

Committed DBE Goal: 12%

Hi-Way Paving, Inc. committed to using eight certified DBE contractors to perform services equaling \$8,255,203.56 on the project. Although the Project Goal was not met, Hi-Way Paving, Inc. provided documented evidence of Good Faith Efforts to attain the goal.

Summary of Bids

Hi-Way Paving, Inc.	\$69,629,709.50
The Scruggs Company	\$69,710,046.50
Archer Western Contractors	\$71,541,758.50
APAC-Southeast, Inc.	\$71,849,658.17
Boggs Paving, Inc.	\$73,255,518.60
McCarthy Improvement Company	\$73,269,322.08
Blythe Construction, Inc.	\$74,872,180.00
Lane Construction Corporation	\$75,341,444.30
R.C. Construction Company, Inc.	\$84,467,289.77

Council Date: May 12, 2008

Korry: Some of these companies, like Hi-Way Paving and E.S. Wagner, are from Ohio?

Orr: That's correct.

Korry: Do they work together?

Orr: E.S. Wagner is a grading company and H-Way is a paving company, but they do work together and know each other. There is some earthwork involved in the paving contract that was left and Wagner will be their sub.

Vaughan: Where will we stand if for some reason the federal grants don't come through?

Orr: Our financial plan is based on the assumption that we will get the grant over the course of the next eight years, but you can't spend money that you don't have yet. In the 2007 bond issue we sold some bonds that we call bridge bonds. Those are variable rate callable bonds and their purpose is to provide

cash to fund the contract and as the federal funds flow in, we will replace those bridge bonds with federal funds. Our debt service that we issue for the runway is paid for by the Passenger Facility Charge (PFC). We have been collecting the PFC since November 2004. We therefore have some PFC revenue. We can do two things with that—we can pay the debt service so that the bonds we issue don't cost us anything or we can use it as pay-as-you-go to make-up some of that debt. The rest of the gap is made-up by our cash reserves. We use our cash reserves just like bridge bonds. In other words, we fund a project from our cash reserves. When the project is complete, financed with permanent bonds and online generating revenue, then we sell those bonds and pay ourselves back. This enables us to lend ourselves some money at a much better interest rate than to borrow it. That creates a very significant cost savings in a project. Plus, you don't have to worry about project overruns because you have all the project costs in hand.

Vaughan: Are you comfortable if you don't get the full amount of grants?

Orr: I am comfortable that they will give us the full amount because the FAA has never defaulted on a Letter of Intent. There is a considerable number of very significant bond issues, where the bonds were sold based on that flow of funds from the FAA's Letter of Intent. If the FAA were to start defaulting on Letter of Intents, it would be a major meltdown in airport financing.

Riolo: When will they start paving?

Orr: They will start paving by July 4th.

Korry: The action says that Hi-Way Paving is committed to using eight DBE's. Will they be from our general area?

Orr: I believe most of them are. We set a pretty aggressive DBE goal. They didn't meet the goal but it is a considerable amount of work for relatively small companies. Most of them are local, and maybe all of them. Our plan doesn't require them to be local, but it does encourage it.

Motion: Korry

Second: Nicholson

Vote: 10-0

3. Property Transactions

Action: Approve the following property acquisitions.

- A. **Project: Airport Master Plan Land**
Owner(s): Merlin Conrad Wilson & wife
Property Address: 6524 Wilkinson Blvd.
Property to be acquired: 1.49 acres
Improvements: Commercial Buildings
Purchase Price: \$244,000.00
Remarks: The purchase price was determined by two independent appraisers and was reviewed by a third appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement
Zoned: B2 Use: Commercial building
Tax Value: \$154,700.00
Tax Code: 055-521-05
- B. **Project: Airport Master Plan Land**
Owner(s): Merlin Conrad Wilson Jr. & wife
Property Address: 6500 Wilkinson Blvd.
Property to be acquired: .88 acres
Improvements: Commercial Building

Purchase Price: \$184,000.00

Remarks: The purchase price was determined by two independent appraisers and was reviewed by a third appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement

Zoned: B2 Use: Commercial building

Tax Value: \$56,500.00

Tax Code: 055-521-06

C. Project: Airport Master Plan Land

Owner(s): N.C. Department of Transportation

Property Address: 9030 Walkers Ferry Road

Property to be acquired: .83 acres

Improvements: vacant land

Purchase Price: \$8,800.00

Remarks: The purchase price was determined by N.C. Department of Transportation. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement

Zoned: R3 Use: vacant land

Tax Value: \$14,400.00

Tax Code: 113-361-24

Council Date: May 12, 2008

Korry: Were these difficult parcels to negotiate? I notice Parcel A is about 60 percent above the tax value and Parcel B about 300 percent above tax value.

Orr: We didn't actually negotiate either one of those; those were our appraisals. Land around an airport continues to go up.

Motion: Korry

Second: Vaughan

Vote: 10-0

For Information Only

The following item was approved by City Council on April 28, 2008 and sent to the Airport Advisory Committee for review on April 15, 2008.

1. Military Construction Cooperative Agreement

Action: Approve an agreement with the National Guard Bureau to reimburse the City \$420,000 for the cost of designing a new fire station at the Airport.

Background:

- The Airport's fire and rescue vehicles must be able to respond to the midpoint of the furthest runway within three minutes.

- An additional Airport fire station will be required to meet their response time when the new runway opens.
- The Air National Guard currently supplies the Airport fire station and a portion of the fire trucks under an "Operational Fire Protection Agreement" dated February 27, 2002.
- Under this agreement, the City will select an architect through a competitive qualifications based selection process, contract with the architect, and be reimbursed by the National Guard Bureau for architectural fees.

Korry: Will this be a larger facility?

Orr: Yes, about twice as large.

Korry: Will it allow for the employees to live onsite during their shift?

Orr: That is already available at the current location. There are complete living corridors at the existing station.

5. Status Reports

1. Presentation to the Transportation Committee

Orr shares with the committee a presentation that was given to the Transportation Committee, a sub-committee of City Council, on April 14. The presentation covered:

- airport mission statement
- cost per enplaned passenger
- various customer service initiatives (Volunteer Program, CRVA partnership, new concessions, new signage, restroom renovations)
- management contracts
- economic impact
- airport financial structure (budgeted revenue by type, operating budget by division, personnel costs)
- Capital Improvement Program

2. Re-zoning Petition

Orr shares with the committee two maps regarding airport re-zoning. One map shows the Airport's current zoning while the second map shows the proposed re-zoning. The Airport has filed a petition for the re-zoning of approximately 2,165 acres to 1-2, which is industrial zoning. The land was acquired by the Airport over the past several years with the purpose of bringing primary Airport property under one-zoning. Currently, several of these properties have various zonings. The property requested for rezoning is primarily south of Wilkinson Blvd, east of I-485 and north of West Blvd.

6. Director's Report

1. US Airways Announces Nonstop Service Between CLT and Montreal

- On July 3, US Airways will begin nonstop service between Charlotte and Montreal, Canada with one daily flight.
- The new service will be operated by US Airways Express partner Republic Airlines using 86-seat Embraer 175 aircraft.

2. Wilson Air Center

Professional Pilot Magazine

- The Wilson Air Center Chain was recently voted as the #1 Corporate Aviation Support Facility, (FBO) in *Professional Pilot* magazine's 2008 Preferences Regarding Aviation Services and Equipment (PRASE) survey for the second consecutive year.
- Wilson Air Center-CLT (Charlotte Airport location) was ranked #15 overall in the PRASE survey.
- Members received a copy of the survey.

Aviation International News

- Wilson Air Center-CLT was featured for the first time ever in the Aviation International News (AIN) 2008 FBO Survey.
- Wilson Air Center-CLT was ranked 25th in the world, and 1st in the Carolinas.
- The survey focused on an FBO's line service, passenger amenities, pilot amenities and facilities.
- Members received a copy of the survey.

3. Bojangles Opens at CLT

- Bojangles opened on April 21.
- The locally-based food outlet replaces Ranch #1 on Concourse B.

4. Hybrid Buses Recognized for Environmental Efforts

- CLT is one of several businesses recognized for its "green effort" in the Charlotte Business Journal's inaugural Green Book.
- The 72-page publication features several businesses who were recently nominated for the Business Journal's Green Awards 2008.

5. Advertisements in US Airways (inflight) Magazine

- The upcoming June issue of US Airways (inflight) Magazine will have a special feature on Charlotte and the surrounding region.
- As part of the feature, the Airport has purchased advertisement space to promote its food/beverage and retail concessions, Business Valet, free wireless internet service and the Business Center.
- Members received copies of the upcoming advertisements.

Meeting adjourned at 8:50 a.m.



T. J. Orr, Aviation Director

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