

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT  
AIRPORT ADVISORY COMMITTEE**

**Minutes from the July 1, 2010 meeting  
Piedmont Conference Room  
8:00 a.m.**

**Present**

Stan Vaughan, Chair  
Drew Riolo, Vice Chair  
Joe Carpenter  
Crystal Jackson  
Russell McMillan  
Colvin Edwards  
Todd Fuller  
Shawn Dorsch  
Ed McMahan  
Jeff Hay  
William Taylor

**Staff Present**

TJ Orr, Aviation Director  
Jennifer Long, Customer Relations Specialist  
Erika Helm, Community Outreach Specialist

**1. Call to Order**

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

**2. Pledge of Allegiance**

**3. Approval of the May 6, 2010 Minutes**

The minutes were approved as written.

**4. Business Agenda**

**1. Airport Baggage Conveyor System Modifications Change Order #1**

- Action:**
- A. Approve Change Order #1 with Diversified Conveyors, Inc. in the amount of \$TBD for modifications to the baggage conveyor system in the terminal building.**
  - B. Adopt a budget ordinance in the amount of \$TBD from the Airport Discretionary Fund to be replaced with proceeds of a future General Airport Revenue Bond issue.**

**Background:**

- On November 23, 2009, City Council approved a contract with Diversified Conveyors, Inc. in the amount of \$3,920,706 for modifications to the baggage conveyor system in the terminal building.
- This change order provides for:
  - One additional system display requested by US Airways after the start of construction that will be used to monitor the conveyor system for baggage jams
  - Additional overhead conveyor platforms and emergency stops for more efficient conveyor maintenance
  - Additional spare parts for the more complex conveyor segments, such as high-speed diverters

- These modifications, and the items requested in this change order, have been designed to work with the in-line baggage screening system currently under design.

### **Small Business Opportunity**

Established SBE Goal: 0%

Committed SBE Goal: 0%

Pursuant to Part B: Section 2.4 of the SBO Program, no SBO utilization goal was set for this contract because subcontracting is not anticipated.

**Council Date:** July 26, 2010

### **Estimated Budget:**

Between \$150,000 and \$200,000

Edwards: Once we begin moving things around after we tear down the parking decks, what effect will that have on this?

Orr: That won't have any effect on the ticket counter back wall as we envision it now. It will have some effect on the curbside conveyors because they will have to be extended.

Fuller: The remaining work that has to be done, where in the terminal will that be?

Orr: There is more focus on the west end of the terminal because that's where we widened the two checkpoints and moved some ticket counters around. Although there is some work on the other end to tie them in to the TSA. Somewhere between 90 to 95 percent of this work will be salvageable when the in-line system goes up.

Motion: Edwards

Second: Dorsch

Vote: 11-0

## **2. Terminal Expansion Design Contract Change Order #1**

- Action:**
- A. Approve Change Order #1 with DAS Architecture, Inc. in the amount of \$228,755 for additional design services for the East Terminal Expansion, and**
  - B. Adopt a budget ordinance in the amount of \$1,390,000 from the Airport Discretionary Fund to be replaced by future General Airport Revenue Bond proceeds.**

### **Background:**

- The Airport continues to experience peak passenger loads throughout the day that exceed the existing capacity of the security checkpoints in the terminal lobby, especially early mornings with business travelers and in the mid-afternoons with international passengers arriving to transfer to domestic flights.
- In an effort to increase the capacity of the screening process, the Airport identified a need to expand the east side of the terminal lobby to construct an additional checkpoint. This checkpoint will have four additional passenger screening lanes.
- In July 2009, City Council approved a contract with DAS Architecture in the amount of \$1,390,000 to provide for the design of the East Terminal Expansion project.
- This change order will provide additional design services for:
  - Modifications to the plans to accommodate the TSA's new Advanced Imaging Technology (AIT) machines that will be installed at the new checkpoint, which are larger than the magnetometers currently used for passenger screening
  - Additional coordination needed to accommodate the in-line baggage screening system currently under design, which will provide additional conveyors in the

- East Terminal Expansion that would not be necessary if not for the in-line system
  - o Additional design for this expansion project that will enable the Airport to construct an additional phase of the East Terminal Expansion to provide food & beverage concessions and additional ramp service space in the future
  - o The design of additional office space that was requested by numerous tenants while under design review
- Funding for this contract comes from future General Airport Revenue Bond proceeds, the debt service of which will be paid with Passenger Facility Charge (PFC) revenues.

### **Small Business Opportunity**

Estimated goal: 10%

Committed goal: 10.2%

The City negotiated an SBE goal with DAS Architecture after the proposal selection process (Part C: Section 2.2 of the SBO Policy). DAS committed 10.16% (\$152,300) to the following SBE firm(s): Richa Graphics; Flehan Engineering; C Design and Engineering Design Collaborative, along with 2<sup>nd</sup> tier SBEs to the following subcontractors: AccuTech Surveying and OSE Consulting Engineers

**Council Date:** July 26, 2010

Fuller: How much do you think it will increase the capacity?

Orr: The big increase in capacity from this construction will be with the addition of the fifth checkpoint, which will add four more checkpoint lines. The other thing the checkpoint will do is assist with the screening the arriving international passengers.

Motion: Carpenter

Second: Taylor

Vote: 11-0

### **3. Airport Project Management Services**

**Action: A. Approve a contract with Turner Construction Company of Charlotte, NC, in an amount not to exceed \$1,872,960, for Airport project management services.**

**B. Approve a budget ordinance appropriating \$1,872,960 from the Airport discretionary fund balance, to be repaid by proceeds from future General Airport Revenue Bonds.**

#### **Background:**

- Pursuant to this contract, Turner Construction will supply trained personnel to assist in project management of various Airport construction projects designated by the Aviation Director.
- Major projects include the East Terminal Expansion, on which construction begins this fall, the Hourly/Rental Car Parking Deck, Terminal Roadway Improvements, and the Terminal Lobby Expansion.
- The Turner personnel will establish and maintain project schedules and budgets, monitor quality control and coordinate the work of various contractors.
- The contract term extends through August 31, 2013, although the City may terminate it at any time for any or no reason.
- The Airport will pay Turner up to \$50,000 per month for the first 12 months. On August 1, 2011, monthly maximum will increase to \$52,000, and on August 1, 2012, the monthly maximum will increase to \$54,080.

- The City will also pay Turner for pre-approved out-of-pocket expenses.
- Turner was selected because its personnel have successfully assisted the Airport with previous development, including the two Daily parking decks, the new runway, and the Business Valet parking deck.

### **Disadvantaged Business Enterprise**

Established DBE Goal: 0 %

Committed DBE Goal: 0%

The Federal DBE Program neither requires nor permits goals for every contract. The City must meet its overall goal by using a mix of contract goals and race-neutral means.

**Council Date:** July 26, 2010

Carpenter: They are just managing? Will they be doing any construction?

Orr: They will not be doing construction. They hold all of the meetings; they manage the flow of the paperwork, handle equipment approvals and those types of things. The equipment approval is the documents we submit to the FAA. They will deal with issues and meet with the contractor weekly to keep up to date with the project. They are the go-between for the architect, engineer and contractor. They also keep everything in the job documented.

Fuller: Are they involved in the terminal expansion?

Orr: Yes. They will be involved in all of our significant expansion projects.

Fuller: They will be working directly with DAS Architecture?

Orr: Yes. They will work with DAS, Redline, C Design, LS3P and all the architectural firms we work with.

Fuller: With DAS, they wouldn't have their own in-house management?

Orr: No. When dealing with design, it is under the license of the architect. So the architect is certifying that design so anything that's part of that has to be under his purview.

Motion: Carpenter

Second: Fuller

Vote: 11-0

## **4. West Boulevard Relocation – Phase II**

**Action: A. Approve a contract with the lowest responsive bidder in the amount of \$TBD for the construction of the final portion of the West Boulevard relocation; and**

**B. Adopt a budget ordinance in the amount of \$TBD from the Airport Discretionary Fund to be replaced with proceeds of a future General Airport Revenue Bond issue.**

### **Background:**

- Construction of the new runway has provided several new roads to serve the neighborhoods west of I-485. This portion of West Boulevard is the final portion of the relocation of roads obliterated by the construction.
- Because West Boulevard is a state road (NC 160), the Airport has been working with NC Department of Transportation (NCDOT) for several years to develop an acceptable road alignment to accommodate the Airport's growth and the neighborhood's needs.
- In September 2009, City Council approved a contract with E.S. Wagner for the first phase of the project to provide the grading of a portion of that road alignment from the I-485 interchange at Garrison Road to existing Steele Creek Road, as well as construction of a vehicular bridge that will span the tail track of the proposed

intermodal facility at the Airport. The ramps at the I-485 interchange will be paved by NCDOT in Spring 2011.

- This contract will relocate a portion of existing West Boulevard to Steele Creek Road and provide the paving for the road that was graded in Phase I of the project.
- Funding for this contract comes from an NCDOT Transportation Improvement Program Grant (\$1,700,000) and proceeds from future General Airport Revenue Bonds.

### **Disadvantaged Business Opportunity**

Established DBE Goal: 10%

Committed DBE Goal: 0%

### **Summary of Bids**

Bids to be received on July 1, 2010

### **Estimated Budget**

\$2.6 million

**Council Date:** July 26, 2010

Carpenter: If you ever needed to extend the 10,000 foot runway for more international flights, is there room to do that?

Orr: Yes. The proposed Garden Parkway would intersect I-485. We have negotiated with the engineers doing that contract so that the road and bridge will be salvaged if and when they build the parkway, and to add another bridge to make it four lanes.

Fuller: The State will pick-up about two-thirds of the cost?

Orr: The \$1.7 million grant is about 25% of the total cost.

Fuller: Will the State pick-up anything else?

Orr: No. The \$1.7 million is their total contribution to the project.

Motion: Dorsch

Second: Carpenter

Vote: 11-0

## **5. Roof Top Solar Power System**

- Action:**
- A. Approve an agreement with Narenco Corporation of Charlotte to design, construct and operate a Solar Energy Collection System that they will lease to the City for \$49,360.00 per year for a period of 20 years;**
  - B. Approve a contract with Narenco Corporation of Charlotte in the amount of \$600,000 for a roof replacement on the Airport Maintenance Facility;**
  - C. Appropriate \$660,000.00 from the Airport Discretionary Fund to be repaid with future Airport Bonds and/or Passenger Facility Charge (PFC) revenues;**
  - D. Approve a Power Purchase Agreement with Duke Energy.**

### **Background:**

- In April 2009, the Airport implemented a study of potential locations and approaches to create a significant photo voltaic power generation capacity for the one of the airport buildings.

- In June 2009, the Airport retained Optima Engineering to do a specific evaluation of the Airport Maintenance facility to determine the feasibility of installing PV panels as well as other energy conservation measures.
- Based on the report received in July 2009, it was decided to develop a 250Kw capacity on a portion of the building roof.
- The Airport retained Larry Ostema, Attorney, to prepare an RFP to solicit teams interested in doing the project and proposing several alternative methods for financial investment and gaining potential tax benefits not available to the City.
- In August 2009, the Airport requested proposals from interested firms to provide proposals.
- In the pre-proposal conference many questions were asked including structural capacity of the roof structure, condition of the existing roof, and financial and tax treatment issues.
- The decision was made to withdraw the RFP and do further work prior to re-advertising the project.
- Firms were retained to do structural analysis, roof evaluation, and examine alternative project approaches.
- Following these efforts, a revised RFP was issued in March 2010 and 7 proposals were received in May 2010.
- Initial evaluation of qualifications, experience, and financial information led to a short list of 3 teams and Narenco was selected following interviews of the 3 teams.
- As part of the project, Narenco will replace the roof (a needed project) on a portion of the building. The Airport will pay \$600,000 for the new roof. The additional \$60,000 will pay for roof design costs and provide an allowance for unforeseen conditions encountered during construction.

#### **Contract Terms**

- Narenco will design, construct, operate and maintain a Solar Energy Collection System at their cost. The City will then lease that system from Narenco for \$49,360/year for a period of 20 years.
- The City may opt out any time after the initial five-year lease period upon payment of the unamortized portion of Narenco's investment.
- Power Purchase Agreement with Duke Energy obligates them to buy the energy generated at a fixed rate for 20 years and is estimated to generate in excess of \$50,000 per year.

#### **Small Business Opportunity**

No SBE goal was set for this contract because subcontracting opportunities are not anticipated (Part C: Section 2.4 of the SBO Policy).

**Council Date:** July 26, 2010

McMahan: Was this competitively bid?

Orr: Yes, but actually it was proposals because of the complexity of it. They had the best financial value to us considering the cost of the roof and what they pay us.

Jackson: What's the total cost of the system?

Orr: Roofing is \$600,000, although I don't know the cost of the installation. I believe it is \$1.2 million.

Jackson: Why did the utility company actually enter into the agreement with the Airport when Narenco owns the system?

Orr: That's the way we wanted to do it. We are a very good Duke Energy customer. Our power bill is close to \$5 million a year. We are a great place, from a public relations perspective, to do something like this. Duke has an obligation to generate some of their power, so they have an interest and need in doing this.

Carpenter: Is it going to be on this building?

Orr: No, this is on the building we purchased that is across the street from the Business Valet deck.

Motion: McMahan  
 Second: Dorsch  
 Vote: 11-0

### **FOR INFORMATION ONLY**

*The following council actions were approved at City Council's June 28 meeting. Therefore, no vote is required.*

#### **1. Airport Telecommunications Agreement**

**Action: Approve an agreement with AT&T in the amount of \$137,935.33 for maintenance of the Airport's telecommunications system.**

#### **Background:**

- Since the new terminal opened in 1982, the Airport has contracted for a dedicated on-site technician to maintain its AT&T Centrex telephone system.
- The telephone system currently has over 3,100 lines.
- The cost of the technician is spread over all users of the Airport system.
- This agreement will extend the contract with AT&T for another year.

#### **Contract Terms**

- One year term.
- Technician will provide technical services at the Airport full time.

#### **Small Business Opportunity**

Established SBE Goal: 0%

Committed SBE Goal: 0%

No SBE utilization goal was set for this contract because subcontracting opportunities are not anticipated (Part C: Section 2.4 of the SBO Policy).

#### **2. Airport Supplemental Agreement with NCDOT**

**Action: Approve a Supplemental Agreement with the North Carolina Department of Transportation (NCDOT) to extend the completion time.**

#### **Background:**

- An extension of West Boulevard from New Dixie Road to the I-485 interchange needs to be constructed as part of the road relocations necessitated by the construction of the new runway.
- To expedite the road relocation, the Airport is managing the road design and construction.
- In November 2006, City Council approved a Municipal Agreement in the amount of \$1,700,000 to fund a portion of the construction of the West Boulevard extension.
- The total estimated cost of this project is \$7,300,000. Upon completion of the project, NCDOT will reimburse the City for \$1,700,000 of that total. This Supplemental Agreement extends the time to complete the construction by two (2) years from the date of execution of the agreement.
- In September 2009, Council awarded a \$1,649,946.06 contract for site preparation and grading.
- City Council will be asked to approve a construction contract for the paving of the West Boulevard extension in July, with completion of the road in Spring 2011.

### 3. Airport Land Acquisition – 4506 Denver Avenue

**Action: Approve the acquisition of 10.353 acres of property at 4506 Denver Avenue for the negotiated purchase price of \$225,000.**

#### Background:

- Since 1989, the Airport has been acquiring property impacted by noise under the FAR Part 150 Noise Compatibility Program, which is approved and funded 80% by the Federal Aviation Administration (FAA).
- Using this program, the Airport purchased 42 parcels totaling 33.877 acres along Mulberry Church Road on the north side of Wilkinson Boulevard; however, because the Part 150 Program is voluntary, the Airport did not purchase all the parcels in that neighborhood.
- The Charlotte Mecklenburg Development Corporation (CMDC) has been working to redevelop this area as an industrial park, which would make the land compatible with Airport development.
- The Airport is willing to sell CMDC the parcels currently owned by the Airport to establish the park.
- CMDC has worked with Charles Michael and Janet Elaine Blanchard, the land owners at 4506 Denver Avenue (Tax Parcel # 061-081-38), to acquire that parcel, which is adjoined by parcels owned by the Airport on both sides, in an effort to assemble enough acreage to develop the park.
- CMDC has asked the Airport to purchase this parcel for the negotiated price of \$225,000. The Airport would then sell the parcel to CMDC at the same time the other parcels are sold.
- Additionally, some of this land is located within the floodplain. An easement will be reserved on this floodplain and adjoining streams to allow for stream preservation and restoration by Storm Water Services.
- CMDC is contemplating further investments in the area to facilitate a larger industrial park that could require up to \$2,000,000 in additional City investments.

#### Small Business Opportunity

N/A

### 5. Election of Officers

- The Nominating Committee includes Stan Vaughan, Jeff Hay and Joe Carpenter.
- Jeff Hay served as Chair of the Nominating Committee and addressed the AAC with their nomination for Chair and Vice Chair.
- The Nominating Committee nominated Andrew Riolo for Chair and Shawn Dorsch for Vice Chair.
- The AAC Chair, Stan Vaughan, then opened the floor for any other nominations. No other nominations were made.
- Voting then followed for Riolo as Chair and Dorsch as Vice Chair:  
Motion: McMahan  
Second: Fuller  
Vote: 11-0

### 6. Unite Here

- Blake Harwell with Unite Here addresses the committee regarding a letter sent to the AAC by Unite Here in reference to the Retail RFP project.
- Mr. Harwell provides an overview to the committee about Unite Here and asks if anyone has any questions.
- No one from the committee asks any questions.



## **7. Status Reports**

### **1. Recognition of Retiring Member**

- Chair Stan Vaughan recognized Jeff Hay for his six years of service on the AAC as a Mayoral-appointed member.
- Vaughan presented Hay with a US Airways airplane model.
- Hay's term expires July 31, 2010.

### **2. Intermodal Facility**

- City Council has approved a development agreement with Norfolk Southern Railway. The agreement sets out the terms of a proposed lease and obligates the railroad and City to execute that lease after certain precedent conditions have been met. This includes the receipt of \$20+ million in federal aids through the Federal Department of Transportation.
- Norfolk Southern can still elect to go forward even if they don't get the federal aid.
- The project is essentially graded and was done during runway construction.
- Two taxiway bridges have also been constructed.
- Norfolk Southern will invest approximately \$90 all together for putting down the tracks, buildings, equipment and other facilities.
- The Airport had an independent economist firm do an economic analysis and determined the economic impact to the region at \$10 billion over 20 years. This does not include the business the community would lose if the railroad were not able to expand the current intermodal yard.

Taylor: When do you think the yard would be operational?

Orr: Two years.

### **3. Hissho Sushi**

- The Airport's newest food concept, Hissho Sushi, opened for business on May 15th, followed by a grand opening celebration on June 17th.
- This is the first airport deal for Hissho Sushi, a Charlotte-based company with headquarters on Steele Creek Road.
- Hissho (which means 'great victory' in Japanese) Sushi's food items are sold in 360 locations across 26 states, including high-end grocer Dean and DeLuca, as well as local hospitals Carolinas Medical Center and Presbyterian Hospital.
- The sushi concept is featured at the Airport's First in Flight Bar, which is centrally located in the Atrium.
- This new food concept is managed by HMSHost, the Airport's Food & Beverage concessionaire.
- Since First in Flight Bar's reconcepting to Hissho Sushi, it is trending an increase in sales of 220 percent when compared to sales during the same timeframe last year.

### **4. Wilson Air Center**

- Wilson Air Center, the Airport's Fixed Base Operator (FBO), was recently featured in two corporate aviation surveys, Professional Pilot Magazine's PRASE Survey and the Pilot's Choice Awards.
- This year's PRASE Survey ranked the best FBOs from 1 through 35 in the US, which placed Wilson Air Center-CLT 8th. Last year, CLT's FBO ranked 16th. Copies of the full report were provided to each member.
- The 2010 survey results for the Pilot's Choice Awards place Wilson Air Center-CLT 14th out of 35. Copies of the full report were provided to each member.
- The Airport's goal is to provide the highest quality product at the lowest possible cost. These recent FBO survey results, along with the FBO's fuel prices, are one of many ways the Airport continues to meet it's goal. Each month, the Airport compiles data of the top 50 FBOs in terms of low fuel prices (AVGAS and Jet-A).
- In June 2010, Wilson Air Center-CLT had the 7th lowest AVGAS fuel price out 50 FBOs

surveyed and had the 16th lowest Jet-A fuel price. Copies of the fuel data were provided to each member.

## 5. Eagle Award

- The Airport has been awarded the prestigious Eagle Award from the International Air Transport Association (IATA). The award comes under the "Best Airport" category and was presented during IATA's Annual General Meeting and World Air Summit on Monday, June 7 in Berlin, Germany.
- AAC Vice Chair Andrew Riolo attended the IATA event and accepted the award on behalf of CLT.
- Since 1998, Eagle Awards have been presented annually to recognize airports and Air Navigation Service Providers (ANSP) who provide quality service and value for money to their airline customers.
- The last North American airport to receive an Eagle Award was Tampa International Airport in 2008.
- Eagle Award winners are nominated by members of the aviation industry and are selected by a neutral and independent panel of aviation industry professionals. Winners must display innovative and creative ways to improve productivity and convert these ideas into lower charges to airlines. The winner's positive record on environmental, safety, operational and social issues is also considered.

## 6. Director's Report

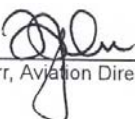
### 1. Youth Day Held

- CLT held its Fifteenth Annual Youth Day on June 18, which hosted 81 kids.
- Youth Day allows Aviation Department employees to bring their children to work with them for the day.
- The first part of the day provides youth with various tours and activities including Fire Station 17, the North Carolina Air National Guard and a tour of the airfield followed by a K9 demonstration.
- After lunch, the kids spend time with their adult host followed by a group activity.
- This year's afternoon activity took place at Wilson Air Center's Group Hangar No. 1 with a special presentation from the Carolinas Raptor Center.

### 2. Antonov Lands at CLT

- The world's largest aircraft landed at CLT on June 22.
- The Russian Aircraft Antonov-225 transported two turbines from a power plant in Thailand.
- The turbines were flown to Charlotte to undergo an emergency repair at Siemens Energy in Southwest Charlotte.

**Meeting adjourned at 9:00 a.m.**



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T. J. Orr, Aviation Director

Distribution:

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Curt Walton, City Manager

Stephanie Kelly, City Clerk

Jeanne Peek, City Boards and Commissions Clerk

Ronnie Bryant, President/CEO, Charlotte Regional Partnership

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