

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the October 7th, 2010 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Drew Riolo, Chair
Shawn Dorsch, Vice Chair
Joe Carpenter
Scott Culpepper
Colvin Edwards
Todd Fuller
William Taylor
Stan Vaughan

Staff Present

TJ Orr, Aviation Director
Erika Helm, Community Outreach Specialist
Rebecca Simensen, Liaison to the Director

Absent

Crystal Jackson
Ed McMahan
Russell McMillan

1. Call to Order

Chair Drew Riolo called the meeting to order at 8:00 a.m.

2. Pledge of Allegiance

3. Introduction of Guests:

Pahl Davis
Russ Davey
Don Long

4. Recognition of Retiring Members Joe Carpenter and William Taylor

Riolo: We have two board members who are retiring. We hope that they will be returning members and come back and join us again for another term, so we don't want to call it retiring. We present these airplanes because we want you to remember what this is about. These are airplanes and we are at the Airport. We want to thank you for everything. Please go ahead and say a few words.

Carpenter: It is has been my pleasure serving here and I have enjoyed getting to review things that Jerry put together for City Council. It has been just great. I want to reminisce just a little bit. My first experience at this Airport is at the old, old, old hangar which you made a museum, coming in there with my grandfather. And later, I came over and parked a car and waited a while to see an airplane land. They had DC-3's and Constellations later and others. My first flight was out of the terminal across the airfield to Chicago and on to Vegas. It has certainly grown, and the leadership in this community has made this city and this Airport world-class. Without this Airport, we would not have the jobs and businesses in this community that we do. It is a little sad to leave, but maybe one day I can come back. And I want to tell the rest of the board that I am leaving it in good shape.

Riolo: We also have an Airbus 320 for Mr. Taylor. When you are appointed by the Regional Partnership, you only serve a two-year term and we give you an Airbus 320. When you serve a three-year term, we give you an Airbus 330. Mr. Taylor, thank you very much.

Taylor: Thank you. I will not reminisce other than to say when I joined this group, I came in very impressed with Jerry and your group and how you run the Airport, and I leave even further impressed. This is a well-run organization.

Riolo: And that is not the only honor we have today. It is my honor and my privilege to sit to the left of a Hall of Famer. On October 4th, Jerry was member of the North Carolina Transportation Hall of Fame.

5. Approval of the August 5, 2010 Minutes

The minutes were approved as written.

Motion: Carpenter

Second: Taylor

Vote: 8-0

6. Business Agenda

1. Airport Drive Improvements

Action: A. Approve a contract to Harco Development, Inc. in the amount of \$128,528.81 for roadway improvements on Airport Drive.

Background:

- On April 27, 2009 City Council approved a contract to Blythe Development Company to realign, add curb and sidewalk, and to pave 1,400 feet of Airport Drive at Morris Field Drive.
- Charlotte Mecklenburg Utilities is currently installing a water main line on Airport Drive from the Jackson Church to Jackson Homes.
- This contract will add curb and gutter and improvements to the remainder of Airport Drive.

Contract Terms

- This contract was bid on a unit cost basis.
- The contract duration is 60 calendar days.

Small Business Enterprise

Established SBE Goal: 11%

Committed SBE Goal: 21.2%

Harco Development, inc. exceeded the established SBE goal, and committed 21.2% of the base bid amount (\$26,501.50) to the following SBE firms Ground Effects (striping), KRO Construction (curb and gutter), Conmat Development (curb and gutter).

Summary of Bids

Harco Development, Inc.	\$128,528.81
Showalter Construction, Co.	\$172,427.00
RG Grading, Inc.	\$197,372.09

Council Date: October 11, 2010

Motion: Dorsch

Second: Edwards

Vote: 8-0

FOR INFORMATION ONLY

The following items were approved by City Council on September 27, 2010. No vote from the committee is required.

1. Drainage Pipe Repair

Action: Approve a contract with Hall Contracting Corp in the amount of \$2,298,600 for the repair of drainage pipe under the air carrier ramp at Charlotte Douglas International Airport.

Background

- The construction of the passenger terminal in 1982 required the piping of a portion of Coffey Creek with a section of two 96-inch corrugated metal pipes and another section of 90-inch reinforced concrete pipes.
- The pipes are routinely inspected, and the most recent inspection showed some deformation in the metal pipes and some cracking in the concrete pipes.
- This contract will reinforce both sections of pipe with steel plates to extend their life.

Disadvantaged Business Opportunity

Established DBE Goal: 3%

Committed DBE Goal: 1.35%

Hall Contracting exceeded the project goal with 3.11% of the base bid committed to two DBE certified companies: Carolina Environmental Contracting (clearing and grubbing, silt fence, seed and mulch) and Stinson Trucking (aggregate/hauling). Due to the materials intensive nature of the project, the decision to use the Alternate 2 bid which nearly triples the length of aluminum liner, impacts the DBE commitment with a reduction in the opportunity relative to the necessary materials.

Summary of Bids

Hall Contracting Corp.	\$2,298,600
Blythe Development Co.	\$2,392,840
Sanders Utility Construction	\$2,438,332
Paul Howard Construction Co.	\$2,775,340
Triad Engineering & Contracting	\$5,205,100
ProShot Concrete	\$6,596,425

Vaughan: From my understanding, this saved us \$2 million then and it is costing us \$2 million now, so I think that is pretty good that it lasted us 30 years.

Orr: Yes, particularly when we didn't have the \$2 million to start with.

Carpenter: That was the full length wasn't it?

Orr: Yes.

Carpenter: And this is just for part of it.

Orr: Right.

2. Airport Lease Agreement with jetBlue Airlines

Action: Approve a lease with jetBlue Airlines for space at Charlotte Douglas International Airport.

Background

- In 1985, when the City first issued General Airport Revenue Bonds (GARB), airlines that operated at the Airport were given the opportunity to enter into long-term lease agreements called an Airline Use Agreement.
- Airlines that have signed the Airline Use Agreement are eligible to rent space at the terminal and to share in a percentage of Airport revenues. In return, the signatory airlines guarantee jointly and severally payment of all GARB debt service in the event the Airport is not able to pay from its non-airline revenues.
- The current signatory airlines are US Airways, United, Continental, American, and Delta.
- jetBlue began service at Charlotte in March 2002, renting City operated space on a per-aircraft turn basis.
- jetBlue now wishes to become a signatory airline. As a result, it will pay a fixed rent, even if it decreases its operation at the Airport, and it will become a guarantor of the GARB debt service.

Contract Terms

- The Airline Use Agreement expires in 2016.

Small Business Opportunity

N/A

Summary of Bids

N/A

Fuller: Southwest is coming in here. Will they be a signatory?

Orr: AirTran has also been here for several years and is a non-signatory. They have expressed interest in becoming a signatory. We have presented them the agreement. Southwest is not obligated to become a signatory. My guess is they will.

Carpenter: Is there a limit on the number of flights Southwest can have in and out?

Orr: No, there is no limit on the flights they can have at any airport per Interstate Commerce. We don't anticipate Southwest doing any more here than AirTran did here. If you look behind Tab 3, you will find a brief synopsis of what Michael Boyd thinks of the Southwest/AirTran merger. I happen to agree with him.

AirTran pretty much operates its own hub in Atlanta, and it is a fair-sized hub. Southwest has always professed not to be a hub airline and still do. Although if you look at how their airplanes operate, they are clearly operating some hubs. I am quite sure and Michael Boyd is quite sure they will continue to operate the AirTran hub in Atlanta with Southwest airplanes. There would be little purpose of buying that airline if you are not going to operate that hub, which is the principal part of the airline. They will operate a hub in Baltimore and probably at Chicago Midway. And I expect us to have service that feeds those three hubs.

Edwards: With the two recent mergers, has that affected the alliances?

Orr: Michael Boyd says it will but some additional but not unbearable pressure on American Airlines to merge with somebody. US Airways may be one of those likely partners. Certainly, US Airways' and American's route networks fit pretty well.

Edwards: American has a lot of South American flights?

Orr: Yes. And they are really strong in the middle part of the country.

Fuller: After these mergers will US Airways remain the dominant airline here in Charlotte?

Orr: Absolutely, yes.

Fuller: What percentage of flights at Charlotte are US Airways?

Orr: About 91% of the total flights, but they carry only about 60% of the local passengers.

Fuller: How does that compare to other top-10 airports?

Orr: This is one of the most concentrated hubs in the country. It compares with Pittsburg before US Airways pulled out or Cincinnati before Delta slimmed down there. It is quite likely the most concentrated hub in the country.

Fuller: Does that have an adverse effect on ticket prices? At one time, we had the highest average airfare in the United States. It seems as if we decrease the percentage of US Airways flights, we decrease the average ticket price.

Orr: That is a fairly complex question, and I will give you a short answer. The average fare here has come down quite rapidly, and we will share a chart with you next time that shows that. Briefly, through two bankruptcies US Airways has cut their costs considerably and our average airfare here now is just about in the middle of the pack of the top 100 airports. Several times over the last couple of years, we had the highest percentage decrease in average airfare in the country so it has fallen pretty rapidly. And if you look on a chart, what you will see is that back in the mid-90's, the airfare here, Nashville, Raleigh-Durham, and Pittsburgh were all about the same. In the ensuing time, we went up and Raleigh went up. Then American shut the hub in Raleigh and Southwest came in and prices went down. But now, they are coming back together because what Southwest does and what the network carriers do is the same thing - they carry people on an airplane from here to there. And the market is determining what the available price is for that service. Southwest fares have come up a lot, and with the acquisition of AirTran and even beyond that, is beginning to really digress from their business model under which they have been profitable every year for forty years, except for last year. As they try to be more like the other carriers, they end up being more like the other carriers in cost structure, which is a fare-approach.

Fuller: AirTran actually had lower fares than Southwest, I believe.

Orr: They were both low-fare carriers, and that is a tricky question. It depends on where you are, where you want to go, and how you want to get there. It is really hard to talk about airline fares.

Culpepper: But there is no general impression that the fact that Southwest is coming to Charlotte is going to have an impact on fares?

Orr: I don't think it will have any impact on fares. Southwest touts the Southwest Effect. My opinion and Michael Boyd's opinion is the Southwest Effect no longer exists, and the numbers show that.

Fuller: That is what you will show us in the chart next month?

Orr: Yes

3. Parking Revenue Control System

Action: Approve a contract with Scheidt & Bachmann in the amount of \$4,692,904 for the purchase and installation of a Parking Revenue Control System

Background

- The Airport has a commercial vehicle lane, 5 parking decks, and 5 surface parking lots totaling 27,331 public parking spaces. The Airport's Parking Revenue in FY2010 was \$30.1 million.
- The Airport has had an automated Parking Revenue Control System provided by ACS, Inc. since 1982. This system is outdated and becoming unsupportable.
- On March 8, 2010 Council approved a contract with Kimley-Horn and Associates which provided for the design of a new automated parking revenue control system, assistance in procurement and installation, and acceptance testing of the system installed.
- Three vendors were pre-qualified based on experience in providing similar systems and submitted proposals in April 2010.

- This contract provide for all new equipment and provide credit card entry and exit, self service options, as well as traditional ticket in-cashier out capabilities along with numerous security controls.
- Upon receipt of qualified proposals, ACS, Inc. was eliminated and interviews were held with Scheidt & Bachmann and CTRS Systems
- Based upon all evaluation factors including their experience at other large hub airports, Scheidt & Bachmann was selected and the contract terms were negotiated.
- Their proposal provided for a one year warranty upon completion with an additional five years of maintenance to be funded by the Airport Operating Fund.

Contract Terms

- This contract duration is 650 calendar days.
- The contract was negotiated on a lump sum basis.

Small Business Opportunity

Established SBE Goal: 4%
Committed SBE Goal: %

Summary of Bids

N/A

Culpepper: Will this affect the operations of the valet service?

Orr: No, it won't. That is a separate, self- contained computer system.

7. Open Forum

Riolo: I would like to introduce our first guest, Russ Davey. We have an extensive agenda today, so if you could each limit your remarks to three minutes.

Davey (summary): Thank you for allowing us to be here and address you. I want to share the Airport from our perspective. The document I have passed out shows the flight paths of April 11th of this year. If you look at the map and see the thick redline coming off the end of the runway, I live under that. On that day, there were approximately 297 flights in that red line, which goes over a residence I built 29 years ago. I built it in such a way that I could live there always. I now deem it uninhabitable due to the intensity of the frequency of the airplanes and that the altitude of the airplanes has lowered. This was done without my input and without any notice. They built this highway right over my head. Many of my neighbors are complaining. They are unable to sell their houses. I feel like my voice is so small. This information, this map came from the Freedom of Information Act and we had to dig for it. The effects of these flights have had a big impact on neighborhood and on our lives. We had a sound evaluation, and I was specific that it wasn't the sound of any one aircraft but the constant drone of aircraft. The flights are over 10 miles into their pattern when they get to my house. I do not live near the Airport. It took me 30 minutes to get here today. I did not build my house next to the Airport. When I built this house, I was a long ways from the Airport, and I am still a long ways from the Airport.

Riolo: What neighborhood do you live in?

Davey: We call it Lower Steele Creek. We are really a Lake Wylie community down on the other side of 49.

Dorsch: Is that South Carolina?

Davey: No, it is not. We are about 3 miles from South Carolina? We would love to have the patterns like they used to be, with the airplanes higher and more dispersed. And I understand that I have to take my share and I am happy to take that share. But I am taking much more than my fair share right now.

Riolo: Any further questions?

Edwards: Jerry, based on the prevailing winds, do most of the flights take off to the south?

Orr: About 60% take off to the south. It is pretty close to balanced. It is seasonal as well. More take off to the south in the summer and more take off to the north in the winter because of the prevailing winds.

Carpenter: Is this an FAA issue?

Orr: Yes.

Carpenter: I do not know what influence we could have, but it does look like there could be multiple routes.

Orr: Let me talk just a little bit about this. Now this map shows only departures and not arrivals?

Davis: Yes, I requested departures so they only gave me departures. However, there are also 400 planes on arrival RNAVs crisscrossing at basically that point. We have constant noise for 18 hours a day. I think it is unconscionable

Orr: If you look at this map, before RNAV procedures what you would see looks more like the area north of the white dot where the routes are more spread out.

Davis: Here is a map of before. You can see where they squeezed down the dispersion to that line. You can see how the departure pattern changed in one year, and they are artificially restricting the altitude of the aircraft. I believe that FAA has taken our property and they did it without a public meeting. You cannot have a great Airport if you are doing that to the citizens of this city. The reason we are here is not because we think you have the power to fix this, but because you are charged as a committee to act as liaison between the Airport and the people. Jerry is not for this, and we need to get this committee and the City of Charlotte against this. We need a foundation so we can go to the FAA. We are also talking to our congressmen and senators. I am pleading with you to take this seriously. This is a national issue and we need to come together. We need to get control of this.

Long: I represent several organizations in the Lake Wylie area, totaling about 2,000 business entities, 12 homeowner associations, and about 3,000 residences. I personally live in River Hills, which is on the map just on the other side of Lake Wylie. I am retired from IBM and I know enough to know that this problem is not necessary. With the computer systems available, it is easy to back up and use dispersion. This is not rocket science.

Davis: There are health issues as well.

Riolo: We would like to thank Mr. Davis, Mr. Davey and Mr. Long for coming and speak to us. We appreciate your sincerity, your research and your information. Thank you very much.

Vaughan: Can we come up with an alternative plan that we could present to the FAA and to the community? And to US Airways, who seems to be benefitting from this new plan? Is there anything we can do?

Orr: The airlines really have no input into how they fly. This is an FAA-generated issue, so the solution has to come through the FAA. Mr. Long is right, I am not a computer guy, but I know how to use GPS on the boat and I know it is possible to put those aircraft on different paths and do it safely. We need to keep telling them that this is a problem and that it is one that they need to address. They are the ones who have to fix it. We stated in 1979 that our policy was to keep the airplanes on a track close-in (within 2 miles off the end of the runway) and then to disperse them so that everyone got some noise but no one got all the noise. And that is how we operated the Airport for 30 years until the FAA adopted their RNAV procedures. The obvious solution is to develop multiple waypoints for the aircraft computers to follow. In my opinion, it can be done; however, it is not something that the FAA is going to fix immediately.

Vaughan: Can we as an advisory committee ask the FAA to look into dispersion?

Orr: Certainly you could.

Vaughan: I think we should go on record. We should look at safety and noise and dispersion.

Riolo: Is it possible to understand the FAA's position on this and why we do this? Should we table this motion until we have a chance to hear from the FAA?

Orr: We repeatedly state our goal is to balance capacity and need with environmental consequences.

Edwards: I would like us to take this under review.

Carpenter: I would like to see a quick response to this.

Orr: We can ask.

Vaughan: Perhaps we can ask the FAA to come to one of our meetings and explain why they do what they do.

Riolo: How about a motion to support a review of the dispersement of departing and arriving aircraft in accordance with the established procedures of the Airport's good neighbor policy.

Motion: Vaughan

Second: Fuller

Vote: 8-0

Edwards: Is this a problem that other airports are experiencing?

Orr: We can look into that and get an answer for you?

Edwards: I think that would be a good idea.

Riolo: As a wrap up, we have passed the motion and have tasked the staff to report back to us on the numerous issues that were raised, and also request if we can hear anything from the FAA? Is that right?

Riolo: As we have numerous items we will roll to the next meeting as we are out of time, with the exception of one item, the Runway 5K.

Orr: Herbert Judon, Operations Manager will speak to this.

Judon: Thank you. The 2010 Runway 5K will be our fourth year that we have done this. This will be Saturday, October 30th at 8 AM. Last year we drew almost 1900 individuals to the event. The funds from the event will go to support LifeSpan, which is an organization that helps adults with developmental disabilities. As you can see from the chart, our first year we had 360 participants, the following year we almost doubled and last year we almost tripled. Here you can see how we close a portion of the runway temporarily and the taxiway to allow the runners to use this as part of the race. It has been a well-received event. Any questions?

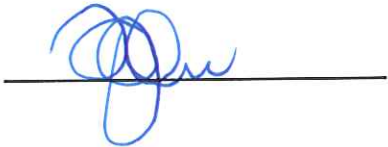
Riolo: Can you speak a little about the entry fee?

Judon: Yes, there is an entry fee of \$20 until October 25th when it goes up to \$25. All proceeds go to LifeSpan. If you are interested in registering as a participant, you can do so on the Airport's website.

Riolo: Thank you.

Adjournment:
Motion: Edwards
Second: Dorsch
Vote: 8-0

Meeting adjourned at 9:10 a.m.



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