

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from August 2, 2012
Charlotte Douglas International Airport
Piedmont Conference Room
8:00 a.m.**

Present

Shawn Dorsch, Chair
Drew Riolo, Vice Chair
Todd Fuller
Russ McMillan
Tim Gause
Crystal Jackson
Scott Culpepper
George Pretty
Pamela Bennett
Morgan Edwards

Staff Present

T.J. Orr, Aviation Director
Jennifer Long, Customer Relations Manager
Lauri Golden, Customer Service Coordinator
Haley Gentry, Assistant to the Aviation Director
Kathy Dennis, Airport Planner
Bob Topel, Airport Operations Manager—Landside

Guest Speakers

Larry Jenkins, General Manager for HMS Host—CLT

Absent

Ed McMahan

1. CALL TO ORDER

AAC Chair Shawn Dorsch called the meeting to order at 8:00 a.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF JULY 12, 2012 MINUTES

Minutes were approved as written.

4. BUSINESS AGENDA

1. Airport Parking Deck Construction Change Order

Action: Approve a change order with Archer Western Contractors, LTD. in the amount of \$1,005,241.00 in order to reduce the contract time for early completion of the parking deck and for construction changes related to the rental car fuel system.

Background:

- In July 2009, Council awarded contracts for the design of a new parking deck accommodating 4,000 hourly parking spaces and 3 floors for rental car facilities.
- In November 2011, Council awarded a contract to Archer Western Contractors, LTD. In the amount of \$120,920,000 to construct a new 7,000 space parking deck for hourly parking and rental car operations.
- The new deck will replace the existing 2,713 space Hourly Decks located in front of the Terminal.
- This change order improves the construction schedule of the deck, moving the substantial completion of the deck from March 2015 to November 2014, which gives the Airport the opportunity to increase parking revenue in FY15.
- This change order also accommodates changes needed to improve fire protection and allows the ability to store fuel adjacent to the deck in lieu of pumping from fuel farm on Old Dowd Rd, which saves two million dollars in overall project cost.

- Funding for this change order comes from proceeds of the 2010 General Airport Revenue Bonds and Contract Facility Charge (CFC) revenues.

Contract Terms

- Action is a change order to a lump sum contract.

Small Business Opportunity

Established SBE Goal: 9%

Committed SBE Goal: 10.32%

Archer Western Contractors, LTD exceeded the established SBE goal, and committed 10.32% (\$12,373,436) of the base bid amount to the following SBE firms Southern Concrete Services (concrete reinforcing), Allpoints Trucking (asphalt hauling), Skyline Design & Landscaping (landscaping), Moore Linder Engineering, Inc. (engineering consulting) and Pandtl, Inc. (erosion control).

Council Date: August 27, 2012

Motion: Gause

Second: Culpepper

Vote: 10-0

2. Taxiway D Extension South

- Action:**
- A. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$5,235,053 for the construction of the Taxiway D South Extension; and**
 - B. Approve a contract with Triangle Paving and Grading, Inc. in the amount of \$6,742,052 for the construction of the south end of Taxiway D; and**
 - C. Approve a contract with On-Spec Testing, Inc. in the amount of \$149,985 for quality assurance testing services; and**
 - D. Approve a contract with Talbert, Bright, and Ellington, Inc. in the amount of \$88,034 for construction administration services; and**
 - E. Adopt a Budget Ordinance appropriating \$5,235,053 in FAA grant funds and \$1,745,018 in Airport Discretionary Funds to be repaid with future General Airport Revenue Bond proceeds.**

Background:

- In May 2007, City Council approved a contract with Talbert and Bright, Inc. to design the Taxiway D Extension.
- The taxiway extension will increase airfield capacity by providing direct access to the east side of Runway 18L for aircraft using the Air National Guard and corporate facilities, as well as providing a bypass for air carrier aircraft departing on that runway at peak times.
- The FAA has offered the City an Airport Improvement Program (AIP) grant in the amount of \$5,235,053 for construction of the taxiway extension. The grant will cover 75% of the construction costs.
- The remaining 25% of the costs will be funded by future General Airport Revenue Bond proceeds, the debt service of which will be paid for with Passenger Facility Charge (PFC) revenues.

Contract Terms

This contract is a unit cost bid with a 210 calendar day duration.

Disadvantaged Business Opportunity

Action B:

Established DBE Goal: 15%

Committed DBE Goal: 15%

Triangle Grading and Paving met the established goal and committed 15% (\$1,011,308) of the total bid amount to the following DBE firm(s): Bullington Construction, Inc. (fence), Carolina Environmental Contracting, Inc. (silt fence erosion control), Martin Landscaping Co, Inc. (landscaping), Cruz Brothers Concrete, Inc. (concrete)

Action C:

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.

Action D:

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.

Summary of Bids

Triangle Grading and Paving, Inc.	\$6,742,052
Devere Construction, Inc.	\$7,193,410
Blythe Development, Co.	\$7,552,540
Hi-Way Paving, Inc.	\$7,850,250

Council Date: August 27, 2012

Motion: Culpepper

Second: Fuller

Vote: 10-0

5. STATUS REPORTS/DISCUSSION**1. Concession Update**

Larry Jenkins, General Manager for HMS Host at CLT, provides the committee an update on their Food & Beverage operation.

- From concept planning to design to operations, HMS Host is focused on maintaining brand integrity and addressing unmet segments and product categories in multiple formats from white table cloth to grab and go.
- Cinnabon, located in the Atrium and Concourse A, will soon undergo renovations to receive an updated look.
- Manchu Wok, located in the Atrium, will soon be reconcepted into Genghis Grill. Genghis Grill-The Mongolian Stir Fry, is a build your own bowl, fast casual, Asian stir-fry concept.
- Beaudevin, a wine and tapas bar, recently opened in the Atrium in the former Business Center space. Beaudevin, which translates to "the beauty of wine," also has locations in Brussels and Miami. The eatery offers over 30 great wines, including local wineries, in a sophisticated, cozy setting. At the wine tasting bar, some wines are dispensed through a high-tech, self-service machine. The décor includes wine glass chandeliers, white leather seats and walls accented with illuminated wine bottles. Shrimp cocktail, smoked salmon and imported cheeses are just a few of the items on the menu. Beaudevin is estimated to generate \$3 million in annual sales.

- (Food samples from the menu are passed around to the committee for tasting.)
- Ciao Bakery and Café recently opened on Concourse D. The location features Illy Coffee, which is famous for its authentic Italian coffee infused with a smooth, balance flavor made with the highest quality of Arabica beans.
 - The main food court, located in the Atrium, is receiving a refreshed look to modernize the space. New seating, tables, flooring, lighting and finishes are included in the project.
 - Dine Out For Kids is a community-wide event that provides an opportunity for restaurateurs and sponsors to support at-risk students in their community by donating a portion of the profits. HMS Host has donated a total of \$53,000 since 2005 and is the single largest restaurant sponsor.

Culpepper: Is there a push to try and bring in local restaurants to the Airport to give them a presence, like the Bad Daddy's concept that recently opened?

Jenkins: It's a combination of local and national concepts. Passengers often look for recognizable brands. With this airport having a lot of transfer traffic, we take that into consideration. Bad Daddy's Burger Bar, which is a local concept, made sense for the Airport because the gourmet-burger trend is hot right now. Bojangles is another location concept that we have here that makes sense and works well in the environment. It is a balance with local and national brands. It is our job to maximize revenues. It can sometimes be a challenge for a local, unfamiliar concept, to compete with a concept like Chili's. For example, Starbucks dominates the coffee trend and a local coffee concept in the Airport would not be able to compete with them.

Culpepper: I would encourage you to continue with local concepts. I notice that Bad Daddy's is often packed.

Jenkins: Yes, we will continue to look at those premiere brands in a category that makes sense for the Airport.

Edwards: Has Krispy Kreme approached you? I see where they just announced new locations.

Jenkins: We had Krispy Kreme here when it was hot. We rode that wave up and then we rode that wave down. The concept crashed and that location is now Cinnabon. In fact, at that time, we took Cinnabon out and replaced it with Krispy Kreme, to later switch back to Cinnabon. At the end of the day, the doughnut category can only deliver so much volume in a space. The average check is so low. If there was a spot for Kripsy Kreme, we would probably use it for a Starbucks, which would triple the sales volume. I don't know if we will go with that concept again.

Orr: What's important to us is that Larry keeps the customer happy. Larry's job is to maximize revenues. We have a true partnership with HMS Host and split profits 50/50. Krispy Kreme was my idea to put them in, but it's Larry's job to identify when the wave is crashing.

Riolo: I want to thank Larry for the breakfast we get at these meetings. When we opened the terminal in 1982, we had one cafeteria. The progress that you have shown over the last 30 years is great. I want to applaud you for the selections and varieties offered. I also like that the offerings are where people are, at the gate areas. I also want to thank you for the pleasant people that work for you. When Pearly cooks breakfast for us, she couldn't be a nicer person. I also want to thank you for the employee discounts that are offered.

2. Taxi Operation Agreement Update

Bob Topel, Airport Operations Manager—Landside, briefs the committee on the taxi agreement.

- It has been one year since the Airport initiated new taxi agreements aimed at improving customer service.
- The outcome has resulted in fewer complaints and an increase in compliments.
- Under the new agreements, Taxi USA (Yellow), Crown Cab and City Cab are the only companies authorized to pick-up passengers from the Airport.
- Previously, 12 taxi providers operated at the Airport, which left numerous operational and management challenges.
- The new agreements include set guidelines requiring all taxis to have a GPS system, backseat

- credit card technology, airport taxi decal and uniformed drivers.
- Vehicles must be new or no more than three years old when entering taxi service at CLT and may operate at the Airport no longer than three years.
- The Airport recently extended the agreements for another year.

Dorsch: Are they all the same size with the same number of cars?

Topel: No, the biggest is Yellow, the second in Crown, followed by City Cab.

Dorsch: Are you able to rank them as far as who you think is the best?

Topel: They all do well and follow the same guidelines. We meet with their management teams every other week and stay connected on any issues and concerns that we have or that they have. They all do a great job for us and are happy to work with us.

Dorsch: Has the number of cabs remained stable? Have you tweaked that at all from when you started it?

Orr: It is the same number we started with.

Culpepper: Do you get feedback from the companies themselves about how it has affected their profitability? I know there were a lot of concerns among the drivers when we started this and it was very controversial.

Topel: We get very positive feedback from the companies and the drivers. As far as impacting their revenues, I don't have the answer to that.

Orr: I would add that the drivers and companies who are here are happy with the program. The ones who are not here are not happy.

Gause: Do you have similar agreements with other services, like the limos?

Orr: We really don't have much control over the limos. We do permit them, but the City Ordinance allows them to do pretty much anything they want to.

Riolo: Shawn and I are your secret shoppers. We go out and take the cabs and see how it goes and don't tell anyone who we are. The improvement has been outstanding. Bob, you have done such a great job with this, so we are going to put you in charge of all the City of Charlotte taxis.

3. Report to the Community

Haley Gentry, Assistant to the Aviation Director, speaks to the committee about the upcoming Report to the Community.

- Each year, this committee is responsible for a "Report to the Community", also referred to as the Annual Report, which is presented to Council.
- This year's report will be in a video-format and will highlight the year's accomplishments with a focus on the Airport's financial standing and bonding rating.
- Each member will receive a copy of the script for review and comments.
- The report is scheduled to be presented to Council at the end of the month.

4. Art Project

Kathy Dennis, Airport Planner, addresses the committee regarding a new art sculpture. Each committee member receives a one-page info sheet on the art project.

- A new sculpture by Portland artist Ed Carpenter is being installed at the Billy Graham Parkway exit ramp onto Josh Birmingham Parkway. The sculpture's name has not yet been decided.
- Installation is anticipated to wrap up by the end of the month.
- The piece is part of the City's Public Arts Program.
- This project is funded through the City of Charlotte's 1% for art ordinance.
- The Arts & Science Council administers the Public Art Program for the City of Charlotte and Mecklenburg County. Artist selection and designs are approved by the appointed Public Art Commission.
- Ed Carpenter is the artist and has almost 40 years of experience as a public artist.
- The sculpture features steel, lighting and dichroic glass and is over 60' tall and 25' wide.

- The artwork is being fabricated locally by Charlotte-based SteelFab. Fabrication of a piece of artwork is a new venture for the company.
- The project is a collaborative effort between 15 agencies/companies and includes engineers, inspectors, etc.
- The project originally planned for energy to be provided by solar panels. Unfortunately, this required additional site work, including a 12-foot deep vault. The return on investment would have exceeded 100 years. Therefore, traditional electric service was selected
- In keeping with the Airport's recent architecture, the piece will incorporate the same steel panels used in the Daily Decks and Business Valet Deck.

Culpepper: How prominent will that site be once we reroute traffic for the new Airport Entrance Road?

Orr: This part of the road won't change.

Riolo: The funds come from 1% of what?

Dennis: It's 1% of all CIP (Capital Improvement Program) projects. This is through a City-County joint ordinance. One-percent of the budget on a CIP project is set aside for public art. It goes into a kitty. The Arts & Science Council administers the funds.

Riolo: Is the artist in charge of the continuing maintenance on this?

Orr: Absolutely not.

Riolo: In front of the old coliseum, wasn't that the case, where they put the bushes up?

Orr: The City had to maintain the bushes. You have to have the artist's permission to move the sculpture.

Riolo: What's this cost?

Dennis: I don't know the cost of the sculpture. We are keeping the site work that I just shared with you under \$100,000.

Orr: I think it is \$300,000, plus the \$100,000. The money that goes into the fund from the Airport is not taxpayers' money. It is Airport money. Therefore, all of the money that comes from Airport projects into the art fund must be used for projects on the Airport. Otherwise, it would be revenue diversion.

Dorsch: So we are not funding art projects downtown?

Orr: We are not funding art projects downtown. We are funding all art projects on the Airport.

Culpepper: At that same 1%?

Orr: Yes, it is 1% of all the projects that are available to the public. In other words, it doesn't come out of any of the runway work.

Dorsch: Would it be fair to say that even though Airport money is only used on the Airport, that the Public Arts Commission, which is making decisions about what art is going to be here, is a non-Airport group?

Orr: Absolutely.

Fuller: Can you repeat that?

Dorsch: Airport money is only used at the Airport. But the Public Arts Commission, who is making the decisions about what type of art to have at the Airport, is not a part of the Airport. It is a non-Airport group who is making those decisions.

Culpepper: They probably pick better art than we would.

Dorsch: Time will tell.

Riolo: You mention that you are going to name the sculpture this month?

Dennis: The artist is going to name and dedicate the sculpture.

Riolo: Okay, let's be really careful with that. You know when we put the Gumby statue up at the old coliseum, a lot of that went down because of the name. We spent all of that money and ended up tearing it down. I think a lot of it had to do with that name, Gumby. Does the artist have the sole naming rights?

Dennis: No, the Public Arts Commission has received input from City Council and others, and I believe they have a plan in mind to dedicate the sculpture. I feel pretty certain that it is not going to be Gumby.

Orr: The sculpture at the coliseum was not named Gumby, it was called Gumby. People can call things whatever they want.

Edwards: Has any decision been made yet about where the Queen will go?

Orr: We are planning on moving the Queen temporarily to what's now the back of the Daily decks. That is not the permanent spot.

5. Director's Report

Recycling Terminal Carpet

- Terminal carpet donated Habitat ReStore, a fundraising division of Habitat for Humanity of Charlotte.
- The shop offers a valuable option for homeowners and businesses to purchase used and new items at a discount rate.
- All proceeds from the store go toward building Habitat homes.
- So far, \$35,000 of the terminal's old carpet has been sold to buyers wanting it for their basements and garages.
- The store plans to sell another \$35,000 of the Airport's old carpet for a total profit of \$70,000 - track to build one Habitat house.
- To date, Habitat ReStores in Charlotte have funded 78 Habitat homes.

Charlotte Business Journal Article

- US Airways-American could be a big deal for CLT.
- Copy of article located at each member's seat.

Culpepper: Can you expand on this article?

Orr: This would elevate US Airways to one of the three major carriers in the country. It would make them able to compete worldwide on even-footing. The new American would be able to bracket the new Delta with the Charlotte hub and the Miami hub and bracket Atlanta, as well making US Airways, who is very important to us, more viable as we go down the road.

Pretty: Any information on what it would do for international service?

Orr: It could give Charlotte great connection to all of Central and South America, which incidentally is one of the fastest growing parts of the country, as well as the rest of American's international network. It would give American a great presence on the eastern seaboard, where two-thirds of the people live halfway between New York and Florida.

Fuller: What effect would it have on airfares?

Orr: I don't think it would make a lot of difference in both the total system and Charlotte in particular. I don't think it would be noticeable. We ranked in a survey as #50 among 100 airports for average airfares. We are right in the middle.

Gentry: It was a recent analysis from Cheapflights.com.

Meeting adjourned at 8:52 a.m.



 T. J. Orr, Aviation Director

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