

The City Council of the City of Charlotte, NC, convened for a Workshop on Monday, September 7, 2010, at 5:35 p.m. at the Carolinas Aviation Museum with Mayor Anthony Foxx presiding. Council members present were: Jason Burgess, Patrick Cannon, Nancy Carter, Andy Dulin, David Howard, Patsy Kinsey, Edwin Peacock III, Warren Turner

**ABSENT:** Councilmembers Michael Barnes, Warren Cooksey, James Mitchell

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Mayor Foxx said it's great to be out here at the Airport, and I want to thank the Council members for being willing to take a field trip tonight as well as the staff for setting it up. Before we get going tonight, we are going to hear from Jerry Orr, our airport director, but I wanted to highlight just a few things about our Airport. A lot of times we have assets in our backyard we don't really stop to take a look at how great they are, and our airport is certainly one of the crown jewels in the crown of the Queen City. It generates substantial return on investment.

Just a couple of things: 2010, just a few weeks ago, our Airport was awarded the Eagle Award for the best airport by International Air Transport Association. We continue to see growth in our airport. We have had, I think over the last year, some 34 million plus total passengers pass through Charlotte in the second highest passenger total in the City's history. We are served by seven major airlines, two foreign flag carriers, 15 regional carriers, and two low-fare carriers. We continue to make progress. The third parallel runway was opened this past winter, and as members of the Council know, we are excited about the intermodal facility that will be coming to the Airport in coming years that will also generate a substantial return.

I'm sure our airport director, Jerry Orr, is going to get into all of those things, but don't let the point be lost that this airport when I go and talk to business leaders about why they moved to Charlotte or want to do business here invariably out of the top three things they say the Airport is always one of those three key pieces. So, we want to thank the Carolinas Aviation Museum for hosting us as well. This is a beautiful facility. We are looking forward to flying all these planes before we leave tonight, and, if not, maybe at some other point in the future. But, Jerry, I'm going to stop there and let you carry it away.

**Jerry Orr, Aviation**, said an airport is a very big place, and a successful airport is a big place. It has a lot of airplanes around. We hope by the time you leave this afternoon you will feel that this is a very successful airport. Now, Stan Vaughn is the past chair of your Airport Advisory Committee, and he is going to make a few comments and deliver to you their annual report on their achievements over the past year.

**Stan Vaughn, Past Chair, Airport Advisory Committee**, said as chairman for the past year of the Airport Advisory Committee, it is my pleasure to introduce you to the Airport 2010 Report to the Community. This year we are using a video approach to this report. We did the same thing last year. It allows us to use video and photographs taken during the year's special events, and more importantly as you will know, if you know Jerry Orr, it cost us 80% less than it would be to print the report.

The Mayor has commented on several things that happened this past year at the Airport that we are very proud of. Obviously many of y'all were present when we opened our fourth runway. I think it's called 18R-36L for pilots. To me, it's just a runway, but we are very proud of it, and I think it's the third parallel runway and our fourth runway overall. We also maintain a high bond rating this year, and that's very important both to the City and to the Airport to keep our finances in good order, and we have continued that. One of the things that will continue this year for Charlotte, which doesn't happen in many airports across the country, is we had continued increase in passengers and service. We also made significant improvements in customer service and in development of employees. As the Mayor mentioned, we won the Eagle Award from the International Air Transport Association. That supposedly goes to the best airport in the world, and we think it was rightfully deserved.

Before we run the report, several people have quoted a lot of statistics, and one that always amazes me about the Airport is that on this property better than 20,000 people earn their living,

and on top of that, there are only 300 and some of those Airport employees, so it shows the economic effect of this airport not only for economic growth but also for just the livelihood of many people in our community. With that, I'm proud to turn over to you the video, which we will now look at, and if you have any questions, I'm sure Jerry will be happy to answer them. The video presentation of the annual report was played.

Mr. Orr said I have asked Shawn Dorsch to say a few words to you about his organization that you are in the midst of here. This is not only a big airport; this is a big room. This was Wachovia's hangar, which we acquired when they pulled back their aviation operation, which means that they designed and built this. If I had built it, it would have been air-conditioned.

**Shawn Dorsch, Carolinas Aviation Museum**, said we are very happy to have everybody out here this evening. What you see around you is a fraction of our collection. The museum has been in existence for about 18 years, and the vast majority of the aircraft and artifacts are still in storage, and we are very excited about the ability to transition from an outdoor museum where we were very weather dependent to a property indoor facility where we can now expand our educational programs. This facility and the museum is overseen on a daily basis by our executive director, Randy Breedlove, in the back. Randy comes to us from the FAA, and Randy's focus is on education. We have begun to do some projects with Goodrich, for example, to get school kids out here. We have an education classroom behind me here, and we are really excited about that as well as developing partnerships with Discovery Place, and hopefully we can even do something with NASCAR and have an exhibit out here on the wings of NASCAR and all the different NASCAR airplanes that they have. So, we are very excited about that, and I want to thank everybody for coming out this evening.

Mayor Foxx said some of us got to ride on this Piedmont Airlines DC-3, and it was one of the greatest experiences of my life, so much so that I brought my family back here, and we have joined the museum's membership, so it's a great place, and you are doing great work. Thank you.

Mr. Dorsch said just real quick – over by the DC-3 you will see a sign. We are working on acquiring the Airbus that landed in the river, the entire Airbus 8320, Flight 1549. It's in storage in New Jersey, and USAirways is working with us and the insurance company, and hopefully next year at this time that airplane will be down here and will be on display.

Mayor Foxx said that's fantastic.

Mr. Orr said most of what I have to say was covered in the video. I'm just going to highlight that, but if you have any questions as I go along, just jump right in. I have my notes here so I won't lose my place. I make up most of these facts as I go along anyway, so test me. He began a PowerPoint presentation and said this is our vision that guides us as we go down the road, and our mission, which you heard repeated when we were awarded the Eagle. We express this to our employees very simply: quality up and cost down. If we need to, we take a magic marker and just write on the back of their hands so they can keep that straight, but this guides everything that we do at the Airport, and it's quality and cost. Anybody can do one or the other.

We also measure those things that we do. My grandmother told me that it is a sin to brag, but she also told me if you can back it up then it's not a brag. The Eagle that we won this year for the best airport I think really personifies what we are about, our goals. It was especially rewarding that the reasons they gave it to us are almost identical to the statements in our mission and our goals.

Now, as you were told, we also employ people interviewing passengers to measure our effectiveness, and this company said that 97% of the people using our airport are satisfied with the experience overall. I think that's much too high. Obviously they are fudging the figures. We use these to determine relatively between questions what people are concerned about. If the measurement is low, then we need to focus more resources on that. If the measure is really high, we just try to not mess that up. Even J.D. Power agreed that we are at the top of the list.

This chart is one that you have seen over and over again. We learn by repetition, and I want you to really, really focus on this. The first yellow column is the cost to the airlines to operate in

Charlotte last year around the dollar -- the cheapest of any major airport in the world. The gentleman who presented the award was I thought a little too kind to the other airports. He said among the lowest. In my opinion, we are the lowest, and, of course, we are the best. The second yellow column represents what the costs would be if USAirways were to leave tomorrow, take their hub with them, not pay any of their bills or any of their debt. We could satisfy all of our obligations, not lay anyone off, and our cost per passenger would still be less than the average of these 25 large airports here. Obviously that's not what we plan to do, and we are quite sure that if USAirways should ever decide that they didn't want to be here that someone else would be here very quickly. When you produce the highest quality product at the lowest cost, you don't have to worry too much about marketing.

A few quick facts about just how big this airport is, and if you look at this little timeline, you will see how rapidly we have grown since I came here back in 1975 on the far end of the chart over there. De-regulation came along in 1978, which allowed airplanes to fly anywhere they wanted to and charge whatever they wanted to. That may or may not have been a good idea, and I won't get into that right now. In 1982 we built the new terminal, and we were blessed with a lot of continual growth here in Charlotte. We were the fastest growing Airport in the country for a number of years, and we continue to add employees as we went along, and you will see that in another slide.

We come up here to 2000, a couple of years before 2000. The recession started. The wheels started coming off the airline industry, and then 2001 came along, which made it a lot worse. Our traffic leveled out while others were dropping significantly. Then despite two successive bankruptcies by our largest tenant, we were able to sustain amazing growth, and that growth continues with the opening of our new runway.

We board a lot of passengers here. Our total passengers are about 37 million this past year. That's more visitors than Disney World including all of their ancillary operations like Sea World. It is twice as many as the biggest attraction in Mecklenburg County, which is Concord Mills. The blue is the local boardings. Those are people that begin their trip in Charlotte, and the green are the transfer people. You notice that while the local boardings have been flat the last couple of years reflecting the economy that the total boardings have continued to increase slightly showing that USAirways continues to focus on and develop their hub here in Charlotte.

We have several different kinds of airplanes on the Airport. The blue are our large passenger scheduled airplanes. The pink are the regional scheduled carriers, and the green are the corporate aviation. Our passenger activity, while international is not a big portion of our total passengers, it has grown remarkably in recent years. A little bit about our staffing here at the Airport. I am the aviation director up there at the top of the heap. All the good ideas come from me, but I have an extensive and able staff to help me carry out this program.

**Haley Gentry, Aviation**, said I'm the public affairs manager, and I'm responsible for all marketing and communications. I'm responsible for media communications, tenant relations, employer relations, and whatever else seems to be the flavor of the month. I have been here 19 years.

**Leila Amal Lahbabi, Assistant City Attorney, Aviation**, said I'm the lead attorney for the Airport, and my colleague and I are responsible for making sure that the business of running the Airport is always in compliance with federal, state, local law, and City policy. What that means on a daily basis is we draft and negotiate a lot of leases, agreements that we have here, and we translate federal regulations into English. I have been here for almost six years.

**Ted Kaplan, Assistant City Attorney, Aviation**, said I won't rehash everything we do, which Leila just summed up so nicely, but I have been here about a year.

Mr. Orr said if you see the attorneys over there taking copious notes what their main function is to advise me what I might be sued about next.

**Will Plentl, Deputy Direction, Aviation**, said my primary focus is on the day-to-day activities. I came to the Airport September 10, 2001. What a difference a day can make. With my team, my top management team, are the assistant directors, and with those managers and the

employees with them we try to do what it takes to keep the Airport running on a day-to-day basis. My other focal point is on the duty officers, those individuals, selected managers, who are available on a 24/7 basis to respond in case Jerry and I are not available. Jerry and I generally are here, but in case that one of us is gone, the other one is always available. We coordinate, and it is reassuring, I think, to our employees that if they need us they can get us.

**Charles Simmons, Assistant Director of Finance and Administration, Aviation**, said I have been with the Airport for about 28 years. My team and I are responsible for all financial, personnel, and technology functions at the Airport, and I do whatever else Jerry deems appropriate.

**Gene Carney, Assistant Director for Operations, Aviation**, said I have been with the Airport for 30 years. My area of responsibility has the public face to provide the Airport the image that we set forth. The majority of the City employees that work at the Airport are in my division. I would like to introduce Herbert Judon. He is over our operations section responsible for inspections, etc. of the airfield and works with TSA constantly to deal with their issues. I would also like to introduce Matt Bower. He is over our ground transportation, parking operation, and last, but not least, I would like to introduce Teresa McNalley, who is our manager of the Airport Police.

**Mark Wiebke, Assistant Aviation Director Facilities, Aviation**, said I have been at the Airport now for about 22 years, and that covers building maintenance, field maintenance, housekeeping, and vehicle maintenance, so I fix everything that we break here.

**Elmo Langley, Acting Director of Development, Aviation**, said I have been with the Airport 27 years. We have four different departments planning, and we have Jack Christine, who is our primary planner here. He puts the ideas with Jerry together, gets the drawings done. Then we turn them over to Engineering Construction, and we get it built, and we have Community Programs, who handles the neighborhood taskforce, noise complaints, noise abatement programs, and environmental to try to keep us straight from all the government agencies.

Mr. Orr said that's the team, and if they mess up, I'm always responsible. This shows you the number of Airport employees, City employees that we have here at the Airport. We have 329 full-time equivalent positions today. You see that from back in 1975 back here the growth of employees pretty well matched the growth in our passengers and the growth in the facility. Along up here where it flattens out is where Mr. Wolf took over the airline and started fattening it up to sell, and in 1993 they made a profit of \$1 billion. The sale didn't go through, and in 1994 they lost \$1 billion. That got our attention, so we put the brakes on, and we have been feeling their pain through the '90s as the airline industry has gone through a lot of turmoil.

You see that our number of employees jumped up right here after 2001. That's when the TSA, which stands for "thousands standing around", came to take over the security effort here at the Airport, and we had to hire a number of additional people to take care of all the things they wanted us to do. Other than that, we have had no significant increase in our staffing level for a remarkable number of years.

This is what those people do. The red is the operations part. Those are the people that interface with the public for the most part. The blue is the facilities. Those are the people that keep the water running and whatever, keep things working, and then the green is the administration as well as the professional – our community programs people, our attorneys. Our revenues, almost \$150 million, this does not include the passenger facility charge. What is significant about this is about 25%, the blue and the green in the upper right-hand corner, are generated by the airlines. That's the rates and charges that are so ridiculously low that they pay us – about 25% of our total revenues. Most airports that's in the 60% to 80% range. We are very entrepreneurial here at this airport. You can see parking is a big part of those revenues as is food and beverage and retail down here and rental car. We are going to talk about that a little bit more in just a minute.

Our expenses – this is where we spend our money – we spend a very big portion of it, the blue portion, on contracts and materials. That is stuff we buy from other people. The red portion is our net debt service; that is, net of the PFC revenues. The green portion is our personnel cost.

The purple is the corporate aviation cost, which you see matched with the corporate aviation revenues that were on the previous chart.

This is another very important chart. The blue is our revenues for the last few years. The green is our expenses, and the red is our net debt service. We have to have enough revenues to make our payments for expenses plus net debt service, so the blue must always equal or exceed the sum of the green and the red. I'm an engineer, and I think that's Pythagoras Theorem. I often refer to the Airport as the cornerstone in our economic development platform, and the Urban Institute out at UNC determined that the enterprise here at the Airport exceeded \$10 billion. They did that same study back in 1994. In the upper chart, you can see that the economic impact was an astounding \$117 million back in 1975, that it had jumped to \$4 billion in '96, and \$10 billion in 2004, kind of matching our growth. You see on the second line here employment generated by all that economic impact is more of a straight line growth, which indicates the tremendous paring down of jobs in the airline industry over the last ten years.

In 1975 the Airport had no bond rating. We had no money, and we actually didn't have much of anything except what we had borrowed from the military when they abandoned this base, and we have managed to build on. In those days, we depended on the airlines for our credit rating. We had to have long-term leases with the airlines that guaranteed our debt service in order to even get in the market and sell bonds. We were more of a traditional landlord. We maintained the buildings and cut the grass. Over the years, that business model has changed radically. We now have a very good bond rating on our own, which is separate and distinct from the City's. The bonds that we issue are general Airport revenue bonds, which are a debt of the general revenues of the Airport – not the taxpayer – and they are issued on the strength of our bond rating. The airlines the last few years really have no bond rating, so when we go to New York to talk to the bond rating people we try to convince them that we don't even know any airline people by their first name.

What you are going to see as we go down the road is airports assuming more and more of the functions that traditionally airlines handled, and airlines sticking to their core business, which is flying airplanes and carrying people from one airport to another. We do have a lot of partnerships at the Airport. You have already heard about a couple of them. We have a partnership in corporate aviation. As you know, we took over the facility, did a deal with Wilson Air Service about five years ago. They execute our business plan, and we make the investment, and they hire the people, and we pay them a fixed fee and share with them some revenues to keep them excited. Our valet parking operation we operate the same way. We make the investment. We pay the Operators Park, Inc. a fixed fee to operate our business plan, and then we share excess revenues with them. I think Tim Newman is here somewhere. Come up here, Tim. Tim is going to tell you a little bit about our partnership.

**Tim Newman** said we have been working together over the last three years on the Airport advertising program. The goal for us is the minute somebody enters the destination we want to welcome them and have a coordination with the efforts that Jerry has talked about in terms of raising revenues and providing better service. Even with a challenging economy, we have had increasing results each of the time. It's been a great partnership for us, and you can see the fiscal year sales. Janet Godfrey is our teammate who coordinates the advertising program. Also sitting near her is Dedra Fullwood, and the next slide talks about what we are doing there. The Info Center was redesigned and has met with tremendous, tremendous customer feedback. The NRA, when it was here in May, that was a very key thing for us to be able to direct folks. The signage is very visible now. It coordinates with all the other signage we have at the other info centers in the communities, so it has the feel of a big league destination that we are always striving to become, so we are very much in strategic alignment with what Jerry and his team do and appreciate the opportunity to partner for you.

Mr. Orr said we also have a partnership with HMO Host, who operates our food and beverage concessions in the terminal building. I think some of them are here tonight. Will you all stand up and let the people see you. You heard a little bit about the North Carolina Air National Guard – Colonel McMillan. What we like most about having the guard on the base is they have a lot of neat equipment that we can borrow and use, and it's a lot of fun to play with taxpayers' dollars. The most important part of that is they give us access to DOD funds, so we were able to get

DOD funds -- \$7.2 million – to fund our new fire station, which otherwise we would have had to pay for.

We partner with a lot of City departments. The captain here is one of those. We have a fire chief back there in the back. Stand up. We borrow these people, and they look out over either our people or their own people that are working here at the Airport. We have 58 City firemen out here, and one Charlotte-Mecklenburg police officer, and two people from the City Attorney's Office. We also partner with federal agencies. The dogs you see here actually work for the TSA. These are the most effective TSA employees by far that we have on the Airport, although we have 464 TSA employees here at the Airport, 171 FAA employees. We also sponsor an Explorer post.

**Jack Christine** said while Mr. Orr rests his vocal cords for a minute I will pick up where he left off and discuss with you some of the emerging trends we see in airline hubs in the US and abroad. As the world continues to get smaller, one of the tools airlines are using to connect passengers to the world are airline alliances. There are three major global alliances – Star, Sky Team, and One World. As you can see from this slide, the carriers that are listed below each alliance are the major carriers that serve Charlotte. You can see that we are a very strong Star hub and Star happens to be the biggest alliance in the world. The purpose of the airline alliance is to provide seamless customer service for passengers traveling globally. They offer passengers the ability to book a flight through a primary airline to destinations that use aircraft for multiple alliance partners to get passengers to their final destination.

For instance, someone traveling from Colorado Springs to Munich, Germany, may book a flight on United but may take three Star Lines carriers to get there. From the passenger's perspective, they just got from Point A to Point B, but functionally they flew on three different airlines. From the airline perspective, the alliance allows airlines to funnel passengers through more hubs rather than more extensive point-to-point international destinations. It allows the airlines to sell additional tickets by routing passengers through the alliance network because it gives the airlines access to the destinations they wouldn't normally have available to them. Lastly, because of the expanded route network alliances allow for a reduction of redundant routes by multiple carriers to serve those key international destinations.

Another significant trend we see is reductions in seat capacity system wide. In 2009, the airlines collectively cut 9% out of the seats available across the system. In 2010, we forecast another 10% reduction. The airlines are doing this in order to take control of their fate through capacity reductions rather than ticket pricing, which has proved to be very tough for them to do. Capacity reductions have become a very effective tool in reducing costs and puts more emphasis on the hubs as airlines reduce point-to-point service and instead funnel those passengers through the hub. The seat reductions are coming through retirement of older aircraft with higher maintenance costs and a reduced roll for the 50- and 70-seat regional jets that serve smaller cities in the U.S. What we'll see moving forward is that these cities will have less point-to-point service and the majority of their passengers will follow through the hub system to get to their final destinations. We read in the newspaper and on the Internet that companies like Boeing and Airbus have hundreds of aircraft orders to fill, which may lead you to ask if there are so many seat reductions why do we need additional aircraft. The answer, as this slide shows, is over the next 20 years two out of every three aircraft will be for replacement – not additional demand.

So what does this mean for us? Airlines are going to continue to focus on the hub airports as they continue to look for ways to profitability. In turn, airports must focus on the things that make them attractive to the airlines as a hub such as geographic location, expansion capabilities of their facilities, and the financial structure of the airport. Geographic location is important. For Charlotte, we are lucky to be situated roughly in the middle of the eastern part of the U.S., which works very well for points on the eastern seaboard and the Caribbean. And, as a smart man often tells me, it's better to be lucky than to be good.

Hub airports also must have the ability to expand in a deliberate and systematic way to meet the demand of the hub. In our case, we have expansion capabilities on Concourse B, Concourse E, and the ability to construct a new international concourse on the west side of the terminal complex. The key to expansion is to be nimble enough to adjust to the airlines needs as they change and build capacity as we need it – not before we need it. Finally, and most importantly,

successful hub airports will need to focus on their financial structure to keep costs and service levels up. Keeping our costs per plane passenger low is the most important thing we can do to remain a viable, attractive hub moving forward.

Mr. Orr said that's Jack Christine, my right-hand man. We continue to add air service at a time when most airports are losing significant amounts of service, and for that we are very thankful. We have a lot of service and initiatives that you heard about in the video – our Service Center, our USO, our volunteer program. It's a great opportunity for anybody who likes to be at the Airport to have a job come out here and help people and not get paid. Our restroom attendant program, the free Wi-Fi, free to the customer, and this is very, very popular. We get a lot of letters and emails from people who really appreciate not being nickled and dimed to access the Wi-Fi in the terminal building. Our new flight information displays, our new computer Web site, which actually allows you to book your flight off of our Web site, and we get a small stipend for that. We are also working on a mobile site that allows you to book your flight from your own handheld device and also check on the status of your flights.

You heard from the Airport Advisory Committee, and would the other members of the Airport Advisory Committee that are here stand up and let Council see you. There really is one. We also have some members here from our Neighborhood Taskforce. Would you stand up? These are neighbors that live around the Airport that help me get the message out to our neighbors. Thank you. Herbert, you want to tell them about the run? The race that we have out here every year was started by Herbert Judon, and he came to me and said he wanted to do that. We try to involve our people, and when they want to do something even if I think it's a stupid idea, I tell them, okay, go ahead, but if you mess this up, you are going to have to take responsibility for it. I knew Herbert was big on responsibility, but he has been so successful. He has overwhelmed himself, and I will let him tell you about it.

**Herbert Judon, Operations Manager, Airport**, said my primary duties are Airport security, air site ops. I do the badging and credentialing and also the Airport Operations Control Center. The Runway 5k Run – I have the honor or the privilege to be the leader of this event. We started it back in 2007, and many people who are here today were actually at the first event, and if you recall, we were really happy. We had about 400 or so people that showed up for the first event. Year two we had about 663 people, so we were happy again. We made some progression. Year three it almost tripled, and we had nearly 2,000 people, and you can see from the picture there just all the attendance we had the last couple of years or actually last year.

Those of you that are familiar with running or some of the walking events, you know they have tons of them around the community, and most running and walking events are either in the city center or maybe in a park or maybe in a neighborhood, and those places are nice venues to have runs or walks, but we think we have a venue that is unmatched and perhaps that is why it's so popular. So this is an event where runners and walkers can be in fairly close proximity to aircraft, landing and taxiing aircraft as well, and actually run about a third of the course on an active runway and taxiway, so it's a unique venue. It's also a great opportunity for us especially in this current security environment to reach out to the public and for people to actually again to be able to come and have close proximity to the Airport environment. It's been a great event. We have done some preliminary research, and it appears as though this might be the largest locally sponsored 5k event in the state, so we are doing great with this event. The 2010 event is going to be on October 30<sup>th</sup>, and you can go to the Charlotte Web site if you would like to participate or register.

Mr. Orr said Herbert has suggested that he might have to give up his day job so he can run this event. You know about the solar project that you approved a couple of weeks ago to install solar panels on our maintenance facility. That is underway. You know about our sustainability efforts, our recycling efforts. You are going to hear more about that in a little bit, and our buses that we bought five more recently, and our new runway that the Mayor told you about. It increased Airport capacity. We measure what we do. The point in building this runway was to cut delay costs for the airlines, and this chart shows you the dark blue line is the taxi out time from the gate to wheels up on the runway before we built the new runway. The pink line is that same time for the same airplanes after we built the runway, so the area on the chart between the two lines are the minutes of delay that are saved, and you multiply that by the cost per minute of

delay, and you can calculate exactly how much the runway is saving the airline in cost delay savings. There are numerous other delays, but this is just one of them that we measure.

Everything you do has an upside and a downside. Each line on this represents a flight track during the day of an airplane taking off or landing in Charlotte, and with the new runway, there are people situated where now they have airplanes flying overhead that they used to be over there about a mile. That's an issue, that's a problem, and one that we are putting a great deal of effort into dealing with.

You know about our noise compatibility plan. Also you know it is the Part 150 Plan, and we are almost ready to submit our latest edition of the Part 150 Plan. And, you know about the intermodal facility that you approved the development agreement about a month ago. Norfolk-Southern is currently pursuing a Tiger 2 grant for some additional federal money, and that project is ready to go forward.

We have a few upcoming Council actions we wanted to give you a heads up on. The first of those is a retail concession contract. Last year you extended the food and beverage portion of HMS Host contract for five years, and in that they agreed to an early termination. We went out for proposals to operate the retail shops. There were a number of proposals. You could propose on anywhere from one to all 34 of the outlets. All three of the major providers proposed on all of the outlets. We had a selection committee that interviewed those three. Those three all convinced us without question that we ought to award all the retail concessions to one concessionaire. We believe them, and we selected the Paradis Group to recommend to you next Monday to award them a contract for the next five years, and there are some members of that group here tonight. If you want to jump on them, you can after we get through.

Taxi service – at your last meeting, we deferred our request for proposals, which was out on the street, wherein we asked the taxi companies to submit to us a proposal on how they would operate the taxi service at the Airport. We then take those proposals and pick what we liked out of that, not accept what we didn't like, and we feel put together a program that works well most importantly for the customer, for the taxi companies, and for the taxi drivers.

Mayor Foxx said the Community Safety Committee met today to talk a little bit about the taxi service issue out here at the Airport, and I ask Mayor Pro Tem Patrick Cannon, the chair of that committee, to update the Council on that discussion.

Mayor Pro Tem Cannon said thank you, Mayor, and, of course, as you all will recall, members of Council and Mayor, that on August 23<sup>rd</sup> at the Business Meeting we received a directive to take it upon ourselves to have come before the Community Safety Committee to address this issue of the taxicab service. Of course, today the committee met, which the committee consists of vice chair, Councilmember Patsy Kinsey, along with Michael Barnes, Ed Peacock, and Andy Dulin, all of which were present today, all of which were thoroughly engaged in the discussion that was held.

The members of the Community Safety Committee received a copy of the RFP to provide taxi services here at the Airport as well as a presentation outlining basically their rationale for the request for proposal. In that, the Aviation staff, which consisted of obviously Aviation Director Orr along with several members of his key staff, and they outlined their goals as follows: One, to provide first class service of which Charlotte can be proud; two, to modernize the taxi service system, recover costs of operations, and have a fair system where all parties are invested in its success. So, through this RFP process, the Aviation staff believes that they can contract with a company or companies who can best move forward to meet the goals according to the selection criteria.

The committee did entertain today the opportunity to allow those that were present in the way of cab companies, drivers, and other persons of interest to speak at the meeting. They had approximately two minutes to speak. Councilmember Dulin was kind enough to time the folks and keep them on point accordingly, but their concerns included increase in the Airport permit fees with no corresponding increase in revenues for companies. The second was the request for more flexibility among independent taxicab drivers; i.e., the medallion system. Now, as Mayor and Council know, the medallion system is one of those issues that will be forthcoming in our



PVH Committee discussion, so we will look to address that issue and many others on September 16<sup>th</sup>. That is going to be 12:00 noon at the Government Center, and that is open to the general public. It was stated to the cab companies present that inasmuch as the RFP is laid out and lists what it lists that they understand the marketplace better than anyone else, and where they are able to meet the RFP they should go ahead and draft up what their proposals might look like.

So, that said, the proposal calls for let's say something in the way of fees, which is a current fee right now that exists, and then there is a proposed amount that exists. If they figure they can't get to the proposed amount that is currently existing that they, in turn, find a way to say, okay, here's our number. It will then be up to the aviation director and, of course, his staff to determine whether or not they are able to proceed with what's before them or not, and, if not, obviously the one thing they would do like any entity business wise is to throw those proposals out, resubmit to determine if indeed they should be looking at something else that must be considered.

The Community Safety Committee will review the PVH ordinance, which will be coming up, and we wanted to make a clear distinction that there is a difference between the RFP process and the PVH ordinance, which we will be addressing. There is some level of overlap when you start talking about the age of the vehicles and things of that nature, but for the most part they are – not for the most part. They are two separate items and should be treated as such. Mr. Mayor, with that, we basically allowed for discussion to be the topic today. We received again input from those that were present and are here this day without a recommendation per se other than to allow the process to be what the process is.

Councilmember Carter said there was one issue that I was concerned about – the escalating costs for those who operate the taxis in this economic time. I was wondering if there is a way that we could reward or in some way benefit those who improve the appearance, operation, and service to our clients and our community such as hybrid taxis that have GPS systems.

Mayor Pro Tem Cannon said, yes, and that was part of the discussion that actually came out in the presentation, and what I would like to ask is if we could get that presentation at some point emailed to Council so they can have an idea about the points of concern that you have laid out because, yes, and I have a copy somewhere that I can share with you, but, yes, that is a part of it, and it is in the information that was presented, so I will make sure I get that to you.

Mayor Foxx said I know the Airport wrecker has suspended the RFP process until the Council comes back with a recommendation. Has the Community Safety Committee made a recommendation to allow that process to go forward, or are we still considering action?

Mayor Pro Tem Cannon said the Community Safety has not come back with a level of recommendation, and the way, as we understand it, that it is before the body is that the Aviation Department has really been operating off of what currently is our PVH ordinance and working within the guidelines of that ordinance, so there is some level of flexibility that gives them the ability to do what they are doing now in the way of this RFP process. So things would basically go as they are planned right now with companies responding to the RFP and there being a determination made by the Aviation Department to move forward or not. So, that, I believe, Mr. Manager, is where we are with that. Granted, Council does have the authority to be able to do whatever Council wants to do if it so desires.

City Manager Walton said it sounds like the committee had a good discussion, and our recommendation would be to let the RFP with some amended dates move forward, and, as Mayor Pro Tem Cannon said, deal with the ordinance issue separately because they are two separate issues, so we would concur it's good to let that move forward.

Mayor Foxx said any further discussion of that?

Councilmember Dulin said I just want to put my two cents in. The committee really did spend a lot of time on this, and the reason the committee has done that and the reason that we have held Jerry up a little bit is because we want to make sure we get it right. It's got to be a good deal for both sides. We have an Airport that we are charged with taking care of as stewards, and the small business people out there are trying to make a living, so it's a tough call. So, the RFP we

have decided that as a committee we are going to let this thing roll out, and at the same time, it gives us an opportunity to make sure that we get it right – as right as we can get it.

Mayor Foxx said do you have the direction you need?

City Manager Walton said, yes, sir. We will go ahead and issue the RFP, which ultimately the results of which come back to the Council for your consideration, so that will probably be October, November.

Councilmember Howard said at the last meeting one of the things I wanted to know was kind – I guess I'm going to ask you, Mr. Cannon. Did the PowerPoint kind of share the director's reasons for going forward with the RFP now? I guess I'm even asking Jerry. Maybe take a few minutes just to kind of talk through these goals and why you are going in this direction because from what I understand there is a customer survey that talks about this. There are some other reasons why you are going in this direction that I think will be important to make sure we put a little bit more on the record before we go forth especially considering it came to Council, we sent it to committee, and if we are going to let it go, we should at least put some of those things on the record here tonight. So if you could spend just a few minutes just kind of fleshing this out and even sharing that survey from customers that talk about this being an important issue for them.

Mayor Pro Tem Cannon said, Jerry, if you don't mind, I will suggest that if you are going to speak to that the one thing at the end of the day that this is about is service delivery for the passengers that will be taking this mode of service or transportation from the Airport to their destination. Mind you, this does not prevent any independent cab driver or company driver from picking up a passenger and bringing them to the Airport. So, relative to that and also some issues centered around the public safety aspect and even maybe supply and demand might be some of those things that you can cover here right now that you did so earlier.

Mr. Orr said I couldn't hear that, but I will attempt to answer it anyway. We interviewed a large number of taxi drivers, independent owner/operators, as well as companies, and our understanding of the situation based on what they said is they have to work too many hours and they don't make enough money, and the cab companies burden them with too many unreasonable fees. All of that points to too much capacity for the market demand. We want to structure the system so that the cab drivers can spend their time driving the cab earning money, not sitting in a line at the Airport for an hour where they earn nothing. The customer is the one that we are focused on. We want to provide the best face to the customer every time, all the time, and the way to do that is with companies and drivers who are making a good living and are happy in what they do.

Mayor Foxx said I would only add as this process moves forward given that we are looking at some reviews of the PVH ordinance that if at all possible Community Safety help us work through that on a parallel path so that by the time the contract comes back we will have a little bit better understanding of where we are going with the PVH ordinance, if that's possible.

Mayor Pro Tem Cannon said but I think they still will stand sort of separate from one another for instance. You have something in here with regard to the age of a vehicle. Our current age is about ten years – not about – it is ten years right now. The committee would need to make some determine, as well as Council along with you, Mayor, about if we want to work inside that number or if that number is still about right. But what is being proposed is obviously a totally separate number. But, once again, as stated earlier, a proposed company that might have an interest in this RFP, they may come back and say – well, they all might say still ten years or eight years even though the RFP is calling for something else. But, yes, sir, I think it is something we can still look at, but, again, they are not really on the same track. I don't know that we can sort of meet this way at all; is that right, Mr. Campbell? That's correct. So, it's two different tracks in the way of the RFP and then the passenger vehicle for hire ordinance.

Mayor Foxx said I appreciate it. Sorry for that detour, but I wanted to make sure that we tried to deal with that issue up front. So, taxi service –

Mayor Pro Tem Cannon said, Mr. Mayor, the only thing about – here is where we are going to have a little bit of a challenge. The PVH ordinance just does not address taxicabs but it also

deals with black cars or town cars, if you will, and that process by the time we get ready to go through it is not going to be an overnight process. It's going to take us some months to get through all of that. We could be over into 2011, which then, in turn, puts us once again off the track of where the Airport RFP is to be proposed. Mind you, again, I don't know if the Aviation Department will throw it out. We can make every effort to get there, but I can tell you that the chances of us getting there based upon the amount of business that we have to cover is just not realistic.

Mayor Foxx said I'm sure it's very complicated. I guess maybe let me ask this question of you, Mr. Orr, and maybe we can finish on this topic. Am I correct to think there may be some aspects of the PVH ordinance that get reconsidered during this process that may impact the requirements in the RFP if the changes were made today?

Mr. Orr said, no, sir, not at all. The PVH and the RFPs are totally independent and separate. Anything that we put in the RFP that is based on the PVH that exists today should the PVH change at any time down the road then we would still have to be consistent with that new PVH, but with respect to our request for proposals, they are totally independent, and we really don't need to wait on the PVH.

Mayor Foxx said I guess the question would be if we make significant changes to the PVH would that affect one way or the other the ability of a company to compete or not compete, and we just won't know that. I get it. You have given us some comments back from the committee. I think there is no objection to just having that process go ahead and move forward, so let's move forward.

Mr. Orr said I think we have covered the taxi. The next thing coming up is our new parking deck in front of the terminal, and we are building a seven-story deck. We will build in two pieces as I have told you before. We expect to bring the first contract to you early next spring, which is on the range of \$140 million project. It will house the rent-a-car ready return when it is completed.

Councilmember Dulin said is the \$140 million for the first side or both?

Mr. Orr said the \$140 million for both sides – for the whole deal. The bottom three levels will be paid for with the customer facility charge that we currently impose on the people who rent the cars, and the top four levels are public parking, which we will pay for with general airport revenue bonds.

Councilmember Dulin said no tax dollars.

Mr. Orr said never any tax dollars – never before, never in the future. We have a significant improvement in our entrance road to accomplish. We can't wait on the state any longer to build their road, so we have \$21 million in existing revenue bond proceeds to build the roads that you see outlined in yellow on the map here. We'll be starting that this fall. We have figured out a way to build one of the upper level roadways in the current environment that will be one of the future roads when the terminal building is expanded. In the meantime, it will serve as an expansion of the upper level roadway, which we are desperately in need of, and we'll be starting on that this fall.

On the 27<sup>th</sup> of September, we will bring to you a new parking revenue control system that costs about \$4.7 million that completely replaces the system that we first installed in 1982 and is no longer serviceable. You will be able to enter the parking lot with your credit card and exit with the same credit card and several other alternative payment methods. Likewise, an interactive signing system for the new roadway system that will tell you which parking lots have available spaces, which are closed, what those rates are. We have finished expanding the A and B checkpoints. We are working on a plan to expand the C checkpoint as well as the construction of the East Terminal expansion, which will provide a fifth checkpoint – the E checkpoint.

The Concourse E expansion will be open on Thanksgiving, and the black portion on this photograph shows the remaining 14 gates that we can add to that concourse. We anticipate starting design on that sometime after the first of the year. We are going to redo our bag claim area, freshen it up down there, make it look better. On the 13<sup>th</sup>, we will ask you to approve a

distributed antennae system in the terminal building that we will pay for, install, operate through a third party, and then the cell phone carriers will buy space on that system to pay us back for our investment. That will ensure a good signal for everybody throughout the facility.

We talked about the in-line baggage system, and that is sensitive security information according to the TSA, so I can't tell you how it works, but I have provided this detailed diagram that you can see precisely. And, we have to dig up the middle part of our center runway, which was paved in 1979 and repave it, and that will cost about \$35 million and is an excellent project for the recently suggested transportation infrastructure grants that the President wants to do.

We have some exciting recycling ideas. These are Mark's ideas, so I'm going to let him tell you about them, and I want you to remember that Mark told you about them so that if they don't work it was his idea.

Councilmember Dulin said this is a trivial matter, but I have been to a couple of veteran events at the rose garden in between those parking decks behind the fountain. The fountain obviously is going to be coming down and moved or just coming down. Do you have any area where you can make some place special like the rose garden area for veteran events and for other gatherings?

Mr. Orr said the fountain and the statute will be relocated. The rose garden is known as the Director's Rose Garden because he planted it and maintains it, so I can assure you it will survive.

Councilmember Howard said, Jerry, I was wondering in the improvements you talked about a few minutes you didn't talk about the new road in from 85. Any updates on that at all?

Mr. Orr said, yes, the yellow road that you saw will start at a new intersection on Wilkinson Boulevard at a traffic signal, and we will build all those roads that come into the terminal. It is still the state's responsibility to build the road on the other side of Wilkinson Boulevard to tie into Little Rock Road that comes off the I-85/Little Rock intersection, and we will be pressing them to at least do that part.

Councilmember Carter said, Mr. Orr, during some travels this summer, we went to Tallinn, Estonia, and they used texting to pay for parking. It's an interesting use of the Internet and obviates the use of credit cards, so it might be something that we could look into for parking here in the city as well as at the Airport, and I recommend it to you. The other thing is we saw hotels built on the premises of airports, and it seems like a very important convenience that we are missing in this area as well as restaurants or other services for people who are simply coming to the Airport to pick up customers or to wait for an arrival, etc. So we have wonderful services for the people who are traveling on flights, but for those who are simply coming to the Airport for some reason we don't really have that much to serve them, and that's also a way for revenue it seems to me.

Mr. Orr said Tim Newman is in his Welcome Center and working to tie the hotels and attractions into the people that are spending time in the Airport, and the pay by wire will eventually be part of our new system upgrade. We didn't plan on the sun getting in your eyes. I don't know what to do about that.

Mr. Wiebke said I'm here to talk a little bit about trash. We generate, all the passengers, about 9,000 tons a year, which is about a half a pound per passenger that come through this airport. We capture right now in our recycling bins about 7% of that. We have a plan and proposal that will be coming forward that we hope to generate or capture about 70% of that and divert it out of the landfill and at the same time reducing the cost over a five-year plan of about \$1 million to all the tenants. We look forward to bringing that to you.

Mr. Orr said do you know that we have a long-term agreement with all five of the network carriers operating in this country, and that agreement guarantees that they will raise their rates if necessary should there be any shortfall in our ability to pay our debt service or our M&O expense. On the 27<sup>th</sup>, Jet Blue has asked to become signatory to that agreement, and we will bring you that agreement for you to approve.

Councilmember Dulin said explain that to us one more time, please, Jerry.

Mr. Orr said we have a long-term agreement with all five of the network carriers in this country.

Councilmember Dulin said Star Alliance –

Mr. Orr said, no, the individual carriers -- USAirways, United, Continental, Delta – and under that agreement they agree to raise their rates and charges if necessary should there be any shortfall in our ability to pay any of our debt service or our M&O expenses through our concession revenues, our parking revenues, our retail, our food and beverage, and for that we share with them our excess revenues at the end of the year. They get 40%, and we get 60%.

Councilmember Dulin said, Council, that's huge. Those major carriers are literally our business partners, and they have got some skin in the game to make sure Charlotte Douglas International Airport remains viable and busy and open for business, and open for business is what brings business, so I'm glad to do that. You have to bring the Jet Blue contract to Council.

Mr. Orr said Jet Blue has asked to become signatory to that agreement, and we bring that to you on the 27<sup>th</sup>.

Councilmember Dulin said a healthy Jet Blue is good for all of us, so that's good.

Mr. Orr said we expect Air Tran to also sign up shortly. I talked to you about the business model change and how airports are taking on more of what airlines used to do. One of those things is the deicing of aircraft. We have a plan to construct a common deicing facility. We will ask you to approve a contract on the 13<sup>th</sup> with a third party to operate that facility for us. We will buy the deicing fluid and deice the airplanes, charge them whatever it costs us to do that. We will also capture the spent fluid and be able to meet the requirements that EPA is currently promulgating. Our jet fuel storage system is another example of the things we do for the airlines that they used to do for themselves. We design, fund, and build this facility, operate it through a third party. The airlines buy their fuel, have it delivered at the Charlotte Airport Depot, and then have it dispensed to them. Their cost per gallon for getting fuel through this system is among the very, very cheapest of any on their system.

That's what we have got coming up in the very near future. If you want to know about the long-range future, we have left enough room. This is the new runway. The rail yard goes right in here. That's the interstate 485. We have left enough room right in here to build a fourth parallel runway. Some day we will close this runway. We will build a 15-gate extension on this concourse, the B Concourse, and when we close this runway that concourse can be extended across here. It's a 50-gate domestic concourse. We talked about tearing down these two decks, building a new deck right in here, which enables us to expand the terminal building and the roadways in front of it. That also enables us to get rid of the rent-a-car return facilities located right here where we can build a 25-gate international concourse.

The railroad will build two, three-mile long tracks right along the main line of the railroad here, and some day you might want to build a terminal right in here that is a mirror image of the existing terminal, and then the high speed intercity train station could stop right there at the Airport right in the Airport terminal. Because this runway was built by the WPA at the railroad station and the railroad station was on the high point of the railroad between downtown and the river, because you always put the stations at the high point so the train wouldn't roll off while you were refueling it, and so it could start off by going downhill, we have the ability to lower the main line right in through here, to straighten it out right down in the ground, and we can pave right over the top of it, and then you could build additional concourses off of this mirror image terminal right in here. That's about as far as I can see.

Mayor Foxx said, Jerry, just a couple of points. One of the great things about having a third parallel runway is that we get planes on the ground faster. One of the challenges with it is that you have got more traffic on the ground to deal with. How are we dealing with that, and what strategies do you think we need to be looking at. Maybe you talked about some of them.

Mr. Orr said all of those things work together, and when you have a very big airport that is growing, which is good, you move that choke point around, and we have to build additional

gates, additional access, additional parking, additional rent-a-car, additional concession space, additional taxiways to go with the efficiency that new runway provides us. We need to keep a system that works well together and there are no choke points.

Councilmember Howard said another big part of that is a new tower. Will you point out what you would like to do with a new tower as well?

Mr. Orr said the tower was built in the wrong place. I told the FAA that back in 1978. They built it there anyway. We have had more growth here than any other airport in the country, yet they say that tower is adequate. It's clearly too short to see the new runway. The FAA needs to build a new tower. We are confident they will do that.

Councilmember Howard said what does it take to make that happen?

Mr. Orr said I think they will do that shortly. It's their responsibility to fund that. They suggested that we could fund it, but we told them we didn't have any money.

Councilmember Peacock said I think we have overlooked here your cost structure is incredibly strong. Why is our financial structure, and then, number two, why are our costs so much lower than everybody else's on that one chart that you showed?

Mr. Orr said I think our costs are so much lower than everybody else's because it's what we focus on. We focus on two things – producing a quality product and driving the cost down, so everything we do collectively is to drive the cost down. Being called cheap at the Airport is an accolade. You get an award for that – not worth much, but it's an award. Money makes the world go around. It generates business. The person that provides a quality product at the lowest cost is going to get the business. That's just the way it is, and, Stan, we recognize that, and we focus on that every day. It helps that we have a lot of passengers to spread that cost over, but it all starts with waking up every morning trying to drive costs down.

Councilmember Peacock said earlier one of your colleagues mentioned the phrase capacity rather than pricing. Can you explain that and what the airlines are moving towards capacity rather than pricing? I don't understand that statement.

Mr. Orr said sure. Historically airlines have always tried to be everything to everybody. Every competing airline tried to capture every single passenger. Whether they could make money carrying them or not that was irrelevant, and you can't run a business that way. You have to determine what your strengths are as a business and what causes you problems – what your weaknesses are and then try to avoid that part. Just let somebody else do that and focus on what your strength is, what your core business is, and then you have the best chance of being successful. The airlines, after losing everything, have finally figured out that they can't carry everybody; that they don't need to carry everybody. What they do need to do is fill up the airplanes and get revenue out of all the seats.

Councilmember Peacock said what are the obstacles ahead for you? What are the things that this Council needs to be looking out ten, 15, and 20 years from now that would be an obstacle to your continued growth?

Mr. Orr said it won't be an obstacle to my growth, but from an airport perspective I think you can never have too much land. You have to have a vision, and you have to always head towards that vision. You can't necessarily go right down the line, but you have to keep heading in the right direction. I think what will make you successful is to be the most effective and the most efficient airport in the world. If you have the best mousetrap, then they will beat a path to your door.

Councilmember Howard said in community outreach efforts have you had to do anything extra because of the new runway? Have you found any sweet spots that – not sweet spots – some problem spots, sore spots – that's what I'm trying to think of – that we need to address or we may be hearing from citizens about soon, or did you address them ahead of time?

Mr. Orr said could you say that again?

Councilmember Howard said any sore spots with the new runway when it comes to noise?

Mr. Orr said, no, the runway is performing technically exactly as we anticipated it doing. More airplanes in a different place make noise that neighbors don't like, and that's a problem for us, a problem for them, and we will have to work through that. We have our Part 150 Program, and we are working on other programs to deal with that.

Councilmember Cannon said understanding the numbers you set forth with regard to your revenues at the end of the day what's the bottom line that the taxpayer enjoys as a result of the revenue that is coming in?

Mr. Orr said the bottom line is the taxpayer – actually the citizen whether he pays any taxes or not – owns this airport. He has an investment in the airport something north of a billion dollars not one penny of which ever came out of his pocket. It generates property tax, it generates sales tax, and it generates 20,000 jobs, contributes to 100,000 jobs in the region, and generates a \$10 billion annual economic impact. A \$10 billion return on no investment is pretty good in my book.

Councilmember Dulin said I have been hearing from constituents in south Charlotte about the third runway and the new traffic that wasn't there before. I have also been within the last ten days to a football game at Olympic, and when those things are coming out of there – you know, Olympic is just right over the trees, and so those are probably the folks you are hearing from. I don't know if that's true or not, but everything is climbing out of there. By the time they get over south Charlotte, they are 5,000 feet or more, and I have told several of my constituents that those things are getting out of the way as fast as they can and that they ought to feel real good about living in a city where you can get on an airplane and go anywhere in the world – one stop. You know, I am just trying every time a constituent if it comes up to somebody just be positive and tell them that thing is an honor and a pleasure to have it out there and not a distraction.

Mayor Foxx said, first of all, Jerry, I want to thank you for the presentation and for all the staff out here at the Airport. You all sort of toil out here in the fields, and we don't often thank you as much as we probably should for the work that you do to help the engine of our economy keep turning. So, thank you very much for that. I also want to make mention of a development yesterday that I think holds implications for this airport, it holds implications for transit, it holds implications for our road construction.

I am going to encourage you as a Council to take some time to hear what the President said yesterday about surface transportation because what he is proposing is some pretty radical changes in the way surface transportation funding occurs, and if they are approved, it could be great news for our community if we figure out a way to seize on the opportunity.

The two things that he said yesterday that I think are the most important are, number one, he talked about front loading a six-year reauthorization investment in transportation over six years obviously but putting most of that money in up front. And, the second thing he talked about was shifting away from earmarks and formulas and into sort of a grant-based competitive process, and we have seen a lot of that in transit already, and we may be seeing it with things like FAA funding. We may be seeing it with things like federal road construction funding.

But I want you to see it because if the approach does change in that way, and Congress has to approve the changes and it's unclear when that would happen, but if that does happen, we are going to have to change our approaches on a lot of things because we will no longer have this very predictable step wise process. It is going to be much more like the School System and the state of experience with ways to the top where you are really competing against yourself with innovations for transportation. When we talk about the Control Tower, we talk about getting our transit system built, when we talk about trying to get some significant road funding, we may have to go through some structural changes to be able to make that work if it happens. Anyway, I encourage you to take a look at it because it's pretty advanced stuff.

With that, I want to thank everybody for coming. You don't have to go home, but we do have to get out of here, so thank you very much.

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**ADJOURNMENT**

The meeting was adjourned at 7:18 p.m.

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Stephanie C. Kelly, CMC, City Clerk

Length of Meeting: 1 Hour, 43 Minutes  
Minutes Completed: September 24, 2010