

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
December 3, 2014**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, December 3, 2014, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Vice-Chairman Crane called the meeting to order at 5:03 p.m.

Airport Authority members present were; Jonathan Crane, Vice-Chairman; Donna Girardot, Dan Hickman, Carter Lambeth and Thomas Wolfe. Also present were Jon Rosborough, Airport Director; Julie Wilsey, Deputy Airport Director; Jim Morton, Finance Director; Gary Broughton, Operations Director; Whitney Prease, Facilities Director; Rose Davis, Executive Assistant; Wanda Copley, New Hanover County Attorney; and Steve Bright and Amy McLane, Talbert & Bright, Inc.

Absent from this meeting were John Perritt, Chairman and Tom Barber, Secretary.

Guests present included Jeremy Phillips, Jonathan Spiers, Bill Cherry, Tom Goodwin, Aldo Baldessari and Andy Mansoor.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on November 5, 2014. Mr. Lambeth MOVED, SECONDED by Mr. Wolfe, to approve the minutes of the November 5, 2014 Regular Public Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

PUBLIC COMMENTS

None.

SPECIAL PRESENTATION

Mr. Morton introduced Jeremy Phillips of Environments Unlimited (EU), commercial brokers and turned the floor over to Mr. Phillips for an update on ILM's property listings.

Mr. Phillips stated that he has an economic development background and an economic development consulting company and that he and Mr. Morton met some time back regarding consulting on the industrial parcels at the airport and what could be done with those properties. As part of that consulting, EU engaged others to look at the property; looked at other airports that ILM would typically compete with on economic development projects all across the southeast; and, looked to see how competitors marketed their properties and what kind of things they were doing and in turn what we could do to enhance what we are doing at ILM.

Mr. Phillips indicated that EU also looked at the Honda Jet facility located in Greensboro and realized that they could put that same footprint here at ILM. Mr. Phillips reported that was encouraging news which led to his company's pitch to list the property.

Mr. Phillips stated that EU recommended marketing the property through the economic development entities by submitting the property information to NC Department of Commerce; placing the information with the local and regional economic development entities; and also putting it on the largest industrial and commercial search engine in the world, LoopNet.

Mr. Phillips shared reports from LoopNet tracking the activity received on ILM's property listing. From these reports, Mr. Phillips noted that the ILM property had 7 hits from Redmond, WA in a 20 day period in November, which is significant (because it is near Boeing's headquarters).

Mr. Phillips reported that his company, through the consulting side, has made sure that North Carolina Southeast, a regional economic development group based out of Elizabethtown, has received the property information. Mr. Phillips advised that the group just recently went to the Canadian Aerospace Summit in Ottawa and had that material with them to share with interested parties and EU did get some leads from that event.

Mr. Phillips shared that there are plans for a site selection consultant FAM (familiarization) tour to be held May 1st and we are hoping to host them at ILM and use that opportunity to showcase the property and the airport to those out there working these kinds of projects.

Dr. Crane thanked Mr. Phillips for being part of the team and working with ILM toward achieving one of the Authority's four priorities which is economic/business development. Dr. Crane encouraged Mr. Phillips to come back on a regular basis to keep the Authority updated.

Mrs. Girardot advised Mr. Phillips to pass any NC Department of Commerce website suggestions or challenges on to John Skvarla, new Secretary of the DOC, because he is already putting out feelers and getting input. Mr. Phillips responded that it was his understanding that DOC was fully aware of the deficiencies but that he would certainly let them know.

Mr. Phillips also reported that North Carolina Southeast is also getting ready to launch their buildings and site database in the next 60 days which is really phenomenal and will give ILM even better exposure.

SPECIAL EVENTS

None.

FINANCE REPORT

Mr. Morton reviewed ILM's October 2014 financials, cash report and summary of accounts.

Mr. Morton recommended that the Authority approve a request of the New Hanover County Commissioners to exercise the extension of the lease between the Airport Authority and New Hanover County for thirty additional years; from June 2019 to June 2049. The extension of the lease will allow the Airport Authority to execute long term leases.

Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the request that the New Hanover County Commissioners extend the Airport Authority lease for an additional 30 years. Discussion followed regarding the effect on current Airpark Hangar leases; future leasing of

Business Park and industrial properties; and any hangars built in the future. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

Mr. Morton recommended the approval of the employee Christmas bonus in the amount of \$900 for all full time employees hired before July 1, 2014; anyone hired after July 1, 2014 would receive \$450. Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the employee Christmas bonus as proposed. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

Dr. Crane commented that in the future the Authority wanted to discuss whether to keep a standard \$900 bonus for employees, no matter how long they have worked at ILM, or whether to weight it somehow based on length of service and asked that staff get with the Authority with some suggestions in the next month or two.

Mr. Morton reviewed his agenda information items and shared photos of the Tailwind upgrades recently completed in the gate area and of feedback already received through social media.

Mr. Morton reported that revenues continue to do well indicating that parking for November was up almost 12% over last November. December 1st falling on a Monday this year versus Sunday last year had some effect on that number but overall traffic for the holiday period was actually up 9%.

FACILITIES

Mr. Prease recommended that the Authority approve NCDOT Grant (AIP 50) in the amount of \$236,157 for the Runway 24 Wildlife Hazard & Navaid Critical Area Mitigation. This will reduce ILM's local match from 10% to 5%. Mr. Lambeth MOVED, SECONDED by Mrs. Girardot to approve the Facilities action item above. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

Mr. Prease recommended the approval of a work authorization (AIP 51) contingent on the completion of the IFE (Independent Fee Estimate) NTE \$133,240.00 for project formulation, NEPA environmental documentation and preliminary design, including Subconsultant Services. Mr. Prease stated that the FAA has guidelines that IFEs are required for any amount above \$100,000 for consultant services. This work is referencing the North General Aviation Apron Pavement Rehabilitation & Storm Water Improvements. After some discussion, Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the Facilities action item discussed above. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

Mr. Prease recommended the Authority approve a contract with Buzkirk Consulting NTE \$80,000 to perform work on the center section of the former AAI facility on Hall Drive. Mr. Hickman MOVED, SECONDED by Mrs. Girardot to approve the Facilities action item above. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Perritt and Mr. Barber were absent.

In response to Dr. Crane's inquiry regarding the roof repair at AviatMall, Mr. Prease reported it is now about 90% complete and seems to be going very well.

GOVERNMENT

Mrs. Girardot reported that it looks like, on a Federal level that the focus will be on immigration, budget, taxes and of course, they have a backlog of appointments coming up next year. On the State level, there have been leadership appointments dominated by members elected from areas west of Raleigh. Mrs. Girardot noted that composition of the House is now 74 Republican and 46 Democrat. The Senate composition is staying the same including its leadership. Locally, Mrs. Girardot reported that there is an appeal hearing before the State Board of Elections on December 9th which may affect the County Commissioner results.

Regarding NextGen, Mrs. Girardot shared that there are now three airports utilizing it currently; Baltimore, National and Dulles.

Mrs. Girardot shared an updated list of members of the Coalition for a Prosperous Future with the Authority.

Dr. Crane asked for recommendations of anything the Authority should be doing, Mrs. Girardot stated that she and Mrs. Wilsey would be getting together with Mrs. Wilsey's contact on the State level to develop an agenda to help for the State and Federal level.

Mrs. Wilsey reported that NCDOT Aviation, Jennifer Fuller, in response to the Clean Water Act, submitted a letter on behalf of all the airports in North Carolina to the EPA to talk about how airports develop differently and that wetlands and wet ponds are an issue for safety of flight.

Mrs. Girardot further reported that John Skvarla, former Secretary of DENR, has now moved to Commerce and Sharon Decker, Secretary of Commerce, has resigned. That leaves DENR open now and that leaves a lot of speculation as to who is going to be appointed.

MARKETING AND PUBLIC RELATIONS

Mr. Morton reviewed some agenda information items, especially the partnership with the CVB to market in the Atlanta area, and the new website, pointing out key features like the trip calculator and staff's ability to make changes in-house.

PLANNING & DEVELOPMENT

Reviewing agenda information items, Mr. Morton stated that Enterprise Rent a Car is still very interested in the old Conway facility. Staff continues to work on the FTZ application.

OPERATIONS REPORT

Mr. Broughton reported a change to Avgas fuel prices previously reported in the agenda packet to indicate that AviatMall had reduced their Avgas price after publication to \$5.05/gallon, which put the average for the month for AviatMall down to \$5.74 and Air Wilmington at \$6.09, against the area average of \$6.23.

Mr. Broughton provided an overview of the Thanksgiving holiday week indicating that the airlines booked and carried 7,143 passengers for the week. That is down by about 2% from last year. There were 5 cancellations during that week long period as a result of weather issues around the country for a net loss of about 337 seats but the good news is our two airlines were able to accommodate all passengers and keep them at ILM.

Using charts for illustration, Mr. Broughton reported total passengers handled, seats available and customs traffic for November 2014.

Mr. Broughton updated the Authority on the status of AviatMall following complaints or concerns lodged by a tenant of AviatMall at the November Authority meeting. Mr. Broughton said that AviatMall was notified and an inspection of the FBO was held on November 7th. Mr. Broughton reported that AviatMall was found to be non-compliant in a number of Minimum Standards, and after several follow-up email conversations with Mr. Mansoor, owner-operator, staff provided AviatMall with a timeline of required compliance with ILM Minimum Standards.

Mr. Broughton informed the Authority that ILM has received a Letter of Investigation (LOI) from the TSA regarding an alleged violation and staff are reviewing the allegations and will respond to TSA accordingly. In response to Mr. Lambeth's inquiry, Mr. Broughton stated it was an unsecured gate on the east side of the field.

Mr. Hickman asked for clarification as to why fuel flowage was about the same; the number of passengers was down slightly but our parking revenue is up and Mr. Morton responded that what we are seeing is not as many drop-offs. People are more comfortable with spending their disposable income so they are parking at the airport. It is a sign of confidence in the economy.

Dr. Crane thanked both FBOs for being at the meeting tonight. Dr. Crane pointed out that this is the first time, that he knows of, that ILM is in the green on ForeFlight for its fuel prices.

DIRECTOR'S REPORT

Mrs. Wilsey reviewed the agenda information items reminding the Authority that Joseph Pickering will be at the January meeting.

Mrs. Wilsey provided an overview of 2014 summarizing that ILM continues to be a high performance team, promoting economic development to our region with commercial air transportation, general aviation services and business park opportunities.

Events in the last calendar year worth noting:

- Winter weather events gave us training on ice removal
- FBO and GA RFP
- A New FBO, AviatMall, transitioned in June
- 10th year Part 139 inspection w/o written discrepancy
- Terminal Capacity Study completed
- PFC approval for over \$7.9M in projects
- RWY 17 extension, clearing, and overlay
- Opened new rental car facilities
- Business Park road and storm water improvements.
- United HQ visit and several Air Service Conferences to market our SCASDG
- American and US Airways integration began
- Authority expands to 7 members – w/ 3 new members

New programs in 2014:

- Comfort Canines
- Autism Takes Flight
- First 5k and Aviation Day
- Bonanza Fly-in

Awards in 2014:

- SEC AAAE Terminal Project of Year
- United Way Spirit of NC Award
- United Way CEO of Year Award for Jon Rosborough
- Airport Pavement Project of the Year for ST Wooten
- Silver Customs Award from FlightPlan.com
- Surpassed 10,000 likes on Facebook

Friends of ILM who passed in 2014:

- Anna Pennington
- Al Roseman
- Dick Masters

Mrs. Wilsey closed with a final farewell to our faithful Airport Director, Jon Rosborough, stating that this is Mr. Rosborough's last meeting and it is only appropriate to recognize his leadership. ILM is a better organization; focused on the highest standards of customer service, public facilities, and airport operations, and staff will work very to uphold the high standards set by Mr. Rosborough for the organization – going from good to great.

Dr. Crane stated that he remembers what the airport looked like when he moved to the area in 1991 and that under Mr. Rosborough's leadership, ILM has come so far, and that he has watched it grow and the team of people Mr. Rosborough has put together is unbelievable. Dr. Crane stated it is not only where you take something from to where you leave but it's also the people you leave in place and Mr. Rosborough has really done an outstanding job. Dr. Crane commented on how neat it was that when the Authority did a nationwide search for the next Director that they ended up picking Mrs. Wilsey, who Mr. Rosborough had picked to be the Deputy Director, so it was nice that Mrs. Wilsey was the most qualified person for the job.

Mr. Rosborough responded by thanking Will Plentl, who was the previous Airport Director, for employing him back in 1998. Mr. Rosborough shared that he is retiring now after 42 years of full time service, spanning four careers: military, hospital administration, management consulting and 16 years at ILM. Mr. Rosborough thanked the Authority at the time: Parks Griffin, Matt Mathews, Al Roseman, Carter Lambeth and John Coble for giving him the opportunity to be the Airport Director when Mr. Plentl left. Mr. Rosborough pointed out it took a lot of courage, when you look at the background that he had, for the Authority to make that decision.

Mr. Rosborough stated that one of the best things that he has done is put together a high performance team and that he is very proud of the staff that sits here with him and that the team goes beyond the staff to the tenants, to Talbert & Bright, to Dick Masters. Mr. Rosborough pointed out that Dick Masters educated this team, probably more than anybody; mentoring and taking us all under his wing as our aviation consultant for more than 10 years.

Mr. Rosborough shared that he is very pleased and very proud of what has been accomplished and ILM is very healthy financially and the airport is looking good. ILM invested \$125M in infrastructure over the past 16 years and now is ready to go to that next level of service. ILM has an excellent team and he concurs that Mrs. Wilsey is a good choice to become the Airport Director and he wishes the Authority the very best.

Mrs. Girardot pointed out one of the big things that Mr. Rosborough did that she remembers is his participation and outreach to the community because that is where she met him. Mrs. Girardot reiterated that Mr. Rosborough has just been so welcoming and participatory in the community.

Mr. Rosborough responded that the community has been very good to him and that he has been blessed his entire life to have the jobs that he had throughout his career and to have the opportunity to live in Wilmington. Mr. Rosborough stated that we are very blessed to have many quality things in our community and he just wanted to give something back to this wonderful community.

Mr. Lambeth commented that he thinks Mr. Rosborough's greatest skill is his ability to put the right people in the right positions to get the job done and that is one reason the Authority hired him 16 years ago.

UNFINISHED BUSINESS

Mrs. Wilsey recognized Mrs. Copley whose birthday is December 8th.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Vice-Chairman Crane adjourned the meeting at 5:56 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: January 7, 2015