

July 1, 2015

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**NEW HANOVER COUNTY AIRPORT AUTHORITY  
REGULAR PUBLIC MEETING  
July 1, 2015**

**CALL TO ORDER**

The New Hanover County Airport Authority met on Wednesday, July 1, 2015, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Perritt called the meeting to order at 5:01 p.m.

Airport Authority members present were; John Perritt, Chairman, Jonathan Crane, Vice-Chairman; Tom Barber, Secretary; Donna Girardot, Dan Hickman, Carter Lambeth and Thomas Wolfe. Also present were Julie Wilsey, Airport Director; Gary Broughton, Director of Operations; Jim Morton, Finance Director; Whitney Prease, Facilities Director; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Chief Gary Taylor, Operations Manager; Hal Reichardt, Desmond MacRae, Bill Cherry, Matt Collogan, Robin Spinks, Floyd Price, Tom Goodwin, and Kevin Brady.

**APPROVAL OF MINUTES**

The Authority has reviewed the minutes of the Regular Public Meeting on June 3, 2015. A correction was made on page 1, to the title for Kemp Burpeau to read New Hanover County *Deputy Attorney*. Mr. Barber MOVED, SECONDED by Mr. Lambeth, to approve the minutes of the June 3, 2015 Regular Public Meeting as corrected. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

**ELECTION OF OFFICERS**

Chairman Perritt called for a report from the nominating committee and Mr. Barber, reporting for the committee, proposed the following slate of officers: Dr. Crane for Chairman; Mr. Wolfe for Vice-Chairman; and, Mr. Lambeth for Secretary. Chairman Perritt called for nominations from the floor for each office and hearing none, called for a vote. The vote for each position was UNANIMOUS and the officers for FY2016 are Dr. Jonathan Crane, Chairman; Thomas Wolfe, Vice-Chairman; and Carter T. Lambeth, Secretary.

Mr. Perritt turned the meeting over to Chairman Crane who presented Mr. Perritt with the outgoing Chairman's plaque and thanked him for his year of service. Mr. Perritt commented that it has been fun working with a cohesive team and a great staff.

**PUBLIC COMMENTS**

Desmond MacRae addressed the Authority thanking Mrs. Wilsey and Mr. Prease for the work done on the observation area indicating that he goes there during lunch hour and listens to the tower with others that are in the park. Mr. MacRae indicated his weekly informal aviation education day will start there on Saturday, July 4<sup>th</sup>.

**SPECIAL AGENDA ITEM**

Floyd Price, having requested to address the Authority regarding "the Future of General Aviation at ILM", proceeded to inform the Authority of his personal experiences since the May 11<sup>th</sup>

meeting of ILM staff with pilots on the South Ramp, which has led to his considering the purchase of a private hangar. Mr. Price threatened to sue for discrimination because his lease and deposit for hangar space on the South Ramp were returned to him.

Mr. Price requested answers to the following questions: 1) Are we supposed to have two planes in one hangar?; 2) Are we allowed to have any other items in the hangars other than the airplane?; 3) Are we able to wash our plane at the private hangars?; 4) Can we park our cars in the hangars when we are off flying?; 5) How do you get out of the gate if you have had someone drop you off and/or they leave a car for you outside of the gate?

Mrs. Wilsey advised the Authority that staff has documentation regarding the events involving Mr. Price in May which led to the return of his lease and deposit, for their review.

Chairman Crane thanked Mr. Price for the feedback and stated that staff would get back to Mr. Price within a week, in writing, with the responses to his questions. Chairman Crane stated that many on the Authority share Mr. Price's passion for general aviation.

### **SPECIAL EVENTS**

Mr. Morton shared information about a cross country race event at ILM, organized by Colin Hackman, scheduled for September 12, 2015. The event will include about 50 high school cross country teams from as far away as Charlotte, which will benefit hotels and restaurants since most will be coming from out-of-town to participate.

### **FINANCE REPORT**

Mr. Morton reviewed ILM's May 2015 financials, cash report and summary of accounts and reported that the finance department is preparing for the annual audit.

Mr. Morton, reporting on recent insurance policy renewals, indicated that the workers' comp and property coverage policies were about \$75,000 less than projected on the budget.

Mr. Morton recommended the following action items for approval by the Authority:

- a) The approval of a one year lease for half of the Southside maintenance hangar with Air Methods for \$1,800 per month;
- b) The approval of a three year lease with Parker Landscaping for \$1,000 per month for the fenced in parcel at 2021 Gardner Drive; and,
- c) The approval of a ten year lease with GSA (TSA terminal office space) for \$35,679.92 annually, with an annual 3% escalation;

Dr. Crane MOVED, SECONDED by Mrs. Girardot to approve the finance action items as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

Discussion followed regarding the future use of the Southside maintenance hangar for the long term.

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Mr. Morton reminded the Authority that during the Passenger Facility Charge (PFC) application process, that 3 of the projects were approved as “impose only”, meaning that ILM could collect the funds but couldn’t use them on those projects because of pending environmental issues. The environmental issues have been resolved on 2 of those projects, the RWY 24 ditch project and the security fence replacement, and staff would like to move forward to have those projects moved to the “use” category.

Mr. Morton recommended the approval of a contract with Newton & Associates for \$33,000 for the PFC application and approval process for the 2 projects discussed above. The funds for this contract will be covered by PFC funding. Mr. Barber MOVED, SECONDED by Mr. Lambeth to approve the contract with Newton & Associates as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

### **FACILITIES**

Mr. Prease recommended the approval of a five year contract with the FAA in the amount of \$69,322.50 to be paid annually at the rate of \$13,864.50 for maintenance and repair of the RWY 6 Instrument Landing System (ILS), the Distance Measurement Equipment (DME) and periodic flight checks. In response to Chairman Crane’s question, Mr. Prease responded that staff looked for outside contractors but they actually cost more due to the specialized training required. Mr. Barber MOVED, SECONDED by Mr. Hickman to approve the contract with the FAA as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval of a net increase change order for Precision Approach in the amount of \$361.00 on the Lighting Vault Project (AIP44). Mr. Prease explained the upgrades to the lighting vault sharing pictures to illustrate the changes. Mr. Perritt MOVED, SECONDED by Mr. Lambeth to approve the net increase change order as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease reported that staff received only 2 bids on June 26, 2015, for the North Ramp GA Rehabilitation project. Since 3 bids are required on formal bids, the bid opening was rescheduled for July 7<sup>th</sup>. Staff can open the bids on that date, even if there are only 2.

Mr. Prease recommended the Authority authorize the Chairman to award the bid for the North Ramp GA Rehabilitation project and also accept the grant contingent upon the FAA funding for this project. Mr. Lambeth MOVED, SECONDED by Mr. Perritt to authorize the Chairman to award the bid and accept the FAA grant. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease reported to the Authority on the RWY 24 ditch project, indicating the project is generally on schedule. Mr. Prease shared photographs and video from the site location, reporting that approximately 90% of the pipe has been installed with no issues but during the installation of the last 200-300 feet of pipe, the contractor found extremely unsuitable soils which were not anticipated.

Mr. Prease reported that staff anticipates there will be a net increase to this contract. Talbert & Bright and other technical groups are looking at different measures to remedy this situation. Once a decision or recommendation is made, Mr. Prease stated staff will bring this back to the Authority for approval, but in the meantime, he wanted to make sure the Authority was aware of

the issues. Discussion followed about the soil materials and available options.

## **GOVERNMENT**

Mrs. Girardot updated the Authority on the status of the Uber Bill (SB 414/541) which is still in committee with the hopes that it will be passed before this session ends in 45 days. Discussion followed about how this may work at ILM in the future.

Mrs. Girardot, reporting on SB 217 for improvement funding for aviation projects, stated that it was stalled in the Senate Finance committee and it doesn't look like passage is favorable for this year.

Mrs. Girardot, reporting on HB 117 (Airline Fuel Tax Cap), the bill that Tracy Montross (American Airlines) previously spoke to the Authority about, stated this bill passed the House but is stuck in the Senate Commerce subcommittee.

Mrs. Girardot updated the Authority on the status of the New Clean Water Rule stating that this goes into effect this summer and sharing the extent of what is going to happen to eastern North Carolina (ENC) when it does. Mrs. Girardot pointed out that they are dramatically expanding the EPAs jurisdiction and the critical piece for ENC is the adjacency definition – "water is considered adjacent if it is within 1500 feet of a connected waterway." Mrs. Girardot reported she has seen an estimate that this rule will impact approximately 80% of the land area in ENC and have a significant impact on future economic development in ENC, but particularly in the Wilmington regional area, and even here at the airport.

Mrs. Girardot shared that the rule was published on June 29<sup>th</sup> and will be enforceable in 60 days and during that time parties can file challenges in the Court of Appeals.

Mrs. Wilsey pointed out that any existing wetland jurisdictional determinations at ILM will stand but they expire every 5 years, so any of those determinations that have to be renewed, will most likely be ruled based on new guidance which means there will be a lot more wetlands identified.

Mrs. Girardot reported on the recent visits of Congressmen Rouzer and Schuster to the State Port.

Mrs. Wilsey updated the Authority on the June 29<sup>th</sup> report on the FAA Reauthorization indicating that the Senate Appropriations committee put together a budget which cleared the Senate on June 25<sup>th</sup> recommending \$175M more than was requested from the White House and \$300M more than last year. Mrs. Wilsey pointed out there are set asides and FAA priority projects in that bill so there will be less money going to FAA facilities and AIP grants than anticipated.

Mrs. Wilsey reported that Congressman Schuster made a comment about privatizing the air traffic control system which is causing a lot of concern. Meetings were scheduled by Congressman Rouzer with the local ATC manager to find out more about the issue. ILM supports maintaining the current ATC system and federal employees.

### **MARKETING AND PUBLIC RELATIONS**

Mr. Morton reported to the Authority on the radio advertising for the new flights to LGA and DCA indicating that before those flights started there was a 94% load factor, which dropped to 88% with the new additional seats added, but this week, it is back to 91%, so it is picking back up.

Mr. Morton updated the authority on information items from the agenda including the promotion of Air Wilmington as a new “Cessna Authorized Service Facility”; the meeting with travel agents; the Aviation Day marketing plan; and the revamping of the booking engine on the website.

Mr. Morton reported that staff would be working with Air Wilmington for a ground breaking ceremony on their new 21,000 SF hangar, since it will be the largest, privately built hangar at ILM.

Mr. Barber commented that he had heard recently that the Commissioners had increased the budget for the Tourism Board and expressed that it is important for the Authority and staff to renew efforts to work with the Tourism Board and be a part of any tourism initiative that takes place. Mr. Morton reported on the meeting with the CVB last week and the recent promotion with them for Atlanta in the spring. Mrs. Wilsey stated we need to look to colder Northern climates for a fly-in market during our spring and winter shoulder seasons.

### **PLANNING & DEVELOPMENT**

Mr. Morton reported that the Planning Board approved the proposed A-I zoning changes and the final step is to get approval from the County Commissioners at their July meeting.

Mr. Morton, updating the Authority on the Flex Space building process, reported there have been at least 4 or 5 contractors showing interest in bidding for the project and there was a meeting today with a potential tenant for part of the flex space building.

Mr. Morton reported he is on a committee with WBD, NCSE, Duke Energy and the State Ports putting together another FAM Tour where they bring in up to 10 site selectors to show them the area and potential sites.

Mr. Morton updated the Authority on 2 parcels of land that have recently become available for purchase, using a slide to show the exact location of the properties off of Old Wrightsboro Road, and indicating that these parcels are not in the Acquisition Zone so funds to purchase would come out of the General Fund.

The first parcel is a 10.6 acre, wooded site with an asking price of \$220,000 (\$21,000/acre) and a sales tax value of \$158,600 (\$14,900/acre). Mr. Morton shared that the sellers are motivated and have indicated they are willing to consider an offer of \$175,000. Mr. Morton advised that comps in the area are ranging between \$45,000 and \$60,000 an acre. Mr. Morton pointed out that the Authority has looked at parcels as they have come available and if they are a good deal we pick them up to avoid long term development. Mr. Morton suggested that we negotiate up to \$160,000 on the 10.6 acre site giving a value of \$15,000/acre or 73% of the asking value of \$220,000.

The second parcel is off the road frontage but has a 30' easement that runs back to a 7 acre tract. This area has been rezoned to be a mobile home park. Mr. Morton reported he is currently asking \$199,000 and the sales tax value is \$93,200. Mr. Morton suggested that we negotiate up to \$95,000 for that site.

Mr. Lambeth MOVED, SECONDED by Mr. Hickman for staff to begin negotiations, with due diligence, on the 2 parcels proposed above, up to tax value. The MOTION WAS APPROVED UNANIMOUSLY.

### **OPERATIONS REPORT**

Using charts for illustration, Mr. Broughton reported total passengers handled and seats available for June 2015.

Mr. Broughton referred the Authority to the agenda packet charts for Jet A and Avgas Fuel comparisons reporting that ILM is still in the amber on Foreflight. Mr. Broughton reported that fuel flowage for May was down 54% due to significant loss of military operations for the month of May.

Mr. Broughton updated the Authority on the NCAA conference coming up in Wilmington, April 16-18, which is in the planning process and staff is helping to make this a ~~memorial~~ *memorable* experience so the NCAA will want to return to Wilmington for future conferences. (*corrected August 5, 2015*).

Chairman Crane asked Mr. Broughton to think about simplifying his fuel price charts and start using Foreflight instead. Chairman Crane also asked Mr. Broughton to look at his other charts to see if there were ways to simplify things and asked that he bring that back to Authority for feedback.

Mr. Perritt suggested staff try an easier technique and run them parallel for 3-4 months and just see if the trends match up and the correlations look good and then estimate how much time it would save staff.

### **DIRECTOR'S REPORT**

Mrs. Wilsey encouraged the new Chairman and new leadership team to make recommendations for any streamlining of the agenda packet to eliminate any extraneous reporting in order to make the best use of the time the Authority has together to transact airport business.

Mrs. Wilsey updated the Authority on the recent visit from our air service consultant, Joseph Pickering, and the many meetings with local business and travel leaders. Mrs. Wilsey stated the primary focus now is a headquarters meeting with American in Dallas in late July or August and then following up with a headquarters meeting with Delta in Atlanta.

Mrs. Wilsey reported on a new contact from the business traveler focus group, Mark Lanier at UNCW, who has put ILM on a North Carolina Coastal Clinical Research Initiative (their CRO cluster). They have developed a lot of programs around CRO research and they have a group that meets periodically. The companies are smaller than PPD or AAI but they do a lot of their

research internationally and also across the US.

Mrs. Wilsey, reporting on the Global Entry event at ILM, stated we have 5 applications already approved in the system. Once we have 20 approved applications, Customs and Border Protection will set a date to come to Wilmington for appointments. Between the focus group, some civic clubs and Authority member contacts, it should be easy to get 20 people.

Mrs. Wilsey reported that staff is working on temporary South Ramp options and the future of the North Ramp. Staff has completed a lot of improvements, and is looking for some type of business to go in the hangar with Air Methods. The GA Co-Op is still meeting and we should have a status report from them soon.

Regarding the future on the North Ramp, Mrs. Wilsey reported staff has worked recently on a corporate fuel farm policy, due to opportunities on the North Ramp for corporate hangars. This work involves a corporate fueling policy and tank farm site. Mrs. Wilsey used a slide to indicate where the proposed fuel farm would be best placed for the future development of the airport, taking into consideration proximity to the corporate hangars and liabilities that go with this activity. Corporate fueling is done with the corporations own aircraft, on their own leasehold, with their own employees and with their own equipment. Those follow the regulations from the FAA. The proposed site can accommodate up to four farms. The corporate entity has to bear the cost of the construction of the tanks, the loop road, and the environmental regulations and resources that go along with this activity.

Chairman Crane commented that this was good to have ready if approached by a corporation. In response to Mr. Lambeth's question, Mrs. Wilsey responded that there are other sites selected for potential fuel farms but they were less advantage for ILM.

Mrs. Wilsey updated the Authority on today's meeting of the NC Aviation Task Force in Greensboro, where they released a draft of the report due to the Governor on September 1<sup>st</sup>. The four major points were: 1) How can aviation help the economic development of NC?; 2) What can we do to help the military personnel that are leaving the military stay in NC?; 3) What is a process that we can go through with NCDOT Aviation to make some of the grant process easier?; and finally, 4) How are we going to fund aviation infrastructure? The Task Force must deliver the report at the end of August.

### **UNFINISHED BUSINESS**

Mr. Perritt brought up unfinished business regarding a proposed staff structure change and Mrs. Wilsey recommended for approval the creation of a new position, Director of Business Development and Marketing, stating that Mr. Morton has agreed to move into that role, allowing staff to recruit a person to perform the Finance Director functions. Mr. Barber MOVED, SECONDED by Mr. Hickman, that staff begin recruiting for the Finance Director position and create the Director of Business Development and Marketing position, which Mr. Morton will fill. The MOTION WAS APPROVED UNANIMOUSLY.

### **NEW BUSINESS**

Mr. Perritt updated the Authority on the status of an economic development opportunity that Mr. Morton and others worked on recently involving Cirrus Aircraft. The press has just reported

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Cirrus Aircraft will be moving their training and delivery facility to Knoxville, TN with an estimated \$15M investment in that airport and 170 jobs created. Mr. Morton reported that ILM made it to the Top 20 which is saying a lot, really.

**ADJOURNMENT**

There being no further business to come before the Board, Chairman Crane adjourned the meeting at 6:28 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Carter T. Lambeth, Secretary

Date of Approval: August 5, 2015