

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
November 2, 2016**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, November 2, 2016, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Wolfe called the meeting to order at 5:03 p.m. and led the Pledge of Allegiance, and then read the Authority's Code of Ethics statement. No conflicts of interest or potential conflicts of interest were identified at that time.

Airport Authority members present were; Thomas Wolfe, Chairman; Carter Lambeth, Vice-Chairman; Dan Hickman, Secretary; Jonathan Crane, Donna Girardot, and John Perritt. Also present were Julie Wilsey, Airport Director; Gary Broughton, Deputy Airport Director; Jackie Yellin-Mungo, Comptroller; Whitney Prease, Facilities Director; Carol LeTellier, Business Development Director; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Tom Barber participated in the meeting by teleconference. Robert Campbell, Finance Director, was absent, attending a PFC conference in Arizona.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Monte Coughlin, Ryan Evans, Ruth Smith, Harry Cool, Chris Stephens, Bill Cherry, Suraiya Motsinger, Tom Goodwin, Ken McGee, Butch Truelove, and Ed Samuels.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on October 5, 2016. Dr. Crane asked to revisit the matter of retaining meeting recordings and Chairman Wolfe stated that the Authority policy going forward would be to retain these recordings for a period of 1 year. Mr. Lambeth MOVED, SECONDED by Mr. Perritt, to approve the minutes of the October 5, 2016 Airport Authority Meetings as submitted. Upon vote, the MOTION WAS APPROVED. Mr. Barber did not vote because he was not present at the meeting.

Mrs. Wilsey introduced ILM's UNCW Marketing Intern, Christopher Yon, to the Authority.

SPECIAL PRESENTATION

ILM's Air Service Consultant, Joseph Pickering of Mead & Hunt, addressed the Authority with a status of the aviation industry and an update on ILM's Air Service Development efforts. Mr. Pickering reviewed the following items:

- what the Big 4 airlines have been doing over the last 5 years;
- an update on American and Delta's schedules at ILM;
- the growth status in the industry;
- increased capacity in the Wilmington market – up about 9%;
- fare comparisons with comparable markets;
- that ILM has the highest growth in passengers, at 6%, when compared to comparable markets;

- the status of ILM's air service efforts and the Small Community Air Service Development Grant (SCASDG);

Discussion followed regarding Charlotte now being in ILM's Top 20 O&D (Origin and Destination); where ILM stands in comparison to United's recently added cities; timing of ILM's terminal expansion needs; and continuing to get local corporations involved in air service development.

PUBLIC COMMENTS

Chairman Wolfe opened the floor for public comments from Monte Coughlin, Chris Stevens and Tom Goodwin.

Mr. Coughlin addressed the Authority regarding several items including the pending lawsuit; the current meeting agenda; drainage on RWY 24 approach end following Hurricane Matthew; and past and present Authority meeting practices.

Mr. Stevens expressed concern over the future of the South Ramp and an interest in being included in the GA committee meetings.

Mr. Goodwin expressed his opinion that the airport and the current FBO are not "piston pilot" friendly; that this airport is extremely expensive; that this airport needs hangars that are cost competitive; that ILM needs a GA guy to come in and expand general aviation; and expressed an interest in being included in the GA committee meetings.

Mrs. Wilsey reminded the Authority that a private consultant, ARGI, came to ILM in 2003 and June 2013 and advised the Authority and staff on the development of the GA Master Plan which moved general aviation to the North Ramp and that staff and the Authority are simply following that plan by issuing an RFP for a 2nd FBO for the North Ramp.

FACILITIES

Mr. Prease, having met with the Facilities committee, recommends the approval of the following:

- a. **Runway Lighting Rehabilitation, including Airfield Lighting Vault Generator Replacement (FY' 17 AIP Entitlement Project (Pending))** -- Approve Work Authorization with Talbert & Bright for Project Formulation & Environmental Documentation, Design and Bidding Services, including Subconsultant Services in the amount of \$145,060, contingent upon an Independent Fee Estimate (IFE).

Memphis Airports Division Office (ADO) is requesting for the airport to support a CAT II ILS on a currently CAT I approach to RWY 24. The airport will fund the project and be reimbursed by the FAA Entitlements in July of 2017. The proposed scheduled completion date is May 2017. We will have additional information at the next meeting.

- b. **Rwy. 24 Avigation Easement Clearing** – Authorize Chairman to approve a contract agreement with BCB Farm LLC Not to Exceed (NTE) \$35,000 to clear approximately six acres of property containing trees that penetrate the RWY 24 avigation easement.

Mr. Lambeth confirmed this was the recommendation of the Facilities committee and does not require a second. The MOTION WAS APPROVED. Mr. Barber did not vote because he was not present at the meeting.

Mrs. Wilsey clarified for the record that under FAA guidelines, ILM is able to select an Engineer of Record for a period of time for ILM projects. Talbert & Bright was selected, based on qualifications, for a contract for 5 years' worth of projects which allows ILM to expedite the engineering process. They are selected for projects, particularly on the airside, in accordance with the Request for Qualifications (RFQ) and then the Authority approves the work authorization and expenditures on a project by project basis so staff is not required to go out and do an RFQ for each and every project. ILM is not allowed to bid out engineering work. It is not based on price, it is based on qualifications, so at the next meeting staff will have the expiration date of the current contract, so that you will understand when the next RFQ for engineering for FAA projects will go out.

Mrs. Wilsey introduced Jackie Yellin-Mungo, ILM's comptroller, who gave the Finance report while the Finance Director attended a conference.

FINANCE REPORT

Mrs. Yellin-Mungo reviewed ILM's September 2016 cash summary, monthly financial summary and September financials.

Mr. Hickman, on behalf of the Finance Committee, recommended the purchase of a 3.13 acre property at 2435 Old Wrightsboro Road for the appraised amount of \$47,000, pending the results of the survey. The purchase is PFC eligible. After some discussion, Mr. Hickman MOVED, SECONDED by Mr. Lambeth to approve the purchase as recommended above. The MOTION WAS APPROVED. Mr. Barber did not vote because he was not present at the meeting.

GENERAL AVIATION

Mr. Broughton reported that there were no action items or information items on the agenda because when the committee met, there was nothing that hadn't already been discussed at previous meetings, including the Authority meetings, but added that (1) the RFP is out for an FBO that is due in mid-December; and, (2) a draft lease is in the hands of Mr. Bruce Chappell who is having his attorneys review the same.

In response to Dr. Crane's question regarding approval of the current RFP, Mrs. Wilsey responded and Mr. Broughton confirmed, that staff worked on the RFP with the GA committee.

Dr. Crane asked for and received clarification that the RFP was not voted on in Public Session.

In response to Dr. Crane's question regarding the plan for the hangars on the South side and the timing, Mrs. Wilsey responded that the GA committee hasn't given staff instructions at this time. ILM still has the month to month tenants who need a place to stay, at least through May of 2017. The GA committee cannot make any recommendations until they see the results of the RFP for FBO #2.

In response to Dr. Crane's question regarding what would be the purpose of tearing down the hangars on the South side, Mrs. Wilsey responded, the hangars were built in 1960. They are not compatible with the fleet of aircraft that we have today. This is not the type of service that we want to give to our GA pilots. So with the FBO going to the North Ramp, we are looking to the North Ramp as the future of general aviation. Staff and the GA committee will have a recommendation in December or January for the South Ramp hangars.

In response to Dr. Crane's inquiry about a flight school or SASO in that area, Mrs. Wilsey responded, that staff received a 2 page LOI written to the airport. Staff gave him the appraisal and information. Mrs. Wilsey personally offered to meet with him several times and offered to call and speak to him several times and then he dropped off the radar screen. Mrs. Wilsey stated she would be happy to share that LOI with the Authority so that everyone can see exactly how incomplete it was in terms of a business plan.

Dr. Crane asked why staff didn't pursue it further and asked Mrs. Wilsey to share the LOI and emails that were sent back and forth. Mrs. Wilsey responded that she would share them all and that his responses were usually one word "thanks." Mrs. Wilsey stated if he has a business plan, he should bring the full proposal to the Authority, just like the minimum standards say, and then take it to the GA committee so they can evaluate the proposal.

Mr. Barber asked to comment and stated, as the GA committee, we are trying to do all the things we can to follow the master plan moving FBOs to the North side of the airfield, which we believe is the best solution. We've issued an RFP. We're trying to wait and see if an FBO is going to respond to that RFP, because if they do, and if they are going to build hangars, we don't want to get ahead of that so we have to wait until the middle of December to see what is going to happen there. Depending on what happens with that RFP, we will then make decisions as to what to do with the South Ramp.

Mr. Barber further stated, with regard to the proposal for a flight school, that it was his understanding that we had a very minimal indication as to what they wanted to do. It wasn't a plan, it was like an email and certainly we could share that, but we haven't had any definitive conversations that I'm aware of with anybody that is serious about starting a flight school. Just a lot of talk, not a lot of action.

Dr. Crane asked Mr. Barber if he or anyone else on the GA committee talked to the person interested in putting a flight school here. Mr. Barber responded, no, that the GA committee believes in letting the staff deal with these kinds of things and if the staff got a bona fide proposal, the GA committee would review it. Mr. Barber further stated that the goal is not to do anything that is not in the best interest of GA and staff and the GA committee are trying to do everything we can to accommodate GA and the growth of the airport.

Dr. Crane proposed that the staff and Authority pursue general aviation leads the same way that the business park leads are pursued and congratulated Carol on a good job in pursuing the business park leads so aggressively. Dr. Crane suggested that the GA committee should be reaching out since we have a shortage of hangars and planes are being turned away.

Mr. Broughton stated that there is hangar space.

Mr. Barber stated it was his understanding that there are vacant hangars on the East side of the airfield as well as vacant hangar space available with the current FBO on the airfield. Dr. Crane responded that with his airplane, it took about a year before there was a space for it and that he got a space about 6 months ago after being on a waiting list.

Mr. Barber asks how many aircraft are currently in hangars on the South side. Mr. Broughton responded there are 8 and that there is room in most of the hangars on the South side. Mr. Broughton further stated that those are the only hangars that the airport owns and that he has not had any pilots contact him and be turned away.

In response to a comment from Mr. Truelove regarding a pilot interested in seasonal hangar space, Mr. Broughton clarifies that it was George Scelzi. Mr. Broughton stated that Mr. Scelzi is a seasonal pilot and ILM staff can't guarantee him a hangar until he comes back to ILM. Mr. Broughton further reported that Mr. Scelzi is not interested in renting the hangar year round and that staff has told him to call when he is ready to come back from Florida and if these hangars are still available, he is welcome to them.

Mrs. Girardot responded to a previous question regarding the GA committee following up on hangars that she, Mr. Barber and Mr. Wolfe have been willing and have talked to anyone that has come to the GA committee wanting to discuss hangars and reminded everyone that we are waiting for the RFP that is out there right now. Mrs. Girardot encouraged everyone, that if they know of anyone that would like to build hangars, to send them to the GA committee and they would be more than willing to talk to them. Mrs. Girardot further stated that the Authority is doing everything that it can to get hangars built out there and that she was certainly willing to negotiate any way that she could to get hangars built.

Dr. Crane pointed out that it is one thing to say you can build hangars but if they have to put in a big concrete taxiway, economically, the numbers aren't going to work and suggested that the airport may have to step up and provide a certain amount of concrete or taxiway to make the numbers feasible. Dr. Crane further stated that if the Authority says it's not in the business of providing a taxiway to a hangar, then it is throwing people out of the game.

Mrs. Girardot reminded everyone that the Authority is putting in infrastructure for GA right now with the \$1.5M received from the last General Assembly and stated the Authority is doing what it can right now.

Dr. Crane stated that there are people that want to build hangars but they say the numbers don't work if the Authority doesn't put forth taxiways, and suggested the Authority could say it would put forth \$800,000 towards a taxiway and then maybe be able to get someone build 20 hangars on it. Dr. Crane further suggested that the Authority could do a taxiway and hangars and reminded everyone that planes are the business that we're in and that we're an airport.

Chairman Wolfe asks if there are any other comments on General Aviation. There being none he moved on to Tab 5.

GOVERNMENT & PGA Golf

Mrs. Girardot updated the Authority on the Special Use Permit (SUP) which is coming before

the Planning Board on November 3rd. If approved it will go before the County Commissioners at their November 14th meeting.

Regarding the PFC Plan, Mrs. Girardot reported that in August the FAA announced a rewrite of the current PFC order at the urging of the AAAE and ACI-NA.

Regarding the upcoming NC Legislative session beginning in January, Mrs. Girardot reported that Mr. Broughton approached the NCAA about hiring a lobbyist but the NCAA is wavering so staff is reaching out to other NC airports for support in hiring a lobbyist for the Infrastructure Bank legislation that is moving forward with Senator Rabon for airports around the state.

Mr. Broughton, reporting for the PGA committee, said he attended a function last night at Eagle Pointe which was upbeat. There were professional golfers there to speak to the crowd and reminded everyone that we're 6 months out.

Mrs. Wilsey reported that Mr. Robbie Collins was named to the NCDOT board as the at-large member for ports and aviation and he replaces Mr. John Lennon, who served on the Authority and was Chair of the Authority. Staff will reach out to Mr. Collins and welcome him here if he needs any support or orientation with respect to the airport industry. Mr. Lennon served this airport and the aviation community very well in Raleigh and staff thanks him for his efforts.

Mrs. Girardot suggested that staff should have Mr. Collins in for an orientation of ILM and Chairman Wolfe agreed.

HUMAN RESOURCES

Nothing to report.

MARKETING

Ms. LeTellier pointed out that the date for the SeaHawk Aviation grand opening is Sunday, December 11th from 11 am – 2 pm.

Chairman Wolfe commented on the survey questionnaire attached to the agenda which will be included with the New Hanover County resident survey.

PLANNING & DEVELOPMENT/TERMINAL EXPANSION

Ms. LeTellier shared the recent article by Vince Winkel in the Greater Wilmington Business Journal about ILM.

Ms. LeTellier also shared that staff as applied for membership in the Realtors Commercial Alliance of Southeastern North Carolina.

OPERATIONS REPORT

Nothing to report.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the ILM United Way Campaign led by ILM employees Erin McNally and Lt. Dustin Stream. To date, ILM is just under \$11,000 with a goal of \$12,000

and 100% participation.

Mrs. Wilsey reported that Mr. Pickering and staff will be meeting with the business focus group Thursday morning to continue to build relationships with the business community and the companies that do a lot of travel. Our job is to connect this community to the world, especially for the global market place for business, also for tourism and for the residents who want to travel domestically and abroad. This group is an important advocate.

Mrs. Wilsey shared that to date ILM has had 6 VIP arrivals, all of which were done at Air Wilmington and handled by Air Wilmington staff with assistance from our Public Safety LEOs and recognized Tony D'Erasmus, Christina Hearn, Jeff Allenczy and Robert Caggiano. With 2 visits by VP nominee Pence, 1 by Mr. Trump, 1 by Bill Clinton, 1 by Mr. Caine and also Ben Carson in the primaries.

Mrs. Wilsey advised that she received a call from the Inspector General on the VA Clinic. They requested lease documents and they are happy with ILM's role in the leasing of that building.

Mrs. Wilsey reported that the Global Entry event at ILM has been scheduled to start Monday, November 14th at 1 pm and continue through Thursday, November 17th at 2:30 pm.

Mrs. Wilsey reviewed the November and December calendars and recognized Dr. Crane's birthday in November.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chairman Wolfe adjourned the meeting at 6:25 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Dan Hickman, Secretary

Date of Approval: December 7, 2016