

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the March 13, 2008 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Diane Carter, Vice Chair
Grace Bailey
Charlie Baker
Andrew Riolo
Crystal Jackson
Stan Vaughan
Tony Almeida
Paul Korry

Staff Present

TJ Orr, Aviation Director
Jennifer Long, Staff Advisor
Erika Helm, Community Outreach Specialist

Guest Speaker

Haley Gentry, Airport Public Affairs Manager
Jack Christine, Airport Planner

Absent

Stan Campbell, Chair
Dr. Henry Nicholson
Jeff Hay

1. Call to Order

Vice Chair Diane Carter called the meeting to order at 8:00 a.m.

2. Welcome New Member

Carter introduced Grace Bailey, the committee's new member. Bailey replaces John Warlick as a City Council appointed West Mecklenburg community resident.

3. Pledge of Allegiance

4. Approval of the February 7, 2008 Minutes

The minutes were approved as written.

5. Business Agenda

1. High Bandwidth Data Ring Cabling

Action: Award the low bid of \$451,089 by The Com Tran Group, Inc. of Buford, GA to run data cabling from the Airport terminal to various areas of the Airport.

Background:

- This will support new interactive signage along the Airport roadways, new parking revenue control system, and other Airport and tenant communication and data requirements.

Small Business Opportunity

Established SBE Goal: 0 %

Committed SBE Goal: 0%

Pursuant to Part B: Section 2.4 of the SBO Program, no SBO utilization goal was set for this contract because subcontracting is not anticipated.

Summary of Bids:

The Com Tran Group	\$ 451,089.00
Cabling Solutions	\$ 695,433.34
Whiting Construction	\$ 709,962.00
AT & T	\$ 786,796.00

Data Com \$ 977,149.25
Com-Design \$1,022,904.00

Council Date: March 24, 2008

Riolo: I am struck by the disparity in the bids and the fact that Com Tran was 36% lower than Cabling Solutions and Com-Design is like 125% higher. How much do we know about Com Tran?

Orr: We are confident that they can get the work done. I do want to point out to you that contractors are getting desperate as are architects and engineers. Prices are coming down as a result.

Riolo: Are the other companies that bid Carolina based? I noticed this group is out of Georgia.

Orr: I am not sure where they are based.

Motion: Vaughan

Second: Korry

Vote: 8-0

2. Mesa Airlines Maintenance Hangar

- Action:**
- A. Award the low bid of \$4,624,000 by Morlando-Holden Construction of Charlotte, NC for construction of an approximately 40,000 square foot hangar, and**
 - B. Adopt a budget ordinance appropriating \$5,203,000 from the Airport's Excluded Fund Balance to be repaid from future permanent financing.**

Background:

- Mesa Airlines currently operates out of an existing hangar on airport property that is located where the new Third Parallel Runway is being constructed.
- The new hangar will be leased by Mesa Airlines.
- The additional \$579,000 appropriated in the budget ordinance is for A&E construction contingency, inspection and testing costs.

Small Business Opportunity

Established SBE Goal: 8%

Committed SBE Goal: 2.6%

Morlando-Holden failed to meet the SBE goal, but earned the required number of Good Faith Effort Points. They have committed 2.6% (\$123,300) of the total contract amount to the following SBE firm: Cochrane Steel.

Summary of Bids:

Morlando-Holden Construction	\$4,624,000.00
Edison Foard, Inc.	\$4,760,000.00
G. W. Liles Construction Co.	\$4,956,000.00
Randolph Builders	\$5,038,000.00
Heaton Construction, Inc.	\$5,987,000.00

Council Date: March 24, 2008

Korry: Does the hangar have any residual value?

Orr: This hangar was built in 1951 and has been moved twice already. There is no way you would be able to get a permit to move it again. The museum wanted the hangar to move over to their location, but it would be a monumental task and incredibly expensive, if indeed you could move it. But you wouldn't even know if it is possible until after you have already spent a lot of money to determine that.

Vaughan: What's the length of the lease?

Orr: We have not set that yet but it will probably be a fairly short-term lease. This will be a generic hangar and we have had a lot of demand for hangars like this. The value of a long-term lease with any

carrier in the market place today is not very much. Thirty years ago we depended on the airline's credit rating to sell bonds. Today, an airline's credit rating is a disadvantage. If we can convince the bond market that the airline has nothing to do with the bond sell, we can get a higher rating. That is what has happened in the industry over the years.

Vaughan: Based on a lease, about how long would it take to pay for the hangar?

Orr: The lease will be designed to pay for it in 20 years. We are actually funding this with cash, so we are getting a much better return on our money than we would get investing it.

Korry: Would it make any sense to have that hangar located near the FBO as opposed to where the US Airways Maintenance facility is?

Orr: That is a good question. Since we are so ahead of schedule on our earthwork for the runway, we are having to hurry to get this building out of here. As a matter of fact, the telephone and the power that feeds this building goes right through the construction site and we need to get that moved so we have already put them on a wireless system for the phone and are running a line for the power, which will also serve our future fire station. This building would work either place. The difference with the location we decided on is that the site is graded and ready with water and sewer, as well as road and taxiway. We would have to do a significant amount of earthwork to build a taxiway, water and sewer in the FBO area. We have used up all the available space in the FBO area and every hangar built is a major undertaking.

Riolo: Did you say you are going to move the fire station over there or it will be an auxiliary fire station?

Orr: We will build another fire station. What it will probably become is the main fire station and the existing one will become the auxiliary one.

Riolo: The fire station we have now, do we do that in cooperation with the Guard?

Orr: Yes.

Riolo: This additional one built will also be in cooperation with the Guard?

Orr: Yes.

Riolo: Is Morlando-Holden going to do this work simultaneously as the simulator addition?

Orr: Yes. As a matter of fact the two sites are close together and we are going to put Morlando-Holden in one of our cargo buildings as a field office.

Vaughan: You mentioned earlier about the benefits to us in construction costs as a result of the downturn in the economy. Do you think that was a benefit in this contract?

Orr: Yes. The high bidder was the only one not within our budget.

Motion: Almeida

Second: Korry

Vote: 8-0

3. Relocated Old Dowd Road Paving

Action: Award a contract to Scurry Construction, Inc. of Cornelius, NC in the amount of \$3,376,681.47 for paving of the relocated Old Dowd Road.

Background:

- In October 2001, City Council awarded a contract to Gannett-Fleming, Inc. for the design of the relocation of Old Dowd Road to accommodate the new runway.
- In June 2007, City Council awarded a contract to Scurry Construction in the amount of \$2,246,111 for the grading of the road.
- This contract is for the paving, curb and gutter, and concrete electrical duct bank to accommodate relocated underground Duke Power lines.
- The bid price also includes a Charlotte Mecklenburg Utilities sewer and water line to be located adjacent to the new road right-of-way.
- Funding for the paving comes from Federal Aviation Administration AIP grants in-hand and proceeds from the 2007 General Airport Revenue Bond issue, the debt service of which is paid by Passenger Facility Charge (PFC) revenues.

- Funding for the water and sewer lines comes from the Charlotte Mecklenburg Utilities Water and Sewer Capital Improvement Fund.

Disadvantaged Business Enterprise

Established DBE Goal: 18%

Committed DBE Goal: 6.5%

While not meeting the contract goal, Scurry Construction submitted the necessary documentation of good faith efforts. They did commit 6.5% (\$219,681.47) to the following certified DBE firms:

B.C. Cannon Co.	\$13,508.00
Theresa's Concrete Service, Inc.	\$85,995.00
Martin Landscaping Co., Inc.	\$12,900.00
ACS Pavement Markings	\$10,466.00
Stay Alert Safety Service	\$ 1,850.00
Hazel Holmes Trucking	\$70,027.00
Bullington Construction	\$25,200.00

Summary of Bids

Scurry Construction, Inc	\$3,376,681.75
Propst Construction Company	\$3,492,188.18
Hall Construction	\$3,574,956.25
ADC	\$3,882,356.30
Boggs Paving	\$3,897,574.75
Blythe Development	\$3,907,848.36
Dellinger, Inc.	\$3,913,487.87
Sealand Contractors	\$4,275,469.71
Morgan	\$4,682,320.65

Council Date: March 24, 2008

Motion: Korry
 Second: Vaughan
 Vote: 8-0

4. Airport Relocation of West Boulevard

Action: Approve change order #2 in the amount of \$91,765.25 with STV/Ralph Whitehead Associates of Charlotte, NC for additional design of the West Boulevard relocation.

Background:

- On January 27, 2003, Council awarded a contract in the amount of \$520,000 to Ralph Whitehead Associates for the planning and design of the relocation of West Boulevard.
- On April 9, 2007 Council approved change order #1 in the amount of \$219,302.41 to STV/Ralph Whitehead Associates for additional design services, which included breaking the project into multiple phases based on funding availability for construction and the need for a 345-foot bridge over Coffey Creek.
- During a design review with NCDOT the Airport was advised that the Engineer must submit a Traffic Impact Analysis for the affected intersections that may be impacted by the relocation of West Blvd.
- The Airport also wants to modify the intersection of Steele Creek Road and the new West Boulevard in order to make it a safer intersection and provide a better alignment for future development.
- This change order will provide for the NCDOT mandated Traffic Impact Analysis and the intersection modifications.

- Funding for this project comes from future Federal Aviation Administration AIP grants and proceeds from the 2007 General Airport Revenue Bond issue, the debt service of which is paid by Passenger Facility Charge (PFC) revenues.

Disadvantaged Business Enterprise

The Federal DBE Program neither requires nor permits goals for every contract. The City must meet its overall goal by using a mix of contract goals and race-neutral means.

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Korry: Where is Highway 160?

Orr: What 160 will eventually do is follow a new route and go out and down the Interstate (485).

Korry: Wasn't there some State funding for the new road extension?

Orr: Yes, \$1.7 million.

Korry: What about the other side?

Orr: Right now it is a four lane road coming off of Billy Graham, which we built and paid for. Then it goes down to two lanes up to the Yorkmont intersection. We are in design on a project to continue that four lane and redesign that intersection. This will be funded by the Airport.

Motion: Korry

Second: Almeida

Vote: 8-0

5. Property Transaction

Action: Approve the following property acquisition.

Background:

- A. Project: Airport Master Plan Land**
Owner(s): Joseph T. McLear
Property Address: 7901 Byrum Drive
Property to be acquired: 4.98 acres
Improvements: Single Family Residence
Purchase Price: \$515,000.00

Remarks: The purchase price was determined by an independent appraiser and was reviewed by a second appraiser.. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement

Zoned: R3 Use: Single Family Residential
Tax Value: \$155,100.00
Tax Code: 141-055-58

Council Date: March 24, 2008

Korry: What will we do with the house?

Orr: A lot of the houses we purchase are moved, but I doubt this one can be because it is old and has a lot of stone on it and is one and a half stories.

Vaughan: Are you seeing any deterioration in the value of the land as a result of the downturn in the economy?

Orr: Not seeing it yet. Land prices are driven by the Airport. We are our own worst enemy. As a public agency we talk publicly before we buy a piece of land.

Vaughan: With what is happening in the economy and the lower costs to us for some of these contracts, are we able to speed up any of our projects to take advantage of these lower costs?

Orr: We are running wide open right now. As you may know, the banks are struggling right now and the credit markets are in total disarray. When municipalities, hospitals and authorities sell debt they use insurance and get the insurance carriers AAA rating. The rating agencies have been downgrading the insurance companies and some of those insurance companies are getting out of the market. It is extremely difficult right now to sell bonds and get them insured. There are also problems with existing bonds, including ours. We have some outstanding variable rate bonds and are having difficulty selling them. We need to go into the bond market and sell another \$200 million in bonds in August. There is only one AAA rated insurance company left that does municipality debt, so you can imagine what their rates are. This is something we are struggling with. We are in a place where we would like to accelerate our construction schedule and are simultaneously in a place where it is extremely difficult to issue debt.

Motion: Vaughan

Second: Korry

Vote: 8-0

5. Status Reports

1. CIP Summary

Jack Christine, Airport Planner, gives the committee an overview of the Capital Improvement Program (CIP). The CIP is a five year program covering Fiscal Years 2009-2013. The five year total cost is \$1,078,555,511. Projects include:

Airfield Projects

- Third Parallel Runway
- Taxiway 'V'
- West Blvd. Relocation
- Deicing Facility
- Runway 18L Safety Area Improvements
- Storm Drain Rehabilitation- Phase II
- Runway 18R-36L Rehabilitation
- Terminal Ramp Expansion West

Terminal Complex

- Concourse 'E' Expansion
- Concourse 'E' Jet Bridges
- Con. 'E' Baggage Transfer Station
- Communications Infrastructure
- Renovate Terminal Restrooms
- Renovate Baggage Claim Lobby
- Consolidated Fuel Farm Expansion
- HVAC Chiller Replacement
- Security Checkpoint 'E'
- Terminal Lobby Expansion
- New Hourly Parking Decks
- Parking Deck (North)
- Public Parking Lot Expansion
- Terminal Building Exp. (West side)

Airport Facilities

- Master Plan Land Acquisition
- Noise Compatibility Program
- Employee Parking Expansion
- Master Plan Update

- Josh Birmingham Parkway Off-Ramp
- Storm Water Facilities
- Hotel/Unit Terminal Roadway
- Airport Entrance Road Connection
- Roadway Signage Project
- Airport Drive Relocation
- Airport Office Relocation
- Air Traffic Control Tower

General Aviation

- FBO Terminal Aircraft Canopy
- FBO Terminal Expansion
- FBO Ramp Expansion
- FBO Parking Deck
- GA Aircraft Maintenance Hangar
- Group Hangar #4
- GADO Site Redevelopment
- GA Hangar Development
- BofA Hangar Road Relocation

Cargo Development

- Cargo Ramp Exp. (Cargo 6 & 7)
- Cargo Building #8
- Old Terminal Loop Road

Special Facilities

- Rental Car Facility Relocation
- Aircraft Maintenance Facility

2. Booking Engine and Fare Analyzer

Haley Gentry, Airport Public Affairs Manager, talks to the committee about the Airport's new web site design and upcoming features including a Booking Engine and Fare Analyzer.

A Booking Engine will allow CLT customers to make flight, hotel and car reservations directly from the Airport's web site, www.charlotteairport.com. The Airport has researched various providers that offer this type of service including Expedia, Travelocity, Orbitz and SwiftTrip (specialize in Airports). CLT has selected SwiftTrip.

Booking Engine Fee Structure:

- Airfare Service Charge by SwiftTrip: \$7
- Average Airport Service Charge: \$1
- Overall Passenger Service Charge: \$8

Booking Engine Investment Fees:

- Customization Cost (One time fee): \$995
- Annual Cost: \$2,000

Booking Engine Pros:

- Could generate some revenue
- Additional customer service/convenience
- Creates a customer database, which can be used for other communication and marketing opportunities
- Customers report SwiftTrip is good with customer service – utilizes people versus computers

Booking Engine Cons:

- Other markets have experienced criticism from local travel agents
- Participating in the program can be impacted by frequent flyer programs
- Some travelers choose not to join

A Fare Analyzer allows customers to compare the lowest available airfares from multiple airports to multiple destinations, compare the lowest available airfares from multiple origins to a meeting city and to compare the lowest available airfares for various advance purchases and Saturday stay scenarios. The upfront customization cost is \$4,995 and the monthly cost \$275.

Fare Analyzer Pros:

- Markets low fares available at Airport
- Draws awareness to low cost options
- Offers back of the house capabilities (research, data collection, market comparisons, etc.)

Fare Analyzer Cons:

- Investment of software
- Criticism from airlines that don't want their fares broadcast

Korry: Being that I worked for a travel agency, the bottom line is that you are always going to hear from any given supplier in the community when you are stepping into their territory, so I would disregard what you hear from them about this service. Everyone has access to the internet and to this type of information. Regarding the large corporations like Duke Energy, Wachovia and Bank of America, they have dedicated travel departments, so this leaves the service open to the small guy. But the small guy also has access to Expedia and the other similar services. So I think the most important thing will be the marketing of this and making people aware that they can do this from our website. Plus, there are charges involved in using sites like Expedia and Travelocity. Also, people can go to the individual airline's website to book flights and avoid those charges.

Gentry: The average fee I believe is around \$8 or \$10.

Almeida: What trends are you seeing in terms of usage to the Airport's website?

Gentry: Erika manages the website on a daily basis and I will let her jump right in.

Helm: We average about 72,000 hits per month.

Almeida: Is it going up?

Gentry: Yes.

Orr: My perspective on this is that I don't expect it to generate significant revenue and the revenue is irrelevant. My viewpoint is that it doesn't cost very much and it adds a good service to the website.

Vaughan: It seems to me the real benefit is in the behind-the-house capabilities to allow us to better answer customer questions regarding airfares, and it provides a service to the customer.

3. Airfield Tour (end of meeting)

Following the meeting, the committee boarded an Airport shuttle bus for a tour of the Airport's airfield including the US Airways Maintenance hangar, FBO area, North Carolina Air National Guard, etc. The tour was given by the Aviation Director and lasted approximately one hour.

6. Director's Report

1. CLT Air Service

- The Airport's Cities Served Report is shared with the committee. The report indicates what cities/destinations the Airport offers nonstop service to and by what carrier. The data comes from each carrier's flight timetable and the report is available on the Airport's website.
- US Airways will not receive regulatory approval to offer daily flights between CLT and Bogota, Columbia, under a proposal by the U.S. Department of Transportation.
- Beginning May 4, US Airways will add non-stop service from CLT to San Antonio and Austin, TX. Beginning June 3, US Airways will add non-stop service from CLT to Sacramento, CA; Tuscan AZ and Portland, OR.

2. CLT ranks 20th among the “World’s Most Wired Airports” (article in member’s books)

- According to Forbes.com, Charlotte Airport ranks 20th among the “World’s Most Wired Airports.” To compile the list, Forbes looked at the top 50 airports around the world, measured by passenger traffic. Those airports were then rated on three criteria:
 - The breadth of wi-fi coverage.
 - Whether an airport charged for the service and how much, along with how many providers they offered as options.
 - The comfort and convenience factor which includes checking out whether the airport offered workstations, adequate seating and electrical outlets, as well as facilities like computer rooms and business centers for travelers looking to get online without their own laptops.
- CLT has offered free wireless Internet service to its customers since September 2005, when the Airport’s Business Center opened in the Atrium. Initially, the coverage was limited to the Atrium but soon spread terminal-wide creating a 1.7 million square foot wireless hotspot with over 325 miles of fiber-optic cable and approximately 170 access points.

3. CLT ranks as the 7th “Most Miserable Airport” (article in member’s books)

- CLT has ranked seventh among 47 U.S. airports in a survey comparing the percentage of delayed flights and crowded planes.
- According to U.S. News and World Report’s Airport Misery Index, airlines turned in their second-worst on-time performance last year, with 73.4 percent of flights arriving on time. The load factor, or percentage of seats filled on each airplane, was 80.5 percent.
- According to U.S. News’ analysis of government figures, 28.2 percent of flights at CLT were delayed last year. The average load factor was 81.8 percent.

4. Annual Report

- The Airport’s Annual Report is shared with the committee.
- As part of the group’s charter, the Airport Advisory Committee presents the “Report to the Community” (Annual Report) to City Council each year.
- The committee Chairman will present the report to City Council on behalf of the committee.

Meeting adjourned at 8:54 a.m.



T. J. Orr, Aviation Director

Distribution:

Mayor & City Council

Curt Walton, City Manager

Brenda Freeze, City Clerk

Ronnie Bryant, President/CEO, Charlotte Regional Partnership

M. Schuster, UNCC Library

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