

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the August 6, 2009 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Stan Vaughan, Chair
Drew Riolo, Vice Chair
Joe Carpenter
Crystal Jackson
Shawn Dorsch
Russell McMillan
William Taylor
Morgan Edwards

Staff Present

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

Absent

Todd Fuller
Jeff Hay

1. Call to Order

Chair Stan Vaughan called the meeting to order at 8:00 a.m.

2. Pledge of Allegiance**3. Welcome New Member**

Vaughan welcomed Colvin Morgan Edwards to the committee. Edwards replaces Dr. Henry Nicholson as a council-appointed member with aviation affiliation. Edwards, who is appointed to a three-year term, served as the Assistant Secretary for NCDOT and is a retired aviation naval officer.

4. Approval of the July 9, 2009 Minutes

The minutes were approved as written.

5. Business Agenda**1. Elevated Roadway Repairs**

Action: Approve a contract in the amount of \$347,500 with MV Momentum, LLC of Matthews, NC for the Airport's Elevated Roadway repairs.

Background:

- The elevated roadway was constructed in 1988 and current plans are for it to remain in service for another three - five years.
- This contract provides all labor and materials for necessary repairs, along with unit prices for any additional repairs that may be discovered during the course of the contract.

Small Business Opportunity

Established SBE Goal: 6%

Committed SBE Goal: 0%

MV Momentum Construction, LLC failed to meet the SBE goal, but earned the required number of Good Faith Effort Points.

Summary of Bids

MV Momentum	\$347,500.00
The Bowers Group	\$363,000.00

Rea Contracting \$604,785.48

Council Date: August 24, 2009

Carpenter: Does this work still need to be done knowing that there are plans to tear all of this out?
Orr: Yes, it needs to be done.

VOTING

- Motion for Approval: Carpenter
- Second: Taylor
- All those in Favor: 6 (Dorsch and Edwards absent for vote)
- Opposed: 0

2. Airport Runway Project Change Order

Action: **Approve change order #7 with E.S. Wagner Co., LLC in the amount of \$2,237,560 for additional work on the Third Parallel Runway.**

Background:

- In February 2007, Council approved a contract with ES Wagner in the amount of \$43,626,829 for grading of the new runway.
- In August 2007, Council approved change order #1 in the amount of \$3,514,989 allowing the Airport to expedite the paving of Wallace Neel Road and providing additional clearing and erosion control modifications.
- In January 2008, Council approved change order #2 in the amount of \$1,585,744 providing funding for additional clearing around the runway to improve line of sight from the Air Traffic Control Tower, additional pavement for the relocation of Wallace Neel Road, and payment for fuel escalation.
- In May 2008, Council approved change order #3 in the amount of \$2,099,884 providing funding for constructing a road to the future airfield electrical vault, additional erosion control measures and maintenance, and payment for fuel escalation.
- In August 2008, Council approved change order #4 in the amount of \$1,468,699 for additional clearing for navigational aid lights and payment for fuel escalation.
- In August 2008, Council approved change order #5 in the amount of \$2,191,341 for additional clearing & grubbing and excavation in preparation for a separate contract to build two Taxiway Bridges.
- In November 2008, Council approved change order # 6 in the amount of \$1,976,046.07 for additional grading at the runway light line and NAVAID shelter pads, as well as for fuel escalations.
- Change order #7 includes:
 1. Additional berms on the west side of the runway to shield vehicular lights from the Air Traffic Control Tower line of sight.
 2. Installation of permanent stormwater management devices as required by the environmental permits issued for construction
 3. Additional erosion control maintenance on the site as requested by DWQ.
 4. Payment for fuel escalation as calculated using the NCDOT fuel escalation formula as required by contract.
- As with previous change orders, this change order takes advantage of favorable bid pricing due to large quantities in existing contract and facilitates an expedited construction schedule.

- The budget for the grading and drainage for the runway was \$71,457,950. The total contract amount to date, including this change order is \$58,700,593.
- Funding for this change order comes from proceeds of the 2007 General Airport Revenue Bond Issue, the debt service of which is paid by Passenger Facility Charge (PFC) revenues, and proceeds from federal grants.

Disadvantaged Business Opportunity

ES Wagner Co. committed to 13.5% DBE participation with the original contract. They maintain that commitment with the addition of this change order.

Council Date: August 24, 2009

Riolo: Can the control tower see all the areas; both ends of the runway and taxiways?

Orr: Yes, they can see all paved areas.

Carpenter: This is the 7th change order?

Orr: Yes.

Carpenter: When it was originally bid, the prices you had, do those remain? Are we within budget?

Orr: Yes. When we bid this, the low bidder was \$43 million and the next low bidder was \$91 million. The low bidder was about \$30 million under our budget. They have done all the work that was in their contract at those bid prices, which were very favorable. The only additional money we've paid them was the \$2.5 million bonus for meeting two early completion dates, as well as a fuel increase charge that was in the specs. When we bid this, the price of fuel was, and still is, extremely volatile, and we didn't want the contractor to put extra money in there. So we bid it based on what the fuel price is today and if it increases, we will pay more and if it goes down, they give us money back. It was a unit-price contract, which means they bid \$2.64 per cubic yard for moving dirt. Every yard they move, they get paid for at that price. If we want to increase the number of yards we can do that or if we want to decrease we can. Their units were extremely favorable to us, some of that was attributable to the massive quantity of the operation. We did voluntary change orders with them for future work that we know was coming down the road and placed it in the contract.

VOTING

- Motion for Approval: Carpenter
- Second: Dorsch
- All those in Favor: 7 (Edwards absent for vote)
- Opposed: 0

FOR INFORMATION ONLY

The following actions were approved by City Council at the July 27th City Council Meeting.

1. Airport Medical Center

Action: **Approve a concession agreement with Americorp, Inc. d/b/a AeroClinic to operate a Medical Center in the passenger terminal building in conjunction with Presbyterian Health Care Associates.**

Background:

- In December 2008, the Airport advertised for proposals from qualified medical establishments interested in supplying medical services to employees and passengers in the passenger terminal building at the Airport.
- On February 26, 2009, the Airport received a proposal from Americorp, Inc. d/b/a AeroClinic, in conjunction with Presbyterian Health Care Associates, to staff, equip and operate a medical clinic and provide medical services from two locations in the terminal. This was the sole proposal received.

- AeroClinic proposes to provide the following services at the Airport:
 - Minor Ill Care
 - Well Care and Screenings
 - Specialty-focused Preventive Care
 - Vaccinations
 - Prescriptions and Pre-packaged Medications
 - X-Rays in Conjunction with First Aid
- The Airport has found AeroClinic and Presbyterian to be well qualified to perform the services described by the RFP and has negotiated a five year contract for the services.
- Under the contract, AeroClinic will lease space in the terminal for a fixed annual rental and in addition will pay the Airport 52% of the profit from the operation.
- The Airport will pay for the cost of up-fitting the space up to a maximum of \$385,000. AeroClinic will pay for all furnishings and equipment.
- AeroClinic will be the operator and employer of the staff of the facility. Presbyterian will serve as medical director, provide physician oversight, and will screen personnel to be employed by AeroClinic.

Disadvantaged Business Opportunity

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.

Carpenter: Is AeroClinic a non-profit?

Orr: No.

Vaughan: I think one of the significant advantages is that it can be used by employees and staff of the Airport. They will be able to stay on-site as opposed to leaving for treatment. Another advantage is that they will be able to offer flu shots.

2. Airport Purchase of Wetland and Stream Mitigation Credits

- Action:**
- A. Approve an agreement with the State of North Carolina in the amount of \$372,500 for the purchase of wetland and stream mitigation credits under the Ecosystem Enhancement Program, and**
 - B. Approve an interdepartmental transfer with the Charlotte Mecklenburg Storm Water Services in the amount of \$942,750 for the purchase of wetland and stream mitigation credits.**

Background:

- Environmental Regulations require that the City mitigate the impact to wetlands and streams caused by the Business Valet parking deck construction.
- The mitigation requirements are conditions of the 401 wetland permit issued by North Carolina Division of Water Quality and the 404 wetland permit issued by US Army Corps of Engineers.
- Under a credit banking system established by the regulations, the State of North Carolina's Ecosystem Enhancement Program ("EEP") can undertake projects to enhance streams and wetlands and then sell those credits. The Charlotte Mecklenburg Storm Water Services also has a credit banking system.
- The Airport will purchase wetland credits equivalent to 6.25 acres of wetlands at the rate of \$59,600 per acre from EEP, and stream restoration credits equivalent to 2,095 feet of stream at the rate of \$450 per foot from Charlotte Mecklenburg Storm Water Services.

- Funding for this project comes from General Airport Revenue Bond proceeds the debt service of which are paid with parking revenues.

Taylor: Was this magnitude known or anticipated?

Orr: We knew there would be some, so we did have the budget for it. I thought it was excessive on the part of the State. The alleged wetland was a very shallow pond, and pond is extremely generous.

Carpenter: What fund does this go in for the State?

Orr: This goes into an Ecosystem Enhancement Project. That is a fund that you pay into. That goes to the State and the State spends it to rehab streams that are impacted in various parts of the State. It seems most of the funds go towards projects in the eastern part of the State.

Carpenter: Seems like it should remain in the jurisdiction of where the funding is coming from.

Orr: That's why the City of Charlotte set-up the Charlotte-Mecklenburg Storm Water Services.

Originally, our intention was to do this remediation ourselves in the neighborhood so that we could keep the money here. But there are so many hurdles placed in front of you to do that. The City set-up a division in the Engineering Department that does that fulltime. It's a semi-enterprise fund where they remediate the creeks in Charlotte, the State approves that, and then when you, as a developer, have a need to purchase these credits you can purchase them from the City of Charlotte and that money stays in the neighborhood.

Carpenter: We have several things in Gastonia, but I don't know if any of it is going to the State.

Orr: You will notice that \$942,000 went to the City and \$372,000 went to the State. That's because \$942,000 was all the credits that the City had available in their bank. Therefore, we had to buy the rest of them from the State. On the runway, we paid the State approximately \$3.5 million.

6. Status Reports

1. Presentation to City Council

Orr shared with the committee a presentation made to City Council on June 1 which focused on the Airport's recently completed projects, as well as existing and future expansion projects over the next three years. Projects completed or under construction include:

- Third parallel Runway
- Old Dowd and Wallace Neel Roads
- Business Valet Parking Deck
- Mesa Airlines Maintenance Hangar
- US Airways Crew Training Facility expansion
- Group Storage Hangar II
- Group Storage Hangar III
- DHL Cargo Facility
- Wilson Air Center
- Green Initiatives (solar projects, electric & hybrid vehicles, etc.)
- Checkpoint and Ticket Counter expansion
- East Terminal expansion
- New Parking Deck (for public & rental cars)
- Terminal Roadway and Front Lobby expansion
- Airport Entrance Road (from Little Rock Road)
- Concourse E expansion
- In-line Baggage Screening System
- Intermodal Facility development
- I-485 ramps at Garrison Road

Carpenter: On the solar projects, where would you put something like that?

Orr: We have identified several sites, and what we would do is work with the engineers when we are ready. What works best is using a piece of land that is sloped towards the sun. We would sale the

electricity to Duke Energy, who has a requirement to generate a certain amount of electricity by alternate means. This does not work in this part of the country for using the power yourself.

Edwards: Would the proposed intermodal yard at the Airport replace the yard in Uptown?

Orr: Yes, it would replace Norfolk Southern's intermodal yard in Uptown, which is about 35 acres of the total complex. It will not replace the passenger train station or their big sort yard.

Edwards: Is the train station going to move?

Orr: It is allegedly going to move to a new station on West Trade Street, which is the exact location as the original station. But it should be built right here on the mainline in conjunction with the Airport terminal.

Carpenter: I agree with that.

Orr: Many experts think that short range air travel, which is less than 500 miles, is not the best way to do it. The President feels that way and said his goal is to travel by train when going less than 500 miles. However, we don't have that type of train system in this country. If you look at Europe and the rest of the world, the high speed train station is almost always at the Airport.

Edwards: Are there plans to bring light rail to the Airport?

Orr: The previous director of the transit system did not feel the loads would support it. But if you look at any city that has light rail, it always goes to the international airport.

Vaughan: Regarding the Garrison Road ramps, which offers access to I-485. Isn't that important to the truck transportation?

Orr: It is absolutely essential for the operation.

Carpenter: Does that interchange tie in to the Garden Parkway?

Orr: It was, until they did their EIS. They proposed a different location.

2. Annual Report

This year's Annual Report is a video and will be presented to City Council by Dr. Nicholson on August 24 at the Dinner Briefing. All committee members were invited to attend.

Additionally, the video was showcased to members following this meeting.

3. FY09 Year End Financial Figures

Orr shares with the committee the Airport's Year End Revenues for FY09. Although the Airport's parking transactions are down, compared to last year, revenues are up. Rental car revenues are down approximately 11% to 12%. Food & Beverage sales are up, however, in June, revenues were down over the previous year. Retail revenues have been down as much as 14% but are improving.

Meeting adjourned at 9:07 a.m.


T. J. Orr, Aviation Director

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