

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the January 7, 2010 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Stan Vaughan, Chair
Drew Riolo, Vice Chair
Joe Carpenter
Crystal Jackson
Jeff Hay
Colvin Edwards
Todd Fuller
Russell McMillan
Ed McMahan
William Taylor

Staff Present

TJ Orr, Aviation Director
Jennifer Long, Customer Relations Specialist
Erika Helm, Community Outreach Specialist

Absent

Shawn Dorsch

Guest Speaker

Jack Christine, Airport Planner

1. Call to Order

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

2. Pledge of Allegiance

3. Approval of the December 3, 2009 Minutes

The minutes were approved as written.

4. Business Agenda

1. Airport Terminal Ticket Level Renovations

- Action:**
- A. Approve a contract with Edison Foard, Inc. in the amount of \$1,342,010 for Renovations to the Terminal Ticket level.**
 - B. Adopt a budget ordinance in the amount of \$1,342,010 from the Airport Discretionary Fund to be replaced with proceeds of a future General Airport Revenue Bond issue.**

Background:

- In July 2009, City Council approved a contract with DAS Architecture, Inc. for the design of renovations to the ticket counter level of the terminal building.
- This contract will:
 - Combine the Delta and Northwest ticket counters
 - Relocate the United and Continental ticket counters to the space adjacent to US Airways, all of which are Star Alliance members
 - Expand the space allocated to the 'A' and 'B' Checkpoints to allow an additional screening lane to each
- The Airport initially received bids on November 19, 2009, but all bids were rejected after an omission was discovered on the bid form.
- The Airport re-advertised the project with the corrected bid form and Edison Foard, Inc. is the low bidder.

Contract Terms

- This contract duration is 150 calendar days.
- This project was bid on a unit cost basis.

Small Business Opportunity

Established SBE Goal: 7.0%

Committed SBE Goal: 28.9%

Edison Foard, inc. has committed \$387,597 of the total contract amount to the following SBE firms
Gastonia Iron Works (steel) , R.D. Franklin Electrical (electrical), Scott's Painting (painting), Window 2
Wall (aluminum).

Summary of Bids

Edison Foard, Inc.	\$1,342,010.00
Camps Construction	\$1,384,232.00
Holden Building Company	\$1,385,800.00
Rodgers Builders	\$1,406,625.00
The Bowers Group, Inc.	\$1,492,300.00
J.G. Coram construction	\$1,513,085.00
Dave's Construction	\$1,522,400.00

Council Date: January 11, 2010

Motion: McMahan

Second: Carpenter

Vote: 9-0 (Fuller absent for vote)

2. Airport Bag Tractor Chargers

Action: Approve a contract with Averest, Inc. in the amount of \$148,734 for the purchase of outdoor battery chargers for baggage carts.

Background:

- US Airways Express received \$150,000 in stimulus funding to purchase 10 electric baggage cart tractors from the Mecklenburg County Land Use and Environmental Services GRADE Grant (Grants to replace aging diesel engines).
- These battery chargers are necessary for US Airways Express to charge the units for daily use.
- This contract will purchase 12 outdoor battery chargers and an annual maintenance service contract.
- US Airways Express will pay a per use charge to use this equipment

Contract Terms

- This contract duration is 45 calendar days.
- The project was bid on a unit cost basis.

Small Business Opportunity

Established SBE Goal: 0%

Committed SBE Goal: 0%

Pursuant to Appendix Section 18 of the SBO Program, no SBE goals are established for purchases of goods & equipment

Summary of Bids

Averest, Inc	\$148,734.00
AeroVironment, Inc	\$152,763.00
Johnson Batteries	\$153,030.00
Alpine Systems	Does not provide outdoor chargers

Council Date: January 11, 2010

Motion: Edwards
 Second: Carpenter
 Vote: 10-0

3. Airport Lease with Federal Express Corporation

Action: Approve a Lease for Air Cargo Facilities between City and Federal Express Corporation

Background:

- Federal Express entered into a Lease with City of Charlotte in February 1993 for 12,090 square feet of office/warehouse space amended by a Letter of Agreement dated September 14, 1998
- Lease amended February 2002 to include an additional 14, 390 square foot air cargo building consisting of office/warehouse space. The expiration date of the Lease was September 30, 2008.
- Federal Express desired to incorporate both air cargo facilities and recent capital improvements into a new ten-year Lease its expiration September 2018. The new Lease includes:
 - Ground rent on 6.755 acres
 - Facility rent for two air cargo facilities consisting of a total of 26, 480 square feet of office/warehouse space
 - Improvement Rent for total cost of recently constructed improvements consisting primarily of a parking lot
 - 10-year term
 - All improvement rent will be paid in full prior to any Lease for replacement premises
 - CPI increases every five (5) years
 - Retroactive to September 2008
 - Triple net
 - Landing fees are separately charged and collected

Small Business Opportunity

Established SBE Goal: n/a

Committed SBE Goal: n/a

The SBE program does not apply to real estate leases in which the City is the landlord.

Council Date: January 25, 2010

Carpenter: I am sure there is a dollar figure tied to this?

Orr: Yes, we will get you that information.

Vaughan: Jennifer can send that to us? *(This information was sent to the committee, via email, on 1/21)*

Fuller: Is this lease to improve thru-put of their cargo or is it just a renovation?

Orr: They use both of these facilities and will continue regardless of what happens in Greensboro. Federal Express has three products here:

1. The heavy freight
2. Overnight packages
3. Second day product (primarily a trucking product).

Orr: They will continue to do that here. Greensboro would be packages that are flown from places further than Charlotte, and not as big as Charlotte, and then consolidated and distributed. With this lease, they can get an early out if they want a new, different or larger facility in Charlotte.

Carpenter: When we put the Intermodal Facility in, do you anticipate that there is going to be much of that freight distributed back out through there?

Orr: We don't expect very much of that. You see that in places like the Middle East. We really don't expect any of that here. We do expect the Intermodal to generate air cargo demand, but it is in a different way. Where the containers interchange is frequently one of those points were all of sudden you realize you are not getting all you need and then you need to get the rest of the order quickly.

Motion: Carpenter

Second: Jackson

Vote: 10-0

4. Aviation Relocation Assistance Services Change Order

Action: Approve a change order to the contract with Terrell Hundley & Carroll, Inc. in the amount of \$375,000 extending the contract until December 2010 for relocation assistance services required for the Airport's land acquisition programs.

Background:

- Property acquired by the Airport is purchased in accordance with Federal Regulations under our Noise Program or Master Plan. Federal Regulations require the Airport to provide relocation assistance services to those affected by such property acquisitions.
- Council approved a contract with Terrell Hundley & Carroll, Inc. ("THC") in April, 1999. THC was selected to provide the relocation services for the Airport's acquisition of land under its Master Plan and Noise Compatibility Program. The Airport continues to need relocation assistance services for ongoing and upcoming Noise Program and Master Plan projects, including:
 - Relocations already underway for a mobile home park with twenty tenant/homeowners; and
 - Properties on West Boulevard, including a business park with 33 remaining tenants.
- Continuing to use THC will provide consistency and continuity of service for those eligible for relocation assistance under Airport programs.
- Additionally, continuing to use THC at the Airport will provide consistency with the City and County's relocation assistance programs because THC is also working on projects for Mecklenburg County Storm Water Services and the City of Charlotte Real Estate-Engineering and Property Management.
- The cost of providing relocation assistance services covered by this change order is eligible for 75% reimbursement by the Federal Aviation Administration using Airport Improvement Program (AIP) grants.

Contract Terms

- This change order will fund THC's work until December 2010 on an agreed-upon hourly rate not to exceed a total of \$375,000.

Disadvantaged Business Enterprise Program

DBE Established Goal: 0%

DBE Committed Goal: 0%

The Federal DBE Program neither requires nor permits goals for every contract. The City must meet its DBE goal through a mix of contract-specific goals and race-neutral means. No goal was set for this contract because THC is not a DBE and other participation opportunities are not anticipated.

Council Date: January 25, 2010

Motion: McMahan

Second: Carpenter

Vote: 9-0 (Riolo absent for vote)

5. Airport Telecommunications Antenna Site Lease

Action: Approve a five-year lease with CELLCO Partnership D/B/A Verizon Wireless for a telecommunications antenna and related facility site on the Airport's Rotating Beacon.

Background:

- The Airport has been leasing space on the Rotating Beacon since it was constructed in 1999. It was designed to accommodate up to four telecommunication antennae systems.
- CELLCO Partnership D/B/A Verizon Wireless, will have exclusive use to 639 square feet of land, the right to attach a maximum of nine (9) antennas and related equipment. The term is for five-years beginning January 1, 2010 at a rental of \$3,500 per month with 3% annual escalations.

Council Date: January 25, 2010

Motion: Edwards

Second: Carpenter

Vote: 9-0 (Riolo absent for vote)

6. Airport Security Fence

Action: Approve a contract with Country Boy Landscape Co. in the amount of \$258,000 for security fencing for the New Third Parallel Runway.

Background:

- Federal Aviation Regulations require a chain link security fence around the Airport.
- In October 2008, Council approved a contract in the amount of \$277,600 for the purchase and installation of a chain link fence for Phase II. This contract provided a portion of the new fence that will be required when the new runway opens.
- In July 2009, Council approved a contract in the amount of \$160,000 for the purchase and installation of chain link fence for phase III. This contract provided a portion of the new fence that will be required when the new runway opens.
- This contract will provide the final additional portion of the required security fence.

Disadvantaged Business Enterprise Program

DBE Established Goal: 12%

DBE Committed Goal: 12%

Country Boy Landscape Co. met the DBE goal utilizing one certified DBE subcontractor, Hunting Creek Construction, Inc. for a portion of the work equal to \$31,150.00.

Summary of Bids

Country Boy Landscaping, Inc	\$258,000
Long Fence Company, Inc	\$258,500
Henley's Construction Co., Inc.	\$267,000
Bullington Fence	\$271,600
American Fence and Supply Co., Inc.	\$287,280
US Fence and Gate	\$360,000
Dynateck, Inc.	\$387,400

Council Date: January 25, 2010

Edwards: During construction, was there a portion of the fence removed?

Orr: Several times.

Edwards: How did you secure the area?

Orr: We always maintain a fence around the operating area. This fence was redundant.

Edwards: So the runway construction area is not subject to the same security measures?

Orr: That's correct. We kept the construction area separate from the operating area.

Motion: Edwards

Second: McMahan

Vote: 9-0 (Riolo absent for vote)

Edwards: On a different topic, I have a question about the carts in the terminal. Has anything been done to confirm that there is a charging location for each cart? I recall that at night, when it was time to charge them, there were fewer number of chargers than carts. I didn't know if an inventory had been performed to check on this.

Orr: The charger and the carts belong to the airline.

Edwards: But the outlets belong to the Airport. The Airport had removed many of the outlets during various renovations.

Orr: But the chargers belong to the airlines. No, we have not performed an inventory since they don't belong to us.

6. Status Reports

1. New Runway

Orr: The first landing occurred on the new runway yesterday. It was a Piedmont DC-3, owned by the Carolinas Aviation Museum. They operated two flights and offered the Mayor and City Council the opportunity to be on those flights. Most of them participated. Media were invited to record the event. Vaughan: I was fortunate enough to ride on the second flight. It was memorial for me because when I first started working, that's what we traveled on. It was an interesting flight. It took off on the east runway and went around uptown. Two things were noticed. It flew at about 1,200 feet. So when we were in uptown, it flew below Bank of America. The next thing is when we landed; it took us only about 1/5 of the runway to land. I felt safe because there were about five pilots on the flight. They all volunteered and are active pilots.

2. Holiday Recap

Orr shared with the committee the parking transactions and parking revenues during the holidays. Parking normally peaks around lunch time on Christmas day, but this year it peaked the day after Christmas. The parking operation went smoothly. There has been tremendous growth in both Curbside Valet and Business Valet.

3. Flight Information Displays) FIDS Update

The FIDS monitors display flight information including the destination, airline, gate number and flight time. Last month, we began installing new flat-screen LCD monitors with new technology and new display structures. The installation of the new monitors will be completed in phases.

4. FAR Part 150 Public Hearing Scheduled

Jack Christine talks to the committee about the upcoming Public Hearing.

Christine: The Public Hearing will be held at Olympic High School on January 27th at 6:00 p.m. This will be the opportunity to take official public comments which will be incorporated into the final document that is submitted to the FAA for approval. Comments will be in the document as well as responses. We anticipate submitting the document to the FAA for approval in March. It will take them about six months to approve both the noise exposure maps and the program measures. We would like to extend an offer to all of you to attend that meeting.

Orr: We expect there to be some angry citizens there.

Carpenter: What would the issue be?

Orr: The issue would be noise. Some of the comments will be that airplanes are flying over my house that didn't before.

Vaughan: Are we already getting calls about the new runway?

Christine: We got a few calls, all from the same street.

Carpenter: Why are the noise contour lines so close on the new runway?

Christine: Because it is predominantly an arrivals runway. It doesn't include departures.

Orr: On the new runway, if we are only using it for landings, you are only getting noise from one direction at a time. So you get roughly half the noise.

Vaughan: How long has this new runway been planned?

Orr: The new runway first appeared in the 1989 master plan, which started in 1985. We awarded the contract for the new runway in February 2007 and essentially finished the construction in September 2009. We have been waiting on the FAA to do the things they need to do with respect to their landing systems and lighting.

Vaughan: It is amazing how much new construction has occurred in that flight plan that has been built over the last three to five years.

Orr: Particularly in Steele Creek and lower Steele Creek. There have been a lot of starter homes built. We would like to have you attend if you can. This is a required Public Hearing. Jack, explain the changes that are in this PART 150.

Christine: Most of the measures are retained from the existing program. The new measures include requesting that the Airport be able to mitigate noise out to the 60 DNL contour. The FAA at this point will support mitigation out to the 65 DNL. But since our contours have shrunk so much, the new 60 DNL contour is essentially what the old 65 used to be.

Orr: If they don't approve that, the only consequence is the people we have offered noise insulation to, because they used to be in the contour, that offer will no longer be available because the contours have shrunk. If they approve the 60, they would still be eligible.

Christine: The second change is that we want to offer mitigation to homes that are exposed to new noise that is in excess of three decibels from existing conditions. That covers areas in the proximity of the new runway that are outside of the contours, but there is a new additional noise exposure because of the new runway.

Orr: That's the homes that are to the south of the new runway. A change of three decibels would qualify them. They don't currently qualify because the noise contour is so much smaller off the new runway.

Christine: The final adjustment is to change the nighttime preferential runway use program, which is the use of Runway 5/23 at nighttime. Currently, the hours for operation for that measure are 11:00 p.m. until 7:00 a.m. We are requesting a change to 11:00 p.m. until 6:00 a.m. That will better allow us to start the morning with our first push and allow the carriers to use the parallels an hour earlier. We analyzed that in our noise exposure maps to show what that would change look like and it is very minimal.

Orr: That's driven by several things. What we do is change runway operations at 7:00 a.m., which is very cumbersome. Using 5/23 requires aircraft to fly over recently developed homes. So the benefit of using 5/23 during those hours is nothing like it was 20 years ago. Overall, it is much better to use the parallels.

McMahan: You stated before that you would eventually close 5/23.

Orr: Eventually, but that could be a ways away. Eventually we would close 5/23 and build two parallels and a lot of other things.

5. 2009 Stats/Figures

Orr: We are going to sell some bonds next week and we are confident that we are going to sell them at a tolerable interest rate. It will not be as low as we would like for it to be, but it could be much higher. We have our bond rating from the three bond rating agencies and they maintained our rating. We were hoping to get it raised. There are only about six or seven airports in the country with a higher bond rating than we have. We think we should be in that group and we are slowly getting there. Our bond rating was A+ with a stable outlook. They sort of raised it because now it is A+ with a positive outlook. Moody's said our rating was "based on the strength of local demand for air service, the Airport's resilient enplanement levels during national declines and extraordinary financial operations in spite of the economic recession. The strength and consistency of performance, especially during a challenged economic environment, offsets the Airport's primary credit risks of reductions to US Airways connecting operations." I thought that was very positive. I find it interesting that the bond rating agencies state if we lose the US Airways hub it would be a downgrade, yet they downgrade us because we have the US Airways hub. If you read the reports, you will see they penalize us for having the US Airways hub. Yet, if you look at Greensboro Airport, they penalize them for being so close to Charlotte, who has a US Airways hub. Our revenues for this past year were flat, down just a little when compared to last year. We keep our costs down so that our excess revenues are flat. For the first five month of this fiscal year, which started July 1, our revenues are down about \$1 million and our costs are down more than that. Our passenger activity is also flat.

6. Director's Report

1. Inaugural Events Held for Rio and Honolulu

Rio de Janeiro

- US Airways began nonstop service to Rio de Janeiro, Brazil on December 15th.
- This is the airline's first nonstop service to South America.
- To commemorate the service, an Inaugural Celebration was held at the Airport on December 15th, beginning at 5:00 p.m.
- The event featured Latin dancers, tropical decorations and Brazilian-inspired food.

Hawaii

- US Airways began its first ever nonstop service between CLT and Honolulu, Hawaii on December 17th.
- This is the airlines first nonstop service between CLT and Hawaii.

- To commemorate the service, an Inaugural Celebration was held at the Airport on December 17th, beginning at 7:30 a.m.
- The event featured Hawaiian dancers, live music, pastries and fresh fruit and juices.

2. US Airways Announces Nonstop Service to Rome

- On December 4, US Airways announced nonstop service between CLT and Rome, Italy, scheduled to begin May 13, 2010.
- The new flight will complement US Airway's daily nonstop service to Rome from Philadelphia, the airline's international gateway.
- It will be operated with an Airbus A330-300 aircraft with seating for 29 in Envoy, US Airway's trans-Atlantic business class, and 259 in the main cabin.

3. Gillette Commercial Filmed at CLT

- NASCAR drivers Carl Edwards and Clint Bowyer whizzed onto the Airport's curbside December 15th to film a Gillette commercial promoting its fusion MVP razor.
- Crews set up cameras and lights on Ticketing Zone C to film a cab driven by Edwards pulling up to the curbside.
- The commercial will air in February on gillette.com.
- The NASCAR drivers were also at Wilson Air Center earlier that day to film scenes on the tarmac.

Miscellaneous Discussion

Edwards: Speaking of DC-3s brings back some memories for me. My first time on a DC-3 was out of Corpus Christi. We flew out over the Gulf of Mexico to Florida and came back. On the way back, we got a call from one of the towers and they wanted the pilot to identify himself. The pilot's name happened to be Castro. Needless to say, we had several planes on our wings trying to figure out who we were.

Meeting adjourned at 8:45 a.m.



 T. J. Orr, Aviation Director

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