

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the March 4, 2010 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Stan Vaughan, Chair
Drew Riolo, Vice Chair
Joe Carpenter
William Taylor
Russell McMillan
Colvin Edwards
Todd Fuller
Shawn Dorsch
Ed McMahan

Staff Present

TJ Orr, Aviation Director
Jennifer Long, Customer Relations Specialist
Erika Helm, Community Outreach Specialist
Jack Christine, Airport Planner

Absent

Jeff Hay
Crystal Jackson

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 February 4, 2010 Minutes

The minutes were approved as written.

4. Business Agenda

1. Taxiway "D" Extension

- Action:**
- A. Approve a contract with Blythe Development Co. in the amount of \$4,578,925.50 for the construction of the Taxiway "D" North Extension; and**
 - B. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$3,434,194 for construction of the taxiway extension; and**
 - C. Adopt a Budget Ordinance appropriating \$3,434,194 in FAA grant funds and \$1,144,731.50 in Airport Discretionary Funds to be repaid with future General Airport Revenue Bond proceeds.**

Background:

- On November 11, 2009, City Council approved a design contract with Talbert and Bright, Inc. to design the extensions of Taxiway 'D' on the north and south ends of the taxiway.
- This contract will provide for the construction of a northern extension of Taxiway 'D', which includes the relocation of a hangar currently leased to the Carolina's Historic Aviation Commission, and the relocation of a small portion of Minuteman Way.
- The taxiway extension will increase airfield capacity by providing direct access to the east side of Runway 18L for aircraft using the Air National Guard and corporate facilities, as well as providing a bypass for air carrier aircraft departing on that runway at peak times.

- The FAA has offered the City an Airport Improvement Program (AIP) grant in the amount of \$3,434,194 for construction of the taxiway extension. The grant will cover 75% of the construction costs.
- The remaining 25% of the costs will be funded by future General Airport Revenue Bond proceeds, the debt service of which will be paid for with Passenger Facility Charge (PFC) revenues.

Contract Terms

- This contract duration is 210 calendar days.
- The project was bid on a unit cost basis.

Disadvantaged Business Opportunity

Established DBE Goal: 16%
Committed DBE Participation: 17.36%

Blythe Development committed to using the following NCDOT certified DBE's for work totaling \$795,073.25: Bullington Construction, Inc.(Fence)Herndon, Inc. (Seeding) Mugo Gravel & Grading, Inc.(Concrete plus earth, aggregate & concrete hauling)All Points Trucking, Inc.(Asphalt hauling)A&R Materials, LLC (Liquid asphalt plus hauling)

Summary of Bids

Blythe Development Co.	\$4,578,925.50
Rea Contracting	\$4,661,996.50
APAC	\$4,715,140.46
Scurry Construction	\$4,897,638.80
Triangle Grading and Paving	\$4,997,338.80
The Bowers Group	\$5,124,348.15
Hi-Way Paving	\$5,152,259.95
Showalter Construction Co., inc.	\$5,384,211.75

Council Date: March 8, 2010

Carpenter: At one time, I believe you talked about doing the same thing on the other end?

Orr: Yes, we've had a standing project to complete a taxi way from one end to the other so that the Guard can do the same thing. But the contract is just for the north end.

Motion: Carpenter

Second: Dorsch

Vote: 9-0

2. FAA Grant Acceptance

Action A. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$17,302,493 for Airport projects related to the new runway; and

B. Adopt a Budget Ordinance appropriating \$17,302,493 in FAA grant funds.

Background:

- Each year, the Airport qualifies for FAA entitlement funds based on passenger enplanements under the Airport Improvement Program. The Airport's FY2010 entitlement funds currently available are \$5,302,493. Additional entitlement funds may be available later in the year.

- In December 2006, the FAA issued its Letter of Intent (LOI) to provide \$80 million dollars over 8 years in discretionary federal funds to be applied towards the cost of constructing the new runway. The FY2010 allocation of this LOI is \$12 million dollars and is included in the \$17,302,493 grant offer. This is the fourth installment of the LOI.
- This grant will be used to fund a portion of the costs associated with the following project elements:
 - Runway Environmental Permitting
 - Runway Grading & Drainage
 - Runway Construction Administration
 - Taxiway 'V' Construction

Council Date: March 8, 2010

Motion: Dorsch

Second: Fuller

Vote: 9-0

3. Parking Revenue Control System

Action **Approve a contract with Kimley-Horn Associates in the amount of \$110,410 for the design of a Parking Revenue Control System**

Background:

- The Airport has a commercial vehicle lane, 5 parking decks, and 5 surface parking lots totaling 27,331 public parking spaces. The Airport's Parking Revenue in FY2009 was \$30 million.
- The Airport has had an automated Parking Revenue Control System provided by ACS, Inc. since 1982. City Council extended the maintenance contract for this system for no longer than 24 months in February.
- This system is outdated and becoming unsupportable.
- This contract will provide performance specifications, assistance in procurement and installation, and acceptance testing of the system installed by the selected vendor.
- Three vendors have been pre-qualified based on experience in providing similar systems and will submit proposals in April.
- The new system will include all new equipment and provide credit card entry and exit, self service options, as well as traditional ticket in-cashier out capabilities along with numerous security controls.
- Council will be asked to award a contract to the selected proposer in May (approximately \$4 million) with installation expected to take 18 months. Proceeds from the 2010 General Airport Revenue Bonds are available to fund the project.

Contract Terms

- This contract duration is 650 calendar days.
- The contract was negotiated on a lump sum basis.

Small Business Opportunity

Established SBE Goal: 0%

Committed SBE Goal: 0%

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

Council Date: March 8, 2010

Carpenter: Will this allow customers to bypass the attendants?

Orr: Yes, we will have about half the attendants we have now at most.

Vaughan: Since the customer will have to use the same credit card to exit as they used to enter, what will happen if they try and use a different card?

Orr: It would not accept it. You have to use the same credit card as used when you enter the parking lot.

Motion: Carpenter

Second: Dorsch

Vote: 9-0

4. Airport Maintenance Shop office

Action: Award a contract to the lowest responsive bidder for the renovation of office space and restrooms.

Background:

- In December 2004, the Airport acquired a vacant 121,640 square foot "big box" building on Wilkinson Boulevard.
- In September 2008, City Council approved a design contract with C Design for the renovation of 4,500 square feet of office and support space in the building.
- This construction contract will provide restroom facilities and 7,200 square feet of office space for the Aviation Department's Parking division.
- Matt Construction's bid was withdrawn due to a clerical error.

Contract Terms

- The contract duration is 90 calendar days.
- The project was bid on a lump sum basis.

Small Business Opportunity

Established SBE Goal: 9%

Committed SBE Goal: TBD

Summary of Bids (Currently sorting through SBE data to determine the lowest responsive bidder)

Matt Construction	\$285,000 (made clerical error in bid)
MV Momentum Construction	\$582,900
Shiel Sexton Company	\$589,000
Edison Foard, Inc.	\$594,700
Ponder & CO, Inc	\$637,000
Hostetter & Keach	\$641,900
Murry Construction	\$654,990
Marand Builders	\$659,000
Miles Builders	\$667,000
DE Brown Construction	\$673,513
The Bowers Group	\$674,600
Randolph and Sons Builders	\$674,900
LeChase Construction	\$690,690
Lomax Construction	\$696,400
SSI, Inc.	\$719,159

Council Date: March 22, 2010

Motion: McMahan

Second: Dorsch
Vote: 9-0

5. Transmission Line Relocation for New Runway

Action: Approve a final payment to Duke Energy in the amount of \$320,000 for the relocation of a transmission line for the new runway.

Background:

- In January 2009, City Council approved a contract with Duke Energy in the amount of \$3,000,000 for the relocation of a portion of transmission line that was located in the runway protection zone of the new runway.
- The agreement authorized Duke Energy to relocate the line, including:
 - Installation of a temporary line to maintain service during the relocation;
 - Lowering the line between certain towers; and
 - Relocating the line underground for approximately 400 feet.
- The agreement was based on an estimate, with the stipulation that the Airport would pay the actual cost for the relocation.
- This payment will fund the additional cost associated with the relocation of the transmission line in accordance with the agreement.

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. Because this work must be performed by the utility company, it is not suitable for DBE participation.

Council Date: March 22, 2010

Motion: Carpenter
Second: Dorsch
Vote: 9-0

6. Airport Terrazzo Maintenance Contract

Action: A. Reject the low bid from Greens Cleaning Service due to not meeting the minimum square footage requirement of the project specifications, and

B. Approve a 39 month contract with Sunshine Cleaning Services, Inc. of St. Petersburg, FL in the amount of \$1,233,627.00 for cleaning and maintenance of the Airport's terrazzo flooring.

Background:

- This contract will provide specialized trained personnel for the continuous cleaning and maintenance of approximately 141,049 square feet of terrazzo flooring on a schedule set by the Airport's Housekeeping Manager.
- This contract will allow for the addition and deletion of square footage with a written notice by the City at a unit price.
- Contract can be terminated with a 10 day written notice.

Contract Terms

- Contract is for 39 months and was bid as a yearly cost with a unit price of any addition and deletion at a unit price.

Small Business Opportunity

No SBE goal was set for this contract because subcontracting opportunities are not anticipated (Part C: Section 2.4 of the SBO Policy)

Summary of Bids

Greens Commercial Cleaning	\$ 1,004,861.00
Sunshine Cleaning Services	\$ 1,233,627.00
Stone Restoration	\$ 1,265,564.00
Diama-Shield	\$ 1,498,250.00
Maintenance and Construction Services	\$ 2,145,440.00
Boyland Terrazzo and Marble	\$ NO BID

Council Date: March 22, 2010

Edwards: Where is Greens located?
Orr: Charlotte.

Motion: Carpenter
Second: Riolo
Vote: 9-0

7. Airfield Pavement Rehabilitation Design Contract

- Action:**
- A. Approve a contract with WK Dickson & Company, Inc. in the amount of \$1,819,482 for airfield pavement rehabilitation design services.**
 - B. Adopt a Budget Ordinance in the amount of \$1,819,482 from Airport Discretionary funds to be repaid with future Airport Improvement Program (AIP) grants, General Airport Revenue Bonds, and/or Passenger Facility Charge (PFC) revenues.**

Background:

- Runway 18C/36C was opened in 1979 and has been in continuous use since its opening. The typical pavement life for a concrete runway is 25 to 30 years.
- In 2005, and again in 2009, the Airport closed the runway for three days to replace specific concrete slabs that were deteriorating.
- These projects were done to temporarily extend the useful life of the runway pavement until the new runway was completed so that a longer runway shutdown could be done to rehabilitate the full length of the runway.
- In June 2009, the Airport accepted qualifications from interested firms to provide design services for the Rehabilitation of Runway 18C/36C. Six firms submitted qualifications.
- A selection committee comprised of Airport Advisory Committee members and Airport Staff selected WK Dickson for the project.
- The contract will provide design, bidding, and construction administration services for the project.
- During negotiations for the contract, WK Dickson identified the need to provide additional services to:
 - analyze the pavement condition for the remainder of the airfield, minus the new runway; and
 - design a concrete replacement for the asphalt on the northern section of Runway 18L to extend the useful life of that runway.

- The Airport will proceed with these additional services, as the proposed fees are very favorable to the Airport.

Contract Terms

- This contract was negotiated on a lump sum basis.

Council Date: March 22, 2010

Riolo: When doing this work on the center runway, are you tearing up the slabs we put in last summer?

Orr: The contractor will determine that. Structurally, they are fine, but we may have some unnecessary joints that can be fixed.

Riolo: When you do the northern end of the east runway and take the asphalt out and pave with concrete, how far down will you go? Will you go past the intersection of 5/23?

Orr: We will go to the intersection of 23.

Riolo: When you get to the intersection of 23, you are going to turn into asphalt?

Orr: Yes, the south end is already concrete.

Riolo: We should eventually look at having common pavement throughout.

Orr: Eventually we will.

Carpenter: What will you do with what you take out? Will you crush it?

Orr: Yes. It is broken up as you take it out and then gravel will be made out of it. We will reuse it.

Vaughan: You will notice this has not been bid because it is an engineering contract.

Orr: That's correct. State law requires when you select professional services, like architects and engineers, to select based on qualifications. Then you negotiate a fee.

Fuller: How long will this work take?

Orr: Should take less than 60 days.

Carpenter: With that runway out of use, will it slow down the traffic?

Orr: Yes.

Carpenter: Will the new runway help with that?

Orr: Yes, it will help.

Motion: McMahan

Second: Dorsch

Vote: 9-0

5. Status Reports

1. Emerging Hub Trends in the U.S.

Jack Christine talks to the committee about hub trends in the U.S.

- Moving forward, it appears hub access is going to be "the name of the game." Having hub access is considered a premium among passengers.
- Three focus areas come into play when talking about hub access:
 - The role of the airline alliance
 - Star Alliance has 26 airline members including US Airways, Continental, United, Lufthansa and Air Canada
 - SkyTeam has 12 airline members including Delta
 - OneWorld has 11 airline members including American
 - Extensive capacity reductions
 - Future fleet demand
- The role of the alliance is growing and allows airlines to funnel passengers through hubs rather than extensive point to point destinations. It allows airlines to sell additional tickets by routing passengers through the alliance network. It also reduces redundancy of routes by multiple carriers.
- Airlines have found that capacity reductions have helped in lowering operating costs. This

- results in less capacity while increasing the demand.
- Seat capacity system-wide fell by 9% in 2009; forecast for another 10% reduction in 2010.
- With these reductions, we will see more focus on the hub activity rather than point-to-point service.
- Capacity cuts are being seen in older aircraft with high maintenance costs as well as the 50 and 70 seat aircraft.
- Airlines will continue to focus on their hub airports as they look for ways to return to profitability.
- Airports must focus on the metrics that make an attractive hub for the airlines:
 - Geographic location
 - Expansion capabilities
 - Financial structure

Edwards: Do you think any other airline will come to Charlotte to operate a hub?

Christine: We have the ability to add another 50 gates, collectively. I think it would be difficult for another carrier to operate a hub with US Airways capacity here. But a smaller hub could be a possibility.

Edwards: Since we have a geographic and economic incentive, I was just curious.

Christine: Moving forward, the industry is going to experience more reductions with focus placed on existing hubs, as opposed to adding hubs.

Dorsch: Is there a prospect of someone trying to put a hub somewhere like Raleigh?

Christine: I don't think we will see airlines trying to add additional hubs as much as focusing on their existing hubs. I don't see it over the next 20 years.

Riolo: One of the things that puts us in a good condition for the hub is the financial structure. Jerry has put us in a great position. US Airways has decided that they are going to almost go to a complete hub program and not do point-to-point flying. This summer, they are projected to route 97% of their flights through the hubs. The point-to-point flying will go down. Additionally, the airline is requesting that the regional carriers buy bigger regional jets, as opposed to transitioning that service to the mainline.

Capacity of the mainline is reducing slightly, but the regional carriers are increasing with larger aircraft.

Edwards: This will increase the transfer traffic. What will we do to accommodate that?

Orr: Add more gates, more facilities and more of everything in the terminal.

Carpenter: Do we foresee getting direct flights to Asia? Do they fly that far?

Orr: Yes, they fly that far. US Airways applied for and received permission to fly from Charlotte to Beijing, but backed out of that. We think that the flight would come out of Philadelphia, because there is a much larger demand area in the northeast. It is much easier to come from here to Philadelphia than to go from Philadelphia to here and then back. I think what we will see first is a one stop flight. The alliances are the future and service to Asia will be through one of those carriers.

Riolo: We have aircraft that will go to the far east, but one of the issues is when you fill the plane up with fuel, you would have to restrict the number of passengers and the amount of cargo. Lately, US Airways has decided to fly Phoenix to Tokyo. This would be through a slot exchange with Delta.

2. J.D. Power and Associates 2010 Airport Satisfaction Survey

- CLT is ranked "among the best" in J.D. Power and Associates 2010 North American Airport Satisfaction Study.
- CLT received 697 points out of 1,000 overall points, receiving the fifth highest score among large size airports (airports with 30 million or more passengers per year), which is only eight points behind the leading airport.
- Overall passenger satisfaction of all airports included in the study averaged 690 points.
- Other large sized airports that ranked "among the best" were Detroit Metropolitan Wayne County, Denver International, Minneapolis/St. Paul International, Orlando International and Phoenix Sky Harbor International.
- The J.D. Power Study was based on airport accessibility, check-in/baggage check process, security check, terminal facilities, food services, retail services and baggage claim.

- This is the first airport study for J.D. Powers in two years. CLT's score for this year increased by 22 points, when compared to the 2008 North American Airport Satisfaction Study.
- Each member received a copy of the press release and results.

3. Runway Commissioning Event Held

- On February 12th, a commissioning event was held for the Airport's 4th runway (Runway 18R/36L).
- Elected officials were present and participated in the ceremony. They included Senator Kay Hagan, Congressman Larry Kissell, Congressman Mel Watt, Congresswoman Sue Myrick, representatives from the NC and SC General Assemblies, Mayor Anthony Foxx, County Commissioners and Charlotte City Council members. Representatives from the FAA and State DOT were also on-hand.
- Additionally, there was a special presentation of an image of a rescued bald eagle, provided by the Carolinas Raptor Center, during the event ceremony when a portrait of the rare bird was unveiled. As part of the presentation, the eagle was named Lady CLT (Charlotte) in honor of the Airport.
- Approximately 300 guests attended the event, with the ceremony occurring on Taxiway N, which connects to the runway.
- Prior to the event's conclusion, a Proclamation was read by Mayor Foxx, followed by an official ribbon cutting, conducted by elected officials.
- Lastly, guests witnessed the commemorative landings on the new runway of a vintage Piedmont Airline's DC-3 (provided by the Carolinas Historic Aviation Museum), a C-130 (provided by the North Carolina Air National Guard) and a US Airways' aircraft.
- At the event's closing, a special keepsake was presented to all attendees. The keepsake is a concrete cylinder, which was drilled during the installation of runway lighting. Each cylinder was cleaned, polished and sealed with the official commissioning event date and the Airport's logo.

4. Ticket Lobby Modifications

- Changes to the Departures/Ticketing area now underway and include the addition of two security checkpoint lanes and the relocation of some airline ticket counters.
- Delta and Northwest have combined ticket counters due to their merger in 2008.
- United and Continental ticket counters will soon move to the space adjacent to US Airways, which will then place all Star Alliance members (Air Canada, United Airlines, Continental Airlines, Lufthansa Airlines and US Airways) together.
- AirTran Airways will move beside American Airlines.
- Beyond the security checkpoints, HMS Host offices, which are currently located adjacent to the 'A' checkpoint, and Mrs. Fields Cookies and Freshens Frozen Treats, both located adjacent to the 'B' checkpoint, will relocate within the terminal to allow for expansion of the checkpoints by adding one lane to both 'A' and 'B' checkpoints.
- Restroom renovations are also taking place in the Departures/Ticketing area. The restrooms, centrally located in the Ticketing area, are now closed for renovations.

5. Establish Selection Committee for Merchandise RFP

- Chair Stan Vaughan appointed himself and Ed McMahan to a selection committee for reviewing the proposals received for Retail services. Morgan Edwards volunteered to serve as a fill-in if needed.

6. Director's Report

1. Krispy Kreme Commercial Filmed at CLT

- Visitors to CLT were recently treated to a special treat in Baggage Claim - Krispy Kreme doughnuts.

- It was all part of a commercial being filmed in the terminal for the famous doughnut company based out of Winston-Salem, NC.
- The commercial captures the reaction of passengers when they are randomly offered a doughnut by a stranger.
- The commercial is scheduled to air at the end of March in the Southeast.

2. North Carolina Airports Association Conference

- This year's conference will be held April 21 – 23 at Sunset Beach, NC
- Please contact Jennifer Long if you are interested in attending.
- A copy of the conference agenda is in each member's book.

Meeting adjourned at 9:00 a.m.



T. J. Orr, Aviation Director

Distribution:

Mayor & City Council

Curt Walton, City Manager

Stephanie Kelly, City Clerk

Jeanne Peek, City Boards and Commissions Clerk

Ronnie Bryant, President/CEO, Charlotte Regional Partnership

Bob Morgan, Charlotte Chamber