

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the May 6, 2010 meeting
Piedmont Conference Room
8:00 a.m.**

Present

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

Staff Present

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

Guest Speaker

Jack Christine, Airport Planner

Absent

William Taylor

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 April 1, 2010 Minutes

The minutes were approved as written.

4. Business Agenda

1. Airport Advertising Agreement with Google

Action: Approve an advertising agreement with Google.

Background:

- The agreement would include a one year contract with two one year options to maximize flexibility.
- As part of the contract, Google will design a new portal page that is viewed by each user when connecting to CLT's WiFi system.
- This will upgrade the look and services provided to users of CLT's WiFi system.
- The new portal will feature airport services, news and advertising.
- The advertising component could be sold by the Airport and/or Google – creating a new revenue stream. CLT's existing portal page does not currently offer advertising.
- All advertising revenues generated through the portal page are additional revenues to the contract.
- Under the agreement, the Airport will receive \$.15 per connected user to the WiFi system with the following perimeters:
 - Year 1 - a minimum annual guarantee of \$125,000 plus \$50,000 in companion in-terminal advertising
 - Year 2 – a minimum annual guarantee of \$150,000 plus \$50,000 in companion in-terminal advertising (optional)

- Year 3 – a minimum annual guarantee of \$175,000 plus \$50,000 in companion in-terminal advertising (optional)
- The Airport previously contracted with Google from November 15, 2009 – January 15, 2009 for in-terminal advertising including beanbag chairs, table tent displays, dioramas, kiosks and a PA announcement.

Council Date: May 24, 2010

Motion: Dorsch

Second: McMahan

Vote: 9-0 (Fuller absent for vote)

2. Airport Rail/Truck Container Transfer Facility

- Action**
- A. Approve Master Development Agreement with Norfolk Southern Railway Company for the Lease with Option to Purchase of Airport Land upon which to construct and operate a Truck/Railcar Container Transfer Facility (Intermodal Facility); and**
 - B. Authorize Aviation Director to subsequently execute a Lease with Norfolk Southern Railway Company for the Airport Intermodal Land and to execute General Warranty Deeds conveying tracts of unneeded Airport land to Norfolk Southern upon payment of the Purchase Price.**

Background:

- Since 1998, the Airport has been in discussions with Norfolk Southern Railway Company (NS) about the relocation of the existing NS Intermodal Facility from its existing location along North Davidson and North Brevard Streets in Charlotte to a location on land owned by the City at the Airport. The intent is to allow NS to remove existing operations from downtown Charlotte and construct and operate expanded facilities on land unneeded for aviation purposes at the Airport.
- The Airport and NS have agreed, and have obtained the consent of the FAA, on the terms of a lease of an initial 160 acres of Initial Leased Premises at the Airport to NS upon which NS can construct Phase I of a new Intermodal Facility, and have agreed upon the terms of a Master Development Agreement which will govern all the conditions of said development, construction and eventual operation.
- The Master Development Agreement provides, among other things, that:
 - Upon the occurrence and satisfaction of certain conditions precedent NS will execute the lease of the Initial Leased Premises and construct Phase I of the new Intermodal Facility;
 - NS will have the option to purchase the Initial Leased Premises and additional expansion areas as needed in the future upon the payment of the fair market value of the property at the time the option is exercised;
 - Upon completion of the new Intermodal Facility NS will vacate the existing premises in downtown; and
 - The City will have an option to purchase the land containing the existing Intermodal Facility at Fair Market Value after NS relocates to the Airport premises.
- Under the Lease, NS will pay to the Airport an annual ground rental for all the property under lease equal to ten percent of its fair market value as established by an appraisal until the property is conveyed to NS by deed. Upon the conveyance of all the property under lease to NS the Lease will be terminated.

- NS is not prepared to execute the lease at this time because all of the conditions precedent have not yet been satisfied but has executed the Master Development Agreement and is seeking Council approval of same.

Disadvantaged Business Opportunity

N/A

Council Date: May 24, 2010

Carpenter: Under the agreement, where is the liability placed?

Orr: There is a great deal of insurance involved. Ground water contamination would be the biggest issue, and the property owner is responsible for that. If we lease it, we are still ultimately liable.

Riolo: If the railroad decides to purchase this, could we write into the contract that if they would ever sell it that we would have right of first refusal?

Orr: Yes, and I believe that is in there.

Carpenter: Since there is going to be a lot of truck traffic around this site, in regards to road access, how will we be handling that?

Orr: We received \$1.7 million from State DOT to pave the road. It is a \$7 million road. The State will pave the Garrison ramps and should open it at the end of the year.

Carpenter: With these various road projects, we hope that this will eventually come across the river and become the Garden Parkway.

Orr: If that is done, the Garden Parkway will hook-up here to the interchange. The toll road commission, who is in charge of that project, designed an incredibly large and expensive interchange here. One of the keys to getting this project done is keeping the costs down. We took a rather firm stand with them to redesign the interchange. So the intersection currently in the plans would utilize the current Garrison Road Bridge over the interstate and build a companion bridge to it. Therefore it falls in the footprint of this existing interchange.

Edwards: The mainline is owned by Norfolk Southern?

Orr: Yes, this is a Norfolk Southern owned track down to right about where the present passenger station is located. North Carolina Railroad then owns from there onto around Greensboro.

Edwards: I guess Norfolk Southern has been paying some rent on that part?

Orr: Norfolk Southern pays North Carolina Railroad about \$19 million to use their trackage. It is a very complex deal.

Dorsch: How will the land be accessed between the runways in the future? The bridges are just for the railroad.

Orr: We do plan to build another runway between the two runways, leaving very little land in between. But that land can be accessed off of the road we just built which is Wallace Neel Road.

Vaughan: What about security of the property? TSA is responsible for the passenger security. How do we secure the rest of this property?

Orr: We think of TSA as being responsible for airline passenger security, but as the Transportation Security Administration, they are responsible for security of all transportation, including containers coming in to port, buses, etc. But they don't do anything other than airports and that's because the threat has been targeted in that area. TSA is responsible at the Federal level for the facility. The entire facility will be fenced in from the airfield. The airfield is fenced from public access.

Riolo: I can speak to that in regards to airline cargo. Right now, the TSA puts forth information that they inspect 80 percent of the cargo in airplanes.

McMahan: What percentage of the rail traffic would go out by air?

Orr: A very small percent. Stuff goes by rail that is high volume, low value. Stuff goes by air that is high value, low volume. If you buy a bull-dozer, it will probably come by rail. If they forget to send the keys, it will probably come by air.

Motion: Carpenter
 Second: Jackson
 Vote: 10-0

3. Aircraft Rescue Fire Facility Change Order

Action: Approve a change order in the amount of \$600,000 with Edison Foard, Inc.

Background:

- In July 2009 the Airport entered into an agreement with Edison Foard, Inc. in the amount of \$3,629,200 to construct a fire-fighting facility to serve the new Third Parallel Runway.
- This change order includes additional scope requested by the Air National Guard (ANG) will include enhanced data/communications systems and PA systems in the facility, upgraded kitchen finishes, enhanced fire alarm system serving this and the ANG's other on-site facility, upgrades to ductbanks and wiring between the facility and existing ANG facility.
- This change order also includes some site enhancements including an additional site security wall.
- The ANG will be funding this change order.

Contract Terms

- This change order was bid as a lump sum fee.
- The remaining contract duration is three months.

Small Business Opportunity

Established SBE Goal: 9.0%

Committed SBE Goal: 4.90%

The contractor maintains the SBE goal with the addition of this change order.

Council Date: May 24, 2010

Motion: McMahan
 Second: Carpenter
 Vote: 10-0

FOR INFORMATION ONLY

The following action was approved by City Council on April 26. No vote from the committee is required.

1. Airport Entrance Road Master Planning Change Order

Action Approve a change order in the amount of \$351,050 with HNTB North Carolina, P.C. for additional master planning services for the Airport Entrance Road.

Background:

- In 1975, the NCDOT Transportation Improvement Program (TIP) included a project to design and construct an Airport Entrance Road from I-85 to the Airport.
- NCDOT did design the road; however, the construction funding has continuously been pushed into the later years of the TIP and the road has not been built.
- Because of significant growth in local passengers since 1975, the NCDOT road design has become inadequate.
- In October 2007, City Council approved a contract in the amount of \$679,893 with HNTB to provide master planning services that would include vehicle modeling, preliminary engineering and cost estimates for a new entrance road design.

- HNTB has developed a roadway design under this contract; however, the estimated cost of this road system, approximately \$60 million, is more than the funds available for the project, approximately \$20 million.
- This change order will provide funds for HNTB to develop a road scheme that utilizes as much of the future roadway alignment as possible and existing system, but reduces the project scope to fit within the available funds.
- This scheme will be a vast improvement over the current roads.

Contract Terms

- This change order was negotiated as a lump sum fee.
- The remaining contract duration is four months.

Disadvantaged Business Opportunity

Established DBE Goal: 0%

Committed DBE Goal: 0%

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.

Vaughan: Do we own all the property?

Orr: Yes.

5. Status Reports

1. New Website Changes

Mobile Site

- Passengers now have an easier way to view Airport information on their cell phones. L, CLT rolled out its mobile website.
- It's a condensed version of the Airport's website, which provides a more user friendly layout for small screens. Passengers may access the site by visiting <http://m.charlotteairport.com>.
- On the site, they will find airline information, parking conditions, car rental phone numbers, CLT contacts, links to FlightView mobile application and directions to CLT.

Booking Agent

- Additionally, CLT has conducted a soft launch of its new booking agent – CLT Book It – this month.
- It allows passengers the convenience to purchase airline tickets, reserve hotel rooms and rent a car, all from one site. Passengers can access CLT Book It from CLT's homepage.
- Passengers will also be able to view the best airfare deals out of CLT by using CLT Book It.
- The Airport has partnered with SwiftTrip to provide the booking agent and low air fare report to passengers.

2. Ticketing Lobby Modifications

Checkpoint B Reopens

- Checkpoint B, which closed April 5th for expansion and renovations, reopened on April 30th. During renovations, the Airport's three remaining checkpoints, A, C and D/E, remained opened.
- Checkpoint B was expanded by approximately 2,000 square feet, doubling in size. To accommodate the additional space needed for the expansion, Ms. Field's Cookies, which was located just beyond the checkpoint, was relocated to Concourse E.
- The additional square footage allows Checkpoint B to increase from three security lanes to four. It also accommodates an advanced imaging technology unit (also known as a full body scanner), which TSA began using this month at CLT.
- Additionally, during closure, Checkpoint B received improved energy efficient lighting and new flooring.
- In July, Checkpoint A will close for expansion and renovations, which will increase the

screening lanes from three to four and will also receive improved lighting, new flooring and an advanced imaging technology unit.

Body Scanners Added to B and D/E Checkpoints

- This month, in addition to the B Checkpoint, a body scanner was added to the D/E Checkpoint.

Airline Ticket Counter Shuffle

- Delta and Northwest have combined ticket counters due to their merger in 2008.
- United and Continental ticket counters have been relocated to the space adjacent to US Airways, which places all Star Alliance members together.
- Meanwhile, AirTran Airways will move beside American Airlines.

3. Summer Air Traffic Trends

Jack Christine talks to the committee about summer air traffic trends

- 3rd Quarter is typically the busiest travel time, past years have seen spikes in load factors from late June through September.
- This year will be different. Airlines have reduced capacity more than 9% over last year to cope with the recession. Load factors system wide are averaging over 80% right now. There will be very minor capacity increases going into the summer months.
- Here in CLT, US Airways load factor is about 85%. We do not anticipate much more capacity going into the summer months.
- The number of departures will increase only 1.4% over the 3rd quarter of 2009. The number of seats available will increase a scant .7% over the 3rd quarter of 2009.
- The number of seats available for the summer travel season is relatively low. Most of those seats will be sold, so the airplanes will be full.
- The 3rd Quarter will be strong for the airlines because the capacity will match the demand.

Edwards: Do you track business vs. leisure traffic?

Christine: Locally we do, through a contract with a market research company.

Long: We work with Phoenix Marketing International to develop and implement a passenger survey. The survey captures feedback from 400 passengers over the course of a year. Our most recent results shows 38% business and 62% leisure.

Edwards: Does it fluctuate with the economy?

Orr: It does fluctuate with the economy. Ours is considerably higher than Raleigh Durham and is not an exact science. The line between business and leisure is very soft.

4. Air Service Update

Nonstop Service to Rome Coming Soon

- On May 13th, US Airways will begin nonstop service between CLT and Rome, Italy.
- To celebrate the new international service, CLT will host an inaugural event in which all committee members are invited to attend.

US Airways Announces Additional Nonstop Service from CLT

- On May 31, US Airways will begin daily, year-round service from CLT to Ottawa, Canada on a 50-seat CRJ-200 regional jet operated by US Airways Express partner Air Wisconsin.
- On June 5, US Airways will begin year-round service to Puerto Vallarta and Los Cabos, Mexico.

5. Director's Report

1. Mainline CLT: Average Taxi Out Chart & Express CLT: Average Taxi Out Chart

- Aviation Director shares two charts that show the current average taxi out times compared to times before the new runway was built, which shows a decrease in those times.

2. Sushi Coming Soon

- Coming this spring, sushi will be a main attraction at First in Flight Bar as it takes on a new look and new menu.
- Construction is now underway. Once completed, passengers will be able to order a variety of sushi ranging from California rolls, spicy tuna rolls, etc.
- Travelers will even be able to catch a glimpse of the sushi chefs in action.
- This is the first sushi bar created by HMSHost, CLT's master concessionaire, in partnership with local sushi provider, Hissho Sushi.
- The new concept as a healthy and unique alternative for many passengers and a dining choice currently not available anywhere else at the Airport.
- Forty tables will be added around the bar to meet customer demand. The bar will receive black granite countertops and accents in brushed aluminum.
- Packaged sushi rolls will also be available for passengers experiencing a time crunch.

3. Neighborhood Task Force Meeting Held

- The NTF met with the Aviation Director and Airport staff on April 22.
- They are a sub-committee of the Airport Advisory Committee and are neighbors of the Airport who live off the ends of the runways.
- The NTF meets with Airport staff quarterly or as needed.
- During the meeting, they were updated on the Intermodal Facility, Runway Commissioning, West Blvd. and Part 150 Update.

4. Neighborhood Update Published

- Copies located in each member's book.

5. Rotary Flight of Honor

- On April 10th, the Rotary District 7680, in partnership with US Airways, sponsored its fourth "Rotary Flight of Honor" from CLT.
- The flights transports WWII veterans to Washington DC for the day to see the WWII Memorial.
- The flights carry approximately 100 veterans and depart from Concourse D and return on the same day.
- The Airport offers complimentary Curbside Valet parking to the veterans, a dedicated security checkpoint screening lane and refreshments provided by the USO.
- The Flight of Honor is a service project of the Rotary District 7680 which honors the lives, valor and courage of WWII veterans who live in mid-western North Carolina.
- The Rotary District 7680 includes 14 counties in central North Carolina. There are 52 Clubs in this District with over 3,000 Rotarians who provide their time and talent towards the Rotary International goal of "Service Above Self."

Meeting adjourned at 8:55 a.m.



T. J. Orr, Aviation Director

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