

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the April 7, 2011 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Andrew Riolo, Chair
Shawn Dorsch, Vice Chair
Ed McMahan
Crystal Jackson
C. Morgan Edwards
Stan Vaughan
Scott Culpepper
George Pretty
Tim Gause

Staff Present

TJ Orr, Aviation Director
Erika Helm, Community Outreach Specialist
Jennifer Long, Customer Relations Specialist
Jack Christine, Planning & Development Manager

Absent

Todd Fuller
Russ McMillan

1. Call to Order

Chair Andrew Riolo called the meeting to order at 8:00 a.m.

2. Pledge of Allegiance

3. Approval of the March 3, 2011 Minutes

The minutes were approved as written.

4. Business Agenda

1. FAA Grant Acceptance

- Action:**
- A. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$16,804,107 for Airport projects related to the new runway; and**
 - B. Adopt a Budget Ordinance appropriating \$16,804,107 in FAA grant funds; transferring \$9,408,473 of 2007 Series B and \$7,395,634 of 2010 Series C General Airport Revenue Bonds to the Debt Service Fund.**

Background:

- Each year, the Airport qualifies for FAA entitlement funds based on passenger enplanements under the Airport Improvement Program. The Airport's FY2011 entitlement funds currently available are \$4,804,107. 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 FY2011 allocation of this LOI is \$12 million dollars and is included in the \$16,804,107 grant offer. This is the fifth installment of the LOI.

- This grant will be used to fund a portion of the costs associated with the following project elements:
 - Runway Grading & Drainage
 - Runway Paving and Lighting
 - Runway Nav aids

Council Date: April 11, 2011

Edwards: Does this become part of the operating fund?

Christine: It is capital funds dedicated to the runway project.

Motion: Edwards

Second: Dorsch

Vote: 9-0

2. Airport Land Acquisition – 4700–4800 Wilkinson Blvd.

Action: Approve the acquisition of 14.66 acres of property at 4700-4800 Wilkinson Blvd. for the negotiated purchase price of \$285,000.

Background:

- Since 1989, the Airport has been acquiring property impacted by noise under the FAR Part 150 Noise Compatibility Program, which is approved and funded 80% by the Federal Aviation Administration (FAA).
- Using this program, the Airport purchased 42 parcels totaling 33.877 acres along Mulberry Church Road on the north side of Wilkinson Boulevard; however, because the Part 150 Program is voluntary, the Airport did not purchase all the parcels in that neighborhood.
- CMDC is a non-profit, public/private partnership of the City, County, and Charlotte Chamber focused on revitalizing distressed, inner-city corridors. This project is similar to the 33-acre Wilkinson Business Park, which CMDC developed in partnership with the City and County.
- CMDC has been working to redevelop this area as an industrial park, which would make the land compatible with Airport development.
- The Airport is willing to sell CMDC the parcels currently owned by the Airport to establish the park, subject to the land disposal process.
- CMDC has worked with Francis Pruette and Albert Falls, Jr., the land owners at 4700, 4706, 4714, and 4800 Wilkinson Blvd. (Tax Parcel # 061-201-30/31/32/33/34), to acquire that parcel, which is adjoined by parcels owned by the Airport on both sides, in an effort to assemble enough acreage to develop the park.
- CMDC has asked the Airport to purchase this parcel for the negotiated price of \$285,000. The 2011 tax value of these parcels is \$2,012,700.
- Additionally, some of this land is located within the floodplain. An easement will be reserved on this floodplain and adjoining streams to allow for stream preservation and restoration by Storm Water Services.

Council Date: April 11, 2011

Motion: Vaughan

Second: Dorsch

Vote: 9-0

3. Janitorial Services and Terrazzo Maintenance

- Action:**
- A. Approve a change order with Sunshine Cleaning Services in the amount of \$162,931.31 for additional janitorial supplies**
 - B. Approve a change order with Sunshine Cleaning Services for in the amount of \$24,491.91 for additional terrazzo maintenance.**

Background:

- In November of 2009 council approved a three (3) year contract with Sunshine Cleaning Systems for Janitorial services at the Airport.
- The contract was based on a per passenger cost.
- Due to the increase in passenger travel we are exceeding those numbers.
- The contract states a price per passenger cost when the Airport exceeds the contracted passenger numbers.
- We estimate that cost to be \$162,931.31.(for fiscal year 2011)
- In March of 2010 council approved a three (3) year contract with Sunshine Cleaning Systems for Terrazzo maintenance.
- The Airport has expanded and remodeled several areas in the Airport complex that resulted in an increase of 9,173 sf of Terrazzo.
- The contract states a per square foot price for any increases.
- That cost will be \$24,491.91.

Contract Terms

Janitorial is a three (3) year with two (2) one (1) year extensions

Terrazzo is a three (3) years

Council Date: April 25, 2011

Edwards: Does this include any upcoming new space?

Christine: No, it only covers the existing space and does not include areas such as the east terminal expansion.

Motion: McMahan

Second: Pretty

Vote: 9-0

4. Airport Heavy Truck and Construction Equipment

- Action:**
- A. Approve a contract in the amount of \$110,811.37 to James River Equipment for two (2) John Deere Tractors.**

Background:

Policy

- G.S.143-129 (g) provides that formal bidding requirements do not apply when local governments purchase from contracts established by the State or State Agency if the vendor is willing to extend the same or more favorable prices, terms and conditions.
- James River Equipment has extended pricing as per Agricultural Equipment contract number NC GSA 3 which is based off federal contract GS-30F-0007T.

Explanation

- New runway and other airport expansion projects have increased the square footage area requiring grounds maintenance. This equipment will allow for the effective maintenance these areas as well provide necessary back up to the existing airport field maintenance fleet.

Small Business Opportunity

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

Council Date: April 25, 2011

Motion: Dorsch

Second: Culpepper

Vote: 9-0

5. Status Reports

1. FAA Air Traffic Control Tower

Christine: Many of you have seen in the media discussions about getting a new Air Traffic Control Tower in Charlotte. Secretary LaHood was here a month ago and told everyone that Jerry was going to get his tower. We have been working with the FAA to determine how that process is going to move forward. They have announced that they will start the location survey to determine the location for the new tower. That process will take about a year. One of the main milestones is a trip to Atlantic City in July by FAA representatives to do a full simulation of the tower and the location survey. We will then hopefully have a full citing report by January 2012. At that point we get in line for funding and determine what order we will go in to get the tower. We are now the 7th busiest airport in the world and have tried to convey that message to the FAA that we have a lot of operations here and the need for the new tower is already here.

Christine shares a visual rendering that depicts the need for a new tower due to the new runway. With the tower's current location and short height, aircraft waiting on the taxiway to access the new runway are blocked, visually, by arriving aircraft, making it difficult for the controllers to see the aircraft. The FAA currently handles this issue with the use of technology.

Christine: In a best case scenario, what is needed is a tower to be tall enough so that the controllers can see the aircraft on the runways at all times. This is the main reason there is a need for a new tower now.

Vaughan: Do we have an idea what the location will be?

Christine: Yes. (Christine shows a bird's-eye view picture of the airport complex, indicating the proposed new location.) The location we have identified is located on the south side of the airport, by the US Airways maintenance hangar and crew training facility. When we were in design for the new runway, the FAA did a simulation in Atlantic City with the existing tower to verify the issue with seeing the aircraft the runway. While they were there, we had them look at this general area to determine a general height and location for a new tower. So we have already gone through some of this citing survey with the FAA a couple of years ago. We are not starting from a blank sheet of paper; they do have some data already.

Edwards: What height are you anticipating for the new tower?

Christine: Probably between 250 to 275 feet.

Vaughan: I know that with the new runway, we had to cut some of the trees near I-485. I noticed along the new road we have planted trees. Is that a contradiction?

Christine: No sir, it may seem that way. But those planted trees are Bradford Pears and will not grow to near the height of the other trees. I believe they do not grow any higher than 30 feet.

Riolo: What we are doing here is asking to move up in the queue for the new control tower. We are not asking to be ear-marked out of the budget. We want the FAA to move this up in the queue and not

make us wait another 10 or 11 years. The basis is not because we have tower-envy with anyone but an operational necessity with the new runway.

Edwards: Where will the fourth parallel runway go?

Christine shows the location on the picture, which is located between the new runway and 18R/36L.

Vaughan: Will this be entirely an FAA cost?

Christine: Yes.

Riolo: One thing to look at is in the March 17th Airport Update. On the backside you will see our worldwide ranking for aircraft movements is 7th.

2. Privatizing Airport Security

Christine: Representative Mica sent this committee a couple letters discussing privatizing airport security. Therefore, we wanted to talk to you about what that means and where we are as a county regarding privatizing security. TSA does have a Screening Partnership Program (SPP), known as Opt-Out, where the TSA will allow an airport to contract with a private company for security services. However, that company would still be subject to all the same rules and regulations set by the TSA. Not only that, the management of the TSA would stay in place. So the company would ultimately be managed by the federal government. Some airports have opted to try this program including San Francisco and Kansas City. I would say that they have had mixed success. Airports were eligible to apply for this program. In looking at the airport's that have opted-out, the findings show a 17.4 percent cost increase. When we look at projects like this, that's one of the big things we look at; what is the benefit and what is the cost. For us, 17.4 percent in cost is just not something we would consider. Nonetheless, we did look at it. However, TSA has now come out and said they will not accept anymore applications for the SPP as of right now. I think part of that has to do with the public outcry over the body scanners and how TSA was operating the checkpoints. As of right now, I don't know if and when they will accept applications again. When they do, we will look at it again to see if anything has changed.

McMahan: Did the program cover the baggage screening too?

Christine: Yes, it covered baggage and passenger screening.

McMahan: And the rest of the security is operated by the Airport?

Christine: Yes, by the City. We have our own police officers that are Airport employees, as well as a contract with Wackenhut to provide security for different locations around the Airport.

Vaughan: If you opted to do that, does the Federal government still pay for the cost?

Christine: Yes, but there is no sense in doing something that cost more money.

Edwards: Given the number of situations that have happened over the last few months, is there a study underway by the police department to expand the number of police officers at the Airport?

Christine: There is some analysis being done on that.

Edwards: What about with the DNC?

Christine: With the convention, we are just now beginning to determine what is going to be required of us. They have not exactly told us yet. Once we figure out what that is, we will determine what we need to do. I would imagine that there will be additional security. But as far as who will provide that, we are not sure yet.

Edwards: But that would be temporary?

Christine: Yes.

3. Taxi Update

Riolo: We are trying to get the best cars, the best service, the best drivers and the best face of the City.

Christine: Prior to City Council discussing this at their meeting last week, Mr. Orr gave a dinner briefing to the Council members to help them understand why we did what we did and why we are where we are now. So we wanted to run through that same presentation with you. We want to have the best

cars and the best service and the best drivers. The taxis for a lot of people are the first thing they see when they come to the City, other than the Airport. We feel it is important for those passengers to have a sense that they are safe and in reliable equipment and that the drivers know where they are going and are being fair. A lot of the drivers are, but there are some that we are struggling with. We want to make things more consistent and give the passenger the right experience. The easiest thing to do would be to go with one company and have us manage one company with one set of drivers. That would provide us the most consistency. But that's very difficult to do. We felt it was better to allow the drivers the opportunity to go and work with multiple companies. We thought it was more beneficial to the City to have more than one company from a competitive standpoint. So what we settled on after a lot of discussion with drivers and owners and Council was to have a maximum of three companies. Right now we have 12 companies with 144 permits. Some of the current taxis are clean and some aren't. Some have technology with credit cards in the backseat and others don't. Some provide really good service and some don't. We are trying to consolidate to the three companies to get a more consistent basis to work from. We want to make sure that every customer has the same experience. This process actually started about two years ago with the Airport talking to the taxi companies and a number of the drivers. We spent a lot of time analyzing operational data that we collect from the taxi operation to determine what our RFP was going to look like. What the analysis showed in a nutshell was that we had too many taxis most of the time and not enough taxis some of the times. Just like our operation here as peaks and valleys, so does the taxi operation. When we looked at the data during the normal operation, 105 permits seemed to be the right number to handle the traffic. We also recognized that there were peaks in that average where we needed additional taxi coverage. That's how we came up with 105 standard cab permits and 51 peak-time permits. Under these two permit scenarios, the standard permits in our analysis, we looked at what it would take for a driver to be able to work consistently for 50 hours a week with two consecutive days off. We set the permit fee at \$500 per year with a trip-charge of \$1. That trip-charge is more of a way to establish a user fee. One of the big things this RFP covered was the vehicles and upgrading them. The PVH (Passenger Vehicle for Hire) allows vehicles up to 10 years to operate in a fleet. That is something we heard a lot about from both the drivers and Council. What we asked was to reduce the age of the vehicles to what we call the three-and-three requirement. What that means is a vehicle can't be greater than three years old when it enters service and once it enters service it can only be in the Airport fleet for three years. So that makes the total number of years that could be on a cab as six. We know, based on the inspections we perform on the vehicles, cars getting beyond four to five years old tend to be more difficult to maintain and they don't look as nice. We want to do what we can to make that image a more positive one for the customer. We feel like the three-and-three requirement gives us the best of both worlds as far as allowing the driver to have a vehicle in service in enough time to be able to pay it off. It also makes that image better. We spent a lot of time coming up with this rule to make sure it was a good balance between what the driver needed to expend to operate at the Airport and what we felt was good customer service. We learned that what many customers want to see is the backseat credit card devices. We want to make sure all cars have this feature and are consistent types of technology.

Culpepper: You have received that feedback from customers?

Christine: Yes, we hear that all the time.

Riolo: This has been over a year's work to get to where we are now. We always hear in business that you listen to your customers. But fixing those issues is a different story. So what we do is look at what the biggest complaints are. For years, it was the restrooms. To fix that, we renovated the restrooms and decided to put valets in there to clean the restrooms. They have tip jars and make minimum wage. We worked through the procedures to allow for these jobs. We solved the problem with the investment in renovations and the people who are happy to work there. The next highest complaint that we look at is the taxis. Shawn Dorsch goes back and forth all the time using a taxi and we wanted to find out from him his experience. We wanted to see if the driver's are charging the flat-fee for service to Uptown or are they running the meter. So we looked at all the complaints and this is what we came up with. We are not trying to reinvent the wheel. We looked at other airports also to learn how they do it.

Edwards: There are two issues here. One is authority and the other is quantity vs. quality. We are looking for quality and the authority is looking for quantity. This is a political decision and a political

decision is not going to address what we are concerned about. I have been through this before. In every major airport in NC, Raleigh-Durham and PTI, they all have the same problem. The way it is resolved at the other two airports comes down to who has the authority.

Vaughan: Do we have any destination information on where the cabs go once they leave the terminal? Like what percentage goes uptown?

Christine: We can look and see what kind of data there is on that. What we were concerned about when we were doing this process was determining how long it took a particular cab to come back and get back in the queue for the next fare. That way, we could determine how many fares in a day the driver averages. When we looked at that, it was about a 45 minute trip. So if you extrapolate from that it means most of the cabs are staying within a 20 minute radius of the Airport. That's pretty much the distance of the Uptown area and a few miles outside of that. But that's just a speculation.

McMahan: The decision was to table it for the time being?

Riolo: What I hear often and what the protestor signs said was "Don't take my dad's job." We are not taking his job. There are 144 permits out there now; we are increasing the permits to 156. That's 105 standard permits and 51 peak time permits. If you are not part of the 105, and you qualify, you could be part of the 51. Even at part of the 51, you still have a license, through the PVH, to operate in the City. So we are not taking anybody's job or a property right.

McMahan: The outcome is definitely a political decision based on jobs and the economy we are currently in. That's the way I interrupted it. The way it came across is that people would be losing jobs. Can drivers switch to the selected companies?

Christine: Yes, that's part of the plan. Council is dealing with a couple issues. They want to understand more about what the process was that we used to make the selection that we did on the companies that we are recommending. That's one issue. The second issue is that they have heard a lot from the drivers and whether that message is the correct message or not, we need to educate Council better on what the issue is. One of those issues is what Drew just said. We are not talking about revamping the system and eliminating a bunch of drivers. We are reducing the number of companies who operate here at the Airport so that we have better control over the product. We need to help them understand what that really means to the drivers. Yes, some of them will change companies. Some probably will not. There will be 105 regular permits. But I think the concept of the peak permits has been lost a little bit on some of the drivers and on Council. So we need to do better in explaining what those things are.

Riolo: I agree with you Ed. I don't think we have done a good job explaining that we are not taking anyone's job. We maybe have been deficient in doing that.

Pretty: With the reduction to three companies, will we be able to facilitate a better security process?

Christine: As far as the drivers?

Pretty: Yes.

Christine: One of the things we are planning to do is badge all of the drivers ourselves anyways. We are committed to doing that regardless of the outcome of this.

Culpepper: Who bears the expense of the vehicle upgrades?

Christine: In most cases it will be the drivers. The way the system works here is most of the companies have a few company owned vehicles. The majority of the drivers operating here are independent operators that work under that company. Because of the way the ordinance is structured, the driver has to be associated with a company to work at the Airport. He may own his own car and he may perform his own maintenance, but he still is affiliated with that company and pays a weekly fee to have that affiliation. That process would essentially stay the same.

Riolo: What we came up with was a compromise from discussions with the taxi drivers themselves. We could have started out and said we want every car painted black, we want every driver to wear a collared shirt and wear a hat, and we want every driver to speak English. As part of the system, we went to the drivers to ask them what they wanted. So a lot of this is based on their feedback.

Vaughan: How does the peak-period permits work? Do the drivers still come from the three companies?

Christine: Yes.

Riolo: What we did on the process to get to those three companies is we interviewed them all.

Christine: So what Council asked us to do is go to their Public Safety Committee, which is made up of member's from Council, and go through a more in depth look at the process on how we got to where

we are in selecting the three companies, and to talk a little more about the structure of the program. What Jerry told them at the dinner briefing is that we did go through a competitive process. We issued an RFP and received nine proposals. We spent a lot of time reviewing those proposals to get them ranked so that the selection committee knew where to start. The selection committee was comprised of the Aviation Director, Mr. Riolo, a representative from CMPD and CRVA. They met and interviewed five of the nine companies that submitted proposals and recommended three of those for contracts. That was a unanimous selection of those three companies. Originally, we were slated to go to Council on February 14. Right before that meeting there was some media reports that one of the companies being recommended had a criminal history. The council action was therefore pulled from the agenda. After some additional research, the City Manager determined that it was not in the City's best interest or the public's best interest to enter into an operating agreement with Kashmir Enterprises. He therefore recommended the first alternate, which was City Cab. City Cab is a new company that is owned by a consortium of drivers. They have newer cars and are prepared to take a portion of those permits. The other two are Crown Cab, who is an established and well respected local company, and Yellow Cab. They are a national company and in this market, they set the standard for customer service and technology. So we went back to Council two weeks ago with that recommendation. They spent a lot of time deliberating on that. They asked us to defer the action until June 13. Between that time, we will go back to Public Safety and provide them the additional information that they are asking for.

4. Director's Notice

1. Southwest/AirTran Merger

- This is the merger of one low fare airline with another low fare carrier.
- A lot of people talk about the "Southwest Effect" and how that lowers fares in the markets they serve. CLT already has that "effect" through AirTran.
- AirTran serves 24 of the top 25 Atlanta-metro markets through CLT by funneling those passengers through the ATL hub.
- With this merger, Southwest is moving more towards a legacy carrier model with their route structure.
- With AirTran's hub in Atlanta, this will be the first time Southwest actually has a hub operation. They typically fly more point-to-point service.
- As of right now, we believe Southwest will assume the service AirTran is currently serving through CLT.
- We do not anticipate a huge change in airfares because we are already served by AirTran.
- As we move into the future, we believe the "Southwest Effect" will be minimized in large part because what made them so cost effective for years were their fuel hedging. Most of those agreements are now expiring and they are paying the same cost for fuel as the other carriers.

2. ACI Preliminary Rankings

- Airports Council International (ACI) recently released their preliminary rankings for airports, which reflects CY2010.
- CLT's National Rankings:
 - 7th in Aircraft Operations (take-offs and landings) (8th in 2009)
 - 11th in Passengers (11th in 2009)
- CLT's Worldwide Rankings:
 - 7th in Aircraft Operations (take-offs and landings) (9th in 2009)
 - 25th in Passengers (24th in 2009)
- Charlotte (+10.4%) was the only large airport outside Asia-Pacific and Middle East growing by more than 10 percent in passenger traffic.

Edwards: Are there plans for more international flights?

Christine: Madrid and Dublin begin next month. They are seasonal.

Riolo: From Charlotte, you can go across the North-Atlantic to Dublin, London, Paris, Madrid, Rome, Frankfurt and Munich.

3. CHAC: Flight 1549 (Shawn Dorsch presents)

- Dorsch passes around a few artifacts from Flight 1549 including the First Officer's headset and checklist. He also shares an article from The New York Times regarding the flight coming to Charlotte, as well as a listing of the various media outlets who have reported on the Carolina's Aviation Museum and Flight 1549.
- Dorsch shares with the committee the educational information that will be offered to museum guests regarding Flight 1549.
- Once the aircraft gets to the museum, it will be displayed as is, just like it came out of the water. It will be the first modern commercial aircraft displayed at a museum.
- The aircraft is scheduled to arrive to the museum on June 11.

4. Where your airfare really goes...

- CNNMoney.com shows a pie chart breakdown on where a passenger's airfare really goes.

Miscellaneous Discussion

Gause: I just wanted to share a great story about this Airport. On March 15, a group of business leaders from this area went to Raleigh to talk to legislators about infrastructure and roads in particular. I asked Jerry if the Airport could be represented. Jack attended and shared the story about the Airport, the Intermodal project and the significance of the surrounding road infrastructure. He did a magnificent job tying together all these components. The audience was made up of some people who really needed to hear this information. There were approximately 12 legislators present, including Speaker of the House, Thom Tillis. They were very impressed with the message. It was a great opportunity to share what is going on here and will hopefully have a positive impact when the legislators make decisions about infrastructure.

Edwards: Regarding high-speed rail from Charlotte to Raleigh, has anyone addressed where the Charlotte terminal will be?

Orr: The plan is for it to be downtown.

Edwards: Have you made any inquires regarding it being here?

Orr: The State has shown no interest in that.

McMahan: The cab issue will be back to Council in June?

Christine: Yes, June 13 is when we are scheduled to go back.

Meeting adjourned at 9:05 a.m.



 T. J. Orr, Aviation Director

Distribution:

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