

**CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
AIRPORT ADVISORY COMMITTEE**

**Minutes from the September 1, 2011 meeting
Piedmont Conference Room
8:00 a.m.**

Present

Shawn Dorsch, Vice Chair
Russ McMillan
Todd Fuller
Ed McMahan
C. Morgan Edwards
Tim Gause
Scott Culpepper
George Pretty
Crystal Jackson

Staff Present

TJ Orr, Aviation Director
Erika Helm, Community Outreach Specialist
Jennifer Long, Customer Relations Specialist
Haley Gentry, Asst. to the Aviation Director

Absent

Drew Riolo, Chair

1. Call to Order

AAC Vice Chair Shawn Dorsch called the meeting to order at 8:00 a.m.

2. Pledge of Allegiance

3. Welcome New Member

Pam Bennett: Council-appointed member

4. Approval of the August 4, 2011 Minutes

The minutes were approved as written.

5. Business Agenda

1. Procurement for Airport Deicing and Anti-icing Chemicals

- Action:**
- A. Award a three year contract in the amount of \$6,000,000 to Ascent Aviation Group for the acquisition of Type I and Type IV Aircraft De-icing and Anti-icing fluid, and**
 - B. Award a three year contract in the amount of \$425,000.00 to Nachurs Alpine Solutions for the acquisition of Potassium Acetate Runway De-icing Fluid, and**
 - C. Award the low bid three year contract in the amount of \$70,000.00 to Clariant Corporation for the purchase of Sodium Acetate Runway De-icing Solid, and**
 - D. Award the low bid contract in the amount of \$250,000.00 to Little Hardware Company, Inc. for the purchase of Urea, and**
 - E. Authorize City Manager to extend contract for up to two (2) one (1) year**

extensions at the city's sole discretion.

Background:

- In order to support aircraft operations during winter weather events, the airport must purchase and maintain a supply of Aircraft Type I and Type IV de-/anti-ice fluids, and Runway deicing chemicals to be available during these weather conditions.
- On September 13, 2010 City Council approved a three year contract with Contego Systems LLC to operate a consolidated aircraft deicing facility for the airport.
- An invitation to bid (ITB) was advertised on July 22, 2011.
- Bids were received on August 16, 2011.
- Five (5) vendors replied to the ITB

Contract Terms

- The contracts were bid on a unit-price basis with normally accepted price adjustment clauses due to raw product price increases. The products are delivered to the Airport on 24-hr to 36 hr notice.

Small Business Opportunity

No SBO goals are established for the purchase of goods and equipment (Appendix Section 18 of the SBO policy).

Summary of Bids

Bidder	Potassium Acetate	Sodium Acetate Solid	Urea	Type I Aircraft De-icing Fluid	Type IV Aircraft Anti-icing Fluid
	gallons	pounds	pounds	gallons	gallons
Ascent Aviation Group, LLC	no bid	no bid	no bid	\$7.99	\$6.99
Clariant Corporation	\$5.60	\$0.84	no bid	\$8.15	\$7.00
Nachurs Alpine Solutions	\$4.62	no bid	no bid	no bid	no bid
Old World Industries	no bid	no bid	no bid	no bid	no bid
Little Hardware	no bid	no bid	\$0.3449	no bid	no bid

Council Date: September 12, 2011

Motion: Gause

Second: Fuller

Vote: 10-0

2. Concourse 'B' Ramp Level Office Renovations

Action: Award the low bid contract of \$389,550.00 to Edison Foard, Inc. for renovation of ramp level offices on Concourse 'B'.

Background:

- The B Concourse is leased to US Airways under the 1985 Airline Use Agreement, which will expire in June 2016.

- The concourse includes 18 gates and airline support space.
- This contract will renovate 22,636 square feet of support space on the bottom floor of the concourse.
- US Airways will pay for this renovation cost through their rates and charges payments.
- Council will be asked to approve another renovation contract for support space on Concourse C on September 26, 2011.

Contract Terms

- This is a lump sum contract with a 60 calendar day duration.

Small Business Opportunity

Established SBE Goal 8.0%

Committed SBE Goal 24.9%

Edison Foard, Inc, exceeded the established SBE goal, and committed 24.4% of the base bid amount (\$389,550) to the following SBE firms Vector Electric (electrical), and Weathers Heating & Air, LLC. (HVAC).

Summary of Bids

Edison Foard, Inc.	\$389,550.00
Lomax Construction, Inc.	\$395,300.00
Clancy & Theys Construction Co.	\$434,900.00
Aldolfson & Peterson Construction	\$438,000.00
BEAM Construction Company, Inc.	\$445,250.00
The Bowers Group, LLC	\$462,300.00
H.M. Kern Corporation	\$467,700.00
Momentum Construction	\$510,086.00

Council Date: September 12, 2011

Motion: Culpepper

Second: Jackson

Vote: 10-0

3. Airport Medical Services

- Action:**
- A. Approve a one-year contract with Mecklenburg County EMS Agency ("MEDIC") for medical response services in the Airport Terminal in an amount not to exceed \$500,000.**
 - B. Adopt a budget ordinance appropriating \$500,000 from the unappropriated Airport surplus.**
 - C. Authorize the Aviation Director to extend the contract for two additional one-year terms with possible price adjustments as stipulated by the contract at the time of renewal.**

Background:

- Airport Police EMTs respond to an average of 2200 medical incidents each year within the Airport Terminal. The presence of MEDIC in the Airport Terminal will enable Airport police to focus on their law enforcement and security duties.
- MEDIC's Advance Life Support Teams ("ALS Teams") will be skilled and equipped to provide paramedic level medical care with the ability to rapidly treat a myriad of serious

health conditions including, without limitation, cardiac arrests, heart attacks and diabetic shock.

- MEDIC's presence in the Airport Terminal will improve response times to medical incidents and enhance the level of medical care available to Airport passengers and tenants.
- Airport Police will maintain their EMT certifications and will serve as a secondary EMT response resource. Based on historical data, secondary responses are anticipated to be fairly infrequent.

Contract Terms

- The initial contract term will be for one (1) year in an amount not to exceed \$500,000. The Aviation Director will have the authority to extend the contract for two additional one-year terms.
- MEDIC will station at least one ALS Team at the Airport Terminal. Each ALS Team will consist of a paramedic and an emergency medical technician. The Airport will have the ability to request additional ALS Teams if necessary.
- MEDIC will be present in the Airport Terminal from 6:00AM to 10:00PM, seven days per week, 365 days per year.
- MEDIC will charge an hourly rate of \$59.25 for each ALS Team. The hourly rate structure will allow for the increase of services for unforeseen Airport emergencies and/or other contingencies.

Small Business Opportunity

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

Council Date: September 12, 2011

Edwards: Will they have a vehicle?

Orr: They will be in the building and have electric carts available to them for use. When they need to go outside of the building, we will provide the transportation for them.

Culpepper: Will your staff maintain their certifications?

Orr: I plan to offer a pay incentive to maintain their certification on a voluntary basis. This transition will take place January 1st. If this isn't sufficient resources, we will supplement that. We also have two fire stations on site and those 59 firemen are trained as first responders.

Dorsch: Did we look at anyone other than Medic?

Orr: We did not.

Dorsch: Was that mandated by the City?

Orr: No, that was our idea. Medic is the supplier and has a relationship with the hospital and is supervised by the County's Medical Director. We have a CMC presence here over at Wilson. It makes a lot of sense to combine those resources.

Fuller: The hourly rate of \$59.25, is that to the Airport or patient?

Orr: That's to the Airport.

Fuller: Are they contracted through Novant?

Orr: Our contract will be with Medic. Medic is a county agency, but has a relationship with CMC.

Motion: McMahan

Second: Culpepper

Vote: 10-0

4. Airport Moving Walk Pallets

Action: Approve the purchase of moving sidewalk pallets/steps from Schindler Elevator Corporation in the amount of \$242,956.00.

Background:

- The Airport has 22 moving walkways, 15 escalators and 40 elevators
- The NC Department of Labor state inspector discovered violations that require the pallets/steps be replaced on three moving walkways in the terminal.
- These moving sidewalks have been in operation since 1994
- ITB allows for accepting all or part of the Products and Services which was advertised on July 22, 2011 and bids rec'd August 5, 2011.
- These three moving walkways were manufactured by Schindler Elevator Corporation.

Small Business Opportunity

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

Summary of Bids

Schindler Elevator \$242,956.00

Otis Elevator \$352,220.00

Council Date: September 12, 2011

Fuller: Our moving walkway pallets are hard, different than the ones in Europe with a spongier feel. What's the difference?

Orr: The difference is in the design of the entire mechanism. One is a rubber belt and one is a traditional moving plate.

Fuller: Is one more expensive than the other?

Orr: I think the metal plates are more expensive initially.

Fuller: The upkeep on the other one is more?

Orr: Yes.

Edwards: With the expansions to the facility, are their plans for additional moving walkways?

Orr: Yes, as the E concourse is extended there will be additional walkways. We anticipate some in the new deck eventually. When we extend Concourse B there will probably be moving walkways involved. But this contract is just to maintain what we have. They are maintenance intensive and very expensive.

Motion: Edwards

Second: Fuller

Vote:10-0

5. Sound Insulation Contract

Action: Approve a contract with Moretti Construction, Inc. in the amount of \$75,395 for the sound insulation of eight (8) homes in the vicinity of the Airport.

Background:

- In 1989, the Airport completed the original FAR Part 150 Program and obtained approval from the Federal Aviation Administration (FAA).
- Under the program, the Airport voluntarily purchased over 400 homes and to date has provided sound insulation to over 1,000 homes.
- Sound Insulation includes the addition of storm windows, storm doors, central air conditioning, and insulation for homes within the noise contours built prior to 1975.
- The Airport has now submitted an update to the FAR Part 150 program to FAA for review and approval. With the submittal of the program update, it is possible that homes that were eligible to be sound insulated under the existing program will no longer be eligible to participate because the new noise contours are smaller than the existing contours.

- In April 2011, the Airport sent out letters to 169 homeowners informing them that their opportunity to be in the program may end soon. As of this time, only 25 have submitted paperwork to join the program.
- Due to the voluntary nature of the program, the Airport informally bids this work in small batches as the paperwork is completed. The work for the first nine houses was awarded to Moretti Construction in July 2011 with the bid of \$79,100. That contract was signed by the City Manager.
- This contract will sound insulate another eight (8) homes using Moretti Construction as well.
- The actual final number of homes that will participate in the program is unknown at this time.

Contract Terms

- This is a lump sum contract with contract duration of 120 days.

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-natural means.

Summary of Bids

Moretti Construction, Inc.	\$75,395
The Bowers Group, Inc.	No Bid
Camps Construction Company	No Bid
C.A. Scism Construction	No Bid

Council Date: September 12, 2011

Culpepper: What's the deadline on this?

Orr: The deadline is when the FAA publishes the new contours. We have submitted it to them and they will publish them sometime between tomorrow and two to three months. But as soon as the new contours are published, these people will most likely no longer be eligible.

Dorsch: The publishing of the new contours is not expected to create any new noise issues because it is already what's occurring?

Orr: That's right. The contours are considerably smaller than the ones we are using. The ones we are using are from 1996, which was before the stage three aircraft. Our new contours, we asked the FAA to approve out to the 60 LDN. They most likely will not approve that because their standard is the 65 LDN. But the 60 LDN on our current contours is roughly in the same place as the 65 LDN in our 1996 contours. Therefore, we have offered insulation to everybody within the 1996 65 LDN.

Culpepper: I see that there are 150 homes eligible who have not responded.

Orr: I believe it is 159.

Motion: McMahan

Second: Jackson

Vote: 10-0

6. Turf Re-Establishment

Action: Award a contract to the lowest responsive bidder, Central Carolina Seeding, in the amount of \$412,500.00 for additional grass seeding along roads relocated for construction of new runway project.

Background:

- As part of the new runway project, the Airport relocated Wallace Neel Road and portions of West Boulevard and Old Dowd Road.
- The road contractors seeded the shoulders as per their respective contracts; however, the areas need to be reseeded during the peak seeding season to strengthen turf growth and minimize erosion potential.
- The Airport's Storm Water Management Permit, issued by the North Carolina Department of Environment and Natural Resources, requires 85% water clarity for storm water leaving the Airport. An excellent stand of grass is necessary to achieve this standard.
- This contract will provide for 100 acres of seeding in an effort to establish the turf along the roads.
- The Airport formally solicited bids for this project and opened bids on August 23, 2011. Three bids were received.
- The apparent low bidder, GML Contractors, Inc., does not have the necessary license from the State of North Carolina, nor did they comply with the DBE program. This project included a 15% DBE Goal. GML Contractors, Inc. did not meet the goal, having no participation at the time of the bid nor did they perform any good faith efforts to obtain DBE participation. Because of their anomalies, the Aviation Director deemed their bid non-responsive.

Contract Terms

- This is a unit price contract per acre with a 60 calendar day duration.

Disadvantage Business Opportunity

Established DBE Goal 15%

Committed DBE Goal 29.1%

Central Carolina Seeding exceeded the established DBE goal, and committed 29.1% of the base bid amount (\$337,500) to the following DBE Erosion Supply Co., inc. (erosion control)

Summary of Bids

GML Contractors, Inc.	\$264,000.00
Central Carolina Seeding	\$412,500.00
Martin Landscaping	\$608,850.00

Council Date: September 12, 2011

Motion: McMahan

Second: Culpepper

Vote: 10-0

7. FAA Grant Acceptance

- Action:**
- A. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$3,695,893 for an Airport project related to the new runway; and**
 - B. Adopt a resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$1,949,023 for an Airport project related to the rehabilitation of the Coffee Creek Culvert; and**
 - C. Adopt a Budget Ordinance appropriating \$5,644,916 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 FY2011 entitlement funds currently available are \$5,644,916.
- 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 Airport is obligated, by the LOI, to use \$8,500,000 of this year's entitlements towards the construction of the new runway. In April of this year, the Airport used \$4,804,107 of entitlements towards the runway. This is the final portion of the fifth installment of the LOI. The FAA LOI grant funding a portion of the runway is in the amount of \$3,695,893.
- In September 2010, City Council approved a contract with Hall Contracting Corporation in the amount of \$2,298,600 for the repair of the drainage pipe under the air carrier ramp. The non LOI FAA grant for 1,949,023 will fund a portion of that project.
- These grants will be used to fund a portion of the costs associated with the following projects:
 - AIP 65 - Third Parallel Runway - Grading & Drainage
 - AIP 66 - Coffee Creek Culvert Rehabilitation

Council Date: September 12, 2011

Dorsch: On the \$1.9 million for Coffee Creek, what do you think the total project cost is?

Orr: \$4,159,000.

Dorsch: So where will we get the rest of it from?

Orr: We borrowed \$4.2 million in General Airport Revenue Bonds in 2007. That money is already sitting in the bank to fund the contract.

Dorsch: But we haven't actually started?

Orr: Yes, it is almost finished.

McMahan: I see the resolution using the term "accepting" the grant. The money is guaranteed and not still to be applied for?

Orr: That's a trick question. By law they have to give it to us, but they still make us apply for it.

Edwards: Is there an update on what's going on with the tower?

Orr: The FAA has committed to having the tower open by 2019, which is before the tower will be open in Greensboro, which was a Congressional set aside.

Motion: Culpepper

Second: McMahan

Vote: 10-0

8. Property Transactions

Action: Approve the following property acquisitions.

A. Project: Airport Master Plan Land Acquisition

Owner(s): Donald L Sellers

Property Address: 5920 Walker Street

Property to be acquired: .17 acres

Improvements: warehouse

Purchase Price: \$39,000.00

Remarks: The purchase price was determined by an independent appraisal and was reviewed by a second appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired

per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement.

Zoned: I2 Use: warehouse

Tax Value: \$20,300

Tax Code: 115-172-27

B. Project: Airport Master Plan Land Acquisition

Owner(s): Richard and Linda Behr

Property Address: 3616 Marshall Avenue

Property to be acquired: .68 acres

Improvements: single family residence and warehouse

Purchase Price: \$140,000.00

Remarks: The purchase price was determined by two independent appraisals and was reviewed by a third appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement.

Zoned: I2 Use: single family residence and warehouse

Tax Value: \$133,400

Tax Code: 115-172-05

C. Project: Airport FAR Part 150 Acquisition

Owner(s): Esther W Neel

Property Address: 8527 McAlpine Drive

Property to be acquired: .5 acres

Improvements: vacant land

Purchase Price: \$15,000.00

Remarks: The purchase price was determined by an independent appraisal and was reviewed by a second appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement.

Zoned: R3 Use: single family vacant

Tax Value: \$25,000

Tax Code: 141-222-03

D. Project: Airport Master Plan Land Acquisition

Owner(s): Clough Plexico

Property Address: 8312 and 8620 Todd Road

Property to be acquired: 6.505 acres

Improvements: vacant land and single family residence

Purchase Price: \$312,000.00

Remarks: The purchase price was determined by two independent appraisals and was reviewed by a third appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement.

Zoned: R3 Use: single family residence and vacant land

Tax Value: \$152,300

Tax Code: 055-382-11 and 055-382-01

E. Project: Airport Master Plan Land Acquisition**Owner(s): Clough Plexico****Property Address: 8516 Todd Road****Property to be acquired: .508 acres****Improvements: single family residence****Purchase Price: \$103,000.00****Remarks:** The purchase price was determined by an independent appraisal and was reviewed by a second appraiser. Each appraisal takes into consideration the specific quality and quantity of the land. The tax value is determined on a more generic basis and will be higher or lower for land/house with certain attributes. Property is acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act of 1970. Acquisition costs are eligible for Federal Aviation Administration reimbursement.**Zoned: R3 Use: single family residence****Tax Value: \$109,700****Tax Code: 055-382-04****Council Date:** September 12, 2011

Motion: McMahan

Second: Fuller

Vote: 10-0

6. Status Reports**1. Annual Report Presented to City Council**

- AAC Chair Drew Riolo presented the Annual Report to City Council on August 22.

2. Passenger Survey Results

Long talks to the committee about the passenger survey.

- Beginning in FY09, CLT contracted with Phoenix Marketing International (PMI), a market research company based in New York, to develop and implement a customized passenger survey.
- Using a complete random approach, passengers are asked to participate in a 10 to 15 minute survey which evaluates their experience in all aspects of their trip including parking, check-in, security, terminal amenities, signage, cleanliness, concessions, baggage delivery and more.
- The surveys are conducted twice monthly in the gate area. The surveyors alternate between all five of the Airport's concourses and are here throughout the day (mornings, afternoons and evenings).
- Four hundred completed surveys are captured during a 12-month period, which offers a 95% confidence level.
- The Airport is now into its fourth full year with PMI and recently received the results for January 2011 – June 2011.
- The results show that 93 percent of passengers rank their overall experience at CLT as "Satisfied" or "Very Satisfied." The Overall Satisfaction percentage is not an average of the results from the various survey categories, but is an actual question asked in the survey. The question asked is, "Considering your entire experience at CLT, please rate your Overall Satisfaction."
- PMI's Travel Research Group works with Airports, Airlines (including US Airways), TSA, Hotels, Convention and Visitors Bureaus, Car Rental Companies and more.

3. Bonds

Orr: We are in the process of selling Airport bonds, which is an intense process that requires a lot of information. We have already made one visit to the local government commission in Raleigh, which actually issues our bonds. We explained everything to them and that went well. We have a consultant that prepares a feasibility study that looks at everything and projects for five years. This is so a perspective bond buyer can read that document and judge the strength of these bonds. We will go to City Council on September 12 to approve the bonds and then go to the rating agencies in New York on September 27 and make presentations to the three major rating agencies. We will go to the local government commission on October 4 for their final approval. The bonds will be issued the first week in November.

General Airport Revenue Bond Projects

- Runway 18C/36C Rehab:
 - Rehabilitation of the center portion of Runway 18C/36C and Taxiway 'E', full length.
 - Project cost : \$26,765,033
 - GARB funding: \$26,765,033
- ARFF Access Road
 - Project constructed an access road to the Airport's west ARFF station.
 - Project cost: \$1,514,191
 - GARB funding: \$389,191
- Taxiway D Extension North
 - Extended Taxiway 'D' from Taxiway 'M' to the approach end of Runway 18L.
 - Project cost: \$5,632,702
 - GARB Funding: \$1,636,008
- In-line Baggage System
 - Construct an in-line baggage screening system to provide more reliable baggage screening and tracking.
 - TSA is funding 90% of this project with a \$45 million grant.
 - Project cost: \$50,957,401
 - GARB funding: \$5,585,049
- Concourse E Expansion
 - This expansion added 4 additional gates to the concourse.
 - Project cost: \$3,014,249
 - GARB funding: \$3,014,249
- East Terminal Expansion
 - Expand the east side of the main terminal building creating additional ticket lobby space as well as a 5th security checkpoint.
 - Project cost: \$20,676,640
 - GARB funding: \$20,676,640
- Airline Ticket Counters/Conveyors Renovations
 - Renovated and upgraded a portion of the ticket counter and baggage conveyor system used by airline tenants.
 - Added additional security checkpoint lanes at Checkpoints A & B.
 - Project cost: \$5,585,049
 - GARB funding: \$5,585,049
- New Short Term Public Parking Deck
 - Construct a new 7,000 space parking deck located in front of the Airport terminal building.
 - The new seven story deck will include rental car ready return services as well as passenger parking.
 - Project cost: \$75,709,547
 - GARB funding: \$75,709,547
- Special Facility Bond Project: Consolidated Rental Car Parking Deck

- o Construct a new 7,000 space parking deck located in front of the Airport terminal building.
- o The new seven story deck will include rental car ready return services as well as passenger parking.
- o Project will also construct an off-site remote storage and maintenance facility.
- o Project cost: \$95,564,721
- o Special Facility Bond funding: \$61,565,000

Dorsch: Regarding the In-line Baggage System, I recall that this project was being held-up. Is that because the TSA has not approved the design?

Orr: The TSA moves very slowly. We now have 100% approval of the plans and are in position to go to bid. The grant is a done deal.

Culpepper: The rating of those bonds is totally based on Airport revenues, no government backing?

Orr: Absolutely no government backing; it is an Airport rating and that's for the GARBs. The Special Facility Bonds (CFC Bonds) are rated purely on the strength of the special facility lease with the rental cars. It will have a totally separate rating. What pays off those bonds is the \$4 CFC charge and that is backstopped by a bunch of reserve bonds, which is backstopped by pledge from the rental cars that first we will raise the CFC charge and they pledge they will step forward and make up any short fall. The bottom line is the lease allows us to step in, buyout whatever is remaining on the bonds, put the rental cars out and take over those three levels for premium parking and pay off those bonds in four years.

Culpepper: What's considered if something happens to US Airways?

Orr: It really wouldn't matter because the parking is a function of the local passengers and it doesn't matter who carries them.

Culpepper: But what about in terms of maintaining the level of traffic we have here?

Orr: We need to maintain the local traffic, not transfer traffic. The transfer traffic does not rent cars or park cars. So it is based purely on the local traffic.

Dorsch: What percentage of passengers going through the terminal are transfer traffic?

Orr: Three-quarters.

McMahan: Do you anticipate the rate?

Orr: 6.3, taxable. But it could be as high as 7.5. The market is volatile and with a lot of uncertainty.

They are not tax free because they are solely for the rental cars. But the rest of the bonds are tax exempt. In my view, the rest of the bonds are a really good buy because they are tax exempt and the levels of protection the bond holder takes. The rate will be around 5.5. Some are variable rate and some fixed rate.

7. Director's Report

1. Charlotte Airport Readying Start of \$860 Million in Upgrades (*Business Journal article*)

- Copies of the article are in each member's book.

2. Cheapflights.com: 101 Airports Ranked on Affordability 2011

- Copy of rankings are in each member's book.
- CLT ranked #50 with an average airfare of \$397.
- Among the busiest airports in the country, based on passenger traffic, Charlotte was one of the most affordable, just behind Dallas Fort-Worth, who ranked 42nd with an average airfare of \$384.
- No other major airport was included in the top 50.

At the end of the meeting, members were given the opportunity to take a bus tour of the new Fire Station #41 and Runway Rehab Project.

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