



Robert A. Hazel
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March 18, 2013

Ms. Julie Burch
Interim City Manager
City of Charlotte
Charlotte-Mecklenburg Government Center
600 East 4th Street
Charlotte, NC 28202
704-336-6644 (FAX)

Re: Airport Governance Study

Dear Julie:

Thank you for considering Oliver Wyman for this important study of airport governance issues relating to the Charlotte Douglas International Airport. We look forward to working with you, Kim, and the members of the Study Oversight Committee on this project.

Based on our conversations, we are prepared to promptly undertake the following analysis, and to prepare a final report for submission to you by May 1, 2013.

Scope

The scope of work will be as defined in the attachment entitled Airport Governance Study, with the following clarifications:

Section B.4. Governance Transition Issues

Work under this section will be limited as follows:

Within the limited time available and project budget, it will not be possible to make use of the specialized professional advisory services required to definitively address these transition issues, as doing so would require specialized legal, financial advisory, and other specialized expert advice that does not reside in the core team.

Instead, the report will identify likely transition issues and how those issues have been addressed in prior airport authority transactions. These issues include bond assumption/refinancing issues, pension transfer issues, transfer of title issues, land use and condemnation powers, etc.

Timeline and Deliverables

Final report must be submitted by May 1, 2013 (subject to contract execution no later than Thursday, March 21, 2013.) Deliverables and due dates are as follows:

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1. Deliverable #1, Initial draft report summarizing findings from Section 1 (drivers of interest in change of governance) – due April 5 (subject to availability of key stakeholders for interviews to be completed no later than April 2).
2. Deliverable #2, Powerpoint or other appropriate material for public hearing – due prior to public hearing tentatively scheduled for April 16 or 18.
3. Deliverable #3, Draft final report – due April 25
4. Deliverable #4, Final report – due May 1
5. We commit to provide regular project updates to the Oversight Committee, but will do informally as agreed with the Oversight Committee in order not to divert resources from the core work for this project.
6. Following submission of the final report, we would be glad to answer questions about our findings. Should significant additional work be required in addition to telephone follow-up, we would bill for that work on an hourly basis or for a fixed fee as agreed.

Fees

US\$150,000 total, including travel, hotel and other expenses, to be billed in two invoices; \$50,000 after submission of Deliverable #1, and \$100,000 after submission of the final report.

The City may cancel this project at any time, provided that it will remain responsible for paying for the effort expended through the date of termination.

Terms and Conditions

Our standard terms and conditions are attached. Invoices are due and payable within 30 days of receipt.



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If the above is consistent with your understanding, please sign and return this document and the attached standard terms and conditions.

* * * *

Again, I thank you for your confidence in Oliver Wyman, and assure you that I will make this project my first priority over the upcoming weeks.

We look forward to working with you.

Sincerely,

Robert Hazel
Partner
Oliver, Wyman, Inc.
703-773-3105

CITY OF CHARLOTTE, NORTH CAROLIAN

Accepted by: Julie Burch

Title: Interim City Manager

Attachments:
Airport Governance Study Background Information for Potential Consultants
Terms and Conditions