

Minutes

Coastal Carolina Regional Airport Authority

March 15, 2022

Chairman Harris called the meeting to order at 2:00 p.m.

All stood and recited the Pledge of Allegiance.

The roll was taken, and the following Board members were present in person: Harris, Bender, Jones, Kiser, Liner, McCabe, Morris, Murray, and Pope.

Wood was excused.

Burns and Frazer were not in attendance.

Also present in person: Andy Shorter, Airport Director; Charles Cushman and Ray Dunn, Dunn, Pittman, Skinner, and Cushman; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal Manager; Ed Martin, Operations and Facilities Manager; and John Massey, Talbert & Bright.

The public was notified of the meeting in the usual fashion along with details for calling in via the phone conference number. The meeting was held at the normal time and place (for those attending in-person).

Secretary's Report

On motion by McCabe, seconded by Liner the minutes of February 15, 2022, were approved with minor changes. In favor 7, opposed 0.

Treasurer's Report

Pope reported financials through February 28, 2022. Concessions, Advertising and Ground Transportation is budgeted at \$19,400. The airport has received \$31,102 for a positive variance to the goal of \$11,702. Fuel Flow Royalties are budgeted at \$28,285. The airport has received \$25,208 for a negative variance to the goal of \$3,077. Landing Fees are budgeted at \$20,441 with a negative variance of \$9,897. Other revenue shows a positive variance of \$42,063. Pope commented that the revenue received is from surplus equipment

that the airport was able to sell using the Craven County process for disposing of surplus property. Parking revenue is budgeted at \$237,467. The airport has received \$460,884 for a positive variance of \$223,417. Rental income is budgeted at \$265,667. The airport has received \$235,392 or a negative variance of \$30,275. Rental car revenue is budgeted at \$166,233. The airport has received \$271,154 for a positive variance of \$104,921. Pope also reported on revenue received from a State Grant in the amount of \$664,804. TSA Security Reimbursements were budgeted at \$77,000. The airport has collected \$54,090 for a negative variance to the goal of \$22,910. Shorter commented that the TSA reimbursements are behind two months. Total operating revenue is budgeted at \$817,160. The airport has received \$1,797,906 for a positive variance of \$980,746. Shorter pointed out that revenue received includes funds received through State grants. Pope also reported that the CARES Act funding is budgeted at \$4,245,513. To date, the airport has received \$1,717,605. He said that the variant is partially contributed to a lag in processing. Shorter also commented that there is \$2.5 million in the budget that the airport will not use for a project that was originally planned to be completed under maintenance but has since been moved to an addendum project. Total expenditures are budgeted at \$5,042,673. Expenses to date are at \$2,241,302.

On motion by McCabe, seconded by Liner the Treasurer's Report was approved. In favor 7, opposed 0.

Pope also mentioned that there was a FY23 budget committee meeting held on Friday and the committee, along with the staff, reviewed each line item. He said that Ritchie and the staff members have done an incredible job putting the budget together. There was a lot of input from County Finance and the airport was able to use a lot of their resources to help build the budget. Pope advised that after a few adjustments to the proposed budget, he hopes to have it ready soon for presentation and approval by the Board.

Marketing Update

Shorter reported that the DCA campaign has kicked off and is being shared on all social media platforms. Shorter also mentioned that he has had some good discussions within the last month with the government relations marketing team with the Bass Pro Shop. He said that they will be coming down soon to tour the terminal and to look at the wall wraps. Shorter said he hopes that they will decide to advertise in the terminal. Shorter also reported that he recently signed a form so that George Durant could work with Newswire on the DC market. The airport is also continuing with the local advertising as well. Shorter commented that WNCT will be running a new ad soon to promote flying local. Shorter also shared an airline seat comparison chart (by airport) with the Board.

Commercial Development

Pope reported that the committee met on March 8th to discuss the following topics:

Airport Roadway and Parking Lot Improvements Bids and Recommendation: Pope reported that the airport received two bids for the roadway and parking lot improvement project. ST Wooten came in as the lowest bidder in the amount of \$2,170,843. Pope said that the grant pre-application had already been submitted to the FAA which was for more than the bid price. He said that the pre-application was submitted for \$2,252,795. He commented that the difference gave the airport a planning buffer at the time. The engineers estimate came in at \$2,005,970. Pope referenced a few drawings, as included in the Board's packet, depicting the roadway and parking lot improvements to be completed by ST Wooten. He added that the airport is waiting on their DBE submittal form and a Good Faith Effort Statement before they can proceed. Pope also pointed out that D2-GS placed two trailers

in a location originally included in the parking lot improvement plan. Shorter commented that after discussing it with Massey, they will elect to hold funds for that portion of the improvement plan and maybe use it elsewhere on the field. Shorter commented that along with the \$2,170,843 for the contractual fees, the grant application will be submitted for \$2.5 million to cover other construction administration costs. He added that it will come out of the \$3.9 million that the airport has yet to claim as part of the CARES funding that didn't go into the O&M portion of the grant. Shorter said that the airport has drawn down about \$1.2 million to complete the bathroom renovations and the construction of the corporate hangar. He said if the airport submits the \$2.5 million grant request, it will bring the airport within \$169,000 of the \$3.9 million. The airport will have to decide then whether to convert it over to the O&M line or plus up another grant. It is the recommendation of the CDP to proceed forward with the contract with ST Wooten in the amount of \$2,170,843 and to submit the addendum request in the amount of \$2.56 million.

On motion by Liner, seconded by McCabe the Board approved to proceed with the grant request of \$2.56 million for the airport roadway and parking lot improvements as requested by the CDP committee. In favor 7, opposed 0.

Parking Lot Toll Booth Plaza Project Bid and recommendation: Pope reported that the airport held a bid opening on February 24th but only received one bid. A second bid opening was held, and the airport again only received one bid submitted by AR Chesson. The bid came in at \$1,125,590 with two owner preferred alternates included in the bid: parking lot control equipment at \$25,000 and a monumental exit sign at \$43,000. After careful review, the CDP committee has recommended to hold off on the project and put the plans on the shelf for a later time.

Box Hangar Lease Agreement Renewal Terms: Pope commented that after a lease review of price per square foot, it is recommended that the lease rate of the 60x60 box hangar be adjusted from the current rate of \$850.00 a month to \$1,050 per month. Shorter commented that the current price per square foot is \$2.85 per square foot per yr (psf/yr). He said that he has a draft property survey that recognizes the property value at \$3.50 psf/yr (which equals \$1,050 per month for the 3,600 sqft hangar). A survey was also completed three years ago with a property value noted at \$3.40 psf/yr. Shorter commented that the lease rate was not adjusted at that time due to Hurricane Florence. He recommended that if the Board was not comfortable with using the draft survey of \$3.50 psf/yr that the airport adjust the rate to \$3.40 psf/yr. Shorter also recommended that the lease term be adjusted from a five-year term to a two-year term.

On motion by McCabe, seconded by Morris the Board approved an adjusted lease rate of \$3.50 psf/yr with a two-year lease term. In favor 7, opposed 0.

Clermont Road Property Acquisition: Pope asked Cushman to give an update on the acquisition of the Clermont property. Cushman advised that the closing of the remaining property of Generational Baptist Church on Clermont Road went smoothly. As of March 1st, the church has begun paying their monthly rent payment back to the airport for the building as agreed to in their lease agreement.

Terminal Building Expansion: Pope reported that a bid opening has been scheduled for March 22nd. He said that there was a lot of interest in this project during the pre-bid meetings and that he is looking forward to moving forward with this project.

Directors Update

SCASDP Grant: Shorter advised that the grant application for the amount of \$776,000 was submitted last Friday. He shared a copy of the application with the Board explaining that this year's application is a much more balanced application that details the local community funding of the grant, the airport's story, the environment of the area, employers in the area, the substantial military presence, and the history of air service at EWN. Within the grant application, the airport is asking for service to a northeast hub. Harris commented that the application is a strong packet with a lot of hard work by the staff and that it appears to be much more competitive than last year's package. Pope echoed Harris's comment and thanked Shorter and the staff for putting together an incredible application.

Enplanements: Shorter reported that the enplanements continue to outpace last year's numbers. He said March will be a little lower from March of last year but that the numbers will pick back up in April.

Air Service: Shorter commented that he recently read an article about the pilot's union with Delta Air Lines. He said that the pilots were threatening to strike because they are overworked due to the pilot shortage. Shorter commented that Delta has not fully recovered since the pandemic. He said that he and Wood have an air service conference coming up and that they have a meeting scheduled with Delta at the conference. Meetings have also been scheduled with American, Avelo, Breeze Airways, Jet Blue, and United Airlines.

Williams Road: Shorter reported that Liner was able to set up a meeting with several State legislators and the Director of the Division of Aviation to discuss a strategy to move forward with the re-alignment of Williams Rd. He said that Harris signed a letter to the legislators asking for correction to funding that the airport was not allotted in 2021 as part of the state AIP funding as well as for \$8 million to complete the road project. Shorter added that the letter was well received including from the budget committee on the House side. He said that

he is working this issue from multiple lanes, including the DOT FY22 "sweep-up" money, something they can't execute this year, and legislative contingency funding that the Division 2 engineers can use to get an environmental assessment for the project started.

New Hangar Update: Shorter reported that the construction of a new corporate hangar is coming along well. Martin added that the hangar door will be installed on April 13th.

Runway Marking: Shorter reported that the project to remark the runway has begun. Martin and his team are overseeing the project closely.

Rescue 2 Refurbishment: Shorter commented that the company that has evaluated Rescue 2 is already on a government contract list with the County. The airport will move forward with the company as the contractor for the refurbishment. The estimate for the refurbishment came in just under \$300,000 and is in the current budget.

OSHA visit: Shorter reported that Martin met with OSHA officials yesterday at the air traffic control tower surveying OSHA complaints received against the facility. There were two findings: no GFI circuit in the bathroom and older wooden floors in 2nd and 3rd floor storage closets that need updating. The complaint was also for water intrusion of the control cab. Shorter said that Martin has contacted a local contractor to survey the tower and give a quote on the cost to reseal the cab windows. He added that because the tower was built in 1974, a new tower was already included in the airport's CIP. Martin has already responded and provided the information requested by inspector and plans to have the findings corrected before any citations may be issued. Martin commented that he was able to work with Debbie Hodges, the Safety and Risk Management Coordinator for Craven County, who was helpful in providing documentation for OSHA from the County safety manual.

NCAA Conference: The NCAA conference is scheduled for April 20th-22nd in Winston-Salem. Shorter advised that he needs to know of any changes in registration by Friday.

Talbert and Bright Engineering Consultants Contract Term Review

Shorter advised that the contract between the airport and Talbert & Bright will expire April 30, 2022. He said that both parties will need to decide by next month's meeting whether or not to extend the contract for additional year. Shorter added that Talbert & Bright has done a terrific job with current and past projects and is always ready to assist with any questions. He said that because the airport is in the middle of some pretty heavy projects, he recommends that the Board extend the contract for an additional year. Pope commented that Talbert & Bright is doing high level work at the airport and are very proficient in their work.

On motion by Pope, seconded by Liner the Board approved to extend the contract between the airport and Talbert & Bright for an additional year. In favor 7, opposed 0.

Bipartisan Infrastructure Law (BIL) Project Funding Applications

Shorter reported that the application for funding is due by March 28th. He said that the FAA has published the process requirements and that he has completed a draft application. Shorter shared the draft application for funding with the Board. He advised that he will be submitting two applications: one for the terminal expansion project and one for a new air traffic control tower. He commented that the bids for the terminal will be received on March 22nd which will give him a cost figure to place in the application. Shorter commented that it is often mentioned in meetings that shovel ready projects will rank high in these grant requests. He said that he doesn't know of any other airport more shovel ready for a terminal project than EWN is right now. Since the airport does not

have a shovel ready project to replace the tower, Shorter said that the airport will have to wait and see how the FAA will prioritize the need to replace the current tower. He advised that the FAA hopes to announce awards by July.

On motion by Morris, seconded by McCabe the Board approved to move forward with the two Bipartisan Infrastructure Law (BIL) Project Funding applications. In favor 7, opposed 0.

Open Discussion

There was no discussion.

Executive Session

On motion by Morris seconded by McCabe, the Board went into executive session at 3:13 PM in accordance with 143-318.11(a) (3) to consult with the attorney regarding the handling or settlement of a potential claim. In favor 7, opposed 0.

On motion by Jones, seconded by McCabe the Board came out of executive session at 3:58 PM. In favor 7, opposed 0.

On motion by Liner, seconded by Morris the Board authorized the Airport Attorney and Authority Chairman to meet with Tidewater Air in order to affirm the terms of the 1991 FBO Lease, as amended. The position of the Authority is that no additional costs or fees are owed to or by Tidewater at this time. In favor 7, opposed 0.

On motion by Jones, seconded by McCabe the Board adjourned at 4:01 PM. In favor 7, opposed 0.



Chairman Tyler Harris