

## Minutes

Coastal Carolina Regional Airport Authority

September 19, 2023

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: Bender, Eckert, Harris, Jones, McCabe, Morris, Pope, and Wood.

The following Board members attended via WebEx: Frazer and Murray  
Burns was not in attendance.

Also present in person: Andy Shorter, Airport Director; Ray Dunn and Daniel Stanton, Dunn, Pittman, and Skinner; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal & Facilities Manager; Patrick Manzo, Operations Manager; Jay Talbert and John Massey, Talbert and Bright.

Also present via conference call: Edward Carroll, Tidewater Aviation.

### Secretary's Report

On motion by McCabe, seconded by Morris the minutes of August 22, 2023, were approved. In favor 7, opposed 0.

### Treasurer's Report

Shorter reported financials through August 31, 2023:

Concessions, Advertising and Ground Transportation are budgeted at \$6,678. The airport collected \$7,902 with a positive variance to the goal of \$1,225. Fuel Flow Royalties have a negative variance to the goal of \$2,333. Landing Fees have a negative variance to the goal of \$7,839 but the airport has not yet collected funds for the month. Other revenue is budgeted at \$1,500 with a positive variance to the goal of \$1,217. Parking revenue has a positive

variance to the goal of \$523. Rental cars have a negative variance to the goal of \$8,283.

Rental income has a negative variance to the goal of \$3,989. The total operating revenue is budgeted at \$318,789. The airport has collected \$299,309 with a negative variance to the goal of \$19,479. The CARES Act Reimbursement was budgeted at \$3,150,741. The airport has collected \$255,453. Total operating expenses were budgeted at \$318,789. Expenses to date are \$1,174,052. Shorter explained that expenses include a large insurance payment that is due at the beginning of the fiscal year. The payment is prorated throughout the year and will even out in the budget throughout the year.

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

Nomination for new Treasurer

Harris advised that George Liner has unfortunately resigned from his position on the Airport Board leaving the Treasurer's position vacant. Harris asked Jones if there was an update from the County Commissioners. Jones advised that the Commissioners will be considering a replacement soon. Jones asked if the Board will be nominating a new Treasurer at today's meeting. Shorter advised that the nomination was planned for next month. Jones asked if the Board would consider amending the agenda for the consideration of nominating a new Treasurer.

On motion by Jones, seconded by McCabe, the Board approved to amend the agenda for the discussion of nominating a new Treasurer. In favor 7, opposed 0.

Jones commented that the Craven County Board of Commissioners had a lot of confidence in Mr. Liner as a former County Commissioner and an Airport Board member. He added that the airport has a Board member presently

serving that would be just as capable of serving as the new Treasurer. He said that he is very impressed with Jeff Wood and that the airport is blessed to have him not only for his work on the County level but also for his hard work serving on the Airport Board. On motion by Jones, seconded Morris, Jeff Wood was nominated as the new Treasurer. There were no other nominations made.

On motion by McCabe, seconded by Morris, the Board closed the nominations. In favor 7, opposed 0.

On motion by McCabe, seconded by Morris, the Board approved the nomination to appoint Jeff Wood as Treasurer. In favor 7, opposed 0.

#### Marketing Update

Wood advised that the committee did not meet this month but that he and Shorter had a lot of informal meetings. He said that he has talked with most of the partners but that they have not had a chance to meet in person recently. Shorter advised that George Durant continues to work on his commitments providing weekly updates and pushing the "Fly Local" campaign. Wood commented that the CIA has hired the marketing firm Blueprint who is also the same firm that the TDA uses. He said that they are making sure that they are paying attention to the airport's marketing efforts and social media intertwining all their efforts together.

#### Commercial Development and Planning Committee

Pope reported that the committee met on October 13th to discuss the following topics:

Corporate Aerospace Development Update: Pope reported that the soil sampling and archaeology studies have been completed with no findings. Wood added that the \$1 million commerce grant has been approved and is now in the Economic Development Department's budget. He said that the funding will be used for most of the access road leading into the property. The

committee also continues to move forward with the Golden Leaf Foundation Grant. Wood commented that a budget has not been approved yet on the state level, however, as of today there was a draft budget that allegedly provides funding for the corporate aerospace development project at EWN. He said that they would have to wait until a final budget is approved to determine if the airport will be awarded the funding. Shorter commented that the committee has completed all the preliminary due diligence for this project. He shared with the board a spread sheet of projects, the cost of the projects and the funding streams available to the airport. He commented that the airport has options and that it is nice to have money on the table. He said that within the next couple of months the committee will narrow down what funds will be applied to what projects.

#### Non-Aeronautical Area Project and 634 Airport Road Updates:

Non-Aeronautical Area Project: Shorter introduced a site plan for property on Old Airport Road as submitted by FMR. Wood commented that FMR has submitted a proposal for three 20,000 sq. foot box style buildings. He said that they have talked with the potential end user for the building who stated that they felt comfortable with the price of \$15.00 per square foot. Wood commented that the committee will continue negotiating terms and the buyout clause but that in general they have an agreement of understanding between the airport, the developer, and the end user in terms of cost. Wood suggested that it would be best to allow the Director to move forward with legal advice to be able to work out a deal between the developer and the end user. Shorter added that in the site plan, there are two roads leading to the buildings and the developer may want the site to stay behind the fence line. He said that the airport will need to control the gates through badging so there may be associated costs for the airport. Shorter commented that the airport may have to install fencing behind the proposed facilities to separate the AOA area from a

public area. Morris commented that he was concerned with badging employees who would need access to the gates. He suggested that the airport install a fence behind the proposed facility leaving the front open to the public. Pope clarified that the access badges would be controlled by the airport and that the card could be programmed to just their gate. Shorter commented that he will get clarification from the developers and review the need for them to have an airport operated gate out front. Wood also reported that the next immediate step is for Dunn and the attorneys at Ward and Smith representing FMR to sit down and discuss exactly what the agreement is going to look like between the Authority and the building owner. He said that the airport needs to be prepared to move quickly. Shorter raised the question if the airport will need to enter into an agreement within the next thirty days, will the Board need to allow the Chairman and or himself to sign the lease. Dunn commented that the Board could agree to move forward however they prefer. He said that as of today, he has not heard anything back from the attorneys for FMR. Dunn also stated that the process will be a different and unusual setup than what the Board is accustomed to so it would be to the pleasure of the Board as to how they would like to proceed. Jones asked if the Board of Commissioners would have to sign the lease agreement as well. Dunn confirmed that the Board of Commissioners would probably have to sign as well because they are going to be an integral part of the agreement unless the Airport Authority can get a modification of the agreement to allow the Authority to deal directly with FRC. Wood commented that the first agreement will be between the Authority and FMR to be able to move forward to allow them to start constructing their building on airport property. He added that the agreement with the end user is going to get a little bit more complicated. Jones commented that he understands the time constraints but that he was a little uneasy without bringing this before the Authority. He said that there is a lot of detail in the proposal and that he trusts the committee, but this proposal is potentially a long-term lease.

Harris commented that the Board of Commissioners will meet on the 16<sup>th</sup> of October and the next Airport Authority will be the 17<sup>th</sup> so the airport could call a special meeting if needed. Pope said that the committee is doing everything they can right now but that they are lacking information from the FMR side. Morris commented that FMR needs to get their attorney to move forward with airport council. Wood commented that if the committee could have the consensus of the Board today to allow negotiations to continue based off what they know so far and then if the airport is ready to be able to pull the trigger prior to the board meeting then they we can call a special meeting. He said that he feels that FMR would feel comfortable with that as well. Wood added that he will give FMR a call to inform him that the Board is in consensus to move forward but that the attorneys need to meet to work out the details and that the Authority can call a special meeting if necessary.

634 Airport Road Updates: Shorter recalled that at the last Board meeting, the Authority authorized up spend up to \$18,000 to make repairs in the former church building. He advised that to date, the cost of repairs is at \$14,000. Ritchie commented that the walls have been repaired and painted, carpet has been installed in two offices/breakroom, the tiles in the bathroom have been steam cleaned, the ceilings have been painted and new lights have been installed. New vanities and mirrors will be installed later this week in the bathrooms. Shorter commented that the Director of Tech Bridge at Cherry Point visited the building two weeks ago and was pleased with the repairs but needs the sloped floor to be level. Shorter explained that there will be multiple entities working together so they will need a large open space to sit down together for discussions. Shorter advised that Ritchie has requested quotes from outside agencies to level the floor but has not received any to date. He advised that there are two options to level out the floor; to pour in a slab or building up the floor with wood. Shorter shared the concern of the Director of Tech Bridge with building the floor up with wood. He explained that because some of the things

that they will be working on may be robotic machines and things that have a high floor strength requirement. Overall, Shorter commented that with the repairs inside the building and trimmed landscaping outside that the building looks very nice. Wood advised that the Commissioners have approved the award of over \$500,000 from FRC to come to the County on behalf of the ENC Tech Bridge activities including the discussions of today's Board meeting. He said that he has spoken with the Director of Tech Bridge who feels that he can turn the facility into something that he could bring back to the Commander for Naval X for all the Tech Bridges, to show that they have been able to create a great facility. Wood commented that there is money within the budget to go farther than what the airport had originally given Tech Bridge on an estimate. Wood said that the repairs would be at no cost to the Authority in that agreement and that the airport should be able to get \$25,000.00 back as soon as we start invoicing. The lease contract will be a year-to-year agreement. Wood said that a significant amount of the \$500,000.00 is set aside for events until the facility is built. When Tech Bridge has an event, they will utilize the convention center or another space like the tourism center in Havelock. Wood said that their goal is to eventually be able to have the ability to have smaller company's come in, one on one, to share their technology in their own facility so that becomes a fee that the airport can charge them for using this building instead of the convention center. Wood commented that there is a long-term way for the airport to have a potential revenue stream of \$60,000 a year for the County and the Airport Authority for a building that we already own. Wood said that they are happy with the results across the board.

Various Property Planning/Proposal Discussions: Shorter advised that the attorneys have been approached by two property owners in the Clermont Road area wanting to sell their property. He reminded the Board that the airport recently purchased three parcels on Clermont Road and that there are several other properties that are in the airport's ALP to be acquired when they

become available. Shorter advised that the properties at 718 and 723 Clermont Road have been offered to the airport for purchase. He recommended that the airport at least start the due diligence for purchasing the property at 718 Clermont Road. In the meantime, Shorter recommended that the airport put the property at 723 Clermont on hold. Jones asked where the funding would come from for purchasing the property. Shorter advised that the purchase of the property would be reimbursable at 90% through the FAA but of course the airport would have to do all the environmental due diligence for the purchase. He added that the airport would have to offer a fair market value so a market appraisal would have to be completed at an estimated cost of \$10,000. This process would have to be completed up front before the property owner would agree to sell or not. Shorter commented that the parcel of property would be worthy to move forward with the appraisal.

On motion by Pope, seconded by Jones the Board approved the Director to move forward with the due diligence of getting a fair market appraisal for the property at 718 Clermont Road. In favor 7, opposed 0.

Proposal to Build Hangars: Shorter advised that the CDP has been approach by a gentleman interested in developing hangars along a taxiway and the backside of Williams Road. The proposed site is ready to be developed. Shorter said that the gentleman was advised that the hangars would have to be aircraft storage hangers and not used for aeronautical businesses. The gentleman agreed and stated that that's what he would be developing. Shorter revealed that Clint Summers, who owns the Black Box Flight Simulator, is the gentleman who proposes to build the hangars. Summers works with the flight school and has a vested interest. Shorter commented that Summers also flies charter service on the side, so he is embedded in the aviation community here at EWN. Pope commented that the CDP committee recommends that the Board allow Shorter to proceed with discussions with Summers to evaluate the



possibilities of developing hangars in the general aviation area. The Board concurred to allow Shorter to continue discussions with Mr. Summers to develop new hangars.

#### Director's Update

Air Service Notes: Shorter commented that the load factors are lower than normal for EWN, but that American is satisfied with the service at EWN and the revenue they earn. He added that he has reached out to American a few times to ask why the cost of tickets out of EWN is much higher than the two closest airports. American's Revenue Management team responded saying they were not sure why there is such a big delta but that they would investigate. Shorter commented that the conversation has been initiated and that he will continue to work with American at different levels to understand the price disparity. Shorter also commented that he has a virtual headquarters meeting with United next week.

Terminal Project Actions: Shorter reported that a new inbound baggage belt has been installed in the baggage claim area. The T shaped belt provides an additional 40ft of belt length. Shorter commented that the new system is quiet and runs very smoothly. He also reported that the slabs have been poured in the new construction area and that the wall framing work has started. The project remains on schedule and on budget. Shorter added that Chairman Jones has signed the two FY23 grants from the FAA. He explained that the FAA has split the grant, separating the ATCT study from the terminal expansion grant. Shorter said that the airport has received \$22.5 million from the FAA for the terminal expansion project and that State funds will be used for the balance of the project.

Passenger Facility Charge (PFC) project: Shorter advised that the application to use PFC funds to build the original terminal is close to being closed out. He said that the airport has over collected funds under the current

application, so he plans to submit a new application for other eligible costs to cover the over collection.

**Airport Rates and Charges Project:** Shorter advised that it was approved in the budget to conduct an airport rates and charges study. He said that it will take about six months to complete the study. Shorter explained that he requested the company conducting the study to go from a firm fixed cost to a per hour cost study. He said that he has been given some cost estimates for the study that will meet with what was approved in the budget and that the Chairman will sign off on that contract. Shorter added that the airport has been very fastidious about logging costs on different parts of the airfield whether it's inside the fence, outside the fence, for the GA or for the airline. He said that the study will help the airport recover costs through revenue generated by using a new cost-based rate setting methodology. The estimated cost of the study is \$60,000.

**Williams Road update:** Shorter advised that the environmental engineers were on site a couple weeks ago gathering information. He said that the DOT will be hosting a multi-agency working group next month at the Division 2 meeting to start socializing the plans with other agencies to get their opinion on how the airport would like to mitigate Scotts creek for the extension of the runway safety area. Shorter added that the process is going smoothly and is on track.

**Cell Phone Lot:** Shorter advised that signs have been installed at both entrances of the lot. There is a divider cable that blocks off the cell phone lot from the extended long-term lot. In an effort to keep the curbside free of parked vehicles, people waiting to pick up friends or loved ones will use the cell phone. The Uber and Lyft drivers will continue to park in their designated spots at the curbside per the contract.

Harrier Incident: Shorter commented that a Harrier jet came in last week and unfortunately at the end of its rollout had a flat nose tire. The pilot dribbled towards the edge of the runway but did not run off the runway. Shorter said that it took three and a half hours to fix the tire which caused three delays for American. There were a few passengers that decided to change their flight plans to fly out of OAJ or RDU. Shorter said that the Group Commander reached out to him as part of an after-action plan and suggested that they may look to provide a tow bar on site for future incidents. Shorter advised that a tow bar would not have helped in this situation because the blown tire was the front wheel. Towing from the front would have possibly caused the aircraft to dig into the asphalt. Shorter commented that in an effort to have a different outcome in the future having a tow bar onsite might be helpful for some other issue.

DCA Flight Update: Morris asked Shorter for a report on the DCA flights. Shorter advised that this summer did not go as well as last summer with 25% fewer passengers than last summer. He said that he believes that the flights were affected by high prices and the fact that the promotional rate was taken off too early. Shorter commented that he has spoken with American about these concerns and they have stated that if this is the case then it's not the airport's fault for the numbers being less and that they will look at the data again. Jones commented that the airport is losing a lot of passengers with folks flying out of other airports like Pitt-Greenville. He commented that if American doesn't do something then the loss of passengers could be detrimental for the airport. Shorter acknowledged Jones' concern and shared an email from Kirk at Mead & Hunt regarding the efforts taken to resolve the issue. Shorter reassured the Board that they are trying to do all they can to change the status quo.

### New Business

Talbert and Bright Work Authorization: Shorter presented a work authorization under AIP 52 in the amount of \$145,267. He explained that the

work authorization is for the siting study for the aircraft control tower and broke down the cost for the subconsultant surveys. Shorter advised that the project is reimbursable through the recent FAA grant.

On motion by McCabe, seconded by Jones the Board approved the work authorization for Talbert and Bright in the amount of \$145,267. In favor 7, opposed 0.

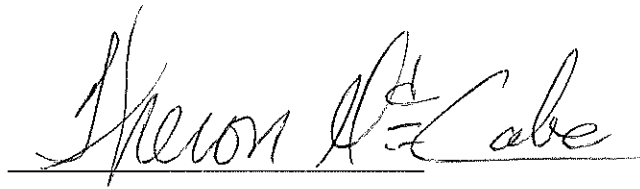
Open Discussion

Shorter announced that Chris White, Airport Director at OAJ, has retired after 22 years of service in NC. White has accepted the position of Chief Operating Officer at Charlottesville Airport in Charlottesville, VA.

Executive Session

There was no need for an executive session.

On motion by McCabe, seconded by Wood, the Board adjourned at 3:16 PM. In favor 7, opposed 0.

A handwritten signature in cursive script that reads "Theron McCabe". The signature is written in black ink and is positioned above a horizontal line.

Secretary Theron McCabe