RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
JANUARY 16, 2014

Chair Hunt presided. Present: Ali, Elting, Teer, Thompson, Wheeler and Yeargan (via teleconference). Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
Motion by Teer to approve the agenda; Second by Thompson
ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
Motion by Ali to approve the minutes of the December 19, 2013 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Elting
ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. A note of thanks offered to the Civil Air Patrol for posting the flags for the first meeting of 2014
2. Preview of expected business in 2014 offered
3. Overview presented of Terminal 1’s Open House scheduled for February 15th

IV. OLD BUSINESS
1. Law and Personnel Committee Report – Wheeler reported the Law and Personnel Committee met on January 16, 2014 and discussed the following item(s):
   a. Budget Update Related to Personnel Costs
      The Committee received a brief financial update and report on personnel costs in preparation for consideration of next year’s budget. The update and report were for informational purposes and no board action was requested.

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on January 16, 2014 and discussed the following item(s):
   a. Consideration of the Design Concept for a Proposed Wake County Emergency Medical Services Station and Letter of Intent
      The Committee recommends approval of the design concept for the proposed Wake County EMS Station and approval of the Letter of Intent to Lease.

Motion by Teer to adopt the Committee’s recommendation; Second by Elting
ADOPTED BY UNANIMOUS VOTE
3. Operations Committee Report – Elting reported the Operations Committee met on January 16, 2014 and discussed the following item(s):
   a. Consideration of an Amendment to the Agreement with GCA Services Group for Janitorial Services
      The Committee recommends approval of the amendment and authorization for the Airport Director to execute the amendment.

      Motion by Elting to adopt the Committee’s recommendation; Second by Thompson

      ADOPTED BY UNANIMOUS VOTE

   b. Consideration of Amendment 5 to the New Zoom, Inc. Terminal Concession Lease
      The Committee took no action.

V. NEW BUSINESS

VI. GENERAL COUNSEL’S REPORT
No items were reported.

VII. MEMBER COMMENTS
No items were reported.

VIII. AIRPORT DIRECTOR’S REPORT
Thanks offered to Deputy Airport Director Damiano for a great summary of the public open house. Through the Open House, as well as the related smaller events in Terminal 1, RDU is directly touching all of the people that are critical to this airport’s success, from the public to governing bodies, to RDU’s tenant partners and regional economic development groups.

During the month of December, passenger enplanements increased 7.9% compared to December 2012. The number of arriving passengers also experience a small jump to 6.6%. The last day of the Thanksgiving travel period fell in December of 2013 and this month’s bump off sets lasts month’s deficit. For 2013 as a whole, as predicted, passenger traffic numbers were virtually flat, with a .3% decrease in enplanements and a .2% decrease in deplanements. The average load factor for 2013 was 80.8%, a half-percent rise from 2012.

Just before Christmas, Delta Air Lines launched daily non-stop service to Salt Lake City. The airline has also announced daily non-stop service to Las Vegas beginning in March. This will increase frequencies and options to Vegas, as Southwest Airlines already has a popular flight to the city. Also, beginning this May, Vacation Express will offer weekly non-stop flights to Cancun via Aeromexico. Cancun is a popular seasonal destination for customers and RDU is glad to see this increase in service. There was additional temporary service to both San Francisco and Los Angeles for just the holiday period. While data on the success of these flights will be unavailable for some time, both United and American Airlines are planning on additional daily service to these cities again in the spring, which is a sign that demand is strong on both routes.

The American Airlines/U.S. Airways merger is official as of December. The airlines are communicating their merger plans with their customers. In Terminal 2 signage is posted in the ticketing lobby to inform customers which carrier to check-in with based on the airline - American or US Airways - listed on their ticket.

Raleigh-Durham Airport Authority Members

Wake County       Durham County       Raleigh
John M. Kane      Clay C. Wheeler    Geoff Elting, Vice Chairman
Terry K. Yeagar   John T. “Tommy” Hunt, Chairman   Dickie Thompson, Treasurer

Durham
Robert D. Teer, Jr.
Farad Ali, Secretary
During the holidays, Park and Ride 3, which has a total of 3,626 spaces, filled to capacity for several days before Christmas. It is been quite a long time since that lot was full and hopefully that gave RDU a bit of an economic boost. Weather in the northeast at the end of the holiday season jammed up flights throughout the nation. RDU experienced a number of cancellations and delays due to weather elsewhere, but fortunately, the airport was spared from any direct weather impacts.

Service anniversaries recognized with help from Cleon Umphrey.

Volunteer of the Year Announcement: Ken Keyes

Employee of the Year Announcement: Drew Groth

IX. ADJOURNMENT
Motion by Elting to adjourn; Second by Ali

ADOPTED BY UNANIMOUS VOTE
Wheeler presided. Present: Ali, Elting, Hunt, Teer, Thompson, and Yeargan (via teleconference). Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Budget Update Related to Personnel Costs**: The update and report were for informational purposes and no board action was requested.

   Presented by Cleon Umphrey, Director of Administration – The Committee received a brief financial update and report on personnel costs in preparation for consideration of next year’s budget. The update and report were for informational purposes and no board action was requested.

   The update and report were for informational purposes and no board action was requested.
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
JANUARY 16, 2014

Teer presided. Present: Ali, Elting, Hunt, Thompson, Wheeler and Yeargan (via teleconference). Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of the Design Concept for a Proposed Wake County Emergency Medical Services Station and Letter of Intent: Upon a motion by Thompson and second by Yeargan, the Committee recommends approval of the design concept for the proposed Wake County EMS Station, and approval of the Letter of Intent to Lease.

Presented by Dave Powell, Deputy Airport Director of Facilities – Wake County is proposing to construct an Emergency Medical Services (EMS) Station on the Airport. Wake County currently operates an EMS Station in an Authority-owned building on Mt. Herman Church Road. Wake County is proposing to demolition the existing building, construct a new building, and perform related site improvements. The particulars of the ground lease between the Authority and Wake County are under discussion. There is expectation that the lease will be considered at a future Board meeting. In order to expedite the preparation of construction contract documents for the proposed EMS Station, Wake County has initiated design of the proposed EMS Station. Wake County proposes to commence construction in spring 2014 and place the new facility into operation in 2015. Representatives of Wake County will present the design concept for the proposed facility. The staff has reviewed the design concept and supports it. In addition, Wake County has requested that the Authority execute a Letter of Intent to Lease (LOI). The LOI outlines basic terms and conditions only, including a lease term of 40 years, and ground rental of $12,000 per year ($1,000/month).

Staff requests approval of the design concept for the proposed Wake County EMS Station, and approval of the Letter of Intent to Lease.
RALEIGH-DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE MEETING MINUTES
JANUARY 16, 2014

Elting presided. Present: Ali, Hunt, Teer, Thompson, Wheeler and Yeargan (via teleconference). Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of an Amendment to the Agreement with GCA Services Group for Janitorial Services:
   Upon a motion by Teer and second by Thompson, the Committee recommends approval of the amendment and authorization for the Airport Director to execute the amendment.

   Presented by Jim Davis, Baggage System Manager – The recommended amendment to the agreement with GCA Services Group (GCA) modifies the scope of the janitorial services provided through the agreement and the compensation to GCA for the modified services. GCA provides janitorial services to the Authority for a number Authority-owned buildings including the terminals. The agreement has a 5-year initial term and provides for two, one-year extensions. The first, one-year extension expires on August 31, 2014. (The staff will recommend extension of the contract for the final extension period to the Airport Director later this year.) The amendment addresses various changes in the scope of the services due to the renovated portion of Terminal 1 being placed in service and the portion of Terminal 1 now in operation (Terminal 1 North Extension) being taken out of service. The amendment modifies the scope of services as follows: (1) Add post-construction janitorial services including services for special opening events for the renovated portion of Terminal 1 for the period February 2 through March 2, 2014; (2) Add janitorial services for the renovated portion of Terminal 1 and remove services for the Terminal 1 North Extension for the period March 3 to August 31, 2014; and (3) Add limited janitorial services for the Terminal 1 North Extension for the period March 3 to April 30, 2014 while the tenants and others vacate the building. The amendment authorizes $121,750 in additional compensation to GCA for the services authorized by the amendment and increases the total compensation for the service year from $4,755,219 to $4,876,969.

   Staff recommends approval of the amendment and authorization for the Airport Director to execute the amendment.

2. Consideration of Amendment 5 to the New Zoom, Inc. Terminal Concession Lease: The Committee took no action.

   Presented by Ingrid Hairston, Business Development Officer – New Zoom, Inc. operates an automated retail business in Terminals 1 and 2 at RDU pursuant to a Terminal Concession Lease with a term from December 1, 2008 to November 30, 2015. This amendment modifies the list of approved automated retail locations by deleting the location on the Terminal 1 north concourse.
and adding a location in the new Terminal 1 main concourse. The amendment adds a new automated retail location pre-security in the new Terminal 1 main. Additionally, this amendment modifies Section 4.10 of the lease to address an administrative matter. The amendment deletes the requirement to submit a preliminary unaudited annual report. The unaudited report was originally needed to facilitate calculation of the minimum annual guarantee rent the next lease year. The new rent amount is calculated differently now, and the preliminary report is no longer needed. The tenant remains obligated to provide an audited annual report.

Staff requests approval of Amendment 5 to the New Zoom, Inc. Terminal Concession Lease with authorization for the Airport Director to execute the amendment.