RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
MARCH 20, 2014

Chair Hunt presided. Present: Ali, Elting, Kane, Teer, Thompson, Wheeler (via conference) and Yeargan. 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 Hunt to approve the minutes of the February 20, 2014, and February 25, 2014 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Teer

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
   1. New hires recognized
   2. Last month staff and board members welcomed the Raleigh and Durham Convention and Visitors Bureaus to Terminal 1. With the opening of the terminal, the CVBs will have a presence in the building. Two concessions, both called Flight Stop, will offer gifts from Raleigh and Durham. This is being done through a partnership between the store operator, Marshall Rousso, and the CVBs.
   3. On March 27, Mr. Robb Teer will be honored by the Durham CVB with its annual Civic Honor Award. The CVB states that Robb has dedicated his life’s work to building a better Durham. Congratulations Robb.

IV. OLD BUSINESS
   1. Land and Development Committee Report – Teer reported the Land and Development Committee met on March 20, 2014 and discussed the following item(s):
      a. Presentation of Host International Terminal 1 Pre-Security Starbucks Concept
         The Committee recommends approval of the conceptual design.
         Motion by Teer to adopt the Committee’s recommendation; Second by Ali

ADOPTED BY UNANIMOUS VOTE
b. Consideration of an Amendment to the Agreement with Parsons Transportation Group for Program Management Services

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

Motion by Yeargan to adopt the Committee’s recommendation; Second by Teer

ADOPTED BY UNANIMOUS VOTE

2. MWSB Committee Report – Kane reported the MWSB Committee met on March 20, 2014 and discussed the following item(s):
      This report was presented for informational purposes only. No Board action was taken.

3. Operations Committee Report – Elting reported the Operations Committee met on March 20, 2014 and discussed the following item(s):
   a. Consideration of a Motion to Authorize Advertisement by Electronic Means
      The Committee requests that the Board adopt a motion to authorize advertising using electronic means as an alternative to placing an advertisement in a newspaper of general circulation for contracts for construction or repair work, or the purchase of apparatus, supplies, materials, and equipment that meet the monetary threshold established in N.C.G.S. §143-129 and must be publicly advertised.

Motion by Elting to adopt the Staff’s recommendation; Second by Ali

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Uptown Airport Group Request to Approve an Owner’s Waiver and Consent, Master Equipment Lease Agreement

The Committee recommends approval of the Owner’s Waiver and Consent, Master Equipment Lease Agreement with authorization for the Airport Director to execute the document.

Motion by Elting to adopt the Staff’s recommendation; Second by Kane

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Amendments to the Annual Report Requirements and Concession Marketing Section for the Terminal 2 Terminal Concession Leases

The Committee recommends approval of the noted lease amendments with authorization for the Airport Director to execute the amendments.

Motion by Elting to adopt the Staff’s recommendation; Second by Teer

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Assignment of Landmark Aviation Sublease and Consent Agreement

The Committee requests favorable Board consideration of Capital Properties’ proposed assignment of the sublease of Landmark Aviation leasehold interest from SunTrust Bank to Capital Properties and authorization for the Airport Director’s execution of the Landlord’s Consent Estoppel Certificate and Non-disturbance Agreement and any other document necessary for that consent.
Motion by Elting to adopt the Staff’s recommendation; Second by Yeargan

ADOPTED BY UNANIMOUS VOTE

4. Budget Public Hearing:
   a. Chairman Hunt opened and presided over a public hearing related to the budget as required in §159-12 of North Carolina’s General Statutes. No speakers were present; therefore Chairman Hunt closed the hearing.

5. FY 2014-15 Budget Adoption:
   Motion by Elting to adopt the proposed Fiscal Year 2014-15 Operating and Capital Budgets, Budget Ordinance, Parking Product and Marketing Analysis Study Project Ordinance, Terminal 1 North and South Concourse Demolition Project Ordinance, FY13/14 Infrastructure Improvements Project Ordinance, Bulk Fuel Storage Facility and Systems Improvements Project Ordinance, Maintenance Fueling Station Replacement Project Ordinance, and 2014-2015 Project Ordinances were presented and reviewed in the budget review session on March 13, 2014. No further questions or comments were received. Therefore, adoption of the Operating and Capital Budgets and the Budget and Project Ordinances was requested; Second by Yeargan

   ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

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

VII. MEMBER COMMENTS

   1. Member Elting expressed his delight in serving on the Authority Board
   2. All board members thanked Member Elting for his service throughout the years spent on the Authority Board
   3. Members Kane, Teer and Thompson complimented staff on their work with the ULI project and the FY 2014-15 budgeting process
   4. Member Thompson thanked those who assisted him with a dead car battery in the parking garage last week

VIII. AIRPORT DIRECTOR’S REPORT

   During the month of February, the number of passengers departing RDU decreased 6.0% compared to February 2013. The number of passengers arriving at RDU decreased by 6.7%. The reason for the decrease: the weather. During the month of February, airlines canceled more than 10 percent of their scheduled departures due to weather.

   It was announced last month that Delta Air Lines would begin service to Cleveland following United’s decision to end that service as it closes the hub in that city. Additionally, Frontier Airlines will begin offering service to Cleveland as well. It will offer the flight three times a week on its 168-seat A-320.

   This week, the panel from the Urban Land Institute arrived to begin its study of possible land development opportunities that may be available to us as an airport. The panel will answer the question: How should the Airport Authority responsibly use airport land that may not be required for future aeronautical purposes in a manner that benefits the region, provides additional long-term revenue to the Airport Authority and complements the operation of the airport? On Monday, staff and Board members
met with the ULI panel to provide them background information on the airport, its operation and previous land development projects and research. On Tuesday, the panel began interviewing local elected officials, economic developers, members of the business community and others to help answer the question on how we can develop the Authority’s land in a way that benefits the airport and the community. When it completes its interviews and research, the panel will make recommendations on land development that the Authority can then take under consideration. The ULI team will present its findings in a preliminary report Friday, March 21, 2014 at 8:30 a.m. in room 100 of the Authority building.

Recognition of those involved in the planning process for ULI took place.

Recognition of those involved in the Budget Development process took place.

Highlights of 2013 recounted and thanks offered to all staff for their dedication and hard work.

IX. ADJOURNMENT

Motion by Ali to adjourn; Second by Yeargan

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
MARCH 20, 2014

Teer presided. Present: Ali, Elting, Hunt, Kane, Thompson, Wheeler (via conference) and Yeargan. 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. Presentation of Host International Terminal 1 Pre-Security Starbucks Concept: Upon a motion by Kane and second by Thompson, the Committee recommends approval of the conceptual design.
   Presented by Ingrid Hairston, Business Development Officer.
   Staff requests approval of the Terminal 1 Pre-Security Starbucks Concept.

2. Consideration of an Amendment to the Agreement with Parsons Transportation Group for Program Management Services: Upon a motion by Yeargan and second by Thompson, the Committee recommends award approval of the amendment and authorization for the Airport Director to execute the amendment.
   Presented by Tom Quesenberry, Senior Program Manager, Facilities – The amendment authorizes program management and other related support services through Parsons Transportation Group for the period from April 1, 2014 to March 31, 2015 and specifies the compensation for the services provided during the period. The services are for the following projects: Terminal C Renovation & Expansion, RDU #070399; Terminal 1 Interior Changes and Renovation, RDU #070499; Terminal 1 North and South Concourse Demolition, RDU 070519; and Terminal 1 Apron Rehabilitation, RDU #070509; and for other matters as may be appropriate. The services include, but are not limited to, acting as extension of the Authority staff and at the direction of Authority staff in managing and administering services, equipment, construction and other contracts required for the projects; managing pre-qualification processes; managing the change management and document control functions; organizing and conducting project meetings with designers, contractors, equipment suppliers, regulatory agencies, and tenants; preparing contract amendments and reviewing pricing for contract amendments; developing and maintaining project schedules; reviewing and approving applications for payment; managing preparation of tenant design standards; reviewing designs and construction documents prepared for tenants and other parties; preparing reports required by governmental agencies; performing building commissioning services; providing inspection services including special inspections required by the authority having jurisdiction; investigating and advising on building and systems matters and events; coordinating matters with and between units of the
Authority; coordinating matters with airlines and other tenants, concessionaires, Transportation Security Administration, Customs and Border Patrol, public utility companies, and the authorities having jurisdiction; and, participating in Authority project activation planning and implementation. Compensation for services: The maximum payments by the Authority to the Consultant for the services authorized by this Amendment shall not exceed $800,000. The compensation consists of two components as described below:

1. Personnel expense: Compensation for personnel expense for the consultant and its sub-consultants will be based on unit personnel costs against a fixed ceiling amount. The fixed ceiling amount for personnel expense is $765,000.

2. Reimbursable expenses: Reimbursement for allowable expenses will be made based on direct costs, without markups, against a fixed ceiling amount $35,000.

Staff requests approval of the amendment and authorization for the Airport Director to execute the amendment.
RALEIGH-DURHAM AIRPORT AUTHORITY MWSB COMMITTEE MEETING
MINUTES MARCH 20, 2014

Kane presided. Present: Ali, Elting, Hunt, Teer, Thompson, Wheeler (via conference) and Yeargan. 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. Quarterly MWSB/DBE Report (October – December 2013): This report was presented for informational purposes only and required no Board action. The Committee took no action.
RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE
MEETING MINUTES MARCH 20, 2014

Elting presided. Present: Ali, Hunt, Kane, Teer, Thompson, Wheeler (via conference) and Yeargan. 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 a Motion to Authorize Advertisement by Electronic Means: Upon a motion by Ali and second by Teer, the Committee recommends award approval of the amendment and authorization for the Airport Director to execute the amendment.

Presented by Tom Quesenberry, Senior Program Manager, Facilities - North Carolina’s formal bidding requirements, contained in N.C.G.S §143-129, apply to construction or repair contracts estimated to cost more than $500,000 and the purchase of apparatus, supplies, materials, or equipment estimated to cost more than $90,000. Formal bidding opportunities must be advertised in a newspaper having general circulation in the jurisdiction that is seeking bids. The advertisement must appear at least one time and at least seven full days must lapse between the date on which the advertisement appears and the date of the opening of bids. The advertisement must (a) “state the time and place where plans and specifications . . . may be had,” (b) “state the time and place for opening of the proposals,” and (c) “reserve to the . . . governing body the right to reject any or all proposals.” N.C.G.S §143-129 allows that advertisements of bidding opportunities may be published by electronic means (for example, via the Authority’s website) instead of in a notice published in the newspaper. Action to authorize electronic bidding must be taken at a regular meeting of the governing board. In the past, the Board has adopted a motion to authorize electronic advertising on a project by project basis and in March 2013 adopted a motion to authorize electronic advertising for all formal bids advertised during Fiscal Year 13-14.

Staff requests the Board adopt a motion to authorize advertising using electronic means as an alternative to placing an advertisement in a newspaper of general circulation for contracts for construction or repair work, or the purchase of apparatus, supplies, materials, and equipment that meet the monetary threshold established in N.C.G.S. §143-129 and must be publicly advertised.

2. Consideration of Uptown Airport Group Request to Approve an Owner’s Waiver and Consent, Master Equipment Lease Agreement: Upon a motion by Teer and second by Ali, the Committee recommends approval of the Owner’s Waiver and Consent, Master Equipment Lease Agreement with authorization for the Airport Director to execute the document.
Presented by Ingrid Hairston, Business Development Officer - The Authority received a request from Uptown Airport Group to execute an Owner’s Waiver and Consent, Master Equipment Lease Agreement, Inc. related to an equipment lease between Uptown and Jules and Associates, Inc. This waiver specifically applies to furniture and equipment located in the Salsarita’s/Char-Grill restaurant in Terminal 1. The furniture and equipment for this location will be used as collateral to secure the note with Jules and Associates. The waiver allows Jules and Associates to retain the title interest and provides that, with certain conditions to protect the Authority’s interests, Jules and Associates may remove the collateral.

**Staff requests approval of the Owner’s Waiver and Consent, Master Equipment Lease Agreement with authorization for the Airport Director to execute the document.**

3. **Consideration of Amendments to the Annual Report Requirements and Concession Marketing Section for the Terminal 2 Terminal Concession Leases:** Upon a motion by Ali and second by Teer, the Committee recommends approval of the noted lease amendments with authorization for the Airport Director to execute the amendments.

Presented by Ingrid Hairston, Business Development Officer - Staff seeks to modify two sections of the Terminal 2 Concession Leases: Section 4.10 Annual Report and Section 5.7 Concession Marketing Program. In Section 4.10, 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. In Section 5.7, the amendment changes the marketing program year from the calendar to the lease years, which is April to March. This change allows the tenant to include marketing fund contributions in their annual audit, which is a part of the annual report. The leases that are affected by this amendment are listed below.

- EJE Retail RDU, LLC – Amendment 2
- Host International, Inc. – Amendment 5
- Host International, Inc., as assigned by JQ Enterprises, Inc. – Amendment 3
- ILJ Raleigh, Inc. – Amendment 2
- Paradies Shops, LLC – Amendment 3
- RDU Air Ventures – Amendment 5
- SSP America, Inc. – Amendment 3
- The Book Cellar, LLC – Amendment 3
- XpresSpa Raleigh-Durham Intl, LLC – Amendment 2

**Staff requests approval of the noted lease amendments with authorization for the Airport Director to execute the amendments.**

4. **Consideration of Assignment of Landmark Aviation Sublease and Consent Agreement:** Upon a motion by Teer and second by Ali, the Committee recommends approval of Capital Properties’ proposed assignment of the sublease of Landmark Aviation leasehold interest from SunTrust Bank to Capital Properties, and authorization for the Airport Director’s execution of the Landlord’s Consent Estoppel Certificate and Non-disturbance Agreement and any other document necessary for that consent.
Presented by Karen Reynolds, Properties & Insurance Officer - In April 1997 the Authority executed a Facilities Lease and Operating Agreement with Piedmont Aviation Services, Inc. (now Piedmont Hawthorne Aviation, dba Landmark Aviation), for general aviation facilities. In December 2003 the Authority approved a sublease of the Landmark Aviation leasehold interest to DGRM Investments, LLC. DGRM borrowed funds from the Central Carolina Bank and Trust Company (now SunTrust Bank) to fund the construction of new Landmark general aviation facilities. DGRM then sub-subleased the facilities back to Landmark as the Fixed Base Operator (FBO). In 2013 DGRM defaulted on their loan with SunTrust and SunTrust foreclosed on the loan. SunTrust is selling its interest to Capital Properties, and Capital Properties is requesting Authority approval of the assignment of the sublease to Capital Properties. They propose no changes to the lease terms and Landmark Aviation will continue as the Authority’s tenant and as an FBO operator.

Staff requests approval of Capital Properties’ proposed assignment of the sublease of Landmark Aviation leasehold interest from SunTrust Bank to Capital Properties, and authorization for the Airport Director’s execution of the Landlord’s Consent Estoppel Certificate and Non-disturbance Agreement and any other document necessary for that consent.
RALEIGH-DURHAM AIRPORT AUTHORITY CLOSED SESSION MARCH 20, 2014

Chair Hunt presided. Present: Ali, Elting, Kane, Teer, Thompson, Wheeler (via conference) and Yeargan. 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.

1. **Closed Session**
   The Committee held a closed session to discuss personnel matters and security sensitive information.