RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
JANUARY 16, 2020

Chair Kane presided. Present: Hannah, Kushner, Morgan, Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

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

II. APPROVAL OF MINUTES
   Motion by Thompson to approve the minutes of the December 19, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Kushner
   ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
   1. Chair Kane welcomed everyone.
   2. New hires and employee service milestones were recognized and congratulated.
   3. Chair Kane detailed the six new dining options offered in Terminal 2 as part of the concessions relationship with Areas USA.
   4. Chair Kane noted the launch of the RDU Savings Passport digital coupon book for exclusive deals and discounts at shopping and dining in the terminals.

IV. OLD BUSINESS
   1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on January 16, 2020 and discussed the following items:
      a. Presentation Regarding Airport Security Improvements
         Presentation to Board in Committee work session for informative purposes only. No Board action required at this time.
      b. Consideration of Amendment with Balfour Beatty for Enhanced Security Perimeter Gates Project
         [Presentation to Board in Committee closed session pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 to protect sensitive security information.]
         Motion by Teer for approval of the Construction Phase Amendment with Balfour Beatty Construction

      2. [Additional items if any]

      3. [Additional items if any]
for the enhanced security perimeter gates project in the amount of $2,066,632 and authorization for the President and CEO to execute the amendment; Second by Morgan
ADOPTED BY UNANIMOUS VOTE

c. Consideration of Task Order 25 with O’Brien/Atkins for Design Services
Motion by Teer for approval of Task Order 25 with O’Brien/Atkins Associates, PA in the total not-to-exceed amount of $264,137 and authorization for the President and CEO to execute the task order; Second by Morgan
ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on January 16, 2020 and discussed the following item:

   a. Consideration of Terminal Concession Lease with MERA RD, LLC
Motion by Thompson for approval of the Terminal Concession Lease with MERA RD, LLC and authorization for the President and CEO to execute the lease and any associated documents; Second by Kushner
ADOPTED BY UNANIMOUS VOTE

   b. Sustainability Management Plan Update Presentation
Presentation to Board in Committee work session for informative purposes only. No Board action required.

V. NEW BUSINESS
1. Consent Agenda:
   a. Consideration of Video Management System Replacement
   b. Consideration of Purchase of Replacement Security Cameras
Motion by Teer to approve and adopt the Consent Agenda items; Second by Morgan
ADOPTED BY UNANIMOUS VOTE

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

VII. MEMBER COMMENTS
Staff and attendees were wished a happy and productive New Year. Kushner noted his first anniversary as a board member and thanked other members for their kindness in welcoming him and management and staff for assisting him in the transition. New hires and employees with service milestones were congratulated. Staff was thanked for their continued efforts, for detailed and
informative presentations to the Board, and for management’s leadership and continued discussions and efforts to bring the community together. Continued support of the USO was encouraged. Appreciation was expressed for the Authority’s sustainability program. New concessionaires were welcomed.

VIII. PRESIDENT AND CEO’S REPORT

Welcome
Good afternoon Board members, Team RDU, business partners, and guests who have joined us today.

Activity Report
RDU continues to experience record-setting growth. The airport served 14.2 million passengers last year, an 11% increase over 2018. We also set a record for the month of December, with 600,000 passengers. That is a 14% increase over December of 2018 and a new record for the month. In fact, seven months experienced double-digit year-over-year growth in 2019. July was the busiest month in airport history, with more than 679,000 travelers boarding flights throughout the month. Dec. 1 set a single-day record with approximately 54,800 passengers. RDU has experienced 55% growth since 2011. Along with that increase in passenger volume comes growing pains on our campus, including in our parking deck.

Parking Garage Improvements
Work to improve levels 2 – 6 of the parking garage resumed on January 3 after pausing from late November to early January to make parking more convenient during the busy holiday season. The number of available spaces in the garage will be reduced by an average of 1,150 a week from January through mid-May. When the work was going last year, the deck periodically reached capacity and had to be closed temporarily due to the reduced number of available spaces.

This is a good time to remind customers to reserve parking in advance with our online booking system. Customers who book online at least 24 hours in advance get guaranteed entry at the lowest daily rate. We now have electronic signs across campus that notify drivers which parking lots are open and which are full. The signs also remind customers that even if a particular lot is full, there are still spaces available for people who booked online.

You may also notice hard hats and construction in the parking garage. RDU recently kicked off a campaign to improve the elevators, escalators and passenger walkways that help passengers get where they need to go.

T2 Baggage System
The Terminal 2 Baggage Handling System re-control project has undergone final testing and received TSA approval. The $3 million project began in late 2017 with a design phase and moved
into programming and construction throughout 2018 and 2019. The goal of was to improve the overall efficiency, reliability, and capacity of the T2 baggage handling control system that dates back to the original installation in 2008. The new controls system went live on January 3rd and we have been very pleased with the performance improvements we have seen. The contractor is still on site monitoring the changes, performing training, and completing punch list items. They will return to RDU for busy Mother’s Day and college graduation weekend to assist with the heavy baggage loads we anticipate.

The next step for the baggage handling systems in T1 and T2 is for RDU to work with TSA to upgrade their baggage screening equipment. That project will go out for bid shortly and an award is expected in the spring.

I want to thank all of the members of Team RDU who helped make this important transition such a success.

Vision 2040 Webpage
Visitors to RDU.com now can find a new webpage dedicated to keeping the community informed about our Vision 2040 master plan. The URL is www.rdu.com/vision2040/. Authority staff and partners are already hard at work on a number of capital projects, including improvements to Taxiway Foxtrot and the current Runway 5L/23R. The new webpage tracks these projects and shares background information about Vision 2040. Team RDU will continue to update the site with new information as more projects commence, so it is easy to find out what we’re working on, all in one convenient place.

IX. ADJOURNMENT

Motion by Hannah to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE
The Board approved the following items on the Consent Agenda:

a) Consideration of Video Management System Replacement
   Memorandum by Michael McLanahan, Vice President of IT Business Solutions – The Secure Access and Control System (SAACs) is responsible for all badge-related access and supporting security video coverage for the airport and is comprised of two major components: Alarm Monitoring and Video Management. Currently, Lenel provides both components and Lenel has ceased future development of its video management capabilities, which will result in the inability to deploy newer camera technology here at RDU.

   Staff is seeking a replacement of the Video Management System component (VMS) currently provided by Lenel. The VMS component is responsible for collecting the video recordings from the cameras, storing the recordings on disk, and providing search and retrieval of the video. The replacement VMS component must be capable of full integration with the existing Lenel Alarm Monitoring System such that a comprehensive SAACs solution at RDU is maintained.

   The Request for Bid #554-IFB20-2006-DSP, which was posted on the RDU website on December 10, 2019. Four bids were received, none of which was from a Minority or Women-Owned Small Business compliant organization.

   Staff is proposing obtaining the replacement of the Lenel VMS component from Milestone Video Management System at a cost of $201,004.48.

   Staff requests approval to purchase Milestone Video Management software at a cost of $201,004.48 and authorization for the President and CEO to execute the documents necessary for this purchase.

b) Consideration of Purchase of Replacement Security Cameras
   Memorandum by David Kruse, Vice President of IT Infrastructure – The use of security cameras at the airport is a critical infrastructure and operational necessity. Staff put together a multi-year prioritized plan to systematically replace aging cameras. Camera and hardware purchases and replacement, approved under phases 1 and 2 of this 3-phase plan, have been completed.

   This request constitutes the final phase of this 3-year plan and would replace the remaining cameras. For FY 19/20, this initiative was identified as a Tactical Plan item and $125,000 was allocated. A Request for Bid was posted on November 15, 2019. Four bids were received, and
the lowest cost complete bid was from A3 Communications Inc. (which has a local office in Raleigh).

Staff proposes to replace the remaining identified cameras and associated mounting hardware at a cost of $103,993.50. The camera installation will be performed by staff which installation will continue into the later part of 2020.

Staff requests approval to purchase security cameras and hardware at a cost of $103,993.50 and authorization for the President and CEO to sign any necessary, related documents.
Teer presided. Present: Hannah, Kane, Kushner, Morgan, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following items:

1. **Presentation Regarding Airport Security Improvements:**

   Presented by William Sandifer, A.A.E., Senior Vice President and Chief Operating Officer

   Mr. Sandifer briefly recapped information shared with the Board at the December meeting regarding trespassing, criminal activity and environmental damage caused by years of building and using illegal bike trails as key concerns for the Authority’s consideration of the construction of perimeter fencing around airport property. He shared new photographs documenting recent unauthorized structures erected on airport property, as well as estimates for riparian buffer restoration. Mr. Sandifer gave an update on recent discussions with N.C. State Park officials and staff’s recommendation that the needed perimeter fencing project be briefly paused to allow for continued discussions with state agency officials.

   For informative purposes. No Board action required at this time.

2. **Consideration of Amendment with Balfour Beatty for Enhanced Security Perimeter Gates Project**

   Presented by Ronald Jewett, Vice President Facilities Asset Management

   Motion by Teer to enter into a closed session pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 to protect sensitive security information from disclosure; Second by Thompson

   ADOPTED BY UNANIMOUS VOTE

**CLOSED SESSION**

Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Feldman, Jewett, and Legan, General Counsel Locklear and other staff members met in Room 100 of the RDU Center for a closed session from 11:10 a.m. until 11:30 a.m.

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1 Agenda item for consideration of amendment with Balfour Beatty Construction as to perimeter fencing portion of the security improvements project was deferred to a future meeting
Motion by Hannah to exit the closed session; Second by Morgan  
ADOPTED BY UNANIMOUS VOTE

The Committee discussed the following item:

3. Consideration of Task Order 25 with O’Brien/Atkins for Design Services:  
   Presented by Jaymes Carter, Director of Buildings & Building Systems – Staff requests approval of the award of Task Order 25 under the Master Consulting Services Agreement with O’Brien/Atkins Associates, PA (Consultant) for work related to the AOC 5th Floor Buildout project. The Authority building has reached full capacity and office space is no longer available for new staffing hires. In this proposed project, the shell space on the 5th floor of the Airport Operations Center (AOC) will be utilized to create office space, and it is anticipated that staff in the Commercial Management Division will be relocated from the Authority building to this space in the AOC.

   The task order will initiate consulting services for design services, which generally include the following: project management, code review and analysis, design development, construction documents, cost estimating, bidding and negotiation/procurement, construction administration, furniture, fixtures and equipment, signage and project closeout. The Authority will compensate the Consultant for services rendered for this Task Order on an hourly not-to-exceed basis not to exceed $259,667 with allowable reimbursable expenses compensated at direct cost, to a ceiling of $4,470. Total compensation under Task Order 25 is a not-to-exceed amount of $264,137.

   The overall Minority and Women-Owned Small Business (MWSB) goals for the existing Master Agreement with Consultant are 10.0% for Minority-Owned Businesses (MB) and 5.0% for Women-Owned Businesses (WB). Total participation for proposed Task Order #25 are 46% for MB and 4% for WB. The Authority’s Small Business Programs Office concurs with this commitment.

   Staff requests approval of Task Order 25 with O’Brien/Atkins Associates, PA in the total not to exceed amount of $264,137 and authorization for the President and CEO to execute the task order.
RALEIGH-DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE WORK SESSION MINUTES
JANUARY 16, 2020

Thompson presided. Present: Hannah, Kane, Kushner, Morgan, and Teer. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following items:

1. **Consideration of Terminal Concession Lease with MERA RD, LLC**
   
   Presented by Kimberly Stewart, Director of Concessions – A solicitation for a bistro/café was issued on August 12, 2019 as a part of the Authority’s reimagined concession program goals to recruit a local concept to elevate the guest experience while driving airport revenue. Three proposals were received: MERA RD, LLC (MERA RD), Jackmont Hospitality and RDU Donuts Café, LLC. MERA RD and Jackmont were shortlisted with both companies interviewed on October 14, 2019. MERA RD was ranked first.

   MERA RD is a partnership of three family-owned companies: MERA Corporation, MCS Burbank and La Farm Bakery & Café. The group represents combined experience of more than 40 years and shares a commitment to operational excellence, providing exceptional guest experiences and maintaining brand authenticity. La Farm Bakery & Café was founded in 1999 in Cary, North Carolina. Led by James Beard Award semifinalist and Master Baker, Lionel Vatinet, La Farm Bakery will bring an award-winning all-day parts menu to RDU, supporting local agricultural communities by incorporating heirloom grains into their baked products.

   The café will occupy the current Brighton space in the Terminal 2 Marketplace, converting the current retail space into a food and beverage concession unit and will be a focal point for all guests entering the concourse. It will showcase fresh baked bread pulled from the signature oven and La Farm retail merchandise will be available for convenient on-the-go purchases. The café will serve Counter Culture Coffee, a local roaster from Durham. A new patio seating area will be featured where La Farm will start operations with a temporary presence in early May, and will offer a limited assortment of grab and go items, beer and wine, coffee service and retail merchandise. La Farm Bakery & Café will complete construction and open the full-service café in November 2020.
MERA will pay the Authority $275,000 in Minimum Annual Guarantee and a tiered percent rent as indicated in the table below. The lease will have a term of 8 years ending January 31, 2028. The term comes with two 1-year options, extending the term to 10 years, if exercised. MERA proposed a 28% ACDBE participation which exceeds the required participation of 26.4%.

<table>
<thead>
<tr>
<th>Temporary Food Program</th>
<th>% Rent</th>
<th>Long Term Food Program</th>
<th>Gross Sales</th>
<th>% Rent</th>
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<tr>
<td>Food &amp; Non-Alcoholic Beverages</td>
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<td>Food &amp; Non-Alcoholic Beverages</td>
<td>All Sales</td>
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<td>Alcoholic Beverages</td>
<td>17%</td>
<td>Food &amp; Non-Alcoholic Beverages</td>
<td>Up To $3.0M</td>
<td>15%</td>
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<td>Food &amp; Non-Alcoholic Beverages</td>
<td>15%</td>
<td>Food &amp; Non-Alcoholic Beverages</td>
<td>Above $3.0M</td>
<td>15.5%</td>
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<td>Food &amp; Non-Alcoholic Beverages</td>
<td>16%</td>
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<td>Food &amp; Non-Alcoholic Beverages</td>
<td>17%</td>
<td>Food &amp; Non-Alcoholic Beverages</td>
<td>Above $5.0</td>
<td>17%</td>
</tr>
</tbody>
</table>

Staff requests approval of the Terminal Concession Lease with MERA RD, LLC and authorization for the President and CEO to execute the lease and any associated documents.

2. Sustainability Management Plan Update Presentation

Presented by Gina Danison, Environmental Program Administrator – Information provided relative to the status of the Sustainability Management Plan, together with an update on the baseline assessment completed as part of the project and an overview of the next steps.

For informative purposes only. No Board action required.
Chair Kane presided. Present: Hannah, Morgan, Saidi, Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Feldman, Jewett and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

I. APPROVAL OF AGENDA

Motion by Hannah to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. NEW BUSINESS

1. Consideration of Amendment No. 3 with Balfour Beatty Construction regarding Terminal 2 Checkpoint Expansion Phase 2:

Presented by Jaymes Carter, Director of Buildings & Building Systems - Staff requests the award of Amendment No. 03 under the Construction Manager At-Risk Master Agreement with Balfour Beatty Construction (CMR) for work related to the Terminal 2 Checkpoint Expansion project.

This project involves increasing the size of the passenger screening and queuing areas to facilitate two additional TSA screening lanes, and to minimize the periodic que of waiting passengers extending into the terminal’s ticketing areas. In addition, this expansion involves the demolition and up-fit of adjacent spaces on the second and third floors, to relocate staff offices for TSA and the Authority. This proposed amendment would authorize the CMR to perform construction services generally including project management, scheduling assistance, constructability reviews, demolition, construction, quality control, building permits and project closeout. The proposed amendment establishes the contract amount (Fixed Guaranteed Maximum Price):

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<th>Component</th>
<th>Amount</th>
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<tr>
<td>Cost of Work</td>
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<tr>
<td>Contractor’s Contingency (5%)</td>
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<tr>
<td>Contractor’s Construction Fee (3.5%)</td>
<td>$ 15,023</td>
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<tr>
<td>Reimbursable General Conditions</td>
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<td>Construction Phase Amendment No. 3</td>
<td>$453,372</td>
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</table>
The overall Minority and Women-owned Small Business (MWSB) goals for the existing CMR Master Agreement are 10.0% for Minority-Owned Businesses (MB) and 5.0% for Women-Owned Businesses (WB). Total participation for proposed Amendment No. 03 are 12.07% MB and 7.60% WB. The Authority’s Small Business Programs Office concurs with this commitment.

Staff requests approval of Amendment No. 03 with Balfour Beatty Construction in the amount of $453,372 and authorization for the President and CEO to execute the amendment.

2. Terminal 1 Expansion Program Presentation:
   Presentation for informative purposes; no Board action required at this time.

Presented by William Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – Mr. Sandifer gave an overview of passenger growth experienced at RDU through 2019 and compared that growth to Vision 2040 projections. He discussed current gate occupancy demands at both terminals and expansion for four additional gates underway at Terminal 1 previously approved by the Board. Mr. Sandifer discussed various concepts for gate expansion and the potential need to add more than 4 gates to Terminal 1. He explained constraints to adding new gates in Terminal 2 tied to opening the new runway, and the projected timeline before any new gates could be utilized. Mr. Sandifer noted how constructions efforts would affect and impact existing gate usage. He outlined variables in calculating future gate requirements and the utilization of the vGates model during the master planning process. Mr. Sandifer outlined next steps which included updating the vGates model, having discussions with the airlines, and a financial analysis. He noted that with aging infrastructure and activity levels exceeding projections, review and discussion of the Vision 2040 plan’s goals and objectives, and potential adjustment in policy direction may be future considerations for the Board. Mr. Sandifer discussed the RTA’s preliminary recommendation to consider a new Terminal 3 north of Terminal 2, and indicated that the recommendation was one of the alternatives identified in the Vision 2040 process, but it was excluded due to a range of issues including overall anticipated cost. Mr. Sandifer also indicated that at some point in the future there will be a need to consider a new Terminal 3, but that was some time in the future, plus, any consideration of a new Terminal 3 must look at all available sites including the large tract of land between Runway 5R/23L and National Guard Drive.

III. ADJOURNMENT

   Motion by Hannah to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE