

## Minutes

Coastal Carolina Regional Airport Authority

April 16, 2024

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, Brinson, Eckert, Harris, Jones, McCabe, Morris, Pope, and Wood.

Burns, Frazer and Murray were 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 and Facilities Manager; Patrick Manzo, Operations Manager; John Massey, Talbert and Bright; Melissa Riggle Tourism and Development Authority and George Durant, LHWH.

Also present via conference call: Edward Carroll, Tidewater Air Services.

### Secretary's Report

On motion by Morris, seconded by Brinson the minutes of March 19, 2024, were approved. In favor 8, opposed 0.

### Treasurer's Report

Wood reported that the airport has seen an uptick in revenue specifically with interest income, miscellaneous revenue, and parking revenue. Shorter added that with the improved performance of the parking lot and the expected increase through the summer, the line item should recover from last month's deficit. He also commented that that the CARES Reimbursement Funding has been exhausted. He advised that he will discuss the funding more in

depth next month but stated that the funding made available was very effective in helping the airport remain in operation. The airport was awarded \$18.7 million through the Federal grant. Shorter said that the staff worked hard, strategically executing the use of the funding. He said that between the airport staff and the help of Craven County Finance, the funds were used responsibly and has served its purpose.

On motion by McCabe, seconded by Brinson, the Treasurer's report was approved. In favor 8, opposed 0.

### Marketing Update

Durant reported that Riggle led a committee meeting yesterday to discuss the shared responsibility of engagement. He said that the TDA has been generous and professional in building a brand for a destination for inbound travel while the Marketing Committee has devoted most of their efforts for launching Breeze Airways from an outbound standpoint. The committee has also been working on outbound multimedia such as TV, digital radio, and social media. Durant commented that the trajectory is steep and that they feel good about marketing efforts. Riggle added that the meeting went well with many in attendance. She said that it was important for community representatives to see the performance of the committee. Riggle commented that they were able to provide an overview of Visit New Bern with the digital work that they have been working on in tandem with the EWN team. She said that they have a strong digital campaign that's been running for the Breeze announcement. The committee is also working on digital boards in the Bradley, CT and Orlando, FL Airports. Riggle commented that they are using media sources that have been successful in the past. She said that they are hosting a content editor from Yankee magazine who carries a 250,000 distribution in the New England area as the committee has expanded its marketing region outside of the Hartford area.

Riggle commented that the editor flew in on Sunday. The goal is to have the article come out in conjunction with the Breeze flights from Hartford. Other topics will include the terminal expansion project and destination awareness. The committee is also creating a video testimonial campaign. They will be working on trying to get local celebrities/influencers to do a video testimonial on why they choose to fly EWN.

### Commercial Development and Planning Committee

Pope reported that the CDP committee met on April 10<sup>th</sup> to discuss the following topics:

Corporate Aerospace Development: The clearing of the development has been completed. Pope advised that during the clearing project the crews found a large depression area that will be backfilled with dirt that was discovered on the property previously covered in vegetation. Abandoned equipment was also discovered on the property that will be removed or at least moved to a corner of the property. The committee also discussed different options for building the access road. Pope said that he believes that the committee has chosen the best option to optimize the cost and benefits of building the access road that will bypass wetlands that could have potentially been impacted and maximize the developable property.

Terminal Part 2 Expansion: Pope commented that on the original bid opening there was only one bid received. A new bid opening was rescheduled for seven days later. On the second bid opening day the airport received only one bid, but the airport was allowed to open and accept the bid. Pope announced that the bid received was from Monteith Construction at \$5,691,000 which was approximately \$1.2 million under the estimated cost of construction. Pope added that the committee asked Monteith for an option to add an additional work order to be added into the contract for new stub outs

to correct the sewer issues in the terminal. Monteith came back with a quote of \$60,000 giving a total cost of \$5,751,000 for part 2 of the terminal expansion. Pope advised that after working through some DBE justification requirements the airport will move forward with Monteith for the project. He said that the committee along with the airport staff could not be happier with Monteith as the contractor for this project. Shorter added that the airport has submitted the application for the AIP grant. He commented that with the bid coming in lower than anticipated it will lower the requirement for Federal discretionary funding. He explained that discretionary funding comes from airports not using their entitlement funds. With airports using their entitlement funding this year, it has become difficult for the Federal Government to have discretionary funding available. Shorter commented that with the bid coming in lower than estimated, the airport is needing less than a million dollars discretionary to cover the costs of the project. He indicated that he was able to speak with the FAA while at the NCAA conference and that they feel confident that they will be able to find the \$939,000 of discretionary funding in addition to the standard entitlement funding for the project. Shorter said that the airport will also use previously allocated Federal AIG funds for the project. Between the entitlement, discretionary and AIG funding, Shorter announced that the project will be covered 100% by Federal and State funding.

Non-aeronautical Development: Pope advised that Wood and the attorneys have been working with FMR on the language for a contract. He reminded the Board that they were waiting for the specific language that was used in a contract for the Global Trans Park. He said that FMR is still interested in developing on the property. Wood commented that he and the County Manager met with FMR to discuss the timeline of a lease. He reiterated that FMR is still interested in a partnership with the airport. He commented that they also discussed the different possibilities for investments within the county. After that

meeting, Wood confirmed that they were able to obtain the template that was used for the TransPark to secure a relationship with the Department of Defense. He said that the committee will explore how to translate the template into a working document for the Airport Authority and then work through the relationship with the private developer so that in essence, once it's all said and done, FRC will be renting from the Airport Authority.

634 Airport Road: Pope asked Ritchie to give an update on the building progress. Ritchie reported that the stage has been removed, two side walls and the floor have been cleared and stripped. All furniture and any accessories being stored in the building have been removed. Ritchie advised that the airport is now waiting for the actual sloped floor demolition to be completed. She said that the communication between the airport, the architect and Tech Bridge are going well, and that the airport is looking forward to building a relationship with them. Wood commented that they are hopeful for a mid-May timeline. He explained that Tech Bridge will be hosting a large event at the convention center in July and that they wanted the facility to be open so that the Commander of Naval X could showcase the facility as the initial home for the Tech Bridge in this region.

General Aviation Hangar Ground Lease: Pope reported that the committee continues in conversation with individuals who are interested in a ground lease with the airport in so that they can build a hangar. He said that they are working out the logistics that will fit the footprint and performance for the their need.

#### Director's Update

Air Service: Shorter reported that there has been an increase in the number of enplanements this month. He said that it could be attributed to having more seats in the market this year than the same time last year. He

added that American has made a fare adjustment that has EWN in line with area airports. He said that he appreciates American listening to the airport's concerns. Shorter expects that the passengers will continue to trend up over the summer as American has scheduled more seats in the market than they had in calendar year 2019.

**Breeze Impact Study:** Shorter referred to an economic impact study that was sent out in the Board packet. He said that for both the Hartford and the Orlando routes combined the annual economic impact will be \$29.7 million annually. Shorter commented that the impact study was completed by the same folks that do the overall state airports impact study using the same methodology. He said that looking at the numbers, the impact was much higher from visitors coming from the Hartford area.

**Terminal Part 1 Terminal Expansion:** Shorter reported that the sheet rock has been installed and the terrazzo floors have been installed. The finishing touches will begin when the power and HVAC work is completed. A ribbon cutting has been scheduled for June 24<sup>th</sup> at 11 am. Screening equipment from the temporary hold room will be moved overnight on June 26<sup>th</sup>.

**New Statewide Economic Study:** Shorter reported that a new statewide annual economic survey is underway. He commented that the airport will be on pins and needles since we had fewer enplanements within the last 12 months than we had for the prior report. Shorter said that he will provide the best data that he can for the study with the hope of receiving the best report possible. He explained that the amount of funds that the airport receives from the State each year are allocated based on enplanements and the economic impact.

**TSA LEO Reimbursement Funding:** Shorter advised that the airport usually receives an annual reimbursement of \$90,000 for the required law enforcement officers at the TSA checkpoint. He announced that Congress has decided to cut

the reimbursement funding, leaving all airports to fully cover the costs of law enforcement officers from this point on. Shorter said that the full amount required for next year has been included in the draft budget for FY25.

NCDEQ Water Environment: Shorter reported that the airport recently had a surprise visit from NCDEQ. As a federal requirement, the airport will have to test four sites on the property annually for storm water pollution. Samples will be taken by the airport and sent off for testing. Shorter commented that this is an unexpected additional annual cost for the airport.

PFAS Firefighting Foam: Shorter advised that the Federal Government has published new DoD standards of replacing AFFF (containing PFAS) with a new firefighting foam. He said that the recommended replacement foam is not as effective as the AFFF leaving airports with the possible burden of additional firetrucks required for responding to a fire and how much foam will be needed for the trucks. He commented that it could be a huge capital expense for airports. Shorter commented that AFFF has not officially been declared a hazardous substance yet but that airports across the nation are tracking updates appropriately and that he expects to see discussions come up during this year's state legislation period.

### New Business

Distribute Draft FY25 Annual Budget for Review: Shorter distributed a draft budget for the Board's review. The proposed budget is a balanced budget of \$2.6 million without using any of the fund balance. A public hearing will be held at the next Authority meeting for any public questions or comments. The draft will then be presented for approval in the June meeting after the County approves their budget.

### Open Discussion

Harris asked for feedback from those who attended the NCAA conference. Eckert commented that he found the conference to be very valuable. Brinson commented that the presentation by the NCDOT was interesting. Pope added that the real time face to face meetings was invaluable. He said that the airport had great representation from the Board and that he appreciated the wonderful reception by Talbert and Bright. He also shared that he had the opportunity of meeting the Deputy Director of the NC DOT Division of Aviation who mentioned what a great job EWN is doing in the community. Pope commented that Shorter and Harris are doing great things at the State and Federal levels that help the airport get recognized.

Morris asked if there were any updates on FedEx. Dunn advised that there has been some progress, but they were waiting to get an opinion from the CPA.

Shorter mentioned that while he was at the NCAA conference, there was an accident at the FedEx facility. He explained that an employee of Mt. Air Cargo slipped off a 10ft. ladder. There was a normal EMS response, and he was transported to the hospital. Sadly, the employee later succumbed to his injuries in the hospital.

#### Executive Session

On motion by Brinson, seconded by Pope, the Board went into executive session at 3:22 pm in accordance with 143-318.11 (a) (3) to consult with the attorney regarding an administrative procedure. In favor 7 opposed 0.

The Authority exited the executive session at 3:28 pm.

On motion by Pope, seconded by McCabe, the Authority, after thorough review and discussion of all proposals submitted, unanimously selected Talbert &



Bright to continue providing professional services to the Authority. In favor 7, opposed 0.

The meeting was adjourned by unanimous vote of the Authority. On motion by McCabe, seconded by Brinson, the Board went into executive session at 3:21 pm in accordance with 143-318.11 (a) (3) to consult with the attorney regarding an administrative procedure. In favor 7 opposed 0.

A handwritten signature in blue ink, appearing to read "Theron McCabe", is written over a horizontal line.

Secretary Theron McCabe