

RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JANUARY 21, 2021

Acting Chair Hannah presided. Present: Hankins, Kushner, Morgan, Teer, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, , Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Thompson to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Teer to approve the minutes of the December 17, 2020 regular meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes, and consent actions incorporated therein; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Acting Chair Hannah welcomed everyone.
2. Acting Chair Hannah thanked John Kane for his eight years of service on the Board, for his contributions, and leadership and navigation as Chair during record-setting 2019 and the difficult 2020 year. He noted that he felt privileged to follow in Mr. Kane's footsteps as Chair and is excited to take on this new leadership role.
3. Ellis Hankins, appointed by Wake County, was welcomed to the Board, with a brief summary of his experience and background.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at https://youtu.be/uNk_Gt6nh3Y.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
David Morgan

CITY OF RALEIGH

Sepideh Saidi, Secretary
Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace



Michael J. Landguth, A.A.E.
President & CEO

Raleigh-Durham Airport Authority

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4. Recent employees who retired as part of the Voluntary Separation Incentives Program, were thanked for their years of service and wished well in their future endeavors.
5. Acting Chair Hannah discussed the recent launch of a new noise webpage and the information available as the Authority strives to be a good neighbor to the surrounding community. He noted Noise Officer, John Wiatrak, is featured in the current episode of the Fly ANGLE podcast.
6. Acting Chair Hannah gave a brief review of the impact of the events of 2020 on RDU, noting that the airport served 14.2 million travelers in 2019 and had been predicted to exceed 15 million in 2020. He commented on the Authority's quick actions to cut the budget by nearly 45%, defer \$96 million in capital projects, while putting comprehensive new health and safety measures in place to protect travelers from viruses. Acting Chair Hannah noted the Fly Confident, Fly RDU campaign to educate travelers, the assembling of a task force to help guide the airport's actions to prevent the spread of COVID-19, and the Terminal Operations Team ensuring compliance with rigorous cleaning and disinfecting practices, all helping to make RDU a Top 10 large airport for the second year in a row.

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on January 21, 2021 and discussed the following items:

- a. Discussion in Closed Session

[Confidential sensitive security information presentation in closed session pursuant to NCGS §143-318(a)(1) and 49 CFR parts 15 and 1520]

Presentation to Board in Committee work session for informative purposes only. No Board action required.

- b. Presentation regarding ParkRDU Program Update

Presentation to Board in Committee work session for informative purposes only. No Board action required.

2. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on January 21, 2021 and discussed the following item:

- a. Consideration of Designations of Finance and Budget Officer and Deputy Finance Officer

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
David Morgan

CITY OF RALEIGH

Sepideh Saidi, Secretary
Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace



Michael J. Landguth, A.A.E.
President & CEO

Motion by Teer for approval of the appointments of Ron Kapocius as Finance and Budget Officer, and of Mesheila Lynch as Deputy Finance Officer, and for the use of the facsimile signatures on all pre-audit certifications for Mesheila Lynch, (in addition to Ron Kapocius, who was previously approved) and for each named individual to be charged with custody of their pre-audit certification signature stamp; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

No items were reported.

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Mr. Hankins expressed his pleasure on being appointed to the Board and becoming a productive member, noting the onboarding process was beneficial. Members welcomed Mr. Hankins to the Board, offering any assistance he might need. Acting Chair Hannah was congratulated on his leadership of the Board. John Kane was thanked for his service, leadership, and time spent performing duties as former Board Chair. Leadership and staff were congratulated keeping airport operational and serving the region and its customers in 2020 and for achieving Top 10 large airport distinction for second year.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Air Service Report

Total traffic for the month of December came in at 371,000 passengers – a decrease of 70% from December of 2019. Although the last week in December was RDU's busiest week since the pandemic began with 112,000 total passengers, we still saw a 56% decrease compared to the same week last year. We had an average of 102 daily departures in December compared to 223 in December of 2019. That is a 54% year-over-year decrease. RDU closed out the calendar year with 4.9 million total passengers – a 66% decline from 2019. The last time RDU served only 4.9 million passengers in a year was 1987.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
David Morgan

CITY OF RALEIGH

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Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace



Michael J. Landguth, A.A.E.
President & CEO

New Flights

Delta Air Lines continues to invest in RDU by announcing the return of three nonstop flights to Jacksonville, Florida, Austin, and Las Vegas. The Jacksonville and Austin flights are scheduled to begin on February 11th, with the Las Vegas flight starting on March 2nd.

RDU adds another dot to its service map this month when American Airlines resumes nonstop service to Reagan National Airport in Washington, D.C.

CDC Testing Requirement

The CDC announced last week it will require a negative COVID-19 test for all air passengers entering the United States. The new federal requirement is intended to help slow the introduction and spread of COVID-19. Passengers are required to get a viral test, which is a test for current infection, within the three days of their flight departing to the U.S. They must also provide written documentation of their test result to the airline or provide documentation of having recovered from COVID-19. Airlines will have to confirm the negative test result for all passengers or documentation of recovery before they board. If a passenger does not provide documentation of a negative test or recovery, or chooses not to take a test, the airline must deny boarding to the passenger. The new requirement goes into effect on January 26th.

State of Aviation Report

A new report from N.C. DOT's Division of Aviation shows that RDU's impact on the economy, workforce and tax base make the airport critical to the economic recovery of the Research Triangle region. The "State of Aviation" report found that RDU:

- o Has a \$15.1 billion annual economic impact on the region,
- o Supports more than 99,000 local and regional jobs,
- o Creates \$3.5 billion in personal income, and
- o Generates \$518 million in state and local taxes every year.

The report comes out every two years, and the latest numbers show an 18% increase in economic impact dollars and a 16% increase in jobs. That is consistent with the traffic growth we saw through 2019.

Airports support the economy directly through jobs at airlines, rental car companies, cleaning services, food, hospitality and retail businesses and airport security providers. Expenditures from airports support construction and engineering firms, facility maintenance and operations services, and building and grounds upkeep. There is an additional economic impact from business and leisure travelers, including spending on lodging, food, beverage and dining, entertainment, shopping, gifts,

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WAKE COUNTY

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President & CEO

and souvenirs. Airports also support businesses by helping them sell to new markets and grow and expand their operations.

The report analyzed 2019 data and does not reflect the impact of the 2020 COVID-19 pandemic on air travel. We expect the numbers will decline for 2020 and beyond due to the dramatic decline in passenger traffic last year.

CEO's Thank You

As our chairman mentioned in his opening remarks, 2020 was a trying and challenging year for RDU and the aviation industry. Team RDU rose to the challenge and so did the community. Last month we published a message of thanks from me to Team RDU, our business partners, elected officials, travelers, and our owning bodies for standing by us in 2020. There are too many people to thank here, but please visit the Newsroom at rdu.com to read the full letter.

IX. ADJOURNMENT

Acting Chair Hannah noted that as incoming chair he was relying on the other members for their ideas, and advice, enabling collaboration to keep the airport moving forward. He thanked the RDU team for their continued efforts.

Motion by Teer to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
David Morgan

CITY OF RALEIGH

Sepideh Saidi, Secretary
Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace

RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES JANUARY 21, 2021

Thompson presided. Present: Hankins, Hannah, Kushner, Morgan, and Teer.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

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

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 12:18 p.m. until 12:49 p.m.

The Committee discussed the following item:

1. Presentation regarding ParkRDU Program Update

Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – During calendar year 2020, parking revenue and transactions were significantly impacted by COVID-19. In fiscal year 2019-2020, the parking program generated over \$65 million in gross revenue, and it is projected to produce approximately \$16 million in the current fiscal year. This represents an estimated year-over-year reduction in revenue of 75%. Similarly, corresponding parking transactions have fallen from 1,829,833 to a projected 335,039 over the same period, an estimated drop of 81.6%.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/uNk_Gt6nh3Y.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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Ellis Hankins

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Jeffrey Slayton gave a general informational update regarding the current state of the ParkRDU program, and additional details regarding parking payment transactions as well as operational and customer trends over the last calendar year. He discussed topics of (i) cashless operations of the parking program, and (ii) waiving the cancellation fee for online booking reservations.

Presentation to Board in Committee work session for informative purposes only. No Board action requested.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

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Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace

RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES JANUARY 21, 2021

Teer presided. Present: Hankins, Hannah, Kushner, Morgan, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Designations of Finance and Budget Officer and Deputy Finance Officer

Presented by Ron Kapocius, Vice President and Chief Financial Officer – Pursuant to Chapter 159 of the North Carolina General Statutes, the Authority is required to have a Finance and Budget Officer, appointed by the Board, to perform the duties outlined in the statute as well as to countersign checks and provide pre-audit certifications for disbursements. On January 15, 2015, Donna Sylver was appointed Finance and Budget Officer. On April 21, 2016, Ron Kapocius was appointed as Deputy Finance Officer.

In view of Ms. Sylver's retirement from the Authority and in order to reflect the current organizational structure, staff requests consideration of the following:

1. Appointment of Ron Kapocius as the Finance Officer pursuant to NCGS §159-24 and as the Budget Officer pursuant to NCGS §159-9, and
2. Appointment of Mesheila Lynch as Deputy Finance Officer pursuant to NCGS §§159-25, 28.

Also, pursuant to North Carolina General Statute §159-28.1 (titled "Facsimile signatures"), staff requests consideration of updated approval for: (i) Ron Kapocius to be added, to join Michael Landguth as authorized, for use of facsimile signatures on Accounts Payable Checks and Purchase Orders; and (ii) Mesheila Lynch to be added, to join Ron Kapocius as authorized, for use of facsimile signatures on all pre-audit certifications and for such named individual to be charged with custody of their pre-audit certification signature stamp.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/uNk_Gt6nh3Y.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
David Morgan

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Dickie Thompson

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Staff requests approval of:

- (i) the appointments of Ron Kapocius as Finance and Budget Officer, and of Mesheila Lynch as Deputy Finance Officer, and
- (ii) use of the facsimile signatures on all pre-audit certifications for Mesheila Lynch, (in addition to Ron Kapocius, who was previously approved) and for each named individual to be charged with custody of their pre-audit certification signature stamp.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

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Dickie Thompson

CITY OF DURHAM

Robert D. Teer, Jr., Treasurer
Napoleon Wallace

RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES FEBRUARY 18, 2021

Acting Chair Hannah presided. Present: Hankins, Kushner, Morgan, Saidi, Teer, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Teer to approve the agenda; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Morgan to approve the minutes of the January 21, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Acting Chair Hannah welcomed everyone.
2. Promotions of Kristy Hannah to Human Resources Manager, Lisa Schooley to Accounts Receivable and Accounts Payable Manager, and Mesheila Lynch to Director of Accounting were announced and these individuals congratulated.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at https://youtu.be/p4sMQ_CTcz8.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
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CITY OF DURHAM

Tammie Hall
Yessenia Polanco-Galdamez



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3. Acting Chair Hannah gave an update on additional comments submitted to the Town of Morrisville for consideration as their Land Use Plan is updated. The FAA offered to brief Morrisville and other neighboring local governments on a recent noise study indicating people have increased sensitivity to noise today than when noise standards were developed in the 1970s.
4. Ninety students, faculty members and research institute employees submitted 16 ideas for the Triangle Impact Challenge. A total of \$120,00 will be awarded to the following three winners:
 - a. First Place: “Deactivate Airborne Pathogens” from a collaboration involving Duke, N.C. State, Stitch Partners, and Johnson Controls for use of a plasma textile filter for removal of particles from the air.
 - b. Second Place: “OM Takes Flight” from Duke and UNC-Chapel Hill with a primary goal of limiting passengers congregating and the design of sanitation schedules to help prevent virus transmission.
 - c. Third Place: “ThermaTrack” submitted by Thexa Technologies and Duke University for an imaging technology to assist cleaning crews in identifying touchpoints.
5. In honor of Black History Month, Acting Chair Hannah paid tribute to and honored the late Mr. LeRoy Walker, Jr., who was a role model to generations of children, teaching the value of dedication, education and leadership. Mr. Walker’s training and love of aviation, as well as his endeavors focusing on introducing and educating minority students to the aviation industry, were noted. His membership and activities in the local chapter of the Tuskegee Airmen, Inc. was well as the Youth Aviation Academy program he launched, supported those interested in aviation technology and aerospace, as well as educated youth about the legacy of the Tuskegee Airmen.

IV. OLD BUSINESS

1. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on February 18, 2021 and discussed the following item:
 - a. Presentation of Financial Results for Third Quarter of Fiscal Year Ending March 31, 2021

Presentation to Board in Committee work session for informative purposes only. No Board action required.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
Ellis Hankins

DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
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Dickie Thompson

CITY OF DURHAM

Tammie Hall
Yesenia Polanco-Galdamez

2. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on February 18, 2021 and discussed the following items:

a. Consideration of Modifications #4 and #5 to Other Transaction Agreement with TSA

Motion by Thompson for approval of Modifications #4 and #5 to the existing Other Transaction Agreement with the Transportation Security Administration, for enhanced cleaning expenses in the amount of \$247,905.18, and authorization for the President and CEO to execute the documents; Second by Teer

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Amendment Nine with ABM Aviation Inc.

Motion by Thompson for approval of Amendment Nine to the current Janitorial and Pest Control Services Agreement with ABM Aviation Inc. in the amount of \$191,865.78 and authorization for the President and CEO to execute the amendment; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Service Agreement with Smartvel

Motion by Thompson for approval of a one year Service Agreement with Content Trip Solutions, S.L. (d/b/a Smartvel), for an amount of \$5,895 €, (approximately \$7,300 USD), and authorization for the President and CEO to execute the agreement and any related documents; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

3. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on February 18, 2021 and discussed the following item:

a. Presentation Regarding FAA Letter - Runway 5L/23R Environmental Processing

Presentation to Board in Committee work session for informative purposes only. No Board action required.

4. Governmental Affairs Committee Report – Hannah reported Board members met during the Governmental Affairs Committee work session on February 18, 2021 and discussed the following item:

a. Presentation regarding Airport Authority Legislative Agenda

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
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DURHAM COUNTY

Patrick Hannah, Esq., Acting Chair
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CITY OF DURHAM

Tammie Hall
Yessenia Polanco-Galdamez



Michael J. Landguth, A.A.E.
President & CEO

Presentation to Board in Committee work session for informative purposes only. No Board action required.

5. Closed Session

Following the Committee work sessions, there was a closed session to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3).

No Board action required.

V. NEW BUSINESS

1. Consent Agenda

a. Consideration of Service Agreement with PipeView Technologies, LLC

Motion by Thompson to approve and adopt the Consent Agenda item; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Mr. Teer commented as follows: As most of you know, today is my last meeting as a member of the Raleigh Durham Airport Authority. It is with a sad heart that I retire after 22 years. RDU has been a big part of mine and my family's life. Starting in 1939 when my daddy and grandfather started building the airport for the Work Progress Administration. Together my daddy and I served 53 years. I want to thank each of you for your support over this time, particularly my colleagues on the Authority Board, Mike, and the senior staff. We have developed a truly magnificent facility one that has and will continue to serve our region for the years to come. Best to everyone!

Board members thanked Mr. Teer for his years of service, his commitment and love for the airport and its future, and for his and his family's contributions to the airport, the region, and the state. Members commented on Mr. Teer's helpful advice, leadership and support to other Board members, his focus on staff and the Authority, and that he would be missed. It was noted that Mr. Teer was instrumental in the construction of RDU's terminal 2, one of the largest state projects at that time, which was completed on budget and schedule. Mr. Teer was wished well in his future endeavors.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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Dickie Thompson

CITY OF DURHAM

Tammie Hall
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VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

The total number of passengers who traveled through RDU in January was just over 300,000, down 70% from January of 2020. Sunday, January 3rd was the busiest travel date of the month, with TSA screening nearly 11,000 departing passengers. That was down 55% compared to the Sunday following New Year's in 2020.

January and February are typically RDU's weakest traffic months of the year, driven by declining demand for leisure travel between the December holiday season and spring break. February traffic levels are expected to remain at 65 – 70% of 2020 levels. The average number of departures was 95, down from 205 in January of last year.

Delta had the largest share of passenger traffic for the month at 29 percent, followed by American at 25 percent and Southwest at 20 percent.

Sun Country

Sun Country Airlines announced it will launch nonstop service from RDU to Minneapolis-St. Paul International Airport in May. The airline will offer twice-weekly service on Mondays and Fridays and will be the eleventh commercial service airline operating at RDU. Sun Country is an established airline known for providing excellent customer service and a comfortable travel experience at an affordable price. We believe it will be a great option for leisure travelers who are looking to book budget-friendly fares between the Research Triangle and the Twin Cities.

New Flights

A number of new flights launched from RDU this month. Delta began nonstop service to Austin and Jacksonville, Florida last week. The airline will also begin service to Las Vegas in early March. Also, this month JetBlue launched service to Austin, Jacksonville, Orlando, Tampa and Newark.

TSA Security Directive

The TSA issued a new security directive in January. It requires airports to ensure that everyone wears a mask at all times in or on airport property. Refusing to wear a mask on airport property is a violation

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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Tammie Hall
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of federal law and state executive order and may result in removal or denial of re-entry to airport facilities, as well as penalties under federal and state law.

Harvard Report

Harvard's School of Public Health has released another report assessing the risk of COVID-19 transmission in an airport setting. The report finds that multi-layered health and safety practices significantly reduce the risk of viral transmission in an airport setting. Examples of health and safety practices that contribute to risk reduction include face mask requirements, hand-hygiene, increased disinfection and cleaning protocols, physical distancing and air ventilation. The Harvard study concluded that airports have been proactive in implementing measures to combat the pandemic and those measures significantly reduce the risk of transmitting the virus.

RDU already adopted a layered approach to keep guests and workers safe at the airport. Our protocols include disinfecting frequently touched surfaces; requiring that masks be worn by everyone at the airport; installing physical barriers at ticket and checkout counters, guest services and security checkpoints; and practicing social distancing. We will continue to review our protocols to ensure they adhere to the latest public health guidance. We are committed to protecting the health and safety of everyone at the airport.

Runway Replacement/Environmental Assessment

The FAA has authorized the Airport Authority to move forward with the environmental analysis process necessary to replace its aging primary runway, 5L/23R. The FAA previously indicated an Environmental Impact Statement would need to be prepared, led by the FAA. They will now allow the Authority to proceed with preparing an Environmental Assessment with oversight from the FAA. The FAA's decision was based on a change in the scope of several capital projects at the airport. Many projects have been deferred due to the pandemic-related downturn in air travel and subsequent budget cuts, including construction on the terminals, the expansion of Economy 3 parking, the addition of new gates in Terminal 1 and expansion of the Federal Inspection Station.

The scope of the runway project itself has also been narrowed. The Authority's initial plan included extending the existing 10,000-foot runway to 11,500 feet to accommodate nonstop flights to Asia. There is no longer an immediate need for the longer runway because of the sharp decline in air travel. As we replace the runway at 10,000 feet, staff will preserve the option for a future extension. The Authority has been replacing runway slabs as part of an emergency preservation project. Though still safe for flying, 5L/232R was built in the 1980's and needs to be completely replaced.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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The FAA's notification to RDU marks the kickoff of a multi-year project that has been years in the making. There are many variables involved, but the Environmental Assessment is expected to take up to 18 months, followed by at least three years of construction on the new runway and another three years to reconstruct the existing runway into the new Taxiway B. The Authority is committed to broad public participation throughout the environmental process and will release more information as the project gets underway.

Robb Teer's Retirement

Mr. Landguth thanked Mr. Teer for his service on the Board and his and his family's dedication to the airport and the community. He reminisced that Mr. Teer had been part of the hiring panel 9-1/2 years ago when Mr. Landguth came to RDU.

IX. ADJOURNMENT

Motion by Thompson to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT FEBRUARY 18, 2021

The Board approved the following item on the Consent Agenda:

a) Consideration of Service Agreement with PipeView Technologies, LLC

Memorandum by Curtis L. Henderson, Director of Field Maintenance – Staff requests approval of a three year agreement, with two additional one year renewal options, with PipeView Technologies, LLC for annual sewer line cleaning and unplugging. Annual cleaning of at least 10% of the total linear length of the Authority’s sewer system is required by the State of North Carolina per our sewer permit.

A competitive Request for Proposals was issued and five responses received. The lowest responsible and responsive bidder was PipeView Technologies, LLC. PipeView Technologies is a Women-owned Business (WB), providing 100% WB participation on this contract, and the Authority’s Small Business Programs Office concurs with this commitment.

Under this proposed agreement, the contractor would perform hydro jetting and vacuuming of sanitary sewer lines and manholes designated by staff. The contractor shall be responsible for the safe removal and disposal of all debris in accordance with all federal, state, and local codes, regulations and statutes. This will be daytime work that will involve being in some traffic areas and all NCDOT and Federal Highway Administration traffic safety rules shall be followed and enforced by the contractor.

The total contract amount proposed for the service is \$29,200 (\$5,500 - Year 1, \$5,665 - Year 2, \$5,835 - Year 3, \$6,010 - Option Year 4, and \$6,190 - Option Year 5.)

Staff requests approval of the three year service agreement, with two additional one year renewal options, with PipeView Technologies LLC, in the total amount of \$29,200 and authorization for the President and CEO to execute the agreement.

Raleigh-Durham Airport Authority Board Members

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Tammie Hall
Yesenia Polanco-Galdamez



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President & CEO

RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES FEBRUARY 18, 2021

Teer presided. Present: Hankins, Hannah, Kushner, Morgan, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

The Committee discussed the following item:

1. Presentation of Financial Results for Third Quarter of Fiscal Year Ending March 31, 2021

Presented by Ron Kapocius, Vice President and Chief Financial Officer – Ron Kapocius updated the Board regarding the Authority's financial results for the third quarter (year-to-date) fiscal year ending March 31, 2021. He detailed enplanements comparing actual numbers to those forecasted in the budget, noting December's enplanements were down 70% from December 2019. Mr. Kapocius discussed budget and year-over-year variances. He explained that Operating Revenue was greater than budgeted by 14% due to rental car and concessions revenue, as well as fewer terminal leased spaces being returned. Operating Expenses were less than budgeted by 16% due to decreased spending for contract labor, materials and supplies, and reduced utility usage due to decline in passenger traffic. The budgeted spend versus actual year-to-date spend for Capital Projects was detailed.

Presentation to Board in Committee work session for informative purposes only. No Board action requested.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/p4sMQ_CTcz8.

Raleigh-Durham Airport Authority Board Members

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES FEBRUARY 18, 2021

Thompson presided. Present: Hankins, Hannah, Kushner, Morgan, Saidi and Teer.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Modifications #4 and #5 to Other Transaction Agreement with TSA

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of modifications to an existing Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA). These proposed modifications provide for reimbursement by the TSA to the Authority for enhanced cleaning and disinfecting services at the security checkpoints and baggage screening areas in Terminals 1 and 2. This enhanced cleaning will augment the routine janitorial services currently being provided by the Authority as part of its agreement with ABM Aviation, Inc. and will entail increased cleaning frequencies as well as disinfecting of TSA screening equipment, tables and divesture bins and bowls. Federal funding for this service is made available through the CARES Act.

The proposed OTA modifications will authorize the reimbursement of janitorial expenses totaling \$247,905.18 for a six-month period beginning on March 1, 2021. In conjunction with this request and under a separate memorandum, staff will request approval of an amendment to the Authority's agreement with ABM Aviation, Inc. for these additional reimbursable services.

Staff requests approval of Modifications #4 and #5 to the existing Other Transaction Agreement with the Transportation Security Administration, for enhanced cleaning expenses in the amount of \$247,905.18, and authorization for the President and CEO to execute the documents.

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² The meeting was live streamed at https://youtu.be/p4sMQ_CTcz8.

Raleigh-Durham Airport Authority Board Members

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2. Consideration of Amendment Nine with ABM Aviation Inc.

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment Nine to the Authority’s janitorial agreement with ABM Aviation, Inc. This proposed amendment will increase the scope of services to include enhanced cleaning services in the passenger security checkpoints and baggage screening areas in Terminals 1 and 2. These enhanced cleaning services will be provided for the benefit of the Transportation Security Administration (TSA) through modifications to an Other Transaction Agreement (OTA), which OTA modifications are subject to Board approval. The proposed OTA modifications authorize reimbursement to the Authority of expenses to be paid to ABM for the enhanced cleaning of \$41,317.53 per month, which totals \$247,905.18 for the remaining contract term of six months.

This amendment will also reduce the scope of the agreement to reflect services that have been discontinued in various facilities that currently are not in use. This reduction amounts to \$9,339.90 per month, which totals \$56,039.40 for the remaining contract term of six months.

The total cost impact of proposed Amendment Nine is \$191,865.78 for the six months period of March 1, 2021 through August 31, 2021.

Subject to Board approval of the OTA modifications with TSA, staff requests approval of Amendment Nine to the current Janitorial and Pest Control Services Agreement with ABM Aviation Inc. in the amount of \$191,865.78 and authorization for the President and CEO to execute the amendment.

3. Consideration of Service Agreement with Smartvel

Presented by Dan Miller, Vice President of Marketing – Staff continues to find ways to encourage passengers to return to the airways and assist them with their travel planning and one method is to provide important COVID-19 related travel restriction information at www.rdu.com. Content Trip Solutions, S.L., based in Madrid, Spain, and doing business as Smartvel, developed a proprietary system that provides necessary and relevant information regarding the potential impact of COVID-19 on travel to and from several countries (or regions), the requirements imposed by the different destination countries, or relevant information about the regional severity of the pandemic’s impacts. Staff believes that the provision of such information, as proposed to be made available by the Smartvel system, will enhance the Authority’s ability to deliver a world class airport experience, position RDU as a safe, well-informed airport, and encourage prospective travelers to fly again.

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The Authority would need to obtain a non-exclusive, non-transferable license from Smartvel in order to use the system that would be integrated with www.rdu.com. Smartvel, in order to establish a presence with U.S. airports, is offering the system to Authority at a discounted rate. The proposed contract is for one year, beginning on February 19, 2021, for an amount of \$5895 €, to be converted to USD at the exchange rate on the date of contract signature (approximately \$7,300 USD). Smartvel will invoice the Authority in euros; however, the Authority will remit four payments in USD at the beginning of each period, via wire transfer at a cost of \$45 per transfer. The agreement will be governed by United Kingdom law, with submission to the exclusive jurisdiction of the federal and state courts for the city of London; and Smartvel's liability under the agreement is limited to the fees paid.

Smartvel is a single source aggregator/provider of this system and is not certified as a Minority or Woman-owned Small Business (MWSB), making the MWSB participation for this contract 0%, which was discussed with the Authority's Small Business Programs Office.

Staff requests approval of a one year Service Agreement with Content Trip Solutions, S.L. (d/b/a Smartvel), for an amount of \$5,895 €, (approximately \$7,300 USD), and authorization for the President and CEO to execute the agreement and any related documents.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES FEBRUARY 18, 2021

Teer presided. Present: Hankins, Hannah, Kushner, Morgan, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation Regarding FAA Letter - Runway 5L/23R Environmental Processing

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operations Officer – The purpose of this item is to advise the Board of a letter received from the Federal Aviation Administration (FAA) dated January 15, 2021. The FAA letter formally terminates the Memorandum of Understanding between the Authority and FAA pertaining to the preparation of an Environmental Impact Statement (EIS) for the Runway 5L/23R replacement program. Additionally, staff would like to explain to the Board the genesis of this letter and the positive benefits to the Authority and community in transitioning the Runway 5L/23R replacement program from an Environmental Impact Statement (EIS) to Environmental Assessment (EA).

First of all, I think it important to understand that a change from an EIS to an EA, at this point in the process, is merely a change in the procedures with which the required environmental documentation is prepared pursuant to the National Environmental Policy Act (NEPA). It is not in any way a change in the substantive environmental analysis that forms the heart of the environmental document. To say it another way, the technical analysis required to document potential impacts on the environment from the proposed action (i.e., the replacement of Runway 5L/23R and Taxiway B) is identical whether the FAA prepares an EIS, or the Authority prepares an EA.

The primary benefit, in my experience, of preparing an EA versus an EIS is the speed at which we can complete the analysis and provide documentation to the FAA. The documentation we provide to the FAA will be used by the FAA to render a “finding.” That finding will either be a determination of “no significant impact,” or, a determination that an Environmental Impact

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² The meeting was live streamed at https://youtu.be/p4sMQ_CTcz8.

Raleigh-Durham Airport Authority Board Members

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Statement must be prepared. Prior to the FAA’s decision to prepare an EIS we had performed some preliminary environmental analysis for the replacement runway and independently determined that it was highly unlikely that significant environmental impacts would be encountered as a part of the project. That work led to staff’s conclusion early on that the proper environmental documentation was an EA, not an EIS. As RDU continued to experience record growth in passengers over the period 2016-2019 and we began to discuss moving forward with various capacity enhancing projects (i.e., an expansion of T2 Customs and Border Protection Facility, construction of a Consolidated Rental Car Facility, Terminal 1 gate expansion, etc.), additional potential environmental impacts would need to be evaluated leading staff to ultimately agree with FAA that a comprehensive environmental process allowing FAA to prepare an EIS was likely the best path forward. Discussions were also ongoing with FAA concerning which projects are “connected” or have “independent utility,” and the implications of Section 163 of the FAA Reauthorization Act of 2018 on FAA’s authority to require a NEPA process. That was our direction and ongoing discussions with FAA as recently as early 2020.

The onset of the COVID-19 pandemic placed many of those capacity enhancing projects on hold with uncertainty of when, or if, they would move forward due to a significant downturn in the air travel market. The pandemic also called into question the viability of direct air service to Asia for the foreseeable future, which was the primary justification for an 11,500 foot replacement Runway 5L/23R as depicted in the Airport Layout Plan. As the potential long-lasting realities of the pandemic began to set in, FAA took the opportunity to reconsider their decision to prepare an EIS. In numerous discussions with staff over the last several months, including a consensus between FAA and staff that the replacement of Runway 5L/23R is only justified at its’ current length of 10,000 feet, FAA decided, consistent with the FAA’s letter, to cancel to EIS and allow the Authority to prepare an EA.

While stopping those capacity enhancing projects was a wise business decision, we cannot stop the full replacement of Runway 5L/23R since the technical reasons justifying the project have not changed. Those technical reasons include: 1) pavement that has reached the end of its design life and needed to be fully reconstructed; 2) the design standards used to build the runway in the 1980’s are out of date with current aircraft size/design requiring revisions to the airfield geometry; and 3) additional gate capacity at T2 is not possible without relocating the runway to the location depicted on the Airport Layout Plan. To put item #1 above in perspective during calendar year 2019 and 2020, we replaced 220 individual concrete slabs on the runway, each measuring 25 feet by 25 feet, 16 inches in depth. Until the runway can be fully reconstructed, we will be faced with a recurring need to replace slabs, costing millions of dollars and causing significant operational disruption on the airfield.

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Finally, it is important to understand that when and if those capacity enhancement projects referenced above ever become necessary to accommodate long-term growth, an appropriate level of environmental review, in consultation with FAA, will be required prior to proceeding with the projects.

I am pleased that the FAA has decided to cancel the EIS process and allow the Authority to prepare an EA for RDU's replacement runway. We will continue to work collaboratively with the FAA throughout the preparation of the environmental documentation and faithfully fulfill the "conditions" stated in their letter. My entire team is excited to assume responsibility for the environmental process and move this important project forward expeditiously.

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

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RALEIGH- DURHAM AIRPORT AUTHORITY GOVERNMENTAL AFFAIRS COMMITTEE WORK SESSION MINUTES FEBRUARY 18, 2021

Hannah presided. Present: Hankins, Kushner, Morgan, Saidi, Teer, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation Regarding Airport Authority Legislative Agenda

Presented by Crystal Feldman, Vice President Communications, Government & Community Affairs – Staff requests consideration of the adoption of the Raleigh-Durham Airport Authority 2021 State Legislative Agenda. Developing and adopting a state legislative agenda is important to ensure the Authority's voice is heard on important state policy matters that affect RDU and how it can best serve its employees and passengers. A clear, comprehensive agenda allows for the following:

- Effectively communicate the needs and economic value of RDU to state legislators.
- Increase transparency with the public and stakeholders of RDU's goals.
- Position RDU to be proactive instead of reactive to policy issues that may impact the airport's operations and success.

The agenda (proposed agenda appears on next page) will be used as a guide to advocate and raise awareness of the legislative priorities for RDU when meeting with legislators. It will help the Authority and its contract lobbying team to identify legislators that will be aligned with the Authority's goals for RDU and lay the foundation for the next legislative steps such as crafting and filing policy. While the agenda lays the framework for the 2021 legislative goals, the Authority and the contract lobbying team will still be able to pivot as necessary throughout the legislative session to address items that may affect RDU as they arise.

The state government affairs consultants were introduced and each gave brief comments to the Board.

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

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² The meeting was live streamed at https://youtu.be/p4sMQ_CTcz8.

Raleigh-Durham Airport Authority Board Members

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President & CEO

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Proposed 2021 State Legislative Agenda

1. Support increased recurring funding of the Airport Improvement Program.
2. Educate legislators and state policymakers on the economic value of an international airport
3. Support regulation of “Vehicle Sharing Services” – i.e. Turo.
4. Support preserving the STIP program.
5. Support increased funding for general aviation airports to promote the aviation infrastructure network in NC.
6. Support increased penalties for individuals trespassing on commercial airport properties.
7. Support regulation of drones and unmanned equipment over and around airport air space.
8. Work with the General Assembly on regulation of PFAS.

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RALEIGH- DURHAM AIRPORT AUTHORITY BOARD WORK SESSION MINUTES FEBRUARY 18, 2021

CLOSED SESSION¹

Following the committee work sessions, there was a closed session to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3).

Motion by Morgan to enter into a closed session to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3); Second by Saidi.

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 12:05 p.m. until 12:30 p.m.

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Raleigh-Durham Airport Authority Board Members

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Yesenia Polanco-Galdamez

RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES MARCH 11, 2021

Acting Chair Hannah presided.¹ Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez. Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

I. FY 2021-22 BUSINESS PLAN, BUDGET AND ORDINANCES

Michael Landguth, President and CEO, gave a review of airport operations in 2020. He discussed trended enplanements and that the FY 20/21 amended budget was based on 2.8M enplanements. Mr. Landguth noted the airport's revenue by source for FY19/20 in comparison to FY 20/21. Mr. Landguth gave a brief financial summary and recapped 2020 accomplishments. He detailed air travel recovery numbers as well as U.S. business air travel demand since January 2020. He discussed the impact to international traffic and highlighted RDU's growth as airlines make strategic moves for the future. Mr. Landguth detailed RDU traffic trends and the prolonged recovery forecast. He discussed the Authority's Strategic Plan and its three key areas, as well as the Business Plan, Strategic Project List and Tactical Plan. For the FY 21/22 Business Plan, Mr. Landguth noted the key projects for fiscal responsibility, customer experience, and operational excellence.

William Sandifer, Chief Operating Officer, discussed the environmental assessment (EA) for Runway 5L/23R and Taxiway B project, giving background information regarding an environmental impact statement (EIS) versus EA. He discussed the National Environmental Policy Act (NEPA) and the State Environmental Policy Act and when those processes are applicable. Mr. Sandifer gave information about the Federal Aviation Administration's (FAA) jurisdiction and oversight and how it was affected by FAA Reauthorization Act of 2018, Section 163 enactment. Mr. Sandifer discussed projects and the FAA's stipulations as to the Runway 5L/23R project, and additional projects that might be identified if recovery of passenger traffic continues.

Ron Kapocius, Chief Financial Officer, outlined the budget approach. He discussed trended passenger enplanements and that 2 million enplanements are budgeted for FY2022. Mr. Kapocius explained year-over-year revenue and operating expense comparisons, and rates and

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and the public hearing conducted in accordance with statutes.

² The meeting was live streamed at <https://youtu.be/PpfMZunjJPA>.

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charges proposed for implementation effective April 1, 2021. He noted capital budget key projects and the budgeted capital spend for FY21/22. He gave a summary of the budgeted cash flow and reviewed other details contained in the proposed budget as well as the Budget Ordinance and the Capital Project Ordinance. Mr. Kapocius and other staff members addressed various Board members' questions about the proposed budget.

The draft FY 21/22 Operating and Capital Budgets, including the Budget and Capital Project Ordinances, will be presented for approval at the upcoming meeting on March 18, 2021.

Acting Chair Hannah commended the Finance staff on the proposed budget

II. PUBLIC HEARING ON DRAFT BUDGET FOR FY2021/22:

Acting Chair Hannah requested Erin Locklear, General Counsel, give the information regarding the virtual Public Hearing for the proposed budget. Ms. Locklear stated that due to the continuing declaration of emergency in North Carolina and in accordance with state statutes, a virtual Public Hearing was being held on the proposed budget and Acting Chair Hannah opened the hearing at 2:33 p.m.

Ms. Locklear noted that in accordance with state statutes, the public had been offered the opportunity to submit their comments via email to budget2021comments@rdu.com and that comments had been received and relayed to all Board members. While not required by law, Ms. Locklear gave a brief summary of the comments received to-date.

Commentor's Name	Short Summary of Comments
(All commentor's listed below)	Opposition to the airport perimeter fencing project. a. Expressed concerns about impacts to Umstead State Park and recreational uses b. Cost c. Environmental impact to waterways and fauna d. Tree canopy removal
Dr. Irene Rusnak	Opposed to fence, unnecessary expense for airport and will damage Umstead State Park and waterways
Kathleen Weaver, P.E.	More funding for preventing, minimizing, mitigating sediment, deicing, and fuel runoff; More funding for 2-way conversations with the greater RDU community, not a PR firm selling RDU's agenda.

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Betsy Beals	Excessive costs, Excessive debt; Environmental process for the replacement runway – whether it is 11,500 ft or 10,000 ft; Concern that previous requests to reject the budget weren't followed; Renewed request to reject this budget; Request to end mining lease due to impacts to neighboring homeowner; Consider impacts to water sources; RDU should use resources to help citizens find jobs; Budget includes capital projects, but there isn't income to support those due to impacts of the pandemic, including loss of passengers, parking income, etc. Budget should be tightened. RDU is not an economy driver and is a community excessive expense, especially to Wake County taxpayers, whose taxes should instead be spent on Wake County citizens' health and welfare.
Natalie Lew	RDU should revisit the 2040 master plan as recommended by the RTA Task Force, which would mean addressing the issues in the budget. RDU's strategic plan goals show that RDU is operating in a centric manner not considering its effects on Umstead State Park and should foster a positive relationship with the Park, in keeping with RDU's strategic goals to operate an environmentally responsible airport, cultivate mutually beneficial community partnerships and engage public officials to advocate for airport priorities." RDU shouldn't ignore how its actions developing the Old Reedy Creek corridor negatively impact Umstead State Park. Property that Umstead State Park wants to acquire shouldn't be developed in an environmentally and socially destructive way and should remain natural. There shouldn't be a quarry. RDU should consider environmental impacts to others than the actual airport facility and not dump its trash in its neighbor's yard. RDU's strategic plan does not address the items deferred in last year's budget even though some of those projects are being pursued, like the perimeter fence, where RDU has asked for expedited state regulator review. Budget should be corrected to reflect planned and actual projects. The perimeter fence project is being segmented to skirt rules and regulations, and not all related projects are in this years' budget. Revenue is included related to the quarry, but costs related to the quarry aren't listed. Sheetz brings in more revenue than the quarry, so the quarry isn't warranted given its

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	harms. More money could be generated with a recreational use, evidenced by the significant use of Lake Crabtree Park.
Hwa Huang, group chair for the local Capital Group of the North Carolina Sierra Club	Sierra Club referred the Board to multiple attachments to their written comments and has concerns about state permits and the severe environmental detriment caused by perimeter fencing and quarry and those impacts and damage to Umstead State Park due to pollution and development. RDU should invest in becoming better neighbors to the state park and its surrounding communities. RDU should preserve and protect green space, the state park, and the Neuse River Buffer.
Dr. Jean Spooner for The Umstead Coalition	Umstead Coalition's comments included attachments for Board members' review. Umstead State Park shares 6.2 miles of border with RDU, which can be controversial or an opportunity to thrive with an enhanced economic environment. RDU's stormwater drains into the park. RDU should be a good neighbor and community partner. RDU told the FAA it wouldn't pursue expansion of Park Economy 3. It is on the east side of the airport and is controversial due to its impact on Umstead State Park. RDU told the FAA it wouldn't pursue projects on the Umstead State Park side of the airport in order to avoid an EIS. Park Economy 3 project should be eliminated or should have an EIS with the runway replacement. The Enhanced Security Gates project should be deleted if it relates to the perimeter fencing, but not if it relates to existing fencing. To meet the Community Partnerships goal, there should be 2-way dialog, not a one-way PR firm campaign, which is being told, not meaningful community engagement. There should be monthly in person public comment periods at Board meetings with specific analyses and response in projects considering public input. Revamp the nonaeronautical land use in the Master Plan as recommended by the RTA Taskforce. The Master Plan had no alternative evaluations for nonaeronautical property, and RDU's consultant said that wasn't in the work scope. This has extremely depressed good will and RTA's Taskforce says it is a costly distraction. Projects should be prioritized after public comment as NCDOT, CAMPO and other governments do. Sustainability Management goals are too narrow, and should include resource and land management like minimizing and managing runoff to Umstead State Park, not

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President & CEO

	just dispersing chemicals; handling PFAS and nutrient runoff, and more efficient use of resources. Pleased that previous projects are not included, but previous appropriations exist and planning continues. The perimeter security fence has ongoing design expenses but is far removed from airport operations and would cause disastrous, irreparable damage to Umstead State Park and greenways, trails, water quality, and habitat. Airport Operations is already fenced. NC State Parks opposes the fence (attached a letter). RDU should cease getting NCDEQ permit, which was already denied. RDU should correct the adversarial relationship between the airport and conservation interests. Terminal 1 gate expansion would force more aircraft on the runway closer to Umstead State Park, negatively impacting the park. RDU promised to move operations west, away from the park, which is not supported by the public. Commerce Blvd and East GA perimeter project would construct a throughfare on Umstead State Park's border with grave environmental consequences to the park.
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Ms. Locklear stated that the written comment period extends for 24 hours after the Public Hearing is closed and comments may be submitted to budget2021comments@rdu.com. All comments received by the Authority through March 12, 201 at 5:00 p.m. will be shared with all Board members.

Acting Chair Hannah closed the Public Hearing as of 2:41 p.m., and thanked the public for the comments received. He asked Board members to review the comments and to share any thoughts and feedback during the March 18, 2021 regular Board meeting.

III. WELCOME NEW BOARD MEMBERS

Acting Chair Hannah welcomed new Board members Tammie Hall and Yesenia Polanco-Galdamez. Ms. Polanco-Galdamez expressed her appreciation for being part of the Board and that she looked forward to working with the other members.

IV. ADJOURNMENT

Acting Chair Hannah thanked the Finance staff for their efforts. He asked for a moment of silence to remember Chasity Vaughan of Central Communications who passed away on Wednesday.

Motion for adjournment by Morgan; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES MARCH 18, 2021

Acting Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Saidi to approve the agenda; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hankins to approve the minutes of the February 18, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the consent actions and committee minutes incorporated therein and the minutes of the March 11, 2021 special meeting of the Board (including the Public Hearing on the proposed budget); Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Acting Chair Hannah welcomed everyone.
2. City of Durham appointees, Tammie Hall and Yesenia Polanco-Galdamez, were welcomed as new Board members. Acting Chair Hannah detailed their career highlights and accomplishments.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/6ndd20yDzJI>.

Raleigh-Durham Airport Authority Board Members

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3. Acting Chair Hannah described the current Vet Tix promotion where a percentage of Aquafina sales in the terminals will be donated by Pepsi Bottling Ventures to help military families attend regional events.
4. Acting Chair Hannah announced that the Authority's World Class Service Awards program has been relaunched, and nominations are being accepted for recognition of individuals delivering outstanding guest services.
5. Acting Chair Hannah commented that Malcolm Chapman had recently passed and he offered condolences to the family. Mr. Chapman contributed more than 6,000 volunteer hours in RDU's ambassador program until retiring in October 2018. He was the recipient of the Volunteer of the Year Award in 2010 due to his outstanding service to all guests and his adherence to RDU's values.

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on March 18, 2021 and discussed the following items:

- a. Consideration of Procurement of Body Worn Cameras and Required Network Storage

Motion by Thompson for approval for (1) the Body-Worn Camera and Dashboard Camera Policy, (2) the procurement and deployment of body worn cameras, (3) the additional data storage and necessary hardware and software for the system deployment, (4) utilization of \$161,173.83 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for this procurement, and (5) authorization for the President and CEO to execute the necessary agreements and related documents; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of Common Use Self-Service Kiosk Replacements Phase 2 for Terminal 2

Motion by Thompson for approval to purchase 34 Common Use Self-Service kiosks from SITA, at a cost of \$619,163.02 and authorization for the President and CEO to execute all related documents; Second by Hall

ADOPTED BY UNANIMOUS VOTE

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c. Consideration of Amendment Seventeen with Schindler Elevator Corporation

Motion by Thompson for approval of Amendment Seventeen to the Service Agreement with Schindler Elevator Corporation in the amount of \$1,023,956.90 and authorization for the President and CEO to execute the amendment; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Amendment Five with Brightview Landscapes

Motion by Thompson for approval of Amendment Five to the Service Agreement with BrightView Landscapes, LLC in the amount of \$698,864.93 and authorization for the President and CEO to execute the amendment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

e. Consideration of Amendment to Terminal Concession Agreement with MERA RD, LLC

Motion by Thompson for approval of Amendment 1 to the Terminal Concession Lease with MERA RD, LLC and authorization for the President and CEO to execute the amendment; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Hannah reported Board members met during the Land and Development Committee work session on March 18, 2021 and discussed the following items:

a. Consideration of Fourth Amendment to Agreement with Parsons Transportation Group

Motion by Hannah for approval of the Fourth Amendment to the Master Agreement with Parsons Transportation Group, up to a total maximum amount of \$2,238,375 and authorization for the President and CEO to execute this amendment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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b. Consideration of Contract with Fred Smith Company for Taxiways D and A1

Motion by Hannah for approval of a contract with the Fred Smith Company in an amount of \$3,840,466.50, and authorization for the President and CEO to execute the contract; Second by Hankins

ADOPTED BY UNANIMOUS VOTE³

c. Consideration of Amendment to Task Order with WK Dickson for Taxiways D and A1 Resurfacing Project

Motion by Hannah for approval of Task Order MA20.01.02, under the Master Services Agreement with WK Dickson, in the amount \$124,216 for construction administration services for Taxiway D and A1 Resurfacing project, and authorization for the President and CEO to execute this task order amendment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of the Raleigh-Durham Airport Authority 2021 State Legislative Agenda
- b. Consideration of ParkRDU Transition to Cashless Operations
- c. Consideration of Amendment to Lease Agreement with Matheson Flight Extenders
- d. Consideration of Service Agreement with MALMS Navaid, Inc.
- e. Consideration of Amendment Three with Vertiv Corporation
- f. Consideration of Amendment to Terminal Support Space Lease Agreement with MERA RD, LLC

Motion by Thompson to approve and adopt the Consent Agenda items; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

2. Consideration of Proposed FY 2021/22 Budget and Capital Project Ordinances

Erin Locklear, General Counsel give an update on public comments received during the noticed time period, and stated that two additional comments were received; one from Pamela Olson and the second one from Dr. Jean Spooner. These comments had been provided to the Board members.

³ Kushner recused himself due to a potential conflict of interest and abstained from voting

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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Motion by Thompson to approve the attached Fiscal Year 2021/2022 Budget and Capital Project Ordinances; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

New members expressed their appreciation for being appointed to the Board and for the opportunity to serve in this capacity. Board members noted public comments received and thanked the public for their interest in the airport and its operations and for taking time to express their views. Improving relationships and dialog with surrounding community was encouraged. Staff and the Board was thanked for keeping finances sound during the previous challenging months and the Finance staff was recognized for their work on the budget. A positive outlook was expressed for what the future holds for the airport as recovery from the pandemic continues, and as the Authority implements technology changes with cameras and new kiosks. Acting Chair Hannah was thanked for his role and the responsibilities he is undertaking. Members were reminded that the Board represented the airport and should act in its best interest without influence from political, or other special groups. Mr. Landguth and senior staff were thanked for their continued leadership and efforts. Everyone was reminded to get vaccinated.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board members, Team RDU, business partners, and guests who have joined us today, with a special welcome to new Board members.

Activity Report

Just over 300,000 passengers traveled through RDU in February. That was down nearly 69% from February of 2020. The average number of daily departures was 102, down from 207 in February of 2020. TSA screened more than 55,000 departing passengers at RDU for the week ending March 14.

It was the second busiest week since the pandemic began, right after the week between Christmas and New Year's. March is predicted to be the busiest month at RDU since the onset of the global health crisis in 2020. The current March traffic projection for RDU calls for a total of 470,000 passengers.

Bond Rating

Raleigh-Durham Airport Authority Board Members

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Michael J. Landguth, A.A.E.
President & CEO

I'm pleased to announce today that Fitch has reaffirmed the Airport Authority's "AA-" bond rating. Being a good steward of RDU's finances has always been a priority and we are glad to see Fitch recognize the Authority's strong financial management during the global health crisis. As you know, the Authority pivoted from managing record growth in 2020 to managing the worst crisis in our industry's history.

The Board passed an updated "survival" budget last year that deferred \$96 million in capital projects and severely restricted spending. I want to thank the Board for its quick action in addressing the pandemic and its continued commitment to ensuring that RDU's finances are well managed as we move from crisis to recovery.

Passenger Confidence Survey

I'm excited to announce the results of a new survey RDU conducted this month. The survey follows two we conducted in July and November of last year. When we talked about those surveys last year, we told you that RDU's "Fly Confident. Fly RDU." campaign has contributed to a heightened perception of the safety of air travel and increased confidence in our efforts to ensure passenger safety and prevent the spread of illness. In November, 83% of those who were aware of RDU's health and safety efforts reported being confident that the airport is taking the necessary steps to keep passengers safe while traveling during the pandemic. In fact, both surveys last year indicated passengers felt more confident about air travel after they flew.

Our most recent survey also studied consumer attitudes and behaviors towards airline travel during the COVID-19 pandemic. The 10-minute online survey was sent to over 13,700 travelers in RDU's database. We collected a statistically valid sample of more than 500 responses during the first week of March. The purpose of the study was to track consumer sentiment related to air travel and compare it to last year's results. The March 2021 survey was the first to include questions about vaccinations and how they affect perceptions about how safe it is to fly.

- 54% of respondents indicated that they would feel safe flying from RDU this week – statistically unchanged from November.
- Like previous surveys, 60% of those flying during the pandemic mentioned being either "somewhat" or "very" concerned prior to their flight.
- Yet 52% reported feeling safer about flying after taking their initial trip – also similar to previous survey results.

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- 76% of respondents agree that being vaccinated against COVID-19 makes traveling by airline safer.
- 91% of respondents indicated that they've either already been partially or fully vaccinated or intend to be in the near future.
- 72% of those who have been vaccinated said they've either flown since they got the vaccine or intend to book travel after being fully vaccinated.
- Among those who intend to become vaccinated, 50% said it will be a requirement before they fly, with another 33% indicating it is important but not a requirement.
- Respondents who were fully vaccinated against COVID-19 were more likely to agree that they would feel safe flying from RDU than respondents who are partially vaccinated, or who are not vaccinated but intend to be.

The survey results are encouraging. They indicate that despite the surge in cases over the holiday season, customer confidence remained steady and the majority of people who fly during the pandemic feel more confident after their first trip. RDU and our airline partners continue to take all the necessary steps to keep travelers safe throughout their journey. The survey also indicates air travel will pick-up as more people are vaccinated – a positive sign for RDU and the aviation industry.

Travel Requirements Tool

I'm also pleased to announce that RDU launched a new tool this week that will help our guests travel smart by knowing the latest COVID-related entry requirements and local regulations at their destination. The new Travel Requirements tool on RDU.com captures travel information from verified sources around the world and displays it on an easy-to-use interactive map. Users can click on any destination RDU serves to find information about:

- testing and quarantine requirements
- the status of restaurants, businesses and attractions
- and other important information you should know before visiting – including local regulations.

The tool is designed to help you travel smart by knowing all the health and safety requirements before you arrive in the city or country you are visiting. Knowing your destination's travel restrictions allows you to properly plan and make informed decisions.

Raleigh-Durham Airport Authority Board Members

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We have partnered with the vendor Smartvel to make this great resource available to RDU guests. Smartvel works with many companies in the travel industry like airlines, hotels, tourist organizations and travel agencies, but RDU will be the first airport in the world to offer the service on its website. Visitors to rdu.com will find an interactive world map when they select “Travel Requirements” in the “Travel Info” drop down menu. Simply click on your destination to view the most recent and relevant COVID travel-related information.

Behind the scenes, Smartvel aggregates the latest information more than five thousand times per day from many reliable sources, including government websites and institutions like the International Air Transport Association. The system compiles all that data and makes it available through the interactive map in a mobile-friendly and user-friendly experience. The system is also fully compliant with Web Content Accessibility Guidelines.

We believe this new Travel Requirements resource is another way for RDU to keep delivering a world class customer experience. By making it easier to travel smart, you can feel confident planning your next trip. I hope you’ll take a few minutes to go to RDU.com and see exactly what it offers our guests. and state executive order and may result in removal or denial of re-entry to airport facilities, as well as penalties under federal and state law.

IX. ADJOURNMENT

Motion by Hankins to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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1000 Trade Drive • P.O. Box 80001 • RDU Airport, NC 27623
tel: (919) 840-7700 • fax: (919) 840-0715 • www.rdu.com

RDU Airport Authority

FY 2021-2022 Budget

RALEIGH-DURHAM AIRPORT AUTHORITY 2021-2022 BUDGET ORDINANCE

BE IT ORDAINED by the Raleigh-Durham Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2021-2022 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Raleigh-Durham International Airport for the fiscal year beginning April 1, 2021 and ending March 31, 2022 in accordance with the following schedule:

EXPENDITURES:

Airport Operating Expenses	\$	73,036,368
Capital Projects Spend		28,477,989
Future Capital Projects		469,020
Future CFC Projects		7,038,232
Net Debt Service		41,324,569
Total	\$	150,346,178

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2021 and ending March 31, 2022:

REVENUES:

Airfield	\$	8,042,616
General Aviation		2,064,449
Buildings and Grounds		73,953,866
Total Operating Revenues	\$	84,060,931
Interest and Other Income		31,908,277
Grants		21,090,707
PFC Revenue		6,248,031
CFC Revenue		7,038,232
Total	\$	150,346,178

Section 3. This Budget Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.

Section 4. This ordinance shall become effective on April 1, 2021.

Adopted this 18th day of March 2021

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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RDU Airport Authority

FY 2021-2022 Budget

RALEIGH-DURHAM AIRPORT AUTHORITY 2021-2022 CAPITAL PROJECT ORDINANCE

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 653,440,462

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 632,349,755

Total Grant Funds 21,090,707

Section 3. The projects authorized are as follows:

New 21/22 Projects

331030	Terminal 2 Concessions Development Program	\$ 4,000,000
881420	ABRM Upgrade	250,000
		<u>\$ 4,250,000</u>

Amended Projects

080879	Runway 5L-23R and Taxiway B Replacement	\$ 387,300,000
211120	Taxiway B Rehabilitation (North of TW D)	36,000,000
211160	Taxiway C & D Rehabilitation (Between T/W A and T/W H)	3,602,000
211170	North Cargo Apron Reconstruction	1,000,000
211190	Taxiway A1 Rehabilitation - Design and Construction	1,700,000
211200	Taxiway E Rehabilitation - Design	1,000,000
211210	Taxiways C and J Rehabilitation - Design	700,000
881270	Spill Prevention Control and Countermeasure items	143,000
		<u>\$ 431,445,000</u>

Ongoing Projects

211110	West RON Apron Rehabilitation	\$ 38,000,000
211140	Enhanced Security Perimeter Gates (TSA)	3,000,000
010829	Roadway Informational Sign Rehabilitation	13,200,000
331000	T2 Landside Master Plan	2,000,000
070549	Terminal 2 Checkpoint Expansion	9,250,000
080869	FIS Facilities Expansion	69,000,000
321000	SITA Implementation of T1 Gates 5 thru 9	550,000
621020	Parking Improvements Business Plan (Parking Guidance System)	8,200,000
331020	SITA Flex System	500,000
881410	National Guard Drive Improvements / Haleys Branch Road Rehabilitation	3,000,000
080799	Expanded Park Economy 3	35,618,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	13,000,000
881100	International Drive Rehabilitation	10,036,462
441000	Fuel Farm Facility Improvement Plan	9,186,000
011109	Heritage Displays at Observation Park	1,600,000

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RDU Airport Authority

FY 2021-2022 Budget

881300	Design CC Upgrade	285,000
881160	Fleet Fuel Management Software and Hardware Replacement	100,000
881260	Maintenance Facility HVAC Replacement and Upgrade	525,000
881310	Computer Replacement for Jet A and Glycol racks	395,000
881180	Consolidated Trash Facility Concrete Dumpster Slabs	300,000
		\$ 217,745,462
Project Ordinance Total		\$ 653,440,462

Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report at least annually on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Adopted this the 18th day of March 2021

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT MARCH 18, 2021

The Board approved the following items on the Consent Agenda:

a) Consideration of the Raleigh-Durham Airport Authority 2021 State Legislative Agenda

Memorandum by Crystal Feldman, Vice President Communications, Government & Community Affairs – Staff requests approval of the Raleigh-Durham Airport Authority 2021 State Legislative Agenda. Developing and adopting a state legislative agenda is important to ensure the Authority's voice is heard on important state policy matters that affect RDU and how it can best serve its employees and passengers. A clear, comprehensive agenda allows for the following:

- Effectively communicate the needs and economic value of RDU to state legislators.
- Increase transparency with the public and stakeholders of RDU's goals.
- Position RDU to be proactive instead of reactive to policy issues that may impact the airport's operations and success.

The agenda (agenda appears on next page) will be used as a guide to advocate and raise awareness of the legislative priorities for RDU when meeting with legislators. It will help Authority and its contract lobbying team identify legislators that will be aligned with the Authority's goals for RDU and lay the foundation for the next legislative steps such as crafting and filing policy. While the agenda lays the framework for the 2021 legislative goals, the Authority and the contract lobbying team will still be able to pivot as necessary throughout the legislative session to address items that may affect RDU as they arise.

Staff requests approval of the Raleigh-Durham Airport Authority 2021 State Legislative Agenda, to advocate and raise awareness for these policy matters as well as other issues that may arise during the state legislative session.

Raleigh-Durham Airport Authority Board Members

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Raleigh-Durham Airport Authority 2021 State Legislative Agenda

1. Support increased recurring funding of the Airport Improvement Program.
2. Educate legislators and state policymakers on the economic value of an international airport
3. Support regulation of “Vehicle Sharing Services” – i.e. Turo.
4. Support preserving the STIP program.
5. Support increased funding for general aviation airports to promote the aviation infrastructure network in NC.
6. Support increased penalties for individuals trespassing on commercial airport properties.
7. Support regulation of drones and unmanned equipment over and around airport air space.
8. Work with the General Assembly on regulation of PFAS.

[Consent Agenda items continued on next page]

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY

David Kushner
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b) Consideration of ParkRDU Transition to Cashless Operations

Memorandum by Jeffrey A. Slayton, PMP, Director Commercial Management and Parking – At the February meeting, staff presented its evaluation of transitioning ParkRDU to a completely cashless parking operation. Now, staff requests approval to transition to a fully cashless parking experience, which will provide these key benefits to the Authority:

- Continuation of enhanced safety protocols already in place at RDU,
- Further promotion and use of contactless technologies,
- Reduce significant operational costs and liability, and
- Increased staff efficiency.

With declining cash usage for parking transactions even prior to the onset of COVID-19, the current travel climate has only accelerated a natural and logical transition to a fully cashless parking experience at RDU. Since April 2020, parking revenues are 99.2% credit and 0.8% cash; parking transactions are 98.9% credit and 1.1% cash. This proposed cashless approach is a logical extension of several contactless technologies that ParkRDU is already using to enhance and simplify the customer parking experience while increasing staff efficiency and reducing operational costs. Since customers overwhelmingly continue to favor credit only parking transactions, operational cost savings will be achieved. Staff's research indicates that ParkRDU can successfully accomplish transition to a cashless operation with minimal capital outlay and logistical complexities by:

- Replacing all automated parking cash-payment machines with credit-only processing units in the parking garage and terminal facilities,
- Strategically deploying highly visible, dual-language signage throughout the airport campus, including the parking facilities and terminals
- Informing our customer base through engagement with various media channels, and
- Eliminating cancellation fees associated with the ParkRDU online booking system.

Staff requests authorization to transition to a completely cashless parking operation, approval to eliminate cancellation fees for any parking reservations booked utilizing the Authority's online booking system, and authorization for the President and CEO to execute any documents necessary to facilitate this transition.

c) Consideration of Amendment to Lease Agreement with Matheson Flight Extenders

Memorandum by Karen Reynolds, Director of Property Development – Matheson Flight Extenders has been a tenant with the Authority since 2016, supporting local Federal Express and US Postal Service operations. This proposed Amendment Number 1 to the North Cargo Building D Lease Agreement with Matheson Flight Extenders, Inc. adds 15,012.32 square feet of aircraft apron space to Matheson's leased premises, effective June 1, 2019, at a rate of

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\$0.945 per square foot per year. This space was identified as needing to be added to the Lease Agreement to address emerging operational needs. The aircraft apron is located immediately adjacent to Matheson's North Cargo Complex, Building D, Unit #3 location. The rental rate will increase 3% each year on the effective date of the Agreement (December 1). Matheson will pay the Authority for fixed rent due retroactively to June 1, 2019.

Staff requests approval of Amendment Number 1 to the Lease Agreement with Matheson Flight Extenders, Inc. and authorization for the President and CEO to execute the amendment.

d) Consideration of Service Agreement with MALMS Navaid, Inc.

Memorandum by Curtis L. Henderson, Director of Field Maintenance – Staff requests approval of a three year service agreement with MALMS Navaid, Inc. This proposed agreement will provide annual preventative maintenance for the airport's MALMS Photometric System. The MALMS System measures airfield lighting performance against the criteria for beam intensity and orientation defined in the Federal Aviation Administration's Advisory Circular 150/5345-46. The MALMS System also provides information to identify problems, develop maintenance strategies, and produce work schedules and maintenance reports, and is widely recognized as the best photometric measurement system available. Under the agreement, MALMS will perform equipment inspections, equipment calibrations, functional checks, adjustments, and cleaning in accordance with manufacture's guidelines on an annual basis. Also included are any software updates and remote support, hardware repair, cloud hosting, and one annual onsite visit.

Total contract amount for the services is \$67,605 (\$21,875 - Year 1, \$22,530 - Year 2, \$23,200 - Year 3)

Staff requests approval of the three year service agreement with MALMS Navaid, Inc. in the amount of \$67,605 and authorization for the President and CEO to execute the agreement.

e) Consideration of Amendment Three with Vertiv Corporation

Memorandum by William Jones, Senior Contracts Compliance Officer – Staff requests approval of an amendment to the Service Agreement with Vertiv Corporation for uninterruptable power supply (UPS) maintenance services. The proposed amendment will increase the scope of work to include maintenance services for four additional UPS units and two power conditioner units located at the Airport Operations Center and at Terminal 2. These new units were installed in a recently completed project to improve power redundancy for critical airport IT systems. Service for the additional UPS and power conditioners will increase

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the annual service amount by \$9,115 resulting in a total amendment cost of \$27,345 for the remaining three years of the contract term.

Staff requests approval of Amendment Three to the Service Agreement with Vertiv Corporation in the amount of \$27,345 and the authorization for the President and CEO to execute the amendment.

f) Consideration of Amendment to Terminal Support Space Lease Agreement with MERA RD, LLC

Memorandum by Kimberly Stewart, Director of Concessions and Diane Harris, Business Manager – This proposed amendment would change the term of the Terminal Support Space Lease Agreement with MERA RD, LLC (“MERA”) to align with the Terminal Concession Agreement. The amendment would also allow for the change of the support space leased premises from Terminal 1 Room 1114-F to Terminal 2 Room 1870, and provide for the Authority’s ability to charge MERA fixed rent for the support space beginning January 11, 2021.

The Terminal Concession Lease Agreement for MERA was approved on January 16, 2020 to operate a food and beverage unit in the Terminal 2 Marketplace. A Terminal Support Space Lease Agreement (Support Space) for office space in Terminal 1, Room 1114-F was approved on February 20, 2020. Because of the circumstances arising from the COVID-19 pandemic, MERA did not take occupancy of the concession or support spaces as intended in March 2020. The construction of the La Farm Bakery & Café was put on hold while the Authority assessed the effects of the pandemic, particularly as to passenger traffic. In September 2020, the Authority met with MERA and determined that based on the increase in passenger count, MERA will proceed with the construction of the La Farm Bakery & Café. On January 11, 2021, MERA began construction of the La Farm Bakery & Café, in conjunction with the build out of the 1144.28 sq.ft. support space, Room 1870 in Terminal 2 (rather than the original support space in Terminal 1 Room 1114-F). MERA is expected to complete construction of both spaces on or before April 16, 2021. MERA will pay to the Authority annual rent of \$55,852.31 (\$4,654.36/month) for this support space. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the operating budget adopted by the Authority. This proposed amendment would provide the term for the support space to run concurrently with the MERA Terminal Concession Lease Agreement that will expire on May 31, 2029.

Staff requests approval of Amendment 1 to the Terminal Support Space Lease Agreement with MERA RD, LLC and authorization for the President and CEO to execute the amendment.

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Yesenia Polanco-Galdamez



Michael J. Landguth, A.A.E.
President & CEO

Raleigh-Durham Airport Authority

1000 Trade Drive • P.O. Box 80001 • RDU Airport, NC 27623
tel: (919) 840-7700 • fax: (919) 840-0715 • www.rdu.com

RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES MARCH 18, 2021

Thompson presided. Present: Hall, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Procurement of Body Worn Cameras and Required Network Storage

Presented by Duane Legan, Vice President of Airport Operations – In an effort to provide maximum transparency and to provide the Authority’s police officers with the tools to assist them in the performance of their duties, staff requests approval for the procurement and deployment of body worn cameras (BWC) within the Law Enforcement Department, and for the required additional network storage, equipment, and software for operation of the BWC system. Staff requests approval to purchase 40 Watchguard BWCs and accessories to integrate with the Watchguard Dash Mounted Cameras currently in use in the Law Enforcement Department. Other BWC systems were considered but, were not compatible with the current in-car video system. To achieve maximum integration with the current video system, the BWCs must be from the same manufacturer. Costs for BWC equipment and accessories are \$93,348.87 and procurement would be made utilizing North Carolina State Contract 680D. The additional video storage requirements created by the deployment of the BWC system will exceed the current data storage environment and an additional 160TB of data storage is needed to accommodate the BWC deployment. Staff identified NetApp hardware and software would need to be added to the current data storage environment to meet the new requirements. Cost for the additional storage is \$67,824.96. Data storage, hardware, and software would be procured utilizing North Carolina State Contract 204X, with ePlus as the reseller.

Further, staff requests approval to utilize \$161,173.83 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for these BWC system-related procurements.

Staff requests approval for (1) the Body-Worn Camera and Dashboard Camera Policy, (2) the procurement and deployment of body worn cameras, (3) the additional data storage and

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/6nndd20yDzJI>.

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necessary hardware and software for the system deployment, (4) utilization of \$161,173.83 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for this procurement, and (5) authorization for the President and CEO to execute the necessary agreements and related documents.

2. Consideration of Common Use Self-Service Kiosk Replacements Phase 2 for Terminal 2

Presented by Michael McLanahan, Vice President of IT Business Solutions – Common Use Self-Service (CUSS) kiosks are located throughout the Terminal 2 ticketing lobby, where passengers can view flight itineraries, view/change seat assignments, and print various travel-related documents. In August 2020, staff received approval to purchase 20 CUSS kiosks from SITA, which served as a partial replacement of legacy kiosks in the terminal. For Phase 2 of this effort, staff is currently seeking approval to purchase from SITA 34 additional CUSS kiosks at a cost of \$619,163.02. This purchase will allow the Authority to retire the remaining unsupported Windows 7 kiosks, eliminate a cyber vulnerability in this area, and improve passenger processing experience.

If this Phase 2 purchase of replacement kiosks is approved, there will be 54 new SITA CUSS kiosks in Terminal 2. Additionally, nine of the legacy kiosks are undergoing a hardware upgrade to allow for Windows 10. This will extend their useful life and bring the total number of CUSS kiosks to 63. All 63 kiosks would be bag-tag capable, which is an increasing interest among the air carriers and all kiosks would be ADA compliant.

Staff collaborated on the procurement strategy and contract amendment development. This is a sole source situation as kiosks must be compatible with the Authority's SITA Common Use system now and in the future. A key focus is the opportunity to leverage new technology that SITA is developing to enable touchless kiosk interaction. This opportunity will require the use of SITA kiosks.

The contract includes Minority-owned Small Business participation of 21.6%. This participation has been reviewed by the Authority's Small Business Programs Office and meets the MWSB program requirements.

Staff requests approval to purchase 34 Common Use Self-Service kiosks from SITA, at a cost of \$619,163.02 and authorization for the President and CEO to execute all related documents.

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3. Consideration of Amendment Seventeen with Schindler Elevator Corporation

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of proposed Amendment Seventeen to the Service Agreement with Schindler Elevator Corporation for elevator, escalator and moving walkway services. This proposed amendment will extend the term of the agreement for the single one-year option period provided in the contract. It will also increase the scope of the agreement by authorizing various repairs including clean downs on twelve escalators/power walks, replacement of handrails on sixteen escalators/power walks and replacement of a jack assembly on one hydraulic elevator in Terminal 2. These repairs are required to correct violations noted on annual inspections by the NC Department of Labor within the past year. The cost of the proposed amendment is \$1,023,956.90, which includes \$704,940 for the annual service contract and \$319,016.90 for the major repairs. This cost has been accounted for in the proposed operating budget for fiscal year 2021-2022.

Staff requests approval of Amendment Seventeen to the Service Agreement with Schindler Elevator Corporation in the amount of \$1,023,956.90 and authorization for the President and CEO to execute the amendment.

4. Consideration of Amendment Five with Brightview Landscapes

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment Five to the Service Agreement with BrightView Landscapes, LLC. This proposed amendment will extend the term of the agreement for the final one-year option period. It will also reinstate many of the services to the scope of work that were reduced or eliminated as a cost savings measure last April due to the COVID-19 outbreak. The cost of this proposed amendment is \$698,864.93, which is included in the proposed operating budget for FY 2021-2022.

Staff requests approval of Amendment Five to the Service Agreement with BrightView Landscapes, LLC in the amount of \$698,864.93 and authorization for the President and CEO to execute the amendment.

5. Consideration of Amendment to Terminal Concession Agreement with MERA RD, LLC

Presented by Kimberly Stewart, Director of Concessions – The Terminal Concession Lease for MERA RD, LLC (“MERA”) was approved on January 16, 2020 to operate a food and beverage unit, La Farm Bakery & Café, in the Terminal 2 Marketplace. Because of the COVID-19 pandemic, the construction of the La Farm Bakery & Café was put on hold while the Authority assessed the effects of the pandemic and the declining traffic.

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In September 2020, the Authority met with MERA and determined that based on the increase in passenger count, proceeding with the construction of La Farm Bakery & Café was feasible. MERA began construction of the La Farm Bakery and Café in conjunction with the build out of the support space, Room 1870, in Terminal 2. MERA is expected to open for business no later than June 1, 2021.

The delay in construction and subsequent opening required a modification to the lease start and end dates. The initial term of eight (8) years remains the same. The modified expiration date is May 31, 2029. Other terms modified in the amendment include the removal of the temporary grab and go offering and delayed store opening. In addition, rent relief is being provided in the form of a waiver of Minimum Annual Guarantee (MAG) for a period of four (4) months which aligns with relief granted to other concessionaires. The tenant will only pay percentage rent from June through September 2021.

Staff requests approval of Amendment 1 to the Terminal Concession Lease with MERA RD, LLC and authorization for the President and CEO to execute the amendment.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES MARCH 18, 2021

Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Fourth Amendment to Agreement with Parsons Transportation Group

Presented by Ronald Jewett, Vice President Facilities Asset Management – Staff requests approval of the Fourth Amendment to the Master Agreement with Parsons Transportation Group (Parsons) for Program and Construction Management Services (PM/CM Services). The Master Agreement with Parsons is a 5-year contract, which commenced on April 1, 2017 and this proposed amendment would provide PM/CM Services for the final year of the base agreement.

Under this Master Agreement, Parsons' core project management staff assists Authority staff with the management of multiple projects. Some of the key services provided by Parsons are construction management, resident project representation, materials testing, schedule oversight, design and constructability reviews, and project software management.

The maximum compensation for services that can be requested under this proposed amendment is \$2,055,445, and the maximum for expenses is \$182,930, making the total compensation that can be requested under this proposed amendment \$2,238,375.

The overall Minority and Women-Owned Small Owned Business (MWSB) goals for the existing Master Agreement are 10.0% for Minority-owned Small Businesses (MB) and 5.0% for Women-owned Small Businesses (WB). MWSB participation goals remain unchanged for this proposed amendment. Parsons' committed goals for Amendment 4 are 11.1% MB and 21.4% WB, which have been reviewed by the Authority's Small Business Programs Office.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/6nndd20yDzJI>.

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Of note, MWSB contract participation through the first four years of the agreement to-date are 9.8% MB and 12.9% WB.

Staff requests approval of the Fourth Amendment to the Master Agreement with Parsons Transportation Group, up to a total maximum amount of \$2,238,375 and authorization for the President and CEO to execute this amendment.

2. Consideration of Contract with Fred Smith Company for Taxiways D and A1

Presented by Jim Novak, Director of Facilities Engineering – Staff identified the need to resurface several areas of airfield pavement that have deteriorated to the point of repair or replacement. These areas include Taxiway A1, Taxiway A5, Taxiway C (between Runway 5R-23L), Taxiway A (near Taxiway A7), Taxiway D (asphalt section), and the Vehicle Service Road between Terminals 1 and 2. All areas are asphalt pavement and have developed shoving, cracking, and/or depressions. A complete pavement assessment was conducted on all areas to determine the recommended limits of repair and method of pavement repair or reconstruction. Staff determined the most efficient and economical way to complete this work was to combine all the work areas into one construction contract with a single prime contractor.

On January 22, 2021, the project was advertised for bidding. On February 16, 2021, only one bid was received, and it was not opened since a minimum of three bids is required for the initial opening. The project was re-advertised the same day for a second bid opening on February 24, 2021, at which time one bid was received from the Fred Smith Company in the amount of \$3,840,466.50. It was publicly opened and read via live streaming.

The engineer's construction estimate for the work was \$3,644,272, and the proposed contract amount fits within the budget requested for FY 21-22. Approximately seventy-five percent (75%) of construction is anticipated to be funded by a grant from the Federal Aviation Administration.

The Disadvantaged Business Enterprise (DBE) goal for this project was set at 10%. The Fred Smith Company has proposed DBE participation of 10.03% for this project. This proposed participation has been reviewed by the Authority's Small Business Programs Office and meets the DBE program requirements.

Contingent upon approval of the FY 21-22 budget, staff requests approval of a contract with the Fred Smith Company in an amount of \$3,840,466.50, and authorization for the President and CEO to execute the contract.

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3. Consideration of Amendment to Task Order with WK Dickson for Taxiways D and A1 Resurfacing Project

Presented by Jim Novak, Director of Facilities Engineering – Staff requests the award of Task Order MA20.01.02 (Amendment No. 2 to Task Order MA20.01) under the Master Agreement with WK Dickson. This would provide construction administration services for the project Taxiway D and A1 Resurfacing including: attending a pre-construction conference, reviewing shop drawings and submittals for contract compliance, reviewing and responding to requests for information, reviewing contractor-submitted applications for payment, performing periodic site visits, attending project progress meetings, issuing field reports documenting work progress and any defects or deficiencies, conducting inspections associated with substantial completion and final completion, issuing Certificate(s) of Substantial Completion, accumulating project closeout records, and assisting with project closeout. Construction work is scheduled to be completed in 115 consecutive calendar days from the Notice to Proceed and the construction value is \$3,840,467.

The Disadvantaged Business Enterprise (DBE) goal for Task Order MA20.01.02 is 15%. WK Dickson intends to use Walls Engineering (minority-owned small business subconsultant) to review electrical submittals and shop drawings and to perform field investigations and electrical inspection and Connico, Inc. (woman-owned small business subconsultant) to perform cost estimating for any changes in the work. The DBE commitment for this Task Order MA20.01.02 is 12.9%. With this amendment, WK Dickson's overall DBE commitment in the task order is 16.47%. The proposed commitment has been reviewed Authority's Small Business Programs Office and meets the DBE program requirements.

Compensation under this proposed Task Order shall be an hourly not-to-exceed amount of \$123,891, with reimbursement for expenses up to a fixed ceiling amount of \$325, for total maximum compensation under this Task Order of \$124,216. Approximately seventy-five percent (75%) of the costs are anticipated to be covered by a grant from the Federal Aviation Administration.

Contingent upon approval of the FY 2021-2022 budget, staff requests approval of Task Order MA20.01.02, under the Master Services Agreement with WK Dickson, in the amount \$124,216 for construction administration services for Taxiway D and A1 Resurfacing project, and authorization for the President and CEO to execute this task order amendment.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES APRIL 15, 2021

Acting Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Hall to approve the agenda; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Kushner to approve the minutes of the March 18, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the consent actions and committee minutes incorporated therein; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Acting Chair Hannah welcomed everyone.
2. Acting Chair Hannah detailed an informational meeting held by the Authority and the FAA with government planners from the surrounding communities, on the Neighborhood Environmental Survey which assessed the impact of noise on residents near airports. Collaborative work with local communities and regulators is planned for the development of effective solutions to mitigate aircraft noise and for responsible expansion and growth in areas around the airport.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/LOvuE-J7e9E>.

Raleigh-Durham Airport Authority Board Members

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Ellis Hankins

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3. Acting Chair Hannah discussed the recent Sky Drill emergency training exercise in March, which is required by the FAA every three years. It involved employees, mutual aid partners and volunteers and provides the opportunity for airport staff to prepare for emergency response to a disaster or other crisis situation. He expressed appreciation for the planning and strategic deployment of resources, and for the participation by the airport's partners in this successful event.

IV. OLD BUSINESS

1. Land and Development Committee Report – Hannah reported Board members met during the Land and Development Committee work session on April 15, 2021 and discussed the following items:

- a. Consideration of Contract with Summers Concrete Contracting for Taxiway B Rehab

Motion by Kushner for approval of the award of a construction contract to Summers Concrete Contracting, Inc. in the amount of \$17,605,905.19 for the Taxiway B Rehabilitation Phase 2 project and authorization for the President and CEO to execute the contract; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of Task Order Amendment with WK Dickson for Taxiway B Rehab

Motion by Kushner for approval of Amendment No. 5 to Task Order No. 15 with WK Dickson in the amount of \$315,628 and authorization for the President and CEO to execute the amendment; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

- c. Consideration of Task Order 3 with Landrum & Brown for Environmental Assessment

Motion by Kushner for approval of Task Order 3 with Landrum & Brown Incorporated, and authorization for the President and CEO to execute the agreement; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Hannah³ reported Board members met during the Operations Committee work session on April 15, 2021 and discussed the following items:

- a. Presentation Regarding Sustainability Management Plan

Presentation to Board in committee work session for informative purposes only. No Board action required.

³ Acting at request of Committee Chair Thompson who could not be present at the work session.

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Tammie Hall, **Treasurer**
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b. Consideration of Terminal Concession Agreement with Uptown Airport Group

Motion by Thompson for approval of the Terminal Concession Agreement with Uptown Airport Group, LLC and authorization for the President and CEO to execute the agreement; Second by Hall
ADOPTED BY UNANIMOUS VOTE

c. Consideration of Terminal Support Space Lease with Uptown Airport Group

Motion by Thompson for approval of the Terminal Support Space Lease Agreement with Uptown Airport Group, LLC and authorization for the President and CEO to execute the agreement; Second by Hall

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of Revision to Air Service Development Program
- b. Consideration of Amendment Two to Agreement with Carrier Commercial Services

Discussion regarding item a. for additional language in Section E. 1. Good Standing to read, "In such cases, incentives will not be retroactively applied to the period for which the carrier was out of good standing."

Motion by Thompson to approve and adopt the Consent Agenda items a. and b.; Second by Morgan
ADOPTED BY UNANIMOUS VOTE

Motion by Kushner to approve and adopt the proposed added language in Section E.1. of Attachment A to the Air Service Development Policy (Consent Agenda item a); Second by Hankins
ADOPTED BY UNANIMOUS VOTE

2. Election of Officers

Member Thompson gave background on the history of succession planning for officers and representation from the four government entities. Member Hankins questioned the process in determining the proposed slate of officers and discussed requirements for meetings of public bodies and the need for transparency.

Motion by Thompson to elect the following officers; Second by Hall

Chair: Patrick Hannah
Vice Chair: Sepideh Saidi
Secretary: David Kushner
Treasurer: Tammie Hall

ADOPTED BY UNANIMOUS VOTE

Raleigh-Durham Airport Authority Board Members

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President & CEO

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

New officers were congratulated and members noted the future collaborative and strategic efforts necessary as the airport moves toward recovery and as passenger levels increase. Chair Hannah was thanked for his continued leadership. Staff were recognized and thanked for their commitment and passion for their work at the airport, especially as seen in presentations presented. The FlyAngle podcast was praised for its quality and content. The recent informative session with the FAA on land use planning was commended, and continued work on informing the public, and grappling with noise issues and compatible development were encouraged. A recent positive travel experience through RDU was shared. Mr. Landguth's leadership, together with the work of senior management were noted.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board members, Team RDU, business partners, and guests who have joined us today, with a special welcome to new Board members.

Activity Report

TSA Screened 251,400 departing passengers in March. That was down 2% compared to March 2020 and down 55% compared to March 2019. A total of 495,00 passengers traveled through RDU during the month – down 8% versus March 2020 and down 56% versus March 2019. The average number of daily air carrier departures was 123, compared to 178 in March 2020 and 215 in March 2019. TSA screened 77,400 departing passengers at RDU for the week ending April 4th, setting a pandemic record for passenger traffic. Total traffic that week was up 13% compared to the week prior, and down nearly 39% versus the same week in 2019.

Wake County's spring break holiday period and the Easter holiday contributed to the substantial rise in traffic. We expect growth to continue in April, but not at the same level as March because students will be back in school. The April schedule includes 196 more departures than in March, and May's schedule adds 396 departures compared to April, suggesting continued incremental growth.

JetBlue announced it will add nonstop service from RDU to San Francisco in July, marking the first direct route to the Bay Area since the pandemic. Airlines continue to invest in the RDU market, with Southwest adding four more weekly Orlando departures to their May schedule and Frontier resuming service to Cleveland, Ohio and Trenton, New Jersey. Destin/Ft. Walton Beach, FL will become the 39th nonstop route at RDU when American Airlines launches service to the Florida Panhandle in

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President & CEO

June. American also announced new service from RDU to Orlando and Nashville, giving RDU travelers more options when flying to those destinations. American will offer seasonal Saturday service to Destin and Orlando from June 5 through August 14th. Service to Nashville will be Sunday through Friday year-round beginning June 2nd. These three new destinations follow American's announcement last month that it will start daily nonstop service between Austin and RDU on July 2nd.

Parking Changes

While we are seeing signs of recovery, passenger traffic levels are inconsistent with temporary surges during the holidays. RDU is monitoring these trends and putting plans in place to manage traffic flow. Parking is an example of an area where busy holiday travel weeks threaten to strain current parking capacity. The Authority consolidated all public parking options into ParkRDU Central and Premier last year due to the extreme downturn in traffic to help manage our limited resources.

During the Easter holiday weekend, RDU's Central parking deck reached 81% full and Premier peaked at about 48%. But we are only seeing big traffic spikes during holidays, with traffic levels dropping significantly afterwards. This gives us time to prepare before the next holiday. As more travelers return to flying, our Parking Division is monitoring parking trends and evaluating all options to maintain ample parking space.

We are developing a plan to guarantee all guests continue to have easy access to parking when they come to RDU, even during the busiest travel weekends. We are also pursuing ways to encourage guests to book their parking online in advance of their trip by making the best daily rates available at ParkRDU.com.

IX. ADJOURNMENT

Chair Hannah noted it was the beginning of a new fiscal year, with some newly added board members, and a new slate of officers. He expressed excitement about the airport's future, and appreciation for the feedback and discussion today by board members. The IT staff were thanked for providing the meeting forum and their assistance throughout the meeting.

Motion by Hall to adjourn; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT APRIL 15, 2021

The Board approved the following items on the Consent Agenda:

a) Consideration of Revision to Air Service Development Program

Memorandum by Kenneth Strickland, Director of Air Service Development and Research – In November of 2020, an Air Service Development Program (“ASDP”), as part of the Air Service Development Policy (“Policy”) was approved, providing landing fee waivers to existing RDU air carriers launching service to previously unserved markets, as well as to new entrant carriers for their first 12 months of operation at the airport. Per the approved Policy, qualifying service required an intended minimum service period of six-months within a 12-month period for domestic routes, and three-months within a 12-month period for international routes to be eligible for this incentive.

The proposed revision to this Policy is to change the minimum service period to three-months within a 12-month period for both domestic and international service. The reasons for this recommended change to the Policy are as follows:

1. Since the adoption of this Policy, the Authority has shifted its interim Air Service Development Strategy to focus on developing visiting friends and relatives (VFR) based opportunities.
2. The original six-month intended service minimum was designed to encourage return of service on traditionally strong business traffic routes from RDU.
3. A three-month minimum service period is more conducive to attracting seasonal VFR oriented service.

With current forecasts predicting a more rapid recovery of leisure and VFR traffic when compared to business travel, this Policy revision is designed to better position RDU to attract new or resumed service to traditionally VFR dependent markets as regional consumer demand for such destinations increases. With the Authority’s survey data indicating that the COVID-19 pandemic has made travelers increasingly averse to connecting itineraries, the availability of non-stop service has become increasingly important to encouraging passenger airline travel. Furthermore, as airline fleets have been reduced as a result of the pandemic, competition among airports for new service is at its highest level in recent history, making incentive programs such as that which is provided by the Authority for RDU increasingly important.

Staff requests consideration of the modification of the existing Policy, Attachment A, Section C, Subsection 1 to read:

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In order to qualify for assistance, scheduled new airport service must be intended for a period of at least three-months within a 12-month period for both qualifying domestic and international service.

The reasons for the proposed revision include:

- A. This revision will increase the likelihood that seasonal, domestic, VFR oriented passenger service will qualify for the Authority's incentive program.
- B. This revision will improve the attractiveness of RDU for potential new service to seasonal, VFR focused destinations.

Success will be measured by an increase in seasonal non-stop service to VFR oriented destinations from carriers qualifying for the Authority's ASDP.

Staff requests approval of the proposed revision to the Authority's Air Service Development Policy.¹

b) Consideration of Amendment Two to Agreement with Carrier Commercial Services

Memorandum by William Jones, Senior Contracts Compliance Officer – Staff requests approval for an amendment to the Service Agreement with Carrier Commercial Services ("Carrier") for chiller maintenance services. This proposed amendment will extend the existing agreement with Carrier for the second and final one-year option period beginning May 1, 2021. This amendment will also increase the scope of work to include maintenance services for two additional chiller units; one located at the RDU Authority Building and the other located at the Maintenance Facility. This maintenance service for the additional chillers will increase the annual service amount by \$12,500 resulting in a total amendment cost of \$110,660.

Staff requests approval of Amendment Two to the Service Agreement with Carrier Commercial Services in the amount of \$110,660 and authorization for the President and CEO to execute the amendment.

¹ During New Business in the Board meeting, additional language in Section E.1. of Attachment A to the Air Service Development Policy was approved

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Air Service Development Policy

1.0 PURPOSE

The Authority is committed to developing successful, mutually beneficial air services with commercial passenger airlines to support the air transportation needs of the region. To this end, the Authority will offer financial assistance through cost offsets to domestic and international airlines that add new commercial passenger service.

2.0 APPLICABILITY AND EFFECTIVE DATE

This Policy applies to the Air Service Development efforts of the Authority, and to those individuals and organizations benefiting from those efforts.

This Policy was originally adopted in January of 2012 and this amended version was adopted on April 15, 2021. It replaces and revokes any existing procedures on the same subject matter. The amended version (v6) of this Policy will take effect upon adoption.

This Policy coverage period includes the remainder of RDU's 2020/2021 fiscal year, as well as the entire 2021/2022 fiscal year. The Policy application period expires for new applicant incentives April 1, 2022, though the incentive period for qualified and approved service will be open through March 31, 2023 based on the duration of the qualified and approved incentives.

3.0 DEFINITIONS

- A. Airport – the Raleigh-Durham International Airport (RDU)
- B. Authority – the Raleigh-Durham Airport Authority (RDUAA)
- C. Board – the set of individuals appointed in accordance with applicable law to govern the Authority
- D. Ordinances – the Ordinances of the Raleigh-Durham Airport Authority, as may be amended from time to time
- E. President and CEO – the individual named as the President and CEO by the Board, having the duties and responsibilities established generally in Chapter 6 of the Ordinances
- F. Policy – Air Service Development Policy
- G. Program – Attachment A

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H. Rebates – Operating cost offset that is applied to airline operating costs during a monthly billing cycle.

4.0 POLICY STATEMENT

It is the Authority's policy to develop and support continued airline growth and new nonstop commercial passenger service. To this end, the Authority will offer incentives to promote air service growth and will define the incentives offered to the carriers (see Attachment A) on an annual basis. The Program will provide cost offsets to those carriers who grow capacity at the Airport via service to previously unserved markets.

5.0 RESPONSIBILITIES

5.1 DIRECTOR OF AIR SERVICE DEVELOPMENT

The Director of Air Service Development will work directly with air carriers to add new air service. The Director of Air Service Development will determine if the reinstated air service qualifies for Landing Fee Rebates. He/she will prepare the supporting data and submit the Proposal to the Senior Vice President and Chief Revenue Officer.

5.2 SENIOR VICE PRESIDENT AND CHIEF REVENUE OFFICER

The Senior Vice President and Chief Revenue Officer and his/her designee will review services and qualify the applicability of those services to the supported listed in the Program. Once a review of the applicability is completed, the results of that analysis will be submitted to the President and CEO for his/her approval. The Senior Vice President and Chief Revenue Officer will also submit the carrier incentive proposal to the Senior Vice President and Chief Financial Officer for review.

5.3 PRESIDENT AND CEO

The President and CEO will approve the Program before presenting it to the Authority Board; and will approve each qualifying new service incentive proposal submitted by the Senior Vice President and Chief Revenue Officer and/or his/her designee.

5.4 SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

The Senior Vice President and Chief Financial Officer or his/her designee will review the qualified rebates to determine the financial impact of the qualified

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services to the Authority and use of Generally Accepted Accounting Principles to implement the Program rebates. Once submitted by the CRO and approved by the CEO, the CFO will designate the Vice President and Controller, Finance or his/her designee to record and report the rebate transactions in accordance with GAAP.

6.0 RECORDS MANAGEMENT

The Director of Air Service Development is the custodian of records related to procurement and contracting. The named custodian(s) will comply with the Records Management Policy, as may be amended from time to time.

7.0 REVIEW

The Senior Vice President and Chief Revenue Officer is responsible for reviewing this Policy annually or more often as warranted.

8.0 EXCEPTIONS

Exceptions to this Policy may be made at the President and CEO's discretion.

9.0 ATTACHMENTS

Attachment A: 2020-21 Air Service Development Program

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DOCUMENT APPROVAL

v6 Adopted by: _____ April 15, 2021
Patrick Hannah, Chair DATE

DOCUMENT HISTORY

Date	Version	Description
January 2012-2014	v1	The first Air Service Policy under the Landguth administration. It was used to aggressively seek air carrier growth at RDU. It was designed to gain West Coast expansion and international expansion, and was largely successful.
March 2014-2016	v2	The evolution of the policy included the Enplanement Rewards program to spark growth of incumbent airlines. Combined with our historically low operating costs, this strategy was a home run.
March 2017	v3	After pushing the pause button in 2016, the Air Service Department was tasked with producing a 5-year air service development plan and right sizing the incentive program. During this time, RDU policy and procedure protocols strengthened and the ASD department worked to better prepare the Air Service Development Policy and Procedures. The Board did approve the Air Service Program and the right sized incentives were important to offset a large increase in airline operating costs at RDU.
April 2018-2019	v4	The previous version moved away from named market marketing assistance to Top 50 markets. This allowed more aggressive pursuit of West Coast expansion. It was also designed to attract remaining ULCC carriers not currently serving the market.
November 2020 – March 2021	v5	The current version of the Air Service Policy reflects a program that exists during a period of COVID-19 related declines in travel demand, and route service terminations. An addendum

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		to the 5-year Air Service Development Strategy had been created to address the temporary needs of the Airport, which include resumption of previous routes, as well as incentives to offset airline operating costs for new service. The Program is intended to be temporary, as market conditions will dictate Program needs in the fiscal year 2021/22 and beyond. The Program is distinct from a separate Recovery Air Service Incentive Program devised to stimulate a return of service in specific markets due to COVID-19 related route terminations.
April 15, 2021	v6	Changes the requirement for six-months service within a 12-month period minimum to three-months of service within a 12-month period minimum in order to qualify for new entrant incentives

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Policy Receipt Acknowledgement

Please ensure that you have read and understand the Policy before signing this document.

By signing below, I acknowledge that I have read the Policy named above and agree to abide by it as a condition of my employment with Raleigh-Durham Airport Authority.

I understand that I should consult my immediate supervisor or a Human Resources representative if I have questions or concerns.

Printed Name: _____

Signature: _____

Date: _____

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Attachment A: 2020-21 AIR SERVICE DEVELOPMENT PROGRAM

A. New Destination Assistance

1. Existing Carriers:

The Authority will offer and manage a monthly rebate of appropriate landing fees for qualifying new destination service to domestic or international airports on existing RDU carriers. Existing RDU carriers are those carriers that have provided scheduled (excluding charter service) service to any market from the Airport within the previous 24-calendar months prior to launch of new destination service. Monthly rebates will be made available for qualifying new destinations for a period not to exceed 12-months from the start of service.

2. New Entrant Carriers:

The Authority will offer and manage a monthly rebate of appropriate landing fees for qualifying new destination service to domestic or international airports on new entrant RDU carriers. New entrant carriers are those that have not served the RDU market with scheduled service (excluding charter service) within the previous 24-calendar months prior to launch of new destination service. Monthly rebates will be made available for qualifying destinations for a period not to exceed 12-months from the start of service.

B. New Destination Qualifications

1. Existing Carriers:

For existing RDU carriers to qualify for assistance, service must be to a new destination airport that has not been served from the Airport by any air carrier within the previous 18 calendar months prior to launch of service, with two exceptions:

- a) Service by another air carrier within the previous 18 calendar months was at an average frequency of less than one operation per week during the service period, or;
- b) Service was provided for a period of less than three months within the previous 18-month period, followed by an absence of service of at least six months from the time the proposed new service is scheduled to begin.

2. New Entrant Carriers:

New entrant carriers will qualify for assistance to any destination airport from RDU, regardless of existing or previous service from other air carriers, so long as

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that service is classified as scheduled service and not chartered air service. Incentives are made available to new entrant carriers for a period of 12-months beginning with the date of the carrier's first operation at the Airport. Following the first year of a carrier's operation at the Airport, all new entrant carrier incentives will cease. At that point, the carrier may apply for and receive incentives under the existing carrier requirements.

For example, if a new entrant carrier begins serving route ABC on January 1st 2021 and route XYZ on February 1st 2021, both routes will be eligible for incentives under the new entrant carrier requirements through December 31st 2021. Should the carrier's service to XYZ qualify for existing carrier incentives as of January 1st 2022, the carrier could apply for one additional month of incentives.

C. New Service Qualifications

1. Seasonality

In order to qualify for assistance, scheduled new airport service must be intended for a period of at least three months within a 12-month period for both qualifying domestic and international service.

2. Frequency

In order to qualify for assistance, scheduled new airport service must be operated at an average rate of two operations per week for domestic (U.S.) destinations, or one operation per week for international (non-U.S.) destinations.

3. Multiple Applicant Scenario

In a case where an additional carrier announces its intention to operate a previously unserved route for which another carrier has announced its intention to serve the market, the second carrier would be eligible to apply for and receive incentive benefits so long as that carrier's ASIP Application is received by the Director of Air Service Development within 30-days of the initial carrier's public announcement of the service, or public scheduling of service with OAG, whichever occurs first.

D. Rebate Procedures

1. Landing Fee Rebate

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Carriers that meet the requirements of this policy shall receive a rebate of all airport landing fees for service to eligible and approved destinations. Air Service Development shall provide Finance with monthly qualifying landing fee rebate information for appropriate accounts receivable adjustments. Landing fee rebates will then be applied as a credit on the carrier's statement. An ASIP Landing Report Form must be submitted by the qualifying carrier to RDU by the 10th day of the following month for waivers to be applied. Should a carrier fail to submit its ASIP Landing Report Form by 5:00pm EDT/EST on the 10th day of the following month, landing fee waivers may not be made available to the carrier for that month.

Landing fee waivers will be applied to a maximum of one daily operation to the Qualified and Approved Service market. Routes with multiple daily arrivals will receive landing fee waivers applied to the single largest aircraft arrival that day, as measured by reported landed weight.

For example, a flight operating with daily service during the month of November 2020 would qualify for landing fee waivers applied to all 30 arrivals. A flight operated with twice daily arrivals in the month of November would also be limited to landing fee waivers for 30 arrivals. A flight operated twice daily with two different equipment types would qualify for 30 landing fee waivers applied to the larger equipment by reported landing weight.

E. Carrier Qualifications

1. Good standing

In addition to the qualifications detailed above, no carrier will be eligible for assistance through the Air Service Program unless that carrier is in good standing with the Airport. Good standing is defined as having an appropriate security deposit in place with the Airport, and being current on all invoiced and other payments owed to the Airport. Should a carrier exit good standing status with the Airport at any point during the assistance period, the carrier will be subject to a forfeiture of all future cost offsets until such time that the carrier returns to good standing status with the Airport. In such cases, incentives will not be retroactively applied to the period for which the carrier was out of good standing.

2. Air Service Incentive Program Application

In order to qualify for assistance through the Air Service Program, a carrier must complete an Air Service Incentive Program Application, and submit a signed copy to the Director of Air Service Development at least seven-days prior to the start of the service period. Furthermore, the carrier must receive written notification from

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the Director of Air Service Development of Application acceptance, review and approval prior to cost offsets being applied to new service. Fee waivers will not be applied retroactively for service not meeting these requirements.

4. ASIP Landing Report Form

The Director of Air Service Development will provide qualifying carriers with an ASIP Landing Report Form template following approval of the ASIP Application. This form is required to be filled out and submitted to the Director of Air Service Development with qualifying flight information by 5:00pm EDT/EST on the 10th day following the affected month in order for landing fee rebates to be applied.

3. Service Changes

Should service to a qualifying destination for which the carrier is actively receiving assistance change such that the service no longer meets the service requirements detailed above, the carrier will forfeit all future cost offsets pertaining to this route

F. Carrier Qualifications

1. Incentive Cap

The Airport has placed an annual budgetary cap in the amount of \$1,000,000 USD to fund rebates for Air Service Incentive Program incentive costs in a given fiscal year. For the fiscal year 2020/2021, this amount has been pro-rated to a budgetary cap of \$83,333.33.

Any application for ASIP incentives that would, based upon the proposed schedule, exceed the Airport's total spending cap for that fiscal year, will receive a response notifying the carrier of the maximum benefit allowed, and projected date of termination for incentives. Any subsequent ASIP Applications received following the Airport's commitment to ASIP funding at or in excess of the budgetary cap will be considered with the understanding that ASIP incentives would only be eligible for operations occurring in the next budgetary fiscal year, subject to existing budgetary commitments. The Airport's fiscal year begins April 1st and comes to a close March 31st.



Michael J. Landguth, A.A.E.
President & CEO

RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES APRIL 15, 2021

Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Contract with Summers Concrete Contracting for Taxiway B Rehab

Presented by Jim Novak, Director of Facilities Engineering – Staff requests the award of a construction contract in connection with project Taxiway B Rehabilitation, Phase 2, (RDU 211120). This is a high priority project to rehabilitate the pavement and alter the geometry of Taxiway B, and the adjacent runway and taxiway connectors, to comply with the latest FAA Advisory Circular design standards. The scope of work includes full-depth reconstruction of portions of Taxiway B from north of Taxiway D to north of Taxiway B6, Taxiways B5, B6 and Taxiway C from Runway 5L-23R runway safety area to the edge of Taxiway F, and portions of Taxiways B7 and B8; new asphalt taxiway shoulders; subsurface drainage improvements; replacement or reuse of taxiway edge lights and signs; new taxiway centerline lights; pavement markings; and turf restoration.

A bidder pre-qualification package was advertised followed by a pre-qualification meeting. Pre-qualification packages were due on September 14, 2020 at which time nine contractors submitted applications. Based on staff review, eight of the nine contractors were deemed qualified to bid the project. The project was advertised and a pre-bid meeting and Disadvantaged Business Enterprise (DBE) workshop was conducted on February 17, 2021 and five bids were received on March 9, 2021. The bids were opened and publicly read via live video stream. The lowest responsive, responsible bid was from Summers Concrete Contracting, Inc. in the amount of \$17,605,905.19. The engineer's estimate was \$17,587,470.

The project is federally assisted; the federal DBE program applies. The DBE goal for this project was set at 11%. Summers Concrete's proposed DBE participation of 11%. The Authority's Small Business Programs Office reviewed the proposed participation and determined that Summers Concrete Contracting, Inc. met DBE program requirements.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/LOvuE-J7e9E>.

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The current budget for Capital Project 211120 is \$36,000,000, in which funds exist for this award. FAA grants are in place for \$22,583,007 of the total project cost.

Staff requests the award of a construction contract to Summers Concrete Contracting, Inc. in the amount of \$17,605,905.19 for the Taxiway B Rehabilitation Phase 2 project and authorization for the President and CEO to execute the contract.

2. Consideration of Task Order Amendment with WK Dickson for Taxiway B Rehab

Presented by Jim Novak, Director of Facilities Engineering – Staff requests consideration of the award of Amendment No. 5 to Task Order No. 15 under the Master Consulting Services Agreement with WK Dickson (consultant) for work related to the Taxiway B Rehabilitation, Phase 2 project. This is a high priority project to rehabilitate the pavement and alter the geometry of Taxiway B and the adjacent runway and taxiway connectors to comply with the latest FAA Advisory Circular design standards. The scope of work for construction administration services includes conducting a pre-construction meeting, reviewing shop drawings and submittals for compliance with the contract documents, reviewing and responding to requests for information, creating change orders, reviewing contractor applications for payment, performing periodic site visits to inspect the work for compliance with the contract documents, leading weekly project progress meetings with Authority staff and contractor, preparing and issuing field reports to document the progress of the work and noting any defects or deficiencies, conducting inspections associated with substantial completion and final completion, preparing record drawings, issuing Certificate of Substantial Completion, accumulating project closeout records and project closeout.

Total compensation under proposed Amendment No. 5 to Task Order No. 15 is a not-to-exceed amount of \$315,628. New total amount for Task Order No. 15, including Amendment No. 5, will be \$877,805.

The federal Disadvantaged Business Enterprise (DBE) program applies as this project is federally assisted. The DBE Commitment for Amendment No. 5 to Task Order No. 15 is 21.7%. The Authority's Small Business Programs Office reviewed the proposed participation and determined that WK Dickson met DBE program requirements.

Staff requests approval of Amendment No. 5 to Task Order No. 15 with WK Dickson in the amount of \$315,628 and authorization for the President and CEO to execute the amendment.

3. Consideration of Task Order 3 with Landrum & Brown for Environmental Assessment

Presented by Ellis Cayton, P.E., Vice President Planning, Sustainability, and Program Support – Staff requests approval of Task Order 3 with Landrum & Brown Incorporated for development of an Environmental Assessment (EA) for the Runway 5L/23R Replacement program. On March 21, 2019, the Board approved a Master Consulting Services Agreement with Landrum & Brown for the development of an Environmental Impact Statement (EIS) for the Federal Aviation Administration (FAA) related to the Runway 5L/23R Replacement

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program and other projects. Subsequent to the approval of the master agreement, Task Order 1 was executed authorizing initial mobilization and scoping activities, and Task Order 2 was executed authorizing Landrum & Brown to conduct pre-Notice of Intent services for the EIS.

The Authority revised its long-term capital program in recognition of the COVID-19 pandemic's changing effect on aviation and airport operations, including a decision to replace Runway 5L/23 at its current length of 10,000 feet instead of 11,500 feet, and to postpone the other projects contemplated by the EIS. In recognition of these changes, on January 15, 2021, the FAA notified that it would allow the Authority to conduct an EA to determine whether an EIS is necessary rather than proceed with an EIS from the outset.

Work in support of the EA includes a variety of tasks such as detailed development for the proposed action, field investigations, refinements of purpose, need, and alternatives, environmental analysis, consequences and mitigation measures, public outreach, and development of a formal EA report. Task Order 3 is a not-to-exceed sum of \$2,319,026 (\$1,979,915 for labor and \$339,111 for expenses). Costs incurred for the EA preparation are partially reimbursable under the FAA's Airport Improvement Program. Staff also anticipates funding participation by the North Carolina Division of Aviation.

The Disadvantage Business Enterprise (DBE) participation goal for this contract is 10%. Landrum & Brown has committed to 21% DBE participation in Task Order 3. The DBE firms involved are Airport Design Consultants, Inc., Legacy Research Associates, Three Oaks Engineering, and Public Participation Partners. The Authority's Small Business Programs Office determined that this commitment meets the DBE program requirements.

Staff requests approval of Task Order 3 with Landrum & Brown Incorporated, and authorization for the President and CEO to execute the agreement.

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Yessenia Polanco-Galdamez



Michael J. Landguth, A.A.E.
President & CEO

RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES APRIL 15, 2021

Hannah¹ presided. Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez.² Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.³

The Committee discussed the following items:

1. Presentation Regarding Sustainability Management Plan

Presented by Gina Danison, Environmental Program Administrator – This presentation provides information relative to the status of the Sustainability Management Plan (SMP), giving an update on portions of the SMP completed to date and outlining recommendations to continue development of a final plan. In 2018, staff shared with the Board that while the Authority already did many things that other airports have in their SMPs, such as obtaining LEED certification for Terminal 1, maintaining a robust recycling program, utilizing a Building Management System, purchasing materials and supplies in bulk, and reusing pavement millings from construction activities, the Authority did not have all these initiatives documented and organized into one comprehensive program. An SMP would enable the Authority to better track its initiatives, communicate to stakeholders about these initiatives and achievements, increase efficiency, better plan projects for economic savings and more formally integrate sustainability considerations into the strategic planning process. Staff subsequently received approval from the Board to engage an outside consultant, experienced in developing SMPs, to assist in developing an SMP for the Authority's operation. Work began on the first phase of SMP development in October 2018 and continued until March 2020 when the project was put on hold due to COVID-19.

Staff, along with a communications consultant, developed a formal Sustainability Statement that was presented to the Board in September 2019, as follows:

“The Raleigh-Durham Airport Authority has worked with community leaders to grow responsibly, with genuine respect for our natural resources and a desire to deliver a world-class airport experience. We have been diligent in environmental stewardship, often exceeding regulatory expectations. As our region thrives, we remain committed to

¹ In the absence of Committee Chair Thompson

² Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication.

³ The meeting was live streamed at <https://youtu.be/LOvuE-J7e9E>.

Raleigh-Durham Airport Authority Board Members

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responsible, sustainable growth that positively contributes to all aspects of our dynamic community — environmentally, socially, and fiscally.”

During the project, the Internal Advisory Committee (the “IAC” comprised of staff) and External Advisory Committee (the “EAC” comprised of representatives from local municipalities, universities, businesses, tenants, transportation entities, state government, etc.), were created and met twice. An SMP framework was developed, a baseline assessment was conducted with a deeper dive into energy efficiency and waste management, and a public workshop was held. During the IAC and EAC meetings, the direction of the SMP was determined, as were the key focus areas: Water and Stormwater, Materials and Waste, Land Use and Natural Resources, Greenhouse Gas (GHG) Emissions Management, Business Continuity and Resiliency, Energy, Sustainable Buildings and Infrastructure, Sustainable Transportation, and Community, Customers, and Employees.

At an upcoming Board meeting, staff plans to present for consideration a task order to continue the remaining phases of SMP development.

For informative purposes only. No Board action requested.

2. Consideration of Terminal Concession Agreement with Uptown Airport Group

Presented by Tyler Maheu, Director of Commercial Management, Business Development – On January 18, 2021, the Authority issued the Terminal 2 Short Term Food and Beverage Concession Request for Proposal (“RFP”). The RFP included three food and beverage units that expire on May 31, 2021. The short term solicitation was in response to the need for continued food and beverage service in Terminal 2 while staff continues planning efforts for a Terminal 2 food and beverage refresh. The RFP was released to existing concessions tenants. The RFP required the first unit, an existing Bruegger’s Bagels concept, to remain the same. The second unit, co-located with Bruegger’s, was requested to provide a quick serve menu serving all day parts. The third unit was requested as a casual dine bar with food serving all day parts. Staff encouraged each location to offer grab and go options.

The Authority received one proposal for this solicitation submitted by Uptown Airport Group, LLC (“Uptown”), the current operator of these locations. Uptown is a joint venture owned by three Disadvantaged Business Enterprise Airport Concessionaires (“ACDBE”), based in Charlotte, North Carolina. Uptown began operations in Terminal 1 in 2014 with the opening of Char-Grill and Salsarita’s Fresh Cantina. Uptown began operations in Terminal 2 as a sub-tenant of Areas in January 2020, operating Bruegger’s Bagels, Wow Bao, and Raleigh Taproom. In September 2020, Uptown assumed the Areas lease continuing operations of the sub-leased units while the other Areas leased units closed as a result of the decline in traffic associated with the COVID-19 pandemic.

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Under this solicitation, Uptown proposed the continuation of Bruegger’s Bagels and Raleigh Taproom, both of which operated throughout the pandemic. Wow Bao, which closed in March 2020, will be replaced with Uptown Burger Bar. Uptown Burger Bar, a quick serve concept, will offer all day parts including breakfast sandwiches, burgers, chicken tenders, and sides. A capital investment of \$40,000 will be made to convert Wow Bao to Uptown Burger Bar. The full lineup of proposed concepts is detailed below.

Current Concept	New Concept	Concept Type	Current % Rent	New % Rent
Bruegger’s Bagels	Bruegger’s Bagels	Quick Serve	17%	15% Food
Raleigh Tap Room	Raleigh Tap Room	Casual Dine	17% Food 17% Alcohol	15% Food 17% Alcohol
Wow Bao	Uptown Burger Bar	Quick Serve	17%	15% Food

This concession opportunity has an initial eighteen-month term commencing on June 1, 2021 and expiring on November 30, 2022, and may be extended by the Authority for up to twelve additional months by exercising two (2) six (6) month extensions. Uptown will pay the Authority percentage rent of 15% on all food and non-alcoholic beverages and 17% on all alcoholic beverages. A minimum annual guarantee was not requested for the short-term solicitation. Uptown is 100% ACDBE certified which exceeded the RFP goal of 50.0%.

Staff requests approval of the Terminal Concession Agreement with Uptown Airport Group, LLC and authorization for the President and CEO to execute the agreement.

3. Consideration of Terminal Support Space Lease with Uptown Airport Group

Presented by Tyler Maheu, Director of Commercial Management, Business Development – On January 18, 2021, the Authority issued the Terminal 2 Short-Term Food and Beverage Concession Request for Proposal (RFP) for three food and beverage units that expire on May 31, 2021. The solicitation was issued to existing concessionaires. Uptown Airport Group, LLC (“Uptown”) was the single respondent to the RFP and was awarded the Terminal 2 Short-Term Terminal Concession. Uptown is the current operator of the three units included in the RFP after assuming the Areas lease in September 2020.

Uptown, is a joint venture owned by three Disadvantaged Business Enterprise Airport Concessionaires (“ACDBE”), based in Charlotte, North Carolina. Uptown operates Char-Grill and Salsarita’s Fresh Cantina in Terminal 1.

Pending approval of the Terminal 2 Short-Term Food and Beverage Concession to Uptown Airport Group, LLC, staff is requesting approval for a Support Space Agreement for Uptown Airport Group for storage spaces detailed below.

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Space Designation	Type of Space	Square Footage	Monthly Rent	Annual Rent
Room 1145 A	Storage	180.57	\$734.47	\$8,813.62
Room 1145 B	Storage	155.4	\$632.09	\$7,585.07
Room 1145 C	Storage	98.66	\$401.29	\$4,815.59

Uptown will pay to the Authority annual rent of \$21,214.28 with monthly installments of \$1,767.85 for the support spaces. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the operating budget adopted by the Authority. The term for the Support Space Lease Agreement will run concurrently with Uptown's Terminal Concession Lease that expires on November 30, 2022.

Staff request approval of the Terminal Support Space Lease Agreement with Uptown Airport Group, LLC and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES APRIL 30, 2021 at 12:00 p.m.

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards, the purpose for the special meeting, and that the live stream was operating for public viewing.

I. NEW BUSINESS

1. Consideration of Agreement with Newrest RDU LLC for Warehouse and Delivery Facility Services

Presented by Rob Hale, Vice President Commercial – HMS Host (Host), a current food and beverage concessionaire, operates a full-service warehouse and delivery facility at RDU for the benefit of all food and beverage concessionaires. In late February 2021, Host provided formal notice to the Authority of its intent to cease providing warehouse facilities and delivery operations at RDU and return the leased space to the Authority. The Authority requested that Host continue to provide these essential services through June 4, 2021 while an interim solution was identified. The Authority has determined a short-term solution and proposes a contract with Newrest RDU LLC (Newrest), an international catering company that currently provides all catering for Delta Air Lines' operations at RDU. Newrest plans to offer all services to food and beverage tenants as currently provided by Host. Timely transition to Newrest will ensure no discontinuity of these services to tenants.

The agreement negotiated designates Newrest to perform warehousing and delivery services for food and beverage tenants. Compensation to the Authority is 10% of the gross fee Newrest charges the tenants for any services related to warehousing and deliveries. Newrest will contract directly with each tenant for all required services. If approved, this agreement would be for 12 months with two (2) six-month options.

¹ Due to coronavirus precautionary measures and governmental directives restricting public gatherings, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/xftaQ2VoPug>.

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The Authority will also be responsible for complying with various TSA security requirements, which may be the subject of a separate agreement at the appropriate time.

Staff requests approval of the agreement with Newrest RDU LLC to be the sole-source interim provider of warehouse and delivery services for all food and beverage tenants at RDU and authorization for the President and CEO to execute the agreement.

Motion by Morgan for approval of the agreement with Newrest RDU LLC to be the sole-source interim provider of warehouse and delivery services for all food and beverage tenants at RDU and authorization for the President and CEO to execute the agreement; Second by Polanco-Galdamez

ADOPTED BY UNANIMOUS VOTE

2. Consideration of Lease Termination and Mutual Release with RDU Currency and Business Services, and Terminal Concession Lease with CLS Management Services

Presented by Diane Harris, Business Manager – RDU Currency and Business Services, LLC (RDU Currency), a joint venture company involving Travelex Currency Services, Inc. (Travelex) and CLS Management Services, Inc. (CLS), entered into a Terminal Concession Lease with the Raleigh-Durham Airport Authority on April 19, 2007 to operate a foreign currency exchange, business services and ATM concession in Terminals 1 and 2, which lease expires January 31, 2022. In August 2020, Travelex North America, Inc., the parent company of Travelex, announced that due to reduction in international travel resulting from the global pandemic, Travelex will end business in the North American market as of April 30, 2021.

RDU Currency requested early termination of its lease effective April 30, 2021, due to the cessation of business by Travelex. CLS expressed interest, as an individual entity, in continuing the provision of ATM and foreign currency services. A new Terminal Concession Lease is proposed solely with CLS to provide ATM and foreign currency services effective May 1, 2021 to January 31, 2022. The CLS proposed agreement represents a short term of only nine (9) months, the amount of time remaining on the RDU Currency agreement as well as a reduced number of ATMs located in Terminals 1 and 2. One ATM, located in Terminal 2, near Gate C3 will provide multi-currency including US dollars. When scheduled European flights return, a mobile kiosk will be made available to provide foreign currency options.

The rent structure for CLS will be a fee of \$0.75 per ATM transaction and 2.5% for foreign currency transactions. A solicitation process will be planned in the coming months to prepare for a long-term foreign currency and select ATMs agreement.

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Staff requests approval of the Lease Termination and Mutual Release Agreement with RDU Currency and Business Services, LLC, and of the Terminal Concession Lease with CLS Management Services, Inc., and authorization for the President and CEO to execute the agreements.

Motion by Kushner for approval of the Lease Termination and Mutual Release Agreement with RDU Currency and Business Services, LLC, and of the Terminal Concession Lease with CLS Management Services, Inc., and authorization for the President and CEO to execute the agreements; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

II. CHAIR AND MEMBER COMMENTS

Chair Hannah thanked members for arranging their schedules to attend this Friday afternoon meeting and for their continued service. He expressed appreciation to the staff and senior management and extended his wish that everyone and their families continue to stay safe and well. Chair Hannah opened the floor for member comments and members expressed appreciation to be able to join virtually. Others noted taking time away with family and everyone was wished a good weekend and to take care and be safe.

III. ADJOURNMENT

Motion by Hall for adjournment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES MAY 20, 2021

Chair Hannah presided. Present: Hankins, Kushner, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, requiring masks to be worn while on airport property, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Thompson to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Kushner to approve the minutes of the April 15, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the actions by consent and committee minutes incorporated therein, and of the special meeting of the Board held on April 30, 2021; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah discussed eased travel and mask restrictions for vaccinated individuals, and explained TSA's extension of the federal mask mandate through September 13, requiring masks continue to be worn at airports and on-board commercial flights.
3. The extended deadline for REAL IDs is now May 3, 2023, after which such identification will be required when boarding a domestic flight or before entering some federal facilities.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/0lnsrwW98Fs>.

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4. Chair Hannah noted that the N.C. Dept. of Environmental Quality authorized RDUAA's permit for a perimeter fence within Neuse River buffers on airport property. The proposed security fencing will be evaluated and prioritized with other projects for the Board's future consideration as passenger traffic levels increase.
5. Chair Hannah congratulated Michael Landguth on being named by the Business North Carolina Magazine to its inaugural Power List which recognizes the state's most influential business leaders.

IV. OLD BUSINESS

1. Finance Committee Report – Hannah reported Board members met during the Finance Committee work session on May 20, 2021 and discussed the following items:

- a. Consideration of Acceptance of Federal Aviation Administration Grants

For acceptance of the FAA grants in the amounts of \$12,488,766 and \$1,481,961, and authorization for the President and CEO to execute the grant documents

- b. Consideration of Updates to the Authority-Issued Credit Card Policy

For approval of the updated Authority-Issued Credit Card Policy, and authorization for the President and CEO to take any required actions to implement the updated Policy including updating procedures for Authority-issued credit cards

- c. Consideration of Proposed FY21-22 Internal Audit Plan

For approval of the FY21-22 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan

- d. Consideration of Letter of Credit Approach with TD Bank, N.A.

Presentation to Board in committee work session for informative purposes only. No Board action required.

*Motion by Hankins for approval of above items a. through c. (item d. for informative purposes only);
Second by Thompson*

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Hannah reported Board members met during the Land and Development Committee work session on May 20, 2021 and discussed the following item:

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a. Consideration of Amendment with RS&H for Runway 5L-23R Replacement Project

Motion by Morgan for approval of Amendment No. 2 to the Agreement with RS&H Architects-Engineers Planners, in the amount of \$989,300 and authorization for the President and CEO to execute the amendment; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

3. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on May 20, 2021 and discussed the following items:

a. Consideration of an Agreement with SCIS Air Security, Inc.

Motion by Thompson for approval of the agreement with SCIS Air Security Inc, in the amount of \$121,351.66 and authorization for the President and CEO to execute the agreement; Second by Polanco-Galdamez

b. Consideration of Purchase of Explosive Detection K-9s and Vehicles

Motion by Thompson for approval for the procurement of two (2) Explosive Detection K-9 replacements, associated K-9 handler/trainer's course, and two (2) 2021 Ford Expeditions for the new K-9s with all supporting police equipment, and utilization of \$132,835 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for these procurements, and authorization for the President and CEO to execute the agreements with Capital Ford, Inc. for \$111,335 and NC K9, LLC for \$21,500, and any related documents, and that pursuant to the requirements of the North Carolina General Statutes, for approval of the determination that Martin is of no further fiscal value to the organization and should be retired in a way that allows him to live the remainder of his life in a manner befitting his service; Second by Polanco-Galdamez

c. Consideration of Modification Agreement with Marshall Retail Group for Rent Relief

Motion by Thompson for approval of this Modification Agreement for The Marshall Retail Group, LLC and authorization for the President and CEO to execute the agreement; Second by Polanco-Galdamez

d. Consideration of Amendment Three to Service Agreement with Elite Line Services

Motion by Thompson for approval of Amendment Three to the Service Agreement with Elite Line Services, Inc. in the not-to-exceed amount of \$2,497,504.49 and authorization for the President and CEO to execute the amendment; Second by Polanco-Galdamez

e. Consideration of Amendment Two to Service Agreement with ASCO Power Services

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Motion by Thompson for approval of Amendment Two to the Service Agreement with ASCO Power Services, Inc., in the amount of \$583.20 and the authorization for the President and CEO to execute the amendment; Second by Hannah

Motion by Morgan for approval of above items a. through e.; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

No items were reported.

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Staff was commended for work preparing for and making presentations. Michael Landguth was congratulated on being named to Business North Carolina Magazine's inaugural Power List. The retiring Explosive Detection K-9s were recognized for their service to the airport. Volume of public emails to board members was noted. Misconceptions regarding the airport perimeter fence, false perceptions of a lack of discussions between the Authority and various public and government entities, and the legal requirements that the Authority receive fair market value for airport land were commented upon. The airport was voiced as being a tremendous community asset driving regional economy, not the community's enemy. It was also noted that fencing would protect airport property from trespassers, illegal structures on the property, and possible injuries to trespassers and liability to the Authority.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board members, Team RDU, business partners, and guests who have joined us today, with a special welcome to new Board members.

Activity Report

The number of departing passengers screened by TSA during the month of April was just under 300,000. That was an increase of 1,391% from April of last year. Total passenger traffic for the month was 606,460. That was up 1,415% from April of last year and down 47% from April of 2019. It was also an increase of 23% from last month. The number of daily departures was 137, up 154% from April 2020 and down 38% from April 2019. May is the first month in which no airlines at RDU are blocking middle seats, so we will be watching to see how that might affect passenger traffic.

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Parking Changes

RDU adjusted parking offerings to ensure all customers can continue to enjoy easy access to airport parking facilities on their next trip. Online rates for Central will remain at \$10 a day. The Central drive-up rate will increase to \$12 a day – still discounted from the pre-pandemic daily rate. The Premier online rate will decrease to \$16 a day. The Premier gate or drive up rate will remain at \$22 a day. RDU reduced the Central rate by \$5, or one-third, last year when it consolidated all airport parking into the deck. By keeping the discounted \$10 a day maximum rate for Central available that is available through online booking at ParkRDU.com, RDU will continue to deliver value for customers seeking an affordable parking option.

Booking your parking online in advance will always guarantee the lowest rate available. Deal-shoppers should bookmark ParkRDU.com and sign up for email updates to make sure they know about discounts and special offers. Booking your parking online also allows each guest to enjoy seamless, contactless entry and exit.

The airport must be thoughtful about managing its limited resources in the wake of the hardest year in aviation history. With all airport parking consolidated into Park RDU Central and Premier, we are consistently monitoring capacity levels and tracking passenger forecasts to make sure we have enough spaces and parking options available. We also consistently review our rates and promotions to match parking options with guest needs and preserve a world-class customer experience.

The COVID-19 pandemic has disrupted virtually all aspects of daily airport operations. As we continue to forecast passenger volume over the coming months, we recognize that peak volume pushes our current capacity levels to their limits. During the Easter holiday weekend, RDU's Central parking deck reached nearly 81% full and Premier was only about 48% filled. The challenge is that the recovery has not been steady. It peaks during the holidays and busy travel periods and drops during the weeks in between.

RDU will consider re-opening remote lots as more travelers return to RDU. Consistent capacity constraints in current parking options will trigger the re-opening of additional lots. The re-opening process takes time due to many factors, from evaluating staffing and training needs to the expense associated with remote lot operation. RDU will continue to review parking trends, rates and promotions to help manage parking capacity and provide guests a range of parking options.

IX. ADJOURNMENT

Chair Hannah noted the special strategic meeting on Friday and thanked Board members for their continued commitment and service. He noted that only two current Board members saw the Strategic Plan developed and noted that decisions made currently must have long term strategic vision to help shape the airport for the coming years.

Motion by Thompson to adjourn; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES May 20, 2021

Hannah presided. Present: Hankins, Kushner, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Acceptance of Federal Aviation Administration Grants

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – This item provides staff’s recommendation for the acceptance of two separate grants from the Federal Aviation Administration:

- i. Funds from the Federal Aviation Administration (FAA) in the amount of \$12,488,766. On April 7, 2021, the Authority submitted a grant application to the FAA in this amount with said funds to be used for any lawful purpose as described in the Act. The use of these grant funds does not require any local match.
- ii. Funds from the FAA in the amount of \$1,481,961. On April 7, 2021, the Authority submitted a grant application to the FAA in this amount with said funds to be used for providing rent and minimum annual guarantee relief to eligible concessions at RDU. The use of these grant funds does not require any local match.

Staff requests acceptance of the above referenced grants and authorization for the President and CEO to execute the grant documents.

2. Consideration of Updates to the Authority-Issued Credit Card Policy

Presented by Christopher Rosette, Vice President of Legal Affairs – In April 2016, the Authority adopted the current Authority-Issued Credit Card policy (the “Policy”) to ensure appropriate use of credit cards issued on behalf of the Authority. Staff recently reviewed the Policy and its corresponding procedure to ensure the documents include current industry best practices, and are consistent with other Authority policies and procedures. Following the

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/0lnsrwW98Fs>.

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review, staff wishes to modify certain provisions to ensure the best and most up-to-date guidance is in place for the credit card program. The most significant changes from the current version are summarized below.

- The Director of Procurement will now be responsible for reconciling credit charges related to the travel program, and the Accountant is now responsible for the reconciliation of all other credit cards.
- The President and CEO may now authorize a travel agent to use limited purpose, digital credit card numbers rather than physical cards held by the agent.
- The CFO may authorize temporary credit limit increases for the Procurement Department for emergencies.
- References to gift cards have been removed as the Authority continues to minimize the use of such cards.
- Generally, credit cards can only be used to make purchases for the department in which the cardholder is employed. The COO and the CFO may now use their cards on behalf of any RDU department.
- The Finance Department no longer requires employees to submit receipts for expenses less than \$25.

Staff requests approval of the updated Authority-Issued Credit Card Policy, and authorization for the President and CEO to take any required actions to implement the updated Policy including updating procedures for Authority-issued credit cards.

3. Consideration of Proposed FY21-22 Internal Audit Plan

Presented by Frank W. White, Director of Internal Audit – The Internal Audit Department requests approval of the FY21-22 Internal Audit Plan. The FY21-22 Internal Audit Plan is in draft form and may be revised for any additions and/or deletions as per Board directive. The Authority's Internal Audit Department, which consists of three auditors, was established in 2007. Unlike external auditors, whose objective is to attest to the financial condition of an organization by auditing the balances in the financial statements as of a period of time, which for the Authority is March 31st of each year, the Internal Audit Department helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This is accomplished through a combination of assurance and consulting engagements designed to add value.

Staff requests approval of the FY21-22 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan.

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4. Consideration of Letter of Credit Approach with TD Bank, N.A.

Presented by Ron Kapocius, Vice President and Chief Financial Officer – As of May 1, 2021, the Authority has \$51,855,000 of outstanding Series 2008C Variable Rate Demand Bonds (VRDBs), representing approximately 13% of its total outstanding bonds.

VRDBs require a Letter of Credit (LOC) to provide liquidity and credit support for the re-marketing of the VRDBs to investors. Such LOCs are provided by a limited number of highly-rated, major financial institutions. The current LOC is provided by TD Bank, N.A. under an agreement that currently expires on November 15, 2021. TD Bank was selected in 2017 as the most favorable proposer among six banks responding to request for proposals. The current fee for the TD Bank LOC is 0.29%, which is currently very favorable in the present market.

Staff plans to request an extension of the agreement with TD Bank and will evaluate the terms provided with input from our bond counsel (Womble Bond Dickinson) and financial advisor (Frasca & Associates). If TD's proposed terms are consistent or favorable to the current market for these facilities then, staff would seek Board approval of an extension of the LOC agreement later in 2021. This extension approach will also reduce staff time and the cost of issuance fees needed with a new agreement. If TD is unable to offer acceptable terms, staff would seek to solicit proposals from other major financial institutions acceptable to investors and negotiate a new LOC agreement.

For informative purposes only. No Board action requested at this time.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES MAY 20, 2021

Hannah presided. Present: Hankins, Kushner, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Amendment with RS&H for Runway 5L-23R Replacement Project

Presented by Ronald Jewett, Vice President Facilities Asset Management – The Runway 5L-23R Replacement Program involves a parallel shift of the existing runway to a new position approximately 535' to the northwest, re-purposing and reconstruction of the existing runway to a parallel taxiway (Twy B), construction of connector taxiways, relocation of a portion of Lumley Road, and all supporting infrastructure. The program involves relocation and/or replacement of navigational aids (NAVAIDS), and construction of stormwater conveyances necessary for the near-term construction and also for the ultimate configuration of Runway 5L-23R.

Schematic design was originally completed for the runway's ultimate buildout length of 11,500'; however, the post-COVID plan calls for construction of a runway approximately 10,000' in length. An important consequence of this change is that the project's environmental effort has become an Environmental Assessment (EA) versus a much longer Environmental Impact Statement. An agreement with the EA consultant, Landrum & Brown, was authorized at the April 2021 Board meeting, and this memo details the necessary corresponding engineering support needed to enable the runway design effort to advance.

The firm of RS&H Architects-Engineers-Planners (RS&H) is the designer for the airfield elements of the project. Staff is requesting the award of Amendment No. 2 to the agreement with RS&H, which will authorize the following services:

Task 1 - This element will consist of providing engineering support to the Authority's EA consultant. Anticipated services will include the creation of engineering alternatives and corresponding revisions to the Schematic Design Report and Plans for airfield components of the overall Runway 5L-23R Replacement Program. The airfield components include all items associated with the new runway, conversion of the existing runway to Twy B, and renaming

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of Twy B and Taxiway F, including pavements, earthwork, drainage, airfield electrical, NAVAIDS, vehicle service roads, and ancillary infrastructure.

Task 2 - The Runway 5L-23R Replacement Program modifies practically all of the stormwater drainage on the west side of the airport. Decades of changes in weather patterns coupled with increasing regulatory burdens has increased the complexity of stormwater management at large facilities such as RDU. As an integral part of the design process, a comprehensive inventory and evaluation of existing stormwater infrastructure capability is needed. This information will be used during design, along with current regulatory requirements and best management practices, to ensure that post-development conditions match or improve existing stormwater quality and that no downstream flooding is caused by the development.

The not-to-exceed cost of services proposed in Amendment No. 2 will be \$989,300 for labor (compensated at hourly rates) with reimbursable expenses covered in existing funds in the Agreement so there is no increase for those expenses. With the cost of Amendment No. 2 of \$989,300, the maximum compensation for the Agreement will become \$4,385,004. An independent fee estimate was conducted and the difference was \$91,540, which is within the FAA guideline of 10%. The fee is considered fair and reasonable. Further, depending upon funding availability, approximately 75% of this amendment may be funded by the FAA, in an amount up to \$741,975, with the Authority funding the balance.

The Minority and Women-owned Small Business (MWSB) goals for the existing Agreement are 10% for Minority-owned Businesses (MB) and 5% for Women-owned Businesses (WB). Since FAA funds are anticipated for this amendment, the federal Disadvantaged Business Enterprise (DBE) program will be applicable and a DBE goal of 15% will be applied. RS&H's proposed DBE participation for Amendment No. 2 is 14.3%, with RS&H's updated MWSB/DBE participation in the entire Agreement being 21.6%. The Authority's Small Business Programs Office concurs with this commitment.

Staff requests approval of Amendment No. 2 to the Agreement with RS&H Architects-Engineers-Planners, in the amount of \$989,300 and authorization for the President and CEO to execute the amendment.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES MAY 20, 2021

Thompson presided. Present: Hankins, Hannah, Kushner, Morgan, and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of an Agreement with SCIS Air Security, Inc.

Presented by John Graves, Director of Operations – The Authority's current commissary warehouse delivery vendor (HMS Host) has given notice it intends to discontinue these delivery services to terminal concessionaires and Newrest was approved as the interim replacement vendor. Transportation Security Administration (TSA) regulations require all merchandise delivered to the airport's sterile area be inspected and properly secured prior to delivery. Therefore, security inspection services will be needed to inspect and monitor Newrest as the commissary vendor.

SCIS Air Security, Inc. (SCIS) is already providing these security inspection services at the airport for Delta Airlines and Sky Chef. This would only be an extension of their services to a new customer (i.e., the Authority). Without entering into an agreement with SCIS Air Security Inc., a new security company would need to be recruited, go through background checks, and otherwise initiate operations at RDU. That would take more time than available for HMS Host's imminent departure, potentially resulting in a delay and inability to meet TSA security requirements, which would result in significant supply delivery problems for terminal concessionaires.

Staff has negotiated an agreement with SCIS in the amount of \$121,351.66, for a duration of one year. Costs associated with these security inspections will be recovered from concessionaires operating in Terminal 2.

Staff requests approval of the agreement with SCIS Air Security Inc, in the amount of \$121,351.66 and authorization for the President and CEO to execute the agreement.

¹ Due to coronavirus precautionary measures and governmental directives, Board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/0lnsrwW98Fs>.

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2. Consideration of Purchase of Explosive Detection K-9s and Vehicles

Presented by Steele Myers, Chief of Police and Christopher Slavik, Law Enforcement Captain – Staff requests approval for the purchase of two (2) Explosive Detection K-9 replacements for retiring Explosive Detection K-9s, Jager and Martin, including the associated K-9 handler/trainer's course. Further, staff is requesting approval for the purchase of two (2) 2021 Ford Expeditions for the new K-9s with all supporting police equipment. Staff is also seeking approval to utilize funds from the Department of Justice Asset Forfeiture/Equitable Sharing Program for these purchases.

The vehicles will be purchased from Capital Ford, Inc. via NC State Contract 070A. Capital Ford will subcontract with Batteries of NC & S.W.S LLC for the installation of all the electronic police equipment associated with supporting the new K-9s.

The amount of funds requested to be transferred from the Department of Justice Asset Forfeiture/Equitable Sharing Program's ICE account is \$132,835, which is the total cost for this project. If approved, the distribution of funding will be:

1. Capital Ford, Inc for \$111,335; and
2. NC K9 LLC for \$21,500.

Staff requests approval for the procurement of two (2) Explosive Detection K-9 replacements, associated K-9 handler/trainer's course, and two (2) 2021 Ford Expeditions for the new K-9s with all supporting police equipment, and utilization of \$132,835 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for these procurements, and authorization for the President and CEO to execute the agreements with Capital Ford, Inc. for \$111,335 and NC K9, LLC for \$21,500, and any related documents.

Staff also requests that pursuant to the requirements of the North Carolina General Statutes, the Board of the Raleigh-Durham Airport Authority determines that Martin is of no further fiscal value to the organization and should be retired in a way that allows him to live the remainder of his life in a manner befitting his service.

3. Consideration of Modification Agreement with Marshall Retail Group for Rent Relief

Presented by Kimberly Stewart, Director of Concessions – The Marshall Retail Group, LLC (MRG) operates 6 retail spaces in Terminals 1 and 2 and, along with other concessionaires, was deeply impacted following the COVID-19 pandemic. The pandemic's effects resulted in a decline in passenger traffic such that concessionaires were unable to generate sales to meet their rent obligation. As a result, the Authority offered rent relief to concessionaires through a modification agreement.

The President and CEO received signatory authorization mid-year 2020 from the Board to execute modification agreements without formal Board presentment in order to keep relief and

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recovery efforts moving forward. The signatory authorization ended on March 31, 2021. A small number of modification agreements continued in negotiation or were under legal review beyond the March 31, 2021 signatory authorization period.

Staff requests approval of this Modification Agreement for The Marshall Retail Group, LLC and authorization for the President and CEO to execute the agreement.

4. Consideration of Amendment Three to Service Agreement with Elite Line Services

Presented by Barry Stoker, Director Contract Facility Maintenance – Staff requests approval of Amendment Three to the Service Agreement with Elite Line Services, Inc. (ELS) for baggage handling system, passenger boarding bridge and aircraft support equipment maintenance and repairs. The proposed amendment will reinstate subcontracted labor positions, including control room operators, jam runners and manual encoders, which were eliminated in April 2020 as a cost savings measure in response to the COVID-19 pandemic. These eliminated positions are now needed to meet the growing demands on the systems and equipment due to escalating passenger volume. Also, this amendment will reinstate all subcontracted hours and labor rates established in the original contract; however, the hours will be phased in over time as passenger traffic and baggage volume increases. Recommendations for any increase in labor hours will be presented to executive management for approval. The total cost this amendment will be a not-to-exceed amount of \$2,497,504.49 over the remaining 40-months term of the agreement.

Staff requests approval of Amendment Three to the Service Agreement with Elite Line Services, Inc. in the not-to-exceed amount of \$2,497,504.49 and authorization for the President and CEO to execute the amendment.

5. Consideration of Amendment Two to Service Agreement with ASCO Power Services

Presented by Barry Stoker, Director Contract Facility Maintenance – Staff requests approval for an amendment to the Service Agreement with ASCO Power Services, Inc. (“ASCO”) for automatic transfer switch (ATS) maintenance services. The proposed amendment will increase the scope of work to include maintenance services for one additional ATS unit located at the Airport Operations Center. This new unit was installed in a recently completed project to improve power redundancy for critical airport IT systems. Service for the additional ATS will increase the annual service amount by \$194.40 resulting in a total amendment cost of \$583.20 for the remaining three years of the contract term.

Staff requests approval of Amendment Two to the Service Agreement with ASCO Power Services, Inc., in the amount of \$583.20 and the authorization for the President and CEO to execute the amendment.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES MAY 21, 2021 at 8:00 a.m.

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members and noted that the meeting was being held remotely in accordance with governmental and TSA directives, the purpose for the special meeting, and that the live stream was operating for public viewing.

Chair Hannah welcomed everyone to the first strategic Board meeting for FY21-22, initiated to provide dedicated time to focus on the Authority's long-term strategic vision and posture. He discussed RDU's complex operating environment and the Board's role to provide strategic direction and policies enabling responsible growth to support the airport's mission and the community's needs. Chair Hannah referred to the current Strategic Plan and revisiting the plan to ensure it reflects the airport's current and future strategies and priorities, especially in view of the drastic changes to the airport industry.

Chuck McFall, SVP Chief Information and Strategy Officer, explained his role for the Strategic Plan and the annual business planning process. He noted the plan was over five years old and the Authority's intent to engage an aviation consultant to assist in plan refresh and validation process for the Authority's vision, mission and core values applicability. Mr. McFall discussed analyses to be performed and evaluations to determine relevancy of plan to Vision 2040 and determining what goals, objectives, and plans need revision to better enable the Authority's vision and mission, and periodic board briefings to be conducted.

Michael Landguth, President and Chief Executive Officer, presented information on regional economic development, detailing business, economic, and population growth. He discussed workforce challenges and salary escalation in the area, as well as the smaller labor market. Mr. Landguth detailed reasons that air carriers are focusing on gate space at RDU as recovery rebounds and the need to position RDU for air service demand. He noted current recovery levels, holiday travel surges, and the travel increase following vaccination availability and lessening restrictions, and that travel demand could exceed 2019 levels. Mr. Landguth discussed the need to review Vision 2040 and start prioritizing key projects to get on track, and add necessary staffing. He noted that revenue could lag the investment needed,

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² The meeting was live streamed at https://youtu.be/C_SYSVTPvS0.

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necessitating that the Authority use reserves to manage recovery, as projects which can have long lead times are restarted and accelerated to try and stay ahead of the travel demand. Mr. Landguth outlined next steps, and referred to the current survival business plan due to the pandemic and the necessity to think strategically to sort and identify key projects and find the resources and staffing necessary.

The Board discussed past compensation analysis and potential strategies to attract new staff as well as retain and transition staff nearing retirement. There was further discussion on recovery strategies if business traffic does not return fully and attracting leisure market travelers.

David Freedman, Senior Vice President and Chief Revenue Officer, introduced Kimberly Stewart, Director of Concessions, Rob Hale, Vice President Commercial Management, and Tyler Maheu, Director of Commercial Management, for a combined presentation regarding an Operator Model concessions program. The current concessions program was described, noting the units open and those that closed as a result of the pandemic. The program goals of Refresh, Reimagine, and Realignment were explained as well as the efforts to reflect local regional concepts, elevate guest experience, encourage ACDBE participation and increase diversity of concessions offering. The traditional concessionaire model, including its financial structure were explained as well as the disadvantages of this model, including inability to pay MAG during extreme downturns, and the capital investments barrier to local, small and ACDBE businesses.

The benefits of the Operator Model were outlined and airports using such models were noted. A financial comparison of the tradition vs. the Operator Model was detailed. The redevelopment of three units in Terminal 2 using the Operator Model was described and the potential timeline for the RFP issuance, as well as for drafting an agreement for this operator structure was discussed. Thiané Carter, the Director of Small Business Programs, described ACDBE/MWSB outreach initiatives and the process to make local businesses aware of opportunities at RDU and get them involved.

Highlights of the draft Operator Agreement were covered. There was discussion regarding the role of the operator versus the Authority in the design process. There was further discussion regarding qualified operators who, if selected, could choose to participate in concession opportunities that might be offered during the specified period and how that would affect potential operators that might have to wait for a new offering period. The internal proposed development stakeholder team was outlined, as was the proposed responsibility matrix for the Operator Model.

Financial efforts and analysis were detailed, as were the Authority's investment amortization options, the monthly cash flow, and deficit plan. There was discussion that this model was advantageous to concessionaires as it reduces barriers to entry and that the revenue splits vary at facilities based on the investment being outlaid. There was further discussion regarding management and staffing, with it noted that the operator was responsible for day-to-day operations and that the Authority's Concessions team may need to increase as traffic levels return and the concessions program returns and grows. Erin Locklear, General Counsel, answered questions regarding the Authority's enabling legislation authorizing adequate legal authority to proceed. Next steps in the rollout of this Operator Model process were explained with a timeline of when staff recommendations are expected to be before the Board. Board members expressed positive comments regarding effective inclusion of small and minority

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businesses and removal of barriers for all businesses. Other concession model options were described and the benefits of the Operator Model were summarized.

David Freedman gave a brief update on parking at RDU, which has experienced increased levels from Thursday through Sunday, sometimes with only a few 100 unused spaces. Based on increasing parking demand, Park Economy 3 will be opening and an RFP was released for the necessary bus drivers and supervisors; however, no one is under contract at this time. The Authority will temporarily utilize WEMOVV LLC to provide drivers, until the matter can be brought to the Board for consideration.

A brief recess was taken until 10:50 a.m.

William Sandifer, Senior Vice President and Chief Operating Officer, gave a presentation regarding project delivery and the different types of methods. He explained the process for both design/bid/build and for construction manager (at-risk), giving the pros/cons for each method. Mr. Sandifer discussed the DBE and MWSB programs and the compliance goal setting process. Contract compliance requirements to be met by vendors was detailed. There was discussion on enforcing contract compliance and bond coverage of subcontractors. Mr. Sandifer discussed staff's recommendations for utilizing a construction manager (at-risk) for the Runway 5L/23R Replacement program and for the Terminal 2 Concession Program, both programs being multi-year and multi-bid package programs with contractor involvement during design critical, and providing a greater opportunity for utilization of MWSB participation. He outlined the future progress path and timeline for the upcoming Business Opportunity Workshop, the RFQ for CMAR, and the process to bring a recommendation before the Board in the fall. Mr. Sandifer noted that a CMAR selection policy is being prepared and will be brought to the Board for its consideration, which policy will apply to both Authority and federally-funded projects, and will consistently apply both state and federal law, and will involve a two-step selection process when utilizing federal funding.

Erin Locklear, General Counsel, updated the Board regarding a property line issue brought to the Authority's attention by Duke Realty. Duke Realty is in the process of selling part of a parcel and during that process it was determined in that a previous incorrect survey misstated boundary lines resulting in the encroachment of a building, with the affected Authority property totaling a little over 2.1 acres. Ms. Locklear reiterated that for this property, purchased by the Authority and titled pursuant to the then statutory requirements in the four cities and counties' names, the Authority has sole and complete authority over these properties. While Duke Realty wanted to purchase the encroached property, the Authority practice is not to sell property and a perpetual easement was requested. This easement allows for the Authority to maintain this as buffer property and to prohibit any incompatible use. While it believed it was high, Duke Realty agreed to the Authority's appraisal value and agreed to all the provisions required by the Authority in the easement including full indemnification, maintenance requirements, and all federally required provisions.

Motion by Hankins to approve the granting by the Authority of two perpetual easements to Duke Realty and authorization for the President and CEO to execute the documents; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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Chair Hannah thanked members for arranging their schedules to attend this Friday strategic meeting and for their continued service. Board members thanked staff for their preparatory work, information provided, and concisely detailing matters for Board consideration. The timeline for further strategic sessions was discussed, as well as Board involvement in the strategic planning process. Chair Hannah noted his appreciation for the communication and collaboration at this impactful meeting. He noted that long term planning for the airport ensures a thriving economy and value to all stakeholders. Chair Hannah commented that this was a public meeting with all conversations public.

Motion by Hall for adjournment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JUNE 17, 2021

Chair Hannah presided. Present: Hall, Hankins, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, requiring masks to be worn while on airport property, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Polanco-Galdamez to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Polanco-Galdamez to approve the minutes of the May 20, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein, and of the special meeting of the Board held on May 21, 2021; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah commented on the encouraging passenger volume growth at RDU and efforts to restore operational levels, such as the reopening of Park Economy 3. He asked for the public's patience as necessary maintenance is assessed prior to the reopening of the Observation Park.
3. Everyone was encouraged to visit the *Careers* page on www.RDU.com to view the many job opportunities available with the Authority and its tenants.
4. Chair Hannah reminded travelers to arrive at least two hours early for departures at RDU, especially at peak early morning travel times, as there can be a wait at check-ins and the security checkpoint.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/AqZkFgcRJdY>.

Raleigh-Durham Airport Authority Board Members

DURHAM COUNTY

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David Morgan

CITY OF RALEIGH

Sepideh Saidi, **Vice Chair**
Dickie Thompson

WAKE COUNTY

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Ellis Hankins

CITY OF DURHAM

Tammie Hall, **Treasurer**
Yesenia Polanco-Galdamez



Michael J. Landguth, A.A.E.
President & CEO

5. Chair Hannah detailed the launch of the new Triangle Takeoff Coalition and the goals to build confidence in air travel, regain and secure critical domestic and international travel destinations, reinforce commitment to the region's economic vitality and maintain the Triangle's status as a top place to live and work. He described the "Carry on" multi-phase advertising campaign, funded in partnership with companies and organizations across the region invested in RDU's recovery. The campaign features prominent local figures and spotlights small businesses throughout the community. A "Carry On" commercial clip was shown.
6. Joshua Barmer, the Authority's Safety and Risk Analyst, was recognized for earning his Public Sector-Manager of Environmental, Safety and Health Certificate.

IV. OLD BUSINESS

1. Marketing and Guest Experience Committee Report – Hankins reported Board members met during the Marketing and Guest Experience Committee work session on June 17, 2021 and heard a presentation on the following item:

- a. Presentation Regarding Triangle Takeoff Coalition "Carry On" Campaign

Presentation to Board in committee work session for informative purposes only. No Board action required.

2. Land and Development Committee Report – Thompson reported Board members met during the Land and Development Committee work session on June 17, 2021 and discussed the following item:

- a. Consideration of Construction Manager-At-Risk Selection Policy

Motion by Thompson approval of the Construction Manager-At-Risk Selection Policy as presented; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Hannah reported Board members met during the Finance Committee work session on June 17, 2021 and discussed the following items:

- a. Presentation of Financial Performance and Consideration of Acceptance of Audited Financial Statements and Compliance Audits for FY 2021

Thompson asked for acceptance of the Comprehensive Annual Financial Report (CAFR) and the two Compliance Audit Reports for the fiscal year 2021 (April 1, 2020 - March 31, 2021);

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b. Consideration of Amendment #1 to FY21/22 Budget Ordinance

Thompson asked for approval of the 2021-2022 Budget Ordinance Amendment #1, increasing funding for necessary transit staffing to re-open Park Economy 3

Motion by Morgan to accept/approve the above items a. and b.; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

4. Operations Committee Report – Morgan reported Board members met during the Operations Committee work session on June 17, 2021 and discussed the following items:

a. Consideration of Amendment with WEMOVV, LLC for Shuttle Staffing Services

Morgan asked for approval of Amendment One to the Services Agreement with WEMOVV, LLC until October 27, 2021, to provide staffing services to operate a bus and shuttle service at a cost not-to-exceed \$682,992, and authorization for the President and CEO to execute the amendment.³

b. Consideration of Extension of Rent Relief to Terminal Concession Tenants

Morgan asked for approval to extend rent relief for an additional 6 months by amending the executed Modification Agreements and authorization for the President and CEO to execute the amendments.

c. Consideration of Modification Agreement for Rent Relief with XpresSpa RDU Airport

Morgan asked for approval of the Modification Agreement for XpresSpa RDU Airport, LLC and authorization for the President and CEO to execute the agreement.

d. Consideration of Task Order with AECOM for Sustainability Management Plan

Morgan asked for approval of the Task Order (MA20.03.00) with AECOM Technical Services of North Carolina, Inc. for a not-to-exceed amount of \$230,555.50 and authorization for the President and CEO to enter into and execute this Task Order.

e. Consideration of Amendment Eleven to Service Agreement with ABM Aviation

Morgan asked approval of Amendment Eleven to the Service Agreement with ABM Aviation, Inc. in the amount of \$7,978,959.50 and authorization for the President and CEO to execute the amendment.

³ The prerequisite budget ordinance adjustment for this item was approved.

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f. Consideration of Agreement with Total Communications

Morgan asked approval to enter into a five-year agreement with Total Communications at a cost of \$266,653.17, and for authorization for the President and CEO to execute any necessary documents.

Motion by Thompson for approval of above items a. through f.; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

No items were reported.

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Condolences were expressed to the Kushner family for their recent loss. Staff and senior leadership were thanked for their financial discipline and for weathering the pandemic's effects and managing and mobilizing the airport to meet increasing passenger demands. The finance staff was recognized for their work and the excellent audit report. IT staff was commended for providing the means and assistance for virtual meetings. Board members expressed encouragement and excitement for the "Carry on" campaign, for its inclusion of small businesses, and for the Coalition's partnership with the Authority to positively showcase the airport and its benefits to the community.

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 saw more than 772,000 total passengers come through the airport during the month of May. 27% more people boarded a flight from RDU compared to the previous month. Passenger volume was up 688% from May 2020 and down 41% from May 2019. The number of daily departures was 146, up 210% from May 2020 and down 37% from May 2019.

Air Service

I am pleased to report that Sun Country has extended its inaugural season at RDU through the end of November. Travelers to Minneapolis-St. Paul will continue to enjoy service from RDU's newest airline partner. Sun Country's service was the first to be eligible for RDU's new air service incentive program, and this extension is a strong show of support for their future here at RDU. I am excited to see the new incentive program working as intended.

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Spirit Airlines also recently announced they will begin service between RDU and Miami in November. These recent air service additions are a positive step forward in the airport's recovery, and we are grateful to Spirit for their continued investment in the community.

Finally, American Airlines announced late last week that they will be launching twice daily nonstop service to Tampa in November. This makes American RDU's fifth airline partner to offer year-round or seasonal service to Tampa. American recently launched service to Nashville, Orlando and Destin-Ft. Walton Beach, and we appreciate their commitment to RDU.

Environmental Assessment

RDU is entering the beginning stages of its most significant and dynamic airport infrastructure project, the proposed Runway 5L/23R replacement program. Authority staff are collaborating with a consultant team and the FAA on this project. A website will soon launch that provides the public with information about the environmental assessment process as a necessary component of the runway replacement program, including public outreach, future meetings and all relevant documents and reports. The website is expected to go live next week and will offer the public an opportunity to subscribe to request notifications of important milestones throughout the environmental assessment process.

Beginning July 21, a presentation will be posted to the site for the public to review the proposed project, the environmental assessment process, and to learn more about the purpose and need, potential alternatives, and the environmental resources to be analyzed. The intent is to provide the public with an overview of the scope of work involved in the environmental assessment and allow for public comment specifically related to the runway replacement program.

TSA Face Covering Requirement

The Transportation Security Administration recently updated its guidance on the security directive that requires everyone at the airport to wear a face covering. Airport workers and guests are no longer required to wear a face covering in open-air areas of the airport, which include all parking facilities and the terminal curb. The face covering requirement remains in place for all other areas of the airport, including the terminals and other airport buildings, until September 13.

Southwest 50th Anniversary

Finally, I hope you will help me congratulate Southwest Airlines on 50 years of service. All week, their RDU team has celebrated with guests, culminating in their anniversary tomorrow, June 18.

Southwest has been a valued partner to RDU since the first flight took off in 1999, and a wonderful airline option for our community when they "Wanna Get Away."

IX. ADJOURNMENT

Motion by Hankins to adjourn; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY
2021-2022 BUDGET ORDINANCE AMENDMENT #1

BE IT ORDAINED by the Raleigh-Durham Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2021-2022 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Raleigh-Durham International Airport for the fiscal year beginning April 1, 2021 and ending March 31, 2022 in accordance with the following schedule:

EXPENDITURES:

	Original ¹	Change 6/17/2021	Amended
Airport Operating Expenses	\$ 73,036,368	\$ 682,992	\$ 73,719,360
Capital Projects Spend	28,477,989	-	28,477,989
Future Capital Projects	469,020	-	469,020
Future CFC Projects	7,038,232	-	7,038,232
Net Debt Service	41,324,569	-	41,324,569
Total	\$ 150,346,178	\$ 682,992	\$ 151,029,170

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2021 and ending March 31, 2022:

REVENUES:

	Original ¹	Change 6/17/2021	Amended
Airfield	\$ 8,042,616	\$ -	\$ 8,042,616
General Aviation	2,064,449	-	2,064,449
Buildings and Grounds	73,953,866	-	73,953,866
Total Operating Revenues	\$ 84,060,931	\$ -	\$ 84,060,931
Interest and Other Income	31,908,277	-	31,908,277
Grants	21,090,707	-	21,090,707
PFC Revenue	6,248,031	-	6,248,031
CFC Revenue	7,038,232	-	7,038,232
Appropriated Fund Balance	-	682,992	682,992
Total	\$ 150,346,178	\$ 682,992	\$ 151,029,170

Section 3. This Budget Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.

Section 4.

This ordinance became effective on April 1, 2021, and amended this 17th day of June 2021.

Notes:

¹ Original- budget ordinance adopted March 18, 2021

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RALEIGH- DURHAM AIRPORT AUTHORITY MARKETING AND GUEST EXPERIENCE COMMITTEE¹ WORK SESSION MINUTES JUNE 17, 2021

Hankins presided. Present: Hall, Hannah, Morgan, Polanco-Galdamez, and Thompson.² Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.³

The Committee discussed the following item:

1. Presentation Regarding Triangle Takeoff Coalition “Carry On” Campaign

Presented by Crystal Feldman, Vice President Communications, Government & Community Affairs – The purpose of this presentation is to brief the Board on the recent formation of the Triangle Takeoff Coalition and the launch of its “Carry On” campaign.

A number of prominent companies located in the Research Triangle region have formed the Triangle Takeoff Coalition in support of Raleigh-Durham International Airport. Coalition members include Novo Nordisk, Research Triangle Foundation, Cree | Wolfspeed, Lenovo, SAS, Raleigh-Durham Airport Authority and Duke University, among many others.

The coalition is funding an integrated advertising campaign to facilitate regional economic recovery and restore air service at RDU. The “Carry On” campaign launched June 14 and will run through the end of October 2021 in central and eastern North Carolina. The foundation of the campaign is a broadcast commercial that features local prominent faces, as well as static ads that will run in print, digital and social media. While the campaign focuses on getting our community back in the air, it also highlights local companies and small businesses that depend on the airport and value its positive impact on the region’s economy.

A “Carry On” commercial was played for the Board. Crystal Feldman introduced attending representatives from companies in the Coalition: Shaylah Jones from Novo Nordisk; Lisa Marie Ferrell from Lenovo; and McGavock Edwards from Eckel & Vaughan. The representatives expressed the value of being a good corporate citizen and how the recovery and rebound of passenger traffic at RDU directly impacts the region’s economy. The media campaign and its market penetration was described. The evolution of the campaign was detailed as were the

¹ Previously Marketing and Customer Services Committee

² Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

³ The meeting was live streamed at <https://youtu.be/AqZkFgcRJdY>.

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collaborative efforts from Coalition members to help build understanding in the region and to assist the airport and community in recovery growth.

Board members expressed appreciation to Crystal Feldman and the Communications, Government & Community Affairs staff, and to the business and community partners, for their efforts in this Coalition and for supporting RDU.

Presentation to Board in committee work session for informative purposes only. No Board action required.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES JUNE 17, 2021

Thompson presided. Present: Hall, Hankins, Hannah, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Construction Manager-At-Risk Selection Policy

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – This item provides staff's recommendation for the approval of the Construction Manager-At-Risk Selection Policy. At the May Board workshop, staff discussed their experience with various project delivery methods and expressed a desire/preference to use a Construction Manager-At-Risk (CMAR) method for two imminent projects (i.e., Concession Operator Model facility development and Runway 5L/23R Replacement Program). The runway program will be unique in that this will be the first project completed by the Authority using a CMAR method where federal funds are involved. When federal funding is involved the Federal Aviation Administration requires the selection of a construction manager using price as one of the selection factors.

Staff has developed an organizational policy that will provide direction when selecting future CMAR firms, using Authority funds as well as federal funding. Staff desires to have Board concurrence with this process and now presents this draft Policy for Board consideration.

Staff requests approval of the Construction Manager-At-Risk Selection Policy as presented.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/AqZkFgcRJdY>.

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CONSTRUCTION MANAGER-AT-RISK SELECTION POLICY

1.0 PURPOSE

The purpose of this Policy is to set forth the specific requirements to follow when selecting Construction Manager-At-Risk firms for projects in accordance with applicable law.

2.0 APPLICABILITY AND EFFECTIVE DATE

This Policy applies to all employees of the Raleigh-Durham Airport Authority and is only applicable when the Authority intends to use a Construction Manager-At-Risk project delivery method for a project.

This Policy is adopted and effective as of June 17, 2021. It replaces and revokes any existing policies on the same subject matter.

3.0 DEFINITIONS

- A. Authority – the Raleigh-Durham Airport Authority.
- B. Construction Manager-at-Risk (CMAR) – a person, corporation or entity that provides construction management-at-risk services as defined in G.S. §143-128.1(a)(2).
- C. Policy – Policy 6330-1.0, Construction Manager-At-Risk Selection Policy.
- D. President and Chief Executive Officer (CEO) – the individual responsible for the day-to-day operation, planning and development of the Raleigh-Durham International Airport.
- E. Request for Proposals (RFP) – a request for additional information from CMARs that have previously submitted a response to a Request for Qualification and been short-listed by the Authority's Selection Committee.
- F. Request for Qualifications (RFQ) – a publicly advertised request issued by the Authority seeking statements of qualifications from potential CMARs. The RFQ shall specify the selection criteria that will be used to evaluate potential CMARs.
- G. Selection Committee – the committee established to review and evaluate the statements of qualifications and responses to RFPs and RFQs submitted by CMARs.

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H. Vice President – either the Vice President of Facility Asset Management or the Vice President of Buildings & Building Systems.

4.0 POLICY STATEMENT

The selection of a CMAR by the Authority will be conducted in accordance with the applicable requirements of federal and state statutes, regulations, rules and policies, and the policies and procedures adopted by the Authority. Furthermore, it is the Policy of the Authority that:

- A. The selection process shall be uniform, consistent and transparent in its application to all CMAR proposers.
- B. The selected CMAR shall be qualified to provide such services based upon demonstrated competence and qualifications for the type of work contemplated for the project.
- C. The selected CMAR is not required to have been previously awarded a project by the Authority.
- D. CMARs shall be required as part of the selection process to prove their respective history or experience with projects of similar size, scope, or complexity.
- E. If the construction or repair work involves the expenditure of federal funds, applicable federal statutes, regulations, rules and policies of the Federal Aviation Administration shall be applied consistent with all applicable requirements of North Carolina law, including G.S. §63-54. Among other requirements, for projects involving the expenditure of federal funds, the Federal Aviation Administration's Advisory Circular No. 150/5100-14E requires the Authority to select a CMAR using the following method:
 - a. The Authority shall issue an RFQ with preliminary project information and receive qualifications statements from interested CMAR firms. The Selection Committee shall evaluate the CMAR qualifications and use qualifications-based criteria to establish a rank and short-list of the most qualified CMAR firms.
 - b. After a short-list has been established, the Selection Committee will provide more detailed design information in the form of an RFP to the short-listed CMAR firms who will be requested to respond with a proposal that includes price information, such as proposed fees, general conditions, and unit pricing. The CMAR will then be selected with qualifications and price as a consideration.
 - c. After selection and before executing a contract with the CMAR, the Authority will negotiate the fees for pre-construction services that may include: (1)

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design document review, (2) construction scheduling and sequencing, (3) cost estimating, and/or (4) constructability reviews with recommended cost savings, among other things. If an acceptable contract and fee structure cannot be negotiated with the preferred CMAR, negotiations with the selected CMAR shall be terminated and initiated with the next highest ranked CMAR.

- F. If federal funds will not be used in connection with the project, then the CMAR will be selected using the following method:
 - a. The Authority shall issue an RFQ with preliminary project information and receive qualifications statements from interested CMAR firms. The Selection Committee shall evaluate the CMAR qualifications and use qualifications-based criteria to establish a rank and short-list of the most qualified CMAR firms.
 - b. After ranking and short-listing the CMAR firms, the Authority may, but is not required to, provide more detailed design information in the form of an RFP and request additional information from the short-listed CMAR firms. The RFP shall not request any pricing information except unit prices at this stage.
- G. Following the RFQ and optional RFP process, the CMAR will be selected based on demonstrated competence and qualification, without regard to fee other than unit price information. After selection and before execution of the contract, the Authority will negotiate a contract for the CMAR's services at a fair and reasonable price with the best qualified firm. If an acceptable contract and fee structure cannot be negotiated with the preferred CMAR, negotiations with the selected CMAR shall be terminated and initiated with the next highest ranked CMAR. The Authority shall advertise for CMAR services for a minimum of thirty (30) days prior to the opening of proposals.
- H. The Authority shall use good faith efforts to comply with G.S., §143-128.2, G.S. §143-128.3 and G.S. §143-128.4, and to recruit and select small business entities.

5.0 RESPONSIBILITIES

5.1 VICE PRESIDENT

- A. The Vice President is responsible for the development of the RFQ and RFP (if applicable) for the specific CMAR project.
- B. The Vice President will have the RFQ and RFP (if applicable) approved by the President & CEO prior to issuance.

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- C. The Vice President is responsible for advertising the CMAR opportunity in accordance with the requirements of this Policy and any other applicable requirements.
- D. The Vice President shall designate the members of the Selection Committee which shall include the Director of Small Business Programs (or designee), one member from the Procurement Department, and at least three other members.
- E. The Vice President is responsible for communicating to the CMARs the decision of the Selection Committee pertaining to the project.

5.2 SELECTION COMMITTEE

- A. The Selection Committee is responsible for reviewing information submitted by CMAR firms and will determine each firm's qualifications and eligibility for the project.
- B. The Selection Committee shall follow the criteria and scoring system defined in the RFQ to determine qualified proposers.
- C. The Selection Committee shall short-list and rank qualified CMAR firms.
- D. The Selection Committee shall review proposals, interview short-listed CMAR firms and recommend a selection.

5.3 PRESIDENT AND CEO

- A. The President & CEO shall approve the RFQ and RFP (if applicable) prior to issuance. In approving the RFQ/RFP the President & CEO shall determine that using a CMAR delivery method is in the best interests of the project, comparing the advantages and disadvantages of using CMAR services for a given project in lieu of the delivery methods identified in G.S. §143-128(a1)(1) through G.S. §143-128(a1)(3).

6.0 RECORDS MANAGEMENT

The Vice President responsible for the CMAR selection is the custodian of records related to the Authority's administration of this Policy. The named custodian(s) will comply with the Records Management Policy as adopted by the Authority, as may be amended from time to time.

7.0 REVIEW

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The Senior Vice President & Chief Operating Officer is responsible for reviewing this Policy annually or more often as warranted.

8.0 EXCEPTIONS

Exceptions to this Policy may be made at the President and CEO's discretion.

9.0 REFERENCES

- A. North Carolina General Statutes §63-54, § 143-64.31, and § 143-128.1.
- B. Federal Aviation Administration Advisory Circular 150/5100-14E.
- C. Raleigh-Durham Airport Authority Prequalification Ratings Matrix.

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DOCUMENT APPROVAL

ADOPTED BY:  June 17, 2021
 Patrick Hannah, Chair DATE

DOCUMENT HISTORY

Date	Version	Description
June 17, 2021	v1	Initial Adoption

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Policy Receipt Acknowledgement

Please ensure that you have read and understand the Policy before signing this document.

By signing below, I acknowledge that I have read the Policy named above and agree to abide by it as a condition of my employment with Raleigh-Durham Airport Authority.

I understand that I should consult my immediate supervisor or a Human Resources representative if I have questions or concerns.

Printed Name: _____

Signature: _____

Date: _____



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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES JUNE 17, 2021

Hannah presided. Present: Hall, Hankins, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Presentation of Financial Performance and Consideration of Acceptance of Audited Financial Statements and Compliance Audits for FY 2021

Presented by Ron Kapocius, Vice President and Chief Financial Officer – Mr. Kapocius presented the Financial Performance for fiscal year ending March 31, 2021. He discussed trended enplanements, noting enplaned passenger traffic decreased 75% in FY2021 versus FY2020. He provided an overview of the financial results, giving budget and year-over-year variances, explaining the factors contributing to these results. Mr. Kapocius gave further details on factors contributing to the variances to the Operating Revenue Budget and to the Operating Expense Budget. He explained the fiscal year's capital project spend and the major capital projects undertaken. Mr. Kapocius showed the debt outstanding and discussed the recent financing benefits and metrics.

In closing, Mr. Kapocius recognized the finance team for being awarded for the 12th consecutive year the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. He noted that this incredible effort by staff was accomplished while working remotely during the pandemic and he thanked staff for their excellent efforts and tireless work on behalf of the Authority.

Mr. Kapocius introduced Tom McNeish of Elliott Davis, PLLC, to talk about the FY 20-21 audit. Mr. McNeish indicated that Elliott Davis was required to communicate certain aspects of the audit process, the audit results, and findings and recommendations. He noted that Authority staff provided the necessary information that enabled Elliott Davis to have a good understanding of areas of risk and where to focus the audit process and there were no difficulties in communication with Authority staff or management. Mr. McNeish went through the auditor and management responsibilities.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/AqZkFgcRJdY>.

Raleigh-Durham Airport Authority Board Members

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Mr. McNeish introduced Kelly Cantwell of Elliott Davis, PLLC, who discussed the audit results for the Financial Statements, Government Auditing Standards, Single Audit, and Passenger Facilities Charge program. Ms. Cantwell noted that all audits and compliance reports were issued with no material deficiencies, misstatements, or non-compliance. For the FY 19-20 audit, the one material weakness identified as to Accounts Payable cut-off regarding the construction-in-progress general ledger account was appropriately resolved by the Authority.

Board members commended the Finance staff for an outstanding job and another year of excellence.

Staff requests acceptance of the Comprehensive Annual Financial Report (CAFR) and the two Compliance Audit Reports for the fiscal year 2021 (April 1, 2020 - March 31, 2021).

2. Consideration of Amendment #1 to FY21/22 Budget Ordinance

Presented by Abraheem Ashe, Financial Planning and Analysis Manager – Staff requests consideration of Budget Ordinance Amendment #1, increasing the Budget Ordinance to provide budget funding for the transit staffing necessary to re-open Park Economy 3.

Staff requests approval of the 2021-2022 Budget Ordinance Amendment #1, increasing funding for necessary transit staffing to re-open Park Economy 3.

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RALEIGH-DURHAM AIRPORT AUTHORITY
2021-2022 BUDGET ORDINANCE AMENDMENT #1

BE IT ORDAINED by the Raleigh-Durham Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2021-2022 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Raleigh-Durham International Airport for the fiscal year beginning April 1, 2021 and ending March 31, 2022 in accordance with the following schedule:

EXPENDITURES:

	Original ¹	Change 6/17/2021	Amended
Airport Operating Expenses	\$ 73,036,368	\$ 682,992	\$ 73,719,360
Capital Projects Spend	28,477,989	-	28,477,989
Future Capital Projects	469,020	-	469,020
Future CFC Projects	7,038,232	-	7,038,232
Net Debt Service	41,324,569	-	41,324,569
Total	\$ 150,346,178	\$ 682,992	\$ 151,029,170

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2021 and ending March 31, 2022:

REVENUES:

	Original ¹	Change 6/17/2021	Amended
Airfield	\$ 8,042,616	\$ -	\$ 8,042,616
General Aviation	2,064,449	-	2,064,449
Buildings and Grounds	73,953,866	-	73,953,866
Total Operating Revenues	\$ 84,060,931	\$ -	\$ 84,060,931
Interest and Other Income	31,908,277	-	31,908,277
Grants	21,090,707	-	21,090,707
PFC Revenue	6,248,031	-	6,248,031
CFC Revenue	7,038,232	-	7,038,232
Appropriated Fund Balance	-	682,992	682,992
Total	\$ 150,346,178	\$ 682,992	\$ 151,029,170

Section 3. This Budget Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.

Section 4.

This ordinance became effective on April 1, 2021, and amended this 17th day of June 2021.

Notes:

¹ Original- budget ordinance adopted March 18, 2021



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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES JUNE 17, 2021

Morgan presided. Present: Hall, Hankins, Hannah, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Amendment with WEMOVV, LLC for Shuttle Staffing Services

Presented by Jeffrey A. Slayton, PMP, Director of Parking Operations – Due to sustained increases in passenger traffic in late April and throughout May 2021, staff was authorized to procure and deploy, on an emergency basis, a third party bus staffing service provider to operate Authority-owned bus and shuttle vehicles starting May 27, 2021 to service the re-opening of Park Economy 3 car park. This was required to alleviate increasing occupancy pressure on the garage facility and to accommodate all the Authority's customers. The initiation of this emergency agreement fell under the signing authority of the President and CEO.

Since May 27, WEMOVV, LLC has been successfully performing bus and shuttle staffing services for the Authority. By extending WEMOVV, LLC through October 27, 2021, staff can ensure that the competitively bid procurement of a long-term staffing agency already underway can be concluded and the successful contactor mobilized in time for a start of service beginning in late October 2021. This proposed amendment creates the critical bridge necessary to ensure continuity of bus and shuttle service to the Park Economy 3 car park.

Staff requests approval of Amendment One to the Services Agreement with WEMOVV, LLC until October 27, 2021 to provide staffing services to operate a bus and shuttle service at a cost not-to-exceed \$682,992, and authorization for the President and CEO to execute the amendment pending Board approval of a budget amendment.

2. Consideration of Extension of Rent Relief to Terminal Concession Tenants

Presented by Kimberly Stewart, Director of Concessions – Staff negotiated with concessionaires to offer rent relief resulting from impacts related to decreased passenger traffic following the global pandemic. Staff updated the Board in October 2020 outlining

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² The meeting was live streamed at <https://youtu.be/AqZkFgcRJdY>.

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relief goals and considerations. The Authority provided initial relief in the form of Minimum Annual Guarantee (MAG) waivers (financial relief). Staff provided details on the financial relief packages offered and eligibility for each package. In addition, staff provided an estimate of the total value of the financial relief package.

As part of its requirement for acceptance of the Coronavirus Response and Relief Supplemental Appropriate Act, 2021 (CRRSA), staff held consultation meetings with each ACDBE partner. During these consultation meetings, ACDBE partners indicated the relief provided thus far had been beneficial to them and noted that extended relief would be a continued help. Continuation of financial relief will provide stability to RDU's concessionaires.

With enplanements still reduced as compared to 2019 levels, concessionaires are still experiencing hardships related to the pandemic including labor shortages. Staff requests an extension of financial relief of MAG waivers for an additional 6 months extending beyond the current expiration of September 30, 2021 and extending to March 31, 2022. The additional 6 months will correspond with the fiscal year end for the Authority and the lease year end for the concessionaires. This extension will also allow staff additional time to work with our concessionaires to determine future rent structure for the remaining lease terms.

Staff requests approval to extend rent relief for an additional 6 months by amending the executed Modification Agreements and authorization for the President and CEO to execute the amendments.

3. Consideration of Modification Agreement for Rent Relief with XpresSpa RDU Airport

Presented by Kimberly Stewart, Director of Concessions – XpresSpa RDU Airport, LLC (XpresSpa) operates a single spa in Terminal 2 and, like other concessionaires, was largely impacted following the COVID-19 pandemic. The pandemic resulted in a decline in passenger traffic and, subsequently, concessionaires were unable to generate sales to meet their rent obligation. As a result, the Authority offered rent relief to concessionaires through a Modification Agreement.

Currently, XpresSpa remains closed until the earlier of passenger traffic reaching 75% of 2019 levels for a period of 30 days, or until October 1st, 2021.

The Authority's President and CEO received signatory authorization mid-year 2020 from the Board to execute Modification Agreements in order to keep the financial relief efforts moving forward. This proposed Modification Agreement with XpresSpa is commensurate with the financial relief offered to other concessionaires. The President and CEO's signatory authorization ended on March 31, 2021. A small number of Modification Agreements continued in negotiation or were under legal review beyond this March 31, 2021 signatory authorization end date.

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Staff requests approval of this Modification Agreement for XpresSpa RDU Airport, LLC and authorization for the President and CEO to execute the agreement.

4. Consideration of Task Order with AECOM for Sustainability Management Plan

Presented by Gina Danison, Environmental Program Administrator – Staff requests approval of the third Task Order (MA20.03.00) to the Master Services Agreement with AECOM Technical Services of North Carolina, Inc. (AECOM) for completion of the Sustainability Management Plan (SMP). As staff shared with the Board in April, the Authority engaged AECOM in 2018 to assist in developing an SMP for the Authority's operations. Work began on the first phase of SMP development in October 2018 and continued until March 2020 when the pandemic put on hold many projects including the SMP.

Staff is now seeking approval of this proposed task order to restart the Sustainability Management Plan development. The work covered in this task order will include reassessing focus areas, updating the baseline assessment, stakeholder engagement, development of actions, tactics, goals, and targets, developing an implementation and monitoring tool, and completion of the SMP itself.

The total contract amount for this third Task Order to AECOM's Master Services Agreement is a not-to-exceed sum of \$230,555.50 (\$222,456 for labor and \$8,099.50 for expenses).

AECOM's proposed Minority and Women-owned Small Business (MWSB) participation for this Task Order is 12.75% Minority-owned Business participation (MB) and 6.94% Women-owned Business (WB) participation. Public Participation Partners, the firm providing stakeholder engagement services on this task order, is both an MB and WB firm and is providing all MWSB participation on the task order. The Authority's Small Business Programs Office has reviewed this commitment and found it acceptable.

Staff requests approval of the Task Order (MA20.03.00) with AECOM Technical Services of North Carolina, Inc. for a not-to-exceed amount of \$230,555.50 and authorization for the President and CEO to enter into and execute this Task Order.

5. Consideration of Amendment Eleven to Service Agreement with ABM Aviation

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment Eleven to the Authority's janitorial agreement with ABM Aviation, Inc. (ABM). This proposed amendment addresses four items: exercising the second of two 1-year term options, extension of the enhanced cleaning program for TSA, reintroducing services to Park Economy 3, and a labor rate adjustment for janitorial staff.

Extension of the Agreement:

The current ABM janitorial agreement is due to expire at the end of its first of two 1-year option periods on August 31, 2021. Staff has been finalizing a new janitorial RFP which includes many updates to the scope of work that addresses various industry developments.

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These updates include enhanced restroom and customer service technology, CDC requirements, updated labor rates and benefits, enhanced quality assurance/quality control, MWSB participation, and other supplemental services. The RFP is scheduled to be publicly advertised starting in July 2021. The current procurement schedule anticipates presenting a new janitorial contract for consideration at the October Board meeting. Proposed Amendment Eleven includes the execution of the second 1-year option period through August 31, 2022. This will ensure janitorial services continue through award and potential new vendor transition period. The cost of a full one-year extension is \$6,498,487.19 at current rates.

Park Economy 3 Cleaning:

In May of 2020, the Authority closed Park Economy 3 due to reduced passenger traffic as a result of the pandemic. Janitorial services for Park Economy 3 were eliminated from ABM's contract as a cost savings measure. In May of 2021, RDU reopened Park Economy 3 and via Amendment Ten to ABM's contract, returned janitorial services to the facilities in this lot through August 31, 2021. Amendment Eleven includes maintaining these services through a full one-year term extension through August 31, 2022 at a cost of \$11,037.60.

TSA Enhanced Cleaning:

In February, the Board authorized Amendment Nine with ABM which included enhanced cleaning services in the Transportation Security Administration (TSA) passenger security checkpoints and baggage screening areas in Terminals 1 and 2. These enhanced cleaning services are provided to the TSA through an Other Transactions Agreement (OTA) through August 31, 2021. TSA has requested an extension of these services through September 30, 2021. The OTA will authorize reimbursement of expenses paid to ABM by the Authority for this enhanced cleaning totaling \$41,317.53 from September 1, 2021 to September 30, 2021. This amount is 100% reimbursable by TSA. Amendment Eleven includes this enhanced cleaning extension for TSA by ABM through September 30, 2021.

Labor Rate Adjustments for Janitorial Staff:

During the pandemic, ABM saw a reduction in its janitorial staffing levels due to normal attrition, staff concerns about working on-site due to the coronavirus, and staff leaving for higher paying roles within and outside the airport community. ABM has been working diligently to bring staffing levels back to pre-pandemic levels to keep service levels up with the return of passenger traffic. Current ABM hiring initiatives include, but are not limited to, signing bonuses, retention bonuses, and employee referral bonuses as well as increased targeted marketing and advertising. These efforts have proven unsuccessful with results similar to what is being seen in the local and national economy for similar positions.

ABM shared local market research on labor rates and opportunities for similar type positions at Amazon, Aerotek, McDonalds, Wegmans and others. To maintain competitiveness and ensure continued quality service in our facilities, Authority staff is recommending a labor rate adjustment for janitorial staff through the remaining term of the agreement. This adjustment would adjust the minimum pay rates upward to \$15.00 per hour for existing and new ABM staff members. This would put minimum pay rates in the upper percentiles for similar

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positions. Current pay rates for general cleaners range from \$11 to \$13 per hour depending on shift. This contract labor increase will be allocated only to direct employee wages and not authorized for operating expenses, overhead, profit, etc. Regular payroll information will be provided to the Authority's audit staff to monitor.

The costs for this adjustment are actual labor costs not to exceed \$1,439,154.78 through the remaining term (this period includes the full one-year term extension if approved by the Board). Staff believes this adjustment is necessary to continue to attract and retain janitorial staff to ensure continued quality service at RDU. These labor rate minimums will also be captured as part of the new RFP.

Staff requests approval of Amendment Eleven to the Service Agreement with ABM Aviation, Inc. in the amount of \$7,978,959.50 and authorization for the President and CEO to execute the amendment.

Motion by Hannah to enter into a closed session to protect sensitive security information from disclosure pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520; Second by Hankins³

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 12:56 p.m. until 1:24 p.m.

³ Due to time constraints the matter was not discussed for the closed session item to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to §143-318.11(a)(1) and (3).

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JULY 15, 2021

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, requiring masks to be worn while on airport property, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Thompson to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hankins to approve the minutes of the June 17, 2021 regular meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Hall

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah commented on the on-going assessment by staff of the Authority's long-term strategic direction, keeping in mind the changing and evolving operating environment and other factors, as well as future support of regional economic growth, and domestic and global connectivity, which matters would be discussed at the special board meeting set for July 23.
3. Chair Hannah reminded travelers about severe weather information available on RDU.com, noting that staff have been updating the airport's Hurricane Plan and meeting with tenants, airlines and concessionaires to ensure preparation by reviewing the plan and checklists.

IV. OLD BUSINESS

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/Ax23miiZ8Sw>.

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1. Finance Committee Report – Hannah reported Board members met during the Finance Committee work session on July 15, 2021 and heard a presentation on the following item:

- a. Presentation Regarding Insurance Renewals

Presentation to Board in committee work session for informative purposes only. No Board action required.

2. Operations Committee Report – Morgan reported Board members met during the Operations Committee work session on July 15, 2021 and discussed the following item in closed session due to security sensitive information:

- a. Consideration of Agreement with A3 Communications

Motion by Thompson for approval for a 5-year agreement with A3 Communications at a cost of \$205,318.35, and authorization for the President and CEO to sign any necessary, related documents; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of Amazon.com Services LLC Parking License Agreement Amendments
 - b. Consideration of an Agreement for Grease Pumping and Disposal Services

Motion by Thompson to approve and adopt the Consent Agenda items; Second by Hall

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Increases in passenger traffic and airport activity were noted and staff was thanked for their work on behalf of the airport and the community. There were comments about recent travels and the public was encouraged that it was time to fly, especially with the safety measures in place at RDU. Recent discussions with community and government partners were noted and enhancement of those relationships was encouraged. The Regional Transportation Alliance event held on July 9 was commended for the great showing of business and community support for the airport, and innovative strategies for advancement of a sustainable airport funding model as the region grows. The insurance renewal presentation, as well as the efforts of staff and the insurance agents were commended for the savings to and coverages for the Authority.

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VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

More than 887,000 total passengers traveled through RDU during the month of June. That number reflects a 15% increase over the airport's passenger volume in May. June passenger traffic was up 324% from June 2020 and down 33% from June 2019. The number of average daily departures was 159, up 157% from June 2020 and down 30% from June 2019.

Air Service

As RDU's airline partners continue to restore connectivity to the Research Triangle region, the airport celebrated the return of service to the Bay Area earlier this month with United's nonstop flight to San Francisco. As RDU looks to build upon the 43 nonstop destinations it currently serves, we are optimistic about the fall, with the anticipated return of Air Canada's daily service to Toronto and Montreal, among others.

Business Travel

These recent air service additions are underscored by encouraging trends in the resumption of business travel. Many of the nonstop destinations RDU served pre-COVID were business routes predominately flown by people traveling for work. The number of people flying for business dropped dramatically because of the pandemic and has been slower to recover than leisure travel due to corporate travel bans, virtual meeting platforms and international travel restrictions.

RDU's travel mix prior to the pandemic was split evenly between business and leisure. Today, business travel has recovered to about 35 percent of RDU's travel mix as workers start to return to the office and corporations lift travel restrictions. Airlines will consider restarting those business routes when business travel nears pre-pandemic levels.

TSA Face Covering Requirement

For anyone planning a visit to RDU, I would like to remind you that the Transportation Security Administration's security directive requiring everyone at the airport to wear a face covering remains in effect through Sept. 13. Airport workers and guests are no longer required to wear a face covering in open-air areas of the airport, which include all parking facilities and the terminal curb.

La Farm Bakery + Café Grand Opening

Finally, I look forward to celebrating the official grand opening of La Farm Bakery and Café in Terminal 2's Marketplace following the conclusion of this meeting. So far, guests are telling us they love La Farm's award-winning signature dishes, especially the white chocolate baguettes. And coffee fans are excited that RDU's signature new restaurant is serving Durham's own Counter

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Culture Coffee. As the Research Triangle community returns to air travel, we hope La Farm's new presence is a welcome surprise for those who have not flown for some time.

IX. ADJOURNMENT

Motion by Kushner to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT JULY 15, 2021

The Board approved the following items on the Consent Agenda:

a) Consideration of Amazon.com Services LLC Parking License Agreement Amendments

Memorandum by Tyler Maheu, Director of Commercial Management – The Authority entered into two separate Parking License Agreements (“Agreement One” and “Agreement Two”, respectively) with Amazon.com Services, LLC (“Amazon”) for 245 parking stalls in August 2020 and for 100 parking stalls in November 2020. Agreement Two was subsequently expanded, via Amendment 1, to encompass 246 stalls. The 491 stalls are co-located in the north end of Lot 5. The initial term of both Agreements expires July 31, 2021, and there are two, one-year extension options.

In June 2020 Amazon requested additional parking stalls. The Authority accommodated Amazon’s request per Amendments to the Parking License Agreement and simultaneously relocated Amazon to a vacant parking area in Lot 4 to address future aeronautical needs in Lot 5. In the relocated parking area in Lot 4, Amazon currently has 652 licensed stalls and pays the Authority \$60 per stall per month or \$39,120 monthly.

The proposed Amendments, to the Amazon.com Services LLC Parking License Agreements, exercise the first one-year extension options and extend the terms to July 31, 2022. All other terms and conditions of the Agreements will remain the same.

Staff requests approval of Parking License Agreement One Amendment 2 and of Parking License Agreement Two Amendment 3, with Amazon.com Services LLC and authorization for the President and CEO to execute these amendments.

b) Consideration of an Agreement for Grease Pumping and Disposal Services

Memorandum by Steven Yanni, Director of Contract Facilities Maintenance – Staff is seeking approval of a multi-year Service Agreement with Wind River Environmental for grease pumping and disposal services. The services to be provided under the proposed agreement include quarterly grease pumping services for 15 grease interceptors located in the terminals and the Airport Rescue and Fire Fighting facility.

Competitive pricing for these services was solicited through the RDU website as a Request for Proposals, and responses were received from one firm, Wind River Environmental, which met all the requirements of responsiveness and responsibility. Wind River Environmental owns and operates 16 treatment facilities across 16 states and it has provided services on an as-needed basis to the Authority for the past two years.

The proposed agreement will be for a term of three years, with two additional one-year option periods, beginning on September 1, 2021. The contract amount for the three-year term will be \$69,628.08. In addition, Minority and Women-owned Small Business (MWSB) participation goals for the contract were set at 7% Minority-owned Businesses

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and 4% Women-owned Businesses; however, Wind River indicated its intent to self-perform all services.

Staff requests approval of a three-year Service Agreement, plus two one-year option periods, with Wind River Environmental in the amount of \$69,628.08 and authorization for the President and CEO to execute the agreement.

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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES JULY 15, 2021

Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation Regarding Insurance Renewals

Presented by James Witherspoon, PHR, CSP, ARM, Director of Risk Management – The Authority’s insurance coverages renew as of July 1, 2021. Year over year changes in policies are:

1. Property coverage premium increased by \$23,618 with an increase in property values
2. Cyber Liability coverage premium increased by \$36,206
3. Workers Compensation coverage premium decreased by \$13,499 along with an experience modification rate of .67
4. Liability coverage premium decreased by \$27,890
5. Crime coverage premium increased by \$750
6. Automotive coverage premium increased by \$13,723
7. Directors and Officers/Employment Practices coverage premium decreased by \$6,667
8. Pollution Liability coverage premium increased by \$7,469
9. Fiduciary Liability coverage premium increased by \$450

The net premium impact is an increase of \$89,957 (from \$1,341,135 to \$1,431,092).

For informative purposes only. No Board action required.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/Ax23miiZ8Sw>.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES JULY 15, 2021

Morgan presided. Present: Hall, Hankins, Hannah, Kushner, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, and other staff members and guests.²

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

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 12:47 p.m. until 12:56 p.m.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/Ax23miiZ8Sw>.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES JULY 23, 2021 at 8:00 a.m.

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members and noted that the meeting was being held remotely in accordance with governmental and TSA directives, the purpose for the special meeting, and that the live stream was operating for public viewing.

Chair Hannah welcomed everyone to the second strategic Board meeting for FY21-22, to focus on the Authority's long-term strategic vision and posture, particularly as to revisions to the business plan and budget. He discussed how governance by the Board, providing strategic direction and policies will impact the airport and surrounding region in future years. Chair Hannah challenged the Board to be thoughtful in order to distinguish the airport and the community as leaders in technology, innovation and future services.

Michael Landguth, the Authority's President and CEO, requested that the Board consider the Federal Aviation Administration (FAA) grant as the first item and introduced Ronald Jewett, Vice President of Facility Asset Management. Mr. Jewett detailed staff's recommendation for the acceptance of a grant (3-37-0056-056-2021) from the FAA in the amount of \$3,770,986, offered at 100% funding, with no local match required. Mr. Jewett described the projects involved in the grant including the rehabilitation of Taxiways D, A5, C, and of an airside service road, as well as reconstruction of Taxiways A1, A (construction only), and the North Cargo Apron (design only).

Motion by Hankins to accept the Grant (3-37-0056-056-2021) in the amount of \$3,770,986 as presented by the Federal Aviation Administration, for design and/or construction elements of pavement rehabilitation at various locations on the airfield, and authorization for the President and CEO to execute the grant documents; Second by Morgan

ADOPTED BY UNANIMOUS VOTE³

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/0PrTvlmY-DA>.

³ Due to technical difficulties, Treasurer Hall was not counted as part of the quorum or part of this roll call vote.

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Mr. Landguth gave introductory remarks regarding Vision 2040, the current, approved business plan and budget, and projects put on hold during the pandemic. He gave an overview of staff speakers and their topics and the action items to be brought before the Board for consideration.

Mr. Landguth introduced Bill Sandifer, Senior Vice President and COO, who gave the background on the lengthy process undertaken for the Vision 2040 Preferred Alternative and its approval by the Board on October 20, 2016. Mr. Sandifer shared the 2016 presentation and board memo, and explained that while the COVID impact could not have been anticipated, that this Master Plan is a long term facility-focused concept, allowing flexibility and still relevant to the mission and future needs of the airport. He detailed the significant outreach efforts undertaken in developing this Master Plan with its multi-focused approach in balancing competing interests to set long term plans for the airport. Mr. Sandifer discussed the land uses identified on the Preferred Alternative-Map, and how utilization of non-aeronautical land as a source of revenue is critical to support airport needs. He detailed the Preferred Alternative-Airfield information, the long range planning involved for the handling of potential future operations with three runways, and explained General Aviation versus commercial aircraft, and air traffic management practices.

Mr. Sandifer discussed the Preferred Alternative-Terminal, which in the Master Plan the Authority strove to be a level C, and how terminal infrastructure directly impacts the customer experience. He discussed gate capacity and anticipated future demands, current expansion limitations in Terminal 2, and projected timelines for construction processes. Mr. Sandifer went over the Preferred Alternative-Landside and the envisioned Consolidated Rental Car Facility (CONRAC) and Ground Transportation Center as well as the Preferred Alternative-Cargo for redesign of the area and relocation of the roadway into Park Economy 4 to allow for growth of the cargo industry at RDU. Mr. Sandifer noted ongoing discussions with cargo carriers to better understand future business plans and cargo needs.

Mr. Sandifer mentioned the project already underway with Western for large corporate general aviation and the need for an area for expansion to accommodate single engine aircraft. He discussed how plans for locations and future growth have to consider efficient layout and interface capabilities, such as for a new Aircraft Rescue and Firefighting location.

Mr. Sandifer went over cost per enplanement benchmarks and how the Authority tries to have an average cost to make it more lucrative for the air carriers at RDU. He discussed categories of projects including:

- Critical infrastructure preservation – essential to maintaining critical infrastructure
- Discretionary – might not can afford or have to do it but it impacts the ability of the facility to accommodate demands and the customer experience
- Deferred – long term capacity initiatives to provide infrastructure and facilities, several of such projects pulled back into plan due to expedient growth
- Private Equity – mostly general aviation type development where the private sector will need to invest in infrastructure to support long-term demand.

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Mr. Sandifer explained that this gave a brief explanation of where the Authority was positioned in 2016 when the Airport Master Plan was approved. He noted that many of the pavement rehabilitation projects are completed or nearing completion, and the ongoing Runway 5L/23R replacement program is on schedule. Other projects placed on hold during the pandemic are being positioned to restart. Mr. Sandifer discussed the necessary TSA checkpoint and Customs and Border Protection expansions, Terminal 2 landside expansion, necessitating interfacing with the CONRAC, as well as constrained gate capacity. He detailed other infrastructure projects needing to resume as well as discretionary projects identified to move forward to position RDU to handle the recovering and ever increasing air traffic. Board members discussed and clarified the enhanced security gates project. Mr. Sandifer commented on project lead times to move from design into the construction phases. He noted the long term expansion plan for Park Economy 3 minimizes environmental impact with no streams or Neuse River buffers to be impacted. He briefly detailed recent roadway improvements undertaken by NC Division of Transportation on the I-40 interchanges and how the Authority will consider the big picture in the final designs of Economy 3 and rental car lot expansion, allowing for better shuttle bus efficiency as well as consideration for commercial retail development to generate non-aeronautical revenue.

Mr. Landguth introduced Chuck McFall, Senior Vice President and CISO, who outlined discussion points regarding the FY21-22 Business Plan and the factors necessitating revisions. He noted the current business plan, approved in March 2021, was survival-focused and conservatively based on 2 million enplanements and various recovery forecast models, and it included contingency projects that would be revisited. Mr. McFall went through staff's process culminating in the FY 21-22 Budget and Business Plan. He discussed enplanement predictions at that time as well as anticipated passenger recovery levels and timelines forecasted, and explained the Authority's conservative approach in its budget and passenger forecast. Mr. McFall detailed contingency projects, with activation initiation based on passenger growth trends, financial position, and long project lead-time requirements. He gave further detail regarding the drivers necessitating revision to the FY21-22 Business Plan, including faster than anticipated recovery of the airline industry and enplanements, travel peaking challenges in the terminals, additional airline capacity, and project lead-times requiring imminent restart. Mr. McFall showed revised five-year enplanement forecasts, with projections that enplanements are anticipated to reach 2019 levels earlier than predicted.

Mr. McFall discussed the intensive evaluation process conducted for contingency projects, utilizing the Authority's Enterprise Risk Management (ERM) criteria, as well as the development of a Gantt Chart and a resource analysis. He went over scoring variables factored in the evaluation process, and the project ranking criteria, for determination of what projects should be activated. Mr. McFall provided staff's recommendations for activation of projects, including projects already in the Business Plan as well as previously deferred projects, which are recommended for activation in the revised Business Plan. There was Board discussion regarding the ground transportation program and restoration of the taxi program. Further discussion centered around how the Authority would pay for these projects.

The Board took a brief recess from 10:00 a.m. to 10:15 a.m.

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Donald Armstrong, Vice President and Chief Human Resources Officer gave a staffing update. He discussed the Authority's staffing situation pre-COVID and positions previously approved to address "Big Dig" staffing needs. Mr. Armstrong detailed the impacts of COVID-19 on staffing, including a hiring freeze, cancellation of active recruitments, and operation under a survival budget, eliminating recruiting resources. He noted recruiting restart activities which have occurred since Authority staff returned to the office in July 2020. Mr. Armstrong went through the staffing analysis, the challenges in the current job market, staffing attrition the Authority has experienced and staff retirements anticipated over the next few years. Mr. Armstrong set out necessary adjustments which are incorporated in the proposed budget ordinance, to accommodate additional staffing and recruitment services needed, and he referenced the positions that would be recruited.

There was Board discussion regarding the Authority remaining competitive in a tight labor market and that the Authority has historically been a compensation leader in paying living wages. There was further discussion that as an intentional decision, the Authority did not lay-off staff during the pandemic and the executive team was commended.

Ron Kapocius, Vice President and Chief Financial Officer, detailed the operating results for the first quarter of FY21-22, discussing budget and year-over-year variances. He commented on the prevailing Board question of "How are we going to pay for this" and noted how increased enplanements had exceeded the budget. There was discussion on traffic peaking periods versus enplanement projections.

Mr. Kapocius went over the amended operating revenue figures, reflecting the amended enplanement forecast of 3.5 million and noted where revenues had increased from the original budget. He gave a detailed breakdown for the amended operating expense, which increased 11% from the original budget. Mr. Kapocius explained the amendment capital expenditure details, including four additional capital projects added to the capital ordinance.

Mr. Kapocius discussed the cash flow changes between the original FY21-22 budget and the proposed amended budget, noting that some of the projects will be just beginning in this fiscal year and that the majority of the projects' spend will be in fiscal year 22-23. He explained the proposed approvals requested for Budget Ordinance Amendment #2 and Capital Project Ordinance Amendment #1.

Chair Hannah thanked staff for their presentations. Board members' questions regarding current and future parking rates were discussed. Board members noted increasing passenger traffic and the need for changes to the business plan and budget to provide for capital projects was expressed. As to the Park Economy 3 expansion, community concerns regarding mitigating stormwater impacts downstream were expressed and there was discussion regarding a public comment process. Staff noted the involvement of state agencies as well as the City of Raleigh and adjoining owners. There was Board discussion regarding the inclusion of a meaningful public comment opportunity. Board members referred to current interest rates and questioned if bonding these projects was a possibility. Staff referred to the Authority's master financial plan and reliance on financial and bond counselors.

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Mr. Landguth outlined that the Board was being asked to approve the revised FY21-22 Business Plan (v.2.0), 2021-2022 Budget Ordinance Amendment #2, and 2021-2022 Capital Project Ordinance Amendment #1; however, if the Board felt it needed time to process and review these matters, that these items could be reviewed at the August meeting. Board members confirmed that they were prepared to vote on these matters, with the additional requirement for public comments for the Park Economy 3 project. There was discussion that before improvements began on the Park Economy 3 expansion, staff would outline for Board approval the public comment outreach process.

Motion by Hankins to approve the revised FY21-22 Business Plan (v.2.0); Second by Kushner

ADOPTED BY UNANIMOUS VOTE

Motion by Kushner to approve the 2021-2022 Budget Ordinance Amendment #2; Second by Hall

ADOPTED BY UNANIMOUS VOTE

Motion by Morgan to approve the 2021-2022 Capital Project Ordinance Amendment #1; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

Chair Hannah thanked the executive team and staff for their work in preparing for these meetings and for their leadership, commitment and efforts during the pandemic and to position the airport to thrive for the future. He expressed appreciation to fellow Board members for participating in this impactful meeting and for their attention, focus, commitment, and responsibility to do what is best for the airport, its neighbors and the surrounding community.

Board members thanked staff for succinct briefings and providing information and answers. It was noted to remain mindful of the top question, “How are we going to pay for this?” and that explaining what is needed, the urgency and timeframe for the need, and the revenue and capital required for projects, assists everyone’s understanding, including the public. The Town of Morrisville was specifically thanked for its ongoing consideration of important changes offered by the Raleigh-Durham Airport Authority to the Town’s proposal for residential development in current flight paths of the airport.

Motion by Hankins to adjourn; Second by Hall

ADOPTED BY UNANIMOUS VOTE

Meeting adjourned at 11:06 a.m.

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RALEIGH-DURHAM AIRPORT AUTHORITY
2021-2022 BUDGET ORDINANCE AMENDMENT #2

BE IT ORDAINED by the Raleigh-Durham Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2021-2022 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Raleigh-Durham International Airport for the fiscal year beginning April 1, 2021 and ending March 31, 2022 in accordance with the following schedule:

EXPENDITURES:

	Original ¹	Change 6/17/2021	Change 7/23/2021	Amended
Airport Operating Expenses ²	\$ 73,036,368	\$ 682,992	\$ 7,954,097	\$ 81,673,457
Capital Projects Spend	28,477,989	-	13,145,000	41,622,989
Future Capital Projects	469,020	-	8,268,080	8,737,100
Future CFC Projects	7,038,232	-	-	7,038,232
Net Debt Service	41,324,569	-	-	41,324,569
Total	\$ 150,346,178	\$ 682,992	\$ 29,367,177	\$ 180,396,347

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2021 and ending March 31, 2022:

REVENUES:

	Original ¹	Change 6/17/2021	Change 7/23/2021	Amended
Airfield	\$ 8,042,616	\$ -	\$ 6,137,784	\$ 14,180,400
General Aviation	2,064,449	-	-	2,064,449
Buildings and Grounds	73,953,866	-	23,912,385	97,866,251
Total Operating Revenues	\$ 84,060,931	\$ -	\$ 30,050,169	\$ 114,111,100
Interest and Other Income	31,908,277	-	-	31,908,277
Grants	21,090,707	-	-	21,090,707
PFC Revenue	6,248,031	-	-	6,248,031
CFC Revenue	7,038,232	-	-	7,038,232
Appropriated Fund Balance	-	682,992	(682,992)	-
Total	\$ 150,346,178	\$ 682,992	\$ 29,367,177	\$ 180,396,347

Section 3. This Budget Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.

Section 4. This ordinance became effective on April 1, 2021, amended June 17, 2021, and amended again on this 23rd day of July 2021.

Notes:

¹ Original- budget ordinance adopted March 18, 2021

² Excludes OPEB & Pension liability expense

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RALEIGH-DURHAM AIRPORT AUTHORITY
2021-2022 CAPITAL PROJECT ORDINANCE AMENDMENT #1

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 671,995,462

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 650,904,755

Total Grant Funds \$ 21,090,707

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 21/22 Projects

	Original ¹	Change 07/23/2021	Amended
331030 Terminal 2 Concessions Development Program	\$ 4,000,000	\$ -	\$ 4,000,000
881420 ABRM Upgrade	250,000	-	250,000
New New Rental Car Storage Lot - National Guard Drive	-	17,600,000	17,600,000
New Aviation Parkway/National Guard Drive Interchange - Planning	-	500,000	500,000
New T2 Bathroom Refresh and Pet Relief Area - Planning	-	200,000	200,000
New Ramp Information Display System - Planning	-	250,000	250,000
	\$ 4,250,000	\$ 18,550,000	\$ 22,800,000

Amended Projects

	Original ¹	Change 07/23/2021	Amended
080879 Runway 5L-23R and Taxiway B Replacement	\$ 387,300,000	\$ (15,000,000)	\$ 372,300,000
211220 Runway 5L-23R Preservation (080879 breakout)	\$ -	\$ 15,000,000	\$ 15,000,000
211120 Taxiway B Rehabilitation (North of TW D)	36,000,000	-	36,000,000
211160 Taxiway C & D Rehabilitation (Between T/W A and T/W H)	3,602,000	-	3,602,000
211170 North Cargo Apron Reconstruction	1,000,000	-	1,000,000
211190 Taxiway A1 Rehabilitation - Design and Construction	1,700,000	-	1,700,000
211200 Taxiway E Rehabilitation - Design	1,000,000	-	1,000,000
211210 Taxiways C and J Rehabilitation - Design	700,000	-	700,000
881270 Spill Prevention Control and Countermeasure items	143,000	5,000	148,000
	\$ 431,445,000	\$ 5,000	\$ 431,450,000

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	Ongoing Projects	Change		
		Original ¹	07/23/2021	Amended
211110	West RON Apron Rehabilitation	\$ 38,000,000	\$ -	38,000,000
211140	Enhanced Security Perimeter Gates (TSA)	3,000,000	-	3,000,000
010829	Roadway Informational Sign Rehabilitation	13,200,000	-	13,200,000
331000	T2 Landside Master Plan	2,000,000	-	2,000,000
070549	Terminal 2 Checkpoint Expansion	9,250,000	-	9,250,000
080869	FIS Facilities Expansion	69,000,000	-	69,000,000
321000	SITA Implementation of T1 Gates 5 thru 9	550,000	-	550,000
621020	Parking Improvements Business Plan (Parking Guidance System)	8,200,000	-	8,200,000
331020	SITA Flex System	500,000	-	500,000
881410	National Guard Drive Improvements / Haleys Branch Road Rehabilitation	3,000,000	-	3,000,000
080799	Expanded Park Economy 3	35,618,000	-	35,618,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	13,000,000	-	13,000,000
881100	International Drive Rehabilitation	10,036,462	-	10,036,462
441000	Fuel Farm Facility Improvement Plan	9,186,000	-	9,186,000
011109	Heritage Displays at Observation Park	1,600,000	-	1,600,000
881300	Design CC Upgrade	285,000	-	285,000
881160	Fleet Fuel Management Software and Hardware Replacement	100,000	-	100,000
881260	Maintenance Facility HVAC Replacement and Upgrade	525,000	-	525,000
881310	Computer Replacement for Jet A and Glycol racks	395,000	-	395,000
881180	Consolidated Trash Facility Concrete Dumpster Slabs	300,000	-	300,000
		\$ 217,745,462	\$ -	\$ 217,745,462
		\$ 653,440,462	\$ 18,555,000	\$ 671,995,462

Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 23rd day of July 2021

Notes:

¹ Original- budget ordinance adopted March 18, 2021

Raleigh-Durham Airport Authority Board Members

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES AUGUST 19, 2021

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, requiring masks to be worn while on airport property, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Thompson to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Kushner to approve the minutes of the regular meetings of the Board and the Board committees, and the consent actions of the Board, held on July 15, 2021, with date change to July 15, 2021 for Operations Committee minutes, and for approval of the minutes of the special meeting of the Board held on July 23, 2021; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah commented on the N.C. Supreme Court's ruling in favor of the Authority, announcing that it would not review the lawsuit regarding the quarry expansion on airport property. He noted new revenue sources are critical to help fund future airport expansion projects and that this was a significant accomplishment for the Authority. He commended General Counsel Erin Locklear and the legal team on their hard work in achieving this successful outcome.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/KDixWGvgGak>.

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3. On behalf of the Board, Chair Hannah thanked the Morrisville Town Council for approving Avigation Easement language to help protect the Authority from liability associated with aircraft noise related to future residential development. He noted that collaborative, thoughtful planning decisions protect future residents from noise exposure as well as the airport and allows RDU to grow responsibly while supporting the economic vitality of local communities and the region.
4. On October 30, the Authority will partner with the Special Olympics of North Carolina for their plane pull fundraiser.
5. As of August 2, the Observation Park was reopened after closing during 2020 to protect the health and safety of guests, and for necessary maintenance to be done. Chair Hannah commented on the plane viewing activities and the park's hours.

IV. OLD BUSINESS

1. Operations Committee Report – Morgan reported Board members met during the Operations Committee work session on August 19, 2021 and he briefly referred to the following two items presented for informative purposes only:

- a. Presentation Regarding Short-Term Concession Opportunity

Presentation to Board in committee work session for informative purposes only. No Board action required.

- b. Presentation Regarding Sensitive Security Information

Presentation in closed session to Board in committee work session for informative purposes only. No Board action required.

Committee Chair Morgan presented a motion regarding the following six action items discussed during the committee work session:

- c. Consideration of Agreement with Civix

For approval of a 3-year agreement plus two option years with Civix for software licenses, implementation costs, and technical support for AirportIQ Business & Revenue Manager (ABRM) Software at a cost of \$561,861.54, and authorization for the President and CEO to sign any necessary, related documents;

- d. Consideration of a Multi-Year OAG Contract

For approval for a 5-year agreement with OAG for licenses and technical support for OAG flight data at a cost of \$242,205 and authorization for the President and CEO to sign any necessary, related documents;

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e. Consideration of Explosive Detection K-9 Purchase and Retirements

For approval for the procurement of one Explosive Detection K-9 replacement, and utilization of \$9,500 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for this procurement, and authorization for the President and CEO to execute the transfer of funds and any associated agreement and related documents with NC K9, LLC and that pursuant to the requirements of the North Carolina General Statutes, for determination that Jager and Rex are of no further fiscal value to the organization and should be retired in a way that allows them to live the remainder of their lives in a manner befitting their service;

f. Consideration of Amendment Four to Service Agreement with Elite Line Services

For approval of Amendment Four to the Service Agreement with Elite Line Services, Inc. in the amount of \$634,413.57 and authorization for the President and CEO to execute the amendment;

g. Consideration of an Agreement with Republic Parking Systems, LLC

For approval to enter into a three year agreement plus 2 one-year options with Republic Parking Systems, LLC, at a not-to-exceed cost of \$18,789,396.76, and authorization for the President and CEO to execute the agreement;

h. Consideration of Maintenance and Support Agreement Amendment Five with SKIDATA, Inc.

For approval of Amendment Five with SKIDATA, Inc. to reinstate the initial maintenance and support agreement in its entirety, noting the agreement's value for the remaining three years will not exceed \$1,262,226 and authorization for the President and CEO to execute the amendment;

Motion by Morgan for approval of items c. – h.; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration Information Regarding One-year Contract Extension with Elliott Davis for Audit Services
- b. Consideration of a Multi-Year SAP Concur Agreement with Carahsoft Corporation
- c. Consideration of Multi-Year Agreement with Radio Communications Company
- d. Consideration of Modification Agreement with SSP America, Inc. for Rent Relief

Motion by Thompson to approve and adopt the Consent Agenda items; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

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2. Closed Session

Motion by Hankins to enter into a closed session to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3), including discussion of The Umstead Coalition v. Raleigh-Durham Airport Authority; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Closed session convened from 1:30 p.m. until 1:58 p.m.

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Vice Chair Saidi expressed appreciation in participating in the meeting with Board colleagues and addressing complex issues of importance to the airport. Members welcomed Mrs. Saidi back, voicing that she had been missed. General Counsel Locklear was recognized for her efforts in obtaining the successful litigation outcome. President and CEO Landguth was recognized for guiding the airport in many complex issues, as well as Chair Hannah for his work and oversight on the Board. Board members thanked management and staff for their continued efforts on behalf of the airport. Staff was thanked for information presented for the benefit of newer Board members to assist in understanding historical decisions, and the efforts of past and current board members was noted. Chair Hannah noted that the Board members have worked collaboratively together over the years and expressed hope that this could continue. He commented that RDU, as an asset of the Triangle region, should be protected for the benefit of the citizens, the region, the tenants and concessionaires, and the stakeholders.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

Nearly 968,000 passengers flew through RDU during the month of July – a 9% increase over June, and a 363% increase over July of last year. Traffic has recovered to 72% of July 2019 levels. The number of average daily departures was comparable to June at 159 – up 83% from July 2020 and down 30% from July 2019.

Delta grew its share of total RDU traffic to 30%, with American and Southwest trailing with 24% and 17% respectively.

July traffic totals are expected to be the highest RDU will see until at least December of this year. Business travel usually overtakes leisure travel after Labor Day. However, this year we expect leisure travel to drop and business travel to remain low over the next few months.

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TSA Mask Mandate

TSA is extending its mask mandate amid concerns about the increased spread of the Delta variant and at the direction of the CDC. The updated security directive extends the face covering requirement inside airports and onboard commercial aircraft until January 18, 2022.

Labor Shortage

Although passenger traffic is recovering, the effects of the pandemic are being felt by RDU and our business partners as part of a national labor shortage. The recovery of the airport industry is dependent upon having an adequate workforce, whether it's airlines, ground transportation, concessions, or other industries. Most of the stores and restaurants that closed last year have reopened thanks to more travelers returning to RDU. However, six food and beverage units have closed permanently and several other food, beverage and retail stores are still closed temporarily. Many of the locations that are open are operating under reduced hours because the nationwide worker shortage has made it difficult to maintain adequate staffing levels.

RDU is working with vendors to restore shopping and dining options in the terminals and return to normal operations. The shortage has affected hiring at RDU as well. After a hiring freeze last year, the Authority is trying to fill a number of openings in a very competitive labor market. Until the labor shortage is resolved, we anticipate challenges in filling open positions, both at the Authority and with our partner businesses.

TSA Checkpoint Expansion

RDU is expanding the TSA security checkpoint in Terminal 2. RDU opened two additional security lanes in 2019 to keep pace with increasing passenger traffic. We were in the process of building two more before the pandemic hit and the Authority paused nearly all construction projects. The new lanes will bring the total number of security lanes in Terminal 2 to 14. The new lanes are expected to open in mid-summer of next year, during our busiest travel season. The checkpoint expansion is one of the capital projects RDU is restarting to keep pace with the recovery. It will be funded through the \$21 million budget increase approved by the Board last month.

United Club

United Airlines expects to reopen its United Club on August 30th. Club hours will be from 5 a.m. to 7:30 p.m. The club will provide customers with new menu items including sandwiches, wraps, salads and fresh fruit. With health and safety top of mind, all United Club food offerings will be individually wrapped and disposable utensils will be available. United joins American and Delta, who have already reopened their clubs in Terminal 2.

IX. ADJOURNMENT

Motion by Morgan to adjourn; Second by Hall

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT AUGUST 19, 2021

The Board approved the following items on the Consent Agenda:

a) Information Regarding One-year Contract Extension with Elliott Davis for Audit Services

Memorandum by Mesheila Lynch, Director of Accounting – North Carolina General Statute 159-34 requires annual independent audits. Each unit of local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the commission as qualified to audit local government accounts.

In December 2018, the Authority entered into a one-year contract containing 2 one-year extensions with Elliott Davis to provide audit services. The fiscal year ended March 31, 2021 was the last year of this contract.

This 2021-2022 fiscal year, the Authority is required to implement the requirements of the Government Accounting Standard no. 87 – Leases (GASB 87). Implementation of this standard will be complex and time-consuming due to the requirements and the number of lease agreements that the Authority holds. The Authority will also be required to adopt significant additional disclosures in the notes to the audited financial statements. Separate from the audit engagement, the Authority has contracted with Elliott Davis to assist in evaluating our lease agreements and determining the proper accounting treatment under the new standard.

To help ensure a smooth transition to the changes in accounting treatment of leases and the new disclosure requirements, staff plans to negotiate a one-year extension of the contract with Elliott Davis to provide audit services for the fiscal year ending March 31, 2022. Staff will seek Board approval and request authorization to execute the Local Government Commission contract form and Elliott Davis's Engagement letter in the December 2021 Board meeting.

For informative purposes only. No Board action requested at this time.

b) Consideration of a Multi-Year SAP Concur Agreement with Carahsoft Corporation

Memorandum by Michael McLanahan, Vice President IT Business Solutions – SAP Concur is a cloud-based software platform providing travel booking and expense reporting services, in use at the Authority since 2018. Since then, a great deal of process efficiencies have been defined around Concur, including automated data integration between Concur and the Authority's Oracle EBS business system. Staff is seeking approval of a five-year agreement with Carahsoft Technology Corporation, a Concur reseller, at a total cost of \$33,303.96 over the five-year period.

Staff collaborated on the procurement strategy for continued use of Concur. Concur licensing and support are proprietary to SAP and can only be procured through authorized resellers. Discounted pricing for SAP Concur is available through a cooperative agreement

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from the United States General Services Administration (GSA) Schedule Contract #GS-35F-0119Y. This agreement identifies Carahsoft Technology Corporation as an SAP Concur reseller with the ability to provide the discounted pricing to the Authority. This agreement would enable continued use of Concur along with the associated process efficiencies the Authority has realized, while locking in the favorable pricing offered by the GSA Contract.

The proposed agreement has been reviewed by the Authority's Small Business Programs Office.

Staff requests approval of this 5-year agreement with Carahsoft Technology Corporation for software licenses and technical support for SAP Concur at a cost of \$33,303.96, and authorization for the President and CEO to sign any necessary, related documents.

c) Consideration of a Multi-Year Agreement with Radio Communications Company

Memorandum by Michael McLanahan, Vice President IT Business Solutions – The Authority has a Radio Frequency (RF) Systems Infrastructure in Terminals 1 and 2, and the Airport Operations Center (AOC) to accommodate any UHF and VHF radio transmitters for the Authority, airlines, and tenants. Additionally, the Authority has a highly specialized networked-based Avtec computer communications system located in the Terminal 2 Ramp Tower. This system is utilized by the Authority's Ramp Management Contractor for essential radio communications to and from the airplanes and phone communications surrounding Terminal 2 airline operations. Since the system's inception, Radio Communications Company (RCC) has serviced this system, and is currently the only qualified Avtec-authorized service provider. Staff is seeking approval for a 3-year agreement at a cost of \$119,733.60, and two additional 1-year options at a cost of \$82,217.08, with RCC for maintenance and support of the Authority's Avtec and RF Infrastructure

This equipment and infrastructure are highly specialized and require that the Authority engage a uniquely qualified contractor to be the primary source responsible for providing repairs, preventative maintenance, services, and software updates. RCC in Cary, NC, was the contractor that installed this equipment in 2008 and has continued to maintain and service this equipment without issue.

The proposed agreement has been reviewed and is supported by the Authority's Small Business Programs Office.

Staff requests approval for a 3-year agreement in the amount of \$119,733.60 and two additional 1-year options in the amount of \$82,217.08, with Radio Communications Company for maintenance and support of the Authority's Avtec and RF Infrastructure, and authorization for the President and CEO to sign any necessary, related documents.

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d) Consideration of Modification Agreement with SSP America, Inc. for Rent Relief

Memorandum by Kimberly Stewart, Director of Concessions – SSP America, Inc. (SSP) operates two food and beverage units (BurgerFi and Jason’s Deli) co-located on Concourse D in Terminal 2 and was largely impacted as well as other concessionaires following the COVID-19 pandemic. The pandemic resulted in a decline in passenger traffic and, subsequently, concessionaires were unable to generate sales to meet their rent obligation. As a result, the Authority offered rent relief to concessionaires through a modification agreement.

Currently, Jason’s Deli remains closed and BurgerFi operates on a modified schedule due to low staffing levels. SSP is diligently working to recruit staff in order to operate both units at full capacity.

The President and CEO received signatory authorization mid-year 2020 from the Board to execute modification agreements in order to keep the financial relief and recovery efforts moving forward. This proposed Modification Agreement is commensurate with the financial relief offered to other concessionaires. The signatory authorization ended on March 31, 2021. A small number of modification agreements continued in negotiation or were under legal review beyond the March 31, 2021 signatory authorization period. This proposed agreement is the final Modification Agreement to be executed.

Staff request approval of this Modification Agreement for SSP America, Inc. and authorization for the President and CEO to execute the agreement.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES AUGUST 19, 2021

Morgan presided. Present: Hall, Hankins, Hannah, Kushner, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Agreement with Civix

Presented by Chuck McFall, Senior Vice President, Chief Information and Strategy Officer – The Airport Business Manager (ABM) is a software application used by the Authority to manage finance and revenue activities. The software allows the Authority to administer tenant agreements, track aeronautical activity including passenger and cargo volumes, manage space inventory and usage, and conduct all billing, invoicing, and accounts receivable processes for the airport. The Authority selected and purchased ABM from GCR, Inc (now Civix) in 2012. ABM has reached its end of life and is no longer supported by Civix. The current software product offered by Civix to handle these functions is AirportIQ Business & Revenue Manager (ABRM). Staff is seeking approval of a three-year agreement with two option years with Civix for the implementation and licensing fees for ABRM, at a total cost of \$561,861.54 over the five-year period.

Staff collaborated on the procurement strategy for replacing the outdated ABM software. Other software solutions were evaluated along with the upgraded ABRM product. After considering system stability, efficiency, and fiscal concerns, the decision was made to upgrade to the newer version of the existing product. This agreement would allow the Authority to upgrade to the improved ABRM product and enter into a licensing and support agreement to ensure the ongoing stability of these important business functions.

The proposed agreement has been reviewed and is supported by the Authority's Small Business Programs Office.

Staff requests approval of a 3-year agreement plus two option years with Civix for software licenses, implementation costs, and technical support for AirportIQ Business & Revenue Manager (ABRM) Software at a cost of \$561,861.54, and authorization for the President and CEO to sign any necessary, related documents.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/KDixWGvgGak>.

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2. Consideration of a Multi-Year OAG Contract

Presented by Michael McLanahan, Vice President IT Business Solutions – OAG is a proprietary aggregator and provider of flight data, in use at the Authority since 2012. OAG flight information is leveraged in the terminals and the RDU website. Information Services is seeking approval of a five-year agreement with OAG for flight data at a total cost of \$242,205 over the five-year period.

OAG flight status and flight schedule data are loaded into the SITA Common Use technology that manages the flight information content that is displayed in the monitors in Terminals 1 and 2. OAG Web Components is a data product that it is integrated with RDU.com and it contains daily arrivals and departures, a flight tracker, and an air traffic map.

The Information Services and Procurement departments collaborated on the procurement strategy for licensing and technical support for OAG flight data. OAG licenses and technical support are sold exclusively by OAG. OAG is the supplier of flight data for SITA.

This procurement initiative has been reviewed and is supported by the Authority's Small Business Programs Office.

Staff requests approval for a 5-year agreement with OAG for licenses and technical support for OAG flight data at a cost of \$242,205 and authorization for the President and CEO to sign any necessary, related documents.

3. Consideration of Explosive Detection K-9 Purchase and Retirements

Presented by Christopher Slavik, Law Enforcement Captain – Staff requests approval for the purchase of one Explosive Detection K-9 replacement for retiring Explosive Detection K-9 Rex. For this purchase staff is also seeking approval to utilize funds in the amount of \$9,500 from the Department of Justice Asset Forfeiture/Equitable Sharing Program (funds transfer from account #75900 Dept. 1010 to #79999, Dept. 6150).

The distribution of funding will be to NC K9 LLC for \$9,500.

Staff notes that an Explosive Detection K-9 replacement for retiring Explosive Detection K-9 Jager was brought before the Board in May 2021 and staff is now requesting the formal retirement of Jager.

Staff requests approval for the procurement of one Explosive Detection K-9 replacement, and utilization of \$9,500 from the Department of Justice Asset Forfeiture/Equitable Sharing Program for this procurement, and authorization for the President and CEO to execute the transfer of funds and any associated agreement and related documents with NC K9, LLC. Staff also requests that pursuant to the requirements of the North Carolina General Statutes, the Board of the Raleigh-Durham Airport Authority determines that Jager and Rex are of no further fiscal value to the organization and should be retired in a way that allows them to live the remainder of their lives in a manner befitting their service.

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4. Consideration of Amendment Four to Service Agreement with Elite Line Services

Presented by Steven Yanni, Director of Contract Facilities Maintenance – Staff requests approval of Amendment Four to the Service Agreement with Elite Line Services, Inc. (ELS) for baggage handling system (BHS), passenger boarding bridge (PBB) and aircraft support equipment maintenance and repairs. This proposed amendment will increase labor rates for subcontracted staff, including Jam Runners and Control Room Operators, which were eliminated from the contract in April 2020 as a cost savings measure in response to the COVID 19 pandemic. In May 2021, the Board approved an amendment to reinstate these positions to meet the demands of increasing passenger traffic; however, the subcontractors for ELS have not been successful in hiring and retaining any of the seventeen positions authorized in the contract due to current labor market conditions. As a result, staff is proposing an increase in the fees paid to ELS to allow the subcontracted staffing agencies to offer a more competitive labor rate for these positions.

This proposed amendment would increase the hourly pay rates for Jam Runners to \$16.00 and Control Room Operators to \$16.50 effective September 1, 2021, and the overall cost impact will be \$634,413.57 over the remaining 37 months of the contract term. Minority and Women-owned Small Business subcontractor participation, which was reduced in response to COVID 19, will be restored with this amendment. The Minority-owned Businesses (MB) goal for this contract is 7%; the Women-owned Businesses (WB) goal is 4%; participation expected in this amendment is 12% MB through Southeast Airline Services and 17% WB through Allegiance Staffing.

There was Board discussion regarding increased wage costs being born by the Authority.

Staff requests approval of Amendment Four to the Service Agreement with Elite Line Services, Inc. in the amount of \$634,413.57 and authorization for the President and CEO to execute the amendment.

5. Consideration of an Agreement with Republic Parking Systems, LLC

Presented by Jeffrey A. Slayton, PMP, Director of Parking Operations – In April of 2020, due to the onset of the COVID-19 pandemic, the staff suspended bus and shuttle staffing services and parking support services that were contractually provided through a third party vendor. This contract expired in June 2020; a new service provider was not awarded due to a sustained drop in passenger enplanements and parking demand between April 2020 and April 2021.

Due to unexpected and sustained increases in passenger traffic in April and throughout May 2021, staff was authorized to procure and deploy, on an emergency basis, a third party staffing service provider to operate Authority-owned bus and shuttle vehicles. This service successfully started May 27, 2021 to facilitate the re-opening of the remote Park Economy 3 lot.

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In April 2021, staff also initiated a formal Request for Proposal for a long-term agency to provide bus and shuttle drivers, parking ambassadors, license plate inventory personnel, and gate guards for airfield Gate 55. The initial implementation phase will consist of bus and shuttle drivers, all remaining positions will be phased into operations as needed. The duration of this proposed contract is a 3-year term with two 1 year options.

The Authority received seven competitive bids. Staff conducted a thorough evaluation process of each and determined that Republic Parking Systems, LLC (“Republic”) provided the most comprehensive and competitive response to the solicitation. Key elements include:

- Republic presented a very strong local and corporate management team with considerable airport experience to support operations at RDU
- The five year not-to-exceed cost proposal of \$18,789,396.76 was the second lowest among the responsive bids received.
- Republic will furnish and install an array of proven, state-of-the-art technologies to improve real time bus and shuttle tracking services as well as driver safety and will provide automated voice announcements in all vehicles they operate
- The Authority can phase in add-services as operational demand warrants to control cost over the length of the contract
- Republic provided a clear plan and commitment to transition bus and shuttle operations from the existing operator by no later than late October 2021 without disruption of service to the public.

Republic currently serves 75 airports in the United States and Canada and have been in the airport parking and ground transportation business since 1965. This includes seven airport operations in the Carolinas for parking, valet, and shuttle services, and a total of twenty-five airports in the AAAE Southeast Chapter.

For this solicitation, the Authority set Minority and Women-owned Small Business (MWSB) goals of 7% Minority-owned Businesses (MB) and 4% Women-owned Business (WB). Republic has committed to MWSB participation of 16% MB and 13% WB.

Staff requests approval to enter into a three year agreement plus 2 one-year options with Republic Parking Systems, LLC, at a not-to-exceed cost of \$18,789,396.76, and authorization for the President and CEO to execute the agreement.

6. Consideration of Maintenance and Support Agreement Amendment Five with SKIDATA, Inc.

Presented by Jeffrey A. Slayton, PMP, Director of Parking Operations – In July of 2019, the Authority executed a five-year maintenance and support agreement with three (3) one-year extensions with SKIDATA, Inc to maintain the Authority’s parking and revenue control system (PRCS). Since the initial execution of this agreement the Authority has executed four (4) amendments. Key elements of these amendments include:

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David Morgan

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- Amendment One was executed on January 8, 2020 to upgrade the PRCS operating software from version 8 to version 12
- Amendment Two was executed on April 16, 2020 to reduce the initial scope of services for six months due to the pandemic
- Amendment Three was executed on September 20, 2020 to extend the reduction of the scope of services for an additional six months
- Amendment Four was executed on April 20, 2021 to extend the reduction of the scope of services for an additional six months.

Amendments 2-4 above were negotiated with SKIDATA for the express purpose of reducing Parking operations costs in reaction to the onset of the pandemic in 2020. At this time, staff has deemed it necessary to return to the pre-pandemic level of serving of the PRCS system based on operational needs. While the Board had previously approved the agreement with SKIDATA in July 2019, to be transparent and to provide full visibility, staff is presenting Amendment Five to the Board for consideration, which amendment reinstates the initial agreement in its entirety, with the agreement's value for the remaining three years not to exceed \$1,262,226.

Staff requests approval of Amendment Five with SKIDATA, Inc. to reinstate the initial maintenance and support agreement in its entirety, noting the agreement's value for the remaining three years will not exceed \$1,262,226 and authorization for the President and CEO to execute the amendment.

7. Presentation Regarding Short-Term Concession Opportunity

Presented by David Freedman, Sr. Vice President and Chief Revenue Officer and Tyler Maheu, C.M., Director of Commercial Management – This information-only item will address concession program needs and a potential solution to existing concessions and guest service issues.

The airport is experiencing solid recovery in passenger traffic and has a need for additional food and beverage services in Terminal 2. The difficult labor market is challenging existing operators and causing them to reduce service hours. Currently, there are limited food options, particularly in the evening, on the C Concourse which impacts the overall guest experience. To address those challenges, the Authority seeks a virtual food hall operator. The virtual food hall will be required to meet standard contractual operating hours and will offer menu items from a variety of brands covering all three day parts. The structure of the virtual food hall enables the operator to provide diverse food options with fewer staff than a traditional restaurant. Guests will enjoy a digital, contactless food order and payment experience that is aligned with post-COVID consumer trends.

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The Authority has issued a Request for Proposal for the short-term agreement. The agreement will have a term of 18 months with two, six-month extension options. The successful proposer will pay percent rent to the Authority.

There was Board discussion regarding how the proposed model decreased labor costs for the vendor.

For informative purposes only. No Board action requested.

Motion by Hankins to enter into a closed session to protect sensitive security information from disclosure pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 and to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(1) and (3); Second by Hall

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 12:03 p.m. until 12:57 p.m.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES SEPTEMBER 16, 2021

Chair Hannah presided. Present: Hall, Hankins, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, requiring masks to be worn while on airport property, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Saidi to approve the revised agenda³; Second by Hall

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Vice Chair Saidi to approve the minutes of the regular meetings of the Board and the Board committees, and the consent actions of the Board, held on August 19, 2021; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah discussed the Environmental Assessment (EA) scoping presentation released in July, which described the process and provided the public an opportunity to learn more and submit comments on the EA process.
3. Chair Hannah discussed the restart of the development of the Authority's first Sustainability Management Plan and the internal and external advisory groups engagement in this process.
4. On October 30, the Authority will partner with the Special Olympics of North Carolina for their plane pull fundraiser. Chair Hannah gave specifics for competing in the event, noting the task is to log the fastest time to pull a 30,000 pound plane 25 feet.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/S3lTuF4oZic>.

³ Agenda revised to add a closed session to protect sensitive security information from disclosure pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520, during New Business following the consent item.

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IV. OLD BUSINESS

1. Operations Committee Report – Morgan reported Board members met during the Committee work session on September 16, 2021 and discussed the following items:

- a. Consideration of Taxi Taxi, LLC Taxi Services Agreement

For approval of the Taxi Taxi, LLC Taxi Service Agreement and authorization for the President and CEO to execute the agreement, and approval to update taxi meter rates;

- b. Consideration of Revisions to Chapter 13 of the Raleigh-Durham Airport Authority Ordinances

For approval of proposed revisions to Chapter 13 of the Raleigh-Durham Airport Authority Ordinances;

- c. Consideration of Vessel NC Operations LLC Terminal Concession Agreement

For approval of the Terminal Concession Agreement with Vessel NC Operations LLC and authorization for the President and CEO to execute the agreement.

Motion by Morgan for approval of items a-c.; Second by Polanco-Galdamez

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Thompson reported Board members met during the Committee work session on September 16, 2021 and discussed the following item:

- a. Presentation Regarding Runway 5L/23R Environmental Assessment Public Scoping Comments Update

Presentation to Board in committee work session for informative purposes only. No Board action required.

3. Finance Committee Report – Hannah reported Board members met during the Committee work session on September 16, 2021 and discussed the following item:

- a. Consideration of Letter of Credit Extension with TD Bank, N.A.

Motion by Hankins for approval of the attached resolution allowing the Authority to extend the Letter of Credit issued by TD Bank, N.A. and for the Authority's Secretary, the President and CEO, the CFO, and the General Counsel, under the advice of bond counsel, to take such other actions deemed necessary or appropriate to effect the transactions contemplated by this resolution; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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V. NEW BUSINESS

1. Consent Agenda

a. Consideration of the Internal Audit Charter/Policy and Procedure

Motion by Thompson to approve and adopt the Consent Agenda item; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

2. Closed Session

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

ADOPTED BY UNANIMOUS VOTE

Closed session convened from 1:14 p.m. until 1:38 p.m.

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members recognized the Authority's leadership team and staff and the great work that they perform on a daily basis, sometimes under difficult circumstances. Appreciation was expressed for how clean the airport is kept and that staff is courteous to travelers. It was expressed that the vendors and partners at RDU have dealt well with the challenges of the pandemic, especially during times of unpredictable air traffic. Board members were complimentary of staffs' presentations and of the technical support for virtual meetings. Member Polanco-Galdamez expressed her appreciation for the recent airfield and campus tour, solidifying her understanding of the vision for growth and prosperity for the airport, community and the state.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

Nearly 116,000 passengers flew through RDU between Friday and Monday of Labor Day weekend, down 33 percent compared to the same travel period in 2019. The busiest day of the holiday weekend was Friday, with more than 35,000 travelers passing through the airport.

During the month of August, RDU saw more than 880,000 total passengers. That represented an eleven percent decline over July 2021 but a 171 percent increase over August 2020. The number of average daily departures increased slightly to 162, up two percent from last month and up 59 percent compared to August 2020.

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Business Travel

Business travel historically increases after Labor Day and offsets losses in leisure traffic. Fewer business travelers are expected to return this year, but an August survey of RDU travelers showed promising signs for the recovery. 23% of survey respondents indicated that they traveled for business during the pandemic – unchanged from a similar survey conducted in March. However, only 20% of respondents indicated that their company continues to prohibit business travel – down from 52% in March.

Toronto Service

Air Canada has resumed flights from RDU to Toronto after the Canadian government lifted an extended period of restrictions on foreign visitors. The Toronto flights began last week with once daily service and is scheduled to expand to twice a day service, seven days a week on October 1st. We are happy to welcome Air Canada back to RDU after a long absence.

TSA Mask Mandate

TSA extended its mask mandate last month amid concerns about the increased spread of the Delta variant. The mandate applies to everyone inside the airport and on the shuttle buses that take guests and employees back and forth from our remote parking lots.

We have seen widespread compliance at RDU, but I want to remind everyone that if you are riding one of the shuttles, please remember that the mask requirement includes you. The TSA directive extends the face covering requirement inside airports and onboard commercial aircraft until January of 2022.

TSA may issue civil penalties to guests who refuse to properly wear a face covering inside airport facilities and onboard commercial airport. Fines range from \$500 - \$1,000 for first offenses and \$1,000 - \$3,000 for repeat offenses. Passengers who fail to comply will be denied boarding or be removed from the plane. Face masks are the best way to protect yourself and others from illness while traveling. I want to thank our guests for continuing to follow public health guidance when flying through RDU.

IX. ADJOURNMENT

Motion by Saidi to adjourn; Second by Polanco-Galdamez

ADOPTED BY UNANIMOUS VOTE

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EXTRACTS FROM MINUTES OF THE RALEIGH-DURHAM AIRPORT AUTHORITY

A regular meeting of the Raleigh-Durham Airport Authority was held at 1:00 p.m. on September 16, 2021 in the office of the Authority at the Raleigh-Durham International Airport, the regular place of meeting.¹

Present: Chair Patrick Hannah, Vice Chair Sepideh Saidi, Treasurer Tammie Hall, Member Dickie Thompson, Member David Morgan, Member Ellis Hankins, Member Yesenia Polanco-Galdamez

Absent: Secretary David Kushner

Also Present: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, VP and Chief HR Officer Armstrong, Vice President and CFO Kapocius, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * *

Chair Patrick Hannah, also serving as Finance Committee Chair, introduced the following resolution:

RESOLUTION REGARDING THE EXTENSION OF THE TERM OF THE LETTER OF CREDIT ISSUED BY TD BANK, N.A. IN CONNECTION WITH THE AUTHORITY'S VARIABLE RATE AIRPORT REVENUE BONDS, SERIES 2008C (NON-AMT)

WHEREAS, the Authority and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (the "Trustee") have previously entered into the Master Trust Indenture dated as of February 1, 2001, as amended and restated (as supplemented and as restated and amended, the "Indenture");

WHEREAS, the Authority, pursuant to the Amended and Restated Tenth Supplemental Indenture, dated as of November 1, 2009, as amended (the "Tenth Supplement"), has heretofore issued its Raleigh-Durham Airport Authority Variable Rate Airport Revenue Bonds, Series 2008C (Non-AMT) (the "Series 2008C Bonds") to provide funds, together with other available funds, to refund certain Bonds previously issued by the Authority under the Indenture;

WHEREAS, the Series 2008C Bonds are issued as variable rate demand bonds, under the terms of which, among other things, the Series 2008C Bonds bear interest at variable interest rates determined from time to time as provided therein, the Owners of the Series 2008C Bonds may tender their Bonds for purchase from time to time and the payment of principal and purchase price of, and interest on, the Series 2008C Bonds is secured by a Credit Facility (as defined in the Tenth Supplement);

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken. The meeting was live streamed at <https://youtu.be/S3lTuF4oZic> for public attendance virtually.

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WHEREAS, the current Credit Facility consists of a Letter of Credit, dated November 15, 2017 (the "Letter of Credit") issued by TD Bank, N.A. (the "Bank"), which by its terms is scheduled to expire on November 15, 2021, and the Bank has proposed to extend the term of the Letter of Credit to November 13, 2025; and

WHEREAS, in connection with the proposed extension of the term of the Letter of Credit the Authority and the Bank have negotiated a fee arrangement satisfactory to both parties, which fee arrangement is set forth in the proposed Fee Agreement, a copy of which has been provided to the Board in connection with the consideration of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Raleigh-Durham Airport Authority as follows:

Section 1. The Authority hereby accepts the proposal of extend the term of the Letter of Credit to November 13, 2025 under the new fee arrangement set forth in the proposed Fee Agreement.

Section 2. The President and Chief Executive Officer is hereby authorized and directed to execute and deliver the final Fee Agreement on behalf of the Authority, such final Fee Agreement to be in substantially the form presented to the Board at the meeting at which this resolution is adopted.

Section 3. The Chief Executive Officer, the Chief Financial Officer, the General Counsel and the Secretary of the Authority, and the Assistant Secretary appointed hereby, are authorized and directed (without limitation except as may be expressly set forth in this resolution) to take such action as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this resolution.

Section 4. The Authority hereby acknowledges that the Reimbursement Agreement, dated as of November 15, 2017, pursuant to which the Letter of Credit was issued, continues in full force and effect, except to the extent, if any, the terms thereof are changed by the Fee Agreement.

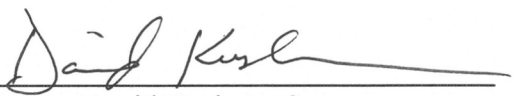
Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 16th day of September, 2021.

I, David Kushner, Secretary of the Raleigh-Durham Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on September 16, 2021 as it relates in any way to the passage of the foregoing resolution and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this 6th day of October 2021.

[SEAL]


David Kushner, Secretary

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT SEPTEMBER 16, 2021

The Board approved the following item on the Consent Agenda:

a) Consideration of the Internal Audit Charter/Policy and Procedure

Memorandum by Frank W. White, Director of Internal Audit – The Internal Audit Department requests approval of the revised Internal Audit Department's Charter/Policy and Procedure. Per the International Professional Practice Framework (IPPF) or Red Book Standards promulgated by the Institute of Internal Auditors (IIA), the Charter should be approved by the governing body and agreed to by senior management. The charter should at a minimum include Internal Audit's purpose and mission, authority, responsibility, its independent reporting relationships, scope and requirement to conform to IIA Standards.

Staff requests approval of the revised Internal Audit Charter/Policy and Procedures.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES SEPTEMBER 16, 2021

Morgan presided. Present: Hall, Hankins, Hannah, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following items:

1. Consideration of Taxi Taxi, LLC Taxi Services Agreement

Presented by Tyler Maheu, , C.M., Director of Commercial Management – The Authority seeks to enter into a short-term Taxi Service Agreement with Taxi Taxi, LLC (“Taxi Taxi”) to provide on-demand taxi services to airport guests. The previous taxi operator was unable to withstand the economic downturn caused by COVID and terminated its contract with the Authority in May 2020. With passenger levels recovering and recent guest feedback, it is appropriate for the Authority to seek a new taxi operator. Although taxi trips have declined at airports across North America since the introduction of ride-sharing services, there remains a niche market of guests that prefer the set, predictable pricing of taxis. In 2019, for example, the previous taxi operator operated 216,378 airport trips.

Under this proposed short-term Taxi Service Agreement, Taxi Taxi will provide curbside, walk-up service to guests. The agreement will have a term of six months with two, three-month extension options. Taxi Taxi will pay to the Authority \$4.00 per outbound trip and \$2.00 per inbound trip. Taxi Taxi will operate a 24-hour call center open 365 days per year to facilitate guest requests. The initial fleet will be 30 taxicabs including a minimum of two wheelchair-accessible vehicles. The fleet will be adjusted monthly in response to guest demand.

Under the new agreement, the Authority will update Authority taxi meter rates to align with industry and regional benchmarks as depicted in the following table:

	Current Meter Rates	Proposed Rates
Initial Charge	\$1.95	\$3.00
Per 1/3 Mile	\$0.65	\$0.83
Per Mile Equivalent	\$1.95	\$2.49

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/S3lTuF4oZic>.

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	Current Meter Rates	Proposed Rates
Additional Airport Trip Fee	\$0.50	
Minimum Fare		\$15.00

After implementing service with Taxi Taxi, the Authority will conduct a Request for Proposal process to identify and contract with a long-term taxi solution.

Staff requests approval of the Taxi Taxi, LLC Taxi Service Agreement and authorization for the President and CEO to execute the agreement, and approval to update taxi meter rates.

2. Consideration of Revisions to Chapter 13 of the Raleigh-Durham Airport Authority Ordinances

Presented by Tyler Maheu, C.M., Director of Commercial Management – Staff seeks approval of proposed revisions to Chapter 13 – Commercial Ground Transportation Services, of the Authority's Ordinances.

Section	Revision	Summary
13-2	Update definition of Airport License	Add contract and permit
13-2	Update definition of Concessionaire	Remove Management Service Concessionaire ("MSC")
13-2	Update definition of Decal	Remove "MSC"
13-2	Update definition of Dispatcher	Remove "MSC" and in-person requirement
13-2	Update definition of Driver Permit/ID Badge	Add credential issued by Concessionaire with Authority's approval
13-2	Update definition of Taxicab	Revise to use defined term "Driver"
13-2	Update definition of Taxicab Management Concessionaire	Add "Taxicab Service Agreement"
13-2	Update definition of Taxicab Operator	Remove in-person dispatch requirement
13-2	Update definition of Taxicab Staging Area	Remove in-person dispatch requirement
13-7	Update Penalties for Violation	Remove incorrect citation
13-11	Update Concessionaire Responsible	Add Airport License holder and Taxicab Management Service to responsible parties
13-27	Update Authority Licensed Taxicabs	Increase flexibility to approve Taxicab Drivers as needed
13-28	Remove Taxicab Operator's License Application	Process to be governed by Taxicab Services Agreement
13-30	Update Fees	Sets fees per the Taxicab Services Agreement

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Section	Revision	Summary
13-33	Update Taxicab Dispatching	Update to digital dispatch system instead of in-person staffing
13-34	Update Taxicab Staging	Taxis proceed to whichever location dispatched
13-35	Update Driver Applications	Expand Authority review to President and CEO's designee
13-36	Update Examination and Investigation	Require Taxicab Management Service to complete criminal history investigation on potential drivers
Various	Grammatical and pro-noun revisions.	
Various	Revise "Taxicab MSC" to Taxicab Management Service	

Staff requests approval of proposed revisions to Chapter 13 of the Raleigh-Durham Airport Authority Ordinances.

3. Consideration of Vessel NC Operations LLC Terminal Concession Agreement

Presented by David Freedman, Senior Vice President and Chief Revenue Officer, and Tyler Maheu, C.M., Director of Commercial Management – The Airport is experiencing solid recovery in passenger traffic and has a need for additional food and beverage services in Terminal 2. The difficult labor market is challenging existing operators and causing them to reduce service hours which impacts the guest experience.

To address those challenges, the Authority issued a Request for Proposals (RFP) in August. The RFP solicited proposers that could meet standard contractual operating hours and would offer menu items from a variety of brands via a virtual food hall. The Authority received two proposals for the solicitation. An evaluation panel reviewed and scored the two proposals and conducted an interview with the shortlisted proposer. The evaluation panel recommended awarding the Concession Agreement to Vessel NC Operations LLC (“Vessel”), noting their experience operating hundreds of ghost kitchens in a variety of settings, incorporation of multiple brands and concepts, and strong technology. Vessel is a joint venture between Reef Kitchens, a large ghost kitchen operator with over 320 kitchens across the United States, and J. Johnson & Company, LLC, a Raleigh-based ACDBE that supports ghost kitchens, shared-use kitchens, and multiple brands to provide fantastic food and beverage experiences.

Under the proposed agreement, Reef will lease approximately 2,227 square feet to operate the Reef Kitchens’ Virtual Food Hall. Reef will offer no-contact ordering and pickup with hot and cold food. The proposed initial brands include:

1. Dunkin’ Donuts
2. Pei Wei Asian Diner

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3. 800° Woodfired Kitchen
4. American Meltdown
5. Chirba Chirba Dumpling
6. Guy Fieri's Flavortown Kitchen
7. Krispy Rice
8. Nathan's Famous Hot Dogs & Restaurant

Reef will make a capital investment of \$200,000 and will pay monthly percent rent in the amount of fifteen percent (15%). The initial Agreement term will be eighteen (18) months with two, six (6)-month extension options. The ACDBE goal for this opportunity was set at 15%, and Reef has proposed to exceed the goal at 20% participation.

Representatives from Reef and J. Johnson & Company were introduced and gave background information on their companies and their experience in this type of endeavor.

Staff requests approval of the Terminal Concession Agreement with Vessel NC Operations LLC and authorization for the President and CEO to execute the agreement.

Raleigh-Durham Airport Authority Board Members

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David Morgan

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Yesenia Polanco-Galdamez



Michael J. Landguth, A.A.E.
President & CEO

RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES SEPTEMBER 16, 2021

Thompson presided. Present: Hall, Hankins, Hannah, Morgan, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation regarding Runway 5L/23R Environmental Assessment Public Scoping Comments Update

Presented by William Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – Mr. Sandifer gave a brief update on the process for preparing the environmental document, particularly as to the public scoping process, and noted that more information would be presented in October. Mr. Sandifer commented that Board members may have been receiving comments from the public and he wanted to give the Board further information as to the purpose of this comment period, which is to gather feedback around scope and content as to what the project is intended to produce. He briefly explained further steps in the environment assessment process, including a draft report which will be made public sometime in 2022, as well as a workshop which will be conducted in accordance with governmental guidelines and restrictions in place at that time. Mr. Sandifer explained the agencies which submitted comments and he explained the categories of public comments received as well. Mr. Sandifer reiterated that the Authority must prepare the environmental assessment, and go through the process, all in accordance with FAA guidelines as it is really the FAA's process.

For informative purposes only. No Board action requested.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/S3lTuF4oZic>.

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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES SEPTEMBER 16, 2021

Hannah presided. Present: Hall, Hankins, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Letter of Credit Extension with TD Bank, N.A.

Presented by Ron Kapocius, Vice President and Chief Financial Officer – At the May meeting, staff advised the Board that the Letter of Credit (LOC) supporting the \$51.8M outstanding 2008C Series Variable Rate Demand Bonds expires on November 15, 2021. The approved approach was to negotiate with the current provider, TD Bank, N.A., to extend the term of the agreement and negotiate the fee arrangement.

Staff together with the Authority's financial advisor and bond counsel negotiated with TD Bank, N.A. and determined the proposed terms were consistent and favorable to current market conditions. TD Bank, N.A. has proposed to extend the term of the LOC to November 13, 2025, under the following fee arrangement.

- Fee of 33 basis points (current fee is 29 basis points)
- All other business terms and conditions remain the same.

General Counselor, Erin Locklear, read the title of the resolution, RESOLUTION REGARDING THE EXTENSION OF THE TERM OF THE LETTER OF CREDIT ISSUED BY TD BANK, N.A. IN CONNECTION WITH THE AUTHORITY'S VARIABLE RATE AIRPORT REVENUE BONDS, SERIES 2008C (NON-AMT), a copy of which is attached to these minutes.

Staff requests approval of the attached resolution allowing the Authority to extend the Letter of Credit issued by TD Bank, N.A. and for the Authority's Secretary, the President and CEO, the CFO, and the General Counsel, under the advice of bond counsel, to take such other actions deemed necessary or appropriate to effect the transactions contemplated by this resolution.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at <https://youtu.be/S3lTuF4oZic>.

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EXTRACTS FROM MINUTES OF THE RALEIGH-DURHAM AIRPORT AUTHORITY

A regular meeting of the Raleigh-Durham Airport Authority was held at 1:00 p.m. on September 16, 2021 in the office of the Authority at the Raleigh-Durham International Airport, the regular place of meeting.¹

Present: Chair Patrick Hannah, Vice Chair Sepideh Saidi, Secretary David Kushner, Treasurer Tammie Hall, Member Dickie Thompson, Member David Morgan, Member Ellis Hankins, Member Yesenia Polanco-Galdamez

Absent: Secretary David Kushner

Also Present: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President-CGCA Feldman, VP and Chief HR Officer Armstrong, Vice President and CFO Kapocius, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * *

Vice President and Chief Financial Officer, Ron Kapocius, introduced the following resolution:

RESOLUTION REGARDING THE EXTENSION OF THE TERM OF THE LETTER OF CREDIT ISSUED BY TD BANK, N.A. IN CONNECTION WITH THE AUTHORITY'S VARIABLE RATE AIRPORT REVENUE BONDS, SERIES 2008C (NON-AMT)

WHEREAS, the Authority and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (the "Trustee") have previously entered into the Master Trust Indenture dated as of February 1, 2001, as amended and restated (as supplemented and as restated and amended, the "Indenture");

WHEREAS, the Authority, pursuant to the Amended and Restated Tenth Supplemental Indenture, dated as of November 1, 2009, as amended (the "Tenth Supplement"), has heretofore issued its Raleigh-Durham Airport Authority Variable Rate Airport Revenue Bonds, Series 2008C (Non-AMT) (the "Series 2008C Bonds") to provide funds, together with other available funds, to refund certain Bonds previously issued by the Authority under the Indenture;

WHEREAS, the Series 2008C Bonds are issued as variable rate demand bonds, under the terms of which, among other things, the Series 2008C Bonds bear interest at variable interest rates determined from time to time as provided therein, the Owners of the Series 2008C Bonds may tender their Bonds for purchase from time to time and the payment of principal and purchase price of, and interest on, the Series 2008C Bonds is secured by a Credit Facility (as defined in the Tenth Supplement);

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken. The meeting was live streamed at <https://youtu.be/S3lTuF4oZic> for public attendance virtually.

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WHEREAS, the current Credit Facility consists of a Letter of Credit, dated November 15, 2017 (the “Letter of Credit”) issued by TD Bank, N.A. (the “Bank”), which by its terms is scheduled to expire on November 15, 2021, and the Bank has proposed to extend the term of the Letter of Credit to November 13, 2025; and

WHEREAS, in connection with the proposed extension of the term of the Letter of Credit the Authority and the Bank have negotiated a fee arrangement satisfactory to both parties, which fee arrangement is set forth in the proposed Fee Agreement, a copy of which has been provided to the Board in connection with the consideration of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Raleigh-Durham Airport Authority as follows:

Section 1. The Authority hereby accepts the proposal of extend the term of the Letter of Credit to November 13, 2025 under the new fee arrangement set forth in the proposed Fee Agreement.

Section 2. The President and Chief Executive Officer is hereby authorized and directed to execute and deliver the final Fee Agreement on behalf of the Authority, such final Fee Agreement to be in substantially the form presented to the Board at the meeting at which this resolution is adopted.

Section 3. The Chief Executive Officer, the Chief Financial Officer, the General Counsel and the Secretary of the Authority, and the Assistant Secretary appointed hereby, are authorized and directed (without limitation except as may be expressly set forth in this resolution) to take such action as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this resolution.

Section 4. The Authority hereby acknowledges that the Reimbursement Agreement, dated as of November 15, 2017, pursuant to which the Letter of Credit was issued, continues in full force and effect, except to the extent, if any, the terms thereof are changed by the Fee Agreement.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 16th day of September, 2021.

I, David Kushner, Secretary of the Raleigh-Durham Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on September 16, 2021 as it relates in any way to the passage of the foregoing resolution and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this _____ day of _____, 2021.

[SEAL]

David Kushner, Secretary

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES OCTOBER 21, 2021

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Hankins to approve the agenda; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Morgan to approve the minutes of the regular meetings of the Board and the Board committees, and the consent actions of the Board, held on September 16, 2021; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah discussed the upcoming public engagement virtual event on October 27, 2021 to brief the public on the status of the Authority's first Sustainability Management Plan and collect input on the plan. He noted that staff will utilize the feedback received to explore and prioritize sustainability actions for inclusion in the final plan, which should be completed next summer.
3. Chair Hannah reminded everyone that on October 30, the Authority will partner with the Special Olympics of North Carolina for their plane pull fundraiser. Chair Hannah gave specifics for competing in the event, noting each five-person team must raise a minimum of \$800 to compete to log the fastest time to pull a 30,000 pound plane 25 feet.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at https://youtu.be/YRex9_Yq13c. Due to the Regional Transportation Alliance's presentation during the Strategic Planning Committee meeting, the Board meeting started at 1:46 p.m.

Raleigh-Durham Airport Authority Board Members

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IV. OLD BUSINESS

1. Operations Committee Report – Morgan reported Board members met during the Committee work session on October 21, 2021 and initially had a closed session to discuss a personnel matter and sensitive security information and, in open session, discussed the following item:

- a. Consideration of Facilities Lease and Operating Agreements with Truman Arnold Companies, Inc. and Signature Flight Support LLC

Motion by Morgan for approval of the Facilities & Fuel Farm Lease and Operating Agreement with Truman Arnold Companies, Inc., and authorization for the President and CEO to execute this agreement and for approval of the Facilities Lease and Operating Agreement with Signature Flight Support LLC, and authorization for the President and CEO to execute this agreement; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

2. Air Service Development Committee Report – Kushner reported Board members met during the Committee work session on October 21, 2021 and discussed the following item:

- a. Consideration of New Air Service Development Program

Motion by Saidi for approval of the proposed revisions to the Air Service Development Policy, including the 2022-23 Air Service Development Program; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

3. Land and Development Committee Report – Thompson reported Board members met during the Committee work session on October 21, 2021 and discussed the following item:

- a. National Environmental Policy Act Presentation

Presentation to Board in committee work session for informative purposes only. No Board action required.

4. Strategic Planning Committee Report – Saidi reported Board members met during the Committee work session on October 21, 2021 and discussed the following item:

- a. Regional Transportation Alliance Task Force Report

Presentation to Board in committee work session for informative purposes only. No Board action required.

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of Amendment One with Integrated Decisions and Systems, Inc.

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b. Consideration of Agreement with Clarke Power Services, Inc.

Motion by Thompson to approve and adopt the Consent Agenda item a; Second by Hankins³

ADOPTED BY UNANIMOUS VOTE

Motion by Thompson to approve and adopt the Consent Agenda item b; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members recognized the Authority's leadership team and the important issues they address. Board members were complimentary of staffs' presentations and of the technical support for virtual meetings. Bill Sandifer was congratulated on his well-deserved promotion and thanked for the informative NEPA presentation. The RTA Task Force was thanked for its efforts and time in preparing the updated report regarding sustainable funding for RDU. A recent air travel incident involving an unruly passenger was mentioned which resulted in travel delays. Members noted that there are many important opportunities regarding the airport and its future growth as well as potential challenges. Chair Hannah expressed appreciation to the members for their time and attention to the impactful matters before the Board and for their display of the Authority's core values.

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 saw higher than expected passenger traffic in the month of September, with 802,000 total passengers flying through the airport – 8% higher than what we forecasted for the month. The number of daily departures was 164, up 84% from September 2020 and down 28% from September 2019.

RDU's higher than expected passenger traffic outpaced the national recovery for those same weeks. Data for RDU and the country suggest that the lingering impacts of the Delta variant on travel demand we first saw in July are continuing to wane. Declining U.S. COVID mortality rates continue to correlate with increased airline ticket sales. The last three weeks of data suggest the nation is returning to the stable recovery that preceded the Delta variant.

³ Morgan and Kushner recused themselves due to a conflict of interest and refrained from voting
Raleigh-Durham Airport Authority Board Members



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Delta Air Lines continued to have the largest market share at RDU, with nearly 31 percent of total traffic. American Airlines had 24 percent of RDU's traffic, with Southwest coming in at just under 17 percent.

Parking Rates

The drive-up rate for ParkRDU Central will increase by \$1 a day beginning November 1st. The new rate remains below the \$15 per day maximum set by the Board and comes as passenger traffic rises steadily and the garage regularly nears capacity over the weekends and holidays. Central's online rate will remain \$10 per day for customers who book at least 24 hours in advance at ParkRDU.com. Dynamically adjusting parking fees helps RDU ensure there are enough spaces in the deck or remote lots while maintaining options for a wide range of travelers.

The Authority is incrementally recovering parking revenues as traffic recovers after significantly discounting the drive-up and online rates for all open parking facilities at the onset of the pandemic. Parking revenue supports RDU's operating costs and is reinvested in improving parking facilities and roads, maintaining runways and funding other airport infrastructure projects.

The airport proactively manages its parking offerings by continually reviewing rates, tracking the number of open spaces in parking facilities and offering promotions to ensure that a variety of locations, products and price ranges are always available.

Air Service Incentive Program

The Airport Authority is implementing a new air service development program aimed at bringing more international flights to RDU. The program will provide financial incentives for airlines to launch new non-stop international service. Additional long-haul routes will increase connectivity because our forecasts predict more people will resume international travel by next summer. Routes that qualify will be nonstop destinations unserved by RDU since 2019 that are at least 1400 nautical miles away.

The Authority considered many factors when developing this new incentive program including service lost because of the global health pandemic and incentive programs at other airports. Our goal is to recruit service to international destinations experts predict will be popular as the industry recovers, and as our region carries on with air travel.

IX. ADJOURNMENT

Motion by Saidi to adjourn; Second by Hall

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT OCTOBER 21, 2021

The Board approved the following items on the Consent Agenda:

a) Consideration of Amendment One with Integrated Decisions and Systems, Inc.

Memorandum by Jeffrey A. Slayton, PMP, Director of Parking Operations – In December of 2018, the Authority executed a three year agreement at an annual subscription rate of \$128,338 with Integrated Decisions and Systems (“IDeaS”), Inc., a SAS company, to provide a Car Park Virtual Revenue Management System (“VRMS”). This is the online booking engine for the dynamic pricing system of the car park facilities.

Starting in April 2020, in direct reaction to the onset of the COVID-19 pandemic, staff and IDeaS worked together to find ways to immediately reduce Parking operational costs. This effort continued through December 2020, when staff began negotiations with IDeaS for the purpose of formally reducing Parking operational costs through calendar year 2021. Resulting from these negotiations, staff proposes the following amended terms:

- Amend the existing Agreement to allow for an extended Dormant Mode Term (“DMT”), effectively suspending the remaining term, for a period of up to no later than December 31, 2021. An annual charge of \$22,500 in hosting fees during this hibernation period will take the place of the current subscription.
- Extend the current Agreement two full years starting January 1, 2022, so that the full value of the three year contract can be realized.
- Should the Authority decide that a re-start of the system is needed earlier than December 31, 2021, IDeaS will refund the prorated amount of the SMT hosting fees and reinstate the original subscription. A phased-in reactivation of the Agreement rates will be based on car park facility re-openings.

Staff requests approval of Amendment One with Integrated Decisions and Systems, Inc., that places the existing Agreement with IDeaS into a Dormant Mode Term through December 31, 2021, replaces the \$128,338 annual subscription fee with the Dormant Mode annual rate of \$22,500¹, and beginning no later than January 1, 2022, extends the Agreement two full years for realization of the full value of the three year contract, and authorization for the President and CEO to execute the Amendment.

¹ Should the Authority decide that a re-start of the system is needed earlier than December 31, 2021, IDeaS will refund the prorated amount of the DMT hosting fees and reinstate the original subscription. A phased-in reactivation of the Agreement rates will be based on car park facility re-openings.

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b) Consideration of Agreement with Clarke Power Services, Inc.

Memorandum by Charles Nolan, Contracts Compliance Officer – Staff requests approval of a multi-year agreement with Clarke Power Services, Inc. for annual load bank testing of 24 emergency power generators located throughout the RDU campus. This contract will lock in prices for the three-year term and ensure our generators are completely capable to carry the full critical load in the event of a utility power outage.

Competitive pricing for these services was solicited through the RDU website as a Request for Proposals. Responses were received from six firms. Clarke Power Services, Inc. provided the lowest price and was selected by the evaluation team as the best value based on pricing, proposal quality, references, and interviews.

The proposed contract will be for a term of three years plus a single one-year option period, beginning on November 1, 2021 and the contract amount for the three-year term will be \$50,280. Minority and Women-owned Small Business (MWSB) participation goals for the contract were set at 7% Minority-owned Businesses (MB) and 4% Women-owned Businesses (WB). Clarke Power Services, Inc. indicated their intent to self-perform all services. This was reviewed by the Authority's Small Business Programs Office; Clarke Power Services has met the MWSB program requirements.

Staff requests approval of a three-year agreement, plus a one-year option period, for annual generator load bank testing services with Clarke Power Services, Inc. in the amount of \$50,280 and the authorization for the President and CEO to execute the agreement.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES OCTOBER 21, 2021

Morgan presided. Present: Hall, Hankins, Hannah, Kushner, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

Motion by Thompson to enter into a closed session to: (i) discuss a personnel matter pursuant to NCGS §143-318.11(a)(1) and (6), and (ii) protect sensitive security information from disclosure pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 11:03 a.m. until 11:58 a.m.

The Committee discussed the following item:

1. Consideration of Facilities Lease and Operating Agreements with Truman Arnold Companies, Inc. and Signature Flight Support LLC

Presented by Tyler Maheu, C.M., Director of Commercial Management – Truman Arnold Companies, Inc. (TAC Air) and Signature Flight Support LLC (Signature) lease facilities as fixed base operators (FBOs) at RDU. The FBOs provide services to the general aviation community at the airport, offering hangar leasing, fueling, aircraft maintenance, flight training, and other general-aviation related services. TAC Air also leases fuel farm facilities under a separate fuel farm ground lease.

The current Facilities Lease and Operating Agreements and Fuel Farm Ground Lease will expire on March 31, 2022. Primarily, due to the economic downturn associated with COVID and its effect on general aviation, staff negotiated new ten-year agreements with TAC and Signature.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/YRex9_Yq13c.

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Staff has negotiated with both FBOs to increase rent, add new rent provisions, be responsible for maintenance of all vertical facilities, and make capital investments.

Key components of the TAC Air lease include:

- Increase leased square feet of aircraft apron.
- Increase annual ground and facility rent from approximately \$1,123,847 currently to approximately \$2,009,829 in year one of the new agreement (including additional leased space). All ground and facility lease rates will increase three percent (3%) per year.
- Add a fuel revenue share of \$0.03 per gallon. The fuel revenue share will increase ½ cent per year.
- Add a services revenue share of three percent (3%).
- Make \$750,000 worth of capital investments, which will include General Aviation Terminal building facility improvements.
- Continue to pay Maintenance & Operation fees.

The term and rates will become effective April 1, 2022, but TAC Air will begin building improvement work on the General Aviation Terminal immediately. Additionally, TAC Air will continue to lease and operate the fuel farm, which will be incorporated into the main FBO Facility Lease and Operating Agreement. For that portion of the agreement, TAC will increase annual rent from approximately \$5,914 to approximately \$7,676 in year one. Rent will escalate each year thereafter by five percent (5%) per year.

Key components of the Signature lease include:

- Increase leased square feet of aircraft apron.
- Increase annual ground and facility rent from approximately \$372,226 currently to approximately \$1,489,035 in year one of the new agreement (including additional leased space). All ground and facility lease rates will increase three percent (3%) per year.
- Add a fuel revenue share of \$0.03 per gallon. The fuel revenue share will increase ½ cent per year.
- Add a services revenue share of three percent (3%).
- Make \$889,765 worth of capital investments.
- Continue to pay Maintenance & Operation fees.

The term and rates will become effective April 1, 2022. Rates were evaluated and negotiated based on a comparison of a recent appraisal on similar aeronautical facilities, an initial consultant report, and an analysis of old rent rates escalated over time.

Staff requests approval of the Facilities & Fuel Farm Lease and Operating Agreement with Truman Arnold Companies, Inc., and authorization for the President and CEO to execute this agreement. Staff requests approval of the Facilities Lease and Operating Agreement with Signature Flight Support LLC, and authorization for the President and CEO to execute this agreement.

Raleigh-Durham Airport Authority Board Members

DURHAM COUNTY

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David Morgan

CITY OF RALEIGH

Sepideh Saidi, **Vice Chair**
Dickie Thompson

WAKE COUNTY

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Tammie Hall, **Treasurer**
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RALEIGH- DURHAM AIRPORT AUTHORITY AIR SERVICE DEVELOPMENT COMMITTEE WORK SESSION MINUTES OCTOBER 21, 2021

Kushner presided. Present: Hall, Hankins, Hannah, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of New Air Service Development Program

Presented by Kenneth Strickland, Director of Air Service Development & Research - The Raleigh-Durham International Airport initiated a Strategy Addendum to its Five-Year Air Service Development Strategy in July 2021. The purpose of this Addendum was to identify the salient short-term air service development needs of the Airport and Triangle region based upon the highly dynamic nature of consumer demand and airline network strategies during COVID-19 recovery.

The resumption of non-stop transatlantic connectivity is a critical component of the Authority's Strategy Addendum. The Triangle region is currently the largest U.S. market without non-stop transatlantic service based on 2019 traffic levels. Though American Airlines and Delta Air Lines have each communicated their intention to resume London and Paris service respectively, lagging U.S. transatlantic demand, particularly among business travelers, has repeatedly resulted in delays to a return of service to these markets. As the Authority forecasts a surge in transatlantic leisure travel demand during the summer of 2022, it is imperative that the Airport provide corresponding non-stop service to meet the region's anticipated need.

In response to this need, as well as other long-haul international opportunities that might emerge during the next fiscal year, the Authority is proposing an update to its Air Service Development Strategy for the fiscal year 2022/23 to include an incentive program targeting long-haul international service to previously unserved markets. The proposed program includes:

1. A rebate of most Authority operating rates and charges capped at \$250,000 annually per carrier, and \$500,000 annually for all carriers to be available for a two-year period (\$500,000 maximum incentive per carrier, \$1,000,000 total for the program).

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/YRex9_Yq13c.

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2. Up to \$25,000 in marketing support per carrier during the first year of operation for new entrant carriers, with a cap of \$50,000 for all eligible carriers.

Service requirements for carriers seeking incentive funds for routes under this program include the introduction of non-stop service to an international market of at least 1,400-nautical miles distance from RDU that has not previously been served with scheduled non-stop service since December of 2019. Furthermore, qualifying destination airports must be a minimum of 150-nautical miles in distance from any market served from RDU since December 2019. A minimum service season of three-months within a 12-month period is required, as is at least once daily service to the relevant destination airport.

Upon approval, the program would permit carriers to immediately begin the process of applying for incentive funds for flights operated during fiscal year 2022/23, with incentives available for service operating on or after April 1, 2022. Qualifying international service launched between April 1, 2022 and March 31, 2023 would qualify for incentives under this program, assuming other requirements are met. Qualifying service would be eligible for the rebate of rates and charges for up to a two-year period from start of operation not to extend past March 31, 2024. Marketing incentives will be made available to qualifying carriers through March 31, 2023.

The justifications for this approach and proposed Policy are as follows:

1. Long-haul international service requires a significant financial investment by a carrier, with many planning on a minimum of two-years of operation to reach revenue positive results.
2. The Authority's proposed incentive program will increase the viability of the market opportunity for a wider variety of carriers, including low-cost and leisure carriers that typically carry lower yield traffic when compared to traditional legacy carrier products.
3. The Authority's proposed incentive represents a strong and carefully considered compromise between similar programs offered by peer airports, and the true market opportunity available to carriers at RDU.
4. The Authority's proposed incentive policy minimizes risk to the Authority, as it forecasts passenger revenues to the Authority comparable to or in excess of prospective Policy rebates to qualifying carriers.
5. The program is not limited to transatlantic service and provides an opportunity for long-haul service growth to additional markets should the opportunity arise.
6. The program allows the President and CEO to return to the Board to seek approval of additional funding should the need present itself.

The success of this program will be measured by its effectiveness in attracting new long-haul international service to the market during fiscal year 2022/23.

Staff requests approval of the proposed revisions to the Air Service Development Policy, including the 2022-23 Air Service Development Program.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES OCTOBER 21, 2021

Thompson presided. Present: Hall, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. National Environmental Policy Act Presentation

Presented by William Sandifer, A.A.E., Executive Vice President and Chief Operating Officer – Mr. Sandifer briefly recapped the public scoping part of the Environmental Assessment (EA) process and noted this was a deeper dive into the National Environmental Policy Act (NEPA). He introduced Rob Adams of Landrum and Brown, a leading EA expert. Mr. Adams defined NEPA and the direct and indirect obligations under NEPA as well as other special purposes laws. He explained the FAA's implementation of NEPA under various orders as well as the Reauthorization Act. Mr. Adams detailed FAA actions that trigger NEPA and went over the FAA's three types of NEPA review documents: Categorical Exclusion (CATEX), EA, and Environmental Impact Statement (EIS). He explained the purposes, impacts, and timeline for each of the three review categories, particularly focusing on the EA, which is the review category the Authority is currently involved in. Mr. Adams pointed out that the FAA's EIS is the most intense type of review, with the FAA controlling the entire process. Mr. Adams explained that in a review process, all actions connected in function and/or timing to the project must be considered.

Bill Sandifer reviewed some categories of questions presented during the public scoping process, such as Park Economy 3, and noted that the FAA determined what was included in the project bundle for the EA. As to Park Economy 3, the FAA issued a Section 163 letter that no NEPA documentation was required; however, Mr. Sandifer noted that the Authority is collaborating with state agencies to determine any special purpose law requirements.

As to the runway program, Mr. Sandifer explained next steps in the EA process, and that Landrum and Brown is working on the EA analysis which draft should be available for review in the spring. There will be continued public engagement in a second round public workshop. Board members expressed appreciation for the thorough presentation.

For informative purposes only. No Board action requested.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/YRex9_Yq13c.

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RALEIGH- DURHAM AIRPORT AUTHORITY STRATEGIC PLANNING COMMITTEE WORK SESSION MINUTES OCTOBER 21, 2021

Saidi presided. Present: Hall, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation regarding Sustainable Funding for RDU Airport

Presented by the Regional Transportation Alliance (RTA) Task Force – Joe Milazzo, Executive Director of the RTA, a program of the Greater Raleigh Chamber, introduced the RTA members virtually joining the meeting. RTA members took turns addressing the group on various aspects of and the work performed by the RTA Task Force regarding airport funding.

The some of the key member organizations of RTA were noted and the 2021-22 RTA Action Plan was shared, showing “advance sustainable funding for RDU Airport” as the top priority. The initial review by the task force in 2019 was described and the funding recommendations from that review. Task force members noted that the up to \$2 billion funding shortfall was a shock, with no consensus with airline partners on funding solutions or structures.

While the task force began work on the 2019 recommendations, the pandemic hit and the task force reinstituted its work in February 2021. The members had meetings with staff to understand operational changes since COVID and to gather information in the post-pandemic environment. The RTA Task Force issued a second report emphasizing the capital infrastructure funding challenge. The funding sources were noted and the members stressed that 1957 was the last time that the amount of funding from local sources was addressed.

The task force members discussed their recommendations, including sources under the Authority’s control including increasing parking fees, implementing an airport access fee, and continuing to monetize airport lands. Local funding was recommended to be increased, and continued state funding of airports was applauded. As to federal funding sources, the recommendations were to prioritize federal funding for replacement of runway 5L/23R and propose a nominal \$1.00 PFC increase for inflation.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/YRex9_Yq13c.

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The presentation by the members was concluded by closing remarks by RTA's Chair Mike Schoenfeld, who thanked Michael Landguth and his team for providing access to the data needed by the task force and insights as to the operation of the airport. He noted these are valuable recommendations for the airport and the region, to resolve the capital funding shortfall at RDU, recognizing the airport as a significant economic engine for the community.

Committee Chair Saidi thanked the task force members for their valuable time and great effort put into producing this report, noting that this is a critical and urgent funding challenge facing the airport. Board members thanked the task force for the meaningful information and for their time spent in this endeavor.

For informative purposes only. No Board action requested.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES OCTOBER 29, 2021 at 8:00 a.m.

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, the purpose for the special meeting, and that the live stream was operating for public viewing.

Chair Hannah welcomed everyone to the special meeting to focus on strategic planning for the airport including revision of the Strategic Plan. Chair Hannah turned the meeting over to Strategic Planning Committee Chair Saidi who thanked everyone for attending and recognized Chuck McFall, the Authority's Senior Vice President and CISO. Mr. McFall introduced Stephen D. Van Beek, Ph.D., Director and Head of North American Aviation for Steer to lead the discussion.

Dr. Van Beek asked the Board about its expectations for outcomes for the Strategic Plan and any questions about the current state of the industry. He reviewed the components of airport planning initiatives, why the Authority needs a Strategic Plan, and discussions to date regarding revisions to the plan. Dr. Van Beek described the fast-changing policy environment, showing the difference over the past 18 months in funding and the industry, and stressing the navigation between investment risk and service risk.

With comments from Chair Hannah on the Board's responsibility and purpose, Dr. Van Beek remarked on the Authority's Board structure. He provided information regarding the aviation industry's trends, noting the link between the state of the economy and aviation. He discussed various types of air carriers and the variety of carriers at RDU. He explained airports' capacity recovery trends, and elements impacting performance. Dr. Van Beek charted RDU's growth over the past 10 years, its steady recovery since the summer of 2021, and benchmarks used to predict RDU's air travel recovery in 2023 to pre-pandemic levels. There was Board discussion regarding gaps between the forecasts, as well as comments from Michael Landguth, the Authority's President and CEO, as to the flexibility of the Strategic Plan.

Dr. Van Beek outlined the next topic of challenges and choices, discussing the continuous challenge of bringing airside, terminals and landside into balance. He delved into the customer experience, and the airport's need to influence each stage of that experience, as well as engagement of each type of traveler.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at <https://youtu.be/pl-UcEfYIRg>.

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Dr. Van Beek discussed the airport's commercial services during recovery, and consideration of new concessions models as well as private-public ventures. There was discussion regarding nationwide scenarios involving public-private investments for capital infrastructure projects.

Dr. Van Beek described the rating criteria for assessing airport financial risk. There was discussion regarding the Authority's lack of taxing authority, with information supplied by Michael Landguth as to General Obligation Bonds approved for issuance in the 1980s to finance improvements at the airport. There was further discussion regarding the benefit of oversight by the State Treasurer's office providing market assurance to investors and banks.

Dr. Van Beek went over the PEST (Political/Economic/Social/Technological) Analysis with ideas drafted from discussions with the Authority's leadership team. The Board offered additional areas to consider including privacy concerns by travelers, ever-evolving technology including new types of energy to power aircraft, business travel reduction due to virtual meeting environments, environmental responsibility, and public safety including technology to assist with effectiveness. Dr. Van Beek detailed the Authority's SWOT (Strengths/Weaknesses/Opportunities/Threats) Analysis. Chair Hannah commented on the opportunity for the airport to be more innovative given the region's technological companies, including space tourism, and drones (Transportation as a Service).

Dr. Van Beek defined strategic goals and objectives and explained their need, noting that this topic would be more fully discussed at the special meeting scheduled for November 12th. He went over guidelines and examples for goals and objectives, and shared with Board members strategic goals identified by the Authority's leadership team. Board members discussed certain proposed goals could change over time and how some appear to be objectives rather than goals. There was discussion that goals should be fluid with a level of flexibility to amend how a goal is attained. The Board members offered other suggestions such as sustainability, productive inter-government relationships, and innovation in such areas as financing. Richard Batty, a Director with Steer, gave an example of how an airport in the Silicon Valley region wanted the airport to reflect the culture and feel of that region. Treasurer Hall asked that diversity, equality and inclusion be interwoven so that minority and women-owned businesses are included. Dr. Van Beek noted that the Strategic Plan is reflective of the Raleigh-Durham Airport Authority and there are various ways to reflect and communicate the initiatives that the Authority is undertaking. Secretary Kushner noted that the aesthetics of RDU should be preserved to continue to present the airport as a first class experience.

Dr. Van Beek thanked the Board members for participation and feedback which would be the basis for further discussion on November 12th. He noted that the Authority's leadership team had provided excellent input. Strategic Planning Committee Chair Saidi and Chair Hannah thanked the Board members for their time, comments and participation.

Motion by Hankins to adjourn; Second by Hall

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES NOVEMBER 18, 2021

Vice Chair Saidi presided. Present: Hall, Hankins, Kushner, Morgan and Polanco-Galdamez.¹ Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Motion by Morgan to approve the agenda; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Polanco-Galdamez to approve the minutes of the regular meetings of the Board and the Board committees, and the consent actions of the Board, held on October 21, 2021 and of the minutes of the special meeting of the Board held on October 29, 2021; Second by Hall

ADOPTED BY UNANIMOUS VOTE

III. VICE CHAIR COMMENTS

1. Vice Chair Saidi welcomed everyone.
2. Vice Chair Saidi discussed the Sustainability Management Plan progress as well as recent virtual workshops held to collect feedback which will be used to help develop sustainability goals, targets and actions to be outlined in the plan.
3. Vice Chair Saidi have highlights regarding the planned transformation of the former Starbucks location in the pre-security area of Terminal 2 into a winter wonderland.
4. Vice Chair Saidi commended staff for winning the Airports Council International-North America (ACI-NA) first-place award for best Overall Public Relations Program for a medium-sized airport for the Triangle Takeoff Coalition's "Carry On" multimedia campaign. She noted that RDU's "The Fly Angle" podcast was a finalist in the Community Education and Outreach category for airports of all sizes.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at https://youtu.be/FWiAXiz9F_I. The meeting started at 1:35 p.m. following conclusion of the committee work sessions.

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5. Vice Chair Saidi recapped the recent 2021 Special Olympics North Carolina Plan Pull, thanking all the hosts, organizers, volunteers, sponsors and participants. She introduced Special Olympics-North Carolina President and CEO, Keith Fishburne, and Special Olympics' athlete and Global Messenger, Romas Gabrielli.

Mr. Fishburne thanked the Authority for hosting the successful event at RDU which raised more than \$110,000 in support of the Special Olympics. He briefly noted how the Special Olympics helps athletes to participate at no cost. He introduced Romas Gabrielli, who shared details of the events he has trained and participated in, displaying the gold medal he won. Romas conveyed how training and competing in Special Olympic events helped him in his personal life by giving him confidence and helping him feel more accepted and appreciated in the community. Mr. Fishburne thanked the Authority Board and staff, with special thanks to Michael Landguth for supporting the Plane Pull event and for Mary Griffith's assistance as the Authority's liaison for the event.

IV. OLD BUSINESS

1. Land and Development Committee Report – Morgan³ reported Board members met during the Committee work session on November 18, 2021 and discussed the following items:

- a. Consideration of a Master Services Agreement with a Construction Manager at Risk Firm for Replacement of Runway 5L-23R

Morgan asked for approval of the Construction Manager at Risk ranking and corresponding Master Services Agreement with Balfour Beatty Construction and authorization for the President and CEO to execute the agreement;

- b. Consideration of a Master Services Agreement with a Construction Manager at Risk Firm(s) for Terminal 2 Concession Space Program

Morgan asked for approval of the Construction Manager at Risk ranking and corresponding Master Services Agreements with the two top ranked construction firms of Balfour Beatty Construction and Messer Construction, and authorization for the President and CEO to execute the agreements;

- c. Consideration of Task Order with Gensler Architects regarding Terminal 1 Flooring Replacement

Morgan asked for approval of Gensler Architecture Task Order: GSR 03.2021, in the amount of \$117,090 and authorization for the President and CEO to execute the task order;

Motion by Morgan for approval of above items a. through c.; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

³ Acting in the absence of Committee Chair Thompson
Raleigh-Durham Airport Authority Board Members



Michael J. Landguth, A.A.E.
President & CEO

2. Finance Committee Report – Kushner⁴ reported Board members met during the Committee work session on November 18, 2021 and discussed the following item:
 - a. Presentation Regarding Performance for the Second Quarter of the Fiscal Year Ending March 31, 2022

Presentation to Board in committee work session for informative purposes only. No Board action required.

3. Operations Committee Report – Morgan reported Board members met during the Committee work session on November 18, 2021 and discussed the following item:
 - a. Consideration of Agreement with Flagship Airport Services for Janitorial and Pest Control Services

Motion by Morgan for approval of the selection of Flagship Airport Services to provide janitorial and pest control services to the Authority and authorization for the President and CEO to execute a five-year contract in an amount not-to-exceed \$42,173,782; Second by Polanco-Galdamez

ADOPTED BY UNANIMOUS VOTE

4. Marketing and Guest Experience Committee Report – Hankins reported Board members met during the Committee work session on November 18, 2021 and discussed the following item:
 - a. Presentation Regarding Triangle Takeoff Coalition “Carry On” Campaign

Presentation to Board in committee work session for informative purposes only. No Board action required.

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of a Multi-Year Contract with Carolina Recording Systems

Motion by Kushner to approve and adopt the one item on the Consent Agenda; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL’S REPORT

No items were reported.

⁴ Acting in the absence of Committee Chair Hannah
Raleigh-Durham Airport Authority Board Members



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VII. MEMBER COMMENTS

Board members thanked staff for their commitment and hard work at the airport, and for the time and effort in preparing the presentations for meetings. Fellow Board members were recognized for their efforts in today's work sessions and meeting. The Communications, Government and Community Affairs staff were congratulated on the award for the "Carry On" campaign and for the nomination for The Fly Angle podcast. Positive expectations were expressed for runway project work beginning. Comments regarding increased passenger activity for the holidays were noted as well as several members' travel plans through RDU over the next few weeks.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

A total of 930,00 passengers flew through RDU in October. That was an increase of 154% over October of last year and a decrease of 27% from October of 2019. October was the second busiest month for passenger traffic since the pandemic began, behind July of this year. The growth in traffic can be attributed to the declining effects of the Delta variant.

The week of October 18th through October 24th was the busiest week RDU has experienced since the onset of COVID-19. The number of average daily departures was 175, up 86% over October of 2020 and down 24% from October 2019.

Thanksgiving Projections

Our forecast shows more than 234,000 passengers will fly through RDU from Monday through Sunday of next week, compared to 103,000 during the same week last year. That's an increase of 129%. We anticipate Sunday being the busiest day of the week, with 44,000 people traveling in a single day. However, we have not fully recovered to 2019 levels yet. This year's forecast is 18% below the record-setting traffic levels we experienced before the pandemic.

Infrastructure Bill

Congress has passed and the President has signed the \$1.2 trillion Infrastructure Investment and Jobs Act, which includes billions in funding for airports. The bill contains \$25 billion in new general fund revenue over the next five years for airports and air traffic control facilities, including:

- \$15 billion for airport formula grants, and
- \$5 billion for a new airport terminal program.

We would like to thank Congressman David Price and other members of the North Carolina delegation who voted for the bill.

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DOT Rulemaking

The U.S. DOT granted a request last month from our trade association – Airports Council International-North America, or ACI-NA – to update rules about the participation of disadvantaged businesses in airport concessions. Those rules, known as Part 23, have not been updated in more than a decade but the business climate has changed dramatically during that time.

ACI's Business Diversity Committee, co-chaired by Team RDU's Thiane Carter, requested that DOT issue a notice of proposed rulemaking, which the agency agreed to do early next year. As part of that process, DOT could consider changes that would broaden opportunities for disadvantaged businesses by reflecting how airport concessionaires currently operate and how businesses are funded.

Parking

As passenger traffic recovers and the terminals get busier, you'll notice that our parking deck and remote lot are getting more crowded. RDU consolidated all public parking options into ParkRDU Central and Premier in the deck last year to help manage limited resources. We also significantly discounted the drive-up and online rates for all open parking facilities at the onset of the pandemic. We are incrementally recovering parking revenue as passenger traffic picks up.

Beginning this Friday, we are returning to pre-pandemic parking rates and putting changes into effect that will help us manage capacity while preserving a variety of options for our guests. ParkRDU Central will be \$15 per day for drive-up customers and \$12 online, and the online rate for Premier will be \$18 compared to the \$22 drive-up rate. We are also keeping the Economy 3 lot rate at \$10 a day. For customers who have already booked their parking online, RDU will honor the rate they reserved.

We are also moving airport employees out of the Economy 3 lot to make an additional 1,000 parking spaces available. We will continue to make the best daily rates available at ParkRDU.com for guests who book parking online before their trip. We encourage guests to save money and book online while there are spaces available for the holidays.

There are three primary reasons for adjusting parking rates now:

- Our passenger traffic has recovered to about 75% of where we were in 2019.
- We are reactivating capital projects from our Vision 2040 master plan for future growth. That triggers about \$1.8 billion in projects we can't afford to defer amid significant economic and population growth in the Triangle region.
- And, finally, substantial increases in labor and construction costs are driving up the price of the projects we are activating.

Regional business groups, including the Regional Transportation Alliance, recommended that RDU increase parking rates to help pay for important airport projects. Adjusting rates helps to ensure that guests have ample options, and the airport can support its operations and build for the

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future. We will continue to review parking trends, rates and promotions to help manage parking capacity and are ready to open additional lots when they are needed.

Holiday Advice

With the expected increase in traffic over Thanksgiving, I'd like to remind everyone to give themselves plenty of time if they're traveling next week. We recommend guests arrive two hours early for domestic flights to find parking, check in, go through security and get to their gate on time. As always over the holidays, be sure to pack your patience!

Crisis Response

Finally, I want to thank everyone who helped with our response to the power disruption in Terminal 2 last week. It was a difficult situation for our guests whose travel plans were disrupted. Members of Team RDU worked hard to restore the electrical system that went down, communicate with guests and business partners, hand out water and snacks, manage lines and get information to the public and the media. Several people came in on vacation days and one retired team member pitched in. RDU appreciates your dedication, resourcefulness and commitment.

IX. ADJOURNMENT

Motion by Hankins to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT NOVEMBER 18, 2021

The Board approved the following item on the Consent Agenda:

a) Consideration of a Multi-Year Contract with Carolina Recording Systems

Memorandum by Michael McLanahan, Vice President IT Business Solutions – Carolina Recording Systems is a leading managed service provider of mission-critical communication recording systems. Carolina Recording Systems has the proven expertise and resources in place to immediately respond to and resolve all hardware and software issues that arise with Eventide recorders and has demonstrated this ability for years in RDU's complex environment. Information Services is seeking approval of a five-year agreement with Carolina Recording Systems for Eventide call recorder support at a total cost of \$71,960 over the five-year period.

Carolina Recording Systems has supported the call recorder in the ACC for over ten years. In the last two years, Carolina Recording Systems installed a new Eventide call recorder in the ACC then created redundancy between it and the Ramp Tower Eventide call recorder. This endeavor consolidates the support for the ACC and Ramp Tower Eventide recorders with Carolina Recording Systems.

The Information Services and Procurement departments collaborated on the procurement strategy for Eventide call recorder support. Carolina Recording Systems is the only fully authorized Eventide factory trained sales and service center for a region that includes North Carolina and five other states. As such, Eventide guarantees their support services.

This procurement initiative has been reviewed and is supported by the Authority's Small Business Programs Office.

Staff requests approval for a five-year agreement with Carolina Recording Systems for Eventide call recorder support at a cost of \$71,960 and authorization for the President and CEO to sign any necessary, related documents.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES NOVEMBER 18, 2021

Morgan presided.¹ Present: Hall, Hankins, Kushner, Polanco-Galdamez, and Saidi.² Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.³

The Committee discussed the following items:

1. Consideration of a Master Services Agreement with a Construction Manager at Risk Firm for Replacement of Runway 5L-23R

Presented by Ronald Jewett, Vice President Facility Assessment Management – On June 9, 2021 staff hosted a virtual Business Opportunity Workshop that focused on informing and educating the contracting community about upcoming Construction Manager at Risk (CMAR) opportunities related to future capital improvement projects at RDU. The sign-up list for the meeting included approximately 200 names.

On July 6, 2021 staff issued a Request for Qualifications (RFQ) for CMAR firms that might have interest in serving alongside staff in providing construction management services related to RDU Project 080879, Replacement of Runway 5L-23R. The project includes construction of a new runway, re-building the existing runway as a parallel taxiway, realignment of a portion of Lumley Road, and all related sub-elements and associated infrastructure. Efforts to preserve the existing runway are also in the proposed scope of work.

Based on a number of successful vertical and horizontal projects over the past ten years using the CMAR delivery method, staff strongly believes that construction delivery of this complicated, extensive, and long-term project would be best approached and executed with this method. In accordance with the Authority's Construction Management-at-Risk Selection Policy, staff recommended, and the President and CEO concurred, that the project would be best served by this method.

¹ Acting in the absence of Committee Chair Thompson

² Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

³ The meeting was live streamed at https://youtu.be/FWiAXiz9F_I. The work session was halted from approximately 11:34 a.m. to 11:39 a.m. due to difficulties with the YouTube livestreaming. The work session resumed when the livestream was re-established.

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On July 14, 2021, a related in-person meeting was held in which attendees were presented the scope and scale of the project, and the attendees were introduced to staff that will be involved. Staff presented details of the RFQ and focused on preparing potential respondents to formulate a Statement of Qualifications (SOQ). The meeting was attended by five contractors. SOQs were received on August 27 from two firms. A selection committee made up of six voting members under the guidance of Bill Sandifer, Executive Vice President and Chief Operating Officer, evaluated the SOQs and determined to interview both firms. Each of the interviews, conducted at RDU on September 30, involved a presentation by each firm and an extensive Q&A session regarding each firm's understanding of the project and its approach to meeting all of the challenges therein.

The teams were scored based upon the following: Responsiveness to Submittal Requirements, Relatable Firm Depth & Breadth of Experience on Similar Projects; Qualifications & Experience of Proposed Project Managers & Other Key Personnel; Approach to Pre-construction Services and Construction Services; Perceived Ability to Meet or Exceed DBE Goals; Level of Client Satisfaction; and Cost/Fee Information. The element of Cost/Fee consideration is required by the Federal Aviation Administration, which will provide a portion of the project's funding.

At the conclusion of the interview process, staff proposes the following ranking for the two firms.

1. Balfour Beatty Construction
2. Kiewit Construction

Balfour Beatty Construction has a strong record of success at RDU on both vertical and horizontal projects, including its success in including Disadvantaged Business Enterprise (DBE) in its work. In response to this solicitation, Balfour Beatty's proposed team members include long-term partner Right Build International, as well as mentor/protégé firms YES Real Estate and Varnedoe Construction. All three of these are North Carolina firms.

Dependent upon Board approval of a Master Services Agreement with the proposed CMAR firm, and at the future appropriate time, staff will bring back to the Board for its consideration pre-construction and construction services agreements with the selected firm for each significant phase or element of the Project.

Staff requests approval of the Construction Manager at Risk ranking and corresponding Master Services Agreement with Balfour Beatty Construction and authorization for the President and CEO to execute the agreement.

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2. Consideration of a Master Services Agreement with a Construction Manager at Risk Firm(s) for Terminal 2 Concession Space Program

Presented by Jaymes Carter, Vice President Buildings and Building Systems – On June 9, 2021 staff hosted a virtual Business Opportunity Workshop that was focused on informing and educating the contracting community about upcoming Construction Manager at Risk (CMAR) contracting opportunities related to future capital improvement projects at RDU. The sign-up list for the meeting included approximately 200 names.

On July 30, 2021 staff issued a Request for Qualifications (RFQ) for CMAR firms that might have interest in serving alongside staff in providing construction management services related to RDU Project 331030, Terminal 2: Concession Spaces Program. The Authority is implementing a new Concessions Operating Management Structure. In this model, the Authority will oversee the design and construction of three tenant spaces in Terminal 2, with an opportunity for future additional concession spaces.

Based on a number of successful vertical and horizontal projects over the past ten years using the CMAR delivery method, staff strongly believes that construction delivery of this complicated, extensive, and long term project would be best executed using a CMAR delivery method. In accordance with the Authority's Construction Management-at-Risk Selection Policy, staff recommended and the President and CEO concurred, that the project would be best served by the CMAR delivery method.

On July 19, 2021, a related in-person meeting was held in which attendees were presented the scope and scale of the project, and the attendees were introduced to staff that will be involved. Staff presented details of the RFQ and focused on preparing potential respondents to formulate a Statement of Qualifications (SOQ). The meeting was attended by twelve contractors. SOQs were received on August 27 from eight firms. A selection committee made up of three voting members evaluated the SOQs and determined four firms would be interviewed. Each of the interviews, conducted at RDU on October 8, involved a presentation by each of the four firms and an extensive Q&A session regarding each firm's understanding of the project and the firm's approach to meeting all of the challenges therein.

The teams were scored based upon the following: Responsiveness to Submittal Requirements, Relatable Team Depth & Breadth of Experience on Similar Projects; Qualifications & Experience of Proposed Project Managers & Other Key Personnel; Approach to Pre-construction Services and Construction Services; Perceived Ability to Meet or Exceed MWSB Goals and Level of Client Satisfaction. At the conclusion of the interview process, staff proposes the following ranking for the four firms:

1. Balfour Beatty Construction
2. Messer Construction
3. LeChase Construction
4. Ajax Building Company

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Balfour Beatty Construction has a strong record of success at RDU on both vertical and horizontal projects, including its success in including Minority and Women-owned Small Businesses (MWSB) in its work. In response to this solicitation, Balfour Beatty's proposed team members include long-term partner Right Build International, as well as mentor/protégé firms YES Real Estate and Varnedoe Construction. All three of these are North Carolina firms.

Messer Construction is new to RDU but has vast experience working at other airports in the region and beyond. Messer is committed to maximizing MWSB participation, and is partnered with Lil Associates 2, Inc. who will support Community and Business outreach and assist in their MWBE compliance and creating economically feasible packages for MWSB engagement.

Staff recommends selecting the top two ranked firms for the following reasons:

- 1) Multiple project opportunities if the Authority proceeds with concession re-development beyond the first three units contemplated.
- 2) There is greater diversity in contractor expertise by selecting two firms.
- 3) More than one firm provides additional flexibility by drawing from a larger pool of available subcontractors and various trades needed for construction. Particularly with the current labor challenges that multiple industries face due to the current environment of the pandemic.

Dependent upon Board approval of a Master Services Agreements with the proposed CMAR firms, and at the future appropriate time, staff will bring back to the Board for its consideration pre-construction and construction services agreements with the selected firm for each significant phase or element of the Project.

Staff requests approval of the Construction Manager at Risk ranking and corresponding Master Services Agreements with the two top ranked construction firms, and authorization for the President and CEO to execute the agreements.

3. Consideration of Task Order with Gensler Architects regarding Terminal 1 Flooring Replacement

Presented by Jaymes Carter, Vice President Buildings and Building Systems – The existing flooring in Terminal 1 was installed in 2014. The flooring material is carpet. Over time, due to high customer traffic on the first and second floors, the face yarn has begun to unravel at some of the seams. In addition, some areas of the carpet backing have begun to delaminate from the cushion. Staff have repaired and, in some places, replaced the carpet where possible. The attic stock for the carpet has been depleted and any new carpet is a special order because the specific carpet was designed for the terminal. The Authority had the carpet inspected by an independent contractor in March, and a flooring study was done by Gensler Architects in June. It has been determined by Gensler Architects that the flooring should be replaced in areas where the carpet is failing.

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Gensler Architects is one of the on-call consultants for the Buildings and Building Systems Department. The purpose of this item is to provide staff's recommendation on the proposed award of Gensler Architects Task Order: GSR 03.2021, which would authorize the following scope of services:

This project will expand upon the initial carpet study that was completed by Gensler earlier this year. It will allow the development of a new flooring design for Terminal 1 that addresses the areas of degradation, coordinates the transitions at adjacent existing flooring materials, and provides for phased installation to allow for continual operations of the terminal. It includes Design Phase Services (Project Management, Building Evaluation, Schematic Design, Design Development, Construction Documents, Bidding/Procurement) and Construction Administration Phase Services.

The not-to-exceed cost of services in this proposed Task Order will be \$104,090 for labor (compensated at hourly rates) and Reimbursable Expenses in the amount of \$13,000 with maximum task order compensation being \$117,090.

The Minority and Women-owned Small Business (MWSB) goals for the existing Agreement are 15% broken down as: 10% for Minority-owned Businesses and 5% for Women owned Businesses. The Consultant's proposed MWSB participation for this Task Order is 0% which was reviewed by the Authority's Small Business Programs Office.

Staff requests approval of Gensler Architecture Task Order: GSR 03.2021, in the amount of \$117,090 and authorization for the President and CEO to execute the task order.

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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES NOVEMBER 18, 2021

Kushner presided.¹ Present: Hall, Hankins, Morgan, Polanco-Galdamez, and Saidi.² Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.³

The Committee discussed the following item:

1. Presentation Regarding Performance for the Second Quarter of the Fiscal Year Ending March 31, 2022

Presented by Ron Kapocius, Vice President and Chief Financial Officer – Ron Kapocius updated the Board regarding the Authority’s financial results for the second quarter (year-to-date) fiscal year ending March 31, 2022. He detailed enplanements comparing actual numbers to those forecasted in the budget, noting enplanements are anticipated to exceed the forecast by approximately 29%. Mr. Kapocius discussed budget and year-over-year variances. He explained that Operating Revenue was greater than budgeted by 30% due to parking, rental car and concessions revenue, all positively impacted by the increased enplanements. Operating Expenses were less than budgeted by 11% due primarily to timing, and to the savings resulting from the Letter of Credit renewal versus an RFP process. Mr. Kapocius briefly recapped the major capital project send year-to-date, noting that as projects are reactivated the budget spend is increasing.

Presentation to Board in Committee work session for informative purposes only. No Board action requested.

¹ Acting in the absence of Committee Chair Hannah

² Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

³ The meeting was live streamed at https://youtu.be/FWiAXiz9F_I.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES NOVEMBER 18, 2021

Morgan presided. Present: Hall, Hankins, Kushner, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Agreement with Flagship Airport Services for Janitorial and Pest Control Services

Presented by John Connell, A.A.E., P.E., Vice President of Operational Asset Management – Staff's recommendation is for the selection of Flagship Airport Services to provide janitorial and pest control services in the terminals and other airport facilities, and for the award of a five year term contract.

In August of 2015, the Authority awarded a five-year contract with two one-year options to GCA Services Group (GCA) for janitorial services. In 2017, ABM acquired GCA and assumed the contract under the ABM name in 2019. The second option period was utilized and will expire on or before August 31, 2022 and the existing agreement allows the Authority to terminate prior to August 31st with appropriate notice.

The services to be provided under the proposed contract include the following:

1. Janitorial services in Terminals 1 and 2, the RDU Center, Airport Operations Center, Maintenance Facility, Central Energy Plant, Fuel Facility, Taxi Staging Facility, South Cargo 3, Observation Park, Parking Garages, ParkEconomy 3 and 4, Commercial Staging Lot, Manager's Lots, and Gate 55 Guard House.
2. High surface cleaning and window washing.
3. Pest control services in Terminals 1 and 2, the RDU Center, Airport Operations Center, Maintenance Facility, Central Energy Plant, Fuel Facility, Taxi Staging Facility, South Cargo 3, Observation Park, and Aircraft Rescue and Fire Fighting (ARFF) Facility.
4. New to this proposed contract will be deployment of various janitorial technology to improve service levels, customer satisfaction, and provide a real-time feedback mechanism. Technology includes real-time passenger counters in restrooms, QR code

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/FWiAXiz9F_I.

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- feedback system, automated floor scrubbers, space-vac camera based cleaning equipment, and automatic handrail cleaners.
5. Also, new to this proposed contract will be the transfer of appearance maintenance services in the public terminal restrooms to the awarded vendor to enhance overall customer experience. Vendor will be responsible for all minor maintenance items in the restrooms taking total ownership of the appearance and condition within the terminal restrooms.

On July 2, 2021, the Authority advertised a Request for Proposals on the RDU website for janitorial and pest control services. A pre-proposal conference was conducted on July 19 at RDU and a tour of the facilities took place the following day. The conference was attended by seventeen firms and the tour was attended by seven firms. On August 12, 2021, proposals were received from seven firms: AGM, Sunshine Cleaning Systems, Flagship Airport Services, Premiere Building Maintenance Corporation, Environmental Service Systems, and RNA Facilities Management. These proposals were reviewed by a staff and scored for experience, approach to service, quality, pricing and Minority and Women-owned Small Business (MWSB) participation. After review of written proposals, three firms were short-listed and invited for in-person presentation and interview. The proposed pricing and MWSB participation for each shortlisted firm is indicated below:

Flagship Airport Services: \$42,173,782 with 16% Minority-owned Businesses (MB) and 6% Women-owned Businesses (WB) participation
Unifi: \$43,865,352 with 11% MB and 4% WB participation
ABM (incumbent): \$46,071,224 with 11% MB and 9% WB participation.

Based on evaluation of the proposals, interviews, MWSB participation, reference checks, and the proposed pricing, the evaluation team unanimously recommends the proposal submitted by Flagship Airport Services as the proposal that represents the best interest of the Authority. The proposed contract will be for a base term of five years, beginning in 2022 and ending in 2027. Total value over the life of the agreement will not exceed \$42,173,782.

Staff requests approval of the selection of Flagship Airport Services to provide janitorial and pest control services to the Authority and authorization for the President and CEO to execute a five-year contract in an amount not-to-exceed \$42,173,782.

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RALEIGH- DURHAM AIRPORT AUTHORITY MARKETING AND GUEST EXPERIENCE COMMITTEE WORK SESSION MINUTES NOVEMBER 18, 2021

Hankins presided. Present: Hall, Kushner, Morgan, Polanco-Galdamez, and Saidi.¹ Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Committee discussed the following item:

1. Presentation Regarding Triangle Takeoff Coalition “Carry On” Campaign

Presented by Crystal Feldman, Vice President Communications, Government & Community Affairs - The purpose of this presentation was to brief the Board on the Triangle Takeoff Coalition’s “Carry On” campaign that concluded October 31.

The coalition funded an integrated advertising campaign to facilitate regional economic recovery and restore air service at RDU. The “Carry On” campaign launched June 14 and ran through the end of October 2021 in central and eastern North Carolina. The foundation of the campaign was a broadcast commercial that features local prominent faces, as well as radio ads and static ads that ran in print, digital and social media. While the campaign focused on getting our community back in the air, it also highlighted local companies and small businesses that depend on the airport and value its positive impact on the region’s economy.

The presentation detailed campaign metrics including its reach and effectiveness. There was discussion regarding the future of the Triangle Takeoff Coalition.

Presentation to Board in Committee work session for informative purposes only. No Board action requested.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

² The meeting was live streamed at https://youtu.be/FWiAXiz9F_I.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES DECEMBER 16, 2021

Chair Hannah presided. Present: Hall, Hankins, Kushner, Morgan, Polanco-Galdamez, Saidi, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and COO Sandifer, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.²

The Authority's General Counsel, Erin Locklear, conducted a roll call of attending members, noted that the meeting was being held remotely in accordance with statutory standards and TSA directives, and that the live stream was operating for public viewing.

I. APPROVAL OF AGENDA

Chair Hannah requested that the agenda be amended to add consideration of FAA Grants in New Business as a Consent Agenda item. Motion by Morgan to approve the amended agenda; Second by Hall

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Thompson to approve the minutes of the regular meetings of the Board and the Board committees, and the consent actions of the Board, held on November 18, 2021; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hannah welcomed everyone.
2. Chair Hannah announced that the January committee and Board meetings will begin as early as 8:00 a.m. and wrap up by 11:00 a.m., and the meeting notice will reflect that change. February's regular meeting will be at the usual schedule.
3. Chair Hannah congratulated staff for the new nonstop service by Icelandair to its hub in Reykjavik, Iceland beginning in May of 2022. A video by the CEO of Icelandair was shown as well as the Iceland travel video on www.rdu.com.
4. Chair Hannah noted the November and December donations collection by staff for the Food Bank of Eastern and Central North Carolina, toward a total goal of 1000 pounds to help the surrounding community.

¹ Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication and roll call votes were taken.

² The meeting was live streamed at https://youtu.be/Dsf8F_I6S_o.



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5. Chair Hannah thanked fellow Board members for their support and guidance in his first year as Chair. He recognized new members added this year and the continued leadership from existing members, and noted he looked forward to continued collaboration with all the members in 2022.

IV. OLD BUSINESS

1. Land and Development Committee Report – Thompson reported Board members met during the Committee work session on December 16, 2021 and discussed the following items:

- a. Consideration of a Task Order with Delta Airport Consultants for the 2022 Structures Inspection

Motion by Thompson for approval of Task Order No. 6 with Delta Airport Consultants, Inc. in the amount of \$235,200 and authorization for the President and CEO to execute the task order; Second by Hankins

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of Amended and Restated Ground Lease Agreement with Sheetz, Inc.

Motion by Thompson for approval of the Amended and Restated Ground Lease Agreement with Sheetz, Inc. and authorization for the President and CEO to execute the agreement; Second by Morgan.

ADOPTED BY UNANIMOUS VOTE

- c. Consideration of Lease Agreement with UPS Supply Chain Solutions, Inc.

Motion by Thompson for approval of Lease Agreement with UPS Supply Chain Solutions, Inc. and authorization for the President and CEO to execute the agreement; Second by Polanco

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of a Multi-Year Agreement with Cavanaugh Macdonald Consulting, LLC
- b. Consideration of a Multi-Year Agreement with Bingham Arbitrage Rebate Services, Inc. for Arbitrage Rebate Compliance Consulting Services
- c. Consideration of Contract for Professional Audit Services for FY 2022
- d. Consideration of a Multi-Year Contract with eQuest
- e. Consideration of an Agreement for Interior Plant Installation and Maintenance Services
- f. Consideration of Acceptance of Federal Aviation Administration Grants³

³ Agenda amended to add this item to the Consent Agenda.

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Motion by Thompson to approve and adopt items a.-f. on the Consent Agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Durham County and City Board members commented on the recent festive event hosted by the Durham Chamber. The continuing struggles experienced by tenants, vendors, and staff during the lingering pandemic's effects were acknowledged and staff was thanked for continued efforts and work, and management for its leadership and guidance. The new service to Iceland was celebrated with many members expressing future travel plans. Congratulations and best wishes were expressed to Karyn Rivera as she leaves the Authority for a new position. Mrs. Rivera was thanked for her service at the Authority, especially for her coordination and assistance to Board members. Everyone was wished happy holidays and best wishes for the New Year.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

More than 246,000 passengers flew through RDU from Monday through Sunday of Thanksgiving week, compared to just 103,000 passengers during the same week in 2020 – an increase of 138 percent. The holiday week was RDU's busiest since the beginning of the pandemic. Traffic recovered to almost 86% of 2019 levels. RDU welcomed more than 943,000 passengers in the month of November, compared to nearly 362,000 in November of 2020. That was a year-over-year increase of 161%.

The average number of daily departures in November was 184, an 85% increase over the same month last year. The recovery is directly tied to the progression of the pandemic. The emergence of the Omicron variant has the potential to reverse recent trends of higher demand and increased ticket sales. Demand for international travel from the U.S. jumped to nearly 70% of 2019 levels following the loosening of travel restrictions on November 8th. But with governments taking steps to tighten international travel requirements again, the industry will be watching closely to learn how the new variant impacts air travel.

Parking

RDU put its contingency parking plan in place over Thanksgiving weekend by temporarily reopening the Economy 4 lot after the parking deck and Economy 3 reached capacity. Guests who did not reserve parking in the deck in advance, or who arrived to find Economy 3 full, were directed to Economy 4.

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RDU will also have contingency plans for parking in place during the busy weeks of late December and early January. We encourage guests to check parking availability at ParkRDU.com before they come to the airport. They should also reference our electronic signs when deciding where to park. There are 17 electronic parking signs across campus that inform guests which parking options are open to drive-up customers.

Travel Advice

With another increase in passenger traffic expected from before Christmas through New Year's, I'd like to remind travelers to give themselves plenty of time to get to the airport. We recommend guests arrive two hours early for domestic flights to find parking, check in, go through security and get to their gate on time. For international flights, we suggest you arrive three hours before your departure time.

IX. ADJOURNMENT

Motion by Hankins to adjourn; Second by Hall

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT DECEMBER 16, 2021

The Board approved the following items on the Consent Agenda:

- a) Consideration of a Multi-Year Agreement with Cavanaugh Macdonald Consulting, LLC
Memorandum by Mesheila Lynch, Director of Accounting – The Governmental Accounting Standards Board (GASB) establishes standards of accounting and financial reporting for defined benefit pensions, defined contribution pensions, and postemployment benefits other than pensions, that are provided to employees of state and local governments and are not administered through trusts or equivalent arrangements. An actuarial study of Other Postemployment Benefits (OPEB) and Separation Allowance benefits is required for compliance with GASB 73 and GASB 75.

Competitive pricing for these services was solicited through a procurement Request for Proposals (RFP) process. Responses were received from one firm, Cavanaugh Macdonald Consulting, LLC, which met all the requirements of the RFP. Cavanaugh Macdonald Consulting, LLC currently serves as the actuary for approximately 400 other North Carolina Local Governments and the North Carolina Retirement Systems Division. The Authority has previously obtained actuarial studies from Cavanaugh Macdonald Consulting, LLC and they have a clear understanding of the scope of services and timeframe required.

The proposed contract will be for a term of three years, with two additional one-year option periods beginning on December 20, 2021. The contract amount for the three-year term will be \$41,400 (FY 21/22 = \$13,500, FY 22/23 = \$13,800, FY 23/24 = \$14,100).

Staff requests approval of a three-year agreement in the amount of \$41,400 plus two (2) one-year option periods, for actuarial services with Cavanaugh Macdonald Consulting, LLC and authorization for the President and CEO to execute the agreement.

- b) Consideration of a Multi-Year Agreement with Bingham Arbitrage Rebate Services, Inc. for Arbitrage Rebate Compliance Consulting Services
Memorandum by Mesheila Lynch, Director of Accounting – Generally, tax-exempt bonds issued on or after September 1, 1986, are subject to the arbitrage rebate requirements. Such requirements detail that any profit (or arbitrage) must be rebated (or paid back) to the Federal Government (Treasury Department). This proposed service contract is for the calculation of the arbitrage rebate for each RDU bond issue.

Competitive pricing for these services was solicited through a procurement Request for Proposals (RFP) process. Responses were received from one firm, Bingham Arbitrage Rebate Services, Inc., which met all the requirements of the RFP. Bingham Arbitrage Rebate

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Services, Inc. has 33 years of experiences performing arbitrage rebate compliance services. The Authority has previously obtained arbitrage rebate compliance consulting services from Bingham Arbitrage Rebate Services, Inc. and they have a clear understanding of the scope of work required.

The proposed contract will be for a term of three years, with two additional one-year option periods beginning on December 20, 2021. The contract amount for the three-year term will be \$22,950 (FY 22/23 = \$6,700, FY 23/24 = \$7,500, FY 24/25 = \$8,750).

Staff requests approval of a three-year agreement in the amount of \$22,950, plus two (2) one-year option periods, for arbitrage rebate compliance services with Bingham Arbitrage Rebate Services, Inc. and authorization for the President and CEO to execute the agreement.

c) Consideration of Contract for Professional Audit Services for FY 2022

Memorandum by Mesheila Lynch, Director of Accounting – North Carolina General Statute §159-34 requires annual independent audits. Each unit of local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts.

At the August 2021 meeting, staff advised the Board that to help ensure a smooth transition to the changes in accounting treatment of leases and the new disclosure requirements of GASB 87, the Authority would negotiate a one-year extension of the contract with Elliott Davis, PLLC to provide audit services for the fiscal year ending March 31, 2022.

Staff has reviewed the proposed contract terms and find them consistent with prior years. Copies of the associated Local Government Commission contract form, and Elliott Davis' Engagement letter, have been provided to the Board for review.

Staff requests approval of a one-year contract for Elliott Davis, PLLC to provide audit services for fiscal year ending March 31, 2022 with the proposed audit fee of \$52,195, and authorization for the necessary Board members and staff to execute the Local Government Commission's Contract to Audit Accounts form and the Engagement Letter with Elliott Davis, PLLC.

d) Consideration of a Multi-Year Contract with eQuest

Memorandum by Michael McLanahan, Vice President IT Business Solutions – eQuest is a job posting distribution service that has been used by the Authority since 2016. This service automates the submission of a job posting and increases the employment websites that a job posting will reach. Staff is seeking approval of a three-year agreement with eQuest at a total cost of \$21,450 over the three-year period.

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eQuest integrates with the Authority's current Human Resources management system, UKG UltiPro. This allows our recruiters to easily push job postings to sites such as LinkedIn, Monster, and Facebook as well as other boards within the eQuest US Diversity Network. This proposed agreement would provide unlimited job postings generated by the Authority's HR department.

The Information Services and Procurement departments collaborated on the procurement strategy for eQuest. eQuest is a talent acquisition technology partner of UKG and they are a featured partner on the UKG Marketplace. eQuest is the only UKG technology partner that distributes job postings to multiple job sites.

This procurement initiative has been reviewed and is supported by the Authority's Small Business Programs Office.

Staff requests approval of the three-year agreement with eQuest for job delivery services at a cost of \$21,450 and authorization for the President and CEO to sign any necessary, related documents.

- e) Consideration of an Agreement for Interior Plant Installation and Maintenance Services
Memorandum by Steven Yanni, Director of Contract Facilities Maintenance – Staff requests approval of a multi-year agreement with A-Oak Farms, Inc. for interior plantscape services. The scope of services to be provided under the proposed contract include guaranteed maintenance of the trees and tropical plants located in the terminals and parking garage, as well as the provision of holiday decorations in the terminals. Prior to the COVID-19 pandemic, the Authority had a contract with Green Effect, Inc. for these services; however, as a cost savings measure, that contract was terminated and staff assumed some of the responsibilities under Operation Clean Sweep. With the return of passenger traffic, the intent is to return to a regularly contracted service.

Competitive bids for these services were solicited through the RDU and State IPS websites on October 22 and a non-mandatory pre-proposal conference and site tour was conducted on October 29. Two firms attended, Green Effect and Bland Landscaping. Proposals were received on November 8, however only one firm, A-Oak Farms, submitted a proposal. In follow-up inquiries with the other two firms, Green Effect stated the reason they did not provide a proposal was the owners, due to age, did not desire to perform the entire scope and was wanting to partner with another firm as a subcontractor. Bland Landscaping indicated they had no experience in providing holiday decorations as the reason they did not respond.

The proposed agreement with A-Oak Farms will be for a term of three years at a not-to-exceed amount of \$186,990.93, with two (2) one (1) year option periods. For comparison, the cost of the final year of the previous agreement in 2020 was \$51,817 compared to \$59,315 for Year 1 of this agreement.

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MWSB goals for the contract are 7% Minority-owned Small Businesses and 4% Women-owned Small Businesses; however, A-Oak Farms plans to self-perform all services, so the anticipated participation is 0%.

Staff requests approval of a three-year agreement in the amount of \$186,990.93, plus two (2) one-year option periods, with A-Oak Farms and authorization for the President and CEO to execute the agreement.

f) Consideration of Acceptance of Federal Aviation Administration Grants¹

Memorandum by William C. Sandifer, A.A.E., Executive Vice President & COO – This item provides staff's recommendation for the acceptance of two separate grants from the Federal Aviation Administration:

1. Funds from the Federal Aviation Administration (FAA) in the amount of \$44,753,079. On July 15, 2021 the Authority submitted a grant application to the FAA in this amount with said funds to be used for any lawful purpose as described in the Airport Rescue Grant Act. The use of these grant funds does not require any local match.
2. Funds from the Federal Aviation Administration (FAA) in the amount of \$5,927,846. On December 15, 2021 the Authority submitted a grant application to the FAA in this amount with said funds to be used for providing rent and minimum annual guarantee relief to eligible concessions at RDU. The use of these grant funds does not require any local match.

Staff request acceptance of the FAA Grant in the amount of \$44,753,079 pursuant to the Airport Rescue Grant Act and acceptance of the FAA Grant in the amount of \$5,927,846 for Concession Relief pursuant to the Airport Coronavirus Relief Grant Program and authorization for the President and CEO to execute both grant agreements.

¹ Agenda amended to add this item during New Business

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES DECEMBER 16, 2021

Thompson presided. Present: Hall, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez, and Saidi.² Staff present included: President and CEO Landguth, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CFO Kapocius, Vice President and Chief HR Officer Armstrong, Vice President Feldman, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.³

The Committee discussed the following items:

1. Consideration of a Task Order with Delta Airport Consultants for the 2022 Structures Inspection
Presented by Jim Novak, Director of Facilities Engineering, Facilities Asset Management – Staff requests the award of Task Order No. 6 under the Master Consulting Services Agreement with Delta Airport Consultants, Inc. (Consultant) for work related to the 2022 Structures Inspection. Federal and North Carolina State regulations require the Authority to perform inspection services on all bridges, tunnels, signs and poles on set cycles to ensure the structures are in safe operating condition. Inspection cycles include bridges, tunnels, and Terminal 2 enplane deck every two years; cantilever sign structures and cantilever traffic signal poles every four years; overhead sign structures and high mast light poles every eight years. Staff has also elected to conduct similar inspections on the consolidated trash facility. The current cycle of inspections requires all above mentioned structures be inspected in this upcoming cycle.

This is predominantly a regulatory project that involves the inspection and evaluation of seven bridges, four tunnels, thirty overhead roadway signs, six overhead cantilever roadway signs, three traffic signal mast/cantilever arms, and eighteen high mast light poles. The project also includes the inspection and assessment of the Terminal 2 Enplane Roadway Deck and exit ramp, and Consolidated Trash Facility. The Consultant will provide professional services which include engineering inspection and evaluation, load bearing capability assessment, development and implementation of the necessary traffic control, and the development of condition inspection reports. The Consultant will also provide the Authority with a detailed list of any forecasted repairs for each structure and estimated cost for repairs.

Total compensation under Task Order 6 is a maximum not-to-exceed amount of \$235,200. The current budget is sufficient to support this task order.

The Consultant's Master Agreement MWSB goals are 10% Minority-owned Small Businesses (MB) and 5% Women-owned Small Businesses (WB). Under this Task Order, the Consultant

² Due to coronavirus precautionary measures and governmental directives, board members attended via WebEx with simultaneous communication.

³ The meeting was live streamed at https://youtu.be/Dsf8F_I6S_o.

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commits participation of 0% for MB and 95.1% for WB, utilizing subconsultant Wetherill Engineering, Inc. for inspection services and traffic control. The Authority's Small Business Programs Office concurs with the proposed participation.

There was Board discussion regarding timeline for inspections and reasonableness of costs. There was further discussion regarding efforts to achieve MWSB goals.

Staff requests approval of Task Order No. 6 with Delta Airport Consultants, Inc. in the amount of \$235,200 and authorization for the President and CEO to execute the task order.

2. Consideration of Amended and Restated Ground Lease Agreement with Sheetz, Inc.

Presented by Tyler Maheu, C.M., Director of Commercial Management – The Authority entered into a ground lease with Sheetz, Inc. ("Sheetz") in 2006 to develop and operate a service station and convenience center. The agreement had an initial term of fifteen years (June 2007 through June 2022) and one, five-year option period (through June 2027). In 2020, Sheetz requested to negotiate a new term in exchange for a capital investment of approximately \$3,000,000.

Under the new agreement, Sheetz will demolish the existing building and carwash and build a new, larger Sheetz store that includes a drive-through. The new agreement will begin upon beneficial occupancy and have an initial term of fifteen years (during only this period Sheetz will have exclusivity in terms of a gas station/convenience store along Aviation Parkway near Aviation Station) with two, five-year option periods. Sheetz will pay ground rent to the Authority in the amount of \$216,000 annually, which will increase ten percent every five years. Sheetz will also begin paying a revenue share on all inside sales (sales made inside the building, including drive-through sales) in the amount of 1.375% of sales up to \$6,500,000 and 1.75% of sales above \$6,500,000.

Sheetz representatives, attending the meeting virtually, were introduced. There was Board discussion on construction timeline, demolition of existing structure, clarification as to inside sales for revenue share calculation, as well as possible notification through rental car companies at RDU when Sheetz's gas is not available due to construction.

Staff requests approval of the Amended and Restated Ground Lease Agreement with Sheetz, Inc. and authorization for the President and CEO to execute the agreement.

3. Consideration of Lease Agreement with UPS Supply Chain Solutions, Inc.

Presented by Karen Reynolds, Director of Properties – UPS Supply Chain Solutions, Inc. ("UPS-SCS") leases Unit C (16,034 s.f.) in Building D in the north cargo complex on International Drive. UPS-SCS is a business entity within the United Parcel Service that provides logistics, warehousing and distribution, and freight forwarding (ground) services at RDU. They remain a tenant in good standing and have operated from their north cargo complex location since May of 2005.

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The existing agreement with UPS-SCS is on a month-to-month basis. This new proposed agreement will update the rates and charges charged UPS-SCS, as well as incorporate standard language and provisions now included in all Authority agreements.

- Term: five years, with one five-year option at the Authority's discretion
- Rent will be charged at rates consistent with those currently paid by other north cargo tenants:
 - Building space: \$11.41/s.f./year
 - Vehicle parking area: \$0.161/s.f./year
 - Annual 3% escalation of fixed rental rates
 - Maintenance and Operations Fee, as calculated annually by the Authority

Staff requests approval of the Lease Agreement with UPS Supply Chain Solutions, Inc., and authorization for the President and CEO to execute the agreement.

At Chair Hannah's request, Thiané Carter, Director of the Authority's Small Business Program Office, gave further information regarding the Small Business Programs. She discussed the process of reviewing task orders for MWSB participation and explained that while task orders are reviewed individually, the small business office also reviews the contractor's efforts to achieve participation MWSB participation on the master agreement. While an individual task order may not achieve participation, the small business office works to ensure that the goals are met in the master agreement.

Director Saidi discussed challenges faced by women-owned small businesses, particularly in securing prime opportunities. Ms. Carter explained how the Authority's programs have helped small businesses partner as subcontractors, helping them build and prepare for engagement in prime opportunities. She also noted that several MWSBs have obtained prime contracts with RDU after working as subcontractors.

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