



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

RALEIGH-DURHAM AIRPORT AUTHORITY

1000 Trade Drive • P O Box 80001 • RDU Airport, NC 27623

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JANUARY 17, 2019

Chair Ali presided. Present: Hannah, Kane, Kushner, Morgan, Saidi, Teer¹, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Jewett, and Legan, General Counsel Locklear, and other staff members and guests.

Motion by Thompson 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)(3); Second by Kane.

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Motion by Thompson to exit the closed session; Second by Kane.

ADOPTED BY UNANIMOUS VOTE

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

I. APPROVAL OF AGENDA

Motion by Kane to approve the agenda; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the December 20, 2018 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Thompson

ADOPTED BY UNANIMOUS VOTE²

III. CHAIR COMMENTS

- Chair Ali welcomed new board member David Kushner, appointed by Wake County commissioners. Chair Ali recognized and thanked Larry Zucchini (in absentia) for his service to the Authority Board and the community.

¹ Board member Teer joined via telephone

² Board member Kushner abstained from voting

Raleigh-Durham Airport Authority Board Members

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2. Service awards for employees' employment milestones were given and volunteers were recognized for their service.
3. New hires were introduced and welcomed and promotions were announced and congratulated.
4. Chair Ali mentioned the festivities planned for the afternoon in Terminal 2, celebrating the grand opening of 15 new retail shops.
5. Chair Ali mentioned RDU employees and vendors had provided assistance to TSA agents during the federal government shut-down and he commended and thanked Michael Landguth and staff for supporting these federal workers.

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Operations Committee met on January 17, 2019 and discussed the following items:

- a. Logistics for the Retail Grand Opening Event

Committee heard a presentation regarding the planned activities for the grand opening celebration of the 15 new retail shops.

Presentation to Committee for informative purposes only; no Board action required.

- b. Consideration of Amendment to Terminal Concession Lease with SSP America, Inc.
Committee recommends approval of Amendment 4 to the Terminal Concession Lease with SSP America, Inc. and authorization for the President and CEO to execute the amendment.

Motion by Thompson to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – At Teer's request, Thompson reported the Land and Development Committee met on January 17, 2019 and discussed the following items:

- a. Consideration of Amendment with Balfour Beatty Construction

Committee recommends approval of the Amendment to the Master Agreement with Balfour Beatty Construction, in the maximum price of \$40,826,657, subject to approval of a related project budget adjustment, and authorization for the President and CEO to execute the amendment.

Motion by Thompson to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Hannah reported the Finance Committee met on January 17, 2019 and discussed the following item:

- a. Consideration of Capital Project Ordinance Amendment #4 to Increase Funding for West RON Apron Rehabilitation

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Committee recommends approval of the 2018-2019 Capital Project Ordinance Amendment #4, increasing funding in the amount of \$33,400,000 to a total of \$36,000,000 for the West RON Apron Rehabilitation project.

Motion by Hannah to adopt Committee's recommendation; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Terminal Support Space Lease Agreement with Hudson Group Retail, LLC
- b. Consideration of Terminal Support Space Lease Agreement with JQ Enterprises, Inc.
- c. Consideration of Terminal Support Space Lease Agreement with Marshall Retail Group, LLC
- d. Consideration of Terminal Support Space Lease Agreement with Raleigh Distribution Services, LLC
- e. Consideration of Amendment to Terminal Concession Lease with RDU Currency & Business Services, LLC
- f. Consideration of Terminal Support Space Lease Agreement with The Paradies Shops, LLC
- g. Consideration of Terminal Support Space Lease Agreement with Uptown Airport Group, LLC
- h. Consideration of Network Core Switches Lifecycle Replacement

Motion by Thompson to approve and adopt the Consent Agenda items a-h listed; Second by Teer

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members thanked staff for their efforts in promoting the customer experience and mentioned that even with the government shutdown, a local radio station reported it took less than 10 minutes to get through TSA security at RDU. Board members welcomed David Kushner, who expressed appreciation for the welcome and for being appointed. Members echoed the Chair's comments about Larry Zucchini's positive impact and service on the board. Michael Landguth and his team were thanked for their leadership. Appreciation was expressed for continued support of the USO.

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VIII. PRESIDENT AND CEO'S REPORT

Activity Report

RDU passenger numbers for calendar year 2018 saw record numbers. In 2018 more than 12.8 million passengers travel through the RDU. That is an additional 1.2 million customers or a 9.7% increase over calendar year 2017. And, 2019 has taken off like a rocket ship with multiple new air service announcements. More about that later.

Economic Impact Report

The North Carolina Department of Transportation Division of Aviation released its State of Aviation report earlier this month. The economic impact study finds that North Carolina's public airports annually contribute \$52 billion to the state's economy, supporting 307,000 jobs and generate \$2.2 billion in state and local tax. The report states that RDU annually contributes more than \$12.5 billion in economic output, supporting 86,765 jobs that generate \$450 million in state and local taxes. This study shines a light on RDU as a critical economic engine to help propel the economic growth in central North Carolina.

Team Updates

We are also making the customer experience here on the ground a priority as well. Refresh is well underway. Expansion of Terminal 2 checkpoint continues and is slated to be complete by summer.

Wayfinding signage replacement project for John Brantley Boulevard and parking areas is underway. RDU guests will begin to see signage changes beginning in April. Our Terminal 1 gate activation project will begin this year. This project will activate four gates in Terminal 1 to make space for RDU's growing air service demand.

Air Service

Regarding air service, in 2019 RDU has started off with numerous air service announcements. Our network of non-stop destinations continues to grow with new city connections and airline partners. Last week, we made two announcements regarding air service at RDU.

First, our friends at Frontier announced a significant expansion with 8 nonstop cities, and now serving a total of 32 cities. Next, Via Airlines added service connecting Birmingham, Alabama to RDU. The link between those two business communities is created as a result of a strong technology and medical business connection.

At the beginning of this week, RDU welcomed Spirit Airlines as the newest airline to join the RDU flight board. As an Ultra-Low Cost Carrier, Spirit brings additional competition to the landscape to help ensure our community members continue to have the best options when they fly. And I can now say RDU has Spirit!

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Wrap-up

Finally, I would like to take a moment to thank all of our Transportation Security Administration, Federal Aviation Administration, and Customs and Border Patrol employees for their professionalism demonstrated over the past 25 days. I think I speak for the citizens of our region when we say thank you for your service.

IX. ADJOURNMENT

Motion by Teer to adjourn; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY 2018-2019 CAPITAL PROJECT ORDINANCE AMENDMENT #4

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:

\$ 813,858,000

Section 2. The following funds are anticipated to be available for the projects:

Transfer Cash from Operating \$ 779,993,626

Total Grant Funds \$ 33,864,374

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 18/19 Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
211140	Enhanced Security Perimeter Gates (TSA)	\$ 500,000					\$ 500,000
311000	AOIS System Replacement - Common Use	4,000,000					4,000,000
311010	AOIS - RIDS Computer and Hardware Replacement	2,025,000					2,025,000
311020	Terminal 1 Airline Space Buildout	5,700,000					5,700,000
311040	AOIS - Self-Service Kiosks	1,000,000					1,000,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	8,000,000					8,000,000
881120	FY 18/19 Vehicles and Maintenance Equipment	6,824,661					6,824,661
881130	Data Center - Network Core - Life Cycle management	150,000					150,000
881140	SSR - Access Switches - Life-cycle management	750,000					750,000
881150	FAM Modular Buildings	1,000,000					1,000,000
881160	Fleet Fuel Management Software and Hardware Replacement	100,000					100,000
881170	Motor Control Center and Related Equipment Upgrade	3,705,000					3,705,000
881220	Parking Business Intelligence Software	200,000					200,000
881230	ABM Upgrade and Integration to Oracle	150,000					150,000
	Miscellaneous small projects	641,000					641,000
		\$ 34,745,661	\$ -	\$ -	\$ -	\$ -	\$ 34,745,661
Prior Year adjusted Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
011109	Heritage Displays at Observation Park	\$ 1,000,000					\$ 1,000,000
011359	Advanced Surveillance Program	2,934,000					2,934,000
070529	Phased replacement of PC Air units at T2	6,920,000					6,920,000
070539	T2 BHS lower level controls upgrade	3,480,000					3,480,000
070549	Terminal 2 Checkpoint Expansion	1,750,000		\$ 1,500,000			3,250,000
080749	Building Improvements 2015- RTRP Space	1,700,000					1,700,000
080769	Rehabilitate Taxiway F	34,000,000					34,000,000
080779	Cemetery Road Rebuild	820,000					820,000
080799	Expanded Park Economy 3	75,918,000					75,918,000
080849	PARCS Replacement	11,750,000					11,750,000
080869	Planning for FIS Facilities Expansion	1,326,000					1,326,000
211100	Rehabilitate Runway 14/32	250,000	3,500,000				3,750,000
211120	Reconstruct Taxiway B	32,500,000					32,500,000
211130	Perimeter Security Improvements (Property fencing)	2,500,000					2,500,000
881100	Rehabilitate International Drive	3,150,000					3,150,000
		\$ 179,998,000	\$ 3,500,000	\$ 1,500,000	\$ -	\$ -	\$ 184,998,000
Ongoing Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
10729	Replacement of Oracle E Business Suite	\$ 2,500,000					\$ 2,500,000
10829	Informational Sign Standards & Rehab Roadway Signs	10,491,676					10,491,676
11009	FY 14/15 Business Development and Concessions Marketing	576,000					576,000
11259	RDU Center Conference Room 100 A/B Improvements	1,350,000					1,350,000
70519	Terminal 1 North and South Concourse Demolition	16,000,000					16,000,000
80729	Park Economy 3 Rehabilitation	4,800,000					4,800,000
80739	Rehabilitate Taxiway A	25,000,000					25,000,000
80759	Building Improvements 2016- Cargo/NC, DOT	1,396,663					1,396,663
80789	CONRAC and New Rental Car Storage Lot	200,000,000					200,000,000
80819	John Brantley Boulevard Improvements	16,000,000					16,000,000
80879	Runway 5L-23R and Taxiway B Replacement	280,000,000					280,000,000
211110	Rehabilitate West RON Apron	1,000,000			1,600,000	33,400,000	36,000,000
		\$ 559,114,339	\$ -	\$ -	\$ 1,600,000	\$ 33,400,000	\$ 594,114,339
		\$ 773,858,000	\$ 3,500,000	\$ 1,500,000	\$ 1,600,000	\$ 33,400,000	\$ 813,858,000

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.

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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 17th day of January 2019

Notes:

1 Original- budget ordinance adopted March 15, 2018

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT JANUARY 17, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Terminal Support Space Lease Agreement with Hudson Group Retail, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – Hudson Group Retail, LLC (HG), successor in interest to RDU Air Ventures, operates seven retail shops including convenience retails and specialty shops. To support these shops, HG leases two office spaces totaling 273.79 sf and one support space for storage needs totaling 680.34 sf.

This proposed agreement would replace a month-to-month agreement with HG for the Terminal 2 support spaces, and the term would be extended to allow this new agreement to run concurrently with the concession lease which ends on June 30, 2028. For these support spaces, HG will pay to the Authority annual rent of \$59,044.83. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with the Hudson Group Retail, LLC and authorization for the President and CEO to execute the agreement.

b) Consideration of Terminal Support Space Lease Agreement with JQ Enterprises, Inc.

Memorandum by Ingrid N. Hairston, Director of Business Development – JQ Enterprises, Inc. (JQ) partners with Host International to operate four food and beverage units in Terminal 1, and thirteen food and beverage units in Terminal 2. To support these concession locations, JQ leases office space in Terminal 1, totaling 123 sf, via a month-to-month agreement that commenced on November 12, 2018.

This proposed new agreement with JQ would replace the current agreement for the Terminal 1 office space and the term would be extended to allow the new agreement to run concurrently with the Terminal 1 concession lease which ends on February 29, 2024. For this office space, JQ will pay to the Authority annual rent of \$11,830.14. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with JQ Enterprises, Inc. and authorization for the President and CEO to execute the agreement.

c) Consideration of Terminal Support Space Lease Agreement with Marshall Retail Group, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – Marshall Retail Group, LLC (MRG) operates four retail units in Terminal 1. To support these concession locations, MRG leases storage space in Terminal 1, totaling 113 sf, via a month-to-month agreement that commenced on April 1, 2014. In consideration for an adjustment in the square

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footage of MRG's retail unit, MRG also uses storage area in Terminal 1, totaling 200 sf, at no charge.

This proposed new agreement would replace the current month-to-month agreement with MRG for the same Terminal 1 storage space and the term would be extended to run concurrently with the concession lease which ends on February 29, 2024. For the 113 sf of storage space, MRG will pay to the Authority annual rent of \$5,433.04. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with Marshall Retail Group, LLC and authorization for the President and CEO to execute the agreement.

d) Consideration of Terminal Support Space Lease Agreement with Raleigh Distribution Services, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – Raleigh Distribution Services, LLC (RDS) operates the retail commissary warehouse space in South Cargo 2 under a lease agreement that commenced on April 1, 2005, which is now on a month-to-month basis. From this cargo storage space, RDS warehouses and delivers merchandise to the terminal retail concessionaires in Terminals 1 and 2. On February 6, 2014, RDS leased additional storage space in Terminal 2, totaling 41 sf, to support commissary deliveries to XpresSpa.

The new agreement with RDS would replace RDS' lease for additional storage space in Terminal 2. The proposed three-year term will expire on December 31, 2021 and RDS will pay to the Authority annual rent of \$1,971.27. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with Raleigh Distribution Services, LLC and authorization for the President and CEO to execute the agreement.

e) Consideration of Amendment to Terminal Concession Lease with RDU Currency & Business Services, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – RDU Currency & Business Services, LLC (RDU Currency) entered into a Terminal Concession Lease with the Authority on April 19, 2007 and the five-year term commenced on January 1, 2008 with an expiration date of December 31, 2012. Under this lease, RDU Currency operates eight Traveler-branded ATMs in Terminals 1 and 2, and a Wells Fargo ATM in Terminal 2. RDU Currency also operates a foreign currency kiosk and a business center in Terminal 2. The Authority and Concessionaire executed various amendments to modify the lease premises, extend the term, revise the MAG calculation, and revise annual report language.

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Staff proposes Amendment 7 to the lease to extend the term for a three-year period through December 31, 2021 and to add a mobile currency exchange cart program that provides customers with access to foreign currency on the concourse. Also, this proposed Amendment 7 would remove the foreign currency kiosk in Terminal 2, remove the pre-security ATM in Terminal 1, and relocate the ATM in Terminal 2 Baggage Claim. RDU Currency will continue to pay the Authority the greater of percentage rent or a minimum annual guarantee (MAG). The current MAG is \$61,866.82, which is reviewed and adjusted annually.

Staff requests approval of Amendment 7 to the Terminal Concession Lease with RDU Currency & Business Services, LLC and authorization for the President and CEO to execute the amendment.

f) Consideration of Terminal Support Space Lease Agreement with The Paradies Shops, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – The Paradies Shops, LLC (“Paradies”) operates six retail units in Terminal 2. To support these concession locations, Paradies leases in Terminal 2 office space totaling 635.57 sf and storage space totaling 375.89 sf. This lease commenced on September 6, 2008 and is now month-to-month.

This proposed new agreement would replace the current month-to-month agreement for both the office and storage support spaces in Terminal 2 and the term would be extended to run concurrently with the concession lease, which ends on June 30, 2028. Paradies will pay to the Authority annual rent of \$79,201.91. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority’s operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with The Paradies Shops, LLC and authorization for the President and CEO to execute the agreement.

g) Consideration of Terminal Support Space Lease Agreement with Uptown Airport Group, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – Uptown Airport Group, LLC (Uptown) operates Char-Grill and Salsarita’s Fresh Mexican Cantina. Uptown leases support space Room 2009A on Level 2 of Terminal 1, totaling 120.14 sf, to support its food and beverage concession units.

This proposed agreement would replace a month-to-month agreement with Uptown for the Terminal 1 support space and the term would be extended to run concurrently with the concession lease, which ends on February 29, 2024. Uptown will pay to the Authority annual rent of \$5,776.33. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority’s operating budget.

Staff requests 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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h) Consideration of Network Core Switches Lifecycle Replacement

Memorandum by Michael McLanahan, Vice President of IT Infrastructure – The Cisco network core switches are critical infrastructure components that facilitate all computer connectivity on the Authority's campus. There are two network core switches, one located in the AOC data center and one located in the Terminal 2 data center. The Information Services team has defined a Lifecycle Replacement program to ensure these components are systematically replaced as they become end-of-life and/or end-of-support, a status which indicates the equipment can no longer be upgraded, replaced, or supported if it becomes inoperable. This could create significant operational risk, as the core switches serve as the main aggregation points for the entire campus.

The proposed items targeted for replacement have been in service over 10 years and have exceeded their 7-8 year expected life. The selected vendor remains Cisco, a best-in-class, well respected industry leader in the networking realm that the Authority utilizes campus-wide.

Information Services proposes to replace the two main core switches at a cost of \$122,529.60. This replacement equipment not only helps protect against hardware failure and operational impacts but, it also employs newer technology affording a 10x performance increase.

Staff requests approval to purchase two network core switches at a total cost of \$122,529.60 and authorization for the President and CEO to sign any necessary documents for this purchase.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

Farad Ali, Chairman
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Patrick Hannah, Esq., Secretary
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Robert D. Teer, Jr.
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Dickie Thompson
City of Raleigh

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

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES JANUARY 17, 2019

Thompson presided. Present: Ali, Hannah, Kane, Kushner, Morgan, Saidi, and Teer¹. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following items:

1. Logistics for the Retail Grand Opening Event: *Presentation for informative purposes only; no Committee action required.*
Presented by Tara Glarum, Business Manager – Presentation regarding the afternoon’s planned activities for the grand opening celebration of the 15 new retail shops.
2. Consideration of Amendment to Terminal Concession Lease with SSP America, Inc.: *Upon a motion by Teer and second by Ali, the Committee recommends approval of Amendment 4 to the Terminal Concession Lease with SSP America, Inc. and authorization for the President and CEO to execute the amendment.*

Presented by Ingrid N. Hairston, Director of Business Development – SSP America, Inc. (“SSP”) operates the following five food and beverage concessions in Terminal 2 under a lease that commenced in October 2008 and expires September 2019: Camden Food Co, Flavours, Five Guys, Jason’s Deli and Panopolis. Five Guys and Jason’s Deli share a food court.

SSP is terminating its corporate relationship with Five Guys, which requires SSP to close the Five Guys restaurant by February 4, 2019. SSP requested approval to replace Five Guys with a new concept, BurgerFi, and to renovate Jason’s Deli. Also, SSP requested a five-year term extension for the food court to recover the capital investment (\$1.3M estimate) required for the concept conversion.

Staff reviewed the proposed concept change and requests approval of Amendment 4 to SSP’s Terminal Concession Lease, which would approve SSP closing Five Guys by February 3, 2019, converting that space to BurgerFi, and a refresh of the décor at Jason’s Deli. The date of beneficial occupancy for the BurgerFi renovation is July 1, 2019 and August 1, 2019 for Jason’s Deli. The amendment would extend the lease term only for BurgerFi and Jason’s Deli to June 30, 2024, while increasing percentage rent in BurgerFi and Jason’s Deli to 15% of gross sales for food and non-alcoholic beverage sales and 17% of gross sales for alcoholic beverage sales. The minimum annual guarantee (MAG) also increases to 85% of concession rent. The amendment addresses other administrative issues including updating the sanctions and other federal language in the lease.

¹ Board member Teer joined via telephone

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Staff requests approval of Amendment 4 to the Terminal Concession Lease with SSP America, Inc. and authorization for the President and CEO to execute the amendment.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES JANUARY 17, 2019

Thompson presided at Teer's¹ request. Present: Ali, Hannah, Kane, Kushner, Morgan, and Saidi. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Vice President and CHRO Umphrey, Vice Presidents Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of Amendment with Balfour Beatty Construction: *Upon a motion by Kane and second by Teer, the Committee recommends approval of the Amendment to the Master Agreement with Balfour Beatty Construction, in the maximum price of \$40,826,657, subject to approval of a related project budget adjustment, and authorization for the President and CEO to execute the Amendment.*

Presented by Ronald Jewett, Vice President Facility Asset Management – Staff requests approval of an amendment to the Master Agreement with Balfour Beatty Construction (BBC) to establish the fixed guaranteed maximum price (GMP) and authorize construction phase Construction Manager-at-Risk (CMR) services. The existing Master Agreement with BBC includes a CMR bundle of airfield projects, including the West Remain Over Night (RON) Apron Rehabilitation and Runway 5L-23R Preservation, which are being bid as a combined bid package.

The combined bid package was advertised for bidding on December 13, 2018 with 3 bid packages (General Trades and Security, Paving & Grading, and Fencing). Insufficient bids were received, so it was re-advertised and bids opened on January 3, 2019. The sum of the low responsible subcontract bid packages have been combined and defined as the cost of the work (COW) component of the contract amount.

Project Number		211110	080879	
Project Name		W RON Apron Rehabilitation	RW 5L-23R Preservation	TOTAL
BBC Cost of Work	COW	\$ 23,924,149	\$ 9,540,400	\$33,464,549
BBC Construction Services	Contingency (5%)	\$ 1,196,207	\$ 477,020	\$ 1,673,227
	Fee (3.5%)	\$ 936,648	\$ 416,213	\$ 1,352,861
	Reimb GC	\$ 2,209,167	\$ 2,126,853	\$ 4,336,020
	Subtotal	\$ 4,342,022	\$ 3,020,086	\$ 7,362,108
	TOTAL GMP	\$ 28,266,171	\$ 12,560,486	\$40,826,657

The Minority and Women-owned Small Business (MWSB) goals are 10% Minority-owned Small Business (MB) and 5% Women-owned Small Business (WB). BBC has committed to 6% MB participation and 6% WB participation, which is acceptable to staff.

¹ Board member Teer joined via telephone

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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Staff requests approval of the Amendment to the Master Agreement with Balfour Beatty Construction, in the maximum price of \$40,826,657, subject to approval of a related project budget adjustment, and authorization for the President and CEO to execute the Amendment.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE MEETING MINUTES JANUARY 17, 2019

Hannah presided. Present: Ali, Kane, Kushner, Morgan, Saidi, Teer,¹ and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following items:

1. Consideration of Capital Project Ordinance Amendment #4 to Increase Funding for West RON Apron Rehabilitation Project: *Upon a motion by Morgan and second by Teer, the Committee recommends approval of the 2018-2019 Capital Project Ordinance Amendment #4, increasing funding in the amount of \$33,400,000 to a total of \$36,000,000 for the West RON Apron Rehabilitation project.*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests consideration of Capital Project Ordinance Amendment #4 increasing funding for Capital Project 211110, “West RON Apron Rehabilitation”. This existing project has an overall budget of \$2,600,000. Based on the acceleration of project timing and anticipated construction services necessary to complete the project, additional funds of \$33,400,000 are being requested. The new project total is now projected to be \$36,000,000. Staff anticipates a cash spend of \$2,000,000 for this project in the current fiscal year.

No increase is being requested for the 2018-2019 Budget Ordinance to allow for the additional cash spend in the current fiscal year due historical overall capital budget underspend.

Staff requests approval of the 2018-2019 Capital Project Ordinance Amendment #4, increasing funding in the amount of \$33,400,000 to a total of \$36,000,000 for the West RON Apron Rehabilitation project.

¹ Board member Teer joined via telephone

Raleigh-Durham Airport Authority Board Members

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RALEIGH-DURHAM AIRPORT AUTHORITY 2018-2019 CAPITAL PROJECT ORDINANCE AMENDMENT #4

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:

\$ 813,858,000

Section 2. The following funds are anticipated to be available for the projects:

Transfer Cash from Operating \$ 779,993,626

Total Grant Funds \$ 33,864,374

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 18/19 Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
211140	Enhanced Security Perimeter Gates (TSA)	\$ 500,000					\$ 500,000
311000	AOIS System Replacement - Common Use	4,000,000					4,000,000
311010	AOIS - RIDS Computer and Hardware Replacement	2,025,000					2,025,000
311020	Terminal 1 Airline Space Buildout	5,700,000					5,700,000
311040	AOIS - Self-Service Kiosks	1,000,000					1,000,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	8,000,000					8,000,000
881120	FY 18/19 Vehicles and Maintenance Equipment	6,824,661					6,824,661
881130	Data Center - Network Core - Life Cycle management	150,000					150,000
881140	SSR - Access Switches - Life-cycle management	750,000					750,000
881150	FAM Modular Buildings	1,000,000					1,000,000
881160	Fleet Fuel Management Software and Hardware Replacement	100,000					100,000
881170	Motor Control Center and Related Equipment Upgrade	3,705,000					3,705,000
881220	Parking Business Intelligence Software	200,000					200,000
881230	ABM Upgrade and Integration to Oracle	150,000					150,000
	Miscellaneous small projects	641,000					641,000
		\$ 34,745,661	\$ -	\$ -	\$ -	\$ -	\$ 34,745,661
Prior Year adjusted Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
011109	Heritage Displays at Observation Park	\$ 1,000,000					\$ 1,000,000
011359	Advanced Surveillance Program	2,934,000					2,934,000
070529	Phased replacement of PC Air units at T2	6,920,000					6,920,000
070539	T2 BHS lower level controls upgrade	3,480,000					3,480,000
070549	Terminal 2 Checkpoint Expansion	1,750,000		\$ 1,500,000			3,250,000
080749	Building Improvements 2015- RTRP Space	1,700,000					1,700,000
080769	Rehabilitate Taxiway F	34,000,000					34,000,000
080779	Cemetery Road Rebuild	820,000					820,000
080799	Expanded Park Economy 3	75,918,000					75,918,000
080849	PARCS Replacement	11,750,000					11,750,000
080869	Planning for FIS Facilities Expansion	1,326,000					1,326,000
211100	Rehabilitate Runway 14/32	250,000	3,500,000				3,750,000
211120	Reconstruct Taxiway B	32,500,000					32,500,000
211130	Perimeter Security Improvements (Property fencing)	2,500,000					2,500,000
881100	Rehabilitate International Drive	3,150,000					3,150,000
		\$ 179,998,000	\$ 3,500,000	\$ 1,500,000	\$ -	\$ -	\$ 184,998,000
Ongoing Projects		Original ¹	Change 07/19/18	Change 10/18/18	Change 12/20/18	Change 01/17/19	Amended
10729	Replacement of Oracle E Business Suite	\$ 2,500,000					\$ 2,500,000
10829	Informational Sign Standards & Rehab Roadway Signs	10,491,676					10,491,676
11009	FY 14/15 Business Development and Concessions Marketing	576,000					576,000
11259	RDU Center Conference Room 100 A/B Improvements	1,350,000					1,350,000
70519	Terminal 1 North and South Concourse Demolition	16,000,000					16,000,000
80729	Park Economy 3 Rehabilitation	4,800,000					4,800,000
80739	Rehabilitate Taxiway A	25,000,000					25,000,000
80759	Building Improvements 2016- Cargo/NC. DOT	1,396,663					1,396,663
80789	CONRAC and New Rental Car Storage Lot	200,000,000					200,000,000
80819	John Brantley Boulevard Improvements	16,000,000					16,000,000
80879	Runway 5L-23R and Taxiway B Replacement	280,000,000					280,000,000
211110	Rehabilitate West RON Apron	1,000,000			1,600,000	33,400,000	36,000,000
		\$ 559,114,339	\$ -	\$ -	\$ 1,600,000	\$ 33,400,000	\$ 594,114,339
		\$ 773,858,000	\$ 3,500,000	\$ 1,500,000	\$ 1,600,000	\$ 33,400,000	\$ 813,858,000

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.

Raleigh-Durham Airport Authority Board Members

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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 17th day of January 2019

Notes:

1 Original- budget ordinance adopted March 15, 2018

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY SPECIAL BOARD MEETING MINUTES JANUARY 29, 2019

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

Board members discussed strategic initiatives and related planning efforts concerning the following presentations:

- Ten year financial forecast
- Dual door boarding
- Strategic beverage pouring rights partnership discussion
- Selection of a new noise monitoring system

Motion by Teer 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)(3); Second by Morgan.

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Motion by Saidi to exit the closed session; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

Motion by Saidi to adjourn; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

Raleigh - Durham Airport Authority Board Members

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES FEBRUARY 21, 2019

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

I. APPROVAL OF AGENDA

Motion by Kane to approve the agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the January 17, 2019 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein and the minutes of the January 29, 2019 special meeting of the Raleigh-Durham Airport Authority Board; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Ali welcomed everyone and noted it was a privilege to have Congressman David Price in attendance and recognized Congressman Price for comments. Congressman Price expressed appreciation for the airport and the region being in Congressional District 4. He remarked on the challenges faced by the airport to find funding for necessary facilities and improvements. As Chair of the Transportation, and Housing and Urban Development, and Related Agencies Appropriations Subcommittee, he indicated that while efforts would be made to stimulate funding in the national program, funding is constrained and airports are having to look for alternative funding methods, including pushing for adjustment to the passenger facility charges (PFC). Congressman Price offered his support to the airport and the region as advocate for equitable and long-term airport infrastructure funding to help meet the needs of the growing region and the increasing passenger demands.
2. New hires were welcomed and promotions recognized.
3. Chair Ali shared a recent publication in the News and Observer, from a recent passenger thanking Authority and airline personnel for assisting her during a medical emergency and gave special recognition to the fire and rescue personnel in the meeting.

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Operations Committee met on February 21, 2019 and discussed the following items:

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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a. Consideration of Service Agreement with Enliven, LLC

Committee approval of Service Agreement with Enliven, LLC and authorization for the President and CEO to execute the Services Agreement with Enliven, LLC.

Motion by Thompson to adopt Committee's recommendation; Second by Teer

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on February 21, 2019 and discussed the following items:

a. Consideration of Corporate Hangar Campus Development Agreement with Western LLC

Committee recommends approval of the Corporate Hangar Campus Development Agreement with Western LLC, and of the Corporate Hangar Ground Lease Agreement template, and authorization for the President and CEO to execute the Development Agreement, each Lease Agreement, to approve each Sublease Agreement, and to authorize any collateral or other assignments.

Motion by Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Amendment 2 with RS&H for Construction Administration Services

Committee recommends approval of Amendment 2 to Task Order 9 with the RS&H Architects-Engineers-Planners, Inc., and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Amendment 2 with CH2M for Construction Administration Services

Committee recommends approval of Amendment 2 with CH2M Hill, Inc., and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout

Committee recommends approval of a Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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3. Law and Personnel Committee Report – Thompson¹ reported the Law and Personnel Committee met on February 21, 2019 and discussed the following item:
 - a. Consideration of Agreement for a Learning Management System with Cornerstone OnDemand
Staff recommends approval of a three year agreement with Cornerstone OnDemand, Inc. for a total amount of \$87,535 and authorization for the President and CEO to execute the agreement.

Motion by Thompson to adopt staff's recommendation; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

4. Finance Committee Report – Morgan² reported the Finance Committee met on February 21, 2019 and discussed the following item:
 - a. Presentation of Financial Performance for Third Quarter of Fiscal Year ending March 31, 2019
Committee heard a presentation showing the unaudited financial performance for the third quarter of the fiscal year ending March 31, 2019.

Presentation to Committee for informative purposes only; no Board action required.

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Terminal Support Space Lease Agreement with SSP America, Inc.
- b. Consideration of Terminal Concession Lease with NewZoom, LLC
- c. Consideration of Terminal Support Space Lease Agreement with USO of North Carolina

Motion by Thompson to approve and adopt the Consent Agenda items a-c listed; Second by Kane

ADOPTED BY UNANIMOUS VOTE

- d. Consideration of Service Agreement with Systel Business Equipment Co., Inc.

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

ADOPTED BY UNANIMOUS VOTE³

VI. GENERAL COUNSEL'S REPORT

No items were reported.

¹ Thompson gave the report at the request of Committee Chair Hannah

² Morgan gave the report at the request of Committee Chair Hannah

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

Raleigh - Durham Airport Authority Board Members

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VII. MEMBER COMMENTS

Chair Ali thanked Board member Teer for his continued service, noting Teer had been sworn in for his 22nd year on the Authority Board, which in combination with his late father's service on the Board, totals over 50 years. Board members thanked Congressman Price for attending and being an advocate for the airport. Appreciation to Mr. Teer was expressed, as well as sympathy for the recent passing of his mother. New hires and promotions were congratulated. The Authority was thanked for its continued support of the USO as displayed in the recent lease renewal with the USO for a nominal annual fee.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board Members, Team RDU, business partners, and guests who have join us today. Chairman Price, thank you for your remarks and support. There's a lot of work to be done and we're fortunate to have such a great advocate represent us in Congress.

Activity Report

The Research Triangle region, and RDU, are expected to continue growing in 2019. Last month, RDU enplaned more than 450,000 passengers, which is 12.3 percent increase when compared to the same time period last year. In 2018, we enplaned 12.8 million customers and our forecasted seat capacity in 2019 is nearly 10 percent higher than 2018. Today we are offering our customers more travel options than ever before – with 11 airline partners, 66 nonstop destinations, and more than 400 daily flights. And, we're making the RDU experience more enjoyable with more shopping and food and beverage options, while also expanding the T2 checkpoint.

Looking Ahead to Next Year

The business of airports is complex and that's why we went through the Vision 2040 planning process and create a strategic business plan each year. So, next month we will be presenting to the Board of Directors the FY 2019-2020 Business Plan and proposed budget for their consideration. As we finalize the coming year's business plan, here is what we are planning for: since 2015, RDU has seen more than a 5% passenger growth each year and this trend is likely to continue. But keeping up with passenger demand means investing in RDU's infrastructure – a priority in 2019. So, we are accelerating projects in Vision 2040, the airport's master plan, to accommodate regional and airport growth. Some of the key projects for next year include:

- Runway 5L-23R Preservation Program
- Runway 5L-23R Replacement Program
- Taxiway Bravo and Foxtrot Reconstruction
- West Remain Overnight (RON) Apron Construction
- Terminal 2 – Security Checkpoint Expansion
- Terminal 1 – Four Gate Activation
- Terminal 1 – Four Gate Expansion

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- Consolidated Rental Car (CONRAC) Program and Ground Transportation Center (GTC)
- Continued Improvements to Central Parking Facilities
- General Aviation (GA) Corporate Campus Development

As you can see we will have yet another busy construction season ahead of us in the coming year.

Volunteer of the Year

Chair Ali, President and CEO Landguth, Vice President and CHRO Umphrey, and Guest Services Manager Creech congratulated Dave Johnson as the 2018 Volunteer of the Year, who supported the Guest Services Department with more than 1150 donated hours in 2018.

IX. ADJOURNMENT

Motion by Hannah to adjourn; Second by Ali

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT FEBRUARY 21, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Terminal Support Space Lease Agreement with SSP America, Inc.

Memorandum by Ingrid N. Hairston, Director of Business Development – SSP America, Inc. (SSP) operates five food and beverage units in Terminal 2. To support these concession locations, SSP leases office space totaling 243.19 sf and storage space totaling 168.24 sf, for total leased support space of 411.43 sf.

This proposed new agreement would replace the current month-to-month agreement with SSP for the Terminal 2 support spaces, and the term would be extended to run concurrently with the concession lease, as amended, which ends on June 30, 2024. SSP will pay to the Authority annual rent of \$31,478.99. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with the SSP America, Inc. and authorization for the President and CEO to execute the agreement.

b) Consideration of Terminal Concession Lease with NewZoom, LLC

Memorandum by Ingrid N. Hairston, Director of Business Development – NewZoom, LLC (NewZoom) is an automated retail business that operates specialty retail robotic stores offering electronics, personal care and other products to RDU customers. This agreement is for the operation of automated retail concessions at Raleigh-Durham International Airport.

This proposed new lease would replace the current agreement that commenced in November 2008 and would provide for the addition of two new kiosks in Terminal 1: a CVS kiosk to be located pre-security and a Benefit kiosk to be located on the Concourse. Terminal 2 currently has a Benefit kiosk and a Best Buy kiosk. The percentage fees for Benefit and CVS kiosks are at a rate of 12% of gross receipts. The Best Buy kiosk percentage fee is at a rate of 10% of gross receipts. The proposed lease is for a five year term that commences on March 1, 2019 and expires on February 29, 2024, with no renewal options.

Staff requests approval of the Terminal Concession Lease with NewZoom, LLC and authorization for the President and CEO to execute the lease.

c) Consideration of Terminal Support Space Lease Agreement with USO of North Carolina

Memorandum by Ingrid N. Hairston, Director of Business Development – The USO of North Carolina (USO) supports all active duty US military personnel traveling through the Raleigh-Durham International Airport, and leases office space totaling 2,700 sf in Terminal 2 to operate the USO Center.

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This is a new agreement proposed for the USO Center support space. The term is proposed to expire on January 31, 2025 and the USO will pay to the Authority annual rent of \$1. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with the USO of North Carolina and authorization for the President and CEO to execute the agreement.

d) Consideration of Service Agreement with Systel Business Equipment Co., Inc.

Memorandum by Travis Pierce, Procurement Administrator – The Authority is currently operating under a three (3) year Managed Print Services (MPS) Program Agreement with Systel Business Equipment Co, Inc. (Systel). The Systel MPS program provides economical printing through device optimization and provides copying, faxing, printing and scanning requirements for a cost per page fee. With the exception of paper, Systel provides all supplies, maintenance and operational support for eighteen (18) Konica Minolta multi-function copier machines throughout the Authority campus. Staff is pleased with the level of professionalism and service that Systel provides to the Authority.

Staff requests approval to enter into a new Service Agreement with Systel by using the existing Sourcewell Cooperative Purchasing Program. Under the new agreement, the Authority would continue utilizing Systel's MPS program for three (3) years with the option to extend for two (2) additional one-year periods. The cost will remain unchanged over the term of the Service Agreement at a per page cost of \$0.07 for color prints, and \$0.034 for black and white prints. The projected annual not-to-exceed cost for the MPS Program is \$72,500.

Staff requests approval of a Service Agreement with Systel Business Equipment Co., Inc., for up to five years, in an annual amount not to exceed \$72,500, and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES FEBRUARY 21, 2019

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

The Committee discussed the following item:

1. Consideration of Service Agreement with Enliven, LLC: *Upon a motion by Teer and second by Ali, the Committee recommends approval of Service Agreement with Enliven, LLC and authorization for the President and CEO to execute the Services Agreement with Enliven, LLC.*

Presented by Ingrid N. Hairston, Director of Business Development – Staff requests approval of a Service Agreement with Enliven, LLC (Enliven) for strategic beverage pouring rights consulting services. Under the proposed agreement, Enliven would provide the following services:

- Evaluate the Authority’s business opportunities related to a beverage service agreement (BSA);
- Solicit and negotiate BSA proposals from beverage suppliers;
- Present the Authority with proposals and recommendations for maximizing the value of such relationships;
- Assist with negotiation and execution of a BSA;
- Provide project management for the implementation of a BSA; and
- Track and measure any and all significant business commitments, programs and projects defined in the BSA for the entire term of the BSA.

The proposed agreement term would commence with the execution of the BSA but, shall not extend beyond August 31, 2030. The contract commission is based on a percentage of the BSA revenue as follows: 20% for years 1-3, 16% for years 4-6, and 12% for years 7-10. The Minority-owned Small Business commitment for this contract is 0% and the Women-owned Small Business commitment is 0%, which was reviewed by the Authority's Small Business Program Officer.

Staff requests approval of Service Agreement with Enliven, LLC and authorization for the President and CEO to execute the Services Agreement with Enliven, LLC.

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RALEIGH-DURHAM AIRPORT AUTHORITY

LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES

FEBRUARY 21, 2019

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

The Committee discussed the following items:

1. Consideration of Corporate Hangar Campus Development Agreement with Western LLC: *Upon a motion by Kane and second by Teer, the Committee recommends approval of the Corporate Hangar Campus Development Agreement with Western LLC, and of the Corporate Hangar Ground Lease Agreement template, and authorization for the President and CEO to execute the Development Agreement, each Lease Agreement, to approve each Sublease Agreement, and to authorize any collateral or other assignments.*

Presented by David Freedman, Senior Vice President and Chief Revenue Officer and Karen Reynolds, Director Property Development¹ – Staff requests approval of the Corporate Hangar Campus Development Agreement (Development Agreement) proposed with Western LLC, providing Western with a preferential right to develop corporate aircraft storage hangars, aircraft management services facilities, as well as offices and administrative space. The proposed agreement term is ten years, with the potential for an extension. Western will be required to present a Marketing and Development Plan within sixty days after the Development Agreement is executed for President and CEO review and approval.

Under the Development Agreement, Western shall pay the Authority (i) ground rent, initially set based on the per acre fair market rental value determined by appraisal, which rental rate will increase 3% each year; (ii) a monthly maintenance and operations fee (to be determined); and (iii) percentage rent of 5% of self-reported gross income generated from its subtenants.

In addition to the Development Agreement, the Authority and Western propose to enter into separate lease agreements (Lease Agreement) related to each hangar facility, and that template is attached to the Development Agreement as Exhibit B. Western will be responsible for constructing hangar and office facilities, as well as related infrastructure (taxiways, aprons, driveways, parking areas, etc.). Western will be required to enter into the first Lease Agreement no later than nine months after the effective date of the Development Agreement. Under the Lease Agreements, Western will have the right to construct and sublease hangars and related facilities. The initial term of each Lease Agreement will not exceed 25 years, unless otherwise approved by the President and CEO. Western's construction of hangar facilities shall begin no later than nine months after execution of each Lease Agreement, and beneficial occupancy shall occur no later

¹ Brad Henderson, President of Western, LLC presented information and answered Board members' questions.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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than 24 months after construction commencement. In conjunction with each Lease Agreement, Western shall present a Sublease Agreement, and each Lease Agreement and Sublease Agreement will require President and CEO approval.

The Development Agreement and each Lease Agreement will contain a Minority-Owned Small Business goal of 7%, and a Women-Owned Small Business goal of 4% which goals were identified with the assistance of the Authority's Small Business Program Officer.

Staff requests approval of the Corporate Hangar Campus Development Agreement with Western LLC, and of the Corporate Hangar Ground Lease Agreement template, and authorization for the President and CEO to execute the Development Agreement, each Lease Agreement, to approve each Sublease Agreement, and to authorize any collateral or other assignments.

2. Consideration of Amendment 2 with RS&H for Construction Administration Services: Upon a motion by Kane and second by Ali, the Committee recommends approval of Amendment 2 to Task Order 9 with the RS&H Architects-Engineers-Planners, Inc., and authorization for the President and CEO to execute the amendment.

Presented by Jim Novak, Director of Facilities Engineering – Staff requests approval of Amendment 2 to Task Order 9 under the Master Agreement with RS&H Architects-Engineers-Planners, Inc. (RS&H) to provide Construction Administration Services for the West Remain Overnight (West RON) Apron Rehabilitation project. The scope of work includes attending pre-construction and project progress meetings, reviewing shop drawings and submittals, reviewing and responding to information requests, reviewing contractor applications for payment, performing periodic site visits, issuing field reports, conducting inspections associated with substantial completion and final completion, issuing Certificate(s) of Substantial Completion, accumulating project closeout records and project closeout. Construction work is scheduled to be completed in 545 consecutive calendar days from the Notice-to-Proceed. Basic services compensation to RS&H shall be an hourly not-to-exceed amount of \$450,517, with reimbursable expenses up to fixed ceiling amount of \$8,857, for total maximum compensation under Amendment 2 of \$459,374.

The Minority-owned and Women-owned Small Business (MWSB) goals for Amendment 2 are 10% Minority-owned Small Business (MB) and 5% Women-owned Small Business (WB). The MWSB commitment for this Amendment 2 is 20.2% MSB and 4.4% WSB% as RS&H proposes to use Walls Engineering (MB) to review electrical submittals and shop drawings, and perform field visits and electrical inspections, and Wetherill Engineering (WB) to review civil submittals and shop drawings. Overall, RS&H's MWSB commitment for its Master Agreement (including this Amendment 2 to Task Order 9) is 15.8% MB and 4.9% WB, which has been reviewed by the Authority's Small Business Program Officer.

Staff requests approval of Amendment 2 to Task Order 9 with the RS&H Architects-Engineers-Planners, Inc., and authorization for the President and CEO to execute the amendment.

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3. Consideration of Amendment 2 with CH2M for Construction Administration Services: *Upon a motion by Kane and second by Ali, the Committee recommends approval of Amendment 2 with CH2M Hill, Inc., and authorization for the President and CEO to execute the amendment.*

Presented by Jim Novak, Director of Facilities Engineering – Staff requests approval of Amendment 2 to the Professional Services Agreement with CH2M Hill, Inc. (CH2M) to provide Construction Administration Services for the Runway 5L-23R Pavement Preservation project. The scope of work includes attending pre-construction and project progress meetings, reviewing shop drawings and submittals, reviewing and responding to information requests, reviewing contractor applications for payment, performing periodic site visits, issuing field reports and noting 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 545 consecutive calendar days from the Notice-to-Proceed. Basic services compensation to CH2M shall be an hourly not-to-exceed amount of \$185,097, with reimbursable expenses up to a fixed ceiling amount of \$38,514, for total maximum compensation under Amendment 2 of \$223,611.

The Minority-owned and Women-owned Small Business (MWSB) goals for this Amendment 2 are 10% Minority-owned Small Business (MB) and 5% Women-owned Small Business (WB). The MWSB commitment for this amendment is 11.2% MB and 0.0% WB, as CH2M proposes to utilize RDM International, Inc. (MB) to review and approve concrete mix designs, respond to pavement related questions, and to conduct periodic site inspections. CH2M's MWSB commitment for its agreement, including this amendment, is 16% MB and 2.3% WB, which has been reviewed by the Authority's Small Business Program Officer.

Staff requests approval of Amendment 2 with CH2M Hill, Inc., and authorization for the President and CEO to execute the amendment.

4. Consideration of Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout: *Upon a motion by Kane and second by Ali, the Committee recommends approval of a Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.*

Presented by Jaymes Carter, Director of Buildings & Building Systems – Renovation to the South end of Terminal 1 on the ground floor, the Concourse level, and on work on the ramp is required to support additional airline activity. Balfour Beatty Construction, the Authority's building construction manager at-risk (CMR), for reasons of industry practice and in order to meet an aggressive schedule, will bid the renovation work in three separate packages. The Authority's goal is to complete this work such that the airlines can begin service in these spaces by April 2020.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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The CMR advertised Early Package #1 which includes: General Trades, Temporary Stair Tower, Demolition, Concrete, Masonry, Structural Steel, Sitework, Utilities, Mechanical, Electrical, and Plumbing Preparation, and Hydrant and FDC Requirements. Bids were received on January 10 and 18, 2019. The proposed Early Package #1 Amendment establishes the Contract Amount (Fixed Guaranteed Maximum Price) and authorizes construction phase services of the CMR.

<u>Component</u>	<u>Amount</u>
Cost of the Work	\$ 2,741,336
Contractor's Contingency (5%)	\$ 137,067
Contractor's Construction Fee (3.5%)	\$ 128,636
<u>Reimbursable General Conditions</u>	<u>\$ 874,940</u>
Construction Phase Amendment (GMP)	\$ 3,881,979

The Minority-owned and Women-owned Small Business goals were set and participation commitments were received as follows:

Project Description	MB Goal %	WB Goal %	Commitment MB %	Commitment WB %
Balfour Beatty Constr. Services	10.0	5.0	20.49	20.81

Staff requests approval of a Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAW AND PERSONNEL COMMITTEE MEETING MINUTES FEBRUARY 21, 2019

Thompson¹ presided. Present: Ali, Kane, Kushner, Morgan, Saidi, and Teer. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Jewett, Legan and Feldman, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following items:

1. Consideration of Agreement for a Learning Management System with Cornerstone OnDemand:
The Committee did not have a quorum present and deferred action regarding this Agreement with Cornerstone OnDemand until the Board meeting.

Presented by Cleon Umphrey, Vice President of Human Resources and Chief HR Officer and Amanda Gissel, Talent Management Manager – Staff requests approval for the purchase of a software-as-a-service learning management system (LMS) for the administration, housing, documentation, tracking, reporting and delivery of training and educational courses, and learning and development programs. An LMS would allow the Authority to deliver e-learning workforce training, with availability to over 1300 on-demand courses, and provide quick integration and deployment of new training curriculum, as well as easily trackable training progress and performance, with the ability to set automated reminders to trainees about assigned training.

Due to the work schedules, physical work locations, and type of work of the Authority's varied workforce, it has been challenging to regularly deploy, track, and verify completion of vital compliance training. An LMS would greatly increase the Authority's ability to provide and document critical compliance and safety training and address the gap between current workforce capabilities and customer demands and the airport environment.

Staff met with several vendors, reviewed system demonstrations and pricing information, and staff requests approval of Cornerstone OnDemand, Inc. as the LMS vendor to fill the Authority's learning needs and technical requirements at the following cost for three years:

Cornerstone LMS Contract Cost Table by Year	
Contract Year	Cost
Year 1 (2019-2020)	\$28,320
Year 2 (2020-2021)	\$29,170
Year 3 (2021-2022)	\$30,045
<u>3 Year Total:</u>	<u>\$87,535</u>

¹ Thompson presided at Chair Ali's request in the absence of Committee Chair Hannah

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Staff requests approval of a three year agreement with Cornerstone OnDemand, Inc. for a total amount of \$87,535 and authorization for the President and CEO to execute the agreement.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE MEETING MINUTES FEBRUARY 21, 2019

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

The Committee discussed the following items:

1. Presentation of Financial Performance for Third Quarter of Fiscal Year ending March 31, 2019:

Presentation to Committee for informative purposes only; no Committee action required.

Presented by Donna Sylver, Vice President and Chief Finance Officer – Presentation showing the unaudited financial performance for the third quarter of the fiscal year ending March 31, 2019

Presentation for informative purposes only; no committee action requested.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

Farad Ali, Chairman
City of Durham

John M. Kane, Vice Chairman
Wake County

Patrick Hannah, Esq., Secretary
Durham County

Robert D. Teer, Jr.
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
Durham County

Sepideh Saidi, PE
City of Raleigh

David Kushner
Wake County



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

R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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RALEIGH-DURHAM AIRPORT AUTHORITY SPECIAL BOARD MEETING MINUTES MARCH 1, 2019

Chair Ali presided. Present: Kane¹, Kushner, Morgan, Saidi, Teer², and Thompson. Staff present included: President and CEO Landguth, General Counsel Locklear, James Tatum, Esq., and other guests.

The Chair welcomed attendees, noting board members joining by phone. The Chair noted this was an important meeting as the Board considers moving forward to meet the needs of the growing region and ensuring the airport is safe and secure. Chair Ali stated that the staff was asked to bring forward a proposed lease with Wake Stone Corporation and he reminded attendees that this was a public meeting open to the public but not a public hearing and there would be no public comments. To enable all to hear the business at hand, the Chair requested that attendees refrain from loud or disruptive comments. He asked President and CEO Landguth and General Counsel Locklear to give details about the lease. Mr. Landguth recognized Jim Tatum, an attorney practicing with Hedrick, Murray, Bryson, Kennett & Mauch. Mr. Tatum shared details of the Option and Lease Agreement and Mineral Lease Agreement proposed with Wake Stone, before the Board for consideration:

I am here to share with you the details of the Option and Lease Agreement and Mineral Lease Agreement with Wake Stone that is before you for consideration today. The Authority's approval of the lease is the first step in the process to determine whether a quarry is feasible. If all approvals and requirements are met and the Mineral Lease is triggered, it will provide needed funding for airport operations and development, which is a valid airport use of airport property.

The lease is for a 105 acre parcel often referred to as the Oddfellows parcel, because it was primarily purchased from the Independent Order of Oddfellows group in 1976 by the Authority. No federal funds, grant funds, or passenger facility charges were used for the purchase of the property. The Oddfellows parcel is located southeast of the airport and is adjacent to Umstead State Park to the northeast and an existing operating quarry to the southeast. If the requirements of the proposed Option and Lease Agreement are satisfied, then the result would be the expansion of that existing adjacent quarry, operated by the Wake Stone Corporation. The lease also provides a potential source of funding to address mountain biking activities that are currently being conducted on Airport lands without authorization and provides a path to facilitate the movement of those activities to areas where they would be authorized.

The lease begins with an examination period for Wake Stone to evaluate the property for the quarry use and obtain required permits and approvals. This period can last up to 2 ½ years, at the Lessee's option, with annual payments of \$40,000. Wake Stone must get all the necessary permits and approvals before the Mineral Lease can be triggered and quarrying operations can begin.

Lease Term:

- A 25 year mining operation lease term

¹ Vice Chair Kane joined via telephone

² Board member Teer joined via telephone

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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- May be terminated early by Lessor if Lessee shuts mining down for two years or fails to pay royalties when due
- May be terminated at any time by Lessee by written notice, subject to paying amounts due and restoring the site

Lease Payments:

- The proposed lease payments are structured to provide increasing minimum payments over the life of the lease. Over the 25 year term of the lease, the minimum payments total \$8.5 Million.
- Percentage Royalty – 5.5% -- applies to all crushed materials mined and sold from the site; Estimated value = \$24 Million

Additional Terms (Lessee responsibilities):

- Indemnity/Insurance
- Site security and Fencing
- Environmental and regulatory compliance & Permitting
- Overburden to Lessor (right of first refusal at no cost to Lessor, Lessor pays for transport)
- Site reclamation/restoration estimated at \$3,000,000

Potential Mountain Bike Lease

Wake Stone pays an additional \$3,600,000 to the Authority, in 10 annual installments of \$360,000, to be applied to a potential mountain bike lease with a governmental unit or nonprofit for a separate parcel (identified in the Authority's previous RFP). WSC's obligation to pay begins when the Mining Lease begins and terminates if the Mining Lease terminates for any reason.

I'd also like to share with you some additional information for your consideration:

- a. This proposed lease is consistent with the Authority's recognition of its legal obligation to use its governmental authority to prevent land uses near the Airport that would be incompatible with its operations, to maintain large buffer areas around the Airport, and to ensure that its property is preserved or developed in a way that does not compromise the Airport's safety.
- b. The parcel is currently vacant, with very limited access, and is used only for unauthorized recreational activities by third parties that constitutes a trespass on airport land. The parcel is not needed, suitable, or desirous for aeronautical purposes.
- c. The proposed lease authorizes a non-aeronautical use of the property consistent with the conditionally-approved, current Airport Layout Plan's designation of the property for "Industrial/Quarry" use, and no revision to the Airport Layout Plan is required or necessary;
- d. The proposed lease authorizes the expansion of an existing quarry that has been in operation for almost 40 years and, throughout that time, has presented no risks to, nor affected or interfered with, the operations of aircraft or the safety of people and property on the ground related to aircraft operations.
- e. Both the Authority and FAA, through its conditional approval of the Airport Layout Plan, have determined that the activities and uses authorized under the Lease will not affect or interfere with safe and efficient operation of aircraft or safety of people and property on the ground related to aircraft operations;

Raleigh - Durham Airport Authority Board Members

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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- f. The Raleigh-Durham Airport Authority will receive fair market value for the lease of the Property, including royalties on any extracted minerals and the proposed lease would provide the highest and best commercial use of the property, yielding funds to support the airport, which is a valid airport use of this Property
- g. No grants or other federal funding was used in the acquisition of the Property;
- h. The Authority is authorized by its enabling legislation to approve and enter into the Lease
- i. The proposed lease will have no impact on the safe, efficient use and preservation of navigable airspace

As I've mentioned before, the execution of this lease will begin the process to determine the feasibility of the quarry expansion and is a necessary step to do so. The result of the process may mean that a quarry isn't feasible, but the execution of the lease must happen to allow that process to begin. If the quarry isn't feasible, the Mineral Lease will not be triggered and quarrying will not happen.

So, considering the information I've presented to you, the Master planning process, the information you've heard in previous meetings, and the public discourse, the proposed action is Board approval of the Mineral Lease Agreement with Wake Stone Corporation, and authorization for the President and CEO to execute the Lease.

Chair Ali verified that the two board members joining by telephone had heard Mr. Tatum's presentation. He asked for a motion.

Motion by John Kane to approve the Raleigh-Durham Airport Authority entering into the Option and Lease Agreement and Mineral Lease Agreement with Wake Stone Corporation and for authorization for the President and CEO to execute the Agreement; Second by Morgan.

Chair Ali asked if there were any questions or discussion and hearing none, he called the vote.

ADOPTED BY UNANIMOUS VOTE³

Motion by Thompson to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY SPECIAL BOARD MEETING MINUTES MARCH 1, 2019

Chair Ali presided. Present: Kane¹, Kushner, Morgan, Saidi, Teer², and Thompson. Staff present included: President and CEO Landguth, General Counsel Locklear, James Tatum, Esq., and other guests.

The Chair welcomed attendees, noting board members joining by phone. The Chair noted this was an important meeting as the Board considers moving forward to meet the needs of the growing region and ensuring the airport is safe and secure. Chair Ali stated that the staff was asked to bring forward a proposed lease with Wake Stone Corporation and he reminded attendees that this was a public meeting open to the public but not a public hearing and there would be no public comments. To enable all to hear the business at hand, the Chair requested that attendees refrain from loud or disruptive comments. He asked President and CEO Landguth and General Counsel Locklear to give details about the lease. Mr. Landguth recognized Jim Tatum, an attorney practicing with Hedrick, Murray, Bryson, Kennett & Mauch. Mr. Tatum shared details of the Option and Lease Agreement and Mineral Lease Agreement proposed with Wake Stone, before the Board for consideration:

I am here to share with you the details of the Option and Lease Agreement and Mineral Lease Agreement with Wake Stone that is before you for consideration today. The Authority's approval of the lease is the first step in the process to determine whether a quarry is feasible. If all approvals and requirements are met and the Mineral Lease is triggered, it will provide needed funding for airport operations and development, which is a valid airport use of airport property.

The lease is for a 105 acre parcel often referred to as the Oddfellows parcel, because it was primarily purchased from the Independent Order of Oddfellows group in 1976 by the Authority. No federal funds, grant funds, or passenger facility charges were used for the purchase of the property. The Oddfellows parcel is located southeast of the airport and is adjacent to Umstead State Park to the northeast and an existing operating quarry to the southeast. If the requirements of the proposed Option and Lease Agreement are satisfied, then the result would be the expansion of that existing adjacent quarry, operated by the Wake Stone Corporation. The lease also provides a potential source of funding to address mountain biking activities that are currently being conducted on Airport lands without authorization and provides a path to facilitate the movement of those activities to areas where they would be authorized.

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Lease Term:

- A 25 year mining operation lease term

¹ Vice Chair Kane joined via telephone

² Board member Teer joined via telephone

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- May be terminated early by Lessor if Lessee shuts mining down for two years or fails to pay royalties when due
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Lease Payments:

- The proposed lease payments are structured to provide increasing minimum payments over the life of the lease. Over the 25 year term of the lease, the minimum payments total \$8.5 Million.
- Percentage Royalty – 5.5% -- applies to all crushed materials mined and sold from the site; Estimated value = \$24 Million

Additional Terms (Lessee responsibilities):

- Indemnity/Insurance
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- c. The proposed lease authorizes a non-aeronautical use of the property consistent with the conditionally-approved, current Airport Layout Plan's designation of the property for "Industrial/Quarry" use, and no revision to the Airport Layout Plan is required or necessary;
- d. The proposed lease authorizes the expansion of an existing quarry that has been in operation for almost 40 years and, throughout that time, has presented no risks to, nor affected or interfered with, the operations of aircraft or the safety of people and property on the ground related to aircraft operations.
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- f. The Raleigh-Durham Airport Authority will receive fair market value for the lease of the Property, including royalties on any extracted minerals and the proposed lease would provide the highest and best commercial use of the property, yielding funds to support the airport, which is a valid airport use of this Property
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So, considering the information I've presented to you, the Master planning process, the information you've heard in previous meetings, and the public discourse, the proposed action is Board approval of the Mineral Lease Agreement with Wake Stone Corporation, and authorization for the President and CEO to execute the Lease.

Chair Ali verified that the two board members joining by telephone had heard Mr. Tatum's presentation. He asked for a motion.

Motion by John Kane to approve the Raleigh-Durham Airport Authority entering into the Option and Lease Agreement and Mineral Lease Agreement with Wake Stone Corporation and for authorization for the President and CEO to execute the Agreement; Second by Morgan.

Chair Ali asked if there were any questions or discussion and hearing none, he called the vote.

ADOPTED BY UNANIMOUS VOTE³

Motion by Thompson to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES MARCH 21, 2019

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

I. APPROVAL OF AGENDA¹

Motion by Kane to approve the agenda; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the February 21, 2019 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein and the minutes of the March 1, 2019 special meeting of the Raleigh-Durham Airport Authority Board; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. VICE CHAIR COMMENTS

1. Vice Chair Kane welcomed everyone.
2. New hires were welcomed.
3. Vice Chair Kane recognized new Board member Napoleon Wallace, representing the City of Durham, detailing Mr. Wallace's background and current position as a Senior Fellow with Frontline Solutions. Mr. Wallace expressed appreciation for the welcome and his appointment to the Board.
4. Vice Chair Kane gave a brief recap of the Board's budget work session on March 14, 2019 and thanked staff for their work in creating the FY19/20 proposed budget. He detailed the procedure that would be followed for receiving public comments on the proposed budget, including the option for submitting written comments today in lieu of oral comments. Vice Chair Kane noted that the public comment period would begin at the conclusion of the Board's new business and gave the rules of decorum for speakers.

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Operations Committee met on March 21, 2019 and discussed the following items:

¹ Vice Chair Kane announced that a closed session would be added at the end of the meeting for the purpose of discussing a personnel matter pursuant to NCGS §143-318.11(a)(1) and (6).

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- a. Consideration of Agreement with MV Transportation, Inc. for Park Express Staffing and Shuttles

Committee recommends approval of a three (3) year Agreement with MV Transportation, Inc., at a cost not-to-exceed \$5,213,716, with two one-year options, and authorization for the President and CEO to execute the Agreement.

Motion by Thompson to adopt Committee's recommendation; Second by Teer

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on March 21, 2019 and discussed the following items:

- a. Consideration of Second Amendment to Master Agreement with Parsons Transportation Group for FY 19/20 Program and Construction Management Services

Committee recommends approval of the Second Amendment to the Master Agreement with Parsons Transportation Group in the maximum amount of \$2,176,574 for FY 19/20 and authorization for the President and CEO to execute this amendment.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of a Master Consultant Services Agreement with Landrum & Brown

Committee recommends approval of the Master Consultant Services Agreement with Landrum & Brown, and authorization for the President and CEO to execute the agreement.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- c. Consideration of Construction Phase Services Agreement with Parsons Transportation Group

Committee recommends approval of an Agreement with Parsons Transportation Group, in the amount of \$4,618,888 and authorization for the President and CEO to execute the Agreement.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- d. Consideration of a Construction Phase Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout

Subject to approval of the FY2019-20 budget, Committee recommends approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

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ADOPTED BY UNANIMOUS VOTE

- e. Consideration of Task Order 12 with Gensler for Terminal 1 Airline Operations Space Buildout

Subject to approval of the FY2019-20 budget, Committee recommends approval of Task Order 12 with Gensler in an amount not to exceed \$513,484, and authorization for the President and CEO to execute the task order.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- f. Consideration of Agreement with Parsons Transportation Group for Terminal 1 Airline Operations Space Buildout

Subject to approval of the FY2019-20 budget, Committee recommends approval of an Agreement with Parsons Transportation Group, in the amount of \$946,214, and authorization for the President and CEO to execute the Agreement.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- g. Consideration of Conceptual Design Drawings for BurgerFi and Jason's Deli

Committee recommends approval of the conceptual design drawings for BurgerFi and Jason's Deli.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Master Services Agreements with Three On-Call Spill Response Contractors
- b. Consideration of Service Agreement with Casper Airport Solutions for Noise and Operations Monitoring System
- c. Consideration of Amendment Three to the Staffing Services Contract with SP+ Airport Services
- d. Consideration of Service Agreement with Sprocket Software Development, Inc.
- e. Consideration of Additional Solutions & Services Order Form to Revenue Management System Agreement with IDEaS
- f. Consideration of Terminal Concession Agreement with CTN Service Agency, Inc.
- g. Consideration of Oracle EBS Technical Support Services Agreement
- h. Consideration of Revision to the Records Management Policy
- i. Consideration of Agreement with ASKREPLY, Inc. for Contract Compliance Software

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Motion by Thompson to approve and adopt the Consent Agenda items a-d and f-i listed; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

Motion by Thompson to approve and adopt the Consent Agenda item e listed; Second by Hannah

ADOPTED BY UNANIMOUS VOTE²

2. Budget Public Hearing

Vice Chair Kane opened and presided over a public hearing related to the budget as required by NCGS §159-12. Betsy Beals expressed concern regarding Authority expenditures and notifications to her as an adjoining property owner. Dr. Jean Spooner detailed the benefits of state parks and other options that could move the airport forward in the public image. She expressed that the community and the airport could continue communications and collaborations to improve budgetary and partnership opportunities.

There being no further speakers, Vice Chair Kane conveyed the Board's appreciation for the public's attendance and comments and he closed the hearing.

3. FY 2019-20 Budget Adoption

Motion by Thompson to adopt the proposed Fiscal Year 2019-2020 Operating and Capital Budgets, Budget Ordinance and associated Project Ordinances; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

New hires were congratulated. Board members welcomed Napoleon Wallace, who expressed appreciation for being on the Board and for the assistance given him to become more familiar with the airport and ongoing projects. The public was thanked for its attendance and input. The Board expressed appreciation to staff for their work on the budget, and for their contribution to the great travel year experienced by RDU in FY18-19. Continued support for the USO was encouraged. Kushner shared a late night arrival travel experience at RDU and appreciation for the staff working the night shift.

² Morgan recused himself due to a conflict of interest and abstained from voting

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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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

February was another record-setting month for passenger traffic. Last month, RDU enplaned more than 443,374 passengers. That's a 9.4 percent increase when compared to February 2018.

Washington D.C. Trip

On March 6-8, I went to Washington D.C. to visit the entire North Carolina congressional delegation. My goal was to educate the North Carolina delegation on RDU's transportation infrastructure funding needs. Here is what I shared with them.

- The Raleigh-Durham International Airport is a critical driver of job creation, prosperity and quality of life throughout North Carolina's Research Triangle region, and its economic footprint in the community continues to grow.
- RDU has a \$12.6 billion dollar annual economic impact and supports more than 86,000 regional jobs.
- RDU's Vision 2040 airport master plan was approved in 2016. Since then, passenger volumes have outpaced projections and is now eight years ahead of schedule. That growth has accelerated the timeline for many deferred projects and ballooned the \$2.7 billion program to almost \$3.7 billion.
- The critical infrastructure project identified in the 25 year plan was the replacement of RDU's primary runway, 5L-23R.
- Runway 5L-23R opened in 1986 and is near its end-of-life.
- RDU must rehabilitate the current runway by replacing sections of deteriorating concrete until a new, longer runway can be built. That repair will take six months each and every year the existing runway remains in operation, until the new runway is replaced.

I also shared with them the inequity of federal funding RDU has received over the years, including:

- RDU historically received only 4.5 cents in federal funding for every dollar of taxes paid by RDU passengers into the Airport and Airway Trust Fund (AATF).
- Part of the problem is RDU keeps only a fraction of the entitlement funding it is eligible to receive.
- Because of how the federal program is designed, RDU has given back approximately \$52 million dollars of its (AIP) entitlement dollars since 2010.
- The citizens of this region deserve their fair share of federal funding.

My request was simple to the elected officials:

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- 1) Help RDU Replace Its Primary Runway. The cornerstone project of RDU's Vision 2040 master plan is the replacement of our flagship runway. RDU needs help funding the \$350 million project to enhance our region's connectivity.
- 2) Modernize the Passenger Facility Charge (PFC). The PFC is a user fee customers pay for using airport facilities. The federal cap on PFCs has not increased since 2000. Increasing the outdated federal cap would allow airports to address their infrastructure needs.
- 3) Expand the Airport Improvement Program (AIP). Airports Council International North America recently completed an analysis of the capital needs for the commercial service airports in the United States. Over the next 5 years, airports will need \$128 billion dollars. The current program will only provide \$16.75 billion over five years, leaving a \$100 billion shortfall in funding.

I am asking our RDU customers to show their support for a PFC increase by contacting the North Carolina Congressional Delegation, to let them know you support raising the PFC cap so we can pay for our runway. Contact information for the Congressional Delegation, along with talking points, are available at the doors. Please feel free to take one on your way out.

IX. CLOSED SESSION

Motion by Kane to go into a closed session for the purpose of discussing a personnel matter pursuant to NCGS §143-318.11(a)(1) and (6); Second by Hannah

ADOPTED BY UNANIMOUS VOTE

Motion by Hannah to exit out of closed session; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

Motion by Teer to give Michael Landguth a 6% salary increase and a 12-1/2% bonus payment; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

X. ADJOURNMENT

Motion by Hannah to adjourn; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT MARCH 21, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Master Services Agreements with Three On-Call Spill Response Contractors

Memorandum by Ellis Cayton, Director of Planning and Gina Danison, Environmental Program Administrator – The Authority is required to enter into two agreements with spill response contractors to comply with EPA Facility Response Plan requirements. These contractors must be able to respond to a worst case scenario discharge (36,000 gallons and higher). The Authority issued a Request for Qualifications (RFQ) and also requested firms that would respond to medium (2,100-36,000 gallons) as well as small (less than 2,100 gallons) spills, to supplement limited staff with appropriate spill response training. Based on review of the proposals received, staff requests approval of Master Services Agreements with three on call contractors: Environmental Products & Services of Vermont, Inc. (EPS), HEPACO, LLC, and SWS Environmental Services (SWS). EPS and HEPACO could be utilized to respond to small spills, and HEPACO and SWS could be utilized to respond to medium and worst case discharges. Each proposed agreement would be for an initial three years, with optional two one-year extensions.

The compensation to each contractor will be up to \$4,000 per year, to cover annual training and site familiarization. Any fees associated with a spill would be billed at the hourly rates stated in each agreement and paid via emergency Task Order/Purchase Order.

The Minority and Women-owned Small Business (MWSB) goals for these agreements are 0% for Minority-owned small business (MB) and 0% for Women-owned small business (WB), due to the specialized work and niche market. No MWSB firms responded to the RFQ. Should an emergency event arise, there is potential to utilize an MWSB entity for supply purchases, which would be on an incident-by-incident basis.

Staff requests approval of a Master Services Agreement with each of the on-call contractors, Environmental Products & Services of Vermont, Inc., HEPACO, LLC, and SWS Environmental Services and authorization for the President and CEO to execute these Agreements.

b) Consideration Service Agreement with Casper Airport Solutions for Noise and Operations Monitoring System

Memorandum by Ellis Cayton, Director of Planning and Environmental, Rachel Stair, Planning and Environmental Officer, and Armando Tovar, Noise Officer – Staff requests approval of a five year Service Agreement with Casper Airport Solutions for the implementation, maintenance and operation of a new Noise and Operations Monitoring System (NOMS). In July 2017, the Authority engaged an on-call environmental consultant to evaluate the existing NOMS, prepare technical specifications for a Request for Proposals (RFP), and assist the

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Authority in reviewing proposals. The Authority issued a RFP on June 26, 2018 to replace the NOMS with a turn-key system, with pricing information for a five year period. Proposals were received from the following firms: 1) Casper Airport Solutions; 2) Harris Corporation; and 3) MS Bruel & Kjaer.

At the January 29th, 2019 special meeting of the Board, staff presented a briefing concerning the NOMS, and recommended the selection of Casper Airport Solutions (Casper). Casper proposes to provide the base NOMS software, six (6) permanent noise monitors, a public flight tracker website, complaint module, and ongoing service for a term of five (5) years at an amount of \$473,500.

The Minority-owned Small Business (MB) commitment for this contract is 11% and the Women-owned Small Business (WB) commitment is 8%. Casper proposes subcontracting the operation and maintenance of the permanent noise monitors. This has been reviewed by the Authority's Small Business Program Office.

Staff requests approval of a five year Service Agreement with Casper Airport Solutions in the amount of \$473,500 and authorization for the President and CEO to execute the agreement.

c) Consideration of Amendment Three to the Staffing Services Contract with SP+ Airport Services

Memorandum by Laurie Suggs, Ground Transportation, Parking Business Manager – Staff requests consideration of Amendment Three to the Staffing Services Contract with SP+ Airport Services (SP+). The need for increased staffing at Gate 55 to 24 hours daily is due to the increase in airline flight activities such as aircraft catering and cleaning services, cargo movement, the addition of new airlines, and increased ground support activities. This proposed amendment would increase the current staffing hours at Gate 55 to the needed 24-hours coverage. The projected increase of the annual maximum payment amounts under SP+'s contract for the remaining 1.5 years term, for this increased security staffing at Gate 55 is \$39,362.41 as shown in the chart below.

Year	Base	Amendment #1	Amendment #2	Amendment #3
1	\$2,176,087.00	\$452,524.80	\$257,474.27	No Change
2	\$2,236,499.24	No Change	\$905,812.23	\$7,994.35
3	\$2,313,144.12	No Change	\$916,529.07	\$31,368.06
Total	\$6,745,573.36	\$452,524.80	\$2,632,338.47	\$39,362.41

Staff requests approval of Amendment Three to the Staffing Services Contract with SP+ Airport Services at additional cost of \$39,362.41 for the remaining contract term and approval for the President and CEO to execute the amendment.

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d) Consideration of Service Agreement with Sprocket Software Development, Inc.

Memorandum by Laurie Suggs, Ground Transportation, Parking Business Manager – Staff requests approval of a three (3) year Service Agreement with Sprocket Software Development, Inc. (Sprocket) at a yearly cost of \$4,950. Since a competitive bid process in 2015, the Authority has successfully utilized Sprocket's proprietary license plate inventory (LPI) software to inventory all of the public parking spaces, providing staff with exact vehicle locations and their associated length of stay. This information assists customers in locating their vehicles, serves as a secondary resource to ensure that parking revenue is captured, and provides necessary information for abandoned vehicle tracking and other law enforcement-related purposes. Sprocket has been very responsive in addressing the Authority's issues and support requests.

Staff requests approval of a three year Service Agreement with Sprocket Software Development, Inc. at a yearly cost of \$4,950 and approval for the President and CEO to execute the agreement.

e) Consideration of Additional Solutions & Services Order Form to Revenue Management System Agreement with IDEaS

Memorandum by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – In November 2018, the Authority entered into a three year Agreement with IDEaS, a SAS company, for a Revenue Management System (RMS) to effectively perform parking product yield management and price optimization for all RDU parking facilities. The terms of the Agreement provided licenses and set-up costs for the existing Park Premier, Park Central, and Park Economy parking facilities at a total cost of \$173,600. With the introduction of the new Park Express facility proposed in May 2019, staff requests approval to enter into an Additional Solutions & Services Order Form, under the existing three year Agreement with IDEaS, to add Park Express to the RMS, at a total cost of \$5,950 which includes the annual license cost of \$1600.

Staff requests approval of the Additional Solutions & Services Order Form to the Agreement with IDEaS in the amount of \$5,950, and authorization for the President and CEO to execute the Additional Solutions & Services Order Form.

f) Consideration of Terminal Concession Agreement with CTN Service Agency, Inc.

Memorandum by Ingrid Hairston, Director of Business Development – CTN Service Agency, Inc. (CTN Service) operates a shoeshine service in Terminal 2, offering basic shine and cleaning services for shoes, handbags, leather belts and briefcases. CTN Service also sells retail items such as shoe cream and polish and other products to customers. This proposed Terminal Concession Agreement is for the operation of a shoeshine service concession by CTN Service at Raleigh-Durham International Airport and would replace the current agreement that commenced in October 2013 and provided concession spaces in Terminals 1 and 2. The new

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agreement provides for the relocation of the Terminal 2 space to two separate locations in Terminal 2: Concourse C Gate C3 and Concourse D Gate D3, allowing for the provision of shoeshine service to passengers on both of these Concourses. CTN Service will pay concession fees equal to the higher of Minimum Annual Guarantee of \$8,533.32 or a percentage fee of 10% of gross receipts. The proposed agreement has a term of three years, commencing on April 1, 2019 and expiring on March 31, 2022, with two one-year options to renew. Either the Authority or Concessionaire must exercise the renewal options by giving a minimum of ninety (90) days written notice to the other party prior to the end of the current term.

Staff requests approval of the Terminal Concession Agreement with CTN Service Agency, Inc. and authorization for the President and CEO to execute the agreement.

g) Consideration of Oracle EBS Technical Support Services Agreement

Memorandum by Chuck McFall, Senior Vice President, Chief Information and Strategy Officer – Oracle E-Business Suite is the Enterprise Resource Planning (ERP) product that Authority uses for Purchasing and Payables as the repository for all financial transactions. Staff requests approval of a five year Oracle Public Sector Technical Support Services Agreement (TSSA). This agreement is the overarching agreement that provides the Authority with the opportunity to place orders directly with Oracle. There are no obligations or commitments due from the Authority and the executed TSSA will allow the Authority to purchase Oracle E-Business Suite software support and maintenance and receive software updates, software patches, and 24x7 support.

Staff requests approval of the Oracle Public Sector Technical Support Services Agreement and authorization for the President and CEO to execute the Agreement.

h) Consideration of Revision to the Records Management Policy

Memorandum by Chuck McFall, Senior Vice President, Chief Information and Strategy Officer – Staff requests approval of proposed version 2 to the Authority's Records Management Policy (Policy). The initial Policy was approved and adopted by the Board on December 18, 2014 and has continued in effect. The Policy requires a periodic review, which resulted in the need to revise the Custodian of Records as defined in the Policy. The previous custodian listed was the Governance, Programming and Security Manager, which is no longer an active position. The new custodian will be the Director of Network Security within the Information Services Division. No additional changes to the Records Management Policy are required at this time. Staff will continue to review the Records Management Policy every two years, or more frequently as circumstances warrant.

Staff requests approval of version 2 of the Records Management Policy with the adoption and effective date being the date of approval and authorization for the Vice Chair and the President and CEO to execute the Policy.

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i) Consideration of Agreement with ASKREPLY, Inc. for Contract Compliance Software

Memorandum by Thiané Carter, Small Business Program Officer – The Authority has successfully utilized ASKREPLY, Inc., trading as B2GNow (B2GNow), since 2013, and staff is now requesting approval of a five (5) year agreement with B2GNow for a diversity contract compliance software-as-a-service solution, at a total cost of \$87,790. The software is comprised of various modules, which monitor vendor compliance with the Authority's Disadvantaged Business Enterprise (DBE), Airport Concessions DBE, and Minority and Women-owned Small Business (MWSB) programs. Further, it provides a mechanism enabling the Authority to monitor its DBE/ACDBE/MWSB goal attainment, certify entities as MWSB/ACDBE/DBE firms for utilization, and maintain the various compliance requirements of federal guidelines.

In 2015, Federal Aviation Authority (FAA) selected B2GNow as its service provider for software related to the DBE and ACDBE program management. This direct relationship between the FAA and B2GNow has allowed the software to remain compliant and responsive to updated reporting requirements and changes in FAA guidance. B2GNow provides a stable, well-known product with which to monitor the diversity programs.

Staff requests approval of a five year agreement with ASKREPLY, Inc. (B2GNow) in the amount of \$87,790 and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES MARCH 21, 2019

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

Before beginning the items on the Operations Committee agenda, Donna Sylver, Senior Vice President and Chief Finance Officer briefed the Board on a minor error in the proposed FY19-20 budget regarding the rates and charges section for unassigned gate usage. Ms. Sylver noted that correction of this error has less than a 1% impact on revenue. The Board discussed the Authority's flexibility to increase gate fees, and gate changes being made due to ongoing taxiway and runway improvements. This update was for informational purposes only.

The Committee discussed the following item:

1. Consideration of Agreement with MV Transportation, Inc. for Park Express Staffing and Shuttles:
Upon a motion by Teer and second by Thompson, the Committee recommends approval of a three (3) year Agreement with MV Transportation, Inc., at a cost not-to-exceed \$5,213,716, with two one-year options, and authorization for the President and CEO to execute the Agreement.

Presented by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – As the airport continues to experience enplanement growth year over year, parking demand in the terminal garages continues to increase. Currently, on a weekly basis, the terminal area parking garages fill to capacity, resulting in the diversion of approximately 600 customers to alternate parking options. Some customers utilize the Park Economy lots, which are 50% less expensive than the airport's garages, while others utilize off-site competitors' trunk-to-terminal services.

Based on demand, customer feedback, planned construction, and a desire to mitigate potential revenue loss, staff developed a trunk-to-terminal parking product to operate out of the Authority's Parking Lot 2 facility (which is currently closed). This facility has 1,005 available parking spaces and is located within 3 minutes of the terminal buildings. Staff prepared a pro forma based on the product being priced at \$2/hour for the first four hours then, a daily max of \$12/day for drive up customers. This product can be booked online for an introductory rate of \$9/day and will be dynamically priced using the Authority's revenue management system.

After a competitive Request for Proposals process, staff determined that MV Transportation, Inc. submitted the best overall proposal to manage, operate and staff a trunk-to-terminal service using eight ADA compliant fourteen passenger shuttles. The proposed Agreement with MV Transportation, Inc. would be for three years, at a cost not to exceed \$5,213,716, with two one-year extension options.

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MV Transportation, Inc. has over 40 years of proven experience in the ground transportation industry, currently managing shuttle operations for airports, local governments, and universities. Additionally, the company is rooted in the local community, operating a full service facility in Cary, NC as well as providing service for Go Triangle and Go Cary. An added benefit to the Authority is that additional shuttles and staff are readily available to maintain the integrity of operation at RDU.

Dan Miller, Vice President of Marketing, gave a brief update on marketing concepts for the new parking product and that there has been positive customer feedback from initial testing of the online booking process.

Staff requests approval of a three (3) year Agreement with MV Transportation, Inc., at a cost not to exceed \$5,213,716, with two one-year options, and authorization for the President and CEO to execute the Agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES MARCH 21, 2019

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

The Committee discussed the following items:

1. Consideration of Second Amendment to Master Agreement with Parsons Transportation Group for FY 19/20 Program and Construction Management Services: *Upon a motion by Kane and second by Teer, the Committee recommends approval of the Second Amendment to the Master Agreement with Parsons Transportation Group in the maximum amount of \$2,176,574 for FY 19/20 and authorization for the President and CEO to execute this amendment.*

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – Staff requests approval of the Second Amendment to the Master Agreement with Parsons Transportation Group (Parsons) for Program and Construction Management Services (PM/CM Services). Under this proposed amendment, for the Authority's 2019/2020 fiscal year, Parsons' staff will assist the Authority's staff with the management of multiple design and construction projects. Some of the PM/CM Services to be provided by Parsons are: quality assurance, project and construction management, document and cost control, change order and design management and reviews, contract management, program management software implementation and project inspection services.

The maximum compensation that can be requested under this proposed Second Amendment for services is \$1,836,056.00, and for reimbursable expenses is \$340,518.00, for maximum total compensation for FY19/20 totaling \$2,176,574.

The overall Minority and Women-owned Small 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). MB and WB participation goals remain unchanged for this Second Amendment and Parsons' committed goals are 11.7% MB and 13.4% WB.

Staff requests approval of the Second Amendment to the Master Agreement with Parsons Transportation Group in the maximum amount of \$2,176,574 for FY 19/20 and authorization for the President and CEO to execute this amendment.

2. Consideration of a Master Consultant Services Agreement with Landrum & Brown: *Upon a motion by Kane and second by Teer, the Committee recommends approval of the Master Consultant Services Agreement with Landrum & Brown, and authorization of the President and CEO to execute the agreement.*

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Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – This item provides a staff recommendation on the approval of a Master Consultant Services agreement with Landrum & Brown for development of an Environmental Impact Statement for the Runway 5L/23R Replacement program.

On March 1, 2018 staff issued a Request for Qualifications (RFQ) for the selection of a qualified consulting team to develop an Environmental Impact Statement for the Federal Aviation Administration related to the Runway 5L/23R replacement program. Staff reviewed proposals and on June 1, 2018 presented to FAA the short-list of consultants selected for interview.

The following two firms were selected for interview:

1. Landrum & Brown
2. Mead & Hunt

The FAA interviewed these two firms in August of 2018 and made a selection in October. A kick-off meeting was held on February 5 and 6, 2019 in the Airport Authority offices, and FAA requested that the Authority proceed with approval of a Master Agreement. The Master Agreement is the same form currently being used by Facility Asset Management. The initial term of the Agreement is three (3) years, with two (2), one (1) year options exercisable at the sole discretion of the Authority. Task Orders will be issued based on the scope and sequence of work. The Minority and Women-Owned Small Business (MWSB) participation goals for this contract are 10% for minority-owned firms and 5% for women-owned firms.

Staff requests approval of the Master Consultant Services Agreement with Landrum & Brown, and authorization of the President and CEO to execute the agreement.

3. Consideration of Construction Phase Services Agreement with Parsons Transportation Group: Upon a motion by Kane and second by Teer, the Committee recommends approval of an Agreement with Parsons Transportation Group, in the amount of \$4,618,888 and authorization for the President and CEO to execute the Agreement.

Presented by Ronald Jewett, Vice President Facility Asset Management – Under its Master Agreement, Parsons Transportation Group (Parsons) is to provide Program and Construction Management Services on projects. This proposed Agreement's scope includes assisting Authority staff in administration of the construction; providing Resident Project Representative Services; and providing material Quality Assurance Testing and Surveying as necessary.

The W RON Apron Rehabilitation project includes hangar, pavement and utility demolition; and construction of a new concrete apron, taxiway connectors and a new service road, utilities, drainage structures, fencing, security equipment and airfield lighting and signs. Parsons' staffing plan through project closeout includes: Full-time Sr. Civil Inspector with support of part-time Civil, Electrical and Mechanical Inspectors for the duration of construction as well as Quality Assurance Materials Testing and Surveying support services, supported by a part-time Project

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Manager, Document Controls Manager, Scheduler and Estimator.

The Runway 5L-23R Pavement Preservation project includes demolition of existing concrete slabs and construction of new concrete slabs including in-pavement runway lighting as required. The project will be constructed in four work periods (April-June and September-November) over a 454 calendar day period, coordinated with RDU stakeholders to minimize operational impacts. Parsons' staffing plan through project closeout includes: Full-time Sr. Civil Inspector and full-time Civil Inspector with support of part-time Civil and Electrical Inspectors for the duration of construction. Two full-time inspectors (due to the 18 hours daily work period). The team also includes Quality Assurance Materials Testing and Surveying support services, supported by a part-time Project Manager, Document Controls Manager, Scheduler and Estimator.

The maximum compensation that can be requested under this Agreement for services is the not-to-exceed amount of \$4,355,938, for reimbursable expenses is \$262,950, for a total proposed Agreement amount of \$4,618,888. The existing budgets for these two projects are sufficient for this proposed Agreement.

The Minority and Women-owned Small Business (MWSB) participation contract goals are 10% MB and 5% WB. Parsons' MWSB commitment in this proposed Agreement is 11.6% MB and 31.4% WB, which exceeds both goals and was reviewed by the Authority's Small Business Program Office.

Staff requests approval of an Agreement with Parsons Transportation Group, in the amount of \$4,618,888 and authorization for the President and CEO to execute the Agreement.

4. Consideration of a Construction Phase Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout: *Upon a motion by Kane and second by Teer, subject to approval of the FY2019-20 budget, the Committee recommends approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.*

Presented by Jaymes Carter, Director of Buildings and Building Systems – Renovation to the South end of Terminal 1 continues and Balfour Beatty Construction, the Authority's building construction manager at-risk (CMR), is bidding the renovation work in three separate packages. Early Package # 1 was presented to the Board at the February 21, 2019. This request involves Early Package #2 regarding passenger boarding bridges and the baggage handling system, which the CMR advertised on January 13, 2019. Bids were received on February 8 and 20, 2019. The Terminal 1 Airline Operations Space Buildout includes renovation in the ticketing lobby for installation of common use airline check-in counters and customer queuing, and adjacent "back-of-house" space will be up-fitted for airline offices, storage and TSA bag screening operations. A new building will be constructed to accommodate bag make-up operations. Two of the existing passenger boarding bridges will be re-furbished and put into service at Gates A-3 and A 4, while

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two passenger boarding bridges will be removed from Gates A-1 and A-2 so that one airline's customers can board from ramp/ground level. The cost of the work element is based upon the low, responsible bids received and this proposed amendment establishes the Contract Amount (Fixed Guaranteed Maximum Price) and authorizes construction phase services of the CMR.

<u>Component</u>	<u>Amount</u>
Cost of the Work	\$ 4,973,953
Contractor's Contingency (5%)	\$ 248,698
Contractor's Construction Fee (3.5%)	\$ 200,608
Reimbursable General Conditions	\$ 630,695
Construction Phase Amendment (GMP)	\$ 6,053,954

The Minority and Women-Owned Small Business (MWSB) goals were set and participation commitments were received and reviewed by the Authority's Small Business Program Office:

Project Description	MSB Goal %	WSB Goal %	Bid Commitment MSB %	Bid Commitment WSB %
Balfour Beatty Constr. Services	10.0	5.0	3.98	6.10

Subject to approval of the FY2019-20 budget, staff recommends approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

5. Consideration of Task Order 12 with Gensler for Terminal 1 Airline Operations Space Buildout:
Upon a motion by Kane and second by Teer, subject to approval of the FY2019-20 budget, the Committee recommends approval of Task Order 12 with Gensler in an amount not to exceed \$513,484, and authorization for the President and CEO to execute the task order.

Presented by Jaymes Carter, Director of Buildings and Building Systems – Staff requests approval of the award of Task Order 12 under the Master Agreement with Gensler for construction administration services for Terminal 1 Airline Operations Space Buildout. The scope of this ongoing space buildout project primarily includes renovation in the ticketing lobby to accommodate the installation of common use airline check-in counters and customer queuing, and adjacent “back-of-house” space will be up fitted for airline offices, storage and TSA bag screening operations. A new building will be constructed to accommodate bag make-up operations. Two of the existing passenger boarding bridges will be re-furbished and put into service at Gates A-3 and A 4, while two passenger boarding bridges will be removed from Gates A-1 and A-2 so that one airline's customers can board from ramp/ground level.

Gensler is an on-call consultant and is the designer of the improvements and additions. Proposed Task Order 12 adds construction administration responsibilities to include attendance at a pre-construction conference and construction project progress meetings, reviewing shop drawings and submittals for compliance, reviewing and responding to requests for information, reviewing

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contractor submitted payment applications, performing periodic site visits to inspect the work for compliance, issuing field reports documenting work progress and any defects or deficiencies, conducting inspections associated with substantial and final completion, issuing Certificate(s) of Substantial Completion, accumulating project closeout records and project closeout. Construction activity is scheduled to commence March 2019 and last approximately 15 months.

The Authority would compensate the consultant for services at hourly rates toward a not-to-exceed amount of \$471,233 and for reimbursable expenses not to exceed \$42,251.00, for total compensation under this Task Order 12 of \$513,484.

The overall Minority and Women Owned Small Owned Business (MWSB) goals for the Consultant's existing Master Agreement are 10.0% for Minority Small Owned Businesses and (MB) and 5.0% for Women Small Owned Businesses (WB). Total MB and WB participation for Task Order 12 are 7.1 % for MB and 18.2% for WB, which was reviewed by the Authority's Small Business Program Officer.

Subject to approval of the FY 2019-20 Budget, staff requests approval of Task Order 12 with Gensler in an amount not to exceed \$513,484, and authorization for the President and CEO to execute the task order.

6. Consideration of Agreement with Parsons Transportation Group for Terminal 1 Airline Operations Space Buildout: *Upon a motion by Kane and second by Teer, subject to approval of the FY2019-20 budget, the Committee recommends approval of an Agreement with Parsons Transportation Group, in the amount of \$946,214, and authorization for the President and CEO to execute the Agreement.*

Presented by Jaymes Carter, Director of Buildings and Building Systems – Staff requests approval of an Agreement with Parsons Transportation Group (Parsons) for construction phase services for Terminal 1 Airline Operations Space Buildout. The scope of this ongoing space buildout project primarily includes renovation in the ticketing lobby to accommodate the installation of common use airline check-in counters and customer queuing, and adjacent “back-of-house” space will be up-fitted for airline offices, storage and TSA bag screening operations. A new building will be constructed to accommodate bag make-up operations. Two of the existing passenger boarding bridges will be re-furnished and put into service at Gates A-3 and A 4, while two passenger boarding bridges will be removed from Gates A-1 and A-2 so that one airline's customers can board from ramp/ground level.

Parsons will serve as Construction Management/Resident Project Inspector and will staff the project with Program Manager, Project Manager, Construction Manager, Civil, Mechanical, Electrical Inspectors, Building Inspector, Project Engineers and Design Manager. Due to the complexity of the project, and the expedited construction schedule, some work will require night time work, which includes some overtime hours. Construction activity is scheduled to commence March 2019 and last approximately 15 months.

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Under its Master Agreement, Parsons is currently under contract to provide Program and Construction Management Services on projects. The scope of services in this proposed new Agreement includes: assisting Authority staff in construction administration, providing on-site construction oversight with resident project representation services and quality assurance testing. Under this Agreement, the maximum compensation that can be requested for services is hourly not-to-exceed amount of \$889,572 and for reimbursable expenses is \$56,642, for total proposed Agreement cost of \$946,214.

The Minority and Women-owned Small Business (MWSB) participation contract goals are 10% MB and 5% WB. Parsons' MWSB commitment in this Agreement is 11.2% MB and 11.5% WB, which exceeds both goals. The Authority's Small Business Program Office has concurred that this is acceptable.

Subject to approval of the proposed FY 2019-20 budget, staff requests approval of an Agreement with Parsons Transportation Group, in the amount of \$946,214, and authorization for the President and CEO to execute the Agreement.

7. Consideration of Conceptual Design Drawings for BurgerFi and Jason's Deli: Upon a motion by Kane and second by Teer, the Committee recommends approval of the conceptual design drawings for BurgerFi and Jason's Deli

Presented by Kimberly Stewart, Business Manager Concessions Department – The Board approved Amendment 2 to the Terminal Concession Lease with SSP America, LLC, for the replacement of Five Guys with BurgerFi and to refresh the décor in Jason's Deli. Staff requests approval for the conceptual drawings and design for BurgerFi and the renovation proposed for Jason's Deli.

BurgerFi and Jason's Deli, located in Terminal 2 next to Gate D3, will appeal to all passengers. BurgerFi is an American fast casual restaurant chain focused on all-natural hamburgers, french fries, hot dogs, and custard. The storefront prominently features the new BurgerFi logo, and new branding throughout the interior of the store. At the entrance will be two self-ordering kiosks, a new cash wrap with a grab & go area, and bar seating. The menu boards will be digital with easy accessibility. Jason's Deli will refurbish the ceiling, millwork under the counter, paint and add two self-ordering kiosks. All finishes will be updated based on the current design standards.

Staff requests approval of the conceptual design drawings for BurgerFi and Jason's Deli.

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**RALEIGH-DURHAM AIRPORT AUTHORITY
SPECIAL BOARD MEETING MINUTES
MARCH 14, 2019**

Vice Chair Kane presided. Present: Hannah³, Morgan, Saidi⁴, and Teer. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and ISO McFall, Senior Vice President and CRO Freedman, General Counsel Locklear, and other staff members and guests.

Board members expressed a desire to have a closed session, at the end of the budget work session, for the purposes of (i) discussing a personnel matter pursuant to §143-318.11(a)(1) and (6), and (ii) consulting 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) to discuss Umstead Coalition et.al v. Raleigh-Durham Airport Authority et.al.

I. FY 2019-20 BUSINESS PLAN, BUDGET AND ORDINANCES

President and CEO Landguth discussed the proposed FY 2019-20 Business Plan and Budget. Mr. Landguth stressed the Authority's role in developing the airport to meet the robust regional growth, with passenger traffic projected to increase 9.3% in 2019. He presented general information on the financial status of the airport, funding challenges, and infrastructure needs. Mr. Landguth noted that the proposed budget documents the financial resources required to support the business plan's top priorities of customer experience, operational excellence, fiscal responsibility and Vision 2040 infrastructure in the upcoming fiscal year.

Senior Vice President and CFO Sylver reviewed the Operating and Capital Budgets for FY 2019-20, explaining year-over-year revenue and expense comparisons, rates and charges proposed for implementation effective April 1, 2019, and Capital Budget projects carryover as well as new projects. She reviewed other details contained in the proposed budget as well as the Budget Ordinance and the Capital Project Ordinance. The Board discussed with staff topics related to technology services management, project management, the impact of cash draw-down on the remaining reserves, and the potential state appropriation. Staff was complimented on the budget preparation.

The draft FY 2019-20 Operating and Capital Budgets, including the Business Plan, Budget Ordinance and Capital Project Ordinance, will be presented for approval at the upcoming meeting on March 21, 2019.

³ Board member Hannah joined via simultaneous communication by conference telephone for participation in the special Board meeting.

⁴ Board Member Saidi joined at 1:11 p.m.

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II. C L O S E D S E S S I O N

Motion by Morgan to go into a closed session for the purposes of (i) discussing a personnel matter pursuant to §143-318.11(a)(1) and (6), and (ii) consulting 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) to discuss Umstead Coalition et.al v. Raleigh-Durham Airport Authority et.al.; Second by Teer

ADOPTED BY UNANIMOUS VOTE

Motion by Morgan to come out of closed session; Second by Teer

ADOPTED BY UNANIMOUS VOTE

III. A D J O U R N M E N T

Motion by Morgan to adjourn; Second by Teer

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES APRIL 18, 2019

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

I. APPROVAL OF AGENDA

Motion by Hannah to approve the agenda; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the March 21, 2019 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein and the minutes of the March 14, 2019 special meeting of the Raleigh-Durham Airport Authority Board; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

III. ELECTION OF OFFICERS

Motion by Teer as nominator to elect the following officers; Second by Thompson:

John Kane – Chair

Patrick Hannah – Vice Chair

Sepideh Saidi – Secretary

Robert Teer – Treasurer

ADOPTED BY UNANIMOUS VOTE

IV. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Service awards for employment milestones were given. New hires were introduced and welcomed. Promotions were announced and congratulated. Brian Goodwin was recognized for his upcoming retirement and thanked for his years of service.
3. Chair Kane gave details regarding the new Proterra electric buses which will be deployed soon at RDU.

V. OLD BUSINESS

1. Land and Development Committee Report – Teer reported the Land and Development Committee met on April 18, 2019 and discussed the following items:

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a. Airport Security Improvements

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

Presentation to Committee in closed session for informative purposes only. Related matter considered on Consent Agenda during open session.

b. Presentation Regarding Business Opportunity Seminar

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

c. Consideration of Amendment No. 4 to Task Order 13 with Apple Designs, Inc. for Sign Rehabilitation

Committee recommends approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

d. Consideration of an Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout Bid Package #3

Committee recommends approval of the Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

e. Presentation Regarding Marshall Retail Group LLC's Proposed Triangle Market at RDU

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

2. Finance Committee Report – Hannah reported the Finance Committee met on April 18, 2019 and discussed the following items:

a. Consideration of Capital Budget Ordinance Amendment #1 to Increase Funding for Terminal 1 Airline Operations Space Buildout

Committee recommends approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout".

Motion by Saidi to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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b. Consideration of Capital Budget Ordinance Amendment #2 for Reinstatement of Expanded Park Economy 3 in FY19-20 Budget

Committee recommends approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.

Motion by Kushner to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Master Services Agreements with Three Financial Advisory Services Firms

Committee recommends approval for staff to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.

Motion by Hannah to adopt Committee's recommendation; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

3. Law and Personnel Committee Report – Hannah reported the Law and Personnel Committee met on April 18, 2019 and discussed the following item:

a. Consideration of a Service Agreement with the Institute of Lifestyle and Weight Management for Authority's Wellness Program

Committee recommends approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.

Motion by Thompson to adopt Committee's recommendation; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

VI. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Master Services Agreement with Indigo Media, LLC
- b. Consideration of Amendment 1 to Task Order 17 with WK Dickson for Airport Security Improvements
- c. Consideration of an Addendum to the Agreement with Payeezy
- d. Consideration of Amendment 9 with Schindler Elevator Corporation
- e. Consideration of Lease Agreement with Airline Tech Reps LLC
- f. Consideration of Terminal Support Space Lease Agreement with Host International, Inc.
- g. Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with Hudson Group Retail, LLC
- h. Consideration of Terminal Concession Lease with 24-Hour Flower, Inc.
- i. Consideration of an Agreement with CoreCentive, Inc. for Employee Service Awards Program Services

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Motion by Thompson to approve and adopt the Consent Agenda items a-i listed; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VII. GENERAL COUNSEL'S REPORT

No items were reported.

VIII. MEMBER COMMENTS

Board members congratulated Kane as Chair and expressed appreciation for the Board officers. Service awardees, new hires, promotions, and retirees were congratulated. Staff was commended on board presentations and for the work that they do at RDU, and wished a good Easter. Morgan shared details from the ACI conference and new processes implemented at other airports to improve the passenger experience and to be better acquainted with airport customers' needs. Continued support for the USO was encouraged.

IX. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

We continue to see encouraging growth in passenger traffic. March was another record-setting month. Last month, RDU enplaned more than 553,000 passengers. This is a 7.7 percent increase over March of last year. With that level of growth, and schools entering spring break, many travelers are getting a preview this week of the challenges associated with peak travel season, which begins in May. We strongly encourage travelers to come to the airport at least two hours prior to your flight. Be sure to leave enough time for parking, for checking in to your flight, clearing through security and finding your gate. We also encourage you to consider expediting your travel day by applying for TSA Precheck at Terminal 2 or online.

Fitch Rating

Fitch Ratings announced in March it has affirmed the Authority's AA- rating on \$554 million in airport revenue bonds with a stable rating outlook.

There were four key drivers that Fitch cited in their report:

- The first was RDU's large origin & destination (O&D) demand which is supported by the service area's strong economic growth, and the airport's strong carrier diversification.
- Second, the Authority's ongoing management of its cost structure results in a competitive airline cost per enplanement.
- Third, RDU's five-year capital improvement plan (CIP) is manageable with an emphasis on runway improvements and asset maintenance on existing infrastructure.

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- Finally, RDU's Strong Debt structure continues to receive a positive rating from Fitch for the following reasons:
 - The Authority maintains a conservative debt portfolio which is 89% fixed rate interest.
 - The Authority maintains a separate debt service reserve fund and maintains a minimum \$50M unrestricted cash reserve.

We're pleased that Fitch has recognized our strong financial position and responsible asset management. Credit goes to the entire RDU team for their prudent financial management efforts.

Certificate of Achievement for Excellence in Financial Reporting

Just a few weeks ago, the Authority earned a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. GFOA represents bodies of government from the U.S. and Canada. This certificate represents their highest form of recognition for award-winning accounting and financial reporting. Donna Sylver's finance team deserves recognition for this accomplishment. Fantastic work to the Finance division.

ParkRDU Improvements

We are extremely excited to debut several new ParkRDU services very soon. On May 1, we will open ParkRDU Express, our new trunk-to-terminal parking product. Express will be located at the former Lot 2. For just \$12 a day, customers who park at Express can expect shuttle pickup at their vehicle within five minutes.

Also beginning May 1, RDU customers will be able to use our new online booking tool to reserve parking at any of our lots. Using online booking guarantees the lowest rate, so we want to encourage travelers to visit ParkRDU.com and check it out starting on May 1.

As you can tell – we have a lot happening in parking. Ultimately, this means RDU can deliver the right product, to the right customer, at the right price, at the right time.

Employee of the Year

I had the privilege of unveiling our Employee of the Year at a Town Hall event last week. I would like to share her story with you all, as well. This person knows what it means to serve: she is a loyal Authority employee, with more than 20 years of service. She is relentlessly positive and optimistic, and defines quality customer service at RDU day in and day out. She lives our RDU core values every day. Let me share one story about this individual.

Last year, a carrier had some diversions into RDU. A flight from Mexico City with 150 passengers was diverted to RDU due to weather in Charlotte. Around 7 p.m. this individual was ready to leave for the day, but was stopped by Customs & Border Protection seeking assistance processing the flight. The 150 passengers on board spoke limited English. She took the time to talk to almost every passenger during the re-entry process in Spanish. After they were all processed, the carrier had to rebook the passengers from the International Flight to a domestic flight. She assisted all 150

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passengers at the ticket counter, and then assisted with food vouchers. Eventually all 150 passengers were rebooked. She finally made it out after 1 a.m.

It is evident... this individual has a servant's heart, and every time she assists a customer, we can rest assured that RDU is represented with warmth, compassion and grace. I'm pleased to announce that our Employee of the Year is Carmen Watson.

Congratulations, Carmen. We are proud to award you RDU Employee of the Year!

X. A D J O U R N M E N T

Motion by Hannah to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 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:

\$ 1,217,069,094

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 \$ 1,196,420,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects

	Original ¹	Change 04/18/19	Amended
311050 T1 4-Gate Expansion	\$ 115,450,000		\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000		650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000		565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000		220,000
621000 Cameras for Parking and Additional Storage to Record	102,600		102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000		450,000
881270 Spill Prevention Control and Countermeasure Items	250,000		250,000
881280 Water and Sewer Improvements	500,000		500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494		6,087,494
881300 Desigo CC Upgrade	150,000		150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000		395,000
881320 Snow Removal Equipment Storage Facility	1,100,000		1,100,000
881360 AOC/EOC Planning and Design	1,250,000		1,250,000
Miscellaneous small projects	361,000		361,000
	\$ 127,531,094	\$ -	\$ 127,531,094

Amended Projects

	Original ¹	Change 04/18/19	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000		\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000		3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000		3,250,000
080869 FIS Facilities Expansion	69,000,000		69,000,000
311000 AOIS System Replacement - Common Use	1,800,000		1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000	21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000		500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000		11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000		11,600,000
881100 International Drive Rehabilitation	13,500,000		13,500,000
011109 Heritage Displays at Observation Park	1,600,000		1,600,000
011359 Advanced Surveillance Program	2,610,000		2,610,000
881150 FAM Modular Buildings	1,200,000		1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ 675,960,000

Ongoing Projects

	Original ¹	Change 04/18/19	Amended
080739 Rehabilitate Taxiway A	\$ 25,000,000		25,000,000
080769 Rehabilitate Taxiway F	34,000,000		34,000,000
080859 Pavement Surface Sensor Replacement	108,000		108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000		280,000,000
211100 Rehabilitate Runway 14/32	3,750,000		3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000		
070539 T2 BHS Lower Level Controls Upgrade	3,480,000		3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000		4,800,000
881240 Parking Business Intelligence Software	200,000		200,000

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080779 Cemetery Road Rebuild	820,000	820,000
080819 John Brantley Boulevard Reconstruction	16,000,000	16,000,000
211110 West RON Apron Rehabilitation	36,000,000	36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000	2,500,000
	\$ 413,578,000	\$ - \$ 413,578,000
	\$ 1,214,569,094	\$ 2,500,000 \$ 1,217,069,094

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 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #2

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:

\$ 1,292,987,094

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 \$ 1,272,338,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amended
	Original ¹			
311050 T1 4-Gate Expansion	\$ 115,450,000			\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000			650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000			565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000			220,000
621000 Cameras for Parking and Additional Storage to Record	102,600			102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000			450,000
881270 Spill Prevention Control and Countermeasure Items	250,000			250,000
881280 Water and Sewer Improvements	500,000			500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494			6,087,494
881300 Design CC Upgrade	150,000			150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000			395,000
881320 Snow Removal Equipment Storage Facility	1,100,000			1,100,000
881360 AOC/EOC Planning and Design	1,250,000			1,250,000
Miscellaneous small projects	361,000			361,000
	\$ 127,531,094	\$ -	\$ -	\$ 127,531,094
Amended Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000			\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000			3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000			3,250,000
080889 FIS Facilities Expansion	69,000,000			69,000,000
311000 AOIS System Replacement - Common Use	1,800,000			1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000		21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000			500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000			11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000			11,600,000
881100 International Drive Rehabilitation	13,500,000			13,500,000
011109 Heritage Displays at Observation Park	1,600,000			1,600,000
011359 Advanced Surveillance Program	2,610,000			2,610,000
881150 FAM Modular Buildings	1,200,000			1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 675,960,000
Ongoing Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
080739 Rehabilitate Taxiway A	\$ 25,000,000			\$ 25,000,000
080769 Rehabilitate Taxiway F	34,000,000			34,000,000
080859 Pavement Surface Sensor Replacement	108,000			108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000			280,000,000
211100 Rehabilitate Runway 14/32	3,750,000			3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000			6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000			3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000			4,800,000
881240 Parking Business Intelligence Software	200,000			200,000
080779 Cemetery Road Rebuild	820,000			820,000
080819 John Brantley Boulevard Reconstruction	16,000,000			16,000,000
211110 West RON Apron Rehabilitation	38,000,000			38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000			2,500,000
080799 Expanded Park Economy 3	-		75,918,000	75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ 489,496,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,292,987,094

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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 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT APRIL 18, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Master Services Agreement with Indigo Media, LLC

Memorandum by David Freedman, Senior Vice President and Chief Revenue Officer and Dan Miller, Vice President of Marketing – Staff, in collaboration with various business partners, is working diligently to promote the Authority’s brand, products and services, including recruiting and promoting the addition of new airlines and destinations at Raleigh-Durham International Airport. To support the Authority’s media-related promotional objectives, staff conducted a Request for Proposals process for media-buying services and Indigo Media, LLC (Indigo), local to the Raleigh area, is the recommended candidate.

Staff requests approval of a one year Master Services Agreement (with a one-year renewal option) with Indigo, for the provision of media buying services needed to support the Authority’s marketing initiatives and media placement needs. The services proposed under this agreement would be completed under the direction of the Authority’s Vice President of Marketing, working closely the appropriate Authority departments. The proposed general services, to be completed between April 21, 2019 and April 21, 2020, would include: Media Research & Planning (e.g., coordination between airlines and the Authority); Media Placement; Campaign Management (e.g., monitoring and adjustments); Campaign Measurement & Reporting; and Vendor Invoice Reconciliation.

There is no current monetary amount associated with this agreement; however, as media services needs arise, the Authority would execute Task Orders under the Master Services Agreement to cover scope, schedule and budget for each individual campaign, as required. The one-year Master Services Agreement will not exceed \$210,000, which includes pass-through media costs and agency fees and funding for this contract is available in the FY 2019-20 Operating Budget.

Indigo is certified as a 100% woman-owned business through the Authority’s Minority and Women-owned Small Business (MWSB) program. MWSB goals for this contract are: 0% MB and 100% WB. Indigo will self-perform all services due to the specific nature of the services and commits to 100% WB participation and the Authority’s Small Business Program Office has reviewed this proposed participation.

Staff requests approval for a one year Master Services Agreement, with a one-year renewal option, with Indigo Media, LLC, and authorization for the President and Chief Executive Officer to execute the agreement.

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b) Consideration of Amendment 1 to Task Order 17 with WK Dickson for Airport Security Improvements

Memorandum by Jim Novak, Director of Facilities Engineering – WK Dickson is an on-call consultant, currently under contract for design services related to vehicular security gate improvements and perimeter security fence enhancements.

Staff requests approval of Amendment 1 to Task Order 17 under the Master Agreement with WK Dickson to provide additional services related to security improvements. The scope of work involves TSA recommended enhancements to specific security gates, and other identified security matters. Improvements would include: replacement of sliding gates with pivot gates; installation of security cameras in select new locations and connection to the airport's Secure Area Access Control System, (including power and communication cable as necessary); and specific additional fencing along the airport property boundary. Under the proposed amendment, WK Dickson would perform design efforts for fence and gate relocations/replacements; new pivot gates and equipment layout; contractor staging areas; project phasing constraints; clearing for new fence where necessary; improved signage; and all matters regarding ongoing airport operations. Construction Administration would include attendance at preconstruction and construction meetings; conducting site visits; review of requests for information and proposed change orders; performance of final inspections; drafting and updating punchlists; preparing record drawings, and assisting with project close-out.

The compensation to WK Dickson for basic services will be at hourly rates not-to-exceed \$390,000 with reimbursable direct costs expenses up to fixed ceiling amount of \$10,000, for total maximum compensation under Amendment 1 of \$400,000.

The Consultant's Master Agreement Minority and Women-owned Small Business (MWSB) goals are 10% Minority-owned Small Business (MB) and 5% Women-owned Small Business (WB). Under this Amendment, the consultant commits participation of 27% for MB and 4.75% for WB, utilizing subconsultants Waller Surveying, Walls Engineering, Inc., and Connico, Inc. The Authority's Small Business Program Office concurs with the proposed participation.

Staff requests approval of Amendment 1 to Task Order 17 with WK Dickson, in the amount of \$400,000, and authorization for the President and CEO to execute the amendment.

c) Consideration of an Addendum to the Agreement with Payeezy

Memorandum by Jeffrey A Slayton, Director of Parking, Ground Transportation and Commercial Management – Staff requests approval of an addendum to the agreement with Payeezy to add the TransArmor Token product. Payeezy provides gateway services connecting First Data credit charging to NuPark, the Authority's employee parking permit solution. The NuPark software manages employee parkers, charges the credit cards for non-based employees, invoices tenants for RDU-based employees and directly charges credit cards for AVI permitted ground transportation operators. To enable the storage and charging of credit

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cards on file, the TransArmor Token product is required. The additional cost, based on number of transactions processed monthly, will range between \$7 and \$14.50 per month.

The TransArmor Token product is only required for credit cards “on file” or stored and charged later. This functionality is necessary to automatically charge a stored credit card for parking fees for non-based commuter parkers and for trip fees for transportation operators on a bi-monthly basis. Tokenization removes the sensitive cardholder information from the merchant by replacing the personal account number (PAN) with a random token value. This minimizes risk by reducing the scope of PCI compliance, shifts the burden of protecting credit card information to First Data and allows the token to be used by NuPark.

The TransArmor Tokenization transaction cost is \$0.01 per stored credit card transaction. The addendum would be an addition to the current agreement with Payeezy and may be terminated with 30-day notice. Total estimated fees paid to Payeezy for gateway services, including the tokenization, in the first year will be \$286 and there are budgeted funds to cover these transaction fees.

Staff requests approval of an addendum to the Payeezy Gateway Services Agreement to add the TransArmor Tokenization product and authorization for the President and CEO to execute the addendum.

d) Consideration of Amendment 9 with Schindler Elevator Corporation

Memorandum by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment 9 to the existing Service Agreement with Schindler Elevator Corporation. This proposed amendment will increase the scope of the agreement by authorizing various programmed maintenance items to keep the equipment safe and in good operating condition. This proposed amendment would include:

- Replacement of handrails on ten escalators/power walks in Terminal 2 on a time-and-material basis not to exceed \$124,863.95;
- “Clean down” work on eight escalators /power walks in Terminal 2 on a time-and-material basis not to exceed \$41,980.00; and
- Replacement of hydraulic pumping units on two elevators with units utilizing submersible pumps and motors on a time-and-material basis not to exceed \$38,915.00.

The cost of the proposed amendment is \$205,758.95.

Staff requests approval of Amendment 9 with Schindler Elevator Corporation in the amount of \$205,758.95 and authorization for the President and CEO to execute the amendment.

e) Consideration of Lease Agreement with Airline Tech Reps LLC

Memorandum by Karen Reynolds, Director, Property Development – Spirit Airlines and Sky Regional Airlines (operating as Air Canada) contracted with Airline Tech Reps LLC, d.b.a. STS Line Maintenance (STS) to provide aircraft maintenance at RDU, and STS has been

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licensed by the Authority to provide those services. The STS Aviation Group, headquartered in Jensen Beach, Florida, and provides aircraft maintenance at Charlotte-Douglas International and numerous other airports in the United States.

Staff proposes a five-year Lease Agreement with STS to lease approximately 467 sf of office space in South Cargo Building #3 (reference map attached) at the current rate of \$10.30/sf/year. STS will also pay a Maintenance & Operations fee of \$6.15/sf/year. The fixed rental rate will increase 3% each year on the anniversary date of the agreement.

Staff requests approval of the Lease Agreement with Airline Tech Reps LLC, d.b.a. STS Line Maintenance, and authorization for the President and CEO to execute the agreement.

f) Consideration of Terminal Support Space Lease Agreement with Host International, Inc.

Memorandum by Ingrid Hairston, Director of Business Initiatives – Host International, Inc. (Host) leases office and storage space to support operation of its five food and beverage units in Terminal 1 and thirteen units in Terminal 2. To support these concession locations, Host leases total office and storage space of 2,638.68 sf: 150.02 sf of support space in Terminal 1; and a 1,331.5 sf office suite and five storage spaces totaling 1,257.16 sf in Terminal 2.

This proposed new agreement replaces the current month-to-month agreement with Host for the support spaces in both terminals. The term would be extended to run concurrently with the concession lease, which expires on October 31, 2027. Host will pay to the Authority annual rent of \$205,707.76. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with Host International, Inc. and authorization for the President and CEO to execute the agreement.

g) Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with Hudson Group Retail, LLC

Memorandum by Ingrid Hairston, Director of Business Development – Hudson Group Retail, LLC (HG), successor in interest to RDU Air Ventures, leases office and storage space under its existing Terminal Support Space Lease Agreement to support its seven convenience retails and specialty shops in Terminal 2. This proposed Amendment 1 revises the storage space leased to HG, increasing the total square feet from 680.34 sf to 763.35 sf. The office space remains unchanged at 273.79 sf.

Including this increased storage space, HG will pay to the Authority annual rent of \$63,990.21. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget. The amendment term will run concurrently with the concession lease, which is set to expire on June 30, 2028.

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

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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h) Consideration of Terminal Concession Lease with 24-Hour Flower, Inc.

Memorandum by Ingrid Hairston, Director of Business Initiatives – 24-Hour Flower, Inc. operates a floral vending business engaged in the sale of flowers, plants, fruit baskets and similar items from one location in Terminal 1 and two locations in Terminal 2. The proposed lease would replace the current agreement that commenced in October 2014, and would provide for the continued operation of a floral vending business service concession at Raleigh-Durham International Airport.

24-Hour Flower will pay to the Authority, the greater of the Minimum Annual Guarantee (MAG) or percentage fee of 10% of gross receipts. The Authority established an annual MAG of \$2,686.24, payable in equal monthly installments of \$223.85. The MAG shall be adjusted effective April 1 to a new MAG amount that equals eighty-five percent (85%) of the annualized rent paid during the previous calendar year. The new agreement has an initial term of three years, which commences on May 1, 2019 and expires on April 30, 2022, with two one-year options to renew.

Staff requests approval of the Terminal Concession Lease with 24-Hour Flower, Inc. and authorization for the President and CEO to execute the lease.

i) Consideration of an Agreement with CoreCentive, Inc. for Employee Service Awards Program Services

Memorandum by Cleon Umphrey, Vice President and Chief Human Resources Officer – CoreCentive, Inc. is a full service employee-centered, rewards and engagement organization. Staff requests approval of a three year agreement for services relating to the Authority's Employee Service Awards Program (Program), which recognizes employees at intervals of 5, 10, 15, 20, 25, and 30 or more years of service. Under this Program, the employee receives formal recognition for this accomplishment in years of service. Under the proposed agreement, CoreCentive is would be the provider and administrator of the process of the employee selecting a service award and, providing that selected award to the employee.

In recent years, the Authority worked with a different provider, however this process has been rather cumbersome for selection, receipt, and delivery to the recipient, as well as the payment process. Staff believes CoreCentive, Inc. would best meet the needs of the Authority for this Program and would streamline these processes while making this a better experience for the employee.

The proposed agreement authorizes staff, working with CoreCentive, to implement a company-wide Employee Service Awards Program. The proposed agreement provides for services over a three-year period, with fees for fiscal year 2019/2020 projected at \$29,407.05, for fiscal year 2020/2021 projected at \$29,500.00 and the third-year fees projected at 36,875.00.

Staff requests approval of a three year Agreement with CoreCentive, Inc. with the authorization of the President and CEO to execute the Agreement.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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Sepideh Saidi, PE, Secretary
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David Kushner
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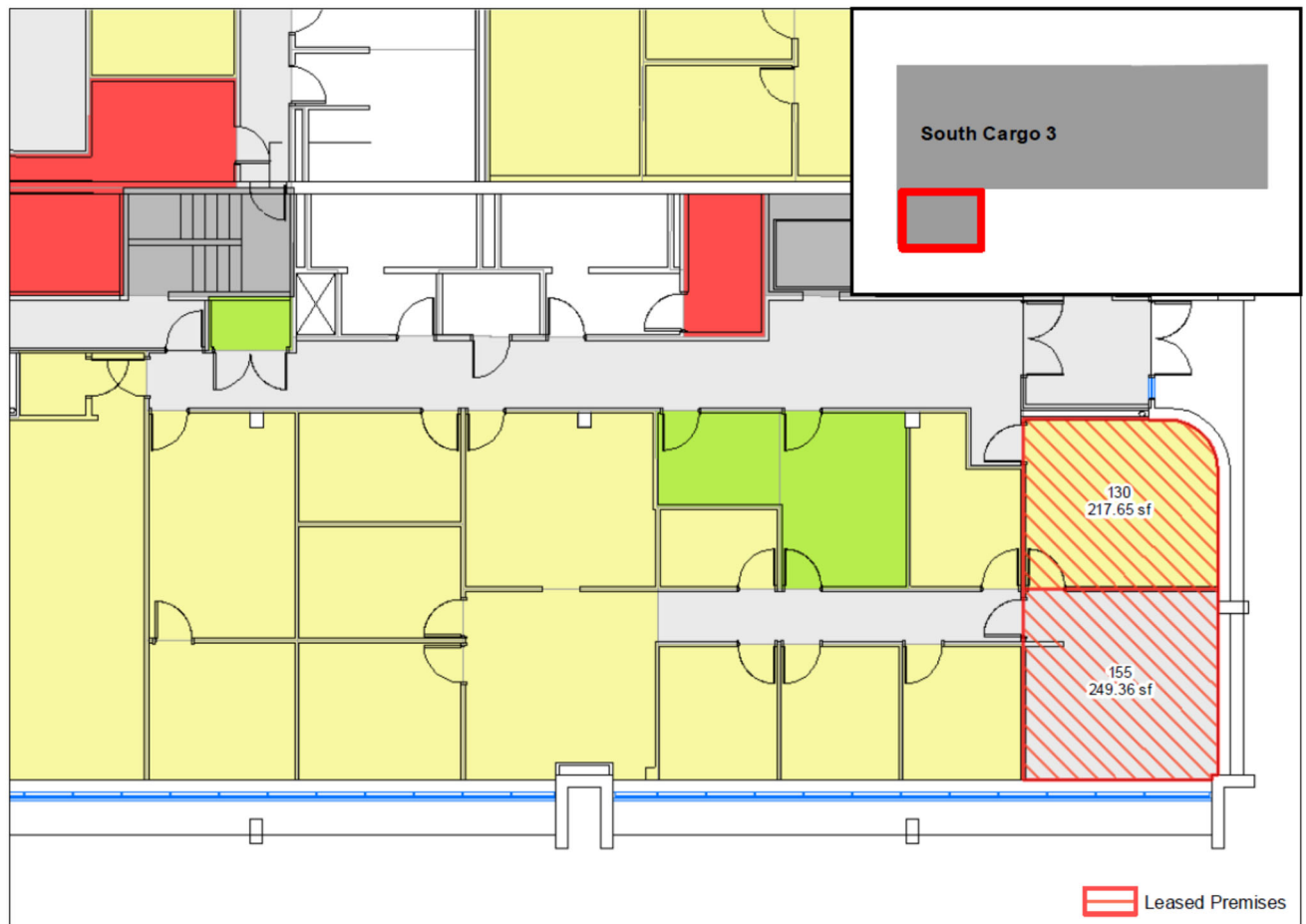


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STS Line Maintenance: Exhibit A - Leased Premises Map



Map Document: \\rdugis11e\GIS\Projects_Lease Maps\STS_Line_M\South_Cargo_3.mxd 3/26/2019

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES APRIL 18, 2019

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

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

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Land and Development Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman and Legan, General Counsel Locklear and other staff members met in Room 100 of the RDU Center for a closed session from 11:05 am until 11:30 am.

Motion by Kane to exit the closed session; Second by Teer

ADOPTED BY UNANIMOUS VOTE

The presentation in the closed session was regarding sensitive security information pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520, and was for informative purposes only and required no Committee action:

1. Presentation Regarding Airport Security Improvements:

For informative purposes only. No Committee action required. Related matter to be considered by Board in Consent Agenda.

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer and Jim Novak, Director of Facilities Engineering

The Committee discussed the following items:

2. Presentation Regarding Business Opportunity Seminar

For informative purposes only. No Committee action required.

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

3. Consideration of Amendment No. 4 to Task Order 13 with Apple Designs, Inc. for Sign Rehabilitation: *Upon a motion by Kane and second by Teer, the Committee recommends approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.*

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Presented by Terry Seaworth, Parsons Project Manager – Task Order 13 authorizes Apple Designs, Inc. (Consultant) to provide design services, bidding services, and to review sign submittals. Presently, the shop drawing/submittal process is underway, submittals have been approved for the terminal curb front signs and the variable message signs, and utilities for the variable message signs are being installed. Under the current construction schedule, roadway sign installations will take place from April through November 2019.

Recent additions to RDU air service have necessitated changes to six overhead roadway signs for airlines in Terminal 2. Additionally, the advent of ParkRDU Express necessitated revisions to seventy-six parking information signs.

The proposed Amendment 4 to Task Order 13 authorizes Consultant to: attend periodic construction meetings and site visits; review requests for information and proposed change orders; perform final inspections; draft and monitor punch lists; prepare record drawings; and assist Authority staff with project close-out. Ancillary design is included in the scope for temporary signs as needed. Lastly, the Consultant would update the Authority's sign database to include all the new work accomplished in the project and improve functionality in the extensive database.

The compensation to the Consultant for basic services in this proposed amendment is an hourly not-to-exceed amount of \$277,683.32 and for reimbursable expenses including travel, printing, and miscellaneous other expenses at direct costs up to fixed ceiling amount of \$3,898.00 for total maximum compensation under Amendment 4 Task Order 13 of \$281,581.32.

In this amendment, the Consultant's proposed Minority and Women-owned Small Business (MWSB) participation percentage is 5.3% for Minority-owned Small Business (Walls Engineering) and 87.6% for Women-owned Small Business (Apple Designs, Inc. and Ross Linden Engineers). The Authority's Small Business Program Office concurs with the proposed participation.

Staff requests approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.

4. Consideration of an Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout Bid Package #3: *Upon a motion by Kane and second by Teer, the Committee recommends approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.*

Presented by Jaymes Carter, Director of Buildings and Building Systems – The ongoing modifications continue to the south end of Terminal 1 that will support additional airline activity in the building. Balfour Beatty Construction (Balfour), the Authority's building construction manager at-risk contractor (CMR), is strategically bidding the work in packages for reasons of industry practice and in order to meet an aggressive schedule. The Board approved Early Package #1 on February 21, 2019 and Early Package #2 on March 21, 2019.

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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The CMR advertised Bid Package #3 regarding Interior Architecture and Mechanical Systems on February 10, 2019. Bids were received on March 14 and March 22, 2019. The Cost of the Work element of the proposed amendment is based upon the low, responsible bids received. The proposed amendment with Balfour establishes the Contract Amount (Fixed Guaranteed Maximum Price) and authorizes construction phase services of the CMR.

Component	Amount
Cost of the Work	\$ 6,034,682
Contractor's Contingency (5%)	\$ 301,734
Contractor's Construction Fee (3.5%)	\$ 234,197
Reimbursable General Conditions	\$ 496,985
Construction Phase Amendment (GMP)	\$ 7,067,598

The Minority and Women-owned Small Business (MWSB) goals were set and participation commitments were received as follows:

Project Description	MSB Goal %	WSB Goal %	Bid Commitment MSB %	Bid Commitment WSB %
CMR Bid Package 3 GMP	10.0	5.0	7.19	1.82
Overall: All GMPs			9.47	5.82

The Authority's Small Business Program Office reviewed the documentation and concurs with the MWSB commitment and/or the Good Faith Effort.

Staff requests approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

5. Presentation Regarding Marshall Retail Group LLC's Proposed Triangle Market at RDU:
For informative purposes only. No Committee action required.
Presented by Ingrid Hairston, Director of Business Initiatives

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE MEETING MINUTES APRIL 18, 2019

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

The Committee discussed the following items:

1. Consideration of Capital Budget Ordinance Amendment #1 to Increase Funding for Terminal 1 Airline Operations Space Buildout: *Upon a motion by Teer and second by Morgan, the Committee recommends approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout."*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests approval of Capital Budget Ordinance Amendment #1 to increase funding for the following existing project:

- Capital Project 311020, "Terminal 1 Airline Operations Space Buildout," was created with an overall budget of \$19,000,000. Based on the anticipated construction services necessary to complete the project, additional funds of \$2,500,000 are being requested. The new project total will be \$21,500,000.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year.

Staff requests approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout."

2. Consideration of Capital Budget Ordinance Amendment #2 for Reinstatement of Expanded Park Economy 3 in FY19-20 Budget: *Upon a motion by Morgan and second by Teer, the Committee recommends approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests approval of Capital Budget Ordinance Amendment #2 for the following;

- Capital Project 080799, "Expanded Park Economy 3," was created and approved in FY 17/18 with an overall budget of \$75,918,000. The project was in a deferred status and was not included during the creation of the FY 19/20 Capital Budget Ordinance. Now, based on the anticipated timing of services, the project needs to be reinstated in the FY 19/20 Capital Budget Ordinance. The project total will still be \$75,918,000 and it is anticipated that this project will incur approximately \$50,000 in costs this FY 19/20.

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No net change is anticipated in FY 19/20 cash flow and no change to the FY 19/20 Operating Budget Ordinance is being recommended as Capital Project #211120, “Taxiway B Rehabilitation, North of Taxiway C”, is anticipated to cash flow approximately \$50,000 less in FY 19/20.

Staff requests approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.

3. Consideration of Master Services Agreements with Three Financial Advisory Services Firms: *Upon a motion by Kushner and second by Teer, the Committee recommends approval for staff to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.*

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – On October 17, 2018, staff issued an RFP to firms to assist the Authority in a financial advisor capacity, which would allow the Authority to have financial advisory support with any debt issuance and the creation of a strategic finance master plan. The scope of services would include such functions as assistance on issuance and sale of all forms of debt, creation of a long-term financial master plan, advisory assistance regarding private-public partnership (P3) opportunities, and conducting studies for recommendations of financing structuring.

Authority staff reviewed the six proposals received and selected the following top three candidates for negotiations regarding a Master Services Agreement with the Authority: (1) Frasca & Associates, LLC, (2) Ernst and Young Infrastructure Advisors, LLC, and (3) PFM Financial Advisors, LLC.

These firms were selected based on the following criteria:

- Depth and breadth of experience
- Perception and approach
- Qualifications/experience of key personnel
- Commitment to include MWSB participation
- Level of satisfaction expressed by other clients and the Authority

Staff requests approval to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 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:

\$ 1,217,069,094

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 \$ 1,196,420,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects

	Original ¹	Change 04/18/19	Amended
311050 T1 4-Gate Expansion	\$ 115,450,000		\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000		650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000		565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000		220,000
621000 Cameras for Parking and Additional Storage to Record	102,600		102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000		450,000
881270 Spill Prevention Control and Countermeasure Items	250,000		250,000
881280 Water and Sewer Improvements	500,000		500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494		6,087,494
881300 Desigo CC Upgrade	150,000		150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000		395,000
881320 Snow Removal Equipment Storage Facility	1,100,000		1,100,000
881360 AOC/EOC Planning and Design	1,250,000		1,250,000
Miscellaneous small projects	361,000		361,000
	\$ 127,531,094	\$ -	\$ 127,531,094

Amended Projects

	Original ¹	Change 04/18/19	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000		\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000		3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000		3,250,000
080869 FIS Facilities Expansion	69,000,000		69,000,000
311000 AOIS System Replacement - Common Use	1,800,000		1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000	21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000		500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000		11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000		11,600,000
881100 International Drive Rehabilitation	13,500,000		13,500,000
011109 Heritage Displays at Observation Park	1,600,000		1,600,000
011359 Advanced Surveillance Program	2,610,000		2,610,000
881150 FAM Modular Buildings	1,200,000		1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ 675,960,000

Ongoing Projects

	Original ¹	Change 04/18/19	Amended
080739 Rehabilitate Taxiway A	\$ 25,000,000		25,000,000
080769 Rehabilitate Taxiway F	34,000,000		34,000,000
080859 Pavement Surface Sensor Replacement	108,000		108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000		280,000,000
211100 Rehabilitate Runway 14/32	3,750,000		3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000		
070539 T2 BHS Lower Level Controls Upgrade	3,480,000		3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000		4,800,000
881240 Parking Business Intelligence Software	200,000		200,000

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080779 Cemetery Road Rebuild	820,000	820,000
080819 John Brantley Boulevard Reconstruction	16,000,000	16,000,000
211110 West RON Apron Rehabilitation	36,000,000	36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000	2,500,000
	<u>\$ 413,578,000</u>	<u>\$ - \$ 413,578,000</u>
	<u>\$ 1,214,569,094</u>	<u>\$ 2,500,000 \$ 1,217,069,094</u>

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 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #2

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:

\$ 1,292,987,094

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 \$ 1,272,338,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

		Amendment 1	Amendment 2	
		Change	Change	
		04/18/19	04/18/19	
New 19/20 Projects				
	Original ¹			Amended
311050 T1 4-Gate Expansion	\$ 115,450,000			\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000			650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000			565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000			220,000
621000 Cameras for Parking and Additional Storage to Record	102,600			102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000			450,000
881270 Spill Prevention Control and Countermeasure Items	250,000			250,000
881280 Water and Sewer Improvements	500,000			500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494			6,087,494
881300 Design CC Upgrade	150,000			150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000			395,000
881320 Snow Removal Equipment Storage Facility	1,100,000			1,100,000
881360 AOC/EOC Planning and Design	1,250,000			1,250,000
Miscellaneous small projects	361,000			361,000
	\$ 127,531,094	\$ -	\$ -	\$ 127,531,094
Amended Projects				
	Original ¹	Change	Change	Amended
		04/18/19	04/18/19	
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000			\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000			3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000			3,250,000
080899 FIS Facilities Expansion	69,000,000			69,000,000
311000 AOTS System Replacement - Common Use	1,800,000			1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000		21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000			500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000			11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000			11,600,000
881100 International Drive Rehabilitation	13,500,000			13,500,000
011109 Heritage Displays at Observation Park	1,600,000			1,600,000
011359 Advanced Surveillance Program	2,610,000			2,610,000
881150 FAM Modular Buildings	1,200,000			1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 675,960,000
Ongoing Projects				
	Original ¹	Change	Change	Amended
		04/18/19	04/18/19	
080739 Rehabilitate Taxiway A	\$ 25,000,000			\$ 25,000,000
080769 Rehabilitate Taxiway F	34,000,000			34,000,000
080859 Pavement Surface Sensor Replacement	108,000			108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000			280,000,000
211100 Rehabilitate Runway 14/32	3,750,000			3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000			6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000			3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000			4,800,000
881240 Parking Business Intelligence Software	200,000			200,000
080779 Cemetery Road Rebuild	820,000			820,000
080819 John Brantley Boulevard Reconstruction	16,000,000			16,000,000
211110 West RON Apron Rehabilitation	36,000,000			36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000			2,500,000
080799 Expanded Park Economy 3	-		75,918,000	75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ 489,496,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,292,987,094

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President & CEO

R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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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 18th day of April 2019

Notes:
1 Original budget ordinance adopted March 21st, 2019

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY LAW AND PERSONNEL COMMITTEE MEETING MINUTES APRIL 18, 2019

Hannah presided. Present: Kane, Kushner, Morgan, Saidi¹, Teer and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following item:

1. Consideration of a Service Agreement with the Institute of Lifestyle and Weight Management for Authority's Wellness Program: *Upon a motion by Teer and second by Thompson, the Committee recommends approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.*

Presented by Cleon Umphrey, Vice President and Chief Human Resources Officer – The Institute of Lifestyle and Weight Management, Inc. (ILWM) is a health and wellness provider focusing on total wellness solutions. Since 2009, ILWM has provided services by designing and implementing the Authority's Wellness Program, in conjunction with the Authority's medical plan providers and benefits consultants.

Staff requests approval of an agreement with ILWM authorizing continuance of the implementation of the Authority's Wellness Program. Under the agreement, ILWM would continue providing assistance to the Authority in its efforts to comply with federal regulations addressing the wellness program provisions of the Patient Protection and Affordable Care Act (PPACA) and would aid the Authority in implementing a "Reasonably Designed Employer-Sponsored Wellness Program." The agreement provides for services that include: Strategic Planning, Cultural Support, Assessment & Screening Programs, Individual- and Population-Based Behavior Change Programs, Engagement Support and Measurement & Evaluation. ILWM's fee for services for fiscal year 2019/2020 is \$138,600, with the second-year fee and services to be negotiated but not to exceed \$145,530 and the third-year fee and services to be negotiated but not to exceed \$152,807.

¹ Saidi arrived at 12:05 pm



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Using a different vendor would be difficult in that other wellness vendors do not offer all of the services available to the Authority through ILWM. ILWM's business model is a niche market because as it has a medical practice that can provide consultation, its office has a gym facility that provides trained medical staff, and it is able to provide trained professionals onsite at RDU for staff interaction. Additionally, the data analytics that ILWM can provide to the Authority's medical plan providers and benefits consultants assists in developing the organizational program, as well as individual programs, creates increased opportunity for positive outcomes as a result of the program.

Three proposals were received, reviewed, and ranked by the Authority's Medical Consultant, Marsh & McLennan Agency, LLC. Wake Med Corporate Wellness, and a national firm, Virgin Pulse submitted proposals; however, ILWM has been deemed most responsive to the needs of the Authority.

Staff requests approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES MAY 16, 2019

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

I. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. New hires were introduced and welcomed. Promotions were announced and congratulated.
3. Kimberly Stewart was recognized for earning the ICSC Certified Real Estate professional credential.
4. Chair Kane gave details regarding the FAA letter issued, confirming that no release or other determination was required by the FAA with respect to the lease with Wake. He referred to Authority correspondence to the North Carolina State Parks inquiring why Umstead State Park doesn't allow for bike trails.
5. Robb Teer was recognized for his 20 years of service on the Authority board which, when combined with his father's board service, is a total of 51 years. Mr. Teer was thanked for his continued service to the airport and presented with a commemorative pin by Chair Kane.

II. APPROVAL OF AGENDA

Motion by Kushner to approve the agenda; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

III. APPROVAL OF MINUTES

Motion by Saidi to approve the minutes of the April 18, 2019 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Land and Development Committee met on May 16, 2019 and discussed the following items:
 - a. Cyber Security Briefing
[Confidential sensitive security information presentation in closed session pursuant to NCGS §143-318(a)(1) and 49 CFR parts 15 and 1520.]
Presentation to Committee in closed session for informative purposes only.
 - b. Umstead Coalition et.al v. Raleigh-Durham Airport Authority et.al.

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[Closed Session 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).]

Presentation to Committee in closed session for informative purposes only.

c. Consideration of Terminal Concession Lease with Uptown Airport Group, Inc.

Committee recommends approval of the Terminal Concession Lease with Uptown Airport Group, Inc. and authorization for the President and CEO to execute the lease.

Motion by Thompson to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on May 16, 2019 and discussed the following items:

a. Consideration of Task Order 13 with Gensler for Schematic Design Services

Committee recommends approval of Task Order 13 with Gensler in the total amount of \$1,342,119, and authorization for the President and CEO to execute the task order.

Motion by to Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Renewal of Microsoft Enterprise Agreements with SHI International
- b. Consideration of Service Agreement with TBI Airport Management, Inc.
- c. Consideration of Service Agreement with Sirius Computer Solutions, Inc.
- d. Consideration of Service Agreement with Vertiv Corporation
- e. Consideration of Terminal Concession Lease with Airport Mailers, Inc.
- f. Consideration Amendment Number 1 to Lease Agreement with SAI Flight Support Company
- g. Consideration of Amendment 1 with Lerch Bates, Inc.
- h. Consideration of License Agreement with Media General Operations, Inc.
- i. Consideration of License Agreement with Capitol Broadcasting Company, Inc.
- j. Consideration of Master Subscription Agreement with Cision US Inc.

Motion by Thompson to approve and adopt the Consent Agenda items a-h and j listed; Second by Teer

ADOPTED BY UNANIMOUS VOTE

Motion by Morgan to approve and adopt the Consent Agenda item i listed; Second by Saidi

ADOPTED BY UNANIMOUS VOTE¹

¹ Kushner recused himself due to a potential conflict of interest and abstained from voting

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VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members congratulated Robb Teer for 20 years of service on the Board. New hires and promotions were congratulated. Wallace expressed appreciation for learning more about the Authority, the airport, and working with its leadership team. Members commented on the beautiful landscape at the airport. Staff was commended for keeping airport operations running smoothly. Thompson mentioned former board member Geoffrey Elting's serious health condition and that cards to him would be appreciated. Continued support for the USO was encouraged.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

We continue to see encouraging growth in passenger traffic and our record-setting streak continues. Last month, RDU enplaned more than 571,000 passengers, which is a 6.2% increase over April of last year.

Air Service

May has been a great month for Air Service at RDU. We announced new non-stop destinations on American and Frontier airlines and welcomed Spirit Airlines as our eleventh carrier. American added a new non-stop flight to Phoenix, Frontier added eight non-stop flights, and Spirit launched seven new destinations. The expanded service added 16 new flights at RDU just in time for the peak May – August travel season.

ParkRDU

RDU also launched two separate parking initiatives this month. Visitors can now book parking online at ParkRDU.com, and get the guaranteed lowest price for the lot of their choice if they book at least 24 hours in advance. Our online booking promotion is going so well that we are extending it through the end of May. Customers who create an account by May 31st will be able to book parking online for \$5 a day for the first 5 days at ParkRDU Express until October 31.

Express is our new mid-tier trunk-to-terminal option. Travelers will enjoy shuttle pickup and luggage assistance right at their vehicles, and shuttles run every five minutes. The short shuttle rides offer the most convenience of all surface lots currently available at RDU.

Construction Update

Our "Refresh" campus improvement program kicked off in the spring and is going strong. We continue to add signage on campus, and when the weather permits, we are continuing the road construction on John Brantley Blvd.

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Wait Times

Now that we are in the peak summer travel season, we continue to urge travelers to arrive two hours early for domestic flights to navigate campus and get through security checkpoints to your gate. We plan to open two additional security gates at Terminal 2 soon to reduce wait times. You can register for TSA pre-check onsite at RDU and reduce your wait time to typically less than 10 minutes.

Special Olympics Plane Pull

Last Saturday, RDU hosted the 2019 Plane Pull to benefit the Special Olympics of North Carolina and I'm proud to say it was a great success. Special Olympics North Carolina has received \$118,000.00 so far with more money coming in. Congratulations to the Foothills Regulators on being named the 2019 Plane Pull champion. Special thanks to RDU's Fire Rescue, Law Enforcement, Airport Operations, Parking, and Maintenance teams. This event would not be a success without the help of each of your departments.

IX. ADJOURNMENT

Motion by Morgan to adjourn; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT MAY 16, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Renewal of Microsoft Enterprise Agreements with SHI International

Memorandum by Chuck McFall, A.A.E., Senior VP and Chief Information and Strategy Officer – The Authority has standardized Microsoft applications for its business platform by using Microsoft Windows and Office for end users as well as backend services such as e-mail, database and servers. It is important to keep these platforms up-to-date as newer versions are released, in order to minimize security-related threats and reduce incompatibilities between versions as users and systems collaborate. A Microsoft Enterprise Agreement has been the Authority's chosen method for ensuring updated products since 2009.

Staff requests renewal of the previous Microsoft Enterprise Agreements first entered into by the Authority in 2009, and renewed in 2013 and 2016. Staff has negotiated the consolidation of three existing agreements into two new agreements, each with a three-year term. The renewal of agreement 1 is for \$158,863.01 annually, totaling \$476,589.03 over the three-year period. Agreement 2 is for \$29,587.15 annually, totaling \$88,761.45 over the three-year period. Grand total for both Microsoft Enterprise Agreements for three years is \$565,350.48 (\$476,589.03 + \$88,761.45).

A Microsoft Enterprise Agreement provides the Authority with:

- current and future versions of software applications and operating systems
- security & routine patches
- negotiated, discounted pricing on new and existing licenses
- the ability to centralize the management of all Microsoft licenses for easier compliance
- access to online training for Authority users
- access to the Microsoft Home Use program for Authority employees.

The proposed renewals would allow continued use of the software as well as future upgrades during the agreement period without having to repurchase the software. Non-renewal would require the Authority to repurchase each of the licenses as the newer version was released (i.e. Office 2016, Windows 10).

Staff requests approval of renewal of the Microsoft Enterprise Agreements with SHI International for a combined cost of \$565,350.48 and authorization for the President and CEO to execute the renewals and any related documents.

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b) Consideration of Service Agreement with TBI Airport Management, Inc.

Memorandum by Duane Legan, Vice President of Airport Operations – Staff requests approval of a Service Agreement with TBI Airport Management, Inc. as the selected vendor to provide management and operations services of the Resource Management Center, which includes Ramp Control Tower functions. Ramp control is the oversight and control of aircraft movement in the designated non-movement areas.

A Request for Proposal (RFP) was issued on January 4, 2019 seeking qualified companies to manage and operate the Resource Management Center/Ramp Control Tower for Terminals 1 and 2 in a common use environment. Three companies responded to the RFP: Dynamic Services Inc., Robinson Aviation Inc., and TBI Airport Management, Inc. (the incumbent). Staff reviewed the proposals and conducted interviews on April 17, 2019. While all three companies have the level of experience required to manage and operate the Resource Management Centers/Ramp Control Towers, following completion of the interviews, staff independently scored the proposers and the following rankings were established:

1. TBI Airport Management, Inc.
2. Dynamic Services Inc.
3. Robinson Aviation Inc.

Staff believes it is in the best interest of the Authority to continue the professional relationship with TBI Airport Management, Inc. The proposed agreement term will be five years, beginning July 1, 2019 and ending June 30, 2024, in the amount of \$4,085,074, which is a cost reduction of \$145,644.80 from the previous contract. This also results in a monthly reduction in invoicing from \$70,511.98, to \$68,084.56.

Staff requests approval of a Service Agreement with TBI Airport Management, Inc. for a term of five years in the amount of \$4,085,074 and authorization for the President and Chief Executive Officer to execute the agreement.

c) Consideration of Service Agreement with Sirius Computer Solutions, Inc.

Memorandum by Michael McLanahan Vice President of IT Infrastructure – In order to maintain and improve resiliency, the Authority engages in periodic disaster recovery and business continuity (DRBC) exercises and activities. The Authority facilitates these activities through Sirius Computer Solutions, Inc., utilizing a seasoned and capable specialist who, for the past three years, has assisted the Authority drive its DRBC initiatives forward. The DRBC initiatives are also recognized in the Authority's FY 19/20 Tactical Plan objectives.

Staff requests approval of a two year Service Agreement with Sirius Computer Solutions, Inc., which will provide two on-site DRBC exercises per year, alternating quarters with ongoing internal work at the cost breakdown shown below:

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Task / Milestone Name	Invoice Amount
Q2-2019 Complete One Tabletop Exercise, or One DRBC event	\$10,383.57
Q4-2019 Complete One Tabletop Exercise, or One DRBC event	\$10,383.57
Q2-2020 Complete One Tabletop Exercise, or One DRBC event	\$10,383.57
Q4-2020 Complete One Tabletop Exercise, or One DRBC event	\$10,383.57
Total	\$41,534.28

Staff requests approval of the Service Agreement with Sirius Computer Solutions, Inc. for two years at a total cost of \$41,534.28, and authorization for the President and CEO to execute the agreement and any related documents.

d) Consideration of Service Agreement with Vertiv Corporation

Memorandum by Tommy Herndon, Director of Facilities Maintenance – Staff requests approval of a five year Service Agreement with Vertiv Corporation. The proposed agreement provides annual preventative maintenance and emergency repairs services for two uninterruptible power supply systems; one at the Airport Operations Center and one at the Central Energy Plant. The cost of the proposed agreement is \$82,390.

Staff requests approval of the five year Service Agreement with Vertiv Corporation in the amount of \$82,390 and authorization for the President and CEO to execute the agreement.

e) Consideration of Terminal Concession Lease with Airport Mailers, Inc.

Memorandum by Ingrid N. Hairston, Director of Business Initiatives – Airport Mailers, Inc. operates a personal item mail-back service within the commercial passenger terminals that allows travelers, carrying items that are not permitted through the security checkpoint, to mail those items using the mail service provided by Airport Mailers. This proposed Terminal Concession Lease would replace the current agreement that commenced in February 2014, and would provide for the continued operation of a mail-back service concession at Raleigh-Durham International Airport.

Under this proposed three year lease, which would commence on June 1, 2019, Airport Mailers would pay the Authority a percentage fee of 10% of gross receipts.

Staff requests approval of the Terminal Concession Lease with Airport Mailers, Inc. and authorization for the President and CEO to execute the lease.

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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- f) Consideration of Amendment Number 1 to Lease Agreement with SAI Flight Support Company
Memorandum by Karen Reynolds, Director, Property Development – Effective April 1, 2018, SAI Flight Support Company (SAI) executed a five-year Lease Agreement for approximately 528 square feet of office/administrative space in South Cargo Building #3. SAI is currently licensed by the Authority to provide aircraft line maintenance, and requires additional office/administrative space to support the staff required to begin providing aircraft line maintenance service to Frontier Airlines.

Proposed Amendment Number 1 to the SAI Lease Agreement adds 372.24 square feet of office/administrative space to SAI's leasehold in South Cargo Building #3. SAI will pay the current rental rate of \$10.30/sf/year, as well as a Maintenance & Operations fee of \$6.15/sf/year (FY19/20 rate). The fixed rental rate will increase 3% each year on April 1, which is the anniversary date of the Lease Agreement.

Staff requests approval of Amendment Number 1 to the Lease Agreement with SAI Flight Support Company, and authorization for the President and CEO to execute the amendment.

- g) Consideration of Amendment 1 with Lerch Bates, Inc.

Memorandum by Ronald Jewett, Vice President Facilities Asset Management – Staff requests approval of Amendment 1 to the existing Agreement with Lerch Bates, Inc. (Consultant). Under the existing Agreement, Consultant is authorized to provide limited consulting services related to submittals and shop drawings provided by Balfour Beatty Construction as the Construction Manager-at-Risk (CMR) for the Parking Garage Improvements project related to modernization of elevators, moving walks and escalators, the construction of which was approved at the December Board meeting in the amount of \$7,895,717.

Presently, the submittal/shop drawing process is underway for much of the equipment. Upon approval of the submissions, the CMR will order the equipment and begin to finalize a detailed schedule. Necessary outages of the equipment will be sequenced in order to maintain acceptable pedestrian traffic flow. The current overall schedule indicates that the modernization efforts will be completed in October 2020.

The proposed Amendment 1 adds the remainder of Construction Administration services, and would authorize the Consultant to conduct site visits and attend construction coordination meetings, review requests for information and proposed change orders, perform initial and final inspections as improved equipment is returned to service, draft and monitor punch-lists for completion of work, prepare record drawings, and assist the Authority with project close-out.

Compensation to the Consultant under this proposed Amendment 1 is an hourly not-to-exceed amount of \$136,800, with reimbursable expenses, including travel, at direct costs up to fixed ceiling amount of \$34,280, for total maximum compensation under Amendment 1 of \$171,080.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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The Consultant is in a specialized field and typically self-performs this type work. As such, there is no sub-consulting opportunity in services to-date, and therefore Minority and Women-owned Small Business (MWSB) goals are set at 0% in both Minority-owned Small Business and Women-owned Small Business categories. If additional services become necessary in which sub-consulting becomes a possibility, MWSB goals may be reviewed.

Staff requests approval of Amendment 1 to the Agreement with Lerch Bates, Inc., in the amount of \$171,080, and authorization for the President and CEO to execute the amendment.

h) Consideration of License Agreement with Media General Operations, Inc.

Memorandum by Crystal Feldman, Vice President of Communications, Government & Community Affairs – Staff requests approval of a five-year License Agreement with Media General Operations, Inc. d/b/a WNCN-TV to continue to maintain a fixed video camera, and other associated equipment, located on the roof of the RDU Operations Center. The purpose of the camera is to supply engaging, real time video footage of passenger terminal activities to enhance television coverage of airport related news stories. The video camera points towards Terminal 2 and does not show any portion of the FAA control tower. The Authority will generate \$5,574 over the life of the contract.

WNCN-TV is not a Minority and Women-owned Small Business (MWSB), nor does it anticipate any subcontracting opportunity. There is no MWSB participation expected in this procurement. The efforts related to participation were reviewed at the time of the original contract and met the requirements of the MWSB Program.

Staff requests approval of the License Agreement with Media General Operations, Inc., d/b/a WNCN-TV, and authorization for the President and CEO to execute the agreement.

i) Consideration of License Agreement with Capitol Broadcasting Company, Inc.

Memorandum by Crystal Feldman, Vice President of Communications, Government & Community Affairs – Staff requests approval of a five year License Agreement with Capitol Broadcasting Company, Inc. (WRAL-TV) to continue to maintain a fixed video camera, and other associated equipment, located on the roof of the RDU Operations Center. The purpose of the camera is to supply engaging real time video footage of passenger terminal activities to enhance television coverage of airport related news stories. The video camera points towards Terminal 2 and does not show any portion of the FAA control tower. The Authority will generate \$5,574 over the life of the contract.

Capitol Broadcasting Company, Inc. is not a Minority and Women-owned Small Business (MWSB), nor does it anticipate any subcontracting opportunity. There is no MWSB participation expected in this procurement. The efforts related to participation were reviewed at the time of the original agreement and met the requirements of the MWSB Program.

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Staff requests approval of the License Agreement with Capitol Broadcasting Company, Inc., and authorization for the President and CEO to execute the agreement.

j) Consideration of Master Subscription Agreement with Cision US Inc.

Memorandum by Crystal Feldman, Vice President of Communications, Government & Community Affairs – Staff requests approval of a three year Master Subscription Agreement with Cision US Inc. for continued media monitoring services at a rate of \$15,630 per year. The previous three year contract with Cision expired in March 2019. A multi-year contract locks in a reduced rate as the subscription is much higher on an annual basis.

Cision US Inc. offers a web-based software program that, among other functionalities, provides staff with the ability to view broadcast news coverage, access news clips about the Authority in a variety of publications, and access a database of local, national and trade journalists.

Cision US Inc. is not a Minority and Women-owned Small Business (MWSB), nor does the firm anticipate any subcontracting opportunity. There is no MWSB participation expected in this procurement. The efforts related to participation was reviewed at the time of the original contract and met the requirements of the MWSB Program.

Staff requests approval of the Master Subscription Agreement with Cision US Inc. for a three year term at an annual cost of \$15,630, and authorization for the President and CEO to execute the agreement and any related documents.

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES MAY 16, 2019

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

Motion by Thompson to enter into a closed session to (i) protect sensitive security information from disclosure pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 and (ii) 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) to discuss Umstead Coalition et.al v. Raleigh-Durham Airport Authority et.al.; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Operations Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman and Legan, General Counsel Locklear and other staff members met in Room 100 of the RDU Center for a closed session from 11:05 am until 12:05 pm.

Motion by Thompson to exit the closed session; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

The Committee discussed the following item:

1. Consideration of Terminal Concession Lease with Uptown Airport Group, Inc.: *Upon a motion by Thompson and second by Wallace, the Committee recommends approval of the Terminal Concession Lease with Uptown Airport Group, Inc. and authorization for the President and CEO to execute the lease.*

Presented by Kimberly Stewart, Business Manager Concessions Department – A solicitation was issued on November 9, 2018 for a single unit food and beverage concept to serve the increased number of Terminal 1 passengers planned for the four-gate activation in 2020, when three air carriers are expected to relocate to Terminal. The concession opportunity represents a five-year term from April 1, 2020 to March 31, 2025. Respondents to the Request for Proposal were restricted to operators currently doing business at Raleigh-Durham International Airport, based on the limited term and the option of current operators to use existing facilities to serve the new concession space. The Airport Concessions Disadvantaged Business Enterprise (ACDBE)

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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participation is set at 26.4% and current operators were required to propose as they are currently constituted with their ACDBE partners.

Three proposals were received on January 2, 2019. The top two proposals were selected for interviews in mid-January and based on the interviews, staff requests approval of a Terminal Concession Lease with Raleigh Brewing Tavern by Uptown Airport Group, Inc. (UAG). UAG is currently under lease with the Authority in Terminal 1, operating Char-Grill and Salsarita's.

Under the proposed lease, which would commence April 1, 2020, UAG will pay the Authority a Minimum Annual Guarantee of \$179,000 and 17% percentage rent on alcohol and 13.5% on food (consistent with other concession agreements).

Staff requests approval of the Terminal Concession Lease with Uptown Airport Group, Inc. and authorization for the President and CEO to execute the lease.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES MAY 16, 2019

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

The Committee discussed the following item:

1. Consideration of Task Order 13 with Gensler for Schematic Design Services: *Upon a motion by Kane and second by Morgan, the Committee recommends approval of Task Order 13 with Gensler in the total amount of \$1,342,119, and authorization for the President and CEO to execute the task order.*

Presented by Jennifer Evangelist, Parsons Design Manager – Staff requests approval of the award of Task Order 13, under the Master Agreement with Gensler, for Program Definition and Schematic Design services for the Terminal 1 expansion project. This includes the programming and schematic design of an expansion of Terminal 1 on the South end of the existing building. This expansion is proposed to include at least four new gates, integration of a Common Use Terminal Equipment system for the entirety of Terminal 1, potential development of a consolidated bag screening area and baggage handling system, a new or reconfigured passenger checkpoint additional ticketing counters with possible incorporation of self-tagging systems, a new configuration for gate check-in and queuing, and all new signage required as a result of this work.

The Authority will compensate Gensler for services rendered for this Task Order on an hourly rate not to exceed \$1,280,724. Allowable reimbursable expenses shall not exceed \$61,395. Total compensation under Task Order 13 is a not-to-exceed amount of \$1,342,119.

The overall Minority and Women-owned Small 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). Total participation for Task Order 13 are 12% for MB and 26% for WB.

Staff requests approval of Task Order 13 with Gensler in the total amount of \$1,342,119, and authorization for the President and CEO to execute the task order.

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**RALEIGH-DURHAM AIRPORT AUTHORITY
FINANCE COMMITTEE SPECIAL MEETING MINUTES
JUNE 14, 2019**

Teer presided. Present: Hannah.¹ Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, General Counsel Locklear, Elliott Davis representative Tom McNeish, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of Acceptance of Audited Financial Statements, Compliance Audits, and Management Letter for FY19

Donna Sylver, Senior Vice President and CFO gave opening remarks and acknowledged staff members for their work during the audit process and on the comprehensive annual financial report. Tom McNeish of Elliott Davis gave a presentation to the Finance Committee concerning auditor required communications and audit results for fiscal year ending March 31, 2019. He discussed each of the four reports opined on by Elliott Davis and that no significant deficiencies or material weaknesses were identified. Mr. McNeish noted the recommendation regarding password settings. He commended the Authority's management team for its intentional attention to suggestions from the audit team.

Donna Sylver briefly discussed the possibility of moving from capitalizing inventory to expensing inventory and the factors supporting this proposed change.

Mr. Teer commended Donna Sylver and the staff for their work and the achievement of these audit results.

No Committee action was requested and Chair Teer adjourned the meeting.

¹ Committee members joined via simultaneous communications by telephone and/or WebEx videoconferencing for the purpose of participating in the committee meeting.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JUNE 20, 2019

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

I. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Special guests Keith Fishburne, CEO of the Special Olympics North Carolina and Stephanie Wilkerson, Special Olympics athlete and Global Messenger were recognized and addressed the Board.
3. New hires were introduced and welcomed. Retirees were announced and recognized for their years of service.
4. Chair Kane noted that the Authority's Comprehensive Annual Financial Report (CAFR) had been reviewed for fiscal year 2018-2019, which captured a variety of successes achieved over the past fiscal year. The report acknowledges the airport's influential regional role contributing a \$12.6 billion economic impact annually and supporting more than 86,000 regional jobs and \$450 million in state and local taxes. The report addresses critical airport infrastructure investments.
5. Chair Kane mentioned Air Canada's new daily flight between RDU and Montreal, Canada, which is the second daily nonstop flight to Canada.

II. APPROVAL OF AGENDA

Motion by Wallace to approve the agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

III. APPROVAL OF MINUTES

Motion by Wallace to approve the minutes of the May 16, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein, the minutes of the special meeting of the Board held on May 31, 2019, and the minutes of the special meeting of the Finance Committee held on June 14, 2019; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported the Land and Development Committee met on June 20, 2019 and discussed the following items:
 - a. Consideration of Task Order #2 with Landrum & Brown for Runway 5L/23R Replacement Program Environmental Impact Statement

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Committee recommends approval of Task Order #2 with Landrum & Brown, and authorization for the President and CEO to execute the task order.

Motion by to Teer to adopt Committee's recommendation; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Amendment 3 with Marshall Retail Group, LLC and Triangle Market Conceptual Design

Committee recommends approval of Amendment 3 to the Terminal Concession Lease with Marshall Retail Group, LLC and authorization for the President and CEO to execute the amendment and approval of the Triangle Market conceptual design drawings.

Motion by to Teer to adopt Committee's recommendation; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Real Property Purchase Agreement and Lease with Estes Express Line, Inc.

Committee recommends approval to acquire the Estes Express Lines real property located at 6848 Mt. Herman Road, in the amount of \$2,291,822 plus customary closing costs, and authorization for the President and CEO to execute the Real Property Purchase Agreement and all documents pertaining to this acquisition including the closing documents. Also, Committee recommends approval of the three-year Lease with Estes Express Lines, Inc. and authorization for the President and CEO to execute the Lease.

Motion by to Teer to adopt Committee's recommendation; Second by Kane

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Teer¹ reported the Operations Committee met on June 20, 2019 and discussed the following items:

a. Consideration of Cyber Incidence Response Policy

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

Presentation to Committee in closed session for informative purposes only.

b. Consideration of Agreement with The Whiting-Turner Contracting Company for Additional Security Equipment

Committee recommends approval of an agreement with The Whiting-Turner Contracting Company in the amount of \$2,590,000, and authorization for the President and CEO to execute the agreement, subject to the approval of a related capital budget adjustment.

¹ Acting in the absence of Committee Chair Thompson

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Motion by to Teer to adopt Committee's recommendation; Second by Kane

ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Teer reported the Finance Committee met on June 20, 2019 and discussed the following item:

a. Consideration of Acceptance of Audited Financial Statements, Compliance Audits, and Management Letter for FY 2019

Committee recommends acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for FY 2019.

Motion by to Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Capital Budget Ordinance Amendment #3 for the Advanced Surveillance Program Project

Committee recommends approval of the 2019-2020 Capital Budget Ordinance Amendment #3, increasing funding in the amount of \$1,185,774 for the Advanced Surveillance Program project.

Motion by to Teer to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Trash Truck Purchase from Transource, Inc.
- b. Consideration of Terminal Concession Lease with Smarte Carte, Inc.
- c. Consideration of Amendment 1 to Task Order 10 with RS&H Architects-Engineers-Planners, Inc.
- d. Consideration of a Multiyear Service Agreement with Capital Power Group
- e. Consideration of Service Agreement with SKIDATA, AG

Motion by Kane to approve and adopt the Consent Agenda item a; Second by Teer

ADOPTED BY UNANIMOUS VOTE²

Motion by Teer to approve and adopt the Consent Agenda items b-e listed; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

New hires and retirees were congratulated. Board members expressed appreciation for the CAFR and

² Kushner recused himself due to a potential conflict of interest and abstained from voting

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its excellent results. Members thanked guests from the Special Olympics for their comments. Special thanks was expressed to Rosa Cheatham for her 31 years of service to the Authority. Continued support for the USO was encouraged.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

If you have spent any time around the airport during the past month, you will not be surprised to learn that RDU continues to observe record-setting passenger traffic. Last month, RDU enplaned more than 653,000 passengers, an 11.4% percent increase over May 2018.

Accelerated Growth

RDU's tremendous growth is putting pressure on all our facilities and requiring the Authority to accelerate key infrastructure projects identified in Vision 2040. Peak travel season, which began in May and runs through August, has amplified the need to accelerate airport capacity projects designed to meet the growing customer demand.

Checkpoint Wait Times

One area seeing the greatest passenger growth has been the Terminal 2 checkpoint. The volume of passengers trying to be screened through the Terminal 2 checkpoint during peak flying times exceeds the throughput capacity. As a result the checkpoint line overflows and sometimes extends around the interior perimeter of the terminal. Departing passenger volume is at its highest peak in the morning, with other smaller peaks occurring at lunch time and again in the early evening.

Our staff compared passenger loads for the same week in June over a two year period and the results are astonishing. Peak demand – customers arriving in Terminal 2 for flights departing between 6-8 a.m. – was approximately 1,800 passengers per hour in 2017. That number grew by 30% to 2,300 passengers per hour in 2018 and to 2,700 passengers per hour this year – a 20% growth from 2018 and more than 50% from 2017. I'll say it another way... Terminal 2 is servicing 50% more customers between 5 AM and 7AM than it did two years ago even though total passenger growth was only 20% over the same two year period. The longer lines you're seeing in the morning are because 25% of our daily departures leave between 5 AM and 8 AM. More flights in the morning and larger aircraft means more people in the terminal.

To improve the customer experience, we have already initiated a project to accelerate the implementation of two additional security checkpoint lines at Terminal 2, over and above what just opened up in May. However, the peaking of passengers created by customer demand still exceeds the 2200 per hour throughput by more than 500 passengers per hour in Terminal 2 during the peak travel times of 5 Am until 7 AM. We are working closely with TSA and they are constantly looking

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for ways to increase their throughput. The utilization of the K-9 units has been helpful in increasing the overall throughput per hour.

We have also begun construction to activate four gates at Terminal 1 by April 1, 2020 which will reposition three airlines over to terminal 1 providing some additional relief with checkpoint congestion. The Authority is also working on process improvements you may notice soon. We have already added stanchions to improve the queuing process for the checkpoint and I have authorized the hiring of two part-time staff members to be present in the morning to help assist the customers through the queuing process. And finally we are asking our customers to arrive at least two hours prior to their departure. This allows time to park, check your bags, process through security and walk to your gate in time for an on-time departure.

Baggage System

Earlier this month, one of our bag conveyor systems experienced a mechanical failure. Team RDU rapidly implemented our baggage contingency plan. This is where we mobilize our resources which helps to move bags to operational baggage belts to continue to keep customers and bags moving. Again this is a good reminder that disruptions are infrequent but by planning to arrive two hours in advance provides for some contingency time for processing through the system.

Vehicular Congestion

Yet another disruptive effect of increased passenger volume is vehicular congestion around the airport's main arteries. We're hard at work repaving the John Brantley Boulevard loop. We're also seeing congestion on International Drive. To help relieve congestion, we are allowing customers to pick-up on the second level of Terminal 2 at all hours of the day and are exploring other short-term options. Our plans for a new ground transportation center will help, but that is at least five years away.

What Travelers Can Do

All of this to say: If you remember two words from my remarks, remember these: arrive early. Arrive at the airport at least two hours prior to your flight to minimize the risk of missing your departure. If you get to your gate with time to spare, I promise you will enjoy checking out RDU's great restaurants and retail shops. Travelers can take action to ensure they have as smooth an experience as possible.

We have a new "Wait Times" page on RDU.com you can review prior to your travel day. The page breaks down how much time to plan for each step of your journey, from the time you arrive on RDU's campus until you board the plane. And you can register for TSA pre-check to reduce your wait time to typically less than 10 minutes.

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We are incredibly grateful for our success in passenger growth. But most importantly, we must continue to give this community the world-class experience it deserves. It's important that our customers and the community recognize the challenges associated with rapid growth, the efforts we are making to accelerate Vision 2040 to meet customer demand, and the funding challenges we face to pay for new infrastructure and campus improvement projects.

IX. A D J O U R N M E N T

Motion by Hannah to adjourn; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #3

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:

\$ 1,294,172,868

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 \$ 1,273,524,047

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Original ¹	Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 05/20/19	Amended
311050	T1 4-Gate Expansion	\$ 115,450,000				\$ 115,450,000
311060	T2 and AOC PCF Room UPS System Replacement	660,000				660,000
311070	T2 and CEP Siemens BMS System Hardware Upgrade	565,000				565,000
311080	T2 Lutron Lighting Control System Hardware Upgrade	220,000				220,000
621000	Cameras for Parking and Additional Storage to Record	102,600				102,600
881260	Maintenance Facility HVAC Replacement and Upgrade	450,000				450,000
881270	Spill Prevention Control and Countermeasure Items	250,000				250,000
881280	Water and Sewer Improvements	500,000				500,000
881290	FY19-20 Replacement Vehicles & Equipment	6,087,494				6,087,494
881300	Design CC Upgrade	150,000				150,000
881310	Computer Replacement for Jet A and Glycol Racks	395,000				395,000
881320	Snow Removal Equipment Storage Facility	1,100,000				1,100,000
881360	AOC/EOC Planning and Design	1,250,000				1,250,000
	Miscellaneous small projects	361,000				361,000
		\$ 127,531,094	\$ -	\$ -	\$ -	\$ 127,531,094
Amended Projects		Original ¹	Change 04/18/19	Change 04/18/19	Change 05/20/19	Amended
211120	Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000				\$ 35,000,000
211140	Enhanced Security Perimeter Gates (TSA)	3,000,000				3,000,000
070549	Terminal 2 Checkpoint Expansion	3,250,000				3,250,000
080869	FIS Facilities Expansion	69,000,000				69,000,000
311000	ADIS System Replacement - Common Use	1,800,000				1,800,000
311020	Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000			21,500,000
080789	CONRAC and New Rental Car Storage Lot	500,400,000				500,400,000
010829	Roadway Informational Sign Rehabilitation	11,500,000				11,500,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000				11,600,000
881100	International Drive Rehabilitation	13,500,000				13,500,000
011109	Heritage Displays at Observation Park	1,600,000				1,600,000
011359	Advanced Surveillance Program	2,610,000			1,185,774	3,795,774
881150	FAM Modular Buildings	1,200,000				1,200,000
		\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 677,145,774
Ongoing Projects		Original ¹	Change 04/18/19	Change 04/18/19	Change 05/20/19	Amended
080739	Rehabilitate Taxiway A	\$ 25,000,000				25,000,000
080769	Rehabilitate Taxiway F	34,000,000				34,000,000
080859	Pavement Surface Sensor Replacement	108,000				108,000
080879	Runway 5L-23R and Taxiway B Replacement	280,000,000				280,000,000
211100	Rehabilitate Runway 14/32	3,750,000				3,750,000
070529	Phased Replacement of PC Air Units at T2	6,920,000				6,920,000
070539	T2 BHS Lower Level Controls Upgrade	3,480,000				3,480,000
080729	Park Economy 3 Lot Rehabilitation	4,800,000				4,800,000
881240	Parking Business Intelligence Software	200,000				200,000
080779	Cemetery Road Rebuild	820,000				820,000
080819	John Brantley Boulevard Reconstruction	16,000,000				16,000,000
211110	West RDN Apron Rehabilitation	36,000,000				36,000,000
211130	Perimeter Security Improvements (Property Fencing)	2,500,000				2,500,000
080799	Expanded Park Economy 3	-		75,918,000		75,918,000
		\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 489,496,000
		\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 1,294,172,868

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.

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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 20th day of June 2019

Notes:

1 Original-budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT JUNE 20, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Trash Truck Purchase from Transource, Inc.

Memorandum by John A. Connell, P.E., Vice President of Operational Asset Management – The Authority's FY19/20 Capital Budget includes the replacement of three vehicles, including a heavy duty trash truck for the Field Maintenance Department. Historically, annual vehicle and equipment replacement purchases are brought forward in one package to the Board for approval; however, this year replacement vehicles were purchased from different dealers at different times.

The Authority may procure goods and services utilizing state contracts that have been publicly advertised and bid. The North Carolina Sheriffs' Association completed a competitive bid process to allow purchase of vehicles for state agencies. While within the approval authority of the President and CEO, staff requests approval to utilize the North Carolina Sheriffs' Association's cooperative purchasing program and purchase from Transource, Inc. d/b/a Transource Truck & Trailer Centers, one heavy duty Hino trash truck (container handler) at a cost of \$99,985.25, which is within the budgeted amount.

Staff requests approval to utilize the North Carolina Sheriffs' Association's contract pricing and purchase one heavy duty Hino trash truck from Transource, Inc., d/b/a Transource Truck & Trailer Centers, at a cost of \$99,985.25 and authorization for the President and CEO and staff to execute such documents as are necessary for this purchase.

b) Consideration of Terminal Concession Lease with Smarte Carte, Inc.

Memorandum by Ingrid N. Hairston, Director of Business Initiatives – Smarte Carte, Inc. rents luggage carts to passengers within the commercial passenger terminal area of the airport. The luggage carts, including those supplied in the Federal Inspection Services (FIS) area, are rented on a self-service basis from cart management units installed within the airport and released for use upon payment. All cart management units are capable of accepting credit cards, coins, and cash for payment. This proposed five year lease, commencing July 1, 2019, replaces the current agreement that expired December 31, 2018, and will allow for the continued operation of a luggage cart service concession at Raleigh-Durham International Airport.

The Authority proposed a luggage cart program that includes a domestic cart concession, with a user pay service for arriving international passengers in the FIS area. The domestic passenger vending fee per cart is \$5.00 with a \$.25 return reward for domestic passengers. The user fees for international passengers shall be implemented in a phased-in process as follows:

Year 1 beginning July 2019	\$2.00 per cart
Year 3 beginning July 2021	\$3.00 per cart
Year 4 through expiration of agreement	\$5.00 per cart

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Smarte Carte will pay the Authority a percentage fee of 7% of gross receipts.

Staff requests approval of the Terminal Concession Lease with Smarte Carte, Inc. and authorization for the President and CEO to execute the lease.

c) Consideration of Amendment 1 to Task Order 10 with RS&H Architects-Engineers-Planners, Inc.

Memorandum by Ronald Jewett, Vice President Facilities Asset Management – Task Order 10 to the Master Agreement with RS&H Architects-Engineers-Planners, Inc. (Consultant) was executed on October 4, 2018. The initial scope of Task Order 10 included an initial assessment of the failing paint on the ceilings of Parking Garages 3 and 4 and the development of a remediation plan. Ultimately, it was determined that the best course of action is to remove the paint and not replace it which removal will be carried out by Balfour Beatty, the current construction manager at-risk, which is already carrying out improvements in these parking garages.

Proposed Amendment 1 to Task Order 10 includes finalization of plans and specifications necessary for the removal of the paint, bidding services, and construction administration. Construction Administration includes attending a pre-construction conference, reviewing shop drawings and submittals for compliance with the contract documents, reviewing and responding to requests for information, performing periodic site visits to inspect the work for compliance with the contract documents, and participating in project progress meetings with Authority staff and the construction manager at-risk. The Consultant will issue field reports to document the progress of the work and note any defects or deficiencies, and conduct inspections associated with substantial completion and final completion. Technical expertise will be provided as needed for any change orders that arise. Duration of the work is estimated to be 40 weeks.

As the Consultant is self-performing due to the narrow scope of work in this effort, there is no Minority and Women-owned Small Business participation.

The compensation to the Consultant shall be an hourly not-to-exceed amount of \$113,665 with reimbursable expenses up to fixed ceiling amount of \$5,812 for total maximum compensation under Amendment 1 to Task Order 10 of \$119,478 (bringing total compensation under Task Order 10, with this amendment, to \$133,907).

Staff requests approval of Amendment 1 to Task Order 10 under the Master Services Agreement with the RS&H Architects-Engineers-Planners, Inc. and authorization for the President and CEO to execute the amendment.

d) Consideration of Multiyear Service Agreement with Capital Power Group

Memorandum by Tommy Herndon, Director of Facilities Maintenance – Staff requests approval of a three year Service Agreement with Capital Power Group. The proposed Service Agreement provides annual preventative maintenance and emergency repair services for five

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uninterruptible power supply systems; one at Terminal 1, and four at Terminal 2. The cost of the proposed agreement is not-to-exceed \$58,546.

Staff requests approval of a three year Service Agreement with Capital Power Group in the amount not-to exceed \$58,546 and authorization for the President and CEO to execute the agreement.

e) Consideration of Service Agreement with SKIDATA, AG

Memorandum by Jeffrey A Slayton, Director of Commercial Management, Parking, & Ground Transportation – In April 2017, the Authority contracted with SKIDATA, AG for a Parking and Revenue Control System (PRCS), which included annual maintenance and support through Sentry Controls, a wholly owned subsidiary. In January 2019, Sentry Controls was fully incorporated into SKIDATA and staff has worked with SKIDATA to develop an acceptable maintenance and support program that ensures the integrity and operational ability of PRCS going forward. The on-site technician has been responsible for 95% of all the maintenance and support issues to-date and, under the proposed agreement, the engineer will be a shared resource with other SKIDATA users in the Triangle Region as technical coding and programming can be accomplished from remote locations. The Authority’s PRCS is a proprietary system that is extremely technical and requires specialized and certified technicians to maintain, as well as integration with three disparate software systems also requiring special technical abilities to maintain. The PRCS controls and collects approximately \$60M in public parking revenues.

The proposed Service Agreement for annual maintenance and support is for a five year period at a cost of \$1,882,485, with three additional one year renewal options available, and consists of the following:

- 1) ***Preventative Care***—Preventative hardware maintenance to the manufacturer’s recommendations
- 2) ***Software Maintenance Care***—Applicable SKIDATA Software intra-release updates and hotfixes
- 3) ***Antivirus Care***—Manage antivirus and Review antivirus server and antivirus agents
- 4) ***Parts Care***— “Equipment Covered in Services Agreement” are warranted by manufacturer
- 5) ***Training Care***—Unlimited customized training for Customer for term of contract
- 6) ***Service Care***—Labor to respond to unscheduled service calls for remedial maintenance
- 7) ***PCI-Security Care*** — Credit card data key encryption s and OS password changes. Inspection ensuring all locks are working, no credit card skimmers or signs of equipment tampering
- 8) ***Operations Care***—Assist with rate changes, validation setup, password lockout, article and user group setup, software setup changes and ad hoc reporting

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Staff requests approval of a Service Agreement with SKIDATA, AG for an initial term of five years in the amount of \$1,882,485, with three additional one year renewal options, and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES JUNE 20, 2019

Teer presided. Present: Hannah, Kane, Kushner, Morgan,¹ Thompson, and Wallace. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following item:

1. Consideration of Task Order #2 with Landrum & Brown for Runway 5L/23R Replacement Program Environmental Impact Statement: *Upon a motion by Morgan and second by Kane, the Committee recommends approval of Task Order #2 with Landrum & Brown, and authorization for the President and CEO to execute the task order.*

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operations Officer – Staff requests approval of Task Order #2 with Landrum & Brown for development of an Environmental Impact Statement (EIS) for the Runway 5L/23R replacement program.

On March 21, the Board approved a Master Consultant Services Agreement (MSA) with Landrum & Brown for the development of an EIS for the Federal Aviation Administration (FAA) related to the Runway 5L/23R replacement program. Subsequent to the approval of the MSA, Task Order #1 was executed authorizing initial mobilization and scoping activities. The work conducted during mobilization forms the basis for the scope, schedule and budget contained in proposed Task Order #2. The total contract amount for Task Order #2 is a not-to-exceed sum of \$606,976.00 (\$597,476 for labor and \$9,500 for expenses). Cost incurred for the preparation of the EIS are partially reimbursable under the FAA's Airport Improvement Program.

Staff requested that the FAA and/or its consultant attend the Board meeting during which this Task Order would be considered; however, that request was declined per the attached FAA response.

The Disadvantage Business Enterprise (DBE) participation goals for this contract are 10%. Landrum & Brown has committed to achieving a participation level of 11.32% in Task Order #2.

Staff requests approval of Task Order #2 with Landrum & Brown, and authorization for the President and CEO to execute the task order.

¹ Morgan participated by telephone

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2. Consideration of Amendment 3 with Marshall Retail Group, LLC and Triangle Market Conceptual Design: *Upon a motion by Kane and second by Teer, the Committee recommends approval of Amendment 3 to the Terminal Concession Lease with Marshall Retail Group, LLC and authorization for the President and CEO to execute the amendment and approval of the Triangle Market conceptual design drawings.*

Presented by Tara Glarum, Business Manager – The Authority Board approved replacing Travelab in Terminal 1 with Marshall Retail Group, LLC’s Triangle Market, a new gift concept. Staff requests approval of Amendment 3 with Marshall Retail Group, which memorializes the concept change from Travelab to Triangle Market. Also, Staff requests approval of the conceptual design drawings for the Triangle Market renovation.

Proposed Amendment 3 describes the concept of Triangle Market and the conversion of Travelab to Triangle Market. Triangle Market will be located in the center of Terminal 1 and will appeal to all passengers. The new store will have unique yet comparable locally and nationally sourced home goods, personal gifts, luggage and fun socks that are currently being carried at Marshall Retail Group’s Root & Branch store in Terminal 2. The success of Root & Branch inspired the concept and design of Triangle Market. This new gift concept will bring travelers at Terminal 1 gourmet food, North Carolina apparel and luggage options.

The conceptual design team reviewed the Triangle Market conversion drawings, including a new store sign and interior finishes, including column wraps, paint and décor. The location will close approximately 3-4 weeks during renovation. All finishes will be updated based on the current design standards.

Staff requests approval of Amendment 3 to the Terminal Concession Lease with Marshall Retail Group, LLC and authorization for the President and CEO to execute the amendment. Also, staff requests approval of the Triangle Market conceptual design drawings.

²Motion by Kane to enter into a closed session to i) establish the position to be taken by the Authority in negotiating for the acquisition of real property pursuant to NCGS §143-318.11(a)(1) and (5), and ii) 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)(3).; Second by Teer

ADOPTED BY UNANIMOUS VOTE

² In open session, prior to motion for closed session General Counsel Locklear announced that following the Land and Development Committee closed session, the Operations Committee would meet in closed session and General Counsel Locklear recited the statutory reasons for each of the closed sessions. She noted that any necessary committee actions would be taken when open session resumed.

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CLOSED SESSION

The Operations Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear and other senior staff members, and outside counsels met in Room 100 of the RDU Center for a closed session from 11:17 am until 11:46 am.

Motion by Teer to exit the closed session; Second by Kane

ADOPTED BY UNANIMOUS VOTE

The Committee discussed the following item:

3. Consideration of Real Property Purchase Agreement and Lease with Estes Express Line, Inc.: Upon a motion by Teer and second by Kane, the Committee recommends approval to acquire the Estes Express Lines real property located at 6848 Mt. Herman Road, in the amount of \$2,291,822.00 plus customary closing costs, and authorization for the President and CEO to execute the Real Property Purchase Agreement and all documents pertaining to this acquisition including the closing documents, and approval of the three-year Lease with Estes Express Lines, Inc. and authorization for the President and CEO to execute the Lease.

Staff requests approval for the acquisition of the real property located at 6848 Mt. Herman Road owned by Estes Express Line, Inc. (Estes). The acquisition of this property is necessary for the development of a replacement Runway 5L/23R and associated relocation of Lumley Road outside the Runway Protection Zone.

Working with outside legal counsel, staff negotiated the Real Property Purchase Agreement with Estes in the amount of \$2,291,822. Pursuant to the terms of the proposed Lease, Estes will be allowed to remain on the property as lessee for a period not to exceed three years.

Staff requests approval to acquire the Estes Express Lines real property located at 6848 Mt. Herman Road, in the amount of \$2,291,822.00 plus customary closing costs, and authorization for the President and CEO to execute the Real Property Purchase Agreement and all documents pertaining to this acquisition including the closing documents. Also, staff requests approval of the three-year Lease with Estes Express Lines, Inc. and authorization for the President and CEO to execute the Lease.

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**Federal Aviation
Administration**

Airports Division
Southern Region
Kentucky, North Carolina, Tennessee

Federal Aviation Administration
2600 Thousand Oaks Blvd., Suite 2250
Memphis, TN 38118

Phone (901) 322-8180

May 17, 2019

Mr. Michael Landguth, President & CEO
Raleigh-Durham Airport Authority
1000 Trade Drive
RDU Airport, NC 27623

Dear Mr. Landguth:

This is in response to your request for Landrum and Brown to appear at a meeting of the Raleigh-Durham Airport Authority Board to answer questions about the Federal Aviation Administration's (FAA's) forthcoming Environmental Impact Statement (EIS) covering various airport improvement projects at the Raleigh Durham International Airport. I understand that the Board's intent is that these questions would pertain to the contract approval for the project scope of work (Tasks 2-14).

As you are aware, the consultant selection process for an EIS is different from other projects under the Airport Improvement Program. In accordance with FAA Orders 1050.1F and 5050.4B, the FAA is required to select the contractor that prepares the EIS. While the FAA will be working closely with the Authority throughout the EIS process, it is not the agency's practice to attend or have contractor-representatives appear before governmental entities on its behalf regarding contract approval. We see no reason to deviate from that practice in this case. Representatives of your staff have been involved throughout the development of the EIS scope and should have knowledge and understanding sufficient to answer any questions on this topic. If you or any of your board members have any questions concerning the EIS scope of work, please submit them to the FAA in writing. We believe written correspondence will best ensure that we provide thorough and accurate answers. We will respond in a timely manner.

If you have any other questions or need additional information concerning this matter, please do not hesitate to contact me.

Sincerely,

Phillip J. Braden
Manager, Memphis Airports District Office

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES JUNE 20, 2019

Thompson presided¹. Present: Hannah, Kane, Kushner, Morgan,² Thompson, and Wallace. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

³Motion 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 Teer

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Operations Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear and other senior staff members met in Room 100 of the RDU Center for a closed session from 11:46 am until 12:27 pm.

Motion by Teer to exit the closed session; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

The items presented in closed session were regarding sensitive security information pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520:

1. Consideration of Cyber Incidence Response Policy: *For informative purposes only. No Committee action required.*

Presented by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer

¹ Thompson departed meeting at 12:16 pm

² Morgan participated by telephone

³ In open session, prior to motion for closed session General Counsel Locklear announced that following the Land and Development Committee closed session, the Operations Committee would meet in closed session and General Counsel Locklear recited the statutory reasons for each of the closed sessions. She noted that any necessary committee actions would be taken when open session resumed.

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2. Consideration of Agreement with The Whiting-Turner Contracting Company for Additional Security Equipment: *Upon a motion by Teer and a second by Wallace, the Committee recommends approval of an agreement with The Whiting-Turner Contracting Company in the amount of \$2,590,000, and authorization for the President and CEO to execute the agreement, subject to the approval of a related capital budget adjustment.*

Presented by Duane Legan, Vice President of Airport Operations – Staff requests approval of an agreement with The Whiting-Turner Contracting Company (Whiting Turner), for procurement, installation, and commissioning of additional security cameras throughout the RDU campus.

The invitation to bid and all necessary bid documents were posted on April 3, 2019. Following the Pre Bid Conference held on April 10, 2019, a request came in to extend the bid date to May 10, 2019, which was granted. On May 10, 2019, three bids were timely received with the following results:

Bidder	Bid
Whiting- Turner	\$2,590,000
Resolute	\$2,720,400
Bryant-Durham Electric	\$2,948,000

Due to the unique procurement of these type of services, the related subcontracting opportunities were largely unknown, therefore the typical Minority and Women-Owned Small Owned Business (MWSB) goals of 10% Minority-owned Business (MB) and 5% Women-owned Business (WB) were used for bidding. Whiting–Turner submitted documentation showing participation to be 0% for MB and 4% for WB. Whiting-Turner submitted good faith effort documentation, which was reviewed by the Authority’s Small Business Program Office and deemed acceptable.

Staff requests approval of an agreement with The Whiting-Turner Contracting Company in the amount of \$2,590,000, and authorization for the President and CEO to execute the agreement, subject to the approval of a related capital budget adjustment.

Due to time constraints, any remaining Operations Committee agenda items were deferred to a future meeting.

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE MEETING MINUTES JUNE 20, 2019

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

The Committee adjusted the order of items listed on the agenda and discussed the following items:

1. Presentation of Financial Performance for FY19 and Consideration of Acceptance of Audited Financial Statements, Compliance Audits, and Management Letter for FY 2019: *Upon a motion by Teer and second by Wallace, the Committee recommends acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for FY 2019.*

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – Ms. Sylver presented the financial performance for FYE March 31, 2019. She discussed trended enplanements, and operating revenue and expense statistics. Ms. Sylver explained major capital projects spend and actual/forecast funding of the capital plan, as well as key performance indicators. She noted that for the 10th consecutive year, the Authority received the Excellence Award from the Government Finance Officers Association. Ms. Sylver discussed the authority's fixed assets capitalization threshold and the analysis conducted, which resulted in the recommendation of setting the capitalization amount at \$25,000. Ms. Sylver explained that there would be no cash impact and that no budget impact was anticipated.

Kelley Cantwell, Audit Senior Manager with Elliott Davis, presented the auditor required communications and audit results. She noted the four reports opined on by Elliott Davis and that no significant deficiencies or material weaknesses were identified.

Staff requests acceptance of the Comprehensive Annual Financial Report (CAFR), the two Compliance Audit Reports, and the Management Letter for FY 2019.

2. Consideration of Capital Budget Ordinance Amendment #3 for the Advanced Surveillance Program Project: *Upon a motion by Teer and second by Wallace, the approval of the 2019-2020 Capital Budget Ordinance Amendment #3, increasing funding in the amount of \$1,185,774 for the Advanced Surveillance Program project.*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests consideration of Capital Budget Ordinance Amendment #3, increasing funding for the following existing project:

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- Capital Project 011359, “Advanced Surveillance Program”, was created with an overall budget of \$2,610,000. Based on submitted bids and anticipated costs, additional funds of \$1,185,774 are being requested. The new project total will be \$3,795,774.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year.

Staff requests approval of the 2019-2020 Capital Budget Ordinance Amendment #3, increasing funding in the amount of \$1,185,774 for the Advanced Surveillance Program project.

Due to time constraints, any remaining Finance Committee agenda items were deferred to a future meeting.

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #3

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:

\$ 1,294,172,868

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	\$ 1,273,524,047
Total Grant Funds	\$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 18/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amended
Original ¹					
311050 T1 4-Gate Expansion	\$ 115,450,000				\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000				650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000				565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000				220,000
621000 Cameras for Parking and Additional Storage to Record	102,600				102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000				450,000
881270 Spill Prevention Control and Countermeasure Items	250,000				250,000
881280 Water and Sewer Improvements	500,000				500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494				6,087,494
881300 Design CC Upgrade	150,000				150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000				395,000
881320 Snow Removal Equipment Storage Facility	1,100,000				1,100,000
881360 AOC/EOC Planning and Design	1,250,000				1,250,000
Miscellaneous small projects	351,000				351,000
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 127,531,094
Amended Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Amended
Original ¹					
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000				\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000				3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000				3,250,000
080869 FIS Facilities Expansion	69,000,000				69,000,000
311000 AOCIS System Replacement - Common Use	1,800,000				1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000			21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000				500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000				11,500,000
881110 Rehab & Energy improvements for PG 1,2,3 and 4 - Phase 2	11,500,000				11,500,000
881100 International Drive Rehabilitation	13,500,000				13,500,000
011109 Heritage Displays at Observation Park	1,600,000				1,600,000
011359 Advanced Surveillance Program	2,610,000			1,185,774	3,795,774
881150 FAM Modular Buildings	1,200,000				1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 677,145,774
Ongoing Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Amended
Original ¹					
080739 Rehabilitate Taxiway A	\$ 25,000,000				25,000,000
080759 Rehabilitate Taxiway F	34,000,000				34,000,000
080859 Pavement Surface Sensor Replacement	108,000				108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000				280,000,000
211100 Rehabilitate Runway 14/32	3,750,000				3,750,000
070529 Phased Replacement of PC Air Units at T2	6,520,000				6,520,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000				3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000				4,800,000
881240 Parking Business Intelligence Software	200,000				200,000
080779 Cemetery Road Rebuild	820,000				820,000
080819 John Brantley Boulevard Reconstruction	15,000,000				15,000,000
211110 West RON Apron Rehabilitation	35,000,000				35,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000				2,500,000
080799 Expanded Park Economy 3	-		75,918,000		75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 489,496,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 1,294,172,868

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.

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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 20th day of June 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES JULY 18, 2019

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

I. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Chair Kane recognized former Board member Larry Zucchini, who represented Wake County, and served from January 2015 to December 2018. Chair Kane discussed the airport's accomplishments during that time and Mr. Zucchini was presented with a plaque for his leadership, guidance and service on the Board.
3. Employees' service milestones were recognized, new hires were introduced and welcomed, and promotions were announced and congratulated.
4. Chair Kane remarked on the remains of two Korean War veterans, which had been missing in action since 1950, that were returned in June to North Carolina through RDU.
5. Chair Kane noted the recent passing of Phil Freelon, the nationally known architect from Durham who designed the general aviation building, Terminal 2, and RDU's award-winning parking deck.
6. Chair Kane gave an update from a recent meeting with the state system leadership team focusing on the relationship between the airport and William B. Umstead State Park while Vision 2040 progresses.

II. APPROVAL OF AGENDA

Motion by Teer to approve the agenda; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

III. APPROVAL OF MINUTES

Motion by Saidi to approve the minutes of the June 20, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported the Operations Committee met on July 18, 2019 and discussed the following items:
 - a. Consideration of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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

Committee recommends approval of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A. in an amount not to exceed \$203,332, and authorization for the President and CEO to execute the amendment.

Motion by to Thompson to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Cyber Incident Response Policy

Committee recommends approval of the Cyber Incident Response Policy.

Motion by to Thompson to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

c. Report of Insurance Premium Renewals

For informative purposes only. No Board action required.

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on July 18, 2019 and discussed the following items:

a. Consideration of FAA Grant for Taxiway B Reconstruction

Committee recommends acceptance of the grant in the amount of \$10,000,000, when presented by the Federal Aviation Administration, and authorization for the President and CEO to execute the grant documents.

Motion by to Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

b. Briefing on Terminal 2 Checkpoint Expansion

For informative purposes only. No Board action required.

V. NEW BUSINESS

1. Consent Agenda:

- Consideration of Amendment Two to Fire Sprinkler Service Agreement with BFPE International
- Consideration of Proposed FY19-20 Internal Audit Plan
- Consideration of Amendment 2 to Terminal Concession Lease with Compass Group USA, Inc.
- Consideration of Multi-Year Contract for Cisco Umbrella Cloud Security Platform
- Consideration of Multi-Year Contract for Cisco Anti-Malware Protection

Motion by Thompson to approve and adopt the Consent Agenda items a-e; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Service award recipients, new hires and promotions were congratulated. Board members expressed appreciation for Larry Zucchini's service on the board. Staff was thanked for their continued efforts on behalf of the airport. Continued support for the USO was encouraged. Board member Morgan noted he has spent a lot of time educating elected officials on the Board's decisions and rationale and, due to the complexities involved, it hasn't been easy to communicate lately. There has been a lot of misinformation and misconception spread by critics of misperceived recent Board positions such as a public transit, environmental impact and, of course, the quarry. The Board was set up to clearly focus on complexities around airport needs and this has worked well since the airport was formed. Board members represent the owners and their constituents' wishes and have regular conversations with these elected officials. Mr. Morgan noted that the Board has a forum on the RDU website to submit comments directly to Board members and that he welcomed such comments through the forum or to him directly and he will answer them. He expressed his hope that better lines of communication could be established to eliminate some of the misinformation.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

RDU continues to observe record-setting passenger traffic. In fact, last month we hit an all-time enplanement record. In June, RDU enplaned more than 679,000 passengers, a 10.6% percent increase over June 2018.

Delta Flight

Delta announced the addition of daily nonstop service to Jacksonville, Florida beginning in September. Delta also added service from RDU to Chicago O'Hare, New Orleans and Pittsburgh this year. Delta has more than doubled its service from RDU since 2010 with 20 additional destinations. We value their strong commitment to RDU and look forward to continuing our partnership.

Gate Utilization

Our rapid growth has led to more flights and larger aircraft arriving at RDU daily, which means more people navigating through the terminals. I've talked in depth about the facility, curb and wayfinding changes we're making to improve customer experience – such as the opening of two new checkpoint lanes in Terminal 2 and the decision to start planning two more. We are also assessing airside modifications that could help relieve congestion.

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Airline scheduling and gate utilization puts significant strain on our capacity, particularly during peak flying hours. We're exploring ways to make gates more readily available. We began meeting with carriers this week to discuss ways to improve our gate utilization. Some gates are preferentially leased to specific carriers. This sometimes means a gate appears to be open, but restrictions exist for usage by other airlines.

Given our capacity constraints and the construction occurring throughout campus to relieve these growing pains, we urge our customers to arrive on campus at least two hours prior to their departure. An early arrival allows time to park, check your bags, process through security and walk to your gate in time for an on-time departure.

Budget

You may be aware the state budget process is at an impasse due to policy disagreements between the legislature and the governor. The budget passed by the General Assembly and vetoed by the governor includes \$75 million in recurring funding for North Carolina's 10 commercial airports through the newly-established Airport Improvement Program. RDU is positioned to receive nearly \$18 million a year through the AIP. That new revenue stream would help fund critical infrastructure improvements and help us achieve Vision 2040.

Airports are the economic engines of the communities they serve. We are hopeful the legislature and governor will reach a resolution that keeps the recurring funding for the Airport Improvement Program intact.

We are also closely monitoring House Bill 206, legislation that could potentially impact the environmental review process for development on airport property. The bill is currently being negotiated in conference committee after the House declined last week to concur with the Senate's changes. RDU proposed and supports a provision that incorporates the definition of "Airport Facilities" into the Neuse River Buffer Rules and creates the Neuse River Basin Airport Rules. We have asked the state for years to include a definition of airport facilities in the Rules to excuse RDU from the variance process, which adds time and cost to development activities.

Under the proposed change, the Authority would still be required by law to mitigate any and all anticipated environmental impacts, just as we are today. It's important to note the Authority did not offer the language included in HB 206 related to "airport impacted property."

We will continue to monitor the conference committee process and support passage of a committee report that includes the Neuse River Basin Airport Rules and AIP provisions. It is our understanding the bill has a good chance of passing if the committee can agree upon a final version.

IX. ADJOURNMENT

Motion by Thompson to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT JULY 18, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration Amendment Two to Fire Sprinkler Service Agreement with BFPE International

Memorandum by Tommy Herndon, Director of Facility Maintenance – Staff requests approval of Amendment Two to the Agreement with BFPE International for maintenance and inspection services of the fire sprinkler systems across the airport campus. The original five-year Agreement was executed in January 2016; however, in 2018 it was discovered that several systems in Terminal 2 were not properly listed in the scope of services; however, these systems have been maintained and inspected. This proposed amendment will include the required inspections and maintenance of these systems going forward from 2018 through 2020. It will also increase the contract funding for “unpredictable repairs” for the remaining contract period. This line-item, which covers unforeseen billable services, has been depleted since the onset of the contract. The cost of this amendment includes \$35,631 for the inspections and maintenance of the additional systems and \$10,000.00 for “unpredictable repairs” for a total of \$45,631

Staff requests approval of Amendment Two to the Agreement with BFPE International in the amount of \$45,631 and authorization for the President and CEO to execute the amendment.

b) Consideration of Proposed FY19-20 Internal Audit Plan

Memorandum by Frank W. White, Director of Internal Audit – The Internal Audit Department requests approval of the FY19-20 Internal Audit Plan (Plan). The Plan is in draft form and may be revised for any additions and/or deletions with Board directive. The Authority’s Internal Audit Department, established in 2007, currently consists of four auditors. 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, 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 FY19-20 Internal Audit Plan and authorization for the Internal Audit Department to proceed according to the plan.

c) Consideration of Amendment 2 to Terminal Concession Lease with Compass Group USA, Inc.

Memorandum by Diane M. Harris, Business Manager – Compass Group USA, Inc., through Canteen Division (Canteen), operates a vending concession utilizing snack and drink vending machines in specified locations in RDU’s terminal buildings and in the Authority’s office breakroom spaces. This proposed amendment extends the term of the lease to December 31,

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2019 to facilitate the Authority's implementation of a pouring rights program. The proposed amendment also updates the Airport Concessions Disadvantaged Business Enterprise participation and compliance language in the lease.

Canteen will pay the Authority escalating commissions on snack and beverage gross receipts. For drink sales, Canteen commissions will range from 15% - 30% of gross receipts based on sales volume. For snack sales, Canteen commissions will range from 10% - 14% of gross receipts based on sales volume. In the Authority's office breakroom locations, commissions are not paid, but are used to maintain low merchandise pricing. The effective rate for drink and sales in Authority employee spaces is 21.8%

Staff requests approval of Amendment 2 to the Terminal Concession Lease for Compass Group USA, Inc. through its Canteen Division and authorization for the President and CEO to execute the amendment.

d) Consideration of Multi-Year Contract for Cisco Umbrella Cloud Security Platform

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – In conjunction with the anti-malware product refresh performed in 2018, staff evaluated and procured Cisco Umbrella, which is a cloud solution to prevent access to known bad sites on the Internet, strengthening the Authority's posture in day-to-day computing. Having completed this first year of use, as well as a second implementation taking place to secure Authority sponsored complimentary public Wi-Fi, there is a need to renew the product licensing, and consolidate the two administrative portals for Cisco Umbrella.

Staff requests approval of a multi-year, single-source contract with Total Communications, Inc., in order to continue use of the solution, and consolidate the internal Authority dashboard with the public Wi-Fi dashboard. The proposed three-year contract provides a cost savings, and is payable annually.

Purchase Options	Cost
Renewed annually – Umbrella Insights and Gold Support – Year 1	\$11,161.74
Renewed annually – Umbrella Insights and Gold Support – Year 2	\$11,161.74
Renewed annually – Umbrella Insights and Gold Support – Year 3	\$11,161.74
TOTAL if renewed annually	\$33,485.22
Three-Year Option – Umbrella Insights and Gold Support – Billed annually	\$8,844.74
TOTAL three-year cost	\$26,534.22
Savings with three-year option	\$6,951.00

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Staff requests approval of the three year contract with Total Communications, Inc. at a total cost of \$26,534.22, and authorization for the President and CEO to execute the contract and any related documents.

e) Consideration of Multi-Year Contract for Cisco Anti-Malware Protection

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – In 2018, after a careful and deliberate selection process, staff selected Cisco Anti-Malware Protection (AMP) for Endpoints as the anti-malware solution that best integrated with the Authority's existing and planned future technologies. In the past year, the software has been a valuable asset to the Authority, detecting and preventing various types of threats and compromises, as well as reducing the amount of false-positive detections that were experienced with previous anti-virus offerings.

In order to continue use of this Cisco AMP solution, staff requests approval of a multi-year contract with Internetwork Services Incorporated, d/b/a Internetwork Engineering, leveraging cooperative purchasing under the North Carolina Statewide IT Contract for IT Infrastructure Solutions. The proposed three-year contract provides significant cost savings, and is payable annually.

Purchase Options	Cost
Renewed annually – 1000 licenses – Year 1	\$20,580.00
Renewed annually – 1000 licenses – Year 2	\$20,580.00
Renewed annually – 1000 licenses – Year 3	\$20,580.00
TOTAL if renewed annually	\$61,740.00
Three-Year Option – 1000 licenses – Billed annually	\$14,446.67
TOTAL three-year cost	\$43,340.00
Savings with three-year option	\$18,400.00

Staff requests approval of the three year contract with Internetwork Services Incorporated, d/b/a Internetwork Engineering, at a total cost of \$43,340, and authorization for the President and CEO to execute the contract and any related documents.

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RALEIGH-DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE MEETING MINUTES JULY 18, 2019

Thompson presided. Present: Hannah, Kane, Kushner, Morgan, Saidi, Teer, and Wallace. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Human Resources Coordinator Gray and other staff members and guests.

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 Teer

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Operations Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear and other senior staff members met in Room 100 of the RDU Center for a closed session from 11:03 am until 11:30 am.

Motion by Morgan to exit the closed session; Second by Teer

ADOPTED BY UNANIMOUS VOTE

The Committee discussed the following items:

1. Consideration of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A.: *Upon a motion by Thompson and a second by Teer, the Committee recommends approval of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A. in an amount not to exceed \$203,332, and authorization for the President and CEO to execute the amendment.*

Presented by Ronald Jewett, Vice President of Facility Asset Management – Staff requests approval of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A. for Construction Administration services for the TSA Advanced Surveillance Program (ASP) Upgrade. The scope of work for Construction Administration services includes attending a pre-construction conference, reviewing shop drawings and submittals for compliance with the contract documents, reviewing and responding to requests for information, reviewing contractor submitted applications for payment, performing periodic site visits to inspect the work for compliance with the contract documents, attending project progress meetings with the Authority and General Contractor, 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, issuing Certificate(s) of Substantial Completion, accumulating project closeout records and project closeout.

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Compensation to O'Brien/Atkins Associates, P.A. for services rendered for this amendment will be a not to-exceed amount of \$179,540, with allowable reimbursable expenses not to exceed \$23,792, for total compensation under this Amendment not-to-exceed \$203,332.

The overall Minority and Women-owned Small Owned Business (MWSB) goals for the existing Master Consulting Services Agreement are 10% for Minority-owned Small Businesses (MB) and 5% for Women-owned Small Businesses (WB). Total participation for this Amendment 2 to Task Order 14 is 2.77% for MB and 9.9% for WB.

Staff requests approval of Amendment 2 to Task Order 14 with O'Brien/Atkins Associates, P.A. in an amount not to exceed \$203,332, and authorization for the President and CEO to execute the amendment.

2. Consideration of Cyber Incident Response Policy: *Upon a motion by Thompson and a second by Morgan, the Committee recommends approval of the Cyber Incident Response Policy.*

Presented by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Cyber incidents impacting public bodies are becoming more common and, recently, two U.S. airports experienced Ransomware attacks. In order to provide a basis of appropriate response to cyber incidents that threaten the security, integrity, or availability of the Authority's digital assets, computer systems, or associated information technology infrastructure, staff drafted a Cyber Incident Response Policy (Policy) for Board consideration. This Policy establishes responsibility and accountability for all steps in the process of addressing cyber security incidents.

Staff requests approval of the Cyber Incident Response Policy.

3. Report of Insurance Premium Renewals: *For informative purposes only. No Board action required.*

Presented by James Witherspoon, PHR, CSP, ARM, Director of Risk Management – The Authority's Property, Workers Compensation, General Liability, Crime, Automotive, and Directors and Officers/Employment Practices Insurance coverages renew as of July 1, 2019.

Year over year changes in policies are:

1. Property coverage premium decreased by \$53,246 with an increase in property values
2. Cyber Liability coverage was customized and increased by \$40,099
3. Workers Compensation coverage premium decreased by \$81,947 due to a carrier change and experience modification rate change from .71 to .69
4. Liability coverage premium increased by \$14,500
5. Crime coverage premium decreased \$743
6. Automotive coverage premium increased by \$73,475 due to required combination of automotive and physical damage
7. Directors and Officers/Employment Practices coverage premium increased by \$388

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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8. No change in Pollution Liability coverage premium

The net premium impact is a decrease of \$7,474 (from \$1,346,784 to 1,339,960).

For informative purposes only. No Board action required.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES JULY 18, 2019

Teer presided. Present: Hannah, Kane, Kushner, Morgan, Saidi, Thompson, and Wallace. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Human Resources Coordinator Gray and other staff members and guests.

The Committee reordered the agenda items and discussed the following items:

1. Consideration of FAA Grant for Taxiway B Reconstruction: *Upon a motion by Morgan and second by Teer, the Committee recommends acceptance of the grant in the amount of \$10,000,000, when presented by the Federal Aviation Administration, and authorization for the President and CEO to execute the grant documents.*

Presented by Ronald Jewett, Vice President of Facility Asset Management – Staff requests acceptance of an anticipated grant offer from the Federal Aviation Administration (FAA) in the amount of \$10,000,000. On July 19, 2018, the Authority accepted a grant from the FAA in the amount of \$12,528,714 for the reconstruction of Taxiway B, which represented a portion of the amount eligible for federal funding. Subsequent to the issuance of the grant, Congress appropriated supplemental funding for the airport improvement program, and staff submitted an additional application seeking the remaining funds.

With this current grant, the FAA's total commitment on this project is \$22,528,714, or 73.5% of total projected project costs.

Staff requests acceptance of the grant in the amount of \$10,000,000, when presented by the Federal Aviation Administration, and authorization for the President and CEO to execute the grant documents.

2. Briefing on Terminal 2 Checkpoint Expansion: *For informative purposes only. No Board action required.*

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operations Officer – Mr. Sandifer compared Terminal 2 passenger peaking characteristics of June 2018 to June 2019 and discussed the long wait times passengers are experiencing. He discussed the recent expansion, the scope of proposed Phase 2 expansion, and future expansion potential.

For informative purposes only. No Board action required.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES AUGUST 15, 2019

Chair Kane presided. Present: Hannah, Kushner, Morgan, Saidi,¹ Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

I. APPROVAL OF AGENDA

Motion by Thompson to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the July 18, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. OLD BUSINESS²

1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on August 15, 2019 and discussed the following items:

- a. Airport Security Improvements Presentation

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

For informative purposes only. No Board action required.

- b. Consultation with an Attorney(s), including discussion of Umstead Coalition et.al v. Raleigh-Durham Airport Authority et.al.

[Consultation in closed session with an attorney(s) in order to preserve the attorney client privilege between the attorney(s) and the public body pursuant to NCGS §143-318(a)(1) and (3).]

For informative purposes only. No Board action required.

¹ Secretary Saidi joined via telephone at 11:15 am

² Agenda rearranged to allow for matters requiring voting to be heard while a quorum was present.

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c. Consideration of a Construction Phase Amendment with Balfour Beatty Construction
Motion by Teer for approval of the Construction Phase Amendment with Balfour Beatty Construction in the amount of \$3,211,824 and authorization for the President and CEO to execute the amendment; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

d. CONRAC Program Definition Presentation
For informative purposes only. No Board action required.

e. Consideration of Raleigh Brewing Tavern Conceptual Design Drawings
Motion by Teer for approval of the Raleigh Brewing Tavern conceptual design drawings; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

2. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on August 15, 2019 and discussed the following item:

a. Consideration of Capital Budget Ordinance Amendment #4
Motion by Teer for approval of Capital Budget Ordinance Amendment #4 for an increase to the Capital Budget Ordinance of \$9,865,000; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

3. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on August 15, 2019 and discussed the following items:

b. Consideration of Service Agreement with Elite Line Services
Motion by Thompson for approval of a five-year Service Agreement, with two additional one-year option periods, with Elite Line Services in the amount of \$11,631,642.84 and authorization for the President and CEO to execute the agreement; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

IV. NEW BUSINESS

1. Consent Agenda:

a. Consideration of Purchase of Uninterruptible Power Supply Equipment from Tiger Controls, Inc.
Motion by Thompson to approve and adopt the Consent Agenda item a; Second by Morgan

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ADOPTED BY UNANIMOUS VOTE³

V. GENERAL COUNSEL’S REPORT

No items were reported.

VI. MEMBER COMMENTS

Board members expressed appreciation for staffs’ continued efforts on behalf of the airport. Board member Morgan mentioned the *City in the Sky* series presented on Netflix regarding operating an airport.

VII. PRESIDENT AND CEO’S REPORT

Welcome

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

Activity Report

RDU continues to see tremendous growth in passenger volume. In July, RDU enplaned more than 675,000 passengers, a 12.9 percent increase over July 2018.

Frontier Flights

Frontier announced the addition of new nonstop service to Atlanta and Miami – two of RDU’s top domestic destinations. Frontier is also extending its seasonal service from Raleigh to Boston to operate year-round. With the addition of the new flights, Frontier now offers nonstop service to 22 destinations from RDU. The new Frontier routes will expand customer choice and provide a new, low-cost option to these popular markets. Frontier also added flights to Albany, Columbus, Hartford, Islip, Jacksonville, Philadelphia and Tampa in April.

House Bill 206

On the legislative front, House Bill 206 was passed by the General Assembly last week and is on the Governor’s desk. RDU proposed and supports a provision in the bill that incorporates the definition of “Airport Facilities” into the Neuse River Buffer Rules and creates the Neuse River Basin Airport Rules. We have asked the state for years to include a definition of airport facilities in the rules to excuse RDU from the variance process, which adds time and cost to development activities. Under the bill that passed, the Authority will still be required by law to mitigate any and all anticipated environmental impacts.

The Authority worked closely with state legislators, the state environmental agency and stakeholders to draft language that satisfied all parties while protecting water quality through established state

³ Following voting on New Business, Board members Teer and Thompson left the meeting and Board member Saidi disconnected telephone participation.

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environmental rules and regulations. We appreciate the General Assembly's support for airport development and regional economic growth.

Parking Deck

The Board voted today on a contract to remove the chipping paint on levels 2 – 6 of our parking deck. Levels 1 and 7 will not be affected. The work will involve “capturing” parking spaces immediately following the Labor Day holiday through May 2020.

This is a good opportunity to remind our customers about our new parking options, including online booking and ParkRDU. Customers can book their parking online 24 hours in advance for guaranteed best price and added convenience. The benefits of using our new online booking system include guaranteed entry to your preferred parking option and the ability to pre-pay and lock in the lowest rate available. We give customers the opportunity to rate their experience and we have a 4 ½ out of five stars rating.

We also launched ParkRDU Express in May, which allows customers to enjoy the convenience of fast shuttle pickup at your vehicle in five minutes or less. It's a great value – for just \$12/day you get help with your luggage, free bottled water, and a short shuttle ride straight from your vehicle to the terminal.

I also want to remind everyone to allow extra time to navigate the campus, find parking and get through security lines to catch your flight on time. You should arrive two hours in advance of a domestic flight and three hours for international.

United Club Opening

United Airlines opened its new club at RDU over the weekend. It was the first time in more than 15 years that United opened a club at a new airport. We appreciate United choosing RDU as its newest airport for expansion and we welcome their customers.

VIII. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. New hires were introduced and welcomed, and promotions were announced and congratulated.
3. Chair Kane noted the recent passing of Phil Freelon, the nationally known architect from Durham who designed the general aviation building, Terminal 2, and RDU's award-winning parking deck.
4. Chair Kane remarked on recent news coverage regarding a documentary and protest over the land-lease with Wake Stone, which events are being used to raise money for a lawsuit against the Authority. Chair Kane highlighted inaccuracies being used to incite opposition against the land-lease including:

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- Claim of no public input when this land-lease was part of the Vision 2040 Master Plan public process and was discussed in open meetings over a period of several years. The owning bodies have board representatives who are in regular contact with their appointing body and the Authority board voted unanimously in favor of the land-lease (with one recusal);
 - Claim that RDU could make more money by selling the land than by leasing it for expansion of the existing quarry. Conservative projections show the lease will generate about \$24 million for airport use. That's substantially more than the \$6 million a conservation group offered to buy the land, which was never for sale.
5. Chair Kane noted that Wake Stone has operated an adjacent quarry in compliance with environmental regulations since 1982. The quarry expansion will provide much-needed stone to build roads, bridges and schools in our rapidly growing region. It will also reduce truck traffic on our roads and interstates because of its central location. The agreement offers a legal way for off-road cyclists to access airport land. The land-lease agreement requires Wake Stone to contribute \$3.6 million for a partner to lease 151 acres of airport land next to Umstead State Park for mountain biking.
 6. Chair Kane gave an update from a recent meeting with the State Parks leadership team and they acknowledged that the Umstead Coalition fighting the land lease does not speak on behalf of Umstead State Park and that off-road cycling is strictly prohibited on Umstead property. RDU and the State Parks system have mutual respect for each other's missions and have been good neighbors since both were established in the 1940's.

IX. ADJOURNMENT

Motion by Hannah to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #4

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:

\$ 1,304,037,868

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 \$ 1,283,389,047

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Original ¹	Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amendment 4 Change 08/15/19	Amended
311050	T1 4-Gate Expansion	\$ 115,450,000					\$ 115,450,000
311060	T2 and AOC PCF Room UPS System Replacement	650,000					650,000
311070	T2 and CEP Siemens BMS System Hardware Upgrade	565,000					565,000
311080	T2 Lutron Lighting Control System Hardware Upgrade	220,000					220,000
621000	Cameras for Parking and Additional Storage to Record	102,600					102,600
881260	Maintenance Facility HVAC Replacement and Upgrade	450,000					450,000
881270	Spill Prevention Control and Countermeasure Items	250,000					250,000
881280	Water and Sewer Improvements	500,000					500,000
881290	FY19-20 Replacement Vehicles & Equipment	6,087,494					6,087,494
881300	Design Communication Center Upgrade	150,000				83,000	233,000
881310	Computer Replacement for Jet A and Glycol Racks	395,000					395,000
881320	Snow Removal Equipment Storage Facility	1,100,000					1,100,000
881360	AOC/EOC Planning and Design	1,250,000					1,250,000
211160	Taxiway D Rehabilitation					1,000,000	1,000,000
881380	AOC 5th Floor Buildout					2,000,000	2,000,000
311090	SAACS Video Software Replacement					300,000	300,000
311100	Avtek Ramp control radio upgrade					200,000	200,000
311120	Data Center - Storage Growth					255,000	255,000
	Miscellaneous small projects	361,000				(65,000)	296,000
		\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 131,304,094
Amended Projects		Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Amended
211120	Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000					\$ 35,000,000
211140	Enhanced Security Perimeter Gates (TSA)	3,000,000					3,000,000
070549	Terminal 2 Checkpoint Expansion	3,250,000				6,000,000	9,250,000
060869	FIS Facilities Expansion	69,000,000					69,000,000
311000	AQIS System Replacement - Common Use	1,800,000					1,800,000
311020	Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000				21,500,000
080789	CONRAC and New Rental Car Storage Lot	500,400,000					500,400,000
010829	Roadway Informational Sign Rehabilitation	11,500,000				1,700,000	13,200,000
881110	Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,800,000					11,800,000
881100	International Drive Rehabilitation	13,500,000				(3,500,000)	10,000,000
011109	Heritage Displays at Observation Park	1,600,000					1,600,000
011359	Advanced Surveillance Program	2,610,000			1,185,774		3,795,774
881150	FAM Modular Buildings	1,200,000					1,200,000
		\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ 681,345,774
Ongoing Projects		Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Amended
080739	Rehabilitate Taxiway A	\$ 25,000,000					\$ 25,000,000
080769	Rehabilitate Taxiway F	34,000,000					34,000,000
080859	Pavement Surface Sensor Replacement	108,000				(108,000)	-
080879	Runway 5L-23R and Taxiway B Replacement	280,000,000					280,000,000
211100	Rehabilitate Runway 14/32	3,750,000					3,750,000
070529	Phased Replacement of PC Air Units at T2	6,920,000					6,920,000
070539	T2 BHS Lower Level Controls Upgrade	3,480,000					3,480,000
080729	Park Economy 3 Lot Rehabilitation	4,800,000					4,800,000
881240	Parking Business Intelligence Software	200,000					200,000
080779	Cemetery Road Rebuild	820,000					820,000
080819	John Brantley Boulevard Reconstruction	16,000,000					16,000,000
211110	West RON Apron Rehabilitation	36,000,000				2,000,000	38,000,000
211130	Perimeter Security Improvements (Property Fencing)	2,500,000					2,500,000
080799	Expanded Park Economy 3	-		75,918,000			75,918,000
		\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 491,388,000
		\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 1,304,037,868

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 15th day of August 2019

Notes:
1 Original- budget ordinance adopted March 21st, 2019

Raleigh-Durham Airport Authority Board Members

John M. Kane, Chairman
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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT AUGUST 15, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Purchase of Uninterruptible Power Supply Equipment from Tiger Controls, Inc.

Memorandum by John Connell, P.E., Vice President of Operational Asset Management – Staff requests approval to purchase static uninterruptible power supply (UPS) equipment for Terminal 2 and the Airport Operations Center from Tiger Controls, Inc. This proposed purchase consists of four (4) 50 kVA UPS units. Installation will be bid later in the year as a separate Request for Bid (RFB). The purpose of early procurement of the equipment is to eliminate lead-time issues while installation RFB documents are still being developed by the design team.

A competitive RFB for this UPS equipment was issued and three bids were received on August 2, 2019. Tiger Controls, Inc. was the lowest responsible and responsive bidder, at the fixed-price amount of \$369,200.20 for the UPS equipment. This project is in the FY2019/20 Capital Budget with a budget amount of \$650,000.

The Minority and Women-Owned Small Owned Business (MWSB) goals are 5% for Minority-owned Small Businesses (MB) and 5% for Women-owned Small Businesses (WB). MWSB participation for Tiger Controls, Inc. is 100% for MB and 0% for WB. Additional participation will be requested as part of the installation RFB.

Staff requests approval for the purchase of this UPS equipment with Tiger Controls, Inc. in the amount of \$369,200.20, and authorization for the President and CEO to execute the purchase order.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES AUGUST 15, 2019

Teer presided. Present: Hannah, Kane, Kushner, Morgan, Saidi¹, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

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 and 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 Umstead Coalition et.al. v. Raleigh-Durham Airport Authority et.al.; Second by Teer

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, and other staff members met in Room 100 of the RDU Center for a closed session beginning at 11:05 am and ending at 1:07 pm.

Motion by Hannah to exit the closed session; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

The Committee discussed the following items:

1. Consideration of a Construction Phase Amendment with Balfour Beatty Construction:

Presented by Ronald Jewett, Vice President of Facility Asset Management – In 2017, the Authority engaged a general contractor for a broad range of improvements to the parking garages, including the re-painting of the ceilings of levels 2-6. In January 2018, the new paint began to delaminate and fall from the ceilings in a significant amount. Testing and assessment began immediately by the contractor and staff. Having not reached an acceptable solution to re-paint the ceilings, it was determined that the best course of action is to remove the ceiling paint to bare concrete.

The firm of RS&H, Inc., an on-call consultant to the Authority, prepared plans and specifications for removal of the paint. The firm of Balfour Beatty, acting as a Construction

¹ Secretary Saidi joined via telephone at 11:15 am

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Manager at-Risk (CMR), is currently under contract for improvements to the airport's parking garages. The CMR assisted staff by arranging demonstrations of paint removal, in selecting the most advantageous removal method, in cost estimating, and in developing an efficient sequencing plan for the work. This proposed Amendment establishes the contract's fixed guaranteed maximum price (GMP) and authorizes construction phase services of the CMR.

The sum of the low responsible subcontract bids from the bid packages have been combined and is defined as the Cost of the Work component of the Contract Amount.

<u>Component</u>	<u>Amount</u>
Cost of the Work	\$ 2,522,128
Contractor's Contingency (5%)	\$ 126,106
Contractor's Construction Fee (3.5%)	\$ 106,429
Reimbursable General Conditions	\$ 457,161
Construction Phase Amendment (GMP)	\$ 3,211,824

The Minority and Women-owned Small Business (MWSB) goals were set and contract commitments received as follows:

Contract Element	MB Goal %	WB Goal %	MB Commitment %	WB Commitment %
CMR Services	10	5	17.2	6.7
Constr. (Cost of Work)	2	2	1.9	4.9

The CMR's MWSB commitments meet the goals and are considered acceptable.

Staff requests approval of this Construction Phase Amendment with Balfour Beatty Construction in the amount of \$3,211,824 and authorization for the President and CEO to execute the amendment.

2. CONRAC Program Definition Presentation:

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer and Dan Barton and Peter Mandle with InterVistas.

For informative purposes only. No Board action required.

3. Consideration of Raleigh Brewing Tavern Conceptual Design Drawings:

Presented by Tara Glarum, Business Manager – Uptown Airport Group, LLC was approved to open a new food and beverage concession unit in Terminal 1 and the Raleigh Brewing Tavern is expected to open April 1, 2020 when Gates A1-A4 begin service. Staff requests approval of the conceptual drawings for the Raleigh Brewing Tavern.

Raleigh Brewing Tavern, located adjacent to Gate A4, will appeal to all passengers. The concept is a collaboration between Uptown Airport Group and Raleigh Brewing Company, which operates local brewery, Raleigh Brewing Company. Raleigh Brewing Tavern will

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feature a full menu, craft beers from Raleigh Brewing Company and coffee from Port City Java.

The Raleigh Brewing Tavern storefront prominently features the recognizable Raleigh Brewing Tavern logo, an eclectic mix of stainless steel, and reclaimed wood bar rail. The storefront includes a grab and go area at the left side, adjacent to the host station. A self-ordering kiosk is also located adjacent to the host station for customers to easily place menu or coffee to-go orders. The curved bar, with oversized stainless steel beer kegs, serves as a backdrop, and brings a true brewery experience to travelers of Terminal 1. A Port City Java coffee station is prominently featured for coffee lovers. The floorplan offers seating options from bar seats to community tables to a standing drink rail. The overall concept creates a warm and fun environment sure to appeal to all.

Staff requests approval of the Raleigh Brewing Tavern conceptual design drawings.

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES AUGUST 15, 2019

Teer presided. Present: Hannah, Kane, Kushner, Morgan, Saidi¹, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. Consideration of Capital Budget Ordinance Amendment #4:

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – Staff requests approval of Capital Budget Ordinance Amendment #4 to adjust funding for the following new and existing projects:

New Projects Funding:

- Capital Project 881380 “AOC 5th Floor Buildout.” \$2,000,000 is being requested for anticipated costs.
- Capital Project 211160 “Taxiway D Rehabilitation.” \$1,000,000 is being requested for anticipated costs.
- Capital Project 311090 “SAACS Video Software Replacement.” \$300,000 is being requested for anticipated costs.
- Capital Project 311120 “Data Center-Storage Growth.” \$255,000 is being requested for anticipated costs.
- Capital Project 311100 “Avtek Ramp Control Radio Upgrade.” \$200,000 is being requested for anticipated costs.
- Capital Project 881390 “Airfield Lighting and GIS Workstation Replacements.” \$25,000 is being requested for anticipated costs.

Existing Projects Adjustments:

- Capital Project 070549, “Terminal 2 Checkpoint Expansion,” was created with an overall budget of \$3,250,000. Based on anticipated costs, additional funds of \$6,000,000 are being requested. The new project total will be \$9,250,000.
- Capital Project 211110, “West RON Apron Rehabilitation,” was created with an overall budget of \$36,000,000. Based on anticipated costs, additional funds of \$2,000,000 are being requested. The new project total will be \$38,000,000.
- Capital Project 010829, “Roadway Informational Sign Rehabilitation,” was created with an overall budget of \$11,500,000. Based on submitted bids and anticipated costs, additional funds of \$1,700,000 are being requested. The new project total will be \$13,200,000.

¹ Secretary Saidi joined via telephone at 11:15 am

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- Capital Project 881300, “Desigo Communication Center Upgrade,” was created with an overall budget of \$150,000. Based on anticipated costs, additional funds of \$83,000 are being requested. The new project total will be \$233,000.
- Capital Project 881340, “Enlarging AOC Dumpster Area,” was created with an overall budget of \$90,000. A reduction of funds of \$90,000 is being requested. The new project total will be \$0.
- Capital Project 080859, “Pavement Surface Sensor Replacement,” was created with an overall budget of \$108,000. A reduction of funds of \$108,000 is being requested. The new project total will be \$0.
- Capital Project 881100, “International Drive Rehabilitation,” was created with an overall budget of \$13,500,000. Based on anticipated costs, a reduction of funds of \$3,500,000 is being requested. The new project total will be \$10,000,000.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year at this time, but is being evaluated and will be presented at a later time.

Staff requests approval of Capital Budget Ordinance Amendment #4 for an increase to the Capital Budget Ordinance of \$9,865,000.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #4

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:

\$ 1,304,037,868

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	\$ 1,283,389,047
Total Grant Funds	\$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amendment 4 Change 08/15/19	Amended
	Original ¹					
311050 T1 4-Gate Expansion	\$ 115,450,000					\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000					650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000					565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000					220,000
621000 Cameras for Parking and Additional Storage to Record	102,600					102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000					450,000
881270 Spill Prevention Control and Countermeasure Items	250,000					250,000
881280 Water and Sewer Improvements	500,000					500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494					6,087,494
881300 Design Communication Center Upgrade	150,000				83,000	233,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000					395,000
881320 Snow Removal Equipment Storage Facility	1,100,000					1,100,000
881360 AOC/EOC Planning and Design	1,250,000					1,250,000
211160 Taxiway D Rehabilitation					1,000,000	1,000,000
881380 AOC 5th Floor Buildout					2,000,000	2,000,000
311090 SAACS Video Software Replacement					300,000	300,000
311100 Avtek Ramp control radio upgrade					200,000	200,000
311120 Data Center - Storage Growth					255,000	255,000
Miscellaneous small projects					(65,000)	296,000
	361,000					
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 131,304,094
Amended Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Amended
	Original ¹					
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000					\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000					3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000				6,000,000	9,250,000
080869 FIS Facilities Expansion	69,000,000					69,000,000
311000 AQIS System Replacement - Common Use	1,800,000					1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000				21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000					500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000				1,700,000	13,200,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000					11,600,000
881100 International Drive Rehabilitation	13,500,000				(3,500,000)	10,000,000
011109 Heritage Displays at Observation Park	1,600,000			1,185,774		1,600,000
011359 Advanced Surveillance Program	2,610,000					3,795,774
881150 FAM Modular Buildings	1,200,000					1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ 681,345,774
Ongoing Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Amended
	Original ¹					
080739 Rehabilitate Taxiway A	\$ 25,000,000					25,000,000
080769 Rehabilitate Taxiway F	34,000,000					34,000,000
080859 Pavement Surface Sensor Replacement	108,000				(108,000)	-
080879 Runway SL-23R and Taxiway B Replacement	280,000,000					280,000,000
211100 Rehabilitate Runway 14/32	3,750,000					3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000					6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000					3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000					4,800,000
881240 Parking Business Intelligence Software	200,000					200,000
080779 Cemetery Road Rebuild	820,000					820,000
080819 John Brantley Boulevard Reconstruction	16,000,000					16,000,000
211110 West RON Apron Rehabilitation	36,000,000				2,000,000	38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000					2,500,000
080799 Expanded Park Economy 3	-		75,918,000			75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 491,388,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 1,304,037,868

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 15th day of August 2019

Notes:
1 Original- budget ordinance adopted March 21st, 2019

Raleigh - Durham Airport Authority Board Members

John M. Kane, Chairman
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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES AUGUST 15, 2019

Thompson presided. Present: Hannah, Kane, Kushner, Morgan, Saidi¹, and Teer. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. Consideration of Service Agreement with Elite Line Services:

Presented by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of a five-year Service Agreement, with two additional one-year option periods, with Elite Line Services (ELS) for maintenance and daily operations of the baggage handling systems (BHS) at Terminals 1 and 2, maintenance of 43 passenger boarding bridges (PBB), and maintenance of aircraft support equipment including preconditioned air systems, ground power units, baggage lifts/slides and potable water cabinets. The current contract for these services, which is held by JBT Corporation, will expire on September 30, 2019.

On April 30, staff issued a Request for Proposals for the above services, and a pre-proposal conference and site tour was conducted on May 9, which was attended by six firms. On May 31, proposals were received from four firms: ERMCA Aviation Services, Elite Line Services, JBT Corporation, and JSM & Associates. These proposals were evaluated by staff for quality and three respondents were invited to make a presentation. Staff's conclusions are as follows:

- The proposal furnished by JSM was the highest cost and ranked third in terms of quality. JSM was not short-listed and, therefore, did not make a presentation.
- The proposal furnished by ERMCA was the lowest cost and lowest in quality ranking. The proposed staffing model represented about 18% fewer labor hours than the other three proposers.
- The proposals provided by ELS and JBT Corporation were both very good in terms of quality, however ELS scored slightly higher.
- The cost differential between ELS and JBT for the 5-year term is \$1.9M with ELS being the lower of the two. A comparison of the pricing proposals is shown in the table below:

ERMCA	ELS	JBT	JSM
\$9,435,514.56	\$11,631,642.84	\$13,564,602.48	\$14,358,356.40

¹ Secretary Saidi joined via telephone at 11:15 am

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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Staff recommends Elite Line Services as the proposal that represents the best value for the Authority. In addition, Minority and Women-owned Small Business (MWSB) goals for the proposed contract were set at 7% Minority-owned Small Business and 4% Women-owned Small Business. Elite Line Services has committed to participation levels of 11% and 16% respectively.

Staff requests approval of a five-year Service Agreement, with two additional one-year option periods, with Elite Line Services in the amount of \$11,631,642.84 and authorization for the President and CEO to execute the agreement.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES SEPTEMBER 19, 2019

Chair Kane presided. Present: Kushner, Morgan, Saidi, Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

I. APPROVAL OF AGENDA

Chair Kane requested that a closed session be added at the end of the meeting. Motion by Thompson to approve the agenda as amended; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Saidi to approve the minutes of the August 15, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. New hires were introduced and welcomed, and promotions were announced and congratulated.
3. Chair Kane noted that RDU was named the 2019 Community Partner of the Year by The Arc of the Triangle in recognition of its dedication and commitment to partnering with people with disabilities.
4. Chair Kane commented on the recent "Wings for Autism" event hosted by RDU.
5. Chair Kane announced that Triangle Market opened in Terminal 1 in August across from Gate A-6 and BurgerFi opened earlier this month in Terminal 2 near Gate D-3. Other concessionaires have extended operating hours to as early as 4 a.m. to meet customer demand.
6. The Salute to Bluegrass Music Series will showcase local performers in the terminals from September 23-27 to greet travelers, including travelers attending the annual Raleigh Bluegrass festival
7. Chair Kane recognized special guest Bobby Walston, P.E., Director of the North Carolina Division for Aviation. Mr. Walston was congratulated for receiving the innovative Kenneth A. Rowe Ambassador of Aviation from the National Association of State Aviation officials, given in recognition of Mr. Walston's career contributions to and advocacy for aviation in North Carolina and the U.S. Mr. Walston briefly explained the division's cutting-edge drone program and shared video footage captured by drones showing the devastation and flooding to North Carolina last year from Hurricane Florence. Mr. Walston explained how drones are used to deliver medical supplies at WakeMed in Raleigh.

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8. Chair Kane congratulated Secretary Saidi whose civil engineering firm, founded in 2001, now with over 90 employees in the Triangle, was named by the Triangle Business Journal as one of the Best Places to Work.

IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on September 19, 2019 and discussed the following items:

- a. Consideration of Task Order 24 with O'Brien Atkins for Terminal 2 Security Checkpoint Expansion

Motion by Thompson for approval of Task Order 24 with O'Brien Atkins Associates, PA in the amount not-to-exceed \$292,861 and authorization for the President and CEO to execute the task order; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

2. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on September 19, 2019 and discussed the following item:

- a. Consideration of Airport Series 2010A, B & B-1 Revenue Bond Refunding Resolution

Motion by Teer for approval of the attached Resolutions making certain findings and determinations including, authorizing the filing of an application with the Local Government Commission, and requesting the Local Government Commission to sell bonds at a private sale in connection with the issuance of Revenue Refunding Bonds by the Authority to refund certain of the Authority's Airport Revenue Bonds, and authorizing and directing the President and Chief Executive Officer, Senior Vice President and Chief Finance Officer, and Vice President and Controller, and the General Counsel to take such actions as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions authorized by the Resolutions; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- b. Potential Future Budget Ordinance Amendments Presentation

For informative purposes only. No Board action required.

- c. Financial Performance for First Quarter of Fiscal Year Ending March 31, 2020

For informative purposes only. No Board action required.

3. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on September 19, 2019 and discussed the following items:

- a. Update on Cisco Umbrella Cloud Security Platform

For informative purposes only. No Board action required.

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b. Consideration of Service Agreement with Paratus Service Group

Motion by Thompson for approval of the Service Agreement with Paratus Service Group as a sole source provider in the amount of \$220,000, and authorization for the President and CEO to execute the agreement; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Change Order No. 2 with Intellimodus Regarding Variable Frequency Drives

Motion by Thompson for approval of Change Order No. 2 with Intellimodus in the amount of \$289,178.84, and authorization for the President and CEO to execute the change order; Second by Teer

ADOPTED BY UNANIMOUS VOTE

d. Consideration of Service Agreement with Lumin Advisors for Parking Guidance System Design Services

Motion by Thompson for approval of the Service Agreement with Lumin Advisors, LLC in the amount of \$199,941 and authorization for the President and CEO to execute the agreement; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

e. Sustainability Management Plan Development Presentation

For informative purposes only. No Board action required.

V. NEW BUSINESS

1. Consent Agenda:

a. Consideration of Service Agreement with BIAS Corporation

b. Consideration of Agreement with ePlus Technology, Inc. for Data Center Storage

Motion by Thompson to approve and adopt the Consent Agenda items a and b; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members expressed appreciation for staffs' continued efforts on behalf of the airport and for senior management's leadership. New hires were welcomed. Board members expressed interest regarding the Authority's continuing sustainability management efforts and thanked Gina Danison for the presentation. Board member Teer inquired about the timeline for replacement signs project

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and members gave positive comments on the new signs' appearance. Support of the local bluegrass musicians playing in the terminals was encouraged as was the continued support of the USO.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

RDU continues to see tremendous growth in passenger volume. In August, RDU enplaned more than 648,000 passengers, an 11.2 percent increase over August 2018. That's a record for the month of August. August was the last month of the busy summer travel season. Enplanements historically decline after Labor Day, but our projections indicate the growth trend will continue into the fall with monthly enplanements exceeding previous years

Moody's Rating

I'm proud to announce that Moody's has affirmed the Airport Authority's Aa3 senior secured rating, noting that the outlook remains stable. Moody's said the rating reflects RDU's continuing strong operational performance over the last two years as enplanement levels increased by 10% in FY 2019 and 6% in FY 2018. They went on to say that RDU's improved performance is underpinned by our strong and growing service area, which has attracted low cost airlines and incentivized existing carriers to add and diversify their air services into the airport. As you know, RDU has nearly \$2 billion in unfunded infrastructure needs as part of its Vision 2040 master plan. The Aa3 rating also considers RDU's increasing future capital needs to accommodate higher-than-envisioned passenger growth. RDU's finance team did an outstanding job of pulling a lot of information together for Moody's and I want to thank them for a job well done.

Parking Deck

Work to repair the paint on levels two through six of our parking garage started just after Labor Day and we are already seeing the impact. The deck is periodically reaching capacity and temporarily closing due to the reduced number of spaces available since the work began. Customers who don't book their parking in advance risk being redirected to a different lot because the deck is full. The ParkRDU Express lot, located on International Drive, is a good option for customers who don't book early and find that the garage is full. This is a good time to remind customers to book parking online at ParkRDU.com at least 24 hours in advance, where you can pre-pay at a lower rate and be guaranteed entry into your lot of choice. The number of available spaces in the parking garage will be reduced by an average of 1,150 a week between now and mid-May when the project wraps up. All parking spaces will be open during the holiday travel season from Saturday, November 23 through Friday, January 3, 2020.

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I also want to remind everyone to allow extra time to navigate the campus, find parking and get through security lines in time to catch your flight. You should arrive two hours in advance for a domestic flight and three hours in advance for international flights.

Business Partners Workshop

The Airport Authority hosted a business opportunity workshop on September 10th that brought together more than 300 companies from across the country who are interested in doing business with RDU. The workshop served as the pre-proposal meeting for on-call consultant opportunities. The theme of the day was our commitment to educating and informing the consultant and contracting community about upcoming capital improvement projects at RDU. The workshop highlighted RDU's Small Business Programs and detailed the unique ways small and large that businesses can collaborate on capital projects and partner with the airport. RDU values inclusivity and recognizes the diverse community it serves.

Hurricane Preparation

Finally, I want to thank the entire RDU team for a great job preparing the airport for Hurricane Dorian. While we were fortunate to avoid the worst of the storm here in the Triangle, it proved to be a great exercise for our ability to respond quickly and efficiently to irregular operations scenarios. We were also pleased to partner with the Red Cross who welcomed volunteers traveling through RDU and to help the Coast Guard and National Guard with refueling and staging assets ahead of the storm. As you know, hurricane season runs through the end of November, so it's important for all of us to stay vigilant.

IX. CLOSED SESSION

Motion by Thompson to enter into a closed session to consult with an attorney 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 Umstead Coalition et.al. v. Raleigh-Durham Airport Authority et.al.; Second by Saidi.

ADOPTED BY UNANIMOUS VOTE

X. ADJOURNMENT

Motion by Saidi to adjourn; Second by Morgan

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 19, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present: Chair John Kane, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner

Absent: Vice Chair Patrick Hannah, Member Napoleon Wallace

Also Present: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * *

Donna Sylver, Senior Vice President and CFO, introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY'S AIRPORT REVENUE BONDS

BE IT RESOLVED by the Raleigh-Durham Airport Authority (the "Authority"):

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the "Master Trust Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the "Airport") as further provided therein.

(b) Pursuant to the Master Trust Indenture as supplemented, the Authority has previously issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), its

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Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (all of said Bonds being referred to herein collectively as the "Series 2010 Bonds") to refund certain Bonds previously issued to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the remaining 2010 Bonds.

(c) The Authority has determined to proceed at this time with arrangements for the issuance of Revenue Refunding Bonds under the Master Trust Indenture (the "Refunding Bonds") for the purpose of providing funds, together with other available funds, to (i) refund all or a portion of the remaining 2010 Bonds, (the refunded bonds referred to, collectively, herein as the "Bonds to be Refunded"), (ii) fund a portion of the Parity Reserve Fund created under the Master Trust Indenture allocable to the Refunding Bonds, and (iii) pay Costs of Issuance associated with the issuance of the Refunding Bonds.

(d) The amount of the proposed Refunding Bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (c) above.

(e) The annual audits of the Authority show the Authority to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the Authority are in compliance with law.

(f) The proposed Refunding Bonds can be marketed at a reasonable interest cost to the Authority.

Section 2. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of the Refunding Bonds for the purpose described above. The Local Government Commission is hereby requested to approve such issuance. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to take such further action as shall be necessary to proceed with the issuance of the Refunding Bonds as contemplated hereby, including arranging for the issuance of credit ratings on the Refunding Bonds from the rating agencies that now have ratings in effect for Bonds issued under the Master Trust Indenture. The Local Government Commission is requested to sell the proposed Refunding Bonds to the underwriters described in Section 3 and Section 4 hereof at a private sale without advertisement.

Section 3. The Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are hereby directed to make arrangements with the Financial Advisor referred to in Section 4 for the election of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

Section 4. The following financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds.

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriters and Counsel to Underwriters:	To Be Determined
Financial Advisor:	Frasca & Associates, LLC
Trustee/Registrar:	The Bank of New York Mellon Trust Company, N.A.

Section 5. This Resolution shall take effect immediately upon its passage.

Upon motion of Member Robb Teer, seconded by Member David Morgan, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY'S AIRPORT REVENUE BONDS" was passed by the following vote:

Ayes: (6) Chair John Kane, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner

Noes: (0)

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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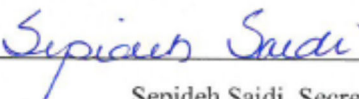
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* * * * *

I, Sepideh Saidi, 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 19, 2019 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this 19th day of September, 2019.

[SEAL]


Sepideh Saidi, Secretary

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT SEPTEMBER 19, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Service Agreement with BIAS Corporation

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Oracle E-Business Suite (EBS) was purchased by the Raleigh-Durham Airport Authority in 2003 as its main financial and procurement application. Over time a gradual shift occurred where certain modules in Oracle (such as accounts receivable, enterprise asset management, inventory, and HR) were discontinued in favor of a “best of breed” approach. This resulted in financial data being maintained in multiple systems with data movement between applications being a manual process. Implementing an integration solution is one of the highest priorities of the Oracle Improvement Program. When in place the Integration Gateway application will automate data transfers, eliminating the time staff spends manually loading data and correcting errors.

Staff requests the approval of a one-year Service Agreement with BIAS Corporation for the purchase and implementation of an Integration Gateway application as well as the development of two system integrations. Under the proposed agreement, BIAS will provide the following services:

- Design environment based on requirements for selected integration application; Oracle Integration
- Cloud
- Enable Oracle Integration Cloud Service (Implementation)
- Build Integration between Concur and Oracle
- Build Integration between Oracle and UltiPro.

The proposed agreement with BIAS was procured via a competitive RFP process where four vendors responded. BIAS’s proposal was the lowest cost technically acceptable solution of the four. The Minority-owned Small Business (MB) goal for this RFP was 7%. The Women-owned Small Business goal was 4%. BIAS has proposed 7% MB participation, which has been reviewed and approved by the Authority’s Small Business Programs Office.

Staff requests approval of the Service Agreement with BIAS Corporation at a total cost of \$108,173.16 and authorization for the President and CEO to execute the agreement.

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b) Consideration of Agreement with ePlus Technology, Inc. for Data Center Storage

Memorandum by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Staff continually monitors data center storage statistics and trends to predict future usage. In the past 12 months, the Authority's storage utilization has increased 17% from 56% to 73%. During the past 2 months alone, even after consolidation and cleanup efforts, the Authority experienced a 5% increase. This current trend has the Authority reaching 90% utilization by February 2020, a threshold which indicates prompt action should be taken.

Based on this analysis, to keep up with growth and accommodate new initiatives, staff requests approval of an agreement with ePlus Technology, Inc. for Pure Storage. This proposed purchase would expand the Authority's data center storage in both the Airport Operations Center and Terminal 2, increasing the storage capacity in each data center by 50%, decreasing utilization from 73% to 46%. Utilizing the North Carolina state contract 204X for this proposed purchase, staff selected ePlus as the reseller of choice as previous terms and conditions had already been negotiated. The funding for this expansion was approved at the August 2019 Board Meeting.

Staff requests approval of the Pure Storage purchase with ePlus Technology, Inc. at a cost of \$163,307.26 and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES SEPTEMBER 19, 2019

Teer presided. Present: Kane, Kushner, Morgan, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following item:

1. Consideration of Task Order 24 with O'Brien Atkins for Terminal 2 Security Checkpoint

Expansion:

Presented by Jaymes Carter, Director Buildings & Building Systems – Staff requests the award of Task Order 24 under the Master Agreement with O'Brien Atkins Associates, PA for work related to Terminal 2 Security Checkpoint Expansion, Phase 2. This project will expand the existing twelve-lane security checkpoint by adding two additional lanes, with related queuing space. The expansion will require demolition of the existing Panopolis Restaurant, located pre-security in the lobby, as well as relocation of some TSA and Authority staff offices.

The task order will provide for Design Services and Construction Administration Services by O'Brien Atkins. Compensation for services rendered under this task order will be on an hourly basis not-to-exceed \$274,130 and allowable reimbursable expenses specified in the task order will be compensated at direct cost not-to-exceed \$18,731, for total compensation under Task Order 24 not-to-exceed \$292,861.

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). Participation for Task Order 24 are 23.58% for MB and 5.09% for WB. The Authority's Small Business Programs Office concurs with this commitment.

Staff requests approval of Task Order 24 with O'Brien Atkins Associates, PA in the amount not-to-exceed \$292,861 and authorization for the President and CEO to execute the task order.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES SEPTEMBER 19, 2019

Teer presided. Present: Kane, Kushner, Morgan, Saidi¹, and Thompson. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. Consideration of Airport Series 2010A, B & B-1 Revenue Bond Refunding Resolution

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority previously issued Revenue Bonds, Series 2010A (Non-AMT), 2010B (Non-AMT) and 2010B-1 (Non-AMT) (collectively referred to as the “2010 Bonds”) to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the bonds.

The next steps would be to get Board approval to proceed with the Local Government Commission (LGC) application to start the refunding process, as well as approve part of the financing team.

LGC Application:

- 1) This approval will allow the staff to contact the LGC about the 2010 Bond refunding process, and start the LGC Application. The final LGC Application will include the Board-approved underwriters, and which will be presented to the Board on or before the December 2019 meeting.

Financing Team:

- 2) Propose the Authority maintain some of the financing team from previous bond refunding:
 - a) Bond Counsel: Tom Lee and team of Womble Bond Dickinson (US) LLP, and
 - b) Trustee/Registrar: The Bank of New York Mellon Trust Company, N.A.
- 3) Propose the Authority utilize Board-approved Financial Advisor: Frasca & Associates, LLC
- 4) Senior Manager or Co-Manager(s), and additional Underwriters to be determined

¹ Secretary Saidi joined at 11:10 am

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- a) Authority staff and Financial Advisor to develop and issue RFP, make selection, and bring Underwriting Team's recommendation to the Board for consideration for approval on or before the December 2019 Board meeting.

As noted in the attached draft Board Resolutions:

- **Summary:** Resolution making certain findings and determinations, authorizing the filing of an application with the LGC, and requesting the LGC to sell bonds at a private sale in connection with the issuance of revenue refunding bonds by the Authority to refund certain of the Authority's airport revenue bonds.
- **Section 1:** Board approval to proceed with arrangements for the issuance of refunding all or a portion of the remaining 2010 Bonds, fund the related Parity Reserve Fund, and pay Costs of Issuance.
- **Section 2:** Board to authorize the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, each, to file the application with the LGC for the bond refunding approval, and to take further action necessary to proceed with refunding after LGC approval. Additionally, the LGC will be requested to sell the Refunding Bonds to the specified Underwriters.
- **Section 3:** Board to authorize the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, in coordination with the Financial Advisor, to review financial institutions to serve as Underwriters, and make a recommendation to the Board.
- **Section 4:** Board approval for selection of a partial financing team, and to authorize the President and Chief Executive Officer to approve agreements associated with all professional services;
 - Bond Counsel - Womble Bond Dickinson (US), LLP
 - Financial Advisor – Frasca & Associates, LLC
 - Trustee/Registrar - The Bank of New York Mellon Trust Company, N.A.

Staff requests approval of the attached Resolutions making certain findings and determinations including, authorizing the filing of an application with the Local Government Commission, and requesting the Local Government Commission to sell bonds at a private sale in connection with the issuance of Revenue Refunding Bonds by the Authority to refund certain of the Authority's Airport Revenue Bonds, and authorizing and directing the President and Chief Executive Officer, Senior Vice President and Chief Finance Officer, and Vice President and Controller, and the General Counsel to take such actions as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions authorized by the Resolutions.

2. Potential Future Budget Ordinance Amendments Presentation

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – As staff mentioned during the August Board meeting, there are concerns about overall budget shortfalls

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for both Capital Projects Spend and Airport Operating Expenses for the 2019-2020 fiscal year. Historically, if a capital project was already approved, and the current fiscal year spend of that project was decreased or delayed, it would free up funds for spend on other approved capital projects during the current fiscal year, without needing a budget amendment. However, with the trend of expedited projects, the Authority may encounter an excess capital spend, and staff wanted to give advance notice to the Board of a potential budget amendment in the future. Currently, staff has identified potential budget deficiencies with a cash flow impact of:

- 1) \$34.0M increase to the 2019-2020 Budget Ordinance for Capital Projects Spend, and
- 2) \$5.6M increase to the 2019-2020 Budget Ordinance for Airport Operating Expenses.

During the month of October, staff intends to conduct a “deep-dive” analysis of budgetary needs for the remainder of this fiscal year for better insight concerning the potential shortfall. The final results from that analysis will be presented in a subsequent board meeting, requesting authorization of any budget ordinance amendments.

The following is a listing of some of the major budget shortfall amounts and related explanations:

\$34.0M CAPITAL PROJECTS POTENTIAL SHORTFALL				
<i>Budget (in millions)</i>			<i>Project # - Title</i>	<i>Explanation</i>
<i>Shortfall</i>	<i>From</i>	<i>To</i>		
<i>\$</i>	<i>\$</i>	<i>\$</i>		
\$15.4	\$3.7	\$19.1	311020 - T1 Airline Opers Space Buildout	Project acceleration
\$7.9	\$11.6	\$19.5	211110 - Rehabilitate West RON Apron	Project acceleration
\$2.8	\$1.8	\$4.6	070549 - T2 Checkpoint Expansion	Project scope change
\$2.6	\$11.4	\$14.0	080879 - Runway 5L-23R & Taxiway B	Project acceleration
\$2.2	\$0.4	\$2.6	080789 - CONRAC & New Rental Car Storage Lot	Unplanned carryover: 18/19 contractor delay
\$1.6	\$1.0	\$2.6	011359 - Advanced Surveillance Program	Project acceleration
\$1.5	\$0	\$1.5	211130 - Perimeter Security	Project acceleration

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\$5.6M AIRPORT OPERATING EXPENSES POTENTIAL SHORTFALL

<i>\$ Shortfall</i>	<i>Title</i>	<i>Explanation</i>
\$2.0M	ParkRDU Express	RDU's new trunk-to-terminal parking option launched in May of this year. This item was not budgeted as the budget was completed prior to the decision to launch this new product.
\$1.7M	Parking Garage Repairs	\$964,000 was budgeted based on the amounts withheld from the previous paint contractor. The decision to remove all paint from the ceilings of PG 3 and 4 (except Level 1) was made after the budget was completed. Bids were received, and the removal was awarded by the Board in August at a cost of approximately \$3,200,000. Cash flow anticipated to be expended this fiscal year amounts to \$2,600,000.
\$1.0M	Runway 5R/23L Repairs	The extent of airfield repairs for this runway were unforeseeable during budget development, as the design had not been completed. The estimated cost for 5R/23L repairs became known during negotiations with the contractor in May and June. The budget currently has \$2,100,000 and an additional \$1,000,000 is anticipated.
\$0.6M	CONRAC Consultants	Business Consultants are needed for the Consolidated Rental Car Facility (CONRAC) project in order to support Airport negotiations with the car rental agencies (\$500,000) and also for potential CONRAC facility P3 analysis (\$94,000). This item was not budgeted as the timeline was estimated to be further out.
\$0.3M	North Cargo Ramp/ Apron Repairs	The annual airfield pavement condition analysis was completed after the start of the fiscal year. During this analysis, it was discovered that significant portions of pavement on the North Cargo apron were deteriorating more rapidly than anticipated during the last inspection. With affected pavement failing faster than anticipated, these repairs were unforeseen for the fiscal year and therefore not budgeted.

For informative purposes only. No Board action required.

3. Financial Performance for First Quarter of Fiscal Year Ending March 31, 2020

Presented by Ron Kapocius, Vice President and Controller, Finance

For informative purposes only. No Board action required.

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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 19, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY'S AIRPORT REVENUE BONDS

BE IT RESOLVED by the Raleigh-Durham Airport Authority (the "Authority"):

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the "Master Trust Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the "Airport") as further provided therein.

(b) Pursuant to the Master Trust Indenture as supplemented, the Authority has previously issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (all of said Bonds being referred to herein collectively as the "Series 2010 Bonds") to refund certain Bonds previously issued to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the remaining 2010 Bonds.

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(c) The Authority has determined to proceed at this time with arrangements for the issuance of Revenue Refunding Bonds under the Master Trust Indenture (the “Refunding Bonds”) for the purpose of providing funds, together with other available funds, to (i) refund all or a portion of the remaining 2010 Bonds, (the refunded bonds referred to, collectively, herein as the “Bonds to be Refunded”), (ii) fund a portion of the Parity Reserve Fund created under the Master Trust Indenture allocable to the Refunding Bonds, and (iii) pay Costs of Issuance associated with the issuance of the Refunding Bonds.

(d) The amount of the proposed Refunding Bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (c) above.

(e) The annual audits of the Authority show the Authority to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the Authority are in compliance with law.

(f) The proposed Refunding Bonds can be marketed at a reasonable interest cost to the Authority.

Section 2. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of the Refunding Bonds for the purpose described above. The Local Government Commission is hereby requested to approve such issuance. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are each hereby authorized and directed to take such further action as shall be necessary to proceed with the issuance of the Refunding Bonds as contemplated hereby, including arranging for the issuance of credit ratings on the Refunding Bonds from the rating agencies that now have ratings in effect for Bonds issued under the Master Trust Indenture. The Local Government Commission is requested to sell the proposed Refunding Bonds to the underwriters described in Section 3 and Section 4 hereof at a private sale without advertisement.

Section 3. The Senior Vice President and Chief Finance Officer, and the Vice President and Controller, are hereby directed to make arrangements with the Financial Advisor referred to in Section 4 for the election of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

Section 4. The following financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds.

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriters and Counsel to Underwriters:	To Be Determined
Financial Advisor:	Frasca & Associates, LLC
Trustee/Registrar:	The Bank of New York Mellon Trust Company, N.A.

Section 5. This Resolution shall take effect immediately upon its passage.

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Upon motion of Member _____, seconded by Member _____, the foregoing resolution entitled “RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE AUTHORITY TO REFUND CERTAIN OF THE AUTHORITY’S AIRPORT REVENUE BONDS” was passed by the following vote:

Ayes: _____

Noes: _____

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* * * * *

I, Sepideh Saidi, 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 19, 2019 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this 19th day of September, 2019.

[SEAL]

Secretary

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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**RALEIGH- DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE WORK SESSION MINUTES
SEPTEMBER 19, 2019**

Thompson presided. Present: Kane, Kushner, Morgan, Saidi, and Teer. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, Director of Procurement and Staff Attorney Rosette, Executive Assistant Rivera, and other staff members and other guests.

The Committee discussed the following items:

1. Update on Cisco Umbrella Cloud Security Platform:

Presented by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer

For informative purposes only. No Board action required.

2. Consideration of Service Agreement with Paratus Service Group:

Presented by John Connell P.E., Vice President of Operational Asset Management – Staff requests sole source approval for Paratus Service Group to perform the Lutron Lighting System Upgrade in Terminal 2. This proposed project will replace the existing Lutron 7000 Lighting Control System with an upgraded Lutron Quantum Lighting Control System. The computer software controlling the existing system has been rendered “obsolete” by the newer Windows operating systems being run by the Airport. This proposed upgrade will still allow the use of existing infrastructure and much of the lighting system hardware versus replacement of the entire lighting control system. As a result of this work, the energy efficiency will be improved and staff will be able to better monitor and report system efficiency and maintenance issues.

This sole source procurement will allow the Authority to purchase only the needed equipment and necessary licensing software from Lutron rather than replacing the entire lighting control system and software with another vendor. The sole source procurement bid from Paratus Service Group for the equipment and services in the project scope is for a fixed price of \$220,000. The costs were evaluated based on energy savings to be gained from the fully functioning lighting control system and payback is anticipated to be approximately 2 years.

The Authority’s Small Business Programs Office has reviewed this procurement; there is no Minority and Women-owned Small Business (MWSB) availability for suppliers of this product.

Staff requests approval of the Service Agreement with Paratus Service Group as a sole source provider in the amount of \$220,000, and authorization for the President and CEO to execute the agreement.

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3. Consideration of Change Order No. 2 with Intellimodus Regarding Variable Frequency Drives:

Presented by John Connell P.E., Vice President of Operational Asset Management – Staff requests the award of Change Order No. 02, under the current Agreement with Intellimodus (formerly Control Touch Systems, LLC), for the purchase and installation of 285 additional PowerFlex 525 Variable Frequency Drives (VFDs) in the amount of \$289,178.84, for the Terminal 2 Baggage Handling Lower Levels Control project.

The current project only called for the replacement of 18 VFDs; however, there were numerous failures of the existing VFDs occurring upon re-energizing the motor control center. It became evident that the existing VFDs were nearing “end of life,” as the system has been experiencing these failures on a more regular basis.

Under the proposed change order, the Authority will compensate Intellimodus in the amount of \$289,178.84, which includes all material, labor, expenses, shipping, taxes and any other costs to provide the Authority with a turn-key replacement of this equipment.

The overall Minority and Women-owned Small Business (MWSB) goals for the existing agreement are 7% for Minority-owned Small Businesses (MB) and 4% for Women-owned Small Businesses (WB). Total MB and WB commitment for the original contracted work plus Change Order No. 2 is 26.46% MB and 4.1% WB.

Staff requests approval of Change Order No. 2 with Intellimodus in the amount of \$289,178.84, and authorization for the President and CEO to execute the change order.

4. Consideration of Service Agreement with Lumin Advisors for Parking Guidance System Design Services:

Presented by Jeffrey Slayton, Director of Parking – Staff requests approval of a Service Agreement with Lumin Advisors, LLC to provide design and technical oversight services for the Authority’s Parking Guidance System (PGS) project. Specifically, Lumin Advisors will be developing an Opinion of Probable Costs (OCP); assisting in the development of a Request for Proposal (RFP); serving as the technical advisor during the RFP review and selection processes; performing design and submittal reviews; overseeing a proof-of-concept test; and providing installation oversight, device acceptance tests, and system acceptance tests.

Lumin Advisors and its strategic partner, 20/20 Parking Consultants, are technical experts and known leaders in the parking industry. The Authority has engaged Lumin Advisors in past projects for analysis, technical design and procurement support and in March 2017 an additional engagement was approved for Lumin Advisors to provide technical oversight services during the PRCS replacement implementation.

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The Women-owned Small Business participation on this project is 60% and the Minority-owned Small Business participation is 40%. This has been reviewed and approved by the Authority's Small Business Programs Office.

The proposed contract is for a term of 18 months, and the Authority has the sole option to extend the contract. The total amount of the contract is \$199,941, with a not-to-exceed amount of \$165,446 in labor expenses and \$34,495 in reimbursable expenses. Compensation for labor will be provided at hourly rates and eligible expenses will be reimbursed at-cost, not-to-exceed the amounts listed above.

Staff requests approval of the Service Agreement with Lumin Advisors, LLC in the amount of \$199,941 and authorization for the President and CEO to execute the agreement.

5. Sustainability Management Plan Development Presentation:

Presented by Gina Danison, Environmental Program Administrator

For informative purposes only. No Board action required.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD SPECIAL MEETING MINUTES OCTOBER 8, 2019

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

Michael Landguth discussed record-setting passenger volume and future growth options to facilitate the traveler's experience while keeping pace with the region's demand for more air service and amenities. He presented an overview of the planning process including potential terminal capacity additions if needed and traffic congestion issues in and around the airport.

Bill Sandifer, with comments from Charles Morley of Gensler, updated the Board on the Terminal 1 Gate Program. He recapped Vision 2040 projections and project schedules. He noted the continuing challenges of terminal capacity, particularly during peak arrival and departure periods. He explained how the upgauging of aircraft affects gate usage. Passenger volume at RDU is exceeding projections by 10 years and Mr. Sandifer outlined potential considerations for gate expansion in Terminal 1, since gate construction in Terminal 2 cannot begin until the new runway is operational.

Mr. Sandifer updated the Board on the ongoing replacement project of primary runway 5L-23R, which is being rebuilt due to pavement deterioration. The preferred runway alternative, depicted on the Airport Layout Plan, is currently under environmental review by the Federal Aviation Administration. Mr. Sandifer presented information the Board may need to consider in the future about the proposed new runway, including the impact of construction on utilities and navigational aids, the use of borrow material, runway length, design, and capacity factors, particularly to allow for high-speed turnoffs to reduce runway occupancy times. He covered runway and associated taxiways geometric design.

Mr. Sandifer noted that traffic has increased at the intersection of Aviation Parkway and National Guard Road, where travelers and ParkRDU buses access the Economy 3 parking lot. He explained the conceptual intersection improvements in the Vision 2040 Master Plan to relieve congestion, which could open up development possibilities in Aviation Station. There was discussion of the need to move forward with the implementation of those proposed improvements in order to provide better traffic flow to and from Economy 3.

The information presented was for informational purposes only and the meeting adjourned at 3:30 p.m.

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**RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
OCTOBER 17, 2019**

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

I. APPROVAL OF AGENDA

Motion by Teer to approve the agenda; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the September 19, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein and of the special meeting of the Board held on October 8, 2019; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Employee and volunteer service milestones were recognized and congratulated. New hires were introduced and welcomed, and promotions were announced and congratulated.
3. Chair Kane noted RDU's incredible accomplishment in being named by J.D. Power as fifth in North America for passenger satisfaction among large airports.
4. Chair Kane commented on the Board's strategic meeting held for informational purposes only on October 8, 2019. He briefly described the three airport projects which may need to be changed or accelerated to keep pace with airport growth and may require future Board action.

IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on October 17, 2019 and discussed the following items:

- a. Consideration of Change Order Number 2 with Balfour Beatty Construction for West RON Apron Rehabilitation

Motion by Teer for approval of Change Order Number 2 to Balfour Beatty Construction in the amount of \$3,159,926, and authorization for the President and CEO to execute the change order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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b. Consideration of Task Order No. 2 with Delta Airport Consultants for Design Services

Motion by Teer for approval of Task Order No. 2 with Delta Airport Consultants, Inc. in the amount of \$388,000, and authorization for the President and CEO to execute the task order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Task Order 23 with O'Brien Atkins for Federal Inspections Station Facility Expansion Design Services

Motion by Teer for approval of Task Order 23 to O'Brien Atkins Associates, PA. in the amount of \$1,631,159, and authorization for the President and CEO to execute the task order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

d. Presentation Regarding Taxiway F Rehabilitation Drainage Repair

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

2. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on October 17, 2019 and discussed the following items:

a. Consideration of Master Services Agreement with Unison Consulting, Inc.

Motion by Thompson for approval of a Master Services Agreement with Unison Consulting, Inc. for a term of up to five years in an amount not-to-exceed \$225,725 and authorization for the President and CEO to execute the agreement and related task orders; Second by Teer

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Terminal Concession Lease with Areas USA RDU, LLC

Motion by Thompson for approval of the Terminal Concession Lease with Areas USA RDU, LLC, including approval of the consent for the associated sublease(s) proposed with Uptown Airport Group, and authorization for the President and CEO to execute the lease and associated documents; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Change Order 4 with SITA for Common Use Technology and Associated Services (moved from Consent Agenda and heard in Operations Committee work session)

Motion by Thompson for approval of Change Order 4 with SITA, at a cost of \$390,133 for a new contract value of \$6,779,173.29 and authorization for the President and CEO to execute the change order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

Raleigh - Durham Airport Authority Board Members

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V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Change Order 4 with SITA for Common Use Technology and Associated Services – *moved from Consent Agenda and heard in Operations Committee work session*
- b. Consideration of Lease Agreement with RDU Taxi, Inc.
- c. Consideration of Multiyear Service Agreement with ASCO Power Services, Inc.
- d. Consideration of Removal of Appointment of Deputy Finance Officer

Motion by Thompson to approve and adopt the Consent Agenda items b, c and d; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members expressed appreciation for staffs' and volunteers' continued efforts on behalf of the airport. New hires were welcomed, and promotions and service award recipients were congratulated. Attending representatives of new concessionaires were welcomed. Board members expressed appreciation for achievement of the high JD Power ranking. Continued support of the USO was encouraged.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

RDU continues to see tremendous growth in passenger volume. In September, RDU enplaned 570,542 passengers, a nearly 24 percent increase over September 2018. Hurricane Florence hit North Carolina on September 14, 2018 causing flight disruptions along the east coast. We are heading into the busy holiday travel season, so remember to arrive at the airport at least two hours early for a domestic flight and three hours for international travel so you have enough time to park, get through security, and arrive at your gate on time.

Nonstop Destinations

Customers are finding more options when they book their holiday travel this year. The influx of ultra-low cost carriers at RDU is creating competition that gives customers more options for travel times and ticket prices. Frontier is our fastest-growing carrier and Spirit entered the market this year. RDU now has 61 nonstop destinations with Frontier's discontinuation of its San Diego and Punta Cana flights. Allegiant is also restarting its seasonal service to St. Pete-Clearwater in February. Our growth ranked #6 among 50 busiest U.S. airports from March 2018 – March 2019. The ultra-low cost carriers

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have different business models than traditional carriers and tend to adjust their schedules regularly in response to performance and market changes. As a result, they have added new dots to our service map and scaled back from markets that didn't perform as well as expected. We are tailoring our recruiting efforts to pair the right airline partner with the right destinations, along with the appropriate schedule and frequency to ensure the success of new flights.

Real ID

Beginning October 1st of next year, passengers at RDU and all U.S. airports will need a REAL ID-compliant driver's license or other federally-approved form of ID to board a flight. Passengers who do not have a N.C. REAL ID or other accepted form of identification such as a valid passport or U.S. military ID will not be allowed to pass through the security checkpoint. A year may sound like a long time, but the 2020 deadline will be here before we know it. It is important for travelers to get the new ID well in advance to avoid any last-minute rush or risk being turned away at the airport. The N.C. REAL ID is identified by a star in the upper right-hand corner. It will be required for boarding commercial airlines and entering federal buildings, but not for driving or other traditional license activities.

Campus Improvements

If you've parked in our garage recently you've probably noticed a lot of hard hats and construction signs. We just kicked off a year-plus campaign to improve elevators, escalators and passenger walkways. Construction crews started taking individual elevator cars and shafts offline for necessary mechanical and electrical work last week. During each phase of work, travelers will find signage informing them about the construction that is underway. Working elevators will be just steps away to ensure all our customers have the access they need. Our parking deck is periodically reaching capacity and temporarily closing as we recapture spaces for repairs. Customers are being redirected to other lots when the deck gets full. This a good time to remind customers to book parking online at ParkRDU.com at least 24 hours in advance, where you can pre-pay at a lower rate and get guaranteed entry into your lot of choice.

IX. ADJOURNMENT

Motion by Hannah to adjourn; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT OCTOBER 17, 2019

The Board approved the following items on the Consent Agenda:

- a) Consideration of Change Order 4 with SITA for Common Use Technology and Associated Services
(Moved from Consent Agenda and heard in Operations Committee work session)

- b) Consideration of Lease Agreement with RDU Taxi, Inc.

Memorandum by Karen Reynolds, Director, Property Development – RDU Taxi, Inc. is the Authority's current taxicab stand manager and, since 2008, has rented office space from the Raleigh-Durham Airport Authority. It has leased its current location in Terminal 1 since 2014. Now, RDU Taxi requires larger space for its operation, and wishes to vacate its Terminal 1 space and rent office space in South Cargo Building #3 ("SCB3").

Staff requests approval of a Lease Agreement with RDU Taxi, Inc. for approximately 637.45 square feet of office/administrative space in SCB3. The new Lease Agreement's term will run concurrently with existing the Taxicab Stand Manager Concession Agreement between RDU Taxi, Inc. and the Authority, which Concession Agreement, unless sooner terminated, will expire on December 31, 2021.

RDU Taxi will pay the current SCB3 rental rate of \$10.30/s.f./year, as well as a maintenance and operations (M&O) fee of \$6.15/s.f./year (FY19/20 rate). The fixed rental rate will increase 3% each year on the anniversary of the date of beneficial occupancy and the M&O rate is recalculated annually by the Authority as of April 1.

Staff requests approval of the Lease Agreement with RDU Taxi, Inc., and authorization for the President and CEO to execute the agreement.

- c) Consideration of Multiyear Service Agreement with ASCO Power Services, Inc.

Memorandum by Tommy Herndon, Director of Facilities Maintenance – Staff requests approval of a five year Service Agreement with ASCO Power Services, Inc. The proposed agreement provides annual preventative maintenance and emergency repairs services for twenty-five automatic transfer switches and one generator paralleling switchgear at various airport campus facilities. The cost of the proposed Service Agreement is \$46,846.53.

Staff requests approval of the five year Service Agreement with ASCO Power Services, Inc. in the amount of \$46,846.53 and authorization for the President and CEO to execute the agreement.

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d) Consideration of Removal of Appointment of Deputy Finance Officer

Memorandum by Donna Sylver, Senior Vice President and Chief Financial Officer – North Carolina General Statue Chapter 159 dictates the roles and responsibilities of Board-appointed Finance Officers, Deputy Finance Officers, and Budget Officers. Currently, the Board has approved Donna Sylver (CFO, SVP) as both the Finance Officer and the Budget Officer. Additionally, the Board approved Ron Kapocius and David Seran as Deputy Finance Officers. David Seran is no longer employed by the Authority and has been removed from Bond Officer insurance coverage, and staff requests removal of David Seran’s appointment as Deputy Finance Officer.

Staff requests approval of the removal of David Seran’s appointment as Deputy Finance Officer and authorization for the staff to execute such documents as are necessary to effect this removal.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES OCTOBER 17, 2019

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

The Committee discussed the following item:

1. Consideration of Change Order Number 2 with Balfour Beatty Construction for West RON Apron Rehabilitation:

Presented by Ronald Jewett, Vice President of Facility Asset Management – Staff requests the award of Change Order Number 2, under the Construction Manager at Risk agreement, with Balfour Beatty Construction (CMR) for work related to the West RON Apron Rehabilitation project. During design, the engineer, RS&H, performed boring and coring investigations to determine soil conditions, soil parameters and depth of rock, at such locations determined between the civil and geotechnical engineers and in accordance with the FAA’s guidance of one boring per every 10,000/s.f. Based on that data, the engineer assumed: a) No unsuitable soils were detected; b) Rock excavation would be full depth from starting elevations to 1/ft below the pipe; and c) Rock was not expected to be in the pavement section.

During initial excavation for pipe, utility and pavement installation, the CMR encountered previously unknown unsuitable soil and unanticipated rock. The CMR estimated the overall rock quantity to be approximately 25,250 c.y. which far exceeds the quantity in the contract documents. Regarding the unsuitable soil, the CMR is requesting compensation for the labor, material, equipment and supervision costs necessary to remove, haul to temporary on-site storage and for building and maintaining the temporary containment structure per NCDEQ requirements. The cost of \$98,364 for “unsuitable soils haul to stockpile” are based on the actual quantity of 3,345 cubic yards removed from site and confirmed via topographic survey. The cost of \$92,816 for “unsuitable soils stockpile maintenance” are based on 15 months duration to maintain the stockpile containment structure. Since the engineer did not anticipate rock in the pavement section, there were negotiations with the CMR to add “mass rock excavation.” The CMR estimated the overall rock quantity on the project to be approximately 9,200 c.y. of “trench rock” and 16,050 c.y. of “mass rock.” The West RON Rehabilitation project allowed for “trench rock” removal at a unit price of \$174.28/c.y. and “mass rock” at a unit price of \$141.53/c.y. for 5,200 c.y. The amount of rock excavated/to be excavated is now estimated to be “trench rock” at a net overage of 4,000 c.y for a cost of \$697,112 and “mass rock” estimated to be 16,050 c.y. for a cost of \$2,271,634. Total

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compensation for these unknown and unforeseen costs is \$3,159,926, based on actual quantities and estimated quantities (50% of the remaining excavation includes rock) to complete the excavation of the W RON Apron area.

Staff requests approval of Change Order Number 2 to Balfour Beatty Construction in the amount of \$3,159,926, and authorization for the President and CEO to execute the change order.

2. Consideration of Task Order No. 2 with Delta Airport Consultants for Design Services:

Presented by Jim Novak, Director of Facilities Engineering – Staff requests approval of the award of Task Order No. 2 under the Master Consulting Services Agreement with Delta Airport Consultants, Inc. (Consultant) for work related to Taxiway D Rehabilitation. This project includes reconstruction of portions of Taxiway D (east of Taxiway G) and Taxiway C (between Taxiways A and B), expanding the Taxiway G/H “hold pad” to enable overnight aircraft parking, and repairing Taxiway Connectors A5 and C (between Taxiway A and Runway 5R-23L). The project also includes repairing airfield service roads and evaluating the Taxiway C tunnel to increase the vertical clearance. Also, this project includes new paved taxiway shoulders and fillets, taxiway edge and in-pavement lights and signs to meet current FAA airport design standards, as well as other work elements including grading and drainage, utilities, pavement marking and turf restoration.

This proposed task order will provide for schematic design services. Included services are: site visit and data collection, base mapping, geotechnical investigation, pavement assessment, Taxiway C tunnel assessment, RON ramp alternatives consideration, construction phasing for ongoing airport operations, cost estimate, design meetings and design report. The Authority will compensate the Consultant for services rendered under this task order on an hourly basis not-to-exceed \$336,906, with allowable reimbursable expenses to be compensated at direct cost not-to-exceed \$51,094, for total compensation under Task Order No. 2 not-to-exceed \$388,000.

The overall Minority and Women-owned Small 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). Participation for Task Order No. 2 is 18.4% MB and 28.7% WB. The Authority’s Small Business Programs Office reviewed this commitment.

Staff requests approval of Task Order No. 2 with Delta Airport Consultants, Inc. in the amount of \$388,000, and authorization for the President and CEO to execute the task order.

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3. Consideration of Task Order 23 with O'Brien Atkins for Federal Inspections Station Facility Expansion Design Services:

Presented by Jaymes Carter, Director Buildings & Building Systems – Staff requests approval of the award of Task Order 23 under the Master Consulting Services Agreement (Agreement) with O'Brien Atkins Associates, PA. (Consultant) for work related to the Terminal 2 Federal Inspections Station (FIS) Facility Expansion project. In this project, the existing FIS and Customs and Border Protection (CBP) area in Terminal 2 will be expanded to cover portions of the first, second, and third floors on the north end of the building. The primary and secondary passenger inspection areas must be expanded outside the existing building envelope, including the addition of new baggage claim carousels on the first floor. Supporting offices/functions for FIS/CBP will be reconfigured to fit the new layout of the expanded areas.

This proposed task order will provide for consulting services through the Schematic Design Phase, including; a kick-off meeting, review of existing documents and conditions, design workshops with staff and stakeholders, Revit Modeling, a construction cost estimate, and a final report with recommendations and drawings. The Authority will compensate the Consultant for services rendered for this task order on an hourly basis not to exceed \$1,521,961. Allowable reimbursable expenses specified in the task order will be compensated at direct cost, to a ceiling of \$109,198. Total compensation under Task Order 23 is a not-to-exceed amount of \$1,631,159.

The overall Minority and Women-owned Small Owned Business (MWSB) goals for the existing Consultant's Agreement are 10.0% for Minority-owned Small Business and (MB) and 5.0% for Women-owned Small Business (WB). Total MB and WB participation for Task Order 23 are 8.72% for MB and 5.54% for WB. The Authority's Small Business Programs Office concurs with this commitment.

Staff requests approval of Task Order 23 to O'Brien Atkins Associates, PA. in the amount of \$1,631,159, and authorization for the President and CEO to execute the task order.

4. Presentation Regarding Taxiway F Rehabilitation Drainage Repair:

Presented by Ronald Jewett, Vice President of Facility Asset Management – Board members were updated regarding unexpected drainage issues uncovered during the Taxiway F Rehabilitation project, which required replacement of pipe and boxes. These repairs and improvements were completed during this project phase and any required contract cost adjustments will be brought before the Board at a future date.

Presentation for informative purposes only. No Board action required.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES OCTOBER 17, 2019

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

The Committee discussed the following items:

1. Consideration of Master Services Agreement with Unison Consulting, Inc.:

Presented by Ingrid N. Hairston, Director of Business Initiatives – Staff requests approval a Master Services Agreement with Unison Consulting, Inc., to provide general concession program planning services. A Request for Proposal (RFP) was issued on August 29, 2019 seeking airport consultants with demonstrated experience, to provide planning services and recommendations to support development of the Authority’s terminal food, beverage and retail program. Four companies responded to the RFP and staff reviewed the proposals, conducted interviews, and independently scored the proposers with the following rankings: 1. Unison Consulting, Inc.; 2. ICF SH&E, Inc.; 3. AirProjects, Inc.; and 4. Concession Planning International Australia Pty Ltd.

Unison Consulting, Inc. has planned and implemented concession programs at 49 airports around the world. The firm brings extensive experience assisting airports with programming, planning, developing, and managing existing concession programs by providing strategic support and operational oversight, and identifying strategies to enhance customer satisfaction. Initially, Unison Consulting will provide market and passenger analysis, Terminal 2 food and beverage lease packaging, RFP and concession lease drafting, community outreach support, and RFP evaluation support.

The proposed agreement term is three years beginning November 1, 2019 and ending October 31, 2022, with two one-year options. The agreement has a not-to-exceed amount of \$225,725, and includes task orders:

Task Order 1	\$69,245	Task Order 3b	\$22,500
Task Order 2	\$66,680	Task Order 4	\$22,240
Task Order 3a	\$22,500	Task Order 6	\$22,240
Task Order 5	\$22,240	FY 20/21	\$34,740
Expenses	\$10,320		
FY 19/20	\$190,985	Contract Total	\$225,725

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Task Order 4 will be “as needed” for on-demand work, which will be billed based on hourly rates established in the agreement. Task 4, as well as additional elements of Tasks 3 and 6, will be proposed for inclusion in the FY 20-21 fiscal budget.

Minority and Women-owned Business goals for this RFP were 7% Minority-owned Business and 4% Women-owned Business. Unison Consulting, Inc. as a Minority-owned Business will perform 93% of the work and will subcontract with Anik International, a Women-owned Business, which will perform 7% of the work.

Staff requests approval of a Master Services Agreement with Unison Consulting, Inc. for a term of up to five years in an amount not-to-exceed \$225,725 and authorization for the President and CEO to execute the agreement and related task orders.

2. Consideration of Change Order 4 with SITA for Common Use Technology and Associated Services: (Moved from Consent Agenda)

Presented by Chuck McFall, Senior Vice President and Chief Information and Strategy Officer – Staff requests the approval of Change Order 4 with SITA to provide common use technology and associated services for Gates 1-4 in Terminal 1.

In December 2018, the Board granted SITA a contract to provide common use technology services in Terminal 2. These services include the design and installation of the following systems: Common Use Passenger Processing System (CUPPS), Airport Operational Database (AODB), Content Management System (CMS), Resource Management System (RMS), Multi-User Flight Information Display System (MUFIDS), and Common Use Self-Service Kiosks (CUSS).

This proposed change order will continue SITA’s efforts to transform RDU’s common use system by extending the technology to new Gates 1-4 in Terminal 1, in support of the ongoing gate activation project. The Change Order would add \$390,133 to SITA’s current contract, for a new total contract value of \$6,779,173.29 over five years.

Staff requests approval of Change Order 4 with SITA, at a cost of \$390,133 for a new contract value of \$6,779,173.29 and authorization for the President and CEO to execute the change order.

3. Consideration of Terminal Concession Lease with Areas USA RDU, LLC:

Presented by Kimberly Stewart, Director of Concessions – The Raleigh-Durham Airport Authority is currently in the planning stages of a new Terminal 2 food program with a Request for Proposal (RFP) planned for release in second quarter 2020 and new restaurants targeted to open in 2021. Due to the timing of this effort and the desire to refresh expired units, an interim solicitation was released for a food and beverage opportunity to lease six units/eight concepts

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Robert D. Teer, Jr., Treasurer
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
Durham County

Sepideh Saidi, PE, Secretary
City of Raleigh

David Kushner
Wake County

Napoleon Wallace
City of Durham



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

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in Terminal 2 for a minimum of sixteen months. This interim food opportunity included the following goals: 1) refreshing and/or rebranding of select units, 2) adding ethnic food to the program, 3) local connection, and 4) expanding grab & go offerings.

Two proposals for the interim solicitation were received: Areas USA RDU, LLC and MERA RD2, LLC and both respondents were interviewed. Areas USA RDU, LLC (Areas) is a global company operating in Europe and the Americas with 2,100 restaurants in airports, railway stations and motor plazas. With stores in 91 airports, Areas has a presence in 10 major US airports. Areas was the top choice for this interim opportunity based on several factors including its mix of proposed concepts and experience in quick transitions from operator to operator. Areas responded to the solicitation's goals by offering ethnic tastes, local breweries, and elevating the guest experience with fresh concepts. Two high performing concepts, Bruegger's Bagels and California Pizza Kitchen, will remain the same with only a change in operator. The full lineup of proposed concepts is detailed below.

Current Concept	New Concept	Goals	Current % Rent	New % Rent
Carolina Ale House	Cantina Grill	Ethnic	12% Food 15% Alcohol	17% Food 17% Alcohol
Bruegger's Bagels	Bruegger's Bagels	Expedited Service	13%	17%
A & W All American Food	Wow Bao	Ethnic	12%	17%
California Pizza Kitchen	California Pizza Kitchen	Full Breakfast	12%	17%
Brookwood Farms	Deli & Co.	Convenience	12%	17%
Gordon Biersch	Bond Brothers Brewery	Local	12% Food 15% Alcohol	17% Food 17% Alcohol
Carolina Vintages	Raleigh Taproom	Local	12% Food 15% Alcohol	17% Food 17% Alcohol
Flavours	Rush Bowls	Healthy	13%	17%

The opportunity has a minimum sixteen-month term commencing on January 12, 2020 and expiring on May 31, 2021, unless extended by the Authority. Areas USA RDU, LLC will pay the Authority \$535,000 in Minimum Annual Guarantee and 17% rent on all food, beverages and alcoholic beverage sales. To satisfy the ACDBE goal of 26.4%, Areas proposes to sublease three locations to Uptown Airport Group, which will operate Raleigh Taproom, Bruegger's Bagels, and Wow Bao, resulting in ACDBE participation of 36.4%

Staff requests approval of the Terminal Concession Lease with Areas USA RDU, LLC, including approval of the consent for the associated sublease(s) proposed with Uptown Airport Group, and authorization for the President and CEO to execute the lease and associated documents.

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES NOVEMBER 21, 2019

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

I. APPROVAL OF AGENDA

Motion by Teer to approve the agenda; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the October 17, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. New hires were introduced and welcomed.
3. Chair Kane asked veterans to stand and be recognized, noting November 11th was Veteran's Day and he thanked current and former service men and women for their service and sacrifice.
4. Chair Kane commented on the new internally managed Wi-Fi service available in the terminals.
5. Chair Kane discussed the recent concessions-focused networking opportunity hosted by the Authority in partnership with the Airport Minority Advisory Council. There were over 125 attendees, who heard Mr. Landguth, Mr. Hannah and other speakers discuss the Authority's commitment to diversity and inclusion in its business activities and about the vision for upcoming opportunities at RDU.
6. Chair Kane sadly noted last month's tragedy of the private plane crash in Umstead State Park. He thanked staff for their assistance in this effort and for managing media communications, and for all the first responders from other state and local agencies, which assisted in this search, rescue and recovery effort.
7. Chair Kane mentioned the November 8th ruling in favor of the Authority in the litigation involving the land lease agreement with Wake Stone, affirming the Authority's right to enter into the lease.

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IV. OLD BUSINESS

1. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on November 21, 2019 and discussed the following items:

- a. Consideration of Change Order No. 2 with DPR Construction for Roadway Informational Sign Rehabilitation Project

Motion by Teer for approval of Change Order No. 2 in the amount of \$842,066.13 with DPR Construction for the Landside Civil Package, and authorization for the President and CEO to execute this change order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of the GMP Construction Phase Amendment with Balfour Beatty Construction for Parking Garages Modernization Project

Motion by Teer for approval of this GMP Construction Phase Amendment with Balfour Beatty Construction in the amount of \$1,446,481 and authorization for the President and CEO to execute the amendment; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

- c. Consideration of Task Order 22 with O'Brien Atkins for Terminal 2 Landside Master Plan Project

Motion by Teer for approval of Task Order 22 with O'Brien Atkins Associates, PA. in the amount of \$961,852 and authorization for the President and CEO to execute the task order; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on November 21, 2019 and discussed the following items:

- a. Consideration of Utilization of Virginia State Contract for Purchase of Proterra Buses

Motion by Kushner for approval to utilize State of Virginia Department of General Services Statewide Contract E194-81688 pursuant to NCGS §143-129(g)(3) for the purchase of four (4) Proterra catalyst E2 battery Electric Buses; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

- b. Consideration of Agreement with The Whiting-Turner Contracting Company for Installation of Uninterruptible Power Supply Equipment

Motion by Thompson for approval of an agreement with The Whiting-Turner Contracting Company in the amount of \$545,000, and authorization for the President and CEO to execute the agreement, subject to the approval of a related capital project ordinance amendment; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

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President & CEO

R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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3. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on November 21, 2019 and discussed the following items:

a. Consideration of Capital Project Ordinance Amendment #5

Motion by Teer for approval of the 2019-2020 Capital Project Ordinance Amendment #5, with increased funding for the listed projects of \$713,000; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Budget Ordinance Amendment #1

Motion by Teer for approval of Budget Ordinance Amendment #1 with an increase to the 2019-2020 Budget Ordinance of \$6,580,000 for Airport Operating Expenses; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Additional Financing Team Members for Revenue Bond Refunding

Motion by Teer for approval of the attached resolution entitled “Resolution Approving Certain Members of the Financing Team in Connection with the Issuance of Airport Revenue Refunding Bonds” approving the Underwriters and Underwriters Counsel as additional financing team members for the proposed refunding bonds issuance; Second by Wallace

ADOPTED BY UNANIMOUS VOTE

d. Financial Performance for Second Quarter of Fiscal Year Ending March 31, 2020

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 Multiyear Agreement with UniFirst Corporation
- b. Consideration of Right of Entry and Access Agreement with the U.S. Environmental Protection Agency

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

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL’S REPORT

Erin Locklear gave brief details regarding the Order signed on November 8, 2019 by Judge Shirley dismissing the plaintiffs’ claims in the matter of Umstead Coalition et.al. v. Raleigh-Durham Airport Authority et.al.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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VII. MEMBER COMMENTS

Board members noted appreciation for the new signage and for the landscape design at the airport. New hires were welcomed, and appreciation expressed for staff all working as a team during the recent plane crash crisis. Continued support of the USO was encouraged. Everyone was wished a safe and happy Thanksgiving.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Activity Report

RDU continues to see double-digit growth in passenger volume. 634,000 passengers flew out of RDU in October compared to 574,000 in October of 2018. That's an 11.3% year over year increase. And speaking of increased passenger traffic, Thanksgiving is one week from today. We expect next week to be extremely busy. As we enter the busy holiday season, we remind passengers to arrive two hours early for domestic flights to make sure they have enough time to park, get through security and get to their gates on time. International travelers should arrive at the airport three hours early. Passengers can also save time by booking their parking online at least 24 hours in advance at ParkRDU.com to ensure access to their preferred lot at the lowest rate available.

Concrete Slab Removal

The removal and replacement of concrete slabs on our primary runway has concluded for the year. 35 slabs were removed in the spring and 82 were removed this fall, for a total of 117. The runway will close periodically through this week as we continue to repaint and make some repairs. When we began the program we identified 175 slabs to be replaced over a two-year period. During the construction season we identified an additional 25 slabs that may need to be replaced next year, and there could be more depending on the severity of the weather this winter.

Congratulations to Ron Jewett and his team for doing such a fantastic job on a very complex project. Duane Legan and his team were recognized as well for all their efforts in this project.

TBJ Healthiest Employers

Last month, Triangle Business Journal unveiled their 2019 Healthiest Employers. I am proud to report that RDU once again has been named one of the region's healthiest employers. We take great pride in providing physical, mental and emotional wellness programming for all Authority employees. The Authority has committed more than \$130,000 to this cause in 2019 alone. I know we have a number of employees here, so I'd like to take a moment to encourage you all to check out some of these classes, like yoga and mindfulness meditation. Special congrats should go to our Human Resources team, which organizes Team RDU's wellness initiatives each year. Great job.

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Real ID

Our federal partners at TSA joined us for an event last week to raise awareness about the REAL ID requirement that is less than one year away. Beginning October 1st of 2020, passengers at RDU and all U.S. airports will need a REAL ID-compliant driver's license or other federally-approved form of ID to board a flight. Passengers who do not have an N.C. REAL ID or other accepted form of identification like a valid passport or U.S. military ID will not be allowed to pass through the security checkpoint. TSA estimates that across the country as many as one million passengers a day may not be able to board their flights because they don't have the new ID. The N.C. REAL ID is identified by a star in the upper right-hand corner. It will be required for boarding commercial airlines and entering federal buildings, but not for driving. October 1st of next year will be here before you know it, so it is important for travelers to go head and get their REAL ID to avoid any last-minute rush. You don't want to be the passenger who gets turned away at the security checkpoint for not having the right identification.

Winter Weather Preps

As you are all too aware, we got our first blast of winter last week with a couple of days of below freezing temperatures. Our Operations and Maintenance teams have done an outstanding job of preparing the airport to respond to winter weather conditions, including ice and snow. Our Maintenance employees will soon train on new equipment that will help us keep our runways and taxiways safe this season. We also work closely with our airline partners to ensure they're able to safely de-ice their planes and the areas around their gates so flights can continue to arrive and depart from RDU.

IX. CLOSED SESSION

Motion by Teer 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 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 Umstead Coalition et.al. v. Raleigh-Durham Airport Authority et.al.; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

X. ADJOURNMENT

Motion by Morgan to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY
2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #5

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:

\$ 1,304,750,868

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 \$ 1,284,102,047
Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amendment 4 Change 08/15/19	Amendment 5 Change 11/21/19	Amended
Original ¹							
311050 T1 4-Gate Expansion	\$ 115,450,000						\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000					396,000	1,046,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000						565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000					22,000	242,000
621000 Cameras for Parking and Additional Storage to Record	102,600						102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000						450,000
881270 Spill Prevention Control and Countermeasure Items	250,000						250,000
881280 Water and Sewer Improvements	500,000						500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494						6,087,494
881300 Desigo Communication Center Upgrade	150,000				83,000		233,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000						395,000
881320 Snow Removal Equipment Storage Facility	1,100,000						1,100,000
881360 AOC/EOC Planning and Design	1,250,000						1,250,000
211160 Taxiway D Rehabilitation					1,000,000		1,000,000
881380 AOC 5th Floor Buildout					2,000,000		2,000,000
311090 SAACS Video Software Replacement					300,000		300,000
311100 Avtek Ramp control radio upgrade					200,000		200,000
311120 Data Center - Storage Growth					255,000		255,000
Miscellaneous small projects	361,000				(65,000)		296,000
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 418,000	\$ 131,722,094
Amended Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Amended
Original ¹							
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000						\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000						3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000				6,000,000		9,250,000
080869 FIS Facilities Expansion	69,000,000						69,000,000
311000 AOIS System Replacement - Common Use	1,800,000						1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000					21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000						500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000				1,700,000		13,200,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000						11,600,000
881100 International Drive Rehabilitation	13,500,000				(3,500,000)		10,000,000
011109 Heritage Displays at Observation Park	1,600,000						1,600,000
011359 Advanced Surveillance Program	2,610,000			1,185,774			3,795,774
881150 FAM Modular Buildings	1,200,000						1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ -	\$ 681,345,774
Ongoing Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Amended
Original ¹							
080739 Rehabilitate Taxiway A	\$ 25,000,000						\$ 25,000,000
080769 Rehabilitate Taxiway F	34,000,000						34,000,000
080859 Pavement Surface Sensor Replacement	108,000				(108,000)		-
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000						280,000,000
211100 Rehabilitate Runway 14/32	3,750,000						3,750,000
070529 Phased Replacement of PCF Air Units at T2	6,920,000						6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000					295,000	3,775,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000						4,800,000
881240 Parking Business Intelligence Software	200,000						200,000
080779 Cemetery Road Rebuild	820,000						820,000
080819 John Brantley Boulevard Reconstruction	16,000,000						16,000,000
211110 West RON Apron Rehabilitation	36,000,000				2,000,000		38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000						2,500,000
080799 Expanded Park Economy 3			75,918,000				75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 295,000	\$ 491,683,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 713,000	\$ 1,304,750,868

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 21th day of November 2019

Notes:
1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 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 2019-2020 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, 2019 and ending March 31, 2020 in accordance with the following schedule:

EXPENDITURES:

	Original ¹	Change 11/21/2019	Amended
Airport Operating Expenses	\$ 83,743,379	\$ 6,580,000	\$ 90,323,379
Capital Projects Spend	103,906,489		103,906,489
Future CFC Projects	16,672,137		16,672,137
Net Debt Service – Interest	24,616,531		24,616,531
Debt Service – Principal	22,685,000		22,685,000
Total	\$ 251,623,536	\$ 6,580,000	\$ 258,203,536

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2019 and ending March 31, 2020:

REVENUES:

	Original ¹	Change 11/21/2019	Amended
Airfield	\$ 16,210,753		\$ 16,210,753
General Aviation	2,006,175		2,006,175
Buildings and Grounds	147,832,008		147,832,008
Total Operating Revenues	\$ 166,048,936		\$ 166,048,936
Interest Income	8,586,395		8,586,395
Grants	15,033,000		15,033,000
PFC Revenue	27,052,627		27,052,627
CFC Revenue	16,672,137		16,672,137
Appropriated Fund Balance	18,230,441	\$ 6,580,000	24,810,441
Total	\$ 251,623,536	\$ 6,580,000	\$ 258,203,536

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, 2019, and amended this 21st, day of November 2019.

Notes:

¹ Original- budget ordinance adopted March 21, 2019

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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 November 21, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present: Chair John Kane, Vice Chair Patrick Hannah, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner, Member Napoleon Wallace

Absent: _____

Also Present: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * *

Donna Sylver, Senior Vice President and CFO, introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION APPROVING CERTAIN MEMBERS OF THE FINANCING TEAM IN CONNECTION WITH THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS

BE IT RESOLVED by the Raleigh-Durham Airport Authority (the "Authority"):

Section 1. The Authority does hereby find and determine as follows:

(a) At its meeting on September 19, 2019 the Authority adopted a resolution making certain findings with respect to the proposed issuance by the Authority of Revenue Refunding Bonds to refund certain Bonds previously issued to finance improvements at the Airport and directing each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller to file an application with the Local Government Commission for approval of the issuance of the Revenue Refunding Bonds.

(b) The resolution adopted September 19, 2019 named certain members of the financing team (Bond Counsel, Financial Advisor, Trustee and Registrar) and directed the Senior Vice President and Chief Finance Officer and the Vice President and Controller to make arrangements with the Financial Advisor for the selection of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

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Dickie Thompson
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David Morgan
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Sepideh Saidi, PE, Secretary
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(c) Such arrangements were made and based upon responses to a Request for Proposals, the Senior Vice President and Chief Finance Officer and the Vice President and Controller have made recommendations to the Authority for the proposed underwriters, and the Authority has determined to approve the underwriters based on the recommendation, and the counsel to the underwriters recommended by the underwriters.

Section 2. The following additional financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds:

Underwriters: Siebert Williams Shank & Co., LLC (Senior Manager)
Citigroup Global Markets Inc. (Co-Senior Manager)
J.P. Morgan Securities (Co-Manager)
Morgan Stanley & Co. LLC (Co-Manager)
Samuel A. Ramirez & Co., Inc. (Co-Manager)

Underwriters Counsel: Parker Poe Adams & Bernstein LLP

Section 3. This Resolution shall take effect immediately upon its passage.

Upon motion of Member Robb Teer, seconded by Member David Morgan, the foregoing resolution entitled "RESOLUTION APPROVING CERTAIN MEMBERS OF THE FINANCING TEAM IN CONNECTION WITH THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS" was passed by the following vote:

Ayes: (8) - Chair John Kane, Vice Chair Patrick Hannah, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Morgan, Member David Kushner, Member Napoleon Wallace

Noes: (0)

* * * * *

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I, Sepideh Saidi, 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 November 21, 2019 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this 21st day of November, 2019.

[SEAL]


Sepideh Saidi, Secretary

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT NOVEMBER 21, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of a Multiyear Agreement with UniFirst Corporation

Memorandum by John Connell, Vice President, Operational Asset Management – Staff requests approval of a multiyear agreement with UniFirst Corporation for rental service for uniforms, floor mats, shop towels and environmental oil absorbent mats. Certain departments within the Authority are required to wear uniforms, which provides consistency of dress, promoting professionalism and an additional layer of security. Specialized flame-retardant materials also serve as a required protective safety element for electrical workers.

The North Carolina General Statutes allow the Authority to procure goods and services under state contracts that have been publicly advertised and bid by the Division of Purchase and Contracts. Staff proposes to utilize the state uniform contract vendor UniFirst Corporation for this rental service. The contract amount has fixed unit prices for actual services rendered for a not-to-exceed annual amount of \$60,000, or \$180,000 for a total of three (3) years.

Staff requests approval to utilize the competitively obtained purchasing services under the North Carolina State uniform rental contract in order to execute a three year agreement with UniFirst Corporation in the not-to-exceed amount of \$180,000 and authorization for the President and CEO to execute the agreement.

b) Consideration of Right of Entry and Access Agreement with the U.S. Environmental Protection Agency

Memorandum by William C. Sandifer, Senior Vice President and Chief Operating Officer – Staff requests approval of a multiyear Right of Entry and Access Agreement with the United States Environmental Protection Agency (EPA). In order to fulfill its continuing obligations under federal law, the EPA, its employees, agents, representatives, trustees, independent contractors, representatives and the North Carolina Department of Environmental Quality (“NCDEQ”), have requested limited access to Authority property for the purpose of conducting certain environmental assessments and/or remediation activities associated with the ongoing National Priorities List Ward Transformer site.

The agreement is for a three (3) year period, with two (2) one-year extensions, exercisable at the option of the Authority.

Staff requests approval of the Right of Entry and Access Agreement with the United States Environmental Protection Agency, for up to a five year term, and authorization for the President and CEO to execute the agreement.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES NOVEMBER 21, 2019

Teer presided. Present: Hannah, Kane, Kushner, Morgan¹, Thompson and Wallace². President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item:

1. Consideration of Change Order No. 2 with DPR Construction for Roadway Informational Sign Rehabilitation Project:

Presented by Ronald Jewett, Vice President of Facility Asset Management – DPR Construction (DPR) is currently providing Construction Manager at Risk (CMR) services under a Master Agreement dated February 15, 2018 for Landside Civil Projects which includes the ongoing Roadway Informational Sign Rehabilitation Project. During the procurement phase of the roadway signs, the Park Express lot came online, which was not anticipated at the time of design and contract award. Providing the needed wayfinding to customers utilizing the Park Express lot necessitated modifications to seventy-six signs and, in many cases, these signs needed to be much larger, causing enhancements to some of the structural components. Additionally, new air service (i.e., Spirit Airlines) coming into RDU necessitated changes to overhead roadway signs to direct customers to the proper terminal.

Staff requests approval of Change Order No. 2 with DPR, which includes the fabrication and installation of temporary signs, which accommodated the urgent schedule of Park Express, and were made to reflect new parking prices. This change order also involves fabrication and installation of the larger, permanent signs to include additional text and spaces, as well as enlargement of adjacent signs for consistency. It also includes the additional engineering, bracing, and connections, and encompasses all impacts of the elongated schedule necessitated by the revisions. Following schedule assessment and extended negotiations, under this proposed change order the contract time will be extended 104 calendar days. The compensation to DPR as the CMR under this proposed change order is a not-to-exceed amount of \$842,066.13, which includes costs for the work, the CMR's fee, and reimbursable expenses. With this change order, the guaranteed maximum price for the Landside Civil Package would be increased from \$22,385,158.50 to \$23,227,224.63.

¹ Member Morgan joined the meeting at 11:22 am

² Member Wallace joined the meeting at 11:27 am

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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For the initial Landside Civil Package, DPR's proposed Minority and Women-owned Small Business (MWSB) participation percentage for the CMR's Construction Services is unchanged, at 10% Minority-owned Businesses (MB) and 5% Women-owned Business (WB). DPR's proposed commitment for the signage construction element is 91.7% WB, decreased from 98.8% and 0% MB (good faith effort accepted, unchanged). The Authority's Small Business Program Office reviewed the proposed participation and found it acceptable.

Staff requests approval of Change Order No. 2 in the amount of \$842,066.13 with DPR Construction for the Landside Civil Package, and authorization for the President and CEO to execute this change order.

2. Consideration of the GMP Construction Phase Amendment with Balfour Beatty Construction for Parking Garages Modernization Project:

Presented by Ronald Jewett, Vice President of Facility Asset Management – Balfour Beatty Construction, the construction manager at risk (CMR), was awarded a GMP Amendment in December 2018 for providing materials, equipment, and labor for replacements of the elevators and powered sidewalks in the four parking garages, as well as refurbishment of the escalators connecting the parking garage tunnel to Terminal 1. The value of that amendment is \$7,895,717 and the work is ongoing. Once the specifications and details of the selected equipment were known, the design and installation team collaborated with local building officials to determine the building code impacts and to finalize design for this “enabling” work. The CMR utilized developed plans and specification to solicit bids for the extensive and wide-ranging mechanical and electrical improvements necessary to complete the project, including compliance with current building codes.

Staff requests approval of this proposed GMP Construction Phase Amendment with Balfour Beatty which establishes the contract amount (Fixed Guaranteed Maximum Price) and authorizes construction phase services of the CMR. The low responsive subcontract bids have been combined and define the Cost of the Work component of the amendment amount.

<u>Component</u>	<u>Amount</u>
Cost of the Work	\$ 952,190
Contractor's Contingency (5%)	\$ 47,610
Contractor's Construction Fee (3.5%)	\$ 47,932
Reimbursable General Conditions	<u>\$ 398,749</u>
Construction Phase Amendment (GMP)	\$1,446,481

Under the amendment, Balfour Beatty proposes the following Minority and Women-owned Small Business (MWSB) participation:

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Project Description	MB Goal %	WB Goal %	Bid Commitment MB %	Bid Commitment WB %
CMR Constr. Services	10	5	10	5
Construction	10	5	44.0	11.7

Staff requests approval of this GMP Construction Phase Amendment with Balfour Beatty Construction in the amount of \$1,446,481 and authorization for the President and CEO to execute the amendment.

3. Consideration of Task Order 22 with O'Brien Atkins for Terminal 2 Landside Master Plan Project:

Presented by Jaymes Carter, Director Buildings & Building Systems – Staff requests approval of the award of Task Order 22 under the Master Consulting Services Agreement with O'Brien Atkins Associates, PA. (Consultant) for work related to the Terminal 2 (T2) Landside Master Plan project. This project requires advanced planning to ensure sufficient landside capacity is in place before a T2 gate expansion program is initiated. To meet long-term T2 passenger demand, potential reconfigurations of the landside portion of T2 will be necessary in various operations/support areas. This proposed task order will initiate consulting services for advanced planning services. The advanced planning services generally include the review of existing materials, facility condition assessments of mechanical, electrical, plumbing, and fire protection systems, development of a Program of Requirements, creating expansion/layout options, recommendations and final report, cost estimating and scheduling.

Compensation for services rendered for this Task Order would be on an hourly basis not to exceed \$831,078. Allowable reimbursable expenses specified in the task order will be compensated at direct cost, to a ceiling of \$130,774. Total compensation under Task Order 22 is a not-to-exceed amount of \$961,852.

The overall Minority and Women-Owned Small Business (MWSB) goals for the existing agreement are 10.0% for Minority-Owned Businesses (MB) and 5.0% for Women-Owned Businesses (WB). Total participation for Task Order 23 are 5.27% MB and 66.96% WB. The Authority's Small Business Programs office concurs with this commitment.

Staff requests approval of Task Order 22 with O'Brien Atkins Associates, PA. in the amount of \$961,852 and authorization for the President and CEO to execute the task order.

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES NOVEMBER 21, 2019

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

The Committee discussed the following items:

1. Consideration of Utilization of Virginia State Contract for Purchase of Proterra Buses:

Presented by John Connell, Vice President, Operational Asset Management – Staff requests approval to utilize NCGS §143-129(g)(3) to waive bid procedures by using a previously bid contract to purchase four (4) Proterra catalyst E2 battery electric buses. The North Carolina General Statutes allow the Authority to procure goods and services from contracts that have been publicly advertised and bid in the previous 12 months in a manner substantially similar to that required by NCGS §143-129. Staff requests approval for the Authority to utilize the State of Virginia Department of General Services Statewide Contract E194-81688, which meets this requirement. The actual purchase, with finalized costs, will be presented for approval at a later date.

Staff requests approval to utilize State of Virginia Department of General Services Statewide Contract E194-81688 pursuant to NCGS §143-129(g)(3) for the purchase of four (4) Proterra catalyst E2 battery Electric Buses.

2. Consideration of Agreement with The Whiting-Turner Contracting Company for Installation of Uninterruptible Power Supply Equipment:

Presented by John Connell, Vice President, Operational Asset Management – Staff requests approval of an agreement with The Whiting-Turner Contracting Company for installation of Authority-owned uninterruptible power supply (UPS) equipment in Terminal 2 and the Airport Operations Center's primary computing facility (PCF) room. This includes installation of four (4) 50 kVA UPS units along with all necessary electrical infrastructure plus minor structural repairs to the second floor concrete slab in Room 232 at the Airport Operations Center. Under this proposed agreement, the Authority will compensate The Whiting-Turner Contracting Company \$545,000 for the installation of the equipment.

Six firms attended the pre-bid conference and site visit. Only two bids were received on the original bid opening date, which were returned unopened. For the second bid opening, two bids were received:

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David Morgan
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Sepideh Saidi, PE, Secretary
City of Raleigh

David Kushner
Wake County

Napoleon Wallace
City of Durham



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

R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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- The Whiting-Turner Contracting Company - \$545,000
- Montith Construction - \$715,000

The current budget for this project is \$650,000. With the award of this proposed agreement, total project costs are now estimated to be \$1,046,000, which requires approval of a capital project ordinance amendment.

The overall Minority and Women-owned Small Business (MWSB) goals for this project are 4% for Minority -Owned Businesses (MB) and 4% for Women-owned Businesses (WB). Total participation for this installation was 0% for MB and 0% for WB, which was reviewed by the Authority's Small Business Program Office and determined a good faith effort. It is important to note that the equipment was procured separately for \$369,200.20 through a 100% MB firm, so the overall project work (equipment and installation) has 40.4% MB participation.

Staff requests approval of an agreement with The Whiting-Turner Contracting Company in the amount of \$545,000, and authorization for the President and CEO to execute the agreement, subject to the approval of a related capital project ordinance amendment.

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES NOVEMBER 21, 2019

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

The Committee discussed the following item:

1. Consideration of Capital Project Ordinance Amendment #5:

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – Staff requests approval of Capital Project Ordinance Amendment #5, increasing funding by \$713,000 for the following existing projects:

- Capital Project 311060, “T2 and AOC PCF Room UPS System Replacement”, was created with an overall budget of \$650,000. Based on submitted bids and anticipated costs, additional funds of \$396,000 are being requested. Scope was increased due to an unexpected structural floor issue. Installation bids were also higher than estimated due to the current bidding climate for this type of work. The new project total will be \$1,046,000.
- Capital Project 311080, “T2 Lutron Lighting Control System Hardware Upgrade”, was created with an overall budget of \$220,000. Based on anticipated costs, additional funds of \$22,000 are being requested. Program management support needed from Parsons to oversee this work was not in the original budget. The new project total will be \$242,000.
- Capital Project 070539, “T2 BHS Lower Level Controls Upgrade”, was created with an overall budget of \$3,480,000. Based on anticipated costs, additional funds of \$295,000 are being requested. Additional costs include modifications to cabling in control room, new Variable Frequency Drives (VFDs) approved by the Board in September, and potential Smith Detections cost for EDS standby to support testing, and replacement control room computers. The new project total will be \$3,775,000.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year at this time.

Staff requests approval of the 2019-2020 Capital Project Ordinance Amendment #5, with increased funding for the above projects of \$713,000.

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2. Consideration of Capital Consideration of Budget Ordinance Amendment #1:

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – In previous meetings, staff presented information regarding budget shortfalls for both Capital Projects Spend and Airport Operating Expenses for the 2019-2020 fiscal year. At the end of the second quarter, staff completed a forecast analysis of Operating Expense budgetary needs for the remainder of this fiscal year and staff requests approval of Budget Ordinance Amendment #1 with a \$6.58M increase to the 2019-2020 Budget Ordinance for Airport Operating Expenses. The need to address a potential budget shortfall for the 2019-2020 Budget Ordinance for Capital Projects Spend is still under review and staff will provide a recommendation as to potential budget adjustments in a subsequent Board meeting.

Following is an updated listing of some of the major Airport Operating Expense budget shortfall amounts and related explanations:

\$6.58M AIRPORT OPERATING EXPENSES POTENTIAL SHORTFALL		
<i>\$ Shortfall</i>	<i>Title</i>	<i>Explanation</i>
\$2.20M	Parking Garage Repairs	\$964,000 was budgeted based on the amounts withheld from the previous paint contractor. The decision to remove all paint from the ceilings of PG 3 and 4 (except Level 1) was made after the budget was completed. Bids were received, and the removal was awarded by the Board in August at a cost of approximately \$3,200,000.
\$2.00M	ParkRDU Express	RDU's new trunk-to-terminal parking option launched in May of this year. This item is primarily for shuttle bus operation and was not budgeted as the budget was completed prior to the decision to launch this new product.
\$0.80M	Runway 5R/23L Repairs	The extent of airfield repairs for this runway were unforeseeable during budget development, as the design had not been completed. The estimated cost for 5R/23L repairs became known during negotiations with the contractor in May and June. The budget currently has \$2,100,000. We anticipate needing an additional \$800,000.
\$0.50M	TSA Modifications for EDS Machine Replacements	Modifications are required to allow replacement of TSA Explosive Detection Systems (EDS) machines at T1 and T2. All current and future cost related to this project is 100% reimbursable by TSA. \$200,000 is needed for design, and \$300,000 is the estimated spend this fiscal year to begin modifications.

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\$0.35M	CONRAC and Parking Consultants	Business Consultants are needed for the Consolidated Rental Car Facility (CONRAC) project in order to support Airport negotiations with the car rental agencies (\$150,000 this fiscal year) and also for potential CONRAC facility P3 analysis (\$100,000). This item was not budgeted as the timeline was accelerated after budget development. Parking consultants (\$100,000 this fiscal year) are also needed for long-term revenue strategy.
\$0.30M	North Cargo Ramp/ Apron Repairs	Our annual airfield pavement condition analysis was completed after the start of the fiscal year. During this analysis, it was discovered that significant portions of pavement on the North Cargo apron were deteriorating more rapidly than anticipated during the last inspection. With affected pavement failing faster than anticipated, these repairs were unforeseen for the fiscal year and therefore not budgeted.
\$0.25M	Parking PCI Compliance	The current SKIDATA Parking and Revenue Control System (PRCS) software and MS Windows and Server versions have reached the end of their Operational System (OS) lives. In order to remain Payment Card Industry-Data Security Standard (PCI-DSS) compliant, the Authority needs to complete this upgrade in January 2020.
\$0.18M	Parking Credit Card Fees	Increased Parking revenue is resulting in more credit card fees than originally budgeted.

Staff requests approval of Budget Ordinance Amendment #1 with an increase to the 2019-2020 Budget Ordinance of \$6,580,000 for Airport Operating Expenses.

3. Consideration of Additional Financing Team Members for Revenue Bond Refunding:

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority previously issued Revenue Bonds, Series 2010A (Non-AMT), 2010B (Non-AMT) and 2010B-1 (Non-AMT) (collectively referred to as the “2010 Bonds”) to finance improvements at the Airport. The 2010 Bonds are subject to optional redemption in the near future and the Authority may be able to realize significant debt service savings through the refunding of all or a portion of the bonds.

The Board previously approved the Bond Counsel, Financial Advisor, and Trustee/Registrar as part of the financing team at the September 2019 board meeting. Staff

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requests approval for the remainder of the financing team, which are the following Underwriters and Underwriters Counsel:

Underwriting Team:

- Senior Manager
 - Siebert Williams Shank & Co., LLC
- Co-Senior Manager
 - Citigroup Global Markets Inc.
- Co-Managers
 - J.P. Morgan Securities
 - Morgan Stanley & Co. LLC
 - Samuel A. Ramirez & Co., Inc.

Underwriters' Counsel:

- Parker Poe Adams & Bernstein LLP

Staff requests approval of the attached resolution entitled “Resolution Approving Certain Members of the Financing Team in Connection with the Issuance of Airport Revenue Refunding Bonds” approving the Underwriters and Underwriters Counsel as additional financing team members for the proposed refunding bonds issuance.

4. Financial performance for Second Quarter of Fiscal Year Ending March 31, 2020:

Presented by Ron Kapocius, Vice President and Controller Finance -Presentation to Board in Committee work session for informative purposes only.

No Board action required.

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City of Raleigh

David Kushner
Wake County

Napoleon Wallace
City of Durham



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

RALEIGH-DURHAM AIRPORT AUTHORITY

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #5

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:

\$ 1,304,750,868

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 \$ 1,284,102,047

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amendment 4 Change 08/15/19	Amendment 5 Change 11/21/19	Amended
Original ¹							
311050 T1 4-Gate Expansion	\$ 115,450,000						\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000					396,000	1,046,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000						565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000					22,000	242,000
621000 Cameras for Parking and Additional Storage to Record	102,600						102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000						450,000
881270 Spill Prevention Control and Countermeasure Items	250,000						250,000
881280 Water and Sewer Improvements	500,000						500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494						6,087,494
881300 Design Communication Center Upgrade	150,000				83,000		233,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000						395,000
881320 Snow Removal Equipment Storage Facility	1,100,000						1,100,000
881360 AOC/EOC Planning and Design	1,250,000						1,250,000
211160 Taxiway D Rehabilitation					1,000,000		1,000,000
881380 AOC 5th Floor Buildout					2,000,000		2,000,000
311090 SAACS Video Software Replacement					300,000		300,000
311100 Avtek Ramp control radio upgrade					200,000		200,000
311120 Data Center - Storage Growth					255,000		255,000
Miscellaneous small projects	361,000				(65,000)		296,000
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 418,000	\$ 131,722,094
Amended Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Amended
Original ¹							
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000						\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000						3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000				6,000,000		9,250,000
080869 FIS Facilities Expansion	69,000,000						69,000,000
311000 AOSIS System Replacement - Common Use	1,800,000						1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000					21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000						500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000				1,700,000		13,200,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000						11,600,000
881100 International Drive Rehabilitation	13,500,000				(3,500,000)		10,000,000
011109 Heritage Displays at Observation Park	1,600,000						1,600,000
011359 Advanced Surveillance Program	2,610,000			1,185,774			3,795,774
881150 FAM Modular Buildings	1,200,000						1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ -	\$ 681,345,774
Ongoing Projects		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Amended
Original ¹							
080739 Rehabilitate Taxiway A	\$ 25,000,000						25,000,000
080769 Rehabilitate Taxiway F	34,000,000						34,000,000
080859 Pavement Surface Sensor Replacement	108,000				(108,000)		-
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000						280,000,000
211100 Rehabilitate Runway 14/32	3,750,000						3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000						6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000					295,000	3,775,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000						4,800,000
881240 Parking Business Intelligence Software	200,000						200,000
080779 Cemetery Road Rebuild	820,000						820,000
080819 John Brantley Boulevard Reconstruction	16,000,000						16,000,000
211110 West RON Apron Rehabilitation	36,000,000				2,000,000		38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000						2,500,000
080799 Expanded Park Economy 3			75,918,000				75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 295,000	\$ 491,683,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 713,000	\$ 1,304,750,868

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 21th day of November 2019

Notes:
1 Original- budget ordinance adopted March 21st, 2019

Raleigh-Durham Airport Authority Board Members

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 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 2019-2020 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, 2019 and ending March 31, 2020 in accordance with the following schedule:

EXPENDITURES:

	Original ¹	Change 11/21/2019	Amended
Airport Operating Expenses	\$ 83,743,379	\$ 6,580,000	\$ 90,323,379
Capital Projects Spend	103,906,489		103,906,489
Future CFC Projects	16,672,137		16,672,137
Net Debt Service – Interest	24,616,531		24,616,531
Debt Service – Principal	22,685,000		22,685,000
Total	\$ 251,623,536	\$ 6,580,000	\$ 258,203,536

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning April 1, 2019 and ending March 31, 2020:

REVENUES:

	Original ¹	Change 11/21/2019	Amended
Airfield	\$ 16,210,753		\$ 16,210,753
General Aviation	2,006,175		2,006,175
Buildings and Grounds	147,832,008		147,832,008
Total Operating Revenues	\$ 166,048,936		\$ 166,048,936
Interest Income	8,586,395		8,586,395
Grants	15,033,000		15,033,000
PFC Revenue	27,052,627		27,052,627
CFC Revenue	16,672,137		16,672,137
Appropriated Fund Balance	18,230,441	\$ 6,580,000	24,810,441
Total	\$ 251,623,536	\$ 6,580,000	\$ 258,203,536

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, 2019, and amended this 21st, day of November 2019.

Notes:

¹ Original- budget ordinance adopted March 21, 2019

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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 November 21, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION APPROVING CERTAIN MEMBERS OF THE FINANCING TEAM IN CONNECTION WITH THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS

BE IT RESOLVED by the Raleigh-Durham Airport Authority (the “Authority”):

Section 1. The Authority does hereby find and determine as follows:

(a) At its meeting on September 19, 2019 the Authority adopted a resolution making certain findings with respect to the proposed issuance by the Authority of Revenue Refunding Bonds to refund certain Bonds previously issued to finance improvements at the Airport and directing each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller to file an application with the Local Government Commission for approval of the issuance of the Revenue Refunding Bonds.

(b) The resolution adopted September 19, 2019 named certain members of the financing team (Bond Counsel, Financial Advisor, Trustee and Registrar) and directed the Senior Vice President and Chief Finance Officer and the Vice President and Controller to make arrangements with the Financial Advisor for the selection of a financial institution or institutions to act as the underwriters of the Refunding Bonds.

(c) Such arrangements were made and based upon responses to a Request for Proposals, the Senior Vice President and Chief Finance Officer and the Vice President and Controller have made recommendations to the Authority for the proposed underwriters, and the Authority has determined to

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(d) Approve the underwriters based on the recommendation, and the counsel to the underwriters recommended by the underwriters.

Section 2. The following additional financing team members are hereby approved in connection with the proposed issue of the proposed Refunding Bonds:

Underwriters: Siebert Williams Shank & Co., LLC (Senior Manager)
Citigroup Global Markets Inc. (Co-Senior Manager)
J.P. Morgan Securities (Co-Manager)
Morgan Stanley & Co. LLC (Co-Manager)
Samuel A. Ramirez & Co., Inc. (Co-Manager)

Underwriters Counsel: Parker Poe Adams & Bernstein LLP

Section 3. This Resolution shall take effect immediately upon its passage.

Upon motion of Member _____, seconded by Member _____, the foregoing resolution entitled "RESOLUTION APPROVING CERTAIN MEMBERS OF THE FINANCING TEAM IN CONNECTION WITH THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS" was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Sepideh Saidi, 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 November 21, 2019 as it relates in any way to the passage of the foregoing resolutions and that said proceedings are recorded in the minutes of said Board.

WITNESS my hand and the official seal of the Authority this 21st day of November, 2019.

[SEAL]

Secretary

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RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES DECEMBER 19, 2019

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

I. APPROVAL OF AGENDA

Motion by Wallace to approve the agenda; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Teer to approve the minutes of the November 21, 2019 regular meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Retiring employees were recognized and congratulated.
3. Chair Kane mentioned the appeal filed to the judge's recent ruling, and that the Authority remains confident that the ruling in favor of the Authority will be upheld.
4. Chair Kane noted the electronic signs on the airport campus which update customers as to available parking.
5. Chair Kane mentioned Durham's Jetplane Coffee and Raleigh's Two Roosters Ice Cream, which have opened seasonal pop-up stores in Terminal 2.
6. Chair Kane noted the recent life-threatening incident involving an unconscious passenger in cardiac arrest, and recognized the heroic efforts and assistance given by employees, bystanders, and Fire-Rescue responders.
7. With 2019 drawing to a close, Chair Kane reflected on some of RDU's accomplishments:
 - 10% passenger volume growth over 2018, with expectations to exceed 14 million passengers by December 31st
 - First public entity to deploy electric buses
 - Completion of major construction projects including repaving of Taxiway F, John Brantley Blvd., and ParkRDU Economy 3
 - Opening of ParkRDU Express and the online parking booking tool
 - Recognition of RDU by J.D. Power as one of the top five large North American airports for customer satisfaction.

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IV. OLD BUSINESS

1. Operations Committee Report – Thompson reported Board members met during the Operations Committee work session on December 19, 2019 and discussed the following item:

- a. TSA Airport Security Presentation

Presentation in closed session pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 to protect sensitive security information. For informative purposes only. No Board action required.

2. Land and Development Committee Report – Teer reported Board members met during the Land and Development Committee work session on December 19, 2019 and discussed the following items:

- a. Presentation regarding Perimeter Fencing

Presentation to Board in Committee work session for informative purposes only [may be viewed at <https://www.youtube.com/watch?v=3tu1abtVFZ4&feature=youtu.be>]. No Board action required at this time.

- b. Consideration of the GMP Amendment with Balfour Beatty Construction for Passenger Boarding Bridges

Motion by Teer for approval of this GMP Amendment with Balfour Beatty Construction in the amount of \$2,257,611 and authorization for the President and CEO to execute the amendment, subject to approval of a corresponding Capital Project Ordinance Amendment; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

3. Finance Committee Report – Teer reported Board members met during the Finance Committee work session on December 19, 2019 and discussed the following items:

- a. Consideration of Capital Project Ordinance Amendment #6

Motion by Teer for approval of the 2019-2020 Capital Project Ordinance Amendment #6, with increased funding of \$2,257,611 for the Terminal 1 Airline Operations Space Buildout project; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

- b. Consideration Proposed Refunding of Airport Revenue Refunding Bonds, Series 2010A, 2010B and 2010B-1

Motion by Wallace for approval of the Bond Order authorizing the issuance and sale by the Authority of Airport Revenue Refunding Bonds, Series 2020A (AMT) and Airport Revenue Refunding Bonds, Series 2020B (NON-AMT) in an aggregate principal amount not to exceed \$300,000,000 to refund

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certain Bonds previously issued by the Authority and paying certain associated expenses; authorizing the execution and delivery of certain documents in connection therewith; and authorizing the Authority to amend and restate the Master Trust Indenture, dated as of February 1, 2001, as amended; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Contract for Professional Audit Services for FY 2020
- b. Consideration of Amendment 1 to the Terminal Concession Agreement with Uptown Airport Group, LLC
- c. Consideration of Amendment 2 to the Terminal Support Space Agreement with Hudson Group (HG) Retail, LLC
- d. Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with SSP America, Inc.
- e. Consideration of Terminal Support Space Lease Agreement with Areas USA RDU, LLC
- f. Consideration of Amendment Two with Streetsense Consulting, LLC
- g. Consideration of Agreement with Fleishhauer Datenträger GmbH for SKIDATA Ticket Paper
- h. Consideration of Amendment #1 with SKIDATA, Inc. for Parking Logic Software Upgrade
- i. Potential Future Budget Ordinance Amendments (Information only - no action required)

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

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

Board members thanked staff for their efforts during 2019 and everyone was wished a safe and happy holiday. Continued support of the USO was encouraged. The retiring employees were thanked for their service to the airport. Management staff were recognized and thanked for their integrity, fortitude, and efforts on behalf of the airport in view of social media attacks and inaccurate information and propaganda.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

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

Raleigh - Durham Airport Authority Board Members

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Activity Report

Total passenger volume in November was 1.2 million, up 3.7% from November 2018. RDU set a single-day record for passenger traffic on December 1, the Sunday after Thanksgiving, with an all-time high of approximately 54,800 passengers traveling through the airport. The Sunday after Thanksgiving edged out May 13 of this year (the day after Mother's Day and college graduations) as the single busiest day in the airport's history. The previous record was 53,000 passengers in one day. We remind passengers to arrive two hours early for domestic flights during this busy holiday season to make sure they have enough time to park, get through security and walk to their gates on time. International passengers should arrive at the airport three hours early. Passengers can also save time by booking their parking online at least 24 hours in advance at ParkRDU.com to ensure access to their preferred lot at the lowest rate available.

Perimeter Fencing

RDU is exploring options to build a perimeter fence around all of the airport's property, including the boundary between the airport and Umstead State Park. The fence will enhance airport security and help keep trespassers off airport property. RDU had the land surveyed to define where our property ends and Umstead State Park begins. During that process, we were informed by our consultants that a portion of the park's multi-use trail is on airport property. The perimeter fence concept included in the request for bids shows the fence following the airport's actual boundary. The fence will be behind a natural existing buffer and will not restrict access to Umstead State Park. We are working with the State Parks to find a solution that does not block access to the multi-use trail that crosses airport property, which will likely require the trail to be realigned. Authority staff will finalize the proposed installation plan and costs associated with the project and meet with adjacent land owners prior to seeking Board approval to move forward with the project.

Winter Weather Equipment

RDU rolled out \$2 million in new winter weather equipment this month, including three new SnoDozers, along with other snow and ice-fighting equipment that help us keep the roads, runways and taxiways safe for travelers. The high-speed SnoDozers are built for airports and allow crews to switch between snow blower heads, airfield brooms and plows depending on the conditions. Our Operations and Maintenance teams continue to do an outstanding job of preparing the airport to respond to winter weather conditions, including ice and snow. Our "snow warriors" have one of the toughest jobs at the airport on snow days, clearing runways and taxiways to ensure aircraft can taxi, take off and land safely. They also clear RDU's roadways to ensure passengers can safely access the airport during inclement weather.

Holiday Giving Campaign

This year the Authority got into the holiday spirit through a holiday giving campaign. Staff collected food items and partnered with the USO of North Carolina to support service members and their families by stuffing stockings for military children and writing letters to service members stationed

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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abroad. I'm pleased to share that we donated a total of 669 pounds of food – an equivalent of 560 meals – to the Food Bank of Central and Eastern North Carolina's Durham and Wake locations. The Authority also adopted a family in need. Staff donated gifts for the parents and their six children including clothes, toys and other essential items. We've invited the family to the fire house, where Santa will deliver their presents. I'm proud of our employees' charitable spirit and desire to give back to the community.

In closing, I want to wish everyone a safe, happy and healthy holiday season.

IX. A D J O U R N M E N T

Motion by Hannah to adjourn; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #8

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:

\$ 1,307,008,479

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 \$ 1,296,359,658

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

	Original ¹	Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amendment 3 Change 06/20/19	Amendment 4 Change 08/15/19	Amendment 5 Change 11/21/19	Amendment 6 Change 12/19/2019	Amended
New 19/20 Projects								
311050 T1 4-Gate Expansion	\$ 115,450,000							\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000					306,000		1,046,000
311070 T2 and CIP Siemens SMS System Hardware Upgrade	565,000							565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000					22,000		242,000
621000 Cameras for Parking and Additional Storage to Record	102,600							102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000							450,000
881270 Spill Prevention Control and Countermeasure Items	250,000							250,000
881280 Water and Sewer Improvements	500,000							500,000
881290 FY19-20 Replacement Vehicles & Equipment	8,087,494							8,087,494
881300 Design Communication Center Upgrade	150,000				83,000			233,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000							395,000
881320 Snow Removal Equipment Storage Facility	1,100,000							1,100,000
881360 AOC/EOC Planning and Design	1,250,000							1,250,000
211160 Taxiway D Rehabilitation					1,000,000			1,000,000
881380 AOC 5th Floor Buildout					2,000,000			2,000,000
311090 SAACS Video Software Replacement					300,000			300,000
311100 Aylek Ramp control radio upgrade					200,000			200,000
311120 Data Center - Storage Growth					255,000			255,000
Miscellaneous small projects	361,000				(85,000)			276,000
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 418,000	\$ -	\$ 131,722,094
Amended Projects								
	Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Change 12/19/2019	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000							\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000							3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000				6,000,000			9,250,000
080669 FIS Facilities Expansion	60,000,000							60,000,000
311000 AOTS System Replacement - Common Use	1,800,000							1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000					2,257,611	23,757,611
080769 CONRAC and New Rental Car Storage Lot	500,400,000							500,400,000
010629 Roadway Informational Sign Rehabilitation	11,500,000				1,700,000			13,200,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000							11,600,000
881100 International Drive Rehabilitation	13,500,000				(3,500,000)			10,000,000
011109 Heritage Displays at Observation Park	1,600,000							1,600,000
011359 Advanced Surveillance Program	2,610,000			1,185,774				3,795,774
881150 FAM Modular Buildings	1,200,000							1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ -	\$ 2,257,611	\$ 683,603,385
Ongoing Projects								
	Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Change 12/19/2019	Amended
080739 Rehabilitate Taxiway A	\$ 25,000,000							\$ 25,000,000
080769 Rehabilitate Taxiway F	34,000,000							34,000,000
080859 Pavement Surface Sensor Replacement	108,000				(108,000)			-
080879 Runway 5L-25R and Taxiway B Replacement	280,000,000							280,000,000
211100 Rehabilitate Runway 14/32	3,750,000							3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000							6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000					295,000		3,775,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000							4,800,000
881240 Parking Business Intelligence Software	200,000							200,000
080779 Cemetery Road Rebuild	820,000							820,000
080819 John Brantley Boulevard Reconstruction	16,000,000							16,000,000
211110 West RDN Apron Rehabilitation	38,000,000				2,000,000			40,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000							2,500,000
080799 Expanded Park Economy 3	-		75,918,000					75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 295,000	\$ -	\$ 491,583,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 713,000	\$ 2,257,611	\$ 1,307,008,479

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 10th day of December 2019

Notes:
1 Original budget ordinance adopted March 21st, 2019

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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 December 19, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present: Chair John Kane, Vice Chair Patrick Hannah, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Kushner, Member Napoleon Wallace

Absent: Member David Morgan

Also Present: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests

* * * * *

Donna Sylver, Senior Vice President and CFO, introduced the following order the title of which was read and copies of which had been previously distributed to each Member:

ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF AIRPORT REVENUE REFUNDING BONDS, SERIES 2020A (AMT) AND AIRPORT REVENUE REFUNDING BONDS, SERIES 2020B (NON-AMT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 TO REFUND CERTAIN BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND PAYING CERTAIN ASSOCIATED EXPENSES; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING THE AUTHORITY TO AMEND AND RESTATE THE MASTER TRUST INDENTURE, DATED AS OF FEBRUARY 1, 2001, AS AMENDED

BE IT ORDERED by the Raleigh-Durham Airport Authority (the "Authority"):

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the "Master Trust Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the "Airport") as further provided therein.

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(b) Pursuant to the Master Trust Indenture and the Eleventh Supplemental Indenture, dated as of August 1, 2010 thereunder between the Authority and the Trustee (the "Eleventh Supplemental Indenture"), the Authority has heretofore issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), to (i) refund its Raleigh-Durham Airport Authority Variable Rate Airport Revenue Refunding Bonds, Series 2008A (AMT) and its Raleigh-Durham Airport Authority Variable Rate Airport Revenue Refunding Bonds, Series 2008B (AMT) previously issued by the Authority to refund certain other Bonds that were issued to finance improvements to the Raleigh-Durham International Airport, (ii) finance the termination fees associated with terminating certain interest rate swap agreements previously entered by the Authority in connection with the Series 2008A Bonds and Series 2008B Bonds, (iii) fund a portion of the Parity Reserve Fund allocable to the Series 2010A Bonds, and (iv) pay Costs of Issuance associated with the issuance of the Series 2010A Bonds.

(c) The Authority has determined to issue its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2020A (AMT) (the "Series 2020A Bonds") for the purpose of providing funds, together with other available funds, to (i) refund the Series 2010A Bonds maturing May 1, 2021 and thereafter (the "Series 2010A Bonds to be Refunded") and (ii) pay Costs of Issuance associated with the issuance of the Series 2020A Bonds.

(d) Pursuant to the Master Trust Indenture and the Eleventh Supplemental Indenture, the Authority has also heretofore issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (collectively, the "Series 2010B Bonds") to provide funds, together with other available funds, to (i) refund certain of its Raleigh-Durham Airport Authority Airport Revenue Bonds, Series 2001A (the "Series 2001A Bonds"), which were issued to provide funds, together with other available funds, to finance certain improvements to the Airport System, and (ii) pay Costs of Issuance associated with the issuance of the Series 2010B Bonds.

(e) The Authority has determined to issue its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2020B (Non-AMT) (the "Series 2020B Bonds") for the purpose of providing funds, together with other available funds, to (i) refund the Series 2010B Bonds maturing November 1, 2020 and thereafter (the "Series 2010B Bonds to be Refunded") and (ii) pay Costs of Issuance associated with the issuance of the Series 2020B Bonds.

(f) The Authority has made application to the North Carolina Local Government Commission (the "Commission") for approval of the issuance of the Series 2020A Bonds and Series 2020B Bonds in accordance with G.S. 159-86 and has further requested the sale of the Series 2020A Bonds and Series 2020B Bonds by private negotiated sale to the underwriters thereof.

(g) The Authority proposes to sell the Series 2020A Bonds and Series 2020B Bonds to an underwriting group consisting of Siebert Williams Shank & Co., LLC; Citigroup Global Markets Inc.; J.P.

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Morgan Securities; Morgan Stanley & Co. LLC; and Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriters"), pursuant to the provisions of the Bond Purchase Agreement (hereinafter defined), at such prices determined by the Commission, subject to the approval of the Authority.

(h) There have been presented to the Authority at this meeting forms of the following documents relating to the issuance and sale of the Bonds:

(1) Fourteenth Supplemental Trust Indenture, to be dated as of March 1, 2020 (the "Fourteenth Supplemental Trust Indenture"), between the Authority and the Trustee, pursuant to which the Series 2020A Bonds and Series 2020B Bonds would be issued;

(2) Bond Purchase Agreement, to be dated the date of execution and delivery thereof, among the Authority, the Commission and Siebert Williams Shank & Co., LLC, as representative of the Underwriters, relating to the sale of the Series 2020A Bonds and Series 2020B Bonds;

(3) Preliminary Official Statement, to be dated the date of delivery thereof (the "Preliminary Official Statement"), relating to the sale and offering of the Series 2020A Bonds and Series 2020B Bonds; and

(4) Escrow Deposit Agreement, to be dated as of March 1, 2020 ("the Escrow Agreement") between the Authority and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (in such capacity, the "Escrow Agent") providing for, among other things, the holding in trust, investment and application of the proceeds of the Series 2020A Bonds and Series 2020B Bonds to be used to redeem the Bonds being refunded.

(i) The Authority has determined that the issuance and sale of the Series 2020A Bonds and Series 2020B Bonds in the manner provided in this order is in the best interests of the Authority.

(j) The Authority has determined to amend and restate the Master Trust Indenture. In addition to the items set forth in subsection (h) above, there has been further presented to the Authority at this meeting the form of the Amended and Restated Master Trust Indenture, by and between the Authority and the Trustee.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the Master Trust Indenture and the Fourteenth Supplemental Indenture.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the "Act"), particularly G.S. 159-88, the Authority hereby authorizes (i) the issuance of the Series 2020A Bonds for the purposes described above and (ii) the issuance of the Series 2020B Bonds for the purposes described above, in an aggregate principal amount of not to exceed \$300,000,000. The exact amount of Series 2020A Bonds and Series 2020B Bonds to be issued shall be determined by the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority at the time the Series 2020A Bonds and Series 2020B Bonds are sold to

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the Underwriters and shall be an amount sufficient, together with any other available funds, to pay the amounts specified in subsections (c) and (e) of Section 1 above.

The Series 2020A Bonds and Series 2020B Bonds shall bear interest and mature at such times and in such amounts as shall be set forth in the Master Trust Indenture and the Fourteenth Supplemental Trust Indenture, subject to the provisions of this order, such rate, maturities and amounts to be determined by the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer or the Vice President and Controller of the Authority at the time the Series 2020A Bonds and Series 2020B Bonds are sold to the Underwriters. The final maturity of the Series 2020A Bonds shall not be later than May 1, 2036, and the final maturity of the Series 2020B Bonds shall not be later than May 1, 2031. The effective interest cost of the Series 2020A Bonds and Series 2020B Bonds shall not exceed 4.50%.

Section 4. The Series 2020A Bonds and Series 2020B Bonds shall be subject to optional and mandatory sinking fund redemption at the times, upon the terms and conditions, and at the prices determined by the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer or the Vice President and Controller of the Authority, such redemption terms to be set forth in the Fourteenth Supplemental Trust Indenture.

Section 5. The proceeds of the Series 2020A Bonds and Series 2020B Bonds shall be applied as provided in the Fourteenth Supplemental Trust Indenture.

Section 6. The Series 2020A Bonds and Series 2020B Bonds shall be secured as provided in the Master Trust Indenture and the Fourteenth Supplemental Indenture.

Section 7. The Local Government Commission is hereby requested to sell and award the Series 2020A Bonds and Series 2020B Bonds to the Underwriters on behalf of the Authority, subject to the approval of the Authority, in accordance with the terms and provisions set forth in the Bond Purchase Agreement. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby designated to approve on behalf of the Authority the sale of the Series 2020A Bonds and Series 2020B Bonds to the Underwriters for such purchase price and upon such terms and conditions as such officer shall determine, subject to the provisions of this order. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is each hereby authorized and directed in the name and on behalf of the Authority to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such changes, additions and deletions as the person executing the Bond Purchase Agreement, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 8. The form, terms and provisions of the Fourteenth Supplemental Trust Indenture, including the form of the Series 2020A Bonds and Series 2020B Bonds set forth therein, and the Escrow Agreement are hereby approved, and each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby

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authorized and directed to execute and deliver the Fourteenth Supplemental Trust Indenture, and the Escrow Agreement, in substantially the forms presented, together with such changes, additions and deletions as such persons, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2020A Bonds and Series 2020B Bonds as set forth in the Bond Purchase Agreement and to incorporate certain terms and provisions required by the rating agencies, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The Treasurer of the Authority is hereby authorized and directed to execute and deliver the Series 2020A Bonds and Series 2020B Bonds, in substantially the forms presented, together with such changes, additions and deletions as such person, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2020A Bonds and Series 2020B Bonds.

Section 9. The Preliminary Official Statement relating to the offering for sale of the Series 2020A Bonds and Series 2020B Bonds is hereby approved. The Authority hereby authorizes and approves the use and distribution of the Preliminary Official Statement in substantially the form presented in connection with the offering for sale of the Series 2020A Bonds and Series 2020B Bonds by the Underwriters. The Authority authorizes and consents to the preparation and distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2020A Bonds and Series 2020B Bonds. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to execute and deliver the Official Statement such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, the Vice President and Controller, the Secretary and each Assistant Secretary of the Authority is authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver the Fourteenth Supplemental Trust Indenture, the Escrow Agreement, the Series 2020A Bonds and Series 2020B Bonds, the Bond Purchase Agreement and such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the Master Trust Indenture, the Fourteenth Supplemental Trust Indenture, the Escrow Agreement and the Bond Purchase Agreement.

The Secretary and each Assistant Secretary hereinafter provided for is hereby authorized to affix the seal to such instruments and attest the same. The Secretary and each Assistant Secretary is further authorized to certify the authenticity of such records of the Authority as shall be required in connection with the issuance of the Series 2020A Bonds and Series 2020B Bonds and the fulfillment of the terms of the Bond Purchase Agreement in connection therewith. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby appointed as an Assistant Secretary to the Authority for purposes of delivering and

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authenticating documents of the Authority and attesting the official seal of the Authority in connection with the issuance of the Bonds.

The officers of the Authority and the agents and employees of the Authority are hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Bonds, the Master Trust Indenture, the Fourteenth Supplemental Trust Indenture, the Escrow Agreement and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same, including all administrative actions as shall be required to be taken after the issuance of the Series 2020A Bonds and Series 2020B Bonds. The officers of the Authority are authorized to take such actions as may be necessary or desirable in order to permit or qualify the offering of the Series 2020A Bonds and Series 2020B Bonds in any jurisdiction the Underwriters may request. The officers of the Authority and the agents and employees of the Authority are hereby authorized and directed to take any actions to make payments to the United States Treasury required to be paid in order to comply with the federal tax laws regarding the exclusion from gross income of interest on the Series 2010A Bonds to be Refunded and the Series 2010B Bonds to be Refunded.

Section 11. Except as hereinafter provided, the Authority hereby calls the Series 2010A Bonds to be Refunded and the Series 2010B Bonds to be Refunded for optional redemption on May 1, 2020, or the first practicable date thereafter for which notice of redemption can be given and Bonds can be redeemed from proceeds of the Series 2020A Bonds and Series 2020B Bonds. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to continue to review the proposed plan of finance for the Series 2020A Bonds and Series 2020B Bonds and if such officers determine that refunding any of the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded will not produce sufficient debt service savings under the plan of finance, are authorized to direct that such Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded shall not be so refunded.

The Trustee shall provide notice of redemption of the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded to be redeemed at the time and in the manner provided in the Eleventh Supplemental Trust Indenture and the Escrow Deposit Agreement.

Section 12. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to take such actions as they determine to be appropriate for the Authority to terminate existing arrangements for the investment of funds associated with the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded, including, without limitation, terminating the Debt Service Reserve Forward Delivery Agreement, dated as of April 25, 2002 among the Trustee, the Authority and Wells Fargo Bank, National Association (formerly Wachovia Bank, National Association) and the Master Repurchase Agreement, dated as of September 19, 2006, between the Trustee and Bank of America, N.A. In addition, such officers are hereby authorized and directed to take such actions as they determine to be appropriate for the Authority to enter into new arrangements for the investment of proceeds of the Series 2020A Bonds and Series 2020B Bonds.

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Section 13. The form, terms and provisions of the Amended and Restated Master Trust Indenture are hereby approved. Pursuant to the terms of the Fourteenth Supplemental Trust Indenture, the initial beneficial owners of the Series 2020A Bonds and Series 2020B Bonds, by their purchase of the Series 2020A Bonds and Series 2020B Bonds, consent to the amendment of the Master Trust Indenture as provided in the Amended and Restated Master Trust Indenture presented to the Authority at this meeting, and authorize, approve and consent to the execution and delivery of the Amended and Restated Master Trust Indenture in the form presented.

Upon the receipt of the consent of a majority of the owners of the Bonds issued under the Master Trust Indenture, which may occur upon the issuance of the Series 2020A Bonds and the Series 2020B Bonds and the application of the proceeds thereof as provided herein and in the Fourteenth Supplemental Trust Indenture, the President and Chief Executive Officer and the Senior Vice President and Chief Finance Officer of the Authority is hereby authorized and directed to execute and deliver the Amended and Restated Master Trust Indenture in substantially the form presented, together with such changes, additions and deletions as such persons, with the advice of counsel, may deem necessary and appropriate.

Section 14. This order shall take effect immediately upon its passage.

Upon motion of Member Napoleon Wallace, seconded by Member David Kushner, the foregoing order entitled "ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF AIRPORT REVENUE REFUNDING BONDS, SERIES 2020A (AMT) AND AIRPORT REVENUE REFUNDING BONDS, SERIES 2020B (NON-AMT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 TO REFUND CERTAIN BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND PAYING CERTAIN ASSOCIATED EXPENSES; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING THE AUTHORITY TO AMEND AND RESTATE THE MASTER TRUST INDENTURE, DATED AS OF FEBRUARY 1, 2001, AS AMENDED" was passed by the following vote:

Ayes: (7) - Chair John Kane, Vice Chair Patrick Hannah, Secretary Sepideh Saidi, Treasurer Robb Teer, Member Dickie Thompson, Member David Kushner, Member Napoleon Wallace

Noes: (0)

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I, Sepideh Saidi, 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 Authority at a regular meeting held on December 19, 2019 as it relates in any way to the passage of the foregoing resolution and that said proceedings are recorded in the minutes of said Authority.

WITNESS my hand and the official seal of the Authority this 19th day of December, 2019.

[SEAL]

Sepideh Saidi, Secretary

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT DECEMBER 19, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Contract for Professional Audit Services for FY 2020

Memorandum by Donna Sylver, Senior Vice President and Chief Financial Officer – North Carolina General Statute §159-34 requires annual independent audits and specifically states: “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 Board approved a one-year contract for external audit services to Elliott Davis Decosimo, PLLC (hereinafter EDD), with two additional one-year options. Proposed audit fees are \$42,110, \$43,160, and \$44,240 for the fiscal years ending March 31, 2019, 2020, and 2021 respectively. EDD completed the initial one-year term of the awarded contract for external audit services for fiscal year ending March 31, 2019.

The staff requests approval to continue to utilize EDD for external audit services and approval of the associated Local Government Commission contract form, and EDD’s Engagement letter.

Staff requests approval to exercise the first of two optional one-year terms of the EDD contract, for the provision by EDD of audit services for fiscal year ending March 31, 2020, and authorization for the necessary board members and staff to execute the Local Government Commission’s Contract to Audit Accounts form, and EDD’s engagement letter.

b) Consideration of Amendment 1 to the Terminal Concession Agreement with Uptown Airport Group, LLC

Memorandum by Kimberly Stewart, Director of Concessions – Uptown Airport Group, LLC (Uptown) will operate the Raleigh Brewing Tavern effective April 1, 2020. During design phase, nineteen (19) square feet were added to the leasehold, increasing the total square footage to 1120 s.f. for this concession food and beverage unit. This proposed Amendment 1 to the Terminal Concession Agreement would memorialize the expansion of lease space for Room 2010 by 19 s.f., update the Concession Layout Plan, and update the Proposal Floor Plan exhibit. There are no other lease changes.

Staff requests approval of Amendment 1 to the Terminal Concession Agreement with Uptown Airport Group, LLC and authorization for the President and CEO to execute the amendment.

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c) Consideration of Amendment 2 to the Terminal Support Space Agreement with Hudson Group (HG) Retail, LLC

Memorandum by Kimberly Stewart, Director of Concessions – Hudson Group (HG) Retail, LLC leases office and storage space to support its operation of seven convenience retail and specialty shops in Terminal 2. This proposed amendment corrects the office space room numbers to reflect renumbering of the office suite. Room 3425B and 3425C have been renumbered to 3425 and 3425A, respectively. There are no other lease changes.

Staff requests approval of Amendment 2 to the Terminal Support Space Agreement with Hudson Group (HG) Retail, LLC and authorization for the President and CEO to execute the amendment.

d) Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with SSP America, Inc.

Memorandum by Kimberly Stewart, Director of Concessions – SSP America, Inc. leases office and storage space to support its four (4) food and beverage concession units in Terminal 2. To continue providing support to these concession locations, SSP America will lease office space consisting of 142.44 s.f. and storage space consisting of 138.95 s.f. for a total of 281.39 s.f. Of the four food and beverage concession units operated by SSP, Flavours and Camden operate month-to-month, and those agreements will expire on December 31, 2019 and March 31, 2020, respectively. Jason's Deli and BurgerFi, are the two remaining concession units, and those agreements will expire on June 30, 2024.

Staff requests approval of Amendment 1 to the Terminal Support Space Lease Agreement with SSP America, Inc. and authorization for the President and CEO to execute this amendment.

e) Consideration of Terminal Support Space Lease Agreement with Areas USA RDU, LLC

Memorandum by Kimberly Stewart, Director of Concessions – Areas USA RDU, LLC (Areas) will operate six (6) food and beverage units in Terminal 2 effective January 4, 2020 and such operation is anticipated for a minimum term of sixteen (16) months. To support these concession locations, Areas will lease office space consisting of 809.25 s.f. and three (3) storage spaces totaling 627.56 s.f., for a total of 1,436.81 s.f.

The term for this proposed lease of office and storage spaces will run concurrently with Areas' Terminal Concession Lease Agreement that will expire on May 31, 2021. Areas will pay to the Authority annual rent of \$109,638.28 for 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.

Staff requests approval of the Terminal Support Space Lease Agreement with Areas USA RDU, LLC and authorization for the President and CEO to execute the agreement.

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f) Consideration of Amendment Two with Streetsense Consulting, LLC

Memorandum by Dan Miller, Vice President of Marketing – Staff continues to work diligently to enhance the customer experience and generate revenue, while effectively positioning the Airport in the community and in the consumer travel market. Staff requests approval to amend the current agreement to authorize Streetsense to continue to provide the services needed to support promotion of the Authority’s parking and concessions programs through the end of FY 19-20.

This proposed Amendment Two will accomplish three objectives: 1) extend the contract term from December 21, 2019 through March 31, 2020 to align services with the fiscal year; 2) add funds as shown below to cover the agency retainer for Parking and Concessions for those three added months; and 3) add \$50,000 to pay for campaigns related to the promotion of ParkRDU through the end of FY 19-20. The total amendment amount is not to exceed \$118,667. Funding to support the parking marketing component of this amendment is included in the FY 2019-20 Marketing Operating Budget. The concessions marketing component will be sourced from the Concessionaires’ Marketing Fund. Overall Amendment Two costs are summarized below:

Contract Scope & Costs - Marketing Consulting Services

Agency Retainer: 3 Months – Parking:	\$46,667
Advertising spend:	up to \$42,500
Agency fees for media placement services:	<u>up to \$ 7,500</u>
Total Parking:	up to \$96,667

Agency Retainer: 3 Months – Concessions:	<u>\$21,667</u>
Amendment Two Total:	up to \$118,334

Streetsense will continue to collaborate with Carolinas-based firms to support on-site activities and exceed the Authority’s Minority and Women-owned Small Business goals, resulting in 10% Minority owned and 25% Women-owned participation for the total contract term.

Staff requests approval of Amendment Two with Streetsense Consulting, LLC, for an amendment amount not to exceed \$118,334 and authorization for the President and Chief Executive Officer to execute the amendment.

g) Consideration of Agreement with Fleishhauer Datenträger GmbH for SKIDATA Ticket Paper

Memorandum by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – Staff invited certified and qualified ticket producers and partners to provide bids for furnishing and delivering brand-specific SKIDATA ticket paper for the Authority’s parking operation. The Authority proposes to award a three (3) year contract, with two (2) one-year renewal options, for a potential contract maximum term of five (5) years.

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The Request for Bid was issued on September 23, 2019 and staff reviewed the five (5) bids received and selected the Fleishhauer Halbach Group (part of Fleischhauer Datenträger GmbH). The Fleishhauer Halbach Group has over 150 years of printing and ticketing experience and is a certified and registered supplier for SKIDATA tickets. Currently, the Authority spends \$41,500.00 annually on SKIDATA ticket paper and Fleischhauer's bid was \$24,325.70 annually.

Staff requests approval to enter into a three year agreement, with two one-year renewal options, with Fleischhauer Datenträger GmbH at an annual cost of \$24,325.70 and authorization for the President and CEO to execute the agreement.

h) Consideration of Amendment #1 with SKIDATA, Inc. for Parking Logic Software Upgrade

Memorandum by Jeffrey A. Slayton, PMP, Director of Parking and Ground Transportation – The Raleigh-Durham Airport Authority executed a five-year Parking and Revenue Control System (PRCS) Annual Maintenance and Support Agreement with SKIDATA, Inc. on July 12, 2019 for a total of \$1,882,485. In October 2019, Microsoft informed SKIDATA that after January 2020, Microsoft would no longer provide support for its WIN 7 products. This lack of support would not allow the Authority to remain compliant with payment card industry data security standards. To remain compliant, all of the Microsoft Windows OS versions used in the PRCS need to be upgraded to the 2016 versions. The new OS versions have compatibility issues with existing circuit boards being utilized in the field devices, which necessitates replacement of those circuit boards.

The Authority's PRCS currently uses the SKIDATA Parking.LogicV8 software and this proposed upgrade will move the Authority to the Parking.LogicV12 software version while providing the "unlocks" for the Parking.LogicV14 software version which is due out sometime after April 2020. The amendment provides that the Authority will automatically be upgraded to V14 when it is released for production in the US market. This amendment increases the total cost of the Agreement by \$238,005.17 for a new total contract amount of \$2,120,490.17.

Staff requests approval of Amendment #1 to the SKIDATA Annual Maintenance and Support Agreement in the amount of \$238,005.17 and authorization for the President and CEO to execute the amendment.

i) Potential Future Budget Ordinance Amendments

Memorandum by Donna Sylver, Senior Vice President and Chief Financial Officer – During the August, September, and November Board meetings, staff detailed potential overall budget shortfalls for both the Airport Operating Expenses, and Capital Projects Spend for the 2019-2020 fiscal year. Historically, if a capital project was approved, and the current fiscal year

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spend of that project was decreased or delayed, it would free up funds for spend on other approved capital projects during the current fiscal year, without the need for a budget amendment. However, with the trend of expedited projects, the Authority may encounter an excess capital projects spend, and staff wanted to give the Board visibility to that potential, and continue to update the Board of a possible budget amendment (or amendments) in the future.

At the September Board meeting, staff identified a potential \$34.0M budget shortfall of approximately seven major projects in the 2019-2020 Budget Ordinance for Capital Projects. As of November 2019, the forecasted budget shortfall of all 53 projects is now estimated at \$5.4M.

Staff will continue to monitor budgetary needs for the remainder of this fiscal year, which may result in a future request for Board consideration of budget ordinance amendments.

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

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**RALEIGH- DURHAM AIRPORT AUTHORITY
OPERATIONS COMMITTEE WORK SESSION MINUTES
DECEMBER 19, 2019**

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

The Committee discussed the following items:

1. TSA Airport Security Presentation

Presentation by Joseph Cipriani, Transportation Security Administration Field Intelligence Officer, and Beth Walker, Transportation Security Administration Federal Security Director, in closed session pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520 to protect Sensitive Security Information.

For informative purposes only. No Board action required.

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RALEIGH-DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES DECEMBER 19, 2019

Teer presided. Present: Hannah, Kane, Kushner, Saidi, Thompson and Wallace¹. President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CISO McFall, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, Jewett, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following items:

1. Presentation regarding Perimeter Fencing:

Presented by William Sandifer, A.A.E., Senior Vice President and Chief Operating Officer – Mr. Sandifer discussed trespassing, criminal activity and environmental damage caused by years of building and using illegal bike trails as key concerns for the Authority's consideration of the construction of perimeter fencing around airport property. He shared documented evidence of environmental violations caused by trespassers hiking and biking on airport property and stressed the only way to remediate the damage and prevent further erosion is to keep trespassers off the property. Mr. Sandifer presented information about repeated environmental violations and the security risk of having trespassers on airport property.

Erin Locklear, the Authority's General Counsel gave an overview of law regarding the potential liability status of the Authority as to trespassers using airport property.

While the land that would be protected by the fence is controlled by the Authority and intersects with the Reedy Creek multi-use trail at Umstead State Park, Mr. Sandifer noted that the Authority is working with the North Carolina Division of Parks and Recreation to ensure that any fencing does not block access to the trail or park facilities and that Authority staff are also meeting with adjacent land owners. Mr. Sandifer described how the proposed perimeter fence along the airport's eastern border would be the first section of a multi-phased, multi-year project to secure all airport property and that it would be built behind a ten-foot existing natural buffer of trees and vegetation that would separate it from the property adjacent to the airport, including Umstead State Park.

The presentation may be viewed in its entirety at <https://www.youtube.com/watch?v=3tulabtVFZ4&feature=youtu.be>.

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

¹ Board member Wallace arrived at 11:09 am

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2. Consideration of the GMP Amendment with Balfour Beatty Construction for Passenger Boarding Bridges:

Presented by Jaymes Carter, Director of Buildings & Building Systems – The purpose of this item is to request approval of an amendment to the Guaranteed Maximum Price (GMP) agreement with Balfour Beatty, allowing the installation of two new passenger boarding bridges, modifications to fixed passenger bridges, added ancillary equipment (PCA & 400Hz) and electrical/communication services required for activation of Gates A1 and A2 at Terminal 1. This scope is a change to the previously presented ongoing work for the Terminal 1 Airline Space Buildout Project, with overall costs summarized as follows:

Cost of Re-work	\$2,935.00
Deduct for Fixed Bridge Modifications	(-\$352,989.00)
Cost of New PBB's	\$2,404,080.53
Cost of Unrelated AHJ Requirements	\$92,073.00
CMR Fees	\$111,511.47
Total GMP Amendment Cost	\$2,257,611.00

Rework consists of removing and reinstalling new ceiling grid and tile for electrical service conduit and conductors. Deduct for fixed bridge modifications are savings realized for shorting and leveling the original ramp loading fixed bridge sections to standard straight fixed sections. Authority Having Jurisdiction (AHJ – i.e., Wake County) requirements consist of added fire alarm, fire protection and egress stairs unrelated to the installation of the PBBs. Cost of new PBB's includes movable bridges, PCAir, GPU, electrical and communication services. CMR fees include insurance, bonds and labor fees.

The overall Minority and Women Owned Small Owned Business (MWSB) goals for this existing CMAR Master Agreement are 10.0% for Minority-owned Small Businesses and (MB) and 5.0% for Women-owned Small Businesses (WB). The CMAR was able obtain 8.6% MB and 6.0% WB. The current MWSB participation for the project is 13.1% MB and 4.9% WB. These percentages have been reviewed with the Authority's Small Business Programs Office which determined the CMAR has made a good faith effort to obtain MWSB participation.

The Authority will compensate the CMAR for materials and services rendered for the new Passenger Boarding Bridges at a Guaranteed Maximum Price of \$2,257,611. Design and engineering work related to this item has been included within the existing design and construction administration task orders with the design team, at no additional cost. The additional funds are for equipment, materials and installation related work.

Staff requests approval a GMP Amendment with Balfour Beatty in the amount of \$2,257,611, and authorization for the President and CEO to execute the Amendment, subject to the approval of a corresponding Capital Budget Amendment.

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES DECEMBER 19, 2019

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

The Committee discussed the following item:

1. Consideration of Capital Project Ordinance Amendment #6:

Presented by Ron Kapocius, Vice President and Controller – Staff requests approval of Capital Project Ordinance Amendment #6 to increase funding for the following existing project:

- Capital Project 311020, “Terminal 1 Airline Operations Space Buildout”, was created with an overall budget of \$19,000,000. The budget was increased to \$21,500,000 with Capital Project Ordinance Amendment #1, adopted April 18, 2019. For new passenger boarding bridges, modifications to fixed passenger bridges, and ancillary equipment and services required for activation of Gates A1 and A2 at Terminal 1, additional funds of \$2,257,611 are being requested. The new project total will be \$23,757,611.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year at this time.

Staff requests approval of the 2019-2020 Capital Project Ordinance Amendment #6, with increased funding of \$2,257,611 for the Terminal 1 Airline Operations Space Buildout project.

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2. Consideration of Proposed Refunding of Airport Revenue Refunding Bonds, Series 2010A, 2010B and 2010B-1:

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority previously issued its Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), 2010B (Non-AMT) and 2010B-1 (Non-AMT) (collectively referred to as the “2010 Bonds”) to refund bonds previously issued to finance airport improvements. The 2010 Bonds are subject to optional redemption in the near future and the Authority has been exploring opportunities to realize significant debt service savings through the refunding of all or a portion of these 2010 Bonds.

At the September meeting, the Board adopted a resolution to proceed with reviewing refunding opportunities, approved the filing of an application with the Local Government Commission (LGC) requesting approval of the issuance of refunding Bonds (the “2020 Bonds”), named certain members of the financing team, and directed staff to work with the Authority’s financial advisor to make a recommendation to the Board of underwriters to underwrite the bond offering. At the November meeting, the Board approved the underwriters recommended through a Request for Proposals process, and counsel to the underwriters. The application with the LGC was filed after the November meeting.

Staff, Bond Counsel, the LGC, the Underwriters, Underwriters’ counsel and others have been working to develop the documentation to be used in the bond issuance and offering. The next step is for the Board to adopt the “Bond Order” (or resolution) which will constitute the formal Board action for the issuance of the 2020 Bonds and approving related matters.

Bond Order Summary

The Bond Order is the formal action by the Board to issue the 2020 Bonds in a principal amount not to exceed \$300,000,000, approve the Agreements related to the issuance of the 2020 Bonds and the execution and delivery of such documents, request the LGC to sell the 2020 Bonds, and approve other related matters.

The Bond Order is the formal action by the Board to issue the 2020 Bonds in a principal amount not to exceed \$300,000,000, approve the Agreements related to the issuance of the 2020 Bonds and the execution and delivery of such documents, request the LGC to sell the 2020 Bonds, and approve other related matters.

- ***Section 1:*** Recitation of underlying facts and actions taken to date. Acknowledgement of the forms of documents, consisting of:
 - ***Fourteenth Supplemental Trust Indenture:*** This is the supplement to the Authority’s Master Indenture that will set forth the specific provisions and terms of the 2020 Bonds (interest rates, amounts, maturities, redemption provisions, etc.).

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- ***Bond Purchase Agreement:*** This is the agreement providing for the sale of the 2020 Bonds by the LGC to the underwriters, including the terms of the offering of the 2020 Bonds to the public by the underwriters and the underwriters' closing conditions.
- ***Preliminary Official Statement:*** This is the disclosure document that will be used by the underwriters in their offering of the 2020 Bonds to the public. After the Bond Purchase Agreement is entered into, this document will be updated to reflect the final terms of the 2020 Bonds.
- ***Escrow Deposit Agreement:*** This is the agreement setting out instructions for the holding of the Bond proceeds between the issue date and the date the 2010 Bonds are to be redeemed (May 1, 2020).
- ***Amended and Restated Master Trust Indenture:*** The Authority is taking advantage of this opportunity to make a number of mostly technical amendments to the Master Trust Indenture to facilitate its use in the future.
- ***Section 2:*** Provision regarding the use of capitalized terms in the Bond Order.
- ***Section 3:*** Formal Board approval to issue not to exceed \$300,000,000 of Airport Revenue Refunding Bonds, Series 2010A (AMT) and Series 2010B (Non-AMT) to refund the 2010 Bonds and pay related expenses. Authorizes the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer or the Vice President and Controller to determine the final terms of the 2020 Bonds such as maturity amounts and interest rates, (which will be based on market conditions at the time of sale of the 2020 Bonds), subject to parameters set forth.
- ***Section 4:*** Authorizes same officers to determine redemption provisions of the 2020 Bonds.
- ***Section 5:*** Board approval of the use of Bond proceeds as provided in the Fourteenth Supplemental Indenture.
- ***Section 6:*** Board approval of security arrangement for the 2020 Bonds as provided in the Fourteenth Supplemental Indenture.
- ***Section 7:*** Formal Board request to LGC to sell the 2020 Bonds to the underwriters. Authorizes Authority officers to enter into the Bond Purchase Agreement on behalf of the Authority in substantially the form submitted.
- ***Section 8:*** Approves forms of Fourteenth Supplemental Indenture and Escrow Deposit Agreement in substantially the form submitted.

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Sepideh Saidi, PE, Secretary
City of Raleigh

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- **Section 9:** Approves form of the Preliminary Official Statement in substantially the form submitted and its use by the underwriters in offering the 2020 Bonds to investors. Authorizes the preparation and use of a final Official Statement in substantially the form of the Preliminary Official Statement, including final pricing information and its use by the underwriters. Approves execution and delivery of final Official Statement by Authority officers.
- **Section 10:** Authorizes the Authority officers to execute and deliver the documents mentioned above and the Secretary and any Assistant Secretary to affix the seal and attest it. Provides that designated Authority officers are named Assistant Secretary for purposes of affixing the seal and certifying authenticity of Authority documents to be delivered in connection with the Bond issue. Authorizes Authority officers to take such other actions as needed to facilitate the issuance of the 2020 Bonds. Authorizes payment of amounts to United States Treasury as may be needed to comply with federal tax exempt bond laws applicable to the 2010 Bonds.
- **Section 11:** Board action to call the 2010 Bonds for redemption on May 1, 2020. Provides that Authority officers may determine not to refund and redeem all of the 2010 Bonds if it appears that adequate refunding savings will not result. Directs that notice of redemption be given to the owners of the 2010 Bonds being refunded.
- **Section 12:** Authorizes Authority officers to take action to terminate investment agreements for investments associated with 2010 Bonds. Authorizes Authority officers to enter into new arrangements for investments as needed.
- **Section 13:** Authorizes the execution and delivery of the Amended and Restated Master Trust Indenture upon receipt of consent to the amendments by a majority of the owners of the Bond issued and outstanding under the Master Trust Indenture.
- **Section 14:** Provides that the Bond Order is effective upon its adoption.

Staff requests approval of the Bond Order authorizing the issuance and sale by the Authority of Airport Revenue Refunding Bonds, Series 2020A (AMT) and Airport Revenue Refunding Bonds, Series 2020B (NON-AMT) in an aggregate principal amount not to exceed \$300,000,000 to refund certain Bonds previously issued by the Authority and paying certain associated expenses; authorizing the execution and delivery of certain documents in connection therewith; and authorizing the Authority to amend and restate the Master Trust Indenture, dated as of February 1, 2001, as amended.

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #8

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:

\$ 1,307,008,479

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 \$ 1,286,359,658

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects	Original ¹	Amendment 1	Amendment 2	Amendment 3	Amendment 4	Amendment 5	Amendment 6	Amended
		Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Change 12/19/2019	
311050 T1 4-Gate Expansion	\$ 115,450,000							\$ 115,450,000
311080 T2 and AOC POF Room UPS System Replacement	650,000					398,000		1,048,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000							565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000							242,000
621000 Cameras for Parking and Additional Storage to Record	102,600					22,000		102,600
661260 Maintenance Facility HVAC Replacement and Upgrade	450,000							450,000
661270 Spill Prevention Control and Countermeasure Items	250,000							250,000
661280 Water and Sewer Improvements	500,000							500,000
661290 FY19-20 Replacement Vehicles & Equipment	6,087,494							6,087,494
661300 Design Communication Center Upgrade	150,000				83,000			233,000
661310 Computer Replacement for Jet A and Glycol Trucks	395,000							395,000
661320 Snow Removal Equipment Storage Facility	1,100,000							1,100,000
661360 AOC/EOC Planning and Design	1,250,000							1,250,000
211160 Taxiway D Rehabilitation					1,000,000			1,000,000
661380 AOC 5th Floor Buildout					2,000,000			2,000,000
311090 SAACS Video Software Replacement					300,000			300,000
311100 Artek Ramp control radio upgrade					200,000			200,000
311120 Data Center - Storage Growth					255,000			255,000
Miscellaneous small projects	361,000				(85,000)			296,000
	\$ 127,531,094	\$ -	\$ -	\$ -	\$ 3,773,000	\$ 418,000	\$ -	\$ 131,722,094
Amended Projects	Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Change 12/19/2019	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000							\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000							3,000,000
070540 Terminal 2 Checkpoint Expansion	3,250,000				6,000,000			9,250,000
080860 FIS Facilities Expansion	69,000,000							69,000,000
311000 ADIS System Replacement - Common Use	1,800,000							1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000					2,257,611	23,757,611
080780 CONRAC and New Rental Car Storage Lot	500,400,000							500,400,000
010629 Roadway Informational Sign Rehabilitation	11,500,000				1,700,000			13,200,000
661110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000							11,600,000
661100 International Drive Rehabilitation	13,500,000				(3,500,000)			10,000,000
011109 Heritage Displays at Observation Park	1,600,000							1,600,000
011359 Advanced Surveillance Program	2,610,000			1,185,774				3,795,774
661150 FAM Modular Buildings	1,200,000							1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 1,185,774	\$ 4,200,000	\$ -	\$ 2,257,611	\$ 683,603,385
Ongoing Projects	Original ¹	Change 04/18/19	Change 04/18/19	Change 06/20/19	Change 08/15/19	Change 11/21/19	Change 12/19/2019	Amended
080730 Rehabilitate Taxiway A	\$ 25,000,000							25,000,000
080760 Rehabilitate Taxiway F	34,000,000							34,000,000
080850 Pavement Surface Sensor Replacement	108,000				(108,000)			-
080870 Runway SL-25R and Taxiway B Replacement	280,000,000							280,000,000
211100 Rehabilitate Runway 14/52	3,750,000							3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000							6,920,000
070530 T2 BHS Lower Level Controls Upgrade	3,480,000					295,000		3,775,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000							4,800,000
661240 Parking Business Intelligence Software	200,000							200,000
080779 Cemetery Road Rebuild	820,000							820,000
080819 John Brantley Boulevard Reconstruction	16,000,000							16,000,000
211110 West RON Apron Rehabilitation	36,000,000				2,000,000			38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000							2,500,000
080799 Expanded Park Economy 3	-		75,918,000					75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ -	\$ 1,892,000	\$ 295,000	\$ -	\$ 491,683,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,185,774	\$ 9,865,000	\$ 713,000	\$ 2,257,611	\$ 1,307,008,479

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 19th day of December 2019

Notes:

1 Original budget ordinance adopted March 21st, 2019

Raleigh-Durham Airport Authority Board Members

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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 December 19, 2019 in the administrative offices of the Authority at the Raleigh-Durham International Airport in Durham and Wake Counties, North Carolina, the regular place of meeting.

Present:

Absent:

Also Present:

* * * * *

_____ introduced the following order the title of which was read and copies of which had been previously distributed to each Member:

ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF AIRPORT REVENUE REFUNDING BONDS, SERIES 2020A (AMT) AND AIRPORT REVENUE REFUNDING BONDS, SERIES 2020B (NON-AMT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 TO REFUND CERTAIN BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND PAYING CERTAIN ASSOCIATED EXPENSES; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING THE AUTHORITY TO AMEND AND RESTATE THE MASTER TRUST INDENTURE, DATED AS OF FEBRUARY 1, 2001, AS AMENDED

BE IT ORDERED by the Raleigh-Durham Airport Authority (the “Authority”):

Section 1. The Authority does hereby find and determine as follows:

(a) The Authority has heretofore executed and delivered a Master Trust Indenture, dated as of February 1, 2001, as amended (the “Master Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing the costs of improvements at the Raleigh-Durham International Airport (the “Airport”) as further provided therein.

(b) Pursuant to the Master Trust Indenture and the Eleventh Supplemental Indenture, dated as of August 1, 2010 thereunder between the Authority and the Trustee (the “Eleventh Supplemental Indenture”), the Authority has heretofore issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010A (Non-AMT), to (i) refund its Raleigh-Durham Airport Authority Variable Rate Airport Revenue Refunding Bonds, Series 2008A (AMT) and its Raleigh-Durham Airport Authority

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Variable Rate Airport Revenue Refunding Bonds, Series 2008B (AMT) previously issued by the Authority to refund certain other Bonds that were issued to finance improvements to the Raleigh-Durham International Airport, (ii) finance the termination fees associated with terminating certain interest rate swap agreements previously entered by the Authority in connection with the Series 2008A Bonds and Series 2008B Bonds, (iii) fund a portion of the Parity Reserve Fund allocable to the Series 2010A Bonds, and (iv) pay Costs of Issuance associated with the issuance of the Series 2010A Bonds.

(c) The Authority has determined to issue its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2020A (AMT) (the “Series 2020A Bonds”) for the purpose of providing funds, together with other available funds, to (i) refund the Series 2010A Bonds maturing May 1, 2021 and thereafter (the “Series 2010A Bonds to be Refunded”) and (ii) pay Costs of Issuance associated with the issuance of the Series 2020A Bonds.

(d) Pursuant to the Master Trust Indenture and the Eleventh Supplemental Indenture, the Authority has also heretofore issued its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2010B (Non-AMT) and its Raleigh-Durham Airport Revenue Refunding Bonds, Series 2010B-1 (Non-AMT) (collectively, the “Series 2010B Bonds”) to provide funds, together with other available funds, to (i) refund certain of its Raleigh-Durham Airport Authority Airport Revenue Bonds, Series 2001A (the “Series 2001A Bonds”), which were issued to provide funds, together with other available funds, to finance certain improvements to the Airport System, and (ii) pay Costs of Issuance associated with the issuance of the Series 2010B Bonds.

(e) The Authority has determined to issue its Raleigh-Durham Airport Authority Airport Revenue Refunding Bonds, Series 2020B (Non-AMT) (the “Series 2020B Bonds”) for the purpose of providing funds, together with other available funds, to (i) refund the Series 2010B Bonds maturing November 1, 2020 and thereafter (the “Series 2010B Bonds to be Refunded”) and (ii) pay Costs of Issuance associated with the issuance of the Series 2020B Bonds.

(f) The Authority has made application to the North Carolina Local Government Commission (the “Commission”) for approval of the issuance of the Series 2020A Bonds and Series 2020B Bonds in accordance with G.S. 159-86 and has further requested the sale of the Series 2020A Bonds and Series 2020B Bonds by private negotiated sale to the underwriters thereof.

(g) The Authority proposes to sell the Series 2020A Bonds and Series 2020B Bonds to an underwriting group consisting of Siebert Williams Shank & Co., LLC; Citigroup Global Markets Inc.; J.P. Morgan Securities: Morgan Stanley & Co. LLC; and Samuel A. Ramirez & Co., Inc. (collectively, the “Underwriters”), pursuant to the provisions of the Bond Purchase Agreement (hereinafter defined), at such prices determined by the Commission, subject to the approval of the Authority.

(h) There have been presented to the Authority at this meeting forms of the following documents relating to the issuance and sale of the Bonds:

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Durham County

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(1) Fourteenth Supplemental Trust Indenture, to be dated as of March 1, 2020 (the “Fourteenth Supplemental Trust Indenture”), between the Authority and the Trustee, pursuant to which the Series 2020A Bonds and Series 2020B Bonds would be issued;

(2) Bond Purchase Agreement, to be dated the date of execution and delivery thereof, among the Authority, the Commission and Siebert Williams Shank & Co., LLC, as representative of the Underwriters, relating to the sale of the Series 2020A Bonds and Series 2020B Bonds;

(3) Preliminary Official Statement, to be dated the date of delivery thereof (the “Preliminary Official Statement”), relating to the sale and offering of the Series 2020A Bonds and Series 2020B Bonds; and

(4) Escrow Deposit Agreement, to be dated as of March 1, 2020 (“the Escrow Agreement”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (in such capacity, the “Escrow Agent”) providing for, among other things, the holding in trust, investment and application of the proceeds of the Series 2020A Bonds and Series 2020B Bonds to be used to redeem the Bonds being refunded.

(i) The Authority has determined that the issuance and sale of the Series 2020A Bonds and Series 2020B Bonds in the manner provided in this order is in the best interests of the Authority.

(j) The Authority has determined to amend and restate the Master Trust Indenture. In addition to the items set forth in subsection (h) above, there has been further presented to the Authority at this meeting the form of the Amended and Restated Master Trust Indenture, by and between the Authority and the Trustee.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the Master Trust Indenture and the Fourteenth Supplemental Indenture.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the Authority hereby authorizes (i) the issuance of the Series 2020A Bonds for the purposes described above and (ii) the issuance of the Series 2020B Bonds for the purposes described above, in an aggregate principal amount of not to exceed \$300,000,000. The exact amount of Series 2020A Bonds and Series 2020B Bonds to be issued shall be determined by the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority at the time the Series 2020A Bonds and Series 2020B Bonds are sold to the Underwriters and shall be an amount sufficient, together with any other available funds, to pay the amounts specified in subsections (c) and (e) of Section 1 above.

The Series 2020A Bonds and Series 2020B Bonds shall bear interest and mature at such times and in such amounts as shall be set forth in the Master Trust Indenture and the Fourteenth Supplemental Trust Indenture, subject to the provisions of this order, such rate, maturities and amounts to be determined by

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the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer or the Vice President and Controller of the Authority at the time the Series 2020A Bonds and Series 2020B Bonds are sold to the Underwriters. The final maturity of the Series 2020A Bonds shall not be later than May 1, 2036, and the final maturity of the Series 2020B Bonds shall not be later than May 1, 2031. The effective interest cost of the Series 2020A Bonds and Series 2020B Bonds shall not exceed 4.50%.

Section 4. The Series 2020A Bonds and Series 2020B Bonds shall be subject to optional and mandatory sinking fund redemption at the times, upon the terms and conditions, and at the prices determined by the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer or the Vice President and Controller of the Authority, such redemption terms to be set forth in the Fourteenth Supplemental Trust Indenture.

Section 5. The proceeds of the Series 2020A Bonds and Series 2020B Bonds shall be applied as provided in the Fourteenth Supplemental Trust Indenture.

Section 6. The Series 2020A Bonds and Series 2020B Bonds shall be secured as provided in the Master Trust Indenture and the Fourteenth Supplemental Indenture.

Section 7. The Local Government Commission is hereby requested to sell and award the Series 2020A Bonds and Series 2020B Bonds to the Underwriters on behalf of the Authority, subject to the approval of the Authority, in accordance with the terms and provisions set forth in the Bond Purchase Agreement. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby designated to approve on behalf of the Authority the sale of the Series 2020A Bonds and Series 2020B Bonds to the Underwriters for such purchase price and upon such terms and conditions as such officer shall determine, subject to the provisions of this order. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is each hereby authorized and directed in the name and on behalf of the Authority to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such changes, additions and deletions as the person executing the Bond Purchase Agreement, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 8. The form, terms and provisions of the Fourteenth Supplemental Trust Indenture, including the form of the Series 2020A Bonds and Series 2020B Bonds set forth therein, and the Escrow Agreement are hereby approved, and each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby authorized and directed to execute and deliver the Fourteenth Supplemental Trust Indenture, and the Escrow Agreement, in substantially the forms presented, together with such changes, additions and deletions as such persons, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2020A Bonds and Series 2020B Bonds as set forth in the Bond Purchase Agreement and to incorporate

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certain terms and provisions required by the rating agencies, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The Treasurer of the Authority is hereby authorized and directed to execute and deliver the Series 2020A Bonds and Series 2020B Bonds, in substantially the forms presented, together with such changes, additions and deletions as such person, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2020A Bonds and Series 2020B Bonds.

Section 9. The Preliminary Official Statement relating to the offering for sale of the Series 2020A Bonds and Series 2020B Bonds is hereby approved. The Authority hereby authorizes and approves the use and distribution of the Preliminary Official Statement in substantially the form presented in connection with the offering for sale of the Series 2020A Bonds and Series 2020B Bonds by the Underwriters. The Authority authorizes and consents to the preparation and distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2020A Bonds and Series 2020B Bonds. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to execute and deliver the Official Statement such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer, the Vice President and Controller, the Secretary and each Assistant Secretary of the Authority is authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver the Fourteenth Supplemental Trust Indenture, the Escrow Agreement, the Series 2020A Bonds and Series 2020B Bonds, the Bond Purchase Agreement and such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the Master Trust Indenture, the Fourteenth Supplemental Trust Indenture, the Escrow Agreement and the Bond Purchase Agreement.

The Secretary and each Assistant Secretary hereinafter provided for is hereby authorized to affix the seal to such instruments and attest the same. The Secretary and each Assistant Secretary is further authorized to certify the authenticity of such records of the Authority as shall be required in connection with the issuance of the Series 2020A Bonds and Series 2020B Bonds and the fulfillment of the terms of the Bond Purchase Agreement in connection therewith. Each of the President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority is hereby appointed as an Assistant Secretary to the Authority for purposes of delivering and authenticating documents of the Authority and attesting the official seal of the Authority in connection with the issuance of the Bonds.

The officers of the Authority and the agents and employees of the Authority are hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Bonds, the

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Master Trust Indenture, the Fourteenth Supplemental Trust Indenture, the Escrow Agreement and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same, including all administrative actions as shall be required to be taken after the issuance of the Series 2020A Bonds and Series 2020B Bonds. The officers of the Authority are authorized to take such actions as may be necessary or desirable in order to permit or qualify the offering of the Series 2020A Bonds and Series 2020B Bonds in any jurisdiction the Underwriters may request. The officers of the Authority and the agents and employees of the Authority are hereby authorized and directed to take any actions to make payments to the United States Treasury required to be paid in order to comply with the federal tax laws regarding the exclusion from gross income of interest on the Series 2010A Bonds to be Refunded and the Series 2010B Bonds to be Refunded.

Section 11. Except as hereinafter provided, the Authority hereby calls the Series 2010A Bonds to be Refunded and the Series 2010B Bonds to be Refunded for optional redemption on May 1, 2020, or the first practicable date thereafter for which notice of redemption can be given and Bonds can be redeemed from proceeds of the Series 2020A Bonds and Series 2020B Bonds. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to continue to review the proposed plan of finance for the Series 2020A Bonds and Series 2020B Bonds and if such officers determine that refunding any of the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded will not produce sufficient debt service savings under the plan of finance, are authorized to direct that such Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded shall not be so refunded.

The Trustee shall provide notice of redemption of the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded to be redeemed at the time and in the manner provided in the Eleventh Supplemental Trust Indenture and the Escrow Deposit Agreement.

Section 12. The President and Chief Executive Officer, the Senior Vice President and Chief Finance Officer and the Vice President and Controller of the Authority are each hereby authorized and directed to take such actions as they determine to be appropriate for the Authority to terminate existing arrangements for the investment of funds associated with the Series 2010A Bonds to be Refunded or the Series 2010B Bonds to be Refunded, including, without limitation, terminating the Debt Service Reserve Forward Delivery Agreement, dated as of April 25, 2002 among the Trustee, the Authority and Wells Fargo Bank, National Association (formerly Wachovia Bank, National Association) and the Master Repurchase Agreement, dated as of September 19, 2006, between the Trustee and Bank of America, N.A. In addition, such officers are hereby authorized and directed to take such actions as they determine to be appropriate for the Authority to enter into new arrangements for the investment of proceeds of the Series 2020A Bonds and Series 2020B Bonds.

Section 13. The form, terms and provisions of the Amended and Restated Master Trust Indenture are hereby approved. Pursuant to the terms of the Fourteenth Supplemental Trust Indenture, the initial beneficial owners of the Series 2020A Bonds and Series 2020B Bonds, by their purchase of the Series 2020A Bonds and Series 2020B Bonds, consent to the amendment of the Master Trust Indenture as

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

Robert D. Teer, Jr., Treasurer
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
Durham County

Sepideh Saidi, PE, Secretary
City of Raleigh

David Kushner
Wake County

Napoleon Wallace
City of Durham



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) 840-0175 • www.rdu.com

provided in the Amended and Restated Master Trust Indenture presented to the Authority at this meeting, and authorize, approve and consent to the execution and delivery of the Amended and Restated Master Trust Indenture in the form presented.

Upon the receipt of the consent of a majority of the owners of the Bonds issued under the Master Trust Indenture, which may occur upon the issuance of the Series 2020A Bonds and the Series 2020B Bonds and the application of the proceeds thereof as provided herein and in the Fourteenth Supplemental Trust Indenture, the President and Chief Executive Officer and the Senior Vice President and Chief Finance Officer of the Authority is hereby authorized and directed to execute and deliver the Amended and Restated Master Trust Indenture in substantially the form presented, together with such changes, additions and deletions as such persons, with the advice of counsel, may deem necessary and appropriate.

Section 14. This order shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____, the foregoing order entitled "ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF AIRPORT REVENUE REFUNDING BONDS, SERIES 2020A (AMT) AND AIRPORT REVENUE REFUNDING BONDS, SERIES 2020B (NON-AMT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 TO REFUND CERTAIN BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND PAYING CERTAIN ASSOCIATED EXPENSES; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING THE AUTHORITY TO AMEND AND RESTATE THE MASTER TRUST INDENTURE, DATED AS OF FEBRUARY 1, 2001, AS AMENDED" was passed by the following vote:

Ayes:

Noes:

I, Sepideh Saidi, 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 Authority at a regular meeting held on December 19, 2020 as it relates in any way to the passage of the foregoing resolution and that said proceedings are recorded in the minutes of said Authority.

WITNESS my hand and the official seal of the Authority this 19th day of December, 2019.

Secretary

[SEAL]

Raleigh-Durham Airport Authority Board Members

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

Robert D. Teer, Jr., Treasurer
City of Durham

Dickie Thompson
City of Raleigh

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