



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

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.

Raleigh-Durham Airport Authority Board Members

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

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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

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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.

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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

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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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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.

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