

Wilmington Airport Task Force
1/8/2020 Meeting, 12pm
New Castle County Government Center, 87 Reads Way, New Castle
Meeting Minutes

Attendees:

Alan Levin (Chair)
Rick Deadwyler
Paul McConnell
Richard Corkran
Ralph Kunz
Mitch Dishman
Col. Mike Moyer
Councilman George Smiley

Guest: Michael Hodges, Airport Business Solutions (selected consultant for analysis)

Staff:

Nick Brannick, Office of Law
Tamarra Morris, Director of Economic Development
Michael Smith, Acting Chief Financial Officer
Aundrea Almond, Chief of Staff

Chairman Levin noted that there was a well-attended public meeting on December 18, 2019 and attendees asked questions about the airport, the Task Force, and the process the Task Force will use to provide recommendations to the County Executive in the Spring.

Chairman Levin introduced Michael Hodges from Airport Business Solutions, the consultant who will be providing a report to the Task Force. Mr. Hodges indicated that he brings industry perspectives and looks forward to providing information to help the Task Force make prudent recommendations regarding the airport. He is knowledgeable about the specific airports in the region. Mr. Hodges is eager to hear from Task Force members about their perceptions of the airport and also understand the community's perspectives on what they want to see at the airport.

Representatives from the Penn Acres Civic Association were present and expressed interest in the Task Force process and urged the Task Force to include the community's input on topics like traffic, noise, etc. in their work. Chairman Levin indicated that community input will indeed be important in the decision-making process, and thanked them for attending and contributing to the meeting.

Discussion with Mr. Hodges:

Question: "What do you see as the options for the airport contract going forward?"

Response: New Castle County can choose to let the current contract renew with existing terms, renegotiate the contract with Delaware River & Bay Authority (DRBA), or to terminate the contract and go through an RFP process to identify a new airport operator.

Mr. Hodges indicated that the current agreement between NCC and DRBA does not match current market, and that industry standards have changed significantly since 1995.

The current industry standard is for airport contracts to be bifurcated into management agreements, where the owner pays an operator and receives the airport revenue and development agreements, focused on bringing in new businesses. Sometimes a single operator will carry out both contracts, and sometimes two separate entities are engaged to manage and develop and airport's operations. The FAA typically likes to see situations where there are two separate agreements for an airport's management and development.

The Gary, Indiana airport provides one example of airport management that the Task Force might consider. Mr. Hodges will share those details with the Task Force.

Mr. Hodges also agreed to provide a list of airport operators across the county for the Task Force members.

A suggestion was made for Mr. Hodges to also look at the history of the Wilmington Airport operation, before the current 1995 contract with DRBA.

A concern was raised about the 5-year period between making a decision on the current contract (2020) and when a new contract(s) might be in place (2025). Task Force members identified the need for a robust transition plan for this period, and Mr. Hodges indicated that there are options to consider, including negotiating an early exit from the contract should the relationship with DRBA become contentious.

Mr. Hodges was also urged to consider the data from an earlier impact study conducted by DEDO that showed the Wilmington Airport generates \$186M in revenue annually, \$86M in direct income, and 1600 direct jobs.

Nick Brannick in the NCC Office of Law shared that a forensic accountant is reviewing the financial data provided by DRBA, and we expect a report back from that firm shortly. That report will help identify the specifics of annual gross income, expenses, and debt service for the airport. The report will be shared with the Task Force members, unless there are confidential details that can not be shared.

Mr. Hodges has started having individual conversations with tenants at the airport. A full list of tenants is being provided to Mr. Hodges so he can interview them about their experiences.

One opportunity suggested is for a training facility, perhaps operated by DeITech, for students to learn in-demand skills as aviation technicians. Skilled technicians are already hard to find, and the demand for such skills is projected to continue to grow.

Mr. Hodges will produce an interim report that will summarize possible scenarios and provide a tentative recommendation for the Task Force to discuss. The Task Force will then finalize and transmit a report to the County Executive.

On 1/29, Task Force members and Mr. Hodges will take a tour of the airport and meet with DRBA representatives. Tamarra is finalizing the plan for that tour (funnel any suggestions to her in advance). At that

time, the Task Force will discuss the status of his analysis and the status of the financial report, in order to determine an appropriate next meeting date.

Meeting adjourned at 1:20pm