



AGENDA

Greater Asheville Regional Airport Authority Special Meeting
Friday, April 3, 2020, 8:30 a.m.
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC. The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes.

- I. CALL TO ORDER:
- II. PRESENTATIONS: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority March 13, 2020 Regular Meeting Minutes ([document](#))
- V. OLD BUSINESS:

In compliance with the state-wide mandate for COVID-19, the Public Hearing for Old Business Items A and B will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, April 2, 2020
2. At 8:30 a.m. on Friday, April 3, 2020, members of the public may make their comments heard via Webex: 1-408-418-9388 (US Toll); Meeting Number (access code): 798 717 253



- A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-6 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
- B. Public Hearing and Final Adoption of the Authority's Fiscal Year 2020/2021 Budget ([document](#))

VI. NEW BUSINESS:

- A. Discussion and Possible Approval of Second Amendment to Takeover Agreement with Travelers Casualty & Surety Company of America in Connection with the Airfield Re-Development Project
- B. Discussion and Possible Approval of Partial Tender Agreement with Travelers Casualty & Surety Company of America and APAC-Atlantic, Inc., d/b/a Harrison Construction Company – Asheville Division in Connection with the Airfield Re-Development Project
- C. Discussion and Approval of Alternate Board Operating Measures During Emergency Situations

VII. DIRECTOR'S REPORT:

- A. COVID-19 Update
- B. Contingency Transfer
- C. Update to the Agreement with Paradies Lagardere for Vino Volo

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. February 2020 Traffic Report ([document](#))
- B. February 2020 Monthly Financial Report ([document](#))
- C. April 2020 Development/Project Status Report ([document](#))



D. Potential Board Items for the Next Regular Meeting:

- Approval of Insurance Renewals

IX. PUBLIC AND TENANTS' COMMENTS:

In compliance with the state-wide mandate for COVID-19, Public and Tenant Comments will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, April 2, 2020
2. Comments received, as specified above, shall be read during this Agenda period.

X. CALL FOR NEXT MEETING

XI. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations.

XII. AUTHORITY MEMBER REPORTS:

- A. Key Strategic Elements ([document](#))

XIII. ADJOURNMENT.

**Asheville Regional Airport
Executive Summary
February-20**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	52,746	20.7%	110,763	23.8%
Aircraft Operations				
Commercial	1,669	26.3%	3,459	31.0%
Scheduled Flights	802	27.1%		
Flight Cancellations	13			
Seats	73,579	22.6%	152,925	27.2%
Load Factor	71.7%	(1.6%)	72.4%	(2.6%)
General Aviation	3,316	24.2%	6,646	18.5%
Military	109	(30.1%)	256	(23.4%)

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,253,245	18.1%	\$ 11,843,179	39.5%
Operating Expenses	637,669	(33.0%)	5,960,588	(21.7%)
Net Operating Revenues before Depreciation	<u>\$ 615,576</u>		<u>\$ 5,882,591</u>	
Net Non-Operating Revenues	<u>\$ 362,424</u>	6.1%	<u>\$ 2,654,778</u>	(2.9%)
Grants:				
FAA AIP Grants	\$ -		\$ 6,354,656	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ -</u>		<u>\$ 6,354,656</u>	

CASH

Restricted	\$ 15,818,631
Designated for O&M Reserve	5,201,092
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	<u>15,064,377</u>
Total	<u>\$ 36,734,100</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	29,222	7,225	5,550	16,447
Allegiant	1,789	90	1,175	524
American	564	564	-	-
Avis	335	335	-	-
Dollar/Thrifty	334	-	-	334
Elite	10,770	-	-	10,770
Enterprise	5,497	-	2,654	2,844
FAA	487	270	-	217
TSA	10,896	317	3,810	6,769
Hertz	786	-	-	786
Signature	3,982	140	-	3,842
Spirit	50,948	33,194	16,055	1,699
Travelers	3,833	951	-	2,882
Vanguard	5,165	-	2,886	2,279
WNC Aviation	1,258	-	185	1,073
Worldwide	6,349	255	-	6,094
Miscellaneous	20,443	1,010	140	19,293
Total	<u>\$ 152,659</u>	<u>\$ 44,351</u>	<u>\$ 32,455</u>	<u>\$ 75,853</u>
% of Total Receivables	<u>29.68%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	<u>5,250,000</u>	<u>1,835,000</u>
	<u>\$ 21,000,000</u>	<u>\$ 17,585,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 61,335,101
Year-to-Date Spending	\$ 16,471,971

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 13, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 13, 2020 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Matthew C. Burril, Chair; K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; Carl H. Ricker, Jr.; and Thomas M. Apodaca

MEMBERS ABSENT: Brad Galbraith

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Lisa Jump, Director of Administration and Human Resources; Jared Merrill, Airport Planning Manager; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jason Sandford, Ashvegas.com; Jon McCalmont, Parrish & Partners; Nick Loder, RS&H; Paul Puckli, CHA; Seth Chambers, American South General Contractors; J.R. Maxam, Holder Construction; Andy Myles, American South General Contractors

CALL TO ORDER: The Chair called the meeting to order at 8:30 a.m.

PRESENTATIONS:

A. NonStop Flight Advertising Support: Stephanie Pace Brown stated that the presentation has been postponed to the next Authority Board meeting.

FINANCIAL REPORT: The Director reported on the airport activity for the month of January which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of January.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority February 14, 2020 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority February 14, 2020 Regular Meeting Minutes: Ms. Brown moved to approve the Greater Asheville Regional Airport Authority February 14, 2020 Regular Meeting Minutes. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport: Janet Burnette reported that a new Schedule of Airline Rates, Fees and Charges for FY2020/2021 has been developed in accordance with Ordinance No. 201601. The airlines have received the proposed Rates, Fees and Charges and a meeting has been scheduled with the airlines for the following week. Mrs. Burnette called the Board's attention to the Summary Table of the Schedule and advised the Board that while the fees have increased, the projected increase in enplanements has resulted in a decrease in the cost per enplanement for the airlines. Mrs. Burnette reminded the Board that a public hearing will need to be held at the next Authority Board meeting prior to adoption of the new rates.

A brief discussion took place regarding the likelihood of needing to amend the Rates and Charges Schedule due to effects from the current health crisis. The Director commented that it may be too early to tell, and that staff has the ability to make adjustments if excess revenues are received. The Director also mentioned that staff would be working with a consultant to adjust the rate model to determine if changes could be made by staff to the rates without affecting the cost per enplanement.

Mr. Ricker moved to consider and approve the proposed Airline Rates, Fees and Charges; schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges; and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2020/2021 at the next scheduled Authority Board meeting. Mr. Erwin seconded the motion and it carried unanimously.

B. Approval of the Authority's Preliminary Fiscal Year 2020/2021 Budget: Janet Burnette presented the preliminary FY2020/2021 Budget to the Board. Mrs. Burnette reviewed operating revenue and expenses as well as the interest income and stated that the interest income was expected to be lower for 2021 due to cash being used to complete the Airfield Re-development project and some other capital projects. Mrs.

Burnette reviewed the proposed operating budget and noted increases in revenue from ground transportation, parking, and food and beverage due to increased passenger enplanements. Michael Reisman spoke about the 12 additional positions that were included in the operating expenses and advised the Board that some of these positions were being requested to expand staff coverage during nights and/or weekends to meet the demands of the airport's growth and also provide a higher level of service to the tenants and passengers. Sources of operating expenses and revenue as well as the proposed capital budget were also reviewed by Mrs. Burnette.

A brief discussion on the cost for design of the air traffic control tower took place and Mr. Reisman clarified that other work such as environmental assessment and other planning fees were included in that cost. The Director reminded the Board that any contracts for the replacement of the air traffic control tower would be brought to the Board for approval. The Board suggested a breakdown of the costs for the design of the tower would be helpful.

Mrs. Burnette spoke about the estimated cash balance and explained that the terminal expansion and air traffic control tower projects would not move forward until the funding sources have been identified. Once those funding sources were identified, the deficit that was showing would not be so deep in the red and would be adjusted to show a positive cash balance. Mrs. Burnette also briefly outlined some of the changes in fees in the Supplemental Fee schedule.

Mr. Erwin moved to approve the Proposed Preliminary Fiscal Year 2020/2021 Budget and accept public comment on the Proposed Fiscal Year 2020/2021 Budget during the next 10 days. Mr. Bailey seconded the motion and it carried unanimously.

C. Approval of a Hangar and Facility Lease Agreement Between Allegiant Air, LLC. ("Allegiant") and the Greater Asheville Regional Airport Authority:

Christina Madsen informed the Board that Allegiant has requested to consolidate their operations from the two buildings currently leased from the Authority into one building. At the February Board meeting, the Board approved removal of a hangar facility and aircraft ramp area from the Signature Flight Support leasehold. The new lease agreement will allow Allegiant to move into this hangar providing them approximately 33,000 sf of hangar and office space as well as landside parking and ingress and egress ramp area for their operations. The ramp area that was removed from the Signature Flight Support leasehold will be utilized by all airlines for aircraft parking and the fees for this ramp area will be included in the Authority's Rates, Fees and Charges. Mrs. Madsen reviewed the key terms of the five-year lease which included an option to renew for an additional five years, the annual rent amount, the net increase in revenue to the Authority as a result of the hangar lease to Allegiant, as well as a \$10,000 tenant allowance from the Authority for capital improvements to the facility.

Mr. Erwin moved to approve the agreement with Allegiant Air, LLC. and authorize the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had an additional item to include that was not on the agenda.

A. Results of AVL Forward Survey: Tina Kinsey provided an update on the survey results for the design of the terminal expansion project which included amenities of most importance to travelers, descriptive words for the streets, towns and cities of the Western North Carolina region, and activities that draw people to the area. The information gathered from the survey will be utilized by the architect team in planning their next steps.

B. TSA Equipment: The Director stated that the airport was scheduled to get an updated CT x-ray machine, but delivery has been postponed until June. This new equipment will enable a more realistic 3D view of the baggage going through the x-ray machines.

C. Annual Report: The 2019 Annual Report was available at the Board Members' seats for their review. The Director remarked that he will begin state of the airport presentations to surrounding municipalities beginning in April.

D. COVID-19 Update: The Director provided an update to the Board on COVID-19 based on Chief Smith's attendance at emergency response and epidemiology meetings in the region. The Director reported on the airlines' flight cuts, the cash reserves held by the airline industry, and the revenue projected to be lost to airports in the country as a result of the health crisis.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Authority Board will be held on March 27, 2020. The Chair also reminded the Board that the April 9, 2020 regular meeting was cancelled and a Special Meeting will be held on April 3, 2020.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:52 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to

Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Apodaca seconded the motion and it carried unanimously.

Open Session resumed at 11:09 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 13, 2020

CLOSED SESSION MINUTES: Mr. Bailey moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 14, 2020

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the February 14, 2020 Closed Session and to seal and withhold the minutes for the February 14, 2020 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Apodaca seconded the motion and it carried unanimously.

UNSEALING OF CLOSED SESSION MINUTES: Mr. Apodaca recused himself from this vote due to a potential conflict of interest. Mr. Bailey moved to unseal those portions of the July 22, 2016 and August 5, 2016 Closed Session Minutes relating to discussion of sponsorship of the Tryon Equestrian Center. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

ADJOURNMENT: Mr. Apodaca moved to adjourn the meeting at 11:13 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burril
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 3, 2020

ITEM DESCRIPTION – Old Business Item A

Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-6 for Airline Rates, Fees and Charges for the Asheville Regional Airport

BACKGROUND

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2020-2021 was presented to, and approved by, the Authority Board at the Board meeting held on March 13, 2020. The Rates, Fees and Charges document has remained available for public inspection and comment since March 13, 2020. Staff met with the airlines on March 17, 2020, at which time this document was reviewed. Because of the current COVID-19 crisis and significant reduction in air travel, airlines inquired about the possibility of maintaining rates at the same level as the current FY 19/20. We responded that upon receipt of documentation from the airlines, we would be willing to revisit this issue. If a rate adjustment is justified by the severity of the financial impact, we would bring an amendment to the Authority Board for approval.

ISSUES

A Public Hearing is required in accordance with the Greater Asheville Regional Airport Authority Policy and Procedure for the Adoption of Ordinances.

ALTERNATIVES

None recommended.



FISCAL IMPACT

As outlined in the 2020/2021 Budget Ordinance.

RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Authority's Amended Ordinance for Airline Rates, Fees and Charges that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Amended Ordinance to implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2020/2021.

Enclosure

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601-6

**AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES
FOR THE ASHEVILLE REGIONAL AIRPORT.**

IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:

Section 1. CITATION.

1.1 This Ordinance may be cited as the "**Airline Rates, Fees & Charges Ordinance**".

Section 2: FINDINGS.

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: *"[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . . "*

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: *"[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof."*

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: *"[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law."*

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: *"[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property."*

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

Section 3. PURPOSE AND SCOPE

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

Section 4. EFFECTIVE DATE

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

Section 5. DEFINITIONS

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just

or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

5.33 "Loading Bridge Fees" are the fees calculated by dividing the total Loading Bridge requirement, which currently includes Operating Expenses, Capital Outlay, Debt Service and Debt Service Coverage, by the total departures.

5.34 "Market Share Exempt Carrier" is any New Airline operating with less than 7% market share of total enplanements per month. The only fees applicable to a Market Share Exempt Carrier are Landing Fees and Per Turn Fees, unless the New Airline is leasing preferential space which would be included in separate rent. An Airline will cease to qualify as Market Share Exempt Carrier at the time that the Airline meets or exceeds 7% of market share of total enplanements per month for any six (6) of the immediately preceding twelve (12) months. Once Airline is no longer Market Share Exempt, the Airline will be responsible for all Terminal and Airfield related rates, fees and charges.

5.35 "New Airline(s)" shall mean any new airline providing new commercial passenger or cargo service to and from the Airport, using the Airport Terminal Building or cargo building to enplane and deplane passengers or cargo service to and from the Airport.

Section 6. RATE MAKING METHODOLOGY

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

6.4 Terminal Building Operating Requirement.

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

6.4.3. Joint Use Space. Joint Use Space shall be classified as Baggage Make-Up, Baggage Claim and Gate Area. Airline's share of the Terminal Building Rentals for Baggage Make-Up and Baggage Claim Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Checked Bags, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space. Airline's share of the Terminal Building Rentals for Gate Area Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space.

6.4.4 Per Turn Fee for Market Share Exempt Carriers. The Per Turn Fee for Market Share Exempt Carriers is calculated by dividing the Per Turn requirement by the total estimated departures.

6.5 Airfield Area Operating Requirement.

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the Director. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2

is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4 [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 [RESERVED]

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the Director.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

Section 7. RENTALS, FEES AND CHARGES

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline

shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline's revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2020-2021 Schedule of Rates, Fees and Charges effective July 1, 2020 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1st) day of each calendar month.

9.2 On or before the fifteenth (15th) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15th) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority's invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15th) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

Section 10. PENALTIES AND ENFORCEMENT

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision in accordance with Section 10.6 through 10.7 below.

10.6 The Executive Director shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the Executive Director review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the Executive Director shall be in writing and shall be hand delivered to the Office of the Executive Director and must be signed for by and employee of the Authority, or shall be mailed to the Executive Director by certified mail, return receipt requested.

10.8.2 A request to the Executive Director must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the Executive Director to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the Executive Director shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the Executive Director's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such

invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT.

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. __ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the __ day of _____, 2020, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Matthew C. Burrell, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2020-2021 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE

RESULTS (Fiscal Years Ending June 30)	GARAA	
	Budget	
	2020	2021
<u>Signatory Airline Rates & Charges:</u>		
Terminal Building Rental Rate (per s.f.)	\$53.88	\$60.16
Passenger-Related Security Fee (per EP)	\$0.66	\$0.70
Landing Fee (per 1,000-lbs)	\$1.51	\$1.76
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.41	\$0.34
Baggage Make-Up & Claim Fee (per bag)	\$0.95	\$0.98
Baggage Make-Up & Claim Fee (per airline)	\$11,825	\$13,205
Gate Area Charge per (enplaned pax)	\$1.34	\$1.10
Gate Area Fee (per airline)	\$30,208	\$33,732
Loading Bridge Fee (per depart.)	\$9.20	\$9.78
Turn Fees ¹		
Per Turn Fee for Exempt Carriers (0-70 seats)	\$279.00	\$322.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$333.00	\$361.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$373.00	\$387.00
Average AVL CPE	\$5.64	\$5.12

¹ Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives,

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

GARAA

	Budget	
	2020	2021
<u>Enplaned Passengers:</u>		
Allegiant	240,000	420,000
American ¹	150,000	187,000
Delta	137,000	158,000
Spirit	48,000	21,000
United	65,000	80,000
Total	640,000	866,000
<u>Estimated Checked Bags:</u>		
Allegiant	98,600	130,550
American ¹	81,300	81,812
Delta	113,900	110,652
Spirit	20,940	6,300
United	36,300	50,805
Total	351,040	380,119
<u>Departures:</u>		
Allegiant	1,605	2,677
American ¹	2,757	3,414
Delta	2,298	2,577
Spirit	453	125
United	1,287	1,429
Total	8,400	10,222
<u>Landed Weight (1,000-lb units):</u>		
Allegiant	229,200	380,317
American ¹	175,627	222,724
Delta	152,236	178,253
Spirit	66,000	18,258
United	77,924	88,301
Total	700,987	887,853

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 2

TERMINAL SPACE (s.f.)		GARAA	
(Fiscal Years Ending June 30)			Budget
		2020	2021
<u>Preferential Space:</u> ¹			
Allegiant		1,331	1,331
American		2,297	2,297
Delta		2,609	2,609
Spirit		905	905
United		1,593	1,593
Worldwide		161	161
Total Preferential Space	[A]	8,896	8,896
<u>Joint Use Space:</u>			
Baggage Make-Up		3,192	3,192
Baggage Claim		4,124	4,124
Gates 1-3 Holdroom		8,517	8,517
Gates 4-7 Holdroom		6,751	6,751
Gates 4-7 Secure Enplanement Corridor		3,421	3,421
Total Joint Use Space	[B]	26,005	26,005
Total Airline Rented	[C=A+B]	34,901	34,901
<u>Other Rentable:</u>			
Ticket Counter (unassigned)		285	285
Queue (unassigned)		456	456
Vacant Airline Preferential Space		1,210	1,210
Concession Space		13,775	13,775
FAA Tower & Related Office Space		4,374	4,374
TSA Offices & Breakroom		1,933	1,933
TSA Passenger Security Screening		4,891	4,891
TSA Offices Adjacent to Passenger Screening		396	396
Total	[D]	27,320	27,320
Total Rentable Space	[E=C+D]	62,221	62,221
Public and Other Areas	[F]	45,628	45,628
Total Terminal Space	[G=E+F]	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY		GARAA	
(Fiscal Years Ending June 30)			
			Budget
		2020	2021
<u>Depreciation:</u> ¹			
Gross Depreciation		\$4,700,000	\$5,000,000
Less: Grant & PFC Amortization		(3,200,000)	(3,500,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>By Cost Center (%):</u>			
Airfield Area	[B]	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%
Other Area	[F]	7.0%	7.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$210,000	\$210,000
Terminal Building	[A*C]	450,000	450,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000
General Aviation Area	[A*E]	240,000	240,000
Other Area	[A*F]	105,000	105,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000
<u>Amortization:</u>			
Gross Amortization		\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY		GARAA	
(Fiscal Years Ending June 30)			
			Budget
		2020	2021
<u>By Cost Center (%):</u>			
Airfield Area	[H]	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%
Other Area	[L]	0.0%	0.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[G*H]	\$79,581	\$79,581
Terminal Building	[G*I]	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0
General Aviation Area	[G*K]	0	0
Other Area	[G*L]	0	0
Net Amortization	[G]	\$79,581	\$79,581
<u>Capital Outlay:</u>			
Capital Outlay	[M]	\$100,000	\$100,000
<u>By Cost Center (%):</u>			
Airfield Area	[N]	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%
<u>By Cost Center:</u>			
Airfield Area	[M*N]	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

¹ Depreciation is based on the prior year's actual depreciation

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 4

OPERATION AND MAINTENANCE EXPENSES		GARAA	
(Fiscal Years Ending June 30)			
			Budget
		2020	2021
<u>By Category:</u>			
Personnel Services		\$6,527,568	\$7,863,075
Professional Services		384,950	489,670
Utilities		539,867	545,117
Promotional Activities		303,800	353,025
Maintenance and Repairs		255,200	322,200
Contracted Services		978,646	1,838,377
Insurance Expense		260,600	330,725
Materials and Supplies		464,610	495,253
Other Expenses		506,740	574,848
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>
<u>By Cost Center (%):</u>			
Airfield Area	[B]	26.3%	25.6%
Terminal Building	[C]	47.8%	46.0%
Parking, Roadway, and Ground Trans.	[D]	12.2%	15.0%
General Aviation Area	[E]	9.8%	9.5%
Other Area	[F]	4.0%	3.8%
Total		<u>100.0%</u>	<u>100.0%</u>
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$2,684,342	\$3,284,722
Terminal Building	[A*C]	4,883,676	5,888,847
Parking, Roadway, and Ground Trans.	[A*D]	1,245,820	1,927,664
General Aviation Area	[A*E]	997,713	1,221,329
Other Area	[A*F]	410,430	489,728
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

GARAA

		Budget	
		2020	2021
<u>Airfield Requirement:</u>			
O&M Expenses		\$2,684,342	\$3,284,722
Less: Deicing Chemicals		(72,141)	(74,305)
O&M Reserve Requirement		159,135	300,190
Net Depreciation		210,000	210,000
Net Amortization		79,581	79,581
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$3,110,917	\$3,850,187
<u>Landing Fee Credits:</u>			
Non-Airline Revenue	[B]	\$90,000	\$70,000
Other	[C]	0	0
Total Credits	[D=B+C]	\$90,000	\$70,000
Net Landing Fee Requirement	[E=A-D]	\$3,020,917	\$3,780,187
Airline Landed Weight	[F]	700,987	887,853
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$4.31	\$4.26
Revenue Share Credit	[H]	\$1,961,407	\$2,221,753
Adjusted Airline Net Requirement	[I=E-H]	\$1,059,511	\$1,558,434
Airline Landing Fee	[J=I/F]	\$1.51	\$1.76
Airline Landing Fee Revenue	[K=F*J]	\$1,059,511	\$1,558,434

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 6**TERMINAL RENTAL RATE AND REVENUE****GARAA**

(Fiscal Years Ending June 30)

		Budget	
		2020	2021
<u>Terminal Requirement:</u>			
O&M Expenses		\$4,883,676	\$5,888,847
O&M Reserve Requirement		284,853	502,586
Net Depreciation		450,000	450,000
Net Amortization		0	0
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$5,668,529	\$6,891,433
<u>Terminal Credits:</u>			
Passenger-Related Security Charges		\$421,080	\$603,922
AirIT Landside Expenses		16,463	16,463
Loading Bridge Fees		77,250	100,000
Total Terminal Credits	[B]	\$514,793	\$720,385
Net Requirement	[C=A-B]	\$5,153,736	\$6,171,048
Rentable Space (s.f.)	[D]	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$82.83	\$99.18
Airline Rented Space (s.f.)	[F]	34,901	34,901
Airline Requirement	[G=E*F]	\$2,890,833	\$3,461,464
Revenue Share Credit	[H]	\$1,010,422	\$1,361,719
Adjusted Airline Requirement	[I=G-H]	\$1,880,411	\$2,099,745
Airline Rented Space (s.f.)	[F]	34,901	34,901
Adjusted Airline Terminal Rate	[J=I/F]	\$53.88	\$60.16
Airline Terminal Rentals	[K=F*J]	\$1,880,411	\$2,099,745

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 6A**LOADING BRIDGE FEE AND REVENUE**

(Fiscal Years Ending June 30)

GARAA

		Budget	
		2020	2021
<u>Loading Bridge Requirement:</u>			
Operating Expenses		\$77,250	\$100,000
Capital Outlay		0	0
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$77,250	\$100,000
Total Departures	[B]	8,400	10,222
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.20	\$9.78
Total Loading Bridge Revenue	[D=B*C]	\$77,250	\$100,000

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

GARAA

		Budget	
		2020	2021
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16
<u>Joint Use Space (s.f.):</u>			
Baggage Make-Up	[B1]	3,192	3,192
Baggage Claim	[B2]	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421
Joint Use Space		26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$394,175	\$440,152
Gate Areas Requirement	[E=A*(C1+C2+C3)]	1,006,934	1,124,384
Total Joint Use Requirement	[G=D+E+F]	\$1,401,109	\$1,564,536
<u>Baggage Make-Up & Claim:</u>			
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$335,048	\$374,129
Checked Bags	[I]	351,040	380,119
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$0.95	\$0.98
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$59,126	\$66,023
Number of Airlines	[L]	5	5
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$11,825	\$13,205
<u>Gate Area:</u>			
Gate Area Requirement (85%)	[N=E*85%]	\$855,894	\$955,726
Enplaned Passengers	[O]	640,000	866,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.34	\$1.10
Gate Area Requirement (15%)	[Q=E*15%]	\$151,040	\$168,658
Number of Airlines	[L]	5	5
Gate Area Fee (per airline)	[R=Q/L]	\$30,208	\$33,732
Total Joint Use Revenue	[G]	\$1,401,109	\$1,564,536

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 6C

TICKET COUNTER & QUEUE FEES (UNASSIGNED)		GARAA	
(Fiscal Years Ending June 30)			Budget
		2020	2021
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16
<u>Ticket Counter and Queue Space (s.f.):</u>			
Ticket Counter		1,731	1,731
Queue Space		2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$247,625	\$276,509
AirIT Landside Expenses	[D]	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$264,088	\$292,972
Enplaned Passengers	[F]	640,000	866,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.41	\$0.34
Enplaned Passenger Use	[H]	240,000	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$99,033	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

GARAA

		Budget	
		2020	2021
Personnel-Related Security Cost	[A]	\$1,593,131	\$1,700,149
<u>Officer Deployment Hours:</u>			
Total Hours (16 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,172	2,174
Holiday (11 Holidays)		(176)	(198)
Vacation (12 Days)		(192)	(216)
Training (8 hrs per month per officer)		(128)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(144)	(162)
Available Hours/Officer	[B]	1,532	1,454
Number of Officers	[C]	18	20
Total Available Hours	[D=B*C]	27,584	29,072
Less: Admin Hours Total	[E]	(2,592)	(2,880)
Total Officer Deployment Hours	[F=D-E]	24,992	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$63.75	\$64.91
<u>Passenger-Related Security Charge:</u>			
Terminal Airlines (18 hrs/day Security Checkpoint)		\$418,809	\$426,465
Less: TSA Reimbursement		(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$302,009	\$309,665
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	4,891
Terminal Rental Rate	[J]	\$53.88	\$60.16
Security Checkpoint Space Costs	[K=I*J]	\$119,071	\$294,257
Passenger-Related Security Charges	[L=H+K]	\$421,080	\$603,922
Enplaned Passengers	[M]	640,000	866,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.66	\$0.70
Passenger-Related Security Charges	[O=M*N]	\$421,080	\$603,922

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

GARAA

		Budget	
		2020	2021
<u>Airline Revenue:</u>			
Terminal Rentals		\$1,880,411	\$2,099,745
Loading Bridge Fees		77,250	100,000
Landing Fees		1,059,511	1,558,434
Unassigned Ticket Counter Charges		99,033	0
Passenger Related Security Charges		421,080	603,922
Checkpoint Lane Fee		0	0
Deicing Chemicals		72,141	74,305
Total	[A]	\$3,609,427	\$4,436,406
Enplaned Passengers	[B]	640,000	866,000
Cost Per Enplaned Passenger	[C=A/B]	\$5.64	\$5.12

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)

Table 9

PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS		GARAA	
(Fiscal Years Ending June 30)			
			Budget
		2020	2021
<u>Per Turn Requirement:</u>			
Joint Use Cost ¹		\$1,401,109	\$1,564,536
Loading Bridge Cost		77,250	100,000
Unassigned Ticket Counter Cost		264,088	292,972
Passenger Related Security Charge Cost		421,080	603,922
Deicing Chemicals Cost		72,141	74,305
Total	[A]	\$2,235,669	\$2,635,735
Total Departures	[B]	8,400	10,222
Average Per Turn Cost	[C=A/B]	\$266.15	\$257.85
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*125%]	\$279.00	\$322.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*140%]	\$333.00	\$361.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*150%]	\$373.00	\$387.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019, February 2020)



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 3, 2020

ITEM DESCRIPTION – Old Business Item B

Public Hearing and Final Adoption of the Authority's Fiscal Year 2020/2021 Budget

BACKGROUND

A proposed preliminary Fiscal Year 2020/2021 Budget was presented to, and approved by, the Authority Board at the Board meeting held on March 13, 2020. The budget documents have remained available for public inspection and comment since March 13, 2020, with no comments being received to date.

ISSUES

A Public Hearing is required under Chapter 159 of the General Statutes of North Carolina before final adoption of the 2020/2021 Budget Ordinance.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2020/2021 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Fiscal Year 2020/2021 Budget that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Fiscal Year 2020/2021 Budget Ordinance.

Enclosure

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2020-2021
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2020-2021 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 Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2020 and ending June 30, 2021 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 911,513
Planning Department	456,536
Executive Department	1,004,505
Finance Department	507,723
Guest Services Department	256,799
Information Technology Department	1,271,612
Marketing Department	834,728
Operations Department	5,276,056
Properties & Contracts	236,526
Public Safety Department	2,037,168
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	48,664,537
Capital Improvement	5,925,000
Equipment and Small Capital Outlay	-
Renewal and Replacement	648,076
Business Development	300,000
Debt Service	1,687,376
Contingency	100,000
Total Expenditures	<u><u>\$70,168,155</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

REVENUES

Administration (Interest Income)	\$ 200,000
Terminal	6,971,446
Airfield	1,724,421
General Aviation	1,060,234
Parking Lot	6,500,000
Other	264,532
Passenger Facility Charges	3,000,000
Customer Facility Charges	2,000,000
Federal Grants – AIP Entitlements	0
Federal Grants – AIP Discretionary Funds	18,883,285
NC Department of Transportation Grants	4,900,000
Transfer from GARAA Cash/Investments	24,664,237
Total Revenues	<u><u>\$70,168,155</u></u>

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$60,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2020.

Adopted this ____ day of April, 2020

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: April 3, 2020

ITEM DESCRIPTION – Information Section Item A

February, 2020 Traffic Report – Asheville Regional Airport

SUMMARY

February, 2020 overall passenger traffic numbers were up 21.8% compared to the same period last year. Passenger traffic numbers reflect a 20.7% increase in passenger enplanements from February, 2019. Enplanements for Fiscal Year to Date total 566,012 which is a 35.7% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in February 2020 were up by 33.5%. There were no flight cancellations for the month.

American Airlines: American's February 2020 passenger enplanements represent a 39.0% increase over the same period last year. There were twelve (12) flight cancellations for the month.

Delta Airlines: Enplanements for Delta in February 2020 increased by 4.1%. There were no flight cancellations for the month.

Spirit Airlines: Spirit experienced a 49.8% decrease in passenger enplanements in February 2020 compared to February 2019. There were no flight cancellations for the month.

United Airlines: In February 2020, United Airlines saw an increase in enplanements by 25.7% over the same period last year. There was one (1) flight cancellation for the month.

Monthly Traffic Report

Asheville Regional Airport

February 2020



Category	Feb 2020	Feb 2019	Percentage Change	*CYTD-2020	*CYTD-2019	Percentage Change	*MOV12-2020	*MOV12-2019	Percentage Change
Passenger Traffic									
Enplaned	52,746	43,707	20.7%	110,763	89,477	23.8%	830,379	592,777	40.1%
Deplaned	<u>52,590</u>	<u>42,762</u>	23.0%	<u>107,233</u>	<u>85,293</u>	25.7%	<u>829,609</u>	<u>588,870</u>	40.9%
Total	105,336	86,469	21.8%	217,996	174,770	24.7%	1,659,988	1,181,647	40.5%
Aircraft Operations									
Airlines	922	712	29.5%	1,903	1,449	31.3%	13,710	9,554	43.5%
Commuter/ Air Taxi	<u>747</u>	<u>609</u>	22.7%	1,556	1,191	30.6%	11,630	10,286	13.1%
Subtotal	<u>1,669</u>	<u>1,321</u>	26.3%	<u>3,459</u>	<u>2,640</u>	31.0%	<u>25,340</u>	<u>19,840</u>	27.7%
General Aviation	3,316	2,670	24.2%	6,646	5,610	18.5%	48,640	39,200	24.1%
Military	<u>109</u>	<u>156</u>	-30.1%	<u>256</u>	<u>334</u>	-23.4%	<u>2,981</u>	<u>3,166</u>	-5.8%
Subtotal	<u>3,425</u>	<u>2,826</u>	21.2%	<u>6,902</u>	<u>5,944</u>	16.1%	<u>51,621</u>	<u>42,366</u>	21.8%
Total	5,094	4,147	22.8%	10,361	8,584	20.7%	76,961	62,206	23.7%
Fuel Gallons									
100LL	8,301	6,811	21.9%	16,940	15,359	10.3%	173,625	161,755	7.3%
Jet A (GA)	52,114	51,829	0.5%	111,620	89,106	25.3%	1,384,970	1,413,422	-2.0%
Subtotal	<u>60,415</u>	<u>58,640</u>	3.0%	<u>128,560</u>	<u>104,465</u>	23.1%	<u>1,558,595</u>	<u>1,575,177</u>	-1.1%
Jet A (A/L)	<u>513,505</u>	<u>326,078</u>	57.5%	<u>1,079,614</u>	<u>711,280</u>	51.8%	<u>7,281,423</u>	<u>4,513,530</u>	61.3%
Total	573,920	384,718	49.2%	1,208,174	815,745	48.1%	8,840,018	6,088,707	45.2%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Friday, March 20, 2020

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

February 2020



	Feb 2020	Feb 2019	Percentage Change	*CYTD-2020	*CYTD-2019	Percentage Change
Allegiant Air						
Enplanements	24,090	18,048	33.5%	50,109	35,942	39.4%
Seats	34,653	25,836	34.1%	70,830	50,406	40.5%
Load Factor	69.5%	69.9%	-0.5%	70.7%	71.3%	-0.8%
American Airlines						
Enplanements	13,069	9,401	39.0%	27,699	19,595	41.4%
Seats	18,137	11,648	55.7%	38,084	24,070	58.2%
Load Factor	72.1%	80.7%	-10.7%	72.7%	81.4%	-10.7%
Delta Air Lines						
Enplanements	9,627	9,248	4.1%	19,919	19,652	1.4%
Seats	11,881	10,848	9.5%	24,630	22,905	7.5%
Load Factor	81.0%	85.3%	-5.0%	80.9%	85.8%	-5.7%
Spirit Airlines						
Enplanements	1,896	3,777	-49.8%	4,206	7,797	-46.1%
Seats	3,306	6,916	-52.2%	7,279	13,832	-47.4%
Load Factor	57.4%	54.6%	5.0%	57.8%	56.4%	2.5%
United Airlines						
Enplanements	4,064	3,233	25.7%	8,830	6,491	36.0%
Seats	5,602	4,752	17.9%	12,102	9,052	33.7%
Load Factor	72.5%	68.0%	6.6%	73.0%	71.7%	1.8%
Totals						
Enplanements	52,746	43,707	20.7%	110,763	89,477	23.8%
Seats	73,579	60,000	22.6%	152,925	120,265	27.2%
Load Factor	71.7%	72.8%	-1.6%	72.4%	74.4%	-2.6%

Friday, March 20, 2020

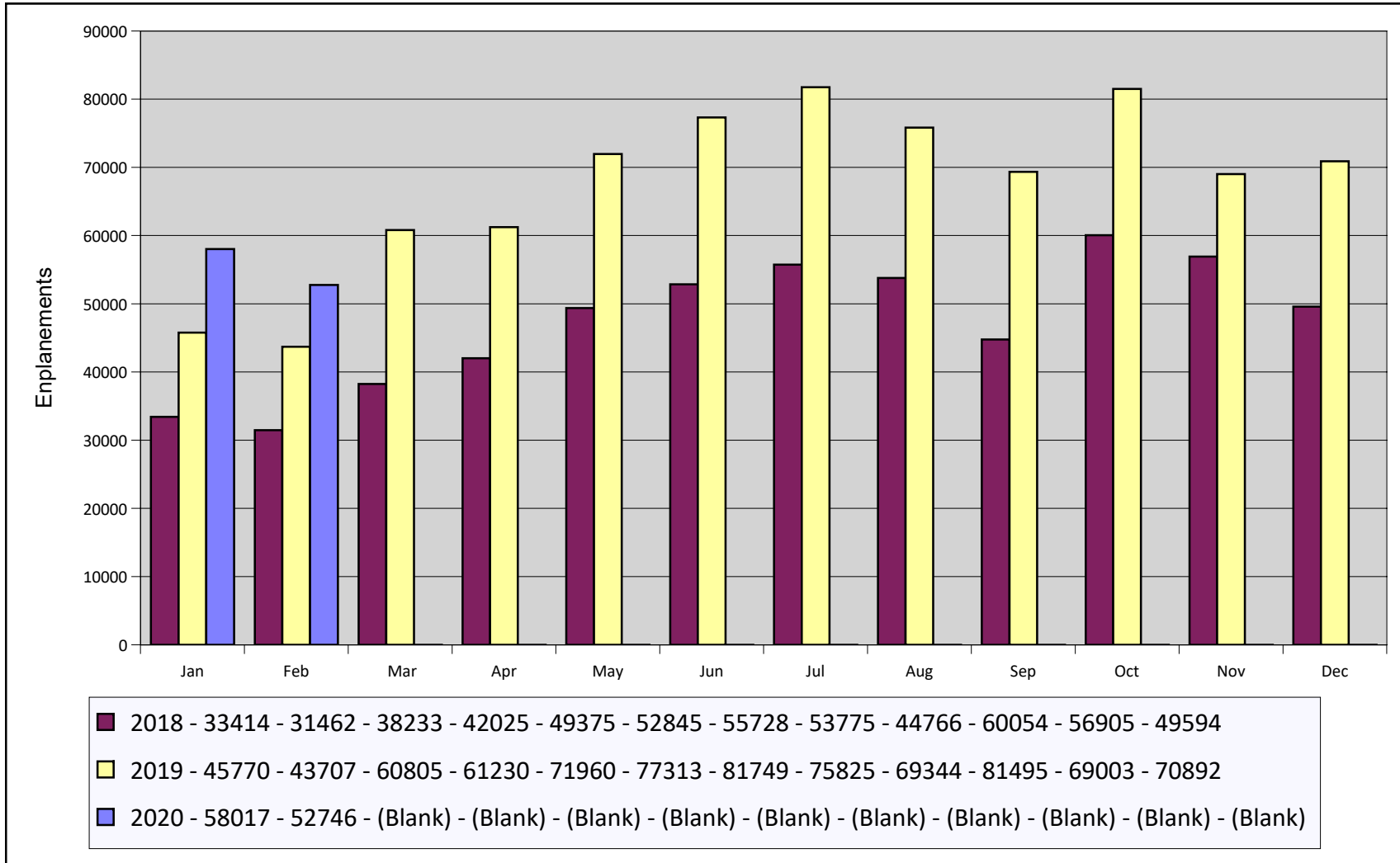
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport February 2020

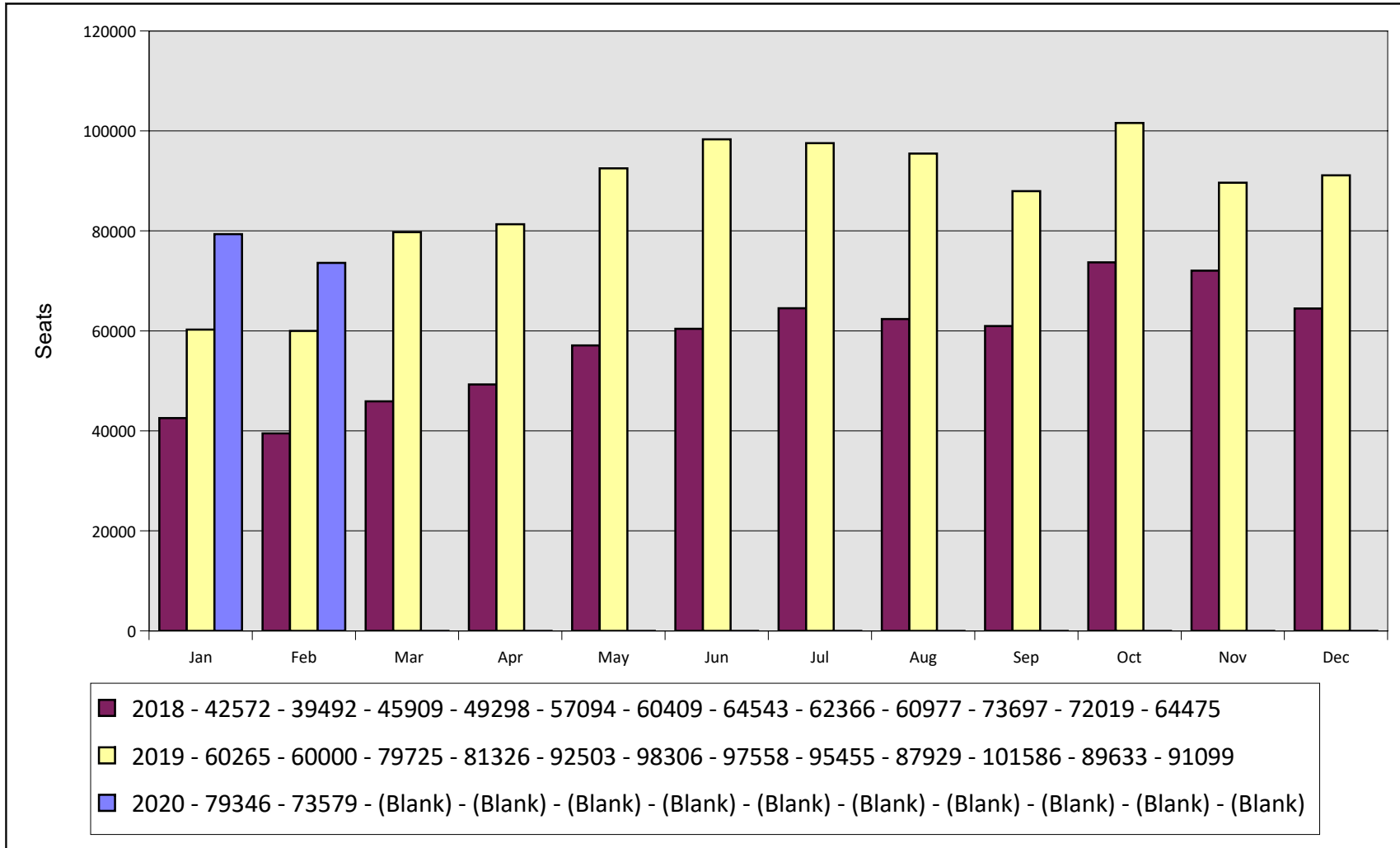


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	198	0	0	0	0	0	100.0%
American Airlines	284	0	3	9	0	12	95.8%
Delta Air Lines	187	0	0	0	0	0	100.0%
Spirit Airlines	21	0	0	0	0	0	100.0%
United Airlines	112	0	1	0	0	1	99.1%
Total	802	0	4	9	0	13	98.4%

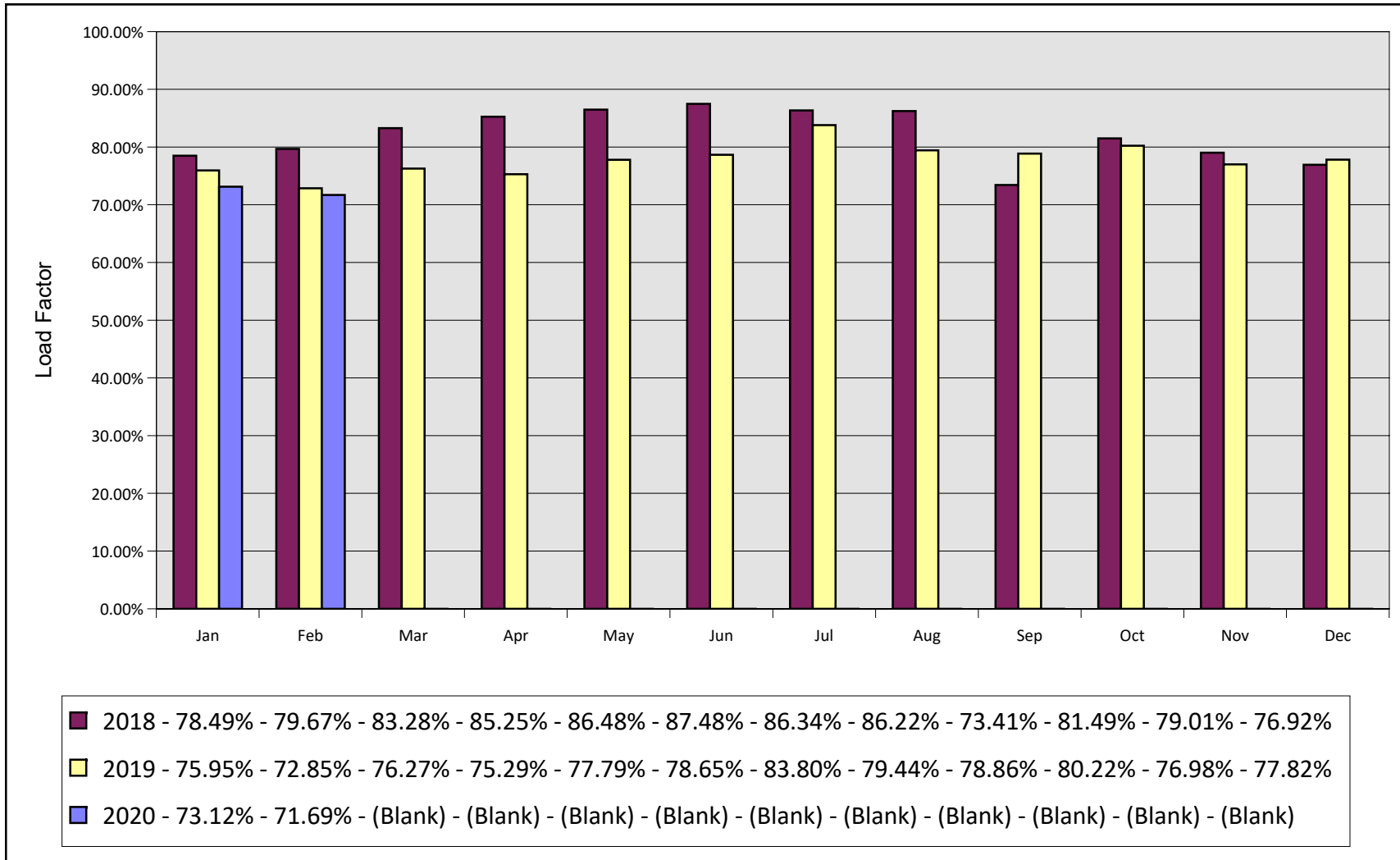
Monthly Enplanements By Year Asheville Regional Airport



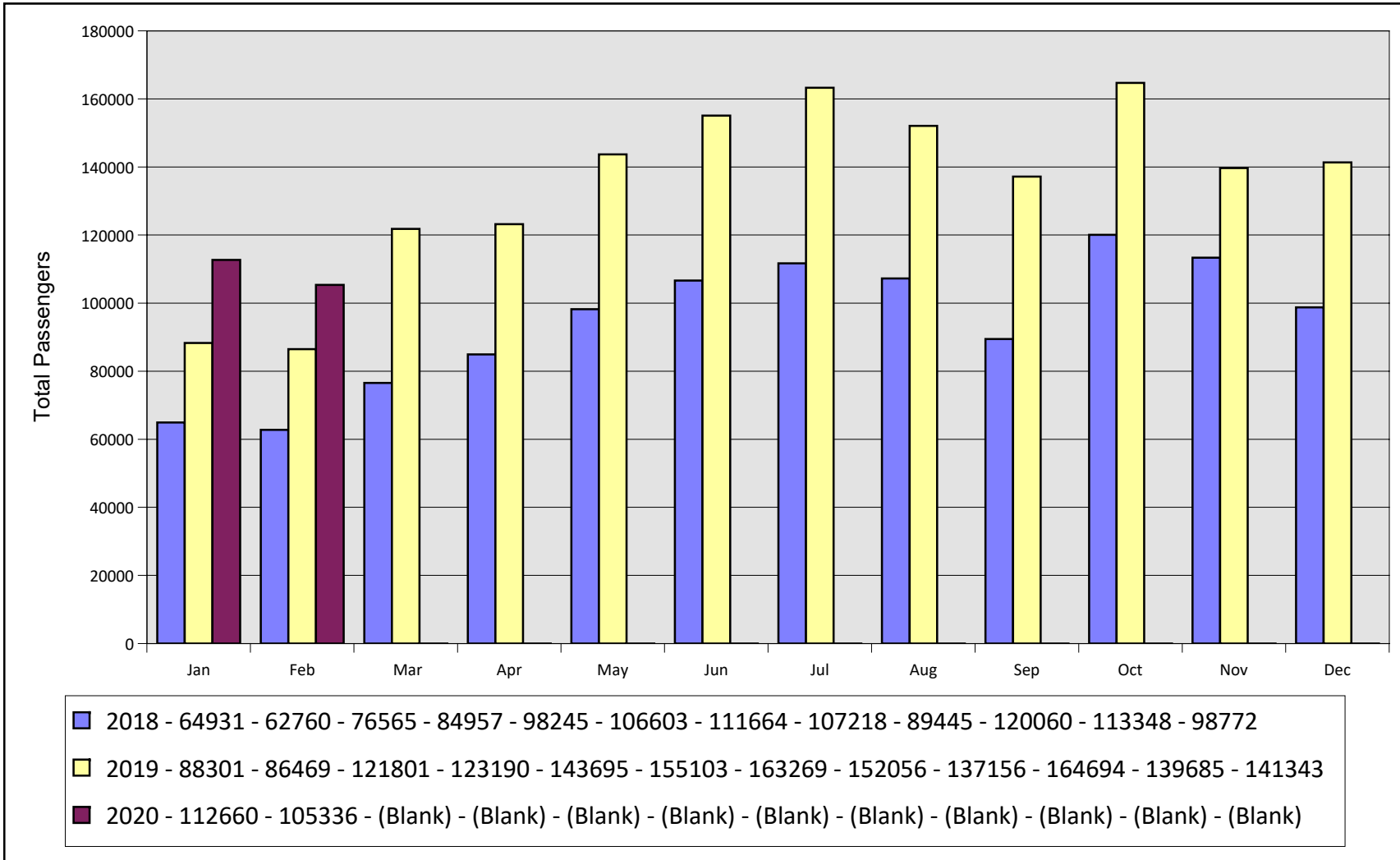
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

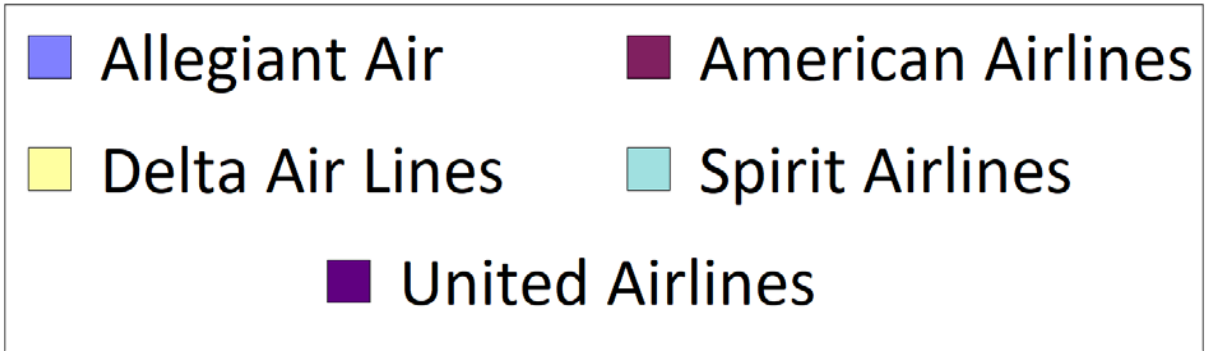
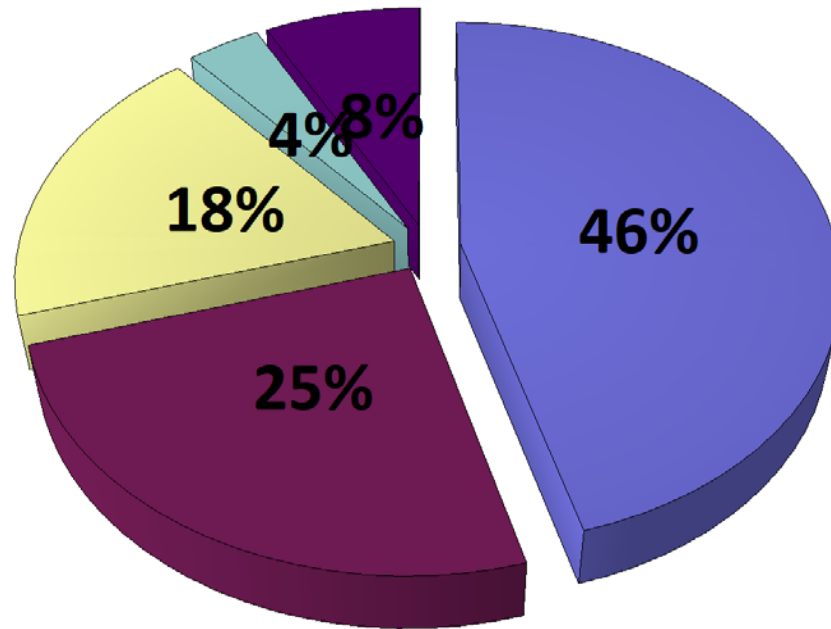


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From February 2020 Through February 2020





MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: April 3, 2020

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of February 2020

SUMMARY

Operating Revenues for the month of February were \$1,253,245, 18.1% over budget. Operating Expenses for the month were \$637,669, 31.3% under budget. As a result, Net Operating Revenues before Depreciation were \$615,576. Net Non-Operating Revenues were \$362,424, 6.1% over budget.

Year-to-date Operating Revenues were \$11,843,179, 39.5% over budget. Year-to-date Operating Expenses were \$5,960,588, 22.7% under budget. Year-to-date Net Operating Revenues before Depreciation were \$5,882,591. Net Non-Operating Revenues for the year were \$2,654,778, 2.9% under budget.

REVENUES

Significant variations to budget for February were:

Landing fees	\$10,709	12.46%	Enplanements over budget
Concessions	\$35,959	77.19%	Enplanements over budget and increased advertising
Rental Car	\$9,678	6.79%	Enplanements over budget and new brands on site
Auto Parking	\$137,616	36.70%	Enplanements over budget
Ground Transportation	(\$11,427)	(72.75%)	Invoiced annual tenant parking previous month

Information Section – Item B



EXPENSES

Significant variations to budget for February were:

Contractual Services	(\$36,399)	(32.03%)	Fewer contracts paid than anticipated
Repairs/Maintenance	(\$7,014)	(48.18%)	Repairs lower than anticipated
Utility Services	(\$20,715)	(46.04%)	Low utility costs for month
Emergency Repairs	(\$52,910)	(1169.80%)	Reimbursement of jet bridge repairs

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$1,535k mainly due to the receipt of AIP funds.

Grants Receivable – Grants Receivable decreased by \$7,090k due to the receipt of AIP funds.

Construction in Progress – Construction in Progress increased by \$6,087k mainly due to the Airfield Redevelopment, South Apron and Parking Lot projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$438k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of February 29, 2020**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 11,053,771	3,335
First Citizens - Money Market Account	0.35%	404,354	0
NC Capital Management Trust - Cash Portfolio		18,074	21
NC Capital Management Trust - Term Portfolio		9,439,069	12,363
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		923,997	
Bank of America - PFC Revenue Account	0.80%	4,592,411	1,442
NC Capital Management Trust - Term Port - PFC		10,302,224	13,493
 Total		 <u>\$ 36,734,100</u>	 <u>\$ 30,654</u>

Investment Diversification:

Banks	46%
NC Capital Management Trust	54%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended February 29, 2020**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 34,798,401	\$ 35,320,931
Net Income/(Loss) Before Capital Contributions	539,187	334,119
Depreciation	438,814	438,813
Decrease/(Increase) in Receivables	7,135,837	(240,918)
Increase/(Decrease) in Payables	(90,187)	(162,390)
Decrease/(Increase) in Prepaid Expenses	-	-
Decrease/(Increase) in Fixed Assets	(6,087,952)	(1,131,225)
Principal Payments of Bond Maturities	-	-
Capital Contributions	-	239,071
Fund Balance Adjustment - Receivable posted twice	-	-
Increase(Decrease) in Cash	1,935,699	(522,530)
Cash and Investments End of Period	\$ 36,734,100	\$ 34,798,401

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of February 29, 2020**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$20,915,469	\$19,380,342
Investments	0	0
Accounts Receivable	514,308	589,725
Passenger Facility Charges Receivable	420,000	420,000
Refundable Sales Tax Receivable	100,906	70,386
Grants Receivable	1,750,785	8,841,725
Prepaid Expenses	150	150
Total Unrestricted Assets	23,701,618	29,302,328
Restricted Assets:		
Cash and Cash Equivalents	15,818,631	15,418,059
Total Restricted Assets	15,818,631	15,418,059
Total Current Assets	39,520,249	44,720,387
Noncurrent Assets:		
Construction in Progress	79,223,672	73,135,720
Net Pension Asset - LGERS	(1,178,625)	(1,178,625)
Benefit Payment - OPEB	50,329	50,329
Contributions in Current Year	951,989	951,989
Property and Equipment - Net	70,842,134	71,280,947
Total Noncurrent Assets	149,889,499	144,240,360
	\$189,409,748	\$188,960,747
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$19,418	\$26,914
Customer Deposits	12,785	12,785
Unearned Revenue	36,261	154,281
Unearned Revenue - Constr	2,733,674	2,733,674
Construction Contracts Payable	0	0
Construction Contract Retainages	574,507	574,507
Revenue Bond Payable - Current	1,280,000	1,280,000
Interest Payable	70,658	35,329
Total Payable from Unrestricted Assets	4,727,303	4,817,490
Total Current Liabilities	4,727,303	4,817,490
Noncurrent Liabilities:		
Pension Deferrals - OPEB	82,080	82,080
Other Postemployment Benefits	1,318,276	1,318,276
Compensated Absences	346,617	346,617
Net Pension Obligation-LEO Special Separation Allowance	453,052	453,052
Revenue Bond Payable - Noncurrent	16,305,000	16,305,000
Total Noncurrent Liabilities	18,505,025	18,505,025
Total Liabilities	23,232,328	23,322,515
Net Assets:		
Invested in Capital Assets	132,480,806	126,831,667
Restricted	15,818,631	15,418,059
Unrestricted	17,877,983	23,388,506
Total Net Assets	166,177,420	165,638,232
	\$189,409,748	\$188,960,747



Income Statement

Through 02/29/20
Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	21,457.42	169,854.99	168,577.33	1,277.66	252,866.00	83,011.01
Terminal space rentals - airline	207,684.84	1,857,008.35	1,605,493.33	251,515.02	2,408,240.00	551,231.65
Landing fees	96,646.52	947,056.42	687,497.33	259,559.09	1,031,246.00	84,189.58
Concessions	82,543.96	559,401.62	372,680.00	186,721.62	559,020.00	(381.62)
Auto parking	512,616.43	4,646,472.75	3,000,000.00	1,646,472.75	4,500,000.00	(146,472.75)
Rental car - car rentals	152,285.10	1,927,615.23	1,140,855.33	786,759.90	1,711,283.00	(216,332.23)
Rental car - facility rent	53,090.01	424,720.08	434,774.00	(10,053.92)	652,161.00	227,440.92
Commerce ground transportation	4,281.00	231,690.89	125,666.67	106,024.22	188,500.00	(43,190.89)
FBO's	86,962.10	716,807.57	704,202.67	12,604.90	1,056,304.00	339,496.43
Building leases	9,944.80	76,994.31	63,657.33	13,336.98	95,486.00	18,491.69
Land leases	6,057.11	58,135.32	55,222.00	2,913.32	82,833.00	24,697.68
Other leases and fees	19,676.15	227,421.59	131,200.00	96,221.59	196,800.00	(30,621.59)
<i>Operating revenues Totals</i>	\$1,253,245.44	\$11,843,179.12	\$8,489,826.00	\$3,353,353.12	\$12,734,739.00	\$891,559.88
<i>Non-operating revenue and expense</i>						
Customer facility charges	123,458.25	1,506,081.00	1,066,666.67	439,414.33	1,600,000.00	93,919.00
Passenger facility charges	243,641.79	2,214,726.61	1,500,000.00	714,726.61	2,250,000.00	35,273.39
Interest revenue	30,653.72	312,951.32	166,666.67	146,284.65	250,000.00	(62,951.32)
Interest expense	(35,329.29)	(282,634.32)	.00	(282,634.32)	.00	282,634.32
Reimbursable cost expenses	.00	(1,103,168.12)	.00	(1,103,168.12)	.00	1,103,168.12
Gain or loss on disposal of assets	.00	.00	.00	.00	.00	.00
P-card rebate	.00	6,821.99	.00	6,821.99	.00	(6,821.99)
<i>Non-operating revenue and expense Totals</i>	\$362,424.47	\$2,654,778.48	\$2,733,333.33	(\$78,554.85)	\$4,100,000.00	\$1,445,221.52
Capital contributions	.00	6,354,655.77	.00	6,354,655.77	.00	(6,354,655.77)
<i>Operating expenses</i>						
Personnel services	438,399.12	3,701,112.47	4,441,180.67	(740,068.20)	6,661,771.00	2,960,658.53
Professional services	39,418.00	229,083.95	280,833.33	(51,749.38)	421,250.00	192,166.05
Other contractual services	77,259.16	586,692.66	909,268.67	(322,576.01)	1,363,903.00	777,210.34
Travel and training	18,622.63	89,137.81	173,900.00	(84,762.19)	260,850.00	171,712.19
Communications	1,687.53	35,032.06	43,726.67	(8,694.61)	65,590.00	30,557.94
Utility services	24,273.94	253,161.65	359,911.33	(106,749.68)	539,867.00	286,705.35



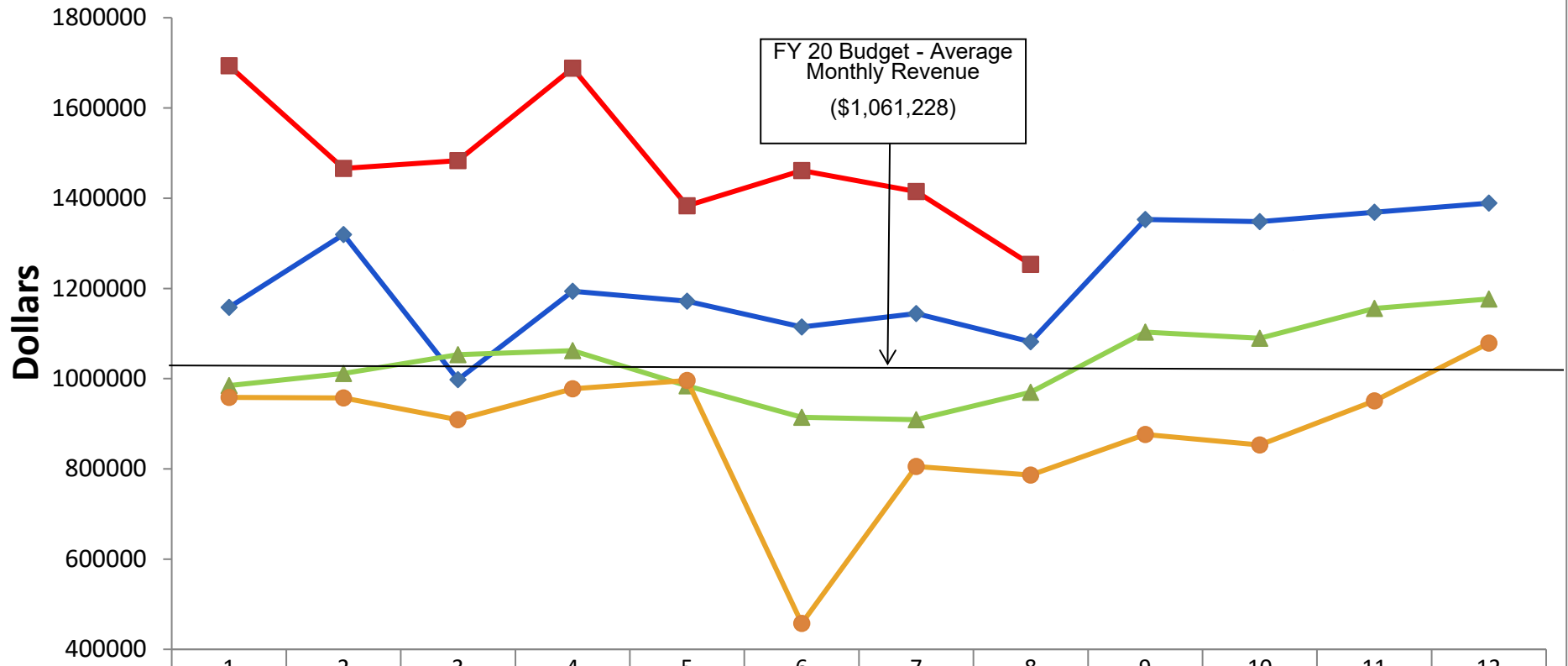
Income Statement

Through 02/29/20

Summary Listing

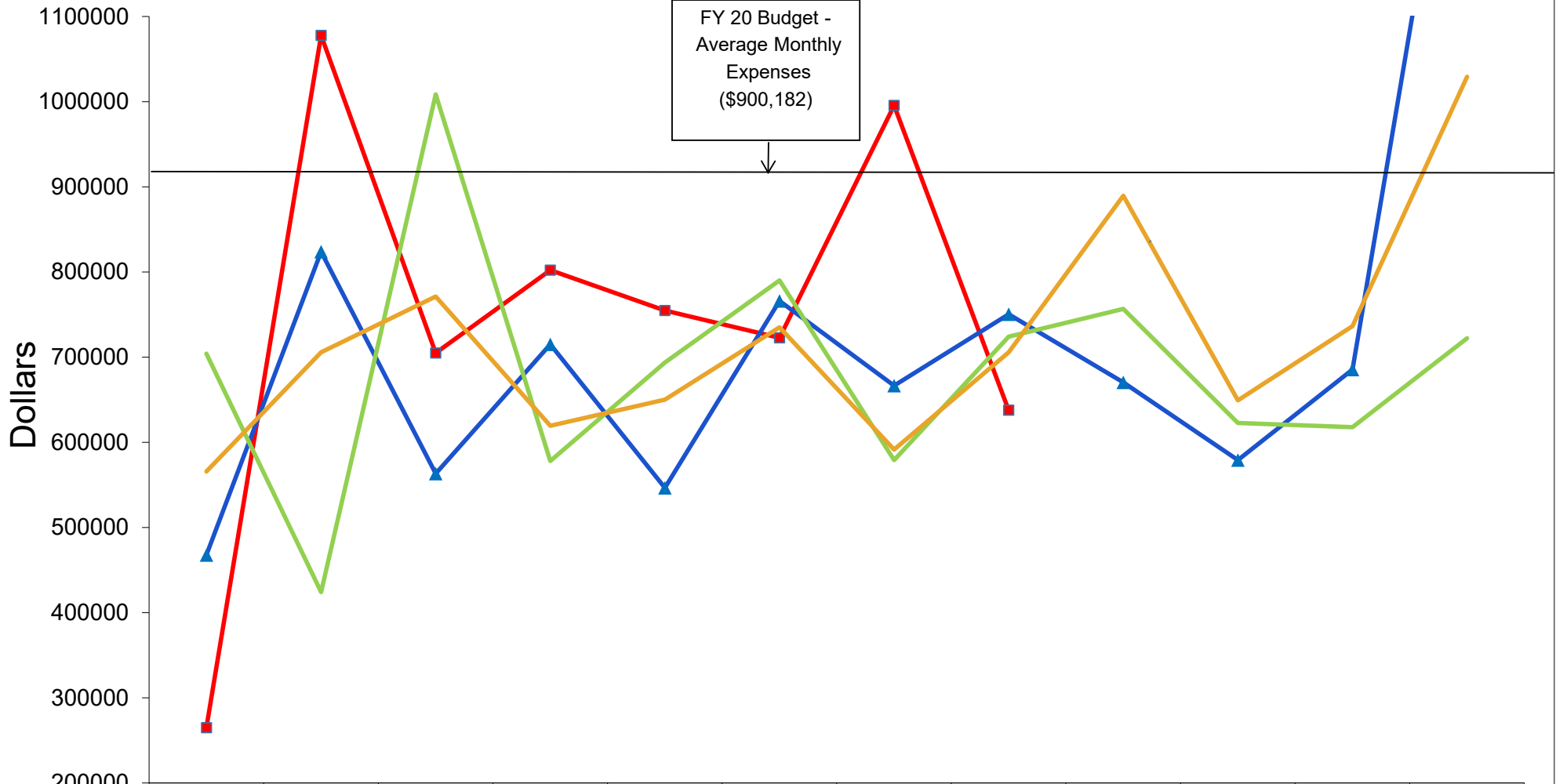
Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Rentals and leases	1,448.02	10,070.83	9,400.00	670.83	14,100.00	4,029.17
Insurance	(61.00)	277,232.59	290,600.00	(13,367.41)	290,600.00	13,367.41
Advertising, printing and binding	417.98	4,054.59	12,800.00	(8,745.41)	19,200.00	15,145.41
Promotional activities	26,703.87	117,286.40	202,533.33	(85,246.93)	303,800.00	186,513.60
Other current charges and obligations	3,547.55	38,756.94	56,733.33	(17,976.39)	85,100.00	46,343.06
Operating supplies	38,088.06	225,323.96	309,740.00	(84,416.04)	464,610.00	239,286.04
Publications, subscriptions, memberships, etc.	3,090.91	59,176.95	41,266.67	17,910.28	61,900.00	2,723.05
Repairs and maintenance	7,543.77	98,247.15	116,466.67	(18,219.52)	174,700.00	76,452.85
Small equipment	5,973.38	63,059.09	53,666.67	9,392.42	80,500.00	17,440.91
Contingency	.00	.00	42,466.67	(42,466.67)	63,700.00	63,700.00
Emergency repairs	(48,743.83)	23,159.34	33,333.33	(10,173.99)	50,000.00	26,840.66
Business development	.00	150,000.00	333,333.33	(183,333.33)	500,000.00	350,000.00
<i>Operating expenses Totals</i>	<i>\$637,669.09</i>	<i>\$5,960,588.44</i>	<i>\$7,711,160.67</i>	<i>(\$1,750,572.23)</i>	<i>\$11,421,441.00</i>	<i>\$5,460,852.56</i>
<i>Depreciation</i>						
Depreciation	438,813.58	3,510,508.64	.00	3,510,508.64	.00	(3,510,508.64)
<i>Depreciation Totals</i>	<i>\$438,813.58</i>	<i>\$3,510,508.64</i>	<i>\$0.00</i>	<i>\$3,510,508.64</i>	<i>\$0.00</i>	<i>(\$3,510,508.64)</i>
Grand Totals						
REVENUE TOTALS	1,615,669.91	20,852,613.37	11,223,159.33	9,629,454.04	16,834,739.00	(4,017,874.37)
EXPENSE TOTALS	1,076,482.67	9,471,097.08	7,711,160.67	1,759,936.41	11,421,441.00	1,950,343.92
Grand Total Net Gain (Loss)	\$539,187.24	\$11,381,516.29	\$3,511,998.67	\$7,869,517.62	\$5,413,298.00	\$5,968,218.29

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month February 2020



	1	2	3	4	5	6	7	8	9	10	11	12
2020	1693639	1465826	1482983	1688471	1382894	1461166	1414955	1253245				
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974
2018	984749	1011431	1052878	1062064	984291	914297	909078	969671	1103476	1089449	1155693	1176670
2017	958743	957359	909258	977579	996133	457472	805436	786217	876033	852930	950921	1078756

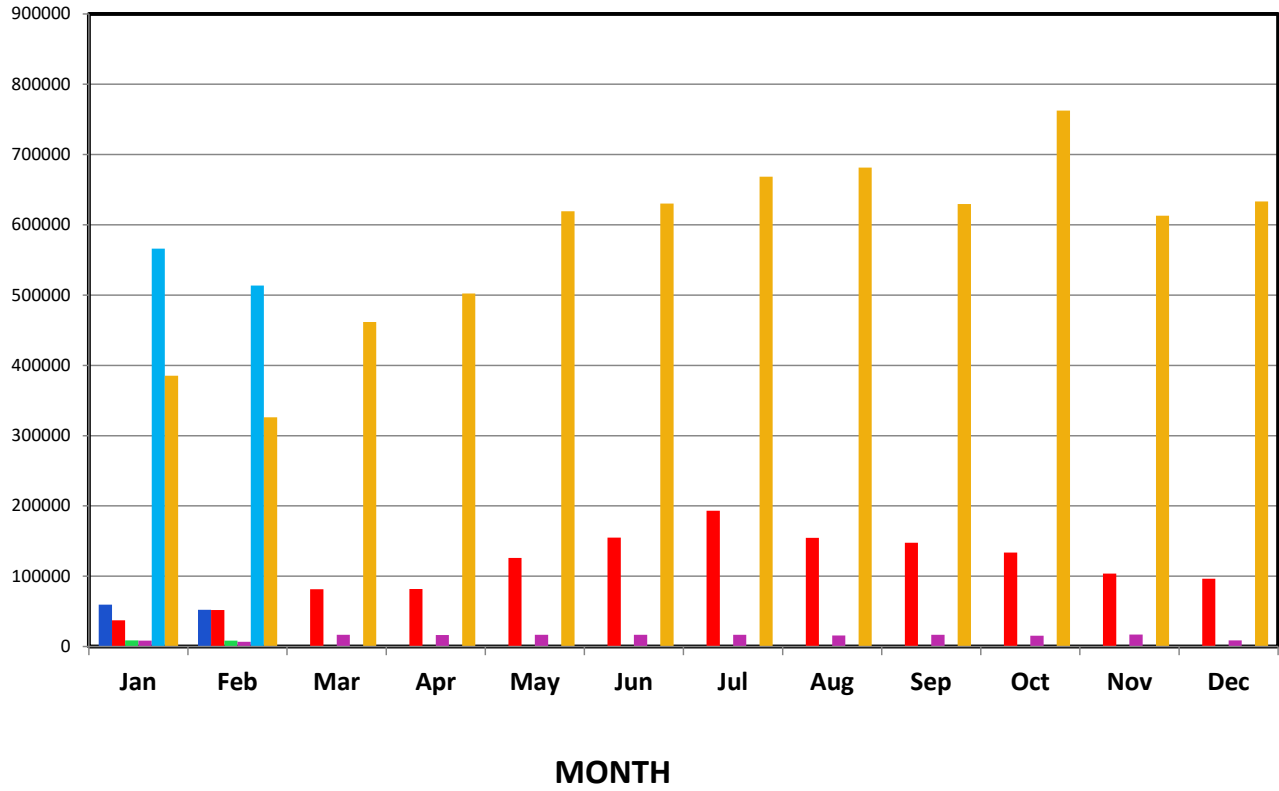
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month February 2020



	1	2	3	4	5	6	7	8	9	10	11	12
2020	264978	1077831	704819	802144	754800	722727	995620	637669				
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804
2018	704085	424161	1008520	578153	693612	790093	579052	724027	756743	622562	617623	722128
2017	565737	705715	771249	619423	649959	734910	591499	705568	889485	649186	736270	1029219

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
February 2020**

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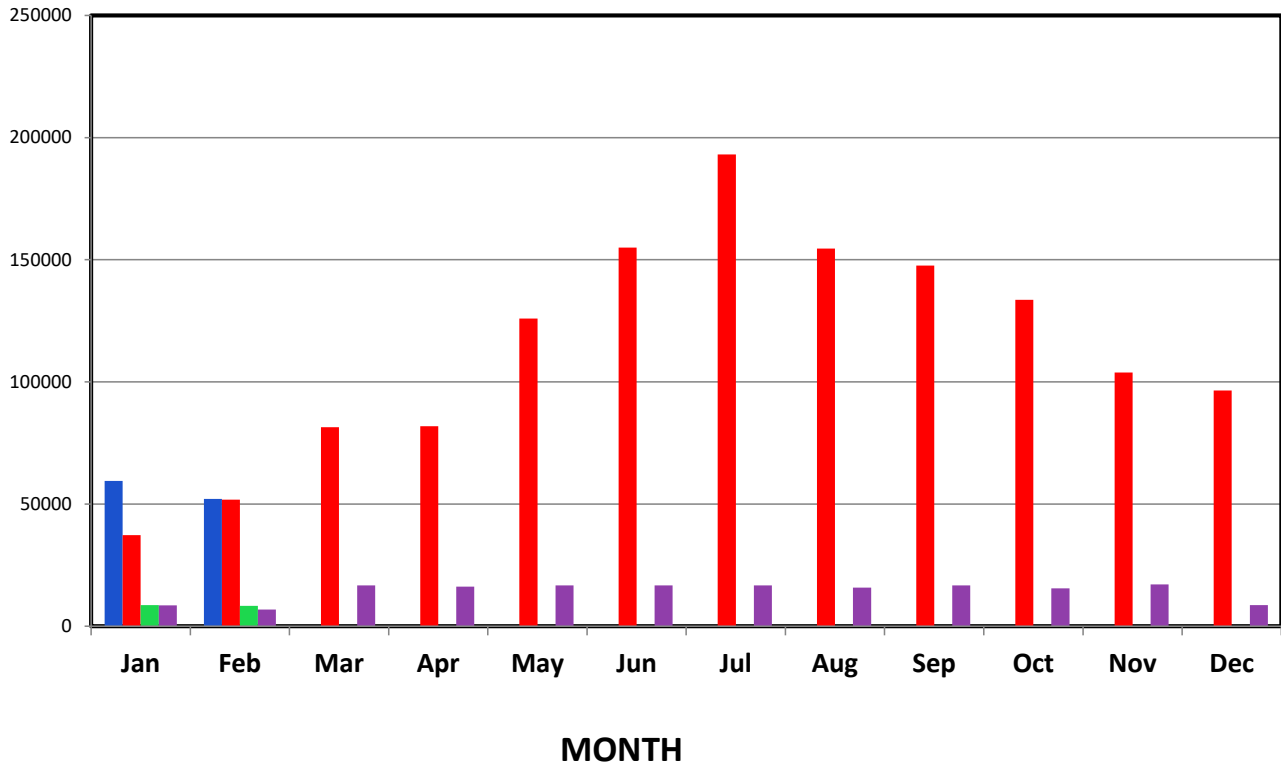


■ Jet A - 2020
■ Jet A - 2019
■ 100LL - 2020
■ 100LL - 2019
■ Airline - 2020
■ Airline - 2019

Jet A - 52,114 Gallons
 100LL - 8,301 Gallons
 Airline - 513,505 Gallons

ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
February 2020

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- Jet A - 2020
- Jet A - 2019
- 100LL - 2020
- 100LL - 2019

Jet A - 52,114 Gallons
100LL - 8,301 Gallons

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2020)	Start Date	End Date	Current Project Status (as of 04/01/2020)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$50,900,000.00		\$115,000,000.00	68.5%	\$78,778,403			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	95%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1B	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$4,417,146.00	65.90%	(Overall total included in above number)	34%	\$2,311,996	Dec-14	Dec-19	Phase IV Project Management continues.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 2	RS&H	\$1,460,329.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	60.5%	\$883,593	Aug-19	Dec-20	Phase IV Project Management continues.
1D	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 3	RS&H	\$1,487,205.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	0%	\$0	Aug-19	Dec-20	Phase IV Project Management continues.
1E	Airfield Re-Development Project	New Runway Design Vol2 and Vol3 rebid package.	AVCON	\$330,614.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	9.2%	\$30,582	Jan-20	Dec-20	Repackaging efforts continue.
1F	Airfield Re-Development Project	New Runway Design Vol3	AVCON	\$99,271.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	13.0%	\$12,905	Aug-19	Dec-20	Phase IV Project Management continues.
1G	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.0%	(Overall total included in above number)	0.0%	\$4,042,174	Jan-13	Dec-19	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Airport Security and Identity Management	Security system, ID badging and CCTV camera equipment	Faith Group LLC	\$327,486.27	N/A	N/A	\$0.00	0.0%	\$327,486.27	68.2%	\$223,221.96	Aug-18	Jan-20	Project Management continues.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$158,253.00	0.0%	\$979,449.00	65.1%	\$638,004.19	Nov-18	Nov-19	Project Management in process.
4	Terminal Building Renovations	Phase 1 - Utility Modernization of Water and Sewer	Gresham Smith	\$168,820.00	N/A	N/A	\$0.00	0.0%	\$168,820.00	68.1%	\$114,960.95	Jan-19	Oct-19	Project Management in process.
5	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$0.00	0.0%	\$12,608,794.00	5.6%	\$714,760.45	Nov-19	Apr-21	Design development on terminal space and phasing continues.
6	Pipe Repairs	60" Stormwater Pipe repairs in North area of property	Kimley-Horn	\$152,700.40	N/A	N/A	\$0.00	0.0%	\$170,840.40	89.5%	\$136,672.38	Apr-19	May-20	Pipe repairs complete, final report in progress.
7	Parking Lots	Design of additional parking areas across Highway 280	AVCON	\$189,962.00	N/A	N/A	\$103,796.00	0.0%	\$293,758.00	78.0%	\$229,292.37	May-19	May-20	Project Management in process.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2020)	Start Date	End Date	Current Project Status (as of 04/01/2020)
1	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Travelers	\$42,171,424.11	\$2,124,341.65	0.0%	\$44,295,765.77	35.4%	\$15,693,093.37	Mar-17	May-21	Erosion control maintenance, grading and electrical work continues.
2	Airport Security & Identity Management System	Replace, Upgrade and Install new Security System	Faith Group	Amount in Design Fees	Johnson Control, Inc.	\$2,197,707.00	\$0.00	0.0%	\$2,605,672.28	64.2%	\$1,412,308.49	May-19	May-20	Door and access hardware continues to be phased throughout the terminal.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857.00	-\$14,047.50	0.0%	\$9,542,250.00	12.2%	\$1,104,368.00	Sep-19	Dec-20	Dirt load placement continues.
4	60" Pipe Rehabilitation	Repairs to stormwater pipe on North GA area.	Kimley-Horn	Amount in Design Fees	Applied Polymeric	\$155,949.75	\$0.00	0.0%	\$171,544.73	0.2%	\$304.00	Oct-19	Mar-20	Construction is completed.
5	Parking Lots	Additional parking lots to be constructed and paved for public use.	AVCON Inc	Amount in Design Fees	Chatham Civil Contracting	\$1,905,330.90	-\$91,604.00	0.0%	\$2,095,863.90	20.5%	\$391,358.74	Nov-19	Aug-20	Lot A North is scheduled for paving early April. Lot A South work continues. GT lot expected completion in late Apr.
6	Terminal Building Phase 1 - Utility Modernization	Update current utilities in front of the terminal.	Gresham Smith	Amount in Design Fees	Patton Construction Group	\$1,868,160.00	\$0.00	0.0%	\$2,054,976.00	20.3%	\$380,246.48	Nov-19	May-20	Water and Sewer connections continue down Terminal Dr.

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision