



AGENDA

Greater Asheville Regional Airport Authority Special Meeting
Friday, April 9, 2021, 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. In compliance with the state-wide mandate for COVID-19, members of the public may attend the Authority Board meeting at 8:30 a.m. on Friday, April 9, 2021 via Webex: 1-844-621-3956; Meeting Number (access code): 132 323 0877

- I. CALL TO ORDER:
- II. DISCUSSION AND APPOINTMENT OF AT-LARGE MEMBER
- III. PRESENTATIONS: None
- IV. FINANCIAL REPORT ([document](#))
- V. CONSENT ITEMS:
 - A. Approve the Greater Asheville Regional Airport Authority March 12, 2021 Regular Meeting Minutes ([document](#))
 - B. Approve the State Plan of Operation between the State of North Carolina and the Greater Asheville Regional Airport Authority ([document](#))
- VI. 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 8, 2021
2. At 8:30 a.m. on Friday, April 9, 2021, members of the public may make their comments heard via Webex: 1-844-621-3956; Meeting Number (access code): 132 323 0877
 - A. Public Hearing for the Authority's Amended Ordinance 201601-6 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
 - B. Public Hearing for the Authority's Fiscal Year 2021/2022 Budget ([document](#))

VII. NEW BUSINESS:

- A. Approve Design Services Other Transaction Agreement with Transportation Security Administration for New Electronic Baggage Screening Program ([document](#))
- B. Approve Work Authorization No. 2R(B) with Parrish & Partners of North Carolina, PLLC for South Terminal Apron Expansion Project Engineering Services ([document](#))

VIII. DIRECTOR'S REPORT:

- A. Industry Statistics ([document](#))

IX. INFORMATION SECTION:

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

- A. February 2021 Traffic Report ([document](#))
- B. February 2021 Monthly Financial Report ([document](#))
- C. April 2021 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
 - Approval of Insurance Renewals
 - Approval of Policies
 - Approval of Lease with DreamCatcher Hotels
 - Adoption of Amended Ordinance for Airline Rates and Charges
 - Adoption of Authority's Fiscal Year 2021/2022 Budget



X. 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 8, 2021
2. Comments received, as specified above, shall be read during this Agenda period.

XI. CALL FOR NEXT MEETING

XII. 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.

XIII. AUTHORITY MEMBER REPORTS:

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

XIV. ADJOURNMENT.

**Asheville Regional Airport
Executive Summary
February-21**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	22,977	(56.4%)	45,635	(58.8%)
Aircraft Operations				
Commercial	1,303	(21.9%)	2,571	(25.7%)
Scheduled Flights	570	(28.5%)		
Flight Cancellations	52			
Seats	51,664	(29.8%)	97,287	(36.4%)
Load Factor	44.5%	(38.0%)	46.9%	(35.2%)
General Aviation	2,079	(37.3%)	4,556	(31.4%)
Military	117	7.3%	351	37.1%

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 699,104	(25.8%)	\$ 6,080,850	(19.3%)
Operating Expenses	632,342	(31.2%)	5,642,918	(27.3%)
Net Operating Revenues before Depreciation	<u>\$ 66,762</u>		<u>\$ 437,932</u>	
Net Non-Operating Revenues	* \$ 1,620,180	432.6%	\$ 10,384,506	326.8%
<small>(includes CARES funding listed below)</small>				
Broadmoor Net Income	\$ (25,441)		\$ 74,523	
Grants:				
FAA AIP Grants	\$ 928,096		\$ 10,416,699	
NC Dept of Transportation Grants	-		6,663,293	
Total	<u>\$ 928,096</u>		<u>\$ 17,079,992</u>	
* CARES Funding	\$ 1,430,537		\$ 8,687,017	

CASH

Restricted	\$ 10,299,655
Designated for O&M Reserve	5,384,122
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	45,450
Total	<u>\$ 16,379,227</u>
Broadmoor Cash Balance	<u>\$ 120,681</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	14,320	6,365	1,425	6,530
Allegiant	113,866	48,352	61,623	3,891
American	160	160	-	-
Delta	37,365	28,576	3,136	5,654
Elite	280	-	-	280
FAA	367	75	-	292
Paradies	7,446	1,164	6,250	32
Spirit	4,404	-	-	4,404
Travelers	2,957	75	-	2,882
TSA	15,477	150	2,875	12,452
United	919	286	633	-
World Fuel Services	1,633	125	125	1,383
Worldwide	10,745	1,480	-	9,265
Miscellaneous	18,591	345	279	17,967
Total	<u>\$ 228,530</u>	<u>\$ 87,152</u>	<u>\$ 76,346</u>	<u>\$ 65,031</u>
% of Total Receivables	29.50%			

Note: Excludes balances paid subsequent to month-end.

Also excludes Board-approved deferred rents of \$144,071 for August and September

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	5,250,000	555,000
	<u>\$ 21,000,000</u>	<u>\$ 16,305,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 71,195,660
Year-to-Date Spending	\$ 28,576,848

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 12, 2021**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 12, 2021 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 IN PERSON: Matthew C. Burril, Chair; Carl H. Ricker, Jr.; and Britt Lovin

MEMBERS PRESENT VIA TELEPHONE/VIDEO: Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Thomas M. Apodaca; and Susan Russo Klein

MEMBERS ABSENT: None

STAFF PRESENT IN PERSON: Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Janet Burnette, Director of Finance and Accounting; Samuel Sales, Interim Chief of Public Safety; Michael Merideth, Systems Administrator; Ricky Peterson, Maintenance Tech; and Ellen Heywood, Clerk to the Board

STAFF AND LEGAL COUNSEL PRESENT VIA VIDEO: Cindy Rice, Authority Legal Counsel; Tina Kinsey, Director of Marketing and Public Relations; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Lisa Jump, Director of Administration and Human Resources; Christina Madsen, Properties and Contracts Manager; and Jared Merrill, Airport Planning Manager

ALSO PRESENT VIA TELEPHONE: Brad Sucher, Gresham Smith; David King; Gresham Smith; John Kasuda, Siemens; Hugh Weaver, Pond Company; David Wood, Pond Company; James Moose, Avcon; Jon McCalmont, Parrish & Partners; Jason Sandford, AshVegas; Zeke Cooper, DreamCatcher Hotels; and Nick Loder, RS&H

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

SERVICE AWARD PRESENTATION: The Chair recognized Ricky Peterson with a service award and gift for his 15 years of service with the Authority.

PRESENTATIONS:

A. Update on Design of Terminal Expansion: Brad Sucher with Gresham Smith presented the Board with an update on the design of the terminal expansion. Mr. Sucher briefly described the vision process used to create the essence for the design and proceeded with the overall plan including renderings for levels 1 and 2. The project schedule was reviewed followed by a detailed explanation of the program cost, expected to be approximately \$238 million. Mr. Sucher broke down the anticipated cost of the project by contractor final guaranteed maximum price as well as the Authority's costs for a total program cost. Mr. Sucher explained that Hensel Phelps, the Construction Manager at Risk, would provide a final program cost by mid-February of 2022.

The Director reported that Gresham Smith's drawings have been shared with all Authority staff. The Director further stated that staff has been working with the financial consultant retained to assist staff with the financing for this project and that a meeting was held with the FAA and DOT to discuss financing for this project as well as a possible TIFIA loan through the DOT. The financial consultant has also been preparing staff for the credit rating that will be required to move forward with financing for this project. The Director also explained to the Board that this project will be value engineered to coincide with the amount the financial consultant determines the Authority can afford to pay for this project. Staff anticipates having the financing in place by early next year.

Discussions took place regarding the escalation in price since the terminal assessment study was completed in 2018, the flexibility of the gates for the size and configuration of the aircraft, as well as the square footage of space in public areas of the terminal.

The Director requested feedback from the Board on the direction staff should take with regard to moving forward on the project. The Board was in agreement that it was important to continue with the plans to expand the terminal. Additional information on financing was suggested. The Director responded that staff was working with the financial consultant on the financing and assured the Board that the financing information would be brought to the Board for their review and approval before moving forward with the construction phase of the project. The Director also reminded the Board that the expenses for the design phase of the project were being covered by grant funding.

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of January was provided by the Director. Janet Burnette reported on the financial activity for the month of January. Mrs. Burnette advised the Board that staff was given previous approval by the Board to use some of the reserve funds if needed. With the January finances as they were, some O&M Reserve funds were used for a few days until some funding was received from the FAA in February.

Mr. Galbraith left the meeting.

CONSENT ITEMS:

A. Approve the Greater Asheville Regional Airport Authority February 5, 2021 Regular Meeting Minutes:

B. Approve the Greater Asheville Regional Airport Authority February 19, 2021 Special Meeting Minutes:

Mr. Lovin moved to approve Consent Items A and B. Mr. Ricker seconded the motion and it carried by a 6 to 0 vote.

OLD BUSINESS: None

NEW BUSINESS: The Chair stated that New Business Item E, Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course, would be reviewed following the closed session.

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 FY21-22 has been developed for Ordinance No. 201601-6 using the same rate methodology as in the past. Mrs. Burnette reminded the Board that last year at the request of the airlines, the rates and charges for FY20-21 were not changed due to the decline in passenger traffic. Staff has met with the airlines to review the rates, fees and charges proposed for FY21-22. Mrs. Burnette reviewed the summary table from the Rates, Fees and Charges and highlighted some of the proposed changes.

Mr. Apodaca 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 FY2021-2022 at the next scheduled Authority Board meeting. Mr. Ricker seconded the motion and it carried by a 6 to 0 vote.

Mr. Galbraith returned to the meeting.

B. Approval of the Authority's Preliminary Fiscal Year 2021/2022 Budget: Janet Burnette presented the proposed preliminary Fiscal Year 2021-2022 Budget. Mrs. Burnette stated that staff has been conservative with the budget and anticipate approximately \$1 million in net revenue for FY22. The budget assumptions for both

operating revenues and operating expenses were highlighted, and Mrs. Burnette mentioned that the operating expenses include a salary adjustment pool budgeted at 2% as well as an increase in personnel with the addition of one full-time employee.

The Director informed the Board that in line with other commercial airports in the state, a 2% salary adjustment pool has been included in the budget. Some of the airports in the state are having difficulties retaining talent and need to keep the salaries in line to compete with other local businesses. Should enplanements and revenue decline, staff can pull the salary adjustment pool from the budget before it goes into effect in July. The Director further stated that staff had planned on adding 14 positions in FY21, however, those positions were pulled from the budget due to the effects of COVID-19. The position being added to the FY22 budget is for an HVAC employee familiar with central energy plant processes in order for that employee to have input in the plans for the central energy plant to be constructed as part of the terminal expansion project.

Mrs. Burnette reviewed the proposed operating budget and noted that the FY2020-2021 figures shown in the budget were the revised budget amounts that were brought to the Board in July of 2020. While the proposed operating budget is showing a 7% reduction in operating expenses, this is in addition to the 14% reduction made to the budget last July, for a total decrease in expenses by 21% from the original FY2020-2021 budget presented to the Board last spring. Later in the year, should revenue grow higher than projected, staff may seek Board approval to revise the budget for both revenues and expenses.

Mrs. Burnette also reviewed the estimated cash balance and pointed out the negative unrestricted undesignated cash balance as of June 2022. This was similar to what was presented in the budget to the Board last spring, and Mrs. Burnette explained that staff would not move forward on projects until the funding was in place. Also highlighted were the supplemental fees that will increase for FY22, particularly parking and SIDA badges.

Mr. Lovin moved to approve the Proposed Preliminary Fiscal Year 2021-2022 Budget and accept public comment on the Proposed Preliminary Fiscal Year 2021-2022 Budget during the next 10 days. Mr. Erwin seconded the motion and it carried unanimously.

Mr. Galbraith left the meeting.

C. Approve Design Contract with Pond & Company, Inc. for the Air Traffic Control Tower and Associated Facilities Project: Jared Merrill advised the Board that the existing air traffic control tower has exceeded its useful life and needs to be relocated due to its obstruction to the terminal expansion project. Relocation of the tower to new facilities will also ensure that the tower meets the current standards of the FAA. Mr. Merrill reviewed the process used to obtain proposals for design services and stated that Pond & Company, Inc. was deemed the most qualified to perform the work. Staff

has been in negotiations with Pond & Company for the design contract and arrived at a cost of \$4,157,923.00. An Independent Fee Estimate (IFE) was conducted and determined to be \$3,857,570 which is 7.8% lower than the contract with Pond & Company, but falls within the FAA's required 10% to establish reasonable cost. The contract includes resident project representative services for the estimated two-year construction project as well as the design services. The current fiscal year budget includes \$5 million for this project and staff plans to utilize NCDOT and/or FAA funds for this project.

Mr. Lovin moved to approve the contract for the design of the new Air Traffic Control Tower and Associated Facilities with Pond & Company, Inc. in the amount of \$4,157,923.00 and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried by a 6 to 0 vote.

Mr. Galbraith returned to the meeting.

D. Approval of Audit Contract for Fiscal Year Ending June 30, 2021: Janet Burnette informed the Board that a Request for Proposal (RFP) for audit services was issued and two firms submitted eligible proposals. Staff's recommendation was to award the audit contract to Martin Starnes & Associates, based on their lower overall costs, experience with airport audits, and previous working relationship with the Authority. The contract fee for audit services with Martin Starnes & Associates will be \$32,500 and the expense for the audit services was included in the budget for FY2022.

Mr. Apodaca moved to approve the contract for audit services with Martin Starnes and Associates, CPAs, P.A. subject to Board approval of the FY2022 Budget and authorize the Board Chair to execute the necessary documents. Mr. Galbraith seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: It was agreed that the Director would defer reporting on Industry Statistics until the next Board meeting. The Director advised the Board that he had a couple of additional items to include that were not on the agenda.

A. Passenger Facility Charge: The Director advised the Board that due to an increase in passenger enplanements, the airport collected more funds under PFC Application No. 6 than what was allowed by the FAA. Staff will be amending PFC Application No. 6 to allow airport reimbursement for some previous projects the airport has paid for out of its own funds. The Director also reported that the Board had previously approved PFC Application No. 7, but due to delays with COVID staff is just now able to move forward. A public comment period was held and a meeting was held with the airlines, but was not attended. PFC Application No. 7 will be used for some terminal items that will be imposed by the PFC but not yet used.

B. American Rescue Plan: Congress approved \$8 billion in funding for the airport industry. The airport will receive additional money out of this new funding for operational expenses.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: It was determined that the March 24, 2021 Authority Board meeting would not be necessary and was cancelled. The April 16, 2021 meeting of the Authority Board was also cancelled, and a Special Meeting of the Authority Board will be held on April 9, 2021.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:25 a.m. Mr. Lovin 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. Ricker seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 11:44 a.m.

Mr. Galbraith left the meeting during the Closed Session.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 12, 2021

CLOSED SESSION MINUTES: Mr. Lovin 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. Ricker seconded the motion and it carried by a 6 to 0 vote.

NEW BUSINESS: Mr. Apodaca commented that in an abundance of caution, he would need to be recused from the discussion for New Business Item E.

Mr. Apodaca left the meeting at 11:50 a.m.

Mr. Lovin moved to recuse Mr. Apodaca from New Business Item E, Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course. Mr. Ricker seconded the motion and it carried by a 5 to 0 vote.

E. Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course: Christina Madsen reported that a Request for Information (RFI) for the Development, Management and Operation of a Commercial Hotel with Conference Center and an 18-Hole Golf Course was issued by the Authority in January 2021 and 33 firms downloaded and received the RFI. The Authority received one proposal, from DreamCatcher Hotels, and the proposal met all of the minimum qualifications in the RFI. Staff was seeking Board approval to enter negotiations with DreamCatcher Hotels for a long-term lease including key business terms such as the design, financing, construction, investment, rents, fees, length of term, etc. Mrs. Madsen stated that the Broadmoor Golf Course requires a large financial infusion for capital improvements which the Authority does not have the capability of providing. Award of a contract for the development of a hotel, conference center and management of the golf course will ensure the capital improvements are made.

Mr. Erwin moved to accept the submitted response to the Request for Information by DreamCatcher Hotels; authorize staff to enter negotiations with DreamCatcher Hotels; and return to the Board prior to May 15, 2021 to present a final lease for consideration. Mr. Ricker seconded the motion and it carried by a 5 to 0 vote.

ADJOURNMENT: Mr. Lovin moved to adjourn the meeting at 11:58 a.m. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burrell
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Samuel C. Sales, Interim Public Safety Chief

DATE: April 9, 2021

ITEM DESCRIPTION – Consent Item B

Approve the State Plan of Operation between the State of North Carolina (“State”) and the Greater Asheville Regional Airport Authority (“Authority”).

BACKGROUND

The National Defense Authorization Act grants authority to the Secretary of Defense to transfer excess Department of Defense supplies and equipment to state, county, and local law enforcement agencies for use in performing their law enforcement duties through the Law Enforcement Support Organization 1033 Program. This property is procured at little to no cost to the law enforcement agency obtaining the equipment. The Authority’s Department of Public Safety is a participant in this program and has received surplus equipment in the past.

The State is responsible for ensuring proper oversight of participating law enforcement agencies within the state. State oversight includes a State Plan of Operation agreement between the State and the law enforcement agency that receives approval to participate in the program. The State has recently requested the Authority execute an updated agreement. Authorization from the Authority Board must be certified as a requirement of the State Plan of Operation.

The State Plan of Operation is attached.

ISSUES

None.

ALTERNATIVES

The Board can elect not to approve the State Plan of Operation.

Consent – Item B



FISCAL IMPACT

None.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the State Plan of Operation between the State of North Carolina and the Greater Asheville Regional Airport Authority; and (2) authorize the Executive Director to execute the necessary documents.

State Plan of Operation (SPO) between:

The State of North Carolina and the

(State/United States Territory)

Asheville Regional Airport Department of Public Safety

Law Enforcement Agency (LEA)

1) PURPOSE This State Plan of Operation (SPO) is entered into between the State/United States (U.S.) Territory and Law Enforcement Agency (as identified above), to set forth the terms and conditions which will be binding on the parties with respect to Department of Defense (DoD) excess personal property conditionally transferred pursuant to 10 USC § 2576a, in order to promote the efficient, expeditious transfer of property and to ensure accountability of the same.

2) AUTHORITY The Secretary of Defense (SECDEF) is authorized by 10 USC § 2576a to transfer to Federal and State Law Enforcement Agencies (LEAs), personal property that is excess to the needs of the DoD, including small arms and ammunition, that the Secretary determines is suitable to be used by such agencies in law enforcement activities, with preferences for counter-drug/counter-terrorism, disaster-related emergency preparedness or border security activities, under such terms prescribed by the Secretary. The SECDEF has delegated program management authority to the DLA. The DLA Disp Svcs LESO administers the program in accordance with (IAW) 10 USC § 2576a, 10 USC § 280, DoDM 4160.21 and DLAI 4140.11. The DLA defines "law enforcement activities" as activities performed by governmental agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated law enforcement officers have powers of arrest and apprehension.

3) GENERAL TERMS AND CONDITIONS "DoD excess personal property" also known as "items", "equipment", "program property", or "property". "DLA Disposition Services Law Enforcement Support Office" also known as "1033 Program", "LESO Program", "the program", or "LESO". "State or U.S. Territory" also known as "the State", "State Coordinator (SC)", "State Point of Contact (SPOC)", or "SC/SPOC". "Law Enforcement Activities" also known as "agencies in law enforcement activities", "Law Enforcement Agency (LEA)", "program participant", or "State/LEA".

a) Property made available under this agreement is not for personal use and is for the use of authorized program participants only. All requests for property shall be based on bona fide law enforcement requirements. Authorized participants who receive property from the program will not loan, donate, or otherwise provide property to other groups or entities (i.e., public works, county garage, schools, etc.) that are not otherwise authorized to participate in the program. Property will not be obtained by program participants for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. To receive such property, on an annual basis the LEA shall certify that they have:

- i) Obtained authorization of the relevant local governing body authority (i.e., city council, mayor, etc.).
- ii) Adopted publicly available protocols for the appropriate use of controlled property, the supervision, and the evaluation of the effectiveness of such use, including auditing and accountability policies.
- iii) Annual training in place and provides it to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the U.S. and de-escalation of force.

b) All costs associated with the transportation, turn-in, transfer, repair, maintenance, insurance, disposal, repossession or other expenses related to property are the sole responsibility of the State/LEA. The State/LEA shall also be responsible to reimburse the U.S Government (USG) for costs incurred in retrieving and/or repossessing property impermissibly transferred by the State/LEA to unauthorized participants.

c) The State/LEA will maintain and enforce regulations designed to impose adequate security and accountability measures for controlled property to mitigate the risk of loss or theft of property. Program participants shall implement controls to ensure property made available under this agreement is used for official law enforcement use only. The State/LEA shall take appropriate administrative and/or disciplinary action against individuals that violate provisions of the Memorandum of Agreement (MOA) between the Federal Government and the State/U.S. Territory and/or this SPO, including unauthorized use of property.

d) All property transferred to the State/LEA via the program is on an as-is, where-is basis.

e) LESO reserves the right to recall property issued to a State/LEA at any time.

f) General use of definitions/terms:

i) Demilitarization (DEMIL code)-a code assigned to DoD property that indicates the degree of required physical destruction, identifies items requiring specialized capabilities or procedures, and identifies items which do not require DEMIL but may require Trade Security Controls (TSC). Program participants are not authorized to conduct physical demilitarization of property.

ii) "Controlled property"-items with a DEMIL code of B, C, D, E, F, G, and Q (with an Integrity Code of "3". Title and ownership of controlled property remains with the DoD in perpetuity and will not be relinquished to the State/LEA. When a State/LEA no longer has a legitimate law enforcement use for controlled property, they shall notify the LESO and the property will be transferred to another program participating State/LEA (via standard transfer process) or returned to DLA Disp Svcs for disposition.

iii) "Non-controlled" property"-items with a DEMIL code of A or Q (with an Integrity Code of "6"). These items are conditionally transferred to the State/LEA and will remain on State/LEA accountable inventory for one year from the ship date. However, after one year from the ship date, DLA will relinquish ownership and title for the property to the State/LEA without issuance of further documentation. During this one year period, the State/LEA remains responsible for the accountability and physical control of the property and the LESO retains the right to recall the property. Participants should return any property in this one year period that becomes excess to their needs or they otherwise determine is not serviceable.

(1) The LEA receives title and ownership of DEMIL "A" and "Q6" property as governmental entities. Title and ownership of this property does not pass from DoD to any private individual or State/LEA official in their private capacity. Such property shall be maintained and ultimately disposed of IAW provisions in State and local laws that govern public property.

(2) Sales/gifting of DEMIL "A" and "Q6" property after one year from the ship date inconsistent with State/local law may constitute grounds to deny future participation in the program.

(3) After one year from ship date, DEMIL "A" and "Q6" property may be transferred, cannibalized for usable parts, sold, donated, or scrapped.

(4) Once the property is no longer on the LEA accountable inventory, the property is no longer subject to the annual physical inventory requirements and will not be inventoried during a LESO Program Compliance Review (PCR).

g) All physical transfers of property require LESO approval. Program participants will not physically transfer property until the LESO approval process is complete. Program participants may request their SC/SPOC approval to temporarily conditionally loan property to another program participant (if mission requires). If the SC/SPOC approves the temporary conditional loan, it shall be done using an acceptable Equipment Custody Receipt (ECR). At the end of the temporary conditional loan, the item (s) shall be returned to the original LEA for accountability. All requests for conditional loans will be based on bona fide law enforcement requirements.

h) The program may authorize digital signatures on required program documentation.

i) The State/LEA is not required to maintain insurance on controlled property, aircraft or other property with special handling requirements that remain titled to DoD. However, the State/LEA will be advised that if they elect to carry insurance and the insured property is on the program inventory at the time of loss or damage, the recipient will submit a check made payable to DLA for insurance proceeds received in excess of their actual costs of acquiring and rehabilitating the property prior to its loss, damage, or destruction.

4) STATE PLAN OF OPERATION The State shall:

a) Assist in training LEAs with enrollment, property requests, transfers, turn-ins, and disposal procedures.

b) Adhere to the requirements outlined in the MOA between the Federal Government and the State/U.S. Territory and ensure MOA amendments or modifications are incorporated into this SPO and program participants are notified and acknowledge responsibility to comply with changes.

c) Submit a SPO to LESO that shall address procedures for determining LEA eligibility, allocation, equitable distribution of property, accountability, inventory, training, and education, State-level internal PCRs, export control requirements, procedures for turn-in, transfer, and disposal and other responsibilities concerning property.

d) Enter into written agreement with each LEA, via the LESO-approved SPO, to ensure program participants acknowledge the terms, conditions, and limitations applicable to property. This SPO must be signed by the current Chief Law Enforcement Official (CLEO) (or designee) and the current SC/SPOC.

e) Provide program participants the following information:

i) The LESO Program State POCs:

State Coordinator (SC): Edward Davis Edward.davis@ncdps.gov 919-662-4700 ext 225

State Point of Contact (SPOC): David Farmer david.farmer@ncdps.gov 919-324-6227

State Point of Contact (SPOC): Joey Raynor joey.raynor@ncdps.gov 919-324-6226

ii) SC/SPOC Facility Information:

Physical Mailing Address: 3030 Hammond Business Place Raleigh NC 27603

Email: Edward.davis@ncdps.gov

Phone Number: (919) 324-6228

Website: NCDPS.GOV

Hours of Operation: 7:30am – 4:00pm

iii) Funding to administer the LESO Program at the State-level is provided via:

The Governor of the State of North Carolina has designated in writing with an effective date of 9-28-2017 to implement this program statewide as well as conduct management and oversight of this program. Funding/Budgeting to administer this program is provided by the State of North Carolina.

5) PROPERTY ACCOUNTING SYSTEM The State will maintain access to Federal Excess Property Management Information System (FEPMIS) (or current property accounting system), to ensure LEAs maintain property books, to include, but not limited to, transfers, turn-ins, and disposal requests from an LEA or to generate these requests at the State-level and forward all approvals to the LESO for action. The State will:

a) Conduct quarterly reconciliations of State property records.

b) Ensure at least one person per LEA maintains access to the property accounting system. Users may be “active” or “inactive” in the system, so long as they are registered. Ensure registered users are employees of the State/LEA.

c) Ensure LEAs receive and account for property in the property accounting system within 30 days.

6) LESO WEBSITE The State shall access the LESO website for timely and accurate guidance, information, and links concerning the program and ensure that all relevant information is passed to the program participants.

7) ANNUAL TRAINING 10 USC § 280 provides that the SECDEF, in cooperation with the U.S. Attorney General, shall conduct an annual briefing of law enforcement personnel of each State (including law enforcement personnel of the political subdivisions of each State). Individuals who wish to attend are responsible for funding their own travel expenses. The briefing will include information on training, technical support, equipment, and facilities that are available to civilian law enforcement personnel from the DoD. The state shall provide program participants training material as discussed during the annual LESO training which includes information on property management best practices to include (but not limited to) searching for property, accounting for property on inventory, transfer and turn-in of property when it is no longer needed or serviceable.

8) ENROLLMENT The LESO shall establish and implement program eligibility criteria IAW 10 USC § 2576a, DLA Instructions and Manuals and this SPO and retains final approval/disapproval authority for application packages forwarded by the State. Non-governmental law enforcement entities such as private railroad police, private security, private academies, correctional departments, prisons, or security police at private schools/colleges are not eligible to participate. Fire departments (by definition) are not eligible to participate and should be referred to the DLA Fire Fighter program administered by USDA. Law enforcement agencies requesting program participation shall have at least one full-time law enforcement officer. Program property may only be issued to full-time/part-time law enforcement officers. Non-compensated reserve officers are not authorized to receive property. State law enforcement training facilities/ academies may be authorized to participate in the program given their primary function is the training of bona fide State/local law enforcement officers. Law enforcement training facilities/academies will be reviewed on a case-by-case basis. The State shall:

a) Validate the authenticity of state/LEAs that are applying for program participation. Only submit to the LESO those application packages that the SC/SPOC recommends/certifies are government agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated officers have the powers of arrest and apprehension. If the State forwards an unauthorized participant application package, this may result in a formal suspension of the State.

b) Have sole discretion to disapprove state/LEA application packages in their State. The SC/SPOC should provide notification to the LESO when application packages are disapproved at the State-level.

c) Ensure that screeners listed in the application package are employees of the LEA. A screener may only screen property for two LEAs. Contractors may not conduct screening on behalf of a LEA.

d) Make recommendation on what constitutes a “full-time” or “part-time” law enforcement officer.

e) Ensure LEAs update their account information annually, or as needed. This may require the LEA to submit an updated application package. An updated application package shall be submitted for (but is not limited to) the following: a change in CLEO, the addition or removal of a screener, a change in the LEA physical address or contact information, etc.

f) Provide the LEA a comprehensive program overview once approved by the LESO for enrollment. The overview will be done within 90-days of a LEA being approved to participate.

9) PROPERTY ALLOCATION

a) The LESO shall:

i) Upon receipt of a SC/SPOC validated request for property through the RTD website, will review and give preference to requisitions indicating that the requested property will be used in the counter-drug, counter-terrorism, disaster-related emergency preparedness, or border security activities of the requesting LEA. Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference.

ii) Require additional justification for small arms, aircraft, ammunition, and vehicles and to the greatest extent possible, ensure fair and equitable distribution of property based on current LEA inventory and justification for property.

iii) Reserve the right to determine and/or adjust allocation limits, to include the type, quantity and location of property allocated to the State/LEA. Generally, no more than one item (per part-time/full-time officer) will be allocated. Quantity exceptions may be granted by the LESO on a case-by-case basis based on the justification provided by the LEA. Currently, the following allocation limits apply:

(1) Robots: one (of each type) for every ten officers (full-time/part-time).

(2) High Mobility Multipurpose Wheeled Vehicle (HMMWV)/Up-Armored HMMWV (UAH): one vehicle for every three officers (full-time/part-time).

(3) Mine Resistant Ambush Protected (MRAP) / Armored Vehicles: two vehicles per LEA.

(4) Small arms: one (of each type) per officer (full-time/part-time).

(a) LESO may authorize over allocations of small arms in preparation for inevitable scenarios, i.e. training, equipment downtime (damage, routine maintenance, inspections) or other law enforcement needs. The chart below is the standard for small arms acceptable over-allocations:

Small Arms Acceptable Over-Allocations	
# of Officers	# by type
1-10	2 or less
11-25	3 or less
26-100	5 or less
101-299	8 or less
300 or more	10 or less

(b) In instances where small arm allocation amounts exceed the “acceptable over-allocation” levels, the LESO will coordinate with States to verify accuracy of the officer count. If small arm allocation is still beyond acceptable levels, LESO may authorize one of the following:

1) an exception to policy, 2) a transfer, or 3) a turn-in.

b) The State shall:

i) Assist the LEA in the use of electronic screening of property via the RTD website and shall access the RTD website a minimum of once daily (Monday-Friday) to review and process LEA requests for property. Property justifications shall be validated to ensure they meet the intent of 10 USC § 2576a as suitable for use by agencies in law enforcement activities. Prior to approving a request or transfer, review the LEAs property allocation report to prevent over allocation.

ii) Upon receipt of a valid LEA request for property, provide a recommendation to the LESO on the preference to be given to those requisitions for property that will be used in counter-drug, counter-terrorism, disaster-related emergency preparedness or border security activities of the recipient agency. Requests for vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. The State shall consider the fair and equitable distribution of property based on current LEA inventory and LEA justifications for property. The State shall ensure the type and quantity of property being requested by LEAs is reasonable and justifiable given the number of officers (full-time/part-time) and prior requisitions for similar items they have received (both controlled and non-controlled property). Generally, no more than one of any item per officer (full-time/part-time) will be allocated.

10) PROPERTY MANAGEMENT Certain controlled equipment shall have a documented chain of custody (i.e. an acceptable ECR), including a signature of the recipient. Controlled property requiring an ECR: small arms (including parts and accessories), aircraft, vehicles, optics, and robots. It is encouraged to utilize ECRs for all controlled property. LEAs may request cannibalization on aircraft or vehicles. Cannibalization requests shall be submitted to the State for review. Cannibalization must be approved by the LESO prior to any cannibalization actions. The cannibalized end item shall be returned to DLA Disp Svcs within the timeframes determined by the LESO.

a) Aircraft-Aircraft will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be reported to the LESO at the end of their useful life. All aircraft are considered controlled property, regardless of DEMIL code. Aircraft that are no longer needed or serviceable shall be reported to the General Services Administration (GSA) for final disposition by the LESO Program Aircraft Specialist.

b) Vehicles-Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. Vehicles will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and vehicles that are considered controlled property will be returned to DLA Disp Svcs at the end of their useful life. DLA Disp Svcs Field Activity/Site will identify qualifying DEMIL A or Q6 vehicles and may issue (upon LEA request) a Standard Form (SF) SF-97 to the LEA upon physical transfer of the vehicle. The LEA may modify the vehicle during the one year conditional transfer period.

c) Ammunition-LESO will support the U.S. Army (USA), in allocating ammunition to program participants. Ammunition obtained via the program will be for training use only. At the time of request, the LEA will certify in writing that the ammunition will be used for training use/purposes only. The USA will issue approved transfers directly to the State/LEA. The State/LEA is responsible for funding all packing, crating, handling, and shipping costs for ammunition. The LEA will make reimbursements directly to the USA. Ammunition will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. Ammunition obtained via the program shall not be sold. Ammunition will be treated as a consumable item and not tracked in any DLA inventory system or inspected during PCRs. LESO shall track and maintain necessary records of ammunition that has been transferred to LEAs and will post all requests, approvals, and denials on the LESO public website.

d) Small arms:

i) Small arms will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be returned to DLA Disp Svcs at the end of their useful life. Cannibalization of small arms is not authorized.

ii) Temporary modifications to small arms are authorized; permanent modifications to small arms are not authorized (i.e. drilling holes in the lower receiver of a small arm). In cases of temporary modifications, all parts are to be retained and accounted for in a secured location under the original serial number for the small arm until final disposition is determined. If the modified small arm is transferred to another LEA, all parts will accompany the small arm to the receiving LEA.

iii) Small arms will be issued utilizing an acceptable ECR which obtains certain information about the property being issued to include (but is not limited to) the signature of the law enforcement officer who is accepting responsibility for the small arm(s), the serial number of the small arm, the date in which the law enforcement officer took possession of the small arm, etc.

iv) Small arms that are not carried on an officer's person or in the officer's immediate physical vicinity will be secured using "two levels of physical security". Two levels of physical security meaning two distinct lockable barriers, each specifically designed to render a small arm inaccessible and unusable to unauthorized persons. Lockable barriers meeting this description may be either manual or electronic.

v) Program participants no longer requiring program small arm(s) shall request authorization to transfer the small arm to another participating LEA or request authorization to turn-in/return the small arm. Transfers and turn-in requests shall receive final approval from the LESO; small arms will not physically move until the LESO provides official notification that the approval process is complete. When turning-in small arms to Anniston Army Depot, the LEA shall follow LESO turn-in guidance.

vi) Local destruction (DEMIL) of small arms is not authorized.

vii) Lost, Stolen or Destroyed (LSD) small arms:

(1) Program participants with multiple instances of LSD small arms in a five-year window will be assessed by DLA Disp Svcs to determine if a systemic problem exists IAW DLAI 4140.11.

(2) DLA OIG investigations may be initiated if small arms are improperly disposed of or become LSD while in program inventory. The State/LEA may be required to reimburse DLA the fair market value of the small arms when negligence, willful misconduct, or a violation of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO is confirmed at the conclusion of the Financial Liability Investigation of Property Loss (FLIPL).

(a) Reimbursement will be within 60-days of the completion of the FLIPL.

(b) Title will never transfer to the recipient regardless of the status of the small arm.

(c) Payments due to DLA Disp Svcs, based upon the findings of the FLIPL, may be paid by one of three methods: 1) credit card via pay.gov, 2) cashier/ business check, or 3) wire transfer.

(3) In instances of LSD small arm recovery, DoD retains title in perpetuity and the small arm shall be immediately relinquished/surrendered back to the program.

11) PROGRAM COMPLIANCE REVIEWS (PCR)

a) The LESO shall:

- i) Conduct PCRs to ensure that the SC/SPOC, and all LEAs within a State are compliant with the terms and conditions of the program as required by 10 USC § 2576a, the MOA between the Federal Government and the State/U.S. Territory and/or this SPO and any DLA Instructions and manuals regarding the program. PCRs are conducted to ensure property accountability, program compliance, and program eligibility.
- ii) Conduct PCRs for participating States every 2 years, providing training to the State/LEA as needed.
- iii) Reserve the right to conduct no notice PCRs, or require an annual review, or similar inspection, on a more frequent basis for any State/LEA.
- iv) Intend to physically inventory 100% of property selected for review at each LEA during a PCR. The use of ECRs in lieu of physical inspection is discouraged during PCRs. Extensive use of the ECR (without prior coordination with LESO) may result in a non-compliance finding during the PCR.
- v) Intend to review as much property as possible during a PCR.
 - (1) The goal is to review 20% of a State's overall small arms inventory.
 - (2) The goal for inventory selections (at LEAs selected for review) is 15% of an LEAs general property to include non-controlled property (DEMIL code A and Q6).
- vi) Select LEAs not visited during the last three regularly scheduled PCR cycles (as applicable).
- vii) Recommend corrective actions (which may include suspending a State/LEA from program participation) for findings of non-compliance identified during a PCR.
 - (1) The LESO shall issue corrective actions (with suspense dates) to the State, which will identify what is needed to rectify the identified deficiencies within the State/LEA.
 - (2) If the State/LEA fails to correct identified deficiencies within the LESO suspense dates, the LESO may move to restrict, suspend, or terminate the State/LEA from program participation.
 - (3) States found non-compliant for a PCR will be suspended for a minimum of 60-days and will not be reinstated until the State successfully passes a LESO-conducted PCR.
- viii) Ensure the State/LEA understand that property shall be transferred to a participating agency with SC/SPOC and LESO approval or returned to DLA Disp Svcs when no longer needed or serviceable.

b) The State shall:

- i) Assist the LESO as required, prior to, during and upon completion of the PCR.
- ii) Assist in the coordination of the PCR daily schedule of events and forward the schedule to LEAs that have been selected for review.
- iii) Contact LEAs that have been selected for the PCR via phone, email or in person to ensure they are aware of the schedule and are prepared for the PCR.

iv) Receive inventory selections from the LESO and forward them to the selected LEAs. The State shall ensure the LEA physically gathers the selected property in a central location (to the greatest extent possible) which will allow the LESO to physically inventory the property efficiently during the PCR.

v) Coordinate the use of any ECR with the LESO prior to the PCR.

vi) Ensure LEAs understand property shall be transferred to a participating agency with SC and LESO approval or returned to DLA Disp Svcs when deemed no longer needed or serviceable.

vii) Conduct State-level (internal) PCRs of participating LEAs to ensure property accountability, program compliance and program eligibility utilizing a PCR checklist provided by the LESO, or equivalent (for uniformity purposes).

(1) Ensure a State-level (internal) PCR of at least 8% of LEAs with program inventory is completed annually (3% of which will be focused on program participants with no controlled property). Results of the State-level (internal) PCR will be kept on-file with the State. Documentation shall be provided to the LESO for each LEA that received a State-level PCR.

(2) The State-level (internal) PCR will include, at minimum:

(a) A review of the dually-signed SPO, ensuring it is uploaded to the property accounting system.

(b) A review of the LEA application package to confirm authenticity and eligibility of the LEA.

(c) An inventory of property selected for review at each LEA.

(d) A review of each selected LEA files for any of the following which may include turn-in/transfer DD Form 1348-1A, ECR, small arm documentation, FLIPL documents, exception to policy letters, approved cannibalization requests, or other pertinent documentation as required.

(3) Request that the LESO restrict, suspend or terminate an LEA based on findings during State-level internal PCR or due to non-compliance with terms of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

(4) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to a LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the State/LEA to the LESO. The SC may suspend or terminate a State/LEA participation in the program at any time for non-compliance.

12) ANNUAL PHYSICAL INVENTORY Each State/LEA is required to conduct an annual physical inventory of all property on the active property book and provide certification in the property accounting system. DEMIL "A" and "Q6" property records will not be closed during the annual physical inventory period.

In the State of North Carolina, the annual physical inventory and certification in the property accounting system process starts on July 1st and must be completed by August 31st. The State shall:

a) Provide training to LEAs to properly conduct the annual physical inventory and complete the certification of property in the property accounting system.

b) Ensure an approved and current SPO is uploaded in the property accounting system for each LEA.

c) Validate the annual physical inventory certifications submitted by LEAs.

- d) Adhere to annual physical inventory certification requirements as identified by the LESO. Physical inventories and certification statements will be maintained on file IAW the DLA records schedule.
- e) Annually certify property is utilized and is within allocation limits IAW the MOA between the Federal Government and the State/U.S. Territory and this SPO .
- f) Recommend suspension of program participants who fail to complete or submit the certified annual physical inventory.

13) REPORTING LOST, STOLEN, OR DESTROYED (LSD) PROPERTY Any property identified as LSD on a LEA current inventory, shall be reported to the State/LESO. A FLIPL (aka the DD Form 200) shall be submitted to the State/LESO for LSD property. Program participants agree to cooperate with investigations into LSD property by any federal, state, or local investigative body and, when requested, assist with recovery of LSD property.

- a) LSD controlled property shall be reported to the State/LESO within 24-hours. Program participants may be required to provide their SC/SPOC additional documentation which may include (but is not limited to):
 - 1) Comprehensive police report, 2) NCIC report/entry, and 3) Contact information for the Civilian Governing Body (CGB) over the LEA involved, to include: Title, Name, Email, and mailing address.
- b) LSD property with a DEMIL code of “A” and “Q6” shall be reported to the State/LESO within 7-days.

14) RESTRICTION, SUSPENSION OR TERMINATION Program participants are required to abide by the terms and conditions of the MOA between the Federal Government and the State/U.S. Territory and this SPO in order to maintain active program participation status. If a State/LEA fails to comply with any term or condition of the MOA, SPO, DLA Instruction or Manual, federal statute or regulation, the State/LEA may be suspended, terminated, or placed on restricted status. Restriction, suspension, or termination notifications will be in writing and will identify remedial measures required for reinstatement (if applicable). *Suspension*-A specified period in which an entire State/LEA is prohibited from requesting or receiving additional property through the program. Additional requirements may be implemented, to include the State/LEA requirement to return specifically identified controlled property. Suspensions will be for a minimum of 60-days. *Termination*-The removal of a State/LEA from program participation. The terminated State/LEA shall transfer or turn-in all controlled property previously received through the program at the expense of the State/LEA involved. *Restricted Status*-A specified period in which a State/LEA is restricted from receiving an item or commodity due to isolated issues with the identified item or commodity. Restricted status may also include restricting a State/LEA from all controlled property.

- a) State termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.
- b) LEA termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.
- c) In the event of a termination, the State/LEA will make every attempt to transfer the property of the terminated State/LEA to an authorized State/LEA, as applicable, prior to requesting a turn-in of the property to DLA Disp Svcs. In cases that require a repossession or turn-in of property, the State/LEA will bear all expenses related to the repossession, turn-in or transfer of property to DLA Disp Svcs.
- d) The State shall:
 - i) Suspend LEAs for a minimum of 60-days in all situations relating to the suspected or actual abuse of property or requirements and/or repeated non-compliance related to the terms and conditions of this SPO. Suspension may lead to termination. The State shall also issue corrective action guidance to the LEA with

suspense dates to rectify issues and/or discrepancies that caused the restriction, suspension, or termination. The State shall require the LEA to submit results on completed police investigations and/or reports on LSD property to include the LEA CAP. The LESO retains final discretion on reinstatement requests. Reinstatement to full participation from a restriction, suspension or termination is not automatic.

ii) Initiate corrective action to rectify suspensions or terminations of the LEA for non-compliance to the terms and conditions of the program. The State shall also make contact (until resolved) with suspended LEAs to ensure corrective actions are rectified within required timeframes provided by the LESO.

iii) Require the LEA to complete and submit results on completed police investigations or reports regarding LSD property. The State will submit all documentation to LESO upon receipt.

iv) Provide documentation to LESO when actionable items are rectified for the State/LEA.

v) Request that the LESO suspend or terminate an LEA based upon their findings during State-level internal PCR or due to non-compliance with any term of this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

vi) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to an LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may revoke or terminate concurrence for LEA participation in the program at any time.

vii) Provide written request to the LESO for reinstatement of an LEA for full participation status at the conclusion of a restriction or suspension period. Written verification shall be provided that the SC/SPOC has validated the LEA CAP.

15) RECORDS MANAGEMENT The LESO, SC/SPOC, and LEAs participating in the program will maintain program records IAW the DLA records schedule. Records for property acquired through the program have retention controls based on the DEMIL code. Property records will be filed, retained, and destroyed IAW DLA records schedule. Records may include, but are not limited to: DD Form 1348-1A for transfers, turn-ins, requisitions, Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) Forms 5 and 10.

16) TRADE SECURITY CONTROL (TSC) and COMPLIANCE WITH EXPORT CONTROL REGULATIONS Items transferred to program participants, including DEMIL A and Q (with an Integrity Code of 6) property, may be subject to export control restrictions. Program participants shall comply with U.S. export control laws and regulations if they contemplate further transfers of any property. Once title transfers, LEAs should consult with the Department of State (DoS) and Department of Commerce (DoC) export control regulators about the type of export controls that may apply to items, regardless of DEMIL code. Program participants may request a formal Commodity Classification from the DoC, Bureau of Industry and Security (BIS), or submit a general correspondence request to the DoS, Directorate of Defense Trade Controls. Information on managing exports of CCL items can be found at the U.S. DoC Bureau of Industry and Security website. Program participants shall notify all subsequent purchasers or transferees, in writing, of their responsibility to comply with U.S. export control laws and regulations.

17) NOTICES Any notices, communications, or correspondence related to this SPO shall be provided by email, the U.S. Postal Service (USPS), express service, or facsimile to the appropriate DLA office. The LESO may (from time to time) make unilateral modifications or amendments to the provisions of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO. Notice of these changes will be provided to the State in writing. Unless the State takes immediate action to terminate the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, such modifications or amendments will become binding. In such cases, reasonable opportunity will (insofar as practicable) be afforded the State/LEA to conform to changes affecting their operations.

18) ANTI-DISCRIMINATION By signing or accepting property, the State/LEA pledges agreement to comply with provisions of the national policies prohibiting discrimination: 1) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) as implemented by DoD regulations 32 CR Part 195, 2) On the basis of age, in the Age Discrimination Act of 1975 (42 USC 6101, et seq) as implemented by Department of Health and Human Services regulations in 45 CFR Part 90 and 3) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended by the Rehabilitation Act Amendments of 1974, P.L. 93-516 (29 USC 794), as implemented by Department of Justice (DoJ) regulations in 28 CFR Part 41 and DoD regulations at 32 CFR Part 56. These elements are the minimum essential ingredients for establishment of a satisfactory business agreement between the State and the DoD.

19) INDEMNIFICATION CLAUSE The State/LEA is required to maintain adequate liability insurance to cover damages or injuries to persons or property relating to the use of property issued under the program. Self-insurance by the State/LEA is considered acceptable. The USG assumes no liability for damages or injuries to any person(s) or property arising from the use of property issued under the program. It is recognized that State and local law generally limit or preclude the State/LEA from agreeing to open ended indemnity provisions. However, to the extent permitted by State and local laws, the State/LEA shall indemnify and hold the USG harmless from any and all actions, claims, debts, demands, judgments, liabilities, cost, and attorney's fees arising out of, claimed on account of, or in any manner predicated upon loss of, or damage to property and injuries, illness or disabilities to, or death of any and all persons whatsoever, including members of the general public, or to the property of any legal or political entity including States, local and interstate bodies, in any manner caused by or contributed to by the State/LEA, its agents, servants, employees, or any person subject to its control while the property is in the possession of, used by, or subject to the control of the State/LEA, its agents, servants, or employees after the property has been removed from USG control.

20) TERMINATION This SPO may be terminated by either party, provided the other party receives a thirty (30) day notice (in writing) or as otherwise stipulated by Public Law. The undersigned SC hereby agrees to comply with all provisions set forth herein and acknowledges that any violation of the terms and conditions of this SPO may be grounds for immediate termination and possible legal consequences, to include pursuit of criminal prosecution if so warranted.

21) AGREEMENT OF PARTIES The parties below agree to enter this agreement as of the last date below:

Governor-appointed SC/SPOC, State of North Carolina

Full Name (Print): _____

Signature (Sign): _____ Date (MM/DD/YYYY): _____

Chief Law Enforcement Official (CLEO) (or designee):

Title (Print): _____

Full Name (Print): _____

Signature (Sign): _____ Date (MM/DD/YYYY): _____



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 9, 2021

ITEM DESCRIPTION – Old Business Item A

Public Hearing of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport.

BACKGROUND

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2021-2022 was presented to, and approved by, the Authority Board at the Board meeting held on March 12, 2021. The Rates, Fees and Charges document has remained available for public inspection and comment since March 12, 2021 with no comments being received to date. Staff met with the airlines on March 5, 2021, at which time this document was reviewed

ISSUES

A Public Hearing is required in accordance with the Greater Asheville Regional Airport Authority Policy and Procedure for the Adoption of Ordinances. According to NC General Statute Subsection 166A-19.24(e) Remote Meetings During Certain Declarations of Emergency, the Authority is required to allow for written comments for a minimum of 24 hours after the public hearing and before acting on final adoption.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2021/2022 Budget Ordinance.

Old Business - Item A



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) hold a Public Hearing on the Authority's Amended Ordinance for Airline Rates, Fees and Charges for FY2021/2022; and (2) accept written comments during the next 24 hours.

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 2021-2022 Schedule of Rates, Fees and Charges effective July 1, 2021 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 _____, 2021, 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

2021-2022 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE

RESULTS (Fiscal Years Ending June 30)	GARAA		
	2020	2021	Budget 2022
<u>Signatory Airline Rates & Charges:</u>			
Terminal Building Rental Rate (per s.f.)	\$53.88	\$60.16	\$48.90
Passenger-Related Security Fee (per EP)	\$0.66	\$0.70	\$0.90
Landing Fee (per 1,000-lbs)	\$1.51	\$1.76	\$1.74
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.41	\$0.34	\$0.41
Baggage Make-Up & Claim Fee (per bag)	\$0.95	\$0.98	\$1.12
Baggage Make-Up & Claim Fee (per airline)	\$11,825	\$13,205	\$13,417
Gate Area Charge per (enplaned pax)	\$1.34	\$1.10	\$0.90
Gate Area Fee (per airline)	\$30,208	\$33,732	\$34,274
Loading Bridge Fee (per depart.)	\$9.20	\$9.78	\$9.80
Turn Fees ¹			
Per Turn Fee for Exempt Carriers (0-70 seats)	\$279.00	\$322.00	\$277.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$333.00	\$361.00	\$330.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$373.00	\$387.00	\$369.00
Average AVL CPE	\$5.64	\$5.12	\$6.02

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

FY21 rates calculated based on increased enplanements, but due to pandemic and expectation of reduced enplanements, decision was made to use FY20 rates for FY21

Source: Airport management records

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

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

	Budget		
	2020	2021	2022
<u>Enplaned Passengers:</u>			
Allegiant	240,000	420,000	300,000
American ¹	150,000	187,000	125,000
Delta	137,000	158,000	105,000
Spirit	48,000	21,000	0
United	65,000	80,000	65,000
Total	640,000	866,000	595,000
<u>Estimated Checked Bags:</u>			
Allegiant	98,600	130,550	111,000
American ¹	81,300	81,812	46,250
Delta	113,900	110,652	69,300
Spirit	20,940	6,300	0
United	36,300	50,805	44,200
Total	351,040	380,119	270,750
<u>Departures:</u>			
Allegiant	1,605	2,677	2,167
American ¹	2,757	3,414	2,589
Delta	2,298	2,577	1,901
Spirit	453	125	0
United	1,287	1,429	1,704
Total	8,400	10,222	8,361
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	229,200	380,317	308,227
American ¹	175,627	222,724	174,329
Delta	152,236	178,253	136,739
Spirit	66,000	18,258	0
United	77,924	88,301	80,871
Total	700,987	887,853	700,166

Note: Amounts may not add due to rounding.

Table 2**TERMINAL SPACE (s.f.)**

(Fiscal Years Ending June 30)

	Budget		
	2020	2021	2022
<u>Preferential Space:</u> ¹			
Allegiant	1,331	1,331	1,526
American	2,297	2,297	2,297
Delta	2,609	2,609	2,609
Spirit	905	905	0
United	1,593	1,593	1,593
Worldwide	161	161	161
Total Preferential Space	8,896	8,896	8,186
<u>Joint Use Space:</u>			
Baggage Make-Up	3,192	3,192	3,192
Baggage Claim	4,124	4,124	4,124
Gates 1-3 Holdroom	8,517	8,517	8,517
Gates 4-7 Holdroom	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	3,421	3,421	3,421
Total Joint Use Space	26,005	26,005	26,005
Total Airline Rented	34,901	34,901	34,191
<u>Other Rentable:</u>			
Ticket Counter (unassigned)	285	285	285
Queue (unassigned)	456	456	540
Vacant Airline Preferential Space	1,210	1,210	1,836
Concession Space	13,775	13,775	13,775
FAA Tower & Related Office Space	4,374	4,374	4,374
TSA Offices & Breakroom	1,933	1,933	1,933
TSA Passenger Security Screening	4,891	4,891	4,891
TSA Offices Adjacent to Passenger Screening	396	396	396
Total	27,320	27,320	28,030
Total Rentable Space	62,221	62,221	62,221
Public and Other Areas	45,628	45,628	45,628
Total Terminal Space	107,849	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)

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Depreciation:</u> ¹				
Gross Depreciation		\$4,700,000	\$4,700,000	\$4,700,000
Less: Grant & PFC Amortization		(3,200,000)	(3,200,000)	(3,200,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,500,000
 <u>By Cost Center (%):</u>				
Airfield Area	[B]	14.0%	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.0%	7.0%	7.0%
Total		100.0%	100.0%	100.0%
 <u>By Cost Center:</u>				
Airfield Area	[A*B]	\$210,000	\$210,000	\$210,000
Terminal Building	[A*C]	450,000	450,000	450,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000	495,000
General Aviation Area	[A*E]	240,000	240,000	240,000
Other Area	[A*F]	105,000	105,000	105,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,500,000
 <u>Amortization:</u>				
Gross Amortization		\$242,056	\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581	\$79,581

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$79,581	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$79,581	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$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)

Table 4**OPERATION AND MAINTENANCE EXPENSES**

(Fiscal Years Ending June 30)

GARAA

		Budget	Budget	Budget
		2020	2021	2022
<u>By Category:</u>				
Personnel Services		\$6,527,568	\$7,863,075	\$6,915,740
Professional Services		384,950	489,670	\$280,450
Utilities		539,867	545,117	\$479,567
Promotional Activities		303,800	353,025	\$237,325
Maintenance and Repairs		255,200	322,200	\$243,800
Contracted Services		978,646	1,838,377	\$870,295
Insurance Expense		260,600	330,725	\$334,400
Materials and Supplies		464,610	495,253	\$378,450
Other Expenses		506,740	574,848	\$349,010
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>	<u>\$10,089,037</u>
<u>By Cost Center (%):</u>				
Airfield Area	[B]	26.3%	25.6%	26.4%
Terminal Building	[C]	47.8%	46.0%	48.1%
Parking, Roadway, and Ground Trans.	[D]	12.2%	15.0%	11.5%
General Aviation Area	[E]	9.8%	9.5%	9.9%
Other Area	[F]	4.0%	3.8%	4.1%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$2,684,342	\$3,284,722	\$2,665,092
Terminal Building	[A*C]	4,883,676	5,888,847	4,854,633
Parking, Roadway, and Ground Trans.	[A*D]	1,245,820	1,927,664	1,160,524
General Aviation Area	[A*E]	997,713	1,221,329	995,484
Other Area	[A*F]	410,430	489,728	413,304
Total O&M Expenses	[A]	<u>\$10,221,981</u>	<u>\$12,812,290</u>	<u>\$10,089,037</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Airfield Requirement:</u>				
O&M Expenses		\$2,684,342	\$3,284,722	\$2,665,092
Less: Deicing Chemicals		(72,141)	(74,305)	(76,535)
O&M Reserve Requirement		159,135	300,190	(278,773)
Net Depreciation		210,000	210,000	210,000
Net Amortization		79,581	79,581	79,581
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$3,110,917	\$3,850,187	\$2,649,366
<u>Landing Fee Credits:</u>				
Non-Airline Revenue	[B]	\$90,000	\$70,000	\$102,307
Other	[C]	0	0	0
Total Credits	[D=B+C]	\$90,000	\$70,000	\$102,307
Net Landing Fee Requirement	[E=A-D]	\$3,020,917	\$3,780,187	\$2,547,059
Airline Landed Weight	[F]	700,987	887,853	700,166
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$4.31	\$4.26	\$3.64
Revenue Share Credit	[H]	\$1,961,407	\$2,221,753	\$1,327,560
Adjusted Airline Net Requirement	[I=E-H]	\$1,059,511	\$1,558,434	\$1,219,499
Airline Landing Fee	[J=I/F]	\$1.51	\$1.76	\$1.74
Airline Landing Fee Revenue	[K=F*J]	\$1,059,511	\$1,558,434	\$1,219,499

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 6

TERMINAL RENTAL RATE AND REVENUE

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Terminal Requirement:</u>				
O&M Expenses		\$4,883,676	\$5,888,847	\$4,854,633
O&M Reserve Requirement		284,853	502,586	(462,618)
Net Depreciation		450,000	450,000	450,000
Net Amortization		0	0	0
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$5,668,529	\$6,891,433	\$4,892,015
<u>Terminal Credits:</u>				
Passenger-Related Security Charges		\$421,080	\$603,922	\$533,724
AirIT Landside Expenses		16,463	16,463	16,463
Loading Bridge Fees		77,250	100,000	81,955
Total Terminal Credits	[B]	\$514,793	\$720,385	\$632,141
Net Requirement	[C=A-B]	\$5,153,736	\$6,171,048	\$4,259,873
Rentable Space (s.f.)	[D]	62,221	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$82.83	\$99.18	\$68.46
Airline Rented Space (s.f.)	[F]	34,901	34,901	34,191
Airline Requirement	[G=E*F]	\$2,890,833	\$3,461,464	\$2,340,839
Revenue Share Credit	[H]	\$1,010,422	\$1,361,719	\$668,771
Adjusted Airline Requirement	[I=G-H]	\$1,880,411	\$2,099,745	\$1,672,068
Airline Rented Space (s.f.)	[F]	34,901	34,901	34,191
Adjusted Airline Terminal Rate	[J=I/F]	\$53.88	\$60.16	\$48.90
Airline Terminal Rentals	[K=F*J]	\$1,880,411	\$2,099,745	\$1,672,068

Note: Amounts may not add due to rounding.

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Loading Bridge Requirement:</u>				
Operating Expenses		\$77,250	\$100,000	\$81,955
Capital Outlay		0	0	0
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$77,250	\$100,000	\$81,955
Total Departures	[B]	8,400	10,222	8,361
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.20	\$9.78	\$9.80
Total Loading Bridge Revenue	[D=B*C]	\$77,250	\$100,000	\$81,955

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16	\$48.90
<u>Joint Use Space (s.f.):</u>				
Baggage Make-Up	[B1]	3,192	3,192	3,192
Baggage Claim	[B2]	4,124	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421	3,421
Joint Use Space		26,005	26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$394,175	\$440,152	\$357,780
Gate Areas Requirement	[E=A*(C1+C2+C3)]	1,006,934	1,124,384	913,962
Total Joint Use Requirement	[G=D+E+F]	\$1,401,109	\$1,564,536	\$1,271,742
<u>Baggage Make-Up & Claim:</u>				
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$335,048	\$374,129	\$304,113
Checked Bags	[I]	351,040	380,119	270,750
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$0.95	\$0.98	\$1.12
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$59,126	\$66,023	\$53,667
Number of Airlines	[L]	5	5	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$11,825	\$13,205	\$13,417
<u>Gate Area:</u>				
Gate Area Requirement (85%)	[N=E*85%]	\$855,894	\$955,726	\$776,868
Enplaned Passengers	[O]	640,000	866,000	866,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.34	\$1.10	\$0.90
Gate Area Requirement (15%)	[Q=E*15%]	\$151,040	\$168,658	\$137,094
Number of Airlines	[L]	5	5	4
Gate Area Fee (per airline)	[R=Q/L]	\$30,208	\$33,732	\$34,274
Total Joint Use Revenue	[G]	\$1,401,109	\$1,564,536	\$1,271,742

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 6C**TICKET COUNTER & QUEUE FEES (UNASSIGNED)**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Adjusted Signatory Airline Terminal Rate	[A]	\$53.88	\$60.16	\$48.90
<u>Ticket Counter and Queue Space (s.f.):</u>				
Ticket Counter		1,731	1,731	1,731
Queue Space		2,865	2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$247,625	\$276,509	\$224,762
AirIT Landside Expenses	[D]	16,463	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$264,088	\$292,972	\$241,225
Enplaned Passengers	[F]	640,000	866,000	595,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.41	\$0.34	\$0.41
Enplaned Passenger Use	[H]	240,000	0	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$99,033	\$0	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
Personnel-Related Security Cost	[A]	\$1,593,131	\$1,700,149	\$1,639,833
<u>Officer Deployment Hours:</u>				
Total Hours (18 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,172	2,174	2,174
Holiday (11 Holidays)		(176)	(198)	(198)
Vacation (12 Days)		(192)	(216)	(216)
Training (8 hrs per month per officer)		(128)	(144)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(144)	(162)	(162)
Available Hours/Officer	[B]	1,532	1,454	1,454
Number of Officers	[C]	18	20	20
Total Available Hours	[D=B*C]	27,584	29,072	29,072
Less: Admin Hours Total	[E]	(2,592)	(2,880)	(2,880)
Total Officer Deployment Hours	[F=D-E]	24,992	26,192	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$63.75	\$64.91	\$62.61
<u>Passenger-Related Security Charge:</u>				
Terminal Airlines (18 hrs/day Security Checkpoint)		\$418,809	\$426,465	\$411,336
Less: TSA Reimbursement		(116,800)	(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$302,009	\$309,665	\$294,536
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	4,891	4,891
Terminal Rental Rate	[J]	\$53.88	\$60.16	\$48.90
Security Checkpoint Space Costs	[K=I*J]	\$119,071	\$294,257	\$239,188
Passenger-Related Security Charges	[L=H+K]	\$421,080	\$603,922	\$533,724
Enplaned Passengers	[M]	640,000	866,000	595,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.66	\$0.70	\$0.90
Passenger-Related Security Charges	[O=M*N]	\$421,080	\$603,922	\$533,724

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Airline Revenue:</u>				
Terminal Rentals		\$1,880,411	\$2,099,745	\$1,672,068
Loading Bridge Fees		77,250	100,000	81,955
Landing Fees		1,059,511	1,558,434	1,219,499
Unassigned Ticket Counter Charges		99,033	0	0
Passenger Related Security Charges		421,080	603,922	533,724
Checkpoint Lane Fee		0	0	0
Deicing Chemicals		72,141	74,305	76,535
Total	[A]	\$3,609,427	\$4,436,406	\$3,583,779
Enplaned Passengers	[B]	640,000	866,000	595,000
Cost Per Enplaned Passenger	[C=A/B]	\$5.64	\$5.12	\$6.02

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 9**PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS**

(Fiscal Years Ending June 30)

		Budget		
		2020	2021	2022
<u>Per Turn Requirement:</u>				
Joint Use Cost ¹		\$1,401,109	\$1,564,536	\$1,271,742
Loading Bridge Cost		77,250	100,000	81,955
Unassigned Ticket Counter Cost		264,088	292,972	241,225
Passenger Related Security Charge Cost		421,080	603,922	533,724
Deicing Chemicals Cost		72,141	74,305	76,535
Total	[A]	\$2,235,669	\$2,635,735	\$2,205,179
Total Departures	[B]	8,400	10,222	8,361
Average Per Turn Cost	[C=A/B]	\$266.15	\$257.85	\$263.75
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$279.00	\$322.00	\$277.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$333.00	\$361.00	\$330.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$373.00	\$387.00	\$369.00

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)



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 9, 2021

ITEM DESCRIPTION – Old Business Item B

Public Hearing of the Authority's Fiscal Year 2021/2022 Budget

BACKGROUND

A proposed preliminary Fiscal Year 2021/2022 Budget was presented to, and approved by, the Authority Board at the Board meeting held on March 12, 2021. The budget documents have remained available for public inspection and comment since March 12, 2021, 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 2021/2022 Budget Ordinance. According to Subsection 166A-19.24(e) Remote Meetings During Certain Declarations of Emergency, the Authority is required to allow for written comments for a minimum of 24 hours after the public hearing and before acting on final adoption.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2021/2022 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) hold a Public Hearing on the Fiscal Year 2021/2022 Budget; and (2) accept written comments during the next 24 hours.

Enclosure

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2021-2022
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 2021-2022 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2021 and ending June 30, 2022 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 764,436
Planning Department	420,877
Executive Department	879,416
Finance Department	493,002
Guest Services Department	249,004
Information Technology Department	1,054,256
Marketing Department	585,197
Operations Department	3,678,287
Properties & Contracts	187,915
Public Safety Department	1,893,447
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	24,416,813
Capital Improvement	250,000
Equipment and Small Capital Outlay	-
Renewal and Replacement	40,000
Business Development	300,000
Debt Service	1,689,530
Contingency	100,000
Total Expenditures	<u><u>\$37,052,180</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

REVENUES

Administration (Interest Income)	\$ 10,000
Terminal	5,019,698
Airfield	1,372,089
General Aviation	1,098,716
Parking Lot	3,630,000
Other	274,133
Passenger Facility Charges	2,250,000
Customer Facility Charges	1,400,000
Federal Grants	7,016,813
NC Department of Transportation Grants	4,000,000
Transfer from GARAA Cash/Investments	10,980,731
Total Revenues	<u><u>\$37,052,180</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, 2021.

Adopted this ____ day of April, 2021

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: April 9, 2021

ITEM DESCRIPTION – New Business Item A

Approve Design Services Other Transaction Agreement (OTA) with Transportation Security Administration (TSA) for New Electronic Baggage Screening Program

BACKGROUND

As part of the Terminal Expansion & Modernization project, there will be a new Baggage Handling System (BHS) including a Checked Baggage Inspection System (CBIS). The cost of the design for this system is included in the design contract with Gresham Smith. TSA will reimburse the Authority a portion of the cost of design and construction of the new BHS.

TSA provides a reimbursable agreement for the reimbursable portion of these required design services. Our consultant, Gresham Smith, has put together the total costs for these services.

Based on TSA calculations for a Design OTA the total amount estimated to be reimbursed to the Authority is \$789,978.20. At a later date, TSA will provide a reimbursable agreement to pay the Authority for a portion of the construction cost that will be brought to the Board for review and approval.

ISSUES

None.

ALTERNATIVES

None.

New Business – Item A



FISCAL IMPACT

The cost of the design of the BHS is already covered by the contract with Gresham Smith. The total estimated cost TSA will reimburse the Authority for these design services is \$789,978.20.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve TSA Reimbursable Agreement of \$789,978.20; and (2) authorize the Executive Director to execute the necessary documents.

ARTICLE I - PARTIES

This Other Transaction Agreement (hereinafter referred to as “Agreement” or “OTA”) is entered into between the U.S. Department of Homeland Security, Transportation Security Administration (hereinafter referred to as “TSA”) and **Greater Asheville Regional Airport Authority (GARAA)** (hereinafter referred to as the “**PROJECT SPONSOR**”) relating to the **Asheville Regional Airport ((AVL) or Airport)**. The TSA and the **PROJECT SPONSOR** agree to cooperate in good faith and to perform their respective obligations using their cooperative good faith efforts in executing the purpose of this Agreement.

ARTICLE II – LEGAL AUTHORITY

TSA and the **PROJECT SPONSOR** enter into this Agreement under the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. 106(I)(6) and 114(m)(I), which authorizes agreements and other transactions on such terms and conditions as the Administrator determines necessary.

ARTICLE III – SCOPE

The purpose of this Agreement is to set forth the terms and conditions, as well as establish the respective cost-sharing obligations and responsibilities of the TSA and the **PROJECT SPONSOR** with respect to the design services necessary to construct an inline Checked Baggage Inspection System (CBIS) utilizing Explosive Detection Systems (EDS) at the Airport. The design services will result in 100% drawings and specifications and will be submitted in accordance with the published TSA Planning Design Guidelines and Design Standards (PGDS) version in effect at the time of formal confirmation from TSA of the receipt of the complete 30% detailed design package 17.¹

This Design Services Project requires the **PROJECT SPONSOR** to provide the architect and engineering services to develop the design and construction specifications to install the inline CBIS within the AVL (hereinafter “the Project”). The CBIS design needs to address Airport Terminal modifications required to be made to incorporate the CBIS to include required changes to the baggage conveyor components and programming, mechanical, plumbing, electrical, structural, and telecommunications, or other infrastructure to provide for the installation of the EDS units within the baggage screening area as well as Explosive Trace Detection (ETD) resolution area(s) and the installation of hardware and software for use with an inline CBIS. The Project will also encompass the design of Checked Baggage Resolution Areas (CBRAs) and a multiplexed On-Screen Resolution (OSR) Room. The objective of this Agreement is to provide the design documents and specifications to identify the necessary construction modifications required to install an inline CBIS in order to enhance the security and baggage screening capabilities at the Airport. The TSA detailed design deliverables for each Design Phase to be provided by the **PROJECT SPONSOR** are outlined in the PGDS. The Design Phases include:

1. Schematic Design Phase
2. Detailed Design Phase

¹ This is available on beta.sam.gov at <https://beta.sam.gov/opp/5223ca7b095942749bde423905f507d7/view> or upon request to the Contracting Officer.

- a. 30 % Design Submittals and associated deliverables
 - b. 70% Design Submittals and associated deliverables
 - c. 100% Design Submittals and associated deliverables
3. Construction Bid proposal documentation to include contract solicitation, requirements issued to prospective contractors, bid specifications and other applicable documents that complete the local request for proposal package.
 4. Construction Bid proposal evaluation.

Before the **PROJECT SPONSOR** may proceed from one Design Phase to the next, it must receive TSA's written approval.

Any future allowable, allocable and reasonable costs for CBIS construction, project management, construction management, and commissioning/site acceptance testing is anticipated to be funded through a separate Agreement between the **PROJECT SPONSOR** and the TSA. This Agreement shall not be construed to obligate the TSA, in any manner, to provide construction cost funding or obligate the TSA to enter into an Agreement with the **PROJECT SPONSOR** for reimbursement of construction costs related to the CBIS Project. TSA funding for the construction portion of the CBIS Project is subject to the Congressional authorization and appropriation budget process.

ARTICLE IV – RESPONSIBILITIES

A. Cost Sharing

1. Capital Costs: The estimated cost of the Project refers to the design services to be completed by the **PROJECT SPONSOR** to develop the necessary design documents for the construction modifications needing to be made to the Terminal building and associated baggage conveyor system to support the CIBS installation. It does not include the costs of acquisition, delivery or installation of the EDS and ETD system itself. All work performed by the **PROJECT SPONSOR** pursuant to this Agreement shall be accomplished in accordance with the TSA PGDS version in effect at the time of formal confirmation from TSA of the receipt of the complete 30% detailed design package and in accordance with the applicable local Building Standards and Criteria. Recognizing the uniqueness of this Project, in the event of any conflicts between the provision of the PGDS and this Agreement, the Parties agree to resolve such conflicts through the design review process described in the PGDS.
2. The estimated cost for the design services for the Project is **\$789,978.20**. TSA agrees to reimburse the **PROJECT SPONSOR** for **ninety-five percent (95%)** of the allowable, allocable and reasonable costs of the design services for the Project, not to exceed a total reimbursement of **\$789,978.20** (calculated as **95%** of **\$831,556.00**).
3. TSA will determine allowable and allocable costs in accordance with the DHS Guidance in 2 C.F.R. Part 3002 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards" adopting the OMB guidance codified at 2 C.F.R. Part 200

(Subpart E – Cost Principles) and The Electronic Baggage Screening Program TSA Funding of Checked Baggage Inspection System Projects Memo Version 4.0. TSA will reimburse the **PROJECT SPONSOR** on an actual expense basis supported by one or more invoices submitted by the **PROJECT SPONSOR** in accordance with Article VIII “Billing Procedure and Payment.” The parties understand and agree that all Project costs in excess of the TSA Reimbursement Limit of **\$789,978.20** as well as any costs that are inconsistent with OMB guidance codified at 2 C.F.R. Part 200 (Subpart E – Cost Principles) and the guidance set forth in PGDS and The Electronic Baggage Screening Program TSA Funding of Checked Baggage Inspection System Projects Memo version 4.0, shall be borne solely by the **PROJECT SPONSOR** unless otherwise agreed by the TSA in a written modification in accordance with this Article IV and Article XIV “Changes and/or Modifications.” Should the TSA reimbursements of **\$789,978.20** as adjusted pursuant to Article XIV, represent more than **95%** percent of the final allowable and allocable, and reasonable Project costs, the **PROJECT SPONSOR** will refund TSA sufficient funds such that TSA’s total reimbursement will equal no more than **95%** of the final allowable, allocable and reasonable Project costs.

4. All costs requested for reimbursement must satisfy the requirements of OMB guidance codified at 2 C.F.R. Part 200 (Subpart E – Cost Principles) and The Electronic Baggage Screening Program TSA Funding of Checked Baggage Inspection System Projects Memo version 4.0. In general, the costs for which TSA will provide reimbursement under this Agreement are limited to those costs associated with Design Deliverables mandated by PGDS and “TSA PGDS Design and Construction Deliverables Checklist.” The Electronic Baggage Screening Program TSA Funding of Checked Baggage Inspection System Projects version 4.0 provides guidance regarding the reimbursable costs for TSA CBIS Projects.²
5. Change Orders are defined as work that is added to or removed post OTA award that consequentially adds cost or changes the scope of the OTA. Change orders shall not be considered authorization to exceed TSA’s Reimbursement Limit. Any changes to the authorized amount shall be submitted by the **PROJECT SPONSOR** to the TSA Contracting Officer Representative (COR) and TSA Contracting Officer (CO) prior to any work starting. Once the COR and CO have been given advance notice of the impact the Change Order has on the total cost of the Project, if agreed to by TSA, the TSA CO will provide written approval to the **PROJECT SPONSOR** to proceed with the work identified in the Change Order. TSA will not reimburse the **PROJECT SPONSOR** for any cost incurred for change order work that was not pre-approved by TSA.
6. Change Requests are defined as requests for the utilization of contingency funds that do not add costs or changes to the scope of the OTA. Change requests shall not be considered authorization to exceed TSA’s Reimbursement Limit. Any change requests shall be submitted by the **PROJECT SPONSOR** to the TSA COR prior to any work starting. Once the COR has been given advance notice of the impact the change request has on the Project, if agreed to by TSA, the TSA COR will provide written approval to the **PROJECT SPONSOR** to proceed with the work identified in the Change Request. TSA will not reimburse the **PROJECT SPONSOR** for any cost incurred for change request work that was not pre-approved by TSA.

² This is available on beta.gov at <https://beta.sam.gov/opp/5223ca7b095942749bde423905f507d7/view> or upon request to the Contracting Officer.

7. Timely invoicing and management of costs is critical to TSA's portfolio management. The specific cost sharing adjustments are outlined in **ARTICLE VIII – BILLING PROCEDURE AND PAYMENT**.

B. Project Responsibilities

The primary Project responsibilities of the TSA and the **PROJECT SPONSOR** are outlined below. The Project will be overseen by the **PROJECT SPONSOR**.

i. **TSA Responsibilities**

1. Upon request by the **PROJECT SPONSOR**, TSA will provide the **PROJECT SPONSOR** with the following historical data for the Airport:
 - a. Bag information reports (a.k.a. FDRS reports) for all the EDS, if available
 - b. Enhanced Staffing Model results and reports
2. TSA reserves the right to determine the number, manufacturer, and model of EDS units to be used in the Project at the Airport and will notify the **PROJECT SPONSOR** of any requests to incorporate specific EDS models into the Project at the earliest possible time. If TSA requests that the **PROJECT SPONSOR** make changes to an alternative solution or perform any other work to accommodate a request by TSA for a specific EDS model after TSA approves the 30% Design submission, the **PROJECT SPONSOR** shall be entitled to full reimbursement of its costs to make such changes or perform such work. This provision does not apply to such changes made prior to TSA approval of the 30% Design submission.
3. TSA will review and concur in writing, within project defined review times, with the Project design, plans, and specifications for all design packages, required in this OTA, for the installation of the EDS in the CBIS based upon the standards and guidelines in the PGDS version in effect at the time of formal confirmation from TSA of the receipt of the complete 30% detailed design package.
4. TSA will provide the general EDS specification(s) at the beginning of the Project.
5. TSA will provide EDS Original Equipment Manufacturer Technical Advisory Support Services to the **PROJECT SPONSOR** regarding integration of the EDS machines into the BHS.
6. TSA will review and consider requested changes to the design and associated costs.

ii. **PROJECT SPONSOR Responsibilities**

1. Except for the responsibilities of the TSA, as outlined above, the Project will be managed and overseen by the **PROJECT SPONSOR**. The **PROJECT SPONSOR**, acting through such contractors as it may engage, using the **PROJECT SPONSOR's** procurement process, will provide the engineering and design services necessary for successful completion of the Project. The **PROJECT SPONSOR** will provide oversight of such contractor(s) to ensure the Project conforms to the TSA design guidelines identified in the PGDS version in effect at the time of formal confirmation from TSA of the receipt of the complete 30% detailed design package and is completed within the project schedule established by the **PROJECT SPONSOR** and provided to TSA no later than 30 calendar days after the **PROJECT SPONSOR** awards the design contract.
2. The **PROJECT SPONSOR** must receive concurrence from TSA at each stage of the design review in order to proceed to the next design review stage.

3. The **PROJECT SPONSOR** shall provide a budgetary construction cost estimate with the schematic, 30%, 70%, and subsequent 100% design packages for the Project. The cost estimate will be submitted in the Current Working Estimate (CWE) form presented in PGDS.
4. The **PROJECT SPONSOR** shall obtain all necessary licenses, insurance permits and approvals during performance of the Project.
5. The **PROJECT SPONSOR** shall ensure the EDS OEM (EDS Original Equipment Manufacturer) site planning, installation, integration and networking guidelines are incorporated into the design to ensure operational, maintenance and environmental specifications are met.
6. The **PROJECT SPONSOR** shall ensure that all connections between the EDS equipment and the baggage handling system meet the requirements of the EDS OEM integration guide, and that the TSA cabling guidelines as given in the PGDS are followed for any connections. The **PROJECT SPONSOR** or their authorized representative shall coordinate all activities involving such connections directly with the EDS OEM. If questions or concerns about the data connection or any of the relevant requirements arise, the **PROJECT SPONSOR** shall communicate the issue/concern with the TSA COR.
7. The **PROJECT SPONSOR** shall provide reasonable measures to protect the EDS and ETD equipment from unauthorized access, harm, theft, and water intrusion in the screening area within the design and phasing plan.
8. The **PROJECT SPONSOR** shall incorporate heating, ventilation, air conditioning into the design as well as OSHA requirements for those spaces occupied by TSA personnel.
9. The **PROJECT SPONSOR** shall ensure that all applicable STIP data requirements are incorporated into the design in accordance with the PGDS.
10. Appendix B "Schedule of Deliverables" identifies required deliverables to be submitted by the **PROJECT SPONSOR**. The **PROJECT SPONSOR** shall submit the deliverables identified in Appendix B by the due dates prescribed.

ARTICLE V - EFFECTIVE DATE AND TERM

The term of this Agreement shall be from the date of execution of the Agreement until **24 months from date of award**, unless earlier terminated by the parties pursuant to Article XIII "Termination" as provided herein or extended by mutual agreement pursuant to Article XIV "Changes and/or Modifications", in order to allow the **PROJECT SPONSOR** time to submit a final invoice, close out the Project, and address any other issues. In accordance with Section C4 of *The Electronic Baggage Screening Program TSA Funding of Checked Baggage Inspection System Projects Memo version 4.0*, costs incurred, to include work performed outside the term of this agreement are not eligible for reimbursement.

The **PROJECT SPONSOR** will establish and provide to the TSA COR and TSA CO, no later than 30 calendar days after the PROJECT SPONSOR awards the design contract, Project Milestones that allow objective measurement of progress toward Project completion. TSA maintains the right to identify any additional Project Milestones to be tracked by the **PROJECT SPONSOR**.

ARTICLE VI – ACCEPTANCE AND PROJECT COMPLETION

TSA will deem the Project complete upon review and approval of the 100% design package for the CBIS, OSR and CBRA for each Terminal, and submission of construction bid information to TSA.

The design must conform to TSA's PGDS version in effect at the time of formal confirmation from TSA of the receipt of the complete 30% detailed design package. Successful completion requires the correction of any non-conformances, deficiencies or other comments that require adjudication identified during the design review process. TSA will release the funds retained pursuant to Article VIII only after approval of the 100% design package, all deficiencies have been corrected and all outstanding comments addressed, and construction bid information has been accepted by TSA.

ARTICLE VII - FUNDING AND LIMITATIONS

TSA will provide funding to the **PROJECT SPONSOR** in an amount not to exceed **\$789,978.20** (TSA Reimbursement Limit). Funds in the amount of **\$789,978.20** are hereby obligated and made available for payment for performance. as outlined below under this Agreement:

Project Costs:	\$
Contingency Funding:	\$
Total OTA Obligation:	\$

Expenses incurred in executing the work identified herein are chargeable to:

PR:

Amount:

\$789,978.20

In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover allowable and allocable costs as of the date of termination will be returned and/or de-obligated from this Agreement. TSA's liability to make payments to the **PROJECT SPONSOR** is limited to the funds obligated and available for payment hereunder, including written modifications to this Agreement.

Under no circumstances will TSA be responsible to reimburse the **PROJECT SPONSOR** for profit or the general costs of government. The **PROJECT SPONSOR** may recover the allowable direct costs of **PROJECT SPONSOR** personnel performing work necessary under this Agreement, as well as the allowable and allocable costs of the contractors hired by the **PROJECT SPONSOR** to perform the necessary work under this Agreement. Profit and overhead costs for the **PROJECT SPONSOR** contractors performing work on the Project are allowable costs. Submission of a cost allocation plan is required to address any indirect costs, to include the **PROJECT SPONSOR** employees, who work on multiple activities that will result in a request for reimbursement under this Agreement. TSA will not be responsible for costs incurred by the **PROJECT SPONSOR**, its contractors or agents to perform work not in compliance with the TSA requirements in this Agreement. The TSA CO has the right to recoup any payments made to the **PROJECT SPONSOR** if the TSA CO determines that the invoices exceed the actual costs incurred, or if the work substantially deviates from the TSA approved design requirements for the Project pursuant to this Agreement.

TSA will reimburse only for allowable, allocable and reasonable costs in accordance with the OMB guidance codified at 2 C.F.R. Part 200 (Subpart E – Cost Principles) in effect on the Effective Date of

ARTICLE VIII – BILLING PROCEDURE AND PAYMENT

A. Payment / Performance Provisions

The United States Coast Guard Finance Center performs the payment function on behalf of the TSA. For purposes of submission to the Coast Guard Finance Center, the **PROJECT SPONSOR** must submit a completed Summary Invoice. Registration in the System for Award Management (SAM) is mandatory for invoice payment. To obtain information regarding SAM, please refer to <https://www.sam.gov/portal/public/SAM/>.

Invoices for reimbursable expenses will be submitted every thirty (30) days, as expenses are incurred. For periods in which the **PROJECT SPONSOR** has not incurred a reimbursable expense totaling more than \$25,000, an invoice is not required. However, a Memorandum noting the non-submission of an invoice in a specific month must be submitted to the TSA CO and/or COR to document the record. This can be sent in conjunction with the monthly reports. Expenses are considered to accrue on the date that the **PROJECT SPONSOR** is invoiced from a contractor, sub-contractor, supplier, or provider of services. Reimbursement by TSA is conditioned upon submission to TSA of an invoice identifying the Project costs that have been incurred and paid. The TSA intends to make payment to the **PROJECT SPONSOR** within 120 days from receipt of each properly prepared invoice for reimbursement of incurred Project costs.

Ten percent (10%) of all submitted costs identified by TSA as allowable, allocable and reasonable shall be retained by TSA until completion of the Project, and shall only be reimbursed to the **PROJECT SPONSOR** upon successful completion of all of its obligations under this Agreement as defined in Article VI of this Agreement.

In the event that an invoice for reimbursable expenses is not received by the TSA within a twelve (12) month period, the TSA reserves the right to terminate the Agreement per Article XIII "Termination."

B. Invoicing

The **PROJECT SPONSOR** invoice format is acceptable. However, the invoice shall, at a minimum, include the following:

1. Agreement Number
2. Invoice Number and Invoice Date
3. Airport Code (ABC)
4. Name and Address of the **PROJECT SPONSOR** Requesting Fund Disbursement
5. Point of Contact, with Address, Telephone, Fax and E-mail Contact Information
6. Tax Identification Number and DUNS Number
7. Period of Invoice Service (inclusive of dates)
8. Supporting Documentation to include Invoices or Other Documentation that Substantiates the Amount of Funds to be Disbursed by TSA
9. Total Amount of Funds Requesting to be Disbursed by TSA

10. Electronic Funds Transfer (EFT) Banking Information (If Applicable)
11. Remittance Address
12. Certification of Requestor, including the following language: *This is to certify that the incurred costs billed were actually expended in furtherance of this Agreement, and we understand that intentional falsification of the information contained herein may be subject to civil and criminal penalties under applicable federal laws and/or regulations.*
13. Signature of Requestor's Authorized Representative with Date
14. Name and Address of the **PROJECT SPONSOR**'s facility

The Invoice shall be submitted by electronic transmission to the following address:

Email: FIN-SMB-TSAINVOICES@uscg.mil

Notwithstanding any other payment clause in this Agreement, the Government shall make invoice payments under the terms and conditions specified in this Article. Payment shall be considered made on the day the check is dated and deposited in the US mail, or an electronic funds transfer is completed. All days referred to in this provision are calendar days, unless otherwise specified.

C. Approval for Payment

The TSA CO and the COR are required to review and the TSA CO will approve all invoices prior to payment. To aid in this review, the **PROJECT SPONSOR** shall provide a copy of the Summary Invoice along with all receipts, contractor pay requests and other supporting information which specify the vendor, services provided, and products delivered as well as the appropriate documentation that the **PROJECT SPONSOR** has paid these obligations. The **PROJECT SPONSOR** shall provide this supporting information simultaneously with Step 1 to expedite the payment process.

The Support Documentation should contain the following items:

- A summary spreadsheet providing a categorized breakdown of the amount invoiced
- Signed, approved and legible copies of each individual contractor's invoice to include schedules of values scope of work
 - Copies of contracts and change orders that provide support for the actual work being invoiced
 - Vendor and subcontractor invoices with specific details about services provided
 - Rationale for all allocations or unusual calculations or assumptions
 - Copies of subcontractor's invoices if listed on a prime contractor's invoice as a single amount (copies of timesheets and detailed backup not required if descriptions are clear and specific)
- Proof of payment by the **PROJECT SPONSOR** for each invoice in the form of copies of check/warrants, bank wire transfers, or accounting systems transactions
- TSA invoice log
- Completed checklist

The Summary Invoice and supporting documentation may be submitted by email or mail via CD or paper documents to the TSA CO, TSA COR, and other TSA representatives identified by the

TSA COR. The final closeout invoice should include proof that all required deliverables have been provided.

Upon completion of the review of the supporting documentation for the Summary Invoice, the TSA CO and COR will advise the Coast Guard Finance Center regarding payment of the Summary Invoice.

D. Final Invoice: Assignment and Release of Claims

The **PROJECT SPONSOR** shall execute and deliver, at the time of and as a condition precedent to final payment under this OTA, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under the OTA. The release of claims includes all claims, past, present, and future, known and unknown, foreseen and unforeseen, which can be asserted by any person or persons, other than claims for property loss or damage, personal injury, or wrongful death cognizable under the Federal Tort Claims Act, 28 U.S.C. §§ 1342(b)(1), 1402(b), 2401(b), 2671-2680.

As such, the **PROJECT SPONSOR**'s final invoice requesting release/payment of retainage withheld throughout the project shall state the following:

“**PROJECT SPONSOR** for and in consideration of the funding provided under OTA 70T04021T7672N017 , does hereby remise, release and forever discharge Government, its officers, agents, and employees from any and all manner of actions, causes of action, rights, suits, covenants, contracts, claims, agreements, judgments and demands whatsoever by request, in law, or in equity arising from and by reason of any and all known and unknown, foreseen and unforeseen circumstances, claims or injuries and the consequences thereof, other than claims for property loss or damage, personal injury, or wrongful death cognizable under the Federal Tort Claims Act, 28 U.S.C. §§ 1342(b)(1), 1402(b), 2401(b), 2671-2680. Such claims must be asserted within the time limits and in accordance with the procedures prescribed by the Federal Tort Claims Act and the implementing regulations promulgated by the U.S. Department of Justice at 28 C.F.R. part 14. **PROJECT SPONSOR** expressly waives its ability to seek additional reimbursement from the Government under OTA 70T04021T7672N017.”

E. Untimely Invoices

In furtherance of the timely closeout of this agreement, all final project invoices shall be submitted no later than six months after the period of performance end date or six months after the date of termination by either party pursuant to Article XIII (whichever is earlier). The **PROJECT SPONSOR** must notify TSA of any outstanding issues precluding them from meeting this requirement as soon as it is known.

Invoices submitted later than six months after the period of performance ends or six months after the date of termination by either party, will be considered untimely and TSA cannot guarantee payment. The **PROJECT SPONSOR** may be liable for any expenses incurred as a result of an untimely or improperly submitted invoice. TSA reserves the right to reject untimely or improperly submitted invoices.

ARTICLE IX - AUDITS

TSA shall have the right to examine or audit relevant financial records for the Project funded by this OTA, while this Agreement, or any part thereof, remains in force and effect, and for a period of three years after expiration or termination of the terms of this Agreement. For the Project funded by this OTA, the **PROJECT SPONSOR** shall maintain all Project records and data associated with the Project while this Agreement, or any part thereof, remains in force and effect, and for a period of three years after the expiration or termination of this Agreement. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be made available for three years after any resulting final termination settlement. Records relating to appeals under the "Disputes" provision in Article XII regarding this Agreement shall be made available until such appeals are finally resolved.

As used in this provision, "records" includes books, documents and other data, regardless of type and regardless of whether such items are in written form, in the form of computer or other electronic data, or in any other form that relate to the Project funded by this OTA.

The **PROJECT SPONSOR** shall also maintain all records and other evidence sufficient to reflect costs claimed to have been incurred for the Project funded by this OTA in the purchase of technologies allowed in the Project. The CO, COR, or the authorized representatives of these officers shall have the right to examine and audit those records at any time. This right of examination shall include inspection at all reasonable times at the **PROJECT SPONSOR**'s offices directly responsible for managing the Project.

The Comptroller General of the United States shall also have access to, and the right to examine, any records involving transactions related to this Agreement.

This article shall not be construed to require the **PROJECT SPONSOR** or its contractors or subcontractors who are associated with or engaged in activities relating to this OTA, to create or maintain any record that they do not maintain in the ordinary course of business pursuant to a provision of law, provided that those entities maintain records which conform to generally accepted accounting procedures.

ARTICLE X – AUTHORIZED REPRESENTATIVES

The authorized representative for each party shall act on behalf of that party for all matters related to this Agreement. Each party's authorized representative may appoint one or more personnel to act as an authorized representative for any administrative purpose related to this Agreement, provided written notice of such appointment is made to the other party to this Agreement. The authorized representatives for the parties are as follows:

A. TSA Points of Contact:

Contracting Officer's Representative (COR):

Timothy Dulac

6596 Springfield Center Drive

Springfield, VA 22150

Phone: (571) 227-4537

E-Mail: **Timothy.Dulac@tsa.dhs.gov**

Contracting Officer (CO):
Shannon Welch
6596 Springfield Center Drive
Springfield, VA 22150
Phone: (571) 227-3721
E-Mail: Shannon.Welch@tsa.dhs.gov

Only the TSA CO shall have the authority to bind the Federal government with respect to scope of work, funding and liability. The TSA COR and is responsible for the technical administration of this Agreement and is the technical liaison with the **PROJECT SPONSOR**. The TSA COR is not authorized to change the scope of work, to make any commitment or otherwise obligate the TSA, or authorize any changes which affect the liability of the TSA such as amount or level of funding. The TSA COR is authorized to approve the usage of contingency funds that fall within the funded TSA amount pursuant to Article IV.

The **PROJECT SPONSOR** must notify the TSA CO and COR in the event that any TSA employee or TSA contracted agent takes any action that may be interpreted by the **PROJECT SPONSOR** as direction which could increase the Project costs and could cause the **PROJECT SPONSOR** to seek reimbursement from TSA in excess of the TSA's total reimbursement liability as defined in Articles IV and VII of this Agreement.

B. The PROJECT SPONSOR Points of Contact:

The **PROJECT SPONSOR** Point of Contact for all correspondence is:
Name: **Jared Merrill**
61 Terminal Drive, Ste 1
Fletcher, NC, 28732-6202
Phone: 828-684-2226
E-Mail: jmerrill@flyavl.com

ARTICLE XI - LIMITATIONS ON LIABILITY

A. Subject to the provisions of Federal law, including the Federal Torts Claims Act, each party expressly agrees without exception or reservation that it shall be solely and exclusively liable for the acts or omissions of its own agents and/or employees and that neither party looks to the other to save or hold it harmless for the consequences of any act or omission on the part of one or more of its own agents or employees, subject to the same conditions provided above.

B. The **PROJECT SPONSOR** has the affirmative duty to notify the TSA CO in the event that the **PROJECT SPONSOR** believes that any act or omission of a TSA agent or employee would increase the **PROJECT SPONSOR** costs and cause the **PROJECT SPONSOR** to seek compensation from TSA beyond TSA's liability as stated in Article IV "Responsibilities" or Article VII "Funding and Limitations." Claims against either party for damages of any nature whatsoever pursued under this Agreement shall be limited to direct damages not to exceed the aggregate outstanding amount of funding obligated under this Agreement at the time the dispute arises. If the **PROJECT SPONSOR** receives any communication which it interprets as instructions to change the work encompassed in this Agreement, or to incur costs not covered by funding obligated at that time, the **PROJECT SPONSOR** must not act on that communication, and must contact the CO verbally and in writing immediately.

C. In no event shall either party be liable to the other for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

D. No third party shall assert any rights under this Agreement unless expressly provided herein.

ARTICLE XII – DISPUTES (AUG 2018)

Where possible, disputes shall be resolved by informal discussion between the CO for TSA and an authorized representative of **PROJECT SPONSOR**. All disputes arising under or related to this Agreement shall be resolved under this Article. Disputes, as used in this Agreement, mean a written demand or written assertion by one of the parties seeking, as a matter of right, the adjustment or interpretation of Agreement terms, or other relief arising under this Agreement. The dispute shall be made in writing and signed by a duly authorized representative of the **PROJECT SPONSOR** or the TSA CO. At a minimum, a dispute under this Agreement shall include a statement of facts, adequate supporting data, and a request for relief. In the event the parties are unable to resolve any disagreement through good faith negotiations, **PROJECT SPONSOR** may submit the dispute to the Deputy Assistant Administrator for Contracting and Procurement. If the decision of the Deputy Assistant Administrator for Contracting and Procurement is unsatisfactory, the decision may be appealed to the TSA Assistant Administrator for Contracting and Procurement. The parties agree that the TSA Assistant Administrator/Head of the Contracting Activity for Contracting and Procurement's decision shall be final and not subject to further judicial or administrative review and shall be enforceable and binding upon the parties.

ARTICLE XIII - TERMINATION

A. In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, by giving the other party at least thirty (30) days prior written notice of termination. Upon receipt of a notice of termination, the receiving party shall take immediate steps to stop the accrual of any additional obligations that might require payment.

B. If the **PROJECT SPONSOR** exercises its right under Paragraph A of this Article to withdraw voluntarily from the Project, the **PROJECT SPONSOR** agrees to notify TSA in writing, and reimburse the United States Government for all monies disbursed to it under this Agreement up to the date of notification..

C. If TSA chooses not to proceed with a Design Phase, TSA shall reimburse the **PROJECT SPONSOR** for all accrued allowable, allocable, and reasonable design costs for the Design Project up to the Project stopping point, which shall not exceed the TSA funded amount of **\$789,978.20** . For example, if TSA elects not to proceed beyond the 30% Design Submittal Phase, then TSA shall notify the **PROJECT SPONSOR** in writing. TSA will then reimburse the **PROJECT SPONSOR** for all accrued allowable, allocable, and reasonable costs for the Pre-Design Phase, Schematic Design Phase and 30% Design Submittals Phase only up to the date of notice.

D. In the event of termination or expiration of this Agreement, any TSA funds that have not been spent or incurred for allowable expenses prior to the date of termination and are not reasonably necessary to cover termination expenses will be returned and/or de-obligated from this Agreement.

ARTICLE XIV - CHANGES AND/OR MODIFICATIONS

Changes or modifications to this Agreement shall be in writing and signed by the TSA CO and the authorized representative of the **PROJECT SPONSOR**. The modification shall cite the subject provision to this Agreement and shall document the exact nature of the modification. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this Agreement. The properly signed written modification shall be attached to this Agreement and thereby becomes a part of this Agreement.

The TSA CO reserves the right to make unilateral modifications (signed only by the TSA CO) for administrative modifications, such as changes to the line of accounting in Article VII, updates to TSA POCs in Article X, and/or other administrative changes that do not affect the terms and conditions of this Agreement.

ARTICLE XV - CONSTRUCTION OF THE AGREEMENT

This Agreement is issued under 49 U.S.C. §106 (l)(6) and §114(m) and is not a procurement contract, grant, cooperative agreement, or other financial assistance. It is not intended to be, nor shall it be construed as, a partnership, corporation, or other business organization. Both parties agree to provide their best efforts to achieve the objectives of this Agreement. Additionally, each party acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and any amendments thereto, and that, accordingly, this Agreement shall not be construed more stringently against one party than against the other. The Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, understanding, negotiations and discussions whether oral or written of the parties. Each party acknowledges that there are no exceptions taken or reserved under this Agreement.

In the event that any Article and/or parts of this Agreement are determined to be void or otherwise invalid or unenforceable, such Article or portions thereof shall lapse. No such lapse will affect the rights, responsibilities, and obligations of the parties under this Agreement, except as provided therein. If either party determines that such lapse has or may have a material effect on the performance of the Agreement, such party shall promptly notify the other party, and shall negotiate in good faith a mutually acceptable amendment to the Agreement if appropriate to address the effect of the lapse.

ARTICLE XVI - PROTECTION OF INFORMATION (AUG 2018)

The parties agree that they shall take appropriate measures to protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

A. RECORDS AND RELEASE OF INFORMATION

Pursuant to 49 U.S.C. § 114(r), Sensitive Security Information and Nondisclosure of Security Activities, Sensitive Security Information (SSI) is a category of sensitive but unclassified (SBU) information that must be protected because it is information that, if publicly released, would be detrimental to the security of transportation. Under 49 Code of Federal Regulations Part 1520.5(a), the

SSI Regulation also provides additional reasons for protecting information as SSI beyond the condition that the release of the information would be detrimental to the security of transportation. SSI may not be disclosed except in accordance with the provisions of that rule.

Title 49 of the Code of Federal Regulations, Part 1520 defines the scope, categorization, handling requirements and disposition of information deemed SSI is the 49 C.F.R. Part 1520 (<http://ecfr.gpoaccess.gov/>). All members assigned to work under this Agreement are subject to the provisions of 49 CFR Part 1520, Protection of Sensitive Security Information, and shall safeguard and handle any SSI in accordance with the policies and procedures outlined in 49 C.F.R. Part 1520, as well as the DHS and TSA policies and procedures for handling and safeguarding SSI. All members assigned to work under this Agreement must complete the TSA-mandated SSI Awareness Training course prior to accessing SSI, and on an annual basis for the duration of the OTA or for the duration of the requester's need for access to SSI, whichever is later. The Agreement Holder shall place this requirement in all contracts, sub-contracts, joint venture agreements, and teaming agreements related to the performance of this agreement. For purposes of this OTA, the OTA Agreement holder (OTA Entity) would fall under the provision of 49 CFR § 1520.7(k): *Each person employed by, contracted to, or acting for a covered person, including a grantee of DHS or DOT, and including a person formerly in such position.*

Pursuant to 49 C.F.R. Part 1520.9(a)(3), the Agreement Holder must contact SSI@tsa.dhs.gov for guidance on handling requests to access to SSI (before using SSI materials) for any other purpose besides activities falling within the scope of the agreement by other persons, including requests from experts, consultants, and legal counsel ("requesters") hired by the Agreement Holder. The Agreement Holder shall include the CO and COR as a carbon copy "cc" recipient of its contact to SSI@tsa.dhs.gov. The TSA SSI office must first make a determination as to whether the requesters are a "covered person" with a "need to know" under 49 C.F.R. Parts 1520.7 and 1520.11. Further recipients of SSI shall be provided NDAs, in accordance with these contract provisions, and with a copy of the *SSI Quick Reference Guide for DHS Employees and Contractors*.

(Non-Disclosure Agreements (NDAs)). The CO will provide the non-disclosure form (DHS Form 11000-6), as necessary, to the Agreement holder when circumstances warrant. NDAs are required to be signed by all OTA personnel when access to SSI is necessary for performance of the agreement. By signing the NDA, the recipient certifies in writing that they will take the necessary steps to prevent the unauthorized disclosure and use of information.

Breach. In accordance with 49 C.F.R. Part 1520.9(c), the Agreement holder agrees that in the event of any actual or suspected breach of SSI (i.e., loss of control, compromise, unauthorized disclosure, access for an unauthorized purpose, or other unauthorized access, whether physical or electronic), the Agreement holder shall immediately, and in no event later than one hour of discovery, report the breach to the CO and the COR. The Agreement holder is responsible for positively verifying that notification is received and acknowledged by at least one of the foregoing Government officials.

- I. Background. Members assigned to work under this Agreement must obtain specific authorization in order to obtain SSI. SSI will not be available or otherwise provided or disclosed to any person not specifically authorized to receive it. As part of this OTA, SSI may only be accessed by individuals which have successfully passed a Security Threat Assessment. This assessment may include a criminal history records check (CHRC) and/or a check against terrorism databases.

- II. Information Requirements. Consistent with the criteria release described above, the Agreement Holder shall provide the appropriate information to the TSA COR as identified below. Note that this requirement applies likewise to all contracts, sub-contracts, joint venture agreements, and teaming agreements related to the performance of this agreement. This information will be handled in accordance with the applicable Privacy Act system of records notice (SORN), Transportation Security Threat Assessment System (T-STAS) noted below.
1. The Agreement Holder shall provide the following information for all employees who require access to SSI in a single password protected Microsoft Excel spreadsheet emailed to the COR. The password for the password protected spreadsheet shall be sent to the COR in a separate email, at the same time.
 - Employee Full Name
 - Employee Gender: (i.e., Male or Female)
 - Employee Birth Date
 - Employee Citizenship
 - Social Security Number (for U.S. Citizens and Legal Permanent Residents only)
 - Known Traveler Number (KTN), if available
- III. Privacy Act Statement. TSA will use the information provided to conduct a security threat assessment on individuals who seek access to Sensitive Security Information (SSI). The information will be shared within DHS with personnel who need the information to perform their official duties. Additionally, DHS may share the information with law enforcement, intelligence, or other government agencies as necessary to identify and respond to potential or actual threats to transportation security in accordance with the routine uses identified in the applicable Privacy Act system of records notice (SORN), DHS/TSA 002, Transportation Security Threat Assessment System (T-STAS). This SORN was last published in the Federal Register on August 11, 2014, and can be found at 79 FR 46862-46866. Authority: 49 USC 114. Furnishing this information is voluntary. However, failure to furnish the requested information may delay or prevent the completion of your security threat assessment, without which you may not be granted access to the SSI.
- IV. Notification of Assessment. Individuals who receive a successful Security Threat Assessment will be eligible to receive SSI. If it is determined that covered individuals are not eligible to receive access to particular SSI based on the threat assessment, the TSA Contacting Officer or COR will provide the company point of contact with notification that the individual does not qualify to receive SSI. Appeal of the determination will not be permitted due to the time sensitive nature of the acquisition process, however, the potential offeror may nominate another individual to receive SSI access. In the event that an individual is determined to be a security threat and the individual believes that the results of the screening are inaccurate, he or she may request access to their records by submitting a Privacy Act Request through TSA's Freedom of Information Act (FOIA) internet site at: <https://www.tsa.gov/foia/requests>. However, due to the demanding acquisition schedule, TSA will not delay an acquisition to resolve these issues.

B. Publicity and Dissemination of Agreement Information

The Agreement holder shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results or conclusions made pursuant to the performance of this Agreement without the prior written consent of the CO. The Agreement holder shall submit any request for public release at least ten (10) business days in advance of the planned

release. Under no circumstances shall the Agreement holder release any requested submittal prior to TSA approval.

Any material proposed to be published or distributed shall be submitted via email to the CO. The CO will follow the procedures in Management Directives 1700.3 and 1700.4. The Office of the Administrator retains the authority to deny publication authorization. Any conditions on the approval for release will be clearly described. Notice of disapproval will be accompanied by an explanation of the basis or bases for disapproval.

Any contact with or by a Media firm or personnel related to this Agreement and in accordance with the terms of this Agreement shall be referred to the CO.

ARTICLE XVII – SURVIVAL OF ARTICLES

The following Articles of this Agreement shall survive the termination and expiration of this Agreement: Article VII – Funding and Limitations; Article IX – Audits; Article XI – Limitations on Liability; Article XII – Disputes; Article XIII – Termination; Article XVI – Protection of Information; and Article XVII – Survival of Articles.

APPENDICES

Appendix A – Project Milestone Schedule

Appendix B – Schedule of Deliverables

Appendix A Project Milestone Schedule

The PROJECT SPONSOR shall provide a Project Schedule that contains, at a minimum, the following project milestones:

1. Design OTA Period of Performance Start
2. Design Consultant Notice to Proceed
3. Schematic design delivery to TSA for review
4. Schematic design – TSA review
5. 30% design delivery to TSA for review
6. 30% design – TSA review
7. 70% design delivery to TSA for review
8. 70% design – TSA review
9. 100% design delivery to TSA for review
10. 100% design – TSA review
11. RFP release
12. Bid selection process complete
13. Design OTA Period of Performance End
14. EDS Delivery (if phased delivery is planned, provide delivery dates per phase)
15. EDS Installation (if phased installation is planned, provide installation dates per phase)
16. Testing (SAT, Owner testing, TRR, ISAT, Live Operations, and Run-In period)
17. EDS Decommission Dates

There's no specific format requirement for the schedule.

The Project schedule will be used for all planned TSA activities.

APPENDIX B
Schedule of Deliverables

The following deliverables are required to be submitted by the **PROJECT SPONSOR**.

Item	Deliverable	Submitted To:	Frequency or Due Date
1	Schedule provided in Appendix A (Project Milestones for Design and proposed Construction)	TSA COR, and TSA CO	Within 30 calendar days of the PROJECT SPONSOR awarding the design contract. Updates submitted monthly along with TSA Project Report (Item 6).
2	Schematic, 30%, 70% and 100% Design deliverables	TSA COR, CBTPlanning@tsa.dhs.gov	In accordance with the project milestone schedule.
3	Construction Bid Information (prospective winning bidder and bid package)	TSA COR, and TSA CO	When selection of prospective winning bidder is complete.
4	Design Contract Schedule of Fees	TSA COR, and TSA CO	Within 30 calendar days of the PROJECT SPONSOR awarding the design contract.
5	Copies of the Design Contract(s) and Change Orders	TSA COR, and TSA CO.	As required. Change Orders require TSA approval in accordance with Section A.6 of Article IV.
6	Monthly Project Report	TSA COR	By the 10 th of each month. Electronic submission is requested.
8	Invoices	TSA COR, and TSA CO	Monthly
9	Final Invoice	TSA COR, and TSA CO	No later than 90 days after completion of the CBIS Design Project.

The Monthly Project Report is to be submitted by the 10th of each month. A draft Monthly report template will be submitted via separate correspondence. The Monthly Milestone and Project Report shall address the following:

- a. Actual start and/or finish dates for updated/completed activities.
- b. Remaining duration, required to complete each activity started, or scheduled to start, but not completed
- c. The Project's progress to include Project Percent Completion; a forecast the Project completion date and final costs; as well as monthly schedule and budget variances throughout the Project.
- d. Percentage for completed and partially completed activities.
- e. Any CO approved changes including but not limited to new activities, deleted activities, activity duration changes, and change in logic relationships between activities.
- f. Status date for the schedule update.
- g. A statement that identifies and describes any current or anticipated delays that includes the following information: identification of the delayed activity by description and activity code; type of delay; cause of the delay; effect of the delay on other activities, milestones, and completion dates; identification of actions needed to avoid or mitigate the delay.
- h. Description of lessons learned.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: April 9, 2021

ITEM DESCRIPTION – New Business Item B

Approve Work Authorization No. 2R(B) with Parrish and Partners of North Carolina, PLLC for South Terminal Apron Expansion Project Engineering Services

BACKGROUND

On November 9, 2018, the Authority Board approved Work Authorization No. 2 with Parrish and Partners of North Carolina, PLLC for design and construction services associated with the south apron expansion project in the amount of \$821,196.00. On October 11, 2019, the Authority Board approved the additional required services Work Authorization No. 2R (first revision) that increased the total contract to \$979,449.00. That revision included additional stormwater permitting requirements with the State, design for an additional 2,500 square yards of concrete apron, additional bidding phase services, and an increase in Quality Assurance testing during construction.

Subsequently, the Authority Board approved the second revision, titled Work Authorization No. 2R(A), on June 12, 2020 in the amount of \$417,449. This revision included the necessary services to accommodate an additional 255 calendar days. This was an increase in the project calendar days from the initial 210 to 465, in part due to hauling material from off site, retaining wall special inspections required by Buncombe County, and the need for additional Geotechnical Engineering services for unforeseen groundwater mitigation measures.

This revision, titled Work Authorization No. 2R(B), is compiled to include the following items:

New Business – Item B



- Increase Parrish and Partners construction phase services to the current estimated project completion in October 2021. The duration has been increased in part due to a significantly high number of non-conductive workdays resulting from weather conditions causing poor site conditions over the duration of the project. These additional construction phase services include project administration, site visits, project meetings, processing contractor pay requests, contractor inquiries, and on-site Resident Project Representative services.

Per the contracted unit pricing, negotiations, and additional savings provided by Parrish and Partners through efficiency measures and other budget saving practices the total additional cost to complete this work will be \$261,976.00.

ISSUES

None.

ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

The total Work Authorization No. 2R(B) proposed by Parrish and Partners to complete this work is \$261,976.00, which is based on the unit prices in the contract and negotiations. This increase brings the total contract to \$1,658,874.00. Costs will presently be funded utilizing Airport Funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Work Authorization No. 2R(B) with Parrish and Partners in the amount of \$261,976.00; (2) authorize the Executive Director to execute the necessary documents; and (3) to amend the FY2020/2021 budget by adopting the following budget ordinance amendment:



BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2021:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$261,976.00</u>
Totals	_____	<u>\$261,976.00</u>

This will result in a net increase of \$261,976.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$261,976.00</u>
Totals	_____	<u>\$261,976.00</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 9th day of April 2021.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

WORK AUTHORIZATION NO. 2R(B)
CONSULTANT SCOPE OF SERVICES
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Scope of Services for Professional Consulting Services, as referenced in the Professional Consulting Agreement between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY and PARRISH AND PARTNERS OF NORTH CAROLINA, PLLC, dated August 13, 2018.

PROJECT: Expand Terminal Apron – South (Approx. 13,500 SY)

SCOPE OF SERVICES: See Attachment A

CONSULTANT TEAM: Parrish & Partners of North Carolina, PLLC

SCHEDULE: Construction: **255 calendar days** (additional)

PROJECT BUDGET: \$11M (Estimated)

		Total
FEES:	Work Authorization No. 2R(B)	
	<i>Add'l Const. Phase Services (255 CD)</i> \$97,241.00	
	<i>Add'l Special/Additional Services (195 CD)</i> \$164,735.00	
		\$ 261,976.00
	Total WA2R(B) Lump Sum	\$ 261,976.00

Authority:

Greater Asheville Regional
Airport Authority

By: _____

Lew Bleiweis, AAE
Executive Director

Date: _____

Consultant:

Parrish and Partners of
North Carolina, PLLC

By:  _____

Jeff Kirby, PE
Senior Vice President

Date: 3.31.21

This instrument has been pre-audited in the manner required by local government and fiscal control.

Finance Director

Date

Attachments: Attachment A – Work Authorization No. 2R(B) Detail (Scope of Work)
Attachment B – WA 2R(B) Fee Spreadsheet(s)

WORK AUTHORIZATION NO. 2R(B)

For:

**EXPAND TERMINAL APRON – SOUTH
(APPROX. 13,500 SY)****GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY****MARCH 31, 2021**

In continuation of Work Authorization 2 and the subsequent revisions thereto, the construction contract time has extended beyond the previously identified Contract Time for which the Work Authorization professional services are based. The original Scope of Work for the subject project included a construction contract time of 210 Calendar Days (CD). Following the previously coordinated and approved project scope changes and change orders that have been executed since construction began, the construction contract time was extended to 465 Calendar Days (CD). Recently, a change order was awarded to the contractor that granted an additional 81 CDs to be added to the contract time. Additionally, based on the Contractor's recent production schedule update, and discussions with them regarding expected project completion, as of the date of this WA, the project is not expected to be complete until October 25, 2021, requiring an additional 174 CDs. This Work Authorization is being prepared to account for the professional services required to adequately administer and manage the construction project for the additional 255 Calendar Days (81 CD + 174 CD) currently projected to complete the construction field work.

WA2R(B) SCOPE OF SERVICES:

The following is a summary of the additional construction phase services:

1. Construction Phase Services –

The additional scope for construction phase services includes those services required to maintain Construction Administration (CA) services throughout the duration of the construction contract time. The additional CA services included with this revision are to cover construction contract time of an additional 255 CD. With the increase in total contract time, many standard Construction Phase Services tasks remain unimpacted by the increase and are noted to that regard in the fee summary, however the following tasks are directly associated with the project duration:

- i. Daily Project Administration (255 CD, approx. 8.5 months)
- ii. Review and Coordination of Shop Drawing Submittals and RFIs
 1. (hours not included: *no additional hours permitted*)
- iii. Construction Progress Meetings (biweekly)
- iv. Supplemental Site Visits
- v. Processing and Reviewing Contractor's Pay Request (monthly)

2. Special / Additional Services revisions –
 - a. There are no anticipated increases to subcontracted fees.
 - b. Similar to that discussed in Item 1 above, the RPR’s project inspection time and associated expenses previously provide for services associated with a 465 CD project. This WA 2R(B) includes services associated with the additional 255 CD.
 - i. The initial estimated time included for average weekly hours for the RPR was 50 hours per week. From the first day of construction, the Contractor has been working six to seven days per week, typically most available daylight hours. Based on regular confirmation through progress meeting discussions and review of their project schedule, it is expected that their workweeks will continue similar to that, not considering excessive weather impacts. However, in order to provide in an effort to reduce project costs, we will attempt to provide RPR coverage for the remainder of the project utilizing 45 hours per week for the 255 CDs described herein. Additional hours may be required to maintain full-time RPR Services, unless an alternate RPR schedule is coordinated.

The following pages provide additional Scope of Work descriptions for this WA2R(B), required in addition to the previously coordinated original P&P Work Authorization No. 2.

I. **SCOPE OF SERVICES:**

The scope of work for this Work Authorization includes:

1. Additional Construction Phase Services (255 CD contract time)
2. Special / Additional Services
 - a. Resident Project Representative Services

A. **WORK TASKS DESCRIPTIONS**

- i) **BASIC SERVICES:** The **CONSULTANT** shall perform the following Basic Services for the project as outlined in Exhibit C of the Master Agreement and per below:
 - (1) **Additional Construction Phase Services:** Upon reaching the previous contract time of 465 calendar days (CD), the **CONSULTANT** shall proceed with additional construction phase services associated with an additional construction project duration of 8-1/2 months (255 Calendar Days). These services shall be as previously described in Article 5 of WA2 and specified herein. Applicable scope items from Article (5) “Construction and Close-Out Phase”:
 - 5.e, 5.h, 5.i, 5.j, 5.k, 5.l, 5.m, 5.n, 5.o, and 5.t

(2) SPECIAL AND ADDITIONAL SERVICES: The **CONSULTANT** shall perform the following Special Services as outlined in Exhibit A of the Master Agreement:

(a) **Resident Project Representative Services**: Provide resident project representative (RPR) services during construction. The representative is anticipated to be on the site an average as follows:

- a. 45 hours per week for remaining duration of project
 - i. 5 hours per week anticipated as overtime

Due to the nature of work and schedule to which the Contractor is prosecuting the project, 45 hours per week is not adequate coverage to be considered full time. Per OWNER request and in an effort to minimize the project costs, 45 hours per week are being included with this WA2R(B). Under coordination with the OWNER, an alternate RPR schedule shall be coordinated if additional hours are required for adequate coverage.

- b. Due to our successes with efficiently maintaining site observation coverage on the project and utilizing some other budget saving practices, as well as a period of time with limited progress by the Contractor, we have been successful in limiting the hours charged to our previous Work Authorization budget for RPR hours. This has resulted in approximately 2 months' savings of RPR costs. Therefore, that timeframe (60 CD), is subtracted from the 255 CD for RPR services, resulting in 195 CD of RPR services included with this WA 2R(B).

B. GENERAL ASSUMPTIONS

- i. Additional Construction Phase Services (255)
 - a. Progress Meetings will be schedule on a bi-weekly basis.
 - b. Six (6) Supplemental Site visits will be scheduled.

II. SCHEDULE:

The following is the proposed construction schedule:

	Previous 465 CD (approx. 15.5 months)
Construction Contract Time	<u>Additional 255 CD (approx. 8.5 months)</u>
	Total: 720 CD

The **OWNER** agrees to compensate the **CONSULTANT** for services performed for the work described herein as summarized on the Work Authorization No. 2R(B) cover sheet and detailed in the attached Fee Spreadsheets as Attachment B.

This document is an attachment to be considered the detailed Scope of Services for Work Authorization No. 2R(B), including the following attachments.

Attachments: Attachment B – WA2R(B) Fee Spreadsheet(s)

PROJECT DESCRIPTION: AVL - Expand Terminal Apron - South (Approx. 13,500k SY)	DATE PREPARED: March 31, 2021
PREPARED BY: Parrish and Partners of North Carolina, PLLC	P&P PROJ NO: 1217 (WA#2R(B))

Professional Services Fee Summary

	Revised
--	----------------

Add'l Const. Phase Services (255 CD proj)

Labor	-	\$92,246.92	
Reimbursable Expenses	-	\$4,994.80	
	SubTotal:	-	\$97,241.72
	USE -->	-	\$97,241.00

Add'l Special / Additional Services (195 CD)

Labor	-	\$119,345.04
Subconsultant Costs	-	\$0.00
Reimbursable Expenses	-	\$45,390.00
	SubTotal:	\$164,735.04
	USE -->	\$164,735.00

Total WA No. 2R(B) Amount:	\$261,976.00
-----------------------------------	---------------------

PROJECT DESCRIPTION: AVL - Expand Terminal Apron - South (Approx. 13,500k SY)	DATE PREPARED: March 31, 2021
PREPARED BY: Parrish and Partners of North Carolina, PLLC	P&P PROJ NO: 1217 (WA#2R(B))

TASK NUMBER	SPECIAL SERVICES ENGINEERING SERVICES TASK DESCRIPTION	Employee Classifications								SUBTOTAL
		Principal	Proj. Manager/ Sr. Engineer	Engineer	Civil Associate	Technician	Technical Assistant	Resident Project Representative Regular Time	Resident Project Representative Over Time	
TASKS										
Add'l Special / Additional Services (195 CD)										
RPR Services										
1	Attend Pre Construction Conference (1)									0
2	Project Initiation and Mobilize to Project Site									0
3	Project Inspection - Contract time 195 Days									0
3a	=> 27 Weeks (@ 45 hrs / Week)							1080	135	1215
3b										0
4	Project Closeout (1 Week)									0
5	Demobilize from Project Site									0

SUBTOTAL HOURS/CLASSIFICATION:	0	0	0	0	0	0	0	1080	135
BASIC HOURLY RATE								\$39.02	\$47.15
TOTAL PER CLASSIFICATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,141.60	\$6,365.25
TOTAL LABOR COSTS									

Audited Overhead Rate	125%	\$60,633.56	
Subtotal		\$109,140.41	(1)
Profit	9%	\$9,822.64	(2)
Cost of Capital	0.35%	381.99	(3)
TOTAL (1) + (2) + (3)		\$119,345.04	

NON-SALARY COSTS

A. Reimbursable Expense	Quantity	Unit	Rate	Subtotal
Gas Reimb; 4WD Truck (20 mi/day @ 195 days)	3,900	Mile	\$0.20	\$780.00
Gas Reimb; 4WD Truck (mob/de-mob)	0	Mile	\$0.20	\$0.00
CEI - 4WD Truck (195)	195	Days	\$50.00	\$9,750.00
GSA Per Diem (195)	195	Days	\$178.00	\$34,710.00
Printing/Reproduction	0	LS	\$150.00	\$0.00
Supplies	1	LS	\$150.00	\$150.00
TOTAL DIRECT NON-SALARY COST:				\$45,390.00

RPR Services:	\$164,735.04
----------------------	---------------------

Subconsultant and Additional Services										
1										0
2										0
3										0
3a										0
4										0
5										0

SUBTOTAL HOURS/CLASSIFICATION:	0	0	0	0	0	0	0	0	0
BASIC HOURLY RATE	\$72.18	\$64.01	\$50.62	\$35.60	\$29.72	\$21.88			
TOTAL PER CLASSIFICATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL LABOR COSTS									

Audited Overhead Rate	180%	\$0.00	
Subtotal		\$0.00	(1)
Profit	9%	\$0.00	(2)
Cost of Capital	0.35%	0.00	(3)
TOTAL (1) + (2) + (3)		\$0.00	

NON-SALARY COSTS

A. Reimbursable Expense	Quantity	Unit	Rate	Subtotal
Mileage	0	Mile	\$0.545	\$0.00
Per Diem	0	Trip	\$56.00	\$0.00
Reproduction/Shipping	0	LS	\$200.00	\$0.00
B. Subconsultant Fees				
	0	LS	\$0.00	\$0.00
	0	LS	\$0.00	\$0.00
	0	LS	\$0.00	\$0.00
	0	LS	\$0.00	\$0.00
	0	LS	\$0.00	\$0.00
Subconsultant Fixed Fee	1	LS	\$0.00	\$0.00
TOTAL DIRECT NON-SALARY COST:				\$0.00

(0 Trips @ 260 mi./trip)

Subconsultant / Additional Services:	\$0.00
---	---------------

Lump Sum Amount	\$164,735.00
------------------------	---------------------

FOR INFORMATION

Industry Metrics

Industry Update



ACI-NA Board of Directors Meeting

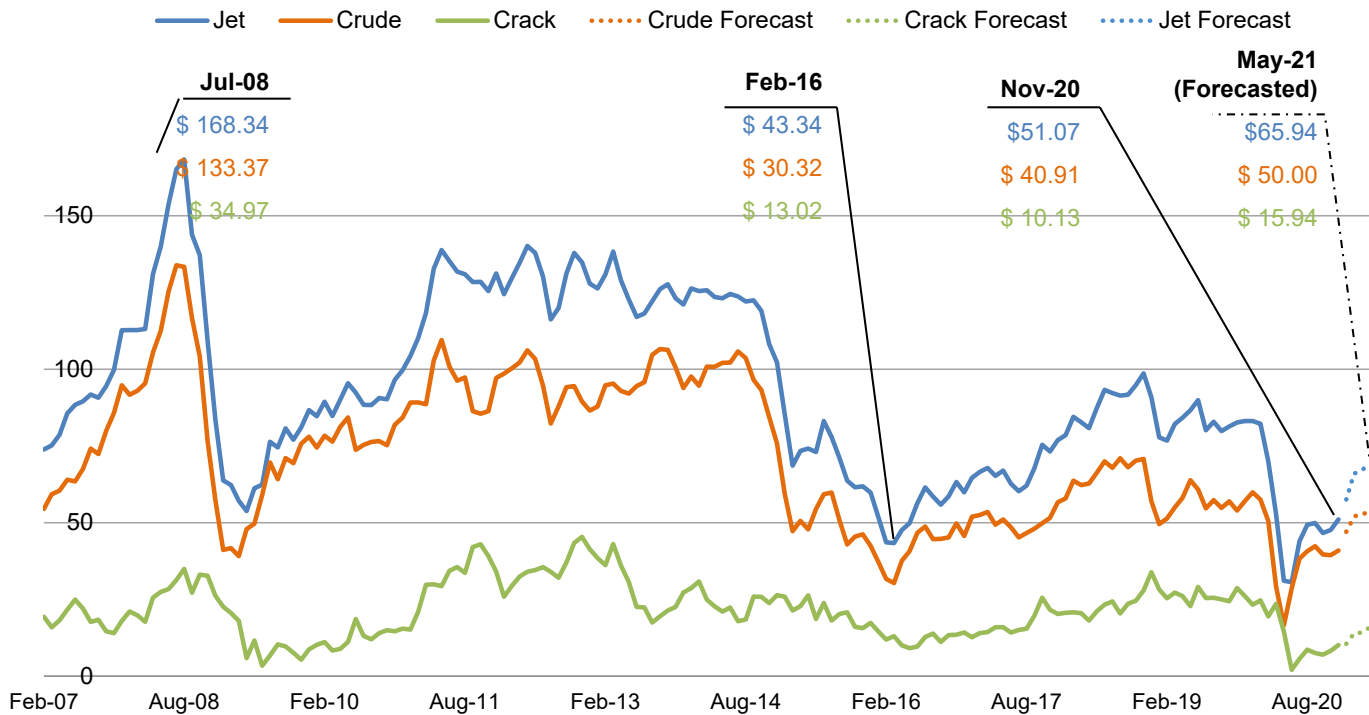
Winter 2021





Crude and Jet Fuel Prices

(\$ per Barrel)



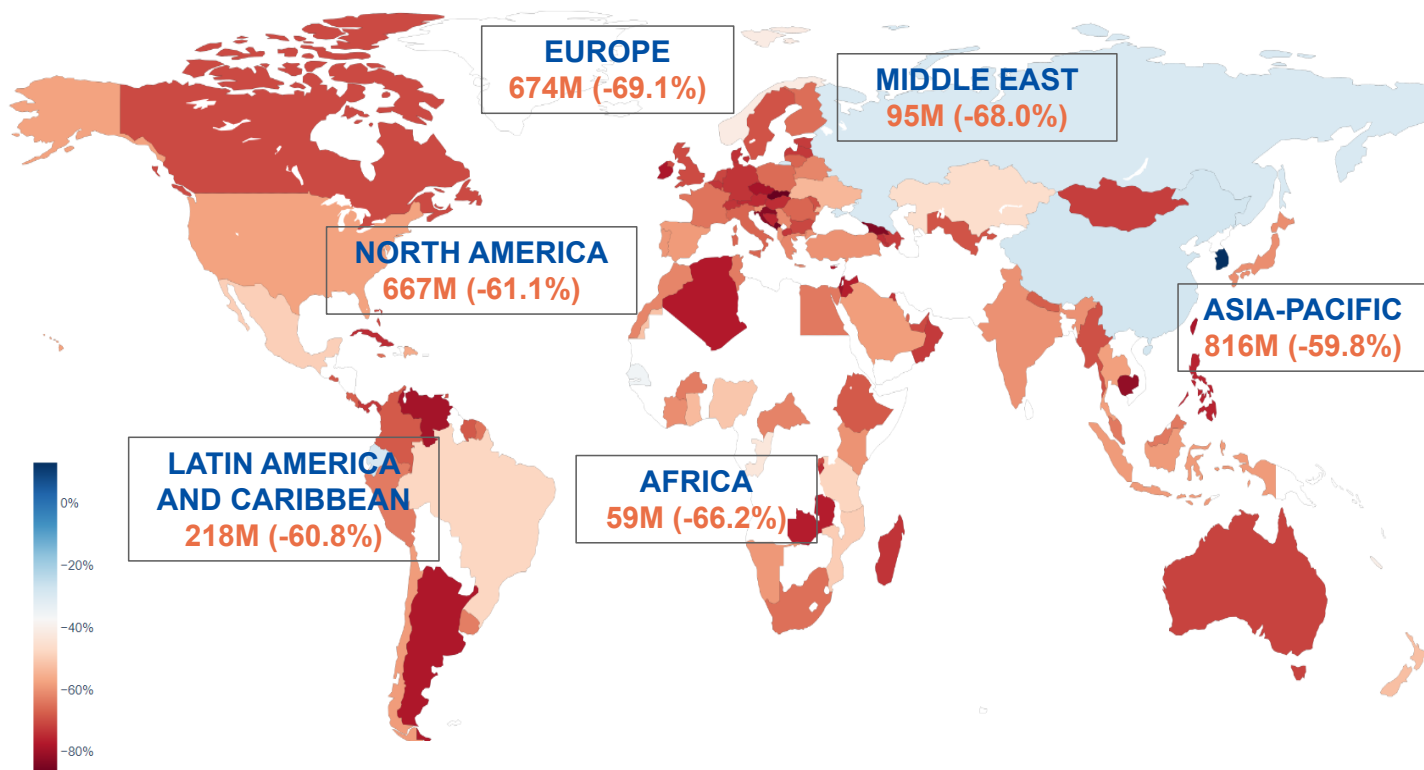
Source: EIA, 02/08/2021





All Regions Experienced Significant Passenger Traffic Decrease in 2020

WORLD
2.5B (-63.6%)



Source: ACI World 2020 Flash Report Dataset

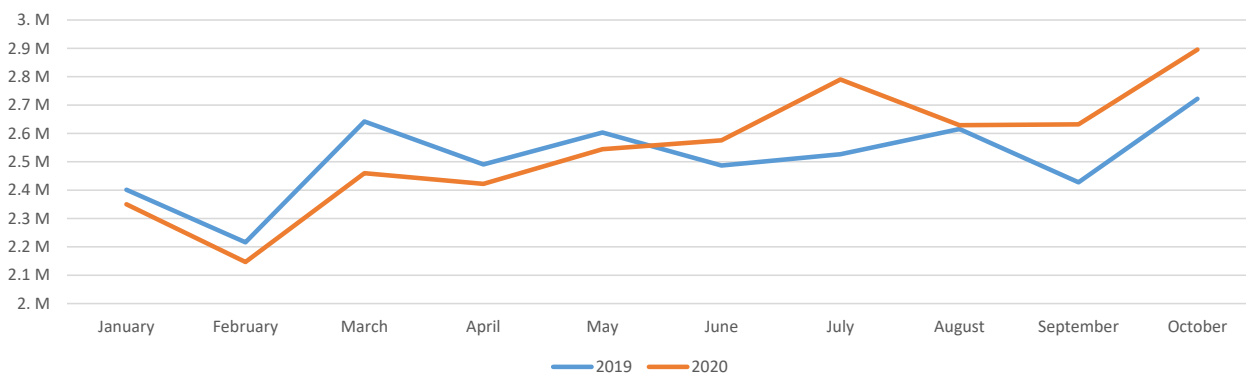




North America Cargo Traffic

	Jan-Nov 2019	Jan-Nov 2020	Change
Total Freight	27.4 million	28.5 million	4.2%
Domestic Freight	16.5 million	17.9 million	8.5%
International Freight	10.3 million	10.1 million	- 2.0%

Total Freight (Millions of Metric Tonnes)



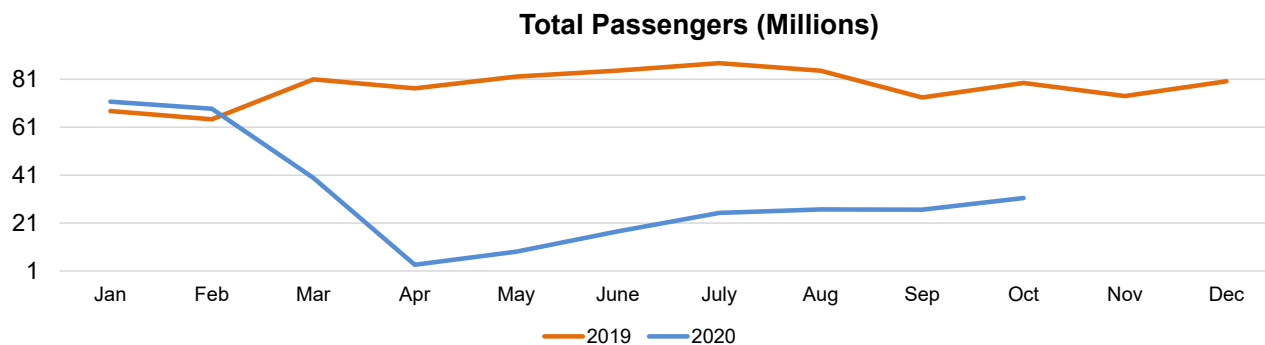
*Note: Total Freight ≠ Domestic Freight+ International Freight due to some airports reporting only total freight without breakdown.
Source: ACI World 2019 & 2020 Flash Report Dataset*





U.S. Airline Traffic

	Jan-Oct 2019	Jan-Oct 2020	Change
Total Passengers	963.4 million	336.4 million	- 65.1%
Domestic Passengers	741.8 million	281.9 million	- 62.0%
International Passengers	221.6 million	54.5 million	- 75.4%
Flights (thousands)	8.0 million	4.7 million	-41.3%
Available Seat Miles	1 053.3 million	541.6 million	- 49.0%
Avg. Load Factor	84.3 %	52.1 %	- 32.2 pts.
Avg. Flight Stage Length	829.3 miles	768.0	- 7.4%



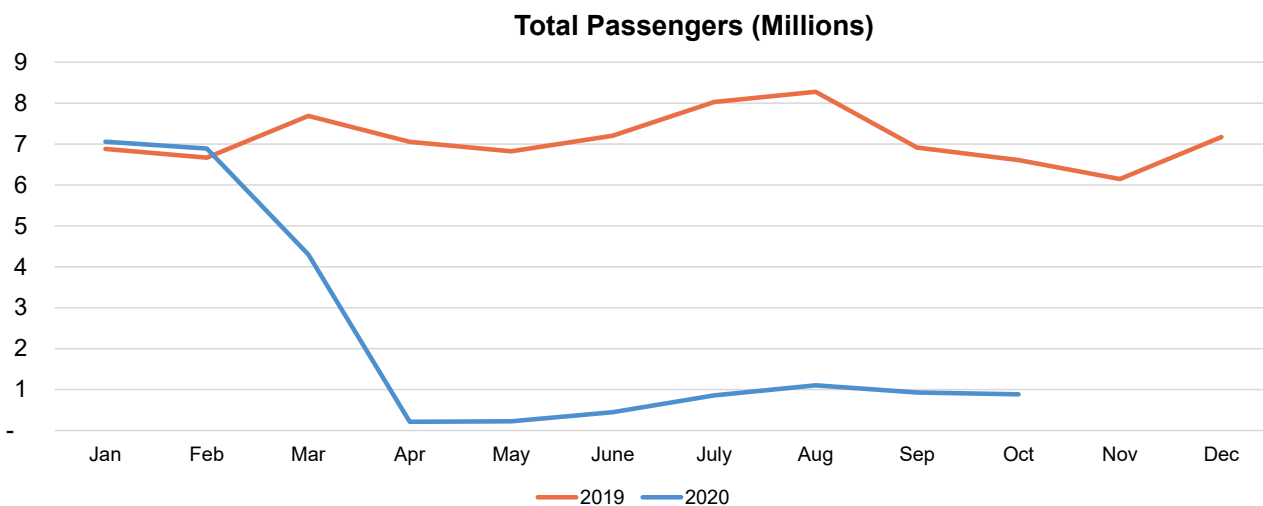
Source: BTS T-100 Segment data, 02/02/2021





Canadian Airline Traffic

	Jan-Oct 2019	Jan- Oct 2020	Change
Total Passengers	72.1 million	23 million	- 68.1%
Available Seat Miles	229.8 billion	82.8 billion	- 64.0 %
Avg. Load Factor	84.5 %	51.0 %	- 33.5 pts.



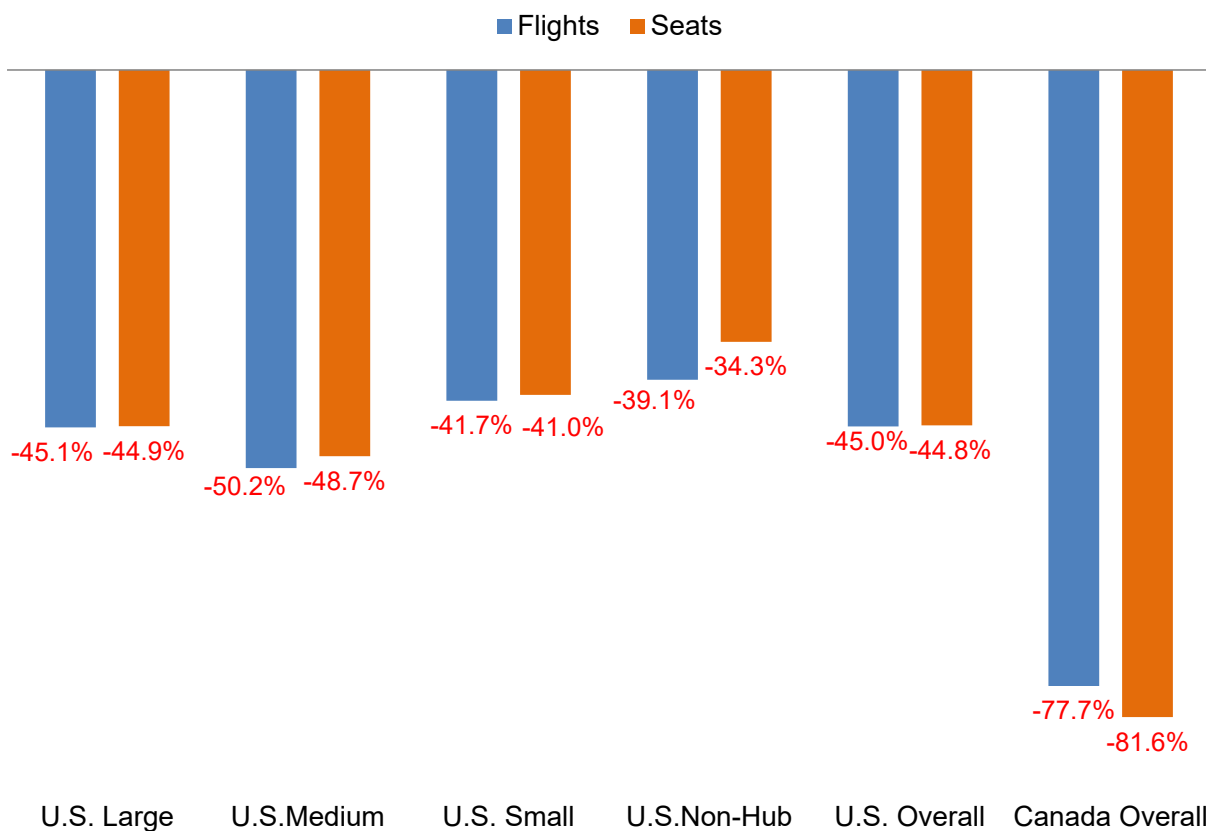
* Major Canadian Air Carriers: Air Canada (including Air Canada rouge), Air Transat, Jazz, Porter, Sunwing and WestJet.

Source: Statistics Canada, 02/02/2021





North America Airport Capacity Change in Scheduled Flights and Seats Feb 2020 vs. Feb 2021

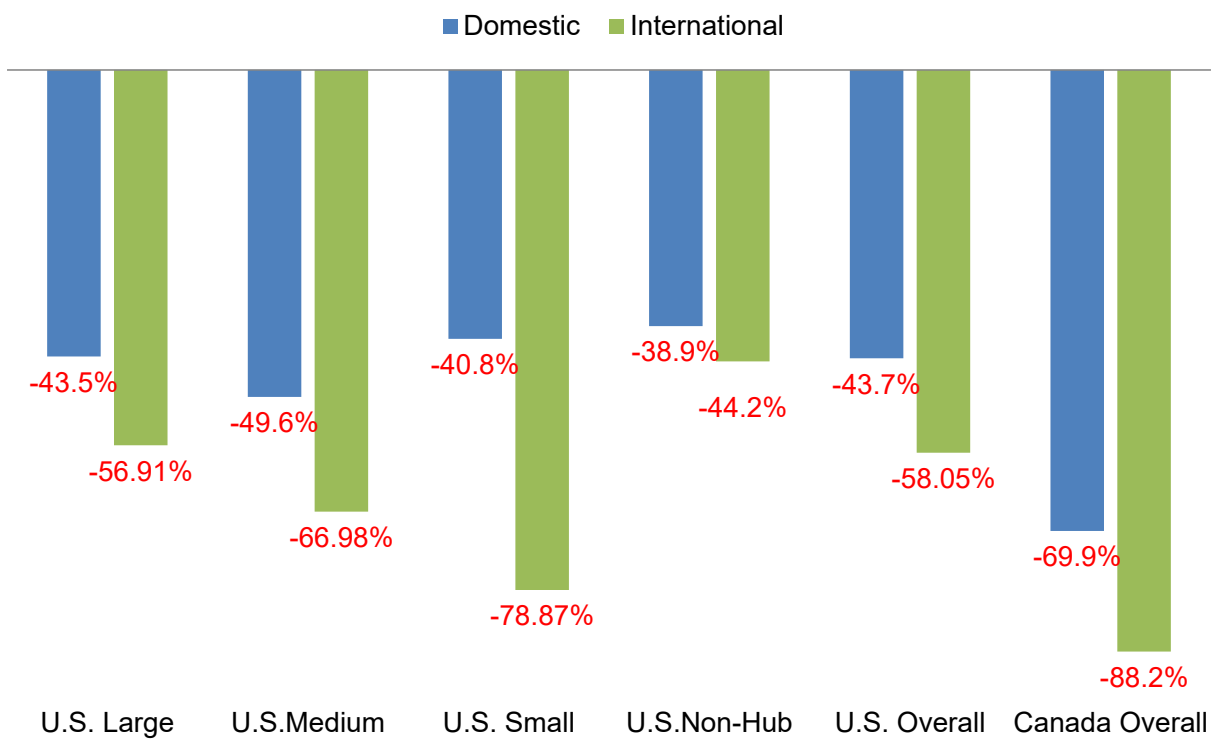


Source: Diao Mi, 08/25/2020





North America Capacity Change in Scheduled Domestic and International Flights Feb 2020 vs. Feb 2021



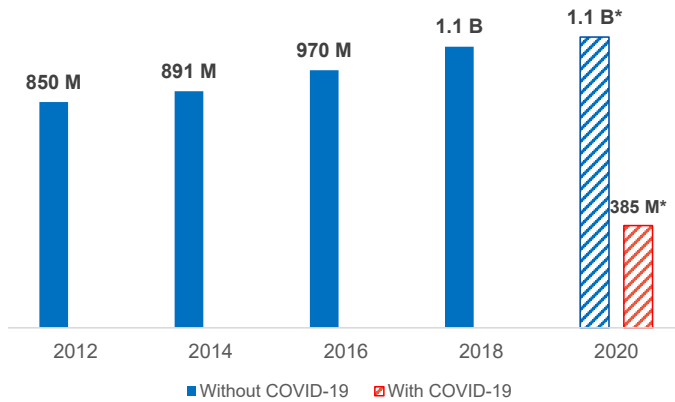
Source: Diao Mi, 02/05/2021



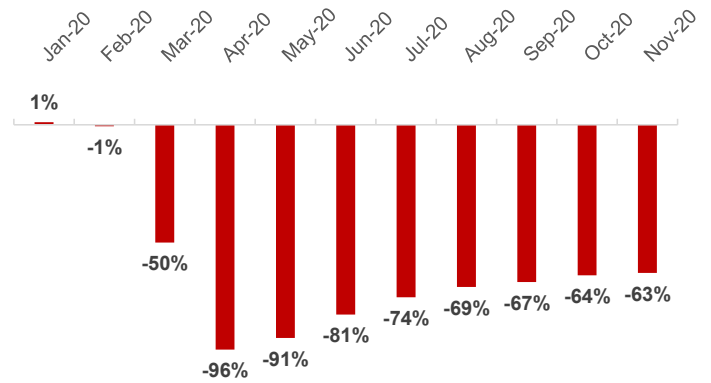


The Turning Point of COVID-19 Pandemic and Impact on North America Airport Passenger Traffic

Total Passengers Pre-2020



Percent Change through Nov 2020 vs 2019
A decrease of 60% since January 2020



Source: ACI World Annual Traffic Report and PaxFlash Report

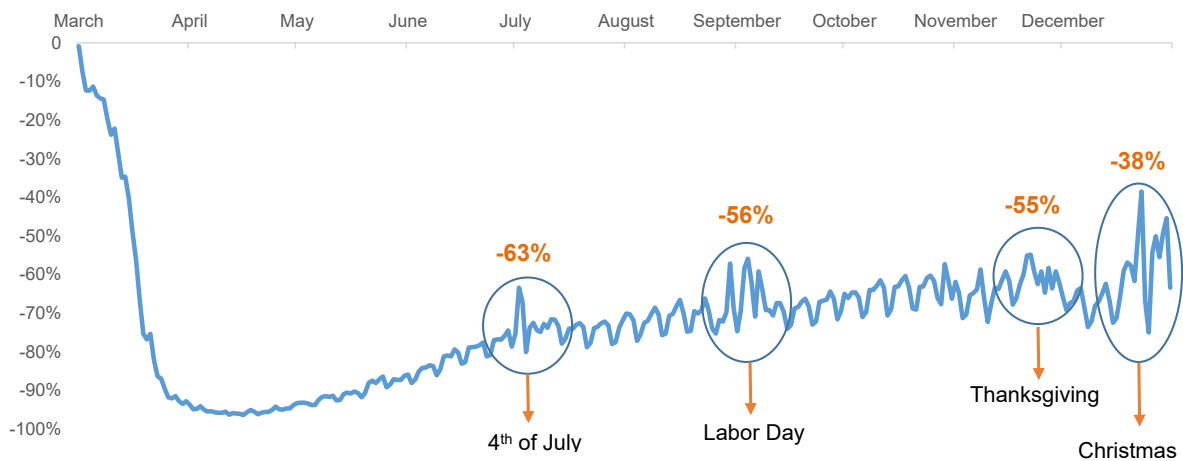
- : 2020 is the forecast with and without COVID-19
- North America includes U.S. and Canada





U.S Passenger Traffic Experienced Upticks During Holiday Periods

Screened passengers through TSA checkpoints between March and December 2020 vs. 2019



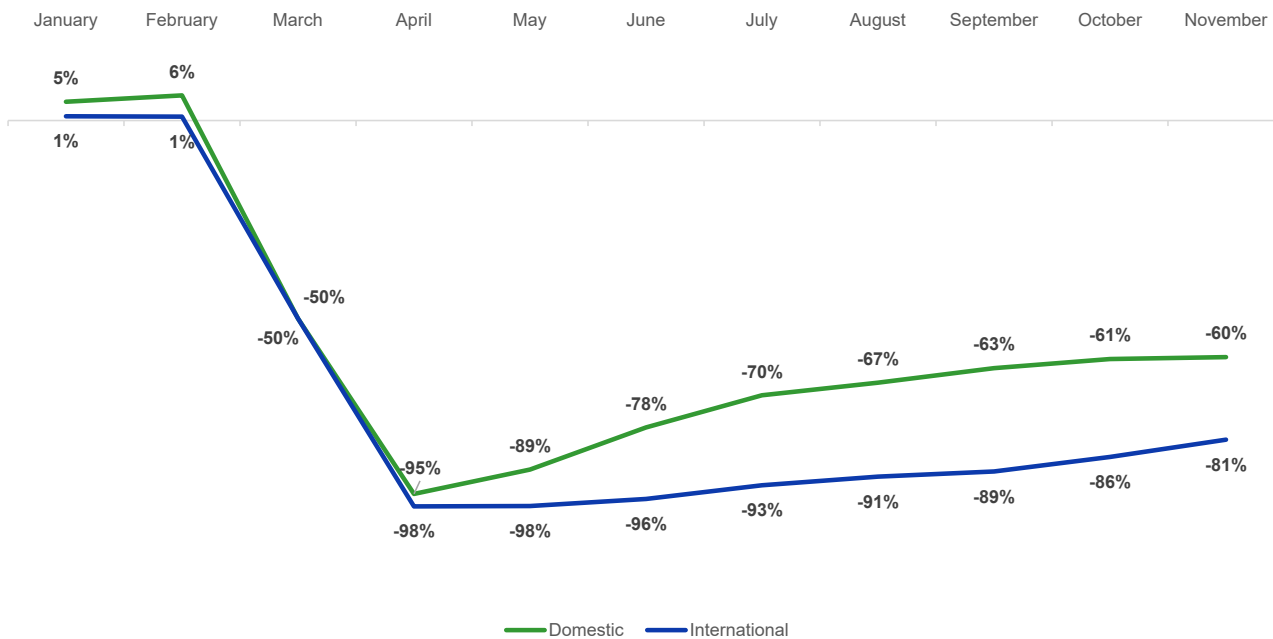
Source: TSA Data





Domestic Traffic Recovering Faster Than International

- From March to November 2020, domestic traffic decreased by 71% while international traffic decreased by 92% compared to 2019 levels.
- Domestic traffic increased its share from 84% of the total traffic pre-pandemic to 94% between April and November 2020.



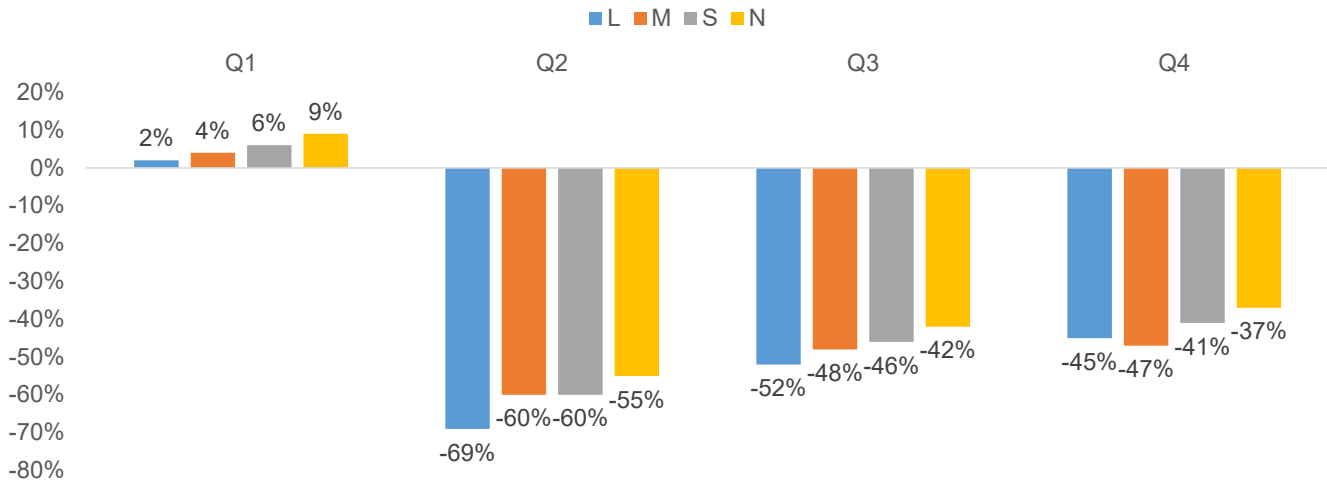
Source: ACI World Annual Traffic Report and PaxFlash Report





Large Hubs Reported the Biggest Capacity Loss 2019 vs 2020

Scheduled Seats Capacity Percent Change 2020 vs. 2019



	CY2020 vs. 2019	Share of Traffic in 2019	Share of Traffic in 2020
L	-42%	70%	68%
M	-39%	18%	18%
S	-36%	9%	9%
N	-32%	3%	4%

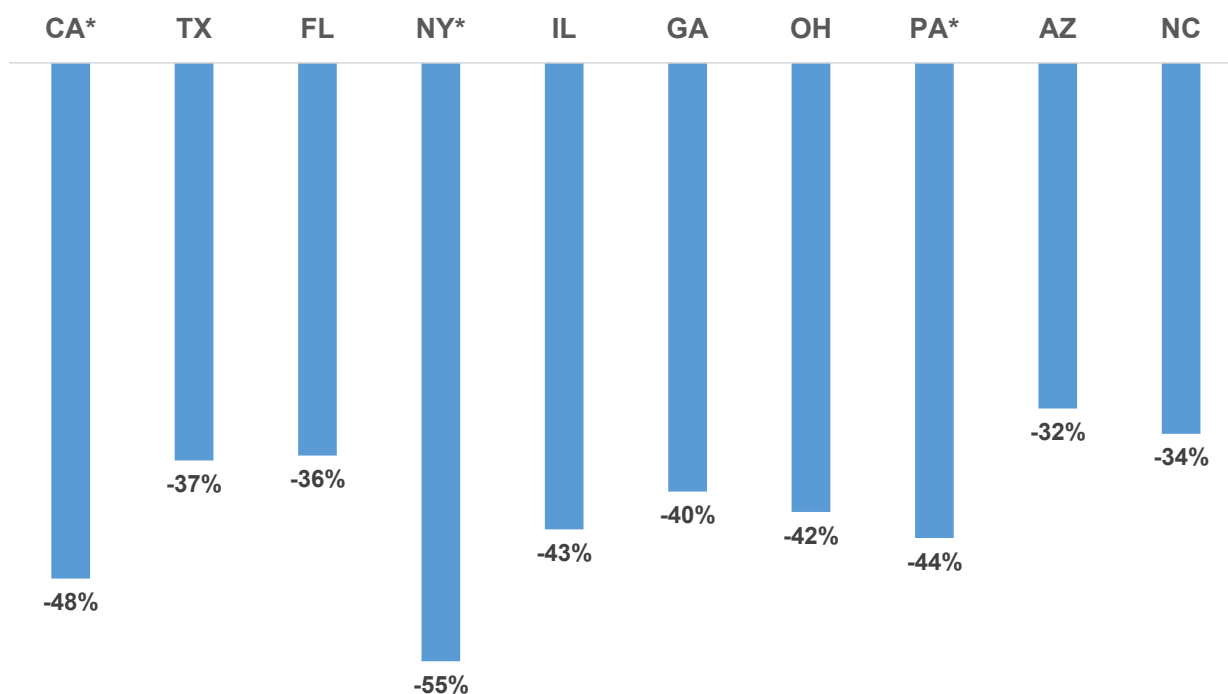
Source: Diio Mi and WorldMeters.com





States Reporting the Most COVID-19 Cases and Most Travel Restrictions Suffered The Biggest Loss in Air Service

Seats Capacity Percent Change (January – December 2020 vs. 2019)



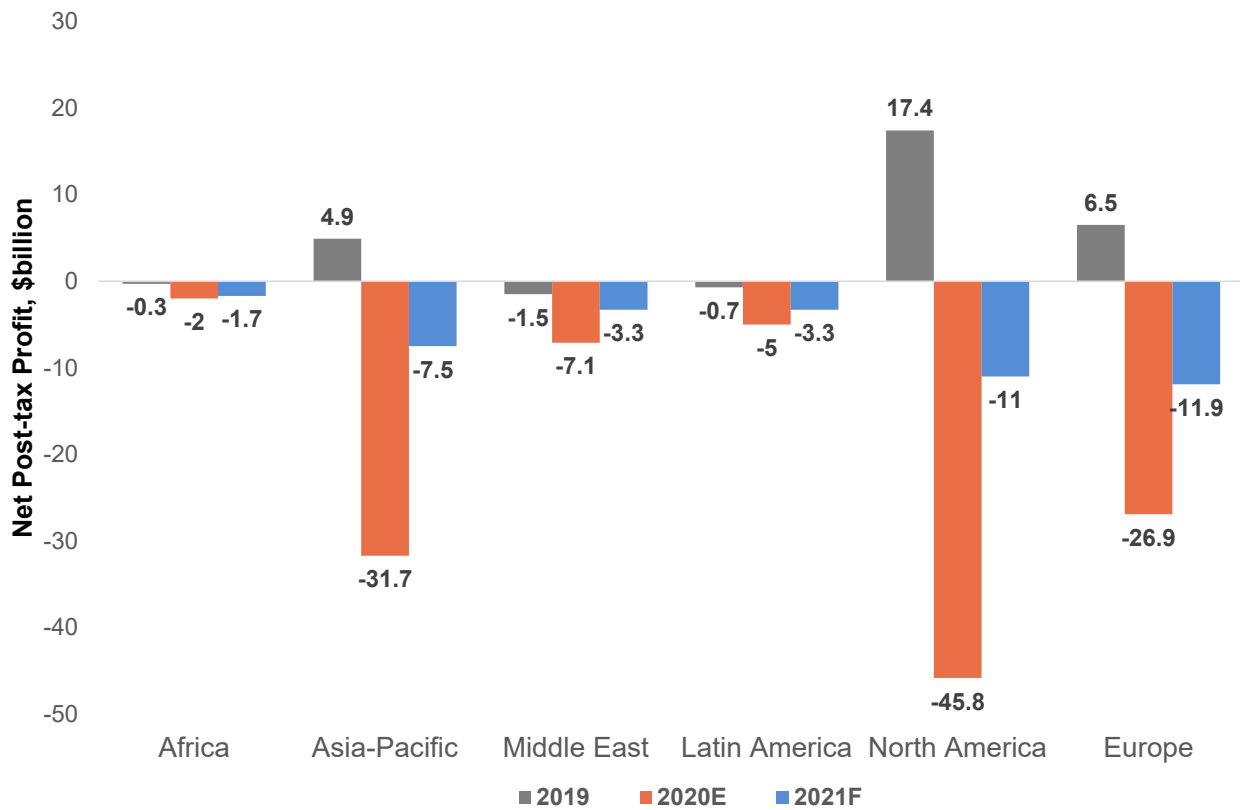
* The most restrictive states as far as type of test and penalty

Source: Diio Mi and WorldMeters.com.





IATA Forecasts Global Airline Industry to Lose \$38.7 Billion in 2021



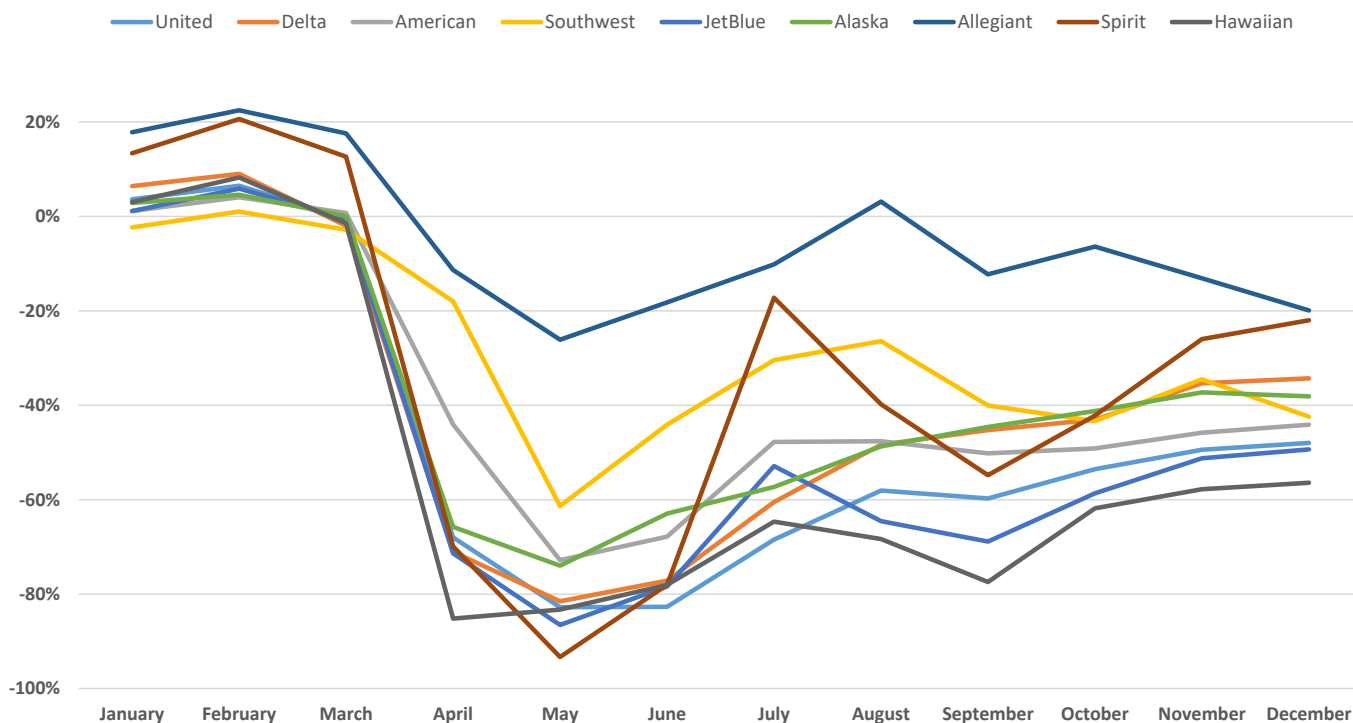
Source: IATA Airline Industry Economic Performance Report, Nov/2020





All North American Carriers Reduced Capacity in Response to COVID-19 with Varying Magnitudes

2020 Schedule Seats Capacity month by month versus 2019 levels



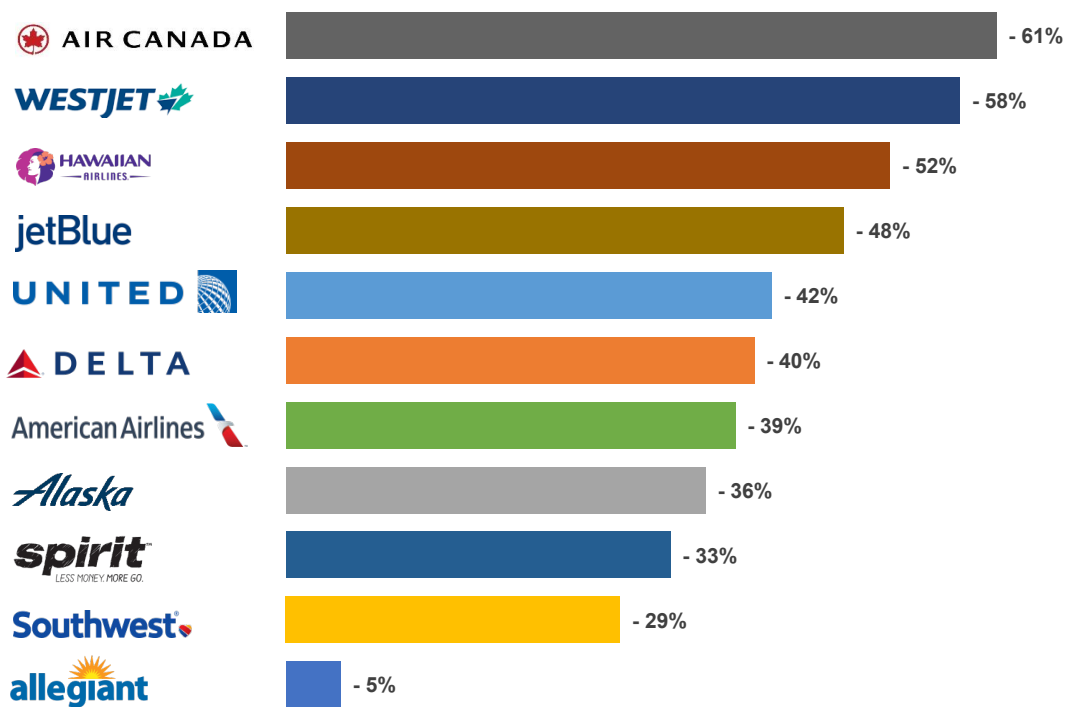
Source: Dijo Mi 2/2/2021





North American Airlines Capacity Change in Scheduled Seats

Full year 2020 Schedule Seats Capacity change versus 2019 levels



Source: Dijo Mi 2/2/21





North American Airline Finances – Net Profit/Loss

Carrier	2019 Q4	2020 Q4	2019	2020
Alaska	\$181 million	- \$430 million	\$769 million	- \$1.3 billion
allegiant	\$61 million	- \$29 million	\$232 million	- \$184 million
American Airlines	\$414 million	- \$2.2 billion	\$1.7 billion	- \$8.9 billion
DELTA	\$1.1 billion	- \$755 million	\$4.8 billion	- \$12.4 billion
HAWAIIAN AIRLINES	\$50 million	- \$163 million	\$224 million	- \$511 million
jetBlue	\$161 million	- \$381 million	\$569 million	- \$1.4 billion
Southwest	\$514 million	- \$908 million	\$2.3 billion	- \$3.1 billion
UNITED	\$641 million	- \$1.9 billion	\$3.0 billion	- \$7.1 billion

Source: Airlines' Quarterly Results Releases





Special thanks to BEA, BTS, Diiio Mi, OAG, DOT, EIA, FAA, IATA, Statistics Canada and Trading Economics for their contributions to this presentation.

For comments or questions, please contact:

**Liyang Gu, Qinya Pang or
Yannis Benzoubair
ACI-NA
(202) 293-8500**

**lgu@airportscouncil.org
qpang@airportscouncil.org
ybenzoubair@airportscouncil.org**





MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: April 9, 2021

ITEM DESCRIPTION – Information Section Item A

February, 2021 Traffic Report – Asheville Regional Airport

SUMMARY

With the COVID-19 pandemic continuing to affect air travel February, 2021 overall passenger traffic numbers were down 56.7% compared to the same period last year. Passenger traffic numbers reflect a 56.4% decrease in passenger enplanements from February, 2021. Enplanements for Fiscal Year to Date total 234,325 which is a 58.6% decrease over the same period last year

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in February 2021 were down by 48.9%. There were 34 flight cancellations for the month.

American Airlines: American's February 2021 passenger enplanements represent a 55.2% decrease over the same period last year. There were 8 flight cancellations for the month.

Delta Airlines: Enplanements for Delta in February 2021 decreased by 62.8%. There were no flight cancellations for the month.

United Airlines: In February 2021, United Airlines saw a decrease in enplanements by 69.3% over the same period last year. There were 10 flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

February 2021



Category	Feb 2021	Feb 2020	Percentage Change	*CYTD-2021	*CYTD-2020	Percentage Change	*MOV12-2021	*MOV12-2020	Percentage Change
Passenger Traffic									
Enplaned	22,977	52,746	-56.4%	45,635	110,763	-58.8%	289,280	830,379	-65.2%
Deplaned	<u>22,640</u>	<u>52,590</u>	-56.9%	<u>43,612</u>	<u>107,233</u>	-59.3%	<u>286,943</u>	<u>829,609</u>	-65.4%
Total	45,617	105,336	-56.7%	89,247	217,996	-59.1%	576,223	1,659,988	-65.3%
Aircraft Operations									
Airlines	844	922	-8.5%	1,684	1,903	-11.5%	9,122	13,710	-33.5%
Commuter/ Air Taxi	<u>459</u>	<u>747</u>	-38.6%	887	1,556	-43.0%	6,846	11,630	-41.1%
Subtotal	<u>1,303</u>	<u>1,669</u>	-21.9%	<u>2,571</u>	<u>3,459</u>	-25.7%	<u>15,968</u>	<u>25,340</u>	-37.0%
General Aviation	2,079	3,316	-37.3%	4,556	6,646	-31.4%	36,931	48,640	-24.1%
Military	<u>117</u>	<u>109</u>	7.3%	<u>351</u>	<u>256</u>	37.1%	<u>2,422</u>	<u>2,981</u>	-18.8%
Subtotal	<u>2,196</u>	<u>3,425</u>	-35.9%	<u>4,907</u>	<u>6,902</u>	-28.9%	<u>39,353</u>	<u>51,621</u>	-23.8%
Total	3,499	5,094	-31.3%	7,478	10,361	-27.8%	55,321	76,961	-28.1%
Fuel Gallons									
100LL	8,136	8,301	-2.0%	16,231	16,940	-4.2%	143,107	173,625	-17.6%
Jet A (GA)	74,902	52,114	43.7%	119,582	111,620	7.1%	1,224,637	1,384,970	-11.6%
Subtotal	<u>83,038</u>	<u>60,415</u>	37.4%	<u>135,813</u>	<u>128,560</u>	5.6%	<u>1,367,744</u>	<u>1,558,595</u>	-12.2%
Jet A (A/L)	<u>448,446</u>	<u>513,505</u>	-12.7%	<u>927,114</u>	<u>1,079,614</u>	-14.1%	<u>3,995,945</u>	<u>7,281,423</u>	-45.1%
Total	531,484	573,920	-7.4%	1,062,927	1,208,174	-12.0%	5,363,689	8,840,018	-39.3%

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

Monday, March 22, 2021

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

February 2021



	Feb 2021	Feb 2020	Percentage Change	*CYTD-2021	*CYTD-2020	Percentage Change
Allegiant Air						
Enplanements	12,302	24,090	-48.9%	23,137	50,109	-53.8%
Seats	26,802	34,653	-22.7%	44,397	70,830	-37.3%
Load Factor	45.9%	69.5%	-34.0%	52.1%	70.7%	-26.3%
American Airlines						
Enplanements	5,850	13,069	-55.2%	12,089	27,699	-56.4%
Seats	12,740	18,137	-29.8%	26,904	38,084	-29.4%
Load Factor	45.9%	72.1%	-36.3%	44.9%	72.7%	-38.2%
Delta Air Lines						
Enplanements	3,579	9,627	-62.8%	7,813	19,919	-60.8%
Seats	8,822	11,881	-25.7%	18,836	24,630	-23.5%
Load Factor	40.6%	81.0%	-49.9%	41.5%	80.9%	-48.7%
Spirit Airlines						
Enplanements	0	1,896	-100.0%	0	4,206	-100.0%
Seats	0	3,306	-100.0%	0	7,279	-100.0%
Load Factor	#Num!	57.4%	#Type!	#Num!	57.8%	#Type!
United Airlines						
Enplanements	1,246	4,064	-69.3%	2,596	8,830	-70.6%
Seats	3,300	5,602	-41.1%	7,150	12,102	-40.9%
Load Factor	37.8%	72.5%	-48.0%	36.3%	73.0%	-50.2%
Totals						
Enplanements	22,977	52,746	-56.4%	45,635	110,763	-58.8%
Seats	51,664	73,579	-29.8%	97,287	152,925	-36.4%
Load Factor	44.5%	71.7%	-38.0%	46.9%	72.4%	-35.2%

Monday, March 22, 2021

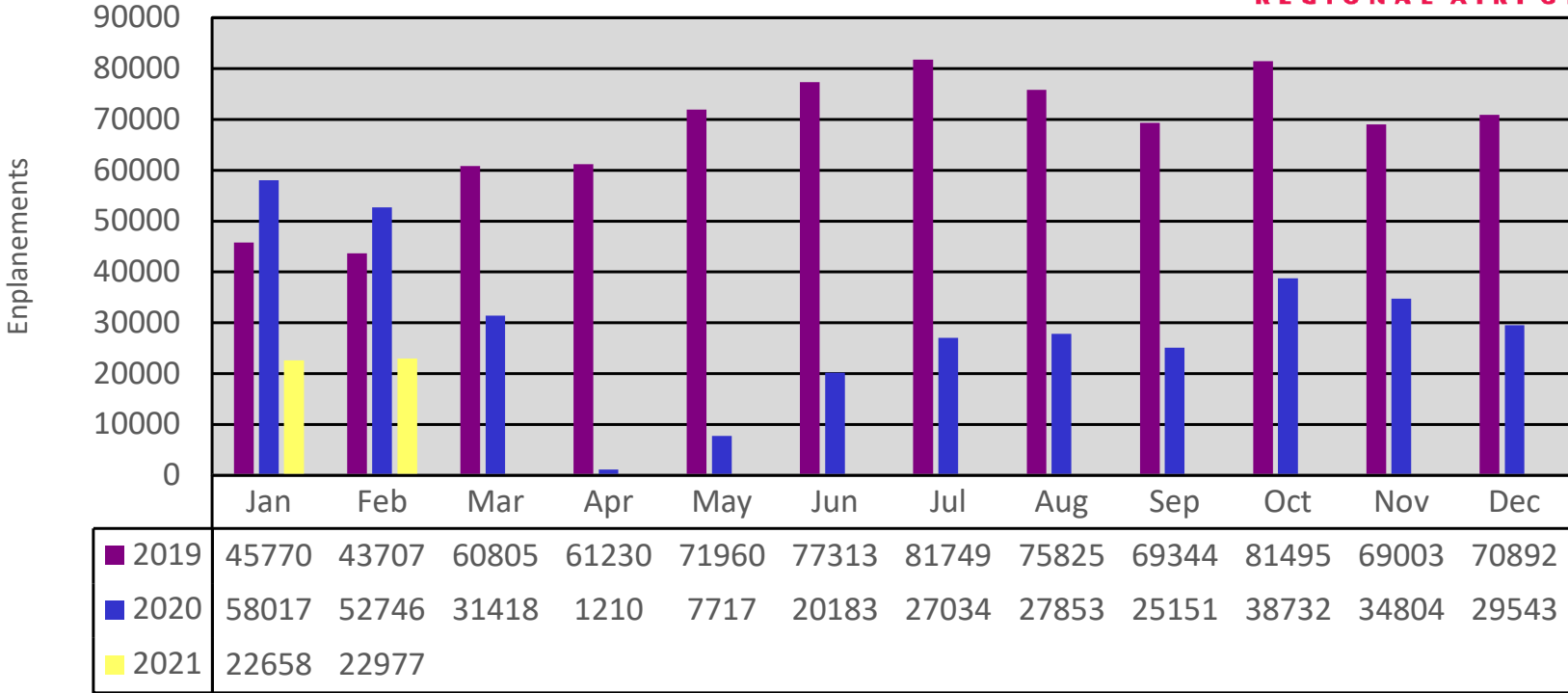
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport February 2021

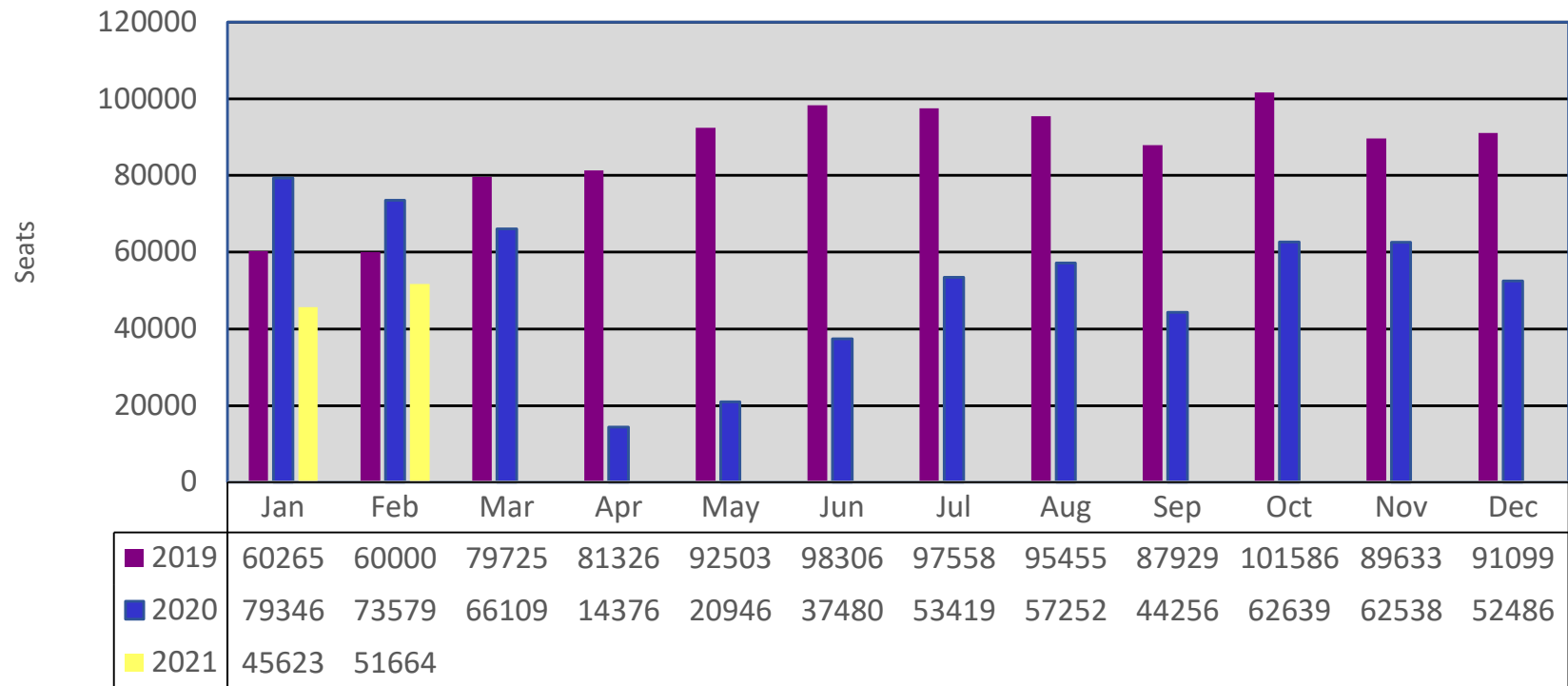


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	184	0	0	0	34	34	81.5%
American Airlines	184	0	0	8	0	8	95.7%
Delta Air Lines	126	0	0	0	0	0	100.0%
United Airlines	76	0	10	0	0	10	86.8%
Total	570	0	10	8	34	52	90.9%

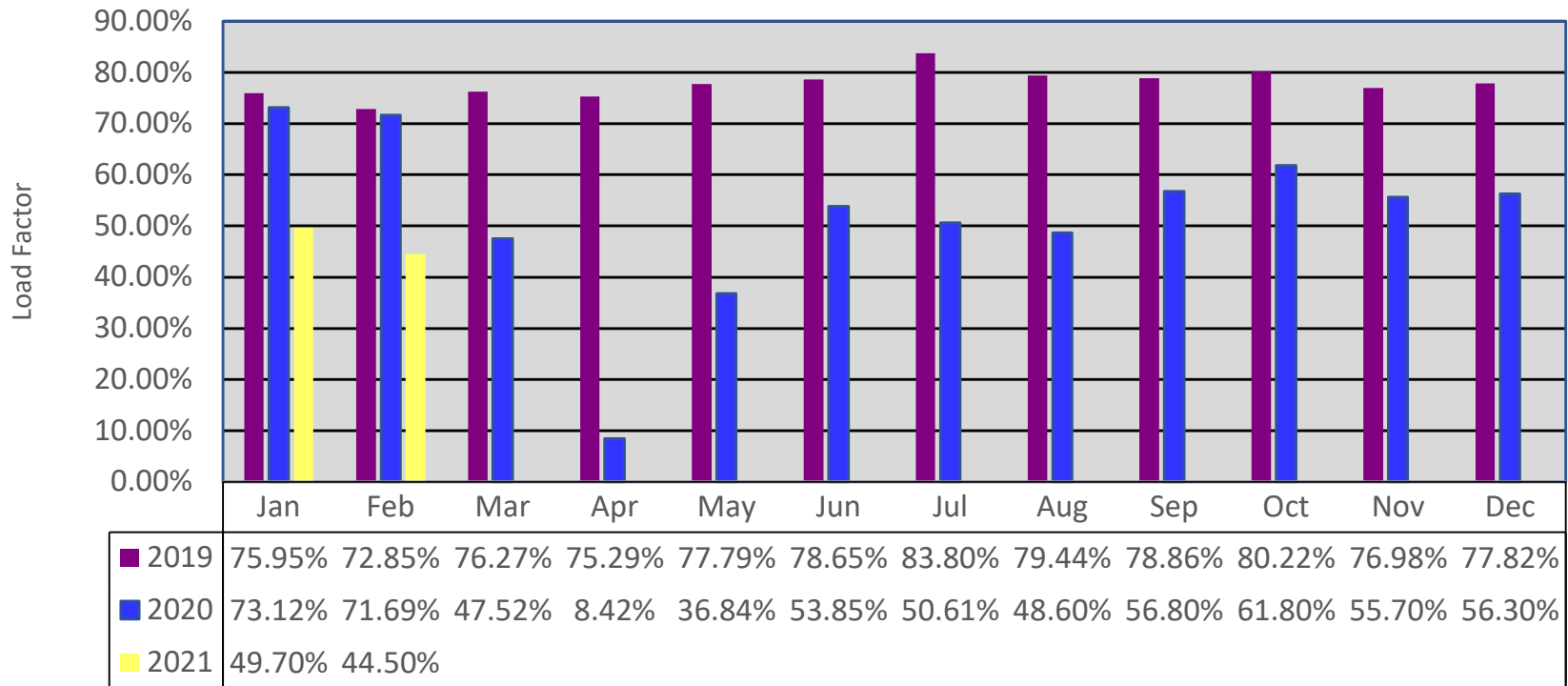
Monthly Enplanements By Year Asheville Regional Airport



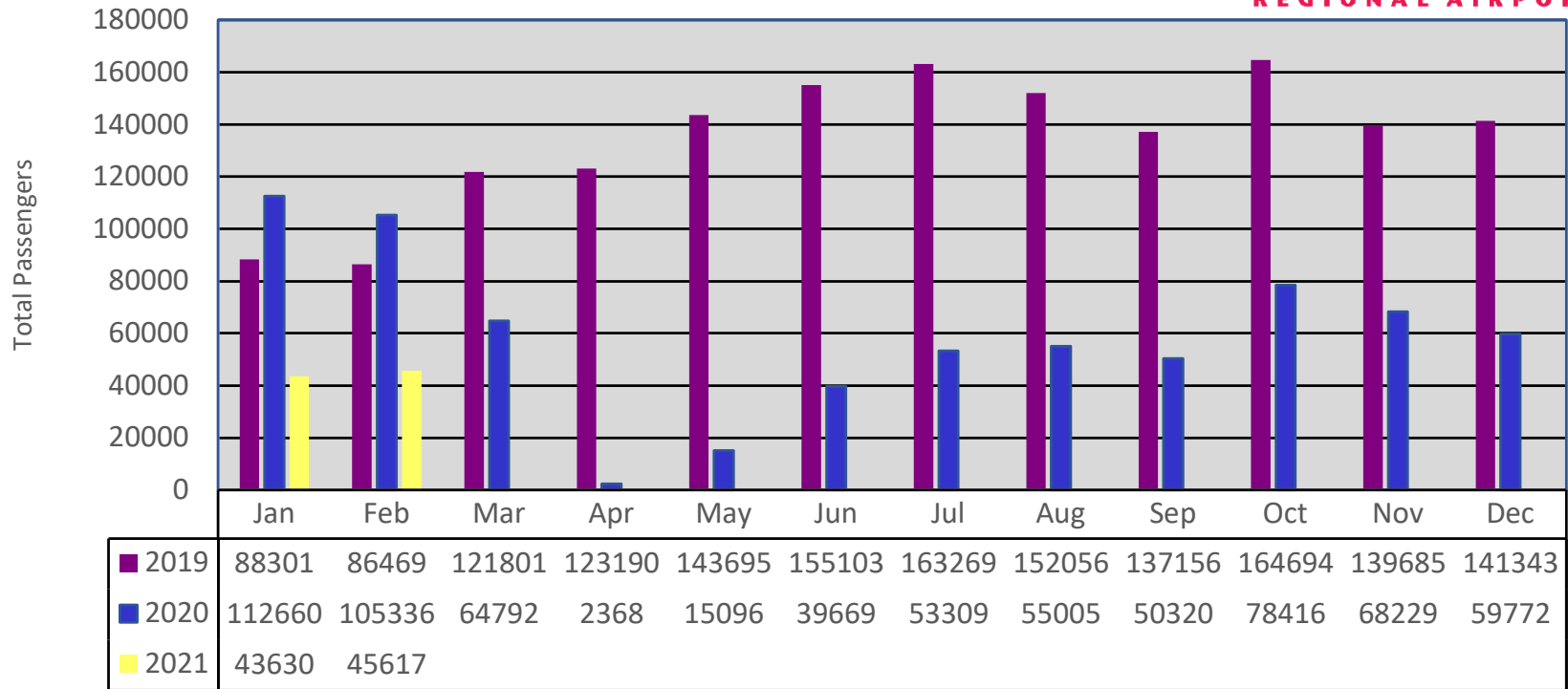
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

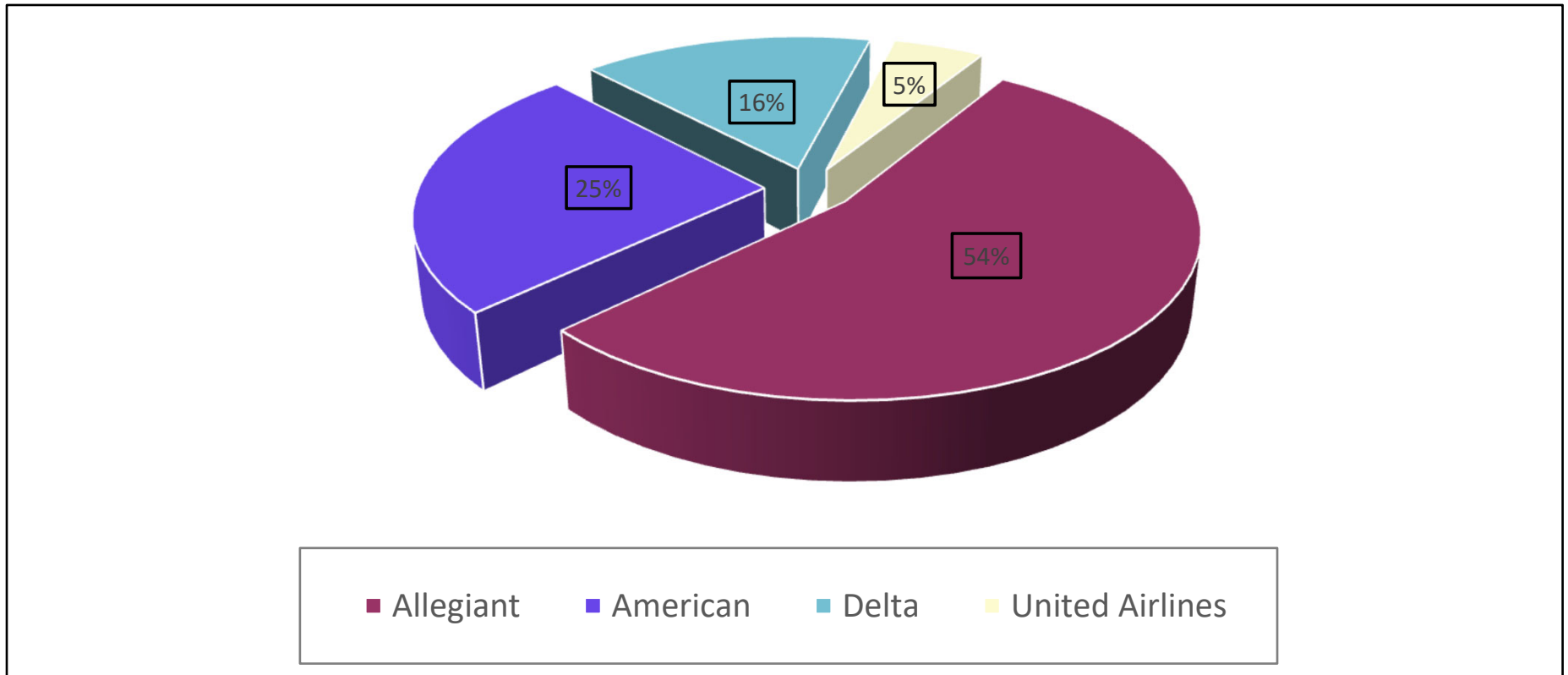


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From Feb 2021 Through Feb 2021



AVL - Three month schedule Summary Report
 April 2021 to June 2021 vs. April 2020 to June 2020
 28-Mar-21

Mkt AI	Travel Period			Apr-21		Apr-20		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
AA	AVL	CLT	40	2,930	42	2,733	(2)	197	(4.8%)	7.2%	
AA	AVL	DFW	14	1,064	7	532	7	532	100.0%	100.0%	
AA	AVL	PHL	7	350	7	455	0	(105)	0.0%	(23.1%)	
AA	CLT	AVL	40	2,930	42	2,733	(2)	197	(4.8%)	7.2%	
AA	DFW	AVL	14	1,064	6	456	8	608	133.3%	133.3%	
AA	PHL	AVL	7	350	7	455	0	(105)	0.0%	(23.1%)	
DL	ATL	AVL	41	2,960	15	1,446	26	1,514	173.3%	104.7%	
DL	AVL	ATL	41	2,960	15	1,446	26	1,514	173.3%	104.7%	
G4	AUS	AVL	2	354	0	0	2	354	-	-	
G4	AVL	AUS	2	354	0	0	2	354	-	-	
G4	AVL	BOS	2	354	0	0	2	354	-	-	
G4	AVL	BWI	2	354	2	312	0	42	0.0%	13.5%	
G4	AVL	DEN	2	354	0	0	2	354	-	-	
G4	AVL	EWR	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)	
G4	AVL	FLL	12	2,124	10	1,770	2	354	20.0%	20.0%	
G4	AVL	HOU	2	354	0	0	2	354	-	-	
G4	AVL	LAS	2	354	0	0	2	354	-	-	
G4	AVL	MDW	2	354	0	0	2	354	-	-	
G4	AVL	PBI	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	PGD	2	354	2	333	0	21	0.0%	6.3%	
G4	AVL	PIE	6	1,116	6	1,062	0	54	0.0%	5.1%	
G4	AVL	SFB	8	1,416	11	1,884	(3)	(468)	(27.3%)	(24.8%)	
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%	
G4	BOS	AVL	2	354	0	0	2	354	-	-	
G4	BWI	AVL	2	354	2	312	0	42	0.0%	13.5%	
G4	DEN	AVL	2	354	0	0	2	354	-	-	
G4	EWR	AVL	2	354	3	531	(1)	(177)	(33.3%)	(33.3%)	
G4	FLL	AVL	12	2,124	10	1,770	2	354	20.0%	20.0%	
G4	HOU	AVL	2	354	0	0	2	354	-	-	
G4	LAS	AVL	2	354	0	0	2	354	-	-	
G4	MDW	AVL	2	354	0	0	2	354	-	-	
G4	PBI	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	PGD	AVL	2	354	2	333	0	21	0.0%	6.3%	
G4	PIE	AVL	6	1,116	6	1,062	0	54	0.0%	5.1%	
G4	SFB	AVL	8	1,416	11	1,884	(3)	(468)	(27.3%)	(24.8%)	
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%	
UA	AVL	IAD	12	600	7	350	5	250	71.4%	71.4%	
UA	AVL	ORD	11	550	0	0	11	550	-	-	
UA	IAD	AVL	12	600	7	350	5	250	71.4%	71.4%	
UA	ORD	AVL	11	550	0	0	11	550	-	-	
Total			346	34,008	231	24,156	115	9,852	49.8%	40.8%	

Mkt AI	Travel Period			May-21		May-20		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	
AA	AVL	CLT	47	3,286	21	1,596	26	1,690	123.8%	105.9%	
AA	AVL	DCA	2	130	0	0	2	130	-	-	
AA	AVL	DFW	16	1,216	7	532	9	684	128.6%	128.6%	
AA	AVL	LGA	1	65	0	0	1	65	-	-	
AA	AVL	ORD	4	260	0	0	4	260	-	-	
AA	AVL	PHL	5	250	0	0	5	250	-	-	
AA	CLT	AVL	47	3,286	21	1,596	26	1,690	123.8%	105.9%	
AA	DCA	AVL	2	130	0	0	2	130	-	-	
AA	DFW	AVL	16	1,216	7	532	9	684	128.6%	128.6%	
AA	LGA	AVL	1	65	0	0	1	65	-	-	
AA	ORD	AVL	4	260	0	0	4	260	-	-	
AA	PHL	AVL	5	250	0	0	5	250	-	-	
DL	ATL	AVL	47	3,260	7	532	40	2,728	571.4%	512.8%	
DL	AVL	ATL	47	3,260	7	532	40	2,728	571.4%	512.8%	
DL	AVL	LGA	7	490	0	0	7	490	-	-	
DL	LGA	AVL	7	490	0	0	7	490	-	-	
G4	AUS	AVL	2	354	0	0	2	354	-	-	
G4	AVL	AUS	2	354	0	0	2	354	-	-	
G4	AVL	BOS	2	354	0	0	2	354	-	-	
G4	AVL	BWI	2	354	2	372	0	(18)	0.0%	(4.8%)	
G4	AVL	DEN	3	531	0	0	3	531	-	-	
G4	AVL	EWR	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	FLL	12	2,169	5	885	7	1,284	140.0%	145.1%	
G4	AVL	HOU	1	177	0	0	1	177	-	-	
G4	AVL	LAS	2	354	0	0	2	354	-	-	
G4	AVL	MDW	2	354	0	0	2	354	-	-	
G4	AVL	PBI	3	531	2	354	1	177	50.0%	50.0%	
G4	AVL	PGD	2	363	2	333	0	30	0.0%	9.0%	
G4	AVL	PIE	7	1,275	4	726	3	549	75.0%	75.6%	
G4	AVL	SFB	12	2,160	4	687	8	1,473	200.0%	214.4%	
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%	
G4	AVL	VPS	2	354	0	0	2	354	-	-	
G4	BOS	AVL	2	354	0	0	2	354	-	-	
G4	BWI	AVL	2	354	2	372	0	(18)	0.0%	(4.8%)	
G4	DEN	AVL	3	531	0	0	3	531	-	-	
G4	EWR	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	FLL	AVL	12	2,169	5	885	7	1,284	140.0%	145.1%	
G4	HOU	AVL	1	177	0	0	1	177	-	-	
G4	LAS	AVL	2	354	0	0	2	354	-	-	
G4	MDW	AVL	2	354	0	0	2	354	-	-	
G4	PBI	AVL	3	531	2	354	1	177	50.0%	50.0%	
G4	PGD	AVL	2	363	2	333	0	30	0.0%	9.0%	
G4	PIE	AVL	7	1,275	4	726	3	549	75.0%	75.6%	
G4	SFB	AVL	12	2,160	4	687	8	1,473	200.0%	214.4%	
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%	
G4	VPS	AVL	2	354	0	0	2	354	-	-	
NK	AVL	GSO	0	0	3	435	(3)	(435)	(100.0%)	(100.0%)	
NK	MCO	AVL	0	0	3	435	(3)	(435)	(100.0%)	(100.0%)	
UA	AVL	EWR	7	350	0	0	7	350	-	-	
UA	AVL	IAD	21	1,050	7	350	14	700	200.0%	200.0%	
UA	AVL	ORD	28	1,540	0	0	28	1,540	-	-	
UA	EWR	AVL	7	350	0	0	7	350	-	-	
UA	IAD	AVL	21	1,050	7	350	14	700	200.0%	200.0%	
UA	ORD	AVL	28	1,540	0	0	28	1,540	-	-	
Total			482	43,870	136	15,020	346	28,850	254.4%	192.1%	

Mkt AI	Travel Period		Jun-21		Jun-20		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	BOS	1	76	0	0	1	76	-	-
AA	AVL	CLT	49	3,570	21	1,596	28	1,974	133.3%	123.7%
AA	AVL	DCA	7	532	0	0	7	532	-	-
AA	AVL	DFW	14	1,064	7	532	7	532	100.0%	100.0%
AA	AVL	LGA	7	455	0	0	7	455	-	-
AA	AVL	ORD	1	76	0	0	1	76	-	-
AA	AVL	PHL	7	455	5	380	2	75	40.0%	19.7%
AA	BOS	AVL	1	76	0	0	1	76	-	-
AA	CLT	AVL	49	3,570	21	1,596	28	1,974	133.3%	123.7%
AA	DCA	AVL	7	532	0	0	7	532	-	-
AA	DFW	AVL	14	1,064	7	532	7	532	100.0%	100.0%
AA	LGA	AVL	7	455	0	0	7	455	-	-
AA	ORD	AVL	1	76	0	0	1	76	-	-
AA	PHL	AVL	7	455	5	380	2	75	40.0%	19.7%
DL	ATL	AVL	56	3,584	7	532	49	3,052	700.0%	573.7%
DL	AVL	ATL	56	3,584	7	532	49	3,052	700.0%	573.7%
DL	AVL	LGA	7	490	0	0	7	490	-	-
DL	LGA	AVL	7	490	0	0	7	490	-	-
G4	AUS	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	AUS	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	BOS	2	354	0	0	2	354	-	-
G4	AVL	BWI	2	354	2	372	0	(18)	0.0%	(4.8%)
G4	AVL	DEN	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	EWR	4	708	3	531	1	177	33.3%	33.3%
G4	AVL	FLL	13	2,355	5	885	8	1,470	160.0%	166.1%
G4	AVL	HOU	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	LAS	2	354	0	0	2	354	-	-
G4	AVL	MDW	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PBI	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PGD	4	726	3	531	1	195	33.3%	36.7%
G4	AVL	PIE	11	1,947	5	903	6	1,044	120.0%	115.6%
G4	AVL	SFB	14	2,514	6	957	8	1,557	133.3%	162.7%
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	VPS	2	354	0	0	2	354	-	-
G4	BOS	AVL	2	354	0	0	2	354	-	-
G4	BWI	AVL	2	354	2	372	0	(18)	0.0%	(4.8%)
G4	DEN	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	EWR	AVL	4	708	3	531	1	177	33.3%	33.3%
G4	FLL	AVL	13	2,355	5	885	8	1,470	160.0%	166.1%
G4	HOU	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	LAS	AVL	2	354	0	0	2	354	-	-
G4	MDW	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	PBI	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	PGD	AVL	4	726	3	531	1	195	33.3%	36.7%
G4	PIE	AVL	11	1,947	5	903	6	1,044	120.0%	115.6%
G4	SFB	AVL	14	2,514	6	957	8	1,557	133.3%	162.7%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	VPS	AVL	2	354	0	0	2	354	-	-
UA	AVL	EWR	7	350	0	0	7	350	-	-
UA	AVL	IAD	21	1,050	7	350	14	700	200.0%	200.0%
UA	AVL	ORD	28	1,540	5	250	23	1,290	460.0%	516.0%
UA	EWR	AVL	7	350	0	0	7	350	-	-
UA	IAD	AVL	21	1,050	7	350	14	700	200.0%	200.0%
UA	ORD	AVL	28	1,540	5	250	23	1,290	460.0%	516.0%
Total			542	50,064	176	19,886	366	30,178	208.0%	151.8%



MEMORANDUM

TO: Members of the Airport Authority
 FROM: Janet Burnette, Director of Finance & Accounting
 DATE: April 9, 2021

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
 Month of February 2021

SUMMARY

Operating Revenues for the month of February were \$699,104, 25.8% under budget. Operating Expenses for the month were \$632,342, 31.2% under budget. As a result, Net Operating Revenues before Depreciation were \$66,762. Net Non-Operating Revenues were \$1,620,180, 432.6% over budget, which includes CARES Act funding of \$1,430,537.

Year-to-date Operating Revenues were \$6,080,850, 19.3% under budget. Year-to-date Operating Expenses were \$5,642,918, 27.3% under budget. Year-to-date Net Operating Revenues before Depreciation were \$437,932. Net Non-Operating Revenues for the year were \$10,384,506, 326.8% over budget

REVENUES

Significant variations to budget for February were:

Terminal rent – Airlines	(\$51,695)	(31.77%)	Enplanements under budget
Concessions	(\$24,147)	(55.97%)	Enplanements under budget
Auto parking	(\$119,316)	(40.69%)	Enplanements under budget
Rental car-car rentals	(\$44,106)	(28.63%)	Enplanements under budget
Ground transportation	(\$8,583)	(46.91%)	Enplanements under budget



EXPENSES

Significant variations to budget for February were:

Professional services	\$10,001	27.64%	Payment for South Apron Pavement Study
Other contractual services	(\$45,602)	(42.53%)	Parking contract reduced
Utilities	(\$20,140)	(44.34%)	Low utility usage
Promotional activities	(\$21,222)	(93.36%)	Limited activities
Operating supplies	(\$27,519)	(76.75%)	Low supply costs
Repairs & maintenance	(\$14,318)	(72.92%)	Minimal repair costs for month

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$337K due to the receipt of reimbursement from CARES Act funding.

Grants Receivable – Grants Receivable increased by \$928K due to the airfield redevelopment, terminal design and south apron construction projects.

Construction in Progress – Construction in Progress increased by \$1.5MM mostly due to the airfield redevelopment, terminal design and south apron construction projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$439K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of February 28, 2021**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 5,595,307	906
NC Capital Management Trust - Cash Portfolio		484,066	4
NC Capital Management Trust - Term Portfolio		0	0
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		941,800	
Bank of America - PFC Revenue Account	0.80%	9,357,854	1,434
NC Capital Management Trust - Term Port - PFC		0	0
 Total		 <u>\$ 16,379,227</u>	 <u>\$ 2,344</u>

Investment Diversification:

Banks	97%
NC Capital Management Trust	3%
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 28, 2021**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 16,042,315	\$ 20,534,653
Net Income/(Loss) Before Capital Contributions	* 1,247,511	(352,680)
Depreciation	439,431	439,431
Decrease/(Increase) in Receivables	(840,983)	(1,084,330)
Increase/(Decrease) in Payables	124,195	(225,332)
Decrease/(Increase) in Prepaid Expenses	-	(528,440)
Decrease/(Increase) in Fixed Assets	(1,561,338)	(5,250,540)
Principal Payments of Bond Maturities	-	-
Capital Contributions	928,096	2,509,553
Fund Balance Adjustment - Forfeiture funds	-	-
Increase(Decrease) in Cash	336,912	(4,492,338)
Cash and Investments End of Period	\$ 16,379,227	\$ 16,042,315

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of February 28, 2021**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$6,079,572	\$5,976,452
Investments	0	0
Accounts Receivable	774,361	926,139
Passenger Facility Charges Receivable	200,000	150,000
Refundable Sales Tax Receivable	126,664	111,999
Grants Receivable	4,047,812	3,119,716
Prepaid Expenses	1,581,142	1,581,142
Total Unrestricted Assets	12,809,551	11,865,448
Restricted Assets:		
Cash and Cash Equivalents	10,299,655	10,065,863
Total Restricted Assets	10,299,655	10,065,863
Total Current Assets	23,109,206	21,931,311
Noncurrent Assets:		
Construction in Progress	125,283,718	123,722,380
Net Pension Asset - LGERS	(1,239,231)	(1,239,231)
Benefit Payment - OPEB	78,015	78,015
Contributions in Current Year	799,995	799,995
Property and Equipment - Net	65,792,429	66,231,860
Total Noncurrent Assets	190,714,926	189,593,019
	\$213,824,132	\$211,524,330
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	(\$43,551)	(\$33,900)
Customer Deposits	12,785	12,785
Unearned Revenue	108,336	7,057
Unearned Revenue - Constr	0	0
Construction Contracts Payable	0	0
Construction Contract Retainages	1,520,209	1,520,209
Revenue Bond Payable - Current	1,315,000	1,315,000
Interest Payable	65,132	32,565
Total Payable from Unrestricted Assets	2,977,911	2,853,716
Total Current Liabilities	2,977,911	2,853,716
Noncurrent Liabilities:		
Pension Deferrals - OPEB	287,535	287,535
Other Postemployment Benefits	1,198,974	1,198,974
Compensated Absences	461,562	461,562
Net Pension Obligation-LEO Special Separation Allowance	439,521	439,521
Revenue Bond Payable - Noncurrent	14,990,000	14,990,000
Total Noncurrent Liabilities	17,377,592	17,377,592
Total Liabilities	20,355,503	20,231,308
Net Assets:		
Invested in Capital Assets	174,771,147	173,649,240
Restricted	10,299,655	10,065,863
Unrestricted	8,397,827	7,577,919
Total Net Assets	193,468,629	191,293,022
	\$213,824,132	\$211,524,330



Income Statement

Through 02/28/21
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	21,889.17	173,516.33	174,042.00	(525.67)	261,063.00	87,546.67
Terminal space rentals - airline	111,026.14	960,987.13	1,301,766.67	(340,779.54)	1,952,650.00	991,662.87
Landing fees	70,108.67	581,271.05	563,772.00	17,499.05	845,658.00	264,386.95
Concessions	18,992.39	250,930.39	345,116.00	(94,185.61)	517,674.00	266,743.61
Auto parking	173,939.73	1,438,233.03	2,346,043.33	(907,810.30)	3,519,065.00	2,080,831.97
Rental car - car rentals	109,934.69	1,259,663.75	1,232,329.33	27,334.42	1,848,494.00	588,830.25
Rental car - facility rent	52,004.87	364,034.09	441,038.67	(77,004.58)	661,558.00	297,523.91
Commerce ground transportation	9,714.26	103,871.14	146,380.67	(42,509.53)	219,571.00	115,699.86
FBOs	87,673.23	631,299.81	696,665.33	(65,365.52)	1,044,998.00	413,698.19
Building leases	9,965.58	79,662.30	79,558.00	104.30	119,337.00	39,674.70
Land leases	5,954.37	78,640.84	48,523.33	30,117.51	72,785.00	(5,855.84)
Other leases and fees	27,901.39	158,740.37	162,533.33	(3,792.96)	243,800.00	85,059.63
<i>Operating revenues Totals</i>	\$699,104.49	\$6,080,850.23	\$7,537,768.67	(\$1,456,918.44)	\$11,306,653.00	\$5,225,802.77
<i>Non-operating revenue and expense</i>						
Customer facility charges	79,657.75	918,144.50	933,333.33	(15,188.83)	1,400,000.00	481,855.50
Passenger facility charges	140,207.30	921,740.74	1,433,333.33	(511,592.59)	2,150,000.00	1,228,259.26
Cares Act grant	1,430,537.06	8,687,018.21	.00	8,687,018.21	.00	(8,687,018.21)
Interest revenue	2,344.20	18,971.73	66,666.67	(47,694.94)	100,000.00	81,028.27
Interest expense	(32,566.49)	(260,531.92)	.00	(260,531.92)	.00	260,531.92
Reimbursable cost expenses	.00	4,645.97	.00	4,645.97	.00	(4,645.97)
Gain or loss on disposal of assets	.00	90,000.00	.00	90,000.00	.00	(90,000.00)
P-card rebate	.00	4,517.13	.00	4,517.13	.00	(4,517.13)
<i>Non-operating revenue and expense Totals</i>	\$1,620,179.82	\$10,384,506.36	\$2,433,333.33	\$7,951,173.03	\$3,650,000.00	(\$6,734,506.36)
Capital contributions	928,096.28	17,079,992.94	.00	17,079,992.94	.00	(17,079,992.94)
<i>Operating expenses</i>						

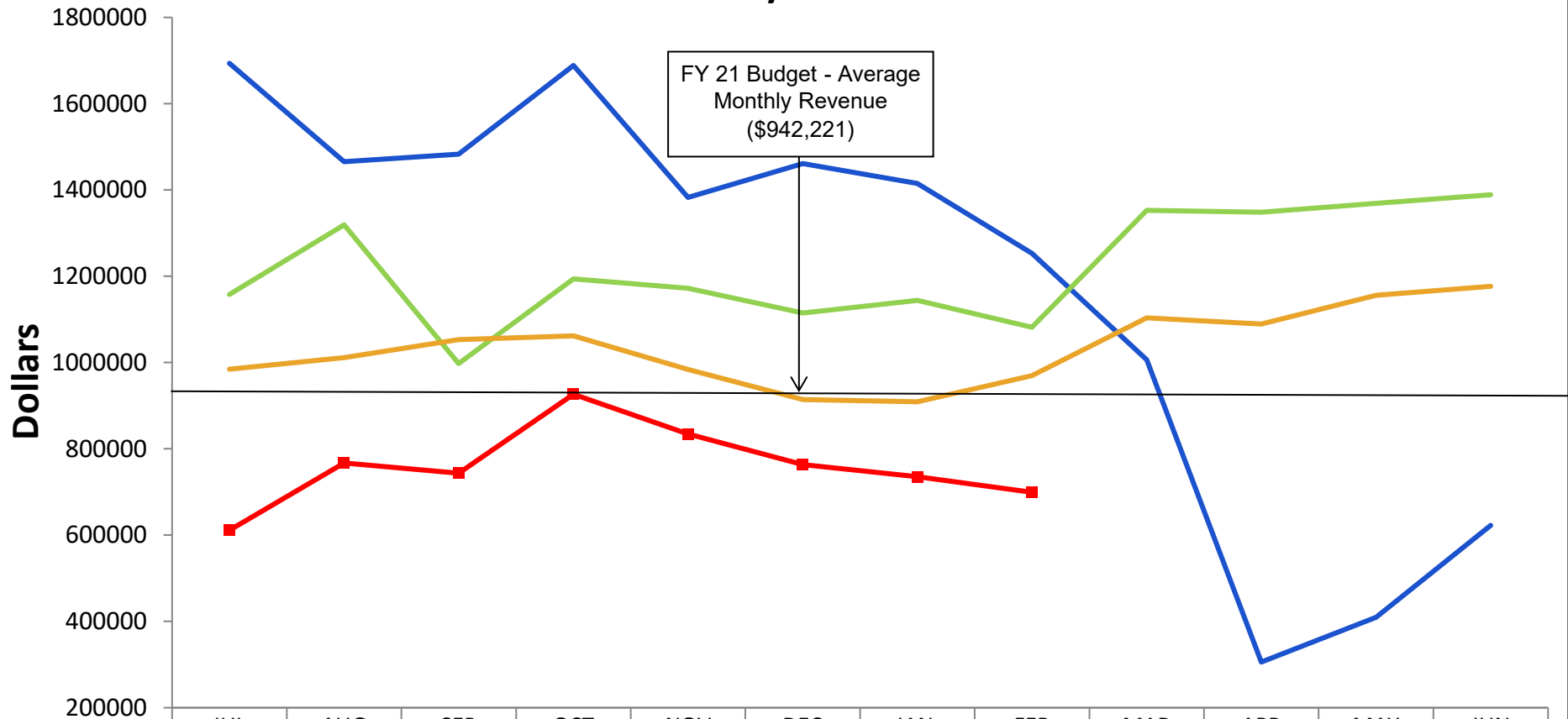


Income Statement

Through 02/28/21
Summary Listing

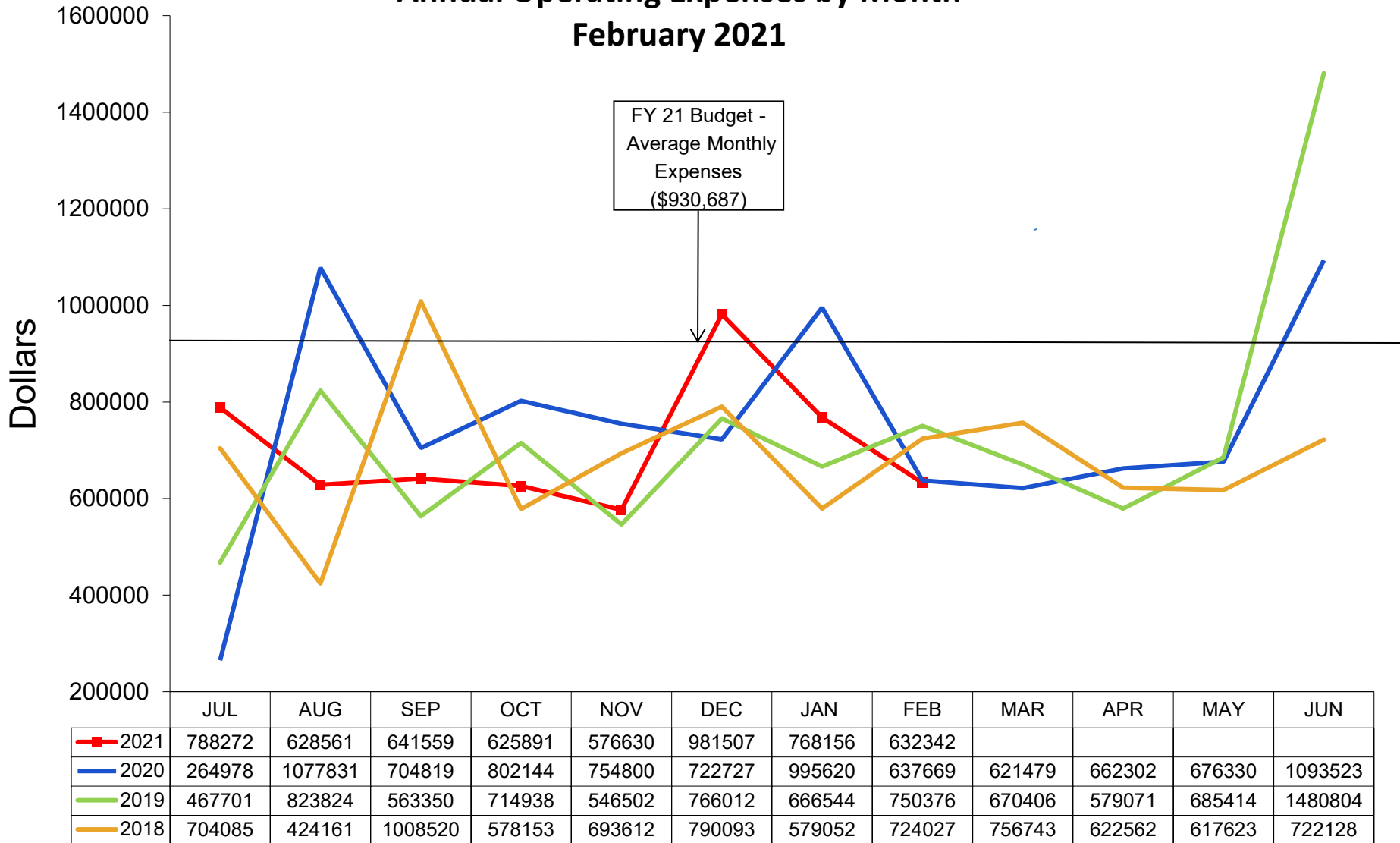
Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Personnel services	466,660.56	3,783,134.32	4,582,328.00	(799,193.68)	6,873,492.00	3,090,357.68
Professional services	46,188.88	242,336.14	289,500.00	(47,163.86)	434,250.00	191,913.86
Other contractual services	61,612.56	474,826.54	857,716.67	(382,890.13)	1,286,575.00	811,748.46
Travel and training	2,273.91	10,111.91	79,680.00	(69,568.09)	119,520.00	109,408.09
Communiations	3,210.14	36,980.69	38,360.00	(1,379.31)	57,540.00	20,559.31
Utility services	25,285.89	214,859.79	363,411.33	(148,551.54)	545,117.00	330,257.21
Rentals and leases	1,396.55	10,368.96	10,173.33	195.63	15,260.00	4,891.04
Insurance	.00	392,677.74	446,169.00	(53,491.26)	466,169.00	73,491.26
Advertising, printing and binding	437.73	1,302.40	8,553.33	(7,250.93)	12,830.00	11,527.60
Promotional activities	1,509.63	38,162.51	181,850.00	(143,687.49)	272,775.00	234,612.49
Other current charges and obligations	4,142.71	27,388.48	45,400.00	(18,011.52)	68,100.00	40,711.52
Operating supplies	8,335.69	116,569.99	286,835.33	(170,265.34)	430,253.00	313,683.01
Publications, subscriptions, memberships, etc.	1,304.22	55,701.32	53,005.33	2,695.99	79,508.00	23,806.68
Repairs and maintenance	5,317.78	78,892.85	157,084.67	(78,191.82)	235,627.00	156,734.15
Small equipment	4,665.49	78,519.74	63,333.33	15,186.41	95,000.00	16,480.26
Contingency	.00	.00	66,666.67	(66,666.67)	100,000.00	100,000.00
Emergency repairs	.00	9,956.79	33,333.33	(23,376.54)	50,000.00	40,043.21
Business development	.00	71,128.00	200,000.00	(128,872.00)	300,000.00	228,872.00
<i>Operating expenses Totals</i>	<i>\$632,341.74</i>	<i>\$5,642,918.17</i>	<i>\$7,763,400.33</i>	<i>(\$2,120,482.16)</i>	<i>\$11,442,016.00</i>	<i>\$5,799,097.83</i>
<i>Depreciation</i>						
Depreciation	439,431.00	3,515,448.00	.00	3,515,448.00	.00	(3,515,448.00)
<i>Depreciation Totals</i>	<i>\$439,431.00</i>	<i>\$3,515,448.00</i>	<i>\$0.00</i>	<i>\$3,515,448.00</i>	<i>\$0.00</i>	<i>(\$3,515,448.00)</i>
Grand Totals						
REVENUE TOTALS	3,247,380.59	33,545,349.53	9,971,102.00	23,574,247.53	14,956,653.00	(18,588,696.53)
EXPENSE TOTALS	1,071,772.74	9,158,366.17	7,763,400.33	1,394,965.84	11,442,016.00	2,283,649.83
Grand Total Net Gain (Loss)	\$2,175,607.85	\$24,386,983.36	\$2,207,701.67	\$22,179,281.69	\$3,514,637.00	\$20,872,346.36

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month February 2021



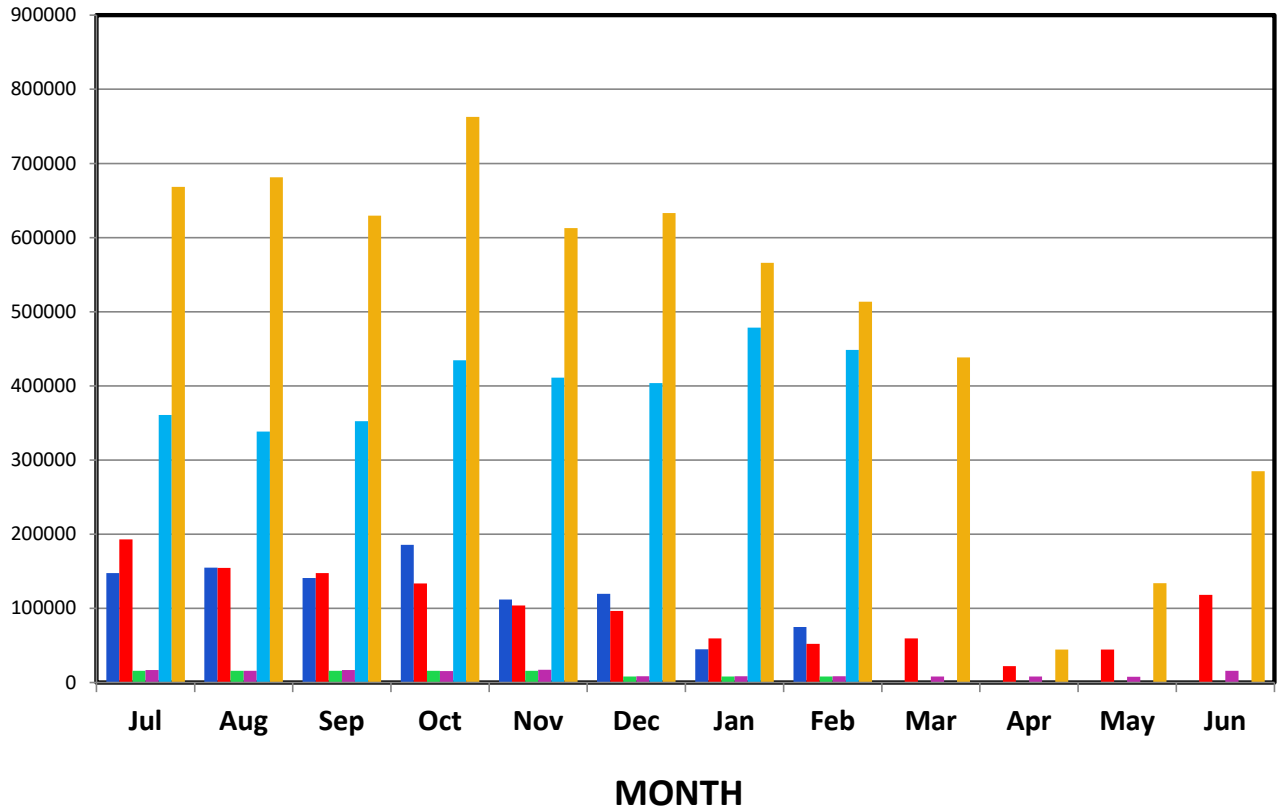
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2021	611290	767485	743365	926512	834587	763375	735131	699104				
2020	1693639	1465826	1482983	1688471	1382894	1461166	1414955	1253245	1006396	305847	409453	622404
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974
2018	984749	1011431	1052878	1062064	984291	914297	909078	969671	1103476	1089449	1155693	1176670

ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month February 2021



**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
February 2021**

**G
A
L
L
O
N
S**

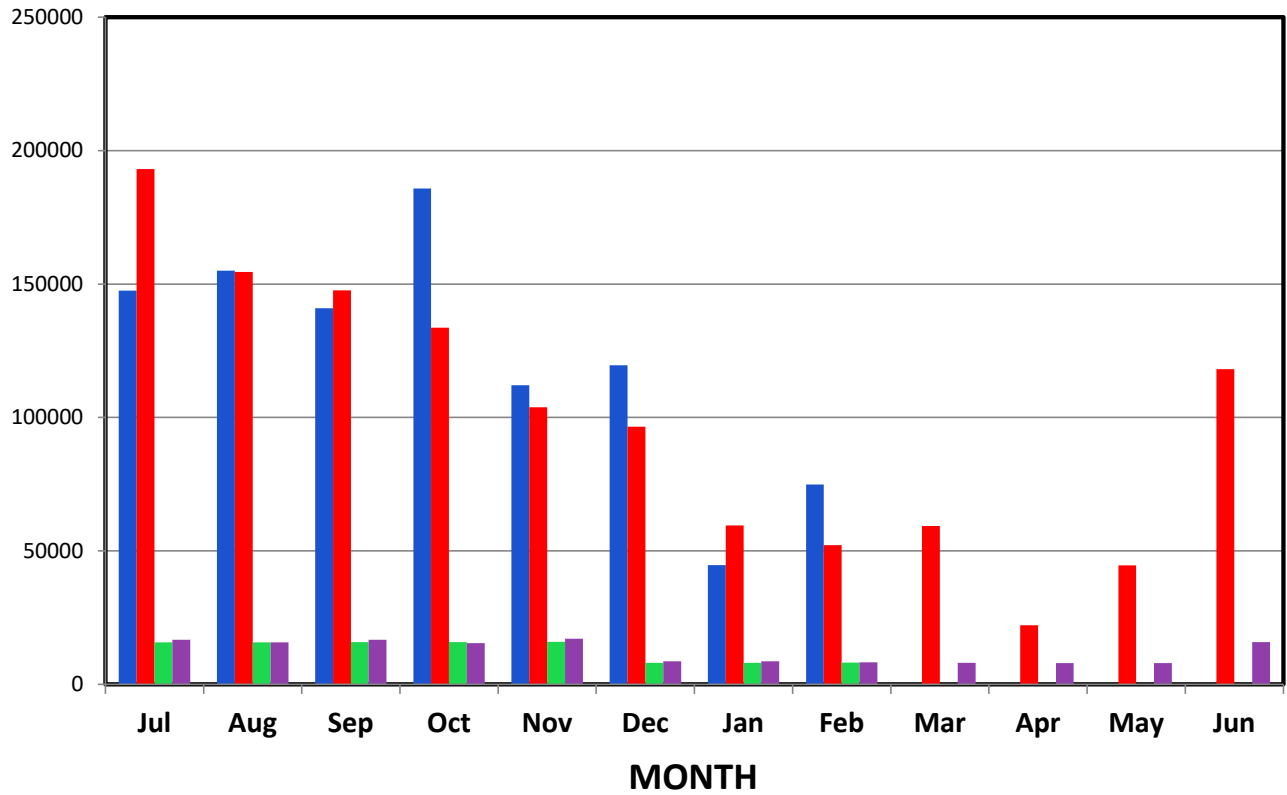


- Jet A - FY21
- Jet A - FY20
- 100LL - FY21
- 100LL - FY20
- Airline - FY21
- Airline - FY20

Jet A - 112,040 Gallons
100LL - 15,909 Gallons
Airline - 411,308 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
February 2021**

**G
A
L
L
O
N
S**



Jet A - 112,040 Gallons
100LL - 15,909 Gallons

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2021)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2021)	Start Date	End Date	Current Project Status (as of 04/01/2021)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$50,900,000.00		\$115,000,000.00	65.5%	\$75,262,833			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	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)	96.0%	\$1,402,243	Aug-19	May-21	Phase IV Project Management continues.
1B	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)	68%	\$1,015,529	Aug-19	May-21	Phase IV Project Management continues.
1C	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)	69.0%	\$68,490	Aug-19	May-21	Phase IV Project Management continues.
1D	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	May-21	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$575,702.00	19.3%	\$1,396,898.00	81.8%	\$1,143,128	Nov-18	Jun-21	Project Management in process.
3	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	30.4%	\$3,836,525	Nov-19	Mar-22	Design Development for Terminal Building beginning with CMR engagement.
4	Terminal Building Renovations	Pre-Construction CMR	Hensel Phelps	\$1,088,270.00	N/A	N/A	\$0.00	0.0%	\$1,088,270.00	13.6%	\$148,547	Dec-20	Mar-22	CMR Pre-Construction phase services.
5	Air Traffic Control Tower	Design new facility	Pond Company	\$4,157,923.00	N/A	N/A	\$0.00	0.0%	\$4,157,923.00	0.0%	\$0	Mar-21	Mar-22	Contract and Notice to Proceed awarded.
Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2021)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2021)	Start Date	End Date	Current Project Status (as of 04/01/2021)
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	\$22,222,792.84	\$0.00	0.0%	\$22,222,792.84	72.8%	\$16,187,972	Apr-20	Jun-21	NAVAIDS and temporary runway conversion efforts continues.
2	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	\$320,821.88	3.53%	\$9,542,250.00	41.8%	\$3,939,242	Sep-19	Jun-21	Earthwork and drainage pipe work continues. Lower retain wall complete with upper wall beginning.

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