



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, October 12, 2012, 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. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

I. CALL TO ORDER.

II. 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.

III. NEW BUSINESS (Part I):

A. Acceptance of Bill of Assignment, Conveyance, Transfer, Authorization, and Grant from the Asheville Regional Airport Authority ([document](#))

IV. FINANCIAL REPORT ([document](#))

V. CONSENT AGENDA:

A. Approval of the Greater Asheville Regional Airport Authority August 17, 2012 Special Meeting Minutes ([document](#))

B. Approval of the Greater Asheville Regional Airport Authority August 31, 2012 Special Meeting Minutes ([document](#))

C. Approval of Amendment to the FY 2012/2013 Budget ([document](#))



- D. Ratification of Amended Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) For FY 2013-2017 ([document](#))
 - E. Approval of Sewer Line Emergency Repair ([document](#))
 - F. Approval of Extended Fiber Optic Perimeter Distribution System ([document](#))
 - G. Adoption of Airport Development Guidelines ([document](#))
- VI. NEW BUSINESS (Part II):
- A. Presentation of Final Draft Annual Audit Report for Fiscal Year 2011/2012 ([document](#))
 - B. Approval of Airline Incentives for Allegiant Air ([document](#))
 - C. Approval of Supplemental Agreement No. 1 to Agreement for Professional Services with Respect to Reynolds, Smith and Hills, Inc. ([document](#))
 - D. Discussion on Extension of Parking Lot Agreement ([document](#))
- VII. PRESENTATIONS:
- A. Master Plan Update – Mike Reisman ([document](#))
 - B. Economic Impact Presentation – Lew Bleiweis ([document](#))
 - C. Perception Data Survey Presentation – Tina Kinsey ([document](#))
- VIII. DIRECTOR'S REPORT:
- A. Southern Conference Sponsorship
 - B. Contingency Spending
 - C. Installation of Body Scanners
 - D. HVAC Project
 - E. ARFF Station Program Approval



- F. Update on Sale of Airport Property
 - G. United Way Update
 - H. 5k/Aviation Day Outcome
 - I. County Zoning Update
- IX. INFORMATION SECTION:
(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)
- A. August 2012 Traffic Report ([document](#))
 - B. August 2012 Monthly Financial Report ([document](#))
 - C. October 2012 Development/Project Status Report ([document](#))
 - D. Potential Board Item for the Next Regular Meeting:
 - Approval of Scope of Services Contract for Airfield Redevelopment Project
- X. AUTHORITY MEMBERS' REPORTS.
- XI. PUBLIC AND TENANTS' COMMENTS.
- XII. CALL FOR NEXT MEETING.
- XIII. ADJOURNMENT.

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

Bill of Assignment, Conveyance, Transfer, Authorization, and Grant
("Instrument")

This Instrument is made and effective on the 12th day of October, 2012, ("Effective Date") and is from and by the Asheville Regional Airport Authority, a joint governmental agency created pursuant to Article 20 of Chapter 160A of the General Statutes of North Carolina ("Assignor") to the Greater Asheville Regional Airport Authority, a body corporate and politic ("GARAA").

GARAA was created by Session Law 2012-121, which was ratified on June 28, 2012 by the General Assembly of North Carolina ("Act"). The Act, among other things, requires the transfer of property known as the Asheville Regional Airport to GARAA. This Instrument is being executed in order to enable Assignor, as well as GARAA, to further comply with the Act and the intent thereof.

Assignor is subject to a bond order entered into by Assignor in favor of Wachovia Bank, National Association (succeeded by Wells Fargo Bank, National Association) during October 2007 ("Bond Order"), which authorized the issuance of a rental car facilities taxable revenue bond, Series 2007 ("Bond"). Funding for the Bond was, and is, provided by Rental Fees, Common Area Maintenance Fees, and Customer Facility Charges (as defined in the Bond Order) generated through use of the rental car facilities as provided in the Bond Order. Such funds are currently held in a bank account identified as "Rental Car Maint Facility Rev. Fund" at Wells Fargo Bank, National Association, which was established

pursuant to the Bond Order ("Account").

To further facilitate compliance with the Act in an orderly and expeditious manner, Assignor hereby, except as otherwise stated herein, assigns, conveys, transfers, and delivers unto GARAA, to have and to hold unto and by GARAA and its legal representatives, successors and assigns, all of Assignor's right, title and interest in and to, and control of, all of Assignor's property, rights and interests, personal and mixed, tangible and intangible, whether contingent or not, and wherever located ("Property"), including but not limited to all Property that is part of the Asheville Regional Airport and/or owned, used or considered to be used by Assignor and/or the Asheville Regional Airport.

Notwithstanding the foregoing, the effective date of the assignment, conveyance, transfer, and/or delivery of Assignor's interests in the Account shall occur, and be effective upon, the dissolution or termination of the legal existence of Assignor or such other date as may be established by any future supplemental Bond Order ("Bond Related Effective Date"). Further, the effective date of the assignment, conveyance, transfer, and/or delivery of any Property which could result in a breach of the Bond Order shall be the Bond Related Effective Date.

In addition, and notwithstanding the foregoing, regarding the Restated and Amended City-Airport Authority Lease Agreement between Assignor and the City of Asheville ("Lease"), while GARAA has the power, authority and right to use the premises demised under the Lease, this Instrument does not, in any manner, serve to terminate the Lease, or to assign, convey, transfer, or deliver Assignor's right, title or interest in or to the Lease.

Assignor hereby requests and authorizes, and hereby grants unto, GARAA and its

legal representatives, successors and assigns, the power, authority and right to do the following: administer, control, develop, equip, improve, operate, maintain, and regulate the Asheville Regional Airport; exercise the powers, authority and rights described, enumerated and/or set forth in the Act, including but not limited to those powers, authority and rights referred to in Sections 1.6.(a) and 1.9. of the Act; and process, review, authorize, and pay, if due and payable, obligations, costs and expenses, such as employee salaries, employee benefits, insurance premiums, utility bills, and fees and expenses of auditors, consultants and attorneys, whether incurred by or for Assignor and whether incurred before, on and/or after the Effective Date.

To facilitate the continuation of the administration, control, development, equipment, improvement, operation, maintenance, and regulation of the Asheville Regional Airport, Assignor hereby agrees, from time to time, to take all actions and to execute and deliver all additional documents, instruments and writings which are, or may be, necessary, beneficial and/or helpful to accomplish compliance with the Act and/or with this Instrument, including but not limited to the execution and delivery of certificates and documents of title and assignments and transfers of agreements and contracts.

Assignor acknowledges, confirms and represents that the interests and goals of Assignor are the same as, identical to, and in harmony with, those of GARAA; and there is no conflict or disagreement by and between Assignor and GARAA.

The execution and delivery of this Instrument have been duly authorized and directed by the governing board of Assignor.

In Witness Whereof, Assignor has executed this Instrument by its duly authorized representative.

Asheville Regional Airport Authority

By: _____
David R. Hillier, Chairman

Acceptance and Joinder

The undersigned hereby accepts, and joins in, the foregoing Instrument in order to accept the benefits of, and be bound by, the provisions, obligations, authorizations, and grants of the Instrument and the Property being assigned, conveyed, transferred, and delivered thereby.

The execution and delivery of this Acceptance and Joinder have been duly authorized and directed by the governing board of GARAA.

In Witness Whereof, GARAA has executed this Acceptance and Joinder by its duly authorized representative, this the 12th day of October, 2012.

Greater Asheville Regional Airport Authority

By: _____
David R. Hillier, Chair

**Asheville Regional Airport
Executive Summary
August-12**

AIRPORT ACTIVITY

| | <u>Month</u> | <u>Variance to Prior Year</u> | <u>Calendar Year to Date</u> | <u>Variance to Prior Year</u> |
|-------------------------------|--------------|-----------------------------------|----------------------------------|-----------------------------------|
| Passenger Enplanements | 30,269 | (19.9%) | 213,427 | (9.9%) |
| Aircraft Operations | | | | |
| Commercial | 1,791 | (14.6%) | 12,320 | (13.5%) |
| Scheduled Flights | 703 | (21.1%) | | |
| Flight Cancellations | 10 | | | |
| Seats | 37,146 | (22.6%) | 278,177 | (16.0%) |
| Load Factor | 81.5% | 3.4% | 76.7% | 7.2% |
| General Aviation | 3,818 | (1.3%) | 26,200 | 5.0% |
| Military | 456 | (10.9%) | 2,990 | 14.1% |

FINANCIAL RESULTS

| | <u>Month</u> | <u>Variance to Budget</u> | <u>Fiscal Year to Date</u> | <u>Variance to Budget</u> |
|---|-------------------|-------------------------------|--------------------------------|-------------------------------|
| Operating Revenues | \$ 757,015 | (0.4%) | \$ 1,502,793 | 0.5% |
| Operating Expenses | 517,977 | (14.4%) | 985,055 | (18.0%) |
| Net Operating Revenues before Depreciation | <u>\$ 239,038</u> | 54.0% | <u>\$ 517,738</u> | 75.7% |
| Net Non-Operating Revenues | <u>\$ 226,456</u> | (1.7%) | <u>\$ 429,102</u> | (7.7%) |
| Grants: | | | | |
| FAA AIP Grants | \$ 204,611 | | \$ 432,709 | |
| NC Dept of Transportation Grants | - | | - | |
| Total | <u>\$ 204,611</u> | | <u>\$ 432,709</u> | |

CASH

| | |
|---------------------------------|----------------------|
| Restricted | \$ 251,745 |
| Designated for O&M Reserve | 3,667,664 |
| Designated for Emergency Repair | 650,000 |
| Unrestricted, Undesignated | 10,206,372 |
| Total | <u>\$ 14,775,781</u> |

RECEIVABLES PAST DUE

| | <u>Total</u> | <u>1-30 Days</u> | <u>31-60 Days</u> | <u>Over 60 Days</u> |
|------------------------|------------------|------------------|-------------------|---------------------|
| American Airlines | 1,166 | | | 1,166 |
| Delta Air Lines | 237 | | | 237 |
| Hertz | 442 | 382 | 60 | |
| Charah | 14,441 | 14,441 | | |
| Miscellaneous | 158 | 158 | | |
| US Airways | 2,572 | 2,572 | | |
| Total | <u>\$ 19,016</u> | <u>\$ 17,553</u> | <u>\$ 60</u> | <u>\$ 1,403</u> |
| % of Total Receivables | <u>3.28%</u> | | | |

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

| | |
|---|--------------|
| Rental Car Facilities Taxable Revenue Bond, Series 2007 | |
| Original Amount | \$ 4,750,000 |
| Current Balance | \$ 2,984,307 |

CAPITAL EXPENDITURES

| | |
|-----------------------|---------------|
| Annual Budget | \$ 10,282,110 |
| Year-to-Date Spending | \$ 469,260 |

**SPECIAL MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
August 17, 2012**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 17, 2012 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: David R. Hillier, Chair; Bob Roberts, Vice-Chair, Jeffrey A. Piccirillo, Martha W. Thompson; and Andrew Tate

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; Royce Holden, IT Director; Vickie Thomas, Director of Finance and Accounting; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Kevan Smith, Public Safety Captain; Amy Burritt, Marketing Supervisor; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Bob Oast, City of Asheville; Glen Wilcox, Sr., Wilcox World Travel & Tours; Mike Darcangelo, AVCON; Jeff Kirby, Michael Baker Corp; Nate Otto, RS&H; Clarke Morrison, Asheville Citizen-Times; and Mayor Terry Bellamy, City of Asheville

CALL TO ORDER: The Chair welcomed everyone in attendance and called the meeting to order at 8:30 a.m. The Chair also welcomed Andrew Tate as a new Board member.

DESIGNATE, APPOINT AND APPROVE A CLERK TO THE BOARD: Mr. Piccirillo read the following resolution:

WHEREAS, the Greater Asheville Regional Airport Authority ("Authority") was created pursuant to Session Law 2012-121 by the General Assembly of North Carolina on June 28, 2012; and

WHEREAS, the Authority operates the Asheville Regional Airport ("Airport"); and

WHEREAS, August 17, 2012 is the first meeting of the Greater Asheville Regional Airport Authority and basic organizational procedures are being undertaken:
and

WHEREAS, North Carolina general statutes require that all legally created authorities and boards have either a secretary position or a Clerk to the Board; and

WHEREAS, it is the desire of the Authority Board to appoint The Clerk to the Board ("Clerk") to insure that required documents can be accepted and signed as required by state law;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Greater Asheville Regional Airport Authority that:

Ellen M. Heywood is hereby designated, appointed, and approved to serve at the Board's pleasure as Clerk to the Board, and subject to such restrictions and limitations as the Board may from time to time impose, is hereby authorized and directed to perform those duties and responsibilities normally associated with the position of clerk to the governing board of a North Carolina body corporate and politic. These duties and responsibilities include, but are not necessarily limited to, (i) the preparation of minutes for the open portions of the Board's meetings and the committees thereof and the minutes for closed sessions, unless directed otherwise by the Board, (ii) maintaining and safeguarding the Board's minute books and the minutes for closed sessions or portions thereof that have been sealed, (iii) keeping on file a then current copy of the Board's schedule of regular meetings, (iv) preparing and posting notices of special meetings, (v) giving notices of emergency meetings, (vi) receiving, and keeping on file, written requests for notices of the Board's special meetings and emergency meetings from newspapers, wire services, radio stations, television stations, and other persons, and (vii) receiving, and keeping on file, budgets and budget ordinances.

Adopted this 17th day of August, 2012.

Greater Asheville Regional Airport Authority

David Hillier, Chair

Mr. Piccirillo moved to approve the resolution designating and appointing Ellen M. Heywood as Clerk to the Board. Ms. Thompson seconded the motion and it carried unanimously.

APPOINT A CHAIR AND VICE-CHAIR: The Chair turned to Mr. Piccirillo for the nomination of officers. Mr. Piccirillo moved to appoint Bob Roberts as Vice-Chair and David Hillier as Chair of the Greater Asheville Regional Airport Authority. The Chair inquired if there were other nominations. There were no other nominations presented.

Ms. Thompson seconded the motion and it carried unanimously. Messrs. Hillier and Roberts were sworn in as officers by the Clerk.

DESIGNATE, APPOINT AND APPROVE LEGAL COUNSEL: Mr. Roberts moved to designate, appoint and approve Patla, Straus, Robinson & Moore, P.A. as Legal Counsel for the Greater Asheville Regional Airport Authority; to establish, and approve and authorize the payment of, an hourly rate in the amount of \$175.00 for professional services rendered by attorneys and an hourly rate not to exceed \$80.00 for services rendered by paralegals; and to authorize the payment and reimbursement for service-related expenses (such as long-distance telephone calls, long-distance facsimile transmissions, courier and express delivery services, on-line legal research, and xerographic copies). Ms. Thompson seconded the motion and it carried unanimously.

PUBLIC COMMENTS: The Chair advised the Board that Robert W. Oast, Jr., attorney for the City of Asheville, and Mayor Terry Bellamy were in attendance and wished to address the Board.

Mr. Oast appeared before the Board and addressed the Board along the lines of his letter to the Board Chair dated August 16, 2012 regarding the appointment of Mayor Bellamy to the Authority Board, copy of which has been placed in the Authority's minutes book.

The Chair thanked Mr. Oast for his statements and commented that since this was a complex legal matter, the Board would need Mr. Buchanan's opinion.

Mr. Buchanan advised the Board that there had been an exchange of correspondence between him and Mr. Oast relating to the appointment of Mayor Bellamy to the Authority and summarized the information contained in the correspondence. Mr. Buchanan further advised the Board that his legal opinion is that Mayor Bellamy is not eligible to serve as a member of the Greater Asheville Regional Airport Authority Board according to Session Law 2012-121.

The Chair remarked that it appeared as if the Board had no choice but to follow the advice of the Authority's legal counsel on this matter. No Authority member expressed an opinion to the contrary and thus no action was taken.

DESIGNATE, APPOINT, AND APPROVE A BUDGET OFFICER: Vickie Thomas reported that NC General Statute 159-9 requires that a public authority appoint a budget officer. Mrs. Thomas requested the Authority Board designate the Executive Director as the Budget Officer. Mr. Roberts moved to approve the appointment of the

Executive Director as the Budget Officer of the Greater Asheville Regional Airport Authority. Mr. Piccirillo seconded the motion and it carried unanimously.

DESIGNATE, APPOINT, AND APPROVE A FINANCE OFFICER: The Director advised the Board that NC General Statute 159-24 requires that a public authority appoint a finance officer. The Director requested the Authority Board designate the Director of Finance and Accounting as the Finance Officer. Ms. Thompson moved to approve the appointment of the Director of Finance and Accounting as the Finance Officer for the Greater Asheville Regional Airport Authority. Mr. Roberts seconded the motion and it carried unanimously.

DESIGNATE, APPOINT, AND APPROVE A DEPUTY FINANCE OFFICER: Vickie Thomas informed the Board that NC General Statutes require that all checks, purchase orders and contracts be signed by the Finance Officer or a Deputy Finance Officer. To insure that required documents can be signed in the event the Finance Officer is unavailable, staff recommends that the Board appoint the Executive Director as a Deputy Finance Officer. Mr. Roberts moved to approve the appointment of the Executive Director as the Deputy Finance Officer for the Greater Asheville Regional Airport Authority. Mr. Piccirillo seconded the motion and it carried unanimously.

CONSIDER AND ADOPT AN INTERIM BUDGET: Vickie Thomas reported that since it was late in the legislative session when the General Assembly passed Session Law 2012-121 which created the Greater Asheville Regional Airport Authority, there was not enough time for the adoption of a regular budget prior to the beginning of the Authority's fiscal year on July 1, 2012. Following instructions from the Local Government Commission, staff requested the Board approve an Interim Budget while the proposed Regular Fiscal Year 2012-2013 Budget was held available for the required ten-day public inspection period. Mrs. Thomas requested the Authority Board approve the following Interim Budget Ordinance:

[INTENTIONALLY LEFT BLANK]

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AUGUST 17, 2012 - AUGUST 31, 2012
INTERIM BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-16 of the General Statutes of North Carolina:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the period beginning August 17, 2012 and ending August 31, 2012 in accordance with the following schedule:

EXPENDITURES

| | |
|-----------------------------------|-------------------------|
| Administration Department | \$ 23,000 |
| Development Department | 12,000 |
| Executive Department | 21,000 |
| Finance Department | 19,000 |
| Guest Services Department | 7,000 |
| Information Technology Department | 27,000 |
| Marketing Department | 32,000 |
| Operations Department | 122,000 |
| Public Safety Department | 57,000 |
| Reimbursable Costs | <u>15,000</u> |
| Total Expenditures | <u><u>\$335,000</u></u> |

Section 2. 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.

Adopted this 17th day of August, 2012.

David R. Hillier, Chair

Attested by:

Ellen Heywood
The Clerk to the Board

Ms. Thompson moved to approve the Interim Budget Ordinance for the Greater Asheville Regional Airport Authority as presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

APPROVAL OF PRELIMINARY FISCAL YEAR 2012/2013 BUDGET: Vickie Thomas advised the Board that at the recommendation of the Local Government Commission, the Greater Asheville Regional Airport Authority needs to adopt a budget for Fiscal Year 2012/2013, which can be the same budget that was approved by the Asheville Regional Airport Authority (ARAA) in April. Due to the fact that there were no expected changes to the revenues or expenses originally budgeted, staff recommended that the Board adopt the budget as presented which was the same budget originally adopted by the ARAA Board. Mrs. Thomas also advised the Board that the proposed preliminary budget would need to remain available for public inspection and comments for 10 days before the Board could adopt the final budget.

The Chair affirmed that a public hearing would need to be scheduled for August 31, 2012 before the final budget could be approved. Mrs. Thomas responded that this was correct.

Mr. Piccirillo moved to approve the Proposed Preliminary Fiscal Year 2012/2013 Budget for the Greater Asheville Regional Airport Authority as presented by staff, to allow the budget to remain available for public inspection for 10 days, and to hold a Public Hearing on Friday, August 31, 2012 at 8:30 a.m. in the Conference Room of the Administrative Offices. Ms. Thompson seconded the motion and it carried unanimously.

ESTABLISH, ADOPT AND APPROVE A SCHEDULE OF REGULAR MEETINGS OF THE AUTHORITY: A proposed schedule of 2012 and 2013 meetings of the Greater Asheville Regional Airport Authority was available at the Board Members' seats for review.

A brief discussion took place regarding the proposed schedule of regular meetings in 2013 specifically the need to reassess the date for the Budget Workshop/Retreat meeting due to the observance of Good Friday.

Ms. Thompson moved to approve the tentative schedule of 2012 and 2013 regular meetings of the Greater Asheville Regional Airport Authority subject to events that may require the Board to hold more or fewer meetings. Mr. Roberts seconded the motion and it carried unanimously.

STRATEGIC PLAN FOR THE ASHEVILLE REGIONAL AIRPORT: The Director presented a draft of the airport's 2012 Strategic Business Plan and stated that this was a working document put together by staff with the expectation of high level input from the Board to guide the airport moving forward. Current issues faced by the airport were reviewed and included the new independent authority matters, runway replacement, I-26/Airport Road interchange, as well as various airline and general aviation issues. An overview of the external and internal challenges affecting the

airport was presented and included the economy, terrorism, federal mandates, revenue and expenses, staffing, training and development, as well as increasing customer and business focus. The goals, including the objectives and strategies necessary to achieve the goals, were identified as transitioning to the new authority, maintaining strong air service, utilizing strategic marketing to support loyalty, the airfield redevelopment project, and maintaining strong financial stability.

The Chair inquired if the construction of the I26/Airport Road interchange would cause delays for passengers. The Director responded that there was not any information available on this issue at the current time, but staff would work to make passengers aware to expect delays. The Director further stated that he had planned to update the Board on this subject further in the meeting, but with the Board's permission, would address this item. The Director stated that in prior conversations with the Department of Transportation (DOT), staff understood that the DOT intended on keeping a left turn onto Aviation Way. At the end of June the DOT held an open house for the public regarding the I26/Airport Road project. At the open house, staff saw drawings that did not include a left turn onto Aviation Way. Since that time, staff has met with the DOT, shared concerns, and has suggested alternatives that are being reviewed by the DOT.

The Director concluded the presentation by reiterating that the Strategic Business Plan would further evolve with feedback from the Board.

The Chair thanked the Director for his presentation.

TENANT RECOGNITION PROGRAM: Tina Kinsey gave a brief overview of the new program entitled "First Class You Make the Difference". This program is geared toward all tenant employees and will be implemented on August 21st. The program was designed as a marketing tool to promote customer service for the purpose of creating loyal passengers. Tenant employees identified as providing excellent customer service through passenger comment cards or peer recommendations will be recognized by Authority senior staff and will also receive reward cards redeemable for small prizes as well as a monthly and annual drawing. The employees will also be recognized in an airport-wide newsletter that will serve to educate tenant employees about customer service. The Marketing Department will seek tenant feedback and continue to use surveys as a measure to determine the effect on customers.

DEVELOPMENT GUIDELINES: Mike Reisman presented a draft of the airport's Development Guidelines and informed the Board that the document is the first comprehensive set of development guidelines in one document for development at the airport. The guidelines ensure that all new development on the airport meets the minimum requirements of the Authority in a variety of ways and also provides the ability to enforce any future proposals for development that may not meet the minimum specifications. The guidelines do not supersede any building codes, fire safety codes or any other requirements that legitimately need to remain with the permitting jurisdiction. Mr. Reisman summarized the major components of the document which include coverage of authorized and non-authorized uses, incorporation of the airport's minimum standards, establishment of development zones for different types of activities, site plan

requirements, interior and exterior finish requirements, as well as forms and exhibits to assist the developer in complying with the guidelines. Mr. Reisman further stated that for the time being this is a living document that will be tweaked during the first year or so. Mr. Reisman requested the Board review the document and forward any concerns or comments to the Director. This will insure that staff has the opportunity to address the items before bringing the guidelines back to the Board for adoption as a policy at the next regular meeting of the Board.

FIREHOUSE UPDATE: Mike Reisman displayed some renderings of the public safety facility. The main issue that staff is currently working on is the review of space eligibility which is pending by the FAA. Since the current facility is a four apparatus bay building and it is too small for the airport, staff will be submitting justifications for a five bay building to the FAA and asking for eligibility of federal funding for the fifth bay. If the fifth bay is not eligible for federal funding, staff will bid the project with the fifth bay as an alternate item and make the decision later on as to whether the Authority wants to add on and fund the fifth bay during initial construction. Mr. Reisman further advised the Board that staff expects to have the plans completed mid to late December and will put the project out to bid in January with plans to award in the March/April time frame. Construction will begin in May and completion is expected to take approximately 14 months. This timeframe will keep the project on schedule to insure funding for this project is not jeopardized because of the airfield project coming up right behind it.

The Chair inquired if the decision to add the fifth bay would need to be made later this year if funding of the fifth bay is not approved by the FAA. Mr. Reisman responded that yes, the decision should be made before bidding the project. The Director stated that this project may go out to bid anyway with the fifth bay as an add alternate. Once the bid documents are received with the pricing, staff will be able to provide the information the Board would need to make a decision on whether to add the fifth bay.

FIRING RANGE UPDATE: The Director advised the Board that the City vacated the firing range in June and the area underwent the cleaning process. A conditional closure certificate was issued by the Department of Environment and Natural Resources and staff expects the full closure certificate to be issued once the remaining dirt is clean and removed from the airport. The west side fill project continues to move forward and was not inconvenienced much.

DELTA MAINLINE AIRCRAFT: Since Delta Airlines is eliminating some of their 50 seat jets from the market, Asheville will see the first mainline Delta aircraft beginning in September. This flight will have approximately 120 seats with two classes of service and Delta plans to run this aircraft until November. The flight will be a late night arrival, stay overnight, and then depart around 7:30 a.m. Staff is hopeful that the flight will stay permanently as this is typically a busy flight.

RUNWAY 5K/Aviation Day: Tina Kinsey requested the Board mark their calendars for the Runway 5k/Aviation Day event to be held on October 6th. The entire runway will be open for the 5k which will begin at 9:30 a.m. The airport has partners for the event

including Blue Ridge Community College and A.B. Tech. The aviation day portion of the event will be held from 10:00 a.m. to 2:00 p.m. with a focus on aviation education. Aircraft will be on display, there will be live music, and food will be available.

CLOSED SESSION: None

ADJOURNMENT: The meeting adjourned at 9:57 a.m.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

David R. Hillier
Chairman

**SPECIAL MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
August 31, 2012**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 31, 2012 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: David R. Hillier, Chair; Bob Roberts, Vice-Chair; Jeffrey A. Piccirillo, Martha W. Thompson, and Andrew Tate

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Vickie Thomas, Director of Finance and Accounting; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; and Ellen Heywood, Clerk to the Board

CALL TO ORDER: The Chair welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

PUBLIC HEARING AND FINAL ADOPTION OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY'S FISCAL YEAR 2012/2013 BUDGET: The Chair advised the Board that a public hearing would be held for the Fiscal Year 2012/2013 Budget as required by Chapter 159 of the North Carolina General Statutes. The Chair noted that the Board had received the proposed Fiscal Year 2012/2013 Budget two weeks prior and inquired if staff had received any comments on the proposed Fiscal Year 2012/2013 Budget. The Director responded that no comments either in writing or verbally had been received to date.

The Chair opened the floor to public comments at 8:30 a.m.

There being no public comments, the Chair closed the floor at 8:30 a.m.

The Chair asked for a motion to adopt the Fiscal Year 2012/2013 Budget Ordinance as presented by staff:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2012-2013
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 2012-2013 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, 2012 and ending June 30, 2013 in accordance with the following schedules:

EXPENDITURES

| | |
|---|----------------------------|
| Administration Department | \$ 540,724 |
| Development Department | 268,081 |
| Executive Department | 499,905 |
| Finance Department | 371,383 |
| Guest Services Department | 136,005 |
| Information Technology Department | 625,966 |
| Marketing Department | 533,212 |
| Operations Department | 2,914,924 |
| Public Safety Department | 1,345,128 |
| Emergency Repair Costs | 100,000 |
| Reimbursable Costs | 350,000 |
| Carry-over Capital Expenditures from Prior Year | 1,486,325 |
| Capital Improvement | 7,572,091 |
| Equipment and Small Capital Outlay | 200,000 |
| Renewal and Replacement | 1,023,694 |
| Business Development | 300,000 |
| Debt Service | 626,823 |
| Contingency | 100,000 |
| Total Expenditures | <u><u>\$18,994,261</u></u> |

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2012 and ending June 30, 2013.

REVENUES

| | |
|--|----------------------------|
| Administration (Interest Income) | \$ 15,000 |
| Terminal | 3,650,106 |
| Airfield | 1,015,022 |
| General Aviation | 961,840 |
| Parking Lot | 2,447,800 |
| Other | 190,733 |
| Reimbursable Costs | 350,000 |
| Passenger Facility Charges | 1,350,000 |
| Customer Facility Charges | 900,000 |
| Federal Grants – AIP Entitlements | 4,046,371 |
| Federal Grants – AIP Discretionary Funds | 2,776,355 |
| NC Department of Transportation Grants | 750,000 |
| Transfer from GARAA Cash/Investments | 541,034 |
| Total Revenues | <u><u>\$18,994,261</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 Asheville Regional Airport Authority as described in G.S. 159-13.

Adopted this 31st day of August, 2012.

David R. Hillier, Chair

Attested by:

Ellen Heywood
Clerk to the Board

Ms. Thompson moved to adopt the Fiscal Year 2012/2013 Budget for the Greater Asheville Regional Airport Authority as presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Roberts moved to adjourn the meeting at 8:31 a.m. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

David R. Hillier
Chairman



MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: October 12, 2012

ITEM DESCRIPTION – Consent Agenda Item C

Approval of Amendment to the FY12/13 Budget

BACKGROUND

Given that our FY12/13 budget was prepared using estimates available in February, 2012, we need to amend our FY12/13 budget to update some of those estimates.

The FY12/13 budget included an estimated amount of capital carry-over for the Master Plan Update and Passenger Boarding Bridge projects. Because we spent more than estimated on these projects in FY11/12, this budget amendment decreases the amount of capital carry-over expenditures and related revenues for these projects. Included in the \$249,237 reduction of capital carry-over in this budget amendment is \$222,027 for the Passenger Boarding Bridge project and \$27,210 for the Master Plan Update project. Budgeted AIP Entitlements will be decreased by \$225,674 and budgeted Transfer from Authority Cash and Investments will be decreased by \$23,563.

In addition, we budgeted annual salary adjustments in the Administration Department. At the beginning of the fiscal year, we determined the actual amounts of these salary adjustments by employee and we need to amend the FY12/13 budget to account for these adjustments in the appropriate departments.

We recommend that the Airport Authority Board amend the FY12/13 budget as outlined below.

ISSUES

None.

Consent Agenda – Item C



ALTERNATIVES

None.

FISCAL IMPACT

The budget amendment will decrease both FY12/13 budgeted revenues and expenditures by \$249,237 to provide for the changes outlined above. The net decrease in Transfers from GARAA Cash is \$23,563.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY12/13 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, 2013:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

| | <u>Decrease</u> | <u>Increase</u> |
|--------------------------------------|------------------|-----------------|
| Administrative Department | \$39,118 | |
| Development Department | | \$5,960 |
| Executive Department | \$15,564 | |
| Finance Department | \$573 | |
| Guest Services Department | | \$1,827 |
| Information Technology Department | | \$7,137 |
| Marketing Department | | \$829 |
| Operations Department | | \$18,083 |
| Public Safety Department | | \$21,419 |
| Carry-over Capital Expenditures | \$249,237 | |
| Totals | <u>\$304,492</u> | <u>\$55,255</u> |



This will result in a net decrease of \$249,237 in the appropriations. Revenues will be revised as follows:

REVENUES:

| | <u>Decrease</u> | <u>Increase</u> |
|--|------------------|-----------------|
| Federal Grants – AIP Entitlement Funds | \$225,674 | |
| Transfer from GARAA Cash | \$23,563 | |
| Totals | <u>\$249,237</u> | <u>\$0</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 12th day of October, 2012.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director, Development and Operations

DATE: October 12, 2012

ITEM DESCRIPTION – Consent Agenda Item D

Ratification of Amended Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2013-2017

BACKGROUND

The Asheville Regional Airport is required annually to update and submit to the Federal Aviation Administration (FAA) its Five Year Capital Improvement Program (CIP). The five year CIP helps to ensure that federal and state funding for eligible projects is properly programmed in advance of each project within the National Plan of Integrated Airport Systems (NPIAS). The Airport Board approved the 2013-2017 CIP at its December 9th, 2011 meeting, which was subsequently submitted to the FAA.

ISSUES

More recently, as a result of approval by the FAA of the airports multi-year airfield re-development project, it was necessary on a very short turn-around time to amend the current five year CIP and re-submit it to the FAA. This was necessary in order for the FAA to immediately start the process of re-programming funds for this project. Airport staff subsequently made the necessary amendments to the five year CIP consistent with the direction of the FAA, and transmitted the document as required. As a result of this required action by staff, approval of the amended CIP by ratification of the Airport Board is necessary.

Notable changes in the CIP from its originally approved version include the postponement of purchasing certain snow removal equipment, ground transportation curbside improvements, and the Wright Brothers Way extension.



ALTERNATIVES

Should the Airport Board elect not to ratify the amended CIP, federal funding over the next five years to carry out the airfield re-development project will potentially be at risk.

FISCAL IMPACT

The originally approved CIP included a total five year program value of \$94.5 million dollars, which included \$24.3 million dollars of airport capital, plus PFC funds. The amended CIP has a total program value of \$71.9 million dollars, with \$8.5 million dollars of airport capital, plus PFC funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to ratify approval of the amended Asheville Regional Airport Five Year Capital Improvement Program.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

Airport Capital Improvement Program - Fiscal Years 2013-2017

| Description | Total Cost | AIP Entitlements | AIP Discretionary | State Funds | Pay-As-You-Go PFC | | Other Local Funds | | | Total Funding |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| | | | | | Current Approval | Future Approvals | Airport Capital | Other (b) | CFC | |
| Current Year | | | | | | | | | | |
| FY 2012 (Oct 1, 2011 - Sept 30, 2012) | | | | | | | | | | |
| Passenger Boarding Bridges | \$ 1,630,000 | * \$1,548,500 | | | | | | \$ 81,500 | | \$ 1,630,000 |
| Terminal Renovation - B Gates | \$ 250,000 | | | | | | | \$ 250,000 | | \$ 250,000 |
| Liquid De-Ice Vehicle | \$ 300,000 | | | \$ 300,000 | \$ - | | | | | \$ 300,000 |
| Subtotal FY 2012 | \$ 2,180,000 | \$ 1,548,500 | \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ 331,500 | \$ - | \$ 2,180,000 |
| FY 2013 (Oct 1, 2012 - Sept 30, 2013) | | | | | | | | | | |
| ARFF Facility | \$ 4,619,213 | ** \$2,519,213 | \$ - | \$ 750,000 | \$ 1,350,000 | \$ - | | \$ - | \$ - | \$ 4,619,213 |
| Airfield Improvements Program - Phase 1 (Design) | \$ 3,266,300 | \$ - | \$ 2,776,355 | \$ - | \$ - | \$ - | | \$ 489,945 | \$ - | \$ 3,266,300 |
| Snow Equipment - Plow Trucks & Equipment | \$ 605,000 | \$ 574,750 | | | \$ 30,250 | | | \$ - | | \$ 605,000 |
| Subtotal FY 2013 | \$ 8,490,513 | \$ 3,093,963 | \$ 2,776,355 | \$ 750,000 | \$ 1,380,250 | \$ - | \$ - | \$ 489,945 | \$ - | \$ 8,490,513 |
| FY 2014 (Oct 1, 2013 - Sept 30, 2014) | | | | | | | | | | |
| Airfield Improvements Program - Phase II/Taxiway Construction (sitework/utilities) | \$ 8,500,000 | \$ 1,000,000 | \$ 5,970,000 | \$ 300,000 | \$ - | \$ - | | \$ 1,230,000 | \$ - | \$ 8,500,000 |
| Snow Equipment - Broom & Blower | \$ 1,655,000 | \$ 1,200,000 | \$ - | \$ - | \$ 455,000 | \$ - | | \$ - | \$ - | \$ 1,655,000 |
| Ready/Return Lot Expansion & Improvements | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | \$ 1,000,000 | \$ 1,000,000 |
| Subtotal FY 2014 | \$ 11,155,000 | \$ 2,200,000 | \$ 5,970,000 | \$ 300,000 | \$ 455,000 | \$ - | \$ - | \$ 1,230,000 | \$ 1,000,000 | \$ 11,155,000 |
| FY 2015 (Oct 1, 2014 - Sept 30, 2015) | | | | | | | | | | |
| Airfield Improvements Program - Phase III/Taxiway Construction (paving/electrical) | \$ 8,500,000 | \$ 1,000,000 | \$ 5,970,000 | \$ 300,000 | \$ - | \$ - | | \$ 1,230,000 | \$ - | \$ 8,500,000 |
| Ground Transportation / Commercial Vehicle Loading Area w/ Pedestrian Canopies | \$ 3,500,000 | \$ 1,200,000 | \$ - | \$ - | \$ - | \$ 1,500,000 | | \$ 800,000 | \$ - | \$ 3,500,000 |
| Subtotal FY 2015 | \$ 12,000,000 | \$ 2,200,000 | \$ 5,970,000 | \$ 300,000 | \$ - | \$ 1,500,000 | \$ 2,030,000 | \$ - | \$ - | \$ 12,000,000 |
| FY 2016 (Oct 1, 2015 - Sept 30, 2016) | | | | | | | | | | |
| Airfield Improvements Program - Phase IV/Runway Construction (sitework/utilities) | \$ 21,450,000 | \$ - | \$ 17,977,500 | \$ 300,000 | \$ 1,067,284 | \$ - | | \$ 2,105,216 | \$ - | \$ 21,450,000 |
| ARFF Truck | \$ 1,000,000 | \$ 574,750 | | | | | | \$ 425,250 | | \$ 1,000,000 |
| Wright Brothers Way Extension | \$ 3,000,000 | \$ 1,625,250 | \$ - | \$ - | \$ 1,374,750 | \$ - | | \$ - | \$ - | \$ 3,000,000 |
| Parking Garage Design | \$ 1,000,000 | | | | | | | \$ 1,000,000 | | \$ 1,000,000 |
| Subtotal FY 2016 | \$ 26,450,000 | \$ 2,200,000 | \$ 17,977,500 | \$ 300,000 | \$ 2,442,034 | \$ - | \$ - | \$ 3,530,466 | \$ - | \$ 26,450,000 |
| FY 2017 (Oct 1, 2016 - Sept 30, 2017) | | | | | | | | | | |
| Airfield Improvements Program - Phase V/Runway Construction (paving/electrical) | \$ 21,450,000 | \$ 1,000,000 | \$ 16,977,500 | \$ 300,000 | \$ 1,067,284 | \$ - | | \$ 2,105,216 | \$ - | \$ 21,450,000 |
| Parking Garage Construction | \$ 15,000,000 | | | | | | | \$ 15,000,000 | | \$ 15,000,000 |
| Subtotal FY 2017 | \$ 36,450,000 | \$ 1,000,000 | \$ 16,977,500 | \$ 300,000 | \$ 1,067,284 | \$ - | \$ - | \$ 17,105,216 | \$ - | \$ 36,450,000 |
| Total - FY 2013 through FY 2017 | \$ 94,545,513 | \$ 10,693,963 | \$ 49,671,355 | \$ 1,950,000 | \$ 5,344,568 | \$ 1,500,000 | \$ 24,385,627 | \$ - | \$ 1,000,000 | \$ 94,545,513 |

General Note: Airfield Improvement costs calculated at 85/15.
 * \$651,500 in entitlement funds to be carried over to FY 2013.
 ** Includes above carry-over plus additional \$242,463 in carry-over from prior years.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

Airport Capital Improvement Program - Fiscal Years 2013-2017

DRAFT AS OF JULY 3 2012 Version 2

| Description | Total Cost | AIP Entitlements | AIP Discretionary | State Funds | Pay-As-You-Go PFC | | Other Local Funds | | | Total Funding |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------|
| | | | | | Current Approval | Future Approvals | Airport Capital | Other (b) | CFC | |
| Current Year | | | | | | | | | | |
| FY 2012 (Oct 1, 2011 - Sept 30, 2012) | | | | | | | | | | |
| Passenger Boarding Bridges | \$ 1,630,000 | * \$1,548,500 | | | | | | \$ 81,500 | | \$ 1,630,000 |
| Terminal Renovation - B Gates | \$ 250,000 | | | | | | | \$ 250,000 | | \$ 250,000 |
| Liquid De-Ice Vehicle | \$ 300,000 | | | \$ 300,000 | \$ - | | | | | \$ 300,000 |
| Subtotal FY 2012 | \$ 2,180,000 | \$ 1,548,500 | \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ 331,500 | \$ - | \$ 2,180,000 |
| FY 2013 (Oct 1, 2012 - Sept 30, 2013) | | | | | | | | | | |
| ARFF Facility | \$ 4,619,213 | ** \$2,519,213 | \$ - | \$ 750,000 | \$ 1,350,000 | \$ - | | \$ - | \$ - | \$ 4,619,213 |
| Airfield Improvements Program - Phase 1 (Design) | \$ 2,340,195 | \$ 560,000 | \$ 1,260,000 | \$ - | \$ - | \$ 30,250 | | \$ 489,945 | \$ - | \$ 2,340,195 |
| Subtotal FY 2013 | \$ 6,959,408 | \$ 3,079,213 | \$ 1,260,000 | \$ 750,000 | \$ 1,350,000 | \$ 30,250 | \$ 489,945 | \$ - | \$ - | \$ 6,959,408 |
| FY 2014 (Oct 1, 2013 - Sept 30, 2014) | | | | | | | | | | |
| Airfield Improvements Program - Phase II/Taxiway Construction (sitework/utilities) | \$ 10,485,000 | \$ 2,000,000 | \$ 6,500,000 | \$ 300,000 | \$ - | \$ 455,000 | | \$ 1,230,000 | \$ - | \$ 10,485,000 |
| Ready/Return Lot Expansion & Improvements | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | \$ 1,000,000 | \$ 1,000,000 |
| Subtotal FY 2014 | \$ 11,485,000 | \$ 2,000,000 | \$ 6,500,000 | \$ 300,000 | \$ - | \$ 455,000 | \$ 1,230,000 | \$ - | \$ 1,000,000 | \$ 11,485,000 |
| FY 2015 (Oct 1, 2014 - Sept 30, 2015) | | | | | | | | | | |
| Airfield Improvements Program - Phase III/Taxiway Construction (paving/electrical) | \$ 12,330,000 | \$ 2,000,000 | \$ 6,500,000 | \$ 300,000 | \$ - | \$ 1,500,000 | | \$ 2,030,000 | \$ - | \$ 12,330,000 |
| Subtotal FY 2015 | \$ 12,330,000 | \$ 2,000,000 | \$ 6,500,000 | \$ 300,000 | \$ - | \$ 1,500,000 | \$ 2,030,000 | \$ - | \$ - | \$ 12,330,000 |
| FY 2016 (Oct 1, 2015 - Sept 30, 2016) | | | | | | | | | | |
| Airfield Improvements Program - Phase IV/Runway Construction (sitework/utilities) | \$ 20,047,250 | \$ 2,000,000 | \$ 13,000,000 | \$ 500,000 | \$ 1,067,284 | \$ 1,374,750 | | \$ 2,105,216 | \$ - | \$ 20,047,250 |
| ARFF Truck | \$ 1,000,000 | \$ - | \$ 574,750 | | | | | \$ 425,250 | | \$ 1,000,000 |
| Snow Removal Equipment - Broom and Blower | \$ 1,300,000 | *** \$900,000 | \$ - | \$ 300,000 | \$ - | \$ - | | \$ 100,000 | \$ - | \$ 1,300,000 |
| Subtotal FY 2016 | \$ 22,347,250 | \$ 2,900,000 | \$ 13,574,750 | \$ 800,000 | \$ 1,067,284 | \$ 1,374,750 | \$ 2,630,466 | \$ - | \$ - | \$ 22,347,250 |
| FY 2017 (Oct 1, 2016 - Sept 30, 2017) | | | | | | | | | | |
| Airfield Improvements Program - Phase V/Runway Construction (paving/electrical) | \$ 18,472,500 | \$ 2,000,000 | \$ 13,000,000 | \$ 300,000 | \$ 1,067,284 | | | \$ 2,105,216 | | \$ 18,472,500 |
| Snow Removal Equipment - Plow Trucks | \$ 333,333 | \$ 300,000 | | | | | | \$ 33,333 | | \$ 333,333 |
| Subtotal FY 2017 | \$ 18,805,833 | \$ 2,300,000 | \$ 13,000,000 | \$ 300,000 | \$ 1,067,284 | \$ - | \$ 2,138,549 | \$ - | \$ - | \$ 18,805,833 |
| Total - FY 2013 through FY 2017 | \$ 71,927,491 | \$ 12,279,213 | \$ 40,834,750 | \$ 2,450,000 | \$ 3,484,568 | \$ 3,360,000 | \$ 8,518,960 | \$ - | \$ 1,000,000 | \$ 71,927,491 |

General Note:

* \$651,500 in Entitlement funds to be carried over to FY 2013.

** Includes above carry-over plus additional \$242,463 in carry-over from prior years.

*** Includes 300K of Entitlements Carry Over from (2014/15/16) each



MEMORANDUM

TO: Members of the Airport Authority

FROM: D. David Nantz, Director of Operations

DATE: October 12, 2012

ITEM DESCRIPTION – Consent Agenda Item E

Approval of Sewer Line Emergency Repair

BACKGROUND

On a recent inspection of a 50 year old sewer line that serves the Advantage West Building, Airline Lavatory Dump Facility, Cargo Building, the existing DPS Building, and will serve the new ARFF Facility, it was determined there were several failures and breaches of the line. This sewer line needs to be repaired immediately to prevent total failure of the line. Staff requested bids from Bolton Services of WNC, Patton Construction Group, and MB Haynes. (See Attached Bid Tabulation) Approval of this item is being requested because it exceeds the authorized spending limit of the Executive Director.

ISSUES

The sewer line is currently not fully operational and full failure is imminent if the sewer line is not replaced. Additional blockage or total failure would require that the tenants serviced by this sewer line would be inconvenienced with no water or sewer services until the repair is completed.

ALTERNATIVES

None recommended at this time.

FISCAL IMPACT

Staff received a low bid proposal for the sewer line project in the amount of \$63,474.00. We are also requesting an allowance of \$6,300.00 for any unforeseen

Consent Agenda – Item E



conditions and for some Airport Maintenance costs such as tree removal and lift rental. The total cost is expected not to exceed \$69,474.00. This emergency repair is not a budgeted item; however, the expense will be funded through the Budget's Emergency Repair Line Item.

RECOMMENDED ACTION

It is recommended that the Authority Board resolve to (1) approve the Sewer Line Project not to exceed \$69,474.00 from Bolton Services of WNC, and (2) authorize the Executive Director to execute the necessary documents.

Attachment

Greater Asheville Regional Airport Authority - Bid Tabulation

Project Name: Emergency Sewer Line Repair

Date/Time: Tuesday, October 02, 2012

| | Company Name & Address | Bid Amount |
|----------|---|-------------------|
| 1 | Bolton Services of WNC P.O. Box 8609 Asheville, North Carolina 28814 | \$63,474 |
| | | |
| 2 | Patton Construction Group, Inc. Suite 101, 565 Long Shoals Road Arden, North Carolina 28813 | \$65,550 |
| | | |
| 3 | Haynes Plumbing Systems P.O. Box 16589 Asheville, North Carolina 28816 | \$195,000 |
| | | |
| 4 | | |
| | | |
| 5 | | |



MEMORANDUM

TO: Members of the Airport Authority

FROM: Royce Holden, Director of Information Technology

DATE: October 12, 2012

ITEM DESCRIPTION – Consent Agenda Item F

Approval of Extended Fiber Optic Perimeter Distribution System

BACKGROUND

Tenants located outside of the main terminal building have requested additional utility services (Cable TV, phone, and internet) in to their facilities, prompting service entities to ask permission from the Greater Asheville Regional Airport Authority (Authority) to dig up the ground in order to gain access in to their buildings. At the same time, the Authority IT Department is working to bring cable TV service to the main terminal passenger seating locations, public safety and maintenance facilities, which will require many of the same fiber optic paths and extensions.

Staff does not want multiple entities laying all kinds of utilities on property. Therefore, Staff has proposed a solution that will provide cable TV, phone, and internet connectivity to these tenants while at the same time creating new revenue streams for services and support main terminal passenger seating locations with cable TV. The solution is to extend the existing fiber optic Perimeter Distribution System (PDS) to 7 airport campus locations. IT has secured signed surveys from 7 tenants requesting cable TV, phone, and internet services or any combination thereof.

Additional benefits of the PDS build out include:

- Ability to service multiple tenants in each building with cable TV, internet, and phone services
- Provide future security access control (AC) and closed circuit television (CCTV) internally or externally to buildings
- Provide additional capacity and connectivity points for future north and west side development, including CCTV and AC systems, internet, phone, and Cable TV

Consent Agenda – Item F



- Provide for a true fail-over and redundancy of voice/internet communications by bringing on a 2nd services provider to the airport campus
- Additional tenants in the terminal have expressed interest in moving to cable TV when it is offered
- Provide monthly revenue for internet, cable TV, and phone services, managed and maintained by the Authority IT Department

Staff requested 3 quotes to provide the installation of fiber optic to all campus locations. MC Communications provided the lowest and best bid per the following bid tabulation:

| | |
|-------------------|--|
| Charter Business | \$250 per month per location (7 locations) for proprietary fiber optic network. Cost would be \$21,000 annually. |
| DukeNet | Decline to bid. |
| MC Communications | \$27,427.94 one-time build out cost. |

ISSUES

The Authority has no obligation to provide these types of services to tenants, however, it does have the obligation to approve or deny utility entities ability to run or lay new utilities above or underground on Airport property. Currently, tenants (airport campus wide, including in the terminal) do not have access to cable TV service, as there is no way for cable TV entities to provide a route on airport property without a substantial capital cost for a proprietary (owned by cable TV entity) network. Existing satellite TV service is not preferred due to weather outages to the signal from both a public safety and passenger perspective.

Phone/internet service entities provide a limited bandwidth capacity DSL service via older telephone line technology to a few of the current buildings. This new build out will provide for two-way high speed fiber optic connected bandwidth backed by a service level agreement (SLA) of 4 hours as opposed to a "best effort" SLA from the service provider.

Additionally, ProDIGIQ our current terminal wide TV content provider is not complying with the terms and conditions of its current agreement with the Authority and as such has requested that we terminate the agreement. Termination of the agreement includes no financial loss. Staff agrees with this assessment and has moved forward with finding other viable solutions for passenger seating area TV programming.



ALTERNATIVES

Do not build out the fiber optic PDS, thereby leaving no room for future expansion for non-aviation related revenue opportunities. Tenants will not have access to cable TV or high speed two-way fiber optic internet bandwidth without paying large build out costs to service provider entities.

Airport property will have multiple service providers putting in their own networks and conduit throughout buildings and outside areas. Future expansion of CCTV and AC systems may incur higher associated build out costs.

FISCAL IMPACT

The new fiber optic PDS build out will cost \$27,427.94, with a return on investment (ROI) of approximately 12-24 months depending upon services chosen by tenants and the services agreement period length. Costs of internet, voice, and cable TV services are covered by the current IT Operating budget. Fees for service are also covered under the current FY 2012/2013 Annual Budget Supplemental Fees and Charges. Ongoing revenue generation after ROI is estimated to be between \$400 and \$700 per month.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) authorize the expenditure in the amount of \$27,427.94 to MC Communications for the installation, configuration and testing of a new fiber optic PDS; (2) authorize the Executive Director to execute the necessary documents; and (3) resolve to amend the FY12/13 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

| | <u>Decrease</u> | <u>Increase</u> |
|------------------------------------|-----------------|-----------------|
| Equipment and Small Capital Outlay | | \$27,428.00 |
| Totals | \$0 | \$27,428.00 |



This will result in a net increase of \$27,428.00 in the appropriations. To provide the additional revenue for the above, revenues will be revised as follows:

REVENUES:

| | <u>Decrease</u> | <u>Increase</u> |
|---|-----------------|--------------------|
| Transfer from GARAA Cash/Investments | | \$27,428.00 |
| Totals | <u>\$0</u> | <u>\$27,428.00</u> |

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

Adopted this 12th day of October, 2012.

David Hillier, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director, Development and Operations

DATE: October 12, 2012

ITEM DESCRIPTION – Consent Agenda Item G

Adoption of Airport Development Guidelines

BACKGROUND

The draft Airport Development Guidelines were presented to the Board at its August meeting for discussion and to provide adequate time for each Board Member to review the document before its adoption. Several comments were subsequently received from members of the Board which have since been incorporated into the draft document.

Other additions to the draft document have been incorporated as well. These include several exhibits that depict the Airport Authority requirements for design of roadways, curb and gutter, sidewalks, driveway aprons, and wheelchair ramps. These additions were necessary since previously they were incorporated only by reference to City of Asheville development standards. Buncombe County does not have specific design requirements for these types of improvements. The transition from City of Asheville to Buncombe County development standards triggered the need to add these exhibits.

Although the draft Airport Development Guidelines may provide for more stringent requirements than current planning or development policies of Buncombe County, they do not, nor are they intended to replace or supersede any requirement of the County as it relates to building codes, permit requirements, fire safety, or any other code related requirement.

ISSUES

There are no issues associated with this item.



ALTERNATIVES

None.

FISCAL IMPACT

None.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board formally adopt the Airport Development Guidelines, with an immediate effective date.

Attachment



Airport Development Guidelines

DRAFT

October 1st, 2012 Version

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I. Introduction

These Airport Development Guidelines have been established: (1) to insure a minimum standard of consistency of design and construction; (2) to contribute to the overall aesthetic quality of the Airport facilities, and (3) to insure that all new development and modifications of existing airport facilities adhere to all necessary and relevant airport design practices.



The Airport Development Guidelines are intended to apply to any project of improvement, reconstruction, major repair or remodel of any existing building structure, paved surface, drainage system, or other existing infrastructure at the Asheville Regional Airport (AVL).

The Asheville Regional Airport is owned and operated by the Greater Asheville Regional Airport Authority (Authority or GARAA). The airport is located within the city limits of Asheville, NC, and Buncombe and Henderson Counties. Chapter 78, Article VI of the Code of Ordinances, Buncombe County, and other relevant Articles and Sections shall apply to all development projects on the Asheville Regional Airport, and are incorporated herein by reference. Portions of the airport that are within unincorporated portions of Henderson



County or the Town of Mills River are subject to applicable ordinances of those jurisdictions.

The existence of standards and guidelines contained in this document shall not relieve any developer, contractor, company or person, from investigating and adhering to any Buncombe County, Henderson County, or City of Asheville code, ordinance, or requirement which is relevant to the project and its features.

II. Development Process

This section provides a general overview of the process necessary in order to develop facilities on the Asheville Regional Airport. Other steps may be necessary in order to provide for a complete process, and those other steps may or may not be able to be undertaken simultaneously with these steps:

- a. Initial meeting with Executive Director and/or Deputy Executive Director of Development and Operations.

At this meeting, the developer should be prepared to provide information about the project to be undertaken, including lot and building space requirements, type of activities to be carried out on the property, number of jobs created, type and number of aircraft expected to be based on the leasehold and overall development schedule. The developer should also be able answer any additional questions that airport management may have concerning the project and subsequent activities. At this meeting, airport representatives will generally provide an overview of available properties or sub-lease opportunities, and provide other general information about the airport that may assist the developer in their undertaking.

- b. Site Selection

Airport management will work with the developer to identify property on the airport considered suitable for the nature of the operations to be carried out on the property. Unless an exception is granted for good cause, properties will only be permitted to be utilized for those aeronautical or non-aeronautical activities that have been identified on the Airport Layout Plan (ALP) and in the most current Airport Master Plan document. Surveys of property, lots, and other areas considered for lease are the responsibility of the developer.

- c. Lease Agreement Approval

Lease Agreements are generally drafted by the Executive Director with assistance from Airport Legal Counsel and other airport staff if necessary. The Executive Director will draft a Lease Agreement once all pertinent information is received and negotiations with the developer concluded. This

Asheville Regional Airport – Development Process



includes submittal of an Application for Commercial Business, as provided for in the Minimum Standard Requirements for Airport Aeronautical Services.

Once a Lease Agreement for the property or facilities has been agreed upon between the Airport Authority and the developer, the document must be approved by the Greater Asheville Regional Airport Authority Board at one of its regularly scheduled meetings. Occasionally it may be necessary for Authority staff to provide information on a pending project to the Authority Board at one of its monthly meetings, in advance of approval at a subsequent meeting. To avoid delays in the overall project schedule, developers should take into consideration the process of obtaining Authority Board approval of the lease agreement when preparing their project schedule.

Additionally, depending upon the circumstances of the development or subsequent operations to take place on the airport, the Authority and/or developer may have been required to communicate and coordinate the matter with Buncombe County, Henderson County, the City of Asheville, or one of the economic development organizations that serve the region, as appropriate. The approval of the lease by the Airport Board may be conditional upon approvals from any one or more of these entities.

d. Submittal, Review and Approval of Development Plans

At minimum, each developer will be required to submit for review and approval an overall site plan, civil and architectural drawings, utility designs, storm water features, plans for site signage, and any other item required by the Authority. These documents are reviewed and approved at the staff level. In addition to an initial site plan, the developer will be required to submit stamped design drawings at the 30%, 60%, and 95% benchmarks, and to also provide staff with a complete set of bid plans and specifications for construction. Authority staff shall be permitted to participate in planning meetings and discussions throughout the design process to ensure that the developer's plans are consistent with the Authority's requirements, and to avoid any delays in the review and approval process.

Airport staff review and approval shall generally take place prior to submittal and review by Buncombe County or other required jurisdictions. However, under certain conditions, simultaneous review and approval by Buncombe County through the appropriate review process may be possible.

e. Submittal and Approval of Aeronautical Study

No vertical construction or development will be permitted to start until the Federal Aviation Administration (FAA) has completed and approved an airspace analysis which investigates whether the structure will have a negative impact on the navigable airspace on and around the airport. This process averages approximately 30 days to complete once an FAA Form 7460-1 has been submitted to the FAA. The FAA Form 7460-1 is typically submitted by either the Authority on behalf of the developer, or by the developer's architectural/engineering firm, once certain necessary information is provided by the developer. This procedure is typically undertaken simultaneously with other steps of this process. It is recommended that submittal of the FAA Form 7460-1 be accomplished as early as possible in the planning phase of the project, in order to avoid delays in the start of project construction.

f. Completion of Airport Development Checklist

The Airport Development Checklist (**Exhibit A**) shall be used throughout the process by the Developer and the Airport Authority to ensure that each significant task in the development process is sufficiently completed prior to the developer's application for a building permit. The checklist shall be included with the developer's submittal for a building permit, and shall be completed and signed by an authorized representative of the Authority.

g. Application and Issuance of Building Permit

Once all of the above steps have been successfully completed, the developer may submit an application to Buncombe County for site permits as applicable. Depending upon the scope of the project, these permits may include zoning, grading and erosion control, stormwater, and water extension. Once the applicable permits have been issued, construction may commence on the property.

Note: Review processes and additional steps required by the Authority and/or local government agencies may be required depending on the nature of the development and activities taking place on the property.

III. Authorized and Non-Authorized Uses

The Asheville Regional Airport limits activities and operations on the airport to those that are aeronautical and non-aeronautical in nature, support aeronautical and commercial aviation operations of the airport facility, or are commercial in nature and contribute to the airport's overall economic vitality.

Authorized uses include, but are not limited to, those activities contained within the Greater Asheville Regional Airport Authority Minimum Standards for Airport Aeronautical Services, and Chapter 78, Article VI of the Code of Ordinances, Buncombe County.

Non-Authorized uses include, but are not limited to:

- a. New residential uses
- b. Churches
- c. Day care centers
- d. Public or private elementary, middle or high schools
- e. Uses which generate potential hazards to the operating environment of an airport.
- f. Any operations that creates noxious, offensive or illegal activities.
- g. Any operations that create significant dust, odor, smoke, or other visual impairments to visibility.
- h. Other uses considered or determined to be incompatible land uses, incompatible with the operating environment of a public airport, or as specified by the FAA.

IV. FAA Requirements

All development site plans and designs shall at all times adhere and comply to those standards, practices, recommendations, regulations and requirements as set forth by the FAA. In evaluating adherence and compliance with FAA requirements, the following documents shall be considered and used:

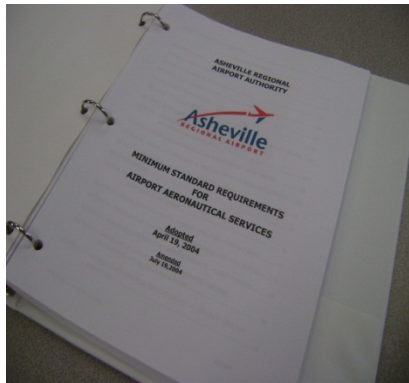
- a. FAA Advisory Circular 150 series
- b. FAR Part 139
- c. FAR Part 77
- d. TSAR Part 1542
- e. Federal Grant Assurances
- f. FAA policy guidance, directives, or any documentation or instructions from the FAA concerning a specific use or activity.



Furthermore, any other comments, concerns or requirements that the FAA may have concerning the program shall be considered in the design of the project.

V. Airport Minimum Standards

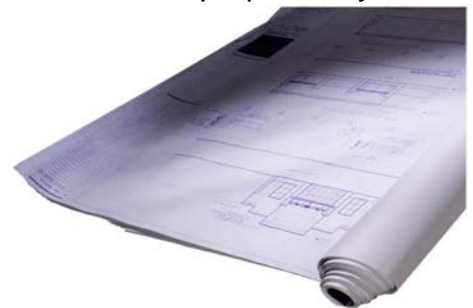
The Greater Asheville Regional Airport Authority has adopted “Minimum Standard Requirements for Airport Aeronautical Services” (Minimum Standards). The Minimum Standards establish the minimum acceptable qualification of participants, level and quality of service, and other conditions that are required of those that propose to provide aeronautical services at the Asheville Regional Airport. Additionally, the Minimum Standards document also contains the Application for Commercial Businesses, which is required to be submitted by each person, firm or corporation proposing to provide services on the airport.



The imposition of these Minimum Standards is in the public interest, and is intended to provide protection from irresponsible, unsafe or inadequate service providers. Furthermore, the Minimum Standards are also intended to help ensure the Authority’s compliance with Federal Grant Assurances which the airport is subject to as a condition of the receipt of federal grant monies for past, present, and future capital improvement projects at the airport.

VI. Architect and Engineering Service Requirements

- a. All site plans, drawings, specifications, and other details of any development proposal shall be prepared by a qualified architect/engineer licensed to conduct business in the State of North Carolina. All final versions of site plans, drawings, specifications and other details intended for use and construction shall be stamped and signed with the responsible architect/engineers official stamp as required by the State of North Carolina.
- b. All site plans, drawings, specifications and other details of any aeronautical areas, or otherwise intended to be utilized by aircraft shall be prepared by a licensed architect/engineer in the State of North Carolina. Such architect/engineer shall have adequate knowledge of airport design and engineering practices and all of the applicable Federal Aviation Regulations, Advisory Circulars, and other requirements relevant to the design and construction of such areas.



- c. The Greater Asheville Regional Airport Authority reserves the right to reject any site plans, drawings, specifications or other details produced by any architect/engineer that in the Authority's sole discretion, does not possess or demonstrate adequate knowledge or expertise in designing and constructing projects in an airport environment.

VII. Design and Construction Drawing Submittals

- a. At each phase of completed design of any project (30%, 60%, 95%), the developer or architect/engineer, shall submit two full hard copy sets of available plans (24x36 size), and two sets of specification documents for the project to the Authority for review and comment. The Authority shall have the right to review the documents and return comments to the developer within a reasonable period of time. The developer shall incorporate those comments into future revisions of the plans and/or specifications unless otherwise approved by the Authority.
- b. Two complete hard copy sets (24x36) of 100 percent plans and specifications for bidding and/or construction shall be provided to the Authority prior to bidding and/or construction by the developer.
- c. Within 90 days of completion of the project, the developer or his/her architect/engineer shall provide to the Authority two full hard copy sets of record drawings (as-builts) for the project (24x36 size), and a complete set of electronic record drawings produced in the latest version of AutoCAD, or another AutoCAD compatible format which is acceptable to the Authority.

VIII. Storm Water Management and Spill Prevention

- a. The Asheville Regional Airport has developed and adopted a Storm Water Pollution Prevention Plan (SWPPP) in accordance with 40 CFR 122, and State of North Carolina Department of Environmental and Natural Resources (NCDENR) requirements. The SWPPP is consistent with the National Pollutant Discharge Elimination System (NPDES) program requirements, and identifies:
 - i. Steps and activities designed to identify potential sources of stormwater pollution or contamination; and



- ii. Best management practices (BMP's) that will prevent or help reduce the introduction of pollutants into the airport's stormwater system.
- b. The airport has also developed and adopted a Spill Prevention Control and Countermeasure (SPCC) Plan in accordance with 40 CFR 112, which provides for systems and procedures to prevent, reduce, and respond to spills of oil based products stored and utilized on site.
- c. Each new development on the Asheville Regional Airport shall incorporate those structural BMP's and systems deemed necessary by the architect/engineer, EPA, NCDENR, and/or the Authority, in order to adequately comply with the necessary SWPPP and SPCC documents of both the airport, and the prospective tenant which will be operating on the property.

IX. Review and Approval

Prior to bidding, receipt of proposals for construction or application for a Building Permit, all final site plans, drawings and specifications must be approved by the Authority. In most cases, this will be accomplished at the staff level, but depending upon the nature, significance and circumstance of the development, formal approval by the Airport's Board may be necessary.

The Authority may require that the plans be reviewed by an architectural, engineering, or planning consultant which represents the Authority. If this is determined to be necessary the developer shall be responsible for reimbursing the Authority for any and all costs associated with the review. The Authority reserves the right to utilize any consultant it deems appropriate to conduct reviews of any airport development proposal.

The Authority reserves the right to withhold its approval of final site plans, drawings and specifications if they are determined to be inconsistent with the Airport Layout Plan, any development guideline of the Authority, or any Federal Aviation Regulations relevant to the Asheville Regional Airport. Furthermore, the Authority may withhold its approval of the site plans, drawings or specifications if they are determined to create any difficulty or problems related to airport operations, or any condition of non-compliance with any regulation or requirement of the airport or the Authority with any local, state or federal agency.

Approval by the Authority does not supersede the requirement for the developer to obtain all of the necessary reviews, approvals, and the issuance of permits by Buncombe County, or any other agency or entity with jurisdiction, all of which is the sole responsibility of the developer.

X. Airport Development Zones and Map

The Greater Asheville Regional Airport Authority has established four specific Development Zones within the boundaries of the Asheville Regional Airport. Each Development Zone is intended to accommodate different types of activities for which facilities may be developed within those zones, although some zones permit for similar activities of other zones.

*The Airport Development Zone Map (**Exhibit B**) delineates the locations and boundaries of each Airport Development Zone. The Airport Development Zone Map does not supersede any official zoning map or the zoning requirements of Buncombe or Henderson Counties.*

a. **Development Zone A** - Terminal Operations

Terminal Operations include those activities that are related to scheduled and non-scheduled air carrier and passenger operations. These include, but are not limited to:

- i. Airline/Air Carrier Operations
- ii. Restaurant and Gift Shops
- iii. Other Airport Concessions/Vendors/Businesses
- iv. Rental Car Operations
- v. Security Functions
- vi. Commercial and Non-Commercial Parking Facilities
- vii. Administrative and Tenant Offices
- viii. Federal Aviation Administration and Transportation Security Administration Operations

b. **Development Zone B** - Commercial and Non-Commercial Aeronautical

Commercial and Non-Commercial Aeronautical activities include properties and facilities intended to directly serve, support, or otherwise accommodate aviation related activities on the airport. These include but are not limited to:

- i. Fixed Base Operators (FBO's)
- ii. Airframe and Power Plant Facilities
- iii. Flight Training Facilities
- iv. Aviation Fuel Farms
- v. Aircraft Parking and Storage Areas and Facilities
- vi. Air Cargo Facilities
- vii. Specialized Aeronautical Service Operators (SASO's)

- viii. Other Commercial and Industrial Aviation Activities
- ix. Other General Aviation Facilities
- x. Federal Aviation Administration Facilities

c. **Development Zone C** - Commercial Non-Aeronautical

Commercial Non-Aeronautical activities include commercial activities that are not direct aviation uses, but exist in large part to provide support services to the aviation users, passengers and the general public utilizing the Asheville Regional Airport. They may also include non-aeronautical commercial uses that are considered compatible with the airport environment, and contribute to the revenues and economic vitality of the airport. These activities include but are not limited to:

- i. Business and Corporate Offices
- ii. Lodging Facilities
- iii. Organizational Headquarters
- iv. Commercial and Non-Commercial Parking Facilities
- v. Training Centers
- vi. Commercial and Industrial Warehouses and Manufacturing
- vii. Airport and Tenant Support Facilities
- viii. Public Park Areas
- ix. Retail Stores and Gas Stations
- x. Advertising

Certain Commercial Aeronautical activities that do not require airfield access may also be located within the Commercial Non-Aeronautical Development Zone.

d. **Development Zone D** - Commercial and Non-Commercial Multi-Use

Commercial and Non-Commercial Multi-Use includes all of the activities contained in Development Zones A, B and C above, and further includes, but is not limited to:

- i. Other Rental Properties and structures
- ii. Public Safety Training Facilities
- iii. Recreation Areas

XI. Site Plan Requirements

The developer shall provide to the Authority prior to significant design (more than 10 percent of overall design) a Site Plan of the proposed project and its layout within the boundaries of the chosen airport site upon which development will occur. Additionally, an updated Site Plan shall be included either separately, or

or as a component of each set of plans, drawings and specifications which are submitted to the Authority at the noted benchmarks of design. At minimum, the Site Plan shall include, to scale, each major element of the proposed project to be constructed on the airport property, including but not limited to the following:

- a. Location and orientation of all buildings and structures.
- b. Location and layout of all taxiways, taxilanes, aprons, and aircraft movement and parking areas.
- c. Location and orientation of fueling facilities and outdoor aircraft or equipment servicing areas.
- d. Layout of automobile roadways, driveways, parking areas, loading areas etc.
- e. Identification of the boundary between the secure and non-secure sides of the site, including fence line and vehicle and/or pedestrian gate locations.
- f. Areas to be landscaped.
- g. A north arrow and scale.
- h. Any other item which is considered a significant feature of the improvements to be made to the property or as requested by the Authority.

XII. Minimum Lot Size Requirements

The overall size and configuration of prospective buildings, ramps, taxiways/taxilanes, and other features to be constructed shall determine the minimum size of any lot or parcel to be leased by a developer. The lot size shall not be smaller than that required in the Minimum Standards for the category of airport service operator. In no case however shall the lot size be smaller than 10,000 square feet, including a minimum width of 100 feet. The lot size shall be sufficient to hold the proposed structure, paved areas, and other features, and provide for all buffers and setbacks required by any federal, state or local jurisdictions. Constrained parcels that are not capable of meeting the minimum requirements may be waived at the sole discretion of the Authority.

XIII. Setback Standards

The following minimum setback standards shall be required:

- a. Front of building: 35 feet.
- b. Side of building: 10 feet, unless adjacent to a residential district, then the setback shall be 50 feet
- c. Rear of building: 20 feet, unless adjacent to a residential district, then the setback shall be 50 feet.
- d. Landscape and buffering standards may require further setback.
- e. Between buildings: Per Buncombe County Fire Prevention Ordinance.

XIV. Minimum Building Size Requirements

- a. The minimum size of any permanent building, hangar, or other occupied structure located on any airport parcel shall be no less than the space requirements outlined in the Minimum Standards, or that minimum space as determined necessary for the buildings intended use by the Authority in its sole discretion.
- b. The location of buildings shall be consistent with the adopted Airport Master Plan of the Asheville Regional Airport. No building or structure shall be permitted to encroach past the Building Restriction Line (BRL) as identified on the Airport Layout Plan (ALP), or as otherwise determined by the Authority. In addition to setbacks, no structures may be of such height to penetrate the imaginary surfaces governed by FAR Part 77, Objects Affecting Navigable Airspace. Additionally, no structure may cause any line of sight barriers between the airport traffic control tower and any portion of the airport required to be visible from the tower, unless otherwise waived by the FAA.

XV. Exterior Building Finishes

Building exterior finishes should harmonize with the natural environment. Visual continuity between buildings and major building materials is desirable throughout the airport and between leaseholds. Metallic and glass coatings that create or increase glare are generally not permitted due to their ability to impair the vision of cockpit personnel. Base and trim colors must be coordinated, compatible with adjacent structures, and must be approved by the Authority prior to the ordering of building materials. The use of textured materials, such as stone, brick, stucco or other materials that match other structures are encouraged to be used as accent features around building bases, corners, entryways, and other visible



areas. Building materials should be selected that will age without reduction of its aesthetic properties.

XVI. Interior Building Finishes

Building interiors should reflect the nature of their intended use. Lobbies, offices, public restrooms, and other interior spaces accessible by the general public, or intended to be utilized for operational, administration, or customer service related areas, shall have the following minimum finishes:

- a. Completed, finished, and painted walls.
- b. Hung acoustical or finished dry-walled ceilings.
- c. Carpeted or tiled floors.

Hangar, workshop, or storage areas may have exposed sealed concrete floors and unfinished walls and ceilings.

XVII. Life Safety Equipment

All life safety equipment, including but not limited to fire extinguishers and emergency medical devices that are intended to become the property of the Authority after installation, shall be of the same manufacturer, model, type or nature, to ensure uniformity of such equipment with other similar equipment located throughout the airport facility. A detailed list of all life safety equipment shall be submitted to the Authority prior to purchase and/or installation for review and approval.

XVIII. Landscape Requirements

- a. Landscaping of each development on the airport shall be provided as a critical visual element that will help define the overall character of the airport



property, and to provide for a continuous landscape character when compared with pre-existing and adjacent developed and landscaped properties. The placement of landscaping elements shall be accomplished in accordance with applicable regulatory requirements within the vicinity of any aircraft operational areas. Generally, landscaping shall be avoided within aircraft operational areas, and utilized primarily within landside facility areas, including roadways, driveways, parking lots, and building buffer and setback areas.

- b. Landscaping shall incorporate trees, shrubs, flowers and other plants that are indigenous to Western North Carolina, and that are similar and compatible in growth patterns, appearance, and in the required care of other pre-existing landscaping elements already located upon the airport property. Plant, shrub, flower beds, and tree bases shall utilize an appropriate ground cover of sufficient density and weight to not be displaced by typical wind speeds in the vicinity, or by nearby jet or propeller blast.



- c. Building sites shall use landscaping as a visual buffer to screen views of utility buildings and trash collection areas. Each site shall utilize a multiple variety of trees, shrubs, plants and flowers in appropriate settings to create an aesthetically pleasing environment for the development.

- d. As a minimum, front yard or lawn areas surrounding buildings, parking areas, roadways and driveways shall be grassed, and shall also include landscaping beds at entrances, along edges, and within parking lot islands as appropriate. If deemed necessary, landscaped areas shall be served by an automatic and programmable irrigation system connected and metered from one of the buildings that are a part of the subject development.



- e. A Landscaping Plan shall be included in every development proposal, and shall be submitted along with, or as part of each set of design plans or drawings.
- f. Consideration shall be given to species of trees concerning lifetime growth heights to ensure that as trees mature, they remain in compliance with FAR Part 77 height restrictions.

- g. All surfaces on the leasehold shall be covered by buildings, pavement, landscaping, or grass. No portion of a leasehold shall be permitted to remain dirt, gravel or otherwise uncovered. Hangars and buildings located entirely within the aircraft operations area (AOA) are exempt from this requirement.
- h. A minimum of 10 percent of the total leased area shall be landscaped. Landscaping shall be distributed evenly on each side of the building(s), except that portion or portions of the building(s) located inside the AOA.
- i. The developer shall not plant any species of tree, shrub or plant that produces berries, nuts, or any type of fruit that can become an attractant to birds or other wildlife.
- j. Planting areas shall drain within themselves and not onto paved surfaces where possible.
- k. All landscaped areas shall be maintained by the developer or subsequent owner or tenant at all times.
- l. Landscaping shall not be located in any area that may interfere with visibility of pedestrian or vehicular traffic, or around fire hydrants so as not to obstruct access.
- m. Parking lots shall conform to all of the minimum landscape requirements. Landscaping shall be provided between all property lines and roadways and driveways, and within all buffer or setback areas.

Whenever possible and/or practical, trees shall not be planted immediately adjacent to, or underneath light poles or other lighting fixtures, or in a manner that may cause eventual interference between the two as the tree grows and matures.

XIX. Outside Storage, Equipment and Enclosures

- a. All outside storage of equipment or other materials shall be screened by an opaque screen utilizing the same or similar building materials as the main structure located upon the development. Equipment shall not be stored in areas fronting the landside access roadways or facing aprons or taxiways/taxilanes.
- b. All locations for ground mounted mechanical equipment, utility meters, storage tanks, and general storage of any other type shall be screened from public thoroughfares, other building sites, and aprons or taxiways/taxilanes. Screening shall utilize the same or similar building materials as the main structure located upon the development.

- c. Each development shall provide for a screened trash/dumpster enclosure, utilizing the same or similar building materials as the main structure located upon the development. Trash/dumpster enclosures shall be located in conjunction with the above requirements, but outside of any AOA or secured portion of the airport. If the only suitable location is within the AOA or secured portion of the airport, the location shall take into account the safety of aircraft, as it relates to the movement of trash collection vehicles inside the AOA. Such locations inside the AOA or secured portion of the airport require specific review and approval by the Authority. Each trash enclosure shall have gates so that all four sides of the enclosure shall screen the trash receptacles within them.



- d. The location, configuration, size and design of all enclosures shall be included in the plans submitted to the Authority. Driveways, roadways or other paved surfaces providing access to enclosures shall be depicted.
- e. All ground mounted mechanical equipment shall be screened from other buildings, public thoroughfares and aircraft operating areas, using the same methods noted above.
- f. All rooftop mounted mechanical equipment shall be screened from public view utilizing extended walls, rooflines, or other methods acceptable to the authority.

XX. Temporary and Portable Structures

- a. Temporary and/or portable structures, including but not limited to sheds and storage containers, shall not be permitted except with written permission of the Authority. If permitted, each temporary or portable structure shall be painted a color which either matches the other building(s) on the property, or a neutral earth tone color as approved by the Authority. Truck trailers or other trailer mounted storage containers shall not be permitted.

- b. Portable or fixed “booths”, used by rental car agencies or other airport tenants for routine and common operations shall all be of the same manufacturer and of the same model, and meet all of the specifications and requirements contained in these Development Guidelines. The approved manufacturer and model of any booth installed for such purposes shall be: Madison Industries, Standard 6x8 Exit Booth. Exterior colors and finishes, including stone veneer shall match existing.
- c. This section shall not apply to temporary and portable structures or trailers utilized during the construction phase of any project on the airport. All temporary and portable structures utilized during the construction phase of any project shall be removed from the airport within 30 days of the completion date of the project.



XXI. Exterior and Site Lighting

- a. Each building constructed on the Asheville Regional Airport shall have exterior lighting provided in accordance with applicable regulatory requirements for aircraft operational areas. Both wall and light pole mounted light fixtures shall be utilized where appropriate, and shall be fully shielded and/or directed to avoid any interference with aircraft operations.
- b. Exterior and site lighting shall be positioned and installed in a manner to provide both security for the site, as well as the illumination of parking areas, walkways, sidewalks, and other areas that vehicles and pedestrians will utilize for general safety.
- c. Where pedestrian walkways are not adequately illuminated by street, parking, or building lighting, walkway lights shall be installed in a manner which provides consistency with the style and design of other lighting. As an alternative to pole mounted lights, other types of sidewalk lighting may be approved by the Authority provided it meets the aesthetic goals of the airport or the development.

- d. Each entrance to the primary structure intended to be used by customers, employees, or the general public shall include a light fixture directly overhead the door.
- e. All light poles and light fixtures shall match the style, type, design and color of other standardized light poles on the airport, and detailed as:

- i. Light poles shall be single or dual head (as appropriate) 6 inch straight square aluminum (Tenonbase) light pole, manufactured by Philips-Gardco/Philips-Emco. Item No/Catalog No. SAA6-STB-30H. Color BRA (Bronze) Anodized, 30 foot height, Drilling 2Way (D2@180).



- ii. Light fixtures shall be Philips-Gardo, Item Description: Form 10 square EH/H/HT arm mounted, Type A and Type D, 19 inch square extruded luminaire, twin assembly, Type V distribution: 400 watt, 480 volt, fusing in head: Item No. EH19-2-Q-400PSMH-480-BRA-F.

- iii. Lamps shall be MH/PSMH 400W type 4X luminaire with E28/BT28 jacket lamp.

- iv. Light head options include: Type C – EH 19-1-3-400PSMH-480-BRA-F (Single Head); Type G – EH19-1-3-250PSMH-480-BRA-F (Single Head – 250 Watt/480 volts); or Type DA – EH19-2-3-250PSMH-480-BRA-LF (Dual Head – 250 Watt/480 volts).



- v. Alternate manufacturers and brands of light poles and light fixtures such as General Electric Lighting Solutions products may be permitted by the Authority if it provides the same level of appearance and light output as the above standard equipment, and does not require significantly different maintenance techniques or procedures to maintain. Additionally, alternatives for LED or other low voltage or use equipment may be permitted by the Authority.

- f. Lights poles shall not be erected in a manner to penetrate any protected airspace as defined in FAR Part 77, Objects Affecting Navigable Airspace. All light fixtures shall be directed downward and/or in manners where the light will not interfere with aircraft operations or air traffic control operations.

- g. Light poles and fixtures shall avoid being placed adjacent to or underneath trees or other landscaping to avoid interference as the tree or landscaping grows and matures.

XXII. Site Security Requirements

- a. All facilities and developments that require access to the AOA shall incorporate airport security measures into their design. Whenever possible, primary buildings shall be oriented to become part of the security perimeter barrier separating the AOA or other secure areas of the airport from the non-secure portions of the airport. All sites, buildings and improvements constructed on the airport shall be carried out in a manner which is consistent with the Asheville Regional Airport Security Plan, and all applicable FAA and TSA regulations and requirements.



- b. Fencing

- i. All site fencing shall be galvanized chain link, six feet in height, with two strands of barbed wire above the top rail, to form a minimum 8 foot tall barrier. Design, materials, and placement, shall be consistent with Federal Aviation Administration and Transportation Security Administration (TSA) specifications and/or requirements. Vinyl coated chain link is permitted with prior approval of the color by the Authority.



- ii. In some locations, it may be permissible to install high tensil woven wire game control fence, 8 feet tall with a minimum of two strands of barbed wire above the top of the wire fabric (10' total) that matches existing fence immediately adjacent to it. Design, materials, and placement shall be consistent with Federal Aviation Administration and Transportation Security Administration (TSA) specifications and/or requirements.

- iii. Other decorative fencing types, materials, colors and designs may be considered on a case by case basis. Approval by the Authority of other decorative fencing shall be subject to the approval of the TSA or FAA as appropriate, and as provided for within the approved Airport Security Plan (ASP), or its amendments.

- iv. All fencing shall be installed atop a continuous formed concrete strip (mow strip / intrusion barrier) of the same design and dimensions as other pre-existing mow strips on the airport. Fencing shall be installed on the mow strip flush with the bottom of the fence material. Mow strips shall be designed and constructed to provide for positive drainage away from the center of the strip. **Exhibit C** depicts the approved design requirements for mow strips.
- v. Where fencing meets a building wall, the end post shall be placed as close as practical, but no more than four inches away from the wall to ensure that a person or animal cannot fit through the remaining gap.
- vi. Trees, ground mounted equipment, and other features that may permit a person or animal to easily climb over the top of fencing shall not be located within ten feet of any portion of the fence.
- vii. The exact placement and location of all fencing and gates shall be included in the plans submitted to the Authority for approval. Further review and approval by the Transportation Security Administration shall also be required. Any fencing that is erected or altered during construction of any development must be coordinated with, and receive advanced approval from the Authority in order to ensure review by and compliance with all TSA Regulations. Any proposed changes to the fence placement or location during construction must be scheduled to permit for adequate review and approval by the TSA prior to its installation or relocation to the newly proposed location.
- viii. Standardized “No Trespassing” perimeter fence signs shall be placed on all perimeter fencing, spaced no more than 200 feet apart from one another. All signs shall be made of .80 gauge aluminum and be 24”x24” in size, and utilize red and black lettering on a white reflective background, as depicted in **Exhibit F** included herein.

c. Gates

- i. All vehicular access points shall be controlled with a hydraulically operated vertical pivot gate, manufactured by the Ideal Manufacturing Company, and more commonly known as a “Tilt-A-Way” gate.
- ii. Gate location and sizes shall be approved in advance by the Authority.
- iii. All gate numbers (vehicular and pedestrian) shall be assigned by the Authority and in conjunction with the existing gate numbering system already in use at the airport.

- iv. All vehicular and pedestrian gate equipment and operators shall match existing airport and Authority operated gates and systems, and shall be constructed entirely of aluminum. Gates and gate equipment shall be constructed and installed to specifications and guidelines of the Authority in order to ensure compatibility with existing Authority security systems.
- v. All gate equipment shall be provided by the developer as a cost associated with the development of the airport site. Once installed and operable, the developer or subsequent owner or tenant shall remain responsible for the on-going cost of maintenance, upkeep and repairs of the gates.

- vi. All gates shall incorporate a manufacturer provided and installed heater for the hydraulic reservoir and other critical components in order to ensure proper operation during periods of low temperatures.



- vii. All systems upon installation shall become an integral component of the overall airport security perimeter and access control system and shall be under the control of the Authority.

- viii. Details of each gate installation by location, including any appurtenances, attachments, extensions, gaps between pavement and the bottom of the gate, or other features, shall be adequately depicted in the plans for approval by the Authority. Because each gate will become an integral component of the overall Airport Security System and plan, any installation which is not compliant with the approved plan shall be removed and re-installed in a manner which is compliant with the plans approved by the Authority.

- ix. Pedestrian Gates shall be tubular steel in nature, and be constructed to match existing pedestrian gates on the airport. Pedestrian gates shall incorporate all access control systems required of vehicular gates.



- x. Standardized gate signs shall be placed on each vehicular and pedestrian gate, and on each door that accesses the secure portion of the airport.
- xi. Gate signs shall include the following:
 - 1. One sign on each vehicle gate, installed on the non-secure side that reads “Authorized Persons and Vehicles Only Beyond This Point”. Signs shall be made of .80 gauge aluminum and be 18” wide by 12” tall in size, and utilize red reflective lettering on a white background. Sign characters shall be 1 5/8” tall in red, with a red border around the edge of the sign. See **Exhibit D** for sign samples.
 - 2. One sign on each Pedestrian gate installed on the non-secure side, that reads “Authorized Persons Only Beyond This Point”. Signs shall be made of .80 gauge aluminum and be 18” wide by 12” tall in size, and utilize red reflective lettering on a white background. Sign characters shall be 1 5/8” tall in red, with a red border around the edge of the sign. See **Exhibit D** for sign samples.
 - 3. Two signs, one on each side of the gate (vehicular and pedestrian) with the Authority assigned gate number depicted on them. Signs shall be made of .80 gauge aluminum and be 10”x10” in size, with red reflective lettering on a white background. Characters shall be 3 3/8” tall. See **Exhibit E** for sign samples.

d. Building Through-Access

- i. Buildings and sites shall be designed and oriented in order not to permit any person or vehicle from entering any building on the site and being able to pass undetected or without obstacles through to the AOA or secure portion of the airport.
- ii. Interior and exterior doors shall be controlled through the use of a combination of access control systems (see requirements below), constant visual monitoring, or by locked doors or other features approved by the Authority and contained within the Airport Security Plan.
- iii. Each door within a building that provides access to the secured portion of the airport shall have a sign or decal affixed directly on or immediately adjacent to the door that reads “Authorized Persons Only Beyond This Point”. Each sign shall use lettering of a color that contrasts with the background or glass to which it is affixed, and shall be a minimum of 9 ½ inches wide, by 6 ¼ inches tall, with 1 inch tall letters. See **Exhibit F** for sign samples.

e. Access Control Systems

- i. All vehicular and pedestrian gates, and in some cases building doors, shall incorporate the Asheville Regional Airport standard access control system, including hardware and proximity card readers.
- ii. All access control equipment shall be provided by the developer as a cost associated with the development of the airport site. Once installed and operable, the developer or subsequent leaseholder shall remain responsible for the on-going cost of maintenance, upkeep and repairs of the access control equipment.
- iii. All access control equipment shall be constructed and/or installed to specifications and guidelines specified by the Authority, in order to ensure compatibility with existing Authority security systems.
- iv. All systems upon installation shall become an integral component of the overall airport security perimeter and access control system and shall be under the control of the Authority. The developer shall utilize the services of the Authority's approved vendor for providing and installing all access control systems.



- v. Where deemed necessary by the Authority, dual card readers shall be installed at the same location in a vertical configuration to allow access by vehicles of all sizes.

f. Site Lighting

Site lighting where appropriate, including but not limited to wall light fixtures, driveway lights, and parking lot lighting, shall be provided as a measure of security and safety at each developed site on the airport.

g. Storm Water Systems and Grates

All storm water systems and grates shall incorporate the security of the airport into their design and placement. Inlet and outlet grates on all pipe over 12 inches in diameter shall have a security grate or cage installed over them. Borrow ditches that cross beneath fence lines or otherwise span between secure and non-secure portions of the airport shall have features installed to eliminate the possibility of persons or animals using the ditch to enter into the secure portion of the airport.



h. Closed Circuit Television Cameras (CCTV)

i. The developer, or any subsequent owner or tenant located upon the airport property, shall permit the Authority to place at an appropriate location upon the exterior of any building, a CCTV camera, along with any other hardware, software or support equipment, which the Authority deems necessary in order to provide or meet the security requirements of the airport facility.

ii. If installed by the Authority, the placement of cameras, hardware, wireless and other equipment shall be accomplished at the sole cost of the Authority. The developer or subsequent owner or tenant shall permit such equipment to run on the building's electrical system with no reimbursement or compensation for the power which such equipment regularly uses.



iii. This requirement includes the running of power, video cabling and other wiring throughout the building as may be necessary to serve the CCTV equipment.

iv. The developer, owner or tenant shall have no right to have access to the images or video viewed or recorded by any CCTV camera.

v. The developer may install its own CCTV camera system independent of any component installed by the Authority, for which it will be solely responsible.

XXIII. Aprons, Taxiways and Taxilanes

- a. All paved surfaces, including non-paved surfaces within safety or object free areas, shall be designed and constructed to meet all applicable FAA Advisory Circular recommendations, including but not limited to the current version or change of each of the following:
 - i. FAA AC 150/5300-13, Airport Design
 - ii. FAA AC 150/5320-5, Surface Drainage System
 - iii. FAA AC 150/5320-6, Airport Pavement Design and Evaluation
 - iv. FAA AC 150/5340-1, Standards for Airport Markings
 - v. FAA AC 150/5340-18, Standards for Airport Sign Systems
 - vi. FAA AC 150/5340-30, Design & Installation Details for Airport Visual Aids
 - vii. FAA AC 150/5370-10, Standards for Specifying Construction of Airports.



- b. All paved areas designed and intended for use by aircraft shall include pavement/apron edge lighting, pavement markings, and shall have area lighting included where appropriate.
- c. Pavement shall be designed and constructed to accommodate the weight, footprint, and wingspan of the largest aircraft that could be anticipated to utilize the surface. At minimum, the pavement shall be designed and constructed to accommodate the weight, footprint, and wingspan of the largest aircraft capable of being placed inside any aircraft hangar located upon the site.
- d. All pavement surfaces, including base and sub-base materials, shall be constructed of materials that meet FAA specifications as outlined in the applicable FAA Advisory Circular, unless otherwise approved in writing by the Authority.

- e. All pavement surfaces shall provide for proper drainage away from the paved surfaces and all buildings, while maintaining grades that will facilitate the towing and movement of aircraft which are not under their own power.
- f. Surface catch inlets shall be installed as necessary to facilitate drainage to the appropriate storm water management system where necessary. All surface grates located within paved areas shall be capable of supporting the weight of the heaviest aircraft as outlined in c. above, and shall be designed with openings that are narrower or smaller than the footprint of the smallest aircraft wheels.

XXIV. Roadways, Driveways and Auto Parking

- a. All roadways, driveways and auto parking area pavement shall meet the Authority's minimum design standards, and shall include the use of integral concrete curb and gutter which matches existing curb and gutter on adjacent airport areas. Asphaltic curbs shall not be permitted, except as temporary measures until permanent concrete curb and gutter are constructed. See **Exhibit G** for roadway, driveway and curb and gutter detail requirements.
- b. All landscape islands within parking areas shall utilize concrete curb and gutter.



- c. Concrete paving shall be utilized at all operational areas such as loading docks, truck aprons and drives, dumpster pads, and other similar areas. These areas shall be located within the leasehold, in a manner that avoids large vehicle maneuvering on airport public roadways.

- d. Roadways and driveways that access aircraft operational areas shall be designed to minimize interference with aircraft operations, and the need for vehicles to cross ramp areas and other locations where aircraft operate.
- e. All driveways, roadways and parking lot lanes shall be a minimum of two lanes wide to permit simultaneous opposite direction traffic.
- f. All roadways, driveways and parking lot areas shall be striped, marked, and signed appropriately utilizing standard traffic control paint, signs and colors.

XXV. Sidewalks

Each development on the airport shall provide for minimum 5 ft. wide concrete paved sidewalks between parking areas and main building entrances and along driveway and roadway entrances where appropriate. Sidewalks within the development shall tie into the nearest sidewalk existing on the airport in order to provide for an expanded network of continuous pedestrian walkways that provides access between main tenant buildings and areas of the airport facility. Sidewalks shall be located and utilized in order to provide a means of access between auto parking areas and building entrances with no breaks in the presence of paved surfaces upon which to walk.



Wheelchair ramps shall be located as required and shall match the design and configuration of other existing wheelchair ramps. Each ramp shall utilize a Neenah Foundry Company R-4984 Cast Iron Detectable Warning Plate that complies with the Americans with Disabilities Act Accessibility Guidelines and current Architectural Barrier Act Guidelines. See **Exhibit G** for sidewalk and wheelchair ramp details.

XXVI. Building and Site Signage

- a. All signage (except Regulatory Signage) located upon a leasehold shall be designed to match the aesthetic and architectural features of the main building(s) located upon the leasehold.



- b. Signage details, including size, colors and materials shall be included in the design plans for the overall development of the property, which are submitted to the Authority for review and approval.
- c. All signage shall be located outside of the public and private roadways and associated visibility sight triangles, and away from airside areas where they may interfere with aircraft operations.
- d. All signs shall be placed upon the leasehold, and not be located off of the leasehold without permission from the Authority.
- e. Authorized off-leasehold signage or other directional or informational signs that may be permitted by the Authority, shall be constructed to match the standard design, colors, materials, and finish of other informational and directional signage installed and maintained by the Authority.



- f. Exterior signs that display the street address number of each building shall be provided, and shall match those installed on other buildings. Such signs shall be 18 inches wide by 12 inches tall, with 6 inch tall white numerals on a teal green background. See **Exhibit E** for sign samples.
- g. All signs required as part of the Airport Security Plan and other site security requirements, meeting the specifications contained in these Development Guidelines shall be provided at the specified locations.

- h. Regulatory signage are those signs of standard City, County, State or other agency design that identify and/or designate regulated areas and zones, such as handicapped parking, fire zones, speed limits, crosswalks, no parking zones, etc. Placement of these signs shall be as appropriate using such standard designs, colors and materials, and shall be noted in the overall project development plans.
- i. Temporary signs, other than project or contractor identification signs during construction, shall only be permitted on a case by case basis and with specific written permission from the Authority. Temporary signs shall be removed after 30 calendar days from placement.
- j. Permitted signs upon the leasehold include wall and ground signs. One wall mounted sign, either illuminated or non-illuminated, may be placed on the exterior of the main building on a leasehold, facing the airside, and another facing the landside, if such building has access from both areas. Ground mounted signs may be placed between the main building and any public roadway, provided it meets all of the other requirements for placement noted herein.
- k. Prohibited signs include, but are not limited to:
 - i. Beacons or flashing lights.
 - ii. Signs attached to light poles or regulatory or traffic signs.
 - iii. Portable signs, except when used for a special event.
 - iv. Signs mounted on vehicles or trailers when parked for the primary purpose of displaying an advertisement or business name.
 - v. Signs that create a traffic or pedestrian hazard.
 - vi. Signs erected off of the leasehold, unless approved in advance by the Authority.
- l. Illuminated signs shall be illuminated in a manner that does not interfere with aircraft operations, or creates any glare or blinding effect of any nature for aircraft operations, air traffic control operations, vehicular roadways, or other adjacent leaseholds and structures. Light fixtures shall be of the type and nature that allows alignment and/or direction to be fixed and/or adjusted away from such areas. No signs shall be permitted to blink or flash. No electronic signs shall be permitted that are not owned or operated directly by the Authority for general advertising of the airport.
- m. All lighted signs shall comply with all applicable Buncombe County Zoning Ordinances.

- n. All signs shall be designed and constructed with access panels that facilitate easy access to the interior of the sign for routine maintenance. The design and access locations of each sign shall be depicted in the plans.
- o. The Authority shall have the right, at its sole discretion, to reject any sign proposed to be erected or placed upon any leasehold or development upon the airport property for any reason whatsoever.

XXVII. Fuel Farm Facilities

- a. Separate storage tanks shall be provided for each grade of fuel stored and dispensed on site. All tanks and equipment shall be labeled and color coded per FAA requirements, NFPA recommendations, and local building or fire code requirements. Dead man controls shall be provided for bulk fuel transfers between tanker trucks and the tanks, and when transferring fuel from the tanks to mobile refueler vehicles.
- b. The minimum storage tank size for aviation fuels (100LL and Jet A) shall be 10,000 gallons for each tank and grade of fuel. Minimum storage tank size for diesel and unleaded automotive fuel shall be 500 gallons.
- c. All above ground tanks shall be installed with secondary containment, consisting of either double walled steel tanks, or for single walled tanks, an impervious concrete secondary containment dike surrounding the tank(s) with a capacity of 110 percent of the volume of the largest single tank located within the containment wall. The area within the containment wall or around the tanks (if no containment wall exists) shall be designed to capture any accidental spill of the contents of the fuel storage tank(s) and or the delivery or receiving vehicle, in accordance with all EPA, NFPA, and other federal, state or local laws.



- d. All tanks shall have an emergency shut off station located near the fuel tank(s) which is easily accessible, well-marked, and lit at night.
- e. All surface drainage at or near the fuel facility shall be captured in a closed drainage system and directed through a fuel spill containment device, or oil/water separator device approved by the Authority.
- f. Designated parking areas for mobile fuel trucks shall be designed with devices and measures to capture accidental spills from such vehicles without entering the storm drain system.
- g. All fuel storage dispensing equipment shall be equipped with metering devices that maintain and produce accurate records of fuel dispensed or transferred between the tanks and fuel tankers or mobile refueler vehicles. Such metering equipment shall be calibrated and inspected by the State of North Carolina on the required schedule.
- h. All fuel farms and storage facilities, including any single tank located upon the airport property, shall be secured with a standard chain link fence meeting all FAA requirements and a lockable access gate which shall remain locked at all times when unattended. Additionally, all such facilities shall have area lighting installed to provide for illumination for both nighttime safety and security and shall be maintained in working order at all times.
- i. Fuel storage facilities may be required to be equipped with dry pipe or wet fire suppression systems if deemed necessary or required by local code.
- j. Fuel storage facilities shall comply with all applicable requirements of NFPA, EPA, NCDENR/NCDWQ, and local regulations and requirements, including all adopted policies, practices and requirements of the Asheville Regional Airport Storm Water Management Plan and Spill Prevention Control and Countermeasures Plan.
- k. Underground fuel storage tanks are prohibited.

XXVIII. Site Utilities

- a. All utilities shall be constructed below ground, following all of the required specifications and design standards of the utility provider.
- b. Utilities shall be located within the roadway right of ways or adjacent to or underneath private roads or driveways.

- c. Each development lot shall connect to utilities utilizing existing or newly installed service pedestals, boxes, transformers, or other equipment provided by the utility provider. All such equipment shall be located outside of roadway line of sight areas and triangles.
- d. If installed, landscape irrigation systems shall be designed so as not to directly throw or spray water on utility service equipment.
- e. Utility meters shall be installed whenever possible in inconspicuous locations, but in areas that are accessible from outside the secured portions of the airport.
- f. Temporary power poles or above ground service lines shall be removed prior to the issuance of a Certificate of Occupancy.
- g. Utility stub-outs, valves, or other equipment which facilitates the easy extension of the utilities to service another adjacent location in the future may be required by the Authority, and shall be installed at the sole expense of the developer if required.
- h. All electrical lines, cable, fiber optic, video, communication, or other underground utilities that cross beneath paved surfaces, shall be installed in an appropriately sized conduit that allows for a minimum of 100 percent additional capacity in the future.
- i. Additional spare/unused conduits may be required to be installed at other certain locations beneath pavement as determined by the Authority, in order to provide access for future utility crossings at that location. Such spare conduits shall be installed at the sole expense of the developer if required. Spare conduits shall be available to the Authority if needed in the future for other utility crossings at the discretion of the Authority.

XXIX. Terminal Building Tenant Remodeling or Refinishing

- a. No remodeling or refinishing of any exterior or interior portion of the passenger terminal building facilities shall be permitted without specific authorization from the Authority.
- b. All colors and finishes for common areas shall be required to match existing colors and finishes which are standardized throughout the terminal building complex.

- c. Individual finishes and designs for concession spaces consistent with that of the theme or finish of other similar spaces by the tenant shall be permitted with the approval of the Authority.
- d. No structural changes to any walls, ceilings, floors, columns, or other components of the building shall be permitted without specific approval from the Authority.
- e. No tenant signs shall be permitted to be installed or affixed upon any wall within a common use area, or where monitors or other displays are provided by the Authority for the display of tenant company logos or other information. No signs shall be affixed to any exterior or interior wall without specific permission from the Authority.
- f. The Authority reserves the right to require all tenants to utilize matching sizes, colors, configurations and presentation methods for free standing signage on stanchions or frames for legally required signage.
- g. Cable runs or installation of other communication or utilities shall be done at the direction of the Authority utilizing existing chases, conduits, cable trays, or other devices and accesses installed specifically for such purpose. No holes or accesses shall be cut, drilled or installed without permission from the Authority. All cabling or other wiring pulled or installed in any location by any tenant shall be removed upon that tenant's vacating of its leased space within the terminal building, unless otherwise approved by the Authority.
- h. No equipment of any nature shall be installed that requires significant power draw, causes system overloads, or has other requirements that are either in excess of the existing building systems, or has a noticeable, significant, or otherwise unwanted impact on building utility expenses, without the specific permission of the Authority.
- i. All remodeling or refinishing shall comply with applicable sections of the North Carolina State Building Code. Depending upon the extent of the remodeling, building permits or other smaller stand-alone permits may be required. Nothing in these Development Guidelines is intended to supersede or preempt state building code standards.
- j. All new telephone, data, and other information technology related hardware, software and equipment shall comply with the Greater Asheville Regional Airport Authority Telecommunications Infrastructure requirements contained in **Appendix 1** herein.

XXX. Tenant Structure Remodeling or Refinishing

- a. Buildings and structures owned by the Authority and leased to and occupied by tenants or their sub-tenants shall not be remodeled or refinished in any manner whatsoever without advance permission from the Authority. Any such remodeling or refinishing project of an Authority owned building or structure shall follow all of the same requirements and conditions identified in these Guidelines, except that finishes shall match the existing finishes of that particular building or structure, unless otherwise approved by the Authority.
- b. No tenant owned building or structure shall be remodeled or refinished without first submitting plans and specifications for such remodel or refinish to the Authority for review and approval in advance.
- c. All exterior remodeling or refinishing shall adhere to the requirements of these Development Guidelines as if the building or structure was being constructed new.
- d. All remodeling or refinishing shall comply with applicable sections of the North Carolina State Building Code. Depending upon the extent of the remodeling, building permits or other smaller stand-alone permits may be required. Nothing in these Development Guidelines is intended to supersede or preempt state building code standards.
- e. All new telephone, data, and other information technology related hardware, software and equipment shall comply with the Greater Asheville Regional Airport Authority Telecommunications Infrastructure requirements contained in **Appendix 1** herein.

XXXI. Tenant Pavement Maintenance and Repair

- a. After initial construction, the developer or tenant responsible shall routinely carry out programs of maintenance and repair to all paved surfaces in order to maximize the pavement useful life, and to minimize the risk of injury to persons or damage to aircraft due to failing pavements.
- b. Major repairs, including pavement overlays, re-construction, remove and replace, milling, and other methods, shall be coordinated with and approved in advance by the Authority. All such work shall be carried out in a manner that provides for a section of pavement that meets or exceeds the original design of the pavement when constructed, and which meets the needs of the pavement given its current use.



*Airport Development
Guidelines*

Exhibits & Appendices



Airport Development Checklist

This form shall be completed and signed by the appropriate Asheville Regional Airport representative prior to developer or tenant's application for a building permit. Developer/Tenant shall transmit this completed form to the Buncombe County Planning Department at the time of building permit application.

DEVELOPER/TENANT: _____ PROPERTY: _____

- 1. Issuance / Review of Initial Documents:
 - a. Lease Sample _____
 - b. Minimum Standards _____
 - c. Airport Development Guidelines _____
 - d. Airport Layout Plan _____

- 2. Site Plan Approval _____

- 3. Site Design & Building Plans Approved:
 - a. Site Configuration _____
 - b. Colors _____
 - c. Signage _____
 - d. Landscape _____
 - e. Aircraft Paved Areas _____
 - f. Auto Parking & Driveways _____
 - g. Security Systems _____
 - h. Setback Requirements _____
 - i. Storm Water Drainage _____

- 4. Utility Company Coordination _____

- 5. FAA Aeronautical Study Submitted,
Approved or Pending _____

COMMENTS: _____

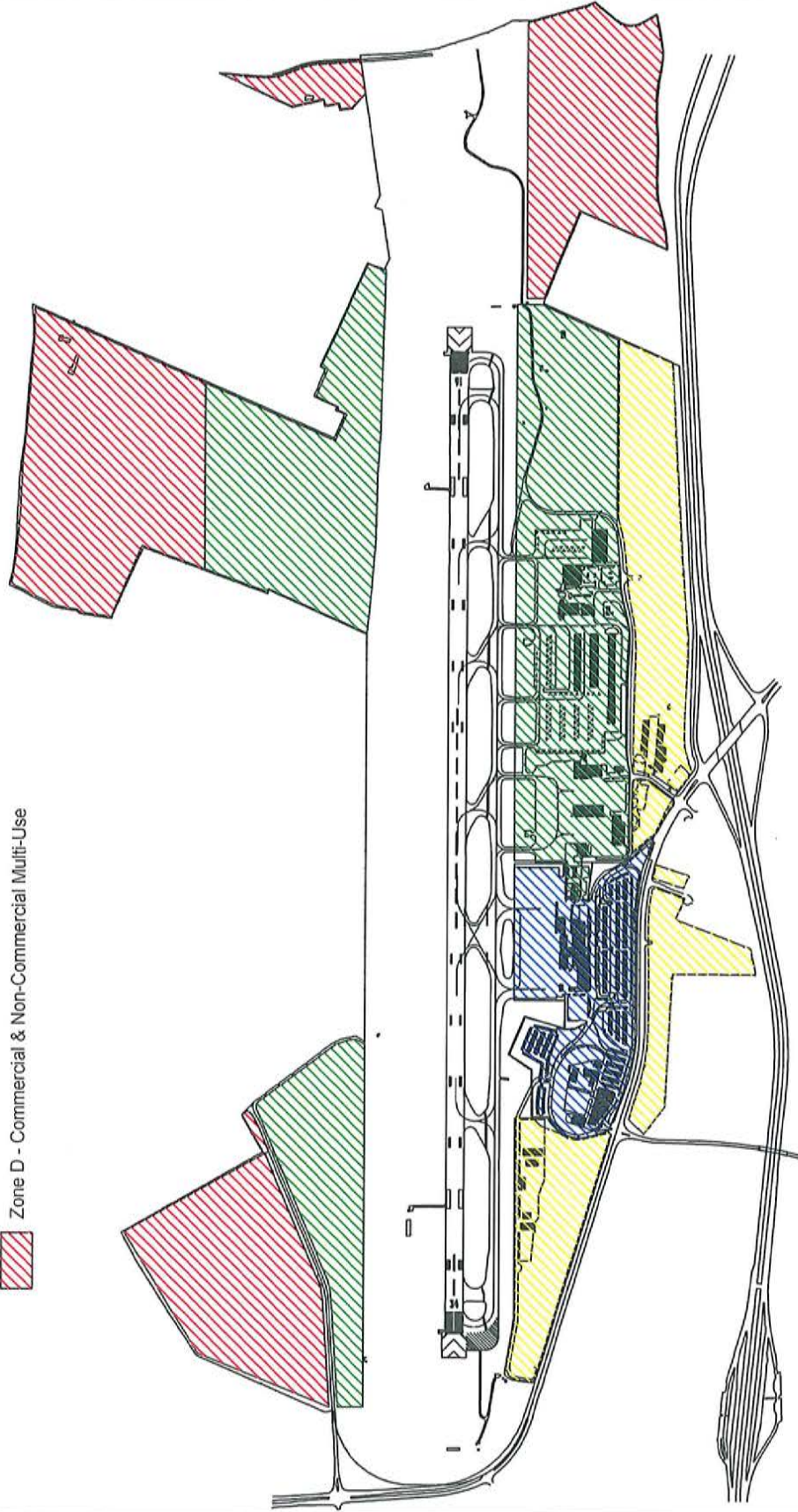
Airport Authority Approval:

Asheville Regional Airport Airport Development Zones

Exhibit B



-  Zone A - Terminal Operations
-  Zone B - Commercial & Non-Commercial Aeronautical
-  Zone C - Commercial Non-Aeronautical
-  Zone D - Commercial & Non-Commercial Multi-Use



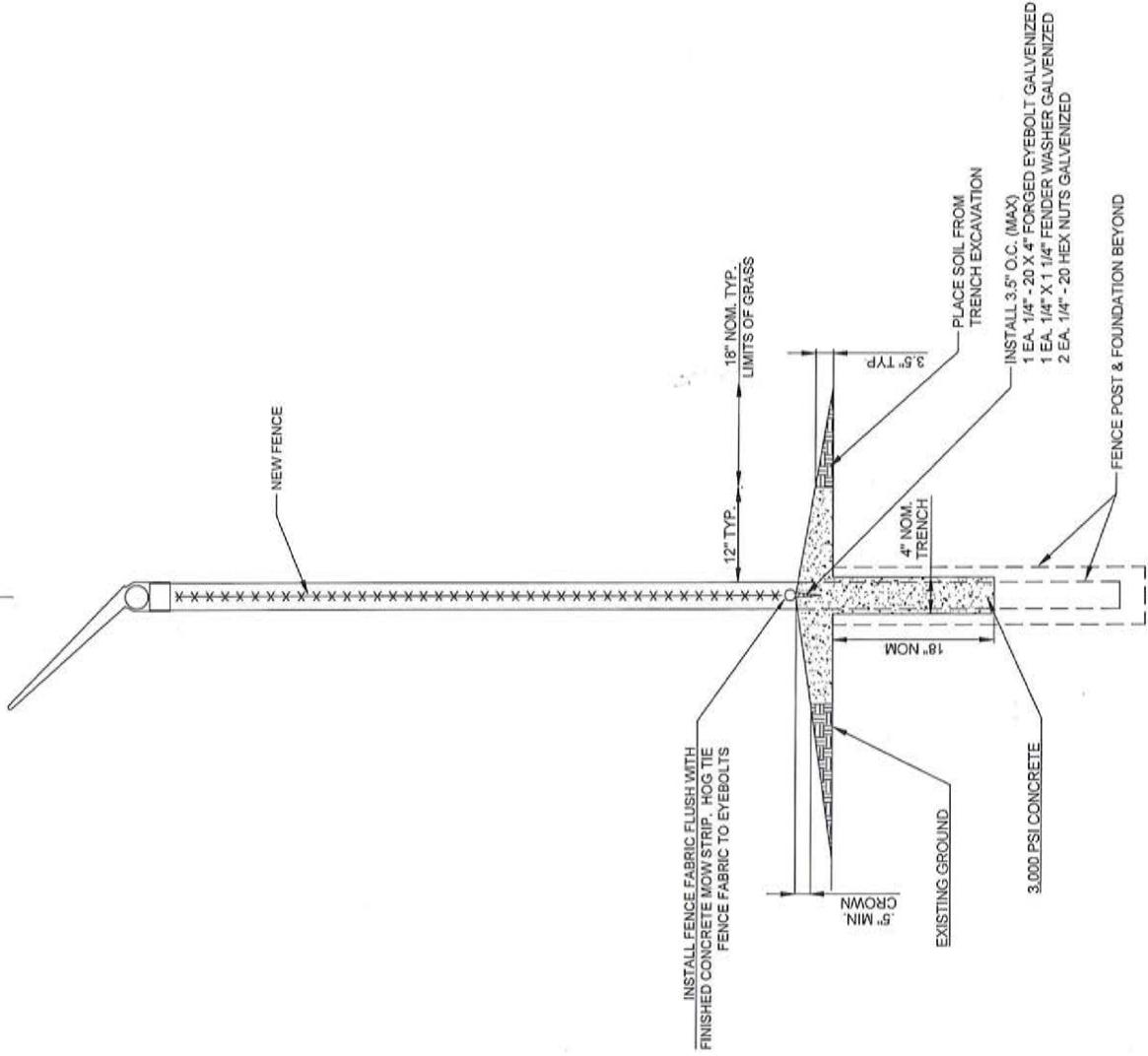
This Airport Development Zone Map relates to types of activities authorized on different portions of the Asheville Regional Airport, and does not supersede any official zoning map or zoning requirements of Buncombe County, Henderson County, or the City of Asheville, NC.

Asheville Regional Airport Mow Strip / Intrusion Barrier Detail

EXHIBIT C



Public Area ← Airport Operations Area →



Vehicle Gate Sign

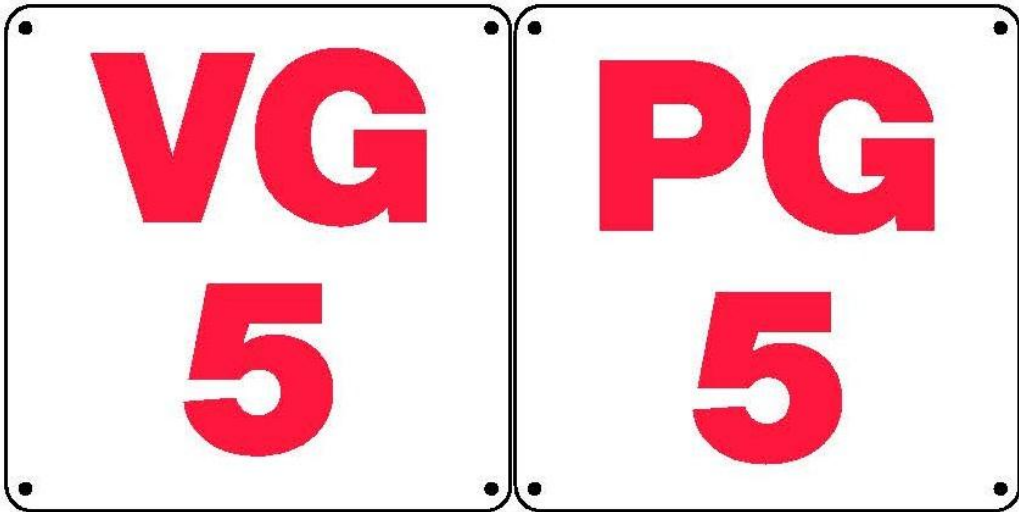
18"x12"
.080 Gauge Aluminum
1 5/8" Reflective Red Lettering (Large)
1 1/4" Reflective Red Lettering (Small)
White Background

**AUTHORIZED
PERSONS AND
VEHICLES ONLY
BEYOND THIS POINT**

**AUTHORIZED
PERSONS ONLY
BEYOND THIS POINT**

Pedestrian Gate Sign

18"x12"
.080 Gauge Aluminum
1 5/8" Reflective Red Lettering (Large)
1 1/4" Reflective Red Lettering (Small)
White Background



Gate Number Sign
10"x10"
.080 Gauge Aluminum
3 3/8" Reflective Red Lettering
1" Stroke
White Background



Building Street Address Sign
18"x12"
.080 Gauge Aluminum
6" White Lettering
Teal Green Background
Pantone Color: 327

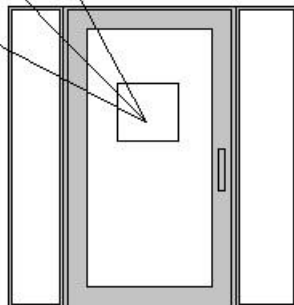
NO TRESPASSING

STATE LAW PROHIBITS UNAUTHORIZED
ENTRY, TAMPERING WITH AIRPORT
FACILITIES AND EQUIPMENT OR
TAMPERING WITH AIRCRAFT.
VIOLATORS WILL BE PROSECUTED
WITH FINES AND/OR IMPRISONMENT.

Perimeter Fence Sign

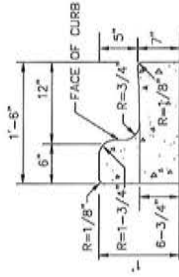
24"x24"
.080 Gauge Aluminum
2" Red Lettering
1" Black Lettering
White Retro-Reflective Background

Authorized
Persons
Only Beyond
This Point



Building Door Sign

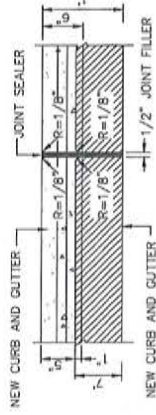
9 1/2" x 6 1/4"
Vinyl Lettering or Placard
1" Upper Case Lettering
Contrasting Color



****NOTE:**

FOR REVERSE CURB AND GUTTER MODIFY GUTTER AS TO DIRECT FLOW OF WATER AWAY FROM CURB AT 1/2" PER FOOT.

(1'-6") CONCRETE CURB AND GUTTER



**TRANSVERSE EXPANSION JOINT
IN CURB AND GUTTER**

GENERAL NOTES:

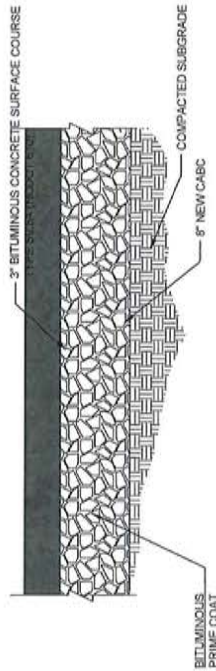
CONTRACTION JOINTS SHALL BE PLACED AT 10' INTERVALS, EXCEPT THAT A 15' SPACING MAY BE USED WHEN A MACHINE IS USED OR WHEN SATISFACTORY SUPPORT FOR THE FACE FORM CAN BE OBTAINED WITHOUT THE USE OF TEMPLATES AT 10' INTERVALS.

JOINT SPACING MAY BE ALTERED IF REQUIRED BY THE ENGINEER.

CONTRACTION JOINTS MAY BE INSTALLED BY THE USE OF TEMPLATES OR FORMED BY OTHER APPROVED METHODS, WHERE SUCH JOINTS ARE NOT FORMED BY TEMPLATES, A MINIMUM DEPTH OF 1-1/2" SHALL BE OBTAINED.

ALL CONSTRUCTION JOINTS, SHALL BE FILLED WITH JOINT FILLER AND JOINT SEALER.

EXPANSION JOINTS SHALL BE SPACED AT 90' INTERVALS, AND ADJACENT TO ALL RIGID OBJECTS.

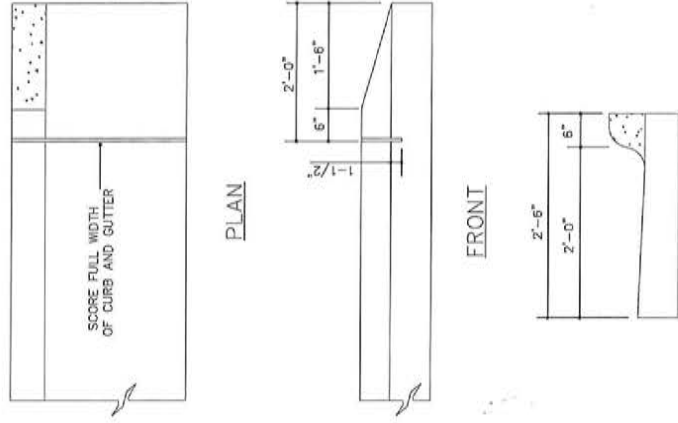


NEW PAVEMENT SECTIONS

CURB & GUTTER DETAILS

Asheville Regional Airport Standard Sidewalk Details Standard Method Of Ending Curb & Gutter

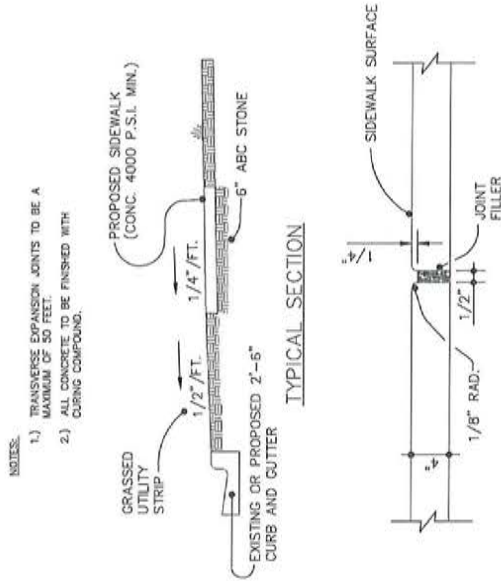
EXHIBIT G
PAGE 2



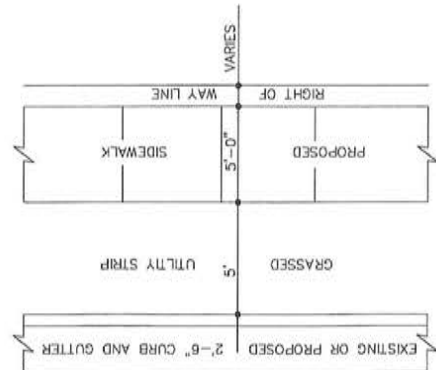
END

NOTE:
1. ALL CURB & GUTTER SHALL BE 1'-6".

STANDARD METHOD OF ENDING CURB & GUTTER



TRANSVERSE EXPANSION JOINT



PLAN VIEW

NOTE:
1. ALL CURB & GUTTER SHALL BE 1'-6".

STANDARD CONCRETE SIDEWALK

NOTES:
1.) TRANSVERSE EXPANSION JOINTS TO BE A MAXIMUM OF 50 FEET
2.) ALL CONCRETE TO BE FINISHED WITH CURING COMPOUND.

GRASSED UTILITY STRIP
1/2" / FT.
PROPOSED SIDEWALK (CONC. 4000 P.S.I. MIN.)
1/4" / FT.
6" ABC STONE
EXISTING OR PROPOSED 2'-6" CURB AND GUTTER

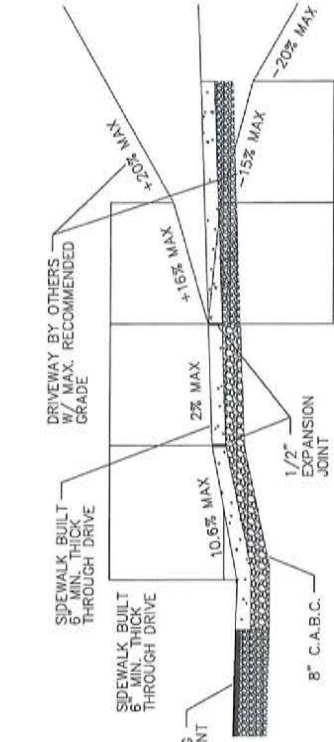
TYPICAL SECTION

1/8" RAD.
1/2"
JOINT FILLER
SIDEWALK SURFACE

NOTE:

Asheville Regional Airport Standard Driveway Apron

EXHIBIT G
PAGE 3



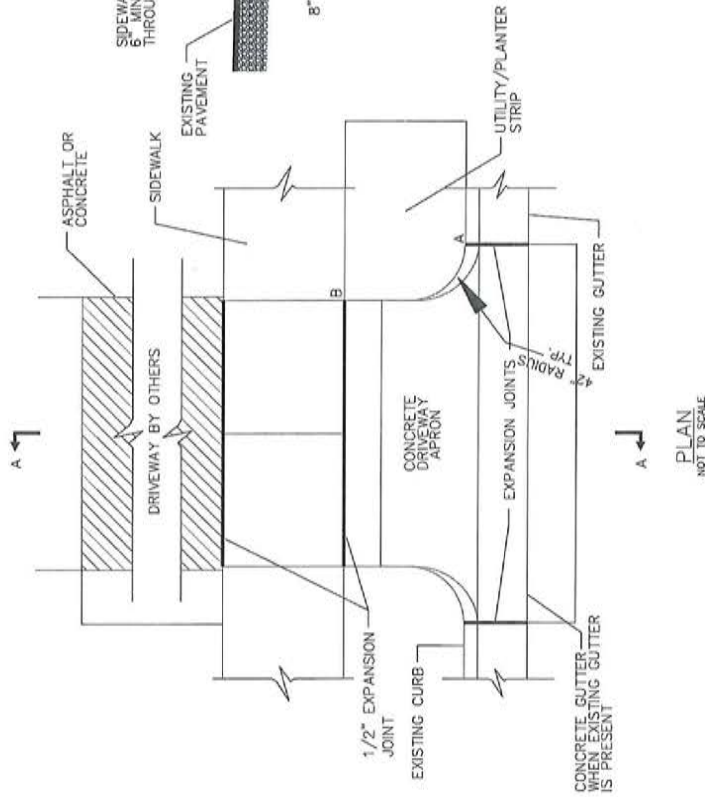
SECTION AA
NOT TO SCALE

NOTES:

1. RESIDENTIAL DRIVEWAYS-6" C.A.B.C WITH 6" CONCRETE FOR FULL LENGTH & DEPTH OF DRIVEWAY APRON
2. CURB SHALL BE TAPERED TO FINISH FLUSH WITH SIDEWALK.
3. RADIUS SHALL NOT ENCRoACHED ON ADJACENT PROPERTIES.
4. SIDEWALK SECTION SHALL NOT BE REQUIRED ALONG STREETS WHICH ARE NOT PLANNED FOR SIDEWALK.
5. DRIVEWAY APRON MUST EXTEND A MINIMUM OF 10' FROM ROADWAY EDGE WHERE SIDEWALK IS NOT PRESENT
6. WHERE SIDEWALK IS OR TO BE INSTALLED, DRIVEWAY APRON MUST EXTEND A MINIMUM OF 10' PAST SIDEWALK.

NOTES TO CONTRACTOR:

1. RESIDENTIAL DRIVEWAYS TO BE 12' TO 18' IN WIDTH.
2. COMMERCIAL AND INDUSTRIAL DRIVEWAYS TO BE A MAXIMUM OF 36 FEET WIDE.
3. ALL CONCRETE SHALL BE A MINIMUM OF 4000 P.S.I.
4. ELEV. "B" MINUS ELEV. "A" EQUALS 1 INCH.

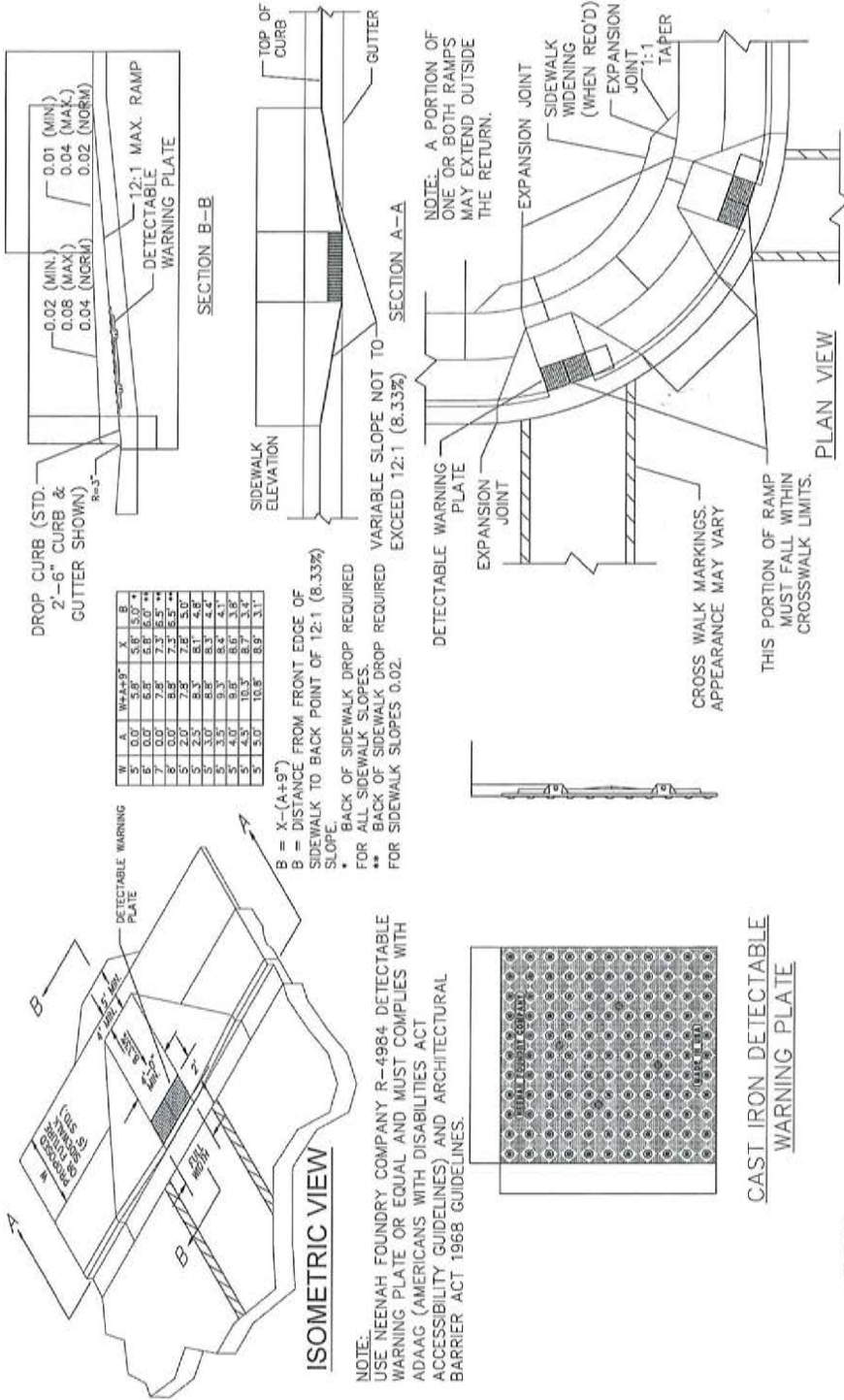


PLAN
NOT TO SCALE

STANDARD DRIVEWAY APRON

Asheville Regional Airport Standard Wheelchair Ramp

EXHIBIT G
PAGE 4



NOTE:
1. DETECTABLE WARNING PLATE TO BE POWDER-COATED FEDERAL YELLOW.

STANDARD WHEELCHAIR RAMP



Telecommunications Infrastructure Requirements

I. GENERAL

The following minimum specifications and requirements shall be utilized by any developer, tenant, or entity undertaking construction, re-modeling, or finish out of any spaces located with the Asheville Regional Airport Terminal Building Complex, or any other Airport Authority owned building or structure.

- A. References – The design and construction shall comply with applicable requirements of the following standards. Where compliance is required, the latest standard in effect shall govern. In addition, the design and construction shall comply with applicable local codes and requirements.
- B. American National Standards Institute (ANSI)
 - i. ANSI/NFPA 101, Life Safety Code
 - ii. ANSI/NEC, National Electrical Safety Code
- C. Electronic Industries Association (EIA)
 - i. ANSI/TIA/EIA-568-B.1, Commercial Building Telecommunications Cabling Standard – General Requirements
 - ii. ANSI/TIA/EIA-568-B.2, Commercial Building Telecommunications Cabling Standard – Balanced Twisted-Pair Cabling Components
 - iii. ANSI/TIA/EIA-568-B.3, Optical Fiber Cabling Components Standard
 - iv. ANSI/TIA/EIA-569A, Commercial Building Standard for Telecommunications Pathways and Spaces
- D. Building Industry Consulting Services International (BICSI)
 - i. ANSI/NECA/BICSI-568-2006, Standard for Installing Commercial Building Telecommunications Cabling

II. DEFINITIONS

- A. Backbone Cabling: The cabling that distributes from the entrance facility (i.e., Terminal, maintenance building, etc.) to the equipment room (Communications Room), and between buildings.
- B. Backbone Pathways: The portion of the pathway systems that permits the placing of backbone cabling between the entrance location and all cross-connect points within a building.
- C. Cable Tray: A ladder, trough, or pipe system intended for the support of telecommunications cabling.

III. FIBER OPTICS – STANDARDS FOR FIBER OPTICS

- A. Fiber optic cable shall be a minimum 24 strand single mode, all-dielectric fiber optic cable. The fiber optic cable shall be specifically designed for outdoor use or indoor/outdoor use with either a tight buffer or loose tube construction. Single mode fibers shall be graded Index, solid glass waveguides with a nominal core diameter of 8.3 microns and a nominal cladding diameter of 125 microns. The strands shall be grouped in four six-strand bundles. Bundles shall be contained in an overall polyethylene outer jacket. The fiber optic cable shall conform to EIA/TIA-586-B.3.
- B. Fiber Optic Cable Minimum Performance Requirements. The fiber shall have dual transmission windows centered at 1310 and 1550 nanometer wavelengths. The attenuation at 1310 nanometer shall be 0.4 db/km or less and the attenuation at 1550 nanometer shall be 0.25 db/km or less. Single mode fibers shall be Class Iva.
- C. Fiber Optic Cable Splice. New fiber optic cable from the facility shall be fusion spliced to existing Terminal campus backbone fiber optic cable for purposes of ARAA controlled Access Control, CCTV and/or Telecommunications and data.
- D. Fiber Optic Splice Enclosures. Fiber optic splice enclosures shall be specifically designed for outdoor use. Enclosures shall be complete with mounting hardware and splice trays. Enclosures shall be provided with a minimum of six splice trays and be able to accommodate a minimum of five pass-through bundles. Each splice tray shall accommodate twelve fusion splices.

E. Fiber Optic Cable Terminations. At each Communications Room, the fiber optic cable shall be terminated either by fusion splicing to a pre-connector cable assembly/breakout kit or by using field installable SC connectors. Field installable SC connectors and connectors on the cable assembly/breakout kit shall be SC type connectors with ceramic ferrule material and have a maximum insertion loss of 0.5db. Cable assemblies/breakout kits and field installable connectors shall be in accordance with ANSI/TIA/EIA-568-B.2.

F. Fiber Optic Cable Installation.

- i. Fiber optic cable bends shall have a radius of not less than the manufacture's recommended bending radius during and after installation.
- ii. A load-tension measuring/limiting instrument shall be used during installation to ensure that the pulling tension on the cable does not exceed the installation tension value specified by the manufacturer.
- iii. Thirty feet of fiber optic cable slack shall be provided at all hand holes. Fiber optic cable shall be routed along the walls of the hand hole and be secured to the cable rack hooks. Fiber optic cable shall be routed as not to exceed the manufacture's recommended bending radius during the installation and final placement.
- iv. Fiber optic cable shall be continuous between end points. Splicing is not allowed except to the backbone cable.

G. Fiber Optic Cable Testing.

- i. End to end attenuation media tests shall be performed on all fiber strands with the fiber optic cable on the reel at the job site prior to installation. Tests shall be made in both directions at both 1310 and 1550 nanometer wavelengths. When reel test results indicate that the fiber optic cable does not comply with the factory test reports, manufacturer shall be contacted for arrangements of replacement at no cost to ARAA.
- ii. End to end attenuation media tests shall be performed on all fiber strands after installation has been completed. Typically, testing shall be from the new facility to Communication Room 101 and vice versa.
- iii. Attenuation tests shall be performed in accordance with EIA/TIA-568-B.3.
- iv. Two hard copies and one electronic copy of approved test reports shall be turned over to ARAA prior to project closeout. Approved test reports shall be signed and dated by contractor (entity performing tests) and shall be signed off by design engineer as part of the project final inspection process.

IV. PREMISES DISTRIBUTION

Facilities on the Airport property shall be designed and constructed with a telecommunications infrastructure to accommodate telecommunications needs throughout the facility. The following section will address the premises distribution portion of the telecommunications infrastructure. Premises distribution refers to all telecommunications components within a facility. This includes backbone cabling and pathways, horizontal cabling and pathways, cross-connects and connecting hardware.

- A. Telecommunications Rooms. Facilities shall have as a minimum one dedicated room to house telecommunications equipment, horizontal and backbone cabling and connecting hardware. The telecommunications room shall not be used to serve any other function, such as storage or to house electrical and mechanical equipment.
- B. Multistory facilities shall have a minimum of one telecommunications room per floor.
- C. Telecommunications rooms in multistory facilities shall be vertically aligned.
- D. Multiple telecommunications rooms shall be required on a floor if the cable length between the horizontal cross-connect (path panel) in the telecommunications room and the furthest telecommunications outlet exceeds 295 feet.
- E. Telecommunications room should not be located where there is a threat from flooding. For example, avoid locations adjacent to restrooms and kitchens.
- F. The telecommunications room size shall be a minimum of 12' in length and 8' in width.
 - i. This size accommodates three racks in the desired straight-line configuration. Any deviation from this size and layout shall be specifically proposed to and approved by ARAA IT. Additional racks can generally be supported by adding two feet to the length of the room per rack.
- G. Provide a minimum of 3'-6' clearance in front of wall mounted cross-connect fields and equipment.
- H. Provide a minimum of 2'-8' clearance in the front and back of floor-standing racks, frame and cabinets.

- I. Doorways. Telecommunications room doors shall be fully opening, lockable and a minimum of 36" in width by 80" in height. Doors shall open outward if allowed by fire code). If fire code restricts door from opening outward, the door shall have hinges that allow for the door to be removed. Door sills and center posts are not allowed.
- J. Dust and Static Electricity. Telecommunications room floors shall not be carpet. Floor shall be tile or other hard-finished surface. Floors and walls shall be treated with paint or coating that reduces static electricity and dust.
- K. Environmental Control. Telecommunications rooms shall have heating, ventilation and air conditioning that will maintain a continuous and dedicated control (24/7/365) and a temperature range of 64F to 75F with relative humidity range of 30% to 50%. A positive pressure shall be maintained with a minimum of one air change per hour. The air-handling equipment must dissipate the heat generated by active devices and satisfy applicable building codes. A typical indoor facility would have a separate controllable zone (cooling only and year round).
- L. Ceilings. False ceilings shall not be permitted. The minimum ceiling height shall be 8'6".
- M. Fire Protection. Telecommunications rooms located in a building with an automatic sprinkler system. Sprinkler heads within telecommunications rooms shall have wire cages installed to prevent accidental operation.
- N. Telecommunications rooms shall have a minimum one-hour fire rated wall. Refer to NFPA 101 (Life Safety Code) for conditions that require a higher fire rated wall.
- O. Fire stops shall be provided when fire rated walls and floors are penetrated. All materials that are used to seal penetrations in fire rated walls and floors shall be listed for the specific application and comply with applicable UL requirements.
- P. Automatic detection equipment shall be installed to provide early warning of fire. The equipment used shall be listed smoke detection-type system and shall be installed and maintained in accordance with NFPA 72, National Fire Alarm Code.
- Q. Provide listed portable fire extinguishers of the carbon dioxide type or a halogenated agent type in each telecommunications room.

- R. Piping, ductwork, mechanical equipment or power cabling not serving the telecommunications rooms shall not pass through the telecommunications room.
- S. A cable tray shall be installed in the telecommunications room over racks and around room perimeter to allow for easy cable routing inside the room.
- T. Overhead pathway entries (trays, conduits, trunks, etc.) into the telecommunications room shall protrude into the room a distance of 2" at a minimum height of 8'.

V. TELECOMMUNICATIONS ROOMS GROUNDING AND ELECTRICAL REQUIREMENTS

- A. Racks shall be grounded with #6 AWG insulated green conductor run to the ground bus bar in the telecommunications room.
- B. One ground bus bar shall be provided in each telecommunications room. Ground bus bar shall be 24" x 4" x 1/4" thick and shall be installed with support brackets and insulators.
- C. Ground bus bar shall be connected to the facility ground grid/counterpoise.
- D. When possible, the telecommunications room shall be fed from a panel board without large motor loads or high harmonic loads.
- E. When possible, one 30-amp, 120 volt locking type outlet (NEMA L5-30R) shall be provided per rack mounted UPS. Outlet shall be mounted on cable tray directly above the equipment rack.

END



MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: October 12, 2012

ITEM DESCRIPTION – New Business Item A

Presentation of the Final Draft Annual Audit Report for Fiscal Year 2011/2012

BACKGROUND

The annual audit was performed by the auditing firm, Martin Starnes & Associates, CPAs, P.A., and the findings are hereby submitted for the Board's review and acceptance. The Audit has been submitted to the Local Government Commission ("LGC") and we are waiting for final approval.

ISSUES

None. An unqualified opinion was issued by the auditors.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to accept the 2011/2012 Audit Report as presented. Staff has included a copy for your convenience.

Attachment

New Business - Item A

MARTIN • STARNES

 & ASSOCIATES, CPAs, P.A.

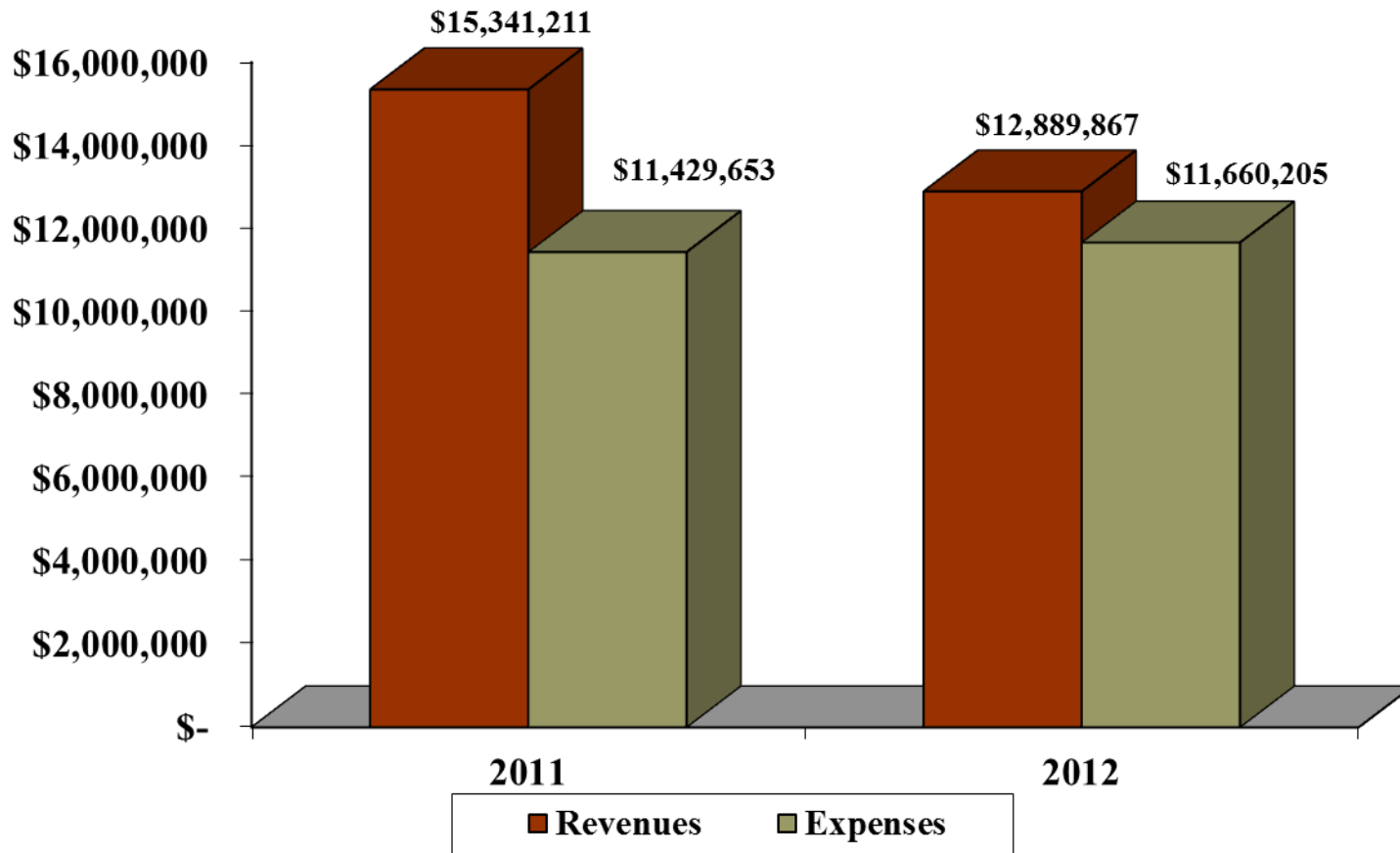
Greater Asheville Regional Airport Authority
Annual Financial Report
Fiscal Year Ended June 30, 2012



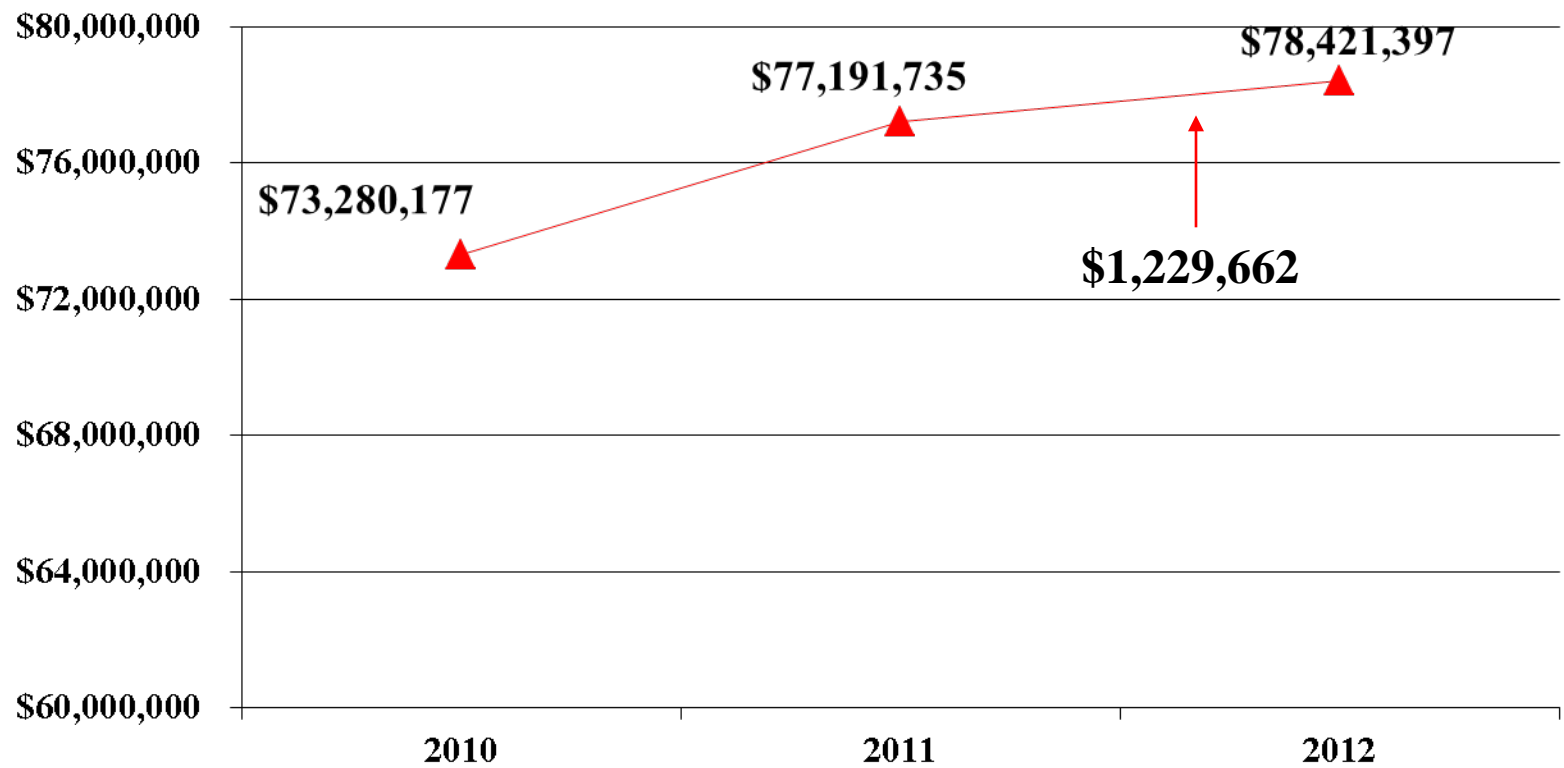
Audit Highlights

- Unqualified opinion**
- No findings or questioned costs**
- No material internal control weaknesses identified**
- Cooperative staff**
- Cash and investments totaled \$14,119,918 at 6/30/12**

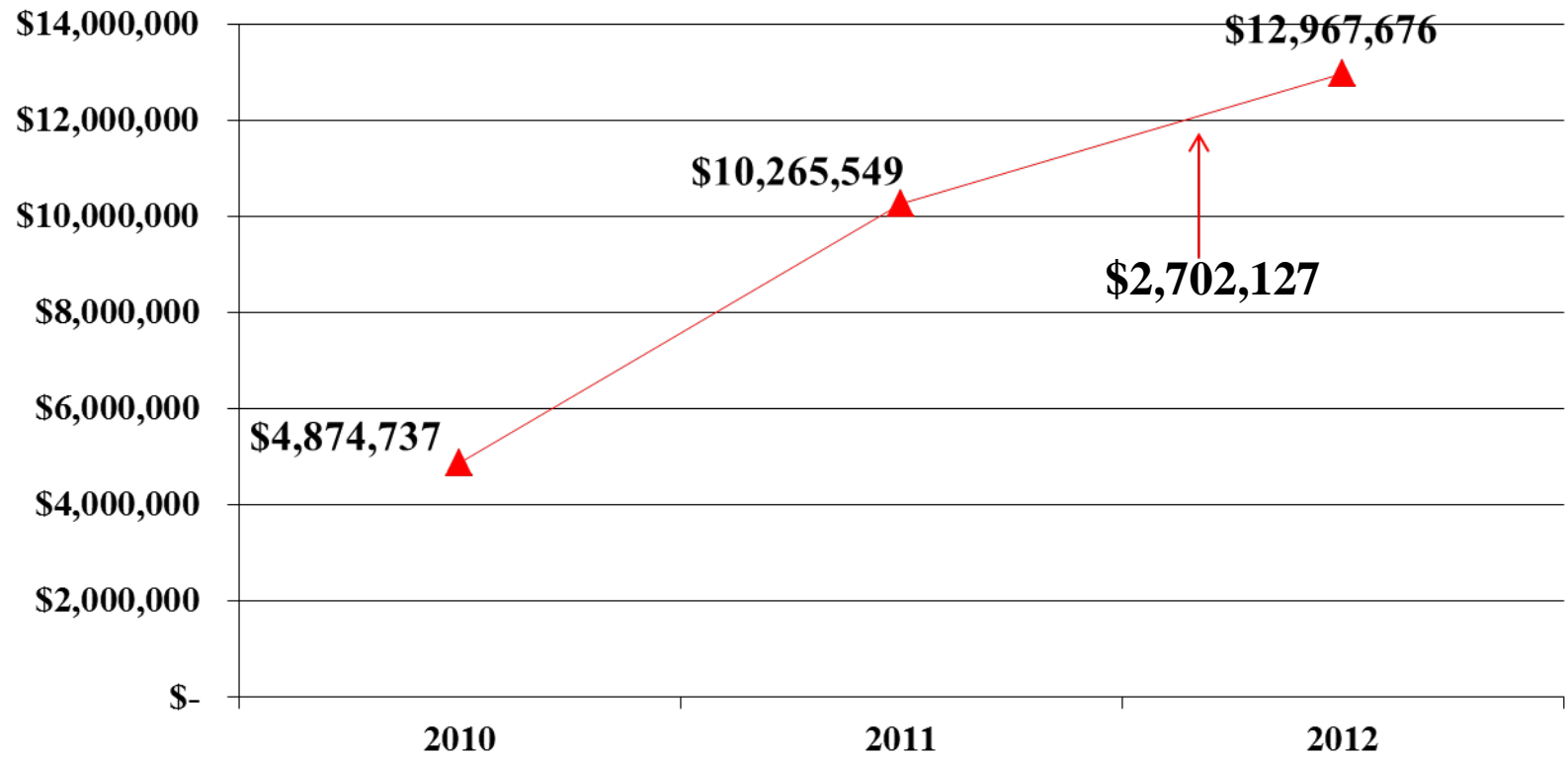
Total Revenues and Expenses



Total Net Assets



Total Unrestricted Net Assets





Other Items of Note

| | |
|--|-------------|
| <input type="checkbox"/> Debt Service for 2012 | \$ 626,823 |
| <input type="checkbox"/> Depreciation expense | 4,738,641 |
| <input type="checkbox"/> Operating Income (loss) | (2,763,153) |
| <input type="checkbox"/> Non-operating Revenues, net | 2,268,619 |
| <input type="checkbox"/> Cash Flow Provided By Operations | 2,148,458 |



Discussion & Questions



MARTIN · STARNES
& ASSOCIATES, CPAs, P.A.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

**MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.**

"A Professional Association of Certified Public Accountants and Management Consultants"

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

David R. Hillier, Chair
Robert C. Roberts, Vice-Chair

Jeffrey A. Piccirillo
Martha W. Thompson
Andrew T. Tate

Airport Director

Lew S. Bleiweis, A.A.E.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited the accompanying basic financial statements of the business-type activities of the Greater Asheville Regional Airport Authority as of, and for the years ended, June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Greater Asheville Regional Airport Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Asheville Regional Airport Authority as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 2, 2012, on our consideration of the Greater Asheville Regional Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and the Other Post-Employment Benefits Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements. The individual fund financial statements, budget and actual schedule, and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, the Passenger Facility Charge Audit Guide for Public Agencies, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements, budget and actual schedule, supplemental schedule, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 2, 2012

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (the "MD&A") of the Greater Asheville Regional Airport's activities and financial performance provides the reader with an overview to the financial statements of the Greater Asheville Regional Airport Authority for the fiscal year ended June 30, 2012. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

THE REPORTING ENTITY

The Asheville Regional Airport Authority was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (the "County") and the City of Asheville (the "City"). It was organized for and has as its sole purpose the management, operation, and maintenance of the Asheville Regional Airport (the "Airport"). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 which changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the "Authority"). Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

The Authority operates as an Enterprise Fund and is governed by seven members: two registered voters of the County, appointed by the Board of Commissioners of Buncombe County; two registered voters of the City, appointed by the Asheville City Council; two registered voters of the County of Henderson, appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority. Members of the Authority serve four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment.

The Authority employs a Managing Director (the "Airport Director"), who is the chief administrative and executive officer of the Authority. The Airport Director manages the Airport under the Authority's control with a staff of 59 full-time employees. The staff is responsible for the day-to-day financial, administration, and operational matters pertaining to the Airport and for the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a small hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 138th largest airport in the United States based on the number of passenger boardings during calendar year 2011¹. Due to the decrease in passenger boardings, the Airport will be classified as a non-hub airport effective October 1, 2012.

As of June 30, 2012, Asheville Regional Airport had twenty-seven non-stop commercial flights to ten cities (Atlanta, Charlotte, Chicago, Detroit, Houston, New York, Newark, Orlando, Philadelphia, and Washington, D.C.). The commercial airline carriers included Allegiant Air, Delta Air Lines, United Airlines, and US Airways.

The mission of the Asheville Regional Airport is to be the premier airport of choice for Western North Carolina travelers by providing an array of choices and amenities, distinctive customer service, value, and convenience.

¹ Federal Aviation Administration, passenger boardings calendar year 2011.

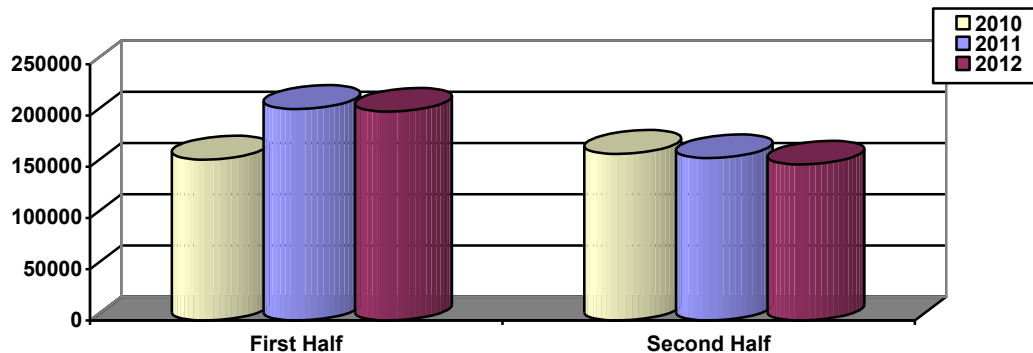
AIRPORT ACTIVITIES AND HIGHLIGHTS

| <u>For Year Ended June 30</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------------------------|-------------|-------------|-------------|
| Enplanements | 356,098 | 364,843 | 319,692 |
| Revenues per enplanement: | | | |
| Airlines | \$ 5.99 | \$ 5.52 | \$ 6.28 |
| Rental cars | 5.60 | 5.14 | 5.32 |
| Parking facility | 7.46 | 6.98 | 7.22 |
| Concessionaires | 0.62 | 0.41 | 0.46 |

Enplanements decreased by 2.4% in fiscal year 2012.

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|-------------|-------------|
| <i>Aircraft Movements (Land or Takeoff):</i> | | | |
| Airline | 19,690 | 21,001 | 18,994 |
| General aviation | 38,757 | 38,721 | 44,621 |
| Military | 4,266 | 4,675 | 4,214 |
| Total | 62,713 | 64,397 | 67,829 |

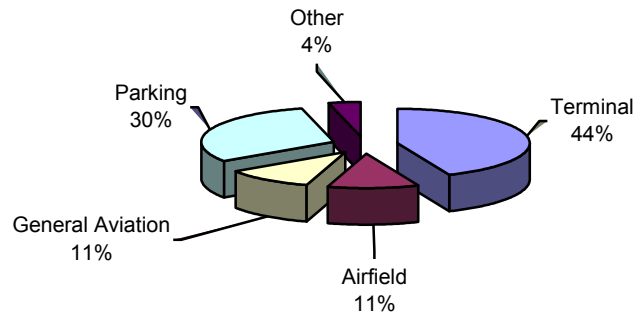
Passenger Enplanements for Fiscal Year



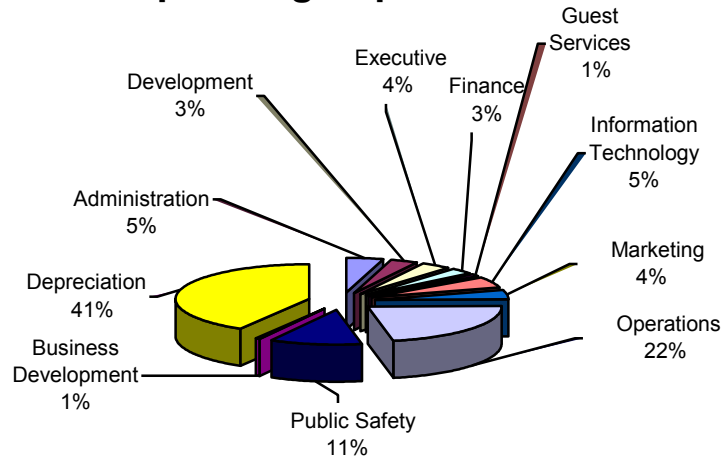
SUMMARY OF OPERATIONS AND CHANGES IN NET ASSETS

| <u>For Year Ended June 30</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|---------------------|---------------------|---------------------|
| Operating revenues | \$ 8,706,119 | \$ 8,331,092 | \$ 7,944,366 |
| Operating expenses | 11,469,272 | 11,214,256 | 9,949,160 |
| Operating loss before non-operating revenues and expenses | (2,763,153) | (2,883,164) | (2,004,794) |
| Non-operating revenues and expenses, net | 2,268,619 | 2,247,030 | 1,938,155 |
| Income (loss) before capital contributions | (494,534) | (636,134) | (66,639) |
| Capital contributions | 1,724,196 | 4,547,692 | 8,559,637 |
| Increase in net assets | <u>\$ 1,229,662</u> | <u>\$ 3,911,558</u> | <u>\$ 8,492,998</u> |

Operating Revenues



Operating Expenses



FINANCIAL POSITION SUMMARY

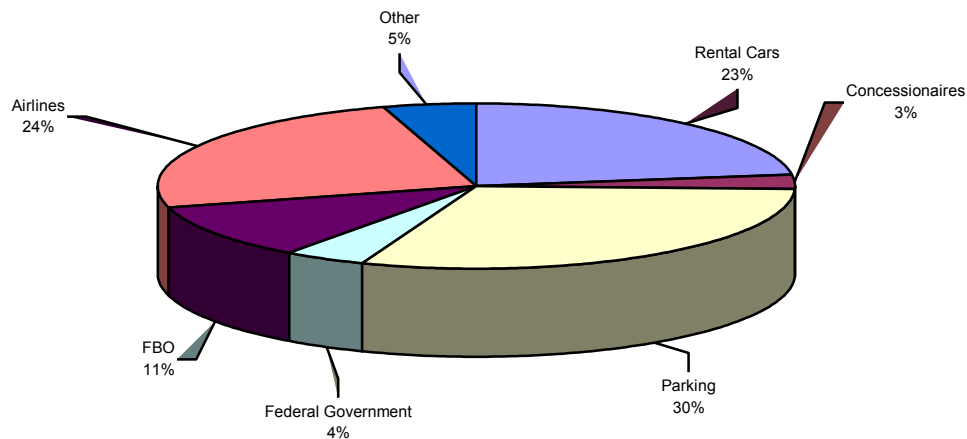
Net assets may serve, over time, as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by \$78,421,397 at June 30, 2012, roughly a \$1.2 million increase from June 30, 2011, and roughly a \$5.1 million increase from June 30, 2010.

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|---|----------------------|----------------------|----------------------|
| Assets: | | | |
| Current assets | \$ 15,858,797 | \$ 12,274,932 | \$ 10,556,723 |
| Capital assets | 68,158,888 | 70,196,489 | 70,086,196 |
| Other assets | 43,831 | 29,392 | 13,913 |
| Total assets | <u>84,061,516</u> | <u>82,500,813</u> | <u>80,656,832</u> |
| Liabilities: | | | |
| Total liabilities | <u>5,640,119</u> | <u>5,309,078</u> | <u>7,376,655</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 65,099,453 | 66,701,165 | 64,176,271 |
| Restricted | 354,268 | 225,021 | 2,225,994 |
| Unrestricted | 12,967,676 | 10,265,549 | 6,877,912 |
| Total net assets | <u>\$ 78,421,397</u> | <u>\$ 77,191,735</u> | <u>\$ 73,280,177</u> |

REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as parking receipts, rental car privilege fees, landing fees, space rental, and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2012.



SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits, and highly liquid investments with an original maturity of three months or less.

| For Year Ended June 30 | 2012 | 2011 | 2010 |
|--|---------------|---------------|--------------|
| Cash flows from operating activities | \$ 2,148,458 | \$ 1,687,887 | \$ 1,049,031 |
| Cash flows from investing activities | 24,230 | 32,230 | 28,124 |
| Cash flows from capital and related financing activities | 831,656 | 1,686,017 | (1,127,470) |
| Net increase (decrease) in cash and cash equivalents | 3,004,344 | 3,406,134 | (50,315) |
| Cash and Cash Equivalents: | | | |
| Beginning of year - July 1 | 11,115,574 | 7,709,440 | 7,759,755 |
| End of year - June 30 | \$ 14,119,918 | \$ 11,115,574 | \$ 7,709,440 |

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2012, the Authority expended \$2.7 million on capital activities. This included approximately \$2.0 million for major projects, which include the following:

- Passenger Boarding Bridges
- Airport Master Plan
- B Gates Renovation
- Aircraft Rescue and Firefighting Vehicle

Acquisitions are funded using a variety of sources, including federal and State grants, passenger facility charges, operating revenues, and net asset appropriations.

CAPITAL ASSETS (net of accumulated depreciation)

| | 2012 | 2011 | 2010 |
|---|---------------|---------------|---------------|
| Land | \$ 7,133,951 | \$ 7,133,951 | \$ 7,133,951 |
| Construction in progress | 2,192,545 | 651,150 | 8,269,606 |
| Leasehold improvements | 56,210,337 | 60,123,888 | 52,381,583 |
| Equipment | 1,410,751 | 1,553,120 | 1,548,818 |
| Furniture | 79,183 | 81,612 | 68,623 |
| Vehicles | 1,132,121 | 652,768 | 683,615 |
| Capital assets, net of accumulated depreciation | \$ 68,158,888 | \$ 70,196,489 | \$ 70,086,196 |

Long-Term Debt

As of June 30, 2012, the Authority had total bond debt outstanding of \$3,059,435.

Rental Car Facilities Taxable Revenue Bond, Series 2007

| <u>Balance</u> <u>July 1, 2011</u> | <u>Additions</u> | <u>Repayments</u> | <u>Balance</u> <u>June 30, 2012</u> |
|---------------------------------------|------------------|-------------------|--|
| \$ 3,495,324 | \$ - | \$ 435,889 | \$ 3,059,435 |

RECENT DEVELOPMENTS

Commercial aviation continued a slow recovery in 2011 despite rising jet fuel prices and a shaky economy. U.S. commercial air carriers made a \$1.6 billion net profit in 2011 compared to a net profit of \$3.4 billion in the prior year. In 2011, commercial air carrier domestic enplanements increased 2.3%, and domestic carrier load factor increased to a record 82.5%. In 2012, domestic capacity is expected to decrease by .5% and enplanements are forecasted to decrease by .1%.

Industry restructuring and consolidation continued in 2011 which had a direct impact on the number of flights and seats offered at the Airport. Air carriers boosted their profits by raising prices and charging ancillary fees. To address rising fuel prices, air carriers are transforming their fleets by retiring older, less fuel efficient aircraft, and regional carriers are growing their fleet of 70 to 90 seat regional jets and reducing their fleet of 50 seat jets. The Authority is beginning to experience this shift with the introduction of daily DC-9 mainline service by Delta Air Lines.

THE FUTURE

Despite uncertainty in the aviation industry, the Authority, management and staff have focused with even more precision on the core fundamentals of solidifying our position in a tough business environment. Authority management will continue to seek additional non-stop air service to the top 20 origin and destination markets at the Airport. The Authority was just awarded a small community air service grant by the Department of Transportation to assist with new air service initiatives. The Authority has also established a business travel advisory group for Buncombe and Henderson counties. This top business member participation will help garner additional air service. Through continued emphasis and focus on the relationships with our community, suppliers, and passengers, the Authority will continue to build a strong team vision and foundation for success as we move into the next fiscal year and beyond.

The Authority will continue to implement its capital program which includes the continued process of a new twenty year Master Plan. This plan will set the stage for the Airport's future and is scheduled to be completed by the end of the fiscal year ended June 30, 2013. In addition, the Authority has received FAA approval for the rehabilitation of its runway and the construction of a new parallel taxiway. The FAA has committed approximately \$48 million in discretionary and entitlement money for this project.

Management will continue to improve the Airport and its facilities in a financially prudent manner, maximizing Federal, State, and other revenues to minimize the Authority's funding required, thereby maximizing the Authority's return on its investments.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732. You may also call (828)-684-2226, visit our website www.flyavl.com, or send an email to pr@flyavl.com for more information.

The mission of the Greater Asheville Regional Airport Authority is to be the premier airport of choice for Western North Carolina travelers by providing an array of choices and amenities, distinctive customer service, value, and convenience.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENT OF NET ASSETS JUNE 30, 2012 AND 2011

| | 2012 | 2011 |
|--|---------------|---------------|
| Assets: | | |
| Current assets: | | |
| Unrestricted net assets: | | |
| Cash and cash equivalents | \$ 13,765,650 | \$ 10,890,553 |
| Accounts receivable, net | 590,399 | 787,544 |
| Grants receivable | 969,406 | 127,694 |
| Passenger facility charges receivables | 170,500 | 207,000 |
| Prepaid expenses | 8,574 | 37,120 |
| Total unrestricted assets | 15,504,529 | 12,049,911 |
| Restricted assets: | | |
| Cash and cash equivalents | 354,268 | 225,021 |
| Total restricted assets | 354,268 | 225,021 |
| Total current assets | 15,858,797 | 12,274,932 |
| Non-current assets: | | |
| Non-depreciable capital assets | 9,326,496 | 7,785,101 |
| Capital assets, net | 58,832,392 | 62,411,388 |
| Other assets | 43,831 | 29,392 |
| Total non-current assets | 68,202,719 | 70,225,881 |
| Total assets | \$ 84,061,516 | \$ 82,500,813 |
| Liabilities and Net Assets: | | |
| Liabilities: | | |
| Current liabilities: | | |
| Payable from unrestricted assets: | | |
| Accounts payable | \$ 474,082 | \$ 503,244 |
| Construction contracts payable | 650,475 | - |
| Construction contract retainages | 86,502 | - |
| Compensated absences | 242,751 | 198,898 |
| Accrued liabilities | 96,478 | 178,540 |
| Unearned revenue | 156,476 | 172,504 |
| Total payable from unrestricted assets | 1,706,764 | 1,053,186 |

The accompanying notes are an integral part of the financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENT OF NET ASSETS JUNE 30, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| Payable from restricted assets: | | |
| Revenue bond payable, current | 461,809 | 435,890 |
| Total payable from restricted assets | <u>461,809</u> | <u>435,890</u> |
| Total current liabilities | <u>2,168,573</u> | <u>1,489,076</u> |
| Non-current liabilities: | | |
| Other post-employment benefits | 769,875 | 675,326 |
| Compensated absences | 104,045 | 85,242 |
| Revenue bond payable, non-current | <u>2,597,626</u> | <u>3,059,434</u> |
| Total non-current liabilities | <u>3,471,546</u> | <u>3,820,002</u> |
| Total liabilities | <u>5,640,119</u> | <u>5,309,078</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 65,099,453 | 66,701,165 |
| Restricted | 354,268 | 225,021 |
| Unrestricted | <u>12,967,676</u> | <u>10,265,549</u> |
| Total net assets | <u>\$ 78,421,397</u> | <u>\$ 77,191,735</u> |

The accompanying notes are an integral part of the financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - PROPRIETARY FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|--|----------------------|----------------------|
| Operating Revenues: | | |
| Terminal | \$ 3,795,238 | \$ 3,566,462 |
| Airfield | 964,547 | 906,299 |
| General aviation | 955,340 | 883,198 |
| Parking lot | 2,655,398 | 2,555,433 |
| Other | 335,596 | 419,700 |
| Total operating revenues | <u>8,706,119</u> | <u>8,331,092</u> |
| Operating Expenses: | | |
| Administration | 514,822 | 511,916 |
| Development | 375,070 | 438,471 |
| Executive | 406,875 | 594,389 |
| Finance | 318,372 | 312,036 |
| Guest services | 122,086 | 125,344 |
| Information technology | 603,055 | 511,759 |
| Marketing | 489,534 | 439,953 |
| Operations | 2,564,859 | 2,410,298 |
| Public safety | 1,267,435 | 1,130,457 |
| Business development | 68,523 | 173,877 |
| Depreciation | 4,738,641 | 4,565,756 |
| Total operating expenses | <u>11,469,272</u> | <u>11,214,256</u> |
| Operating income (loss) | <u>(2,763,153)</u> | <u>(2,883,164)</u> |
| Non-Operating Revenues (Expenses): | | |
| Passenger facility charges | 1,367,373 | 1,479,525 |
| Customer facility charges | 1,067,949 | 943,005 |
| Interest revenue | 24,230 | 32,230 |
| Gain/(loss) on sale of capital assets | - | 7,667 |
| Interest expense | (190,933) | (215,397) |
| Total non-operating revenues, net | <u>2,268,619</u> | <u>2,247,030</u> |
| Income (loss) before capital contributions | (494,534) | (636,134) |
| Capital contributions | <u>1,724,196</u> | <u>4,547,692</u> |
| Change in net assets | 1,229,662 | 3,911,558 |
| Net Assets: | | |
| Beginning of year - July 1 | <u>77,191,735</u> | <u>73,280,177</u> |
| Ending of year - June 30 | <u>\$ 78,421,397</u> | <u>\$ 77,191,735</u> |

The accompanying notes are an integral part of the financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

| | 2012 | 2011 |
|--|---------------|---------------|
| Cash Flows from Operating Activities: | | |
| Cash received from providing services | \$ 8,098,052 | \$ 10,033,597 |
| Cash paid for goods and services | (3,367,777) | (6,018,993) |
| Cash paid to, or on behalf of, employees for services | (2,581,817) | (2,326,717) |
| Net cash provided (used) by operating activities | 2,148,458 | 1,687,887 |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition and construction of capital assets | (2,701,040) | (4,680,244) |
| Passenger facility charges | 1,367,373 | 1,490,525 |
| Customer facility charges | 1,067,949 | 943,005 |
| Principal payments of bond maturities | (435,889) | (411,426) |
| Proceeds from sale of assets | - | 11,862 |
| Interest paid on bond maturities | (190,933) | (215,397) |
| Capital contributions | 1,724,196 | 4,547,692 |
| Net cash provided (used) by capital and related financing activities | 831,656 | 1,686,017 |
| Cash Flows from Investing Activities: | | |
| Interest income | 24,230 | 32,230 |
| Net cash provided (used) by investing activities | 24,230 | 32,230 |
| Net increase (decrease) in cash and cash equivalents | 3,004,344 | 3,406,134 |
| Cash and Cash Equivalents: | | |
| Beginning of year - July 1 | 11,115,574 | 7,709,440 |
| End of year - June 30 | \$ 14,119,918 | \$ 11,115,574 |

The accompanying notes are an integral part of the financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Operating income (loss) | \$ (2,763,153) | \$ (2,883,164) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | 4,738,641 | 4,565,756 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 197,145 | 242,703 |
| (Increase) decrease in other receivables | (805,212) | 1,459,802 |
| (Increase) decrease in prepaid items | 28,546 | (25,580) |
| Increase (decrease) in accounts payable and accrued liabilities | (111,224) | 167,671 |
| (Increase) decrease in other assets | (14,439) | (15,479) |
| Increase (decrease) in contract payables | 736,977 | (2,003,175) |
| Increase (decrease) in unearned revenue | (16,028) | 88,764 |
| Increase (decrease) in other post-employment benefits | 157,205 | 90,589 |
| Total adjustments | <u>4,911,611</u> | <u>4,571,051</u> |
| Net cash provided (used) by operating activities: | <u>\$ 2,148,458</u> | <u>\$ 1,687,887</u> |

The accompanying notes are an integral part of the financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Note A – Organization and Summary of Significant Accounting Policies

The accounting policies of the Greater Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Asheville Regional Airport Authority (the “Authority”) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five-year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year-to-year extension after the term has been reached. Under the agreement, Buncombe County was responsible for funding any operating deficits of the Authority during the term of the agreement. On June 28, 2012, the General Assembly of North Carolina enacted the Greater Asheville Regional Airport Authority Act in Session Law 2012-121, making the Authority an independent airport authority and changing the official name to Greater Asheville Regional Airport Authority. Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

Basis of Presentation

Fund financial statements provide information about the Authority’s funds. Statements for the proprietary fund category are presented.

Proprietary funds include the following fund type:

Enterprise Funds. Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one enterprise fund for airport operation.

Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the flow of economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for services.

Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As permitted by U.S. generally accepted accounting principles, the Authority has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer may transfer amounts between line item expenditures, within a budget ordinance line item/cost center, without limitation and without a report being required. These changes should not result in increased recurring obligations. The Budget Officer may transfer amounts up to \$60,000 from contingency to other line items, within the same fund. An official report on such transfers must be made at the next regular meeting of the Board. Any other amendments must be approved by the governing board. During the year, several amendments to the original budget were made. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the Authority are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed, both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The Authority's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

Restricted assets consist of monies and other resources which are legally restricted as described below:

Cash. The revenue bond agreement requires that the Authority maintain restricted cash reserves equal to fifty percent of the outstanding principal balance of the revenue bonds. The revenue bond agreement also states that if the Authority has maintained rates, rentals, fees, and charges related to the Rental Car Facilities so that net revenues are equal to at least 165% of the principal and interest requirements on the bonds for two consecutive fiscal years, the Authority will not be required to maintain the fifty percent of the outstanding principal balance of the revenue bonds. In the current fiscal year, this criteria was met and no amounts were restricted for the bond. The agreement also requires that net revenues generated from the Rental Car Facility be maintained in a revenue cash fund to service the operating expenses and debt service of the facility. This amount is shown as restricted for the years ended June 30, 2012 and 2011.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

| <u>Asset</u> | <u>Estimated Useful Lives</u> |
|---|-------------------------------|
| Leasehold improvements | 5-40 years |
| Public safety and maintenance equipment | 3-20 years |
| Vehicles | 3-20 years |
| Furniture | 5-10 years |
| Computer software | 5 years |
| Computer equipment | 5 years |

Compensated Absences

Airport personnel policies permit an employee to earn vacation based on his years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31, unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Airport Director. Employees who resign, are laid off, or otherwise separated from the Authority, shall be entitled to be paid for any unused annual leave earned by them as of the date of termination, not to exceed 60 days. Accrued vacation pay amounted to \$214,359 and \$173,944 at June 30, 2012 and 2011, respectively.

A specific number of professional leave hours are available to exempt employees. Employees must be employed for 180 days of the calendar year to be eligible for professional leave for that year. The professional leave does not accrue from year to year. Unused professional leave as of December 31 will be paid out to the employee on the first payroll of the new calendar at a rate of 50% of its value. Unused professional leave is not paid upon termination, thus no accrual has been made.

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is earned by regular, full-time employees at a rate of 12 days per year. All employees who properly resign, are laid off, or otherwise separated from the Authority in good standing shall be entitled to be paid for 33% of any unused sick leave balance earned by them, not to exceed 240 hours. Accrued sick pay amounted to \$132,437 and \$110,196 at June 30, 2012 and 2011, respectively.

The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

Net Assets

Net assets in proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

State law [G.S. 159-13(b)(16)] restricts appropriation of net assets for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

Note B – Detailed Notes On All Funds

Assets

Deposits

All the deposits of the Authority are either insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows; however, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority does not have a deposit policy for custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2012, the Authority's deposits had a carrying amount of \$11,100,737 and a bank balance of \$11,285,854. Of the bank balance, \$854,268 was covered by federal depository insurance, and \$10,431,586 was covered under the Pooling Method.

The Authority maintains petty cash of \$200.

Investments

At June 30, 2012, the Authority's investments and maturities were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 6 Months</u> |
|-----------------------------------|---------------------|-------------------------------|
| North Carolina Capital Management | | |
| Trust Cash Portfolio | \$ 17,162 | N/A |
| North Carolina Capital Management | | |
| Trust Term Portfolio* | 3,001,819 | \$ 3,001,819 |
| | <u>\$ 3,018,981</u> | <u>\$ 3,001,819</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Because the North Carolina Management Trust Term Portfolio had a duration of .17 years, it was presented as an investment with a maturity of less than 6 months.

There were no realized or unrealized gains or losses on the Authority's investments during 2012.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2012, the Authority's investment in the North Carolina Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2012. The Authority's investment in North Carolina Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended.

Accounts Receivable

The balance of accounts receivable at June 30, 2012 consisted of the following:

| | |
|---------------------------------|-------------------|
| Trade | \$ 485,672 |
| Other | <u>105,893</u> |
| | 591,565 |
| Allowance for doubtful accounts | <u>(1,166)</u> |
| | <u>\$ 590,399</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Capital Assets

The capital assets of the Authority at June 30, 2012 are as follows:

| | <u>July 1, 2011</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>June 30, 2012</u> |
|--|----------------------|-----------------------|------------------|--------------------|----------------------|
| Business-Type Activities: | | | | | |
| Non-Depreciable Capital Assets: | | | | | |
| Land | \$ 7,133,951 | \$ - | \$ - | \$ - | \$ 7,133,951 |
| Construction in progress | 651,150 | 2,701,040 | - | (1,159,645) | 2,192,545 |
| Total non-depreciable capital assets | <u>7,785,101</u> | <u>2,701,040</u> | <u>-</u> | <u>(1,159,645)</u> | <u>9,326,496</u> |
| Depreciable Capital Assets: | | | | | |
| Leasehold improvements | 92,047,722 | - | - | 294,479 | 92,342,201 |
| Equipment | 4,276,045 | - | - | 241,467 | 4,517,512 |
| Furniture | 142,297 | - | - | 13,885 | 156,182 |
| Vehicles | 2,998,527 | - | (96,609) | 609,814 | 3,511,732 |
| Total depreciable capital assets | <u>99,464,591</u> | <u>-</u> | <u>(96,609)</u> | <u>1,159,645</u> | <u>100,527,627</u> |
| Less Accumulated Depreciation: | | | | | |
| Leasehold improvements | 31,923,834 | 4,208,030 | - | - | 36,131,864 |
| Equipment | 2,722,925 | 383,836 | - | - | 3,106,761 |
| Furniture | 60,685 | 16,314 | - | - | 76,999 |
| Vehicles | 2,345,759 | 130,461 | (96,609) | - | 2,379,611 |
| Total accumulated depreciation | <u>37,053,203</u> | <u>4,738,641</u> | <u>(96,609)</u> | <u>-</u> | <u>41,695,235</u> |
| Total depreciable capital assets, net | <u>62,411,388</u> | <u>(4,738,641)</u> | <u>-</u> | <u>1,159,645</u> | <u>58,832,392</u> |
| Business-type activities capital assets, net | <u>\$ 70,196,489</u> | <u>\$ (2,037,601)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 68,158,888</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Liabilities

Payables

Payables at June 30, 2012 were as follows:

| | <u>Vendors</u> | <u>Salaries and Benefits</u> | <u>Security Deposits</u> | <u>Total</u> |
|---------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Accounts payable | \$ 458,309 | \$ 15,023 | \$ 750 | \$ 474,082 |
| Accrued liabilities | - | 96,478 | - | 96,478 |
| Total | <u>\$ 458,309</u> | <u>\$ 111,501</u> | <u>\$ 750</u> | <u>\$ 570,560</u> |

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Authority contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries.

Article 3 of G.S. 12 Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. For the Authority, the rate for the fiscal year ended June 30, 2012 for employees not engaged in law enforcement is 6.97% and for law enforcement officers is 7.05% of annual covered payroll. The contribution requirements of members and of the Authority are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$185,389, \$148,577, and \$109,903, respectively. The contributions made by the Authority equaled the required contributions for each year.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Law Enforcement Officers' Special Separation Allowance

Plan Description. The Authority administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation, most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

| | |
|---|------------------|
| Retirees receiving benefits | 4 |
| Terminated plan members entitled to, but not yet receiving, benefits | - |
| Active plan members | <u>14</u> |
| Total | <u><u>18</u></u> |

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

Basis of Accounting. The Authority has chosen to fund the Separation Allowance on a pay-as-you-go basis.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions. The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the Enterprise Fund operating budget. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% – 7.85% per year.

Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement benefit increases.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Annual Pension Cost and Net Pension Obligation. The Authority's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

| | | |
|---|----|------------------------|
| Annual required contribution | \$ | 26,061 |
| Interest on net pension obligation | | (1,470) |
| Adjustment to annual required contribution | | <u>1,753</u> |
| Annual pension cost | | 26,344 |
| Contributions made | | <u>(40,783)</u> |
| Increase (decrease) in net pension obligation | | (14,439) |
| Net pension obligation: | | |
| Beginning of year - July 1 | | <u>(29,392)</u> |
| End of year - June 30 | \$ | <u><u>(43,831)</u></u> |

Three-Year Trend Information

| Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/2010 | \$ 20,927 | 225.35% | \$ (13,913) |
| 6/30/2011 | 25,304 | 161.17% | (29,392) |
| 6/30/2012 | 26,344 | 154.81% | (43,831) |

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$235,796, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$235,796. The covered payroll (annual payroll of active employees covered by the plan) was \$606,418, and the ratio of the UAAL to the covered payroll was 38.88%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan

Plan Description. The Authority contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5% of each officer's salary. In addition to the required contribution for law enforcement officers, the Authority makes a monthly contribution equal to 5% of non-law enforcement officer's salary. Also, law enforcement officers and non-law enforcement officers of the Authority may make voluntary contributions to the Plan.

The Authority contribution for law enforcement officers for the year ended June 30, 2012 was \$32,399, and the officers' voluntary contributions were \$4,359. The Authority's contribution for non-law enforcement officers was \$99,839, with voluntary contributions of \$36,043.

Firemen's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the Greater Asheville Regional Airport Authority, to the Firemen's and Rescue Squad Workers' Pension Fund (the "Fund"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible firemen and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Fund is included in the Comprehensive Annual Financial Report (the "CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The State's annual contribution per fireman to the Fund for the fiscal years ended June 30, 2012 and 2011 was \$382 and \$334, respectively. The State's on-behalf contributions are required to be recorded as revenues and expenditures. The Authority does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Authority has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Authority considers these contributions to be immaterial.

The Authority provides health, dental, short-term and long-term disability, life insurance, and a 457 deferred compensation plan to its regular full-time employees. Regular part-time employees, working at least 1,000 hours annually, qualify for these benefits.

Other Post-Employment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the North Carolina Local Governmental Employees' Retirement System, were hired prior to July 1, 2011, and were covered by the Authority's group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. The Authority Board may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Retiree Health Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

| | General Employees | Law Enforcement Officers |
|---|------------------------------|---|
| Retirees and dependents receiving benefits | 2 | 5 |
| Terminated plan members entitled to, but not yet receiving, benefits | - | - |
| Active plan members | 41 | 14 |
| Total | 43 | 19 |

Funding Policy. By Authority resolution, the Authority pays the full cost of coverage for the healthcare benefits paid for qualified retirees. The Authority's retirees pay the full cost for any dependent coverage. The Authority has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 6.43% of annual covered payroll. For the current year, the Authority contributed \$54,897, or 2.4%, of annual covered payroll. The Authority obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$6,145. The Authority's obligation to contribute to the Retiree Health Plan is established and may be amended by the Authority Board.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Summary of Significant Accounting Policies. Post-employment expenditures are made from the proprietary fund, which is maintained on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Authority's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation for the post-employment healthcare benefits:

| | |
|--|--------------------------|
| Annual required contribution | \$ 145,738 |
| Interest on net OPEB obligation | 27,013 |
| Adjustment to annual required contribution | <u>(23,305)</u> |
| Annual OPEB cost (expense) | 149,446 |
| Contributions made | <u>(54,897)</u> |
| Increase (decrease) in net OPEB obligation | 94,549 |
| Net OPEB obligation: | |
| Beginning of year - July 1 | <u>675,326</u> |
| End of year - June 30 | <u><u>\$ 769,875</u></u> |

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding two years are as follows:

| Three-Year Trend Information | | | |
|-------------------------------------|-------------------------|---|----------------------------|
| Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
| 6/30/2010 | \$ 262,434 | 22.10% | \$ 584,737 |
| 6/30/2011 | 148,948 | 39.18% | 675,326 |
| 6/30/2012 | 149,446 | 36.73% | 769,875 |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Funding Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$1,058,716. The covered payroll (annual payroll of active employees covered by the plan) was \$2,265,417, and the ratio of the UAAL to the covered payroll was 46.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50% to 5.00% annually. The investment rate included a 3.75% inflation assumption.

The actuarial value of assets was calculated based on the assumption that there were no assets set aside with the Authority that are legally held exclusively for retiree health benefits. If a trust or equivalent arrangement were set up for this purpose, the investment rate of return can be increased. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was thirty years.

Unearned Revenue

Unearned revenue represents customer prepayments of revenues of \$156,476 and \$172,504 at June 30, 2012 and 2011, respectively.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Long-Term Debt

On October 15, 2007, the Authority issued \$4,750,000 of bonds entitled Rental Car Facilities Taxable Revenue Bond, Series 2007. These bonds provided financing for the Rental Car Facility. Interest only was payable until April 2008, at which time payments of principal and interest began in the amount of \$52,235 monthly. The bonds bear interest at 5.79% and will mature in March 2018. The future payment of the bonds are as follows:

| <u>Year Ending</u> <u>June 30</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------------|---------------------|-------------------|
| 2013 | \$ 461,809 | \$ 165,014 |
| 2014 | 489,269 | 137,554 |
| 2015 | 518,361 | 108,461 |
| 2016 | 549,184 | 77,639 |
| 2017 | 581,839 | 44,983 |
| 2018 | 458,973 | 11,144 |
| Total | <u>\$ 3,059,435</u> | <u>\$ 544,795</u> |

The Authority has pledged future net revenues derived from the Rental Car Facilities to repay these revenue bonds. The total principal and interest remaining to be paid on the bonds is \$3,604,230. Principal and interest paid for the current year, and total customer net Rental Car Facilities' revenues were \$626,823 and \$1,287,858, respectively.

The Authority covenants and agrees that it will fix rates, rentals, fees, and charges related to the Rental Car Facilities, including the common area maintenance fee, the customer facility charge, and the rental fees; and from time to time, it will revise such rates, rentals, fees, and charges in such a manner that the net revenues for each fiscal year, beginning with the first full fiscal year following the fiscal year during which the Rental Car Facilities are first put into use for its intended purpose, and thereafter, shall not be less than the sum of 120% of the principal and interest requirements on the bonds for such fiscal year.

The Authority is in compliance with the covenants of the bond order. The debt service coverage ratio calculation for the year ended June 30, 2012 is as follows:

| | |
|--|---------------------|
| Revenues for "Rental Car Facilities" | \$ 1,359,560 |
| Operating expenses for "Rental Car Facilities" | <u>71,702</u> |
| Net revenues from "Rental Car Facilities" | <u>\$ 1,287,858</u> |
| Debt service, principal, and interest paid | <u>\$ 626,823</u> |
| Debt service coverage ratio | <u>205.46%</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Changes in Long-Term Liabilities

Changes in long-term liabilities are as follows:

| | <u>July 1, 2011</u> | <u>Additions</u> | <u>Retirements</u> | <u>June 30, 2012</u> | <u>Current</u> |
|---------------------------------|---------------------|-------------------|--------------------|----------------------|-------------------|
| Revenue bonds | \$ 3,495,324 | \$ - | \$ 435,889 | \$ 3,059,435 | \$ 461,809 |
| Compensated absences | 284,140 | 228,724 | 166,068 | 346,796 | 242,751 |
| Other post-employment benefits: | | | | | |
| Healthcare benefits | <u>675,326</u> | <u>149,446</u> | <u>54,897</u> | <u>769,875</u> | <u>-</u> |
| Total | <u>\$ 4,454,790</u> | <u>\$ 378,170</u> | <u>\$ 656,854</u> | <u>\$ 4,176,106</u> | <u>\$ 704,560</u> |

Construction Contract Commitments

The Authority has commitments of approximately \$1.6 million for the construction/renovation of facilities. These projects are being funded through federal grants and passenger facility charges totaling approximately \$1.52 million and Authority funds of approximately \$80,000.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property, general liability, flood, automobile, workers' compensation, crime, public officials, law enforcement, and employment practices coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Authority carries flood insurance through Alliant Insurance Services, Inc. in the amount of \$10,000,000.

The Authority's crime insurance covers all employees, including the Finance Officer, with a limit of \$250,000 per loss.

Net Assets

The Authority Board has established an operations and maintenance designation equal to six months of the Airport's subsequent year's operations and maintenance budget. The Board has also designated \$650,000 for emergency repairs.

Unrestricted net assets consist of the following:

Designations of Unrestricted Net Assets:

| | |
|---------------------------------------|----------------------|
| Operating and maintenance designation | \$ 3,667,664 |
| Emergency repair designation | 650,000 |
| Undesignated, unrestricted net assets | <u>8,650,012</u> |
| Total unrestricted net assets | <u>\$ 12,967,676</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Revenue and Expenses

Leases and Other Non-Cancelable Agreements

The Authority leases land and facilities to tenants under various cancelable and non-cancelable agreements. Some agreements require a fixed monthly rent and others require a fee that is the greater of a minimum annual guarantee privilege fee or a percentage of gross sales by the tenant. The future non-cancelable minimum annual rentals and privilege fees to be received under agreements in effect at June 30, 2012 are as follows:

| <u>Year Ending</u> <u>June 30</u> | |
|--------------------------------------|----------------------|
| 2013 | \$ 2,824,138 |
| 2014 | 1,176,021 |
| 2015 | 948,340 |
| 2016 | 948,340 |
| 2017 | 948,340 |
| Thereafter | <u>9,057,980</u> |
| Total | <u>\$ 15,903,159</u> |

Airline Incentives

The Authority entered into agreements with two air carriers to waive fees for all Airport services for a stated period of time as an incentive for new air service to be provided by the air carriers. The total value of these waived fees for the year ended June 30, 2012 is \$51,868.

Major Customers

Transactions with one customer, from which more than 10% of operating revenues were derived during the year ended June 30, 2012, accounted for the following revenue and related accounts receivable balance at June 30, 2012:

| <u>Revenues</u> | <u>Accounts</u> <u>Receivable</u> |
|-------------------|--------------------------------------|
| <u>\$ 894,203</u> | <u>\$ 128,130</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Passenger Facility Charges

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.39 per passenger. Every air carrier servicing the Airport must collect this charge from passengers on all tickets sold and remit these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Revenues from passenger facility charges totaled \$1,367,373 for the year ended June 30, 2012.

On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2012, the State made pension contributions on behalf of the Authority of \$764 for the two employed firemen who perform firefighting duties for the Authority's fire department. The employees elected to be members of the Firemen's and Rescue Workers' Pension Fund, a cost-sharing, multiple-employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation. As of June 30, 2012, the employed firemen are fully funded.

Note C – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Authority has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Note D – Significant Effects of Subsequent Events

Pursuant to the State statute making the Authority an independent airport authority, the City of Asheville will transfer to the Authority within 90 days upon approval of the FAA all its rights, title, and interest to the property known as the Asheville Regional Airport. The property will be recorded on the books of the Authority once title has been transferred. As of the release of these financial statements, the title of the property held by the City of Asheville has not been transferred to the Authority.

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) | | Funded Ratio (A/B) | Unfunded AAL (UAAL) (B-A) | Covered Payroll (C) | UAAL as a % of Covered Payroll ((B-A)/C) |
|--------------------------------|--|---|--|--------------------------|---------------------------------|---------------------------|---|
| | | Projected Unit Credit (B) | | | | | |
| 12/31/1997 | \$ - | \$ 83,155 | | 0.00% | \$ 83,155 | \$ 483,514 | 17.20% |
| 12/31/1998 | - | 92,186 | | 0.00% | 92,186 | 477,332 | 19.31% |
| 12/31/1999 | - | 108,004 | | 0.00% | 108,004 | 562,232 | 19.21% |
| 12/31/2000 | - | 278,556 | | 0.00% | 278,556 | 507,211 | 54.92% |
| 12/31/2001 | - | 266,147 | | 0.00% | 266,147 | 550,940 | 48.31% |
| 12/31/2002 | - | 321,410 | | 0.00% | 321,410 | 546,517 | 58.81% |
| 12/31/2003 | - | 264,511 | | 0.00% | 264,511 | 490,297 | 53.95% |
| 12/31/2004 | - | 264,421 | | 0.00% | 264,421 | 514,320 | 51.41% |
| 12/31/2005 | - | 295,190 | | 0.00% | 295,190 | 529,431 | 55.76% |
| 12/31/2006 | - | 263,109 | | 0.00% | 263,109 | 575,361 | 45.73% |
| 12/31/2007 | - | 256,896 | | 0.00% | 256,896 | 402,947 | 63.75% |
| 12/31/2008 | - | 232,926 | | 0.00% | 232,926 | 508,081 | 45.84% |
| 12/31/2009 | - | 254,547 | | 0.00% | 254,547 | 632,374 | 40.25% |
| 12/31/2010 | - | 252,074 | | 0.00% | 252,074 | 552,075 | 45.66% |
| 12/31/2011 | - | 235,796 | | 0.00% | 235,796 | 606,418 | 38.88% |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed | Net Pension Obligation |
|-------------------------------|---|--|-----------------------------------|
| 1998 | \$ 10,479 | 0.00% | \$ 56,023 |
| 1999 | 11,674 | 0.00% | 67,697 |
| 2000 | 12,365 | 0.00% | 80,062 |
| 2001 | 14,395 | 103.88% | 79,504 |
| 2002 | 26,845 | 77.06% | 85,663 |
| 2003 | 27,259 | 82.43% | 90,452 |
| 2004 | 30,881 | 72.76% | 98,864 |
| 2005 | 26,048 | 101.72% | 98,416 |
| 2006 | 26,790 | 146.61% | 85,928 |
| 2007 | 24,101 | 177.00% | 68,543 |
| 2008 | 22,644 | 211.03% | 44,159 |
| 2009 | 20,572 | 257.21% | 12,320 |
| 2010 | 20,810 | 226.62% | (13,913) |
| 2011 | 25,255 | 161.48% | (29,392) |
| 2012 | 26,061 | 156.49% | (43,831) |

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

| | |
|-------------------------------|-----------------------------|
| Valuation date | December 31, 2011 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent of pay closed |
| Remaining amortization period | 19 years |
| Asset valuation method | Market value of assets |
| Actuarial assumptions: | |
| Investment rate of return | 5.00% |
| Projected salary increases* | 4.25% - 7.85% |
| * Includes inflation at | 3.00% |
| Cost-of-living adjustments | N/A |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

OTHER POST-EMPLOYMENT BENEFITS -
RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2012

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Projected Unit Credit (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a % of Covered Payroll ((B-A)/C) |
|--------------------------------|--|--|---------------------------------|--------------------------|---------------------------|---|
| 6/30/2008 | \$ - | \$ 752,739 | \$ 752,739 | 0.00% | \$ 1,834,165 | 41.04% |
| 6/30/2009 | - | 915,011 | 915,011 | 0.00% | 2,545,647 | 35.94% |
| 12/31/2009 | - | 1,058,716 | 1,058,716 | 0.00% | 2,265,417 | 46.73% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed |
|-----------------------|---|-------------------------------------|
| 2012 | \$ 145,738 | 37.67% |
| 2011 | 145,738 | 40.04% |
| 2010 | 260,346 | 22.28% |
| 2009 | 247,949 | 13.67% |
| 2008 | 183,849 | 16.31% |

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

| | |
|-------------------------------|-------------------------------------|
| Valuation date | December 31, 2009 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent of pay open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value of assets |
| Actuarial assumptions: | |
| Investment rate of return* | 4.00% * Includes inflation of 3.75% |
| Medical trend rate | 10.50% - 5.00% |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

| | 2012 | | | 2011 |
|--|-------------------|------------------|------------------------|-------------------|
| | Final Budget | Actual | Variance Over/Under | Actual |
| Revenues: | | | | |
| Terminal | \$ 3,451,154 | \$ 3,795,238 | \$ 344,084 | \$ 3,566,462 |
| Airfield | 826,097 | 964,547 | 138,450 | 906,299 |
| General aviation | 900,136 | 955,340 | 55,204 | 883,198 |
| Parking lot | 2,642,400 | 2,655,398 | 12,998 | 2,555,433 |
| Interest income | 25,000 | 24,230 | (770) | 32,230 |
| Other | 652,025 | 335,596 | (316,429) | 427,367 |
| Customer facility charges | 900,000 | 1,067,949 | 167,949 | 943,005 |
| Total revenues | <u>9,396,812</u> | <u>9,798,298</u> | <u>401,486</u> | <u>9,313,994</u> |
| Expenditures: | | | | |
| Administration | 519,827 | 420,273 | 99,554 | 421,327 |
| Development | 267,382 | 216,545 | 50,837 | 171,559 |
| Executive | 467,157 | 406,875 | 60,282 | 594,389 |
| Finance | 367,220 | 318,372 | 48,848 | 312,036 |
| Guest services | 133,584 | 122,086 | 11,498 | 125,344 |
| Information technology | 623,618 | 597,327 | 26,291 | 505,319 |
| Marketing | 500,990 | 489,534 | 11,456 | 439,953 |
| Operations | 2,808,295 | 2,506,967 | 301,328 | 2,395,186 |
| Public safety | 1,396,442 | 1,281,873 | 114,569 | 1,145,936 |
| Business development: | | | | |
| Operating expenditures | 300,000 | 68,523 | 231,477 | 173,877 |
| Debt service | 626,823 | 626,823 | - | 626,823 |
| Emergency repair: | | | | |
| Operating expenditures | 100,000 | 63,620 | 36,380 | 21,552 |
| Capital expenditures | - | - | - | 20,200 |
| Contingency | 47,500 | - | 47,500 | - |
| Reimbursable costs | 453,405 | 158,525 | 294,880 | 266,912 |
| Equipment and small capital outlay | 282,029 | 261,673 | 20,356 | 441,443 |
| Renewal and replacement capital outlay | 324,382 | 193,565 | 130,817 | 179,014 |
| Capital project expenditures: | | | | |
| Prior year approved projects | 569,169 | 500,768 | 68,401 | 3,800,160 |
| New projects in current year | 8,458,879 | 1,745,034 | 6,713,845 | 239,427 |
| Total expenditures | <u>18,246,702</u> | <u>9,978,383</u> | <u>8,268,319</u> | <u>11,880,457</u> |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

| | 2012 | | | 2011 |
|--|-----------------|--------------|------------------------|--------------|
| | Final Budget | Actual | Variance Over/Under | Actual |
| Revenues over (under) expenditures | (8,849,890) | (180,085) | 8,669,805 | (2,566,463) |
| Other Financing Sources (Uses): | | | | |
| State grant reimbursements | 300,000 | - | (300,000) | 127,694 |
| Federal airport improvement program grants | 6,054,691 | 1,724,196 | (4,330,495) | 4,419,998 |
| Passenger facility charges | 1,395,000 | 1,367,373 | (27,627) | 1,479,525 |
| Appropriated net assets | 1,100,199 | - | (1,100,199) | - |
| Total other financing sources (uses) | 8,849,890 | 3,091,569 | (5,758,321) | 6,027,217 |
| Revenues and other financing sources over (under) expenditures and other financing uses | \$ - | 2,911,484 | \$ 2,911,484 | 3,460,754 |
| Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual: | | | | |
| Capital outlay expenditures | | 455,238 | | 640,657 |
| Capital project expenditures | | 2,245,802 | | 4,039,587 |
| Principal payments of bond maturities | | 435,889 | | 411,426 |
| OPEB annual required contribution in excess of actual payments | | (94,549) | | (90,589) |
| LEO special separation allowance actual payments in excess of required contribution | | 14,439 | | 15,479 |
| Depreciation | | (4,738,641) | | (4,565,756) |
| Change in net assets | | \$ 1,229,662 | | \$ 3,911,558 |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

CAPITAL IMPROVEMENTS SUPPLEMENTAL SCHEDULE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|----------------|------------------|------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Federal airport improvement program grants | \$ 5,690,875 | \$ - | \$ 1,386,458 | \$ 1,386,458 | \$ (4,304,417) |
| Passenger facility charges | 1,237,500 | - | 27,304 | 27,304 | (1,210,196) |
| State grants | 300,000 | - | - | - | (300,000) |
| Total operating revenues | <u>7,228,375</u> | <u>-</u> | <u>1,413,762</u> | <u>1,413,762</u> | <u>(5,814,613)</u> |
| Expenditures: | | | | | |
| Airfield improvements - Phase II | 3,266,300 | - | - | - | 3,266,300 |
| Aircraft Rescue & Fire Fighting Facility: | | | | | |
| Design | 541,409 | - | 60,713 | 60,713 | 480,696 |
| Construction | 1,714,626 | - | - | - | 1,714,626 |
| Passenger boarding bridges | 1,854,044 | - | 964,071 | 964,071 | 889,973 |
| Airport master plan | 832,500 | - | 485,385 | 485,385 | 347,115 |
| B Gates renovation | 250,000 | - | 234,865 | 234,865 | 15,135 |
| Total expenditures | <u>8,458,879</u> | <u>-</u> | <u>1,745,034</u> | <u>1,745,034</u> | <u>6,713,845</u> |
| Revenues over (under) expenditures | <u>(1,230,504)</u> | <u>-</u> | <u>(331,272)</u> | <u>(331,272)</u> | <u>899,232</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers from Operating Cash | <u>1,230,504</u> | <u>-</u> | <u>331,272</u> | <u>331,272</u> | <u>899,232</u> |
| Total other financing sources (uses) | <u>1,230,504</u> | <u>-</u> | <u>331,272</u> | <u>331,272</u> | <u>899,232</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Note: Schedule represents cumulative activity for active capital projects.

Budget and actual activity is accounted for in the Operating Fund.

This schedule is for additional detail of active capital projects.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited the financial statements of the business-type activities of the Greater Asheville Regional Airport Authority, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements, and have issued our report, thereon, dated October 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Greater Asheville Regional Airport Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Asheville Regional Airport Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greater Asheville Regional Airport Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater Asheville Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts; however, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, audit committee, others within the organization, members of the Board of Directors, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.

October 2, 2012

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And Passenger Facility Charge (PFC) Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133, The PFC Program Audit Compliance Guide And The State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Compliance

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, the Passenger Facility Charge Audit Guide for Public Agencies, and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Greater Asheville Regional Airport Authority's major federal programs and PFC program for the year ended June 30, 2012. The Greater Asheville Regional Airport Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and PFC Program is the responsibility of the Greater Asheville Regional Airport Authority's management. Our responsibility is to express an opinion on the Greater Asheville Regional Airport Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Passenger Facility Charge Audit Guide for Public Agencies, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, the PFC Program Audit Compliance Guide, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, or the PFC Program, occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance with those requirements.

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and the PFC Program for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and the PFC Program. In planning and performing our audit, we considered the Greater Asheville Regional Airport Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program, or the PFC Program, to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, the Passenger Facility Charge Audit Guide for Public Agencies, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greater Asheville Regional Airport Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, others within the entity, members of the Board of Directors, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.
October 2, 2012

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major federal programs:

| <u>Name of Federal Program or Cluster</u> | <u>CFDA #</u> |
|---|---------------------------|
| Airport Improvement Program | 20.106 |
| Dollar threshold used to distinguish between Type A and Type B Programs | \$300,000 |
| Auditee qualified as low-risk auditee? | _____ Yes <u> X </u> No |

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

2. Findings Related to the Audit of the Basic Financial Statements of the Greater Asheville Regional Airport Authority

None reported.

3. Federal Award Findings and Questioned Costs

None reported.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

There were no prior year audit findings.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| <u>Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Federal (Direct and Pass-Through) Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|--|------------------------------------|---|-------------------------------|-------------------------------|
| Federal Awards: | | | | |
| <u>U.S. Department of Transportation</u> | | | | |
| Direct Program: | | | | |
| Airport Improvement Program | 20.106 | \$ 1,724,196 | \$ - | \$ 141,488 |
| Total Federal Awards | | <u>\$ 1,724,196</u> | <u>\$ -</u> | <u>\$ 141,488</u> |
| State Awards: | | | | |
| <u>N.C. Department of Transportation</u> | | | | |
| State Airport Aid | | \$ - | \$ 157,500 | \$ 52,500 |
| Total State Awards | | <u>\$ -</u> | <u>\$ 157,500</u> | <u>\$ 52,500</u> |
| Total Federal and State Awards | | <u>\$ 1,724,196</u> | <u>\$ 157,500</u> | <u>\$ 193,988</u> |
| Passenger Facility Charges: | | | | |
| Capital improvements | | | | |
| Application approved number | | 11-05-C-00-AVL | | |
| Beginning balance, unliquidated Passenger Facility Charges | | \$ - | | |
| Passenger Facility Charges collected | | 1,367,373 | | |
| Expenditures | | <u>(1,367,373)</u> | | |
| Ending balance, unliquidated Passenger Facility Charges | | <u>\$ -</u> | | |

Notes to the Schedule of Expenditures of Federal and State Awards:

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of the Greater Asheville Regional Airport Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: October 12, 2012

ITEM DESCRIPTION – New Business Item B

Approval of Airline Incentives for Allegiant Air

BACKGROUND

Allegiant Air (Allegiant) began service at Asheville Regional Airport in November 2011 with two weekly flights to Sanford – Orlando, Florida. These flights have been extremely successful with load factors averaging in the 95% range.

In June 2012, Allegiant approached staff regarding the possibility of adding Ft. Lauderdale, Florida service. On September 11, 2012 Allegiant made a public announcement that Allegiant would begin Ft. Lauderdale (FLL) service on November 15, 2012 with two flights per week.

In accordance with the Authority's Air Service Incentive Policy, staff has offered Allegiant up to \$150,000 for marketing and advertising of this new service; and airport related fee waivers, excluding PFCs, for a one-year period as directly related to the FLL service.

As an additional incentive, to assure the FLL service is successful, staff is seeking Board approval to provide Allegiant with a ground handling and passenger service fee incentive of 50% per aircraft turn up to \$250.00 per flight for two flights per week for a 12-month period. Allegiant must maintain a minimum of four flights (any city pair) per week to receive this incentive for the full 12-month period.

New Business – Item B



ISSUES

The Authority's policies currently provide for airline incentives to be offered for new airline service but the ground handling incentive is outside the scope of the current policy. Board approval is necessary for the additional incentive/expenditure.

ALTERNATIVES

None

FISCAL IMPACT

Staff would like to officially offer Allegiant an incentive package in the amount of \$150,000 for FLL service marketing and advertising, waived rents and fees (totaling approximately \$72,000) for up to one year of service for this specific service route, and ground handling fees for the FLL service at 50% per turn up to \$250.00 per flight for two flights per week (\$26,000 total). Total incentive package is worth approximately \$248,000 with direct expenditures being approximately \$176,000. Funds are currently in the budget for this type of business development.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve airline incentives with Allegiant Air for AVL-FLL service; and (2) authorize the Executive Director to execute the necessary documents.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Airport Director, Development and Operations

DATE: October 12, 2012

ITEM DESCRIPTION – New Business Item C

Approve Supplemental Agreement No. 1 to Agreement for Professional Services Between The Greater Asheville Regional Airport Authority and Reynolds, Smith and Hills, Inc. (RS&H).

BACKGROUND

The Asheville Regional Airport Authority (“ARAA”) entered into an agreement with RS&H for general consulting services on September 2nd, 2008. The scope of services included consulting work associated with the future planned Airfield Re-development Project.

The Greater Asheville Regional Airport Authority (“Authority”) was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012. The original agreement between ARAA and RS&H is being assigned to the Authority prior to this Supplemental Agreement No. 1 being signed.

The Federal Aviation Administration (FAA) recently approved the Authority’s plans for this project. As a result, it was determined by staff that RS&H will provide overall Program Management and Resident Project Engineering services associated with the project, provided the negotiated fee is approved by the FAA, and the Authority’s other general consultants would perform specific design services associated with the project.

Two issues that staff and the consultant addressed when developing the scope of work for the first phase of the project include:

1. The need to clarify contractual language that holds the consultant responsible for costs associated with potential errors in the performance of their services; and



2. The extension of the current contract, which expires in September, 2013, in order to cover the period of the overall project.

It was determined that language will be added to the contract that further clarifies the consultant's liability, and which also extends the term of the contract, but is specific to services associated with the airfield re-development project only.

ISSUES

None.

ALTERNATIVES

The Authority could elect not to approve this Amendment, which would result in postponement of the start of services associated with the Airfield Re-development Project by several months.

FISCAL IMPACT

There is no fiscal impact associated with this action. The approval of fees associated with this project will be presented separately to the Airport Board upon successful conclusion of negotiations and approval of those fees by the FAA. In the event reasonable fees cannot be negotiated, other actions will be undertaken to utilize the services of another consulting firm to perform these tasks.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Supplemental Agreement No. 1; and (2) authorize the Executive Director to execute the necessary documents.

Attachment

**SUPPLEMENTAL AGREEMENT NO. 1
TO AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AND
RS&H ARCHITECTS-ENGINEERS-PLANNERS, INC.**

THIS SUPPLEMENTAL AGREEMENT No. 1 ("Supplemental Agreement") is made and entered into this _____ day of _____, 2012 by and between **The Greater Asheville Regional Airport Authority**, with offices located at 61 Terminal Drive, Suite 1, Fletcher, North Carolina, 28732 (the "CLIENT"), and **RS&H Architects-Engineers-Planners, Inc.**, a North Carolina corporation with offices located at 8008 Corporate Center Drive, Charlotte, North Carolina, 28226 ("RS&H") (CLIENT and RS&H are collectively referred to as "the Parties").

P R E M I S E S

WHEREAS, RS & H and Asheville Regional Airport Authority ("Authority") entered into an Agreement for Professional Services dated September 2, 2008 (the "Agreement") whereby the Authority retained RS&H to furnish certain services therein described; and

WHEREAS, 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; and

WHEREAS, the Authority has assigned the Agreement dated September 2, 2008, with all rights and privileges to Client; and

WHEREAS, the Client has determined it necessary to amend the Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the Parties agree as follows:

1. The term of the Agreement shall be extended up to an additional five years, terminating no later than September 2nd, 2018, or when all work associated with Program Management and Resident Project Engineering services for the AVL Airfield Redevelopment Project is completely closed out, and no additional billable work remains, whichever comes first. The Scope of Services associated with this extension of the Agreement shall be limited solely to work items directly related to Program Management and Resident Project Engineering services for the AVL Airfield Redevelopment Project.
2. Section 7.2 (Indemnity) shall be amended to include the following provision:

"Consultant shall be directly responsible for any such additional costs, above first costs, incurred by the Client, as the result of the errors and omission of RS&H, through its employees assigned to the tasks for, or on behalf of the Client, that results in additional costs to the Authority, either by a contractor, or by RS&H itself."

Except as hereby modified, amended, or changed, all of the remaining terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives, under seal, as of the day and year first above written.

RS&H:

RS&H Architects-Engineers-Planners, Inc.

By: _____
Print Name: William C. Sandifer, AAE
Title: Senior Vice President

ATTEST:

By: _____
Print Name: _____
Title: _____

[CORPORATE SEAL]

CLIENT:

The Greater Asheville Regional Airport Authority

By: _____
Print Name: Lew Bleiweis, A.A.E.
Title: Executive Director

ATTEST:

By: _____
Print Name: _____
Title: _____

[CORPORATE SEAL]



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: October 12, 2012

ITEM DESCRIPTION – New Business Item D

Discussion on Extension of Parking Lot Agreement

BACKGROUND

During the Fall of 2007, staff solicited bids for the management and operation of the public parking facilities at Asheville Regional Airport. In January 2008, the Board approved the final rankings of the bid submittals; authorized staff to negotiate a final contract; and authorized the Airport Director to execute the necessary agreement. The top ranking and ultimate contract was awarded to Standard Parking Corporation.

The bid documents proposed a contract term of five years with a five-year option at the sole discretion of the Authority. When the final contract document was created, the five-year option was inadvertently omitted from the agreement.

The current contract expires April 30, 2013. Either a contract amendment extending the term of the contract needs to be approved or staff needs to prepare for a new bid process in order to meet the expiration time period.

Standard Parking is doing an excellent job and staff is pleased with their performance.

The airport master plan project is currently underway with a completion date estimated to be March 2013. One of the major components of the master plan is future parking needs and facilities.

Staff is recommending extending the current parking contract for two years with three one-year options. This extension will provide staff the time and opportunity to evaluate the master plan parking recommendations and develop the appropriate course of action for long term needs.

New Business – Item D



ISSUES

The current agreement with Standard Parking Corporation does not have the option for a five-year contract extension as originally proposed in the public bid documents. This combined with the timing of the completion of the airport master plan places the Authority in possible limbo for a new parking lot operator.

ALTERNATIVES

One alternative is to bid the contract with a short term expiration whereby the future of the parking lot facilities could then be incorporated into another bid process. Or a second alternative is to go month to month with the current operator.

FISCAL IMPACT

An extension to the current contract will provide a similar revenue stream the Authority has been receiving for the past four years. It is undetermined what type of revenues and expenses would be realized under a new bid process.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board provide direction to staff on the Board's intentions for the current Management and Operation of Public Parking Facilities Agreement at Asheville Regional Airport with Standard Parking Corporation.



Master Plan / Airport Layout Plan Update



Prepared By:



In Cooperation With:





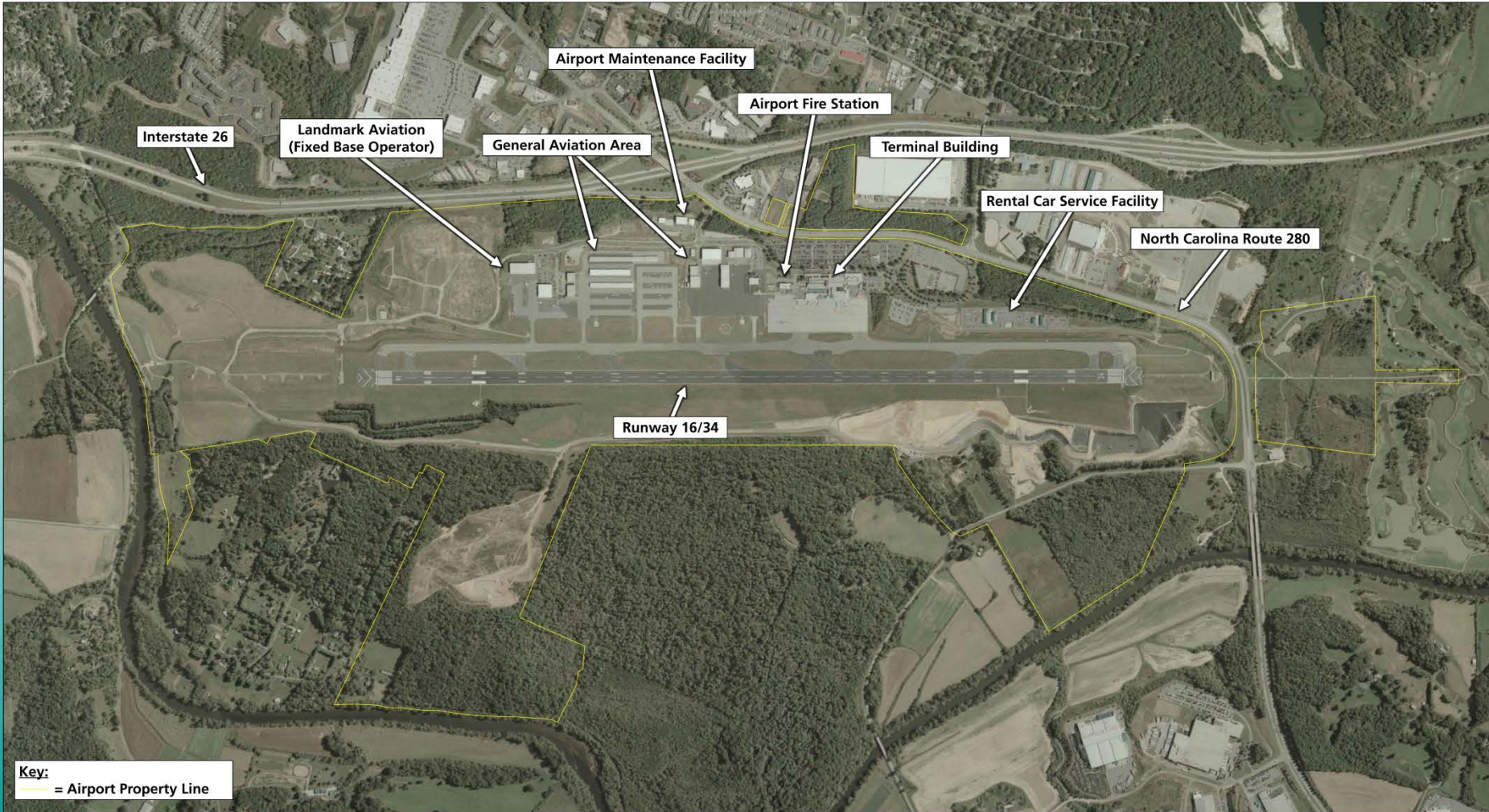
Master Plan Overview

Airport master plans are comprehensive studies that describe short-, medium, and long-term plans for development.

Elements of an airport master plan:

- **Pre-planning** – Determination of needs, selection of consultant, development of study design
- **Public Involvement** – Advisory committee, public involvement meetings to identify and document key issues of various stakeholders
- **Environmental Considerations** – Identifies environmental requirements needed to move forward with proposed projects
- **Existing Conditions** – Inventory of Airport facilities, services, and infrastructure
- **Aviation Forecasts** – Short-, medium-, and long-term forecasts of aeronautical activity
- **Demand Capacity & Facility Requirements** – Access capacity of airport to support forecasted demand in an effort to identify necessary facility additions or improvements
- **Alternatives Development & Evaluation** – Identify options to meet facility requirements and selection of a recommended course of action
- **Airport Layout Plan** – Set of drawings that provides a graphic representation of the long-term development plan
- **Capital Improvement Plan** – Planning schedule listing how sponsor will finance projects recommended in the master plan

Existing Facilities

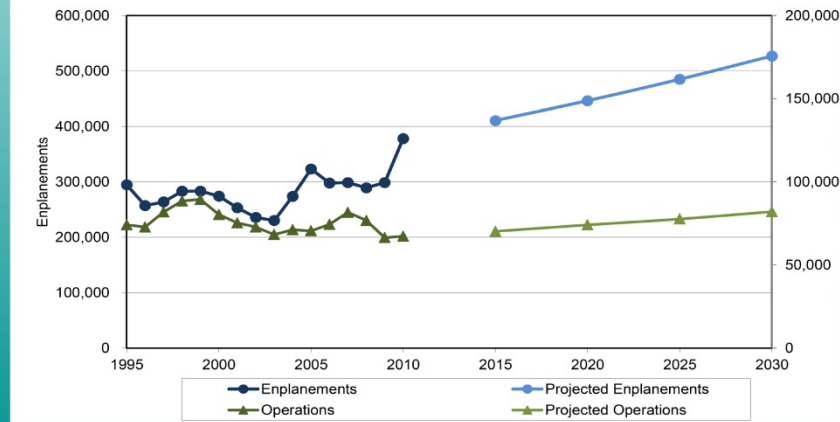




Forecasts

FAA Template for Summarizing and Documenting Airport Planning Forecasts
Asheville Regional Airport

| A. Forecast Levels and Growth Rates | Specify base year: | | | | | Average CAGR | | | |
|---|--------------------|-----------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|
| | 2010 | 2015 | 2020 | 2025 | 2030 | Base Yr. + 5yr. | Base Yr. + 10yrs. | Base Yr. + 15yrs. | Base Yr. + 20yrs. |
| | Base Yr. Level | Base Yr. + 5yr. | Base Yr. + 10yrs. | Base Yr. + 15yrs. | Base Yr. + 20yrs. | | | | |
| Passenger Enplanements | | | | | | | | | |
| TOTAL Air Carrier & Commuter | 378,087 | 410,793 | 446,328 | 484,937 | 526,886 | 1.7% | 1.7% | 1.7% | 1.7% |
| Operations | | | | | | | | | |
| Itinerant | | | | | | | | | |
| Air carrier | 1,160 | 1,380 | 2,202 | 3,319 | 4,124 | 3.5% | 6.6% | 7.3% | 6.5% |
| Commuter/air taxi | 19,605 | 19,542 | 19,579 | 18,755 | 18,798 | -0.1% | 0.0% | -0.3% | -0.2% |
| Total Commercial Operations | 20,765 | 20,922 | 21,780 | 22,074 | 22,922 | 0.2% | 0.5% | 0.4% | 0.5% |
| General aviation | 28,843 | 31,298 | 33,356 | 35,609 | 38,062 | 1.6% | 1.5% | 1.4% | 1.4% |
| Military | 3,271 | 2,440 | 2,440 | 2,440 | 2,440 | -5.7% | -2.9% | -1.9% | -1.5% |
| Local | | | | | | | | | |
| General aviation | 12,909 | 14,008 | 14,929 | 15,937 | 17,035 | 1.6% | 1.5% | 1.4% | 1.4% |
| Military | 1,552 | 1,588 | 1,588 | 1,588 | 1,588 | 0.5% | 0.2% | 0.2% | 0.1% |
| TOTAL OPERATIONS | 67,340 | 70,255 | 74,093 | 77,648 | 82,047 | 0.9% | 1.0% | 1.0% | 1.0% |
| Instrument Operations | 38,969 | 40,656 | 42,877 | 44,934 | 47,480 | 0.9% | 1.0% | 1.0% | 1.0% |
| Peak Hour Operations | 31 | 32 | 34 | 36 | 38 | 0.9% | 1.0% | 1.0% | 1.0% |
| Cargo/mail (enplaned+deplaned) | | | | | | | | | |
| Scenario 1 | 127,943 | 158,250 | 178,087 | 199,453 | 221,680 | 4.3% | 3.4% | 3.0% | 2.8% |
| Scenario 2 | 127,943 | 20,158,250 | 23,128,174 | 26,534,776 | 30,441,578 | 175.1% | 68.2% | 42.7% | 31.5% |
| Based Aircraft (Seasonally) | | | | | | | | | |
| Single Engine (Nonjet) | 115 | 122 | 129 | 134 | 139 | 1.1% | 1.1% | 1.0% | 0.9% |
| Multi Engine (Nonjet) | 37 | 39 | 41 | 43 | 48 | 0.9% | 1.0% | 1.0% | 1.3% |
| Jet Engine | 16 | 20 | 21 | 25 | 26 | 4.9% | 3.0% | 2.9% | 2.5% |
| Helicopter | 6 | 4 | 4 | 4 | 4 | -9.3% | -4.2% | -2.5% | -1.6% |
| Other | 0 | 0 | 0 | 0 | 0 | NA | NA | NA | NA |
| TOTAL | 174 | 184 | 195 | 206 | 217 | 1.2% | 1.2% | 1.1% | 1.1% |
| Based Aircraft (Year-Round) | | | | | | | | | |
| TOTAL | 145 | 153 | 162 | 171 | 180 | 1.1% | 1.1% | 1.1% | 1.1% |
| B. Operational Factors | | | | | | | | | |
| Average aircraft size (seats) | | | | | | | | | |
| Air carrier & Commuter | 52.4 | 56.5 | 59.0 | 63.5 | 66.5 | | | | |
| Average enplaning load factor | | | | | | | | | |
| Air carrier & Commuter | 77.6% | 78.0% | 78.0% | 78.0% | 78.0% | | | | |
| GA operations per based aircraft | 240 | 246 | 247 | 250 | 254 | | | | |
| CAGR = Compound Annual Growth Rate | | | | | | | | | |





Facility Needs

Runway 16/34

- 75 feet additional separation needed between runway and parallel taxiway
- Corrected longitudinal grade
- Additional length if non-stop service to West Coast destinations is desired

Taxiways

- Paved shoulders
- Retain 75 feet width of Taxiway A
- Safety area improvements to meet Airplane Design Group IV standards
- Widen connector taxiways between Taxiway A and general aviation aprons

Air Traffic Control Tower

- Identification of a preliminary site for construction of a new control tower

Automated Surface Observation System

- The ASOS weather equipment needs to be relocated in order to more accurately report airfield conditions

Terminal Apron

- Additional apron space & boarding bridges

Terminal Curbfront

- Additional vehicle lane for commercial operators

Vehicle Parking

- Additional long-term, short-term, employee, and rental car ready/return parking

General Aviation Development

- Additional hangars and apron space for based and itinerant aircraft

Northwest Development Area

- Development of area for aeronautical and non-aeronautical use

Air Cargo Development

- Property southwest of the approach end of Runway 34 should be considered for air cargo development and other aeronautical and non-aeronautical uses

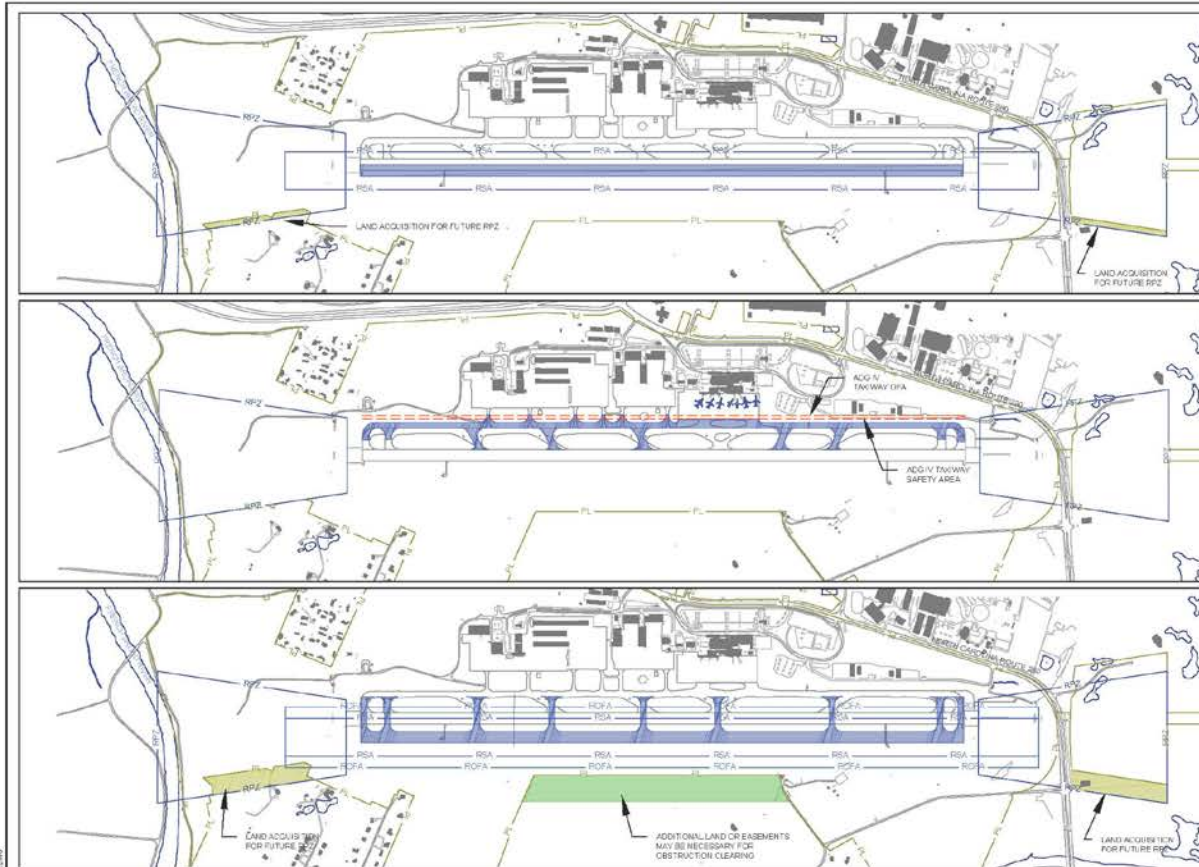
Landside Access

- Development of a new Airport entrance as a result of a redesign of the I-26/NC-280 interchange

Non-Aeronautical Development

- Airport property not available for aeronautical use should be developed for non-aeronautical use such as retail, office, restaurant, and light industrial

RUNWAY ALTERNATIVES



Alternative 1

Relocate runway 75 feet to the west

Pros:

- Low cost
- Corrects runway to taxiway separation deficiency

Cons:

- Requires substantial (±6 month) airport closure period
- Duration of airport closure required for construction is impractical

Alternative 2

Relocate Taxiway A 75 feet to the east

Pros:

- Corrects runway to taxiway separation deficiency
- Does not require runway closure

Cons:

- Back taxiing on runway required during taxiway construction
- Commercial apron taxiway is eliminated, therefore many airline pushbacks will be directly into the Taxiway A controlled movement area
- Significant grading required for Taxiway A relocation
- Rental car service roadway inside relocated Taxiway A OFA
- Edge of relocated Taxiway A safety area only ±10' from rental car service roadway and has significant elevation difference, retaining wall and roadway relocation required

Alternative 3

Relocate runway 250 feet to the west

Pros:

- Corrects runway to taxiway separation deficiency
- Can construct new runway while existing runway remains active
- Allows for future relocation of Taxiway A to the west, which opens up some development areas to the east of the relocated taxiway

Cons:

- Land acquisition required
- Significant grading for new runway required
- Potential for west side parallel taxiway and development diminished
- Relocated runway RSA falls within existing RSA, closure of existing runway required while construction activities are occurring
- Significant airspace impacts, particularly within transitional surface west of runway as a result of surrounding topography

Note: Selected airfield alternative should also relocate non-compliant objects (Runway 34 localizer antenna, Runway 16 localizer, Runway 16 localizer equipment shelter, and perimeter service road) from the RSA and OFA. In addition, 25 feet wide paved shoulders should also be included in the selected alternative.

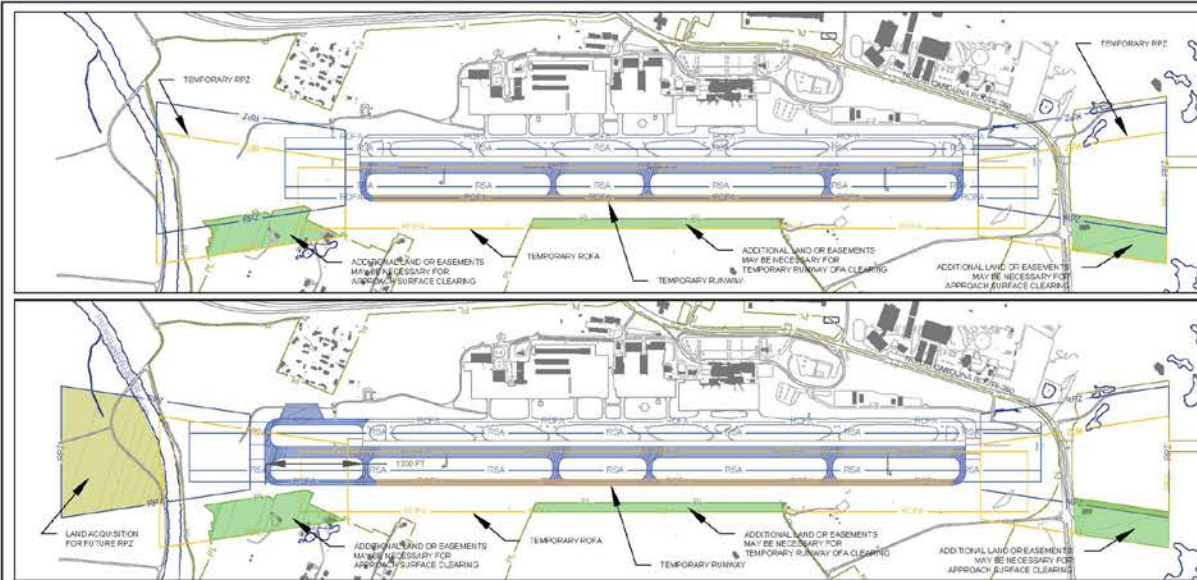
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ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC
JUNE 7, 2012



AIRFIELD ALTERNATIVES



Alternative 4

Construct west side parallel taxiway, use as temporary runway during runway rehabilitation work, and relocate existing runway 75 feet to the west

Pros:

- Corrects runway to taxiway separation deficiency
- Airport remains operational during runway rehabilitation work
- West side parallel taxiway opens up west side for aviation development

Cons:

- Significant grading and cost required for parallel taxiway

Alternative 5

Extend runway 1,300 feet to the north (runway extension could be incorporated into any of the Airfield Alternatives 1 through 4)

Pros:

- Maximizes runway length between French Broad River and Hwy 280.
- Runway extension could be incorporated into all the airfield alternatives (shown here with Alternative 4)

Cons:

- Significant grading and cost required for runway extension

Note: Selected airfield alternative should also relocate non-compliant objects (Runway 34 localizer antenna, Runway 16 localizer, Runway 16 localizer equipment shelter, and perimeter service road) from the RSA and OFA. In addition, 25 feet wide paved shoulders should also be included in the selected alternative.

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JUNE 7, 2012

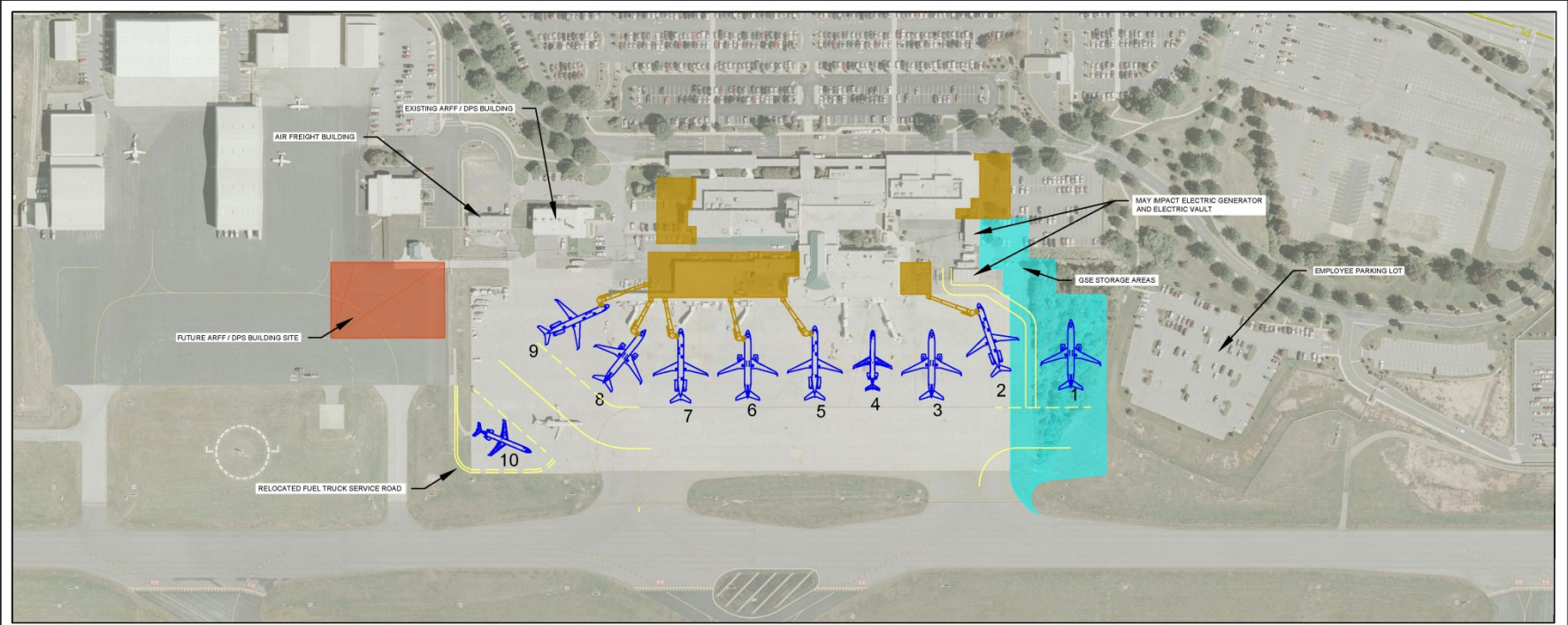


AIRFIELD ALTERNATIVES



FIGURE 5-1b

TERMINAL AREA ALTERNATIVES



Alternative 1a

Pros:

- Provides 8 terminal gates (need for 8 projected)

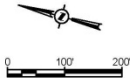
Cons:

- Does not meet projected need for 11 Remain Overnight (RON) positions, only 10 provided; any additional RON's would have to be parked remotely on GA apron.
- Substantial fill required for apron expansion to the south
- Apron expansion fill impacts employee parking lot

PREPARED BY: MEAD & HUNT, INC. 10000 WOODHOLLOW DRIVE, SUITE 100, ASHEVILLE, NC 28806
 PROJECT: MASTER PLAN UPDATE, ASHEVILLE REGIONAL AIRPORT, ASHEVILLE, NC
 DATE: SEPTEMBER 18, 2012



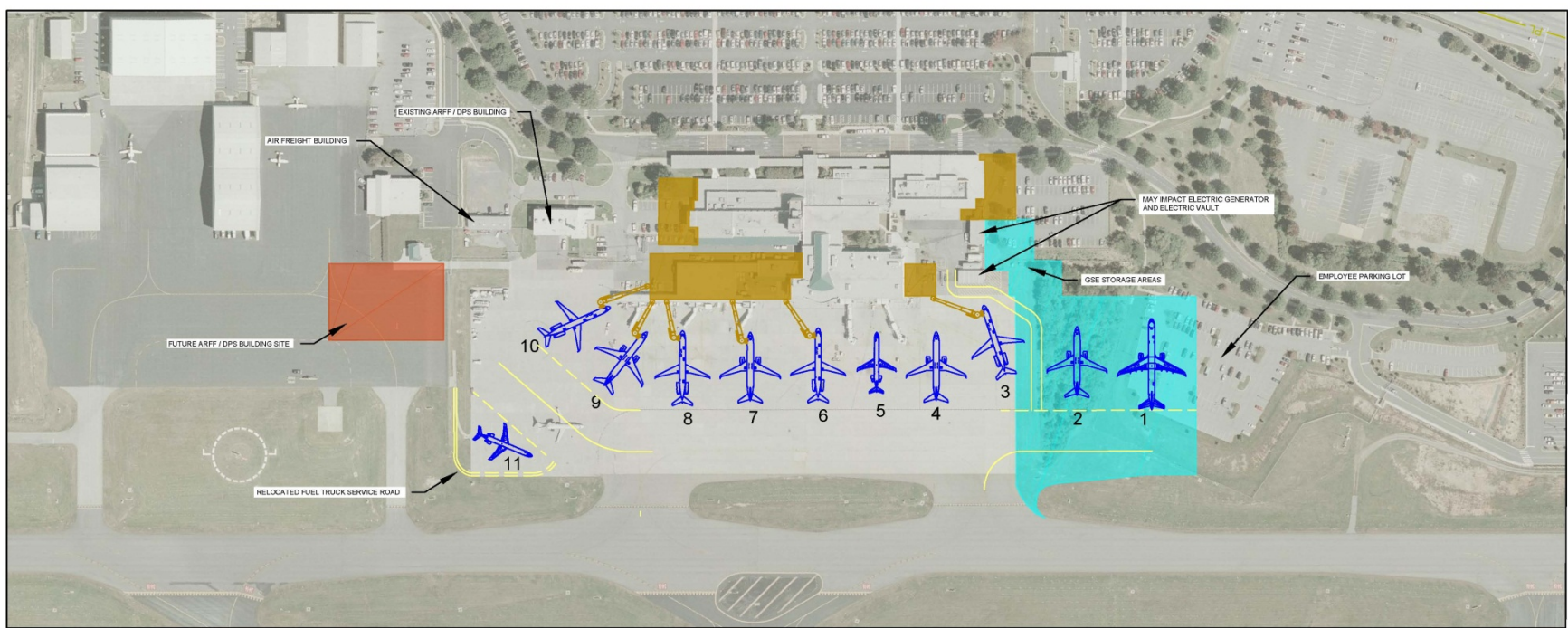
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ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC
 SEPTEMBER 18, 2012



TERMINAL EXPANSION ALTERNATIVE 1a



FIGURE 5-4



Alternative 1b

Pros:

- Provides 8 terminal gates (need for 8 projected)
- Provides 11 Remain Overnight (RON) positions (need for 11 projected)

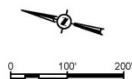
Cons:

- Substantial fill required for apron expansion to the south
- Impacts employee parking lot

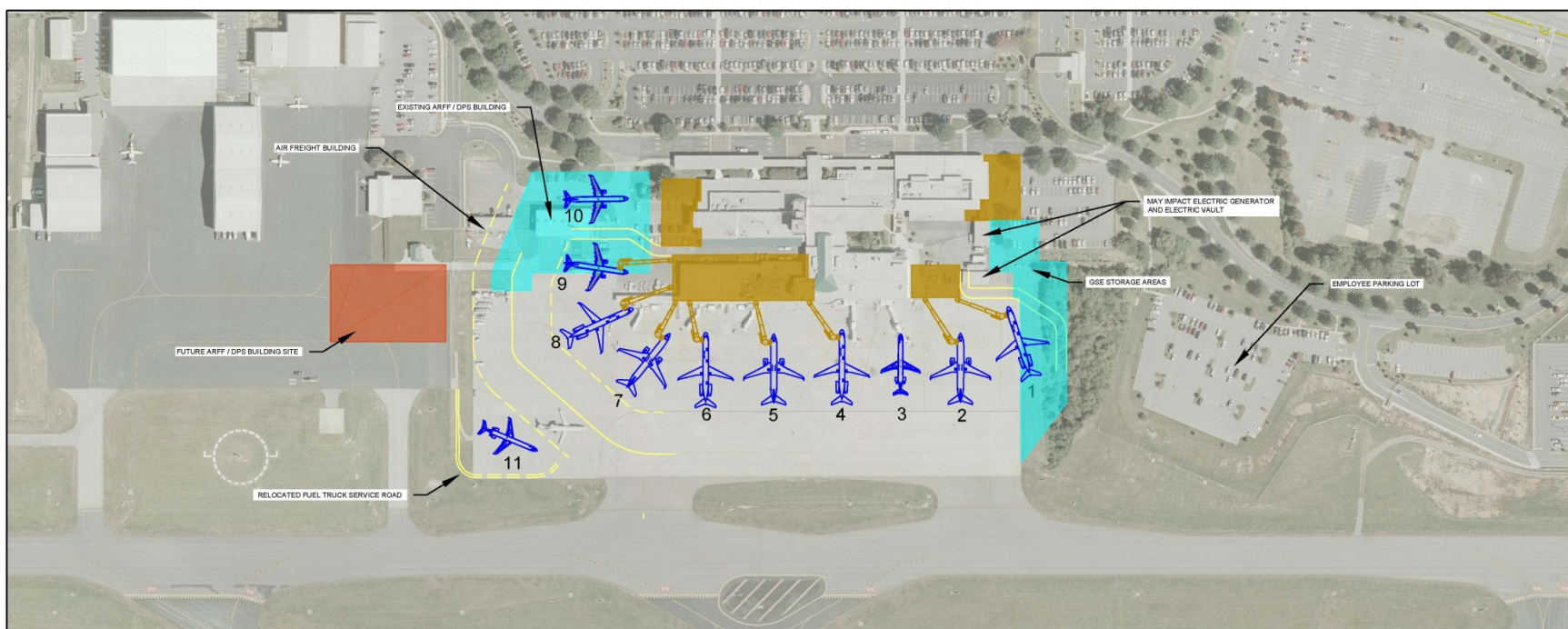
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ASHEVILLE, NC
SEPTEMBER 18, 2012



TERMINAL EXPANSION ALTERNATIVE 1b



Alternative 2a

Pros:

- Provides 9 terminal gates (need for 8 projected)
- Provides 11 Remain Overnight (RON) positions (need for 11 projected)

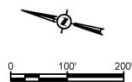
Cons:

- Requires removal of existing air freight and existing ARFF / DPS facilities.
- Impacts airport admin parking
- May require blast wall between apron expansion and terminal roadway
- Gates 7 through 10 are one-way in and out

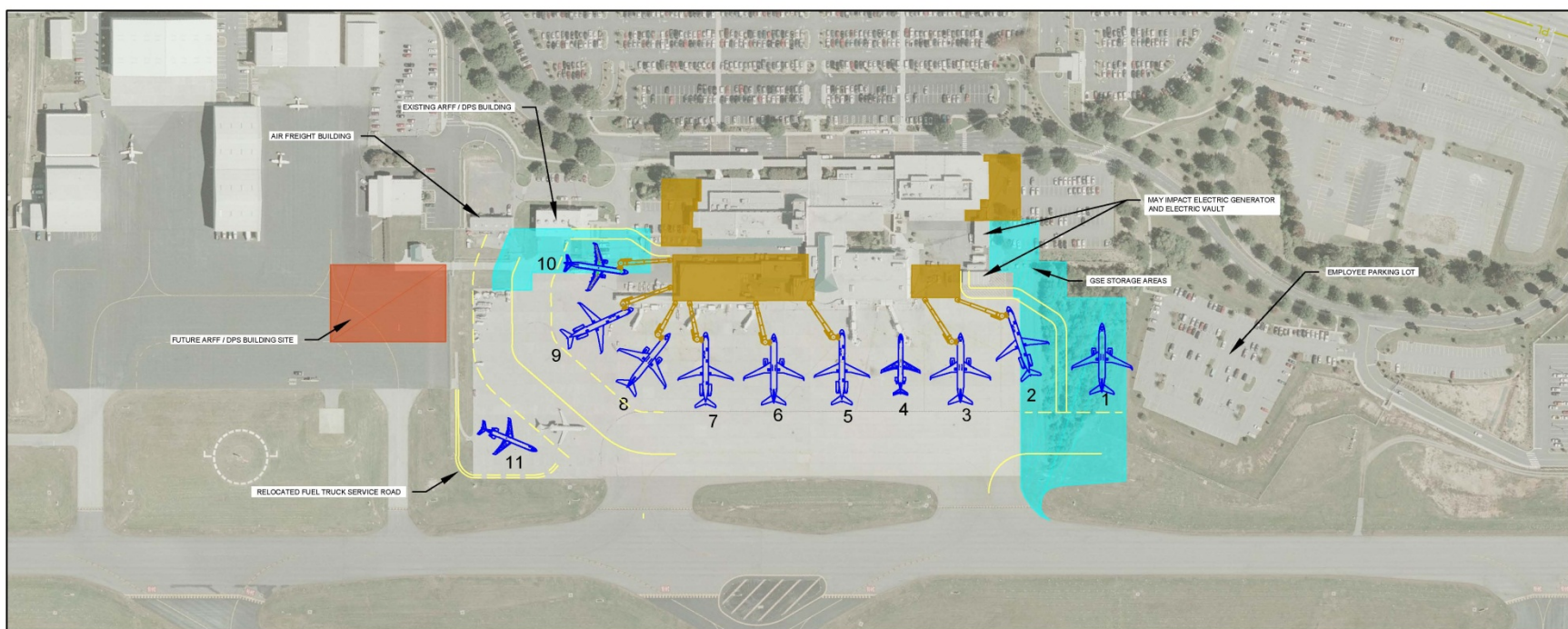
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ASHEVILLE, NC
SEPTEMBER 18, 2012



TERMINAL EXPANSION ALTERNATIVE 2a



Alternative 2b

Pros:

- Provides 9 terminal gates (need for 8 projected)
- Provides 11 Remain Overnight (RON) positions (need for 11 projected)

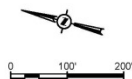
Cons:

- Requires removal of existing air freight and existing ARFF / DPS facilities.
- Substantial fill required for apron expansion to the south
- Apron expansion fill impacts employee lot
- Gates 8, 9, and 10 are one-way in and out

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ASHEVILLE, NC
SEPTEMBER 18, 2012



TERMINAL EXPANSION ALTERNATIVE 2b

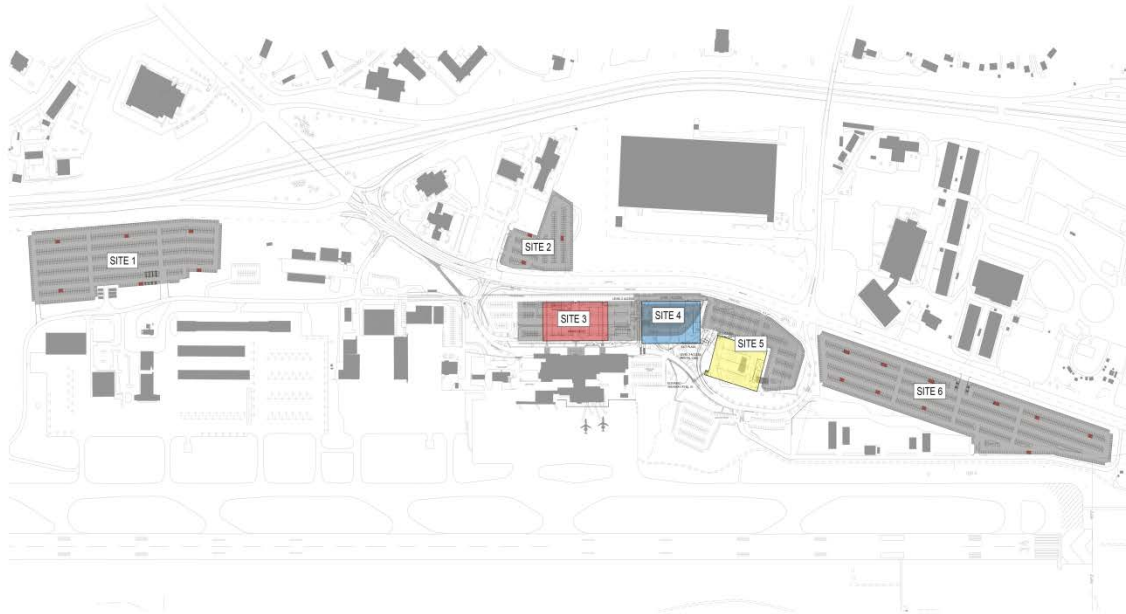


FIGURE 5-7

Parking Alternatives

ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC

PARKING ALTERNATIVES



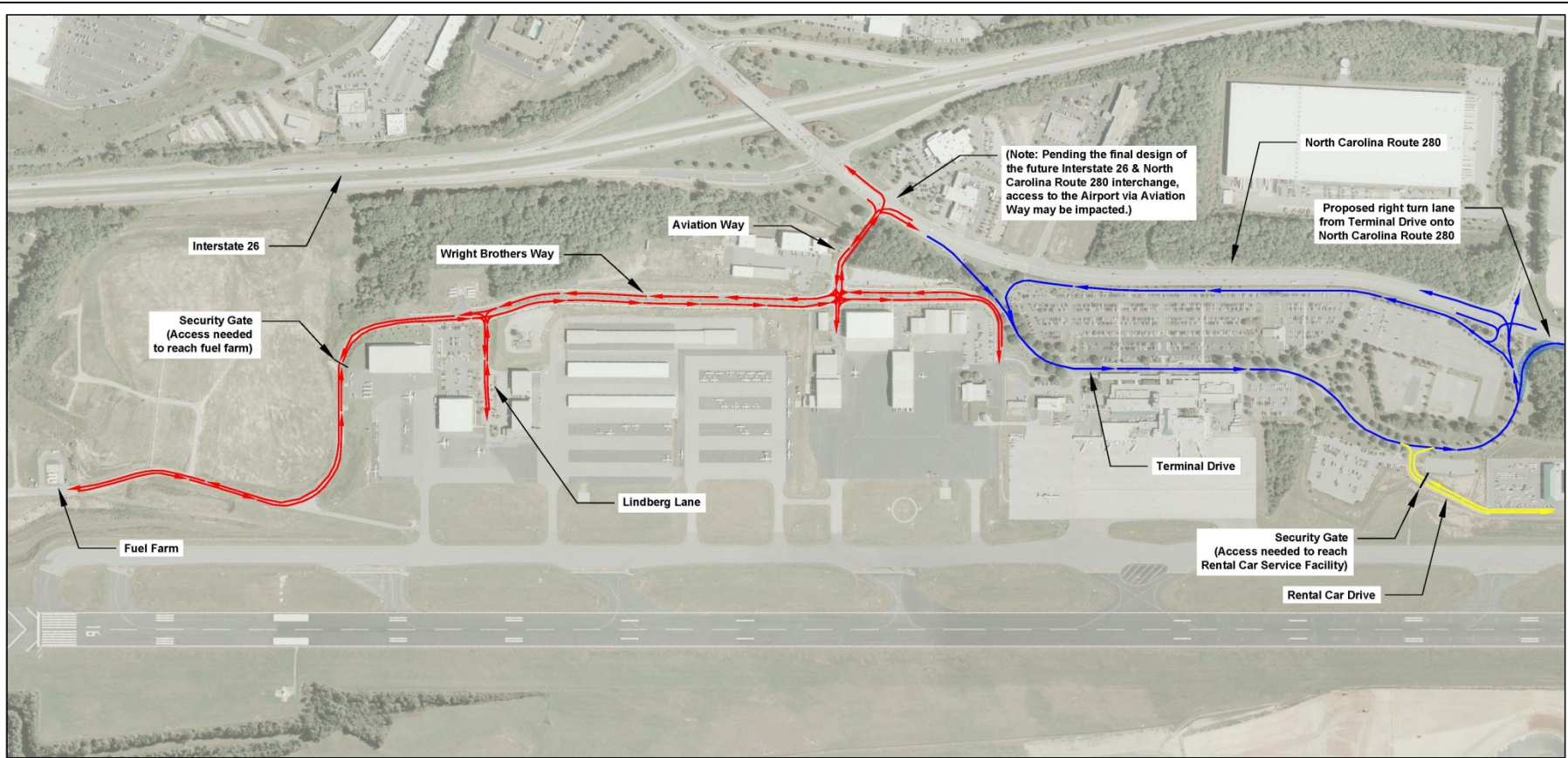
LEGEND



September 26, 2012

13-3018.00

ACCESS ALTERNATIVES



Alternative 1

Pros:

- Maintains existing traffic routes.
- Incorporates a right hand turn lane from Terminal Drive onto North Carolina Route 280

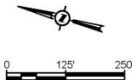
Cons:

- No traffic control device for traffic turning left onto North Carolina Route 280 from Aviation Way
- Access to Airport via Aviation Way may be impacted by the future redesign of the Interstate 26 & North Carolina 280 interchange

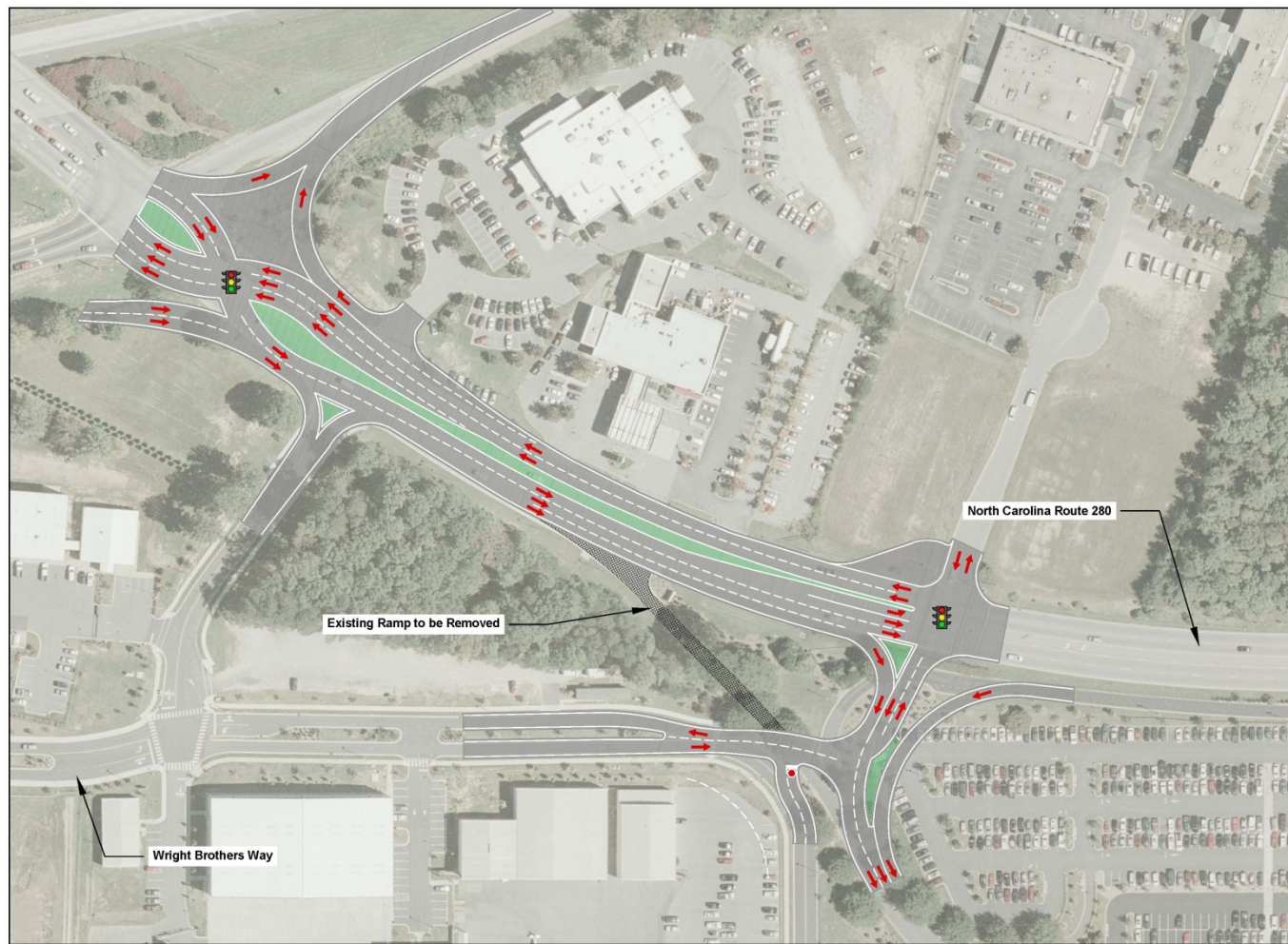
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 ASHEVILLE REGIONAL AIRPORT
 ASHEVILLE, NC
 JULY 10, 2012



LANDSIDE ACCESS ALTERNATIVE 1



Alternative 2

Pros:

- Accommodates NC-280 and I-26 Interchange Improvements
- Maintains Continuous Traffic Flow to Airline Terminal Curb Front & Parking
- Permits Left Turns to/from GA Campus (Wright Brothers Way) and NC280

Cons:

- Impacts a Small Number of Long-Term Public Parking Spaces
- Mixes Some Airline Passenger and GA Traffic

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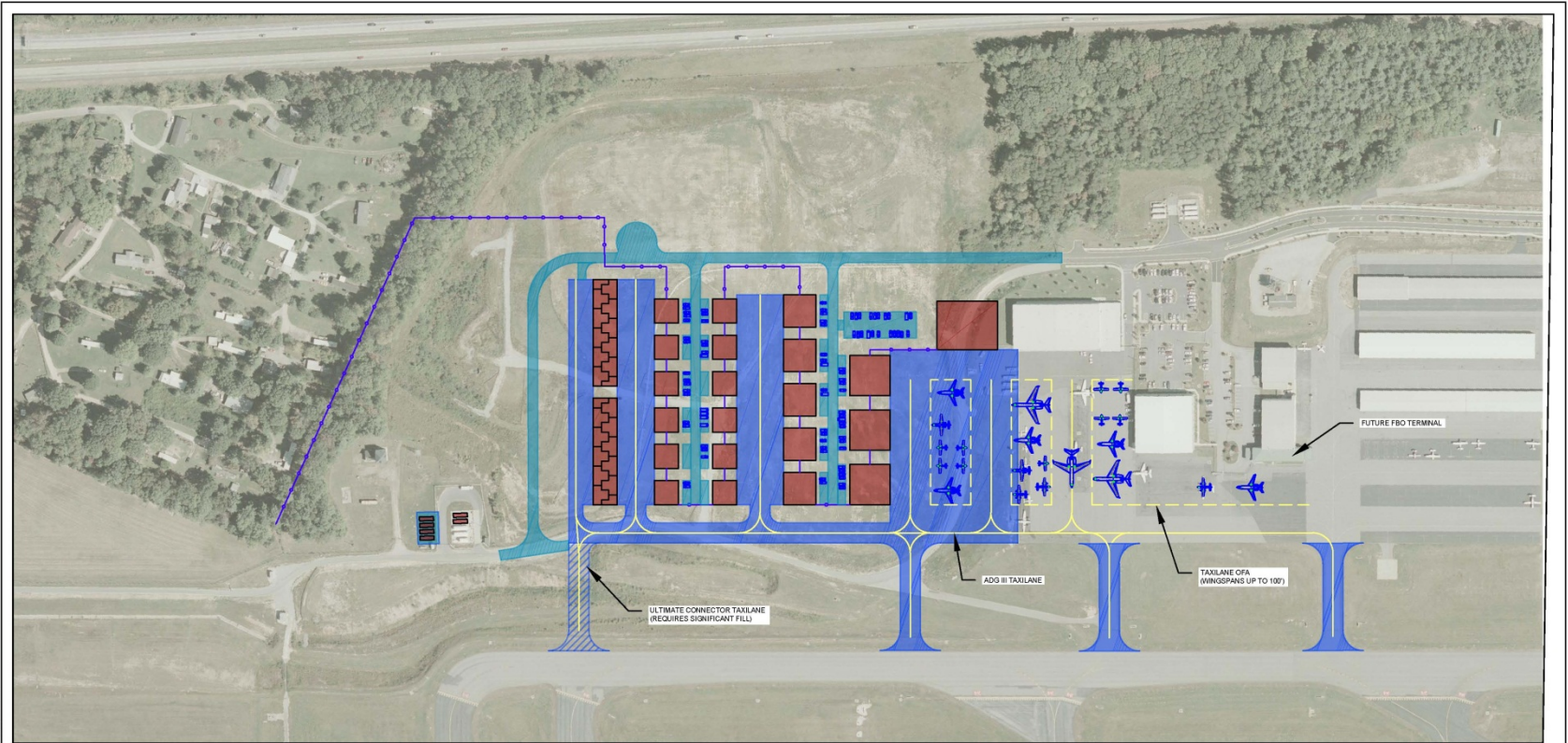
MASTER PLAN UPDATE
ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC
September 10, 2012

LANDSIDE ACCESS ALTERNATIVE 2



FIGURE 5-25

GENERAL AVIATION ALTERNATIVES



Alternative 1

Pros:

- Meets aircraft storage needs
- Provides variety of hangar sizes and can be developed incrementally as demand warrants.

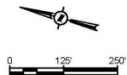
Cons:

- Some hangars have north facing doors

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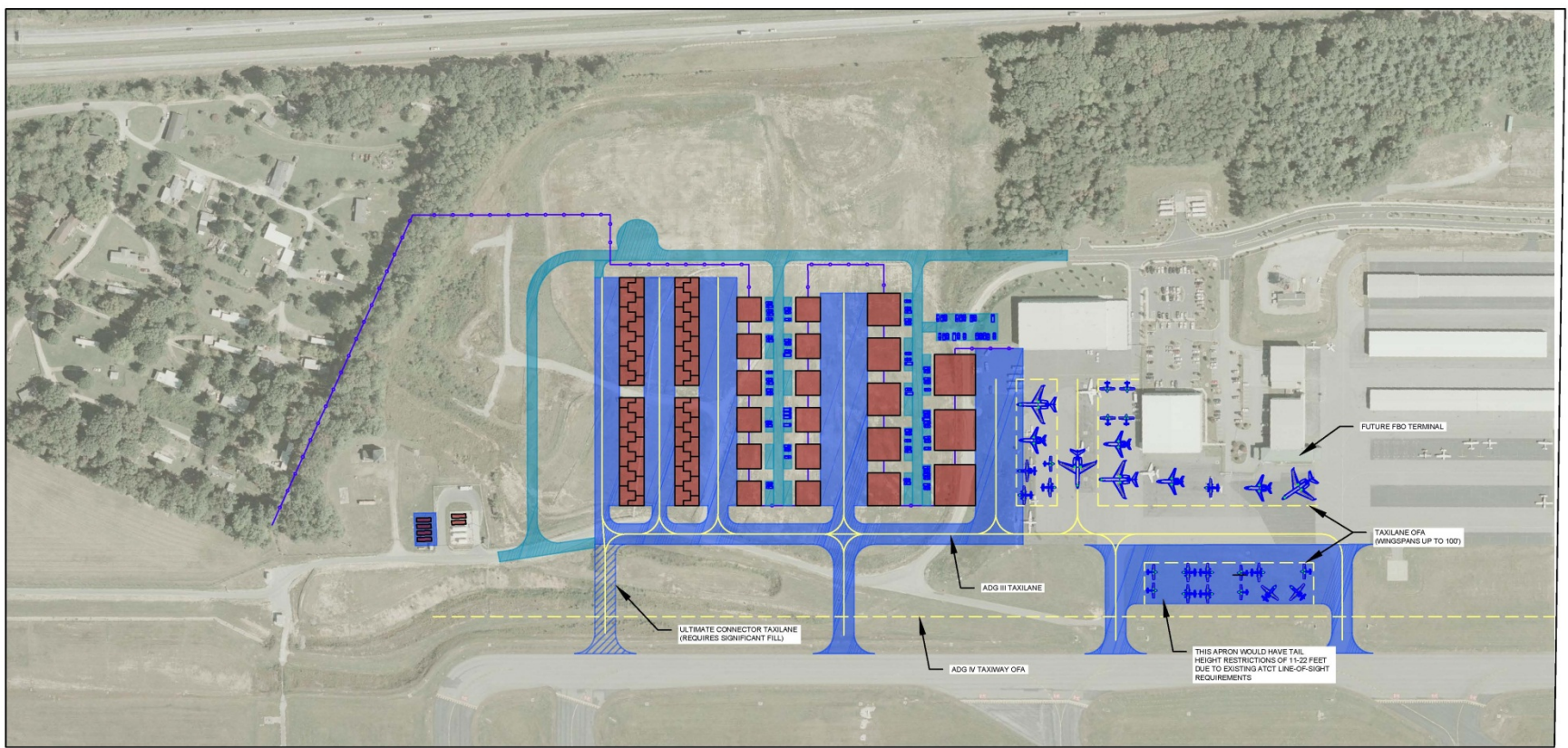
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ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC
JUNE 11, 2012



GENERAL AVIATION EXPANSION ALTERNATIVE 1

Asheville
REGIONAL AIRPORT
Master Plan Update
FIGURE 5-17



Alternative 2

Pros:

- Meets aircraft storage needs
- Provides additional itinerant aircraft parking in close proximity to future FBO terminal
- Provides variety of hangar sizes and can be implemented incrementally as demand warrants
- Maximizes space for aircraft storage hangars

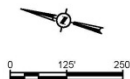
Cons:

- Some hangars have north facing doors
- Apron expansion towards Taxiway A has maximum tail height restrictions that vary between 11-22 feet due to existing ATCT line-of-sight requirements

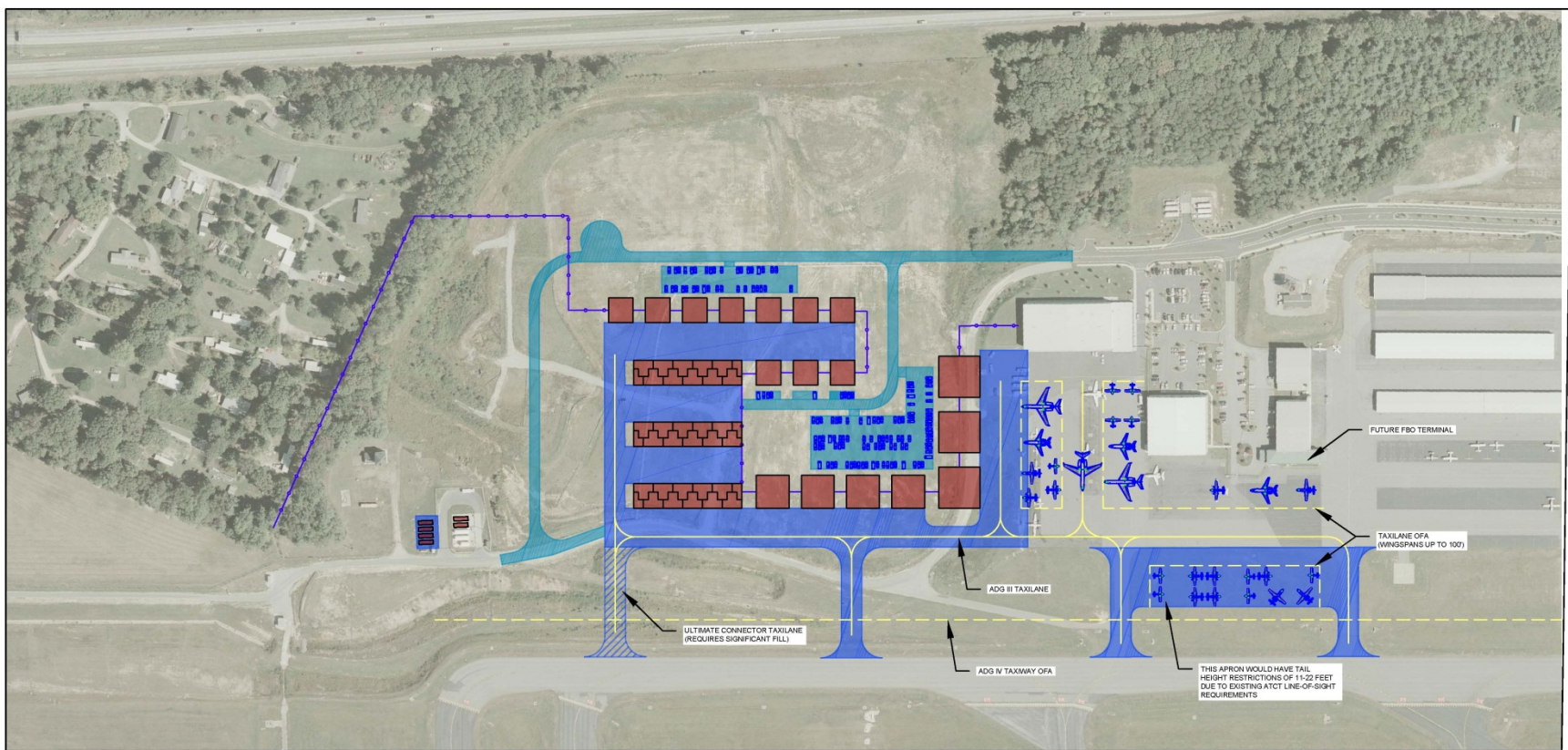
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ASHEVILLE, NC
SEPTEMBER 7, 2012



GENERAL AVIATION EXPANSION ALTERNATIVE 2



Alternative 3

Pros:

- Meets aircraft storage needs
- Provides additional itinerant aircraft parking in close proximity to future FBO terminal

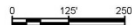
Cons:

- T-hangers and small box hangars have one-way in and out
- Apron expansion towards Taxiway A has maximum tail height restrictions that vary between 11-22 feet due to existing ATCT line-of-sight requirements

PREPARED BY:



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ASHEVILLE REGIONAL AIRPORT
ASHEVILLE, NC
SEPTEMBER 24, 2012

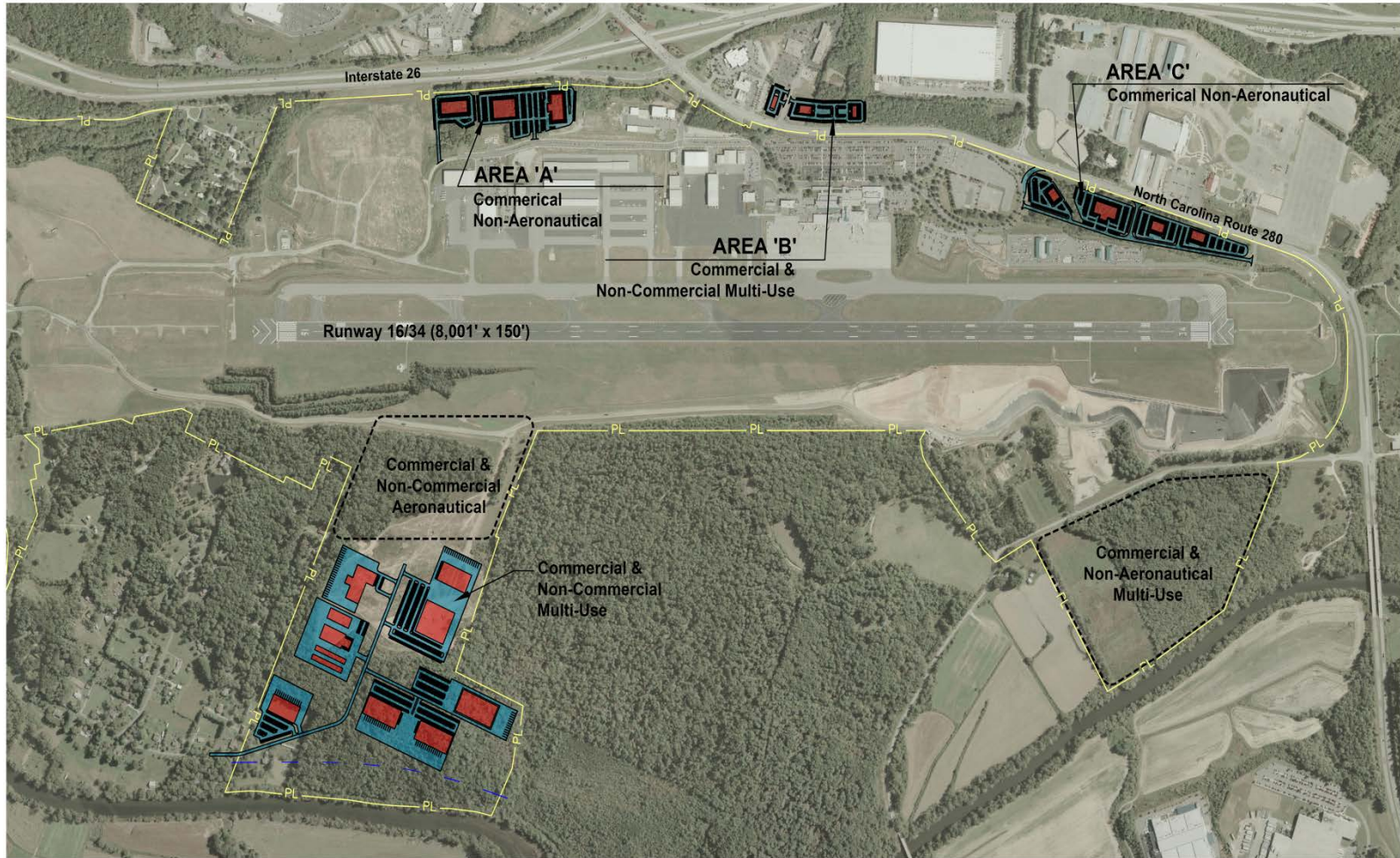


GENERAL AVIATION EXPANSION ALTERNATIVE 3



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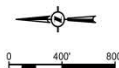
Non-Aeronautical Alternatives



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 ASHEVILLE REGIONAL AIRPORT
 ASHEVILLE, NC
 September 27, 2012



NON-AERONAUTICAL DEVELOPMENT CONCEPTS
 ALL AREAS

QUESTIONS?



Asheville Regional Airport

A significant economic asset.



Today, we'll talk about...

- **QUICK FACTS:** Brief overview of Asheville Regional Airport
- **Economic importance**
 - National perspective: the airport industry
 - AVL's regional economic impact
- **In the news**
 - Airport funding & governance
 - Air Service
 - Capital Improvements

Brief Overview

Asheville Regional Airport



Quick facts

- Opened to passenger traffic in 1961
- 8,001' runway
- Served by Allegiant Air, Delta, United and US Airways
- Approximately 24 flights/day
- Transitioning to a state-sanctioned Independent Airport Authority Board
- Sources of revenue
 - Parking 32%
 - Airlines 25%
 - Rental cars 23%
 - General Aviation 11%
 - Federal Funds* 4%
 - Other 3%
 - Concessionaires 2%

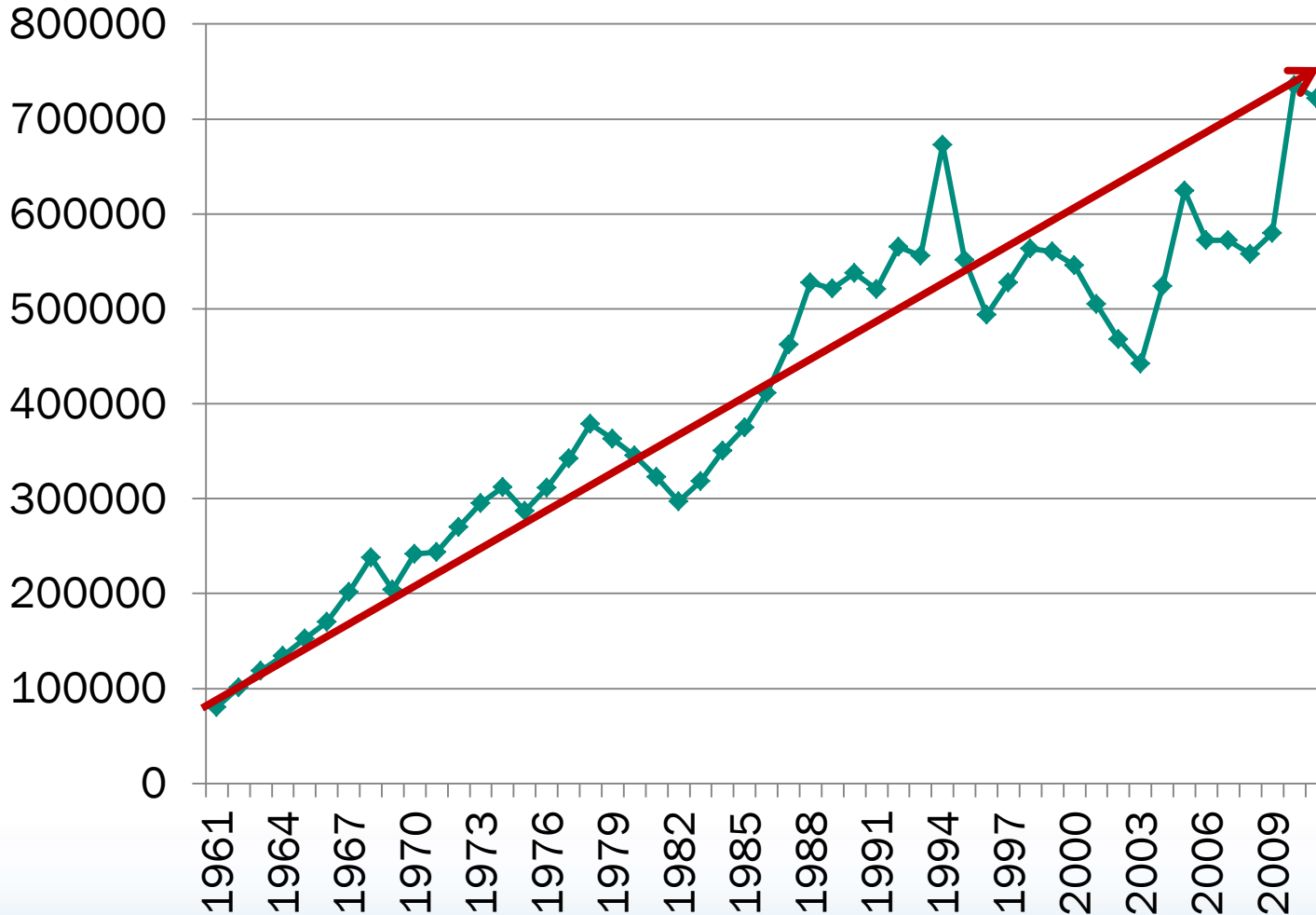


Non-stop
Fort Lauderdale
starts 11/15

**Airport-generated discretionary and dedicated funds distributed by the FAA for airport improvement and development.*

Long-term history shows growth in air service & utilization.

Passengers



2011 = 721,677

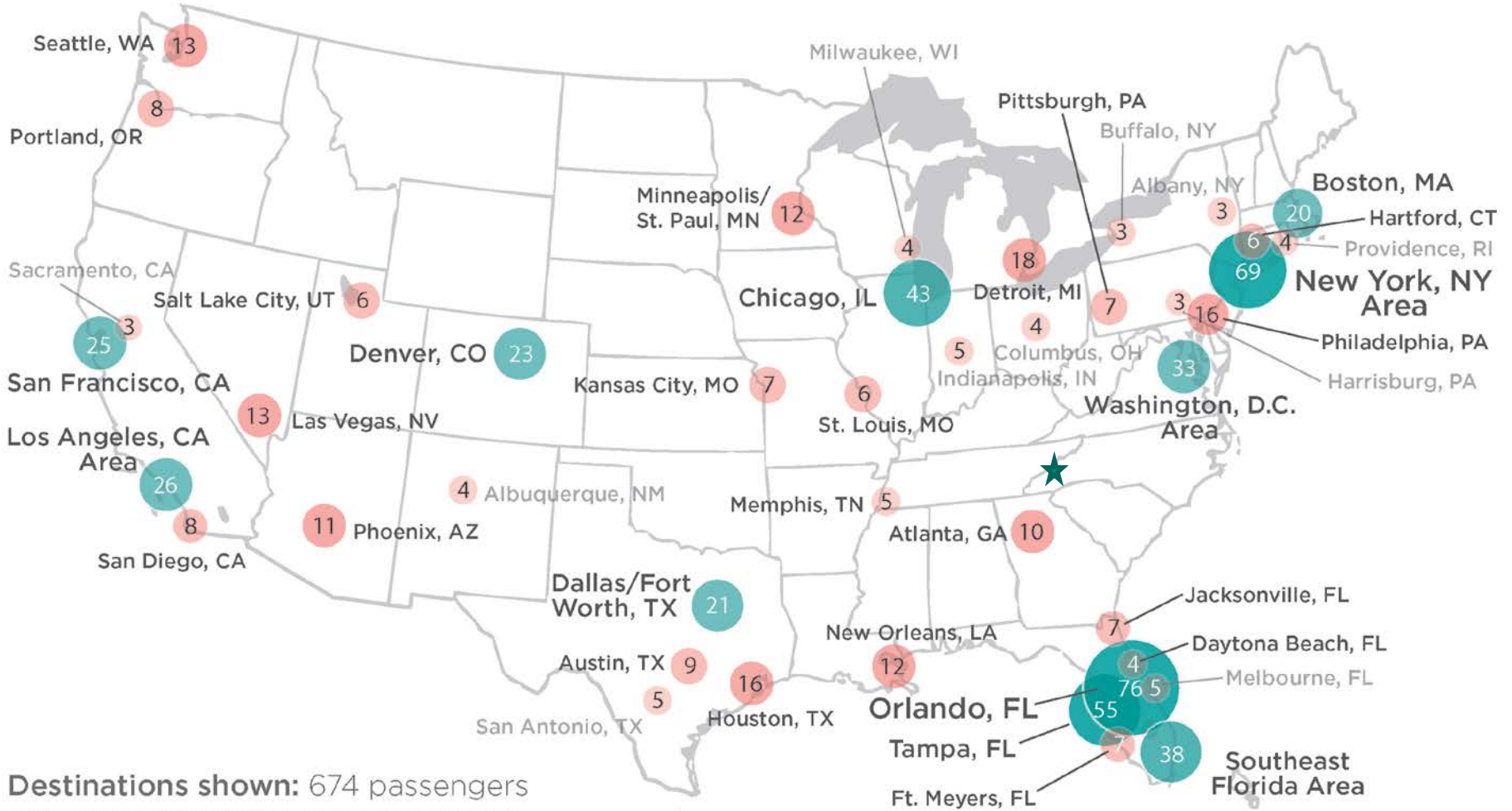
2012
will be less.

We are in a
cyclical dip.

Where do all the people go?

On an average day nearly 2000 people fly through Asheville Regional Airport (that's nearly three-quarters of a million passengers each year).

Curious where they go? This infographic shows how many people flew to each of the cities shown.*



Destinations shown: 674 passengers
Other Destinations: 326 passengers
Inbound to Asheville: Approx. 1000 passengers

*Cities with fewer than 3 passengers per day are not shown.
Only final destination cities are listed; passengers connecting through each city not shown.
Data from 12 month period ending 3Q11.

The importance of airports.

A national perspective, and the “AVL” story.



First ... a video.

Airports – A Vital Transportation System



10,500

Global destinations are connected to US airports—and it would take 28 years to visit them all.



730 MILLION

Passengers travel through America's airports yearly.

That is 2 million every day!



65 TRILLION

Tons of cargo are loaded at American airports yearly.

“Airports Inc.” — Millions of Jobs



1.4 million



1.3 million



427,000



400,000

Source: 24/7 Wall St

“Airports Inc.” — Millions of Jobs, Billions in Payroll

1.3 MILLION

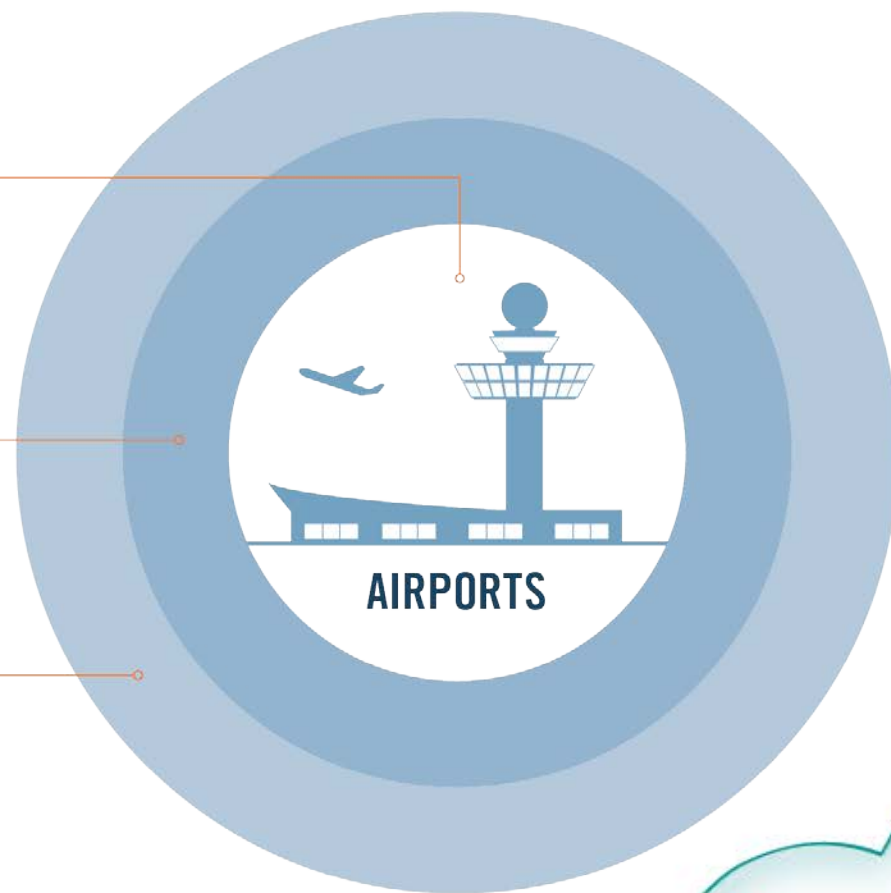
people work at airports and airports support a total of 10.5 million jobs

\$365 BILLION

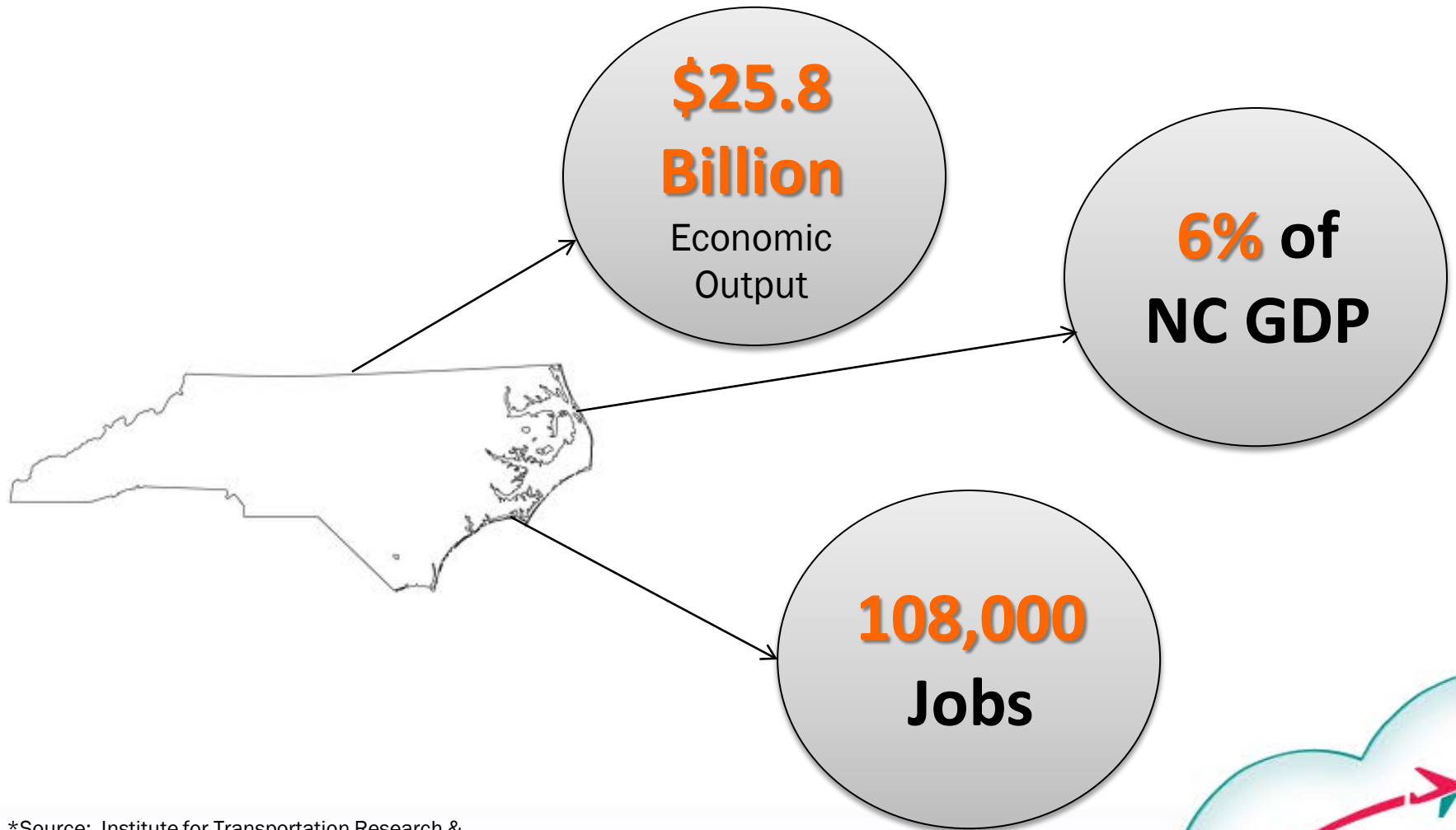
annual payroll created by airports

\$1.2 TRILLION

total airport output is 8% of GDP

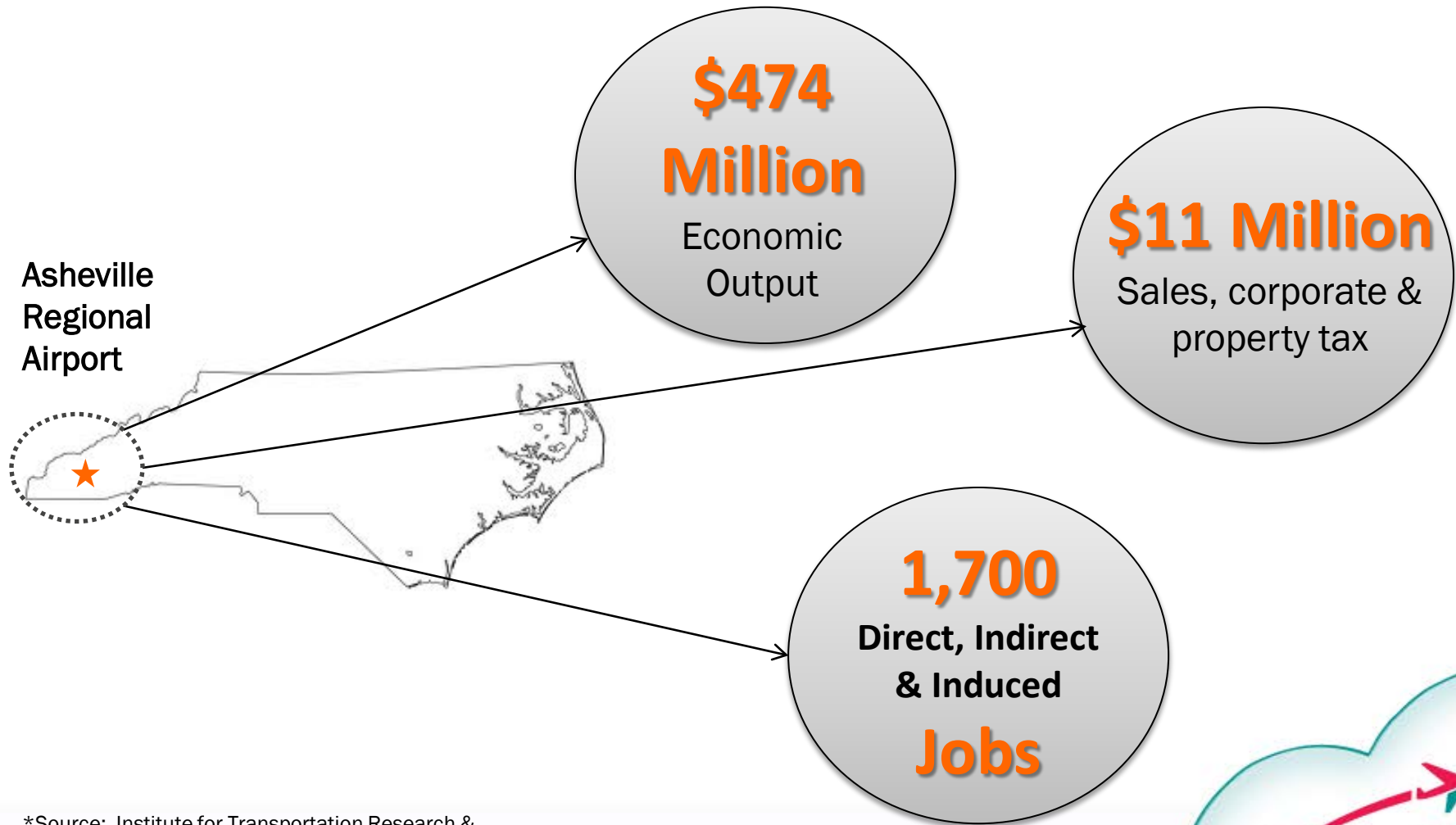


“Airports Inc.” — The North Carolina Story



*Source: Institute for Transportation Research & Education / NC State University 2012

“Airports Inc.” — The WNC / AVL Story



*Source: Institute for Transportation Research & Education / NC State University 2012

AVL By the Numbers

OUR AIRPORT: SNAPSHOT

64,397

Flight Operations
Per Year

1,989

Passengers Per Day

450

On-Airport Jobs

nearly

\$Half a Billion

Yearly Economic Impact*

*Source: Institute for Transportation Research & Education / NC State University 2012

AVL By the Numbers



Every 50-seat round-trip flight at 70% capacity generates

\$30,375

of local economic impact

*Source: Syneva Economics /
Economic Impact Study December 2011

AVL – Supporting Community Growth

Partner to **Economic Development Agencies** in the region

Work with **Asheville CVB** to attract travelers

Help support the case for new business
New Belgium Brewing is one recent example

Advocate for requested routes - recently announced **Fort Lauderdale**

In the news:

Airport funding & governance.
Air service.
Capital improvements.



Facts About Airport Funding

Source: Airports Council International 2012

- **Airports are locally owned and operated.** Commercial airports are owned and operated by public entities, including local, regional or state authorities with the power to issue tax-exempt bonds to finance some of their capital needs.
- **Airports are landlords.** Airport operations are largely self-sustaining – rent, fees and other charges are assessed to businesses that operate at the airport, including airlines.
- **Airports are largely funded by those who use them.** Revenues come from fees paid by passengers, airlines and businesses operating at the airport

America's airports are largely self-sustaining and do not drain precious local tax dollars away from other important government services

A note about the new Independent Airport Authority.

- State sanctioned, as of June 28, 2012
- Allows more efficient operation
- Provides for more regional representation
- Currently in transition to the new structure



Air Service Update – the positives.



- **New Fort Lauderdale service** – begins November 15
- **Small Community Air Service Development Grant** received to incentivize Denver service – a *longshot, but possible!* Need strong community support to succeed.
- ***Always advocating for needed service!*** (Targeted routes: Washington, D.C., Tampa, Denver)
- ***Planes are full!*** Of the seats in the market, most are utilized.



Air Service Update – the challenges.

National trends affecting regional airports and AVL:

- Reduction of 50-seat aircraft = reduction of frequency & seats in market (20-25%)
- Mergers/acquisitions = loss of service (Orlando, Tampa, Houston)
- Bankruptcy = loss of service (seasonal Dallas service)
- Airline focus on seasonality = year-round routes now seasonal (New York City)
- Full planes = higher fares. Supply vs. demand. (And it is important for the community to keep using AVL to protect robust air service.)

Current capital improvements.

Passenger Boarding Bridges (Jetways) – Gates 4-6

- *Construction began spring 2012*
- *Complete by November 2012*
- *Replaced three regional boarding ramps with fully-enclosed, state-of-the-art jetways*

Westside Fill Project

- *Began in 2010*
- *Will be complete in mid-2014*
- *Filling low topography to airfield elevation to accommodate airfield redevelopment project*
- *No cost to the airport – expected to save up to \$7 million on airfield redevelopment project costs*

Capital Improvements on the horizon.

New public safety facility

- *Design nearly complete*
- *Construction to begin spring 2013, completed summer of 2014*
- *Replacing 30+ year old 5,800 sq ft building with a state-of-the-art 16,000 sq ft building*

Airfield Redevelopment Project

- *Replace existing runway*
- *New west side parallel taxiway to be used as temporary runway during construction*
- *Funded primarily by FAA and airport funds*
- *Design completed by end of 2013*
- *Groundbreaking will take place in early 2014*
- *Completion will take place in mid-2017*

And a new Master Plan

Airport Master Plan Update

- *Will provide guidance about airport growth over the next 20 years*
- *Will identify preferred alternatives for development*
- *First digital aerial mapping/survey of the entire airport property will be completed*
- *Process includes input from a regional advisory committee*

Airport Master Plan Open House

October 16 4:30-6:30pm

Skyland Fire Rescue

*Will present the preferred
future development
path for the airport*

**And last ... some food
for thought.**

A mile of pavement can take
you a mile down the road.

**A mile of RUNWAY
can take you
anywhere in the
world ... or bring
the world to
Western North
Carolina.**



Questions?





2012 Community Perception Survey

Conducted by The Jackson Group
Hickory, NC



Goals of the survey

- **Establish baseline metrics – AVL vs. competing airports**
 - Demographic description of air travelers/target market
 - Overall satisfaction & drivers of satisfaction
 - Top of mind awareness & drivers of utilization
 - Other metrics to watch
- **Washington, D.C. travel**
 - Perceived demand for travel to D.C.
 - Perceived utilization of Dulles International

Methodology

- **RANDOM SAMPLING** (Random Digit Dial) of landlines & wireless numbers in Buncombe and Henderson Counties (pulling from the most populated counties in WNC)
- **Demographic qualifiers:**
 - air travel within the past 12 months
 - 18+ years of age
- **Survey instrument** developed in conjunction with TJG, 20 minutes in length
- **389 completed responses**
- **Statistical confidence interval of 95%, +/- 5%**

What did we learn?

Let's start with the basics. A demographic picture of air travelers in WNC.

57.6% = female

42.2% = male

Majority 45+ years old

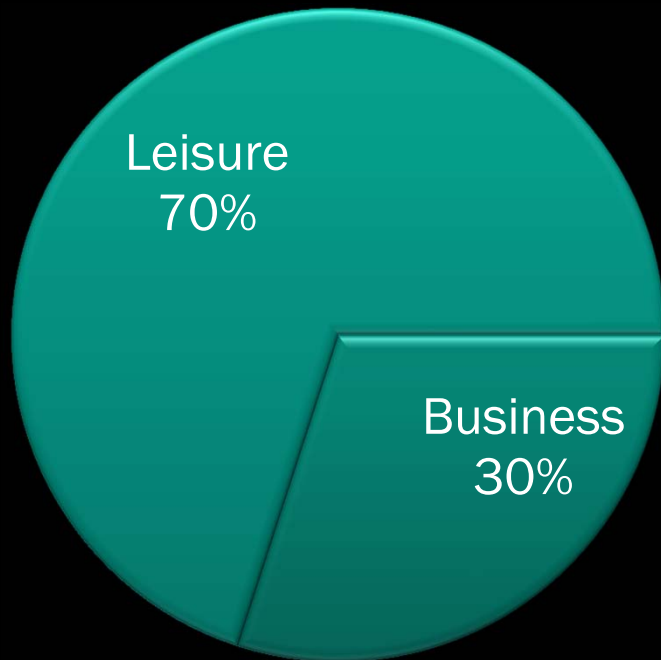
HH income of \$70K+

71% Bachelors or higher



Mix of travelers

MIX OF TRAVELERS



58% of leisure travelers fly 1-2 times/year

58% of business travelers fly 5+ times/year

Who are our business travelers?

60% = male

Age 25-64

More females age 45-54

HH income of \$80K+

58% of business travelers fly 5+ times/year

32% of business travelers fly 10+ times/year



Who are our leisure travelers?

61% female – all ages

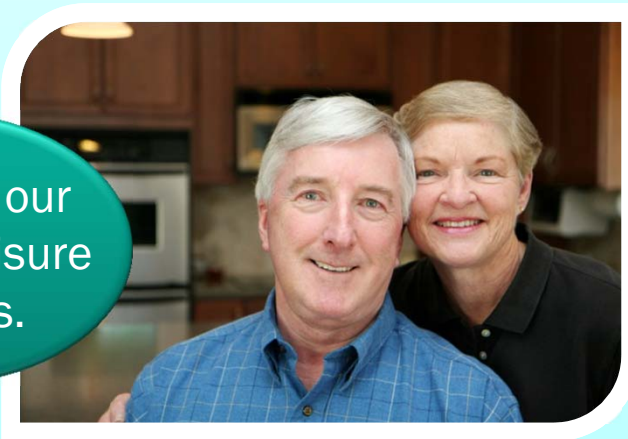
1/3 of WNC air travelers are retirement age 65+, with high household incomes

65+ Travelers

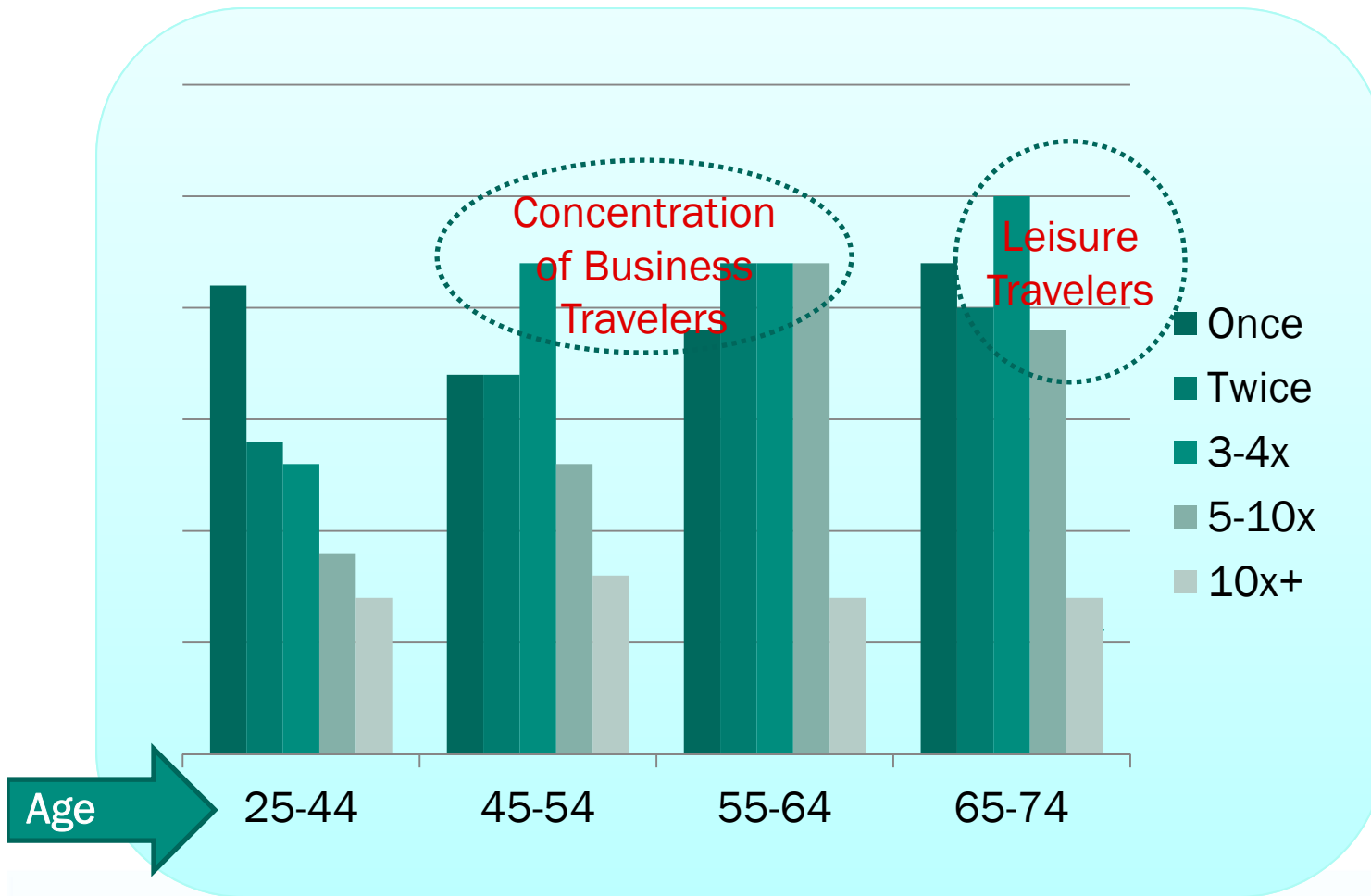
49% fly 3-4 times/year

39% fly 5-10+ times/year

These are our *frequent* leisure travelers.



Older travelers fly more frequently.



Almost all
10x+ travelers
are business
travelers

Geographic insights

| | % of total survey respondents | % of total Business | % of total Leisure | % of Air Travelers Age 55+ | % of Air Travelers Age 25-54 |
|-----------|-------------------------------|---------------------|--------------------|----------------------------|------------------------------|
| Buncombe | 66.8% | 61% | 66% | 53% | 43% |
| Henderson | 33.2% | 39% | 34% | 71% | 28% |

- Of note: Significant age differences based upon geographic residence
- Henderson has slightly higher concentration of business travelers (% of population)

Based on key demographics, opportunity groups are:

- **Business Travelers**

- Males and females, 45+
- HH income \$80K+

Buncombe air
travelers are
YOUNGER than
Henderson air
travelers.

- **Leisure Travelers**

- Females – all ages, especially 45+
- Retirees, age 65+ / frequent leisure travelers – especially in Henderson County
- HH income \$70K+



Perception is reality.

Overall satisfaction metrics.



A note about perceived satisfaction.

In this survey, respondents were asked to rank their satisfaction with AVL, and with various air travel issues. The rankings were on a Likert Scale, from 0-10. The goal is for respondents to rank satisfaction in the highest range of 9-10. Those who do are considered “promoters” of the organization, our most loyal customers.

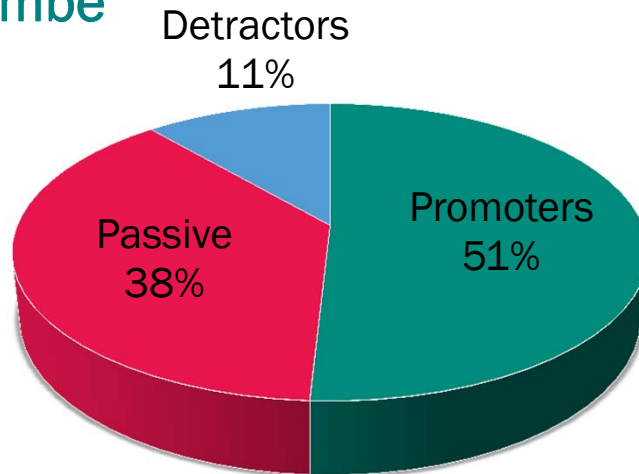
Those who rank 7-8 on a satisfaction scale are considered “passive,” and all others are “detractors” – or customers who are either dissatisfied or have no loyalty to the organization.

Over time, the marketing goal is to create more “promoters” of the organization. This leads to more positive word of mouth and increases in utilization.

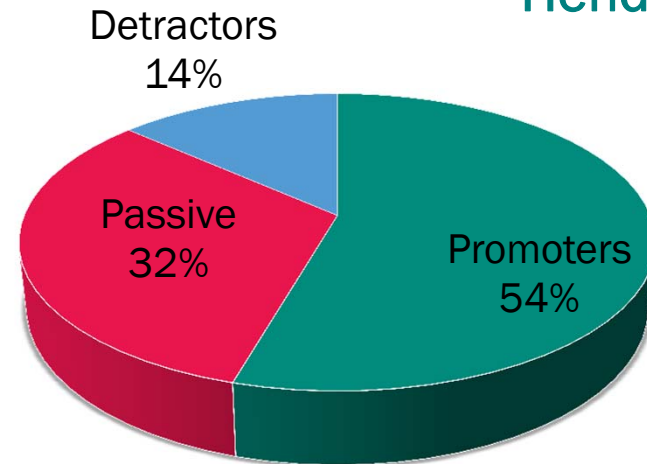


Baseline metrics: How satisfied are you with AVL?

Buncombe



Henderson

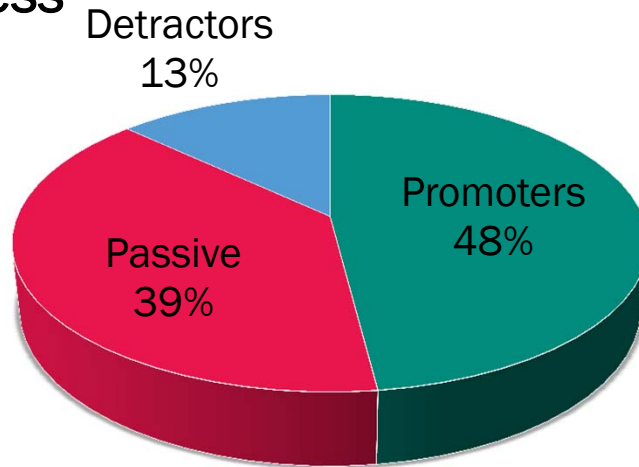


Notes:

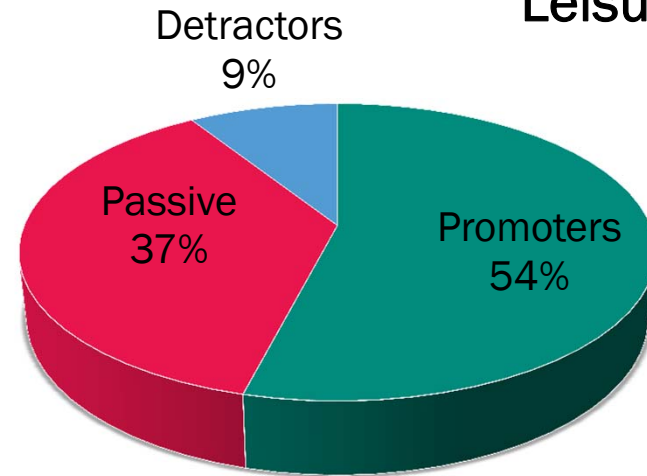
- Henderson County has slightly stronger ratings of satisfaction and dissatisfaction than Buncombe County
- Regardless of geography, opportunity exists to increase satisfaction

Baseline metrics: How satisfied are you with AVL?

Business



Leisure



Notes:

- Business travelers are less satisfied than leisure travelers

Additional findings: Satisfaction



Female business travelers rate satisfaction with AVL higher than all other groups.



Male business travelers rate satisfaction with AVL lower than all other groups.



Male and female leisure travelers rate satisfaction similarly.



Of significance: male travelers tend to rate *satisfaction with fares* much lower than females.



Long-term goal: Increase levels of satisfaction

What drives satisfaction?

Focus on these drivers with targeted groups. Move the needle over time & grow base of loyal travelers. Consistent satisfaction leads to loyalty & utilization.

BASED ON SURVEY RESULTS -

TOP THREE DRIVERS OF SATISFACTION:

- #1 – ease of getting through security
- #2 – choice of arrival and departure times
- #3 – low fares





Utilization – Begins with Top of Mind Awareness.

How AVL stacks up in the WNC market.



Why is a “top of mind” metric important?

In this survey, “top of mind” refers to the first airport mentioned when asked about key drivers of utilization and satisfaction. Each competitor in a market place will capture varying levels of “top of mind” awareness relating to important metrics. The goal is to “own” top of mind awareness in the MOST IMPORTANT categories – the biggest drivers of utilization and satisfaction. In marketing, strategic messages are structured to capture as much “top of mind” share, which ultimately contributes to overall market share.

Let's look at our top drivers of utilization:

Among all WNC air travelers, the TOP drivers of utilization of an airport are:

#1 – Lowest Airfare

#2 – Choice of departure times

#3 – Saving time to and from the airport

#4 – Ease of getting through security

Where do we rank?

| Top of mind ranking (overall) | #1 | #2 | #3 | #4 |
|----------------------------------|------------|------------|------------|-------------|
| Lowest fares | CLT 41% | GSP 28% | AVL 15% | ATL 10% |
| Choice of departure times | AVL 42% | CLT 32% | GSP 14% | ATL 7% |
| Saving time to and from airport | AVL 89% | GSP 5% | CLT 4% | Other 2% |
| Ease of getting through security | AVL 84% | GSP 6% | CLT 4% | Other 4% |

*Threat, due to close proximity.



Where do we rank?

| Top of mind ranking (Henderson County) | #1 | #2 | #3 | #4 |
|---|------------|------------|------------|-------------|
| Lowest fares | CLT 41% | GSP 30% | AVL 15% | ATL 10% |
| Choice of departure times | AVL 40% | CLT 30% | GSP 18% | ATL 8% |
| Saving time to and from airport | AVL 85% | GSP 9% | CLT 4% | Other 2% |
| Ease of getting through security | AVL 82% | GSP 7% | CLT 4% | Other 5% |

*Threat.

*AVL is considered most convenient to Henderson County residents, but this is a number to watch.



Where do we rank?

| Top of mind ranking (Buncombe County) | #1 | #2 | #3 | #4 |
|--|------------|------------|------------|-------------|
| Lowest fares | CLT 41% | GSP 27% | AVL 14% | ATL 10% |
| Choice of departure times | AVL 43% | CLT 33% | GSP 12% | ATL 7% |
| Saving time to and from airport | AVL 91% | CLT 4% | GSP 2% | Other 2% |
| Ease of getting through security | AVL 85% | GSP 6% | CLT 5% | Other 4% |

*Threat.

*Few name GSP as "convenient." This is good.



Where do we rank?

| Top of mind ranking (Business Travelers) | #1 | #2 | #3 | #4 |
|---|------------|------------|------------|------------|
| Lowest fares | CLT 37% | ATL 22% | AVL 19% | GSP 19% |
| Choice of departure times | AVL 48% | CLT 29% | ATL 12% | GSP 6% |
| Saving time to and from airport | AVL 91% | GSP 5% | CLT 3% | TRI 2% |
| Ease of getting through security | AVL 89% | GSP 7% | CLT 3% | ATL 2% |

***Threat.**
 If business travelers choose to fly locally, lowest fare may decide airport use.



Where do we rank?

| Top of mind ranking (Leisure Travelers) | #1 | #2 | #3 | #4 |
|--|------------|------------|------------|-------------|
| Lowest fares | CLT 44% | GSP 30% | AVL 13% | ATL 8% |
| Choice of departure times | AVL 41% | CLT 33% | GSP 15% | ATL 6% |
| Saving time to and from airport | AVL 89% | GSP 4% | CLT 4% | Other 2% |
| Ease of getting through security | AVL 83% | GSP 6% | CLT 5% | Other 5% |

*Threat.
Leisure
travelers are
fare sensitive.

Top of Mind Summary

AVL “owns” top of mind in three of the four important categories.

#2 – Choice of departure times

#3 – Saving time to and from the airport

#4 – Ease of getting through security

Biggest Opportunity

#1 – Perception of Low Fares

In order to continue to capture market share and mitigate leakage, AVL must move the “needle” in perception of low fares at AVL among all **travelers**. GSP has a higher “top of mind” ranking (especially among Henderson County residents), and is the competitor to watch. *(AVL won’t likely ever compete with large hubs, like CLT, in fare perception.)* Residents of Henderson County and leisure travelers are slightly more likely to think of GSP as having lower fares, and business travelers rank AVL and GSP equally.





What we think matters may not.

A few surprises.



Hmmmm....

- Look at the things that DON'T influence a WNC air traveler to choose an airport:
 - Being able to fly on a specific airline
 - Convenience of parking
 - Price of parking

In addition....

- These offerings do not significantly correlate to satisfaction or dissatisfaction with AVL. There is no significant differentiation among airports.



Other metrics to watch -

Additional insights.



Airport used most often in last 12 months

- **AVL** 62.6%
- CLT 18.4%
- GSP 12.7%

Airline used most often

- Delta 35%
- US Airways 30%
- CO/United 8.0%
- Allegiant 4.2%
- *American* 3.9%
- *Southwest* 6.0%

How WNC Air Travelers Book Tickets

- Airline website 41%
- Booking website 17%
- Travel agency 10% surprising!
- Through their company 10%
- Telephone with airline 6.2%

A guide to reaching our audience via digital media.

Which technologies are used regularly?

| Digital Technology | Business | Leisure | Total |
|--------------------|----------|---------|-------|
| Email | 44% | 46% | 44% |
| Mobile Texting | 28% | 24% | 25% |
| Facebook | 26% | 24% | 24% |
| Twitter | 7% | 5% | 6% |
| Other | 1% | 1% | 1% |
| | | | |

Next steps

- Update marketing plan
 - Tweak focus on demographics
 - Target messaging and strategies to increase top of mind awareness of low fares at AVL
 - Look for appropriate ways to reach audiences via digital technology (cost effective)

Next steps

- Increase focus on low fares in air service development
 - Increase low fare air service offerings (low fare carrier / routes)
 - Monitor fares & strategically advocate

Next steps

- Focus on loyalty growth (satisfaction) among business travelers
 - Frequent traveler loyalty program
 - Customer service / enhance ease of travel experience



Washington, D.C.

What our market says about D.C. travel



A demographic snapshot of the D.C. traveler

Majority are 25-64 years old

44% Male

56% Female

Those most likely to
utilize a Dulles route
have household incomes
of \$80K+



Interest in D.C. from AVL

40% of all business travelers went to D.C. in the past 12 months

19% of all leisure travelers went to D.C. in the past 12 months

Business
Travelers average
3 trips/year



Interest in D.C. from AVL

Of D.C. travelers...

58% utilized air travel (rather than ground)

51% *Half of D.C. air travelers would likely book AVL to Dulles*

Reasons given as to why D.C. travelers would NOT LIKELY book a trip to Dulles

#1 Reason: Would drive instead

Only 0.5% of respondents indicated that they only fly to Reagan National, and that Dulles is inconvenient.

Dulles is a viable option for WNC air travelers.



Non-stop vs. connections to D.C.

US Airways captures the majority of the D.C. market via connections through CLT.

29% of air travelers would consider a connecting flight over a non-stop to Dulles if the price was right.

Conclusion

- Dulles is a destination airport that could be embraced by WNC air travelers. Challenges:
 - Fare sensitivity
 - Drive market
- Survey results suggest that about half of D.C. travelers would likely book a flight to Dulles
- DC travelers are working age, and affluent

Next steps

- Share this data with Seabury APG & “marry” with Dulles forecast
- Share updated forecast & survey data with United Airlines



Questions?

Tina Kinsey, Director of Marketing, PR & Air Service Development
O - 828.654.3238 C - 828.974.2006 tkinsey@flyavl.com





MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: October 12, 2012

ITEM DESCRIPTION – Information Section Item A

August, 2012 Traffic Report – Asheville Regional Airport

SUMMARY

August 2012 overall passenger traffic numbers were down 18.7% compared to the same period last year. Passenger traffic numbers reflect a 19.9% decrease in passenger enplanements from August 2011. Enplanements for Fiscal Year to Date total 62,405 which is a 21.99% decrease over the same period last year.

AIRLINE PERFORMANCE

Delta Airlines: Delta's August 2012 enplanements decreased by 9.1% compared to August 2011. There were no flight cancellations for the month.

United Airlines: In August 2012, United Airlines saw an increase in enplanements by 93.3% over the same period last year. As noted last month, this large increase is the result of combined statistics due to the merger between Continental Airlines and United Airlines. There was one (1) flight cancellation for the month.

US Airways: US Airways' August 2012 passenger enplanements represent a 22.7% decrease over the same period last year. There were nine (9) flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

August 2012



| Category | Aug 2012 | Aug 2011 | Percentage Change | *CYTD-2012 | *CYTD-2011 | Percentage Change | *MOV12-2012 | *MOV12-2011 | Percentage Change |
|----------------------------|----------------|----------------|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Passenger Traffic | | | | | | | | | |
| Enplaned | 30,269 | 37,798 | -19.9% | 213,427 | 236,928 | -9.9% | 338,794 | 365,544 | -7.3% |
| Deplaned | <u>30,038</u> | <u>36,397</u> | -17.5% | <u>212,690</u> | <u>234,559</u> | -9.3% | <u>337,513</u> | <u>362,363</u> | -6.9% |
| Total | 60,307 | 74,195 | -18.7% | 426,117 | 471,487 | -9.6% | 676,307 | 727,907 | -7.1% |
| Aircraft Operations | | | | | | | | | |
| Airlines | 369 | 402 | -8.2% | 2,397 | 2,246 | 6.7% | 3,627 | 2,720 | 33.3% |
| Commuter /Air Taxi | <u>1,422</u> | <u>1,695</u> | -16.1% | 9,923 | 12,003 | -17.3% | 15,353 | 18,485 | -16.9% |
| Subtotal | <u>1,791</u> | <u>2,097</u> | -14.6% | <u>12,320</u> | <u>14,249</u> | -13.5% | <u>18,980</u> | <u>21,205</u> | -10.5% |
| General Aviation | 3,818 | 3,869 | -1.3% | 26,200 | 24,956 | 5.0% | 38,511 | 38,286 | 0.6% |
| Military | <u>456</u> | <u>512</u> | -10.9% | <u>2,990</u> | <u>2,621</u> | 14.1% | <u>4,209</u> | <u>4,394</u> | -4.2% |
| Subtotal | <u>4,274</u> | <u>4,381</u> | -2.4% | <u>29,190</u> | <u>27,577</u> | 5.8% | <u>42,720</u> | <u>42,680</u> | 0.1% |
| Total | 6,065 | 6,478 | -6.4% | 41,510 | 41,826 | -0.8% | 61,700 | 63,885 | -3.4% |
| Fuel Gallons | | | | | | | | | |
| 100LL | 16,478 | 21,727 | -24.2% | 107,251 | 127,027 | -15.6% | 165,414 | 197,047 | -16.1% |
| Jet A (GA) | 148,818 | 165,555 | -10.1% | 740,365 | 829,552 | -10.8% | 1,103,651 | 1,228,759 | -10.2% |
| Subtotal | <u>165,296</u> | <u>187,282</u> | -11.7% | <u>847,616</u> | <u>956,579</u> | -11.4% | <u>1,269,065</u> | <u>1,425,806</u> | -11.0% |
| Jet A (A/L) | <u>237,322</u> | <u>350,368</u> | -32.3% | <u>1,690,988</u> | <u>2,193,550</u> | -22.9% | <u>2,749,342</u> | <u>3,377,886</u> | -18.6% |
| Total | 402,618 | 537,650 | -25.1% | 2,538,604 | 3,150,129 | -19.4% | 4,018,407 | 4,803,692 | -16.3% |

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

Thursday, September 20, 2012

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

August 2012



| | Aug 2012 | Aug 2011 | Percentage Change | *CYTD-2012 | *CYTD-2011 | Percentage Change |
|-----------------------------|----------|----------|-------------------|------------|------------|-------------------|
| AirTran Airways | | | | | | |
| Enplanements | 0 | 3,688 | -100.0% | 306 | 18,506 | -98.3% |
| Seats | 0 | 4,395 | -100.0% | 468 | 22,685 | -97.9% |
| Load Factor | #Num! | 83.9% | #Type! | 65.4% | 81.6% | -19.9% |
| Allegiant Air | | | | | | |
| Enplanements | 1,292 | 0 | #Div/0! | 9,868 | 0 | #Div/0! |
| Seats | 1,350 | 0 | #Div/0! | 10,500 | 130 | 7976.9% |
| Load Factor | 95.7% | #Num! | #Type! | 94.0% | 0.0% | #Div/0! |
| American Airlines | | | | | | |
| Enplanements | 0 | 851 | -100.0% | 0 | 2,873 | -100.0% |
| Seats | 0 | 997 | -100.0% | 0 | 3,364 | -100.0% |
| Load Factor | #Num! | 85.4% | #Type! | #Num! | 85.4% | #Type! |
| Continental Airlines | | | | | | |
| Enplanements | 0 | 2,365 | -100.0% | 2,419 | 14,317 | -83.1% |
| Seats | 0 | 3,100 | -100.0% | 5,100 | 20,350 | -74.9% |
| Load Factor | #Num! | 76.3% | #Type! | 47.4% | 70.4% | -32.6% |
| Delta Air Lines | | | | | | |
| Enplanements | 14,031 | 15,430 | -9.1% | 93,223 | 102,180 | -8.8% |
| Seats | 16,900 | 18,350 | -7.9% | 115,150 | 132,254 | -12.9% |
| Load Factor | 83.0% | 84.1% | -1.3% | 81.0% | 77.3% | 4.8% |
| United Airlines | | | | | | |
| Enplanements | 5,301 | 2,743 | 93.3% | 32,752 | 18,485 | 77.2% |
| Seats | 6,637 | 3,250 | 104.2% | 42,360 | 24,400 | 73.6% |
| Load Factor | 79.9% | 84.4% | -5.4% | 77.3% | 75.8% | 2.1% |

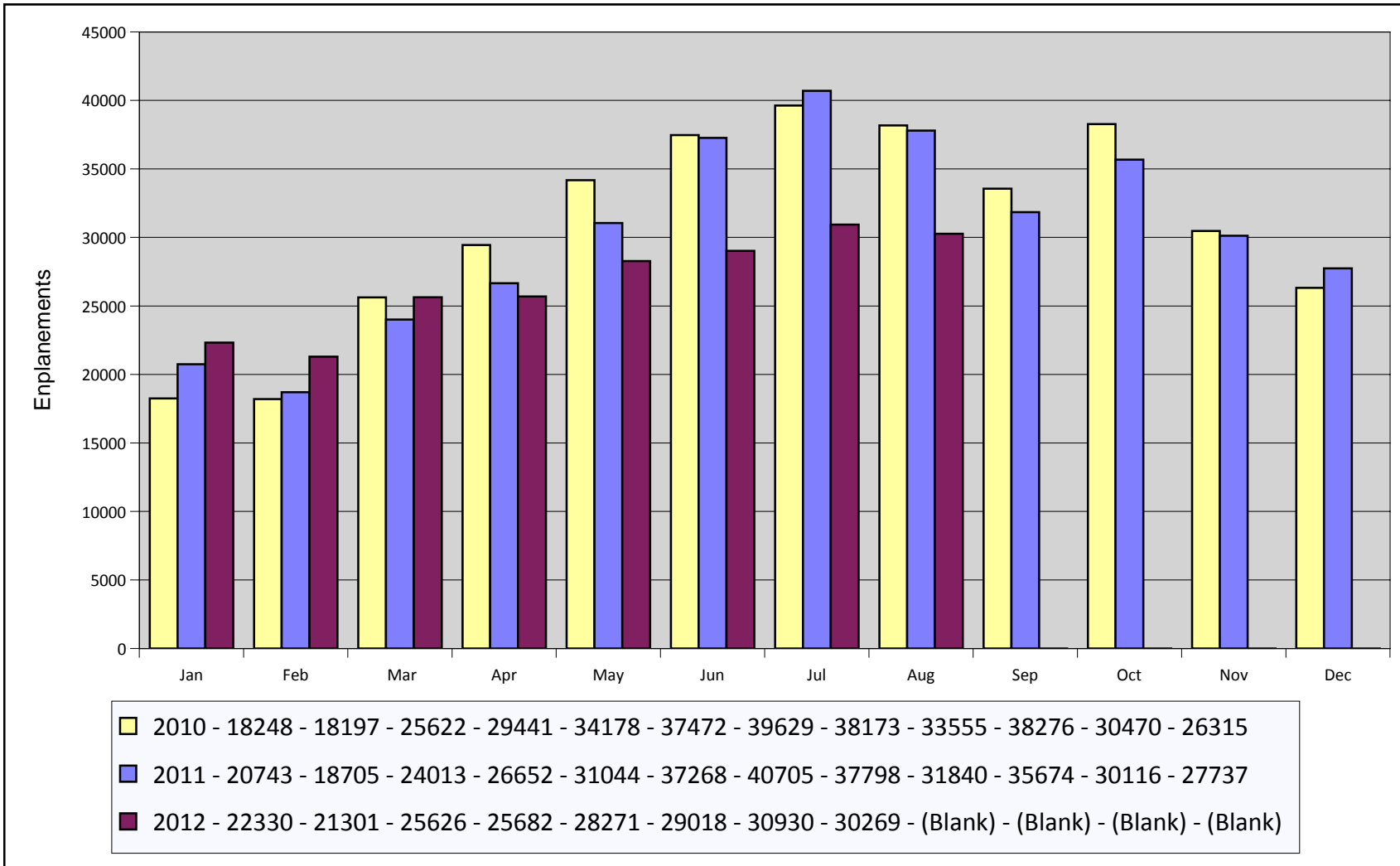
| | Aug 2012 | Aug 2011 | Percentage Change | *CYTD-2012 | *CYTD-2011 | Percentage Change |
|------------------------|----------|----------|-------------------|------------|------------|-------------------|
| US Airways | | | | | | |
| Enplanements | 9,645 | 12,485 | -22.7% | 74,859 | 77,713 | -3.7% |
| Seats | 12,259 | 17,249 | -28.9% | 104,599 | 122,251 | -14.4% |
| Load Factor | 78.7% | 72.4% | 8.7% | 71.6% | 63.6% | 12.6% |
| Vision Airlines | | | | | | |
| Enplanements | 0 | 236 | -100.0% | 0 | 2,854 | -100.0% |
| Seats | 0 | 636 | -100.0% | 0 | 5,752 | -100.0% |
| Load Factor | #Num! | 37.1% | #Type! | #Num! | 49.6% | #Type! |
| Totals | | | | | | |
| Enplanements | 30,269 | 37,798 | -19.9% | 213,427 | 236,928 | -9.9% |
| Seats | 37,146 | 47,977 | -22.6% | 278,177 | 331,186 | -16.0% |
| Load Factor | 81.5% | 78.8% | 3.4% | 76.7% | 71.5% | 7.2% |

Airline Flight Completions Asheville Regional Airport August 2012

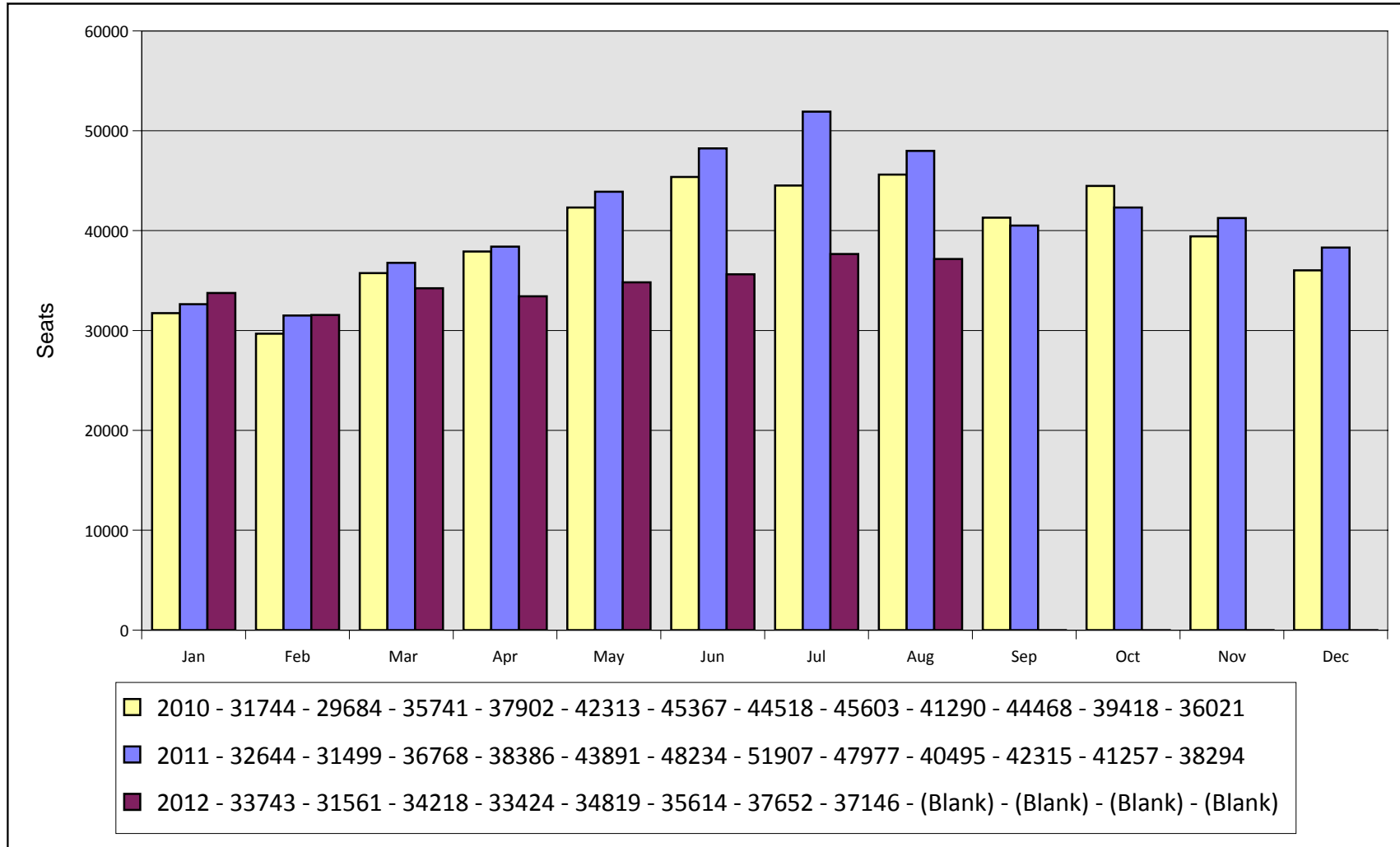


| Airline | Scheduled Flights | Field | Cancellations Due To | | | Total Cancellations | Percentage of Completed |
|-----------------|-------------------|----------|----------------------|----------|----------|---------------------|-------------------------|
| | | | Mechanical | Weather | Other | | |
| Allegiant Air | 9 | 0 | 0 | 0 | 0 | 0 | 100.0% |
| Delta Air Lines | 305 | 0 | 0 | 0 | 0 | 0 | 110.8% |
| United Airlines | 133 | 0 | 0 | 1 | 0 | 1 | 99.2% |
| US Airways | 256 | 0 | 9 | 0 | 0 | 9 | 98.0% |
| Total | 703 | 0 | 9 | 1 | 0 | 10 | 98.6% |

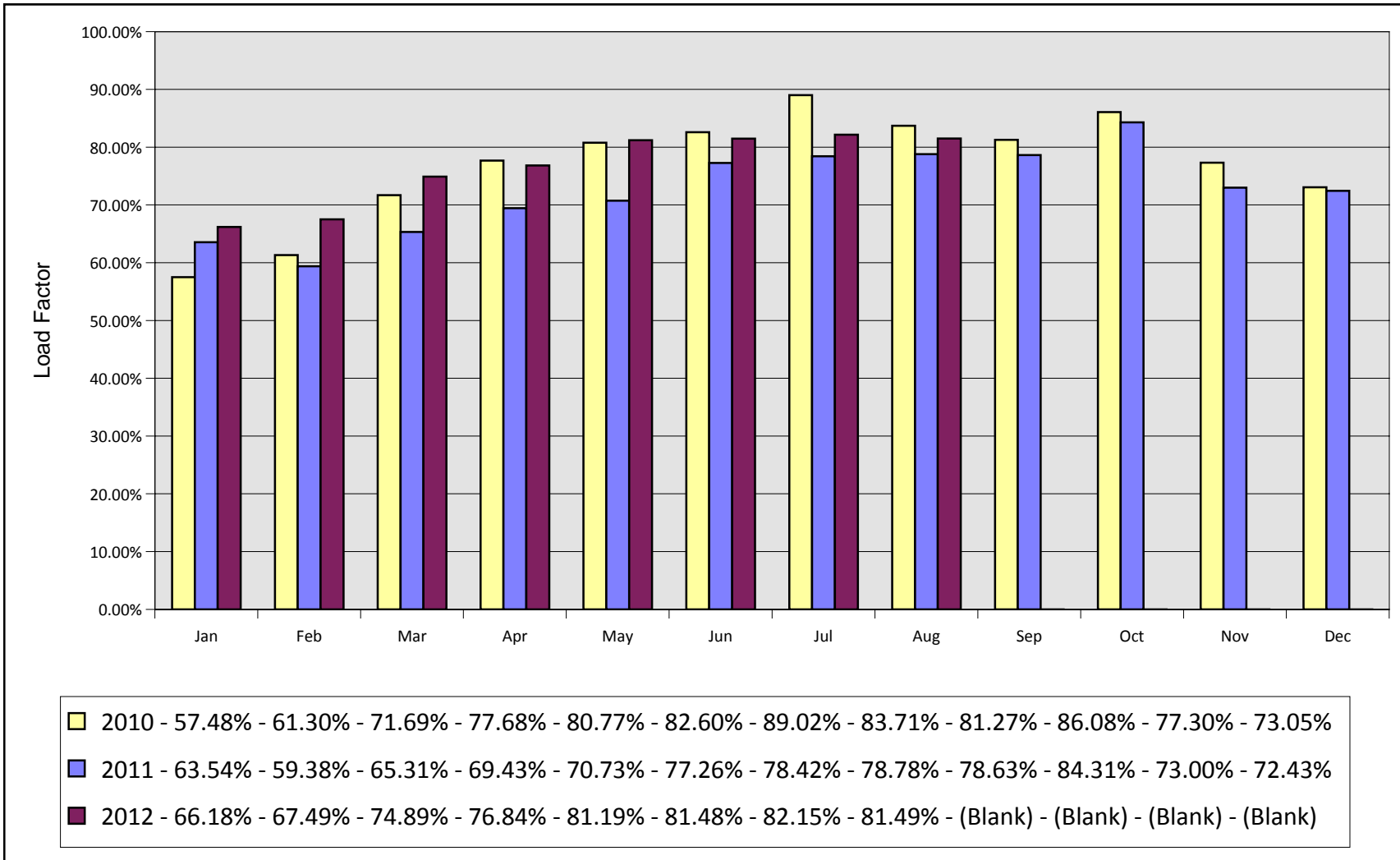
Monthly Enplanements By Year Asheville Regional Airport



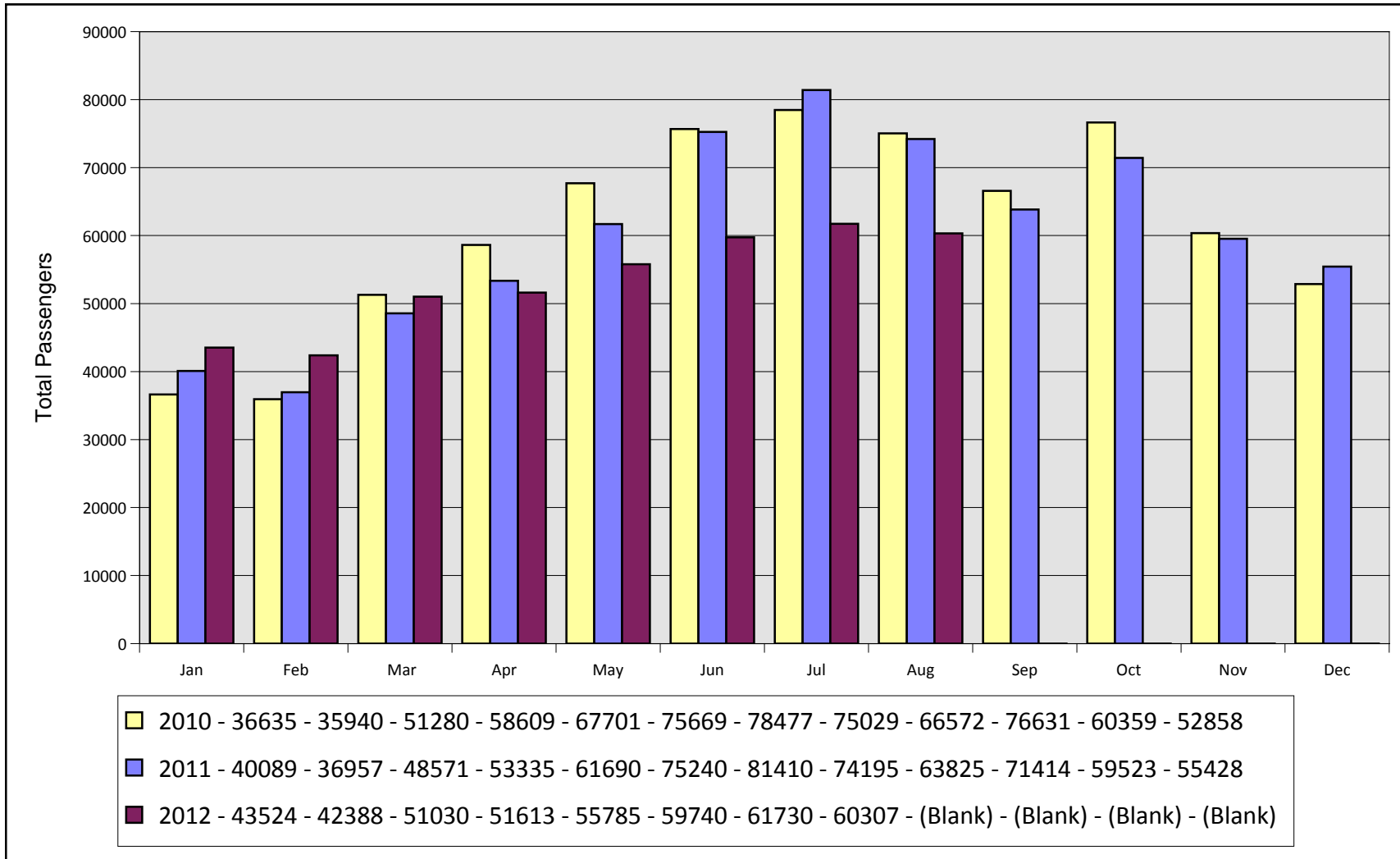
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

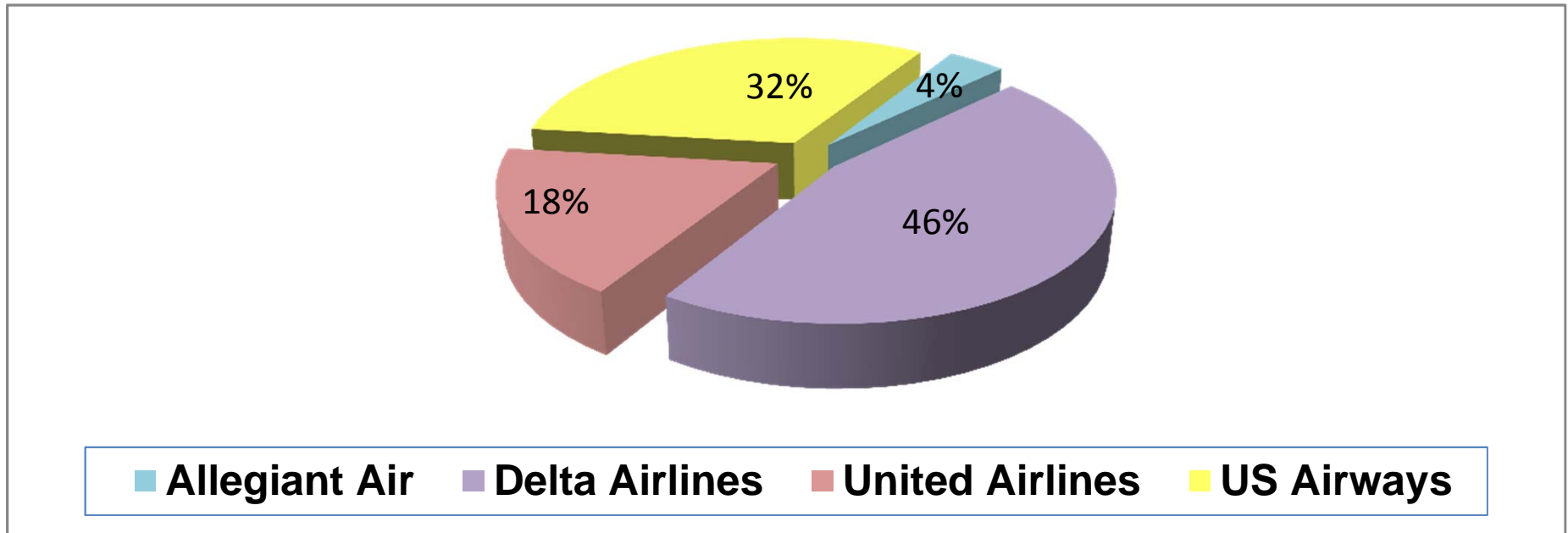


Total Monthly Passengers By Year Asheville Regional Airport

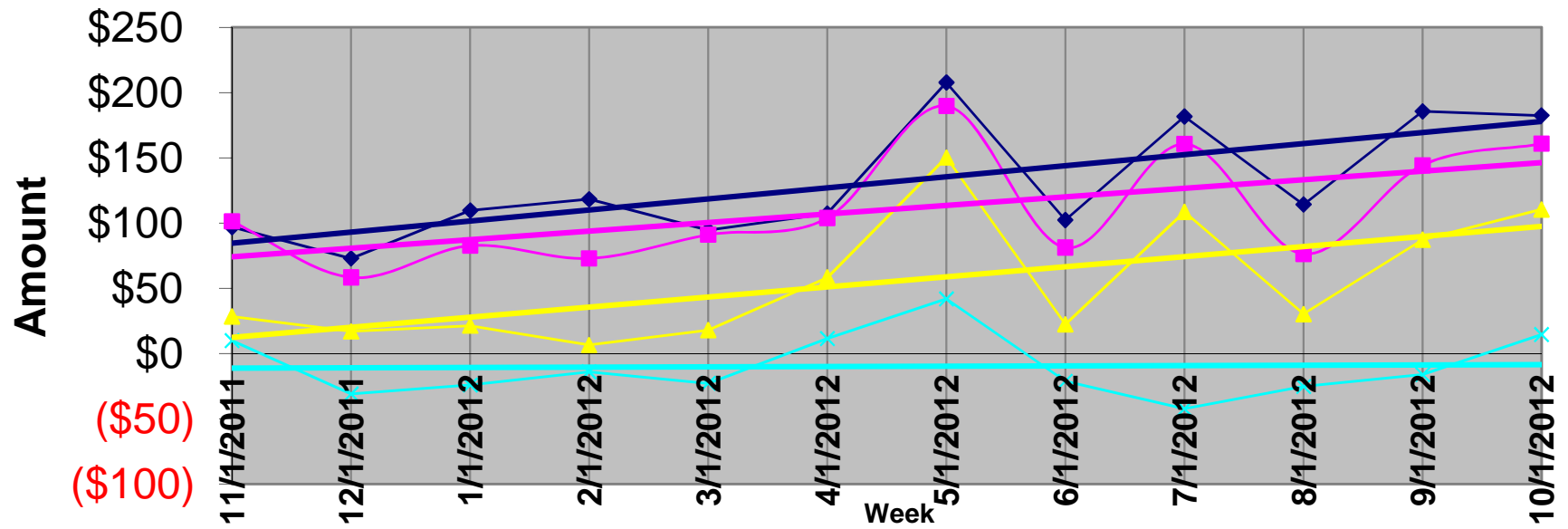


Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From August 2012 Through August 2012



AVL Average Airfare Differences 21 Day Advance Purchase, 3 Day Stay



◆ ATL
 ■ CLT
 ▲ GSP
 × TRI
 — Linear (ATL)
 — Linear (CLT)
 — Linear (GSP)
 — Linear (TRI)

Asheville Regional Airport
Sample airfares as of 10/01/12
21 Day Advance Purchase, 3 day Stay

| | | <u>Difference in Fares</u> | | | | | | | | |
|-----|----------------------|----------------------------|----------------|------------------|-------------------|-------------------|----------------|------------------|-------------------|-------------------|
| | | <u>ASHEVILLE</u> | <u>ATLANTA</u> | <u>CHARLOTTE</u> | <u>GREENVILLE</u> | <u>TRI-CITIES</u> | <u>ATLANTA</u> | <u>CHARLOTTE</u> | <u>GREENVILLE</u> | <u>TRI-CITIES</u> |
| ABQ | Albuquerque | \$559 | \$265 | \$413 | \$481 | \$559 | \$294 | \$146 | \$78 | \$0 |
| ATL | Atlanta | \$330 | | \$164 | \$293 | \$438 | \$330 | \$166 | \$37 | (\$108) |
| AUS | Austin | \$529 | \$237 | \$318 | \$431 | \$367 | \$292 | \$211 | \$98 | \$162 |
| BWI | Baltimore | \$479 | \$315 | \$238 | \$231 | \$486 | \$164 | \$241 | \$248 | (\$7) |
| BOS | Boston | \$375 | \$300 | \$194 | \$365 | \$532 | \$75 | \$181 | \$10 | (\$157) |
| ORD | Chicago | \$316 | \$292 | \$372 | \$276 | \$274 | \$24 | (\$56) | \$40 | \$42 |
| CVG | Cincinnati | \$424 | \$316 | \$521 | \$368 | \$477 | \$108 | (\$97) | \$56 | (\$53) |
| CLE | Cleveland | \$553 | \$336 | \$437 | \$299 | \$473 | \$217 | \$116 | \$254 | \$80 |
| DFW | Dallas | \$532 | \$343 | \$442 | \$355 | \$324 | \$189 | \$90 | \$177 | \$208 |
| DEN | Denver | \$545 | \$288 | \$419 | \$309 | \$418 | \$257 | \$126 | \$236 | \$127 |
| DTW | Detroit | \$436 | \$284 | \$353 | \$377 | \$468 | \$152 | \$83 | \$59 | (\$32) |
| FLL | Fort Lauderdale | \$475 | \$235 | \$243 | \$371 | \$274 | \$240 | \$232 | \$104 | \$201 |
| RSW | Ft. Myers | \$514 | \$276 | \$308 | \$464 | \$393 | \$238 | \$206 | \$50 | \$121 |
| BDL | Hartford | \$582 | \$374 | \$264 | \$409 | \$512 | \$208 | \$318 | \$173 | \$70 |
| IAH | Houston | \$374 | \$342 | \$490 | \$386 | \$275 | \$32 | (\$116) | (\$12) | \$99 |
| IND | Indianapolis | \$486 | \$337 | \$303 | \$411 | \$486 | \$149 | \$183 | \$75 | \$0 |
| JAX | Jacksonville | \$486 | \$272 | \$275 | \$445 | \$486 | \$214 | \$211 | \$41 | \$0 |
| MCI | Kansas City | \$532 | \$340 | \$290 | \$427 | \$512 | \$192 | \$242 | \$105 | \$20 |
| LAS | Las Vegas | \$639 | \$364 | \$311 | \$421 | \$641 | \$275 | \$328 | \$218 | (\$2) |
| LAX | Los Angeles | \$618 | \$271 | \$405 | \$483 | \$645 | \$347 | \$213 | \$135 | (\$27) |
| MHT | Manchester | \$532 | \$319 | \$207 | \$422 | \$532 | \$213 | \$325 | \$110 | \$0 |
| MEM | Memphis | \$541 | \$277 | \$413 | \$537 | \$474 | \$264 | \$128 | \$4 | \$67 |
| MIA | Miami | \$488 | \$296 | \$373 | \$398 | \$403 | \$192 | \$115 | \$90 | \$85 |
| MKE | Milwaukee | \$386 | \$350 | \$232 | \$436 | \$510 | \$36 | \$154 | (\$50) | (\$124) |
| MSP | Minneapolis/Saint Pa | \$440 | \$267 | \$413 | \$431 | \$532 | \$173 | \$27 | \$9 | (\$92) |
| BNA | Nashville | \$494 | \$388 | \$286 | \$228 | \$494 | \$106 | \$208 | \$266 | \$0 |
| MSY | New Orleans | \$512 | \$235 | \$291 | \$387 | \$512 | \$277 | \$221 | \$125 | \$0 |

| | | | | | | | | | | |
|-----|--------------------|-------|-------|-------|-------|-------|---------|--------|---------|---------|
| LGA | New York | \$305 | \$255 | \$174 | \$249 | \$393 | \$50 | \$131 | \$56 | (\$88) |
| EWR | Newark | \$332 | \$254 | \$214 | \$259 | \$512 | \$78 | \$118 | \$73 | (\$180) |
| MCO | Orlando | \$467 | \$255 | \$284 | \$232 | \$393 | \$212 | \$183 | \$235 | \$74 |
| PHL | Philadelphia | \$292 | \$388 | \$302 | \$242 | \$486 | (\$96) | (\$10) | \$50 | (\$194) |
| PHX | Phoenix | \$656 | \$385 | \$344 | \$361 | \$586 | \$271 | \$312 | \$295 | \$70 |
| PIT | Pittsburgh | \$431 | \$284 | \$286 | \$380 | \$486 | \$147 | \$145 | \$51 | (\$55) |
| PDX | Portland | \$670 | \$421 | \$496 | \$523 | \$648 | \$249 | \$174 | \$147 | \$22 |
| PVD | Providence | \$532 | \$260 | \$207 | \$422 | \$512 | \$272 | \$325 | \$110 | \$20 |
| RDU | Raleigh/Durham | \$478 | \$221 | \$337 | \$372 | \$486 | \$257 | \$141 | \$106 | (\$8) |
| RIC | Richmond | \$486 | \$306 | \$282 | \$523 | \$486 | \$180 | \$204 | (\$37) | \$0 |
| STL | Saint Louis | \$487 | \$310 | \$280 | \$409 | \$486 | \$177 | \$207 | \$78 | \$1 |
| SLC | Salt Lake City | \$696 | \$382 | \$555 | \$441 | \$546 | \$314 | \$141 | \$255 | \$150 |
| SAT | San Antonio | \$531 | \$325 | \$306 | \$389 | \$391 | \$206 | \$225 | \$142 | \$140 |
| SAN | San Diego | \$656 | \$459 | \$521 | \$503 | \$656 | \$197 | \$135 | \$153 | \$0 |
| SFO | San Francisco | \$655 | \$369 | \$417 | \$310 | \$551 | \$286 | \$238 | \$345 | \$104 |
| SRQ | Sarasota/Bradenton | \$512 | \$346 | \$299 | \$421 | \$393 | \$166 | \$213 | \$91 | \$119 |
| SEA | Seattle | \$666 | \$440 | \$487 | \$512 | \$666 | \$226 | \$179 | \$154 | \$0 |
| SYR | Syracuse | \$475 | \$354 | \$296 | \$405 | \$512 | \$121 | \$179 | \$70 | (\$37) |
| TPA | Tampa | \$477 | \$298 | \$287 | \$375 | \$274 | \$179 | \$190 | \$102 | \$203 |
| YYZ | Toronto | \$404 | \$509 | \$460 | \$543 | \$629 | (\$105) | (\$56) | (\$139) | (\$225) |
| DCA | Washington DC | \$396 | \$300 | \$274 | \$220 | \$486 | \$96 | \$122 | \$176 | (\$90) |
| IAD | Washington DC | \$396 | \$300 | \$274 | \$221 | \$486 | \$96 | \$122 | \$175 | (\$90) |
| PBI | West Palm Beach | \$512 | \$233 | \$293 | \$412 | \$393 | \$279 | \$219 | \$100 | \$119 |

*These sample airfares were available 10/01/12, based on a 21 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: www.aa.com; www.airtran.com; www.continental.com; www.delta.com; www.united.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

\$182 \$161 \$110 \$15

Average Fare difference

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Asheville Regional Airport
Sample airfares as of 10/01/12
0 Day Advance Purchase, 3 day Stay

| | | <u>Difference in Fares</u> | | | | | | | | |
|-----|------------------------|----------------------------|----------------|------------------|-------------------|-------------------|----------------|------------------|-------------------|-------------------|
| | | <u>ASHEVILLE</u> | <u>ATLANTA</u> | <u>CHARLOTTE</u> | <u>GREENVILLE</u> | <u>TRI-CITIES</u> | <u>ATLANTA</u> | <u>CHARLOTTE</u> | <u>GREENVILLE</u> | <u>TRI-CITIES</u> |
| ABQ | Albuquerque | \$1,022 | \$639 | \$675 | \$936 | \$1,099 | \$383 | \$347 | \$86 | (\$77) |
| ATL | Atlanta | \$431 | | \$458 | \$465 | \$556 | \$431 | (\$27) | (\$34) | (\$125) |
| AUS | Austin | \$884 | \$677 | \$461 | \$580 | \$1,036 | \$207 | \$423 | \$304 | (\$152) |
| BWI | Baltimore | \$744 | \$409 | \$282 | \$283 | \$744 | \$335 | \$462 | \$461 | \$0 |
| BOS | Boston | \$679 | \$435 | \$231 | \$693 | \$781 | \$244 | \$448 | (\$14) | (\$102) |
| ORD | Chicago | \$394 | \$403 | \$611 | \$385 | \$772 | (\$9) | (\$217) | \$9 | (\$378) |
| CVG | Cincinnati | \$700 | \$532 | \$738 | \$548 | \$677 | \$168 | (\$38) | \$152 | \$23 |
| CLE | Cleveland | \$895 | \$546 | \$686 | \$495 | \$896 | \$349 | \$209 | \$400 | (\$1) |
| DFW | Dallas | \$894 | \$560 | \$931 | \$627 | \$1,052 | \$334 | (\$37) | \$267 | (\$158) |
| DEN | Denver | \$1,012 | \$358 | \$769 | \$669 | \$1,039 | \$654 | \$243 | \$343 | (\$27) |
| DTW | Detroit | \$650 | \$398 | \$546 | \$595 | \$636 | \$252 | \$104 | \$55 | \$14 |
| FLL | Fort Lauderdale | \$774 | \$235 | \$452 | \$561 | \$994 | \$539 | \$322 | \$213 | (\$220) |
| RSW | Ft. Myers | \$859 | \$511 | \$686 | \$844 | \$1,121 | \$348 | \$173 | \$15 | (\$262) |
| BDL | Hartford | \$682 | \$525 | \$399 | \$685 | \$1,012 | \$157 | \$283 | (\$3) | (\$330) |
| IAH | Houston | \$532 | \$508 | \$1,018 | \$487 | \$1,060 | \$24 | (\$486) | \$45 | (\$528) |
| IND | Indianapolis | \$735 | \$377 | \$413 | \$661 | \$868 | \$358 | \$322 | \$74 | (\$133) |
| JAX | Jacksonville | \$783 | \$351 | \$527 | \$723 | \$896 | \$432 | \$256 | \$60 | (\$113) |
| MCI | Kansas City | \$866 | \$479 | \$412 | \$668 | \$997 | \$387 | \$454 | \$198 | (\$131) |
| LAS | Las Vegas | \$1,100 | \$626 | \$581 | \$891 | \$1,156 | \$474 | \$519 | \$209 | (\$56) |
| LAX | Los Angeles | \$1,057 | \$652 | \$672 | \$901 | \$1,096 | \$405 | \$385 | \$156 | (\$39) |
| MHT | Manchester | \$745 | \$409 | \$297 | \$669 | \$950 | \$336 | \$448 | \$76 | (\$205) |
| MEM | Memphis | \$814 | \$424 | \$902 | \$793 | \$759 | \$390 | (\$88) | \$21 | \$55 |
| MIA | Miami | \$902 | \$405 | \$756 | \$671 | \$1,014 | \$497 | \$146 | \$231 | (\$112) |
| MKE | Milwaukee | \$684 | \$365 | \$337 | \$620 | \$870 | \$319 | \$347 | \$64 | (\$186) |
| MSP | Minneapolis/Saint Paul | \$853 | \$397 | \$673 | \$535 | \$712 | \$456 | \$180 | \$318 | \$141 |
| BNA | Nashville | \$854 | \$536 | \$413 | \$279 | \$904 | \$318 | \$441 | \$575 | (\$50) |
| MSY | New Orleans | \$930 | \$483 | \$551 | \$645 | \$1,013 | \$447 | \$379 | \$285 | (\$83) |

| | | | | | | | | | | |
|-----|--------------------|---------|-------|-------|-------|---------|---------|--------|--------|---------|
| LGA | New York | \$415 | \$444 | \$314 | \$301 | \$776 | (\$29) | \$101 | \$114 | (\$361) |
| EWR | Newark | \$461 | \$496 | \$536 | \$502 | \$920 | (\$35) | (\$75) | (\$41) | (\$459) |
| MCO | Orlando | \$559 | \$414 | \$458 | \$291 | \$872 | \$145 | \$101 | \$268 | (\$313) |
| PHL | Philadelphia | \$354 | \$528 | \$404 | \$298 | \$896 | (\$174) | (\$50) | \$56 | (\$542) |
| PHX | Phoenix | \$1,010 | \$661 | \$458 | \$965 | \$1,028 | \$349 | \$552 | \$45 | (\$18) |
| PIT | Pittsburgh | \$818 | \$440 | \$414 | \$551 | \$896 | \$378 | \$404 | \$267 | (\$78) |
| PDX | Portland | \$1,167 | \$813 | \$705 | \$901 | \$1,176 | \$354 | \$462 | \$266 | (\$9) |
| PVD | Providence | \$838 | \$442 | \$382 | \$668 | \$930 | \$396 | \$456 | \$170 | (\$92) |
| RDU | Raleigh/Durham | \$705 | \$346 | \$488 | \$575 | \$896 | \$359 | \$217 | \$130 | (\$191) |
| RIC | Richmond | \$861 | \$494 | \$412 | \$695 | \$896 | \$367 | \$449 | \$166 | (\$35) |
| STL | Saint Louis | \$664 | \$465 | \$485 | \$585 | \$896 | \$199 | \$179 | \$79 | (\$232) |
| SLC | Salt Lake City | \$916 | \$485 | \$751 | \$512 | \$916 | \$431 | \$165 | \$404 | \$0 |
| SAT | San Antonio | \$873 | \$441 | \$447 | \$680 | \$1,049 | \$432 | \$426 | \$193 | (\$176) |
| SAN | San Diego | \$1,147 | \$790 | \$777 | \$901 | \$1,152 | \$357 | \$370 | \$246 | (\$5) |
| SFO | San Francisco | \$1,100 | \$573 | \$706 | \$650 | \$1,177 | \$527 | \$394 | \$450 | (\$77) |
| SRQ | Sarasota/Bradenton | \$881 | \$506 | \$433 | \$714 | \$997 | \$375 | \$448 | \$167 | (\$116) |
| SEA | Seattle | \$1,054 | \$560 | \$775 | \$901 | \$1,176 | \$494 | \$279 | \$153 | (\$122) |
| SYR | Syracuse | \$887 | \$552 | \$439 | \$694 | \$1,001 | \$335 | \$448 | \$193 | (\$114) |
| TPA | Tampa | \$797 | \$395 | \$455 | \$598 | \$1,012 | \$402 | \$342 | \$199 | (\$215) |
| YYZ | Toronto | \$1,069 | \$834 | \$739 | \$776 | \$1,011 | \$235 | \$330 | \$293 | \$58 |
| DCA | Washington DC | \$776 | \$424 | \$615 | \$364 | \$896 | \$352 | \$161 | \$412 | (\$120) |
| IAD | Washington DC | \$794 | \$487 | \$615 | \$373 | \$896 | \$307 | \$179 | \$421 | (\$102) |
| PBI | West Palm Beach | \$811 | \$496 | \$453 | \$690 | \$1,012 | \$315 | \$358 | \$121 | (\$201) |

*These sample airfares were available 10/01/12, based on a 0 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: www.aa.com; www.airtran.com; www.continental.com; www.delta.com; www.united.com; www.usairways.com; www.travelocity.com; www.orbitz.com; or www.expedia.com. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

\$322 \$254 \$187 (\$135)
Average Fare difference

Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.

Schedule Weekly Summary Report for all Airlines for Passenger nonstop flights between AVL and ALL for Oct12 vs. Oct11

| Mktg AI | Org | Dst | Miles | Ops/Week | | | | Seats/Week | | | |
|---------|-----|-----|-------|----------|-------|------|---------|------------|--------|--------|---------|
| | | | | Oct12 | Oct11 | Diff | Pct Chg | Oct12 | Oct11 | Diff | Pct Chg |
| CO | AVL | EWR | 583 | 0 | 13 | -13 | -100.00 | 0 | 650 | -650 | -100.00 |
| CO | AVL | IAH | 834 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| CO | EWR | AVL | 583 | 0 | 13 | -13 | -100.00 | 0 | 650 | -650 | -100.00 |
| CO | IAH | AVL | 834 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| DL | ATL | AVL | 164 | 58 | 56 | 2 | 3.57 | 3,439 | 2,800 | 639 | 22.82 |
| DL | AVL | ATL | 164 | 56 | 56 | 0 | 0.00 | 3,185 | 2,800 | 385 | 13.75 |
| DL | AVL | DTW | 470 | 7 | 13 | -6 | -46.15 | 350 | 650 | -300 | -46.15 |
| DL | AVL | LGA | 599 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| DL | DTW | AVL | 470 | 7 | 13 | -6 | -46.15 | 350 | 650 | -300 | -46.15 |
| DL | LGA | AVL | 599 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| FL | AVL | MCO | 488 | 0 | 3 | -3 | -100.00 | 0 | 351 | -351 | -100.00 |
| FL | AVL | TPA | 514 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| FL | MCO | AVL | 488 | 0 | 3 | -3 | -100.00 | 0 | 351 | -351 | -100.00 |
| FL | TPA | AVL | 514 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| G4 | AVL | SFB | 465 | 2 | 0 | 2 | 100.00 | 300 | 0 | 300 | 100.00 |
| G4 | SFB | AVL | 465 | 2 | 0 | 2 | 100.00 | 300 | 0 | 300 | 100.00 |
| UA | AVL | EWR | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | AVL | IAH | 834 | 2 | 0 | 2 | 100.00 | 100 | 0 | 100 | 100.00 |
| UA | AVL | ORD | 536 | 16 | 16 | 0 | 0.00 | 800 | 800 | 0 | 0.00 |
| UA | EWR | AVL | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | IAH | AVL | 834 | 2 | 0 | 2 | 100.00 | 100 | 0 | 100 | 100.00 |
| UA | ORD | AVL | 536 | 16 | 16 | 0 | 0.00 | 800 | 800 | 0 | 0.00 |
| US | AVL | CLT | 92 | 61 | 53 | 8 | 15.09 | 3,135 | 2,937 | 198 | 6.74 |
| US | AVL | PHL | 503 | 1 | 1 | 0 | 0.00 | 50 | 50 | 0 | 0.00 |
| US | CLT | AVL | 92 | 61 | 53 | 8 | 15.09 | 3,135 | 2,937 | 198 | 6.74 |
| US | PHL | AVL | 503 | 1 | 1 | 0 | 0.00 | 50 | 50 | 0 | 0.00 |
| TOTAL | | | | 306 | 346 | -40 | -11.56 | 16,794 | 18,812 | -2,018 | -10.73 |

Schedule Weekly Summary Report for all Airlines for Passenger nonstop flights between AVL and ALL for Nov12 vs. Nov11

| Mktg AI | Org | Dst | Miles | Ops/Week | | | | Seats/Week | | | |
|---------|-----|-----|-------|----------|-------|------|---------|------------|--------|--------|---------|
| | | | | Nov12 | Nov11 | Diff | Pct Chg | Nov12 | Nov11 | Diff | Pct Chg |
| CO | AVL | EWR | 583 | 0 | 13 | -13 | -100.00 | 0 | 650 | -650 | -100.00 |
| CO | AVL | IAH | 834 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| CO | EWR | AVL | 583 | 0 | 13 | -13 | -100.00 | 0 | 650 | -650 | -100.00 |
| CO | IAH | AVL | 834 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| DL | ATL | AVL | 164 | 56 | 57 | -1 | -1.75 | 3,339 | 2,850 | 489 | 17.16 |
| DL | AVL | ATL | 164 | 56 | 57 | -1 | -1.75 | 3,339 | 2,850 | 489 | 17.16 |
| DL | AVL | DTW | 470 | 7 | 12 | -5 | -41.67 | 350 | 600 | -250 | -41.67 |
| DL | AVL | LGA | 599 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| DL | DTW | AVL | 470 | 7 | 12 | -5 | -41.67 | 350 | 600 | -250 | -41.67 |
| DL | LGA | AVL | 599 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| FL | AVL | MCO | 488 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| FL | MCO | AVL | 488 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| G4 | AVL | SFB | 465 | 2 | 1 | 1 | 100.00 | 300 | 150 | 150 | 100.00 |
| G4 | SFB | AVL | 465 | 2 | 1 | 1 | 100.00 | 300 | 150 | 150 | 100.00 |
| UA | AVL | EWR | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | AVL | ORD | 536 | 14 | 14 | 0 | 0.00 | 700 | 700 | 0 | 0.00 |
| UA | EWR | AVL | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | ORD | AVL | 536 | 14 | 14 | 0 | 0.00 | 700 | 700 | 0 | 0.00 |
| US | AVL | CLT | 92 | 62 | 55 | 7 | 12.73 | 3,185 | 3,017 | 168 | 5.57 |
| US | AVL | PHL | 503 | 0 | 1 | -1 | -100.00 | 0 | 50 | -50 | -100.00 |
| US | CLT | AVL | 92 | 62 | 55 | 7 | 12.73 | 3,185 | 3,017 | 168 | 5.57 |
| US | PHL | AVL | 503 | 0 | 1 | -1 | -100.00 | 0 | 50 | -50 | -100.00 |
| TOTAL | | | | 296 | 342 | -46 | -13.45 | 16,448 | 18,370 | -1,922 | -10.46 |

Schedule Weekly Summary Report for all Airlines for Passenger nonstop flights between AVL and ALL for Dec12 vs. Dec11

| Mktg AI | Org | Dst | Miles | Ops/Week | | | | Seats/Week | | | |
|---------|-----|-----|-------|----------|-------|------|---------|------------|--------|------|---------|
| | | | | Dec12 | Dec11 | Diff | Pct Chg | Dec12 | Dec11 | Diff | Pct Chg |
| CO | AVL | EWR | 583 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| CO | AVL | IAH | 834 | 0 | 6 | -6 | -100.00 | 0 | 300 | -300 | -100.00 |
| CO | EWR | AVL | 583 | 0 | 7 | -7 | -100.00 | 0 | 350 | -350 | -100.00 |
| CO | IAH | AVL | 834 | 0 | 6 | -6 | -100.00 | 0 | 300 | -300 | -100.00 |
| DL | ATL | AVL | 164 | 45 | 55 | -10 | -18.18 | 2,779 | 2,750 | 29 | 1.05 |
| DL | AVL | ATL | 164 | 45 | 55 | -10 | -18.18 | 2,779 | 2,750 | 29 | 1.05 |
| DL | AVL | DTW | 470 | 6 | 6 | 0 | 0.00 | 300 | 300 | 0 | 0.00 |
| DL | AVL | LGA | 599 | 2 | 2 | 0 | 0.00 | 100 | 100 | 0 | 0.00 |
| DL | DTW | AVL | 470 | 6 | 6 | 0 | 0.00 | 300 | 300 | 0 | 0.00 |
| DL | LGA | AVL | 599 | 2 | 2 | 0 | 0.00 | 100 | 100 | 0 | 0.00 |
| FL | AVL | MCO | 488 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| FL | MCO | AVL | 488 | 0 | 4 | -4 | -100.00 | 0 | 468 | -468 | -100.00 |
| G4 | AVL | FLL | 660 | 2 | 0 | 2 | 100.00 | 300 | 0 | 300 | 100.00 |
| G4 | AVL | SFB | 465 | 2 | 2 | 0 | 0.00 | 300 | 300 | 0 | 0.00 |
| G4 | FLL | AVL | 660 | 2 | 0 | 2 | 100.00 | 300 | 0 | 300 | 100.00 |
| G4 | SFB | AVL | 465 | 2 | 2 | 0 | 0.00 | 300 | 300 | 0 | 0.00 |
| UA | AVL | EWR | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | AVL | ORD | 536 | 14 | 14 | 0 | 0.00 | 700 | 700 | 0 | 0.00 |
| UA | EWR | AVL | 583 | 7 | 0 | 7 | 100.00 | 350 | 0 | 350 | 100.00 |
| UA | ORD | AVL | 536 | 14 | 14 | 0 | 0.00 | 700 | 700 | 0 | 0.00 |
| US | AVL | CLT | 92 | 59 | 53 | 6 | 11.32 | 3,026 | 2,726 | 300 | 11.01 |
| US | AVL | PHL | 503 | 0 | 1 | -1 | -100.00 | 0 | 50 | -50 | -100.00 |
| US | CLT | AVL | 92 | 59 | 53 | 6 | 11.32 | 3,026 | 2,743 | 283 | 10.32 |
| US | PHL | AVL | 503 | 0 | 1 | -1 | -100.00 | 0 | 50 | -50 | -100.00 |
| TOTAL | | | | 274 | 300 | -26 | -8.67 | 15,710 | 16,105 | -395 | -2.45 |



MEMORANDUM

TO: Members of the Airport Authority
FROM: Vickie Thomas, Director of Finance & Accounting
DATE: October 12, 2012

ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances
Month of August, 2012 (Month 2 of FY-2013)

SUMMARY

Operating Revenues for the month of August were \$757,015, .40% under budget. Operating Expenses for the month were \$517,977, 14.36% under budget. As a result, Net Operating Revenues before Depreciation were \$83,854 over budget. Net Non-Operating Revenues were \$226,456, 1.74% under budget.

Year-to-date Operating Revenues were \$1,502,793, .45% over budget. Year-to-date Operating Expenses were \$985,055, 18.00% below budget. Year-to-date Net Operating Revenues before Depreciation were \$222,986 over budget. Net Non-Operating Revenues for the year were \$429,102, 7.69% under budget.

REVENUES

Significant variations to budget for August were:

| | | | |
|--------------------------------|------------|----------|---|
| Terminal Space Rentals-Airline | \$11,907 | 9.73% | FY12 loading bridge fees not reported by SkyWest. |
| Auto Parking | (\$16,002) | (6.85%) | Enplanements under budget. |
| Passenger Facility Charges | (\$15,252) | (10.49%) | Enplanements under budget. |

Information Section – Item B



EXPENSES

Significant variations to budget for August were:

| | | | |
|-----------------------|------------|----------|--|
| Personnel Services | (\$15,722) | (4.46%) | 3 FTE vacant positions. |
| Utility Services | (\$10,662) | (24.28%) | Milder weather than budgeted. |
| Repairs & Maintenance | (\$34,685) | (67.38%) | Timing of Repair & Maintenance spending. |

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$1,009k mainly due to the first drawdown for Passenger Boarding Bridge project spending occurring in August.

Grants Receivable – Grants Receivable decreased by \$667k due to the drawdown of AIP funds due at the beginning of the month being partially offset by current month capital project spending not drawdown from AIP grants at month-end.

Construction in Progress – Construction in Progress increased by \$224k mainly due to budgeted spending on the Master Plan and Passenger Boarding Bridge projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$431k due to the current month's depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of August 31, 2012**

| <u>Institution:</u> | <u>Interest Rate</u> | <u>Investment Amount</u> | <u>Monthly Interest</u> |
|--|---------------------------------|-------------------------------------|------------------------------------|
| Bank of America - Operating Account | 0.25% | \$ 4,607,085 | 909 |
| Bank of America - PFC Revenue Account | 0.25% | 527,869 | 97 |
| First Citizens - Money Market Account | 0.35% | 6,368,566 | 1,618 |
| NC Capital Management Trust - Cash Portfolio | | 17,164 | 1 |
| NC Capital Management Trust - Term Portfolio | | 3,003,152 | 635 |
| Petty Cash | | 200 | |
| <u>Restricted Cash:</u> | | | |
| Wells Fargo - CFC Revenue Account | 0.00% | 251,745 | 0 |
| Total | | <u>\$ 14,775,781</u> | <u>\$ 3,260</u> |

Investment Diversification:

| | |
|-----------------------------|-------------|
| Banks | 80% |
| NC Capital Management Trust | 20% |
| 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 August 31, 2012**

| | Current Month | Prior Period |
|---|--------------------------|-------------------------|
| Cash and Investments Beginning of Period | \$ 13,766,860 | \$ 14,119,908 |
| Net Income/(Loss) Before Capital Contributions | 34,383 | 50,235 |
| Depreciation | 431,111 | 431,111 |
| Decrease/(Increase) in Receivables | 621,737 | (263,097) |
| Increase/(Decrease) in Payables | (38,990) | (328,748) |
| Decrease/(Increase) in Prepaid Expenses | 17,832 | (188,023) |
| Decrease/(Increase) in Long Term Assets | (224,108) | (245,152) |
| Principal Payments of Bond Maturities | (37,654) | (37,473) |
| Contributed Capital | 204,611 | 228,099 |
| Increase(Decrease) in Cash | 1,008,921 | (353,048) |
| Cash and Investments End of Period | \$ 14,775,781 | \$ 13,766,860 |

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets

For the Month Ending August 31, 2012

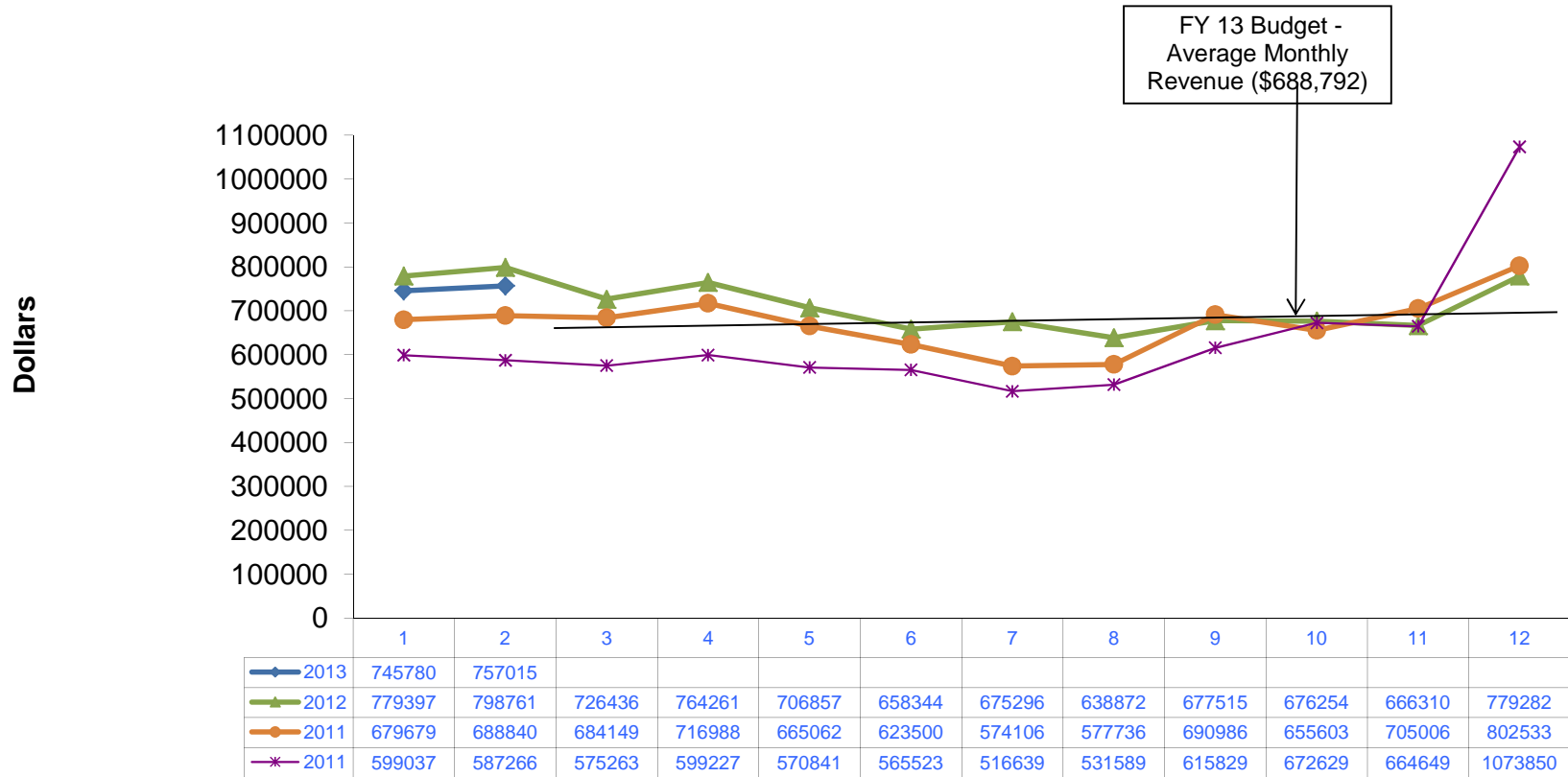
| | Month Actual | Month Budget | Variance \$ | Variance % | YTD Actual | YTD Budget | Variance \$ | Variance % | Annual Budget |
|---|------------------|------------------|-------------------|-----------------|--------------------|--------------------|--------------------|-----------------|--------------------|
| Operating Revenue: | | | | | | | | | |
| Terminal Space Rentals - Non Airline | \$17,256 | \$17,256 | \$0 | 0.00% | \$34,512 | \$34,511 | \$1 | 0.00% | \$209,756 |
| Terminal Space Rentals - Airline | 134,262 | 122,355 | 11,907 | 9.73% | 256,397 | 250,591 | 5,806 | 2.32% | 1,290,000 |
| Concessions | 18,370 | 17,546 | 824 | 4.70% | 38,184 | 36,106 | 2,078 | 5.76% | 189,975 |
| Auto Parking | 217,442 | 233,444 | (16,002) | (6.85%) | 436,441 | 443,370 | (6,929) | (1.56%) | 2,415,800 |
| Rental Car - Car Rentals | 121,141 | 113,462 | 7,679 | 6.77% | 250,278 | 227,658 | 22,620 | 9.94% | 1,356,230 |
| Rental Car - Facility Rent | 51,015 | 48,385 | 2,630 | 5.44% | 95,754 | 92,629 | 3,125 | 3.37% | 558,145 |
| Commercial Ground Transportation | 1,743 | 1,200 | 543 | 45.25% | 6,081 | 5,400 | 681 | 12.61% | 32,000 |
| Landing Fees | 50,550 | 58,483 | (7,933) | (13.56%) | 101,534 | 115,411 | (13,877) | (12.02%) | 617,000 |
| FBO'S/SASO'S | 84,516 | 84,171 | 345 | 0.41% | 167,456 | 166,611 | 845 | 0.51% | 961,840 |
| Building Leases | 10,509 | 11,668 | (1,159) | (9.93%) | 20,992 | 23,336 | (2,344) | (10.04%) | 140,017 |
| Land Leases | 2,110 | 2,060 | 50 | 2.43% | 4,119 | 4,120 | (1) | (0.02%) | 24,716 |
| Other Leases/Fees | 48,101 | 49,991 | (1,890) | (3.78%) | 91,045 | 96,348 | (5,303) | (5.50%) | 470,022 |
| Total Operating Revenue | \$757,015 | \$760,021 | (\$3,006) | (0.40%) | \$1,502,793 | \$1,496,091 | \$6,702 | 0.45% | \$8,265,501 |
| Operating Expenses: | | | | | | | | | |
| Personnel Services | \$336,840 | \$352,562 | (\$15,722) | (4.46%) | \$655,231 | \$692,432 | (\$37,201) | (5.37%) | \$4,129,995 |
| Professional Services | 2,801 | 9,943 | (7,142) | (71.83%) | 6,161 | 31,099 | (24,938) | (80.19%) | 236,400 |
| Accounting & Auditing | 3,100 | 3,100 | - | 0.00% | 3,100 | 3,100 | - | 0.00% | 15,000 |
| Other Contractual Services | 58,461 | 57,374 | 1,087 | 1.89% | 105,090 | 129,119 | (24,029) | (18.61%) | 722,408 |
| Travel & Training | 8,931 | 6,235 | 2,696 | 43.24% | 14,009 | 18,462 | (4,453) | (24.12%) | 187,240 |
| Communications & Freight | 5,998 | 5,775 | 223 | 3.86% | 11,182 | 12,049 | (867) | (7.20%) | 72,348 |
| Utility Services | 33,248 | 43,910 | (10,662) | (24.28%) | 62,369 | 78,493 | (16,124) | (20.54%) | 453,509 |
| Rentals & Leases | 936 | 1,068 | (132) | (12.36%) | 1,897 | 2,136 | (239) | (11.19%) | 15,020 |
| Insurance | 15,981 | 16,778 | (797) | (4.75%) | 32,027 | 33,556 | (1,529) | (4.56%) | 201,308 |
| Repairs & Maintenance | 16,789 | 51,474 | (34,685) | (67.38%) | 28,761 | 94,209 | (65,448) | (69.47%) | 389,400 |
| Advertising, Printing & Binding | 13,095 | 22,066 | (8,971) | (40.66%) | 18,547 | 34,524 | (15,977) | (46.28%) | 200,692 |
| Promotional Activities | 1,891 | 8,685 | (6,794) | (78.23%) | 10,530 | 12,870 | (2,340) | (18.18%) | 103,100 |
| Other Current Charges & Obligations | 5,689 | 6,340 | (651) | (10.27%) | 10,730 | 13,181 | (2,451) | (18.59%) | 82,680 |
| Office Supplies | 705 | 1,015 | (310) | (30.54%) | 962 | 2,029 | (1,067) | (52.59%) | 12,175 |
| Operating Supplies | 11,830 | 16,430 | (4,600) | (28.00%) | 21,854 | 37,767 | (15,913) | (42.13%) | 372,618 |
| Books, Publications, Subscriptions & Meml | 1,682 | 2,082 | (400) | (19.21%) | 2,605 | 6,313 | (3,708) | (58.74%) | 41,435 |
| Contingency | 0 | 0 | - | 0.00% | 0 | 0 | - | 0.00% | 100,000 |
| Emergency Repair | 0 | 0 | - | 0.00% | 0 | 0 | - | 0.00% | 100,000 |
| Business Development | 0 | 0 | - | 0.00% | 0 | 0 | - | 0.00% | 300,000 |
| Total Operating Expenses | \$517,977 | \$604,837 | (\$86,860) | (14.36%) | \$985,055 | \$1,201,339 | (\$216,284) | (18.00%) | \$7,735,328 |

| | | | | | | | | | |
|---|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| Operating Revenue before Depreciation | \$239,038 | \$155,184 | \$83,854 | 54.04% | \$517,738 | \$294,752 | \$222,986 | 75.65% | \$530,173 |
| Depreciation | 431,111 | - | 431,111 | 0.00% | 862,222 | 0 | 862,222 | 0.00% | - |
| Operating Income(Loss) Before Non-Operating Revenue and Expenses | (\$192,073) | \$155,184 | (\$347,257) | (223.77%) | (\$344,484) | \$294,752 | (\$639,236) | (216.87%) | \$530,173 |
| Non-Operating Revenue and Expense | | | | | | | | | |
| Customer Facility Charges | \$107,580 | \$98,356 | \$9,224 | 9.38% | \$220,596 | \$200,648 | \$19,948 | 9.94% | \$ 900,000 |
| Passenger Facility Charges | 130,197 | 145,449 | (15,252) | (10.49%) | 231,117 | 291,059 | (59,942) | (20.59%) | 1,350,000 |
| Interest Revenue | 3,260 | 1,250 | 2,010 | 160.80% | 6,732 | 2,500 | 4,232 | 169.28% | 15,000 |
| Interest Expense | (14,581) | (14,581) | - | 0.00% | (29,343) | (29,343) | - | 0.00% | (165,014) |
| Reimbursable Cost Revenues | - | 29,167 | (29,167) | (100.00%) | 14,441 | 58,334 | (43,893) | (75.24%) | 350,000 |
| Reimbursable Cost Expenses | - | (29,167) | 29,167 | (100.00%) | (14,441) | (58,334) | 43,893 | (75.24%) | (350,000) |
| Sale of Assets | - | - | - | 0.00% | - | - | - | 0.00% | - |
| Non-Operating Revenue-Net | \$226,456 | \$230,474 | (\$4,018) | (1.74%) | \$429,102 | \$464,864 | (\$35,762) | (7.69%) | \$2,099,986 |
| Income (Loss) Before Capital Contributions | \$34,383 | \$385,658 | (\$351,275) | (91.08%) | \$84,618 | \$759,616 | (\$674,998) | (88.86%) | \$2,630,159 |
| Capital Contributions | \$204,611 | \$0 | \$204,611 | 0.00% | \$432,709 | \$0 | \$432,709 | 0.00% | \$0 |
| Increase in Net Assets | \$238,994 | \$385,658 | (\$146,664) | (38.03%) | \$517,327 | \$759,616 | (\$242,289) | (31.90%) | \$2,630,159 |

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of August 31, 2012**

| | Current Month | Last Month |
|---|--------------------------|-----------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Unrestricted Net Assets: | | |
| Cash and Cash Equivalents | \$14,524,036 | \$13,358,118 |
| Accounts Receivable | 605,315 | 565,603 |
| Passenger Facility Charges Receivable | 170,500 | 170,500 |
| Refundable Sales Tax Receivable | 87,514 | 82,449 |
| Grants Receivable | 508,337 | 1,174,851 |
| Prepaid Expenses | 178,766 | 196,597 |
| Total Unrestricted Assets | 16,074,468 | 15,548,118 |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 251,745 | 408,742 |
| Total Restricted Assets | 251,745 | 408,742 |
| Total Current Assets | 16,326,213 | 15,956,860 |
| Noncurrent Assets: | | |
| Construction in Progress | 2,661,805 | 2,437,698 |
| Property and Equipment - Net | 65,104,121 | 65,535,232 |
| Total Noncurrent Assets | 67,765,926 | 67,972,930 |
| | \$84,092,139 | \$83,929,790 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Payable from Unrestricted Assets: | | |
| Accounts Payable & Accrued Liabilities | \$813,737 | \$819,954 |
| Customer Deposits | 750 | 750 |
| Unearned Revenue | 195,282 | 228,057 |
| Construction Contract Retainages | 86,502 | 86,502 |
| Revenue Bond Payable - Current | 466,276 | 464,037 |
| Total Payable from Unrestricted Assets | 1,562,547 | 1,599,300 |
| Total Current Liabilities | 1,562,547 | 1,599,300 |
| Noncurrent Liabilities: | | |
| Other Postemployment Benefits | 769,875 | 769,875 |
| Compensated Absences | 346,796 | 346,796 |
| Net Pension Obligation-LEO Special Separation Allowance | (43,831) | (43,831) |
| Revenue Bond Payable - Noncurrent | 2,518,031 | 2,557,924 |
| Total Noncurrent Liabilities | 3,590,871 | 3,630,764 |
| Total Liabilities | 5,153,418 | 5,230,064 |
| Net Assets: | | |
| Invested in Capital Assets | 64,695,117 | 64,864,467 |
| Restricted | 251,745 | 408,742 |
| Unrestricted | 13,991,859 | 13,426,517 |
| Total Net Assets | 78,938,721 | 78,699,726 |
| | \$84,092,139 | \$83,929,790 |

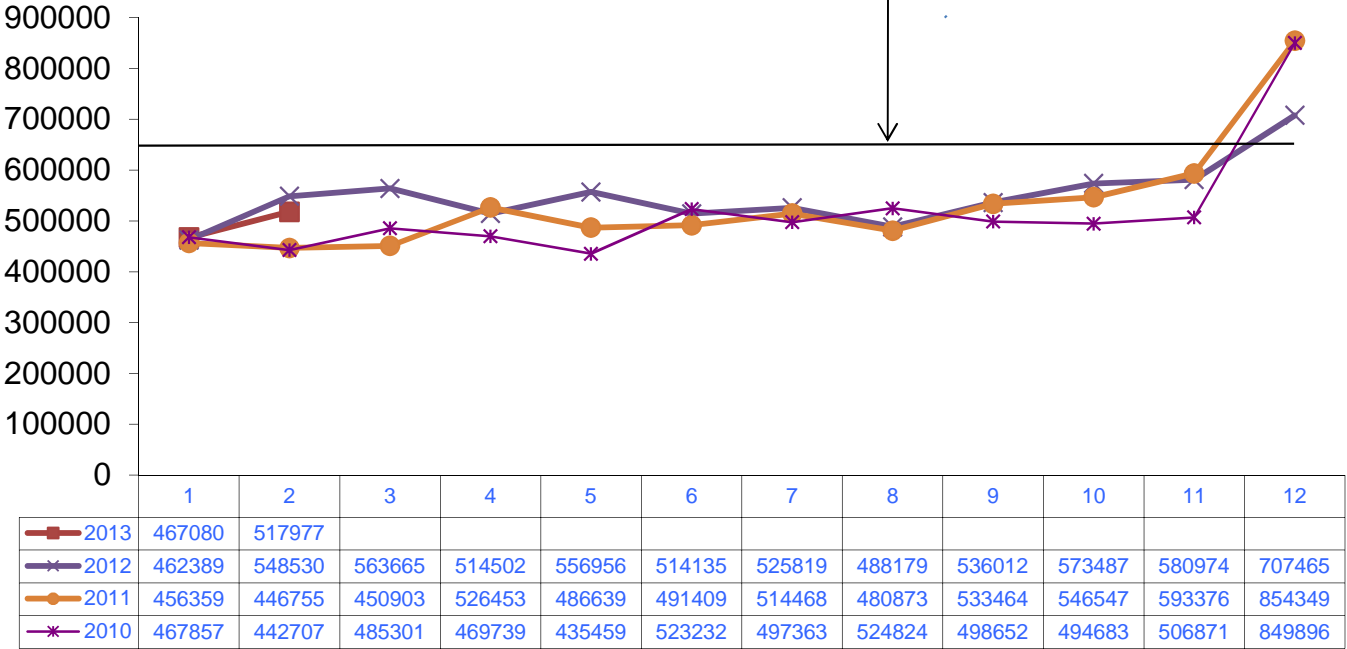
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month August 2012



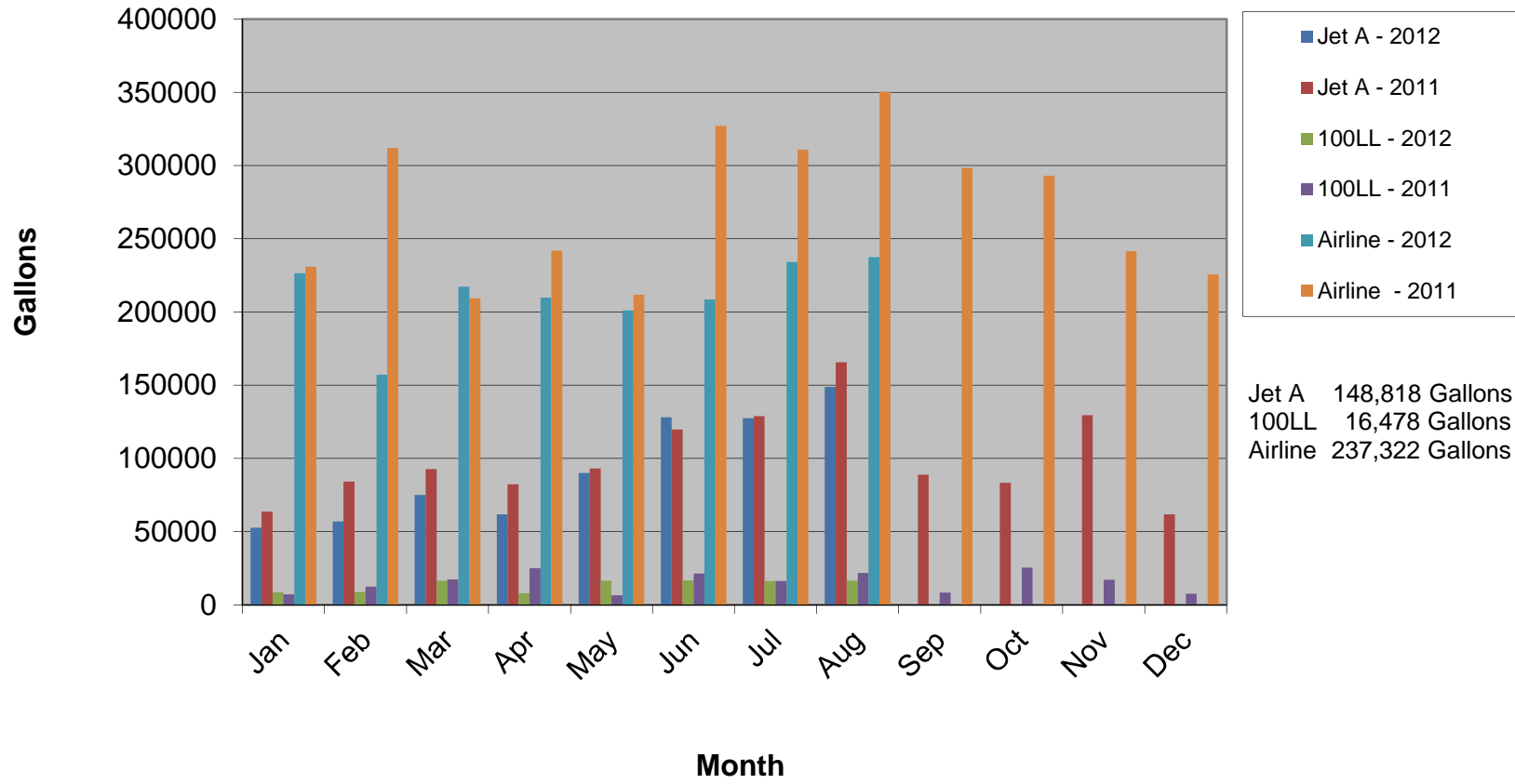
ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month August 2012

FY 13 Budget - Average Monthly Expenses (\$644,611)

Dollars



Asheville Regional Airport Fuels Sales - Gallons August 2012



**Asheville Regional Airport
Project Report - October 2012**

| Project Number | Project Name | Project Description | Professional Services Consultant | Professional Services Contract | General Contractor | Original Construction Contract | Change Orders (thru 10/04/2012) | Percent of Original Contract | Board Approved Project Cost | Percent Complete | Expensed to Date (thru 10/04/2012) | Start Date | End Date | Current Project Status (as of 10/04/2012) |
|---------------------------|---|---|----------------------------------|--------------------------------|--|--------------------------------|---------------------------------|------------------------------|--|------------------|---|------------|----------|---|
| Planning Phase | | | | | | | | | | | | | | |
| Design Phase | | | | | | | | | | | | | | |
| 1 | Airport Master Plan | To update and bring current the plans for development and improvements to promote growth at the airport | Delta Airport Consultants | \$832,500.00 | N/A | N/A | \$0.00 | 0.00% | \$832,500.00 | 71% | \$596,145.00 | Sep-11 | Jan-13 | ALP revisions in progress. Financial analysis underway. Public Open House on alternatives scheduled for October 16, 2012. |
| 1A | Airfield Redevelopment | Survey and obstruction analysis. | Delta Airport Consultants | \$26,000.00 | N/A | N/A | \$0.00 | 0.00% | \$0.00 | 15% | \$0.00 | Sep-12 | Nov-12 | Runway end elevation determination in progress. Obstruction analysis to follow. |
| 2 | ARFF Facility | Design and construct a new Aircraft Rescue and Firefighting Facility consisting of up to 5 vehicle bays; operations support; dispatch and communication office; training and living spaces. | LPA Group | \$541,409.00 | N/A | N/A | \$0.00 | 0.00% | \$541,409.00 | 35% | \$179,423.25 | Jul-11 | Jul-13 | FAA has approved the design of the ARFF Facility with all five vehicle bays. Final design work is being completed with this approval. |
| Construction Phase | | | | | | | | | | | | | | |
| 1 | Westside Area 4 Phase 1 and 1A Construction | Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development. | AVCON | \$290,000.00 | Charah | N/A | \$42,750.00 | 14.74% | \$367,750.00* <i>(project expenses are being reimbursed by Charah through a separate agreement)</i> | 99% | \$329,934.27 | Jul-10 | May-12 | Subcells 1-4 have been seeded. Subcells 6-9 are being topped with soil. Work continues weather permitting. |
| 2 | Westside Phase 2 | Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development. | AVCON | \$349,732.00 | Charah | N/A | \$0.00 | 0.00% | \$349,732.00* <i>(project expenses are being reimbursed by Charah through a separate agreement)</i> | 34% | \$128,773.19 | Feb-11 | Jan-13 | Ash placement continues weather permitting. Subcells 10-11 will have soil cap placed with subcells 12-13 being graded. Monitor wells are installed and flushed in Area 3. |
| 3 | Passenger Boarding Bridges | Purchase and install Passenger Boarding Bridges for Gates 4-6 including building upgrades | RS&H | \$128,079.00 | Goforth Builders & Thyssen Krupp Airport Systems | \$1,643,681.00 | \$9,844.11 | 2.21% | \$1,778,840.00 | 70% | \$1,250,982.16 | Nov-11 | Oct-12 | Gate 6 construction continues with the PBB Equipment delivery expected to arrive and be installed October 12-19. Remaining punchlist items on Gates 4 and 5 continue to be completed. |
| | | | | | | | | | | | **Amounts are based on invoices received and processed through Development.** | | | |