



## **AGENDA**

Greater Asheville Regional Airport Authority Regular Meeting  
Friday, May 9, 2014, 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. PRESENTATIONS: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority March 21, 2014 Regular Meeting Minutes ([document](#))
  - B. Approval of the Greater Asheville Regional Airport Authority March 21, 2014 Closed Session Minutes
  - C. Approval of Amendment to the FY13/14 Budget for Legal Fees ([document](#))
  - D. Approval of Amendment to the FY13/14 Budget for Transfer of Receptionist ([document](#))
  - E. Approval of Space/Use/Operating Permit with WNC Aviation ([document](#))
- V. OLD BUSINESS: None



VI. NEW BUSINESS:

- A. Authorization to Establish Conservation Easements on Airport Property Bordering the French Broad River ([document](#))
- B. Approval for Agreement of Sale and Land Transfer ([document](#))
- C. Approval of Contract for Construction of Airfield Re-development Project Phase 1 ([document](#))
- D. Approval of Insurance Renewals ([document](#))

VII. DIRECTOR'S REPORT:

- A. Old Fanning Bridge Road Project Refund
- B. TSA Staff Reduction
- C. Landmark General Manager Change
- D. Annual Report

VIII. INFORMATION SECTION:

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

- A. March 2014 Traffic Report ([document](#))
- B. March 2014 Monthly Financial Report ([document](#))
- C. May 2014 Development/Project Status Report ([document](#))
- D. Airport Facilities Review for 1<sup>st</sup> Quarter ([document](#))
- E. Potential Board Items for the Next Regular Meeting:
  - None identified at this time

IX. AUTHORITY MEMBER REPORTS

X. PUBLIC AND TENANTS' COMMENTS



XI. CALL FOR NEXT MEETING

XII. CLOSED SESSION:

Pursuant to Subsection 143-318.11 (a)(3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Consider Personnel Matters

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 Greater Asheville Regional 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.*

**Asheville Regional Airport  
Executive Summary  
March-14**

**AIRPORT ACTIVITY**

	<u>Month</u>	<u>Variance to Prior Year</u>	<u>Calendar Year to Date</u>	<u>Variance to Prior Year</u>
<b>Passenger Enplanements</b>	27,395	14.0%	68,637	13.4%
<b>Aircraft Operations</b>				
Commercial	1,213	(9.6%)	3,132	(11.6%)
Scheduled Flights	499	(11.5%)		
Flight Cancellations	8			
Seats	34,416	(6.5%)	92,735	(6.0%)
Load Factor	79.6%	21.9%	74.0%	20.7%
General Aviation	3,770	42.7%	9,534	33.1%
Military	597	96.4%	1,479	61.8%

**FINANCIAL RESULTS**

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
<b>Operating Revenues</b>	\$ 722,076	6.8%	\$ 6,568,623	8.3%
<b>Operating Expenses</b>	534,443	(31.6%)	4,937,677	(15.2%)
<b>Net Operating Revenues before Depreciation</b>	<u>\$ 187,633</u>	278.4%	<u>\$ 1,630,946</u>	575.7%
<b>Net Non-Operating Revenues</b>	<u>\$ 216,379</u>	63.1%	<u>\$ 1,786,824</u>	30.4%
<b>Grants:</b>				
FAA AIP Grants	\$ 382,941		\$ 1,685,206	
NC Dept of Transportation Grants	101,336		2,123,248	
Total	<u>\$ 484,277</u>		<u>\$ 3,808,454</u>	

**CASH**

Restricted	\$ 1,931,271
Designated for O&M Reserve	3,742,872
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	10,817,450
Total	<u>\$ 17,141,593</u>

**RECEIVABLES PAST DUE**

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
Delta Air Lines	2,247	35	1,660	552
United/SkyWest	1,018	1,018		
US Airways	454	454		
TSA/FAA	48,985	19,510	9,920	19,555
Miscellaneous	788	386		402
Total	<u>\$ 53,492</u>	<u>\$ 21,403</u>	<u>\$ 11,580</u>	<u>\$ 20,509</u>
% of Total Receivables	<u>15.35%</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	\$ 2,233,337

**CAPITAL EXPENDITURES**

Annual Budget	\$ 18,489,042
Year-to-Date Spending	\$ 3,758,153

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
March 21, 2014**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 21, 2014 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; Robert C. Roberts, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate (arrived late); and Carol W. Peterson

**MEMBERS ABSENT:** Douglas J. Tate; K. Ray Bailey

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

**ALSO PRESENT:** Cindy Rice, Patla, Straus, Robinson & Moore, PA; Henry Johnson, WNC Pilots Association; Jeff Kirby, Parrish and Partners; Mike Darcangelo, Avcon; Ted Abernathy, Economic Leadership

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

**CONSENT ITEMS:** The Chair suggested that Consent Item B, Approval of the Greater Asheville Regional Airport Authority March 7, 2014 Closed Session Minutes, be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority February 14, 2014 Regular Meeting Minutes:** Mr. Roberts moved to approve Consent Item A, Approval of the Greater Asheville Regional Airport Authority March 7, 2014 Regular Meeting Minutes. Mr. Piccirillo seconded the motion and it carried by a 4 to 0 vote.

**OLD BUSINESS:**

**A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2014-2015 Budget:** Vickie Thomas reported that a proposed preliminary Fiscal Year 2014-2015 Budget and Budget Ordinance were presented to the Board at the March 7th Board meeting. The budget documents have remained available for public inspection and comment since then and staff has not received any comments. A Public Hearing is required before the final adoption of the 2014-2015 Budget Ordinance. Mrs. Thomas respectfully requested the Board resolve to adopt the following Fiscal Year 2014-2015 Budget Ordinance following the Public Hearing:

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
2014-2015  
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 2014-2015 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, 2014 and ending June 30, 2015 in accordance with the following schedules:

**EXPENDITURES**

Administration Department	\$ 564,506
Development Department	277,219
Executive Department	487,210
Finance Department	381,741
Guest Services Department	201,257
Information Technology Department	673,240
Marketing Department	519,710
Operations Department	3,205,370
Public Safety Department	1,377,680
Emergency Repair Costs	75,000
Reimbursable Costs	214,000
Carry-over Capital Expenditures from Prior Year	12,208,230
Capital Improvement	12,750,123
Renewal and Replacement	612,336
Business Development	300,000
Debt Service	626,823
Contingency	100,000
<b>Total Expenditures</b>	<b><u><u>\$34,574,445</u></u></b>

**Section 2.** It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

**REVENUES**

Administration (Interest Income)	\$ 22,000
Terminal	3,919,333
Airfield	883,300
General Aviation	978,105
Parking Lot	2,557,425
Other	209,779
Reimbursable Costs	214,000
Passenger Facility Charges	1,325,000
Customer Facility Charges	1,075,000
Federal Grants – AIP Entitlements	5,199,460
Federal Grants – AIP Discretionary Funds	14,000,000
NC Department of Transportation Grants	300,000
Transfer from GARAA Cash/Investments	3,891,043
<b>Total Revenues</b>	<b><u><u>\$34,574,445</u></u></b>

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

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

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

**Section 5.** This ordinance shall become effective on July 1, 2014.

Adopted this 21st day of March, 2014.

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David R. Hillier, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

The Chair opened the floor to public comments at 8:32 a.m.

There being no public comments, the Chair closed the floor at 8:32 a.m.

Mrs. Peterson moved to adopt the FY 2014/2015 Budget as presented by staff. Mr. Roberts seconded the motion and it carried by a 4 to 0 vote.

**NEW BUSINESS:**

**A. Approval of Audit Contract with Martin Starnes & Associates, CPAs, P.A. for Fiscal Year Ending June 30, 2014:** Vickie Thomas informed the Board that three years ago Authority staff issued a Request for Proposal (RFP) for audit services and the Board chose Martin Starnes & Associates, CPAs, P.A. as the Authority's auditors. As requested in the RFP, the proposal included fees for a five year time frame. Mrs. Thomas presented a contract for auditing services with Martin Starnes for the annual audit for the fourth year of the contract, the fiscal year ended June 30, 2014. The contract fee for the audit services is \$12,700. The audit services were anticipated and included in the budget for FY 2015. Mrs. Thomas requested the Board approve the contract with Martin Starnes in the amount of \$12,700.

Mr. Piccirillo moved to approve the contract for audit services with Martin Starnes & Associates, CPAs, P.A. in the amount of \$12,700 and authorize the Board Chair to execute the necessary documents. Mr. Roberts seconded the motion and it carried by a 4 to 0 vote.

**B. Approval of Airline Incentives for Allegiant Air:** The Director advised the Board that Allegiant has decided to institute new service from Asheville to Palm Beach, Florida (PBI). A public announcement was made earlier in the month and the service will begin on May 15. Staff needs the Board's approval to offer an incentive package as

PBI is not one of the Authority's top 20 markets. Staff would like to offer Allegiant up to \$150,000 for marketing and advertising for a one-year period as directly related to the PBI service. Since the Authority has fully expended the budgeted allocation for Business Development, staff proposed providing up to \$50,000 of the marketing and advertising incentive through the end of the current fiscal year. This will require a budget amendment increasing Business Development expenditures and increasing Transfer from GARAA Cash by \$50,000. The remaining incentive package would be effective the upcoming fiscal year on July 1, 2014 and include the remaining marketing and advertising funds, airport related fee waivers, excluding PFCs, totaling approximately \$86,000, as well as an incentive for ground handling and passenger service fees of 50% per aircraft turn up to \$250.00 per flight for two flights per week, which totals \$23,000. The total incentive package is worth approximately \$259,000 with direct expenditures being approximately \$173,000.

The Chair asked what the total budget was for the Business Development line item. The Director responded that \$300,000 is budgeted in the Business Development line item. The funds for the current fiscal year have already been used for the Tampa/St. Pete and Punta Gorda service by Allegiant. Allegiant was offered \$106,000 for the Punta Gordo service, and if the \$50,000 for the Palm Beach service is approved, the total for the year will be \$456,000. The Director further stated that Allegiant has been a good partner for the airport. Since initiating service in 2011, Allegiant already garners 21% of the airport's market share and has contributed to the growth in enplanements over the past year. Allegiant has also reached out to Tina Kinsey for help in working with the Asheville Chamber and CVB to offer tour packages to increase Asheville's appeal as a destination city.

Mr. Roberts moved to approve the airline incentives with Allegiant Air for AVL – PBI service as presented by staff, authorize the Executive Director to execute the necessary documents, and amend the FY13/14 budget by adopting the following budget ordinance. Mrs. Peterson seconded the motion and it carried by a 4 to 0 vote:

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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, 2014:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Business Development		\$50,000
Totals	<u>\$0</u>	<u>\$50,000</u>

This will result in a net increase of \$50,000 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		\$50,000
Cash/Investments		
Totals	<u>\$0</u>	<u>\$50,000</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 21<sup>st</sup> day of March, 2014.

\_\_\_\_\_  
David Hillier, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

**DIRECTOR'S REPORT:** The Director advised the Board that although there were no items on the agenda for the Director's Report, a few things came up during the week.

**A. Meeting with City of Asheville:** The Director reported that he and Mike Reisman met with the interim Assistant City Manager and Fire Chief Burnette to talk about the status of the City's need for a fire station on airport property. The City advised the Director that the leasing of the Authority's current fire house has been put on hold for the current time as the City is waiting to hear about the de-annexation of the airport from the city limits. If the airport is de-annexed, the City intends to look for space on Airport Road between the airport and Hendersonville Road to construct a fire station. The Chair stated that he had a meeting with Councilman Marc Hunt the following week and that he would relay this information to Mr. Hunt.

**B. Focus Group:** The Director informed the Board that the airport has been asked to be part of an Airport Cooperative Research Program conducted by the Transportation Research Board in Washington, DC. Asheville has been identified as one of five airports for their project, The Effects of Airline Industry Changes on Small and Non-hub Airports. The research is being conducted by Bowling Green State University. The Director and the Director of Marketing and Public Relations met with the university representatives as well as area economic development, business, and tourism folks. There is a good sense that the airport, chamber and CVB will be moving forward in the future to put together a business group to look into ways for the community to incentivize airlines. A lot of interesting information came out of the meetings. Members of the business community were more interested in improving reliability of the airline flights than of adding new destinations. Cancelled flights cause people to miss connections so some believe they need to drive to Charlotte in order to get the non-stop flights and avoid cancellations out of Asheville. After the meeting, the Director looked into US Air's flight cancellations and there were 16 cancellations for February. February's flight performance happened to be the lowest in two years for US Air. The couple of people that were part of the focus group meeting seemed to have experienced the flight cancellations in February.

**C. Washington, DC:** The Director advised the Board that he would be traveling to Washington, DC for a legislative conference the following week. North Carolina airports have worked together to host a breakfast meeting with the delegates from the Senate and House representing North Carolina to discuss the aviation issues facing airports.

**D. Airfield Redevelopment Project:** The Director reported that he met with the FAA the previous week to discuss relocation of the windshear tower for the airfield redevelopment project. The FAA will move the tower on the Ferncliff property to property owned by Sierra Nevada. There is some question about the location of the tower on the airport property across the street and how it would be impacted as the

land surrounding it will be used for fill for the gas station project, but things seem to be moving in the right direction. The Director was not sure where the funding would come from for the relocation of these towers and thought it was possible the FAA may want to include it as part of the airfield project budget. Additional money would need to be granted as the project is not being funded at a percentage split. At this point the FAA has awarded \$48 million of federal funds for the project, so any work that is added makes funding more difficult for the airport. The Director also advised that he had a meeting set up with the deputy administrator of the FAA in Washington, DC while he is attending the legislative conference, and will discuss this issue with him.

**AUTHORITY MEMBERS REPORTS:** None

**PUBLIC AND TENANTS' COMMENTS:** No comments

**CALL FOR NEXT MEETING:** The Chair stated that the April 11th meeting may not be necessary but requested the Board Members keep the date open. A meeting will be held in May if not in April and staff will be in touch with the Board about the necessity for an April meeting.

**STRATEGIC PLANNING:** The Director reminded the Board that Ted Abernathy gave a presentation to the Board several months ago regarding the strategic planning process. The Director stated that senior staff has been working diligently on this process, and that Mr. Abernathy was prepared to give an update to the Board. Mr. Abernathy reviewed for the Board the steps taken thus far in the strategic planning process. Mr. Abernathy shared senior staff's perception of the airport's current reality which included the stability of the aviation industry, the airport's position, internal and external issues facing the airport, as well as the airport's strengths, weaknesses, opportunities, and threats. Mr. Abernathy also reviewed both North Carolina's and western North Carolina's economy over the last decade and some of the changes the state is planning to make. Mr. Abernathy asked for the Board's input on what they had seen so far.

At 9:10 a.m. Andrew Tate arrived.

Mr. Roberts commented that he did not see a macro view from Washington, DC in the presentation so far. Mr. Abernathy stated that this was discussed by senior staff in the meetings held and asked what the Board believes the Authority should be looking for from Washington, DC. Mr. Roberts felt the Authority should have a plan for no matter what happens. Mr. Abernathy agreed that scenario and strategic planning is necessary

but felt it was impossible to predict what the government in DC or Raleigh would do and you could not plan for those scenarios.

The Chair commented that Mr. Abernathy spoke of the distance the airport is from Raleigh and felt that in addition to the geographical distance, there was also a psychological distance. The Chair further stated that due to the dysfunctionality of the airline industry, most of the complaints he hears are really about the airlines themselves.

Mr. Abernathy stated that the goal for the staff is to keep watching and set up a strategy going forward to watch economic and competition trends as well as political and industry trends. Mr. Abernathy recommended that at least once a year staff and the Board spend time together as a group trying to paint the current context, determine what is going on, and this should become part of the decision making process.

Mr. Abernathy asked for the Board's input on the community perspective.

Mrs. Peterson felt that members of the community expected that the airport had good relationships with Raleigh and that continuing to work with elected officials in Raleigh and Washington, DC was essential. Mrs. Peterson further stated that an open line of communication is something that has to happen. Mr. Abernathy asked if telling the story back to the community was something that needed to be more prioritized as an airport board. Mrs. Peterson responded that it should be more prioritized.

Mr. Piccirillo remarked that most of what he hears is very complimentary. Mr. Piccirillo felt it would be a good idea to revisit the strategic planning process each year so the Board would have the opportunity to dig a little deeper and hear a bigger picture from the staff.

Mr. Roberts stated that he has learned people assume Asheville doesn't have the connecting flights that people need and have to go elsewhere. Mr. Roberts felt the airport was doing a better job communicating but felt many people, especially infrequent travelers, don't realize the asset the airport is for the region.

The Chair stated that he hears positive feedback but also gets questioned as to why the airport doesn't have certain flights. The Chair felt that the public was not aware of what is involved in attracting new air service and thought maybe education and communication might help.

Mr. Andrew Tate agreed with the Chair's comments and stated that he hears from the business community that they are interested in more non-stop flights rather than connections. He also felt there was a lack of understanding of how air service development is handled, what the airport's opportunities and options are, and how many big picture things are at play that impact the airport and of which the airport has very little control over. Mr. Tate felt this was a communication opportunity that has been mentioned on several occasions. The other segment that Mr. Tate mentioned he hears from frequently are neighbors of the airport asking about implications from future airport development.

Mr. Abernathy advised the Board that as part of the strategic planning process, senior staff was tasked to compose vision and mission statements as well as establish core values and goals. Mr. Abernathy shared that information with the Board and stated that following the Board meeting, senior staff would be meeting with employees to review the goals and determine action items.

The Director advised the Board that four of the goal buckets were completed and that senior staff was still working on the Facilities and Business Development buckets. Mr. Abernathy stated that community education and communication was mentioned earlier and this may be something that should be added. Mr. Andrew Tate stated that retention of existing air service was also important and thought it could be included as a goal under the Business Development bucket.

Mr. Abernathy advised the Board that any input on their part would be welcomed and that the strategic planning process should be completed by the end of the fiscal year.

The Chair thanked Mr. Abernathy for his presentation.

**RECOGNITION OF VICTOR W. BUCHANAN:** The Chair thanked Mr. Buchanan for his years of work with the Authority and read the following resolution:

*Greater Asheville Regional Airport Authority*

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~ Resolution ~

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WHEREAS, the governing bodies of the Asheville Regional Airport have required competent legal counsel over the years; and

WHEREAS, Victor W. Buchanan has served diligently as Attorney for the Asheville Regional Airport Authority from December, 1983 through March, 2014; and

WHEREAS, Victor W. Buchanan also served diligently as Attorney for the Greater Asheville Regional Airport Authority from August, 2012 through March, 2014; and

WHEREAS, this service of over 30 years by one attorney to essentially one entity, on information and belief, is unprecedented as to length of service in Buncombe County; and

WHEREAS, over and above the length of service provided, Victor W. Buchanan has distinguished himself by providing excellent legal counsel throughout the more than 30 years as aforesaid; and

WHEREAS, Victor W. Buchanan has distinguished himself not only through his excellent advice, but also through his calm and caring demeanor and good humor, even in the face of stressful situations; and

WHEREAS, the Greater Asheville Regional Airport Authority is now advised that Victor W. Buchanan wishes to retire, not only from his service to the Asheville Regional Airport, but also from the general practice of law, so that he can devote his time and energy to his lovely wife, Joyce, not to mention his sons and grandchildren; and

WHEREAS, the Greater Asheville Regional Airport Authority wishes to express its appreciation to Victor W. Buchanan for his dedicated efforts in servicing the needs of the Asheville Regional Airport.

NOW, THEREFORE, BE IT RESOLVED, that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Victor W. Buchanan for his dedicated efforts over 30 years in serving the needs of the Asheville Regional Airport and the greater Western North Carolina community.

Adopted this 21<sup>st</sup> day of March, 2014.

Greater Asheville Regional Airport Authority

The Chair called for a break at 9:43 a.m.

The Board reconvened at 9:48 a.m.

**CLOSED SESSION:** At 9:48 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege

and to Consider Personnel Matters. Mr. Roberts seconded the motion and it carried unanimously.

Open Session resumed at 10:41 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 21, 2014**

**CLOSED SESSION MINUTES:** Mr. Piccirillo moved to seal the minutes for the March 21, 2014 Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mrs. Peterson seconded the motion and it carried unanimously.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 7, 2014 CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the minutes for the March 7, 2014 Closed Session, and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mrs. Peterson seconded the motion and it carried unanimously.

**PERFORMANCE EVALUATION INSTRUMENT:** The instrument utilized for the performance evaluation of the Executive Director has been in use for approximately five years. The Chair said it was prepared based on information received from other airports and that the instrument and the overall process could perhaps be improved.

**ADJOURNMENT:** Mr. Roberts moved to adjourn the meeting at 10:45 a.m. Mr. Andrew Tate seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

David R. Hillier  
Chair



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: May 9, 2014

### ITEM DESCRIPTION – Consent Item C

Approval of Amendment to the FY13/14 Budget for Legal Fees

### BACKGROUND

The FY13/14 budget includes \$40,000 of legal fees in the Executive Department. The legal fees related to the transition to the Greater Asheville Regional Airport Authority are considerably higher than were anticipated when the FY13/14 budget was prepared. As a result, a budget amendment is needed to increase the Executive Department by the \$35,000 estimated additional legal fees.

### ISSUES

None.

### ALTERNATIVES

None.

### FISCAL IMPACT

The budget amendment will increase FY13/14 budgeted Executive Department expenditures by \$35,000.

### RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY13/14 budget by adopting the following budget ordinance amendment:

Consent – Item C



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, 2014:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Executive Department		\$35,000
Totals	<u>                    \$0</u>	<u>                    \$35,000</u>

This will result in a net increase of \$35,000 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$35,000
Totals	<u>                    \$0</u>	<u>                    \$35,000</u>

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

Adopted this 9th day of May, 2014.

\_\_\_\_\_  
David Hillier, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board



## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: May 9, 2014

### **ITEM DESCRIPTION – Consent Item D**

Approval of Amendment to the FY13/14 Budget for Transfer of Receptionist

### **BACKGROUND**

To allow for the terminal advertising program to be brought in-house, two additional part-time positions were approved in the FY2013/2014 budget for Guest Services. Staff decided instead to move the full-time receptionist position to Guest Services, and to hire a part-time employee to assist in the Administration Department.

### **ISSUES**

None

### **ALTERNATIVES**

None.

### **FISCAL IMPACT**

The transfer of a full-time position to Guest Services to fill the vacancies of two part-time positions requires that \$10,233 be transferred from the Administration Department budget to the Guest Services budget for FY2013/2014 due to a higher pay rate and to benefit costs.

Consent – Item D



**RECOMMENDED ACTION**

It is respectfully requested that the Authority Board resolve to amend the FY2013/2014 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, 2014:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Administration Department	\$10,233	
Guest Services Department		\$10,233
Totals	<u>\$0</u>	<u>\$0</u>

This will result in no net increase in the appropriations.

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 9<sup>th</sup> day of May, 2014.

\_\_\_\_\_  
David Hillier, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board



## **MEMORANDUM**

TO: Members of the Airport Authority

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

DATE: May 9, 2014

### **ITEM DESCRIPTION – Consent Item E**

Approval of Space/Use/Operating Permit with WNC Aviation

### **BACKGROUND**

The Board approved a five-year Space/Use/Operating Permit ("Permit") with WNC Aviation back in June 2009 for the OD Lacy Griffin Building. The Permit is due to expire July 31, 2014.

Normally for a Space/Use/Operating Permit (Permit), Staff would not present the item to the Authority Board for approval. However since WNC Aviation is requesting a long term agreement, Staff thought it would be appropriate to seek the Authority Board's approval.

Back in February, the Board endorsed its support for the partnership of WNC Aviation and AB Tech. The stability of this long term agreement facilitates that partnership and supports the success for the newly created aviation education program.

### **ISSUES**

The Permit itself is a standard Permit approved by the Authority Board. The Permit will be for a term of 20 years, but terminable on 180 days' notice by either party. A provision has also been added giving WNC Aviation the ability to transfer this permit, under the same terms and conditions, to a new facility should the growth of WNC Aviation warrant such a move.

WNC Aviation continues to make the main conference room, kitchen area and restroom available to other aviation groups associated with the airport for meetings at no cost.

Consent – Item E



WNC Aviation will be responsible for all maintenance and utilities associated with the building and property, with the exception of structural and roof maintenance.

## **ALTERNATIVES**

The Authority Board could elect not to move forward with the proposed Permit.

## **FISCAL IMPACT**

The Authority currently receives a total of \$19,036.27 in rent per year. The rent is adjusted by CPI each anniversary.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve a Space/Use/Operating Permit with WNC Aviation; and (2) authorize the Executive Director to execute the necessary documents.

**SPACE/USE/OPERATING PERMIT  
ASHEVILLE REGIONAL AIRPORT**

**THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**, hereinafter referred to as "Authority," by its execution hereof, hereby authorizes the following person or entity, hereinafter referred to as "Company" to conduct business and/or occupy space at Asheville Regional Airport, hereinafter referred to as "the Airport," for the purpose or purposes and on the terms and conditions hereinafter stated.

1. **Company**. The name, address and telephone number of the Company hereunder are as follows:

Name: **WNC Aviation**  
Address: **20 Lindbergh Lane, Fletcher, NC 28732**

Contact: **Amy Thomas**  
Telephone: **(828) 650-6540** Fax: **(828) 650-6585**  
E-mail: **athomas@wncaviation.com** Pager: **N/A**

**Company Financial Billing Contact(s):**

Name: **Charles Thomas**  
Address: **1A Aviation Way, Fletcher, NC 28732**  
Telephone: **(828) 687-7540** Fax: **(828) 650-6585**  
E-mail: **Charles@wncaviation.com**

**Company - 24 Hour Emergency Contacts – minimum of 2 contacts required:**

Name & Title: **Amy Thomas, LLC Manager**  
Address: **3 Trotter Circle, Asheville, NC 28803**  
Telephone: **(828) 681-5677** Fax: **N/A**  
Pager: **N/A** Cell: **(828) 768-4108**  
E-mail: **amybthomas@mac.com** Other:

Name & Title: **David Shields, Chief Flight Instructor**  
Address:  
Telephone: **(828) 298-1030** Fax: **N/A**  
Pager: **N/A** Cell: **(828) 545-1963**  
E-mail: **dshields@wncaviation.com** Other:

2. **Business to be Conducted**. Company is only authorized to conduct the following business at the Airport, and may conduct none other, to wit:

**Specialized Aeronautical Services Operator – Flight Training.**

3. **Space to be Occupied**. Company is authorized to use the Assigned Space, which is that space at the Airport defined in **Attachment A-1**.

4-a. **Payments**. All payments due hereunder shall be remitted to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina, 28732; without demand, set-off or deduction.

In the event that the term of this Permit shall commence or end on any day other than the first and last day, respectively, of a calendar month such consideration due hereunder for a portion of such month shall be prorated on a per-diem basis, and the first payment shall be due on or before the effective date hereof.

4-b. **Consideration-Space Rental and/or Use/Operating Permit**. In consideration for the rights granted hereunder by Authority, Company hereby agrees to pay to Authority monthly, in advance, on the first (1st) day of each calendar month during the term hereof, the sum shown in **Attachment A-2** plus any and all sales or use taxes due thereon.

4-c. **Consideration-Percentage of Receipts**. Company hereby agrees to pay to Authority a percentage of the gross receipts derived from its business at the Airport as specified in **Attachment A-3** and in accordance with the provisions of Paragraph H ("Percentage Fees"), plus any and all sales or use taxes thereon.

5. **Term**. This Permit is effective, from the date of execution, to permit use or occupancy for the period stated in **Attachment A-4**, unless sooner terminated in accordance with the terms and provisions hereof. Notwithstanding the foregoing, however, either party hereto shall have the right to terminate this Permit prior to the date upon which it would otherwise expire by giving the other party at least One Hundred and Eighty (180) days written notice of its intention to do so.

6. **Amount of Insurance Required**. Commercial general liability, automobile liability, and workers compensation and employer's liability insurance is required to be carried by Company under subparagraphs K(1) and K(2) of the Terms and Conditions attached hereto. The amounts of coverage are specified in **Attachment A-5**.

7. **Security Deposit**. The amount of the security deposit to be held subject to the provisions of Paragraph T hereof is shown in **Attachment A-6**.

8. **Utility and Service Charges**. Except as otherwise expressly shown on Attachment A-7, Company shall be responsible for all utility and service charges.

9. **Company's Right to Occupy**. The Company's right to use and occupy the Assigned Space is conditioned upon Company complying with all provisions hereof

shown on that attachment hereto entitled "Asheville Regional Airport Authority Terms and Conditions of Space/Use Permit", which is incorporated herein by reference.

10 **Amendments.** Amendments to this Permit may only be made by a written revision of it bearing the signatures of both Company and Authority.

**WNC AVIATION**

**GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

BY:

\_\_\_\_\_  
**Amy Thomas  
LLC Manager**

BY:

\_\_\_\_\_  
**Lew Bleiweis  
Executive Director**

DATE:

\_\_\_\_\_

DATE

\_\_\_\_\_

DRAFT

**ATTACHMENT A  
SPACE USE PERMIT**

**A-1. SPACE TO BE OCCUPIED (“Assigned Space”).**

<u>Location</u>	<u>S.F.</u>	<u>Rate P.S.F.</u>	<u>Annual Rate</u> (Applicable sales tax not included)	<u>Monthly Rate</u> (Applicable sales tax not included)
21 Aviation Way	3,023	\$6.30	\$19,045.00	\$1,587.08
See Attached Exhibit A.				
		<b>TOTAL</b>	<b>\$19,045.00</b>	<b>\$1,587.08</b>

Note: The rental rate for the building has been reduced to reflect that WNC Aviation will allow for the use of the conference room and associated facilities at no cost to airport tenants and aviation groups.

The Location and rental rate of this section may be amended under this Space Use Permit to provide for larger facilities on the Airport under the same terms and conditions.

**A-2. SPACE RENTAL/USE/OPERATING PERMIT CHARGE**

**ANNUAL      \$19,045.00                      MONTHLY      \$1,587.08**  
**Plus applicable sales tax**

The Space Rental/Use Permit Charge is also the **Minimum Monthly Charge** when a Percentage of Receipts amount is specified in this Permit. Such Space Rental/Use Permit Charge shall be adjusted annually by the Consumer Price Index for All Urban Area Consumers as published by the United States Department of Labor, Bureau of Labor Statistics or any comparable successor index.

**A-3. PERCENTAGE OF RECEIPTS**

Company will pay **(Not Applicable)** of its Gross Receipts to Authority for any month in the period in which this permit is in effect when this sum is greater than the Space Rental/Use/Operating Permit Charge.

**A-4. TERM.**

The term of this Permit is **August 1, 2014 through July 31, 2034. This Permit shall automatically renew annually unless terminated per Section 5 above.**

**A-5. INSURANCE REQUIREMENTS**

The minimum coverage required is:

Automobile liability                      **\$1,000,000**  
Commercial General Liability                      **\$1,000,000**

Workers Compensation                      **As required by the laws of North Carolina.**

Employer's Liability

**\$100,000 each accident, \$500,000 disease-policy limit and \$100,000 disease-policy – each employee**

**Evidence of current coverage is to be kept on file with the Authority**

**A-6. AMOUNT OF SECURITY DEPOSIT**

None.

**A-7 UTILITY & SERVICE CHARGES.**

All utility costs are the responsibility of the Company.

**A-8 SPECIAL CONDITIONS**

1. The rental rate for the building has been reduced to reflect that WNC Aviation will allow for the use of the conference room and associated facilities at no cost to airport tenants and aviation groups.
2. WNC Aviation shall comply with all applicable Authority Minimum Standards and Rules and Regulations.

## GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

### TERMS AND CONDITIONS OF SPACE/USE PERMIT

A. **Maintenance of Assigned Space.** Company accepts the space, if any, assigned under Attachment A-1 hereof, hereinafter referred to as "Assigned Space," in its present condition, "as is," and Company shall be responsible for maintaining the Assigned Space in good, clean and attractive condition.

Authority shall have the right, at any time and from time to time, to cause maintenance to be performed and repairs to be made in and to the Assigned Space and the fixtures, equipment and mechanical systems located therein, and the term of this Permit shall not be extended nor shall there be any abatement of the sums payable to Authority hereunder by reason thereof. Specifically, the Authority shall be responsible for all structural, HVAC, roof, gutters/downspouts, and exterior door/window repairs.

Company shall promptly pay or reimburse Authority for the cost to Authority of any and all maintenance, replacement and repair which may be required to restore the Assigned Space and any of its fixtures, equipment and mechanical systems as a result of the neglect of, or loss or damage caused by, Company or any of its officers, employees, agents, invitees or licensees, or which otherwise results from Company's use or occupancy of the Assigned Space. The performance of maintenance and repair by the Authority shall in no event be construed as a waiver of the Company's duty to maintain and repair as herein provided.

Unless Authority's written approval has been first obtained in each instance, Company shall not post any signs in the Assigned Space or at the Airport which are in public view, nor shall Company make any alterations, additions, decorations, improvements, or structural changes in or to the Assigned Space, or alter the point of supply of any utilities therein. The installation of telecommunication systems including but not limited to voice, data, wired, and wireless systems all require the written approval of the Executive Director.

Company shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Assigned Space without providing Authority with a written waiver, in form acceptable to the Authority, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650, and without obtaining the Authority's prior written approval.

B. **Company's Property.** Any and all property belonging to, or brought onto the Airport by, Company or any of its officers, employees, agents, invitees or licensees shall be at the sole risk of Company. Subject to Authority's right of approval as set forth in paragraph A hereof, Company may place and install trade fixtures and other personal property in the Assigned Space for use in connection with its operations hereunder, and the same shall be and remain the property of Company. Company shall, however, be responsible for the cost of repairing any damage to the Assigned

Space or any other improvements of Authority which are caused by the removal of any such trade fixtures and personal property. Notwithstanding the foregoing, however, if Company shall at any time be in default hereunder, then Authority shall have the benefit of any statutory liens on Company's property located in the Assigned Space which are available to it under the laws of the State of North Carolina, and Company shall not remove or permit the removal of any of such property until all amounts secured by such liens have been paid and all other defaults under this Permit have been cured.

C. **Authority's Right to Enter**. Authority and its designated agents shall have the right to enter the Assigned Space at any reasonable time for inspection, maintenance, repair, attending to emergencies or any other reasonable purpose.

D. **Utilities**. Unless expressly provided otherwise herein, Company shall be responsible for obtaining and paying for all utilities (including, without limitation, electricity, water, sewer, and telephone) used or consumed in the Assigned Space.

E. **Access**. Company and its officers, employees, agents and invitees shall, subject to the reasonable rules and regulations of the Authority, have the right of ingress and egress to and from the Assigned Space.

F. **Taxes and Assessments**. Company shall pay, on or before the due date established therefor, all taxes, assessments (including, without limitation, storm water utility charges) and impact fees which are levied against or in connection with the Assigned Space, Company's interest therein and the property and improvements of Company for the term hereof or attributable to Company's activities at the Assigned Space or at the Airport. If the term of this Permit expires or is earlier terminated prior to the close of the tax year for which any such tax is payable, or if the term of this Permit commences on a date other than the first day of such tax year, Company shall be responsible for paying a percentage of the tax calculated by dividing the number of days that this Permit was in effect during such tax year by the total number of days that the Assigned Space was leased to tenants (excluding any tenant performing a governmental, municipal or public purpose or function or which uses the Assigned Space exclusively for literary, scientific, religious or charitable purposes) during such tax year. If this Permit is in effect for a period less than any entire period for which an assessment other than a tax is imposed, Company shall pay a percentage of the assessment calculated by dividing the number of days this Permit was in effect during that assessment period by the total number of days in the assessment period. Company's obligations under this Paragraph F shall survive the expiration or earlier termination of this Permit. Nothing contained herein shall be construed as a release or waiver on the part of the Authority, as a political subdivision of the State of North Carolina of the right to assess, levy or collect any license, personal, tangible, intangible, occupation or other tax, fee or assessment which may lawfully be imposed on the business or property of Company.

G. **Rules and Regulations.** Company covenants and agrees to observe and comply with all reasonable rules and regulations of Authority which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Airport and the use of its facilities. Company further covenants and agrees to observe and comply with any and all valid and applicable requirements of all duly-constituted public authorities and with all federal, state and local statutes, ordinances and regulations applicable to Company, the Assigned Space or the Airport. Company agrees to pay or reimburse Authority for any fines which may be assessed against Authority as a result of the violation by Company of any applicable security regulation at the Airport, which payment shall be made by Company within fifteen (15) days from receipt of Authority's invoice for such amount and documentation showing that payment of such fine is Company's responsibility hereunder.

H. **Percentage Fees.** In the event that the consideration to be paid under Paragraph 4 hereof is based in whole or in part on a percentage of Company's "Gross Receipts," such term as used herein shall mean all amounts billed or received by Company or any agent of Company or sublessees from its business at the Airport, excluding only (i) the amount of all credits and refunds to customers actually made by Company, (ii) the amount of any federal, state or municipal sales or other similar taxes separately stated to and paid by customers of Company now or hereafter levied and imposed and (iii) the proceeds from the sale of capital assets. If Company shows the percentage of Gross Receipts payable to Authority as a separate charge to Company's customers, then this separate charge must also be included in Company's Gross Receipts.

No deduction shall be made from Gross Receipts by reason of any credit loss sustained or financing discount that may be applicable by reason of the acceptance or use of credit cards or by reason of any other credit arrangements. If any charge customarily made by Company for goods or services is not assessed, charged or collected, irrespective of the reason therefor, then the amount of Company's customary charge therefor shall nevertheless be included in determining Gross Receipts. All computations in the determination of Gross Receipts shall be made in accordance with the terms of this Permit.

On or before the twentieth (20th) day of each calendar month during the term hereof and of the calendar month immediately following the end of the term, Company shall deliver to Authority a statement signed by an officer of Company, in such form and with such detail as Authority may reasonably request, setting forth Company's Gross Receipts (as the same are hereinbefore defined) during the preceding calendar month, and separately identifying all receipts derived by Company during such month which have been excluded from the computation of Gross Receipts, together with payment of the Percentage Fees due by reason thereof.

Company shall maintain complete and accurate books and records as would normally be examined by an independent certified public accountant pursuant to

generally accepted auditing standards, of all receipts with respect to its business at the Airport in a form consistent with generally accepted accounting principles. Such books and records of the Company shall contain itemized records of all amounts billed or received by the Company from its operations in the Assigned Space or otherwise hereunder. The Company shall supply to the Authority, within thirty (30) days of the Authority's request, the books and records required to be maintained hereby and any other financial or statistical reports or records that the Authority may reasonably request for the purpose of determining the accuracy of the Gross Receipts reported by the Company. In addition, the Company shall account for all revenues of any nature related to transactions in connection with this Permit entered into in the Assigned Space or otherwise hereunder in a manner which segregates in detail those transactions from other transactions of the Company and which supports the amounts reported to the Authority in the Company's monthly Gross Receipts reports prepared in accordance with Paragraph 4-b. In the event of any conflict between any provision of this Permit and generally accepted accounting principles or generally accepted auditing standards, the provisions of the Permit shall control even where this Permit references such principles or standards.

Such records may be in the form of (a) electronic media compatible with or convertible to format compatible with computers utilized by the Authority at its offices, (b) a computer run hard copy, or (c) legible microfiche or microfilm, together with access to a microfiche or microfilm reader. Records maintained by the Company in the form of electronic media shall be provided to the Authority in electronic read only form compatible with computers utilized by the Authority if requested in such form by the Authority. The Executive Director may require the Company to provide any other records the Executive Director determines, in his or her opinion, are necessary to enable the Authority to perform an accurate audit of the Company's Gross Receipts hereunder. Such records shall be provided within thirty (30) days of the request thereof and, in the event that exclusions, deductions or allocations reducing Gross Receipts are not supported or substantiated by such records, all such amounts shall be deemed Gross Receipts for purposes of determining amounts payable to the Authority. All such original books and records shall upon reasonable notice from Authority be made available, either at the Assigned Space, if assigned, or at the offices of the Authority, for inspection, examination or audit by Authority through its duly authorized representatives at any time for up to three (3) years after the calendar year to which such books and records pertain; provided, however, that if prior to the expiration of such three (3) year period, any audit, review or investigation is commenced by the Authority, or any claim is made or litigation is commenced relating to this Permit by the Authority, such books and records shall continue to be maintained by Company, and Authority shall continue to have the right to inspect such books and records in the manner stated above, until the audit, claim or litigation is finally resolved (including the determination of any and all appeals or the expiration of time for an appeal). Any such inspection at the Assigned Space will be conducted during reasonable business hours

and in such a manner and at such time as to not unduly interfere with the conduct of Company's business.

Should the Company not wish to make its original books and records available for inspection at the Airport, the Company shall have the option of having representatives of the Authority inspect the Company's books and records at a location where the Company maintains its records within forty five (45) days of Authority's request to inspect Company's books and records. Should the Company elect to have the inspection, examination or audit performed at a location outside the limits of Buncombe County, the Company shall pay the Authority for travel expenses incurred in connection with such inspection, examination or audit in accordance with the Authority's adopted travel policies, from the auditor's duty station to the location at which the books and records are maintained for each day of travel and on-site work. After the inspection is complete, the Authority shall bill the Company for such travel expenses and the Company shall promptly pay such bill. Authority shall further have the right, upon reasonable written notice to Company, to cause an audit to be made of the books and records of Company and its assignees and agents which relate to its operations at the Airport to determine the correctness of the Percentage Fees paid by Company hereunder. Such audit may include, but is not limited to, a review of general, input, processing, and output controls of information systems, using read only access, for all computerized applications used to record financial transactions and information. The Company shall, if requested, freely lend its own assistance in making such inspection, examination, or audit, and, if such records are maintained in electronic and other machine-readable format, shall provide the Authority and/or its representative such assistance as may be required to allow complete access to such records. The Company also shall lend such assistance and support freely to the Authority as the Authority may reasonably request in the conduct of any inspection, examination or audit as the Authority deems necessary. If, as a result of such audit, it is established that Percentage Fees have been underpaid to Authority, Company shall forthwith, upon written demand from Authority, pay the difference to Authority, together with interest thereon at the rate of eighteen percent (18%) per annum from the date such amount or amounts should have been paid. Further, if such audit establishes that Company has understated and underpaid the total Percentage Fees due hereunder during the audit period by two percent (2%) or more, then the entire expense of such audit shall be borne by Company.

I. **Indemnification**. Company agrees to indemnify, defend and hold completely harmless the Authority, and its members (including, without limitation, members of the Authority's Board), officers, employees and agents of each, from and against all liabilities (including, without limitation, liability under the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601, et seq., or any other federal, state or local environmental statute, ordinance regulation or rule), losses, suits, claims, demands, judgments, damages, fines, penalties, costs and expenses (including all costs for investigation and defense thereof, including, but not

limited to, court costs, expert fees and reasonable attorneys' fees prior to institution of legal proceedings and at both trial and appellate levels), which may be incurred by, charge to or recovered from any of the foregoing (i) by reason or on account of damage to or destruction of any property of the Authority, or any property of, injury to or death of any person resulting from or arising out of the use, occupancy, or maintenance of the Assigned Space or any improvements thereto, of Company's operations thereon, or the acts or omissions of Company's officers, agents, employees, contractors, subcontractors, invitees or licensees, regardless of where the damage, destruction, injury or death occurred, unless such liability, loss, suit, claim, demand, judgment, damage, fine, penalty, cost or expense was proximately caused solely by Authority's negligence or by the joint negligence of Authority and any person other than Company or its officers, agents, employees, contractors, subcontractors, invitees or licensees, or (ii) arising out of the failure of Company to keep, observe or perform any of the covenants or agreements in this Permit to be kept, observed or performed by Company. The provisions of this Paragraph I shall survive the expiration of earlier termination of the term of this Permit with respect to any acts or omissions occurring during the term of this Permit.

The foregoing provisions of this Paragraph I are not intended and shall not be construed to limit in any manner whatsoever the protection or benefits to which Authority otherwise would be entitled as an additional insured under any liability insurance maintained or required to be maintained by Company under this Permit.

J. **Waiver of Damage**. Company hereby expressly waives and releases any cause of action or right of recovery for compensation for any and all loss or damage sustained by reason of any fire, defect, deficiency or impairments of any of the services in or to the Assigned Space or the Airport, including, but not limited to, electrical power, gas, telephone service, steam, heating, air conditioning, water supply, drainage or sewage systems, or from wires leading to or inside of any space or structure, or by reason of any loss resulting from the failure of any such system or facility unless such loss or damage is due to the negligence or willful misconduct of Authority or its officers, agents or employees.

K. **Insurance Requirements**. Company shall, at its own cost and expense, purchase and maintain throughout the term of this Permit the following insurance:

(1) Automobile liability insurance (any auto, including owned autos, non-autos and hired autos), and Commercial general liability insurance (including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, Independent Contractors, Broad Form Property Damage and Personal Injury coverage, as applicable), protecting Company, the Asheville Regional Airport Authority, and the members (including, without limitation, members of Authority Board), officers, agents and employees of each, all of whom shall be named as additional insureds, from and against any and all liabilities arising out of or relating to Company's use or occupancy of, or the conduct of its operations on, the Assigned Space and any improvements

thereto, and on the Airport, in such form and with such company or companies as the Authority may reasonably approve, with a combined single limit (or its equivalent) per occurrence of not less than the amount set forth in Paragraph 6 hereof, with a deductible reasonably acceptable to the Authority, with a waiver of any right of subrogation that the insurer may have against the Authority, with contractual liability coverage for Company's covenants to and indemnification of the Authority under this Permit, and with the insurance company obligated to use counsel reasonably acceptable to the Authority in carrying out its obligations to the Authority. This insurance shall provide that it is primary insurance as respects any other valid and collectible insurance Authority may possess, including any self-insured retention or deductible Authority may have, and that any other insurance Authority does possess shall be considered excess insurance only. This insurance shall also provide that it shall act for each insured and each additional insured as though a separate policy has been written for each; provided, however, that this provision shall not operate to increase the policy limits of the insurance; and

(2) Workers compensation insurance as required by the laws of North Carolina; provided, however, that Company may self-insure its workers compensation liability, if in compliance with North Carolina law. Employers Liability coverage is also required with limits of liability not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease-each employee.

At least three (3) business days prior to the commencement of the term of this Permit and at least ten (10) days prior to the expiration of any policy or policies theretofore provided hereunder by Company, Company shall cause a certificate or certificates of insurance to be furnished to Authority evidencing all such coverage, and such certificate shall provide that the policy or policies will not be cancelled nor the limits there under be materially changed without first providing at least thirty (30) days' written notice thereof to Authority.

L. **Assignment and Subletting.** Company shall not assign this Permit or any of the rights granted to it hereunder or sublet the Assigned Space or any portion thereof without the prior express written consent of Authority in each instance, which may be granted or withheld in the Authority's sole discretion.

M. **Default.** In the event that Company shall fail to remit any payment due to Authority under Paragraph 4 hereof, or shall fail to submit any financial report required to be submitted in connection therewith, within five (5) days after the same shall become due, or in the event that Company or any of its officers, employees, agents, invitees or licensees violates any other term, covenant or condition of this Permit and such violation continues or reoccurs after Authority has given written notice thereof to Company, the Authority shall have the right to declare the entire balance of the consideration due to Authority under Paragraph 4 of this Permit due and payable forthwith; or Authority may elect to terminate this Permit and resume possession of the Assigned Space, thereafter using the same for its own purposes without having to

account to Company therefor; or Authority may elect to retake possession of and relet the Assigned Space as agent for the Company, collecting and applying the proceeds first, toward the payment of all costs and expenses incurred in connection with such reletting, and next, toward the payment of any consideration and other charges due Authority under this Permit, in which event Company shall be responsible for paying any deficiency to Authority. In addition, Authority shall have any and all other rights or remedies available to it as a landlord under the applicable laws of the State of North Carolina by reason of any such default.

N. **End of Term**. At the end of the term or upon the earlier termination of this Permit, Company shall deliver to Authority possession of the Assigned Space and all of the fixtures and equipment of Authority in their original condition in all respects, reasonable use and wear excepted, and Company agrees to reimburse Authority for the cost of any alterations, replacement, repairs or cleaning required to restore the same to such condition; provided, however, in the event Company has caused any alterations or improvements to be made to the Assigned Space, including but not limited to the addition, relocation or removal of partitions and doorways (which such alterations or improvements shall be made at Company's cost and only with the prior express written approval of Authority in each instance), the Authority may elect, with respect to each such alteration or improvement, to accept it as it was at the time it was made or constructed, reasonable use and wear excepted, or to require the same to be restored to its original condition at Company's expense.

O. **Holding Over**. It is agreed that if Company, or any assignee or sublessee thereof, shall continue to occupy the Assigned Space after the termination of this Permit (including a termination under paragraph M hereof) without the prior written consent of Authority, then such tenancy shall be a tenancy-at-sufferance, the Authority shall be entitled to double the monthly rent specified in Paragraph 4 hereof, and acceptance by Authority of any sums after any such termination shall not constitute a renewal of this Permit or a consent to such occupancy, nor shall it waive Authority's right of re-entry or any other right available to it under the laws of North Carolina or the provisions of this Permit.

P. **Costs and Attorneys' Fees**. In the event that Authority elects to engage the services of an attorney to collect any sums due hereunder from Company, or in the event the Authority is the prevailing party in any action to enforce any provision of this Permit or in any other legal proceeding at law or in equity arising hereunder or in connection herewith, Company shall reimburse Authority for all reasonable costs, attorneys' fees and all other actual expenses incurred by the Authority in the defense and/or prosecution of such legal proceeding and in any appeals, including, but not limited to, fees and expenses for paralegals, investigators, legal support personnel and expert witnesses.

Q. **Notice**. Any notice permitted or required to be given to Company hereunder shall be in writing and delivered either by hand to the Assigned Space, by nationally

recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, to the address contained in Paragraph 1 of this Permit or such other address as Company may, by written notice, direct from time to time. Any notice permitted or required to be given to Authority hereunder shall be in writing and delivered either by hand to the Office of the Executive Director, Greater Asheville Regional Airport Authority, Asheville Regional Airport, Fletcher, North Carolina, provided Company obtains a written acknowledgment of receipt therefor from Authority, by nationally recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, addressed as follows:

Greater Asheville Regional Airport Authority  
Attention: Executive Director  
61 Terminal Drive, Suite1  
Fletcher, North Carolina 28732

or such other address as Authority may request from time to time.

R. **Sums Paid by Authority.** If Authority has paid any sum or sums or has incurred any obligation or expense which Company has agreed to pay or reimburse Authority for, or if Authority is required or elects to pay any sum or sums or incurs any obligation or expense because of the failure, neglect or refusal of Company to perform or fulfill any of the terms or conditions of this Permit, then the same shall be deemed additional rent due hereunder and Company shall reimburse Authority therefor promptly upon demand.

S. **Interest on Sums Due Authority.** Any sums payable by Company to Authority under any provision of this Permit which are not paid when due shall bear interest at the rate of eighteen percent (18%) per annum from the date the same became due and payable until paid.

T. **Security Deposit.** In the event that a security deposit is required under Paragraph 7 hereof, Company shall deposit such sum with Authority upon execution of this Permit, and such sum shall be retained by Authority as security for the faithful performance of Company's obligation hereunder. Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Company, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable use and wear excepted. In the event that all or any portion of the security deposit is so applied, Company shall promptly upon demand by Authority remit to Authority the amount of cash required to restore the security deposit to its original sum, and Company's failure to do so within five (5) days after its receipt of such demand shall constitute a default under this Permit. If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Company, without

interest, within sixty (60) days after the end of the term of this Permit. The Authority will not pay interest on any security deposit.

U. **Brokerage Commissions.** Unless expressly provided otherwise herein, Company warrants that no real estate commission is payable by Authority to any person or entity in connection with this Permit, and Company does hereby agree to indemnify, defend and hold completely harmless Authority from and against any and all liabilities, costs and expenses (including all costs for investigation and defense thereof, including, but not limited to, court costs, expert fees and reasonable attorneys' fees prior to institution of legal proceedings and at both trial and appellate levels) incurred by Authority as a result of any claims therefor.

V. **Authority's Reserved Rights.**

(1) Authority reserves the right for itself and others to utilize and maintain existing utility easements over, under, across and through the Assigned Space, and to run water, electrical, telephone, gas, drainage and other lines over, under, across and through the Assigned Space and to grant necessary utility easements therefor.

(2) Authority reserves the right (a) to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, free from any and all liability to Company for loss of business or damages of any nature whatsoever to Company occasioned during the making of such improvements, repairs, alterations and additions, including but not limited to any damages resulting from negligence of the Authority or its employees, agents or contractors, and (b) to establish such fees and charges for the use of the Airport by Company and all others as Authority may deem advisable.

(3) Company covenants and agrees that this Permit shall be subject and subordinate to the provisions of any existing or future agreement between Authority and the United States Government relative to the operation or maintenance of Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the development or operation of Airport. In the event that the Federal Aviation Administration or its successors shall require any modifications to this Permit as a condition precedent to the granting of such federal funds, Company shall promptly consent in writing to such modifications.

W. **Discrimination Not Permitted.**

(1) Company, for itself, its successors in interest and its assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Assigned Space or the Airport under the provisions of this Permit; (b) that in the construction of any improvements on, over or under the

Assigned Space and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (c) that Company shall use the Assigned Space in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Likewise, Company shall comply with laws of the State of North Carolina prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Company authorize another person, with Authority's prior written consent, to provide services or benefits from the Assigned Space or at the Airport, Company shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this paragraph. Company shall furnish the original or a true copy of such agreement to Authority. Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions, including non-discrimination provisions, concerning the use and operation of the Airport, and Company agrees that it will adopt any such requirement as a part of this Permit.

(2) If Company shall furnish any services to the public at the Airport, it shall furnish said services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Company shall be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers, if any.

(3) In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Permit and to re-enter and repossess said Assigned Space, and hold the same as if this Permit had never been made or issued. The right granted to Authority by the foregoing sentence shall not be effective until applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

(4) Further, Company assures Authority that no person shall be excluded on the grounds of race, creed, color, national origin or sex from participating in or receiving the services or benefits of any program or activity covered by Title 14, Code of Federal Regulations, Part 152, Subpart E, Federal Aviation Administration, Non-discrimination in Airport Aid Program, and that it will be bound by and comply with all other applicable provisions of such Subpart E, as it may be amended. Company also assures Authority that it will require its covered sub-organizations to provide written assurances to the same effect and provide copies thereof to Authority.

(5) Company assures Authority that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted in connection with its operations under this Permit. Company also assures Authority that it will require any contractors and sublessees (to the extent that such sublessees are allowed under other provisions of this Permit) to provide assurances to the same effect and ensure that such assurances are included in subcontracts at all tiers which are entered into in connection with Company's operations under this Permit.

X. **Federal Aviation Administration Requirements.**

(1) Company shall comply with all applicable regulations of the Federal Aviation Administration relating to Airport security and shall control the Assigned Space so as to prevent or deter unauthorized persons from obtaining access to the air operations area of the Airport.

(2) Authority reserves unto itself, and unto its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Assigned Space, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, and for navigation of or flight in the said airspace, and use of said airspace for landing on, taking off from or operating on the Airport.

(3) Company expressly agrees, on behalf of itself and its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Assigned Space in compliance with the requirements of Federal Aviation Regulations, 14 CFR Part 77.

(4) Company agrees to require any lights in the Assigned Space to be constructed, focused or arranged in a manner that will prevent them from casting their beams in an upward direction so as to interfere with the vision of pilots in aircraft landing at or taking off from the Airport.

(5) Company expressly agrees, on behalf of itself and its successors and assigns, to prevent any use of the Assigned Space which would interfere with or adversely affect the operation or maintenance of the Airport, or which would otherwise constitute a hazard or nuisance at the Airport.

(6) Company agrees that it will not exercise or grant any right or privilege which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any service (including, but not limited to maintenance and repair) on its own aircraft with its own employees that it may choose to perform.

(7) The Company agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR, Part 23, Subpart F. The Company also agrees to include the above statements in any subsequent complementary aeronautical activity agreements that it enters into and to cause those businesses to similarly include the statements in further agreements.

Y. **Hazardous Materials.**

(1) **Definitions.** As used herein, the following terms shall have the meanings hereinafter set forth:

i. **"Environmental Laws"** shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.

ii. **"Hazardous Materials"** shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. **"Hazardous Material"** includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, also commonly known as the "Superfund" law, as amended (42 U.S.C. **Sections** 9601 et seq.) (**"CERCLA"**), or pursuant to the General Statutes of North Carolina, or any waste which conforms to the criteria for hazardous material adopted by the Authority; any asbestos and asbestos containing materials; lead based paint; petroleum, including crude oil or any fraction thereof; natural gas or natural gas liquids; and any materials listed as a hazardous substance in the Authority's rules and regulations.

iii. **"Release"** when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or on any property.

(2) **Company's Agreement.** Company agrees that neither it nor its officers, agents, employees, contractors, subcontractors, sublessees, licensees or invitees shall cause any Hazardous Materials to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport; provided that Company may use such substances as are customarily used in aviation so long as such use is in strict compliance with all applicable Environmental Laws and the Authority's rules and regulations.

(3) **Environmental Indemnity.** Company shall indemnify, defend and hold harmless the Authority from and against any and all loss, damage, cost or expense (including attorneys fees) arising during or after the term of this Permit as a result of or arising from (i) a breach by Company of its obligations contained in subparagraph Y(2) above, or (ii) any Release of Hazardous Materials from, in, or about the Airport caused by the act or omission of Company, its officers, agents, employees, contractors, subcontractors, sublessees, licensees or invitees.

(4) **Environmental Audit.** Upon reasonable notice to Company, the Authority may conduct or cause to be conducted through a third party that it selects, an environmental audit or other investigation of Company's operations to determine whether Company has breached its obligations under subparagraph Y(2) above. Company shall pay all costs associated with said investigation if such investigation shall disclose any such breach by Company.

**Z. Miscellaneous.**

(1) the paragraph headings contained in this Permit are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision hereof.

(2) Notwithstanding anything herein contained that may appear to be to the contrary, it is expressly understood and agreed that, except for Company's right to possession of the Assigned Space, the rights granted under this Permit are non-exclusive.

(3) Except as expressly prohibited herein, the provisions of this Permit shall bind and inure to the benefit of the successors and assigns of the parties hereto.

(4) Time is expressed to be of the essence of this Permit.

(5) This Permit shall be governed by and construed in accordance with the laws of the State of North Carolina. It is agreed that if any covenant, condition or provision contained herein is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

(6) No recourse under or upon any obligation, covenant or agreement contained in this Permit, or any other agreement or document pertaining to the operations of Company hereunder, as such may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Permit, shall be had against any member (including, without limitation, members of Authority's Board), officer, employee or agent, as such, past, present and future, of Authority,

either directly or through Authority or otherwise, for any claim arising out of this Permit or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Permit or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefor or otherwise, or any sum that may remain due and unpaid by Authority, is hereby expressly waived and released as a condition of and as consideration for the execution of this Permit.

(7) Company represents and warrants to Authority that, to the best of its knowledge, except as may be disclosed in an Addendum hereto, no member, officer, employee or agent of Authority has any material interest, either directly or indirectly, in the business of Company to be conducted hereunder.

(8) This Permit constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any representation or statements heretofore made with respect to such subject matter, whether oral or written, are merged herein. This Permit may be altered or amended only by written instrument executed by both parties hereto.

(9) As required by North Carolina law, Authority hereby includes the following notifications as part of this Permit:

**RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in North Carolina. Additional information regarding radon and radon testing may be obtained from your county public health unit.

(10) Company hereby consents to the jurisdiction of the courts of the State of North Carolina and of the Federal District Court for the Western District of North Carolina with respect to any action instituted by the Authority and arising against Company under this Permit, and waives any objection which Company may have at any time to the laying of venue of any such action brought in any such court, waives any claim that such action has been brought in an inconvenient forum and further waives the right to object, with respect to such action, that such court does not have any jurisdiction over Company. Company further irrevocably consents to the service of process by certified or registered mail (airmail if overseas) or the equivalent (return receipt requested), or the service of process in any other manner permitted by law, in any action instituted by the Authority and arising against Company under this Permit.

**IN WITNESS WHEREOF**, the parties hereto have caused this Permit to be executed the day and year first above written.

**GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Lew Bleiweis, Executive Director

**WNC AVIATION**

By: \_\_\_\_\_  
Amy Thomas, President & LLC Manager

EXHIBIT "A"





## **MEMORANDUM**

TO: Members of the Airport Authority

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

DATE: May 9, 2014

### **ITEM DESCRIPTION – New Business Item A**

Authorization to Establish Conservation Easements on Airport Property Bordering the French Broad River

### **BACKGROUND**

In 2008, staff worked with the Carolina Mountain Land Conservancy (“CMLC”) to establish conservation easements on airport property along the French Broad River.

The Authority Board was in agreement and authorized Staff to submit a grant application to the Cleanwater Management Trust Fund seeking funds for CMLC to purchase such easements. Although the grant was approved, funds were no longer available due to fiscal constraints in Raleigh.

CMLC is once again seeking to establish these conservation easements along the French Broad River in conjunction with adjacent property owners. Funds have been secured to follow through with the project.

The airport property that is being recommended to be placed in a conservation easement is within the flood plain/flood way of the French Broad River and therefore would have limited development possibilities in the future. The establishment of the conservation easements on airport property would help to tie-together other property along the French Broad River that will help enable the development of a future trail system.

### **ISSUES**

Carolina Mountain Land Conservancy proposes to purchase conservation easements on approximately 8.3 acres of airport property on the French Broad River. Prior to

New Business – Item A



acquisition, the NC State Property Office must approve an appraised value of the proposed easements.

In accordance with FAA regulations, the easements must be purchased for fair market value.

If the Authority Board authorizes Staff to move forward with the conservation easement proposal, Staff will seek approval from both the Asheville City Council to establish such easements on the property since the City of Asheville still retains title to the airport property and the Federal Aviation Administration.

## **ALTERNATIVES**

The Authority Board could elect not to proceed with the proposal.

## **FISCAL IMPACT**

A grant in the amount of \$107,000 has been awarded to the CMLC for the acquisition of conservation easements on Airport property. The NC State Property Office must approve the appraised value of the conservation easement prior to finalization of the transaction.

## **RECOMMENDED ACTION**

It is respectfully requested that the Authority Board resolve to authorize the Executive Director to (1) proceed with establishing conservation easements on certain airport property as outlined above, (2) seek approval from both the City of Asheville and the Federal Aviation Administration for such conservation easements, and (3) execute all necessary documents.

Attachment

# Riparian Conservation:

a proposal by Carolina Mountain Land Conservancy to the  
Greater Asheville Regional Airport Authority

May 9, 2014



# Project Summary

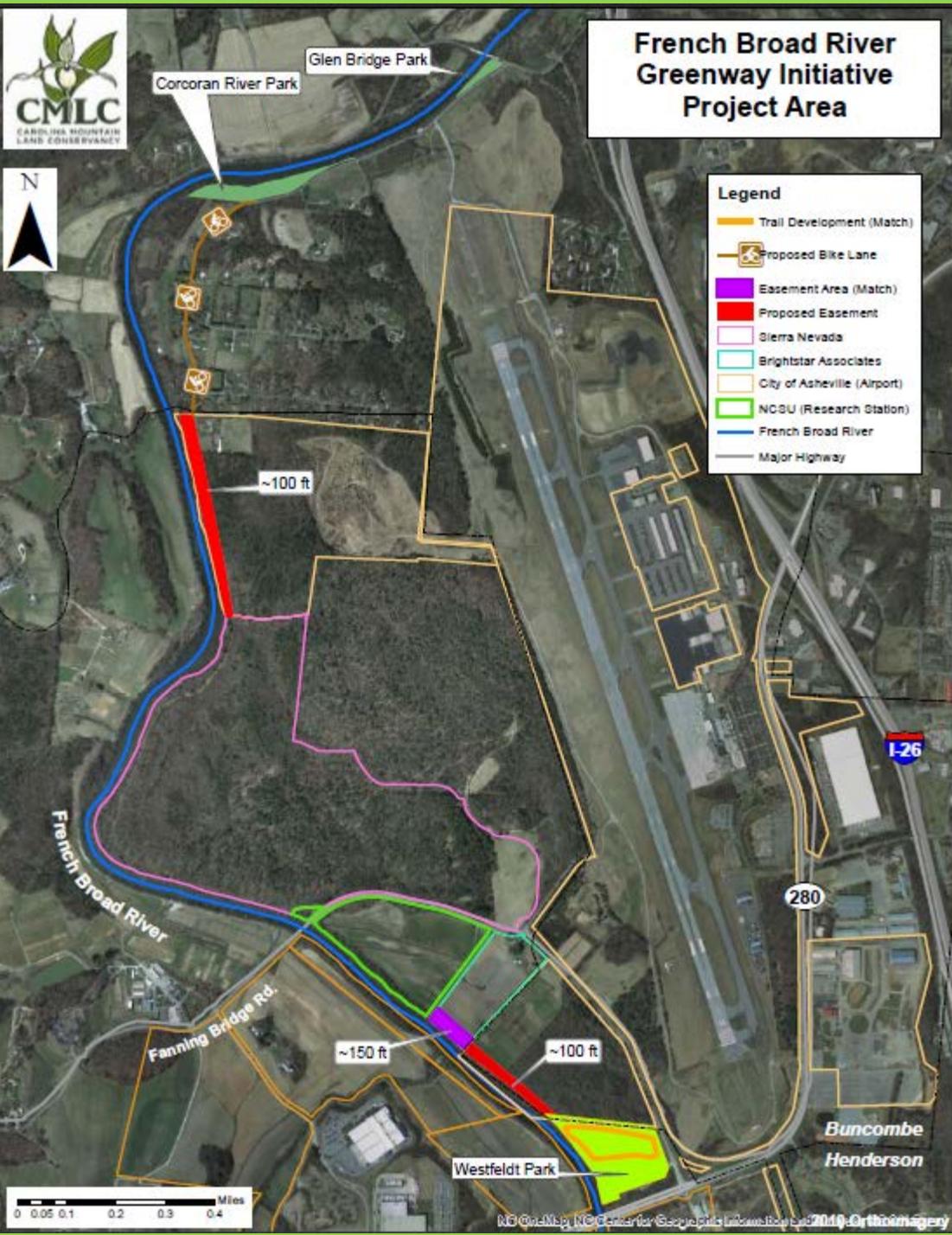
- Carolina Mountain Land Conservancy (CMLC) proposes to purchase a conservation easement on 8.3 acres along the French Broad River controlled by GARAA using funding awarded by the NC Clean Water Management Trust Fund.

# What is a conservation easement?

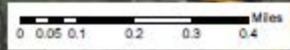
- A conservation easement is a voluntary, legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. The landowner retains legal title to the land encumbered with the conservation easement.



# French Broad River Greenway Initiative Project Area



- Legend**
- Trail Development (Match)
  - Proposed Bike Lane
  - Easement Area (Match)
  - Proposed Easement
  - Sierra Nevada
  - Brightstar Associates
  - City of Asheville (Airport)
  - NCSU (Research Station)
  - French Broad River
  - Major Highway



# What Uses Would GARAA Give Up?

The conservation easement would prohibit:

- --building construction
- --agriculture
- --commercial timber harvest
- --most, but not all, soil-disturbing activities

# What are the benefits of selling a conservation easement?

- --cash payment to GARAA
- --maintenance of water quality in the French Broad River
- --leaving a legacy of permanently conserved land along the river

# What productive uses remain after the conservation easement?

- **MULTI-USE TRAILS**: the conservation easement will allow for the construction of trails and amenities such as benches, foot bridges, etc. Conserved land along the French Broad serves as an important link in the region's Green Infrastructure by supporting wildlife habitat and permitting the movement of migrating wildlife. Ideally, the conserved tract will become a link in an expanding network of greenways. A number of riparian tracts in the vicinity of the project area are in the public domain.
- **CANOE TRAIL ACCESS**: even without public access to all of the intervening privately owned parcels of land on the French Broad, the project area could become a key stopover on a *canoe trail* stretching from Westfeldt Park downstream to Glenn Bridge River Park upstream.
- **UTILITY ROW**: the conservation easement will permit the passage of existing and future utility crossings.

# What is the payout?

Total Grant Award Made by CWMTF: \$107,000

Funding for Easement Acquisition: \$95,000

Funding for Transaction Costs: \$12,000

Important: The NC State Property Office (SPO) must approve an appraised value of the proposed conservation easement. Regardless of the amount awarded for acquisition of the easement in the contract, the most that CWMTF will offer to pay for the easement is the amount approved by SPO.



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: May 9, 2014

### ITEM DESCRIPTION – New Business Item B

Approval for Agreement of Sale and Land Transfer

### BACKGROUND

The Authority owns several parcels of property along State Road 280 (Airport Road) on the east side directly across from the terminal building complex. One parcel in particular, as shown on the attached exhibit, is approximately .717 acres. The State of North Carolina is in the process of acquiring .234 acres of this parcel which is needed for the State's I-26 and Airport Road Interchange Project. The remaining .483 acre parcel has been determined by appraisal not to be an uneconomic remnant. However, the remaining parcel is limited in size for future development, and the possibilities of near term development are improbable.

If developed, current fair market rental value is approximately \$0.35 per square foot or an annual total of approximately \$7,400. This annual value would increase by a minimum of CPI per the terms and conditions of a lease agreement. This rental value would be a direct operating revenue source to the Authority in its effort to maintain financial sustainability.

Mr. Kenneth Youngblood, adjacent property owner to the north of the Authority's parcel, is interested in purchasing the remaining .483 acre parcel from the Authority. Fair market value of the property has been established to be approximately \$420,000 by appraisal. The Authority will need to obtain approval from the Federal Aviation Administration ("FAA") to sell this property and release it from the Authority's Airport Layout Plan. If approved, the proceeds from the sale will be applied to a capital project at the airport, and most likely be the Airfield Redevelopment Project.

New Business – Item B



## **ISSUES**

The Authority is required by the FAA to be as self-sufficient as possible. The rental value of this property will contribute to the operating revenues of the airport in compliance with the FAA regulations. However, the minimal amount of possible lease revenues is outweighed by the present fee simple fair market value, which would be applied to the cost of the Airfield Redevelopment Project.

In addition to the sales price, Mr. Youngblood has agreed to place a deed restriction, on this property and all of his property adjacent to the Authority's property, prohibiting the property from being used as vehicle parking other than what is necessary for the automobile dealership or to support the patrons and employees of the existing businesses. This covenant will ensure the long term viability of the Authority's airport parking revenue source.

## **ALTERNATIVES**

The Board could decide not to sell the property.

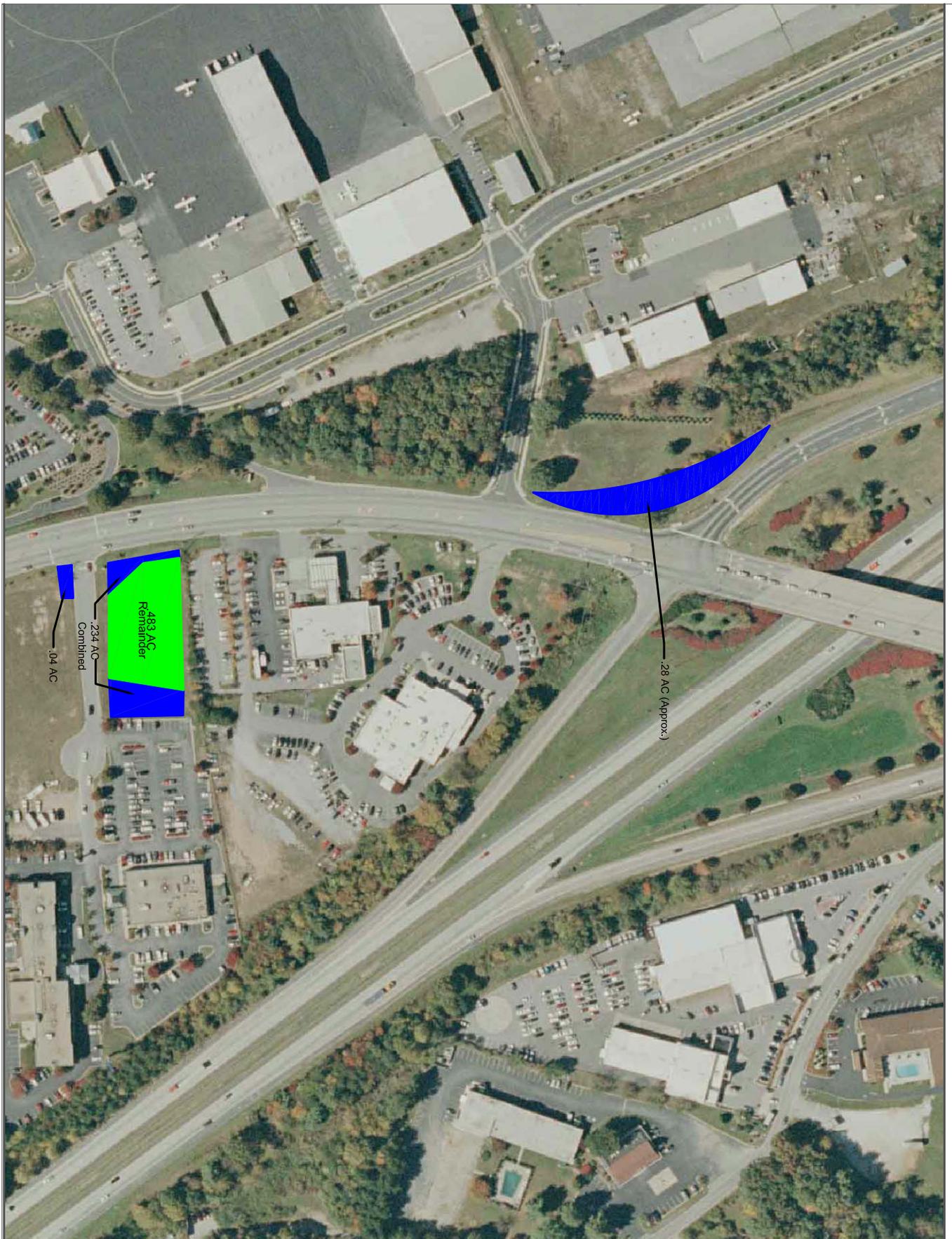
## **FISCAL IMPACT**

The Authority will realize an increase in revenues in the amount of approximately \$420,000 which will be applied to the capital expenditure of the Airfield Redevelopment Project if approved by the FAA.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve a property sales contract with Kenneth Youngblood to sell the referenced property for \$420,000.00 and; (2) seek approval from both the City of Asheville and the Federal Aviation Administration for the release and disposition of the referenced property and; (3) authorize the Executive Director to execute the necessary documents.

Attachment



483 AC  
Remainder

234 AC  
Combined

.04 AC

.28 AC (Approx.)



# Asheville Regional Airport

NCDOT ROW Proposed Acquisition

I-26/NC 280 & Airport Park Blvd.



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## MEMORANDUM

TO: Members of the Airport Authority

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

DATE: May 9, 2014

### ITEM DESCRIPTION – New Business Item C

Approve Contract for Construction of Airfield Re-development Project – Phase I

### BACKGROUND

The Airport Board has previously established a \$64M budget for construction of the Airfield Re-development Project, which will be bid and constructed over four primary phases. The first phase, known as Bid Package 1, includes site preparation, drainage structures, and construction of a retaining wall, all associated with the taxiway/temporary runway component of the overall project. Funding associated with this portion of construction will also be used towards engineering and land acquisition costs.

A pre-advertisement for Bid Package 1 was published on March 17<sup>th</sup>, and again on March 25<sup>th</sup>, 2014, which provided the announcement of the upcoming bidding opportunity. Additionally, several contractors known to be capable of bidding this project were contacted directly. The formal bidding opportunity was publicly advertised on April 7<sup>th</sup>, 2014. A pre-bid meeting was held with all interested parties on April 22<sup>nd</sup>, 2014, and sealed bids were received and opened on May 5<sup>th</sup>, 2014. The bid tabulation shall be completed and distributed at the May 9<sup>th</sup> Board Meeting.

The responsive low bid, by Thalle Construction Company Incorporated, was submitted in the amount of \$8,856,193.00. The engineer's most recent probable cost of construction was \$9,840,880.00. An additional 10 percent allowance for miscellaneous costs and potential overages during construction is recommended for this project, bringing the total estimated cost of construction to \$9,741,812.30.

New Business – Item C



## **ISSUES**

None.

## **ALTERNATIVES**

None.

## **FISCAL IMPACT**

The balance remaining between estimated construction costs and the FY14 budget is \$743,116.50. These funds will be used for existing expenses previously approved by the board and pending land acquisition costs subject to board approval.

Total estimated expenses of \$10,485,000.00 will be funded with \$2,435,654.00 of entitlement funds, \$6,500,000.00 of discretionary funds, \$1,200,000.00 of NCDOT funds (including, as previously reported to the Board, an additional \$600,000.00 in funds advanced to the current fiscal year), and \$349,346.00 of PFC funds.

To date, expenses incurred on the Airfield Re-development Project total \$2,072,942.23, which include engineering related services, and other miscellaneous costs for various permits, reviews, and government fees. With the addition of this amount, the remaining balance of the \$64M budget is \$51,442,057.80.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the Airfield Re-development construction project – Bid Package 1, with Thalle Construction Company Incorporated in the amount of \$9,741,812.30 (\$8,856,193.00 plus 10 percent allowance of \$885,619.30); and (2) authorize the Executive Director to execute the necessary documents.



## MEMORANDUM

TO: Members of the Airport Authority

FROM: Suzie Baker, Director of Administration

DATE: May 9, 2014

### ITEM DESCRIPTION – New Business Item D

Approval of Insurance Renewals

### BACKGROUND

#### Health Insurances

CIGNA has provided the Authority's employees with medical insurance coverage for the past three years. This coverage is through a level funding plan, which has proven to be a good plan design for the Authority, while incorporating a good level of benefits for the employees. Staying with CIGNA for another year keeps consistency for employees, as well as for the Authority. CIGNA quoted a 5.0% increase in rates. Our broker has shopped other providers, and has advised that those quotes either came in at a higher percentage and/or lower benefits. With FY2014/2015's employee and retiree headcounts, total premiums will approximate \$820,463. Offset by employee contributions of \$70,035, the Authority's net cost for medical insurance will be approximately \$750,428.

Dental insurance has been provided by Ameritas Group this past year. After shopping several dental providers, our broker recommended staying with Ameritas due to level of benefits and cost. Ameritas quoted a 2.5% increase in rates. This increase included the necessary taxes and fees that are required to be paid under the Health Care Reform Act. These taxes and fees amount to roughly 2.5%, so we are essentially receiving a flat renewal. With FY2014/2015's employee headcount, total premiums will approximate \$45,480. Offset by employee contributions of \$4,818, the Authority's net cost for dental insurance will be approximately \$40,662.

Mutual of Omaha will provide benefits for life insurance and accidental death & dismemberment. Our brokers shopped several difference vendors, including our current

New Business – Item D



provider, Principal. Mutual of Omaha came in with a lower quote with similar benefits. With FY2014/2015's employee headcount, total premiums will approximate \$10,584.

Lincoln Financial Group has provided coverage for short-term and long-term disability for the past three years, and the Authority will renew with Lincoln for FY2014/2015. Lincoln provided four year rates. This is the last year of the locked-in rates. With FY2014/2015's employee headcount, total premiums will approximate \$16,700.

### **Business Insurances**

Our brokers shopped our business insurances, and the best quotes were with our current carriers. Aviation Risk Consulting will place our property, general liability, auto, and crime insurance coverages for an estimated cost of \$107,300. Aviation Risk Consulting will also place our worker's compensation insurance through Companion at an estimated premium of \$70,000. BB&T will place our public officials, law enforcement and employment practices liability for an estimated cost of \$35,593. Our total estimated FY2014/2015 business insurance cost is \$212,893.

### **ISSUES**

Because time is of the essence for the renewal process, the Director needs to execute the necessary renewal documents to prepare for open enrollment for health insurances for Authority employees.

### **ALTERNATIVES**

Brokers presented other alternatives that ended up being more expensive or had lower coverage. The Board could decide to reduce employees' benefit coverages to lower health insurance expenses.

### **FISCAL IMPACT**

The costs for the health and business insurance coverages outlined above were provided for in the Authority's FY2014/2015 budget. Spreadsheets comparing the quoted actual costs to the FY2014/2015 budget amounts and to the prior year's actual costs are provided.



## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the renewal of Authority's insurance coverages as outlined above, and (2) authorize the Executive Director to execute the necessary documents.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**Health Insurance Expense**

**Health Insurance**

	FY2014		FY2015		FY2015 Actual vs Budget Over/(Under)		FY2015 vs FY2014 Actuals Over/(Under)	
	FY2014 Budget	FY2014 Actual	FY2015 Budget	FY2015 Actual	Amount	%	Amount	%
Medical	\$ 685,548	\$ 643,014	\$ 798,868	<b>\$ 714,252</b>	\$ (84,616)	(10.6%)	\$ 71,238	11.1%
Retiree Medical	31,008	31,582	40,655	<b>36,176</b>	(4,479)	(11.0%)	4,594	14.5%
Dental	41,374	39,052	43,845	<b>40,662</b>	(3,183)	(7.3%)	1,610	4.1%
Life & AD&D	10,794	10,348	11,145	<b>10,584</b>	(561)	(5.0%)	236	2.3%
Disability	20,105	18,854	20,349	<b>16,700</b>	(3,649)	(17.9%)	(2,154)	(11.4%)
<b>Total</b>	<b>\$ 788,829</b>	<b>\$ 742,850</b>	<b>\$ 914,862</b>	<b>\$ 818,374</b>	<b>\$ (96,488)</b>	<b>(10.5%)</b>	<b>\$ 75,524</b>	<b>10.2%</b>

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**Business Insurance Expense**

	FY2014		FY2015		FY2015 Actual vs Budget Over/(Under)		FY2015 vs FY2014 Actuals Over/(Under)	
	FY2014 Budget	FY2014 Actual	FY2015 Budget	FY2015 Actual	Amount	%	Amount	%
	<b>Insurance</b>							
Property & Casualty	\$ 49,000	\$ 44,010	\$ 51,200	\$ 51,642	\$ 442	0.9%	\$ 7,632	17.3%
General Liability	35,000	33,116	36,400	34,428	(1,972)	(5.4%)	1,312	4.0%
Auto Liability	22,500	19,362	22,800	20,083	(2,717)	(11.9%)	721	3.7%
Other Insurance	38,000	34,185	40,300	36,740	(3,560)	(8.8%)	2,555	7.5%
Worker's Compensation	85,000	60,836	75,000	70,000	(5,000)	(6.7%)	9,164	15.1%
<b>Total Insurance</b>	<b>\$ 229,500</b>	<b>\$ 191,509</b>	<b>\$ 225,700</b>	<b>\$ 212,893</b>	<b>\$ (12,807)</b>	<b>(5.7%)</b>	<b>\$ 21,384</b>	<b>11.2%</b>



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## MEMORANDUM

TO: Members of the Airport Authority

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

DATE: May 9, 2014

### **ITEM DESCRIPTION – Information Section Item A**

March, 2014 Traffic Report – Asheville Regional Airport

### **SUMMARY**

March 2014 overall passenger traffic numbers were up 13.3% compared to the same period last year. Passenger traffic numbers reflect a 14.0% increase in passenger enplanements from March 2013. Enplanements for Fiscal Year to Date total 266,032 which is a 14.8% increase over the same period last year.

### **AIRLINE PERFORMANCE**

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in March 2014 were up by 72.8%. There were no flight cancellations for the month.

Delta Airlines: Delta's March 2014 enplanements increased by 1.2% compared to March 2013. There was one (1) flight cancellation for the month.

United Airlines: In March 2014, United Airlines saw a decrease in enplanements by 2.6% over the same period last year. There were no flight cancellations for the month.

US Airways: US Airways' March 2014 passenger enplanements represent an 11.0% increase over the same period last year. There were seven (7) flight cancellations for the month.

# Monthly Traffic Report

## Asheville Regional Airport

### March 2014



Category	Mar 2014	Mar 2013	Percentage Change	*CYTD-2014	*CYTD-2013	Percentage Change	*MOV12-2014	*MOV12-2013	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	27,395	24,028	14.0%	68,637	60,547	13.4%	347,089	308,964	12.3%
Deplaned	<u>27,187</u>	<u>24,137</u>	12.6%	<u>67,992</u>	<u>59,828</u>	13.6%	<u>347,188</u>	<u>308,317</u>	12.6%
<b>Total</b>	<b>54,582</b>	<b>48,165</b>	<b>13.3%</b>	<b>136,629</b>	<b>120,375</b>	<b>13.5%</b>	<b>694,277</b>	<b>617,281</b>	<b>12.5%</b>
<b>Aircraft Operations</b>									
Airlines	395	402	-1.7%	974	1,124	-13.3%	4,981	4,107	21.3%
Commuter /Air Taxi	<u>818</u>	<u>940</u>	-13.0%	2,158	2,419	-10.8%	11,727	13,277	-11.7%
<b>Subtotal</b>	<u>1,213</u>	<u>1,342</u>	-9.6%	<u>3,132</u>	<u>3,543</u>	-11.6%	<u>16,708</u>	<u>17,384</u>	-3.9%
General Aviation	3,770	2,641	42.7%	9,534	7,165	33.1%	43,602	38,668	12.8%
Military	<u>597</u>	<u>304</u>	96.4%	<u>1,479</u>	<u>914</u>	61.8%	<u>5,164</u>	<u>4,259</u>	21.2%
<b>Subtotal</b>	<u>4,367</u>	<u>2,945</u>	48.3%	<u>11,013</u>	<u>8,079</u>	36.3%	<u>48,766</u>	<u>42,927</u>	13.6%
<b>Total</b>	<b>5,580</b>	<b>4,287</b>	<b>30.2%</b>	<b>14,145</b>	<b>11,622</b>	<b>21.7%</b>	<b>65,474</b>	<b>60,311</b>	<b>8.6%</b>
<b>Fuel Gallons</b>									
100LL	8,618	8,219	4.9%	30,139	24,853	21.3%	160,539	155,922	3.0%
Jet A (GA)	89,990	75,369	19.4%	209,987	196,299	7.0%	1,132,794	1,105,960	2.4%
<b>Subtotal</b>	<u>98,608</u>	<u>83,588</u>	18.0%	<u>240,126</u>	<u>221,152</u>	8.6%	<u>1,293,333</u>	<u>1,261,882</u>	2.5%
Jet A (A/L)	<u>172,520</u>	<u>172,949</u>	-0.2%	<u>450,680</u>	<u>448,500</u>	0.5%	<u>2,425,415</u>	<u>2,166,397</u>	12.0%
<b>Total</b>	<b>271,128</b>	<b>256,537</b>	<b>5.7%</b>	<b>690,806</b>	<b>669,652</b>	<b>3.2%</b>	<b>3,718,748</b>	<b>3,428,279</b>	<b>8.5%</b>

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

Monday, April 21, 2014

# Airline Enplanements, Seats, and Load Factors

## Asheville Regional Airport

March 2014



	Mar 2014	Mar 2013	Percentage Change	*CYTD-2014	*CYTD-2013	Percentage Change
<b>Allegiant Air</b>						
Enplanements	5,896	3,412	72.8%	14,505	8,124	78.5%
Seats	6,651	3,824	73.9%	17,297	9,078	90.5%
Load Factor	88.6%	89.2%	-0.6%	83.9%	89.5%	-6.3%
<b>Delta Air Lines</b>						
Enplanements	11,029	10,895	1.2%	26,693	25,455	4.9%
Seats	13,402	16,230	-17.4%	36,015	42,096	-14.4%
Load Factor	82.3%	67.1%	22.6%	74.1%	60.5%	22.6%
<b>United Airlines</b>						
Enplanements	2,276	2,336	-2.6%	4,634	5,731	-19.1%
Seats	2,800	3,050	-8.2%	6,000	8,650	-30.6%
Load Factor	81.3%	76.6%	6.1%	77.2%	66.3%	16.6%
<b>US Airways</b>						
Enplanements	8,194	7,385	11.0%	22,805	21,237	7.4%
Seats	11,563	13,689	-15.5%	33,423	38,880	-14.0%
Load Factor	70.9%	53.9%	31.4%	68.2%	54.6%	24.9%
<b>Totals</b>						
Enplanements	27,395	24,028	14.0%	68,637	60,547	13.4%
Seats	34,416	36,793	-6.5%	92,735	98,704	-6.0%
Load Factor	79.6%	65.3%	21.9%	74.0%	61.3%	20.7%

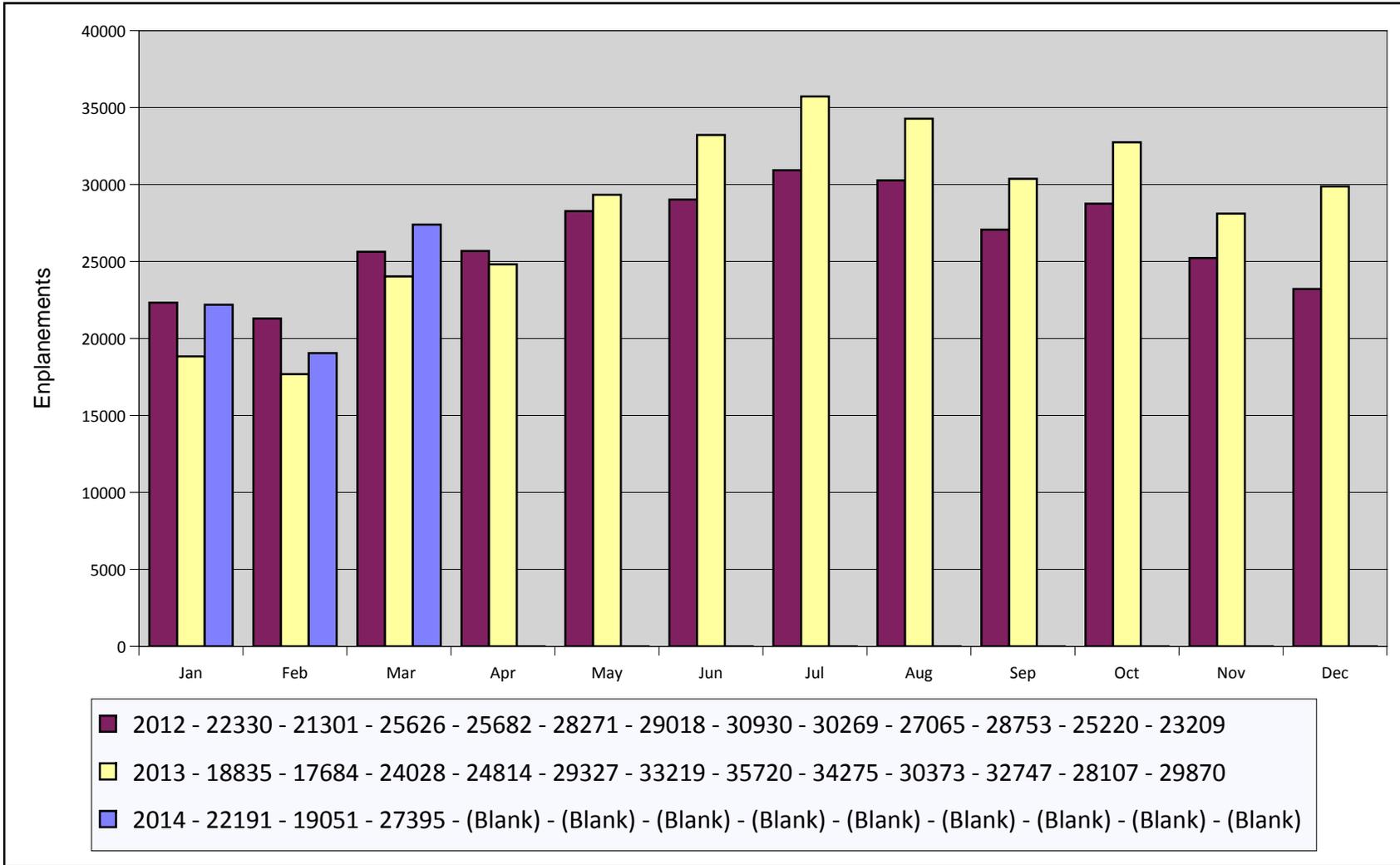
# Airline Flight Completions Asheville Regional Airport

March 2014

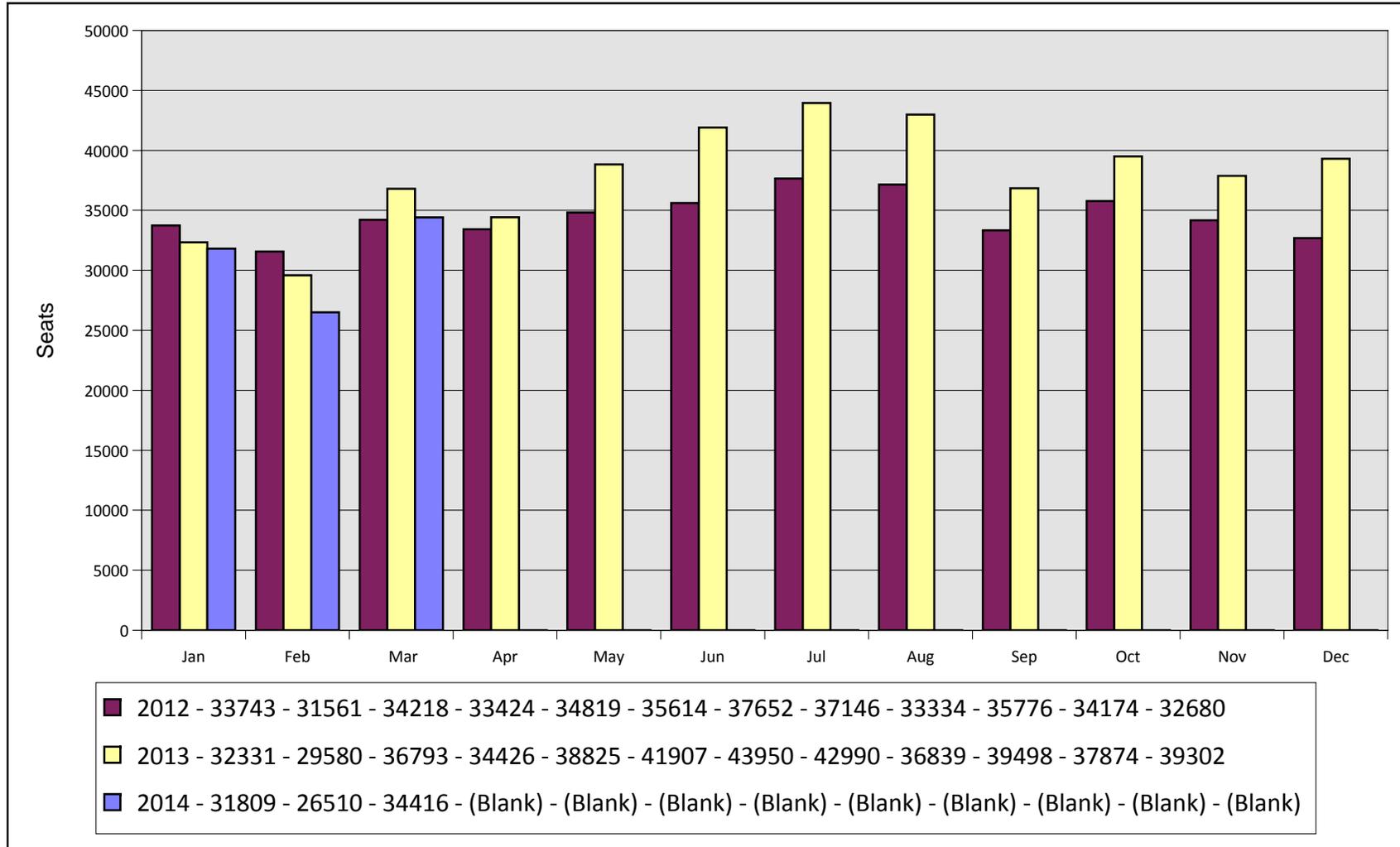


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	40	0	0	0	0	0	100.0%
Delta Air Lines	200	0	0	1	0	1	99.5%
United Airlines	56	0	0	0	0	0	100.0%
US Airways	203	0	7	0	0	7	96.6%
<b>Total</b>	<b>499</b>	<b>0</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>8</b>	<b>98.4%</b>

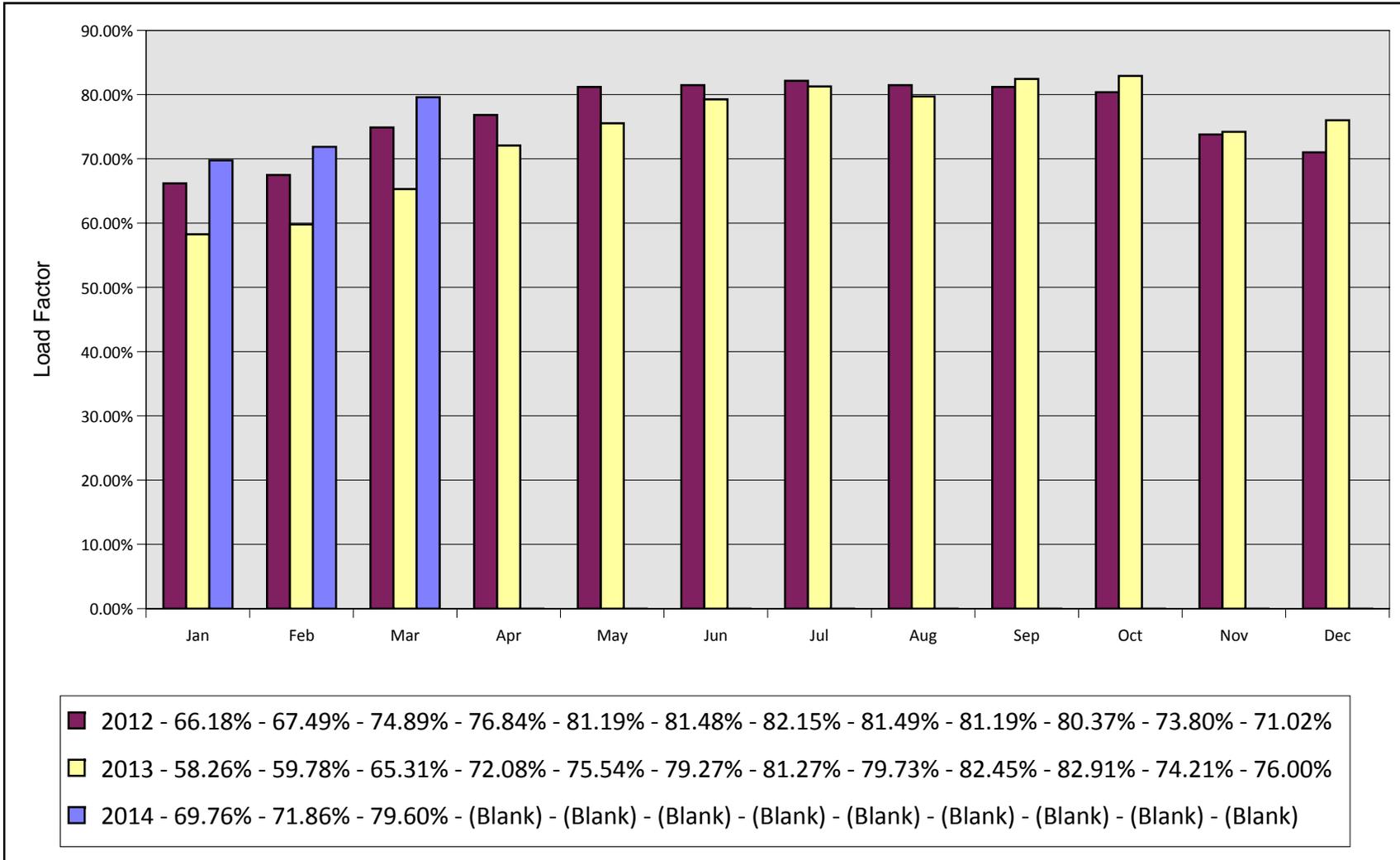
# Monthly Enplanements By Year Asheville Regional Airport



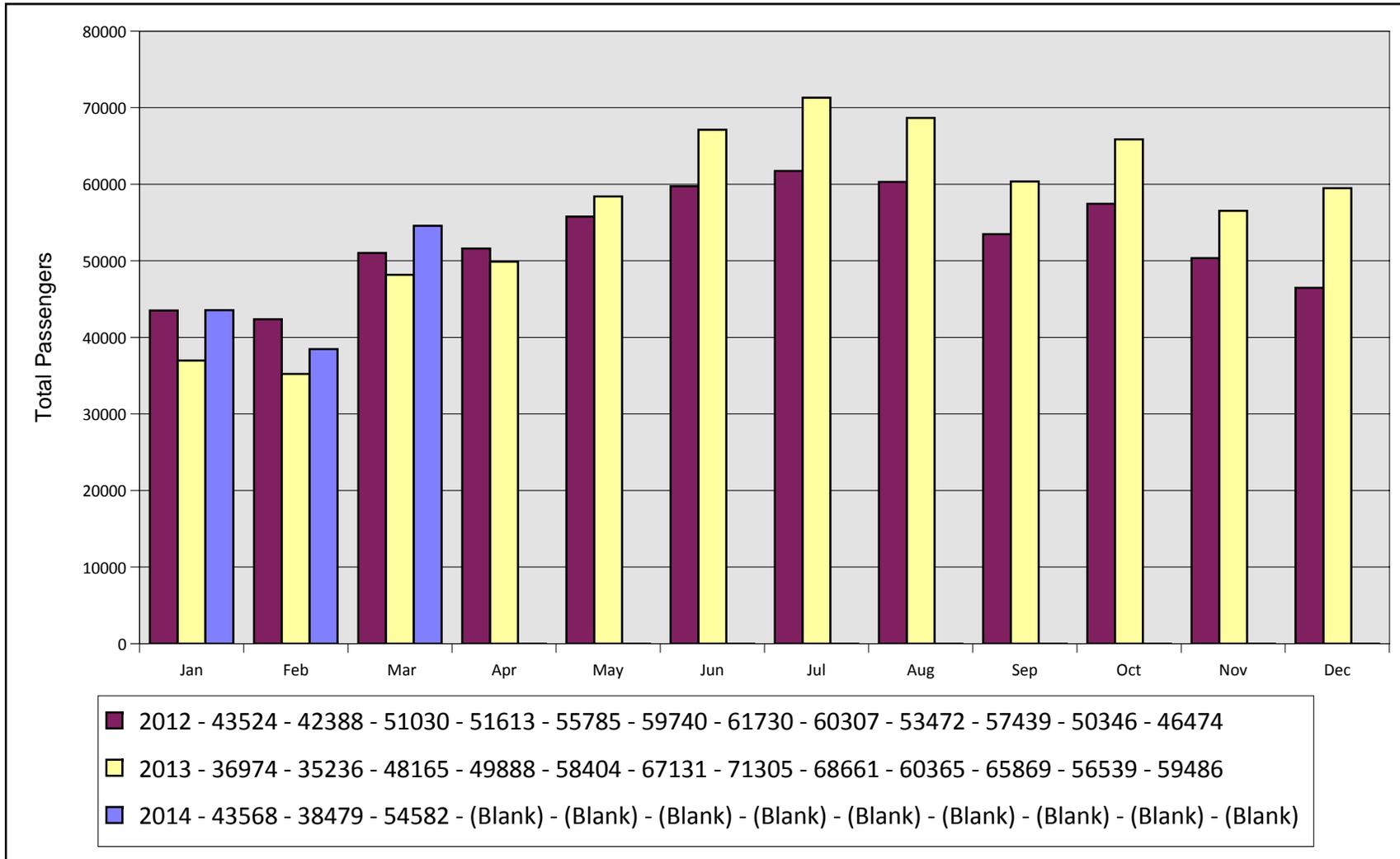
# Monthly Seats By Year Asheville Regional Airport



# Monthly Load Factors By Year Asheville Regional Airport

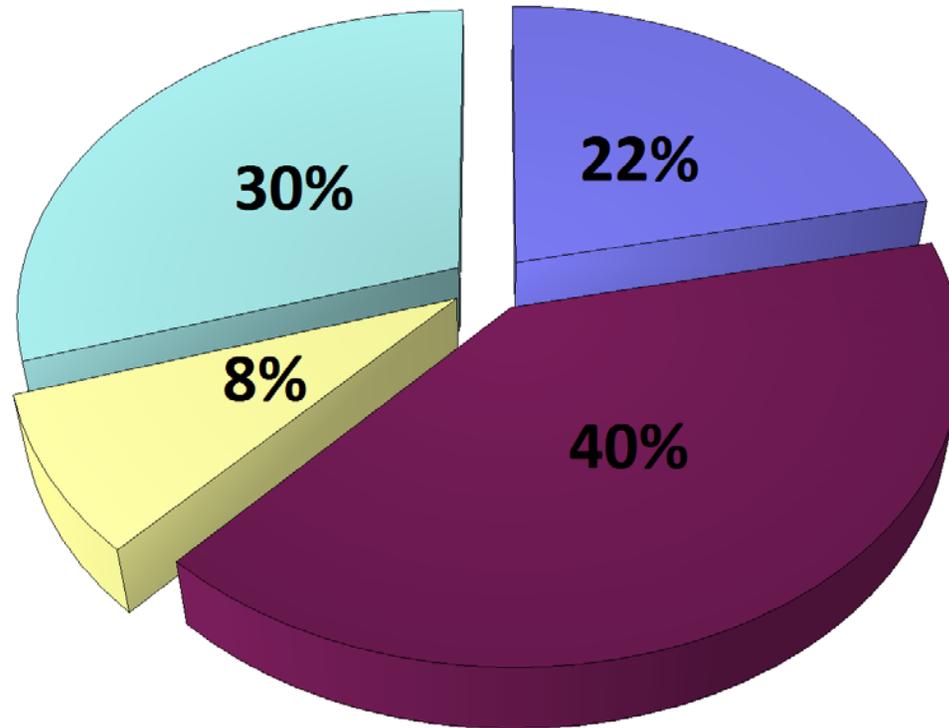


# Total Monthly Passengers By Year Asheville Regional Airport

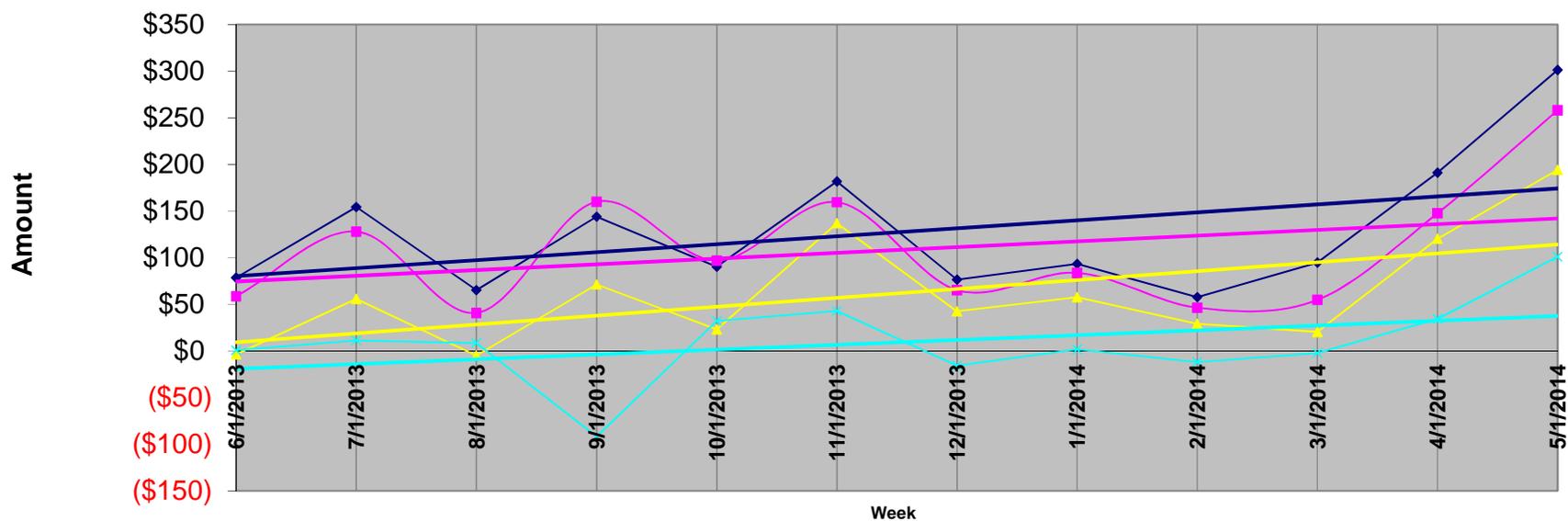


# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From March 2014 Through March 2014



## 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 5/1/14**  
**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	\$928	\$364	\$479	\$577	\$853	\$564	\$449	\$351	\$75	
ATL	Atlanta	\$370		\$326	\$365	\$399	\$370	\$44	\$5	(\$29)	
AUS	Austin	\$570	\$288	\$383	\$438	\$535	\$282	\$187	\$132	\$35	
BWI	Baltimore	\$590	\$293	\$206	\$448	\$555	\$297	\$384	\$142	\$35	
BOS	Boston	\$601	\$313	\$207	\$352	\$483	\$288	\$394	\$249	\$118	
ORD	Chicago	\$546	\$296	\$286	\$247	\$433	\$250	\$260	\$299	\$113	
CVG	Cincinnati	\$604	\$301	\$339	\$501	\$505	\$303	\$265	\$103	\$99	
CLE	Cleveland	\$612	\$305	\$377	\$371	\$440	\$307	\$235	\$241	\$172	
DFW	Dallas	\$712	\$247	\$352	\$389	\$492	\$465	\$360	\$323	\$220	
DEN	Denver	\$656	\$340	\$490	\$478	\$515	\$316	\$166	\$178	\$141	
DTW	Detroit	\$489	\$328	\$397	\$383	\$443	\$161	\$92	\$106	\$46	
FLL	Fort Lauderdale	\$466	\$216	\$246	\$273	\$376	\$250	\$220	\$193	\$90	
RSW	Ft. Myers	\$470	\$216	\$298	\$277	\$372	\$254	\$172	\$193	\$98	
BDL	Hartford	\$800	\$310	\$274	\$393	\$558	\$490	\$526	\$407	\$242	
IAH	Houston	\$601	\$252	\$327	\$416	\$541	\$349	\$274	\$185	\$60	
IND	Indianapolis	\$558	\$238	\$283	\$277	\$469	\$320	\$275	\$281	\$89	
JAX	Jacksonville	\$464	\$154	\$274	\$250	\$353	\$310	\$190	\$214	\$111	
MCI	Kansas City	\$690	\$276	\$383	\$452	\$588	\$414	\$307	\$238	\$102	
LAS	Las Vegas	\$660	\$405	\$470	\$597	\$577	\$255	\$190	\$63	\$83	
LAX	Los Angeles	\$807	\$356	\$490	\$638	\$710	\$451	\$317	\$169	\$97	
MHT	Manchester	\$734	\$413	\$298	\$373	\$487	\$321	\$436	\$361	\$247	
MEM	Memphis	\$839	\$339	\$373	\$598	\$594	\$500	\$466	\$241	\$245	
MIA	Miami	\$355	\$208	\$344	\$438	\$312	\$147	\$11	(\$83)	\$43	
MKE	Milwaukee	\$633	\$274	\$314	\$422	\$549	\$359	\$319	\$211	\$84	
MSP	Minneapolis/Saint Pat	\$766	\$377	\$470	\$560	\$563	\$389	\$296	\$206	\$203	
BNA	Nashville	\$427	\$339	\$273	\$352	\$424	\$88	\$154	\$75	\$3	
MSY	New Orleans	\$545	\$214	\$282	\$279	\$390	\$331	\$263	\$266	\$155	

LGA	New York	\$566	\$353	\$250	\$367	\$463	\$213	\$316	\$199	\$103
EWR	Newark	\$592	\$314	\$350	\$409	\$463	\$278	\$242	\$183	\$129
MCO	Orlando	\$458	\$216	\$242	\$239	\$364	\$242	\$216	\$219	\$94
PHL	Philadelphia	\$461	\$278	\$316	\$431	\$404	\$183	\$145	\$30	\$57
PHX	Phoenix	\$721	\$376	\$500	\$554	\$493	\$345	\$221	\$167	\$228
PIT	Pittsburgh	\$551	\$236	\$266	\$302	\$410	\$315	\$285	\$249	\$141
PDX	Portland	\$711	\$441	\$527	\$666	\$718	\$270	\$184	\$45	(\$7)
PVD	Providence	\$794	\$413	\$278	\$315	\$463	\$381	\$516	\$479	\$331
RDU	Raleigh/Durham	\$414	\$194	\$278	\$355	\$417	\$220	\$136	\$59	(\$3)
RIC	Richmond	\$458	\$236	\$274	\$354	\$424	\$222	\$184	\$104	\$34
STL	Saint Louis	\$618	\$299	\$338	\$415	\$451	\$319	\$280	\$203	\$167
SLC	Salt Lake City	\$791	\$422	\$673	\$687	\$610	\$369	\$118	\$104	\$181
SAT	San Antonio	\$634	\$340	\$380	\$375	\$543	\$294	\$254	\$259	\$91
SAN	San Diego	\$696	\$367	\$476	\$586	\$670	\$329	\$220	\$110	\$26
SFO	San Francisco	\$738	\$430	\$490	\$587	\$674	\$308	\$248	\$151	\$64
SRQ	Sarasota/Bradenton	\$465	\$262	\$274	\$297	\$453	\$203	\$191	\$168	\$12
SEA	Seattle	\$734	\$450	\$560	\$658	\$775	\$284	\$174	\$76	(\$41)
SYR	Syracuse	\$620	\$427	\$336	\$399	\$538	\$193	\$284	\$221	\$82
TPA	Tampa	\$350	\$216	\$294	\$277	\$448	\$134	\$56	\$73	(\$98)
YYZ	Toronto	\$903	\$515	\$518	\$533	\$720	\$388	\$385	\$370	\$183
DCA	Washington DC	\$588	\$358	\$214	\$243	\$501	\$230	\$374	\$345	\$87
IAD	Washington DC	\$615	\$358	\$214	\$232	\$501	\$257	\$401	\$383	\$114
PBI	West Palm Beach	\$470	\$216	\$246	\$305	\$369	\$254	\$224	\$165	\$101

\*These sample airfares were available 5/1/14, 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 specific airline or airline booking websites. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "Low Fares" section on our web site for any last minute airfare specials.

\$301      \$258      \$194      \$101

**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 5/1/14**  
**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	\$1,333	\$873	\$1,143	\$912	\$1,451	\$460	\$190	\$421	(\$118)	
ATL	Atlanta	\$365		\$792	\$407	\$401	\$365	(\$427)	(\$42)	(\$36)	
AUS	Austin	\$830	\$646	\$705	\$844	\$830	\$184	\$125	(\$14)	\$0	
BWI	Baltimore	\$1,429	\$1,362	\$1,032		\$1,093	\$67	\$397	\$1,429	\$336	
BOS	Boston	\$650	\$565	\$358	\$693	\$646	\$85	\$292	(\$43)	\$4	
ORD	Chicago	\$388	\$638	\$517	\$394	\$759	(\$250)	(\$129)	(\$6)	(\$371)	
CVG	Cincinnati	\$444	\$539	\$618	\$719	\$575	(\$95)	(\$174)	(\$275)	(\$131)	
CLE	Cleveland	\$653	\$556	\$828	\$522	\$932	\$97	(\$175)	\$131	(\$279)	
DFW	Dallas	\$644	\$885	\$1,073	\$414	\$1,028	(\$241)	(\$429)	\$230	(\$384)	
DEN	Denver	\$1,209	\$346	\$775	\$886	\$996	\$863	\$434	\$323	\$213	
DTW	Detroit	\$427	\$547	\$611	\$442	\$544	(\$120)	(\$184)	(\$15)	(\$117)	
FLL	Fort Lauderdale	\$620	\$367	\$440	\$688	\$646	\$253	\$180	(\$68)	(\$26)	
RSW	Ft. Myers	\$795	\$367	\$573	\$628	\$616	\$428	\$222	\$167	\$179	
BDL	Hartford	\$966	\$594	\$437	\$807	\$1,195	\$372	\$529	\$159	(\$229)	
IAH	Houston	\$1,094	\$479	\$913	\$534	\$949	\$615	\$181	\$560	\$145	
IND	Indianapolis	\$869	\$313	\$370	\$518	\$865	\$556	\$499	\$351	\$4	
JAX	Jacksonville	\$558	\$319	\$382	\$576	\$970	\$239	\$176	(\$18)	(\$412)	
MCI	Kansas City	\$650	\$520	\$390	\$752	\$893	\$130	\$260	(\$102)	(\$243)	
LAS	Las Vegas	\$814	\$556	\$647	\$882	\$810	\$258	\$167	(\$68)	\$4	
LAX	Los Angeles	\$1,258	\$507	\$756	\$968	\$1,046	\$751	\$502	\$290	\$212	
MHT	Manchester	\$845	\$539	\$447	\$656	\$663	\$306	\$398	\$189	\$182	
MEM	Memphis	\$979	\$835	\$926	\$1,224	\$1,235	\$144	\$53	(\$245)	(\$256)	
MIA	Miami	\$644	\$710	\$772	\$787	\$758	(\$66)	(\$128)	(\$143)	(\$114)	
MKE	Milwaukee	\$776	\$725	\$390	\$1,244	\$885	\$51	\$386	(\$468)	(\$109)	
MSP	Minneapolis/Saint Paul	\$922	\$515	\$1,009	\$799	\$881	\$407	(\$87)	\$123	\$41	
BNA	Nashville	\$469	\$395	\$532	\$370	\$469	\$74	(\$63)	\$99	\$0	
MSY	New Orleans	\$620	\$429	\$439	\$672	\$616	\$191	\$181	(\$52)	\$4	

LGA	New York	\$956	\$813	\$712	\$645	\$944	\$143	\$244	\$311	\$12
EWR	Newark	\$1,013	\$713	\$844	\$707	\$993	\$300	\$169	\$306	\$20
MCO	Orlando	\$558	\$325	\$352	\$415	\$616	\$233	\$206	\$143	(\$58)
PHL	Philadelphia	\$886	\$1,017	\$741	\$1,210	\$906	(\$131)	\$145	(\$324)	(\$20)
PHX	Phoenix	\$814	\$532	\$661	\$842	\$806	\$282	\$153	(\$28)	\$8
PIT	Pittsburgh	\$1,389	\$1,034	\$1,164	\$960	\$1,080	\$355	\$225	\$429	\$309
PDX	Portland	\$851	\$598	\$516	\$874	\$838	\$253	\$335	(\$23)	\$13
PVD	Providence	\$667	\$539	\$478	\$674	\$791	\$128	\$189	(\$7)	(\$124)
RDU	Raleigh/Durham	\$471	\$443	\$525	\$608	\$943	\$28	(\$54)	(\$137)	(\$472)
RIC	Richmond	\$947	\$658	\$576	\$1,153	\$854	\$289	\$371	(\$206)	\$93
STL	Saint Louis	\$1,014	\$729	\$771	\$614	\$796	\$285	\$243	\$400	\$218
SLC	Salt Lake City	\$1,088	\$495	\$904	\$882	\$1,288	\$593	\$184	\$206	(\$200)
SAT	San Antonio	\$1,035	\$542	\$674	\$853	\$855	\$493	\$361	\$182	\$180
SAN	San Diego	\$831	\$472	\$691	\$964	\$827	\$359	\$140	(\$133)	\$4
SFO	San Francisco	\$1,216	\$655	\$654	\$982	\$847	\$561	\$562	\$234	\$369
SRQ	Sarasota/Bradenton	\$700	\$351	\$404	\$649	\$676	\$349	\$296	\$51	\$24
SEA	Seattle	\$834	\$689	\$791	\$982	\$847	\$145	\$43	(\$148)	(\$13)
SYR	Syracuse	\$637	\$629	\$600	\$810	\$940	\$8	\$37	(\$173)	(\$303)
TPA	Tampa	\$680	\$325	\$404	\$588	\$616	\$355	\$276	\$92	\$64
YYZ	Toronto	\$1,419	\$1,561	\$1,176		\$1,119	(\$142)	\$243	\$1,419	\$300
DCA	Washington DC	\$1,193	\$909	\$929		\$984	\$284	\$264	\$1,193	\$209
IAD	Washington DC	\$1,447	\$1,085	\$932	\$736	\$926	\$362	\$515	\$711	\$521
PBI	West Palm Beach	\$637	\$367	\$490	\$628	\$616	\$270	\$147	\$9	\$21

\*These sample airfares were available 5/1/14, 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 specific airline or airline booking websites. Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "Low Fares" section on our web site for any last minute airfare specials.

\$239      \$173      \$148      (\$7)

**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 nonstop Passenger (All) flights from AVL for travel May 2014 vs. May 2013

Mktg AI	Travel Period			May 2014		May 2013		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	47	3,238	52	3,090	(5)	148	(9.6%)	4.8%
DL	AVL	ATL	164	47	3,253	52	3,090	(5)	163	(9.6%)	5.3%
DL	AVL	DTW	470	6	300	7	350	(1)	(50)	(14.3%)	(14.3%)
DL	AVL	LGA	599	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
DL	DTW	AVL	470	6	300	7	350	(1)	(50)	(14.3%)	(14.3%)
DL	LGA	AVL	599	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
G4	AVL	FLL	660	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PGD	588	2	332	0	0	2	332		
G4	AVL	PIE	518	4	708	0	0	4	708		
G4	AVL	SFB	465	2	332	2	332	0	0	0.0%	0.0%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PGD	AVL	588	2	332	0	0	2	332		
G4	PIE	AVL	518	4	708	0	0	4	708		
G4	SFB	AVL	465	2	332	2	332	0	0	0.0%	0.0%
UA	AVL	EWR	583	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	AVL	ORD	536	14	700	14	700	0	0	0.0%	0.0%
UA	EWR	AVL	583	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	ORD	AVL	536	14	700	14	700	0	0	0.0%	0.0%
US	AVL	CLT	92	53	2,991	63	3,477	(10)	(486)	(15.9%)	(14.0%)
US	CLT	AVL	92	53	2,991	63	3,477	(10)	(486)	(15.9%)	(14.0%)
TOTAL				260	17,881	308	17,962	(48)	(81)	(15.6%)	(0.5%)

Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel June 2014 vs. June 2013

Mktg AI	Travel Period			Jun 2014		Jun 2013		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	45	3,119	60	3,490	(15)	(371)	(25.0%)	(10.6%)
DL	AVL	ATL	164	45	3,119	60	3,490	(15)	(371)	(25.0%)	(10.6%)
DL	AVL	DTW	470	7	350	14	700	(7)	(350)	(50.0%)	(50.0%)
DL	AVL	LGA	599	7	350	7	350	0	0	0.0%	0.0%
DL	DTW	AVL	470	7	350	14	700	(7)	(350)	(50.0%)	(50.0%)
DL	LGA	AVL	599	7	350	7	350	0	0	0.0%	0.0%
G4	AVL	FLL	660	2	332	3	498	(1)	(166)	(33.3%)	(33.3%)
G4	AVL	PBI	620	2	354	0	0	2	354		
G4	AVL	PGD	588	2	332	0	0	2	332		
G4	AVL	PIE	518	4	708	2	332	2	376	100.0%	113.3%
G4	AVL	SFB	465	3	531	3	498	0	33	0.0%	6.6%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PBI	AVL	620	2	354	0	0	2	354		
G4	PGD	AVL	588	2	332	0	0	2	332		
G4	PIE	AVL	518	4	708	2	332	2	376	100.0%	113.3%
G4	SFB	AVL	465	3	531	3	498	0	33	0.0%	6.6%
UA	AVL	EWR	583	7	350	9	450	(2)	(100)	(22.2%)	(22.2%)
UA	AVL	ORD	536	16	800	16	800	0	0	0.0%	0.0%
UA	EWR	AVL	583	7	350	9	450	(2)	(100)	(22.2%)	(22.2%)
UA	ORD	AVL	536	16	800	16	800	0	0	0.0%	0.0%
US	AVL	CLT	92	49	2,803	63	3,477	(14)	(674)	(22.2%)	(19.4%)
US	CLT	AVL	92	49	2,803	63	3,477	(14)	(674)	(22.2%)	(19.4%)
TOTAL				288	20,058	353	21,024	(65)	(966)	(18.4%)	(4.6%)

Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel July 2014 vs. July 2013

Mktg AI	Travel Period			Jul 2014		Jul 2013		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	53	3,499	59	3,440	(6)	59	(10.2%)	1.7%
DL	AVL	ATL	164	53	3,499	59	3,440	(6)	59	(10.2%)	1.7%
DL	AVL	DTW	470	7	350	14	700	(7)	(350)	(50.0%)	(50.0%)
DL	AVL	LGA	599	7	350	7	350	0	0	0.0%	0.0%
DL	DTW	AVL	470	7	350	14	700	(7)	(350)	(50.0%)	(50.0%)
DL	LGA	AVL	599	7	350	7	350	0	0	0.0%	0.0%
G4	AVL	FLL	660	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PBI	620	2	354	0	0	2	354		
G4	AVL	PGD	588	2	332	0	0	2	332		
G4	AVL	PIE	518	4	697	2	332	2	365	100.0%	109.9%
G4	AVL	SFB	465	4	697	4	664	0	33	0.0%	5.0%
G4	FLL	AVL	660	2	332	2	332	0	0	0.0%	0.0%
G4	PBI	AVL	620	2	354	0	0	2	354		
G4	PGD	AVL	588	2	332	0	0	2	332		
G4	PIE	AVL	518	4	697	2	332	2	365	100.0%	109.9%
G4	SFB	AVL	465	4	697	4	664	0	33	0.0%	5.0%
UA	AVL	EWR	583	7	350	9	450	(2)	(100)	(22.2%)	(22.2%)
UA	AVL	ORD	536	23	1,150	16	800	7	350	43.8%	43.8%
UA	EWR	AVL	583	7	350	9	450	(2)	(100)	(22.2%)	(22.2%)
UA	ORD	AVL	536	23	1,150	16	800	7	350	43.8%	43.8%
US	AVL	CLT	92	48	2,736	63	3,477	(15)	(741)	(23.8%)	(21.3%)
US	CLT	AVL	92	48	2,736	63	3,477	(15)	(741)	(23.8%)	(21.3%)
TOTAL				318	21,694	352	21,090	(34)	604	(9.7%)	2.9%



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance & Accounting

DATE: May 9, 2014

### ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances  
Month of March, 2014 (Month 9 of FY2014)

#### SUMMARY

Operating Revenues for the month of March were \$722,076, 6.83% over budget. Operating Expenses for the month were \$534,443, 31.58% under budget. As a result, Net Operating Revenues before Depreciation were \$292,820 over budget. Net Non-Operating Revenues were \$216,379, 63.07% over budget.

Year-to-date Operating Revenues were \$6,568,623, 8.34% over budget. Year-to-date Operating Expenses were \$4,937,677, 15.18% below budget. Year-to-date Net Operating Revenues before Depreciation were \$1,389,577 over budget. Net Non-Operating Revenues for the year were \$1,786,824, 30.41% over budget.

#### REVENUES

Significant variations to budget for March were:

Concessions	(\$10,725)	(34.54%)	Departure Media advertising contract extended & in terminal advertising not yet brought in house.
Auto Parking	\$50,077	26.22%	Enplanements over budget.
Customer Facility Charges	\$16,846	27.17%	Enplanements over budget & CFCs budgeted conservatively.
Passenger Facility Charges	\$66,707	83.38%	Enplanements over budget.



## **EXPENSES**

Significant variations to budget for March were:

Personnel Services	(\$57,269)	(14.33%)	4.5 FTE vacant positions.
Other Contractual Services	(\$11,623)	(18.41%)	Timing of Contractual Services spending.
Travel & Training	(\$17,704)	(65.68%)	Timing of Travel & Training spending.
Repairs & Maintenance	(\$10,756)	(47.68%)	Timing of Repairs & Maintenance spending.
Business Development	(\$115,000)	(100.0%)	Timing of Allegiant Advertising.

## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Grants Receivable – Grants Receivable increased by \$484k due to March's capital spending.

Construction in Progress – Construction in Progress increased by \$496k mainly due to spending on the Airfield Redevelopment and the ARFF Facility projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$398k of current month's depreciation.

**ASHEVILLE REGIONAL AIRPORT  
INVESTMENT AND INTEREST INCOME SUMMARY  
As of March 31, 2014**

<b><u>Institution:</u></b>	<b><u>Interest Rate</u></b>	<b><u>Investment Amount</u></b>	<b><u>Monthly Interest</u></b>
Bank of America - Operating Account	0.20%	\$ 5,800,498	1,008
First Citizens - Money Market Account	0.05%	6,382,822	271
NC Capital Management Trust - Cash Portfolio		17,171	0
NC Capital Management Trust - Term Portfolio		3,009,632	253
Petty Cash		200	
 <b><u>Restricted Cash:</u></b>			
Wells Fargo - CFC Revenue Account	0.00%	296,202	0
Bank of America - PFC Revenue Account	0.20%	1,635,068	269
 <b>Total</b>		 <b><u>\$ 17,141,593</u></b>	 <b><u>\$ 1,801</u></b>

**Investment Diversification:**

Banks	82%
NC Capital Management Trust	18%
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 March 31, 2014**

	<u>Current Month</u>	<u>Prior Period</u>
<b>Cash and Investments Beginning of Period</b>	<b>\$ 17,288,234</b>	<b>\$ 17,284,083</b>
Net Income/(Loss) Before Capital Contributions	5,766	(121,299)
Depreciation	398,246	398,246
Decrease/(Increase) in Receivables	(492,516)	(510,175)
Increase/(Decrease) in Payables	(23,020)	(153,416)
Decrease/(Increase) in Prepaid Expenses	17,734	17,734
Decrease/(Increase) in Fixed Assets	(495,868)	(158,170)
Principal Payments of Bond Maturities	(41,260)	(41,062)
Capital Contributions	484,277	572,293
<b>Increase(Decrease) in Cash</b>	<b>(146,641)</b>	<b>4,151</b>
<b>Cash and Investments End of Period</b>	<b>\$ 17,141,593</b>	<b>\$ 17,288,234</b>

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

**For the Month Ending March 31, 2014**

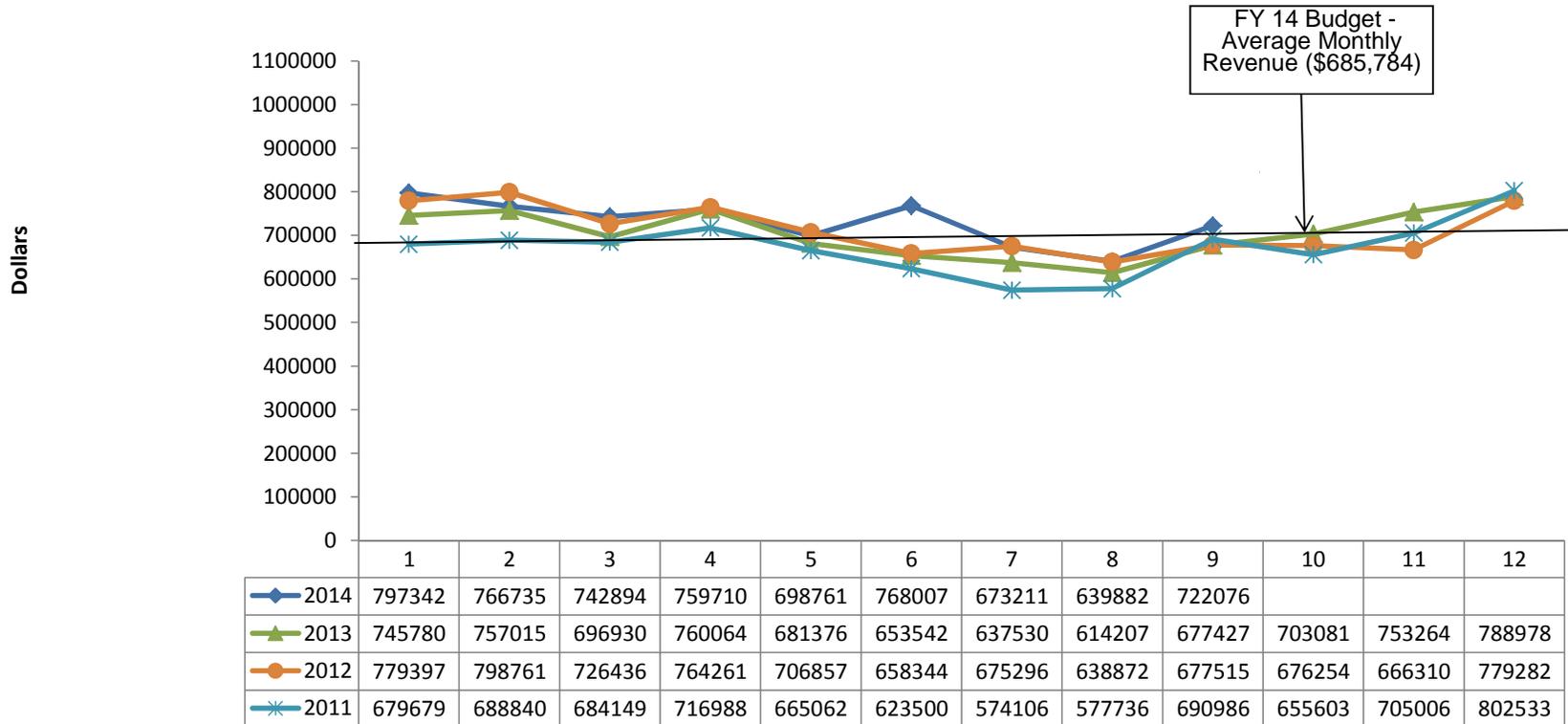
	<u>Current Month Actual</u>	<u>Current Month Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
<b>Operating Revenue:</b>									
Terminal Space Rentals - Non Airline	\$17,861	\$17,861	\$0	0.00%	\$159,828	\$159,829	(\$1)	(0.00%)	\$213,411
Terminal Space Rentals - Airline	99,074	96,091	2,983	3.10%	937,871	908,339	29,532	3.25%	1,240,000
Concessions	20,328	31,053	(10,725)	(34.54%)	186,153	173,751	12,402	7.14%	249,915
Auto Parking	241,077	191,000	50,077	26.22%	2,081,516	1,730,000	351,516	20.32%	2,371,000
Rental Car - Car Rentals	118,778	113,882	4,896	4.30%	1,027,061	1,031,864	(4,803)	(0.47%)	1,373,510
Rental Car - Facility Rent	47,990	47,901	89	0.19%	441,546	442,816	(1,270)	(0.29%)	592,179
Commercial Ground Transportation	184	700	(516)	(73.71%)	20,374	16,300	4,074	24.99%	36,900
Landing Fees	46,153	47,667	(1,514)	(3.18%)	481,568	398,003	83,565	21.00%	548,000
FBO'S	79,848	79,329	519	0.65%	721,643	723,961	(2,318)	(0.32%)	966,739
Building Leases	11,627	11,479	148	1.29%	104,495	103,311	1,184	1.15%	137,751
Land Leases	2,220	2,099	121	5.76%	19,039	18,891	148	0.78%	25,208
Other Leases/Fees	36,936	36,822	114	0.31%	387,529	355,848	31,681	8.90%	474,800
<b>Total Operating Revenue</b>	<b>\$722,076</b>	<b>\$675,884</b>	<b>\$46,192</b>	<b>6.83%</b>	<b>\$6,568,623</b>	<b>\$6,062,913</b>	<b>\$505,710</b>	<b>8.34%</b>	<b>\$8,229,413</b>
<b>Operating Expenses:</b>									
Personnel Services	\$342,291	\$399,560	(\$57,269)	(14.33%)	\$2,974,866	\$3,285,189	(\$310,323)	(9.45%)	\$4,547,573
Professional Services	37,672	44,794	(7,122)	(15.90%)	145,468	186,471	(41,003)	(21.99%)	232,178
Accounting & Auditing	0	0	-	0.00%	6,200	6,200	-	0.00%	15,000
Other Contractual Services	51,502	63,125	(11,623)	(18.41%)	498,917	503,140	(4,223)	(0.84%)	646,888
Travel & Training	9,251	26,955	(17,704)	(65.68%)	74,128	112,930	(38,802)	(34.36%)	159,035
Communications & Freight	5,734	6,694	(960)	(14.34%)	50,617	60,246	(9,629)	(15.98%)	80,323
Utility Services	27,940	32,402	(4,462)	(13.77%)	306,154	326,195	(20,041)	(6.14%)	432,015
Rentals & Leases	941	1,026	(85)	(8.28%)	8,825	9,234	(409)	(4.43%)	12,316
Insurance	15,884	19,125	(3,241)	(16.95%)	143,652	172,125	(28,473)	(16.54%)	229,500
Repairs & Maintenance	11,804	22,560	(10,756)	(47.68%)	141,698	249,415	(107,717)	(43.19%)	339,682
Advertising, Printing & Binding	7,568	10,404	(2,836)	(27.26%)	87,617	108,496	(20,879)	(19.24%)	207,800
Promotional Activities	3,700	6,100	(2,400)	(39.34%)	76,018	90,225	(14,207)	(15.75%)	109,725
Other Current Charges & Obligations	7,040	6,332	708	11.18%	58,887	61,438	(2,551)	(4.15%)	80,000
Office Supplies	642	1,000	(358)	(35.80%)	4,928	9,000	(4,072)	(45.24%)	12,000
Operating Supplies	10,771	15,743	(4,972)	(31.58%)	172,462	239,971	(67,509)	(28.13%)	297,777
Books, Publications, Subscriptions & Meml	1,703	1,251	452	36.13%	24,428	37,437	(13,009)	(34.75%)	43,782
Contingency	0	0	-	0.00%	0	15,582	(15,582)	(100.00%)	23,007
Emergency Repair	-	9,000	(9,000)	(100.00%)	5,429	63,000	(57,571)	(91.38%)	90,000
Business Development	-	115,000	(115,000)	(100.00%)	157,383	285,250	(127,867)	(44.83%)	456,000
<b>Total Operating Expenses</b>	<b>\$534,443</b>	<b>\$781,071</b>	<b>(\$246,628)</b>	<b>(31.58%)</b>	<b>\$4,937,677</b>	<b>\$5,821,544</b>	<b>(\$883,867)</b>	<b>(15.18%)</b>	<b>\$8,014,601</b>

<b>Operating Revenue before Depreciation</b>	\$187,633	(\$105,187)	\$292,820	(278.38%)	\$1,630,946	\$241,369	\$1,389,577	575.71%	\$214,812
Depreciation	398,246	-	398,246	100.00%	3,584,214	-	3,584,214	100.00%	-
<b>Operating Income(Loss) Before Non-Operating Revenue and Expenses</b>	(\$210,613)	(\$105,187)	(\$105,426)	100.23%	(\$1,953,268)	\$241,369	(\$2,194,637)	(909.25%)	\$214,812
<b>Non-Operating Revenue and Expense</b>									
Customer Facility Charges	\$78,846	\$62,000	\$16,846	27.17%	\$846,264	\$644,000	\$202,264	31.41%	\$ 900,000
Passenger Facility Charges	146,707	80,000	66,707	83.38%	1,028,458	817,000	211,458	25.88%	1,150,000
Interest Revenue	1,801	1,666	135	8.10%	17,930	14,994	2,936	19.58%	20,000
Interest Expense	(10,975)	(10,975)	-	0.00%	(105,828)	(105,826)	(2)	0.00%	(137,554)
Reimbursable Cost Revenues	9,687	29,166	(19,479)	(66.79%)	95,067	262,494	(167,427)	(63.78%)	350,000
Reimbursable Cost Expenses	(9,687)	(29,166)	19,479	(66.79%)	(95,067)	(262,494)	167,427	(63.78%)	(350,000)
Gain/Loss on Disposal of Assets	0	0	-	0.00%	0	0	-	0.00%	
<b>Non-Operating Revenue-Net</b>	\$216,379	\$132,691	\$83,688	63.07%	\$1,786,824	\$1,370,168	\$416,656	30.41%	\$1,932,446
<b>Income (Loss) Before Capital Contributions</b>	\$5,766	\$27,504	(\$21,738)	(79.04%)	(\$166,444)	\$1,611,537	(\$1,777,981)	(110.33%)	\$2,147,258
<b>Capital Contributions</b>	\$484,277	\$0	\$484,277	100.00%	\$3,808,454	\$0	\$3,808,454	100.00%	\$0
<b>Increase in Net Assets</b>	\$490,043	\$27,504	\$462,539	1,681.72%	\$3,642,010	\$1,611,537	\$2,030,473	126.00%	\$2,147,258

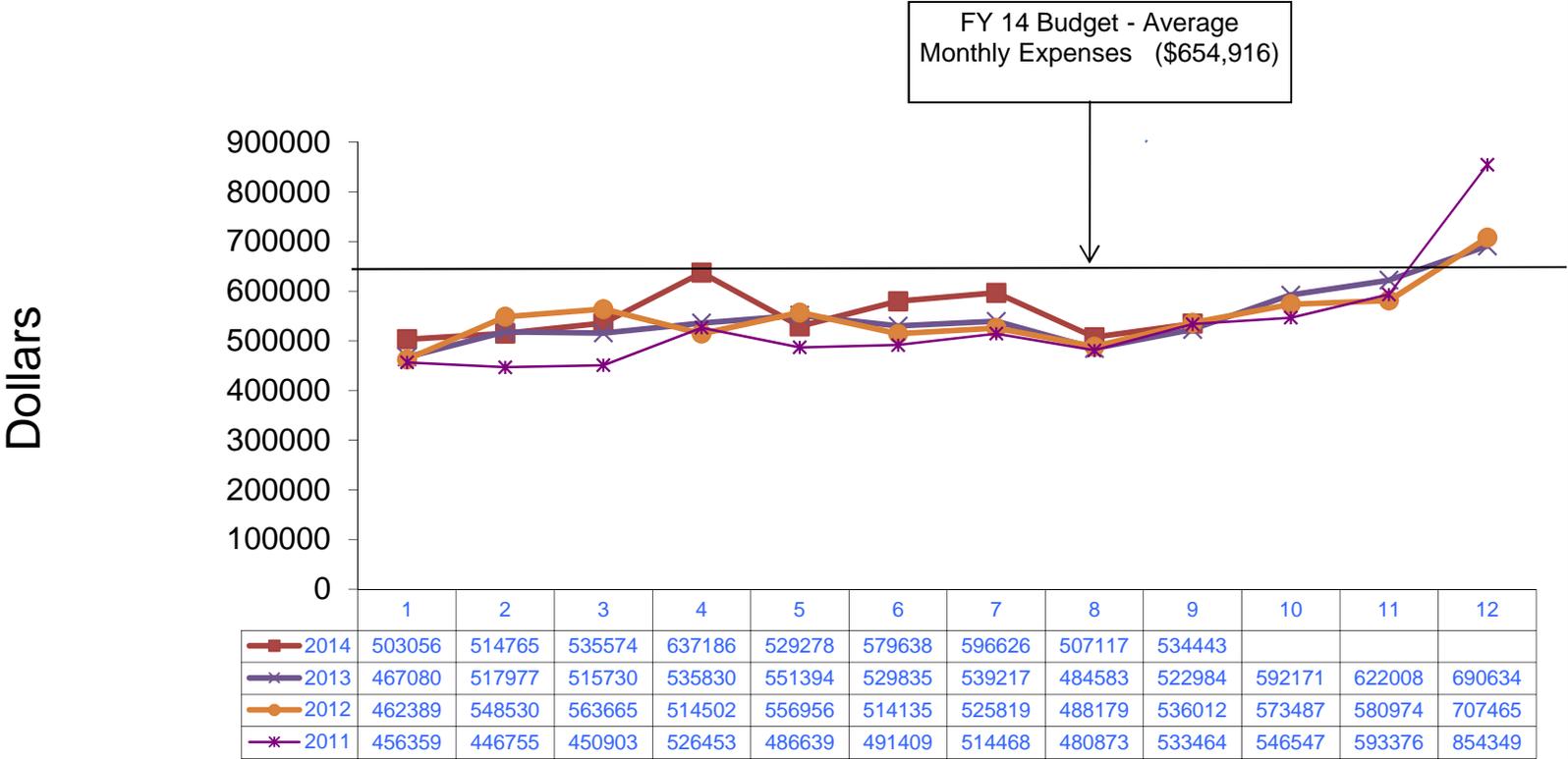
**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of March 31, 2014**

	<b>Current Month</b>	<b>Last Month</b>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
<b>Unrestricted Net Assets:</b>		
Cash and Cash Equivalents	\$15,210,322	\$15,543,494
Accounts Receivable	425,692	432,720
Passenger Facility Charges Receivable	181,000	181,000
Refundable Sales Tax Receivable	77,994	62,727
Grants Receivable	3,243,267	2,758,990
Prepaid Expenses	52,321	70,055
Total Unrestricted Assets	19,190,596	19,048,986
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	1,931,271	1,744,740
Total Restricted Assets	1,931,271	1,744,740
Total Current Assets	21,121,867	20,793,726
<b>Noncurrent Assets:</b>		
Construction in Progress	6,245,187	5,749,319
Property and Equipment - Net	59,467,317	59,865,563
Total Noncurrent Assets	65,712,504	65,614,882
	\$86,834,371	\$86,408,608
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
<b>Payable from Unrestricted Assets:</b>		
Accounts Payable & Accrued Liabilities	\$939,283	\$916,354
Customer Deposits	10,425	10,425
Unearned Revenue	196,099	242,051
Construction Contract Retainages	0	0
Revenue Bond Payable - Current	510,930	508,476
Total Payable from Unrestricted Assets	1,656,737	1,677,306
Total Current Liabilities	1,656,737	1,677,306
<b>Noncurrent Liabilities:</b>		
Other Postemployment Benefits	852,101	852,101
Compensated Absences	379,579	379,579
Net Pension Obligation-LEO Special Separation Allowance	(37,547)	(37,547)
Revenue Bond Payable - Noncurrent	1,722,407	1,766,120
Total Noncurrent Liabilities	2,916,540	2,960,253
Total Liabilities	4,573,277	4,637,559
<b>Net Assets:</b>		
Invested in Capital Assets	63,479,167	63,340,286
Restricted	1,931,271	1,744,740
Unrestricted	16,850,656	16,686,023
Total Net Assets	82,261,094	81,771,049
	\$86,834,371	\$86,408,608

# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month March 2014

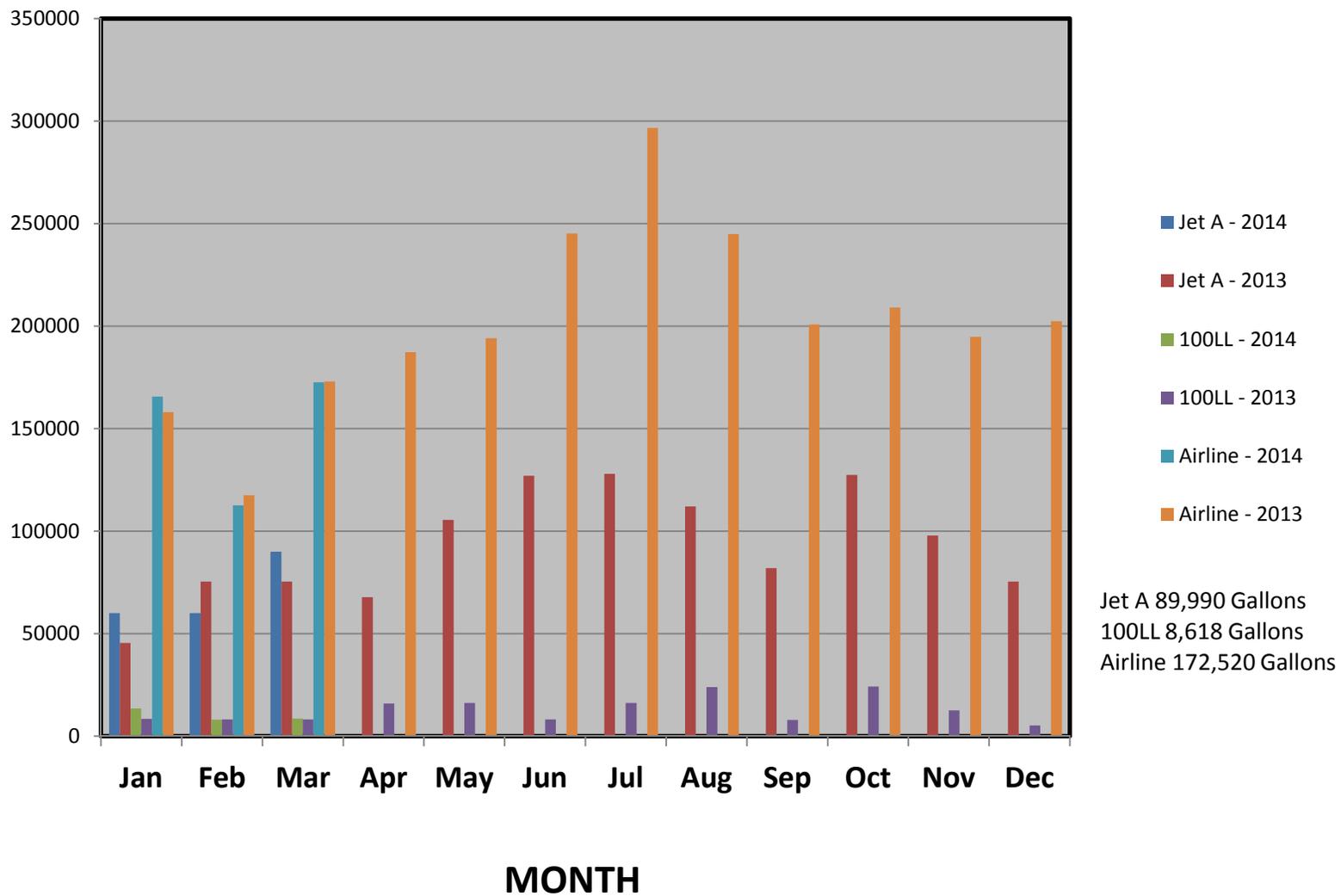


# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month March 2014



**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
March 2014**

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Planning Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 5/01/2014)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 5/01/2014)	Start Date	End Date	Current Project Status (as of 5/01/2014)
Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 5/01/2014)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 5/01/2014)	Start Date	End Date	Current Project Status (as of 5/01/2014)
1	Airfield Re-Development Project	Budget for the complete project							\$64,000,000.00		\$2,072,942.23			All Engineer contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	71%	\$311,456.01	Dec-12	Jun-14	Bid Package 1 - Temporary Runway bid opening is on May 5th. FAA reviewing final items from discussions held in Mid-April.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	13.0%	\$235,990.52	Jun-13	Dec-15	Project Management work continues to establish bid documents for Bid Package 2.
1C	Airfield Re-Development Project	Temporary Runway/Taxiway Design	AVCON	\$1,837,826.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	50.0%	\$922,352.61	Mar-13	Dec-14	60% Ph-II plans are in review for the temporary runway.
1D	Airfield Re-Development Project	New Runway Design	Michael Baker Engineering Inc.	\$2,299,934.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	15.0%	\$341,944.04	Mar-13	Mar-14	30% plans turned in for review by Project Manager.
1E	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>		\$261,199.05	Jan-13	Dec-17	Misc. and Administrative expenses outside of the Engineers contracts
Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 4/01/2014)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 4/01/2014)	Start Date	End Date	Current Project Status (as of 4/01/2014)
1	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>	71%	\$249,629.48	Feb-11	Jul-15	Ash fill work continues as weather permits.
2	Westside Area 3	North section on West of the Airfield needs to be developed to accommodate new temporary runway.	AVCON	\$278,060.00	Charah	N/A	\$0.00	0.00%	\$278,060 * <i>(project expenses are being reimbursed by Charah through a separate agreement)</i>	33.5%	\$92,924.85	Mar-13	Jul-15	Area 3 ash placement will continue, weather permitting.
3	ARFF Facility Construction	Design, Project Management and Construction of a new Aircraft Rescue Fire Fighting Building.	LPA/BAKER	\$541,409.00	Goforth Builders Inc.	\$4,122,500.00	\$149,479.08	27.50%	\$543,409.00 (Design) & \$4,534,750.00 (Construction)	64.0%	\$3,052,486.62	Jun-13	Jul-14	Interior painting has begun, data wiring being placed in cable trays, electrical work continues, exterior stone work is near completion, concrete sidewalks are in and HVAC systems are delivered ready to install.

\*\*Amounts are based on invoices received and processed through Development.\*\*

# *Airportsurvey.com*



**AVL**

Airport Facilities Review For 1st Quarter 2014

# Welcome

- Welcome to the Airportsurvey.com Airport Facilities Review for the recent quarter, a complimentary data set provided to Airportsurvey.com participating airports
- The following slides provide non-weighted scores and ratings based on an independent survey of air travelers
- Note that passenger responses are based on perception, rather than objective assessment
- Value Added Services available from Canmark include:
  - Report analysis
  - Statistical testing
  - Air carrier responses
  - Non-facility responses
  - Tailored comparison sets
  - Passenger demographics
  - Sample size enhancement
  - Targeted and customized reporting
  - Custom survey questions and content

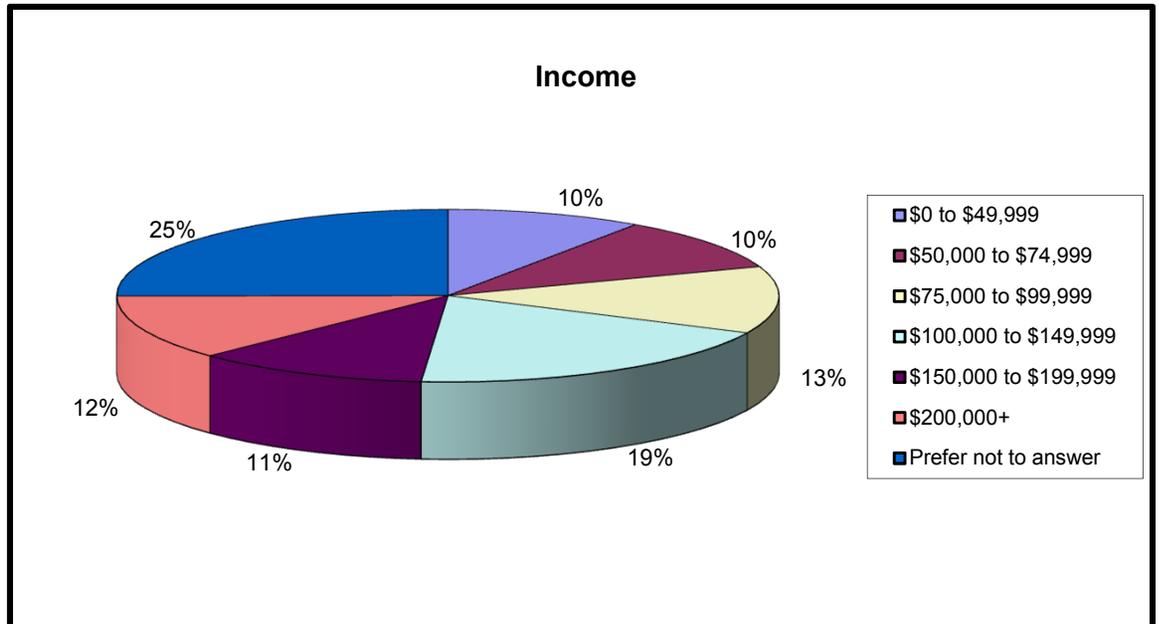
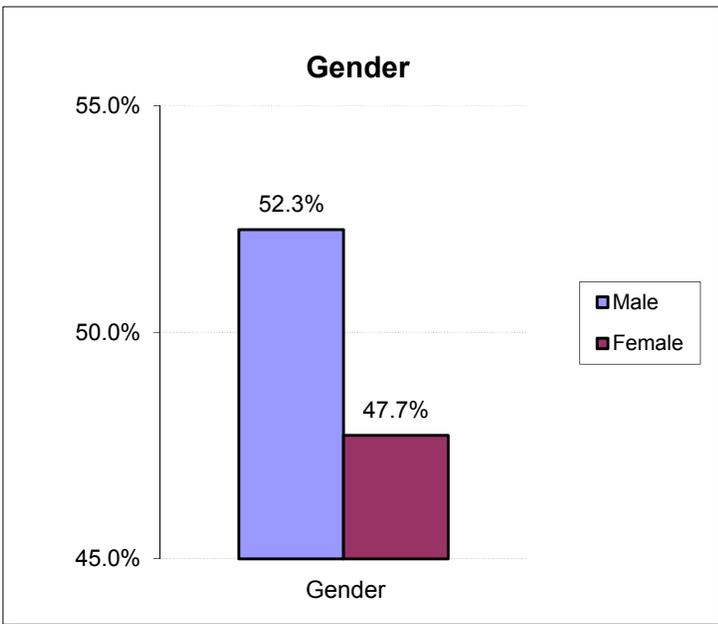
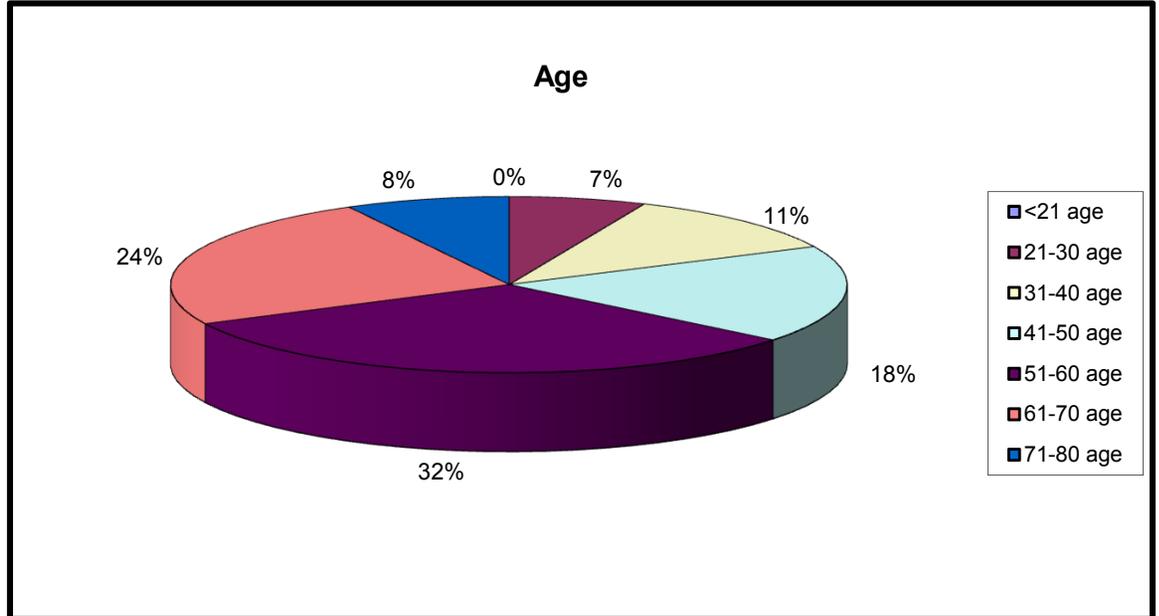
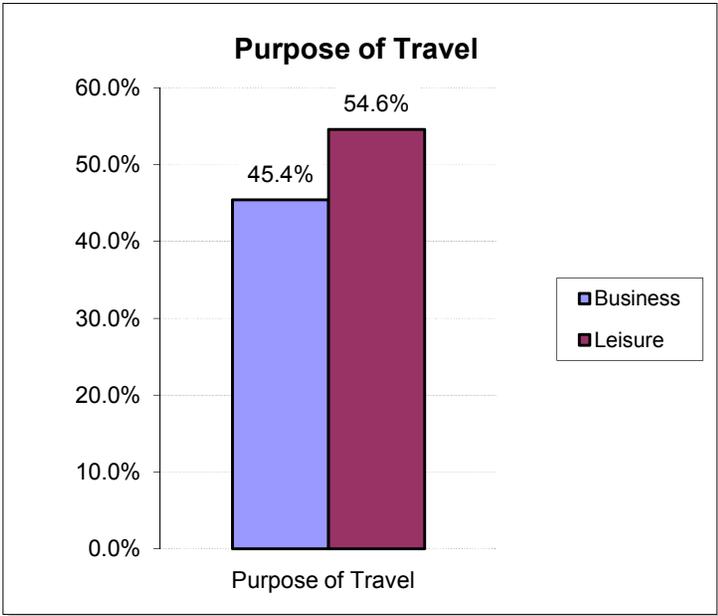
No representations are made as to the completeness or accuracy of information contained herein. Airport facility raw data is available upon request.

# Overview

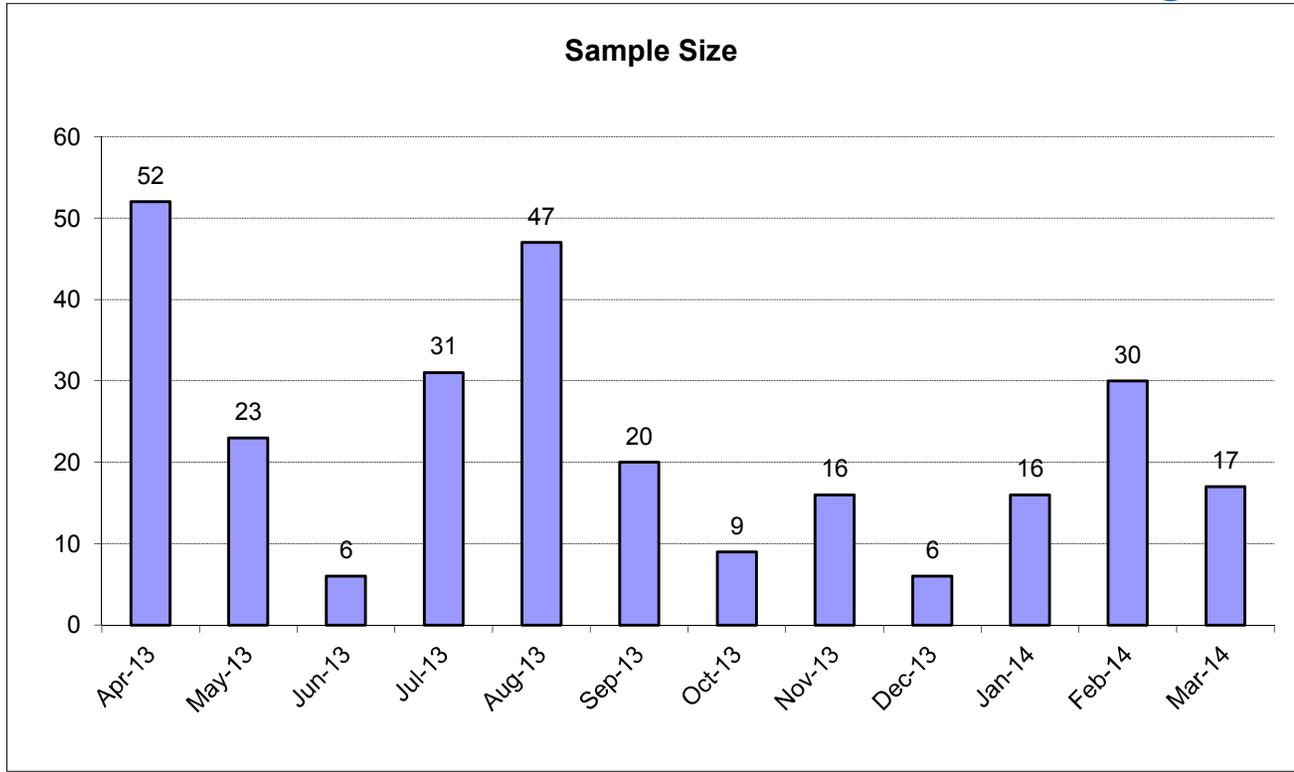
- ***Airportsurvey.com*** is an ongoing, all-inclusive online passenger satisfaction survey program from Canmark Research Center
- Invitations to take the survey are distributed at select airports across the country
- Over 30 airports participate
- Each survey invitation card is single-use, and must reference an actual flight
- Survey distribution occurs approximately three days per month
- Response scale is 1 through 5: Poor, Fair, Good, Very Good, Excellent
- Survey participants have a chance to win round-trip airline tickets
- Response rates vary from 10% to 20% based on location
- Facilities attributes are scored according to check-in airport
- Airports are grouped into three tiers according to DOT originating revenue\*

\*Updated 4rd Quarter 2012

# Passenger Demographics



# General Findings



**Sample is clustered around airport invitation distribution dates.**

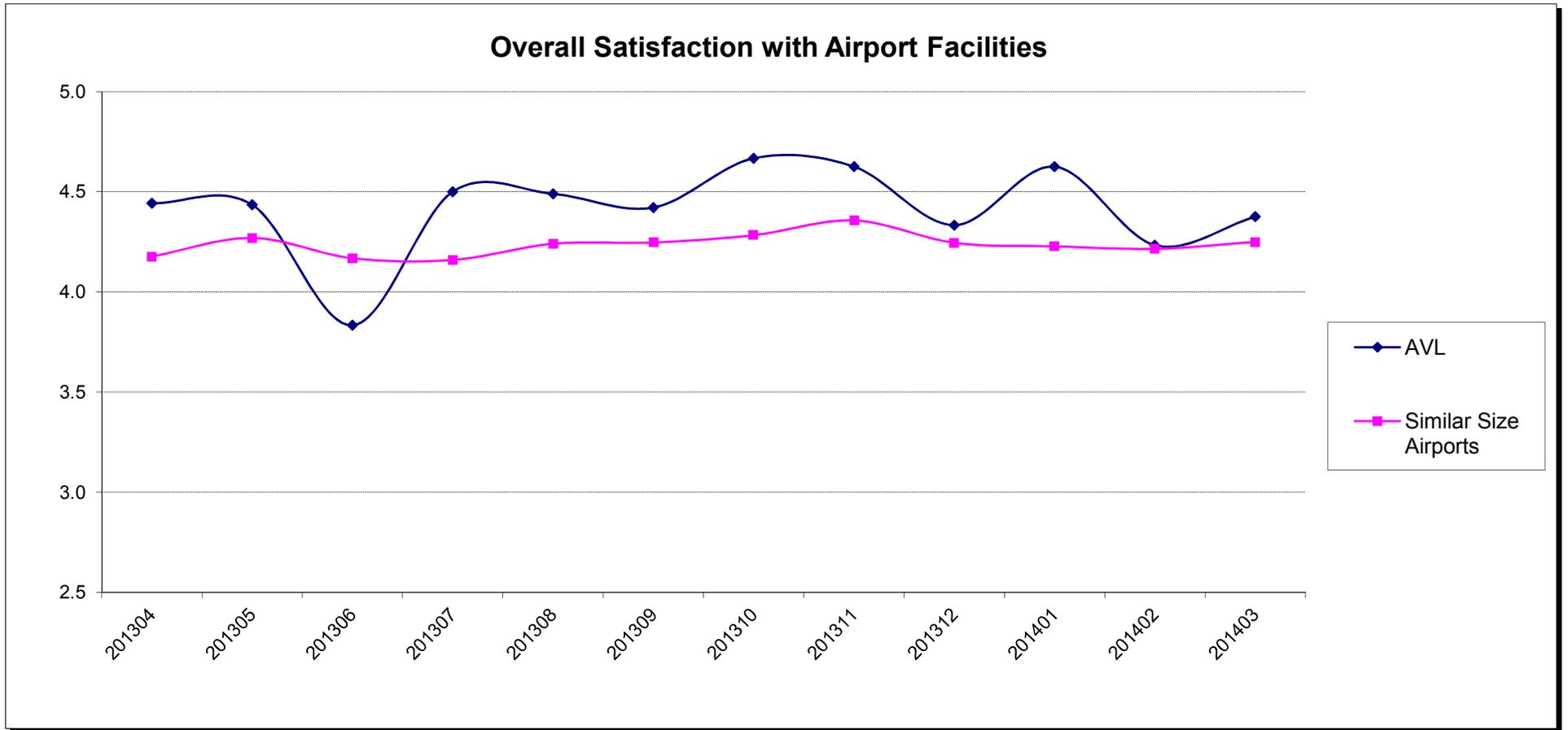
**Sample reflects passengers intercepted at arrival airports who rated check-in airport.**

	AVL	Similar	+/-	Pct
Overall	4.41	4.24	0.18	4.0%
Availability of parking	4.27	4.16	0.12	2.7%
Cost of parking	3.69	3.52	0.17	4.5%
Clear, easy to follow signs	4.24	4.08	0.16	3.8%
Cleanliness	4.48	4.32	0.16	3.7%
Restrooms	4.45	4.18	0.27	6.0%
Concessions / restaurants	3.52	3.62	(0.09)	-2.6%
Transportation to your gate / concourse / terminal	4.50	3.99	0.51	11.3%
Security: Wait time at checkpoint	4.55	4.25	0.29	6.4%
Security: Professionalism of personnel	4.63	4.32	0.31	6.7%
Security: Confidence in airport security procedures	4.37	4.13	0.24	5.4%

**Statistical means testing not performed on results**

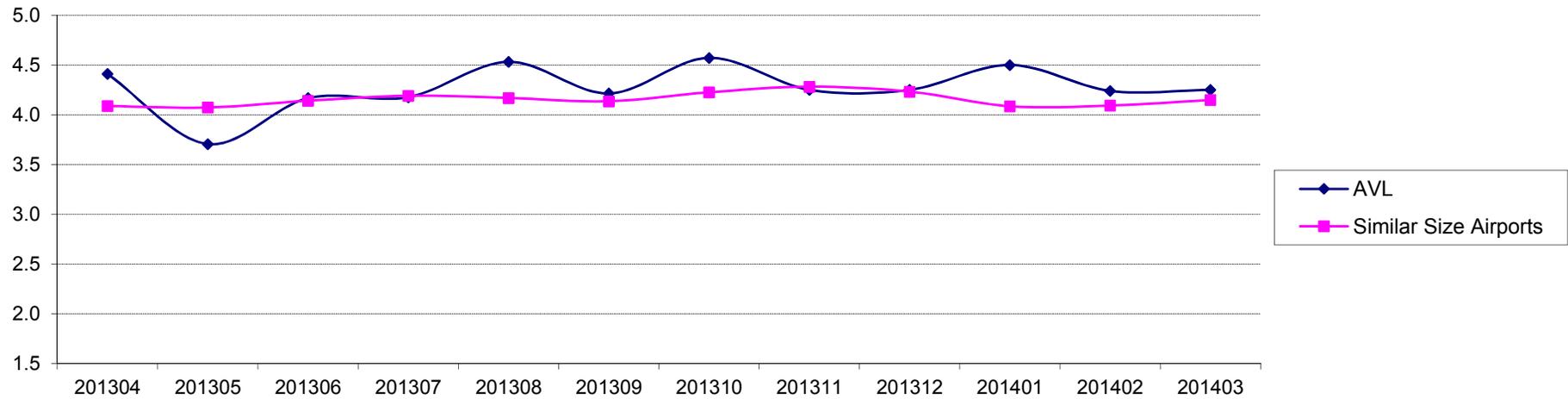
<b>AVL</b>	
<b>Responses</b>	<b>273</b>

# Overall Satisfaction with Airport Facilities

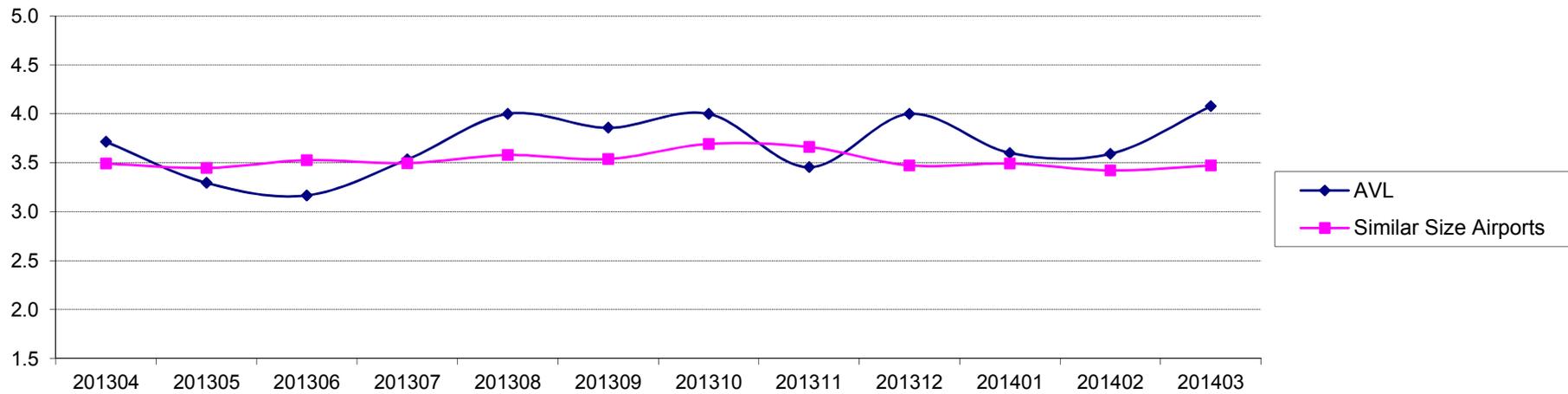


# Parking Satisfaction

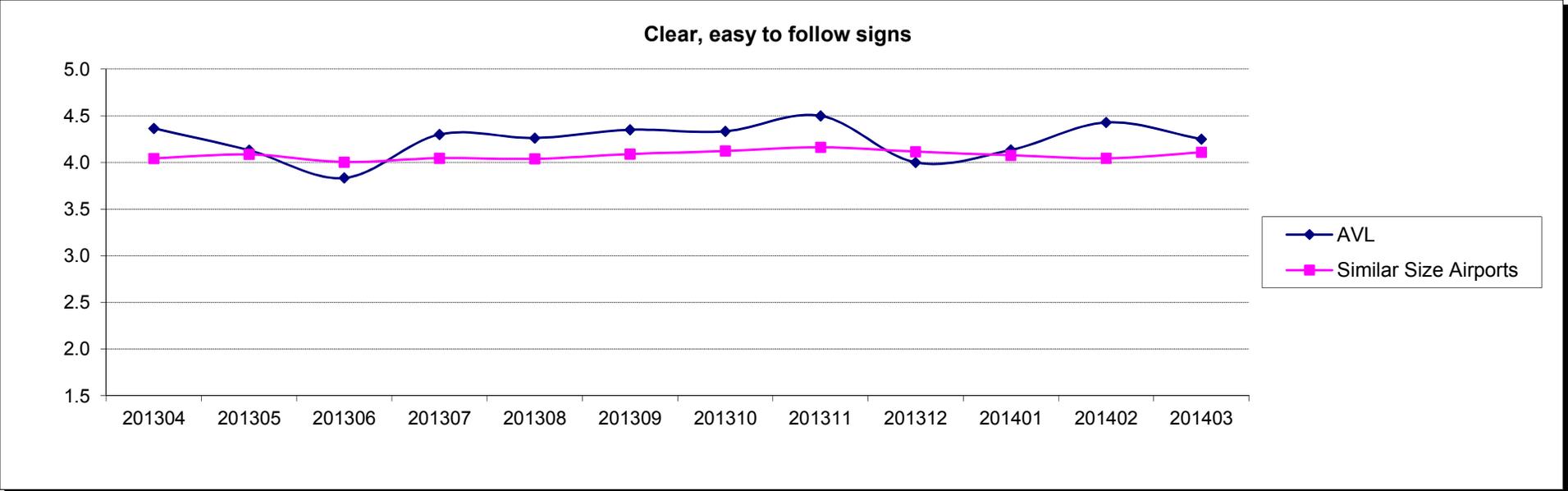
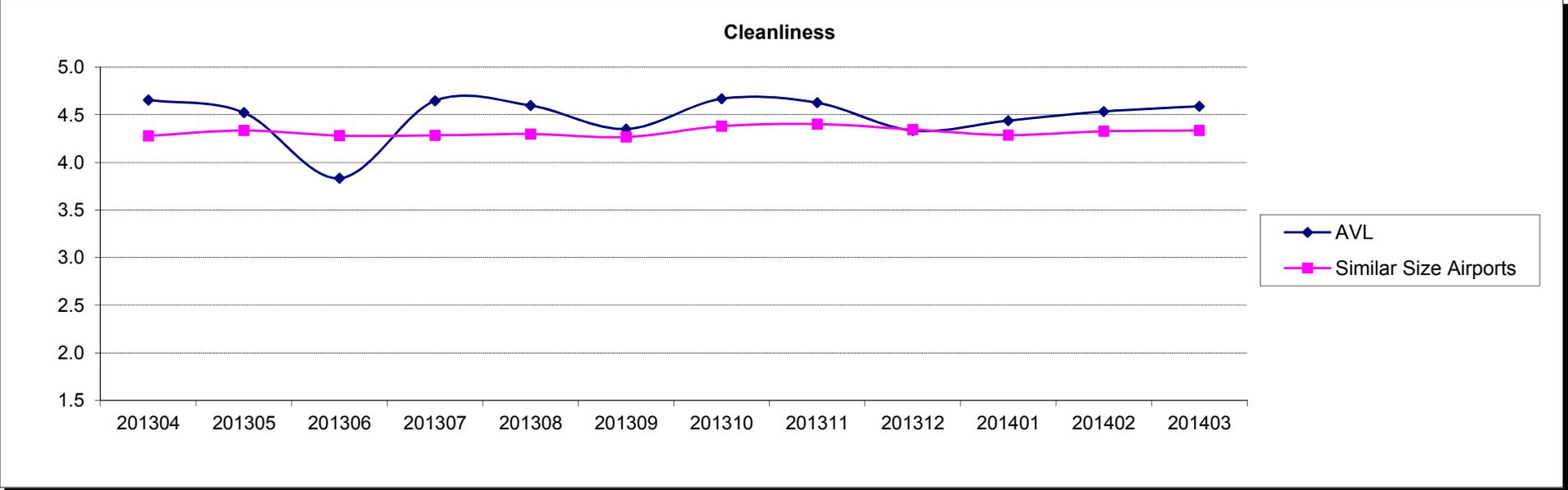
## Availability of parking



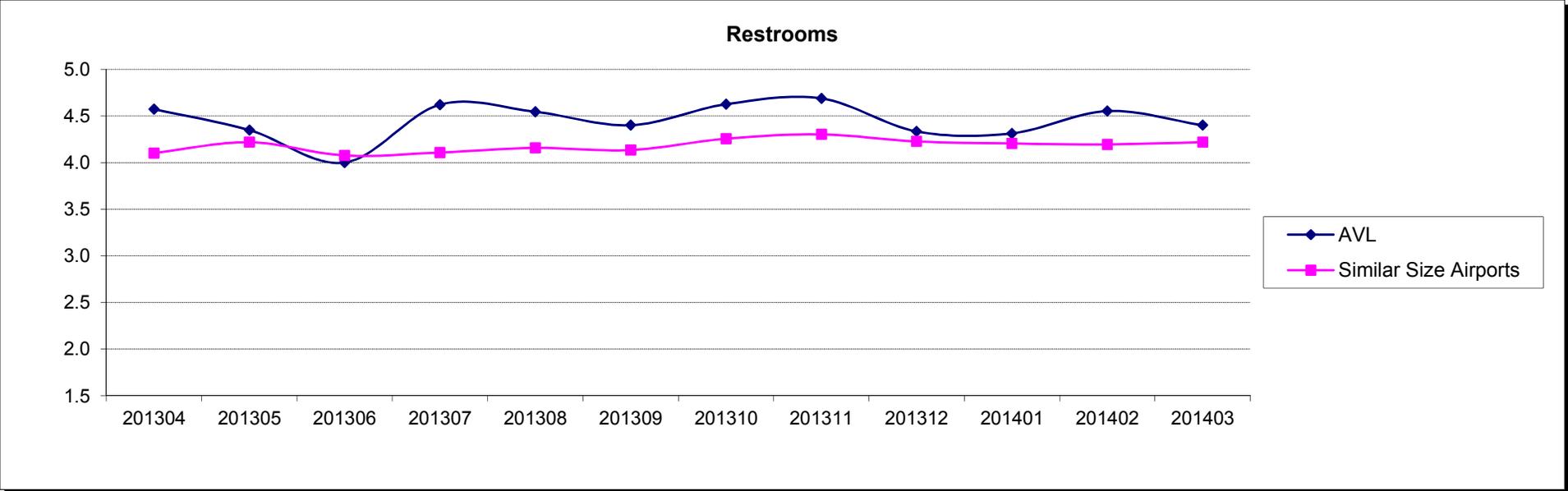
## Cost of parking



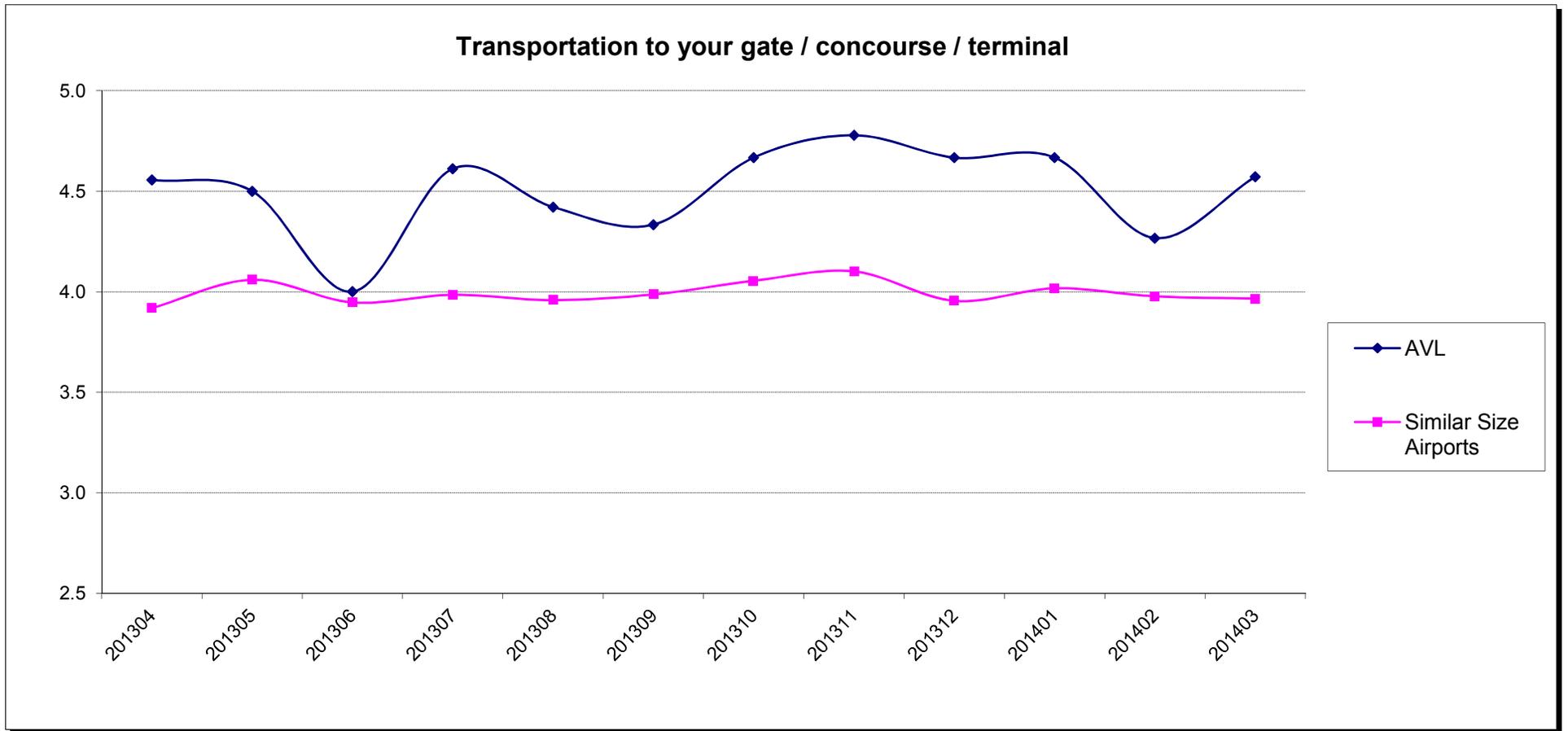
# Cleanliness and Signage



# Concessions and Restrooms

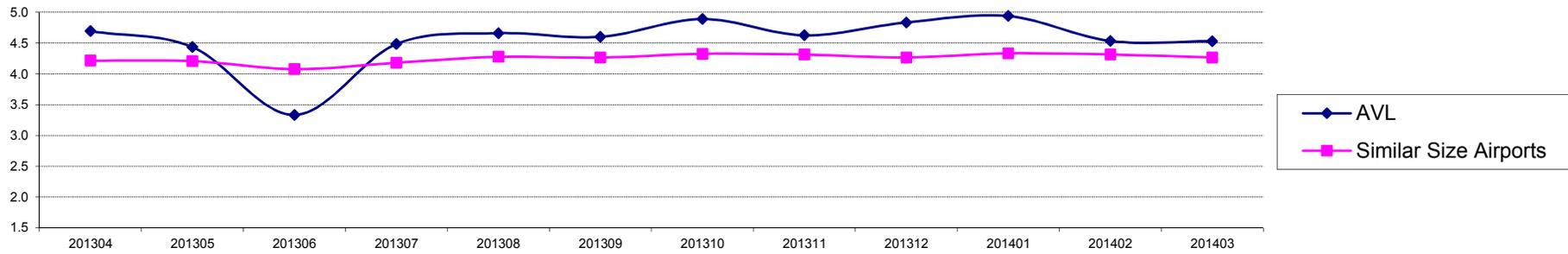


# Transportation to Departure Gate

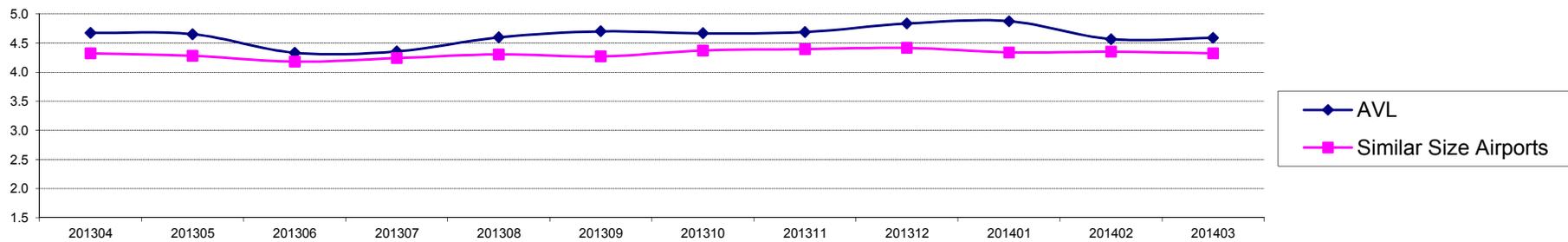


# Airport Security

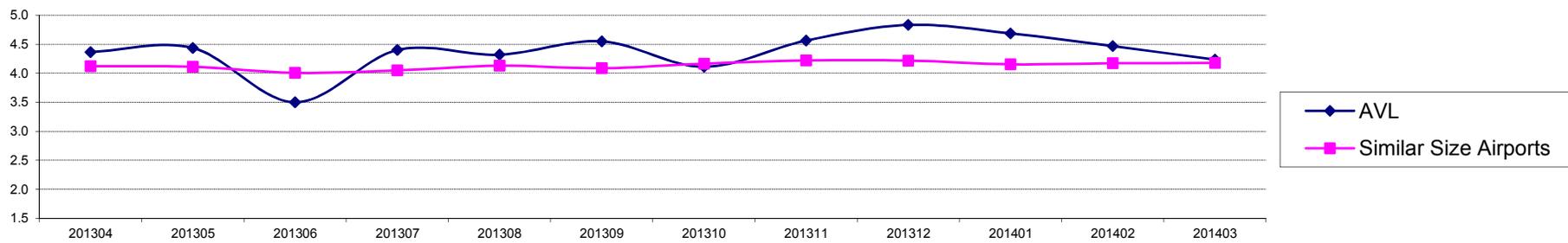
Security: Wait time at checkpoint



Security: Professionalism of security personnel



Security: Confidence in airport security procedures



# Appendix A - Geographic Breakdown of Respondents

AK	1	OK	1
AL	2	OR	2
AR	1	PA	7
CA	8	SC	4
CO	3	SD	1
CT	1	TX	8
DE	1	UT	3
FL	15	VA	2
GA	3	WA	4
ID	1	WI	3
IL	4	WV	1
KS	1	WY	2
LA	4	ASIA	2
MA	2	CANADA	3
MD	5		
ME	2		
MI	3		
MN	2		
MO	2		
MT	2		
NC	140		
NE	1		
NH	2		
NJ	2		
NY	10		
OH	1		

Note: Only includes passengers who indicated state of residence

# Appendix B - About Canmark

- Since 1993 Canmark Technologies has combined market research, programming, and technical expertise with thoughtful attention to client needs. Our problem-solving orientation has earned the respect of business clients and market researchers across North America.
- With an experienced staff of technical experts and project managers specializing in various fields of data capture and manipulation, programming and software development, web design and scripting, Canmark is able to leverage superior technology and know-how to support projects of all types and scope in the most cost-effective manner possible.
- Areas of expertise include survey development and delivery, project and data management services, requirements gathering, data sampling, paper and web forms management, custom lasering and printing, distribution logistics, data processing, custom programming for data cleansing, reporting and data analysis, and project consulting.
- We stand ready to meet your data needs, if you have any questions, please do not hesitate to contact us.

# Appendix C - Contacts

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1-877-441-2057, ext. 11

