



## **REVISED AGENDA**

Greater Asheville Regional Airport Authority Regular Meeting  
Friday, October 14, 2016, 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. ELECTION AND SWEARING IN OF BOARD OFFICERS
- III. SERVICE AWARD PRESENTATION:
  - A. Kellie Whittemore – 10 Years
- IV. PRESENTATIONS:
  - A. Discussion on Airline Agreement ([document](#))
- V. FINANCIAL REPORT ([document](#))
- VI. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority August 5, 2016 Special Meeting Minutes ([document](#))
  - B. Approval of the Greater Asheville Regional Airport Authority August 5, 2016 Closed Session Minutes



- C. Approval of the Greater Asheville Regional Airport Authority August 30, 2016 Special Meeting Minutes ([document](#))
  - D. Approval of Amendment to the FY16/17 Budget for Capital Carryover ([document](#))
  - E. Approval of Amendment to the FY16/17 Budget ([document](#))
- VII. OLD BUSINESS: None
- VIII. NEW BUSINESS:
- A. Approval of the Greater Asheville Regional Airport Authority Board 2017 Schedule ([document](#))
  - B. Approval of Ordinance Establishing Airline Rates and Charges ([document](#))
  - C. Amendment to Supplemental Fees and Charges Schedule ([document](#))
- IX. DIRECTOR'S REPORT:
- A. Taxi Concerns
  - B. City of Asheville Zoning Approval
  - C. B-17 Flights
  - D. Honor Air Flight
  - E. Contingency Transfer
  - F. Public Parking Shuttle
  - G. Air Service Roundtable
- X. INFORMATION SECTION:  
(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)
- A. August 2016 Traffic Report ([document](#))



- B. August 2016 Monthly Financial Report ([document](#))
  - C. October 2016 Development/Project Status Report ([document](#))
  - D. Potential Board Items for the Next Regular Meeting:
    - Adoption of Five-Year CIP for FY 2018-2022
    - Acceptance of Audit for FY 2015-2016
    - Administrative Policies Discussion
- XI. AUTHORITY MEMBER REPORTS
- A. Key Strategic Elements ([document](#))
- XII. PUBLIC AND TENANTS' COMMENTS
- XIII. CALL FOR NEXT MEETING
- XIV. CLOSED SESSION:
- XV. ADJOURNMENT

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# Asheville Regional Airport Operating Agreement and Rate Methodology Discrepancy

# American's Position

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1. The new cost allocation imposed by the authority unfairly apportions common area costs among airlines.
2. The airport is picking winners and losers in the marketplace.
3. American and other hub-and-spoke carriers now subsidize one of our competitors, Allegiant.
4. Rate negotiations were perfunctory, and appropriate data was not provided to justify the change in how charges were apportioned.
5. AVL's new rate methodology punishes the airlines that provide residents with air service that connects them to the global air service network.

# American Airlines is an Economic Engine for WNC

## 2015 Economic Impact of American Airlines

### Statistics

AA Employees	34
Total 2015 Payroll Expense (\$)	\$841,000
Arriving & Departing AA Passengers	202,863
AA Departures	2,412

### Economic Output, \$M

AA Direct	\$7
Induced	\$3
Indirect (passenger non-airline spending)	\$44
<b>Total Economic Output from AA, \$M</b>	<b>\$54 MILLION</b>

### Employment Impact (Headcount)

AA Employees (Work Location)	34
AA Induced Jobs	44
Indirect Jobs (driven by psgr non-airline spend)	512
<b>Total Employment Impact from AA</b>	<b>590</b>

Headcount and payroll include Mainline and Wholly Owned (Envoy, PSA, Piedmont)

Economic Output based on AA operating data for Mainline, Wholly Owned, and all other Regional carriers as well

**Direct** Impact is AA's Operations; **Induced** Impact is the additional impact on the economy as a result of AA's Operations

**Indirect** Impact is the impact on the economy as a result of AA Passengers' Non-Airline Spend



# AVL Air Service: Who and What

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- Asheville Regional Airport is served by four carriers.
  - American, Delta and United: carriers with a hub and spoke system, meaning we fly passengers to one or more large hub airports, from which they can fly all over the globe.
  - Allegiant is a carrier providing “point-to-point” service on a day to day basis to mostly leisure markets.
  - Both hub-and-spoke and point-to-point are viable, legitimate business models in the marketplace.
  - Point-to-point is valuable if you are going to the nonstop destinations offered by those carriers. Hub-and-spoke is valuable if you are going anywhere else in the world.

# American's October 2016 Schedule

Destination	Departure Time	Days of Operation	Aircraft	Seats	Conx
Charlotte	7:05 AM	Daily	CR9	76	84
Charlotte	9:14 AM	Monday – Friday	DH3	48	78
Charlotte	11:10 AM	Saturday	CR7	63	49
Charlotte	12:35 PM	Monday – Friday	DH3	48	63
Charlotte	12:35 PM	Saturday – Sunday	CRJ	50	56
Charlotte	2:19 PM	Daily	CR9	76	69
Charlotte	4:02 PM	Daily	CRJ	50	74
Charlotte	5:49 PM	Monday – Friday	CR9	76	80
Charlotte	5:49 PM	Saturday – Sunday	CR7	63	71
Charlotte	8:09 PM	Monday – Friday	CR7	63	77

American's daily service provides frequency and global connectivity for leisure and business travelers flying to/from AVL.

# The Current Arrangement Requires Three Carriers to Subsidize a Fourth

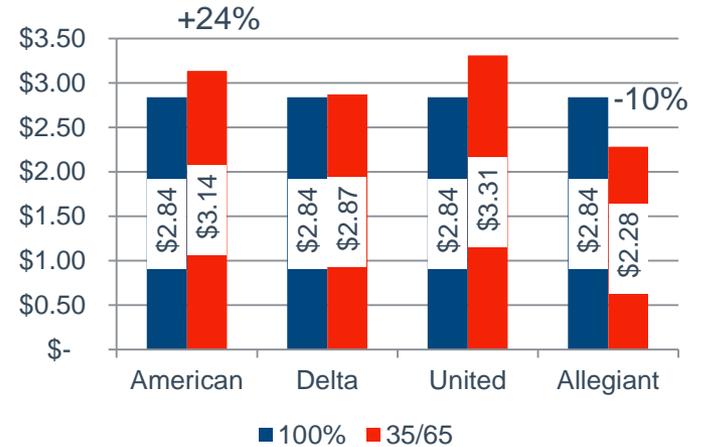
• Under the new agreement, American, Delta and United pay a significantly higher rate for shared space than Allegiant.

- In 2016, American's CPE for joint space increased 24%, Allegiant decreased by 10%
- In 2017, American's CPE will be 45% higher than Allegiant

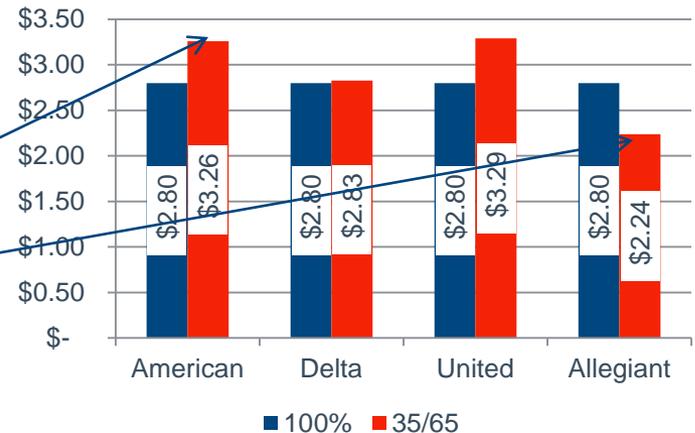
• The airport authority told us its motive in designing the new rate was simply to incentivize service by other airlines.

AA 45% Higher Than Allegiant

Projected Cost Per Enplanement - 2016



Projected Cost Per Enplanement - 2017



# Insult to Injury

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- The authority imposed the new rates with no meaningful negotiation and over the strenuous objection of the three hub-and-spoke airlines.
- On top of that, American, Delta and United have been paying a 25% penalty to the airport because we refused to agree to this subsidy.
- That penalty, between **July 1, 2015 – June 30, 2016**, amounted to **approximately \$170,000** for American alone.

# Our ask of the AVL Authority Board

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- Defer the Board's vote on Rates by Ordinance and encourage the Airport to return to negotiations with airlines.
- Refund the 25% premium fee that American has been paying since July 1, 2015.

Thank You



October 14, 2016

Mr. Robert C. Roberts, Chair  
Greater Asheville Regional Airport Authority  
2106 Hendersonville Road  
Arden, NC 28704

Dear Mr. Roberts:

RE: Airline-Airport Operating and Space Use Agreement

On behalf of United Airlines, I am writing to express our opposition to the current lease terms at Asheville Regional Airport and to ask the Asheville Regional Airport Authority Board to direct airport management to withdraw the lease and re-start negotiations to reach an agreement that treats all airlines equitably.

United Airlines has enjoyed a longstanding business partnership with Asheville Regional Airport (AVL) for more than forty years, and we are a major contributor to the Asheville regional economy. United serves over 45,000 passengers annually from AVL and offers more than 30 weekly departures during the peak season to our global hubs in Newark and Chicago with convenient connecting flights to important leisure and business destinations throughout the world. We and our flying partners have committed ourselves to serving this market by signing multi-year use and lease agreements. For years, successful lease negotiations resulted in airlines making these commitments to AVL. The AVL rates and charges methodology for terminal joint use public space was negotiated into these leases and was derived based on widely used and accepted methods which were designed to cover both the fixed and variable costs at the airport. This prior cost sharing method primarily based on passengers is commonly used by many other airports throughout the country.

Prior to expiration of the previous lease agreement on June 30, 2015, airport management met with all four airlines serving AVL to begin discussions on a new lease. Negotiations went smoothly on all topics with the exception of the rates and charges methodology. Airport management and their consultants presented a rates and charges proposal that abandoned the prior cost allocation approach for a rates and charges model that was all variable based on flight volumes and enplaned passengers. We do not oppose new methodologies, but we object to methodologies that fail to allocate costs consistent with the use of the facilities. Under the methodology proposed by AVL airport management, the terminal joint use costs are partially allocated based on operations, when such space and associated costs are fixed and driven by passenger use. Consequently, the proposed formula serves to solely benefit airlines with fewer operations at the expense of airlines that offer frequent operations. In sum, the

methodology proposed by the airport is structured to pick winners and losers, instead of applying rates equitably across the board.

An airport's costs to own, manage and maintain a terminal facility have both fixed and variable components and any cost sharing methodology to airlines must reflect the cost structure for use of the facility. Terminal costs (including facility depreciation, infrastructure, and O&M), as well as the types of joint use spaces that are the subject of our concern are passenger driven and should therefore be allocated on a per passenger basis, as passengers are the primary cost drivers in the terminal.

A methodology that fails to deliver this fairly, as has been proposed by AVL management, discourages growth at AVL beyond a certain point. We sympathize with the desire of the airport and community to grow new and/or additional air service, and we welcome competition. The appropriate way to promote this is to adhere to FAA guidelines and policies, which provide for specific and targeted incentives and discounts to encourage new entrants or service into a market, as opposed to trying to accomplish this through the use and lease agreement.

Despite the inequities with the proposed new rate policy, AVL management moved forward with a lease and after more than a full year in effect only one airline has signed it. As a result, the other carriers serving AVL, including United, have been forced to pay a 25 percent premium non-signatory fee since July 1, 2015, a penalty that we believe is unfair and unjust.

United Airlines has not executed the agreement and does not intend to do so unless the parties commit to further negotiations which will result in an equitable non-discriminatory allocation of costs to all airlines serving AVL. We request that the Board reject the current lease, refrain from implementing an Ordinance that adopts the existing rates and charges methodology, and commit to work with the carriers to develop a more equitable formula that is applicable to the costs associated with joint use space at AVL. We also request that the airport refund the premium payments that the airlines have paid to-date.

We look forward to working with the Board and the City to develop a new methodology under a new lease that is fair for all parties.

Respectfully submitted,

Jay Champion  
Manager Corporate Real Estate – Airport Affairs  
United Airlines, Inc.  
233 South Wacker Drive – 11<sup>th</sup> Floor  
Chicago, Illinois 60606

cc: Mr. Lew Bleiweis, A.A.E., Executive Director

cc: Asheville Regional Airport Board of Directors



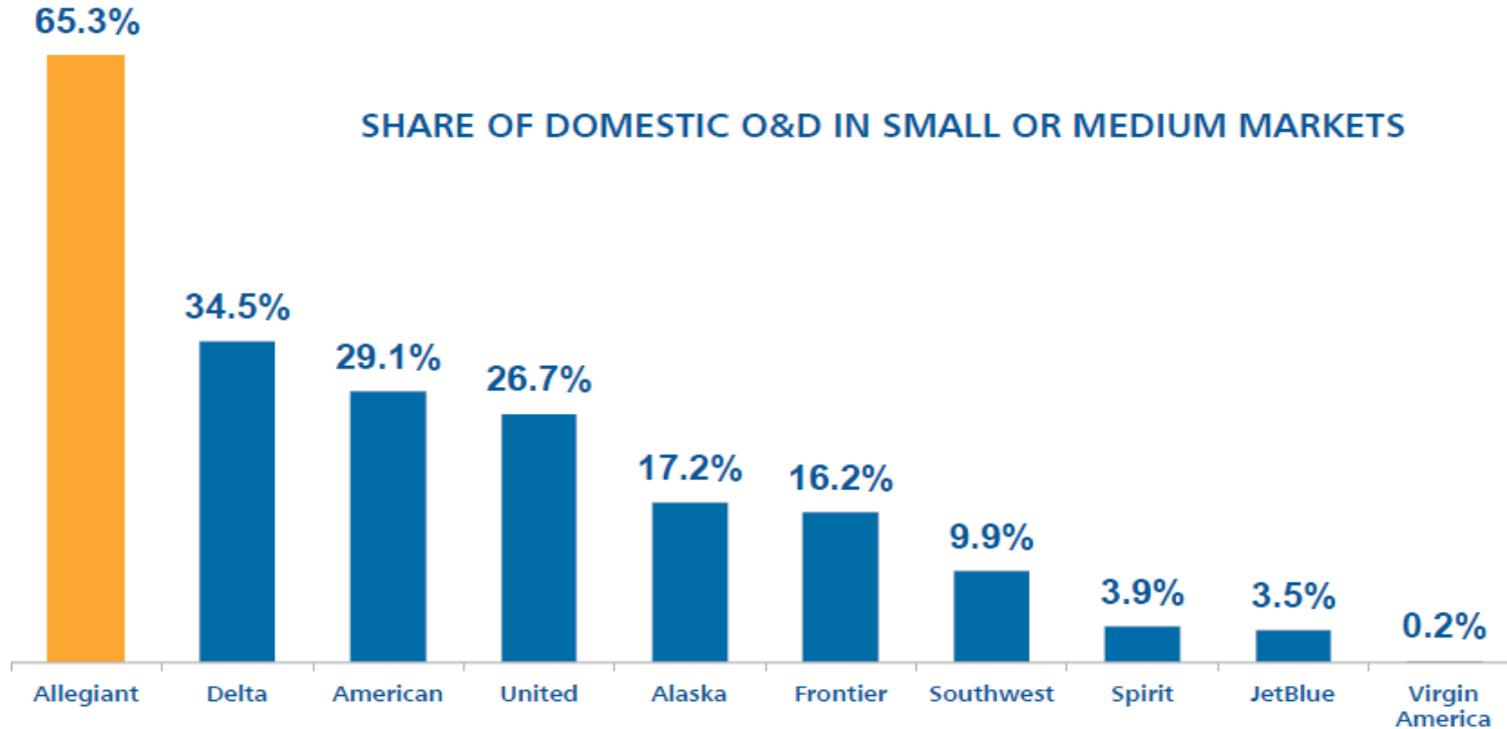
**Asheville Airport Authority  
Board Meeting**

**October 14, 2016**

- Leisure customer
  - Will travel in all economic conditions
  - Vacations are valued – price dependent
  - Stimulate new traffic vs. compete for market share
  
- Small cities
  - Filling a large void
  - Increasing opportunity - industry restructuring
  - Diversity of network - minimizes competition
  
- Flexibility
  - Adjust rapidly to changing macro (fuel/economy)
  - Changes in supply - immediate impact on price
  - Rates & Charges – Increase or decrease
  - Minimize threat of irrational behavior from others
  
- Low cost fleet
  - Match capacity to demand, highly variable
  - Low capital needs, higher free cash flow
  - Can grow and return cash to shareholders

Built to be different
Leisure customer
Underserved markets
Little competition
Low cost aircraft
Low frequency/variable capacity
Unbundled pricing
Closed distribution
Bundled packages
Highly profitable

# Allegiant has a Unique Focus on Small and Medium Community Service



Source: U.S. DOT, Origin-Destination Passenger Survey, YE Q2 2015.



## AVERAGE DOMESTIC ONE-WAY AIRFARE



 AIRFARE

 OPTIONAL ADD-ONS

\*Fares exclude taxes. Source: U.S. DOT, O&D Survey and Form 41, YE Q2 2015



# Allegiant's ideal AVL agreement

Every carrier pays the same flat fee per departure

Encourages airlines to upgauge aircraft resulting in more passengers & more revenue for the airport

Does not reward inefficiency

Promotes the best interests of the airport

Next best agreement would be 50/50 split enplanements to departures



# The current agreement strikes a balance between the needs and wants of the different carriers

Allegiant doesn't receive an agreement based on a flat per departure fee

Allegiant doesn't receive an agreement based on a 50/50 split of enplanements and departures

The legacy carriers don't receive an agreement based on 100% enplanements



# The current agreement does not violate the FAA's grant assurances\*

Federal law affords airports broad flexibility in devising rate setting methodologies

See FAA Letter to A4A dated February 12, 2016

If any carrier believes the agreement is in violation of federal law there is an appropriate avenue to challenge it

\*FAA and DOT *Policy Regarding Airport Rates and Charges* ("Airport Rates and Charges Policy"), 78 Fed. Reg. 55330, 55333 col. 1 (Sep. 10, 2013) adopted under 49 USC § 47129 (b)





**allegiant**<sup>®</sup>



# Airline-Airport Operating And Space Use Agreement

GARAA Presentation – October 14, 2016

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# Trillion Aviation – Presenter Background

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## ➤ Trillion Aviation - Formed 2006

- Airport Business Strategy and Agreement Negotiations, Financial Services, Facility Asset Management, and Air Service Consulting
- Serve Airport clients of all sizes throughout the U.S.
- Since 2013, Trillion has not directly represented Airlines as clients

## ➤ Dan Benzon

- Founder and President
- Former Continental Airlines and America West Airlines – Airport Affairs

## New Airline Agreement Goals – July 2014

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1. Create a modified residual airfield cost center since Airport had been subsidizing over 70% of airfield costs
2. Insert deicing chemical cost allocations since all Airlines would not execute the Agreement Amendment
3. Address per turn component of the lease and balance cost allocations of different Airline operating models at AVL
4. Maintain 60 days term / termination [Note: An Airline lease can neither guarantee new nor ongoing service]

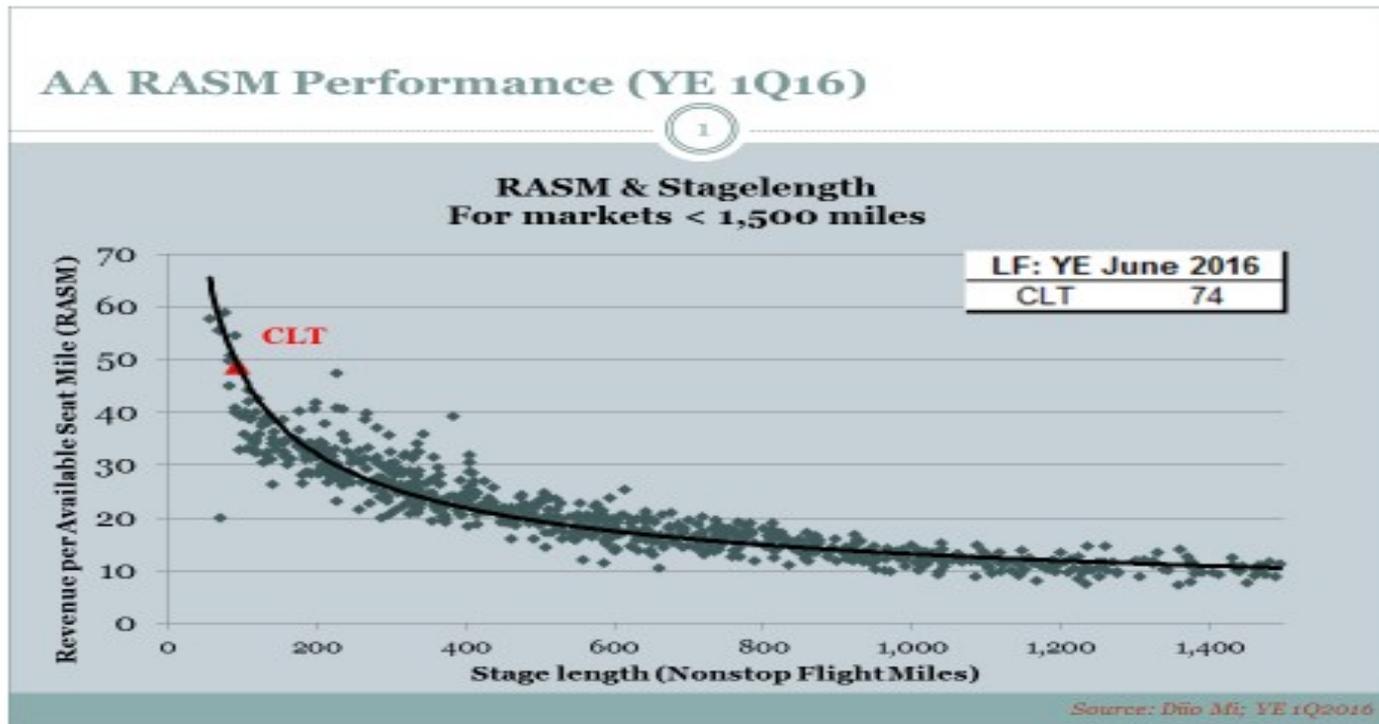
## Airline Pricing vs. Airport Costs

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- Airport costs do not directly impact AVL's air service or fares
  
- *Dallas Morning News, January 27, 2015 (in relevant part)*
  - American Airlines chairman and CEO Doug Parker  
“What we believe is that pricing is tied to demand, and that demand ... remained strong and that's what we should base our pricing on and not based on our cost structure.”
  
  - American Airlines president Scott Kirby:  
“We always have and always intend to price to demand as opposed to cost.”

# AA Revenue per available seat mile

- Performance of AA's CLT service at AVL.



## Overall Airline Financial Requirement (FY '17)

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- The Airlines have a calculated financial requirement to pay AVL \$4.7MM in rates, fees and charges
- However, AVL subsidizes those fees by applying \$2.5MM of its non-Airline revenues (parking lot, rental car commissions, concessions, etc.)
- Resulting, in reduced Airline fees of \$2.2MM
- AVL provides all Airlines a combined 53% subsidy in Airport costs

## Allocation of Joint Use Costs – Background

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- American doesn't want to address the total costs, where AVL has heavily subsidized all Airlines
- AA's issue is with a subset of the reduced costs, \$1.1MM of joint use costs, and how those are allocated among the four Airlines
- Those costs are determined by a formula
- Each Airport has its own formula (or multiple formulas), and some formulas are more common than others

# ACRP Report 30 (Published 2010)

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## Reference Guide on Understanding Common Use at Airports

- Various rate mechanisms to recover costs for use of shared passenger processing facilities:
- 20/80; 10/90; Per passenger fee; Leased square footage; 10/45/45 formulas

### 10/45/45 Joint Use Formula (SNA – Orange County’s John Wayne Airport)

- 10% of shared use revenue requirement equally among airlines
- 45% allocated based on number of flights (departures / operations)
- 45% allocated based on number of passengers (enplanements)
- Some “skin in the game” or commitment that is fixed
- Factors in efficiency for facility use
- Greater delineation of shared use than enplanements only

# ACRP Report 36 (Published 2010)

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## **Airport/Airline Agreements - Practices and Characteristics**

- Typical joint use formulas for passenger processing facilities include the following:
- 20/80, 100% enplanements, and 50/50 (departures / enplanements)

### **50/50 Joint Use Formula** (CHS, RAP, XNA, etc.)

- Used for gate facilities
- 50% total cost prorated on number of each airline's aircraft departures
- 50% total cost prorated on number of enplaned passengers
- All activity driven calculation
- Factors in efficiency for facility use
- Greater delineation of passenger processing area usage over simply enplanements

## FAA Response to A4A Industry-wide Complaint

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- A4A (Airlines for America) filed a complaint with FAA in October 2014 alleging that a number of smaller airports may be implementing rates and charges mechanisms that are unjustly discriminatory
- FAA responded in February 2016. **See Handout.** FAA sided with the Airports, otherwise the Airlines would have provided this letter
- In short, each Airport may determine its cost methodology, it must be reasonable, consistent and any “discrimination among the users must be justifiable”
- Lastly, the sponsor (Airport) can adopt an ordinance fee unilaterally

## Contextual Background for Consideration

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*Air Transport Association of America v. United States Department of Transportation* (D.C. Cir. 2010):

...the relevant statutes require only reasonable and nondiscriminatory fees, not fees based upon a particular form of cost recovery...

...the fact that a methodology may “more adversely affect” airlines with a particular business model does not render the methodology unreasonable or unjustly discriminatory...

...any given methodology will advantage or disadvantage some airlines over others, and airports are not required to consistently benefit only one group of carriers...

## AVL – Allocation of Joint Use Costs – Methodology

- Each Airport is unique and should address cost methodologies on its specific facts
- AVL is in a subset of Airports that have rather challenging circumstances
- AVL is a small hub airport with 3 legacy Airlines (AA/DL/UA) and 1 ULCC (G4) with significant market share
- Unfortunately, the two differing Airline business models can not agree on a common, joint use cost formula

## Allocation of Joint Use Costs – Methodology cont.

- For AVL, we analyzed multiple potential joint use formulas
- Green represents best case scenario, Red is worst case
- American’s variance at issue is \$32K; Both G4 and DL have benefitted in practice of the new formula at AVL

FY '16 example	80/20 EP	90/10 EP	100% EP	80/20 No Aff	70/30	65/35	60/40	10/45/45	50/50
<u>Total Joint Use Costs:</u>									
Allegiant	\$282,163	\$284,136	\$286,110	\$248,260	\$237,940	\$229,912	\$221,884	\$211,882	\$205,827
American	299,201	303,304	307,407	323,417	335,023	339,626	344,228	344,728	353,434
Delta	334,565	343,089	351,613	358,781	355,108	355,691	356,273	348,332	357,438
United	149,569	134,968	120,368	135,039	137,426	140,269	143,112	160,556	148,799
					-	-			
Total Joint Use Costs	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497	\$1,065,497

## AVL – Joint use formula cost drivers

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- For AVL, we also analyzed cost drivers based on operations and enplanements
- **See Handout.** Approximately 300 row spreadsheet validating terminal cost allocations. Objective standard of assessment.
- Allocation of costs based on operations (if there is one airplane) and on enplanements (one person vs. one hundred people)
- **Result, 58% operations to 42% enplanements**
- Shared with American. Does not support the premise of “operations”

## AVL Board Considerations...

- Each airport should evaluate which methodology will:
  - Promote the highest and best use of its terminal facility
  - Properly allocate costs based on efficiency, and
  - Balance the burden among all airline users
- This in no way promotes or dictates a particular rate making methodology or joint use formula position that all airports must utilize
- But provides for each airport to maximize *flexibility* in choosing what works for its airport. This was done in AVL.
- Airports with 3 legacy carriers and 1 ULCC with significant market share should consider unilaterally going to rates by Ordinance / Resolution if a common, joint use formula can not be agreed upon by all
- Ordinance rates would not include a non-signatory premium

**Asheville Regional Airport  
Executive Summary  
August-16**

**AIRPORT ACTIVITY**

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
<b>Passenger Enplanements</b>	41,314	5.9%	263,308	0.3%
<b>Aircraft Operations</b>				
Commercial	1,653	2.7%	10,800	5.3%
Scheduled Flights	634	3.8%		
Flight Cancellations	15			
Seats	47,194	0.4%	322,674	(1.0%)
Load Factor	87.5%	5.4%	81.6%	1.4%
General Aviation	3,615	(21.2%)	29,032	6.8%
Military	324	(32.5%)	2,769	(30.3%)

**FINANCIAL RESULTS**

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
<b>Operating Revenues</b>	\$ 957,359	7.7%	\$ 1,916,101	11.4%
<b>Operating Expenses</b>	705,715	(2.1%)	1,271,456	(12.2%)
<b>Net Operating Revenues before Depreciation</b>	<u>\$ 251,644</u>	49.7%	<u>\$ 644,645</u>	136.8%
<b>Net Non-Operating Revenues</b>	<u>\$ 352,039</u>	(11.1%)	<u>\$ 687,411</u>	(4.4%)
<b>Grants:</b>				
FAA AIP Grants	\$ 149,640		\$ 1,571,353	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 149,640</u>		<u>\$ 1,571,353</u>	

**CASH**

Restricted	\$ 5,662,658
Designated for O&M Reserve	4,290,100
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	9,789,816
Total	<u>\$ 20,392,574</u>

**RECEIVABLES PAST DUE**

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	7,700	3,975	3,425	300
Allegiant	4,359	-	688	3,671
American	8,392	7,455	590	347
Budget	1,117	-	-	1,117
Delta Airlines	51,641	-	11,921	39,720
FAA/TSA	15,475	9,920	-	5,555
FAA	10,891	10,891	-	-
Skywest	550	-	50	500
Worldwide	2,076	465	534	1,077
Miscellaneous	4,305	1,624	-	2,681
Total	<u>\$ 106,506</u>	<u>\$ 34,330</u>	<u>\$ 17,208</u>	<u>\$ 54,968</u>
% of Total Receivables	<u>14.10%</u>			

Note: Excludes balances paid subsequent to month-end.

**REVENUE BONDS PAYABLE**

**CAPITAL EXPENDITURES**

Annual Budget	\$ 57,762,182
Year-to-Date Spending	\$ 1,818,276

**SPECIAL MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
August 5, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 5, 2016 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:** Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate; Matthew C. Burrell; and Stephanie Pace Brown

**MEMBERS ABSENT:** William L. Moyer

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Samuel Sales, Public Safety Captain; Tom Avolese, Firefighter; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Mike Darcangelo, Avcon; Eric Rysdon, RS&H; Steven Baldwin, Steven Baldwin Associates, LLC via telephone

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

**SERVICE AWARD PRESENTATION:**

A. **Tom Avolese:** The Chair recognized Tom Avolese with a service recognition award and gift for his 10 years of service with the Authority.

**PRESENTATION:**

A. **Height Zoning Presentation:** Michael Reisman gave a height zoning presentation to the Board that staff will be addressing with local municipalities in order to protect the airspace surrounding the airport. The presentation included information regarding FAA funding and sponsor obligations as well as the impact of airspace hazards.

**FINANCIAL REPORT:** The Director reported on the airport activity for June which included enplanements, aircraft operations, and general aviation activity. Mrs. Burnette reported on the financial activity for the month of June. The Director was pleased to note that while staff had budgeted \$915,000 for net revenue for the fiscal year ending in June when the budget was planned last year, the amount of net revenue was \$2.9 million. Some of those funds will be returned to the airlines and also the rental car companies. A brief discussion ensued regarding the airport's rates and charges model for the airlines.

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority July 22, 2016 Closed Session Minutes would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority July 22, 2016 Special Meeting Minutes:**

**C. Approve Grant of Easement to Duke Energy Progress, Inc., a North Carolina LLC for Rerouting Electrical Lines:**

Mr. Tate moved to approve Consent Items A and C. Mr. Bailey seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Approval of Resolution Adopting a Bond Order Authorizing the Issuance Under the Provisions of the State and Local Government Revenue Bond Act, as Amended, of Airport System Revenue Bonds of the Greater Asheville Regional Airport Authority:** The Director introduced Steven Baldwin with Steven Baldwin Associates, LLC who joined the meeting via telephone to answer any questions the Board may have. Cindy Rice advised the Board that language regarding the FAA application would need to be inserted in the Credit Agreement with Raymond James, and that her firm has been working with counsel for Raymond James regarding such language. She further indicated that legal counsel for Raymond James has expressed concern regarding the Authority's right to occupy the airport land, should the FAA not approve the application to transfer the operating certificate. Ms. Rice went on to explain that Raymond James' counsel is looking for reassurance that the Authority will have the ability to operate the parking garage on the land, since the current lease is in the name of the Asheville Regional Airport Authority (ARAA). The Director stated that the previously outstanding bonds for the rental car facility prevented assignment of the lease to the Authority in the original Bill of Assignment.

Ms. Rice stated that the current initial term of the lease expires in April 2018, but that the ARAA can exercise an extension for a 25-year period, which would go beyond the

term of the bonds for the parking garage. Accordingly, Ms. Rice stated that Raymond James' counsel has requested that the lease be assigned from the ARAA to the Authority, and that a covenant be added to the Credit Agreement that requires the Authority to exercise the 25-year extension, if it does not get the FAA approval of transfer of the operating certificate or transfer of the property before April of 2018. Ms. Rice also said a second option would be for the ARAA to extend the lease and then assign the lease to the Authority, but the preference is the first option.

Mr. Baldwin advised the Board that in the mind of the FAA, the second option was the cleanest option, although likely not preferred by the bank. Mr. Baldwin further stated that this involves the delegation of responsibility for the airport from the ARAA to the Authority, which, in his opinion, would be a technical violation of a grant assurance. Mr. Baldwin suggested adding a reversion provision to the lease assignment that stated that if the FAA did not approve the transfer, then the lease would revert back to the ARAA and the ARAA would then exercise its option to extend the lease. Mr. Baldwin again stated that this may not be what the bank wants, but it is easier to explain to the FAA.

The Director stated that another option would be to wait until the change in sponsorship is approved by the FAA, however, that would mean delaying construction of the garage for a year. Staff believes cancelling the garage at this time would cost the Authority between \$3 and \$4 million due to higher bids in the future. There is also the chance the interest rates for the bonds will increase, as well as concern over lack of available parking.

Finally, the Director stated that there is the option of putting the bonds in the name of the ARAA, but that is not something the Authority wants to do and the bank would also not likely agree to that arrangement.

Mr. Baldwin stated that the FAA would call him if there was an issue and therefore he could not recommend the assignment. However, Mr. Baldwin stated that the FAA would not take issue with the bond financing, and, if anything, the issue would be with the lease assignment. Regardless, he indicated it should not impact the application process. Mr. Baldwin went on to suggest the lease assignment specify that it was occurring in order to allow for the financing of parking garage, and that if the Authority did not proceed with the parking garage that the assignment revert back to the ARAA.

The Chair asked Ms. Rice to recap the issue. Ms. Rice stated that Raymond James would like to see the lease assigned from ARAA to the Authority, with the approval of the City of Asheville, as well as a springing obligation to exercise the extension of the lease if the FAA application has not been approved by some agreed upon date (before April 2018). Mr. Baldwin was asked to weigh in on the impact of such a lease assignment on the FAA application, and, while he could not technically recommend the assignment, and while the FAA might not be happy about it, Mr. Baldwin indicated the assignment would not

impact the overall application process. Mr. Baldwin further suggested adding a reversion clause and a statement regarding the purpose of the assignment (that is, to allow the Authority to secure the financing necessary to move forward with the parking garage while the FAA application to transfer the operating certificate was pending).

The Director stated that the reason why this item is back on the agenda is because the application to the LGC should have been turned in before the Board approves the resolution. Staff met with the LGC the previous week and everything looks positive to move forward. The LGC will meet on September 6<sup>th</sup> to approve the application.

Ms. Rice outlined the next steps in the process to move forward with the assignment and closing of the bond.

Mr. Burril expressed concern that if he were Raymond James and the land transfer didn't happen by April of 2018, he would want some type of provision to call those bonds, which would be a major risk for the Authority. Mr. Burril suggested language be included in the documents that the bonds cannot be called. Ms. Rice stated that this could be discussed in Closed Session.

Mr. Bailey asked what was needed from the Board at that point. The Director stated that the following resolution would need Board approval, and that staff would move forward with assigning the property to the GARAA with all of the provisions discussed, and a Special Meeting would be scheduled in the next few weeks to approve assigning the property to the GARAA.

**A RESOLUTION ADOPTING A BOND ORDER AUTHORIZING THE  
ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL  
GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF AIRPORT  
SYSTEM REVENUE BONDS OF THE GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

**BOND ORDER**

*WHEREAS*, the Greater Asheville Regional Airport Authority (the "*Authority*"), a political subdivision of the State of North Carolina, owns and operates a public airport known as the Asheville Regional Airport (together with such additions thereto as may be made from time to time, the "*Airport*");

*WHEREAS*, the Authority is empowered, under the Constitution and laws of the State of North Carolina, particularly The State and Local Government Revenue Bond Act (Sections 159-80 to 159-97, inclusive, as amended, of the General Statutes of North Carolina), as the same may be amended from time to time (the "*Act*"), to issue its revenue bonds for the purpose of financing airport facilities;

**WHEREAS**, the Board of Directors of the Authority hereby determines that it is desirable to issue two series of airport revenue bonds to be known as "*Greater Asheville Regional Airport Authority Airport System Revenue Bond, Series 2016A*" and "*Greater Asheville Regional Airport Authority Taxable Airport System Revenue Bond, Series 2016B*" (collectively, the "*2016 Bonds*") in order to finance all or a portion of the cost of the acquisition and construction of a parking facility at the Airport (the "*2016 Project*");

**WHEREAS**, the Board of Directors wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) retain The Bank of New York Mellon Trust Company, N.A., as trustee for the 2016 Bonds; (3) request the approval of the Local Government Commission of North Carolina (the "*Commission*") of Raymond James Capital Funding, Inc. as the initial purchaser of the 2016 Bonds (the "*Lender*"); (4) approve the selection by the Lender of Womble Carlyle Sandridge & Rice, LLP, as Lender's counsel; (5) retain Public Financial Management, Inc., as financial advisor; and (6) retain Trillion Aviation as airport consultant (collectively, the "*Financing Team*");

**WHEREAS**, the Authority will issue the 2016 Bonds under a General Trust Indenture dated as of September 1, 2016 (the "*General Indenture*") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"), and Series Indenture, Number 1 dated as of September 1, 2016 (the "*Series Indenture*" and together with the General Indenture, the "*Indenture*") between the Authority and the Trustee;

**WHEREAS**, the Authority and the Commission have arranged for the sale of the 2016 Bonds to the Lender under the terms of a Credit Agreement to be dated as of September 1, 2016 (the "*Credit Agreement*"); and

**WHEREAS**, copies of the forms of the following documents relating to the transactions described above have been filed with the Authority:

1. the General Indenture
2. the Series Indenture; and
3. the Credit Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Greater Asheville Regional Airport Authority as follows:

**Section 1.** The 2016 Bonds are hereby authorized and will be issued by the Authority pursuant to the Act for the purpose of providing funds, together with other available funds of the Authority, to finance all or a portion of the costs of the 2016 Project.

**Section 2.** The aggregate principal amount of the 2016 Bonds authorized by this order will not exceed \$21,000,000. The 2016 Bonds hereby authorized will be special

obligations of the Authority, secured by and paid solely from the proceeds thereof or from Net Revenues (as defined in the General Indenture).

**Section 3.** The filing of an application with the Local Government Commission of North Carolina (the "*Commission*") for its approval of the issuance of the 2016 Bonds is hereby ratified and approved. The Director of Finance and Accounting of the Authority, or her designee, with advice from the Executive Director, the counsel to the Authority and bond counsel, is hereby authorized, directed and designated to provide such information to the Commission as may be required for the Commission's approval of such application.

**Section 4.** The Financing Team is hereby approved in connection with the issuance by the Authority of the 2016 Bonds. The Director of Finance and Accounting is hereby authorized to retain the services of such other professionals as she may determine necessary to carry out the transactions contemplated by this Resolution. The Trustee is hereby appointed as Registrar and Paying Agent under the Indenture.

**Section 5.** The Board of Directors finds and determines, and asks the Commission to find and determine from the Authority's application and supporting documentation, as follows:

- (a) the issuance of the 2016 Bonds is necessary or expedient;
- (b) the not to exceed stated principal amount of the 2016 Bonds will be sufficient but is not excessive, when added to other money available to the Airport, to finance the 2016 Project;
- (c) the Airport, as now constituted and after completion of the 2016 Project, is feasible;
- (d) the Authority's debt management procedure and policies are excellent; and
- (e) the 2016 Bonds can be marketed at a reasonable interest cost to the Authority.

**Section 6.** The Authority's issuance of the 2016 Bonds, in substantially the form to be set forth in the Series Indenture, is hereby in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2016 Bonds (including without limitation the maturity dates and rates of interest) are hereby approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2016 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2016 Bonds will not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the Authority's property or on any of its income, receipts or revenues except the funds which are pledged under the Indenture. Neither the credit nor the taxing power of the State of North Carolina or the Authority is pledged for the payment of the principal of, premium, if any, or interest on the 2016 Bonds, and no holder of the 2016 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the forfeiture of any of its or the Authority's property in connection with any default thereon. The Authority has no taxing power.

**Section 7.** The Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the General Indenture and Series Indenture for and on behalf of the Authority, including necessary counterparts, in substantially the form and content presented to the Authority, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the General Indenture and the Series Indenture, the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the General Indenture and Series Indenture as executed.

**Section 8.** The Board of Directors requests that the Commission sell the 2016 Bonds through negotiation to the Lender pursuant to the terms of the Credit Agreement but at a true interest cost not exceeding 5.0% for the 2016A Bond and 6.0% for the 2016B Bond. The form and content of the Credit Agreement are in all respects approved and confirmed, and the Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director, individually and collectively, are hereby authorized, empowered and directed to execute and deliver the Credit Agreement for and on behalf of the Authority, including necessary counterparts, in substantially the form and content presented to the Authority, but with such changes, modifications, additions or deletions therein as he may deem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Credit Agreement, the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized,

empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Credit Agreement as executed.

**Section 9.** The Executive Director or Director of Finance and Accounting is hereby authorized to execute a no-arbitrage certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

**Section 10.** If any one or more of the covenants, agreements or provisions contained in this Bond Order is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2016 Bonds authorized hereunder.

**Section 11.** No stipulation, obligation or agreement contained in this Bond Order or contained in the 2016 Bonds, the General Indenture, the Series Indenture, the Credit Agreement or any other instrument related to the issuance of the 2016 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the Authority in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2016 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

**Section 12.** The Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to prepare and furnish, when the 2016 Bonds are issued, certified copies of all the proceedings and records of the Board of Directors relating to the 2016 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2016 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, constitute representations of the Authority as to the truth of all statements contained therein.

The Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to execute any and all other documents which they, in their discretion, deem necessary and appropriate to consummate the transactions

contemplated by this Bond Order, the General Indenture, the Series Indenture or the Credit Agreement.

The Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do and all other acts to carry out the on-going administration of such transactions and the 2016 Bonds; except that none of the above is hereby authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the Authority is bound, (d) any rule or regulation of the Authority or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

**Section 13.** All acts and doings of the officials of the Authority that are in conformity with the purposes and intents of this Bond Order and in the furtherance of the issuance of the 2016 Bonds and the execution, delivery and performance of the Indenture and the Credit Agreement are hereby in all respects approved and confirmed.

**Section 14.** This Bond Order supercedes and replaces the bond order adopted by the Board of Directors on July 22, 2016. All other resolutions or parts thereof of the Board of Directors in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 15.** This Bond Order will take effect immediately on its adoption and, pursuant to Section 159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the Board of Directors other than the procedures set out in the Act.

STATE OF NORTH CAROLINA )

) ss:

COUNTY OF BUNCOMBE )

I, ELLEN HEYWOOD, the CLERK TO THE BOARD OF DIRECTORS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **"A RESOLUTION ADOPTING A BOND ORDER AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF AIRPORT SYSTEM REVENUE BONDS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY; AND AUTHORIZING THE APPLICATION TO THE LOCAL**

**GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND THE PRIVATE SALE OF SUCH BONDS”** adopted by the Board of Directors of the Greater Asheville Regional Airport Authority, at a meeting held on the 5<sup>th</sup> day of August, 2016.

*WITNESS* my hand and the corporate seal of the Greater Asheville Regional Airport Authority, this the \_\_\_ day of August, 2016.

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Ellen Heywood  
Clerk to the Board of Directors  
Greater Asheville Regional Airport  
Authority

Mr. Bailey moved to approve the resolution adopting a bond order authorizing the issuance under the provisions of the state and local government revenue bond act, as amended, of airport system revenue bonds of the Greater Asheville Regional Airport Authority. Mr. Tate seconded the motion and it carried unanimously.

**NEW BUSINESS:**

**A. Approval of Airline Incentives for Allegiant Air:** The Director reported that Allegiant Air has announced service to Newark, NJ (EWR) beginning November 17, 2016 with four flights per week. Staff would like to offer a ground handling and passenger service fee incentive of 50% per aircraft turn up to \$300.00 per flight for two flights per week totaling \$31,200 through the one-year anniversary of the AVL-EWR service. This incentive is in addition to the \$150,000 for marketing and advertising of the new service as well as waived rents and fees that staff has already offered as part of the Authority's Air Service Incentive policy. The total incentive package is worth approximately \$331,200 with direct expenditures being approximately \$181,200.

Ms. Brown inquired about the possibility of including a service quality clause as a stipulation. The Director responded that staff would make sure that Allegiant management was made aware of service issues.

Ms. Brown moved to approve airline incentives with Allegiant Air for AVL-EWR service as presented by staff and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

**B. Re-Adoption of Resolution Concerning the Implementation and Collection of a Customer Facility Charge:** The Director informed the Board that the ARAA instituted Customer Facility Charges (CFCs) in 2004. Since staff is assigning agreements and operational requirements over to the GARAA, a new resolution must be adopted under the GARAA. Staff is recommending the CFC remain at the current rate of

\$4.25 CFC per rental car contract day. The Director requested the Board re-adopt the following resolution:

## **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

### **RESOLUTION # 080516-01**

**WHEREAS**, the Asheville Regional Airport Authority ("ARAA") is a joint governmental agency organized and created by the City of Asheville and the County of Buncombe, pursuant to Article 20 of Chapter 160A of the General Statutes of North Carolina; and

**WHEREAS**, the ARAA previously operated the Asheville Regional Airport ("Airport"); and

**WHEREAS**, on or about May 17, 2004, the ARAA adopted Resolution No. 051704-01 entitled: *A RESOLUTION AUTHORIZING THE IMPOSITION AND COLLECTION OF A CUSTOMER FACILITY CHARGE OF TWO DOLLARS (\$2.00) PER CAR RENTAL TRANSACTION DAY ON ALL CAR RENTAL CONTRACTS ISSUED FOR THE RENTAL OF PASSENGER MOTOR VEHICLES AT THE ASHEVILLE REGIONAL AIRPORT AND AUTHORIZING CERTAIN ADDITIONAL ACTIONS WITH RESPECT TO THE IMPLEMENTATION AND ADMINISTRATION THEREOF*, which authorized and implemented the collection of customer facility charges of \$2.00 per car rental transaction day on all car rental contracts issued for the rental of passenger motor vehicles at the Airport; and

**WHEREAS**, on or about April 13, 2007, the ARAA adopted Resolution No. 041307-02 entitled: *A RESOLUTION TO AMEND RESOLUTION NUMBER 051704-01 AUTHORIZING THE IMPOSITION AND COLLECTION OF A CUSTOMER FACILITY CHARGE OF TWO DOLLARS (\$2.00) PER CAR RENTAL TRANSACTION DAY ON ALL CAR RENTAL CONTRACTS ISSUED FOR THE RENTAL OF PASSENGER MOTOR VEHICLES AT THE ASHEVILLE REGIONAL AIRPORT*, which authorized an increase in the customer facility charges from \$2.00 to \$4.00 per car rental transaction day on all car rental contracts issued for the rental of passenger motor vehicles at the Airport; and

**WHEREAS**, on or about December 10, 2010, the ARAA adopted Resolution No. 121010-03 entitled: *A RESOLUTION TO AMEND RESOLUTION NUMBER 041307-02 AUTHORIZING THE IMPOSITION AND COLLECTION OF A CUSTOMER FACILITY CHARGE OF \$4.00 PER CAR RENTAL TRANSACTION DAY ON ALL CAR RENTAL CONTRACTS ISSUED FOR THE RENTAL OF PASSENGER MOTOR VEHICLES AT THE ASHEVILLE REGIONAL AIRPORT*, which increased the customer facility charges from \$4.00 to \$4.25 per car rental transaction day on all car rental contracts issued for the rental of passenger motor vehicles at the Airport; and

**WHEREAS**, the ARAA utilized revenues from the imposition and collection of said charges to offset the rental and security costs for certain facilities and security services provided by the ARAA to rental car operators for the benefit and accommodation of their customers, and to fund certain car rental facility and other ground transportation projects which will benefit rental car operators and their customers at the Airport; and

**WHEREAS**, the ARAA determined that the imposition and collection of said customer facility charges is in the public interest of providing and maintaining facilities and services to rental car operators, their customers and the traveling public utilizing the Airport; and

**WHEREAS**, the Greater Asheville Regional Airport Authority ("GARAA") is a body corporate and politic, created by Session Law 2012-121 ("the Act"), which was ratified by the General Assembly of the State of North Carolina on June 28, 2012, and which was amended by Session Law 2014-52, which was ratified by the General Assembly of the State of North Carolina on July 2, 2014; and

**WHEREAS**, the Act, as amended, required, among other things, the transfer of property known as the Asheville Regional Airport to the GARAA; and

**WHEREAS**, the Section 1.6(a) of the Act authorized the GARAA to, among other things, "[p]urchase, acquire, develop, establish, construct, own, control, lease, equip, improve, administer, maintain, operate, and/or regulate airports . . . " and to "[c]harge and collect fees, royalties, rents and/or other charges . . ."; and

**WHEREAS**, the GARAA is now operating the Airport; and

**WHEREAS**, in order to facilitate compliance with the Act, on or about October 12, 2012, the ARAA executed a Bill of Assignment, Conveyance, Transfer, Authorization, and Grant ("Instrument"), which assigned, conveyed, transferred and delivered to the GARAA, except as otherwise expressly stated in the Instrument, all of the ARAA's right, title and interest in and to, and control of, all of ARAA's property, rights and interests, personal and mixed, tangible and intangible, whether contingent or not, and wherever located ("Property"), including, but not limited to all Property that was part of the Airport and/or that was owned or considered to be used by ARAA or the Airport; and

**WHEREAS**, the GARAA determined that the imposition and collection of customer facility charges is in the public interest of providing and maintaining facilities and services to rental car operators, their customers and the traveling public utilizing the Airport; and

**WHEREAS**, the GARAA now desires to formally re-adopt the Resolutions previously adopted by the ARAA regarding customer facility charges;

**NOW, THEREFORE,** Be It Resolved and Adopted by the GARAA, as follows: The Greater Asheville Regional Airport Authority hereby re-adopts Resolution NO. 051407-01, as amended by Resolution No. 041307-02 and Resolution No. 121010-03, which amended Resolution is re-stated, in its entirety, as follows:

## **SECTION 1 - DEFINITIONS**

Except as otherwise clearly indicated by the context, the word and phrases set forth in this section shall have the following meanings when used in this Resolution.

- (a) "Customer Facility Charge" means a charge of two dollars (\$4.25) per Car Rental Transaction Day.
- (b) "Car Rental Operator" means any person, firm, corporation, or other entity operating a car rental concession at the Airport or any other person, firm, corporation, or other entity authorized by the Authority to rent and/or arrange for the rental of a passenger motor vehicle to any driver, passenger, or other person, firm, corporation, or other entity at, through, or from the Airport or an Airport facility.
- (c) "Car Rental Transaction Day" means each 24-hour period, or fraction thereof, within a rental period under or pursuant to a Car Rental Contract.
- (d) "Customer" means any person, firm, corporation, or other entity who or which rents and/or takes possession of a passenger motor vehicle at, through, or from the Airport or an Airport facility under or pursuant to a Car Rental Contract.
- (e) "Car Rental Contract" means the document or documents (whether written, electronic, or otherwise) under or pursuant to which any Car Rental Operator rents, arranges for the rental of, and/or delivers possession of a passenger motor vehicle to a Customer.

## **SECTION 2 - IMPOSITION OF CUSTOMER FACILITY CHARGE**

Each Car Rental Operator shall charge and collect from each of its Customers, including but not limited to those receiving complimentary and/or discounted rentals of passenger motor vehicles, the Customer Facility Charge specified in Section 1 above. Said charge shall be identified on a separate line on each Car Rental Contract before, and conspicuously separate from, any state and local taxes, and shall be described only as the "Airport Customer Facility Charge" or "Airport CFC".

## **SECTION 3 - COLLECTION AND REMITTANCE**

- (a) All Customer Facility Charges collected by a Car Rental Operator and/or its agents are, and shall be, funds held in trust by or for said Car Rental Operator for the benefit of the Authority. Said Customer Facility Charges shall be the Authority's property, and said Car Rental Operator and its agents shall have only a possessory

interest in the Customer Facility Charges and shall not have any legal or equitable interest therein.

- (b) The Customer Facility Charges collected by each Car Rental Operator and/or its agents shall be promptly deposited to an interest-bearing account and shall be due and payable as set forth herein to the Authority in the currency of the United States of America. The revenue in such account on the last calendar day of each month shall be remitted to the Authority by check on a bank insured by the Federal Deposit Insurance Corporation and at the office of the Airport Director or, if said Car Rental Operator is so notified by the Authority, shall be remitted by electronic transfer to the Authority's authorized depository financial institution. Such remittance shall be made no later than the fifteenth (15th) business day following the end of said month.
- (c) The account to which each Car Rental Operator deposits the Customer Facility Charges shall not be subject to any lien, pledge or hypothecation as a result of any credit or security instrument entered into by said Car Rental Operator. Each Car Rental Operator shall segregate, separately account for, and disclose all Customer Facility Charges as trust funds in their financial statements; provided, however, that the failure to do so shall not alter or eliminate their status as trust funds.
- (d) Each Car Rental Operator shall maintain such accounting records and accounting controls over the collection, deposit, safekeeping, and remittance of said Customer Facility Charges as are required by the terms of its Agreement with the Authority, and all of said records and controls shall be subject to inspection and audit at all times by the Authority and its representatives as provided for by the Agreement and/or Section 5 of this Resolution. Unless otherwise established pursuant to Section 5 of this Resolution, the inspection and audit provisions of Sections 8.08(a) through (d) of the Agreement shall apply to each Car Rental Operator's obligations with respect to Customer Facility Charges under this Resolution.
- (e) Each Car Rental Operator shall be obligated to remit to the Authority all Customer Facility Charges imposed on its Customers pursuant to this Resolution, whether or not they are actually collected from its Customers. Any amount not remitted by a Car Rental Operator to the Authority when due under this Resolution shall bear interest at the highest legal rate allowed under North Carolina law, and the costs of collection and attorneys fees, if any, incurred by the Authority in obtaining or attempting to obtain payment, plus an administrative fee of two hundred fifty dollars (\$250.00), shall forthwith be paid by such Car Rental Operator to the Authority.

#### **SECTION 4 - APPLICATION OF CUSTOMER FACILITY CHARGE REVENUE**

Revenue from the Customer Facility Charge remitted to the Authority pursuant to Section 3 above shall be utilized, applied, or deposited from time to time by the Authority in the following order of priority:

- (a) Utilized to reimburse the Authority for the costs (including but not limited to imputed interest on funds expended) of any car rental facility improvements made by the Authority for the benefit of the Car Rental Operators.
- (b) Applied as a credit against the Car Rental Operators' monthly facility rental obligations under their Agreements with the Authority.
- (c) Applied as a credit against the Car Rental Operators' monthly security fee obligations under their Agreements with the Authority.
- (d) Deposited to the Authority's Customer Facility Charge account to be used by the Authority for future expenditures which would benefit any Car Rental Operator or its Customers or which would improve ground transportation-related facilities at the Airport.

## **SECTION 5 - IMPLEMENTATION**

The Airport Director is hereby empowered to enforce this Resolution on behalf of the Authority and to design and require the use of such forms, and to establish such procedures and rules, as he may from time to time deem necessary or appropriate for the administration of this Resolution.

## **SECTION 6 - SEVERABILITY**

The provisions of this Resolution are intended to be severable, so that if any provision or provisions shall be held by a court of competent jurisdiction or by a governmental agency or entity to be invalid or unenforceable, the other provisions shall remain in full force and effect.

## **SECTION 7 - EFFECTIVE DATE**

This Resolution shall take effect at 12:01 A.M., February 1, 2011, and shall apply to each and every Car Rental Contract covering the rental of any passenger motor vehicle at the Airport on or after February 1, 2011.

Adopted this 5<sup>th</sup> day of August, 2016.

## **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**BY:** \_\_\_\_\_  
Robert C. Roberts, Chair

ATTESTED BY:

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

Mr. Bailey moved to re-adopt the resolution as presented by staff authorizing the implementation of a \$4.25 Customer Facility Charge. Mr. Burril seconded the motion and it carried unanimously.

**C. Approval of Standard Space Lease with the US Department of Transportation Federal Aviation Administration for Air Traffic Control Tower Facilities:** The Director reported that the five-year lease with the FAA for the air traffic control tower functions expired in September 2015. The FAA has requested a new eleven-year lease agreement to take effect October 1, 2015. The Director further stated that the new lease increases the rent by 2% for the first five years and will then be re-negotiated for the remainder of the term. The Director advised the Board that the lease presented is the final lease and that the FAA plans to add more office space that will be an amendment to this lease.

Mr. Burril moved to approve the new lease agreement with the Federal Aviation Administration in substantial form as presented, authorize the Executive Director to finalize the agreement with the Federal Aviation Administration, and execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

#### **DIRECTOR'S REPORT:**

**A. American Airlines Schedule:** The Director reported that the early morning departure at 7:00 am is back on schedule in September. The late night arrival flight has been changed closer to 9:00 pm. Staff is still working with American to get the schedule closer to what was previously offered.

**B. Update on Blood Drive:** The Director stated that a blood drive was held in June and 40 pints were collected through participation by both Authority and tenant employees.

**C. Bus Stop Location:** Staff has been working with Apple Country Transit and ART regarding the issue of traffic and congestion at the current bus stop locations. New locations were agreed upon between all parties and the airport will incur the expense of two bus shelters for the new locations.

**D. Allegiant Pilot Contract:** Allegiant Airline pilots and the International Brotherhood of Teamsters came to an agreement for a five-year term and ratified it on August 1<sup>st</sup>. There should be no more work related issues for Allegiant or lack of services due to a pilots' contract. There was also a recent news article about safety issues with Allegiant and the FAA did a full review and audit and although there were some minor paperwork issues, there was nothing significant that was found, so the FAA cleared Allegiant's safety and maintenance practices.

**INFORMATION SECTION:** The Chair stated that Buncombe County should be giving notice about their appointee for the position being vacated by Jeff Piccirillo and as soon

as that was done, the Nominating Committee would meet regarding the election of officers. The Director stated that although the official notification had not yet been received, Buncombe County did appoint David Gantt to the Authority Board.

**AUTHORITY MEMBER REPORTS:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** The Director advised the Board that a Special Meeting would be necessary sometime later in the month. A regular September meeting was not anticipated at that time.

**SERVICE RECOGNITION AWARD:**

A. **Jeffrey Piccirillo:** The Chair thanked Mr. Piccirillo for his service and read the following resolution:

*Greater Asheville  
Regional Airport Authority*

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~ Resolution ~

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**WHEREAS**, the Greater Asheville Regional Airport Authority was created in June 2012, by State statutes to succeed the Asheville Regional Airport Authority for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

**WHEREAS**, Jeffrey A. Piccirillo served as Member of the Asheville Regional Airport Authority from August 2008 to August 2016, and its successor, the Greater Asheville Regional Airport Authority, from August 2012 to August 2016; and

**WHEREAS**, Jeffrey A. Piccirillo also served as Secretary-Treasurer of the Asheville Regional Airport Authority from October 2010 to August 2016; and

**WHEREAS**, during his tenure the Authority experienced considerable growth and development, with a strong emphasis on building a partnership with the community; and

**WHEREAS**, during his service to both organizations, Jeffrey A. Piccirillo fulfilled his position with diligence, conscientiousness, a humble and genial demeanor, and expressed consistent concern for the welfare of employees and the well-being of others.

**NOW, THEREFORE, BE IT RESOLVED** that the Greater Asheville Regional Airport Authority expresses its sincere thanks and gratitude to Jeffrey A. Piccirillo for his dedicated efforts in serving the needs of the Asheville Regional Airport.

**Adopted this the 5th day of August, 2016.**

**Greater Asheville Regional Airport Authority**

**CLOSED SESSION:** At : 10:30 a.m. Mr. Bailey moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel Regarding, Among Other Things, that Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Greater Asheville Regional Airport Authority, Thalle Construction Co., Inc. and Liberty Mutual Insurance Company; and in Order to Preserve the Attorney-Client Privilege; and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations. Mr. Burril seconded the motion and it carried unanimously.

The Chair indicated they would break until 10:35 a.m., at which time the Board would resume in closed session.

Open Session resumed at 11:16 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 5, 2016**

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

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**JULY 22, 2016 CLOSED SESSION MINUTES:** Mr. Bailey moved to approve the minutes for the July 22, 2016 Closed Session, and to seal and withhold the minutes for the July 22, 2016 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Piccirillo seconded the motion and it carried unanimously.

**ADJOURNMENT**: Mr. Tate moved to adjourn the meeting at 11:18 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

Robert C. Roberts  
Chair

**SPECIAL MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
August 30, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Tuesday, August 30, 2016 at 9:30 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 VIA TELEPHONE:** Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Andrew T. Tate; William L. Moyer; Matthew C. Burrell; Stephanie Pace Brown; and David Gantt

**MEMBERS ABSENT:** None

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Janet Burnette, Director of Finance and Accounting; and Ellen Heywood, Clerk to the Board

**CALL TO ORDER:** The Chair welcomed David Gantt to the Board and called the meeting to order at 9:30 a.m.

**NEW BUSINESS:**

**A. Approval of an Acceptance and Joinder of a Second Bill of Assignment, Conveyance, Transfer, Authorization, and Grant by the Greater Asheville Regional Airport Authority:** The Director informed the Board that in October, 2012, the Greater Asheville Regional Airport Authority (GARAA) accepted and approved a bill of assignment, conveyance, transfer, authorization, and grant from the Asheville Regional Airport Authority, ("ARAA") as due process from the creation of the Greater Asheville Regional Airport Authority by North Carolina State statutes. The lease, between the City of Asheville and ARAA, ("Lease") for the actual land that the airport resides on was not part of that original transfer document due to outstanding bonds for the rental car facilities. The bonds have since been retired, and GARAA is undertaking a new bond issuance for the construction of the parking garage. Raymond James Capital Funding, Inc., the purchaser of the bonds, is requiring the Lease to be assigned to GARAA prior to closing of the bonds, since the bonds will be in the name of GARAA. The City of Asheville has agreed to sign the necessary documents while staff works through the sponsorship change with the Federal Aviation Administration (FAA).

Ms. Rice reported that the documents for the second assignment have been submitted to the City of Asheville and their in-house legal counsel has approved, however the signed document has not yet been received from the city.

Mr. Burril affirmed that this does not change the lease agreement the Authority has with the city. The Director responded that this was correct and that approval of the assignment transfers the lease to the GARAA. If the sponsorship and property is not turned over to the Authority by January of 2018, then GARAA will be required to execute the extension option on the lease.

Mr. Burril stated that the objective was to have that transfer of sponsorship from the FAA prior to January of 2018. The Director responded that this was correct. The assignment was assurance for Raymond James so that if the sponsorship was not transferred, the lease would continue for another 25 years after 2018.

Mr. Bailey moved to, effective upon execution by the City of Asheville of the Acknowledgment, Authorization, and Joinder (of the Second Assignment), approve and accept, and join in, and agree to be bound by, the Second Bill of Assignment, Conveyance, Transfer, Authorization, and Grant from and by the Asheville Regional Airport Authority to the Greater Asheville Regional Airport Authority, and approve and agree to be bound by, the Acceptance and Joinder with respect to such Second Bill of Assignment, Conveyance, Transfer, Authorization, and Grant; and to authorize and direct the Executive Director or the Chair, upon receipt of the signed Acknowledgment, Authorization, and Joinder from the City of Asheville, to execute and deliver the Acceptance and Joinder for, and on behalf of, the Greater Asheville Regional Airport Authority and its governing board. Mr. Burril seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Moyer moved to adjourn the meeting at 9:39 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

Robert C. Roberts  
Chair



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: October 14, 2016

### ITEM DESCRIPTION – Consent Item D

Approval of Amendment to the FY16/17 Budget for Capital Carry-over

### BACKGROUND

Given that our FY16/17 capital budget was prepared using estimates available in February, 2016, we need to amend our FY16/17 budget to update some of those estimates.

The FY16/17 budget included an estimated amount of capital carry-over for projects not expected to be completed by June 30, 2016. Now that we have determined the actual spending on these projects for FY15/16, we need a budget amendment to increase the authorized capital carry-over and the related revenues by \$5,652,966 to the actual amounts needed for FY16/17. This includes increasing the capital carry-over for the Airfield Redevelopment-Bid Package 1 project by \$427,965, the Airfield Redevelopment-Bid Package 2 project by \$1,074,095, and the Airfield Redevelopment-Bid Package 3 project by \$4,150,906. Budgeted AIP Discretionary Funds will be increased by \$3,331,669, and budgeted Transfer from Authority Cash and Investments will be increased by \$2,321,297. The majority of the \$2,321,297 Transfer from Authority Cash and Investments will be recoverable from future years' Passenger Facility Charge collections.

We recommend that the Airport Authority Board amend the FY16/17 budget as outlined below.

### ISSUES

None.

Consent – Item D





**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP		\$3,331,669
Discretionary Funds		\$2,321,297
Transfer from GARAA Cash		\$2,321,297
Totals	<hr/> <hr/>	<hr/> <hr/> \$5,652,966

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 14th day of October, 2016.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

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



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: October 14, 2016

### ITEM DESCRIPTION – Consent Item E

Approval of Amendment to the FY16/17 Budget

### BACKGROUND

Given that our FY16/17 operating budget was prepared using estimates available in February, 2016, we need to amend our FY16/17 budget to update some of those estimates.

We budgeted annual salary adjustments in the Administration Department. At the beginning of the fiscal year, we determined the actual amounts of these salary adjustments, by employee, and need to amend the FY16/17 budget to account for these adjustments in the appropriate departments.

The FY15/16 budget included the estimated amount of bond issuance costs related to the parking garage project. However, none of these costs were invoiced in FY15/16 and are being paid in the current fiscal year. Therefore, we need to increase the FY16/17 Executive department budget by \$203,000 to cover these costs.

The FY15/16 budget also included cash forfeiture funds which are restricted for use by the Public Safety department. The unexpended balance of these funds at the end of FY15/16 was \$31,503 which should be added to the FY16/17 Public Safety budget.

We are transferring \$18,000 from the Executive department budget to the Marketing department budget to cover the cost of air service route analysis.

In addition, during the construction of the parking garage, Standard Parking is providing shuttle service to a leased parking lot. The cost for the shuttle service and lot lease and management is estimated to be \$500,000. We need to increase the FY16/17 Operations department budget by this amount.

Consent – Item E



We recommend that the Greater Asheville Regional Airport Authority Board amend the FY16/17 budget as outlined below.

## ISSUES

None.

## ALTERNATIVES

None.

## FISCAL IMPACT

The budget amendment will increase both FY16/17 budgeted revenues and expenditures by \$734,503 to provide for the changes outlined above. The net increase in Transfers from GARAA Cash is \$734,503.

## RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to amend the FY16/17 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, 2017:

Section 1. To amend the appropriations as follows:

### EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Administrative Department	\$136,921	
Development Department		\$10,439
Executive Department		\$197,230
Finance Department		\$10,170
Guest Services Department		\$4,880
Information Technology Department		\$11,221



Marketing Department		\$24,826
Operations Department		\$576,397
Public Safety Department		\$36,261
Totals	<u>\$136,921</u>	<u>\$871,424</u>

This will result in a net increase of \$734,503 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$734,503
Totals	<u></u>	<u>\$734,503</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 14th day of October, 2016.

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

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



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**MEMORANDUM**

TO: Members of the Airport Authority  
FROM: Lew Bleiweis, A.A.E., Executive Director  
DATE: October 14, 2016

**ITEM DESCRIPTION – New Business Item A**

Approval of the Greater Asheville Regional Airport Authority Board 2017 Schedule

Below are the proposed dates for the 2016 Board Meetings and Budget Workshop/Budget Approval Meeting to note on your calendars:

*January 13	*July 14
February 17	August 11
March 10	*September 8
<b>Friday, March 24</b>	October 6
April 21	*November 9 or 17
May 19	December 8
June 9	

**Friday, March 24, 2017 – Board Budget Workshop/Budget Approval**

\*At this point, it is not anticipated that a meeting will be required on these dates. However, please leave your schedules open until determination is made.



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## MEMORANDUM

TO: Members of the Airport Authority

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

DATE: October 14, 2016

### ITEM DESCRIPTION – New Business Item B

Approval of Ordinance Establishing Airline Rates and Charges

### BACKGROUND

In June 2015, the Authority adopted a new Airline-Airport Operating and Space Use Agreement (“Agreement”) which was created to correct three issues with the old agreement. Those items were 1) the amount and requirement of the subsidy being granted to the airlines for the airfield cost center; 2) the method of charging the airlines for the use of runway deicing chemicals; and 3) the method of charging airlines that choose to fly less than seven flights per week. In creating the new agreement, most of the terms and conditions stayed the same, but the method of calculating the rates and charges changed. Our consultant, Trillion Aviation, assisted staff in creating a new rate methodology that is fair and equitable and takes into consideration two entirely different type of airline operations.

Allegiant is the only airline that has executed the agreement. American, Delta, and United have refused to sign because they claim the new rate method favors Allegiant or any Ultra Low Cost Carrier (ULCC). The agreement and industry standards require any non-signing carrier to pay a penalty on the rates. In AVL’s case the penalty is 25%.

Since the overall rates are in the low to middle of average for airport operating rates, staff is proceeding to change the way we charge the airlines from an agreement to an ordinance style method. This will eliminate the 25% surcharge for not signing an agreement.

New Business – Item B



## **ISSUES**

Going to an ordinance for airline rates and charges will eliminate the stalemate between the Authority and those airlines that have not signed the Agreement at the same time eliminating the non-signing penalty. It also reduces the amount of input the airlines have on the annual rental/operating rates imposed each year. This method does involve more risk for the Authority as rates are set each year with no ability to reconcile if the airlines operate more or less than anticipated for the budget.

## **ALTERNATIVES**

Staff could spend countless hours and money trying to create an alternate agreement that works for both legacy and ULCC airlines and protects the airport in a reasonable manner should an airline leave the Asheville market or consolidate even further.

## **FISCAL IMPACT**

Going to rates by ordinance will eliminate the 25% penalty currently being charged to those airlines that have not signed an agreement. A portion of that penalty collected goes to those airlines that have signed and the remainder goes to the Authority. By eliminating the penalty, the Authority foregoes the additional unbudgeted revenue.

## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board: (1) consider and approve the proposed, preliminary Airline Rates, Fees and Charges Ordinance; (2) schedule a public hearing and accept public comment on the proposed, preliminary Airline Rates, Fees and Charges Ordinance; and (3) following the minimum ten day period for public comment and the public hearing, adopt the Airline Rates, Fees and Charges Ordinance.

Attachment

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ORDINANCE NO. \_\_\_\_\_

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

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

**Section 1. CITATION.**

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

**Section 2: FINDINGS.**

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

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

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

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

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

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

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

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

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

### **Section 3. PURPOSE AND SCOPE**

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

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

### **Section 4. EFFECTIVE DATE**

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the \_\_\_\_ day of \_\_\_\_\_, 2016.

### **Section 5. DEFINITIONS**

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

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

5.3 [RESERVED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Section 6. RATE MAKING METHODOLOGY**

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

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

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

### **6.4 Terminal Building Operating Requirement.**

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

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

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

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

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

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

### **6.5 Airfield Area Operating Requirement.**

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

areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

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

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

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

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

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

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

6.5.4. [RESERVED]

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

6.5.6 Joint Use Space. Airline's share of the Total Terminal Building Rentals for Joint Use Space will be determined as follows: (1) sixty-five percent (65%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) thirty-five percent (35%) of the total rentals due shall be prorated among the Airlines using Joint Use Space based upon Airline's share of aircraft departures.

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

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

## **Section 7. RENTALS, FEES AND CHARGES**

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

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

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

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

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

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

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

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

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

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

## **Section 8. SCHEDULE OF RATES, FEES AND CHARGES**

8.1 The Authority's 2016-2017 Fiscal Year Schedule of Rates, Fees and Charges is attached hereto and incorporated herein by reference as Exhibit A.

## **Section 9. PAYMENT OF RENTALS, FEES AND CHARGES**

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

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

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

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

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

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

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

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

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

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

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

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

## **Section 10. PENALTIES AND ENFORCEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 11. SEVERABILITY**

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

**Section 12. AMENDMENT.**

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

ADOPTED THIS the \_\_\_ day of \_\_\_\_\_, 2016, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Robert C. Roberts, Chair

**ATTEST:**

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

Exhibit A

**SUMMARY TABLE**

**RESULTS**

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

(Fiscal Years Ending June 30)

	Budget	Budget	Budget
	2015	2016	2017
<u>Signatory Airline Rates &amp; Charges:</u>			
Terminal Building Rental Rate (per s.f.)	\$37.56	\$40.97	\$44.77
Joint Use Charge (per EP)		\$1.85	\$1.82
Joint Use Charge (per Departure)		\$57.07	\$63.10
Passenger-Related Security Fee (per EP)	\$0.84	\$0.82	\$0.76
Landing Fee (per 1,000-lbs)	\$1.33	\$1.55	\$1.65
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.14	\$0.58	\$0.57
<u>Non-Signatory Airline Rates &amp; Charges (125%):</u>			
Terminal Building Rental Rate (per s.f.)	\$46.95	\$51.21	\$55.96
Passenger-Related Security Fee (per EP)	\$1.05	\$1.03	\$0.95
Landing Fee (per 1,000-lbs)	\$1.66	\$1.94	\$2.06
Turn Fees <sup>1</sup>			
Class 1 (0 to 85 seats)	\$158.00	\$242.00	\$268.00
Class 1 (86 to 170 seats)	\$208.00	\$292.00	\$318.00
Class 1 (171+ seats)	\$283.00	\$367.00	\$393.00

<sup>1</sup> Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives, and two ticket counter positions.

<sup>2</sup> Budget FY 2015 is estimated by Trillion Aviation and includes shared terminal equipment costs.

**Table 1****AVIATION ACTIVITY****GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

(Fiscal Years Ending June 30)

	Actual	Budget	Budget
	2015	2016	2017
<u>Enplaned Passengers:</u>			
Allegiant	102,213	109,570	127,720
American <sup>1</sup>	107,182	88,812	100,155
Delta	140,458	126,380	144,026
United	42,053	47,972	43,972
Total	391,906	372,734	415,873
<u>Departures:</u>			
Allegiant	679	834	845
American <sup>1</sup>	2,484	2,135	2,285
Delta	2,284	2,006	2,301
United	986	1,147	1,026
Total	6,433	6,122	6,457
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	95,649	118,577	148,235
American <sup>1</sup>	132,182	112,640	97,181
Delta	171,908	151,954	174,179
United	45,897	53,002	51,411
Total	445,636	436,173	471,006

Note: Amounts may not add due to rounding.

<sup>1</sup> Includes US Airways activity prior to the merger of the carriers into American Airlines Group.

**Table 2**

<b>TERMINAL SPACE (s.f.)</b>		<b>GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY</b>		
(Fiscal Years Ending June 30)				
		Actual	Budget	Budget
		2015	2016	2017
<u>Preferential Space:</u> <sup>1</sup>				
Allegiant		173	173	173
American		2,436	2,436	2,146
Delta		2,609	2,609	2,609
United		1,300	1,300	1,300
Total Preferential Space	[A]	6,518	6,518	6,228
<u>Joint Use Space:</u>				
Baggage Make-Up		3,192	3,192	3,192
Baggage Claim		4,124	4,124	4,124
Gates 1-3 Holdroom		8,517	8,517	8,517
Gates 4-7 Holdroom		6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor			3,421	3,421
Total Joint Use Space	[B]	22,584	26,005	26,005
Total Airline Rented	[C=A+B]	29,102	32,523	32,233
<u>Other Rentable:</u>				
Ticket Counter (unassigned)		103	103	103
Queue (unassigned)		193	193	193
Vacant Airline Preferential Space		4,282	4,282	4,572
Concession Space		13,553	13,553	13,553
FAA Tower & Related Office Space		4,374	4,374	4,374
TSA Offices & Breakroom		2,418	2,418	2,418
TSA Passenger Security Screening		2,210	2,210	2,210
TSA Offices Adjacent to Passenger Screening		396	396	396
Total	[D]	27,529	27,529	27,819
Total Rentable Space	[E=C+D]	56,631	60,052	60,052
Public and Other Areas	[F]	51,218	47,797	47,797
Total Terminal Space	[G=E+F]	107,849	107,849	107,849

Note: Amounts may not add due to rounding.

<sup>1</sup> Includes ticket counter, queue, and office space.

**Table 3**

**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget	Budget	Budget
		2015	2016	2017
<u>Depreciation:</u> <sup>1</sup>				
Gross Depreciation		\$4,812,708	\$4,836,529	\$4,684,011
Less: Grant & PFC Amortization		(3,160,570)	(3,126,854)	(3,215,285)
Net Depreciation	[A]	\$1,652,138	\$1,709,675	\$1,468,726
<u>By Cost Center (%):</u>				
Airfield Area	[B]	14.2%	14.2%	14.0%
Terminal Building	[C]	29.8%	29.8%	30.0%
Parking, Roadway, and Ground Trans.	[D]	32.7%	32.7%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.2%	7.2%	7.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$235,293	\$243,487	\$205,622
Terminal Building	[A*C]	493,057	510,228	440,618
Parking, Roadway, and Ground Trans.	[A*D]	540,946	559,785	484,680
General Aviation Area	[A*E]	263,625	272,806	234,996
Other Area	[A*F]	119,217	123,369	102,811
Net Depreciation	[A]	\$1,652,138	\$1,709,675	\$1,468,726
<u>Amortization:</u>				
Gross Amortization		\$237,798	\$242,056	\$242,056
Less: Grant & PFC Amortization		(159,617)	(162,475)	(162,475)
Net Amortization	[G]	\$78,181	\$79,581	\$79,581

**Table 3**

**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget	Budget	Budget
		2015	2016	2017
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$78,181	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$78,181	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

<sup>1</sup> Depreciation is based on the prior year's actual depreciation

**Table 4**

**OPERATION AND MAINTENANCE EXPENSES** **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
 (Fiscal Years Ending June 30)

		Actual	Budget	Budget
		2015	2016	2017
<u>By Category:</u>				
Personnel Services		\$4,297,918	\$4,836,299	\$5,038,181
Professional Services		216,870	333,700	356,700
Utilities		415,798	466,427	463,735
Promotional Activities		71,000	281,140	265,890
Maintenance and Repairs		288,618	259,001	260,450
Contracted Services		713,879	664,447	833,329
Insurance Expense		200,255	225,500	236,500
Materials and Supplies		252,104	368,043	458,561
Other Expenses		632,397	411,895	475,053
Total O&M Expenses	[A]	<u>\$7,088,839</u>	<u>\$7,846,452</u>	<u>\$8,388,399</u>
<u>By Cost Center (%):</u>				
Airfield Area	[B]	26.2%	26.4%	26.3%
Terminal Building	[C]	48.0%	48.4%	47.7%
Parking, Roadway, and Ground Trans.	[D]	12.5%	11.5%	12.4%
General Aviation Area	[E]	9.6%	9.7%	9.7%
Other Area	[F]	3.7%	4.0%	3.9%
Total		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$1,856,650	\$2,068,892	\$2,203,386
Terminal Building	[A*C]	3,405,605	3,796,215	4,004,668
Parking, Roadway, and Ground Trans.	[A*D]	886,403	903,809	1,041,377
General Aviation Area	[A*E]	677,834	763,349	811,965
Other Area	[A*F]	262,347	314,186	327,004
Total O&M Expenses	[A]	<u>\$7,088,839</u>	<u>\$7,846,452</u>	<u>\$8,388,399</u>

Note: Amounts may not add due to rounding.

**Table 5****LANDING FEE AND REVENUE**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget
		2017
<u>Airfield Requirement:</u>		
O&M Expenses		\$2,203,386
Less: Deicing Chemicals		(68,000)
O&M Reserve Requirement		67,247
Net Depreciation		205,622
Net Amortization		79,581
Capital Outlay		50,000
Debt Service		0
Debt Service Coverage (25%)		0
Total Requirement	[A]	\$2,537,835
<u>Airfield Credits:</u>		
Non-Airline Revenue	[B]	\$80,000
Non-Signatory Airline Landing Fee Revenue	[C]	0
Total Credits	[D=B+C]	\$80,000
Signatory Airline Net Requirement	[E=A-D]	\$2,457,835
Signatory Airline Landed Weight	[F]	471,006
Signatory Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$5.22
Revenue Share Credit	[H]	\$1,680,942
Adjusted Signatory Airline Net Requirement	[I=E-H]	\$776,892
Signatory Airline Landing Fee	[J=I/F]	\$1.65
Signatory Airline Landing Fee Revenue	[K=I*J]	\$776,892
Non-Signatory Airline Landing Fee	[L=K*125%]	\$2.06
Non-Signatory Airline Landed Weight	[M]	0
Non-Signatory Airline Landing Fee Revenue	[C=L*M]	\$0
Total Landing Fee Revenue	[N=K+C]	\$776,892

Note: Amounts may not add due to rounding.

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

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget
		2017
<u>Terminal Requirement:</u>		
O&M Expenses		\$4,004,668
O&M Reserve Requirement		104,226
Net Depreciation		440,618
Net Amortization		0
Capital Outlay		50,000
Debt Service		0
Debt Service Coverage (25%)		0
Total Requirement	[A]	\$4,599,512
<u>Terminal Credits:</u>		
Passenger-Related Security Charges		\$317,059
AirIT Landside Expenses		16,463
Total Terminal Credits	[B]	\$333,522
Net Requirement	[C=A-B]	\$4,265,989
Rentable Space (s.f.)	[D]	60,052
Terminal Rental Rate	[E=C/D]	\$71.04
Airline Rented Space (s.f.)	[F]	32,233
Signatory Airline Requirement	[G=E*F]	\$2,289,776
Revenue Share Credit	[H]	\$846,790
Adjusted Signatory Airline Requirement	[I=G-H]	\$1,442,986
Airline Rented Space (s.f.)	[F]	32,233
Adjusted Signatory Airline Terminal Rate	[J=I/F]	\$44.77
Signatory Airline Terminal Rentals	[K=F*J]	\$1,442,986

Note: Amounts may not add due to rounding.

**Table 6A**

<b>TICKET COUNTER &amp; QUEUE FEES (UNASSIGNED)</b>	<b>GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY</b>
(Fiscal Years Ending June 30)	

		Budget
		2017
Adjusted Signatory Airline Terminal Rate	[A]	\$44.77
<u>Ticket Counter and Queue Space (s.f.):</u>		
Ticket Counter		1,755
Queue Space		3,181
Ticket Counter and Queue Space	[B]	4,936
Ticket Counter and Queue Space Requirement	[C=A*B]	\$220,972
AirIT Landside Expenses	[D]	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$237,435
Enplaned Passengers	[F]	415,873
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.57
Enplaned Passenger Use	[H]	127,720
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$72,919

Note: Amounts may not add due to rounding.

**Table 6B****JOINT USE CHARGES**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget
		2017
Adjusted Signatory Airline Terminal Rate	[A]	\$44.77
<u>Joint Use Space (s.f.):</u>		
Baggage Make-Up		3,192
Baggage Claim		4,124
Gates 1-3 Holdroom		8,517
Gates 4-7 Holdroom		6,751
Gates 4-7 Secure Enplanement Corridor		3,421
Joint Use Space	[B]	26,005
Joint Use Space Requirement	[C=A*B]	\$1,164,175
Enplaned Passenger Requirement	[D=C*65%]	\$756,713
Enplaned Passengers	[E]	415,873
Joint Use Charge per Enplaned Passenger	[F=D/E]	\$1.82
Departure Requirement	[G=C*35%]	\$407,461
Departures	[H]	6,457
Joint Use Charge per Departure	[I=G/H]	\$63.10
Joint Use Space Revenue	[J=D+G]	\$1,164,175

Note: Amounts may not add due to rounding.

**Table 7****PASSENGER-RELATED SECURITY CHARGE**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

(Fiscal Years Ending June 30)

		Budget
		2017
Personnel-Related Security Cost	[A]	\$1,102,750
<u>Officer Deployment Hours:</u>		
Total Hours (12 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,169
Holiday (11 Holidays)		(132)
Vacation (12 Days)		(144)
Training (8 hrs per month per officer)		(96)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(108)
Available Hours/Officer	[B]	1,689
Number of Officers	[C]	14
Total Available Hours	[D=B*C]	23,648
Less: Admin Hours Total	[E]	(2,016)
Total Officer Deployment Hours	[F=D-E]	21,632
Personnel-Related Security Cost per Hour	[G=A/F]	\$50.98
<u>Passenger-Related Security Charge:</u>		
Terminal Airlines (18 hrs/day Security Checkpoint)		\$334,924
Less: TSA Reimbursement		(116,800)
Net Personnel-Related Costs	[H]	\$218,124
TSA Passenger Security Screening Space (s.f.)	[I]	2,210
Terminal Rental Rate	[J]	\$44.77
Security Checkpoint Space Costs	[K=I*J]	\$98,936
Passenger-Related Security Charges	[L=H+K]	\$317,059
Enplaned Passengers	[M]	415,873
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.76
Passenger-Related Security Charges	[O=M*N]	\$317,059

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, April 2015

**Table 8**

**COST PER ENPLANED PASSENGER**  
(Fiscal Years Ending June 30)

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

		Budget
		2017
<u>Airline Revenue:</u>		
Terminal Rentals		\$1,442,986
Landing Fees		776,892
Unassigned Ticket Counter Charges		72,919
Passenger Related Security Charges		317,059
Deicing Chemicals		68,000
Total	[A]	\$2,677,857
Enplaned Passengers	[B]	415,873
Cost Per Enplaned Passenger	[C=A/B]	\$6.44

Note: Amounts may not add due to rounding.



## **MEMORANDUM**

TO: Members of the Airport Authority

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

DATE: October 14, 2016

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

Amendment to Supplemental Fees and Charges Schedule

### **BACKGROUND**

Each year as part of the budget approval process, The Authority Board approves and adopts supplemental fees and charges. Parking rates are part of this approval process. Staff is seeking approval for an amendment to raise the short term parking rate through the duration of the parking garage construction project. With the elimination of 92 spaces in the short term lot, the airport is encountering a shortage of spaces for meters and greeters. Staff is recommending an increase in the short term parking rate to sway individuals to park in the appropriate lot depending on the length of stay.

### **ISSUES**

With a differential of only \$4.50 between long term and short term parking, many travelers are using the short term lot for long term parking; thereby eliminating the availability of parking spaces to those customers coming to the airport to either drop off or pick up passengers. Staff is recommending an increase in the short term rate thereby increasing the rate differential to a point that passengers make a conscious decision on where they park.

### **ALTERNATIVES**

The alternative is to keep the short term rates the same and continue with a shortage of short term parking spaces.



## **FISCAL IMPACT**

Staff is recommending an increase in the short term parking rates. Currently rates are \$1.00 per half hour up to a maximum of \$12.50 per day. The recommended increase would be \$1.00 per half hour up to a maximum of 4 hours then an automatic maximum of \$25.00 per day.

## **RECOMMENDED ACTION**

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the amendment of the Supplemental Fees and Charges by raising the short term parking lot rates as described above; and (2) authorize the Executive Director to implement the necessary changes.

Attachment

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
SUPPLEMENTAL FEES AND CHARGES  
FY 2016/2017 ANNUAL BUDGET**

	FY 2016/2017 Current Fees			FY 2016/2017 Proposed Fees		
	Cost		Per	Cost		Per
<b><u>Maintenance</u></b>						
Scissor Lift	\$	100.00	day	\$	100.00	day
Large ADA Ramp Rental	\$	100.00	use	\$	100.00	use
Air Stair Rental	\$	100.00	use	\$	100.00	use
Volvo Wheel Loader	\$	150.00	use	\$	150.00	use
Fork-lift	\$	100.00	use	\$	100.00	use
Pallet Jack	\$	50.00	use	\$	50.00	use
Tenant Sweeper	\$	125.00	hour	\$	125.00	hour
Service Truck	\$	50.00	hour	\$	50.00	hour
Backhoe	\$	100.00	hour	\$	100.00	hour
Lighted X	\$	200.00	day	\$	200.00	day
Light Tower	\$	150.00	day	\$	150.00	day
Paint Stripper	\$	100.00	hour	\$	100.00	hour
Large Aircraft Removal Dolly	\$	200.00	day	\$	200.00	day
Small Aircraft Removal Dolly	\$	100.00	day	\$	100.00	day
Aircraft Jack	\$	100.00	use	\$	100.00	use
Cores	\$	40.00	each	\$	40.00	each
Keys	\$	12.00	each	\$	12.00	each
Large Dump Truck	\$	200.00	hour	\$	200.00	hour
Small Broom	\$	200.00	hour	\$	200.00	hour
Large Broom	\$	300.00	hour	\$	300.00	hour
Pressure Washer	\$	125.00	hour	\$	125.00	hour
Maintenance Labor Rate (1)	\$	45.00	hour	\$	45.00	hour
Security Escort Rate (1)	\$	45.00	hour	\$	45.00	hour
<b><u>Department of Public Safety</u></b>						
ARFF Apparatus for 1500 gal. or greater	\$	250.00	hour	\$	250.00	hour
ARFF Apparatus for less than 1500 gal.	\$	150.00	hour	\$	150.00	hour
Command, Police, and Ops support vehicles	\$	100.00	hour	\$	100.00	hour
Aircraft recover dolly	\$	150.00	day	\$	150.00	day
Maintenance Labor Rate (1)	\$	45.00	hour	\$	45.00	hour
Mutual Aid Agencies collected on their behalf			as incurred			as incurred
Replacement charges for AVL equipment/supplies			as incurred			as incurred
<b><u>Information Technology (IT) Department</u></b>						
IT Labor Rate - Non-Network (1)	\$	40.00	hour	\$	40.00	hour
IT Labor Rate - Network Related (1)	\$	60.00	hour	\$	60.00	hour
Cable Television (CATV) Signal Transport Fee	\$	10.00	month	\$	10.00	month
Cable Television-150+ Channels (2 & 3)	\$	45.00	month	\$	45.00	month
Dark Fiber per strand per 0-1000 ft	\$	20.00	month	\$	20.00	month
Dark Fiber per strand per 0-2000 ft	\$	22.00	month	\$	22.00	month
Dark Fiber per strand per 0-3000 ft	\$	24.00	month	\$	24.00	month
WiFi & SSID (required for WiFi Access) (2)	\$	70.00	month	\$	70.00	month
Internet Bandwidth-Not Dedicated (2 MB) (2)	\$	50.00	month	\$	50.00	month
Internet Bandwidth-Not Dedicated (5 MB) (2)	\$	70.00	month	\$	70.00	month
Internet Bandwidth-Not Dedicated (10 MB) (2)	\$	125.00	month	\$	125.00	month
Internet Bandwidth-Not Dedicated (15 MB) (2)	\$	170.00	month	\$	170.00	month
Internet Bandwidth-Not Dedicated (20 MB) (2)	\$	200.00	month	\$	200.00	month
Telephone Service - Per Telephone Number	\$	50.00	month	\$	50.00	month
Fax Service - Per Fax Machine/Phone Number	\$	22.13	month	\$	22.13	month
Cisco IP Phone - Model 7911G	\$	5.67	month	\$	5.67	month
Cisco IP Phone - Model 7945G	\$	11.57	month	\$	11.57	month
Cisco 1 Port Analog Line Converter-ATA186	\$	4.86	month	\$	4.86	month
Cisco 2 Port Analog Line Converter-VG202	\$	22.13	month	\$	22.13	month
AirIT Shared Use Network Charge - Per Airline	\$	50.00	month	\$	50.00	month

**Notes:**

- (1) One Hour Minimum, Minimum of 3 hours charged after regular business hours.
- (2) Add \$120 for 2 hours of IT Labor for Setup & Configuration. Fees may be reduced when bundled with other services.
- (3) Add additional upgrades at cost.

<u>Identification Badge Fees and Charges</u>	FY 2016/2017 Current Fees		FY 2016/2017 Proposed Fees	
	Cost	Per	Cost	Per
Initial Badge Issuance				
SIDA Badge	\$ 70.00		\$ 70.00	
Non-SIDA Badge	\$ 37.00		\$ 37.00	
Renewal of Badge				
SIDA Badge	\$ 70.00		\$ 70.00	
Non-SIDA Badge	\$ 37.00		\$ 37.00	
Lost Badge Replacement				
SIDA Badge (4)	\$ 85.00 / \$ 100.00		\$ 85.00 / \$ 100.00	
Non-SIDA Badge (5)	\$ 60.00 / \$ 75.00		\$ 60.00 / \$ 75.00	
Damaged Badge				
SIDA Badge (6)	\$ 37.00 / \$ 45.00		\$ 37.00 / \$ 45.00	
Non-SIDA Badge (6)	\$ 37.00 / \$ 45.00		\$ 37.00 / \$ 45.00	
Security Escort Training	\$ 25.00		\$ 25.00	
Lock-out Service (7)	\$ 25.00		\$ 25.00	

**Notes:**

- (4) \$85.00 for the first replacement badge, \$100.00 for the second replacement badge.  
(5) \$60.00 for the first replacement badge, \$75.00 for the second replacement badge.  
(6) \$37.00 for a damaged badge, \$45.00 if badge damaged due to negligence.  
(7) \$25.00 Lock-out Service Charge applies after the first 2 free service calls.

**Parking**

Long term	\$ 1.50	0 - 1 hour	\$ 1.50	0 - 1 hour
	\$ 1.50	each add'l hour	\$ 1.50	each add'l hour
	\$ 8.00	day	\$ 8.00	day
	\$ 48.00	week	\$ 48.00	week
Short term	\$ 1.00	1/2 hour	\$ 1.00	1/2 hour (4 hr max)
	\$ 12.50	day	\$ 25.00	day
Employee Parking Rate	\$ 60 / \$50	new/renewal	\$ 60 / \$50	new/renewal
Commuter Parking Rate	\$ 290 / \$275	new/renewal	\$ 290 / \$275	new/renewal
Fines	up to \$1,000	day	up to \$1,000	day

**Ground Transportation**

Airport Ground Transportation Permit (8)	\$ 300	annual	\$ 300	annual
Transportation Network Company Permit	\$ 7,500	annual	\$ 7,500	annual
Off-Airport Rental Car Fee	7.50%	of gross revenue	7.50%	of gross revenue

**Notes:**

- (8) Flat fee of \$4,000 for companies with a vehicle fleet inclusive of a minimum of 5 charter coach vehicles with seating capacity greater than 20 seats.



## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Lew Bleiweis, A.A.E., Executive Director  
DATE: October 14, 2016

### ITEM DESCRIPTION – Information Section Item A

August, 2016 Traffic Report – Asheville Regional Airport

### SUMMARY

August, 2016 overall passenger traffic numbers were up 6.7% compared to the same period last year. Passenger traffic numbers reflect a 5.9% increase in passenger enplanements from August, 2015. Enplanements for Fiscal Year to Date total 88,736 which is a 6.8% increase over the same period last year.

### AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in August 2016 were up by 11.4%. There were no flight cancellations for the month.

American Airlines: American's August 2016 passenger enplanements represent a 10.5% increase over the same period last year. There were fourteen (14) flight cancellations for the month.

Delta Airlines: Delta's August 2016 enplanements decreased by 1.6% compared to August 2015. There were no flight cancellations for the month.

United Airlines: In August 2016, United Airlines saw an increase in enplanements by 4.4% over the same period last year. There was one (1) flight cancellation for the month.

# Monthly Traffic Report

## Asheville Regional Airport

### August 2016



Category	Aug 2016	Aug 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change	*MOV12-2016	*MOV12-2015	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	41,314	39,026	5.9%	263,308	262,409	0.3%	393,661	396,220	-0.6%
Deplaned	<u>40,414</u>	<u>37,566</u>	7.6%	<u>260,520</u>	<u>263,186</u>	-1.0%	<u>391,707</u>	<u>397,084</u>	-1.4%
<b>Total</b>	<b>81,728</b>	<b>76,592</b>	<b>6.7%</b>	<b>523,828</b>	<b>525,595</b>	<b>-0.3%</b>	<b>785,368</b>	<b>793,304</b>	<b>-1.0%</b>
<b>Aircraft Operations</b>									
Airlines	651	489	33.1%	4,141	3,589	15.4%	6,524	5,777	12.9%
Commuter /Air Taxi	<u>1,002</u>	<u>1,120</u>	-10.5%	6,659	6,670	-0.2%	10,017	9,883	1.4%
<b>Subtotal</b>	<u>1,653</u>	<u>1,609</u>	2.7%	<u>10,800</u>	<u>10,259</u>	5.3%	<u>16,541</u>	<u>15,660</u>	5.6%
General Aviation	3,615	4,585	-21.2%	29,032	27,179	6.8%	43,385	41,337	5.0%
Military	<u>324</u>	<u>480</u>	-32.5%	<u>2,769</u>	<u>3,971</u>	-30.3%	<u>4,448</u>	<u>6,666</u>	-33.3%
<b>Subtotal</b>	<u>3,939</u>	<u>5,065</u>	-22.2%	<u>31,801</u>	<u>31,150</u>	2.1%	<u>47,833</u>	<u>48,003</u>	-0.4%
<b>Total</b>	<b>5,592</b>	<b>6,674</b>	<b>-16.2%</b>	<b>42,601</b>	<b>41,409</b>	<b>2.9%</b>	<b>64,374</b>	<b>63,663</b>	<b>1.1%</b>
<b>Fuel Gallons</b>									
100LL	16,789	16,249	3.3%	113,735	97,412	16.8%	173,188	148,390	16.7%
Jet A (GA)	146,497	110,631	32.4%	815,050	754,925	8.0%	1,209,030	1,141,740	5.9%
<b>Subtotal</b>	<u>163,286</u>	<u>126,880</u>	28.7%	<u>928,785</u>	<u>852,337</u>	9.0%	<u>1,382,218</u>	<u>1,290,130</u>	7.1%
Jet A (A/L)	<u>278,640</u>	<u>296,023</u>	-5.9%	<u>1,611,588</u>	<u>1,713,464</u>	-5.9%	<u>2,614,816</u>	<u>2,547,446</u>	2.6%
<b>Total</b>	<b>441,926</b>	<b>422,903</b>	<b>4.5%</b>	<b>2,540,373</b>	<b>2,565,801</b>	<b>-1.0%</b>	<b>3,997,034</b>	<b>3,837,576</b>	<b>4.2%</b>

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

Wednesday, September 21, 2016

# Airline Enplanements, Seats, and Load Factors

## Asheville Regional Airport

August 2016



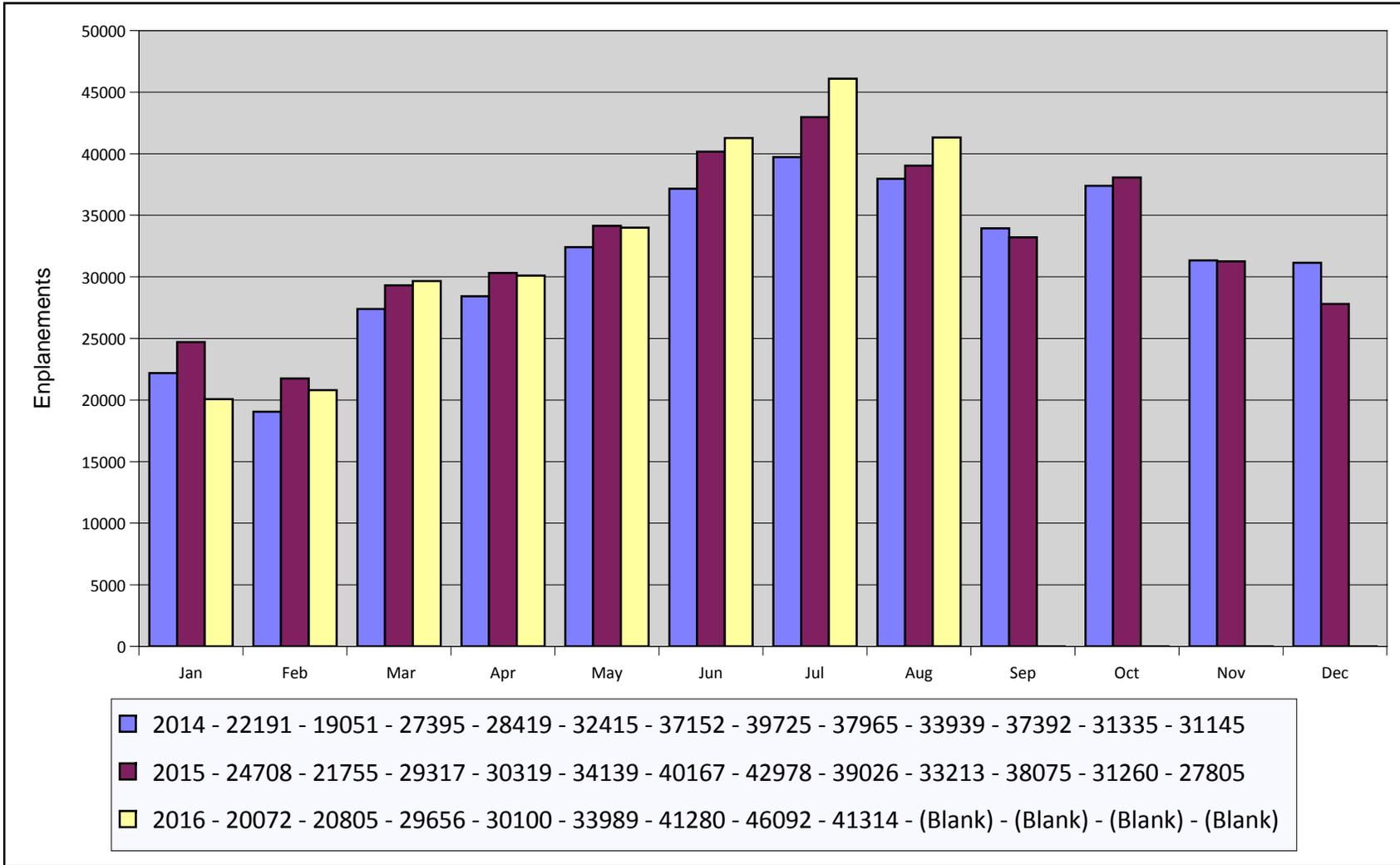
	Aug 2016	Aug 2015	Percentage Change	*CYTD-2016	*CYTD-2015	Percentage Change
<b>Allegiant Air</b>						
Enplanements	12,719	11,417	11.4%	80,649	76,397	5.6%
Seats	14,452	13,577	6.4%	94,323	88,250	6.9%
Load Factor	88.0%	84.1%	4.7%	85.5%	86.6%	-1.2%
<b>American Airlines</b>						
Enplanements	9,982	9,034	10.5%	62,804	65,487	-4.1%
Seats	11,544	11,727	-1.6%	81,826	89,050	-8.1%
Load Factor	86.5%	77.0%	12.2%	76.8%	73.5%	4.4%
<b>Delta Air Lines</b>						
Enplanements	12,762	12,973	-1.6%	92,381	93,475	-1.2%
Seats	14,782	15,233	-3.0%	115,411	117,283	-1.6%
Load Factor	86.3%	85.2%	1.4%	80.0%	79.7%	0.4%
<b>United Airlines</b>						
Enplanements	5,851	5,602	4.4%	27,474	27,050	1.6%
Seats	6,416	6,450	-0.5%	31,114	31,498	-1.2%
Load Factor	91.2%	86.9%	5.0%	88.3%	85.9%	2.8%
<b>Totals</b>						
Enplanements	41,314	39,026	5.9%	263,308	262,409	0.3%
Seats	47,194	46,987	0.4%	322,674	326,081	-1.0%
Load Factor	87.5%	83.1%	5.4%	81.6%	80.5%	1.4%

# Airline Flight Completions Asheville Regional Airport August 2016

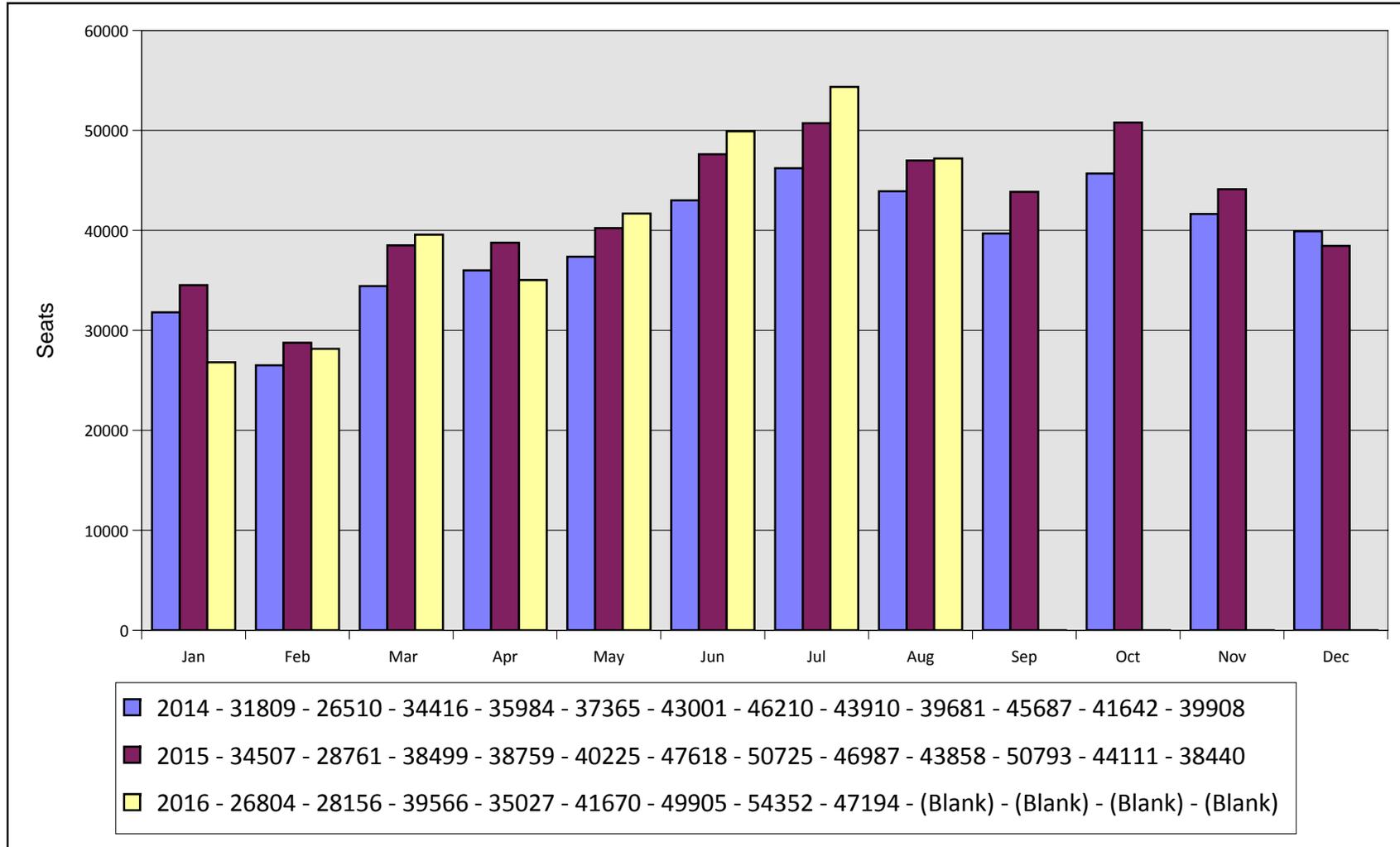


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	94	0	0	0	0	0	100.0%
American Airlines	206	10	2	0	2	14	95.6%
Delta Air Lines	205	0	0	0	0	0	100.0%
United Airlines	129	0	0	0	1	1	99.2%
<b>Total</b>	<b>634</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>15</b>	<b>97.6%</b>

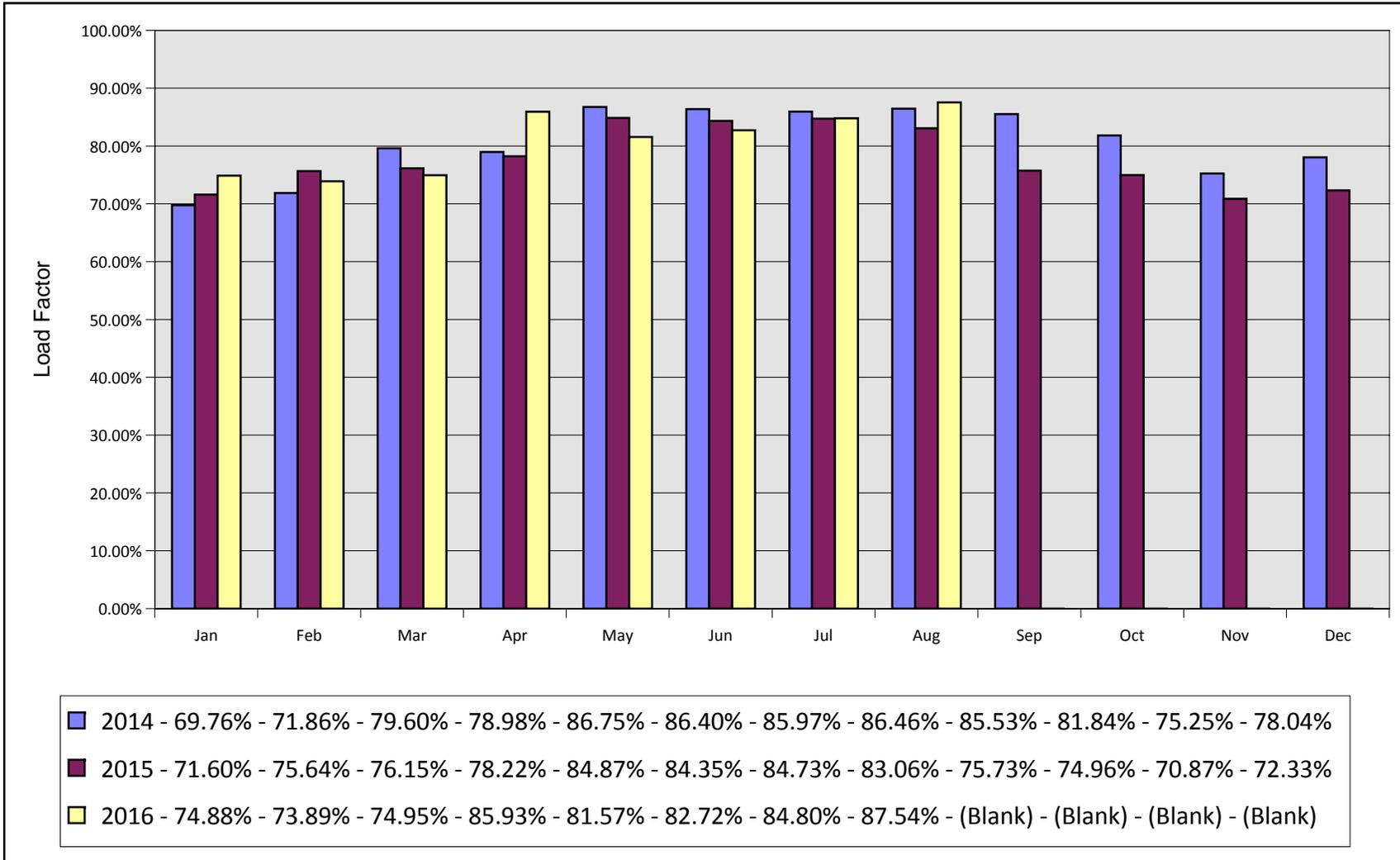
# Monthly Enplanements By Year Asheville Regional Airport



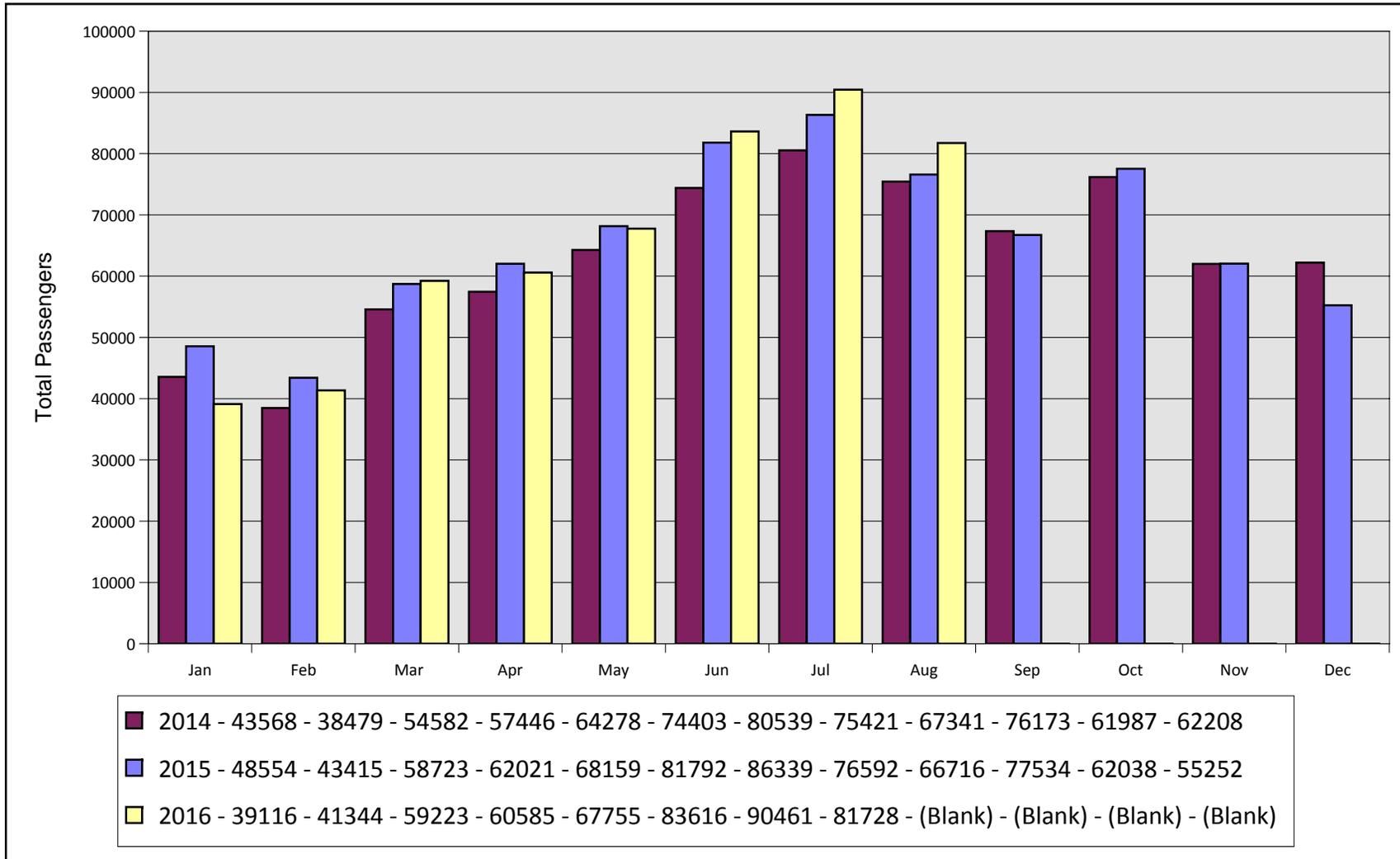
# Monthly Seats By Year Asheville Regional Airport



# Monthly Load Factors By Year Asheville Regional Airport

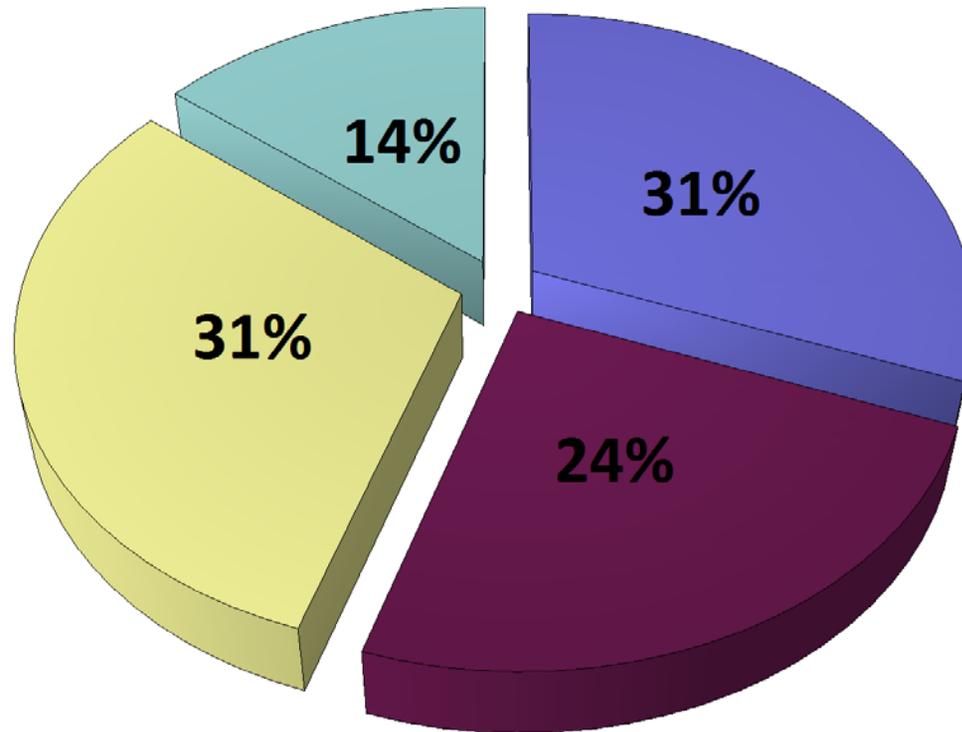


# Total Monthly Passengers By Year Asheville Regional Airport



# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From August 2016 Through August 2016



Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from AVL to for travel October 2016 vs. October 2015

Travel Period			Oct 2016		Oct 2015		Diff		Percent Diff	
Mkt Al	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	46	2,888	0	0	46	2,888		
AA	CLT	AVL	46	2,888	0	0	46	2,888		
DL	ATL	AVL	48	3,720	47	3,370	1	350	2.1%	10.4%
DL	AVL	ATL	48	3,720	47	3,370	1	350	2.1%	10.4%
G4	AVL	BWI	2	332	0	0	2	332		
G4	AVL	FLL	6	1,018	4	675	2	343	50.0%	50.8%
G4	AVL	PBI	0	0	4	686	(4)	(686)	(100.0%)	(100.0%)
G4	AVL	PGD	4	697	3	498	1	199	33.3%	40.0%
G4	AVL	PIE	6	1,029	5	841	1	188	20.0%	22.4%
G4	AVL	SFB	4	664	4	686	0	(22)	0.0%	(3.2%)
G4	BWI	AVL	2	332	0	0	2	332		
G4	FLL	AVL	6	1,018	4	675	2	343	50.0%	50.8%
G4	PBI	AVL	0	0	4	686	(4)	(686)	(100.0%)	(100.0%)
G4	PGD	AVL	4	697	3	498	1	199	33.3%	40.0%
G4	PIE	AVL	6	1,029	5	841	1	188	20.0%	22.4%
G4	SFB	AVL	4	664	4	686	0	(22)	0.0%	(3.2%)
UA	AVL	EWR	7	350	7	350	0	0	0.0%	0.0%
UA	AVL	ORD	25	1,250	25	1,250	0	0	0.0%	0.0%
UA	EWR	AVL	7	350	7	350	0	0	0.0%	0.0%
UA	ORD	AVL	25	1,250	25	1,250	0	0	0.0%	0.0%
US	AVL	CLT	0	0	53	3,161	(53)	(3,161)	(100.0%)	(100.0%)
US	CLT	AVL	0	0	53	3,161	(53)	(3,161)	(100.0%)	(100.0%)
Total			296	23,896	304	23,034	(8)	862	(2.6%)	3.7%

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from AVL to for travel November 2016 vs. November 2015

Travel Period			Nov 2016		Nov 2015		Diff		Percent Diff	
Mkt Al	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	46	2,691	55	3,136	(9)	(445)	(16.4%)	(14.2%)
AA	CLT	AVL	46	2,691	55	3,127	(9)	(436)	(16.4%)	(13.9%)
DL	ATL	AVL	46	3,742	47	3,819	(1)	(77)	(2.1%)	(2.0%)
DL	AVL	ATL	46	3,682	47	3,819	(1)	(137)	(2.1%)	(3.6%)
G4	AVL	BWI	1	166	0	0	1	166		
G4	AVL	EWR	3	498	0	0	3	498		
G4	AVL	FLL	7	1,173	2	332	5	841	250.0%	253.3%
G4	AVL	PBI	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	AVL	PGD	3	498	2	343	1	155	50.0%	45.2%
G4	AVL	PIE	4	675	4	675	0	0	0.0%	0.0%
G4	AVL	SFB	3	498	3	498	0	0	0.0%	0.0%
G4	BWI	AVL	1	166	0	0	1	166		
G4	EWR	AVL	3	498	0	0	3	498		
G4	FLL	AVL	7	1,173	2	332	5	841	250.0%	253.3%
G4	PBI	AVL	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	PGD	AVL	3	498	2	343	1	155	50.0%	45.2%
G4	PIE	AVL	4	675	4	675	0	0	0.0%	0.0%
G4	SFB	AVL	3	498	3	498	0	0	0.0%	0.0%
UA	AVL	EWR	7	350	4	200	3	150	75.0%	75.0%
UA	AVL	ORD	11	550	7	350	4	200	57.1%	57.1%
UA	EWR	AVL	7	350	4	200	3	150	75.0%	75.0%
UA	ORD	AVL	11	550	7	350	4	200	57.1%	57.1%
Total			262	21,622	254	19,693	8	1,929	3.1%	9.8%

Schedule Weekly Summary Report for nonstop Passenger (Air - All) flights from AVL to for travel December 2016 vs. December 2015

Travel Period			Dec 2016		Dec 2015		Diff		Percent Diff	
Mkt Al	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	42	2,357	47	2,673	(5)	(316)	(10.6%)	(11.8%)
AA	CLT	AVL	42	2,344	47	2,673	(5)	(329)	(10.6%)	(12.3%)
DL	ATL	AVL	41	3,020	40	3,313	1	(293)	2.5%	(8.8%)
DL	AVL	ATL	41	3,020	40	3,352	1	(332)	2.5%	(9.9%)
G4	AVL	BWI	2	332	0	0	2	332		
G4	AVL	EWR	4	664	0	0	4	664		
G4	AVL	FLL	5	841	2	332	3	509	150.0%	153.3%
G4	AVL	PBI	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	AVL	PGD	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	PIE	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	SFB	2	332	2	332	0	0	0.0%	0.0%
G4	BWI	AVL	2	332	0	0	2	332		
G4	EWR	AVL	4	664	0	0	4	664		
G4	FLL	AVL	5	841	2	332	3	509	150.0%	153.3%
G4	PBI	AVL	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	PGD	AVL	2	332	2	332	0	0	0.0%	0.0%
G4	PIE	AVL	2	332	2	332	0	0	0.0%	0.0%
G4	SFB	AVL	2	332	2	332	0	0	0.0%	0.0%
UA	AVL	EWR	7	350	6	300	1	50	16.7%	16.7%
UA	AVL	ORD	11	550	7	350	4	200	57.1%	57.1%
UA	EWR	AVL	7	350	6	300	1	50	16.7%	16.7%
UA	ORD	AVL	11	550	7	350	4	200	57.1%	57.1%
Total			236	18,207	220	16,631	16	1,576	7.3%	9.5%



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## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Janet Burnette, Director of Finance & Accounting  
DATE: October 14, 2016

### ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances  
Month of August, 2016 (Month 2 of FY2017)

### SUMMARY

Operating Revenues for the month of August were \$957,359, 7.66% over budget. Operating Expenses for the month were \$705,715, 2.13% under budget. As a result, Net Operating Revenues before Depreciation were \$83,511 over budget. Net Non-Operating Revenues were \$352,039, 11.06% under budget.

Year-to-date Operating Revenues were \$1,916,101, 11.37% over budget. Year-to-date Operating Expenses were \$1,271,456, 12.21% below budget. Year-to-date Net Operating Revenues before Depreciation were \$372,454 over budget. Net Non-Operating Revenues for the year were \$687,411, 4.44% under budget.

### REVENUES

Significant variations to budget for August were:

Term. Rentals - Airlines	\$ 9,315	5.84%	Non-signatory rates and enplanements over budget
Auto Parking	\$66,749	26.45%	Enplanements over budget
Rental Cars	(\$11,150)	( 8.99%)	Rental Car MAGs not yet adjusted



## **EXPENSES**

Significant variations to budget for August were:

Professional Services	\$93,612	497.72%	Bond Consultants	
Other Contractual Services	(\$47,971)	(63.63%)	Had not paid parking contractor-invoice received late	
Contingency	(\$12,500)	(100.00%)	No Contingency funds used	
Business Development	(\$25,000)	(100.00%)	No Business Development costs for month	

## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by 841k mainly due to reduction of accounts payables.

Grants Receivable – Grants Receivable increased by \$149k due to spending for the Airfield Redevelopment project.

Construction in Progress – Construction in Progress increased by \$186k mainly due to the Airfield Redevelopment project.

Property and Equipment, Net – Property and Equipment, Net decreased by \$391k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT  
INVESTMENT AND INTEREST INCOME SUMMARY  
As of August 31, 2016**

<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%	\$ 5,296,399	1,135
First Citizens - Money Market Account	0.05%	6,390,530	271
NC Capital Management Trust - Cash Portfolio		17,221	4
NC Capital Management Trust - Term Portfolio		3,025,565	1,750
Petty Cash		200	
 <b><u>Restricted Cash:</u></b>			
Wells Fargo - CFC Revenue Account	0.00%	0	0
Bank of America - PFC Revenue Account	0.20%	5,662,658	929
 <b>Total</b>		 <b><u>\$ 20,392,573</u></b>	 <b><u>\$ 4,089</u></b>

**Investment Diversification:**

Banks	85%
NC Capital Management Trust	15%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
For the Month Ended August 31, 2016**

	<b>Current Month</b>	<b>Prior Period</b>
<b>Cash and Investments Beginning of Period</b>	<u>\$ 21,233,669</u>	<u>\$ 21,927,143</u>
Net Income/(Loss) Before Capital Contributions	212,462	337,156
Depreciation	391,221	391,221
Decrease/(Increase) in Receivables	178,477	(391,730)
Increase/(Decrease) in Payables	(1,592,578)	(634,351)
Decrease/(Increase) in Prepaid Expenses	6,033	(185,560)
Decrease/(Increase) in Fixed Assets	(186,351)	(1,631,924)
Principal Payments of Bond Maturities	-	-
Capital Contributions	<u>149,640</u>	<u>1,421,714</u>
<b>Increase(Decrease) in Cash</b>	<u>(841,096)</u>	<u>(693,474)</u>
<b>Cash and Investments End of Period</b>	<u>\$ 20,392,573</u>	<u>\$ 21,233,669</u>

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Month Ending August 31, 2016**

	<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	\$17,865	\$18,077	(\$212)	(1.17%)	\$35,726	\$36,154	(\$428)	(1.18%)	\$215,060
Terminal Space Rentals - Airline	168,843	159,528	9,315	5.84%	350,008	292,224	57,784	19.77%	1,469,851
Concessions	38,052	35,746	2,306	6.45%	83,834	73,052	10,782	14.76%	422,180
Auto Parking	319,149	252,400	66,749	26.45%	604,849	504,800	100,049	19.82%	2,820,000
Rental Car - Car Rentals	112,939	124,089	(11,150)	(8.99%)	228,622	248,448	(19,826)	(7.98%)	1,478,398
Rental Car - Facility Rent	54,281	50,725	3,556	7.01%	104,349	98,923	5,426	5.49%	616,308
Commercial Ground Transportation	4,320	1,674	2,646	158.06%	10,910	9,533	1,377	14.44%	49,850
Landing Fees	86,461	83,367	3,094	3.71%	177,153	143,128	34,025	23.77%	754,800
FBO'S	86,371	90,465	(4,094)	(4.53%)	172,478	178,199	(5,721)	(3.21%)	1,018,889
Building Leases	11,642	12,739	(1,097)	(8.61%)	25,344	25,478	(134)	(0.53%)	152,509
Land Leases	4,896	4,897	(1)	(0.02%)	9,791	9,794	(3)	(0.03%)	58,748
Other Leases/Fees	52,540	55,500	(2,960)	(5.33%)	113,037	100,703	12,334	12.25%	533,611
<b>Total Operating Revenue</b>	<b>\$957,359</b>	<b>\$889,207</b>	<b>\$68,152</b>	<b>7.66%</b>	<b>\$1,916,101</b>	<b>\$1,720,436</b>	<b>\$195,665</b>	<b>11.37%</b>	<b>\$9,590,204</b>
<b>Operating Expenses:</b>									
Personnel Services	\$421,035	\$422,748	(\$1,713)	(0.41%)	\$711,149	\$848,494	(\$137,345)	(16.19%)	\$5,154,981
Professional Services	112,420	18,808	93,612	497.72%	159,087	36,117	122,970	340.48%	226,700
Accounting & Auditing	-	-	-	100.00%	-	-	-	100.00%	40,000
Other Contractual Services	27,423	75,394	(47,971)	(63.63%)	124,169	151,592	(27,423)	(18.09%)	905,549
Travel & Training	11,885	10,907	978	8.97%	18,587	23,813	(5,226)	(21.95%)	210,121
Communications & Freight	4,096	6,564	(2,468)	(37.60%)	10,657	13,128	(2,471)	(18.82%)	78,770
Utility Services	42,318	38,645	3,673	9.50%	71,729	77,289	(5,560)	(7.19%)	463,735
Rentals & Leases	2,480	992	1,488	150.00%	3,461	1,983	1,478	74.53%	11,900
Insurance	16,695	19,708	(3,013)	(15.29%)	33,391	39,417	(6,026)	(15.29%)	236,500
Repairs & Maintenance	20,775	22,729	(1,954)	(8.60%)	39,019	47,158	(8,139)	(17.26%)	278,230
Advertising, Printing & Binding	2,486	5,360	(2,874)	(53.62%)	20,495	10,871	9,624	88.53%	201,315
Promotional Activities	262	4,608	(4,346)	(94.31%)	5,443	12,667	(7,224)	(57.03%)	85,850
Other Current Charges & Obligations	3,224	7,374	(4,150)	(56.28%)	11,528	14,748	(3,220)	(21.83%)	93,000
Office Supplies	656	750	(94)	(12.53%)	1,066	1,500	(434)	(28.93%)	9,000
Operating Supplies	38,252	41,211	(2,959)	(7.18%)	53,493	77,522	(24,029)	(31.00%)	447,061
Books, Publications, Subscriptions & Mem	1,708	1,526	182	11.93%	7,296	4,446	2,850	64.10%	62,487
Contingency	-	12,500	(12,500)	(100.00%)	-	25,000	(25,000)	(100.00%)	150,000
Emergency Repair	-	6,250	(6,250)	(100.00%)	886	12,500	(11,614)	(92.91%)	75,000
Business Development	-	25,000	(25,000)	(100.00%)	-	50,000	(50,000)	(100.00%)	300,000
<b>Total Operating Expenses</b>	<b>\$705,715</b>	<b>\$721,074</b>	<b>(\$15,359)</b>	<b>(2.13%)</b>	<b>\$1,271,456</b>	<b>\$1,448,245</b>	<b>(\$176,789)</b>	<b>(12.21%)</b>	<b>\$9,030,199</b>

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

**For the Month Ending August 31, 2016**

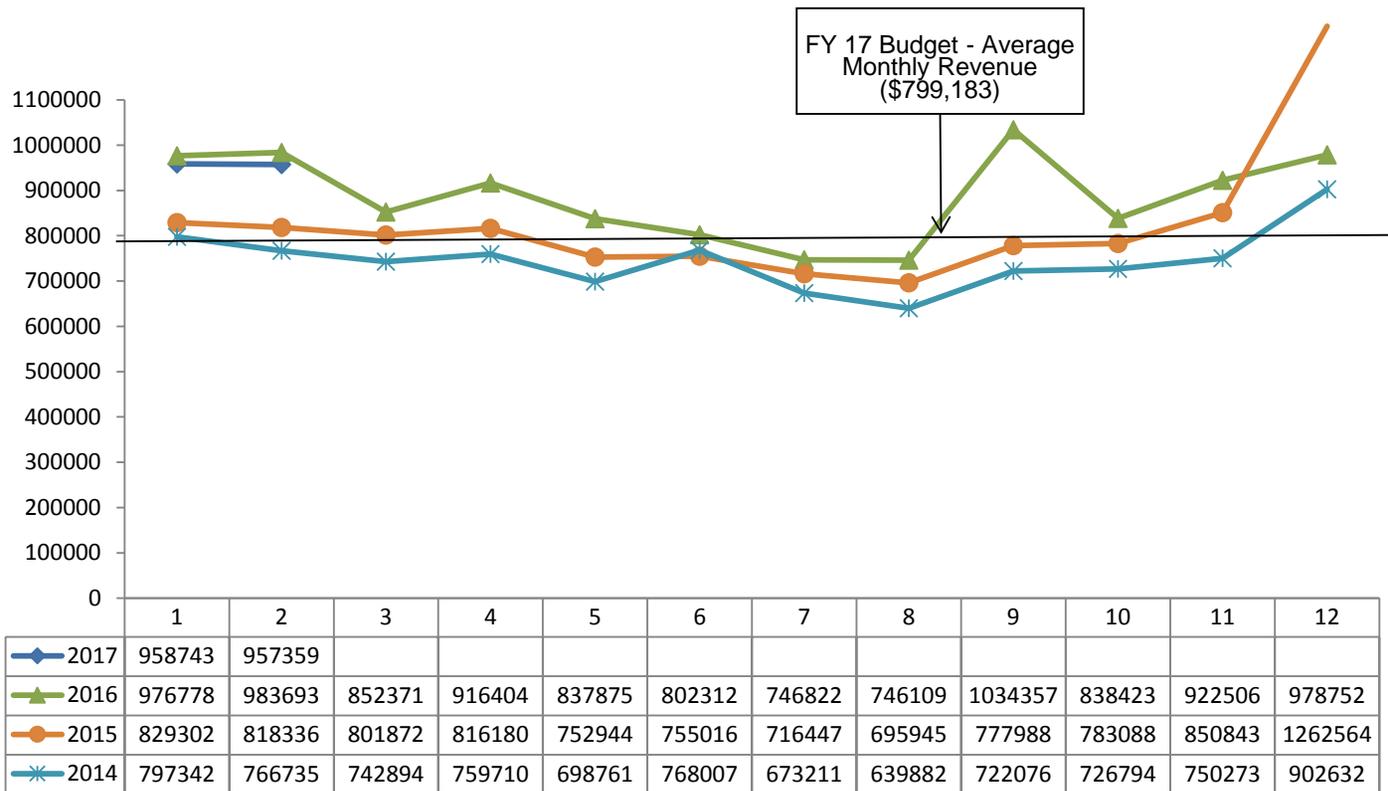
	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
<b>Operating Revenue before Depreciation</b>	\$251,644	\$168,133	\$83,511	49.67%	\$644,645	\$272,191	\$372,454	136.84%	\$560,005
Depreciation	391,221	-	391,221	100.00%	782,442	-	782,442	100.00%	-
<b>Operating Income(Loss) Before Non-Operating Revenue and Expenses</b>	(\$139,577)	\$168,133	(\$307,710)	(183.02%)	(\$137,797)	\$272,191	(\$409,988)	(150.63%)	\$560,005
<b>Non-Operating Revenue and Expense</b>									
Customer Facility Charges	\$149,230	\$149,310	(\$80)	(0.05%)	\$309,103	\$299,800	\$9,303	3.10%	\$ 1,300,000
Passenger Facility Charges	198,720	205,020	(6,300)	(3.07%)	369,331	375,870	(6,539)	(1.74%)	1,708,500
Interest Revenue	4,089	2,145	1,944	90.63%	8,086	4,323	3,763	87.05%	30,000
Interest Expense	-	-	-	100.00%	-	-	-	100.00%	-
Reimbursable Cost Revenues	-	75,007	(75,007)	(100.00%)	891	75,007	(74,116)	(98.81%)	214,000
Reimbursable Cost Expenses	-	(35,667)	35,667	(100.00%)	-	(35,667)	35,667	(100.00%)	(214,000)
Gain/Loss on Disposal of Assets	-	0	(0)	0.00%	-	0	(0)	0.00%	-
<b>Non-Operating Revenue-Net</b>	\$352,039	\$395,815	(\$43,776)	(11.06%)	\$687,411	\$719,333	(\$31,922)	(4.44%)	\$3,038,500
<b>Income (Loss) Before Capital Contributions</b>	\$212,462	\$563,948	(\$351,486)	(62.33%)	\$549,614	\$991,524	(\$441,910)	(44.57%)	\$3,598,505
<b>Capital Contributions</b>	\$149,640	\$0	\$149,640	100.00%	\$1,571,354	\$0	\$1,571,354	100.00%	\$0
<b>Increase in Net Assets</b>	\$362,102	\$563,948	(\$201,846)	(35.79%)	\$2,120,968	\$991,524	\$1,129,444	113.91%	\$3,598,505

**ASHEVILLE REGIONAL AIRPORT  
STATEMENT OF FINANCIAL POSITION  
As of August 31, 2016**

	<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	\$14,729,915	\$15,905,643
Accounts Receivable	786,090	908,836
Passenger Facility Charges Receivable	185,000	320,000
Refundable Sales Tax Receivable	36,622	106,994
Grants Receivable	6,244,250	6,094,610
Prepaid Expenses	183,059	189,093
Total Unrestricted Assets	22,164,936	23,525,176
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	5,662,658	5,328,026
Total Restricted Assets	5,662,658	5,328,026
Total Current Assets	27,827,594	28,853,202
<b>Noncurrent Assets:</b>		
Construction in Progress	31,837,207	31,650,856
Net Pension Asset - LGRS	286,204	286,204
Contributions in Current Year	204,511	204,511
Property and Equipment - Net	60,629,416	61,020,637
Total Noncurrent Assets	92,957,338	93,162,208
	\$120,784,932	\$122,015,410
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
<b>Payable from Unrestricted Assets:</b>		
Accounts Payable & Accrued Liabilities	\$500,282	\$2,208,919
Customer Deposits	17,210	17,210
Unearned Revenue	408,010	291,951
Construction Contract Retainages	739,012	739,012
Revenue Bond Payable - Current	0	0
Total Payable from Unrestricted Assets	1,664,514	3,257,092
Total Current Liabilities	1,664,514	3,257,092
<b>Noncurrent Liabilities:</b>		
Other Postemployment Benefits	1,789,181	1,789,181
Compensated Absences	402,986	402,986
Net Pension Obligation-LEO Special Separation Allowance	9,893	9,893
Revenue Bond Payable - Noncurrent	0	0
Total Noncurrent Liabilities	2,202,060	2,202,060
Total Liabilities	3,866,574	5,459,152
<b>Net Assets:</b>		
Invested in Capital Assets	92,466,623	92,671,493
Restricted	5,662,658	5,328,026
Unrestricted	18,789,077	18,556,739
Total Net Assets	116,918,358	116,556,258
	\$120,784,932	\$122,015,410

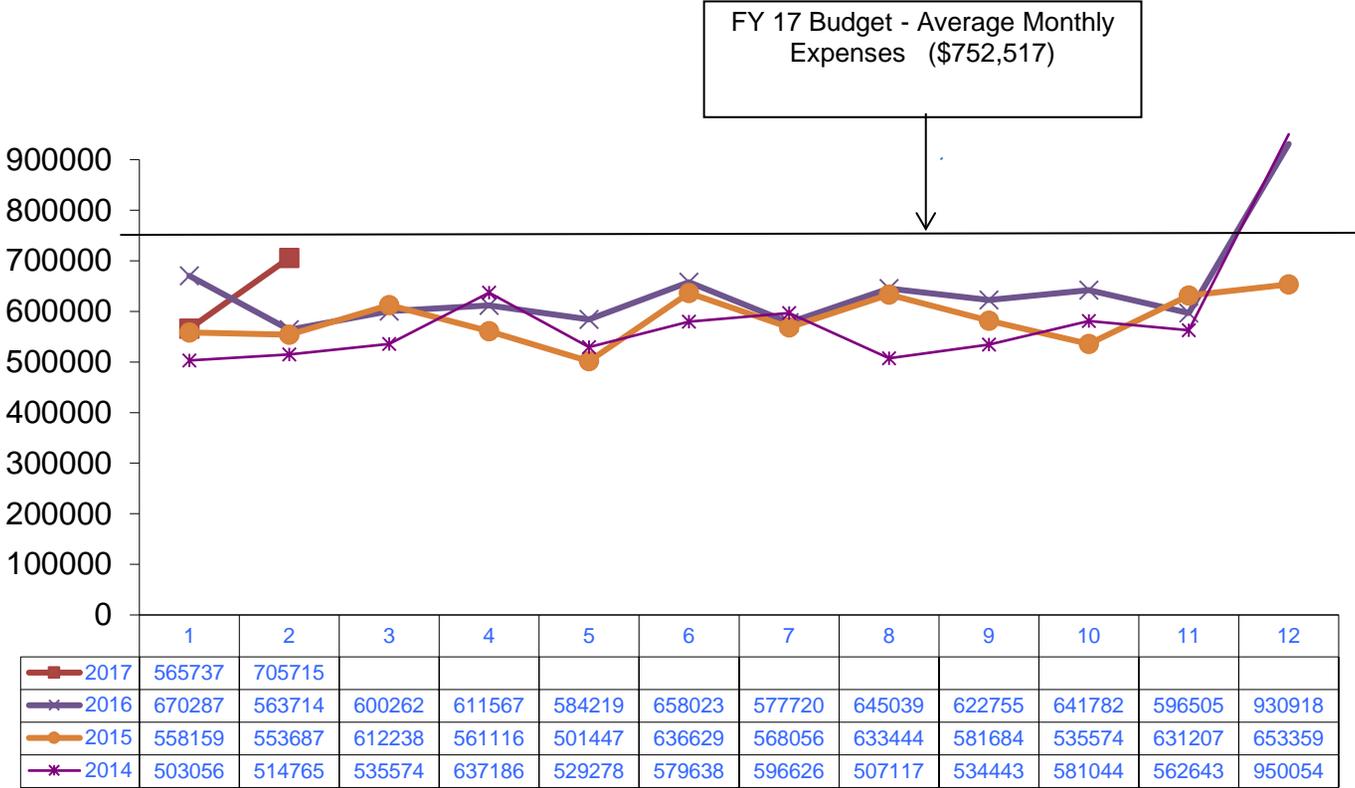
# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month August 2016

Dollars



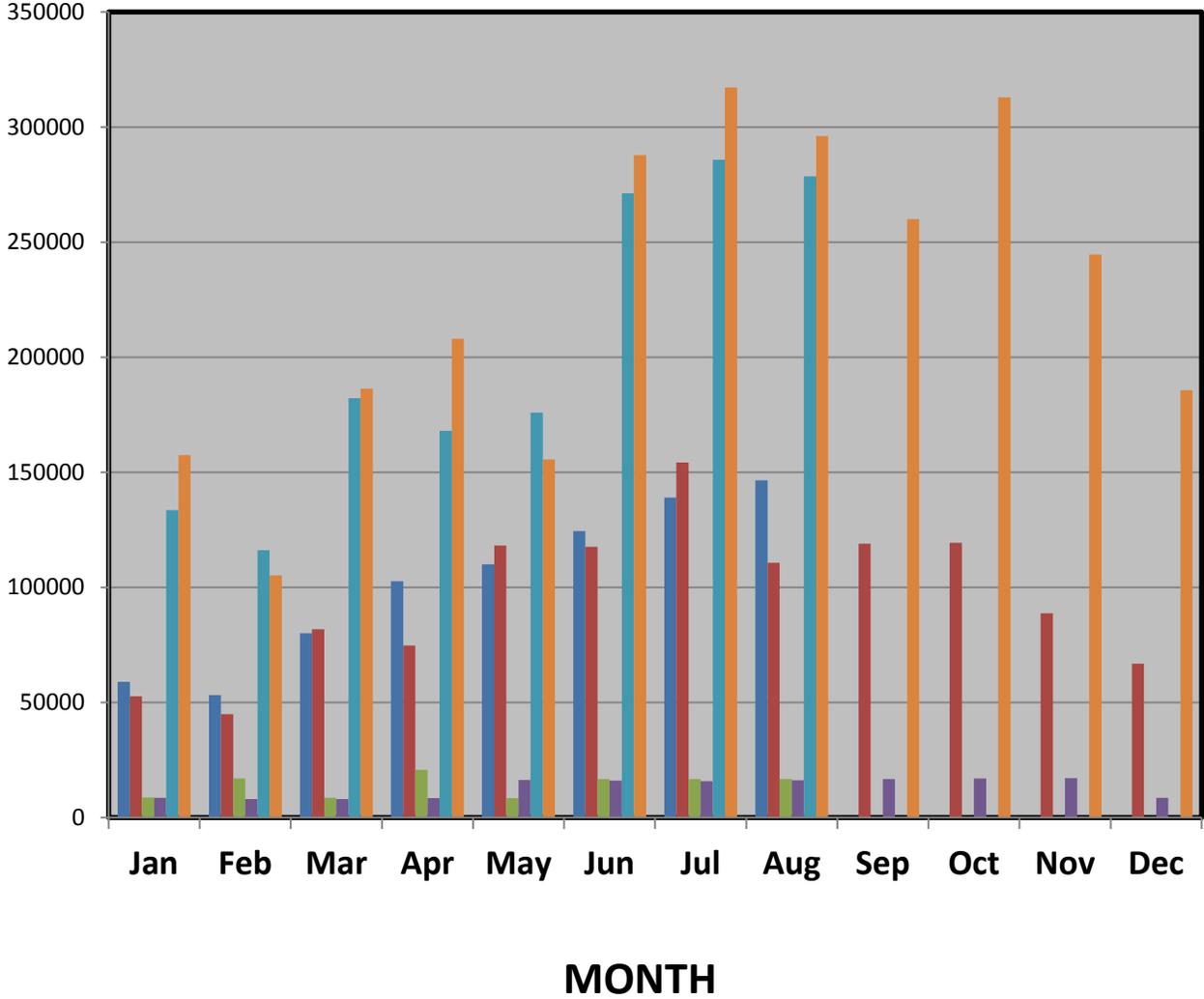
# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month August 2016

Dollars



**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
August 2016**

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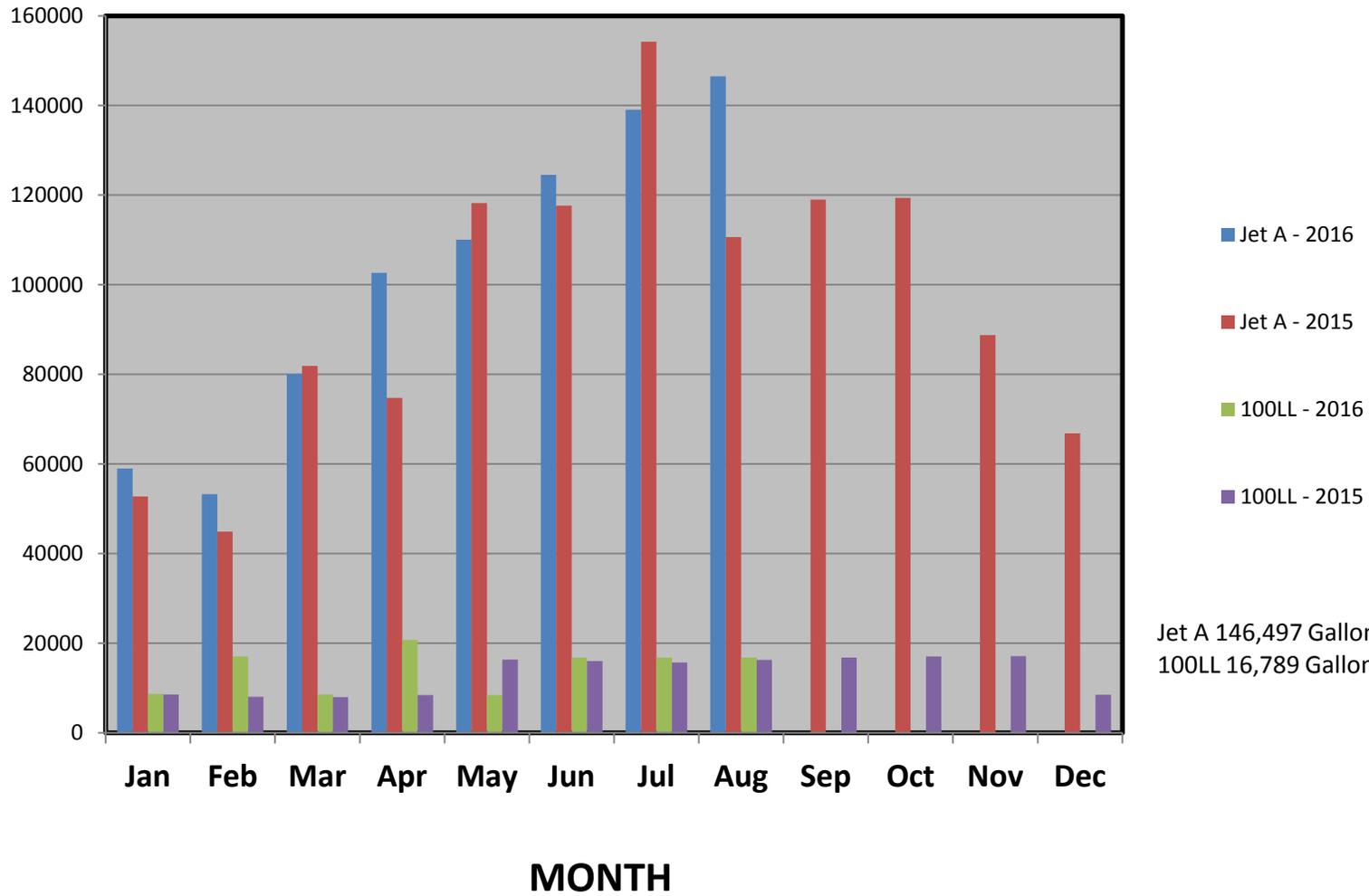


- Jet A - 2016
- Jet A - 2015
- 100LL - 2016
- 100LL - 2015
- Airline - 2016
- Airline - 2015

Jet A 146,497 Gallons  
100LL 16,789 Gallons  
Airline 278,640 Gallons

**ASHEVILLE REGIONAL AIRPORT  
GENERAL AVIATION FUEL SALES - GALLONS  
August 2016**

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Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 10/01/2016)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 10/01/2016)	Start Date	End Date	Current Project Status (as of 10/01/2016)
1	Airfield Re-Development Project	Budget for the complete project				\$64,000,000.00	\$11,800,000.00		\$75,800,000.00	47%	\$35,732,999			All Engineer contracts, completed construction 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%	(Overall total included in above number)	83%	\$372,161	Dec-12	Jun-16	Project Management work continues.
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%	(Overall total included in above number)	96%	\$1,774,079	Jun-13	Jun-16	Project Management work continues.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	21.60%	\$519,058	Dec-14	May-18	BP-4 design at 90%
1F	Airfield Re-Development Project	New Runway Design	AVCON	\$1,902,676.06	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	74%	\$1,415,562	Mar-13	May-18	BP-4 design at 90%
1G	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	(Overall total included in above number)		\$3,766,649	Jan-13	Dec-17	Misc., Admin., \$642K FAA Reimbursable expenses and land acquisition costs of 1.5M are included in this figure.
2	Parking Garage Project	Design and EA for approximately 1300 spaces of covered parking garage.	Delta Airport Consultants	\$1,627,575.00	N/A	N/A	\$0.00	0.00%	\$1,627,575.00	63%	\$1,026,300	Oct-15	Nov-17	Construction service and RPR Management continues.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 10/01/2016)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 10/01/2016)	Start Date	End Date	Current Project Status (as of 10/01/2016)
1	Westside Area 3	Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development.	AVCON	\$278,060.00	Charah	N/A	\$62,700.00	22.50%	\$340,760 * (project expenses are being reimbursed by Charah through a separate agreement)	93.4%	\$318,511	Mar-13	Mar-16	Final inspection complete and accepted by Authority.
2	Permanent Runway 17-35 Site preparation and NAVAIDS	Demolition of old runway 16/34, site preparation and NAVAID placement.	RS&H and AVCON, Inc.	Amount included in Phase 3 Design Fees	GLF Construction Corporation	\$14,007,508.90	\$0.00	0.00%	\$14,707,884.40	38.5%	\$5,688,978	Apr-16	Dec-16	Drainage structures, boring under Taxiway A continues, wildlife fence being installed, milling complete, installation of MALSR towers and grading operations continue.
3	Building Demolition and Site Restoration	Demolition of Old DPS Facility and Fire Tower and site restoration	None	None	DH Griffin	\$60,000.00	\$0.00	0.00%	\$66,000.00	95.0%	\$0.00	Jul-16	Sep-16	Fence is in place awaiting TSA approval. Punch list items are in process for both sites.

**Greater Asheville Regional Airport Authority**  
**Project Report - October 2016**

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4	Parking Garage	Construct a 5 level parking garage for passenger/public parking.	Delta Airport Consultants	\$1,627,575.00	American South General Contractors	\$20,894,000.00	\$0.00	0.00%	\$21,938,700.00	0.07%	\$156,913	Sep-16	Oct-17	Duke Progress Energy began re-routing power for the terminal. Contractor has established the laydown area and began installation of perimeter fence for the work site.
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# Key strategic priorities

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

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