

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
November 8, 2024**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, November 8, 2024 at 8:30 a.m. in Council Chambers at the Fletcher Town Hall, 300 Old Cane Creek Road, Fletcher, NC 28732.

MEMBERS PRESENT: Brad Galbraith, Chair; Britt Lovin, Vice-Chair; Carl H. Ricker, Jr.; Nathan Kennedy; Laura B. Leatherwood; and Gene O. Bell

MEMBERS ABSENT: Susan Russo Klein

STAFF AND LEGAL COUNSEL PRESENT: Sabrina Presnell Rockoff, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Lexie Farmer, Chief Operations Officer; Tina Kinsey, Chief Administrative Officer; Janet Burnette, Chief Financial Officer; Shane Stockman, VP – Information Technology; John Coon, VP – Operations and Maintenance; Christina Madsen, VP – Business Development and Properties; Jared Merrill, VP – Planning; Samuel Sales, Chief of Public Safety; Angela Wagner, VP - Administration and Human Resources; Kyle Montague, IT Systems Technician; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Bob Overby, McFarland Johnson; Kimberly Yang, Martin Starnes & Associates; Jason Sandford, Ashevillegas.com; James Moose, Avcon, Inc.; Paul Puckli, CHA Consulting; Dan Farmer; John Mafera, McFarland Johnson

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

EMPLOYEE RECOGNITION: The Chair recognized Janet Burnette with a service award and gift for her 10 years of service with the Authority.

PRESENTATIONS:

A. Airport Activities During Hurricane Helene: Lexie Farmer gave a presentation to the Board highlighting the activities at the airport during Hurricane Helene. Mrs. Farmer spoke about the steps taken by staff to prepare for the hurricane, the impacts of the storm, and the priorities immediately following the storm. Mrs. Farmer also shared insight into the military operations that transpired at the airport, the support provided by our tenant partners, and the mutual aid from airports throughout the state

and southeast. In the aftermath of the storm staff has taken the experience gained to better prepare for future situations.

B. Post Helene Air Service Briefing: Tina Kinsey shared information on the immediate impact to air service due to Hurricane Helene including a decline in passenger loads and capacity reductions by the airlines. Mrs. Kinsey spoke about the micro changes in seats in the market which are occurring weekly, preliminary year-end statistics, and the anticipated rebound by early spring. Mrs. Kinsey stated that she is working closely with the airport's airline partners to share updates on the region, is planning airline headquarter visits, and will eventually invite the network planners to visit Western North Carolina.

FINANCIAL REPORT: The president delivered a review of enplanements, aircraft operations, and general aviation activity for the month of September. Janet Burnette reported on the financial activity for the month of September.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority September 20, 2024 Regular Meeting Minutes:

B. Approval of Resolution for Issuance of Service Side Arm to Lieutenant Keith Duffie:

C. Approval of Position Reclassifications:

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, 2025:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Public Safety Dept		\$432,820
Operations Dept	\$432,820	
Totals	<u>\$432,820</u>	<u>\$432,820</u>

This will result in a net increase of \$0 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Totals	_____	_____
		\$0
		\$0

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 8th day of November 2024.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Dr. Leatherwood moved to approve Consent Items A through C. Mr. Ricker seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Presentation of Annual Audited Financial Report for Fiscal Year 2023/2024: Janet Burnette stated that the annual audit for the fiscal year ended June 30, 2024 was performed by Martin Starnes & Associates and that the audited financial statements have been submitted to the Local Government Commission. Mrs. Burnette introduced Kimberly Yang with Martin Starnes & Associates. Ms. Yang provided highlights from the audit including a breakdown of the net position, operating revenues and operating expenses. Ms. Yang stated that Martin Starnes issued an unmodified opinion with no audit findings or performance indicators. The Board thanked Ms. Yang for her presentation.

Mr. Lovin moved to accept the 2023/2024 Audit Report as presented. Mr. Kennedy seconded the motion and it carried unanimously.

B. Approval of Resolution for Airport Partners' Hurricane Relief: The president read the following resolution and stated that staff plans to create a document of the resolution to present to each airport:

**RESOLUTION OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Acknowledging and Expressing Gratitude to Fellow Airports
for Their Support Following Hurricane Helene**

WHEREAS, the Greater Asheville Regional Airport Authority faced an unprecedented challenge during Hurricane Helene, the most significant natural disaster in the history of Western North Carolina; and

WHEREAS, our fellow airports, through SEADOG (Southeast Airport Disaster Operations Group), answered the call for help during this critical time, providing swift and invaluable assistance to our airport, staff, and the community; and

WHEREAS, these airports provided vital aid in our emergency response efforts by sending expert personnel, much-needed supplies, and specialized equipment, thereby reinforcing our team and providing our employees with respite and the ability to check on their own families and property affected by the storm; and

WHEREAS, these airport professionals demonstrated their unrelenting commitment to excellence by showing up, working shoulder to shoulder with us, and ensuring the safety and security of our operational environment, all while embodying the spirit of cooperation and mutual support that defines our industry; and

WHEREAS, this outpouring of assistance has solidified what we always knew: that we are not just colleagues, but friends, bound together by a shared dedication to the aviation profession and the bonds of family within our industry; and

WHEREAS, we remain deeply humbled and immensely grateful for the weeks of selfless service, hard work, and dedication provided during our greatest time of need, which exemplifies the highest standards of professionalism and generosity; and

NOW, THEREFORE, BE IT RESOLVED, that the Greater Asheville Regional Airport Authority formally recognizes and extends its heartfelt appreciation to the following airports for their kindness, generosity, expertise, tireless effort, and immediate action in support of our airport, employees, and region:

- Charlotte Douglas International Airport
- Savannah International Airport

- Raleigh-Durham International Airport
- Piedmont Triad International Airport
- Wilmington International Airport
- Charleston International Airport
- McGhee Tyson International Airport
- Cincinnati International Airport
- Ft. Lauderdale International Airport

Adopted this 8th day of November 2024 by the Greater Asheville Regional Airport Authority.

Brad Galbraith, Chair, Greater Asheville Regional Airport Authority

Ellen M. Heywood, Clerk to the Board, Greater Asheville Regional Airport Authority

Mr. Lovin moved to approve the Resolution of the Greater Asheville Regional Airport Authority Acknowledging and Expressing Gratitude to Fellow Airports for Their Support Following Hurricane Helene. Dr. Leatherwood seconded the motion and it carried unanimously.

C. Approval of the Greater Asheville Regional Airport Authority Board Schedule for 2025: The president stated that the proposed schedule for 2025 Board meetings was included in the agenda package for the Board's review.

Mr. Ricker moved to approve the Greater Asheville Regional Airport Authority Board 2025 Schedule as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

D. Approval of an Agreement Amendment No. 3 between Signature Flight Support LLC and the Greater Asheville Regional Airport Authority: Christina Madsen informed the Board that Signature Flight Support LLC ("Signature") has agreed to the removal of 4 hangars and a four-acre ramp area from their leasehold for the growth of the airport's commercial airline service. Three of the hangars will be demolished to expand the ramp area to accommodate larger aircraft. The remaining hangar will be

leased to an existing airline and will be brought to the Board for approval at a future date. Signature will work to relocate the aircraft of the tenants in the hangars to be demolished. Two of the tenants, however, will not be relocated. The Civil Air Patrol (CAP) is one of those tenants and the president has met with the CAP to explore other land options to build a replacement hangar on the airport campus. Mrs. Madsen advised the Board that rent from Signature will be reduced by \$54,114 per year.

Dr. Leatherwood moved to approve the agreement amendment as presented by staff with Signature Flight Support LLC and authorize the President & CEO to execute the necessary documents. Mr. Lovin seconded the motion and it carried unanimously.

E. Approval of Amendment No. 1 to Ground Lease and Agreement between Sheetz, Inc. and the Greater Asheville Regional Airport Authority: Christina Madsen stated that Sheetz, Inc. ("Sheetz") has been conducting their due diligence and has received 4 out of the 6 permits required for construction. Due to the impacts from Hurricane Helene and the Authority's additional parking area, Sheetz has requested a 90-day extension for rent to commence and for the due diligence period. Mrs. Madsen further stated that the additional due diligence period will expire upon final permits being issued or February 5, 2025, whichever occurs first. The ground rent to be paid by Sheetz would begin on May 10, 2025 and amounts to approximately \$36,000 less in rent paid during fiscal year 2025.

Mr. Bell moved to approve the amendment with Sheetz, Inc. as presented by staff and authorize the President & CEO to execute the necessary documents. Mr. Lovin seconded the motion and it carried unanimously.

F. Approval of Change Order No. 3 with Hensel Phelps for the Terminal Modernization and Expansion Project: Jared Merrill reviewed the terms of the contract with Hensel Phelps as well as the details of the change orders that culminated into the three individual Component Guaranteed Maximum Price ("CGMP") proposals previously approved by the Board. Mr. Merrill stated that the remaining work within CGMP 1 and 2 is dependent upon the work included in CGMP 3. Mr. Merrill outlined the particulars of Change Order No. 3 which includes consolidating and re-baselining the project from a CGMP Agreement to a single Guaranteed Maximum Price ("GMP") Agreement and reallocating the remaining unspent amounts from CGMP 1 and 2, \$419,519 and \$5,567,485 respectively, towards the final GMP. Mr. Merrill stated that there was no cost for Change Order No. 3, rather, the existing \$5,987,004.00 of allowance and contingency funds from CGMPs 1 and 2 would be reallocated to the final CGMP 3 for use throughout the remainder of the project.

Mr. Ricker moved to approve Change Order No. 3 with Hensel Phelps and authorize the President & CEO to execute the necessary documents. Mr. Kennedy seconded the motion and it carried unanimously.

G. Approval of Scope of Services No. 1 with Kimley-Horn for Design of the Overlook Parking Lot and Stormwater Improvements Project: Jared Merrill reported that staff has worked with Kimley-Horn to develop a scope of work and fee to design an 1,100-space parking lot in the existing Viewing Area on Wright Brothers Way and to address stormwater improvements to the north end of the airfield. Construction of a parking lot in that area will address the parking shortages experienced during peak times and also plan for the displacement of approximately 400 spaces in the surface parking lot when construction begins on the second parking garage.

Mr. Ricker stepped out of the meeting at 9:33 a.m.

Mr. Merrill stated that the cost for the design work with Kimley-Horn is \$1,778,149.00 and since it will be paid with airport funds, will require 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, 2025:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$1,778,149.00
Totals		\$1,778,149.00

This will result in a net increase of \$1,778,149.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$1,778,149.00
Totals		\$1,778,149.00

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 8th day of November 2024.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Lovin moved to approve the Scope of Services No. 1 with Kimley-Horn in the amount of \$1,778,149.00; authorize the President & CEO to execute the necessary documents; and amend the FY2024/2025 budget by adopting the budget ordinance as presented by staff. Dr. Leatherwood seconded the motion and it carried by a 5 to 0 vote.

H. Approval of Scope of Services No. 1 with McFarland Johnson, Inc. for the Remain Overnight Parking Apron Design and Construction Administration Services: Jared Merrill informed the Board that there continues to be a shortage of parking positions for Remain Overnight ("RON") commercial aircraft despite the three RON spaces created last year on the south general aviation apron. Airport staff has determined that the area east of the RON spaces on the south fixed base operator ramp was the best place to create 3-4 additional RON aircraft parking positions. With the Board's approval of the area removed from the Signature Flight leasehold earlier in the meeting, Mr. Merrill recommended moving forward with demolishing several existing hangars and the asphalt in this area and installing a stronger asphalt pavement section to accommodate the larger aircraft.

Mr. Ricker returned to the meeting at 9:35 a.m.

Mr. Merrill stated that staff has worked with McFarland Johnson on a scope of work and fee to design the RON parking apron. The cost for the design work with McFarland Johnson is \$408,380.00. The scope of work does not include Resident Project Representative services, and these services will need to be contracted prior to the start of construction. Mr. Merrill further stated that an independent fee estimate ("IFE") was obtained, and McFarland Johnson's fee was 1% less than the IFE. Airport funds will be used to pay for the design work and will require the following budget ordinance amendment:

Mr. Bell moved to approve the Scope of Services No. 1 with McFarland Johnson, Inc. in the amount of \$408,380.00; authorize the President & CEO to execute the necessary document; and amend the FY2024/2025 budget by adopting the budget ordinance as presented by staff. Mr. Kennedy seconded the motion and it carried unanimously.

I. Approval for the Terminal Project South Bag Claim Expansion: Jared Merrill reminded the Board of the delays with the Air Traffic Control Tower project and its costly impact to the Terminal Modernization and Expansion project. Staff and the project team have been reviewing options to help minimize the impact of the delay to the terminal project as well as retain the trade partners. The best option to reduce delays would be to increase the baggage claim area to handle a third baggage carousel in the future. The infrastructure would be installed so that the future addition of a third baggage carousel would have less impact on passengers and better prepare the airport for the future. Mr. Merrill remarked that Gresham Smith, the project design team, and Hensel Phelps would work together to finalize design and bid this additional work with the current trade partners. An amendment to Gresham Smith's contract for this additional design work will be presented to the Board for approval at a future date. Hensel Phelps will then bid the additional work for construction of the expansion to the baggage claim area and that will be brought to the Board for approval as a change order to their contract.

The president advised the Board that an added benefit to this expansion would allow for the new baggage claim area to open with two baggage claim belts rather than the one belt that was previously planned.

Dr. Leatherwood moved to allow the project team to move forward with the preliminary design of this additional square footage to the baggage claim. Mr. Bell seconded the motion and it carried unanimously.

J. Amend Parking Management Shuttle Budget: John Coon reported that two additional shuttle buses have been placed in the fleet to assist with transporting passengers and employees from remote parking lots. With the increase in expenses to insure the shuttles and hire additional drivers, LAZ has requested an additional \$261,952.00 to cover these costs. The funds would be paid from the Parking Management shuttle budget and the following budget ordinance amendment would be necessary:

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, 2025:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Parking Management Shuttle	_____	<u>\$261,952.00</u>
Total	_____	<u>\$261,952.00</u>

This will result in a net increase of \$261,952.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$261,952.00</u>
Totals	_____	<u>\$261,952.00</u>

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

Adopted this 8th day of November 2024.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Ricker moved to amend the FY2024/2025 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

PRESIDENT'S REPORT: The President stated that he had an additional item to address that was not included on the agenda.

A. Industry Conference Schedule: A copy of the 2025 industry conference schedule was available at the Board Members' seats. The president requested that Board members report interest in attending a conference at the following Board meeting.

B. Fiscal Impacts from Helene: The president commented that with the reduction in passengers, an estimated \$1.1 million decline in revenue for October was expected. Staff is looking at budgets and will delay expenditures if necessary. Consideration will be made in the FY25/26 budget for the purchase of essential items critical for the recovery of airport operations for use in any future emergency situations. The president further remarked that with the additional expenses for supplies purchased during the storm and the hotel stays for relief workers, staff is working with FEMA on a claim for approximately \$500,000.00. Another thing learned during the days following the hurricane was the need for an Authority staff member to take on a larger role in emergency management and that will likely fall on a staff member in Public Safety. The Authority was able to rely on an employee from the Cincinnati Kentucky Airport who helped staff with the documentation for the FEMA claim.

C. Golf Course Update: The president reported that the Broadmoor Golf Course sustained a devastating loss during Hurricane Helene. Zeke Cooper with DreamCatcher Hotels is working with the insurance companies on the claims. Mr. Cooper hopes to have the driving range open in the next few weeks, however, the golf course is not expected to re-open until the fall of 2025. Mr. Cooper continues to remain committed to building the hotel and conference center.

D. Sit & Sip Program: Christina Madsen presented the new Sit & Sip alcohol to go program which launched on the secure side of the terminal that week. Staff has worked diligently with Paradies Lagardère to create the program and Mrs. Madson outlined the steps taken to ensure compliance with state regulations. Staff also met with the airline station managers and TSA to provide them with the particulars of the program.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Board will be held on December 13, 2024 at Council Chambers, Fletcher Town Hall.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: None

ADJOURNMENT: Mr. Lovin moved to adjourn the meeting at 10:03 a.m. Dr. Leatherwood seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair