

**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. Burril; 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.

\_\_\_\_\_  
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*

Ellen Heywood  
Clerk to the Board

Approved:

*Robert C. Roberts*

Robert C. Roberts  
Chair