



AGENDA

Asheville Regional Airport Authority Regular Meeting
Friday, March 13, 2015, 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 Recording Secretary prior to the agenda item being called by the Chairman.

- I. CALL TO ORDER
- II. ELECTION AND SWEARING IN OF BOARD OFFICERS
- III. CONSENT ITEMS:
 - A. Approval of the Asheville Regional Airport Authority October 11, 2013 Regular Meeting Minutes ([document](#))
- IV. NEW BUSINESS:
 - A. Transfer of Rental Car Facility Bond from Asheville Regional Airport Authority to Greater Asheville Regional Airport Authority ([document](#))
- V. Adjournment

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REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 11, 2013

The Asheville Regional Airport Authority ("Authority") met on Friday, October 11, 2013 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: David R. Hillier, Chairman; Jeffrey A. Piccirillo, Secretary-Treasurer; Bob Roberts; Douglas Tate; and Carol Peterson

MEMBERS ABSENT: Bill Moyer

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Suzie Baker, Director of Administration; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Kevan Smith, Public Safety Captain; and Ellen Heywood, Recording Secretary

ALSO PRESENT: Ken Moody, Delta Airport Consultants; Mike Reiter, Michael Baker Engineering; Mike Darcangelo, AVCON; John Valas, Enterprise Holdings; Mike Coneys, Enterprise Holdings; April Norket, Enterprise Holdings; Nate Otto, RS&H; Brian Lee, Martin Starnes & Associates, CPAs, P.A.

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

CONSENT ITEMS:

A. Approval of the Asheville Regional Airport Authority October 12, 2012 Closed Session Minutes Part A and Part B:

B. Approval of the Asheville Regional Airport Authority June 21, 2013 Special Meeting Minutes:

The Chairman stated that there were two Consent Items on the agenda and legal counsel has advised that four votes would be required to approve the minutes. The minutes have been reviewed by all members of the Authority and the Chairman

suggested approval by unanimous consent would be appropriate. Consent Items A and B were approved by unanimous consent.

NEW BUSINESS:

A. Resolution to Impose and Use a Passenger Facility Charge (PFC): The Director advised the Board that staff has worked with Newton and Associates to pursue an amendment to PFC Application No. 5 and a new Application No. 6. The amendment to PFC No. 5 and PFC No. 6 relate to the Airfield Redevelopment Project and both were approved by the FAA. The FAA requires the Authority adopt a resolution acknowledging the applications and responsibilities of the PFC program. The Authority Board has not adopted a PFC resolution in quite some time and staff feels it would be prudent to adopt the following resolution to maintain compliance with FAA regulations:

**RESOLUTION
OF THE
ASHEVILLE REGIONAL AIRPORT AUTHORITY
TO
IMPOSE AND USE A PASSENGER FACILITY CHARGE**

WHEREAS, the Asheville Regional Airport Authority ("Authority") is owner and operator of the Asheville Regional Airport ("Airport"); and

WHEREAS, the Authority has approved a program of capital improvements for the Airport ("Capital Improvements") for the purposes of, among other things: preserving or enhancing safety, security or capacity of the Airport and the national air transportation system; reducing and mitigating noise impacts of Airport operations; and furnishing opportunities for enhanced competition between or among air carriers; and

WHEREAS, pursuant to the authority granted by the United States Congress the FAA has promulgated a Federal Aviation Regulation ("Regulation") allowing owners, operators and sponsors, operating commercial airports such as the Airport, to impose a Passenger Facility Charge ("PFC") on passengers enplaning commercial passenger aircraft at the airports and to use the proceeds thereof to fund the Allowable Costs (as defined in the Regulation) of Eligible Projects (as defined in the Regulation) as provided and described in the Regulation; and

WHEREAS, the Authority believes certain costs of the Capital Improvements would be so allowable and eligible; and

WHEREAS, the Authority believes a PFC would be an equitable means to raise revenues to fund some or all of the said Allowable Costs of Eligible Projects of the Capital Improvements.

NOW, THEREFORE, the Authority hereby resolves that:

- 1) The Executive Director is authorized and directed to apply to the FAA, for and in the name of the Authority, for approval to impose a PFC at the Airport of \$4.50 per enplaning passenger and to use the resulting net revenues to pay the Allowable Costs of the Eligible Projects of the Airport's Capital Improvements; and the Executive Director is authorized and directed to take all such reasonable actions as necessary or desirable to obtain approval of said application.
- 2) Said PFC shall be collected by the commercial air carriers on behalf of and remitted monthly to the Authority for so long as may be necessary to pay the Allowable Costs of Eligible Projects, or such shorter period as may be required by the Regulation.
- 3) With respect to that class of air carriers comprising only those air carriers operating under FAR Part 135 and which provide only on-demand non-scheduled service and do not sell tickets to individual passengers enplaning their aircraft at the Airport ("Air Taxis") the Authority finds that:
 - a) requiring Air Taxis operating at the Airport to collect the PFC would not generate a substantial amount of PFC revenues for the Authority and would be an undue burden to the Air Taxis;
 - b) said Air Taxis enplane less than one percent (1%) of all passengers enplaned at the Airport; and
 - c) said Air Taxis, therefore, should be exempted from the requirement of collecting the PFC at the Airport and the Executive Director is hereby directed to include in said application a request that Air Taxis be so exempted.

SO RESOLVED, this the 11th day of October, 2013.

ASHEVILLE REGIONAL AIRPORT AUTHORITY

BY: _____
Chairman

The Chairman questioned if approval of a resolution such as this would be approved by the Greater Asheville Regional Airport Authority once the Asheville Regional Airport Authority was extinct. The Director responded affirmatively and that it was uncertain how the FAA would transfer such items to the Greater Asheville Regional Airport Authority once the full transition has occurred. The Director further stated that a discussion on such items would be held with the FAA at the appropriate time.

Mr. Tate moved to approve the Resolution as presented by staff. Mr. Roberts seconded the motion and it carried unanimously.

ADJOURNMENT: At 8:35 a.m. Mrs. Peterson moved to adjourn the meeting. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,

Jeffrey A. Piccirillo
Secretary-Treasurer

Approved:

Robert C. Roberts
Chairman



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: March 13, 2015

ITEM DESCRIPTION – New Business Item A

Transfer of Rental Car Facility Bond from Asheville Regional Airport Authority to Greater Asheville Regional Airport Authority

BACKGROUND

On October 12, 2007 the Asheville Regional Airport Authority ("ARAA") adopted a bond order for the construction of a rental car maintenance facility. These bonds are tied to the rental car leases for certain properties on the Asheville Regional Airport. The leases are in-turn tied to the overall lease with the City of Asheville for the airport. In 2012, the North Carolina General Assembly created the Greater Asheville Regional Airport Authority ("GARAA") which provides for the City of Asheville to transfer all right, title, and interest to the airport property to the newly created airport authority. Before the property may be transferred, the Federal Aviation Administration ("FAA") has to approve of such transfer. The City of Asheville has submitted the formal request to the FAA to transfer the property. Upon approval by the FAA, and prior to the property transfer, the ARAA must transfer the bond order to the GARAA to keep the bond valid without any lapse or default. The documents will sit in escrow until such time the FAA approval is received and the property is transferred.

ISSUES

Without the assignment and transfer of the bond from the ARAA to GARAA, the bond will become null and void. A default will then occur when the airport property owned by the City of Asheville is transferred to GARAA and the ARAA no longer exists.

ALTERNATIVES

None



FISCAL IMPACT

None

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the assignment and transfer of the Rental Car Facilities Taxable Revenue Bond, Series 2007 and; (2) authorize the Executive Director to execute the necessary documents.

SUPPLEMENTAL BOND ORDER AMENDING A BOND ORDER ADOPTED BY THE ASHEVILLE REGIONAL AIRPORT AUTHORITY ON OCTOBER 12, 2007, ENTITLED "BOND ORDER AUTHORIZING THE ISSUANCE OF A RENTAL CAR FACILITIES TAXABLE REVENUE BOND, SERIES 2007 OF THE ASHEVILLE REGIONAL AIRPORT AUTHORITY TO PAY A PORTION OF THE COST OF CONSTRUCTING A RENTAL CAR MAINTENANCE FACILITY AND FURTHER AUTHORIZING THE ISSUANCE OF RENTAL CAR FACILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING RENTAL CAR FACILITIES AND PROVIDING FOR THE SECURING THEREOF," TO PROVIDE FOR THE POSSIBLE SUCCESSION OF THE ASHEVILLE REGIONAL AIRPORT AUTHORITY

WHEREAS, the City of Asheville, North Carolina (the "*City*") and the County of Buncombe, North Carolina ("*Buncombe County*") formed the Asheville Regional Airport Authority (the "*Authority*") as a joint agency pursuant to North Carolina General Statutes §160A-462 and an Agreement between the City and Buncombe County dated November 29, 1979; and

WHEREAS, on October 12, 2007, the Authority adopted a bond order (the "*Bond Order*") entitled:

"BOND ORDER AUTHORIZING THE ISSUANCE OF A RENTAL CAR FACILITIES TAXABLE REVENUE BOND, SERIES 2007 OF THE ASHEVILLE REGIONAL AIRPORT AUTHORITY TO PAY A PORTION OF THE COST OF CONSTRUCTING A RENTAL CAR MAINTENANCE FACILITY AND FURTHER AUTHORIZING THE ISSUANCE OF RENTAL CAR FACILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING RENTAL CAR FACILITIES AND PROVIDING FOR THE SECURING THEREOF"

; and

WHEREAS, the Authority issued its Rental Car Facilities Taxable Revenue Bond, Series 2007 in the principal sum of \$4,750,000 (the "*Bond*") pursuant to the Bond Order; and

WHEREAS, Session Law 2012-121, enacted by the General Assembly of North Carolina, created the Greater Asheville Regional Airport Authority ("GARAA"), and provides that Buncombe County, the County of Henderson and the City shall transfer to GARAA, within the time periods set forth therein, all right, title and interest to the property known as the Asheville Regional Airport; and

WHEREAS, the Authority desires to ensure that upon the potential dissolution or termination of its legal existence, all of the covenants, stipulations, obligations and agreements contained in the Bond Order by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of its successor, and the term "Authority" as used in the Bond Order shall include such successor; and

WHEREAS, Section 10.02 of the Bond Order permits the adoption of such supplemental bond orders, with the consent and approval of the holders of not less than three-fourths in aggregate principal amount of the Bonds then Outstanding (as each such term is defined in the Bond Order), which are deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Bond Order, subject to certain restrictions contained in Section 10.02 of the Bond Order; and

WHEREAS, Wells Fargo Bank, National Association, as the sole Bondholder, has consented to the adoption of this supplemental bond order,

NOW, THEREFORE, BE IT ORDERED by the Authority:

Section 1. Amendment to Bond Order. The Bond Order is hereby amended by adding a new Section 11.10 to read as follows:

"Section 11.10 Successorship of Authority. In the event the Authority for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Bond Order by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term 'Authority' as used in this Bond Order shall include such successor or successors, including, without limitation, the Greater Asheville Regional Airport Authority, a body corporate and politic created pursuant to the Greater Asheville Regional Airport Authority Act."

Section 2. Effective Date. The provisions of Section 1 of this supplemental bond order shall take effect immediately.

Adopted this ____ day of _____, 2015.

ASHEVILLE REGIONAL AIRPORT
AUTHORITY

Lew S. Bleiweis, AAE, Executive Director

ATTEST

Secretary-Treasurer

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "*Assumption*") is made and entered into as of _____, 2015 to be effective as described below, by and among **ASHEVILLE REGIONAL AIRPORT AUTHORITY**, a joint agency under North Carolina General Statutes § 160A-462 (the "*Issuer*"), **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**, a body corporate and politic of the State of North Carolina ("*GARAA*"), and **WELLS FARGO BANK, N.A.**, a national banking association and successor to Wachovia Bank, National Association (the "*Bank*").

W I T N E S S E T H:

WHEREAS, the Issuer issued its Rental Car Facilities Taxable Revenue Bond, Series 2007 (the "*2007 Bond*") in the original principal amount of \$4,750,000 in accordance with a Bond Order of the Issuer adopted by the Issuer on October 12, 2007 (the "*Bond Order*");

WHEREAS, the Bank purchased the 2007 Bond;

WHEREAS, the County of Buncombe, the County of Henderson and the City of Asheville are required by statute to transfer to GARAA all of their respective rights, title and interest to the property known as Asheville Regional Airport (the "*Airport*");

WHEREAS, in connection with the conveyance of the property consisting of the Airport to GARAA, and at the request of the Bank, the Issuer has agreed to assign, transfer and convey to GARAA, and GARAA has agreed to accept and assume, all of the Issuer's rights, title, interests, duties and obligations in, to and under the Bond Order and the 2007 Bond, and such other documents executed in connection therewith (the "*Bond Documents*");

WHEREAS, this Assumption will become immediately effective upon the conveyance by the City of Asheville to GARAA of title to the real property constituting the Airport; and

WHEREAS, the Bank consents to the assignment and assumption of the Bond Documents based on the representations and warranties in this Assumption.

NOW, THEREFORE, for and in consideration of the conveyance of the property consisting of the Airport to GARAA and the mutual promises and agreements set forth herein, the Issuer and GARAA hereby agree as follows:

1. The above recitals are true and complete and are incorporated herein by this reference, and this Assumption shall be construed in light thereof.
2. This Assumption will become effective immediately upon the conveyance by the City of Asheville

to GARAA of title to the real property constituting the Airport (the “*Effective Date*”).

3. The Issuer hereby assigns, transfers and conveys to GARAA all of the Issuer’s covenants, stipulations, obligations and agreements contained in the Bond Documents, effective as of the Effective Date.
4. GARAA hereby accepts and assumes all of the Issuer’s covenants, stipulations, obligations and agreements contained in the Bond Documents, effective as of the Effective Date.
5. All references to the Issuer (however designated) in the Bond Documents with respect to representations, warranties, covenants, actions or events after the Effective Date shall hereafter be deemed to refer to GARAA; and all provisions therein for notices, certificates, execution and other actions by officers of the Issuer shall refer to notices, certificates, execution and actions by the appropriate officers of GARAA. The parties hereto acknowledge and agree that this Assumption shall constitute a Bond Document.
6. The Issuer and GARAA each hereby ratifies and affirms the terms of each of the Bond Documents, and, except as otherwise provided by this Assumption, the Bond Documents shall remain in full force and effect as written.
7. Pursuant to its signature hereto the Bank consents to the assignment and assumption of the Bond Documents and waives any provision of the Bond Documents that would restrict such assignment and assumption or require immediate payment of any sums due thereunder. The consent to this Assumption by the Bank shall not constitute its consent to any other assignment or waiver of any other term, covenant or condition of the Bond Documents.
8. All of the terms, conditions and obligations contained in the Bond Documents, whether or not expressly modified hereby, shall be construed so as to give effect to the provisions contained in this Assumption.
9. This Assumption may not be amended, modified, altered or changed in any respect whatsoever except by further agreement in writing duly executed by each of the parties hereto.
10. This Assumption shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and legal representatives.
11. This Assumption may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become a binding agreement when one or more counterparts have been signed by and delivered to each of the parties.
12. In the event any term or provision of this Assumption is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed or deleted as such authority determines, and the remainder of this Assumption shall remain in full force and effect.
13. GARAA represents and warrants to the Bank that (i) this Assumption constitutes a legal, valid and binding obligation of GARAA, enforceable against GARAA in accordance with its terms; (ii) the assignments and assumptions contained herein are effective such that GARAA is bound and obligated to perform the obligations of the Issuer under the Bond Documents; and (iii) the liens and security interests granted by the Issuer continue as a perfected lien and security interest in the

collateral covered by the Bond Documents after giving effect to the assignment and assumptions contained herein and no other filing or action is required in order to maintain or perfect such lien and security interest.

14. This Assumption shall be governed by and construed in accordance with the laws of the State of North Carolina.
15. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Assumption.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have caused these presents to be duly executed as of the day and year first above written.

ISSUER:

ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: _____
Name: _____
Its: _____

GARAA:

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____
Name: _____
Its: _____

BANK:

**WELLS FARGO BANK NATIONAL
ASSOCIATION**

By: _____
Name: _____
Its: _____

[Signature page to Assignment and Assumption Agreement related to Asheville Regional Airport Authority Rental Car Facilities Taxable Revenue Bond, Series 2007]