

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
February 14, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, February 14, 2020 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: Matthew C. Burril, Chair; K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; Brad Galbraith; and Carl H. Ricker, Jr.

MEMBERS ABSENT: George H. Erwin, Jr. and Thomas M. Apodaca

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Lisa Jump, Director of Administration and Human Resources; Jared Merrill, Airport Planning Manager; Keith Duffie, Public Safety Lieutenant; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Jason Sandford, Ashvegas.com; Patrick Pettit, Haskell; Jon McCalmont, Parrish & Partners; John White, J.E. Dunn; Charles Buckland, Signature Flight; Jeff Schoepfel, GSP Transportation; Nick Loder, RS&H; Faith Quilling, Vino Volo/Paradies Lagardere; Mike Darcangelo, Avcon; Barry Bialik, Thirsty Monk; David Modaff, Thirsty Monk; Jesse Davis, Interstate Battery

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

PRESENTATIONS: None

FINANCIAL REPORT: The Director reported on the airport activity for the month of December which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of December.

CONSENT ITEMS: The Chair stated that Consent Item C, Approval of the Greater Asheville Regional Airport Authority December 13, 2019 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority December 13, 2019 Regular Meeting Minutes:

B. Approval of Waterline Easement with City Asheville:

Ms. Brown moved to approve Consent Items A and B. Mr. Galbraith seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval to Unseal Closed Session Minutes: The Director advised the Board that the policy for Closed Session Minutes provides for an annual review of the preceding year's Closed Session Minutes. The Director has provided a recommendation for unsealing certain minutes relating to business matters that have come to fruition and are no longer of a confidential nature.

Mr. Ricker moved to unseal those portions of Closed Session Minutes as designated and recommended by the Executive Director. Mr. Bailey seconded the motion and it carried unanimously.

B. Approval of a Rental Car Concession Agreement and Lease Between Rental Car Operators, Avis Budget Car Rental System, LLC., Enterprise Leasing Company-Southeast, LLC., and GSP Transportation, LLC., and the Greater Asheville Regional Airport Authority: Christina Madsen requested the Board's approval to enter into an agreement with three rental car companies: Avis-Budget Group, Enterprise Leasing Company-Southeast, LLC. which owns Enterprise, National and Alamo, and GSP Transportation, LLC. which operates the Hertz, Thrifty and Dollar franchises. Mrs. Madsen reviewed the key terms of the agreement including the ten-year term, the Minimum Annual Guarantee to be paid by all three companies, and rent for the service counter, ready/return lot and service facilities. Mrs. Madsen further stated that revenue is anticipated to be approximately \$41,500,000 over the term of the Agreement. With the new agreement, the Authority will take over the maintenance of the rental car service facility on or before January 1, 2021. This service will be paid for by the rental car companies through rental fees and customer facility charges.

Mr. Galbraith move to approve the agreements as presented by staff with Avis Budget Car Rental System, LLC., Enterprise Leasing Company-Southeast, LLC., and GSP Transportation, LLC. and authorize the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

C. Approval of an Agreement Amendment Between The Paradies Shops, LLC. and the Greater Asheville Regional Airport Authority:

Christina Madsen requested Board approval to amend the existing Agreement with Paradies Shops, LLC. to add 923 sf of concession space for a Vino Volo wine and craft beer concept to be located in the corridor leading to gates 4 through 7. Vino Volo is a subsidiary of Paradies and will enter into a sublease with Paradies. Paradies has also created a relationship with Thirsty Monk to provide local beer for this establishment. Mrs. Madsen summarized the terms of the Agreement which included a capital investment to be made by Paradies, a \$75,000 allowance from the Authority towards the capital investment, and reimbursement to Paradies for the unamortized portion of their investment should the Authority terminate the Agreement prior to the five-year term expiration. Mrs. Madsen reviewed the rent for this new location space as well as the Minimum Annual Guarantee.

Mr. Bailey moved to approve the Agreement Amendment with The Paradies Shops, LLC. and authorize the Executive Director to execute the necessary documents. Mr. Ricker seconded the motion and it carried unanimously.

D. Approval of an Agreement Amendment Between Signature Flight Support Corporation and the Greater Asheville Regional Airport Authority:

Christina Madsen advised the Board that with the growth and expansion of commercial service at the airport, additional ramp and hangar space is needed to accommodate the operational needs of the airlines. Mrs. Madsen requested Board approval to amend the Agreement with Signature Flight Support Corporation ("Signature") to reduce their leased premises from 47.026 acres to 43.97 acres. This includes removal of ramp space and a 6,000 SF hangar from the lease as well as a reduction in the rent by approximately \$17,030 per year. Signature will pay a ramp usage fee of \$290 per month to utilize that ramp area when not in use for commercial air carrier operations.

Ms. Brown moved to approve the Agreement Amendment with Signature Flight Support Corporation and authorize the Executive Director to execute the necessary documents. Mr. Ricker seconded the motion and it carried unanimously.

E. Ratify Approval of Amended Task Order No. 7 with CHA Consulting, Inc. for Short Form Environmental Assessment:

Michael Reisman reminded the Board that at a previous Board meeting the Director reported on his execution of an agreement with CHA Consulting for an FAA mandated Short Form Environmental Assessment (EA) for the Terminal Modernization project. Subsequently, the FAA has further required an update to the airport's Noise Exposure Maps (NEM) as part of the process. Mr. Reisman stated that in order to keep the project on schedule, he executed the required documents for the NEM with CHA Consulting, Inc. with the Director's approval. The not to exceed

fee for these services is \$88,300.00 and includes the Short Form EA and NEM update for \$78,100.00 as well as \$10,200.00 for a public meeting if needed. The cost for these services is included in the current fiscal year capital budget for the Terminal Modernization project.

A brief discussion followed regarding public notification and the noise modeling process.

Mr. Ricker moved to ratify approval of Task Order No. 7 with CHA Consulting, Inc. Mr. Galbraith seconded the motion and it carried unanimously.

F. Approval of Change Order #2 for Repair of 60 Inch Reinforced Concrete

Pipe: Jared Merrill reported that repairs of the 60 Inch Reinforced Concrete Pipe by Applied Polymerics are approximately 95% complete. Upon the recent inspection of the pipe, Hydrostructures and Kimley Horn observed significant hydrostatic pressure on the pipe system which will require additional grout to properly seal 15 joints and 2 vaults. Change Order #2 with Applied Polymerics will complete the grout work at an estimated cost of \$51,480.00 which is based on the unit prices in the contract. Airport funds will cover the additional cost for these services and 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, 2020:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$51,480.00</u>
Totals	_____	<u>\$51,480.00</u>

This will result in a net increase of \$51,480.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$51,480.00</u>
Totals	_____	<u>\$51,480.00</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 14th day of February 2020.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

A discussion ensued regarding the number of joints not included in the scope for additional grouting as well as inspections to be performed within the one-year warranty period.

Mr. Bailey moved to approve Change Order #2 with Applied Polymerics in the amount of \$51,480.00, authorize the Executive Director to execute the necessary documents, and amend the FY2019/2020 Budget by adopting the budget ordinance amendment as presented by staff. Ms. Brown seconded the motion and it carried unanimously.

G. Employee Referral Incentive Program Policy: Lisa Jump informed the Board that in order to help recruit and hire candidates for positions, staff is recommending an Employee Referral Incentive Program. Current employees who refer applicants who are successfully employed by the Authority will be eligible for the Referral Incentive Program. Mrs. Jump briefly reviewed the incentives and stated that there are sufficient funds within the FY 2019/2020 Budget to cover implementation of the program.

Mr. Galbraith moved to approve the Employee Referral Incentive Program and authorize the Executive Director to implement such changes effective February 1, 2020. Mr. Ricker seconded the motion and it carried unanimously.

H. Approval of Amendment to the FY2019/2020 Budget: The Director advised the Board that this item was being added to the agenda for consideration. The FY2019/2020 Budget includes \$300,000.00 for Business Development. With the addition of Allegiant's four new air service destinations, these funds have been exhausted without giving the full incentive package. American Airlines has also announced new air service. Both airlines have requested incentives and the Director stated that staff is seeking an additional \$200,000.00 for Business Development. The addition of these funds will allow

The Board questioned the reason for the difference in the amounts requested for Allegiant and American. The Director stated that the incentives follow Board policy which contains different levels of incentives based on frequency, seasonal service vs. year-round service, etc.

Mr. Bailey moved to amend the FY2019/2020 Budget by adopting the budget ordinance amendment as presented by staff. Ms. Brown seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had a few additional items to include that were not on the agenda.

A. TSA Pre-Check RV Tour: The Director remarked that TSA is bringing the mobile unit for TSA Pre-Check to the airport possibly in April. Staff will help to advertise once the dates are confirmed.

B. Social Media Comments: A group of citizens in Asheville concerned with growth and its environmental impact to the community have recently been vocal on social media. The Director remarked that the airport growth has been mentioned in some of their comments and wanted the Board to be aware.

C. USDOT Human Trafficking Program: The US Department of Transportation is taking an active approach to eliminate human trafficking and have asked the airport to help promote this initiative. Messaging will be displayed in the terminal and some staff training will take place.

D. Reimbursement for Jet Bridge Repairs: The Director was pleased to note that the airport has received a check in an approximate amount of \$129,000.00 from Delta's insurance company for the damage that was caused to the jet bridge in the fall of 2018.

E. Real ID: The aviation industry has some concerns with the implementation of the Real ID requirement by October 1, 2020. Infrequent travelers may not be aware of the requirement. A bill has been introduced by Congress to include Global Entry or Pre-Check travelers as meeting the Real ID requirement. Airports in North Carolina are working with the state DMV to communicate the Real ID requirement to the public.

F. Tap Root Dairy Property: Another subdivision is being proposed for the Tap Root Dairy property. Henderson County will begin holding meetings this month on the proposed development.

G. Change Order: The Director reported that a change order was received from Chatham Construction for the parking lot project for a \$91,000 reduction in the contract amount. There will, however, be future change orders increasing the amount of the contract. The new parking lot is expected to be opening in mid-May.

The Chair requested revenue information from the TNC's. The Director stated that staff will forward that information.

H. Parking Tickets: Due to problems with the Authority issuing parking tickets on airport property, the Asheville City Council has passed an ordinance to begin administering parking tickets for the Authority. Airport Public Safety officers will issue the tickets, the paperwork will go to the City for processing, and the City will retain the revenue.

I. United Airlines: For the last 3 or 4 quarters of 2019, the Asheville United team has won United Airline's Best Station Award for their customer service efforts and the team has recently won Station of the Year.

J. Terminal Modernization Project: The Director commented that a survey on the terminal expansion project will go live later in the month and will be sent to approximately 190,000 people on the airport's e-mail list.

K. ATCT Model Update: The Director reported on staff's recent trip to the FAA's research lab for the relocation of the Air Traffic Control Tower. The Director displayed pictures of the computer models created in the lab and stated that by the end of the visit, three potential sites were identified. Staff will be traveling back to the research lab in June to finalize the site location.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Authority Board will be held on March 13, 2020.

A brief discussion took place concerning the date for the April Authority Board Meeting. It was agreed that the meeting will be moved to April 3, 2020 rather than April 9, 2020.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 10:12 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 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 Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Galbraith seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 12:04 p.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY FEBRUARY 14, 2020

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. Galbraith seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 13, 2019

CLOSED SESSION MINUTES: Mr. Bailey moved to approve the minutes for the December 13, 2019 Closed Session and to seal and withhold the minutes for the December 13, 2019 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Galbraith seconded the motion and it carried unanimously.

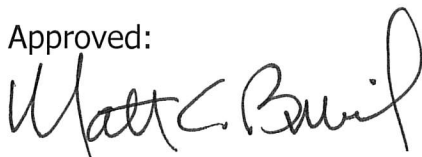
ADJOURNMENT: Ms. Brown moved to adjourn the meeting at 12:09 p.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Matthew C. Burrell
Chair