

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
March 12, 2021**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 12, 2021 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 IN PERSON:** Matthew C. Burrell, Chair; Carl H. Ricker, Jr.; and Britt Lovin

**MEMBERS PRESENT VIA TELEPHONE/VIDEO:** Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Thomas M. Apodaca; and Susan Russo Klein

**MEMBERS ABSENT:** None

**STAFF PRESENT IN PERSON:** Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Janet Burnette, Director of Finance and Accounting; Samuel Sales, Interim Chief of Public Safety; Michael Merideth, Systems Administrator; Ricky Peterson, Maintenance Tech; and Ellen Heywood, Clerk to the Board

**STAFF AND LEGAL COUNSEL PRESENT VIA VIDEO:** Cindy Rice, Authority Legal Counsel; Tina Kinsey, Director of Marketing and Public Relations; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Lisa Jump, Director of Administration and Human Resources; Christina Madsen, Properties and Contracts Manager; and Jared Merrill, Airport Planning Manager

**ALSO PRESENT VIA TELEPHONE:** Brad Sucher, Gresham Smith; David King; Gresham Smith; John Kasuda, Siemens; Hugh Weaver, Pond Company; David Wood, Pond Company; James Moose, Avcon; Jon McCalmont, Parrish & Partners; Jason Sandford, AshVegas; Zeke Cooper, DreamCatcher Hotels; and Nick Loder, RS&H

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

**SERVICE AWARD PRESENTATION:** The Chair recognized Ricky Peterson with a service award and gift for his 15 years of service with the Authority.

## **PRESENTATIONS:**

**A. Update on Design of Terminal Expansion:** Brad Sucher with Gresham Smith presented the Board with an update on the design of the terminal expansion. Mr. Sucher briefly described the vision process used to create the essence for the design and proceeded with the overall plan including renderings for levels 1 and 2. The project schedule was reviewed followed by a detailed explanation of the program cost, expected to be approximately \$238 million. Mr. Sucher broke down the anticipated cost of the project by contractor final guaranteed maximum price as well as the Authority's costs for a total program cost. Mr. Sucher explained that Hensel Phelps, the Construction Manager at Risk, would provide a final program cost by mid-February of 2022.

The Director reported that Gresham Smith's drawings have been shared with all Authority staff. The Director further stated that staff has been working with the financial consultant retained to assist staff with the financing for this project and that a meeting was held with the FAA and DOT to discuss financing for this project as well as a possible TIFIA loan through the DOT. The financial consultant has also been preparing staff for the credit rating that will be required to move forward with financing for this project. The Director also explained to the Board that this project will be value engineered to coincide with the amount the financial consultant determines the Authority can afford to pay for this project. Staff anticipates having the financing in place by early next year.

Discussions took place regarding the escalation in price since the terminal assessment study was completed in 2018, the flexibility of the gates for the size and configuration of the aircraft, as well as the square footage of space in public areas of the terminal.

The Director requested feedback from the Board on the direction staff should take with regard to moving forward on the project. The Board was in agreement that it was important to continue with the plans to expand the terminal. Additional information on financing was suggested. The Director responded that staff was working with the financial consultant on the financing and assured the Board that the financing information would be brought to the Board for their review and approval before moving forward with the construction phase of the project. The Director also reminded the Board that the expenses for the design phase of the project were being covered by grant funding.

**FINANCIAL REPORT:** A review of enplanements, aircraft operations, and general aviation activity for the month of January was provided by the Director. Janet Burnette reported on the financial activity for the month of January. Mrs. Burnette advised the Board that staff was given previous approval by the Board to use some of the reserve funds if needed. With the January finances as they were, some O&M Reserve funds were used for a few days until some funding was received from the FAA in February.

Mr. Galbraith left the meeting.

**CONSENT ITEMS:**

**A. Approve the Greater Asheville Regional Airport Authority February 5, 2021 Regular Meeting Minutes:**

**B. Approve the Greater Asheville Regional Airport Authority February 19, 2021 Special Meeting Minutes:**

Mr. Lovin moved to approve Consent Items A and B. Mr. Ricker seconded the motion and it carried by a 6 to 0 vote.

**OLD BUSINESS:** None

**NEW BUSINESS:** The Chair stated that New Business Item E, Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course, would be reviewed following the closed session.

**A. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport:** Janet Burnette reported that a new Schedule of Airline Rates, Fees and Charges for FY21-22 has been developed for Ordinance No. 201601-6 using the same rate methodology as in the past. Mrs. Burnette reminded the Board that last year at the request of the airlines, the rates and charges for FY20-21 were not changed due to the decline in passenger traffic. Staff has met with the airlines to review the rates, fees and charges proposed for FY21-22. Mrs. Burnette reviewed the summary table from the Rates, Fees and Charges and highlighted some of the proposed changes.

Mr. Apodaca moved to consider and approve the proposed Airline Rates, Fees and Charges; schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges; and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2021-2022 at the next scheduled Authority Board meeting. Mr. Ricker seconded the motion and it carried by a 6 to 0 vote.

Mr. Galbraith returned to the meeting.

**B. Approval of the Authority's Preliminary Fiscal Year 2021/2022 Budget:** Janet Burnette presented the proposed preliminary Fiscal Year 2021-2022 Budget. Mrs. Burnette stated that staff has been conservative with the budget and anticipate approximately \$1 million in net revenue for FY22. The budget assumptions for both

operating revenues and operating expenses were highlighted, and Mrs. Burnette mentioned that the operating expenses include a salary adjustment pool budgeted at 2% as well as an increase in personnel with the addition of one full-time employee.

The Director informed the Board that in line with other commercial airports in the state, a 2% salary adjustment pool has been included in the budget. Some of the airports in the state are having difficulties retaining talent and need to keep the salaries in line to compete with other local businesses. Should enplanements and revenue decline, staff can pull the salary adjustment pool from the budget before it goes into effect in July. The Director further stated that staff had planned on adding 14 positions in FY21, however, those positions were pulled from the budget due to the effects of COVID-19. The position being added to the FY22 budget is for an HVAC employee familiar with central energy plant processes in order for that employee to have input in the plans for the central energy plant to be constructed as part of the terminal expansion project.

Mrs. Burnette reviewed the proposed operating budget and noted that the FY2020-2021 figures shown in the budget were the revised budget amounts that were brought to the Board in July of 2020. While the proposed operating budget is showing a 7% reduction in operating expenses, this is in addition to the 14% reduction made to the budget last July, for a total decrease in expenses by 21% from the original FY2020-2021 budget presented to the Board last spring. Later in the year, should revenue grow higher than projected, staff may seek Board approval to revise the budget for both revenues and expenses.

Mrs. Burnette also reviewed the estimated cash balance and pointed out the negative unrestricted undesignated cash balance as of June 2022. This was similar to what was presented in the budget to the Board last spring, and Mrs. Burnette explained that staff would not move forward on projects until the funding was in place. Also highlighted were the supplemental fees that will increase for FY22, particularly parking and SIDA badges.

Mr. Lovin moved to approve the Proposed Preliminary Fiscal Year 2021-2022 Budget and accept public comment on the Proposed Preliminary Fiscal Year 2021-2022 Budget during the next 10 days. Mr. Erwin seconded the motion and it carried unanimously.

Mr. Galbraith left the meeting.

**C. Approve Design Contract with Pond & Company, Inc. for the Air Traffic Control Tower and Associated Facilities Project:** Jared Merrill advised the Board that the existing air traffic control tower has exceeded its useful life and needs to be relocated due to its obstruction to the terminal expansion project. Relocation of the tower to new facilities will also ensure that the tower meets the current standards of the FAA. Mr. Merrill reviewed the process used to obtain proposals for design services and stated that Pond & Company, Inc. was deemed the most qualified to perform the work. Staff

has been in negotiations with Pond & Company for the design contract and arrived at a cost of \$4,157,923.00. An Independent Fee Estimate (IFE) was conducted and determined to be \$3,857,570 which is 7.8% lower than the contract with Pond & Company, but falls within the FAA's required 10% to establish reasonable cost. The contract includes resident project representative services for the estimated two-year construction project as well as the design services. The current fiscal year budget includes \$5 million for this project and staff plans to utilize NCDOT and/or FAA funds for this project.

Mr. Lovin moved to approve the contract for the design of the new Air Traffic Control Tower and Associated Facilities with Pond & Company, Inc. in the amount of \$4,157,923.00 and authorize the Executive Director to execute the necessary documents. Mr. Apodaca seconded the motion and it carried by a 6 to 0 vote.

Mr. Galbraith returned to the meeting.

**D. Approval of Audit Contract for Fiscal Year Ending June 30, 2021:** Janet Burnette informed the Board that a Request for Proposal (RFP) for audit services was issued and two firms submitted eligible proposals. Staff's recommendation was to award the audit contract to Martin Starnes & Associates, based on their lower overall costs, experience with airport audits, and previous working relationship with the Authority. The contract fee for audit services with Martin Starnes & Associates will be \$32,500 and the expense for the audit services was included in the budget for FY2022.

Mr. Apodaca moved to approve the contract for audit services with Martin Starnes and Associates, CPAs, P.A. subject to Board approval of the FY2022 Budget and authorize the Board Chair to execute the necessary documents. Mr. Galbraith seconded the motion and it carried unanimously.

**DIRECTOR'S REPORT:** It was agreed that the Director would defer reporting on Industry Statistics until the next Board meeting. The Director advised the Board that he had a couple of additional items to include that were not on the agenda.

**A. Passenger Facility Charge:** The Director advised the Board that due to an increase in passenger enplanements, the airport collected more funds under PFC Application No. 6 than what was allowed by the FAA. Staff will be amending PFC Application No. 6 to allow airport reimbursement for some previous projects the airport has paid for out of its own funds. The Director also reported that the Board had previously approved PFC Application No. 7, but due to delays with COVID staff is just now able to move forward. A public comment period was held and a meeting was held with the airlines, but was not attended. PFC Application No. 7 will be used for some terminal items that will be imposed by the PFC but not yet used.

**B. American Rescue Plan:** Congress approved \$8 billion in funding for the airport industry. The airport will receive additional money out of this new funding for operational expenses.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** It was determined that the March 24, 2021 Authority Board meeting would not be necessary and was cancelled. The April 16, 2021 meeting of the Authority Board was also cancelled, and a Special Meeting of the Authority Board will be held on April 9, 2021.

**AUTHORITY MEMBER REPORTS:** None

**CLOSED SESSION:** At 10:25 a.m. Mr. Lovin 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. Ricker 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 11:44 a.m.

Mr. Galbraith left the meeting during the Closed Session.

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**CLOSED SESSION MINUTES:** Mr. Lovin 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. Ricker seconded the motion and it carried by a 6 to 0 vote.

**NEW BUSINESS:** Mr. Apodaca commented that in an abundance of caution, he would need to be recused from the discussion for New Business Item E.

Mr. Apodaca left the meeting at 11:50 a.m.

Mr. Lovin moved to recuse Mr. Apodaca from New Business Item E, Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course. Mr. Ricker seconded the motion and it carried by a 5 to 0 vote.

**E. Approval for Acceptance of Interest for the Development, Financing, Management, and Operation of a Commercial Hotel with Conference Center and Existing 18-Hole Golf Course:** Christina Madsen reported that a Request for Information (RFI) for the Development, Management and Operation of a Commercial Hotel with Conference Center and an 18-Hole Golf Course was issued by the Authority in January 2021 and 33 firms downloaded and received the RFI. The Authority received one proposal, from DreamCatcher Hotels, and the proposal met all of the minimum qualifications in the RFI. Staff was seeking Board approval to enter negotiations with DreamCatcher Hotels for a long-term lease including key business terms such as the design, financing, construction, investment, rents, fees, length of term, etc. Mrs. Madsen stated that the Broadmoor Golf Course requires a large financial infusion for capital improvements which the Authority does not have the capability of providing. Award of a contract for the development of a hotel, conference center and management of the golf course will ensure the capital improvements are made.

Mr. Erwin moved to accept the submitted response to the Request for Information by DreamCatcher Hotels; authorize staff to enter negotiations with DreamCatcher Hotels; and return to the Board prior to May 15, 2021 to present a final lease for consideration. Mr. Ricker seconded the motion and it carried by a 5 to 0 vote.

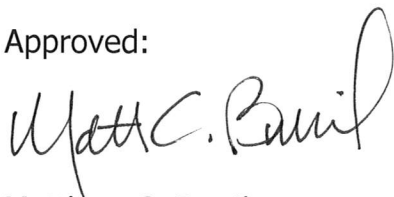
**ADJOURNMENT:** Mr. Lovin moved to adjourn the meeting at 11:58 a.m. Mr. Erwin seconded the motion and it carried by a 5 to 0 vote.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Matthew C. Burrell  
Chair