

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
August 13, 2021**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, August 13, 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; Brad Galbraith, Vice-Chair; Carl H. Ricker, Jr.; and Britt Lovin

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

**MEMBERS ABSENT:** None

**STAFF AND LEGAL COUNSEL PRESENT IN PERSON:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Christina Madsen, Properties and Contracts Manager; Jared Merrill, Airport Planning Manager; Samuel Sales, Chief of Public Safety; Michael Merideth, Systems Administrator; Lt. Keith Duffy, Public Safety; Tom Avolese; Public Safety; and Ellen Heywood, Clerk to the Board

**STAFF PRESENT VIA VIDEO:** 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; and Lisa Jump, Director of Administration and Human Resources

**ALSO PRESENT IN PERSON OR VIA TELEPHONE:** Brad Sucher, Gresham Smith; Zeke Cooper, DreamCatcher Broadmoor, LLC.; Paul Puckli, CHA Consulting; Tim Davis, Hensel Phelps; Jon McCalmont, Parrish and Partners; James Moose, Avcon; Tanner McLellan, Hensel Phelps; Nick Loder, RS&H

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

**EMPLOYEE RECOGNITIONS:** The Director recognized Lt. Keith Duffie for his Advanced Law Enforcement Certificate and presented him with the framed certificate. The Board congratulated Lt. Duffie on this significant achievement.

The Chair recognized Tom Avolese with a service award and gift for his 15 years of service with the Authority

## **PRESENTATIONS:**

**A. Terminal Phasing Update:** The Director stated that Brad Sucher with Gresham Smith would review the phasing for the terminal expansion project and would also address the total cost of the project. The Director informed the Board that in order to help control costs in part due to the labor shortage and pricing of materials, Hensel Phelps, the Construction Manager, has recently recommended a Component Guaranteed Maximum Price ("CGMP") rather than a Final Guaranteed Maximum Price ("FGMP") for this project. The CGMP breaks the project into components with a final maximum price for each component. The Director explained that the risk of the CGMP is that the final total cost of the project will not be known until well under construction a couple of years from now. However, staff meets regularly with Hensel Phelps, and the total price of the project has stayed pretty consistent with original estimates, not guaranteed, but close to what the original cost was.

Brad Sucher thanked the Board for their time and also introduced Tim Davis with Hensel Phelps. Mr. Sucher presented two strategies for implementation of the terminal expansion project: FGMP and CGMP. Mr. Sucher explained that the FGMP provides a maximum price at the beginning of the project and the CGMP provides the maximum price in small pieces. Tim Davis summarized the pros and cons of each process and then reviewed the timeframe, work to be completed, and the cost included in each phase of the CGMP. Mr. Davis stated that completion of the project is anticipated to be March of 2025 and Mr. Sucher commented that 7 gates would be available for use by the end of 2023. Mr. Davis reviewed a chart of the trend log process that would be used to actively track costs throughout the project and would be reviewed with staff every two weeks. Mr. Sucher broke down the total program cost of the project which was estimated at \$239,250,000 to be paid with \$23,750,000 in anticipated grant money and the remaining cost of \$215,500,000 to be paid with TIFIA loans and bonds.

The Director informed the Board that staff recommends moving forward with the CGMP process for this project.

The Board inquired if the timeline on a particular bid package could be escalated to take advantage of drops in prices of commodities. Mr. Davis responded that it was possible that work could be moved from one guaranteed maximum price to another to obtain

better pricing on materials. Mr. Davis further explained the process of obtaining bids and the guaranteed price for the work in each component.

Mr. Ricker moved to approve a change in structure with Hensel Phelps from a Final Guaranteed Maximum Price delivery method to a Component Guaranteed Maximum Price delivery method. Mr. Lovin seconded the motion and it carried unanimously.

**FINANCIAL REPORT:** A review of enplanements, aircraft operations, and general aviation activity for the month of June was provided by the Director. Janet Burnette reported on the financial activity for the month of June.

**CONSENT ITEMS:** The Chair stated that Consent Item D, Approve the Greater Asheville Regional Airport Authority June 4, 2021 Closed Session Minutes Parts A and B, would be addressed at the end of the meeting.

**A. Approve the Greater Asheville Regional Airport Authority June 4, 2021 Regular Meeting Minutes:**

**B. Approve Amendment to the FY21/22 Budget for Capital Carry-Over:**

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, 2022:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Carry-over Capital Expenditures	_____	\$12,809,932
Totals	_____	\$12,809,932

This will result in a net increase of \$12,809,932 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP Funds		\$8,863,982
Transfer from GARAA Cash	_____	\$3,945,950
Totals	_____	\$12,809,932

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 13th day of August, 2021.

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Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

**C. Approve Identity Theft Detection and Prevention Policy:**

Mr. Erwin moved to approve Consent Items A, B and C. Mr. Apodaca seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

**NEW BUSINESS:** The Director requested that Item D be addressed first.

**D. Approve Ground Lease and Agreement between DreamCatcher Broadmoor, LLC. and the Greater Asheville Regional Airport Authority:** Christina Madsen provided the background for the purchase of the Broadmoor Golf Course, the current agreement with DreamCatcher Broadmoor, LLC. ("DreamCatcher") to manage the course, and the Request for Information process that staff utilized for development of the golf course property with DreamCatcher being the sole proposal received. Mrs. Madsen then reviewed key details of the long-term Ground Lease and Agreement with DreamCatcher. Mrs. Madsen further stated that there was an issue and a question about the golf course remaining open and advised the Board that Pages 4 and 12 of the Agreement had been replaced to provide assurance that the golf course will remain open, and copies of those pages were provided to the Board Members at their seats. Mrs. Madsen highlighted the non-aeronautical revenue the Authority will receive over the course of the Agreement including ground rent for the hotel and conference center as well as the golf course, and the percentage of gross receipts that exceed \$10 million annually beginning July 1, 2035.

A question was raised concerning the language in the Agreement with regard to hole no. 10. The Director responded that hole no. 10 was located within the 24-acre area

remaining after the hotel and conference center is developed. This is the area contained in the land plan report that the Authority could eventually develop, and it is not the responsibility of DreamCatcher to move the hole should the Authority decide to develop this area. A further question was raised with regard to the language in the last sentence of Article 3.1.1 to which the Director responded that this was for the driving range and not hole no. 10. Mrs. Madsen advised the Board that legal counsel had been consulted on the language for this matter, that the driving range will be the responsibility of DreamCatcher, and that hole no. 10 will be the responsibility of the Authority or its designee. It was suggested by the Board that this language be cleaned up.

Brief discussions took place regarding a mechanism to increase insurance coverage in the future as well as maintenance and repairs. The Director noted the section on page 23 of the Agreement that contained language on future insurance coverage, while Mrs. Madsen explained that based on the type of hotel and the Four Diamond AAA rating, DreamCatcher would need to maintain the premises in first class condition. Mrs. Madsen further referred to the language in the facility assessment in Article 10 that encompassed some of these issues.

A concern over the length of the 50-year lease was raised and the potential for a decline in the performance standards. Mrs. Madsen advised the Board that the language in the Agreement was very consistent with other lease agreements between hotels and airports and believed that the Agreement with DreamCatcher protects the organization. A decision was made to go into Closed Session to further discuss.

**CLOSED SESSION:** At 10:08 a.m. Mr. Galbraith 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 Buncombe County Lawsuit Entitled Christopher McFalls vs. the Greater Asheville Regional Airport Authority; 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. Lovin seconded the motion and it carried unanimously.

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

Open Session resumed at 10:41 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AUGUST 13, 2021**

**CLOSED SESSION MINUTES:** Mr. Galbraith 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. Lovin seconded the motion and it carried unanimously.

**NEW BUSINESS:**

**D. Approve Ground Lease and Agreement between DreamCatcher Broadmoor, LLC. and the Greater Asheville Regional Airport Authority:** Mr. Ricker moved to approve the Ground Lease and Agreement as presented by staff with DreamCatcher Broadmoor, LLC., authorize the Executive Director to execute the necessary documents, and amend the FY2021/2022 budget by adopting the following budget ordinance amendment. Mr. Lovin seconded the motion and it carried by a 6 to 0 vote with Mr. Apodaca abstaining from the vote.

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, 2022:

Section 1. To amend the appropriations as follows:

This will result in a net increase of \$116,668 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Lease Revenue		\$116,668
Transfer from GARAA Cash	\$116,668	
Totals	<u>\$116,668</u>	<u>\$116,668</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 13<sup>th</sup> day of August 2021.

\_\_\_\_\_  
Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

The Director advised the Board that with their permission, the language regarding hole no. 10 would be cleaned up. The Board agreed. The Board thanked Mrs. Madsen for her work on this lease.

**A. Approve Bond Reimbursable Resolution:** The Director stated that a reimbursable resolution was necessary to allow the Authority to reimburse itself out of bond proceeds for certain expenses. Since it was getting close to the timeline with expense reimbursement for the terminal building expansion and air traffic control tower projects, the Director requested Board approval of the following resolution.

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*Greater Asheville Regional Airport Authority*

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*~ Resolution ~*

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RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES UNDER UNITED STATES DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED, by the Board of Directors (the "Board") for the Greater Asheville Regional Airport Authority (the "Authority") as follows:

Section 1. The Board hereby finds, determines and declares the following:

(a) Section 1.150-2 of the Treasury Regulations (the "Regulations") prescribes specific procedures which will be applicable to certain bonds or notes issued by or on behalf of the Authority including, without limitation, a requirement that the Authority declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by or on behalf of the Authority prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed.

(b) The Authority intends to advance its own funds in order to pay certain capital costs (the "Original Expenditures") relating to improvements to its airport facilities, including, without limitation, the design, renovation and expansion of the Airport Terminal, including a central energy plant and other necessary infrastructure, and the equipping of such additions to the Airport Terminal, the design, construction, and equipping of a new free-standing Airport Traffic Control tower, payment of a portion of

the interest accruing during the construction and renovation process, and payment of certain expenses incurred in connection with the authorization and consummation of the financing (collectively, the "Project").

(c) The Authority reasonably expects to reimburse itself for the Original Expenditures from the proceeds of debt to be incurred by or on behalf of the Authority.

(d) \$275,000,000.00 is the maximum principal amount of debt expected to be incurred for the purpose of paying the costs of the Project.

(e) This declaration of official intent is made pursuant to Section 1.150-2 of the Treasury Regulations to expressly declare the official intent of the Authority to reimburse itself from the proceeds of debt to be hereinafter incurred by or on behalf of the Authority for certain expenditures paid by the Authority on or after the date which is sixty (60) days prior to the date hereof.

(f) The funds heretofore advanced or to be advanced by the Authority to pay the Original Expenditures are or will be available only on a temporary basis and do not consist of funds that were otherwise earmarked or intended to be used to permanently finance the Original Expenditures.

(g) All Original Expenditures to be reimbursed by the Authority were paid no more than sixty (60) days prior to, or will be paid on or after the date of, this declaration of official intent, except with respect to certain amounts incurred before such 60-day period not exceeding 20% of the issue price of the proceeds of the debt to be hereinafter incurred which are expended for "preliminary expenditures" within the meaning of Section 1.150-2 of the Treasury Regulations (the "Preliminary Expenditures"). The Authority understands that, except for the Preliminary Expenditures, such reimbursement must occur not later than eighteen (18) months after the later of (a) the date the Original Expenditures were paid and (b) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the Original Expenditures were paid.

Section 2. This resolution shall take effect upon its passage.

This the \_\_\_\_\_ of August, 2021.

ATTEST

GREATER ASHEVILLE REGIONAL  
AIRPORT AUTHORITY

\_\_\_\_\_  
Ellen M. Heywood, Clerk to the Board

By: \_\_\_\_\_  
Matthew C. Burrell, Chair



Mr. Lovin moved to approve the Bond Reimbursable Resolution as presented by staff. Mr. Ricker seconded the motion and it carried unanimously.

**B. Approve Non-Federal Reimbursable Agreement with Department of Transportation, Federal Aviation Administration for Services Associated with the Relocation of Airport Traffic Control Tower and Associated Facilities (FAA Agreement No. AJW-FN-ESA-19-SO-003464):** Michael Reisman stated that the design and construction of a new Airport Traffic Control Tower ("tower") is required due to the terminal expansion project. The Authority, as owner, is responsible for the cost of the replacement tower but must involve FAA personnel in the design process as well as the construction and commissioning of the new tower. As a result, a Reimbursable Agreement must be in place and will cover work performed by the FAA such as tower siting, safety requirements, engineering review and participation in the design process, acceptance testing, procurement of security system design services, etc. Mr. Reisman stated that the cost was estimated to be \$177,504.34 and would be paid from airport funds. The following budget amendment will be necessary:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$177,504.34
Total	_____	\$177,504.34

This will result in a net increase of \$177,504.34 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$177,504.34
Totals	_____	\$177,504.34

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 13th day of August, 2021.

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Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Lovin moved to approve the FAA Non-Federal Reimbursable Agreement No. AJW-FN-ESA-19-SO-003464, authorize the Executive Director to execute the necessary documents, and amend the FY2021/2022 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Galbraith seconded the motion and it carried unanimously.

**C. Approve Task Order No. 9 with CHA Consulting, Inc. for Airport Master Plan Update:** The Director reported that a budget amendment had been added to the memo. The revised memo was available at the Board Member seats and had also been emailed to the Board Members that were participating in the meeting virtually. Jared Merrill stated that the Airport Master Plan update was last conducted in 2011-2013 and with large projects planned over the next ten years, it was imperative to update the Master Plan at the present time. Staff has been working with CHA Consulting, Inc. ("CHA") to develop the scope of work for this update and it was approved by the FAA in July. CHA's cost to conduct the Master Plan Update is \$989,004.00. An Independent Fee Estimate ("IFE") provided a cost of \$1,007,774.00 and per the FAA guidelines, CHA's proposal is within the required 10% of the IFE and therefore considered reasonable. The Master Plan Update is expected to be completed in approximately 18 months and will be paid for with FAA grants. The following budget amendment will be necessary:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$989,004.00</u>
Totals	_____	<u>\$989,004.00</u>

This will result in a net increase of \$989,004.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Federal AIP Grant Funds	_____	<u>\$989,004.00</u>
Totals	_____	<u>\$989,004.00</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 13<sup>th</sup> day of August 2021.

\_\_\_\_\_  
Matthew C. Burrell, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Ricker moved to approve Task Order No. 9 with CHA Consulting, Inc. in the total amount of \$989,004.00, authorize the Executive Director to execute the necessary documents, and amend the FY2021/2022 budget by adopting the budget ordinance amendment as presented by staff. Mr. Erwin seconded the motion and it carried unanimously.

**E. Approve Budget Amendment for Parking Operator and Shuttle Services:**

John Coon stated that with passenger traffic quickly returning to the airport, it has become necessary to re-staff the operations of the parking facility and to bring the parking shuttle back in service. A revised budget has been received from LAZ Parking

and includes \$400,814 for the shuttle services and \$512,668 for the parking operation. The current fiscal year budget includes \$350,000 for parking operations. The increased costs will be paid from increased parking revenue. Mr. Coon informed the Board that the following budget amendment will be necessary to cover these additional costs which total \$563,482 as well as the associated additional revenue:

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, 2022:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Operations Dept	_____	\$563,482.00
Total	=====	\$563,482.00

This will result in a net increase of \$563,482.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Public Parking	_____	\$563,482.00
Totals	=====	\$563,482.00

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

Adopted this 13th day of August 2021.

\_\_\_\_\_  
Matthew C. Burril, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Galbraith moved to amend the FY2021/2022 budget by adopting the budget ordinance amendment as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

## **DIRECTOR'S REPORT:**

**A. Agreement with PFM Financial Advisors for TIFIA Program:** The Director stated that an agreement was entered with PFM Financial Advisors for bond services for the terminal expansion project. In addition, staff is working on a loan for the terminal expansion project through the Department of Transportation's TIFIA program. PFM has requested an additional \$55,000 to the contract to assist with the TIFIA portion of the financing. Staff has also retained Landrum & Brown to conduct a financial feasibility study, a requirement for the bonds, and the cost of that contract was \$196,000. Jon Mize with Womble Bond Dickinson will be bond counsel and the cost of his services is estimated between \$75,000 and \$95,000 with an additional \$20,000-25,000 to prepare the Authority's official statement which will be needed for public offerings. All parties are aware of the timeline for the terminal expansion project and everything is moving forward.

**B. Runway 5k:** With eight years since the last 5k, staff is pleased to bring back the Runway 5k which will be held on Saturday, October 9<sup>th</sup> utilizing the former temporary runway and associated taxiways.

**C. New Welcome Volunteer:** A new pilot program has been instituted at the airport. A gentleman in the community will be at the airport three times a week as the first official welcome volunteer. The gentleman, who is on the autism spectrum, will welcome passengers to Asheville. If all goes well, the program could be expanded.

**D. Short-Term Strategy for Employee Retention:** The Director reported that the Authority relies on its skilled and loyal staff for the smooth operation of the airport. With passenger levels growing quickly and staffing shortages encountered, salaries for the long-term are being looked at and staff hopes to bring something to the Board in the fall. In the meantime, to retain employees, the following bonus is being proposed: \$2,500 to be paid incrementally with \$1,000 paid in September and \$1,500 to be paid in December. The Director stated that this will cost the Authority \$172,000 and is covered under the money received from the CARES Act. The Director requested approval by the Board to move forward with these bonuses.

Mr. Erwin moved to approve the \$2,500 bonus as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the next regular meeting of the Board will be on September 10, 2021 provided there were items needing Board consideration.

**AUTHORITY MEMBER REPORTS:** None

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JUNE 4, 2021 CLOSED SESSION MINUTES PARTS A AND B:** The minutes for the June 4, 2021 Closed Session Parts A and B were distributed and read by the Board Members present at the meeting in person. Mr. Galbraith moved to approve the minutes for the June 4, 2021 Closed Session Parts A and B and to seal and withhold the minutes for the June 4, 2021 Closed Session Parts A and B from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Lovin seconded the motion and it carried unanimously.

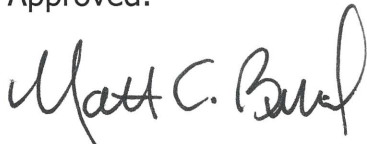
**ADJOURNMENT:** Ms. Russo Klein moved to adjourn the meeting at 11:26 a.m. Mr. Erwin seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Matthew C. Burril  
Chair