

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
April 14, 2023**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 14, 2023 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: Brad Galbraith, Chair; George H. Erwin, Jr., Vice-Chair; Carl H. Ricker, Jr.; Nathan Kennedy; and Robby Russell

MEMBERS ABSENT: Susan Russo Klein and Britt Lovin

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, President & CEO ("president"); Michael Reisman, Chief Operating Officer; Tina Kinsey, VP - Marketing, Public Relations and Air Service Development; Janet Burnette, Chief Financial Officer; Shane Stockman, VP – Information Technology; John Coon, VP - Operations and Maintenance; Christina Madsen, VP – Business Development and Properties; Jared Merrill, VP – Planning; Samuel Sales, Chief of Public Safety; Angela Wagner, VP - Administration and Human Resources; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Ben McMillan, Hensel Phelps; John Mafera, McFarland Johnson; Amanda Sheridan, McFarland Johnson; Bob Overby, McFarland Johnson; Alex Hunter, Elite Limousine; Ryan Madamba, Elite Limousine

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

BOARD MEMBER INTRODUCTION: Robby Russell spoke about his family, career in the banking industry, and his belief that he was brought to the Asheville area for a greater purpose.

PRESENTATIONS: None

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of February was delivered by the president. Janet Burnette reported on the financial activity for the month of February.

CONSENT ITEMS:

A. Approval of the Greater Asheville Regional Airport Authority March 10, 2023 Regular Meeting Minutes: Mr. Russell moved to approve the Greater Asheville Regional Airport Authority March 10, 2023 Regular Meeting Minutes. Mr. Kennedy seconded the motion and it carried unanimously.

OLD BUSINESS:

A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-9 for Airline Rates, Fees and Charges for the Asheville Regional Airport: Janet Burnette stated that the Board approved the preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2023-2024 at the March 10, 2023 Authority Board meeting. The document has been available for public inspection and comment since that meeting and no comments have been received to date.

Mr. Erwin moved to open the floor to public comments at 8:45 a.m. Mr. Ricker seconded the motion and it carried unanimously. There being no public comments, Mr. Erwin moved to close the floor to public comments at 8:46 a.m. Mr. Russell seconded the motion and it carried unanimously.

Mr. Ricker moved to adopt Amended Ordinance No. 201601-9 to Implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2023/2024. Mr. Kennedy seconded the motion and it carried unanimously:

[INTENTIONALLY LEFT BLANK]

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601-9

**AN ORDINANCE TO IMPLEMENT A SCHEDULE OF AIRLINE RATES, FEES AND CHARGES
FOR THE ASHEVILLE REGIONAL AIRPORT.**

IT IS HEREBY ENACTED AND ORDAINED BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AS FOLLOWS:

Section 1. CITATION.

1.1 This Ordinance may be cited as the "Airline Rates, Fees & Charges Ordinance".

Section 2: FINDINGS.

2.1 The Greater Asheville Regional Airport Authority was created by Session Law 2012-121, which was ratified by the General Assembly of North Carolina on June 28, 2012.

2.2 Section 1.6(a)(7) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to, among other things: "*[m]ake all reasonable rules, regulations, and policies as it may from time to time deem to be necessary, beneficial or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Authority . . .*".

2.3 Section 1.6(a)(6) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the authority to: "*[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled and operated by the Authority or for services rendered in operation thereof.*".

2.4 Section 1.6(a)(21) of Session Law 2012-121 gives the Greater Asheville Regional Airport Authority the ability to: "*[e]xercise all powers conferred by Chapter 63 of the General Statutes [of the State of North Carolina] or any successor Chapter or law.*".

2.5 North Carolina General Statute Section 63-53(5) further gives the Greater Asheville Regional Airport Authority the authority: "*[t]o determine the charge or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property.*".

2.6 The Greater Asheville Regional Airport Authority is obligated under federal law to maintain an airport user fee and rental structure that, given the conditions of the Airport makes the Airport as financially self-sustaining as possible.

2.7 The Greater Asheville Regional Airport Authority is further obligated under federal law to establish an airport user fee structure that is fair and reasonable to all users, and not unjustly discriminatory.

2.8 In or around Fall 2014, the Greater Asheville Regional Airport Authority contracted with an airport consulting firm, who conducted a comprehensive airline rate and charge study at the Airport, in accordance with the methodology stated in the Rates and Charges Policy promulgated by the Office of the Secretary of the Department of Transportation and by the FAA.

2.9 Since approximately February 2015, the Greater Asheville Regional Airport Authority has consulted with and made repeated, good faith efforts to reach an agreement regarding rates, fees and charges with the Airlines, and to resolve all disputes asserted by the Airlines, and after adequate and timely consultation with the Airlines and with the airport consulting firm, Greater Asheville Regional Airport Authority now desires to implement, by ordinance, the fair, reasonable and not unjustly discriminatory rates and charges structure as proposed by the airport consulting firm.

Section 3. PURPOSE AND SCOPE

3.1 The Greater Asheville Regional Airport Authority finds and determines that it is in the public interest to establish a schedule of Airline rates, fees and charges by ordinance.

3.2 This Airline Rates, Fees & Charges Ordinance shall be applicable to all Airlines utilizing the Asheville Regional Airport.

Section 4. EFFECTIVE DATE

4.1 The Airline Rates, Fees & Charges Ordinance shall take effect as of the 9th day of December, 2016.

Section 5. DEFINITIONS

5.1 "Affiliate" shall mean any airline or other entity designated in writing by Airline as an Affiliate that is operating under the same flight code designator and is: (1) a parent or subsidiary of Airline or is under the common ownership and control with Airline or (2) operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline or (3) is a contracting ground handling company on behalf of Airline at the Airport.

5.2 "Airline(s)" shall mean each airline providing commercial passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers or cargo service to and from the Airport.

5.3 [RESERVED]

5.4 "Airlines' Revenue Landed Weight" is for the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airlines by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

5.6 "Airport" is the Asheville Regional Airport as it presently exists and as it is hereafter modified or expanded.

5.7 "Airport Operating Requirement" for any Fiscal Year, consists of all of the following: (1) Operation and Maintenance Expenses; (2) O&M Reserve Requirement; (3) Depreciation; (4) Amortization; (5) Debt Service; (6) coverage required on any Bonds; (7) fund deposits required under any Bond Ordinance; (8) the net amount of any judgment or settlement arising out of or as a result of the ownership, operation or maintenance of the Airport payable by Authority during any Fiscal Year. This amount would include, but not be limited to, the amount of any such judgment or settlement arising out of or as a result of any claim, action, proceeding or suit alleging a taking of property or an interest in property without just

or adequate compensation, trespass, nuisance, property damage, personal injury or any other claim, action, proceeding or suit based upon or relative to the environmental impact resulting from the use of the Airport for the landing and taking off of aircraft; and (9) any and all other sums, amounts, charges or requirements of the Airport to be recovered, charged, set aside, expensed or accounted for during any Fiscal Year, or the Authority's accounting system.

5.8 "Amortization" is the amount determined by dividing the net cost of each Airport non-depreciating asset by an imputed estimated life for the asset as determined by the Authority.

5.9 "Assigned Space" means for each Airline, those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which are assigned to such Airline for its Preferential use.

5.10 "Authority" means the Greater Asheville Regional Airport Authority.

5.11 "Bond Ordinance" is any ordinance, resolution or indenture authorizing the issuance of Bonds for or on behalf of the Airport or Authority, including all amendments and supplements to such ordinances, resolutions and indentures.

5.12 "Bonds" are all debt obligations issued for or on behalf of the Airport or the Authority subsequent to July 1, 2009, except obligations issued by or on behalf of the Authority for a Special Facility.

5.13 "Capital Charge or Capital Charges" charges that include Amortization, Depreciation and Debt Service.

5.14 "Capital Outlay" is the sum of one hundred thousand dollars (\$100,000) or as otherwise determined by the Authority.

5.15 "Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved "Flight Operations Manual".

5.16 "Debt Service" for any Fiscal Year is the principal, interest and other payments required for or on account of Bonds issued under any Bond Ordinance.

5.17 "Depreciation" is the amount which is the net cost of any Airport asset, except a non-depreciating asset, divided by its estimated useful life as determined by the Authority.

5.18 "Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Airport.

5.19 "Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year, or such other fiscal year as Authority may subsequently adopt for the Airport.

5.20 "Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as they now exist or as they may hereafter be modified or expanded or constructed by Authority within or as part of the Terminal Building for use by Airline and the other Airlines for their Joint Use.

5.21 "Joint Use Formula" is, for any Fiscal Year, the formula used for prorating Terminal Building Rentals for Joint Use Space.

5.22 "Joint Use Space" means that common use space not assigned, which Airline uses on a joint use basis with other airline tenants.

5.23 "Landing Fees" are the airfield related charges calculated by multiplying the landing fee rate established in the Schedule of Rates, Fees and Charges for the applicable Fiscal Year by the applicable Certified Maximum Gross Landed Weight ("CMGLW") of Revenue Aircraft Arrivals.

5.24 "Operation and Maintenance Expenses" or "O&M Expenses" are, for any Fiscal Year, the total costs and expenses, incurred or accrued by the Authority for that Fiscal Year, in providing for the administration, operation, maintenance and management of the Airport, including, without limitation, the performance by Authority of any of its obligations related to the Airport.

5.25 "O&M Reserve Requirement" is the requirement adopted by the Authority that defines the amount of operating cash reserves to be available within the O&M Reserve Fund. The O&M Reserve Requirement may be revised from time to time and is currently set to equal at least six (6) months of the annual O&M Expenses budgeted for the current Fiscal Year.

5.26 "Passenger Facility Charge (PFC)" is the charge imposed by the Authority pursuant to 49 U.S.C. App. 513, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the Authority pursuant to or permitted by federal law.

5.27 "Preferential Use Space" means that Assigned Space for which Airline holds a preference as to use, and which may be used on a non-preferential basis by another airline or tenant.

5.28 "Rentable Space" is that space within the Airport Terminal Building which has been constructed or designated as rentable space by Authority, including such deletions therefrom and additions thereto as may occur from time-to-time.

5.29 "Revenue Aircraft Arrival" is an airline aircraft landing at Airport, excluding those returning to the Airport due to an emergency, and for which Landing Fees are charged by Authority.

5.30 "Special Facility" is any Airport facility acquired or constructed for the benefit or use of any person or persons, the costs of construction and acquisition of which are paid for (a) by the obligor under a Special Facility agreement, (b) from the proceeds of Special Facility bonds, or (c) both; provided, however, that Airport facilities built by an Airport tenant under a ground lease or any other agreement which by its terms is not indicated to be a Special Facility agreement shall not be considered a Special Facility under this definition.

5.31 "Schedule of Rates, Fees and Charges" is the schedule the rates, fees and charges due by Airline to the Authority and is reestablished each Fiscal Year.

5.32 "Terminal Building Rentals" are the Terminal Building rents calculated by multiplying the Terminal Building Rental Rate times the then-applicable square footage of the Assigned Space in question.

5.33 "Loading Bridge Fees" are the fees calculated by dividing the total Loading Bridge requirement, which currently includes Operating Expenses, Capital Outlay, Debt Service and Debt Service Coverage, by the total departures.

5.34 "Market Share Exempt Carrier" is any New Airline operating with less than 7% market share of total enplanements per month. The only fees applicable to a Market Share Exempt Carrier are Landing Fees and Per Turn Fees, unless the New Airline is leasing preferential space which would be included in separate rent. An Airline will cease to qualify as Market Share Exempt Carrier at the time that the Airline meets or exceeds 7% of market share of total enplanements per month for any six (6) of the immediately preceding twelve (12) months. Once Airline is no longer Market Share Exempt, the Airline will be responsible for all Terminal and Airfield related rates, fees and charges.

5.35 "New Airline(s)" shall mean any new airline providing new commercial passenger or cargo service to and from the Airport, using the Airport Terminal Building or cargo building to enplane and deplane passengers or cargo service to and from the Airport.

Section 6. RATE MAKING METHODOLOGY

6.1 Rates and charges shall be established annually based on the methodology set by the Authority below and in the Schedule of Rates and Charges referenced in Section 8 below.

6.2 Rates and charges shall be developed under a commercial compensatory rate making methodology.

6.3 Rates and charges shall be calculated and set at the beginning of each Fiscal Year.

6.4 Terminal Building Operating Requirement.

6.4.1 For purposes of this Ordinance, the Terminal Building Cost Center shall consist of the current Terminal Building, including the ticketing wing, the Holdrooms, baggage claim facilities, baggage make-up facilities, and passenger loading bridges/regional boarding ramps, as well as the areas immediately adjacent to the west side of the terminal building utilized for baggage tug drives and baggage tug storage, and all public areas, concession areas, and other leasable areas.

6.4.2 The Terminal Building Operating Requirement shall be calculated as specified in Sections 6.4.2.1 through 6.4.2.4 below:

6.4.2.1 By summing the elements of the Airport Operating Requirement allocated to the Terminal Building Cost Center. Currently, this includes O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.4.2.2 By then reducing the total from Section 6.4.2.1 by non-airline revenue credits applied by the President & CEO. These revenue credits are reimbursements and offsets to base costs. This results in the Net Terminal Building Operating Requirement.

6.4.2.3 The Net Terminal Building Operating Requirement calculated in Section 6.4.2.2 is then divided by Rentable Space to obtain the Terminal Building Rental Rate.

6.4.2.4 Finally, each Airlines' share of cost is then derived by multiplying the Terminal Building Rental Rate by the Terminal Building Airlines' rented space (preferential use) and Airlines' share of Joint Use Space as determined by the Joint Use Formula.

6.4.3. Joint Use Space. Joint Use Space shall be classified as Baggage Make-Up, Baggage Claim and Gate Area. Airline's share of the Terminal Building Rentals for Baggage Make-Up and Baggage Claim Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Checked Bags, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space. Airline's share of the Terminal Building Rentals for Gate Area Joint Use Space will be determined as follows: (1) eighty-five percent (85%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) fifteen percent (15%) of the total rentals due shall be prorated equally among the Airlines using Joint Use Space.

6.4.4 Per Turn Fee for Market Share Exempt Carriers. The Per Turn Fee for Market Share Exempt Carriers is calculated by dividing the Per Turn requirement by the total estimated departures.

6.5 Airfield Area Operating Requirement.

6.5.1 For purposes of this Ordinance, the Airfield Area Cost Center consists of those areas of land and Airport facilities which provide for the general support of air navigation, flight activity and other aviation requirements of the Airport. The airfield includes runways, taxiways, the terminal apron, aircraft service areas and those ramp areas not included in any other cost center, approach and clear zones, safety areas and infield areas, together with all associated landing navigational aids and Airport facilities, aviation controls, and other systems related to the airfield. It also includes areas of land acquired for buffer requirements for the landing areas of the Airport, all land acquired for Airport expansion until the land is used or dedicated to another cost center, and all Airport noise mitigation facilities or costs. The Airport's triturator facility, storage areas for airline glycol equipment and tanks, and any fueling facilities and equipment provided to serve the airlines on the terminal apron are also included in the airfield cost center.

6.5.2 The Airfield Area Operating Requirement shall be calculated as specified in Sections 6.5.2.1 through 6.5.2.4 below:

6.5.2.1 By summing the elements of the Airport Operating Requirement allocated to the Airfield Area Cost Center. Currently, this includes the O&M Expenses, O&M Reserve Requirement, net Depreciation, Amortization, Capital Outlay, and Debt Service.

6.5.2.2 By then reducing the total calculated in Section 6.5.2.1 above by non-airline revenue credits applied by the President & CEO. These revenue credits are reimbursements and offsets to base costs. This results in the Net Airfield Area Operating Requirement.

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2 is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

6.5.2.4 The Airlines' Landing Fee rate is then multiplied by the estimated CMGLW of the Airlines.

6.5.3 All costs incurred by the Authority for mitigation or damages resulting from noise, environmental incidents or conditions, aircraft fueling, or other Airport aircraft-related conditions or activities will also be charged and allocated to the Airfield Area Operating Requirement.

6.5.4 [RESERVED]

6.5.5 Affiliate. Each Affiliate's operations shall be counted and recorded jointly with Airline's and shall be at the same rate.

6.5.6 [RESERVED]

6.5.7 Other Cost Centers. All other cost centers are not included as part of the Airlines' rates, charges and fees. Authority may apply revenues from the other cost centers to offset expenses at a time, and in an amount, based on the sole discretion of the President & CEO.

6.5.8 Unless otherwise provided herein, all rates, fees and charges are calculated as described in Schedule of Rates, Fees and Charges referenced in Section 8 below.

Section 7. RENTALS, FEES AND CHARGES

7.1 The Authority shall establish the Schedule of Rates, Fees and Charges at the beginning of each Fiscal Year.

7.2 Prior to the establishment of the Schedule of Rates, Fees and Charges each Fiscal Year, the Authority shall formally notify Airline in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming Fiscal Year. Authority's notification to Airline shall include notice of the time and place of a meeting to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to answer questions of Airline. The anticipated Schedule of Rates, Fees and Charges shall be set forth and supported by a document prepared by the Authority.

7.3 So long as Airline has been notified per above, the implementation of the upcoming Schedule of Rentals and Charges will be effective on the first day of the Fiscal Year.

7.4 Each Airline operating at the Airport shall be responsible for paying those rates and charges itemized below in the amounts specified in the Schedule of Rates, Fees and Charges in Section 8 below:

7.4.1 Preferential Use Space - Each Airline shall pay the Authority for its use of the assigned, Preferential Use Space in the Terminal.

7.4.2 Joint Use Space – Each Airline shall pay the Authority its share of rentals on Joint Use Space used by Airline in common with other airline tenants.

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

7.4.4 Passenger Facility Charge. Airline shall comply with all of the applicable requirements contained in 14 CFR Part 158 and any amendments thereto. Airline shall pay the Authority the Passenger Facility Charge applicable to all of Airline’s revenue passengers enplaning at the Airport imposed by the Authority from time to time pursuant to applicable Federal law and regulations.

7.4.5 Other Fees and Charges. Airline shall also pay all miscellaneous charges assessed to and owed by Airline to the Authority including, but not limited to, the cost of utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement).

7.4.5.1 Such other fees and charges shall be detailed by the Authority in the Schedule of Rates, Fees and Charges.

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2023-2024 Schedule of Rates, Fees and Charges effective July 1, 2023 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

9.1 Airlines shall pay for space rentals for Preferential Use Space and Joint Use Space, monthly, without invoice, demand, set-off, or deduction on or before the first (1st) day of each calendar month.

9.2 On or before the fifteenth (15th) day of each month, Airlines shall pay for their Landing Fees for the immediately preceding month.

9.3 Airlines shall report to the Authority on or before the fifteenth (15th) day of each month the Airlines actual operating activity for the prior month by submitting a written report. All such monthly reports shall be submitted on a standardized form provided by the Authority, such form shall act as the actual invoice.

9.4 Payment for all other fees and charges shall be invoiced by the Authority and shall be due upon receipt of the Authority’s invoice. Such payments shall be deemed delinquent if not received within thirty (30) calendar days of the date of such invoice.

9.5 Except as provided above, or if such payments or reporting is under dispute by Airline, Airline shall be in violation of this Ordinance if its payments and reporting information required above are not received by the Authority on or before the fifteenth (15th) day of the month in which they are due.

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in

an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

9.6.1 In the event that the Authority determines a security deposit is required, the Airline shall deposit such sum with the Authority within thirty (30) days of being so notified by the Authority, and such sum shall be retained by Authority as security for the faithful performance of Airline's obligation hereunder.

9.6.2 The Authority shall have the right, but not the obligation, to apply said security deposit to the payment of any sum due to Authority which has not been paid in accordance with this Ordinance, including, but not limited to, reimbursement of any expenses incurred by Authority in curing any default of Airline, or to the cost of restoring the Assigned Space or its furnishings, fixtures or equipment to their original condition, reasonable wear and tear excepted.

9.6.3 In the event that all or any portion of the security deposit is so applied, the Airline shall promptly, upon demand by Authority, remit to Authority the amount of cash required to restore the security deposit to its original sum.

9.6.4 An Airline's failure to remit the amount of cash required to restore the security deposit in accordance with Section 9.6.3 above within ten (10) calendar days after its receipt of such demand shall constitute a breach of this Ordinance.

9.6.5 If said deposit shall not have been applied for any of the foregoing purposes, it shall be returned to Airline, without interest, within sixty (60) days of the Airline ceasing operation at the Airport. The Authority will not pay interest on any security deposit.

9.7 Airlines shall pay all rates, fees and charges established herein to the Authority monthly, without set-off, and except as specifically provided above, without invoice or demand therefore, in lawful money of the United States of America, by check payable to Authority delivered or mailed to the Authority or by wire transfer to the Authority.

Section 10. PENALTIES AND ENFORCEMENT

10.1 Unless otherwise specified herein, violation of any provision of this Airline Rates, Fees & Charges Ordinance shall be enforced in accordance with, and subject to the penalties specified in, this Section 10.

10.2 In addition to any civil or criminal penalties set out in this Section 10. or in any other Section or Subsection herein, this Airline Rates, Fees & Charges Ordinance may be enforced by an injunction, order of abatement, or other appropriate equitable remedy issuing from a court of competent jurisdiction.

10.3 This Airline Rates, Fees & Charges Ordinance may be enforced by one, all or a combination of the penalties and remedies authorized and prescribed in this Section 10, or elsewhere herein, except that any provision, the violation of which incurs a civil penalty, shall not be enforced by criminal penalties.

10.4 Except as otherwise specified herein, each day's continuing violation of any provision of the Airline Rates, Fees & Charges Ordinance is a separate and distinct offense.

10.5 A violation this Airline Rates, Fees & Charges Ordinance shall not be a misdemeanor or infraction under N.C. Gen. Stat. §14-4; however, civil penalties shall be assessed and civil citations issued for the administrative violation of any provision in accordance with Section 10.6 through 10.7 below.

10.6 The President & CEO shall authorize specific Authority personnel to enforce all administrative violations of this Airlines Rates, Fees & Charges Ordinance.

10.7 Upon any administrative violation of this Airline Rates, Fees & Charges Ordinance, personnel designated in accordance with Section 10.6 shall cause a civil citation to be issued to the violator.

10.7.1 All civil citations shall be hand-delivered to the violator or shall be mailed by first class mail addressed to the last known address of the violator. The violator shall be deemed to have been served upon hand-delivery or the mailing of the civil citation.

10.7.2 Unless otherwise expressly specified herein the civil penalty associated with each civil citation issued for an administrative violation of this Airline Rates, Fees & Charges Ordinance shall be as follows: By a fine of up to \$500.00.

10.8 Any person may submit, within ten (10) days of receipt of a civil violation, a written request that the President & CEO review the civil citation, in accordance with Sections 10.8.1.1 through 10.8.3 below.

10.8.1 A request to the President & CEO shall be in writing and shall be hand delivered to the Office of the President & CEO and must be signed for by and employee of the Authority, or shall be mailed to the President & CEO by certified mail, return receipt requested.

10.8.2 A request to the President & CEO must specify in detail all of the reasons why the civil citation should be modified or withdrawn and must provide a mailing address for the President & CEO to submit a response to the request.

10.8.3 Within ten (10) days of receipt of a request in accordance with Section 10.8.1, the President & CEO shall mail a written decision to the requesting party at the address provided.

10.8.4 Unless a written request for review in accordance with Section 10.8.1 above, civil penalties issued via civil citation for an administrative violation of any Section of this Airport Rates, Fees and Charges Ordinance shall be due and payable to the Authority within 30 days of receipt.

10.8.5 If a written request for review is appealed and the civil citation is not withdrawn, payment of the civil penalty shall be due and payable to the Authority within 30 days of issuance of the President & CEO's written decision to the violator.

10.8.6 Unless other provided, if the violator fails to respond to a citation within 30 days of issuance and pay the fine prescribed therein, the Authority may institute a civil action in the nature of a debt in the appropriate division of the state general court of justice to collect the fine owed.

Section 11. SEVERABILITY

11.1 If any provision, clause, section, or provision of this the Airline Rates, Fees & Charges Ordinance shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such

invalid, illegal or unenforceable provision shall be severed from the remainder of the Airline Rates, Fees & Charges Ordinance, and the remainder of shall be enforced and not be affected thereby.

Section 12. AMENDMENT.

12.1 The Authority reserves the right to amend the Airline Rates, Fees & Charges Ordinance, as well as the attached Schedule of Rates, Fees and Charges, at any time, by ordinance, after due notice and public hearing, in accordance with the Authority's Resolution No. __ establishing The Greater Asheville Regional Airport Authority's Policy and Procedure for the Adoption of Ordinances.

ADOPTED THIS the __ day of _____, 2023, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Brad Galbraith, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2023-2024 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE**RESULTS**

(Fiscal Years Ending June 30)

	2022	2023	2024
<u>Signatory Airline Rates & Charges:</u>			
Terminal Building Rental Rate (per s.f.)	\$48.90	\$64.68	\$87.67
Passenger-Related Security Fee (per EP)	\$0.90	\$0.86	\$0.82
Landing Fee (per 1,000-lbs)	\$1.74	\$2.18	\$2.55
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.41	\$0.37	\$0.40
Baggage Make-Up & Claim Fee (per bag)	\$1.23	\$1.14	\$1.22
Baggage Make-Up & Claim Fee (per airline)	\$13,417	\$17,745	\$24,051
Gate Area Charge per (enplaned pax)	\$0.90	\$1.21	\$1.33
Gate Area Fee (per airline)	\$34,274	\$45,331	\$61,440
Loading Bridge Fee (per depart.)	\$9.80	\$9.29	\$0.00
<u>Turn Fees ¹</u>			
Per Turn Fee for Exempt Carriers (0-70 seats)	\$277.00	\$310.00	\$449.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$330.00	\$369.00	\$518.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$369.00	\$413.00	\$604.00
Average AVL CPE	\$6.02	\$6.12	\$6.50

¹ Includes use of holdroom, bag claim, bag make-up, passenger loading bridge, apron, tug drives, and ticket counter

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

	2022	2023	2024
<u>Enplaned Passengers:</u>			
Allegiant	300,000	440,000	450,000
American ¹	125,000	170,000	270,000
Delta	105,000	175,000	230,000
Jet Blue		4,080	4,500
Sun Country		11,500	15,500
Spirit	0	0	0
United	65,000	50,000	80,000
Total	595,000	850,580	1,050,000
<u>Estimated Checked Bags:</u>			
Allegiant	99,000	145,200	149,568
American ¹	48,750	66,300	104,656
Delta	65,100	108,500	142,870
Jet Blue		1,428	1,675
Sun Country		4,025	5,425
Spirit	0	0	0
United	33,800	26,000	41,821
Total	246,650	351,453	446,015
<u>Departures:</u>			
Allegiant	2,167	3,204	3,006
American ¹	2,589	3,125	3,394
Delta	1,901	2,081	2,552
Jet Blue		68	56
Sun Country		108	104
Spirit	0	0	0
United	1,704	1,100	1,311
Total	8,361	9,686	10,423
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	308,227	452,425	428,913
American ¹	174,329	209,758	324,000
Delta	136,739	217,580	265,000
Jet Blue		6,446	5,455
Sun Country		15,000	15,000
Spirit	0	0	0
United	80,871	57,394	91,000
Total	700,166	958,603	1,129,368

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 2**TERMINAL SPACE (s.f.)**

(Fiscal Years Ending June 30)

	2022	2023	2024
<u>Preferential Space:</u> ¹			
Allegiant	1,526	1,396	1,396
American	2,297	2,436	2,436
Delta	2,609	2,609	2,609
JetBlue			330
Sun Country		267	267
United	1,593	1,593	1,350
CRJ		462	462
Total Preferential Space	8,186	8,763	8,850
<u>Joint Use Space:</u>			
Baggage Make-Up	3,192	3,192	3,192
Baggage Claim	4,124	4,124	4,124
Gates 1-3 Holdroom	8,517	8,517	8,517
Gates 4-7 Holdroom	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	3,421	3,421	3,421
Total Joint Use Space	26,005	26,005	26,005
Total Airline Rented	34,191	34,768	34,855
<u>Other Rentable:</u>			
Ticket Counter (unassigned)	285	235	472
Queue (unassigned)	540	460	740
Vacant Airline Preferential Space	1,836	1,389	785
Concession Space	13,775	13,775	13,775
FAA Tower & Related Office Space	4,374	4,374	4,374
TSA Offices & Breakroom	1,933	1,933	1,933
TSA Passenger Security Screening	4,891	4,891	4,891
TSA Offices Adjacent to Passenger Screening	396	396	396
Total	28,030	27,453	27,366
Total Rentable Space	62,221	62,221	62,221
Public and Other Areas	45,628	45,628	45,628
Total Terminal Space	107,849	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Depreciation:</u> ¹				
Gross Depreciation		\$4,700,000	\$5,400,000	\$5,400,000
Less: Grant & PFC Amortization		(3,200,000)	(3,800,000)	(3,800,000)
Net Depreciation	[A]	\$1,500,000	\$1,600,000	\$1,600,000
<u>By Cost Center (%):</u>				
Airfield Area	[B]	14.0%	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.0%	7.0%	7.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$210,000	\$224,000	\$224,000
Terminal Building	[A*C]	450,000	480,000	480,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	528,000	528,000
General Aviation Area	[A*E]	240,000	256,000	256,000
Other Area	[A*F]	105,000	112,000	112,000
Net Depreciation	[A]	\$1,500,000	\$1,600,000	\$1,600,000
<u>Amortization:</u>				
Gross Amortization		\$242,056	\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581	\$79,581

Table 3**DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$79,581	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$79,581	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 4**OPERATION AND MAINTENANCE EXPENSES**

(Fiscal Years Ending June 30)

		Budget	Budget	Budget
		2022	2023	2024
<u>By Category:</u>				
Personnel Services		\$6,915,740	\$8,946,137	\$10,684,903
Professional Services		\$280,450	\$486,400	\$701,700
Utilities		\$479,567	\$489,267	\$495,565
Promotional Activities		\$237,325	\$329,075	\$337,600
Maintenance and Repairs		\$243,800	\$280,700	\$304,700
Contracted Services		\$870,295	\$1,949,830	\$2,214,305
Insurance Expense		\$334,400	\$334,400	\$398,607
Materials and Supplies		\$378,450	\$491,500	\$656,890
Other Expenses		\$349,010	\$466,570	\$540,545
Total O&M Expenses	[A]	<u>\$10,089,037</u>	<u>\$13,773,879</u>	<u>\$16,334,815</u>
<u>By Cost Center (%):</u>				
Airfield Area	[B]	26.4%	25.8%	26.0%
Terminal Building	[C]	48.1%	45.9%	45.9%
Parking, Roadway, and Ground Trans.	[D]	11.5%	14.9%	14.6%
General Aviation Area	[E]	9.9%	9.6%	9.7%
Other Area	[F]	4.1%	3.9%	3.9%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$2,665,092	\$3,547,914	\$4,245,524
Terminal Building	[A*C]	4,854,633	6,316,122	7,492,146
Parking, Roadway, and Ground Trans.	[A*D]	1,160,524	2,048,797	2,377,810
General Aviation Area	[A*E]	995,484	1,325,899	1,587,389
Other Area	[A*F]	413,304	535,147	631,946
Total O&M Expenses	[A]	<u>\$10,089,037</u>	<u>\$13,773,879</u>	<u>\$16,334,815</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 5

LANDING FEE AND REVENUE
(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Airfield Requirement:</u>				
O&M Expenses		\$2,665,092	\$3,547,914	\$4,245,524
Less: Deicing Chemicals		(76,535)	(40,000)	(40,000)
O&M Reserve Requirement		(278,773)	441,411	348,805
Net Depreciation		210,000	224,000	224,000
Net Amortization		79,581	79,581	79,581
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$2,649,366	\$4,302,906	\$4,907,910
<u>Landing Fee Credits:</u>				
Non-Airline Revenue	[B]	\$102,307	\$115,000	\$115,000
Other	[C]	0	0	0
Total Credits	[D=B+C]	\$102,307	\$115,000	\$115,000
Net Landing Fee Requirement	[E=A-D]	\$2,547,059	\$4,187,906	\$4,792,910
Airline Landed Weight	[F]	700,166	958,603	1,129,368
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$3.64	\$4.37	\$4.24
Revenue Share Credit	[H]	\$1,327,560	\$2,094,340	\$1,917,078
Adjusted Airline Net Requirement	[I=E-H]	\$1,219,499	\$2,093,566	\$2,875,832
Airline Landing Fee	[J=I/F]	\$1.74	\$2.18	\$2.55
Airline Landing Fee Revenue	[K=F*J]	\$1,219,499	\$2,093,566	\$2,875,832

Note: Amounts may not add due to rounding.

Source: Airport management records
Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6**TERMINAL RENTAL RATE AND REVENUE**
(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Terminal Requirement:</u>				
O&M Expenses		\$4,854,633	\$6,316,122	\$7,492,146
O&M Reserve Requirement		(462,618)	730,744	588,012
Net Depreciation		450,000	480,000	480,000
Net Amortization		0	0	0
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$4,892,015	\$7,576,866	\$8,610,158
<u>Terminal Credits:</u>				
Passenger-Related Security Charges		\$533,724	\$731,739	\$857,503
AirIT Landside Expenses		16,463	16,463	16,463
Loading Bridge Fees		81,955	90,000	0
Total Terminal Credits	[B]	\$632,142	\$838,202	\$873,966
Net Requirement	[C=A-B]	\$4,259,873	\$6,738,664	\$7,736,191
Rentable Space (s.f.)	[D]	62,221	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$68.46	\$108.30	\$124.33
Airline Rented Space (s.f.)	[F]	34,191	34,768	34,855
Airline Requirement	[G=E*F]	\$2,340,839	\$3,765,447	\$4,333,665
Revenue Share Credit	[H]	\$668,771	\$1,516,591	\$1,278,052
Adjusted Airline Requirement	[I=G-H]	\$1,672,068	\$2,248,856	\$3,055,613
Airline Rented Space (s.f.)	[F]	34,191	34,768	34,855
Adjusted Airline Terminal Rate	[J=I/F]	\$48.90	\$64.68	\$87.67
Airline Terminal Rentals	[K=F*J]	\$1,672,068	\$2,248,856	\$3,055,613

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6A**LOADING BRIDGE OR RAMP FEE AND REVENUE**

(Fiscal Years Ending June 30)

		Budget		
		2022	2023	2024
<u>Loading Bridge Requirement:</u>				
Operating Expenses		\$81,955	\$90,000	\$0
Capital Outlay		0	0	0
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$81,955	\$90,000	\$0
Total Departures	[B]	8,361	9,686	10,423
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.80	\$9.29	\$0.00
Total Loading Bridge Revenue	[D=B*C]	\$81,955	\$90,000	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

		2022	2023	2024
Adjusted Signatory Airline Terminal Rate	[A]	\$48.90	\$64.68	\$87.67
<u>Joint Use Space (s.f.):</u>				
Baggage Make-Up	[B1]	3,192	3,192	3,192
Baggage Claim	[B2]	4,124	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421	3,421
Joint Use Space		26,005	26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$357,780	\$473,212	\$641,367
Gate Areas Requirement	[E=A*(C1+C2+C3)]	913,962	1,208,838	1,638,398
Total Joint Use Requirement	[G=D+E+F]	\$1,271,742	\$1,682,050	\$2,279,765
<u>Baggage Make-Up & Claim:</u>				
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]	\$304,113	\$402,230	\$545,162
Checked Bags	[I]	246,650	351,453	446,015
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$1.23	\$1.14	\$1.22
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$53,667	\$70,982	\$96,205
Number of Airlines	[L]	4	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$13,417	\$17,745	\$24,051
<u>Gate Area:</u>				
Gate Area Requirement (85%)	[N=E*85%]	\$776,868	\$1,027,512	\$1,392,638
Enplaned Passengers	[O]	866,000	850,580	1,050,000
Gate Area Charge per (enplaned pax)	[P=N/O]	\$0.90	\$1.21	\$1.33
Gate Area Requirement (15%)	[Q=E*15%]	\$137,094	\$181,326	\$245,760
Number of Airlines	[L]	4	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$34,274	\$45,331	\$61,440
Total Joint Use Revenue	[G]	\$1,271,742	\$1,682,050	\$2,279,765

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 6C**TICKET COUNTER & QUEUE FEES (UNASSIGNED)**

(Fiscal Years Ending June 30)

		Budget		
		2022	2023	2024
Adjusted Signatory Airline Terminal Rate	[A]	\$48.90	\$64.68	\$87.67
<u>Ticket Counter and Queue Space (s.f.):</u>				
Ticket Counter		1,731	1,731	1,731
Queue Space		2,865	2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$224,762	\$297,277	\$402,915
AirIT Landside Expenses	[D]	16,463	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$241,225	\$313,740	\$419,378
Enplaned Passengers	[F]	595,000	850,580	1,050,000
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.41	\$0.37	\$0.40
Enplaned Passenger Use	[H]	0	0	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$0	\$0	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

		2022	2023	2024
Personnel-Related Security Cost	[A]	\$1,639,833	\$1,882,397	\$1,935,605
<u>Officer Deployment Hours:</u>				
Total Hours (18 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,174	2,174	2,174
Holiday (11 Holidays)		(198)	(198)	(198)
Vacation (12 Days)		(216)	(216)	(216)
Training (8 hrs per month per officer)		(144)	(144)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(162)	(162)	(162)
Available Hours/Officer	[B]	1,454	1,454	1,454
Number of Officers	[C]	20	20	20
Total Available Hours	[D=B*C]	29,072	29,072	29,072
Less: Admin Hours Total	[E]	(2,880)	(2,880)	(2,880)
Total Officer Deployment Hours	[F=D-E]	26,192	26,192	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$62.61	\$71.87	\$73.90
<u>Passenger-Related Security Charge:</u>				
Terminal Airlines (18 hrs/day Security Checkpoint)		\$411,336	\$472,180	\$485,527
Contract Security - Exit Lane			\$60,000	\$60,000
Less: TSA Reimbursement		(116,800)	(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$294,536	\$415,380	\$428,727
TSA Passenger Security Screening Space (s.f.)	[I]	4,891	4,891	4,891
Terminal Rental Rate	[J]	\$48.90	\$64.68	\$87.67
Security Checkpoint Space Costs	[K=I*J]	\$239,188	\$316,359	\$428,776
Passenger-Related Security Charges	[L=H+K]	\$533,724	\$731,739	\$857,503
Enplaned Passengers	[M]	595,000	850,580	1,050,000
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.90	\$0.86	\$0.82
Passenger-Related Security Charges	[O=M*N]	\$533,724	\$731,739	\$857,503

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Airline Revenue:</u>				
Terminal Rentals		\$1,672,068	\$2,248,856	\$3,055,613
Loading Bridge Fees		81,955	90,000	0
Landing Fees		1,219,499	2,093,566	2,875,832
Unassigned Ticket Counter Charges		0	0	0
Passenger Related Security Charges		533,724	731,739	857,503
Deicing Chemicals		76,535	40,000	40,000
Total	[A]	\$3,583,780	\$5,204,161	\$6,828,948
Enplaned Passengers	[B]	595,000	850,580	1,050,000
Cost Per Enplaned Passenger	[C=A/B]	\$6.02	\$6.12	\$6.50

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

Table 9**PER TURN FEE FOR MARKET SHARE EXEMPT CARRIERS**

(Fiscal Years Ending June 30)

		2022	2023	2024
<u>Per Turn Requirement:</u>				
Joint Use Cost ¹		\$1,271,742	\$1,682,050	\$2,279,765
Loading Bridge Cost		81,955	90,000	0
Unassigned Ticket Counter Cost		241,225	313,740	419,378
Passenger Related Security Charge Cost		533,724	731,739	857,503
Deicing Chemicals Cost		76,535	40,000	40,000
Total	[A]	\$2,205,179	\$2,857,529	\$3,596,646
Total Departures	[B]	8,361	9,686	10,423
Average Per Turn Cost	[C=A/B]	\$263.75	\$295.02	\$345.07
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*130%]	\$277.00	\$310.00	\$449.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*150%]	\$330.00	\$369.00	\$518.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*175%]	\$369.00	\$413.00	\$604.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

Compiled by Trillion Aviation, February 2018 (Updated June 2018, February 2019)

B. Public Hearing and Final Adoption of the Authority's Fiscal Year 2023/2024 Budget: Janet Burnette reported that the preliminary Fiscal Year 2023/2024 Budget was presented to and approved by the Board at the March 10, 2023 Board Meeting. Since that time the budget has been available for public inspection and comment, with no comments received to date.

Mr. Erwin moved to open the floor to public comments at 8:47 a.m. Mr. Russell seconded the motion and it carried unanimously. There being no public comment, Mr. Erwin moved to close the floor to public comments at 8:48 a.m. Mr. Kennedy seconded the motion and it carried unanimously.

Mr. Ricker moved to adopt the Fiscal Year 2023/2024 Budget Ordinance. Mr. Russell seconded the motion and it carried unanimously:

[INTENTIONALLY LEFT BLANK]

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2023-2024
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2023-2024 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2023 and ending June 30, 2024 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 1,489,534
Planning Department	626,930
Executive Department	1,228,190
Finance Department	697,167
Guest Services Department	297,920
Information Technology Department	1,786,676
Marketing Department	855,247
Operations Department	6,275,514
Properties & Contracts	376,147
Public Safety Department	2,818,290
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	253,611,970
Capital Improvement	8,910,000
Equipment and Small Capital Outlay	131,000
Renewal and Replacement	383,017
Business Development	400,000
Debt Service	20,494,884
Contingency	100,000
Total Expenditures	<u><u>\$300,532,486</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

REVENUES

Administration (Interest Income)	\$ 500,000
Terminal	10,357,741
Airfield	3,066,689
General Aviation	1,330,664
Parking Lot	10,265,000
Other	420,924
Bond Interest	11,500,000
Passenger Facility Charges	3,800,000
Customer Facility Charges	2,200,000
Federal Grants (including AIP/BIL)	41,783,712
Federal Grants (TSA funds)	15,000,000
NC Department of Transportation Grants	7,000,000
Transfer from GARAA Cash/Investments	193,307,757
Total Revenues	\$300,532,486

Section 3. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$76,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.
- c. He may approve any type of procurement up to \$76,000 (spending authority). This spending authority is to be adjusted annually using CPI index.

Section 4. This Budget Ordinance shall be entered in the minutes of the Greater Asheville Regional Airport Authority and within five (5) days after its adoption copies shall be filed with the Finance Officer, the Budget Officer and the Clerk to the Board of the Greater Asheville Regional Airport Authority as described in G.S. 159-13.

Section 5. This ordinance shall become effective on July 1, 2023.

Adopted this ____ day of April, 2023

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

NEW BUSINESS:

A. Approve Guaranteed Maximum Price Amendment for Component Guaranteed Maximum Price ("CGMP") No. 3 with Hensel Phelps Construction Company:

Jared Merrill provided a summary of the terminal project agreements with Hensel Phelps that were approved by the Board at previous meetings. Staff has been working with Hensel Phelps to price the final CGMP No. 3 which includes the new terminal building of approximately 280,000 sf.

Mr. Merrill advised the Board that some minor revisions were made to the AIA contract amendment and the changes were included in the agenda package at their seats. Mr. Merrill reviewed the revisions: Section A.3.1.6 removal of the except as noted statement; A.3.1.7 statement was added that the owners' contingency will be provided outside of the contract. Staff anticipates that there will be remaining contingency funds from CGMP 1 and CGMP 2 upon the completion of those phases and the Authority intends to transfer the funds to CGMP 3 through Board approval at a future date.

Mr. Merrill stated that prior to receiving the first set of bids in December 2022, the budget for the work was approximately \$185,000,000. Due to bids coming in 40% higher than anticipated, a lack of bids received for each trade, and escalating material costs, the total cost for the services in CGMP No. 3 has been negotiated with Hensel Phelps for a total not to exceed \$261,577,165. Mr. Merrill further stated that an additional \$15,765,000 will be required for an Owner's Allowance to cover furniture, utility coordination, art, program management services, and marketing costs bringing the total project budget to \$277,342,165. The project will be paid for utilizing FAA and TSA funds as well as Authority issued bonds, and the following budget ordinance 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, 2023:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$150,368,929</u>
Totals	_____	<u>\$150,368,929</u>

This will result in a net increase of \$150,368,929 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	<u>\$150,368,929</u>
Totals	_____	<u>\$150,368,929</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 April 2023.

Brad Galbraith, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Erwin moved to approve CGMP No. 3 Amendment in the amount of \$261,577,165 and a total project budget of \$277,342,165 (which includes an allowance for owner soft costs) to be contingent upon the successful sale of the necessary bonds on April 27, 2023; authorize the President & CEO to execute the necessary documents; and amend the FY2022/2023 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Kennedy seconded the motion and it carried unanimously.

PRESIDENT'S REPORT: The president stated that he had a few additional items to address that were not included on the agenda.

A. Art Request for Proposals ("RFP"): The president reported that art will be commissioned for the new terminal building. Staff is well ahead of the schedule for this process, the RFP will be issued either later this year or early next year, and the RFP will be widely communicated.

B. Bond Issuance Update: In early April the LGC approved the Authority's application for issuing additional bonds. A preliminary official statement was made public this week, and the bonds are set to go on sale on April 27th with a closing in early May.

C. Port of Entry: The president stated that he has been working with Land of Sky on an inland port and has executed a non-disclosure agreement with US Customs and Border Control for a port of entry at the airport. Additional applications will be submitted with the Charlotte port who will be overseeing some of the work entailed with setting up a port of entry at the Asheville Regional Airport. Staff will also determine what type of facility is needed for the port of entry. Land of Sky has applied for grant funds to cover the cost of the facility at the airport.

D. Groundbreaking for Terminal Project: The groundbreaking event for the terminal project is set for August 11th.

E. Alcohol Consumption in Hold Rooms: Christina Madsen reported that there is an opportunity to increase revenue by allowing alcohol consumption in the hold rooms during construction of the new terminal and also after the construction is completed. Currently alcohol is consumed only in the restaurant which is at capacity and contributes to instances of dissatisfied customers. Mrs. Madsen conducted research with other airports and has worked with the concessionaire and believes there could be an increase in sales by approximately 15% if alcohol consumption was allowed in areas beyond the restaurant. The concessionaire would continue to hold the permit however an amendment of the Authority's ordinances would be necessary to allow consumption in all hold rooms and seating areas post-security. Signage would be displayed that prohibits passengers from bringing alcohol onto aircraft.

Mr. Ricker moved to allow alcohol consumption in the post-security areas (including the hold rooms) and to allow the President & CEO to move forward with any Ordinance changes necessary to implement. Mr. Kennedy 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 held on May 12, 2023.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:22 a.m. Mr. Erwin 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 an Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations. Mr. Russell 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 10:23 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 14, 2023

CLOSED SESSION MINUTES: Mr. Erwin 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 unanimously.

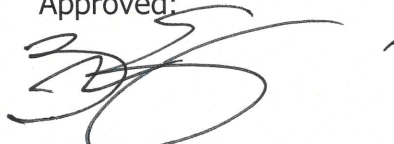
ADJOURNMENT: Mr. Kennedy moved to adjourn the meeting at 10:25 a.m. Mr. Russell seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood
Clerk to the Board

Approved:



Brad Galbraith
Chair