

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
December 11, 2015**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, December 11, 2015 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:** Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Andrew T. Tate; William L. Moyer; Matthew C. Burrell; and Stephanie Brown

**MEMBERS ABSENT:** Jeffrey A. Piccirillo

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Sherman Stark, Interim Director of Operations; Shane Stockman, IT Director; Alexandra Bradley, Marketing and Public Relations Specialist; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Ken Moody, Delta Airport Consultants; Joey Rowland, Walker Parking Consultants; Mike Darcangelo, Avcon; Eric Rysdon, RS&H; Cecil Bothwell, Asheville City Council; James Moose, Avcon; Jenn Tutor, Carolina Mountain Land Conservancy; Kieran Roe, Carolina Mountain Land Conservancy; Rhett Morgan, Ailevon Pacific

**CALL TO ORDER:** The Chair welcomed everyone in attendance and called the meeting to order at 8:30 a.m.

The Chair welcomed Asheville City Councilman Cecil Bothwell as the new liaison to the Authority Board.

The Chair called for a moment of silence in remembrance of the son of Marc Hunt, former Board liaison for Asheville City Council.

The Director requested a moment to recognize Michael Reisman and staff for the work accomplished on the new temporary runway which was commissioned on December 10th.

## **PRESENTATIONS:**

### **A. Summary of Leakage Study Data and Air Service Development**

**Recommendations:** Rhett Morgan of Ailevon Pacific gave an update on the market analysis and catchment study that was commissioned by a joint partnership with the airport and the Asheville Convention and Visitors Bureau. A summary of air service including traffic, revenue, capacity, Asheville's catchment area and leakage was reviewed. Mr. Morgan gave an overview of the recommended strategy for legacy carriers as well as a recommendation to continue to focus on Allegiant as the low-fare carrier for leisure travel. Mr. Morgan suggested Asheville could be advocated as a destination brand with Allegiant. Mr. Morgan concluded his presentation with a review of the top 15 states for hotel bookings in Asheville and proposed Ohio as a potential market for growth with Allegiant.

Mr. Bailey questioned what the next step would be. Mr. Morgan responded that a community meeting was scheduled for January to determine what the community wants and is willing to do. Carriers are looking for financial incentives such as revenue guarantees and that is something that would need to be discussed by the community. Tina Kinsey advised the Board that the strategies outlined in Mr. Morgan's presentation will become the outline for the strategic plan moving forward.

The Board thanked Mr. Morgan for his presentation.

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

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority October 16, 2015 Closed Session Minutes would be reviewed in closed session.

### **A. Approval of the Greater Asheville Regional Airport Authority October 16, 2015 Regular Meeting Minutes:**

### **C. Approval of Update to Budget Supplemental Fees and Charges:**

### **D. Approval of Amendment to the FY15/16 Budget:**

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, 2016:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

|                                      | <u>Decrease</u>  | <u>Increase</u>    |
|--------------------------------------|------------------|--------------------|
| Administrative Department            | \$131,882        |                    |
| Development Department               |                  | \$9,838            |
| Executive Department                 |                  | \$27,960           |
| Finance Department                   |                  | \$8,354            |
| Guest Services Department            |                  | \$7,928            |
| Information Technology<br>Department |                  | \$7,441            |
| Marketing Department                 |                  | \$33,258           |
| Operations Department                |                  | \$43,072           |
| Public Safety Department             |                  | \$34,687           |
| Carry-over Capital Expenditures      |                  | \$4,547,424        |
| Totals                               | <u>\$131,882</u> | <u>\$4,719,962</u> |

This will result in a net increase of \$4,547,424 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

|  | <u>Decrease</u> | <u>Increase</u>    |
|--|-----------------|--------------------|
| Federal Grants – AIP Entitlement<br>Funds  |                 | \$1,435,129        |
| Federal Funds – AIP<br>Discretionary Funds |                 | \$442,322          |
| NC Department of Transportation<br>Grants  |                 | \$74,217           |
| Transfer from GARAA Cash                   |                 | \$2,636,412        |
| Totals                                     | <u>\$0</u>      | <u>\$4,588,080</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 11th day of December, 2015.

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Robert C. Roberts, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Bailey moved to approve Consent Items A, C, and D. Mr. Burril seconded the motion and it carried unanimously.

### **OLD BUSINESS:**

**A. Finalize Scope of Parking Garage:** The Director stated that at the October Board meeting the footprint of the parking garage was reviewed. A discussion took place regarding the possibility of increasing the size of the garage by 200 spaces at a cost of approximately \$3 million for a life of eight to ten years for those spaces. Staff has since received additional information from the consultants that predicts the additional 200 spaces would only have a life of four years. The analysis that was performed suggests the extra 200 spaces would not be worth the additional investment. The Director advised the Board that staff recommends moving forward with the smaller footprint at a cost of \$19.8 million for the 1100 public and 200 rental car space garage.

Mr. Burril informed the Board that he had put together a worksheet that was available at their seats. The purpose of the worksheet was to determine if there was rationale for building the garage with the additional 200 spaces. Based on passenger assumptions that were previously available, it did make sense to include an additional 200 spaces. However, with the new information that staff has received, the Director is advising that the additional spaces would not be as viable.

The Chair affirmed that staff was only moving forward with the design work. The Director responded that this was correct and that staff will come back to the Board for approval of the construction contract.

The consensus of the Board was to keep the smaller footprint for the parking garage.

### **NEW BUSINESS:**

**A. Approve Scope of Services No. 18 with Avcon Engineers and Planners, Inc.:** Michael Reisman reminded the Board that in August, 2015 the Board approved Scope of Services No. 17 with Avcon for the environmental review, consulting and

permitting on the Airfield Re-development project. Mr. Reisman advised the Board that Phase III of the project will directly impact a delineated stream at the south end of the airport between the fence line and NC280 and will require construction of a new stream crossing and other stream stabilization work. The type of work is highly unique and will require use of an engineering sub-consultant that specializes in this area. Avcon will utilize the services of Wildlands Engineering, Inc. of Asheville to assist in the design and construction oversight portion of work on the project. Mr. Reisman informed the Board that the fee for this work is not to exceed \$40,000.00 and will be absorbed into the current overall project budget of \$75.8 million.

Mr. Bailey moved to approve Scope of Services No. 18 with Avcon Engineers and Planners, Inc. Ms. Brown seconded the motion and it carried unanimously.

**B. Authorization to Establish Conservation Easements on Airport Property**

**Bordering the French Broad River:** The Director advised the Board that in May, 2014 the Board approved the establishment of easements with Carolina Mountain Land Conservancy (CMLC) for approximately 8.3 acres of airport property along the French Broad River in conjunction with approval from the City of Asheville and the Federal Aviation Administration. At that time, the value of the grant to be used by CMLC for the purchase of the easements was approximately \$100,000.00 and was to cover all costs associated with the easements. CMLC was recently able to have the property appraised and wishes to finalize the easement transaction. CMLC is now requesting easements totaling approximately 13.25 acres for an appraised value of \$50,600. The specific acreage will not be determined until surveyed and the purchase price will reflect the appropriate value based on the total acreage. The Director informed that Board that a discussion with the City of Asheville has taken place. The Director has not heard back from the City as of yet, but if necessary, it will go to City Council for approval at their meeting in January.

Mr. Moyer stated that due to a conflict of interest, he will recuse himself from the vote on this agenda item.

Mr. Bailey questioned if the airport will need this area for any purpose in the future. The Director stated that the area is in the floodway and could not be used for any type of development.

Mr. Burril asked if the CMLC was building anything and the Director responded that there would not be anything built, only trails. Mr. Burril inquired if the airport would have access to the area. The Director replied that it will still be owned by the airport, but that CMLC would maintain the area and would assume all liability from public accessibility to the easement areas. Mr. Burril further asked if the FAA were to ask the airport to do

something in that area, would that be an issue. The Director responded that it probably would, but did not foresee any need for the area, especially since it is in a floodway.

Mr. Tate moved to authorize the Executive Director to proceed with establishing conservation easements based on the larger acreage located on airport property as outlined by staff, to seek amended approval from both the City of Asheville and the Federal Aviation Administration for such conservation easements, and to execute all necessary documents. Ms. Brown seconded the motion and it carried by a 5 to 0 vote.

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

**A. Wings for Autism Report:** Staff has been working with ARC of Buncombe County to host Wings for Autism. A date of February 13<sup>th</sup> has been set and Allegiant Airlines has agreed to partner with the airport on this event.

**B. SMARTRAC Technology Space Use Permit:** The Director reported that the airport has a new tenant, SMARTRAC Technology. SMARTRAC is a manufacturer of RFID chips and has leased the former Advantage West building for the next year.

**C. Update on Airfield Re-development Project:** The Director informed the Board that he met with the FAA in Washington, DC recently to discuss the budget for the Airfield Re-development project. The Director was happy to report that the FAA agreed to fund an additional \$11 million to cover the cost of the project. The FAA also wants to project finished in four years and this will bring the project closer to a \$74 million budget rather than \$75 million.

**D. Windshear Tower:** The windshear tower on the Ferncliff property has been taken down and is awaiting reassembly on Sierra Nevada property.

**E. North Carolina Airports Association:** Tina Kinsey has been appointed to the Board of Directors for this association.

**F. ACI Award:** The Director reported that at a recent ACI Marketing Conference, Asheville won an Honorable Mention award for the new website design. Asheville was one of 365 entries. The Director stated that he was proud of what the Marketing staff has put together.

**G. Airline Agreement:** The Director met recently with American Airlines and Delta. Both airlines want the agreement based entirely on enplanements. The Director will let the Board know if anything changes with the airlines.

**H. TSA Checkpoint:** Staff has met with the TSA in Charlotte regarding the long wait lines at the security checkpoint. TSA has made some changes and the long waits seem to have been eliminated. TSA has done a good job mitigating the issue.

**I. AB Tech:** AB Tech is considering an expansion. AB Tech officials have had discussions with the Director about building a south campus on airport property. Their Board will be meeting the following week, so staff will keep the Board apprised of any developments.

**J. DEQ Violation:** The Director reported that DENR has issued a violation to Duke Energy for area one of the fill project here at the airport. This first area of the fill project does not have the sealed liner system, only a mound of dirt as a cap. Inspections performed by Charah and Duke Energy revealed some erosion that exposed some of the ash, however, none of the ash flowed off airport property. Another area that was cited was on the west side, in the fully-sealed containment system. Dirt eroded from the top plastic liner, however, no ash was exposed at all and there was no breach to the liner system. Since the airport is the only place in the state with this type of sealed liner system, the DEQ does not have a definition for the system at the airport and that is why it was called a breach. Staff has had discussions with the DEQ about having the airport system better defined. Duke Energy was issued the violation and it has been remediated. Staff is currently verifying the dirt cap layers on area one as far as height, and Charah will make the necessary improvements.

Mr. Tate requested clarification on the Authority's liability and/or responsibility as it relates to monitoring the breaches going forward. The Director responded that the whole project is not finished yet so it is still the responsibility of Charah and Duke Energy to monitor. Eventually it will become the Authority's responsibility to monitor. Protocols have been put in place, Duke is out on a regular basis and Authority staff will develop procedures for when the responsibility transfers to the airport. The permit is under Duke Energy's name and they are responsible. Mr. Tate inquired if it would become the airport's responsibility to monitor and report once the project is complete. The Director replied that it would partially become the Authority's responsibility to monitor. Duke will still have to do the ground water. There is also an operational plan that staff has not seen yet that outlines the responsible parties. This was submitted to the DEQ by Duke without the Authority's knowledge. A meeting is tentatively scheduled for next week to review the operational plan and to find out what the Authority's full obligations will be once the project is complete. Mr. Reisman stated that it is part of Duke Energy's responsibility to put together an operation and maintenance plan for routine inspections and while staff feels it was an oversight on Duke's part that they submitted the plan without the Authority's input, the procedures in the plan did work. They will be doing

monthly and quarterly inspections and came out shortly after the erosion took place, identified it, they reported it and took all the steps they were supposed to take. Duke may not have reported it as quickly as they should have to the DEQ, but they have learned a lesson from that.

**K. Strategic Plan Project:** The Director informed the Board that a copy of the Strategic Plan brochure was at their seats. A new sign for the mission statement is in the process of being constructed for the Board Room.

**L. Airport Zoning:** The Director called the Board's attention to an article that was available at their seats. The Director stated that the article would give a good idea of why airports work with their surrounding counties on zoning and to protect the airspace around the airport.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS' COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that it was not anticipated that there would be a need for the January 8, 2016 meeting. The Chair further stated that the next regular meeting will be February 12, 2016.

**AUTHORITY MEMBER REPORTS:**

**A. Key Strategic Elements:** The Chair encouraged the Board Members to look over the key strategic elements and to make recommendations for changes by the next Board meeting.

**B. Conference Schedule:** The Chair commented that Board Members should communicate interest in attending the ACI Commissioners Conference scheduled for April. Mr. Burril stated that he would like to attend. Mr. Moyer stated that he would also be happy to attend if the budget allowed.

**CLOSED SESSION:** At 10:21 a.m. Mr. Bailey moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, 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. Moyer seconded the motion and it carried unanimously.

The Chair indicated they would break until 10:26 a.m., at which time the Board would resume in closed session.

Open Session resumed at 11:03 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DECEMBER 11, 2015**

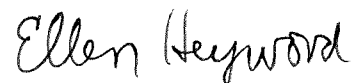
**CLOSED SESSION MINUTES:** Mr. Bailey moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Tate seconded the motion and it carried unanimously.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 16, 2015**

**CLOSED SESSION MINUTES:** Mr. Bailey moved to approve the minutes for the October 16, 2015 Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.


**ADJOURNMENT:** Mr. Bailey moved to adjourn the meeting at 11:05 a.m. Ms. Brown seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair