



## **AGENDA**

Greater Asheville Regional Airport Authority Regular Meeting  
Friday, June 21, 2013, 8:30 a.m.  
Conference Room at Administrative Offices

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. If you wish to comment on an agenda item, please deliver a request card (available in the meeting room) to the Clerk to the Board prior to the agenda item being called by the Chair.

- I. CALL TO ORDER
- II. WELCOME OF NEW BOARD MEMBER – DOUGLAS J. TATE
- III. SERVICE AWARD PRESENTATIONS:
  - A. Ron Mundy – 35 Years
  - B. C. Jeffrey Augram – 25 Years
- IV. PRESENTATIONS:
  - A. Strategic Plan Consultant ([document](#))
- V. FINANCIAL REPORT ([document](#))
- VI. CONSENT ITEMS:
  - A. Approval of the Greater Asheville Regional Airport Authority April 26, 2013 Regular Meeting Minutes ([document](#))
  - B. Approval of the Greater Asheville Regional Airport Authority April 26, 2013 Closed Session Minutes
- VII. OLD BUSINESS: None



VIII. NEW BUSINESS:

- A. Approval of the Concept of a Sub-Concession Agreement Concerning The Hertz Corporation Rental Car Concession Agreement and Lease ([document](#))
- B. Approval of Scope of Services 13 and Associated Fees with RS&H Architects-Engineers-Planners, Inc. ([document](#))
- C. Approval of Non-Federal Reimbursable Agreement with Department of Transportation, Federal Aviation Administration ([document](#))
- D. Approval of Amendment to the FY 12/13 Budget for Legal Fees ([document](#))
- E. Authorization Concerning Water Line Easement and Estoppel Certificate with Respect to Aircraft Rescue Firefighting Facility
- F. Approval of Change Order No. 1 to Contract with Goforth Builders, Inc. ([document](#))

IX. DIRECTOR'S REPORT:

- A. Fraud Inquiry Letter
- B. Runway 5k/Aviation Day
- C. FAA Part 139 Inspection
- D. Airport Emergency Drill Exercise
- E. PFC Application Update
- F. Status of AIP 42

X. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. April 2013 Traffic Report ([document](#))
- B. April 2013 Monthly Financial Report ([document](#))



- C. June 2013 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
  - None identified at this time

XI. AUTHORITY MEMBER REPORTS:

- A. AAAE Annual Conference Report – Dave Hillier and Bob Roberts

XII. PUBLIC AND TENANTS' COMMENTS

XIII. CALL FOR NEXT MEETING

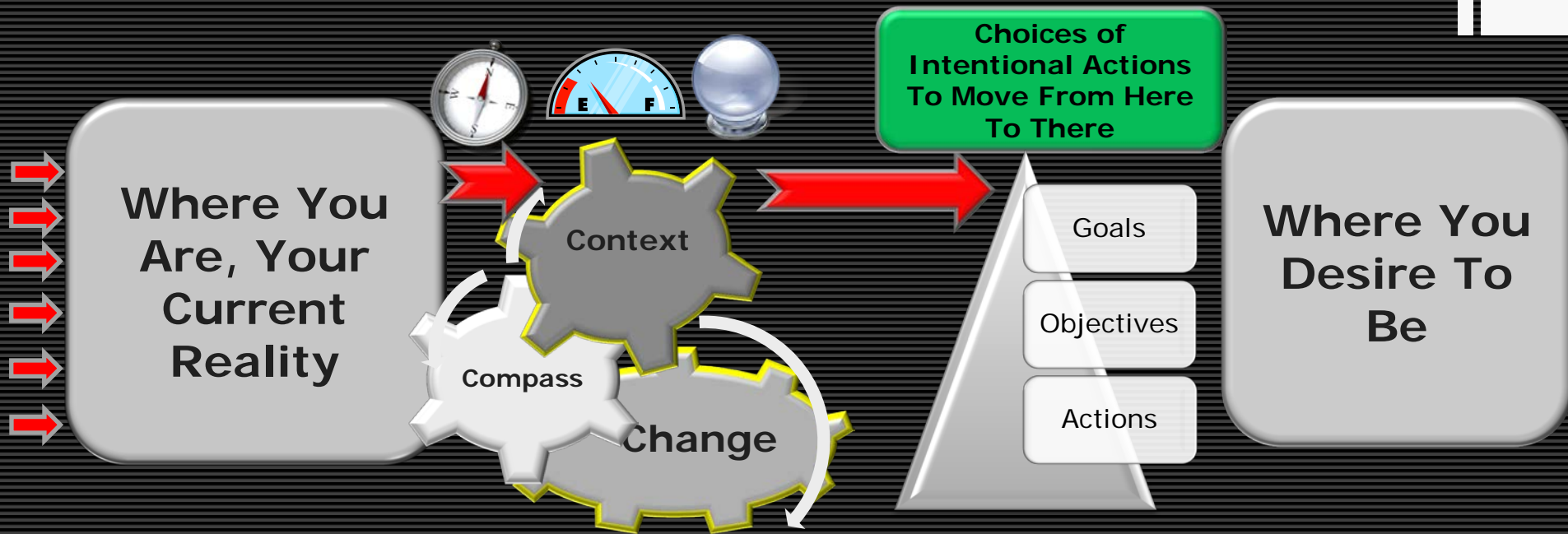
XIV. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney Client Privilege and to Consider Personnel Matters.

XV. ADJOURNMENT

*This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.*

# An Organizational Strategy



Direction, or Compass is driven by the Vision, Mission and Core Values of the organization or place

Context is determined by the conversion of comparative and longitudinal data into information that can be used as knowledge

Change is the group of factors, outside your control, that influences your future, global trends, demographic shifts, changing technology

## Action Plan

- What actions will we undertake?
- Who will be responsible for those actions?
- What resources do we need to be successful?
- Where will those resources come from?
- When will each action start and be completed?
- What results do we expect?
- How will those results be evaluated, and;
- How will we monitor the plan and continuously update it?

# Why Do Most Strategic Planning Efforts Fail?

- They are not strategic
- They are not future focused
- They are not holistic
- They are not actionable (no action plan)
- Something changes



# Why Do Most Action Plans Fail?

- They are not specific
- They are not realistic
- They are not resourced
- They are not aligned
- They do not establish responsibility.



# What Makes A Great Leadership Team?

- High expectations
- Clear purpose
- Structured process
- Trust
- Accountability
- Honest reality



# Asheville Regional Airport Authority Strategic Process

**Four Meetings Over 6 Months**

Reality,  
Desire,  
Context, &  
Change

Choices &  
Specifics

Alignment

Blessings



**Asheville Regional Airport  
Executive Summary  
April-13**

**AIRPORT ACTIVITY**

	<u>Month</u>	<u>Variance to Prior Year</u>	<u>Calendar Year to Date</u>	<u>Variance to Prior Year</u>
<b>Passenger Enplanements</b>	24,814	(3.4%)	85,361	(10.1%)
<b>Aircraft Operations</b>				
Commercial	1,294	(10.1%)	4,837	(11.8%)
Scheduled Flights	625	(2.8%)		
Flight Cancellations	15			
Seats	34,426	3.0%	133,130	0.1%
Load Factor	72.1%	(6.2%)	64.1%	(10.2%)
General Aviation	3,071	0.4%	10,236	(4.8%)
Military	299	3.1%	1,213	(20.8%)

**FINANCIAL RESULTS**

	<u>Month</u>	<u>Variance to Budget</u>	<u>Fiscal Year to Date</u>	<u>Variance to Budget</u>
<b>Operating Revenues</b>	\$ 703,081	5.0%	\$ 6,926,958	0.8%
<b>Operating Expenses</b>	592,171	(8.2%)	5,256,803	(17.0%)
<b>Net Operating Revenues before Depreciation</b>	<u>\$ 110,910</u>	351.5%	<u>\$ 1,670,155</u>	211.9%
<b>Net Non-Operating Revenues</b>	<u>\$ 223,748</u>	72.1%	<u>\$ 1,726,902</u>	14.4%
<b>Grants:</b>				
FAA AIP Grants	\$ (40,607)		\$ 1,294,644	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ (40,607)</u>		<u>\$ 1,294,644</u>	

**CASH**

Restricted	\$ 597,828
Designated for O&M Reserve	3,667,664
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	11,859,018
Total	<u>\$ 16,774,510</u>

**RECEIVABLES PAST DUE**

	<u>Total</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60 Days</u>
Allegiant Airlines	880			880
American Airlines (In Bankruptcy)	1,166			1,166
Hertz	232		232	
Landmark	1,287	1,287		
United/Express Jet	461	461		
Miscellaneous	45	5		40
US Airways	120	60	60	
Total	<u>\$ 4,191</u>	<u>\$ 1,813</u>	<u>\$ 292</u>	<u>\$ 2,086</u>
% of Total Receivables	<u>1.21%</u>			

Note: Excludes balances paid subsequent to month-end.

**REVENUE BONDS PAYABLE**

Rental Car Facilities Taxable Revenue Bond, Series 2007	
Original Amount	\$ 4,750,000
Current Balance	\$ 2,676,458

**CAPITAL EXPENDITURES**

Annual Budget	\$ 10,448,087
Year-to-Date Spending	\$ 2,057,797

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
April 26, 2013**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, April 26, 2013 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:** David R. Hillier, Chair; Robert C. Roberts, Vice-Chair; Jeffrey A. Piccirillo; Martha W. Thompson; and K. Ray Bailey

**MEMBERS ABSENT:** Andrew T. Tate

**STAFF AND LEGAL COUNSEL PRESENT:** Vic Buchanan, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; C. Jeffrey Augram, Chief of Public Safety; David Nantz, Director of Operations and Maintenance; Royce Holden, IT Director; Suzie Baker, Director of Administration; Vickie Thomas, Director of Finance and Accounting; Tina Kinsey, Director of Marketing and Public Relations; Kevan Smith, Public Safety Captain; Amy Burritt, Marketing Supervisor; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Roy Lewis, Delta Airport Consultants; Ken Moody, Delta Airport Consultants; Jeff Kirby, Michael Baker Corporation; Nate Otto, RS&H; Grant Osborne

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

The Director requested a few moments from the Board to recognize a few staff members. The Director reported that Tina Kinsey successfully completed the Certified Member Program of the American Association of Airport Executives (AAAE). Michael Reisman was recently appointed to the Board of Directors of the Southeast Chapter of AAAE. Amy Burritt tendered her resignation effective May 7<sup>th</sup> to accept a position with Whole Foods in Austin, TX. The Board congratulated Tina and Mike on their achievements, and also wished Amy well in her future endeavors.

**PRESENTATION:**

**A. Airport Master Plan:** The Director introduced Roy Lewis of Delta Airport Consultants. Mr. Lewis presented an overview of the Master Plan project and informed

the Board that the purpose of the Master Plan was to develop a planning document, to establish funding, to develop alternatives to meet future demand, and also to update the Airport Layout Plan. Mr. Lewis advised the Board that an Advisory Committee was involved in the process and two public information input meetings were held. Data was reviewed in the Forecast Summary and included historical and projected enplanements, operations, and cargo. Mr. Lewis also went over the Development Plan Overview which included information on runway improvements, terminal area improvements, north general aviation aircraft parking and storage, location for a new Air Traffic Control Tower, development of air cargo area, and non-aeronautical development in the northwest area of the airport. The Capital Improvement Plan was reviewed and identified short-term, mid-term, and long-term improvements, projects, and funding. Mr. Lewis concluded his presentation with the next steps in the master plan process which included submission of the Airport Layout Plan to the FAA and a final review of the documents developed for the airport staff. The Chair thanked Mr. Lewis for his presentation.

**FINANCIAL REPORT:** The Director reviewed the airport activity section of the Financial Report for February. The Director reported that while February is historically the slowest month, March numbers have been received and there are signs that the numbers are beginning to turn around as enplanements are only down by 6.2%, seats are back up with a 7.5% increase, and the airfares are starting to decline. Vickie Thomas reported on the Financial Results for the month of February. Operating Revenue was below budget by 2.8% and Operating Expenses were below budget by 24.9%. The cash position was also reviewed.

**CONSENT ITEMS:** The Chair suggested that Consent Agenda Item B, Approval of the Greater Asheville Regional Airport Authority March 22, 2013 Closed Session Minutes, could be pulled for review in Closed Session. The Chair also advised the Board that Mr. Roberts would need to recuse himself from Consent Item F, Resolution Designating Bank of America, N.A., Wells Fargo Bank, N.A., and First-Citizens Bank & Trust Company as Official Depositories. The Chair also asked that Mrs. Baker review Consent Item E, Approval of Insurance Renewals, with the Board before action was taken on this item.

**A. Approval of the Greater Asheville Regional Airport Authority March 22, 2013 Regular Meeting Minutes:**

**C. Approval of Assignment of Master Agreement for Professional Consulting Services to Michael Baker Engineering, Inc.:**

**D. Ratify Amended Five Year Capital Improvement Program:**

**G. Approval of Grant Agreement with the North Carolina Department of Transportation:**

Mr. Roberts moved to approve Consent Items A, C, D, and G. Ms. Thompson seconded the motion and it carried unanimously.

**F. Resolution Designating Bank of America, N.A., Wells Fargo Bank, N.A., and First-Citizens Bank & Trust Company as Official Depositories:** Mr. Roberts moved to recuse himself from this vote due to a possible conflict of interest. Mr. Piccirillo seconded the motion and it carried unanimously.

Mr. Roberts left the Board Room.

Mr. Bailey moved to approve the Resolution Designating Bank of America, N.A., Wells Fargo Bank, N.A., and First-Citizens Bank & Trust Company as Official Depositories. Ms. Thompson seconded the motion and it carried by a 4 to 0 vote.

Mr. Roberts returned to the meeting.

**E. Approval of Insurance Renewals:** Suzie Baker reported that CIGNA has provided the Authority employees with medical insurance for the past two years. Although CIGNA has quoted a 12% increase in premium, the Authority's broker has obtained quotes from other insurance companies which had higher premiums and/or lower benefits. The Authority's cost for FY 2013-2014 is approximately \$690,500.

Mrs. Baker reviewed the dental insurance and stated that Ameritas Group will provide the employees with dental insurance with increased benefits and at a 2.4% reduction in premium than Principal, the Authority's current carrier for dental benefits. The premium for dental was quoted at \$39,160 for FY 2013-2014. Principal will continue to provide life insurance and AD&D benefits at a cost of \$9,060, the same rate that has been provided the previous two years as part of a three year lock-in rate. The Authority will also continue short-term disability and long-term disability with Lincoln Financial Group as these benefits and premiums are locked-in for another two-year time period ending June 30, 2015 for a cost of \$15,364 for FY 2013-2014.

Mrs. Baker reported that property, general liability, inland marine, auto, crime, public officials, law enforcement, and employment practices liability will all remain with the same providers for FY 2013-2014. Worker's compensation will be moved to Beacon Aviation Insurance Services as they have provided a quote which is 17.6% lower than

the quote received from the Authority's current carrier. Mrs. Baker advised the Board that the cost for these insurances is \$197,494 for FY 2013-2014.

Mrs. Baker informed the Board that the total cost for the insurance package as outlined is \$951,578 which is 5.5% below what was budgeted for FY 2013-2014.

Mr. Bailey asked how much the insurance package had increased from the current fiscal year. The Director reported that insurance increased by \$197,000. Mr. Bailey suggested that it would be helpful for comparison purposes in the future if premiums for the current year were provided with the proposed premiums. The Chair agreed and suggested it would also be helpful to provide the budget figures.

Mr. Piccirillo inquired if the Authority would have an opportunity to lock-in the rate with Ameritas for dental insurance for next year. Mrs. Baker responded that staff had inquired about this but were told that this was not possible. Mrs. Baker further stated that it was rare that Principal previously provided the Authority with a locked-in dental premium for two years.

Mr. Bailey moved to approve the renewal of Authority's insurance coverage as outlined by staff and authorize the Executive Director to execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

**OLD BUSINESS:**

**A. Public Hearing and Final Adoption of the Authority's Fiscal Year 2013-2014 Budget:** Vickie Thomas reported that a proposed preliminary Fiscal Year 2013-2014 Budget and Budget Ordinance were presented to the Board at the March 22<sup>nd</sup> Board meeting. The budget documents have remained available for public inspection and comment since then and staff has not received any comments. A Public Hearing is required before the final adoption of the 2013-2014 Budget Ordinance. Mrs. Thomas respectfully requested the Board resolve to adopt the Fiscal Year 2013-2014 Budget Ordinance following the Public Hearing:

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**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
2013-2014  
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 2013-2014 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, 2013 and ending June 30, 2014 in accordance with the following schedules:

**EXPENDITURES**

Administration Department	\$ 584,927
Development Department	268,786
Executive Department	491,935
Finance Department	374,614
Guest Services Department	167,064
Information Technology Department	661,630
Marketing Department	524,176
Operations Department	3,002,228
Public Safety Department	1,320,384
Emergency Repair Costs	90,000
Reimbursable Costs	350,000
Carry-over Capital Expenditures from Prior Year	5,608,854
Capital Improvement	10,485,000
Equipment and Small Capital Outlay	144,000
Renewal and Replacement	572,000
Business Development	300,000
Debt Service	626,823
Contingency	100,000
<b>Total Expenditures</b>	<b><u><u>\$25,672,421</u></u></b>

**Section 2.** It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

**REVENUES**

Administration (Interest Income)	\$ 20,000
Terminal	3,807,016
Airfield	859,800
General Aviation	966,739
Parking Lot	2,407,900
Other	187,959
Reimbursable Costs	350,000
Passenger Facility Charges	1,150,000
Customer Facility Charges	900,000
Federal Grants – AIP Entitlements	5,869,032
Federal Grants – AIP Discretionary Funds	7,034,661
NC Department of Transportation Grants	1,225,000
Transfer from GARAA Cash/Investments	894,314
<b>Total Revenues</b>	<u><u>\$25,672,421</u></u>

**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 \$60,000 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.

**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, 2013.

Adopted this 26th day of April, 2013.

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David R. Hillier, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

The Chair opened the floor to public comments at 9:21 a.m.

There being no public comments, the Chair closed the floor at 9:21 a.m.

Ms. Thompson moved to adopt the FY 2013/2014 Budget as presented by staff. Mr. Piccirillo seconded the motion and it carried unanimously.

**NEW BUSINESS:**

**A. Approval of Audit Contract with Martin Starnes & Associates, CPAs, P.A. for Fiscal Year Ending June 30, 2013:** Vickie Thomas informed the Board that two years prior, staff issued a Request for Proposal for audit services for a five-year time frame and the Board chose Martin Starnes & Associates, CPAs, P.A. as the Authority's auditors. Martin Starnes' proposal included fees for the five year time frame as requested, and fiscal year ending June 30, 2013 is the third year of the contract. Mrs. Thomas further stated that the contract fee for services rendered by Martin Starnes is \$12,400 and has been included in the budget for FY 2013-2014.

Mr. Roberts inquired how often staff puts the audit contract out for bid. Mrs. Thomas responded that the same auditors were used for approximately 10 years but staff requested a five-year bid when the Request for Proposal was issued. Mrs. Thomas further stated that the Authority is not locked in for the five years if the Board would like to make a change.

Mr. Roberts moved to approve the contract for audit services with Martin Starnes & Associates, CPAs, P.A. in the amount of \$12,400 and authorize the Board Chair to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.



**B. Approval of Airline Incentives for Allegiant Air:** The Director informed the Board that staff was approached in February by Allegiant Air about the possibility of adding service to St. Petersburg/Clearwater/Tampa, Florida (PIE) in addition to the Sanford-Orlando and Ft. Lauderdale service. Allegiant made an announcement in March that service would begin on June 6 to PIE with two flights per week. The Director further stated that in accordance with the Authority's Air Service Incentive Policy, staff has offered Allegiant up to \$150,000 for marketing and advertising of this new service and airport related fee waivers which total approximately \$72,000, excluding PFCs, for a one year period as directly related to the PIE service. To ensure the service is successful, staff would like the Board's approval to offer ground handling and passenger service fee incentives of 50% per aircraft turn up to \$250 per flight for two flights per week for a 12 month period, at a cost of \$26,000 to the Authority. Allegiant would have to maintain a minimum of four flights were week to receive this incentive for the full 12-month period. The total incentive package is worth approximately \$248,000 with direct expenditures being \$176,000. The Director advised the Board that funds were available in the budget in both the current fiscal year as well as the next fiscal year to offer these incentives. The Director also reported that the Ft. Lauderdale service is doing so well that very little of the \$150,000 in marketing funds has been used for this service. Allegiant still has up to a year to use the funds for the Ft. Lauderdale service, however, they will not be allowed to use all of the \$150,000 at the end of the first year of service so there have been savings realized with this service.

Ms. Thompson moved to approve airline incentives with Allegiant Air for PIE service as outlined by staff and authorize the Executive Director to execute the necessary documents. Mr. Roberts seconded the motion and it carried unanimously.

**C. Approval of Supplemental Agreement No. 1 to Agreement for Professional Services Between Greater Asheville Regional Airport Authority and Michael Baker Engineering, Inc.:** Michael Reisman advised the Board that the Authority entered into an agreement with LPA Group, now known as Michael Baker Engineering, in August of 2008 for general consulting services. The scope of services included the design and construction administration for the new ARFF station project as well as design and engineering services related to the new permanent runway component of the airfield redevelopment project. The current agreement with Michael Baker expires in August, 2013. Mr. Reisman reported that staff would like to extend the contract period for up to an additional five years to ensure there is no interruption of service to these projects. The contract extension would apply to the ARFF station and airfield redevelopment projects only. Mr. Reisman advised the Board that there is no

fiscal impact associated with this action, the Board has already approved fees associated with the ARFF station and airfield redevelopment projects, and the contract extension is consistent with the services the Board has approved.

Mr. Bailey moved to approve Supplemental Agreement No. 1 to Agreement for Professional Services between Greater Asheville Regional Airport Authority and Michael Baker Engineering, Inc. and authorize the Executive Director to execute the necessary documents. Mr. Piccirillo seconded the motion and it carried unanimously.

**D. Approve Supplemental Agreement No. 1 to Agreement for Professional Services Between Greater Asheville Regional Airport Authority and Avcon Engineers and Planners, Inc.:** Michael Reisman advised the Board that this agenda item was similar to the previous item in that the Authority entered into an agreement with Avcon in August, 2008. Their scope of services included consultant work for the design and engineering services related to the new taxiway/temporary runway component of the airfield redevelopment project. Mr. Reisman further stated that the remainder of this agenda item was the same as the previous agenda item and he would not take the Board's time to repeat the information unless the Board desired so.

Mr. Bailey moved to approve Supplemental Agreement No. 1 to Agreement for Professional Services between Greater Asheville Regional Airport Authority and Avcon Engineers and Planners, Inc. and authorize the Executive Director to execute the necessary documents. Ms. Thompson seconded the motion and it carried unanimously.

**E. Approval of Scope of Services No. 14 and Fees for Construction Phase Services for the Westside Site Development Project with AVCON Engineers and Planners, Inc.:** Ms. Thompson moved to recuse herself from this item due to a possible conflict of interest. Mr. Roberts seconded the motion and it carried unanimously.

Ms. Thompson left the Board Room.

Michael Reisman reported that in June of 2009, the Board approved an addition to the existing contract with Charah, Inc. for the fill project on airport property. Work has continued on the southwest portion of the airport and is now progressing to the northwest portion. Since February of 2010, the Board has approved many scopes of services with AVCON Engineers and Planners for design and construction phase services associated with this project. As work on the southwest portion gets closer to completion, it is likely there will be a remaining balance of the contract with AVCON available and staff would like this reallocated to Area 3 which is the northwest portion of the project. There are not enough funds to complete this area, however, so

additional expenses to complete this area will be necessary. Charah has been responsible for all costs associated with this project and has met all obligations for reimbursing the Authority for payment of services rendered by AVCON for which they are responsible. Mr. Reisman further reported that the scope of services for this agreement includes project management, field inspection and testing, and environmental work for the new area. Staff feels it is important to continue to utilize AVCON as they work directly for the Authority, not for Charah, and they insure that the work is handled in the proper manner. Charah is agreeable to the fee that has been quoted by AVCON, they will continue to reimburse the Authority, and there should be no net cost to the Authority. If Charah were to fail to reimburse the Authority at any time, the Authority has the ability to suspend any further work.

Mr. Roberts inquired if Charah reimbursed the Authority in a timely manner. Mr. Reisman responded in the affirmative and informed the Board that when looking at the current average cost of structural fill, the westside fill project has saved the Authority approximately \$12 million.

Mr. Piccirillo moved to approve the Scope of Services and Fee Proposal with AVCON Engineers & Planners, Inc. not to exceed the amount of \$278,060.00 and authorize the Executive Director to execute the necessary documents. Mr. Roberts seconded the motion and it carried by a 4 to 0 vote.

Ms. Thompson returned to the meeting.

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

**A. IRS Approval of Authority Name Change:** The Director reported that the IRS has accepted the change of entity from Asheville Regional Airport Authority to Greater Asheville Regional Airport Authority and this led to the banking changes that were approved earlier in the meeting.

**B. Privatization of Screening:** The Director informed the Board that an article was at their seats regarding the privatization of screening. Representative John Mica of Florida helped create the Transportation Security Administration (TSA) after 9/11, but in his opinion TSA has gotten out of control and would like to privatize screening similar to what airports had prior to 9/11. Liability issues have been resolved so if screening becomes privatized, airports would not be liable for incidents that may happen at the checkpoints.

**C. Airport Ground Transportation Association Conference:** The Airport Ground Transportation Association conference was held in March in Asheville. David Nantz spearheaded efforts to bring the conference to Asheville and it was a successful event with 114 attendees.

**D. Contingency Spending:** The Director advised the Board that \$3,500 was moved from Contingency to Capital Improvement for the master plan project. Some of the money relates to miscellaneous or administrative expenses, independent fee review, and advertising for the public hearing.

**E. Budget Amendment:** A budget amendment may be necessary at the June Board meeting to cover legal expenses associated with the independent authority review and process.

**F. Annual Report:** The Director called the Board's attention to the Annual Report for 2012 that was available at their seats. The new report highlights what the airport achieved in 2012.

**G. Taxiway Rejuvenation Project:** The taxiway is in the process of being rejuvenated with crack sealing and a rejuvenating product on the pavement meant to extend the life of the taxiway. The state is undertaking 100% of the cost for this \$100,000 to \$125,000 project.

**H. Airline Information:** A trend is growing in the airline industry where some of the airlines are raising the ticket change fee from \$150 to \$200 in an effort to increase ancillary revenue. Airlines (no US carriers yet) are also getting creative by auctioning off upgrades to higher classes of service rather than giving the extra seats in higher classes to passengers enrolled in their frequent flyer programs. Empty middle seats are also being auctioned off for an average price of \$150.00 to passengers who want two seats.

**I. Sequestration:** Air traffic control tower furloughs went into effect earlier in the week causing delays in parts of the country. Legislation was introduced to members of Congress to vote on today to transfer funds to keep the towers staffed by using \$273 million of AIP money between now and September. Since this would take money from airport improvement projects, the aviation industry has asked airports to reach out to their congressional delegation. The Director reported that he had contacted Senators Hagan and Burr to offer support for doing away with the furloughs for the air traffic controllers, but also asked the senators to consider an increase of PFC dollars to make up the loss of AIP funds. The legislation to use the AIP money did pass through the Senate without that additional language, so AIP money is going to be used without any

mechanism to replace it. It is expected to pass the House this morning and move to the White House for signature immediately.

Mr. Roberts commented that with the runway project underway, did the Director feel the use of capital dollars to pay for operating expenses was a one-time deal or something that could happen multiple times. The Director responded that sequestration was a 10-year deal and Congress is using unencumbered discretionary funds. The Director further explained that at the end of the federal fiscal year, there are many times that airports have not acted on projects that require discretionary funds. The FAA disburses these unencumbered discretionary funds to airports that have secondary projects that are on wish lists but don't have funding. The \$273 million as mentioned earlier being used this year is from unencumbered discretionary funds. Asheville's funds have been programmed in and the FAA is aware of the project so staff is hopeful it will not be impacted. The Director further stated that the industry is hopeful this will open the door to look at other mechanisms to raise capital, such as increasing the PFCs that the industry has been fighting for over the years.

**J. Allegiant Airlines Partnership:** The Director reported that the airport is partnering with Allegiant for a special promotion and suggested Tina Kinsey brief the Board on this item. Mrs. Kinsey informed the Board that Allegiant Airlines has a promotion across the country called Dodge High Fares and has asked the airport to partner with them on this promotion. Allegiant is working with the National Dodgeball Association to bring tournaments into communities and funds raised will go to local charities. Staff is taking it a step further and has been working with the Asheville Tourists to have a season-long summer promotion because the timing fits with the Dodge High Fares promotion. Allegiant has also joined in to participate with the airport for a trip give away sweepstakes that will be offered through the Tourists. Finalists will play a fun game related to dodge balls at the stadium at the end of the Tourists season to win the trip. Allegiant will be spending advertising money in Asheville's market to promote Dodge High Fares. Charlotte Motor Speedway has also partnered with Allegiant and have provided a stock car branded with the Allegiant brand. The airport has been offered some tickets to the Charlotte Motor Speedway that will be given away in a sweepstakes. The Allegiant stock car will come to the Tourists stadium for two nights for the promotion. This gives the airport an opportunity to provide public relations and social media as well as community awareness and support for this campaign.

**K. Mission Statement:** The Director advised the Board that a consultant is in the process of being selected for the mission statement/strategic planning process which will take six to eight months to complete and costs approximately \$25,000. The

consultant will deal with senior staff, other staff members, and also the Board. The Director also stated that the consultant will be brought in for a presentation at the June Board meeting for an overview and if the Board is comfortable with the company, a contract will be finalized.

**INFORMATION SECTION:** No comments

**AUTHORITY MEMBERS REPORTS:** No comments

**PUBLIC AND TENANTS' COMMENTS:** No comments

**CALL FOR NEXT MEETING:** The Chair advised the Board that a May meeting was not anticipated and the next regular meeting of the Board will be held on June 21, 2013.

The Chair called for a break at 10:03 a.m.

The Board reconvened at 10:12 a.m.

**CLOSED SESSION:** At 10:12 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Consider Personnel Matters. Mr. Roberts seconded the motion and it carried unanimously.

Open Session resumed at 11:53 a.m.

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
MARCH 22, 2013 PART A CLOSED SESSION MINUTES:**

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
MARCH 22, 2013 PART B CLOSED SESSION MINUTES:**

Mr. Piccirillo moved to approve the minutes for Part A and Part B of the March 22, 2013 Closed Session and to seal and withhold such minutes from public inspection so long as public inspection would frustrate its purpose or purposes thereof. Mr. Roberts seconded the motion and it carried unanimously.

Mr. Piccirillo moved to seal the minutes for the April 26, 2013 Closed Session and withhold such minutes from public inspection so long as public inspection would

frustrate the purpose or purposes thereof. Mr. Roberts seconded the motion and it carried unanimously.

**ADJOURNMENT**: Mr. Roberts moved to adjourn the meeting at 11:55 a.m. Mr. Piccirillo seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood  
Clerk to the Board

Approved:

David R. Hillier  
Chair



## MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: June 21, 2013

### ITEM DESCRIPTION – New Business Item A

Approval of a Sub Concession Agreement for the Hertz Rental Car Concession Agreement and Lease

### BACKGROUND

In 2008, staff solicited bids for the rental car concession and lease at Asheville Regional Airport. Five rental car operators were eligible for selection due to the number of rental car counters and service facilities available at the Airport. Bid submittals were received from Hertz, Avis, Budget, Enterprise and Vanguard (operating National and Alamo brands). The Board awarded the contracts to all five bidders.

The bid documents proposed a contract term of five years with a five-year option at the sole discretion of the Authority. Bidders were required to bid a minimum annual revenue guarantee for each of the five years of the initial term. Rankings were based on the guarantee amounts and allowed the companies to select rental car counters and service facilities.

Recently, Hertz Corporation acquired Dollar Rent A Car & Thrifty Car Rental Corporation and has decided to operate their Hertz business a bit differently and allow some of their Hertz locations to be owned and operated by a franchisee. Asheville has been selected to be one of those locations. While this type of practice has been common for years with other rental car companies such as Thrifty and Dollar, it is a change for Hertz.

Hertz is proposing to franchise its Asheville Regional Airport location and enter into a sub-concession agreement with GSP Transportation, Inc. (current owner and operator of a Dollar/Thrifty franchise) to operate the AVL Hertz location for the remainder of the rental car concession agreement and lease.





## **ISSUES**

GSP Transportation, Inc. currently owns and operates the Dollar Rent A Car & Thrifty Car Rental franchise in Asheville and several other locations in the southeast United States. They currently have an agreement with the Authority for an off airport rental car operation. Dollar/Thrifty does not have a facility on the airport and staff has some concerns that GSP Transportation, Inc. may try to co-brand its operation out of the Hertz counter in the terminal or use the Hertz service facility to service its Dollar/Thrifty vehicles. Strong language has been added to the sub-concession agreement between Hertz and GSP Transportation, Inc. to terminate the sub-concession approval if GSP Transportation, Inc. violates any terms of its agreement or rules and regulations of the Authority.

## **ALTERNATIVES**

The Board could decide not to approve the sub-concession agreement and require Hertz Corporation to continue operating the Asheville Regional Airport location.

## **FISCAL IMPACT**

There will not be any fiscal impact because The Hertz Corporation shall remain liable to the Authority for all the terms and conditions of the Rental Car Concession Agreement and Lease that was executed in 2008.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the sub-concession agreement between Hertz, GSP Transportation, Inc., and the Authority for the operation of the Hertz Corporation's AVL location; and (2) authorize the Executive Director to execute the necessary documents.

Attachment

## SUB-CONCESSION AGREEMENT

**THIS SUB-CONCESSION AGREEMENT** (the “**Sub-Concession Agreement**”) is made and entered into this \_\_\_ day of May, 2013 (the “**Effective Date**”), by and between **THE HERTZ CORPORATION**, a Delaware corporation (“**Concessionaire**”), and \_\_\_\_\_ (“**Sub-Concessionaire**”).

### **1. BASIC SUB-CONCESSION PROVISIONS.**

- A. Airport: Asheville Regional Airport.**
- B. Concession Areas: Those certain areas described and/or depicted on Exhibit A attached hereto and made a part hereof, and which constitute a portion of the Airport.**

- C. Concessionaire’s Address (for notices):**

**The Hertz Corporation  
225 Brae Boulevard  
Park Ridge, New Jersey 07656  
Attn: Staff Vice President, Real Estate and Concessions**

- D. Sub-Concessionaire’s Address (for notices):**

- E. Authority: Asheville Regional Airport Authority**

- F. Authority’s Address (for payment of Concession Fees and notices, when applicable):**

**Asheville Regional Airport Authority  
61 Terminal Drive, Suite 1  
Fletcher, NC 28732  
Attn: Airport Director**

- G. Identification of Concession Agreement and all amendments thereto:**

**Rental Car Concession Agreement and Lease, dated August 1, 2008,  
by and between the Authority and Concessionaire (the “Concession Agreement”).**

- H. Term: June 1, 2013 to July 31, 2013.**

- I. Commencement Date: June 1, 2013.**

- J. Expiration Date: July 31, 2013**

- K. Concession Fees: See Section 7.**

- L. Payee of Concession Fees: **Sub-Concessionaire.**
- M. Concession: **Automobile rental business and related services, and for no other use or purpose.**
- N. APA: **The Asset Purchase Agreement dated \_\_\_\_\_, between Concessionaire as seller and Sub-Concessionaire as buyer.**

**2. CONCESSION AGREEMENT.** Concessionaire is the concessionaire under the Concession Agreement which Concessionaire has entered into with Authority (identified in Section 1(E)). Concessionaire represents and warrants to Sub-Concessionaire that (a) Exhibit B hereto is a true and complete copy of the Concession Agreement and all amendments and modifications thereto with which Sub-Concessionaire shall be hereby bound to comply, (b) to Concessionaire's actual knowledge (which, for purposes hereof, shall mean the actual knowledge of Mark McBee, without any duty of investigation), the Concession Agreement is, as of the date hereof, in full force and effect, (c) no event of default (after all notice and cure periods have elapsed) has occurred under the Concession Agreement on the part of Concessionaire, and (d) Concessionaire has not received any written notice that Concessionaire is in breach of the Concession Agreement, nor has Concessionaire sent a written notice of breach of the Concession Agreement to the Authority. If required under the terms of the Concession Agreement, Concessionaire has obtained the consent of the Authority to this Sub-Concession Agreement.

**3. SUB-CONCESSION.** Concessionaire, for and in consideration of the covenants and agreements herein contained on the part of Sub-Concessionaire to be performed, hereby grants to Sub-Concessionaire the right to operate the Concession and such other rights as set forth herein, and Sub-Concessionaire agrees to operate the Concession Areas for the operation of the Concession, in each case, subject to the terms and conditions of this Sub-Concession Agreement, Concessionaire's representations, warranties and covenants herein and the Concession Agreement.

**4. SUBLEASE.** To the extent Concessionaire is deemed a tenant of the Concession Areas under the Concession Agreement Concessionaire, as used herein, shall also mean a "sublessor" and Sub-Concessionaire, as used herein, shall also mean "sublessee"

**5. TERM.**

A. **Commencement.** Subject to the terms of this Sub-Concession Agreement, the term of this Sub-Concession Agreement (the "**Term**") shall commence on the Commencement Date and shall expire on the Expiration Date, unless sooner terminated by Concessionaire or Sub-Concessionaire as provided in this Sub-Concession Agreement, or in the event of a termination of the Concession Agreement. Subject to Section 5(C) below, Concessionaire shall deliver the Concession Areas to Sub-Concessionaire on the Commencement Date for the right to operate the Concession at the Airport. Subject to the terms of Sections 23 and 24 below, in the event that (i) the Concession Agreement, and/or (ii) that certain License Agreement (the "**License Agreement**") entered into by Concessionaire, as Licensor, and Sub-Concessionaire, as Licensee, terminates for any reason with respect to the Airport, this Sub-Concession Agreement shall automatically terminate and be of no further force or effect, except

for accrued and unpaid obligations as of the date of such termination and any remedies for breach available to either party, as applicable.

B. **Renewals.** Concessionaire shall be under no obligation whatsoever to exercise any renewal or extension options granted under the Concession Agreement. In the event that Concessionaire in its sole discretion elects to exercise any renewal or extension options granted under the Concession Agreement, the Term of this Sub-Concession Agreement shall not also be so extended except upon the mutual written consent of both Concessionaire and Sub-Concessionaire, which may be given or withheld by each in its sole and absolute discretion.

**6. CONDITION AND USE OF CONCESSION AREAS.** Concessionaire shall deliver the Concession Areas to Sub-Concessionaire for the right to operate the Concession at the Airport, and Sub-Concessionaire shall accept the Concession Areas from Concessionaire in their “as-is, where-is” condition. Sub-Concessionaire acknowledges that Sub-Concessionaire has inspected the Concession Areas prior to the execution and delivery of this Sub-Concession Agreement, and that Sub-Concessionaire accepts the Concession Areas as suitable for the operation of the Concession and as being in good order and satisfactory condition. Sub-Concessionaire’s acceptance of the Concession Areas on the Commencement Date shall be conclusive evidence as against Sub-Concessionaire that the Concession Areas were in good order and satisfactory condition from and after the Commencement Date. The Concession Areas shall be used and occupied only for the operation of the Concession set forth in Section 1(M).

**7. FEES; BOND/LETTER OF CREDIT/SECURITY DEPOSIT.**

A. **Concession Fees.** Commencing on the Commencement Date, Sub-Concessionaire shall pay directly to the Authority all concession fees (the “**Concession Fees**”) that accrue on or after the Commencement Date for the right to operate the Concession as set forth in the Concession Agreement. Such Concession Fees shall be paid to the Authority prior to the date due therefor (and otherwise in accordance with the terms of the Concession Agreement), and Sub-Concessionaire shall simultaneously furnish evidence of such payment to Concessionaire. All charges, costs and sums required to be paid by Concessionaire to the Authority pursuant to the Concession Agreement, including, without limitation, any Minimum Annual Guarantee, shall constitute the Concession Fees payable hereunder, it being the intent of the parties hereto that Sub-Concessionaire shall pay all costs, fees, expenses and other charges payable by Concessionaire pursuant to the terms of the Concession Agreement. Sub-Concessionaire’s covenant to pay the Concession Fees shall be independent of every other covenant of this Sub-Concession Agreement. All Concession Fees shall be paid to the Authority without set-off or deduction whatsoever except as may be expressly set forth in the Concession Agreement. Sub-Concessionaire also shall pay Authority on the due dates for services requested by Sub-Concessionaire which are billed by Authority directly to Sub-Concessionaire rather than Concessionaire, if any. If the Concession Agreement does not provide written notice and cure period for monetary default, then Concession Fees must be paid at least five (5) business days prior to the due date. This also applies to Sections 7 (B) and (C) below.

B. **Customer and Transportation Facility Charges and other Charges.** All obligations of Concessionaire under the Concession Agreement in connection with the collection of a Customer Facility Charge ( or “**CFC**”), a Transportation Facility Charge (or

“TFC”) or any other similar charges shall, during the Term hereof, be the obligation of Sub-Concessionaire. Sub-Concessionaire agrees to collect and remit all CFCs, TFCs and similar charges directly to the Authority prior to the date due therefor (and otherwise in accordance with the terms of the Concession Agreement), and shall simultaneously furnish evidence of such payment to Concessionaire. If so required under the APA, Concessionaire shall collect and remit all CFC’s, TFC’s and similar charges directly to the Authority which relates to Vehicles on Rental (as defined in the APA).

C. **Taxes and Licenses.** Sub-Concessionaire shall pay all taxes levied, assessed or charged upon the Concession and/or Sub-Concessionaire’s use of the Concession Areas and the operation of the Concession and/or on its improvements, fixtures, equipment or other property thereon directly to the applicable taxing authority and/or, to the extent required by the Concession Agreement, directly to the Authority prior to the date due therefor, and shall simultaneously furnish evidence of such payment to Concessionaire. In addition, Sub-Concessionaire shall obtain and be liable for the cost of all licenses required in connection with the operation of the Concession.

D. **Bond/Letter of Credit/Security Deposit.** If applicable, Sub-Concessionaire shall be responsible for (i) posting any performance and/or surety bonds required under the terms of the Concession Agreement, and Sub-Concessionaire shall cooperate with Concessionaire in obtaining a return to Concessionaire of any bond previously posted with the Authority by Concessionaire or (ii) providing a letter of credit on or before the Commencement Date meeting the requirements of the Concession Agreement, and Sub-Concessionaire shall cooperate with Concessionaire in obtaining a release and return for cancellation to Concessionaire of the current letter of credit provided by Concessionaire on or before the Commencement Date, or (iii) posting the cash security deposit required under the terms of the Concession Agreement, and Sub-Concessionaire shall cooperate with Concessionaire in obtaining a return to Concessionaire of any cash security deposit previously posted by Concessionaire. In the event the Authority is unwilling to accept a bond, letter of credit, or security deposit (collectively “Surety”) from Sub-Concessionaire, and/or release any existing Surety to Concessionaire, Sub-Concessionaire shall deliver to Concessionaire a back-up Surety in the same amount as that held by the Authority and that Concessionaire may draw upon in the event the Authority draws upon such Surety in accordance with the terms of the Concession Agreement.

E. **Monthly Statements to Concessionaire.** Sub-Concessionaire shall furnish to Concessionaire, on a monthly basis on or before the fifth (5<sup>th</sup>) day of each month, evidence of payment to the Authority of all Concession Fees, CFCs, TFCs and any other payments made pursuant to the terms of the Concession Agreement, which evidence shall include a statement of revenues of Sub-Concessionaire for the prior month.

## **8. CONCESSION AGREEMENT.**

A. **Subject to Concession Agreement.** This Sub-Concession Agreement and all rights of Sub-Concessionaire hereunder are subject to the terms, conditions and provisions of the Concession Agreement. Except as modified or otherwise provided under this Sub-Concession Agreement, Sub-Concessionaire, as if it were party to the Concession Agreement,

hereby assumes and agrees to perform faithfully and on time, and be bound by, with respect to obligations which arise and occur on or after the Commencement Date, and in addition to all of Sub-Concessionaire's other obligations set forth in this Sub-Concession Agreement, all of Concessionaire's obligations, covenants, and agreements under the Concession Agreement and all terms, conditions, provisions and restrictions contained in the Concession Agreement (which terms are hereby incorporated herein by this reference).

**B. Limitation and Grant of Rights.** Without limitation of the foregoing:

1. Sub-Concessionaire shall not make any changes, alterations or additions in or to the Concession Areas except as expressly permitted by the terms hereof and by the Concession Agreement;

2. If Sub-Concessionaire desires to take any action and the Concession Agreement would require that Concessionaire obtain the consent of Authority before undertaking any action of the same or similar kind, Sub-Concessionaire shall not undertake the same without the prior written consent of Concessionaire, and Concessionaire may condition its consent on the consent of Authority being obtained;

3. All rights given to Authority and its agents and representatives by the Concession Agreement to access and inspect the Concession Areas shall inure to the benefit of Authority, Concessionaire and their respective agents and representatives; and

4. Except as modified under this Sub-Concession Agreement, Concessionaire shall also have all other rights, and all privileges, options, reservations and remedies, granted or allowed to, or held by Authority under the Concession Agreement, including, without limitation, all rights to audit Sub-Concessionaire's records pertaining to its business operations at the Airport, and Sub-Concessionaire agrees to keep its books and records in connection with the operation of the Concession in accordance with the terms of the Concession Agreement.

**C. No Assumption of Obligations of Authority.** It is expressly understood and agreed by Sub-Concessionaire that Concessionaire has not assumed and does not assume and shall not have any of the obligations or liabilities of Authority under the Concession Agreement and that Concessionaire is not making the representations or warranties, if any, made by Authority in the Concession Agreement. Concessionaire shall not be liable in damages for or on account of any failure by Authority to perform the obligations and duties imposed on it under the Concession Agreement. Notwithstanding the foregoing, Concessionaire during the Term shall use good faith efforts (after written request from Sub-Concessionaire) to enforce all material obligations of the Authority under the Concession Agreement (provided all third party costs, including reasonable legal fees, in undertaking any such enforcement are paid by Sub-Concessionaire.)

**D. Obligations under Concession Agreement.** The parties hereby confirm, each to the other, that it is not practical in this Sub-Concession Agreement to enumerate all of the rights and obligations of the various parties under the Concession Agreement and specifically to allocate those rights and obligations in this Sub-Concession Agreement. Accordingly, in order to afford to Sub-Concessionaire the benefits of this Sub-Concession Agreement and of those provisions of the Concession Agreement which by their nature are intended to benefit the party in possession of the Concession Areas, and in order to protect Concessionaire against a default by Sub-Concessionaire which might cause a default or event of default by Concessionaire under the Concession Agreement, Concessionaire and Sub-Concessionaire, as appropriate, hereby agree as follows:

1. Sub-Concessionaire shall perform all affirmative covenants of Concessionaire contained in the Concession Agreement (including without limitation all obligations to indemnify the Authority except as may be otherwise expressly provided in this Sub-Concession Agreement), which shall arise and occur during the Term, shall refrain from performing any act which is prohibited by the negative covenants of Concessionaire contained in the Concession Agreement and will not by its act or omission to act, cause a default under the Concession Agreement; and

2. During the Term, Concessionaire shall not agree to any amendment to the Concession Agreement unless Concessionaire shall first obtain Sub-Concessionaire's prior written approval thereof, which such approval shall not be unreasonably withheld. In the event that Sub-Concessionaire fails to deliver approval or disapproval of any such proposed amendment to the Concession Agreement within ten (10) days after the date of Concessionaire's written request for approval and delivery of the proposed amendment, such proposed amendment to the Concession Agreement shall be deemed approved by Sub-Concessionaire. Notwithstanding the foregoing, Concessionaire may agree to such an amendment without obtaining Sub-Concessionaire's consent provided Sub-Concessionaire is so advised and given the opportunity to terminate this Agreement with thirty (30) days' notice.

3. Concessionaire shall not permit the Concession Agreement to be terminated by reason of any default by Concessionaire thereunder, and Concessionaire shall perform its obligations under the Concession Agreement in all material respects, except to the extent such obligations are required to be performed by Sub-Concessionaire hereunder.

**E. Rights to Remain with Concessionaire.** Subject to the provisions of Section 8(D) above, but notwithstanding anything else to the contrary contained herein, Concessionaire shall retain all rights under the Concession Agreement (after reasonable good faith consultation with Sub-Concessionaire) to negotiate the terms of the Concession Agreement and/or all rights and benefits originating therefrom, with the Authority, including, without limitation, the sole right to participate in and represent the Concessionaire and Sub-Concessionaire with respect to the Concession at industry meetings, to negotiate and submit all bids for the operation of the Concession, and to negotiate all leases, material business and

operational issues and material allocation of costs issues, and that in no event shall Sub-Concessionaire be entitled to exercise any such rights.

## **9. SUB-CONCESSIONAIRE'S OBLIGATIONS.**

A. **Costs.** Sub-Concessionaire shall be responsible for, and shall pay for all costs incurred in connection with the Concession Areas and the operation of the Concession, including, without limitation, any utilities consumed in the Concession Areas (to the extent that Concessionaire pays such amounts under the Concession Agreement). Sub-Concessionaire shall hold Concessionaire harmless from all costs and expenses that Concessionaire may incur from Sub-Concessionaire's failure to pay all such costs or to perform any of its obligations in connection therewith.

B. **Maintenance.** Sub-Concessionaire shall be responsible for all maintenance, repairs and replacements as to the Concession Areas and to its furniture, fixtures, equipment and other personal property located thereon, and shall otherwise comply in all respects with the requirements of the Concession Agreement. Sub-Concessionaire and Concessionaire shall throughout the Term jointly participate in all correspondence with, and meetings and decisions of the other concessionaires located at the Airport in connection with any consortiums or similar understandings or agreements entered into or formed to govern common or shared obligations at the Airport provided that Sub-Concessionaire shall have no authority to bind Concessionaire or to otherwise affect in any manner the rights of Concessionaire in connection with such understandings, agreements or consortiums.

**10. QUIET ENJOYMENT.** Concessionaire represents that it has full power and authority to enter into this Sub-Concession Agreement. So long as Sub-Concessionaire is not in default in the performance of its covenants and agreements in this Sub-Concession Agreement beyond any applicable notice and cure periods, Sub-Concessionaire's quiet and peaceable enjoyment of the Concession Areas and the operation of the Concession shall not be disturbed or interfered with by Concessionaire, or by any person claiming by, through, or under Concessionaire.

**11. INSURANCE.** Sub-Concessionaire shall procure and maintain, at its own cost and expense, such liability, property and other insurance as is required to be carried by Concessionaire under the Concession Agreement, naming Concessionaire, Authority and all parties required by Concessionaire and by Authority as additional insureds, which insurance shall not be rescindable or cancellable by the insurer with respect to the Concessionaire, Authority and all parties required by Concessionaire and by Authority to be named as additional insureds. If the Concession Agreement requires Concessionaire to insure leasehold improvements or alterations, then Sub-Concessionaire shall insure such leasehold improvements which are located in the Concession Areas. Sub-Concessionaire shall furnish to Concessionaire a certificate of Sub-Concessionaire's insurance and copies of the applicable insurance policies required hereunder upon Sub-Concessionaire's taking possession of the Concession Areas, and thirty (30) days prior to expiration of such insurance. Each party hereby waives claims against the other for property damage provided such waiver shall not invalidate the waiving party's property insurance; each party shall attempt to obtain from its insurance carrier a waiver of its right of subrogation. Sub-Concessionaire hereby waives claims against Authority and



Concessionaire for property damage to the Concession Areas or its contents if and to the extent that Concessionaire waives such claims against Authority under the Concession Agreement. Sub-Concessionaire agrees to obtain, for the benefit of Authority and Concessionaire, such waivers of subrogation rights from its insurer as are required of Concessionaire under the Concession Agreement. Concessionaire agrees to use commercially reasonable efforts in good faith to obtain from Authority a waiver of claims for insurable property damage losses and an agreement from Authority to obtain a waiver of subrogation rights in Authority's property insurance, if and to the extent that Authority waives such claims against Concessionaire under the Concession Agreement or is required under the Concession Agreement to obtain such waiver of subrogation rights.

**12. ASSIGNMENT OR TRANSFER.** Sub-Concessionaire shall not, directly or indirectly, assign, convey, pledge, mortgage or otherwise transfer this Sub-Concession Agreement or any interest under it, or allow any transfer thereof or any lien upon Sub-Concessionaire's interest by operation of law or otherwise, or permit the occupancy of the Concession Areas or any part thereof by anyone other than Sub-Concessionaire. Notwithstanding the foregoing, Sub-Concessionaire may, with Concessionaire's consent, which consent shall not be unreasonably withheld, conditioned or delayed, and subject to receipt of Authority's consent if required by the terms of the Concession Agreement, assign this Sub-Concession Agreement to, or permit the use and occupancy of all or any portion of the Concession Areas by any of Sub-Concessionaire's Affiliates (as defined herein), or any entity with whom Sub-Concessionaire merges or consolidates in any reorganization, or any entity succeeding to all or substantially all of the business and assets of Sub-Concessionaire, provided that, except with respect to Sub-Concessionaire's Affiliates, such entity has a net worth equal to or greater than Sub-Concessionaire's net worth as of the date of this Sub-Concession Agreement and is fully capable of performing all of its obligations under this Sub-Concession Agreement and the Concession Agreement (a "**Permitted Transfer**"). As used in this Sub-Concession Agreement, the term "**Affiliate**" means any corporation, partnership or other business entity which controls, is controlled by or is under common control with the party in question. For the purpose hereof, the words "control", "controlled by" and "under common control with" shall mean, with respect to any corporation, partnership or other business entity, (a) the ownership of more than fifty percent (50%) of the voting interests, or (b) the ownership of at least twenty percent (20%) of the voting interests and the possession of the power to direct or cause the direction of the management and policy of such corporation, partnership or other business entity by reason of the ownership of such voting interests or by virtue of voting trusts or other contractual arrangements.

**13. RULES.** Sub-Concessionaire agrees to comply with all rules and regulations and minimum standards of operation that Authority has made or may hereafter from time to time make for the Airport and/or the Concession Areas or the operation of the Concession in accordance with the terms of the Concession Agreement. Concessionaire shall not be liable in any way for damage caused by the non-observance by any of the other concessionaires of such similar covenants in their concession agreements or of such rules and regulations. Concessionaire shall deliver copies of any such rules and regulations and any changes thereto that it receives from the Authority to Sub-Concessionaire.

**14. REPAIRS AND COMPLIANCE.** Sub-Concessionaire shall promptly pay for the repairs set forth in Section 9(B) hereof and Sub-Concessionaire shall, at Sub-Concessionaire's own expense, comply with all applicable laws and ordinances, and all orders, rules and regulations of all governmental authorities and of all insurance bodies and their fire prevention engineers at any time in force, applicable to Sub-Concessionaire's particular use or manner of use of the Concession Areas and the operation of the Concession.

**15. ALTERATIONS.** Sub-Concessionaire shall not make any alterations or improvements in or additions to the Concession Areas without the prior written consent of Concessionaire and of Authority, which consent, as to Concessionaire, shall not be unreasonably withheld, conditioned or delayed. Concessionaire may condition its consent on the agreement of Sub-Concessionaire to restore the Concession Areas upon the expiration or earlier termination of this Sub-Concession Agreement if so requested by Concessionaire. Sub-Concessionaire shall be subject to all of the terms and conditions of the Concession Agreement in connection with any such alterations, and all requirements of the Authority shall also be deemed to be requirements of Concessionaire. Concessionaire shall have the right to retain its own consultants to review any plans for such alterations, and the reasonable and direct out-of-pocket costs incurred by Concessionaire in connection with such review shall be paid by Sub-Concessionaire.

**16. LIENS.** Sub-Concessionaire shall not do any act which shall in any way encumber the title of the Authority in and to the Airport, nor shall the interest or estate of the Authority or of Concessionaire be in any way subject to any claim by way of lien or encumbrance, whether by operation of law by virtue of any express or implied contract by Sub-Concessionaire, or by reason of any other act or omission of Sub-Concessionaire. Any claim to, or lien upon, the Concession Areas or the Airport arising from any act or omission of Sub-Concessionaire shall accrue only against any interest of Sub-Concessionaire as a result of this Sub-Concessionaire Agreement and shall be subject and subordinate to the paramount title and rights of the Authority in and to the Airport and the interest of Concessionaire in the Concession Areas pursuant to the Concession Agreement. Without limiting the generality of the foregoing, Sub-Concessionaire shall not permit the Concession Areas or the Authority to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Sub-Concessionaire or claimed to have been furnished to Sub-Concessionaire in connection with work of any character performed or claimed to have been performed to the Concession Areas by, or at the direction or sufferance of, Sub-Concessionaire.

**17. CASUALTY/CONDEMNATION.** The terms of the Concession Agreement or, in the event the terms of the Prime Lease conflict with the terms of the Concession Agreement, the terms of the Prime Lease shall control in the event of a fire or other casualty or condemnation affecting the Concession Areas. If the Concession Agreement (or the Prime Lease, as applicable) imposes on Concessionaire the obligation to repair or restore improvements or alterations to the Concession Areas, Sub-Concessionaire shall be responsible for repair or restoration of such improvements or alterations to the Concession Areas; provided, however, that any decision to terminate the Concession Agreement as a result of any fire or other casualty or condemnation shall be made jointly by Sub-Concessionaire and Concessionaire.

**18. SURRENDER.** Upon the expiration of this Sub-Concession Agreement, or upon the termination of this Sub-Concession Agreement or of Sub-Concessionaire's right to

possession of the Concession Areas, Sub-Concessionaire shall at once cease operation of the Concession and surrender and deliver up the Concession Areas, including all improvements thereto, to Concessionaire in good condition and repair, reasonable wear, tear and damage caused by any casualty excepted and otherwise in the condition that existed as of the Commencement Date and as required by the terms of the Concession Agreement; conditions existing because of Sub-Concessionaire's failure to perform maintenance, repairs or replacements as required of Sub-Concessionaire under this Sub-Concession Agreement shall not be deemed "reasonable wear and tear." With respect to the cessation of the operation of the Concession, the terms of Article XIV of the License Agreement shall govern and control. In the event that the terms of the Concession Agreement require that Sub-Concessionaire remove any alterations or improvements upon the expiration or earlier termination of this Sub-Concession Agreement, Sub-Concessionaire shall remove such alterations or improvements and restore the Concession Areas to their condition prior to the making of such improvements and alterations, repairing any damage occasioned by such removal or restoration and otherwise in the condition required under the Concession Agreement. In the event that Sub-Concessionaire does not make such removal in accordance with Section 18, Concessionaire may remove the same (and repair any damage occasioned thereby), and dispose thereof, or at its election, deliver the same to any other place of business of Sub-Concessionaire, or warehouse the same, at Sub-Concessionaire's expense, plus interest at the [default rate/delinquent rate] set forth in the Concession Agreement.

**19. REMOVAL OF SUB-CONCESSIONAIRE'S PROPERTY.** Upon the expiration or earlier termination of this Sub-Concession Agreement, Sub-Concessionaire shall remove Sub-Concessionaire's articles of personal property, equipment and trade fixtures, as well as all cabling, wiring and servers brought onto the Concession Areas by Sub-Concessionaire (collectively, the "**Trade Fixtures**"); provided, however, that Sub-Concessionaire shall repair any injury or damage to the Concession Areas which may result from such removal, and shall restore the Concession Areas to the same condition as prior to the installation thereof and otherwise in the condition required under the Concession Agreement. If Sub-Concessionaire does not remove Sub-Concessionaire's Trade Fixtures from the Concession Areas prior to the expiration or earlier termination of the Term, Concessionaire may, at its option, remove the same (and repair any damage occasioned thereby and restore the Concession Areas as aforesaid) and dispose thereof or deliver the same to any other place of business of Sub-Concessionaire, or warehouse the same, and Sub-Concessionaire shall pay the cost (together with interest thereon at the [default rate/delinquent rate until paid) of such removal, repair, restoration, delivery or warehousing to Concessionaire on demand, or Concessionaire may treat said Trade Fixtures as having been conveyed to Concessionaire with this Sub-Concession Agreement as a bill of sale, without further payment or credit by Concessionaire to Sub-Concessionaire.

**20. HOLDING OVER.** Sub-Concessionaire shall have no right to occupy the Concession Areas or any portion thereof or to operate the Concession after the expiration or earlier termination of this Sub-Concession Agreement or after termination of Sub-Concessionaire's right to possession in consequence of an Event of Default hereunder. In the event Sub-Concessionaire or any party claiming by, through or under Sub-Concessionaire holds over, Concessionaire may exercise any and all remedies available to it at law or in equity to recover possession of the Concession Areas, and to recover damages, including without limitation, damages payable by Concessionaire to Authority, as well as any and all amounts incurred by Concessionaire under the Concession Agreement by reason of such holdover.

## 21. INDEMNITY AND RELEASE.

A. **Waiver by Sub-Concessionaire.** Sub-Concessionaire hereby releases and waives any and all claims against Concessionaire and Authority and each of their respective officers, directors, partners, agents and employees (collectively, the “**Indemnified Parties**”) for injury or damage to person, property or business sustained in or about the Airport or the Concession Areas by Sub-Concessionaire or by its employees, agents, representatives or invitees, other than by reason of the gross negligence or willful and wanton misconduct of any of the Indemnified Parties and except in any case which would render this release and waiver void under law.

B. **Indemnity by Sub-Concessionaire.** Except in the event of the gross negligence or willful and wanton misconduct of any of the Indemnified Parties, Sub-Concessionaire agrees to indemnify, defend and hold harmless each of the Indemnified Parties, from and against any and all claims, demands, costs and expenses of every kind and nature, including reasonable attorneys’ fees and litigation expenses, arising out of any claims for bodily injury, death or property damage relating to (i) Sub-Concessionaire’s use and occupancy of the Concession Areas and/or operation of the Concession, (ii) Sub-Concessionaire’s construction of any alterations or leasehold improvements in the Concession Areas, or (iii) any act or neglect of Sub-Concessionaire or its agents, officers, employees, guests, servants, invitees or customers in or about the Concession Areas and/or the Airport. In addition, Sub-Concessionaire agrees to indemnify, defend and hold harmless Concessionaire from any liability incurred by Concessionaire, under or with respect to the Concession Agreement, Concession Areas or as a result of any audit by the Authority, due to Sub-Concessionaire’s acts or omissions, including, without limitation, any breach or default on the part of Sub-Concessionaire in the performance of any agreement or covenant of Sub-Concessionaire under this Sub-Concession Agreement and/or under the Concession Agreement. In case any such proceeding is brought against any of said Indemnified Parties, Sub-Concessionaire covenants, if requested by Concessionaire, to defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Concessionaire.

C. **Indemnity by Concessionaire.** Concessionaire agrees to indemnify, defend and hold harmless Sub-Concessionaire from any liability incurred by Sub-Concessionaire as a result of any event of default by Concessionaire under the Concession Agreement, except for any such event of default that is caused by or results from a breach of Sub-Concessionaire’s obligations hereunder.

## 22. HAZARDOUS MATERIALS.

A. **Prohibited Use.** Sub-Concessionaire shall not cause or permit the receipt, storage, use, location or handling on the Concession Areas and at the Airport of any product, material or merchandise which is explosive, highly inflammable, or a hazardous or toxic material, as that term is hereafter defined, except as may be otherwise permitted by the Concession Agreement. Notwithstanding the foregoing, Sub-Concessionaire shall not be in breach of this provision as a result of the presence in the Concession Areas or at the Airport of minor amounts of hazardous or toxic materials which are in compliance with all applicable laws, ordinances and regulations, and/or are customarily present in the operation of a concession

similar to the Concession provided that Sub-Concessionaire's use, storage and handling of such materials is in compliance with all applicable laws, ordinances and regulations. "**Hazardous or toxic material**" shall include all materials or substances which have been determined to be hazardous to health or the environment and are regulated or subject to all applicable laws, rules and regulations from time to time, including, without limitation hazardous waste (as defined in the Resource Conservation and Recovery Act); hazardous substances (as defined in the Comprehensive Emergency Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act); gasoline or any other petroleum product or by-product or other hydrocarbon derivative; toxic substances (as defined by the Toxic Substances Control Act); insecticides, fungicides or rodenticide (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act); and asbestos, radon and substances determined to be hazardous under the Occupational Safety and Health Act or regulations promulgated thereunder.

**23. Environmental Indemnity.** Without limiting in any way Sub-Concessionaire's obligations under any other provision of this Sub-Concessionaire Agreement, Sub-Concessionaire agrees to indemnify, defend and hold harmless the Indemnified Parties from and against all claims, damages, costs and expenses of every kind and nature, known or unknown, contingent or otherwise (including, without limitation, reasonable attorneys' fees, litigation, arbitration and administrative proceedings costs, expert and consultant fees and laboratory costs, as well as damages for the loss of the Concession Areas and sums paid in settlement of claims), which arise during or after the Term in whole or in part as a result of the presence or suspected presence of any hazardous or toxic materials, in, on, under, from or about the Concession Areas or the Airport due to Sub-Concessionaire's acts or omissions, on or about the Concession Areas or the Airport, unless such claims, damages, costs and expenses arise out of or are caused by the gross negligence or willful and wanton misconduct of any of the Indemnified Parties. The indemnities contained herein shall survive the expiration or earlier termination of this Sub-Concession Agreement.

**24. DEFAULTS.** Sub-Concessionaire agrees that any one or more of the following events, each of which shall be considered a material breach of this Agreement, shall be considered Events of Default hereunder:

A. Sub-Concessionaire shall default in any payment of the Concession Fees or any other monetary obligations or payments required to be made by Sub-Concessionaire hereunder when due as herein provided and such default shall not be cured within the time, if any, permitted for such cure; or

B. Sub-Concessionaire shall default in any of the other covenants and agreements herein contained to be kept, observed and performed by Sub-Concessionaire, and such default shall continue for thirty (30) days (or such shorter period as set forth in the Concession Agreement) after notice thereof in writing to Sub-Concessionaire (or within such period, if any, as may be reasonably required to cure such default if it is of such nature that it cannot be cured within such thirty-day period and Sub-Concessionaire proceeds with reasonable diligence thereafter to cure such default, not to exceed an additional one hundred twenty (120) days, or such shorter period as set forth in the Concession Agreement); or

C. Sub-Concessionaire shall breach a provision of the Concession Agreement or, by its breach of the terms of this Sub-Concession Agreement, cause a default under the Concession Agreement and such default shall not be cured within the time, if any, permitted for such cure under the Concession Agreement; or

D. Omitted; or

E. Sub-Concessionaire shall default under the terms of the License Agreement and such default shall not be cured within the time, if any, permitted for such cure under the License Agreement; or

F. Sub-Concessionaire commences a voluntary bankruptcy proceeding under the United States Bankruptcy Code or takes similar action under applicable state or foreign law; consents to entry of an order for relief against it in an involuntary bankruptcy proceeding under the United States Bankruptcy Code or take similar action in any proceeding under applicable state or foreign law; takes any corporate action, action in a legal proceeding or other steps towards, or consents to or fails to contest, the appointment of a receiver, trustee, assignee, administrator, examiner, liquidator, custodian or similar person or entity appointed under any federal, state or foreign law related to bankruptcy, expropriation, attachment, sequestration, distress, insolvency, winding-up, liquidation, readjustment of indebtedness, arrangements, composition, reorganization or other similar law for itself or any substantial part of its property; or makes any general assignment for the benefit of creditors; or

G. A court enters an order or decree that is an order for relief against Sub-Concessionaire in an involuntary bankruptcy proceeding under the United States Bankruptcy Code, or has similar effect under applicable state or foreign law; appoints a receiver, trustee, assignee, administrator, examiner, liquidator, custodian, or similar person or entity for Sub-Concessionaire or any substantial part of its property; garnishes, attaches, seizes, forecloses upon or takes similar action against Sub-Concessionaire or any substantial part of its property; or directs the winding-up or liquidation of Sub-Concessionaire or any substantial part of its property; or

H. A final, non-appealable judgment or arbitration award is entered against Sub-Concessionaire by any federal, state or foreign court, tribunal or arbitration panel in an amount exceeding One Million Dollars (\$1,000,000), which goes unsatisfied for more than ten (10) days; or

I. Sub-Concessionaire admits that it is insolvent or unable to pay its debts as they become due; or

J. Sub-Concessionaire violates the provisions of Section 12 of this Sub-Concession Agreement by attempting to make an unpermitted transfer or assignment, or by allowing an unpermitted use or occupancy to occur; or

K. Sub-Concessionaire defaults under the terms of any other agreement with Concessionaire, and such default shall not be cured within the time, if any, permitted for such cure under such agreements.

**25. REMEDIES.** Upon the occurrence of any one or more Events of Default, Concessionaire may exercise, without limitation of any other rights available to it hereunder or at law or in equity, any or all of the following remedies:

A. **Concession Agreement Remedies.** Any remedy against Sub-Concessionaire available to the Authority that Authority may exercise for default by Concessionaire pursuant to the terms of the Concession Agreement, each of which is incorporated herein.

B. **Termination of this Sub-Concession Agreement.** Concessionaire may, by providing notice to Sub-Concessionaire after any monetary Event of Default or a material non-monetary Event of Default, terminate this Agreement, effective on the date specified by Concessionaire in such notice. A material non-monetary Event of Default shall include, without limitation, any default under this Sub-Concession Agreement which could result, if not cured within any applicable cure period, in the termination of the Concession Agreement.

C. **Default Rate/Delinquent Rate Interest.** All payments becoming due from Sub-Concessionaire under this Sub-Concession Agreement and remaining unpaid as and when due shall bear interest until paid at the default rate set forth in the Concession Agreement. In addition, in the event that Concessionaire pays the Concession Fees or any portion thereof or any other fees owed to the Authority directly to the Authority upon an Event of Default, Sub-Concessionaire shall immediately upon demand reimburse Concessionaire therefor, which amount shall include interest at the default rate set forth in the Concession Agreement.

D. **Self-Help.** If Sub-Concessionaire fails timely to perform any of its duties under this Sub-Concession Agreement, in addition to all other remedies available to Concessionaire hereunder, Concessionaire shall have the right (but not the obligation), after the expiration of any grace or notice and cure period elsewhere under this Sub-Concession Agreement expressly granted to Sub-Concessionaire for the performance of such duty (except in the event of an emergency, or where prompt action is required to prevent injury to persons or property, in which case Concessionaire need not wait for the expiration of any applicable grace or notice and cure period under this Sub-Concession Agreement), to perform such duty on behalf and at the expense of Sub-Concessionaire without further prior notice to Sub-Concessionaire, and all sums reasonably expended or expenses reasonably incurred by Concessionaire in performing such duty.

**26. NOTICES AND CONSENTS.** All notices, demands, requests, consents or approvals which may or are required to be given by either party to the other shall be in writing and shall be deemed given when received or refused if sent by (i) United States registered or certified mail, postage prepaid, return receipt requested, or (ii) overnight commercial courier service, (a) if to Sub-Concessionaire, to the address set forth in Section 1(D) of this Sub-Concession Agreement, or such other place as Sub-Concessionaire may from time to time designate by notice in writing to Concessionaire or (b) if to Concessionaire, addressed to Concessionaire at the address specified in Section 1(C) or at such other place as Concessionaire may from time to time designate by notice in writing to Sub-Concessionaire. Each party agrees to deliver to the other party a copy of any notice (including, without limitation, any notice received via electronic mail), demand, request, consent or approval received from the Authority

within two (2) business days after receipt. In addition, each party agrees to deliver to the other party a copy of any notice (including, without limitation, any notice delivered via electronic mail), demand, request, consent or approval delivered to the Authority within two (2) business days after delivery to the Authority.

**27. THE AUTHORITY.** This Sub-Concession Agreement shall not (a) create privity of contract between Authority and Sub-Concessionaire, or (b) be deemed to have amended the Concession Agreement in any regard; provided, however, that the Authority shall be deemed a third party beneficiary for purposes of Sections 21 and 22 hereof.

**28. SIGNAGE.** Sub-Concessionaire shall have all rights to install, operate and maintain signage as set forth in the Concession Agreement.

**29. BROKERAGE.** Each party warrants to the other that it has had no dealings with any broker or agent in connection with this Sub-Concession Agreement and covenants to pay, hold harmless and indemnify the other party from and against any and all costs (including reasonable attorneys' fees), expense or liability for any compensation, commissions and charges claimed by any other broker or other agent with respect to this Sub-Concession Agreement or the negotiation thereof on behalf of such party.

**30. MISCELLANEOUS.**

A. **Representations.** Sub-Concessionaire represents and warrants to Concessionaire that this Sub-Concession Agreement has been duly authorized, executed and delivered by and on behalf of Sub-Concessionaire and constitutes the valid, enforceable and binding agreement of Sub-Concessionaire in accordance with the terms hereof. Concessionaire represents and warrants to Sub-Concessionaire that this Sub-Concession Agreement has been duly authorized, executed and delivered by and on behalf of Concessionaire and constitutes the valid, enforceable and binding agreement of Concessionaire in accordance with the terms hereof.

B. **No Waiver.** Failure of Concessionaire to declare any default or Event of Default or delay in taking any action in connection therewith shall not waive such default or Event of Default. No receipt of moneys by Concessionaire from Sub-Concessionaire after the expiration or earlier termination of the Term or of Sub-Concessionaire's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given to Sub-Concessionaire or any suit commenced or judgment entered prior to receipt of such moneys.

C. **Rights and Remedies Cumulative.** All rights and remedies of Concessionaire under this Sub-Concession Agreement shall be cumulative and none shall exclude any other rights or remedies allowed by law.

D. **Successors and Assigns.** This Sub-Concession Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of parties hereunder.

E. **Integration.** This Sub-Concession Agreement, the APA, the Concession Agreement and the License Agreement, and all documents relating thereto, contain all of the



terms, covenants, conditions and agreements between Concessionaire and Sub-Concessionaire relating in any manner to the rental, use and occupancy of the Concession Areas. This Sub-Concession Agreement, and the License Agreement are intended to be and shall be interpreted as an integrated and non-severable unitary agreement governing the rental, use and occupancy of the Concession Areas, each of which is dependent upon the validity and enforceability of the other. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect. The terms, covenants and conditions of this Sub-Concession Agreement cannot be altered, changed, modified or added to except by a written instrument signed by Concessionaire and Sub-Concessionaire.

F. **Governing Law; Forum.** This Sub-Concession Agreement shall be construed and enforced in accordance with the laws of the state in which the Airport is located.

G. **Waiver of Jury.** Concessionaire and Sub-Concessionaire each hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either Concessionaire against Sub-Concessionaire or Sub-Concessionaire against Concessionaire on any matter whatsoever arising out of, or in any way connected with, this Sub-Concession Agreement, the relationship of Concessionaire and Sub-Concessionaire, Sub-Concessionaire's use of the Concession Areas or operation of the Concession, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

H. **Confidentiality.** Sub-Concessionaire shall keep the content and all copies of this Sub-Concession Agreement and the Concession Agreement, all related documents and amendments, and all proposals, materials, information and matters relating hereto strictly confidential, and shall not disclose, divulge, disseminate or distribute any of the same, or permit the same to occur, except to the extent reasonably required for proper business purposes by Sub-Concessionaire's employees, attorneys, agents, insurers, auditors, lenders and permitted successors and assigns (and Sub-Concessionaire shall obligate any such parties to whom disclosure is permitted to honor the confidentiality provisions hereof) and except as may be required by law or court proceedings, and to the extent such materials and information are not already in the public domain.

I. **Notwithstanding.** Notwithstanding anything to the contrary set forth in this Sub-Concession Agreement, the Concession Agreement, and/or the APA, or set forth in any acceptance, acknowledgement, or consent with respect to any assignment or transfer of the Concession Agreement by Concessionaire, or any part thereof, the provisions hereof are and shall be subject to the covenants, representations, warranties, indemnifications, conditions, and limitations set forth in the foregoing documents, and Concessionaire is not relieved of its liability or obligations under the foregoing documents and/or any of them, to the Asheville Regional Airport Authority and/or the Greater Asheville Regional Airport Authority and/or their respective successors or assigns.

*(Signature page follows)*

**IN WITNESS WHEREOF**, the parties have executed this Sub-Concession Agreement as of the day and year first above written.

**CONCESSIONAIRE**

**THE HERTZ CORPORATION,**  
a Delaware corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**SUB-CONCESSIONAIRE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**

Description and/or Depiction of Concession Areas

**As described in the Concession Agreement.**

**Exhibit B**

Concession Agreement





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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 21, 2013

### ITEM DESCRIPTION – New Business Item B

Approve Scope of Services No. 13 and Associated Fees with RS&H Architects-Engineers-Planners, Inc.

### BACKGROUND

Through the appropriate FAA and Authority process, RS&H has been selected to conduct program management services throughout the course of the Airfield Re-development Project. Fees for Phase I preliminary design services were approved by the Board on December 14<sup>th</sup>, 2012. Phase II services includes oversight and coordination of design services by the other two design engineering firms, as well as Resident Project Representation for construction associated with the taxiway/temporary runway. An Independent Fee Estimate (IFE) to confirm the reasonableness of the proposed cost was also obtained.

The fees included for Phase II services will be pro-rated/phased over approximately the next 2-3 years as the project continues. There will be at least one more phase of services to negotiate in the future to be associated with similar activities for the permanent runway component of the program.

### ISSUES

None.



## **ALTERNATIVES**

The Airport Board could elect not to award PM services for Phase II to RS&H, which would result in staff undertaking an independent process to select another firm for these services, and which would require a major change in the overall management of the multi-year program.

## **FISCAL IMPACT**

The Not-To-Exceed cost for this phase of services is \$1,842,318.00. Fees included in this action would be mostly paid from the \$10,485,000 contained in the FY 2013/2014 budget for this project, and the remainder from future budgets that also will be associated with this project.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve Scope of Services Number 13 with RS&H in an amount not to exceed \$1,842,318.00 for Phase II program management services; and (2) authorize the Executive Director to execute the necessary documents.

**Consultant Scope of Services**  
**Airfield Re-Development Program**  
**Program Management Services – Phase 2**  
**Taxiway Design/Construction & 30% Runway Design**

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Scope of services Number 13 for Professional Consulting Services, as referenced in the Professional Consulting Services Agreement between the Asheville Regional Airport Authority and RS&H Architects-Engineers-Planners, Inc., dated September 2, 2008 and amended by Supplemental Agreement No. 1, dated December 19, 2012.

Project: Airfield Re-Development Program

Scope of Services: Provide Phase 2 Program Management services for the design and construction of the new parallel taxiway and 30% design of the relocated runway as outlined in Attachment “A” – Project Work Scope.

Consultant Team: RS&H

Schedule: See Attachment “A” – Project Work Scope

Fees: Cost-Plus-a-Fixed-Fee (NTE) Amount of \$1,842,318 (See Attachment “B”)

**Authority:**

Greater Asheville Regional Airport Authority

\_\_\_\_\_  
By: Lew Bleiweis, A.A.E.  
Title: Executive Director

Attested By:

\_\_\_\_\_

**Consultant:**

RS&H Architects-Planners-Engineers Inc

\_\_\_\_\_  
By: William C. Sandifer, A.A.E.  
Title: Vice President

Attested By:

\_\_\_\_\_

This instrument has been pre-audited in the manner required by the Local Government and Fiscal Control Act.

\_\_\_\_\_  
Director of Finance and Administration



**PROGRAM MANAGEMENT SCOPE OF SERVICES FOR  
AIRFIELD RE-DEVELOPMENT PROJECT  
ASHEVILLE REGIONAL AIRPORT**

The Program Manager will act as the Authority's representative to provide leadership, oversight and control of the Program in all matters relating to scheduling, budgeting, funding, designing, bidding and construction of those projects assigned to the Program Manager by the Authority. The Program Manager will also be available to assist the Authority in the resolution and alternatives of issues and concerns.

**1.0 Basic Services**

The Scope of Services listed below describes the general range of services to be provided by the Program Manager. In addition, the Program Manager shall also perform all services and functions identified for the Program Manager in the Contract and the Program Management & Procedures Manual. All services to be provided under this document shall be defined as the Program Manager's "Basic Services," unless otherwise noted.

**1.1. Pre-Design and Design Phase Services**

**1.1.1. Program Definition Document** - The Program Manager shall prepare a Project Definition Document (PDD) for use by the Airport staff, regulatory agencies, design professionals and other stakeholders. The PDD will identify the general design requirements and provide a conceptual level of design for the overall Program. The PDD will also provide data pertaining to the Program's background, objective, intended use and function, existing facilities, primary users or tenants, project constraints, adjacent projects, construction budget, implementation schedule, phasing, commissioning, recommendation as to the most efficient and cost effective division of work between the assigned design professionals, and other considerations, in order to provide all users of the PDD a clear understanding of the scope of work, phasing, impacts, schedules and budgetary constraints. The completed PDD will be utilized as a source document for the development of scopes of work and negotiations with design professionals. The PDD may be reviewed by the Designers at the discretion of the Authority.

**1.1.2. Collection of Survey and Geotechnical Data** – The program manager shall coordinate and oversee the procurement and collection of survey and geotechnical information for the entire Program. This will ensure uniformity in all data collected. The survey and geotechnical data shall be provided to the designers for verification and use in preparation of design documents. These services will be provided by subconsultants contracted directly with the Program Manager.

**1.1.3. Scope of Work Development** - The Program Manager shall assist the Authority in scoping sessions with the designers and review of the design scopes to ensure that all relevant design components are included and that design components and responsibilities are coordinated between design packages.

**1.1.4. Program Management & Procedures Manual** - The Program Manager shall prepare a preliminary Program Management & Procedures Manual for the Program which shall establish the basis for the management of the Program. In preparing the Program Management & Procedures Manual, the Program Manager shall consider the Authority's schedule, cost, and design requirements for the Program. Upon approval by the Authority of the preliminary Program Management & Procedures Manual, the Program Manager shall prepare the Manual in final form which shall include a narrative description of the Manual and a description of the various major components of the Program. The Program Manager shall further prepare the comprehensive Procedures Manual for the Program and shall revise same during the entire course of the Program as agreed by the Authority and the Program Manager.

**1.1.5. Management Control System** - The Program Manager shall develop and maintain a comprehensive management control system capable of handling requests for information, supplemental agreements, change orders, design transmittals, meeting minutes, payment requests, correspondence, scheduling, and estimates.

**1.1.6. Master Scheduling** - In accordance with the Program Management & Procedures Manual, the Program Manager shall prepare a Master Summary Schedule ("Master Schedule") for each Component of the Program and the Program as a whole. This schedule shall specify the milestones, activities, and dates that will be used to plan and monitor overall performance on the Program, and provide for the following:

- a. The Program Manager shall work cooperatively with the Designers, Authority, and Contractors to develop various alternative approaches for the phasing and logistics of the construction and shall make appropriate recommendations to Authority.
- b. The Program Manager shall assist the Authority in identifying long lead times and facilitating their acquisition so as to not negatively impact the Program.
- c. The Program Manager shall provide liaison and coordination between separate Design projects that interface to ensure compatibility and technical accuracy at the interface.
- d. The Program Manager shall update the Master Schedule for the Program as a whole on a monthly basis or as needed to maintain and keep the schedule current.

**1.1.7. Master Cost System** - The Program Manager shall be responsible for the Master Program Cost System which will include without limitation, establishing project budgets, allocating and summarizing cost information, measuring progress and performance, controlling contingencies, and

tracking funding requirements.

**1.1.8. Designer Oversight** - The Program Manager shall monitor and coordinate the services and activities of the Design Consultants, and any other Consultants retained by the Authority for the Program, in the development and production of Drawings and Specifications for the Program, shall implement design management procedures to be followed by the Designers and such Consultants, and shall conduct periodic Design Review meetings during all phases of design of the Program. The Program Manager shall review the design documents for clarity, consistency, constructability, maintainability, value engineering opportunities and adaptability to the Authority's program for each design submittal. The results of the review shall be provided in writing. The performance of such coordination review by the Program Manager shall not make the Program Manager liable for the design obligations or performance, or both, of the Designer of Record.

**1.1.9. Construction Cost Estimate Reviews** - The Program Manager shall evaluate the Designer's construction cost estimates for the various phases of the Program and provide opinions as to the reasonableness of the cost estimates. The Program Manager shall work cooperatively with the Designers to reconcile the Designer's cost estimates with the Program Manager's opinions at the completion of the various phases of the Program.

**1.1.10. Permitting Assistance** - The Program Manager shall monitor and work with the Designers and Contractors in the permitting process as necessary for timely permitting, including managing the expediting process and attending meetings with the permitting agencies. The Program Manager shall maintain duplicate copies of all permits, insurance certificates, bonds, labor affidavits, and other government agency documents as appropriate.

**1.1.11. Land Acquisition Support** – The Program Manager will provide any necessary land acquisition support services at the sole discretion of the Authority. The Authority may elect to provide any land acquisition services internally, or through other consultants or companies, if such services are more cost efficiently provided that way. If a specialty land acquisition subconsultant is required for appraisals or other land valuation services a contract amendment for those additional special services will be required.

**1.1.12. FAA NAVAIDS Coordination** – The Program Manager shall provide coordination with the FAA, Authority and Designers for the planning, design, construction and commissioning of all temporary and permanent NAVAIDS.

**1.1.13. Safety Management System Support** – The Program Manager shall assist the Authority is coordinating and complying with the FAA's Safety Management System (SMS) requirements including the Safety Risk Management (SRM) process to identify and document hazards, analyze

and assess potential risks and prescribe appropriate mitigation strategies.

**1.1.14. DBE Program Assistance** - The Program Manager shall assist the Authority with any required DBE program planning, compliance monitoring or updates as required for the Program.

**1.1.15. Front End Contract Documents** – The Program Manager shall in conjunction with the Authority provide all required front end contract documents for each of the bid packages including invitation and instructions to bidders, bid forms, selection criteria, post bid submittals, project forms, form of agreement, FAA General Provisions, supplemental conditions, federal mandatory provisions, Davis-Bacon wage rate requirements and other information as necessary.

## **1.2. Financial Planning Services**

**1.2.1. Grant Application Assistance** - The Program Manager shall assist the Authority in preparing grant applications and documentation related to State and Federal funding.

**1.2.2. Benefit Cost Analysis** – The Program Manager will develop and perform a pavement life cycle cost analysis to determine the preferred pavement type for the program i.e. concrete vs. asphalt. The Program Manager will also develop and perform any other benefit cost analysis studies as requested by the Authority.

## **1.3. Bidding Phase Services**

**1.3.1. Bidding Process Coordination** - The Program Manager shall assist the Authority in determining the most advantageous number and type of bid packages for each component of the Program. The Program Manager shall lead the Authority's efforts, with assistance from the Designers, the competitive bidding of Construction Contracts, including without limitation to scope, schedule, project controls requirements, quality, cost considerations, pre-bid conference support and bid evaluation. The Program Manager shall assist the Authority and the Designers in developing and coordinating addenda procedures to provide responses to bidders' questions.

**1.3.2. Bid Document Delivery** - The Program Manager shall distribute all bid documents and addenda to the bidders. This task shall be performed in conjunction with the Designers who will assemble and transmit the bid documents and any addenda to the Program Manager for distribution to the bidders.

**1.3.3. Pre-Bid Conference Assistance** - In conjunction with the Authority and the Designers, the Program Manager shall attend and lead the pre-bid conference(s) for all portions of the Program.

**1.3.4. Bid Receipt Assistance** - The Program Manager shall participate in the bid opening(s) and shall assist the Authority and Designer in evaluating bidder qualifications and the bids for completeness, responsiveness, and price. Further, the Program Manager shall ensure the bid process is conducted in a manner consistent with the Authority's processes, procedures, and high ethical standards that is fair and competitive. The process as further defined in the Program Management & Procedures Manual shall ensure confidentiality, timely distribution of beneficial information to all bidders and that best and final bids are received at the same date and time. The Program Manager will also assist the Authority in bidder pre-qualification if required.

#### **1.4. Construction Phase Services**

**1.4.1. Pre-Construction Conference Assistance** - In accordance with the Program Management & Procedures Manual, and in conjunction with the Authority and Designers, the Program Manager shall conduct all pre-construction conferences.

**1.4.2. Resident Project Representation and Inspection** - The Program Manager shall provide full-time Resident Project Representation (RPR) and inspection services for each construction package. This includes ensuring that the project is constructed in accordance with the requirements contained in the contract documents. The RPR shall perform all acceptance and quality assurance testing as required by the FAA General Provisions and Technical Specifications. Two (2) full-time RPR personnel will be provided for the duration of each construction package with additional staff provided as needed and as approved by the Authority.

**1.4.3. Owner's Representative** - As the Owner's representative at the construction site, the Program Manager shall be the party through which change orders, payment requests, and other information shall be processed and communicated from the Contractor to the Owner, the Designers, or both, and from the Owner, the Designers, or both to the Contractor.

**1.4.4. Phasing and Logistics Coordination** - The Program Manager will provide on-site phasing and logistics coordination with Authority's management team to facilitate airport operations.

**1.4.5. Construction Progress Meetings** - The RPR and, as necessary, the Program Manager, shall attend and lead a weekly construction progress meeting with the Contractors. Other overall coordination meetings with the Contractors, and, as appropriate, the Authority and the Designers will be attended by the RPR and as necessary the Program Manager.

**1.4.6. Progress Reporting** - The Program Manager shall report to the Authority in writing, on a monthly basis, a status of jobsite progress. The report shall include the Program Manager's review of the Contractors' progress payment requests, a status report on all open Change Orders, and an

evaluation of the Project Master Schedule. Such evaluation will include a revised copy of the Summary Master Schedule reflecting the current progress, approved revisions and progress photos obtained from the field.

**1.4.7. Corrective Action Review and Recommendations** - The Program Manager shall, in conjunction with the Designers, make recommendations for corrective action on nonconforming Work. The Program Manager shall make recommendations to the Authority and the Designers in instances where the Program Manager observes Work that, in the Program Manager's opinion, should be rejected.

**1.4.8. Change Order Control System** -The Program Manager shall establish and implement a Change Order control system as further defined in the Program Management & Procedures Manual. The Program Manager shall make recommendations to the Authority concerning time extensions and shall verify that work and time adjustments, if any, required by approved change orders, have been incorporated into the Contractor's Construction Schedule. The Program Manager will evaluate and provide recommendations to the Authority on the need for additional contract work or change orders. However, the Program Manager shall not have the authority or responsibility to approve any additional work and/or change orders. All additional work and/or change orders required will be approved by the Authority.

**1.4.9. Risk and Claims Management** - The Program Manager shall oversee risk and claims management and shall implement, coordinate, and chair dispute resolution issues.

**1.4.10. Construction Closeout Assistance** - The Program Manager shall coordinate and expedite punch list development to include turn-over and acceptance testing, the transmittal of record documents from the Designers to the Authority, systems demonstration and acceptance, assembly of all pertinent warranty data and operation and maintenance manuals, and shall be responsible for the coordination, scheduling, and implementation of the transition of all operational functions and entities.

## **2.0 Compensation and Method of Payment**

### **2.1. Basic Services**

Professional service fees for basic services performed by the Program Manager shall be cost plus with maximum not-to-exceed amounts for each of the phases of work as outlined in Section 2.1.1. The not-to-exceed amounts are based on estimates of the services to be provided as outlined in the above scope of work for each of the phases. Not-to-exceed amounts for construction phase services are estimated based on an assumed number of construction packages and assumed construction durations. If the actual number of construction packages and/or durations changes from the assumptions used to generate the not-to-exceed amount, a contract amendment may be required. The Consultant shall draw down on the not-to-exceed fee, as necessary, until it is exhausted for each phase. If additional services are required or requested in excess of the not-to-exceed amounts for any of the phases, a

contract amendment shall be formulated and approved to allow a continuation of services. Additional services are subject to approval by the Authority and FAA. Additional services shall not be performed by the Program Manager in advance of a signed contract amendment from the Authority. Additional work performed by the Program Manager without Authority approval may not be eligible for payment. Each phase of work will require a separate written notice-to-proceed issued by the Authority before the Consultant is authorized to do any work on said phase.

### **2.1.1 Project Phases**

***Phase 1 - Pre-Design Services:*** The Program Manager shall provide pre-design services in this Phase including preparation of the Program Definition Document and Program Management & Procedures Manual, collection of survey and geotechnical data, designer scope of work development assistance, implementation of management control system, development of master Program schedules and budgets and other pre-design coordination with designers or agencies that may be required.

***Phase 2 – Design, Bidding and Construction Oversight Services for Temporary Runway/Taxiway:*** The Program Manager shall provide services in this phase for design oversight and coordination, bidding and construction phase services, as outlined in the scope of work, for the new parallel taxiway / temporary runway.

***Phase 3 – Design, Bidding and Construction Oversight Services for Runway Reconstruction:*** The Program Manager shall provide services in this phase for design oversight and coordination, bidding and construction phase services, as outlined in the scope of work, for the reconstruction of Runway 16-34 including conversion of the temporary runway to a permanent taxiway.

### **2.2. Special Services**

Any additional special services requiring the use of subconsultants, such as land valuation services, will be submitted to the Authority for approval as a contract amendment prior to any work being accomplished on the special services.

### **2.3. Reimbursable Expenses**

Direct non-salary expenses for each of the three (3) phases, listed under Section 2.1 shall be estimated and included in the not-to-exceed amounts. Expenses shall be charged at actual cost without mark-up. Expenses in excess of those estimated will not be incurred without written authorization from the Authority. If additional authorized expenses are incurred in excess of the not-to-exceed amounts, a contract amendment shall be formulated and approved for reimbursement of said expenses.

## **3.0 Program Management Staff**

**3.1** The Authority shall have the right to approve the Consultant's key staff positions of Program Manager and RPR. The Authority will be reasonable in evaluating the qualifications of any proposed key staff. The key employees will not be changed, removed, or replaced, by the Consultant, as long as said key staff are in Consultant's

employment, without the prior written approval of the Authority. The Consultant will provide written notice to the Authority of key staff changes and provide the qualifications of any proposed substitutions prior to any said substituted staff performing services on the Project.

**3.2** The Authority shall have the right to request removal of any of the Consultant's staff for any reason. The Authority shall provide reasonable justification for said removal and the Consultant shall be obligated to remove said staff and propose a replacement suitable to the Authority.

#### **4.0 Program Manager Responsibility for Services**

**4.1** This Agreement requires the Program Manager to furnish a broad spectrum of services that entails the use of professional judgment related to managing the design of facilities as well as the use of judgment associated with managing the construction process to affirm that the construction conforms to the contract documents, including scheduling and estimating related to contract administration. The Authority and Program Manager agree that the services rendered are solely to assist the Authority in the management of the Program. However, the Program Manager shall be responsible and liable for its own negligent performance of services furnished under this Agreement and shall remain liable to the Authority for damages to the Authority caused by the failure to meet the foregoing standard of care for performing the services furnished under this Agreement.

**4.2** The parties recognize that the Program Manager is not a guarantor of the work by the Designers or Contractors and the Program Manager shall not be responsible for errors and omissions in the contract documents due to negligence by the Designers or defective or non-conforming work performed by the Contractors or for the means and methods of construction employed by the Contractors.

**4.3** Furthermore, the parties recognize that the Program Manager has no contractual relationship with the Designers and Contractors and cannot and will not be in control of their activities. Therefore the Program manager cannot warrant or represent that the actual project schedules and budgets will be consistent with the estimated project schedules, target dates and budgets.



**PROGRAM AND CONSTRUCTION MANAGEMENT SERVICES**

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISTANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>PHASE 2 - TAXIWAY DESIGN / CONSTRUCTION &amp; 30% RUNWAY DESIGN (NTE)</b>																
<b>1.1. Pre-Design and Design Phase Services</b>																
1.1.1	<b>Program Definition Document</b>															
	1.1.1.1	Runway Location, Length, Geometry & Profile								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.2	Taxiway Location, Length, Geometry & Profile								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.3	NAVAIDS								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.4	Runway & Taxiway Lighting & Signage								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.5	Pavement Design								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.6	Stormwater Management								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.7	Erosion & Sedimentation Control								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.8	Utilities								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.9	AOA Fence & Security Elements								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.10	Construction Phasing								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.11	Environmental Permitting								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.12	Base Mapping								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.13	Geotechnical Data								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.14	Schedule Considerations								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.15	Budget Considerations								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.1.16	Validate Estimate of Probable Construction Cost								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.1.2	<b>Collection of Survey and Geotechnical Data</b>															
1.1.3	<b>Scope of Work Development</b>															
1.1.4	<b>Program Management &amp; Procedures Manual</b>															
1.1.5	<b>Management Control System</b>															
	1.1.5.1	Implement Management Control System								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.5.2	Maintain Management Control System		60		60		120	240	\$ 11,815	\$ 12,111	\$ -	\$ -	\$ -	\$ 23,926	10hrs x 12mo x 2yr, Document control
1.1.6	<b>Master Scheduling</b>															
	1.1.6.1	Develop Master Program Schedule								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.6.2	Develop Master Schedules for each Program Component								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.6.3	Construction Phasing and Logistics Support		4		40			44	\$ 3,434	\$ 3,520	\$ -	\$ -	\$ -	\$ 6,954	
	1.1.6.4	Coordinate Schedules between Design Packages		2		20			22	\$ 1,717	\$ 1,760	\$ -	\$ -	\$ -	\$ 3,477	
	1.1.6.5	Master Schedule Updates				240			240	\$ 18,148	\$ 18,602	\$ -	\$ -	\$ -	\$ 36,750	10hrs x 12mo x 2yr
1.1.7	<b>Master Cost System</b>															
	1.1.7.1	Establishment of Program & Project Budgets								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1.1.7.2	Tracking Progress & Performance of Program & Project Budget	20	40		180			240	\$ 20,070	\$ 20,572	\$ -	\$ -	\$ -	\$ 40,642	10hrs x 12mo x 2yr
1.1.8	<b>Designer Oversight</b>															
	1.1.8.1	Monitor & Coordinate Services of the Design Consultants		60		660			1056	\$ 77,224	\$ 79,155	\$ -	\$ -	\$ -	\$ 156,379	44hrs x 12 mo x 2yr
	1.1.8.2	Design Coordination Meetings		96		384			480	\$ 38,867	\$ 39,839	\$ -	\$ -	\$ -	\$ 78,706	20hrs x 12mo x 2yr
	1.1.8.3	Design Document Reviews		32		192			320	\$ 24,298	\$ 24,906	\$ -	\$ -	\$ -	\$ 49,204	2 Bid Packages x 4 Submittals x 40 hours
1.1.9	<b>Construction Cost Estimate Reviews</b>															
	1.1.9.1	Evaluate Designer's Construction Cost Estimates		4		28			32	\$ 2,527	\$ 2,590	\$ -	\$ -	\$ -	\$ 5,117	2 Bid Packages x 4 Submittals each x 4 hours
	1.1.9.2	Reconcile Designer Cost Estimates with PM Estimates		2		14			16	\$ 1,263	\$ 1,295	\$ -	\$ -	\$ -	\$ 2,558	2 Bid Packages x 4 Submittals each x 2 hours
1.1.10	<b>Permitting Assistance</b>															
1.1.11	<b>Land Acquisition Support</b>															
	1.1.11.1	Land Acquisition Support	2	20		20			42	\$ 3,797	\$ 3,892	\$ -	\$ -	\$ -	\$ 7,688	
1.1.12	<b>FAA NAVAIDS Coordination</b>															
	1.1.12.1	FAA NAVAIDS Coordination	2	20		80			102	\$ 8,334	\$ 8,542	\$ -	\$ -	\$ -	\$ 16,876	
1.1.13	<b>Safety Management System Support</b>															
	1.1.13.1	Safety Management System Support	4	10		20			34	\$ 3,009	\$ 3,084	\$ -	\$ -	\$ -	\$ 6,093	
	<b>TOTAL HOURS</b>		28	300		2018			304	228						
	<b>TOTAL DIRECT LABOR</b>									\$ 224,288	\$ 229,895	\$ -	\$ -	\$ -	\$ 454,183	

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>OTHER DIRECT NON-SALARY COSTS</b>																
<b>REPRODUCTION</b>																
	# PAGES	# SETS	COST/PAGE													
Drawings	200	4	\$1.00					\$ 800								
Reports/Specifications	600	4	\$0.10					\$ 240								
<b>TOTAL REPRODUCTION</b>								\$ 1,040	\$ -	\$ 1,040	\$ -	\$ -	\$ -	\$ -	\$ 1,040	
<b>POSTAGE/DELIVERY</b>																
	# PKGS	COST/PKG														
	10	\$15.00						\$ 150								
<b>TOTAL POSTAGE/DELIVERY</b>								\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ 150	
<b>SPECIALTY SUBCONSULTANTS</b>																
Geotechnical Testing	Firm TBD							\$ -								
Surveying	Firm TBD							\$ -								
<b>TOTAL SPECIALTY SUBCONSULTANTS</b>								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>SOFTWARE</b>																
Management Control Software								\$ -								
<b>TOTAL SOFTWARE</b>								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TRAVEL</b>																
Airfare	4	Trips @	\$400.00					\$ 1,600								4 trip/yr x 1 years - PO
Hotel	50	Nights @	\$120.00					\$ 6,000								1 night/wk x 50wk x 1 years - PM
Car Rental	50	Trips @	\$75.00					\$ 3,750								1 trip/wk x 50wk x 1 years - PM
Gas	50	Trips @	\$45.00					\$ 2,250								1 trip/wk x 50wk x 1 years - PM
Food Per Diem	100	Days @	\$30.00					\$ 3,000								2 days/wk x 50wk x 1 years - PM
<b>TOTAL TRAVEL</b>								\$ 16,600	\$ -	\$ 16,600	\$ -	\$ -	\$ -	\$ -	\$ 16,600	
<b>TOTAL OTHER DIRECT COSTS's</b>									\$ -	\$ 17,790	\$ -	\$ -	\$ -	\$ -	\$ 17,790	
<b>Total Proposed Fee for:</b>	<b>1.1. Pre-Design and Design Phase Services</b>									\$ 224,288	\$ 247,685	\$ -	\$ -	\$ -	\$ 471,973	

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>PHASE 2 - TAXIWAY DESIGN / CONSTRUCTION &amp; 30% RUNWAY DESIGN (NTE)</b>																
<b>1.2. Financial Planning Services</b>																
1.2.1 Grant Application Assistance		20	40					10	70	\$ 5,388	\$ 5,522	\$ -	\$ -	\$ -	\$ 10,910	
1.2.2 Benefit Cost Analysis																
1.2.2.1 Pavement Life Cycle Cost Analysis										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.2.2.2 Other BCA's as Required										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL HOURS</b>		20	40					10	70							
<b>TOTAL DIRECT LABOR</b>										\$ 5,388	\$ 5,522	\$ -	\$ -	\$ -	\$ 10,910	
<b>OTHER DIRECT NON-SALARY COSTS</b>																
<b>REPRODUCTION</b>																
	# PAGES	# SETS	COST/PAGE													
Drawings										\$ -						
Reports/Specifications										\$ -						
<b>TOTAL REPRODUCTION</b>										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>POSTAGE/DELIVERY</b>																
	# PKGS	COST/PKG														
<b>TOTAL POSTAGE/DELIVERY</b>										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL OTHER DIRECT COSTS's</b>										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Proposed Fee for:</b>	<b>1.2. Financial Planning Services</b>									\$ 5,388	\$ 5,522	\$ -	\$ -	\$ -	\$ 10,910	

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>PHASE 2 - TAXIWAY DESIGN / CONSTRUCTION &amp; 30% RUNWAY DESIGN (NTE)</b>																
<b>1.3. Bidding Phase Services</b>																
<b>1.3.1 Bidding Process Coordination</b>																
1.3.1.1 Bid Package 1	4	4	64	8					80	\$ -	\$ 12,840	\$ -	\$ -	\$ -	\$ 12,840	
1.3.1.2 Bid Package 2	4	4	64	8					80	\$ -	\$ -	\$ 13,161	\$ -	\$ -	\$ 13,161	
1.3.1.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.1.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.3.2 Bid Document Delivery</b>																
1.3.2.1 Bid Package 1			16		20			8	44	\$ -	\$ 5,387	\$ -	\$ -	\$ -	\$ 5,387	
1.3.2.2 Bid Package 2			16		20			8	44	\$ -	\$ -	\$ 5,521	\$ -	\$ -	\$ 5,521	
1.3.2.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.2.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.3.3 Pre-Bid Conference Assistance</b>																
1.3.3.1 Bid Package 1			8	4					12	\$ -	\$ 1,796	\$ -	\$ -	\$ -	\$ 1,796	
1.3.3.2 Bid Package 2			8	4					12	\$ -	\$ -	\$ 1,840	\$ -	\$ -	\$ 1,840	
1.3.3.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.3.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.3.4 Bid Receipt Assistance</b>																
1.3.4.1 Bid Package 1		4	16						20	\$ -	\$ 3,320	\$ -	\$ -	\$ -	\$ 3,320	
1.3.4.2 Bid Package 2		4	16						20	\$ -	\$ -	\$ 3,403	\$ -	\$ -	\$ 3,403	
1.3.4.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.3.4.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL HOURS</b>	<b>8</b>	<b>16</b>	<b>208</b>	<b>24</b>	<b>40</b>			<b>16</b>	<b>312</b>							
<b>TOTAL DIRECT LABOR</b>										<b>\$ -</b>	<b>\$ 23,343</b>	<b>\$ 23,926</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,269</b>	
<b>OTHER DIRECT NON-SALARY COSTS</b>																
<b>REPRODUCTION</b>																
	<b># PAGES</b>	<b># SETS</b>	<b>COST/PAGE</b>													
Drawings	200	20	\$1.00	\$ 4,000												
Reports/Specifications	300	20	\$0.10	\$ 600												
<b>TOTAL REPRODUCTION</b>				<b>\$ 4,600</b>												
										\$ -	\$ 2,300	\$ 2,300	\$ -	\$ -	\$ 4,600	
<b>POSTAGE/DELIVERY</b>																
	<b># PKGS</b>	<b>COST/PKG</b>														
	25	\$15.00	\$ 375													
<b>TOTAL POSTAGE/DELIVERY</b>			<b>\$ 375</b>													
										\$ -	\$ 188	\$ 188	\$ -	\$ -	\$ 375	
<b>TRAVEL</b>																
Car Rental	4	Trips @	\$75.00	\$ 300												
Gas	4	Trips @	\$45.00	\$ 180												
Food Per Diem	4	Days @	\$30.00	\$ 120												
<b>TOTAL TRAVEL</b>				<b>\$ 600</b>												
										\$ -	\$ 300	\$ 300	\$ -	\$ -	\$ 600	Pre-bid meeting and bid opening x 2 packages
										\$ -	\$ 180	\$ 180	\$ -	\$ -	\$ 360	Pre-bid meeting and bid opening x 2 packages
										\$ -	\$ 120	\$ 120	\$ -	\$ -	\$ 240	Pre-bid meeting and bid opening x 2 packages
<b>TOTAL OTHER DIRECT COSTS's</b>										<b>\$ -</b>	<b>\$ 2,788</b>	<b>\$ 2,788</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,575</b>	
<b>Total Proposed Fee for:</b>	<b>1.3. Bidding Phase Services</b>									<b>\$ -</b>	<b>\$ 26,130</b>	<b>\$ 26,714</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,844</b>	

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>PHASE 2 - TAXIWAY DESIGN / CONSTRUCTION &amp; 30% RUNWAY DESIGN (NTE)</b>																
<b>1.4. Construction Phase Services</b>																
<b>1.4.1 Pre-Construction Conference Assistance</b>																
1.4.1.1 Bid Package 1		8	8					16		\$ -	\$ 2,919	\$ -	\$ -	\$ -	\$ 2,919	
1.4.1.2 Bid Package 2		8	8					16		\$ -	\$ -	\$ 2,992	\$ -	\$ -	\$ 2,992	
1.4.1.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.1.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.2 Resident Project Representation and Inspection</b>																
1.4.2.1 Bid Package 1 (300 Calendar Days)						1935	1032	172	3139	\$ -	\$ 434,380	\$ -	\$ -	\$ -	\$ 434,380	RPR: 45hrs x 43weeks, Inspector: 24hrs x 43weeks
1.4.2.2 Bid Package 2 (240 Calendar Days)						1575	840	140	2555	\$ -	\$ -	\$ 362,405	\$ -	\$ -	\$ 362,405	RPR: 45hrs x 35weeks, Inspector: 24hrs x 35weeks
1.4.2.3 Bid Package 3 (300 Calendar Days)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.2.4 Bid Package 4 (240 Calendar Days)										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.3 Owner's Representative</b>																
1.4.3.1 Bid Package 1	86	86	344						516	\$ -	\$ 92,209	\$ -	\$ -	\$ -	\$ 92,209	12hrs x 43weeks
1.4.3.2 Bid Package 2	70	70	280						420	\$ -	\$ -	\$ 76,930	\$ -	\$ -	\$ 76,930	12hrs x 35weeks
1.4.3.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.3.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.4 Phasing and Logistics Coordination</b>																
1.4.4.1 Bid Package 1		8	35						43	\$ -	\$ 7,105	\$ -	\$ -	\$ -	\$ 7,105	1hrs x 43weeks
1.4.4.2 Bid Package 2		6	29						35	\$ -	\$ -	\$ 5,899	\$ -	\$ -	\$ 5,899	1hrs x 35weeks
1.4.4.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.4.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.5 Construction Progress Meetings</b>																
1.4.5.1 Bid Package 1		8	78						86	\$ -	\$ 13,771	\$ -	\$ -	\$ -	\$ 13,771	2hrs x 43weeks
1.4.5.2 Bid Package 2		8	62						70	\$ -	\$ -	\$ 11,573	\$ -	\$ -	\$ 11,573	2hrs x 35weeks
1.4.5.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.5.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.6 Progress Reporting</b>																
1.4.6.1 Bid Package 1			43						43	\$ -	\$ 6,666	\$ -	\$ -	\$ -	\$ 6,666	1hrs x 43weeks
1.4.6.2 Bid Package 2			35						35	\$ -	\$ -	\$ 5,561	\$ -	\$ -	\$ 5,561	1hrs x 35weeks
1.4.6.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.6.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.7 Corrective Action Review and Recommendations</b>																
1.4.7.1 Bid Package 1		16	70						86	\$ -	\$ 14,210	\$ -	\$ -	\$ -	\$ 14,210	2hrs x 43weeks
1.4.7.2 Bid Package 2		12	58						70	\$ -	\$ -	\$ 11,798	\$ -	\$ -	\$ 11,798	2hrs x 35weeks
1.4.7.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.7.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.8 Change Order Control System</b>																
1.4.8.1 Bid Package 1		16	70						86	\$ -	\$ 14,210	\$ -	\$ -	\$ -	\$ 14,210	2hrs x 43weeks
1.4.8.2 Bid Package 2		12	58						70	\$ -	\$ -	\$ 11,798	\$ -	\$ -	\$ 11,798	2hrs x 35weeks
1.4.8.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.8.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.9 Risk and Claims Management</b>																
1.4.9.1 Bid Package 1	12	20	54						86	\$ -	\$ 15,476	\$ -	\$ -	\$ -	\$ 15,476	2hrs x 43weeks
1.4.9.2 Bid Package 2	12	16	42						70	\$ -	\$ -	\$ 13,095	\$ -	\$ -	\$ 13,095	2hrs x 35weeks
1.4.9.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.9.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>1.4.10 Construction Closeout Assistance</b>																
1.4.10.1 Bid Package 1		4	40	16	20				80	\$ -	\$ 11,652	\$ -	\$ -	\$ -	\$ 11,652	
1.4.10.2 Bid Package 2		4	40	16	20				80	\$ -	\$ -	\$ 11,943	\$ -	\$ -	\$ 11,943	
1.4.10.3 Bid Package 3										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.4.10.4 Bid Package 4										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL HOURS</b>	180	302	1354	32	40	3510	1872	312	7,602							
<b>TOTAL DIRECT LABOR</b>										\$ -	\$ 612,597	\$ 513,994	\$ -	\$ -	\$ 1,126,591	

Note: 2.5% annual cost escalation included starting in Year 2.

	PROJECT OFFICER	SENIOR MANAGER	PROGRAM MANAGER	SENIOR ENGINEER	JUNIOR ENGINEER	SENIOR RPR	CONST INSPECTOR	ADMIN ASSISANT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	COMMENTS
<b>Hourly Labor Rate</b>	\$75.00	\$65.00	\$48.00	\$43.00	\$37.00	\$48.00	\$37.00	\$20.00								
<b>Overhead (186.43%)</b>	\$139.82	\$121.18	\$89.49	\$80.16	\$68.98	\$89.49	\$68.98	\$37.29								
<b>Profit (10%)</b>	\$21.48	\$18.62	\$13.75	\$12.32	\$10.60	\$13.75	\$10.60	\$5.73								
<b>Total Burdened Hourly Labor Rate</b>	\$236.30	\$204.80	\$151.24	\$135.48	\$116.58	\$151.24	\$116.58	\$63.01								
<b>OTHER DIRECT NON-SALARY COSTS</b>																
<b>REPRODUCTION</b>																
	# PAGES	# SETS	COST/PAGE													
Drawings	200	8	\$1.00					\$ 1,600								
Reports/Specifications	300	8	\$0.10					\$ 240								
<b>TOTAL REPRODUCTION</b>								\$ 1,840	\$ -	\$ 920	\$ 920	\$ -	\$ -	\$ -	\$ 1,840	
<b>POSTAGE/DELIVERY</b>																
	# PKGS	COST/PKG														
	24	\$15.00						\$ 360								
<b>TOTAL POSTAGE/DELIVERY</b>								\$ 360	\$ -	\$ 180	\$ 180	\$ -	\$ -	\$ -	\$ 360	
<b>SPECIALTY SUBCONSULTANTS</b>																
Construction Materials Testing	TBD							\$ 100,000								
<b>TOTAL SPECIALTY SUBCONSULTANTS</b>								\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000	To be adjusted based on actual fee
<b>RPR EXPENSES</b>																
Lodging (Apartment)	24	Months @	\$1,000.00					\$ 24,000								12 month lease x 2 years
Food Per Diem	1080	Days @	\$30.00					\$ 32,400								2 people x (300+240) calendar days
Vehicle Lease	24	Months @	\$500.00					\$ 12,000								12 month lease x 2 years
Maintenance & Fuel	24	Months @	\$300.00					\$ 7,200								12 month lease x 2 years
<b>TOTAL RPR EXPENSES</b>								\$ 75,600	\$ -	\$ 37,800	\$ 37,800	\$ -	\$ -	\$ -	\$ 75,600	
<b>TRAVEL</b>																
Airfare	4	Trips @	\$400.00					\$ 1,600								2 trip/yr x 2 years - PO
Car Rental	4	Trips @	\$75.00					\$ 300								2 trip/yr x 2 years - PO
Gas	4	Trips @	\$45.00					\$ 180								2 trip/yr x 2 years - PO
Food Per Diem	4	Days @	\$30.00					\$ 120								2 trip/yr x 2 years - PO
<b>TOTAL TRAVEL</b>								\$ 2,200	\$ -	\$ 1,100	\$ 1,100	\$ -	\$ -	\$ -	\$ 2,200	
<b>TOTAL OTHER DIRECT COSTS's</b>										\$ -	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 180,000	
<b>Total Proposed Fee for:</b>	<b>1.4. Construction Phase Services</b>									\$ -	\$ 702,597	\$ 603,994	\$ -	\$ -	\$ 1,306,591	
<b>TOTAL PHASE 2 FEE:</b>										\$ 229,676	\$ 981,935	\$ 630,707	\$ -	\$ -	\$ 1,842,318	



## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 21, 2013

### ITEM DESCRIPTION – New Business Item C

Approve Non-Federal Reimbursable Agreement with Department of Transportation, Federal Aviation Administration

### BACKGROUND

The Authority is proceeding with its multi-year Airfield Re-development Project. A significant component of this overall project is the planning, designing, constructing, and flight checking of multiple navigational aids (Nav aids) that provide precision electronic navigational guidance to aircraft approaching the airport in low visibility conditions. These Nav aids require both temporary and then permanent relocation as the project continues in phases. This also includes the creation of new instrument flight procedures associated with their relocation.

The affected Nav aids are owned, operated, and maintained by the Federal Aviation Administration (FAA), although the FAA has tasked the Authority with some of the infrastructure design work associated with the relocations. Much of the work, including the development of the new flight procedures, relocation of the Nav aid equipment, and flight checking, remains the responsibility of the appropriate FAA branches. Common practice in projects of this nature is for the sponsor airport to pay the appropriate FAA costs associated with their work on the project. Subsequently, those expenses are considered eligible for reimbursement under the Airport Improvement Program (AIP) grant.

A Preliminary Reimbursable Agreement with the FAA was approved by the Airport Board at its April 26<sup>th</sup>, 2013 meeting. That agreement allowed the FAA to begin working on preliminary and advanced planning for this project, and to develop a more detailed



Reimbursable Agreement for the actual design and installation of the Navaid equipment, which this agreement includes.

## **ISSUES**

None.

## **ALTERNATIVES**

There are no other alternatives.

## **FISCAL IMPACT**

The total cost associated with this agreement is \$184,300.38, of which the Authority will pay its matching fund share. The majority balance will be reimbursed through pending FAA grants as the associated expenses are incurred throughout the project. This cost will be mostly paid from the \$10,485,000 contained in the FY 2013/2014 budget for this project, with the remainder from future budgets associated with this project.

## **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to (1) approve the Non-Federal Reimbursable Agreement with the Department of Transportation, Federal Aviation Administration in the amount of \$184,300.38, and (2) authorize the Executive Director to execute the necessary documents.





## **MEMORANDUM**

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance and Accounting

DATE: June 21, 2013

### **ITEM DESCRIPTION – New Business Item D**

Approval of Amendment to the FY12/13 Budget for Legal Fees

### **BACKGROUND**

The FY12/13 budget includes \$50,000 of legal fees in the Executive Department. The legal fees related to the transition to the Greater Asheville Regional Airport Authority are considerably higher than were anticipated when the FY12/13 budget was prepared. As a result, a budget amendment is needed to increase the Executive Department by the \$15,000 estimated additional legal fees.

### **ISSUES**

None.

### **ALTERNATIVES**

None.

### **FISCAL IMPACT**

The budget amendment will increase both FY12/13 budgeted revenues and expenditures by \$15,000 to provide for the additional estimated legal fees. The net increase in Transfers from GARAA Cash is \$15,000.

### **RECOMMENDED ACTION**

It is respectfully requested that the Airport Authority Board resolve to amend the FY12/13 budget by adopting the following budget ordinance amendment:

New Business – Item D



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, 2013:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Executive Department		\$15,000
Totals	<u>                    </u> <u>                    </u> \$0	<u>                    </u> <u>                    </u> \$15,000

This will result in a net increase of \$15,000 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$15,000
Totals	<u>                    </u> <u>                    </u> \$0	<u>                    </u> <u>                    </u> \$15,000

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 21<sup>st</sup> day of June, 2013.

\_\_\_\_\_  
David Hillier, Chair

Attested by:

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



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.  
Deputy Executive Director, Development and Operations

DATE: June 21, 2013

### ITEM DESCRIPTION – New Business Item F

Approve Change Order No. 1 to Contract With Goforth Builders Inc.

### BACKGROUND

The Airport Board approved a contract with Goforth Builders, Inc. at its February 15<sup>th</sup>, 2013 meeting for construction of the new ARFF facility. As a result of a number of significant changes required in the design of the water service, the cost for this component of work is substantially affected.

### ISSUES

None.

### ALTERNATIVES

None.

### FISCAL IMPACT

The negotiated additional cost for the required changes is \$66,829.58, bringing the new contract total from \$4,122,500.00, to \$4,189,329.58. This increased amount is well within the approved project budget of \$4,534,750.00, which included allowance costs for such items as this.

### RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Change Order No. 1 to the contract with Goforth Builders, Inc. in the amount of \$66,829.58; and (2) authorize the Executive Director to execute the necessary documents.

New Business – Item F



## MEMORANDUM

TO: Members of the Airport Authority  
FROM: Lew Bleiweis, A.A.E., Executive Director  
DATE: June 21, 2013

### **ITEM DESCRIPTION – Information Section Item A**

April, 2013 Traffic Report – Asheville Regional Airport

### **SUMMARY**

April 2013 overall passenger traffic numbers were down 3.3% compared to the same period last year. Passenger traffic numbers reflect a 3.4% decrease in passenger enplanements from April 2012. Enplanements for Fiscal Year to Date total 257,121 which is a 15.9% decrease over the same period last year.

### **AIRLINE PERFORMANCE**

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in April 2013 were up by 76.0%. There were no flight cancellations for the month.

Delta Airlines: Delta's April 2013 enplanements increased by 3.5% compared to April 2012. There were five (5) flight cancellations for the month.

United Airlines: In April 2013, United Airlines saw a decrease in enplanements by 52.4% over the same period last year. There were no flight cancellations for the month.

US Airways: US Airways' April 2013 passenger enplanements represent a 2.2% decrease over the same period last year. There were ten (10) flight cancellations for the month.

# Monthly Traffic Report Asheville Regional Airport

April 2013



Category	Apr 2013	Apr 2012	Percentage Change	*CYTD-2013	*CYTD-2012	Percentage Change	*MOV12-2013	*MOV12-2012	Percentage Change
<b>Passenger Traffic</b>									
Enplaned	24,814	25,682	-3.4%	85,361	94,939	-10.1%	308,096	367,121	-16.1%
Deplaned	<u>25,074</u>	<u>25,931</u>	-3.3%	<u>84,902</u>	<u>93,616</u>	-9.3%	<u>307,460</u>	<u>364,159</u>	-15.6%
<b>Total</b>	<b>49,888</b>	<b>51,613</b>	<b>-3.3%</b>	<b>170,263</b>	<b>188,555</b>	<b>-9.7%</b>	<b>615,556</b>	<b>731,280</b>	<b>-15.8%</b>
<b>Aircraft Operations</b>									
Airlines	371	342	8.5%	1,495	1,050	42.4%	4,136	3,978	4.0%
Commuter /Air Taxi	<u>923</u>	<u>1,097</u>	-15.9%	3,342	4,432	-24.6%	13,103	16,407	-20.1%
<b>Subtotal</b>	<u>1,294</u>	<u>1,439</u>	-10.1%	<u>4,837</u>	<u>5,482</u>	-11.8%	<u>17,239</u>	<u>20,385</u>	-15.4%
General Aviation	3,071	3,060	0.4%	10,236	10,748	-4.8%	38,679	38,212	1.2%
Military	<u>299</u>	<u>290</u>	3.1%	<u>1,213</u>	<u>1,532</u>	-20.8%	<u>4,268</u>	<u>4,425</u>	-3.5%
<b>Subtotal</b>	<u>3,370</u>	<u>3,350</u>	0.6%	<u>11,449</u>	<u>12,280</u>	-6.8%	<u>42,947</u>	<u>42,637</u>	0.7%
<b>Total</b>	<b>4,664</b>	<b>4,789</b>	<b>-2.6%</b>	<b>16,286</b>	<b>17,762</b>	<b>-8.3%</b>	<b>60,186</b>	<b>63,022</b>	<b>-4.5%</b>
<b>Fuel Gallons</b>									
100LL	15,962	7,909	101.8%	40,815	41,526	-1.7%	163,975	165,221	-0.8%
Jet A (GA)	67,839	61,790	9.8%	264,138	246,184	7.3%	1,112,009	1,116,480	-0.4%
<b>Subtotal</b>	<u>83,801</u>	<u>69,699</u>	20.2%	<u>304,953</u>	<u>287,710</u>	6.0%	<u>1,275,984</u>	<u>1,281,701</u>	-0.4%
Jet A (A/L)	<u>187,257</u>	<u>209,696</u>	-10.7%	<u>635,757</u>	<u>810,186</u>	-21.5%	<u>2,143,958</u>	<u>3,068,411</u>	-30.1%
<b>Total</b>	<b>271,058</b>	<b>279,395</b>	<b>-3.0%</b>	<b>940,710</b>	<b>1,097,896</b>	<b>-14.3%</b>	<b>3,419,942</b>	<b>4,350,112</b>	<b>-21.4%</b>

\*CYTD = Calendar Year to Date and \*Mov12 = Moving Twelve Months.

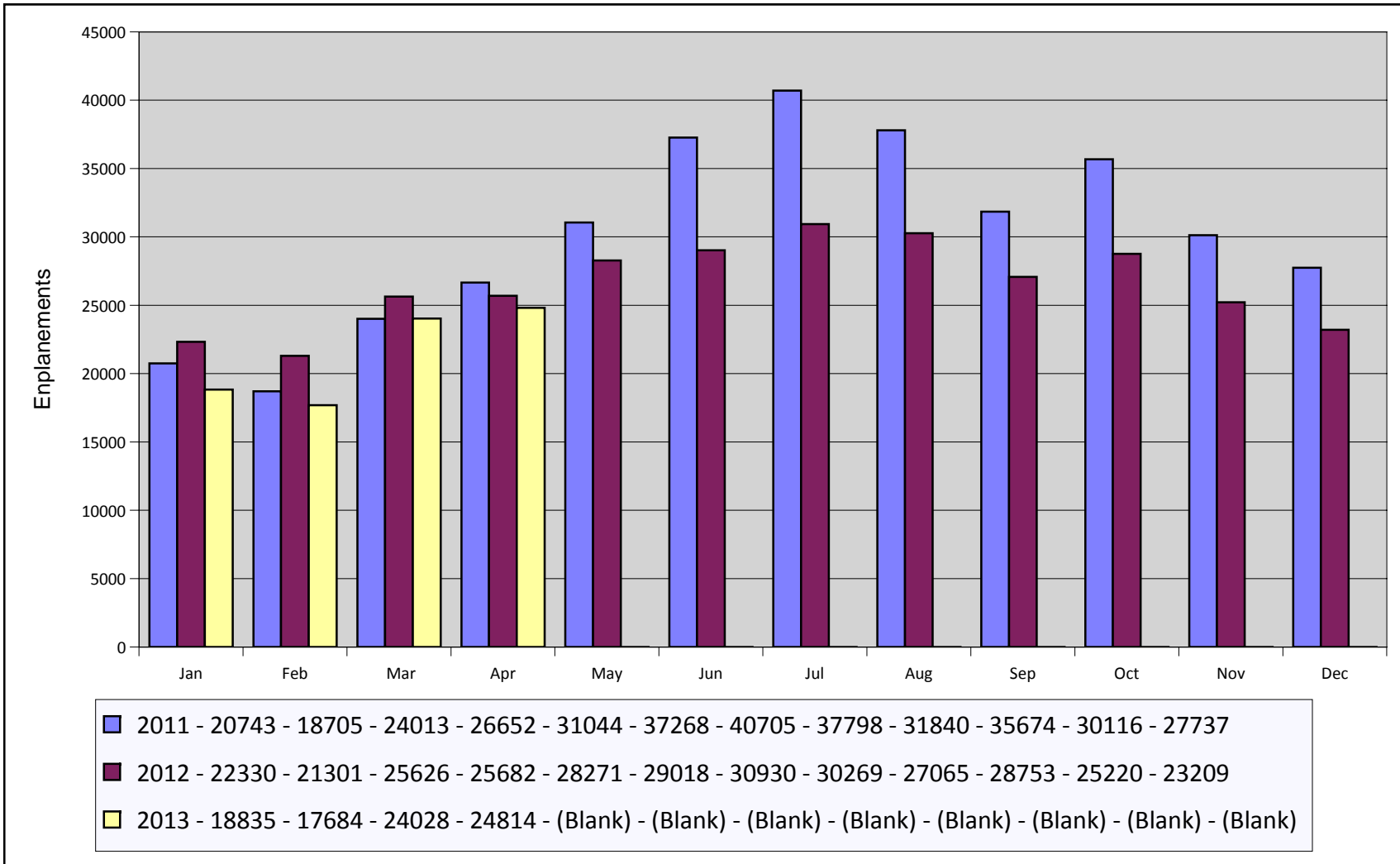
Monday, May 20, 2013

# Airline Flight Completions Asheville Regional Airport April 2013

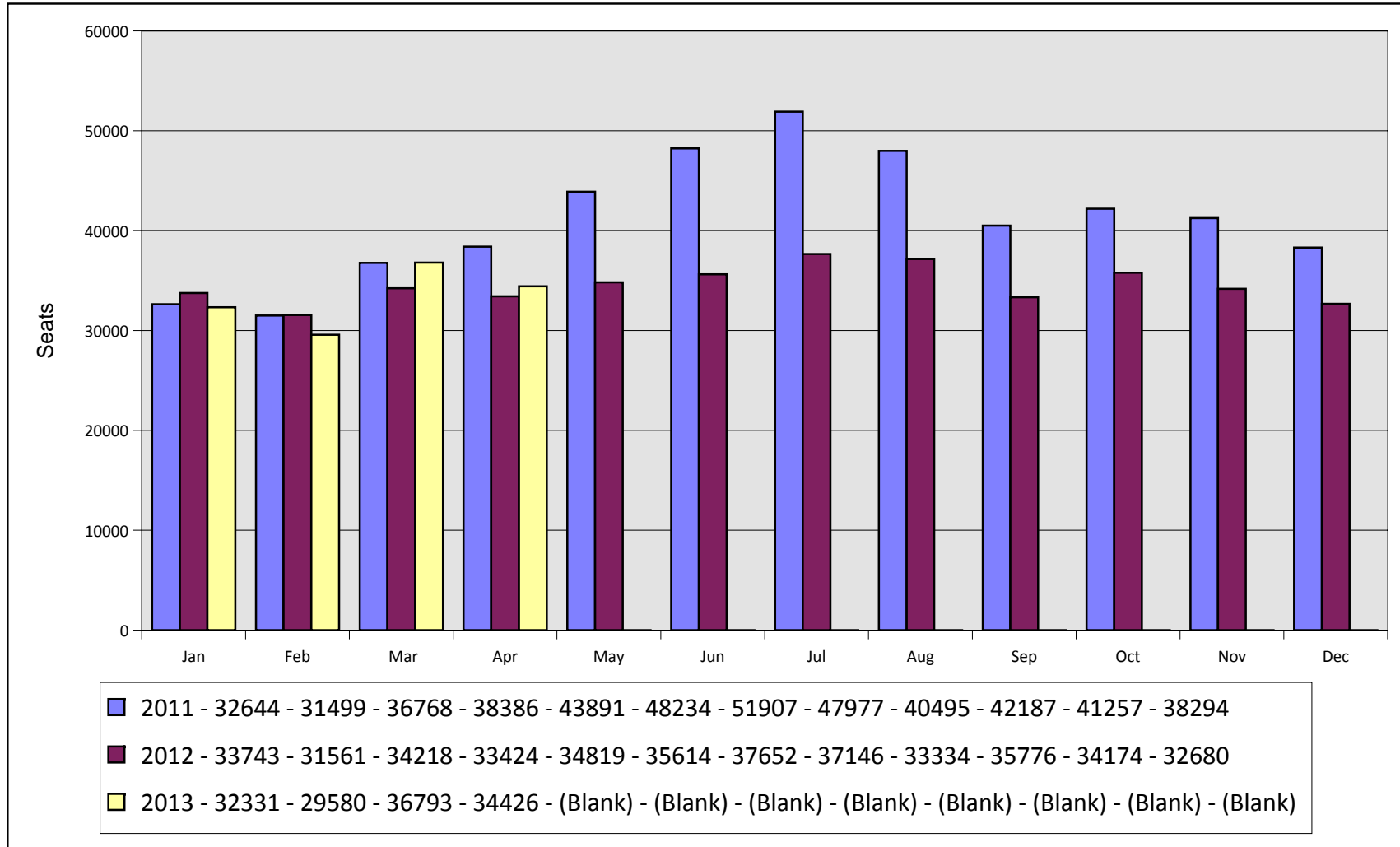


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
AirTran Airways	0	0	0	0	0	0	#Num!
Allegiant Air	17	0	0	0	0	0	100.0%
Continental Airlines	0	0	0	0	0	0	#Num!
Delta Air Lines	285	2	0	3	0	5	98.2%
United Airlines	56	0	0	0	0	0	100.0%
US Airways	267	0	0	9	1	10	97.0%
<b>Total</b>	<b>625</b>	<b>2</b>	<b>0</b>	<b>12</b>	<b>1</b>	<b>15</b>	<b>97.6%</b>

# Monthly Enplanements By Year Asheville Regional Airport

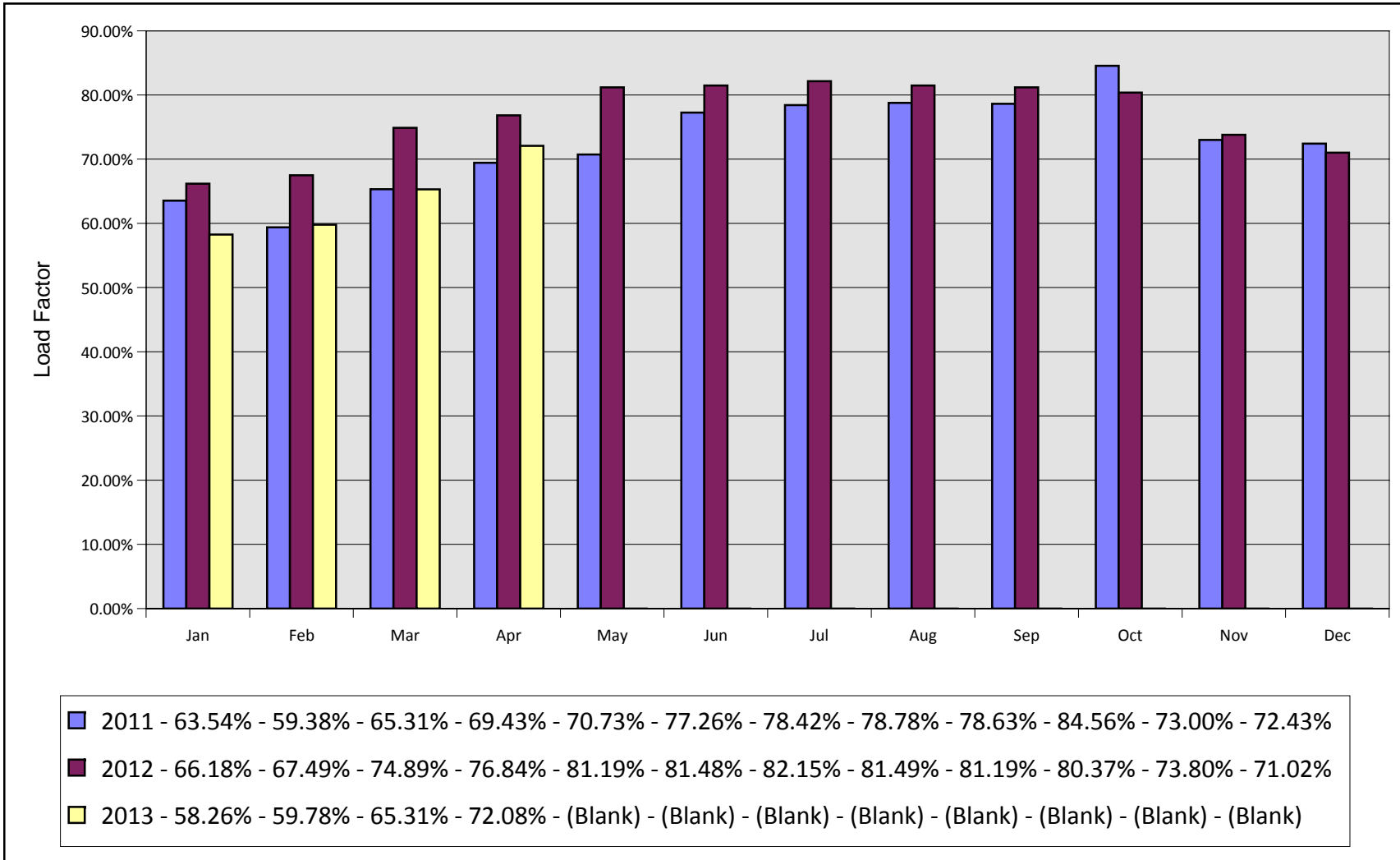


# Monthly Seats By Year Asheville Regional Airport

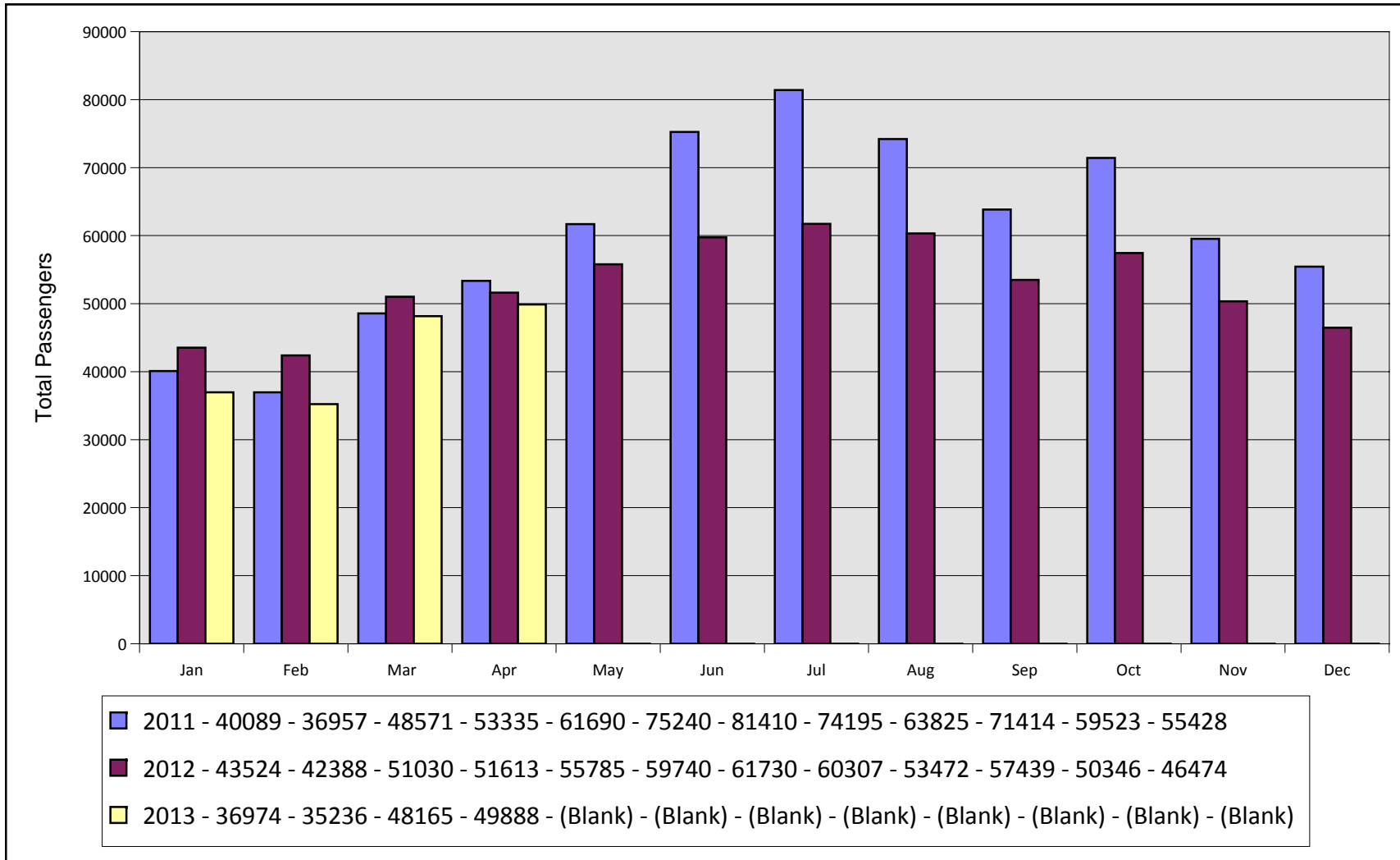




# Monthly Load Factors By Year Asheville Regional Airport

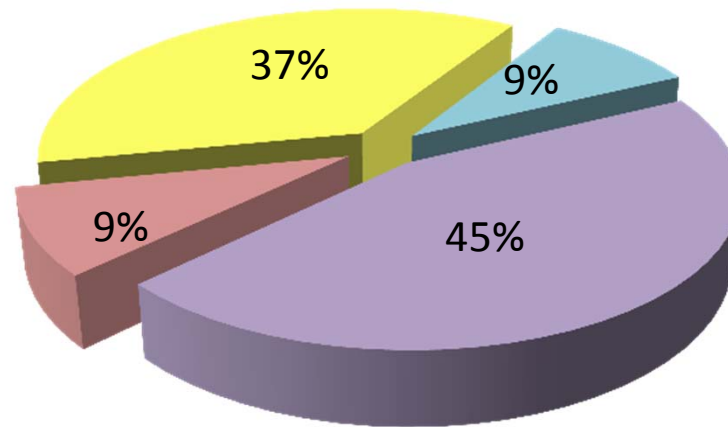


# Total Monthly Passengers By Year Asheville Regional Airport



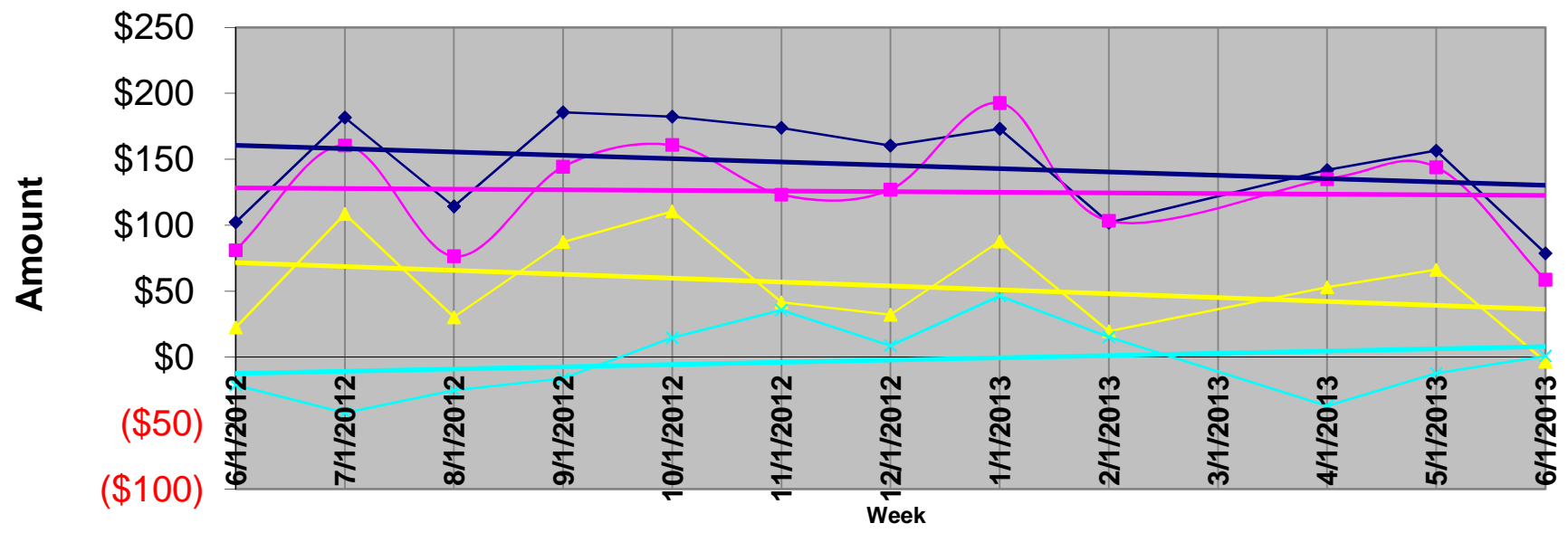
# Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From April 2013 Through April 2013



■ Allegiant Air   ■ Delta Airlines   ■ United Airlines   ■ US Airways

## AVL Average Airfare Differences 21 Day Advance Purchase, 3 Day Stay



◆ ATL    
 ■ CLT    
 ▲ GSP    
 ✕ TRI    
 — Linear (ATL)    
 — Linear (CLT)    
 — Linear (GSP)    
 — Linear (TRI)

**Asheville Regional Airport**  
**Sample airfares as of 6/1/13**  
**21 Day Advance Purchase, 3 day Stay**

							<u>Difference in Fares</u>				
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	
ABQ	Albuquerque	\$666	\$453	\$354	\$495	\$629	\$213	\$312	\$171	\$37	
ATL	Atlanta	\$259		\$330	\$262	\$278	\$259	(\$71)	(\$3)	(\$19)	
AUS	Austin	\$554	\$335	\$409	\$493	\$479	\$219	\$145	\$61	\$75	
BWI	Baltimore	\$319	\$225	\$208	\$221	\$420	\$94	\$111	\$98	(\$101)	
BOS	Boston	\$376	\$314	\$205	\$401	\$426	\$62	\$171	(\$25)	(\$50)	
ORD	Chicago	\$300	\$306	\$347	\$296	\$339	(\$6)	(\$47)	\$4	(\$39)	
CVG	Cincinnati	\$369	\$299	\$390	\$360	\$434	\$70	(\$21)	\$9	(\$65)	
CLE	Cleveland	\$409	\$376	\$478	\$326	\$347	\$33	(\$69)	\$83	\$62	
DFW	Dallas	\$401	\$259	\$352	\$366	\$274	\$142	\$49	\$35	\$127	
DEN	Denver	\$531	\$387	\$480	\$556	\$564	\$144	\$51	(\$25)	(\$33)	
DTW	Detroit	\$418	\$296	\$392	\$403	\$384	\$122	\$26	\$15	\$34	
FLL	Fort Lauderdale	\$366	\$292	\$342	\$478	\$277	\$74	\$24	(\$112)	\$89	
RSW	Ft. Myers	\$369	\$346	\$348	\$554	\$277	\$23	\$21	(\$185)	\$92	
BDL	Hartford	\$366	\$361	\$322	\$418	\$366	\$5	\$44	(\$52)	\$0	
IAH	Houston	\$445	\$342	\$413	\$325	\$365	\$103	\$32	\$120	\$80	
IND	Indianapolis	\$356	\$310	\$296	\$492	\$356	\$46	\$60	(\$136)	\$0	
JAX	Jacksonville	\$356	\$236	\$298	\$514	\$355	\$120	\$58	(\$158)	\$1	
MCI	Kansas City	\$401	\$351	\$322	\$438	\$411	\$50	\$79	(\$37)	(\$10)	
LAS	Las Vegas	\$600	\$499	\$486	\$597	\$616	\$101	\$114	\$3	(\$16)	
LAX	Los Angeles	\$609	\$497	\$480	\$585	\$595	\$112	\$129	\$24	\$14	
MHT	Manchester	\$430	\$364	\$329	\$439	\$460	\$66	\$101	(\$9)	(\$30)	
MEM	Memphis	\$420	\$240	\$425	\$415	\$410	\$180	(\$5)	\$5	\$10	
MIA	Miami	\$366	\$300	\$382	\$434	\$325	\$66	(\$16)	(\$68)	\$41	
MKE	Milwaukee	\$414	\$361	\$302	\$435	\$403	\$53	\$112	(\$21)	\$11	
MSP	Minneapolis/Saint Pat	\$480	\$353	\$402	\$488	\$485	\$127	\$78	(\$8)	(\$5)	
BNA	Nashville	\$332	\$468	\$368	\$221	\$368	(\$136)	(\$36)	\$111	(\$36)	
MSY	New Orleans	\$366	\$295	\$322	\$398	\$362	\$71	\$44	(\$32)	\$4	

LGA	New York	\$344	\$269	\$262	\$340	\$407	\$75	\$82	\$4	(\$63)
EWR	Newark	\$330	\$354	\$415	\$346	\$366	(\$24)	(\$85)	(\$16)	(\$36)
MCO	Orlando	\$330	\$250	\$292	\$245	\$274	\$80	\$38	\$85	\$56
PHL	Philadelphia	\$302	\$382	\$278	\$191	\$356	(\$80)	\$24	\$111	(\$54)
PHX	Phoenix	\$531	\$389	\$373	\$503	\$499	\$142	\$158	\$28	\$32
PIT	Pittsburgh	\$359	\$296	\$240	\$399	\$359	\$63	\$119	(\$40)	\$0
PDX	Portland	\$584	\$561	\$515	\$574	\$639	\$23	\$69	\$10	(\$55)
PVD	Providence	\$401	\$320	\$258	\$436	\$431	\$81	\$143	(\$35)	(\$30)
RDU	Raleigh/Durham	\$316	\$218	\$260	\$397	\$304	\$98	\$56	(\$81)	\$12
RIC	Richmond	\$356	\$318	\$310	\$396	\$336	\$38	\$46	(\$40)	\$20
STL	Saint Louis	\$434	\$321	\$318	\$419	\$446	\$113	\$116	\$15	(\$12)
SLC	Salt Lake City	\$531	\$501	\$516	\$563	\$610	\$30	\$15	(\$32)	(\$79)
SAT	San Antonio	\$404	\$318	\$308	\$487	\$429	\$86	\$96	(\$83)	(\$25)
SAN	San Diego	\$531	\$471	\$525	\$574	\$581	\$60	\$6	(\$43)	(\$50)
SFO	San Francisco	\$679	\$474	\$550	\$676	\$592	\$205	\$129	\$3	\$87
SRQ	Sarasota/Bradenton	\$386	\$319	\$348	\$336	\$274	\$67	\$38	\$50	\$112
SEA	Seattle	\$610	\$409	\$550	\$635	\$597	\$201	\$60	(\$25)	\$13
SYR	Syracuse	\$455	\$389	\$400	\$489	\$538	\$66	\$55	(\$34)	(\$83)
TPA	Tampa	\$320	\$268	\$274	\$316	\$274	\$52	\$46	\$4	\$46
YYZ	Toronto	\$445	\$464	\$550	\$495	\$639	(\$19)	(\$105)	(\$50)	(\$194)
DCA	Washington DC	\$356	\$356	\$214	\$211	\$356	\$0	\$142	\$145	\$0
IAD	Washington DC	\$381	\$356	\$214	\$265	\$401	\$25	\$167	\$116	(\$20)
PBI	West Palm Beach	\$366	\$231	\$341	\$496	\$274	\$135	\$25	(\$130)	\$92

\*These sample airfares were available 6/1/13, based on a 21 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: [www.aa.com](http://www.aa.com); [www.airtran.com](http://www.airtran.com); [www.continental.com](http://www.continental.com); [www.delta.com](http://www.delta.com); [www.united.com](http://www.united.com); [www.usairways.com](http://www.usairways.com); [www.travelocity.com](http://www.travelocity.com); [www.orbitz.com](http://www.orbitz.com); or [www.expedia.com](http://www.expedia.com). Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

\$79      \$59      (\$3)      \$1

**Average Fare difference**

**Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.**

**Asheville Regional Airport**  
**Sample airfares as of 6/1/13**  
**0 Day Advance Purchase, 3 day Stay**

		<u>Difference in Fares</u>								
		<u>ASHEVILLE</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>	<u>ATLANTA</u>	<u>CHARLOTTE</u>	<u>GREENVILLE</u>	<u>TRI-CITIES</u>
ABQ	Albuquerque	\$649	\$617	\$682	\$974	\$889	\$32	(\$33)	(\$325)	(\$240)
ATL	Atlanta	\$436		\$811	\$394	\$562	\$436	(\$375)	\$42	(\$126)
AUS	Austin	\$629	\$688	\$416	\$795	\$629	(\$59)	\$213	(\$166)	\$0
BWI	Baltimore	\$536	\$512	\$256	\$306	\$716	\$24	\$280	\$230	(\$180)
BOS	Boston	\$626	\$493	\$256	\$756	\$626	\$133	\$370	(\$130)	\$0
ORD	Chicago	\$400	\$544	\$630	\$390	\$724	(\$144)	(\$230)	\$10	(\$324)
CVG	Cincinnati	\$438	\$610	\$752	\$537	\$584	(\$172)	(\$314)	(\$99)	(\$146)
CLE	Cleveland	\$536	\$513	\$810	\$398	\$536	\$23	(\$274)	\$138	\$0
DFW	Dallas	\$626	\$606	\$925	\$496	\$836	\$20	(\$299)	\$130	(\$210)
DEN	Denver	\$646	\$505	\$507	\$792	\$952	\$141	\$139	(\$146)	(\$306)
DTW	Detroit	\$658	\$560	\$677	\$678	\$648	\$98	(\$19)	(\$20)	\$10
FLL	Fort Lauderdale	\$596	\$413	\$406	\$676	\$626	\$183	\$190	(\$80)	(\$30)
RSW	Ft. Myers	\$596	\$530	\$390	\$696	\$596	\$66	\$206	(\$100)	\$0
BDL	Hartford	\$887	\$771	\$378	\$696	\$887	\$116	\$509	\$191	\$0
IAH	Houston	\$619	\$602	\$799	\$352	\$913	\$17	(\$180)	\$267	(\$294)
IND	Indianapolis	\$870	\$493	\$360	\$670	\$870	\$377	\$510	\$200	\$0
JAX	Jacksonville	\$536	\$429	\$370	\$925	\$536	\$107	\$166	(\$389)	\$0
MCI	Kansas City	\$626	\$473	\$378	\$776	\$596	\$153	\$248	(\$150)	\$30
LAS	Las Vegas	\$786	\$741	\$617	\$1,059	\$786	\$45	\$169	(\$273)	\$0
LAX	Los Angeles	\$1,106	\$646	\$734	\$1,014	\$1,038	\$460	\$372	\$92	\$68
MHT	Manchester	\$626	\$604	\$286	\$756	\$630	\$22	\$340	(\$130)	(\$4)
MEM	Memphis	\$720	\$505	\$925	\$715	\$720	\$215	(\$205)	\$5	\$0
MIA	Miami	\$596	\$486	\$726	\$785	\$626	\$110	(\$130)	(\$189)	(\$30)
MKE	Milwaukee	\$596	\$547	\$366	\$749	\$596	\$49	\$230	(\$153)	\$0
MSP	Minneapolis/Saint Paul	\$824	\$626	\$951	\$818	\$846	\$198	(\$127)	\$6	(\$22)
BNA	Nashville	\$435	\$582	\$364	\$434	\$435	(\$147)	\$71	\$1	\$0
MSY	New Orleans	\$596	\$590	\$376	\$656	\$596	\$6	\$220	(\$60)	\$0

LGA	New York	\$415	\$471	\$470	\$389	\$779	(\$56)	(\$55)	\$26	(\$364)
EWR	Newark	\$347	\$500	\$750	\$514	\$596	(\$153)	(\$403)	(\$167)	(\$249)
MCO	Orlando	\$536	\$435	\$382	\$381	\$596	\$101	\$154	\$155	(\$60)
PHL	Philadelphia	\$596	\$681	\$354	\$369	\$536	(\$85)	\$242	\$227	\$60
PHX	Phoenix	\$786	\$925	\$374	\$957	\$786	(\$139)	\$412	(\$171)	\$0
PIT	Pittsburgh	\$536	\$562	\$364	\$560	\$536	(\$26)	\$172	(\$24)	\$0
PDX	Portland	\$806	\$724	\$490	\$1,002	\$806	\$82	\$316	(\$196)	\$0
PVD	Providence	\$626	\$590	\$286	\$756	\$596	\$36	\$340	(\$130)	\$30
RDU	Raleigh/Durham	\$436	\$455	\$382	\$715	\$908	(\$19)	\$54	(\$279)	(\$472)
RIC	Richmond	\$536	\$522	\$532	\$662	\$436	\$14	\$4	(\$126)	\$100
STL	Saint Louis	\$536	\$672	\$354	\$590	\$536	(\$136)	\$182	(\$54)	\$0
SLC	Salt Lake City	\$786	\$673	\$841	\$1,014	\$939	\$113	(\$55)	(\$228)	(\$153)
SAT	San Antonio	\$626	\$489	\$400	\$707	\$626	\$137	\$226	(\$81)	\$0
SAN	San Diego	\$786	\$646	\$674	\$1,014	\$786	\$140	\$112	(\$228)	\$0
SFO	San Francisco	\$1,065	\$722	\$622	\$976	\$806	\$343	\$443	\$89	\$259
SRQ	Sarasota/Bradenton	\$596	\$610	\$390	\$656	\$596	(\$14)	\$206	(\$60)	\$0
SEA	Seattle	\$806	\$765	\$743	\$930	\$806	\$41	\$63	(\$124)	\$0
SYR	Syracuse	\$596	\$536	\$388	\$812	\$596	\$60	\$208	(\$216)	\$0
TPA	Tampa	\$500	\$508	\$366	\$594	\$596	(\$8)	\$134	(\$94)	(\$96)
YYZ	Toronto	\$1,013	\$963	\$940	\$814	\$1,052	\$50	\$73	\$199	(\$39)
DCA	Washington DC	\$536	\$486	\$772	\$485	\$536	\$50	(\$236)	\$51	\$0
IAD	Washington DC	\$536	\$486	\$780	\$485	\$536	\$50	(\$244)	\$51	\$0
PBI	West Palm Beach	\$596	\$389	\$406	\$782	\$596	\$207	\$190	(\$186)	\$0

\$66      \$92      (\$53)      (\$56)

**Average Fare difference**

\*These sample airfares were available 6/1/13, based on a 0 day advance purchase and a 3 day stay. Other restrictions may apply. To obtain the most up-to-date pricing information for your travel needs, please contact your travel agent or visit the following web sites: [www.aa.com](http://www.aa.com); [www.airtran.com](http://www.airtran.com); [www.continental.com](http://www.continental.com); [www.delta.com](http://www.delta.com); [www.united.com](http://www.united.com); [www.usairways.com](http://www.usairways.com); [www.travelocity.com](http://www.travelocity.com); [www.orbitz.com](http://www.orbitz.com); or [www.expedia.com](http://www.expedia.com). Airfares are subject to change without notice - and lower airfares are often not available on all dates. Please see our "special airfares" section on our web site for any last minute airfare specials. Sample airfares will be updated each Tuesday.

**Blue highlighted numbers represent fare differentials in excess of \$35 for GSP, \$70 for CLT, \$100 for ATL, and \$35 for TRI.**



Schedule Weekly Summary Enhanced Report for travel June 2013 vs. June 2012

Mktg Al	Travel Period			Jun 2013		Jun 2012		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	62	3,562	59	2,950	3	612	5.1%	20.7%
DL	AVL	ATL	164	62	3,639	59	2,950	3	689	5.1%	23.4%
DL	AVL	DTW	470	14	700	14	700	0	0	0.0%	0.0%
DL	AVL	LGA	599	7	350	0	0	7	350		
DL	DTW	AVL	470	14	700	14	700	0	0	0.0%	0.0%
DL	LGA	AVL	599	7	350	0	0	7	350		
G4	AVL	FLL	660	3	498	0	0	3	498		
G4	AVL	SFB	465	3	498	2	300	1	198	50.0%	66.0%
G4	FLL	AVL	660	2	332	0	0	2	332		
G4	SFB	AVL	465	3	498	2	300	1	198	50.0%	66.0%
UA	AVL	EWR	583	7	350	7	350	0	0	0.0%	0.0%
UA	AVL	IAH	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	AVL	ORD	536	16	800	16	800	0	0	0.0%	0.0%
UA	EWR	AVL	583	7	350	7	350	0	0	0.0%	0.0%
UA	IAH	AVL	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	ORD	AVL	536	16	800	16	800	0	0	0.0%	0.0%
US	AVL	CLT	92	63	3,269	57	2,973	6	296	10.5%	10.0%
US	AVL	DCA	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	AVL	PHL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	CLT	AVL	92	63	3,269	57	2,973	6	296	10.5%	10.0%
US	DCA	AVL	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	PHL	AVL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
TOTAL				349	19,965	328	17,046	21	2,919	6.4%	17.1%

### Schedule Weekly Summary Enhanced Report for travel July 2013 vs. July 2012

All flights, seats, and ASMs given are per week.

Mktg Al	Travel Period			Jul 2013		Jul 2012		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	63	3,676	65	3,250	(2)	426	(3.1%)	13.1%
DL	AVL	ATL	164	63	3,682	65	3,250	(2)	432	(3.1%)	13.3%
DL	AVL	DTW	470	14	700	14	700	0	0	0.0%	0.0%
DL	AVL	LGA	599	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
DL	DTW	AVL	470	14	700	14	700	0	0	0.0%	0.0%
DL	LGA	AVL	599	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
G4	AVL	FLL	660	2	332	0	0	2	332		
G4	AVL	PIE	518	2	332	0	0	2	332		
G4	AVL	SFB	465	4	664	2	300	2	364	100.0%	121.3%
G4	FLL	AVL	660	2	332	0	0	2	332		
G4	PIE	AVL	518	2	332	0	0	2	332		
G4	SFB	AVL	465	4	664	2	300	2	364	100.0%	121.3%
UA	AVL	EWR	583	9	450	7	350	2	100	28.6%	28.6%
UA	AVL	IAH	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	AVL	ORD	536	16	800	16	800	0	0	0.0%	0.0%
UA	EWR	AVL	583	9	450	7	350	2	100	28.6%	28.6%
UA	IAH	AVL	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	ORD	AVL	536	16	800	16	800	0	0	0.0%	0.0%
US	AVL	CLT	92	63	3,477	56	2,787	7	690	12.5%	24.8%
US	AVL	DCA	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	AVL	PHL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	CLT	AVL	92	63	3,477	56	2,787	7	690	12.5%	24.8%
US	DCA	AVL	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	PHL	AVL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
TOTAL				360	21,568	354	18,074	6	3,494	1.7%	19.3%

**Schedule Weekly Summary Report for all nonstop Passenger (All) flights from AVL for travel August 2013 vs. August 2012**

Mktg Al	Travel Period			Aug 2013		Aug 2012		Diff		Percent Diff	
	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
DL	ATL	AVL	164	59	3,440	57	2,850	2	590	3.5%	20.7%
DL	AVL	ATL	164	59	3,440	55	2,750	4	690	7.3%	25.1%
DL	AVL	DTW	470	14	700	8	400	6	300	75.0%	75.0%
DL	AVL	LGA	599	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
DL	DTW	AVL	470	14	700	8	400	6	300	75.0%	75.0%
DL	LGA	AVL	599	7	350	8	400	(1)	(50)	(12.5%)	(12.5%)
G4	AVL	FLL	660	2	332	0	0	2	332		
G4	AVL	PIE	518	1	166	0	0	1	166		
G4	AVL	SFB	465	2	332	2	300	0	32	0.0%	10.7%
G4	FLL	AVL	660	2	332	0	0	2	332		
G4	PIE	AVL	518	1	166	0	0	1	166		
G4	SFB	AVL	465	2	332	2	300	0	32	0.0%	10.7%
UA	AVL	EWR	583	7	350	7	350	0	0	0.0%	0.0%
UA	AVL	IAH	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	AVL	ORD	536	16	800	16	800	0	0	0.0%	0.0%
UA	EWR	AVL	583	7	350	7	350	0	0	0.0%	0.0%
UA	IAH	AVL	834	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
UA	ORD	AVL	536	16	800	16	800	0	0	0.0%	0.0%
US	AVL	CLT	92	63	3,477	56	2,787	7	690	12.5%	24.8%
US	AVL	DCA	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	AVL	PHL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	CLT	AVL	92	63	3,477	56	2,787	7	690	12.5%	24.8%
US	DCA	AVL	384	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
US	PHL	AVL	503	0	0	1	50	(1)	(50)	(100.0%)	(100.0%)
TOTAL				342	19,894	324	16,574	18	3,320	5.6%	20.0%



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## MEMORANDUM

TO: Members of the Airport Authority

FROM: Vickie Thomas, Director of Finance & Accounting

DATE: June 21, 2013

### ITEM DESCRIPTION – Information Section Item B

Asheville Regional Airport – Explanation of Extraordinary Variances  
Month of April, 2013 (Month 10 of FY-2013)

#### SUMMARY

Operating Revenues for the month of April were \$703,081, 4.97% over budget. Operating Expenses for the month were \$592,171, 8.22% under budget. As a result, Net Operating Revenues before Depreciation were \$86,346 over budget. Net Non-Operating Revenues were \$223,748, 72.10% over budget.

Year-to-date Operating Revenues were \$6,926,958, .84% over budget. Year-to-date Operating Expenses were \$5,256,803, 17.00% below budget. Year-to-date Net Operating Revenues before Depreciation were \$1,134,732 over budget. Net Non-Operating Revenues for the year were \$1,726,902, 14.37% over budget.

#### REVENUES

Significant variations to budget for April were:

Auto Parking	\$19,962	9.95%	Enplanements on budget.
Customer Facility Charges	\$15,151	21.78%	Enplanements on budget & CFCs budgeted conservatively.
Passenger Facility Charges	\$77,581	107.32%	Two months PFCs received from US Airways & Allegiant.

#### EXPENSES

Significant variations to budget for April were:

Operating Supplies	(\$13,714)	(45.49%)	Timing of Operating Supplies spending.
Business Development	(\$35,938)	(100.00%)	No Allegiant Ft. Lauderdale service advertising.

Information Section – Item B



## **STATEMENT OF NET ASSETS**

Significant variations to prior month were:

Cash and Cash Equivalents – Restricted Cash increased by \$412k mainly due to the Passenger Facility Charge (PFC) cash account being reclassified to Restricted Cash from Unrestricted Cash. PFCs are collected with every ticket purchase and are required to be used to reimburse approved capital project spending. We currently have no spending on any approved PFC project, so the revenues received are restricted until we have capital spending to be reimbursed.

Property and Equipment, Net – Property and Equipment, Net decreased by \$431k due to the current month's depreciation.

**ASHEVILLE REGIONAL AIRPORT  
INVESTMENT AND INTEREST INCOME SUMMARY  
As of April 30, 2013**

<b><u>Institution:</u></b>	<b><u>Interest Rate</u></b>	<b><u>Investment Amount</u></b>	<b><u>Monthly Interest</u></b>
Bank of America - Operating Account	0.20%	\$ 6,775,017	1,106
First Citizens - Money Market Account	0.15%	6,377,578	786
NC Capital Management Trust - Cash Portfolio		17,169	1
NC Capital Management Trust - Term Portfolio		3,006,718	301
Petty Cash		200	
 <b><u>Restricted Cash:</u></b>			
Wells Fargo - CFC Revenue Account	0.00%	222,195	0
Bank of America - PFC Revenue Account	0.20%	375,633	60
 <b>Total</b>		 <b><u>\$ 16,774,510</u></b>	 <b><u>\$ 2,254</u></b>

**Investment Diversification:**

Banks	82%
NC Capital Management Trust	18%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For the Month Ended April 30, 2013**

	<u>Current Month</u>	<u>Prior Period</u>
<b>Cash and Investments Beginning of Period</b>	<b>\$ 16,682,282</b>	<b>\$ 15,172,781</b>
Net Income/(Loss) Before Capital Contributions	(96,453)	(106,637)
Depreciation	431,111	431,111
Decrease/(Increase) in Receivables	16,998	1,076,894
Increase/(Decrease) in Payables	(19,402)	302,004
Decrease/(Increase) in Prepaid Expenses	12,446	19,238
Decrease/(Increase) in Fixed Assets	(172,733)	(272,553)
Principal Payments of Bond Maturities	(39,132)	(38,945)
Capital Contributions	(40,607)	98,389
<b>Increase(Decrease) in Cash</b>	<b><u>92,228</u></b>	<b><u>1,509,501</u></b>
<b>Cash and Investments End of Period</b>	<b><u>\$ 16,774,510</u></b>	<b><u>\$ 16,682,282</u></b>

**Asheville Regional Airport**  
**Detailed Statement of Revenue, Expenses and Changes in Net Assets**

**For the Month Ending April 30, 2013**

	<u>Current Month Actual</u>	<u>Current Month Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
<b>Operating Revenue:</b>									
Terminal Space Rentals - Non Airline	\$17,554	\$17,554	\$0	0.00%	\$174,648	\$174,641	\$7	0.00%	\$209,756
Terminal Space Rentals - Airline	102,296	101,241	1,055	1.04%	1,041,465	1,070,799	(29,334)	(2.74%)	1,290,000
Concessions	16,540	14,874	1,666	11.20%	165,485	155,966	9,519	6.10%	189,975
Auto Parking	220,620	200,658	19,962	9.95%	2,046,159	2,024,105	22,054	1.09%	2,415,800
Rental Car - Car Rentals	120,427	112,130	8,297	7.40%	1,214,610	1,130,782	83,828	7.41%	1,356,230
Rental Car - Facility Rent	48,791	47,957	834	1.74%	478,350	464,411	13,939	3.00%	558,145
Commercial Ground Transportation	1,057	-	1,057	100.00%	23,053	15,000	8,053	53.69%	32,000
Landing Fees	45,962	49,010	(3,048)	(6.22%)	463,328	498,503	(35,175)	(7.06%)	617,000
FBO'S/SASO'S	78,695	78,294	401	0.51%	806,338	799,973	6,365	0.80%	961,840
Building Leases	11,494	11,668	(174)	(1.49%)	107,607	116,680	(9,073)	(7.78%)	140,017
Land Leases	2,099	2,060	39	1.89%	20,850	20,600	250	1.21%	24,716
Other Leases/Fees	37,546	34,316	3,230	9.41%	385,065	397,524	(12,459)	(3.13%)	470,022
<b>Total Operating Revenue</b>	<b>\$703,081</b>	<b>\$669,762</b>	<b>\$33,319</b>	<b>4.97%</b>	<b>\$6,926,958</b>	<b>\$6,868,984</b>	<b>\$57,974</b>	<b>0.84%</b>	<b>\$8,265,501</b>
<b>Operating Expenses:</b>									
Personnel Services	\$333,011	\$337,613	(\$4,602)	(1.36%)	\$3,216,382	\$3,373,603	(\$157,221)	(4.66%)	\$4,129,995
Professional Services	33,060	31,725	1,335	4.21%	112,364	212,047	(99,683)	(47.01%)	236,400
Accounting & Auditing	-	-	-	0.00%	6,200	9,300	(3,100)	(33.33%)	15,000
Other Contractual Services	63,107	59,020	4,087	6.92%	551,114	605,679	(54,565)	(9.01%)	722,408
Travel & Training	11,132	19,927	(8,795)	(44.14%)	105,687	153,828	(48,141)	(31.30%)	187,240
Communications & Freight	5,934	6,275	(341)	(5.43%)	56,512	60,247	(3,735)	(6.20%)	72,348
Utility Services	34,429	37,900	(3,471)	(9.16%)	306,214	381,014	(74,800)	(19.63%)	453,509
Rentals & Leases	966	1,068	(102)	(9.55%)	11,114	12,330	(1,216)	(9.86%)	15,020
Insurance	15,981	16,778	(797)	(4.75%)	161,331	167,780	(6,449)	(3.84%)	201,308
Repairs & Maintenance	20,050	14,724	5,326	36.17%	274,221	352,947	(78,726)	(22.31%)	389,400
Advertising, Printing & Binding	21,540	21,349	191	0.89%	95,048	155,169	(60,121)	(38.75%)	200,692
Promotional Activities	8,599	8,185	414	5.06%	82,619	95,530	(12,911)	(13.52%)	103,100
Other Current Charges & Obligations	6,026	6,340	(314)	(4.95%)	55,117	68,953	(13,836)	(20.07%)	82,680
Office Supplies	22	1,015	(993)	(97.83%)	6,068	10,146	(4,078)	(40.19%)	12,175
Operating Supplies	16,435	30,149	(13,714)	(45.49%)	116,024	327,427	(211,403)	(64.56%)	372,618
Books, Publications, Subscriptions & Meml	2,118	1,692	426	25.18%	29,861	37,435	(7,574)	(20.23%)	41,435
Contingency	0	5,500	(5,500)	(100.00%)	0	31,000	(31,000)	(100.00%)	205,832
Emergency Repair	19,761	10,000	9,761	97.61%	61,177	80,000	(18,823)	(23.53%)	100,000
Business Development	-	35,938	(35,938)	(100.00%)	9,750	199,126	(189,376)	(95.10%)	300,000
<b>Total Operating Expenses</b>	<b>\$592,171</b>	<b>\$645,198</b>	<b>(\$53,027)</b>	<b>(8.22%)</b>	<b>\$5,256,803</b>	<b>\$6,333,561</b>	<b>(\$1,076,758)</b>	<b>(17.00%)</b>	<b>\$7,841,160</b>

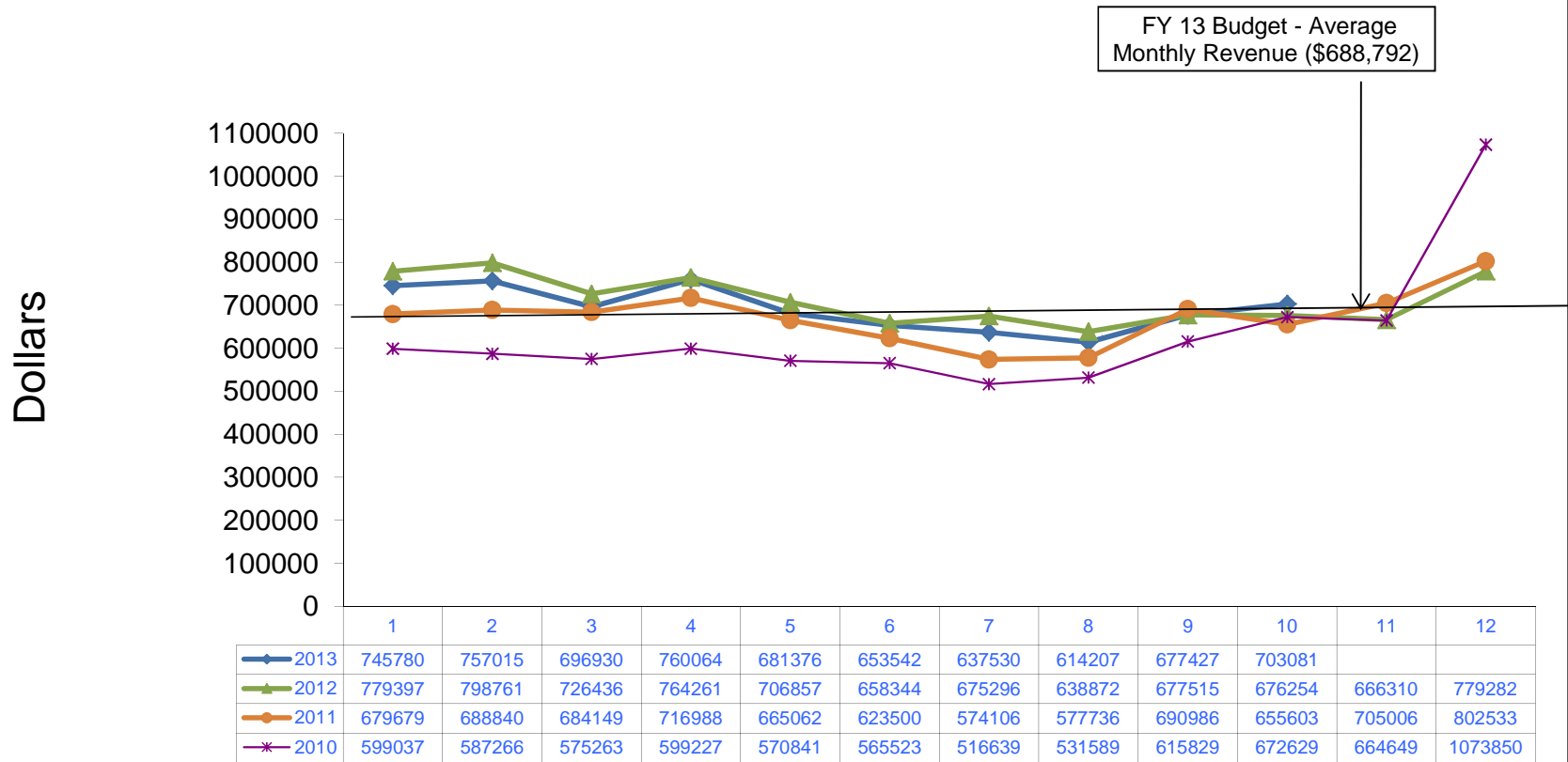


<b>Operating Revenue before Depreciation</b>	\$110,910	\$24,564	\$86,346	351.51%	\$1,670,155	\$535,423	\$1,134,732	211.93%	\$424,341
Depreciation	431,111	-	431,111	100.00%	4,311,112	-	4,311,112	100.00%	-
<b>Operating Income(Loss) Before Non-Operating Revenue and Expenses</b>	(\$320,201)	\$24,564	(\$344,765)	(1,403.54%)	(\$2,640,957)	\$535,423	(\$3,176,380)	(593.25%)	\$424,341
<b>Non-Operating Revenue and Expense</b>									
Customer Facility Charges	\$84,728	\$69,577	\$15,151	21.78%	\$832,142	\$737,382	\$94,760	12.85%	\$ 900,000
Passenger Facility Charges	149,869	72,288	77,581	107.32%	978,074	899,402	78,672	8.75%	1,050,000
Interest Revenue	2,254	1,250	1,004	80.32%	27,849	12,500	15,349	122.79%	15,000
Interest Expense	(13,103)	(13,103)	-	0.00%	(139,376)	(139,376)	-	0.00%	(165,014)
Reimbursable Cost Revenues	13,305	29,167	(15,862)	(54.38%)	104,234	291,670	(187,436)	(64.26%)	350,000
Reimbursable Cost Expenses	(13,305)	(29,167)	15,862	(54.38%)	(104,234)	(291,670)	187,436	(64.26%)	(350,000)
Sale of Assets	-	-	-	0.00%	28,213	-	28,213	100.00%	-
<b>Non-Operating Revenue-Net</b>	\$223,748	\$130,012	\$93,736	72.10%	\$1,726,902	\$1,509,908	\$216,994	14.37%	\$1,799,986
<b>Income (Loss) Before Capital Contributions</b>	(\$96,453)	\$154,576	(\$251,029)	(162.40%)	(\$914,055)	\$2,045,331	(\$2,959,386)	(144.69%)	\$2,224,327
<b>Capital Contributions</b>	(\$40,607)	\$0	(\$40,607)	100.00%	\$1,294,644	\$0	\$1,294,644	100.00%	\$0
<b>Increase in Net Assets</b>	(\$137,060)	\$154,576	(\$291,636)	(188.67%)	\$380,589	\$2,045,331	(\$1,664,742)	(81.39%)	\$2,224,327

**ASHEVILLE REGIONAL AIRPORT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of April 30, 2013**

	<b>Current Month</b>	<b>Last Month</b>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
<b>Unrestricted Net Assets:</b>		
Cash and Cash Equivalents	\$16,176,682	\$16,496,314
Accounts Receivable	373,464	353,033
Passenger Facility Charges Receivable	151,000	151,000
Refundable Sales Tax Receivable	74,979	71,800
Grants Receivable	141,981	182,589
Prepaid Expenses	45,719	58,165
Total Unrestricted Assets	16,963,825	17,312,901
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	597,828	185,968
Total Restricted Assets	597,828	185,968
 Total Current Assets	 17,561,653	 17,498,869
<b>Noncurrent Assets:</b>		
Construction in Progress	4,250,342	4,077,610
Property and Equipment - Net	61,655,231	62,086,343
Total Noncurrent Assets	65,905,573	66,163,953
	\$83,467,226	\$83,662,822
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
<b>Payable from Unrestricted Assets:</b>		
Accounts Payable & Accrued Liabilities	\$692,800	\$736,337
Customer Deposits	1,675	1,675
Unearned Revenue	221,474	197,339
Construction Contract Retainages	0	0
Revenue Bond Payable - Current	484,581	482,254
Total Payable from Unrestricted Assets	1,400,530	1,417,605
 Total Current Liabilities	 1,400,530	 1,417,605
<b>Noncurrent Liabilities:</b>		
Other Postemployment Benefits	769,875	769,875
Compensated Absences	346,796	346,796
Net Pension Obligation-LEO Special Separation Allowance	(43,831)	(43,831)
Revenue Bond Payable - Noncurrent	2,191,877	2,233,336
Total Noncurrent Liabilities	3,264,717	3,306,176
 Total Liabilities	 4,665,247	 4,723,781
<b>Net Assets:</b>		
Invested in Capital Assets	63,229,115	63,448,363
Restricted	597,828	185,968
Unrestricted	14,975,036	15,304,710
Total Net Assets	78,801,979	78,939,041
	\$83,467,226	\$83,662,822

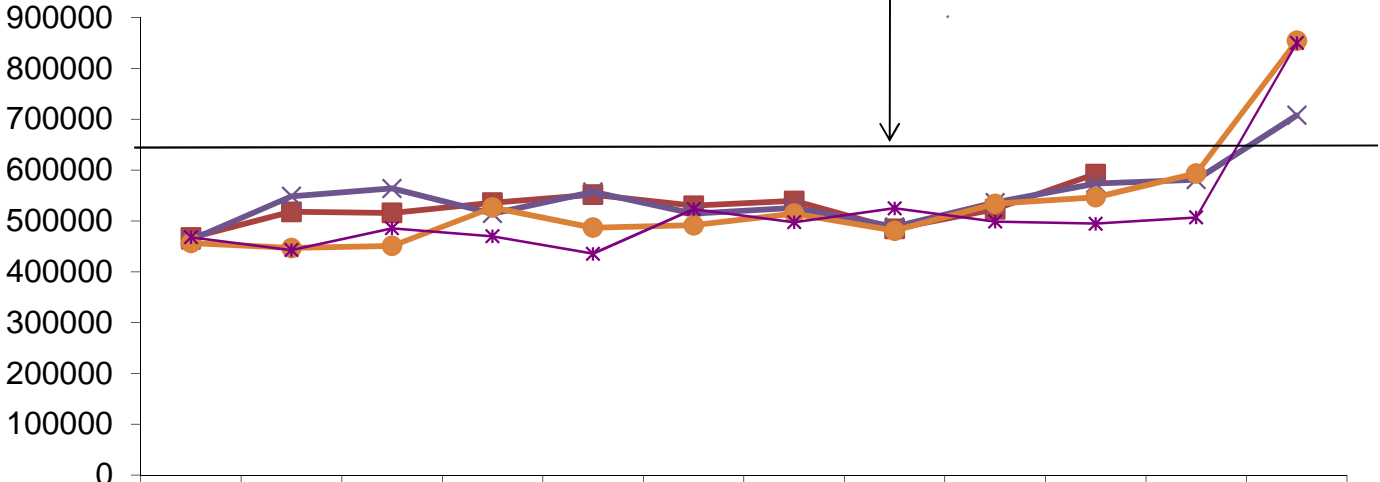
# ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month April 2013



# ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month April 2013

FY 13 Budget - Average Monthly Expenses (\$644,611)

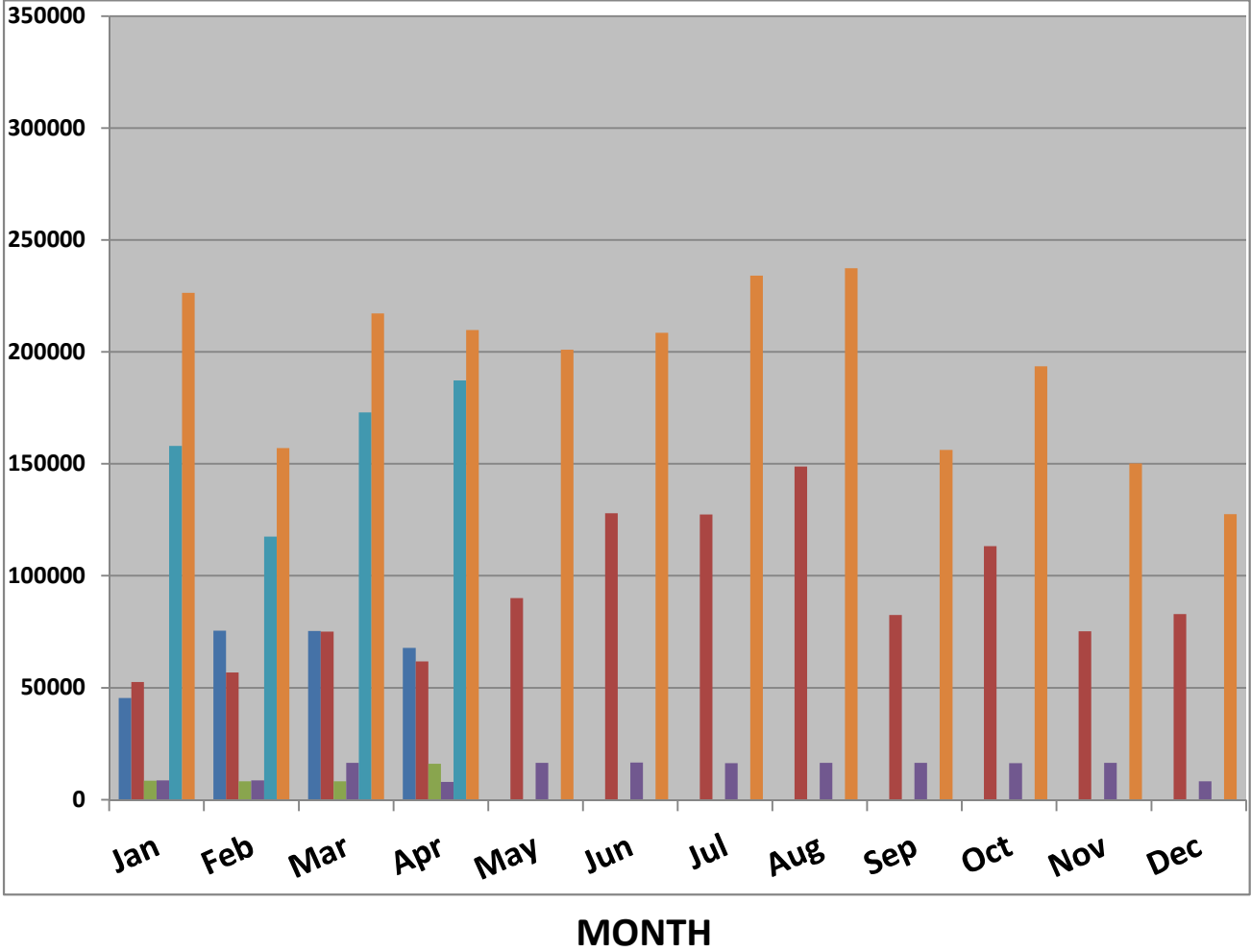
Dollars



	1	2	3	4	5	6	7	8	9	10	11	12
2013	467080	517977	515730	535830	551394	529835	539217	484583	522984	592171		
2012	462389	548530	563665	514502	556956	514135	525819	488179	536012	573487	580974	707465
2011	456359	446755	450903	526453	486639	491409	514468	480873	533464	546547	593376	854349
2010	467857	442707	485301	469739	435459	523232	497363	524824	498652	494683	506871	849896

**ASHEVILLE REGIONAL AIRPORT  
FUEL SALES - GALLONS  
April 2013**

G  
A  
L  
L  
O  
N  
S



- Jet A - 2013
- Jet A - 2012
- 100LL - 2013
- 100LL - 2012
- Airline - 2013
- Airline - 2012

JetA 67,839 Gallons  
100LL 15,962 Gallons  
Airline 187,257 Gallons

**Planning Phase**

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 06/01/2013)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 06/01/2013)	Start Date	End Date	Current Project Status (as of 06/01/2013)
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**Design Phase**

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 06/01/2013)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 06/01/2013)	Start Date	End Date	Current Project Status (as of 06/01/2013)
1	Airport Master Plan	To update and bring current the plans for development and improvements to promote growth at the airport	Delta Airport Consultants	\$832,500.00	N/A	N/A	\$26,000.00	3.00%	\$858,500.00	97%	\$816,875.00	Sep-11	Mar-13	Final document out for printing. ALP in review by FAA.
2	Airfield Re-Development Project	Design and construct a parallel taxiway/ temporary runway and relocate current runway 75 feet to the west of current location.	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	\$64,000,000.00	0.30%	\$181,574.73	Feb-13	Mar-14	Preliminary design is still underway.
2A	Airfield Re-Development Project	See description above	AVCON	\$1,837,826.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	0.00%	\$0.00	Mar-13	Mar-14	Preliminary design is still underway.
2B	Airfield Re-Development Project	See description above	Michael Baker Engineering Inc.	\$2,299,934.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	0.00%	\$0.00	Mar-13	Mar-14	Preliminary design is still underway.

**Construction Phase**

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 06/01/2013)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 06/01/2013)	Start Date	End Date	Current Project Status (as of 06/01/2013)
1	Westside Phase 2	Construction for the Westside Project to level land utilizing engineered ash to fill and top with soil embankment/cap for future development.	AVCON	\$349,732.00	Charah	N/A	\$0.00	0.00%	\$349,732.00* <i>(project expenses are being reimbursed by Charah through a separate agreement)</i>	62%	\$215,460.67	Feb-11	Jul-15	Ash fill will continue weather permitting.
2	Westside Area 3	North section on West of the Airfield needs to be developed to accommodate new temporary runway.	AVCON	\$278,060.00	Charah	N/A	\$0.00	0.00%	\$278,060 * <i>(project expenses are being reimbursed by Charah through a separate agreement)</i>	2%	\$7,278.00	Mar-13	Jul-15	Grub and clearing of trees in this section of the project continue.
3	ARFF Facility Construction	Design, Project Management and Construction of a new Aircraft Rescue Fire Fighting Building.	LPA/BAKER	\$541,409.00	Goforth Builders Inc.	\$4,122,500.00	\$0.00	0.00%	\$541,409.00 (Design) & \$4,534,750.00 (Construction)	9.0%	\$468,509.30	Mar-13	May-14	Triturator canopy is relocated with the equipment expected to follow soon. Construction permits had a slight delay but expected in early June. Fuel road is under investigation to replace asphalt with concrete due to deterioration.

*\*\*Amounts are based on invoices received and processed through Development.\*\**