

**REGULAR MEETING**  
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**  
**July 14, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, July 14, 2017 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.

The minutes for this regular meeting were bifurcated into Part A and Part B; this is Part A.

**MEMBERS PRESENT:** Robert C. Roberts, Chair; Matthew C. Burrell, Vice-Chair; Andrew T. Tate; K. Ray Bailey; William L. Moyer; and David Gantt

**MEMBERS ABSENT:** Stephanie Pace Brown

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Mike Darcangelo, Avcon; Nick Loder, RS&H

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

The Director requested a moment to thank the Board for their support and assistance with the transfer to an independent authority. The Director stated that the FAA issued an Airport Operating Certificate in the name of the Greater Asheville Regional Airport Authority (GARAA) on June 28, 2017 and the following day the deeds were filed for the transfer of the properties to the GARAA.

**PRESENTATIONS:**

**A. Marketing Update:** Tina Kinsey presented a high-level overview of the Marketing Department. Mrs. Kinsey spoke about the department's strategic focus which included supporting airport enplanement goals, building positive perception and loyalty among travelers, as well as generating advertising revenue. Mrs. Kinsey briefly reviewed air service development tactics which included retention of existing markets, analysis and

strategy utilizing data compiled with assistance from a consultant, as well as new service pitches. Mrs. Kinsey also highlighted advertising and public relations plans, along with information on how the airport measures in terms of air service growth.

Mr. Moyer was interested in hearing how the flights to Newark have helped the business volume. Mrs. Kinsey said it was a little soon to tell how the increase in seats has helped. Staff has spoken with United and were told that it's too soon to tell, but staff will plan to speak with the route planners to gather more data. The air service consultant has advised staff that there has been about a 900% stimulation to the Newark market which means a growth in a market of passengers traveling non-stop to Newark that was not there prior. Mr. Moyer stated that he would be very interested in seeing more information about this.

Mr. Gantt questioned why the airport has leakage. Mrs. Kinsey responded that there is a much larger demand than supply, that some travelers want non-stop destinations that the airport doesn't provide and will travel to a major hub for these flights, and also travelers who are fare sensitive and travel to other airports for the fares.

Mr. Gantt inquired about what loyalty programs were in place for frequent flyers. Mrs. Kinsey spoke about the loyalty program that was in place at one time but was found to not be effective with the frequent flyers.

Mr. Burril asked if the business travelers were targeted or if staff met with local organizations that would be frequent business travelers. Mrs. Kinsey stated that at one time there was a business traveler advisory group and staff learned much from that process and forged relationships. Staff is able to gather specific data and route information from these relationships, however, there was not real need to hold formal group meetings.

Mr. Burril asked if on-premise incentives such as an annual parking pass or reserved parking were considered for the business traveler. Mrs. Kinsey replied that once the parking garage was completed, staff would possibly explore all options for loyalty programs for business travelers.

Mr. Burril asked where the data collected by the consultant was obtained. Mrs. Kinsey responded that the data is collected from the Department of Transportation and is reported by the airlines.

The Board thanked Mrs. Kinsey for her presentation.

**FINANCIAL REPORT:** The Director gave the financial report for the month of May which included enplanements, aircraft operations, and general aviation activity in addition to the financial activity.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes:**

**C. Approval of Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes:**

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

**OLD BUSINESS:** None

**NEW BUSINESS:** The Director mentioned that there was an additional item that would be addressed in closed session.

**A. Approval of Resolution Accepting Grants:** The Director reported that the Federal Aviation Administration (FAA) and the North Carolina Division of Aviation (DOA) distribute grants each year and these grants are a component in the airport's budget for the capital improvement program. The Director further stated that the grants must be accepted by the Authority and the following resolution provides for this requirement and for staff to accept the grants as they are distributed throughout the year:

***Greater Asheville Regional Airport Authority***

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***~ Resolution ~***

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A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR

**WHEREAS**, the Greater Asheville Regional Airport Authority ("Authority") is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act ("Act"); and

**WHEREAS**, the Authority operates the Asheville Regional Airport ("Airport"); and

**WHEREAS**, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

**WHEREAS**, the Federal Aviation Administration ("FAA"), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

**WHEREAS**, the Airport is eligible for such grants; and

**WHEREAS**, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

**WHEREAS**, the Executive Director recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

**NOW, THEREFORE, BE IT RESOLVED** and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., Executive Director of the Greater Asheville Regional Airport Authority, Michael Reisman, Deputy Executive Director – Development and Operations, Robert C. Roberts, Chair of the Authority, and/or Matthew Burril, Vice Chair of the Authority, or any of them or their successors in office (each an "Authorized Officer") be,

and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 14<sup>th</sup> day of July, 2017

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Robert C. Roberts, Chair

Attested by:

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Ellen M. Heywood, Clerk to the Board

Mr. Moyer moved to approve a Resolution Conferring Standby Authority to Accept Grants by the Greater Asheville Regional Airport Authority During the Fiscal Year as presented by staff with the continued process of the Director notifying the Board at the next Board meeting of any grants received. Mr. Bailey seconded the motion and it carried unanimously.

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

**A. Update on State Funding:** The Director reported that through collaboration with the lobbyist hired by the commercial service airports in North Carolina, the state budget has specifically allocated approximately \$40 million to commercial service airports in the state. The second year of this funding will appropriate approximately \$70 million to airports. Asheville is designated to receive \$2.026 million in both consecutive years bringing the total to just over \$4 million. The Director advised the Board that there is a kill switch that allows for the funding to be pulled at any time and the funds are to be used for capital improvements and or debt reduction. Staff will be submitting projects to the state to receive the funds.

Mr. Moyer asked if the kill switch meant that the airport could start a project only to have the funding pulled. The Director responded that this was correct and that once a project is approved, the funds become available from an account that staff can draw down from once the expenses are submitted.

The Director further stated that he is appreciative of the support from the delegates and had met with several senators and house members from the western region to familiarize them with the funding program.

**B. Update on Airline Lease Agreement:** The Director reported that work with the airlines on a new rate model has been going well. The consultant has one more number to run and staff anticipates bringing the new rate model to the Board for approval in August.

Mr. Moyer asked if any of the airlines were using the lease agreement as leverage for development or if other airports were using the lease agreement for development. The Director responded that this has not been a problem.

**C. Change Order for Parking Garage:** A \$31,000 change order was received and approved for the parking garage project. The majority of the change order was for additional structural steel for the elevator infrastructure.

**D. Contingency Transfer:** A transfer in the amount of \$30,000 was made from contingency to professional services in the Executive budget to cover expenses for the lobbyist working on funding with the NCDOT, the consultant working on the airline rates and charges model, and the consultant to finalize the paperwork for the independent authority.

**E. Insurance Renewal Update:** Suzie Baker informed the Board that the final quotes for the business insurance came in at \$200,000, this was lower than the expected cost of \$228,000. The increase for the insurance over the prior year was \$2,800.

**F. FIDS Contract Award:** The Director advised the Board that the Flight Information Display System contract was awarded to Comnet at a quote of \$175,000. Comnet was the lower of the two bids received and was within budget, so staff was able to move forward with this project.

**G. Magazine Articles:** A magazine article regarding FBO fees was available for the Board Members at their seats. The Director also mentioned that this same magazine contained another article regarding pavement repairs that featured some of Asheville's employees.

**H. Awards:** The Director reported that the airport was recognized by Buncombe County with a 2017 land conservation hall of fame award in recognition of the conservation easement provided to CMLC. The airport also received an award from ARC of Buncombe County for the continued support of the Wings for Autism program.

**I. Airport Funding:** FAA re-authorization has been up for discussion in Congress. A five-year reauthorization bill has been submitted. The aviation industry has been pushing very hard to get PFC's increased and other funding mechanisms realized. The bill talks about privatizing the air traffic control system, but there is no mention about airports. Airports Council International and the American Association of Airport Executives will meet to decide what the approach will be. The two groups could possibly oppose the bill as they have spent time building a huge industry coalition to support PFC increases and do not want to send the wrong message with inaction and staying silent.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** No comments

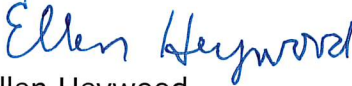
**CALL FOR NEXT MEETING:** The next regular meeting of the Authority Board will be on August 11, 2017.

**CLOSED SESSION:** At 9:35 a.m. Mr. Gantt moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3), (4), and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

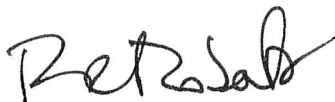
The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

(Please see the minutes for Part B relative to the ending of this Regular Meeting.)

Respectfully submitted,

  
Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair