

**SPECIAL MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
July 22, 2016**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, July 22, 2016 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

**MEMBERS PRESENT:** Robert C. Roberts, Chair; K. Ray Bailey, Vice-Chair; Jeffrey A. Piccirillo; Andrew T. Tate; William L. Moyer; Matthew C. Burrell; and Stephanie Pace Brown

**MEMBERS ABSENT:** None

**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; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Samuel Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Kerry Friedman, Patla, Straus, Robinson & Moore; Bill Case, PFM; Don Ubell, Parker Poe; Ken Moody, Delta Airport Consultants; David King, GS&P; Joey Rowland, Walker Parking Consultants

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

**CONSENT ITEMS:** The Chair remarked that Consent Item B, Approval of the Greater Asheville Regional Airport Authority June 17, 2016 Closed Session Minutes Part A and Part B would be reviewed in closed session.

**A. Approval of the Greater Asheville Regional Airport Authority June 17, 2016 Regular Meeting Minutes:** Mr. Moyer moved to approve the Greater Asheville Regional Airport Authority June 17, 2016 Regular Meeting Minutes. Mr. Bailey seconded the motion and it carried unanimously.

**NEW BUSINESS:**

**A. Approve Award of Contract for Parking Garage:** Mike Reisman informed the Board that the sealed bids for the construction of the parking garage were opened on July 14, 2016 with a total of six bids being received. A certified and signed copy of a

revised bid tabulation was available at the Board Members' seats due to a mathematical error staff found in the Harper Corporation bid. Mr. Reisman advised the Board that this did not change anything in terms of where Harper Corporation stands or the responsive low bid. The responsive low bid was received by American South General Contractors, Inc. in the amount of \$20,158,000.00, plus \$650,000.00 for Add Alternate 1 which is for temporary customer transportation, \$73,000.00 for Add Alternate 2 which is thermoplastic pavement markings, \$13,000.00 for Add Alternate 3 which is the thermoplastic marking symbols, and \$239,000 for Add Alternate 4, painting of the underside of each level of the garage. Staff does not recommend including Add Alternate 4 due to the cost and future maintenance costs. Staff asked the Board to approve Add Alternate 1, however, staff will determine if the transportation for passengers can be achieved in a more economical manner, so there was a possibility Add Alternate 1 would be broken out separately. The total amount for the project, excluding Add Alternate 4, is \$20,894,000.00. An additional 5 percent allowance of \$1,044,700.00 for miscellaneous costs and potential overages was recommended bringing the total cost of construction to \$21,938,700.00. Mr. Reisman advised the Board that the cost of this project will be funded primarily with bonds and some Authority cash. Approval from the LGC is required to complete the bond funding for this project. The total amount of the project was \$3,766,275.00 over the amount included in the FY2016/2017 budget, therefore a budget amendment was necessary.

Mr. Moyer questioned if staff was accepting Add Alternates 2 and 3 as presented since the prices varied significantly. Mr. Reisman responded that staff does not have the ability to negotiate those since this is a low bid situation. Some contractors may price one item low with the intent to make it up in other areas, but there isn't any way to change the prices. Mr. Reisman further stated that the overall amount of the bid for American South is still the low bid. Staff does not have the ability to negotiate Add Alternate 1, but will look into different options all together. Staff asked the Board to include Add Alternate 1 in the event staff determines this was the best option for the project. Staff will not issue a notice to proceed until due diligence for Add Alternate 1 has been completed. Staff also recommended both Add Alternates 2 and 3 be included in the project.

The Chair asked if the design work to make the garage aesthetically appealing was included in the price of the contract. The Director stated that the architectural panels are included in the construction price, but the engineering and design have been separate under a contract with the engineering firm.

Mr. Moyer moved to approve the award of the parking garage construction project with American South General Contractors, Inc. in the amount not to exceed \$21,938,700.00 (\$20,894,000 including Add Alternates 1, 2 and 3, plus 5 percent allowance of \$1,044,700.00), contingent upon LGC approval, authorize the Executive Director to

execute the necessary documents, and amend the FY2016/2017 budget by adopting the following budget ordinance amendment. Mr. Tate seconded the motion and it carried unanimously.

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, 2017:

Section 1. To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$3,766,275.00
Totals	<u>\$0</u>	<u>\$3,766,275.00</u>

This will result in a net increase of \$3,766,275.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash/Investments		\$3,766,275.00
Totals	<u></u>	<u>\$3,766,275.00</u>

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

Adopted this 22<sup>nd</sup> day of July, 2016

\_\_\_\_\_  
Robert C. Roberts, Chair

Attested by:

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

**B. Approval of Resolution Adopting a Bond Order Authorizing the Issuance Under the Provisions of the State and Local Government Revenue Bond Act, as Amended, of Airport System Revenue Bonds of the Greater Asheville Regional Airport Authority:**

Janet Burnette reminded the Board that at the June 17<sup>th</sup> meeting, the Board approved the private placement bond issuance with Raymond James Capital Funding, Inc. for construction of the parking garage. Mrs. Burnette stated that bond counsel prepared the following Board Resolution for the Board's approval. The accompanying documents, the General Trust Indenture and Series Indenture Number 1 prepared by bond counsel and the Credit Agreement prepared by bank counsel, were available in the agenda package. The bond in the amount of \$21,000,000 will be payable over fifteen years. The Director advised the Board that the General Trust Indenture covers the Authority for any other debt that may be incurred in the future, while the Series Indenture Number 1 was specific for the garage. The Credit Agreement acknowledges the Authority moving forward with the actual expenditure. Staff has tried to keep the Authority's debt down as much as possible. Knowing there was approximately \$18 million in the fund balance, staff decided to leave the bond at \$21 million to cover the majority of the construction, and the Authority will cover the remainder which is primarily the issuance cost, engineering fees, and the remaining amount of construction.

**A RESOLUTION ADOPTING A BOND ORDER AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF AIRPORT SYSTEM REVENUE BONDS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

**BOND ORDER**

*WHEREAS*, the Greater Asheville Regional Airport Authority (the "*Authority*"), a political subdivision of the State of North Carolina, owns and operates a public airport known as the Asheville Regional Airport (together with such additions thereto as may be made from time to time, the "*Airport*");

*WHEREAS*, the Authority is empowered, under the Constitution and laws of the State of North Carolina, particularly The State and Local Government Revenue Bond Act (Sections 159-80 to 159-97, inclusive, as amended, of the General Statutes of North Carolina), as the same may be amended from time to time (the "*Act*"), to issue its revenue bonds for the purpose of financing airport facilities;

*WHEREAS*, the Board of Directors of the Authority hereby determines that it is desirable to issue two series of airport revenue bonds to be known as "*Greater Asheville Regional Airport Authority Airport System Revenue Bond, Series 2016A*" and "*Greater Asheville Regional Airport Authority Taxable Airport System Revenue Bond, Series 2016B*" (collectively, the "*2016 Bonds*") in order to (1) finance all or a portion of the cost of the acquisition and construction of a parking facility at the Airport (the "*2016 Project*") and (2) pay the costs of issuance of the 2016 Bonds;

*WHEREAS*, the Board of Directors wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) request the approval of the Local Government Commission of North Carolina (the "*Commission*") of Raymond James Capital Funding, Inc. as the initial purchaser of the 2016 Bonds (the "*Lender*"); (3) approve the selection by the Lender of Womble Carlyle Sandridge & Rice, LLP, as

Lender's counsel; and (4) retain Public Financial Management, Inc., as financial advisor (collectively, the "*Financing Team*");

**WHEREAS**, the Authority will issue the 2016 Bonds under a General Trust Indenture dated as of September 1, 2016 (the "*General Indenture*") between the Authority and the bond trustee named therein (the "*Trustee*"), and Series Indenture, Number 1 dated as of September 1, 2016 (the "*Series Indenture*") and together with the General Indenture, the "*Indenture*") between the Authority and the Trustee;

**WHEREAS**, the Authority and the Commission have arranged for the sale of the 2016 Bonds to the Lender under the terms of a Covenant Agreement to be dated as of September 1, 2016 (the "*Covenant Agreement*"); and

**WHEREAS**, copies of the forms of the following documents relating to the transactions described above have been filed with the Authority:

1. the General Indenture
2. the Series Indenture; and
3. the Covenant Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Greater Asheville Regional Airport Authority as follows:

**Section 1.** The 2016 Bonds are hereby authorized and will be issued by the Authority pursuant to the Act for the purpose of providing funds, together with other available funds of the Authority, (1) to finance all or a portion of the costs of the 2016 Project and (2) to pay the costs of issuing the 2016 Bonds.

**Section 2.** The aggregate principal amount of the 2016 Bonds authorized by this order will not exceed \$21,000,000. The 2016 Bonds hereby authorized will be special obligations of the Authority, secured by and paid solely from the proceeds thereof or from Net Revenues (as defined in the General Indenture).

**Section 3.** The filing of an application with the Local Government Commission of North Carolina (the "*Commission*") for its approval of the issuance of the 2016 Bonds is hereby ratified and approved. The Director of Finance and Accounting of the Authority, or her designee, with advice from the Executive Director, the counsel to the Authority and bond counsel, is hereby authorized, directed and designated to provide such information to the Commission as may be required for the Commission's approval of such application.

**Section 4.** The Financing Team is hereby approved in connection with the issuance by the Authority of the 2016 Bonds. The Director of Finance and Accounting is hereby authorized to retain the services of such other professionals, including a bond

trustee, as she may determine necessary to carry out the transactions contemplated by this Resolution. The trustee selected is hereby appointed as Registrar and Paying Agent under the Indenture.

**Section 5.** The Board of Directors finds and determines, and asks the Commission to find and determine from the Authority's application and supporting documentation, as follows:

- (a) the issuance of the 2016 Bonds is necessary or expedient;
- (b) the not to exceed stated principal amount of the 2016 Bonds will be sufficient but is not excessive, when added to other money available to the Airport, to finance the 2016 Project;
- (c) the Airport, as now constituted and after completion of the 2016 Project, is feasible;
- (d) the Authority's debt management procedure and policies are excellent; and
- (e) the 2016 Bonds can be marketed at a reasonable interest cost to the Authority.

**Section 6.** The Authority's issuance of the 2016 Bonds, in substantially the form to be set forth in the Series Indenture, is hereby in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2016 Bonds (including without limitation the maturity dates and rates of interest) are hereby approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2016 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2016 Bonds will not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the Authority's property or on any of its income, receipts or revenues except the funds which are pledged under the Indenture. Neither the credit nor the taxing power of the State of North Carolina or the Authority is pledged for the payment of the principal of, premium, if any, or interest on the 2016 Bonds, and no holder of the 2016 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the forfeiture of any of its or the Authority's property in connection with any default thereon. The Authority has no taxing power.

**Section 7.** The Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the General Indenture and Series Indenture for and on behalf of the Authority, including necessary counterparts, in

substantially the form and content presented to the Authority, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the General Indenture and the Series Indenture, the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the General Indenture and Series Indenture as executed.

**Section 8.** The Board of Directors requests that the Commission sell the 2016 Bonds through negotiation to the Lender pursuant to the terms of the Covenant Agreement but at a true interest cost not exceeding 5.0% for the 2016A Bond and 6.0% for the 2016B Bond. The form and content of the Covenant Agreement are in all respects approved and confirmed, and the Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director, individually and collectively, are hereby authorized, empowered and directed to execute and deliver the Covenant Agreement for and on behalf of the Authority, including necessary counterparts, in substantially the form and content presented to the Authority, but with such changes, modifications, additions or deletions therein as he may deem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Covenant Agreement, the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Covenant Agreement as executed.

**Section 9.** The Executive Director or Director of Finance and Accounting is hereby authorized to execute a no-arbitrage certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

**Section 10.** If any one or more of the covenants, agreements or provisions contained in this Bond Order is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and

provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2016 Bonds authorized hereunder.

**Section 11.** No stipulation, obligation or agreement contained in this Bond Order or contained in the 2016 Bonds, the General Indenture, the Series Indenture, the Covenant Agreement or any other instrument related to the issuance of the 2016 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the Authority in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2016 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

**Section 12.** The Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to prepare and furnish, when the 2016 Bonds are issued, certified copies of all the proceedings and records of the Board of Directors relating to the 2016 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2016 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, constitute representations of the Authority as to the truth of all statements contained therein.

The Chair of the Board of Directors, the Vice Chair of the Board of Directors and the Executive Director, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to execute any and all other documents which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by this Bond Order, the General Indenture, the Series Indenture or the Covenant Agreement.

The Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director, the Director of Finance and Accounting and Clerk to the Board of Directors of the Authority, or their respective designees, are hereby authorized, empowered and directed, individually and collectively, to do and all other acts to carry out the on-going administration of such transactions and the 2016 Bonds; except that none of the above is hereby authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the Authority is bound, (d) any rule or regulation of the Authority or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.



**Section 13.** All acts and doings of the officials of the Authority that are in conformity with the purposes and intents of this Bond Order and in the furtherance of the issuance of the 2016 Bonds and the execution, delivery and performance of the Indenture and the Covenant Agreement are hereby in all respects approved and confirmed.

**Section 14.** All resolutions or parts thereof of the Board of Directors in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 15.** This Bond Order will take effect immediately on its adoption and, pursuant to Section 159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the Board of Directors other than the procedures set out in the Act.

STATE OF NORTH CAROLINA            )  
  )    ss:  
COUNTY OF BUNCOMBE            )

I, ELLEN HEYWOOD, the CLERK TO THE BOARD OF DIRECTORS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution entitled "**A RESOLUTION ADOPTING A BOND ORDER AUTHORIZING THE ISSUANCE UNDER THE PROVISIONS OF THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, AS AMENDED, OF AIRPORT SYSTEM REVENUE BONDS OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY; AND AUTHORIZING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND THE PRIVATE SALE OF SUCH BONDS**" adopted by the Board of Directors of the Greater Asheville Regional Airport Authority, at a meeting held on the 22<sup>nd</sup> day of July, 2016.

**WITNESS** my hand and the corporate seal of the Greater Asheville Regional Airport Authority, this the \_\_\_ day of July, 2016.

\_\_\_\_\_  
Ellen Heywood  
Clerk to the Board of Directors  
Greater Asheville Regional Airport  
Authority

Mr. Piccirillo moved to approve the resolution adopting a bond order authorizing the issuance under the provisions of the state and local government revenue bond act, as amended, of airport system revenue bonds of the Greater Asheville Regional Airport Authority. Mr. Moyer seconded the motion and it carried unanimously.

**DIRECTOR'S REPORT:**

**A. Review Public Parking Options during Parking Garage Construction:** The Director advised the Board that 400 parking spaces will be displaced due to the garage construction. The former employee parking lot on the south end of the terminal has already been converted to a credit card lot and has approximately 200 spaces. The WNC Ag Center has agreed to let the airport use one of their parking lots for tenant employee parking. The employee parking lot across NC280 will become a paid passenger lot. Staff has also arranged to lease the gravel lot directly behind the remote employee parking lot for \$1,000 a month from the Fairfield Inn. Between the two lots, close to 200 parking spaces will be available. A reduced parking rate will be charged for parking in the two gravel lots across NC280, and a shuttle will be available. Tenant managers have been notified with regard to the move of the employee parking lot. A few improvements will need to be made to the WNC Ag Center lot, but these improvements are inclusive in the cost of this project.

**B. FAA Reauthorization:** The Director reported that the House and Senate passed a 15-month interim bill through September 30, 2017. The bill fully funds the AIP at \$3.35 billion and there were a few other items covered in the bill to protect passenger rights such as reimbursement of baggage fees for lost bags not delivered within a reasonable amount of time. The Director stated the good news was that all of the funds for the Airfield Re-development project will come through before the interim bill expires.

**PUBLIC AND TENANTS COMMENTS:** None

**CLOSED SESSION:** At 9:09 a.m. Mr. Piccirillo moved to go into Closed Session pursuant to Subsections 143-318.11(a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Bailey seconded the motion and it carried unanimously.

The Chair indicated they would break until 9:15 a.m., at which time the Board would resume in closed session.

Open Session resumed at 9:47 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JULY 22, 2016**

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

**APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
JUNE 17, 2016 CLOSED SESSION MINUTES PARTS A AND B:**

Mr. Piccirillo moved to approve the minutes for the June 17, 2016 Closed Session, Parts A and B, and to seal and withhold the minutes for the June 17, 2016 Closed Session, Parts A and B, from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

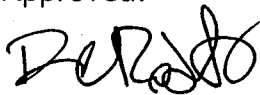
**ADJOURNMENT:** Mr. Piccirillo moved to adjourn the meeting at 9:50 a.m. Mr. Burril seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Robert C. Roberts  
Chair