

- (1) The North Carolina Constitution requires legislation dealing with airports to be by general law – including the requirement that legislation be presented to the Governor for possible veto – and not by local act.
- (2) The City's bond trustee has asserted that the transfer of the Airport would cause a notice of default to be issued. The General Assembly has, therefore, impaired the obligation of contracts, violated its statutory covenant to Airport Bond holders, and will seriously and irreparably harm the City's credit rating, and perhaps the State's credit rating.

- (3) The attempt to unilaterally transfer the Airport contradicts and subverts the authority granted by the Congress of the United States to the Federal Aviation Administration to certify and license airports in the United States.
- (4) The transfer of the Airport is not a valid exercise of the State's power to take property for a public use and further constitutes a taking of the City's property without the payment of just compensation.

### **COMPLAINT**

Plaintiff City of Charlotte ("Charlotte" or the "City"), seeking a declaratory judgment pursuant to N.C. Gen. Stat. §1-253 *et seq*, injunctive relief pursuant to North Carolina Rule of Civil Procedure 65, and, in the alternative, just compensation pursuant to Article I, Sections 19 and 35 of the North Carolina Constitution, hereby alleges and says:

### **PARTIES**

1. Charlotte is a municipal corporation organized and existing under the laws of North Carolina and located in Mecklenburg County, North Carolina. Charlotte is a body politic and corporate with capacity to sue as provided in N.C. Gen. Stat. §160A-11.
2. The State of North Carolina is a defendant (the "State").
3. The Charlotte Douglas International Airport Authority is a defendant.

### **NATURE OF THE CASE**

4. On or about July 18, 2013, Senate Bill 81 was approved on its final vote, when the Senate concurred in the House amendments to the original bill passed by the Senate. *See* Exhibit A, Senate Bill 81. The final edition of the bill, as amended by the House with the Senate concurring, provides that it shall become effective when the bill becomes law. Because the bill is ostensibly not required to be presented to the Governor for his signature of veto, SB 81 will

become law when it has been ratified by the presiding officers of both House and Senate. Because ratification is a purely ministerial act, a real and substantial controversy now exists with respect to the constitutionality of SB 81, and that controversy is ripe for adjudication. Charlotte brings this action before the ministerial act of ratification has been completed in order to preserve the *status quo* and avoid immediate, irreparable, and even catastrophic injury to Charlotte, the Airport, and the residents and businesses who depend on orderly operation of the Airport pending final determination of Charlotte's rights and claims as set forth in this Complaint.

5. Once ratified, SB 81 will be enacted as the Charlotte Douglas International Airport Authority Act ("the Act"). The Act establishes a Charlotte Douglas International Airport Authority (the "Authority"), "a body corporate and politic, having the powers, authority, and jurisdiction" enumerated in the Act and other additional powers as may be subsequently conferred by future acts of the General Assembly. SB 81 § 2. The Act grants the Authority plenary power over the operation and management of the Airport in Mecklenburg County.

6. The Act further grants the Authority plenary ownership of Airport property and funds. It provides that "[a]ll right, title and interest of the City of Charlotte in and to the Airport Property, Airport Facilities, and Charlotte Douglas International Airport shall be deemed to have been transferred to the Authority as a matter of law when this Act becomes law, and no action by the City shall be necessary to effect such transfer nor be effective to prevent such transfer." *Id.* at § 7.(b1). The property ostensibly taken from Charlotte and transferred to the Authority includes: (a) "Airport Property," defined in Section 3(3) as "all the real property and improvements thereto designated as airport property on the Airport Layout Plan or Airport Development Plan of the Airport conditionally approved by the FAA on February 13, 2013"; (b) "Airport Facilities,"

defined in Section 3(2) as “airport facilities of all kinds”; and (c) “all other property held or owned by the City of Charlotte with respect to the Airport, real or personal, tangible or intangible, and including all cash and cash equivalents and checking, investment, and demand deposit bank accounts held by the City pertaining to or generated from revenues of the Airport . . . and all other funds and accounts of the City with respect to the Airport.” SB 81 § 7.(b1).

7. The Act purports to completely divest Charlotte of ownership, operation, and management of the Airport, which it has successfully and efficiently maintained since the mid-1930s. As compensation, the Act provides that Charlotte will be compensated an “amount equal to the unreimbursed or unrecovered cost to the City of acquiring the Airport Property that was not ultimately paid with Airport revenues or funds or the proceeds of federal, State, or private grants.” § 7.(f). This proposed compensation is, however, conditioned on the approval of the FAA. Even if it were approved, the amount prescribed in the Act is but a minute fraction of the fair market value of the Airport and its assets.

8. In this action, Charlotte seeks a declaration that the Act, which applies exclusively to Charlotte, violates various provisions of the North Carolina Constitution and must be enjoined. In the alternative, Charlotte seeks to compel payment by the State of just compensation for the taking of the Airport.

### **JURISDICTION AND VENUE**

9. Pursuant to N.C. Gen. Stat. §1-253 *et seq.*, Charlotte seeks a declaratory judgment as to the constitutionality of a certain enactment of the General Assembly. As alleged below, a present and real controversy exists between the parties as to the constitutionality of such enactment. In addition, Charlotte seeks to restrain and enjoin the application and operation of such unconstitutional enactment. Accordingly, this action is properly brought in the Superior

Court Division of the General Court of Justice pursuant to N.C. Gen. Stat. §§ 1-253 and 7A-245(a).

10. Jurisdiction over Charlotte's alternative claim for an award of just compensation for the taking of its Airport by the State is proper in this Court under *Corum v. Board of Governors*, 330 N.C. 761, 413 S.E.2d 276 (1992).

11. Venue is proper in this county under N.C. Gen. Stat. §§ 1-76, 1-82.

#### **FACTS COMMON TO ALL CLAIMS**

12. Charlotte operates under the Council-Manager form of government. The Airport is a department of the City and reports to the City Manager. The Airport is operated as a public enterprise as authorized by N.C. Gen. Stat. § 160A-311 *et seq.* and as an Enterprise Fund under Charlotte's budget; it receives no revenues from property taxes and is fully self-supporting. An Airport Advisory Committee, appointed by the Mayor and City Council, reviews long-range planning for airport development, recommends appropriate action to City Council on airport policy matters, and reviews and studies all aspects of airport transportation needs of metropolitan Charlotte. The committee also monitors and advises City Council on the implementation of the Airport Master Plan and airport noise compatibility on the neighborhood relations program.

13. Prior to 1935, air service in Charlotte was controlled by private airfields that did not serve the public need. In 1935, then-Charlotte Mayor Ben Douglas (after whom the airport is named) led a campaign to build a new municipal airport. Voters passed a bond referendum for \$50,000 and Douglas convinced the Roosevelt Administration to help fund the construction of an airport through the Works Progress Administration. Douglas' early vision and leadership established Charlotte as a leader in aviation in the Carolinas.

14. During World War II, the airport served as a base for the Army Air Corps, and later returned to civilian control. By the 1950s, Airport facilities were inadequate for the needs of the City and region; city voters again voted for a bond referendum and a new terminal was completed in 1954.

15. By the mid-1970s, the Airport's facilities again became inadequate and voters again supported General Obligation Bonds for a new terminal in November 1978.

16. In 1980, nearly \$50 million of Charlotte public debt was issued and a new terminal was completed and opened in 1982. Since that time, the Airport has grown significantly under the stewardship of Charlotte, today ranking sixth in "total volume" among airports nationwide.

17. The Airport consists of five concourses with approximately one hundred gates. In 2012, the Airport set a new record for travelers at over forty-one million. It ranks fifth among domestic airports in on-time performance.

18. Last year, the Airport oversaw a total of 552,093 landings and departures, a 2.7 percent increase from 2011. The Airport provides service to 142 destinations throughout the world and averages 703 daily departures. The Airport is served by six domestic and three foreign flag carriers. US Airways operates its largest hub at the Airport.

19. Moreover, the Airport provides highly cost efficient service, with a Cost-Per-Enplaned Passenger ("CPE") of \$0.93 in Fiscal Year 2012. This CPE is among the lowest in the nation and remains well below industry medians for large hub airports.

20. In 2010, the Airport received the coveted Eagle Award from the International Air Transport Association for "Best Airport." This award is considered the most distinguished

award in the industry. Quality service and economical value to airline customers were cited for recognition.

21. The Airport is a major employment center. Employers who maintain staff on-site employ nearly 20,000 workers. The Airport's largest employer is US Airways, which employs approximately 6,500 workers, while other airlines, tenants, other businesses, and Charlotte's Aviation Department employ the remainder.

22. The Airport is one of Charlotte's most valuable tools for economic development. Since 1982, when the current terminal building opened, 7,852 new companies have invested more than \$5 billion in Mecklenburg County and created 78,042 new jobs. The number of foreign-owned companies with operations in Mecklenburg County has increased from 147 in 1982 to 625 today. In many instances, these companies cite the Airport as a major reason why they chose to locate within the Charlotte region.

23. The economic activity that the Airport generates is a major contributor to the vitality and growth of the region's economy. The Airport also contributes nearly \$10 billion in annual total economic impact to the region, according to a report prepared in November 2005 by the Center for Transportation Policy Studies at the University of North Carolina at Charlotte (UNCC), in partnership with the Charlotte Chamber. More recent data estimates the Airport's annual total economic impact to the region at \$12 billion.

24. Additionally, more than 100,000 jobs in the region are directly or indirectly related to the Airport and its services. The workers holding those jobs earn more than \$5 billion in wages and salaries.

25. The Airport is part of a group of airports that the Transportation Security Administration has ranked as having the highest risk for potential terrorism. Any disruption or

uncertainty stemming from a transition of ownership, management, and operation of the Airport to the Authority jeopardizes the successful security protocol at the Airport and puts passengers and the public at risk.

26. Despite the successful ownership, management, and operation of the Airport under Charlotte's Council-Manager form of government and the Airport Advisory Committee, the North Carolina General Assembly enacted the Act to wrest ownership of the Airport from Charlotte in favor of the Authority.

27. Charlotte has issued revenue bonds for many years to provide financing for the extensive capital improvement projects at the Airport. As of June 30, 2013, the City has outstanding debt of approximately \$838.2 million, including instruments issued under a Revenue Bond Order adopted November 18, 1985 ("the Bond Order"), all Series Resolutions issued under the Bond Order, a Special Facility Bond Order adopted May 11, 1987, all Series Resolutions adopted under the Special Facility Bond Order, and a Taxable Special Facility Revenue Bonds (Consolidated Car Rental Facilities Project) Series 2011 General Trust Indenture and Series Indenture, Number 1, both dated November 1, 2011.

28. Section 713 of the Bond Order requires notification and written approval of the Trustee prior to any transfer of a substantial portion of the Airport Property. The City has been informed by counsel for the Bond Trustee that once the Act becomes effective, the City can expect a notice of default to be issued by the Trustee.

#### **COUNT 1: DECLARATORY JUDGMENT**

#### **Article V, Section 13 and Article XIV, Section 3 of the North Carolina Constitution Unconstitutional Airport Legislation Through Local Act**

29. Charlotte incorporates by reference the allegations of paragraphs 1 through 28 of this Verified Complaint as if fully repeated here.



30. Article V, Section 13 of the North Carolina Constitution authorizes the General Assembly to “enact *general* laws to grant to the State, counties, municipalities, and other State and local governmental entities all powers useful in connection with the development of new and existing seaports and airports.” Art. V, § 13(1) (emphasis added). Section 13 further authorizes these public bodies “to acquire, construct, own, own jointly with public and private parties, lease as lessee, mortgage, sell, lease as lessor, or otherwise dispose of lands and facilities and improvements, including undivided interest therein,” and undertake further enumerated activities to finance, refinance, and secure any financing or refinancing relating to seaport and airport facilities, and to develop waterborne or airborne commerce, cargo, and passenger traffic. *Id.* § 13(1)(a)-(c).

31. In pertinent part, Article XIV, Section 3 of the North Carolina Constitution provides that “[w]hensoever the General Assembly is directed or authorized by this Constitution to enact general laws, or general laws uniformly applicable throughout the State, or general laws uniformly applicable in every county, city and town, and other unit of local government, or in every local court district, *no special or local act shall be enacted concerning the subject matter directed or authorized to be accomplished by general or uniformly applicable laws . . .*”.

32. SB 81 is, on its face, a local act. *See* Exhibit A at 1 (designating the Act “Local” immediately next to its short title). Moreover, there is no doubt that it specifically applies to the Airport and divests only the City of Charlotte – the sole and exclusive owner and manager of the Airport – of its ownership. SB 81 was not presented to the Governor, as required by Article II, Section 22(1) of the North Carolina Constitution.

33. SB 81 is unconstitutional as a local act under Article V, Section 13 and Article XIV, Section 3 of the North Carolina Constitution. While Article V, Section 13 empowers the

General Assembly to enact *general laws* granting to any State or local government entities powers “useful in connection with the development of new and existing seaports and airports,” Article XIV, Section 3 specifically prohibits the General Assembly from legislating local acts “concerning the subject matter directed or authorized to be accomplished by general or uniformly applicable laws.” The Act is a local act “concerning the subject matter” of “the development of new and existing seaports and airports.” It is therefore beyond the power of the General Assembly to legislate, and should be declared unconstitutional and enjoined.

**COUNT 2: DECLARATORY JUDGMENT**

**Article I, Section 19 of the North Carolina Constitution and N.C. Gen. Stat. § 159-93  
Bond Default Resulting From Unconstitutional Impairment to Contractual Obligation**

34. Charlotte incorporates by reference the allegations of paragraphs 1 through 33 of this Verified Complaint as if fully repeated here.

35. By virtue of Article I, Section 19 of the North Carolina Constitution, the State is prohibited from enacting any law impairing the obligation of contracts.

36. By the enactment of N.C. Gen. Stat. § 159-93, the State covenanted and agreed with the holders of revenue bonds that it would take no action to impair the ability of the City to repay such bonds.

37. Charlotte has approximately \$838.2 million in outstanding revenue and special facility bonds (“Airport Bonds”) to pay certain capital expenses associated with the construction and operation of the Airport. Under the Bond Order, Charlotte pledges certain revenues of the Airport to support payment of the Airport Bonds, and enters into certain covenants with the bondholder with respect to the operation and maintenance of the Airport. Charlotte has undertaken valid and binding contractual obligations with respect to the purchasers of the Airport Bonds. Pursuant to the General Trust Indenture, the City has made certain pledges and

covenants regarding its rights and obligations to set fees, rates, and rents and to maintain control over the Airport. The City has been informed by counsel for the Bond Trustee that once the Act becomes effective, the City can expect a notice of default to be issued by the Trustee.

38. The outstanding Airport Bonds are revenue bonds within the scope of N.C. Gen. Stat. § 159-93 and are entitled to the protection of the State's undertaking and agreement set forth in that statute.

39. Pursuant to Section 713 of the Bond Order, Charlotte is required to satisfy certain requirements prior to selling or otherwise disposing of certain assets that make up a significant portion of the Airport.

40. The Act substantially impairs the contractual relationship between Charlotte and the holders of the Airport Bonds in that it will cause a replacement of Charlotte as the obligor on such bonds in violation of the provisions of Section 713 of the Bond Order.

41. As a result of the Act, the City has been informed by counsel for the Bond Trustee that once the Act becomes effective, the City can expect a notice of default to be issued by the Trustee.

42. The impairment of the contractual relationship between Charlotte and the holders of the Airport Bonds is not justified by any public purpose.

43. Accordingly, the Act violates Article I, Section 19 of the North Carolina Constitution and the statutory mandate of N.C. Gen. Stat. § 159-93.

**COUNT 3: DECLARATORY JUDGMENT**  
**Article I, Section 5 of the North Carolina Constitution**  
**Unconstitutional Subversion of Federal Aviation Authority**

44. Charlotte incorporates by reference the allegations of paragraphs 1 through 43 of this Verified Complaint as if fully repeated here.

45. Pursuant to 49 U.S.C. §§ 106, 40101 *et seq.*, and Title 14 of the Code of Federal Regulations, the Federal Aviation Administration (“FAA”) is constituted as an agency of the United States empowered to certify and license airports in the United States. Among other powers of the FAA are the power to grant certificates (“Part 139 Certificates”) authorizing persons and entities to own and operate civilian commercial airports and the power to condition the grant of such certificates and the grant of FAA funds for airport improvement projects (including those for runway construction and other expansions under the Airport Improvement Program, 49 U.S.C. §47107) upon the giving of certain undertakings, commitments, and assurances by the owners and sponsors of airports (“Sponsor’s Assurances”) as may be deemed necessary and appropriate in the judgment of the FAA to insure that the purposes and requirements of all applicable federal laws, regulations, executive orders, and Office of Management and Budget Circulars are satisfied (as set forth in FAA’s “Airport Sponsor Assurances”).

46. Without a valid Part 139 Certificate supported by FAA-approved Sponsor’s Assurances, no person or entity may operate a civilian commercial airport in the United States.

47. Charlotte is the holder of a Part 139 Certificate for ownership and operation of the airport issued by the FAA. Charlotte has additionally provided to the FAA its Sponsor’s Assurances as required by the FAA in connection with the grant of its Part 139 Certificate and its acceptance and expenditure of numerous FAA grants for airport improvements.

48. No provision of 49 U.S.C. §§ 106, 40101 *et seq.*, or Title 14 of the Code of Federal Regulations authorizes or permits the delegation to any State of the powers granted therein to and the duties imposed therein upon the FAA, nor has the FAA purported to grant to the State of North Carolina any authority to issue, revoke, renew, amend, transfer or otherwise

modify in any way any FAA Part 139 Certificate for the Airport, nor to establish, approve, or modify the terms and conditions of any Sponsor's Assurances relative to the Airport.

49. Notwithstanding the matters set forth above, Section 7.(b1) of the Act deems the Authority "to have assumed and become successor to the City with respect to the FAA Part 139 Certificate" and "the FAA Sponsor's Assurances entered into by the City with the FAA."

50. Section 7.(b1) of the Act purports to operate as a matter of law without the consent of the FAA or even simple advance notice to the FAA.

51. Article I, Section 5 of the North Carolina Constitution provides that "[e]very citizen of this State owes paramount allegiance to the Constitution and government of the United States, and no law or ordinance of the State in contravention or subversion thereof can have any binding force." Section 7.(b1) of the Act contradicts and subverts the authority granted by the Congress of the United States to the FAA and is therefore in violation of Article I, Section 5 of the Constitution of North Carolina. By virtue of Article I, Section 5 of the North Carolina Constitution, the Act has no "binding force" on Charlotte. By virtue of Article I, Section 5 of the North Carolina Constitution, Charlotte remains and continues to hold the only FAA-issued Part 139 Certificate for the Airport and remains the only FAA-approved Sponsor of the Airport.

52. The Act's attempt to immediately transfer ownership and operating control of the Airport property and operations to the Authority – an entity lacking any valid FAA licenses or certifications necessary for the operation of the Airport – results in the potential immediate shutdown of Airport operations in their entirety, the consequences of which will be financially devastating to Charlotte, with the effects extending nationally and internationally.

**COUNT 4: UNCONSTITUTIONAL TAKING**  
**Article I, Sections 19 and 35 of the North Carolina Constitution**

53. Charlotte incorporates by reference the allegations of paragraphs 1 through 52 of this Verified Complaint as if fully repeated here.

54. In its proprietary capacity as owner and operator of the Airport, the City of Charlotte is a person entitled to the protections of Article I, Sections 19 and 35 of the North Carolina Constitution to the same extent as any private individual or corporation engaged in a similar enterprise.

55. The Act by operation of law purports to transfer the assets and debts of the Airport to the new Authority against Charlotte's wishes, and the Act thus effects an uncompensated taking of the Airport by the State.

56. The transfer of assets and debts of the Airport to the new Authority ostensibly results in no change in the existing uses or purposes currently served by the Airport. It is nothing more than an edict by the State that the property owned by Charlotte shall belong to another entity.

57. Consequently, the Act is not a valid exercise of the State's power to take or condemn property for a public use because the property is already used for precisely the same purposes as are contemplated by the enactment that constitutes the taking.

58. The Act violates Article I, Sections 19 and 35 of the North Carolina Constitution and should be declared unconstitutional and enjoined. In the alternative, Charlotte is entitled to just compensation from the State for the taking.

**MOTION FOR TEMPORARY RESTRAINING ORDER**  
**AND PRELIMINARY INJUNCTION**

59. Charlotte incorporates by reference the allegations of paragraphs 1 through 58 of this Verified Complaint as if fully repeated here.

60. In the absence of a temporary restraining order and preliminary injunction, Charlotte and its citizens will suffer irreparable harm from the violations of the North Carolina State Constitution stemming from the Legislation.

61. First, the violations of the North Carolina State Constitution described herein that Charlotte and its citizens will suffer in the absence of immediate injunctive relief constitute, as a matter of law, *per se* irreparable harm.

62. Second, in the absence of immediate injunctive relief, enforcement of the Act threatens to cause imminent, irreparable harm to Charlotte including, but not limited to, the consequences of default on its obligations under the Airport Bonds, the disruption or loss entirely of Airport services upon the Act becoming effective, and the Airport's inability to function without violating state or federal law.

63. Charlotte has no adequate remedy at law because monetary damages are incapable of protecting Charlotte and its citizens from the immediate loss of an operational airport. Thus, in the absence of immediate action to preserve the status quo, imminent and irreparable harm will be inflicted upon Charlotte and its citizens.

64. For the foregoing reasons, Charlotte requests that this Court enter a temporary restraining order, preliminary injunction, and permanent injunction enjoining the effectiveness, operation, and enforcement of the Act, prohibiting the Authority from assuming any control or authority over the assets of the Airport and its operation, and directing that Charlotte may continue to own, manage and operate the Airport as though the Act had never been enacted.

## **DEMAND FOR JUDGMENT**

WHEREFORE, Plaintiff City of Charlotte prays as follows:

1. That the Court treat this Verified Complaint as a Motion for Temporary Restraining Order and Preliminary Injunction and an Affidavit in support thereof;
2. That the Court enter a temporary restraining order, preliminary injunction, and permanent injunction enjoining implementation and enforcement of the Legislation;
3. That the Court enter a Declaratory Judgment, pursuant to N.C. Gen. Stat. § 1-253 *et seq.*, that the Act is unconstitutional as an invalid local act pursuant to Article V, Section 13 and Article XIV, Section 3 of the North Carolina Constitution;
4. That the Court enter a Declaratory Judgment, pursuant to N.C. Gen. Stat. § 1-253 *et seq.*, that the Act is an unconstitutional impairment of the obligation of contract in violation of Article I, Section 19 of the North Carolina Constitution and N.C. Gen. Stat. §159-93;
5. That the Court enter a Declaratory Judgment, pursuant to N.C. Gen. Stat. § 1-253 *et seq.*, that the Act violates Article I, Sections 19 and 35 of the Constitution of North Carolina and, in the alternative, that the Court award Charlotte just compensation for the value of the Airport in an amount to be determined by the jury at trial;
6. That the Court issue a temporary restraining order, preliminary injunction, and permanent injunction ordering the following: (a) that the State is restrained and enjoined from taking any action to implement or enforce the Act; (b) that the Charlotte Douglas Airport Authority, and all of its agents, servants, and employees are forbidden from assuming any authority or control over the Airport or any of the real or personal property owned by the City of Charlotte with respect to the Airport; (c) that none of the property, licenses, debt, or contracts associated with or related to the Airport is to be transferred to the Charlotte Douglas Airport



Authority; and (d) that Charlotte continues to own, manage, and operate the Airport and all of the property owned by the City of Charlotte with respect to the Airport.

7. That the Court award to Charlotte its cost, expenses, and fees, including reasonable attorneys' fees, pursuant to applicable statutory and common law, including N.C. Gen. Stat. §§ 6-19.1, 6-20, and 1-263.

8. That the Court grant such other and further relief as the Court deems just and proper.

#### **DEMAND FOR JURY TRIAL**

The City of Charlotte demands trial by jury on all issues as to which right of jury trial exists.

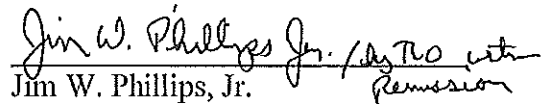
Respectfully submitted the 18th day of July, 2013.

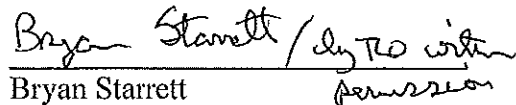
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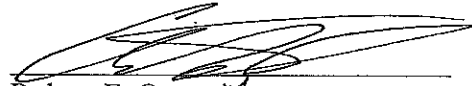
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**VERIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

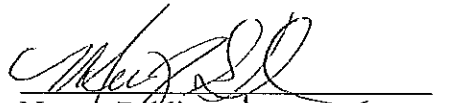
The undersigned, being first duly sworn, deposes and says that he is City Manager of the City of Charlotte, the Plaintiff herein; that he has read the foregoing Verified Complaint and to his personal knowledge the matters and statements continued therein are true, except as to those matters or statements made upon information and belief, and as to those he believes them to be true.



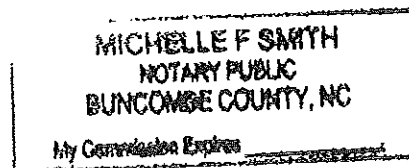
Ron Carlee  
City Manager

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

SWORN TO AND SUBSCRIBED before me this 18<sup>th</sup> day of July, 2013.



Notary Public Michelle F. Smyth  
My Commission Expires:  
2-18-2017



# **EXHIBIT A**

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

S

10

SENATE BILL 81  
Rules and Operations of the Senate Committee Substitute Adopted 2/20/13  
Corrected Copy 2/21/13  
Finance Committee Substitute Adopted 2/27/13  
Fifth Edition Engrossed 3/12/13  
Corrected Copy 3/13/13  
Corrected Copy 3/14/13  
House Committee Substitute Favorable 6/4/13  
House Committee Substitute #2 Favorable 7/10/13  
Tenth Edition Engrossed 7/16/13

Short Title: Charlotte Douglas International Airport. (Local)

Sponsors:

Referred to:

February 14, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE THE CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT  
3 AUTHORITY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. This act shall be known and may be cited as the "Charlotte Douglas  
6 International Airport Authority Act."

7 SECTION 2. There is hereby created the Charlotte Douglas International Airport  
8 Authority, which shall be a body corporate and politic, having the powers, authority, and  
9 jurisdiction hereinafter enumerated and such other and additional powers and authority as shall  
10 be conferred upon it by future acts of the General Assembly.

11 SECTION 3. Unless the context requires otherwise, the following definitions apply  
12 throughout this act to the defined words and phrases and their cognates:

13 (1) "Airport" means Charlotte Douglas International Airport in Mecklenburg  
14 County.

15 (2) "Airport Facilities" means airport facilities of all kinds, including, but not  
16 limited to, landing fields, hangars, fixed base operations, shops, restaurants  
17 and catering facilities, terminals, buildings, automobile parking facilities,  
18 and all other facilities necessary, beneficial, and/or helpful for the landing,  
19 taking off, operating, servicing, repairing, and parking of aircraft, the  
20 loading, unloading, and handling of cargo and mail, express and freight, and  
21 the accommodation, convenience, and comfort of crews and passengers,  
22 together with related transportation facilities, all necessary, beneficial,  
23 and/or helpful appurtenances, machinery, and equipment, and all lands,  
24 properties, rights, easements, and franchises relating thereto and considered  
25 necessary, beneficial, and/or helpful by the Authority in connection  
26 therewith.

27 (3) "Airport Property" means all the real property and improvements thereto  
28 designated as airport property on the Airport Layout Plan or Airport



\* S 8 1 - V - 1 0 \*

Development Plan of the Airport conditionally approved by the FAA on February 13, 2013.

(4) "Appointing Authorities" means the entities described in Section 4(a) of this act who are empowered to appoint Members of the Authority and referred to collectively as "Appointing Authorities" and individually as "Appointing Authority."

(5) "Authority" means the Charlotte Douglas International Airport Authority created by this act or, if such Authority is abolished or otherwise ceases to exist, the authority, board, body, commission, or other entity succeeding to the principal functions thereof.

(6) "FAA" means the Federal Aviation Administration or any successor agency.

(7) "Member" means an individual who is appointed to the Authority, as provided by this act.

(8) "Servants" means accountants, auditors, agents, contractors, design professionals, attorneys, and other persons and entities whose services may from time to time be deemed by the Authority to be necessary, beneficial, or helpful.

**SECTION 4.(a)** The Authority shall consist of 11 members appointed as follows:

(1) Two registered voters of the City of Charlotte appointed by the Mayor, at least one of whom shall be a resident of the west side of the City of Charlotte.

(2) Two registered voters of the City of Charlotte appointed by the City Council, at least one of whom shall be a resident of the west side of the City of Charlotte.

(3) One registered voter of Mecklenburg County appointed by the Mecklenburg County Board of Commissioners.

(4) One registered voter of Cabarrus County appointed by the Cabarrus County Board of Commissioners.

(5) One registered voter of Gaston County appointed by the Gaston County Board of Commissioners.

(6) One registered voter of Iredell County appointed by the Iredell County Board of Commissioners.

(7) One registered voter of Lincoln County appointed by the Lincoln County Board of Commissioners.

(8) One registered voter of Union County appointed by the Union County Board of Commissioners.

(9) One member appointed by the other 10 members.

In order to effectuate a seamless transfer of the Airport from the ownership and operation of the City of Charlotte to the ownership and operation by the Authority, and to give the Appointing Authorities time to consider candidates for and to appoint members as provided herein, the initial Members of the Authority from the time this act becomes law shall be the members of the Airport Advisory Committee of the City of Charlotte who shall serve only until six Members shall have been appointed by the Appointing Authorities and qualified by taking their oath of office. The powers of the Airport Advisory Committee serving as initial members shall be limited to ministerial acts, and no employment or management contracts shall be awarded or entered into by the initial Members, and any such contracts as the initial Members shall award or enter into shall not be effective or binding on the Members selected by the Appointing Authorities; provided, however, the initial Members may take such actions as are appropriate in accordance with Section 11 of this act. The Appointing Authorities shall appoint initial members no later than October 1, 2013. The Authority shall appoint the 11th member no

1 later than December 1, 2013. Members, when practical, shall have experience in aviation,  
2 logistics, construction and/or facilities management, law, accounting, and/or finance.

3 **SECTION 4.(a1)** No person may be appointed as a member who:

- 4 (1) Is employed by a Servant of the Authority as defined in Section 3 of this act;  
5 (2) Is a tenant or employee of a tenant of an airport owned, operated, or  
6 controlled by the Authority, or other commercial user or employee of a  
7 commercial user of any airport operated by the Authority; or  
8 (3) Has been convicted of a felony or a crime of moral turpitude.

9 **SECTION 4.(b)** Members shall serve four-year terms and may serve up to a total  
10 of two successive four-year terms. A member who has reached this limit may not be  
11 reappointed to the Authority except after a lapse of four years following the most recent term  
12 served. In the event a member is appointed to fill an unexpired term, and at least two years of  
13 the unexpired term remain to be served, such appointment shall be counted in applying the  
14 two-term limit; otherwise, it shall not be counted. In order to ensure that the terms of all members  
15 of the Authority do not expire at the same time, the initial terms of the members of the  
16 Authority, appointed by the Counties of Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, and  
17 Union, shall be for two years. All initial four-year terms expire December 31, 2017, and all  
18 initial two-year terms expire December 31, 2015.

19 **SECTION 4.(c)** Any vacancy occurring among the membership of the Authority  
20 shall be filled within 60 days after notice thereof by the appointment of a successor by the  
21 Appointing Authority of the previous member. Such successor member shall serve for the  
22 remainder of the unexpired term.

23 **SECTION 4.(d)** Members and their successors shall take and subscribe to an oath  
24 of office before an officer authorized to administer oaths, which oath shall be filed with the  
25 Authority.

26 **SECTION 4.(e)** Any member may be suspended or removed from office by that  
27 member's Appointing Authority or a majority vote of the other members for cause affecting  
28 that member's duties and responsibilities as a member; for misfeasance, malfeasance, or  
29 nonfeasance in office; or for conduct tending to undermine any decisions of the Authority, or  
30 for conduct exposing the Authority to liability for damages.

31 **SECTION 4.(f)** Except for malfeasance, members shall not be personally liable, in  
32 any manner, for their acts or omissions as members.

33 **SECTION 4.(g)** Each member may continue to serve until a successor has been  
34 duly appointed and qualified, but not for more than 60 days beyond the end of the term.

35 **SECTION 5.(a)** The organization and business of the Authority shall be conducted  
36 as provided in this act.

37 **SECTION 5.(b)** Members shall constitute the governing board of the Authority  
38 and may, among other things and from time to time, adopt suitable bylaws not inconsistent with  
39 the provisions of this act.

40 **SECTION 5.(c)** The Authority shall appoint from its members a chair, vice-chair,  
41 and such other officers as it may from time to time deem necessary, beneficial, and/or helpful  
42 for the orderly conduct of its business. The term of office of the chair and vice-chair is one  
43 year.

44 **SECTION 5.(d)** Each member, including the chair, shall have one vote. A majority  
45 of the members in office shall constitute a quorum, and, unless otherwise provided in this act,  
46 all actions of the Authority shall be determined by a majority vote of the members present and  
47 voting in a duly called meeting at which a quorum is present.

48 **SECTION 5.(e)** The Authority shall hold meetings at least monthly at such times  
49 and places as it from time to time may designate and at such other times on the call of the chair  
50 or by seven members of the Authority; provided a monthly meeting need not be held if it is

1 determined by the chair or seven members that such meeting is not required. Notice of  
2 meetings shall be provided as required by Article 33C of Chapter 143 of the General Statutes.

3 **SECTION 5.(f)** Members may receive payment or reimbursement for travel,  
4 lodging, and meal expenses incurred in transacting business on behalf of the Authority.  
5 Members may also receive free parking at any airport owned, leased, subleased, or controlled  
6 by the Authority, which members may use for official purposes during the respective member's  
7 term of office.

8 **SECTION 5.(g)** The fiscal year of the Authority shall begin on July 1 and end on  
9 June 30. On or before May 15 of each year, the Authority shall prepare and adopt a proposed  
10 budget for the next ensuing fiscal year and deliver copies of such proposed budget to the  
11 Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, and Union County Boards of Commissioners  
12 and the Charlotte City Council. In order to effectuate a seamless transfer of the Airport from the  
13 ownership and operation by the City of Charlotte to the ownership and operation by the  
14 Authority, the initial budget of the Authority shall be the budget established by the City  
15 Council of the City of Charlotte for the Airport for the period July 1, 2013, through June 30,  
16 2014, until the initial budget shall be revised by the Authority. The financial affairs of the  
17 Authority shall be governed by the Local Government Finance Act.

18 **SECTION 5.(h)** All meetings and closed sessions of the Authority shall be  
19 conducted in accordance with Article 33C of Chapter 143 of the General Statutes as it may be  
20 amended or in accordance with any successor statute.

21 **SECTION 6.(a)** The Authority shall constitute a body, both corporate and politic,  
22 and shall have the power and authority to do the following:

- 23 (1) Adopt and from time to time revise an official seal.
- 24 (2) Maintain an office or offices at such place or places as it may designate  
25 within Mecklenburg County only.
- 26 (3) Purchase, acquire, develop, establish, construct, own, control, lease, equip,  
27 improve, administer, maintain, operate, and/or regulate airports and/or  
28 landing fields for the use of airplanes and other aircraft and all facilities  
29 incidental thereto, within the limits of Mecklenburg County; and for any of  
30 such purposes, purchase, acquire, own, develop, hold, lease, sublease, and  
31 operate real and/or personal property comprising such airports.
- 32 (4) Purchase real and personal property.
- 33 (5) Sue and be sued in the name of the Authority.
- 34 (6) In addition to the powers granted by subdivision (3) of this subsection, (i)  
35 upon the consent of the governing bodies of such airports, to acquire by  
36 purchase or otherwise and to hold lands for the purpose of constructing,  
37 maintaining, and/or operating existing airports in Cabarrus, Gaston, Iredell,  
38 Lincoln, and Union Counties and (ii) upon the consent and agreement of the  
39 Board of county commissioners of Cabarrus, Gaston, Iredell, Lincoln, and  
40 Union Counties, to acquire land and construct, make improvement,  
41 extension, enlargement, or equipping of future airport facilities in such  
42 counties.
- 43 (7) Charge and collect fees, royalties, rents, and/or other charges, including fuel  
44 flowage fees, for the use and/or occupancy by persons of the airports and  
45 other property owned, leased, subleased or controlled by the Authority or for  
46 services rendered in the operation thereof.
- 47 (8) Make all reasonable rules and regulations, and policies as it may from time  
48 to time deem to be necessary, beneficial or helpful for the proper  
49 maintenance, use, occupancy, operation and/or control of any airport or  
50 airport facility owned, leased, subleased, or controlled by the Authority and  
51 provide and enforce civil and criminal penalties for the violation of such



- 1 rules, regulations and/or policies; provided that such rules, regulations,  
2 policies, and penalties are not in conflict with any applicable law, rules or  
3 regulation of the State of North Carolina, the United States, or any agency,  
4 department, or subdivision of either of them, including the rules and  
5 regulations of the FAA or the Transportation Security Administration.
- 6 (9) Sell, exchange, lease, sublease, or otherwise dispose of any property, real or  
7 personal, belonging to the Authority and not needed by the Authority to  
8 operate any airport owned or operated by it or to generate revenues to pay  
9 debt obligations of the Authority, or grant easements over, through, under, or  
10 across any real property belonging to the Authority, or donate to another  
11 governmental entity within North Carolina or to the United States any  
12 surplus, obsolete, or unused personal property; provided Article 12 of  
13 Chapter 160A of the General Statutes does not apply and is not applicable to  
14 any such sale, exchange, lease, sublease, grant, donation, or other  
15 disposition.
- 16 (10) Purchase such insurance and insurance coverages as the Authority may from  
17 time to time deem to be necessary, beneficial, or helpful.
- 18 (11) Deposit, invest, and/or reinvest any of its funds as provided by the Local  
19 Government Finance Act for the deposit or investment of unit funds.
- 20 (12) Issue revenue bonds and/or refunding revenue bonds pursuant to the State  
21 and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the  
22 General Statutes.
- 23 (13) Purchase any of its outstanding bonds or notes.
- 24 (14) Operate, own, lease, sublease, control, regulate, and/or grant to others the  
25 right to operate on any airport premises owned, operated, or controlled by  
26 the Authority, general aviation terminal and fixed base operations, aircraft  
27 deicing equipments and systems, restaurants, snack bars and vending  
28 machines, food and beverage dispensing outlets, rental car services, catering  
29 services, novelty shops insurance sales, advertising media, merchandise  
30 outlets, motels, hotels, barber shops, automobile parking and storage  
31 facilities, automobile service stations, garage service facilities, motion  
32 picture shows, personal service establishments, and/or all other types of  
33 facilities, activities, and enterprises as may be directly or indirectly related to  
34 the maintenance and/or furnishing of public commercial service and/or  
35 general aviation airport facilities.
- 36 (15) Accept grants of money and/or materials or property of any kind for any  
37 existing or future airport facilities from the State of North Carolina, the  
38 United States, or any agency, department or subdivision of either of them,  
39 including the FAA or from any private agency, entity, or individual, upon  
40 such terms and conditions as may be imposed, and enter into contracts and  
41 grant agreements with the FAA and/or with the State of North Carolina or  
42 any of its agencies, departments or subdivisions, in the capacity of sponsor  
43 or cosponsor of any airport development project involving the acquisition,  
44 construction, development, reconstruction, improvement, extension,  
45 enlargement, or equipping of any existing or future airport facilities.
- 46 (16) Employ and fix the compensation of an Executive Director, who shall serve  
47 at the pleasure of the Authority or pursuant to the terms of an employment  
48 contract awarded by the Authority and who shall manage the affairs of the  
49 Authority under the supervision of the Authority.
- 50 (17) Employ, or provide for the employment of such employees, including law  
51 enforcement officers, as the Authority may from time to time deem to be

necessary, beneficial, or helpful. All such employees shall be employees at will, and no such employee shall have a defined or definite term of employment, an expectation of continued employment, or an expectation of continued indefinite employment.

(18) Employ, hire, retain, or contract with such Servants whose services may from time to time be deemed by the Authority to be necessary, beneficial, or helpful. In order to effectuate a seamless transfer of the Airport from the ownership and operation by the City of Charlotte to the ownership and operation by the Authority, the Authority will honor and be bound by all existing contracts between the City and such Servants as presently are engaged to assist the City with respect to the Airport.

(19) Make or cause to be made such surveys, investigations, studies, borings, maps, plans, drawings, and/or estimates of cost and revenues as the Authority may from time to time deem necessary, beneficial, or helpful and prepare and adopt a comprehensive plan or plans for the location, construction, improvement, and development of any project.

(20) Undertake and/or enter into leases, subleases, agreements, easements, and contracts, and/or grant concessions, with respect to alternative energy, energy conservation, energy reduction, and/or renewable energy activities, programs, projects, and/or ventures, and the administration, construction, development, enlargement, equipment, improvement, maintenance, management, operation, regulation, and/or repair thereof.

(21) Exercise the power of eminent domain, pursuant to Article 3 of Chapter 40A of the General Statutes to expand the boundaries of an airport already owned, operated, or controlled by the Authority or to comply with the requirements of the United States and the FAA with respect to such airport, but only for public use as a public airport purpose. For the purposes of Chapter 40A of the General Statutes, the Authority is a public condemnor under G.S. 40A-3(c). In the exercise of its authority of eminent domain for the acquisition of property to be used for public airports, the authority is authorized to use the procedure and authority prescribed in Article 9 of Chapter 136 of the General Statutes, as now written or hereafter amended. For the purposes of this paragraph, whenever a reference is made in Article 9 of Chapter 136 of the General statutes to an official of the State of North Carolina, the Executive Director of the Authority shall be deemed to be such an official. The exercise of the power of eminent domain of the authority shall be restricted as follows:

- a. No such power of eminent domain shall exist except as to property that is contiguous to property of an airport already owned, operated, or controlled by the Authority; provided that the contiguity of such property to existing airport property shall not be deemed to be interrupted by a railroad or public roadway or waterway running with or adjacent to the boundary of such existing airport property;
- b. No such power of eminent domain shall be used for a purpose that is not necessary for the operation or expansion or to comply with FAA regulations or requirements for or provide protection from or to ameliorate noncompatible land uses of property that is contiguous to property of an airport already owned, operated, or controlled by the Authority;
- c. No such power of eminent domain shall exist to condemn property for such uses as hotels, motels, restaurants, or industrial parks; and

d. No such power of eminent domain shall exist with respect to property already publically owned and dedicated to public use.

(22) Exercise all of the powers conferred by Chapter 63 of the General Statutes or any successor Chapter or law.

**SECTION 6.(b)** The Authority has the same exemptions with respect to payment of taxes and license fees as provided for municipal corporations by the laws of the State of North Carolina.

**SECTION 7.(a)** The Authority may acquire from the County of Mecklenburg and the City of Charlotte, by agreement therewith, and such County and City may grant and convey, either by gift or for such consideration as allowed by federal law and as it may be deemed wise, any real and/or personal property which it now owns or may hereafter acquire, and which may be necessary, beneficial, or helpful for the construction, development, operation, and/or maintenance of any airport or facilities of same located in the County of Mecklenburg. If any such airport ceases to operate or if the Authority is dissolved or otherwise ceases to exist, any applicable real property of the County of Mecklenburg or the City of Charlotte conveyed or transferred to the Authority under this act shall revert to the grantor.

**SECTION 7.(b1)** All right, title, and interest of the City of Charlotte in and to the Airport Property, Airport Facilities, and Charlotte Douglas International Airport shall be deemed to have been transferred to the Authority as a matter of law when this act becomes law, and no action by the City shall be necessary to effect such transfer nor be effective to prevent such transfer. Thereafter, this act shall serve as evidence of chain of title of the Authority to such Airport Property and Airport Facilities. The transfer is deemed to include the Airport Property, Airport Facilities, and all other property held or owned by the City of Charlotte with respect to the Airport, real or personal, tangible or intangible, and includes all cash and cash equivalents and checking, investment, and demand deposit bank accounts held by the City pertaining to or generated from revenues of the Airport, including, without limiting the generality hereof, amounts on deposit in or with respect to the Discretionary Fund, the Cannon Fund, the Revenue Fund, the Operating Fund, the Bond Funds, the Debt Service Funds, the Construction Funds, the Capital Projects Funds, the Discretionary Fund, Passenger Facility Charges, Contract Facility Charges, and all other funds and accounts of the City with respect to the Airport. Upon such transfer from the City to the Authority, the Authority will be and is hereby deemed to have assumed and become successor to the City of Charlotte, and is hereby deemed to have assumed and become successor to the City with respect to the FAA Part 139 Certificate, the FAA Sponsor's Assurances entered into by the City with the FAA, and all liabilities of the City with respect to and arising out of its ownership and operation of the Airport, including the City's obligations to servants and employees of the Authority and bondholders of the City's General Airport Revenue Bonds, and including, without limiting the generality hereof, the obligations under the Revenue Bond Order adopted November 18, 1985, and all Series Resolutions issued under the Bond Order, the Special Facility Bond Order adopted May 11, 1987, and all Series Resolutions adopted under the Special Facility Bond Order, and the Taxable Special Facility Revenue Bonds (Consolidated Car Rental Facilities Project) Series 2011 General Trust Indenture and the Series Indenture, Number 1, both dated November 1, 2011, and all agreements and understandings with respect to trustee(s) or paying agent(s) of the City's airport revenue bonds, letters of credit or other credit facilities of the City with respect to airport revenue bonds, and all leases, licenses, options to purchase, and other encumbrances on the Airport Property and Airport Facilities, whether or not those encumbrances are recorded. Upon transfer of the Airport Property and Airport Facilities, the Authority assumes and becomes the successor to the City of Charlotte with respect to all rights, duties, and obligations of the City of Charlotte in any commercial or development agreements pertaining to or related to the Airport Property and Airport Facilities that are in effect at the time of the transfer, and any commercial agreements, development agreements, and other

1 contracts of the City of Charlotte pertaining to or related to the Airport Property and Airport  
2 Facilities that are in effect at the time of the transfer, including without limitation any contracts  
3 of insurance, shall remain in full force and effect after the transfer.

4 **SECTION 7.(b2)** In order to effectuate a seamless transfer of the Airport from the  
5 ownership and operation by the City of Charlotte to the ownership and operation by the  
6 Authority, the Authority shall initially:

- 7 (1) Honor and be bound by all pending or executory land or real property  
8 purchase contracts by the City of Charlotte with respect to property and  
9 lands to be acquired for and in connection with the Airport.
- 10 (2) Honor and be bound by all existing rules and regulations of the Aviation  
11 Department of the City of Charlotte with respect to the Airport, including the  
12 Airport Security Plan, until such rules and regulations shall be amended by  
13 the Authority in accordance with the provisions of this act.
- 14 (3) Honor and be bound by all existing contracts of the City of Charlotte with  
15 third-party concessionaires and management contractors with respect to the  
16 Airport.
- 17 (4) Honor and be bound by all existing contracts and grant agreements of the  
18 City of Charlotte with respect to the Airport.
- 19 (5) Be deemed as a matter of law to have appointed as its initial Executive  
20 Director the Aviation Director of the City of Charlotte as of February 14,  
21 2013, with initial compensation and benefits of the initial Executive  
22 Director, being the same compensation and benefits as were being received  
23 from the City of Charlotte on February 14, 2013, and the initial Executive  
24 Director shall be entitled as a matter of law to the continuation of the rights  
25 and benefits extended to him under the existing retirement system of the City  
26 of Charlotte.
- 27 (6) Be deemed as a matter of law to have adopted initially the employment and  
28 human resources policies of the Authority, such policies of the City of  
29 Charlotte as they apply to employees of the Airport, and the Authority shall  
30 be deemed to have adopted the current employee handbook of the City of  
31 Charlotte applicable to the Airport until the Authority adopt different  
32 policies or a different employee handbook.
- 33 (7) Honor and be bound by all existing contracts of the City with respect to the  
34 matters described in subdivision (20) of subsection (a) of Section 6 of this  
35 act.

36 **SECTION 7.(b3)** Upon the request of the Executive Director of the Authority, the  
37 City of Charlotte shall continue to provide such administrative services to the Authority as it  
38 currently provides and shall receive as compensation therefor from the Authority such amount  
39 as is appropriate for such services as provided by OMB Circular A-87 until the Authority shall  
40 direct the City to terminate such services.

41 **SECTION 7.(b4)** From the enactment of this act until December 31, 2013, unless  
42 earlier terminated by the agreement of the City and Authority (the "Employee Transition  
43 Period"), the City shall continue to employ, subject to the provisions of this subsection, the  
44 employees of the City's Aviation Department and under the direction of the Aviation Director  
45 as of the date of this act (the "Airport Employees"), and the Authority shall lease the Airport  
46 Employees from the City. The City shall provide the following services in support of the  
47 Authority's lease of the Airport Employees, upon the terms and compensation set forth in this  
48 section, and the following provisions of this section shall be applicable during the Employee  
49 Transition Period:

- 50 (1) During the Employee Transition Period, the Airport Employees shall be  
51 employees of the City and not of the Authority. The City shall be responsible

for all matters related to the payment of federal, State, and local payroll taxes, workers' compensation insurance or self-insurance under Chapter 97 of the General Statutes, salaries, and benefits, including health care and retirement benefits, for Airport Employees. The Airport Employees shall be directed by the City to perform work in a manner that meets the standards established by the Authority and that conforms to the Authority's policies, procedures, practices, and rules with respect to the Airport's operation. The Airport Employees shall be subject to all of the City's employment-related policies, as in effect from time to time (such as policies relating to terms of employment and eligibility for employee benefits). The City, as the employer, shall have ultimate control over the Airport Employees during the Employee Transition Period, including, but not limited to, the right to terminate the employment of any Airport Employee. Notwithstanding the foregoing, the Authority may at any time request the removal of any specific Airport Employee if, in the good-faith judgment of the Authority, removal would be in the best interests of the operation of the Airport. In such event, the City will remove any such person within a reasonable time, subject to compliance with applicable personnel policies and procedures, applicable law, and the City's ability to secure a replacement reasonably acceptable to the Authority.

(2) The City shall process the payroll for the Airport Employees during the Employee Transition Period. As consideration for such service and the lease of the Airport Employees, the Authority shall compensate the City by reimbursing the City the cost of all salaries, wages, bonuses, and benefits, including health care and retirement benefits, of the Airport Employees for their time worked during the Employee Transition Period and as required by law, as well as administrative costs incurred in processing such payroll. Upon the City's request, the Authority shall transfer to and deposit with the City sufficient funds to process payroll for Airport Employees in advance of each payroll date during the Employee Transition Period. At the conclusion of the Employee Transition Period, the City shall then refund the Authority any portion of such advance payments not used to process the payroll for the Airport Employees.

(3) During the Employee Transition Period, the City shall continue to provide all employment benefits currently available to the Airport Employees, including, but not limited to, health care benefits, retirement benefits, disability insurance, life insurance, and accrued time off or leave, and the Authority shall promptly reimburse the City the costs of providing such benefits.

(4) During the Employee Transition Period, the City shall keep in full force and effect workers' compensation insurance, self-insurance under Chapter 97 of the General Statutes, and any other insurance policy concerning the Airport Employees, and the Authority shall promptly reimburse the City the costs of maintaining such insurance.

(5) The Authority shall indemnify, defend, and hold harmless the City from and against any and all losses and expenses incurred as a result of or in connection with any action or inaction taken by the Authority with respect to the Airport Employees during the Employee Transition Period, unless caused by the gross negligent action or willful misconduct of the City.

(6) On January 1, 2014, or upon the earlier termination of the Employee Transition Period as provided in this subsection, the City shall terminate the

1 employment of all Airport Employees, and the Authority shall be deemed to  
2 have hired the Airport Employees as of that date as the initial employees of  
3 the Authority. The initial terms of employment, compensation, and benefits  
4 of the Airport Employees under their employment with the Authority shall  
5 be the same as those provided or made available to them by the City of  
6 Charlotte as of December 31, 2013, or as of the earlier termination of the  
7 Employee Transition Period if terminated by agreement of the City and the  
8 Authority as provided in this subsection.

9 **SECTION 7.(c)** Property needed by the Authority for any airport, landing field, or  
10 facility may be acquired by the Authority by gift, devise, or purchase. Aviation easements  
11 needed by the Authority for any airport, landing field, or facility may likewise be acquired by  
12 gift, devise, or purchase.

13 **SECTION 7.(d)** Any lands acquired, owned, controlled, or occupied by the  
14 Authority shall and/or are hereby declared to be acquired, owned, controlled, and occupied for  
15 a public purpose.

16 **SECTION 7.(e)** The Authority is not authorized to levy any tax.

17 **SECTION 7.(f)** In consideration of the transfer of the Airport Property and Airport  
18 assets and liabilities to the Authority pursuant to Section 7(b1) of this act, and subject to the  
19 approval of the FAA, the Authority shall agree to pay to the City as compensation therefor, the  
20 amount equal to the unreimbursed or unrecovered cost to the City of acquiring the Airport  
21 Property that was not ultimately paid with Airport revenues or funds or the proceeds of federal,  
22 State, or private grants. Any amount to be paid by the Authority to the City pursuant to this  
23 subsection shall be paid from future revenues from the operation of the Airport by the  
24 Authority remaining after payment by the Authority in the year of such payment all costs and  
25 expenses of the Airport including the payment of principal installments and interest on all  
26 bonds outstanding and other indebtedness of the Authority with respect to the Airport. Upon  
27 entering into such agreement by the Authority any claim by the City of Charlotte on account of  
28 transfer of property to the Authority pursuant to Section 7(b) of this act or otherwise, is hereby  
29 extinguished.

30 **SECTION 8.** The Authority shall make annual reports to the Cabarrus, Gaston,  
31 Iredell, Lincoln, Mecklenburg, and Union County Boards of Commissioners and the Charlotte  
32 City Council setting forth a summary of its general operations and transactions conducted by it  
33 pursuant to this act.

34 **SECTION 9.** All rights, powers, and authority given to the counties and/or  
35 municipalities by the statutes of North Carolina, which may now be in effect, or which may be  
36 enacted in the future, relating to the development, operation, maintenance, regulation, and/or  
37 control of municipal or other governmental airports and the regulations of aircraft are hereby  
38 vested in the Authority.

39 **SECTION 10.** The Authority is hereby expressly authorized to make and enter into  
40 contracts, leases, subleases, conveyances, and other agreements with any political subdivision,  
41 agency, department, or instrumentality of this State; any agency, department, or subdivision of  
42 the United States; or any other legal entity or person for the purpose of carrying out the  
43 provisions of this act.

44 **SECTION 11.** The powers of the Authority created by this act shall be construed  
45 liberally in favor of the Authority. No listing of powers included in this act is intended to be  
46 exclusive or restrictive, and the specific mention of, or failure to mention, particular powers in  
47 this act shall not be construed as limiting in any way the general powers of the Authority as  
48 stated in Section 6(a) of this act. It is the intent of this act to grant the Authority full power and  
49 right to exercise all authority necessary for the effective operation and conduct of the  
50 Authority. It is further intended that the Authority should have all implied powers necessary or  
51 incidental to carrying out the expressed powers and the expressed purposes for which the

1 Authority is created. The fact that this act specifically states that the Authority possesses a  
2 certain power does not mean that the Authority must exercise such power unless this act  
3 specifically so requires.

4 **SECTION 12.** G.S. 66-58(a) shall not apply to the Authority or a lessee or  
5 sublessee of it.

6 **SECTION 13.** In its initial decisions, the Authority shall consider the consultant  
7 recommendations made to the City of Charlotte in 2013 concerning governance of the Airport.

8 **SECTION 14.** The Authority may make recommendations to the 2013 General  
9 Assembly prior to its reconvening in 2014 concerning amendments to this act as it deems  
10 advisable, and such recommendations shall be eligible for consideration as if it were a  
11 committee or commission.

12 **SECTION 15.** If any provision of this act or its application is held invalid, the  
13 invalidity does not affect other provisions or applications of this act that can be given effect  
14 without the invalid provisions or application, and to this end the provisions of this act are  
15 severable.

16 **SECTION 16.** This act is effective when it becomes law.