

**Commonwealth Of Massachusetts
County Of Dukes County, S.S.
MARTHA'S VINEYARD AIRPORT COMMISSION MEETING**

**August 23, 2006 6:00PM
Martha's Vineyard Airport**

Notice of Such Meeting having been Posted as Required by Law.

Present: Airport Commissioners: Vice Chair John Alley, Fred Condon,
John W. Coskie, James Craig,
Francis E. Gildea, Connie Teixeira

Airport Staff: Sean Flynn - Manager,
Deborah Potter - Assistant Manager,

Others: John Kheary. Michael Rotundo – Airport Fuel Services
Marni Lipke - Recorder

* Late arrival or early departure (see * in text)

The meeting was called to order at 6:07PM.

1. Past Minutes – (Next Meeting)

2. Request For Proposal (RFP) – Schedule

RFP's took a while to complete from proposal to lease.

a. Lot 17 was undeveloped.

b. Lot 31A – Vineyard Propane / Triton Propane

This lot had been successfully removed from the Vineyard Propane assets in a bankruptcy proceedings (see 6/2/04 Minutes p. 12-15 and 1/19/06 Minutes p.4-5) with the provision that the Lot be put out to bid. If this lot was the second in line it would be put out by November 1, 2006 with the a January 24, 2007 start date. Lot 31 A and the above lot 17b had the best chance of generating revenue for the Airport.

c. Rental Cars (See 5/17/06 Minutes p.2 #3.)

Both Enterprise Rental and AAA Auto Rental had inquired about bids for the next season.

d. Gift Shop (See 5/17/06 Minutes p.2 #4.)

e. Airport Fuel Services / Mobil Station (See 7/19/06 Minutes p.1-2 #2.)

John Kheary and Michael Rotundo put their situation before the Martha's Vineyard Airport Commission (MVAC). They were looking to refinance to improve the lot and the gas station however all banks required a 20 year option on leases and their current lease had only 10 years left with no option to renew.

- Although a series of previous Airport Managers and Commissions had assured them that the lease could be amended to be renewed provided both parties were agreeable, it was now evident – by advice of Counsel and by the Opinion rendered by the Mass. Inspector General's Office – that in the case of public land a lease could not be substantially amended and the lot would have to be put out to be re-bid, despite all MVAC and Airport Fuel Services wishes to the contrary.

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- (This had also been the case with the Hot Tin Roof lot – see 8/6/03 Minutes p.9 #6).
- The original Mobil Station lease had been drawn up during the beginning of the Business Park when both the law and practice were not yet clear.
 - ° The MVAC determined that all currently drafted leases were uniform and approved by the Federal Aviation Administration (FAA, and that furthermore Airport Manager Mr. Sean Flynn was trained and certified in leasing public land.
- This left Airport Fuel Service between a rock and a hard place as bidding would include the lease on the lot and the physical assets of the business only, i.e. if the lot went to another bidder Mr. Kheary and Mr. Rotundo could not recover the intrinsic value of their business.
- It was clear that a number of other bidders would be interested in winning the lease and the gas station.
 - The MVAC expressed their sympathy to the current owners and regretted the situation.
- The process was discussed.
- The Airport had the land appraised and sent a letter to Airport Fuel Services. (Airport Fuel Services could also hire an appraiser.)
- Airport Fuel Services sent a letter turning the lot and assets back to Airport for the purpose of being put out to bid.
 - ° This would include signed affidavits of non-collusion, and that Airport Fuel Service could not protest the action after the event, and that it was done freely of their own will, etc. (- Airport Fuel Services could withdraw the letter and affidavit up until the point where the lot was advertised.)
- MVAC approved the lot to go out to bid.
- Airport Management wrote and advertised an RFP.
- In response to MVAC questions Mr. Kheary and Mr. Rotundo stated that this was being done to refinance and not for resale of the property – although they noted that at some much more future point the business might be sold.
 - f. Lot 38 which was undeveloped and abutted open land. This Lot was being held for a little while until the other RFP's were completed.

5. Authorization for Chairman to Sign

COMMISSIONER FRANK GILDEA MOVED TO AUTHORIZE NORMAN PERRY, CHAIRMAN OF THE AIRPORT COMMISSION, OR JOHN ALLEY, VICE CHAIRMAN OF THE AIRPORT COMMISSION, TO ENDORSE ON BEHALF OF THE COMMISSION, ALL WRITTEN INSTRUMENTS INCLUDING GRANT APPLICATIONS, GRANT ASSURANCES, GRANT MORTGAGES, CONTRACTS, AGREEMENTS, ESTOPPELS, NOTICE TO LEASES, AND OTHER INSTRUMENTS AS MAY FROM TIME TO TIME REQUIRE ENDORSEMENT ON BEHALF OF THE AIRPORT; COMMISSIONER FRED CONDON SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

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3. Approval of expenditure prior to grant -- BEC

- The FAA has required that Runway 6/24 be shifted by 306 ft. from the southwest to the northeast.
- The Runway was being shifted to fit safety margins and would not be extended, nor would it change the classification of the Airport, or change the category of the land across the Road.
- With the shifting of lighting, systems, shoulders, etc. the entire project was likely to cost about \$5,000,000.
- As usual with these grants the Airport would pay 2.5%, Mass Aeronautics Commission (MAC) would pay 2.5% and the FAA granted 95%.
- In Fiscal Year 2008 (FY08) a Federal grant for the permitting and design of the project would be available, however, environmental regulation required a complete season of monitoring and consequently in order to be ready for the FY08 funding Mr. Flynn proposed that the Airport hire Bay State Environmental for \$38,880 to do the work now and lead the surveys:
 - \$16,095 ongoing monitoring,
 - \$20,295 survey work in anticipation of permitting,
 - \$ 4,200 direct cost.
- These funds would be spent in anticipation of the Federal grant and although the possibility of the grant being rescinded was always there, it was a) unlikely and b) in that event the money could be appropriated later.
- **MR. JAMES CRAIG MOVED TO AUTHORIZE THE EXPENDITURE OF \$38,880 TO HIRE BAY STATE ENVIRONMENTAL IN ANTICIPATION OF A GRANT AS RECOMMENDED BY THE AIRPORT MANAGER; MS. TEIXEIRA SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**

4. Assignment of Lease – from Bruno’s Rolloff, Inc. to Big Foot, LLC

As often happened in the Business Park this property was being shifted from the same principals to a separate LLC owned by the same principals for the development of the lot.

- **MR. GILDEA MOVED TO AUTHORIZE THE ROLLOVER OF THE LEASE FROM BRUNO’S ROLLOFF TO BIG FOOT, LLC; MR. CRAIG SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**

6. Airport Manager’s Update

• Business

Fuel business continued the roller coaster pattern previously noted (see 7/19/06 p.3).

- Currently the Airport was down 18,000 gallons in avgas – about 24% down from last year, and 14,000 gallons in jet fuel– about 2.5% down from the year to date last year.
- At this point there was no cause for alarm and Airport prices were still competitive.
- This added up to about \$6-7,000 in net revenue and staffing has been shifted accordingly.
- The 18,000 gallons of avgas was largely due to Cape Air which decided to start pumping its own fuel in Boston where it was cheaper. Revenue loss was somewhat offset because the Airport had been giving them a substantial discount. Mr. Flynn expressed some regret at not being informed of the shift.
- Cape Air still used the Airport Fuel in some emergencies which meant that there were spikes in inventory draws.

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- Security

The potential for an attack on United States aviation had increased due to the recent arrests in Great Britain. The MV Airport had to comply with the same regulations as the major U. S. Airports. A Security advisor was present for the period and communications were excellent.

- VIP Visit

There were a number of these visits including former President Clinton which always meant an increased workload for management and staff.

9. Executive Session (if required)

MR. JOHN ALLEY MOVED TO GO INTO EXECUTIVE SESSION AT 6:50PM NOT TO RETURN TO PUBLIC SESSION UNDER MASS. GENERAL LAW CHAPTER 39 SECTION 23 NO. (3) AND (4), -- I.E. FOR THE PURPOSE OF DISCUSSING STRATEGY WITH RESPECT TO POTENTIAL LITIGATION AND TO DISCUSS SECURITY SENSITIVE TOPICS; AND TO INVITE AIRPORT MANAGER MR. SEAN FLYNN AND AIRPORT ASSISTANT MANAGER MS. DEBORAH POTTER TO BE PRESENT; MOTION SECONDED; MOTION PASSED UNANIMOUSLY: MR. ALLEY—AYE, MR. FRED CONDON— AYE, MR. JAMES CRAIG—AYE, MR. FRANK GILDEA - AYE, MR. JOHN COSKIE—AYE, MS. CONNIE TEIXEIRA - AYE.

* Commissioner Fred Condon left the meeting just prior to its conclusion.

10. Adjournment

MR. ALLEY MOVED TO ADJOURN AT 7:27PM; MR. COSKIE SECONDED; MOTION PASSED UNANIMOUSLY: MR. ALLEY—AYE, MR. CONDON—AYE, MR. CRAIG—AYE, MR. GILDEA - AYE, MR. COSKIE—AYE, MS. TEIXEIRA - AYE.

Documents on file:

Agenda 8/23/06

Sign-in Sheet 8/23/06