

REGULAR MEETING
ASHEVILLE REGIONAL AIRPORT AUTHORITY
July 13, 2007
8:30 AM

The Asheville Regional Airport Authority ("Authority") met on Friday, July 13, 2007, at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

MEMBERS PRESENT: Bryan Freeborn, Chairman; Rhett Grotzinger, Vice-Chairman; James E. Ellis, Secretary/Treasurer; David Hillier, David Gantt, Susan Fisher and Gerard P. Mozian.

MEMBERS ABSENT: Chuck McGrady (Ex-Officio Member)

STAFF AND LEGAL COUNSEL PRESENT: Victor Buchanan, Authority Legal Counsel; David N. Edwards, Jr., A.A.E., Airport Director ("Director"); D. David Nantz, Director of Operations and Maintenance; Royce Holden, IT Manager; Kevin Howell, Development Manager; Patti Michel, Director of Marketing and Public Relations; Beverley Vassell, Director of Administration and Finance, C. Jeff Augram, Chief of Public Safety; and Debra Roman, Administrative Assistant.

STAFF ABSENT: None

CALL TO ORDER: The Chairman welcomed everyone in attendance and called the meeting to order at 8:30 AM.

APPEARANCES: The Director introduced Mr. Carlos E. Maeda, P.E. (PBS&J), who has replace Mr. Paul Puckli.

Mr. Maeda thanked the Board for letting PBS&J serve the Authority and relayed his commitment to the Board.

There was a discussion regarding the effect the change of Staff would have on deliverables.

PRESENTATIONS:

A. Presentation and Update on the Guest Services Center: Mr. Howell made a presentation to the Board regarding the Guest Services Center. Mr. Howell stated that the Board approved the build out of the Guest Services Center as part of the budget for Fiscal Year 07/08. Mr. Howell relayed to the Board that although Staff's initial cost estimate was \$50,000; the actual cost of the project including a contingency would be \$66,300.

There were discussions regarding Ground Transportation, hours of operation, staffing, operating costs and other amenities offered.

CONSENT AGENDA:

A. Approval of the Asheville Regional Airport Authority, June 8, 2007 Regular Meeting Minutes:

B. Approval of Amended Annual Leave Policy – Section 215.01: Mrs. Fisher moved to approve the Consent Agenda Items. Mr. Grotzinger seconded the motion; and it carried by a unanimous vote.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Full Service Fixed Base Operation (FBO) Lease Agreement with Encore FBO Acquisition, L.L.C.: The Director relayed to the Board that the Authority had approved a lease option agreement between the Authority and Aviation Development Group (ADG) in August 2006. Authority Staff and ADG had been in final negotiations with Encore FBO Acquisition, L.L.C. for the development and operation of a second Full Service Fixed Base Operation (FBO) at the Asheville Regional Airport (AVL). The Director reported to the Board that on July 5, 2007, ADG withdrew from process due to the complexity of the project. The Director relayed to the Board that Staff had contacted Encore directly to determine their interest in continuing with the process to which Encore indicated a desire to do so.

The Director relayed to the Board that Staff had negotiated a lease agreement with Encore to build a second FBO at the Asheville Regional Airport.

There was a discussion regarding the terms of the agreement, the scope of the project; and the responsibilities and cost to the Airport Authority and Encore.

There was a discussion regarding the use of the property on the north end of the airport, competition, staffing and growth in fuel sales.

The Director introduced Mr. Gregg Elliot, Encore FBO Acquisition, L.L.C., to the Board.

Mr. Elliot gave a brief history of Encore and relayed to the Board the goals Encore expects to accomplish at the airport.

There was a discussion concerning ADG and other similar facilities Encore had built.

Mr. Addie Fanguy representing Million Air Asheville approached the Board for Public Comment regarding the Authority's decision to approve a second FBO to do business at the airport. Mr. Fanguy relayed to the Board that he felt the Asheville Regional Airport could not sustain a second FBO and encouraged the Board to vote against this item. Mr. Fanguy suggested that the Board hire a consultant to study the feasibility of a second FBO at the airport and stated that Million Air would even pay for such a study. Mr. Fanguy did advise the Board that if the Board were to move ahead and approve the proposal at this time that Million Air would take possible legal action against the Authority for unjust economic discrimination.

There were discussions regarding fuel sales, rents, the need for more hangar space, Million Air's Lease Agreement and a temporary facility for Encore during construction.

Mrs. Fisher moved to (1) approve the proposed Full Service Fixed Base Operation Project with Encore FBO Acquisition, L.L.C.; and (2) authorize the Airport Director to execute the necessary documents. Mr. Hillier seconded the motion. The Chairman called for additional discussion.

Mr. Grotzinger had a concern regarding the fuel flowage fee and requested that the motion include a stipulation to exclude any fees to be charged to Million Air at least until the end of their lease.

The consensus of the Board was to vote on the motion at hand and have the Director return to the Board for approval of any additional fees that could possibly be imposed on Million Air.

Mr. Gantt call for the vote; and it carried by a unanimous vote.

DIRECTORS REPORT:

A. Check Cashing: – The Director encouraged the Board to cash any outstanding checks that they might be in possession of.

B. Vacation From July 24-31: – The Director reported to the Board that he would be on vacation from July 24-July 31, 2007.

INFORMATION SECTION:

The Director directed the Boards attention to Electronic Control Weapons Directive in the Information Section of the Board Package. There was a discussion regarding an administrative directive opposed to a administrative policy for the electronic control weapons.

Mrs. Fisher stated that she was very impressed with the art gallery. Ms. Michel reported to the Board that two pieces of art had been sold from the art gallery.

The Director relayed to the Board that MSE Branded Foods had a very good month regarding revenue, and that new concepts for airside concessions are being worked on.

Mr. Grotzinger shared with the Board his opportunity to see the Department of Public Safety positively handle a difficult situation with a passenger.

Mr. Gantt request that Staff look into the films that have been made in the area and look possibly at a display in the airport to highlight such films.

AUTHORITY MEMBERS REPORT: None

PUBLIC AND TENANT'S COMMENTS: None

CLOSED SESSION: None

ADJOURNMENT:

The meeting adjourned at 10:16 AM by unanimous consent.

The next regular meeting of the Authority will be on Friday, August 10, 2007 at 8:30 AM in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport, 61 Terminal Drive, Suite 1, Fletcher, NC 28732.

Respectfully submitted,

Jim Ellis
Secretary-Treasurer

Approved:

Bryan Freeborn
Chairman