



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
September 17, 2013

I. Call to Order

Mr. Denny Granum, Board Chairman, called the special meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on September 17, 2013 in Grand Junction, Colorado and in the County of Mesa.

Present:

Commissioners Present:

Denny Granum, Chairman
David Hibberd, Vice Chairman
Sam Susuras
Tom Frishe
Rick Wagner
Steve Wood
Paul Nelson

Other:

Jason Virzi, Jviation
Michael Quinn, Jviation
Matt Gilbreath, Jviation
Justin Pietz, Armstrong
Denis Corsi, Armstrong
Collin Fay, Citizen
Bill Pitts, Citizen
Shannon Kinslow, TOIL
Dave Krogman, West Star Aviation
Bill Marvel, GJAUTA
Wayne Clark, GJAUTA

Airport Staff:

Rex Tippetts, Director of Aviation
Amy Jordan, Clerk
Gary Schroen
Kathie Lucas

II. Approval of Agenda

Commissioner Susuras moved to approve the agenda. Commissioner Frishe seconded. Voice vote: All Aye. The agenda was approved as distributed.

III. Conflict Disclosures

Chairman Granum – Hangar Owner
Vice Chairman Hibberd – Hangar Owner
Commissioner Wood – Hangar Owner
Commissioner Susuras – None
Commissioner Frishe – None
Commissioner Wagner – None
Commissioner Nelson – None

IV. Commissioner Comments

Commissioner Wood commented that he had received a phone call from Ben Hill, who was inquiring about temporary security badges for personnel that would be doing some work on a hangar. Commissioner Wood asked if only one of the personnel would need to be badged, and could then escort the others, and staff said that was correct. Commissioner Wood said that he would get back in touch with Mr. Hill.

Chairman Granum said that he would like to add an item to the list of action items. This item is a letter to the City and County concerning grant procedures at the airport.

V. Citizens Comments

Bill Pitts, Citizen.

Mr. Pitts commented that the Airport still does not have a small piston-engine mechanic or an avionics provider for small general aviation aircraft, but that Rex Tippetts, the Airport Director is still managing the Airport. Mr. Pitts commented that the general aviation in Grand Junction would never be able to thrive while Rex Tippetts is still managing the Airport.

VI. Consent Agenda

A. Minutes August 20, 2013 Regular Board Meeting

B. Financials: August 2013

Discussion: NONE.

Commissioner Susuras moved to approve the consent agenda. Commissioner Wagner seconded. Voice vote: All Ayes. The consent agenda was approved as distributed.

VII. Action Items

A. Land Rental Analysis

Airport Attorney, Mike Morgan conference called into the meeting. Mr. Morgan gave a brief background on the topic, stating that the Board, earlier this year, had adopted Guidelines for Aeronautical Use Ground Leases. Mr. Morgan commented that in those Guidelines, the Airport Authority is to set the rental rates that will apply to this lease and are in accordance with FAA Grant Assurances.

Mr. Morgan commented that he commissioned an appraisal of market rental rates, from Arnie Butler and Company. Mr. Morgan felt this was information that would be necessary to assist the Board in setting a ground rental rate, which would be applicable to all new leases going forward, and would be applicable for lessees that opt to have a new lease, as outlined by the Guidelines.

Chairman Granum stated that he has a conflict of interest, regarding this item. Chairman Granum said that he is a hangar owner, and therefore would like to recuse himself from the discussion and voting.

Commissioner Wood said that he is a hangar owner, and therefore would like to recuse himself from the discussion and voting.

Commissioner Hibberd said that he is a hangar owner, and therefore would like to recuse himself from the discussion and voting.

Discussion:

Commissioner Susuras asked what the current land lease rate is for lessees.

Director Tippetts commented that most leases are between \$0.13 and \$0.18 per square feet.

Commissioner Susuras commented that the suggestion in the appraisal, of \$0.40 seemed a little high, and he would like to see the rate below that number.

Commissioner Wagner had questions in regards to the methodology of the appraisal. Commissioner Wagner asked Mr. Morgan why light commercial and other comparable were included, in addition to other airport hangar comparable.

Mr. Morgan said that he felt the Board needed the additional information, which helps give a better idea of what market rates truly are in Grand Junction, for both inside and outside the secured perimeter fence. Mr. Morgan emphasized that the rate does not need to be what the appraiser has recommended.

Commissioner Wagner commented that he felt there was a large difference between market rates for light commercial and market rates for aeronautical use, and that the two spaces do not seem comparable.

Commissioner Frishe noted the aeronautical use rates from the surrounding airports, that have been included in the appraisal, and that he felt an average of these rates would be appropriate. Commissioner Frishe noted that the average being \$0.2033.

Commissioner Nelson felt that the recommendation in the appraisal, being \$0.40, would be counterproductive with the current goals of the airport. Commissioner Nelson said that general aviation is struggling and that raising the lease rate substantially would not be something he could support. Commissioner Nelson did agree that the rates should be raised slightly.

Commissioner Frishe agreed with Commissioner Nelson, in that raising the lease rates to the recommended amount would be counterproductive.

Commissioner Susuras noted that this appraiser is highly skilled and that this appraisal was his best shot at a difficult and complicated analysis. Commissioner Susuras also noted that the Board does not have to go with the recommendation from the appraiser and can set the rate as we fell appropriate.

Commissioner Wagner moved to set a lease rate of \$0.1975 for Aeronautical Use Ground Leases. Commissioner Frishe seconded. Voice vote: Commissioner Wagner and Frishe: Yes. Commissioner Nelson and Susuras: No. Motion fails. Commissioner Granum, Hibberd, and Wood recuse.

Commissioner Nelson moved to set a lease rate of \$0.22 for Aeronautical Use Ground Leases. Commissioner Susuras seconded. Voice vote: Commissioner Wagner and Frishe: No. Commissioner Nelson and Susuras: Yes. Motion fails. Commissioner Granum, Hibberd, and Wood recuse.

Commissioner Frishe moved to set a lease rate of \$0.20 for Aeronautical Use Ground Leases. Commissioner Nelson seconded. Voice vote: All Aye. Motion passes. Commissioner Granum, Hibberd, and Wood recuse.

B. 2810 Landing View Lane Lease

Director of Aviation, Rex Tippetts briefed the Board on the 2810 Landing View Lane Lease. Tippetts noted that in June 2013, the Board was given a draft of a lease for 2810 Landing View Lane. This lease is a Hangar Lease, for a hangar that reverted to the Airport earlier this year. Tippetts noted that since the initial distribution, the Board has received two edited versions of the lease, which has incorporated all comments and edits. Tippetts also noted that the current draft of the lease was included in the Board's packets. Tippetts also noted that the lease rate for this lease has been drafted at \$2.00 per square foot.

Discussion:

None.

Commissioner Frishe moved to approve the 2810 Landing View Lane Lease. Commissioner Susuras seconded. Voice vote: All Aye. Motion passes.

C. Letter to City and County Concerning Grant Procedures

Director Tippetts briefed the Board regarding a recent meeting with the County, regarding grant procedures at the Airport. Following the meeting, the County, being a co-sponsor on Airport grants, requested a letter that acknowledges the following with respect to all such grants and related projects:

1. The Authority will provide a copy of the grant application to the City and County when requesting their signatures on grant agreements.
2. The Authority will notify the City and County in writing and as soon as practicable, if it proposes to significantly modify the scope or purpose of an FAA grant-funded project, or modify such project in a manner which is likely to be controversial.

3. The Authority will obtain prior written consent of the City and County before modifying a FAA grant or FAA grant-funded project in a manner, which materially alters the obligations of the City or County under the related grant agreement. Construction change orders and contractor agreement amendments which do not significantly modify the scope or purpose of an FAA grant project, or which are not likely to be controversial, shall not require prior notification.

Tippetts noted that a draft letter has been prepared was distributed prior to the meeting to all members. Tippetts also noted that both the City and the County are co-sponsors to Airport grants, and therefore, the letter is addressed to both entities.

Discussion:

Commissioner Susuras noted that the City was not requesting this letter. Susuras asked if there had been a grant or project that had been changed in the past.

Director Tippetts commented that no grant or project associated had changed, after the grant was in place.

Commissioner Wood asked why the draft letter had just come today.

Attorney Mike Morgan answered that he had drafted this letter this morning, and the letter did not exist prior to today.

Commissioner Susuras moved to approve the letter to the City and County and allow the Chairman to sign on behalf of the Board. Commissioner Nelson seconded. Voice vote: All Aye. Motion passes.

VIII. Discussion Items

A. Manager's Update

1. Contract Tower Association – Tippetts updated the Board on the status of the contract towers in the United States.
2. TSA Unfunded Mandate – Tippetts said that the TSA is planning to move forward, in shifting the duty of staffing the exit lane to the airport operator. Tippetts said that staff is preparing a Request for Proposal (RFP) to be advertised, so that they could get a better idea of the cost. The RFP would include both armed and unarmed pricing.
3. Chamber Meeting – Tippetts noted that he met recently with the Grand Junction Chamber and a few businesses, in regards to the reliability of

United Airlines service out of Grand Junction. Tippetts said that he has been in contact with United Airlines to discuss the issues.

4. Annual 139 Inspection – Tippetts noted that the Airport recently underwent its annual 139 inspection by the Federal Aviation Administration. This inspection is required for the Airport to keep its operating certificate. Some of the issues that came up included the segmented circle, pavement marking, non-existing signed, and fire firefighters training. Tippetts said that the completed report should be available in a month.

B. West Star Facility Expansion Update

No update.

C. Security Solutions Update

Commissioner Steve Wood said that the committee has completed a draft security plan amendment that he is confident the TSA will approve. Wood mentioned that there are a few words included in the amendment that both he and staff are not wild about, but are necessary. Wood noted that the committee would be meeting with the TSA in the next week.

IX. Adjournment

Commissioner Frishe moved to adjourn the board meeting of September 17, 2013. Commissioner Hibberd seconded. Voice vote, All Aye.

The Board adjourned the meeting at 6:20 PM.

Denny Granum, Board Chairman

ATTEST:

Amy Jordan, Clerk to the Board