

FAA03WLK

TYPE OF RECORD: PERMANENT
CATEGORY OF RECORD: **CONTRACT**
NAME OF CONTRACTOR: FEDERAL AVIATION ADMINISTRATION
SUBJECT/PROJECT: TO ACQUIRE LAND FOR DEVELOPMENT
(PARCEL 37) - PROJECT # 3-08-0027-28
CITY DEPARTMENT: ADMINISTRATION
YEAR: 2003
EXPIRATION DATE: NONE
DESTRUCTION DATE: NONE

GRANT AGREEMENT

Federal Aviation
Administration

Part I - Offer

Date of Offer: August 8, 2003
Airport: Walker Field
Project Number: 3-08-0027-28
Contract Number: DOT-FA03NM-1095

To: City of Grand Junction, the County of Mesa and the Walker Field, Colorado, Public Airport Authority (herein called the "Sponsor")

From: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

Whereas, the Sponsor has submitted to the FAA a Project Application dated April 1, 2003, for a grant of Federal funds for a project at or associated with Walker Field, which Project Application, as approved by the FAA, is hereby incorporated herein and made a part hereof; and

Whereas, the FAA has approved a project for the Airport (herein called the "Project") consisting of the following:

Acquire land for development (Parcel 37),

all as more particularly described in the Project Application.

Now therefore, pursuant to and for the purpose of carrying out the provisions of Title 49, United States Code, as amended, herein called "the Act", and in consideration of (a) the Sponsor's adoption and ratification of the representations and assurances contained in said Project Application and its acceptance of this offer as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the assurances and conditions as herein provided, **THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES** to pay, as the United States share of the allowable costs incurred in accomplishing the Project, 90.00 per centum thereof.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

CONDITIONS

1. The maximum obligation of the United States payable under this offer shall be \$570,000. For the purposes of any future grant amendments which may increase the foregoing maximum obligation of the United States under the provisions of Section 47108(b) of the Act, the following amounts are being specified for this purpose:

\$-0-for planning
\$570,000 for airport development and noise program implementation
2. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under the Act.
3. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
4. The Sponsor shall carry out and complete the Project without undue delay and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe, and agrees to comply with the assurances which were made part of the project application.
5. The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
6. This offer shall expire and the United States shall not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 10, 2003, or such subsequent date as may be prescribed in writing by the FAA.
7. The Sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgement, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or

other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.

8. The United States shall not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

Special Conditions

9. The Sponsor will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the "Current FAA Advisory Circulars for AIP Projects," dated July 1, 1999, and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.
10. Unless otherwise approved by the FAA, it will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The Sponsor will include in every contract a provision implementing this special condition.
11. In accordance with Section 47108(b) of the Act, as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
 - a. may not be increased for a planning project;
 - b. may be increased by not more than 15 percent for development projects;
 - c. may be increased by not more than 15 percent for land projects.
12. It is mutually understood and agreed that if, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000.00 or five percent (5%), whichever is greater, the maximum obligation of the United States can be unilaterally reduced by letter from the FAA advising of the budget change. Conversely, if there is an overrun in the total actual eligible and allowable project costs, FAA may increase the maximum grant obligation of the United States to cover the amount of the overrun not to exceed the statutory percent limitation and will advise the Sponsor by letter of the increase. It is further understood and agreed that if, during the life of the project, the FAA determines that a change in the grant description is advantageous and in the best interests of the United States, the change in grant description will be unilaterally amended by letter from the FAA. Upon issuance of the aforementioned letter, either the grant obligation of the United States is adjusted to the amount specified or the grant description is amended to the description specified.
13. The Sponsor agrees to request cash drawdowns on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.
14. It is understood and agreed by and between the parties hereto that until the Sponsor has submitted evidence that it has acquired a fee title or such lesser property interest as may be found satisfactory to the FAA in and to Parcel 37 as shown on the property map attached hereto and identified as Exhibit "A", or any portion thereof for which grant payment is sought, subject to no liens, encumbrances, reservations or exceptions which in the opinion of the FAA might create an undue risk or interference with the use and operation of the airport, the United States will not make nor be obligated to make final payment.

15. The FAA in tendering this Grant Offer on behalf of the United States recognizes the existence of a Co-Sponsorship Agreement between the Walker Field, Colorado, Public Airport Authority, the City of Grand Junction, Colorado and the County of Mesa, Colorado. By acceptance of the Grant Offer, said parties assume their respective obligations as set forth in said Co-Sponsorship Agreement. It is understood and agreed that said Agreement will not be amended, modified, or terminated without prior written approval of the FAA.

16. It is understood and agreed by and between the parties hereto that notwithstanding the fact that this Grant Offer is made and accepted upon the basis of the current Exhibit "A" Property Map, the Sponsor hereby covenants and agrees that upon completion of the land acquisition in this project, it will update said Exhibit "A" Property Map to standards satisfactory to the FAA and submit said documentation in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an eligible administrative cost for participation within the scope of this project.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

United States of America
Federal Aviation Administration

Craig A Sparks
Manager, Denver Airports District Office

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 22nd day of August, 2003.



CITY OF GRAND JUNCTION, COLORADO

By: [Signature]
Sponsor's Designated Official Representative

Janita Peterson Title: City Manager
Title: Deputy City Clerk

Certificate of Sponsor's Attorney

I, John P. Shaver, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

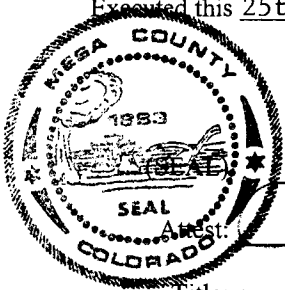
Dated at Grand Junction this 22nd day of August, 2003.
CO

[Signature]
Signature of Sponsor's Attorney

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 25th day of August, 2003.



Janice Ucard

Title: Mesa County Clerk and Recorder

COUNTY OF MESA, COLORADO

By: James R. Baughman
Sponsor's Designated Official Representative

Title: Chairman, Board of Mesa County Commissioners

Certificate of Sponsor's Attorney

I, Valerie J. Robison, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Grand Junction, CO this 25th day of August, 2003.

Valerie J. Robison
Signature of Sponsor's Attorney

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 19th day of August, 20 03.

**WALKER FIELD, COLORADO, PUBLIC AIRPORT
AUTHORITY**

By: [Signature]
Sponsor's Designated Official Representative

(SEAL)

Attest: [Signature]

Title: Chairman

Title: Clerk to the Board

Certificate of Sponsor's Attorney

I, Michael J. Grattan III, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Grand Junction, Co this 26th day of August, 20 03.

[Signature]
Signature of Sponsor's Attorney

SUPPLEMENTAL CO-SPONSORSHIP AGREEMENT

This Supplemental Co-Sponsorship Agreement is entered into and effective this 20th day of August, 2003, by and between the Walker Field, Colorado, Public Airport Authority ("Airport Authority"), and the City of Grand Junction ("City").

RECITALS

A. The Airport Authority is a political subdivision of the State of Colorado, organized pursuant to Section 41-3-101 et seq., C.R.S. The Airport Authority is a separate and distinct entity from the City.

B. The Airport Authority is the owner and operator of the Walker Field Airport, located in Grand Junction, Colorado ("Airport").

C. Pursuant to the Title 49, U.S.C., Subtitle VII, Part B, as amended, the Airport Authority has applied for monies from the Federal Aviation Administration ("FAA"), for the construction of certain improvements upon the Airport, pursuant to the terms, plans and specifications set forth in AIP Grant Application No. 3-08-0027-27 and 3-08-0027-28 ("Projects").

D. The FAA is willing to provide approximately \$1,935,000 toward the estimated costs of the Projects, provided the City of Grand Junction and Mesa County execute the Grant Agreements as co-sponsors with the Airport Authority. The FAA is insisting that the City and County execute the Grant Agreements as co-sponsors for two primary reasons. First, the City and County have taxing authority, whereas the Airport Authority does not; accordingly, the FAA is insisting that the City and County execute the Grant Agreements so that public entities with taxing authority are liable for the financial commitments required of the Sponsor under the Grant Agreements, should the Airport Authority not be able to satisfy said financial commitments out of the net revenues generated by the operation of the Airport. In addition, the City and County have jurisdiction over the zoning and land use regulations of the real property surrounding the authority. By their execution of the Grant Agreements, the City and County would be warranting Airport, whereas the Airport Authority does not enjoy such zoning and land use regulatory to the FAA that the proposed improvements are consistent with the Growth Plan and Zoning and Development Code for the development of the area surrounding the Airport, and that they will take appropriate actions, including the adoption of zoning laws, to restrict the use of land surrounding the Airport to activities and purposes compatible with normal Airport operations.

E. The City is willing to execute the Grant Agreements, as a co-sponsor, pursuant to the FAA's request, subject to the terms and conditions of this Supplemental Co-Sponsorship Agreement between the City and Airport Authority.

Therefore, in consideration of the above Recitals and the mutual promises and representations set forth below, the City and Airport Authority hereby agree as follows:

AGREEMENT

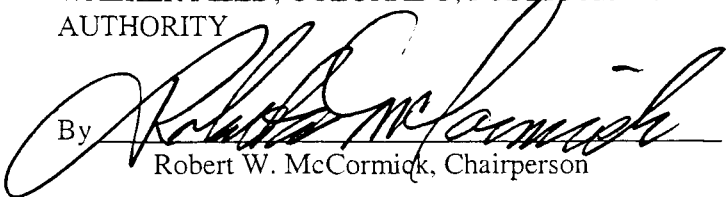
1. By its execution of this Agreement, the City hereby agrees to execute the Grant Agreements, as a co-sponsor, pursuant to the FAA's request.
2. In consideration of the City's execution of the Grant Agreements, as co-sponsor, the Airport Authority hereby agrees to hold the City, its officers, employees, and agents, harmless from, and to indemnify the City, its officers, employees, and agents for:
 - (a) Any and all claims, lawsuits, damages, or liabilities, including reasonable attorney's fees and court costs, which at any time may be or are stated, asserted, or made against the City, its officers, employees, or agents, by the FAA or any other third party whomsoever, in any way arising out of, or related under the Grant Agreements, or the prosecution of the Projects contemplated by the Grant Agreements, regardless of whether said claims are frivolous or groundless, other than claims related to the City's covenant to take appropriate action, including the adoption of zoning laws, to restrict the use of land surrounding the Airport, over which the City has regulatory jurisdiction, to activities and purposes compatible with normal Airport operations, set forth in paragraph 21 of the Assurances incorporated by reference into the Grant Agreements ("Assurances"); and
 - (b) The failure of the Airport Authority, or any of the Airport Authority's officers, agents, employees, or contractors, to comply in any respect with any of the requirements, obligations or duties imposed on the Sponsor by the Grant Agreements, or reasonably related to or inferred there from, other than the Sponsor's zoning and land use obligations under Paragraph 21 of the Assurances, which are the City's responsibility for lands surrounding the Airport over which it has regulatory jurisdiction.
3. By its execution of this Agreement, the Airport Authority hereby agrees to comply with each and every requirement of the Sponsor, set forth in the Grant Agreements, or reasonably required in connection therewith, other than the zoning and land use requirements set forth in paragraph 21 of the Assurances, in recognition of the fact that the Airport Authority does not have the power to effect the zoning and land use regulations required by said paragraph.
4. By its execution of this Agreement and the Grant Agreements, the City agrees to comply with the zoning and land use requirements of paragraph 21 of the Assurances, with respect to all lands surrounding the Airport that are subject to the City's regulatory jurisdiction. The City also hereby warrants and represents that, in accordance with paragraph 6 of the Assurances, the Projects contemplated by the Grant Agreements are consistent with the Growth Plan and Zoning and Development Code of the City for the development of the area surrounding the Airport.
5. The parties hereby warrant and represent that, by the City's execution of the Grant Agreements, as a co-sponsor, pursuant to the FAA's request, the City is not a co-owner, agent, partner, joint venturer, or representative of the Airport Authority in the ownership, management or administration of the Airport, and the Airport Authority is, and remains, the sole owner of the Airport, and solely responsible for the operation and management of the Airport.

6. By its execution of this Agreement, the Airport Authority hereby agrees that if the property interest it will acquire in Parcel 37 (as shown on the property map attached as Exhibit "A" to the Grant Agreement for Project Number 3-08-0027-28) is less than fee title, the use of funds from the applicable Grant Agreement for the acquisition of Parcel 37 will be contingent upon the issuance of written approval from the City. Airport Authority also agrees that the Warranty Deed or other instrument of conveyance for Parcel 37 shall specifically name the Airport Authority as the sole Grantee of the applicable property interest.

Done and entered into on the date first set forth above.

WALKER FIELD, COLORADO, PUBLIC AIRPORT
AUTHORITY

By



Robert W. McCormick, Chairperson

CITY OF GRAND JUNCTION

By



Kelly Arnold, City Manager