

Walker Field Airport Authority

Minutes of the Regular Board Meeting

July 20, 1999

BOARD COMMISSIONERS PRESENT: Miles McCormack Robert McCormick
Steve Ammentorp Ken Sublett
Craig Springer Mike Sutherland

AIRPORT STAFF PRESENT: Corinne Nystrom John Thomas
Dan Reynolds Charlie Novinskie
Ted Balbier David Anderson
Gary Mancuso

ALSO PRESENT: Louis Buescher of West Star Aviation and Bud Gimple of GM Hangars.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:12pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested the addition of Other Item A- "UPS Letter Center Agreement." The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: June 15, 1999 Regular Board Meeting

B. Minutes: July 16, 1999 Special Board Meeting

A modification to the Minutes will be made to reflect that the July 16, 1999 Board Meeting was a Special Board Meeting.

C. Proposal by Van Sant Group to Provide Professional Design Services for Boarding Area Roof Repair

Staff presented the Board with a proposal by Van Sant Group to provide architectural services and project coordination for the repair and replacement of the terminal building boarding area roof. The not to exceed cost of the design and coordination of the repair and replacement of the terminal building boarding area roof is \$9,950.

Staff recommended the Board approve the terminal boarding area roofing design proposal and that the Airport Manager be authorized to sign the proposals on behalf of the Authority.

D. Proposal by Van Sant Group to Conduct Americans With Disabilities Act Compliance Review of Terminal Building

Staff presented the Board with a proposal by Van Sant Group to perform a review of the terminal building for compliance with the Americans with Disabilities Act (ADA), providing the Authority with the necessary upgrades and corresponding cost estimates. According to the proposal, the not to exceed cost of the ADA review is \$4,000.

Staff recommended the Board approve the proposal for the review of the terminal building for compliance with the ADA and that the Airport Manager be authorized to sign the proposals on behalf of the Authority.

E. Sublease Agreement Between Strand Aviation and Buescher Family Limited Partnership

Staff presented the Board with a proposed sublease agreement between Buescher Family Limited Partnership (BFLP) and I Fly Strand Aviation, Inc. Strand Aviation currently subleases office space from BFLP in the building directly west of the main hangar complex of West Star Aviation. This agreement would be a renewal of the existing agreement, but with an amendment to the 30-day cancellation provision.

The new cancellation provision increases the notice requirement to 90 days. All other provisions appear to be unchanged from the previous agreement. Per Authority policy, BFLP is required to obtain Authority approval on all subleases into which it enters.

Staff recommended the Board approve the sublease agreement between BFLP and Strand Aviation and that the Chairman be authorized to sign the sublease agreement on behalf of the Authority.

F. Sublease Agreement Between Davis Aircraft Sales, Inc. and West Star Aviation

Staff presented the Board with a proposed sublease agreement between Buescher Family Limited Partnership (BFLP) and Davis Aircraft Sales, Inc. Davis Aircraft Sales currently subleases office space from BFLP in the building directly west of the main hangar complex of West Star Aviation. This renewal is consistent with the existing agreement, and all provisions appear to be consistent with agreements made between BFLP and its sublessees. Per Authority policy, BFLP is required to obtain Authority approval on all subleases into which it enters.

Staff recommended the Board approve the sublease agreement between BFLP and Davis Aircraft Sales and that the Chairman be authorized to sign the sublease agreement on behalf of the Authority.

G. First Addendum to Terminal Building Lease Agreement with Mesa County Economic Development Council

Staff presented the Board with a proposed First Addendum to Terminal Building Lease Agreement between the Mesa County Economic Development Council (MCEDC) and the Authority. Authority Attorney Doug Briggs drafted the proposed Addendum, which includes an annual CPI-U adjustment, and is in accordance with applicable FAA rules and regulations. Other provisions within the proposed Addendum include a monthly rent credit for the Authority's use of the MCEDC's conference room and changing the term of the agreement to a month-to-month term until the highest and best use for the 3rd floor of the terminal building is determined by the Authority.

Staff recommended approval of the First Addendum to Terminal Building Lease Agreement between the MCEDC and the Authority and that the Chairman be authorized to sign the Addendum on behalf of the Authority.

Commissioner Sutherland recommended changing the word "Lessee" in paragraph 'A' of the Recitals to "Tenant." The consensus of the Board was to change the word from "Lessee" to "Tenant."

H. Third Addendum to Wastren, Inc. Lease Agreement

Staff presented the Board with a proposed Third Addendum to Wastren, Inc. Lease Agreement. The proposed Addendum contains a term extension on the parcel of land west of the Timberline Aviation facility (commonly known as the calibration pads) currently under lease by Wastren, Inc. Wastren desires to extend its existing Lease Agreement for one (1) additional year with an option to renew for another year, bringing the Lease Agreement up for re-negotiation/renewal on May 31, 2001.

The proposed Addendum does not modify Wastren's existing liability for the calibration pads and any environmental issues associated with the pads during the term of its Lease Agreement. Should Wastren terminate its Lease Agreement with the Authority, remediation of the pads will continue to be the responsibility of Wastren.

Staff recommended the Board approve the Third Addendum to Wastren, Inc.'s Lease Agreement and that the Chairman be authorized to sign the Addendum on behalf of the Authority.

I. Grant Agreement for AIP Project No. 3-08-0027-19 Between Federal Aviation Administration and WFAA

Staff presented the Board with a proposed Grant Agreement for AIP Project No. 3-08-0027-19 between the FAA and the Authority. The proposed Airport Improvements Program (AIP) Grant would include funding for the installation of a Localizing Directional Aid (LDA) at the Airport for an approach to Runway 29. The estimated cost for this project is \$159,189. The amount of the AIP Grant is \$89,300, the Colorado Division of Aeronautics will provide a \$60,000 grant for the project, and the Authority will fund approximately \$10,000.

Staff recommended the Board approve the Grant Agreement for AIP Project No. 3-08-0027-19 and that the Chairman be authorized to sign the Agreement on behalf of the Authority.

J. Supplemental Co-Sponsorship Agreements with Mesa County and City of Grand Junction for FAA AIP Project No. 3-08-0027-19 Grant

Staff presented the Board with proposed Supplemental Co-Sponsorship Agreements between Mesa County and the Authority and between the City of Grand Junction and the Authority respectively. The Supplemental Co-Sponsorship Agreements are required by the FAA for each AIP Grant the Authority receives.

Staff recommended the Board approve the Supplemental Co-Sponsorship Agreements between Mesa County and the Authority and between the City of Grand Junction and the Authority and that the Chairman be authorized to sign the Agreements on behalf of the Authority.

K. Termination of Ground Lease Agreement with GM Hangars

Staff presented the Board with a request by GM Hangars to terminate its existing Ground Lease Agreement with the Authority. GM Hangars is in the final process of selling its hangar facility to Rodney & Gwendlyn Armstrong. In a letter to the Authority dated July 7, 1999, GM Hangars requested that its Ground Lease Agreement be terminated simultaneously with the approval of a new Lease Agreement between Rodney & Gwendlyn Armstrong and the Authority.

Staff recommended the Board approve the termination of GM Hangars' Ground Lease Agreement with the Authority and that the termination be contingent upon the approval of a new Ground Lease Agreement between the Authority and Rodney & Gwendlyn Armstrong.

L. Ground Lease Agreement with Rodney & Gwendlyn Armstrong

Staff presented the Board with a proposed Ground Lease Agreement between Rodney & Gwendlyn Armstrong and the Authority. Rodney & Gwendlyn Armstrong are in the final process of purchasing the GM Hangars facility in the Runway 4/22 general aviation area. They will be using the hangar to store and maintain their aircraft and to conduct flight instruction, aircraft charter operations, aircraft sales, and to operate a pilot supplies office. The proposed Ground Lease Agreement is based upon a boiler plate agreement and is consistent with leases currently in place for other tenants leasing parcels in the Runway 4/22 general aviation area.

The initial ground rent will be \$156.82/month until the first CPI-U adjustment in April of 2000. The proposed Ground Lease Agreement is contingent upon the Authority's receipt of a certified survey and legal description of the parcel (because no survey was provided to the Authority by the prior tenant of the parcel).

Staff recommended the Board approve the Ground Lease Agreement between Rodney & Gwendlyn Armstrong and the Authority and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Additionally, Staff recommended that such approval be contingent upon the Authority's receipt of the survey/legal description, security deposit, and insurance certificate as required per the Ground Lease Agreement.

M. Acknowledgment of Receipt of May 31, 1999 Financial Statements and Accounts Receivable Report

Staff provided the Board with a summary of the May 31, 1999 Financial Statements and Accounts Receivable Report. Year to date operating revenues are 6.8% higher than budgeted and year to date operating expenses are 24.4% lower than budgeted. The net result of the continued favorable operating revenues and expenses was an income to retained earnings balance of \$164,420, which is \$205,604 higher than what was budgeted year to date. Of this budget variance, part of this amount is attributed to the additional amount authorized at the May 18, 1999 Regular Board Meeting for the Runway 11/29 litigation expenses.

Parking lot, general aviation, air freight, and rental car revenues account for most of the higher than budgeted operating revenues. Close monitoring of the operating expenses by all departments account for most of the under budget operating expenses. Because of higher levels of activity, operating expenses are projected to increase during the summer months.

Trade receivables continue to be higher than last year, but decreased \$40,600 from April to May. A substantial portion of the decrease in trade receivables is attributed to the receipt of rental car concession overage payments. Because of on-going capital projects, the Authority will continue to experience a fluctuation of the trade payables.

On the Balance Sheet, even with a \$44,000 decrease in trade payables, unrestricted cash and investments increased by approximately \$81,000. Overall, May was an active and good financial month for the Authority.

N. Proposal by MGA Structural Engineers, Inc. to Analyze and Design Terminal Building Structural Repairs

Staff presented the Board with a proposal by MGA Structural Engineers, Inc. to perform work items necessary to effect structural repairs on the first level wall area in the terminal building. The work items include analyzing soil borings information, design and specifications for wall repairs, and site visits for project oversight. The proposal lists a cost of \$4,500.

Staff recommended the Board approve the proposal and that the Airport Manager be authorized to sign the terminal structural design and repair proposal on behalf of the Authority.

Commissioner Sutherland moved to approve the Consent Agenda with the noted changes. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

There were no Action Items.

VI. DISCUSSION ITEMS

There were no Discussion Items.

VII. OTHER ITEMS

A. UPS Letter Center Agreement

Staff presented the Board with a proposed UPS Letter Center Agreement and noted that with Board concurrence, Staff will proceed with the Letter Center which will be located outside the west entrance of the terminal building. The consensus of the Board was for Staff to proceed.

Manager Nystrom introduced Gary Mancuso, the new Authority Properties Coordinator.

Commissioner Sutherland inquired if the Authority will derive any revenue from the drop-off box. Manager Nystrom commented the Authority will not derive any revenue from the UPS drop-off box because similar drop box agreements with other entities, such as Federal Express, did not require payment by the entity to the Authority. Additionally, she noted that the proposed Agreement is only a licensing agreement which will authorize UPS to locate the drop box at the Airport.

VIII. ADJOURNMENT

There being no further business to come before the Board, Commissioner Sutherland moved to adjourn the meeting. Vice Chairman McCormick seconded. Unanimously carried. The meeting was adjourned at 5:21pm.

APPROVED AND ADOPTED THIS _____ DAY OF _____, 1999.

Miles C. McCormack, Chairman

ATTEST:

David J. Anderson, Clerk