

# Walker Field Airport Authority

---

## Minutes of the Regular Board Meeting

October 17, 2000

**BOARD COMMISSIONERS PRESENT:** Miles McCormack Steve Ammentorp  
Robert McCormick Gene Kinsey  
Ken Sublett Craig Springer

**AIRPORT STAFF PRESENT:** Corinne Nystrom Gary Mancuso  
David Anderson Dan Reynolds  
Charlie Novinskie

**ALSO PRESENT:** Park Douma of West Star Aviation; Jim Over and Merle Bingham of Confederate Air Force; Larry Kempton of Kempton Air Service; Mike Grattan of Younge and Hockensmith, P.C.; and Steve Smith of Timberline Aviation.

### I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:19 pm.

### II. APPROVAL OF AGENDA

There were no requested changes, deletions or additions to the Agenda.

Commissioner Springer moved to accept the Agenda as presented. Commissioner McCormick seconded. Voice vote: all ayes, motion carried.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no Public Comments or Communications.

### IV. CONSENT AGENDA

#### A. Minutes: September 19, 2000 Regular Board Meeting

**B. Landlord's Consent and Waiver of Assignment of Ground Lease Agreement from Steven L. and Lynette K. Bottom to Mesa National Bank**

Staff presented the Board with a proposed Landlord's Consent and Waiver of Assignment of Ground Lease Agreement from Steven L. and Lynette K. Bottom (*Grantor*) to Mesa National Bank (*Lender*). Steven L. and Lynette K. Bottom recently purchased a hangar from Larry and Ron Nunnery and entered into a resulting Ground Lease Agreement with the Authority on August 1, 2000. The Waiver acknowledges the assignment of all of Grantor's rights, title, and interest in the property, and in the event of default, Landlord will not unreasonably withhold any consent necessary for Lender to exercise any remedy. Attorney Mike Grattan has reviewed the Waiver in order to protect the Authority.

Staff recommended approval of the Landlord's Consent and Waiver and that the Chairman be authorized to sign the Waiver on behalf of the Authority contingent upon all terms of the Ground Lease Agreement being current.

**C. Second Addendum to Ron and Larry Nunnery Ground Lease Agreement**

Staff presented the Board with a proposed Second Addendum to Ron and Larry Nunnery's Ground Lease Agreement. Steven and Lynette Bottom recently purchased a hangar from Ron and Larry Nunnery for the operation of their avionics business. The Nunnerys retained the northern portion of the parcel for the operation of their aircraft sales business. Now the Nunnerys wish to add Steven and Lynette Bottom to the Lease Agreement on the northern parcel. In addition, the Second Addendum:

- Changes the initial rent from half to full rent because the parcel is paved and is being used for commercial purposes
- Provides for third party tie downs
- Adjusts the rent per the most recent property survey

Authority Attorney Mike Grattan has reviewed and approved the Second Addendum.

Staff recommended approval of the Second Addendum and that the Chairman be authorized to sign the Addendum on behalf of the Authority contingent on:

- Receipt of additional security deposit
- Receipt of updated insurance certificate reflecting the new leasing arrangement

**D. Memorandum of Understanding Between Walker Field, Colorado, Public Airport Authority and the Colorado Army National Guard**

Staff presented the Board with a proposed Memorandum of Understanding (MOU) between Walker Field, Colorado, Public Airport Authority and the Colorado Army National Guard. In August of 1997, an MOU was entered into between the Colorado Army National Guard (COARNG) and the Authority for the COARNG to utilize Authority-owned property east of the Airport for communications training exercises. The property is located north of I-70 near 31 and G roads.

The Authority approved a subsequent renewal of the MOU for October 1, 1998 through September 30, 1999. The COARNG is requesting another renewal of the MOU (with four (4) one (1) year automatic renewals). The effective date of the MOU will be October 1, 2000.

The COARNG communications exercises consist of the construction of a mobile antenna and communications equipment, which is used to transmit and receive to and from Montrose. The COARNG also plans to utilize this area for communications in the event of an area-wide disaster or emergency. The COARNG personnel use military vehicles for access to this area and mark off the area they are using to prevent accidental trespass onto the land while they are training.

Staff recommended that the Board approve the MOU between the COARNG and the Authority and that the Chairman be authorized to sign to MOU on behalf of the Authority.

Commissioner McCormack moved to approve all items on the Consent Agenda. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

## V. ACTION ITEMS

### A. **Resolution No. 2000-017: Amended Fees and Charges for Walker Field Airport**

Staff presented the Board with proposed Resolution No. 2000-017 for Amended Fees & Charges for the Walker Field Airport. At the October, 2000 Board Workshop, the Board reviewed the Authority's Fees & Charges for several cost centers, including Airfield-Public Use; Runway 11/29 Area Leases; and Runway 4/22 General Aviation Area Leases. Included in the reviews were historical revenues/costs; breakeven analyses; and market comparisons with other airports.

Based on the review, the following changes to the Authority's Fees & Charges were proposed:

#### *Runway 4/22 General Aviation Area Leases*

- One lease rate for all leases – eliminate differentiation between revenue and non-revenue portions of leaseholds (Object Free Area (OFA) to remain unaffected). (eff. 4/01/01)
- Annual lease rate adjustment for new leases = greater of CPI-U adjustment OR (break even lease rate minus current lease rate)/5. (eff. 4/01/01)
- Eliminate 18-month development lease rate (currently ½ of current lease rate). (eff. 4/01/01)

#### *Runway 11/29 Leases*

- Standard lease rate regardless of size of parcel (no discount for 10 + acres). (eff. 4/01/01)
- Annual lease rate adjustment for new leases = current lease rate + CPI-U (already in effect).
- Eliminate 18-month development lease rate (currently ½ of current lease rate). (eff. 4/01/01)

*Airfield – Public Use*

- Air carrier ramp parking fee (\$50 per 24-hour period). Excluding Part 121 commercial air carriers. (eff. 1/01/01)
- Fuel Flowage Fees – GA fees to differentiate Avgas (\$.02/gallon) from Jet A (\$.04/gallon) fuel sales. (eff. 1/01/01)
- Landing Fees - \$.75/1,000 lbs. Signatory (heavy); \$5.43/landing Signatory (light); \$1.24/1,000 lbs. Non-Signatory (heavy); and \$10.34/landing Non-Signatory (light). All landing fees – CPI-U adjustment each year until cost center breaks even. (eff. 4/01/01)

In addition to the proposed changes discussed at the Board Workshop, a local ground transportation operator recently contacted the Airport Authority and inquired about the availability of a commercial ground transportation staging area for its vehicles. Although the Airport Authority is currently renting space for this purpose to another ground transportation operator on an exclusive basis (west of the rental car parking lot), Staff recommended the creation of a consolidated parking area for commercial ground transportation staging.

Sage Corporation had leased an area to the south of West Star Aviation’s new paint hangar facility for use in truck driver training. In July 2000, Sage requested the termination of its leasehold because the area became too small for its operations. Sage’s request was granted at the July, 2000 Regular Board Meeting.

This area could be utilized for the staging of commercial ground transportation vehicles. Based on existing commercial ground lease rates and surveys of other airports, Staff recommended the rate of \$30/vehicle/month.

Staff recommended that the Board adopt Resolution No. 2000-017: Amended Fees & Charges for the Walker Field Airport and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Kinsey moved to adopt Resolution No. 2000-017 for the Amended Fees & Charges. Commissioner Sublett seconded. Roll call: all ayes. Motion carried.

**B. Request by Kempton Air Service for Rental Rate Adjustment**

Staff presented the Board with a request by Kempton Air Service for a rental rate adjustment. Kempton Air Service currently leases two (2) parcels in the Runway 4/22 General Aviation Area. On one of the parcels, Kempton Air Service constructed a hangar. Kempton Air Service leased the other parcel, with an effective lease date of December 1, 1999, with the intent of immediately developing it for an aircraft tie-down and parking ramp.

Instead of immediately developing the second leasehold, Kempton Air Service has been utilizing the parcel for storage of equipment and vehicles. In a letter to the Authority dated September 21, 2000 Kempton Air Service requested that the lease rate for the second parcel be reduced to one-half (1/2) of the existing rate until it constructs improvements on the parcel. The rent for the parcel is currently \$68.71/month.

The original intent of providing one-half (1/2) lease rate reductions (for up to eighteen (18) months) was to provide a discount to the tenant while the parcel was unusable (during construction of improvements). Although there are no improvements on the second leasehold, Kempton Air Service has been utilizing the parcel for its operations. Additionally, per the amended Authority's Fees & Charges, the discount will no longer be offered to new tenants as of April 1, 2001.

Chairman McCormick noted that if the Board approved the rate reduction, it would be in line with current Authority policy, but it would not be in line with the new Fees & Charges that have been adopted. Staff commented that the elimination of this particular discount would take place April 1, 2001 with the new leaseholds.

Commissioner Springer inquired whether Kempton Air Service's Lease Agreement offers a reduced rental amount of half price, provided that the land has not been developed. Staff noted that the Authority's Land Lease Agreement with Kempton Air Service does not provide for a reduced rate, nor does it provide for a variation in rental amounts because of unused space. Additionally, Commissioner Springer asked if it was Kempton Air Service's intent to develop the parcel he is leasing from the Authority. Mr. Larry Kempton of Kempton Air Service stated that it was his future intent to develop the leasehold.

Chairman McCormick noted that if the Authority were to grant Kempton Air Service's request for the development rate discount, the discount could not extend beyond 18 months from the effective lease date of December 1, 1999 (because of the existing policy).

Staff recommended that the Board deny Kempton Air Service's request for the lease rate reduction.

Commissioner Kinsey moved to deny the request by Kempton Air Service for a development lease rate reduction. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

**C. Landlord's Estoppel Certificate for Buescher Family Limited Partnership (BFLP) and West Star Aviation, Inc. Leasehold Interests**

Staff presented the Board with a proposed Landlord's Estoppel Certificate for Buescher Family Limited Partnership (BFLP) and West Star Aviation, Inc. BFLP and West Star Aviation, Inc. are in the process of obtaining financing for the purchase of the new paint hangar facility (located to the east of the tower building). As a condition for obtaining the financing, BFLP and its prospective lender are requesting that the Authority approve a Landlord's Estoppel

Certificate. The Estoppel Certificate is used by the lender to ensure the following:

- BFLP is currently in compliance with its existing main ground lease agreement with the Authority.
- The existing main ground lease agreement between the Authority and BFLP represents the entire agreement between the Authority and BFLP.

The Certificate requires that the Authority will not consent to any modification, termination or cancellation of the main ground lease agreement unless the lender provides written consent to the Authority. Additionally, the lender would be provided the right (but not the obligation) to cure any breach or default by BFLP and West Star Aviation. Authority Attorney Mike Grattan has reviewed and approved the Certificate.

Commissioner Sublett inquired whether this type of Agreement is commonly used in this area of the country. Staff reported that according to the Loan Officer at Wells Fargo Bank the Estoppel Certificate is not common to this region, but it is commonly used in other parts of the country.

Discussion ensued and the following matters were clarified by Authority Attorney Mike Grattan:

- Effects on the Authority's rights and obligations pertaining to future ground lease and sublease agreements tied to this leasehold
- FAA regulations affecting the Estoppel Certificate

Staff recommended that the Board approve the Landlord's Estoppel Certificate for BFLP and West Star Aviation, Inc. leasehold interests in the new paint hangar parcel and that the Chairman be authorized to sign the Certificate on behalf of the Authority.

Commissioner Springer moved to approve the Landlord's Estoppel Certificate for the Buescher Family Limited Partnership and West Star Aviation leasehold interests and that the Chairman be authorized to sign the Certificate on behalf of the Authority. Commissioner Kinsey seconded. Voice vote: all ayes. Motion carried.

**D. Request by Buescher Family Limited Partnership for Waiver to 30-Foot Height Restriction for Paint, Proposed Maintenance, and Herr Hangars**

Staff presented the Board with a request by Buescher Family Limited Partnership (BFLP) to waive the Authority's height restriction of 30 feet to BFLP's Maintenance, Paint and Herr hangars. WFAA's Development and Architectural Standards limit the height of all buildings on the airport to 30 feet unless the Authority grants a waiver. The height of all three of these buildings have been approved by the Federal Aviation Administration (FAA) as submitted on FAA Form 7460-1, as well as by the Grand Junction Community Development Department. The paint hangar, which is currently under construction, is 44 feet high at the peak. The proposed maintenance hangar is 48 feet high at the peak. The Herr hangar is 40 feet high at the peak.

Manager Nystrom noted that the original architectural standards were approved in approximately 1984. The itemized checklist used to evaluate whether submitted plans meet architectural standards includes building height, drainage, setbacks, and other typical building codes. The architectural standards currently in use are in the process of being revised and updated to more effectively meet the needs of lessees and the Authority.

Staff recommended that the Authority grant a waiver to the 30-foot height restriction, as described in the WFAA Development and Architectural Standards, for all three structures.

Commissioner McCormack moved to approve the BFLP request for a variance from the height restriction of 30 feet on the three buildings at 802 and 804 Heritage Way and 2858 Aviators Way. Commissioner Ammentorp seconded. Voice vote: all ayes. Motion carried.

**E. Request by Rocky Mountain Hangar, Inc. for Building Setback Variance**

Staff presented the Board with a request by Rocky Mountain Hangar, Inc. for a building setback variance. Rocky Mountain Hangar, Inc. (RMH) recently leased an additional parcel east of its existing hangar. The additional parcel is approximately 41 feet wide by 262 feet long. RMH is proposing to build a 200-foot by 40-foot hangar on the new parcel. The proposed building's east wall would be built on the east lease line, and the south wall would be built 5 feet north of the south lease line. Consequently, a variance to WFAA's Development and Architectural Standards is required.

Chairman McCormick inquired into whether granting this setback variance would create a potential fire hazard for future structures in this area. Staff explained that the building would be constructed according to County building codes and regulations.

Commissioner Kinsey asked whether the narrowness of the parcel would allow for the construction of a reasonable sized hangar if the setback variance were not granted. It was noted that due to the easement, drainage and taxiway accessibility, the parcel would not adequately support a hangar unless the variance is granted.

Staff recommended that the Board grant a set back variance of zero (0) feet on the east lease line and five (5) feet on the south lease line to Rocky Mountain Hangar, Inc. contingent on:

- WFAA approval of a utility site plan for the proposed hangar
- Compliance with all other WFAA Development and Architectural Standards

Commissioner Springer moved to approve the request by Rocky Mountain Hangar, Inc. for the building setback variance, contingent on the above mentioned specifications. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

**F. Resolution No. 2000-018: Amended Ground Lease Agreement**

Staff presented the Board with proposed Resolution No. 2000-018: Amended Ground Lease Agreement. The standardized Ground Lease Agreement and the resulting Resolution No. 2000-002 was approved at the January 18, 2000 Regular Board Meeting.

After using the existing Agreement, it became apparent that an additional provision is needed to provide for a final survey and rent adjustment after completion of construction of improvements upon the applicable leasehold. Additionally, the Board directed Staff to include a provision requiring tenant compliance with WFAA Noise Compatibility Procedures. Authority Attorney Mike Grattan has prepared language for both of the changes; the Index was amended; Exhibit I was created for the Noise Compatibility Procedures; and the standardized sub-lease agreement amended accordingly.

Staff recommended that the Board approve Resolution No. 2000-018 incorporating the changes into the applicable documents. Additionally, Staff recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Sublett moved to approve Resolution 2000-018 as presented to the Board and that the Chairman be authorized to sign the Resolution on behalf of the Authority. Commissioner Kinsey seconded. Roll call: all ayes. Motion carried.

**G. Proposal by Younge & Hockensmith to Adjust Legal Service Fees**

Staff presented the Board with a proposal by Younge & Hockensmith to adjust its legal services fees. On July 15, 1997, the Authority entered into a Contract for legal services with Younge & Hockensmith, P.C. to provide legal counsel services as a result of a formal bid process. The contract stipulates that for the first year, the hourly fee for these services shall be \$120.00. The initial term for the contract is five years and may be continued thereafter on an annual basis "provided, however, the parties understand and agree that Legal Counsel serves at the pleasure of the Airport Authority Board of Commissioners and that *this contract may be terminated by either party at any time.*"

Younge & Hockensmith is proposing an hourly fee increase from \$120.00 to \$140.00 effective November 1, 2000. This would represent a 16.7% increase. Although legal counsel is provided to the Authority through the Airport Manager, the selected firm "serves at the pleasure of the Airport Authority Board of Commissioners." Therefore, Staff did not make a recommendation regarding the Younge & Hockensmith proposal.

Chairman McCormick inquired into what impact the increase would have on the Budget. Staff noted that for the 2000 FY, the budgeted amount for legal fees is \$50,000 and approving an increase in legal fees would affect this budget line item by approximately 16.7%.

The Board concurred that previous work experience with Younge & Hockensmith has developed into a relationship conducive to effective legal



representation. The Authority deals with specialized situations necessitating a working knowledge of FAA regulations and standards. Maintaining a long-term relationship ensures familiarity with past and current issues. A satisfactory relationship has been established with Younge & Hockensmith, and to bring another law firm up to speed with current and past issues would entail a period of time and would not be cost effective.

Commissioner McCormack moved to approve the proposal by Younge & Hockensmith to adjust its legal services fees. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.

**H. Acknowledgement of Receipt of August, 2000 Financial Statements/Accounts Receivable Report**

Staff presented the Board with a summary of the August, 2000 Financial Statements. On the Statement of Operations, year to date operating revenues are 12.0% higher than budgeted and year to date operating expenses are 5.7% lower than budgeted. The net result of the operating revenues and expenses was an income to retained earning balance of \$273,069, which is \$210,972 higher than budgeted year to date.

Rental cars, airline and slurry bomber landing fees, terminal building concessions, fuel flowage fees and aviation fuel tax revenues were over budget (year to date), and close monitoring of operating expenses by all departments has continued to result in year to date operating expenses that are under what was budgeted. Parking lot revenues are slightly lower than what was budgeted year to date (1.3%). However, year to date parking lot revenues are slightly higher per enplanement this year (\$2.57) versus last year (\$2.54).

On the Balance Sheet, nonrestricted cash/investments increased 3.9% for the month. PFC funds decreased 16.5%, reflecting the continued expenditures for the aircraft rescue firefighting/snow removal equipment (ARFF/SRE) facility project. Capital project expenditures led to an increase in Land, Buildings, and Equipment of \$260,345. Additionally, Accounts Payable increased by \$32,330, reflecting the receipt of several larger capital project invoices towards the end of the month.

Overall, August continued the favorable financial trends for the Authority.

Commissioner Sublett moved to acknowledge receipt and accept the August, 2000 Financial Statements/Accounts Receivable Report. Commissioner Ammentorp seconded. Voice vote: all ayes. Motion carried.

*Farabee Adventures, Inc. d/b/a Budget Rent-A-Car Update*

Staff presented the Board with a copy of the Notice of Default letter dated September 28, 2000 to Farabee Adventures, Inc. It was noted that Farabee Adventures was determined to be in non-compliance of its off-airport rental car concession agreement executed in May, 1998.

Staff recommended that the Authority terminate Farabee Adventures' Concession Agreement if Farabee Adventures does not cure the defaults specified in the September 28, 2000 letter and that Staff be authorized to notify Farabee Adventures that its agreement with the Authority will be terminated if the default items are not cured by November 5, 2000.

Commissioner Ammentorp moved to approve Staff's recommendation of follow up procedures to the Notice of Default, including the termination of the off-airport rental car agreement with Farabee Adventures, Inc. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

## **VI. BOARD COMMITTEE REPORTS**

### *A. FACILITIES COMMITTEE*

Commissioner McCormack noted that the revamping of the entire HVAC system in a one-phase remodel may not afford the financial flexibility necessary to incorporate other anticipated capital expenditures for the current and upcoming fiscal year. Additionally, Commissioner McCormack commented that pavement repairs and terminal building renovations are in progress.

Commissioner McCormack updated the Board on the MCEDC discussions concerning the duplication of its current office area, along with the construction of additional office space and a conference room. Discussion ensued pertaining to the following MCEDC remodel issues:

- 1) Financial responsibility for remodeling costs
- 2) FAA regulations pertaining to non-aeronautical users
- 3) Phased construction providing for a less disruptive transition

The consensus of the Board was for Chairman McCormick to draft a confirming memo to MCEDC detailing the provisions that the Authority has previously offered to the MCEDC.

### *B. PERSONNEL COMMITTEE*

There was nothing to report to the Board at this time.

Chairman McCormick noted that the anticipated completion date of the Airport Manager's Annual Review is due the first part of 2001.

## **VII. AIRPORT MANAGER'S REPORT**

### *A. TERMINAL BUILDING AND RAMP PROJECTS*

Several terminal building renovation projects have commenced, and Staff is coordinating the work with the tenants. Additionally, it was noted that the east air carrier ramp reconstruction project has been rescheduled until next Spring since the aggregate that was going to be used in the project did not meet the design mix specifications.

B. *ARFF/SRE FACILITY UPDATE*

Staff commented that the final punch list from the Van Sant Group is anticipated for the ARFF/SRE Facility. Manager Nystrom noted that Staff would like to schedule a Ribbon Cutting Ceremony in November for the dedication of the ARFF/SRE Facility. Staff will coordinate with the Board for a convenient time for this event.

C. *CITY DRAINAGE UPDATE*

Staff reported that they met with the City of Grand Junction Engineering Department to provide an overall view of the FAA requirements with which the Authority must comply pertaining to the proposed detention ponds. They were also given a tour of the airfield to familiarize them with the actual layout of the property. Staff has requested that the City review and provide written comments on the concerns and requirements provided by Washington Group (the Authority's engineer) with respect to the City's concept of constructing detention ponds on airport property. Upon receipt of these comments, Staff would like for the City and the FAA to meet in order to determine an appropriate course of action.

D. *SKYWEST AIRLINES UPDATE*

Manager Nystrom updated the Board on a recent meeting with the President/CEO of Skywest Airlines, Jerry Atkin. The purpose for the meeting was to encourage future commercial passenger growth and express appreciation for Skywest's continued presence in Grand Junction. Additionally, the possibility of Skywest introducing regional jets to Walker Field within the next few years was discussed.

It was noted that Delta Airlines ultimately makes the final decisions regarding the scheduling of the RJ's and Skywest flights. Mr. Atkin indicated that he would have no problem with the Authority meeting directly with Delta Airlines to discuss the Grand Junction market.

E. *FEDERAL EXPRESS MEETING*

Manager Nystrom updated the Board on a recent meeting with Federal Express (FedEx) in Memphis. Future air cargo expansion at Walker Field was discussed.

Board discussion ensued regarding the following items:

- FAA funding for land acquisition
- Aircraft ramp specifications
- AIP funding for design, fill, and paving work
- Adequately preparing for future air cargo infrastructure needs

F. *MESABILITY TRANSIT*

Manager Nystrom notified the Board that Mesability Transit is considering her for a position on their Board.

G. *CHAMBER OF COMMERCE MEETING*

Manager Nystrom reported that she recently attended a Chamber of Commerce-sponsored meeting regarding a proposal by mountain ski resort communities to allow passenger airline seat guarantees to be eligible for tax credits if an airport falls within an enterprise zone.

**VIII. DISCUSSION ITEMS**

A. **November, 2000 Board Workshop**

Manager Nystrom mentioned that the proposed FY 2001 Budget would be presented to the Board at the next Board Workshop and, if time allowed, projections on revenues and expenditures for the next ten years would be included in that discussion.

Due to the next Board Workshop falling on election night, it was the consensus of the Board to re-schedule the Workshop for November 14, 2000.

**IX. OTHER ITEMS**

There were no Other Items.

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner McCormack moved to adjourn the meeting. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried. The meeting was adjourned at 8:25 p.m.

APPROVED AND ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2000.

\_\_\_\_\_  
Robert W. McCormick, Chairman

ATTEST:

\_\_\_\_\_  
David J. Anderson, Clerk