

Walker Field Airport Authority

Minutes of the Regular Board Meeting

March 20, 2001

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

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

ALSO PRESENT: Rod Martinez of Synergistic Visions; Bill Moran of Timberline Aviation;
and Herman Allamaras of Plane Storage.

I. CALL TO ORDER

Chairman Springer called the meeting to order at 5:20 pm.

II. APPROVAL OF AGENDA

Chairman Springer requested that Action Item E – “Conference with Walker Field Airport Authority Attorney Regarding AIP Project No. 3-08-0027-17 (Executive Session)” be moved to Discussion Item A.

Chairman Springer requested that the Board consider a proposal by the City of Grand Junction concerning the De-Brucing Proposal as Discussion Item B.

Chairman Springer requested that the “Airport Manager Performance Evaluation (Executive Session)” be moved to Discussion Item C.

Additionally, Item VII – “Airport Manager’s Report” was moved to Item VI and Item VI – “Board Committee Reports” was moved to Item VII.

Commissioner McCormick moved to approve the Agenda as modified. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. **Minutes: February 20, 2001 Regular Board Meeting**

B. **Acknowledgement of Receipt of January, 2001 Financial Statements/Accounts Receivable Report**

Commissioner Ammentorp requested background information regarding the increase in State Commercial Fuel Sales revenues for January, 2001 compared to January, 2000. Staff explained that an estimated receivable is recorded in the General Ledger each month, which is based on last year's commercial fuel sales. In January, 2001, commissions were received on commercial fuel sales from the State of Colorado which reflected a FY 2000 favorable adjustment, which was then reflected in January, 2001.

Chairman Springer noted that rental car revenues were down while airline revenues increased. Staff responded that generally, rental car and parking lot revenues correspond with passenger enplanements. For January, 2001, two factors specifically contributed to the discrepancy between these revenue sources. First, commercial fuel sales reimbursements are included in the airline revenue figure. Second, according to one of the rental car concessionaire managers, there were fewer business travelers renting cars in January, 2001 compared to January, 2000.

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

V. ACTION ITEMS

A. **Ground Lease Agreement and Addendum to Ground Lease Agreement with Gerald B. Feather, Esq.**

Staff presented the Board with a proposed Ground Lease Agreement and Addendum to Ground Lease Agreement with Gerald B. Feather, Esq.

Mr. Feather (Tenant) proposed to lease a parcel of land in the Runway 4/22 general aviation area to construct a hangar for storage of aircraft owned or leased by Tenant or other third parties. The addendum provides Tenant with a rent reduction during the first 18 months of the lease or until issuance of a Certificate of Occupancy, whichever comes first. The rent paid to the Airport Authority would be \$112.52 per month.

At the March, April, and May 1999 Board meetings, the issue of access to the northern portion of the Daly Construction, Inc. parcel and the resulting impact on the adjacent subject parcel was discussed. In order to provide access to the northern portion of the Daly Construction, Inc. parcel, the involved parties agreed to increase the size of Mr. Daly's parcel and decrease the size of the subject parcel. Additionally, a variance to WFAA's building setback requirements

resulting in a setback of 5 feet on the west lease line and 3 feet on the north lease line is required in order to fully develop the parcel.

Staff recommended the approval of the Ground Lease Agreement (which includes the variances to the building setback requirements) and Addendum to Ground Lease Agreement and requested that the Chairman be authorized to sign the agreement and addendum on behalf of the Board, contingent upon the Authority's receipt of proof of insurance and security deposit.

Commissioner McCormick moved to approve the Ground Lease Agreement and Addendum to Ground Lease Agreement with Gerald B. Feather, Esq. Commissioner Sublett seconded. Commissioner McCormack abstained from the vote. Voice vote: all ayes. Motion carried.

B. Building Use and Lease Agreement with Rod A. Martinez and Steve Traudt DBA Synergistic Visions (Tenant)

Staff presented the Board with a proposed Building Use and Lease Agreement with Rod A. Martinez and Steve Traudt dba Synergistic Visions (Tenant).

Tenant proposed to operate a self-serve photographic sales concession located on the west wall of the second floor of the terminal building boarding area between the bank of phones and rock art display near gates 1 and 2. Approximately 24 nature and landscape photos would be mounted to the wall and numbered for reference. Brochures would be prominently displayed detailing the price of the photographs and methods of placing an order.

Tenant proposed to pay the Authority the greater of 10% of annual gross revenues or \$1,800 annual minimum guarantee paid monthly. The term of the agreement is for one year beginning June 1, 2001. The standard Building Use and Lease Agreement was used for this agreement. Commissioner McCormick sought clarification that this is a concession, not an advertisement. Staff noted they have discussed this with the Authority Attorney and Interspace Advertising and confirmed that this would be a concession.

Rod Martinez of Synergistic Visions commented that the display would have some entertainment value and would provide airport visitors with images of the Grand Valley region. The display would include signage and a structure to separate it from the adjacent rock art and telephones.

Staff recommended the Board approve the Agreement and that the Chairman be authorized to sign the Agreement on behalf of the Airport Authority contingent upon receipt of security deposit and proof of insurance.

Vice Chairman Ammentorp moved to approve the Building Use and Lease Agreement with Rod A. Martinez and Steve Traudt DBA Synergistic Visions. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

C. **Bid Award, Contract Agreement, and Request For Funding Authorization and Appropriation for Third Floor Terminal Building Renovations**

Staff presented the Board with a proposed Bid Award, Contract Agreement, and a request for funding authorization and appropriation for third floor terminal building renovations.

Staff worked with the Van Sant Group to assemble contract and bid documents for the renovation on the third floor of the terminal building. The project consists of the following schedules and alternates:

- Schedule I: Construct Airport Authority Admin. Offices and Multipurpose/Conference Room
- Schedule II: Construct New Lease Space
- Bid Alternate I: Delete Suspended Ceiling in New Lease Space. Amend HVAC and Patch and Repair Existing Ceiling
- Bid Alternate II: Install “Clerestory” Windows in South Lease Space Wall

A request for bids on this project was advertised January 24, 25 and 26, 2001. Plans were revised February 7th to reflect changes requested by the Mesa County Economic Development Council (MCEDC) and the bid period was extended to February 27th. A total of six bids were received. The following are the bid totals (including the two bid alternates) for the three lowest bidders:

Tusca II, Inc.	\$406,000
Dyer Construction	\$384,356
K&G Enterprises	\$380,959

Staff checked references for and interviewed K&G Enterprises and Dyer Construction, and recommended K&G Enterprises as the successful low bidder. Staff also recommended the Board budget an additional 15% contingency for this project, bringing the total project budget to \$438,103. The current budgeted amount is \$400,000.

Staff recommended the Board award the bid and authorize the Chairman to sign the Agreement with K&G Enterprises for the renovation and construction of new lease space, Authority administration offices, and multipurpose room in the amount of \$380,959. Staff also recommended the Board approve additional appropriations for this project in the amount of \$38,103. Staff further recommended the Board authorize the Airport Manager to approve and sign change orders up to and including \$10,000 per change order except that change orders in aggregate may not exceed the budgeted amount of \$438,103.

Commissioner McCormick noted that the lowest three bidders were within 10% of each other, and added that K&G Enterprises is a reputable contractor. He stated that the total bid comes to \$66.00 per square foot and that if the electrical and HVAC portions were excluded from the bid, the result would only have been \$33.00 per square foot.

Commissioner McCormick moved to award the bid to and approve the Contract Agreement with K&G Enterprises for \$380,959 for the third floor terminal building renovations, to approve the request for contingency funding with a total budget of \$438,103, to authorize the Chairman to sign the contract, and to authorize the Airport Manager to sign change orders up to \$10,000 each as long as the aggregate project total does not exceed the budgeted amount of \$438,103. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

D. First Addendum to Burke Associates Agreement for HVAC Design and Engineering Services

Staff presented the Board with a proposed First Addendum to Burke Associates Agreement for HVAC Design and Engineering Services. The addendum is for the existing umbrella Agreement between WFAA and Burke Associates for design, specifications, and project administration for HVAC improvements located in the airline ticket office (ATO) spaces of the terminal building.

In the FY 2001 Budget, a total of \$10,000 was appropriated for the engineering portion of this project. This Supplementary Agreement (Addendum) is for a one-time fee of \$7,000, which includes design and engineering work associated with the ATO HVAC improvements.

Commissioner McCormick asked if the Agreement with Burke, as modified, would include bid process administration. Staff commented that these services would be included. Commissioner McCormack inquired if the ATO garage doors would be modified for remote-controlled operations. Staff noted that the old doors would be removed and the new doors would be remote-controlled. Staff is in the process of addressing security issues with the remote-controlled doors.

Staff recommended the approval of the Addendum and requested that the Chairman be authorized to sign the Addendum on behalf of the Authority.

Commissioner McCormack moved to approve the First Addendum to Burke Associates Agreement for HVAC Design and Engineering Services. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

VI. AIRPORT MANAGER'S REPORT

A. NOISE COMPATIBILITY PROCEDURES

Staff updated the Board regarding the noise compatibility procedures. The FAA is working on a standard instrument departure (SID) procedure which would closely reflect the Authority's noise compatibility procedures. The FAA's procedure may be finalized by the FAA's Regional Office in Seattle within 90 to 120 days and then forwarded to the FAA's Oklahoma City Office for possible approval and publication.

At the April, 2001 Noise Compatibility Committee meeting, the Committee will discuss a timely follow-up procedure for noise complaints. The tail number of an offending plane can be traced to the owner, and the Authority can then follow-up

with a letter reminding the pilot of the Authority's noise compatibility procedures. The Authority's noise compatibility procedures are now listed in the FAA's Facilities Directory and AOPA's Airport Directory.

B. LAND AND HOLD SHORT OPERATIONS (LAHSO)

Staff presented the Board with Land and Hold Short Operations (LAHSO) information. LAHSO is a set of FAA requirements for simultaneous operations at airports with intersecting runways. Staff investigated the requirements for LAHSO as a possible part of the FY 2001 Capital Improvement Program. The Authority would need to install in-pavement lighting and additional equipment. Staff contacted the airlines that fly out of Walker Field (i.e., FedEx, America West Express, Delta Connection, United Express). The airlines indicated that they are not in favor of commencing LAHSO procedures.

Due to the lack of tenant and user support, Staff decided to remove LAHSO from the FY 2001 Capital Improvement Program and from the 5-year PFC program application.

Commissioner Sublett concurred with the decision to withdraw LAHSO from consideration and commented that such a program would likely increase the risk of a ground incident.

C. 2002 SALT LAKE CITY WINTER OLYMPICS

Manager Nystrom reported that Staff is working with the airlines regarding potential diversions from Salt Lake City into Walker Field during the 2002 Winter Olympics. Additionally, Staff is meeting with representatives from Mesa County and the City of Grand Junction to review emergency plans and is discussing security and public safety issues with the FAA. Staff is also working with the Grand Junction Visitors and Convention Bureau to plan for accommodating people who may be diverted to Grand Junction due to inclement weather in Salt Lake City. In early to mid-summer, Staff will meet with all interested agencies to consolidate the various response plans.

Commissioner Sublett commented on the importance of including the three Grand Junction area hospitals in the contingency planning process. Commissioner McCormick inquired about the historical weather patterns in Salt Lake City during the time period of the Winter Olympics.

Manager Nystrom commented that most passengers arriving in Salt Lake City will have already cleared customs at other major airports, but Peg Wallace of Thunder Mountain Ground Services has been certified to perform customs functions on aircraft landing at Walker Field. Ms. Wallace is also looking into obtaining certification to clear passengers through customs in the unlikely event that this situation should arise.

D. PRE-CONSTRUCTION MEETING FOR TERMINAL BUILDING THIRD FLOOR RENOVATION PROJECT

The pre-construction meeting for the terminal building third floor renovation project is scheduled for March 22, 2001 at 1:30 pm. Staff will conduct a walk-through inspection with the contractors at that time.

In addition, Kevin Gould and possibly Terry Van Sant from the Van Sant Group will be present for the meeting. Mr. Gould will share some initial ideas with Staff for the concession signage plan and will also provide the Authority with a cost estimate for providing consulting services for this project.

E. NOISE POLLUTION LIABILITY COVERAGE

Staff consulted with the Authority's two insurance carriers about Noise Pollution Liability Coverage and learned that few, if any, underwriters would issue such a policy. There is no clear-cut industry definition on what this type of policy would include. However, AON Risk Services has contacted Lloyd's of London and is waiting to hear back from them for an estimate.

F. PFC APPLICATION #4

Staff is currently finalizing its preparation of the PFC Application #4 documents. PFC Application #4 will include runway end identification lights (REILs) for Runway 4/22 and a new electrical vault to supply power for all airport lighting. Both projects are anticipated to begin in 2001. Additionally, Application #4 will include air carrier ramp expansion (2004) and boarding area expansion/jetways (2006) projects. Approximately 120 days after its receipt of the Application, the FAA will hopefully issue a Record of Decision which would authorize the Authority to implement the program. Staff anticipates that the first collection under the new application would be in October, 2001.

G. FY 2000 AUDIT REPORT

The Authority auditors completed the field work for the FY 2000 Audit in mid-February. Based on initial conversations with the auditors, Staff does not anticipate any material exceptions to be contained within the FY 2000 Audit Report. The auditors will present the Report to the Board at the April, 2001 Regular Board Meeting.

H. POSSESSORY INTEREST TAX

Staff and Authority Attorney Mike Grattan have initially researched the issue of possessory interest tax, which is the taxing of firms or individuals that operate on public or tax exempt land for the value of their possessory interests. Staff requested that a discussion of the possessory interest tax and its ramifications be part of the agenda for the next Board Workshop Meeting.

The Board agreed to add this as an agenda item for the next Board Workshop meeting.

I. SPECIAL NEEDS KIDS' DAY

Each year, West Star Aviation brings in military aircraft and invites children and young adults with special needs in the community to the airport to look at aircraft static displays. Special Needs Kids' Day has been scheduled this year for May 25th.

J. UNITED EXPRESS FLIGHT REPLACEMENT

Manager Nystrom recently spoke with John Philp, the Regional Director of Governmental Affairs for United Airlines. He reiterated United Airlines' intent to schedule an early Dornier 328 (32-seat aircraft) to replace the early Great Lakes Aviation departure to Denver once Great Lakes ceases its Grand Junction United Express operations on May 1st. Currently, the first outbound flight to Denver is a 19-seat Beechcraft 1900.

K. SMALLER COMMUNITY AIR SERVICE ISSUES MEETING WITH MEMBERS OF U.S. CONGRESS IN WASHINGTON, D.C.

Manager Nystrom highlighted several items from her trip to Washington, D.C. to meet with members of Congress regarding air service issues in rural areas and smaller communities. Sponsored by Denver International Airport, attendees at the meetings represented airports and smaller communities in the midwest and mountain regions. In light of the Airport Authority's participation in these meetings, a very positive working relationship with Denver International Airport (DIA) has now been established to address common issues of concern. Other attendees included representatives from Wyoming, North Dakota and Kansas.

In a related issue, on April 5th, Manager Nystrom will be in Denver for her confirmation hearing before the Colorado State Senate Government, Veterans, Military Relations and Transportation Committee. The committee will review and consider her recent appointment by Governor Owens to the Colorado Aeronautical Board.

VII. BOARD COMMITTEE REPORTS

A. PERSONNEL COMMITTEE

Commissioner Sublett noted that the Committee report will be discussed during the Airport Manager Performance Evaluation executive session.

B. FACILITIES COMMITTEE

Commissioner McCormick reported that the Committee began discussing the Business Center concession project.

VIII. DISCUSSION ITEMS

A. Conference with Walker Field Airport Authority Attorney Regarding AIP Project No. 3-08-0027-17 (Executive Session)

Commissioner McCormick moved for the Board to enter into Executive Session to discuss litigation matters with the Airport Authority Attorney pertaining to the AIP-17 project. Vice Chairman Ammentorp seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 6:50 pm.

Commissioner McCormick moved to exit Executive Session. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

The Board exited Executive Session at 7:32 pm.

Commissioner Kinsey moved for the Authority to accept R. W. Jones, Inc.'s offer to settle the Authority's claim against it for \$9,164.20, as delineated in the letter from Walker Field Airport Authority to Stephen K. Erkinbrack, dated March 5th, 2001. Voice vote: all ayes. Motion carried.

B. Discussion Regarding Ballot Measure 2A – De-Brucing of Certain Tax Revenues for City of Grand Junction

The Board was asked to possibly take a formal position regarding ballot measure 2A. Commissioner Kinsey presented two primary reasons in support of the De-Brucing proposal. First, the funds would not be spent on new projects; they would assist in accelerating already planned capital improvement projects. Second, funds derived in Grand Junction need to be expended to provide infrastructure and services for residents/visitors who come from outside of the Grand Junction urban area.

Chairman Springer commented that he is opposed to this ballot measure. Commissioner McCormick did not feel that the Board should take a public position on this ballot issue and pointed out that few other government entities are taking a position. Commissioner Sublett agreed and noted that the Authority would not gain much from such a stance. Commissioner McCormack also concurred.

It was the consensus of the Board not to take a position on this issue.

IX. OTHER ITEMS

Commissioner McCormick discussed the Addendum to the contract with the Van Sant Group on concession signage. He commented that the primary issue should not be signage design, but rather developing the business concepts and advertising goals. Commissioner McCormick suggested that Authority Staff develop ideas for concession signage and guidelines. Manager Nystrom noted that Staff will provide some ideas at an upcoming Board Workshop.

A. (Relocated from Discussion Item A) – Airport Manager Performance Evaluation (Executive Session)

Commissioner McCormick moved to enter into Executive Session to discuss the Airport Manager Performance Evaluation. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 7:52 pm.

Commissioner McCormack moved to exit Executive Session. Commissioner Ammentorp seconded. Voice vote: all ayes. Motion carried.

The Board exited Executive Session at 8:27 pm.

X. ADJOURNMENT

There being no further business to come before the Board, Commissioner McCormick moved to adjourn the meeting. Commissioner Kinsey seconded. Voice vote: all ayes. Motion carried. The meeting was adjourned at 8:27 pm.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2001.

Craig N. Springer, Chairman

ATTEST:

David J. Anderson, Clerk