

Walker Field Airport Authority

Minutes of the Regular Board Meeting

November 20, 2001

BOARD COMMISSIONERS PRESENT: Miles McCormack Steve Ammentorp
Karen Berryman Craig Springer
James Gardner

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

ALSO PRESENT: Peg Wallace of Thunder Mountain Ground Services, Inc.; Doug Thompson, Park Douma, Louis Buescher, and Adam Maynard of West Star Aviation; Merv Heinecke and Mike Sutherland of Sky Adventures, LLC; Steve Smith, Roger Fischer, and Bill Moran of Timberline Aviation, LLC; Matt Smith of Traylor, Tompkins, Black & Gaty, P.C. representing Timberline Aviation, LLC; and Charles Pearson of Two Rivers Pilot Supply.

I. CALL TO ORDER

The meeting was called to order at 5:15 pm.

Chairman Springer introduced James Gardner, the new City of Grand Junction appointee to the Authority Board of Commissioners.

II. APPROVAL OF AGENDA

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

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: October 16, 2001 Regular Board Meeting

B. Minutes: November 6, 2001 Special Board Meeting

C. **Acknowledgement of Receipt of September, 2001 Financial Statements/Accounts Receivable Report**

Operationally and fiscally, September 2001 brought many changes to the Authority as a result of the events which occurred on September 11th. On the Statement of Operations, year to date operating revenues are 0.2% higher than budgeted and year to date operating expenses are 5.4% lower than budgeted. The net result of the favorable operating revenues and expenses is an income to retained earnings balance of \$265,970, which is \$67,659 higher than budgeted year to date.

Terminal building concessions, parking, slurry bomber landing fees, and aviation fuel tax revenues remain over budget (year to date), and close monitoring of expenses by all departments resulted in year to date operating expenses that are less than what was budgeted.

On the Balance Sheet, nonrestricted cash/investments increased slightly (1.8%) for the month. Accounts payable increased \$308,866, reflecting the receipt of several large vender invoices towards the end of the month. PFC funds decreased \$103,981 as a net result of bond payment 3 of 4 for the aircraft rescue firefighting/snow removal equipment (ARFF/SRE) facility. Land, Buildings, and Equipment increased \$323,452 primarily from the completion of the east air carrier ramp reconstruction project and from the completion of the terminal building 3rd floor renovation project.

Although a very challenging month in many ways, September resulted in overall favorable financial performance for the Authority.

D. **Revised Landlord's Consent to Assignment of Borrower's Lease Rights From Sky Adventures, L.L.C. to Alpine Bank**

Staff presented the Board with a proposed Consent to Assignment of Borrower's Lease Rights from Sky Adventures, L.L.C. to Alpine Bank. Sky Adventures, L.L.C. previously purchased Buescher Family Limited Partnership's/West Star Aviation, Inc.'s former paint hangar and leased the ground from the Authority for a sit-down restaurant operation open to the public, a federal aviation regulations (FAR) Part 135 air taxi operation, office space for aeronautical users only, and a hangar for the storage of aircraft. Alpine Bank's loan to Sky Adventures, L.L.C. is for the purpose of discharging the initial hangar purchase loan provided by Wells Fargo Bank, hangar remodel, and parking area construction. The restaurant may be developed and operated separately at a later date.

If Sky Adventures defaults on its loan obligation, the Landlord's Consent gives Alpine Bank the right to enter the Leased Premises in order to obtain furniture, fixtures, and inventory in which it has a valid and perfected security interest. Additionally, Alpine Bank can make rent payments on the leasehold property and can request that the Authority approve an assignment of the lease agreement, which approval shall not be unreasonably withheld.

Currently the parking area is being developed and the hangar remodeled.

The Landlord's Consent was previously approved at the October 16, 2001 Regular Board Meeting. However, at the October 29, 2001 meeting of Sky Adventures, L.L.C.

members, the principals of Sky Adventures, L.L.C. changed. The revised Landlord's Consent is signed by the current principals of Sky Adventures, L.L.C.

Authority Attorney Mike Grattan previously reviewed the Landlord's Consent and made changes to protect the Authority.

Staff recommended that the Board approve the revised Landlord's Consent to Assignment of Borrower's Lease Rights and authorize the Chairman to sign the Landlord's Consent on behalf of the Authority.

E. Resolution No. 2001-013: Amended Provisions to the Fees and Charges for the Walker Field Airport, Grand Junction, Colorado

Staff presented the Board with a proposed resolution to amend several provisions of the Fees and Charges for the Airport. At the March, 2000 Regular Board Meeting, the Board approved a revised fees and charges document to make it easier for all airport operators, users, and tenants to use as a reference. Although the unified structure of the document has remained virtually the same since that time, some of the fees and charges contained therein have been amended since the original approval date.

At the October, 2001 Regular Board Meeting, Staff presented several proposed modifications to the Authority's Fees and Charges. These proposed modifications were based on discussions during several Board Workshops in 2001, including a review of the Authority's FY 2000 Revenue and Cost Allocations. The consensus of the Board (including Staff's Recommendation) was for the Authority to obtain input from airport users, fuel providers, and tenants regarding the proposed modifications. Copies of the proposed fees and charges were sent to the tenants, and their input was requested. Based on the input received from these parties, the following modifications to the Airport Authority's Fees and Charges are proposed:

- New fee for requesting changes to existing agreements with the Authority.
- General aviation fuel flowage fee adjustments to be based on the consumer price index (CPI-U) indicator.
- New fee for aircraft rescue firefighting services provided as a part of "rapid refueling" operations.
- New procedures and fees for addressing access gate violations.
- Addition of two definitions ("access gate" and "landside") to enhance clarity and precision of the provisions.

Staff recommended that the Board approve Resolution No. 2001-013: Amended Fees and Charges for the Walker Field Airport, Grand Junction, Colorado. Staff also recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

F. Resolution No. 2001-014: Amended Standardized Ground Lease Agreement

Staff presented the Board with a proposed resolution amending the Authority's standardized Ground Lease Agreement (Agreement) and the resulting Resolution No. 2000-002, which was approved at the January 18, 2000 Regular Board Meeting and later amended at the October 17, 2000 Regular Board Meeting (as evidenced by Resolution No. 2000-018).

After further use of the Agreement, it became apparent that the security deposit provision could be strengthened. Consequently, language for the change has been prepared by Authority Attorney Mike Grattan.

Staff recommended the Board approve Resolution No. 2001-014, which incorporates the modified security deposit provision into the underlying document. Additionally, Staff recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

G. Resolution No. 2001-015: Amended Standardized Building Use and Lease Agreement

Staff presented the Board with a proposed resolution amending the standardized Building Use and Lease Agreement (Agreement) and the resulting Resolution No. 2000-016 which was approved at the September 19, 2000 Regular Board Meeting.

After using the Agreement, it became apparent that additional provisions were needed to:

- Define the term “Gross Revenues.”
- Clarify the utility services provided by the Authority.
- Determine the applicability of the consumer price index (CPI-U) adjustment.
- Strengthen the security deposit provision.

Language for the proposed changes was prepared by Authority Attorney Mike Grattan.

Staff recommended that the Board approve Resolution No. 2001-015, which incorporates the changes into the underlying document. Additionally, Staff recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

H. Resolution No. 2001-16: Walker Field, Colorado, Public Airport Authority Development and Architectural Covenants

Staff presented the Board with a proposed resolution revising the Authority’s development and architectural covenants. In order to reflect the present business climate on the Airport, proposed revisions to the Authority’s current Development and Architectural Standards were drafted to:

- Facilitate and expedite the development process at the Airport.
- Align the Covenants with the City of Grand Junction’s Community Development Department requirements.

A copy of the proposed Covenants was mailed to all airport tenants on October 10, 2001, discussed at the October 16, 2001 Regular Board Meeting, and a revised copy of the proposed Covenants was mailed to all tenants on November 1, 2001 requesting the submittal of comments or suggestions to the Authority by November 14, 2001. The only question received was if the Covenants were retroactive, which they are not unless a Lease Agreement allows otherwise.

Authority Attorney Mike Grattan has reviewed the Covenants to protect the Authority.

Staff recommended that the Board approve Resolution No. 2001-016. Additionally, Staff recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

I. Request for Authorization and Appropriation of Line of Credit Funds for Terminal Building and Rental Car Parking Lot Fencing and Improvements

Staff presented the Board with a request for authorization and appropriation of line of credit funds for terminal building and rental car parking lot fencing and improvements. At the October, 2001 Regular Board Meeting, the Board approved the commencement of improvements to the terminal building and rental car parking lots, including design, engineering, and construction in light of the heightened FAA security requirements. As a part of the funding for this project, the Board authorized \$85,000 for this project of the \$90,000 that was originally appropriated for heating ventilation and air conditioning (HVAC) for the terminal building airline ticket offices (ATOs). Additionally, the Board authorized additional funding through the use of the Authority's line of credit (and budget the repayment of the drawn amount in the FY 2002 Authority Budget) to complete the project.

Following the Board's approval, construction commenced. In the meantime, since fencing was not included in the bid specifications, Staff reviewed several options regarding the installation of new fencing in conjunction with this project, including: 1) having Staff install the fencing; 2) outsourcing the installation; or 3) a combination of Staff and contractors performing the installation. New fencing would consist of approximately 700 lineal feet of split rail cedar fence that conforms to the existing cedar fencing in front of the terminal building.

Commissioner Springer commented that there may be a capacity problem with the area under improvement. Staff responded that an area east of the present parking lot location is available for overflow parking. If that does not provide enough parking spaces, then additional parking space will be opened.

After reviewing Staff resources, Staff recommended utilizing a combination of Staff and contractors. Additionally, construction parking control devices (plastic safety delineators and chain with reflective tape) are also needed to assist with traffic flow and movements. Once construction is completed, these devices will be used to replace the barrels and snow fencing currently being used to delineate the 300 foot parking boundary. Based on these additional items, the proposed total project costs are as follows:

Design and Engineering.....	\$20,000
Construction.....	69,411
Fencing.....	7,000
Construction Parking Control.....	2,500
TOTAL.....	\$98,911

To supplement the \$85,000 (originally from the terminal building ATOs HVAC project) that the Board has already approved for this project, Staff recommended that the Board authorize and appropriate \$14,000 from the Authority's existing line of credit in order to complete the construction, to purchase and install fencing, and to purchase construction

parking control devices associated with the terminal building and rental car parking lot improvements.

Vice Chairman Ammentorp moved to approve the Consent Agenda. Commissioner Berryman seconded. Roll call: all ayes. Motion carried.

V. ACTION ITEMS

A. Fifth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc.

Staff presented the Board with a proposed addendum to the existing lease agreement between the Authority and Thunder Mountain Ground Services, Inc. At present, Thunder Mountain leases a portion of the first airline ticket office (1st ATO) on the first floor of the terminal building. The ATO consists of 1,162 square feet of space for providing ground-handling services for scheduled charter flights and for non-scheduled airline diversions. The underlying lease agreement is effective from July 1, 1996 through September 30, 2002, and the current rent paid to the Airport Authority is \$636.23 per month. Thunder Mountain has operated at Walker Field since 1985.

Thunder Mountain has requested that the grant of use provision in its lease be clarified. This proposed addendum would amend the grant of use provision to include ground handling of corporate, private, and military aircraft, if requested by the Walker Field Airport fixed base operator involved with that aircraft, and the ground handling of scheduled airline flights, if requested by the airline involved, with the remaining terms and conditions of the underlying lease agreement and addendums remaining in full force and effect.

Peg Wallace of Thunder Mountain Ground Services, Inc., indicated that she requested clarification of the lease to allow Thunder Mountain to handle ground services of any type.

Staff stated that the Authority's approval of Thunder Mountain's use of the air carrier ramp for these flights would be decided on a case-by-case basis. The use of the air carrier ramp is non-exclusive and could include the use of the ramp for non-air carrier purposes, including, but not limited to, the following three (3) scenarios: 1) military; 2) general aviation aircraft overflow parking; or 3) aircraft diversions during the Winter Olympics in February.

Doug Thompson of West Star Aviation questioned why Thunder Mountain would need the use of the air carrier ramp to service aircraft other than air carrier aircraft. He stated that his understanding is that West Star's ramps must be full in order for the Authority to grant permission for West Star's use of the air carrier ramp for aircraft handling. He requested that the West Star and Timberline ramps be full of aircraft first before allowing Thunder Mountain to use the air carrier ramp for non-air carrier aircraft.

Matt Smith, attorney representing Timberline Aviation, L.L.C., asked for confirmation that both Timberline and West Star would have access to the air carrier ramp. He

stressed that it would be advantageous for Timberline to be able to utilize the air carrier ramp when needed.

Chairman Springer requested clarification as to whether allowing Thunder Mountain to utilize the air carrier ramp to provide ground handling services for other aircraft, in addition to scheduled charter flights and non-scheduled airline diversions, would be allowing special privileges.

Staff replied that Timberline and West Star are authorized to provide aircraft ground handling services also and that the air carrier ramp is a non-exclusive ramp constructed with the use of federal funds. Timberline and West Star may also request use of the air carrier ramp for aircraft ground handling. Staff stated that permission to use the ramp by any fixed base operator must be approved by the Authority on a case-by-case basis. Staff commented that additional language was added to the proposed addendum requiring Thunder Mountain to also obtain prior approval by the Authority on a case-by-case basis, if anything other than Federal Aviation Regulations (FAR) Part 121 aircraft are to be parked on the ramp.

Authority Attorney Mike Grattan reviewed the Fifth Addendum to Lease Agreement and made changes in order to protect the Authority.

Staff recommended that the Board approve the Fifth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc. and authorize the Chairman to sign the Addendum on behalf of the Airport Authority.

Vice Chairman Ammentorp moved to approve the Fifth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc. and authorize the Chairman to sign the Addendum on behalf of the Authority. Commissioner McCormack seconded. Voice vote: all eyes. Motion carried.

B. Request for Termination of Existing Terminal Building Use and Lease Agreement with Carol Eichert and Charles A. Pearson for Two Rivers Pilot Supply

Combined with Action Item C.

C. Terminal Building Use and Lease Agreement with Carol Eichert and Charles A. Pearson for Two Rivers Pilot Supply

Staff presented the Board with a request for termination of an existing Terminal Building Use and Lease Agreement and a proposed new Terminal Building Use and Lease Agreement with the same entity. Carol Eichert and Charles A. Pearson (Tenant) are operating a non-exclusive pilot supply shop—"Two Rivers Pilot Supply," located on the second floor of the terminal building east of the conference room. The shop contains pilot logbooks, handbooks, charts, communication devices, and other aeronautical related items. The current space is not large enough for the shop, and the Tenants requested to terminate its existing lease effective January 1, 2002 in order to lease the former Authority administration office, Suite 211, which would provide a larger operating space, beginning January 1, 2002. Additionally, the Tenant requested that it be allowed to enter the new leasehold 30 days prior to the commencement of the lease for the purpose of remodeling and setting up merchandise.

The current rent paid to the Airport Authority is \$437.97 per month at \$11.23 per square foot, and the proposed rent will be \$900.00 per month at \$9.00 per square foot. Since the Authority will not have to make any improvements to the space other than a door to space 2B, the lower rent per square foot is justified. The standard form building use and lease agreement is being used.

Staff recommended that the Board approve the Tenant's request for termination of its existing Building Use and Lease Agreement effective January 1, 2002. Additionally, Staff recommended that the Board approve the Building Use and Lease Agreement with Carol Eichert and Charles A. Pearson for Suite 211 and that the Chairman be authorized to sign the agreement on behalf of the Authority contingent upon the Authority's receipt of certificate of insurance and security deposit.

Commissioner Berryman noted the emergency exit requirements pertaining to this amount of retail space. Staff responded that the egress requirements for Suite 211 would be reviewed.

Commissioner McCormack moved to terminate the existing Terminal Building Use and Lease Agreement with Carol Eichert and Charles A. Pearson for Two Rivers Pilot Supply and approve the new Terminal Building Use and Lease Agreement with Carol Eichert and Charles A. Pearson for Two Rivers Pilot Supply subject to approval and modifications, if any, that would be needed to meet the fire code requirements. Commissioner Gardner seconded the motion. Voice vote: all ayes. Motion carried.

VI. BOARD COMMITTEE REPORTS

A. FACILITIES COMMITTEE

Commissioner McCormack reported that the Facilities Committee discussed security issues and improvements to the parking lot.

B. PERSONNEL COMMITTEE

No report.

VII. AIRPORT MANAGER'S REPORT

A. STATE OF COLORADO INFRASTRUCTION BANK (SIB) LOAN PROGRAM

Manager Nystrom noted that the Authority received written notification from the Colorado Department of Transportation that the Authority's request for a loan to be used for capital projects in FY 2002 was approved.

B. ANNUAL AUDIT OF AUTHORITY FINANCIAL STATEMENTS

Manager Nystrom reported that Staff has advertised the request for proposals to provide audit services. Two firms attended the pre-bid conference. The proposals are due Friday, November 30th, will be reviewed, and interviews may be scheduled.

C. *CHANGE OF AIRPORT NAME*

The Authority received a request from the Grand Junction Area Chamber of Commerce for information as to the process required to change the name of the airport. As a political subdivision of the State of Colorado, the authority to change the name of the airport may not be at the sole discretion of the Authority Board. Additionally, the costs associated with a possible name change have not been determined. Staff is researching the matter and will forward the results to the Chamber.

D. *REGIONAL AVIATION PARTNERS*

Manager Nystrom attended a meeting of the Board of Directors of the Regional Aviation Partners in New Orleans. She reported that there was representation from airports across the country, and discussions centered on the changes affecting smaller airports and air carriers since September 11th.

E. *SKYWEST AIRLINES VISITATION*

Manager Nystrom reported that Jerry Atkin, President and Chief Executive Officer of SkyWest Airlines, visited Walker Field recently and met with her and Bruce Balbier, SkyWest Station Manager. He expressed interest in hearing how the changes since September 11th have affected airports from the perspective of the airport operators. He indicated that since September 11th, many air carriers have reduced or discontinued service at low profit margin airports. He indicated that Grand Junction is still a strong market for SkyWest.

D. *EAST AIR CARRIER RAMP RECONSTRUCTION PROJECT*

Staff reported that the east air carrier ramp reconstruction project is completed and was completed within budget.

E. *MILITARY NOISE UPDATE*

Staff reported that they contacted the U.S. Navy liaison to the FAA for the western U.S. Additionally, the Authority contacted other airports to determine if they had letters of agreement (LOA) with the Navy.

The Navy liaison expressed concern regarding military aircraft performing any maneuvers other than as permitted by Naval regulations. He stated that if the Authority has noise compatibility/noise abatement procedures in place, then the Navy aircraft must follow the procedures, regardless of whether or not there is an executed LOA on-file. Staff has met with West Star Aviation on two occasions, and this information has been related to West Star. A cooperative effort of communications between the Authority and West Star is allowing the two entities to design procedures for addressing noise complaints.

F. *2002 WINTER OLYMPICS*

Staff reported that contacts have been made to locate, lease, buy or rent aircraft stairs for 777s and 747s during the Winter Olympics. There are two companies in Florida which have the equipment available. Another alternative is to rent lifts from Webb Crane to

deplane passengers. Commissioner McCormack suggested notifying the airlines of the limitations Walker Field could experience deplaning passengers from 777s and 747s.

G. *HOLIDAY PARTY*

An Authority holiday party is scheduled for December 19th. The Board is invited, and additional information will be provided at a later date.

F. *AVIATION AND TRANSPORTATION SECURITY ACT*

Staff is reviewing the new Aviation and Transportation Security Act to determine the impact it will have on the Authority. Manager Nystrom indicated that key provisions of the Act will be discussed at the December, 2001 Board Workshop.

VIII. DISCUSSION ITEMS

A. **4/22 General Aviation Development Area Fencing**

Staff presented the Board with a historical summary of the chain link fence along portions of the perimeter of Walker Field. In the past, each lessee installed fencing at its cost. As a result of this, fencing materials vary from chain link to barbed wire, and FAA requirements are being met. As a result of September 11th, the Board has discussed the possibility of requiring chain link fence around all leaseholds. This includes the Kempton, Daly, and Nunnery leaseholds in the Runway 4/22 general aviation area.

Staff outlined several options:

- 1) Request those tenants with barbed wire to replace their fences with chain link at their cost.
- 2) The Authority construct and pay for new chain link fence and reimburse lessees who have existing chain link fencing based on the amount of usage (length of time) into their lease.
- 3) The Authority construct and pay for new chain link fence and not reimburse tenants who have existing chain link fence. The cost would be approximately \$5,000.00.
- 4) Do nothing and continue to allow barbed wire fencing at leaseholds that were in place prior to the Development and Architectural Covenants revisions being approved that now require chain link fence.

The consensus of the Board was for the Authority to offer to pay 50% of the cost of installing chain link fence on the Nunnery, Kempton, and Daly leaseholds with a 60-day time period in which to install the fencing. If the fencing is not completed in that time period, then the lessee will be required to pay for 100% of the installation.

Commissioner McCormack moved for the Authority to offer Kempton, Nunnery and Daly 50% of the costs for installing eight (8) foot security chain link fence with gates on their leaseholds within 60 days; otherwise the leaseholder will be required to pay for installation. The deadline to

accept the offer is December 15, 2001. Otherwise, the Authority will erect the fence and bill the lessee for 100% of the cost. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

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 Berryman seconded. Voice vote: all ayes. Motion carried.

The meeting was adjourned at 7:43 pm.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2001.

Craig N. Springer, Chairman

ATTEST:

David J. Anderson, Clerk