

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

February 15, 2005

**BOARD COMMISSIONERS PRESENT:** Miles McCormack Craig Springer  
Roger Little Karen Berryman  
Gregg Palmer Dan Lacy  
Doug Simons

**AIRPORT STAFF PRESENT:** Corinne Nystrom Charlie Novinskie  
David Anderson Ed Storer

**ALSO PRESENT:** Tim Jeschke, Doug Pratt, Mary Groves, and Gary Edwards of West Star Aviation; Dave McCormack of CREA; Jim Trott, Tony Ori, and Ana Mauss of Carter & Burgess; Collin Fay; Sarah Wasson of Mesa Café; and P.J. McGovern of P & L Properties, LLC.

### I. CALL TO ORDER

The meeting was called to order at 5:15 p.m.

### II. APPROVAL OF AGENDA

Chairman Springer highlighted several procedural changes pertaining to the Consent Agenda. He will ask for only one motion to approve or disapprove the Consent Agenda. If any Board member or member of the public requests to discuss one of those items, that item will be moved to the Action Items section.

Commissioner Palmer 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: January 18, 2005 Regular Board Meeting

**B. Acknowledgement of Receipt of Accounts Receivable Report**

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

**V. ACTION ITEMS**

**A. Minutes: December 21, 2004 Special Board Meeting**

Commissioner Palmer moved to approve the December 21, 2004 Special Board Meeting Minutes. Commissioner Lacy seconded. Voice vote: all ayes. Motion carried.

**B. Request by Mesa Café LLC to Amend Building Use and Lease Agreement**

The non-exclusive food and beverage concession in the terminal building was awarded to Mesa Café, LLC at the Authority's September 2004 Regular Board Meeting pursuant to a competitive bid process. A standard Building Use and Lease Agreement commencing November 1, 2004 was executed by the Authority and Mesa Café, LLC for a three (3)-year term plus one additional two (2)-year term, with the award of the two (2)-year term contingent upon:

- ✓ Mesa Cafe, LLC achieving a positive customer service feedback score of 75% or better on the restaurant survey
- ✓ Menu variety as represented in the Concessionaire's bid proposal
- ✓ Clean and attractive facility
- ✓ House of operation (open to the public) 5:00 a.m. to 6:00 p.m. daily

Mesa Café, LLC recently remodeled the restaurant space and purchased some new equipment. However, due to disappointing sales, Mesa Cafe is requesting to:

- ✓ Reduce the rent paid to WFAA from 8% of gross revenues to 6% of gross revenues to cover additional staff wages
- ✓ Change the opening time from 5:00 a.m. daily to 5:00 a.m. Monday through Friday and 6:00 a.m. on Saturday and Sunday
- ✓ Change the closing time from 6:00 p.m. to 5:00 p.m. daily (however, it would remain open as needed at its discretion, such as for diverted aircraft)
- ✓ Review the effectiveness of these changes in May 2005 and, if necessary, discuss other proposed modifications or actions to be presented to the Board for consideration at the June 2005 Regular Board Meeting

Staff recommended that the Board approve Mesa Café, LLC's request and authorize the Airport Manager to sign a First Amendment to Building Use and Lease Agreement that includes the following provisions:

- ✓ Reduce the rent paid to WFAA from 8% of gross revenues to 6% of gross revenues
- ✓ Change the opening time from 5:00 a.m. daily to 5:00 a.m. Monday through Friday and 6:00 a.m. on Saturday and Sunday

- ✓ Change the closing time from 6:00 p.m. to 5:00 p.m. (however, it would remain open as needed at its discretion, such as for diverted passenger aircraft)
- ✓ Review the effectiveness of these changes in May and, if necessary, discuss other modifications or actions, which may be presented to the Board in June for its consideration.

In order to provide additional food service opportunities during the times when the terminal building is open, Staff recommended:

- ✓ Working with the gift shop concessionaire in the secured boarding area to offer food and beverages along with gift items
- ✓ Working with the current vending machine concessionaire to provide pre-packaged food vending machines in the meeters and greeters area

Commissioner Palmer questioned the current concession fee structure paid by Mesa Cafe to the Authority. Manager Nystrom responded that the rate is currently 8% of gross revenues, which is the amount that was submitted by the Concessionaire, Mesa Café, LLC, at the time of its proposal in response to the applicable request for proposals (RFP) for a food and beverage concessionaire. She emphasized that the rate was not set or established by the Authority.

Commissioner Palmer asked for historical information regarding the food and beverage concession fee. Manager Nystrom responded that for the past several years, the rent has been based on a percentage of gross revenues. This fee assists the concessionaire during slower months because the amount payable corresponds with the level of customer traffic. During months of higher activity, the amount payable to the Authority increases accordingly.

Commissioner Palmer recommended that the Authority review several options for modifying the concession fee, including determining the fair market value for the concession space and calculating the resulting flat rate rent. Additionally, he recommended that the flat rate rent be compared to the percentage of gross sales method. He noted that he certainly wants the Concessionaire to be successful, but he doesn't want to give away prime locations in the terminal building.

Manager Nystrom stated that the Authority has not reviewed the fair market value of the space occupied by the food and beverage concessionaire. She commented that in the past, when a flat rent rate has been utilized for the concessionaire, it became a hardship for the concessionaire. Additionally, she noted that previous Boards indicated the Authority would have to forego maximizing revenue from that space in order for it to have a successful food and beverage concessionaire. She stated that Staff would review various concession fee structures for that space, including the determination of fair market value.

Commissioner Lacy expressed concern regarding the utilization of pre-packaged vending machines in the terminal building to supplement to the food and beverage concessionaire's operations. He noted that this may reduce the food and beverage concessionaire's sales. Manager Nystrom explained that the reason for recommending additional food service options in the terminal building is because the Authority has continued to receive comments from the Customer Service Survey indicating that after

Mesa Cafe closes for the evening, there are no food options available in the terminal building, except for candy and soda vending machines on the first floor. She stated that if Mesa Cafe's hours of operation are reduced even further, the Authority should review other food options for terminal building customers.

Commissioner Palmer recommended reviewing the possibility of providing space in the passenger boarding area for Mesa Cafe. With two locations, it may be able to generate more revenue and support increased hours of operation. Manager Nystrom stated that this would definitely be Staff's preference, but Mesa Cafe has not expanded into the boarding area as it originally had indicated in its proposal to the Authority.

Sara Wasson, Owner of Mesa Café, responded that they had originally planned to locate a kiosk in the boarding area with liquor service, but they were unable to obtain a liquor license unless they could enclose the area to restrict the movement of alcoholic beverages. She added that the area would need to be enclosed with locking doors.

Commissioner Palmer continued that if Mesa Cafe had a favorable lease in the secured passenger boarding area, it could generate additional revenues from liquor sales and utilize the existing restaurant facilities to prepare food for sale in the boarding area. He added that the two locations could provide Mesa Cafe with the opportunity to generate enough volume to be profitable and provide sufficient hours of operation to serve the passengers.

Manager Nystrom added that when the new boarding area was constructed, the Authority incorporated additional concessionaire space into that area. Modifications could be made to enclose that concession space, which may possibly satisfy the liquor license requirements. Commissioner Palmer stated that he felt the Board needed a little more time before making a decision regarding Mesa Café's request to amend its hours of operation and to reduce its concession fee to the Authority.

Commissioner Palmer noted that he didn't have any issue with the proposed changes to Mesa Cafe's hours of operation. He indicated that he would be willing to offer a favorable lease rate on a second location (boarding area) that would generate a higher volume of liquor beverage sales which may give Mesa Cafe enough cash flow in order to hire additional employees and to enable it to extend its hours of operation.

Commissioner Palmer moved to table the request by Mesa Café to amend the Building Use and Lease Agreement until the next Regular Board Meeting in order for Staff and Mesa Café to revisit the hours of operation and options for the structure of concession fees and lease rates.

Commissioner Little seconded. Voice vote: all ayes. Motion carried.

C. **Agreement No. 1 to Contract with Carter & Burgess, Inc. for Engineering Fees for Preliminary, Design, Bidding, Construction Administration and Construction Oversight Phases of Airport Improvement Program (AIP) Project No. 3-08-0027-30**

This proposed amendment to the Carter & Burgess, Inc. contract is for the preliminary, design, bidding, construction administration, and construction oversight associated with the rehabilitation and expansion of the air carrier aircraft parking apron.

➤ Contract Amount: Maximum of \$592,815

These fees are subject to FAA review and approval and have been accepted and approved by the FAA as fair and reasonable. Ninety-five percent (95%) of the fees will be funded with federal Airport Improvement Program (AIP) funds and two and one-half percent (2.5%) with Colorado Discretionary Aviation Grant (CDAG) funds. The total amount of Authority funds will not exceed \$15,000. These funds have already been appropriated by the Board as a part of the FY2005 Budget.

Staff recommended that the Board approve and authorize the Chairman to sign Amendment No. 1 to Contract with Carter & Burgess, Inc. for Engineering Fees for Preliminary, Design, Bidding, Construction Administration, and Construction Oversight Phases of AIP Project No. 3-08-0027-30 for an amount not to exceed \$592,815.

Commissioner Palmer disclosed for the record that he is a Grand Junction City Councilmember, and the City of Grand Junction does considerable business with Carter & Burgess. However, he did not believe there would be a conflict of interest regarding this agenda item. The other Board members concurred.

Staff introduced Carter & Burgess employees who are currently working on Airport projects. They included Jim Trott, Senior Project Manager; Tony Ori, Construction Manager; and Ana Mauss, Deputy Construction Manager. Staff stated that Ms. Mauss would also act as Field Engineer on this particular project.

Manager Nystrom noted that Staff's recommendation is contingent upon FAA approval of federal funds for completion of the project. She also stated that all or a portion of this particular project was originally approved for a passenger facility charge (PFC) project. However, because of persistent efforts of Staff working with the FAA, the FAA has agreed (subject to FAA appropriations) to provide discretionary funds for the project so that the PFC funds can be utilized for other projects.

Chairman Springer questioned how many projects are a part of the underlying Carter & Burgess contract with the Authority. Staff responded that 22 projects are listed as possible projects during the next five years. This project for which this proposed Amendment is submitted for consideration by the Board is for the first project.

Commissioner McCormack made a motion to approve and authorize the Chairman to sign Amendment No. 1 to Contract with Carter & Burgess, Inc. for Engineering Fees for Preliminary, Design, Bidding, Construction Administration, and Construction Oversight Phases of Airport Improvement Program (AIP) Project No. 3-08-0027-30, contingent on FAA funding. Commissioner Palmer seconded the motion. Voice vote: all ayes. Motion carried.

Chairman Springer thanked Staff for a doing a good job in working with the FAA to obtain additional possible federal funding for Walker Field projects.

## **VI. DISCUSSION ITEMS**

### **A. Public Access to West Star Aviation Ramp**

Chairman Springer stated that this item had been placed on the agenda as a result of notification from another Board member who had fielded concerns regarding access to public use aircraft apron/ramp areas within the West Star Aviation leasehold. He noted

that aircraft parking ramp access is very important for airport users and tenants, and he wanted to ensure that the Board was fully apprised of an issue regarding aircraft parking ramp access.

Manager Nystrom highlighted the history of the public use aircraft parking ramp areas within the West Star Aviation leasehold. She stated that all of the aircraft parking ramp areas that are currently leased by P&L Properties, LLC and subleased to West Star Aviation, Inc. were constructed with the use of FAA funds. When FAA Airport Improvement Program (AIP) funds are used for such projects, the FAA requires that the aircraft parking ramp be available for multiple users, and not be designated for the exclusive use of one entity. As a part of the applicable AIP grant assurances (of which the City of Grand Junction and Mesa County are parties) the Authority is not allowed to lease such areas for the sole benefit of one tenant. Although the aircraft parking ramp areas are leased by P&L Properties, LLC and subleased to West Star Aviation, Inc., the use designated for those areas is for fixed base operator (FBO) activity. The FBO may designate specific areas of the ramp for parking of specific types of aircraft or operations.

Commissioner Palmer asked how this information is disseminated to the FBO. Manager Nystrom responded that when a lease is negotiated for the aircraft parking ramp areas, it is communicated to the FBO at that time. She explained that if the aircraft parking ramp areas are going to be constructed using federal funds, those areas must be made available for public aircraft use.

Commissioner Berryman asked why an FBO would pay the full rental rate when it has to make the aircraft parking ramp areas available to other users. Staff responded that the FBO is allowed to charge aircraft tie-down and ramp parking fees for aircraft parked on those aircraft parking ramp areas, and it may designate the various locations on the ramp for the types of aircraft and users. Thus it has more control over the aircraft parking ramp operations. Commissioner Berryman asked if an FBO can obtain AIP funding directly from the FAA. Manager Nystrom stated that that AIP funding is only available to airport operators, not FBOs.

Commissioner Palmer asked what prompted this issue being placed on the agenda. Commissioner Berryman responded that she had been posed with the question of why an FBO would have to pay to lease the public use aircraft parking ramp areas if it is available for public aircraft use. Chairman Springer mentioned that, additionally, several air cargo operators have been using the public use aircraft ramp adjacent to the West Star Completions hangar. The air cargo operators were recently asked to relocate away from that area because of safety and security issues. He commented that Staff has accommodated the air cargo operators by relocating them to the aircraft parking ramp adjacent to the S.M. Stoller calibration pads leasehold.

Commissioner Palmer asked how it is determined whether or not the FBO is in compliance with the public use aircraft parking ramp requirements. Manager Nystrom answered that the airport operator initially makes that determination. She added that the FAA could also investigate whether or not the subject aircraft parking ramp areas are sufficiently available for public aircraft use. Manager Nystrom stated that this situation has not been an issue until now, and was an issue that Staff was able to resolve directly with the tenant and air cargo operators. She commented that it was actually beneficial to the Authority for the air cargo operators to relocate to the aircraft parking ramp area near

the calibration pads since they will be closer to the location of the multiple user air cargo facility.

Commissioner Palmer questioned if West Star and P&L Properties have a clear understanding of their obligations pursuant to their respective lease agreements. Manager Nystrom responded that from Staff's perspective, West Star and P&L Properties have a better understanding of the issues. P.J. McGovern of P&L Properties expressed his thoughts and concerns relating to safety and security issues that resulted in the request for the air cargo operators to relocate their operations.

Commissioner Palmer asked who requested the air cargo operators relocate. Manager Nystrom stated that an employee of West Star notified her directly that West Star had contacted the air cargo operators to request that they relocate their operations by the end of February. The air cargo operators contacted her immediately thereafter to find out what other locations would be available for their operations. Staff worked directly with the air cargo operators to determine a suitable location for the operations.

Chairman Springer asked Manager Nystrom if she agreed that the safety and security issues brought forth by West Star regarding the air cargo operators were a concern to the Authority. Manager Nystrom stated that there were definitely some safety and potential security concerns. Commissioner Berryman added that Commissioner McCormick had brought this issue to her attention and she wanted to make sure it was on the agenda for discussion. Chairman Springer thanked Commissioner Berryman for bringing this issue to the attention of the Board.

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

There were no additions to the Airport Manager Report.

## **VIII. OTHER ITEMS**

### **A. Special Presentation to At-Large Board Member Miles McCormack**

On behalf of the Board, Chairman Springer expressed his appreciation to outgoing at-large Board Member Miles McCormick for his service on the Authority Board and for his commitment to the Airport and community.

### **B. March Board Workshop**

Manager Nystrom recommended that continued discussion of the Landside development be placed on the Agenda. Commissioners Lacy and Palmer recommended the inclusion of Mesa Cafe's request for modifications to its food and beverage concession agreement.

Manager Nystrom announced that the Mesa County Commissioners ratified the appointment of Doug Simons as the at-large Board member. Commissioner Palmer added that City Council had also ratified Commissioner Simons' appointment.

**IX. ADJOURNMENT**

Commissioner Berryman moved to adjourn the meeting. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried.

The meeting adjourned at 6:28 p.m.

APPROVED AND ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2005.

\_\_\_\_\_  
Craig Springer, Chairman

ATTEST:

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David J. Anderson, Clerk