

Walker Field Airport Authority

Minutes of the Regular Board Meeting

January 19, 1999

BOARD COMMISSIONERS PRESENT: Martin O'Boyle Robert McCormick
 Miles McCormack Ken Sublett
 Gary Morris Mike Sutherland
 Craig Springer

AIRPORT STAFF PRESENT: Ben Peck John Thomas
 Ted Balbier Dan Reynolds
 David Anderson

ALSO PRESENT: Vern Smith of Civil Air Patrol; Bruce Balbier and Suzie Smith of Skywest Airlines; Richard Farabee of Farabee Adventures, Inc.; and Authority Attorney Doug Briggs.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:16pm.

II. INTRODUCTION OF COMMISSIONER CRAIG SPRINGER - MESA COUNTY APPOINTEE

Chairman O'Boyle introduced Commissioner Craig Springer and welcomed him to the Board. Commissioner Springer is a Mesa County appointee and has been appointed for a four-year term. Commissioner Springer commented that the community is fortunate to have Walker Field Airport and the level of air service provided by three air carriers.

III. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published Agenda.

Commissioner Sutherland moved to approve the Agenda as presented. Commissioner McCormick seconded. Voice vote: all ayes. The Agenda was approved as presented.

IV. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

V. SPECIAL RECOGNITION OF SKYWEST AIRLINES FOR PROVIDING 15 YEARS OF COMMERCIAL AIR SERVICE AT WALKER FIELD

The Board congratulated Skywest Airlines for providing 15 years of commercial air service at Walker Field Airport. Chairman O'Boyle noted that Skywest commenced service to Grand Junction in December of 1983 after Horizon Air ceased operations to Salt Lake City. Skywest currently utilizes Embraer EMB-120 aircraft on the route. In 1984, Skywest carried 6,856 passengers from Grand Junction to Salt Lake City as a commuter affiliate of Western Airlines. That number has risen to 43,166 in 1998. The on-time percentage rate was 94% and the completion rate was 98.5% for 1998.

Chairman O'Boyle thanked Bruce Balbier, Skywest Airlines Grand Junction Station Manager, and Skywest for providing reliable service to the travelers flying into and out of Walker Field Airport.

Commissioner McCormick noted that the Authority appreciates the good service Skywest provides. Commissioner Sutherland complimented Skywest for its consistent service it provides to Walker Field Airport and thanked the Skywest employees for their hard work.

VI. SPECIAL PRESENTATION TO BEN PECK- WFAA EMPLOYEE OF THE YEAR

The Board presented Authority Staff member Ben Peck with the Walker Field Airport Authority Employee of the Year Award. Chairman O'Boyle noted Mr. Peck started as an Airport Service Worker in 1993, is a member of the Aircraft Rescue Firefighting team, and has now achieved the position of Airport Maintenance Worker. Because of his positive attitude, he was chosen as Employee of the Year by the Authority Staff.

Mr. Peck thanked the Board and Staff for the Award. He stated he could not have received this award without help from all Authority Staff. Chairman O'Boyle asked Mr. Peck if he had any suggestions for improving the Airport. Mr. Peck responded that there is always room for improvement, but the Airport is doing very well. One item he did note was that the Authority should continue to look for ways to promote additional passenger air service.

Staff stated that Mr. Peck is a dedicated hard-working employee who has many ideas. Additionally, Staff noted that Mr. Peck definitely has management potential.

VII. CONSENT AGENDA

A. Minutes: December 15, 1998 Regular Board Meeting

B. Bid Award to Conduct Engineering Consulting Services for WFAA Capital Improvement Projects

Staff presented the Board with a proposed Bid Award to conduct engineering consulting services for Walker Field Airport Authority Capital Improvement Projects. In November of 1998, the Authority advertised for qualifications to provide engineering services for specified airport capital projects anticipated over the next 5 years. This selection process is required by the FAA for eligible Airport Improvement Program (AIP) projects. An estimated 30 firms or individuals responded requesting additional information. Only 3 firms actually provided a submittal for review--Armstrong Consultants, Isbill Associates/Raytheon Infrastructure, Inc., and Knight Piesold.

Staff short-listed Isbill and Knight Piesold for interviews, which were conducted on December 16, 1998. After due consideration, Staff believed that Isbill Associates is best qualified to perform these services because of their historical perspective and experience at Walker Field Airport, their experience and knowledge relative to the FAA, the quality and expertise of their staff, and their ability to have a long-term perspective, not only relative to Walker Field Airport, but also to the aviation industry overall.

Staff recommended that the Board approve Isbill Associates/Raytheon Infrastructure, Inc. as the airport engineer for Walker Field Airport Authority capital improvement projects for the next five years and that staff receive authority to negotiate a contract with Isbill for Board consideration.

C. Buescher Family Limited Partnership (BFLP) Sublease to West Star Aviation, Inc.

Staff presented the Board with a proposed Sublease Agreement between Buescher Family Limited Partnership (BFLP) and West Star Aviation. West Star Aviation currently subleases office space from BFLP located on the first floor of the 800 Heritage Way building adjacent to the West Star Aviation hangar. This Agreement is a proposed renewal of the existing agreement and all provisions appear to be unchanged from the previous agreement. Per Authority policy, West Star Aviation is required to obtain Authority approval on all subleases into which it enters.

Staff recommended approval of the Sublease Agreement between Buescher Family Limited Partnership (BFLP) and West Star Aviation. Additionally, Staff recommended that the Chairman be authorized to sign the Agreement on behalf of the Authority.

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

VIII. ACTION ITEMS

Chairman O'Boyle requested that two items--Minimum Standards and Architectural and Development Standards be added to Other Items within the Agenda. The consensus of the Board was to add the two topics to Other Items.

A. 1999 Election of Officers

The Walker Field Airport Authority By-Laws require that the election of officers for a new year be held at the first regular Board meeting in January. The positions include Chairman, (a Board member), Vice Chairman (a Board member), Treasurer (historically the Airport Manager), Clerk (a Staff member), and Deputy Clerk (a Staff member).

Since the election of officers is a Board issue, Staff did not make a recommendation regarding the Chairman and Vice Chairman positions. However, Staff recommended that the Board consider the following individuals for the following positions: Treasurer--Corinne Nystrom; Clerk--David Anderson; and Deputy Clerk--John Thomas, until the Communications Coordinator is hired (at which time Staff recommended the Communications Coordinator serve as Deputy Clerk).

Commissioner McCormick moved to nominate Corinne Nystrom as Treasurer, David Anderson as Clerk, and John Thomas as Deputy Clerk, each of whom to serve in the respective positions for 1999. Commissioner Morris seconded. Voice vote: all ayes. Motion carried.

Commissioner Morris nominated Vice Chairman McCormack to serve as Chairman and Commissioner McCormick to serve as Vice Chairman for 1999.

Commissioner Morris commented that both Vice Chairman McCormack and Commissioner McCormick have served well on the Board and each have a lot of planning experience and depth to serve in those positions, if elected.

Commissioner Sutherland seconded the nomination and added that Vice Chairman McCormack has assisted in the resolution of several difficult issues facing the Authority over the past year.

Commissioner Sutherland moved to close nominations for 1999 Officers. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

Commissioner Morris moved to elect Vice Chairman McCormack to serve as Chairman and Commissioner McCormick to serve as Vice Chairman for 1999. Commissioner Sutherland seconded. Voice vote: all ayes. Motion carried.

Chairman O'Boyle yielded the Chair to Chairman McCormack.

Chairman McCormack thanked Commissioner O'Boyle for his service as Chairman of the Board for 1998. Commissioner Morris and Commissioner Sutherland also thanked Commissioner O'Boyle for his service as Chairman and urged him to submit an application for reappointment to the Board when his term expires.

Vice Chairman McCormick noted that the Authority By-Laws require the Chairman to appoint the members of the Authority Finance Committee. He commented that in recent years, the entire Board has been appointed as the Finance Committee. Commissioner O'Boyle stated that several years ago when he was a part of a 3-member Finance Committee, he did not feel that a separate committee was as beneficial as having the entire Board serve as the Finance Committee.

Chairman McCormack appointed the collective Board to serve as the Finance Committee.

B. Resolution No. 1999-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Staff presented the Board with proposed Resolution No. 1999-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts. Because of changes in Authority Board officers and Staff, it is necessary to update the Authority's Banking Resolution. The Resolution is sent to all financial institutions with whom the Authority conducts business.

The enclosed proposed Banking Resolution is similar to past Resolutions, except the second Staff signatory has been changed from the Manager of Operations and Planning to Project & Development Coordinator (Dan Reynolds). Additionally, past banking resolutions have usually been acted upon at the February regular Board meetings.

To decrease the time between the election of officers and the updating of signature cards at the Authority's depository institutions, Staff recommended the Board approve Resolution No. 1999-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts contingent upon the insertion of the Board officers' and members' names resulting from the election of officers.

Commissioner Sutherland moved to approve Resolution No. 1999-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts. Commissioner Morris seconded. Roll call: all ayes. Motion carried.

IX. FINANCIAL REPORTS

A. November 30, 1998 Financial Statements/Accounts Receivable Report

Staff updated the Board regarding the November 30, 1998 Financial Statements. Operating revenues are 17.5% higher than what was budgeted year-to-date. As with prior months, Staff is continuing to monitor operating expenses closely. Overall, Operating Expenses are 3% over budget year-to-date primarily because of the Administration category which includes marketing, Staff overtime, and attorneys' fees line items. The strong Operating Revenues coupled with the slightly higher than budget Operating Expenses have resulted in Income to Retained Earnings of \$375,000, which is \$51,000 higher than year-to-date Income to Retained Earnings last year.

Staff noted several revenue line items which are over budget year-to-date, including rental car and parking lot concessions. Airline revenues are slightly under budget year-to-date. Although the landing fees are \$21,000 over budget year-to-date, slightly under budget commercial fuel sales have offset this amount.

The Balance Sheet reflects the final bond payment with a net decrease in restricted assets and a corresponding decrease in current liabilities. Contributed capital increased slightly with the receipt of federal funds for the terminal beams renovation project. As with prior months, trade payables continue to fluctuate as the Authority receives invoices from capital projects in-progress. Overall, the Authority is still experiencing the same trends as it has in prior months.

Vice Chairman McCormick asked if there is any particular reason why the parking lot concession revenues are higher year-to-date this year compared to last year. Staff commented that there does

not appear to be a strong correlation between enplanements and parking lot revenues. Vice Chairman McCormick inquired if the addition of Thrifty Car Rental to the on-airport operators has affected the rental car concession revenues. Staff noted that the feedback received from several of the rental car operators is that Thrifty Car Rental has tapped into a budget-minded customer base. Thus Thrifty has not taken away as much of their target customers as what had originally been predicted.

Commissioner Sublett asked why commercial fuel sales have decreased compared with last year. Bruce Balbier of Skywest Airlines commented that if the fuel prices are less expensive in Salt Lake City, Skywest Airlines will not top-off its aircraft in Grand Junction. Commissioner O'Boyle inquired about the increase in each of the past several years of the Administration expense category, and whether there was any prediction on when the Administration expenses are expected to level off. Staff noted that one of the major line items within the Administration category is attorneys' fees. Because of the growth and associated lease issues at the Airport, the attorneys' fees will probably continue to be a large line item. To account for the increase in attorneys' fees, the 1999 attorneys' fees Budget line item was entered as a higher amount than in prior years. Thus a more accurate reflection of this line item is in the 1999 Budget. Commissioner Morris asked what the incremental change is between the 1998 Budget and 1999 Budget Administration salaries line item. Staff noted that the new Communications Coordinator is included in the line item.

Vern Smith of Civil Air Patrol noted, in reference to commercial fuel sales, that many air carriers which had been operating under Federal Aviation Regulations (FARs) Part 135 are now required to operate under Part 121. Under Part 121, a licensed dispatcher generally determines how much fuel is purchased for each flight. Each of the air carriers generally has its own fuel storage facility in its hub cities. Thus to maximize savings, flights departing Grand Junction will generally not be "topped-off" for the return flight to the hub city. Instead, the aircraft will generally be "topped-off" in the hub city. An additional factor regarding this issue is that when passenger load factors are higher, there's generally less weight available for additional fuel reserves.

Commissioner O'Boyle moved to acknowledge receipt of the November, 1998 Financial Statements. Commissioner Sutherland seconded. Voice vote: all ayes. Motion carried.

1. Marge's Frozen Custard Account

Staff provided the Board with an update of Marge's Frozen Custard account. On December 15th, Staff met with Marge Hood, Owner of Marge's Frozen Custard, to find a solution to how Marge's could bring its accounts current with the Authority. In an attempt to reduce labor costs, and pursuant to Section 9- Minimum Hours of Operation of Marge's Concession Agreement, the Airport Manager authorized Marge's to limit its operating hours of the restaurant portion of its concession by closing at 2pm. After this time, food service would still be available in the lounge. In return, Ms. Hood agreed to bring Marge's Frozen Custard's maintenance and utilities accounts current with the Authority on or before December 31st and to make a good faith partial payment towards its concession percentage of gross sales account.

At the December 15, 1998 Regular Board Meeting the Board reviewed this repayment plan. On December 30th, Staff met with Ms. Hood again to discuss the progress of Marge's

attempts to bring its accounts current with the Authority. During the meeting, Ms. Hood stated she would be unable to bring her maintenance and utilities accounts current by the December 31st deadline.

On December 31st, Ms. Hood provided a \$2,000 payment towards Marge's utilities and maintenance accounts. A \$500 payment was delivered to the Authority on January 5th. After applying the \$2,500 to the outstanding amounts owing the Authority, Marge's Frozen Custard is still owing the Authority the amount of \$6,900.

Staff met with Ms. Hood on January 13th to discuss if the implemented changes have improved Marge's ability to bring its accounts current with the Authority. Several ideas were discussed, including the option of closing the lounge portion of the concession at 8pm on Saturdays and Sundays if customer traffic warrants it. Furthermore, in an effort to reduce the \$300 monthly equipment rental and maintenance fee, Staff researched the Authority's historical costs of providing maintenance on the equipment. Finally, in order to immediately reduce Marge's account balance, a proposed asset transfer of the grill and freezer to the Authority was discussed.

Staff met with Ms. Hood today in an effort to finalize a plan to pay current amounts as they become due, and formulate a repayment plan of Marge's delinquent amounts owing the Authority by implementing the ideas noted above. Staff commented that Ms. Hood indicated she will be unable to bring her accounts current, even with the recent operational changes. Marge's Frozen Custard does have a \$4,000 security deposit on-file with the Authority. Staff noted there are several options available to address this issue: (1) terminate Marge's Concession Agreement effective March 20, 1999 with no gross sales percentage fee or equipment rental fee for the remainder of the concession term; (2) terminate the Concession Agreement immediately; (3) continue the concession with no additional changes; (4) implement changes to the physical design of the restaurant and seek out a restaurant consultant.

Commissioner Morris inquired what the existing gross sales concession percentage is for Marge's Frozen Custard. Staff noted the existing percentage is 6%. Commissioner O'Boyle asked whether Marge's would be better off or worse off if it were allowed to continue until March 20th. Staff commented that it had requested Ms. Hood provide the Authority with an analysis of whether the recent changes to her operations have resulted in Marge's being able to make headway towards paying the outstanding amounts to the Authority. Ms. Hood has not provided the results of that analysis. However, at today's meeting, Ms. Hood indicated that if Marge's could continue until March 20th, it would allow her to reduce some of her inventory, such as cups, plates, etc., and could possibly result in Marge's reducing the delinquent amounts owing the Authority.

Chairman O'Boyle asked if Ms. Hood would be able to provide the same food service if she reduced her inventory. Staff noted it discussed this issue with Ms. Hood, and that if Marge's would be allowed to continue to operate until March 20th, Marge's must maintain the same level of food offerings. Vice Chairman McCormick asked if Marge's transferred ownership of the grill and freezer to the Authority, would it be beneficial to the Authority. Staff noted that the Authority already owns most of the kitchen equipment, and the freezer and grill would be integral for the operation of another full-service restaurant if a new restaurant concession is selected.

Vice Chairman McCormick recommended the Authority terminate Marge's Agreement effective March 20, 1999. Commissioner Sutherland noted the Authority has had 3 or 4 different restaurant concessionaires over the past several years--none of whom have been successful. He believed the Airport needs a restaurant in the terminal building, but that there is not a good market for such a service. If the Authority wishes for Marge's to remain after March 20th, the concession agreement would have to include more favorable terms for Marge's. Commissioner Morris cautioned against giving too many favorable provisions to the restaurant concessionaire until the Authority could obtain the services of a restaurant consultant to determine what type of food service is needed and what type of cost structure is feasible.

Vice Chairman McCormick recommended the Authority assess what type of food service is needed in the terminal--not just a restaurant. Commissioner O'Boyle noted this issue is similar to last year's issue with Sky's Restaurant. The Authority needs an objective analysis of the terminal building food service. Regarding Marge's, he commented that Ms. Hood has made a good faith effort to provide food service, thus the Authority needs to also consider what is in Marge's best interests. The fact that Ms. Hood is willing to transfer the grill and freezer to the Authority shows her good character.

Commissioner Morris commented that Ms. Hood accepted the business risk of operating the restaurant concession, and that the Authority should not set a precedent of forgiving debts just because someone is a nice person. The Authority should provide all of this information to a restaurant consultant. Commissioner Sutherland asked if Van Sant Group could provide this type of consulting work as a part of its terminal building design analysis. Staff responded that Van Sant Group has indicated it could provide consulting services pertaining to the set-up and physical location of the restaurant, and possibly provide referrals to restaurant consultants specializing in operations analysis. Commissioner Sublett recommended seeking a restaurant consultant so that the Authority does not continue to set restaurant concessionaires up to fail, but allow Marge's continue to operate until March 20th.

Commissioner O'Boyle wanted to make sure that Marge's be allowed to continue to operate, but only after complete disclosure to Ms. Hood regarding the possible ramifications of continued operations. Additionally, he recommended giving Ms. Hood official notice of termination, and that Staff should obtain a restaurant consultant by the February, 1999 Regular Board Meeting.

Commissioner O'Boyle moved to provide official notice of termination to Ms. Hood with an effective date of March 20, 1999, that there be no equipment rental or concession percentage payable to the Authority from today's date until March 20th, the Authority pursue the transfer of title to the grill and freezer to the Authority contingent upon the amounts owing the Authority on March 20th, the Authority reserve the right to apply Marge's security deposit to any or all amounts owing the Authority, and that Staff proceed with the search for a restaurant consultant. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

B. Bid Award to Conduct the Audit of WFAA Financial Statements

At the December 15, 1998 Regular Board Meeting, the Board determined that the audit of the Walker Field Airport Authority's 1998 financial statements be put out to bid with a possible three

(3) year engagement. Two accounting firms responded to the Requests for Proposal (RFP)-- Chadwick, Steinkirchner, Davis & Co., P.C. and Dalby, Wendland & Co., P.C. The proposed fees would be not to exceed \$7,250 and not to exceed \$10,500 respectively. Both firms indicated they could provide a final audit report to the Board no later than April 20, 1999. Copies of each of the Proposals and proposed Letters of Engagement were included in the Board packets.

Commissioner Sutherland inquired if the April 20th deadline was included as a requirement within the RFP. Staff noted that the April 20th date was included as a requirement within the RFP because the auditor's report would be used in preparing two reports for submittal to the FAA-- both reports being due on or before April 30th. Commissioner Sublett inquired if there was any reason why Dalby, Wendland & Co., P.C., which used to conduct the audits of the Authority prior to the existing audit firm, had not been selected to conduct the audit in recent years. Commissioner Sutherland noted that Dalby, Wendland & Co., P.C. performed the audit well, and there was no particular reason why the Authority did not select Dalby for the most recent audit term. Commissioner O'Boyle inquired whether Staff had interviewed both of the firms, and what type of recommendation Staff could make. Staff noted it would be willing to work with either of the firms.

Vice Chairman McCormick moved to select Chadwick, Steinkirchner, Davis & Co., P.C. as the Authority audit firm for an amount not to exceed \$7,250, for a 3-year audit term, and that the Chairman be authorized to sign the Letter of Agreement on behalf of the Authority. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

X. DISCUSSION ITEMS

A. Budget Rent-A-Car Service Area Update

Staff provided the Board with an update on the status of the transfer of improvements located at the former Budget Rent-A-Car service area to the Authority. At the December, 1998 Regular Board Meeting, the Board discussed the proposed transfer of title to the improvements at the service area from Farabee Adventures, Inc. (the present owner of the improvements) to the Authority. Since that time, a Phase I environmental assessment has been conducted of the building and the surrounding site. There was one room in the building in which asbestos was found in the tiles. There are two options--cover the tiles with carpeting or replace the tiles. Replacing the tiles would cost approximately \$1,500 plus an additional \$2,000 for removal and disposal of the tiles, but laying carpet would cost approximately \$800. However, because of the instability of the tiles, replacing the carpet may be necessary each time a new tenant takes possession of the facility.

For the Authority to replace the tiles, there would be additional EPA requirements versus if a private entity oversaw the cleanup. Commissioner Sutherland noted that because ownership of the improvements has not actually transferred to the Authority, the present owner may be able to remove the asbestos less expensively than the Authority. Staff commented it would consult with Authority Attorney Doug Briggs regarding the legality of this option.

In addition to the environmental review of the improvements, Staff stated that it is awaiting the results of an appraisal of the fair market rental of the service area conducted by Jim Biber. Commissioner Sutherland inquired how Mr. Biber was selected to conduct the audit. Staff

responded that Mr. Biber has conducted similar appraisals on other Authority-owned parcels. Commissioner O'Boyle inquired if Mr. Biber is a tenant of the Authority. Staff noted Mr. Biber is not a tenant of the Authority.

B. Terminal Building Beam Replacement Update

Staff provided the Board with an update on the terminal building beam replacement project. Staff noted that the project is expected to be completed by the end of the week. Commissioner O'Boyle asked if there was anything in the project which would cause Staff or the contractor to be concerned with the condition of the beams which were not replaced. Staff stated that Don Pettygrove, the project engineer, did not express any concern regarding the condition of the other beams.

Commissioner O'Boyle inquired whether there were any cost overruns for the project. Staff commented that there was an FAA-approved Change Order related to shoring for \$10,000 of which the Authority's portion is \$1,000. Additionally, RW Jones, the general contractor for the project, was allowed an additional 14 days to complete the project. Staff commented that they expect additional costs associated with the additional 14 days, but do not know what the costs are at this time. Commissioner O'Boyle asked how the floor tiles in the project area have held up. Staff noted that there have been very few tiles damaged as a result of the project.

XI. OTHER ITEMS

Commissioner Sublett requested that Staff investigate the fuel costs at several regional airports to find out how Walker Field Airport's prices compare to those airports. Staff elaborated on the changes of regional air carrier operations from Part 135 to Part 121 and the effects of those changes upon commercial fuel purchases. Additionally, Staff noted that Mesa Airlines stores its own fuel at Walker Field Airport, and pays Timberline Aviation to pump the fuel into Mesa's aircraft. Commissioner Sublett noted that fuel costs have a measurable effect upon airline fuel purchases. Commissioner O'Boyle inquired what the Authority can do with that information. Commissioner Sublett commented that fuel prices are a service issue.

Commissioner Sutherland noted that fuel prices and the commercial fuel sales tax is a Catch-22 situation. If fuel prices are low, there may be more sales, but the resulting tax reimbursement per gallon would be lower. Vice Chairman McCormick suggested that the information obtained from the fuel price survey could be incorporated into the Authority's Marketing Plan. Commissioner Sutherland recommended that the information could be placed on the Authority's web site.

B. Architectural and Development Standards Policy

The Board discussed the Authority's Architectural and Development Standards Policy. Chairman McCormack cautioned against including building permit provisions in the Policy if those areas are already addressed by the City of Grand Junction or Mesa County. Commissioner Sutherland recommended that the Authority should coordinate, not duplicate, its procedures with the City and County. He noted that with the existing procedures for on-Airport development, the Authority acts as a review agency only, and the City or County make the final determination of whether a plan is approved or denied. However, the Authority does have control over development on-Airport because it can approve or deny a lease agreement with a tenant.

Commissioner Sutherland stated the Authority has an excellent opportunity now to provide input as to the applicable portions for the revision of the Zoning and Development Code pertaining to on-Airport development. Chairman McCormack recommended that the Authority have sole review over aeronautical development. Commissioner Sutherland noted that all of the on-Airport land is zoned as Planned Airport Development (PAD) use. A requirement of this type of zoning is that the City and County have an approved Plan on-file for the development of that land. Although the City and County each have a copy of the Master Plan, it has not been formally approved by either entity. One of the gray areas which needs to be addressed is which Authority plans and policies are incorporated into the Master Plan.

Commissioner O'Boyle asked when the Authority would need to submit its comments. Commissioner Sutherland stated that regardless of what the Authority would like to suggest, comments need to be provided by mid-March. Additionally, he recommended that the Board or Staff submit a letter to the Planning Director indicating the Authority would like to submit input. Chairman McCormack recommended that the Board also discuss this issue at the February, 1999 Board Workshop.

Commissioner Sutherland stated that several ideas have resulted from meetings with Staff, including a menu-driven computer program which would pull-up the applicable standards and policies for a particular parcel. Regarding Chairman McCormack's memos to the Board, Vice Chairman McCormick requested clarification of standards versus guidelines. Chairman McCormack noted that standards are rigid, and variances should not be granted. However, guidelines are more flexible. Vice Chairman McCormick asked if the Authority should establish guidelines instead of standards. Commissioner Sutherland commented that guidelines should be adequate for buildings.

Commissioner O'Boyle commented that the discussion of land development policies and procedures will probably be on-going. He asked if Staff has enough information for it to proceed with leasing the parcel to the north of the Luxury Wheels/United Companies' hangar. Staff stated that there are many different issues involved, and as soon as several of the issues are resolved, Staff can proceed with commencing lease negotiations. Vice Chairman McCormick noted that at a prior Board Workshop, the leasing procedures were discussed, and he was under the impression that Staff would deal with the three parties who had submitted the letters of interest. Staff commented that the Authority requested proposals from all three of the parties, and that Staff would make a recommendation at the February, 1999 Board Workshop for Board discussion as to which proposal would be the highest and best use of that parcel from the Authority's standpoint.

Commissioner Morris stated that at some point, Staff will have to determine whether a proposal for development of a particular parcel is the highest and best use of that parcel. Commissioner Sutherland recommended that the revisions to the Authority's Architectural and Development Standards and the revisions to the Planning Code should not affect existing discussions for the parcel to the north of the Luxury Wheels/United Companies' hangar. Commissioner Sutherland suggested that the Authority utilize a cost/benefit analysis for determining what infrastructure the Authority should construct in the general aviation area.

Commissioner O'Boyle noted there is more than one party interested in the parcel to the north of Luxury Wheels/United Companies' hangar, but there appears to be one prospective tenant who will develop the parcel in the shortest timeframe. Commissioner Sutherland noted that if one of

the proposals will be for a commercial use, then that use will result in more money for the Authority. Commissioner O'Boyle asked if the Authority is following the "first-in-line" theory. Commissioner Morris stated that if the Authority has a defensible method for selecting which proposal to accept, then the Authority should make the selection.

Commissioner O'Boyle asked how the West Star Paint Hangar line of sight issue relates to the proposed Jerry Feather parcel in the Runway 4/22 general aviation area. Staff commented that the line of site issue pertains to the line of sight from the mid point of each of the runways. According to the FAA, a pilot must be able to see from the mid point of one runway to the midpoint of the other runway to avoid collision upon the takeoff roll. Thus this requirement may restrict some of the development in the Runway 4/22 general aviation area.

X. ADJOURNMENT

There being no further business to come before the Board, Commissioner O'Boyle moved to adjourn the meeting. Commissioner Sutherland seconded. Unanimously carried. The meeting was adjourned at 8:45pm.

APPROVED AND ADOPTED THIS 16th DAY OF February, 1999.

Miles C. McCormack
Martin O'Boyle, Chairman
Miles C. McCormack

ATTEST:

David J. Anderson
David J. Anderson, Clerk