

1. Principle payments on our bonds and notes. The interest payments were budgeted but the principle payments were not. Principle on the bonds is \$160,000 and principle on the notes is \$436,730, which includes an early payment of \$148,110 not due until February of 2007. The money will be collected by September and must be used for the note payment. Early payment will also help to facilitate financing for construction of Walker Field Drive.
2. Xcel's repair on transformer damage last summer from water runoff. Work was done last summer but not billed until last month. Work was not budgeted in 2005 or 2006 nor will our insurance cover the work. \$18,000.
3. New Financial Software. This request has already been approved by the Board. The budget needs to be amended to reflect the approval. \$32,000.
4. Tower Chiller repair. In the past major repairs or replacements of such equipment was handled by budget appropriations by the Board. In future budgets there will be a major repair line-item and the Board will be presented a replacement schedule for adoption during the budget process, \$12,000. \$6,000 to be paid by the FAA.
5. Air Service Development. This will replace money cut from the 2005 budget and will be used to fund the market study Mead and Hunt is working on and promotion of New Air Service. \$25,000.

Total budget amendment is \$683,730.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2006-006 on behalf of the Authority.

Commissioner LaCroix moved to accept the Consent Agenda as amended. Commissioner Palmer seconded. Roll call: Commissioner Stevens, aye; Commissioner Palmer, aye; Commissioner Springer, aye; Chairman Little, aye; Vice Chairman LaCroix, aye; Commissioner Granum, aye. All ayes. Motion carried.

V. ACTION ITEMS

A. Assignment of Rental Car Concession Agreement from MGM Rental, LLC to WSR Rental, LLC

MGM Rental, LLC operates the National/Alamo rental car franchise at Walker Field Airport. Its Rental Car Concession Agreement was effective May 1, 2003, with a five (5) year term pursuant to a rental car bid process initiated in the Fall of 2002. MGM is selling its franchise rights to WSR Rental, LLC effective July 1, 2006.

Vanguard USA Inc. as successor in interest to National Car Rental Licensing, Inc. has approved the transfer of the License Agreement.

The assignment will not change any provisions of the Rental Car Concession Agreement, and MGM Rental, LLC would continue to be liable with the Assignee

(WSR) for the fulfillment of all terms, conditions, and obligations arising from the Concession Agreement.

Staff recommended that the Board approve and authorize the Chairman to sign the Airport Concession Agreement Consent, contingent upon:

- ✓ Final Airport Concession Agreement Consent Agreement signed by MGM Rental, LLC and WSR Rental, LLC and approved by the Authority's Attorney;
- ✓ Airport Authority Staff approval of all pertinent documents;
- ✓ Receipt of new proof of insurance from WSR for the Rental Car Concession Agreement;
- ✓ Receipt of security deposit from WSR;
- ✓ All amounts owing the Airport Authority by MGM Rental, LLC be paid in full, prorated to July 1, 2006; and
- ✓ Receipt of the administration fee for changes to agreements with the Authority.

Staff introduced Jack Oakley of MGM Rental, LLC and Dudley Broach of WSR Rental, LLC.

Staff reported that after the Board Packet was submitted with Staff's recommendations, the Consent Agreement had been signed by both parties and reviewed by the Airport's Attorney, and that new proof of insurance from WSR had been received.

Commissioner Springer moved to approve and authorize the Chairman to sign the Airport Rental Car Concession Agreement Consent. Commissioner Stevens seconded. Voice vote: all ayes. Motion carried.

B. Request by P & L Properties, LLC for Extension of Expiration Date of Ground Lease Agreement

P & L Properties, LLC (P & L) currently leases approximately 1.5 million square feet of ground that is subleased to West Star Aviation, Inc. for the operation of a Fixed Base Operation (FBO) and includes 6.75 acres recently leased by P & L in order to accommodate West Star Aviation's expansion plans.

The Ground Lease Agreement with P & L became effective December 31, 2004 after Buescher Family Limited Partnership sold its interest in West Star Aviation, Inc. and terminated its Ground Lease Agreement with the Airport Authority. The Lease Agreement with P & L expires on December 31, 2024 with one ten year option to December 31, 2034.

P & L Properties is now requesting additional ten year options because of the amount of investment planned for the 6.75 acres located on Aviators Way.

A First Addendum to Ground Lease Agreement added the 6.75 acres to the leased premises effective April 1, 2005. A Second Addendum that was effective June 30, 2005 reduced the leased premises because of the sale of the T-Hangars; therefore a Third Addendum to Ground Lease Agreement will be required for any extensions.

Staff recommended that the Board consider the request by P & L Properties, LLC for an extension of Ground Lease Agreement expiration date based on the following criteria:

- ✓ Measurable policy developed by the Board for lease terms to guide their future application.
- ✓ Completion of development on the 6.75 acres.
- ✓ P & L Properties providing access from the 6.75 acres to all taxiways and runways through P & L Properties' leased premises adjacent to Taxiway Alpha in case these parcels are assigned to separate parties in the future.
- ✓ Final Third Addendum document approved by Airport Authority Attorney and signed by P & L Properties, LLC.
- ✓ Payment to the Authority of the appropriate fee for changes to agreements.

Vice Chairman LaCroix moved to authorize the extension option on both leaseholds held by P & L Properties, LLC for a total of 40 years for both leaseholds and that they expire on the same date. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no discussion items.

VII. OTHER ITEMS

A. July Board Workshop

Chairman Little announced that the July Board Workshop would be delayed until Tuesday, July 11th because of the July 4th holiday.

Staff proposed that an agenda item for the July Workshop could include Walker Field Drive and added that there have been new renderings prepared for review.

VIII. Personnel Issues (EXECUTIVE SESSION)

The Board entered into Executive Session at 5:35 p.m. to discuss personnel matters pertaining to the Airport Manager's six-month review.

Commissioner Springer moved to exit out of Executive Session at 6:15 p.m. Commissioner Stevens seconded. Voice vote: all ayes. Motion carried.

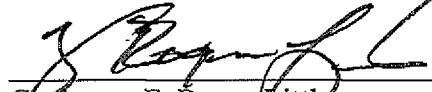
The Regular Board Meeting reconvened at 6:18 p.m.

Vice Chairman LaCroix moved to approve the Airport Manager's new salary and car allowance package. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.

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


The meeting adjourned at 6:25 p.m.

APPROVED AND ADOPTED THE 19th DAY OF July, 2006.



Chairman F. Roger Little

ATTEST:



Charles S. Novinskie, Clerk