

Walker Field Airport Authority

Minutes of the Regular Board Meeting

July 18, 2006

BOARD COMMISSIONERS PRESENT: F. Roger Little Doug Simons
Gregg Palmer John Stevens
Tom LaCroix Craig Springer
Denny Granum

AIRPORT STAFF PRESENT: Eddie Storer Charles S. Novinskie
Gary Mancuso

ALSO PRESENT: P. J. McGovern of P&L Properties, LLC and Phil Smith
of Aero GJT.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Commissioner Springer moved to approve the Agenda. Commissioner Simmons seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Commissioner Palmer commented on the reduction in the number of noise complaint calls the Airport has received this year.

P. J. McGovern stated that the military has changed their rules for airports where military aircraft fly into and that airports must be designated as secure. He added that because Walker Field doesn't meet the new requirements there has been a considerable decrease in the amount of military fuel business at the Airport. He suggested also that this could be a cause for reduction in noise complaint calls. He indicated that he is researching regulations to determine what steps need to be initiated in order for Walker Field to qualify as a designated airport.

Staff added that Airport Manager Tippetts is apprised of the situation and that he is also addressing the issue.

Chairman Little, along with the other Commissioners, thanked Mr. McGovern for this information and requested that the Board receive updates on future findings.

IV. CONSENT AGENDA

A. Minutes: June 20, 2006 Regular Board Meeting

B. Use and Lease Agreement with Allegiant Air

Allegiant Air is requesting to lease approximately 434 square feet of shared and exclusive space in the Second (2nd) Airline Ticket Office and begin twice weekly air service to Las Vegas beginning July 29, 2006. The Agreement, which is the same form used for the other Airline Agreements, expires on September 30, 2007 along with the other Airline Agreements.

Allegiant Air will pay the Airport Authority's current rates for its shared, exclusive, and non-exclusive space. The rates charged are \$26.57 per sq. ft. for the exclusive space and \$18.81 per sq. ft. for the baggage and boarding areas. Since Allegiant will only be using the shared ticket counter two days a week and will be sharing it with Thunder Mountain, Allegiant will pay \$10 per use of the counter. A similar arrangement is in effect with Thunder Mountain for its use of the counter.

Staff recommended approval of the use and Lease Agreement with Allegiant Air and recommended that the Airport Manager be authorized to sign the Agreement on behalf of the Airport Authority contingent upon receipt of the signed agreement from Allegiant Air and review by Authority Staff.

C. Resolution No. 2006-007: Regarding Request by P & L Properties, LLC for One Additional Ten Year Extension to its Ground Lease Agreement

P & L Properties, LLP (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 requested and was granted an additional ten year extension option at the June 20, 2006 Regularly Scheduled Board Meeting.

Resolution 2006-007 states that the additional ten year option will expire on December 31, 2044 and also be contingent upon the completion of the construction of a new hangar, offices, ramp, and parking with a minimum investment of \$7,200,000.00 and improvements to the existing West Star parking

lot and existing hangars with a minimum investment of \$500,000.00 as described by P & L Properties, LLC in its April 28, 2006 letters to the Airport Authority.

Staff recommended that the Board approve Resolution 2006-007 and authorize the Airport Manager to sign the Addendum to Ground Lease Agreement with P & L Properties, LLC for the addition of one additional ten year option to December 31, 2044 after the completion of the improvements as described by P & L Properties in its April 28, 2006 letters to the Airport Authority.

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

V. ACTION ITEMS

A. Request by P & L Properties, LLC for Extension of Time to Complete Improvements

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 leased by P & L on April 1, 2005 in order to accommodate West Star Aviation's expansion plans. The improvements proposed for the 6.75 acres are to be completed pursuant to the Agreement by August 31, 2006. P & L Properties/West Star Aviation has received planning clearance by the City of Grand Junction to commence with the construction.

The project was delayed because of the additional time required by the FAA to review line-of-sight issues associated with the proposed hangar, to modify the plans, and for the FAA to review and approve the revised plans.

Planning clearance has been issued to begin site work and final planning clearance is expected to be issued within the next week, pending final determination and payment of the City of Grand Junction's Transportation Capacity Fee.

P & L Properties is now requesting an extension of the time (six additional months) to complete the improvements to March 31, 2007.

Since P & L has diligently pursued obtaining planning clearance and has started the site work, Staff recommended that the Board approve the request by P & L Properties, LLC for an extension of time to complete the improvements to March 31, 2007 and that the Airport Manager be authorized to sign the Addendum on behalf of the Authority contingent upon the following:

- ✓ Issuance of the final planning clearance by Grand Junction Community Development Department
- ✓ Final Addendum to the Lease Agreement for the time to complete improvements approved by Airport Authority Staff and signed by P & L Properties, LLC
- ✓ Payment to the Authority of the appropriate fee for changes to agreements

Commissioner Simons moved to approve the request by P & L Properties, LLC for an extension of time to complete the improvements to March 31, 2007 and that the Airport Manager be authorized to sign the Addendum. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried.

Commissioner Palmer requested it be so noted that the Board acknowledges the request for an extension by P & L Properties, LLC was for reasons beyond their control and of no failure or action on their part.

VI. DISCUSSION ITEMS

1. Vice Chairman LaCroix questioned Mr. McGovern if he had gained additional information from the individual who had approached him concerning possible interest in Airport property to develop a hotel.

Mr. McGovern responded that the party is pursuing areas on the western slope to build a new product in the hotel niche, which would be an "extended stay" hotel. He explained that the concept was derived as a result of the continuing increase in oil exploration and the need for lodging. He commented that the individual has the franchise with a commitment to build six hotels, and that he is currently seeking land in Rifle and Glenwood Springs as well as looking to Grand Junction for future development.

Brief discussion followed as to whether or not the Airport would consider a product of this nature since it was more apartment-like rather than a hotel. Staff commented that the Airport Authority was also aware of the party's interest and that the individual would need to make a formal presentation in terms of his product if he should decide to pursue the matter further.

2. Staff advised that Airport staff is down three employees and that recruiting efforts have been unsuccessful, due in part to competition with the minerals industry and the lack of qualified individuals. Staff explained that they are working on several different avenues in order to entice qualified individuals to the Airport.
3. Staff reported that Airport Manager Tippetts and two staff members are currently in training on the Airport accounting software in Provo, Utah.

VII. OTHER ITEMS

Commissioner Palmer reported that he recently had occasion to visit with a member of the Ambassador Program who stated they would like to meet with the Board at a future date to discuss their program. Commissioner Palmer added that he was impressed with how the member assisted travelers at the Airport and that he wanted to learn more about their activities.

Charles Novinskie, who has managed the Ambassador Program for the past three years, provided a brief synopsis of the program, which generated considerable interest from the Board. It was agreed to invite Ambassador members to a future Board Workshop in order to understand more about their services.

A. August Board Workshop

Chairman Little announced that the Board Workshop would be held Tuesday, August 1st, and reported that discussion would include the latest rendering on Walker Field Drive and possibly information on the Ambassador Program.

VIII. ADJOURNMENT

Commissioner Simons moved to adjourn the meeting. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.


The meeting adjourned at 6:07 p.m.

APPROVED AND ADOPTED THE 15th DAY OF August, 2006.



Chairman F. Roger Little

ATTEST:



Charles S. Novinskie, Clerk