

AIRPORT AUTHORITY
Minutes July 11, 1979

Members Present: Chairman Maxine Albers, Commissioners Rick Enstrom, Mike Kelly, Bill O'Dwyer, Robert Holmes, Dale Hollingsworth. Airport Manager Jim Spelman, Assistant Manager Paul Bowers, Deputy Clerk Mary Ann Harms. Guests Blake Chambliss and Arlo Braun.

The meeting was called to order by Chairman Albers at 12:10 p.m. The Minutes of the May 31st meeting were corrected as follows: Page 4, last paragraph this sentence add "She suggested the Airport is actually a regional facility and perhaps is the one project that could be shown to being impacted by oil shale activities. By putting together monies from several sources a rather attractive package could be presented to the JBC:. On the June 27, 1979 minutes the following changes: Page 3, paragraph 3, second sentence add after "County Commissioners" "and City Council members"; page 5, paragraph 3, 5th line . . . the explanation that some auditing had previously been approved by the Board . . .", page 7 correct typo to read "Cosponsorship". Commissioner Enstrom moved the Minutes be approved with the above changes, Commissioner Kelly seconded the motion which passed unanimously.

Architect Blake Chambliss made a presentation on new terminal development and the alternatives and options open to the Board. He first made a quick presentation on the terminals visited during the May tour; translating the building costs into today's dollars. He then described the process of arriving at the criteria to use in establishing the size of the terminal building needed to meet immediate and future needs of the community; explaining the different types of terminal designs; the type of traffic through Walker Field and the population projections for the area; by energy development. Based on these projections the number of

gates needed based on the airline schedules rather than enplanements. It appears at this point that four or five gates are needed immediately and taking the projections into consideration, ultimately over 20. Mr. Chambliss than presented two "Schemes" and their comparative costs. A Schedule Sheet was also explained briefly giving the time frame from start to finish on the terminal development. It included JBC funding which is quite beneficial to the funding request being prepared by the Authority. The project would be completed, if all went smoothly, by February of 1982 with an 18 month construction period. Commissioner Kelly asked the relationship of the terminal presentation to the JBC and phased type of development presented by Mr. Chambliss. Mr. Bowers said it will be presented as a total package but that the total was made up of various phases so it would not be an all or nothing request. Commissioner Hollingsworth said he was very impressed with the presentation given by Mr. Chambliss but he was wondering what would happen to the financing of the project if the JBC funds were not received. Mr. Spelman said if the JBC doesn't fund the program we would go ahead with the revenue bonds in 1981, with airline approval. By cutting back on apron and concourse what I though couldn't be done until 1983 can be done now. If ADAP is refunded we will have even a broader revenue base. In 1978 our total revenues were \$608,000 which netted us \$143,700 over our 1:3 debt ratio. Commissioner Hollingsworth asked if we were building up a reserve and Spelman said no just a reserve of credit. Commissioner Hollingsworth asked how big a project we could fund right now and Mr. Spelman said 6½ - 7 Million. The Board all commended Mr. Chambliss on his excellent presentation. Chairman Albers gave Mr. Chambliss an informal go ahead on preparing the program plan and also to proceed with Scheme B. Chairman Albers asked Mr. Chambliss

if the rent a car service areas were still in a good place in relation to Scheme B and Mr. Chambliss said they were. Commissioner Kelly said he assumed there would be a shuttle service to the service areas.

Mr. Bowers presented his draft of the JBC funding request. He noted Number 6 (Amount of Request) had been left blank and he said he could justify whatever amount the Board decided to be a proper request. He said airport funds available for 1980-81 terminal construction would include about a \$160,000 revenue carryover, plus \$1.2 Million ADAP for 1979 and 1980 (less \$150,000 for the ADAP-05 lighting project), plus \$3 Million issue of revenue bonds financed over 23 years for a total of less than \$5 Million. Mr. Bowers continued that the ADAP legislation expires the end of Fiscal Year 1980 (9/30/79) and we don't know what the new ADAP funding level will be or if it will be continued; that if ADAP expires without carryover provision, these apportioned funds must be obligated before 9/30/80 or they are lost; the estimated Walker Field apportionment for 1980 is approximately \$619,000, and if ADAP continued, an estimated \$650,000 would be the apportionment for 1981, and we would have up to \$5 Million available assuming ADAP is continued. Chairman Albers said we must figure how we can generate the most funds with our available money and we should ask for \$3 Million the first year from the JBC. Mr. Spelman said we do not have to have ADAP monies obligated in order not to lose them, however, if ADAP is not renewed by next February we will put all the apportioned monies into apron expansion.

Mr. Bowers said the airlines and rent a cars account for 65% of the total airport revenues and that a contribution toward the

cost of the new terminal to help offset the cost to these tenants is part of the argument for oil shale monies for use in the revenue generating portions of the building. Commissioner O'Dwyer asked if \$3 Million would be adequate for 1980-81 or should it be closer to 5½-6 Million. Mr. Bowers said a \$3 Million bond issued over 23 years would hamstring the airports capital financing ability for several years. Also the date of construction is important, that with 12% per year inflation, a year delay on a \$5 Million project costs the airport an additional \$600,000 in increased costs; \$50,000/month. So, for terminal construction in 1980, \$3 Million is marginally adequate, but inadequate in 1981; \$4 Million would be much better.

Chairman Albers has sent out some inquiries into the what funding level Governor Lamm will decide on for the JBC for this region. She said Garfield and Rio Blanco Counties have agreed to support the Walker Field project provided we are not out of line in our request. After brief deliberation the Board informally agreed on a request of \$4 Million.

Commissioner Hollingsworth said he felt the self-sufficiency part of the request is not necessarily a selling point, its okay to achieve self-sufficiency in operations and maintenance but not for capital funding. Should we not show community support?

Commissioner Holmes responded the self-sufficiency policy was the one dictated by the Board to the airport manager and the manager had done a good job however, we must now maintain flexibility in funding as well as planning.

Commissioner Hollingsworth asked if he were the only one who thinks we can't build this alone. If we don't get the JBC funds we must explore every avenue to obtain funds.

Chairman Albers said this part of the presentation for the JBC funds should point out self-sufficiency in Operations and Maintenance; that we need the Trust Fund Monies and any available outside monies we can get for our capital projects.

Commissioner Holmes said this is not the abandonment of historical operation but would retain flexibility and he felt the past Board and airport staff had done a good job. Commissioner O'Dwyer asked that Paul and Jim explore every avenue to gain a revenue base for terminal development - with inflation erosion he felt we should ask for up to \$4 Million. Commissioner Kelly felt we need to generate more revenue or spend less in order to generate more revenues for capital projects.

Mr. Spelman said outside funds were being actively pursued through the FHA, EDA, we could accept funds from the City and County, Revenue Sharing and, etc., but we can't as an Authority pursue general obligation bonds. Chairman Albers also mentioned PLT monies. She also said we could look toward Horizon Drive businesses, DOE funding; other services; matching funds; obtain airline guarantees on space in the new terminal for additional revenue bonds, etc. She said she would like to meet with Paul and go over the JBC presentation for the impact team. Commissioner Kelly said he would like to pursue this outside funding also.

Commissioner Kelly made a motion that Mr. Spelman serve as Clerk of the Authority and that the Minutes be mailed on the third working day after the Board meetings. Commissioner Hollingsworth seconded the motion which passed unanimously. Mr. Spelman asked that Mary Ann Harms be reappointed as Deputy Clerk.

The rent a car service areas agreement was discussed with

Daren Cyphers of Hertz, Ken Cox of National and Richard Gustine of Budget participating in the discussion. Mr. Spelman said it was decided June 12 that the rent a car service area locations would be meted out according to market share; there would be five year rental adjustment periods and recommended arbitration provisions rather than fixed limits for rental readjustments. Also in Paragraph 19 regarding indemnification brings up some complex legal implications and recommended the airport be indemnified for Anti-Trust Claims. Commissioner Kelly asked if the contract had been reviewed by Gerald Ashby and Mr. Spelman said no he had been doing the contract drafting.

Mr. Cyphers said he had some question regarding parcel location; first the location was next to Currier property on the hillside then on the triangle hill, then across the road and now across the road and back on the hillside creating more expense due to utilities, roadway access, when the utility easements go across the Horizon Drive frontage which is being saved for more productive businesses than we can pay for our service areas will it not cause problems for the future lessees of that property. The rent a cars will be forced to bus their clients according to the new terminal plan and is this the Board's decision to move the rent a cars to a secondary position.

Commissioner Kelly asked about alternative sites and Mr. Cyphers said land to the east or west but closer to the existing or the new terminal building. Mr. Spelman said he had explained all this to Mr. Cyphers several times. Regardless of whether the rent a cars are on or off field they are subject to the 10% charge, it has nothing to do with the location of the facility.

These are service facilities; when the new terminal is further along in planning he would recommend ready car areas be provided in the terminal parking area but the Commissioners might have different ideas. Commissioner Kelly suggested we table this until there is more time. Mr. Cyphers said he would appreciate the extention. Mr. Spelman said we can't postpone Avis; can't put the rent a cars in the triangle as we need it for fill, the land next to Horizon Drive has been appraised at \$65,000/acre and 1% of that would be \$650 per month. Mr. Gustine from Budget asked what guarantee the rent a cars will have if they take the service areas that the ready car areas will be provided. Mr. Spelman said he would put a paragraph to that effect in the agreement if the Board would go along. Commissioner Kelly moved to table the rent a car discussion until July 26, Commissioner O'Dwyer seconded the motion which passed unanimously. Mr. Spelman asked if he could tell Avis it was reasonably safe to go ahead and Commissioner Kelly said he would not feel comfortable with that.

Mr. Spelman asked permission of the Board for him to attend a school put on by the FAA; with the FAA paying per diem and the costs during attendance. The Board informally agreed.

The meeting was adjourned to reconvene at 7:00 a.m. Thursday morning on a motion by Commissioner Holmes, seconded by Commissioner O'Dwyer and passed unanimously.