MINUTES OF REGULAR MEETING
December 10, 1980

Members Present: Chairman Maxine Albers, Commissioners Barney Barnett, Louis Brach, Rick Enstrom, Dale Hollingsworth, Mike Kelly, Bill O'Dwyer and Commissioner-elect George White. Airport Manager Paul Bowers and Clerk Mary Ann Harms. Prescheduled guests Jack Nisley and Bob Christianson from Mountain Realty; George Thompson of Coughlin & Co.

Meeting was called to order by Chairman Albers and the Minutes of the November 20, 1980 regular meeting were unanimously approved on a motion by Commissioner Kelly, second by Commissioner O'Dwyer.

Commissioner Brach introduced Mr. Nisley and Mr. Christianson from Mountain Realty. Mr. Nisley gave a rough estimate regarding the amount of revenue that could be generated on 15 acres currently under immediate consideration for development of $130,000 - $230,000 per year based on $2.00 and $3.50 per square foot. Mr. Nisley indicated that Mountain Realty, himself and Mr. Christianson would be available on a fee or hourly consulting basis to the Airport Authority for the purpose of establishing values and lease figures for the proposed airport development. Mr. Bob Christianson gave the advantages to the Authority of having a lease agent as 1) a buffer between landlord and tenant; 2) increased scope of available users; 3) time saving for management to insure pre-qualified potential developers; 4) experts for current cost changes; and 5) no conflict of interest. He indicated their anticipated fee for such service would be 6% on the base lease and 3% on option periods and that this proposal would allow the Airport Authority to maintain control as well as maximum flexibility over its land and allow for small developments done on an individual basis with the user doing the land development.

The general concensus of the Board regarding the necessity to develop airport lands as a means to finance the terminal complex was put in the form of a motion by Commissioner Hollingsworth, second by Commissioner Kelly and unanimously passed. In order to clarify and expedite the initial development, Commissioner O'Dwyer suggested Mr. Barnett, Mr. White and Mr. Brach meet as a committee with Mr. Bowers and establish guidelines, exact size of area and alternate methods of developing the land to be brought back to the Board on December 18th.

Mr. George Thompson from Coughlin made a brief presentation to the Board regarding the use of the land to support the upcoming bond issue. He pointed out as the primary shortcoming in the Nisley proposal the multiple developers as opposed to one developer; he noted one strong developer with a $1 million dollar letter of credit, in partnership with the airport, is a more expeditious and marketable package that allows immediate income; it provides a more solid package. Thompson suggested that the Board needs to establish guidlines, solicit proposals, analyze offers, narrow the field, and negotiate a lease with profit participation and an acceptable letter of credit providing the airport with a guaranteed income from the land. The Board discussed several alternatives and the time constraints involved in the lease/development program and also Mr. Thompson's request that Coughlin be involved in the selection process to find a qualified developer. Mr. Barnett questioned the methods of bond issuance, the term, and if it was the general concensus of the Board that only a 15 to 20 acre portion be developed to highest and best use. The Board concurred that it was their intent to develop only the approximate 15 to 20 acres at this time and, in the case of a single developer, to offer them first right of refusal on the total land package. The Board informally approved the involvement of a Coughlin representative in final selection of a developer.

With the proposed industrial development at the airport, Commissioner Brach mentioned a potential direct conflict with the Downtown Development Association. Chairman Albers commented that such conflict would be short term and that both the downtown and the airport would gain in the long run.

Scheduled guest Mr. Loren Dake was not present, however Mr. Bowers noted he was again approaching the Board regarding an FBO operation on 4/22; no formal action was taken. Mr. Terry Nichols again appeared before the Board regarding his request for space adjacent to Runway 11/29. He had agreed to build his development near grade with the existing taxiway,in accordance with Airport Engineer Isbill's recommentations,and he indicated he was ready to move ahead with construction planning, but needed the Board to establish the value on the initial 2 acres he would develop. The Board was not prepared to set such values at this time.

The next agenda item was a scheduled discussion with Mr. John Pabst, President of Monarch Aviation, regarding a new fuel flow agreement under current negotiation. Mr. Pabst was not present and was unable to be reached at his office or his home for comment. Mr. Bowers said that Mr. Pabst had been approached with the 4% of net retail sales price fuel flow figure and was in disagreement with that figure and had requested agenda time to discuss his position with the Board. The 4% figure would be equivalent at this time to 7¢/gallon; the existing 4¢/gallon figures was from a 1963 fuel flow agreement that was on a month to month hold over status. Another on field FBO had already agreed to this figure and such charge was in line with similar FBO charges throughout the U.S. Chairman Albers suggested that in Mr. Pabst's absence the fuel flow charge be set at the Board meeting December 18. After brief discussion, the Board decided that a decision had been put off long enough and that the 4% charge as discussed was appropriate. Commissioner Brach moved that the Airport Authority adopt a uniform 4% fuel flow charge to become effective January 1, 1981. Commissioner O'Dwyer seconded the motion which passed, with Chairman Albers voting nay.

The airport land use plan status was updated by Mr. Bowers. He indicated this plan had been jointly developed with the planning department, but the FAA had objected to it in its present form because it did not address noise contours; a revised plan incorporating noise contours and height restrictions is now being prepared. The plan being revised includes 100 CNR noise contour, clear, and critical zones and an area of influence. The noise contour and clear zones are very restrictive; the critical zone allows most development including low density (1 to 4 units/acre) residential; but precludes medium or high density residential, schools, churches, hospitals, libraries. The area of influence is comparable to the Master Plan, which is much larger than the 1976 adopted 1041 State land use plan, and will require avigation easements on all new development within this zone, plus avigation easements on all sales of existing property/development within this zone; if the plan is adopted as prepared. Bowers indicated a map will accompany this revised plan which, after Airport Authority adoption, will go to the city and county for subsequent adoption.

Regarding the above, Bowers noted that avigation easements only protect the airport against nusiance lawsuits; it does not protect against air crashes. Also a clarification regarding the County moratorium was made in that it does not apply to developments previously commented on and approved by the Board (specifically the Bray & Co. development on 27 5/8 Road and the Unfred development of Bookcliff Orchards).

A new terminal site preparation plan update was presented with a road relocation which necessitates a new location for the Grand Junction Fire Department Station No. 5 and deletion of the fifth rent-a-car-service area site. The suggested relocation would be into the existing airport fire station with appropriate remodel. Commissioner Brach disagreed with the changes and asked Mr. Bowers to confer with Fire Chief Mantlo and bring his findings back to the Board on the 18th of December.

Engagement of Dalby, Wendland & Co. for the 1980 audit was unanimously approved on a motion by Commissioner Barnett and second by Commissioner Brach. One account payable was approved to Jack Porter in the sum of $29,808.42 on a motion by Mr. Brach, second by Mr. Hollingsworth and unanimously passed.

Due to scheduling constraints the regular 7:00 A.M. meeting to be held on December 18 was changed to convene at 9:00 A.M.

The meeting adjourned at 9:00 A.M.