

MINUTES
August 12, 1981 Regular Meeting

Members Present: Chairman Dale Hollingsworth, Commissioners Maxine Albers, H. R. Barnett, Louie Brach, Frank Dunn and George White. Also present Airport Manager Paul Bowers and Clerk Mary Ann Harms.
Guests: M. Singh, with R. Livingston and Tom Logue, Don Johnson from Public Service Company, and Joe Bestgen from Avis.

The meeting was called to order at 7:05 a.m. by Chairman Hollingsworth. Mr. Hollingsworth said Commissioner Enstrom had called and that he was unable to attend today's meeting. The Minutes of the July 23, 1981 meeting were approved as mailed on a motion by Mr. Dunn, seconded by Mrs. Albers.

Attorney Baird Brown representing American International Rental Car Company was unable to make the meeting. His clients were requesting space in the terminal building for a rent a car business. Commissioner Brach asked that discussion of this subject be deferred until Mr. Brown and his client are present.

Mr. Singh, his Attorney Richard Livingston, and Tom Logue with Paragon Engineering were in attendance to meet with the Board to find some compatible use for Singh's 13 acre parcel directly off the end of Runway 22. The property is currently zoned R1A which allows four residential units per acre and Mr. Singh has gone before the planning commission with a request of 7.99 units per acre. Chairman Hollingsworth stated the Board's position has been, and is, concern with encroachment of development into the airport area. Due to the Authority's limited ability to purchase adjacent lands it has been forced to accept and acquiesce to a system that allows such encroachment. Crown Heights would have been purchased if possible; however, as this was not possible, the Board adjusted its Master Plan to handle such inadequacies. He continued that the airport is years behind in protecting its facility and, although developers develop consistent with the law, he did not believe the public is well served if continued airport encroachment is allowed. In this regard airport zoning regulations now being considered for adoption are to inform the public. The other Board Members generally agreed with Chairman Hollingsworth, with Mr. Dunn adding that developers do not inform the public of the problems associated with aircraft overflight and its inherent dangers; Mr. White said we do not want to be in the posture of having to move the airport sometime in the future; Mr. Barnett added that the airport zone should be a matter of record against the property; Mrs. Albers said that we only compound our problems with residential encroachment and that it is not a question of 4 or 7 units per acre but the safety of the public; Mr. Brach said the whole zoning process is to put the public on notice that the airport is here.

Mr. Livingston said it would appear that no type of use is acceptable to the Board for this land and the conversation has digressed from owner rights into public welfare versus owner rights. Mr. Bowers said the purpose of the adoption of the airport zoning defining Clear, Critical and Airport Area of Influence zones is to have it available to the public and to the planning department for their use. He noted the Critical Zone, which encompasses the Singh property, limits residential developers to low density (1-4 units per acre). The higher 7.99 units/acre Singh proposed development density is above this limit, and even though 4 residential units per acre is within the limits of the zone, any residential development so

close to the end of an active runway is undesirable: A recreational or non residential use would be more acceptable. Mr. Livingston said they could redesign and come back to the Board with a 4 unit/acre development or if the Board is opposed to all development they would reassess their position and get back to the Board.

Chairman Hollingsworth said the key point is that the critical zone is there and it is an undesirable place for people to live: the Board is opposed to residential development at the end of any of its runways. Mr. Barnett said there is a certain moral obligation to future homeowners and the Board must stand firm and if this results in legal action it is unfortunate. Mr. Livingston said that if and when the document containing the zoning is published and adopted, the Board does not support its own zoning. Mr. Bowers said this document sets only minimum criteria and does not address morality. This zoning proposal is up for public hearing on August 25, 1982. Mr. Singh said that when he purchased this property in 1976 there was no indication of any problems with the land being suitable for development (he had talked with city officials). Mr. Barnett said the Board would buy the property if it had the ability, but there may be some other options available through a lease or trade. Mr. Livingston said he will advise the Board in advance of any action taken and some development may be found that would be agreeable to the Board. Commissioner Albers asked that Mr. Singh come to the County offices and look over some land trade options.

The Isbill contract had previously been approved subject to inclusion of a professional liability policy covering errors and omissions. Isbill currently carries a \$500,000.00 (which has been acceptable to all other airports where he has worked). It was noted that Isbill does not build buildings that could collapse, that he deals with runway and asphalt construction, and that he must do his work in accordance with stringent federal standards. If there would be a claim due to faulty construction, in most cases a resulting suit would ultimately be against the federal government. (A substantial difference in premium (\$16,000 to \$50,000 for the \$5,000,000.00 policy suggested by Mr. Barnett) would also be required.) Mr. Barnett said the \$500,000.00 level of coverage was not desirable but would be acceptable from a practical standpoint. The Isbill contract will read "Further, the Engineer agrees to provide Professional Liability (errors and omission) Insurance in the amount of \$500,000.00.": with this addition the contract was accepted.

The ADAP Program has been renewed through Fiscal Year 1981 (9/30/81) at a \$450 Million Dollar level (about 72% of last years funding level). Discretionary funds should be available for this airport, but we have not received a dollar amount to date. Several Walker Field projects are now under application to the FAA.

Mr. Bowers presented the artist's rendition of the new terminal building and noted several color prints are being made for subsequent distribution. Terminal construction bid opening is set for August 27 at City Hall (time has been tentatively set at 3:00 p.m.); a good bidder turnout is anticipated.

The Pond Lease and a proposed letter of transmittal was discussed. The Airpark Committee had found no problem with the lease as proposed except

Mr. White commented that an "irrevocable" Letter of Credit would be impossible to get. He didn't think that anyone would qualify in today's money market. Mr. Barnett summarized the alternatives as an irrevocable letter is easier to get than a performance bond, with a firm letter of commitment easiest to get but it should include a given period. Mr. White said it should be for well over a year. Mr. Bowers said the Board does have an obligation to make sure there is a solid financial backing to a restaurant lease to minimize our risk and suggested a letter of credit for a one year period. Mr. Barnett said the requirement should be a firm letter of commitment for \$300,000 for the period from 9/1/81 to 12/31/82, to which the Board agreed. The specific wording is to be worked out between Mr. Bowers and Mr. Barnett, with the contract given to Mr. Pond, with a response required in two weeks.

Mr. Hollingsworth said that during the BLM Fire Cache dedication ceremony there was a discussion with Mr. Burford regarding the airport acquiring some land from the BLM. This needs to be pursued without delay with a goal of acquiring all the land owned by the BLM within the Airport Area of Influence. Mr. Bowers said that even though Mr. Burford is receptive the request for this land must go through the FAA, which makes application to the BLM on behalf of the airport. The Preapplication is already in and the Application is now being prepared.

Mr. Hollingsworth presented a brochure that he had acquired at Stapleton that shows the airport, its tenants and concessionaires, with a small history of Denver. He said that Walker Field had a similar type of brochure in the past and he thought that publishing another one after occupancy in the new terminal building would be appropriate. Mr. Bowers said that as part of the Department of Energy grant there is \$5,000 to pay for the dissemination of information on the solar terminal building and that it could be combined with something similar to the Stapleton brochure.

The annexation question was again raised. Mr. Don Johnson from Public Service Company was asked about the agreement between his company and Grant Valley Rural Power Company. He explained the agreement setting out areas of service was reached in late 1973, submitted to the PUC for approval, and implemented in 1974. It stated basically that PSC took over anything over 1,000 KW and GVRP anything under that amount. It also agreed that when an area was annexed PSC would pay the GVRP $3\frac{1}{2}$ times the annual revenue derived from that area. Mr. White said this was not a good deal when bare ground was annexed as potential development revenues were lost with no reimbursement. Mr. Hollingsworth noted that if the \$252,000 cash payment were to be invested at today's money market it would bring in a perpetual income of \$35,000 - \$40,000 to offset the GVRP revenue loss. Commissioner Albers said that city customers would have to pick up a franchise tax and Mr. Johnson said this was correct. The Board informally agreed that the utility question had been answered and that other facets of annexation should be discussed.

Mr. Barnett said there were several points he would like to discuss. The first being that annexation was a good deal for the City (which is not all bad), however, he doesn't see what the airport is to gain, as it already has sewer and Ute water: it appears to hurt airport lessees through their operational costs, without apparent gain to the airport. Commissioner White said the Board must sit as if all members were independent (not as County Commissioners and City Councilmen). Commissioner Brach said that the City cannot make promises for improvements but insurance would be

less and there would be better police protection. Commissioner Barnett said it would appear that between \$200,000 - \$500,000 would go into the City coffers within the next few years from the additional airport revenues and it would be placed in the general fund where it would be used for general city expenses and that typically the City waits for windfalls for capital improvements instead of using increased revenues. Mr. Barnett would like to see the City make a commitment to improvement of airport access/Horizon Drive as the airport lessees will be paying more (i.e. Monarch Aviation will be paying \$6-7,000 per year more in operational expense).

In response Chairman Hollingsworth gave a brief history of the airport saying that it had been a City airport and city supported through 1952. After that time the City/County went 50/50 on expenses until the economics of the 1968-70 runway extension project made it necessary to create the Airport Authority with the City and County guaranteeing bonding for the runway project. To date there has only been token revenue sharing monies put into the support of Walker Field and the citizens have never been asked to participate in airport expansion. Mr. Barnett said that this point should be made, that the airport is self sufficient and that no City or County residents tax monies go into support of the airport. Commissioner White further said that the airport has been self-sustaining for many, many years and that the Oil Shale Trust Fund monies are not tax dollars and that the present airport program does not cost the tax payers one dime.

Commissioner Barnett said there are two points he would like clarified regarding annexation: The first is that the Board negotiated in good faith with Penner and Frantz and they currently have a costly lease with the Airport to build a hotel and office complex and this will substantially increase their costs. This will also carry over into the terminal building; though the airport is exempt, this is not true for the restaurant, airlines and rent a cars. Mr. Barnett said that someone needs to look out for the lessees as it will directly affect their operational costs. The second point was that he would like to withdraw his previous motion from the July 23 meeting that required all Board members to be present for a vote on annexation to be made. Anytime the Board would like to bring this to a vote would be fine with him. Mr. Brach said that a vote on annexation should be made at the next Board meeting and that it should formally be placed on the Agenda (the first point was not addressed).

The Board approved payment of \$56,326.38 to Architect Porter (\$48,826.38 on the contract and \$7500.00 to the interior design team) on a motion by Commissioner Brach and second by Commissioner White. Mr. Brach asked that the Budget for 1982 be prepared at an earlier date than it was last year and Mr. Bowers said it should be in preliminary form by mid September.

The meeting adjourned at 8:55 a.m.