

MINUTES OF REGULAR MEETING

October 22, 1981

Members Present: Chairman Hollingsworth, Commissioners Albers, Barnett, Brach, Dunn, Enstrom and White. Airport Manager Paul Bowers and Clerk Mary Ann Harms

Guests Present: Daren Cyphers from Herts, Ken Cox from National, Joe Bestgen from Avis, Dick Pond from Aeroplane Restaurant, Jim Cadez from Snak Bar Vending and Ken Mischel from Foster Vending

The meeting was called to order at 7:05 A.M. Minutes of the 9/24/81 meeting were approved as mailed on a motion by Commissioner Brach, second by Commissioner Albers and unanimously passed. The Minutes of the 9/9/81 meeting were amended as follows: Page 1, Paragraph 3, third sentence, the word "prefinished" in place of "polished"; same paragraph, fifth sentence, the word "hydronic" inserted before "baseboard"; Page 3 Paragraph 2, "one million" struck and "\$600,000" inserted; Page 4, Paragraph 5, 45% replaces 21%. The 8/27/81 Minutes amended on Page 2, Paragraph 3, added at end of last sentence "...without loss of tax base to County".

Mr. Jim Cadez from Snak Bar Vending was present to discuss his proposed purchase of the vending concession for all airport vending from Mr. Pond. Mr. Bowers said he had mailed a blank master lease for reference and Pond's Vending Lease to Mr. Cadez, who mailed it back filled in for both vending and amusement/game room concession rights, lease term changed from an October 1983 expiration to an October 1986 term plus two, two year options, all with the former \$350/month base minimum. Mr. Cadez said he needed a five year lease to amortize out his \$30,000 - \$35,000 investment cost and would omit the game room concession at this time, but would like to bid on it. Further, he would like to have the Pond lease terminated and his own lease drawn up. Mr. Bowers was careful to point out that the Pond lease is only for the existing terminal and terminated in October 1983 and the Board should be discussing the sale only at this time. Mr. Cadez said he would not be willing to negotiate the base charge.

Chairman Hollingsworth said there were three issues that were being presented to the Board: 1) the approval of the sale, 2) establishing lease term, and 3) set up negotiations. Commissioner Enstrom made a motion that the Board approve the sale of the vending concession from Mr. Pond to Snak

Bar Vending under the terms of the existing Pond contract. Commissioner Brach seconded the motion and a discussion followed. Mr. Ken Mischel from Foster Vending asked why this lease for the new terminal concession will not be put out for bid. He understood that Pond has the rights through 1983 but would like the new terminal vending concession put out for competitive bids. Mr. Bowers said this lease does not apply to the new terminal building, only the existing one. Mr. Cadez said he would not be interested if the Pond lease did not have this first right of refusal. Chairman Hollingsworth tabled the issue until the next meeting when research would be done and our legal position evaluated.

Bid specifications on the rental car concession was the next Agenda item. Several changes had been made on the document since it had been mailed to the Board due to a meeting with current car rental operators. Mr. Bowers briefly pointed out these changes and stated that the current operators were not in total agreement with the document on the following points: 1) wanted service areas included with terminal operations, 2) wanted only 10% of gross charges (no additional charges for counter, parking, etc.), 3) statement of qualifications omitted from specifications, and 4) want longer than five year term. Mr. Bowers continued that a five year term, with following bid of concessions would keep us out of a possible restraint of trade action. It was also noted that nationally, 97.2% of the rental car business is done by Avis, Budget, Hertz and National.

Mr. Daren Cyhpers asked Mr. Bowers just what they would be bidding on and Mr. Bowers answered they would be bidding on whether they entered the terminal building. He continued that the ready car areas were included in this, but not the two acre service areas. The service area would be available for the first five years at \$250/acre/month; the second five years at \$350/acre/month; and the next five years at \$450/acre/month.

Mr. Cyphers asked if the Board would rather he bid 30 - 40% of his business or the whole thing. He would like to bid on everything and at least have the service ground for parking if they don't build right away. Also he said the exclusive 10% of gross charge would give an automatic percentage increase to the airport every year and serve as a built-in escalation rather than a set one. He also estimated the building of the

service car areas to be between \$250,000 - \$500,000. There were some questions raised regarding the rental car licensing practices and Mr. Cyphers, Mr. Cox and Mr. Bestgen answered for their respective agencies. Commissioner White summarized that what the rental car agencies wanted was a basic contract based on percentages and the counter space, service and ready car area location based on share of market.

A general Board discussion followed with Attorney Ashby suggesting that the Board take a look at what they are bidding, that a \$250,000 - \$500,000 outlay is far different than just a 5 year building concession lease and that the lease period should be in relationship to what is bid. Finally the Airpark Committee was appointed to meet and work out the apparent problems and report back to the Board. Mr. Cyphers noted that both sides were closer together than they had ever been before.

The interim operating contract with the airlines was for the purpose of defining new terminal construction. The contract was drafted by Frontier and concurred in by Continental. Commissioner Enstrom made a motion that the Board accept the general terms of the contract and it be sent to Attorney Ashby in final form for review. Commissioner Barnett seconded the motion which passed unanimously.

The Weather Bureau (N.O.A.A.) contract had been rewritten onto a standard government form pursuant to previously approved contract terms. Commissioner Brach made a motion that the Chairman be authorized to sign the contract, Commissioner White seconded the motion which passed unanimously.

The Third Amendment to the APCOA contract formally stating the previously approved rate increase was presented for signature. There was a brief discussion regarding APCOA and the new terminal parking with no decisions. The Amendment was informally approved for signature.

The formal copy of the contract with Centric Corp. for the new terminal construction was signed and the authorization necessary on an ADAP-08 change from Access Taxiway to Ramp Paving adjacent to the Horizon ramp was unanimously approved by the Authority on a motion by Commissioner Albers, second by Commissioner Enstrom.

A Part 153 Resolution authorizing Mr. Bowers to request BLM land acquisition through the FAA was approved unanimously on a motion by Commissioner White, second by Commissioner Albers.