

REGULAR MEETING
WALKER FIELD AIRPORT AUTHORITY
April 22, 1982

Members Present: Chairman pro tem Barney Barnett; Members Maxine Albers, Louie Brach, Frank Dunn, and George White. Also present Airport Manager Paul Bowers, Clerk Mary Ann Harmes, and Attorney Randy Pearce.

Attorney Bill Nelson, Attorney Steve Hodge and Dave Strough from Western Slope Telephone, Joe Bestgen from Avis; Ken Cox from National; Harriet Hamlin (and others) representing the Valley Home & Property Owners Alliance.

Meeting was called to order by Chairman pro tem Barnett. Prescheduled guest Mrs. Harriet Hamlin, representing the Valley Home & Property Owners Alliance, addressed the Board regarding the airport overlay zone and aviation easements as it affects homeowners east of the airport. (Approval of the overlay is currently before the County Commissioners.) Mrs. Hamlin said she had heard nothing from the Airport Authority, County, or County hired planning consultant Eric Kelly. She said that Mr. Kelly had stated that aviation easements have been and are in use and that residents in the critical zone had been able to purchase their land for less because of its proximity to the airport.

Commissioner Brach asked what Mrs. Hamlin was requesting from the Authority. He also said that the airport overlay zone is a must to protect the airport. Mrs. Hamlin answered that many of the Alliance members would like to leave their land in agriculture but would like to know what uses would be permitted in the future. They would like a guarantee from the County Commissioners on the future zoning and permitted uses, as agricultural use is less desirable than development uses.

Mrs. Hamlin said the primary concern of the Alliance is in ten years the airport may not need the extended runways and by then it would be too late to do anything about it. Comm. Albers said any restrictions attached to land may also be removed. Mrs. Hamlin said the property owners need to be paid for their inconvenience and Mrs. Albers said that no property owner has such guarantees from the government. Mrs. Hamlin said it is, however, guaranteed that something is going to happen to the property owners and they need some concessions. Mrs. Albers said it will be two to three weeks before the Commissioners hear from Mr. Kelly and public meetings will be advertised before any decisions are made.

Mr. Barnett said he appreciated the predicament of the property owners but the Airport Authority is on record as being in favor of the overlay zone and it is now up to the planning department and County Commissioners.

Comm. Brach made a motion that the Minutes from the April 8 and April 22 meeting be approved as mailed. Commissioner White seconded the motion which passed unanimously.

Mrs. Bowers said bids had been taken on the rent a cars several weeks ago, but some questions had been raised as to the financial capability of some of the bidders. Attorney Nelson said this bid is critical to the Authority because of the new terminal construction. The bid was for counter space in the new terminal building on a five year term and for the right to a two acre service area. Bids were based on total minimum guarantee for the five year term in the terminal space and according to this Budget would be Number 1,

Hertz Number 2, Avis Number 3, National Number 4 and American International Number 5. There was some question as to whether Budget (wholly owned by Dick Gustine) could substantiate their high minimum bid and therefore financial statements were requested from all bidders, which have been reviewed and are acceptable. (Avis sent its parent company's financial statement. Their general counsel told Mr. Nelson the net worth of Avis Rent a Car system is \$36 million and verification of this is in the mail.) Mr. Gustine had one of the weaker, but acceptable, financial statements: He said he would be willing to personally back his bid if necessary. Mr. Nelson continued it is the Board's responsibility to see that the public has rent a cars available for its use and not to analyze the bids: It was a good bid and the bids should be accepted as opened. Further Mr. Bower said the Budget rent a car agency in Grand Junction is not for sale and that he spoke with the Aspen Airport Manager who noted he had no particular problem with Budget paying its bills on time.

Atty. Nelson said bidders should be promptly notified as to their priority and the award of the bid. One service car area is less desirable than the others and there is a seven day period for the bidders to withdraw their request for a service area. In the bid there is a provision for a 10% royalty on drop charges and the same royalty inclusion is in the old contract. Mr. Bowers said there appeared to be some confusion between the use of the words "inner city" drop charge and drop charge. Such "drop" charge is imposed when a car is left somewhere other than the location from which it was rented. The "drop" charges referred to in the old contract have been paid by the rent a cars and were included in the bid package. Comm. Brach said he was against them being included in this contract because it costs the rent a cars about \$6.50 on the transaction and this is not enough revenue to make it worthwhile.


Mr. Cox said there needed to be a clarification of "drop charge" and "inner-city" charge as used in the contract. Att. Nelson said as he read the contract, gross revenue included drop charges where the motor vehicle is to be rented here and dropped elsewhere and does not include drop charges from other areas to here. Mr. Barnett asked if altering the contract at this time to exclude drop charges would jeopardize the bid status and Mr. Nelson said there was a chance but not a serious one. Mr. Nelson said that the drop charge is part of the rent a car business which is not as profitable as other parts, but this is just one of the costs of doing business. Mrs. Albers asked if the rent a cars had been paying this charge and Mr. Bowers said this appeared to be the case as no exceptions to this charge had been noted in any of the rent a car audits conducted by the Authority. Mr. Barnett said the Board needed to take action on this matter and Comm. Albers made a motion that the Airport Manager be authorized to notify the bidders that their bids had been accepted as originally submitted: Commissioner Dunn seconded the motion. Comm. Albers asked what guarantee we had that the rent a cars would build on their service areas. Att. Nelson said the service area part of the bid is divided into three areas: 1. High bid and contract to build service area for at least \$100,000 within the next twelve months; 2. Bid next high and take area and pay rent, but not build within the twelve month period; 3. Do not want service area. (Budget, Hertz and National all said they wanted a service area and intend to build within the twelve month period, Avis wants an area but will not build within twelve months, and American International does not want an area.) Comm. Albers asked what happens if the service area is built and the rent a car can't make its payments to the Authority.

Mr. Nelson said if this occurs within the first five years of the 15 year service area lease, the improvements revert to the Authority. After the first five year period the Authority agrees to buy the facility at depreciated value (figured on a fifteen year straight line depreciated value).

Chairman pro tem Barnett called for a voice vote on the motion before the Board. Commissioners Albers, White, Dunn and Barnett voted in favor of accepting the bids as originally received and commissioner Brach voted against the motion; motion passed. Mr. Barnett thanked the rent a cars for their support and said the Board will work with them in the new facilities. Comm. Albers said even though the motion passed and the bids are accepted some things drop charge can still be changed. Mr. Bowers noted "drop charge" may have been misunderstood and he will work to clarify this. The contract specifically defines only five operators will operate in the new terminal building and this should save the Authority alot of time and effort in the coming years as well as benefitting and protecting the operators.

Att. Nelson, who has also been handling the Dick Pond Restaurant negotiations for the Authority, gave a brief summary to the Board. There were basically two contracts involved; the restaurant contract with exclusive right to all facilities built on the airport and the vending machine contract. The buyout agreement with Pond is for \$145,000 plus interest to be paid over four years. This would be done on a four year public note/bond with interest, paid off at the rate of \$50,000/year. Mr. Pond will continue to operate at the airport until the new terminal is open. When he leaves, all property remaining in the restaurant will become the property of the Authority. Mr. Pond must continue to provide the same level of service he has in the past and failure to do so may terminate this agreement (this has been reduced to writing in the contract). Subject to this, the contract is fixed and Mr. Nelson recommended the Board authorize the Chairman and Clerk to enter into the agreement on behalf of the Authority. Comm. Dunn asked how \$145,000 had been negotiated and Mr. Nelson said the four year schedule was done to string out payments and help the airport cash flow. Mr. Pond wanted the payments to come in the form of tax exempt interest (from the public note). The Authority will pay off the bond at the interest rate of 18%. Commissioner Brach made a motion that the Board take Att. Nelson's recommendation and authorize the Chairman and Clerk to enter into the agreement. Commissioners Albers seconded the motion, which passed unanimously on individual voice vote.

Commissioner Brach left the meeting at this point but asked that his vote on the next agenda item (phone system for the new terminal) be cast in favor of the Western Slope Telephone System. Mr. Barnett said he had two private phone systems over the past eight years and they worked just fine. His concern was that tenants not be penalized and adequate maintenance be available. Western Slope representative assured the Board that this would be done. Mr. Bowers said having Western Slope as a concessionaire in the new building would help insure prompt maintenance as well as guarantee the airport \$11,760/year for the space. If accepted, Western Slope is planning on using the concession space for a secretarial pool, copy machine service, and custom phone equipment sales: They currently are talking about also paying 30% of their net to the airport. Mr. Bowers noted staff recommendation was for Western Slope. White made a motion that Western Slope Telephone be selected for the new terminal building, Comm. Dunn seconded the motion which passed unanimously. The Board directed that the concession space be accepted and made a part of the contract for the phone system.



Mr. Bowers asked for approval to proceed with the Gift Shop contract as it had previously been approved. The Board gave approval to do so.

There have been no major change orders in the terminal building to date that were not anticipated. Mr. Bowers did ask the Board opinion on a substitute for the triple pane glass for the clerestory windows. The glass, made by Alpen Products in Glenwood Springs, has a mylar film between the double panes which has heat reflective properties. As this product is relatively new to the market, an escrow would be formed in the amount necessary to cover the replacement of the glass if it proves unsatisfactory over a twenty year guarantee period, with need for such replacement solely at the discretion of the Airport Authority (this type of guarantee is not available on other multiple pane glass installed at airports). This product would run an additional, estimated \$8,000 cost over what is scheduled to be installed in the building, with an anticipated payback in energy savings in about 6 years. The architect is indifferent to the use of this glass and solar consultant Dr. Krieder and the D.O.E. support its use. Mr. Bowers also checked with terminal glass installer Harding Glass, and they do not have any problem with the change.

The Board discussed the obvious problems with trying out an unproven product and Members Barnett and Dunn said they did not have enough knowledge on the subject to make a decision. The Board informally agreed that Comm. White will meet with Mr. Bowers and work out a solution.

Comm Barnett gave a brief report on the Art Committee and said he was very pleased with the fine people working on it. The Committee has mailed the applications out throughout the State of Colorado (each Board member received one for his information).

Accounts Payable were reviewed and authorized for payment on a motion by Comm. White, seconded by Commissioner Albers and passed unanimously. Accounts Receivable were discussed, especially the Monarch delinquency. Att. Pearce has written Monarch and given them 60 days to cure the debt with a May 10th contract cancellation date. He will be meeting with Monarch next week.

Mr. Bowers asked Board approval for the Interim Airline Contract. The airlines have agreed to a 6% increase in landing fees over their existing contract. Commissioner White made the motion to accept the contract, Comm. Albers seconded the motion which passed unanimously.

Next Mr. Bowers presented the Ute easement for Board approval. The amount of the water tap and related costs for the new terminal and the Ute easement are approximately \$22,000. Commissioner Albers made a motion that the easement be approved and signed and Commissioner White seconded the motion which passed unanimously. Regarding financing for the new terminal building, Mr. Bowers noted construction is basically on schedule and said the airport will run out of funding for the project in August and is looking at various funding alternatives. Comm White asked Mr. Pearce to check with Att. Ashby and see if Mesa County could enter into a 24-30 month contract with the airport for a loan of \$1-1½ Million. They would need 13% interest from the Authority. Mr. Bowers said he is also checking with the Department of Local Affairs to see if such an interim agreement could be made with the State.

Mr. Bowers noted a preliminary planning meeting for a Colorado Airport

Operator Organization was held in Denver April 13. Mr. Bowers said to date there is no organized aviation group in the State and they are attempting to get one started. Its primary use would be an exchange of and to promote aviation related legislation supportive of state airports. The group would include all airports in the State and along with airport management would include City and County officials. Dues would be \$25.00 per year. The group will hold another planning meeting in June and then a "first" official meeting in Denver later this year. Mr. Bowers noted the primary advantage of such an organization is to provide input on aviation matters for the state as well as being a cohesive group to represent state aviation interests. Mr. Bowers asked for the Board to actively participate in the organization when it is formed.

The meeting adjourned at 8:49 a.m.