

MINUTES OF SPECIAL MEETING

July 14, 1982

Members Present: Chairman Rick Enstrom, Commissioners H. R. Barnett, Louis Brach, Frank Dunn and George White. Also present Airport Manager Paul Bowers, Clerk Mary Ann Harms and Attorney Randy Pearce

Guests Present: Mr. John Elliot, Western U.S. Sales Manager for Grandmet

The meeting was called to order at 11:10 a.m. by Chairman Enstrom. Mr. Bowers said the Special Meeting had been called to review/approve the Grandmet contract for the new terminal restaurant.

Mr. Bowers said the contract had been under review/negotiation for many weeks and terms were basically as set forth by the Airpark Committee, with some minor changes still to be made. Commissioner Dunn said he was opposed to the contract because of the "fee deal" for Grandmet with the Authority loaning them \$400,000 and the \$55,000 per year does not even cover interest on the \$400,000 and the space is being given away. He said it was his understanding that in order for the airport to break even they must charge \$15.50 per square foot for the terminal space and we are giving away over 7,200 square feet plus other spaces in the terminal to Grandmet. Mr. Bowers said that Grandmet will lease the restaurant for ten years with a base payment per year of \$55,000 to amortize the \$400,000 over a fifteen year period; also Grandmet pays a percentage of gross, which would be about \$115,000 to the airport at a \$1,000,000 gross (Grandmet's projected annual revenue) plus Grandmet is responsible for maintenance, replacement, upkeep, etc. of the facility during the course of the lease. Commissioner Brach said this is the type of contract where you count on the percentages for revenue rather than given dollar figures. Commissioner White said the Authority will own all restaurant equipment, furnishings, etc. Commissioner Brach said the restaurant will initially lose money but after a while it will be grossing over a million dollars; so we are not looking at today but at tomorrow

The rest of the meeting was a series of discussions regarding clarification of certain paragraphs; phrases, definitions, etc. Chairman Enstrom excused himself from the meeting at 11:25 a.m. and turned the meeting over to Chairman pro tem Barnett. Mr. Barnett suggested only concepts be discussed and specifics be left to the committee, lawyers, and airport manager. The major items of concern were as follows: 1) definition of "majority" of scheduled carriers as it pertained to Grandmet receiving some relief from payments should there be a substantial drop in traffic. The definition of "majority" will be worked out between Att. Pearce and Mr. Elliot: 2) Reference to "vending" will be clarified 3) parking charges defined: and 4) specific Grandmet financial statement requested by Mr. Barnett provided. There was an extended discussion regarding the amortization term of the \$400,000.00 and the derivation of the \$55,000 base amount. Comm. Dunn wanted the debt amortized over ten years, the same as the lease term. Comm. Barnett suggested a compromise twelve year amortization term and Mr. Elliot said Grandmet would not commit to over \$55,000 per year.

Comm. Brach made a motion that the Grandmet contract be accepted with the changes made by the Board as given to Att. Pearce this morning with an annual base rental of \$55,000 plus percentage of gross. Comm. White seconded the motion. Chairman pro tem called for a roll call vote of the members present: Commissioner White voted yes, Comm. Brach voted yes and Comm. Barnett voted yes. Commissioner Dunn voted no. The motion passed by majority vote.

Meeting was adjourned at 12:15 p.m.