

SPECIAL MEETING WALKER FIELD AIRPORT AUTHORITY
October 21, 1982

Members Present: Chairman pro tem Barney Barnett, Commissioners Maxine Albers, Betsy Clark, Frank Dunn and George White. Also present Airport Manager Paul Bowers and Clerk Mary Ann Harms.

Guests: Joan Smith, owner Open Range Gift Shop, Marianne Botinelli, Ski Country USA.

Meeting was called to order at 7:20 p.m. Comm. Albers apologized for the total transcription of the record of the October 14 meeting and asked that it be put in the official record in the usual abbreviated method. Commissioner Albers said she had requested this Special Board meeting to discuss the revenue bonds and the date of the terminal grand opening. Mrs. Albers said she had a Mesa United Bank Board meeting and had briefly discussed the airport loan with bank president Loring. Mr. Loring had a different interpretation of the terms of the loan than had been discussed at the previous Airport Authority meeting. Mrs. Albers said the decision was a matter of economy: Bank loan on a five year basis so it would cost \$600,000 - \$700,000. Disadvantage is that it would severely encumber the airport cash flow the first few years. The bond issue obligation would be \$400,000 - \$500,000. However, there would be bond fees plus a fifteen year indebtedness.

Commissioner Albers read the Coughlin commitment letter verbatim and it is attached to this record. She said the Coughlin commitment to buy the bonds plus the Fox feasibility study with the airport signature creates a trigger to buy the revenue bonds whenever they agree to do so. Chairman pro tem Barnett said the term in the letter referring to the Airport Authority and Coughlin agreeing "mutually" to the date for bonding should take care of this problem. Comm. Albers said all the bank wanted was some kind of letter of intent rather than a full commitment. Originally the Authority was looking at a four to five month loan and when it changed to a five year loan it slowed the bank processing and changed it from a short term to a term loan. It was the bank's understanding that the loan would be through 12/31/82 then a new note would be signed January 1 for one year and then bond if we wish.

Commissioner White said that we need the money now. Commissioner Albers said we can get \$500,000 right away. Chairman Barnett said we could insert something in the original letter and initial it. He also said he did not believe there was a deception intended and the term "mutually" agreeable was to mean just that. Commissioner Clark questioned this if Mr. Loring had said this was something different and put the trigger in the hands of the bonding company. Commissioner White said Mr. Loring was not interested in a 90 day loan. Commissioner Albers said he might be for \$500,000. It was agreed that Mr. White, Mr. Barnett, and Mr. Bowers will meet the next day with bank officials to work this out.

Mr. White said if bonding interest rates keep going down what about bonding a buyout of all buildings on airport property. We could purchase the Monarch facility at \$1.7 Million and bond at 8% and bid it back at 10%. The 2% would give use \$50,000 more gross income over where we are today. Mr. White said we could build the rent a car buildings for 8% and rent back at 10%. Mrs. Albers said why should we buy them when we end up with them anyway. Mr. White said he had only figured the difference on Monarch and that was done based on fair market value. Mr. Bowers asked if that income figured in land rent and Mr. White said we can do something different on the land. Mr. Barnett said the Authority doesn't have tax shelters and we would assume headaches on some things that would need to be considered. Mr. Dunn said that we need to look at all alternatives. Chairman pro tem Barnett said the priority tonight is the bank loan.

The Commissioners informally agreed that more figures and discussion was needed on the revenue bond issue. A workshop session will be called in the next week to discuss the revenue bond and airport financing.

Chairman pro tem Barnett said the next discussion point was the date for the terminal grand opening. Mr. Bowers said the bids on the airline ticket spaces will be opened tomorrow (10/22/82). They are scheduled for completion the first week or so in December and the grand opening could be held before or after they are completed. Chairman Barnett said if we have the opening after the building is operational we would have the public in it the night of the opening. Commissioner White said we shouldn't have the opening until after the art is in place. Commissioner Albers said the building won't be done by November 19 and asked if the chairs would be in: Mr. Bowers said the furniture should be there. Mr. Bowers said the initial plan was for Friday to be the gala, Saturday the contractor's party, and Sunday an open house for the public. Commissioner Clark suggested the gala be held Saturday the 11th of December and Sunday have the VIP and contractor's party and Monday the open house.

Mr. Bowers said that we don't have to have the contractor's party; an anticipated cost for the affair could be as high as \$6,000 - \$8,000. Chairman pro tem Barnett said this cost could be greatly alleviated by having hamburgers and kegs rather than a catered affair. Mr. Bowers said the contractor's party could be held Sunday December 12. The Board informally discussed the possibility of the terminal being ready by then and asked the owner of the Airport Gift Shop what she thought. Joan Smith said she would be very pessimistic about the 11th. Mr. Barnett suggested that we wait and do it the 8th of January. Mr. Bowers said the carpet and ceiling for the concession spaces on the second floor have been contracted for and the stores basically need glass fronts. Mr. Barnett suggested the 7th of January when the landscaping will be finished and everything in order; also the counters for the airlines won't be done in 60 days. He also said we won't lose that much income and we still have revenue coming in from the existing terminal building. Commissioner Dunn said that we don't want the building done and just sitting there. Commissioners Albers asked if the restaurant would be done and Mr. Bowers said it would be. Mr. Barnett said the large stainless steel Mangold sculpture would not be completed by December 11. Mr. Dunn asked Mr. Bowers if he was comfortable with the December 11 date and Mr. Bowers said he was. Chairman pro tem Barnett called for the vote for December 11 to be the gala grand opening and December 12th to be the informal party. Commissioner Dunn so moved with Commissioner Clark seconding the motion. The motion passed on a vote of three to two. This completed the special meeting agenda items.

Mr. Bowers said Mr. Gustine from Budget rent-a-car said he had purchased a 50' x 62' metal building and was ready to start construction on his ready car area. Mr. Barnett said he shouldn't start on his building before the suit is settled, that he is taking a chance. Mr. Barnett also suggested that it might be worthwhile for someone to meet with Daren Cyphers and see if the suit could be settled. Mr. Dunn said that he would go ahead and talk with Mr. Cyphers. Mr. Barnett said he hoped Mr. Cyphers would drop this thing at this point and that it is going to become a monetary thing. Mr. Barnett said Mr. Cyphers does not have a good suit and the Authority should consider a counter suit for loss of revenue and that we should talk to our Attorney and see if such a suit would be proper. Mr. Bowers said we could open the building without the rent-a-cars but as far as we are concerned the spaces will be ready and Avis and Budget are in agreement with the Authority on the space allocation.

Mr. Barnett said Budget should not put up a building until the suit is settled. Should Mr. Gustine wish to pursue this, the must sign a complete hold harmless agreement with the Authority.

Mr. Bowers said the airport would only be able to receive discretionary monies from the FAA for 1983 settlement since the 1983 funds were pledged to the AIP air carrier apron project. He suggested that we put out bids on 4/22 with contract award contingent upon receipt of federal discretionary funding. This would enable us to do this as a spring construction project. After 4/22 is awarded we could pursue runway 11/29 construction. However, in the meantime runway 11/29 needs a major patch in the amount of \$15,000 - \$20,000. A lot of the preliminary design work for the two runway projects is already completed.

Chairman pro tem Barnett said a workshop would be arranged to work out the revenue bond. Comm. Clark made a motion that the meeting be adjourned, motion was seconded by Comm. Albers and unanimously approved.