

WALKER FIELD AIRPORT AUTHORITY
MINUTES OF REGULAR MEETING
October 28, 1982

Members Present: Chairman Rick Enstrom, Commissioners Maxine Albers, Barney Barnett, Louie Brach, Betsy Clark, Frank Dunn and George White. Also present Airport Manager Paul Bowers, Mary Ann Harms, Clerk, and Attorney Randy Pearce.

Guests: Art Moss and Dale Hollingsworth from Grand Junction Chamber of Commerce; George Thompson with Coughlin & Co.; Mel Gross, Scott DeWeiss, Dick Gustine from Budget Rent-a-Car; Kent Lewis, Airport Art Committee Chairman; Jim Cowden and Jim Niehues, Advertising Concession; Tony Sweney, Grandmet Restaurant General Manager; Shirley Howard and Ken Cox, National; Joe Bestgen, Avis; Sandra Stewart representing Ken Johnson; Dick Pond, Aeroplane Restaurant; Allen Heimer, Mesa United Bank; Gary Cowan representing Hertz.

Meeting was called to order by Chairman Enstrom. Minutes of the October 14, 1982 meeting were approved as mailed on a motion by Commissioner White and seconded by Commissioner Albers.

Mr. Dale Hollingsworth, Chamber Executive Vice President, introduced the new Chamber Aviation Subcommittee Chairman, Art Moss. Mr. Hollingsworth stated the chamber Aviation Committee interests parallel the airports and Mr. Moss appreciates the opportunity to meet with the Authority and sit in on it's meetings.

Budget owner, Dick Gustine, addressed the Board regarding construction of his service area. He had spoken with Mr. Bowers regarding his plans and presented a proposed site plan and prepared by Scott DeWeiss with Logos Construction. The proposed building is a 3100 square feet, 26 gauge Morgan steel building, with two wash bays, two service bays, and tire storage, plus landscaping/shrubbery screening.

Commissioner Dunn said that Hertz and National have proposed tilt up buildings and questioned if Mr. Gustine was hiding his building behind shrubs because it was not attractive. Mr. Gustine said he had met with Land Design regarding the shrubs and the 4' berm was so you don't see the cars. Mr. Gustine said he is prepared to put the building up before Thanksgiving.

Commissioner Dunn asked if Mr. Gustine had checked with the City to see if the plans and building were acceptable and met code. Mr. Gustine said he wanted to start with the Airport Authority and then go to the City for approval. Commissioner Barnett said the Board had not established a method to approve this and should not say whether the buildings are to be brick, metal or concrete. Mr. Gustine said he would like to pour the concrete before Thanksgiving. Mr. Barnett said he had some legal concerns. Mr. Gustine said he had no problem signing a hold harmless agreement for the Board. The Morgan building was purchased by Exxon for use in Parachute. It is currently white in color but will be painted the same color as the terminal.

Commissioner Dunn said he didn't want to see a hodge-podge of buildings in the rent-a-car area. Mr. Brach said the Board hadn't put any restrictions on the type of buildings. Chairman Enstrom suggested building and landscape decisions be delegated to management and Mr. Bowers coordinate it. Commissioner Barnett said he was not advocating bureaucratic delays but we do have Mr. Bowers recommendations and the Board still needs to establish criteria. Also, in view of the lawsuit, Commissioner Barnett said would not care to pass on this issue this morning. Commissioner Clark said Mr. Gustine should start through the City process as it takes time. Mr. Gustine said he wanted Board approval before spending additional money. Mr. Bowers said criteria, at the time the bid package was prepared, as to the building facade had been discussed but decisions had been deferred. The contracts the airport has allows aesthetic review and he didn't see why the service area buildings have to be uniform in appearance, as long as they are attractively and compatibly done. Commissioner Dunn said Mr. Gustine should talk to the City; Commissioner Brach said he doesn't see anything wrong with the proposed building and to let him go ahead. Commissioner White said Mr. Gustine has a contract and to let him go ahead. Attorney Pearce said he would need to see the hold harmless agreement and though there were some irregularities, they should not be held against the Board. Commissioner White made a motion that subject to legal review and management approval and hold harmless clause, Budget may proceed with the building procedures. Commissioner Brach seconded the motion which passed with Commissioners Dunn and Albers voting no.

Mr. Kent Lewis with the Airport Art Committee said the committee was in favor of a later grand opening date. There is a time factor in printing the invitations and the art works won't be done. Also the committee has received a \$2,000 donation from the Intrawest Bank and the committee needs more than five weeks to complete their fund raising and to continue after the gala would be anticlimatic. Also art donor Ken Johnson would be unable to attend on December 4th.

Grandmet restaurant general manager, Tony Sweney, addressed the Board. The restaurant would lose time and money if the opening is delayed and would face a complete rehiring process. The airport could hold it's gala after the airport opened for business. The airport is an asset to the community and revenues would be lost with a delayed opening. Commissioner Clark said the ball can be held after the fact. Commissioner Barnett said the terminal should be opened at the discretion of the manager and the gala can be held in January. Commissioner White said according to Architect Porter, the building will be ready on the 17th or 18th of December but he had mixed feelings about delaying until after Christmas. Commissioner Albers suggested January 7th or 8th. Commissioner Clark said she had heard when Mr. Porter thought the building would be done and what did Mr. Bowers think. Mr. Bowers said about December 15th. Commissioner Albers made a motion that the ribbon cutting be held on December 15th and the gala on January 8th. Commissioner Brach seconded the motion; discussion followed and Commissioner Albers changed the date to January 15th. The motion passed unanimously.

Mr. Bowers said Penner Construction was the low bidder on the airline ticket offices and bid award has been made. Frontier space #1 was \$65,073; Continental space #2, Transwestern space #3, and open space #4 for a total of \$106,827. Alternate one deleted batting insulation and #2 added spray on insulation (which was the original intent). United operations will be handled by Transwestern. Mr. Bowers said the cost to the Authority will be about \$112,000 (\$106,800 for spaces 2,3, and 4 plus \$5,500 for spray on insulation).

The FAA contract offer to lease the third floor on the same rate as the rest of the tower was considered. Commissioner White made a motion that the Board approve the lease with the FAA for the third floor space. Commissioner Brach seconded the motion which unanimously passed.

The Horizon Aviation audit has been completed. Cimmaron Aviation does the fueling and the auditors found two problems: 1) BLM was not charged fuel flow fee and Mr. Bowers recommended this not be collected retroactively but be charged from the audit date on; (2) A question regarding fuel delivery destination whether it was delivered to Walker Field or Crested Butte. Recommended that better delivery records be kept. Audit resulted in \$417 owing to the Authority.

Accounts payable were reviewed and accepted on a motion by Commissioner Barnett, seconded by Commissioner Albers and unanimously approved.

Accounts receivable and enplaned passenger reports were reviewed.

Cowden-Niehues presented their proposed advertising kiosks and display cabinets. The original contract guaranteed a \$34,000/yr. minimum; however, with a 50/50 split with the airport buying the first half of the units, the airport will initially receive only half that amount. Charges are based on a square footage rental. Commissioner Barnett said the advertising displays were a good thing and the Board informally agreed to let Cowden-Niehues proceed.

George Thompson from Coughlin and Co. made a presentation to the Board regarding a possible revenue bond issue. He said three months ago the airport could not have done a subordinate lien bond issue but can now with good feasibility study results. He then explained his role in airport financing and the Coughlin commitment letter. Initially, he was involved with negotiations with Bob Quimby and Mickey Moore at First National Bank. He prepared and had his staff type the initial income summary and statement used for First National Bank. Regarding the commitment letter, he stated it was his and Mr. Bowers' understanding that the commitment letter was required by United Bank of Denver, not Mesa United Bank. He would gladly withdraw the letter if it is not needed, but that does not mean Coughlin is not interested in buying the bonds.

Commissioner Barnett introduced Allen Heimer from Mesa United Bank and said Mr. Heimer had been invited to attend by himself and Commissioner White. Mr. Heimer had prepared a financial statement (attached to record). Commissioner White and Barnett thanked Mesa United Bank and said this is a landmark for a public body to use conventional lending. Commissioner White said of the \$2.3 million bond issue figured at 15%, which is tied to a reserve, the Board would have \$1.833 million. George Thompson said today's market is 11.5%. He also explained it was not worth the expense to try and rate a subordinate bond issue and a BA rating would be detrimental and the bonds would market better non-rated than with a poor rating. The 11.5% is conservative and a little high. Mr. Thompson recommended the Board tie the interest rates to allow planning and go to bond issue. He said a call provision in 7 or 8 years could be put in at 1%. Commissioner Brach asked if insured, would the interest rate be better and Mr. Thompson said the bond is currently uninsurable unless the city and county put \$700,000/year into a bond reserve fund. Commissioner White asked if there could be a five year call and Mr. Thompson said you would be looking at a 2% premium (7 years would be 1%, 10 years would be 0%). When he has all the information available, he would like to meet with the Board. Mr. Thompson said the primary concern is debt service coverage. Commissioner Clark asked if she could see a copy of the letter from AMBAC saying the Authority's bonds are not insurable.

said the issuance costs so far would be \$23,000 to bond counsel, Talmadge, Wallace and Hahn, and \$20,000 for the Fox feasibility study. He said on a \$2.3 million issue, the total cost including everything would be \$146,740. His October 7th letter has a cost breakdown. Commissioner Brach asked if that included the old \$16,000 debt from Fox & Co. and Mr. Thompson said it did. Commissioner Barnett made a motion that the manager be authorized to proceed with Coughlin and Co. for a \$2.5 million bond issue on an as-best-as-possible basis: Commissioner Albers seconded the motion which passed with Commissioner Clark voting against it.

The meeting adjourned at 9:00 a.m.