

Walker Field Airport Authority

Minutes of the Special Board Meeting

June 8, 1998

BOARD COMMISSIONERS PRESENT: Martin O'Boyle Robert McCormick
 Miles McCormack Charles Gillett
 Mike Sutherland Jim Richards
 Gary Morris

AIRPORT STAFF PRESENT: Corinne Nystrom Ted Balbier
 John Thomas Dennis Wiss
 David Anderson

ALSO PRESENT: Mark Ward, Dennis Crawford, Larry Kempton, Sr., Larry Kempton, Jr., Brenda Kempton, Betty Kempton, Jim Bjornestad, Jim Stafford, Ray Guziak, Marge Guziak, and Ralph Mulford of Kempton Air Services; Dr. Mel Leuc; Joseph Marie of Mesa Airlines; Al Acker; Ron Rouse of Colorado Airlines; and Doug Briggs, Authority Attorney.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:15pm.

II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published agenda. Commissioner Gillett moved to approve the agenda as submitted. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. KEMPTON AIR SERVICE HANGAR LEASE AGREEMENT

Chairman O'Boyle excused himself from any discussion or action relating to this Agenda item. He yielded the Chair to Vice Chairman McCormack.

Vice Chairman McCormack provided background information regarding the Kempton Air Services Hangar Lease Agreement issue. He noted that Commissioner Sutherland, other Board members and Staff have spent many hours working on alternatives for Kempton Air Services to remain on the Airport, and there was a proposal made by the Board last week to accommodate Kempton Air Services. However; Mr. Larry Kempton submitted a letter today which contained changes to the proposal. Vice Chairman McCormack stated that if the Board and Mr. Kempton can modify the memorandum of agreement, then they will do so tonight. If they cannot, then the Board will move on.

Vice Chairman McCormack indicated seven weeks have passed since the original notice was provided to Kempton Air Services that its lease would not be renewed by the Authority upon its expiration. Additionally, the Board and Staff have been working for two weeks to find a suitable on-airport location for Kempton Air Services to relocate. He stated that the Board needs to know whether two items in Mr. Kempton's letter are deal breakers or not. Specifically, Item B—requesting the Authority's approval of a sublease between Buescher Family Limited Partnership (BFLP) and Kempton Air Services; and Item D—requesting the Authority's approval of Kempton Air Services leasing a parcel adjacent to the Pfleider (Colorado Skunkworks) hangar which would include the Authority constructing improvements for Kempton.

Vice Chairman McCormack expressed concern over both of these items. Regarding the approval of the sublease, he stated that the Authority does not unreasonably withhold approval of subleases. However, the Board has not been provided with a copy of the sublease, and thus is reluctant to approve the sublease without receiving it first. The request for approval of Kempton Air Services' lease of the parcel adjacent to the Pfleider hangar also poses several problems. First, there are several other parties who expressed in writing their interest in leasing the parcel prior to the receipt of Mr. Kempton's counter proposal. To place Kempton Air Services ahead of the other parties who expressed their interest in writing previously would be unfair. Second, the Authority offered to advance \$20,000 for the building of an aircraft ramp for Kempton Air Services. However, that offer by the Authority was only intended for an area to the south of the existing Confederate Air Force hangar and not for the parcel being requested by Mr. Kempton.

Vice Chairman McCormack asked Mr. Kempton if Item B in his letter was a deal breaker. Mr. Kempton responded that he wanted to obtain from the Board a preliminary approval of his sublease.

Regarding Item D, Mr. Kempton stated that because he had been in negotiations with the Board for that parcel prior to the other two parties indicating their interest in the parcel in writing, he was told he would be given priority in that parcel. Commissioner Sutherland responded that Mr. Kempton was not told that he would receive priority status in obtaining that parcel, but rather there were several issues involved which may lend to Mr. Kempton receiving some priority over one or both of the interested parties. Authority Attorney Doug Briggs indicated that all three of the offers for the parcel could be considered from a legal perspective. Vice Chairman McCormack asked Mr. Kempton if Item D is a deal breaker. Mr. Kempton responded that Item D is a deal breaker.

Commissioner McCormick moved to give Kempton Air Services 30-days notice of termination of its Lease Agreement with the Authority, effective midnight tonight, and that rent be abated for the 30-day period. Additionally, all previous negotiations between the Board and Mr. Kempton are null and void, and if Kempton Air Services is interested in leasing any parcel on the airport, it must negotiate directly with Staff, as do all other tenants. Commissioner Richards seconded.

Commissioner Sutherland expressed disappointment that an agreement could not be reached between the Authority and Kempton Air Services. Vice Chairman McCormack thanked Commissioner Sutherland for all of the work he put into finding a solution for Kempton Air Services to remain on the airport. Commissioner McCormick stated that it is time to move ahead.

Mr. Kempton stated that one year ago, he was told that his lease would run its entire term. He did not state by whom he was told. He also said he was never opposed to Federal Express locating at Walker Field, and that he never contacted Federal Express. Mr. Kempton commented that he had done everything possible to find a reasonable solution to this issue.

Roll call: all ayes, except Commissioner Sutherland who voted against the motion. Motion carried. Vice Chairman McCormack returned the Chair to Chairman O'Boyle.

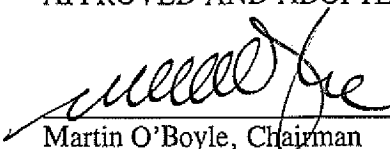
V. OTHER ITEMS

Manager Nystrom noted that Staff will have several land lease items to present to the Board at the June 16, 1998 Regular Board Meeting.

VI. ADJOURNMENT

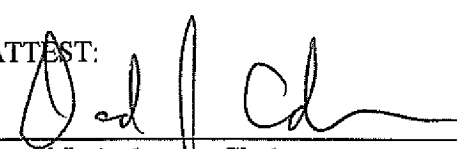
There being no further business to come before the Board, Commissioner Gillett moved to adjourn. Commissioner Richards seconded. The Commissioners adjourned the meeting at 5:34pm.

APPROVED AND ADOPTED THIS 21st DAY OF July, 1998.



Martin O'Boyle, Chairman

ATTEST:



David J. Anderson, Clerk