

Walker Field Airport Authority

Minutes of the Regular Board Meeting

September 15, 1998

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

AIRPORT STAFF PRESENT: Corinne Nystrom Dennis Wiss
 John Thomas Dan Reynolds
 David Anderson

ALSO PRESENT: Dave Naski of West Star Aviation; Angie Sidwell of Larry Cobb & Associates; Attorney Doug Allen and Richard Farabee of Farabee Adventures, Inc.; Joseph Marie of Mesa Airlines; and Authority Attorney Doug Briggs.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:19pm.

II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published Agenda. Manager Nystrom requested Discussion Item B- "F-14 Static Display;" Discussion Item C- "State CDAG Application;" and Discussion Item D- "October Board Workshop" be added after Discussion Item A.

Commissioner Sutherland moved to approve the Agenda as amended. Vice Chairman McCormack seconded. Voice vote: all ayes. The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Manager Nystrom distributed a letter to the Board which Staff received from Ruth Ann Chilton of Colorado Skunkworks regarding Consent Item C- "Termination of Ground Lease Agreement with Colorado Skunkworks." Commissioner Sutherland asked if the letter is sufficient to serve as a request by Colorado Skunkworks to terminate its lease with the Authority. Manager Nystrom responded that

Authority Attorney Doug Briggs would be in attendance later in the meeting, and this question could be posed to him at that time. The consensus of the Board was that the Consent Agenda would not be modified. However, if Attorney Briggs opined that the letter was not sufficient as a request for termination, then that Agenda item could be revisited. There were no other public comments or communications.

IV. CONSENT AGENDA

A. Minutes: August 18, 1998 Regular Board Meeting

B. Concession & Use Agreement with Alpine Bank for Terminal Building ATM Machine

Staff presented the Board with a proposed Concession & Use Agreement with Alpine Bank for the operation of an automated teller machine (ATM) in the terminal building by Alpine Bank. In July, 1997, the Authority solicited Requests for Proposals for the operation of an ATM in the terminal building. The Authority did not finalize an Agreement with the original respondent chosen to provide an ATM due to contractual differences and, at the Board's direction, terminated negotiations with this bank.

Since that time, Staff contacted the other three original respondents to inquire of their continued interest, if any, in operating an ATM in the terminal. One company did not respond. Of the remaining two companies that did respond, Alpine Bank and US Bank were provided with a copy of the proposed Concession & Use Agreement. US Bank submitted a counter-proposal to the Authority which was less favorable to the Authority than the terms offered by Alpine Bank. Consequently, Staff commenced negotiations for an agreement with Alpine Bank.

Alpine Bank has reviewed and returned a signed copy of a 5-year Concession & Use Agreement. The Authority would receive 6% of net income received from the ATM above \$10,001. Below this amount, the Authority would not receive any revenue. Due to the low projected usage of this machine, Alpine Bank did not believe revenue apportion was justified below this amount. The machine to be installed would be cash-dispensing only with no capability for deposits or other transactions. The machine would operate on all major banking networks, including Cirrus, VISA, and Plus. A transaction fee of \$1.50 per transaction would be charged to all non-Alpine Bank users. If the Agreement is approved by the Board, Alpine Bank personnel have indicated that, upon receipt of a signed Agreement from the Authority, installation of an ATM can take place in mid-to-late October of this year.

Staff recommended the Board approve the Concession & Use Agreement between Alpine Bank and the Authority for the installation and operation of an ATM in the terminal building, and requested that the Board authorize the Chairman to sign the Agreement on behalf of the Authority.

C. Termination of Ground Lease Agreement with Colorado Skunkworks

Staff presented the Board with a request by Colorado Skunkworks to terminate its existing Ground Lease Agreement with the Authority. Staff was approached by Colorado Skunkworks regarding the sale of its hangar to Larry and Ron Nunnery. In order for the Nunnery's to take possession of the hangar, it would be necessary to cancel the existing Agreement between Colorado

Skunkworks and the Authority. Although Ruth and Kent Pfleider were asked by Staff on several occasions to provide a written request for the cancellation (even though there is no provision in the current Agreement allowing the cancellation of the lease), a written request was not received until today. Thus the request was distributed to the Board members during Public Comments and Communications.

Staff recommended the cancellation of the existing Colorado Skunkworks Agreement even though the Agreement does not allow said cancellation. In doing so, the Authority can then consider the next Agenda item—Ground Lease Agreement with Larry and Ron Nunnery. Staff is attempting to work with Colorado Skunkworks on a new ground lease for the parcel of land located directly north of the existing Colorado Skunkworks hangar so that it may construct a new hangar facility.

D. Ground Lease Agreement with Larry & Ron Nunnery

Staff presented the Board with a proposed Ground Lease Agreement between the Authority and Larry Nunnery and Ron Nunnery. Larry and Ron Nunnery recently purchased the hangar formerly utilized by Colorado Skunkworks, L.L.C. located in the Runway 4/22 general aviation area to store and maintain its aircraft. This ground lease is based upon a boiler plate agreement and is consistent with leases currently in place for other tenants utilizing parcels located in the Runway 4/22 general aviation area. The Agreement would be for a 20-year term with a renewal provision of 10 additional years and would yield a monthly payment of \$66.97 until the next cost-of-living adjustment in April of 1999. The standard four (4) month security deposit will be required.

Staff recommended approval of the Ground Lease Agreement with Larry and Ron Nunnery and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority. Additionally, Staff requested the approval be contingent upon receipt of the security deposit outlined above, and an insurance certificate as required per the Agreement.

E. Utility Easement with Public Service Co. for Underground Electrical Service at Airport Authority Hangar

Staff presented the Board with a proposed Utility Easement to be granted to Public Service Co. for underground electrical service at the Authority-owned Hangar. During the renovation of the Authority Hangar, and prior to its use by FedEx, it was necessary to increase the size of the electrical lines running to the hangar from the area behind the Air Traffic Control Tower. Two options were available: 1) run the wire above ground, which would have required power poles leading to the hangar, or 2) go underground with the wire. Because the cost estimates for each option were essentially the same, and underground installation is aesthetically cleaner than above-ground installation, Staff made the decision to proceed with underground installation. The proposed Easement is similar to other easements signed by the Authority for Public Service Co.

Staff recommended the Board approve and grant the easement to Public Service Co. Staff also recommended that the Chairman be authorized to sign the easement on behalf of the Authority.

F. Resolution No. 1998-007 Amendment to Fees and Charges to Include Charges for Special Events

Staff presented the Board with proposed Resolution No. 1998-007: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado. At the August 18, 1998 Regular Board Meeting, the Board approved Resolution 1998-006: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado. The amended Fees and Charges document incorporated a new discounted monthly parking rate of \$100.00, modified the definition of signatory airline to include any airline which has a use and lease agreement with the Authority, and changed Airport Director references to Airport Manager.

Staff indicated that its goal is to develop the Fees and Charges document into a comprehensive unified document, incorporating all Walker Field Airport user and tenant fees and charges. Staff suggested that Resolution 1998-007 furthers this goal by including an additional section--§ IVD. Section IVD incorporates fees and charges assessed for the use of Authority facilities for special events. This policy for the usage of Authority facilities has been in-use for several years, but has not been formally adopted by the Board.

Staff recommended approval of Resolution 1998-007: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado.

G. Renewal of Memorandum of Understanding with Colorado Army National Guard to Utilize Airport Property for Training

Staff presented the Board with a proposed renewal of a Memorandum of Understanding (MOU) between the Authority and the Colorado Army National Guard (COARNG) to utilize Airport property for training purposes. In August 1997, an MOU was entered into between the Authority and COARNG to utilize the Authority-owned property east of the Airport for communications training exercises. This MOU was for the time period of October 1, 1997 through September 30, 1998. The COARNG requested to renew the MOU with the Authority and to utilize this property from October 1, 1998 through September 30, 1999.

The COARNG communications exercises consist of the construction of a mobile antenna and communications equipment which are then used to transmit and receive data to and from Montrose. The COARNG personnel use military vehicles for access to this area and mark off the area they are using to prevent accidental trespass onto the land while they are training. The COARNG requested another one-year MOU so that they can have access to the land without having to come to the Authority each time they need to utilize the area. The COARNG also plans to use this parcel for communications in the event of an area-wide disaster or emergency.

Staff recommended approval of the one-year Memorandum of Understanding between the Colorado Army National Guard and the Walker Field Airport Authority for the use of the Authority property located north of I-70 near 31 and G Roads and that the Chairman be authorized to sign the Memorandum of Understanding on behalf of the Authority.

H. Resolution 1998-008: Corporate Resolution to Borrow Through Line of Credit at Mesa National Bank

Staff presented the Board with proposed Resolution 1998-008: Corporate Resolution to Borrow. At the July 8, 1998 Special Board Meeting, the Board approved obtaining a \$100,000 Line of Credit from Mesa National Bank to be used as a back-up source of financing for various Airport improvement projects if cash flow necessitates its use. The Authority executed most of the necessary documents to establish the Line of Credit, including the Promissory Note, Business Loan Agreement, and Disbursement Request and Authorization.

In addition to the documents referenced above, Staff submitted the Authority's existing Banking Resolution. However, after further review, Mesa National Bank indicated that the Authority's Resolution does not afford Mesa sufficient protection. Because of this concern, Mesa is requesting the Authority execute the Corporate Resolution to Borrow.

The Corporate Resolution to Borrow was reviewed by Authority Attorney Kirk Rider, and was found to provide adequate protection for the Authority. Additionally, Mesa National Bank indicated that the Corporate Resolution to Borrow is the only remaining item needed by Mesa National Bank for the Line of Credit.

Staff recommended that the Board adopt Resolution 1998-008: Corporate Resolution to Borrow, and that the Chairman, one other Commissioner, and the Airport Manager be authorized to sign the Resolution on behalf of the Authority.

Vice Chairman McCormack moved to approve the items on the Consent Agenda. Commissioner McCormick seconded. Roll call: all ayes. Motion carried.

V. FINANCIAL REPORT

A. July, 1998 Financial Statements/Accounts Receivable Report

Manager Nystrom updated the Board regarding the July, 1998 Financial Statements. Revenues year-to-date are 9% over budget and up 2.4% compared to year-to-date revenues last year. Most of the revenue line items are either exceeding or tracking closely to what was budgeted. Rental car revenues are greatly exceeding what was budgeted.

Manager Nystrom noted that Staff is monitoring the unrestricted cash and investments very closely, especially in light of expenditures for the Runway 11/29 litigation and several capital projects.

On the Statement of Operations, line item expenses are under budget, except for Administration, which is over budget, primarily because of marketing costs, Staff overtime which has been paid due to the heightened activity at the Airport, and attorneys' fees.

Commissioner Richards inquired whether the Administration attorneys' fees include the Runway 11/29 litigation attorneys' fees. Manager Nystrom responded that attorneys' fees for the Administration category includes all attorneys' fees, except for Runway 11/29 litigation attorneys'

fees. She commented that Staff is preparing a breakdown of attorneys' fees. Chairman O'Boyle questioned whether the Board even needed to receive the attorneys' fees breakdown. Commissioner Sutherland recommended that Staff need not provide the Board with a detailed breakdown, but Staff should bring to the attention of the Board any item which warrants review. Manager Nystrom commented that the Authority law firm of Younge & Hockensmith has been doing a great job, and has been very responsive to the Authority's requests.

Overall, she noted that Income to Retained Earnings is looking good. However, the Retained Earnings will be used to pay for runway litigation expenses, retirement of the bonds, and other projects.

Commissioner Sutherland moved to acknowledge receipt of the July, 1998 Financial Statements. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

B. Request by Thunder Mountain Ground Services for Reimbursement for Costs Incurred in Relocation to First ATO

Staff presented the Board with a request by Thunder Mountain Ground Services for reimbursement for its costs incurred in relocating to the 1st Airline Ticket Office (ATO). In May of 1998, Thunder Mountain Ground Services moved its operations from the 3rd ATO to the 1st ATO. This move took place after Air Wisconsin/United Express requested to utilize all of the space in the 3rd ATO. In order to facilitate this move, as well as Air Wisconsin's move into the 3rd ATO, the Board approved \$4,000 for renovation costs. This amount was utilized for the remodeling of offices and ticket counters, construction and finishing of office walls, carpeting, etc. in the 1st and 3rd ATOs. Manager Nystrom noted that the total costs of the relocations did not exceed the \$4,000 limit previously appropriated by the Board.

Thunder Mountain presented Staff with receipts for equipment that Thunder Mountain installed above and beyond what the Authority provided, and has asked for reimbursement in the amount of \$691.89 for these items. Thunder Mountain also requested reimbursement for \$694.63 in labor costs incurred during the installation of these items. All labor was provided by Thunder Mountain personnel. The total amount of reimbursement requested is \$1,386.52. Items installed include a baseboard, countertop, sink unit, and wall-mounted cabinets, all of which replaced existing units that were operational, but which had depreciated due to wear and tear over the years.

Commissioner McCormick inquired whether Thunder Mountain had spoken with Staff prior to incurring these expenses. Staff responded that Peg Wallace, Owner of Thunder Mountain, had contacted the Authority to let Staff know Thunder Mountain would be making these modifications to the 1st ATO. However, Staff did not make any promises to Thunder Mountain regarding the reimbursement of these costs.

Staff recommended that the Board appropriate \$1,386.52 for the equipment installed in the 1st ATO in the Thunder Mountain offices plus labor costs. Historically, the Authority has not paid for labor costs incurred by tenants. However, had the Authority installed the fixtures, staff labor costs would have been incurred. Approval of reimbursement for the labor costs would not be a reflection of a new policy, but rather would serve as just compensation to Thunder Mountain for it relocating in order to accommodate a new tenant. Additionally, if the Board approved reimbursement, Staff would draft a letter accompanying the check to Thunder Mountain

confirming that all items for which reimbursement is made are now the property of the Authority and will remain in the 1st ATO after Thunder Mountain's lease expires.

Vice Chairman McCormack moved to reimburse Thunder Mountain Ground Services \$1,386.52 for the equipment installed in the Thunder Mountain offices plus labor costs. Commissioner Sutherland seconded.

Commissioner McCormick recommended that if a situation arises like this again, the tenant should have conversations with Staff in advance of performing the repairs or modifications for which reimbursement is requested. Commissioner Richards asked if Staff needed policy guidance regarding this issue. Manager Nystrom commented that the existing policy contained in tenant Agreements is that leasehold improvements are generally to be paid by the tenant, and expenses involved in an Authority-required move from one leasehold to another are generally paid by the Authority.

Voice vote: all ayes. Motion carried.

VI. ACTION ITEMS

A. Request by Farabee Adventures, Inc. to Sell Service Area Improvements to Non-Rental Car Operator

Staff presented the Board with a request by Farabee Adventures, Inc. d/b/a Budget Rent-A-Car for a variance for Farabee Adventures to sell its former service area improvements to a non-rental car operator. If approved, the request would allow Farabee Adventures, Inc. to sell its improvements and fixtures located at the Budget Rent-A-Car service area to a third party, other than a rental car company, with the condition that it be only to a third party who is operating on the Airport with an agreement with the Authority.

Staff recommended the Board grant a variance to Farabee Adventures, Inc. that is consistent with the current On-Airport Rental Car Concession Agreement which allows the Concessionaire an additional sixty (60) day period to sell its improvements at the service area and allows it to sell the improvements at the service area to an outside party not involved in a rental car concession, with the condition that the non-rental car operator third party must remove said improvements and fixtures from the service area, and Farabee Adventures shall restore the service area to good condition and repair. The recommendation was contingent upon Farabee Adventures, Inc. providing a current performance bond for its Off-Airport Rental Car Agreement as was required prior to the Staff presenting this request to the Board.

Manager Nystrom commented that if the variance is granted there are two improvements which would need to be removed—the actual service building itself and an above-ground fuel storage unit. Regarding the fuel tank, Staff recommended that either Farabee Adventures, the 3rd party purchaser, or the Authority conduct a Phase I environmental assessment of the site to check for possible contaminants prior to approval of the variance. Commissioner Sutherland inquired whether Farabee Adventures' variance request is different than the variance recommended by Staff. Staff answered that Farabee Adventures requested that it be allowed to sell its improvements to a 3rd party who has an existing agreement with the Authority, and that the 3rd party be allowed to use the improvements in-place (without removal from the service area). Staff,

on the other hand, recommended that if the variance is granted, that the improvements be removed from the service area.

Doug Allen, Attorney for Farabee Adventures, Inc., expressed concern that requiring the removal of the improvements would substantially reduce the value of those improvements.

Staff noted that the improvements have been fully depreciated. Thus at the time the improvements revert to the Authority, the Authority would not owe Farabee Adventures any compensation for the improvements. Commissioner Morris asked how many other entities have owned these improvements. Manager Nystrom responded that the facilities have been owned by 4 or 5 entities, all of whom have been Budget Rent-A-Car franchisees. Chairman O'Boyle inquired why Staff recommended a different variance than the variance requested by Farabee Adventures. Manager Nystrom stated that Staff is concerned about the land being used in a manner which is incompatible with the Master Plan because it does not know with whom Farabee Adventures is negotiating to sell the improvements. Additionally, Staff expressed concern that since land is becoming limited at the Airport, rental car service area land should be preserved for its original purpose.

Mr. Allen stated Farabee Adventures would be amenable to complying with compatible land use recommendations imposed by the Authority. Commissioner Richards asked if time is of the essence on this issue. Richard Farabee of Farabee Adventures responded that if the improvements are not sold to a 3rd party, then Farabee Adventures will lose all of the money it spent on purchasing the improvements from the prior service area lessee. Commissioner Sutherland asked where Farabee Adventures is currently servicing its vehicles. Mr. Farabee commented that Farabee Adventures is operating at the Ramada Hotel, and is utilizing a local car wash to clean its vehicles. However, Farabee Adventures does not currently have its own service facility.

Commissioner Sutherland asked if Farabee Adventures could possibly utilize its former on-Airport service facility. Staff responded that Attorney Briggs would need to review this possibility to ensure that this would not violate the Authority's existing concession agreements with the on-Airport rental car operators. Attorney Briggs questioned whether Farabee Adventures had received any offers for its improvements. Attorney Allen stated there have been no reasonable offers—Thrifty, for example, offered Farabee Adventures only \$15,000. He noted that Thrifty's offer was not firm. Commissioner Sutherland recommended exploring the possibility of allowing Farabee Adventures to lease the service area and improvements through April 30, 2003, at which time the service area lease would expire.

Chairman O'Boyle asked whether the Board wishes to affirm that the service area at issue continue to be designated as a rental car service area, or whether an alternative use be considered. Commissioner McCormick expressed his reluctance at changing the classification of this service area to a different type of use because of the amount of thought and time which has already been spent on determining the appropriate land use for each parcel on the Airport as contained in the Authority's Master Plan.

Mr. Allen stated that Farabee Adventures would be interested in withdrawing its request for the variance if the Authority would allow it to use the service area for its off-Airport rental car service facility through April 30, 2003. Chairman O'Boyle stated that Attorney Briggs would review Commissioner Sutherland's proposal to allow Farabee Adventures to utilize the service

facility, and asked how much more time the Board has to review this issue. Manager Nystrom commented that the Authority has already allowed Farabee Adventures more time to find a purchaser of the improvements than what was allowed under its on-Airport Agreement. Thus providing extra time to review Commissioner Sutherland's recommendation should not be a problem. Attorney Briggs stated that technically the improvements have already reverted to the Authority.

Vice Chairman McCormack moved to allow 30 days for Attorney Briggs to review the feasibility of allowing Farabee Adventures to utilize the service area and improvements for its off-Airport rental car operations. Commissioner McCormick seconded.

Chairman O'Boyle requested that Staff also develop a recommended lease term and conditions of termination for the use of the service area.

Voice vote: all ayes. Motion carried.

B. Request by Federal Aviation Administration for Funding to Extend VOR Easement Agreement

Manager Nystrom commented that Action Item C- "Request for Funding for Airport Site Evaluation for Offset Localizer/LDA" would also tie-in to this issue, and recommended that Action Items B and C be combined. The Board concurred.

Staff presented the Board with a request by the Federal Aviation Administration (FAA) for funding to extend the term of the existing Fruita VOR Easement Agreement. In an effort to provide additional time to find solutions to the issues surrounding the Fruita VOR, the FAA's Regional Office in Seattle was able to convince the owners of the property upon which the VOR is located to extend the existing Easement Agreement, under revised conditions, until May 31, 1999. The cost of the revised Agreement through the lease period is \$22,600. The FAA requested that the Authority participate in 50% of the cost of the extended Agreement.

Additionally, considering the implications related to installing an offset localizer, the corresponding cost to the Authority, and the uncertainty of funding sources, Staff believed it would be prudent to bring in a person experienced in this field, outside of the FAA, to take an objective look at the situation and provide additional information to the Authority regarding this option. Staff contacted John McPherson of Aviation Systems Maintenance, Inc. (ASMI). Mr. McPherson provided a brief written proposal and cost estimate.

Manager Nystrom provided the Board with additional background information. Following the September 1, 1998 Board Workshop, Staff had additional discussions with FAA officials in Denver and Seattle. She noted that the FAA indicated it would like to explore the possibility of assisting the Authority in obtaining an offset localizer to serve as a back-up in place of the Fruita VOR. However, the FAA indicated it would not provide any funding for the localizer. Instead, it would provide an antenna array (a component of the localizer) and provide approximately \$50,000 of engineering services for the installation of the equipment, to be reimbursed by the Authority at a later date. Once the localizer is operational, the FAA indicated it would maintain the equipment. Manager Nystrom stated she would attempt to obtain a written statement from the FAA outlining its promise to maintain the localizer.

Manager Nystrom commented that Staff made a request of the FAA Denver Airports District Office (ADO) for the Authority to use a portion of its Entitlement Funds (the Authority receives approximately \$715,000 annually) for the project. However, the Denver ADO stated it would object to the use of the Entitlement Funds for this purpose. The reasons given were that the localizer is a backup localizer and it is not a primary navigational aid.

Manager Nystrom stated that one possible source of funding could come from the Colorado Division of Aeronautics in the form of a grant. If this option is pursued, the Authority would need to amend its CDAG application, previously submitted as a request for funding of general aviation improvements. However, the Division of Aeronautics has indicated that it has limited funds available, and neither the localizer nor the general aviation improvements are considered to be top-priority projects by the Aeronautics Division.

Chairman O'Boyle asked what the total estimated costs will be for the Authority to obtain an offset localizer. Manager Nystrom responded that based on the information which Staff has available, the estimated costs would be \$200,000. Chairman O'Boyle also inquired whether the FAA would accept any engineering work performed by ASMI. Staff stated that the Authority would incur FAA oversight costs during the project regardless of whether the FAA or an independent firm provides the engineering work.

Commissioner Sutherland asked if the FAA's offer of providing an antenna array was contingent upon the Authority installing an offset localizer, or whether the array could be stored by the Authority for a later use. Manager Nystrom commented that the FAA did not specifically address that issue. However, based on Staff's discussions with the FAA, the Authority's receipt of the array would be contingent upon the Authority obtaining all of the other necessary components for an offset localizer. Commissioner Morris asked what the chances are that the Authority would have to fund the entire project. Manager Nystrom recommended that the Authority proceed conservatively as if it would have to fund the entire project.

Chairman O'Boyle inquired whether ASMI's analysis would address whether or not an offset localizer is needed, and its feasibility and suggested location. Staff noted the analysis would provide both the feasibility and estimated costs of a localizer. Commissioner Morris asked if the air carriers could reimburse the Authority for the costs associated with the localizer. Manager Nystrom commented that the revenues being derived from the air carrier users are being used to pay-off the revenue bonds used for constructing the terminal. Once the bonds are paid-off, either the rates could be lowered, or the rates can remain unchanged. If unchanged, the money that had been used to pay-off the bonds can then be used for needed infrastructure improvements which benefit the airlines, including the installation of the offset localizer.

Manager Nystrom stated that Skywest Airlines and Thunder Mountain have both expressed the importance of having a back-up localizer. Skywest had even stated that it would be willing to defer some non-safety related capital projects which benefit the airlines in order to have the localizer. Manager Nystrom commented that the Aeronautics Division stated that the Authority did not need to make a decision whether to pursue funding for the general aviation improvements or the offset localizer until the date of the grant hearings. However, the Authority would need to notify the Aeronautics Division as soon as possible if it would be interested in this possibility.

Staff recommended that the Board authorize Staff to revise the Authority's CDAG Application to request funding for an offset localizer, and that the Board appropriate not more than \$11,300 of the stated cost of the extended Easement Agreement for the Fruita VOR site.

Commissioner McCormick moved to appropriate \$11,300 as the Authority's participation in the cost of the extended Easement Agreement for the Fruita VOR site, that \$1,400 be authorized for an analysis of the offset localizer to be performed by ASMI, that Staff notify the Aeronautics Division of its interest in submitting a CDAG request for funding of the offset localizer, and that Staff notify the Aeronautics Division in October, just prior to the grant hearings, as to which project the Authority seeks funding. Commissioner Morris seconded.

Commissioner Richards commented that it appears the FAA will not provide any funding for this project, and the FAA is squeezing the airlines into switching to global positioning system (GPS) equipment.

Voice vote: all ayes. Motion carried.

C. Request for Funding for Airport Site Evaluation for Offset Localizer/LDA

This item was discussed and acted upon in Action Item B- "Request by Federal Aviation Administration for Funding to Extend VOR Easement Agreement."

D. Marketing Consulting Services Agreement with Larry Cobb & Associates

Staff presented the Board with a proposed Letter of Agreement between the Authority and Larry Cobb & Associates for marketing, advertising, and public relations consulting services. At the June 16, 1998 Regular Board Meeting, Staff presented a request to the Board to advertise a Request For Proposal (RFP) for a marketing, advertising, and public relations consultant. Five firms responded to the RFP. Staff interviewed three of the prospective firms—Larry Cobb & Associates, Foster Communication, and Ryan, Whitney, & Company.

After interviewing the three firms, Staff discussed the issue of Marketing consulting with the Board at the August 31, 1998 Board Workshop. During the workshop, the Board restated its belief that marketing of the Airport is important. In light of the Board's positive feedback, Staff presented a proposed Letter of Agreement between the Authority and Larry Cobb & Associates—the marketing firm Staff believes is best qualified to work with the Authority on marketing projects (with the exception of cargo development/marketing, which will remain with Fred Ford as needed). The Letter of Agreement would be in effect for the remainder of 1998, and would include \$3,000 of services (approximately 57 hours) from Larry Cobb & Associates.

Staff noted that the following projects would be included for 1998—the initial design of a Walker Field Airport web site and preliminary work on the "Fly Grand Junction" Program. Commissioner Sutherland recommended wording the Agreement so that its term is the later of December 31, 1998 or the completion of the two specified projects. Staff responded that the term of the Agreement itself is not necessarily through December 31, 1998. However, the \$3,000 would be spent in 1998. Thus the Agreement would be in effect until cancellation by either party upon 30 days' notice. Manager Nystrom added that the "Fly Grand Junction" Program is a result of suggestions received from several Airport tenants.

Chairman O'Boyle asked what the web site would contain. Angie Sidwell of Larry Cobb & Associates answered that the site would be designed in separate stages—the site would be functional at each stage. Several Board members provided input for use in designing the site. Commissioner McCormick asked what Staff hopes to have accomplished at the end of the initial \$3,000 of services. Manager Nystrom stated that by the end of 1998, Staff would like to present a "Fly Grand Junction" Program plan to the Board. Commissioner McCormick also asked if Staff is still intending to request a marketing Staff position in 1999. Manager Nystrom responded affirmatively.

Staff recommended the Board approve the Letter of Agreement between the Authority and Larry Cobb & Associates contingent upon Authority Attorney Doug Briggs's review and that the Chairman be authorized to sign the Agreement on behalf of the Authority.

Commissioner Sutherland moved to approve the Letter of Agreement between the Authority and Larry Cobb & Associates contingent upon Attorney Doug Briggs's review and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner McCormick seconded.

Commissioner McCormick expressed concern that there was no specific Scope of Work within the Letter of Agreement, and suggested that Scopes of Work in all future contracts for services should be more specific.

Voice vote: all ayes. Motion carried.

E. Request for Qualifications for Terminal Building Aesthetics and Interior Design

Staff presented the Board with a proposed Scope of Work and Request For Qualifications (RFQ) for the aesthetics and interior design study of the Terminal Building. The Board has expressed a desire to have an outside consultant review and evaluate the aesthetics and interior design of the Terminal Building, and appropriated \$5,000 in the 1998 Budget for a consultant to make preliminary recommendations for aesthetic improvements.

Commissioner McCormick asked if Staff needed action on this issue. Manager Nystrom requested that the Board provide feedback regarding the Scope of Work and whether the Board has any objections to Staff proceeding to publish the RFQ. The consensus of the Board was that the Scope of Work was consistent with the wishes of the Board, and that Staff should proceed with the RFQ.

No action was taken by the Board pertaining to this Agenda item.

F. Funding for Air Carrier Ramp Concrete Pads

Staff presented the Board with a request to replace a small portion of the east asphalt air carrier ramp with concrete pads near the heavy aircraft parking position. Federal Express commenced service on September 1, 1998, utilizing a portion of the air carrier ramp for its B727 aircraft operations. To load/unload its containers from the aircraft, Federal Express utilizes a 60,000 pound loader. The loader is causing rutting to the existing asphalt surface.

Staff consulted with Isbill Associates and Federal Express regarding this issue. The recommended corrective measure is to replace a small portion of the asphalt ramp with concrete pads near the

aircraft parking position. The estimated cost of constructing the concrete pads sufficient to support the loader could be as much as \$20,000.

This portion of the air carrier ramp is scheduled for rehabilitation in the year 2000. Thus any replacement of the existing asphalt with concrete would hopefully reduce the cost of rehabilitating that portion of the ramp.

Vice Chairman McCormack asked how Federal Express could be accommodated during the installation of the pads. One option is for Federal Express to temporarily move its operations 100 feet to the west of its existing operations. However, this area also contains asphalt and rutting may occur. The second option would be for Federal Express to relocate its operations temporarily to the de-icing pad. Because the curing time for the concrete would only be approximately 7-10 days, Federal Express could move back to its original location prior to the use of the deicing pad for deicing operations.

Commissioner Morris asked if Federal Express will pay for a portion of the concrete pads. Staff responded that Federal Express did not respond to the suggestion of reimbursement. Commissioner Morris stated he would like to see Federal Express be placed on notice that it has damaged a portion of the non-exclusive air carrier ramp. The consensus of the Board was to put this project out to bid.

No action was taken by the Board pertaining to this Agenda item.

G. Runway Litigation Update (Executive Session)

The Board relocated this Action Item to Other Items B.

VII. DISCUSSION ITEMS

A. City/County Planning Review Process Review

Staff provided the Board with a draft Planning Review Process Worksheet used by Authority Staff in formulating recommendations for City and County planning agencies when reviewing proposed developments. Staff commented that Manager Nystrom and Dennis Wiss, Manager of Operations and Planning will be meeting with Mesa County representatives and Mike Drollinger of the City of Grand Junction to discuss the review process.

Chairman O'Boyle requested clarification of the 3rd paragraph of page 2 of the document and recommended that this paragraph be reworded. Additionally, Chairman O'Boyle recommended defining some of the terms be contained in the Worksheet, such as areas of influence, critical zone, and noise contours. Commissioner Sutherland recommended developing a pamphlet for members of the general public which would include maps with contours and boundaries.

Chairman O'Boyle inquired if this issue will be placed on the Agenda for the Joint City of Grand Junction/Mesa County Meeting with the Authority so that inconsistencies within the Authority, City, and County plans can be discussed. The consensus of the Board was to utilize Staff's document for the Joint City/County Meeting.

Chairman O'Boyle commented that the Authority is trying to enforce federal guidelines for noise mitigation, and unless the City and County also adopt these standards, the Authority is left on its own. Commissioner Richards stated that the Authority merely makes recommendations to the City and County.

Commissioner McCormick cautioned that the Authority's document and recommendations should not become too specific, i.e. recommending different types of building materials. He recommended placing homeowners and developers on "notice" only. Commissioner Sutherland suggested including references to federal noise mitigation standards in the Authority's recommendations.

Commissioner Sutherland recommended asking the City and County to include "aviation easements" as a part of the "Urban Growth Boundary" on page 6, that there be consistency on page 3 between the City policy of allowing low-density development and the Authority's policy of recommending against such development, and also on page 3 that "attitude" be changed to "altitude." The consensus of the Board regarding the Authority's document was to include additional headings and bullets, delete editorial comments, and develop a document to distribute to the general public. Additionally, the Board requested that a final review be performed at a subsequent Board workshop. Commissioner Morris recommended inserting "other air traffic" into the middle paragraph on page 3 after "low speed."

VIII. OTHER ITEMS

A. PAPIs on Runway 11 & 4

Staff updated the Board regarding the precision approach path indicators (PAPIs) installed on runways 11 and 4. The PAPIs were certified by the FAA three weeks ago and are now operational.

B. F-14 Static Display

Staff updated the Board regarding a proposed F-14 Static Display which would be acquired with the assistance of Doug Thompson of West Star Aviation. Staff sent a Letter of Interest to the military, in addition to a Form 7460 to the FAA (regarding height restrictions). The FAA has completed the 7460 review, and has raised no objections to the display. Staff requested feedback whether or not to pursue the acquisition of the F-14.

Chairman O'Boyle asked if acquiring the F-14 is contingent upon Mr. Thompson constructing a restaurant at the location where the F-14 would be displayed. Manager Nystrom noted that the plans for the restaurant have not been finalized. The consensus of the Board was to postpone acquiring the aircraft until the Authority is assured that Mr. Thompson would assist in maintaining the aircraft and a site plan is finalized.

C. State CDAG Application

This issue was discussed and acted upon as Action Item B- "Request by Federal Aviation Administration for Funding to Extend VOR Easement Agreement."

D. October, 1998 Board Workshop

Staff requested input regarding the preparation of the Agenda for the October, 1998 Board Workshop. Manager Nystrom commented that Staff held a general aviation tenant meeting yesterday to discuss various issues. At that meeting, West Star Aviation offered an invitation to members of the Board to tour its facilities. Additionally, Manager Nystrom noted she would be attending a CAO Conference in Denver on October 6th unless the Board requested otherwise. Thus she would be unable to attend the October, 1998 Board Workshop unless it is rescheduled. The consensus of the Board was to reschedule the October, 1998 Board Workshop to a date to be determined, and to schedule a tour of the West Star Aviation facilities on a different date.

E. Runway Litigation Update (Executive Session)

Vice Chairman McCormack moved to enter into Executive Session to discuss the applicable item on the Agenda. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 9:00pm.

Commissioner McCormick moved to exit Executive Session. Vice Chairman McCormack seconded. Voice vote: all ayes. Motion carried.


The Board exited Executive Session at 9:36pm.

Commissioner Sutherland moved to appropriate an additional \$25,000 for Runway 11/29 litigation costs. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.


IX. ADJOURNMENT

There being no further business to come before the Board, Commissioner McCormick moved to adjourn the meeting. Commissioner Morris seconded. Unanimously carried. The meeting was adjourned at 9:36pm.

APPROVED AND ADOPTED THIS 20th DAY OF October, 1998.



Martin O'Boyle, Chairman

ATTEST


David J. Anderson, Clerk