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**Grand Junction Regional Airport Authority Board  
Board Meeting and Workshop  
Meeting Minutes  
July 21, 2015**

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**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

Mr. Rick Wagner, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:29 PM on July 21, 2015 in Grand Junction, Colorado and in the County of Mesa.

**Present:**

*Commissioners Present:*

Rick Wagner, Chairman  
Steve Wood, Vice Chairman  
Paul Nelson  
Dave Murray  
Rick Taggart

*Other:*

Bill Marvel, GJAUTA  
Shannon Kinslow, TOIL  
Brad Barker, Citizen

*Airport Staff:*

Ben Johnson, Interim Airport Manager  
Victoria Villa, Clerk  
Amy Jordan  
Ben Peck  
Ty Minnick  
Austin Fay  
Chance Ballegeer  
Brian Harrison

**II. Approval of Agenda**

**III. Conflict Disclosures**

Chairman Wagner - None  
Commissioner Wood – Hangar Owner  
Commissioner Nelson - None  
Commissioner Murray – None  
Commissioner Taggart - None

#### **IV. Commissioner Comments**

Chairman Wagner commented and said that he was reading the newspaper and there was something that struck him as not being really as he understood it, and that was that acting City Manager Moore seemed to indicate that they had no idea of what was going on with their proposal to the airport regarding working out something with the administration building and having them have some sort of presence in there. Chairman Wagner said that he would let Commissioner Taggart address this.

Commissioner Taggart said that he thinks Mr. Moore has been thrown into a very difficult situation and he is trying to come up to speed on a variety of subjects, and unfortunately the statement he made is not accurate. Commissioner Taggart said that John Shaver, City Attorney, is very much in the loop in terms of the progress that is being made on this particular subject. Commissioner Taggart said that he makes certain at all City Workshops and City Council Meetings to make clear what progress is being made as well as a little brief summary. Commissioner Taggart said that he was a little troubled as well but he also understands that Mr. Moore is trying to get his arms around a lot of things very quickly.

Commissioner Wagner said that he understands that some people that use to be at meetings aren't there anymore but they are making progress and tonight they are talking about some engineering reports they had done to finalize something that the City wanted to do to make sure the structure is sound and if there were problems that they had some idea of how much it would cost to fix it.

Interim Airport Manager, Ben Johnson said that the land release that they did to release the five parcels out in front of the terminal from aeronautical use, they have received that signed and executed.

Mr. Wagner said that they wanted to release those parcels so they could move forward with the commercial development and any other inquiries, but like every part of the airport the FAA has approval over what happens there.

Mr. Johnson said that right before this meeting they held the first of four meetings on the environmental assessment (EA) and it went well, the EA is necessary for the transfer of BLM land for the new runway. They have two more meetings tomorrow and one more on Thursday. Ms. Jordan said that the public comment period is open until August 3<sup>rd</sup> for this project.

Mr. Johnson said that he and Ms. Jordan met with the administrative officer with the TSA and they discussed the possibility of TSA consolidating some of their office space. They are downsizing and are freeing up about half of the third floor. Mr. Johnson said that they are interested in doing that and taking out a portion of their lease hold and giving it back to the

Airport Authority so that would give the Authority a more permanent office in the terminal. Mr. Johnson said that they are working on the process, they have to go through GSA so that can take some time.

#### **V. Citizen Comments.**

None.

#### **VI. Consent Agenda**

##### **A. June 16, 2015 – Regular Board Meeting Minutes**

Commissioner Wood gave a few typo corrections.

*Commissioner Nelson made a motion to approve the June 16, 2015 Regular Board Meeting minutes with the appropriate corrections. Commissioner Murray seconded. Voice Vote. All Ayes.*

#### **VII. Discussion Items**

##### **A. Financial Update**

Mr. Ty Minnick briefed the Board. Mr. Minnick said that June was a very good month, they were ahead of budget for the month compared to budget and prior year. Mr. Minnick said that year-to-date is still down which is tracking with enplanements and the main reason for them to be off on year-to-date revenue is due to the cost of fuel and the related revenue. PFC's continue to be down a little bit year-to-date but for the month of June they were up 7%. Operating expenses are still less than budget so that is consistent throughout the year. Mr. Minnick said that their year-to-date enplanements variance percentage is approaching zero compared to prior year. The month of June was 6% ahead of last year and was their best month since July 2012 and it was mainly due to The Allegiant flight to LA brought in an additional 1,300 seat capacity. Mr. Minnick presented a slide that was requested last month which showed a five year average of enplanements compared to the 2015 actual and it tracks pretty much along the average except for June which was a really strong month.

##### **Discussion:**

Commissioner Wood said they really appreciate the good work from Mr. Minnick and the Finance and Audit Committee.

##### **B. Security Solutions Committee Update**

Commissioner Wood briefed the Board. Commissioner Wood said that since the last update they had a scheduled walk through by the TSA which was postponed from the 14<sup>th</sup> until the 20<sup>th</sup> and two TSA representatives from Denver did show up and were here for about three hours. Commissioner Wood said that it was safe to say that the summary that he got from those who was there for the duration of the time, they felt like it was a little more non-commitment and more layers were peeled back. Commissioner Wood said that this afternoon one of the folks that

was here called back over asking for yet a few more tweaks to their ASP amendment and they haven't had much time to discuss that but they feel like they may be done amending their ASP. Reportedly it will be taken to a meeting with the acting Federal Security Director, who is the person with signatory authority, tomorrow.

Discussion:

None

### **C. Airport Manager Selection Committee Update.**

Commissioner Murray briefed the Board. Commissioner Murray said that they have had their public meetings a couple of weeks ago to give the candidates the opportunity to interact with the public. Commissioner Murray said that their next step is to conduct the background checks on the candidates, then they will call a special meeting within the next week or so if the Board agrees to that in order to do the selection vote.

### **D. Joint Use Fire Station Feasibility Study**

Mr. Johnson said that last week he and Ms. Jordan met with Fire Department Chief Watkins and a couple of other people to bring back up to the table of exploring a joint City/Airport fire station and discuss any grant opportunities that might be available to help fund a design or feasibility of such a station. Mr. Johnson said that the City is in need of a north area fire department and it would be a good use of grant money for the airport as well. Mr. Johnson said that what they ended up deciding on was to pursue a DOLA grant to do a feasibility study on the joint use station. The study among other things will look at what's the best location for both the city and the airport, what does the design need to look like to satisfy both entities needs, how will the funding work etc. The City will manage the application process and the grant but they have requested a letter of support from the Authority Board. Mr. Johnson said that they think they would ask for a grant for about \$50,000, which would be a 50% match grant so the City would take ¼ and the airport would take the other ¼ to make the half match.

Discussion:

Chairman Wagner asked when they needed the letter by.

Mr. Johnson said that they don't have one drafted yet so they were hoping to discuss it tonight and bring a drafted one to the next meeting or special meeting.

Chairman Wagner said that would be fine as long as there is not a pressing time for the grant.

Mr. Johnson said that they can apply for the DOLA grant at any time.

### **E. FAA Part 139 Certification Inspection**

Mr. Johnson briefed the Board. Explained what Part 139 is. Mr. Johnson said that it's basically all of the rules telling them how to run the airport and every year they have an inspection on Part 139 and how they are complying with the FAA's requirements. Mr. Johnson said that this year's

inspection took place on June 25<sup>th</sup> & 26<sup>th</sup>. They have not received a letter of corrections yet but they know three items that will be on it because it was discussed at a debrief. Two of them have to do with the self-serve aircraft fueling station, it had the incorrect fire extinguisher and it was missing a sign and those two items have already been resolved. The other item that will be on that letter to correct is that the FAA employees with movement area access failed to complete required annual drivers training but it is the airport authority's responsibility to provide that training to them. Mr. Johnson said that they discussed wildlife and the FAA is interested in having the airport finish the north side perimeter fencing to help with wildlife issues.

Discussion:  
None.

#### **F. Hotel Development Update**

Ms. Jordan briefed the Board. Ms. Jordan said that a couple of months ago they advertised an intent to lease on the 30+ acres that they have landside that they just received a release from the FAA on and from that intent to lease they did receive one proposal from Steve and Kevin Reimer who are local hotel developers. Ms. Jordan said that since then they have had a few discussions regarding terms of what that ground lease might look like and as of last week, Mr. Steve Reimer indicated that they would like to postpone the development on airport property for a few months because they are curious to see how the event center down town is going to pan out. Mr. Steve Reimer indicated to Ms. Jordan that they would know if that was going to come to fruition sometime in September and if it was not they would like to move forward discussing the ground lease with the airport.

Discussion:

Commissioner Taggart said that he is concerned about the time table because there is a study right now going on about parking and they have heard back from the hockey league that there would be a franchise available to Grand Junction but there is a huge unknown. Commissioner Taggart said that depending on which level, that's between a 48million and a 60million project and the funding for that project would have to go to the citizens of this community and will be have to weigh against a lot of other priorities including Horizon Dr., North Ave. and Las Colonias Park etc. Commissioner Taggart said that he thinks they should let the Reimer brothers know that that's probably not a three month decision.

#### **VIII. Action Items**

##### **A. Resolution 2015-006: Amended Fees and Charges**

Mr. Minnick briefed the Board. Mr. Minnick said that at the last meeting fuel purchase increase from \$.25 to \$1.00, was discussed, which basically gives them the ability to be more in line with the local gas prices.

Discussion:

Commissioner Nelson asked if they go from \$.25 to \$1.00 then that would be the range that Mr. Minnick would work in.

Mr. Minnick confirmed that the range would be \$0.00 to \$1.00.

Mr. Minnick said that as far as fuel flowage fees, there was some confusion after last month's meeting as to what gets charged and what doesn't get charged, so he clarified the language to basically mean that commercial airlines are excluded including FedEx.

Mr. Johnson said that they did run into one Part 121 operator that is paying fuel flowage fees but that is contractually obligated.

Mr. Minnick said that based on last month's discussions, some language was clarified in the lease rate section. "Current airside leases entered prior to June 1 will retain the base lease rates as adjusted" and "New Leases entered after June 1 will have a rate of \$.18 per sq. ft. per year or as determined by the Board."

Mr. Minnick said that the last change was made to the parking violations section. Mr. Minnick said that he took out all of the "violations" and just kept the "parking violation" and "handicap parking violation" and reduced the fees to be consistent with the City's parking violation fees. Mr. Minnick said that they have had a lot of upset people because of how high the fee is, so this is a better "slap on the wrist".

Mr. Johnson said that they have been ticketing a lot more with the new security guards and they have had a lot of kick back from people and some of the fines are pretty steep. Mr. Johnson said that they surveyed the City just to see what their parking violation fees look like.

Mr. Minnick said that this isn't exactly what the City does but it's pretty close and maybe this way they will have a lot more just pay it than try to fight it.

*Commissioner Wood made a motion to that the Board approve Resolution 2015-006: Amended Fees and Charges as presented. Commissioner Taggart seconded. Roll Call Vote. Commissioner Wood: Aye, Commissioner Wagner: Aye, Commissioner Nelson: Aye, Commissioner Murray: Aye, Commissioner Taggart: Aye. Motion carries.*

#### **B. Armstrong Consultants Pay Request**

Mr. Johnson briefed the Board. Mr. Johnson said that Armstrong has submitted monthly billing for work completed on the 2015 AIP projects. The invoices are for work done in May. Mr. Johnson and Mr. Austin Fay reviewed the invoices and met with Armstrong to get some questions answered and they concur that the work that they say has been completed has been completed and that the invoices are accurate. Staff recommends that the Board approve the payment of the invoices totaling \$190,082.50.

Discussion:

None.

*Commissioner Nelson made a motion that the Board approve the Armstrong pay request totaling \$190,082.50. Commissioner Murray seconded. Voice Vote. All Ayes.*

### **C. Xcel Easement Request**

Ms. Jordan briefed the Board. This topic was discussed in the May and June Board Meetings. Ms. Jordan said that, in summary, Excel has requested an extension of their current easement on some property that the airport owns that sits on 23 & L rd. Ms. Jordan said that there was some discussion at the previous Board meeting in regards to the amount that Excel should compensate the airport in consideration for the easement and in 1997 they compensated the airport \$2000 in consideration for that easement. Ms. Jordan said that she has gathered amounts that Mr. Ben Wegener has spent dealing with this matter as well as staff time so they just carried it over to \$2000 which will cover their cost. Ms. Jordan said that they have commissioned an appraisal with Arnie Butler and they started on that about a week ago, just in anticipation of possible sale of the property. Ms. Jordan said that she and Mr. Johnson went and met with the property owners because there was some concerns about the access across the airport's property on to their property.

Mr. Johnson summarized that conversation. Mr. Johnson said that the property owner use to be a tenant here on the airport. Mr. Johnson said that he has been using the road to access their property in the back and has been using that road for 22 years, he put all of the rock and improved the road as well. Mr. Johnson said that he was understanding of their concerns of not having any agreement in place but he does desire to keep accessing that road and he is willing to sign some kind of agreement and is interested in purchasing the property even with the easement on it. Mr. Johnson said that Mr. Wegener is working on a license agreement so that they could continue to allow them to use the road. Mr. Johnson said that he has been taking care of the road therefore they see no reason not to continue letting him to use the road or disposing/selling of the property if they are interested. Mr. Johnson said that because it is on the ALP it is federally obligated land so they are required to sell it for at least fair market value unless they hold an auction.

*Commissioner Wood made a motion that the Board approve the lease to Excel as presented for the easement on the property. Commissioner Nelson seconded. Voice Vote. All Ayes.*

### **D. Small Community Air Service Development Program**

Ms. Jordan briefed the Board. Ms. Jordan said that the Department of Transportation provides an opportunity for small communities to compete for grant dollars to improve air service and the program is called the Small Community Air Service Development Program. Ms. Jordan said that the order was released two days after the June 16<sup>th</sup> Board meeting and the application is due tomorrow. Ms. Jordan said that they have been working diligently to pull the application together, there has been a number of meetings with steak holders and they have formed an air service alliance and that includes the Grand Junction Economic Partnership, GJ Chamber,

Airport staff, Visitor and Convention Bureau. Ms. Jordan said that there has been a lot of work to get support for the initiative. Ms. Jordan said that she wanted to get the Boards approval on the grant application. The goal of this grant is to acquire direct year round service to a hub west of Grand Junction, preferably Los Angeles. Ms. Jordan said that they have penciled in the airport to support this initiative with \$10,000 in cash that would go towards the marketing program and \$108,000 in fee waivers which includes fee waivers for the first 12 months of service. Ms. Jordan said that they anticipate hearing sometime in the fall if they were successful with the grant.

**Discussion:**

Mr. Johnson said that there is really broad support for this, a lot of people have come forward very quickly in support of this idea.

Commissioner Wood asked if there was significant change to this application vs. the applications they have done in the past.

Ms. Jordan said no the only major difference was in the action plan, they have never applied for or considered a revenue guarantee and then figuring out who is going to be responsible for what component.

*Commissioner Wood made a motion for the Board to approve the submission of the 2015 SCASD Grant Application and to authorize the Interim Airport Manager to sign the application. Commissioner Nelson seconded. Voice Vote. All Ayes.*

**E. PH, LLC (West Star) Lease Agreement**

Ms. Jordan briefed the Board. Ms. Jordan said that back in March of 2014, they did a handful of different surveys and assignments of leases to carve out the parcel that the paint hangar sits on. Ms. Jordan said that that lease was executed with PH LLC. and they would like to assign that lease to a company called Store Master Funding.

**Discussion:**

Commissioner Murray said that it would be good to know a little more about who Store Master Funding is and to make sure they actually have assets.

Chairman Wagner said that it would be good to at least get some kind of statement of good standing for their company.

Ms. Jordan said that they do intend to sub-lease it back to West Star but she will get more information on them.

*Item tabled.*

**IX. Motion into Executive Session**



Mr. Bill Taylor, outside council for the Airport Authority, proposed to the Commission that the ground for moving into executive session be amended to include a different subsection of *Section CRS§24-10-402* and that so in total the grounds to move into executive session be:  
*Pursuant to CRS§24-10-402 (4) (b) & (c) to discuss and consider an investigation, pending litigation and to consider matters required to be kept confidential pursuant to Federal Statute, an order of the United States District Court for the District of Colorado. All of this in accordance with article VI paragraph II of the United States Constitution.*

*Commissioner Wood made a motion that the Board goes into executive session per the citations that Ms. Taylor has recited. Commissioner Nelson seconded. Voice Vote. All Ayes.*

The Board adjourned into executive session at 6:47PM

**X. Adjourn Executive Session**

**XI. Any other business which may come before the Board**

**XII. Adjourn**

*Commissioner Wood moved to adjourn. Commissioner Nelson seconded. Voice Vote. All Ayes.*

The Board meeting adjourned at 10:36PM.

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Rick Wagner, Board Chairman

**ATTEST:**

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Victoria Villa, Clerk to the Board