



# Board Packet

Regular Board Meeting

*June 18, 2019*

**Grand Junction Regional Airport Authority**



**Date: June 18, 2019**

**Location:**

GRAND JUNCTION REGIONAL AIRPORT  
2828 WALKER FIELD DRIVE  
GRAND JUNCTION, CO 81506  
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM

**Time: 5:15 PM**

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**REGULAR MEETING AGENDA**

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- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Commissioner Comments**
- V. Citizens Comments**

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please fill out a comment card prior to the meeting. If you have a written statement for the Board, please have 10 copies available and give them to the Executive Director who will distribute them to the Board. The Board Chairman will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chairman, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

**VI. Discussion Items**

- A. 2018 Draft Audit Presentation \_\_\_\_\_ 1
- B. At-Large Commissioner Application Update

**VII. Consent Agenda**

The Consent Agenda is intended to allow the Board to spend its time on the more complex items on the agenda. These items are perceived as non-controversial and can be approved by a single motion. The public or Board Members may ask that an item be removed from the Consent Agenda and be considered individually.

- A. May 21, 2019 Meeting Minutes \_\_\_\_\_ 2

B.	FAA Grant Awards _____	3
C.	Terminal Flooring Design Task Order _____	4
D.	Fog Seal Contract Approval _____	5
E.	General Aviation Pavement Repair _____	6

**VIII. Action Item**

A.	Hotel Shuttle Rates / Resolution No. 2019-004 _____	7
B.	Small Community Air Service Development (SCASD) Grant Application _____	8

**IX. Staff Reports**

A.	Director's Report (Angela Padalecki)	
B.	Operations Report (Mark Papko)	
C.	Finance and Activity Report (Sarah Menge) _____	9
D.	Facilities Report (Ben Peck)	
E.	Project Report (Eric Trinklein)	

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

**XI. Adjournment**

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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TOPIC:	2018 Draft Audit Presentation		
PURPOSE:	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input type="checkbox"/>
RECOMMENDATION:	Following the presentation of the DRAFT report from Plante Moran, staff recommends Board complete a final review of the 2018 Audited Financial Statements.		
SUMMARY:	<p>Included in the board packet is an overview of the audit provided by Plante Moran during their presentation of the financial statements to the Finance and Audit Committee.</p> <ul style="list-style-type: none"><li>- Plante Moran is anticipating issuing an unmodified opinion.</li><li>- There were no material weaknesses identified</li><li>- There were no findings in the Single Audit over the PFC or AIP Grant Revenues that were reported.</li><li>- No financial statement adjustments were identified during the audit that required posting to the financial statements.</li><li>- The auditors are recommending that the bank reconciliations completed by the Director of Finance be reviewed by a member of the Finance and Audit Committee – we are in the process of implementing this recommendation.</li></ul> <p>The Airport staff and the Finance and Audit Committee have reviewed the initial draft and provided recommended changes to wording.</p> <p>The full audit will be made available following the presentation from Plante Moran. We will request formal approval of the audit at the July meeting so that it may be submitted to the state auditor's office.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	Plante Moran Audit Committee Presentation		
STAFF CONTACT:	Sarah Menge 970-248-8581 <a href="mailto:smenge@gjairport.com">smenge@gjairport.com</a>		

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# Presentation to the Audit Committee— Grand Junction Regional Airport Authority

June 2019



# Discussion Outline

- Status of Audit
- Results of Audit
- Review of financial statements
- Required Communications
- Independence Communication
- Service and Fee Summary



# Status of Audit

- Plante Moran has completed our audit of the financial statements of Grand Junction Regional Airport Authority (the “Authority”) for the year ended December 31, 2018. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- We issued an unmodified opinion on the financial statements.
- The objective of our audit was to obtain reasonable—not absolute—assurance about whether the financial statements are free from material misstatement.
- All records and information requested by us were available for our inspection.
- Management and other personnel provided full cooperation
- Based on the amount of expenditures and federal awards during the year, an audit of federal expenditures was required to be performed.
- We also performed certain procedures over Passenger Facility Charges (“PFCs”) and the Airport Improvement Program (Federal Aviation Administration grant).



# Results of Audit

We have reviewed the accounting practices, which include policies, estimates, and financial statement disclosures, related to the following areas of focus:

Primary Area of Focus	Procedures and Findings
<b>Revenue Recognition</b>	<ul style="list-style-type: none"><li>• Obtained revenue recognition memo describing each type of revenue stream to gain an understanding of the authorities various revenue streams.</li><li>• Tested a sample of revenue transactions by agreeing to cash receipt documentation and related invoice or agreement as applicable.</li><li>• Analytically tested 2018 revenues as a percentage of various key performance indicators.</li><li>• Obtained and tested the future lease revenues schedule</li></ul>
<b>Accounts Receivables and Allowances</b>	<ul style="list-style-type: none"><li>• Performed testing on AR balances through subsequent cash receipt reviews</li><li>• Tested the aging to assess the need for an allowance for doubtful accounts.</li></ul>
<b>Capital Assets</b>	<ul style="list-style-type: none"><li>• Obtained a rollforward schedule of capital asset balances from January 1, 2018 through December 31, 2018.</li><li>• Agreed the rollforward schedule of capital assets to supporting detailed schedules.</li><li>• Selected a sample of capital asset additions during the year to vouch to supporting documentation.</li><li>• Tested depreciation expense analytically and through recalculation.</li></ul>
<b>Accounts Payable and Accrued Expenses</b>	<ul style="list-style-type: none"><li>• Tested actual expenditures subsequent to year-end to support year-end accruals.</li><li>• Reviewed other supporting documentation as considered necessary.</li></ul>





# Results of Audit

We have reviewed the accounting practices, which include policies, estimates, and financial statement disclosures, related to the following areas of focus:

Primary Area of Focus	Procedures and Findings
<b>PFC Program</b>	<ul style="list-style-type: none"><li>• Reviewed and tested the PFC schedule and activity in the PFC program in 2018 in accordance with the PFC Audit Guide issued by the Federal Aviation Administration.</li><li>• Testing included recalculation of PFC charges, revenue remittances, and allowability of disbursements.</li></ul>
<b>Single Audit</b>	<ul style="list-style-type: none"><li>• Reviewed and tested the Authority's schedule of expenditures of federal awards.</li><li>• The Authority qualified as a low-risk auditee</li><li>• Tested compliance with the requirements of the Federal Aviation Administration grant Airport Improvement Program CFDA #20.106. Testing included focusing on the following compliance areas: Allowable activities, period of performance, procurement, suspension and debarment, reporting, cash management, matching wage rate requirements, and revenue diversion.</li><li>• Using sampling methodology for compliance testing, we tested 17 transactions which represented approximately \$8.8M or 87% of total expenditures in 2018 (including federal, state, and local share).</li><li>• Selected and tested eight reimbursement requests covering approximately \$2.8M.</li><li>• Selected and tested two contracts awarded representing \$1.7M.</li><li>• Obtained and reviewed various financial and performance reports prepared and submitted during 2018.</li></ul>



# Financial Statement Overview

- Statement of Net Position
  - Total assets: \$95.2 million, an increase of \$13.5 million compared to prior year
    - Current assets increase by \$4.1 million caused by increases in grants receivable
    - Non-current assets increased by \$9.3 million largely caused by an increase in capital assets driven by higher AIP activity in the current year
    - Total liabilities: \$30.8 million, an increase of \$3.7 million compared to prior year
    - Current liabilities increased by \$5.1 million due to increases in accounts payable related to capital assets
  - Total net position: \$64.3 million, an increase of \$9.0 million



# Financial Statement Overview

- Statement of Revenue, Expenses and Changes in Net Position
  - Total operating income (before depreciation) – \$1.9 million, a decrease of \$146,000 over prior year.
  - Total change in net position – \$9.2 million, an increase of \$5.7 million from prior year
    - Aeronautical revenues were up \$135,000 over prior year and non-aeronautical revenues were up \$11,000. Increases in rental cars and other terminal revenue were offset by a decrease in parking/ground transportation.
    - Operating expenses were up \$292,000 from prior year. Personnel compensation and benefits was up \$129,000 (non-cash PERA adjustments).
    - Non-operating revenue (expenses) and capital contributions – \$11.4 million, an increase of \$5.9 million over prior year
    - Capital contributions (grant income) up by \$5.0 million from prior year due to increased AIP activity
    - Interest expense reduction of \$670k due to 2007 Series bond refunding in prior year



# Financial Statement Overview

## Other changes in current year financials

- Implementation of GASB 75 in current year
  - Establishes standards for recognizing and measuring liabilities related to other post employment benefits
  - As a result of implementation, net position as of January 1, 2018 has been restated by a net of \$209,262
  - See footnote 13 for change in accounting principal; Footnote 12 for enhanced footnote disclosures; and required supplemental information for additional reporting requirements mandated by this standard
- Single year presentation of financial statements (versus 2-year/comparative in prior year)
- Capital contributions are now shown in a separate section after non-operating, as required by GASB 34
- Lease deposits (approx. \$165k) previously recognized as restricted assets are now presented as unrestricted
- GASB 87 will be required to be implemented for year ended December 31, 2020



# Required Communications

## Internal Control Over Financial Reporting

In conjunction with our audit of the financial statements of the Authority, we considered the Authority's internal control over financial reporting ("ICFR") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's ICFR. In addition, our consideration of ICFR was not designed to identify all deficiencies in ICFR that might be significant deficiencies or material weaknesses. Accordingly, we do not express an opinion on the effectiveness of the Authority's ICFR. However, we are required to communicate, in writing, to management and those charged with governance all material weaknesses and significant deficiencies that have been identified during our audit.

Category	Definition
<b>Material Weakness</b>	A deficiency, or a combination of deficiencies in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis.
<b>Significant Deficiency</b>	A deficiency, or a combination of deficiencies, in ICFR that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Authority's financial reporting.
<b>Control Deficiency</b>	A deficiency in ICFR exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

In conjunction with our audit, we did not identify any deficiencies in ICFR that we consider to be material weaknesses.



# Required Communications

**Report on Compliance with Requirements Applicable to Federal Programs and on Internal Control Over Compliance in Accordance with the Applicable Audit Guides**

**PFC Program and Internal Control Over Compliance in Accordance with the PFC Audit Guide for Public Agencies**

## **Opinion on Compliance**

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the PFC Program for the year ended December 31, 2018.

## **Internal Control Over Compliance**

Our consideration of internal control over compliance was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

**Airport Improvement Program and Internal Control Over Compliance in Accordance with Uniform Guidance**

## **Opinion on Compliance**

**In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Airport Improvement Program for the year ended December 31, 2018.**

## **Internal Control Over Compliance**

**Our consideration of internal control over compliance was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.**





# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Authority:

Requirement	Discussion Points
<b>Auditors' judgment about the quality of the Authority's accounting policies, estimates, and financial statement disclosures</b>	In accordance with applicable accounting standards, we reviewed the quality of the Authority's financial reporting, which includes the Authority's significant accounting practices, estimates, and financial statement disclosures.
<b>Critical accounting policies and practices</b>	The significant accounting policies used by GJRAA are described in Note 2 to the financial statements. As described in Note 2, the Authority changed accounting policies with the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, related to the recognition of the postemployment benefits other than pensions (OPEB) liability for the proportionate share of the liability. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.
<b>Adoption of a change in accounting principle</b>	None
<b>Material corrected misstatements brought to the attention of management by the auditors</b>	There were no material corrected misstatements brought to the attention of management by the auditors.



# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Authority:

Requirement	Discussion Points
<b>Unrecorded misstatements, other than those the auditors believe to be trivial</b>	There were no uncorrected misstatements outside of those the auditors believe to be trivial.
<b>Disagreements with management</b>	There were no disagreements with management on financial accounting and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a modification of our auditors' reports.
<b>Consultations with other accountants</b>	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
<b>Major issues discussed with management prior to retention</b>	We generally discuss a variety of matters, including the application of accounting principles and accounting standards, with management prior to acceptance as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Authority:

Requirement	Discussion Points
<b>Significant difficulties encountered during the audit</b>	There were no significant difficulties encountered during the audit.
<b>Fraud and potential illegal acts involving senior management and those that cause a material misstatement of the financial statements</b>	During the course of our audit, we did not become aware of any illegal acts or fraud committed by the Authority's management or its employees.
<b>Representations requested from management</b>	We request certain representations from management, which are included in the management representation letter.
<b>Other issues arising from the audit the auditors consider significant and relevant to those charged with governance</b>	There were no other issues arising from the audit that we consider significant and relevant to those charged with governance.
<b>Material alternative accounting treatments discussed with management</b>	There was no discussion with management concerning alternative accounting treatments.



# Other Recommendations

## ***Bank Reconciliations***

During our review of cash controls, we noted that there is no formal review of bank reconciliations. The individual performing cash account reconciliation functions (Director of Finance) has access to post journal entries and has some access to cash, which can be a potential segregation of duties issue. However, we noted that the following mitigating/compensating controls are in place:

- Director of Finance can only authorize expense up to \$5,000
- Does not have signing authority on any accounts
- Cannot transfer money to accounts outside of the Authority
- Does not have any cash receipting abilities
- Cannot enter any receivable-related entries
- All other entries require separate approval
- Board performs monthly review of financial reports that would include cash activity

Based on the controls in place, we do not believe the lack of a formally documented review of bank reconciliations to be a reportable control deficiency. While there are mitigating/compensating controls in place, we would recommend a formal review process of the monthly bank reconciliations take place along with appropriate documentation.



# Independence Communication

Board of Commissioners  
Audit and Finance Committee  
Grand Junction Regional Airport Authority  
Grand Junction, Colorado

To the Board of Commissioners and the Audit and Finance Committee:

We confirm we are independent of Grand Junction Regional Airport Authority in compliance with Rules of the Colorado State Board of Accountancy, the AICPA's *Code of Professional Conduct*, and Government Auditing Standards.

This letter is intended solely for the use of the Audit and Finance Committee and members of the Board of Commissioners in your consideration of our independence as auditors and should not be used for any other purpose.

Plante Moran LLP

June 18, 2019  
Denver, Colorado



# Service And Fee Summary

We have previously issued engagement letters to or obtained formal pre-approval from management and the Audit and Finance Committee for certain services. These services are summarized below:

<b>Previously Approved by the Finance Committee</b>	<b>Estimated Fees/Billing</b>	<b>Current Year to Date</b>	<b>Remaining to be Billed</b>
<b>Financial Statement Audit</b>	\$39,500	\$39,500	\$0
<b>Out-of-Pocket Costs (Travel)</b>	As incurred	\$3,374	TBD





Thank you for the opportunity to serve as your auditors!

**Lisa Meacham CPA , Audit Partner**

Plante Moran, 8181 E. Tufts Ave., Suite 600, Denver, CO 80237

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[rumzei.abdallah@plantemoran.com](mailto:rumzei.abdallah@plantemoran.com)



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**Grand Junction Regional Airport Authority Board**  
**Regular Board Meeting**  
Meeting Minutes  
May 21, 2019

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**REGULAR BOARD MEETING**

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**I. Call to Order**

Mr. Tom Benton, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on May 21, 2019 in Grand Junction, Colorado and in the County of Mesa.

<p><b><u>Commissioners Present:</u></b> Tom Benton (Chairman) Chuck McDaniel (Vice-Chairman) Erling Brabaek Thaddeus Shrader Clay Tufly Ron Velarde</p> <p><b><u>Airport Staff:</u></b> Joseph Burtard (Clerk) Karl Hanlon (Counsel) Aaron Morrison Angela Padalecki (Executive Director) Ben Peck Eric Trinklein</p>	<p><b><u>Guests:</u></b>  Shannon Kinslow, TOIL Joe Vaccarelli, Daily Sentinel</p>
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**II. Pledge of Allegiance**

**III. Approval of Agenda**

*Commissioner Tufly moved for the agenda to be approved. Commissioner Shrader seconded. Voice Vote. All Ayes.*

**IV. Commissioner Comments**

*Commissioner Rick Taggart was thanked for his service on the Grand Junction Regional Airport Authority Board.*

**V. Citizen Comments**

*No citizen comments were made.*

**VI. Consent Agenda**

- A. April 16, 2019 Meeting Minutes
- B. HUB Insurance Contract
- C. GMF Investments, LLC. Ground Lease Changes
- D. Tower Cab Glass Replacement
- E. Airfield Painting

*Commissioner McDaniel moved to adopt the Consent Agenda. Commissioner Tufly seconded. Voice Vote. All Ayes.*

**VII. Action Items**

Airport Insurance Policy

*Commissioner Brabaek moved to approve the 2019-2020 renewal of property and casualty insurance brokered by HUB International. Estimated premiums totaling \$103,060. Commissioner Velarde seconded the motion. Voice Vote. All Ayes.*

**VIII. Staff Reports**

- A. Director's Report (Angela Padalecki)
- B. Operations Report (Angela Padalecki)
- C. Finance and Activity Report (Angela Padalecki)
- D. Facilities Report (Ben Peck)
- E. Project Report (Eric Trinklein)

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

*No other business was discussed.*

**X. Adjournment**

*Commissioner Tufly moved for adjournment. Commissioner Brabaek seconded. Voice Vote. All Ayes.*

The meeting adjourned at approximately 6:22 PM.

*Audio recording of the complete meeting can be found at [https://gjairport.com/Board\\_Meetings](https://gjairport.com/Board_Meetings)*

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Tom Benton, Board Chairman

**ATTEST:**

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Joseph R. Burtard, Clerk to the Board

# Grand Junction Regional Airport Authority

## Agenda Item Summary

TOPIC:	FAA Grant Offers and Co-Sponsorship Agreements																		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>																
RECOMMENDATION:	Staff recommends Board authorization to execute the FAA Grant Offers and the Co-Sponsor Agreements.																		
LAST ACTION:	The Board approved the Airport’s AIP grant applications for these projects.																		
DISCUSSION:	<p>The Grand Junction Regional Airport Authority (Authority) began a multi-year program in 2016 to relocate the primary runway. The relocation is intended to minimize impacts to community air service while modernizing the runway, originally constructed in 1958. The projects are listed on the Authority’s approved Airport Layout Plan and Capital Improvement Plan. The grant awards must be approved by Grand Junction City Council and Mesa County Commissioners as well as the Airport Board.</p> <p>This grant will provide funding for construction of security fence, perimeter road, the airfield lighting control system, remove unused pavement, and design of the Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) through a Reimbursable Agreement with FAA Air Traffic Organization (FAA ATO). The budget for the grant will include the following items:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Project Administration</td> <td style="text-align: right;">\$25,248.04</td> </tr> <tr> <td>Reimbursable Agreement – FAA ATO</td> <td style="text-align: right;">\$28,566.67</td> </tr> <tr> <td>Bidding – Mead and Hunt</td> <td style="text-align: right;">\$30,168.40</td> </tr> <tr> <td>Construction Administration – Mead and Hunt</td> <td style="text-align: right;">\$876,508.80</td> </tr> <tr> <td>Base Construction Schedule – Kirkland</td> <td style="text-align: right;">\$4,443,219.75</td> </tr> <tr> <td>Access Control - Securitas</td> <td style="text-align: right;">\$26,843.90</td> </tr> <tr> <td>Temporary Power Service</td> <td style="text-align: right;">\$25,000.00</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>\$5,455,555.56</b></td> </tr> </table> <p>For administrative efficiency the entire Task Order with Mead and Hunt is included for a total amount of \$1,291,835.30. This assumes that the additional construction schedules will be awarded at a later date. Notice to Proceed for the additional Mead and Hunt work items</p>			Project Administration	\$25,248.04	Reimbursable Agreement – FAA ATO	\$28,566.67	Bidding – Mead and Hunt	\$30,168.40	Construction Administration – Mead and Hunt	\$876,508.80	Base Construction Schedule – Kirkland	\$4,443,219.75	Access Control - Securitas	\$26,843.90	Temporary Power Service	\$25,000.00	<b>Total</b>	<b>\$5,455,555.56</b>
Project Administration	\$25,248.04																		
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Access Control - Securitas	\$26,843.90																		
Temporary Power Service	\$25,000.00																		
<b>Total</b>	<b>\$5,455,555.56</b>																		

	will only be provided contingent upon funding for the respective work is subsequently awarded by the FAA and approved by the Authority Board.
REVIEWED BY:	Staff and legal counsel have reviewed these grants and agreements and recommend the documents be executed.
FISCAL IMPACT:	<p>Federal AIP Grants - \$ 4,910,000*</p> <p>GJRA Match - \$545,556 budgeted amount</p> <p>Total - \$5,455,556</p> <p>Additional Construction Administration for \$415,326.50. Work schedules anticipated to be funded 90% by FAA. Notice to Proceed contingent upon additional funding.</p> <p>*subject to the availability of Federal funds</p>
ATTACHMENTS:	<ol style="list-style-type: none"> <li>1. Grant Offer 3-08-0027-062-2019</li> <li>2. Co-Sponsorship Agreement (City of Grand Junction &amp; Mesa County)</li> </ol>
STAFF CONTACT:	<p>Eric Trinklein</p> <p><a href="mailto:etrinklein@gairport.com">etrinklein@gairport.com</a></p> <p>Office: 970-248-8597</p>

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Terminal Flooring Design Task Order
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approval of the Contract for FCI to provide Terminal Flooring Design
LAST ACTION:	FCI was selected as an on-call general contractor during the November 2018 regular Board Meeting
DISCUSSION:	<p>Current projections show the Terminal Renovation Project coming in about more than \$300,000 under budget with contingency. Based on the projected savings staff recommends beginning work to replace flooring in the public areas of the first and second levels of the main Terminal. The existing materials have been durable, however, the use of the terminal including wayfinding has changes since the 1982 original installation. Additional benefits include not only the aesthetic appearance, but also noise reduction in the large atrium.</p> <p>This task order will provide interior finish palette and material standards as well as develop drawings to enhance wayfinding in the Terminal. An additional task order will need to be developed and budget will need to be defined for the installation once the design is complete.</p>
REVIEWED BY:	Legal counsel and Executive Director.
FISCAL IMPACT:	Design Proposal: \$29,246 Additional Review Budget: \$5,000 <b>Total NTE: \$34,246</b>
COMMUNICATION STRATEGY:	NA
ATTACHMENTS:	Fee Proposal
STAFFCONTACT:	Eric Trinklein <a href="mailto:etrinklein@gairport.com">etrinklein@gairport.com</a> Office: 970-248-8597



Grand Junction Regional Airport  
 Flooring Replacement  
 Grand Junction, CO



FCI Preconstruction Proposal

PO Box 1767

Date

5/31/2019

Grand Junction, CO 81506

- SCOPE:** Provide design and preconstruction/estimating services for new flooring at all public spaces of the Grand Junction Regional Airport, approximately 36,850 sf located at the Grand Junction Regional Airport in Grand Junction Colorado. Agreement will be based on the AIA 141.
- EXCLUSIONS:** Design Contingency. Surveying and geotechnical investigation/report. Environmental assessment. Engineering services for Civil, Landscape/Irrigation, Structural, Mechanical, Electrical and Fire Sprinkler. Structural revisions/repairs to the existing building. This proposal does not contain any planning/development or building permit fees, these will be accounted for in the construction estimates as they are prepared or paid direct by Owner. Owner to provide property insurance and builders risk. FCI will provide general liability insurance and professional liability during construction.
- Billing Procedure** Billing will occur at the end of each month as the work is completed on behalf of the Owner. Payment terms are net 30.

**Concept Planning & Schematic Design**

Development of an interior finish palette and material standards, initial floor plans will be provided, and a budgetary estimate and schedule will be developed.

Preconstruction Services	\$	1,983
Estimating & Scheduling	\$	991
Architectural Concept Planning – Gensler	\$	-
Architectural Design – Gensler	\$	-
Architectural Design - Blythe Group	\$	2,870
Gensler, Blythe & FCI Reimbursables	\$	750
Fee @ 7%	\$	462
<b>TOTAL CONCEPT/SD COSTS</b>	<b>\$</b>	<b>7,055</b>

**Design Development**

Design Development will provide progress drawings with development of flooring patterns utilizing the agreed upon finish palette and supporting an improved passenger experience through intuitive wayfinding. Updated budgetary estimate and schedule will be provided.

Preconstruction Services	\$	1,983
Architectural Design – Gensler	\$	-
Architectural Design - Blythe Group	\$	4,784
Gensler, Blythe & FCI Reimbursables	\$	750
Fee @ 7%	\$	526
<b>TOTAL DESIGN DEVELOPMENT COSTS</b>	<b>\$</b>	<b>8,043</b>

**Construction Drawings**

Construction Drawings phase will provide 100% complete documents to competitively bid all subcontractor trades. At the completion of this phase FCI will seek approval of a Guaranteed Maximum Price to proceed into construction. Construction Administration will also be provided to include site visits, submittal reviews, RFI responses and punch list.

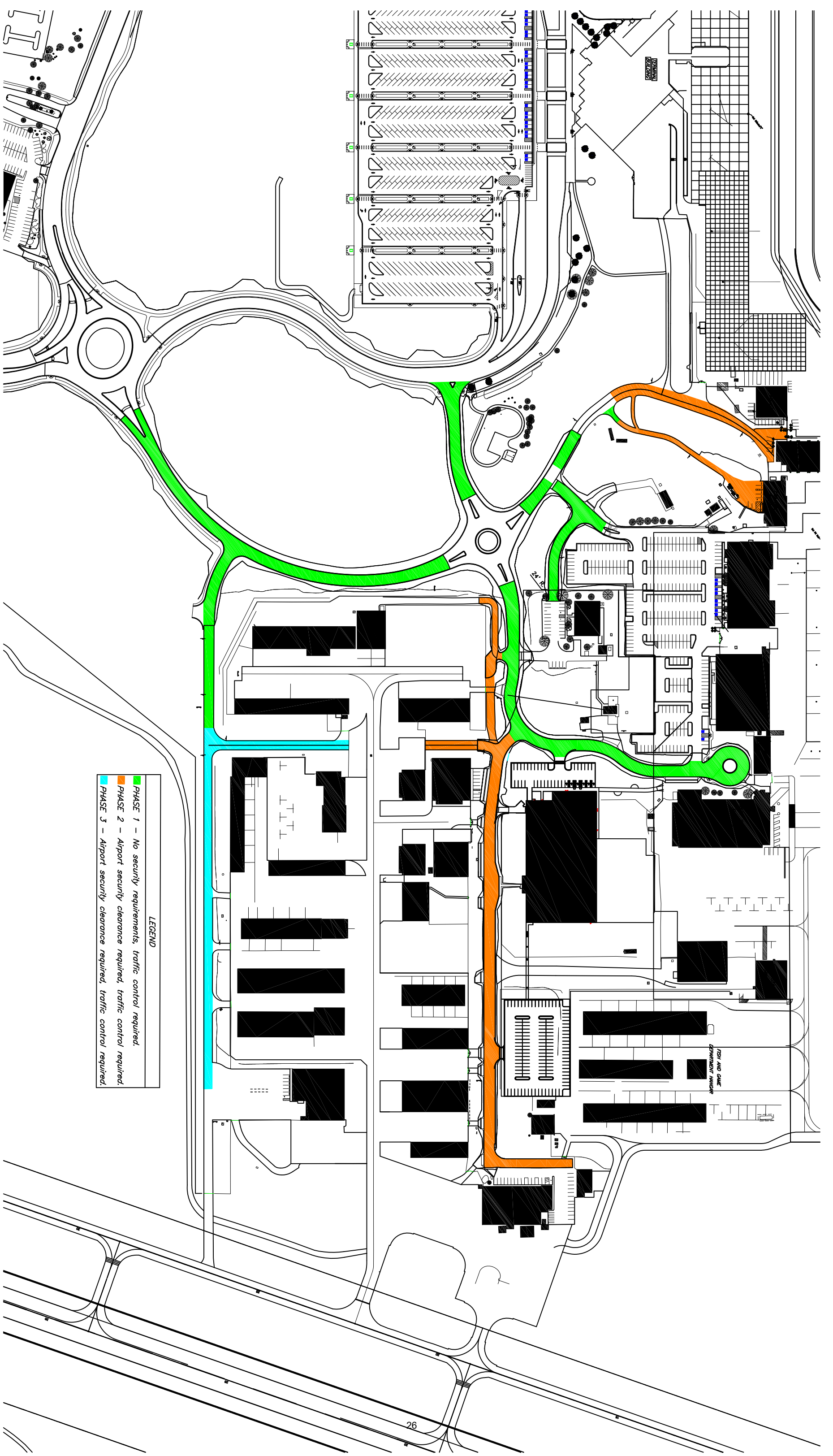
Estimating & Scheduling	\$	991
Architectural Design & Administration - Blythe Group	\$	11,481
Blythe & FCI Reimbursables	\$	750
Fee @ 7%	\$	926
<b>TOTAL CONSTRUCTION DRAWINGS COSTS</b>	<b>\$</b>	<b>14,148</b>

TOTAL DESIGN FEES **\$ 29,246**

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Landside Fog Seal Project – Phase 3
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the award of the Landside Fog Seal Project to Galaxy Asphalt Preservation, and authorize the Executive Director to sign the quotation for sub-phases 1 and 2. Additionally, staff recommends that the Executive Director be authorized to make payments for work completed with a not to exceed price of \$45,000.00.
LAST ACTION:	Asphalt seal coating on the Landside streets was broken up into 4 phases. The first phase was started in 2016 and the second phase was completed in 2017 As you may recall Phase 3 was awarded last fall. Due to higher than expected precipitation combined with cooler temperatures the contractor was unable to start the fog sealing.
DISCUSSION:	<p>The majority of the Landside streets were paved in 2008. The areas included in this project have not been seal coated since installation. Airport staff has evaluated the pavement and recommends seal coat based on asphalt oxidation. It is recommended that a fog seal should be performed soon to rejuvenate the pavement using GSB-78.</p> <p>A total of three companies were contacted for quotation and only one quote was received. Galaxy Asphalt Preservation has been the low bidder on the first two phases and they delivered a quality job on both occasions.</p> <p>This project was included in the 2019 Budget.</p>
FISCAL IMPACT:	Galaxy Asphalt Preservation Quotation: Not to exceed the budgeted amount of \$45,000.00.
REVIEWED BY:	Executive Director and Legal Counsel
COMMUNICATION STRATEGY:	None.
ATTACHMENTS:	Quotation and Phasing Map
STAFFCONTACT:	Ben Peck Office: 970.248.8589 Email: <a href="mailto:bpeck@gairport.com">bpeck@gairport.com</a>



**LEGEND**

PHASE 1 – No security requirements, traffic control required.

PHASE 2 – Airport security clearance required, traffic control required.

PHASE 3 – Airport security clearance required, traffic control required.

# GALAXY ASPHALT PRESERVATION

363 Granite Falls Way  
Grand Junction, CO 81507  
Phone 970-640-2222  
colton@tpigj.com

## PRESEVATION SERVICES QUOTE FOR:

Date: June 10,2019  
Expiration date: July 10, 2019

GRAND JUNCTION REGIONAL AIRPORT  
800 EAGLE DRIVE  
GRAND JUNCTION, CO 81506  
(970)244-9100

## PAVEMENT SURFACE TREATMENT:

We will clean and properly prep pavement for treatment. We will then apply GSB-78 at the rate of approximately .13 gallons per SY to the prepped pavement, restripe designated areas, as well as necessary traffic control.

Phase 1 labor and materials: \$25,800.00

**PROJECT TOTAL:**

**\$25,800.00**

**IMPORTANT NOTES:**

1. Due to the current volatile nature of the petroleum markets Galaxy Asphalt Preservation can only hold these prices for 30 days from the quote date.

We would be pleased to be able to perform these services for you and at the same time begin to form a lasting relationship. Thank you for the opportunity to quote these services to you.

**X**

---

Colton McCallum  
Galaxy Asphalt Preservation

---

Quote Date

**X**

---

Acceptance Date

# GALAXY ASPHALT PRESERVATION

363 Granite Falls Way  
Grand Junction, CO 81507  
Phone 970-640-2222  
colton@tpigj.com

## PRESEVATION SERVICES QUOTE FOR:

Date: June 10,2019  
Expiration date: July 10, 2019

GRAND JUNCTION REGIONAL AIRPORT  
800 EAGLE DRIVE  
GRAND JUNCTION, CO 81506  
(970)244-9100

## PAVEMENT SURFACE TREATMENT:

We will clean and properly prep pavement for treatment. We will then apply GSB-78 at the rate of approximately .13 gallons per SY to the prepped pavement, restripe designated areas, as well as necessary traffic control.

Phase 2 labor and materials: \$18,650.00

**PROJECT TOTAL:**

**\$18,650.00**

**IMPORTANT NOTES:**

1. Due to the current volatile nature of the petroleum markets Galaxy Asphalt Preservation can only hold these prices for 30 days from the quote date.

We would be pleased to be able to perform these services for you and at the same time begin to form a lasting relationship. Thank you for the opportunity to quote these services to you.

**X**

---

Colton McCallum  
Galaxy Asphalt Preservation

---

Quote Date

**X**

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Acceptance Date

# GALAXY ASPHALT PRESERVATION

363 Granite Falls Way  
Grand Junction, CO 81507  
Phone 970-640-2222  
colton@tpigj.com

## PRESEVATION SERVICES QUOTE FOR:

Date: June 10,2019  
Expiration date: July 10, 2019

GRAND JUNCTION REGIONAL AIRPORT  
800 EAGLE DRIVE  
GRAND JUNCTION, CO 81506  
(970)244-9100

## PAVEMENT SURFACE TREATMENT:

We will clean and properly prep pavement for treatment. We will then apply GSB-78 at the rate of approximately .13 gallons per SY to the prepped pavement, restripe designated areas, as well as necessary traffic control.

Phase 3 labor and materials: \$8,736.00

PROJECT TOTAL:

**\$8,736.00**

Phase Not To Be Awarded



**IMPORTANT NOTES:**

1. Due to the current volatile nature of the petroleum markets Galaxy Asphalt Preservation can only hold these prices for 30 days from the quote date.

We would be pleased to be able to perform these services for you and at the same time begin to form a lasting relationship. Thank you for the opportunity to quote these services to you.

X

\_\_\_\_\_  
Colton McCallum  
Galaxy Asphalt Preservation

\_\_\_\_\_  
Quote Date

X

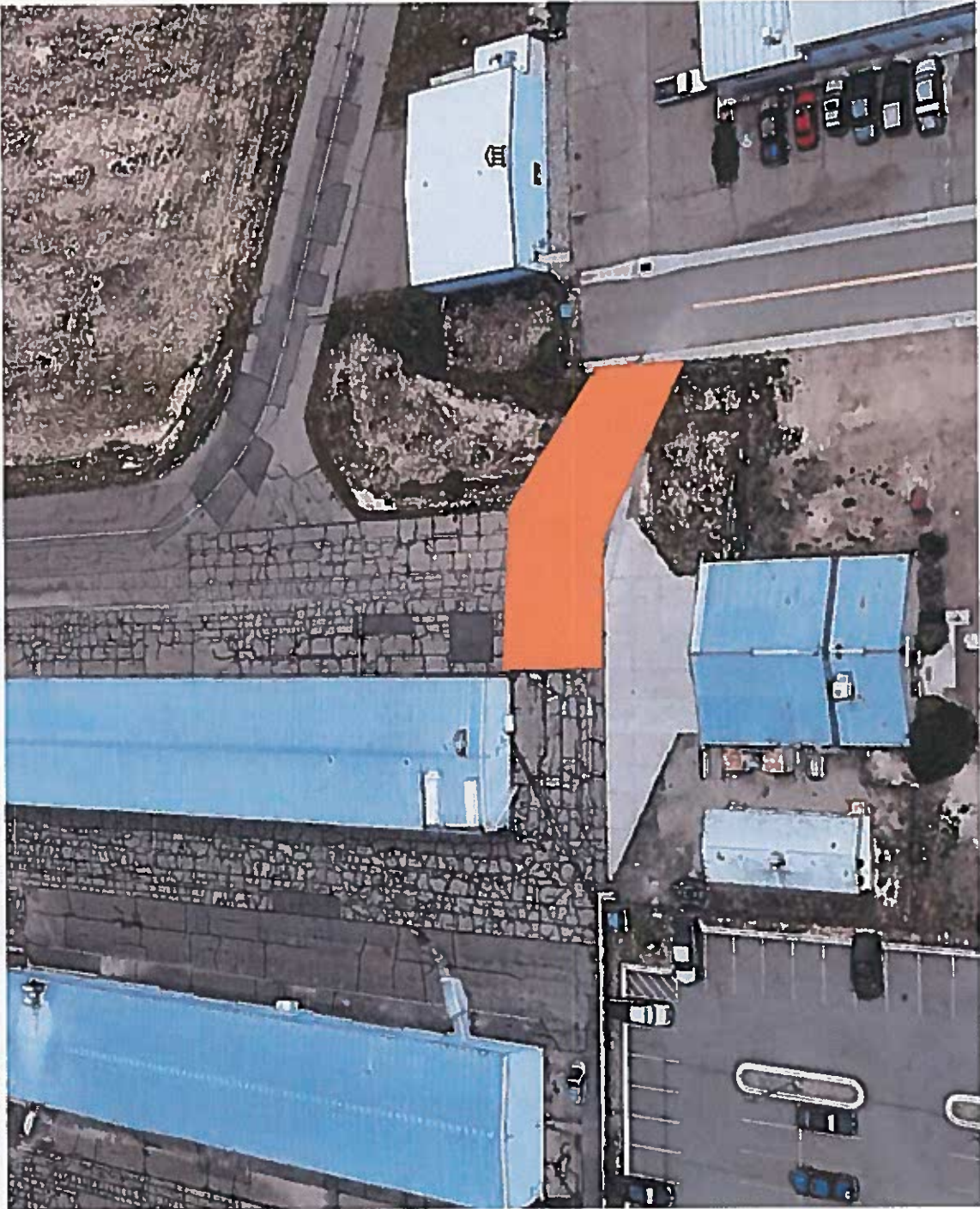
\_\_\_\_\_  
Acceptance Date

**Phase Not To Be Awarded**

## Grand Junction Regional Airport Authority

### Agenda Item Summary

<b>TOPIC:</b>	General Aviation Pavement Repair
<b>PURPOSE:</b>	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	Staff recommends that the Board approve staff to execute the quotation from Skyline Contracting, Inc for 26,375.00
<b>SUMMARY:</b>	The airport has identified several areas on the airfield (mainly within our General Aviation area) which need repair. This particular area was identified early last year as needing to be replaced and was budgeted. Most of these areas require advanced equipment and expertise beyond our staff's abilities. Quotes were solicited from two companies. Skyline Contracting had the lowest bid for this project at \$26,375.00. Area is outlined in orange within attachment.
<b>REVIEWED BY:</b>	Executive Director
<b>FISCAL IMPACT:</b>	\$26,375.00 Budget estimate: \$20,000
<b>ATTACHMENTS:</b>	Quotation, Work area.
<b>STAFF CONTACT:</b>	Mark Papko Director of Operations Email: mpapko@gairport.com Office: 970-248-8596





<b>To:</b> GJ Regional Airport	<b>Contact:</b> Mark Papko
<b>Address:</b> 2828 Walker Field Dr, Suite 301 Grand Junction, CO 81506	<b>Phone:</b> (970) 812-2716
	<b>Fax:</b>
<b>Project Name:</b> GJ Regional Airport - East Gate Asphalt Replacement	<b>Bid Number:</b> 2
<b>Project Location:</b> 2828 Walker Field Drive, Grand Junction, CO	<b>Bid Date:</b> 5/15/2019

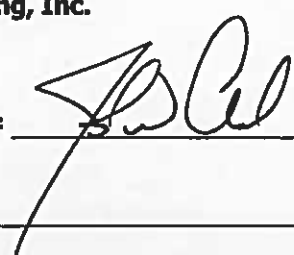
Skyline Contracting, Inc. is pleased to provide you with a quotation to remove 3,000 SF of Asphalt and Concrete at the East Gate and Replace with 4" Thick Asphalt Paving at the Grand Junction Regional Airport.

Line #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization, Portable Restroom, And Private Locates	1.00	LS	\$1,500.00	\$1,500.00
2	Remove Site Concrete	80.00	SY	\$16.10	\$1,288.00
3	Remove Asphalt Paving	170.00	SY	\$7.90	\$1,343.00
4	Site Grading - Cut 130 CY And Export Material Off Site	110.00	CY	\$21.30	\$2,343.00
5	Asphalt Paving Subgrade Preparation	340.00	SY	\$2.10	\$714.00
6	Asphalt Paving Class 6 Base Course - 12" Thick	230.00	TON	\$26.90	\$6,187.00
7	Asphalt Paving - 4" Thick	3,000.00	SF	\$4.15	\$12,450.00
9	Compaction Testing Base Course & Asphalt	1.00	LS	\$550.00	\$550.00

**Total Bid Price: \$26,375.00**

**Notes:**

- Price shown does not include Performance and Payment bond. Please add 1.5% to the total bid amount if bonds are required.
- Soft subgrade removal and stabilization is not included.
- Traffic control and construction fencing is not included.
- Because of the uncertain increases in materials and fuel, this proposal must be accepted within 30 days of the proposal date or it shall expire.

<p><b>ACCEPTED:</b>          The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p><b>Buyer:</b> _____</p> <p><b>Signature:</b> _____</p> <p><b>Date of Acceptance:</b> _____</p>	<p><b>CONFIRMED:</b>  <b>Skyline Contracting, Inc.</b></p> <p><b>Authorized Signature:</b> </p> <p><b>Estimator:</b> _____</p>
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# Grand Junction Regional Airport Authority

## Agenda Item Summary:

TOPIC:	Rates and Charges Amendment - Hotel Shuttle																		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>																
RECOMMENDATION:	Staff recommends the Board approve the proposed amendment and related Resolution 2019-004 to the hotel shuttle rates in the Ground Transportation section of the Airport's Rates and Charges.																		
DISCUSSION:	<p>As requested by the local hoteliers that provide shuttle services at the airport, staff accumulated actual trip data throughout 2018 and performed analysis of the existing hotel shuttle rates compared to usage.</p> <p>Based on the results of our analysis, staff recommend the existing rates and charges methodology based on the number of rooms be changed to a per-trip rate that is a percentage of the applicable Transportation Network Company per trip rate (currently \$2.50).</p> <p>This information was presented to the local hotelier group in February to allow time for review and comment. Additionally, to allow time for the hotels to plan and budget for the fee structure change, we are recommending a 3-year implementation period starting in July of 2019 and being fully implemented for Calendar year 2021.</p> <p>Proposed Rates are as follows:</p> <table border="1" data-bbox="472 1035 1495 1253"> <thead> <tr> <th></th> <th></th> <th colspan="3">Proposed</th> </tr> <tr> <th></th> <th>Current</th> <th>Q3-Q4 2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Hotel Shuttles</td> <td>\$.20/room</td> <td>20% of TNC rate  (\$.50/trip)</td> <td>25% of TNC rate  (\$.63/trip)</td> <td>33.3% of TNC rate  (\$.83/trip)</td> </tr> </tbody> </table>						Proposed				Current	Q3-Q4 2019	2020	2021	Hotel Shuttles	\$.20/room	20% of TNC rate (\$.50/trip)	25% of TNC rate (\$.63/trip)	33.3% of TNC rate (\$.83/trip)
		Proposed																	
	Current	Q3-Q4 2019	2020	2021															
Hotel Shuttles	\$.20/room	20% of TNC rate (\$.50/trip)	25% of TNC rate (\$.63/trip)	33.3% of TNC rate (\$.83/trip)															
REVIEWED BY:	Executive Director and Legal Counsel																		
FISCAL IMPACT:	Based on 2018 trip data, this will result in approximately \$4,000 additional annual revenue upon full implementation in 2021. The increase in 2019 is only expected to be approximately \$200.																		
ATTACHMENTS:	1. Board Resolution 2019-004 – 2019 Rates and Charges																		
STAFF CONTACT:	Sarah Menge 970-248-8581 <a href="mailto:smenge@gjairport.com">smenge@gjairport.com</a>																		

**RATES & CHARGES  
GRAND JUNCTION REGIONAL AIRPORT  
GRAND JUNCTION, COLORADO**

**Declaration of Authority/Applicability of Rates & Charges**

The Grand Junction Regional Airport Authority (“GJRAA”) is the owner and operator of the Grand Junction Regional Airport, located in Grand Junction, Colorado (“Airport”). GJRAA is hereby re-issuing its “Rates & Charges” applicable to various users of the Airport including, but not limited to, Aircraft landing at and taking off from the Airport, Aircraft Ground Service Operators, Ground Transportation Operators, Rental Car Concessionaires, and Off-Airport Delivery Service Operators accessing the Airport, Fuel Providers, and other Users of the Airport facilities, supplies and services (hereinafter collectively referred to as “Users”).

These Rates & Charges supersede all previous schedules of Fees & Charges promulgated by GJRAA. These Rates & Charges are promulgated pursuant to GJRAA’s regulatory authority under C.R.S. §41-3-106(1)(h) and 49 U.S.C. §2210(a)(9), and in accordance with F.A.A. regulations, rules, directives, and policy statements pertaining to the implementation, modification, and enforcement of airport Rates and Charges as they are changed from time to time. GJRAA may amend the Rates & Charges from time to time, and in some cases, may do so with or without notice.

All GJRAA Rates & Charges shall be set and applied on a fair, reasonable and not unjustly discriminatory standard in accordance with the Federal Aviation Administration (FAA) Order 5190B and all related subchapters of the Order including Subchapters 17.5 and 18.5(c) to ensure GJRAA establishes a fee and rental schedule that makes the airport as financially self-sustaining as possible. All GJRAA revenue surpluses shall be used for airport system purposes per 49 U.S.C. § 47107(b)(1) for reserves, funds to facilitate financing and financing coverage and other contingencies such as to address deferred maintenance items.

GJRAA is committed to fairness and openness in its policies. To maintain financial stability, consistency, and currency of all GJRAA Rates & Charges, it is the intent of the GJRAA to review the Rates & Charges document on an annual basis. The review of the Rates & Charges of GJRAA may include, but not be limited to, a comparison of the operating revenues and expenses allocated for each Airport cost center (which may be modified from time to time) for previous fiscal years, market comparisons of rates and charges of other airports and entities, and the mission, goals, and objectives as contained in the GJRAA Mission Statement and annual budget and planning documents.

### **III. General Requirements**

Unless otherwise expressly specified in a written agreement between GJRAA and an Operator, User, Fuel Provider, or any other Person affected by these Rates & Charges, the following terms and conditions shall apply to all operations at the Airport:

#### **Payment of Rates and Charges**

All payments due GJRAA pursuant to these Rates & Charges shall be paid to the Grand Junction Regional Airport Authority, 2828 Walker Field Drive, Grand Junction, Colorado, 81506, unless directed otherwise by GJRAA.

#### **Books and records**

Users shall maintain full and accurate books of account and records from which the Rates & Charges owed GJRAA hereunder can be determined, according to standard and accepted accounting practices. Said books and records shall be maintained for a period of at least thirty-six (36) months, or for such longer period of time as GJRAA may request in writing.

#### **Audits**

GJRAA reserves the right to conduct audits of a User's books of account and records at any time during normal weekday business hours, upon reasonable notice. In performing said audits, GJRAA shall be entitled to review (and the User's involved shall be obligated to provide to GJRAA) all of the books of account and records that the User is obligated to maintain pursuant to these Rates & Charges, as well as all other documents and files in that User's possession, custody, or control that GJRAA requests at the User's expense. Should the User fail to maintain the books of account and records required to be maintained pursuant to these Rates & Charges, or should that User fail to permit GJRAA or its auditor to review its books and records, and other documents and files, such conduct shall be considered a failure to perform obligations under these Rates & Charges, and GJRAA shall be entitled to exercise any and all remedies set forth in this Part 1. If any audit shows that monies that should have been paid to GJRAA were understated or underpaid for the audit period involved, the User shall, within thirty (30) days notice of any such deficiency, pay to GJRAA the full amount underpaid, plus three percent (3 %) interest per month on said underpayment from the time said underpayment should have been paid to the time said underpayment is fully paid. In addition, if the amount of the underpayment exceeds two percent (2%) of the total amounts owing to GJRAA for the audit period involved, the User in addition to paying the GJRAA the underpayment owed, shall reimburse GJRAA for the entire cost of the audit. If the audit discloses overpayment of the monies owed to GJRAA hereunder, GJRAA shall refund the amount of overpayment within thirty (30) days of said audit.

#### **Remedies upon Failure to Perform Obligations**

If a User or any other Person affected by these Rates & Charges fails to timely pay any Rates (or fees), charges, or other monies owed, or to timely perform any obligation required under these Rates & Charges, GJRAA may utilize any one or more of the following remedies:

- GJRAA may obtain specific performance.
- GJRAA may recover all damages incurred by GJRAA, including incidental damages, consequential damages, and attorney's fees.

- GJRAA may utilize a portion or all of any security deposit provided by a User or other Person involved to remedy the violation and to reimburse GJRAA for any damages, including attorney's fees and other expenses of collection GJRAA has sustained. In such event, the User or other Person involved shall not be permitted to resume its Airport operations or use Airport facilities under these Rates & Charges until such time as it furnishes another security deposit that satisfies the requirements of these Rates & Charges.
- GJRAA may terminate the Airport operating, use, or fuel providing privileges, or any other privileges extended to or of the non-complying User. If its operating, use, or fuel providing rights are terminated, the User involved shall continue to be liable for the performance of all terms and conditions, and the payment of all monies owed hereunder, prior to the effective date of said termination, in addition to all damages, including attorney's fees and other expenses of collection, incurred by GJRAA as a result of any violation.
- GJRAA may utilize any other remedy provided by law or equity as a result of said violations.

#### **Amendment**

GJRAA may amend these Rates & Charges, including altering the fee structure or approving additional Rates, with or without notice or input from Users or any other Person.

#### **Hold Harmless**

Users and all other Persons affected by these Rates & Charges (including, but not limited to, the drivers and registered owners of motor vehicles using the public parking areas of the Airport) shall be responsible for indemnifying and holding harmless GJRAA, its board members, officers, agents, and employees, from and against any and all liabilities, obligations, claims, damages, costs, and expenses, including attorney's fees, incurred by or asserted against GJRAA, its board members, officers, agents, and employees, by any Person or entity whatsoever, resulting from the acts, omissions or wrongful conduct of that User Person, or such entity's board members, officers, partners, employees, agents, representatives, contractors, subcontractors, customers, attestants, invitees, or any third party acting under its direction or control.

#### **Airport Damage**

Users and all other Persons affected by these Rates & Charges (including, but not limited to, the drivers and registered owners of motor vehicles using the public parking areas of the Airport) shall be liable for any damage to the Airport, caused by the User or Person involved, and/or its board members, officers, partners, agents, employees, representatives, contractors, subcontractors, customers, guests, invitees, or other parties acting under its direction and control, ordinary wear and tear excepted. All repairs shall be made by GJRAA, at the responsible party's expense.



**Interest**

Any Rates, charges, and other monies owed to GJRAA not paid when due are subject to interest at the rate of three (3 %) per month from the due date until receipt of payment. Any partial payments received on said indebtedness shall be applied first to accrued interest, and then to principal.

**Attorney's Fees and Costs**

Should a User or any other Person affected by these Rates & Charges (including, but not limited to, the drivers and registered owners of motor vehicles using the public parking areas of the Airport) violate the terms of these Rates & Charges, that User or Person shall be responsible for reimbursing GJRAA for all reasonable attorney's Rates, costs, and other expenses incurred by GJRAA in enforcing its rights as a result of said violation.

**Jurisdiction and Venue**

Exclusive jurisdiction and venue for any litigation to enforce or interpret the provisions of these Rates & Charges shall be in the State of Colorado Municipal, County, and District Courts, located in Mesa County, Colorado, or in the United States District Court for the District of Colorado.

**Prevailing Terms**

Should there be any inconsistency between the terms of these Rates & Charges and any other agreement entered into between GJRAA and the User or any other Person affected by these Rates & Charges, the terms of the written agreement entered into between the parties shall prevail.

#### IV. Aircraft Operators and Aircraft Ground Service Operators

##### A. Fees

##### Landing Fees

<b>Class of Aircraft</b>	<b>Fee Per Landing</b>
Commercial Signatory Aircraft- $\geq$ 12,500 lbs. Landing Weight	\$1.70/1,000 lbs.
Commercial Signatory Aircraft- $<$ 12,500 lbs. Landing Weight	\$7.23
Commercial Non-Signatory Aircraft- $\geq$ 12,500 lbs. Landing Weight	\$3.80/1,000 lbs.
Commercial Non-Signatory Aircraft- $<$ 12,500 lbs. Landing Weight	\$15.00
General Aviation Aircraft	\$0.00
Military Aircraft	\$0.00

- A full landing fee will be charged for Ferry Flights landing at the Airport, and for unscheduled landings of aircraft originating from another airport, and diverted to the Grand Junction Regional Airport due to weather, mechanical, or other reasons other than declared emergencies.
- A one-half (  $\frac{1}{2}$  ) landing fee will be charged for each landing performed in conjunction with a training flight.
- No landing fee will be assessed in the event an aircraft departs from the Airport for another destination and, without making a stop at another airport, is forced to return to and land at the Airport because of weather, mechanical or other similar emergency or precautionary reasons.
- No landing fee will be assessed in the event an aircraft lands at the Airport due to a declared emergency.

##### Common Area Fees

Aircraft Operators that utilize the following areas of the Airport's terminal building in a particular month shall pay their pro rata share of rent at a cost of \$27.27 per square foot per year. The pro rata share shall be based on the total number of enplaned revenue passengers during said month:

- **Baggage processing area** - currently encompass 5,721 total square feet, and may be adjusted from time to time. The monthly allocated cost is \$13,001 (\$156,012 annual)
- **Boarding area** - currently encompass 17,721 total square feet, and may be adjusted from time to time. The monthly allocated cost is \$40,271 (\$483,252 annual)
- **Ticketing area** - currently encompass 4,587 total square feet, and may be adjusted from time to time. The monthly allocated cost is \$10,424 (\$128,088 annual)

##### Terminal Building Fee

Tenants of the terminal building leasing exclusive space will pay \$30.30 per square foot per year.

## Security Services

The rate for the security services is \$200,000 per year. The pro rata share shall be based on the total number of enplaned revenue passengers utilizing the boarding area during said month.

## Other Fees

- **Boarding Bridge** - \$25 fee for each operation.
- **Disposal Station Fees** - \$15 for each use of the lavatory disposal station. The disposal station area must be cleaned after each use or a fine of \$200 will be assessed on the operator.
- **Deicing Fee** - Pro rata share of GJRAA's expenses incurred in draining and cleaning the deicing pad holding tank.
- **Fuel Purchase** - Purchasing fuel (gasoline and/or diesel) from the airside GJRAA fuel tank shall pay actual fuel cost plus \$1.00 per gallon.
- **Stand by Services** - \$75 per hour per employee, charged in 15 minute increments for stand-by services provided to them by GJRAA employees between the hours of 12:00 am (midnight) to 5:00 am. Services included:
  - Aircraft Rescue Firefighting (ARFF);
  - Emergency first aid;
  - Custodial and maintenance services.

If a GJRAA employee has to be called back to the Airport to provide these services, then a three hour minimum charge will be imposed for each called-back employee involved.

- **Ramp Parking** - Aircraft Operators (excluding FAR Part 121 and 135 Commercial Aircraft Operators) shall pay GJRAA \$200.00 for the parking of aircraft on the air carrier ramp (space permitting) for each twenty-four (24) hour increment or fraction thereof
- **Commercial Aircraft Operator Permit** - Commercial Aircraft Operators who do not own, lease, or sublease space at the Airport AND who conduct commercial aeronautical services and activities that originate at the Airport shall pay GJRAA \$150 annually for a permit to operate said activities at the Airport

## B. Reports/Billing

On or before the 5<sup>th</sup> day of each month, each Aircraft Operator or Aircraft Ground Service Operator at the Airport shall submit to the Airport Administration Offices such reports of the preceding month's activities as GJRAA may request to enable GJRAA to compute the Rates (also referred to, in some cases, as Fees above), charges, and other monies owed by the Aircraft Operator or Aircraft Ground Service Operator hereunder. The reports shall be attested to as correct to the best of the signer's knowledge by the Aircraft Operator or Aircraft Ground Service Operator or its designee. Any subsequent changes in the information will be reported to GJRAA as soon as practical; but in no event more than seven (7) days from their discovery.

The reports shall be on a form provided by or approved by GJRAA. GJRAA reserves the right to obtain clarification of any matter contained in the reports, or for additional information from the Aircraft Operator or Aircraft Ground Service Operator for Airport marketing, statistical, fee-setting, or other purposes. **Note: Reports not submitted by the end of the 5<sup>th</sup> day of each month are subject to a \$100 per day late fee.**

**V. Ground Transportation Operators and Off-Airport Delivery Service Operators**

**Ground Transportation Operators (shall include all bus (excluding Grand Valley Transit), shuttles, courtesy vehicles, taxi, transportation network companies, sightseeing tours, etc.)**

Ground Transportation Operators shall pay GJRAA the following fee:

Number of Seats	Trip Fee
1-8	\$2.50
9-15	\$3.75
16+	\$8.00

**Hotel/Motel Courtesy Vehicle Operators**

Each Hotel/Motel Courtesy Vehicle Operator shall pay GJRAA a per trip fee equal to 20% of the applicable TNC rate of \$2.50/trip for a fee of \$.50/trip multiplied by the number of trips each month. Fee shall be paid monthly, unless other payment arrangements are made between the Operator and GJRAA. Hotel/Motel Courtesy Vehicle Operators shall only pick up and drop off at the Airport the patrons of their respective hotels/motels, and not persons who are not patrons of their hotels/motels.

**Off-Airport Parking Providers**

Each Off-Airport Parking Provider shall pay GJRAA a monthly fee equal to 10% of monthly gross revenues. This applies to all hotel/motel operators offering parking to guests or non-guests of the hotel/motel for a fee in addition to the cost of a nightly room rate. In addition, shuttle vehicles from each said company shall also pay GJRAA a trip fee as previously defined.

**Off-Airport Delivery Service Operators**

Each Off-Airport Delivery Service Operator shall pay GJRAA two hundred dollars (\$200) per company annually for unlimited service from the Airport (paid in advance of the Off-Airport Delivery Service operating any vehicle at the Airport). If airport access commences during the annual permit cycle, the Off-Airport Delivery Service Operator shall pay the full amount of the annual fee regardless of the date it seeks to secure the annual permit. The term of the annual permit is for a calendar year. Each Off-Airport Delivery Service Operator paying on an annual basis shall pay the applicable fee in advance.

**Compliance**

Failure to comply or to operate without a permit may result in a \$100 fine

**B. Miscellaneous Provisions Applicable to Ground Transportation Operators and Off-Airport Delivery Service Operators**

**No Diversion of Passengers**

Ground Transportation Operators and Off-Airport Delivery Service Operators shall not, through their officers, agents, representatives, or employees, divert or cause to be diverted any prospective customer or item to a location off the Airport, in order to pick up said customer or item off the Airport and thereby avoid paying the fees that would otherwise be owed to GJRAA. For example, a Ground Transportation Operator or Off-Airport Delivery Service Operator shall not instruct a customer to utilize a Hotel/Motel Courtesy Vehicle to be transported or to transport an item off the Airport in order to then pick-up the customer or item at a hotel/motel off the Airport to avoid paying fees. A Ground Transportation Operator or Off-Airport Delivery Service Operator shall not instruct a potential customer to utilize a taxicab, limousine, or other form of public transportation, and offer to reimburse the customer for the cost of said transportation, in order to pick-up the customer or item at a location off the Airport.

**Signage**

Ground Transportation Operators and Off-Airport Delivery Service Operators serving the Airport shall display signage on their vehicles identifying the Ground Transportation Operator or Off-Airport Delivery Service Operator involved, and/or such other identification as GJRAA may request to enable GJRAA to determine whether the vehicle is authorized to provide ground transportation or off-airport delivery services to the Airport.

## VI. Fueling Operations

### A. Fuel Flowage Fees

Fuel Providers shall pay a fuel flowage fee to GJRAA on all fuel sold at the Airport to military, government and general aviation aircraft fuel purchasers. Unless specified in an airline operating agreement, Part 121 and Part 135 Commercial Aircraft Operators are excluded from fuel flowage fees.

The following fuel flowage per gallon rates apply:

Type	Full Service FBO	Self Service Commercial Operator	Self-Fueler
Avgas	\$0.1017	\$0.1017	\$0.1017
Jet A	\$0.1017	\$0.1017	\$0.1017
Military	\$0.1017	\$0.1017	\$0.1017

The Fuel Provider shall be deemed to owe its fuel flowage fee to GJRAA on the date the fuel is delivered by the Fuel Provider to the fuel purchaser involved, regardless of when or whether that fuel purchaser subsequently pays for said fuel. The Fuel Provider shall pay the fuel flowage fee required hereunder to GJRAA within thirty (30) days following the end of each calendar month in which a fuel sale is deemed to occur.

### B. ARFF Standby Services for “Rapid Refueling” Operations

Fuel Providers shall pay GJRAA one hundred \$120 per hour, billable in 15 minute increments per rescue truck providing coverage for any requested Aircraft Rescue Firefighting (ARFF) standby services associated in any way whatsoever with the fueling of an aircraft while that aircraft’s engine(s) is/are in operation (“rapid refueling”). The ARFF Standby Service charge **begins** when the rescue truck leaves the ARFF bay, or from the current location of the rescue truck if not in the ARFF bay. The ARFF Standby Service charge **terminates** when the rescue truck has returned to the ARFF bay, or back to the original location of the rescue truck if not in the ARFF bay.

### C. Rental Car Fuel Station Fees

Rental Car Fuel Station Rental Car Operators purchasing fuel (gasoline) from the GJRAA landside fuel tank shall pay actual fuel cost plus up to \$1.00 per gallon, to be consistent with local gas station prices.

**VII. Leases of Airport Property**

New Airside Leases will have a rate no less than fair market value or the maximum price per square foot being charged to current lessees.

Rental Car Service Area:

4/1/18 – 3/31/19  
*Cost per sq. ft. per month*

Ground	\$0.1884
Building	\$0.4066



**VIII. OTHER**

**A. Security Badge Fees**

**SIDA and Sterile Area Badges:**

CHRC fingerprinting, STA, photo, paperwork, required training class and identification media badge.

**Initial Issue**

With fingerprint processing .....	\$85.00
Without fingerprint processing .....	\$35.00

**Renewal**

With fingerprint processing .....	\$55.00
Without fingerprint processing .....	\$25.00

**AOA Badges:**

STA, photo, and paperwork, required training and identification media badge.

Initial Issue.....	\$35.00
Renewal.....	\$25.00

**Change from AOA Badge to SIDA Badge**

With fingerprint processing .....	\$50.00
Without fingerprint processing .....	\$0.00

**Lost or Not Returned Badges**

Charge to employer for ID not returned .....	\$100.00
Lost badge - 1 <sup>st</sup> replacement .....	\$35.00
Lost badge - 2 <sup>nd</sup> replacement .....	\$70.00
Lost badge - 3 <sup>rd</sup> replacement.....	\$210.00
Airport will review costs for card issued after 3 <sup>rd</sup> replacement.	

**Keys**

Initial Issue.....	\$10.00
Replacement- If broken.....	\$10.00
Replacement- If lost or stolen \$100.00 plus the actual cost for re-keying the locks and producing additional key(s).	

**B. Airport Parking Violations:**

	Fine paid within 14 days	Fine paid after 14 days
Parking Violation	\$25	\$40
Handicap Parking Violation	\$75	\$125

Payments of parking violations are made directly to Clancy Systems International, Inc. Payment of tickets can be made through mail by check, or online by check or credit card (Visa or MasterCard).

**C. Terminal Parking:**

30 minutes or less	FREE
More than 30 minutes	\$1.00 each additional 30 minutes
24 hour maximum	\$10.00

**D. Internet and Phone Service:**

Service Provided	Monthly Fee
Internet	\$75
Telephone	\$30

**E. Billable Staff Time:**

Staff Level	Hourly Rate
Level 1	\$70
Level 2	\$50
Level 3	\$30

**F. Monthly Aircraft Tie-Down Fee On Designated GJRAA Maintained Ramp:**

Aircraft less than 12,500 pounds - \$60 per month

**G. Colorado Open Record Request (CORA)**

CORA items are subject to a rate of \$20 per hour (15 minute increments) of staff time and \$0.25 per page of copied material. Payment is required prior to release of CORA items.

The Rates & Charges is hereby approved and adopted, after public notice and opportunity for comments, by the Grand Junction Regional Airport Authority and made a part of the public records of the Grand Junction Regional Airport Authority.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Tom Benton, Chairman

ATTEST:

\_\_\_\_\_  
Joe Burtard, Clerk

Board Members Voting Aye:

Those Voting Nay:

Board Members Voting Aye:	Those Voting Nay:

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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TOPIC:	Small Community Air Service Development (SCASD) Grant Application		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Following discussion, staff recommends Board approval of the Small Community Air Service Development (SCASD) Grant Application.		
SUMMARY:	<p>Grand Junction Regional Airport Authority (GJRAA) is seeking a U.S. Department of Transportation (DOT) grant in the amount of \$950,000 under the Small Community Air Service Development (SCASD) Program to fund a minimum revenue guarantee (MRG) and provide marketing support for service from Grand Junction to San Francisco International Airport. In addition to the amount requested from the DOT, the Grand Junction Regional Air Service Alliance (Alliance) has pledged \$475,000 in cash that can be applied to the minimum revenue guarantee. If awarded this grant, \$1,425,000 will be available to fund a three-year MRG with the airline; contract terms with the airline would be negotiated upon grant award. Payments would be made from GJRAA to the airline, with 100% reimbursement from the Alliance (33%) and the DOT (67%). Contract terms need to be negotiated with the Air Service Alliance, and we intend to have those in place before grants are awarded. The Alliance will also provide \$100,000 in cash for marketing and promotion of the proposed service for the first two years (\$70,000 in year one, \$30,000 in year two).</p> <p>The SCASD Application includes an in-kind incentive of waived landing fees for one year. The estimated value is approximately \$42,000. Currently, GJRAA does not have a formal incentive program in place. Offering the waived landing fees makes our proposal more competitive during the selection process. Staff and airport legal counsel confirmed FAA guidance allows for this.</p> <p>The Alliance made a formal motion on 6/14/2019 in support of the terms identified in the SCASD Grant Application. The City of Grand Junction and Mesa County will need to review and approve the Application following GJRAA Board approval. The proposal must be submitted to the DOT before 7/15/2019. We are still awaiting several letters of support that you see placeholders for in the application, including from the Air Service Alliance, the airline(s), and US Senators Bennet and Gardner.</p>		

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The following is a summary of the expected timeline for establishing the new service if GJRAA were to be awarded the grant.

<b>Activity/Project Milestone</b>	<b>Potential Dates</b>
SCASD Grant Award Announcement	September/October 2019
Execute Grant Agreement with DOT	November 2019
Negotiate Minimum Revenue Guarantee with Airline	October/November 2019
Announce Service	December 2019
Publish Schedule	December 2019
Market Route (Pre-Launch)	January-June 2020
Monitor Advance Bookings	January-June 2020
Adjust Marketing Plan Based on Advance Bookings	January-June 2020
Begin Service	June 2020
Market Route (Post-Launch)	June 2020 and Beyond
Operate Service with MRG	June 2020 - May 2022
Monitor Route Performance	June 2020 - May 2022 and Beyond
Submit Grant Status Reports to DOT	Quarterly 3Q 2020 - 2Q 2022

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REVIEWED BY: Executive Director and Legal Counsel

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FISCAL IMPACT: N/A

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ATTACHMENTS: Small Community Air Service Development Program Proposal

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STAFF CONTACT: Angela Padalecki  
970-248-8588  
apadalecki@gjairport.com

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Grand Junction Regional Airport  
Grand Junction, Colorado

Small Community Air Service Development Program Proposal

Docket DOT-OST-2019-0071



Dun & Bradstreet DUNS Number: 156135394  
Tax Identification Number: 846111114  
Two-Digit Congressional Code: CO-03

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## LETTER OF INTRODUCTION

July 12, 2019

Brooke Chapman  
Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Ms. Chapman,

Grand Junction Regional Airport serves the residents and visitors of Grand Junction and the Western Slope of Colorado. The Airport is submitting the attached proposal for a Small Community Air Service Development Grant in the amount of \$950,000 for nonstop service to San Francisco International Airport on United Airlines.

Although Grand Junction's population is growing, airline capacity trended down over the ten-year period from 2009 through 2018 as Grand Junction's average domestic fare increased from \$158 to \$230. The loss of capacity and the significant increase in the average fare causes a high degree of leakage from Grand Junction. Grand Junction retains only 38.7% of the traffic generated in its catchment area; 45.7% of the traffic leaks to Denver, where airlines offer nonstop service to more than 200 destinations, and fares are much lower.

The Grand Junction Regional Air Service Alliance has partnered with Grand Junction Regional Airport and pledged funds totaling \$575,000 in cash to supplement the proposed federal funding. Grand Junction Regional Air Service Alliance has pledged \$475,000 for the revenue guarantee and another \$100,000 for marketing and promotion of the proposed San Francisco service.

The Airport meets frequently with targeted airlines to discuss additional air service. Our team met with United Airlines at their office in Chicago earlier this month. United reaffirmed its support for a grant and has provided a letter of support for this proposal.

In addition to developing air service and increasing airline capacity, Grand Junction Regional Airport actively partners with various organizations in the community and provides incentives to attract new businesses to the community and development land use options both on and off airport property. The airport and the community would like the Department to consider designating Grand Junction Regional Airport as an Air Service Development Zone and provide assistance from both the Department and other government agencies in our efforts to attract new businesses and to develop airport land use options.

We appreciate your consideration of our proposal.

Sincerely,

Angela Padalecki  
Executive Director  
Grand Junction Regional Airport



**UNITED AIRLINES LETTER OF SUPPORT**

## EXECUTIVE SUMMARY

Grand Junction Regional Airport is seeking a federal grant in the amount of \$950,000 under the Small Community Air Service Development Program to fund a minimum revenue guarantee and provide marketing support for service from Grand Junction to San Francisco International Airport on United Airlines. In addition to the amount requested from the Department, the Grand Junction Regional Air Service Alliance has pledged \$475,000 in cash that can be applied to the minimum revenue guarantee. The Grand Junction Regional Air Service Alliance will also provide \$100,000 in cash for marketing and promotion of the proposed service.

Based on Department of Transportation data, the Grand Junction-San Francisco Bay Area (to include SFO, SJC and OAK) market size was 18.8 passengers per day each way (PDEW) in 2018, and the average fare was \$205. Based on a leakage study using year-end second quarter 2018 data, nearly two-thirds of the San Francisco Bay Area traffic generated in Grand Junction's catchment area leaks to other airports in the region. The Grand Junction-San Francisco Bay Area true market size was 53.9 PDEW at an average fare of \$163 in the study period. In addition to serving the local Grand Junction-San Francisco Bay Area market, the proposed service would also enable connections on United and other carriers beyond San Francisco. On United alone, 43 markets could logically flow via San Francisco to destinations on the West Coast, Hawaii, Asia, Australia and New Zealand.

The proposed air service will enable Grand Junction to recapture some of the traffic leaked to other airports, put downward pressure on air fares and increase tourism to the region.

Grand Junction meets the Department's primary and secondary selection criteria for SCASDP funding:

- Air fares are higher than the national average air fares for all communities. Grand Junction's average domestic air fare was \$230 in 2018; the average domestic air fare for all communities in the U.S. was \$168 in the same period of time. Additional air service on a network carrier in Grand Junction will likely put downward pressure on Grand Junction's average fare.
- The community will provide a portion of the project cost from community-based organizations. The Grand Junction Regional Air Service Alliance has pledged cash funding for the revenue guarantee of \$475,000 an amount equating to 50% of the federal funding requested. The Grand Junction Regional Air Service Alliance has also pledged \$100,000 in cash for marketing and promotion of the proposed service. The total \$575,000 in cash pledged equates to 60.5% of the federal funding requested.
- The community has established a public-private partnership. The Grand Junction Regional Air Service Alliance was formed in early 2017. Grand Junction Economic Partnership (GJEP) and Grand Junction Area Chamber of Commerce are members of the Grand Junction Regional Air Service Alliance. The Grand Junction Air Service Alliance has ex officio representation from the Town of Palisade, City of Grand Junction, City of Fruita, Mesa County, Visit Grand Junction (tourism office), and Greater Grand Junction Sports Commission.

- The assistance will provide material benefits to a broad segment of the traveling public. The proposed service to San Francisco would benefit business, government and leisure travelers not only in the local Grand Junction-San Francisco market, but also benefit business and leisure travelers with connecting opportunities beyond San Francisco.
- The assistance would be used in a timely manner. Grand Junction Regional Airport has been actively engaged in a dialogue with United regarding San Francisco service since September 2016, and United has provided a letter of support for this proposal. The best-case scenario for starting the new service is in June 2020, assuming the Department announces awards by October 2019.
- Innovation. While Grand Junction's proposal for a minimum revenue guarantee isn't necessarily innovative, minimum revenue guarantees have proven to be the most effective tool for establishing and maintaining new air service in other communities.
- Community Participation. Community matching funding for the proposed revenue guarantee equates to 50% of the requested SCASD funding.
- Location. Grand Junction Regional Airport is relatively isolated. The closest large hub airport is Denver International Airport, located 266 miles east of Grand Junction. Smaller airports closer to Grand Junction have either less air service than Grand Junction throughout most of the year and/or have higher fares.

## **AIR SERVICE OVERVIEW**

### *Catchment Area and Access to Alternate Airports*

As illustrated in Exhibit 1, Grand Junction Regional Airport is the closest airport to all residents within a 30-minute drive of the airport. 140,799 residents live within a one-hour drive of Grand Junction Regional Airport, and 268,599 residents live within 120-minute drive of the airport.

Grand Junction Regional Airport is isolated. Located 266 miles from Grand Junction, the closest large hub airport is Denver International Airport. While Denver is located 266 miles from Grand Junction, 45.7% of the traffic generated in Grand Junction's catchment area leaks to Denver because fares are significantly lower at Denver, and Denver has significantly more air service than Grand Junction. Denver's average domestic one-way fare, at \$143, was 37.8% lower than Grand Junction's average one-way fare of \$230 in 2018.

Salt Lake City International Airport is the second-closest large hub airport to Grand Junction and is located 288 miles away. In 2018, Salt Lake City's average domestic fare of \$177 was 23.0% lower than Grand Junction's average domestic one-way fare. 2.8% of the traffic generated in Grand Junction's catchment area leaks to Salt Lake City.

Located 67 miles from Grand Junction, Montrose Regional Airport is the closest alternate airport, but air service at Montrose is even more limited than Grand Junction's air service throughout most of the year and had a higher average domestic fare than Grand Junction in 2018. Eagle County Regional

Airport is located 113 miles from Grand Junction and Aspen-Pitkin County Regional Airport is located 124 miles from Grand Junction; both of these airports also had higher average fares in 2018.

Exhibit 1. One, two and three hour drive times from Grand Junction Regional Airport and locations of other airports in the region.

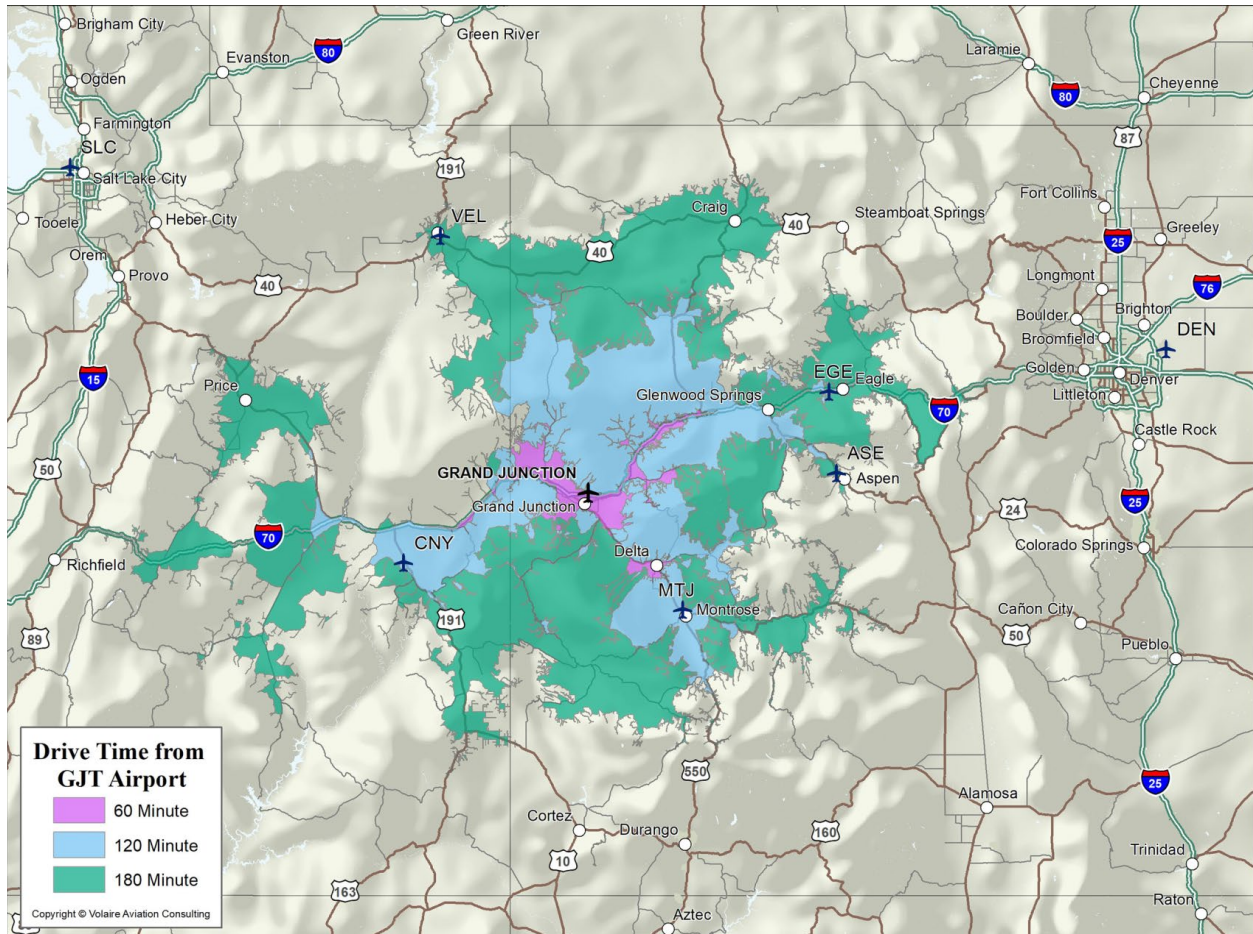


Exhibit 2 summarizes the number of airlines, the number of destinations served and the average number of seats per flight at each of the other airports in the region for both the ski season, extending from mid-December through March, and the off-peak season summer season. Because Grand Junction is located on the Western Slope of Colorado and is not located close to one of Colorado's major ski resort destinations, airlines serving Grand Junction do not increase capacity for ski season. In fact, capacity and traffic at Grand Junction tends to decline during the winter months. The airports serving Denver, Salt Lake City, Montrose, Eagle/Vail and Aspen have more capacity during ski season than their off-peak summer seasons. During the off-peak summer season, these airports have less air service than Grand Junction.

Exhibit 2. 2018/2019 ski season and 2019 off-peak season number of airlines, number of destinations and average seats/flight at Grand Junction and other airports in the region. (OAG data: June 1, 2019).

Airport Location	Road Miles from GJT	2018/2019 Ski Season (Dec-Mar)			2019 Off-Peak Season (Jul)		
		Airlines	Destinations	Seats/Flight	Airlines	Destinations	Seats/Flight
Grand Junction	N/A	4	6	64	4	8	70
Denver	266	25	208	128	23	203	131
Salt Lake City	288	9	106	119	9	99	119
Aspen	124	3	10	70	3	8	70
Eagle/Vail	113	3	15	127	2	2	102
Montrose	67	4	12	85	2	5	69

As shown in Exhibit 3, Grand Junction generated 556 domestic PDEW and 40 international PDEW for a total of 596 PDEW at an average domestic one-way fare of \$230, an average international one-way fare of \$426 and an average blended domestic and international one-way fare of \$243 in 2018. Denver International Airport, the closest alternate airport to Grand Junction, generated nearly 55,000 total PDEW at an average blended fare of \$169, while Salt Lake City International Airport generated more than 20,000 PDEW at an average blended fare of \$202. With 670 PDEW, Aspen generated 22.5% more traffic than Grand Junction at a much higher fare of \$327, while Eagle/Vail and Montrose generated less traffic than Grand Junction at much higher fares.

Exhibit 3. 2018 domestic and international passengers per day each way (PDEW) and average one-way fare at Grand Junction and other airports in the region (DOT DB1B data)

Airport Location	Domestic		International		Domestic+International	
	PDEW	Fare	PDEW	Fare	PDEW	Fare
Grand Junction	556	\$230	40	\$426	596	\$243
Denver	50,827	\$143	4,110	\$481	54,937	\$169
Salt Lake City	18,920	\$177	1,534	\$514	20,454	\$202
Aspen	670	\$297	62	\$653	732	\$327
Eagle/Vail	420	\$292	42	\$664	462	\$326
Montrose	331	\$261	16	\$532	347	\$274

Existing Air Service

In Summer 2019, Grand Junction has service on American to Dallas/Ft. Worth and Phoenix, on Delta to Salt Lake City, on United to Denver and Chicago (Chicago is operated Saturday-only), and on Allegiant to Las Vegas, Mesa/Phoenix and Los Angeles (all Allegiant service is operated twice a week). United's service to Chicago is seasonal and will be operated from June through October; Allegiant's service to Los Angeles is also seasonal and will be operated from June through August. American will operate 37.1% of the scheduled capacity, Delta will operate 16.2% of the scheduled capacity, United will operate 31.9% of the scheduled capacity, and Allegiant will operate 14.8% of the scheduled capacity in Summer 2019. Exhibit 4 illustrates the number of flights per day each way, seats per flight, seats per day each way and seat share by carrier and market based on published capacity for July 2019.

Exhibit 4. Grand Junction July 2019 departures per day, seats per departure, seats per day and percent of total capacity by airline and market.

<u>Airline</u>	<u>Destination</u>	<u>Flights per Day Each Way</u>	<u>Seats per Flight</u>	<u>Seats per Day Each Way</u>	<u>Seat Share</u>
American	Dallas/Ft. Worth	2 5/7	76	206	22.2%
	Phoenix	2	70	138	14.9%
	<b>Total</b>	<b>4 5/7</b>	<b>73</b>	<b>344</b>	<b>37.1%</b>
Delta	Salt Lake City	3	50	150	16.2%
	<b>Total</b>	<b>3</b>	<b>50</b>	<b>150</b>	<b>16.2%</b>
United	Denver	4 5/7	61	286	30.9%
	Chicago	1/7	76	10	1.1%
	<b>Total</b>	<b>4 6/7</b>	<b>62</b>	<b>296</b>	<b>31.9%</b>
<b>Ex-Allegiant Total</b>		<b>12 3/7</b>	<b>63</b>	<b>789</b>	<b>85.2%</b>
Allegiant	Mesa/Phoenix	2/7	177	46	4.9%
	Las Vegas	2/7	156	45	4.9%
	Los Angeles	2/7	177	46	4.9%
	<b>Total</b>	<b>6/7</b>	<b>169</b>	<b>137</b>	<b>14.8%</b>
<b>All Carriers</b>		<b>13 2/7</b>	<b>70</b>	<b>926</b>	<b>100.0%</b>



Air Service Development Efforts

Grand Junction Regional Airport has an active air service development program, and airport officials have met in-person with seven airlines on 15 occasions since July 2018. These meetings include four in-person points of contact with United. The number meetings with each airline is summarized in Exhibit 5.

Exhibit 5. Summary of Grand Junction Regional Airport airline meetings from July 2018 through June 2019.

Airline/Entity	Discussion/Meeting Forum and Number of Contacts				Total
	Headquarters Meeting	TakeOff Conference	Jumpstart Conference	Volaire Consulting Forum	
Alaska			1	1	2
Allegiant	1				1
American			1	1	2
Contour		1		1	2
Frontier			1		1
SkyWest (Delta)	1	1		1	3
United	2	1		1	4
<b>Totals</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>15</b>

Over the last ten years, Grand Junction has been successful in attracting United to operate seasonal weekend Grand Junction-Chicago service beginning in June 2019 and Allegiant to operate Grand Junction-Mesa/Phoenix service beginning in April 2019. Unfortunately, United discontinued Houston service in April 2016 after oil and gas prices declined, and energy industry business travel to and from the Western Slope of Colorado decreased. Grand Junction also lost Frontier service when Frontier discontinued its service to Denver in 2010.

Marketing and Promotion of Air Service

Grand Junction Regional Airport’s Passenger Air Service Incentive Program is aimed at increasing travel and promoting competition among the airlines serving Grand Junction. Using \$100,000 in funding provided by the Grand Junction Regional Air Service Alliance, these incentives will be provided for the proposed service

- \$100,000 for advertising and promotion of the new service. The marketing/advertising plan will promote Grand Junction Regional Airport, United’s brand and the new destination. The Grand Junction Regional Air Service Alliance and Grand Junction Regional Airport will coordinate with United the planning of advertising and any promotional events for the announcement, pre-launch, inaugural, and post-launch of the new service. For the proposed San Francisco route, the Grand Junction Regional Air Service Alliance is proposing to allocate the \$100,000 in marketing and promotion as follows.

Amount	Function	Timeline
\$70,000	Advertising and Saturation Campaign	Three months prior to inaugural flight
\$30,000	Maintenance Placement Campaign	Three months after inaugural flight

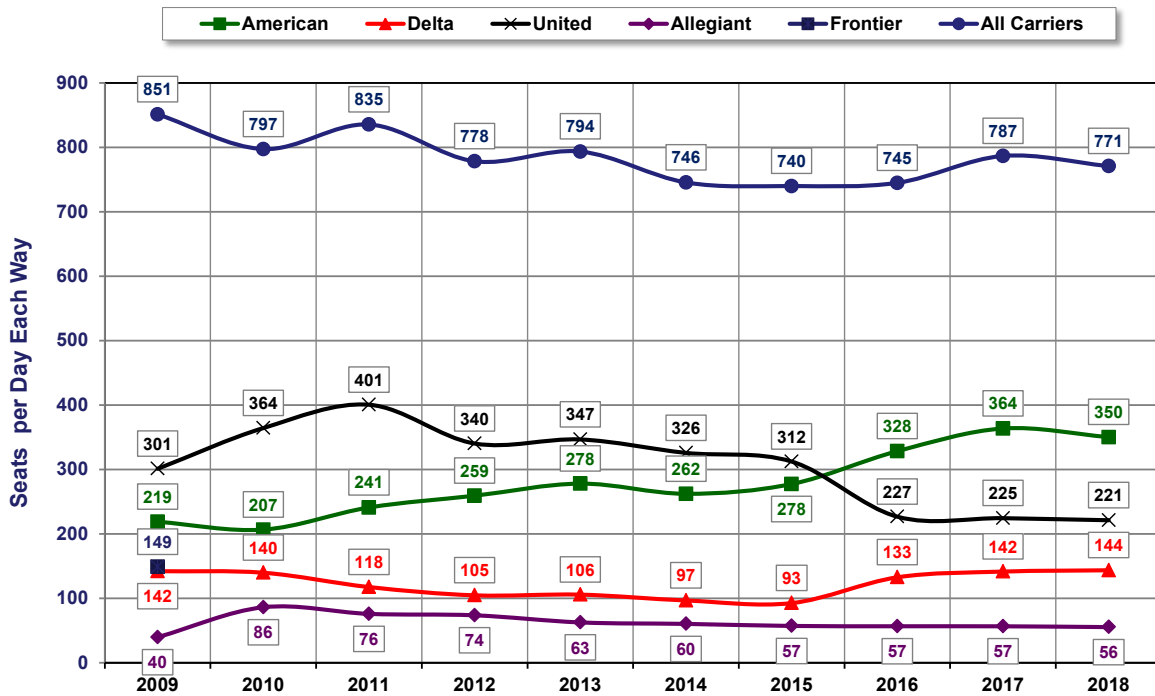
Amount	Function	Timeline
\$70,000	Advertising and Saturation Campaign	Year One (including pre-launch)
\$30,000	Maintenance Placement Campaign	Year Two

## AIR SERVICE DEVELOPMENT NEEDS AND DEFICIENCIES

### Capacity Trend

Like most small communities, airline capacity in Grand Junction has trended down over the last ten years. Exhibit 6 illustrates capacity at Grand Junction declined 9.4% from 851 total seats per day each way in 2009 to 771 total seats per day each way in 2018. Although capacity increased on American and Allegiant, capacity on Delta was flat, capacity on United was down 26.5% and Frontier exited Grand Junction. Extending published capacity through the end of 2019, capacity will increase to an average of 869 seats per day each way.

Exhibit 6. Grand Junction published seats per day each way by carrier 2009-2018. (OAG data as of May 26, 2019)

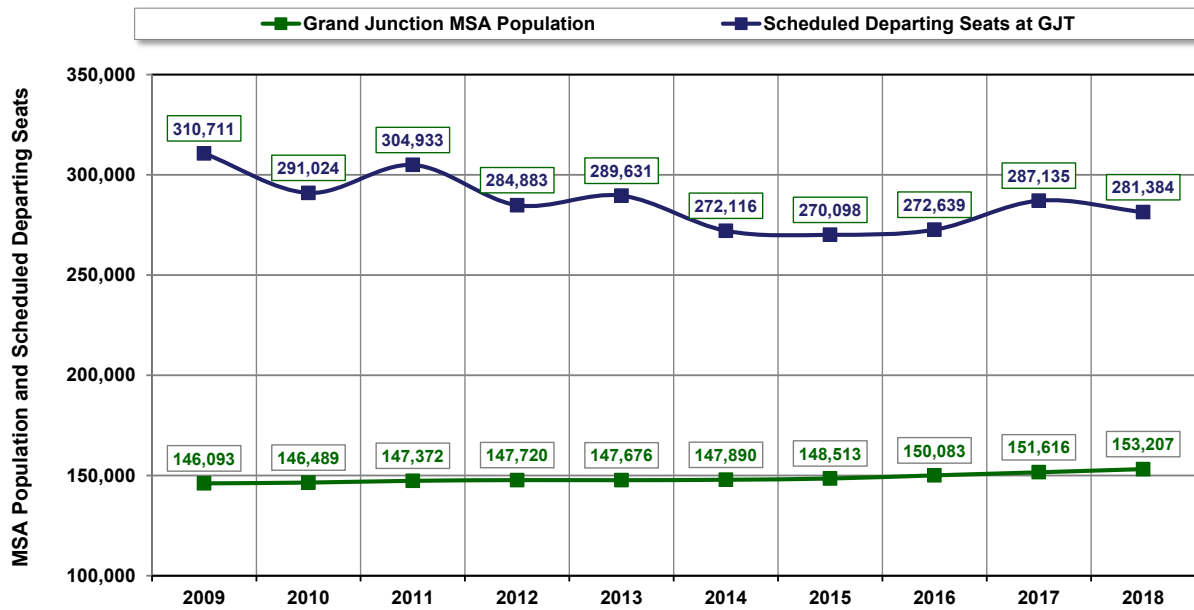




Population Trend Versus Capacity Trend

While scheduled airline capacity has trended down over the last ten years, Grand Junction’s population has trended up. The additional demand for air service generated by the population growth over a period of time when capacity declined has likely contributed to the steep increase in Grand Junction’s average fare and the high degree of leakage to other airports in the region, especially to Denver. Exhibit 7 illustrates the population of the Grand Junction Metropolitan Statistical Area increased 4.9% from 146,903 residents in 2009 to 153,207 residents in 2018. Over the same period of time, the number of departing seats scheduled by all airlines serving Grand Junction declined 9.4% from 310,711 seats (851 SDEW) in 2009 to 281,384 seats (771 SDEW) in 2018.

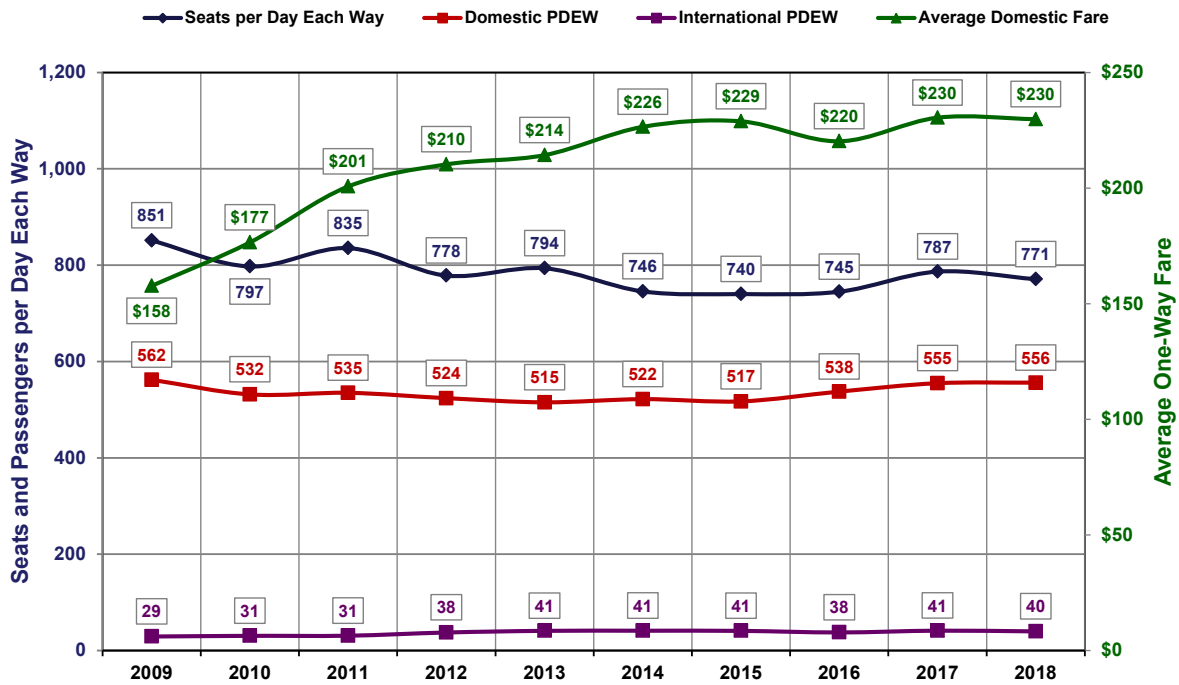
Exhibit 7. Grand Junction Metropolitan Statistical Area population and Grand Junction published departing seats 2009-2018. (U.S. Census Bureau data; OAG data as of May 26, 2019)



Traffic and Fare Trends

Exhibit 8 illustrates as capacity at Grand Junction trended down from 2009 through 2018, domestic traffic also trended down, albeit at a lower rate than the decline in capacity. Domestic capacity declined 1.1% from 562 PDEW in 2009 to 556 PDEW, but the average one-way domestic fare increased 47.5% from \$158 to \$230. International traffic accounted for 6.7% of Grand Junction’s total traffic in 2018 and increased from 29 PDEW to 40 PDEW.

Exhibit 8. Grand Junction published seats per day each way 2009-2018 and Grand Junction domestic and international PDEW – 2009-2018. (OAG and DOT DB1B data).



Domestic Fare and Yield Trends Relative to Other U.S. Airports

Grand Junction’s average domestic fare exceeds the average domestic fare for Lower 48 communities in the United States by \$62 each way, or by 36.4%. Exhibit 9 illustrates Grand Junction’s average domestic fare in 2018 was \$230, and the average domestic fare for Lower 48 communities in the United States in the same period of time was just \$168. Furthermore, Grand Junction’s average domestic fare has increased by \$72 each way or by 45.7% over the last ten years, while the average domestic fare for all communities increased just \$26, or 18.2% over the same period of time.

Grand Junction’s domestic yield has also exceeded the average domestic yield for Lower 48 communities by a wide margin in each of the last ten years as illustrated in Exhibit 10. Although Grand Junction’s domestic length of haul of 1,106 miles in 2018 was 3.5% shorter than the length of haul for all U.S. communities of 1,147 miles, Grand Junction’s domestic yield of \$0.208 was 41.4% higher than the domestic yield of \$0.147 for all U.S. communities.

Exhibit 9. Average domestic one-way fares at Grand Junction and the average U.S. Airport 2009-2018 (U.S. DOT data).

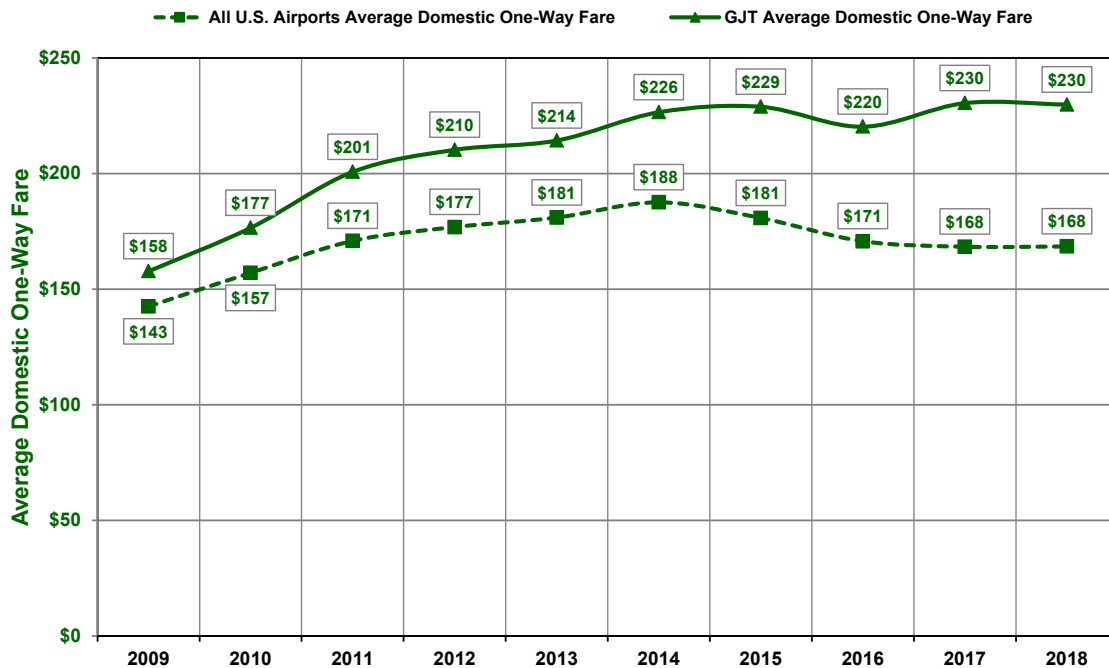
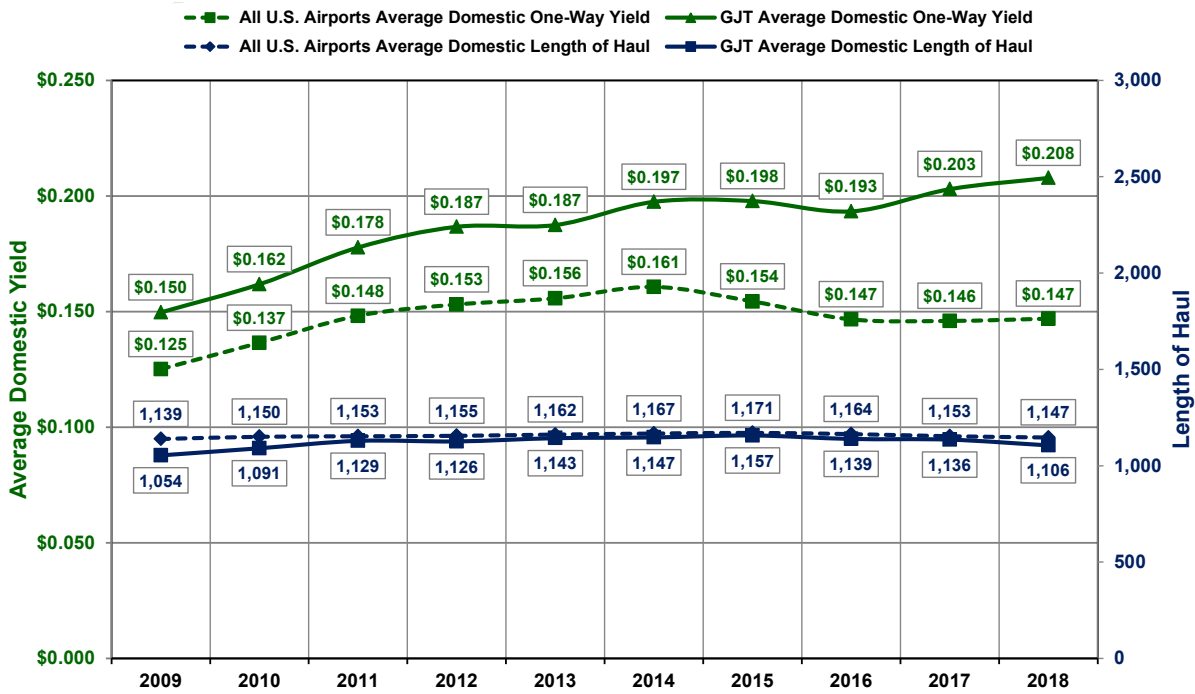


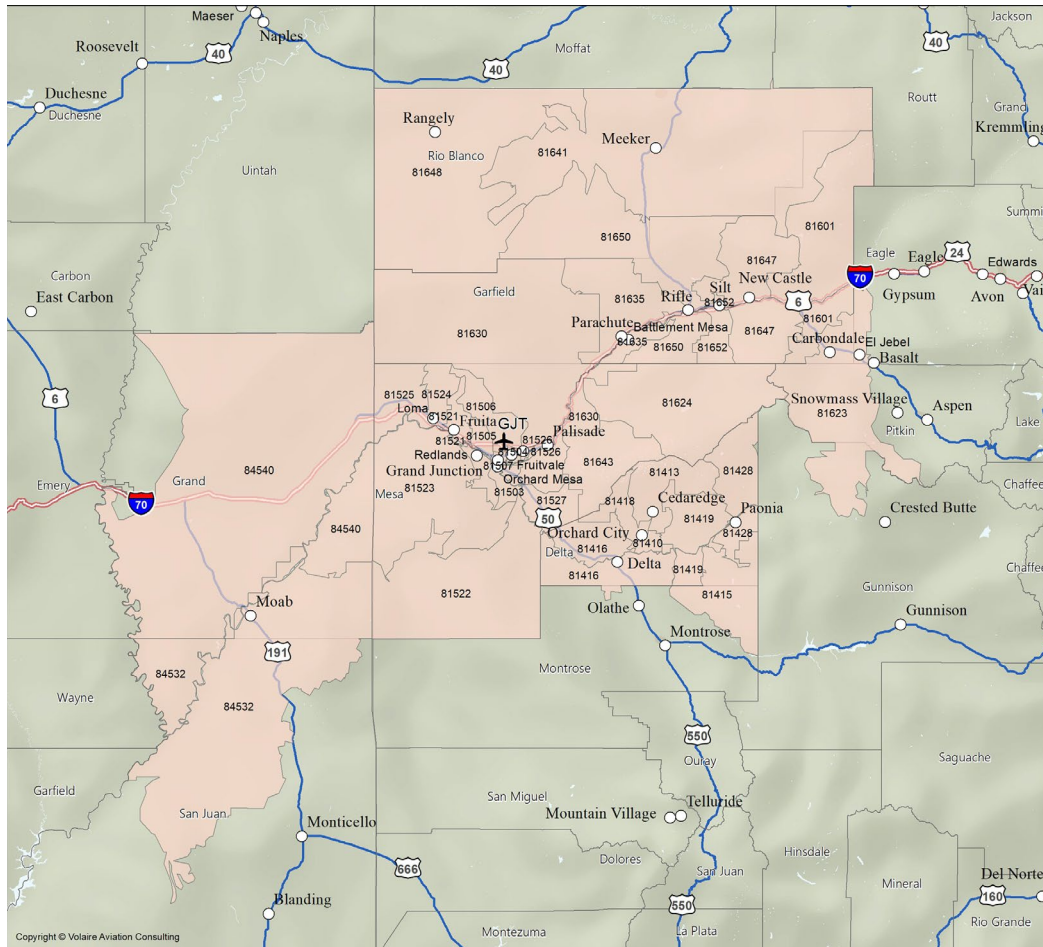
Exhibit 10. Grand Junction and average U.S. airport domestic yield and Grand Junction and U.S. airport length of haul: 2009-2018 (U.S. DOT data).



Leakage to Other Airports in the Region

Because the Grand Junction Regional Airport is isolated on the Western Slope of Colorado, the catchment area of the airport is relatively large, extending from beyond Moab, Utah to Glenwood Springs, Colorado. The catchment area includes 39 zip codes and includes a population of approximately 226,000 residents. The catchment area is illustrated in Exhibit 11.

Exhibit 11. Catchment area of Grand Junction Regional Airport.



A leakage study, using year-end second quarter 2018 data, determined Grand Junction’s true market size is 1,505 PDEW, but Grand Junction Regional Airport retains only 38.7% of the traffic generated in its catchment area. Despite Grand Junction’s isolation and the distance – 266 road miles – Denver International Airport captures 45.7% of the traffic. Denver captures such a large share of the traffic generated in Grand Junction’s catchment area largely because Denver is a very competitive market with low fares and multiple carriers offering nonstop service in most of Grand Junction’s largest domestic markets. The average fare paid when a resident of Grand Junction’s catchment area leaked to Denver was \$158 each way compared to \$247 paid at Grand Junction.

Aspen/Pitkin County Airport captures 5.7% of the traffic, Eagle County Regional Airport captures 3.5% of the traffic, Montrose Regional Airport captures 3.1% of the traffic, and Salt Lake City International Airport captures 2.8% of the traffic. Collectively, the airports in Moab and Vernal capture less than 1.0% of the traffic. Exhibit 12 illustrates PDEW, airport share and the average one-way fare paid by residents of Grand Junction’s catchment area at each airport in the region.

Exhibit 12. Grand Junction catchment area domestic and international passengers per day each way (PDEW), airport share and average one-way fare by airport. (Volaire Aviation Consulting year-end second quarter 2018 leakage study data).

Airport	PDEW	Airport Share	One-Way Fare
Denver International Airport	688.1	45.7%	\$158
Grand Junction Regional Airport	582.6	38.7%	\$247
Aspen-Pitken County Regional Airport	86.1	5.7%	\$308
Eagle County Regional Airport	53.4	3.5%	\$275
Montrose Regional Airport	46.7	3.1%	\$251
Salt Lake City International Airport	42.7	2.8%	\$170
Moab Canyonlands Field Airport	5.1	0.3%	\$124
Vernal Regional Airport	0.7	0.0%	\$102
All Airports	1,505.2	100.0%	\$208

## STRATEGIC PLAN

### Proposed New Route

Over the last ten years, both capacity and traffic at Grand Junction has declined, and Grand Junction’s average domestic fare has exceeded the average fare for Lower 48 communities by a wide margin. The community’s plan to help address these deficiencies is to offer a minimum revenue guarantee for service on United to San Francisco. The proposed new service would benefit a mix of business, military and leisure travelers by providing nonstop service to San Francisco and connecting service beyond San Francisco.

### Self-Sufficiency of the Proposed New Route

Grand Junction Regional Airport believes the proposed Grand Junction-San Francisco route will become self-sufficient during the revenue guarantee period and continue to operate beyond the revenue guarantee period.

### Goals and Objectives

Grand Junction has four goals and objectives for its Small Community Air Service Development Grant proposal for service to San Francisco.

- More competition and lower fares in the local Grand Junction-San Francisco market and the connecting markets beyond San Francisco.
- Recapture catchment area traffic leaked to other airports in the region, especially Denver.
- Nonstop access to and from the San Francisco Bay Area.
- Additional connecting service to markets served via San Francisco, particularly markets on the West Coast, Hawaii, Asia, Australia and New Zealand.

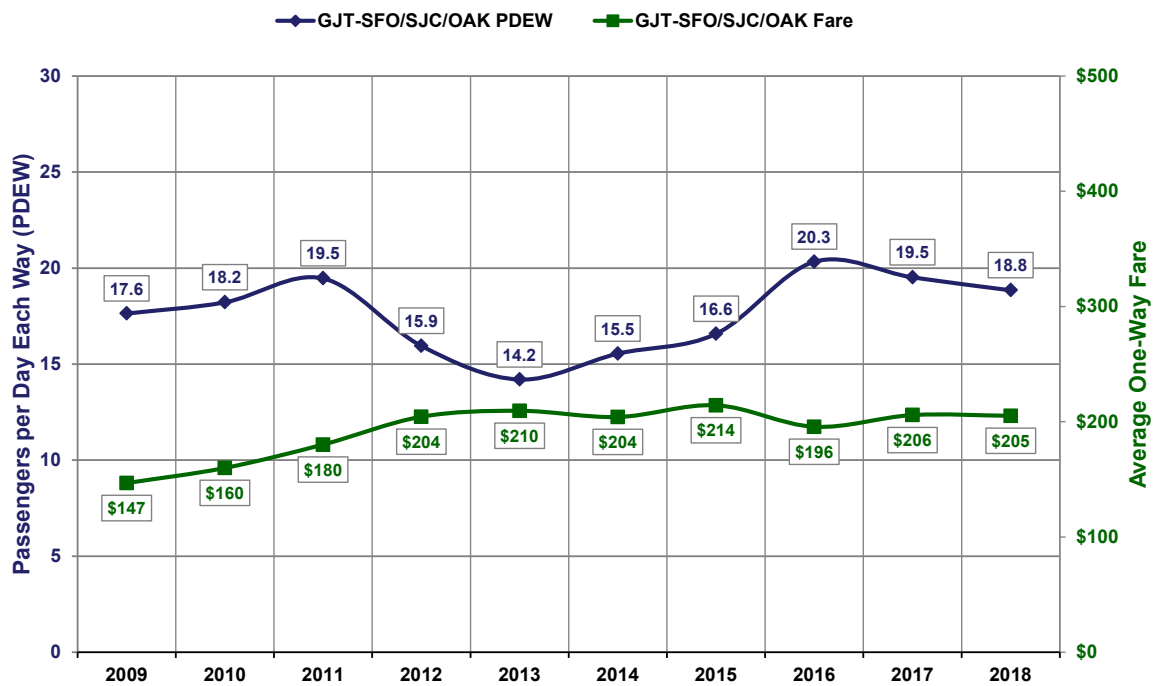
Target Airline Support

Grand Junction Regional Airport has been engaged in discussions with United Airlines regarding nonstop San Francisco service since a headquarters meeting with United in September 2016. United’s interest in serving the market has increased within the last year, and United is supporting this proposal with a letter of support.

Grand Junction-San Francisco Traffic and Fare Trends

There is significant demand for nonstop Grand Junction-San Francisco service. Based on DOT data and as illustrated in Exhibit 13, the Grand Junction-San Francisco market generated 18.8 PDEW at an average fare of \$205 each way in 2018. Based on leakage study data, using year-end second quarter 2018 data, the true market size is 53.9 PDEW at an average fare of \$163. Of the true market size of 53.9 PDEW, Denver International Airport captures 26.4 PDEW, or 49.1% of the traffic at an average fare of \$118 each way. Year-round nonstop service would naturally stimulate demand, help retain traffic currently leaked to Denver, and likely put downward pressure on the local Grand Junction-San Francisco fare. According to the Grand Junction Visitors and Convention Bureau, the San Francisco Bay Area is a large source of tourists visiting the Grand Junction area.

Exhibit 13. Grand Junction-San Francisco PDEW and average one-way fare (2018 DOT DB1A data).



Grant Amendments/Alternate Strategies

If a grant is awarded for Grand Junction-San Francisco service, and the community is not successful in its effort to recruit United to San Francisco, Grand Junction Regional Airport would ask the Department to consider reallocation of the award funds for service to an alternate hub on a network carrier. Potential routes would include year-round service to Los Angeles or Chicago on United or American, or to Houston on United.

**PROJECT IMPLEMENTATION, MONITORING AND FUNDING**

Public/Private Partnerships

The Grand Junction Regional Airport Authority and the Grand Junction Regional Air Service Alliance have partnered to promote and advance the community's air service objectives.

Project Funding

Grand Junction Regional Airport is requesting Small Community Air Service funding of \$950,000 for its proposed minimum revenue guarantee and marketing support for service between Grand Junction and San Francisco on United. The Grand Junction Regional Air Service Alliance has pledged \$475,000 in cash to supplement the requested funding for a minimum revenue guarantee, and the Grand Junction Regional Air Service Alliance will contribute another \$100,000 in cash for marketing and promotion of the proposed route. The total cash pledged by the Grand Junction Regional Air Service Alliance – \$575,000 – equates to 60.5% of the requested grant amount. In addition to the marketing and promotion provided by the Grand Junction Regional Air Service Alliance, Grand Junction Regional Airport will wave landing fees for the proposed flight for a period of 12 months after service begins; these fees are estimated at \$41,574. The sources and uses of the project funding are illustrated in Exhibit 14.

Exhibit 14 Sources and uses of project funding.

<u>Funding Source</u>	<u>Cash Revenue Guarantee</u>	<u>Cash Marketing</u>	<u>In-Kind Waiver Landing Fee</u>	<u>Total Cash Project Funding</u>
Department of Transportation	\$950,000			\$950,000
Air Service Alliance	\$475,000	\$100,000		\$575,000
Grand Junction Regional Airport			\$41,574	\$41,574
Total	\$1,425,000	\$100,000	\$41,574	\$1,566,574



<u>Funding Source</u>	Cash Revenue Guarantee	Cash Marketing	In-Kind Waiver Landing Fee	Total Project Funding
Department of Transportation	\$950,000			\$950,000
Air Service Alliance	\$475,000	\$100,000		\$575,000
Grand Junction Regional Airport			\$41,574	\$41,574
Total	\$1,425,000	\$100,000	\$41,574	\$1,566,574

### Implementation Timeline

The proposed implementation timeline for the project is illustrated in Exhibit 15. Grand Junction Regional Airport will begin discussions with United immediately after learning the Department will award a Small Community Air Service Development grant for the proposed Grand Junction-San Francisco service. The timing of the announcement, expected by October 2019, will provide sufficient time to meet with United to finalize the details of the revenue guarantee. Assuming discussions are successful, and United commits to Grand Junction-San Francisco service, the next major schedule change date, which would provide sufficient time for advance bookings, is likely a June 2020 schedule change date. Once the service begins, Grand Junction Regional Airport will remain in close communication with United to monitor the performance of the route.

Exhibit 15. Proposed project timeline.

<b>Activity/Project Milestone</b>	<b>Potential Dates</b>
SCASD Grant Award Announcement	September/October 2019
Execute Grant Agreement with DOT	November 2019
Negotiate Minimum Revenue Guarantee with Airline	October/November 2019
Announce Service	December 2019
Publish Schedule	December 2019
Market Route (Pre-Launch)	January-June 2020
Monitor Advance Bookings	January-June 2020
Adjust Marketing Plan Based on Advance Bookings	January-June 2020
Begin Service	June 2020
Market Route (Post-Launch)	June 2020 and Beyond
Operate Service with MRG	June 2020 - May 2022
Monitor Route Performance	June 2020 - May 2022 and Beyond
Submit Grant Status Reports to DOT	Quarterly 3Q 2020 - 2Q 2022

## **PROJECT MONITORING AND FINANCIAL CONTROL**

### Success Metrics

Four goals have been established to measure the success of the proposed project and are illustrated in Exhibit 16. The goals of the project are aimed at increased traffic and lower fares. These goals are objective and can be measured by comparing year-over-year market size changes and changes in fares on a quarterly basis as DOT traffic and revenue data is published. Another measure of success will be the load factor performance on the flights operated in the proposed market. High load factors

(defined as load factors in the upper 70s or greater) will constitute traffic metric success. The amount of subsidy required by United will also provide an indication of the route’s financial success.

Exhibit 16. Project goals and success metrics.

Project Goals	Success Metric
<ul style="list-style-type: none"> <li>• Nonstop access to San Francisco and additional connecting opportunities to supplement existing connections available via Chicago, Dallas/Ft. Worth, Denver, Phoenix and Salt Lake City.</li> </ul>	<ul style="list-style-type: none"> <li>• Inauguration of nonstop service to San Francisco.</li> </ul>
<ul style="list-style-type: none"> <li>• Stimulation of the Grand Junction-San Francisco markets size and the markets served by United via its hub in San Francisco.</li> </ul>	<ul style="list-style-type: none"> <li>• Grand Junction-San Francisco markets size growth and market size growth in markets that could connect beyond San Francisco.</li> </ul>
<ul style="list-style-type: none"> <li>• Lower fares in the San Francisco market and the markets connecting beyond San Francisco</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly year-over-year declines in fares for the local Grand Junction-San Francisco market and the largest markets beyond San Francisco.</li> </ul>
<ul style="list-style-type: none"> <li>• Recapture catchment area traffic leaked to other airports in the region</li> </ul>	<ul style="list-style-type: none"> <li>• Increased retention (and less leakage) of the traffic generated in Grand Junction’s catchment area.</li> </ul>

Previous SCASDP Funding

Grand Junction Regional Airport has not received SCASDP funding in the past.

Legal Sponsor

The Grand Junction Regional Airport Authority is the legal sponsor responsible for administering the program, and the Grand Junction Regional Airport Authority Board of Directors is the governing body.

Grand Junction Regional Airport Authority  
 2828 Walker Field Drive  
 Grand Junction, Colorado 81506  
 Angela Padalecki  
 Executive Director  
 970-244-9100 / apadalecki@gjairport.com

Financial Controls

As the sponsor, the Grand Junction Regional Airport Authority will be the responsible party for all fiscal matters and the Department’s reporting requirements. The Grand Junction Regional Airport Authority is established as a public governing body. As a public entity, the Department can be assured that proper financial controls are in place to guarantee the Department’s Grant will be used in accordance with any agreement. The Grand Junction Regional Airport Authority understands that the Grant is a reimbursable grant, meaning the Commission is responsible for program expenditures and will submit invoices to the Department for reimbursement, based on a percentage of the total grant request.

## **AIR SERVICE DEVELOPMENT ZONE DESIGNATION**

Grand Junction Regional Airport is requesting designation as an Air Service Development Zone should the proposed Small Community Air Service Development Grant be awarded to the Airport. Grand Junction Regional Airport, the City of Grand Junction, Mesa County, the State of Colorado and business/economic development organizations in the community actively market the area surrounding the airport and land use options to businesses. Many local and state incentives are available to encourage development based on the community's goals and objectives to grow Grand Junction's economy. An Air Service Development Zone Designation will provide the community with another tool as part of its new business development efforts.

### Local Tax Credits

Mesa County Business Personal Property Tax Waiver: Ability to apply for a waiver of a company's Mesa County portion of business personal property taxes. Opportunity to waive up to 100% of business personal property tax paid to Mesa County. The City of Grand Junction does not collect sales & use tax on manufacturing consumables.

### State Incentives

Jump-Start Mesa County: New and expanding businesses in Mesa County may be eligible for relief from state income and sales & use taxes; county and municipal personal property taxes; and state income taxes for their employees for up to eight years as part of the "Rural Jump-Start Zone" program.

Enterprise Zone: A number of tax credits are available to companies that locate in Mesa County, a designated Colorado Enterprise Zone. The purpose of the Enterprise Zone program is to create jobs and promote investments within that area. In Mesa County the program is administered by The Business Incubator Center.

Colorado Aircraft Manufacturer Tax Credit: Aircraft manufacturers located in a Colorado Aviation Development Zone may qualify for a state income tax credit of \$1,200 per new employee. The Grand Junction Regional Airport is a designated aviation development zone.

Colorado Job Growth Incentive Tax Credit: The performance-based Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program. Businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 100% of the county average wage rate based on where the business is located. A business located in an Enhanced Rural Enterprise Zone has to create at least five new

jobs in Colorado, with an average yearly wage of at least 100% of the county average wage. All new jobs must be maintained for at least one year after the positions are hired to qualify.

Strategic Fund Incentive: The Strategic Fund Incentive program supports and encourages new business development, business expansions and relocations that have generated new jobs throughout the state. A business may receive funding if it proposes to create new jobs in Colorado that are maintained for at least one year. A business must also meet these requirements:

- Strong level of local matching commitments (\$1:\$1 requested)
- Potential for economic “spinoff” benefits, such as attracting suppliers, generating tourism/travel activity, high prestige, or a large expansion initiative
- Capital investment, relative to the number of jobs
- Responds to a special local economic event, such as replacing recent lay-offs
- Inter-state competitive factors

Colorado FIRST / Existing Industry Customized Job Training: Colorado’s job training programs invests in its labor force and incentivizes business growth in Colorado by providing grants to companies that are locating or expanding in Colorado. By paying costs associated with job training, the programs increase transferable job skills that support both the company’s competitiveness and enhance worker’s resumes and long-term employment opportunities.

Hub Zone: The Historically Underutilized Business Zones (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities and government contracts. Much of the commercial and industrial areas of Grand Junction are a HUB Zone.

#### Federal Incentives

Opportunity Zone: The Opportunity Zone program, which was established in the 2017 federal tax reform bill, allows investors to shelter capital-gains taxes for 10 years. Six “tracts” in Mesa County are currently approved for the program.

## APPENDIX A: REQUIRED SUMMARY INFORMATION

### APPLICATION UNDER SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM

DOCKET DOT-OST-2019-0071

#### SUMMARY INFORMATION

A. PROVIDE THE LEGAL SPONSOR AND ITS DUN AND BRADSTREET (D&B) DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER, INCLUDING +4, EMPLOYEE IDENTIFICATION NUMBER (EIN) OR TAX ID.

Legal Sponsor Name: Grand Junction Regional Airport Authority

Name of Signatory Party for Legal Sponsor: Angela Padalecki; Executive Director

DUNS Number: 15613594

EIN/Tax ID: 84-6111114

B. LIST THE NAME OF THE COMMUNITY OR CONSORTIUM OF COMMUNITIES APPLYING:

Grand Junction, Colorado

C. PROVIDE THE FULL AIRPORT NAME AND 3-LETTER IATA AIRPORT CODE FOR THE APPLICANT(S) AIRPORT(S) (ONLY PROVIDE CODES FOR THE AIRPORT(S) THAT ARE ACTUALLY SEEKING SERVICE).

Grand Junction Regional Airport: GJT

THE AIRPORT SEEKING SERVICE IS NOT LARGER THAN A SMALL HUB AIRPORT:

UNDER FAA HUB CLASSIFICATIONS EFFECTIVE ON THE DATE OF SERVICE OF THE ATTACHED ORDER

AS OF CALENDAR YEAR 1997

DOES THE AIRPORT SEEKING SERVICE HOLD AN AIRPORT OPERATING CERTIFICATE ISSUED BY THE FEDERAL AVIATION ADMINISTRATION UNDER 14 CFR PART 139? (IF “NO”, PLEASE EXPLAIN WHETHER THE AIRPORT INTENDS TO APPLY FOR A CERTIFICATE OR WHETHER AN APPLICATION UNDER PART 139 IS PENDING.)

- Yes       No (explain)

D. SHOW THE DRIVING DISTANCE FROM THE APPLICANT COMMUNITY TO THE NEAREST:

1. Large hub airport: Denver International Airport (DEN); 266 miles
2. Medium hub airport: Albuquerque International Airport (ABQ); 392 miles
3. Small hub airport: Colorado Springs Municipal Airport (COS); 322 miles
4. Airport with jet service: Grand Junction Regional Airport has jet service; Montrose Regional Airport ((MTJ) is the closest alternate airport with jet service (67 miles)

E. LIST THE 2-DIGIT CONGRESSIONAL DISTRICT CODE APPLICABLE TO THE SPONSORING ORGANIZATION, AND IF A CONSORTIUM, TO EACH PARTICIPATING COMMUNITY.

1. CO-03

F. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)

- Not a Consortium       Interstate Consortium       Intrastate Consortium
- Community currently receives subsidized Essential Air Service, receives assistance under the Alternate Essential Air Service Pilot Program, or is a participant in, and has received a grant under, the Community Flexibility Pilot Program
- Community (or Consortium member) previously received a Small Community Air Service Development Program Grant

If previous recipient: Provide year of grant(s): \_\_\_\_\_; and, the text of the grant agreement section(s) setting forth the scope of the grant project: N/A

G. PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

PUBLIC \_\_\_\_\_ PRIVATE \_\_\_\_\_  
Grand Junction Regional Air Service Alliance

Grand Junction Regional Airport

H. PROJECT PROPOSAL:

1a. GRANT GOALS: (CHECK ALL THAT APPLY)

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Launch New Carrier | <input checked="" type="checkbox"/> Secure Additional Service | <input type="checkbox"/> Upgrade Aircraft      |
| <input type="checkbox"/> First Service      | <input checked="" type="checkbox"/> New Route                 | <input type="checkbox"/> Service Restoration   |
| <input type="checkbox"/> Regional Service   | <input type="checkbox"/> Surface Transportation               | <input type="checkbox"/> Professional Services |
| <input type="checkbox"/> Other (explain)    |   |  |

---

1b. GRANT GOALS: (SYNOPSIS)

Concisely describe the scope of the proposed grant project.

Grand Junction Regional Airport and the Grand Junction Regional Air Service Alliance are seeking nonstop service to San Francisco International Airport on United Airlines. San Francisco service would provide service not only in the local market, but would also serve as a connecting hub to other destinations on the West Coast, Hawaii, Asia and Australia.

2. FINANCIAL TOOLS TO BE USED: (CHECK ALL THAT APPLY)

- Marketing (including Advertising): promotion of the air service to the public
  - Start-up Cost Offset: offsetting expenses to assist an air service provider in setting up a new station and starting new service (for example, ticket counter reconfiguration)
  - Revenue Guarantee: an agreement with an air service provider setting forth a minimum guaranteed profit margin, a portion of which is eligible for reimbursement by the community
  - Recruitment of U.S. Air Carrier: air service development activities to recruit new air service, including expenses for airport marketers to meet with air service providers to make the case for new air service
  - Fee Waivers: waiver of airport fees, such as landing fees, to encourage new air service; counted as in-kind contributions only
  - Ground Handling Fee: reimbursement of expenses for passenger, cabin, and ramp (below wing) services provided by third party ground handlers
  - Travel Bank: travel pledges, or deposited monetary funds, from participating parties for the purchase of air travel on a U.S. air carrier, with defined procedures for the subsequent use of the pledges or the deposited funds; counted as in-kind contributions only
  - Other (explain below)
-

I. EXISTING LANDING AIDS AT LOCAL AIRPORT:

- Full ILS                       Outer/Middle Marker                       Published Instrument Approach  
 Localizer                       Other (specify)

J. PROJECT COST: DO NOT ENTER TEXT IN SHADED AREA

REMINDER: LOCAL CASH CONTRIBUTIONS MAY NOT BE PROVIDED BY AN AIR CARRIER (SEE "TYPES OF CONTRIBUTIONS FOR REFERENCE).

Line	Description	Sub Total	Total Amount
1	Federal amount requested		\$950,000
2	State <u>cash</u> financial contribution		\$0
	<i>Local cash financial contribution</i>		
	3a    Airport <u>cash</u> funds	\$0	
	3b    Non-airport <u>cash</u> funds	\$575,000	
3	Total local <u>cash</u> funds (3a + 3b)		
4	TOTAL CASH FUNDING (1+2+3)		\$1,525,000
	<i>In-Kind contribution</i>		
	5a    Airport <u>In-Kind</u> contribution**	\$41,574	
	5b    Other <u>In-Kind</u> contribution**	\$0	
5	TOTAL IN-KIND CONTRIBUTION (5a + 5b)		\$41,574
6	TOTAL PROJECT COST (4+5)		\$1,566,574



K. IN-KIND CONTRIBUTIONS

For funds in lines 5a (Airport In-Kind contribution) and 5b (Other In-Kind contribution), please describe the source(s) of fund(s) and the value (\$) of each.

*Grand Junction Regional Airport will waive landing fees for a period of one year for the proposed service. The total landing fee incentive is estimated to be \$41,574 based on Grand Junction's landing fee of \$1.70 and the maximum landing weight of the CRJ-700 operated by United.*

L. IS THIS APPLICATION SUBJECT TO REVIEW BY AN AFFECTED STATE UNDER EXECUTIVE ORDER 12372 PROCESS?

- a. This application was made available to the State under the Executive Order 12372 Process for review on (date) \_\_\_\_\_.
- b. Program is subject to E.O. 12372, but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

M. IS THE LEAD APPLICANT OR ANY CO-APPLICANTS DELINQUENT ON ANY FEDERAL DEBT? (IF "YES", PROVIDE EXPLANATION)

- No
  - Yes (explain)
-

**APPENDIX B: LETTERS OF SUPPORT**

Congress of the United States  
House of Representatives  
Washington, DC 20515-0603

May 20, 2019

The Honorable Elaine Chao  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Dear Secretary Chao:

As the representative for the 3rd Congressional District of Colorado, I am pleased to support the application submitted by the Grand Junction Regional Airport (GJRA) to the U.S. Department of Transportation's Small Community Air Service Development Grant Program.

As the primary commercial service airport located between Denver and Salt Lake City, Grand Junction Regional Airport plays a vital role in supporting the economy of Western Colorado and Eastern Utah. Not only does it provide critical passenger and freight services for businesses in Colorado and Utah, it is often the first experience visitors have of the region. Like many small airports, the GJRA has struggled to gain nonstop access to serve the needs of the community and support local economic growth.

The GJRA seeks to recruit new service to a west coast transportation hub, such as San Francisco International Airport or the Los Angeles International Airport. This will provide additional seats for airline travel for anticipated increase in demand as the economy of the region continues to improve. Residents and visitors in the area will have the opportunity for additional nonstop, less-circuitous connecting travel options to and from the City of Grand Junction. Furthermore, this grant funding would be used as a minimum revenue guarantee to promote and support enhanced air service. This effort would enable GJRA to offer competitive pricing and offer additional travel options to and from the West Coast. This application represents a strong partnership between the GJRA, the City of Grand Junction, Mesa County, Colorado and local and regional businesses.

I recognize the significant budget challenges faced by the U.S. Department of Transportation and the importance of maximizing the impact of those limited resources. I encourage a comprehensive and fair review of the Grand Junction Regional Airport grant application by the U.S. Department of Transportation.

Sincerely,



Scott R. Tipton  
Member of Congress

# GRAND JUNCTION REGIONAL AIRPORT ACTIVITY REPORT

Report Date: 4/30/2019  
 PY Comparison Date: 4/30/2018

April, 2019

PASSENGER ENPLANEMENTS:	CURRENT MONTH			YEAR-TO-DATE		
	2018	2019	PERCENT CHANGE	2018	2019	PERCENT CHANGE
AMERICAN	7,726	8,118	5.07%	30,582	33,709	10.22%
ALLEGiant	1,191	2,041	71.37%	4,664	5,423	16.27%
UNITED	5,663	7,062	24.70%	18,073	23,192	28.32%
DELTA	3,438	3,858	12.22%	12,310	13,957	13.38%
DENVER AIR CONNECTION	725	565	-22.07%	3,458	2,730	-21.05%
Misc Charters	-	57	N/A	261	553	111.88%
<b>TOTAL ENPLANEMENTS</b>	<b>18,743</b>	<b>21,701</b>	<b>15.78%</b>	<b>69,348</b>	<b>79,564</b>	<b>14.73%</b>
<b>TOTAL SEAT CAPACITY</b>	<b>24,186</b>	<b>27,408</b>	<b>13.32%</b>	<b>93,312</b>	<b>101,307</b>	<b>8.57%</b>
PASSENGER DEPLANEMENTS:	2018	2019	CHANGE	2018	2019	CHANGE
AMERICAN	7,392	7,672	3.79%	31,816	34,607	8.77%
ALLEGiant	1,160	2,039	75.78%	4,587	5,287	15.26%
UNITED	5,705	6,699	17.42%	23,010	27,403	19.09%
DELTA	3,447	3,770	9.37%	13,898	15,094	8.61%
DENVER AIR CONNECTION	715	548	-23.36%	3,440	2,648	-23.02%
Misc Charters	-	58	N/A	261	491	88.12%
<b>TOTAL DEPLANEMENTS</b>	<b>18,419</b>	<b>20,786</b>	<b>12.85%</b>	<b>77,012</b>	<b>85,530</b>	<b>11.06%</b>
<b>TOTAL PASSENGERS</b>	<b>37,162</b>	<b>42,487</b>	<b>14.33%</b>	<b>146,360</b>	<b>165,094</b>	<b>12.80%</b>

LOAD FACTOR:(OUTBOUND ONLY)	CURRENT MONTH			YEAR-TO-DATE		
	2018	2019	Difference	2018	2019	Difference
AMERICAN	74.06%	80.81%	6.75%	75.00%	80.46%	5.46%
ALLEGiant	83.64%	66.31%	-17.33%	81.25%	74.39%	-6.86%
UNITED	87.80%	84.24%	-3.56%	78.92%	82.07%	3.15%
DELTA	76.40%	85.45%	9.05%	70.75%	77.03%	6.28%
DENVER AIR CONNECTION	52.54%	40.76%	-11.77%	56.30%	52.49%	-3.81%
<b>GJT TOTAL</b>	<b>77.50%</b>	<b>79.18%</b>	<b>1.68%</b>	<b>74.32%</b>	<b>78.54%</b>	<b>4.22%</b>

# Grand Junction Regional Airport Authority

## Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

4/30/2019

	Month			Budget Variance		Prior Year Variance	
	4/30/2019	4/30/2019	4/30/2018	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
	Budget	Actual	PY Actual				
<b>Operating revenue</b>							
Aeronautical revenue							
Passenger airline revenue							
Passenger airline landing fees	46,885	46,155	41,162	(730)	(1.56) %	4,993	12.13 %
Terminal rent	98,487	98,488	98,487	1	0.00 %	1	0.00 %
Other (boarding bridge)	9,087	9,133	8,536	46	0.51 %	597	6.99 %
Total Passenger airline revenue	154,459	153,776	148,185	(683)	(0.44) %	5,591	3.77 %
Non-passenger airline revenue							
Non-passenger landing fees	7,069	7,069	8,415	-	0.00 %	(1,346)	(16.00) %
Cargo and hangar rentals	4,438	4,483	4,372	45	1.01 %	111	2.54 %
Fuel tax & flowage fees	53,762	47,490	59,909	(6,272)	(11.67) %	(12,419)	(20.73) %
Other (ramp parking, rapid refuel)	370	540	300	170	45.95 %	240	80.00 %
Total Non-passenger airline revenue	65,639	59,582	72,996	(6,057)	(9.23) %	(13,414)	(18.38) %
Total Aeronautical revenue	220,098	213,358	221,181	(6,740)	(3.06) %	(7,823)	(3.54) %
Non-aeronautical revenue							
Land and building leases	52,527	51,881	49,627	(646)	(1.23) %	2,254	4.54 %
Terminal - restaurant & retail	9,446	12,855	11,277	3,409	36.09 %	1,578	13.99 %
Terminal - other	15,857	15,041	15,042	(816)	(5.15) %	(1)	(0.01) %
Rental cars	92,777	101,040	92,708	8,263	8.91 %	8,332	8.99 %
Parking and ground transportation	119,482	141,885	123,475	22,403	18.75 %	18,410	14.91 %
Other (security fee, overtime fee, etc)	4,045	7,569	7,740	3,524	87.12 %	(171)	(2.21) %
Total Non-aeronautical revenue	294,134	330,271	299,869	36,137	12.29 %	30,402	10.14 %
Total Operating revenues	514,232	543,629	521,050	29,397	5.72 %	22,579	4.33 %

# Grand Junction Regional Airport Authority

## Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

4/30/2019

	Month			Budget Variance		Prior Year Variance	
	4/30/2019	4/30/2019	4/30/2018				
	Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
<b>Operating expenses</b>							
Personnel compensation and benefits	198,443	180,155	174,681	(18,288)	(9.22) %	5,474	3.13 %
Communications and utilities	23,361	20,976	20,205	(2,385)	(10.21) %	771	3.82 %
Supplies and materials	42,162	47,543	35,212	5,381	12.76 %	12,331	35.02 %
Contract services	102,677	61,143	34,535	(41,534)	(40.45) %	26,608	77.05 %
Repairs & maintenance	26,041	38,137	22,333	12,096	46.45 %	15,804	70.77 %
Insurance	7,529	7,603	7,994	74	0.98 %	(391)	(4.89) %
Other (travel, marketing, air service, etc)	16,315	19,003	29,619	2,688	16.48 %	(10,616)	(35.84) %
<b>Total Operating expenses</b>	<b>416,528</b>	<b>374,560</b>	<b>324,579</b>	<b>(41,968)</b>	<b>(10.08) %</b>	<b>49,981</b>	<b>15.40 %</b>
<b>Non-operating revenue (expenses)</b>							
Passenger facility charges	70,500	89,401	74,005	18,901	26.81 %	15,396	20.80 %
Interest income	5,400	22,229	14,838	16,829	311.65 %	7,391	49.81 %
Interest expense	(67,805)	(67,806)	(70,391)	(1)	0.00 %	2,585	(3.67) %
Customer facility charges	55,300	61,349	52,180	6,049	10.94 %	9,169	17.57 %
Capital contributions	1,575,380	211,427	-	(1,363,953)	(86.58) %	211,427	100.00 %
Capital expenditures	(1,091,641)	(1,967,283)	(405,406)	(875,642)	80.21 %	(1,561,877)	385.26 %
Debt principal payments	-	-	-	-	0.00 %	-	0.00 %
<b>Total Non-operating revenue (expenses)</b>	<b>547,134</b>	<b>(1,650,683)</b>	<b>(334,774)</b>	<b>(2,197,817)</b>	<b>(401.70) %</b>	<b>(1,315,909)</b>	<b>393.07 %</b>
<b>Excess of revenue over (under) expense</b>	<b>644,838</b>	<b>(1,481,614)</b>	<b>(138,303)</b>	<b>(2,126,452)</b>	<b>(329.77) %</b>	<b>(1,343,311)</b>	<b>971.28 %</b>

## **Variance Explanations - April 2019 compared to Budget and April 2018 Preliminary Financial Statements**

Variance explanations below are provided for those categories that had variances to budget or prior year actual of greater than \$10,000 and 10% in March 2019.

### ***Operating Revenues:***

**Passenger Airline Landing Fees** - Passenger Airline landing fees are approximately \$5k ahead of the prior year and in-line with budget. There were 12 more landings in April 2019 compared to 2018, representing a 3% increase.

**Fuel tax & flowage fees** – Based on discussions with CDOT, fuel flowage fees are typically collected by the State and remitted to the airports about two months after the activity occurred. However, the state does not remit funds until they are collected, so the lag time could be even greater than three months and delayed receipts by the state result in uneven payment streams to the airport. This unpredictability of the payment stream often makes the monthly financial statements year over year incomparable. Flowage fees are collected by West Star based on fuel sold to the airlines and GA community. In general, fuel tax revenue and flowage fees should correspond to changes in commercial operations since this is a significant portion of av gas sales.

April 2019 was lower than April 2018, however, year to date, we are seeing an increase that is consistent with the increased activity. We are monitoring fuel tax revenues based on historical monthly collections and will also perform a true-up to the state reports at the end of their fiscal year.

**Rental Cars** - Rental Car Revenue exceeded budget and prior year revenue in April 2019 which is consistent with the increase in passengers. The average daily rate actually dropped about \$4 compared to April 2018, however, there was a 5% increase in the number of rental car transactions and a 12% increase in the number of days rented which contributed to the increase over last year.

**Parking and Ground Transportation** - Parking and GT Revenue exceeded budget and prior year revenue in April 2019. The increase in revenue is a direct reflection of the increase in passenger traffic. There were 1,000 additional parking ticket transactions in April 2019 compared to April 2018 and the average ticket amount remained consistent with prior year. Additionally, we have finalized the contract with Lyft and received reported transactions from 2018 through April 2019 totaling \$6,900.

### ***Operating Expenses:***

**Supplies and Materials** – Supplies and materials costs were higher in 2019 than 2018 which was expected and budgeted for. This category will fluctuate month to month due to the unexpected nature of repairs and maintenance activity.

**Contract Services** – Contract services are below budget for the month, but higher than the prior year. Initially we had budgeted for the audit invoice in April, but that was received in June, so we were under budget for the month, almost entirely related to that invoice. The increase over April of 2018 is primarily related to expenses incurred in 2019 for terminal capacity planning that is currently in process.

**Repairs and Maintenance** – Repairs and Maintenance activities were higher in 2019 than 2018 which was expected and budgeted for. This category will fluctuate month to month due to the unexpected nature of repairs and maintenance activity. Although the month of April was above budget, year to date we are still in line with our annual budget. In April we received billings for fuel site upgrades (\$10,000), new window shades (\$5,000) and various other terminal costs such as paint that are not regular monthly recurring costs. Due to these non-recurring expenses, the current month is higher than an average month during the year.

**Other (travel, marketing, air service, etc.)** – This category is in-line with budget, but below the prior year actual for the month. In 2018, there was money spent for marketing with the Business Times and additional air service development costs not spent in April of 2019.

***Non-Operating Revenues and Expenses:***

***PFC Revenue*** – PFC revenue exceeded prior year actual and budgeted revenue due to increased activity. There were over 2,900 more enplaned passengers in April 2019 than April 2018, a 16% increase.

***Interest Income*** - Interest income was budgeted conservatively and assuming that the bond funds would be spent down by now, however, we still have a strong cash balance and have not used bond funds at this time, therefore interest income exceeded expectations. We are accumulating documentation on project costs and completing a bond funding request at this time. We expect that drawdown will actually occur in June now.

***Capital Contributions & Expenditures*** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable. We had anticipated a number of costs to be incurred in the first quarter related to 2018 projects that rolled into 2019, and when the budget was completed, we anticipated an earlier start on the terminal renovation project. Currently, we have not completed the renovation and AIP project work as early as anticipated, but the ratio of capital contributions to capital expenditures remains consistent with budget. We will continue to provide updates on projects as they progress.



# Grand Junction Regional Airport Authority

## Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

4/30/2019

	Year to Date			Budget Variance		Prior Year Variance	
	4/30/2019	4/30/2019	4/30/2018				
	Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
<b>Operating revenue</b>							
Aeronautical revenue							
Passenger airline revenue							
Passenger airline landing fees	177,136	192,059	176,652	14,923	8.42 %	15,407	8.72 %
Terminal rent	393,948	393,948	393,948	-	0.00 %	-	0.00 %
Other (boarding bridge)	45,015	43,906	45,445	(1,109)	(2.46) %	(1,539)	(3.39) %
Total Passenger airline revenue	616,099	629,913	616,045	13,814	2.24 %	13,868	2.25 %
Non-passenger airline revenue							
Non-passenger landing fees	28,948	29,284	43,422	336	1.16 %	(14,138)	(32.56) %
Cargo and hangar rentals	17,554	17,601	17,233	47	0.27 %	368	2.14 %
Fuel tax & flowage fees	209,587	216,155	207,083	6,568	3.13 %	9,072	4.38 %
Other (ramp parking, rapid refuel)	1,480	1,860	1,680	380	25.68 %	180	10.71 %
Total Non-passenger airline revenue	257,569	264,900	269,418	7,331	2.85 %	(4,518)	(1.68) %
Total Aeronautical revenue	873,668	894,813	885,463	21,145	2.42 %	9,350	1.06 %
Non-aeronautical revenue							
Land and building leases	201,147	198,161	195,814	(2,986)	(1.48) %	2,347	1.20 %
Terminal - restaurant & retail	41,577	57,078	42,126	15,501	37.28 %	14,952	35.49 %
Terminal - other	63,428	60,165	78,929	(3,263)	(5.14) %	(18,764)	(23.77) %
Rental cars	350,733	382,571	321,229	31,838	9.08 %	61,342	19.10 %
Parking and ground transportation	464,833	526,571	455,105	61,738	13.28 %	71,466	15.70 %
Other (security fee, overtime fee, etc)	14,609	27,842	19,819	13,233	90.58 %	8,023	40.48 %
Total Non-aeronautical revenue	1,136,327	1,252,388	1,113,022	116,061	10.21 %	139,366	12.52 %
<b>Total Operating Revenues</b>	<b>2,009,995</b>	<b>2,147,201</b>	<b>1,998,485</b>	<b>137,206</b>	<b>6.83 %</b>	<b>148,716</b>	<b>7.44 %</b>

# Grand Junction Regional Airport Authority

## Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

4/30/2019

	Year to Date			Budget Variance		Prior Year Variance	
	4/30/2019	4/30/2019	4/30/2019	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
	Budget	Actual	PY Actual				
<b>Operating expenses</b>							
Personnel compensation and benefits	790,169	784,578	740,470	(5,591)	(0.71) %	44,108	5.96 %
Communications and utilities	112,514	107,422	98,650	(5,092)	(4.53) %	8,772	8.89 %
Supplies and materials	200,388	172,461	133,157	(27,927)	(13.94) %	39,304	29.52 %
Contract services	237,898	187,245	201,005	(50,653)	(21.29) %	(13,760)	(6.85) %
Repairs & maintenance	112,444	94,701	73,999	(17,743)	(15.78) %	20,702	27.98 %
Insurance	30,116	30,414	31,996	298	0.99 %	(1,582)	(4.94) %
Other (travel, marketing, air service, etc)	79,530	94,318	85,781	14,788	18.59 %	8,537	9.95 %
<b>Total Operating expenses</b>	<b>1,563,059</b>	<b>1,471,139</b>	<b>1,365,058</b>	<b>(91,920)</b>	<b>(5.88) %</b>	<b>106,081</b>	<b>7.77 %</b>
<b>Non-operating revenue (expenses)</b>							
Passenger facility charges	262,000	353,461	268,311	91,461	34.91 %	85,150	31.74 %
Interest income	21,600	86,214	51,244	64,614	299.14 %	34,970	68.24 %
Interest expense	(271,772)	(271,774)	(282,051)	(2)	0.00 %	10,277	(3.64) %
Customer facility charges	190,300	196,432	181,188	6,132	3.22 %	15,244	8.41 %
Capital contributions	5,510,588	1,209,334	379,648	(4,301,254)	(78.05) %	829,686	218.54 %
Capital expenditures	(8,481,975)	(3,552,886)	(1,400,659)	4,929,089	(58.11) %	(2,152,227)	153.66 %
Debt principal payments	(114,423)	(114,423)	(111,101)	-	0.00 %	(3,322)	2.99 %
<b>Total Non-operating revenue (expenses)</b>	<b>(2,883,682)</b>	<b>(2,093,642)</b>	<b>(913,420)</b>	<b>790,040</b>	<b>(27.40) %</b>	<b>(1,180,222)</b>	<b>129.21 %</b>
<b>Excess of revenue over (under) expense</b>	<b>(2,436,746)</b>	<b>(1,417,580)</b>	<b>(279,993)</b>	<b>1,019,166</b>	<b>(41.82) %</b>	<b>(1,137,587)</b>	<b>406.29 %</b>

## **Variance Explanations - 4/30/19 Year to Date Preliminary Financial Statements**

Variance explanations below are provided for those categories that had variances to budget or prior year actual of greater than \$10,000 and 10% YTD through April 2019.

### ***Operating Revenues:***

**Non-Passenger Landing Fees** - Non-passenger landing fees are below the prior year actual revenue due to the change in flight schedules for Fed Ex. In the first part of 2018, Fed Ex had 2 regular flights, while they only have one in 2019. YTD through April, there were approximately 20% fewer cargo landings in 2019 compared to 2018. This was anticipated and budgeted for, therefore the YTD revenue through April 2019 meets expectations.

**Terminal - restaurant & retail** - Restaurant and retail revenue continued to out-performed the prior year and budgeted expectations due to the increased passenger traffic. Revenue per enplaned passenger also increased from 2018 to 2019.

**Terminal - Other Revenue** – This represents office rent revenue from TSA. TSA reduced the amount of space rented in April of 2018, therefore the monthly rent amount should match budget and the prior year for the rest of the year, unless another change is made.

**Rental Cars** - Rental Car Revenue exceeded budget and prior year revenue year to date through April 2019. The increase in revenue is a reflection of more transactions, more rental days and an increase in the average daily rates as compared to 2018.

**Parking and Ground Transportation** - Parking and GT Revenue exceeded budget and prior year revenue year to date through April 2019. The increase in revenue is a direct reflection of the increase in passenger traffic and has continued to increase from February through April. The number of tickets and average parking ticket price increased in both March and April month which is an indicator that the average stay was longer. In addition to the increased parking activity, we have seen an increase in TNC pick-ups year over year. As noted in the monthly variance explanations, we also finalized the Lyft contract and received back-pay for 2018 trips and all trips through April 2019. This was all recognized in April totaling \$6,900.

**Other Revenue** - Other revenue is made up of badging fees, advertising and vending. In April 2019, we had an increase in badging and security of approximately \$5,000 compared to April of 2018. This increase plus the monthly increase in advertising since our Lamar contract expired has resulted in a YTD increase over budget of \$13,000.

### ***Operating Expenses:***

**Supplies and Materials** – Supplies and materials purchases are higher than prior year, however, still below the projected monthly budget due to the timing of purchases. The timing of these purchases is somewhat unpredictable and the costs were budgeted to occur evenly throughout the year, however there will be fluctuations depending on the actual timing of the purchases.

**Contract Services** – Contract services are lower than the prior year primarily related to the timing of the recognition of the audit expense which was approximately \$45k. In 2018 audit fieldwork started in January and final reports were completed in late March/early April and this is when the expense was recognized. In 2019, our audit fieldwork occurred the last week of April/first week of May so this expense will be recognized likely in June.

**Repairs and Maintenance** – Due to the unexpected nature of repairs and maintenance activity, these costs were projected to be incurred relatively evenly throughout the year. During the first three months of the year we were spending approximately \$10k less per month than what was budgeted. In April, we exceeded that estimated monthly amount due to some non-recurring purchases and are now within \$17k of budget through April. The non-recurring costs included charges related to fuel site upgrades (\$10,000), new window shades (\$5,000) and various other terminal costs that are non-recurring, such as paint.

**Other (travel, marketing, air service, etc.)** – This category is over budget and prior year actual expenses primarily related to a timing difference for when education and training and air service development conferences occurred. Education and training for the ARFF team re-certification was expected in first quarter, however, most of the other conferences were budgeted in December since the timing was unknown for when these would be attended. We are still on target for our total annual training, travel, and air service costs at this time.

***Non-Operating Revenues and Expenses:***

**PFC Revenue** – PFC revenue exceeded prior year actual and current year budget due to increased activity. We are seeing an increase in capacity and total enplaned passengers that we expect to continue throughout the year.

**Interest Income** - Interest income was budgeted conservatively and assuming that the bond funds would be spent down by now, however, we still have a strong cash balance and have not used bond funds at this time, therefore interest income exceeded expectations. We are accumulating documentation on project costs and completing a bond funding request at this time. We expect that drawdown will actually occur in June now.

**Capital Contributions & Expenditures** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable. We had anticipated a number of costs to be incurred in the first quarter related to 2018 projects that rolled into 2019, and when the budget was completed, we anticipated an earlier start on the terminal renovation project. Currently, we have not completed the renovation and AIP project work as early as anticipated, but the ratio of capital contributions to capital expenditures remains consistent with budget. We will continue to provide updates on projects as they progress.

**Grand Junction Regional Airport Authority**  
**Statement of Financial Position - Unaudited, subject to change**

	Month Ending 04/30/2019	Month Ending 03/31/2019	Variance
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents - Unrestricted	\$ 5,734,588	\$ 5,825,306	\$ (90,718)
Cash and Cash Equivalents - Restricted	3,174,048	2,995,826	178,222
<i>Total Cash and Cash Equivalents</i>	<u>8,908,635</u>	<u>8,821,132</u>	<u>87,504</u>
Accounts Receivable			
Accounts Receivable - Ops	636,592	927,519	(290,927)
Accounts Receivable - Capital	2,269,725	2,054,139	215,585
<i>Total Accounts Receivable, Net</i>	<u>2,906,316</u>	<u>2,981,658</u>	<u>(75,342)</u>
Prepaid Expenses	64,451	77,421	(12,970)
<i>Total Current Assets</i>	<u>11,879,403</u>	<u>11,880,211</u>	<u>(808)</u>
<b>Non-Current Assets</b>			
Capital Assets			
Capital Assets not subject to depreciation	19,543,446	19,543,446	-
Capital Assets subject to depreciation, net	48,414,168	48,776,627	(362,459)
<i>Total Capital Assets, Net</i>	<u>67,957,614</u>	<u>68,320,073</u>	<u>(362,459)</u>
Bond Project Fund	9,284,801	9,266,461	18,340
<i>Total Non-Current Assets</i>	<u>77,242,415</u>	<u>77,586,534</u>	<u>(344,118)</u>
<b>Total Assets</b>	<b><u>89,121,818</u></b>	<b><u>89,466,744</u></b>	<b><u>(344,927)</u></b>
<b>Deferred Outflows of Resources - Pension Plan</b>	<b><u>413,509</u></b>	<b><u>413,509</u></b>	<b><u>-</u></b>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable - Ops	223,019	190,997	32,023
Accounts Payable - Capital	3,209,096	1,819,328	1,389,767
Accrued Expenses	207,454	195,765	11,689
Lease Deposits	164,546	164,546	-
Deferred Revenue	26,864	29,003	(2,139)
Current portion of note and bonds payable	1,340,199	1,272,393	67,806
<i>Total Current Liabilities</i>	<u>5,171,178</u>	<u>3,672,031</u>	<u>1,499,146</u>
Long Term Liabilities			
Bond Payable	19,073,896	19,073,896	-
Deferred Revenue	444,933	444,933	-
Net Pension and OPEB Liability	2,775,984	2,775,984	-
<i>Total Long Term Liabilities</i>	<u>22,294,813</u>	<u>22,294,813</u>	<u>-</u>
<i>Total Liabilities</i>	<u>27,465,991</u>	<u>25,966,845</u>	<u>1,499,146</u>
<b>Deferred Inflows of Resources - Pension Plan</b>	<b><u>518,872</u></b>	<b><u>518,872</u></b>	<b><u>-</u></b>
<b>Total Net Position</b>	<b><u>\$ 61,550,464</u></b>	<b><u>\$ 63,394,537</u></b>	<b><u>\$ (1,844,073)</u></b>

## **Variance Explanations - 4/30/19 Statement of Financial Position**

***Assets: In total, assets decreased approximately \$345k from March 2019 to April 2019. This decrease was almost entirely due to scheduled monthly depreciation.***

**Cash** – Our cash position remains strong through the end of April. The increase in total cash was comparable to the decrease in accounts receivable during the period.

**Accounts Receivable** – Accounts receivable includes both operating receivables and capital receivables from grants. As noted last month, the operating receivable balance decreased from March 2019 to April 2019 which is a result of the change in timing of recording receivables and revenues. The capital grant revenue receivable increased by about \$215k last month due to the timing of project invoices for both AIP and non-AIP projects. As we are nearing close-out of our 2018 AIP grants, this balance will grow slightly as we are unable to receive the last 10% of our grant monies until project close-out.

**Prepaid Expenses** – Prepaid expenses are primarily related to insurance contracts and software subscriptions that we pay annually, or in advance, that we will receive benefit for over a period of time. As we use these services over the policy or contract period, the amount is recognized as an expense, rather than expensing the entire annual cost in the month that it is paid.

**Capital Assets, Net** – Historically, the airport has not capitalized equipment throughout the year as it is purchased, but instead, expenses all purchases as part of capital expenditures and then capitalizes assets at year end. This allows us to track spending for budget purposes. We may look to change this practice going forward, but we are still working on making other improvements to the financial reporting and closing process first. Therefore, the only change in the fixed assets accounts that will be seen on a monthly basis is the regular monthly depreciation based on assets placed in service as of December 31, 2018.

**Escrows and Reserves** – The Escrow and reserve balance represents unused bond funds. We are in the process of preparing a bond draw request that will likely be completed in June, so this number will increase monthly due to interest income until then.

### ***Deferred Outflows of Resources:***

**Deferred Outflows of Resources - Pension Plan** – The deferred outflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Due to the timing of when the pension liability is estimated and reported on by PERA and the timing of when each local government entity must present financial statements, there is a one year lag in the calculation of the pension liability. We are therefore reporting our estimated liability based on information calculated as of December 31, 2017 for reporting in our 2018 financial statements. The deferred outflows of resources essentially represents decreases in the net pension liability related to 2018 activity that will not be recognized in the Pension liability until 2019. These amounts will not change until next year's liability is calculated.

***Liabilities: Total Liabilities increased \$1.5M from March 2019 to April 2019. Accounts payable for capital projects represents \$1.4M of this increase, the remainder of the increase was related to accrued interest payable and a small increase in operating payables.***

***Accounts Payable*** – Similar to accounts receivable, the majority of the balance and the variance from month to month is caused by the capital expenses payable to contractors and engineers associated with our capital projects. Accounts payable and receivable should have a positive correlation in periods when we are working primarily on AIP projects where the majority of the cost is funded by the FAA. In April, we saw a peak in the amount of work on the terminal project with several concurrent projects happening. The capital payable related to the terminal project makes up more than half of the balance, and therefore there was not a corresponding increase in Capital receivables. We are expecting this trend to continue until the terminal project is completed.

***Accrued Expenses*** – This category is primarily made up of liabilities for un-used PTO (approximately 140,000) and payroll accruals to properly recognize payroll expenses in the periods that the employees have worked. Changes in this account month to month are almost entirely related to changes in the payroll accruals.

***Lease Deposits*** – Lease deposits are primarily made up of General Aviation Lease deposits that were required in the standard ground lease based on a number of month's rent. These amounts are payable back to tenants when the lease term is over if the property does not require additional work to be done by the Airport. The balance of deposits typically does not change from period to period unless a lease period ends.

***Deferred Revenue*** – This liability represents rent received in advance and is primarily made up of a pre-payment received by the BLM in 2017. Prepaid rent is a liability because we have not provided our tenant with the space for the period of time that they paid us for.

***Current Portion of note and bonds payable*** – This balance represents principal and interest due during 2019 on our SIB loan with CDOT and the outstanding revenue bonds. The change from March to April represents interest expense incurred this period that will be paid with the next scheduled payment. The SIB loan will be paid off in June from CFC charges that have been collected, so we will also see a decrease in restricted cash as this is paid down.

***Long-Term Liabilities*** – The bond payable balance will only change as principle payments are made twice per year, therefore there is no change from March to April 2019. The net Pension liability is also only calculated annually, so there will be no change in this amount. This is the actuarial estimate of the airports portion of the unfunded Pension liability for PERA. Long-term deferred revenue represents pre-paid revenues for years after 2019.

### ***Deferred Inflows of Resources:***

***Deferred Inflows of Resources - Pension Plan*** – Similar to deferred outflows described above, the deferred inflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Deferred Inflows of resources actually represent increases to the pension liability that will be recognized in future years, primarily related to changes in actuarial assumptions. These will only be calculated annually, and therefore no changes will be seen month to month.