

**CITY OF PARK RAPIDS  
AIRPORT COMMISSION**

**SPECIAL MEETING**

**February 7, 2018, 9:00 A.M.**

**Airport Conference Room  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The February 7, 2018, Special Airport Commission Meeting was called to order at 9:00 a.m. by Chair Don Douglas.

**2. ROLL CALL:** Present: Commissioners Don Douglas, Dan Dyre, Thom Peterson, David R. Konshok and Scott Johnson. Staff present: John McKinney, John DeCoster, Chris Fieldsend, Councilmember Erika Randall and Carmen L. Lockhart. Absent: Scott Burlingame and Ryan Mathisrud. Others Present: Matt Zitzow of TKDA, Robin Fish of Park Rapids Enterprise and Tom Hass (arrived 10:00).

**3. ADOPT AGENDA:** A motion was made by Randall, seconded by Dyre, and unanimously carried to adopt the Agenda with the addition of 4A. Election of Officers.

**4. APPROVAL OF MINUTES – OCTOBER 4, 2017 REGULAR MEETING:** A motion was made by Dyre, seconded by Johnson, and unanimously carried to approve the minutes of the October 4, 2017 Regular Meeting as presented.

**4A. ELECTION OF OFFICERS:** A motion was made by Dyre, seconded by Randall, and unanimously carried to nominate and elect Don Douglas as Chair and Dave Konshok as Vice Chair.

**5. CITY ADMINISTRATOR UPDATE AND DEPARTMENTAL REPORTS:**

McKinney stated we've had an initial presentation to the City Council which was intended not to give them the report but to update them on the process. McKinney inquired when will they receive the final Master Plan? Zitzow stated either the second meeting in February or first meeting in March whichever meeting the Council is amenable to opening up that conversation as it will be a longer presentation of approximately 15 minutes with questions afterwards.

McKinney stated Mathisrud is on vacation but has been contacted by MNDOT on their review of the airport plans which we are targeting on a date in mid-July so we can get this stage of the thing agreed to and everyone comfortable with that before we start in with MNDOT as my understanding of this is that it is a routine thing they do every so often and want to have a face to face meeting with the airport representatives. DeCoster added it is called a needs assessment and what they do is take about a third of the airports around the state every three years and break them up and go around and in some forms similar to a Master Plan but it is more preference specific and they are really looking for capital needs that might be that needed to be put into the MNDOT state aeronautic funding

packages and try to get an assessment where the aviation needs are around the state. So there won't be a formal report out of it and it will be more of an interactive dialogue with the commission and the folks at the state. Zitzow added that is correct and the dialogue that MNDOT provides and they guide is also, keep in mind, related to other things related to airport licensure with the state so it's not just solely infrastructure and planning, it also gets into operations and the airport environment and what MNDOT's goal has been. As I understand it, many communities who either have not performed a Master Plan or maybe haven't had a big project in many years their exposure to MNDOT aeronautics is somewhat light in some cases. Now that doesn't apply to Park Rapids as you've had big projects over the years and have been quite active with your state reps for the purposes of those needs meetings is that the aeronautics staff wants to have more visibility with the airports across the state so that's really the identity of that meeting if you will and I think we are targeting July for that.

## **6. BUSINESS SERVICES:**

**6A. Pro forma on T-Hangars:** DeCoster stated as you may recall at the last meeting we had a lot of discussion about t-hangars and what they cost and what they rent for and how they compare to our existing T-Hangars and such and I told you that I would go through and work out a proforma that I think we've had before and I've worked on before at other places. DeCoster stated he worked with Zitzow on this and this is an overview as to why the costs and rents would translate to what they are or what we've been talking about. Just as a reminder, the current T-Hangars are debt free and funded previously and the only ongoing costs we have on them are the operating costs and obviously there are going to be replacement costs and major refurbishment costs when we have to replace things like doors, roofs, etc. and right now the rents are somewhere between \$95 and \$195 a month depending on size, location, etc. which is a heck of a deal and obviously they are full. We do have a wait list and we have been going through the list and checking with people and we've had a couple of people identify the fact that they were no longer going to be owning an airplane or getting out of flying and wanted to return them to the city. The hangars are city owned as all hangars are on the field. The issue we are faced with is when there is a wait list everyone thinks let's build some more and it's all good but as we talked about last time it's a price point issue. When you're talking about \$100 to \$200 that's one thing but as you see on what I passed out to you are two different scenarios one is a T-Hangar unit of 10 based on a \$46 per sq. ft. cost which is a little bit on the low end and an updated cost from Zitzow that is being used by his firm these days with a \$50 per sq. ft. cost and as you can see when talking about rents in the range of \$300 - \$400. When you talk about the cost of what we can do for grants but the majority of this would be locally or privately funded or if the city were to get a loan like they did on the big hangar and then you get 7% interest rate right now just off the street interest rates have gone up about 100 basis points in the last couple months as the fed has been doing what it's been doing. So, what we looked at before was something at a 6% range and I've raised it to 7% because of the current market and then looked at a 20 year amortization which would tie out to the state loan program which is what we are looking at for the majority of the building structure, it's only eligible for 75% for a state loan so when you get down to it and you add in land rent which the city would be required to have because they do need to charge fair market land rent or current land rate which is at 20 cents per sq. ft. You're

looking at a margin for a developer if they were to come in and a 15% margin is probably on the skinny end but just to be safe we put that in there which could also, if the city were to develop, be a contingency amount and what it boils down to is for a hangar under the \$46 per sq. ft. cost you would be looking at about \$363 per month in rent and for a hangar that would be based on \$50 per sq. ft. cost you are looking at something in the neighborhood of \$393 or just short of \$400 per month which are pretty consistent. Could they be done cheaper? I suspect you can but what we looked at is if this were to be a commercially done project with all the design, permitting, construction management, etc, that all hangars being constructed should have with them this is what the cost will tend to run. Again, assuming there would be a developer there would be a 15% margin included in it. DeCoster inquired if there are any questions?

Randall asked if the size of the hangars compared to what we have now? DeCoster said comparable it's a ganged unit so they go front to back and they would be 54 ft. deep so they aren't the smallest but they would fit most size aircraft that would tend to go into a t-hangar. Randall questioned now we are charging \$95 or \$195 for the bigger ones? DeCoster said there are like five tiers of rates within there. Randall asked if the new ones are the size of the \$195 ones, are they that big? DeCoster said no, they are in the middle. Randall asked if we would just assess these costs to these new ones or would we redo our whole structure for everything over? DeCoster said that is a great question and it really becomes a strategic discussion that we actually started last week with staff. Some airports will blend them as you are suggesting because what that does is it shares the burden and as I said before at some point from a strategy standpoint we should be looking at setting up a reserve fund based on rent because you are going to have to replace doors, you are going to have to fix the roofs and you're going to have to do things such as gaskets especially on the shaded side where ice forms and you have to crack it out and you lose gaskets. It is something we haven't been sophisticated enough to do yet but is has been part of our discussion that we've had with regard to the whole hangar issue. So, you could do it as blended or by keeping the rates for the existing and adding in a maintenance surcharge if you would and then having the new hangars stand on their own, it depends on what the strategy of the city would be and obviously the council would be involved in it too.

McKinney stated there is site development that we have to deal with too. DeCoster responded yes, this would be assuming that the lots are developable and we would have to take the taxi lanes, a roadway, and electrical and gas utilities to the sites and then the tenant would pick it up from the site as Hass and Voigt did when they built their buildings.

Dyre asked is the \$400 per month like something from Anoka County, is that what they pay down there? DeCoster said no because Anoka County has a lot of hangars like we do. They've got their old and have been developed by others and revert to the city and another point, all the hangars that are developed on the airport, at the end of the lease they revert to the airport, city in this case, at no cost as that is the way aviation property works so you get an asset. If you go down to Anoka and outside of Lynks and I can't remember the name of the other airport down there, who have developed their own facilities you look like at all the old row t-hangars and they are probably of the same vintage as ours are in Park Rapids. DeCoster asked Zitzow his opinion and Zitzow said he agreed very much so and added the metro reliever airports similar to many GA facilities

there was a big boom in aviation in the mid-century years and so a lot of structures date back to those times, very consistent I would say yes. One thing I am hearing more of now is that I didn't hear before is the price is great but as people are having to invest more money in airplanes so you're getting an airplane with six figures or even two commas, do you really want it sitting in a building that leaks and you get stuff pouring down on your wings and you have to have the plane repainted? Zitzow added we are hearing from people now that are making the investment in the aircraft, price is always an issue in general aviation, it will always be an issue in general aviation, if they can be given a facility that they know is going to protect their aircraft they are tending to be a little bit more tolerant of the higher price point and I've actually talked to a couple of people and that is exactly where their heads are. It may cost a little bit more but I've got a major investment and I want to make sure that thing is taken care of. Dyre said I think you would have a certain number of people that wouldn't bat an eye at paying \$400 per month especially after you do a hail damage claim it seems reasonable at that point. DeCoster said he was talking to someone last week not from this airport but that's exactly what happened they are building a hangar because they had a significant six figure hail damage claim on their aircraft.

Peterson asked when you talk about running utilities in you mentioned gas so obviously you're talking heated hangars of course? DeCoster responded yes, it would be a space heater it wouldn't be like in your home or anything as that seems to be what everybody is looking for as they want to be able to work on their aircraft and when they are gone they park their vehicle in there and when they come back they don't have to deal with the cold.

Fieldsend said the hangars we do have are in pretty decent shape but there are maintenance issues on all of them but they are holding up pretty good so you really do get a pretty good life out of them.

Dyre said he mentioned this at the last meeting so for the local match, is there any way we can, I mean I have no idea how much money is being generated right now from these hangars, but if we added \$50 per month on each hangar, would it help with our local match dollars? Would that be a fund we could build up? DeCoster stated that is a very good question as I mentioned we actually had a meeting with staff and McKinney last week to start talking about this issue from a broader perspective and one of the questions was do we start raising rent? For the record, the rent on the hangars, the best we can find, has not been raised since before 2002 which was shocking when we started digging into it. DeCoster added so I think that is a really good point as the obvious question is we want the airport to be financially self-sufficient and we have been for the last couple of years and that is a good thing so we don't have to use any other city monies so we've been generating enough rent to cover the costs and then the state grants for the maintenance. I think a goal strategically would be to keep that position as best we can so if it means we have to start raising the rent in a graduated tier or two to start picking up a portion of that local share that would be in excess of the rent need to cover operating costs I think that would be a strong strategy in my opinion.

McKinney stated the t-hangars aren't costing us any money as such but you have to take the maintenance off but we can't say we are taking money from other taxpayers to support the t-hangars but they are going to need attention. Randall agreed the maintenance isn't going down, it's only going to go up. DeCoster said older – more expensive. Randall added it would be nice to be a little proactive instead of always reactive. DeCoster explained generally what we see with our airports is there is a, usually when an airport adopts a policy other than just a 20 cent – 1.3% CPI on the land rent, usually on rent for structures there is a policy with regard to regular increases. Again trying to stay fair market you don't want to raise them to the point where you're priced out of the market and people are flocking away but obviously as you raise things and if people can find something cheaper in Wadena or Nary up by Bemidji, you can always find something cheaper, I've had those discussions at nauseum but again we've got a got a heck of an airport here with a great infrastructure and people tend to be willing to pay a little bit more to keep the integrity of the airport and fly in here in the winter on days like today. So again, we started the conversation last week and we're picking it up again today and we will be coming up with a policy on how we want to approach this stuff and what's in the best interest of the city and balancing customer need and financial viability and being able to be financially self-sustaining as possible.

Peterson inquired where did you get the 7% interest rate, is that typically what cities are paying the higher rate? DeCoster responded no, I'm working under the premise there would be a third party and they tend to pay higher rate. I can't remember if you were here or not but rates have gone up about a point or higher in the last couple weeks, so I'm being conservative as I don't want to be showing something at 5% and then holy cow it comes in at \$50 a month more. Fieldsend said I think all of these from you are from somebody else building them. DeCoster said yes, they are third party developer so for instance if the city chose strategically to want to develop as they historically have, like that 15% developer fee may or may not stay in. The city may want that as a return to fund local shares and those are all strategic discussions we would have to have later. Peterson added the land rent wouldn't stay either? DeCoster said we have to actually charge fair market and fair market includes land rent. Generally, you wouldn't see that broken out that way, it would be built into the rate but I just want to be as transparent as possible as we can as we look at this and analysis what the right version is.

Randall inquired what the number of the rate list is? DeCoster said 13 as of last Wednesday and on typical wait lists some have been on there for years and you call them and they say oh I got rid of my plane, I moved, whatever, but we have found some people that are absolutely still interested. Dyre said I would guess there's a fair number that just aren't on the list probably like my new lake neighbor he wants a hangar pretty bad but I don't know if he's on the list or not though. DeCoster said you've actually raised something else that has come out of this analysis and there is a lot of brokering going on too where people, I think the perception is that the city didn't have any vacancies and so they know Joe or Jane and they are talking to them and figuring out who might have a vacancy or can I squeeze in or whatever so I think they've done that just out of self-preservation and I would think too to the extent if we had a defined demand and went out and solicited you might find some of those people who might be in a secondary relationships that might say yeah I want my own hangar because I don't want to have to move two airplanes to get my

airplane in and out. So I think the demand here is good and we've been seeing it strong and remain strong. I think again there has been a lot of movement that we've found in the wait list over the years so I think some people probably are just kind of what's the sense but I think if we get an aggressive program that we have capacity I think you would find a pretty strong response. Randall asked have you thought about whether you would let the people that are currently leasing the hangars have first pick at the new ones? DeCoster said that's typically how it works, I mean if somebody wants to upgrade they're going to upgrade their aircraft, they've got one in a shaded area and it's a pain in the winter we would give them the first rights. Peterson said the ones that have been paying should get some benefit or privilege or whatever. DeCoster said yes, they are incumbents if you would, in my mind. Peterson agreed. McKinney stated to answer the question though we haven't done anything about that. DeCoster said we are trying to figure out where to go from here. Randall said I understand nothing has been done I just want to know what the thought is on that, thank you.

DeCoster said I thought it was important to get something in front of you and again these are representative this is not that I went out and got prices, etc., but this is what we've been carrying and I've done a number of these proformas for some other airport clients and the numbers have tied out pretty well when people proceed with the projects so I'm comfortable that these numbers are safe and the deal would be tweaked obviously depending upon approach.

Dyre inquired how many hangars are at the airport? Fieldsend responded 44. Dyre suggested so if you bumped everybody \$50 a month, that adds up pretty fast and in four years we could have our \$100,000 to start a project? McKinney said we can either wait and have the money or borrow the money and pay it back with that or whatever, we haven't got a recommendation for you on that. Randall said or we could have a good pool of money for maintenance. DeCoster said as Fieldsend said we've been very fortunate the hangars have held up well but they are starting to reach that point in their life though where they are going to need some stuff and I'll tell you if you've got to spend \$25,000 on a door all of a sudden it kind of puts a big crimp in the airport budget so we want to be a little smarter and foresightful going forward so that's all part of this strategy discussion we've been having with McKinney.

McKinney commented I think suffice to say that the administration on those rentals is sort of lax there is a template form of lease and we're going to review that as part of the process and there are, we were just looking at the CPR provided copies of what the requirements are for the feds and we are going to make sure that is on our front burner too to get compliance. With regard to that, I'm not so sure there isn't a secondary market on hangars and we're going to put a stop to that so I think that's one of the reasons that the list has, it has merit, but I'm not sure it's the only story out there and we're going to clean that up and to clean it up we've got to have a plan so we will come to you with a complete plan for your consideration which obviously has to be approved by the council as well. I think the numbers work out and we can make this a lot better than it has been. DeCoster added what McKinney is referencing this is the FAA guidelines for hangar usage what you can and cannot do with them and one of the discussions we had last week is enforcement and I suspect that not all the hangars are in compliance so when we implement

enforcement you can probably expect some complaining from some people you know that we're bad but we really want to be in compliance with FAA guidelines because if we are not in compliance there is a risk they could not give any grants and that is catastrophic. Randall added we won't get funding. DeCoster said he thought the FAA did a very good job in writing what you can and cannot do and this is a policy that was just implemented as of July 1, 2017. It is one of the clearer FAA guidelines we've seen so it's all good. Randall said I would like to see that all cleaned up before we even consider moving a step forward with any new hangars so that when new hangars are built everybody's on the same page. DeCoster said I agree and that was the direction of the conversation we had last week.

McKinney said this is just to bring you up to speed on what we're doing and when we get the package more fully developed we will be back.

**6B. Update on hangar development activity:** DeCoster stated he touched on this with our previous discussion. DeCoster stated the good news is you know we've had two hangars developed out here by Park Rapids Aviation and Park Rapids Avionics and we've had a couple of folks that have been interested and just recently in the last couple months I've actually gotten calls from people who have heard that we are willing to let private developers develop their own hangar and they don't have to wait for city hangars. That have sparked some interest in them and one is probably locked down but we have to work out getting the infrastructure to that site but these are people that are literally moving to Park Rapids because they have the ability to run their business out of Park Rapids because they have an airplane which is what they use for the business and will have a hangar to be able to protect that aircraft and this is great for the community. So, the word is getting out there so we are working with three people who we are actively talking to right now. I prefer not to put names out there just to protect their privacy but I would expect this year to be looking at another wave of some hangar development which is outstanding for the airport.

**6C. Mid-size hangar options:** DeCoster stated for those of you who weren't at the Master Plan session for the final one, we responded to one of the people who had come to us about the time we had that meeting back in December and was looking for kind of a mid-size hangar, something in the 40x60 range and as you know we have the four developable sites just off where Hass built his hangar and Voigt has the option of a site and another party is looking at a hangar out there. But the problem we have is we were approached by someone who is wanting to do something a little bit smaller. Zitzow distributed copies of new layout for hangars. DeCoster explained as you can see these are big lots they are really gaged for 80x80 and to put a 40x60 on there is not the highest and best utilization of that land so one of the things we've been wrestling with for about the last year because we did have someone who's looking at a smaller hangar is how do we still get the value out of the site but still give somebody an option for something smaller. DeCoster commented that Zitzow of TKDA is finalizing the Master Plan for the last TAC Committee meeting and we started talking about this and we came up with an option and as you can see it's the row between the four developable sites and the first row of t-hangars over on the west side. There is another row of planned t-hangars in there, we started looking at the demand for t-hangars verses the demand for smaller box hangars and what we're seeing more of is that there is a demand for box hangars being the 40x60

or 60X80 and there is more of a demand these days for those kinds of hangars because people want to be able to control their own destiny and not have to move airplanes to get their plane in and out. DeCoster explained so Zitzow came up with the idea that we've got enough capacity for t-hangars, we've got enough capacity for the big hangars so what if we were to insert in here into this middle section a row of 40x60's. Zitzow added they would be up to 50 ft. deep and width could be variable so it would again, because we've been honing in on this concept that we really want to have an airport that has an all tenants welcome mentality. So, if people are looking to build a large hangar that's an 80x80 we've got sites for you. If people are interested in t-hangars we have a plan for t-hangars both existing and future. If we have a large user that needs corporate or industrial sites, we have those. Through the Master Plan process the one thing we realized that we didn't really have was those smaller individual private hangar pads. If they are assigned to an 80x80 that's a pretty inefficient use of the developed site and that's money that the city has invested into development of a site and we don't want to do inefficient development. Zitzow further explained the idea being that potentially there is a middle row between future t-hangars and future large box hangars that would fit that sector of the market where you have people that want a 50 ft. deep hangar but maybe 50, 60 or even 65 ft. wide. DeCoster said they might be in t-hangars now but they want their own. Zitzow agreed, they want their own. DeCoster said Zitzow came up with this option because I know we went through a lot of stuff at the last TAC meeting and I just wanted to make sure from a transparency standpoint you folks, the commission, knew what we were thinking about and again, I have one person I believe, once we work out the details of how and timing and getting the infrastructure there, one person is willing to commit. So, this is not a theory thing this is a real live active player right now so I wanted to bring you folks up to speed on that. Again, good options for development for the airport and these would be developed and funded by third parties and that obviously as I mentioned before revert to the airport so the airport has no cost in them. McKinney added but we've got to get them infrastructure.

**6D. Master leasing option for T-Hangars overview:** DeCoster said we have been approached about a concept for exploratory discussion which kind of got us digging into the whole t-hangar issue and how this works to some of your questions about possibly master leasing the hangars and they would take over a sub-lessee role in subleasing. We're putting together a lot of information looking at it from all aspects and McKinney has a team working on it from the city side so we met last week to go through some things. Again, we've got to come up with a strategy and a policy of where we want to go before we can give a potential term sheet to this person or if that is even a direction the city would even entertain right now. As we've peeled back this onion a little bit we've found some things that maybe there were some misperceptions or whatever so we're trying to get ourselves grounded as to knowing what we know, looking at it short term and long term before we make a strategic decision about whether a master leasing and kind of the city not being in the driver's seat of the leasing of the t-hangars is the right way to go. No conclusions, no directions but a whole lot of research going on as we speak but in case you guys hear something on the street, we just want to make sure that you were aware that a discussion had been started but we're doing a lot a due diligence from the city's standpoint before we carry on the discussion. Johnson said doesn't that seem to be putting us at a lot of risk if we're going to sublet that to somebody else with that conversation that we just had with the FAA and the new leasing rules? DeCoster said no, first off, if a third

party does it you don't have to worry about meeting fair market because they will be at market or higher I think that is one of the offsets actually, one of the down sides of it but as long as it is done within the city's guidelines it doesn't affect the city. Randall asked why wouldn't we just increase it and keep the money? McKinney said well we think we will but we haven't come to that conclusion yet, we're just looking into it. DeCoster said it's easy to say I only have one foot in now do I do two feet in or two feet out so we've still got our foot in. Randall asked you've been approached by somebody who wants to do this? DeCoster said they are interested if the terms are right. McKinney said we are not negotiating anything with them we are just putting together what we want to do. There is a perception out there I think that t-hangars were killing us and we're renting them for peanuts and we're not doing too bad it's just that we haven't been aware of what the market is and we haven't been on top of that system out there and that's changing so we want to find out what we've got, what we want and then we go about how do we get there and so we're about half way through that process. Fieldsend said I think it is just part of the overall plan of the airport to get it self-financed and this was just probably hadn't got to yet.

McKinney stated we are focusing on the infrastructure, runways and taxiways and stuff you make me spend a lot of money on. Fieldsend said we don't make a lot of money on it. McKinney said the whole thing is up for review and we will have a plan of options to run by the commission and see where we are. We will have much better information about what we've got even if we don't change anything.

**6E. Other:** None.

**7. ENGINEERING:**

Zitzow explained he wants to first report on the most recent project as the taxiway resurfacing, reconstruction and apron resurfacing was completed as you know and the FAA project closeout documentation and working with city staff has been submitted and we are on top of getting all the reimbursements in and often times that takes time and fortunately for this one it is a straight forward pro-rata 95-5, paperwork is in and contractor did a good job closing the project out and Brumbaugh has been very helpful in getting all the project paperwork to me and then onto MNDOT and FAA so we anticipate a quick reimbursement on that project which will be good news for the city coffers.

**7A. 2018 Capital Projects:** Zitzow stated moving on to 2018 Capital projects relatively small-scale projects are planned for 2018 as per our previous conversations at commission meetings. Basically, we have supplied pre-grant, pre-application packets for two projects, one being pavement maintenance, joint crack repair that would be airfield wide maybe with the emphasis being on the primary runway. There are a few spots on 18-36 that was recently constructed in 2013 so we want to stay ahead of that and make sure we are keeping those pavements in good condition and not letting things get away from us and then areas of the aprons that weren't resurfaced we will be doing some crack repairs as well. There's another project which we have approached FAA and MNDOT on which is the apron lighting systems there are four poles with apron lighting fixtures that illuminate the general aviation areas, the fuel island, etc. and those fixtures are aged we think in the 30-40 year old range and what we would like to do and working with Fieldsend to minimize

costs moving forward with maintenance, we would like to convert those to LED fixtures as they are due for an upgrade anyway and if you're going to do the upgrade let's make them more energy efficient. Initially, the FAA was a little bit concerned about eligibility but we are working through that and the latest round of paperwork has indicated that FAA is willing to look at eligibility for that project so that's great news for us. More to follow as those projects go into formal design, right now we are basically in that grant formulation phase of the project. Konshok inquired if Zitzow thinks the FAA will go along with the improvement with lighting? Zitzow said he thinks they will, initially as I said when we supplied the information they had some initial pushback about eligibility but we supplied more information and gave them more project background etc. and in my review of the FAA's airport improvement handbook it is clearly an eligible project so we just basically had to work through making our case. Konshok asked if there are any idea of costs that we're talking about? Zitzow said we don't, I think we originally programmed the total project cost for apron and lighting in the \$50,000 range, we haven't done a whole lot of engineering yet in terms of coming out looking at the conditions of the light mast, the conditions of the conductors and then selecting the types of fixtures that we actually want to spec so I think on the costing end, I will be reporting back to you. Fieldsend said that was actually a bigger project as we tried to do the lighting out here too and we pulled that back out because they wouldn't cover that. Zitzow said that is true, to Fieldsend's point we did initially include the entrance road lighting as well and FAA didn't and I think they are correct in their interpretation of their rules that would have to be connected to a larger project like the AD building rehab or an entrance road rehab so they wouldn't fund that as a stand-alone. FAA does have some minimum project cost guidelines so they weren't comfortable by including that so we pulled off of that concept and focused solely on apron lighting. Konshok agreed.

**7B. Master Plan Update:** Zitzow stated he has provided a couple of handouts and we will walk through the Master Plan findings today. DeCoster stated he put the action item under #13a New Business. Zitzow stated we will be requesting at this meeting action on the part of the commission so commissioners I want to orient you first to what the request is and as I describe the project then of course you can ask questions to make sure you are comfortable with where we are headed here. The purpose of the meeting today is to provide you an overview summary of the Master Plan findings that have come out in the efforts of the Technical Advisory Committee (TAC) and the work by city staff and your consultant staff as well. The action that we would be requesting then is for the commission to endorse the major Master Plan findings and recommend those findings be presented to City Council. The City Council then would have the option to approve the draft Master Plan findings that would be submitted to FAA and MNDOT. FAA and MNDOT then will review the full Master Plan narrative, ALP, provide feedback. That feedback would then come back to city staff, come back to council and be incorporated into what we would call the final Master Plan document, your ALP, your Master Plan text, that would be later in 2018 and then the council would be given the option to take adoption of that plan in a formal sense. So there are several steps to go but what we are focusing on today I thought a picture is worth a thousand words and I'm going to walk through the findings graphically and then orient you to the Master Plan being a tool that provides for strategic, well timed and efficient development of the airport infrastructure and to McKinney's point, it's not just

runways and taxiways, it's buildings, it's support facilities, it's many things and I will touch on all of those here.

Zitzow advised what you have in front of you is sheet 2 of your existing Airport Layout Plan and this basically is FAA's snapshot, MNDOT's snapshot of your airport both in it's existing and future sense. You can see that the existing runways, ultimate runways existing and alternate buildings etc. are shown. What I wanted to do is keep this in mind because in a comparative sense I want you to understand some of the recommendations of the Master Plan are essentially previously developed recommendations so I want you to be aware of what hasn't changed, that's important. I also want you to be aware of new recommendations that we are bringing to your attention and that really is captured better in the second graphic so if you want to flip the page here this graphic is prettier and a little simpler as we've taken off a lot of the FAA protection surfaces and a lot of busy line work. I will walk you through piece by piece starting with the airfield and then moving into buildings and then support facilities.

First of all, this Master Plan that we are undertaking starting with runways. There are no changes of runways there are no changes or recommendations related to runway length or width both in the existing or in the future sense. So, what does that mean? It means that for a long time your airport planning documents and your airport zoning documents have preserved the ability to extend the primary runway to 6,500 ft. That has not changed. The new Master Plan will retain that option for the future. Now, does that mean we are extending the runway tomorrow? No, that's probably decades off. The justification for that would be based on usership numbers, eligibility by FAA so this is certainly a very long-term development project years and years out but that recommendation hasn't changed. That also goes for 18-36 your crosswind runway. Your zoning, your planning documents will retain and preserve the ability to extend that runway to 4,100 ft. so no changes related to either of your runways. There is one slight change and this was a new recommendation that will be incorporated in the Master Plan and it has to do not with runway light but with approach visibility minimums and in working with some of your frequent users out here 3M, Park Rapids Aviation, etc. one thing that was identified was the desire to improve and lower the approach visibilities to runway 1-3 so in other words as aircraft come towards landing from the northwest and land on runway 1-3 currently you have one mile approach visibility minimums. Decreasing that to three-quarter mile non-precision instrument GPS approach doesn't physically change the runway but it means that runway will be served more reliably in a variety of weather conditions. That's a relatively low cost, I can't say no cost, but it's a very low-cost improvement and what we heard from the users is that would be a valid improvement in the interim prior to extending that runway which is probably twenty years or more away. DeCoster commented just to put it in perspective one of the conversations we had was with 3M's flight department and when they can't get to the minimum, they have to divert to Bemidji and we want to keep those folks here so they thought if we were able to get this approach improved without spending for ILS or some very expensive instrumentation they thought that would accommodate virtually all of the diversions they had to do at Bemidji. Zitzow agreed and said that again is a hallmark of an efficient development approach and making sure that the existing users have the infrastructure they need and that they don't

have to divert to the Bemidji's during some of those weather conditions. So that's a little bit of a new recommendation.

Now taxiways, for those of you who participated in the TAC we had lengthy discussions about the taxiway system and what you see represented here, I'm going to highlight your attention to the orange line work as this is new. In the past the Airport Layout Plan basically showed a crossfield connector taxiway from runway 3-6 basically straight across the field to the GA apron. In further discussions with the users the recommendation was now we would really like to see a full length parallel taxiway to runway 18-36 and then we would also like to reconfigure some of these connector taxiways from the primary to taxiway alpha, very simply saying that this new geometry would definitely represent an efficient and FAA taxiway system so slight changes there but changes that I think your users support very strongly. Any questions, geometry recommendations? Konshok commented that Larry is really using this north/south and there are some requirements that are starting to come in that are a little bit different and just for your information insurance sometimes is the thing that gets to do things and what they've come up with now with these more sophisticated aircraft are being told here you've got to put in five hours of training and he's doing a lot of that so we are using it and I'm very pleased with the way we have it. Zitzow stated the other thing he would like to mention is the adjusted connector taxiways would conform to FAA relatively new guidance about having taxiways that don't drive directly from an apron to a runway so in other words you have to have an aircraft turn as they leave the apron they have to physically turn and maneuver they can't pass straight through anymore so those have been captured here so this is a regulatory compliant plan as well so that would set us up nicely for the future. So, the big message on runways and taxiways is not a lot of changes but slight changes that I think represent a high value to your users in the long term.

Switching gears to building areas. Now I have an additional blown up drawing and the two drawings you have, the 11x17 and the smaller one we've already previewed go hand in hand and you will see why. Commissioners, this is something that I will ask you to very purposely consider as part of your endorsement because this is something that the TAC, there is a slight amendment here that the TAC did not see because this has been a recent development. I'm going to come back to the terminology of all users welcome. It is very important that we realize that the airport is a resource for a variety of users, business, corporate, medical, private, recreational, training, etc. I probably missed something but down the line there is a broad usership. We want to make sure that the Master Plan preserved options for development that would serve any of those users as those needs arise. In no particular order, if you look at the frontage along Highway 71 there is a green parcel on the larger photo which shows this. The Master Plan continues to preserve this undeveloped chunk of territory that's in the front of the airport along Highway 71 and the entrance road. We continue to preserve that for large site development that could be corporate, industrial, aviation related but we don't plan any smaller hangar development in that area because that is a large parcel you have at your disposal that could be attractive to a large user so again, large corporate users, we have a place for them if that development comes to the City of Park Rapids. Your FBO businesses, Park Rapids Aviation, Park Rapids Avionics there has been interest shown on continued growth, new building, expansion of facilities etc. Something that came out of the Master Plan was the

option for the city at some time to take several of the platted industrial park developments that abut the airport and possibly have those converted to airport property if a user came with a proposal to expand industrial driven airport development. That is another type of user that is important that this Master Plan has an option to serve those types of users as they come forward.

Zitzow asked what about private GA? We have touched on this topic slightly earlier in our conversation this morning and if you look at the existing plan where you can see where the existing buildings are and the dashed boxes, basically what we had in the former Master Plan any future development whether that's t-hangars, box hangars, they basically continue three taxi lanes on that same line going straight to the northwest in parallel with the primary runway. A couple of deficiencies were identified about that plan, is it a bad plan? No, but is it the maximum most efficient plan? No, so we wanted to capture a more efficient plan. How do you do that? Well the problem is if you keep building straight to the northwest you lose a couple of things. One is you start to deadhead this back parcel and you start to render a certain parcel that abuts the industrial park and platted road right of way, you render that very ineffective. You can see that in the revised plan we're actually indicating that you get to that corner in the property line and the development and future taxi lanes would turn the corner and start to go north. What does that do for us? Well, are we going to build this tomorrow? No, but as this airport develops we want to make sure that it is efficient and maximizes land use. This plan would allow for more hangar pads to be developed in the same amount of space and it would also allow for the idea that you could develop a backage road, a secondary airport access in from the industrial park so you would have more than just that front door access, you could have a backdoor access as well. At a lot of airports now we are seeing this idea that private hangars are served by better parking areas for your visitors and this would also allow for the opportunity to have a smaller GA apron separate from your large apron which could lead to some efficiencies of separating smaller traffic from larger aircraft traffic. This is a plan that the TAC saw but in the recent several weeks or upwards of a couple months, we did identify an additional efficiency that I would like to correct and that again is related to the numeracy of future t-hangars verses the ability to serve maybe a 50 ft. deep private hangar row. So, commissioners what I would say is that we would be looking for feedback from you that we would, instead of this configuration where we have two rows of future t-hangars that we would amend that in the Master Plan prior to the council's consideration. The only revision is swapping out this central row of t-hangars which quite frankly was a little too short to accommodate t-hangars anyway, this is a more realistic plan.

Zitzow explained the Master Plan also touches on and all of you have been involved with CIP updates so you understand that the CIP which resides on an annual update basis which certainly captures elements of your Master Plan in the CIP format you will understand that touches on a whole host of other things, projects we've talked about, maintenance of existing pavements, maintenance and upgrades to your AD building, maintenance and upgrades to your fuel systems, a lot of those things again I'm using the word maintenance because those are projects that are really related to keeping the facilities that you have in top notch condition. The things I wanted to touch on this morning were mainly those development concepts because those are things that from a steering

perspective we wanted the commission to be keenly aware of and well educated on. Zitzow asked if there are any questions about those concepts?

Tom Hass arrived at 10:00 a.m.

Zitzow asked if there are any questions about those major development concepts as I can dive into any one of those in more detail but I wanted to provide an umbrella first?

McKinney stated we've actually been looking at this configuration for several months and make it official. Zitzow said he thinks the big take away is the Master Plan process and big changes and recommendations and many of the recommendations are unchanged but I think the primary changes are approach development so that's your runway 1-3 approach, improved taxiway geometry both for purposes of taxiing safety as well as regulatory compliance, those are your big airfield accomplishments and then around buildings I think we made significant headway of identifying a broad based approach to serving a variety of users, all users, and making sure that we have a plan that would address any type of development that came to the City of Park Rapids and that efficiency of land use I think is something that this plan is much better suited to address than the prior plan so I think those are the big takeaways and hopefully it will continue to serve the airport as development continues to unfold. Any questions? There were none.

Zitzow advised commissioners that what we would be looking for is a recommendation for these findings to be presented to the City Council and then the Master Plan documents, the supporting information, would then be submitted to FAA in a draft format and to MNDOT.

**A motion was made by Konshok, seconded by Dyre, and unanimously carried to recommend the Master Plan draft recommendations and findings be presented to the City Council for approval.**

Further discussion: Dyre commented so basically, you're just moving some of the land from the city to the airport? Zitzow said correct, so as I understand it and I know Mathisrud has been very much up on the details and going into the research of what that would take. Currently the industrial park is fully platted and owned by the city in fee. From an FAA's perspective if the city were to deed any of those plats or portions of plats to the airport it would be essentially a zero-cost transfer to airport property because it is city owned infrastructure so there is no cost but then the airport property map would exhibit that those would be airport properties. McKinney stated they would be eligible. Zitzow said yes and then some of the improvements thereupon for aviation related uses would be eligible for FAA funds at normal FAA regulation rates. DeCoster said there is no FAA approval required it is just a matter of noting it. Zitzow said correct. Dyre said it is just a paper shuffle. Zitzow said yes more or less it is just a documentation of transfer of ownership because it is a city to city transaction. McKinney said a lot of people think it already exists that way anyway. Konshok commented we have done this in the past and historically the entire industrial park and airport was all bought at one purchase so originally it was one. Konshok said the city owns the industrial park and the airport. The FAA is very specific that the airport ownership is very clearly in fee simple and I think we

are lucky in a way that the industrial park didn't develop like we thought it might be and the end result has been a lot of area that would be very difficult for the city to develop it but when it is owned by the airport then we can receive FAA money and that is a tremendous thing and I think we are very lucky we have that land to acquire for the airport. Konshok also commented that aircraft are becoming more efficient and smaller so runway length isn't a concern.

**7C. CIP Update:** Zitzow indicated that currently the CIP has taxi lane extensions for additional either t-hangars or private hangars development site prep in 2022. Our annual CIP is typically due in October as MNDOT wants it updated every October so they can redo their financing on an annual basis. Zitzow said I hear the city and the commission having discussions about the right timing, hangar demand and providing additional hangar taxi lane extensions, etc. and when you say the word we will update the CIP keeping in mind that we want to make the state and FAA aware that we have a project coming and we should program it as such and currently that's out in 2022 and if you think you need taxi lanes built sooner than 2022 let's go ahead and start that messaging, sharing that with FAA, sharing that with MNDOT. It can certainly be a feature of the MNDOT needs discussion so that even as early as next year 2019 if you so chose you can start some taxi lane extensions and that could be to serve additional hangar pads or in conjunction with t-hangar demand if you felt that was a project you were going to pursue. That was just a note about timing and you certainly have every flexibility in the world, those are eligible projects and you have FAA entitlements in the bank and you could start down that path.

Konshok stated things need to be on the CIP before we can get anything done, it doesn't mean we have to do the project.

McKinney asked if the local share is 5%. Zitzow responded yes or at the high end 10%. Now hangar taxi lanes extensions are typically FAA eligible but then when you get into t-hangars and some of the site preps specific to public owned hangars there are some additional pro ratas so sometimes you end up with a variety of pro ratas based on the eligibility of each feature. McKinney asked if the work that you've done for 22 is still relevant or do you have to redo the numbers if we accelerate the time? Zitzow said we would certainly reanalysis the numbers and the reason I say that is because the CIP generally has generic budgeting information but the exact scope of that project depending on the number of site pads you wanted to develop, the lengths of the taxi lanes you want to develop, we would work with you to make sure that project is well thought out. McKinney said I think staff is going to come back with an accelerated time frame but we haven't got it put together yet. Zitzow said he understands and that is something we can definitely work through as we steer towards 22. McKinney said we are going to want to do it before then. Zitzow said he agrees that the 2022 date is a little bit late given the current demands for hangar development.

Dyre said he doesn't see anything for a helicopter pad and we had talked about that before? Zitzow advised the large industrial or I should say corporate or aviation development parcels certainly could be developed in a variety of uses as we've shown on some of our conceptual graphics back then. In reaching out to the typical roto craft users,

that would be medical and DNR, we had those conversations and generally the flavor was nobody was keen to develop a hangar tomorrow so rather than focus that on the ALP I think we generically covered that could be held down the road but we heard from the users that wasn't something they would be pursuing in the near future.

McKinney asked where we are with the DNR lease? DeCoster said we renewed it through the City Council.

**7D. Revised hangar development footprint (tied to agenda item 6A):** See above.

**7E. Requirements for next phase of development overview.** See above.

**8. FIELD SERVICES:** None.

**9. FACILITY MAINTENANCE:** Fieldsend said since Burlingame isn't here he is working with Zitzow on getting the crack sealing done so that will be this year.

**9A. Airfield Sign Circuit Regulator Maintenance:** Fieldsend said he has been working with John Schroeder of MNDOT on the reels on 18 as they only work on high at this point.

**9B. MALSR Replacement:** Fieldsend said the MALSR project should be this year and he is working with John Schroeder of MNDOT on this.

**9C. Airport Inspection (Lighting):** Fieldsend said he is also working on this.

**9D. Other:** None.

**10. PLANNING AND DEVELOPMENT:** Fieldsend said Mathisrud is looking at the land transfer and how that will be done and also addressing of the t-hangars. DeCoster said Mathisrud will bring that to the commission at the next meeting for a recommendation.

**11. FINANCE:** None.

**12. OLD BUSINESS:** None.

**13. NEW BUSINESS:** None.

**14. OPEN FORUM:** None.

**15. ADJOURNMENT:** A motion was made by Randall, seconded by Peterson, and unanimously carried to adjourn the meeting at 10:19 a.m.

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Don Douglas, Chairperson

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Carmen L. Lockhart  
Planning/Administrative Assistant