

**CITY OF PARK RAPIDS  
AIRPORT COMMISSION**

**REGULAR MEETING**

**April 4, 2018, 9:00 A.M.**

**Airport Conference Room**

**Park Rapids, Minnesota**

**1. CALL TO ORDER:** The April 4, 2018, Regular 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 Councilmember Erika Randall. Staff present: John McKinney, John DeCoster, Chris Fieldsend, Scott Burlingame, Ryan Mathisrud and Carmen L. Lockhart. Absent: Commissioner Scott Johnson. Others Present: Matt Zitzow of TKDA via telephone, Jeff Voigt and Tom Hass.

**3. ADOPT AGENDA:** A motion was made by Konshok, seconded by Peterson, and unanimously carried to adopt the Agenda as presented.

**4. APPROVAL OF MINUTES OF FEBRUARY 7, 2018 SPECIAL MEETING:** A motion was made by Randall, seconded by Dyre, and unanimously carried to approve the minutes of the February 7, 2018 Special Meeting as presented.

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

McKinney stated we have a number of items that don't necessarily fall into the agenda designation but we will take them in the order that they make the most sense to the commission. Matt Zitzow our engineer is available on the phone. We've been talking for some time about the T-Hangar operations and other development of hangars on the airport and those items we will take as they unfold. Eventually you will hear the proposal from the treatment of the T-Hangar rental and you have the option of saying you like it or you don't but remember your roll is advisory and we need your input but eventually it doesn't take effect until the City Council has approved it. We will take it to the council as soon as we are ready.

**6. BUSINESS SERVICES:**

**6A. Summary and Recommendation on T-Hangars:** DeCoster stated the T-Hangar Management Options, by means of background, we were approached by Park Rapids Aviation a few months ago about the idea of master leasing the hangars and as all you folks know the t-hangars have been a little bit of an orphan from an administrative standpoint so we did our due diligence on that with the airport team staff. Mr. McKinney and I met and talked about the option and as we started looking at it from the perspective of the city, (1) financial, obviously the hangars generate good revenue for the city and there is no debt on them and bring in about \$67,800 per year and the rates have not been reviewed since before 2002. As we started looking at it we looked at the financial and the

customer service side. DeCoster explained there are airports that do have the FBO's or other major tenants on airports master lease the t-hangars and in all honesty because we don't have an on-site airport manager there is a lot of brokering that does occur on the field and that's just the way it is. DeCoster said Voigt as an example, knows what's going on and is the communication core at the airport and that's what usually happens.

DeCoster advised that the first thing we did was take an inventory of all the hangars and found a number of situations where the person who was on the lease was not connected to the tail number of the aircraft that was in the hangar. We found some hangars that were being used for alternative non-aeronautical purposes and then we have a bunch of hangars that are being used by the people that have the leases and have their aircraft in them. That led us to the next part which is the rates as the rates have not been adjusted since pre 2002 and we looked at the billing process and currently each hangar has an anniversary date so we have billings every month, which is rather cumbersome for the amount of time and money it takes.

DeCoster said we looked at maintenance, the city has the responsibility of maintenance of the hangars and we were thinking if that were to change to being a third party management the manager would also have to take that obligation because some of the revenue is obviously used to do the maintenance. When we were done looking at everything and frankly with the terms that the city would have to require to be put into place in order to master lease it, they became somewhat onerous and weren't necessarily in sync with what the desire was from the requesting party. So, we looked at it again and said if the city stays in control of the management of the hangars does status quo work and the answer by all staff was no, it doesn't work, we need to clean it up. What you see is the analysis of three options: 1. status quo; 2. master leasing to a third party and after looking at the risks we didn't think that was a good option; and so what we did was option 3 which is a redefinition of the program with the city still maintaining ownership and management of the hangars and we cleaned it up and addressed some of the deficiencies that currently exist. One thing was to go to a common anniversary date for billing such as June 1<sup>st</sup> of every year and we will take a review of the rates and charges to the City Council every year for adoption, so there will be a regular review.

DeCoster advised we will do inspections of the hangars from two perspectives, one will be maintenance to make sure we're in front of any maintenance needs and we have it in the budget and have a plan to repair things. Secondly, will be from a compliance perspective. The FAA has become very focused on non-aeronautical uses of hangars and just updated the FAA regulations in July of 2017 which was provided in your packet which was a presentation made by the FAA in layman's language instead of going through the federal register. The bottom line is if they are city controlled hangars they need to be used for aeronautical purposes unless it is a short term non-aeronautical need in the event that there is no aeronautical demand. We are going to implement an enforcement inspection process on a random basis through the year to make sure that our grant assurances are not in jeopardy because if the FAA were to come in and do an audit and they found nonaeronautical uses of the hangars we technically are in violation of the FAA regulations and our grants are at risk and we can't afford that.

DeCoster further advised that we are going to have a master lease with an Annual Contract Exhibit Extension and all the leases will be for one year and then again we will have a common anniversary date and be prepaid on an annual basis and if someone were to sell an airplane during that time or want to cancel a hangar because the hangar would be cancellable upon a 30 day written notice by either party, and refund any remaining pro-rated portion of the annual payment. We will be much more focused on maintaining the wait list and we've been reaching out to the people that have been on the list for years to determine their interest. DeCoster said one of the things that came up is there are a number of hangars where the leaseholder of the hangar is not the same person as the tail number that is in the hangar. We are anticipating cleaning that up and find out who those people are and enter into an agreement with them. I know hangars change hands through the year as people come and go and we are not trying to penalize people by making them get on the bottom of the wait list but grandfather in those that are in the hangars so there is not an unfair effect for them.

DeCoster said the last part of the packet is a document updating the rates and charges and we will tie it to the square footage of the hangars and each hangar has a square footage assigned to it and there is also a valuation of the south facing hangars as traditionally been done at a higher value than the north facing hangars because of the ice issues. The recommendation to the commission and hopefully to the council will be that the city maintains the t-hangars, manages the t-hangars and implement the process. Staff will work out the details and the responsibilities so we can implement this effective as of June 1, 2018.

McKinney added the packet included the Master Lease Form and attached to that and identified as Exhibit A – is what each tenant will sign each year and that is the way we will stay on top of the renewal process and identify who people are and who is supposed to be in the hangar. DeCoster said just for the record, the Master Lease Form is the most current lease form in place for Park Rapids so we just updated that and Exhibit A will be each year when we adopt the rates that will be how we identify the rates for that year so the tenant will have the billing calculations and then our contact information and tail numbers and in the event a person changes tail numbers or swaps out whatever all they have to do is redo an Exhibit A so we should be abreast of everything throughout the year.

There was further discussion concerning the following:

- Tenants being responsible for improvements such as shelving, heaters, insulation, etc.;
- New re-programable cypher locks which the city will provide;
- Point of local contact clarification issues;
- Website updates;
- Reviewing special circumstances and scenarios for possible shared hangar rental and determining factors required for any subleasing;
- Seasonal tenants;
- Multiple owners of aircraft;
- Ice issues for the north facing hangars and use in the winter months;

- Hangar rental rates being competitive and reasonable per unit;
- Providing a fair process regarding the people who have circumvented the city's hangar lease process by subleasing with prior leaseholders and consideration for those who are on the waiting list;
- Enforcing compliance for use of hangars and violations of the FAA regulations;
- Past practices verses policy;
- FBO use of multiple hangars for planes he is working on; and
- Analysis for recommending a firm payment deadline of June 1st for annual hangar rental in conjunction with the city's budget.

**A motion was made by Peterson, seconded by Dyre and unanimously carried to recommend to the City Council approval of Option 3 of the T-Hangar Management Options as provided together with further details to be determined by City Staff.**

**7. ENGINEERING:** DeCoster stated Zitzow prepared a report on the engineering.

**7A. Requirements for Next Phase of Development Overview:** DeCoster stated there are a couple of discussions taking place that may take up the remainder of our available large hangar sites so we are starting to look now to see what would happen in order to take the next wave of development. Also, as we told you at the last meeting and through the Master Plan process that middle row of what was proposed as t-hangars to be mid-size hangars, the smaller version with smaller lot sizes and lower rents so Zitzow is looking at that right now in order to identify. We don't have the sites to the elevation they need to be in order to be developable and we have to figure out the utilities of getting, electrical, gas, water and sewer out there. DeCoster said Zitzow will be coming back to the city staff and ultimately the commission with a plan and that Zitzow has talked to MNDOT Aeronautics already to look for grants and then we will have to look at local share. The time frame we are looking at in order to maximize use of available federal and state grants is we would probably have to be shovel ready by late summer or early fall of 2019. Zitzow stated a traditional grant site was included on the Master Plan draft that was submitted to the agency that's required and completed. Then we will work with the agency to start getting it on the formal CIP and the grant process for next year so the design would be in the winter of 2018-2019 and a grant being received in early 2019 and construction summer of 2019. DeCoster clarified for the infrastructure? Zitzow said correct. DeCoster said we will be talking with McKinney about the local share of funding on that and looking at different options and then bringing it to the commission. As we look toward not having any developable sites we hope in the near future we need to tee up that next wave of development.

**7B. 2018 Project Update:** Zitzow advised for 2018 aprons, joint and crack repair and apron lighting project TKDA will be submitting design contracts to the city in April, bid opening will be in June or July with construction August or September of 2018. Zitzow stated he will be working with Fieldsend on the lighting upgrade to schedule a site visit with our electrical designer probably the first part of May.

**7C. Master Plan Update:** DeCoster advised the City Council endorsed the submission of the Master Plan and the ALP to the FAA and MNDOT at the March 27, 2018 City Council meeting. Documents were submitted to the agencies pending agency review comments the Master Plan and ALP will be revised and presented to the City Council for final adoption in the later half of 2018. DeCoster thanked the commissioners and Voigt and Hass for their involvement in the process. DeCoster said he is exposed to a lot of Master Plans and feels we received a really good document and something very implementable.

**8. FIELD SERVICES:** No comments.

**9. FACILITY MAINTENANCE:**

**9A. Building Lock Plan:** Fieldsend said we talked a little bit about the cypher locks which are actually not in the budget for this year so most likely it will be done next year unless we come up with some funding for them. We may try several locks to see how they work but the locksmith actually recommended the lock that we currently have at the police department so I want to try that. Voigt expressed worries about the locks working in the extreme cold.

**9B. T-Hangar LED Conversion:** Fieldsend said for the t-hangar and LED conversion we are going to try to change all the bulbs to LED and probably install timers instead of switches to get away from leaving the lights on for three months. We are going to try and do that this year and fit it in as we go. Voigt asked if there would be new LED fixtures. Fieldsend said they switched one of Tom's to a LED flood light and I think it actually worked pretty good. Voigt said Minnesota Power has a program to assist with funding to convert to LED. Fieldsend said we are doing evaluations and several exchanges throughout the city with assistance of Minnesota Power.

**9C. Tarmac Lighting Upgrade:** Fieldsend said they are going to try to update the tarmac lighting to LED as well and asked Zitzow if FAA approved that? Zitzow said we should be able to get a grant through FAA and MNDOT and we can explore rebate programs for part of the local share as that wouldn't negate any funding from FAA. DeCoster asked isn't that the one that MNDOT's initial reaction was no and then you put it in a context that they couldn't refuse and they ended up coming over to our side? Zitzow responded that is correct, so currently we are on a trajectory that is absolutely a successful project and we will get federal funding so hopefully we can carry that through to finance. McKinney asked what the timeline you would be doing that conversion 2019 or 2018? Zitzow responded it would be the later portion of 2018 so we would bid in June, grants would be received sometime in the summer from FAA and MNDOT and the physical replacement part would be in August/September. Zitzow advised what we were thinking we would do is keep the completion date open-ended so if we do have weather issues or supplier issues that at the latest it would be completed in early 2019 but likely it would be done by the end of the year. Voigt asked if we are talking about the beacon and windsock under that program? Zitzow said no, we are strictly talking about the apron lighting. Voigt asked if there are some options for the beacon and the windsock to get that done? Fieldsend said the windsock was converted to LED several years ago. Zitzow said he could look into that but it likely wouldn't go through the grant for apron lighting and might

go through MNDOT NAVAIDS program and often that is at no cost so I will check into that. Voigt said he is sure the beacon sucks up some juice. McKinney requested Zitzow check into the part where the city doesn't have to pay any of it. Zitzow will check into the beacon lighting.

#### **10. PLANNING AND DEVELOPMENT:**

**10A. Airport Addressing Update:** Mathisrud provided an Airport Addressing Exhibit and had a conversation with Hass about clarifying addressing and had originally listed that as a units with one address for the building but wanted some clarification because when they get deliveries that are sometimes inaccurate so an address for each unit so that way they are differentiated and allow for clearer deliveries, so that was the only change to this addressing plan. Hass asked why RDO doesn't have an address? Mathisrud said he will assign them an address and also stated there is a typo on this draft for the arrival/departure building which will remain 301 Airport Road.

**A motion was made by Randall, seconded by Dyre, and unanimously carried to recommend to the City Council approval of the Airport Addressing Plan.**

**11. FINANCE:** None.

**12. OLD BUSINESS:** Voigt asked if the remodel for downstairs is on the CIP for this year? Fieldsend advised the CIP has not been adopted yet and haven't worked on it yet this year. Randall said now with the approval of the Airport Master Plan that is really the first time it was brought before the whole City Council so I do anticipate it will start making it's way into discussions. Voigt said he thought it was on for design in 2018? Fieldsend said that is on the Airport CIP as compared to the city's CIP. McKinney said we have to do the Airport CIP for the fall. Voigt said he would like to see the design started. DeCoster said he previously mentioned the legislature is looking at doing some bonding and we've talked about the idea of perhaps on the AD building of trying to get that into the bonding bill which would not cost the city anything which Zitzow has done some conceptual reviews and one thing we would like to do is get an elevator up here so this becomes assessible space and Voigt mentioned the restroom upgrade possibly and maybe a drop off canopy for the buses and shuttles that come from Wonewok, but we haven't taken that any further yet pending the final approval of the Master Plan.

**13. NEW BUSINESS:** None.

**14. OPEN FORUM:** None.

**15. ADJOURNMENT:** A motion was made by Randall, seconded by Dyre, and unanimously carried to adjourn the meeting at 9:56 a.m.

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Don Douglas, Chairperson

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Carmen L. Lockhart  
Planning/Administrative Assistant