

CITY OF PARK RAPIDS  
**AIRPORT COMMISSION**  
REGULAR MEETING  
**OCTOBER 1, 2014, 9:00 A.M.**  
**Airport Meeting Room**  
Park Rapids, Minnesota

**1. CALL TO ORDER:** The October 1, 2014, Regular Airport Commission Meeting was called to order at 10:00 a.m. by Chair Don Douglas.

**2. ROLL CALL:** Present: Commissioners Noel Allard, Dan Dyre, Dave Konshok, Donald Douglas, Thom Peterson (arrived at 9:04) and Councilmember David W. Konshok (arrived at 9:15). Staff present: John McKinney, Scott Burlingame, Carmen L. Lockhart and Chris Fieldsend. Absent: Dan Walker. Others Present: John DeCoster, John Peterson, Jeff Voigt (arrived at 10:23).

**3. ADOPT AGENDA:** The Agenda proceeded as presented.

**4. APPROVE MINUTES OF JULY 2, 2014 REGULAR MEETING:** A motion was made by Konshok, seconded by Allard, and unanimously carried to approve the minutes of the July 2, 2014 Regular Meeting as presented.

**5. APPROVE MINUTES OF AUGUST 6, 2014 SPECIAL MEETING:** A motion was made by Konshok, seconded by Allard, and unanimously carried to approve the minutes of the August 6, 2014 Special Meeting as presented.

**6. AIRPORT FINANCIALS:** No Comments.

**7. GENERAL BUSINESS:**

**A. FBO AND FUEL FARM LEASE AND OPERATING AGREEMENT - PARK RAPIDS AVIATION:**

John Decoster explained that before the FBO Agreement was wrapped into one it included both the paint hangars and the FBO, this building and the adjacent hangar. What we did in the process of talking with Voigt was to split the two out so we've actually got this building and the adjacent hangar and the fuel farm is quote – the FBO Lease and then we set up a separate agreement which is then the two paint facilities which are also leased by Park Rapids Aviation so to differentiate between the two because frankly the FBO is the FBO and those hangars are really used more for production and not really part of the FBO for the airport. We've separated the agreements and you have those in front of you. Just a couple of overview comments are that we do have the effective date as October 1<sup>st</sup>; we looked at a term of 15 years as a base term with two ten year options. The ten year options would have to be exercised at least six months prior to the expiration of either the base term or the first year option exercise. That being if there was an interest on either party not to extend the terms, that gives the city six months to find a replacement FBO Operator which realistically should be able to be a reasonable time frame to do that. Voigt

is aware of that and we talked about the logic of that and he understands from the city's standpoint that gives adequate protection time for the city to take alternative actions if necessary. What we also did, in the old agreement it was just a lump sum agreement which was \$2,000 per month for all the properties so what we tried to do in order to quantify value for the buildings, which if the FAA were to take a look at this would be a better business position and more of a corporate business position because we actually broke the buildings out into square footage and we assigned a value per square foot to the lease agreement. We still end up with the same \$2,000 per month - \$24,000 per year but when you look at it in the context of \$1.50 per square foot for the FBO portion and then \$1.10.075 on the paint booth facilities, you start assigning a value as you look at other comparable airports and start looking at a value that is relatable to other airports and I think if there is a question – is it equitable and fair, I think that gives you a better benchmark than just saying it's x dollars per month. DeCoster explained as we've gone through this process too, it's also important to note that the building that where Park Rapids Aviation is, is actually a separate agreement with the city and is not part of this FBO Agreement. DeCoster said he was confused when he started this process as to what was included so I think we've got things very well defined now and we've assigned a value to them and as I've looked at other data bases of comparable rents, I think the number of \$1.50 per square foot for what we're getting here for the FBO component, that is a reasonable market value if somebody wanted to ask a question, I could pull out numbers from other airports that have assigned similar values to that, so I think if there was a question to be asked about fairness and is it an appropriate rate, the answer is yes. DeCoster said I think the fact that we now have it quantified with square footage and we've got the different buildings actually defined in the agreement, it helps to clarify some of the ambiguity that has existed in the past. What we also did, to the extent that Park Rapids Aviation also provides daily service around here, we took that and really defined that in the FBO Agreement. We have an addendum that talks about what responsibilities are being provided by Park Rapids Aviation and we've assigned a value to it. Just a reminder the \$24,000 value that was assigned to the FBO for the buildings was actually a net number because it also included some credit for the services that are being provided by Park Rapids Aviation so we've actually quantified that now in the agreement and if those services were to be eliminated at some future date that the rent would increase because there would be that credit that is being provided by having them provide the services here that would go away. So once again, just looking at it from a fair market value standpoint, we've got it quantified now and I think that the credits that are out there really do represent a fair representation of value for the services provided and now the fact that it is quantified in an agreement, I think gives everybody some measurement tool to be able to decide are we getting the right service for this and how do we define the service and such so that is a brief overview of the agreements. We did follow the template that was adopted by the Airport Commission and City Council last year and just modified it appropriately for this. DeCoster asked if anyone had any questions?

McKinney asked how is this meeting room treated, is it part of Voigt's FBO arrangement? DeCoster said yes it is part of the FBO arrangement. McKinney asked so when someone else wants to use it, they go through him or they go through us? DeCoster said he thinks the practice has been they go through him? Burlingame and Lockhart said they go through the city. Burlingame said the same as the first floor, this is the city's

portion of the building and he is in charge of the other portion. DeCoster said okay. McKinney said in treating this even though it's the building, the lower level he takes and we take this? Burlingame said the building was more or less split at that counter down below and everything on that side was his and everything on this side or in front of it was the city's. Burlingame said we maintain and clean this - our cleaning woman cleans this. McKinney inquired if we are charging him rent for this part of the building? DeCoster said technically yes in the way it is written today. McKinney asked would he get the revenues if there were any from the development of this? DeCoster said there are no revenues factored in from this facility in the agreement. McKinney asked who okays it when it is rented out and who gets the rent? McKinney said let's assume RDO wanted to rent this room. Burlingame said they do all the time. McKinney asked do they pay us anything? Lockhart said yes, \$40.00 half a day and \$60.00 for a full day. McKinney said why would we get it under your contract? DeCoster said probably because I didn't know that was happening. DeCoster said he would go back to Voigt as there was never any discussion that he would get rent off of any uses of the building so what I would recommend is that we go back and insert a provision. McKinney said there are two issues - income and what happens to it and the authority to let it be used by someone else. I think we've treated this more through Burlingame as our deal. DeCoster said I could carve this out simply. McKinney asked if you carve it out will it change the \$2,000? DeCoster said no, the numbers will stay the same. McKinney asked don't you think that is what we want to do? Burlingame said there it future talk of expanding the building. Konshok asked if the rental is handled through Brumbaugh? Lockhart said it is handled through City Hall. McKinney said because we are talking about some future changes in the use of the building, if Voigt were to take the position he is already paying for it that would change drastically the things we are thinking of doing. DeCoster said the one thing we did talk about was if the building were to be expanded, the public side of it, now the hangar a different discussion, but the public side of this building, his rent wouldn't go up because it is a public facility. That is what we talked about. McKinney said I think the only difference in what you've done and what we have in reality is this part and the part below too, if he is going to rent it from us then he can clean it, but we don't think that's fair to him unless he wants to talk differently? DeCoster said I don't think he wants to be responsible for that. McKinney said so we probably need to carve off whatever Burlingame can define. Burlingame said this half of the building essentially, I didn't catch that either. DeCoster said he can make that change.

Douglas asked so we've addressed the fuel lease and the paint shop lease? DeCoster said it will be the hangar and the fuel and then as one as the FBO and then the paint shop would be a separate item. Douglas said so we will move onto item c. Lockhart asked if we need a motion. McKinney said the process right now is as the Airport Commission you're reviewing these documents and we will be asking you to give some comment to the City Council who has to actually approve them. They are looking for approval so if you don't like what's here then we should talk about it now because this is the time spent and the opportunity to review so that's your function and I assume DeCoster will be there when presented to the City Council as well. DeCoster said yes he will be there. McKinney said we want to be able to see and recommend the agreements. DeCoster said with what I've submitted to you then it would be amended to carve out this public portion of this building which I will be willing to work with you and Voigt between now

and the City Council Meeting, is that proper protocol? McKinney said if you do it that way, that's the way and you approve it, that's the way we're going to present it.

Konshok said I believe you said something about how Park Rapids Aviation provides services here I mean that's a big part of the equation and having Angie downstairs, that's worth more than, so I just want to make sure it's not a lopsided thing here as we consider it almost equal here. DeCoster said that is the addendum we are going to put on the agreement.

**A motion was made by Allard, seconded by Konshok, and unanimously carried to approve the proposed FBO and Fuel Farm Lease and Operating Agreement for Park Rapids Aviation with an amendment as to the public portion of the Arrival/Departure Building.**

**B. FACILITY AND GROUND LEASE – NORTHWOODS AIRCRAFT PAINTING:**

**A motion was made by Allard, seconded by Konshok, and unanimously carried to approve the Facility and Ground Lease – Northwoods Aircraft Painting.**

**C. PROPOSED CAPITAL IMPROVEMENT PROGRAM 2015-2020:**

John Peterson of TKDA said the old CIP is in your packet and I have a couple revisions to hand out. Peterson advised that he, Dave Konshok and Scott Burlingame met with FAA and MnDOT on September 3<sup>rd</sup> at their annual meeting and they go over changes in the program and after such they request your revisions to your CIP for the forthcoming years at least five years after. Peterson said one thing to note is that MnDOT wants the CIP's to be ten years out now which requires a lot of forethought as they are trying to demonstrate more need at the state level for airport projects so that's something to think about. This CIP is through 2020 but I should have gone a little further yet. Peterson passed out a colored picture basically showing what's on the CIP and we will go over it quick. We will talk about what we've added and what we've changed. If you look at the CIP list the top one is the self-serve jet fuel which we might get going yet this year – it hasn't been offered for state funding but MnDOT has said that they could provide that. One of the things is that state funding rates have changed – that one was a 50-50 and it is currently a 60-40 for the next two years at least so it's a good time to take advantage of that and that's essentially an additional dispenser over and adjacent to the avgas for jet fuel which would run off the same card reader.

Peterson said the hangar site prep project can come off of the CIP as that was just completed Monday so that project is done. For next year federal, these things have been on the CIP for quite some time and we combined them a couple years ago and that's overlay of the majority of the GA Apron and all of Taxiway A. Also a project that's been on here for some time and that's kind of slipped forward as funds were not available on previous projects is the parking lot expansion so those things are shown in brown on the picture. The drawings, one thing that we're looking to do as part of that taxiway A overlay is to remove some of these non-usable patched areas out here as FAA is going to want to see that cleaned up. There are failing pavements and we can't overlay and we can't

maintain them anymore and generally it causes confusion now with the new runway. So we will be removing some of those and that's next year's projects. We were hoping that was dedicated for state apportionment funds, which is federal funding but we found out at that meeting that was not on the list but they are instead going to try and accumulate entitlement funds from other airports without a repayment obligation. They are looking to accumulate basically a million dollars plus in federal funds to fund these projects in 2015. Peterson said some changes to the federal CIP process is the program packages that were previously due February 15<sup>th</sup> are going to be due December 15<sup>th</sup> going forward, which means all the environmental, all the programming, including some of the things that we would typically handle in the design phase which is construction safety phasing plans are all pushed way forward. How that is going to affect you guys, we usually did a lot of that work on the forefront and then billed it out after you take your grant in May or June and now those tasks are going to be six months prior to the grants so there are going to be costs that will have to be funded locally and reimbursed once you get your grants because a lot of that is pushed forward and it's going to remain that way. I can kind of explain it to think of it as these federal grants are getting more on a reimbursement type basis rather than here's your grant, now proceed, it's do a lot of the work and then we will give you the grant, so something to think about when you are looking at your financing and funding these things, there is going to be a lot of frontage work. It does pose a little more risk, just in case you don't get a grant you would be carrying those costs for a year or two but that's basically how the FAA set it up and how it is going to be. Peterson said so that pertains to federal projects and state projects are very easy to get grants for. For state projects 2016 which we are already in state fiscal year 2015 so 2016 starts July 1 of next year for these things. What's on here, Master Plan ALP Update we're showing that for state funding just because you won't have any federal funds available and we're hoping to get some economies by not doing it as a federal action and the main purpose of this Master Plan would be to look at the terminal area, not the airfield, but the terminal area with the aircraft parking, hangar spaces etc, were your triggers for that and then update the ALP lines accordingly. So we added that in here and we're showing 80-20 state funding and it does allow you some other things that are no longer federally eligible which includes some business planning stuff like some of the things that Trillion does for you too that we can include in that Master Plan Process. Now we've also shown in here, maybe as a place holder or not, depending on how quickly things move at this building with the terminal building remodel. Peterson said I know Konshok has had some discussions with Cathy Huesch about eligibility of those things and we're going to kind of look at that and see what is, typically they will fund remodel stuff if it is for energy efficiency or capacity if you need more space and not so much visual stuff or maintenance so we have to look at those things. I know we talked about bathrooms in the past and making those ADA compliant and they are on board for that and shown here at 80-20 and in actuality a lot of that might not be state funded. Peterson stated the front end loader and a mower have been on here for a while and 2017 is unchanged and is a 16 unit hangar site prep and hangar and that would go on the west end of the apron. In 2018 federal, these are new projects that popped up recently and that's to accommodate jet parking basically. We talked about putting it over here and removing that 16 unit hangar on the east end. Peterson said 2019 the connector is the one that would connect to the south end of 18-36 as that was excluded from the project that was just finished up. In 2020 we added pavement reconstruction for the primary runway.

McKinney asked about the local funding for 2016, can you give me some thoughts on where you're going to come up with \$226,000? Peterson said the new things in there for next year are the master plan and terminal building which were probably not accounted for previously. I'm guessing, those were added after discussions with Burlingame and Konshok after the open house meeting. Konshok added we talked about the remodel on this building we've been talking within the past month and the way things are moving out here maybe doing more of at least asking for, as I've talked to Cathy Huebsch and others about it, is to do a bigger remodeling on this building which could even include adding 60 feet on the north which would be additional large aircraft storage here and additional on this 40 ft. side here for additional functions. For instance, Voigt is looking for a place for an upholstery shop and we need additional space up here for a pilots lounge where they stay over for a long time, that and some slack space. If you recall, actually when this thing started that's what happened, this is 40 ft. here, and it is sort of like a lean to off the main building and that undeveloped area beyond here was actually used for Park Rapids Avionics and that's where they got their start, so that's what grew, so if we didn't have some space like that, it's the same way for an upholstery shop here, it looks like it would work. Konshok said we were talking about an elevator for up here which has certainly been mentioned a lot of times as things just aren't used up here and we thought maybe this time we could forego that and put a very similar room to this one, at least this big or maybe larger on the main floor on the northeast corner and then the existing pilot's lounge could stay the same, but that area over there we would gear towards more large aircraft storage and arrival/departure and it has some real savings as we need the additional large plane storage. So if you extended that 60 ft. you've already got the basic frame and you could just go right on, no new doors or anything and the ramp is still the best. Konshok said we are just looking at this, these plans are very preliminary and have had some discussions with aeronautics and Burlingame and you might say we are just starting to pursue that. Konshok said and then there's the matter of the funding and that's John's thing then that would come into play too as to how that could be funded.

McKinney asked Peterson the timing that has changed, if we are talking about the 2016 projects, that really has to be, that's 2016 starting July 1<sup>st</sup> of this coming July? Peterson said those are slated for state, no changes there, with state, you apply for a grant, you get it within a month as the red tape attached to state grants is minimal. McKinney asked so on the 2016 we don't have a significant change? Peterson said the 2015 federal projects, those we are going to have to start immediately.

DeCoster asked Peterson for a clarification to expand the GA terminal, I think what I hear from Konshok is that more production space rather than public space, is that right? Peterson said that's been the talk and I don't know the eligibility of that from an FBO standpoint and I was thinking about that before, especially thinking about expanding a hangar you might get kick back from the state as they have already funded not just one, but three FBO hangars at this airport. Konshok said I would say right up front on this idea that this is something that we think is a possibility but there is a lot of other criteria we have to meet, for instance that Cathy Huebsch tells me that the space that we have for this size airport is about what they would normally fund so what we are really asking for here is beyond that and part of the reason for that is first of all, the upgrade we've been talking

about for the bathrooms and all that is really needed with 3M a major client here year round that's sort of deplorable really and that should be definitely approached.

McKinney said I am not quarreling with what you want to do, I'm trying to figure out how, as the biggest problem I've had with airport projects is trying to coordinate when decisions are made at this level and when the City Council makes decisions with regard to the CIP for the whole city because my limited experience with this has been that you guys adopt a CIP before we even look in a final way at the CIP at the city level and everybody gets real comfortable with that well that's next year and that's the year after and I'm sure we will adjust it but then you make plans that become entrenched and as long as we are talking of being in the neighborhood of past contributions to the airport for the things we have, that's fine, but as you can note from my comments, \$225,000 out of 2016 is not available under the traditional approach taken and I just want to make sure that we've thought about that because the City Council is assuming that we've thought about it and they have to think about it so that's the reason for my question, it's not quarrelling with what you want to do, but there is a tendency on the part, I don't want to say this unfairly, it's easy for a group like this to make plans to do things and let somebody else worry about the funding and that somebody else is sitting at the table today.

Dave W. Konshok said taking that as a lead in, what is the possibility of, and I will be even more blunt than McKinney, and say these are pretty tight timeframes on funding and I don't think the council is going to be able to reach for it, what's the possibility of just doing the master plan next year and pushing the terminal remodel into 2017? Where are we at with the state in terms of that? Peterson said none of this has been submitted to the state yet and your CIP can be changed at any point and absolutely we can move it to 2017 if that's more fundable, I think there's a lot of discussions, mostly we want to get this on the CIP so it starts these discussions with MnDOT so whether we're funding, and to think about this more, we should probably break this up into the things that we think are absolutely fundable by the state and the things that are maybe more of a wish list. We could put line items in here for bathrooms and whatever you need to do, the things that we know okay, yes they are going to do that because you will get offered a grant for that then and maybe even this could get staged out and it's not a one-time let's remodel this whole building, maybe it's spread out over three years so you can spread out your local costs too.

Dave W. Konshok said I appreciate you guys looking up the specifics and that's what we want the commission to do and what McKinney and I are just telling you is that how the budget amount, whatever the final tally is, fits into funding by the city, the timing I think more than anything is probably the concern. As an example, we have yanked funding for the beach building and we just redid all of Red Bridge Park and we don't have funding right now, the \$70,000 to do the beach building and if we don't have \$70,000 to do that which has been waiting longer than a new terminal building project that pops up in the radar screen, you can see how it's not going to go, it's like John said, it's great when you get these things to be a priority for the feds or the state but just because it's a priority for them, it doesn't mean that the city can turn that corner that fast and come up with the funding for this. McKinney said that's another reason why the question of this building that we talked about earlier because one of the things that might be a source of funding would

be to lease part of this if you're going to have it left over or whatever and these conversations are great to have.

Konshok said one thing he wanted to mention is to be honest what I'm bringing up here about this building is very premature time wise definitely, it is something that did occur within the past few months we've had a lot of activity and we're really moving forward and several of these things are doing some major shifting and as a CIP we are doing some very future and what we're talking about with this building is very premature, financing and the whole bit. McKinney said I need your understanding about the CIP that we put together because we want to start the groundwork at other locations and if we do that and we don't follow up is there a negative impact to the process because we ask for stuff and then we don't do it and do we have to be careful from that standpoint? Konshok said this building here, the talk of remodeling has been going on for ten years and the way we've done this kind of thing is to keep massaging things around until the solution comes out and that's the case here, now we're turning another corner and this is an advisory thing and it comes up in the budget. McKinney said my only concern is that if we do this for one purpose does it have a negative impact when we don't come forward with the job? Peterson said more so in the past I would agree, the state as I've mentioned is trying to push need at the legislature level as they got their \$15 million back that was stripped from them before and now they are spending it but there is also no increase in their future budget so yes, but you guys are not on their radar as those who turn down funds typically. A lot of airports that their CIP is loaded and they turn down funds every year but if you get in the habit of doing that where you're getting grant offers from the state and then you say no, and you say no and you say no, they are going to start looking at that. McKinney said the other part of the discussion needs to be if it is all that critical and important then we need to review what up to now has been a very limited source of funding of the local share. If we really need it and the council buys it, part of their buying it is figuring out a different method of funding than we've had in the past. Peterson said buildings of this level, the ones I've been involved with, there's typically a large private investment into it.

DeCoster said he wanted to clarify something, when you talked about the master plan and the ALP update, that's actually a little bit different than when you talk about master plans in general, it's a conversation that John Hern and John McKinney and I had after the open house last month, usually a master plan is kind of a big picture theoretical and a what if scenario and what we were really talking about as part of this process is I think we have a very good grasp of what's happening from the taxiway out and you've made a lot of improvements there and this is kind of coming from the taxiway in and looking at it, not only from a facility standpoint and an improvement standpoint, but then also a sources of uses and funds plan which I think is the gap we have right now in our knowledge base and so part of that master plan would not be looking it over to do this, this and this, we would really be looking at what are the practical approaches, what are the development opportunities and then this is how we pay for it and this is really quantifying what amount of money is required from the city directly as part of that discussion. Is that consistent with your understanding? McKinney responded yes and we have alternatives we are looking at for funding but we need to start talking at the same time as I'm trying to avoid we get the wish list and then we say gee they must have talked that through and that's a good deal and then realize, well wait a minute we don't quite have that figured out

and we will work it out together. I just want to make sure, quite frankly, that's a fairly aggressive financial plan that you have there and I was hopeful it wasn't coming out of my salary.

Dave W. Konshok said the council is very supportive of the airport and I would describe it as a very business oriented and very business-like council at this point and exactly what you said is key, frankly this council doesn't really consider anything unless it comes with a well-developed plan first so I don't see any problems with probably funding the plan but trying to fund, and as I say the plan is actually really about producing a significant shift in the direction of the airport out here and seen as an upgrade too, so there are going to be a lot of questions on that from the council. DeCoster added as there should be. Dave W. Konshok said it just doesn't apply to the airport, we are grilling the armory development group that is trying to get the armory developed, we keep sending them back to the drawing board so it's the same approach we use whether it is airport, economic development, parks, it doesn't matter, we need the plan upfront and then we need a sensible systematic approach to getting it funded. We have had a conversation with Commissioner Kathy Grell and the City Council is once again interested in, maybe talking more about a joint city/county commission for the airport and if you want to know what the primary driver is behind that from the city's standpoint, I would tell you it's this right here, funding. There's a great plan for the airport and the city wants to be supportive of it but the city is getting concerned that it is getting too big and too active for the city coffers to be able to support, even when you say it is just 5% funding from local, but it adds up in a hurry compared to the other projects we have in the city and it is a very significant investment, you know for the runway project at one point we were talking about sucking up two years worth of discretionary funding but fortunately because the way the state funding worked out it came down to about one year but the council signed up for that and did agree to that but that was a pretty tall order. I think what McKinney is telling you now is to just get past that and follow it up and say hey by the way, out of cycle, we need another \$150,000 out of the liquor store fund, let's be frank that's our only cash fund so to speak. So if you want that much, that's a significant portion of it because it only comes down to a couple hundred thousand per year total that we have for discretionary funding that we have for capital funding across the city and next year we are doing a major road construction project and maybe Riverside Avenue, the re-milling of Main Avenue North so that's a lot of priorities on the budget. McKinney said and the goose that lays the golden egg needs a new building or expand the one they have or whatever, they're not real happy with the city when we say we don't have the money and they say wait a minute we're making the money. Dave W. Konshok added meaning the liquor store needs a new building.

Konshok said within the next ten days is AirTap and we will be talking about some of these future things and possible funding options and changes and yes, it should definitely be another leg of the four things that are going on here, eventually we're going to need to bring that road down from Commerce Avenue and that will probably be outside airport and be the city's so that's another thing that needs to be into the mix here. So this is premature and I apologize about that but it seems like we're coming to sort of a head herewith several projects and it gets a little bit awkward and of course the funding is always the bottom line here, but on the other hand let's say this, we are at a very good

spot airport wise because things are booming and we're looking at new hangars and the lease agreements are going ahead so we're really at a great point right now.

McKinney said don't misunderstand I think the airport program is great and you are doing wonderful things, that's the good news, the bad news is it's going great and needs to be funded.

Peterson said the one change I'm hearing that we should make to this CIP then is move the terminal building remodel to 2017 state and that makes sense to me too because that master plan ALP update really, for your purposes I would probably call it a facility needs assessment and business assessment more than a master plan ALP update but we put these in here so they tag appropriately at the state and that's one of the things that we identified in that plan is how to use this building, is the square footage enough or is it not enough?

Peterson said this is not a full blown master plan and if you talk to FAA when they do those it is twice as much as shown on here and would mostly look at airfield capacity and it kind of turns a back door to this and this is what locally I've heard you want to look at is here and one of the drivers to that is your ramp area, how much space do you need and one thing they brought up too was they support expanding the aprons but want some sort of plan in place showing that we've looked at how many aircraft are using the apron as they want numbers, they want you to do the calculations and say here is how much apron we need and then they will participate in funding so those things are on your CIP for 2018 Apron Expansion so they want to see a plan before hand and they were fairly supportive which actually surprised me for doing just a terminal plan, usually they want you to do the thing. McKinney said in that regard, it has been suggested that probably should be in 2015 instead of 2016? Peterson said that's state 2016 so that would be the next calendar year. Dave W. Konshok said we are already half way through the state 2015.

Peterson explained the projects have already been offered for state 2015 so the soonest you could get state funding at this point for a project of that level is July 1<sup>st</sup> which is state 2016. Peterson said he could add a column to the CIP for the date of starting the project. DeCoster asked what is on the CIP that says 2016 is actually July 1<sup>st</sup> of 2015? Peterson said yes, all those state 2016 projects are calendar 2015. What's even more confusing is when you enter federal projects into the state CIP system, they go the wrong year, they go state fiscal year.

Douglas asked if there are any other questions on the CIP? Peterson said he will change the terminal building remodel and might change the name of the master plan too. McKinney said we would be fitting into the rest of the process for the city if you guys are comfortable with that, and that will go before the council finance committee first I think and then some reaction from the council will tell you where they are and that's probably a good thing to get started as quickly as you can. I don't think we are doing the CIP with the council until November. Dave W. Konshok said they will start having committee meetings on it this month so we do need to pass this today so it gets before the council. Peterson said these have to be updated in the MnDOT system by December 1<sup>st</sup>, but they are always changeable if they go to council and bounce back later, you can always change them.

Dave W. Konshok said you'll hear back from the council by the end of November because the council has to have it ready before the end of the year along with the budget and city CIP.

**A motion was made by Konshok, seconded by Thom Peterson, and unanimously carried to approve the proposed Capital Improvement Program for 2015-2020 as discussed by the commission and amended by John Peterson of TKDA.**

#### **D. RFQ FOR ARCHITECTURAL/ENGINEERING/PLANNING FIRMS FOR AIRPORT PROJECTS:**

Dave W. Konshok said this is where we decide if we keep TKDA on or not right John, when is this actually due? Peterson said the current agreement is done so you will need it in place prior to December 15<sup>th</sup> as it is one of the items on the checklist. Peterson explained as soon as the runway project finished we were done as that was the last project listed on the last SOQ. Peterson advised you want to make a selection before the end of the year. Konshok asked Peterson to refresh everyone on how this works. Peterson said he can go over the process. Peterson explained if you accept federal funds you have to go through consultant selection every five years and so you put out a request for proposals with a list of proposed development items for that five year period and it is done at the end of five years or the end of the list of development items, so your last one had the runway as your last selection criteria. Peterson stated he provided a draft that is included in your packet which basically has the CIP items for the next five year period. The process is you have to define it yourself as it is fairly open to interpretation and you can advertise, solicit SOQ's directly and you can send it straight to four consultants and say give us an SOQ and in terms of selection, you establish a criteria and say it's 90% you've worked with us before, we would love for you to do that. Peterson said establish the process for going forward, you don't have to interview, you can direct select off of SOQ's if that's what your plan is, you just have to have a plan in place so if someone comes to you and says what's your plan, how are you making your selection, you can either say the plan is to select off the SOQ's unless we feel interviews are necessary and then the commission can either choose directly off the SOQ's or interview. I think that RFP I provided sets enough ground work that you can do whatever you like. McKinney asked is this typically done by this commission and a contract interview with the City Council or what is the role of the two bodies? Peterson responded typically I would say it's kind of a mix as it might be the City Administrator, Airport Manager, three Airport Commissioners and one City Council person and sometimes it's the Airport Commission and they make a recommendation to the City Council. Dave W. Konshok said how we've done it in the past, it is this group and I'm the council member and the airport manager and administrator. McKinney said so then we recommend to the council approval of our final selection. Dave W. Konshok we basically rank how many firms submitted and make the recommendation to the council. McKinney asked if the RFP gets sent out? Dave W. Konshok advised that in 2008 we put this in the Construction Bulletin. Peterson said you can advertise but I don't know what your selection criteria is but most cities do what they do with their other consultants so if they typically advertise, they advertise for this too, but you're not required to. Dave W. Konshok

said we hire the city engineer but that's a separate process and this is a federal requirement and that we go the five year period or until the list of projects is done. Konshok asked Peterson if we need to advertise? Peterson said you don't have to, soliciting a specific number of firms that you feel are prequalified is acceptable. Konshok said he has been through a lot of these and way back we did interview with different companies but my suggestion would be that we have a lot of things that we are in the middle of and would like to go forward with them so whatever the procedure would be here I think that's what we should do to get this thing off because we do have a deadline. Dave W. Konshok said what it is, is a recommendation from the commission to go ahead and advertise for request for qualifications for contract airport services.

**A motion was made by Konshok, seconded by Dyre, and unanimously carried to recommend to the City Council to proceed with the process to advertise for Request for Qualifications for contract airport services.**

**E. AIRPORT MASTER PLAN REVISION – TKDA:**

Previously discussed – see minutes above.

**F. ARRIVAL/DEPARTURE BUILDING REHABILITATION:**

Previously discussed – see minutes above.

**G. REPLACEMENT OF TOWER AT CITY HALL – AT&T:**

Fieldsend explained Velocitel came to us on behalf of AT&T and were trying to get on one of our water towers and it didn't get it and the tower at City Hall which is already there can no longer hold any more equipment and this is really early on, they are proposing to put up a new tower and take the old one down so that's where we are at. Lockhart advised they have applied for a Conditional Use Permit so it's not too early on and will be on the Planning Commission Agenda for October. Fieldsend said we haven't even discussed if they are going to pay for the tower or are we paying for the tower, so we are pretty early on. Commissioners asked what's going to happen there? Fieldsend said they are getting permits but we don't know if the deal is even done yet so. McKinney asked why is that before this group? Lockhart stated because of the airport height restrictions and airspace. Dave W. Konshok said it violates the airspace. Konshok said anything that goes within so many feet within a certain distance of the airport we need to know. Douglas pointed out the new tower would be shorter. Fieldsend said yes, by 35 feet. McKinney asked what do you need at this point? McKinney said let's be very specific because they are still planning and I think the motion ought to be to concern yourself with the thing that is on the board right now, which is making the changes and then we get to come back which is my recommendation.

**A motion was made by Allard, seconded by Konshok, and unanimously carried to recommend to the City Council that staff enter into discussions concerning a proposal by Velocitel on behalf of AT&T concerning a tower agreement on city property.**

**8. INFORMATION AND DISCUSSION:**

**A. UPDATE ON HANGAR SITE AND DRAINAGE PROJECT – BURLINGAME:**

Burlingame said I don't know if the commissioners have had a chance to take a look but that has been completed. Peterson said it will be much more sellable to potential parties as it looks like developable land now. Burlingame said there are two interested parties now, the work is done and they are moving equipment out yesterday and today.

**B. UPDATE ON POTENTIAL FALL PROJECT, SELF SERVE JET FUEL AND CARD READER DISPENSER – BURLINGAME:**

Burlingame said that is one of these projects that we have on our CIP. Burlingame said we have smaller planes that burn jet A and it is difficult for them to fuel their planes with that single plane out here as the hose is a large diameter and it takes two people to maneuver the hose. That is where this came from as there is an increase of those types of planes. There was discussion concerning the type of planes and how to fuel them. Burlingame said this would be a smaller hose diameter and be placed over by the av gas pump. Peterson said that is the plan, it would be adjacent to it. Burlingame said we haven't been offered the money yet. Peterson said it is under \$100,000 so I think MnDOT said they could fit it in. Burlingame said to get back to the funding issue on the city share, Voigt has committed half of the city share but we don't know what that city share is now, those are just preliminary numbers. Peterson said that was half when it was 50-50 and it is now 60-40. Burlingame said again, we haven't been offered the grant. McKinney asked if our share would be \$20,000? Burlingame said possibly or less because we changed it since the original plan that Peterson came up with so it could be considerably less. Peterson said I don't know if you want to proceed yet this fall or maybe we could get quotes for spring construction and put it on the calendar. Burlingame said one of the issues and maybe some of the commissioners have seen issues with that fueling card reader, last year in particular because it was so cold and the electronics don't work very good and you usually can't see the screen because it's 20 or 30 degrees below zero so part of this plan is to build a shelter to keep the temperature a little bit warmer in there anyway so the equipment works. Dyre added you can't bend the hose because it is so ridiculously big. Burlingame said there isn't a whole lot we can do about that. Douglas inquired if fueling is a precaution if you have av gas and jet fuel side by side? Burlingame said it doesn't seem to be an issue. McKinney asked are you planning on doing that yet this year or putting it off? Burlingame said maybe or maybe not, like I said the grant hasn't been offered so we just wait. McKinney asked so if they did offer it in a timely fashion you could do it yet this year? Burlingame said if it is fairly soon. Konshok said as I understand it we still have the under wing available on the other pump and this is for the newer one, the smaller turbines and stuff. Peterson said we should wait till spring because the lead time on those dispensers right now is about three months. Peterson said the state at that point is probably going to want to fit it and the state fiscal 2015 that we are in now because that's a nice size project of \$60,000 state and they want to use that up. If you ask for it you will get it.

There was discussion concerning adding a new column to the CIP – anticipated start date.

### **C. LETTER OF INTENT FROM REAL ESTATE MGMT. TO LEASE LOT:**

DeCoster reported he received a request by Thom Peterson to develop a box hangar along the row and preferred is first position but believes there has been conversations with Voigt about the first two positions being reserved. Burlingame said because Voigt is the FBO that the master plan for that row be reserved. DeCoster said his approach and bias right now is he who shows up wins and I know Thom would like two doors one facing the south and the east and obviously that would require a corner lot and would like to get his started next year. DeCoster said he would look for some guidance from this group. We haven't worked the lease up yet but will bring that to the commission and then to the City Council just like we would any other lease, but I need to know from you folks if we want to maintain the past approach of trying to reserve those first two positions or do we go with whoever comes with the bonafide offer that we try to appease those people.

Konshok asked Burlingame what is our basic idea there, we keep the first three for future FBO, is that right? Burlingame said the first two but I would even back that down to the first one possibly, because it fits right in with that FBO building, but that's just been discussion. McKinney said the problem is the design proposed needs two sides, east and south and if we move it other than at the end, that east door would eventually be blocked by another development, is that the issue? DeCoster said yes or we would have to space them out and we would lose developable land which is not good either. Allard asked what is the reasoning behind the two doors? Thom Peterson said so you can bring two airplanes in without having to move one around, but I think the point we would like to make from Real Estate Management is that whatever we do we want to do something that is in the best interest of the city and the airport development, if two doors is not workable, we would scrub two doors, but I need to go back to my partners and talk about what is available and will do whatever is best for the city and airport development. DeCoster said we do have a proposed lease offer right now to Elsner Well Drilling for the third position and that was made on the historical perspective of reserving the first two positions for the FBO so again, from what I understand I think this has been an informal guideline policy that we are trying to reserve the first two positions and Thom has been great about talking about this and supporting exactly what he just said, he wants to do something supportive of the strategic growth of the airport and not just being in the first position. This is really a guiding principal for us as we start talking to people as it seems we are getting some interest and I don't want to go bad on tradition but by the same token if we have a paying person who may be more demanding than what Thom has been in our discussion do we walk away from deals because we had a past policy because we intended to do one thing so I am really looking for some guidance from the commission on what you think would be the best way to approach this so I can continue my conversations with Thom Peterson and his group and get it sealed up. Burlingame said I guess that's the question I would ask of this commission, do we want to set aside one or two of these spots for future business because if you don't you could land lock that strip. McKinney asked how much room do

you need to accommodate a plane coming in from the side and what if you dedicate the front two to future development and put it in the fourth spot and not put something in the third slot, does that give him enough room? McKinney said the only thing we are worried about is potential development which hasn't even occurred yet but if we start counting further to the west, we could block out a couple of spots and not use them. DeCoster said from an economic return to the city's standpoint, if we did that, it would increase the cost to the person who wanted to lease the land because we would also have to get them to lease the side apron in front of the hangar too if they are going to use it which would not be eligible for federal funding or state funding so there would be a cost for development, we get the same net land rent but it would raise the cost of doing that and it might be prohibitive for some because they would have concrete and land rent. McKinney said if we want to reserve the front two for some future development we ought to pay for the development in front of those leased ones or are we asking the other people to do it? DeCoster said if I'm not mistaken this taxi lane should be eligible for funding right? John Peterson said the taxi lane continues yes, so the paved width out there now and the new edge, that's where you stop funding, so that would continue down and everything in, to the north is not eligible for funding. The taxi lane will extend down and that is eligible for federal and state funding the taxi lane itself. DeCoster said but we have a hard sell if we try to take a small apron and chunk it in between two hangars. John Peterson said he has seen this before at other airports where someone wants to turn one direction and they take that next lot and basically they are going to need to lease both lots, like there is a building on it at that point, otherwise you set this precedent that you can put your hangar any which way and come in from whatever side. DeCoster said his bias is that he is being sensitive to the price point trying to make sure we provide an option for people to develop that would be the lowest price point we can give them so we get people developing here verses other airports so again, I'm kind of a numbers guy and need you folks to give me some guidance. Konshok said you certainly want uniformity because as you recall at the end of the day it's a land lease so the city will own that building and I have been on other airports where it has been handled haphazardly and it really is tough so you really need to think for the future of the airport itself and things should be built to certain conformities and I would really be concerned about oddball stuff on there.

Allard said I know there's problems with moving one airplane out to get another one out and shifting them back and forth, I've had personal experience with that and it would be nice if he could have the corner lot to have two doors but I guess you would be hearing the same thing from other people who wanted to lease down the line and they would like to have the same thing. Thom Peterson said when we made our first letter of intent I didn't know the city was interested in retaining one or two of the lots and learning that information I don't think there is any question that has to be honored because if you sell off one, then there is no expansion option except for north and that's not a viable option because you have to be able to taxi to it if they're fixing airplanes, so we have to respect that.

Dave W. Konshok said that was his confusion was that Tom Hass has talked about that as well as Voigt so the FBO and the SASO have both talked about additional hangars under this lease agreement so those are really the only ones that have proximity requirement if you will to the rest of the business operation. Burlingame said there is another issue there also, that's a paint shop and there are overspray issues.

McKinney said the question is, are you anxious to keep those one or two lots? Burlingame said in his opinion, one for sure. McKinney said so if you're going to keep one, you've scuttled the idea of the eastern doorway so you can go three and keep the two as the original plan couldn't you? DeCoster said again, the intent of this request after I started talking to Thom is to validate past practice or past policy so we can continue to move forward then Thom will be able to decide what positions are marketable and what we have to have in reserve. McKinney said it sounds to me that the commission, at least at this point, has assumed those first two lots are not available for third party leases, is that true or not? Dave W. Konshok said they are third party leases but only for FBO or SASO operations. McKinney said I meant third party other than FBO and SASO. Dave W. Konshok said not for other private operators because it is potentially part of the business operations of the airport.

John Peterson said at least for that second spot, the first one is reserved for FBO, maybe the second one the FBO has right of first refusal because if you lease three and four the only spots left are one and two and what if someone comes and wants to build on two? Burlingame advised we have two pretty firm offers on the table and now we know of a third for sure and maybe a fourth and soon we won't have enough spots. There was discussion of a limited time offer.

DeCoster asked John Peterson, the continuation of the taxi lane how does that fit into your CIP? Peterson responded it's not in there so that is an item that the need is now presenting itself, then it is something that should be added in there and that cost isn't huge, I mean you're probably knocking off one at a time then as you go down or maybe do two at a time as demand pops up, we did this one with state funding and we put it on there last year. DeCoster said we have Thom, Elsner, and we've had other inquiries, we're at the end of the paved road now and we can't do anymore until we have a continuation of the paved road, at least if you keep two. McKinney said you're almost out of road anyway. Peterson advised the cost for the next expansions aren't going to be as large as this one because now we put the storm sewer in place and we will extend as we go down.

DeCoster asked so the policy or guideline is to keep the first two for growth potential for the current FBO/SASO and then start with number three? Konshok asked Thom Peterson if he is good with spot three? Peterson said three or four, he doesn't care, when we first started talking I didn't know of any other offers, I didn't know Elsner was about ready and I thought somebody has to be the first one and usually the first one starts the ball rolling and that was a lot of our incentive and now if somebody else wants four I mean we can, whatever is best to keep the whole ball rolling forward, we're not going to be an obstacle that's for sure.

McKinney said he would like to make a comment completely contrary to my posture and everything else, I think you ought to go back and look at your previous actions on the master plan and take a look at having it put in the CIP someplace the intention we're running on the driveway to the lots we want to lease is done and you don't have it in there. Burlingame said this would coincide with the 16 unit t-hangar, where you show it isn't where I would put it, I would put it closer. Peterson said there has been that discussion

before where that next unit would go and if it would go along the front edge or the back edge. Burlingame said it would pull that apron up there. Peterson said it would, there was that talk, but also a lot of people like to be on that front edge and if you move your 16 down there you might get more rent on the front face, south facing and on the front edge of the airfield, you will get more rent there than you probably would on the back side facing someone else's hangars. Douglas said there is an ice problem. Peterson said the north side is less desirable for sure and your private hangars are ideally faced southwest. Thom Peterson said knowing that and that's always a problem on the north side would there be something to consider in the construction of new hangars to maybe put a small heated apron along that edge like six foot wide so that you wouldn't get that ice buildup? Burlingame said we did that and it is cost prohibitive and the building code won't let you put it under the door where you need it and the doors freeze down so essentially you will have a pool of water and it is even worse, we went down the road before and it isn't successful.

McKinney advised DeCoster's request for direction is before you and my suggestion that if you go that way you need to really review what you did earlier with regard to the CIP so those are two things that you've discussed whether or not you want to take action on them is up to you. Peterson said what he would recommend is state 2017 you've got the 16 unit and there is a federal component in there so it is actually state 2017 and federal 2016 and we could insert a line in there to extend private hangar taxi lane as part of the same project, calendar year 2016. If you have two more interested parties at that point it is something that they could be presented with too if you want to get in here on this timeline faster than we proposed maybe they would be responsible for some of that cost of extending. McKinney said with that you could invite a motion to add that to the CIP that was previously approved so that when we go to the council that's in there.

**A motion was made by Konshok, seconded by Thom Peterson, and unanimously carried to further amend the proposed Capital Improvement Program for 2015-2020 by adding a line item to extend private hangar taxi lane to calendar year 2016 and for John Peterson of TKDA to update the CIP accordingly.**

McKinney said the second thing on the discussion table is providing DeCoster direction with regard to the use of the allocation of those lots that are already there, do we want to keep the two on reserve or one reserved or none, and he is looking for direction so you need something to give him that direction. Dave W. Konshok said he would say to reserve the first two subject to if three and four are taken and there is a bonafide request then it is really just right of first refusal as John said, it's not an unlimited time offer because if we get offers for all four of those spots and neither the FBO or the SASO step up, then they waive their right. DeCoster said that's why I posed it as a guideline because if something comes up and says I'm ready, I've got money and funding, I would be remiss if I didn't bring that to the commission. Thom Peterson said on his letter of intent, if a fourth party comes up, that would be maybe more business opportunity for the city and the airport, we can postpone as we are not on any dead time frame. Dave W. Konshok said we don't want you to postpone. Thom Peterson said he is just saying if somebody else comes up that is a new customer to the airport of something like that, that's better for the city and the airport than that's better. DeCoster said I think Thom hit on something earlier

that I want to reinforce, and that is I think that from our experiences when you start getting construction going out there it draws interest and those people that have been sitting on the fence will start coming out, so I am very supportive of trying to get Thom locked in and a lease agreement in place for him hopefully as early as next month and get a commitment and get Elsner committed, I think that's going to bring excitement.

McKinney said so we need to approve the guideline of reserving the two lots.

Konshok said something should be mentioned here and all kind of things that we can work in and obviously we are going to have some problems and the difficulty I can see right now is that we can have hangars all the way out but we only have a few here that have the improvements and the storm sewer and work that was just done but you only have a few spaces that are currently available and I believe we have a couple of people who want to do something right away so you're going to be limited as we have potential but not in the ground improvements that it is going to take.

DeCoster asked the size for the plan as shown here, will the 12 hangar have enough capability? Peterson said capacity wise but after we get by the 7<sup>th</sup> or 8<sup>th</sup> hangar, the distance to the utilities is going to start being more as the turns at the property line. Burlingame said I was going to bring that up after the meeting but we had discussed about taking this other row of hangars and turning it to stay parallel with the sewer and water. Peterson added I think that is something we will look at as part of the master plan.

Dave W. Konshok said as part of the discussion since Voigt just arrived let's get him involved as what we are talking about is reserving you a spot of the new hangar row, you and Tom Hass. We've got the four slots available on the private hangar development row now and we're discussing whether or not to reserve the first two for FBO or SASO preference I guess. Voigt said he has been brainstorming this a little and asked if there would be such a thing that we could do a contract for that property but just have it at a reduced rate just to tie it up. I mean we wouldn't be building there, it would be sitting there empty and it would be income for the airport, but it would take the pressure off the city or the Airport Commission if some other private guy wants to come in and say that's spot is open I want it, and you could say you're saving it for the FBO/SASO, you could do that. DeCoster said he has run into that situation before and effectively what it becomes is a term option down payment for the lack of a better term, it's not full value but it's some payment that you would make to reserve for some agreed to period of time. I would use a three year window, if in that three year window you pay x dollars which would not be the full land rent value it would be something less then that way the city is getting money and if somebody wants to come in and say why are you reserving that, we can say we get compensation for it that's why we're reserving it and that has been, in my experience, a very acceptable practice. McKinney said it could be an option. DeCoster agreed and said it is effectively an option payment. McKinney said then we can't go to anybody else because there's an option on the same but they could come to you and buy the option if you wanted to give it up? DeCoster said it does give you a position.

Voigt said I think that would be ideal if we could do something like that for that first spot as my intentions are probably sooner than later to add onto the side of our building

towards that slab for some more office space there and I don't really have any near term futures for that first slot, I mean I just don't know how all this paint shop stuff is going to go and it just gives us that option. McKinney asked if we were to use that approach would you be interested in an option on just one of the lots or two? Voigt said one. DeCoster said so position one. Douglas asked if position one is for the avionics? Dave W. Konshok asked what Tom Hass plans are? Voigt said he doesn't know. Dave W. Konshok said he had previously expressed potential of expanding so we were talking about the corner slot plus the one next to it, actually two slots in case you guys wanted them.

McKinney said we could put together a form of option for these guys if they want an option to protect it for themselves, there's a fee, they pay it and that answers the question is it available and then if somebody comes along and says I would give a lot of money to have that then we can talk about buying out the option. DeCoster said the conversation he had with Tom Hass this summer when he was talking about a hangar was more of the consolidation of the aircraft he owns than I think it was for using it in the production process of his avionics stuff. Dave W. Konshok said okay so more of a private use rather than business. DeCoster said yes, he has a hanger here and one in Wadena and one somewhere else and what I understood from him in our conversation was that he was looking at more of a consolidation than using it in the business process, so whether it is one or two for him, I got a feeling for him it was probably not a big issue.

Voigt said for us it would be ideally the first slot is the best because we would be using it for transient storage and what not and of course it's easier to move stuff in and out.

Konshok said that's the difficulty when you're talking FBO and hangars like he is talking basically with the FBO you think he's going to be working out in front of those so if you have traffic going back and forth you really don't want to put those in line with traffic because ideally for Voigt to have additional painting for instance is those lots up by the paint shop but of course for other things, like the spray pad is still obviously working out in front but when you start getting down in that row of corporate things if you're going to use it for an FBO to work on them and not just storage, then there is a conflict with traffic moving there so we have to think about the future use of it and an FBO should definitely have a priority no matter what, but you have to think about what is the future use because what we're trying to do with this whole change from the big aircrafts down there and the small ones up here, we're also as we concentrate all our hangars down this way we also want to be thinking about auto traffic and airplane traffic and if there is a need for an aircraft to be sitting out front it is difficult for passage so we have to think ahead and we have a wonderful opportunity right now to separate smaller aircraft from the larger stuff.

Dave W. Konshok said let's call for the vote, thanks Jeff, you've kind of validated what we've already talked about we just wanted to make sure we were not blocking you out. Lockhart asked what is the motion exactly? Douglas asked McKinney to restate the language for guidance.

**A motion was made by Konshok, seconded by Dyre, and unanimously carried**

**to recommend to the City Council that if the FBO or SASO want to reserve the first or second hangar space on the corporate row, that they enter into an option agreement with the city.**

DeCoster stated he will draft an option agreement.

**D. ANNUAL AIRTAP FALL FORUM – OCTOBER 9-10<sup>TH</sup>:**

Konshok stated he will be attending and it will also be a good opportunity to discuss funding and financing opportunities with personnel.

**9. ADJOURNMENT:** A motion was made by Allard, seconded by Dyre, and unanimously carried to adjourn the meeting at 10:32 a.m.

---

Dave Konshok

---

Carmen L. Lockhart  
Recording Clerk