

**CITY OF PARK RAPIDS
AIRPORT COMMISSION
REGULAR MEETING
APRIL 2, 2014, 9:00 A.M.
Airport Conference Room
Park Rapids, Minnesota**

1. CALL TO ORDER: The April 2, 2014, Regular Airport Commission Meeting was called to order at 9:08 a.m. by Don Douglas.

2. ROLL CALL: Present: Commissioners Donald Douglas, Dan Dyre, Noel Allard and Dave Konshok, Staff present: Carmen L. Lockhart. Absent: John McKinney, Scott Burlingame, Dan Walker, Thom Peterson and Councilmember David W. Konshok. Others Present: None.

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

4. APPROVE MINUTES OF JANUARY 8, 2014 AND JANUARY 15, 2014 SPECIAL MEETINGS:

A motion was made by Dyre, seconded by Konshok, and unanimously carried to adopt the Minutes of the January 8th, 2014 and January 15th, 2014 Special Minutes as presented.

5. FINANCIAL REPORT: No comments.

6. GENERAL BUSINESS:

A. REPORT ON LEASES AND CONTRACTS / JOHN DECOSTER:

Konshok reported Burlingame couldn't attend the meeting and that all negotiations with Rydell have been put on hold for now even though terms for the new land lease agreement had been agreed upon. Konshok indicated the rate is approximately \$.22 cents per square foot and terms were very similar to Rydell's Grand Forks Lease and in the ballpark with neighboring airports. Once Rydell decides to proceed, the agreement should be reviewed by this Commission and then be approved by the City Council.

Konshok indicated Park Rapids Avionics needed an upgraded agreement and Hass provided an executed agreement that is currently in place.

B. CIP DRAINAGE IMPROVEMENT PROJECT:

The Commissioners read the letter from Cathy Huebsch dated March 18th, which was in their packets, concerning the Airport Project Prioritized for State Fiscal Year 2015 Funding – Hangar Site Prep – Drainage Improvements Project. The letter indicated in

order to proceed with the project, MNDOT needs to know whether the City plans to proceed by May 1, 2014.

A Motion was made by Konshok, seconded by Dyre, and unanimously carried to recommend to the City Council to notify the Minnesota Department of Transportation Office of Aeronautics to proceed with the Hangar Site Prep- Drainage Improvements Project Prioritized for State Fiscal Year 2015 Funding.

7. INFORMATIONAL/DISCUSSION:

7A. T-Hangars:

Dave Konshok advised he met with Cathy Huebsch of MNDOT Office of Aeronautics last week to go over several issues. Konshok explained several things are happening and he needed to get up to date on them.

Konshok stated the Crosswind Runway Project is coming along fine, John Peterson had said he wanted to get started on it again by April 15th, but are not going to make that due to the weather conditions, but they were in really good shape last fall so that whole project is on track. Konshok commented for there to be a \$3.3 Million hard surface cross wind runway in the City of Park Rapids is pretty remarkable.

Konshok stated a contract needs to be developed with FBO Voigt. Voigt wants to construct a 60x60 hangar located behind the Marjama building which at one point was used by the DNR for a fire contract. There is a cement pad there that used to be used for the spray plane which Voigt is now using.

Konshok indicated that the city would probably reserve the prime location for the city's FBO or city related building and any corporate hangars would be further down the line.

There was further discussion concerning the ideal location for any new corporate hangars and a possible entrance off of Commerce Avenue to modify traffic flow and parking issues.

Konshok stated Voigt wants a new building to work on Kodiak Planes which takes a bigger hangar space as he is optimistic more business would come if he had the space to work on them. Konshok stated at that location there is the possibility of a separate entrance towards the east which would be the best location in conjunction with auto traffic on the airport. Konshok stated the city's industrial park borders the property and if need be could become more airport property in the future if necessary. Allard questioned if there is space for a ramp to be built to get to that location? Konshok said hopefully that could be worked out.

Konshok advised that the hangar loan funds are still available but the cost is prohibitive. For example if we did a new 16 unit T-Hangar the rent would probably have to be \$300 per month so you can imagine what that would do to our demand. Hangars that

used to cost \$500,000 now cost \$1 Million. The difficulty under the hangar loan fund is we would be paying off \$100,000 per year so you can imagine what the rent would have to be. Konshok said in the last several years the Federal Government now has grant money available at 90-10 that doesn't have to be paid back. Konshok said the \$150,000 per year that we get for funding gets used for all kinds of other stuff and we want to continue to do that but we may have to back off a little bit because it certainly looks like the next round of T-Hangars we would have to use that federal money which is a couple years out.

Konshok commented we may have to do a better job of managing the hangars that we have as Voigt currently uses three spaces. There was discussion concerning a possible 15 people on a waiting list that may go elsewhere and may have already.

There was discussion concerning possibly building a 6 or 8 unit T-Hangars. Konshok said Peterson told him hangars run approximately \$75,000 per unit. The commissioners felt that was out of line and would like to find a way to not make them elaborate and try to reduce the costs by having no partition walls, etc. Konshok stated he doesn't think they could be trimmed back far enough to make a big difference in the cost. Konshok said even if there was six solid people on the waiting list who could help us grow, it's a shame we can't accommodate them. There was discussion concerning the hangar rental fee and possible federal grant money. There was also discussion concerning creating a possible permanent tie down area with a slab or asphalt surface as a rental space for those interested in just tying their planes.

Dyre inquired if it might cost less if four parties got together and built a private hangar with one door and share it? Konshok said the difficulty is it being on city property and has to be done with the regulations set forth in the approved lease agreement document.

Konshok advised that the next project the FAA is insisting on is the \$1 Million Overlay Project which needs to be done. Konshok said we will do that project next year.

Minnesota Airports Conference – April 16-18 – Bemidji, MN: Konshok stated he is attending and would like other members to attend if possible and the City will probably pay for the conference fee. Don Douglas indicated he will attend. Noel Allard said he will check his schedule and may possibly go.

8. ADJOURNMENT: A motion was made by Konshok, seconded by Allard and unanimously carried to adjourn the meeting at 9:56 a.m.

Don Douglas, Chairperson

Carmen L. Lockhart
Recording Clerk