

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, May 16, 2017  
4:30 p.m.

Present: Mayor Steve Stotko  
Council Member Mike Henrich  
Council Member Tom Ollig  
Council Member Patty Fitzgerald  
Council Member George Schulenberg

Staff Present: Mr. Daniel Tienter, City Administrator  
Ms. Raquel Kirchoff, City Clerk-Treasurer

Also Present – Ms. Melissa Underwood, Bolton and Menk, Incorporated  
Mr. Jake Saulsbury, Bolton and Menk, Incorporated

### **I. Call to Order**

Mayor Stotko called the meeting to order at 4:33 p.m.

### **II. Other**

#### **a) Amended Regular City Council Meeting Agenda – May 16, 2017 – Winsted Lake Water Fountain**

Mr. Tienter stated that the Consent Agenda for the May, 16, 2017 regular City Council Meeting has been amended to add an item to reauthorize the City Administrator to procure the purchase, installation and maintenance of a water fountain on Winsted Lake for an amount not to exceed \$21,000. Mr. Tienter stated that the cost of the fountain was higher than estimated and increased amperage for electricity was needed, making the electricity installation cost higher.

Mr. Tienter stated that the City has received \$19,400 in donations for the fountain.

The City Council Members had no objections with the addition of this item to the Consent Agenda.

#### **b) Special City Council Meeting – June 8, 2017**

Mr. Tienter stated that a Special City Council Meeting will be scheduled for Thursday, June 8, 2017 at 4:00 p.m. to consider a decision regarding the preferred runway alternative for the Winsted Municipal Airport.

#### **c) Campbell Field Improvements Project**

Mr. Jake Saulsbury, Bolton and Menk, Incorporated stated that there are two stain samples provided for the City Council Members to view on the retaining wall at the Denis M. Campbell Field. Mr. Saulsbury requested that if the City Council Members want to provide input on the color of stain, they should do so by Thursday, May 18, 2017.

### **III. Winsted Municipal Airport – Environmental Assessment**

Mr. Tienter stated that the Environmental Assessment for the Winsted Municipal Airport is being discussed at this City Council Work Session to review items before the Public Hearing regarding the airport takes place on May 18, 2017. He continued by stating that the City Council will be informed regarding project changes that have occurred since the last time this information was presented to the City Council on March 9, 2017.

Ms. Melissa Underwood, Bolton and Menk, Incorporated, reviewed the presentation regarding the Winsted Municipal Airport Environmental Assessment and runway improvement project that will be presented at the May 18, 2017 Public Hearing. The presentation discusses the following areas:

- Planning for the airport, through the Master Plan and the decision to move forward with the Environmental Assessment that considered both a turf runway rehabilitation project and a paved runway project.
- Public involvement - how the City met with the Winsted Township Board, airport users, and the Winsted Farmer's Co-op.

Regarding the Turf Rehabilitation Project Alternative, the presentation discusses:

- Reconstructing the turf runway has a goal of an engineered system that will improve the drainage of the turf runway, and will keep the runway in its existing location and at its existing length.

Ms. Underwood stated that in the year 2014, the runway was closed for 11 weeks. With a new engineered system, it is anticipated that an airport closure for this extended period of time would not occur again. The turf reconstruction will improve the year round availability of the runway.

Council Member Fitzgerald asked if the closure of the runway could be reduced to zero weeks with the turf option. Ms. Underwood stated no; wet conditions like snow melt in spring will still affect the turf runway, but closure should be less than 11 weeks in the year.

- The Northern Natural Gas pipeline needs to be relocated around the runway safety area with the reconstructed turf alternative.
- The turf alternative has 1.4 acres of wetland impacts.
- Re-grading portions of the runway safety area, replacing the low intensity runway lights with medium intensity runway lights, and installing airfield signage would occur.
- Project results of the turf rehabilitation alternative include:
  - Increased drainage.
  - Fewer economic and local impacts; it is the lower cost alternative and the Minnesota Luce Line State Trail (Luce Line Trail) does not need to be realigned.
  - No property needs to be acquired with this alternative.
  - The total project cost is \$3,690,800. Federal funding total = \$3.2 million, State funding total = \$20,000, Local funding total = \$385,000.

Ms. Underwood reviewed information regarding the Paved Runway Alternative to include:

- The regional headquarters of the Federal Aviation Association (FAA) determined that Cable Avenue may remain where it is currently located, even with the Runway Protection Zone going over it. It will not impact the traffic at the airport due to the low volume of vehicles on the road and the type of aircraft that use the airport.
- The FAA has decided that in regards to property acquisition from the Winsted Farmer's Co-op, the City only needs to acquire property within the Runway Protection Zone, where there is one storage building on the far western edge of the property that would need to be relocated. The relocated building is able to remain on another area of existing Winsted Farmer's Co-op property that is not in the Runway Protection Zone, by applying for a variance from the Joint Airport Zoning Board.

Ms. Underwood stated that the Winsted Farmer's Co-op Board have been asking many questions regarding the land acquisition process. She continued by stating that City staff met with the Winsted Farmer's Co-op Board and Mr. Jason Ault, Vice President at Pro Source. Mr. Ault answered their questions and explained the land acquisition process and what was required.

Mr. Tienter stated that as part of the property acquisition process, the City could execute purchase agreements that are contingent upon certain requirements, and even purchase agreements contingent upon other purchase agreements. That way the City does not purchase a portion of the property, while another landowner has backed out.

- The Luce Line Trail would need to be realigned with the paved alternative.
- The pipeline is another impact on the west side of the runway to be relocated around the Runway Protection Zone.
- There would be 1.1 acres of wetland impacts.

- There would be 59.6 acres of land acquisition needed by multiple land owners.
- Project results of the paved runway alternative include:
  - Year round operations.
  - A non-precision instrument approach so pilots could land when the weather is not perfect.
  - The total project cost is \$6,672,780, down from the cost of \$7,564,680 that was presented on March 9, 2017. The cost of \$7,564,680 included the realignment for Cable Avenue and Cable Avenue removal, which is no longer required.

Ms. Underwood stated that the presentation reviews the following funding splits for the two project alternatives for both a 90% Federal share, 10% local share scenario, versus a 90% Federal Share, 5% State Share, and 5% Local Share. Ms. Underwood stated that the City would be responsible for the assessed portion of cost of future hangars until they are built by future hangar owners.

## Project Funding

- 90% Federal funding
- 10% Local funding

Local Costs and Funding of Runway Capital Projects (Federal 90%, Local 10%)		
	Paved Runway 75' x 3200' (Federal \$)	Turf Runway 200' x 3200' (Federal \$) ***
<b>Total Project Costs</b>	<b>\$6,672,800.00</b>	<b>\$3,690,800.00</b>
<b>Total Local Costs</b>	<b>\$673,800.00</b>	<b>\$385,100.00</b>
<b>Current # of Hangars Assessed</b>	<b>42</b>	<b>42</b>
<b>Future # of Hangars Assessed</b>	<b>30</b>	<b>20</b>
<b>Total # of Hangars Assessed</b>	<b>72</b>	<b>62</b>
<b>Total Assessment per Hangar (Local Cost/Total Hangars Assessed - no interest)</b>	<b>\$9,400.00</b>	<b>\$6,200.00</b>
<b>Monthly Assessment over 10 years at 5.5%</b>	<b>\$102.02</b>	<b>\$67.29</b>
<b>Annual Assessment over 10 years at 5.5%</b>	<b>\$1,224.24</b>	<b>\$807.48</b>
<b>Current Hangar Costs with Reduction of annual \$200 fee balance of \$1,085 each.</b>	<b>\$8,315.00</b>	<b>\$5,115.00</b>
<b>Monthly Assessment over 10 years at 5.5%</b>	<b>\$90.24</b>	<b>\$55.51</b>
<b>Annual Assessment over 10 years at 5.5%</b>	<b>\$1,082.93</b>	<b>\$666.17</b>

\*\*\* FAA states that no federal dollars will be available for a paved runway for the life of the grant or 20 years.

## Project Funding

- 90% Federal funding
- 5% State funding
- 5% Local funding

Local Costs and Funding of Runway Capital Projects (Federal 90%, State 5%, Local 5%)		
	Paved Runway 75' x 3200' (Federal \$)	Turf Runway 200' x 3200' (Federal \$) ***
Total Project Costs	\$6,672,800.00	\$3,690,800.00
Total Local Costs	\$347,000.00	\$201,800.00
Current # of Hangars Assessed	42	42
Future # of Hangars Assessed	30	20
Total # of Hangars Assessed	72	62
Total Assessment per Hangar (Local Cost/Total Hangars Assessed - no interest)	\$4,800.00	\$3,300.00
Monthly Assessment over 10 years at 5.5%	\$62.10	\$36.82
Annual Assessment over 10 years at 5.5%	\$626.15	\$429.79
Current Hangar Costs with Reduction of annual \$200 fee balance of \$1,085 each.	\$3,715.00	\$2,215.00
Monthly Assessment over 10 years at 5.5%	\$40.32	\$24.04
Annual Assessment over 10 years at 5.5%	\$483.84	\$288.48

\*\*\* FAA states that no federal dollars will be available for a paved runway for the life of the grant or 20 years.

Mr. Tienter stated that the City's financing calls for the local cost share to be supported by existing and future hangars. During a previous City Council meeting, there was discussion about the most appropriate way to finance the City's portion of that share until the cost can be passed onto future hangar owners. At that time, it was preferred not to use Fund Balance, so City staff asked Mr. Shannon Sweeney, David Drown Associates, to provide financing options for using a Tax Abatement Levy where the City would issue tax abatement bonds to pay the City's portion of the project and then pay a bond payment every year. A levy and increase in property taxes would occur with this option; however, the City would pay itself back over time as the future hangars are built and assessed.

Mr. Tienter stated that Mr. Sweeney advised that if the City Council decides upon a turf restoration project, and the State of Minnesota finances the 5% local share, it may be advantageous for the City Council to revisit the use of Fund Balance because the project cost is less and it may not be cost effective to bond for that project, due to the cost of bonds.

Ms. Underwood stated that the extra 5% funding from the Minnesota Department of Transportation (MnDOT) is subject to MnDOT's decision every two years to continue this funding. Currently, this 5% funding is only valid through the year 2018.

Ms. Underwood stated that the next step for the Environmental Assessment is the Public Hearing on Thursday, May 18, 2017. The comments from that hearing will be included in the Environmental Assessment. The 30 day comment period regarding the Environmental Assessments ends on June 7, 2018. The City Council will determine the preferred alternative at the June 8, 2017 Special City Council Meeting.

Ms. Underwood stated that City staff will then work with the FAA to create the final Environmental Assessment document, which will contain the decision made by the City Council. The Financing of No Significant Impact (FONSI) will be issued by the FAA, which will conclude the final Environmental Assessment process.

Mayor Stotko asked if the City would ever consider relocating the airport because it is becoming land locked. If so, should the City complete the turf rehabilitation at this point to avoid the extra cost of a paved alternative if there will be significant change to the airport in the future.

Mayor Stotko asked where the money comes from to pay for the initial purchase of property to complete the paved alternative for the airport. If the City considers borrowing it from the City's General Fund, would that jeopardize future projects?

Mr. Tienter stated that the City would need to evaluate whether it would be more advantageous to issue bonds, or to use some portion of General Fund, or a combination of both. Additional financial analysis will be completed once the City Council decides upon the alternative to move forward with. The current analysis outlines what the City would need to do in the most conservative situation, which is the City covering the hangar owner assessment for future hangars until they are built.

Council Member Ollig stated that the rehabilitation of the turf runway seems like a much cleaner option. The City would not have to become involved with the potential struggles of purchasing land or eminent domain. He continued by stating that he struggles with additional bond payments for taxpayers of Winsted for the airport. Council Member Ollig stated that the Winsted Farmer's Co-op and the Luce Line Trail could remain as they currently are with the turf rehabilitation alternative.

Council Member Fitzgerald stated that she is considering the paved runway alternative more because there have been changes where Cable Avenue no longer needs to be relocated, and the Co-op now only would need to relocate one storage shed. Before these changes, there were more barriers to overcome for this alternative.

Council Member Henrich asked if relocation of the airport was ever considered as an alternative.

Ms. Underwood stated that it was as part of the Airport Master Plan process. The FAA struggles with this because of the cost. In recent history, the only relocation that has occurred was in Willmar. The City of Willmar had to pay back every Federal grant they received for the land, structure, pavement; any improvement project they had completed at the old airport. 20 years of grant money had to be paid back to the FAA. In addition, they had to purchase the land for the new airport and build a runway. These costs are very prohibitive for most communities to relocate an airport.

### **III. McLeod Avenue Area Improvements Project – Feasibility Study**

Mr. Saulsbury stated that the City Council authorized a Feasibility Study for a project including the reconstruction of McLeod Avenue along with the addition of a trail in this area. Mr. Saulsbury reviewed a draft version of this study with the City Council Members.

Mr. Saulsbury stated that the next step would be to officially present the Feasibility Study to the City Council at a City Council Meeting for consideration of approval. At that time, the City Council would also consider scheduling a public Open House before the McLeod Avenue Area Improvements Public Hearing occurs. At the Public Hearing, the City Council would decide on whether to move forward with the project.

Mr. Tienter stated that the plan is to proceed on a schedule similar to the Kingsley Street Improvements Project. He explained the process for the McLeod Avenue Area Improvements Project as follows:

- Approval of the Feasibility Study
- A public open house
- The possibility of a second open house depending on public input the City receives
- A Public Hearing
- The City Council ordering the improvements
- The project designed over the winter months
- The project being let in late winter of the year 2017/2018
- Construction of the project beginning in the spring or summer of the year 2018

Mr. Tienter requested for the City Council Members to notify him of any additional items that need to be included with the Feasibility Study before the adoption of the Feasibility Study.

Mayor Stotko asked how long the Feasibility Study is valid. Mr. Saulsbury stated as long as it needs to be; however, costs of the project would need to be updated if it is years before improvements are ordered. Mr. Saulsbury stated that once the City Council officially holds the public hearing to consider

the improvements, the City has one year to order the project or the complete process has to occur again.

The City Council Members requested to review the draft of the Feasibility Study again at the next City Council Work Session due to limited time remaining in the current Work Session.

**V. Adjourn**

**Council Member Schulenberg motioned to adjourn the meeting. Council Member Fitzgerald seconded the motion. Motion carried 5-0.**

The meeting was adjourned at 5:59 p.m.

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Steve Stotko  
Mayor  
City of Winsted

ATTEST:

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Raquel Kirchoff, CMC  
City Clerk-Treasurer  
City of Winsted