

City of Winsted
City Council Special Meeting
Council Chambers
Thursday, May 18, 2017
6:00 p.m.

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

Staff Present: Mr. Dan Tienter, City Administrator
Ms. Raquel Kirchoff, City Clerk-Treasurer
Mr. Justin Heldt, Chief of Police
Mr. Dave Meyer, Maintenance Supervisor

Also Present Mr. Ron Roetzel, Bolton and Menk, Incorporated
Ms. Melissa Underwood, Bolton and Menk, Incorporated
Mr. Peter Langworthy, Bolton and Menk, Incorporated
Mr. Shannon Sweeney, David Drown Associates
Mr. Joshua Fitzpatrick, Federal Aviation Association (FAA)
Ms. Lindsay Butler, Federal Aviation Association (FAA)

1) Mayor Stotko called the meeting to order at 6:10 p.m.

a) The Pledge of Allegiance was taken.

2) Public Hearings

a) Winsted Municipal Airport Environmental Assessment

Mayor Stotko stated that the purpose of the Public Hearing was to provide the most current information regarding a runway improvement project at the Winsted Municipal Airport, and to accept comments from the public regarding the project.

Mayor Stotko stated that this meeting is designed only for the City Council to hear comments from the public and other interested groups; no decision concerning any project would be made at this meeting. The City Council plans to make its final decision regarding any runway improvement project at a Special City Council Meeting on June 8, 2017, at 4:00 p.m., in the City Council Chambers.

Mayor Stotko introduced the following individuals in attendance at the meeting:

- Mr. Daniel Tienter, City Administrator
- Mr. Dave Meyer, Maintenance Supervisor
- Ms. Melissa Underwood, Aviation Planner, Bolton and Menk, Incorporated
- Mr. Ron Roetzel, Aviation Group Manager, Bolton and Menk, Incorporated
- Mr. Peter Langworthy, Transportation Planner, Bolton and Menk, Incorporated
- Mr. Shannon Sweeney, City Financial Advisor, David Drown Associates
- Mr. Joshua Fitzpatrick, Environmental Protection Specialist, Federal Aviation Administration (FAA)
- Ms. Lindsey Butler, Assistant Manager of the FAA Minneapolis office

Ms. Melissa Underwood, Bolton and Menk, Incorporated, reviewed information related to the Winsted Municipal Airport runway improvement project as follows.

Existing Conditions

- The airport currently has a 3,220-foot by 200-foot runway.

- The runway has visual approaches to each runway end.
- The airport has 42 existing hangars and 100 low lead fuel available.

Airport Planning

- A Master Plan and Airport Layout Plan were initiated in 2009 for the airport.
- These recommended a paved 3,200-foot future runway and paved 3,900-foot ultimate runway.
- Due to the condition of the existing runway, the FAA wants the City to decide if it will pave the runway or rehabilitate the existing turf runway.
- The hangar owners and the City decided to evaluate two runway alternatives.

Environmental – National Environmental Policy Act (NEPA)

- NEPA directs environmental review of all federal projects including the Environmental Assessment (EA) for Winsted.
- NEPA reviews the proposed actions using a broad range of environmental categories.
- NEPA provides an opportunity for agency/public review and comment.
- The Draft EA addresses two build alternatives – a turf reconstruction or a paved runway at a shifted location
- Comments on the Draft EA will be considered and addressed in the Final EA.
- The Final EA will identify the preferred alternative project.

Public Involvement

- The City had four project meetings with the FAA and eight additional meetings regarding the EA, project details, and information.
- Two hangar owner meetings were conducted.
- Five meetings were conducted with the Winsted Township Board, to include two public open houses for Winsted Township regarding a possible Cable Avenue relocation.
- Four City Council presentations have occurred.
- Two meetings with airport users occurred.
- One meeting was held with the Winsted Farmers Co-op Creamery.

Project Impacts – Turf Rehabilitation

- Both lines of the Northern Natural Gas (NNG) pipeline would need to be relocated around the Runway Safety Area. The FAA and NNG approve of the proposed relocation.
- There are 1.4 acres of wetland impacts.
- This project would reconstruct and rehabilitate the turf runway in its existing location.
- It would be an engineered system to improve the design and existing condition of the runway, with a goal of having the runway open more throughout the year.
- This project would include a re-grade of the Runway Safety Area, replacing low intensity runway lights with medium intensity runway lights, and installing airfield signs.

Project Results – Turf Rehabilitation

- This project would produce increased drainage, stability, and associated reliability and safety characteristics of the runway through a broad range of weather conditions.
- This project has fewer economic and local impacts. It is the lower cost project option. There is no need to realign the Department of Natural Resources (DNR) Minnesota State Luce Line Trail (Luce Line Trail) or acquire land.

Project Costs – Turf Rehabilitation

- Total project cost is \$3,690,800 with the local share of the expense of \$385,080, if the local share is 10%.

Project Impacts – Paved Runway

- The Luce Line Trail will need to be shifted to the north with the paved alternative.
- Cable Avenue does not need to be relocated.
- The City needs to acquire the portion of the property currently owned by the Winsted Farmer's Co-op that has a storage building upon it, which is located under the Runway Protection Zone. That storage building would need to be relocated. It may be relocated on existing property that is not within the Runway Protection Zone, but the Winsted Farmer's Co-op would need to apply for a zoning variance, because it is under Safety Zone A.
- An easement could be developed between the City and the Winsted Farmer's Co-op to allow Co-op trucks to load on the property that the City would need to acquire.
- The City would need to coordinating with the DNR to acquire property for new trail alignment and removing previous alignment.
- Land use and property transfer will require review and approval by the DNR National Park Service (NPS)
- Gas pipeline relocation is required on the western end of runway. The FAA and NNG approve of the proposed relocation.
- There are 1.1 acres of wetland impacts.
- Land acquisition of 59.6 acres from eight property owners is required.

Project Results – Paved Runway

- A paved runway will provide year round airport operations.
- This project incorporates a non-precision instrument runway approach.

Project Costs – Paved Runway

- Total project cost is \$6,672,780 with the local share of the expense of \$673,778, if the local share is 10%.

Ms. Underwood displayed two project funding scenarios as follow.

Project Funding	Local Costs and Funding of Runway Capital Projects (Federal 90%, Local 10%)		
		Paved Runway 76' x 3200' (Federal \$)	Turf Runway 200' x 3200' (Federal \$) ***
<ul style="list-style-type: none"> • 90% Federal funding • 10% Local funding 	Total Project Costs	\$6,672,800.00	\$3,690,800.00
	Total Local Costs	\$673,800.00	\$385,100.00
	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)	\$9,400.00	\$6,200.00
	Monthly Assessment over 10 years at 5.5%	\$102.02	\$67.29
	Annual Assessment over 10 years at 5.5%	\$1,224.24	\$807.48
	Current Hangar Costs with Reduction of annual \$200 fee balance of \$1,085 each.	\$8,315.00	\$5,115.00
	Monthly Assessment over 10 years at 5.5%	\$90.24	\$56.61
	Annual Assessment over 10 years at 5.5%	\$1,082.93	\$666.17
	*** 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%	\$52.10	\$36.82
Annual Assessment over 10 years at 5.5%	\$625.15	\$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.

Future Impact for Local Funding

- All project elements are eligible for state or federal funding.
- The extra 5% from the Minnesota Department of Transportation (MnDOT) Aeronautics is subject to annual funding decision by MnDOT.
- The timing and availability of FAA funds is a factor for discretionary or state apportionment.

Next Steps

- Public Hearing comments will occur at this meeting.
- The 30-day EA comment period ends June 7, 2017.
- The City plans to determine a Preferred Alternative on June 8, 2017.
- The City and the FAA will create the Final EA summarizing the Draft EA outreach/comments and formally identifying the Preferred Alternative.
- The Finding of No Significant Impact (FONSI) will be issued by the FAA.
- Federal and State funding project initiation will occur.
- The extra 5% from MnDOT Aeronautics is subject to annual funding decision by MnDOT.
- The timing and availability of FAA funds for discretionary or state apportionment.

Mayor Stotko asked Mr. Shannon Sweeney, David Drown Associates, to clarify the funding and financing for the City's portion of cost for the projects.

Mr. Sweeney stated that the following "Airport Levy Analysis" spreadsheet summarizes the immediate funds that the City would need in order to pay the borrowed debt service money for the City's share of the project for the various options. The average annual levy that is indicated in the third column of the spreadsheet is what the City would levy to make payments on bonds. This would be offset as additional hangars are developed and assessed. These additional hangars will not be developed immediately, but over an unknown amount of time. It would be intended that the City would recoup the investment it is making, but there would be an immediate impact in order to finance the City's share of the project. The third column of the spreadsheet provides that dollar amount, and the fourth column of the spreadsheet is the percent increase to the current levy that is needed.

**City of Winsted, Minnesota
Airport Levy Analysis**

Option:	Average Annual Debt Service:	Hangar Loan Payments:	Average Annual Levy:	% City Tax Increase:
Turf Restoration 10% Cost Share	46,880.00	36,713.04	10,166.96	0.88%
Turf Restoration 5% Cost Share	24,286.25	18,953.05	5,333.20	0.46%
Pavement 10% Cost Share	81,057.50	55,865.93	25,191.57	2.18%
Pavement 5% Cost Share	41,720.00	27,898.07	13,821.93	1.20%

Mayor Stotko asked what the impact of this project would be to the City's debt levy.

Mr. Sweeney stated that overall this does not count against the City's debt limit. It does not impair the City's ability to borrow money for other projects. Mr. Sweeney continued by stating that it is more of an affordability question. The most expensive alternative requires the City to proceed with a 2% tax increase on the City's portion of the Property Tax, which is eventually offset as hangars are developed.

Council Member Ollig asked if property was required to be purchased with a turf rehabilitation project. Ms. Underwood stated that no property acquisition is required with the turf reconstruction alternative; only for the paved alternative.

Council Member Henrich asked if the project cost for the paved runway alternative includes what the City would pay to acquire property. Ms. Underwood stated that is included as an estimate of what other property has sold for in the area.

Council Member Schulenberg asked if any of the property owners had been contacted regarding property acquisition. Ms. Underwood stated no; the City has not met with property owners regarding acquisition because a decision regarding what alternative will proceed has not occurred.

Council Member Ollig asked if in the worst case scenario for a paved runway, where this is no 5% contribution from the State of Minnesota, if the 2% property tax increase is a blanket across all City taxpayers.

Mr. Sweeney stated yes, but this would be offset as new hangars are developed and able to be assessed.

Council Member Ollig stated that until that would occur, the City would carry the load.

Mr. Sweeney stated that the debt structure spreads it over the first ten years of the life of this project. The City would have the ability to structure back-ended principle payments if it thought that there would be hangar development in year three or four. The City could mitigate that impact if it had more certainty with regard to hangar development that would lessen the immediate impact, and would be able to wait to place that burden on the new hangar owners. However, to be fair, it is the practice to always structure things as an even payment to take the initial look, because ultimately if this were a worst case scenario, the City would likely evenly spread the burden over the ten years of financing.

Council Member Schulenberg asked for more information on hangar development that is included within these projects.

Mr. Ron Roetzel, Bolton and Menk, Incorporated stated that hangar development was analyzed because of Winsted's close proximity to the Metro area and to the Metropolitan Airports Commission (MAC). The City may see an influx of aircraft owners coming to Winsted to remove themselves from the MAC. A similar

occurrence happened in Buffalo, Minnesota and in Faribault, Minnesota. There are a lot of factors to consider, including the economy, and what the MAC does. Winsted has the advantage of being close to the Metro area, but outside of the MAC influence, and that is what this is reflecting.

Council Member Schulenberg motioned to open the Public Hearing. Council Member Ollig seconded the motion. Motion was carried 5-0.

Ms. Brenda Vetsch, 220 Main Avenue West, Winsted, Minnesota, stated that as a business owner in Winsted, she can attest first hand, that the pilots that use the airport support the businesses in Winsted; and with more future hangar owners, there is a potential for more outside dollars coming into Winsted. Ms. Vetsch stated that she is in favor of the paved runway alternative as a long term investment for the future of the city.

Mr. Steven Rohling, president of the Winsted Farmer's Co-op (Co-op), stated that he is not in favor of the pavement alternative or of relocating their machine shed on the Winsted Farmer's Co-op property. He stated that the Co-op is uncertain of where they would relocate the shed to, and that a large amount of business occurs from there every day of the week, so they do not want the shed moved far away. Mr. Rohling stated that the paved option could move the Winsted Farmer's Co-op out of Winsted. He stated that he has heard conversations regarding the acquisition of property that would place property lines right next to their buildings, resulting in easements needed for their semis and farmers to drive to their sheds. Easements do not provide certainty that they will stay in place many years into the future. There would be no room for the parking of equipment. If there would be a problem with the septic system there would not be room for a mound system. Mr. Rohling stated that he prefers the Winsted Farmer's Co-op keeping the land they own because they need all of their land for their use.

Council Member Ollig asked Mr. Rohling if the Winsted Farmer's Co-op planned to expand their facility in the future. Mr. Rohling stated that they would like to, but that depends on the decision that the City of Winsted makes regarding the airport.

Council Member Schulenberg asked Mr. Rohling how long the Winsted Farmer's Co-op has been at their current location. Mr. Rohling stated since 1972.

Mr. Glenn Weibel, 540 1st Street North, Winsted, Minnesota, provided his aviation background to include its relation to the MAC. Mr. Weibel stated that there is much interest from aircraft owners to leave the metropolitan area because the planes are getting bigger and the smaller aircraft owners are looking to remove themselves from the MAC umbrella. He stated that the potential of 30 new hangars is a real possibility with a hard surface runway.

Mr. Weibel asked if there really was a cost benefit to a turf runway because of its condition in wet weather and the likelihood that it will be unusable until it dries out.

He also asked if the Office of Economic Development had been contacted to inquire if they would participate in the project for employment and industrial development. He stated that Homeland Security helps to finance hangars.

Mr. Weibel asked if it was possible to create a gravel overrun, for example, on both ends of the runway to give an added security in the event of inclement weather, or if the runway is slippery in the winter time, or wet to produce hydroplaning.

Mr. Weibel stated that the City should work toward the 3,900 foot runway in the future to promote its economic development. By creating a hard surface runway, the City opens up to world markets for industrial development in Winsted. Companies will fly aircraft in with potential customers.

Mr. Russ Runck, Winsted Municipal Airport hangar number 30 owner, stated that he was in favor of the 3,200 foot paved runway option. He stated that the current runway is a recreational runway; but at a certain point, businesses cannot bring in higher performance aircraft due to insurance requirements that do not allow landing at this airport. This eliminates part of the value of an airport from residents and taxpayers.

Mr. Runck stated that the City Council's decision will be a 20 year decision, and that this airport is an asset and an investment in this community. He stated that the current airport is closed frequently due to poor runway conditions which hurts the community.

Mr. Runck stated that new businesses value an airport in a community when they are looking for infrastructure and transportation. He stated that Winsted had a new Industrial Park to fill and the airport will help to fill it.

Mr. Runck stated that he believes that a paved surface is easier to maintain and will receive better MnDOT funding. He also believes that fuel sales will increase and local businesses will be helped.

Mr. Runck stated that a petition in support of a paved runway has been submitted which has been signed by many Winsted business owners. The business community sees the value of the airport.

Council Member Fitzgerald asked if there were examples of businesses in Winsted that are not able to fly airplanes into Winsted's airport. Mr. Runck stated that Ram Buildings has had to pick up clients in Hutchinson, Minnesota because the aircraft that those clients were flying cannot land on the turf in Winsted.

Mr. Dave Hanus, Winsted Municipal Airport hangar number 22 owner, stated that he is in favor of a paved runway for the reasons stated by others who have shared their opinions. Mr. Hanus stated that he believes if a turf option is chosen, the City will experience another deteriorated turf runway in the future due to the increased use of the runway. He also stated that the current state of the runway can be a safety hazard for new pilots flying in, who are not aware of where the holes on the runway are. Mr. Hanus stated that he believes a paved runway will improve the margin of safety in aircraft operations in Winsted.

Mr. Jim Weckman stated that he resides just outside the city limits of Winsted and is an avid flyer. He stated that he owned a hangar at the Winsted Municipal Airport in the past that he sold so he could construct a hangar at the airport in Hutchinson, Minnesota. He moved to the Hutchinson airport because of the asphalt runway and the safety and business benefits it provides.

Mr. Glenn Weibel stated that the Metropolitan Council reviewed three airports in the past to expand to, to carry out the growth of aviation in the metropolitan area. They were in favor of Winsted, Minnesota and Maple Lake, Minnesota. New Richmond, Wisconsin has experienced growth in hangars from metropolitan pilots, which is much farther for metro area pilots to drive to than Winsted.

Mr. Mike Laxen, 24565 Dairy Avenue, Winsted, Minnesota, stated that he was a director on the Winsted Farmer's Co-op Board. He stated that the Co-op owns some of the land that is needing acquisition by the City and he believes that the Co-op should have the right to sell whatever land, if any, for the airport and then give the City the easement for the airport rather than the City providing an easement to the Co-op.

Mr. Jeff Hagman, Winsted Municipal Airport hangar owner, stated that he is concerned about the cost to the hangar owners. He stated that the perception of hangar owners is that anyone who flies is pretty well off and it is a rich man's sport. Mr. Hagman stated that he is not wealthy; he has an airplane and hangar rather than a cabin up north, a large fancy house, or a new car. Mr. Hagman stated that the taxes that he pays for his hangar have increased substantially, plus the City imposes a \$200 per year airport improvement fee that he is unsure of where that money is going to. Additionally, the proposed assessment cost to hangar owners to improve the airport may be a burden to hangar owners. Mr. Hagman stated that the City may be driving a few hangar owners away from the airport. Mr. Hagman stated that the airplane he flies prefers a sod runway, but a paved option would be better for the community. He continued by stating that he would prefer an option left for a sod landing to the south of the runway, if the current runway is paved.

Mr. Tienter stated that the City maintains a fund that the \$200 Airport Improvement Fee goes into in anticipation of this project. The money that is paid to date as part of that improvement fund would be used to defray the cost to the hangar owner as part of either improvement project.

Mr. Francis Schommer, 4304 230th Street, Winsted, Minnesota stated that he owns the land west of the airport. He asked if Millerbernd would be willing to sell part of the land to the north of the Winsted Farmer's Co-op so that the Co-op's fertilizer and shed could be moved to this area. Mr. Tienter stated that the City has not evaluated any possible scenarios for land acquisition yet because a final decision regarding the airport has not been made. He continued by stating that he cannot speak to whether or not the property owner of this area would be interested in selling property.

Mr. Tom Kieser stated that he lives in Waverly and works for the Winsted Farmer's Co-op. He stated that he understands that the hangar owners want a paved runway and that he appreciates the business provided to the Co-op by the hangar owners. He continued by stating that the Co-op owns 5.6 acres, of which the City

wants to acquire 3.6 acres of. That leaves the Co-op with two acres to do the same business that it has always provided. He cannot see how the Co-op keeps functioning if the airport is paved. Mr. Kieser stated that it would work well if the Co-op could purchase land from Millerbernd, but he does not believe that will occur. If the Co-op loses the fertilizer portion of their area, the station will go next. The Co-op cannot be split into two different sites; the fertilizer and storage shed cannot be separate from the other site. Mr. Kieser stated that there is a likelihood that the Winsted Farmer's Co-op will not be in Winsted in a few years if that happens.

Council Member Ollig asked if any of the private property owners refused to sell their property, or if the price was so high that the City refused to purchase it, then the only option the City would have to acquire the property is eminent domain. Ms. Underwood stated that this was correct.

Council Member Ollig motioned to close the Public Hearing. Council Member Schulenberg seconded the motion. Motion carried 5-0.

9) Adjournment

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

The meeting was adjourned at 7:19 p.m.

Steve Stotko
Mayor
City of Winsted

ATTEST:

Raquel Kirchoff
City Clerk-Treasurer
City of Winsted