

City of Winsted
Winsted Airport Commission Meeting
City Hall – Council Chambers
Tuesday, November 8, 2011
8:30 a.m.

Airport Commission Members Present: Joe Johnson
Russ Paschke
Glenn Weibel
Dave Mochinski (Council Liaison)

Airport Commission Members Absent: Kevin Kubasch
Dave Millerbernd

Staff Present: Brad Martens, City Administrator
Dave Meyer, Public Works Lead
Amanda Zeidler, Utility Billing & Payroll Clerk

1) Call the Meeting to Order

Russ Paschke, Airport Commission Chairperson, called the meeting to order at 8:30 a.m.

2) Approval of Minutes

Weibel made a motion to approve the minutes of the September 13, 2011 Airport Commission Meeting, and October 6, 2011 Airport Commission Meeting. Johnson seconded the motion. Motion carried 3-0.

3) Financial Report

Brad Martens, City Administrator, gave a financial report through October, 2011.

4) Maintenance Report

Dave Meyer, Public Works Lead, reported on the following:

- The old Arrival/Departure (A/D) building has been cleaned out. The existing water softener will be re-installed in the new A/D building.
- A tile line was broken at the end of the runway and has been shoveled open by hand.
- Dirt has been hauled to the end of one of the taxi-ways, and grass seed has been planted. The dirt had washed out from the summer rains.
- Frequent checks are being made at the new A/D building during construction.

Mochinski asked if the Public Works Department is ready for winter snow removal, if they understand how the airport should be plowed, and if there are going to be any issues. Meyer stated that there will not be any major changes, and added that they can stay farther away from the hangars, if the hangar owners would like them to.

5) Old Business

a) 2011 Airport Improvement Projects Update

Brad Martens, City Administrator, gave an update regarding the 2011 Airport Improvement Projects. He stated that the concrete has been poured and the framing is up for the Arrival/Departure (A/D) building. Martens stated that he receives weekly updates regarding the A/D building construction on Wednesday mornings at 9:00 a.m.

Martens stated that there will be a couple of change orders coming forward. One change order is in the amount of \$660 for the storage shed cement slab. Another change order is for a larger window that had been requested by the City of Winsted, but not included in the updated plans. Mochinski asked if there is going to be a change-order fee. Martens clarified that it is only the cost of the materials and larger window that make up the cost of the change order, and there are no additional fees. Mochinski asked why the larger window was not included in the

updated plans. Martens stated that there was a misunderstanding and the bid documents were not changed. He added that each of these items will be submitted to the Federal Aviation Administration (FAA), and hopefully the FAA will fund the change orders with ninety-five (95%) funding. Martens stated that a third change order is for the cost of reviewing the plumbing plan, which is \$500, and was not included in the original bidding documents. Martens also stated that there is an optional change order in the amount of \$2,000 to cover the cost of extra materials and heat for the contractor to install the brick in the winter. Martens added that this change order is due to the delay that was caused by Congress not approving a budget for the FAA, which pushed the construction schedule back for the A/D building. Martens stated that extra heating and tenting is required to install the brick on the building.

Mochinski stated that he believes the contractor is really dragging their feet on the project, and that the contractor is defaulting. Martens stated that he agreed that the project was taking a long time; however, according to the bidding documents, any weather is at the risk of the City at this point. Martens stated that in the future, the City will need to carefully review any bidding documents to make sure the City is aware of these kinds of stipulations.

Weibel asked for clarification regarding the change orders, and added that he does not like change orders. Mochinski stated that it was the engineer that dropped the ball, and they should take responsibility to know things about the project and bidding documents. Weibel and Mochinski stated that they want to see the building completed in 2011, not having the contractor come back in the spring of 2012. Paschke asked for clarification regarding the definition of "Substantial Completion", and asked if the contractor is sticking to the construction schedule.

Meyer stated that Martens had discussed the project timeline and change orders with the contractors at a recent meeting, and was very clear about the fact that the pace of the job needed to improve. Meyer's understanding of the change order for the brick work is that the City would not incur the \$2,000 fees if the cement and brick work was delayed until the spring, 2012. Meyer informed the Airport Commission that the A/D building can still be used, and the contractor will have to come back in the spring to finish the landscaping around the building either way, so delaying the installation of the brick would not inhibit the use of the building.

Martens stated that there is a timeline issue. Weibel stated the City should specify a date that the brick work needs to be completed if it is delayed until the spring. Weibel stated that the A/D building should be completed and operational before airport traffic starts moving again after winter.

Mochinski asked why the City needs to have a response from the FAA within the next few weeks regarding the funding of the change orders. Martens clarified that the contractors need an answer as soon as possible, in order to have lead time to get the brick ordered. Meyer stated that the contractor would like to know the City's decision regarding the brick work now, because if the project is delayed until spring, the brick will not be ordered until spring. Johnson stated that he would like to see the project completed in 2011. Mochinski asked where the \$2,000 is going to come from to pay for the change order. Martens stated that he finds it hard to believe that the FAA would not cover the change request for the brick work, and added that he could try to get an expedited response from the FAA. Mochinski asked if Martens would be willing to contact Andy Peek, Program Director for the FAA, directly to get an unofficial response regarding this change order. Martens stated that he would contact Peek directly, and that he is willing to push for a response regarding the funding of the change order.

Mochinski stated that the City should get the A/D building project done, and try to get it funded by the FAA. Johnson stated that the City should instruct the contractor that the City will go ahead with the project contingent on funding from the FAA, so the contractor will order the brick and have it available for the project.

Weibel made a motion to complete the brick work for the new Arrival/Departure Building by the December 31, 2011 deadline and pursue the ninety-five percent (95%) funding from the Federal Aviation Administration (FAA) for any additional expenses. Johnson seconded the motion. Motion carried 3-0.

b) New Hangar Request – Joe Johnson

Martens provided some background information regarding Johnson's hangar request. He stated that this item was originally tabled by the Airport Commission in May, 2011. In August, 2011, Johnson presented a proposal to the Airport Commission to build a new hangar adjacent to the existing A/D building. This item was tabled to the September, 2011, Airport Commission meeting, where the Airport Commission asked Johnson to prepare a

business plan, traffic flow and crowd control plan, parking plan, and design plan. Martens stated that on October 14, 2011, Johnson provided City Staff with an updated business plan as requested by the Airport Commission. The plan included the following information:

Building Details

- 80 feet by 100 feet and constructed of new steel
- To be located adjacent to the new Arrival Departure (A/D) building with a ten (10) foot setback off the west wall of the building. The north end will be even with the tie down area. The tie down area will be expanded to the width of the new hangar.

Parking

- 2,700 square feet of the parking lot will be taken up by the new hangar and be replaced in front of the new hangar on the west edge of the current driveway.
- All parking will be replaced and enhanced to what currently exists.

Fit With Future Airport Plans

- Growth of business will bring a mechanic to the Airport. A maintenance facility will be opened in the same location to allow for field maintenance.

Traffic Flow

- Customers will enter the south entrance, leave to the loading area with their instructor, land in the current landing area, come back in the west entrance and back out the south door. All spectators will be kept to the parking lot and west side of hangar to view.

Other Notes

- Johnson made a request for tax incentives.
- Johnson's business is estimated to bring 20,000 people to the City of Winsted, which will have a large economic impact for the community.

Martens stated that he has reviewed the request by Johnson and found the information he provided to be adequate. In consideration of the approval, the Airport Commission should discuss the issues related to the septic system and also the storage shed. Martens added that a motion from the Airport Commission will be directed to the City Council for final consideration.

Martens stated that the tax incentives are an issue that can be dealt with at a council level, more than an Airport Commission Level. Martens added that he has reviewed the proposed building location, and parking would be extended to the south of Johnson's proposed hangar.

Martens presented the following comments that were received from Bolton and Menk, Incorporated:

- The proposed hangar location is not consistent with the Airport Layout Plan (ALP) location for a commercial hangar. If necessary, the ALP could be modified to accommodate this development so long as it is geometrically-compatible with other future plans. Maintaining an up-to-date ALP is an FAA requirement.
- The sky dive drop zone begins ninety-three (93) feet west of the southwest corner of the new A/D building. The skydive drop zone is located entirely within airport property and must be unobstructed with a one hundred (100) meter (328 foot) radial distance from its center according to the United States Parachute Association (USPA) basic safety requirements. Any proposed hangar location must maintain a clear USPA drop zone.
- The proposed hangar location must be verified with Building Code setbacks. The required setback may be greater than ten (10) feet. Any setback greater than ten (10) feet may penetrate the drop zone. The engineers recommended that the applicant verify that all required setbacks are met with a local Building Code official.
- The engineers recommended that the north face of the proposed hangar be in line with the new A/D building. This would provide a clean building limit line and it would also increase the available wingtip clearance for any future apron expansion.
- The proposed building height was not identified. FAA Form 7460-1 *Notice of Proposed Construction* is required per Federal law to be completed to allow the FAA to evaluate the airspace considerations of the proposed building height, and any temporary cranes. Form 7460-1 is required to be completed forty-five

(45) days prior to construction; the City Engineer made a recommendation to have the form completed in the pre-design phase, as the FAA determination may have a bearing on the building height. No issues are anticipated for a building height up to thirty-five (35) feet. The City Engineer recommended that the City require an FAA Determination of No Hazard determination to verify FAA airspace compliance.

- No plan has been presented to re-configure the existing public in-pavement aircraft tie-downs. Relocation of these tie-downs would be necessary to meet FAA taxi lane object free area (wingtip) clearance requirements.
- The City Engineers made a recommendation that any pavement expansion that would be used for a public purpose (example: tie downs) be constructed to FAA and Minnesota Department of Transportation (MNDot) specification standards and designated as public pavement. Any pavement area exclusively for hangar access would be owned and maintained by the applicant.
- No plan has been presented to address specific parking lot reconfiguration layout. Reconfiguration of driving lanes and re-striping the parking lot would be necessary. No automobile parking is allowed within the USPA drop zone, which is a current constraint. The City Engineers recommended that the applicant demonstrate how the parking lot will be adequately configured outside of the drop zone.
- The FAA provided funding participation in paving the public parking lot and entrance road, thus FAA consultation and approval is strongly recommended prior to reconfiguring the public parking area for private land use. The new parking area should be constructed to the same specifications as the existing parking lot. The parking lot would need to remain as public use.
- The proposed skydiver traffic flows seem reasonable. Although not required, fencing the west area would further enhance safety between the landside and airside airport areas. The City Engineers recommended that the City establish policies and procedures to help restrict spectators to landside areas.
- The City of Winsted would be responsible for providing the applicant with an airport land lease, if approved.
- If approved by the Airport Commission, the City Engineers recommended that it be contingent on FAA and MNDot review and approval (if required) as to not jeopardize funding opportunities for Winsted.

Martens stated that City Staff, in general, supports Johnson's hangar expansion, as long as it receives FAA approval and will allow for future expansion at the Airport. Martens stated that he would recommend approval of Johnson's request based on the following conditions:

- The plan must meet all requirements as recommended by the City Engineer, Bolton and Menk, Incorporated.
- Any costs to relocate the septic system must be paid for by the applicant.
- Use of the septic system and well must be approved by the City of Winsted.
- A new hangar lease must be approved by the City Council.
- A new agreement between Westside Skydivers and the City of Winsted must be approved for the drop zone.
- The plan does not result in a net loss of parking.

Weibel stated that Johnson is using the same engineer as the City. Martens clarified that the information from Bolton and Menk, Incorporated, is a review of Johnson's request for the City of Winsted, and not on behalf of Johnson. Weibel commented that Johnson's request would be taking a lot of public parking and displacing it to a less-convenient area. Weibel asked if Johnson's building could be moved farther to the west so there is more parking available in front of the A/D building, and stated that parking along the west side of the service road moves pedestrian traffic farther away from the A/D building. Weibel asked for clarification regarding the ramp area and stated that the conditions do not state the measurements of the ramp, which could imply exclusive use for the hangar owner.

Weibel asked how the septic drain field will be affected by the new hangar. Johnson stated that he would relocate the mound system to the south, near the beacon, and added that the mound system can be located in the drop zone area, because it is not considered a hazard. Johnson stated that the building cannot be shifted to the west, because it becomes a hazard for the drop zone. Martens stated that the septic system has to be available for the A/D building. Weibel asked if the septic system would have to be enlarged due to the higher usage with Johnson's customers. Meyer stated that the usage of the septic system would move from the A/D building to Johnson's hangar.

Johnson stated that he is planning to replace the parking to the south of his hangar, so there will be no loss of public parking. Martens stated that the parking would be replaced in a location that is farther away from the A/D

building. Weibel asked that it be signed that parking on the west side of the service road be designated for customers of Westside Skydivers. Johnson and Mochinski stated that signs can be installed, but people will park where they want, and where parking is available. Mochinski stated that after all of the time he has spent at the Airport, there is just not enough parking available. Johnson recommended signing a couple of parking spaces next to the A/D building.

Johnson informed the Airport Commission that any other future expansion at the airport will affect the drop zone.

Weibel made a motion to continue the process with the hangar request. The motion failed for lack of a second.

Weibel suggested having a work session to formulate conditions for Johnson's request. Martens stated that he would like the Airport Commission to come up with conditions to provide to the applicant and make sure that all of the conditions are approved. Weibel asked if it would be appropriate for the Airport Commission to have a work session, to form a document with the stipulations for Johnson. Martens asked Weibel if Johnson would have the opportunity to respond to the conditions. Weibel added that the Airport Engineer should be involved with the discussion, in case there is a condition that the Airport Commission proposes that is not allowed or appropriate.

Martens stated that he tried to have all of the information available today for the Airport Commission. Mochinski stated that the Airport Commission could start with the idea of asking if the City wants this type of operation at the Airport, and if the City wants this hangar to be located in the location that is proposed. Mochinski added that they could review if parking is going to be sufficient, as well as other items. Mochinski stated that this is a large expansion to the Airport, and the request needs to be reviewed carefully. Mochinski stated that when efficiency is discussed, and the amount of people that will visit the Airport, Johnson's proposed location is the best location. Mochinski asked if Johnson's proposed location will affect the tie down areas, and traffic patterns. If this hangar is in another location, Mochinski stated that it will greatly affect the other hangar owners, and safety around the other airplanes.

Martens stated that he does not want the Airport Commission to make a decision that will negatively affect the airport; however, he would like to respect Johnson's timeline. Weibel stated that a new Airport Layout Plan (ALP) will have to be drafted. Paschke stated that the Airport Commission should probably move forward with a work session. Mochinski asked if it could be held within the month of November, 2011. Johnson stated that he would like to address the council at the next council meeting, on November 15, 2011.

Weibel suggested having a meeting with the Airport Commission, Public Works Department, and Airport Engineer to answer questions and maintain the future interests of the Airport. Mochinski made a recommendation to have the Airport Engineer delete the portions of the current ALP that have been there in the past, and add the drop zone to have a blue print, and picture the request. Martens stated that the City Council will require approval or denial of Johnson's request based on specific criteria. Johnson stated that he can meet all of the FAA conditions, and replace everything. He added that he is confident that he can move forward with the proposal that Martens has provided.

Johnson stated that he has asked for this meeting since May, 2011, and added that he is going to be in front of the City Council on November 15, 2011. Paschke stated that he liked the suggestion to have the full Airport Commission present. Johnson stated that the Airport Commissioners were aware of the meeting and could have been present. Mochinski stated that there are no guarantees that a workshop will have a full commission present.

Weibel asked if Johnson's request would be halted if the long-term airport layout plan would be adversely affected. Martens stated that if the Airport Commission would deny the recommendation, the City Council could still approve Johnson's request because the City Council sets policy. Martens stated that there is a stipulation that the FAA and MNDot Aeronautics have to approve an updated Airport Layout Plan before Johnson can move forward.

Weibel made a motion to recommend the approval of Joe Johnson's hangar request to the City Council with the stipulations that were drafted by the City Engineer and City Staff, and with the added stipulation that the Airport Layout Plan will have to be changed, and if the change adversely affects the long-range development of the Airport, that the project not proceed forward. Paschke seconded the motion. Motion carried 2-0. Johnson abstained.

Mochinski asked if the Airport Commission is in favor of Johnson's request, and all of the stipulations. Weibel stated that he is in favor of the staff and engineer recommendations. Weibel stated that the parking may meet a bump in the road when it is reviewed by the FAA and MNDot Aeronautics.

Weibel asked if the hangar could be located on the south side of the current hangars. Johnson stated that his proposed hangar will also house classrooms, so all of the traffic will go through the Airport if it is located south of the existing hangars. The Airport Commission discussed the repercussions of having Johnson's hangar in this location. Johnson stated that skydivers and spectators will be travelling along the service road, and through the Airport, and it would be an accident waiting to happen. Johnson also gave reasons why the drop zone cannot be located in the south hangar area. Johnson stated that he does not want to make that area a designated landing area after the FAA recommended that this area not be used. Mochinski asked how Weibel would propose to control pedestrians from the south hangar area. Weibel stated that fencing would be a requirement to control pedestrian traffic.

Mochinski stated that the FAA has the future layout plan for the Airport in their hands, and they review every project that is done at the Winsted Airport. Weibel stated that after the October, 2011 meeting, he made contact with MN Dot Aeronautics. He stated that MN Dot Aeronautics is on board with constructing a hard surface runway. Weibel stated that with Johnson's proposed hangar, it may restrict the commercial and industrial development of the Winsted, Howard Lake, Lester Prairie areas. Johnson stated that the jet traffic that currently comes into the Hutchinson and Glencoe airports is minimal. Mochinski stated that the City Council would like to have the blessing of the Airport Commission in order to move forward with Johnson's request. The City Council also utilizes the Airport Commission members' knowledge and history of the Airport.

c) Skydiving Agreement Extension – Joe Johnson

Martens stated that Johnson has approached the City of Winsted to request a new skydiving agreement to accompany his new hangar request. The current agreement will expire December 31, 2012 and requires Johnson to pay \$4,500 annually to lease the drop zone. Martens stated that Johnson's original request was heard on August 9, 2011, and tabled until his new hangar request was heard. Martens stated that Johnson has requested a new thirty (30) year term for the agreement, and a reduced drop zone fee of \$1,000.

Martens stated that he has not seen adequate reasoning for decrease in the drop zone fee and added that the new agreement should include an annual increase equivalent to the Consumer Price Index (CPI).

Martens stated that there are a lot of items that were just discussed in regards to Johnson's hangar request. Paschke asked what the \$4,500 drop zone fee was based on. Johnson stated that he thought it was based on the Airport Access Fee. Johnson stated that he would like it lowered due to the benefit it creates for other businesses in the City of Winsted. Johnson reviewed fees from other airports in Minnesota.

Weibel stated that there is no fee in Waseca, because the drop zone is located outside of the airport property. Weibel stated that based on Johnson's estimate of skydivers for 2011, it calculates to be \$1 per jumper. Weibel added that the drop zone does use a substantial portion of the airport. Johnson stated that he maintains drop zone area himself, and airport dollars are not used for the maintenance. Weibel stated that the drop zone fee should be on a quarterly basis and based on the number of skydivers. Martens stated that it would take more staff time to calculate the fee based on the number of jumps with Westside Skydivers. Mochinski stated that the charges should be simple, and the City should maintain a flat fee, without an increase.

Weibel suggested that the City begin selling jet fuel. Johnson stated that he has no problem purchasing fuel from the City, and would prefer to pay the City instead of a supplier.

Paschke suggested charging a \$1,500 fee per year over a three (3) year period. Martens clarified that this amount would bring a \$3,000 decrease annually in the Airport's budget. Paschke stated that gas sales could help make up the deficit. Johnson stated that having jet fuel available for sale would increase the Airport's revenue. Mochinski stated that a cost analysis would have to be done regarding the start-up costs to sell jet fuel, and the number of years it would take to pay for itself. Weibel asked for Paschke's rationale for lowering the drop zone fee to \$1,500 per year. Paschke based his calculation on a three (3) year contract as well as the fact that Johnson has requested it. Martens stated that the current fee was established based on a set of criteria, and usually when it is reduced there is a hardship that business owner is experiencing, and Johnson does not seem to be experiencing a hardship.

Johnson stated that he would like the drop zone fee to be in line with the other municipal airports. Johnson stated that any reduction to the fee is helpful.

Weibel made a motion to reduce the Drop Zone fee from \$4,500 per year to \$2,500 per year and to be reviewed in three (3) years for possible further reduction and also to extend the Skydiving Agreement to a thirty (30) year term. Paschke seconded the motion. Motion carried 2-0. Johnson abstained.

6) New Business

a) Winsted Municipal Airport Fee Schedule

Martens stated that he would like the Airport Commission to review the existing Airport fees and make recommendations for the 2012 fee schedule. Martens stated that in the past, there was discussion regarding changes to the Airport Access Fee. Martens also asked if there is a desire to look into a private fueling fee.

Weibel asked if a portion of the access fee is to bring electricity to a new hangar. Weibel stated that the current access fee is a deterrent, and to his knowledge, he does not know that anyone has city water and sewer at the Airport. Mochinski asked if Weibel if the lack of hangar construction is due to the economy or the amount of the access fee.

Weibel made a motion to defer the approval of the Winsted Municipal Airport Fee Schedule until the December, 2011 Airport Commission Meeting, and Weibel will survey a group of airports in the surrounding area and bring the information back to the Airport Commission at the December, 2011 Airport Commission Meeting. Johnson seconded the motion. Motion carried 3-0.

b) Flight Instruction Agreement – Darrin Mason

Martens stated that a temporary agreement currently allows Darrin Mason to operate a flight instruction business at the Winsted Municipal Airport. Martens stated that he has reviewed the proposed agreement with Mason. It can be terminated for default, incident of non-compliance, or failure to maintain safe operations, and the agreement would be for a term of one (1) year. Martens stated that he has communicated via email with Mr. Mason, and has not received any comments.

Weibel stated that he has a problem with self-fueling, and does not think that the City would be financially responsible if it was allowed, since Mason can utilize the fuel that is available for sale at the Airport. Martens clarified that the Airport Commission can regulate the self-fueling operations. Weibel asked if there is a liability issue for the City with the self-fueling. Martens stated that this does not change the individual's land lease. Martens stated that the Airport Commission should set regulations for the entire Airport. Weibel stated that most airports do not allow access to self-fueling because of liability to the Airport.

Martens stated that City Staff could look into the fuel item and bring this item back to the December, 2011 Airport Commission Meeting. Weibel stated that he would ask other airports about fuel storage during his other survey.

Johnson made a motion to table the approval of a Flight Instruction Agreement with Darrin Mason until the December, 2011 Airport Commission Meeting for further research regarding fuel storage. Weibel seconded the motion. Motion carried 3-0.

c) Arrival/Departure Building – Color/Material Selection

Martens stated that the interior paint and flooring selections have been selected by City Staff, and are available for the Airport Commission to review at City Hall.

7) No Other Business.

8) Adjournment

Weibel made a motion to adjourn the meeting. Johnson seconded the motion. Motion carried 3-0. The meeting adjourned at 10:50 a.m.

Brad Martens

Brad Martens,
City Administrator
City of Winsted

ATTEST:

Amanda J. Zeidler

Amanda J. Zeidler,
Utility Billing & Payroll Clerk
City of Winsted