City of Mora, MN
AIRPORT BOARD
Meeting Minutes

June 8, 2021

Present:	Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson and Nick Stafford
Absent:	None
Staff Present:	Joe Kohlgraf and Beth Thorp
Others Present:	None

1. Call to Order. Stafford called the meeting to order at 5:00 pm.

2. Roll Call.
   Anderson – Present
   Kastenbauer – Present
   Martens – Present
   Salmonson – Present
   Stafford – Present

3. Adopt Agenda. Salmonson requested that three discussion items be added to the agenda: Cameras; Change of Use of City-Owned Hangar; and, Arrival of T-Hangars. Motion by Martens, second by Kastenbauer to adopt the June 8, 2021 meeting agenda as amended. All present voted aye, motion carried.

4. Minutes. Motion by Anderson, second by Salmonson to approve the May 11, 2021 meeting minutes as presented. All present voted aye, motion carried.

5. Hangar Land Lease Agreement. The board continued its review, which began at the January 12, 2021 meeting, of the hangar land lease agreement approved by the City Council in August 2020. Thorp explained that she and Anderson worked together to modify Section 16 based on the board's May discussion and clarified that Section 16 was the only section that contained changes from the draft agreement that was reviewed at the May meeting. Thorp explained that she and Anderson researched definitions of subletting, subleasing, and renting in order to better create a distinction and understanding within the agreement, and determined that the term that should be used to achieve the board's intent was subleasing. Thorp added that references to subletting had been changed to subleasing. Thorp further explained that language was added to subsection b. reading "For the purpose of this agreement, sublease or subleasing shall be defined as renting a portion of the Premises to a third party (Subtenant) subject to (1)-(5) below." to help clarify the board's intent, and subsection b. (4) reading "Failure to notify the City of a Subtenant shall be sufficient grounds for terminating this Lease without obligation of the City to the Tenant or Subtenant." to help encourage compliance with the notification requirement. Stafford suggested that Section 16 b. should include language requiring that Subtenants are only allowed to store aircraft and related items; Thorp responded that that requirement was already included in Section 16 b. (3). Stafford commented that he did not favor the added language regarding "failure of notification was sufficient grounds for terminating the lease", explaining that he felt it was a harsh consequence and suggested that there may be emergency situations or other circumstances which required temporary rental of hangar

space and providing notice to the city was impractical. Board members discussed various situations requiring temporary use / rental of hangar space, the general desire to allow temporary use / rental use to continue, and the possibility of adding a timeframe for city notification to Section 16 b. Stafford expressed great frustration and concern with the city's need to know who was renting space from hangar owners, explaining that allowing hangar owners to rent space attracted more pilots and aircraft to the airport which was a benefit to the city. Stafford suggested that the city-owned hangar should be cleared of equipment and used for hangar rental space to help with the current problem of limited hangar space. Responding to Stafford's concerns about the city's desire to know about Subtenants, Anderson countered that the language had been added to protect the city from non-compliant Tenants. Stafford and Anderson debated the level of city involvement in the subleasing of privately owned hangars. Stafford shared that he did not oppose language addressing subleasing but was concerned with protecting the rights of hangar owners, adding that he was on the board to protect the pilots. Stafford explained that the proposed language would likely discourage hangar owners from renting space to others due to potential risks, which would be a disservice to the airport community. Anderson responded that she was on the board to protect the city and knowing who was storing aircraft at the airport would help protect the city. Stafford commented that monitoring every aircraft that used the airport was impractical and unnecessary. Salmonson interjected asking at what point the city would consider a rental arrangement to be subleasing, explaining that it would not be practical to notify the city of a one-night rental but one week or longer may be appropriate, and also asked the reason why the city would need to know who was subleasing hangar space. Anderson concurred that a rental agreement lasting one week or longer warranted notice to the city. Salmonson suggested tabling the discussion to allow the city attorney to advise on the appropriate subleasing term warranting notice to the city; Thorp commented that she felt the Airport Board needed to decide if they wanted to include the proposed language or not because the city attorney had already provided his opinion in the form of the existing hangar land lease agreement. Thorp suggested further defining sublease to include that it involved a fee, explaining that that would safeguard hangar owners in emergency situations. Stafford again expressed concern with the city's need to know what was happening in privately owned hangars, explaining that the city did not need to be involved as long as hangars were being used for appropriate aviation related purposes. Salmonson commented that removing the notification requirement from subsection b. (4) would help gain support from hangar owners for the new agreement, adding that hangar owners were still upset with the lease agreement approved by the City Council in 2020. Anderson questioned what recourse the city would have if hangar owners didn't comply with Section 16 b. (4). Martens questioned why the agreement created a distinction between renting a "portion" of a hangar as opposed to an entire hangar, adding that he felt it was more important for the city to be aware of subleasing agreements involving entire hangars. Anderson questioned the difference; Martens explained that a hangar owner subleasing a portion of a hangar was likely to be active at the airport to provide oversight whereas a hangar owner subleasing an entire hangar may not be active or present at the airport. Anderson suggested that the notification requirement should be in place for all subleasing arrangements to be consistent. Salmonson introduced the topic of insurance, questioning whether insurance was required for each structure rather than each aircraft. Thorp commented that insurance requirements were provided in Section 15 and Section 16 b. (2). Stafford again spoke about emergency situations requiring temporary storage of third party aircraft in privately owned hangars, at times initiated by the airport manager, and the severe penalty a hangar owner faced if they didn't provide notice to the city, suggesting that the draft agreement protected the city more than it protected the hangar owners. After much discussion and debate, a majority of board members agreed that "Failure to notify the City of a Subtenant shall be sufficient grounds for terminating this Lease without obligation of the

City to the Tenant or Subtenant" should be stricken from the draft agreement. Further, the consensus of the board was to not include any timeframe for notification of a subtenant to the city. Thorp asked the board if there were any other items that needed to be addressed in the draft agreement; there were no other suggested edits. Stafford questioned if the city's intent was to require all hangar owners to enter into an updated lease agreement for the full term of the updated agreement (20 years) or if they would still be subject to the remaining term of their existing lease; board members also discussed whether all hangar owners should enter into the updated lease agreement at the same time or if the updated lease agreement should be implemented as existing lease agreements expired. Kohlgraf suggested that the board provide the City Council with a recommendation as to when hangar owners should be required to enter into the updated agreement (all at once or as existing leases expired). Board members discussed the possibility that some hangar owners would be resistant to signing the updated lease agreement if they had remaining time in their existing lease agreement, especially if they didn't agree with the terms of the new lease agreement.

Motion by Kastenbauer, second by Salmonson to recommend to the City Council that all hangar owners enter into the updated hangar land lease agreement for the full 20-year term regardless of current lease / remaining term of current lease, and that all hangar owners shall enter into the updated hangar land lease agreement within one year from the date its approved by the City Council. All present voted aye, motion carried.

Motion by Martens, second by Kastenbauer to forward the draft hangar land lease agreement, with the second sentence of Section 16 b. (4) stricken, to the City Council for consideration. All present voted aye, motion carried.

6. 2021 Fly-In. Martens stated that he would ask the Mora Lions Club about serving a pancake breakfast and check availability of Life Link and North Memorial. Thorp shared a draft event poster with board members and asked for suggested edits and additions; Anderson and Salmonson offered a grammatical correction. Anderson, commenting on the extensive list of donors for the Rush City fly-in, suggested expanding the search for donations; Thorp shared that she has submitted several donation requests on behalf of the city having received $300 donations from Spire and Kwik Trip thus far. Stafford commented that many of the Rush City donations were likely made for specific aircraft attractions, and suggested that the board may need to look into specialty aircraft attractions and then seek sponsors specifically for those specialty aircraft.

7. Cameras. Salmonson stated that he was considering installing security cameras on the outside of his hangar and that it would include a visual of the fueling area. Salmonson questioned who the internet provider was for the airport, suggesting that internet providers sometimes offered free equipment as part of ongoing service; Kohlgraf responded that CenturyLink provided service at the airport.

8. Change of Use of City-Owned Hangar. Salmonson commented that the airport had recently seen a significant increase in traffic, partially due to the current transition at the Isle airport, and needed to find a way to retain these pilots at the Mora airport. Salmonson further commented that the Mora airport may be losing these pilots due to lack of space, which also meant a loss of income, camaraderie and good faith. Salmonson suggested that the city-owned hangar was being misused for equipment storage rather than hangar rental space. Salmonson asked if it was possible to relocate the airport equipment in order to create much-needed hangar rental space; Kohlgraf

explained that the equipment would have to be stored off-site at the city garage. Kastenbauer asked if there was space at the city garage to store the airport equipment; Kohlgraf stated that there wasn't sufficient space inside the city garage and that the equipment would have to be stored outside. Board members discussed that the current CIP included a snow maintenance hangar but that it may be several years out. Kohlgraf suggested that some items in the city-owned hangar could be rearranged or relocated to make space for one or two aircraft.

9. Arrival of T-Hangars. Salmonson inquired on the status of T-Hangar construction within the CIP and the possibility of advancing the timeline; Kohlgraf commented that he would check the CIP. Salmonson again commented on the need to create new hangar space in order to attract new pilots and aircraft.

10. Reports.
    a. Kohlgraf shared the following reports:
        - The monitoring wells that were installed as part of the fuel remediation effort were on target to be removed in the fall of 2021.
        - All of the lights in the AD building had recently been upgraded.
        - The city crew was busy mowing at the airport.
        - Astech Corporation still needed to return to the airport to make repairs following the 2020 crack filling project.
        - The courtesy car was not yet available for use at the airport however he was hoping to return it as soon as the city's COVID-19 plan allowed use of the car to resume. Salmonson commented that there negative comments circulating regarding the lack of a courtesy car; Kohlgraf commented that a NOTAM was issued stating that the car was not available.

11. Adjournment. Motion by Martens, second by Anderson to adjourn the meeting. All present voted aye and the meeting adjourned at 6:00 pm.

Nick Stafford, Chair

Beth Thorp, Secretary