



City of Mora  
Kanabec County, Minnesota  
Meeting Agenda  
Airport Board

Mora City Hall  
101 Lake Street S  
Mora, MN 55051

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Tuesday, January 12, 2021

5:00 PM

Mora City Hall

*City of Mora Code of Ordinances, Chapter 32: The role of the Airport Board is to be a recommending advisory body to the City Council regarding all aspects of airport land use, airport operations, and airport capital improvements.*

1. Call to Order
2. Oath of Office
3. Roll Call
4. Adopt Agenda
5. Minutes
6. Election of Officers
7. Hangar Land Lease Agreement
8. Reports
9. Adjournment



City of Mora  
Kanabec County, Minnesota  
Background Information  
Airport Board

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1. Call to Order.
2. Oath of Office. Nick Stafford will pledge the oath of office for a three-year term expiring on December 31, 2023.
3. Roll Call. Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson, and Nick Stafford.
4. Adopt Agenda. *(No item of business shall be considered unless it appears on the agenda for the meeting. Board members may add items to the agenda prior to adoption of the agenda.)*
5. Minutes. See attached minutes from the December 8, 2020 meeting.
6. Election of Officers. The board will elect a Chair (Stafford), Vice Chair (Kastenbauer) and Secretary (Thorp) for 2021. Incumbents are shown in parenthesis.
7. Hangar Land Lease Agreement. The board will review the current hangar land lease agreement (see attached) and, as discussed at the board's December 2020 meeting, develop recommended changes for the City Council's consideration. Attached for reference are written comments received from hangar owner Dustin Paulson in November 2020.
8. Reports. *(In addition to the items listed below, each board and staff member will be given the opportunity to share information.)*
9. Adjournment. The next regular meeting is scheduled for Tuesday, February 9, 2021 at 5:00 pm.

**City of Mora, MN  
AIRPORT BOARD  
Meeting Minutes**

**December 8, 2020**

Present: Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson and Nick Stafford  
Absent: None  
Staff Present: Joe Kohlgraf and Beth Thorp  
Others Present: Pat Gorham, Dustin Paulson, Fred Holm and Tom Larson

1. Call to Order. Stafford called the meeting to order at 5:01 pm.
2. Roll Call.
  - Anderson – Present
  - Kastenbauer – Present
  - Martens – Present
  - Salmonson – Present
  - Stafford – Present
3. Adopt Agenda. Motion by Kastenbauer, second by Martens to adopt the December 8, 2020 meeting agenda as presented. All present voted aye, motion carried.
4. Minutes. Motion by Anderson, second by Martens to approve the November 10, 2020 meeting minutes as presented. All present voted aye, motion carried.
5. Hangar Land Lease Agreement. Stafford stated that members of the audience were present to express concerns about the current hangar land lease agreement, adding that Dustin Paulson submitted an email to city staff with his concerns and that board member Anderson had spoken to City Administrator Crawford about the hangar owners' concerns. Anderson commented that the board would gather information about the concerns. Stafford explained that it was his understanding that city administration drafted the current hangar land lease agreement; Thorp clarified that it was drafted using examples provided by SEH from other airports. Stafford shared that he had contacted Melissa Underwood of SEH directly; Anderson interjected suggesting that the conversation remain neutral with no finger pointing and with the goal of gathering information in order to move forward. Salmonson asked Anderson if the City Council had been given the full agreement to review when it was approved in August 2020; Anderson confirmed that the full agreement was provided to council members and suggested that it may not have been reviewed thoroughly by the council. Stafford reviewed the agreement section by section identifying his concerns in addition to those concerns identified in Paulson's email and by other hangar owners:
  - Section 3. Proof of Aircraft Ownership, and  
Section 4. Aircraft Registration
    - Stafford stated that not all tenants own aircraft. Gorham suggested, based on the agreement used by the Metropolitan Airports Commission (MAC), that it shouldn't matter who owns the hangar so long as the hangar was used for aviation related purposes. Gorham also noted that MAC requires prior consent for subleasing. Stafford shared that he felt that much of the language included in the agreement was aimed at

use of the city owned hangar rather than the use of privately owned hangars, and suggested that there should be two separate agreements. Salmonson commented that it would have been helpful to have the Airport Board and/or pilots involved in the drafting of the agreement. Board members and audience members discussed reasons why people might own hangars but not aircraft, including keeping it as an investment property or a former pilot who might still have an interest in aviation. Salmonson stated that he contacted Hawk Aviation, based in Rush City, and learned that one option for determining what can be stored in a hangar was basing it on a percentage, such as aviation related items must account for a certain percentage of items stored in the hangar thereby allowing hangar owners to store other items such as golf carts or collector cars.

- Stafford explained that a tenant in the process of restoring or constructing an aircraft would not have a current aircraft registration nor an airworthy aircraft. Paulson explained that he constructed an aircraft and the process took 8.5 years, and that aircraft could not be registered until complete and inspected.
- Section 7. Construction of Private Buildings on Premises.
  - Item a – Stafford pointed out that hangar owners were allowed by the previous lease to store non-aviation related items in hangars. Paulson added that the FAA didn't disallow the use of hangars for non-aviation related items so long as it didn't impede the use of the hangar for aircraft. Stafford suggested that this may be language better suited for use of the city owned hangar.
  - Item f – Stafford stated that the agreement required that all new hangars must be constructed with white roofs and asked if hangar owners would be required to paint existing roofs to comply; Paulson added that the agreement also required that siding be white and roofs be made of galvanized steel. Paulson commented that he did not believe existing hangars should be required to change based on the new agreement.
- Section 8. Maintenance of Leased Property.
  - Item c – Stafford shared that he did not believe there was an issue with snow plowing. Anderson and Kohlgraf added that the recently adopted snow removal policy covered all snow removal issues. Kohlgraf spoke about past problems and new practices related to snow removal.
- Section 11. Default
  - Item a3 – Stafford stated that the agreement required inspection of hangars with only a ten-day notice to hangar owners. Paulson added that he and other hangar owners are away from the area for extended periods of time making it difficult for them to comply with this requirement. Paulson suggested that the agreement be reworded such that reasonable accommodations will be made between the city and hangar owner for inspections to take place at the earliest convenience. Kastenbauer shared that she was aware of 24-hour notices being provided elsewhere for commercial inspections, but was not sure if this also applied to privately owned hangars or only publicly owned. Anderson asked how many times inspections have occurred in the past; Paulson responded that it's never happened, and added that it was never discussed in past agreements either. Anderson asked about the possibility of allowing a trusted third-party to be present for the inspection if the hangar owner was not available; Stafford and Salmonson suggested that this would be better discussed in Section 17. Right of Entry.
  - Item a6 – Stafford and Paulson questioned the meaning of "abandon", asking what period of time constitutes abandonment. They added that a similar term – "deserted" –

was used in Section 12. Termination Provisions. Salmonson echoed that these were vague terms. Paulson commented that this language was even more concerning since it was never included in past lease agreements. In response, Anderson shared that the previous agreement was approximately 20 years old and was in need of updating. Paulson, not disagreeing that the agreement was in need of updating, suggested that a better approach would have been to identify and address specific areas of concern rather than drafting an entirely new agreement. Anderson thanked audience members for attending and sharing their concerns. Paulson explained that the Mora aviation community was a tight-knit group that looked out for each other and tried to make the airport the best it could be, adding that they desired to work with the city and that was how the Airport Board originally came to exist. Salmonson expressed concern that neither the pilots nor the Airport Board were advised prior to the lease agreement being approved. Holm suggested that some of the language used in the agreement, specifically referencing the default and remedy language, seemed more appropriate for commercial uses and that it may be better to have separate agreements for commercial and non-commercial tenants. Paulson agreed that more delineation of uses would be appropriate.

- Section 14. Liability and Indemnification
  - Stafford commented that it appeared that if a city employee were to cause damage to private property the city would not be held liable for the cost of those damages, and asked for clarification on the issue and tied it to concerns about allowing the city to access private hangars. Salmonson recommended that a formal investigation by the Kanabec County Sheriff's Office or a third party be required for any instance of damage. Gorham commented that hold harmless provisions were common but typically wouldn't apply if gross negligence was involved. Holm added that the language appeared to serve as a waiver for the city and that it was one-sided, suggesting that it could be changed to better serve both the city and the tenant.
- Section 15. Insurance
  - Item 2 – Stafford questioned why the city would require that private property be insured. Gorham shared that, from his personal experience with other airport lease agreements, the MAC required liability insurance with a \$500,000 limit. Gorham added that the city had a legitimate interest in protecting public property from such things as ground pollution and some form of insurance or bond would be reasonable; however, the \$1,500,000 limit was excessive and the city should have no interest in protecting private property within the hangars. Gorham also shared that the Grand Rapids lease agreement also required liability insurance to shield the city but with limits less than the MAC.
  - Item 3 – Stafford stated that the city required general liability insurance with a \$1.5 Million limit and shared that his insurance agent informed him that there was no such limit for aviation insurance, and that his current \$1 Million limit was standard in general aviation and exceeded the MnDOT requirement. Paulson shared that he received a similar response from his insurance agent. Martens questioned if item 3 was specific to commercial uses; others agreed that the insurance limits would be more appropriate for a commercial use. Salmonson commented that a \$1.5 Million limit was unusual as most aviation related limits were even numbers (\$1 Million, \$2 Million). Paulson stated that the state had requirements for aircraft insurance and suggested that the city should adopt those requirements, automatically adjusting when the state requirements are adjusted. Stafford recommended that item 3 be reconsidered in its entirety. Holm

questioned why insurance was required by the city if it was already required by the state.

- Section 16. Transferring, Subletting, Selling
  - Stafford shared that Section 16 was his biggest area of concern and believed it would leave several pilots, who currently sublease, without a hangar. Anderson asked if it would be appropriate to apply this language to the city owned hangars and exclude the privately owned hangars; Salmonson and Stafford responded affirmatively.
- Section 17. Right of Entry
  - Salmonson spoke about the state's Tenant & Landlords Bill of Rights for rental properties which included language discussing reasonable attempts to contact tenants prior to entry, stating that the term "reasonable attempt" includes acknowledgment from the tenant. Salmonson added that the hangars were privately owned, not rented, and should be treated as private property. Stafford suggested, similar to other items, that the language included in the agreement was better suited for city owned hangars. Anderson brought up for discussion the potential of damage occurring during city staff entry; Stafford questioned how city staff would gain entry without a key and if hangar owners were now required to provide the city with a key. Stafford went on to state that he would not be in favor of providing the city with a key or allowing entry without his presence.
- Section 21. Commercial Uses
  - Paulson stated that there were aircraft activities taking place in hangars, such as repair, restoration, and maintenance of aircraft, which were permitted by the FAA to be done by the aircraft owner – either personally or by a mechanic – and these should not be considered commercial uses. Paulson went on to explain that the language included in the agreement was unclear as to whether all repair, restoration, and maintenance was considered commercial or just those activities being done for profit.
- Section 22. Verification
  - Paulson asked what specific licensure requirements were being required by the city, adding that he's not aware of any local or state licensure requirements to be a private hangar owner.
- Section 24. General Provisions
  - Item f – Paulson asked about the use of state or federal courts rather than local courts, adding that the use of local courts would be more convenient for the city and tenant and the use of state or federal courts would add additional financial burden to the tenant. Salmonson suggested that this language was used by other organizations to deter tenants from any activities that may lead to legal recourse, adding that he did not believe that was the city's intention.

Larson asked what specific problems the city was having to cause the creation of a new lease agreement, adding that he's never seen a problem at the airport. Anderson stated that she was not aware of any specific problems other than the previous agreement being severely outdated, explaining that the agreement was modeled after agreements used by other airports. Larson went on to suggest that the city created solutions for problems that didn't exist. Anderson stated that the board was listening to the concerns of hangar owners in order to amend the agreement if needed. Larson requested the names of individuals who wrote the agreement; Anderson stated that several people assisted with drafting the agreement. Larson requested specific names of individuals that drafted the agreement and what their qualifications were; Anderson stated that the board was not pointing fingers but gathering concerns from hangar owners in order to work on the lease agreement. Larson asked if the board had considered discarding the current lease agreement and

starting over with an agreement that recognized what a small town airport was. Anderson again stated that the board was interested in gathering concerns from hangar owners in order to determine what changes can be made. Stafford asked Anderson about how to proceed; Anderson suggested that individual board members propose changes that they'd like to see made to the agreement and then come back together as a group and formulate a recommendation for the City Council to consider. Salmonson expressed concern that his motion at the November meeting, recommending that city staff be given more authority to make decisions about leases, may have caused a reaction leading to the creation of a new hangar land lease agreement. Anderson said that the new agreement was approved by the City Council in August and was done in a very positive way with no intention of harming tenants. Salmonson responded by stating that the Airport Board was not included in the creation or approval of the new lease agreement. Paulson shared that some fellow hangar owners, believing they didn't have a choice about signing the new lease agreement, expressed regret to him for having signed and returned the lease to the city. Paulson questioned why he received a new lease agreement when his current lease did not expire until January 2027, going on to share that there was inconsistency among hangar owners that either received or did not receive new lease agreements; Thorp asked Paulson if he had asked Accounting Clerk Kelly Erickson about this concern, and Paulson stated that he had not. Stafford and Paulson discussed the timing of their current lease agreements, expressing confusion about conflicting information provided to them about lease expiration dates. Salmonson commented that this confusion reinforced his belief that the new agreement was developed and approved prematurely. Paulson expressed concern with the deadline of December 7, 2020 to sign and return new lease agreements; Anderson shared that she was told by the Mayor that no hangar owner would be evicted for not signing the new lease agreement while the city was working through concerns and reviewing the lease agreement. Salmonson suggested that hangar owners should be notified of this in writing, and asked if the board could request that the city provide a letter to hangar owners explaining that the city is reviewing the agreement and that they're not expected to sign and return the original copy provided to them. Gorham speculated that the city does not have the legal right to require hangar owners with unexpired lease agreements to sign new lease agreements. Holm opined that requiring hangar owners with unexpired lease agreements to sign new lease agreements could be considered a taking, violating property rights. Gorham thanked the board for listening to his concerns; and, audience members thanked Anderson, representing the City Council, for hearing their concerns. Paulson suggested that Anderson remind the council that issues like this are the reason that the Airport Board was established, so that the board could help the council make decisions about aviation matters from a pilot's perspective. All four audience members exited the meeting at approximately 6:06 pm. Martens suggested that it may be best to have separate lease agreements – one for private hangars, one for use of city owned hangars, and one for commercial uses – rather than trying to combine language for all; Kohlgraf stated that there was already separate lease agreements for private hangars and city owned hangars. Stafford shared that when he contacted SEH regarding agreement language pertaining to insurance requirements and subleasing, he was told that SEH would never use or recommend using the language that was included in the current agreement. Stafford went on to share that he provided Melissa Underwood of SEH with a copy of the lease agreement and he questioned how city staff could say that SEH was involved in drafting the agreement when SEH was unaware of the specific language used. Anderson responded by saying that she was unsure of SEH's involvement and that she believed the agreement was based on examples from several airports. Stafford stated that City Administrator Crawford told him that SEH wrote most of the agreement and that's why he contacted SEH directly. Salmonson again requested that a follow-up letter be provided to hangar owners explaining that the agreement was being reconsidered. Thorp suggested that such a letter and reconsideration of the lease agreement would

need to be authorized by the City Council being that the council had already approved the new lease agreement, and suggested that the Airport Board could make a recommendation for the City Council's consideration. Anderson stated that the issue could be discussed by the City Council on December 15<sup>th</sup>. Stafford stated that some hangar owners have contacted their attorneys regarding the legality of the new agreement, adding that there's a big liability to the city for having drafted a document with no legal binding. Stafford recommended that, moving forward, city staff consult an attorney before threatening to take hangars away from their owners. Salmonson opined that the city could not change the optics of what had happened already but could soften it by amending the agreement and sending a letter to all hangar owners explaining the situation; and, suggested that in future the City Council either utilize the Airport Board for these types of matters or dissolve the board. Kastenbauer asked Anderson if the City Council had specific reasons for changing the lease agreement or if the council had informed hangar owners that they were considering changing the lease agreement and requested feedback from them; Anderson stated that she believed hangar owners were notified and, seeking confirmation from Thorp, Thorp stated that she was unsure. Anderson proposed that each board member compile their suggested changes to the agreement; Salmonson suggested that Paulson's November 30, 2020 email (included in the meeting packet) summarized the concerns adequately. Stafford offered to attend the City Council meeting to answer questions; Anderson stated that the council would not be able to make any changes on December 15<sup>th</sup>, and stated that it was an open meeting and Stafford could attend if he wished. Anderson and other board members discussed the best way to approach the City Council on December 15<sup>th</sup>, with Anderson suggesting that she could bring it up under her individual report. Motion by Salmonson, second by Kastenbauer to recommend that the City Council and city attorney review the current hangar land lease agreement based on concerns received from hangar owners; and, allow the Airport Board to review draft documents prior to them being approved by City Council; and, create separate lease agreements for privately owned hangars, city owned hangars, and commercial uses; and, send a letter to all hangar owners explaining that the hangar land lease agreement is being reviewed and hangar owners are not required to submit signed leases until the city has concluded its review of the agreement. All present voted aye, motion carried. Anderson reminded board members that, prior to contacting the airport consultant or city attorney, their concerns should be brought to the board first in order to avoid the city being charged for services. Salmonson asked who the city attorney was; Thorp responded that the city attorney was Joel Jamnik of Campbell Knutson. Salmonson asked how the public would find this information; Kohlgraf stated that the city attorney was selected by the City Council at the first meeting of the year and that information was included in corresponding meeting packets and meeting minutes. Salmonson suggested that the city may want to add information about the city attorney on the city's website. Anderson and Thorp both stated that the public should not be contacting the city attorney directly. Thorp asked Salmonson why the name of the city attorney was a concern; Salmonson explained that it was stated that the hangar land lease agreement was drafted by SEH and the city attorney, and, because the identity of the city attorney was unknown, Kanabec County Attorney Barb McFadden was receiving phone calls with questions. Thorp corrected Salmonson's statement, explaining that the agreement was not drafted by SEH and the city attorney. Stafford stated that City Administrator Crawford told him that the city attorney and SEH went through the agreement; Thorp clarified that the agreement was not drafted by the city attorney or SEH but was reviewed by the city attorney prior to the City Council approving it.

6. Reports. None

7. Adjournment. Motion by Kastenbauer, second by Martens to adjourn the meeting. All present voted aye and the meeting adjourned at 6:29 pm.

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Nick Stafford, Chair

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Beth Thorp, Secretary

DRAFT



**CITY OF MORA  
MORA MUNICIPAL AIRPORT  
HANGAR LAND LEASE AGREEMENT**

This Agreement ("Lease"), made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is made between the City of Mora, a public corporation of the State of Minnesota, at 101 Lake Street South, Mora, Minnesota 55051 ("City") and \_\_\_\_\_ ("Tenant") for the purpose of outlining the rights and responsibilities of the parties to this Lease. The parties agree as follows:

1. **Lease of Airport Property.** The Tenant leases from the City a private hangar lot, as described on a map located at Mora City Hall. The lot is situated upon the Mora Municipal Airport, located at 2085 Mahogany St., Mora, MN 55051, an airport owned by the City ("Airport"). This Lease is for lot # \_\_\_\_ (hereinafter referred to as "Premises"). The Premises is leased together with land and any improvements that may have been placed on it.
  
2. **Use of the Airport.**
  - a. The Tenant has the privilege of using the public portions of the airport in common with other users. Tenant shall have the right to conduct all operations authorized pursuant to the terms of this Lease, provided, however, that this Lease shall not be deemed to grant to Tenant, or those claiming under Tenant, the exclusive right to use any part or portion of the airport other than the premises. Use of the airport is subject to the rules and conditions as now exist or may be enacted in the future by the City, the State of Minnesota, or the United States government. The Tenant is subject to customary charges for such use as may be established from time to time by the City.
  
  - b. Nothing in this Lease shall be constructed as obliging City to maintain and operate the public portions of the airport during the entire term of this lease. It is specifically understood and agreed between Tenant and City that City has the right and power to discontinue and terminate all public airport activities at the airport at any time it deems advisable and upon such discontinuance and termination, would not be liable to Tenant in damages and would have no obligations to Tenant, except as otherwise provided by law. In the event City discontinues and terminates all public airport activities on the airport, Tenant shall have the right to terminate this lease effective on the date of such discontinuance and termination as effective on the first day of any month thereafter by giving Lessor sixty (60) days written notice of such termination.
  
3. **Proof of Aircraft Ownership.** Tenant shall maintain appropriate registration and certifications on all airworthy aircraft that are stored on the Premises. If Tenant does not own an aircraft at the time of the commencement of this Lease or sells all airworthy aircraft, this Lease shall terminate unless Tenant has obtained an aircraft which stored on the Premises within one hundred twenty (120) days.

The City may allow the Tenant a single one hundred twenty (120) day extension to obtain an aircraft. Tenant shall have proof that the Tenant is working toward acquiring an airworthy aircraft during periods when the Tenant does not own and operate one.

4. **Aircraft Registration.** Tenant agrees that any aircraft that is based at, stored at, or utilizes the facility under the Lease, shall be currently in compliance with the airport registration requirements set forth in Minnesota Statutes Chapter 360.

**5. Term of this Lease.**

- a. **Initial Term.** The term of this Lease shall be twenty (20) years ("Term"), commencing on \_\_\_\_\_, 20\_\_\_\_ ("Commencement Date") and expiring, unless earlier terminated, on \_\_\_\_\_, 20\_\_\_\_.

**6. Lease Payments.** Tenant agrees to pay the City:

- a. **Hangar Land Lease Rent.** The Tenant shall pay the City rent for the Premises in the amount of \$\_.10\_\_\_\_\_ per square foot per year, as determined by outside dimensions of the building or continue with the current rate for an existing tenant. Rent is due for the calendar year in advance to be paid annually by the 31<sup>st</sup> day of January, beginning January 31, 20\_\_\_\_. Rent shall be paid to City at the address specified in this Lease. Rent shall be pro-rate for any portion of a calendar year.
- b. **Adjustment of Rent.** The City reserves the right to adjust rent each five-year anniversary date of this Lease by an amount not to exceed ten percent (10%) of the rent preceding the anniversary date of the Lease. Tenant shall pay in full on or before the five year anniversary date of the lease the pro-rated amount of the increased rent for the months remaining in the calendar year.
- c. **Late Fee.** If Tenant fails to pay any fees when due to City, Tenant shall pay a late fee which is the lesser of ten percent (10%) on any past due balance.

**7. Construction of Private Buildings on Premises.**

- a. Any structure built upon the Premises shall be constructed in compliance with applicable building codes and any building requirements established by the City Council. The building and any attachments and appurtenances, other than ramps or driveways, must be located entirely upon the Premises. Any building constructed shall be used for the sole purpose of storage of aircraft registered or leased to the Tenant and related aviation purposes.
- b. Uses of any building on Premises are subject to the same restrictions place on City-owned hangars. Any uses of the building, other than aircraft storage, shall be described and approved by the City, in writing.
- c. The Tenant agrees that any building shall be constructed at no cost to the City. In the event the Tenant has not completed construction of the building on the Premises within twelve (12) months from the date of this Lease, the City may terminate the Lease without further obligation to the Tenant.
- d. Prior to construction of any building located on Premises, the Tenant shall furnish to the City, for the Airport Advisory Board's review and the City Council's approval, the plans for the building, and provide the estimated cost of completing the building. The Tenant shall provide the City with a letter of credit, bond, or other security with a surety satisfactory to the City conditioned upon the commencement, completion of and payment for the construction of the building; and against loss or damage by reason of mechanics lien. City staff may specify the acceptable form of surety.
- e. The Tenant shall obtain the necessary regulatory authority and permits from the City. All construction shall be completed in a professional like manner and shall be in conformity with building codes, ordinances, and other regulations applicable to the City and Mora Municipal Airport.

- f. Tenant shall construct aircraft storage facilities that conform to the City approved plans and design standards approved by the City Council. These design standards may include color, style, size, and other aesthetic requirements. Construction and significant improvement may not begin before receiving written authority from the City. Hangars and exterior improvements shall be painted an off-white color with brown trim. The roof shall be pitched and made of galvanized steel.
- g. Tenant shall pay the entire cost of such construction, and shall pay the entire cost of utility services and other required buildings systems. The Tenant shall pay all site improvement costs, including but not limited to grading, gravel, bituminous, concrete, utility installations, and any other improvements required on the leased property. Tenant shall not permit filing of any mechanic liens against the premises.
- h. Other than the hangar described in Paragraph 7 of this Lease, Tenant shall not construct or place on the Premises any structure or improvement without the written consent of the City, both as to the location and type of structure to be constructed or placed on the Premises. Tenant must submit to City a formal application describing the improvement to be made.
- j. Tenant shall not erect or permit to be erected on the Premises or on the exterior of any building any sign or any type without the prior written consent of the City.

**8. Maintenance of Leased Property.**

- a. Tenant, at its own cost and expense, shall take good care of the Premises and any buildings or structures placed thereon. Tenant shall keep and maintain the Premises in good order and repair and in a clean and neat condition. Tenant shall not be allowed to store items outside of the building located on the Premises.
- b. Tenant shall not permit any waste or nuisance on the Premises nor permit anything on the Premises to interfere with the rights of other tenants of the City or uses of the airport. In the event the Premises is not properly maintained, the City may, after notifying the Tenant, cause the property to be maintained. The costs of maintenance and an administrative fee will be billed to the Tenant and become Tenant's responsibility. Unpaid billings shall be certified to property taxes in the manner provided by law.
- c. The cost of customary maintenance routinely performed by the City, related to areas affecting the value or use of Premises, are included in the annual lease costs charged for the Premises, and except as otherwise provided herein, includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by City employees on a priority basis. The City of Mora reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is the Tenant's responsibility. The City is not required to perform any snow removal function on Premises, but may plow on or adjacent to leased properties to expedite other snow removal operations at the airport. Mowing and weed control are the Tenant's responsibility; however, the City may mow or perform weed control adjacent to leased properties to expedite other maintenance operations. The City shall establish the standards by which ramp areas and other paved surfaces are maintained.

**9. Hazardous Materials.** Tenant shall not store hazardous materials on the Premises except those such materials normal to and reasonably necessary for aircraft operation and such maintenance operations reasonably conducted on the Premises. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all local, state and federal rules

and regulations, and any spill or discharge shall be immediately reported to the City. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Lease.

#### **10. Taxes, Assessments and Other Charges.**

- a. In addition to other charges identified in this Lease, the Tenant shall pay all taxes, assessments, licenses, fees, or other charges that may be imposed by any other governmental authority during the Term of this Lease upon the Premises, buildings, improvements or property located thereon, or upon Tenant's use or occupancy, for whatever term deemed applicable to Tenant by that governmental authority. Tenant shall pay these amounts without deduction or set-off against Rent to be paid under this Lease.
- b. Tenant shall pay for all water, sanitary sewer, gas, electricity, telephone, refuse collection, charges or other similar charges used on or attributable to the Premises, together with any connection fees, taxes, penalties, interest or surcharge associated with such utilities and charges.

#### **11. Default.**

- a. **Events of Default.** Any of the following shall constitute a default under this Lease:
  - (1) Tenant fails to pay money owed to City under this Lease when due, and such failure continues for ten (10) days after written notice from City to Tenant.
  - (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (3) Tenant fails to allow an inspection in accordance with the terms and conditions of this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (4) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from City to Tenant.
  - (5) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Lease; or City receives notice of any such conditions, and such failure continues for a period of ten (10) days following written notice from City to Tenant.
  - (6) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from City to Tenant.
  - (7) Tenant fails to discharge, by payment or bond, any lien, or encumbrance placed upon the Premises or improvements in violation of this Lease within thirty (30) days following written notice from City to Tenant that any such lien or encumbrance is filed against the Premises and/or improvements.
  - (8) Tenant (a) makes a general assignment for the benefit of creditors; (b) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate Tenant bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any

substantial part of its property; or (c) involuntarily becomes the subject of any proceeding for relief which is not dismissed within sixty (60) days of its filing or entry.

(9) Tenant fails to comply with any other term or condition of this Lease and such default continues for more than thirty (30) days after written notice from City to Tenant, or for a longer period of time as may be reasonably necessary to cure the default, but only if: (i) Tenant is reasonably capable of curing the default, and (ii) is working diligently as determined by City to cure the default.

b. **City Remedies.** If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:

(1) City may, without releasing Tenant from its obligations under the Lease, attempt to cure the default. City may enter the Premises for such purpose and take such action as it deems necessary to cure the default. This entry is not an eviction of Tenant or a termination of this Lease;

(2) With legal process, but without further notice to Tenant, re-enter the Premises or any part thereof and take possession of it fully and absolutely, without such re-entry working a forfeiture of the money to be paid and the terms and conditions to be performed by Tenant for the full Term of this Lease. City's re-entry of the Premises is not a termination of this Lease. In the event of such re-entry, City may proceed for the collection of money to be paid under this Lease or for properly measured damages;

(3) Terminate this Lease upon written notice to Tenant and re-enter the Premises and Tenant covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the term; and

(4) Exercise all other rights and remedies including injunctive relief, ejectment, or summary proceedings such as an eviction action and any other lawful remedies, actions or proceedings.

In the event of any default and for any type of remedy chosen by City, Tenant shall reimburse City for all reasonable fees and costs incurred by City, including reasonable attorneys' fees, relating to such default and/or the enforcement of City's rights hereunder, and costs incurred attempting to cure a default. Any and all legal remedies, actions, and proceedings shall be cumulative.

c. **Cumulative Default.** Except as specifically set forth herein, the remedies provided under this Lease shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be to be the waiver of any other remedy with regard to any occasion of default hereunder.

d. **Default of Other Agreements.** A default by Tenant of any other agreement between Tenant and City shall constitute of default of this Lease. Notice of a default in another agreement shall be deemed notice of default under this Lease.

## 12. Termination Provisions.

a. At the termination of this Lease the Tenant has the right to removing all buildings and property placed upon the Premises. The Tenant shall have a period of ninety (90) days from the termination date to remove property. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time in its sole

discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property within the ninety (90) day period are beyond the control of the Tenant. If the Tenant does not remove the property within the period granted by the City, the City may retain ownership of the building and property for any municipal purpose.

- b. If the Premises becomes deserted, abandoned or vacated, the City may terminate the Lease. If the Tenant's interest in the property is taken by process of law, the City may terminate the Lease. If the buildings or properties on the Premises are destroyed, the City or Tenant shall have the right to terminate this Agreement upon giving written notice to the other party.
- c. Should the Premises be declared condemned by the City, either because the airport is closed to the public or the property is needed for another municipal purpose, the City shall provide the Tenant with ninety (90) days' notice of such action. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time, in its sole discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property are beyond the control of the Tenant.
- d. Tenant may cancel this agreement and all or any of his obligations hereunder at any time by giving thirty (30) days written notice to the Lessor. Tenant shall not be entitled to any refund of rent paid in the event of such cancellation.

**13. Surrender of Premises.** At the expiration of the term of this Lease and any renewal or extension, or sooner termination, Tenant shall surrender the leased Premises in as good condition as it was at the date of the commencement of this Lease. Tenant shall, at Tenant's own expense, remove the building described in Paragraph 7 of this Lease, as well as any other improvements placed on the Premises by Tenant, unless the parties otherwise agree. Tenant must repair any damage to the Premises caused by the removal within thirty (30) days.

**14. Liability and Indemnification.**

- a. Tenant agrees to indemnify and hold City harmless from any and all loss, damage, claims, judgments, litigation expenses and costs for any injury to persons or damage to property from any act or omission of Tenant, its employees, agents, subsidiaries, licensees, guests, invitees, successors or assigns while on or about the Airport or the Leased Premises, and the City shall not be liable to any extent for, nor will Tenant make any claim against the City for or on account of any injury, loss or damage to the Premises, the buildings or structures thereon, the personal property and facilities located therein, or to any person or property at any time on the Premises whether occasioned by fire, water, smoke, steam, gas, electricity or other agency or instrumentality which may come or be on the Leased Premises or occasioned by any other cause. Nothing in this Lease shall cause the City in any way to be construed as partner, joint venturer or associated in any way with Tenant in the operation of the Premises, or subject the City to any obligation, loss, charge or expense connected with or arising from the operation or use of the Premises or any part thereof. Nothing in this Lease shall constitute a waiver or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466 or otherwise. The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

**15. Insurance.**

- a. Tenant shall maintain the following insurance policies during the term of the Lease:

- (1) Aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statute Section 360.59 Subdivision 10, and may be amended.
- (2) At all times during the Term of this Lease, Tenant shall keep all personal property of Tenant located on the Leased Premises, including all aircraft, insured against fire, vandalism, malicious mischief, and windstorm loss or damage for an aggregate amount equal to one hundred percent (100%) of the fair market value of the personal property or the insurable value, whichever is greater. The policies shall be in a form satisfactory to City, and copies of the insurance policies or certificates thereof evidencing such coverage and that such insurance is payable to Tenant.
- (3) Commercial General Liability Insurance on an "occurrence" rather than on a "claims made" basis, with a total combined policy limit of not less than the limitation of liability of City under Minnesota Statutes Chapter 466 (currently \$1,500,000), or any successor statute, which policy shall include, but not be limited to, coverage for Bodily Injury, Property Damage, Personal Injury and Contractual Liability (applying to this Lease), or an equivalent form (or forms), so long as such equivalent form (or forms) affords coverage which is at least as broad as the above. Such policy shall name City as an additional insured. Tenant agrees to increases in the minimum insurance requirements to the extent that the liability limits provided in Minnesota Statute Section 466.04 are increased. Current limits are as follows:

Comprehensive Liability Insurance: \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and an aggregate limit of \$1,500,000 and twice the limits provided when a claim arises out of the release or threatened release of hazardous substances

Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles with a \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and aggregate limit of \$1,500,000.

The insurance policy shall also insure damage related to the operations conducted in and on the Premises and the Airport and shall include contractual liability. Policies for such liability coverage shall be in a form and issued by an insurer reasonably acceptable to City and shall require at least thirty (30) days prior written notice to City of material alteration and at least ten (10) days prior written notice in the event of cancellation. Tenant's liability insurance shall be primary with respect to City and its agents and not participating with any other available insurance. Tenant shall deliver to City on the Commencement Date of this Lease and on each Anniversary Date thereafter insurer certified copies of such policies, certificates or other evidence reasonably satisfactory to City confirming the terms of such insurance, confirming that premiums thereon have been paid and confirming that the policies are in full force and effect.

- (4) In addition to the general liability provided under Paragraph 14, it is specifically agreed between the parties that the Tenant shall be responsible in all respects for the Tenant's use of or Tenant's general of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or "hazardous waste" by either the Environmental Protection Agency or the Minnesota Pollution Control Agency. Tenant shall specifically be responsible for the disposition of all such waste or substances and

for the environmental response activities and costs, monitoring or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises out of Tenant's use of or Tenant's generation of such substances in its operations at the Airport or use of the Premises, and Tenant agrees that the obligations under this Paragraph 15 shall apply specifically to any costs or obligations of the City arising out of any such disposition or cleanup.

- b. It is understood that the specified amounts of insurance stated herein shall in no way limit the liability of the Tenant.
- c. For any construction on the Premise, Tenant shall require all contractors and sub-contractors to maintain insurance in accordance with this Paragraph 15.
- d. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City and personal property owned by the Tenant all while located at the Premises.
- e. Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City and Tenant.

**16. Transferring, Subletting, Selling.** The Tenant shall not assign, transfer, sublet, sell, or mortgage any interest in this Lease, the Premises, or in the improvements located on the property without first obtaining the written consent of the City, whose consent is subject to the City's sole discretion. The Tenant is strictly prohibited from subletting the Premise. Failure to obtain written consent or sublet shall be sufficient grounds for terminating this Lease without obligation of the City to the Tenant.

**17. Right of Entry.** The City reserves the right to enter, at any time, upon the Premises and any building on the Premises for the purpose of inspection to determine compliance with all terms of this Agreement. Reasonable efforts will be made to notify Tenant of such entry before entry is made.

**18. Discrimination Provision.** The Tenant, in the use of the Mora Municipal Airport, shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, or national origin or in any manner prohibited by Part 21 of the Regulations of the Office of the United States Secretary of Transportation, and the Tenant further agrees to comply with any requirement made to enforce such regulation which may be demanded of the City by the United States Government under authority of said Part 21.

**19. Civil Rights.** Tenant agrees that it will comply with applicable laws, statutes and rules that are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Tenant or its transferee for the period during which federal assistance is extended to the airport, except where federal assistance is to provide, or is in form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (1) the period during which the property is used by the sponsor or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of

similar services or benefits; or (2) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

**20. Laws, Rules and Regulations.**

- a. The Tenant shall abide by and conform with all laws, rules, and regulations, including future amendments thereto, controlling or in any manner affecting the Tenant relative to the use or occupancy of the Tenant. Tenant shall comply with all rules, minimum standards, and field regulations with respect to control of ground and air traffic and use of the airport as established by City from time to time and Tenant shall abide by all rules, regulations, and orders of the Minnesota Department of Transportation and the Federal Aviation Administration and other lawful authorities with respect to aircraft operations and use of the leased premises.
- b. Tenant agrees that any aircraft which is based from, stored at or using the Premises shall be in compliance with all applicable aircraft registration requirements, including, but not limited to, those set forth in Minnesota Statutes Chapter 360. The Tenant shall provide aircraft make, model and tail number for all aircrafts based from, stored at or used at the Premises annually to the City.

**21. Commercial Use.** Tenant must indicate to City at time of signing that the leased property will be used to conduct commercial activities and obtain written permission from the City to conduct such activities, which the City may grant or deny in its sole discretion. Any wish to alter the use of the property to include commercial activity during the term of this Lease requires prior written consent of the City. Failure to notify the City and obtain written consent as described above shall be grounds for immediate termination of this Lease. Commercial activities include repair, restoration, maintenance or rental of aircraft. No commercial activity which is not directly related to aeronautics is permitted. No outdoor storage of planes or equipment is permitted in the hangar area. Any hangar constructed or used to conduct commercial activities shall comply with any and all applicable City building code requirements for commercial buildings.

**22. Verification.** Tenant shall meet verification of all licensure requirements of the City of Mora, State of Minnesota and / or the United States Government to legally comply with this Lease, prior to use of the Premises and upon reasonable request by the City.

**23. Subordination.** This Lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, execution of which has been or may be required as a written precedent to the expenditure of Federal or State funds for the development or maintenance of the Airport and to orders of the State or Local Government concerning Airport Operations or Government response to safety or military needs.

**24. General Provisions.**

- a. **Airport Access.** Tenant has the privilege of using the public portions of the Airport, such as runways and other public facilities, under such terms, ordinances, rules and regulations as now exist or may be enacted by the City, and subject to charges for such use as may be established by the City, by ordinance or agreement with Tenant.
- b. **Waiver.** The waiver by the City or the Tenant of any breach of any term of this Lease shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Lease.

- c. **Headings.** The headings in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.
- d. **Entire Lease; Amendments.** This Lease represents the entire agreement between the parties and supersedes any prior agreements regarding the Premises. This Lease may only be amended or modified if done in writing and executed by all parties to this Lease.
- e. **Severability.** If any part of this Lease shall be held invalid, it shall not affect the validity of the remaining parts of this Lease, provided that such invalidity does not materially prejudice either party under the remaining parts of this Lease.
- f. **Choice of Law and Venue.** This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Lease shall be heard in the state or federal courts of Minnesota, and all parties to this Lease waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
- g. **Public Data.** City shall use reasonable care to treat matters pertaining to Tenant in a confidential manner to the extent permitted by law. This Lease, and the information related to it, are subject to the Minnesota Government Data Practices Act, which presumes that data collected by City is public data unless classified otherwise by law.
- h. **Commitments to Federal and State Agencies.** Nothing in this Lease shall be construed to prevent City from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the Airport.
- i. **Successors.** This Lease shall extend to bring the legal representatives, successors, and assigns of the parties to this Lease.
- j. **Relationship of Parties.** Nothing contained in this Lease shall be deemed to create a partnership, association, or joint venture between the City and the Tenant, or to create any other relationship between the parties other than that of landlord and tenant.
- k. **Multiple Parties.** If more than one person or entity is named as the Tenant, the obligations of the Tenant shall be the joint and several responsibilities of all persons or entities named as Tenant.
- l. **Consent and Approvals.** Whenever in this Lease the consent or approval of the City is required, such phrase means the formal approval or consent of the City through a meeting of the Mora City Council.
- m. **Notice.** Any notice required under this Lease shall be in writing and delivered in person or by courier or mailed by certified mail, return receipt requested by United States Mail, postage prepaid addressed as follows:

If to the City:                      City of Mora  
  Attn: Airport Manager  
  101 Lake Street South  
  Mora, MN 55051

If to the Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice is deemed given (i) three (3) business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient. Either party may change the party's address for notice by providing written notice to the other party.

This Lease shall not take effect until it has been approved by the City Council of the City of Mora.

**IN WITNESS WHEREOF**, City and Tenant have executed this Lease as of the dates indicated below.

CITY: **CITY OF MORA**

TENANT: \_\_\_\_\_

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: City Administrator

TENANT: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_



**From:** Dustin Paulson [<mailto:dkp891@gmail.com>]  
**Sent:** Monday, November 30, 2020 9:21 PM  
**To:** Kelly Erickson <[kerickson@cityofmora.com](mailto:kerickson@cityofmora.com)>  
**Subject:** Hangar Land Lease Agreement

Hi Kelly,

I am sending this email to register some concerns with the new proposed Hangar Land Lease Agreement that I recently received and was asked to sign and return before 12/07/2020.

After reviewing the new agreement, it appears to have been written using language that was aimed more at prospective tenants wishing to rent space in a city owned hangar as opposed to an agreement for leased parcels of land that private individuals will or have invested significant amounts of their own money to build or buy privately owned hangars to meet their needs.

As city owned hangars, you would expect to see some of the requirements in this agreement used for what can be stored, and what activities are permissible in a publicly owned hangar space, especially like the one the city currently owns, where multiple aircraft owners share the same space, or in new T-hangars when the city eventually builds those.

Subletting that space at possibly a higher rent than the original lessee is paying because of high demand, or for non-aircraft storage when other people are looking for aircraft storage space wouldn't be something that the city or the aircraft owners would like to see. Nor would non-aviation related activities that may pose a threat to other stored aircraft be something that could be tolerated.

However if a private individual spends the money required to build a large enough hangar space to house multiple aircraft, and sublets some of that space to another aircraft owner to help defray their cost of building / maintaining / insuring that hangar, it seems like that should be an acceptable activity, and is meeting an aviation need for all concerned. Even if that hangar owner becomes unable to continue to fly, but wants to continue renting out space in his hangar for other aircraft owners to store their planes, it seems like this would be meeting both the spirit and needs of the local aviation community. As long as the primary purpose of the hangar is aircraft storage, or an aviation related activity, they shouldn't be required to personally own a registered, airworthy aircraft as long as their hangar is still used for that as its primary purpose.

The Airport Advisory Board was formed approximately 22 years ago when then City Administrator Steve Jones decided that the crosswind runway should be shut down for the expansion of the industrial park, and not be replaced. He did this without giving the local aviation community the opportunity for input on the decision making process. When the local and regional area pilots complained to the FAA about that fact, the FAA suggested that the city council form an airport advisory board to help advise the council in the decision making process on airport matters, since then, as now, none of the council or administration member were pilots or involved with aviation, and may not have the same perspective on matters involving the airport that those who use the airport regularly do. This was also the beginning of the crosswind runway replacement process.

The airport is a significant community asset, and as such, decisions like this warrant having the input of all those involved taken into consideration in order for it to be something that they all understand and buy into, and to maintain a harmonious city/airport community relationship that fosters the promotion of the city through the airport.

I would like to see the current request for hangar owners to return signed agreements by Dec. 7th be postponed until owners have had time to make their concerns known, the Advisory Board review those concerns and makes recommendations, the council review those recommendations, and either accepts them or sends back their concerns to the board for further review, and make further recommendations to address them.

We've had a two page lease agreement up until now, and while it may not have been perfect, it seemed to work fairly well. Maybe we should start out this agreement review process by asking what issues have come up that the old agreement did not address, and can the old agreement be minimally modified to address those issues without the onerous amount of new requirements the proposed new 10 page agreement appears to place upon the current private hangar owners.

I've included below some of the concerns I had in reviewing the new proposed agreement, and I am sure some of the other hangar owners have many if not all the same concerns, as well as some I'm sure I may not have thought of.

I request that this email message be forwarded to both the city council members as well as the city administrator for their consideration.

Thanks!  
Dustin Paulson  
Former 16 year Airport Advisory Board Member

Here are a list of concerns as they pertain to the proposed new hangar lot lease contract in the order they are written in the contract.

1) None

2) None

3/4) If a tenant is in the process of either restoring a certified aircraft, or constructing an experimental kit aircraft (about 10%, or 33,000 of aircraft in the USA), they most likely won't have a current aircraft registration, nor an airworthy aircraft. These projects often are lengthy undertakings (my GlaStar took 8.5 years to build), and would not meet the 120 day requirement.

5) None

6) None

7) a. The old lease specifically allowed the storage of aircraft, automobiles, boats, and RV's, and many of the current owners either bought or built their hangars knowing that in addition to aircraft, that these other items could be stored there as well.

b. There is no reference to the City owned hangar use restrictions in the previous hangar lot lease agreement, and while we wouldn't expect a tenant of the City owned hangar to be able to store an automobile under the wing of their stored plane, the lot lease tenant in many cases has gone to much greater expense to either buy or build their own hangar just to be able to enjoy such additional activity, as well as providing extra security to their aircraft, and storage, by controlling access to their hangar, where the City hangar has multiple tenants with access.

c. None

d. None

e. None

f. I think most of the current hangars have a white steel roof, not galvanized steel.

g-j. None

8 a. None

b. I think if the City feels there is something that need attention on a hangar site, that they should notify the tenant of this, and only after giving the tenant an adequate time frame to rectify the deficiency, then cause the required maintenance to be performed at the tenant's expense, with the steps described.

c. Snow removal has always been done in front of the T- hangars as the taxiways extend right up to their doors. Snow removal in front of the other hangars started several years ago to both provide the same level of service to all hangar tenants as well as address the issue of lack of space between hangars to blow snow without placing it either on a neighboring hangars apron, or into the taxiway, and to prevent banks between hangars that would impede sliding hangar doors from opening, and access to fire hydrants. This also allowed the City to construct narrower paved taxiways between hangars than the full width ones adjacent to the T-hangars.

9) None

10) None

11) a. 1-2 None

3. There are several hangar owners who may not be in the area for extended periods of time throughout the year, and inspection of their hangars within 10 days after notification may not provide an adequate time frame for them to comply without causing undue expense and inconvenience to the tenant. So except in the case of an emergency, the City should provide an adequate time frame for the tenant to comply based on the tenant's circumstances at the time of the City's request.

4-5. None

6) What period of time is used for the definition of abandonment?

7-9. None

b. 1-4 None

c-d. None

12) a. None

b. What time period is used to determine if the premises is deserted / abandoned?

c-d. None

13. None

14. This appears to say that if a City employee were to damage a hangar or its contents accidentally the City could not be held liable for the cost of the actual damages, and the hangar owner would bear the cost of any damages themselves.

Just looking for clarification here.

15) 1. None

2. Why is the City requiring comprehensive insurance on the tenants personal property located on the Leased Premises? Shouldn't this be at the discretion of the tenant whether they want to take on this risk vs insuring for it?

3. The liability limits requested are much higher than the state requirements for either aircraft or automobiles. The MN requirement for aircraft is 100,000 per passenger seat /300,000 per occurrence for non-passengers. and for autos considerably less, although many policies use the 100/300 limits. In talking with my aircraft insurance agent, she said she didn't think Global Aerospace would even quote a policy with that limit, and if they did, it would be prohibitively expensive. Does the city require this level of liability insurance from lot lessees at Eastwood mobile home park, or automobiles that park or drive on city property or are the state requirements adequate for all other areas or city owned property.

4. None

b-e. None

16) There are currently hangars on the field that are rented out for use by aircraft owners other than the owners.

17) Right of Entry should be with adequate notice to the owner unless a bonafide emergency presents a clear and present danger to the hangar and surrounding buildings such as an obvious fire.

18) None

19) None

20) None

21) There are aircraft activities that include the repair, restoration, and maintenance of aircraft which are permitted by the FAA to be done by the owner on his own aircraft, and should not be considered as a commercial use, which is not clear in this lease agreement. Also aircraft owners frequently hire certified aircraft mechanics to perform the required annual inspections on their planes, and these inspections, and any necessary repairs/maintenance are frequently then done in the aircraft owners hangar, however the mechanic is not using the hangar as their place of business for planes other than the hangar owners/renters.

22) What licensure requirements are being referred to?

23) None

24) a-m. None

Thanks for your consideration of these concerns.