

Airport Commission Meeting Minutes
January 21, 2021 – Owatonna Degner Regional Airport
“DRAFT”

1. Call to Order

Chairman Keltgen called the meeting of the Airport Commission to order at 5:00 PM and welcomed everyone to the meeting.

2. Roll Call

Attending

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| Todd Hale | Commissioner |
| Tom Harrison | Commissioner |
| James Keltgen | Chairman |
| Greg Krueger | Commissioner |
| Paula Snitker | Commissioner |
| Sharon West | Commissioner |
| Dave Beaver | Airport Manager |

Visitors

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| Mayor Tom Kuntz | |
| Ron Roetzel | Bolton and Menk |
| Jim Jacobson | Accelerated Aviation |
| Clayton Peterson | Accelerated Aviation |

3. Approval of Agenda

Commissioner Krueger made a motion to approve the agenda and Commissioner West seconded the motion. The motion was approved.

4. Minutes

Commissioner Hale made a motion to approve the minutes from the December 10, 2020 Airport Commission meeting and Commissioner Harrison seconded the motion. The motion was approved.

5. Action Items

Chairman Reports

There were no Chairman reports.

Election of Officers

Chairman Keltgen opened the floor to nominations for the Airport Commission election of officers. Commissioner West made a motion to reappoint James Keltgen as Chairman and Justin Lindee as Vice Chairman and Commissioner Krueger seconded. There were no further nominations. The motion was approved.

Staff Reports

Airport Manager Beaver reported on airport activities and presented the 2020 year end fuel volumes dispensed report to date. Combined fuel volumes dispensed were higher than the 2019 year end totals. Mr. Beaver provided a brief report on aircraft activity, winter operations, and service activity.

Consideration of Commercial Sublease Agreement – Accelerated Aviation

Airport Manager Beaver explained that Accelerated Aviation is requesting consent of a sublease from John Klatt Airshows Inc. Mr. Beaver introduced Clayton Peterson and Jim Jacobson representing Accelerated Aviation to provide additional background on the request. Mr. Peterson explained that the flight school is growing and there is anticipated demand for additional space. They are working with John Klatt to acquire his hangar at the airport for this purpose and are requesting a sublease approval for an initial five year term. Accelerated would then own the hangar and further seeks a new commercial land lease to be effective commencing after the expiration of the sublease. Mr. Peterson stated that this would be for business expansion and Accelerated would continue to rent their present terminal office and hangar space as well.

There was a discussion regarding the term and rental rates and applicable established airport commercial Minimum Standards for commercial operators. Mr. Peterson explained that Accelerated has grown within the last year and they are looking to accommodate this growth; however, this will be a process that may take the first one to two years. Mr. Peterson explained their intended commercial uses and the potential need to rent out available space in the hangar during this process. There was a discussion regarding scope of operations and permissible uses.

Mr. Beaver explained the provisions of the draft sublease and new airport commercial land lease agreements. There was a discussion on terms and scope of business uses including flight school, aircraft storage, aircraft sales, aircraft charter, and other aeronautical commercial uses. Mr. Beaver reported that the proposed rental rate will not be less than the existing rate structure and consistent with other commercial operators. Mr. Peterson added that they would like to have this considered as soon as early February.

Mr. Beaver explained that the final draft of the sublease and commercial land lease are being reviewed by staff and the city attorney. After further discussion, Commissioner Harrison made a motion to recommend for City Council approval a lease substantially similar to the draft presented subject to the final negotiation of terms between city staff and the parties. The motion was seconded by Commissioner West. With no further discussion, the motion was approved.

2021 Airport Rates and Charges Schedule

Mr. Beaver presented the draft 2021 airport rates and charges schedule and briefly discussed the proposed rate structure for facilities and services. There was a discussion regarding the proposed T-Hangar rate increase. Mr. Beaver explained that the draft includes a significant increase for the T-Hangar end garage unit rental. The use of these five smaller units have evolved over time to now include the accommodation of more non-aeronautical public storage and that a more fair market value rate for like storage is proposed. There was support for this adjustment. There was a discussion regarding comparable rates at other

airports. After discussion, Commissioner Snitker made a motion to request an Airport Commission annual review of the airport rates and charges schedule and Commissioner Harrison seconded. The motion was approved. Commissioner Snitker then made a motion to recommend City Council approval of the 2021 airport rates and charges schedule and Commissioner Hale seconded. The motion was approved.

T-Hangar Taxi-lane and Building Design Update

Chairman Keltgen introduced Ron Roetzel with Bolton and Menk to present an update on the T-Hangar taxi-lane and building design. Mr. Roetzel reported that the plans and specifications for the project are nearly completed. There was a discussion regarding a number of final electrical requirements. Mr. Roetzel explained that the engineers estimate for the projected costs for the construction phase have increased through the design phase due primarily to the discovery and necessary removal of poor soils in the project area. In addition, the engineer is anticipating an increase in building materials and steel. Mr. Roetzel recommended that because of these increases, that the bid documents include an alternate design for reducing the number of units to eight rather than ten to allow for flexibility in award of contract based on available funding. There was a discussion regarding the proposed bid schedule and funding. After discussion, Commissioner Hale made a motion to recommend to City Council approval the final plans and specifications as discussed and authorization to bid. The motion was seconded by Commissioner West. The motion was approved.

Other Business

Commissioner Keltgen introduced Mayor Tom Kuntz. Mayor Kuntz thanked the Airport Commission members for their dedicated service. Mayor Kuntz explained the process for seeking candidates for local boards and commissions and asked for the Airport Commissions involvement by reviewing mission and potentially drafting a few questions that could be asked of candidates. Chairman Keltgen thanked the Mayor for attending the meeting.

6. Adjournment

The Airport Commission meeting was adjourned at 6:30 PM with a motion made by Commissioner Krueger and seconded by Commissioner Snitker. The motion was approved.