



Newsletter
Anoka County Aviation Association
ACAA

Next Meeting: **Monday, January 11, 2016 7:00 PM**
 EAA 237 Building, Anoka County Airport.

January, 2016

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Calendar

Jan 11, 2016 (Mon)	7:00pm	ACAA Meeting EAA Building
Mar 4, 2016 (Fri)		Newsletter Deadline Want Ads Due
Mar 8, 2016 (Tue)	7:00pm	RAAC Meeting MAC General Offices
Mar 14, 2016 (Mon)	7:00pm	ACAA Meeting EAA Building

January Meeting

Join us at the January meeting for an update and discussion on what's going on at the airport.

Family, friends, and members of other airport associations are cordially invited. The meeting starts at 7:00 PM on Monday, January 11, at the EAA 237 Hangar on the west side of the field. Doors open around 6:45; refreshments will be provided. Let's have a great turnout. Hope to see you there.

RAAC Report

By John Krack

The Winter Reliever Airports Advisory Council (RAAC) meeting was held on December 8 at the MAC General Offices. See Vivian Starr's summary of the meeting later in this Newsletter. Following are a few more detailed points pertaining primarily to ANE:

Non-Aeronautical Revenue

This is *finally* starting to show progress. Eric Johnson reported that MAC and the City of Blaine have reached agreement on potential uses for two properties, and Blaine has rezoned them for the agreed-upon uses, and the properties are being marketed by CBRE, the real estate firm enlisted by MAC to market these parcels. A stumbling block in getting agreement was that some in Blaine wanted the property at the south end of the airport to permit medium-density residential housing, which MAC opposed (for obvious reasons). Apparently some citizens testified against this idea, and this was enough to nix it.

The north parcel is approximately 2.65 acres on the southwest corner of 105th Ave. and Radisson Rd., adjacent to the Sports Center and a little ways north of the entrance into Key Air. This is an excellent location, and should be attractive to a potential developer. In fact, Eric said that MAC has received a fairly attractive offer to sell the property (rather than lease it), but details could not be released due to the ongoing discussions. As Vivian notes below, Roy Fuhrmann confirmed that if the property is sold, the funds would be earmarked for the Reliever Airports.

The south parcel is approximately 26.91 acres, of which roughly 18 are considered developable, located between 85th Ave. and US 10, and west of airport road.

Both of these parcels are well removed from the operational area of the airport, and their best use would be to generate revenue.

The zoned uses include office, hotel/motel, financial institutes, restaurants, athletic clubs, manufacturing with warehouse, freestanding car wash, vet clinic, and garden centers. Other uses which would be considered include retail stores, coffee shop with drive-thru, dry cleaning, liquor store, restaurant with drive-thru, grocery store, and convenience store with gas and car wash.

I asked whether any consideration has been given for MAC to erect buildings and lease them out, and the answer was "no."

Long Term Comprehensive Plan

Neil Ralston gave an update on the Long Term Comprehensive Plan process, which was essentially the same report covered in the November newsletter, with an update on Lake Elmo. For Anoka, the draft document is expected to be developed in April/May, with the public process running June through September. This document becomes the roadmap for the future direction of the airport, so if you have ideas or desires or suggestions on what should be in the plan, be sure to review the drafts, attend the meetings, and offer your suggestions either verbally or in writing. We'll keep you posted as things develop, and MAC will no doubt notify tenants of upcoming meetings.

ANE 5K "Fun Run"

Glen Burke is working with the Blaine Airport Promotion Group to do a 5K "fun run" on Saturday, May 21. This will be open to the public both as a community outreach event and as a fundraiser for BAPG. We're hoping to be able to do part of the course on a runway, which would be a very unique experience for the participants, if the winds cooperate and we can address the safety issues.

Sublease Fee

Because of a concern raised by a tenant regarding a perceived significant lack of compliance with the Sublease Fee, I looked into it a bit and included it for discussion at the December RAAC meeting. To refresh everyone's memory, the Sublease Fee was instituted by MAC to capture a portion of the revenue flowing to storage tenants through leasing space to owners of other aircraft. It is one of several transaction-based fees intended to generate revenue from specific tenant actions as an alternative to simply raising everyone's ground rent. The rationale is that the tenant is generating income from the leasehold, and, like businesses, should share some of that with the MAC to help support the airport.

To find out how this fee is structured and implemented, I met with Gary Schmidt and Kelly Gerads, and learned the following:

1. The Sublease Fee was implemented in 2008, but did not take effect for existing tenants until their next lease renewal, which for most leases started in 2012.
2. Tenants wishing to sublease space must execute a supplemental Sublease Agreement. The sublease agreements are structured as

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RAAC Report

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contracts, where the tenant contracts with MAC for the right to sublease space to a specific number of aircraft in each of three categories: single engine, multi-engine, and turbo jet. The contracted number of aircraft of each type determines the fee. The current (2015) annual fees are: \$205.29 for SE, \$410.58 for ME, and \$821.15 for turbojet. The fee automatically escalates at 4% annually.

3. The fee is established as an annual fee, but is billed quarterly. The tenant receives a bill for the previous quarter for the contracted number of aircraft.

4. If an authorized "sublease slot" is used at any time during the quarter, the fee is payable for the entire quarter.

5. Per the agreement, a tenant cannot sublease to more aircraft than are covered by the contract without first updating the contract. This is done by submitting a new sublease agreement form. Kelly explained that MAC requires a "paper trail" for all financial transactions, and any change to this type of agreement requires a signed form. This also applies if a tenant wants to reduce the number of authorized aircraft.

6. There is no provision for a tenant to get credit for unused sublease slots after the fact. In other words, if a tenant has, say, 6 registered slots, and only uses 5 throughout the quarter, he or she still pays for 6. However, the tenant may execute a new sublease agreement each quarter to update the number of authorized slots. For example, if a tenant has been subleasing to 6 aircraft and one drops out, the tenant may request authorization for 5 aircraft for the next quarter, and be billed accordingly at the end of the next quarter.

7. The fee brings in approximately \$50,000 per year.

8. There are currently 223 registered sublease slots, spread among 80 tenants.

9. Compliance is essentially on the honor system. When MAC discovers a noncompliant tenant, they require the tenant to register and start paying the fee. Although ordinance 119 authorizes penalties of twice the required payment from the beginning of the year, the amount owed is difficult to prove, and staff has focused on simply bringing the tenant on board going forward.

10. When a lease is transferred, any sublease agreements terminate automatically and the new tenant must renew them as appropriate.

In addition to the compliance aspect, I had some concerns about this fee being applied on a quarterly, rather than a monthly, basis, and the inability of a tenant to pay in arrears for space actually subleased. This likely wouldn't be a problem for someone leasing to one or two subtenants, but could be significant for someone subleasing dozens of spaces as a business, especially if they had high turnover.

The discussion at the RAAC meeting focused primarily on compliance. Staff admitted that enforcement is very difficult, and they're open to suggestions, but any recommendations to the Commission resulting in revenue reduction would also need to cover how the revenue would be replaced.

We agreed to try doing some research to estimate non-compliance. See my comments and questions in my "View From Here" section.

The next Reliever Airports Advisory Council (RAAC) meeting is scheduled for Tuesday, March 8 at 7PM in the MAC General Office building at 6040 28th Ave. S. in Minneapolis. This is a public meeting and all are invited.

As always, if you have any concerns, issues, or suggestions regarding the Reliever Airports, let me, or any of the other RAAC reps, know.

The View From Here

By John Krack

Sublease Fee – Request for Comments

As noted above, we agreed to look further into the Sublease Fee to determine whether this is a real issue, or simply an unfounded concern. As a starting point, I would like to know what other tenants' perceptions are:

1. Do you have information, either factual or anecdotal, of storage tenants leasing space to others without a sublease agreement? I'm not looking for names, or even airports, just an assessment of whether this is an issue that we should pursue, or whether it's really not a big deal.
2. Other than the fee itself, does the way the sublease fee is structured/implemented affect you, and if so, how? Do you have subtenants who have left because of the fee? Were you a subtenant who has gone elsewhere because of the fee? Please provide details.
3. Are you party to a sublease agreement, either as a tenant or a subtenant?
4. What suggestions would you have for changing it? If you think it should be dumped, how would you make up the revenue?

Let me know what you think. Is this something we should pursue with the MAC, or should we leave things as they are? You can email me or leave a voicemail, or if you really want to remain anonymous, send a note via snail mail.

December 8 Reliever Airports Advisory Council Meeting

By Vivian Starr

The meeting was held in the Lindbergh Room of MAC General Offices on 28th Ave. S at 7 P.M.

Commissioner:

Lisa Peilen

RAAC reps:

John Krack, (Chair) ANE
Patrick Moynihan, LVN
John Renwick, Lake Elmo, 21D
Bruce Wiley, MIC
Glenn Weibel, STP
Peter Dahl, FCM (absent)

MAC Staff:

Roy Fuhrmann
Gary Schmidt
Kelly Gerads
Kelly Ubel
Neil Ralston
Evan Wilson
Glenn Burke, Manager: ANE, MIC
Joe Harris, Manager: Lake Elmo, STP
Mike Wilson, Manager: LVN, FCM

Tenants

Don Johnson
Darrel and Vivian Starr

Eric Johnson, Director of Commercial Management and Airline Affairs, was first on the agenda with a Power Point presentation updating everyone on Reliever Airport Non-Aeronautical Land Development. It was very encouraging that progress is being made! Commissioner Lisa Peilen verified with Roy Fuhrmann that when parcels are either

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December RAAC Meeting

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sold or leased, the proceeds will be attributed to the Reliever Airports.

Neil Ralston, MAC's Planner, briefed the RAAC reps on progress made with the 2035 Long-Term Comprehensive Plan (LTCP). Broad trends are: declining piston aircraft and increasing turbine & jet traffic. Crystal Airport seems to have a stable trend. The long term plan for Crystal is to have two cross paved runways.

Airlake Airport is trending very slightly down in terms of based aircraft & ops, but is expected to be very stable. Turbine growth is limited by current runway length.

Anoka Co./Blaine Airport has 87,000 ops so far this year, and is forecast in to have 88,000 in 2035. Turbine ops are expected to grow from 8% to about 14% of total. There are currently 400 based aircraft, with an expected decline to 396 in 2035.

Flying Cloud and St. Paul Downtown are not expected to have any significant changes.

A schedule of planning events will be published when available. In response to a question, MAC staff said their planners are not forecasting any impact on operations or basing of small piston aircraft at Relievers as a result of the January 2020 mandate for expensive ADS-B (out) equipment within the Mode C Veil.

Next, Kelly Gerads presented a 2015 General Aviation Financial Model. This was covered in the November ACAA Newsletter.

Garv Schmidt provided an update on MAC plans for aircraft viewing areas at all the Reliever Airports. The first one was built several years ago on ANE, located near the base of the Tower. It was constructed by a blend of ANE tenant volunteers and MAC employees. With a roofed pavilion, concrete floor, picnic tables, charcoal grill, and a loud speaker tuned to the tower frequency, it sets a high standard for others. STP will have two viewing sites. One was built in conjunction with building the flood wall several years ago. It is on an elevated knoll overlooking the river as well as the airport. Another one is being planned for an area near the historic terminal building and will include a patio. Lake Elmo has a viewing area with a sun screen. MIC has nearly completed planning for a viewing area near the Tower. LVN will have one near the MAC maintenance building. FCM's viewing location will probably be next to the athletic fields.

Glenn Burke and John Krack discussed an ANE "Fun Run" on the airport, which is being sponsored by Blaine's Airport Promotion Group. The event will probably occur in May. Details of the route are currently in the planning stage.

Finally, John Krack led a rambling discussion among airport reps and MAC staff about the subtenant license fee.

The next RAAC meeting is scheduled for March 8, 2016.

November Meeting Minutes

The meeting was called to order at 1903 by President Michael Lawrence.

Officials present: Airport Manager Glenn Burke

Vivian Starr gave the Treasurer's Report. As of the end of October:

Checking Balance:	\$1,317.12
Savings Balance:	4,911.69
TOTAL	\$6,228.81

Airport Manager Glenn Burke reviewed the 2015 capital projects:

- Taxiway Charlie lights and regulator are done. There have been problems with some of the LCD lights burning out quickly. It seems that the lights either fail in the first few

months or last "forever."

- A new transmitter for the tower is coming in December 14. It will be installed, tested, and switched into operation.

Aircraft operations for the first 10 months are up by 17,837 over 2014, for a total of 78,400. This is an increase of 29.5%. Monthly increases were 2,000 each for July and August, 3,000 for September, and 1,800 for October.

Vivian Starr said that on several occasions she has heard the tower advise pilots that touch and goes are suspended due to workload. Glenn Burke said that the periods when the tower operates with one controller vary. He also said that someone from the FAA observed the tower in September, but he hasn't heard any follow-up.

There have been a higher number of noise complaints this fall. For August through October, complaints increased from 430 from 30 houses in 2014 to 594 from 32 houses in 2015. 78% of the complaints came from 3 homes. Don Johnson noted that the Noise Abatement Plan needs to be updated, and suggested that we fly the PAPIs a little high to reduce noise on final approach. John Krack will invite Jennifer Lewis (MAC Noise Department) to a future ACAA meeting to review the current Plan and discuss shortcomings.

The MAC maintenance crew has acquired lots of new and used equipment this year, including two small mowers, four new blowers (for ANE, FCM, LVN, STP; MIC and 21D are getting smaller versions), a new truck with a plow and wing, and a high speed runway broom from MSP. MAC is using one of the hangars they acquired from Crossroads several years ago to store equipment; the other two hangars have been leased out.

Chuck Datko asked if they could broom the taxiways occasionally. Glenn Burke responded that they would do so.

In 2016 roofing repairs are scheduled on MAC buildings.

The LTCP was discussed. The current schedule is to develop the draft in April/May, hold public meetings and take comments in June through August, and finalize/adopt in September/October. MAC has said that they will evaluate a possible runway extension if they get a request to do so.

Someone noted that the court-sponsored agreement with Mounds View imposing restrictions on runway 18/36 expires on January 1, 2020.

Glenn Burke noted that they took out a bunch of trees to the north this past week. With this activity, they have taken care of most of the problems noted in the FAA's 5010 airport profile record. The remaining items are in swampy areas and will need to wait for freeze-up.

The 5K run was discussed. It is planned for Saturday, May 21.

John Krack noted that he will be meeting with a representative from Spencer Stuart, the executive search firm hired to help find Jeff Hamiel's successor, and asked for suggestions on the background, experience, and management characteristics attendees would like to see in the new leader. Suggestions included someone who:

- Would support doing an airshow
- Has VFR experience
- Has worked on a GA airport
- Has strong diplomatic skills
- Would look hard at the MAC organizational structure
- Would give more authority to airport managers
- Would be flexible
- Would enforce rules
- Someone suggested Mark Baker, president of AOPA

Elections were held. All current officers agreed to serve another year, and were re-elected by unanimous vote.

The meeting was adjourned, time not recorded.

Respectfully submitted by John Krack, Secretary, ACAA.

From the Archives

Reliever Airport Rates and Charges

Over the next several issues, we'll try to chronicle the history of Rates and Charges at the Reliever Airports. As you "old timers" will recall, up through 1998, we were getting bargain basement prices on our ground leases – 2 cents a square foot for the first ten years, and 3 cents per square foot thereafter, as I recall. Starting in the spring of 1997, MAC decided to review this policy, and ended up approving a modest phased-in increase starting in 1999. Several iterations followed as pressure mounted to maximize revenue from the Relievers, getting us to where we are now. The following article from the May, 1997 ACAA Newsletter discusses the kickoff for the Rates and Charges review.

Reliever Airport Rates & Charges

From May, 1997

After battling the issue around for years, it appears that the MAC is finally getting serious about Rates and Charges at the reliever airports. This time, they're approaching it in a rather unique, but seemingly fair and open, way - they've hired a consultant to professionally research the issue, and to come back with a list of options and recommendations, fully supported and justified by their research. This will be used as input to the final MAC decision process.

The consultants, *The Aviation Appraisal Group, Inc.* of Atlanta, held an informational meeting on April 15 for the Anoka and Crystal airport communities. The purpose of the meeting was to explain their objectives and the approach they're taking, and to solicit preliminary input from us as tenants. Michael Hodges, the president of the company, explained that several forces are driving this initiative, including the fact that federal money is drying up, and the increasing reliever airport deficits (currently \$3.4 million per year) could lead to major pressure from the air carriers who end up paying most of the cost.

The plan is, over the next 6 months, to review and analyze all available data from MAC, from tenants, and from research on what other airports are doing, then present to the MAC a series of options ranging from the status quo to full reliever airport self-sufficiency (although it sounded like the focus of their efforts will be toward the self-sufficiency side). They'll be looking at each airport separately, taking into account such factors as Location, Type of Activity/Operations/Aircraft, and Amenities. It sounds unlikely that the "one size fits all" policy we've had for the last 30-some years will continue.

Mr. Hodges claims that a major objective is to identify what is a fair market rate for Rates & Charges (ground rents, fuel flowage fees, and commercial charges) while at the same time avoiding an undue burden on tenants and users. It will be interesting to see what sort of creative solutions he comes up with.

In the final analysis, it will be up to the MAC Commissioners to determine what level of reliever airport subsidy is appropriate, and how they structure the charges to achieve that goal. You can bet, however, that our rates will go up. That's why it's so important to continue pushing for the property tax relief, so we don't get hit with the double whammy of increasing airport fees *and* increasing taxes.

Should you wish to offer your input to the study, Mr. Hodges can be reached at:

Michael A. Hodges
The Aviation Appraisal Group
3232 Cobb Parkway, Suite 145
Atlanta, GA 30339
(770)591-9002 (voice), (770)591-1931 (FAX)
E-mail mhodes@bellsouth.net

Mr. Hodges will be in town the week of May 11, should you wish to set up a personal interview.

WANT ADS

HANGAR FOR SALE

2159 Michigan Ave
45W x 40D x 14H. South facing, sturdy cement block construction (recently painted inside and out), NEW ROOF, bi-fold door 39 feet 4.5 inches wide (opens to 10 feet 8 inches high). Also has 16 x 10 feet office space (heat and A/C) and large loft/attic area. Call Winston at 952-484-1278.

LINO AIRPARK HOUSE / HANGAR FOR SALE

Beautiful house and hangar on Lino Airpark. Built in 2006. It is getting too difficult to maintain two houses so Minnesota winters being what they are, we are planning to stay full time in Georgia. To view the pictures and specifics check out the following link to view the listing:

<http://matrix.northstarmls.com/DE.asp?ID=16009732842>

My realtor is Rob Jensen, Greater Midwest Realty,
612-751-7900

Gary Specketer 770-403-3450

HANGAR FOR SALE

2135 Michigan East
48w x 40d TWO hangar doors (elect) approx. 14ft high x 40 wide. Heat & AC office space. Call Craig at 651-426-4751

HANGAR FOR SALE

8 - Stall T-hangar on Oregon and Pennsylvania.
32' x 180' (5,760 sq. ft.): open inside with sliding
40' door openings: new roof and tin ceiling and end side walls. \$175,000. Call Bob at 239-227-4407.

HANGAR FOR SALE

2511 North Dakota East Taxiway, Facing South
58W x 40D x 14H hangar built by Structural Buildings. 50 foot wide by 14 foot high electric bi-fold door. Door opens to 12 foot 8 inch height.
Garage door access at rear, North side: 9 wide by 8 high garage door. Front access door. Asking \$85,000.
Call Dave at 763-244-4028



AIRCRAFT FOR SALE

1942 Aeronca L3-B Grasshopper. 3611 TT, 112 SMOH, Radios and Intercom. Light Sport qualified WARBIRD.

Contact Dick McKenney at 612-401-6957



Aircraft and Hangar Insurance

Aircraft & Marine Agency, Inc

Contact: Kevin Gruys at 952-890-1124
or email gruys@aircraft-marine.com
website: www.aircraft-marine.com

ACAA OFFICERS AND COMMITTEES

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Committees & Members

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Gary Specketer (Chair) 770-403-3450
Randy Huyck 753-1918
Roger Wyatt 755-7544
Dick Schoen 646-7539
Mike Holmquist 651-633-6525

Newsletter

John Krack 763-786-5876

Safety

TBD

Public Relations (Proposed)

Taxes

Vivian Starr 763-559-4683
Paul Thomas 483-9808
John Krack 763-786-5876

Membership

John Krack 763-786-5876

Commissioner: James Deal

Airport Mgr.: Glenn Burke 763-717-0001

Discover Aviation Days

2016 Dates: June 4 – 5, 2016

Website: www.DiscoverAviationDays.org

Email: Info@DiscoverAviationDays.org

Phone: 763-568-6072

Planning Team:

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Michael Lawrence ACAA

ANOKA COUNTY AVIATION ASSOCIATION

The ACAA is an association of hangar owners, hangar renters, FBO owners, pilots, flight instructors, commercial operators, and anyone else with an interest in the future direction of the Anoka County Airport. Our mission is to actively promote a variety of interests and activities relating to the Anoka County Airport operation including:

- Safety
- Airport improvements
- Hangar use, lease contracts, and building/fire codes
- Relations with MAC, MnDOT, and adjoining communities
- Business and commercial interests
- Recreational Aviation
- Any other areas of interest to the membership

To get results, we need your support.

To join, either:

Attend the next meeting at the EAA Building, just north of the Golden Wings Museum facility. See the calendar on page 1 for the date and time of the next meeting.

Or:

Fill out the membership form on the back page, and send it with \$15 for one year, \$27 for two years or \$35 for three years to the address indicated on the form.

NEWSLETTER ARTICLES REQUESTED

Please send newsletter articles to:

John Krack
7629 Lakeside Rd. NE
Fridley, MN 55432
(h) 763-786-5876
Email: av8r00@gmail.com

Articles may be typewritten, handwritten or on disk in Microsoft Word format or text file. See the calendar on page 1 for next newsletter deadline.

Newsletter Want-AD Service

As a benefit to members, a free want-ad service is available. Rules are:

1. Ads must be received by the date indicated in the calendar notes to be guaranteed to appear in the next newsletter.
2. Anyone or any business may submit an ad.
3. There is no charge for paid-up members.
4. Graphical images are OK if in a standard computer image file format (.gif, .jpg, .bmp, etc.). Hard-copy images are also acceptable.
5. Send ads to the Snail Mail or Email address shown above.
6. Want Ads will run for 3 issues, unless canceled early or renewed to run longer.

Email List

Vivian Starr maintains an extensive email list of people interested in what's happening in the Minnesota aviation community. She keeps us up to date with timely reports on MAC meetings, and other activity of interest. In fact, many of the articles in this Newsletter were originally distributed via email. If you're not on the list and want to be, send your email address to Vivian at DVStarr@aol.com.

Anoka County Aviation Association
 7629 Lakeside Rd. NE
 Fridley, MN 55432

ANOKA COUNTY AVIATION ASSOCIATION MEMBERSHIP APPLICATION

Name _____
 Address _____
 City _____ State _____ Zip _____
 Home Phone (____) _____ - _____
 Work Phone (____) _____ - _____
 Cell Phone (____) _____ - _____
 Email Address _____

____ New Member ____ Renewal

Please tear off this information sheet and mail along with a check (payable to ACAA) for:

\$15 - 1 Year \$27 - 2 years \$35 - 3 years

(Please check desired membership term)

To: John Krack
 7629 Lakeside Rd. NE
 Fridley, MN 55432

Your renewal date is shown on your mailing label.

Do you have any special concerns or issues you would like to communicate?

To help us keep current with our members' interests, please fill out this survey.

Are you an: Aircraft Owner? _____
 Type of Aircraft? _____

 Hangar Owner? _____
 Hangar Street and #? _____

 Pilot? _____
 FBO? _____

Do you have any special interests, such as:

Aircraft Restoration? _____
 Homebuilding? _____
 Recreational Flying? _____
 Other? _____

Office Use Only: Check #: _____ Entered: _____