



Newsletter
Anoka County Aviation Association
ACAA

March, 2012

Next Meeting: **Monday, March 12, 2012 7:00 PM**
 EAA Chapter 237 Hangar Anoka County Airport.

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Calendar

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|--------------------------|---------|--|
| Mar 12, 2012 (Mon) | 7:00pm | ACAA Meeting EAA Bldg |
| May 4, 2012 (Fri) | | Newsletter Deadline Want Ads due |
| May 7, 2012 (Mon) | TBD | Public Hearing on Rates & Charges (Tentative) |
| May 14, 2012 (Mon) | 7:00pm | ACAA Meeting EAA Bldg |
| June 2-3, 2012 (Sat-Sun) | All Day | Discover Aviation Days |

March Meeting

Join us at the March meeting for an update on what's happening at ANE and the MAC. We'll also be holding officer elections for the coming year (which we haven't been able to do so far).

Family, friends, and members of other airport associations are cordially invited. The meeting starts at 7:00 PM on Monday, March 12, at the EAA 237 Hangar on the west side of the field. Doors open around 6:45. Refreshments will be provided.

President's Letter

By Michael Lawrence, ACAA President

Dear ACAA members,

On behalf of the ACAA, I have been attending and participating in this year's Discover Aviation Days planning committee. This year's event has the potential to draw the large audience of years past, with the help of the traveling tribute memorial wall. We hope to keep that momentum going after this year, but will need help from this airport community (especially the ACAA membership) to do so. ACAA has been tasked with bringing out display aircraft and finding volunteers to protect those displays. I encourage you to (1.) bring out your aircraft to display, (2.) contact your aircraft-owner neighbors or friends to do the same, and/or (3.) volunteer for a short period of protecting the aircraft that have been generously brought out to be displayed. We will have more area for static display aircraft, and are interested in all types/makes/models for the public to enjoy. I know that our group is very capable and up to this challenge, and truly feel that the success of this task will lay the ground work for well-attended Discover Aviation Days events in the future.

Elections for ACAA officers have been delayed for two meetings now. If you have any interest in serving the ACAA membership, please consider running for an officer position at the March meeting.

Thank you for your support of this organization, and thank you for letting me serve as president. Please feel free to reach out to me or any of the ACAA officers if you have any questions or concerns that the ACAA may help represent.

Michael Lawrence (mlawrence@keyair.com)

Around the Airport

By Joe Harris, Airport Manager

In 2011, there were 73,502 aircraft operations when the ATCT was operational. This is a roughly a 10 percent decrease from the previous year. However, the total amount of fuel flowage increased 11 percent when compared to the previous year, with a total of 1,526,511 gallons flowed of Jet A and Avgas. The staff will begin to collect data on the number of operations between the 6:00 a.m. and 7:00 a.m. hour. If there are enough aircraft operations to meet the minimum thresholds established by FAA, a letter will be sent to Washington, D.C. urging our local towers hours be adjusted to provide service during this hour. The maintenance staff has been keeping busy with several long over due behind the scene projects with the lack of snow this winter. They have been trimming and removing trees, repairing the many miles of airport perimeter fencing, servicing equipment, cleaning up debris in between hangars, taking inventory of MAC owned assets, just to highlight a few projects. In August, there will be a construction pavement rehabilitation project for Runway 9-27. This project includes pavement joint and crack repair and installation of saw-cut grooves. The joint and crack repairs are considered routine surface maintenance in order to extend the life of the overall pavement structure by limiting moisture penetration. The installation of saw-cut grooves is intended to increase the level of safety of the runway by improving skid-resistance and braking action. Any additional monies not used for the Runway 9/27 grooving and joint sealing may be anticipated to be used on Runway 18/36 and Taxiway Bravo. The construction is anticipated to last for 2 weeks, expected during the month of August.

Safe flying,
Joe

RAAC Report

By John Krack

Lease Policy Changes and Lease Forms.

The Commission passed the new Lease Policy and Forms documents at the February Commission meeting. Several last-minute updates were made as described in Vivian Starr's report, including a clarification in the Compensation provisions stating that value will be determined assuming that a lease would be available, and that market value would be determined using comparable sales.. We believe that the changes are to the benefit of the tenants because they remove much of the uncertainty of how the value will be determined. Although we didn't get everything we would like to have had, the final result is considerably better from the tenant perspective than the initial draft that we started with in December, 2010. Those of us with expiring leases on the old form will get a ten-year lease with a guaranteed 5-year renewal (subject to a specific list of conditions), and a right of first refusal thereafter.

I want to thank the MAC staff, particularly Kelly Gerads, Evan Wilson, Gary Schmidt, and Bill Hoyt, for working with us in hammering out these documents. I also want to thank the RAAC

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RAAC Report

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reps who worked closely with us on this project: John Renwick (Lake Elmo), Bruce Wiley (Crystal), and Don Rosacker.

We all owe a big "thank you" to Jim Cargill and John Mielke of C&P Aviation, and their attorney, Gary Renneke, for their efforts on our behalf. C&P's instructions to Mr. Renneke were to represent the interests of all tenants, not just C&P, and their involvement resulted in a number of changes that benefitted us all.

The next step is to implement the new lease forms, starting with tenants whose leases expire in May. The final forms should be on the MAC website by the time you read this.

Financial Model and Airport Funding

This project is moving forward quickly. A request to commence public hearing processes on a proposal outlining the major changes to Ordinances 107 (Reliever Airport rates and charges) and 93 (MSP rates and charges), was approved by the M&O Committee on March 5 and forwarded to the Full Commission for action on March 19. Pending Commission approval, the public hearing is tentatively planned for May 7, with a commercial operator version in the afternoon and a storage tenant version in the evening. Prior to that, MAC may hold a less formal tenant information meeting to solicit feedback.

The major changes are summarized below. You can see more details on the MAC website at http://www.metroairports.org/mac/appdocs/meetings/Mo/Agenda/MO_A_1158_1.pdf

1. The dreaded "surcharge" option to make up deficits will be dropped completely.
2. The annual ground rent escalator for the operations component will be reduced from 4% to 3%. This means our lease costs won't go up quite so fast.
3. The jet fuel flowage fee currently charged at ANE, MIC, FCM, LVN, and 21D will be implemented at STP and for GA activity at MSP. This would be projected to raise an additional \$652,427 in 2012 had it been in place at the beginning of the year.
4. Landing fees on **turbine aircraft only** will be implemented at ANE and FCM, with some exceptions such as aircraft repositioning, medical flights, and possibly some training. This will apply to all turbine aircraft, including VLJs and private jets. The initial fee is expected to be around \$3, but will probably escalate annually by some percentage. FBOs will collect this from transients, and tenants will be on a self-reporting honor system. Projections are that this would have raised an additional \$331,073 in 2012.
5. Divert current GA revenue derived from MSP to the GA airport system. This is money that Signature Aviation at MSP already pays, and would have resulted in an estimated \$921,000 to the GA system for 2012.
6. Set the commercial operator percentage rent at a flat 1.5% of gross sales, abandoning the 20% exclusion (which was implemented as a temporary measure during the economic downturn) and the sliding scale (which affects very few operators). This would have raised an estimated additional \$259,031 in 2012.
7. Revise the Facility Acquisition Fee to provide relief to tenants who have a small hangar on a large lot.
8. Change capital project accounting from depreciation to debt service, as is done at MSP. This means that rather than carry non-existent "paper costs" for projects that have long since been paid for, costs will only accrue when

money is borrowed, which is seldom. Although this doesn't generate revenue, it makes the balance sheet look a lot better.

The result of these changes, had they been in place at the start of 2012, is to turn an estimated \$2M deficit (which **could** result in a major fight over a \$0.21 per square foot surcharge in 2012 and well into the future) into a \$325K surplus, and a sustainable financial basis going forward. Kelly advises that money for maintenance and capital equipment is built into the plan, and that their future projections are very conservative. Also, if approved, the changes would be effective January 1 of 2013.

Blaine Ballfield Lease (and other community issues).

Gary Schmidt reports that they've been trading proposals with Blaine, but that no agreement has yet been reached. The major issues are the terms of the ballfield leases, and fire protection. The discussion continues.

Non-Aeronautical Revenue

See Vivian Starr's summary of the February M&O meeting for an update on Parcel 64 (Flight Line).

As usual, 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

Naval Air Museum: On our winter vacation this year, I visited the Naval Aviation Museum in Pensacola, FL. This facility is awesome, and in my opinion rivals the Air & Space museum for its exhibits and aircraft collection. One of the highlights of my visit was rides in full-motion F/A-18 Hornet (ala Blue Angels) and Hellcat simulators. These simulators had 360 degree motion about the pitch and roll axes, and unlike some "simulators" where you merely sit in the "aircraft" and the machine bounces you around on a pre-programmed "flight," you had a stick and a throttle and actually got to control these machines. You could do rolls, loops, and inverted flight, and your body actually went through the motion. You didn't get the G-forces that you would in a real aircraft, but you certainly got bounced around.

The Hornet simulator was extremely skittish, and many people had trouble just getting off the ground. (You couldn't crash the thing; it would continue through trees, buildings, and whatever, until you got airborne.) But if you put just a little side pressure on the stick, you were in a 90 degree bank, and if you continued, you did a snap roll. I asked the attendant if they had any F/A-18 pilots try the simulator and give feedback, and she said that one pilot confirmed that the response is pretty realistic.

The Hellcat simulator was still brisk, but a bit more docile and easier to control. It was set up as a dogfight simulator, but I was more interested in flying the plane, trying stalls, rolls, loops, crude split-s maneuvers, and inverted flight.

The cost was \$20 for 5 minutes in the Hornet, and \$15 for 4 minutes in the Hellcat, but once you got going it seemed like longer. If you ever get to Pensacola, I recommend a visit to the museum, and if you ever have a chance to "fly" a MaxFlight 360° simulator, give it a try.

Safety Seminar: The Safety Seminar on January 19 was very well attended, with two excellent presenters and interesting subject matter. The theme was "Preparing for Good Luck in Flight: Managing Medical and Cockpit Aspects of Safe Aviation." Dr. Randle Corfman talked about the medical side, and flight instructor Steve Thibault covered some practical operating concepts.

Some key points from Dr. Corfman's talk are:

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The View From Here

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- Preflight prep: Dress for Survival; maintain body temperature
- Maintain blood flow. Factors decreasing blood flow:
 - Dehydration
 - Hypovolemia (blood loss)
 - Impaired limb blood flow
 - Tight Boots
 - Too many socks
 - Constrictive clothing
 - Cramped position
 - Edema (trauma with swelling)
- Frostbite treatment
 - Rewarm with warm soak (100-108° F). Rapid thaw is best
 - Hydration – drink water
 - Ibuprofen
 - Avoid refreezing at all costs
 - Hydrate
- Large garbage bags (3 mil) are an excellent survival tool
- If frostbite is a threat, wrap feet in baggies. It's almost impossible to get frostbite.
- Adequate water is extremely important for optimal mental and physical performance
 - Daily water requirement for adults is 2-4 qt.
 - Don't depend on thirst: If you're thirsty, you're already 1.5 qt low, and a small amount of water suppresses the thirst response.
- Cold Water Immersion
 - Cold water removes body heat 25 times faster than cold air
 - When immersed in cold water, you get a cold shock that lasts 1-3 minutes, then subsides.
 - First minute: avoid drowning and get things under control
 - Then get a 2-5 minute window to get out
 - If not out in 5-10 minutes, won't get out on your own
 - Conserve heat: get as much of upper body out of the water as possible
- Hypertension (high blood pressure) is a major problem
 - FAA criteria: >155/95 disqualifying
 - If fail, option to monitor over the next week
 - Suggestion: rest at least 5-10 mins before taking BP
 - Cuf size makes a difference
 - BP should be taken on right arm
 - Can be easily controlled with medication
- Sleep apnea is a major concern
 - Puresleep.com sells a dental appliance that helps some patients

Dr. Corfman also noted that consideration is being given to allowing medical self-certification (ala Light Sport) for other pilot ratings

Some key points from Mr. Thibault's talk are:

- Checklists: Use them
 - Memorize the important ones
 - Know where to find the others
 - Make checklists for different scenarios – fires, electrical failures, etc.
- Don't be afraid to do a go-around
 - Earlier is better
 - Pitch and full power
 - Gear and Flaps – see POH
- Taxi diagram: Have one
- Some books that might be useful
 - Fate is the Hunter (Ernest Gann)
 - The Black Box
 - The Professional Pilot vols 1 & 2 (Barry Schiff)
 - Aircraft POH

Blaine Airport Promotion Group: The BAPG's activities continue to grow and they're now at the point where they need additional funding to carry on their mission. So far, Harvey Karth and Roger Hansen have covered the costs, but they can't (and shouldn't have to) continue that indefinitely. The first step is to acquire 501c(3) non-profit status to allow them to receive funds from businesses, foundations, and other non-profit organizations.

This, however, requires \$1,800 in application and legal fees. If 100 of us each kick in \$20, they would meet this goal. So we ask each of you to make a donation to this group so they can take this important step. Make checks out to, and mail to:

Blaine Aviation Promotion Group
8891 Airport Rd., C-2
Blaine, MN 55449

And be sure to visit their website at www.aneairport.org.

Officer Elections: We'll be holding officer elections in March, having postponed them in September because of the picnic, in November because of low turnout at the meeting, and in January because of the safety seminar. If you have any interest at all in getting involved in what's going on, put your hat in the ring. We'll be electing a President, a Vice President, a Secretary, and Treasurer. New blood is always welcome, and none of the current officers will be offended if someone else wants to give it a shot. If you're interested, let one of the officers know, or show up at the meeting and nominate yourself. And if you're interested in working on the Newsletter, let me know.

Discover Aviation Days. As you are no doubt aware by now, there is a serious attempt to re-establish Discover Aviation Days and return it to its former glory. The effort will be jump-started this year with the American Veterans Traveling Tribute, an 80% replica of the Vietnam Veterans Memorial in Washington DC. The date has been moved to June 2-3 in hopes of getting better weather.

As Michael Lawrence notes in the President's Letter on Page 1, display aircraft and volunteers are needed. Please step up to help protect aircraft for a few hours, or volunteer for some other aspect of the event.

Remember that this event is not only fun, but benefits all of us long-term by presenting the airport in a positive light to our surrounding communities. And with gas prices headed toward the \$5 mark, folks will be looking for low-cost family events.

We welcome any volunteer help you are willing to give, as this event takes a great deal of people-power to put on. We are also accepting donations on the website to aid in event expense costs. DAD is a registered 501c3 non-profit organization.

We encourage all airport residents to bring out and display their aircraft for this show as this is an airport event!

For details about DAD, please go to the website at www.DiscoverAviationDays.org or call 763-568-6072 or email us at Info@DiscoverAviationDays.org.

See you there!

DAD Planning Team:

- Civil Air Patrol
- Flywell Flying Club
- Golden Wings Museum
- American Wings Air Museum
- Anoka County Aviation Assoc.

MAC Committee and Commission Meetings

By Vivian Starr

MAC Commission 23 January 2012

An item from the consent agenda was pulled down for discussion at the request of Commissioner Rick King. This issue concerned the ANE athletic fields proposed lease to the Minnesota Amateur Sports Commission (MASC). In previous years, The City of Blaine had held the lease. When negotiations between MAC staff and the city

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MAC Committee and Commission Meetings

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broke down, MASC made an offer. During the January M&O Committee meeting, Blaine City Manager indicated that the City wished to continue discussions.

Jeff Hamiel, MAC Executive Director, responded to Commissioner King's request for an update. He said that MAC staff and Blaine city staff had met on Jan. 17, 2012. They identified a number of issues that needed to be resolved.

- 1 A contract for fire department response to crashes at ANE.
- 2 Xylite Street reconditioning
- 3 The on-going sewer & water maintenance fee
- 4 A sign on Highway 65
- 5 The youth soccer fields

Executive Director Hamiel said there was a good dialog with the proper people. The City wants resolution before the start of the soccer season. MAC staff is making progress with these afore mentioned issues. Staff will come back to the Commissioners soon and the Commissioners will revisit the agreement with MASC which has not yet been approved.

Gary Schmidt, Director of Reliever Airports, updated the Full Commission on the Reliever Airport Task Force Work Plan.

- 1 Develop a strategy to appropriately allocate the costs of General Aviation within the MAC's system of airports.
- 2 Set a strategy to fund capital projects on the Reliever Airports
- 3 Review and assess the composition of fees charged to General Aviation users to ensure competitiveness and fairness within the system. This will show up in "Policies."
- 4 Encourage the appropriate mix, level, and quality of commercial services provided at each Reliever Airport.
- 5 Create a plan to maximize non-aeronautical revenues
- 6 Improve relations with both tenants and surrounding communities by creating a positive and attractive environment.
- 7 Right size the services provided by MAC at each Reliever Airport.

Mr. Schmidt also provided a spreadsheet that showed the planned time frame for bringing these topics to the Commission &/or Committees:

- The new lease forms will be on the agenda in March, 2012
- The new Minimum Standards (Ord. 78) will be on agendas in April, June, & September, 2012
- Rates & Charges (Ord. 107 & Ord. 96) will be on agendas in March, June, August, & November, 2012
- The equipment replacement schedule for Relievers was approved last year.
- The CIP and New Funding Model will be on the agenda in September & December, 2012
- The Revenue Generating Parcels was on the agenda for today (comments below) January 2012
- The Self Fueling Policy will be on the agenda in Feb., 2013 (This does not refer to Self Service pumps.)

Commissioner King asked Mr. Schmidt to confirm that the rates and charges would indeed be on the agenda in March. Commissioner King added that this was a very important piece of work. Chair Boivin commented on the importance of the participation of the Reliever Airports Advisory Council (RAAC) in this process. Director Schmidt said that everybody has been kept informed and so will be well prepared as Rates and Charges are brought to the Commission.

Eric Johnson, Director of Commercial Management & Airline Affairs presented a report on MAC's Non-Aeronautical Land Holdings.

Please refer to Mr. Johnson's memorandum from the agenda which is attached to this email newsletter.

Commissioner Rehkamp asked if the cost of maintaining these properties might influence decisions. Mr. Johnson replied that the only expense is to keep the properties neat. MAC does not pay property tax on land it owns.

Director Johnson also said that ANE parcel 64 would be coming to the M&O Committee in February 2012. (This is the parcel that Craig Schiller wants to develop into Flight Line Enterprise.)

Tim Anderson, Deputy Executive Director of Operations, announced he will be retiring this coming June. For many years, Tim has regularly attended Reliever Airport Advisory Council meetings where he has contributed much to improving understanding between tenants and staff. He will be greatly missed!

MAC Committees 6 February 2012

Planning, Development & Environment (PD&E)

Gary Warren, Director of Airport Development, provided the Commissioners with a review of the 2011 construction season and provided a preview of 2012 construction plans. For the Reliever System, he mentioned the following items:

At STP, taxiway Alpha will be getting attention and the old terminal building (built in 1939) will be rehabilitated and receive upgrades.

Lake Elmo Airport runway 14/32 will have milling and overlay of the middle forty feet. At some future time, it is expected to be converted to a taxiway.

FMC will have sewer and water installation for the new building area.

MIC will see some pavement rehabilitation.

ANE will receive pavement grooving on 9/27 and various other rehab projects.

Management & Operations (M&O)

Anoka County/Blaine Airport Parcel 64 recommendation for a right of first refusal agreement was in the discussion agenda. This parcel is the one where Flight Line Enterprise LTD, founded by Craig Schiller, plans to build a Café and Event Center. If you are not familiar with Flight Line, please refer to their website for information: <http://www.flightlineltd.com/>. Craig Schiller and his company worked with MAC staff for years to reach this point and he was present at this M&O meeting.

Eric Johnson, MAC Director of Commercial Management and Airline Affairs, presented this proposed agreement to the Commissioners. As the wording of the proposed agreement is complex, the memorandum in the MAC agenda is copied below:

As staff indicated at the January Commission meeting, Parcel 64 at the Anoka County Blaine Airport is one of the targeted sites staff is working on in an effort to generate some additional non-aeronautical revenue for the Reliever Airports. Staff has been working with Mr. Craig Schiller and his company, Flight Line Enterprise, LTD ("Flight Line"), over the past few years to develop his proposed project Flight Line Café, a bar/restaurant/event center.

In May 2008, the Commission approved a Request for Proposals ("RFP") process for Parcel 64. Parcel 64 is located within the perimeter fence of the airport, but away from the aircraft operations area. The RFP invited proposals for both aviation and airport-related service land development with the goal to develop a high quality facility that would meet the needs of the airport's tenants, other users, and MAC, while at the same time providing increased revenue for the airport. Mr. Schiller was the only proposer for this offering, so staff recommended the award to Flight Line. Parcel 64 is a complicated site due to a number of issues including elevation change related to the adjacent public road, access to the site by the public; and endangered plant life

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MAC Committee and Commission Meetings

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and wetland restriction. What Mr. Schiller was proposing to develop and, specifically, where he wanted the building to be located, required additional review from the Department of Natural Resources ("DNR") was required. This caused nearly a year delay to be able to evaluate the site following a spring growing season in order to record the number of endangered plants on the site. Following that review, staff entered into a twelve month development agreement starting in November 2009 and running through October 2010.

During the term of the development agreement Mr. Schiller worked on a number of issues related to the site. While working with the Minnesota Department of Transportation he was able to define a public access into the site without utilizing the existing airport tenant access road, which helped to alleviate concerns the Federal Aviation Administration ("FAA") had related to the potential of patrons accidentally driving on to the active airfield. Mr. Schiller was also trying to work through the issues associated with the endangered plant life and wetland issues when his development agreement expired. Through most of last year Mr. Schiller continued to work on this project by hiring his own environmental consultant to review issues related to the site and to find an alternative way to address the plant life issue by finding a mitigation site off airport property. Staff believes that Mr. Schiller has earned the opportunity to make this attempt to see his development concept through to completion. However, instead of tying up the property to only one possible development option via another Development Agreement, staff has come to an agreement with Mr. Schiller to offer a Right of First Refusal for Parcel 64.

BUSINESS TERMS

Under the Right of First Refusal, Mr. Schiller would have up to two years to finalize the steps necessary to get an approved Lease for this property. The reason this requires up to two years is that his proposed plant mitigation site needs to go through two growing seasons to prove to the DNR that the endangered plant life will continue to grow back in the future. Mr. Schiller will pay MAC \$500 per year to cover administrative fees associated with this agreement. If MAC were to receive a development proposal from another interested party Mr. Schiller would have thirty (30) days to provide a counter proposal that would meet or beat the financial offer made to MAC by the other developer. However, any future proposal, including one from a third party or Mr. Schiller would still be subject to review and approval by staff and the Commission. During this two year period Mr. Schiller has several requirements that will need to be accomplished prior to a potential Lease Agreement, most of them having to do with obtaining DNR approval for the endangered plant life. Additionally, he would have to purchase either the mitigation site or an easement on the property, and secure the necessary financing to complete the project. If any of these steps are not completed by Mr. Schiller both parties have agreed to walk away and the Right of First Refusal would terminate.

CONCLUSION

Staff supports the proposed Right of First Refusal Agreement with Flight Line. Staff believes it provides the best alternative for Mr. Schiller to develop his proposal while at the same time providing MAC with the flexibility should someone else come forward with a development proposal that would be beneficial to MAC.

**COMMITTEE ACTION REQUESTED:
THAT THE MANAGEMENT AND OPERATIONS
COMMITTEE RECOMMEND TO THE FULL COMMISSION
THAT MAC STAFF BE AUTHORIZED TO NEGOTIATE AND
EXECUTE A RIGHT OF FIRST REFUSAL AGREEMENT
BETWEEN MAC AND FLIGHT LINE ENTERPRISE, LTD. AS
DESCRIBED GENERALLY ABOVE, AND THAT THE
EXECUTIVE DIRECTOR OR A DESIGNEE BE AUTHORIZED
TO EXECUTE THE NECESSARY DOCUMENTS.**

The Committee passed the proposed agreement unanimously so it will be on the consent agenda at the Feb. 27, 2012, Full Commission meeting.

Proposed Revised Reliever Airport Lease Policies, Rules & Regulations, and Lease Forms were on the discussion agenda. This

presentation was led by Kelly Gerads, Assistant Director of Reliever Airports, with considerable input from Evan Wilson, MAC attorney. Kelly Gerads described the multi-year process in which MAC staff developed their revised documents. Then staff held numerous lengthy meetings with the leadership of the Reliever Airports Advisory Council (RAAC) including RAAC Chair John Krack, John Renwick and Bruce Wiley. C&P Aviation (ANE) also was represented at these meetings with staff by their attorney John Renneke (Larkin Hoffman). Later in the meeting, Mr. Renneke addressed the Commissioners and stated that his instructions from C&P Aviation were to represent the interests of all tenants of the Reliever System, not just the interests of C&P. RAAC Chair John Krack frequently mentioned how invaluable the input from Gary Renneke was in the discussions with staff. Hopefully all tenants of the Reliever System will realize what a huge debt of gratitude they owe to the RAAC leadership, C&P, and Gary Renneke. Kelly described these discussions as productive and lively. She noted that many changes were made and both sides now seem to be reasonably happy.

Next Evan Wilson provided a somewhat more detailed review of the changes being made. If you want to review the proposed documents, they can be found on the MAC website: **Reliever Airports Draft Lease Policies and Forms**

Commissioner Peilen asked if there were any major issues remaining with RAAC. Evan Wilson replied that some were not happy with the lease term renewal and/or the compensation formula. When questioned further by Commissioner Peilen, Mr. Wilson stated that perpetual leases were not reasonable or practical.

Commissioner Mike Madigan asked about flying clubs. Kelly said flying clubs are allowed, but they cannot offer flight training in competition with airport commercial operators (FBOs and flight training schools.)

MAC Chair Boivin asked about a reference to "the ordinance in force at time of renewal" clause.

Committee Chair Mike Landy asked if there were any members of the public who wished to speak. Attorney Gary Renneke (see above) spoke to the Commissioners saying that clarification was needed regarding compensation rights and method of calculating same. He provided examples of calculations that were confusing and disconcerting.

The Commissioners suggested that Mr. Wilson clarify those items. They then discussed whether or not to review changes at another M&O meeting or have a discussion about the changes at the Full Commission meeting later this month. Chair Boivin suggested a review at the Full Commission would be adequate. The Committee voted unanimously to recommend the three proposed documents with additional clarifications to the Full Commission for their consideration.

Finally Gary Schmidt, MAC Director of Reliever Airports, provided an **Update on the ANE Athletic Fields**. He said that significant progress has been made with the City of Blaine on resolving some of the outstanding issues. On behalf of staff, he requested another 30 days to continue negotiations with Blaine. He added that the athletic fields will be on the agenda at the March MAC Committee meetings.

MAC Commission 27 February 2012

The Full Commission consent agenda included the ANE Parcel 64 recommendation for a right of first refusal agreement. Under the Right of First Refusal, Mr. Schiller will have up to two years to finalize the steps necessary to get an approved Lease for this property. Mr. Schiller will pay MAC \$500 per year to cover administrative fees associated with this agreement. If MAC were to receive a development proposal from another interested party Mr. Schiller would have thirty (30) days to provide a counter proposal that would meet or beat the financial offer made to MAC by the other developer. However, any future proposal, including one from a third party or Mr. Schiller would still be subject to review and approval by staff and the Commission. During this two year period Mr. Schiller has several requirements that will need to be accomplished prior to a potential Lease Agreement, most of them having to do with obtaining DNR approval for the endangered plant life. Additionally, he will have to purchase either the mitigation site or an easement on the property, and secure the necessary financing to complete the project. If any of these steps are not completed by Mr. Schiller both parties have agreed to walk away and the Right of First Refusal would terminate.

The recommendation passed unanimously.

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MAC Committee and Commission Meetings

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The Discussion agenda included Proposed Revised Reliever Lease Policies, Rules, and Regulations, and Lease Forms.

Kelly Gerads, MAC Assistant Director of Reliever Airports, described the process of reaching this final version of these documents. Staff held multiple meetings with the leadership of the Reliever Airports Advisory Council (RAAC) including RAAC Chair John Krack, John Renwick and Bruce Wiley. C&P Aviation (ANE) also was represented at these meetings with staff by their attorney John Renneke (Larkin Hoffman). Later in the meeting, Mr. Renneke addressed the Commissioners and stated that his instructions from C&P Aviation were to represent the interests of all tenants of the Reliever System, not just the interests of C&P. Ms. Gerads also noted that MAC has about 800 Reliever leases, 600 of which will be due for renewal this spring. Next she introduced MAC attorney Evan Wilson.

Mr. Wilson said that following the Management & Operations Committee on Feb. 6, 2012, two changes were made to the lease forms, both of which were clarifications. He emphasized that MAC's goal is to retain tenants and their investment in the airport. In writing his clarification of the appraisal process, he requested assistance from a local appraiser who has extensive experience in appraising airport property for MAC.

These changes, as copied from the agenda, are below in bold font:

Recommended Changes

Based upon consideration of the comments and questions received at and subsequent to the February 6, 2012 M&O Committee meeting, staff recommends the following changes be made to the Forms presented at the Committee meeting:

A. Section 6.1: Compliance with Laws

Tenant shall comply with all applicable local, municipal, county, state and Federal laws, regulations, rules and ordinances, now or hereafter in force, including those of MAC, and including all applicable security requirements. Tenant may obtain a copy of MAC's ordinances, rules and regulations by contacting MAC. Nothing in this Lease requires Tenant to waive Tenant's right to challenge the validity of any such laws, regulations, rules and ordinances described in this Section 6.1.

B. Section 16: Airport Development or Redevelopment

Section 16.1: "Right to Terminate or Unilaterally Amend"

If MAC determines, by a decision of MAC's Board of Commissioners at a regularly scheduled or special meeting of MAC, that MAC requires all or a portion of the Leased Property for a use that, in MAC's judgment, is for the betterment of the Airport, the MAC airport system, or the aviation community, MAC may, at any time before the end of the Term, terminate this Lease or unilaterally amend this Lease to exclude a portion of the Leased Property, in accordance with this Section 16 [Airport Development or Redevelopment]. MAC agrees to give Tenant not less than fourteen (14) days notice of any MAC meeting at which such a resolution will be acted upon.

Section 16.3: "Tenant's Right to Terminate"

The following sentence has been added at the end of Section 16.3: "A termination pursuant to this Section 16.3 shall be a termination that entitles Tenant to compensation under Section 16.6 [Payment of Compensation for Improvements] below."

Section 16.6: "Payment of Compensation for Improvements"

The second and third paragraphs of Section 16.6 have been revised as follows:

"Compensation" shall mean the cash, market value of the Improvements, as of the Termination Date, to persons in the market for aircraft hangars or aviation facilities assuming that, on the Termination Date, the person purchasing the Improvements and MAC entered into a new lease for the Leased Property and that the new lease was on the same terms as the form of aircraft storage lease in use by MAC for new leases at the Airport entered into as of the Termination Date. Market value shall be determined using only

the comparable sales approach. The cost and income approaches to determining market value shall not be used in determining Compensation. Only transactions involving the transfer of improvements located on land leased by MAC shall be used as comparable sales. Compensation shall be as negotiated between MAC and Tenant or as determined by this Section 16.6 and the appraisal procedures set forth in Sections 16.6.1 and 16.6.2. Compensation shall not include: any component of market value attributable to the location of the Leased Property within the Airport (but may reflect market value derived from the fact that the Airport is located in the metropolitan area); the market value of the Leased Property; the difference between the rent paid pursuant to this Lease and that paid for any other lease entered into by Tenant; loss of going concern; loss of rental income or loss of business opportunity arising out of the termination of this Lease; or value of any interest in any property or property rights other than the Improvements. Compensation shall not include any cost or profit of a developer. Compensation may be reduced by any unpaid amounts owed by Tenant to MAC under this Lease. Except as expressly described in this Section 16.6, MAC will not pay for any claims other than Compensation with respect to the Improvements.

Commissioner King asked to read a letter from John Krack, RAAC Chairman, regarding the lease forms. The letter stated that RAAC was supportive of the documents. John wrote that, on behalf of RAAC, he appreciated the cooperation of Kelly and Evan during this process. He also expressed appreciation to Bill Hoyt, MAC's insurance guru, taking so much time to explain insurance considerations to RAAC reps. John added that the document has been considerably improved since the first draft.

Commissioner Lisa Peilen asked when Mr. Krack's letter was written. Commissioner King replied that it was dated Feb. 6. Evan added that it was written before the latest changes. (Note: John Krack as been out of town for several weeks.)

Attorney Gary Renneke, Larkin-Hoffman, spoke to the Commissioners. He reminded them that although he had been retained by C&P Aviation (ANE), he had been instructed to promote & protect all Reliever tenants. He suggested one more change to the appraisal process. It had to deal with rapid availability of MAC comparables (in the appraisal process) to a tenant's appraiser, if a valuation is disputed. MAC Attorney Pam Rasmussen gave an opinion that the information was readily available through "freedom of information." Chair Boivin, whose background is in litigating corporate law, said that Mr. Renneke's suggestion was not necessary.

The Full Commission voted unanimously to adopt the final version of the Revised Reliever Lease Policies, Rules, and Regulations, and Lease Forms.

The ABC newspaper, Blaine edition, contains a great article about ANE" tenant Greg Herrick and his Golden Wings Museum. <http://abcnewspapers.com/2012/02/29/anoka-county-blaine-airport-museum-owner-preserves-history/>

January 19 ACAA General Meeting Minutes

There was no General Meeting held in January. We had planned to hold one after the Safety Seminar to do elections, but folks were anxious to get home and we decided to postpone elections until March.

Respectfully submitted by John Krack, Secretary, ACAA.

WANT Ads

HANGARS FOR RENT: Winter's here. Keep your plane inside. Several south facing tee hangars available. Call George at 651/271-3023.

ACAA OFFICERS AND COMMITTEES

President: Mike Lawrence 763-780-2802
V. Pres: Paul Thomas 651-483-9808
Secretary: John Krack 763-786-5876
Treasurer: Vivian Starr 763-559-4683
RAAC Rep: John Krack 763-786-5876
RAAC Alt: Don Rosacker 651-633-1751
Legal Adviser Hal Hitchcock 651-717-0859

Committees & Members

Fire, Building Codes, and Environmental

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.: Joe Harris 763-717-0001

Discover Aviation Days

2012 Dates: June 2-3, 2012

Website: www.DiscoverAviationDays.org

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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.

