



Newsletter  
**Anoka County Aviation Association**  
 ACAA

May, 2011

Next Meeting: **Monday, May 9, 2011 7:00 PM**  
 EAA Chapter 237 Hangar Anoka County Airport.

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**Calendar**

May 9, 2011 (Mon)	7:00pm	ACAA Meeting EAA Hangar
May 21-22 (Sat-Sun)		Blaine Aviation Days
July 1, 2011 (Fri)		Newsletter Deadline Want Ads due
July 11, 2011 (Mon)	7:00pm	ACAA Meeting EAA Hanger

**May Meeting**

Join us at the May meeting for an update on what's happening at ANE and the MAC. We'll also be discussing the proposed lease changes and the RAAC response to them.

**Our new Commissioner, Jim Deal, has been invited.** We're hopeful that he'll be able to attend.

Family, friends, and members of other airport associations are cordially invited. The meeting starts at 7:00 PM on Monday, May 9, at the EAA 237 Hangar on the west side of the field. Doors open around 6:45. Refreshments will be provided.

**Around the Airport**

By Joe Harris, Airport Manager

The Airport Spring Cleanup Weekend event was a huge success. A total of seven 20-yard dumpsters were filled. Regardless of the poor weather airport tenants seemed to take advantage of the opportunity. In addition, a few containers were also filled with recycled materials. Thank you to all that participated and supported this event.

We look forward to the Blaine Aviation Days event May 21-22. This is such a wonderful community event. The volunteer organizing event staff spends countless hours in preparation for this weekend. We want to thank them for their dedication to aviation and the promotion of Anoka County/Blaine Airport. We have a lot of wonderful events taking place at our airport this summer. The History Flight Tour will be at the airport August 3-7 ([www.historyflight.com](http://www.historyflight.com)). The DC-7 that used to be parked at St. Paul Downtown Airport has been restored and is scheduled to be on display at the end of June. There are additional events being planned for this summer.

We want to thank the team of volunteers who have stepped forward for their willingness to construct a pavilion over the public aircraft viewing area. This area is located near the air traffic control tower. This will be a great addition to this site. Moreover, if you are interested in volunteering for airport projects, please let me know.

With regards,  
 Joe

**RAAC Report**

By John Krack

Our immediate focus is still on the Lease Policies and Forms, and will continue to be since MAC has some 600 leases coming due next year, and wants to get this wrapped up soon. The next project will

be the new Financial Model, which is currently in the works. Following is a summary of the items we're tracking:

**Aesthetics/Maintenance Ordinance**

Letters have gone out to the owners of hangars most in need of attention, identifying the specific issues of concern. Most of the affected tenants have responded, and managers will be meeting with tenants to work out agreements.

I'm still on the hook to put together a contractor list.

**Financial Model**

MAC continues to work on updating the Reliever Airport Financial Model and developing business plans for each of the Reliever Airports. They're sifting through a number of ideas, and expect to have something to share with the RAAC later this summer.

**Blaine Ballfield Lease.** Gary Schmidt is still working with Blaine officials to reach an agreement, expected within the next 60-90 days.

**Lease Policy Changes and Lease Forms.** We're continuing to work with MAC staff on our concerns and recommendations. Don Rosacker, Bruce Wiley, John Renwick, and I met with MAC staff on April 18 to review our response as published in the March Newsletter, and have a follow-up meeting planned for May 9. While we didn't get a lot decided, I think we better understand some of the issues, which is the first step toward agreement.

My summary of the April meeting starts on Page 5. As always, your input is solicited and welcomed.

**Non-Aeronautical Revenue.** MAC has hired a consultant to review the target non-aeronautical parcels, and identify those with realistic development potential, including possible environmental issues and commercial viability. This should allow MAC to focus on the parcels with highest development potential, and hopefully be more effective at marketing them.

We'll keep you posted as things develop.

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

**Check Your Hangar for Storm Damage**

It was noted at the March meeting that some hangars appear to have suffered storm damage of which the owners may be unaware. In particular, it was noted that some ventilation louvers have been damaged, allowing water to get in. You are urged to check your buildings for damage and get it repaired, as we're now into the rainy season.

**In Memoriam – Ron Barrows**

It is with sadness that we note the March 21 passing of Ron Barrows, a longtime ACAA member and former hangar owner at ANE.

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## The View From Here

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Ron was a true craftsman, having built a Glastar and a Rans S-19, the latter of which he soloed last fall. For many years he was a leader in Discover Aviation Days at ANE. Ron owned several hangars at ANE before building his dream home and hangar at Lino Lakes Air Park. However, he was often seen around ANE helping many hangar owners make improvements to their buildings. Friend, leader, craftsman--Ron will be missed by all of us. Our deepest sympathies go out to his family and friends.

(Above summary from Vivian Starr.)

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### Safety Seminar

I attended the March 24 Safety Seminar "How to Become an Old, Bold Pilot: Medical Considerations," by Dr. Corfman. I jotted down a few points on staying healthy and alert that I found interesting, and thought you might as well.

1. If you see a fellow pilot doing (or about to do) something that you feel is risky or dangerous, don't be afraid to offer a few "words of wisdom." It may save a life.
2. Lots of water is needed to support our metabolic processes. Most people don't drink enough. Caffeinated or alcoholic beverages don't count, as they actually cause the body to lose water. If we're thirsty, we already have a 1.5 qt fluid deficit. Should drink 2-4 quarts of water per day.
3. Heat-related illness can seriously diminish alertness. Heat Stress occurs at a body temperature of 99.5-100 degrees F. Heat Exhaustion occurs from 101-105, and Heat Stroke occurs above 105. If you're out and about in a hot environment, drink extra fluids. Although it's possible to develop heat-related illness with adequate water intake, it's better to drink too much rather than too little.
4. Fatigue is a major contributor to lack of alertness. The recommended amount of sleep is 8 hours/night. Because of our body clock, sleep before midnight is twice as valuable as sleep after midnight.

Avoid driving (or flying) between 2AM and 9AM.

5. Naps should be less than 20 minutes or greater than 90 minutes. Naps between those times cause one to wake up groggy, and not well-rested. A 15 minute nap is better than a 30 minute nap.
6. Sleep apnea is disqualifying on an FAA medical. A dental appliance that might help some people with breathing problems during sleep is available at [puresleep.com](http://puresleep.com).
7. Walking is the best exercise to maintain weight. It burns fat better than intense exercise.
8. If you fail one class of medical, you fail them all. For example, if you apply for a 2<sup>nd</sup> class medical and fail an item that would be OK for a 3<sup>rd</sup> class, they won't give you the 3<sup>rd</sup> class. So don't go for a medical higher than what you really need.
9. The AME guidelines are available on the FAA website, so you can see what they're looking for and what the criteria are.

Thanks to Dr. Corfman for sharing with us his "words of wisdom" on staying healthy to fly safely.

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### Class B Airspace Meetings

I attended the March 18 informational meeting on the proposed Class B airspace changes. The changes are fairly minimal, mostly lowering the floor from 7,000 to 6,000 feet in four outer ring

wedges used for MSP approaches, and tweaking the boundaries of these wedges a bit. The reasons given for the changes were that ATC is having difficulty keeping MSP traffic inside the protected Class B airspace, which presents a hazard to aircraft flying just underneath the floor of that airspace.

A major reason is that the newer airliners have much shallower glide paths than the older ones, so descents must start further out, causing airliners to drop below the Class B floor for a short distance in the outer ring. Another reason is that the vectoring of aircraft into MSP sometimes encroaches on the current Class B boundaries.

This doesn't appear to be an "airspace grab," but rather a minor move to keep Class B traffic in the Class B airspace.

You can see a map of the proposed changes at

<http://www.dot.state.mn.us/aero/avoffice/pdf/mplsclassbairspaexchange2011.pdf>

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### Commission Changes

The remaining Commission vacancies have been filled. See Vivian Starr's excellent discussion of the new Commissioners and their backgrounds in her summary of the 6 April FD&E meeting below.

Thank you to previous Commissioners Jack Lanners (chair), Sherry Stenerson (District A), Molly Siegel (District B), Andy Westerberg (District E), Robert Nelson (District F), and Bert McKasy (District H) for their excellent stewardship of the Twin Cities airport system.

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### Dick McKenny Column

Dick McKenny, a longtime ACAA member, has offered to do an occasional column sharing his thoughts and experiences in aviation. His first article, "The Hangar Door," appears below, where he discusses his experiences after purchasing a hangar at ANE.

We thank Dick for sharing, and look forward to more of his insights in the future.

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### Blaine Airport Promotion Group

The BAPG continues to move forward. Following is an April 14 report from Roger Hansen, the group's education coordinator, on the progress made working with local school systems. If you'd like to get involved, contact Roger at [rogerhansen49@gmail.com](mailto:rogerhansen49@gmail.com), or Harvey Karth at [hkarth99@comcast.net](mailto:hkarth99@comcast.net).

The education sector of our community has received a great deal of news coverage that is shaking the core of the educational system as we know it today.

Thankfully we have a great deal more that is positive. The University Magnet School is still moving forward with their STEM program. Teachers have been working hard during the spring break and developing their fall curriculum. We are in contact with local foundations that are connecting with members and raising thousands of dollars for their schools for special projects and scholarships. Civic leaders and school administrators are joining together to help families to connect with community classes and programs hoping some after-school activities will help students close the achievement gap.

Whatever develops from K-12 budgets and teacher blame game, we remain optimistic in our vision to engage students while they tour our facilities and challenge them to reach higher in their achievement goals.

We will be reaching out to more schools and community groups to introduce our objectives of airport promotion and student mentoring. Teachers are pressed to get bus and transportation issues arranged as well as working in special after-school programs and developing their curriculum. We will continue to work with Magnet and Charter Schools so we will not lose that connection. We are sure now that the information is getting out.

The Blaine Banner was looking for us to place an ad for the April 6 issue. Harvey Karth was contacted by the publisher but it had a price tag so Harvey kindly refused the offer.

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### **The View From Here**

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A short time later the publisher called back and asked about the school tour program and asked that a news release be submitted. Harvey agreed and the release was accepted for the April issue. This is an example of getting to people in the community and introducing our product. The people developing the school foundations and community programs are looking for ways to raise funds for their schools and special student initiatives so we are confident that we are able to make a difference in the life of our community by offering a service to the schools

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## **Blaine Aviation Days – May 21-22**

This popular annual Fly-in features many aspects of aviation, including aircraft that span Experimental, Homebuilt, Civil, Corporate, Military, WWII and Vintage categories. There will be numerous displays, vendor exhibits offering the best in products & food offerings. Interesting and informative FAA pilot Safety Seminars will take place each day. Our own EAA Chapter 237 will host a pancake breakfast from 7am to 11am and the local squadron of the Civil Air Patrol will host a lunch from 11am to 3pm. There will be Kids activities for those younger flyers, and many activities for those just young at heart. Guests are invited to fly in or drive to the festival. You can also take to the skies by enjoying a Fixed Wing, Helicopter, Bi-Plane or WWII B-25 ride. Be sure not to miss the Golden Wings Museum, which will be open so that visitors may learn even more about the accomplishments and machines that characterize the age of aviation.

### **Hangar Dance**

Saturday Night, the doors re-open at 7pm for our 11th annual Hangar Dance. Come out and see the fantastic, and always popular, 1940's swing band "Dave Andrew's Big Band". This 14 piece band is set up under the big parachute in Golden Wings Museum. Music starts at 8pm and refreshments will be available all evening. Admission rates are:

Adults = \$12.00 (ages 18 plus)

Teens = \$8.00 (ages 13 - 17)

Kids = FREE (12 and under)

### **Volunteers Wanted**

We are always looking for volunteer help to aid in creating and executing this event. A great deal of effort is involved in the set-up and tear down of the site. Assistance is also needed with car parking, hangar dance preparations, and other activities. We invite you to come out and participate in creating this year's Blaine Aviation Days and Fly-In. All of our volunteers enjoy the satisfaction of creating a fun family event for the community.

If you are interested, please contact Dick Houck at [dick\\_houck@yahoo.com](mailto:dick_houck@yahoo.com) to register as a volunteer. You can also call our main phone number at 763-568-6072.

As in years past, this aviation event is Admission free. However, we do ask for a car parking donation to aid in covering various event costs. Volunteers will be directing traffic to parking spots around the field.

For more information, check out the Blaine Aviation Days website at <http://bad2011.org>.

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## **MAC Committee and Commission Meetings**

By Vivian Starr

## **MAC Committees 6 April 2011**

### **Finance, Development, & Environment (FD&E)**

There were two discussion items on the agenda. First was a report on an audit of MAC employee and retiree benefit programs. Some errors were found and are being addressed. Jeff Hamiel, MAC Executive Director, discussed these corrections with the Commissioners. MAC Chairman Dan Boivin said that prior to being appointed Commission Chairman, he served as Committee Chair of the Human Resources and Affirmative Action Committee. In that position he frequently worked with Jan Nielsen, Deputy Executive Director of Human Resources. He stated that he had great confidence in Ms. Nielsen taking the necessary corrective action.

Now for a brief review of the changing faces at the Metropolitan Airports Commission since Mark Dayton was sworn in as Governor. Under Gov. Pawlenty, Jack Lanners was the commission Chair. In February, Gov. Dayton appointed Dan Boivin to the Chairmanship. Because Mr. Boivin had been the appointee of Minneapolis Mayor Rybak, this position became available and has been filled by Greg Foster, a financial advisor with UBS in Wayzata.

Commissioners who had terms expiring in January, 2011 and who were not reappointed by Gov. Dayton include Sherry Stenerson, Molly Segal, Bob Nelson, & Bert McKasy. Andy Westerberg resigned from the MAC after being elected to the Anoka County Board of Commissioners. These former Commissioners served long and diligently for \$50 per meeting. They were essentially volunteers in an amazingly difficult job. They deserve our sincere thanks for their service.

The only Commissioner whose term expired and was reappointed by Gov. Dayton is Paul Rehkamp. Mr. Rehkamp has served on the MAC board of commissioners since 1993, when he was appointed by former Governor Arne Carlson. A funeral home director in Marshall, Commissioner Rehkamp served as the Commanding General of the 88th Army Reserve Unit at Fort Snelling. In that role, he accumulated a lot of flying experience!

MAC District A is now represented by Carl Crimmins, from Champlin, who is the president of the Minnesota Pipe Trades.

MAC District B (includes FCM) is now represented by Richard King. He is chief technology officer for Thomson Reuters Professional in Eagan. King chairs the city of Eden Prairie's Budget Advisory Commission and the Flying Cloud Joint Airport Zoning Board. Prior to his appointment to the MAC, King also spent five years as chair of Eden Prairie's Flying Cloud Airport Advisory Commission. In addition, he was appointed by former MAC Chairman Jack Lanners to lead Team IT, a group established to assess and strengthen information systems within the MAC.

MAC District E (includes ANE) is now represented by James Deal. He is the former owner and Chairman of the Board of NAU, Mountain States and NAU Country Insurance companies. Mr. Deal was appointed by former President Jimmy Carter as administrator for the Federal Crop Insurance Corporation from 1977 through 1980. Presently he and his wife, Pam, are the owners of PSD Holding, LLC and its subsidiaries, which are land development companies. Over the years, he has been involved in numerous other ventures which have included real estate development; business investments; farming; recreational vehicle retail sales; travel services; and resort, restaurant and fishing facility operations.

MAC District F (includes Lake Elmo Airport) is now represented by Michael Madigan. He is an attorney and managing partner of Madigan, Dahl & Harlan. Previously, he served eight years on the Woodbury City Council and three years as chair of the Woodbury Planning Commission and was an adjunct professor at William Mitchell College of Law. An instrument-rated private pilot, Madigan resides in Woodbury.

MAC District H is now represented by Tammy Mencil. Tammy Mencil is president and publisher of the *Minneapolis/St. Paul Business Journal*, part of the privately held American City Business Journals family of weekly business publications. Before joining the *Business Journal*, she spent several years working in retail management. Previously, she served for three years on the Eagan Airport Commission. Mencil has been recognized by the National Association of Women Business Owners as one of its Corporate

Women of Achievement and honored by Normandale College with its prestigious Alumni Achievement Award. She resides in Eagan.

It should be noted that Commissioners Williams and Landy have also been General Aviation pilots.

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## MAC Committee and Commission Meetings

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Commissioner Monaco, of Duluth, owns Monaco Air Duluth, LLC, a full-service, fixed-base operator at the Duluth International Airport serving airline, military and general aviation customers. Previously, he spent 28 years as an international information technology and business management consultant, including 18 years as partner and senior executive with Accenture. He holds a commercial pilot certificate.

Commissioner Tim Geisler, of Rochester, is a unit manager in the Department of Finance with Mayo Clinic in Rochester. Commissioner Geisler is currently treasurer of Rochester Airport Company which oversees the management of Rochester International Airport.

So now there are seven out of fifteen people on the MAC commission who have active experience with General Aviation.

For more detailed biographies, please see the following MAC webpage:

<http://metroairports.org/mac/governing/commissioners.asp>

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### MAC Commission 18 April 2011

Chair Dan Boivin administered the oath of office to MAC's six new Commissioners: Carl Crimmins, James Deal, Gregory Foster, Rick King, Michael Madigan, and Tammy Mencil. This is the largest number of new members in memory.

The consent agenda included FD&E's Committees' report. An accounts receivable summary was part of this report. Commissioner McClung inquired about the Reliever Airports' large unpaid balance.

Executive Director Jeff Hamiel explained that a number of Reliever commercial and storage tenants are in financial difficulty. At Crystal Airport, the Flying Scotchman FBO recently closed its business. Several operators at Flying Cloud are at risk. He noted that in these difficult economic times and with no waiting list for airport leases, staff is reluctant to expel tenants as that would create a number of vacant commercial and storage buildings.

Gary Schmidt, MAC Director of Reliever Airports, was asked to elaborate. He said there is a delinquent balance of about \$250,000. MAC has a procedure for dealing with unpaid rates and charges. First and second notices are sent out. Tenants are personally contacted. Eventually, staff works with a delinquent tenant to develop a payment plan. If that fails, MAC's legal department becomes involved. Eventually tenants in default lose their leases. Therefore, MAC is working with tenants to give them as much leeway as possible to restructure their businesses. Even though tenants may be behind in their payments, the rents due continue to accumulate and MAC staff believes that if a business or storage hangar eventually sells, MAC will recover those rents at closing. Mr. Schmidt gave as an example three substantial commercial operators at Flying Cloud that are in default and trying to sell their businesses.

Mr. Hamiel was back at the podium to review MAC's accomplishments for their 2010 Key Initiatives. Under the heading of pursuing new MSP and Reliever Airport revenues, Mr. Hamiel described Commissioner Monaco's working group known as "Team Relievers" which is creating business plans for each Reliever Airport. Scheduled completion is the second quarter of 2011.

Resolutions of Appreciation were voted for each of the six previous Commissioners, Chair Jack Lanners, Commissioners Bert McKasy, Molly Segal, Robert Nelson, Sherry Stenerson, and Andy Westerberg.

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## March 14 ACAA General Meeting Minutes

The meeting was called to order at 1902 by President Michael Lawrence. Approval of the November and January minutes as published in the March Newsletter was moved, seconded, and approved by voice vote.

Treasurer Vivian Starr reported that our treasury balance was:

Checking:	\$1,038.85
Savings:	5,906.93
Total:	\$6,945.78

### Airport Activity

Airport manager Joe Harris gave an update on what's going on around the airport. He noted that we're in a transition period between winter and summer, and that he has scheduled a Spring Cleanup weekend at the end of April. More information will be forthcoming.

Dan Boivin is the new Commission chair, replacing Jack Lanners. Commissioner Boivin was Mayor Rybek's appointee prior to being appointed chairman. Other vacancies have not been announced, and there are no rumors.

By the next ACAA meeting, Joe will begin notifying owners of hangars that need to be repaired. Many have already reached out to Joe.

Some hangars have storm damage of which the owners may be unaware. Some ventilation louvers are damaged, and water is getting in. John will highlight this in the next Newsletter.

This summer, MAC will resurface taxiway Delta and other pavement at the south end of the field. They'll try to do this with in-house resources.

Gates have closed on people. Lights will be installed that blink when the gate is transiting. The problem with the gates first surfaced here.

John Krack then discussed the draft lease policies and forms that the RAAC is working on with MAC staff, pretty much summarizing the RAAC concerns and suggestions published in the March Newsletter. For Compensation, it was suggested that we could check with the County on how they assess airport buildings. It was also suggested that we consider using replacement cost.

Joe Harris noted that ANE is losing tenants, as is the whole metro area. People are moving to nearby airports.

Joe also said that it's OK for him to use volunteers for some airport projects.

The meeting was adjourned, time not recorded.

*Respectfully submitted by John Krack, Secretary, ACAA.*

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## The Hangar Door

By Dick McKenney

We all know that aviation is about flying, airplanes, education, safety, regulation, design, engineering, construction, etc. We sometimes forget that it is also about people and their part in the whole aviation culture. Since my earliest recollection I was fascinated by airplanes and flying them. I flew with long time friends, rented airplanes, and socialized with people who liked aviation. I read about the EAA in the Wall Street Journal and joined the national EAA so I could go to their fly-in at Rockford, Ill. I later joined a local chapter because I wanted to build an airplane. But I always felt somewhat like an outsider to the flying community.

When I bought my first aircraft, I rented a hangar at ANE. Five years later, I bought a hangar at Anoka County Airport. It was the smartest thing I ever did (other than getting married). It gives you a place to go instead of the local bar. When you have a hangar you become one of the aviation community. On a Friday afternoon or Saturday morning, you can open up the big door, put

your aircraft on the pad in front and people come by and stop at your hangar. They may be locals, may be sightseers, they may just want to look at your airplane. Whoever they are, they are interested in aviation and want to talk. I have met and know many people I would never have talked to without the hangar.

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## The Hangar Door

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Just recently, I was getting ready to go practice some landings when an elderly gentleman drove up and wanted to go flying with me if we could do some wingovers. OK, I said. After my turn he wanted to try some. Great; I knew this guy could fly the Citabria when he did his clearing turns. After some wingovers and a couple of barrel rolls, we landed and I asked him where he learned to do such smooth maneuvers. Turns out Marv was a Navy Corsair pilot from WWII carrier operations. Over the years I have found the Navy-trained pilots are the best. My first instructor was one and I was in a partnership with a pilot who had instructed for the Navy. Marv and I plan to do some more flying together. He also said he was glad to know the EAA was bringing young people into flying through Young Eagles and other educational programs. You just never know who will blow in if you leave your hangar door open.

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## Notes from the April 18 Lease Meeting with MAC Staff

By John Krack

### Attendees:

MAC: Bill Hoyt, Kelly Gerads, Evan Wilson, Gary Schmidt  
RAAC: John Krack, John Renwick, Don Rosacker, Bruce Wiley

### Insurance

We started out talking about insurance. Our concerns fall into three major areas: Contractor insurance requirements, Event insurance requirements, and Subtenant insurance requirements.

### Contractor Insurance

One of our concerns was why contractors, particularly for small projects, need to specifically indemnify MAC. Our concern is that this constitutes additional paperwork and possibly cost on the part of the contractor, and likely won't get done anyway for small projects. Bill Hoyt, MAC's insurance specialist, explained that "indemnification" is different from "additional named insured."

Indemnification is a contractual agreement between the tenant and the landlord whereby the tenant agrees to defend the landlord against claims, and is separate from the agreement between the tenant and a contractor. This agreement is embodied in the lease, and presumably is covered by the tenant's liability policy. [My words. Need confirmation.] So if, for example, a worker was hurt and sued the tenant and MAC, the tenant's insurance would defend both parties against the claim. Bill gave an example of a worker who literally tripped over some Tyvek they were installing, and filed a suit against MAC for injuries. Since it's not limited to construction, it would also defend against other liabilities, such as someone who slipped on the ice on a tenant's ramp, and filed suit for injuries.

Additional Insured, on the other hand, would typically be included in the contractor's insurance for the work being done, and would specifically name MAC as an insured party. Our question there is whether this is warranted for small projects, such as painting a truss bar, whether it would add materially to the cost, and whether people would bother to do it. Gary Schmidt noted that contractors can mess up even on small projects, incurring large costs. John Krack responded that we need to look at the risks. Bill Hoyt noted that they would be happy to discuss a pending project with a tenant and work out the most appropriate insurance requirements for the project.

### Event Insurance

The RAAC concern is that insurance requirements will tend to kill small events, such as traditional fly-ins and pancake breakfasts. We agreed that large events where the public is actively invited, such as Discover Aviation Days at ANE, definitely require separate insurance and need to include MAC in the planning process. EAA-sponsored events, such as Young Eagles and pancake breakfasts, are covered by EAA insurance. The kinds of events of concern are ad hoc fly-ins

sponsored by airport groups, and formal events such as the ANE "Big Bombers" events where the public is solicited, but numbers are small.

One concern expressed by MAC and echoed by John Renwick is so-called "parasite operations" that pop up during organized events, such as someone doing helicopter rides separate from (and not sanctioned by) the event itself. They may or may not have adequate insurance, and you can bet that if someone gets hurt, they'll drag MAC and the event organizers into the lawsuit.

Bill Hoyt also noted that if they are notified 30 days in advance of an event, they will work with the event organizers to identify appropriate insurance requirements, and may be able to adjust the MAC's policy to cover some of the risk.

### Subtenant Insurance

We didn't have time to cover this.

**Follow-up Actions:** John Krack indicated that based on the discussion, he'd like to go back and review the language in the lease documents, and schedule a follow-up meeting to focus on insurance. He also noted that it might be appropriate to include a section on construction insurance in the maintenance sourcebook he's committed to develop, but would need MAC's help with that. Bill Hoyt said that he's thought about doing a tenant "hangar package" discussing insurance.

### Changing Rules in the Middle of the Lease

A major RAAC concern involves language that appears to allow MAC to materially change the terms of a lease during the lease term. This concern stems primarily from provisions that incorporate the Lease Policies and Ordinances into the lease by reference. Since the Policies and Ordinances can be changed at any time, any such changes would presumably result in changing the lease agreement itself. While there is a hierarchy specified to resolve conflicts (Ordinances prevail over Lease; Lease prevails over Policies), any change made to an Ordinance or Policy that did not directly conflict with the Lease would presumably change the terms of the Lease. Or if an Ordinance change was made, it would always apply to the Lease. (For example, if an Ordinance was passed to disallow subtenants, it would prevail even though subtenants are provided for in the Lease.)

MAC feels they need these provisions so they can "tweak" the rules as things come up. Evan pointed out that as a public body, MAC has constraints embodied in case law that limit in practice what kinds of changes they can make. In particular, a court would look at whether the change substantially affects the lease, whether it's reasonable, and whether it's necessary to support an important public purpose. Kelly gave examples of recent changes (Facility Acquisition Fee and Sublease Fee) that are called for in Ordinance 107, but have intentionally not been imposed on existing leases because of the tests noted above. In short, MAC does not intend to use this provision to materially change lease terms, and are in fact limited by law from doing so.

To help clarify things, Evan offered to include language that if there's a conflict with an ordinance in effect at the time of signing, the ordinance would prevail. Nothing would be said about conflicts with future ordinances or future revisions to existing ordinances.

John Krack suggested that MAC consider adding an Appendix to the Policies document clarifying their intent on some of the more controversial issues. This would include an overview of the legal standards they must adhere to as Evan outlined in our discussion.

Also, MAC Staff noted that any changes to Policies or Ordinances would be done through a Public process including public meetings. Ordinance changes include the added step of a formal Public Hearing, where a court reporter is present and testimony is recorded, with no discussion.

Bruce Wiley expressed concern that MAC is able to change the economic rules (i.e., charges) at any time. This is particularly difficult for businesses, which cannot pass on these increased costs into a declining market. He is looking for a way to lock down rates so a business doesn't get "blindsided." He's looking for something similar to South St. Paul, where they lock in the rates (with annual increases included) for the duration of the lease. MAC Staff says the need the flexibility to update rates periodically to reflect market conditions, and would be unwilling to lock in rates for a 10-year lease term.

[COMMENT: We need to work on this some more. We agree that some items, such as safety issues, are fair game for change, but we

need some assurance that we won't be blindsided by exorbitant charges, that legitimate usage won't be restricted, that our property won't be taken (or rendered unusable) without fair compensation, and that we won't be so burdened with rules that we're effectively driven out.]

### Lease Renewal

RAAC's concern is that all renewal provisions are covered in the Lease Policies document, which can be changed at any time, so a

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### The Hangar Door

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tenant has no assurance or confidence that a lease will be renewed, or for how long. They are also concerned that the current Policies draft calls includes a "May Issue" provision rather than a "Shall Issue" provision. It is a crucial issue for many tenants to be given some contractual assurance that their leases will be renewed except in clearly defined circumstances, such as uncured defaults and need for the property for a "greater good." From the tenant perspective, we need concrete assurance that a lease will be renewed except under specific defined conditions.

**Follow-up:** This needs further discussion. MAC Staff said they would look at including lease renewal language in the lease forms themselves.

Lease renewal terms were also discussed. The Policies draft calls for 5-year renewal terms. The RAAC believes that a 10-year term is more appropriate, given the tenants' investments in their leasehold improvements and, in the case of businesses, the potential impact on the livelihoods of the owners and their employees. It was also suggested that MAC lock in the rates for the duration of the lease, as is done at South St. Paul. Gary Schmidt said that MAC would not agree to locking in rates for 10 years. John Krack suggested that tenants be given an option of a 5-year renewal with set rates, or a 10-year option with changeable rates. MAC staff thought that would be too complicated to administer. Gary Schmidt noted that rate increases take time to go through the process, and that if a rate increase was in the works, fixed-rate leases would not be renewed until the new rates took effect.

**Follow-up:** Needs more discussion. MAC wants the 5-year renewal so they can change the lease terms more frequently. Tenants (I believe) want the longer term for security. If we have virtually guaranteed renewal, does the term really make that much difference to tenants?

### Compensation

In the event of an involuntary taking, the RAAC is concerned that the proposed compensation model (the greater of amortized or county-assessed value) does not accurately reflect the true value, and that market value should be used. Gary Schmidt said that market value includes a location component which can be significant, and that MAC would in effect be paying a premium to get their land back. MAC wants to compensate for the value of the improvements only, with no premium for the scarcity of airport land. John Krack indicated that given the disruption to the tenant, perhaps MAC should pay a premium. John Krack expressed concern about how assessed value is determined, given that there are few comparables, and (at least at Anoka) assessors do not inspect the insides of buildings. Gary Schmidt said that Anoka County determines value by looking at the market value of pole buildings in the vicinity of the airport, and subtracting the value of the land, which is pretty well established for off-airport property.

John Krack suggested that perhaps we should look at replacement value, but that raises the question of whether it's fair to effectively compensate a tenant with a brand new building if his current building is 30 years old (albeit in good repair).

Bruce Wiley noted that there's a difference between the taking of a storage leasehold and a commercial leasehold. [I believe what he was getting at is that in the commercial case, there's an impact on jobs and livelihoods that should be taken into account, where in the storage case, it's the asset that's primarily affected. However, one could also argue that in the commercial case, the tenant has the opportunity to depreciate the asset as a business expense, where the storage tenant does not, and thus their entire investment is at risk.]

We also discussed whether "public use," as used in section 16.1 of the Storage Lease form in the context of taking all or part of a leasehold, includes taking property for the benefit of expanding a commercial operator. I don't remember getting a clear answer.

**[COMMENT:** This issue needs more discussion. I can understand MAC's position as landlord of wanting to pay only for the actual residual value of the improvements themselves, but if we look at this from a tenant perspective, we note that tenants have made often substantial investments in their leaseholds, and have made a long-term commitment to the airport. For storage tenants, the investment is likely to be a significant part of their net worth, and in a "normal" situation they would be able to sell these assets at fair market value to recover their investment plus any potential appreciation, in the meantime paying lease fees and taxes for the privilege of operating on the airport. The fact that the improvements have a "location" component should be immaterial to MAC, since MAC presumably recovers the location value through the lease rate. The tenant has made the investment, has tied up the capital, has maintained the asset, and has taken the risk, and should derive the benefit of any appreciation.

To have the asset involuntarily taken is certainly an inconvenience (albeit reduced if the tenant can buy or rebuild on the same airport), but if compensation is less than the asset's value, it can have a major financial impact. If the tenant can buy an equivalent building, he would certainly have to pay the location premium, and if he can rebuild, the cost would likely be much higher. If he has to leave the airport, the impact on his financial situation would be negative, not due to market forces, but to a unilateral decision by MAC. It's a little bit like a company coming to a stockholder and saying "We're going to buy your stock back, but we're only going to pay you the issue price, because that's all we got for it in the first place and you've collected dividends over the years, and it's not good policy for us to pay a premium for buying our stock back."

For a commercial operator, involuntary displacement can be even more severe. Not only is the business disrupted, but if he can't relocate on the airport, he would likely be out of business. Since most airport businesses need to be on airports, he can't simply move down the street and keep going. And if, through long hours and smart decisions and a little bit of luck, he has built a thriving business over the years, to have that taken away without fair compensation seems grossly unfair.

My point with all of this is that if MAC needs to take all or part of a leasehold for a so-called "greater good", they should expect to pay a premium to do so. The cost should be factored into the cost of the project. MAC plans 20 years in advance, and updates these plans every 5 years. Certainly any major project that involves taking existing leaseholds should come as no surprise to anyone. There should be plenty of time for MAC and any affected tenants to work out transition plans that are fair to everyone.

I noted at the meeting that I think MAC needs to be prepared to take some risks. I think this is one area where a risk on MAC's part is justified, to ensure tenants that they'll get a fair shake. I think we need to compensate based on fair market value.]

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## 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: Open

**Airport Mgr.:** Joe Harris 763-717-0001

### Discover Aviation Days

Craig Schiller 763-786-5004

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Lyle Peterson  
Dick Houck  
Nancy Carter  
Jim Pothen

## ANOKA COUNTY AVIATION ASSOCIATION

The ACAA is an association of hangar owners, hangar renters, FBO owners, pilots, flight instructors, commercial operators, and 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 University of Minnesota 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](mailto: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](mailto:DVStarr@aol.com).

