

**HELENA REGIONAL AIRPORT AUTHORITY
MEETING MINUTES
APRIL 19, 2022**

MEETING

In Attendance:

Mike Murray, Chair
Tom McGree, Vice Chair
Mike Muscarelli, Secretary
Dave Simkins, Immediate Past Chair
Debbie Havens, Commissioner
Bob Heberly, Commissioner
Jeff Wadekamper, Airport Director

Others Attending:

Nick Enblom, Morrison Maierle Engineers
Ross Marty, Assistant Airport Director
Connie Lundin, Financial Manager
Amber Huggett, Office Manager
John Rasmussen, Brownsmith, LLC
Tom Ascheim, I.U.P.A.T District Council 82 Building Corp., Inc.
Lisa Gresens, Helena Aircraft

Attending via Zoom:

Greg Gould, Jackson, Murdo & Grant, P.C.

Excused:

Bill Burkland, Commissioner

11:00 a.m. – Pre-Meeting Bus Tour of a live fire exercise during a recertification class at the Fire Training Center.

PUBLIC COMMENT PERIOD

Lisa Gresens with Helena Aircraft attended the Board meeting and asked about Amazon Air and if there had been more communications with them. Jeff reported that an attempt was made to contact Amazon, but they have not yet to following our inquiry.

MINUTES

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to approve the March 15, 2022, Airport Authority Meeting Minutes.
The motion carried unanimously.

AIRPORT IMPROVEMENT PROGRAM PROJECTS

AIP-57 (Cares Funds)

Review Proposed Engineering Fees and Independent Fee Estimates for CARES Act Funded Projects – As with all federally funded projects, we are required to have an Independent Fee Estimate (IFE) completed by a separate firm so the engineering fees can be compared to determine if the fees being charged are reasonable. For this project Jeff reached out to Robert Peccia & Associates to see if they had interest in completing the IFE, and they said yes.

After receiving the IFE from Robert Peccia & Associates, the fees between Morrison Maierle (MMI) and Robert Peccia & Associates were compared. Morrison Maierle's proposed fees were below the estimates provided by Robert Peccia & Associates in terms of costs by 31.93%. The difference in fees is related to the total number of hours that each firm proposes. Nick Enblom has reviewed the fees and the scope of work and feels Morrison Maierle is solid on their fee and has everything covered.

RECOMMENDATION – Based on the IFE, the fees proposed by MMI are a fair value and as a result Jeff recommends approval of the Engineering Task Order #2 with Morrison Maierle.

MOTION was made by Immediate Past Chair Simkins seconded by Vice Chair McGree to approve Engineering Fees for Task Orders Associated with CARES Act Funded Improvement Projects.
The motion carried unanimously.

AIP-59/60/62 (ARPA/CRSSA Funds)

Review Proposed Engineering Fees and Independent Fee Estimates for ARPA/CRSSA Funded Projects – The FAA requires an IFE for the projects funded by the ARPA and CRSSA funds. As a reminder, this project involves replacing the existing heating, ventilation, and air conditioning (HVAC) in the older sections of the terminal, in addition to a complete roof replacement of the terminal and fire station 1. This project also includes alternates to upgrade older lighting to more efficient LED technology and some older flooring in the terminal. Since this project is building related, Jeff asked SMA Architects of Helena if they had interest in completing an IFE. Morrison Maierle has CWG Architects as their architectural team member under the Airport's five-year contract, so Jeff needed an independent firm to complete the IFE. SMA is a reputable and competent local firm. Jason Davis and Tim Meldrum were excited to be asked and agreed to complete the IFE.

Based on the IFE, the fees proposed by the two firms differ by 1.3 % overall, so the fees proposed by CWG Architects are reasonable based on the comparison. We need to get moving on the advertising and bidding process as the lead time on HVAC components and other materials is long. It would be desirable to complete these projects before next winter.

MOTION was made by Commissioner Havens, seconded by Secretary Muscarelli to approve Engineering Fees for Task Orders Associated with ARPA/CRSSA Funded Improvement Projects

The motion carried unanimously.

AIP-64 (ARFF Truck Acquisitions)

Consider Recommendation of Award for Two Aircraft Rescue Firefighting (ARFF) Trucks - Bids were advertised based on the specifications approved by the FAA to acquire two new aircraft rescue firefighting (ARFF) trucks. There was interest from two manufacturers: Oshkosh and Rosenbauer. Both are very dependable firms and each produce exceptional equipment so we cannot go wrong with either manufacturer. We acquired our current fleet of firefighting trucks from Rosenbauer, however, we do have several Oshkosh snow removal trucks, so we have dealt with them in the past.

Here are the bids we received:

	Morrison Maierle (Engineer's Estimates)	Oshkosh	Rosenbauer
Schedule 1 – 1,500 Gallon (Class 4) ARFF Truck	\$750,000	\$712,636.00	\$709,325.00
Schedule 2 – 3,000 Gallon (Class 5) ARFF Truck	\$1,250,000	\$892,466.00	\$946,237.00
TOTAL BID	\$2,000,000	\$1,605,102.00	\$1,655,562.00

The 1,500-gallon truck is approved to meet our current airport index rating (Index B) and the larger 3,000-gallon truck is approved for the fire training center since we can train larger (index A through E) airports. The FAA has reviewed the bids and they concur with our recommendation to award the bids to Oshkosh. We anticipate delivery of the trucks will be at least one year due to the time it takes to build these trucks from the ground up as specified. That is not unusual, even pre-pandemic/supply chain challenges.

RECOMMENDATION – Based on the bids, and Morrison Maierle's review to ensure the bids received met the requirements, Jeff recommends awarding the AIP-64 bids for the two ARFF trucks to Oshkosh.

Vice Chair McGree asked as far as maintenance is concerned does having two different manufacturers make a difference in cost or tools you would need for repairs?

Jeff explained that it is the same, they may manufacture specific parts, but the tools used are usually universal and we are well equipped to handle them both. We plan on sending our new mechanic through their training so he can be up to date on how to fix anything.

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to approve Recommendation of Award for Two ARFF Trucks to Oshkosh

Corporation.

The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Smokejumper Restaurant Update –

Jeff recommended the Restaurant Committee meet to get updated on the status of the restaurant operation.

Immediate Past Chair Simkins asked the restaurant managers were preparing for a for Mother's Day event like they had done in the past?

Jeff said the restaurant is not planning to do anything this year because of the airport's mask requirement. Amber Huggett has been fielding calls about the venue rental at the airport and we have had a fair amount of interest in our rooms.

Immediate Past Chair Simkins asked if we were advertising for the room rentals?

Jeff said no not at this time it has all been word of mouth.

Immediate Past Chair Simkins asked if the Smokejumper advertised for the room rentals?

Jeff said Paul did some advertising for it on his website but no radio or TV ads years ago, but not recently.

Chair Murray asked if the past committee members are agreeable to continue to serve and if there is anyone new who wants on the committee? There was consensus to have a Restaurant Committee Meeting so Jeff stated he would schedule a date/time for the meeting.

Consider Claim from Diamond Construction for Remodel of ICE Leased Building	
Diamond Construction	
\$34,296.15	
<u>1% Montana Tax Withholding</u>	<u>\$ 346.43</u>
TOTAL Claim	\$34,642.58

Jeff stated that this is the final claim related to the ICE Building remodel which includes the final retainage as all the work has been completed.

MOTION was made by Commissioner Heberly, seconded by Commissioner Havens to approve the Claim from Diamond Construction for Remodel of ICE Leased Building in the Amount of **\$34,642.58**
The motion carried unanimously.

ASSISTANT AIRPORT DIRECTOR'S REPORT – Ross Marty

- ➔ Monthly passenger operations for March of 2021 are still down compared to March of 2019 by - **32.06%**.
- ➔ **Smokejumper Station Numbers** - While Smokejumper hasn't provided us the numbers for March yet, my report included a comparison on their performance for the first two months of the year against the same period last year, and 2019, before the response to the COVID pandemic slowed operations.
- ➔ **RMESTC Update** - This week Kelly Tuck held the first ARFF courses of the year – all of which were full and went without too many headaches. The only wrench that was thrown in, of course being mid-April in Montana, was the weather. A couple of the mornings with the new water-based pit, a nice layer of ice had formed over night while not in use. The temperature of the pit, being below 32 degrees, automatically didn't allow Randy to get it fired up as a safety mechanism. KFT was able to adjust that temperature setting down a few degrees and Randy was able to fire it up, the ice was not a factor for too long after that! Kelly held two recertification courses this week, will have one of the same next week followed by the first 40-hour basic training course the week after. Looking at Kelly's schedule, both ARFF training and track use over the course of the next 90 days, there are only nine days where there aren't activities going on at the training center.
- ➔ **Structural Burn Building** - Jeff and I met several weeks ago with the Fire Chief and his Assistant Fire Chief of Operations to discuss long term goals and plans of each of our entities and if any of those overlap. We illustrated how in the coming years we plan to build another snow removal storage building, next to our current one where the smoke house resides. The discussion then progressed to where we could relocate the smoke house as it provides a high utility to a vast number of differing entities around the state. With that, we returned to a mutual need we've discussed many times before – a structural burn building. Helena Fire mentioned that not only do they use the smoke house, but the UM Helena's fire training school has used it for years, and just this year Montana State's fire training school out of Great Falls also started using it. We hadn't realized that MSU's school was using it as they currently don't have a site in Great Falls to use. There may be an opportunity, with the local ARPA funds in the city, county, and state, as well as if we can get both universities together, to build a structural burn building at the training center.
- ➔ **FAA Inspection** - With the recent work taking place on the FAA's new drone response plan, I've been in contact often with our FAA inspector and he mentioned that he has us tentatively penciled in for inspection the first part of June.
- ➔ **TSA Inspection** - It's inspection season at the airport! Alongside the FAA inspection, I was also notified by TSA that our annual comprehensive inspection will take place the first part of May. This inspection is typically more time intensive than the FAA's, as it covers every element of airport security from GA operational safety, airline operations, airport security controls and records, and random testing of all those elements within the span of a week.
- ➔ **MDT Aeronautics State Art Contest/Tour** - Each year the Aeronautics Division of MDT holds a state-wide aviation themed art contest. Hundreds of entrants from each grade level from around the state provide submissions and they're voted on by local aeronautics staff, pilots, and aviation workers (they invite us to judge/vote each year, which I will do) as well as anyone connected with the Aeronautics Division. The winners receive a flight to Helena provided by Aeronautics in one of their aircraft from wherever the winner is from to meet the governor, tour Aeronautics and the airports' entirety. This year they're also doing double-duty, as they couldn't have a ceremony/governor meet-and-greet due to the COVID requirements at the time last year, so the 2021 winners will also get their trip to Helena this spring.
- ➔ **Chamber Trends Ad** - Lastly, we're going to be working with the Helena Chamber again on a full-

page ad in their upcoming Trends Booklet. With the high interest in the Helena area, both business-wise and personal relocations, we've thought that these past few years, more than ever, it is a great idea to take part in this promotion. The amount of booklets sent out in recent years has skyrocketed, and they have a record number of requests for this publication already

LEASES

Consider a Lease of Non-Aeronautical Property with the International Union of Painters and Allied Trades District Council 82 Building Corporation, Inc. for an Instructional Facility – Greg and Jeff have worked closely on drafting the lease for this activity. Here are the specifics of the lease:

- Two-acre site at the corner of B Street and Bozeman Avenue.
- Lease based on current fair market value (\$3.50/square foot in this area which is consistent with other leases in this area including UPS) = \$22,869 / year in land lease revenue to the airport.
- 2% annual lease escalation rate (consistent with other existing non-aeronautical leases)
- 40-year lease term (maximum allowable by state statute for Airport Authorities)
- Starting date – May 1, 2022.
- Utilities and other improvements are at the cost of the lessee
- Must conform to all federal, state, and local codes, permits, and ordinances.
- Included a clause that states the lessee will not protest the site being annexed into city limits if it occurs at a future time.
- Restriction to parking vehicles and equipment on the adjacent streets – Since this is not in the city, this will help to ensure the lessee doesn't park cars or other vehicles and equipment on Bozeman Avenue or B Street as those streets are not designed for on-street parking, and that practice could create a nuisance for other nearby tenants and the public.

Jeff did reach out to the City of Helena to inquire about what it may take to consider annexing this property into the city limits. It is not efficient to just annex this specific property as there may be adjacent properties developed in the future, so a piecemeal approach should not be considered. Annexation would also result in some additional infrastructure costs to the airport as the water and sewer for that entire area would have to be done as an overall system. We estimate that alone could cost \$3-\$4 million by the time you include pipes, fire hydrants, and a sewage lift station to pump the sewage out of those lower lying locations. The most recent sewage lift station that was built to serve the National Guard/Boeing/Fire Training Center/USFS Tanker Base area in 2018 cost \$750,000 alone. Also, Bozeman Avenue is not built to current city street standards as there is no curb and gutter along the edges of the asphalt road, and there are also no sidewalks or boulevards.

Jeff believes that annexation has merit in the future, especially if we purchase the adjacent property in the area which will lead to expanded development of that entire section of the airport. However, Jeff does not think it is feasible currently as the initial cost outlay to meet the standards to bring that property into the city far exceeds the annual \$22,869/year land lease

revenue.

One alternative Jeff would recommend is to include language in the lease stating the lessee is agreeable to future annexation of the property into the city limits, so they are aware it can and will happen in the future. Greg developed some language to include in the lease to address this.

This provides an avenue to facilitate the development of this lease and associated business activity that supports the efforts of the local Helena College, while still giving us the ability to annex that into the greater area in the future planning of the airport at a time when it makes the most sense from a financial and efficiency standpoint. Jeff would hate to lose out on this opportunity by taking a hard stance at this time on the annexation issue, which would prevent the lessee from pursuing this endeavor. We desperately need every piece of airport revenue we can generate to keep up with out-of-control inflation leading to increased operational costs while also supporting the Helena College on efforts to continue workforce development.

Mr. Ascheim attended the board meeting in person. He traveled to Helena to introduce himself to the board and be present for any questions the commissioners may wish to ask. Mr. Ascheim stated that their organization had searched the entire state to determine the best location for their facility and had chosen Helena based on the central location which can serve the entire state most efficiently. Their organization works with a variety of trades including painters, wall finishers, sign makers, and other similar trades.

RECOMMENDATION – Jeff recommends approval of the lease as outlined above.

Chair Murray pointed out one caveat that the back of the property is owned by someone else.

Jeff explained how we hired the Morrison Maerile's survey department to survey the property, which it is necessary to have a legal description in the lease plat for the exhibit in the lease. This way both parties know exactly where the boundary lines are.

Commissioner Havens thanked Jeff for checking on the annexation, she knew it would be awfully expensive, but it was worth looking into.

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to approve a Lease of Non-Aeronautical Airport Property from the International Union of Painters and Allied Trades District Council 82 Building Corporation, Inc. for an Instructional Facility
The motion carried unanimously.

Consider a Lease of Non-Aeronautical Airport Property with Brownsmith LLC for the Purpose of Constructing a Commercial Car Wash Business – Greg and Jeff have worked closely on developing the lease for the car wash John Rasmussen has proposed in the Letter of Intent accepted a couple months ago. Jeff notified the city and county, and both entities have

responded that they received our notification. Since this lease is in the city limits, city zoning, building permits and assessments to the lessee will apply. Mr. Rasmussen is fully aware of this and has indicated it is typical of other development he has done in other cities.

Here are the specifics of the lease:

- 1.25-acre site at the corner of Washington Street and Cromwell Dixon Lane, just South of Costco
- Primary use is a commercial, high volume car wash.
- Secondary use is a drive – through food and beverage business located next to the car wash facility.
- 40-year lease term (maximum allowable by state statute for airport authorities)
- Lease Rate – current fair market value (\$0.725 / square foot – calculated using a current fair market value and a 7.5% annual cap rate).
- Lease Rate Escalation Clause – 10% every five years (2% / year, which is consistent with our other non-aeronautical leases).
- All improvements are responsibility of the Lessee (including site improvements and utility connections)
- Must meet all city codes (including signage) and building permits, etc...
- Tenant is responsible to pay all taxes and assessments applied directly to the tenant for improvements.
- Time requirement – Lessees must begin construction within 24 months. I suggest we require project completion to occur within 12 months following the start date of construction.

Mr. Rasmussen attended the board meeting in person. He lives in Salt Lake City and traveled to Helena to introduce himself to the board and be present for any questions the commissioners may wish to ask.

Immediate Past Chair Simkins asked about the food and beverage part of the business plan?

Mr. Rasmussen said he was thinking about building into the site plan something that Helena does not have and is not coffee related, something like *Swig*, a soda shop with cookies and muffins and a drive through. He wanted to include it into the lease it as an option for a second phase.

Immediate Past Chair Simkins asked if it was a franchise kind of business?

Mr. Rasmussen said it was not a franchise.

Chair Murray asked when he expected to be open?

Mr. Rasmussen explained that when the lease is completed, he hoped to be open early next year.

Secretary Muscarelli asked how many people he thought he would employ?

Mr. Rasmussen said that is a good question, there are a couple of different car wash models, he is leaning towards, to be frank, given the labor difficulties, a lighter employee model that is open 24 hours a day with staffing present eight to ten hours per day, so probably two employees at a given time.

Vice Chair McGree asked, construction wise, do you have a team that travels and does this for you?

Mr. Rasmussen said no but there are prefab carwashes you can have done but he investigates hiring local crews for some things and he has researched local Montana based carwash builders and will reach out to them.

MOTION was made by Vice Chair McGree and seconded by Secretary Muscarelli to approve a Lease of Non-Aeronautical Airport Property with Brownsmith LLC for the Purpose of Constructing a Commercial Car Wash Business.
The motion carried unanimously.

Consider a Lease Renewal with Lowell Hanson for a Non-Commercial Condo Hangar – Jeff outlined that Lowell Hanson has a condo hangar lease for hangar #1 of the Earhart Condo Hangar Complex and has reached its initial 20-year term. The lease outlines five-year renewal periods. The hangar is in great shape and is well maintained. In all honestly all the 16 condo hangars look like new still as they are steel hangars and all the occupants have maintained them well. There are no issues with Lowell's hangar, and he has been timely with lease payments and other responsibilities, so Jeff recommended approval of the lease renewal for five years.

MOTION was made by Immediate Past Chair Simkins, seconded by Commissioner Heberly to approve a Lease Renewal with Lowell Hanson for a Non-Commercial Condo Hangar
The motion carried unanimously.

Consider Amendment to Land Lease with Doyle and Nigel Davis for a Non-Commercial 80 X 100 Hangar – Jeff summarized that last month the commissioners approved a lease with Doyle and Nigel Davis for the construction of a 100 X 100 non-commercial hangar. As Doyle and Nigel began laying out their hangar it was determined that it may work best if they adjusted the size of the building. There are some nearby utilities that once located, proved to be challenging for their original plans. As a result, they have asked to amend the lease for a slightly smaller hangar size. The new size will be 80 feet deep by 100 feet wide. This should not cause any other problems, so I am recommending approval of the amended lease to reflect the adjusted size.

MOTION was made by Commissioner Heberly, seconded by Vice Chair McGree to approve a Land Lease with Doyle and Nigel Davis for a Non-Commercial 80 X 100

Hangar.

The motion carried unanimously.

CONSENT AGENDA

Review of Income and Expense Reports – Income is slightly under budget; expenses are also below budget to provide a balanced net income.

Review of Past Due Accounts

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to approve the Consent Agenda.

The motion carried unanimously.

OLD BUSINESS.

None.

DIRECTOR'S COMMENTS.

- **UPDATE - FAA Land Acquisition Process** – Following the discussion the commissioners had at the March 15 meeting with respect to land acquisition, I investigated the process for acquiring additional land with FAA funds. We plan to meet with the FAA and explore the details of getting to work on planning the future land acquisitions.
- **Staffing Update** – We are making progress on our staffing plans approved in the mid-year FY2022 Budget. We recently selected Eric Cech from our Operations Department to transfer to the new maintenance position. We also advertised for the Maintenance & Operations Manager position through a variety of venues including locally, and in the national and northwest regional chapters of the American Association of Airport Executives. We conducted interviews and selected Sam Schultz. Mr. Schultz currently works for the Bozeman Yellowstone International Airport and has a well-rounded background so we believe he will be a good fit for the position. He will start on May 23.
- **Alaska Airlines Fleet Conversion** – As I mentioned in one of my recent email updates, Alaska Airlines recently announced a hard deadline for converting their fleet to consist of two aircraft types: EMB 175 and Boeing 737. Both are jet aircraft. The Q400 turboprop aircraft currently used in smaller markets will be retired by the beginning of 2024 at the latest. We have known this was coming for years as Alaska started working in this direction five years ago. When we completed the terminal expansion in 2020, we planned for this by adding a new jet bridge on the gate Alaska Airlines currently uses, along with the ground boarding option used now with the Q400, so we are very well prepared.
- **United Airlines** – The past month we have been fortunate to have two flights per day in between Denver again, and on some of the peak days we even had the larger 76 seat EMB 175. We learned for the month of May United's affiliate Commuteair will again be

running the flights so back to the 50-seat jet the only airframe Commuteair operates. But it sounds like they will only fly the route for May and SkyWest will be back in June.

REPORTS PRESENTED FOR REVIEW:

Director's Report and Board Report – Jeff Wadekamper

Assistant Director's Report – Ross Marty

Fiscal YTD Financials – Connie Lundin

FAA Funded Airport Improvement Project Report – Nick Enblom

/s/ Mike Murray
Mike Murray, Chair

ATTEST:

/s/ Mike Muscarelli
Mike Muscarelli, Secretary

(SEAL)