

**HELENA REGIONAL AIRPORT AUTHORITY
BOARD MEETING MINUTES**

**LOCATED: 2850 MERCER LOOP, HELENA, MONTANA 59602, 2ND FLOOR, BOARD ROOM
OCTOBER 15, 2024, CALLED TO ORDER AT 11:36 A.M.**

MEETING

In Attendance:

Debbie Havens, Chair
Bob Heberly, Vice Chair
Jim Enyeart, Secretary
Jason Davis, Commissioner
Troy McGee, Commissioner
Kendra Lenhardt, Commissioner
Jim McCormick, Commissioner
Jeff Wadekamper, Airport Director

Others Attending:

Cory Kesler, Morrison Maierle Engineers
Greg Gould, Jackson, Murdo & Grant, P.C.
Mike Talia, Jackson, Murdo & Grant, P.C.
Ross Marty, Assistant Airport Director
Connie Lundin, Financial Manager
Amber Huggett, Office Manager

PUBLIC COMMENT PERIOD

None received.

MINUTES

MOTION was made by Vice Chair Heberly, seconded by Commissioner McGee to approve the Meeting Minutes from the September 17, 2024, Airport Authority Meeting.

The motion carried unanimously.

LEASES

Consider a Request to Amend a Non-Commercial 100 X 100 Hangar Lease with Bradley and Jennifer Garber – The Commissioners approved a lease with Brad and Jennifer Garber for a 100 X 100 non-commercial hangar. In reviewing the lease, they noted in Article VII (D) there is language that states upon termination or cancellation of the lease, the tenant has 30 days to remove any improvements, or those improvements will revert to the Airport Authority. The section in question is below:

D. Title to Improvements. Title to any improvements constructed by Lessee shall remain in Lessee until termination or cancellation under this Article VII. Upon termination or cancellation,

Lessee shall have **thirty (30) days** to remove any such improvements from the leased premises; Lessee shall return the premises to the condition they were in at the commencement of the lease. If Lessee does not remove such improvements within **thirty (30) days**, the title thereto shall revert to the Authority, and Lessee shall have no further interest therein.

This language is the standard in all our leases. The Garbers are concerned that 30 days is not enough time to restore the property back to its original condition (removing the hangar and foundation, etc....) and have requested this be changed to provide a longer period of time. They are building a steel framed hangar, and it can be disassembled and moved elsewhere (minus the concrete and utilities of course). Their concern is the airport may decide one day to turn the hangar area into something else and 30 days is not reasonable to completely remove the hangar and improvements. Jeff explained it is highly unlikely the airport would change this area's use from a hangar area. To do so, there would be a multitude of things to complete. Starting with a change to the Airport Layout Plan which would have to be approved by the FAA, plus we have grant assurances with the funding that was provided to build the taxi lanes and utilities for the hangar area.

If we choose to amend this lease, then we would have to amend every other lease on the airport as the FAA requires that you treat each use/tenant in a consistent fashion. It could be a huge effort by staff to amend over 100 leases. The specific FAA Grant assurance section is below that addresses the requirement to treat all leaseholders consistently:

Grant Assurance #22

Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds, and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

Tenants Request: The Garbers request the 30-day provision be amended to something more

reasonable (180 days is one option they suggested) from the current 30-day requirement to remove all improvements before they revert to the Airport Authority.

Director's Recommendation: Jeff thinks it is reasonable to consider a longer period of time to make any improvements. If the Commission is willing to do so, Jeff would suggest we amend this as a policy change, so that we do not have to physically amend each individual lease on the airport. If this policy were amended, it could be equally applied whenever this situation comes up, which so far luckily, has been extremely rare.

MOTION was made by Commissioner Davis, seconded by Secretary Enyeart to Deny an Amendment to a Non-Commercial 100 X 100 Hangar Lease with Bradley and Jennifer Garber.

Commissioner McCormick abstained from the motion.

The motion carried unanimously.

Consider a Lease Extension with Air Ryder for an Additional Four (4) Months Through April 30, 2025 – Bud Clarke has requested a 4-month extension to his temporary lease, which would take him through April 30, 2025. He also requested to appear before the Board at the October meeting to share this request and to clarify some things. He has expressed interest in submitting a bid to buy the hangar and entering into a ground lease. Since we gave him until December 31 to vacate and he has interest in submitting a bid to purchase, he is asking to extend his lease. If he were the successful bidder, he would prefer not to move out all his tools and equipment. He also said moving everything out in December would not be as easy as it might be in April.

We have Greg Thornquist lined up to complete an appraisal on the hangar on October 9 so we can get the advertisement / bid process underway. There will be a lot of interest in this hangar, even in its condition. We have provided a few pictures below of the current state of the hangar.

Director Recommendation: Jeff does not recommend extending the lease with Air Ryder as Bud has been late with payments and also has not fully removed 100% of the non-aeronautical items from the property as asked. We need to get the building advertised as soon as the appraisal is completed to find a new owner/land lease tenant. Jeff appreciates that Bud has been here for years and is a large part of the general aviation community, but he feels the 6 months we provided him to plan was reasonable. If he were current on the rent and made more progress getting all of the non-aviation stuff out Jeff would feel different.

MOTION was made by Commissioner McGee, seconded by Vice Chair Heberly to Deny a Lease Extension with Air Ryder for an Additional Four (4) Months Through April 30, 2025.

The motion carried 6 to 1.

Consider Renewal of a 40 X 40 Non-Commercial Hangar Lease with Terry Lindsay for an Additional 5 Years - Terry Lindsay has completed the repairs on his hangar as we requested. The green metal stands out as it is not a match. The original color is no longer available, and the

original faded as the rest is decades old. He also repaired and repainted the doors and trim. Terry has not yet found a buyer and has shown it to a few folks. Jeff thanked him for addressing the maintenance. He mentioned that he may just keep the hangar and continue renting it out of he can't find a buyer. He is asking \$140,000 for each unit. Terry was very appreciative that we worked with him to allow him to make repairs and now considering the lease extension.

MOTION was made by Secretary Enyeart, seconded by Commissioner Davis to Approve Renewal of a 40 X 40 Non-Commercial Hangar Lease With Terry Lindsay for an Additional 5 Years.
The motion carried unanimously.

Consider an Aviation Ground Lease with Helena Aircraft – Jerry and Lisa Gresens from Helena Aircraft have requested a short-term land lease for property adjacent to the hangar they are selling to the Helena College. The parties are closing on the sale soon, but the college is not going to move in for about 2 years due to development plans for improving the space and funding schedules. The Gresens will rent the building back and spend time getting everything moved out and would like to use the adjacent land to position trailers, storage containers, etc.... Jeff drafted a basic land lease agreement for 40 feet by 120 feet parcel next to the hangar. The agreement can be terminated by either party with 60 days' written notice. The lease also acknowledges that Montana Jets is planning to request a lease and begin construction of their large commercial hangar immediately adjacent to this land to ensure the Gresens are aware of that project beginning in 2025.

DIRECTOR RECOMMENDATION – Jeff recommends approval of the lease as submitted.

MOTION was made by Commissioner Davis, seconded by Commissioner McGee to Deny an Aviation Ground Lease with Helena Aircraft but Will Speak with Jerry Greensen and the FAA for Other Reasonable Options.
The motion carried unanimously.

AIP PROJECTS

AIP-62 (Terminal HVAC, Roof Replacement Project) – CWG Architects has submitted one final claim for payment related to the construction management services associated with the terminal HVAC/Roof project. We are recommending approval.

CWG Architects		\$4,145.00
TOTAL CLAIMS	\$4,145.00	

MOTION was made by Vice Chair Heberly, seconded by Secretary Enyeart to Approve AIP-62 Claim in the Amount of **\$4,145.00**.
The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Consider Pay Request #3 from Golden Eagle Construction in the Amount of \$49,915.00 for

Construction of the FAA Airport's Office Leased Space – Golden Eagle Construction has submitted a claim associated with ongoing construction work in the new FAA Office space. They have made timely progress, and have completed everything listed on the pay request, so Jeff recommends approval as submitted.

MOTION was made by Commissioner McGee, seconded by Commissioner Lenhardt to Approve Pay Request #3 from Golden Eagle Construction in the Amount of **\$49,915.00** for Construction of the FAA Airport's Office Leased Space. The motion carried unanimously.

Consider a Proposal from AZ Staffing & Advertising to Place Advertising Media on Airport Fence – AZ has produced an idea to place a few large advertising signs on the airport perimeter fence along Washington Street. Traffic studies show 10,000-12,000 vehicles use Washington Street each day so there is a lot of exposure. Jeff told AZ that our initial concerns are that we do not want to hang basic banners on the fence. They believe this high visibility area could generate a large lease revenue and understand the concerns about how the signage should look. They have developed an aesthetically pleasing sign design that incorporates an artwork border, along with a mesh type ad sign to be utilized on the fence. They initially suggested only placing a few of these signs on the fence, along with artwork signage on each side to further reduce the appearance of an overdone ad-only billboard the length of the entire fence line.

Director Recommendation: Jeff recommends approval of this idea, contingent on the requirement that the airport receives revenue from it (not to solely provide a site to display artwork) and also contingent on this idea meeting the City sign ordinance for approval.

MOTION was made by Vice Chair Heberly, seconded by Secretary Enyeart to Approve to negotiate with AZ Staffing & Advertising's proposal to Place Advertising Media on Airport Fence. The motion carried unanimously.

Consider Airport Resiliency Project Letter of Agreement with Intenergys – Before we begin getting into the details of the power purchase agreement, lease of airport land for aquaponics, and other details of the Resiliency Project, Mic from Intenergys has suggested that we enter into a Letter of Agreement to confirm the airport's commitment to negotiating all of the details solely with Intenergys.

WHAT DOES THIS MEAN?

Mic wants to ensure the airport is committed to using Intenergys as the project manager and to prevent us from going with a different project management company. Intenergys has already invested approximately \$200,000 into the Value Engineering Study (which helped identify all of the project alternatives to be included). We have come too far to switch to another vendor, and Jeff is happy thus far with the work done by Mic and his team, but Jeff does understand Mic's interest in solidifying the arrangement before moving ahead and spending more time and money. There may be other firms now starting up to provide similar services, however the

benefit that Intenergys has is the connection to a variety of government entities and some grant funds and private investors, and at least we know Mic's team and have had a past record of success with them on the previous TSA research project.

A copy of the letter of agreement is included in the packet for your review. Greg and Mike have also reviewed it and can provide their legal review.

NEXT STEPS

Once this letter of agreement is signed, we can then proceed onto negotiations regarding the use/purchase of the energy as discussed last month. The airport will be involved with all of the negotiations and the Board will review and approve any power purchase agreements, land leases, or other arrangements before they are signed. Jeff recommends we integrate the **Resiliency Project Sub Committee** that was previously in place when this effort began. The Commissioners serving on that committee included Debbie, Bob, and Bill Burkland. Since Bill is no longer on the Board we should appoint another commissioner to take his place if anyone is interested. Jeff would like this committee to work with him going forward as we review all negotiations, and the sub-committee can provide a recommendation to the full commission for future contractual obligations.

RECAP OF THE PROJECT

Since this project began, we have had a few new commissioners join the board, so I feel it may be helpful to recap how we got here and what is included in the project:

How Did Helena Airport Get Selected?

Back in 2003-2005 The Transportation Security Administration (TSA) had a \$2.3 Million grant to conduct security technology test bed research on new systems. This included Airport ID badges, door and gate access control, security cameras, smart camera and biometric systems testing, etc..... Helena got selected as they wanted a non-hub airport to conduct the test and Montana Tech and UM were involved and that is how it came to be here. The project was a remarkable success and provided the airport with our initial ID badge, gate/door access card system, security cameras all at NO COST to the airport!

Flash forward to a couple years ago, and this same group led by Mic Borcharding, was working on a public, private partnership with many Federal entities and researchers to expand the use of microgrids to prove they could be an answer to natural and man-made disasters. They needed a facility to create a resilient microgrid and associated supporting protections (physical, cyber security, food sustainability from waste heat, etc....). Mic suggested our airport campus and the team agreed and approached us about hosting this project.

What Benefit to the Airport Could This Project Provide?

1. Covered Parking – the idea is to cover the public and rental car parking lots and place solar panels on the roofs of the covered parking structures.
2. Possible Lower Utility Costs -(possibly if we can use some of this power, but there are many variables at play to sort out).

3. Electricity - during a grid outage
4. Land lease Revenue - from leasing land for supporting elements such as the aquaponics (fish and vegetable greenhouses heated with the waste heat from the natural gas generation plant)
5. Green Energy - to the grid
6. Enhanced Physical Airport Security - such as updated access control systems, cameras perimeter intrusion detection, drone/UAV detection and mitigation (a growing threat to airports!)
7. Cyber Security – use of a digital twin and virtual power station to be based at MSU’s campus in Bozeman and supported by the MSU Computer Science Department.

RECOMMENDATION – Jeff recommends approval of the Letter of Agreement with Intenergys so we can proceed into the next phase to begin negotiating the power / purchase arrangement and other project elements with various parties, including review by the Airport Resiliency Sub-Committee along with staff.

MOTION was made by Secretary Enyeart, seconded by Commissioner McGee to Approve Resiliency Project Letter of Agreement with Intenergys as well as reengage the subcommittee and appoint Jim McCormick in place of Bill Burkland. The motion carried unanimously.

Consider an Update to the Airport Credit Card Authorization Policy – The Board approved the airport employees who are authorized to possess airport issued credit cards for airport business. This policy needs to be updated to reflect one employee change and also to incorporate the titles and duties of those authorized to have the cards as required by Valley Bank, who currently has the airport’s operating accounts.

DIRECTOR RECOMMENDATION:

AUTHORIZED CARD HOLDERS (5)

Jeff Wadekamper, Airport Director

Ross Marty, Assistant Airport Director

Amber Huggett, Office Manager

Clayton Scotson, Maintenance and Operations Director (replacing Jim Crawford who is retiring)

Mike Anderson, Emergency Services Coordinator

- CARD LIMIT (NO CHANGE)
- \$10,000 / card (\$50,000 total)
- PURCHASE APPROVALS / REVIEW (NO CHANGE)

The Airport Director reviews the purchases each month. Each card holder is required to provide their receipts for each purchase to verify each transaction with each monthly bill.

Once this is approved, we will provide the meeting minutes to Valley Bank as requested to enact the change to the credit card authorized individuals list.

MOTION was made by Commissioner Lenhardt, seconded by Vice Chair Heberly to Approve an Update to the Airport Credit Card Authorization Policy.
The motion carried unanimously.

CONSENT AGENDA

MOTION was made by Vice Chair Heberly, seconded by Commissioner Lenhardt to Approve the Consent Agenda with clarification on the percentage error.
The motion carried unanimously.

DIRECTOR'S COMMENTS

MEETING ADJOURNED AT 1:23 P.M.

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 – Cory Kesler

ATTEST:

/s/ 
Jim Enyeart, Secretary

/s/ 
Debbie Havens, Chair

(SEAL)