

**OSCODA-WURTSMITH AIRPORT AUTHORITY
BOARD OF DIRECTORS
February 18, 2021 Meeting Minutes**

In an effort to mitigate potential spreading of Corona Virus, this meeting was conducted remotely utilizing Zoom Meeting Service.

I. CHAIRMAN BOYAT CALLED THE MEETING TO ORDER AT 1:30 P.M.

II. ROLL CALL:

KEVIN BOYAT	PRESENT
KEVIN BELIVEAU	ABSENT
ROB HUEBEL	PRESENT
ANN RICHARDS	PRESENT
JOHN SWISE	PRESENT
MIKE MUNSON	PRESENT
DAVE DAILEY	PRESENT

OTHERS PRESENT

GARY KELLAN – AIRPORT MANAGER
JACK BROWN – ASSISTANT AIRPORT MANAGER
BRENDA MCNEILL- ADMINISTRATIVE ASSISTANT
PATRICIA ALVORD- OSCODA PRESS
GREG SCHULZ
ARNIE LERICHE
MARK HENRY
STEVE WUSTERBARTH
ROB EPERT

III. ADOPTION OF AGENDA

Chairman Boyat called for adoption of the meeting agenda.

Mr. Munson made a motion to adopt the agenda as presented. Mr. Dailey supported the motion. No further questions or comments. Motion carried by voice vote.

IV. Closed Session with Attorney regarding Pending Airport Special Use Permit

Mr. Boyat called for a motion to enter into Closed Session at 1:33 p.m.

Mr. Dailey made a motion to enter into Closed Session. Mr. Swise supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Ms. Richards, Yes, Mr. Boyat, Yes. Motion carried.

Mr. Boyat called for a motion to return to open session at 1:57 p.m.

Mr. Dailey made a motion to return to Open Session. Mr. Swise supported the motion. Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

V. APPROVAL OF MINUTES – January 21, 2021 Regular Meeting

Chairman Boyat called for a motion to approve the January 21, 2021 meeting minutes.

Motion made by Mr. Dailey to approve the January 21, 2021 meeting minutes as presented. Ms. Richards supported the motion. No further comments. Motion carried by voice vote.

VI. Financial Business – January 2021 Financial Activities Report

Mr. Munson and Mr. Kellan reviewed bank statements and financial transactions during the month of January 2021. A listing of bills processed for payment during January, totaling \$131,068.40 was provided to the Board. That total included \$48,795.00 for the recently approved purchase of a new field tractor and mower deck. Therefore, general operating expenses during January total approximately \$82,273.40. There were no further questions or comments.

Mr. Dailey made a motion to accept the January 2021 Financial Activities Report. Mr. Munson supported the motion. Mr. Dailey, Yes, Mr. Swise, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Boyat, Yes. Motion carried.

VII. Current Business

A. Local Co-Chairman of C-RAB Requesting Support – Resolution No. 2021-02

In response to local community requests, the United States Air Force (USAF) agreed to establish a Community – Restoration Advisory Board (C-RAB). Intentions of a C-RAB include improving communications and involvement among community stakeholders, regulatory agencies, and the USAF during response to environmental contamination issues. The C-RAB is configured with 17 members. OWAA is represented on the C-RAB by Mr. Mike Munson. Two of the C-RAB members serve as Co-Chairman. One Co-Chairman represents the USAF and the other

represents local community stakeholders. Mr. Mark Henry is currently serving as the Co-Chairman representing the local community.

Mr. Henry attended this OWAA meeting. He informed the Airport Board that he has sent letters to Congressman Kildee and U.S. Senator Debbie Stabenow and U.S. Senator Gary Peters. A copy of that letter was provided to the Board. In short, Mr. Henry is seeking assistance with pressing the USAF into allowing local stakeholders to have greater participation in planning and decisions making while environmental restoration strategies are being formulated for projects to be implemented within the local community.

Mr. Henry was seeking demonstrations of support for this initiative from local units of government. The Charter Township of Oscoda and Charter Township of AuSable have already adopted resolutions of support. For this meeting, OWAA Resolution No. 2021-02 was prepared to demonstrate support from the Airport Authority. Mr. Henry encouraged the Airport Board to adopt the proposed resolution and to send it to Congressman Kildee, U.S. Senator Debbie Stabenow, and U.S. Senator Gary Peters.

Mr. Dailey made a motion to adopt proposed Resolution No. 2021-02 and to forward that resolution to Congressman Kildee, U.S. Senator Debbie Stabenow, and U.S. Senator Gary Peters. Mr. Swise supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

B. Kalitta Air – Building 5071 Long-Term Lease Agreement

Local operations of Kalitta Air include an approximate 8,879 sq. ft. training facility (Building No. 5070) - - which is leased from OWAA. Kalitta Air is now seeking to expand training operations by also leasing neighboring Building No. 5071.

Building No. 5071 is a 10,410 sq. ft. office building that has not been reoccupied since base closure. As a result, the building needs cleaning and substantial amounts of renovation. Kalitta Air is willing to lease the building and pay licensed contractors to renovate the building - - in exchange for long-term partial rent credit. A tabulation of estimated building renovation costs was provided to the Board.

The schedule of lease dates, rental rates and rent credits is demonstrated within the table below.

Lease Dates – Rent Schedule – Credit for Leasehold Improvement Costs						
Lease Dates Years	Scheduled Monthly Rent	Scheduled Annual Rent	Pre-Paid Annual Credits	Rent	Net Annual Rent Payments	Net Monthly Rent Payments
2021	Rent is waived during building renovation and rent amounts will be pro-rated during any partial months and years.					
Date of Initial Occupancy – 9/30/2026	\$2,500.00	\$30,000.00	(\$20,000.00)		\$10,000.00	\$ 833.33
10/1/2026 – 9/30/2031	\$2,750.00	\$33,000.00	(\$20,000.00)		\$13,000.00	\$ 1,083.33
10/1/2031 – 9/30/2036	\$3,025.00	\$36,300.00	(\$20,000.00)		\$16,300.00	\$ 1,358.33

Mr. Dailey commented that this decision is a “no brainer. Any building that the Airport can put back into use, the Airport should be able to do that”. Mr. Boyat agreed.

Ms. Richards sought clarification on the rent abatement in the lease schedule. Mr. Kellan explained that rent payments would be waived while the building is being renovated - - until Kalitta Air occupies the building. Upon occupancy, Kalitta Air will then pay rent in accordance with the schedule demonstrated within the table above. Ms. Richards indicated her understanding and agreed that the building should be rented to Kalitta Air.

Mr. Dailey made a motion to authorize Staff to discuss and work with the Airport Board’s attorney to finalize a lease agreement with Kalitta Air for renting Building No. 5071 and to provide authorization for Chairman Boyat and Airport Manager Kellan to sign said lease agreement on behalf of OWAA. Mr. Munson supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mrs. Swise, Yes, Mr. Boyat, Yes. Motion carried.

VIII. Airport Manager Comments

A. Michigan Launch Initiative

Mr. Kellan reminded the Board that in order to establish Space Vehicle Support facilities, the Airport Layout Plan (ALP) will need to be amended. Therefore, a scope of work and fee proposal

has been requested of the Airport Authority's retained planning and engineering consultant - - Mead & Hunt Inc.

Mr. Kellan also reminded the Board that Michigan Aerospace Manufacturers Association has selected Chippewa County Airport as the location for establishing a Spaceport Operations Command-and-Control Center.

Mr. Kellan reported that Michigan Aerospace Manufacturers Association is retaining consultants to continue with the application phase pursuant to securing necessary Commercial Spaceport Operator Licenses from the FAA. It is his understanding that the application phase will include developing a master plan for locating buildings, facilities and supporting infrastructure capacity requirements on OWA properties. Mr. Kellan said it is currently somewhat difficult to draft a lease agreement until it is known where and which properties will be utilized.

Mr. Dailey asked if the Airport is "shooting its self in the foot" by being a General Aviation Airport. He also asked if the Airport Authority should be looking into the application process for establishing a Maintenance Operation so that more money could be available? Mr. Kellan agreed and stated that those initiatives will need to be worked. Mr. Dailey said he feels that the Airport should be more proactive. He said there has been conversation regarding getting Mr. Kellan some assistance. Mr. Dailey reported Chippewa County hired Colonel Alexander and BRPH to represent them in the system, whereas this Airport chose to utilize their Attorney and he feels this has put OWAA behind.

Mr. Boyat reported having conversation with Mr. Kellan regarding getting some assistance. Mr. Dailey agreed. Mr. Dailey feels that someone with Airforce Space force and FAA experience will be helpful. He said it just does not make sense for what the Airport has to gain to not put forth in the expenditures to do that. Mr. Boyat agreed. Mr. Dailey said, "it just doesn't make sense not to do it".

Mr. Kellan said that recruitment for additional Staff and support services will initially be discussed with members of the Executive Committee.

Mr. Boyat called for a motion regarding the discussion.

Mr. Dailey made a motion for Staff to actively search for assistance with the Michigan Launch Initiative. Mr. Munson supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Ms. Richards, Yes, Mr. Boyat, Yes. Motion carried.

B. Kalitta Air – Hangar 10

Mr. Kellan reported that the Joint Airport Zoning Board has conducted Site Plan review for the Hangar No. 10 development project. That meeting was conducted February 15, 2021. The Joint Airport Zoning Board voted unanimously to approve the Site Plan for Kalitta Air- Hangar 10 as proposed - - under the condition that Air Space review and approval is first secured from the FAA and MDOT – Office of Aeronautics and the developer is responsive to any potential environmental contamination issues that may be discovered during construction. The construction contractor is preparing to commence construction during the spring of 2021.

C. MDOT Office of Aeronautics Award

Mr. Kellan announced that Michigan – Office of Aeronautics has aeronautics has selected Oscoda-Wurtsmith Airport Authority as “Michigan’s Airport of the Year” in the General Aviation Category. This award was presented earlier this same day as part of the annual Michigan Airports Conference. Mr. Kellan read aloud the acceptance response he gave during the award ceremony. Board members replied with support for Mr. Kellan and for his dedication and commitment to his job. Mr. Kellan thanked the Board for their kind remarks and continuing faith and confidence in our OWAA staff and operations.

D. Storm Water Discharge Permit – Additional Requirements: Mr. Kellan reported that OWAA is required to maintain a Stormwater Discharge Permit. The most recent permit renewal stipulates an additional requirement of conducting a Short-Term Storm Water Characterization Study (STSWCS) . Mr. Kellan reported that Michigan Department of Environment and Great Lakes Energy (EGLE) is requiring the study but that agency is not offering funding to cover related expenses. Staff will be soliciting proposals from environmental service consultant to help OWAA comply with the subject requirements.

E. University of Minnesota – PFAS Remediation Testing Proposal: Mr. Kellan reported that OWAA has been contacted by representatives of the University of Minnesota. Their Environmental Science Department is developing PFAS filtering systems. They are seeking to test their proto-type equipment on OWAA properties. Mr. Kellan has sent the University of Minnesota proposal to representatives of Michigan EGLE and the Air Force for review and comments. Mr. Kellan is hopeful to be able to provide more information at the next meeting.

F. United States Air Force – Air Mobility Command Exercise Dates: Mr. Kellan also reminded the Board of ongoing discussions with representatives of the United States Air Force – Air Mobility Command regarding a proposal to establish a temporary base of operations on OWA during May 14th - 26th , 2021. He asked that if Board members were asked about the event, to clarify any misinformation - that the event is only short-term and not permanent.

IX. Public Comments

Mr. Schulz commented that he was happy to see Building No. 5071 going back into use rather than deteriorating.

X. Board member comments

Mr. Dailey commented on the Conflict-of-Interest policy. He is waiting to hear from Mr. Eppert on whether or not it would be a conflict of interest if he joined MAMA (Michigan Aerospace Manufacturer's Association).

XI. Review of Bills and Payments

February- Kevin Beliveau
March- John Swise

XII Adjournment

Mr. Munson made a motion to adjourn the meeting. Support was provided by Mr. Dailey. All in favor, the meeting was adjourned by voice vote at 2:46 p.m.

Prepared by Brenda McNeill, Administrative Assistant
Respectfully submitted by Gary Kellan, OWAA Board Secretary