

THE CITY OF



OWATONNA

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TO: Honorable Mayor and City Council Members, City Administrator
FROM: Dave Beaver, Airport Manager
DATE: January 27, 2021
RE: Airport Non-Primary Entitlement (NPE) Funds.

Purpose:

Request Council authorization to enter into agreements with the Cities of Long Prairie, MN and Aikin, MN for the transfer of airport Non-Primary Entitlement (NPE) funds To approve the NPE transfer agreements.

Background:

Statutory provisions require that a portion of FAA Airport Improvement Program (AIP) dollars are to be apportioned by formula each year to National Plan of Integrated Airport System (NPIAS) airports including the Owatonna Degner Regional Airport. These funds are commonly referred to as Non-Primary Entitlement (NPE) funds. The City of Owatonna is apportioned \$150,000 per year of NPE funds and can bank these funds for up to three years to help fund federally eligible projects. If funds from the “first” year of banked funds are not used (4th year) they expire and are turned back.

MnDOT Aeronautics encourages communities with expiring NPE funds to transfer to other communities within the state that could benefit by accepting additional federal funds to assist with needed project funding. It is anticipated that additional federal NPE funding will be needed above the banked NPE funds currently available for the airport to complete the T-Hangar Taxi-lane construction project identified in the City 2021 CIP. The cities of Long Prairie and Aikin have available NPE funds and are willing to enter into the transfer agreements.

The standard draft agreements are included for your review and provide for the repayment transfer of future Owatonna NPE funding back to these cities. These transfers are part of the anticipated funding plan for this project.

Budget Impact:

The anticipated agreements provide for the transfer of \$150,000 of expiring NPE funds from the Cities of Long Prairie and Aikin. There is a stipulation that the City of Owatonna will transfer \$150,000 of future available NPE funds back to Long Prairie in 2022 and Aikin in 2023. In the event that there is no FAA NPE funding program in these years, then this provision is waived.

Recommendation:

Staff recommends approval of these agreements.

**AGREEMENT FOR WAIVER, TRANSFER, AND REPAYMENT OF FEDERAL AIRPORT
ENTITLEMENT FUNDS**

THIS AGREEMENT is made and entered into this ____ day of **January 2021**, by and between the City of Owatonna, a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Owatonna"), and City of Long Prairie, a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Long Prairie").

WHEREAS, Long Prairie is the sponsor of the Long Prairie Municipal Airport; and

WHEREAS, Long Prairie is a recipient of Federal Aviation Administration Entitlement Funds; and

WHEREAS, Owatonna is a recipient of Federal Aviation Administration Entitlement Funds; and

WHEREAS, 49 U.S.C. §47117, subd. C(2) provides that a sponsor of an airport may make an agreement with the Secretary of Transportation waving the sponsor's claim to any part of the amount apportioned for the airport if the Secretary agrees to make the waived amount available for a grant for another public-use airport in the same state or geographical area as the airport; and

WHEREAS, Owatonna has requested Long Prairie to waive the receipt of and transfer **\$150,000** in Federal Aviation Administration Entitlement Funds for a project in fiscal year 2021; and

WHEREAS, Long Prairie agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2021 in the amount of **\$150,000** to Owatonna pursuant to the regulations of the Federal Aviation Administration and upon the following conditions.

NOW, THEREFORE BE IT by the parties that:

1. Long Prairie agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2021 in the amount of **\$150,000** to Owatonna.
2. Long Prairie agrees that it will complete all documents and forms necessary to complete the waiver and transfer pursuant to 49 U.S.C. §47117.
3. Owatonna hereby accepts the transfer and agrees to waive receipt of Federal Aviation Entitlement Funds as said Funds are made available by the Federal Aviation Administration in **2022**, and to transfer those funds to Long Prairie.
4. Owatonna agrees that it will complete all documents and forms necessary to complete the waiver and transfer pursuant to 49 U.S.C. §47117 in 2022.
5. In the event Owatonna does not receive a total of **\$150,000** of Federal Aviation Entitlement Funds in 2022 to waive receipt of and repay Long Prairie, Owatonna hereby agrees to waive the receipt of and to repay the **\$150,000**, or balance not yet repaid, of Federal Aviation

Entitlement Funds to Long Prairie in the year the first such Entitlement Funds become available to Owatonna.

6. This Agreement shall be controlled by the laws of the State of Minnesota, and any action brought as a result of any claim, demand, or cause of action arising under the terms of this Agreement shall be brought in an appropriate venue in the State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED that City of Long Prairie and the City of Owatonna hereby agree upon said terms of the Federal Aviation Entitlement Funds transfer and repayment.

CITY OF OWATONNA

CITY OF LONG PRAIRIE

Mayor
Mr. Thomas Kuntz

Mayor
Ms. Jodi Dixon

City Administrator
Ms. Kris Busse

City Administrator
Mr. Ted Gray

AGREEMENT FOR WAIVER, TRANSFER, AND REPAYMENT OF FEDERAL AIRPORT ENTITLEMENT FUNDS

THIS AGREEMENT is made and entered into this ____ day of **February 2021**, by and between the City of Owatonna, a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Owatonna"), and City of Aitkin a municipal corporation and Aitkin County, a county corporation and both political subdivisions of the State of Minnesota (hereinafter "Aitkin").

WHEREAS, City of Aitkin and Aitkin County are the sponsor of the Aitkin Airport; and

WHEREAS, Aitkin is a recipient of Federal Aviation Administration Entitlement Funds; and

WHEREAS, Owatonna is a recipient of Federal Aviation Administration Entitlement Funds; and

WHEREAS, 49 U.S.C. §47117, subd. C(2) provides that a sponsor of an airport may make an agreement with the Secretary of Transportation waving the sponsor's claim to any part of the amount apportioned for the airport if the Secretary agrees to make the waived amount available for a grant for another public-use airport in the same state or geographical area as the airport; and

WHEREAS, Owatonna has requested Aitkin to waive the receipt of and transfer **\$150,000** in Federal Aviation Administration Entitlement Funds for a project in fiscal year 2020; and

WHEREAS, Aitkin agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2020 in the amount of **\$150,000** to Owatonna pursuant to the regulations of the Federal Aviation Administration and upon the following conditions.

NOW, THEREFORE BE IT by the parties that:

1. Aitkin agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2020 in the amount of **\$150,000** to Owatonna.
2. Aitkin agrees that it will complete all documents and forms necessary to complete the waiver and transfer pursuant to 49 U.S.C. §47117.
3. Owatonna hereby accepts the transfer and agrees to waive receipt of Federal Aviation Entitlement Funds as said Funds are made available by the Federal Aviation Administration in **2023**, and to transfer those funds to Aitkin.
4. Owatonna agrees that it will complete all documents and forms necessary to complete the waiver and transfer pursuant to 49 U.S.C. §47117 in 2023.
5. In the event Owatonna does not receive a total of **\$150,000** of Federal Aviation Entitlement Funds in 2023 to waive receipt of and repay Aitkin, Owatonna hereby agrees to waive the receipt of and to repay the **\$150,000**, or balance not yet repaid, of Federal Aviation Entitlement Funds to Aitkin in the year the first such Entitlement Funds become available to Owatonna.

6. This Agreement shall be controlled by the laws of the State of Minnesota, and any action brought as a result of any claim, demand, or cause of action arising under the terms of this Agreement shall be brought in an appropriate venue in the State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED that City of Aitkin and the City of Owatonna hereby agree upon said terms of the Federal Aviation Entitlement Funds transfer and repayment.

CITY OF OWATONNA

CITY OF AITKIN

Mayor
Mr. Thomas Kuntz

Mayor
Ms. Megan Workman

City Administrator
Ms. Kris Busse

City Administrator
Ms. Rose Beverly