

# THE CITY OF



# OWATONNA

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Airport Manager  
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Owatonna, MN 55060-4794  
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**TO:** Honorable Mayor and City Council Members, City Administrator  
**FROM:** Dave Beaver, Airport Manager  
**DATE:** April 28, 2021  
**RE:** Authorization to enter into agreements for the transfer of airport Non-Primary Entitlement (NPE) funds.

**Purpose:**

To approve the NPE transfer agreements with Houston County, Lac Qui Parle County, Pine River, and Silver Bay.

**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 four years to help fund federally eligible projects. If funds from the “first” year of banked funds are not used within that 4-year life, they expire and are turned back to the FAA.

Additional federal NPE funding is needed to complete the construction phase of the 10-Unit T-Hangar and Taxi-Lane project. The communities listed above have available NPE funds and are willing to enter into transfer agreements. 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.

These transfers are part of the anticipated funding plan for this project. The Airport Commission approved a motion in support of the funding plan and obligation of future NPE allocations to complete the T-Hangar project.

**Budget Impact:**

The anticipated agreements provide for the transfer of expiring NPE funds and proposed repayment years as follows:

Houston County (2022)	\$150,000
Lac Qui Parle County (Madison) (2025)	\$150,000
Pine River (2026)	\$150,000
Silver Bay (2027-2029)	\$450,000

NPE transfers for Aitkin (2023) and Long Prairie (2024) have already been approved. In the event that there is no FAA NPE funding program in these years, then any repayment provision from future NPE funding allocations is waived.

**Recommendation:**

Staff recommends approval of the agreements.

**AGREEMENT BETWEEN THE CITY OF OWATONNA, MINNESOTA  
AND  
HOUSTON COUNTY, MINNSOTA**

- I. This document is memorialization of the Agreement between Houston County and the city of Owatonna that Houston County does hereby authorize \$150,000 of Federal Entitlement dollars, earmarked for the Houston County Airport, be transferred to the city of Owatonna for its use at the Owatonna Degner Regional Airport, subject to the following conditions:
  
- II. Houston County agrees to sign and file FAA Form 5100-110 "Request for FAA Approval of Agreement for Transfer of Entitlements" (Order 5100.38D) with the U.S. Department of Transportation, Federal Aviation Administration. This action will finalize the above-stated transfer of Federal Entitlement dollars. However, in full consideration of this agreement, the city of Owatonna agrees to return to Houston County \$150,000 of Federal Entitlement dollars earmarked for the Owatonna Degner Regional Airport no later than May 15, 2022.
  
- III. All parties acknowledge that this agreement is in full consideration, which will allow for \$150,000 of Federal Entitlement dollars to be transferred to the city of Owatonna on or about May 1, 2021.

This agreement is fully stated and cannot be cancelled, modified, or in any way changed without the express written permission of both parties.

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Kris Busse  
City Administrator



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Brian Pogodzinski, P.E.  
County Engineer

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

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of **April 2021**, by and between the City of Owatonna, a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Owatonna"), and Lac Qui Parle County Airport an airport corporation political subdivision of the State of Minnesota (hereinafter "Lac Qui Parle County Airport").

**WHEREAS**, Lac Qui Parle County Airport is the sponsor of the Airport; and

**WHEREAS**, Lac Qui Parle County Airport 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 Lac Qui Parle County Airport to waive the receipt of and transfer **\$150,000** in Federal Aviation Administration Entitlement Funds for a project in fiscal year 2021; and

**WHEREAS**, Lac Qui Parle County Airport agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2018 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. Lac Qui Parle County Airport agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds for 2018 in the amount of **\$150,000** to Owatonna.
2. Lac Qui Parle County Airport 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 **2025**, and to transfer those funds to Lac Qui Parle County Airport.
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 2025.
5. In the event Owatonna does not receive a total of **\$150,000** of Federal Aviation Entitlement Funds in 2025 to waive receipt of and repay Lac Qui Parle County Airport, 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 Lac Qui Parle County Airport 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 Lac Qui Parle County Airport and the City of Owatonna hereby agree upon said terms of the Federal Aviation Entitlement Funds transfer and repayment.

**CITY OF OWATONNA**

**CITY OF LAC QUI PARLE COUNTY AIRPORT**

\_\_\_\_\_  
Mayor  
Mr. Thomas Kuntz

  
\_\_\_\_\_  
Vice Chairman  
Mr. Mike Dahle

\_\_\_\_\_  
City Administrator  
Ms. Kris Busse

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

**THIS AGREEMENT** is made and entered into this 14<sup>th</sup> day of **April 2021**, by and between the City of Owatonna, a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Owatonna"), and City of Pine River a municipal corporation and political subdivision of the State of Minnesota (hereinafter "Pine River").

**WHEREAS**, City of Pine River are the sponsor of the Pine River Regional Airport; and

**WHEREAS**, Pine River 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 Pine River to waive the receipt of and transfer \$75,670.00 from 2020 funds and \$74,330.00 in 2021 funds for a total of **\$150,000** in Federal Aviation Administration Entitlement Funds for a project in fiscal year 2021; and

**WHEREAS**, Pine River agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds 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. Pine River agrees to waive the receipt of and to transfer Federal Aviation Entitlement Funds in the amount of **\$150,000** to Owatonna.
2. Pine River 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 **2026**, and to transfer those funds to Pine River.
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 2026 to waive receipt of and repay Pine River, 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 Pine River 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 Pine River and the City of Owatonna hereby agree upon said terms of the Federal Aviation Entitlement Funds transfer and repayment.


**CITY OF OWATONNA**

**CITY OF PINE RIVER**

\_\_\_\_\_  
Mayor  
Mr. Thomas Kuntz

  
\_\_\_\_\_  
Mayor  
Ms. Tamara Hansen

\_\_\_\_\_  
City Administrator  
Ms. Kris Busse

  
\_\_\_\_\_  
City Clerk  
Ms. Terri Dabill











