

THE CITY OF



OWATONNA

Dave Beaver
Airport Manager
Ph. (507) 444-2448

540 West Hills Circle
Owatonna, MN 55060-4794
Ph. (507) 444-4300
FAX: (507) 444-4394

TO: Honorable Mayor and City Council Members, City Administrator
FROM: Dave Beaver, Airport Manager
DATE: May 25, 2021
RE: Authorization to amend airport Non-Primary Entitlement (NPE) transfer agreement.

Purpose:

To approve the revised NPE transfer agreement with the City of Long Prairie, MN.

Background:

The NPE transfer agreement with Long Prairie, MN was approved at the regularly scheduled City Council meeting on February 2, 2021. This agreement provided for the repayment of future available NPE funds back to Long Prairie in 2022. The agreement was forwarded to Long Prairie after approval for final signature. Concurrently, additional NPE funds were obtained from Houston County also requesting repayment in 2022. Long Prairie is willing to revise their transfer agreement to reflect a new repayment in year 2024.

These transfers are part of the anticipated funding plan for the airport T-Hangar project.

Budget Impact:

None, this revises the repayment date only from 2022 to 2024.

Recommendation:

Staff recommends approval of the revised agreement.

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

THIS AGREEMENT is made and entered into this ____ day of **June 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 **2024**, 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 2024.
5. In the event Owatonna does not receive a total of **\$150,000** of Federal Aviation Entitlement Funds in 2024 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