

**REGULAR CITY COUNCIL MEETING  
CITY OF SHELL LAKE  
November 14, 2022**

Mayor Sally Peterson called the meeting to order at 7:00 p.m. Council members present were Stephen Smith, Mike Andrews, Rowie Hansberger, Ken Schultz and Rob Anderson. Dan Harrington, Deb Nebel and Brian Carlson were absent. Andy Eiche, Regan Kohler, Mitch Brown, David Wilson, Anne Ring, Mike Ring, Gene Harrington, John Milligan, David Zeug, Darla Krzoska (via phone), Bryan Rydberg, Mike Van Gilder, Gerry Winch, Bonnie Carlson, Dan Rayman, Chris Olson and Keith Pieper were also present.

Anderson moved, seconded by Hansberger, to approve the council minutes from November 14, 2022. Motion carried unanimously.

Andrews moved, seconded by Schultz, to approve the council minutes from December 1, 2022. Motion carried unanimously.

**Public Comment:** Mike Van Gilder of SEH thanked the city for placing their trust in SEH to handle their engineering needs.

Brown presented the Public Works Director Report.

Wilson presented the Police Chief report. Wilson provided information regarding parolee's, noting that there were presently 199 individuals living in Washburn County presently on parole. Wilson also thanked the Public Works crew for the great job they are doing. Mayor Peterson asked Wilson what possessions are being discovered under the "other" category. Wilson responded that they were primarily THC type products. Hansberger asked if there have been any arrests related to fentanyl. Wilson replied no as it relates to the city of Shell Lake.

Eiche presented the Zoning Administrator's Report.

Andrews presented the library minutes from November. Andrews informed the council that the library director position has been filled.

Mayor Peterson presented the Airport Management Committee minutes.

**Mayor's Report:** Mayor Peterson thanked all who have given to the community in the past year, and thanked the entire City Council and city staff. Mayor Peterson gave special thanks to Ken Schultz for his assistance through the year. The mayor wrapped up her comments by wishing everyone a safe and happy holiday season.

**Executive/HR Committee:** No meeting.

**General Administration:** Anderson presented the minutes.

**Public Works Administration:** Schultz presented the minutes. Schultz moved, seconded by Andrews, to approve SEH to bid out the reconstruction of S Lake Drive between Corbits Lane and Birch Haven Road in 2023, with the project being funded via a loan. Roll call vote was taken; Anderson – Yes, Smith – Yes, Hansberger – Yes, Schultz – Yes, Andrews – Yes. Motion carried unanimously.

Schultz explained a recent quote for an air exchanger at the new police station. It was decided to postpone on a decision until a later date.

Mike Van Gilder explained the Supplemental Agreement for the S Lake Drive project. Andrews moved, seconded by Hansberger, to approve a Supplemental Letter Agreement with SEH for engineering activity related to the S Lake Drive project. The motion carried unanimously.

**Parks and Recreation:** No meeting.

**Financial Administration:** Smith presented the minutes. Smith moved, seconded by Schultz, to approve vouchers 1473-1613. Motion carried unanimously.

Budget status report was reviewed.

**Unfinished Business:** None.

**New Business:** Chris Olson, owner of Hangar 97, presented a proposal to build a 100' x 120' hangar at the Shell Lake Municipal Airport. Olson presented a handout displaying the functions of the hangar (both aviation related and non-aviation related). The presentation went into question and answer after the brief presentation.

Gerry Winch explained how they would be an FBO (Fixed-base Operation). Winch mentioned how they would service planes and could bring a good deal of business to the community.

Hansberger highlighted a Google review relating to Hangar 97's Forrest Lake operation, which was negative, and asked Olson to explain. Olson was familiar with the complainant and explained how the bartender had cut them off and closed the bar as he had felt they were getting irresponsible with their consumption of alcohol. Keith Pieper of Hangar 97 went on to explain how they rent the space and it is the caterer's and operators that are responsible for monitoring events and making sure event participants are following the rules.

Mayor Peterson asked if they could share what kind of money we are talking about and the number of events. Pieper said an event will cost \$8,000 to \$12,000 per event, and that most large events would happen on a Friday or Saturday. Smaller events could go as low as \$300 dependent on the size and need of the group.

Pieper pointed out how a city can approve non-aviation related events on an airport.

Stephen Smith asked, "Who owns the hangar." Olson replied, "We do." Smith asked, "Is this in the city ALP (Airport Layout Plan)?" Winch replied, "Yes." Smith expressed concern that if grant monies are involved, and if this could result in the lose of entitlement funds. Smith asked who would profit from the sale of fuel. Pieper relid, "We split the fuel profit with the city."

Olson went on to explain the benefit to the city stating, "When we hold a \$10,000 event, it results in \$100,000 to \$150,000 being spent by the guests in your city. 25 to 30% of our event guests end up spending the night locally."

Eiche asked if they intend to request the use of city entitlement monies, and if so, on which portions of their venture. Olson mentioned paving and taxi way additions and the introduction of fuel. Pieper also mentioned that any use of entitlement funds would result in Hangar 97 paying the 5% city obligation of entitlement usage.

Gene Harrington stated how he liked Hangar 97's business plan. However, he does not like their requested location. Harrington shared the city's experience when they were deciding on where to place the SRE (Snow Removal Equipment) building, and how it was clear the Burgs Park community did not want the placement at the east end of the airport adjacent to residential homes. Harrington stated, "I prefer a location at the other end of the runway near Hwy 63. It fits better on that end." Harrington also added how an event would be better served on the west end as it would be closer in proximity to the hotel and would accomidate more available parking options. Harrington finished by stating how he does not want to see the city using one penny of tax payer money to subsidize this project.

Mike Ring noted how he pays more in taxes as a homeowner than Hangar 97 would have to pay for their operation. He went on to display how the Forrest Lake operation is not anywhere as close to residential homes as they would be at the proposed Shell Lake location. Ring ended by pointing out the length of the runway, and concerns over what level of aircraft the airport could safely accomidate, and, Ring expressed concern of fuel trucks going up and down Burgs Park Road.

Winch explained how a King Air can utilize our runway. Olson expanded on the comment stating that pilots know when they can and can't land on an airport runway, pointing out how weight of aircraft is also a consideration relating to airport runway capacity.

Dave Wilson requested the project check with the Fire Chief and Carol Buck of Emergency Management before any decisions are made.

Gene Harrington and John Milligan expressed concern about location and fuel contamination concerns.

Anne Ring voiced concern regarding the number of events, and how they would all be squeezed in between Memorial Day and Labor Day, making it possible to see big events on every weekend of the summer. Olson explained how one-half to two-thirds of all their events are closed door, and that very few are weddings or large open-door events. Pieper added, they would expect one to two planes per event and about 25 to 30% of the guests arriving by car. Pieper also noted they would be willing to place signage for each event banning event guests from parking on the side of the road.

Mike Ring noted how there is already two airports within 20 miles where a plane can get fuel.

Mike Andrews voiced a great deal of concern relating to the accommodation of parking availability during large events. Pieper noted, "It is our responsibility to come up with a working plan for parking. We are investing two to two and a half million dollars on this project."

Hansberger asked about a scholarship program she had heard about as well as monies that could come back to the city. Olson explained how their business plan takes great efforts to facilitate outreach programs within the community they operate.

Schultz stated, "They are not building a party barn here for 1.5 million dollars. I want to see the long-term gain to the city with aviation."

Pieper added that their operation also results in other business's operating out of the facility. He noted that his personal business as well as a contractor business are currently operating out of the Forrest Lake operation. They will be looking at starting with 2 to 3 full-time employees, paying 60 plus thousand per year, plus janitorial and event staff. "At any given time, we will have 15 plus people in the hangar. All of my employees get paid 6 plus figures, and 98.80% of our operations are aviation related.

Bryan Rydberg thanked Hangar 97 for presenting. "I'm pro-business. Dan Rayman said it best; We need to see a business plan." Olson offered to everyone present to come and see their operation in Forrest Lake first hand. Schultz commented that he would like to see an artist rendering of how the structure would look in Shell Lake.

Andrews moved, seconded by Hansberger, to adjourn at 8:51 p.m. Meeting adjourned.

Andrew Eiche, City Administrator/Clerk/Treasurer