City of Minnesota TO: Airport Advisory Board FROM: M McPherson, City Administrator SUBJECT: Flight Service Station Update DATE: September 30, 2022

On September 29, Public Works Director and I met with KLJ staff to discuss the Flight Service Station. As the Board is aware, the FAA intends to vacate the premises and has stated that intent since at least 2014. Last word, the end date was September 30, 2023 – I have an inquiry into the FAA real estate contact to see where they are at in their relocation process.

In planning for the FAA vacation of the building and the fact that we are updating the ALP with the AWOS relocation study, it seemed appropriate to discuss the process to remove the Flight Service Station parcel from the airport.

After discussing the issue with KLJ staff, here are the facts as staff understands them:

- 1. Parcel 1A is part of Parcel 1 originally purchased in 1978 for \$55,300. Federal grant dollars were used to acquire the land.
- 2. The Flight Service Station was constructed by the City without Federal participation.
- 3. Parcels 1B and 1C were previously released from the airport, date unknown.
- 4. It should be relatively simple to release Parcel 1A (Flight Service Station) from the airport:
 - a. A deed to be drafted and reviewed by the FAA
 - b. There may need to be an appraisal of the Flight Service Station
 - c. The City will likely need to pay back a pro-rated share of the dollars used to purchase of Parcel 1 (2.9 acres of the original 20 acres purchased); however, it is unknown if that will be in 1978 or 2023 dollars. The payback does not need to be in actual cash to the FAA, it could be used by the City as a match for an airport project.

Given the fact that we are in the process of releasing other parcels, this can be added to the mix. Once complete, this can be added to the update of the ALP.

