



U.S. Department
of Transportation
**Federal Aviation
Administration**

Airport Compliance and Management Analysis

800 Independence Ave., SW.
Washington, DC 20591

October 17, 2011

The Honorable Ron Blum
Mayor of St. Clair
#1 Paul Parks Drive
St. Clair, MO 63077

Dear Mayor Blum:

As a follow up to the August 30 meeting/teleconference with the Federal Aviation Administration's (FAA) Central regional and Headquarters offices regarding your desire to close the St. Clair Regional Airport. Listed below are the next steps the City of St. Clair needs to take:

1. The City's Request for a Release must demonstrate how the airport closure will provide a benefit to civil aviation, not just a benefit to St. Clair. See Airport Compliance Manual, FAA Order 5190.6B §§22.4, 22.27(d), and 22.25 (noting "The nonaviation interest of the sponsor or the local community – such as making the land available for economic development – does not constitute an airport benefit that can be considered in justifying a release and disposal.").
2. City's Request for a Release needs to show how the airport assets – including the fair market value proceeds from the sale of this airport – along with the unamortized grant funds, will be transferred to another airport in the National Plan of Integrated Airport Systems (NPIAS) located in the vicinity of the St. Clair Regional Airport. The City's request should show how the receiving airport will use the new assets to enhance civil aviation. The City's request should identify what specific improvements will be made, what services will be enhanced, what hangars will be built, how the current airport tenants will be accommodated, etc., as a result of this transfer of assets. The City's request must include a contract with the receiving airport accepting the funds for the scope of work funded. FAA concurrence of the agreement is required. See Airport Compliance Manual, FAA Order 5190.6B §§ 22.27(c) and (d).

Note: The City may not use the proceeds from the sale of the airport property to repay the unamortized AIP grant funds. The City must place into the airport fund *all* of the proceeds from the sale of the property, which must minimally meet the appraised fair market value. The airport fund along with any remaining assets must be transferred to the new airport. The airport fund can pay the direct and reasonable cost of obtaining appraisals, advertising the property, and other selling costs in connection to the sale. The City should submit a budget for FAA review and approval for all expenses that will be reimbursed with airport revenue. The repayment of unamortized grant funds is in addition to the fair market value of the airport property.

3. AIP grant funds have a twenty year life. The unamortized portion of the grant funds must be available for eligible AIP projects subject to approval by our Central regional office.
4. The City must provide an independent appraisal of the fair market value of the property at the highest and best commercial use satisfactory to the FAA. We have received two appraisals from the City. Our Airports acquisitions specialist reviewed the two appraisals and concluded the scope of work for the submitted appraised values is not adequately supported for FAA acceptance. Neither submitted appraisal reports meet FAA appraisal document standards. See FAA Advisory Circular (AC) 150/5100-17 Chapter 2. The FAA believes the appraised values submitted are understated. An acceptable report must include a sufficient description of the property, the local land market and market development potential, and must include detailed information on comparable sales meeting FAA reporting requirements. A Sample Scope of Work Statement is enclosed for your convenience.
5. The City must complete appropriate environmental review in accordance with the National Environmental Policy Act (NEPA) addressing the effects of closing the airport. This would involve completion of either an environmental assessment (EA) or environmental impact statement (EIS). Please contact Mr. Jim Johnson, Manager of the Central Region Airports Division.
5. The City must prepare a draft Request for Proposal (RFP) solely for the sale of the land. See Airport Compliance Manual, FAA Order 5190.6B §22.17(d).
6. After the previous steps have been completed to the satisfaction of the FAA, the Associate Administrator for Airports will make an agency decision. If the agency decision permits the sale of the airport, the sale must take place through an open, competitive bidding process. The FAA will review the bids.
7. If the airport is sold, there will be a property settlement, transfer of assets, and deed of release. The sale proceeds must be placed in escrow at the time of closing.

8. After settlement, the City must consent to publication in the Federal Register of a 30-day advance public notice announcing the closing of the airport. The FAA would publish this notice. See Airport Compliance Manual, FAA Order 5190.6B §22.31

If you need additional information, please contact Mr. Jim Johnson at (816) 329-2600.

Sincerely,



Kevin C. Willis
Manager Airport Compliance

Enclosure