



Airport Closure Evaluation Report
Prepared by MnDOT Aeronautics

**Impacts of Closing
The Murdock Municipal Airport (23Y)**

December 10, 2018

Summary

Closing a publicly owned airport is a long term decision which needs careful consideration and thorough evaluation. Establishing a replacement airport is extremely difficult, time consuming, and very costly. It is not likely that funds will be available to construct a new airport in the future.

Public investment in the airport:

Federal funds	\$ 0.00	
State funds	\$ 102,333.83 *	* Includes capital improvement grants
Local funds	\$ 60,691.86 **	** Includes local funds used to match State grants
Other public funds	<u>\$ Unknown</u>	
Total	\$ 163,025.69	

Economic impact on the Murdock community:

“Economic impact” is defined as the result of expenditures or sales transactions between businesses or other entities that can be directly traced to the presence of an airport. The Murdock Municipal airport has an impact of \$16,806.00 annually, according to the University of Minnesota’s Airport Economic Impact Calculator.

Impact on the state airport system:

Closure of the Murdock Municipal Airport will have minimal impact on the State Airport System, due to low usage of the facility, as well as the number of alternate airports nearby.

Total repayments to MnDOT required of the City of Murdock, Minnesota:

Grants at the time of construction were written with 10 year assurances with the exception of land purchases; MnDOT retains the right of repayment of land purchases in percentage rates of the original grant at the current Fair Market value. According to the USDA Land Values 2018 Summary (ISSN: 1949-1867), Minnesota Farmland value is about \$4,700 per acre. Land purchased for the Murdock Municipal Airport was 61 acres with an approximate total value of \$286,700. The original participation rate for the State of Minnesota was 50%, the State’s share would be about \$143,350. This value is an estimate, the final amount will be determined by appraisal when the city sells the land or converts it to a non-aviation use, at the time of sale.

Evaluations

Public Investment in the Airport

Project files were researched to determine how much public funding has been invested in the Murdock Municipal Airport. Records show that state construction grants were issued to the City of Murdock, totaling \$45,907.83 as listed below.

		State Funds	Local Funds	
SP A7606-01	1970	\$ 35,000.00	\$ 0.00	<i>Air Strip Grading & Construction (100% grant)</i>
SP A7606-02	1970	\$ 9,006.80	\$ 9,006.80	<i>Land Purchase (50/50 grant)</i>
SP A7606-03	1987	<u>\$1,901.03</u>	<u>\$ 950.52</u>	<i>Airport Zoning (2/3 – 1/3 grant)</i>
		\$45,907.83	\$ 9,957.32	

Likewise, records were searched to determine how much federal funding has been invested in the airport. Records show that FAA issued no grants to the City of Murdock.

MnDOT has supported state system airports with Maintenance & Operations (M&O) grants to assist with expenses incurred in running their airports since 1954. Computer records since 1990 show that Murdock has received \$ 56,426 from MnDOT, and paid \$50,734.54 in M&O expenses. M&O funds have only annual grant assurances and are not usually subject to repayment because of airport closure.

Current Value of Assets

An analysis was made to determine the current value of the capital investments on the airport.

Estimates show that the land is currently worth approximately \$ 286,700. There are no publicly owned buildings on the airport.

There is one privately owned hangar on the airport, the value of which is estimated at \$ 15,000.

A windsock on the airport is estimated to be worth \$2,000.

The yellow cones that mark the turf runway and the windsock have been provided by MnDOT and will be redeployed elsewhere upon airport closure.

There is no fuel system or weather reporting system (AWOS) at the Airport.

Grant Obligations

Each of the state grants received by the airport owner were reviewed to determine if there are any grant obligations which will have an impact on closing the airport. This review revealed the following;

MnDOT retains repayment rights in the sale of land at the same rate of the original grant to purchase. The original land grant was funded at 50%/50%. The city owns 61 acres of the airport in fee. Current estimated Minnesota Farmland Value is about \$4,700 per acre. 50% = \$2,350. 61 acres @ \$2,350/acre. The City of Murdock will owe the State of Minnesota \$143,350, or half of the value of the land as determined by appraisal at the time of sale.

Economic Value of the Airport to the Community

An analysis was made to determine the economic value of the airport to the community. Information was collected at a meeting on 9/6/2018 between MnDOT and the City to discuss the closure of the airport. The amount spent on maintenance and operation of the airport was determined, with MnDOT providing \$5,005, and the City of Murdock expending \$9,000 annually, for a total of \$14,005 per year. This information was entered into the State of Minnesota's [Airport Economic Impact Calculator](#), a tool

developed by the University of Minnesota to estimate the economic value of small- and medium-sized airports in the state. Details of this economic impact model can be found in the [University of Minnesota Research Report CTS 11-01](#).

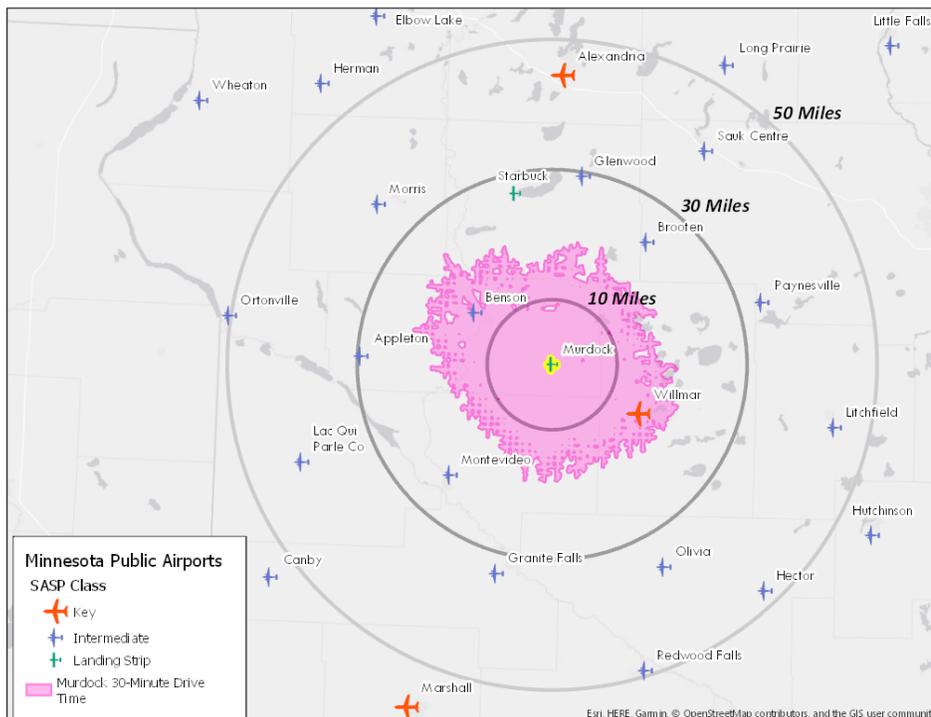
Results from the calculator show that the airport generates an economic impact of \$16,806 annually to the community and supports 0.08 jobs countywide. These impacts are the result of direct effects, indirect effects, and induced effects. Direct effects are changes in production of goods or services by organizations or businesses that would not have occurred if it were not for the existence of the airport. Indirect effects describe the changes in production by businesses that provide inputs to the directly affected airport businesses. Induced effects are the changes in area household spending patterns caused by changes in household income generated by the direct and indirect airport effects.

Separately, the City reported that a city employee works at the airport 8-10 hours a week, representing 0.25 jobs supported by the airport.

Airport Service Area

The service area of an airport is influenced by the purpose of the aircraft operation and the distance to other surrounding airports. Aviation purposes important to the community may include: local and itinerant business traffic, public safety uses, medical transport, aerial application, flight training, personal transportation or recreational flights, and others. The Murdock Municipal Airport is located in SE Swift County, west-central Minnesota, and serves Swift, Chippewa, and Kandiyohi Counties.

The service area for the airport is shown on the map below. The map shows airports in the vicinity of Murdock and their State Aviation System Plan classification (Key, Intermediate, and Landing Strip – with Key and Intermediate being paved and lighted runways, Landing Strip being turf). Buffers of 10, 30, and 50 miles are also shown to illustrate the distance to other airports in the state system. Finally, a drive-time analysis was performed to show the area within a 30-minute drive from Murdock. Benson and Willmar airports may be easily accessed from Murdock, all of which are located along U.S. Route 12.



Impacts on the State Airport System

Closing this airport will have a minimal impact on the State Airport System. Closure will require the relocation of 0 aircraft and 1,000 estimated annual operations to other airports according to Appendix C of the [2012 State Aviation System Plan](#). The City of Murdock reported in October of 2018 that there were 0 based aircraft and an estimated 10-12 operations at the airport annually. Any aircraft that may currently use the Murdock Municipal Airport are expected to move to the Willmar, Benson, or Starbuck airports. Benson and Willmar are both within twenty miles, while Willmar offers a turf crosswind runway. Starbuck is the closest solely turf strip at a 33-mile drive.

Murdock Municipal Airport is used in support of agricultural (ag) spraying operations. Ag operations vary from year to year and location to location, but operators prefer to use an airport as close to the cropland as possible. Ag spray operators may find the additional distance to neighboring airports more of a hardship than other users.

Finally, every airport serves the important system role of providing an alternative landing site for an aircraft in an emergency. The closure of the Murdock Municipal Airport may cause a system gap in southeastern Swift County and northern Chippewa County for emergency alternatives.

Environmental Issues

MnDOT knows of no environmental issues at the Murdock airport property. There is currently no aviation fuel dispensing system at the airport, although past agricultural operations may have resulted in a fueling vehicle being parked on the field. Any contamination of soils that may have resulted from a temporary, abandoned, or removed fuel system may require remediation by the City of Murdock.

Potential Costs to the City

Closing the airport will generate some costs for the city which they will need to pay. Following are some actions and costs the city may need to deal with:

When the city closes their airport, they must prepare and file FAA Form 7480-1 to notify the FAA that the airport is closed. This notice will remove the airport from future aeronautical charts and other aviation publications.

When the airport is permanently closed, the runway markings must be obliterated and yellow "Xs" must be installed and maintained to denote that the runway is closed. These markings shall be in accordance with FAA Advisory Circular 150/5340-1.

To minimize the city's liability from closing their airport, runways should be obliterated, especially areas that may appear useable even though the runway has been appropriately marked.

At such time the airport is closed, the city will no longer be eligible to receive state Construction Grants and Maintenance Grants.

Hangars that no longer serve an aviation purpose may need to be torn down or relocated. There is one privately owned hangar on the airport for which the city will need to fairly compensate the owner.

Navigation aids, even though not owned by the city, will need to be removed when the airport is closed. MnDOT expects the City to collaborate with MnDOT to schedule the removal of these facilities.