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LEASING OF CLARINDA, IOWA, AIRPORT PROPERTY

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HEARING BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 10700

A BILL TO AUTHORIZE THE ADMINISTRATOR OF THE
FEDERAL AVIATION AGENCY TO RELEASE RESTRICTIONS
ON THE USE OF CERTAIN REAL PROPERTY CONVEYED TO
THE CITY OF CLARINDA, IOWA, FOR AIRPORT PURPOSES

SEPTEMBER 27, 1966

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CONTENTS

	Page
Text of H.R. 10700.....	1
Report of—	
Bureau of the Budget.....	3
Federal Aviation Agency.....	1
General Services Administration.....	2
Statement of—	
Bennett, Thomas P., administrative assistant, on behalf of Hon. John R. Hansen, a Representative in Congress from the State of Iowa.....	7
Bowers, Chester G., Deputy Director, Airport Service, Federal Aviation Agency.....	3
Sales, Walter R., city manager, Clarinda, Iowa.....	11
Additional material submitted for the record by the Chamber of Commerce of Clarinda, Iowa: Statement of John Hunter, president.....	11

CONTENTS

LEASING OF CLARINDA, IOWA, AIRPORT PROPERTY

TUESDAY, SEPTEMBER 27, 1966



HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 2123, Rayburn House Office Building, Hon. Samuel N. Friedel (chairman of the subcommittee) presiding.

Mr. FRIEDEL. The meeting now will come to order.

The Subcommittee on Transportation and Aeronautics meets today to consider H.R. 10700—a bill to allow the city of Clarinda, Iowa, to lease for nonairport purposes a portion of real property which was conveyed to that city for airport purposes. This legislation was introduced by our colleague, Congressman John R. Hansen. (H.R. 10700 and agency reports thereon follow:)

[H.R. 10700, 89th Cong., 1st sess.]

A BILL To authorize the Administrator of the Federal Aviation Agency to release restrictions on the use of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 16 of the Federal Airport Act, the Administrator of the Federal Aviation Agency is authorized, subject to the provisions of section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622c), to grant releases from any of the terms, conditions, reservations, and restrictions contained in the deed of conveyance dated March 26, 1947, under which the United States conveyed certain property to the city of Clarinda, Iowa, for airport purposes.

FEDERAL AVIATION AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., September 2, 1965.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Agency with respect to H.R. 10700, a bill to authorize the Administrator of the Federal Aviation Agency to release restrictions on the use of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes.

The purpose of this bill is to permit the city of Clarinda, Iowa, to lease, for non-airport purposes, a certain portion of real property conveyed to that city for airport purposes. The airport property which Clarinda would lease was formerly surplus Federal property and was conveyed by quitclaim deed on March 27, 1947, without cash consideration to Clarinda under Section 16 of the Federal Airport Act.

Section 16 of the Federal Airport Act provides that whenever the Administrator of the Federal Aviation Agency deems that use of any lands owned or controlled by the United States is reasonably necessary to carry out a project under that Act or for the operation of a public airport he shall file with the head of a department or agency having control of the lands a request that such property

interest as he determines necessary be conveyed to the local public agency sponsoring the project or owning the airport. If the head of the department or agency involved determines that a conveyance of such interest is not inconsistent with the needs of that department or agency, he is authorized and directed, with the approval of the President and the Attorney General, to make the conveyance requested. Section 16 further provides, however, that each such conveyance "shall automatically revert to the United States in the event that the lands in question are not developed, or cease to be used, for airport purposes."

Land conveyed pursuant to the provisions of Section 16 is generally not land that has been found to be surplus to the needs of the Federal Government. The only determination made with respect to the request for transfer, other than the determination that land is needed for airport purposes, is that use of the land for public airport purposes would not be inconsistent with the needs of the agency having control over the land. Property is not determined to be surplus to the needs of the Government until it has been found that no other department or agency has need for it. Further, if any property is determined to be surplus to the needs of the entire Federal Government, it is disposed of in accordance with provisions of the Federal Property and Administrative Services Act or the Surplus Property Act, as amended. However, in the case of the land at Clarinda, the Administrator of the War Assets Administration made a prior finding that the property was surplus to the needs of the Government.

At the time of the conveyance to Clarinda the only authority for the conveyance of this surplus property for airport purposes and without consideration was Section 16 of the Federal Airport Act. However, four months after this conveyance, Section 13(g) of the Surplus Property Act was enacted authorizing conveyance of surplus property for airport use without consideration. If Section 13(g) had been available at the time of the Clarinda conveyance, the property involved would have been conveyed under that section. The significance of that fact is that if the property had been conveyed under Section 13(g) and not under Section 16 of the Federal Airport Act, the Administrator of the FAA would have the authority to release this property for non-airport uses, and there would be no need for special legislation. In light of this consideration, we have no objection to enactment of H.R. 10700 to authorize the Administrator to convey a portion of the property for non-airport uses as if the property had been originally conveyed as surplus airport property. Since the conveyance would under the bill be regarded as if it had been a surplus property conveyance, the bill should, as H.R. 10700 does, apply certain other conditions applicable to property which was actually conveyed as surplus property, specifically the addition of the provisions of Section 4 of the Federal Property and Administrative Services Act. That section requires that before property is released for non-airport purposes the Administrator of FAA must find that the property to be conveyed no longer serves the purpose for which it was transferred or that the release of the property will not prevent accomplishment of the purpose for which the property was transferred and is necessary in order to protect or advance the interest of the United States in civil aviation. It further permits the Administrator of FAA to impose conditions on any conveyance of surplus airport property made for non-airport uses. It would permit us to require the proceeds of the non-airport use to be applied to airport maintenance and development, a condition we intend to apply.

The Bureau of the Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely,

WILLIAM F. MCKEE,
Administrator.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., September 22, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of September 15, 1966, invited any comments that the General Services Administration may care to offer concerning H.R. 10700, 89th Congress, a bill "To authorize the Administrator of the Federal Aviation Agency to release restrictions on the use of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes."

We are informed by representatives of the Federal Aviation Agency that the purpose of the bill is to permit the city of Clarinda to lease a portion of the airport

property and use the proceeds toward the maintenance and improvement of the airport. Further, it is our understanding that the FAA favors this proposed legislation as commensurate with their program objectives.

Although the proposed legislation is more appropriately the concern of the Federal Aviation Agency, the General Services Administration would have no objection to its enactment.

The Bureau of the Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Committee.

Sincerely yours,

LAWSON B. KNOTT, Jr.,
Administrator.

BUREAU OF THE BUDGET,
Washington, D.C., September 30, 1965.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of August 28, 1965, for the views of the Bureau of the Budget on H.R. 10700, a bill "To authorize the Administrator of the Federal Aviation Agency to release restrictions on the use of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes."

In view of the special circumstances set forth in the report of the Federal Aviation Agency on this bill, the Bureau of the Budget would have no objection to its enactment.

Sincerely yours,

PHILIP S. HUGHES,
Assistant Director for Legislative Reference.

Mr. FRIEDEL. Mr. Chester Bowers, Deputy Director of the Airports Service of the Federal Aviation Agency will be the first witness.

**STATEMENT OF CHESTER G. BOWERS, DEPUTY DIRECTOR,
AIRPORTS SERVICE, FEDERAL AVIATION AGENCY**

Mr. BOWERS. Thank you, Mr. Chairman.

Mr. Chairman, Congressman Devine, I am Chester Bowers, Deputy Director of the Airports Service of the Federal Aviation Agency.

We appreciate this opportunity to appear this morning to assist in your consideration of these bills.

The Agency has already submitted to the committee letters in which our views on the bills are set out in the record. H.R. 10700 and S. 2434, the Senate-passed bill also before you, would authorize the Administrator of the FAA to permit the city of Clarinda, Iowa, to lease for nonairport use, a portion of an airport which was donated to Clarinda by the Federal Government in 1947. The legal conditions under which the property was donated provide that if the property is not used for airport purposes it will automatically revert to the Government.

We believe that it is fair to release Clarinda from the restriction that this property be used only for airport purposes. Under the Surplus Property Act, airport property donated for airport use can be released by the Administrator for nonairport use if he finds that the property no longer serves the purpose for which it was donated, or if he finds that release of the property would not prevent accomplishment of the purpose for which the property was transferred and is necessary in order to protect or advance the interest of the United States in civil aviation.

The Administrator has, in the past, released many surplus property airports or portions thereof for nonairport use. The bill before you would place the Clarinda Airport property in the same category as as other surplus property airports insofar as the Administrator would be authorized to release portions of the property for nonairport use.

In fact, if this property had been conveyed 4 months later than it was, namely, after the enactment of section 13g of the Surplus Property Act instead of before it, the property would have been releasable in the discretion of the FAA Administrator and this legislation would not have been necessary.

As we understand it, Clarinda intends to lease a portion of the airport property for use as a meatpacking plant. This could be done in a manner which would not interfere with the airport operation. The airport operation would receive a direct benefit from the nonairport operation. This is due to the fact that any nonairport use of the property which would be authorized by these bills would be subject to reasonable conditions imposed by the Administrator of the Federal Aviation Agency.

The FAA would require that the proceeds from nonairport use of the property be used in support of the airport.

Mr. Chairman, that concludes the part of my statement relating to Clarinda. If there are any questions I should be happy to answer them.

Mr. FRIEDEL. Mr. Devine, any questions?

Mr. DEVINE. Yes.

Mr. Bowers, apparently you made a study here, but you have shown nothing to the committee, no charts, no indication of what the location of this meatpacking plant would be, what interference it may or may not have with the operation of the airport.

Do you have any chart here to indicate this?

Mr. BOWERS. No. I do not, sir.

Mr. DEVINE. Could you describe it without any charts?

Mr. BOWERS. The airport property, which was a prisoner of war camp in World War II and transferred to the city under section 16 of the Federal Airport Act, consists of approximately 500 acres, I believe.

The proposal would be to use about 40 acres, 38 or 40 acres, for nonairport use; namely, lease for a meatpacking plant.

Mr. DEVINE. Is any portion of this 40 acres in line with any of the landing strips?

Mr. BOWERS. The bill would authorize the Administrator of the FAA to grant the release upon determination and finding that the proposed use would in no way interfere with the operation or future development of the airport. The bill itself does not provide for the release. It authorizes the Administrator to grant the release upon finding that these conditions—

Mr. DEVINE. From having some knowledge of meatpacking plants, sometimes they have high stacks and things like that around them. If they are going to put a plant there it could of course interfere with approaches, takeoffs, and things of that nature.

Mr. BOWERS. That is very correct.

Mr. DEVINE. Are you satisfied that nothing like this will occur. Is that true?

Mr. BOWERS. That is correct, and I assure you, sir, that the Federal Aviation Agency would not grant a release until it was satisfied beyond

doubt that that there would be no interference with either the operation of the airport or its future development.

Mr. DEVINE. This is mere authorizing legislation and it does not cause the conveyance to be made. It leaves with the FAA the discretion as to whether or not to make the release; is that true?

Mr. BOWERS. That is correct.

Mr. DEVINE. That is all I have, Mr. Chairman.

Mr. FRIEDEL. Mr. Cunningham?

Mr. CUNNINGHAM. No questions.

Mr. FRIEDEL. Mr. Watson?

Mr. WATSON. Mr. Chairman, perhaps one or two.

I am sorry I wasn't here at the beginning of your testimony, Mr. Bowers.

What type aircraft is the Clarinda Airport able to accommodate now? What is the length of the runway?

Mr. BOWERS. The length of the runway is 2,900 feet I believe, so it is strictly an airport that serves what we call general aviation aircraft, nonairline aircraft, of course.

It takes the single engine aircraft and should accommodate some of the small, light twin-engine aircraft.

Mr. WATSON. I see.

So far as you know has there been any objection on the part of the commercial or private fliers in the area to the release of this area to that meatpacking company?

Mr. BOWERS. Not as far as I know, sir.

Mr. WATSON. No objection from the Private Pilots Association?

Mr. BOWERS. As far as I know there has not been. As I mentioned earlier, this legislation would authorize a release. It does not grant the release.

Mr. WATSON. Yes, sir.

Mr. BOWERS. So the Administrator of FAA would assure himself that there is no problem with the aviation use of the airport in the granting of this release.

Mr. WATSON. The reason I ask these questions is we have been wrestling with a similar problem in Columbia, S.C. We have a fine new airport. We have the old one which is downtown.

In my judgment it is not ideal even for small aircraft and yet the pilots still want it, as they say, for an auxiliary landing strip or what have you.

Is there any provision for a hearing before the property is actually released by the Commission or by some local authority, or are you knowledgeable on that?

Mr. BOWERS. As far as I know there is no provision made for a hearing.

Mr. WATSON. Thank you very much.

Mr. FRIEDEL. Is this field a grass strip, or is it paved?

Mr. BOWERS. Mr. Chairman, it consists of two strips—one a turf strip 2,900 feet long, and the other is a turf strip 2,900 feet long as well, but on this turf strip there is a 50-foot wide by 2,100-foot bituminous area.

As I understand it, the entire length of 2,900 feet is available for landing and takeoff, but there is a bituminous runway, so called, on the strip.

Mr. FRIEDEL. Mr. Bowers, presently what are the terms of the proposed lease and what would be the length of the lease?

Mr. BOWERS. I do not know that, Mr. Chairman. The Federal Aviation Agency has not made a decision on granting a release. This is legislation that would place Clarinda in the same position as if it were a surplus airport. The airport was transferred to the community 4 months before the Surplus Property Act was passed and used other legislation, so all this would do would be permit the Administrator of FAA to treat it as a surplus airport and to go into these questions when we receive a formal application from Clarinda for the release.

Mr. FRIEDEL. Do you know what is the present market value of the property which Clarinda proposes to lease?

Mr. BOWERS. No; I do not, sir.

Mr. FRIEDEL. Mr. Springer, any questions?

Mr. SPRINGER. No questions.

Mr. WATSON. Mr. Chairman, may we ask Mr. Bowers one further question?

Mr. FRIEDEL. Any questions, John Bell Williams?

Mr. WILLIAMS. I have no questions.

Mr. FRIEDEL. Mr. Watson.

Mr. WATSON. How extensively is this airport used to date? Do you have any figures of the number of takeoffs and landings there?

Mr. BOWERS. An estimate made by the local airport operator. He estimates a total of 6,700 operations annually. There were, in March of this year, 11 aircraft based at the field. Eight of them were four-place or larger. I presume they were all four-place, but the listing I have is four-place or larger.

Mr. WILLIAMS. Will the gentleman yield?

Mr. FRIEDEL. Mr. Williams.

Mr. WILLIAMS. Is there another airport in that area?

Mr. BOWERS. Yes.

Mr. WILLIAMS. That is available to these aircraft?

Mr. BOWERS. There is a small strip nearby. As far as I know it is not paved and I do not have the information on the length.

Mr. WILLIAMS. Is this a paved strip?

Mr. BOWERS. I am not sure.

Mr. WILLIAMS. I am sorry I came in late.

Mr. BOWERS. You asked about Clarinda, or the other airport?

Mr. WILLIAMS. Clarinda.

Mr. BOWERS. Clarinda has a bituminous strip 50 feet wide by 2,100 feet long situated on a 2,900-foot landing strip.

Mr. WILLIAMS. Do they have lights? Is it lighted?

Mr. BOWERS. There is a beacon and there are lights to show the taxiway exit. I am not sure whether the strip is lighted or not.

Mr. FRIEDEL. Mr. Bowers, I understand that we have Mr. Bennett, administrative assistant to our colleague, the Honorable John R. Hansen, and I understand he has a prepared statement.

Do you want to read that or have that placed in the record, Mr. Bennett?

STATEMENT OF THOMAS P. BENNETT, ADMINISTRATIVE ASSISTANT, ON BEHALF OF HON. JOHN R. HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. BENNETT. Unless you desire me to read it I will just present it as written testimony, unless you would like me to read it.

Mr. FRIEDEL. Do you want it included in the record, or do you want it read?

Mr. WATSON. Mr. Chairman, if we could I would like to have it read.

Mr. FRIEDEL. It is a brief statement.

Mr. WATSON. It is a brief statement, isn't it?

Mr. BENNETT. Yes, sir, two pages.

I am Thomas P. Bennett, administrative assistant for Congressman John R. Hansen. Mr. Hansen, unfortunately, is out of the city on business and wanted me to present the statement for him.

First of all, I do want to express Mr. Hansen's personal appreciation to this subcommittee for consenting to conduct these hearings on this legislation which does mean so much for the industrial development and economic growth of southwest Iowa.

Mr. Hansen's bill, H.R. 10700, will authorize the Administrator of the Federal Aviation Agency to release restrictions on the use of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes.

With these restrictions removed, the city of Clarinda plans to lease the property for industrial purposes. This property consists of approximately 36 acres and is a portion of a larger parcel conveyed by quitclaim deed to the city of Clarinda on March 26, 1947, by the War Assets Administrator. The conveyance was made pursuant to section 16 of the Federal Airport Act (49 U.S.C. 1115) which authorizes the Administrator of the Federal Aviation Agency to request conveyance of U.S.-owned property to local airport sponsors if such land is deemed necessary to the airport project and is otherwise consistent with the objectives of the Federal Airport Act.

All conveyances made pursuant to section 16 contain a reversionary clause which provides that in the event the property conveyed is not developed, or ceased to be used for airport purposes, it automatically reverts to the United States.

Because of that clause, this legislation is necessary in order for the city of Clarinda to lease the property for nonairport purposes.

H.R. 10700 does include the provision that the release of the restrictions is subject to section 4 of the Federal Property and Administrative Services Act (50 U.S.C. 1622c), which requires that before property is released for nonairport purposes, the Administrator of FAA must find that the property to be conveyed no longer serves the purpose for which it was transferred or that the release of the property will not prevent accomplishment of the purpose for which the property was transferred and is necessary in order to protect or advance the interest of the United States in civil aviation.

It further permits the Administrator of FAA to impose conditions on any conveyance of surplus airport property made for nonairport uses.

In this case, it will permit the FAA to require that the proceeds of the nonairport use be applied to airport maintenance and development.

The property in question is not needed for the present or future development of the Clarinda Airport. In addition, the use of the land for industrial purposes would result in a new source of funds to improve the facilities which are vital to the airport.

The city of Clarinda has indicated that it is entirely willing to comply with the conditions to be established by the FAA. The development of that property is of great importance to the industrial and economic growth not only of Clarinda, but of all of southwest Iowa. With the restrictions removed, the property will be leased to the Nodaway Valley Packing Co., an Iowa corporation owned by hundreds of stockholders throughout southwest Iowa.

Presently located adjacent to the airport, the company plans to expand its operations through a \$3 million investment in new construction and equipment. When completed, this facility will bring employment to more than 200 southwest Iowa residents. It will also serve as a spark to attract much-needed new industry to our region of rural America.

It is my understanding that the Federal Aviation Agency, the General Services Administration, the Department of Commerce, and the Department of Justice have no objection to enactment of this bill.

I urge you to approve this legislation and recommend its enactment before this session of Congress is adjourned.

Mr. FRIEDEL. Thank you for the brief statement of our colleague, Congressman Hansen.

Mr. Pickle.

Mr. PICKLE. Mr. Chairman, I thank you very much. Let me pass for the time being. I came in late and I am trying to catch up on the testimony, if I may.

Mr. FRIEDEL. Mr. Devine, any questions?

Mr. DEVINE. No questions.

Mr. FRIEDEL. Mr. Huot?

Mr. HUOT. Is this airport operated by the authority, or how is it run? By the city or by the authority?

Mr. BENNETT. It is operated by the the city of Clarinda.

Mr. HUOT. In his statement our colleague said the revenue was going to be used for the improvement of the airport.

Mr. BENNETT. That is correct.

Mr. HUOT. The revenue is going into the general fund of the city, or to an airport fund if it is not controlled by an authority?

Mr. BENNETT. The money that would be coming from the lease, in other words, the money that the city would gain from the leasing the property to the packing company, would go into the airport fund.

Mr. HUOT. Not into the general fund of the city?

Mr. BENNETT. No; into this special airport fund.

Mr. HUOT. Thank you.

Mr. FRIEDEL. Mr. Cunningham?

Mr. CUNNINGHAM. No questions.

Mr. FRIEDEL. Mr. Ronan? Mr. Watson?

Mr. WATSON. Mr. Chairman, perhaps we should direct this to Mr. Bowers. I notice from the testimony of our colleague, Mr. Hansen, that it is permissive for the FAA to require certain stipulations upon this conveyance.

What is the intention of the FAA so far as imposing any restrictions upon this conveyance?

Mr. BOWERS. First of all, as far as the proceeds which have just been discussed, the FAA would require that the net proceeds from the nonairport use of the property be used in the operation, development, and maintenance of the airport.

Assuming the release is granted, there would be a restriction on height of structures on the property. These two are normal. There may be other restrictions, but no decision is made on it. The act would provide authority for the Administrator to place reasonable restrictions on the property. The two that I have spoken of would be automatic. There might possibly be others.

Mr. WATSON. So that I might understand exactly the mechanics of the contract here, is it intended that it be a lump-sum sale for non-airport use, or would it be on an annual or monthly rental basis?

Mr. BENNETT. It would be a monthly rental basis.

Mr. WATSON. It would be on a monthly rental basis, and when we are speaking of the net proceeds, that will be the monthly rental that would go into the city airport fund for maintenance or improvement of the airport itself?

Is that a fair statement?

Mr. BENNETT. That is correct.

Mr. FRIEDEL. Mr. Williams, any questions?

Mr. WILLIAMS. Yes, sir, Mr. Chairman, I would like to ask one or two questions about this.

Mr. Bennett, I presume you are familiar with this area personally; aren't you?

Mr. BENNETT. That is correct. We also have some gentlemen from Clarinda.

Mr. WILLIAMS. As I understand it, and I am in the position Mr. Pickle is in—I wasn't here when the hearing started so I may be going over some ground that has already been covered—but as I understand it, the intention is to retain a portion of this for airport use?

Mr. BENNETT. Yes. We only are talking in terms of 36 acres out of I think originally 300, so we are only taking about 10 percent.

Mr. WILLIAMS. How many runways do you have?

Mr. BENNETT. There were two I believe that Mr. Bowers spoke of.

Mr. WILLIAMS. Will this close one of the runways, Mr. Bowers?

Mr. BOWERS. Mr. Congressman, since I don't know the location of the property I can't tell you what is proposed, but the FAA would not grant a release that would close the runways.

Mr. BENNETT. If I might add, the property that we are talking about, the 36 acres, is not connected with the present or any anticipated future use of the airport. It is on one edge of the airport that is not being used or anticipated to be used.

Mr. WILLIAMS. One further question.

As I understand it, the plans are to relax the restrictions on the use of this property in order to provide some business firm area for expansion?

Mr. BENNETT. That is correct.

Mr. WILLIAMS. I would presume that that would carry with it additional construction.

Mr. BENNETT. Yes, sir.

Mr. WILLIAMS. Does that create any airspace problems? Will the additional construction be in the approach zones or in an area where it might possibly create an airspace hazard?

Mr. BENNETT. I think that the restrictions or the conditions that the FAA would establish before they would authorize this would preclude that happening.

Mr. WILLIAMS. Would you agree with that, Mr. Bowers?

Mr. BOWERS. Yes, Mr. Congressman.

As a matter of fact, the FAA would make its normal airspace review before a release were granted and the record would include a finding that there is no adverse effect on the airport.

Mr. WILLIAMS. Mr. Bowers, I would like to ask you one question just a little bit off the record now.

(Discussion off the record.)

Mr. FRIEDEL. Mr. Pickle.

Mr. PICKLE. Mr. Chairman, this would be a good time to ask my question; would it?

Mr. FRIEDEL. Yes.

Mr. PICKLE. I don't have an objection, but I am asking for information from Mr. Bowers.

According to the testimony of the gentleman from Congressman Hansen's office he makes the statement that all conveyances made pursuant to section 16 contain a reversionary clause which provides in the event the property conveyed were not developed or ceased to be used for airport purposes, it automatically reverts to the United States.

I have a situation in my hometown where the Federal Government had conveyed to the State of Texas, or the reverse, property at a National Guard facility, all of which was not being used and needed by the National Guard unit. They were perfectly agreeable to give this to the city of Austin to develop it for recreational purposes because it was right in the heart of the city.

The Armed Services Committee said that as long as the deed contained this reversionary clause if it was ever used for any purpose other than for National Guard or defense purposes it could not be leased or sold or exchanged in any manner whatsoever, so the bill that I had just faded out because I couldn't get any agreement from the Department of Defense.

Now, in what way does that situation differ from the situation here? Do you have the authority? Is this bill legal if it were passed by the Congress so that you could then allow it? Is your regulation different from what the Defense Department might have?

Mr. BOWERS. I can't speak for the Defense Department, Mr. Congressman, but, first of all, the Surplus Property Act, which is not involved in this bill, permits the Administrator to grant releases when surplus Government property is transferred for airport use.

The Surplus Property Act permits the granting of releases. This particular property was transferred under section 16 of the Federal Airport Act—I am speaking of Clarinda—rather than the Surplus Property Act. Section 16 of the Federal Airport Act requires this reverter provision.

The legislation proposed is to actually treat Clarinda as if it were transferred under the Surplus Property Act. So apparently, I would presume, the military made a transfer under legislation that applies to them which has the same kind of provision section 16 of the Federal Airport Act has.

I really can't give any advice how to get relief on this. This is an area that is outside the Federal Aviation Agency responsibility.

Mr. PICKLE. I thank you, Mr. Bowers, and I would like to give you a copy of the bill I had introduced and would like to talk to you about it individually later to see how it might differ, but mainly if this is within the purview of our rights from a legislative standpoint was my inquiry to you.

Mr. FRIEDEL. Thank you.

I understand that the Honorable Chester Lee, mayor of Clarinda, is here; Mr. John Hunter, president of the Clarinda Chamber of Commerce; and Mr. Walter R. Sales, city manager of Clarinda, Iowa, and I understand all are in favor of the bill.

If there is no objection, we will have such statements as they may wish to supply, included in the record at this point.

(The statement of Mr. John Hunter follows:)

STATEMENT OF JOHN HUNTER, PRESIDENT OF THE CHAMBER OF COMMERCE OF CLARINDA, IOWA

Mr. Chairman, I am John Hunter, president of the Chamber of Commerce of Clarinda, Iowa. As its president I am representing that organization and the community in behalf of H.R. 10700 now under consideration.

The people in the Clarinda area are vitally interested in the development of industry and the improvement of agriculture. For this purpose over 3,000 people in our area have purchased stock in the amount of \$2,250,000 to build a meat packing plant. This plant will provide a market for our cattle and hogs and employment for our people. We believe it will assist in the decrease of the migration of people from our area. This organization now owns 100 acres which joins the Clarinda airport. The business of meat packing requires sizable quantities of water and waste disposal. The packing company is desirous of having the city provide these services. It is for this purpose and for other industries which we hope to locate in this area in the future that we ask that this legislation be enacted to clarify the restrictions in the original conveyance to the City of Clarinda.

With the added revenue accruing to the city for these services we are certain that we can make a better airport out of the facility we now have.

Thank you for your consideration of this proposal.

Mr. FRIEDEL. I would like to know if any one of those three can answer this question.

Briefly, what are the terms of the proposed lease and what would be the length of the lease, the length of time, and what is the present market value of the property Clarinda proposes to lease?

Mr. SALES. I will try to answer, sir, if I may.

Mr. FRIEDEL. Identify yourself.

STATEMENT OF WALTER R. SALES, CITY MANAGER, CLARINDA, IOWA

Mr. SALES. Mr. Chairman, my name is Walter Sales. I am the city manager of Clarinda.

Actually we haven't gone that far because a year ago when they first started talking to us about this property was when we found out the lease couldn't be worked out regardless of what the terms might be in the lease. We are up against this roadblock.

And I might say that the value of the particular property that has been mentioned here, this 36 acres, is probably quite low. It is, I would say, in the neighborhood of \$150 an acre and at that time, a year ago, when we were first discussing this we were only talking in terms of around \$30 an acre per year lease.

Does that answer your question?

Mr. FRIEDEL. You don't know the present market value of the property?

Mr. SALES. I would say in the neighborhood of \$150 an acre. There is other property in this area that may well still be considered surplus in addition to this 36 acres that has higher value.

(Mr. Sales' prepared statement follows:)

STATEMENT OF WALTER SALES, CITY MANAGER OF CLARINDA, IOWA

Mr. Chairman, I am Walter Sales, city manager of Clarinda, Iowa.

During World War II the U.S. Government built and maintained a prisoner of war camp on a 290-acre site adjacent to the south edge of Clarinda.

After the war the property became surplus to the federal government and in 1947 the entire parcel was conveyed to the City of Clarinda by quit-claim deed pursuant to section 16 of the Federal Airport Act with the agreement that it would be used for airport purposes. All conveyances made pursuant to section 16 contain a reversionary clause so that in the event any part of the property conveyed is not developed, or ceases to be used, for airport purposes, it automatically reverts to the United States.

Since the City of Clarinda has received the property, over \$300,000 has been spent to develop a truly excellent airport for our small city. Approximately \$20,000 is spent annually on its operation and maintenance. The airport facility and future requirements as determined by the FAA approved master plan occupy approximately 180 acres of the total site, leaving over 100 acres in excess of our projected airport needs.

Clarinda's growth is expanding industrially towards and around our airport site. The City now has an opportunity to use the excess area to aid and promote the industrial growth that is so extremely important to the welfare of our community.

Due to the unusual restrictions in section 16 of the Federal Airport Act under which conveyance was made to the City, proper and reasonable use cannot be made of the surplus land areas. At the suggestion of the officials in the Federal Aviation Agency, this bill has been submitted in behalf of the City of Clarinda. This bill makes the conveyance subject to section 4 of the Federal Property and Administrative Services Act which adequately protects Government and citizen interest in the property and will yet allow proper development of the site. Any future development on the property would have to be approved by the FAA, the City would retain control of the site, and all income derived from any improvement thereon would be used for the future expansion and improvement of the airport facilities.

The city has been advised that the Federal Aviation Agency, the General Services Administration, and the Department of Commerce that they approve of this proposed legislation.

We hope that you agree and will assist in the bills enactment.

Mr. FRIEDEL. I thank you. Are there any questions?

All right. Thank you. That concludes the hearing.

(Whereupon, the hearing was concluded.)

