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Marion hopes investment takes new hybrid city airport to new heights

Airport deal, worth \$1.5 million, part of economic development strategy

B.A. Morelli, The Gazette
JANUARY
30, 2015 |

12:01 AM
The city of

Marion is
taking
steps to
purchase
the Marion
Airport,
converting
it from a
privately
held facility
to a
"hybrid"
municipally
owned

airport.



The Gazette Perry Walton lands a helicopter at the Marion Airport in this 2009 photo. Perry, who owned the airport with his wife, Jan, died in 2012.

The proposal calls for Marion to acquire the fixed-base operations building, runway. and the adjoining 27 acres in a deal worth about



\$1.5 million, City Manager Lon Pluckhahn said. The airport land and property, not including the hangars, are valued at \$408,200, according to the Linn County Assessor's Office.

The airport is one of the few privately owned public-use airports in the area. While Marion Airport users pay aviation fees and taxes, the owner can't tap into state or federal aid earmarked for improvements because it is not municipally owned.

"We've been working with the airport for a while about the role it can play in our business development strategy and what the future of the airport should be," Pluckhahn said Thursday. "It is increasingly difficult for private airports to compete with municipal airports."

The airport has been around since the 1950s.

Jan Walton and her late husband, Perry, who died in 2012, had been operating the airport since 1986 and purchased it in 1994. Along the way, they developed it from a grass landing strip, she said.

"I think it is a great idea," Walton said of the purchase plans. "I think the city of Marion should own an airport. What's an airport but a gateway to the city."

Hallmarks — such as the flight school, recreational flying, business travel, and pit stop for fuel and maintenance — will live on after the sale, Walton said.

Acquisition by the city as a fully municipally owned airport had been discussed off and on for years, but never panned out. After Walton's husband died, the airport became too much for one person, she said.

'Small-town, community feeling'

Jeffery Witter of Genesis Equities LLC has a hangar at the airport, and first began discussing with Walton the airport sale.

Genesis asked the city to join the deal in a public-private airport model to unlock the state aid and avoid seeing the airport close. It would buy the rest of the property, including hangars, and manage airport operations and maintenance, said Hannah Kustes, vice president of Genesis.



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"The small-town community feeling, we don't want that to go away," Kustes said.

The public-private structure would allow companies with planes to continue to own rather than lease hangars, which is not typical for traditional municipal airports, Kustes said. The company that owns the hangar could claim the property as an asset, and Marion would support their property tax base, she said.

A purchase could occur as soon as March, although the deal needs city council approval to proceed, which is expected, Pluckhahn said.

If approved, Marion would conduct a five-year improvement study, adding another \$150,000 to the city's cost, with a focus on accommodating larger aircrafts and demand from local companies, Pluckhahn said. Top priorities would be widening the existing north-south runway, upgrading the operations building, and acquiring land for a longer east-west runway, Pluckhahn said.

Runways would cost \$5 million or \$6 million, he said.

"If our airport is always this busy and it's been operating at a competitive disadvantage, we feel we can attract a lot of business that is being lost to this area," Pluckhahn said.

The airport is unlikely to meet requirements for federal aid, but state aviation funds through the Iowa Department of Transportation are available to municipal airports.

Money from jet fuel taxes and aircraft registrations support the fund, which generates about \$3 million a year, said Michelle McEnany, director of aviation for the Iowa DOT. There are 100 municipal airports around the state competing for the funds, which are generally dispersed in grants of \$10,000 to \$150,000 with a partial match from the municipality, McEnany said. She said Iowa only has six or seven privately owned airports.

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