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# The Minneapolis-St. Paul Metropolitan Airports Commission

Donald V. Harper\*

## I. INTRODUCTION: METHODOLOGY

This article on the Minneapolis-St. Paul Metropolitan Airports Commission (MAC) is the result of a broad study of the history, structure, financing and other aspects of the Commission.

The method employed in the study was to review the available published material dealing with airports and the general problem of airport management and development, including books, journal and trade magazine articles and government reports, and material dealing expressly with the MAC and airport development in the Twin Cities metropolitan area, including, among others, newspaper articles, previous studies of the Commission and its activities, various reports and other information supplied by the MAC and other government agencies, and the various statutes and court decisions that have had a bearing on the Commission and its work. Intensive personal interviews were conducted with MAC staff members, former Commission members, federal, state and local government officials, airline executives, representatives of general aviation and private citizens knowledgeable about the MAC and its activities; in all cases, respondents were assured that they would not be identified in any publications that might result from the study.

Partial financial support to the author was received from the School of Business Administration, University of Minnesota. Daniel J. White, graduate student in the School of Business Administration, acted as Research Assistant on the project.

## II. HISTORICAL DEVELOPMENT OF THE MAC

### A. METROPOLITAN AIRPORTS PRIOR TO 1943

#### 1. *Air Transportation in the Early 1940's*

By today's standards, air transportation of the early 1940's was rather primitive. The dominant commercial airline aircraft was the DC-3, an airplane with a cruising speed of 180

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miles per hour and a capacity of 21 passengers. The Civil Aeronautics Board, established by Congress in 1938, was in its early stages of development. The Minnesota Department of Aeronautics had not yet been established. The total number of domestic airline tickets sold in the United States in 1939 was only 1,713,000 as compared with 142,340,000 in 1969. The domestic trunk airlines in 1940 consisted of 16 carriers, including such long-forgotten company names as Chicago and Southern Airlines, Inland Airlines and Mid-Continent Airlines. The local service or regional airlines and the all-cargo airlines did not yet exist. The total number of aircraft operated by the trunk-lines in domestic service was 358 while some 16,903 other airplanes were being flown in general aviation.<sup>1</sup> The busiest airline airport in the United States was New York's LaGuardia Field, which handled about 97,000 flight operations in 1941; in 1969 the nation's busiest airline airport was Chicago's O'Hare Field, with 677,000 flight operations. Thus, in the early 1940's, it is clear that most of the growth in air transportation was yet to come.<sup>2</sup>

## 2. *Early Airport Development in the Twin Cities*

In this setting both Minneapolis and St. Paul developed airport facilities and competed against one another in the quest for scheduled airline service. Both Minneapolis' Wold-Chamberlain Field and St. Paul's Holman Field were capable of accommodating the aircraft then in commercial use. They were constructed and began operations in the early post-World War I period, although it was not until 1927 that the Minnesota Legislature provided that cities of the first class (at that time those with a population of 50,000 or more) could acquire land for municipal airports, equip it for flight activities, and issue bonds for its acquisition and maintenance. The same statute also legalized the previously questionable proceedings involved in issuing bonds previously sold and authorized first class cities to issue bonds in the future up to a maximum of \$150,000.<sup>3</sup>

In 1929 it was further provided that cities of the first class

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1. General aviation includes all civilian aircraft not used in scheduled airline service. It includes business and industrial flight operations, private flying and charter and instructional flight operations.

2. Statistics quoted in this paragraph were drawn from various sources, including publications of the Civil Aeronautics Board, the Federal Aviation Administration and the Air Transport Association of America.

3. Ch. 62, [1927] Laws of Minn. 87.

could acquire, maintain, operate and improve land, buildings and other structures for an airport as a matter of public necessity. Such cities were empowered to issue bonds in an amount not to exceed \$450,000 if the ordinance authorizing the bond issue was approved by the voters of the city.<sup>4</sup> In 1931 they were granted the additional power to levy annually on real and personal property within their jurisdiction a tax not exceeding one-twentieth of a mill on each dollar of assessed valuation for the purpose of operating and maintaining a municipal airport.<sup>5</sup>

By the 1930's then, the two largest cities in the state were legally authorized to develop airports to serve their communities. Holman Field in St. Paul had been the home airport for Northwest Airlines, which had been launched in the 1920's with the strong support of the St. Paul Association of Commerce. During the 1930's, however, difficulties developed between Northwest and the city of St. Paul in regard to the city's construction policy at the airport. The airline succeeded in having Holman Field condemned for commercial purposes by the Civil Aeronautics Authority. It then moved all its flight operations to Wold-Chamberlain Field, although its executive offices and maintenance facilities remained at Holman Field.

After this development the rivalry between the two cities to attract scheduled airline service intensified, as St. Paul sought to improve Holman Field in order to lure Northwest back while Minneapolis intended to keep Northwest at Wold-Chamberlain. In fact, so convinced were the two communities of the future growth and importance of air transportation that they planned to build more airports as well as to expand Holman and Wold-Chamberlain fields.<sup>6</sup> Adding to this competition was the historic rivalry between the two cities which involved not only airports but every kind of public or private improvement. The danger in all this was that each city might develop a major airport for use by commercial airlines in the post-World War II period while, as a practical matter, only one such airport would be used by the airlines.<sup>7</sup>

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4. Ch. 379, § 5 [1929] Laws of Minn. 540.

5. Ch. 273, § 1 [1931] Laws of Minn. 316.

6. *See, e.g.*, BOARD OF PARK COMM'RS, CITY OF MINNEAPOLIS, STUDY OF AIR TERMINAL FACILITIES FOR THE CITY OF MINNEAPOLIS (1943).

7. Such a development actually did occur in connection with major league baseball when, in the 1950's, both Minneapolis and St. Paul constructed baseball stadiums in anticipation of being awarded a major league franchise.

### 3. *The Legislation of 1943*

The idea of a joint approach to airports and a "union" or common major airport to serve both Minneapolis and St. Paul had been mentioned publicly as early as 1941, and, when the state legislature convened in 1943, Governor Harold E. Stassen assigned to the Attorney General's office the task of writing legislation that would provide for cooperation between the two cities. The bill was written in a relatively short time by Assistant Attorney General William Green and submitted to the legislature.

The Minneapolis delegation in the legislature initially opposed the bill on the ground that Minneapolis taxpayers should not be forced to help pay for the development of Holman Field which, they felt, would not be a major airport. On the other hand, the representatives and senators from St. Paul favored the proposal. After the legislature appropriated \$1,000,000 for the improvement of airports in the metropolitan area, however, the Minneapolis opposition waned and the bill was passed and became law.<sup>8</sup>

## B. THE METROPOLITAN AIRPORTS COMMISSION ACT

### 1. *Purpose of the Act*

In the legislation enacted in 1943 as amended<sup>9</sup> the Minnesota legislature created the Minneapolis-St. Paul Metropolitan Airports Commission (MAC) and stated that the purpose of the legislation is:

to promote the public welfare and national security; serve public interest, convenience, and necessity; promote air navigation and transportation, international, national, state, and local, in and through this state; increase air commerce and promote the efficient, safe, and economical handling of such commerce; assure the inclusion of this state in national and international programs of air transportation; and to those ends to develop the full potentialities of the metropolitan areas in this state as aviation centers, and to correlate those areas with all aviation facilities in the entire state so as to provide for the most eco-

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8. MINN. STAT. § 360.101 *et seq.* (1969). For a discussion of airport development and legislation in Minnesota prior to 1943 and the background of the creation of the Metropolitan Airports Commission see Brazier, *Intergovernmental Relations in the Field of Public Airports in Minnesota* 23-33, 73-79 (Ph.D. dissertation, University of Minnesota, 1954). See also Kwang Pil Choi, *The Minneapolis-St. Paul Metropolitan Airports Commission, Its Organization and Administrative Functions and Duties* 4-8 (Master's thesis, University of Minnesota, 1960).

9. Amendments were made several times since 1943, but none substantially changed the character of the MAC or its functions.

nomical and effective use of aeronautic facilities and services in those areas; and to this end the corporation [i.e., the MAC] shall cooperate with and assist the Federal government, the commissioner of aeronautics of this state and others engaged in aeronautics or the promotion of aeronautics and shall seek to coordinate its activities with the aeronautical activities of these bodies.<sup>10</sup>

Despite this broadly inclusive "declaration of purposes," the specific intention of the legislation was to end the expensive rivalry between Minneapolis and St. Paul in airport construction and to unite them in a program of airport development that would benefit not only the Twin Cities metropolitan area but also the entire state of Minnesota.<sup>11</sup>

## 2. Powers of the MAC

The legislation created the MAC as a public corporation to which was transferred both Wold-Chamberlain Field and Holman Field with complete jurisdiction over the maintenance, operation, expansion and development of these airports and any others that might be acquired or constructed and operated by the Commission in the future.<sup>12</sup> The MAC was given authority to provide, in addition to airports existing at the time of the enactment of the 1943 legislation, at least one major metropolitan airport to be located as nearly equidistant from the city halls of both cities as possible.

The MAC was also given general jurisdiction for all aeronautical purposes within an area lying within a 25 mile radius<sup>13</sup> of the city halls of each of the cities of Minneapolis and St. Paul

10. MINN. STAT. § 360.101 (1969).

11. Actually, the Act provides that such a commission is to be created in and for *any* two contiguous cities of the first class (currently, cities of 100,000 population or more) to be known as the Metropolitan Airports Commission of such cities, but, since the only two such contiguous cities were and are Minneapolis and St. Paul, only one commission was ever created.

12. Joint government jurisdiction over airports is unusual but not confined to the Twin Cities metropolitan area alone. Texas law permits any two or more municipalities to enter into an agreement for the joint acquisition of airports and air navigation facilities. See TEX. REV. CIV. STAT. art. 46d-14 (1947). Implementation of this is another matter, however. See *Dallas Shoots Down Airport Plan*, ENGINEERING NEWS—RECORD, June 15, 1967, at 15. Creation of a joint federal-local airport authority for New York City has been suggested. Recommendations have also been made for regional airport authorities that transcend political and geographic barriers. See Madden, *New Authority Urged*, N.Y. Times, Sept. 25, 1968, at 21, col. 3; *Plan Airports as Part of the Region*, ENGINEERING NEWS—RECORD, Apr. 20, 1967, at 31.

13. The jurisdictional boundary was increased to 35 miles in 1969. MINN. STAT. § 360.80 (1969).

and was given permissive authority to exercise control over all other airports within the designated area. This "control" means that no new airport can be created in the area without consent of the MAC and its determination that such airport will not interfere with any airport owned, operated or contemplated by the Commission.

The Act provides for a nine-member unsalaried Commission; Minneapolis and St. Paul each is represented by four members, while the ninth member is to be a qualified voter of a county not contiguous to either of the counties in which the respective cities are located.

The Commission may borrow money and issue bonds for the purpose of acquiring property, constructing and equipping new airports, acquiring and improving existing airports and making capital improvements to any airport acquired or constructed by the Corporation. The bonds issued are secured by the full faith and credit of the cities of Minneapolis and St. Paul. The entire operation of the airport system, to the extent that it is not self-supporting, is covered by Minneapolis and St. Paul property taxes.

### C. COURT CHALLENGES

The act creating the MAC was highly innovative, and it is not surprising that the concept of airport ownership and management as provided for in the Act was subjected to challenge in the courts. Several important cases testing the legality of the new approach were heard by the Minnesota Supreme Court in the years following creation of the MAC, and in every instance the challengers were unsuccessful.

The first challenge arose when the Minneapolis Park Board, which operated Wold-Chamberlain Field prior to the enactment of the MAC Act, tried to block the turning over of its property at the airport to the new commission. The Park Board's lawsuit alleged that the Act constituted special legislation, in that it could be applied only to Minneapolis and St. Paul, and that it allowed the taking of property, Wold-Chamberlain Field, without due process. Consequently, the Act was said to violate both the Minnesota<sup>14</sup> and United States<sup>15</sup> Constitutions.

In *Monaghan v. Armatage*<sup>16</sup> the Minnesota Supreme Court

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14. MINN. CONST. art. 4, § 33 (1892), § 34; art. 1, § 13.

15. U.S. CONST. amend. XIV, § 1.

16. 218 Minn. 108, 15 N.W.2d 241 (1944).

decided all questions raised in favor of the MAC and the Act and stated that the bare fact that there was only one group of contiguous cities to which the Act could apply does not mean that the Act was special legislation if the classification was not arbitrary or special but was applicable generally and uniformly throughout the state. The court held that the classification used by the legislature was reasonable because of the obvious necessity for unified control of modern airport equipment such as radio beams in such contiguous cities. As to the due process issue, the court ruled that, since the state constitution specifically preserves the legislature's right to provide general laws paramount to the provisions of home rule charters, the legislature may modify or withdraw any powers so entrusted to a city, hold such powers itself or vest them in other agencies. The court also said that a city holds property subject to the paramount power of the state legislature.

Another 1944 case which involved the financing of the MAC arose when, in 1943, the legislature appropriated \$1,000,000 for the improvement of airports under MAC jurisdiction for the biennium ending June 30, 1945. A flaw in the statutory language obliged the attorney general to rule that 33 cities in the state qualified to receive part of the \$1,000,000. Finally, after informal discussions, a settlement was arranged whereby Duluth would receive \$100,000 and the MAC \$900,000. A taxpayer's suit to restrain the state auditor and the governor from disbursing funds was filed, on the language of the state constitution which provides that the state shall not contract debts for or be a party to carrying on works of internal improvement,<sup>17</sup> authorize public taxation for a private purpose<sup>18</sup> or lend the credit of the state in aid of a corporation.<sup>19</sup> In *Erickson v. King*<sup>20</sup> the state supreme court upheld the MAC Act and the appropriation on the principal ground that the establishment of adequate terminals and facilities for the control of air traffic is far beyond the capacity of private enterprise and the necessity for a unified, integrated, centralized system of control of all classes of air traffic as a safety measure calls for centralized control by the state government. Therefore, it was justifiable for the legislature to conclude that it must provide a governmental corporate instrumentality to own and control all airports in a metropolitan

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17. MINN. CONST. art. 9, § 5 (1928).

18. MINN. CONST. art. 4, § 33, art. 9, § 1.

19. MINN. CONST. art. 9, § 10.

20. 218 Minn. 98, 15 N.W.2d 201 (1944).



area. In the court's words, "The safety of the traffic demands centralized control, management, and operation, which becomes as much a sovereign function as the policeman at the intersection or the patrolman on the highway."<sup>21</sup>

In another section of the Act the legislature provided the Commission with authority to approve the acquisition or operation of all airports within its geographical jurisdiction. In the same session the legislature created the state Department of Aeronautics headed by a Commissioner of Aeronautics with the sole right to license airports in the state. It appeared to some that the legislature had thus created a conflict of authority regarding airports in the metropolitan area. It was also argued that the MAC Act was unconstitutional as a delegation of legislative powers without definitive standards. Two cases concerning these issues were decided in 1947, involving attempts by private airport operators to set aside an MAC order denying approval of their applications to operate fields as public airports. The denials were based on the proximity of the two fields (Nicollet and Cedar airports) to Wold-Chamberlain Field and the resulting danger to aircraft using Wold-Chamberlain. Because the MAC denied their applications, the Commissioner of Aeronautics refused to issue licenses for these airports. The applicants claimed that licensing authority was vested in the Commissioner rather than the MAC. The court held that the powers of the two governmental agencies were meant to be harmonious and that the legislature intended that, where the Commission refuses to approve the acquisition or operation of an airport in the metropolitan area, the Commissioner should refuse to issue a license for it. The court concluded that, although the Commissioner of Aeronautics has the power to approve and license airports, no airport can be acquired or operated in the metropolitan area without the approval of the MAC. As to the question of the constitutionality of the Act, the court ruled that the sections of the Act giving the Commission the power to approve the acquisition and operation of airports were not unconstitutional because of a lack of definitive standards. The court reasoned that the Act as a whole did provide standards, including, among others, those relating to the promotion of public safety of aviation, governing the exercise of the power. Moreover, it said, the legislature can delegate specific power to a public corporation to enable it to legislate with respect to it. This

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21. *Id.* at 105, 15 N.W.2d at 204.

is not within the scope of the rule prohibiting delegation of legislative powers without standards governing the exercise thereof.<sup>22</sup>

In 1948 the court decided *State ex rel. DePonti Aviation Co. v. MAC*,<sup>23</sup> involving the Commission's power to acquire existing airports in the metropolitan area. The issue was whether the MAC could acquire existing airports as well as build new ones. The MAC, after a public hearing, had ordered the acquisition of Flying Cloud Airport. DePonti Aviation Company, a fixed-base operator<sup>24</sup> at Wold-Chamberlain Field, protested that the MAC did not have the power to acquire an existing airport unless it were first determined that the airport should be closed down because its continued operation constituted an air traffic hazard.<sup>25</sup> The Minnesota Supreme Court allowed the Commission order to stand because the private fixed-base operator had not acquired the status of a party to a proceeding and therefore was not eligible simply as a taxpayer to request judicial review of the MAC order.<sup>26</sup> The decision meant that where the MAC reached agreements with owners of airports willing to dispose of their property, as was the case with Flying Cloud, it would be difficult to find a party with standing to attempt to frustrate the Commission's will.

In 1956 the Anoka County Airport Protest Committee attacked the MAC Act on the ground that it failed to provide for Commission representation from the area outside the corporate limits of Minneapolis and St. Paul, involved taking of private property without compensation and constituted special legislation and therefore violated the state constitution.<sup>27</sup> The Minnesota Supreme Court rejected the charge concerning representation on the Commission on the ground that municipalities are generally given authority by the state to acquire property outside their corporate limits for airport purposes and

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22. *State ex rel. Interstate Air-Parts, Inc. v. Metropolitan Airports Comm'n*, 223 Minn. 175, 25 N.W.2d 718 (1947).

23. 226 Minn. 272, 32 N.W.2d 560 (1948).

24. Fixed-base operators are involved in various aviation activities such as flying schools, sale of aviation fuel, storage and servicing of aircraft and charter flights.

25. According to Brazier, DePonti's protest was based on its fear of a subsequent removal of its operations from Wold-Chamberlain to Flying Cloud. See Brazier, *supra* note 8, at 107, 108.

26. *State ex rel. DePonti Aviation Co. v. Metropolitan Airports Comm'n*, 226 Minn. 272, 32 N.W.2d 560 (1948).

27. See MINN. CONST. art. 1, §§ 2, 13; art. 4, § 33 (1892), § 34. See also U.S. CONST. amend. XIV.

that it was the prerogative of the state legislature to provide how the MAC was to be constituted. The court said a complaint concerning such representation should be directed to the legislature rather than the courts. The other questions raised in the case were dismissed virtually without discussion because evidence was lacking to indicate a taking of property without compensation and because the question of special legislation had already been answered in the *Monaghan* case.<sup>28</sup>

Finally, in *Holen v. MAC*,<sup>29</sup> it was argued that a 1957 amendment to the Act enabled the MAC to expend public funds to provide facilities at Wold-Chamberlain Field for the benefit of Northwest Airlines, a private corporation, and that the amendment was, therefore, unconstitutional. The state supreme court held the contention to be without merit, stating that the statutory authorization for internal improvements, including the provision of facilities for major airlines to be paid for by the airlines out of rental earnings while ownership remains in the hands of the MAC, was, in the light of the needs of a modern metropolitan airport, a proper exercise of the police power and did not violate the state constitution.<sup>30</sup>

Legal attacks on the MAC Act, and the Commission's powers and scheme of representation have thus been without success. Particularly since the *DePonti* case of 1948 the Commission has been free to carry out the provisions of the Act without fear of constitutional problems.

### III. THE STRUCTURE OF THE MAC

#### A. GEOGRAPHIC JURISDICTION

The MAC Act of 1943 originally provided that the Commission exercise general jurisdiction within an area lying within a 25 mile radius of the city halls of each of the cities of Minneapolis and St. Paul.<sup>31</sup> In the 1969 legislative session a bill expanding the jurisdiction of the MAC to a 50 mile radius from downtown Minneapolis and St. Paul was introduced, but the

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28. *State ex rel. Anoka County Airport Protest Comm. v. Metropolitan Airports Comm'n*, 248 Minn. 134, 78 N.W.2d 722 (1956). This case was the result of an MAC decision to expand Anoka County Airport so that it could be used by the Minnesota Air National Guard.

29. 250 Minn. 130, 84 N.W.2d 282 (1957).

30. The main issue in this case involved the question of whether a public hearing was required before the Commission could make certain improvements at Wold-Chamberlain Field. The claim of public expenditure for private benefit was a secondary issue.

31. MINN. STAT. § 360.111 (1969).

version that finally passed provided an expansion only to 35 miles.<sup>32</sup>

Thus, although the membership of the MAC consists of Twin Cities area representatives from Minneapolis and St. Paul only (plus one member from outside the metropolitan area), the Commission has jurisdiction over airports and aeronautical activity far beyond the boundaries of those two cities. In fact, five of the six airports now operated by the MAC are outside both cities.

The new 35 mile jurisdiction approximates what is generally considered to be the metropolitan area of the Twin Cities. This includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties and is the area represented by the membership of the Metropolitan Council of the Twin Cities Area. It seems, therefore, that since the legislature has been willing to give authority to the Commission beyond the boundaries of the two major cities and then later to expand it to a distance which approximates the seven-county metropolitan area, it would be appropriate to give to the MAC the same geographical jurisdiction as that of the Metropolitan Council and include the entire seven-county area.

#### B. POWERS AND FUNCTIONS

According to the Act the Commission is charged with complete jurisdiction over the maintenance, operation, expansion and development of airports under its control and any others it may acquire or construct and operate. In addition, the MAC has general jurisdiction over all aeronautical activities within the geographic area assigned to it and control over all non-MAC operated airports within that area.

The legislature expressly gave to the MAC "all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed" by the Act.<sup>33</sup> The specific express powers given to the Commission include the power to:<sup>34</sup>

1. acquire by lease, purchase, devise, or condemnation proceedings all necessary right, title, and interest in and to lands and personal property required for airports and all other real or personal property required for the purposes contemplated by the Act and hold and dispose of the same;

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32. MINN. STAT. § 360.80 (1969).

33. MINN. STAT. § 360.107(1) (1969).

34. These powers are set forth in MINN. STAT. § 360.107(2)-(18) (1969).

2. exercise the right of eminent domain for the purpose of acquiring property;
3. sue and be sued;
4. contract and be contracted with;
5. construct and equip new airports and hold, operate, and dispose of the same;
6. "acquire by lease, purchase, gift, devise, or condemnation proceedings any existing airports" and hold, operate, or dispose of the same but the MAC can acquire a municipally-owned airport (other than those taken over by the MAC as provided for in the Act, *i.e.*, Holman and Wold-Chamberlain fields) only with the consent of such municipality;
7. contract with the owners of existing privately-owned airports for the Commission's use, improvement and management of such airports;
8. acquire air rights over private property necessary to insure safe approaches to airports;
9. acquire rights or easements to place, operate and maintain suitable markings and lights for marking of buildings or other structures or obstructions for the safe operation of airports;
10. borrow money and issue bonds for the purpose of acquiring property, constructing and equipping new airports, acquiring, equipping and improving existing airports and making capital improvements to any airport which it acquires or constructs;
11. use any available moneys received by it from any source "in excess of those appropriated, donated, or loaned, or otherwise paid over" to the MAC for specified purposes, "or received from the sale of bonds, and those required for the payment of any bonds and interest thereon," to pay the necessary incidental expenses of carrying on the business and activities of the corporation and to pay the cost of operating, maintaining, repairing, extending and improving the properties under the control of the corporation;
12. contract with any person for the use of any property and facilities under its control, except that it cannot lease in its entirety any municipal airport which it has taken over;
13. generally carry on the business of acquiring, establishing, developing, extending, maintaining, operating and managing airports, with all powers incident thereto;
14. adopt and enforce such rules, regulations and ordinances as it may find expedient or necessary and fix penalties for the violations thereof, and
15. conduct investigations, inquiries and hearings concerning matters covered by the provisions of the Act and orders, rules and regulations of the Commission and hold public hearings as required by the Act in instances specified and otherwise in accordance with such rules as the Commission may adopt.

In addition to these express powers, the Commission as might be expected has other "implied" or "incidental" powers necessary to carry out the express powers. Section 360.107, sub-

division 1 directly states that the MAC "shall possess all the powers . . . necessary and convenient to accomplish the objects and perform the duties prescribed by Laws 1943, Chapter 500, including those hereinafter specified . . . ." In addition, specific sections of the Act refer to implied powers. Thus, section 360.107, subdivision 16 states that the MAC "may generally carry on the business of acquiring, establishing, developing, extending, maintaining, operating, and managing airports, with all powers incident thereto." In section 360.107, subdivision 17, the Act provides that the Commission "may from time to time make, adopt and enforce such rules, regulations, and ordinances as it may find expedient or necessary for carrying into effect the purposes of this act, including those relating to the internal operation of the corporation and to the management of airports and the operation thereof owned or operated by it . . . ." Section 360.107, subdivision 14 states that the MAC "may enter into such contracts with the United States or the state of Minnesota . . . as it may deem proper and consistent with the purposes of Laws 1943, Chapter 500."

That municipal corporations have implied or incidental powers in addition to powers conferred on them by express enumeration in constitutions, statutes or charters is well established. Such implied powers include powers necessarily arising from those expressly granted, powers reasonably inferred from those expressly granted, powers essential to give effect to those expressly granted and powers considered indispensable to local civil government to enable the municipality to fulfill the objects and purposes for which it was organized and brought into existence.<sup>35</sup>

It appears appropriate to conclude, then, that the MAC possesses all powers necessary to satisfy the objectives of the Act, so long as what it proposes to do is pertinent and germane to aeronautics and airports within its geographic jurisdiction.<sup>36</sup> Its express and implied powers give the Commission almost unlimited authority and power to regulate aviation operations in the Twin Cities metropolitan area. In effect, the state legislature went much farther than was necessary if all it wished to do was to end the strife between Minneapolis and St. Paul in connection with airport construction. Instead it created a very powerful inde-

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35. 2 F. ELLARD, *McQUILLEN'S LAW OF MUNICIPAL CORPORATIONS* § 10.12, at 765-74 (3d ed. 1966).

36. *METROPOLITAN AIRPORTS COMM'N, ANALYSIS OF MINNESOTA'S METROPOLITAN AIRPORTS LAW AND OPERATIONS THEREUNDER* 15 (1966).

pendent special purpose agency with complete power not only over airports but also over aeronautics in general and gave it jurisdiction over an area much larger than the two cities themselves. This was all done in 1943 and indicated considerable foresight on the part of the legislature and those who supported the legislation in regard to the kind of government agency needed in the future. The metropolitan approach to airport ownership and management and to aeronautics in general and the idea of an agency with independent financing power which the MAC embodies are still unusual throughout the United States and are the envy of public airport management in other metropolitan areas.

### C. MEMBERSHIP

#### 1. *Statutory Provisions*

The Act of 1943 as amended provides that the Commission shall consist of nine members. Four of the members represent Minneapolis and four represent St. Paul. These eight members include the mayor of each city or a qualified voter appointed by him, a member of the council of each city appointed by the council, a member of the Minneapolis Park Board, which had jurisdiction over Wold-Chamberlain Field prior to the creation of the MAC, appointed by the Park Board and a second member of the St. Paul City Council, which operated Holman Field prior to the creation of the MAC, appointed by the council and one additional "citizen commissioner" from each city who is a freeholder and who has resided in the city from which he is appointed for at least ten years, appointed in St. Paul by the mayor with the approval of the city council and in Minneapolis by the city council with the approval of the mayor.<sup>37</sup> The ninth member of the Commission is appointed by the governor and must be a qualified voter of a county not contiguous to either Hennepin or Ramsey counties; this commissioner serves as chairman of the Commission.<sup>38</sup>

The Act provides that the mayors or those appointed in their stead shall serve for the period of time that the mayor is in office. All others serve six-year terms. However, the term of any member who is a city councilman in either city or a member of the Minneapolis Park Board terminates when that member leaves the council or Park Board. A successor is then appointed to fill

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37. This difference is based on the fact that St. Paul has the commission form of government and Minneapolis does not.

38. MINN. STAT. § 360.104(1) (1969).

the unexpired term.<sup>39</sup> Any member of the Commission may be removed for malfeasance, misfeasance or nonfeasance in office by the governor or the body or person who appointed him. The member involved must receive written charges and has the right to an appropriate hearing before final action can be taken.<sup>40</sup> Such removal from office has never occurred. Table 1 consists of a list of the members of the Commission since its creation in 1943.

The MAC Act provides that the chairman of the Commission shall receive \$50 for every meeting attended, not in excess of \$2,000 in any year. Each other member shall receive \$25 for each meeting attended but not to exceed \$1,000 in any year.<sup>41</sup>

Two important questions should be raised concerning the membership of the Commission. These questions involve the quality of Commission membership and geographic representation on the Commission.

## 2. *The Quality of Commission Membership*

a. *Existing weaknesses.* The statutory scheme of membership of the Commission is, to a great extent, the result of circumstances existing when the Commission was created in 1943. This is particularly true in connection with the equal representation for Minneapolis and St. Paul. It is also true in respect to giving representation to the Minneapolis Park Board and providing for a second representative from the St. Paul City Council on the basis of their previous jurisdiction over Wold-Chamberlain and Holman fields, respectively. It may also have been thought necessary at that time to have the mayors and councils of both cities represented on the Commission because of the intense rivalry between the two cities and the belief that these people could best represent the partisan interest of the two municipalities. In addition, the fact that the offices of mayor and councilman are elective would make them accountable to the public for their actions as members of the MAC. Hence the Act provides that continuance in public office is a requirement for continuance on the Commission, even though the Commission term involved has not yet expired.

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39. MINN. STAT. § 360.104(2) (1969). The terms of some of the original members were only for four years and became six years thereafter in order that the terms of office for the nine members would not all expire at the same time.

40. MINN. STAT. § 360.105(4) (1969).

41. MINN. STAT. § 360.105(2) (1969).



Table 1  
 Present and Previous Members of  
 Minneapolis-Saint Paul Metropolitan  
 Airports Commission  
 (As of August 31, 1970)

*Chairmen*

Lewis G. Castle, Duluth	July 21, 1943 - Sept. 11, 1947
Albert J. Lobb, Rochester	Sept. 11, 1947 - May 11, 1949
Walter F. Rogosheske, Sauk Rapids	July 8, 1949 - July 27, 1950
Roger L. Dell, Fergus Falls	July 27, 1950 - Jan. 12, 1953
Lawrence M. Hall, St. Cloud	Jan. 12, 1953 - present

*Minneapolis Mayors*

Marvin L. Kline	Aug. 14, 1943 - July 2, 1945
Hubert H. Humphrey	July 2, 1945 - Nov. 30, 1948
Eric G. Hoyer	Dec. 2, 1948 - July 1, 1957
P. Kenneth Peterson	July 1, 1957 - July 3, 1961
Arthur Naftalin	July 10, 1961 - July 7, 1969
Charles S. Stenvig	July 7, 1969 - present

*Saint Paul Mayors*

John J. McDonough	July 19, 1943 - June 2, 1948
Edward K. Delaney	June 2, 1948 - June 9, 1952
John E. Daubney	June 9, 1952 - June 3, 1954
Joseph E. Dillon	June 3, 1954 - June 7, 1960
George J. Vavoulis	June 8, 1960 - June 9, 1966
Thomas R. Byrne	June 15, 1966 - June 14, 1970
Charles P. McCarty	June 15, 1970 - present

*Minneapolis Park Board Representatives*

Francis A. Gross	July 19, 1943 - Dec. 31, 1946
Harold H. Tearse	Dec. 10, 1946 - Aug. 31, 1948
Edward Chalgren	Aug. 19, 1948 - July 19, 1949
Walter P. Quist	July 23, 1949 - July 20, 1959
Richard Kantorowicz	July 21, 1959 - July 3, 1961
Alexander Gallus	July 24, 1961 - July 17, 1967
Warren A. Finberg	July 26, 1967 - July 7, 1969
Henry C. Rosacker	July 7, 1969 - present

*Saint Paul City Council Representatives*

Fred M. Truax	July 19, 1943 - June 4, 1950
Milton Rosen	June 12, 1950 - July 7, 1953
Severin A. Mortinson	July 8, 1953 - June 3, 1964
Dean Meredith	June 4, 1964 - present
William A. Parranto	July 19, 1943 - Nov. 30, 1950
Frank D. Marzitelli	Dec. 7, 1950 - Aug. 14, 1957
Bernard T. Holland	Aug. 19, 1957 - June 3, 1964
Milton Rosen	June 4, 1964 - June 6, 1966
James Dalglish	June 15, 1966 - June 14, 1970
William E. Carlson	June 15, 1970 - present

*Minneapolis City Council Representatives*

Harry P. Burgum	Aug. 14, 1943 - July 25, 1947
Leonard F. Ramberg	Aug. 12, 1947 - Feb. 15, 1949
Harry P. Burgum	Feb. 15, 1949 - July 4, 1949

Frank V. Moulton	July 9, 1949 - Aug. 12, 1953
Eugene E. Stokowski	Aug. 12, 1953 - May 1957
Kent B. Youngdahl	July 15, 1957 - April 21, 1959
Frank Wolinski	Sept. 28, 1959 - July 3, 1961
Gerald R. Nelson	July 10, 1961 - June 30, 1966
Elsa F. Johnson	July 1, 1966 - June 13, 1967
Mark Anderson	July 12, 1967 - present

Minneapolis Citizen Members

Ell Torrance	Aug. 14, 1943 - Feb. 17, 1950
Frederick T. Paul	Feb. 17, 1950 - Sept. 29, 1961
P. Kenneth Peterson	Oct. 2, 1961 - Jan. 3, 1967
George R. Manser	Jan. 31, 1967 - June 29, 1967
David K. Roe	Aug. 21, 1967 - present

Saint Paul Citizen Members

Milton G. Griggs	July 19, 1943 - Oct. 12, 1948
Albert R. Shiely	Oct. 19, 1948 - June 20, 1950
Fred M. Truax	June 20, 1950 - Sept. 1, 1954
Thomas F. O'Neill	Sept. 13, 1954 - Nov. 21, 1954
Thomas C. Croll	Dec. 29, 1954 - July 1, 1955
Cortland J. Silver	Oct. 17, 1955 - June 20, 1961
Joseph A. Maun	June 22, 1961 - Sept. 28, 1967
Martin A. Companion	Sept. 29, 1967 - present

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

Whatever the original reasons might have been for the statutory membership requirements, the membership of the MAC now presents several problems. Although the Commission and its staff in general have performed well since 1943, it may be that the performance could have been better in the past and will be better in the future if a change in membership is made. The issue here is *who* the members are and not what geographic areas they represent or the method of their selection.

As has been noted, the Commission consists of the two mayors, one Minneapolis councilman, one member of the Minneapolis Park Board, two members of the St. Paul City Council, two "citizen commissioners" and the chairman, who is not a resident of the Twin Cities metropolitan area. This means that six of the nine members hold elective political office in addition to their positions on the Commission. Since these six members usually stand for re-election, there is a danger that their performance of their MAC duties may be oriented toward their own re-election rather than good airport policy for the Twin Cities area. Political figures are subject to constant pressure by special interest groups who control votes, and these elected officials are fully conscious that they are being judged in political terms when they make decisions as members of the MAC. (It should be noted, however, that voters never have ousted a mayor or councilman

specifically because of his record on the MAC.) Associated with this is the danger that elected officials may take advantage of the press coverage given to the MAC and use the Commission as a forum for their own re-election. In effect, they can campaign from their position on the Commission.

Another shortcoming associated with this aspect of Commission membership is that the length of the terms of the political office served in all cases except that of the Park Board member is short—only two years. Since a member in these categories must leave the Commission when he leaves political office, the turnover problem can be severe. This can result in lack of consistency in Commission decision making and serious general ineffectiveness caused by the fact that frequent turnover means several members at any one time are in the process of learning the job, and are therefore of limited value to the Commission.

A second major weakness in the present structure is that the membership is generally not equipped by training, experience or interest to deal with the kind of problems facing the Commission. While it is possible that the citizen commissioners and the chairman could be highly qualified if those making the appointments choose to seek such people, it is only by accident that "political" members are so qualified, since they are elected to office for reasons other than their ability to serve well as members of the Commission. Consequently, at least the majority of the Commission is likely to consist of members who are not necessarily well suited to make important decisions relative to airport operation and planning.

In addition, the Minneapolis Park Board representation makes no sense in the 1970's. The original reason for such representation was the fact that the Park Board had jurisdiction over Wold-Chamberlain Field prior to the creation of the MAC, a fact that has no relevance today. Another weakness of the present membership scheme is that the citizen commissioners sometimes have represented special interest groups, such as organized labor, rather than citizens in general.

A fourth major difficulty in the present structure of the Commission stems from the fact that all of the members devote only part of their time to this activity. The nature of Commission functions and structure, with reliance on a full-time staff, indicate that part-time commissioners are to be expected. However, six of the nine members are also political office holders with especially busy schedules, who must serve on various committees, commissions and boards. Moreover, these people often

are employed or have business interests outside their political offices. Thus, the time that they can devote to MAC responsibilities is very limited. The result can be that they are not able to read, deliberate on or discuss adequately all of the staff reports and other information that must be digested in order to function properly on the Commission.<sup>42</sup>

Because of the difficulties enumerated above, the Commission has been forced to rely on its staff more than is probably desirable. Since the commissioners are unprepared to do otherwise, they have had to have confidence in the staff and to accept their recommendations, unless a political or partisan issue is under discussion. This arrangement has placed a very large burden on the staff. Since the Commission itself has not been equipped to give much advice or guidance to the staff, the staff has had to operate on its own. Formal meetings of the Commission generally have little discussion, controversy or disagreement, and the commissioners have developed the reputation, at least in recent years, that they "rubber stamp" the staff, that is, they approve almost anything the staff recommends.<sup>43</sup> Also, since the MAC chairman devotes more time to the job than do the other members, they tend to rely on him for direction.

Fortunately for the Commission and the public, the staff has been a capable one and generally has performed well over the years. Consequently, the inadequacies of the Commission membership have not created serious problems until recently. However, the Commission and its staff could have performed better in the past and can perform better in the future if the membership of the Commission is changed. A better Commission will be of greater help to the staff and hence to the public as well.

b. *Suggested changes.* It is clear from the above discussion that a substantial overhauling of Commission membership is in order. Commissioners should not be holders of elective office and should be selected on the basis of training, experience, interest and available time. This does not mean that all members of the Commission should have training or experience in aviation as such, but they should have interest in aviation and adequate

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42. Observation of the MAC over a period of several months has led the author to conclude that the members of the Commission are generally not well informed about aviation, air transportation, the airports under their control, the specific responsibilities and legal functions of the MAC and the specific issues that come before them.

43. The author of a 1954 study denies that the executive director ran the Commission and contends that, in the period 1943-54, the Commission acted contrary to the executive director's recommendations on at least four important occasions. See Brazier, *supra* note 8, at 190.

time to serve on the Commission. "Training and experience" refers instead to the need for people who are able to analyze and evaluate information and make decisions relating to airport operation and planning. Qualified commissioners could thus come from a variety of backgrounds including, for example, business, law and education. If commissioners with aviation training or experience are selected, they should not be representatives of special-interest aviation groups such as commercial airlines, general aviation or fixed-base operators.

Members should be appointed for terms of at least four years to assure some continuity and consistency. Their terms should be staggered so that, at any one time, not all of the commissioners are going through the "learning period" required when a new member takes office.

The Commission should continue to be a part time activity for the members. If they are sufficiently interested and can devote adequate time, the Commission can function as a highly qualified decision-making body capable of giving substantial advice, guidance and direction to the staff.<sup>44</sup>

### 3. *Geographic Representation on the MAC*

When creating the MAC, the state legislature attempted to divide representation equally between the two rival cities by giving each of them four members. The purpose of the ninth member, appointed by the governor and from outside the metropolitan area, apparently was to serve as a moderator and as a tie-breaker when the Commission became deadlocked on a partisan issue. There also may have been the desire to provide for some state-wide representation on the MAC, although this was apparently far less important than the first reason. The author of the Act considered membership alternatives other than equal representation for Minneapolis and St. Paul, such as proportional representation from Minneapolis and St. Paul and also from suburban areas based on population or assessed valuation of property. All were rejected in favor of equal representation for Minneapolis and St. Paul only. The philosophy was to minimize local partisanship based on place of residence by giving the two major cities equal voting power. On the specific question of suburban representation, one observer has said that, "given the poor record of suburban participation in metropolitan endeavors, there was some

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44. For a discussion of the membership of the MAC see CITIZENS LEAGUE, *NEW AIRPORTS FOR THE 70'S AND AFTER*, 33-42 (Oct. 1969) [hereinafter cited as CITIZENS LEAGUE].

justification for denying representation to them.”<sup>45</sup>

a. *Factors justifying suburban representation.* Table 2 contains a summary of the population in the Twin Cities metropolitan area for the years 1940, 1950, 1960 and 1970. Included are figures for each of the seven counties in the area and for Minneapolis and St. Paul. It can be seen from the table that the suburban area now has a far greater proportion of the area’s population than it did in 1943. Over 60 percent of the population of the seven-county area now resides outside the two central cities, compared with less than 20 percent in 1940. Moreover, contrary to the situation that may have existed in the period prior to 1943, suburban areas have participated successfully in metropolitan affairs in recent years via such organizations as the Metropolitan Council and the Twin Cities Area Metropolitan Transit Commission. Consequently, that argument against suburban representation is no longer valid.

Table 2  
Population of Twin Cities  
Metropolitan Area  
1940-1970

	<u>1940</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>
Minneapolis	492,370	521,718	482,872	431,977
St. Paul	287,376	311,349	313,411	308,686
Total	<u>779,746</u>	<u>833,067</u>	<u>796,283</u>	<u>740,663</u>
<i>Counties</i>				
Anoka	22,443	35,579	85,916	153,562
Carver	17,606	18,155	21,358	28,102
Dakota	39,660	49,019	78,303	138,613
Hennepin	528,899	676,579	842,854	955,617
Ramsey	309,935	355,332	422,525	474,799
Scott	15,585	16,486	21,909	32,148
Washington	26,430	34,544	52,432	82,471
Total	<u>960,558</u>	<u>1,185,692</u>	<u>1,525,297</u>	<u>1,865,312</u>
Central City Percentage of Seven-County Total	80.8	70.2	52.2	39.6

Sources: U.S. BUREAU OF THE CENSUS, U.S. CENSUS OF POPULATION, PART 25, MINNESOTA (1963).  
Ackerberg, *City Population Falls, Metro Area Up 22%*, Minneapolis Star, June 3, 1970, at 1, col. 5 (preliminary 1970 census figures).

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45. Brazier, *supra* note 8, at 90.

Because of the growth of the suburban area, a large proportion of airline passengers who use Wold-Chamberlain Field live in suburban areas, a large share of the general aviation aircraft using all of the MAC airports are owned by suburbanites and a large percentage of the air freight handled at Wold-Chamberlain is shipped from or destined to business firms in suburban areas.

It is also true that five of the six airports operated by the MAC lie outside of the city limits of Minneapolis and St. Paul and that any future airports will likewise lie outside the central cities. It should be kept in mind that modern airports affect surrounding areas in many ways in addition to providing air transportation. They produce aircraft noise, air pollution, surface traffic, jobs and sewage and affect commercial and residential development and the value of land. These effects are felt immediately by the area surrounding the airports and, since the airports are located for the most part in the suburbs, suburbanites as well as central city residents receive these benefits and disadvantages associated with airports. In fact, some of the repercussions of airports, such as air pollution and sewage disposal, affect the entire metropolitan area and not just the areas immediately surrounding the airports or the central cities.

Finally, since 1943 the rivalry between Minneapolis and St. Paul, although it still exists, has been tempered considerably, and the two cities have been able to cooperate successfully on many issues. In fact, the need for a "tie-breaker" on the Commission has never arisen.

These factors indicate that the geographic representation on the Commission, although probably appropriate in 1943, is now obsolete and should be changed to include representation from suburbs outside the cities of Minneapolis and St. Paul and exclude representatives from outside the metropolitan area.<sup>46</sup> The need for a tie-breaker does not exist now and would not exist if suburban representation were included. Since a representative from outside the metropolitan area cannot be expected to have the interest of a metropolitan representative, and since there is serious question as to the need for "state representation" on the Commission in that airports are mainly a "local" problem, rep-

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46. Bills to add suburban representation to the MAC were proposed in the 1969 session of the legislature but died in committee. Suburban representation has also been recommended by, among others, the Citizens League. See CITIZENS LEAGUE, *supra* note 44, at 33-42. See also *New Members for the MAC*, Minneapolis Star, Feb. 18, 1969, at 6A, col. 1.

resentation from outside the metropolitan area should be eliminated.

b. *Proposals for change.* It seems clear that representation beyond the cities of Minneapolis and St. Paul is needed. What is less clear is the precise area which should be represented, the size the reconstituted Commission should take and the manner in which members should be selected. Ultimately these problems must be resolved by the legislature, whose action would be required to change the structure of the Commission.

As to the geographic area to be represented on the MAC, there has been general acceptance of the idea that the Twin Cities metropolitan area consists of the seven counties (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington) represented on the Metropolitan Council, and it appears that MAC representation from that same seven-county area would also be appropriate, just as MAC jurisdiction over that same area would be appropriate. The 35 mile geographic jurisdiction of the MAC coincides approximately with the seven-county area. Thus representation from the seven-county area would change the geographic jurisdiction of the Commission only slightly.

The size of the Commission is a matter of politics and personal opinion, but it seems that a small body would be most desirable. A Commission of more than fifteen members probably would be unworkable, but it seems unlikely that the entire metropolitan area could adequately be represented unless there were at least six or seven members.

There appear to be two basic alternative methods by which Commission members could be selected: direct popular election and appointment by the governor or some other official or agency. Experience with the Minnesota Public Service Commission and other special-purpose government agencies and offices in Minnesota and elsewhere has shown that appointment usually produces more effective government agencies and officials; it greatly reduces the political element in the selection and frees the public from the difficult task of determining qualifications for a highly technical and specialized post. The question remains who should make the appointment. In the case of the MAC, the alternatives appear to be the mayors or city councils of the various metropolitan communities, the state legislature, the state Commissioner of Aeronautics, the various county governments in the metropolitan area, the governor and the Metropolitan Council.

If a Commission of no more than fifteen members were established, it would be very difficult to have the appointments



made by municipal governments. In a commission of this size there would not be enough positions to go around among the many municipalities in the seven-county area unless groups of municipalities selected the members. Another problem would be the political element and the lack of standardization in appointments; that is, the ability and interest of the various municipal governments in appointing highly qualified people to the MAC would vary. The state legislature would be a very cumbersome appointing agency since it meets only biennially and the political overtones would also be serious. There is also doubt that a body representing all parts of the state should have the power to appoint a metropolitan agency. The state-wide interest in the Commission is already represented in the MAC Act itself, which is the product of the legislature and can be changed by the legislature. The Commissioner of Aeronautics must deal with the MAC during the course of the day-to-day operation of MAC airports and it would not be appropriate for him to appoint MAC members. The seven county governments could be assigned the authority to appoint a given number of MAC members from their respective counties. The potential problem here, as with municipal appointment, is the political element and the lack of standardization in appointments.

Appointment by the governor was suggested in at least two of the bills proposed in 1969 to expand the MAC to include suburban representation. The advantage of such a system would be that all appointments would be on a uniform basis and that the governor would be more likely than the legislature or the county or municipal governments to take a nonpartisan stand relative to political affiliations and would also purposely avoid favoring one geographic area within the Twin Cities metropolitan area over another. There would, of course, be a political element involved, but no more so than in the governor's power to appoint the Public Service Commission, to begin in the 1970's, or the Metropolitan Council. This alternative has the least disadvantages among those so far discussed, although it is not necessarily ideal. Therefore, as a matter of expediency, appointment by the governor with confirmation by the state may be the best choice.

A final alternative which has received some attention in recent months is to have the Commission appointed by the Metropolitan Council.<sup>47</sup> The Council, created by the state legislature in 1967, is representative of the seven-county metropolitan area.

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47. See, e.g., *CITIZENS LEAGUE*, *supra* note 44.

Its fifteen members are appointed by the governor with confirmation by the state senate. The chairman has no specified term of office, while the other fourteen members serve for six years. The members represent fourteen geographic districts that are combinations of state senatorial districts; representation is, therefore, on a population basis.

There are already statutory connections between the Council and the MAC. All comprehensive airport plans, such as location of new airports, must be submitted to the Council for review to determine if the plans are consistent with the Council's development guide and the orderly and economic development of the area. If the Council does not agree with the MAC it may suspend the plans indefinitely. In the event that it is not possible to arrive at an agreement between the Council and the MAC, the Council may then be asked by the Commission to submit a report to the next session of the legislature for its consideration and disposition. The present controversy over the location of a new major Twin Cities area airport, in which the Council twice suspended a decision of the MAC, indicates that there can be disagreement between the two agencies. The Council reviews and can make comments and recommendations about Commission requests for federal funding under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and on MAC funding requests to the Federal Aviation Administration. The Council is responsible for preparation of a comprehensive development guide to encompass the physical, social or economic needs of the metropolitan area and those future developments which will have an impact on the entire area, including the necessity for and location of airports. Since 1969 the Council has had the authority to draw up criteria and guidelines for land use development within three to five miles of a new major airport site, to protect people from noise and protect natural resources. Local governments must then adopt controls in accordance with Council criteria and guidelines.<sup>48</sup> Finally, a Council member acts as a liaison with the MAC and attends its meetings. However, he does not vote and acts as an observer rather than a participant in the discussions and deliberations of the Commission.

The proposal to have the MAC appointed by the Council includes also the proposal that the Commission become an agency of the Council. This is intended to insure that major planning decisions affecting airports in the metropolitan area are made by

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48. MINN. STAT. § 360.74 (1969).

the Council which would consider the metropolitan implications such as land use, surface transportation and environmental factors rather than narrow aeronautical interests only and that the Commission confine itself to the technical questions of aviation and airport planning and management.

Therefore, the choice to be made is between the governor and the Council. The theory that the MAC should be appointed by the Council and also become an agency or unit of the Council is an interesting one and, if carried out, could be a great step forward in metropolitan government. The theory is, however, based on the assumption that metropolitan government itself can work. In other words, can a super-governmental agency like the Council effectively deal with the conflicting interests of all the government units and communities in the metropolitan area? Are there people qualified to make important decisions concerning sewer systems, highways, land use, airports and so on who are willing to serve on the Council? These questions are still to be answered.

In spite of these uncertainties, however, the creation of the Council has given the Twin Cities metropolitan area, which is far ahead of other metropolitan areas in this respect, an opportunity to advance the metropolitan concept of government and all its potential advantages. Unless some significant authority is given to the Council the experiment in government will not be meaningful, and the answers to the questions concerning metropolitan government will not be obtained. Giving the Council greater authority over airports in the area appears to be one way to expand the concept of metropolitan government.<sup>49</sup> Certainly, the present relationship between the MAC and the Council is not completely satisfactory. This became especially clear in connection with the MAC's decision in 1969 relative to the location of a new airport, where the Council had the power to review the MAC decision but really did not get involved in the decision until after it had been reached by the Commission.

For these reasons, it is recommended here that the Council be given the authority to appoint members to the MAC and that the MAC become an agency of the Council with power to operate

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49. In the New York City metropolitan area, the New York Port Authority is charged by agreement between the states of New York and New Jersey with the development of transportation facilities in the Port of New York. It operates 23 transportation facilities, including the Lincoln Tunnel, cargo piers, bus terminals and three major airports. In most large cities airports are under the jurisdiction of a separate airport authority that specializes in airports alone.

and manage metropolitan area airports and to make studies and recommendations to the Council concerning major capital improvements to existing airports and acquiring, locating and constructing new airports. The Council would make the final decision on the issue in question. In this way the MAC's expertise on aviation and aeronautical matters could be applied to airport operation and planning while the nonaviation implications of airport development, such as the environmental effects, would be given proper consideration by the Council.<sup>50</sup> Such an arrangement would also permit airport planning to be tied in with other planning activities under the jurisdiction of the Council.<sup>51</sup>

This proposal should not be implemented, however, until the Council is made elective and hence more representative of the people,<sup>52</sup> rather than having its members appointed by the governor, until the Council's staff includes persons knowledgeable in the fields of transportation and aviation and until there is more evidence that the Council is capable of making important decisions relative to airport planning and that metropolitan government of the kind envisioned can really be effective.<sup>53</sup> If these conditions cannot be met, appointment of MAC members by the governor and retention of its independent status and present relationship to the Council would be in order.

The members of the MAC, then, should represent the entire seven-county metropolitan area and be appointed by either the Metropolitan Council or the governor. The representation could be based on assessed valuation of property, geographic area, county, location of the MAC airports or population. The most equitable approach would seem to be to base the representation on a population basis, either by using the 14 Council districts or, in order to reduce the size of the Commission below 14, by some combination of these districts.

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50. Highway and mass transit planning similarly should be subjected to Council disposition.

51. Another alternative not discussed here is to have the MAC submit its recommendations to a state agency for approval. Given the existence of the Council, however, that alternative would not be necessary or desirable.

52. This has been proposed by several groups and individuals. However, bills for the popular election of the Council failed to pass in both the 1967 and 1969 legislative sessions.

53. The Council's effectiveness is now being tested by its handling of the metropolitan sewer problem via its subordinate, the Metropolitan Sewer Board.

#### 4. *Suburban Representation and the Financial Situation of the MAC*

A major objection that has been raised to suburban representation on the Commission has to do with the financing of MAC activities. As will be discussed in more detail later, the MAC has the power to issue general obligation bonds. These bonds are backed by the full faith and credit of the cities of Minneapolis and St. Paul, and property taxes have in the past been levied to retire some MAC bonds.<sup>54</sup> Because of the good credit ratings of the cities of Minneapolis and St. Paul, MAC bonds have had an AA high rating. Thus, the interest rate that must be paid in order to sell MAC bonds is less than it would be if the credit ratings of Minneapolis and St. Paul were lower or if the bonds were not backed by the two cities' credit. In the latter case they would be revenue bonds backed only by the revenues of the Commission.

If suburbs are given representation on the Commission, they might and should be asked to join the two central cities in assuming responsibility for bonds issued by the MAC. Financial responsibility would ordinarily be expected to accompany decision-making responsibility. Such a change in the financial support of the MAC would produce a higher rate of interest than is now required, since the credit ratings of the suburban municipalities are not as high as those of Minneapolis and St. Paul.

Another alternative, if suburban representation on the Commission is added, is to discontinue the full faith and credit idea entirely and shift to a revenue bond system whereby bonds would be backed only by the revenues of the Commission. Principal and interest charges would be paid if and when there were revenues sufficient to do so. This also involves a higher interest rate than is necessary under the present system. Another danger in the straight revenue bond arrangement is the lack of constraint on spending for airport improvements when the communities represented on the Commission are not responsible for paying for the improvements. This in turn can result in a burden on the airlines, their customers and on general aviation, since they may be forced to pay higher costs not only due to the high interest rates but also for facilities in excess of what they need.

The best solution appears to be to permit the MAC to con-

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54. However, because all outstanding MAC bonds are now on a self-liquidating basis, no tax levy against property in Minneapolis and St. Paul was made in 1970.

tinue to issue general obligation bonds which would be paid for out of Commission revenues and be self-liquidating to the extent possible but which, in case of deficits in revenues or default, would be backed by the property tax base of the entire seven-county metropolitan area.<sup>55</sup> This arrangement would have the advantage of having the users who benefit directly from airport improvements pay for them and at the same time providing for seven-county responsibility for airport financing and a lower rate of interest than with straight revenue bonds, although probably somewhat higher than the rates available under the present system. That bonds issued by the MAC and backed by area-wide property taxes need not result in an unreasonably high rate of interest is indicated by the fact that the Metropolitan Council, in January, 1970, sold \$14,000,000 in bonds to build sewer facilities at a net interest rate of 6.78185 percent, which is below the seven percent ceiling on MAC bonds required by law but somewhat higher than the 6.1444 percent rate at which \$20,000,000 in MAC bonds were sold in March 1970.<sup>56</sup>

The extra cost involved in shifting to a wider financial base will be more than offset by the advantages of broader representation on the Commission discussed earlier and the fact that the citizens of Minneapolis and St. Paul would be freed from bearing the entire financial burden of airport development themselves. Moreover, air transportation in all of its phases has developed and matured to the degree that it and its users can afford to pay whatever extra costs may be involved in this change in MAC financing. If, in the future, the MAC is made an arm of the Metropolitan Council, bonds might then be issued by the Council, rather than the Commission, but that change would not alter any of the factors discussed above.

#### D. THE MAC STAFF

The MAC Act provides that the Commission shall appoint an executive director to serve at its pleasure who shall be the execu-

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55. The Citizens League also recommended that the base of support for MAC bonds be extended to the entire seven-county area. See CITIZENS LEAGUE, *supra* note 44, at 1-12.

56. A bond attorney for the MAC has testified before a state legislative committee that "it is conceivable" that the MAC bond rating might slip a little if suburbs were made responsible for MAC debt but that "it won't make a great deal of difference" and any change would be within "tolerable limits" and would not have major financial consequences. See *MAC Ability to Borrow Not Seen in Jeopardy*, Minneapolis Star, March 13, 1969, at 3C, col. 2.

tive and operating officer of the Corporation.<sup>57</sup> The executive director is responsible for the operation, management and promotion of all activities with which the MAC is charged, together with such other duties as may be prescribed by the Commission. The executive director has no power to incur liability or make expenditures on behalf of the Corporation without its general or specific directions. The Act states that the executive director should have experience as a business executive, preferably in connection with aviation and in the promotion of business enterprises.<sup>58</sup>

The Commission also has the authority to appoint engineers and other consultants, attorneys, and such other officers, agents and employees as it may see fit who are removable at its pleasure.<sup>59</sup>

Under these provisions of the Act, the Commission has appointed a staff consisting, as of August 1970, of 17 administrative personnel, including secretarial and clerical employees. The executive director, Henry G. Kuitu, has held that post since 1960.<sup>60</sup> The director of operations is responsible for the operation of all MAC airports. The director of properties is responsible for property development, improvement, maintenance and repair. The director of finance is responsible for the Commission's finances. The director of public affairs was added in 1969 and is responsible for dealing with the news media and the public relative to MAC matters. Finally, the director of Wold-Chamberlain Field is responsible for the operation of the Commission's major airport. In addition to the 17 administrative positions found in these several departments, there are about 170 other employees working in various occupations related to airport operations, including maintenance people, carpenters and other skilled tradesmen, policemen, firemen, equipment operators and engineers.

MAC policy has been to keep the number of staff employees at a minimum. The result has been a rather heavy reliance on outside consultants and attorneys. Consultants are used to provide engineering and architectural services and financial and op-

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57. The terms "commission" and "corporation" are used interchangeably in the Act. MINN. STAT. § 360.102(2) (1969).

58. MINN. STAT. § 360.106(4) (1969).

59. MINN. STAT. § 360.106(5) (1969).

60. The first executive director (the title originally was metropolitan director of airways) was Robert Aldrich, who at the time of his appointment held the position of director of the airways and airports division of American Airlines. Mr. Kuitu succeeded Mr. Aldrich as executive director in 1960 after having served the Commission as assistant executive director.

erational studies. Legal services are obtained from retained, outside counsel. Another reason for the use of consultants and other outsiders is that the services they render are not continuously needed. It is also argued that the staff and the Commission benefit from an outside point of view.

Because of the imperfections in the composition of the Commission itself, the staff has played a leading role in the history of the MAC.<sup>61</sup> In turn, the staff has always been dominated by the personality of the executive director. In fact, the executive director often appears to dominate the Commission as well and sometimes appears to be the spokesman and chief decision maker of the MAC when, in fact, he is not. Since he is an employee of the Commission and the major decisions can be made only by the Commission, the commissioners are the legally constituted decision makers and the chairman, not the executive director, really should act as the spokesman. The chairman often does act as spokesman, but the fact that the chairman is not a resident of the Twin Cities area and, therefore, often is not available, leads the press and others to seek out the executive director for information and comment, and this enhances his importance in the eyes of the public.

The MAC staff is operated on an informal basis.<sup>62</sup> Informality is, of course, quite appropriate for a small organization such as the MAC staff. However, it appears that the staff is reaching the size where a more formal approach will be required, as the number of non-administrative employees has grown from about 100 in 1960 to 170 in 1970.

Unlike the situation with the Commission itself, it appears that there are no important organizational problems associated with the staff, although one might question the lack of depth in numbers at the administrative level, and no major criticisms can be directed at its technical competence in operating and improving airports. In fact, the staff has a reputation in the aviation world for being sound technically; it is also noted for its skill in safeguarding the public purse as indicated by the small size of the staff itself.

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61. See text accompanying note 43 *supra*.

62. The staff apparently was much more informally operated under the previous executive director. See Kwang Pil Choi, *The Minneapolis-St. Paul Metropolitan Airports Commission, Its Organization and Administrative Functions and Duties 20-23* (Master's thesis, University of Minnesota, 1960).



## E. MAC PROCEDURES

1. *Statutory Provisions*

The MAC Act provides that the Commission shall elect a vice-chairman from its membership and a secretary who may or may not be a member of the Commission. The statute declares that the Minnesota State Treasurer is ex-officio the treasurer of the Corporation.<sup>63</sup> The custom of the Commission has been to elect the mayor of St. Paul as vice-chairman and the mayor of Minneapolis as secretary, once again indicating the importance placed by all concerned on "equality" for the two cities.

The Commission is required by the Act to adopt by-laws for the regulation of the affairs of the Corporation and rules of procedure governing their actions. The by-laws are to provide for regular meetings of the Corporation, to be held at least once a month, and for special meetings.<sup>64</sup> The Commission currently holds regular meetings twice a month on the first and third Mondays. The by-laws also cover the place of meetings, notice of meetings, absence of the chairman at meetings, appointment of committees, appointment of consultants, attorneys and employees, orders for the disbursement of money, the signing of documents and contracts, the form of the seal of the corporation and newspaper publication of ordinances, rules and regulations adopted by the Corporation.

The Act provides that six-ninths of the Commission shall constitute a quorum for the transaction of business, and an affirmative vote of five-ninths of all commissioners is required for the passage of most measures. However, measures involving restriction of the use of the facilities of any airport taken over by the Corporation, designation of the name of any airport, establishment of new airports or the issuance of bonds require an affirmative vote of six-ninths of all the commissioners, at least two of which must be those of representatives of each of the cities of Minneapolis and St. Paul.<sup>65</sup>

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63. MINN. STAT. § 360.106(1) (1969).

64. MINN. STAT. § 360.105(1) (1969).

65. MINN. STAT. § 360.104(5) (1969). The concern for equal treatment for both cities reflected by this requirement is also indicated by the fact that the first executive director made a concerted effort to avoid favoring either Minneapolis or St. Paul in the choice of a location for MAC offices. He finally chose a privately owned building on University Avenue in the Midway district of St. Paul fairly close to the Minneapolis boundary. The MAC offices are now in a new building in Minneapolis near Wold-Chamberlain Field.

## 2. *Regular Meetings*

At the regular semi-monthly meetings of the Commission, held in the terminal building at Wold-Chamberlain Field, the attendance record of the commissioners was reasonably good in the period covered by this study. At the 17 regular meetings held between May 5, 1969 and January 5, 1970, inclusive, the meeting minutes show that on five occasions all nine members attended at least part of the meeting, at six meetings eight attended, at three sessions seven commissioners were present and three times there were six present. All nine members attended a special meeting held on June 4, 1969, and eight attended a special meeting on June 9, 1969. Given the several responsibilities of the members beyond their obligations to the Commission, this attendance record is about as good as can be expected. A revised membership, as outlined earlier, could improve the attendance record in the future.

Regular meetings are usually attended, in addition to the commissioners themselves, by the executive director, the several staff directors and the director of Wold-Chamberlain Field, the Commission's counsel and the liaison representative from the Metropolitan Council. Also frequently in attendance are the Commission's advisors on such matters as insurance, architecture, finance, real estate and engineering. Others in attendance, depending on the subject matter on the agenda, have included representatives from labor unions, chambers of commerce, business firms, airlines, citizens' groups, bus companies, military establishments, fixed-base operators, the news media, the Minnesota Department of Economic Development, limousine services, municipalities other than Minneapolis and St. Paul, school districts, the Metropolitan Aircraft Sound Abatement Council (MASAC), car rental companies, MAC employees and the Minnesota House of Representatives. Interested citizens, representing no particular group or organization, also attend on occasion. The total attendance exclusive of the Commission and its staff is usually between 10 and 50 persons. This attendance has occasionally been higher when citizens' groups have attended to protest against aircraft noise.

The subject matter dealt with at the regular meetings of the Commission varies widely and has included, among other issues, approval of a list of expenses incurred and payments made since the previous meeting, authorization by the Commission of the payment of invoices in advance of services to be rendered, resolutions presented to the MAC by organizations and groups, com-

munications from various individuals and organizations, statements presented in person by various individuals, leases between the MAC and various lessees, concessions at Wold-Chamberlain Field, fire protection arrangements at MAC airports, airline route and fare cases pending before the Civil Aeronautics Board, payment of interest charges on MAC bonds, awards to MAC employees, expansion of facilities at Wold-Chamberlain, agreements between airline companies and the MAC regarding airline use of facilities at Wold-Chamberlain, payment for construction work under contract, leaves of absence for MAC employees, MAC representation at meetings of airport management groups, air pollution at Wold-Chamberlain, assignment of gate positions at Wold-Chamberlain, acceptance of bids to make improvements at MAC airports, bus service to and from Wold-Chamberlain, federal aid available to the MAC, labor contracts with MAC employees, the MAC annual budget, plans for construction programs at MAC airports, parking facilities at Wold-Chamberlain, airline user fees and space rental fees at Wold-Chamberlain, aircraft noise, disposal of surplus property at MAC airports, investment of Commission funds not currently needed, levying of taxes on property in Minneapolis and St. Paul, creation and filling of new staff positions, acceptance of work performed under contract and authorization of payment, purchasing of equipment, rental agreements with the U.S. Post Office Department, fringe benefits and wages for MAC employees, snow removal at MAC airports, state aid to the MAC, health and welfare programs for MAC employees, baggage handling at Wold-Chamberlain, the location of a new major airport, selecting sites for new satellite airports, rental of office space at the Wold-Chamberlain terminal building and adoption of MAC ordinances. Although the Commission is primarily an airport operating and planning organization, it also truly operates as a municipal corporation by deliberating and acting upon such "governmental" matters as bond issues, public employee problems, police and fire protection, interest charges on bonds, acceptance of bids, award of contracts, construction programs, federal and state aid, street lighting, disposal of surplus property, tax levies, liquor licenses, storm sewer easements, snow removal, sewer rental rates and adoption of ordinances.

As the foregoing list indicates, the topics discussed by the Commission range from the trivial to the highly important. It appears that some of the matters brought before the Commission for action could best be dealt with by the staff and the executive director, thus saving Commission time for more important mat-

ters. Leaves of absence for employees, attendance of MAC employees at various outside meetings, assignment of gate positions to airlines, disposal of surplus property, purchase of minor items, minor leasing changes, employee physical examinations, rental of office space, and authorization of Salvation Army kettles are examples of matters that the staff could deal with independently. In any event, the wide range of topics listed above demonstrates the need for highly qualified Commission members, since even the most qualified person cannot be fully conversant with all the subjects that come before the Commission.

A docket or agenda is set up for each regular meeting, on which is listed the subjects to be considered at that meeting. The agenda is distributed to interested persons prior to the meeting. The meeting is then devoted to those subjects plus any others that are brought up by anyone in attendance. The Commission chairman inquires at each meeting whether anyone in the audience wishes to be heard on matters listed or not listed on the agenda. In this way anyone has an opportunity to be heard both on docketed issues and those not on the docket.

There is no question that the MAC follows the meeting requirements set forth by the MAC statute and its own by-laws and that the Commission officially supervises the work of the staff and officially makes the decisions involving airport operation and planning for the Twin Cities metropolitan area. It is also true that the Commission provides opportunity for anyone to be heard at the regular meetings. The regular meetings, however, are usually devoid of any real discussion, debate, controversy or argument among Commission members. They consist mainly of reports by the staff or outside advisors plus communications from other parties, a motion and the roll call of the Commission members on specific questions. The vote is almost always unanimous.

The meetings are short in terms of time consumed. The 17 regular meetings held between May 5, 1969, and January 5, 1970, inclusive, required a total of only 22 hours. The longest meeting took two hours and sixteen minutes. The shortest lasted only 39 minutes. The average length of time per meeting was only one hour and seventeen minutes.

These facts seem to support the claim that the Commission approves more or less automatically the staff's recommendations. Although the Commission may delegate various matters to committees within its structure for study, and commissioners are sometimes provided with information by the staff prior to the meetings themselves, 22 hours devoted to 17 meetings over a

period of eight months appears to represent less than a thorough review of the many matters dealt with by the MAC in that period.<sup>66</sup> This situation lends some credence to the charge of "rubber-stamping."<sup>67</sup>

### 3. *Public Hearings*

The Commission is statutorily required to conduct public hearings in certain circumstances. The Act required that by December 31, 1943, the Commission propose a plan of operation and that public hearings be held on that plan in the cities involved. Of more current interest is the fact that the Commission is required to hold public hearings when adopting rules, regulations or ordinances. A hearing is not required, however, if such rules, regulations and ordinances relate to the internal operations of the Commission or to the management or operation of airports, unless they affect substantial rights thereon.<sup>68</sup> Before the Commission can exercise its power to acquire a new airport or expand an existing airport by the acquisition of land, a public hearing must be held.<sup>69</sup> In addition, the MAC has the power to conduct investigations, inquiries and hearings concerning matters covered in the Act.

The Act provides that all hearings shall be open to the public and conducted by the Commission itself or by a committee or member thereof designated by the Commission for such purposes. The Commission has the power to issue subpoenas, compel attendance and testimony of witnesses and require production of papers, books and documents.<sup>70</sup>

### 4. *Criticism of MAC Procedures*

A serious problem that has arisen in connection with the procedures of the Commission is that, although the Commis-

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66. Between January and August, 1970 some of the meetings of the MAC were much longer than those reported above because of the participation in the meetings of various persons protesting aircraft noise at Wold-Chamberlain.

67. The charge that the Commission is a rubber stamp for the staff has been made by commissioners themselves, such as during an MAC regular meeting on August 3, 1970.

68. MINN. STAT. § 360.107(17) (1969). A recent example is the question of limiting the number of night jet aircraft operations at Wold-Chamberlain Field. If the airlines affected had not agreed to such a limitation, it would have been necessary for the MAC to hold a public hearing before imposing such restrictions, because they would affect "substantial rights."

69. MINN. STAT. § 360.124(1) (1969).

70. MINN. STAT. § 360.107(18) (1969).

sion does provide for general public participation in its regular meetings and public hearings, and hence everyone has a voice and can be heard, the Commission and the staff have not encouraged such participation. They have been accused of not making any special efforts to inform or consult with individuals and organizations who may be vitally affected by MAC decisions in advance of the time when the meetings or hearings are held and decisions are made. Although the Commission and the staff adhere to the letter of the law and their own by-laws in conducting meetings and public hearings and allowing people to be heard, the whole MAC organization has lacked sufficient sense of public relations or sensitivity in dealing with the various parties directly affected by what they do, as well as the press and the general public, even though they may have had the public interest in mind. The problems encountered by the MAC in its decision concerning the location of a new airport provide an outstanding example of the kind of difficulty that has resulted from the MAC's lack of a sense of public relations. The fact that the Commission now has a director of public affairs indicates that the Commission and its staff recognize this problem, and hopefully the situation will improve in the future. However, the addition of the public affairs staff position alone is not enough. The MAC must exhibit a greater willingness to work with airlines, general aviation, conservation groups, other government agencies, citizens' groups and others. This is especially important in a world in which airports are recognized as having tremendous economic, social and environmental impact on the communities they serve in addition to their effect on transportation as such.<sup>71</sup>

#### F. THE RELATIONSHIP BETWEEN THE MAC AND OTHER GOVERNMENT AGENCIES

As the government agency charged with the responsibility for operating and planning airports in the Twin Cities metropoli-

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<sup>71</sup>. An excellent example of the MAC's lack of finesse in dealing with sensitive issues occurred in the fall of 1969, when the MAC, during the controversy over the site of a new major airport when its public image was declining and in the midst of the "environmental" boom in the area, approved the erection of two 15 by 50 foot billboards on MAC property adjacent to a freeway in a residential area for an annual fee to the MAC of \$6,000. The MAC was immediately barraged with criticism and the request from the billboard company was "withdrawn." See *Billboards Draw Fire*, Minneapolis Star, Nov. 4, 1969, at 18B, col. 5; *Billboards on the Crosstown*, Minneapolis Star, Nov. 4, 1969, at 18B, col. 5; at 9A, col. 1; *Naegle to Withdraw Two-Billboard Request*, Minneapolis Star, Nov. 15, 1969, at 4A, col. 3.

tan area, the MAC makes decisions that have consequences for other government units; the reverse, of course, is also true. Thus, it should be expected that the Commission and its staff would have some communication and contact with such other government units, although the MAC Act does not contain any specific directive to cooperate with other agencies of government except for the State Department of Aeronautics.

Among the more important government units with which the MAC might be expected to have some dealings are the Civil Aeronautics Board, the Federal Aviation Administration, the Minnesota State Legislature, the Minnesota Department of Aeronautics, the Minnesota Department of Highways, the various county governments in the Twin Cities metropolitan area, the municipal governments in the Twin Cities metropolitan area, the Metropolitan Council of the Twin Cities Area and the Twin Cities Area Metropolitan Transit Commission.

### 1. *Federal Agencies*

The two federal government units of most direct interest to the MAC are the Civil Aeronautics Board (CAB) and the Federal Aviation Administration (FAA). The CAB is an independent regulatory agency responsible for economic regulation of interstate air transportation in the United States. The relationship between the MAC and the CAB consists mainly of the MAC appearing before the CAB in air service route award application cases involving the Twin Cities and keeping itself informed of developments in both route award and airline fare cases heard by the Board.

The relationship with the FAA is more direct since the FAA is responsible for federal airway and airport programs. The most important relationship involves the money the MAC receives from the FAA under the federal airport program. Under the Federal Airport Act of 1946<sup>72</sup> the FAA contributes to the improvement and construction of certain designated airports that qualify for aid under the Federal Airport Plan. Up to the present time such aid has usually been on a matching basis, with the FAA providing one-half of the funding and state and local governments the other half. Federal aid of this kind is given only for aeronautical improvements and construction such as runway or instrument landing system projects. No federal aid can be used for terminal buildings, parking lots or other nonaviation projects.

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72. 49 U.S.C. §§ 1104-16 (1964).

In order to receive federal aid, the MAC must submit its plans to the area FAA office for approval by the FAA. Since 1943 the MAC has received over \$14,000,000 in federal aid of this kind.

The aeronautical and flight operations rules and regulations of the FAA have some bearing on the MAC and its activities, and the FAA and the MAC work together on various day-to-day matters having to do primarily with the safety of operation at MAC airports. A recent development has been an FAA plan to restrict the kind of aircraft and pilots that can fly through the Twin Cities terminal area in order to reduce the chances of mid-air collisions. Although the MAC has no control over traffic matters of this kind, the Commission has been advised by the FAA of the proposed plan and two representatives of the FAA appeared before the MAC at its regular meeting on February 2, 1970, to review the plan with them.

The relationship between the two government agencies has been good and there do not appear to be any problems at the present time. The two agencies have disagreed on various matters in the past but they have been able to work out their differences.

## 2. *State Agencies*

The several state government units with which the MAC has some ties are the legislature, the Department of Aeronautics and the Department of Highways. The legislature created the Commission and gave it whatever powers it possesses. It may reduce or expand those powers and change the organizational structure of the MAC at any time. In other words, the Commission is a creature of the state legislature. The relationship between the two agencies has not been close in an operational sense, however, since one is a legislative body and the other an administrative unit. In addition to occasional bills passed by the legislature to increase the bonding power of the MAC, bills are introduced from time to time in the legislature to alter the powers or organization of the Commission; the last important change actually enacted occurred in 1947, when the Commission's authority was reduced somewhat below what had been given to it in 1943. As noted previously, several bills were introduced in the 1969 legislative session to change the representation on the Commission, and one bill was passed expanding the geographical jurisdiction of the MAC. The relationship between the legislature and the MAC is good and there have been no serious conflicts in recent years.



The state government agency with which the MAC has the closest relationship is the Department of Aeronautics, headed by the Commissioner of Aeronautics. The purposes of the Department are to provide for safety in aeronautics, to assist in the promotion of a state-wide system of airports, to cooperate with and give assistance to the state's political subdivisions in the airport function and to encourage and develop aeronautics. The Commissioner is also directed to cooperate with and assist the national government, municipalities of the state and others engaged in aeronautics in the attainment of these same objectives. To promote these objectives, the Department provides financial aid to municipally operated airports throughout the state and gives advice and assistance on aeronautical matters. MAC projects involving state aid must therefore be approved by the Commissioner, and all federal-aid funds from the FAA must be "channeled" through the Department. In these respects the Commissioner deals with the MAC as he would any other municipal corporation. Since 1943 the Department has provided state aid in the amount of over \$5,000,000. An amendment to the MAC Act in 1947 provided that the MAC for its part shall cooperate with and assist the Commissioner of Aeronautics in the promotion of aeronautics and that it shall seek to coordinate its activities with those of the Department. The original Act of 1943 made no reference to such cooperation with the Department.

The relationship between the MAC and the Department was at one time a very abrasive one because of personality clashes between the Commissioner of Aeronautics and the Executive Director of the MAC and their different views on the role of each agency in developing and regulating aviation in Minnesota.<sup>73</sup> The most important issue over which the two agencies conflicted was the decision of the MAC in the late 1940's to expand Wold-Chamberlain Field and make it the area's major airport for handling scheduled passenger operations. The Commissioner favored a site north of the Twin Cities near New Brighton in Anoka County.

The relationship between the two agencies at the present time is a very cordial one and it is accepted by both that the MAC has virtually full control over all airports, public and private,

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73. For an account of this conflict see Brazier, *Intergovernmental Relations in the Field of Public Airports in Minnesota*, ch. 8 (Ph.D. dissertation, University of Minnesota, 1954). In that period Leslie L. Schroeder was Commissioner of Aeronautics and Robert Aldrich was Executive Director of the MAC.

within its geographic jurisdiction. The Department alone has the power to license non-MAC airports within that geographic area, but this is the only qualification of the MAC's control. In this connection, the *Interstate Air-Parts* and *Cedar Flying Service* cases of 1947, referred to earlier,<sup>74</sup> settled the question of jurisdiction in favor of the MAC by declaring that, although the Commissioner has the power to approve and license airports, no airport can be acquired or operated in the metropolitan area without the approval of the MAC.

The two agencies do not always agree on what should be done but they have been able to work out the differences that have arisen between them. Occasionally, they are opponents in "friendly" court cases in order to get a legal decision on a particular matter.

The contact between the MAC and the Department of Highways has been limited to whatever has been required to accomplish the MAC's objectives. When Wold-Chamberlain Field was improved in the early 1960's, highway access to the new terminal building was worked out between the two agencies. In surveying sites for a new major airport in the late 1960's, information on present and future highways was provided to the MAC by the Highway Department. The MAC then assumed that the Department would provide highway access to the new airport from whatever highways were available when the new airport was completed.

Probably because of the lack of severe population density and traffic congestion in the Twin Cities metropolitan area, the Commission has not been seriously concerned about airport access in terms of the physical means available for access, although it has been concerned about distance to and from airports. It has left those problems to the Highway Department and has not been a leader in advocating methods of highway design or mass transit systems to serve its airports. Although it has been in communication with the Highway Department when necessary, the Commission has not been an important participant in highway or other surface transportation planning involving present or future airports. This position has been a successful one to date in that Wold-Chamberlain Field, its only major airport, generally does not have important access problems, particularly by comparison with other major airports in the United States. It is doubtful, however, whether such a policy should be followed in the fu-

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74. See text accompanying note 22 *supra*.

ture. The Commission should play a more important role in airport access than it has in the past, in connection with both present and future airports. This will require closer coordination with the state's Department of Highways.

In several states there has developed interest in establishing state departments of transportation, which would incorporate the various transportation activities of the state, such as highway maintenance and construction, airport operations and planning, motor vehicle licensing and development of mass transit systems. Spurred on by the establishment of the U.S. Department of Transportation, the advocates of such departments at the state level claim that the major advantage of such a department is that it would enable better coordination between the various now-separated government units that plan and promote transportation and deal with transportation problems and issues.<sup>75</sup> Hence there would be less duplication of effort and greater efficiency in spending state money and in managing transportation.

A proposal to create a state department in Minnesota was unsuccessful in the 1969 legislative session. The legislature did, however, create a task force on transportation in the State Planning Agency to provide long range transportation planning for the state. The task force includes members of the State Planning Agency, the Department of Aeronautics, the Department of Highways, the Public Service Department, the Metropolitan Council, the MAC and the Metropolitan Transit Commission.<sup>76</sup> Also proposed in the 1969 session was a bill creating a state airports agency that would have absorbed the MAC, but this bill too was unsuccessful.

Without discussing the merits of a state department of transportation, the question here is the effect on the MAC of the establishment of such a department in Minnesota. A transportation department, of course, probably could include the current functions of the Department of Aeronautics, but should the new state unit take over the functions of the MAC as well? The answer appears to be that nothing would be gained and perhaps a good deal would be lost if such a change were made. Instead of better coordination of what it already does in regard to transportation, the state would be *adding* a new activity—the ownership and operation of airports—that it does not have now. Instead of

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75. For arguments in favor of state departments of transportation see Van Pelt, *Transport Growth, Intermodal Relations Termed Stimuli for State Level "DOTs,"* TRAFFIC WORLD, April 26, 1969, at 32.

76. MINN. STAT. § 4.20 (1969).

simplifying the state's handling of transportation problems, this move would make it more complex. The other disadvantage would be that airports traditionally are considered a local problem directly affecting only local areas and therefore they should be owned and managed locally. Although there is some value in trying to achieve a state airport "system" and to coordinate planning between the various local airport managements and between airport managements and other modes of transportation, there is no need to take away local control in the process. A department of transportation probably would take over the functions of the present Department of Aeronautics and therefore, through its control over state and federal financial aid to airports, "coordinate" without taking over control of MAC airports or any other airport in the state. The state point of view is now adequately represented in the MAC Act itself and in the Department of Aeronautics' role as adviser to the MAC and controller of state and federal financial aid. Another factor is that the problems of metropolitan area airports, particularly the major airports, are quite different from those at Bemidji, Mankato or Duluth; a special organization to operate and plan such airports therefore appears to be in order. Also, local control is more flexible than reliance on a state unit and the state legislature for decision making.

Thus, although it is true that better coordination between the MAC and other government agencies is needed, such coordination can be achieved without having the state take over the functions of the Commission. Coordination at the metropolitan level seems to be the most vital issue and could be accomplished eventually by changing the structure of the MAC to make it a unit of the Metropolitan Council, especially if transit and highway planning in the metropolitan area somehow is also made subject to the Council.

### 3. *Local Government Agencies*

Among the several local government agencies that the MAC must deal with are the various county governments within the geographic area under MAC jurisdiction—the governments of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. Although there has been communication between the MAC and county governments, the latter have not shown a great deal of interest in Commission activities, and the relationship has not been a close one. The MAC, for its part, has not actively sought out the county governments. The Commission can and has made decisions that affect these various counties without con-

sulting the county governments in advance.

Municipal governments have been more active in MAC affairs, and the relationship between the MAC and various municipal governments has been of some importance. In addition to the cities of Minneapolis and St. Paul, which are represented on the Commission, the MAC has also had dealings with other municipal governments. These are mainly those located near MAC airports. Representatives of the city of Richfield, for example, frequently have appeared before the Commission to provide information concerning that municipality's interest in activities at Wold-Chamberlain Field. However, there is no formal relationship required of or practiced by the MAC when it deals with municipalities other than Minneapolis and St. Paul. Therefore, actions can and have been taken by the Commission without consulting the various communities affected by them.

The relationship between the MAC and the Metropolitan Council of the Twin Cities Area is a new one that began when the Council was created by the state legislature in 1967. The relationship has taken on considerable significance in recent months because of the controversy between the two agencies concerning the location of a new major airport in the Twin Cities metropolitan area. The statutory connections between the two units of government were reviewed previously in this article. It was recommended there that the MAC eventually be made an agency of the Council. The relationship between the two agencies to date has not been satisfactory. The Commission has demonstrated lack of interest in keeping the Council informed as to what it is doing and in asking its advice on matters in which the Council has an interest, while the Council has shown a lack of knowledge about airports and airport planning. These problems have led to the embarrassing controversy over the location of the new major airport, in which the Council, exercising its review power, twice suspended the decision of the MAC. A better working relationship between the two agencies is necessary, whether or not the MAC is reorganized as recommended earlier in this article.

The Twin Cities Area Metropolitan Transit Commission (MTC) was created by the state legislature in 1967<sup>77</sup> to assume jurisdiction over mass transit in the seven-county area. Financed by a tax on vehicle owners in the area, the MTC has concerned itself mainly with studying the mass transit problem in the Twin Cities and the type of mass transit system that is needed in the

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77. MINN. STAT. ch. 473A (1969).

future. In recent months the MTC has also been involved in the problems of the privately owned bus company and has purchased the company from its private owners.

Some contact between the MAC and the MTC occurred in 1968 when the MTC arranged to subsidize bus service between Minneapolis and St. Paul and Wold-Chamberlain Field to provide bus transportation to persons employed at the airport and its vicinity. The initiative for this was taken by the MTC and the MAC approved the new service.

In choosing a site for a new major airport in the late 1960's the MAC communicated with the MTC prior to the public hearing dealing with that subject but it appears that this contact was not extensive. It is quite possible that the MTC could not, because of its lack of experience and expertise in its early months of existence, be of much help to the MAC at that time. In the future, however, closer contacts between the two agencies are needed.

#### 4. *Conclusions Relative to the MAC's Relationships With Other Government Agencies*

Coordination between government units is highly desirable in order to eliminate or reduce duplicated effort and prevent one agency from working in conflict with another. Unfortunately, coordination usually is also very difficult to accomplish. The nature of government units is such that each tends to think in terms of optimizing its own immediate objectives and usually is not much concerned about whether or not such optimization is contrary to the optimization of the objectives of other government units. Therefore, unless coordination is specifically required by law, it tends to be avoided. This is especially true of special purpose agencies.

The MAC is no exception to this general rule of government behavior. With the exception of the necessary close ties it has maintained with the FAA and the state Department of Aeronautics and the legally required contact with the cities of Minneapolis and St. Paul, its relationships and coordination with other government administrative units has been casual or virtually nonexistent. Thus the MAC is accused of ignoring the other agencies and the public interest in general and of lacking interest in anything but aviation and its promotion regardless of aviation's effects on surface transportation, the community environment and the economy of the metropolitan area.

These charges are undoubtedly exaggerated since the MAC

really does appreciate its nonaviation repercussions, although not as much as it probably should. In any event, the lack of effective coordination between the MAC and some other government units has reduced the effectiveness and stature of the Commission and is another illustration of the MAC's lack of a sense of public relations and concern about its image.

#### IV. OPERATION AND DEVELOPMENT OF MAC AIRPORTS

The MAC is charged by law with complete responsibility for the maintenance, operation, expansion and development of airports under its control and any others it may acquire or construct and operate. In carrying out this charge the Commission, since 1943, has acquired four airports to add to the original two—Wold-Chamberlain and Holman—which were transferred to MAC control by the Act of 1943 and formally came under the control and operation of the Commission on July 1, 1945. The Act does not specify what kind of airports or how many airports there should be in the metropolitan area or whether they should be operated by the Commission or by private or other owners.

##### A. MAC AIRPORTS

Early in the Commission's history, Executive Director Robert Aldrich advocated MAC operation of "secondary" airports for use by nonairline aircraft. By that time Wold-Chamberlain had been designated by the Commission as the area's major airport for scheduled airline service. Aldrich's idea was to divert as much light plane traffic as possible to the secondary, smaller fields located around the Twin Cities in order to prevent congestion at Wold-Chamberlain. He also believed that such secondary fields should be operated by the MAC rather than by local community or private ownership.<sup>78</sup> Aldrich felt that neither private interests nor the smaller communities in the Twin Cities area would provide airport facilities adequate for the needs of "little" aviation, as small aircraft operation was known at the time. At the same time Wold-Chamberlain was encountering some congestion problems and a need arose to divert some traffic to other fields.<sup>79</sup> Some Commission members preferred to

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78. Brazier, *supra* note 73, at 200.-01.

79. In 1947 there were 325,000 flight operations (takeoffs and landings) at Wold-Chamberlain Field, making the field the second busiest civilian airport in the United States. See METROPOLITAN AIRPORTS COMM'N, A BRIEF REPORT ON AVIATION PROGRESS AND AIRPORT PROBLEMS IN

confine MAC operations to Wold-Chamberlain and Holman fields only, but, finally, three years after the Commission began operations, Aldrich was able to convince the Commission that the secondary airport idea was a sound one. After considerable delay caused by legal complications and opposition by the Commissioner of Aeronautics, the MAC took title to Flying Cloud Airport, which previously had been privately owned, on September 1, 1948 at a condemnation award price of \$175,325. The Commission next purchased Crystal Airport in 1949, began development of Anoka County Airport (Janes Field) in 1950 with the idea that it would eventually become the site of a second major airport and purchased Lake Elmo Airport in 1951. Figure 1 is a map showing the location of the six MAC operated airports.<sup>80</sup>

As a result of the acquisition or construction of the secondary airports, the MAC has developed, in effect, a "satellite" airport system for the Twin Cities metropolitan area. The Commission's satellite airport system has become a model copied by other cities in the United States and in other countries, and it frequently is referred to as a progressive system in aviation literature.<sup>81</sup>

The basic advantage of the satellite approach is that it enables scheduled airlines and other operators of high-performance aircraft to use the major airport to its fullest potential capacity by providing other, smaller fields for operators of smaller, less sophisticated aircraft. It also permits airport operations to be geared to the kind of aircraft that predominates at a particular airport. As the Commission notes, "Such a system provides for increased aircraft utilization, rapidity and ease of access to and from the user destination, greater traffic and serv-

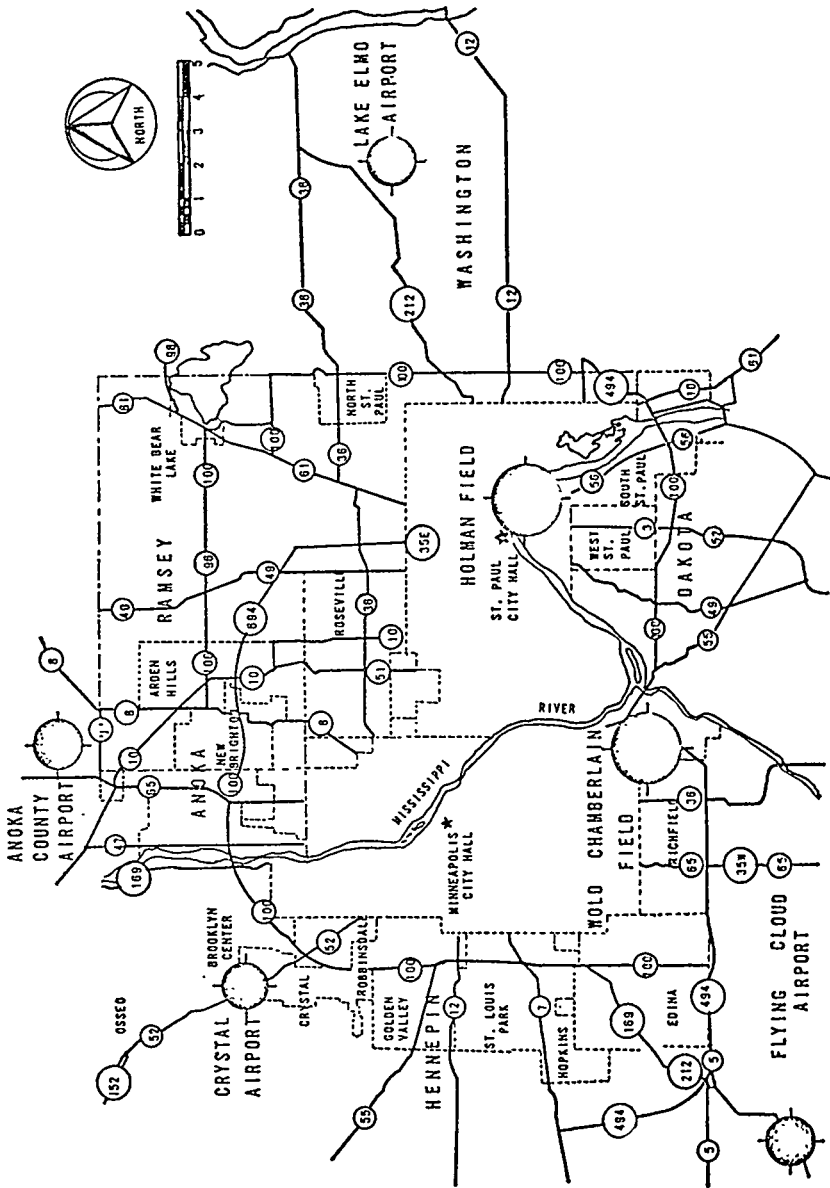
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THE TWIN CITIES 17 (1957). In 1969 there were about 294,000 flight operations at the field. If the secondary airports had not been developed this latter figure would certainly have been much higher.

80. In addition to MAC airports, there are one other publicly owned airport (Fleming Field in South St. Paul) and five privately owned airports in the Twin Cities metropolitan area. Of the latter, one has a hard-surfaced runway and the other four have sod landing strips and are used only by light single-engine aircraft.

81. See, e.g., *Hearings Before the Aviation Subcomm. of the Senate Comm. on Commerce*, 90th Cong., 1st Sess., at 30, 266 (1968); AIRCRAFT OWNERS & PILOTS ASS'N, *THE TRUTH ABOUT GENERAL AVIATION* 12-13, 19 (1968); UNITED AIRLINES & AIR TRANSPORT ASS'N, *MASTER PLAN REPORT, MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT 3* (rev. ed. 1967); Gettler, *Is This Any Way to Plan an Airway?*, *SPACE/AERONAUTICS*, May, 1969, at 56; Gordon, *General Aviation Growth Adds to Airport Woes*, *AM. AVIATION*, Oct., 1967, at 112.





Source: Minneapolis-St. Paul Metropolitan Airports Commission

Figure 1: MAC Airports

icing capability, and the decentralization of air traffic resulting in safer operation.”<sup>82</sup> Another important effect of the satellite

82. METROPOLITAN AIRPORTS COMM’N, DEVELOPMENT OF AIRPORT

system has been to encourage the growth of both commercial and private aviation in Minnesota.

The Commission has not gone so far, however, as to bar certain kinds of aircraft from Wold-Chamberlain and force them to use the other MAC fields.<sup>83</sup> In fact, it has consistently refused to bar small aircraft, despite considerable pressure to do so and thereby reduce future congestion at Wold-Chamberlain. In the words of the MAC:

The principal feature of the MAC's system plan consists of integrated development and operation of a multi-airport network. This has achieved a desirable separation of different types of air traffic without arbitrary restrictions on any single segment; has encouraged widespread and economical utilization of five satellite airports; and has made maximum capacity available at Wold-Chamberlain Field . . . for scheduled airline service and high-performance aircraft.<sup>84</sup>

Instead of an outright prohibition on small aircraft, the Commission "discourages" their owners from using Wold-Chamberlain by establishing a schedule of lower charges and continually improving facilities at secondary airports. The idea is to make Wold-Chamberlain available primarily for scheduled airlines and operators of high performance aircraft but at the same time to give access to Wold-Chamberlain to any aircraft which finds it necessary or economically desirable. The MAC's view is that the interests of the air-travelling public and the scheduled airlines would not be served by eliminating all general aviation from Wold-Chamberlain. The Commission believes that, since general aviation provides a vital transportation link with scheduled air carriers, there always will be legitimate general aviation traffic at Wold-Chamberlain and that it must take responsibility for maintaining an equitable balance between airlines and other airport users.<sup>85</sup>

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TRAFFIC CONTROL AND INSTRUMENT APPROACH FACILITIES AND PROCEDURES AT MAC AIRPORTS 2.

83. Nonairline traffic can be reduced at a major airport by charging high landing fees for such aircraft, as has been done in New York City for certain peak traffic hours. See Haitch, *Private Flying: How High the Fee?*, N.Y. Times, Dec. 17, 1967, section 5, at 22, col. 1. Since June, 1969, the FAA has restricted both airline and nonairline traffic (with preference given to airline traffic) at peak hours at Kennedy, LaGuardia and Newark airports in New York, O'Hare in Chicago and National in Washington, D.C. See *FAA Limits Aircraft Operations at Major New York, Chicago, Washington Airports*, TRAFFIC WORLD, Dec. 7, 1968, at 34.

84. METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980 1 (Jan. 2, 1969).

85. *Id.* at 8.

Despite the policy of encouraging general aviation to use secondary airports, however, 57 percent of flight operations (landings and takeoffs) at Wold-Chamberlain Field in 1969 constituted general aviation and military flights; only 43 percent was accounted for by scheduled airline traffic. This compares with non-airline traffic amounting to only about 23 percent at Los Angeles, 13 percent at San Francisco, 36 percent at Newark, 17 percent at New York John F. Kennedy, 36 percent at New York LaGuardia, 29 percent at Washington National, 19 percent at Miami and 26 percent at Atlanta.<sup>86</sup> Part of the 57 percent, however, represents large commercial and military planes that could not use the other airports in the MAC system.

Because of the lack of serious congestion to the present time, the MAC has not yet been forced to make the decision drastically to curtail non-airline traffic at Wold-Chamberlain. In the coming decade, however, since Wold-Chamberlain will continue to be used as the major airport for the Twin Cities area, an MAC decision to reduce the amount of light plane traffic will probably be necessary. Such a decision by the Commission could be avoided if additional satellite airports were added quickly or if the FAA made such a decision first.<sup>87</sup> The FAA has already imposed traffic controls at Chicago, New York and Washington, D.C., and may do so at other major airports in the 1970's. The administrator of the FAA has suggested "equal but separate" facilities for airline and nonairline aircraft as one means of helping communities meet the growing demand for air transportation services.<sup>88</sup> The FAA also has proposed recently that an airspace terminal control area be established above and around Wold-Chamberlain Field and twenty-one other airports. Under this plan the FAA would require aircraft using the restricted air space to have a transponder beacon (radar device), two-way radio equipment, navigational signal receivers and an air traffic controller's clearance and that pilots have at least a private pilot's certificate, thereby barring solo student pilots.<sup>89</sup>

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86. *Noncarrier Operations at Eight Major Metropolitan Airports Range from 9.4% to 40% of Total Traffic*, AM. AVIATION, Aug. 5, 1968, at 32-33 (results of FAA study conducted in February and March 1968).

87. There are now about 125,000 civilian aircraft in the United States engaged in other than scheduled airline service (about fifty times the number in scheduled airline service), many of them operated by business firms, and the total is expected to reach 184,000 by 1977.

88. *Shaffer Sees Possible Need for Separating Non-Airline and Airline Operations*, TRAFFIC WORLD, July 26, 1969, at 32.

89. Statement of L.C. Morris, Jr., Federal Aviation Administration, to the MAC, February 2, 1970.

The effect of this proposed regulation would be to reduce the number of aircraft and pilots qualified to use Wold-Chamberlain. The reduction would involve mainly general aviation small aircraft.

Beyond the 1970's the most important determinants of the extent to which non-airline aircraft will use Wold-Chamberlain Field are the MAC's future policy toward general aviation at the new major airport,<sup>90</sup> the establishment of new secondary airports by the Commission and the status of Wold-Chamberlain after a new major airport opens. As to the latter point, Wold-Chamberlain may continue to be used as an airline terminal, it may be confined to use by general aviation or it may be closed down completely.

## B. WOLD-CHAMBERLAIN FIELD

### 1. *Early History*

Originally the site of a short-lived two and one-half mile concrete automobile race track constructed in 1915, flying activities began at what is now Minneapolis-St. Paul International Airport—Wold-Chamberlain Field—in 1920. An 80 by 90 foot hangar for handling air mail service was constructed in that year. In 1923 the field was officially named Twin City Airport—Wold-Chamberlain Field. The field was named after Earnest G. Wold and Cyrus F. Chamberlain, Minneapolis pilots killed in World War I. The landing strip of about 2,000 feet was a sodded area inside the old race track.

In 1928 the airport was taken over by the Minneapolis Park Board and renamed Minneapolis Municipal Airport—Wold-Chamberlain Field. At that time it covered 325 acres of land and had eight hangars. Also in 1928, a United States Naval Reserve Aviation Base (later called Twin Cities Naval Air Station) was set up at Wold-Chamberlain. In 1929 Northwest Airways began passenger service from the airport to Chicago. Universal Airlines also served the Chicago route and Hanford Airlines served Sioux City and Omaha. A new administration building was dedicated in 1930, the United States Weather Bureau began operation at the airport in 1937 and the control tower began operation in 1938. Radio control of traffic started in 1939. There were three 3,000 foot concrete runways at that time. By 1943,

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90. Present plans call for accommodation of general aviation aircraft of all types at the new airport. See METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980 27 (Jan. 2, 1969).

when the MAC Act was passed, two airlines provided single-carrier service to seventeen cities from Wold-Chamberlain Field.<sup>91</sup>

As required by the Act, the MAC began studies to formulate a plan of operation for both Wold-Chamberlain and Holman fields. The first study, the Doell-Shepard report, was made in 1943. It covered not only Wold-Chamberlain and Holman fields but also all other airports in the MAC's area of jurisdiction. The report considered possible development of a major airport at five different sites and recommended that Wold-Chamberlain be upgraded substantially to serve as the major terminal for scheduled airline operations in the Twin Cities area. Wold-Chamberlain was chosen as the major airport site instead of Holman Field or other sites because Wold-Chamberlain better fitted the requirement of equal distance from the downtowns of Minneapolis and St. Paul, because there was land for expansion, at the time owned by the federal government, and because large amounts already had been invested in the airport.

The Doell-Shepard report became the Commission's proposed plan of operation; as required by the Act, it was submitted to the governor and the city councils of Minneapolis and St. Paul on December 31, 1943 for their approval. Following a public hearing on January 31, 1944, also required by the Act, a permanent plan of operation was adopted by the Commission and filed with the governor and the city councils on August 14, 1944. Control and operation of Wold-Chamberlain and Holman fields was formally assumed by the Commission on July 1, 1945.

It was during this same period that two important legal challenges, referred to earlier, were made against the MAC Act and the Commission. These were *Monaghan v. Armatage*, which involved an attempt to restrain the Park Board from turning over Wold-Chamberlain to the MAC, and *Erickson v. King*, which involved a taxpayers' suit to restrain the state auditor from disbursing funds to the MAC. In both cases the Minnesota Supreme Court upheld the MAC Act and the Commission.

In 1946 the MAC prepared a plan for the expansion of Wold-Chamberlain Field, and in early 1947 the Commission unanimously agreed that Wold-Chamberlain should be the major airport. The Commissioner of Aeronautics had proposed that the area's major airport be located at New Brighton in Anoka

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91. METROPOLITAN AIRPORTS COMM'N, EARLY HISTORY OF WOLD-CHAMBERLAIN FIELD.

County. This was rejected by the MAC on the grounds that it would be too costly in terms of construction costs, that it would be much farther from downtown Minneapolis and St. Paul than the Wold-Chamberlain site and that Wold-Chamberlain would have to be abandoned as a major airport. Another important factor was Executive Director Aldrich's argument that the Commission had the responsibility to develop a major airport that would be used and that would be paid for by the users. He apparently felt that an airport in Anoka County would not be attractive to users and hence could not be made self-sustaining.

Following this decision by the MAC, residents of south Minneapolis and several veterans' groups, who opposed having heavy air traffic near the veterans' hospital, objected to the plan, and the controversy ultimately resulted in a meeting, called by Governor Luther Youngdahl, between members of the MAC's area planning committee, representatives of the state Department of Aeronautics and Civil Aeronautics Administration officials. The governor asked for a review of the MAC's decision and for a public hearing on the matter.<sup>92</sup> He also suggested that the Commission seek to answer questions involving land use, zoning and surface transportation problems, the effect of airport expansion on owners of private aircraft, the initial capital expenditure of public funds and the effect of airport expansion on the possibility for new business expansion.

The requested public hearing began on October 15, 1947 and ended on November 5, 1947 at which time the Commission reaffirmed its original decision and ordered the executive director to proceed with the plans for construction and expansion at Wold-Chamberlain. Apparently, the hearing did not produce any information the MAC lacked prior to its original decision on expanding Wold-Chamberlain.<sup>93</sup>

## 2. *Expansion of Facilities*

The first acquisition of land to expand Wold-Chamberlain occurred in 1950. In 1956 the Commission adopted a master plan for Wold-Chamberlain which finally resulted in the early 1960's

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92. A public hearing was not required by the 1943 Act. However, during the controversy referred to here, the 1947 session of the state legislature amended the MAC Act to require a public hearing whenever a new airport is to be acquired or established or an existing airport is to be expanded in the metropolitan area. MINN. STAT. § 360.124 (1969).

93. An account of the decision to expand Wold-Chamberlain may be found in Brazier, *supra* note 73, at 207-14.

in the construction of a new passenger terminal building and various buildings for the use of airlines. An important factor in this development was an agreement between the MAC and Northwest Airlines in 1956 whereby Northwest agreed to locate its permanent maintenance base and company headquarters at Wold-Chamberlain in buildings financed and constructed by the Commission and leased to the airline. Western Airlines also agreed to lease MAC-provided facilities at the airport.<sup>94</sup>

The original time schedule for the plan was not met because, once again, the MAC was delayed by legal proceedings, this time by the *Holen* case.<sup>95</sup> Public criticism of the planned airport development had become intense in the summer of 1956. A series of military aircraft crashes occurred near the airport with serious loss of life and property, and a citizens' group was formed which demanded the abandonment of Wold-Chamberlain Field. This group and some of its members began the court action. The main legal issue involved was the question whether a public hearing was necessary before the Commission could make the contemplated improvements at Wold-Chamberlain. The Minnesota Supreme Court, on the basis of an amendment made to the MAC Act in the 1957 session of the state legislature,<sup>96</sup> decided that the Commission had held sufficient public hearings before ordering expansion of the airport.<sup>97</sup>

Looking back on these developments, it is easy to see that the MAC on three different occasions was faced with the problem of deciding whether Wold-Chamberlain or some other site should become the Twin Cities' major airport. On each occasion—in 1943, 1947 and 1956—the Commission decided in favor of Wold-Chamberlain despite the objections of neighboring citizens and, in 1947, the Commissioner of Aeronautics. As late as 1956 the Commission still could have changed its direction and decided to develop a new major airport more removed from heavily populated areas without substantial financial loss. Now, in 1970, with a very large investment in the airport and a serious aircraft noise problem and inability to expand the field to accommodate future traffic, the decisions of 1943, 1947 and, in particular, 1956 are coming home to roost.

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94. The MAC's major decisions through 1956 are discussed in METROPOLITAN AIRPORTS COMM'N, A BRIEF REPORT ON AVIATION PROGRESS AND AIRPORT PROBLEMS IN THE TWIN CITIES 6-20 (1957).

95. *Holen v. Metropolitan Airports Comm'n*, 250 Minn. 130, 84 N.W.2d 282 (1957).

96. MINN. STAT. § 360.124 (1969).

97. 250 Minn. at 135-39, 84 N.W.2d at 286-89.

The plan as finally carried out involved a new \$8,500,000 passenger terminal building, dedicated in January, 1962, to replace the old terminal building built in the early 1940's, an \$18,000,000 overhaul base and headquarters building for Northwest Airlines, occupied in 1961, a \$1,300,000 hangar for Western Airlines, in use since February, 1961, and a new \$600,000 control tower opened in the summer of 1964. Other projects were runway extensions, more taxiways, a water storage system, a power substation and an underground fuel system. Total cost of the renovation was \$54,000,000.

### 3. *Further Development*

Since that time the MAC has directed its efforts toward refining the existing facilities at the airport and keeping the facilities up to date and consistent with the current needs of aviation. Some of the more important projects finished since 1964 or now in progress have included lighting of all taxiways and aprons, relocation of Braniff Airways' hangar, construction of bridges to connect the three mezzanines in the passenger terminal building, construction of improved passenger loading and unloading facilities including second-level loading and new piers, construction of a new headquarters building and maintenance base for North Central Airlines, construction of a cargo handling center including a tunnel between the center to the aircraft loading area, expansion of automobile parking facilities, construction of a new 6,200 foot runway to replace a 3,200 runway, construction of a new office building for the MAC in the old passenger terminal area, alterations to passenger loading and unloading areas and construction of new hangars and other airline facilities to accommodate the Boeing 747 aircraft, miscellaneous improvements in the passenger terminal building and miscellaneous field and runway improvements. The controversy over the location of a new major airport has had the effect of delaying some projects, particularly those associated with Northwest Airlines. The total MAC investment in Wold-Chamberlain Field as of December 31, 1969 was about \$93,000,000. By March of 1970 this had grown to about \$113,000,000.

### 4. *Wold-Chamberlain Today*

Wold-Chamberlain Field now consists of about 3,000 acres, and there are about 3,000 acres of other publicly-owned land adjoining the airport. The field can accommodate every kind of aircraft now used by airlines as well as the large Douglas DC-10



"air bus" that soon will be using the airport.

The primary runways at the field are the two parallel north-west-southeast runways. These runways are 10,000 and 6,200 feet in length. The other runway is southwest-northeast and has a length of 8,250 feet. The optimum hourly capacity of the parallel runways is seventy flight operations under instrument flight rules (IFR) and 120 flight operations under visual flight rules (VFR). When wind conditions force the use of the southwest-northeast runway capacity falls to 50 IFR and 60 VFR. For the large, high-performance, sophisticated aircraft that operate under IFR, Wold-Chamberlain is really a one-runway airport, since simultaneous use of both northwest-southeast runways for landings and takeoffs is permitted only under VFR conditions. This is a major factor limiting the expansion of the airport to accommodate more flight operations in the future, since it is not possible to develop a dual-runway system at Wold-Chamberlain with adequate separation for instrument approaches. This factor, plus the inability to acquire sufficient land in the runway approach zones at a reasonable cost to permit operations compatible with adjacent neighborhoods and the fact that the field is too small to provide sufficient space for maneuvering and loading the larger planes in the large numbers the airlines serving the airport will have in the 1980's, has led the MAC to plan a new major airport for the 1980's. Although Wold-Chamberlain has adequate capacity for air traffic of the present, it will be saturated by the later 1970's, according to FAA estimates.<sup>98</sup> The fact that the Naval Air Station at Wold-Chamberlain was closed in June, 1970, has had only a minor effect on the capacity problem, since all local and itinerant navy aircraft accounted for less than seven percent (20,525) of flight operations at the field in 1969 and many of these flights were made on weekends when airline traffic is light. A small amount of land became available when the station closed, but not enough to make any material difference in the capacity situation.

At the present time five domestic trunk airlines<sup>99</sup> serve Wold-Chamberlain Field. They are Braniff, Eastern, Northwest, United and Western. The field is also served by three domestic

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98. The capacity of and congestion problems at Wold-Chamberlain are discussed in CIVIL AERONAUTICS BOARD, PROBLEMS OF AIRPORT CONGESTION BY 1975 127-138 (1969).

99. "Trunk airlines" are those carriers that have permanent operating rights from the CAB within the continental United States and operate usually over high-density traffic routes between the principal traffic centers of the United States.

local service airlines,<sup>100</sup>—Mohawk, North Central and Ozark. There are also several air taxi or “third-level” carriers<sup>101</sup> and one helicopter service, Imperial Airways, operating from Wold-Chamberlain. In 1969 the scheduled airlines accounted for 126,601 flight operations at Wold-Chamberlain Field.

Traffic at Wold-Chamberlain has increased substantially since the airport was improved in the early 1960’s. As shown in Table 3, arriving, departing and “through” passengers in 1960 totalled 1,829,866. In 1969 the total reached 5,683,468 and it is predicted by the FAA that it will reach about 17,000,000 in 1980. Airmail, express and freight traffic have also grown substantially, as shown in Table 4. The air freight segment amounted to about 119,000,000 pounds in 1969 or about 59,500 tons. The FAA estimates that the air freight traffic will be 413,000 tons in 1980.

Table 3  
Wold-Chamberlain Field  
Number of Airline Passengers  
1945-1969

<i>Year</i>	<i>Arrivals</i>	<i>Departures</i>	<i>Total</i>	<i>Through*</i>	<i>Grand Total</i>
1945	103,115	105,486	208,061	118,600	327,201
1950	300,588	309,060	609,648	146,134	755,782
1955	557,528	551,960	1,109,488	207,530	1,317,018
1960	852,793	858,959	1,711,752	118,114	1,829,866
1965	1,442,725	1,443,047	2,885,772	146,442	3,032,214
1966	1,599,139	1,603,954	3,203,093	188,432	3,391,525
1967	2,075,197	2,081,576	4,156,773	242,552	4,399,325
1968	2,401,192	2,410,669	4,811,861	236,861	5,048,325
1969	2,697,515	2,713,205	5,410,720	272,748	5,683,468

\* Passengers who landed at Wold-Chamberlain but who did not originate or terminate flights there.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

100. “Local service” airlines are those which operate routes of lesser traffic density between the smaller traffic centers and between those centers and principal centers. The character of such carriers is changing somewhat since the CAB has authorized some nonstop routes between major cities for local service airlines.

101. These are a class of air carrier operating light aircraft and engaging in a wide variety of passenger and cargo operations with no necessarily fixed routes.

Table 4  
Wold-Chamberlain Field  
Air Mail, Express, and Freight Traffic\*  
1945-1969  
(pounds)

<u>Year</u>	<u>Air Mail</u>	<u>Air Express</u>	<u>Air Freight</u>	<u>Total</u>
1945	4,049,100	1,717,240	N.A.	N.A.
1950	6,016,074	5,352,086	15,079,666	26,447,828
1955	8,307,240	7,249,544	11,999,575	27,556,359
1960	11,213,256	9,425,943	23,599,759	44,238,958
1965	17,082,078	15,418,716	54,295,851	86,996,645
1966	20,067,678	15,884,618	62,547,648	98,499,944
1967	33,117,766	16,106,542	79,128,761	128,353,069
1968	59,827,152	17,887,926	104,986,115	182,701,193
1969	65,793,328	19,339,096	119,000,827	204,133,251

\* Includes both inbound and outbound traffic.

N.A. = Not available

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

Total flight operations at Wold-Chamberlain Field (see Table 5) have increased from 211,648 in 1960 to 294,047 in 1969, about 43 percent of which were conducted by scheduled airlines. The FAA estimates that the total number of flight operations at Wold-Chamberlain will be 750,000 in 1980.<sup>102</sup>

Table 5  
Wold-Chamberlain Field  
Number of Flight Operations  
1945-1969

<u>Year</u>	<u>Airline Arrivals</u>	<u>Airline Departures</u>	<u>Total</u>	<u>Other* Arrivals and Departures</u>	<u>Grand Total</u>
1945	10,796	10,820	21,616	42,472	64,088
1950	20,454	20,674	41,128	117,809	158,937
1955	25,442	25,493	50,935	131,946	182,881
1960	37,363	37,538	74,901	136,747	211,648
1965	38,306	38,505	76,811	142,685	219,496
1966	40,834	41,003	81,837	164,673	246,510
1967	51,084	51,361	102,445	168,466	270,911
1968	57,679	57,996	115,675	174,498	290,173
1969	63,111	63,490	126,601	167,446	294,047

\* All traffic including military other than scheduled airline traffic.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

102. It is worth noting that FAA predictions relative to passenger, cargo and flight operations traffic are consistently low.

### 5. *Conclusions Relative to the MAC's Operation and Development of Wold-Chamberlain Field*

Up to the present time the MAC has been able to keep Wold-Chamberlain Field development ahead of the fast-rising number of passengers, air cargo and flight operations it must accommodate. It has also been a successful airport manager.<sup>103</sup> Unlike most major airports, Wold-Chamberlain Field is not congested in terms of handling passengers within the terminal building nor is there a congestion problem in aircraft traffic. Baggage handling and automobile parking have been problems at times, and the MAC has been trying to correct these difficulties by improving and expanding both kinds of facilities. The terminal building itself is a well-maintained and attractive structure which contains adequate conveniences and services for passengers. Access to the airport has not as yet presented any serious difficulty, although there are occasional problems when athletic events are being held at nearby Metropolitan Stadium.

The airfield itself is considered to be a good one in terms of aeronautical factors such as runway length, instrument landing systems and taxiway and apron adequacy. The airport is said to have one of the country's most competent and modern control tower operations. Air traffic has been handled expeditiously and the fact that the MAC has provided the secondary airports in the area has helped facilitate aircraft traffic flow at Wold-Chamberlain. The field is well maintained and the Commission is particularly noteworthy for its excellent snow removal procedures. The airport usually has fewer weather shutdowns than other airports. Airlines are favorably disposed toward the airport.<sup>104</sup>

Therefore, it is appropriate to conclude that, as of 1970, in terms of handling passengers, cargo and aircraft traffic, the MAC

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103. Managing and developing a major airport is a complex task that requires personnel with a wide variety of experience and talents. It entails such things as lease negotiations, property management, personnel administration, engineering, budgetary planning and landscaping. Ideally, airport management must have a thorough knowledge of aviation, strong administrative capabilities, an understanding of law and familiarity with the principles of civil engineering and accounting. See Robinson, *Help Wanted: Airport Managers Needed*, AM. AVIATION, Oct. 14, 1968, at 16; Rivers, *The Airport Manager: The Man and the Job*, 6 TRANSP. J. 20 (No. 1, 1966).

104. Airline attitudes toward Wold-Chamberlain Field are summarized in UNITED AIRLINES & AIR TRANSPORT ASS'N, *supra* note 81. In a recent book on air safety, Wold-Chamberlain Field was mentioned as one of the most efficient airports in the country. See LOWELL, AIRPLANE SAFETY IS A MYTH 41 (1968).

has done well as a developer and manager of Wold-Chamberlain Field, particularly in view of the very rapid rate of increase in the passenger, cargo and aircraft traffic the airport has had to accommodate. It appears that Wold-Chamberlain also will be satisfactory for the traffic of the early 1970's, and the Commission plans to keep updating Wold-Chamberlain throughout the 1970's in order to accommodate the air traffic of that decade. Beyond 1980, the MAC had planned to maintain Wold-Chamberlain as a scheduled airline airport even after the new major airport opens. Because of uncertainty surrounding the new airport matter, however, the future of Wold-Chamberlain beyond 1980 is very much in doubt at this time. Therefore, the most important questions concerning Wold-Chamberlain are determining the kind of aircraft it will serve after 1980 if it is kept in operation and planning facilities for such aircraft. These decisions will be made by the Commission in the next few years and are closely connected to the whole matter of a location site for a new major airport. The other major planning decisions of the MAC will concern the design and construction of the new major airport once the site is agreed upon. These decisions also will be made shortly, and they will offer to the MAC the opportunity to design and build a major airport from scratch rather than, as was the case with Wold-Chamberlain, developing and modernizing a pre-existing airport.

### C. THE SECONDARY AIRPORTS

#### 1. *Holman Field*

Holman Field, whose official title is now St. Paul Downtown Airport, was transferred to the control of the MAC from that of the city of St. Paul by the MAC Act of 1943. The official transfer took place on July 1, 1945. For the reasons stated earlier, the Commission decided that Wold-Chamberlain rather than Holman should be developed as the area's major airport. This relegated Holman, which had once been an airline terminal and headquarters for Northwest Airlines, to the secondary airport status which it has retained since that time.

In the 1940's the Commission employed a consulting firm to provide a report which could be used as the basis for the development of Holman Field. The "Holman Field Master Plan" concluded that Holman should be reorganized and tailored to serve the present and anticipated "executive" aviation transportation demands of the Twin Cities area. Holman Field since

that time has been developed for primary use by aircraft owned by business firms. In 1964 a consulting firm estimated that the business volume added to the economy of St. Paul as a result of the operation of Holman Field was about \$66,000,000 and that this would increase to \$90,000,000-\$100,000,000 by 1975.<sup>105</sup>

MAC construction projects at Holman Field since 1945 have included taxiway construction and resurfacing, pavement rehabilitation, seal coating of runways, remodeling of the old administration building, construction of a field equipment building, pavement resurfacing and runway and hangar rehabilitation.

Holman Field is located in the lowlands of a bend in the Mississippi River at the edge of downtown St. Paul. It contains 540 acres of land. Its runways are northwest-southeast, north-south and east-west, with lengths of 4,550, 3,700 and 3,650 feet, respectively, and the field has an FAA-operated control tower. There are also several large buildings remaining from the time when the field accommodated scheduled airline aircraft.

Table 6  
Aircraft Based at MAC Airports  
1950-1969

Airport	1950	1955	1960	1965	1968	1969
Wold-Chamberlain	263	160	162	147	170	184
Holman	65	65	75	153	160	161
Flying Cloud	70	120	222	315	486	558
Crystal	120	176	189	203	233	250
Anoka County	20	40	111	140	173	193
Lake Elmo	15	30	44	49	97	109
<i>Total</i>	553	591	803	1007	1319	1455

Source: METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980, 35 (1969).

There were 161 aircraft based at Holman Field in 1969, compared with only 65 in 1950, as shown in Table 6. As shown in Table 7, traffic at Holman Field amounted to 162,135 flight operations in 1969, compared with 122,621 in 1964. The FAA estimates (see Table 8) that the number of flight operations will reach 300,000 in 1980. The design capacity of the airport is 400,000. The MAC plan for 1970-80 calls for Holman Field to accommodate business or corporate jet or propeller aircraft

105. Timberlake & Timberlake, Economic Benefits to St. Paul From the Operation of the St. Paul Downtown Airport by the Metropolitan Airports Commission, May 22, 1964.

Table 7  
Aircraft Operations at MAC Airports  
1964-1969

Year	Wold Chamberlain	Holman	Flying Cloud	Crystal	Anoka County*	Lake Elmo*	Total
1964	216,385	122,621	216,475	124,064	90,000	30,000	799,545
1965	219,496	110,556	204,960	138,360	95,000	50,000	818,372
1966	246,510	164,121	355,663	249,122	150,000	80,000	1,245,416
1967	270,911	177,666	370,332	232,778	160,000	90,000	1,301,687
1968	290,173	172,689	446,198	265,281	175,000	110,000	1,459,341
1969	294,047	162,135	400,790	232,256	190,000	110,000	1,389,228
Percent Increase 1969 over 1964	35.9	32.2	85.1	87.2	111.1	266.6	73.7

\* Estimated operations calculated on the basis of number of based aircraft.

Note: An aircraft operation is one landing or one takeoff.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

with weights of 30,000 to 60,000 pounds requiring runway lengths of 4,200 to 5,000 feet, vertical takeoff and landing (VTOL) and short takeoff and landing (STOL) and military planes, as well as smaller aircraft. This is shown in Table 9.

## 2. *Flying Cloud Airport*

The first airport to be acquired by the Commission by its own decision was Flying Cloud, purchased from private owners on September 1, 1948. The purchase, having received the blessing of the Minnesota Supreme Court in the *DePonti* case, cleared the way in a legal sense for the MAC to acquire airport facilities where the Commission thought it necessary. Located southwest of Minneapolis in Eden Prairie, the airport has been operated by the Commission primarily for the benefit of privately owned single-engine aircraft.

Table 8  
Predicted Aircraft Operations at MAC Airports  
Through 1980

<u>Airport</u>	<u>1969 Actual</u>	<u>1975</u>	<u>1980</u>	<u>Design Capacity</u>
Wold-Chamberlain	294,047	435,000	470,000	500,000
Anoka County*				
Second Major	190,000	300,000	400,000	1,200,000
Holman	162,135	250,000	300,000	400,000
Flying Cloud	400,790	500,000	500,000	500,000
Crystal	232,256	450,000	500,000	500,000
Lake Elmo	110,000	250,000	400,000	500,000
New Secondary**	—	165,000	380,000	500,000
New Secondary**	—	150,000	350,000	500,000
New Secondary***	—	—	200,000	500,000
Total	1,389,228	2,500,000	3,500,000	5,100,000

\* The assumption is that Anoka County will be the site of a second major airport and present Anoka County Airport would be closed in 1980.

\*\* To be in operation by 1975.

\*\*\* To be in operation by 1980.

Source: METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980, 34 (1969).

MAC construction projects at Flying Cloud since 1948 have included new runway and taxiway construction, runway lighting, control tower construction, bituminous overlay work, service road construction, a new equipment building, runway extension, apron widening and seal coating.



Table 9  
MAC Airport System  
Type of Aircraft Activity Accommodated

Type of Aircraft*	A	B	C	D	E	V/STOL	Military
<u>1970-75 System</u>							
Wold-Chamberlain	X	X	X	X	X	X	X
2nd Major	X (training)	X (training)	X (training)	X	X	X	
Anoka County	To be phased out during this period						
Holman				X	X	X	X
Flying Cloud					X		
Crystal					X		
Lake Elmo					X		
New Secondary					X		
New Secondary					X		
<u>1975-80 System</u>							
Wold-Chamberlain	X	X	X	X	X	X	X
2nd Major	X	X		X	X	X	X
Holman				X	X	X	
Flying Cloud					X		
Crystal					X		
Lake Elmo					X		
New Secondary					X		
New Secondary					X		
New Secondary					X		

\* See Table 9a for the description of aircraft types A, B, C, D and E.

Table 9a  
Description of Aircraft Types

Type	Weight	Runway Lengths Required	Typical Aircraft
A	350,000# to 1,000,000#	10,000'-15,000'	Jumbo Jets Air Buses SST
B	150,000# to 350,000#	10,000'	Stretched Jets Long haul jets Boeing 707, 720 DC-8 Convair 880, 990
C	60,000# to 150,000#	5,000'-7,000'	Short haul jets and props Boeing 722, 737 DC-9, Electra Caravelle, F-222
D	30,000# to 60,000#	4,200'-5,000'	Business Jets and props F-27 Gulfstream Jet Commander
E	Less than 30,000#	2,500'-3,200'	Jetstar Convair 240, 340, 580 DC-3 Light Twins Light single engine

Source: METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980, 32-33 (1969).

Flying Cloud contained 135 acres and sod landing strips when acquired by the MAC. It now consists of 540 acres and has 3,600 and 3,000 foot parallel east-west runways and a north-south crosswind runway of 2,688 feet. It has an FAA control tower.

There were 558 aircraft based at Flying Cloud in 1969, compared with only 70 in 1950 (see Table 6). As shown in Table 7, there were 400,790 flight operations at Flying Cloud in 1969, making it the MAC's busiest airport by far and one of the busiest in the United States in that year, whereas in 1964 there were only 216,475 flight operations. The FAA estimate is that flight operations will reach the design capacity of 500,000 in 1970 (see Table 8). The congestion that already exists at Flying Cloud has helped bring about criticism that the MAC has not kept the satellite airport system up to date.

Because the immediate airport vicinity includes rugged terrain and a sharp drop to Minnesota River bottom lands, expansion of Flying Cloud to accommodate more traffic is impractical, according to the MAC. However, if a substantial amount of flight instruction were moved to new outer ring airports planned for the 1970's by the Commission, Flying Cloud could remain adequate for heavy use by private and business aircraft. It is intended by the Commission that Flying Cloud will handle light single- and twin-engine airplanes with weights of less than 30,000 pounds and runway needs of from 2,500 to 3,200 feet in 1980 (see Table 9).

### 3. *Crystal Airport*

Crystal Airport, northwest of Minneapolis and mainly within the communities of Crystal and Brooklyn Park, was acquired by the MAC via purchase in 1949. The airport has been operated mainly for the benefit of owners of small private aircraft. MAC construction projects at Crystal since acquired in 1949 have included bituminous surfacing, taxiway paving, construction of a control tower, runway and taxiway extensions, taxiway construction, field lighting improvements, runway paving, seal coating and an addition to an equipment building.

Crystal contains 433 acres and has parallel northwest-southeast runways of 3,250 feet and southwest-northeast parallel runways of 2,700 and 2,500 feet with 1,000 foot clear zones beyond the ends of all runways. There is an FAA operated control tower.

As shown in Table 6, there were 250 aircraft based at Crystal in 1969, compared with 120 in 1950. As indicated in Table 7, there were 232,256 flight operations at Crystal in 1969, compared with 124,064 in 1964, and the FAA estimates 500,000 for 1980, equal to the field's design capacity. Since land surrounding the airport is densely occupied by houses and commercial buildings, the MAC has no plan to expand the airport. It is intended that Crystal in the future will handle light single- and twin-engine aircraft weighing less than 30,000 pounds and requiring 2,500 to 3,200 feet of runway (see Table 9).

#### 4. *Anoka County Airport*

Development of Anoka County Airport, also called Janes Field, by the Commission began in 1950 with the idea that it would eventually become the site of a second major airport. To date it has been used by general aviation. MAC construction projects at Anoka County have included construction of runways and taxiways, extension and surfacing of runways, runway lighting and seal coating. Construction projects at the airport have been curtailed recently by the Commission pending a final decision on the site of a new major airport.

The airport is located in Blaine in Anoka County on 1,900 acres of land. There is a north-south runway of 4,850 feet and an east-west runway of 3,200 feet. There is no control tower.

There were 193 aircraft based at Anoka County Airport in 1969; there were only twenty in 1950 (see Table 6). Table 7 shows that there were 190,000 flight operations at the airport in 1969 and only 90,000 in 1964. The Commission has not made available estimates of future traffic at Anoka County Airport since, under MAC plans, the airport would be closed when a new major airport is opened in Anoka County at Ham Lake.

Land around the airport's southern boundaries is well developed but land on the north side is open and low-lying in swamps and farms. Clear zones of 2,500 feet exist beyond the runway ends and expansion is possible. The FAA is considering installing a control tower at the field. However, the Commission intends to close rather than expand the airport if Ham Lake becomes the site of a new major airport. If some site other than Ham Lake is chosen, particularly if the site is south of the Twin Cities, it can be expected that Anoka County Airport will be upgraded to accommodate traffic similar to that at Flying Cloud and Crystal airports.

### 5. *Lake Elmo Airport*

Lake Elmo Airport, located in Washington County about twelve miles east of St. Paul, was acquired by the MAC in 1951. MAC construction projects at Lake Elmo have involved lighting and runway and taxiway construction and seal coating.

Used by small aircraft, it originally included only 160 acres but has since been expanded to 630 acres. It has a 2,600 foot northwest-southeast bituminous runway and a 2,500 foot southwest-northeast bituminous runway with clear zones of 1,000 feet beyond each runway. There is no FAA control tower.

There were 109 aircraft based at Lake Elmo Airport in 1969; only 15 in 1950, as is shown in Table 6. Flight operations numbered 110,000 in 1969, as against 30,000 in 1964, as indicated in Table 7. The FAA estimate for 1980 is 400,000 (see Table 8). The airport's design capacity is 500,000. Lake Elmo can thus be expanded into a full-scale secondary airport with two sets of parallel runways. The MAC's plan for 1970-80 calls for Lake Elmo to handle the same kind of smaller aircraft to be handled at Flying Cloud and Crystal.

### D. FUTURE MAC AIRPORTS

Table 7 shows data relative to the number of flight operations handled at MAC airports for selected recent years. Total flight operations at all MAC airports were 1,389,228 in 1969, an increase of 73.7 percent over 1964. About 80 percent of the flight operations at MAC airports are accommodated at secondary airports.

Projections of traffic at these same airports through the year 1980 are shown in Table 8. The FAA's estimate for 1980 is a total of 3,500,000 flight operations compared with 1,389,228 in 1969 or a growth of over 150 percent. The percentage rates of growth shown for individual airports in the system are all substantial, with the exception of that for Flying Cloud, which will have reached its capacity in 1970. These figures indicate not only that a new major airport is needed by 1980 but also that the satellite airports are reaching capacity. Flying Cloud is the most serious problem at the present time.

The MAC has not determined definitely whether new satellite airports will be acquired or constructed or where they will be. The Commission has, in fact, been accused of not keeping up with its responsibilities in connection with the secondary airports and that one or more additional secondary airports should

already be in operation. Flying Cloud is the most often mentioned case of an overcrowded secondary airport—in 1968 it was the ninth busiest airport of any kind in the United States—and the area west of Minneapolis is usually cited as the place where the next new secondary airport should be located. Much of this criticism of the MAC was brought to light during the controversy over the location of a new major airport. The Metropolitan Council at that time requested that information relative to the future plans for MAC airports be provided before a new airport site were selected. Shortly thereafter, on January 2, 1969, a *Proposed Airport System Plan* was issued by the Commission.<sup>106</sup> The plan was suspended by the Metropolitan Council on April 24, 1969, and therefore has not been put into effect.<sup>107</sup>

It appears that the criticisms of the MAC for not having acted quickly enough to add to secondary airport facilities are well founded. Even if the Commission did have a contemplated development plan prior to the sudden appearance of the published plan in January, 1969, sites should have been selected by that time and construction of at least one additional airport started.

The plan of January, 1969 provides for airport development in the Twin Cities metropolitan area in two stages over the period 1970-80. According to the plan, in the period 1970-75 Wold-Chamberlain Field will continue to be improved in order to assure facilities for airlines and other users until 1980. The development of a second major airport will be initiated with at least one 8,000 foot instrument runway open for traffic by 1975; in the meantime Anoka County Airport will be phased out, assuming that Ham Lake is the site of the new major airport. Other secondary airports will continue to be improved, including improvement of navigational aids, to serve the needs of general aviation. In the same period sites for two additional secondary airports are to be selected and development started. They are to be developed initially as "touch and go" strips for flight instruction and light general aviation aircraft. They are to be eventually developed into full-scale secondary airports in an "outer ring" to relieve the most crowded existing airports.

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106. METROPOLITAN AIRPORTS COMM'N, PROPOSED AIRPORT SYSTEM PLAN 1970-1980 (Jan. 2, 1969).

107. The suspension took place during the controversy over the site of a new major airport. Since then a consultant has been hired by the MAC and the Department of Aeronautics to propose an airport system plan for the Twin Cities and the rest of the state. The consultant's report, submitted in November, 1970, recommended that nine new

The second stage of the plan encompasses the period 1975-80. In stage two the MAC plans to maintain Wold-Chamberlain's capability adequate for the bulk of airline and more advanced general aviation aircraft. In the same period the airfield and terminal facilities will be developed at the new major airport adequate to provide for the volume and size of aircraft anticipated for the 1980's. Existing secondary airports will continue to be improved to accommodate more sophisticated general aviation aircraft and to maintain efficiency as relievers of the two major airports. A site for at least one more secondary airport will be selected in 1975-80 "as required," and improvements will be made at other new airports started in 1970-75 to increase their capacity as relievers to maintain proper balance in the airport system. Although no specific locations have been selected by the Commission for the new secondary airports, the Commission believes that new facilities will be needed in an area southwest of Minneapolis, in an area northwest of Minneapolis, and in an area southeast of St. Paul.

The new secondary airports will be constructed so each will eventually have an annual capacity of 500,000 flight operations. The eventual airport design will incorporate dual parallel runways sufficiently far apart to permit simultaneous VFR landings and takeoffs, equivalent cross-wind capability and runway length and instrumentation to accommodate light single-engine or twin-engine airplanes.

The MAC plan also spells out the kinds of aircraft that will be accommodated at present and future MAC airports in the 1970-80 period. This is summarized in Table 9. The plan basically provides that all kinds of aircraft will be accommodated at Wold-Chamberlain and the new major airport by 1980, while Holman Field will accommodate business or corporate jet or propeller aircraft with weights of 30,000 to 60,000 pounds requiring runway lengths of from 4,200 to 5,000 feet, VTOL and STOL and military planes, as well as smaller aircraft. The other secondary airports, including the three new ones in operation by 1980, will handle light single- and twin-engine planes, including the DC-3, with weights of less than 30,000 pounds and runway needs of from 2,500 to 3,200 feet.

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publicly-owned airports be built in the seven-county metropolitan area by 2000.

## V. FINANCING MAC ACTIVITIES

### A. STATUTORY SOURCES OF REVENUE

The success of any public corporation such as the MAC can be affected to a great degree by the funds available to it. The MAC has been fortunate in that the state legislature has given it unusual powers to raise money to support its activities. The several statutory sources of revenue available to the Commission are described in this section.

#### 1. *Charges and Rentals*

Under the MAC Act, the MAC has the authority to determine the charges or rental for the use of any property under its management and control and the terms and conditions under which such property may be used. The only qualifications on this authority are that the charges must be reasonable and uniform for the same class of service and that they be established with due regard to the value of the property and the improvements used and the expense of the operation to the MAC.<sup>108</sup> Under this authority, the Commission has entered into rental and concession agreements and has received income from such sources as telephone commissions, locker rentals, parking meters, landing fees and fines for violation of MAC ordinances.

#### 2. *Federal and State Aid*

The MAC may accept money from the United States or the state of Minnesota for the purpose of carrying out the objectives of the Act and developing airports and other aeronautic facilities.<sup>109</sup>

#### 3. *Financial Support from Minneapolis and St. Paul*

The cities of Minneapolis and St. Paul bear a statutory responsibility to give financial support to the activities of the Commission. The Act provides that the MAC shall prepare a detailed annual budget on or before July 1 of each year for the next calendar year. The budget must specify the amounts to be expended by the Commission for acquisition of property, construction, payments on bonded indebtedness and operation and maintenance. The city councils of the two cities can review the budget and make objections, if any, but have no power to

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108. MINN. STAT. § 360.112 (1969).

109. MINN. STAT. § 360.107(14) (1969).



change the budget. The Commission may then modify the budget if it wishes, and it is then the duty of each city council to supply the funds necessary to meet its share of the budgeted amount. Each city's share is allocated to it in the same proportion as the last assessed valuation of the real and personal property of each city bears to the total assessed valuation in both cities.<sup>110</sup> This has usually meant that Minneapolis is responsible for somewhat less than two-thirds of the MAC's budget and St. Paul somewhat more than one-third.

The city councils may raise the necessary funds through tax levies, bond sales or any other means within the authority of the cities. If bonds are sold, they may be sold without a vote on the question by the citizenry of the city involved.<sup>111</sup> Such bonds are secured by the full faith, credit and resources of the city issuing them.<sup>112</sup>

If either Minneapolis or St. Paul should fail to provide funds to the MAC to cover its budget, the county auditor of the county in which the city is located must include the amount as part of the general taxes for state, county and municipal purposes and the county treasurer must transfer the appropriate amount of money to the Commission.<sup>113</sup>

There is a partial statutory limitation on the amount of money that can be requested from Minneapolis and St. Paul to support the MAC budget. That part of the budget to be used for operation and maintenance cannot exceed the amount that would be produced by a levy of one mill per dollar of assessed valuation of either of the cities.<sup>114</sup> This limitation does not apply to the taxes which may be needed to pay the principal or interest associated with any bonds or indebtedness issued or incurred by the city under the MAC Act or to any amount required to pay the city's share of payments related to bonded indebtedness of the MAC itself.<sup>115</sup> The operating budget levies in Minneapolis and St. Paul have, in fact, been less than the one mill permitted by the Act. Between 1945, when the first levy was made, and 1961, when the last levy was made, the levy ranged from a low of .050 in 1945 to a high of .465 in 1957 and averaged .309.<sup>116</sup> Since 1961 revenues from the MAC's airport system

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110. MINN. STAT. §§ 360.113(5) & .114(1) (1969).

111. *Id.*

112. MINN. STAT. § 360.121 (1969).

113. MINN. STAT. § 360.114(2) (1969).

114. MINN. STAT. § 360.114(3) (1969).

115. MINN. STAT. § 360.116 (1969).

116. All financial data in this chapter was furnished by the MAC

have been sufficiently great that it has not been necessary for the Commission to go to the two cities to cover operating and maintenance costs.

#### 4. *MAC Bonding and Taxing Authority*

The MAC Act provides that the Commission may borrow money and issue bonds for the purpose of acquiring property, constructing and equipping new airports, acquiring existing airports or making capital improvements to airports. The statutory ceiling on the amount of bonded indebtedness the MAC may incur, originally \$15,000,000, has been revised periodically by the state legislature and is currently \$125,000,000. The bonds must bear an interest rate of not more than seven percent (five percent until 1969) per annum, payable semi-annually, and they may be issued and sold without a vote upon the question by the electors of Minneapolis and St. Paul.<sup>117</sup> The first installment on such bonds is to fall due in not more than three years and the last in not more than thirty years.<sup>118</sup>

The bonds sold by the Commission are secured by the pledge of the full faith, credit and resources of the cities of Minneapolis and St. Paul. The bonds are to be paid off from MAC tax levies and earnings or may be secured by mortgage or deed of trust on any of the property owned by the Commission.<sup>119</sup> The law states that, upon issuing any bonds, the Commission shall levy a direct annual tax on all taxable property in Minneapolis and St. Paul in an amount not less than five per cent in excess of the sum required to pay the principal and interest on such bonds, when and as such principal and interest matures, until the principal and interest is paid in full. Each city is taxed by the MAC in the same proportion as the value of the assessed value of its taxable property bears to the total assessed value of taxable property within both cities.<sup>120</sup>

Thus, the MAC has the full power to determine whether bonds shall be issued and the amount thereof and to commit the cities of Minneapolis and St. Paul to such debt. If issued for airport purposes specified in the Act, the decision of the Commis-

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staff and the source of specific figures is cited in the text only when a specific MAC publication is involved.

117. Ch. 93, § 1 [1969] Laws of Minn., 152 [475.55]; ch. 675, § 1 [1969] Laws of Minn., 1149 [475.552].

118. MINN. STAT. § 360.117(2) (1969).

119. MINN. STAT. § 360.117(4) (1969).

120. MINN. STAT. § 360.117(5) (1969). In 1969 this amounted to 60.7 percent for Minneapolis and 39.3 percent for St. Paul.

sion is final. The effect is to give the Commission considerable freedom in borrowing money and a favorable rate of interest because of the full faith and credit backing of the two municipalities. This feature of the financing power of the MAC is rather unusual in public airport operation and is the envy of other governmental units in the United States charged with financing and operating public airports.

The Act now provides, however, that the proceeds from bonds sold by the Commission in excess of the original \$15,000,000 authorization plus an additional \$5,000,000 must be used only for land acquisition and the construction upon lands either to be acquired or already acquired of such revenue producing airport facilities to be used by public users (runways, terminal buildings, etc.) or private users (hangars, overhaul bases, office buildings, etc.) as will be self-liquidating over their useful life; such facilities must be covered by contracts for their use that will make them self-liquidating.<sup>121</sup> This means that the citizens of Minneapolis and St. Paul are not expected to pay the principal and interest associated with MAC bonds in excess of \$20,000,000, unless the self-liquidating feature fails as a result of default in payment by a contractor with the MAC. Under this change in its bond authorization authority the MAC has issued bonds and used the proceeds to construct facilities at Wold-Chamberlain Field to be rented to Northwest Airlines and other airline companies. The rents received from these companies are intended to make the facilities self-liquidating over their useful life.<sup>122</sup> The bond proceeds have also been used for passenger terminal and field development at Wold-Chamberlain where such improvements could be put on a self-liquidating basis.

The annual MAC tax levy on Minneapolis and St. Paul property to cover the cash needs of the Commission for payment of principal and interest on the MAC's bonds began in 1949 at a rate of .50 mills. It stayed at approximately that level until 1957, when Wold-Chamberlain Field was renovated and the rate jumped to 2.32. Since that time it has varied from year to year but reduced steadily after 1963, and in 1970 no levy at all was made. In the period between 1949 and 1969, the levy ranged from a low of .460 in 1953 and 1955 to a high of 2.445 in 1960 with an average levy of 1.293. It was 1.09 in the last year of the levy,

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121. MINN. STAT. § 360.117(4) (1969).

122. The *Holen* case in part involved an unsuccessful challenge against the constitutionality of the practice of the MAC constructing facilities to be used by private airline companies.

1969. The fact that there was no debt service levy in 1970, coupled with the elimination of the need for the MAC to seek funds to cover operating and maintenance costs since 1961, means that the Commission's airports are currently on a self-sustaining basis. Hence Minneapolis and St. Paul are not now supporting the MAC's airports financially, although such support would be forthcoming if the Commission's revenues failed to cover its operating and maintenance costs or its bonded indebtedness.

Additional taxing power was given to the MAC in 1953 when a bill was passed to provide for the detachment of Wold-Chamberlain Field from the city of Minneapolis and the village of Richfield, of which its land area had been a part. The MAC at that time was given power to tax taxable properties at Wold Chamberlain to pay the cost of police and fire protection and maintenance of roads, streets and parking lots at the airport.<sup>123</sup> Taxable property at secondary MAC airports is taxed by the individual units of government, not the MAC. This taxing power of the MAC at Wold-Chamberlain Field has led to considerable controversy. Generally the value of real property owned by private owners at Wold-Chamberlain is taxable by the MAC as well as by other taxing authorities. The question has been whether or not the buildings constructed and owned by the Commission and leased to airline companies are subject to local property taxes and, if so, how the value is to be determined. The Minnesota Supreme Court has ruled that the leasehold interest in real estate is subject to an ad valorem tax based on the value of the leasehold.<sup>124</sup> The issue now is how such value is to be determined by the state Commissioner of Taxation, whose responsibility it is to make such valuation. Meanwhile, all income from property taxes collected by the MAC between 1960 and 1968 has been deferred,<sup>125</sup> pending a final decision on the matter. The total amount deferred as of December 31, 1968 was \$780,296.<sup>126</sup> An additional \$231,659 was collected by the MAC in 1969.

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123. MINN. STAT. §§ 360.126-.132 (1969).

124. *DePonti Aviation, Inc. v. State*, 280 Minn. 30, 157 N.W.2d 742 (1968).

125. Held by the Commission and invested in government securities.

126. METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 9 (Dec. 31, 1968). The problems associated with the assessment and taxation of property at publicly-owned airports are discussed in Kuehne, *Airport Appraisal Problems*, 35 APPRAISAL J. 333 (1967).

5. *Miscellaneous Income*

One general provision of the MAC Act provides that the Commission may use any moneys received by it from any source in excess of those appropriated, donated, loaned or otherwise paid over to the MAC for specified purposes, or received from the sale of bonds, and those required for the payment of any bonds or interest on them, to pay the necessary incidental expenses of carrying on the business and the activities of the corporation and to pay the cost of operating, maintaining, repairing, extending and improving the properties under the control of the Commission.<sup>127</sup>

6. *MAC Income and Expenses*

Table 10 presents a summary of the income and expenses of

Table 10

## MAC Income and Expenses, 1968

	Wold- Chamberlain Field	Other Fields	Total
Operating Income	\$5,625,310	\$222,237	\$5,847,547
Operating Expenses <sup>a</sup>	2,782,590	352,206	3,134,796
Construction Costs <sup>b</sup>	1,391,246	-----	1,391,246
Interest on bonds <sup>c</sup>	1,005,087	-----	1,005,087
	<u>5,178,923</u>	<u>352,206</u>	<u>5,531,129</u>
Income less expenses	446,387	(129,969)	316,418
Less Adjustments <sup>d</sup>	<u>299,934</u>	-----	<u>299,934</u>
Income (Loss)	146,453	(129,969)	16,484
Interest earned or recovered and capital costs recovered by operating funds <sup>e</sup>			<u>373,319</u>
Net Income			\$389,803

- a. Provision for depreciation, obsolescence and deferred maintenance is included in operating expenses.
- b. Construction costs that are recovered from self-liquidating rental payments.
- c. Interest on bonds that is recovered from self-liquidating rentals.
- d. Includes a deduction for overpayment of terminal area rentals and adjustment upward of landing fees made necessary by negotiation of new agreements between the MAC and airlines.
- e. Primarily interest earned on investments in United States government securities.

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 6 (Dec. 31, 1968).

127. MINN. STAT. § 360.107(13) (1969).

the MAC for the year 1968. In that year the Commission had net income of about \$390,000. It can be seen that the losses sustained at the secondary airports are offset by the income at Wold-Chamberlain Field. The operating income and operating expenses of the MAC for selected years since 1945 are shown in Table 11. Throughout the period the secondary airports have incurred operating deficits. Since 1955, on the other hand, Wold-Chamberlain has enjoyed an operating surplus and the total MAC operation of all airports has had an operating surplus since 1958. In the following section the income and expenses of the Commission are discussed in some detail.

Table 11

MAC Operating Income and Operating Expenses,\*  
1945-1968

Year	Wold-Chamberlain		Other Fields		Total All Fields	
	Income	Expenses	Income	Expenses	Income	Expenses
1945	\$182,835	\$233,491	\$2,147	\$68,833	\$184,983	\$302,324
1947	424,245	480,770	42,019	111,417	466,265	592,187
1950	636,312	664,312	96,268	283,558	732,580	947,870
1953	941,753	956,538	130,059	310,177	1,071,812	1,266,714
1956	1,206,212	1,189,990	148,067	335,547	1,354,280	1,525,537
1959	1,471,500	1,268,638	143,310	335,027	1,614,810	1,603,664
1962	3,682,225	1,760,268	115,122	288,964	3,797,347	2,049,232
1965	3,963,808	2,156,342	169,659	260,012	4,133,466	2,416,354
1968	5,625,310	2,782,590	222,237	352,206	5,847,547	3,134,796

\* Provision for depreciation, obsolescence and deferred maintenance is included in operating expenses. Construction costs and debt service expenses are not included in operating expenses.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

## B. MAC REVENUES

### 1. Operating Income

The charges and rentals collected by the MAC cover a wide variety of activities at the several airports in the Commission system. The total revenue produced by these various charges and rentals in the year 1968 is shown in Table 12.

It can be seen from the table that the Commission had a total operating income of \$5,847,545 in 1968, with \$5,625,309, or 96.2 percent, of this amount coming from Wold-Chamberlain Field. The table does not include funds received by the MAC as the result of bonds sold or taxes levied by it or funds received from the cities of Minneapolis and St. Paul or from the federal and

Table 12

## MAC Operating Income, 1968

Wold-Chamberlain Field

Rentals: <sup>a</sup>		
Terminal area <sup>b</sup>	\$688,357	
Self-liquidating hangars <sup>c</sup>	1,116,149	
Other administration buildings <sup>d</sup>	145,853	
Control tower buildings	30,632	
Hangars and other buildings	139,355	
Ground space and lot rentals <sup>e</sup>	<u>139,197</u>	
Total rentals		\$2,259,543
Leased concessions <sup>f</sup>		\$2,282,927
Telephone and telegraph commissions		26,530
Utility services: <sup>g</sup>		
Terminal area	38,800	
Public areas and structures	<u>60,298</u>	
Total utility services <sup>g</sup>		99,098
Locker rentals		13,438
Pay toilets		25,065
Beverage licenses		200
Parking meters		48,232
Violation fines		77,629
Observation deck		21,480
Landing fees <sup>h</sup>		693,876
Gasoline commissions and fees <sup>i</sup>		40,975
Fire department services <sup>j</sup>		30,000
Miscellaneous <sup>k</sup>		<u>6,316</u>
Total Wold-Chamberlain Field		\$5,625,309

Holman Field

Rentals: <sup>a</sup>		
Other administration buildings <sup>d</sup>	\$19,301	
Hangars and other buildings	53,962	
Ground space and lot rentals <sup>e</sup>	<u>3,662</u>	
Total rentals		\$76,925
Leased concessions <sup>f</sup>		2,400
Vending machines		244
Landing fees <sup>h</sup>		<u>17,541</u>
Total Holman Field		\$97,110

Flying Cloud Airport

Rentals: <sup>a</sup>		
Other administration buildings <sup>d</sup>	\$1,020	
Control tower buildings	9,140	
Hangars and other buildings	2,250	
Ground space and lot rentals <sup>e</sup>	<u>22,063</u>	
Total rentals		\$34,473
Vending machines		790
Landing fees <sup>h</sup>		5,527
Special assessments <sup>l</sup>		4,778
Miscellaneous <sup>k</sup>		<u>300</u>
Total Flying Cloud Airport		\$45,868

Crystal Airport

Rentals:<sup>a</sup>

Other administration buildings <sup>d</sup>	\$600	
Control tower buildings	8,560	
Ground space and lot rentals <sup>e</sup>	<u>23,785</u>	
Total rentals		\$32,945
Landing fees <sup>h</sup>		8,532
Special assessments <sup>l</sup>		3,382
Miscellaneous <sup>t</sup>		<u>4,954</u>
Total Crystal Airport		\$49,763

Anoka County Airport

Rentals:<sup>a</sup>

Ground space and lot rentals <sup>e</sup>	\$11,732	
Miscellaneous <sup>t</sup>	<u>6,130</u>	
Total rentals		\$17,862
Landing fees <sup>h</sup>		1,833
Special assessments <sup>l</sup>		<u>1,138</u>
Total Anoka County Airport		\$20,833

Lake Elmo Airport

Rentals:<sup>a</sup>

Ground space and lot rentals <sup>e</sup>	\$4,640	
Miscellaneous <sup>t</sup>	<u>825</u>	
Total rentals		\$5,465
Utility services <sup>t</sup>		72
Landing fees <sup>h</sup>		1,780
Special assessments <sup>l</sup>		<u>1,345</u>
Total Lake Elmo Airport		\$8,662

Total secondary airports

\$222,236

Total all MAC airports

\$5,847,545

- a. Includes both monthly rentals and longer-term leases.
- b. Terminal building and its immediate vicinity.
- c. Hangars under leases that amortize all costs of furnishing the facility, including construction costs over the period of the lease but do not include maintenance or operations.
- d. At Wold-Chamberlain includes old passenger terminal building now housing FAA and United States Weather Bureau offices.
- e. For ground under private hangars and rentals for various miscellaneous uses of airport land such as for sign boards and a golf driving range.
- f. Includes various concessions, mainly at Wold-Chamberlain Field, such as vending machine, news stand, restaurant, parking lot, insurance booth and gift shop concessions.
- g. Water and sanitary sewer service sold to tenants.
- h-i. "Landing fees" are paid only at Wold-Chamberlain Field and only by scheduled airlines and military aircraft. Other aircraft pay a "fuel flowage" fee at all six MAC airports when fuel is purchased there. Revenues produced by the fuel flowage fee are shown under "gasoline commissions and fees" for Wold-Chamberlain and under "landing fees" for the other airports.
- j. Payment by United States Air Force for fire department services.
- k. Includes discounts on certain purchases, sales of obsolete material, charges for keys, etc.
- l. Charges for paving alleys and entranceways at tenant facilities.

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 13 (Dec. 31, 1968).



state governments. However, there are some items included in the table that are the result of the self-liquidating procedures now being followed by the Commission in selling bonds; several items under the category "rentals" at Wold-Chamberlain Field, such as "self-liquidating hangars," are of this character.

Rentals and leased concessions account for the bulk of the operating revenues at Wold-Chamberlain (\$4,542,470 of \$5,625,309), as do rentals alone at the secondary airports. The third largest revenue item at Wold-Chamberlain and the second largest at the other airports is "landing fees" paid by aircraft operators for the use of MAC airports. Landing fees are actually paid only by scheduled airline and military aircraft; they are based on weight and frequency of use. Other aircraft pay a "fuel flowage" fee at all six Commission airports (three cents per gallon at Wold-Chamberlain and two cents per gallon at the others) on fuel purchased at these airports. For reasons known only to the Commission, these revenues show up as "gasoline commissions and fees" in the data for Wold-Chamberlain but as "landing fees" in the data for the other MAC fields.

## 2. *Federal Aid*

Under the Federal Airport Act of 1946 the federal government, through the FAA and its predecessors, has contributed over \$1,000,000,000 to the construction and improvement of certain designated publicly-owned airports in the United States.<sup>128</sup> Federal funds are available only for projects which enhance air safety and promote air commerce. Projects eligible for federal aid include such things as land acquisition for new airports and enlargement of existing airports, construction of runways, taxiways and aprons and installation of airport lighting. Federal aid cannot be used for nonaviation projects such as construc-

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128. Federal aid represents a rather small proportion of the investment in public airports in the United States. For example, during the fiscal years 1962-66, \$1,430,000,000 of federal, state and local money was invested in airports. About 70 percent was from local governments, 9 percent from the states, and 21 percent from the federal government. The annual federal contribution to airports has averaged about \$75,000,000 in recent years. The Federal Airport and Airway Development Act, which became effective on July 1, 1970, provides for new and increased federal taxes on airlines and other aircraft operators, airline passengers and air freight shippers. The revenue produced is to be placed in a dedicated trust fund to be used for airport and airway improvements. It is estimated that a total of \$10 to \$12 billion will be collected over a ten year period; this would mean a substantial increase in the amount of federal money spent on airports.

tion of passenger terminals, hangars or parking lots or for aesthetic improvements. Federal aid has usually been on a matching basis, with the federal government providing one-half of the money and the state and local governments the other half. Between 1949, when federal aid was first granted to the MAC, and the end of 1969 the Commission received federal grants amounting to a total of \$14,222,586, including \$490,235 in 1969. All six MAC airports have benefited from federal aid. However, \$12,035,511, or 84.6 percent, of the federal aid received by the Commission has been spent at Wold-Chamberlain Field. As of the end of 1969 federal aid represented 17.2 percent of the capital investment funds used at MAC airports.

State law provides that all federal aid must be channeled through the state Department of Aeronautics; hence the projects involved require the approval of the state Commissioner of Aeronautics.<sup>129</sup> Although this "channeling" procedure was a point of bitter controversy in the late 1940's, there apparently is no problem associated with it at the present time.<sup>130</sup> It also should be mentioned that the Metropolitan Council has the right to comment on any funding requests made by the Commission to the FAA.

The federal funds that are used to aid MAC and other airports in the country have been drawn from general revenue since there were no special user taxes or "dedicated" fund to pay for the federal airport and airway program until July 1, 1970. However, there have been federal taxes on airline passenger tickets and aviation gasoline which might be considered as airline user taxes, although they were not dedicated to support federal air transportation programs.

### 3. State Aid

The state Department of Aeronautics has as one of its functions the responsibility to provide financial aid to municipally operated airports throughout the state. State aid funds given to the MAC have totalled \$5,235,338<sup>131</sup> through the end of 1969, including \$233,788 in that year. State aid funds spent at Wold-

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129. MINN. STAT. § 360.0161 (1969).

130. For an account of developments preceding the enactment of Minnesota's channeling statute in 1947 see Brazier, *Intergovernmental Relations in the Field of Public Airports in Minnesota* 158-64 (Ph.D. dissertation, University of Minnesota, 1954).

131. \$737,155 of this came from allocations of a special legislative advisory committee in the 1940's. The balance came from the Department of Aeronautics.

Chamberlain Field through 1969 amounted to \$3,726,748, 72.3 percent of the total state aid received by the MAC. State aid represents 6.3 percent of the total investment at MAC airports. In order for the Commission to receive state aid, the projects in question must receive the approval of the state Commissioner of Aeronautics.

The state funds that are given to the MAC are drawn from a special state airport fund that is supported by state taxes on scheduled airline flight property (aircraft and aircraft parts), aircraft registration fees paid by operators of nonmilitary aircraft other than scheduled airlines based in Minnesota and a state aviation fuel tax on all nonmilitary aircraft operators. Therefore, unlike the federal program, the state-aid program has been on a user-tax and dedicated-fund basis.<sup>132</sup>

#### 4. *Contributions from Minneapolis and St. Paul Taxpayers*

As noted previously, the cities of Minneapolis and St. Paul have a statutory responsibility to financially support the activities of the MAC. Such support includes that for the operating and maintenance expenses of the Commission as well as for \$20,000,000 in non-self-liquidating bonds issued by the MAC. Between 1944 and 1961 the citizens of the two cities paid a total of \$2,914,972 to support the operating and maintenance expenses of the Commission; 62.9 percent of this sum came from Minneapolis and 37.1 percent from St. Paul. Since 1961 there have been no such contributions because Commission operating revenues have covered such expenses.

As to the MAC bonds, until 1970 the Commission annually levied taxes against property in Minneapolis and St. Paul to meet principal and interest payments associated with non-self-liquidating MAC bonds. The amount contributed by the two cities in 1968 was \$812,433 and in 1969 it was \$743,551. The total amount of such levies was \$16,901,902 through 1969. Of this amount Minneapolis paid \$10,582,581, or 62.6 percent, while St. Paul paid \$6,319,052, or 37.3 percent. As of March 1, 1970 a total of \$12,105,000 of these tax supported bonds were still outstanding, but these bonds are expected to be retired from user fees and not from taxes on Minneapolis and St. Paul property owners. This is the result of an agreement between the Commission and airline companies whereby the latter agreed to increase user

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132. Airlines are critical of this program and claim that the money they contribute to the airport fund via the flight property tax and the fuel tax should not be used to support airports that airlines do not use.

charges to cover the servicing of the remaining bonds. Consequently in 1970 there was no property tax levy by the Commission on property in the two cities.

#### 5. *MAC Bonds*

The state legislature has established a ceiling of \$125,000,000 on the MAC's authority to issue bonds. All bonds issued within this limitation, beyond the \$20,000,000 in non-self-liquidating bonds referred to above, are intended to be self-liquidating in that their principal and interest will be paid from user revenues of the Commission. Minneapolis and St. Paul will have no responsibility for them unless there is a default on the part of a contractor with the MAC. As of March 1, 1970, the Commission had sold \$96,000,000 in self-liquidating bonds in addition to the \$20,000,000 in non-self-liquidating bonds, a total bonding of \$116,000,000. Facilities at Wold-Chamberlain Field represent 97 percent of this total. Much of the debt at that airport is the result of the construction of special facilities leased to airline companies. Since March 1, 1970 the Commission has planned for further expansion at Wold-Chamberlain that is required to handle the air traffic of the 1970's and the total debt of the MAC will be increased as a result of such expansion.

#### 6. *MAC Taxes on Property at Wold-Chamberlain Field*

Since 1953 the Commission has had authority to tax property at Wold-Chamberlain Field to pay the cost of police and fire protection and the maintenance of roads, streets and parking lots at the airport. At the end of 1969 the MAC had collected \$1,111,049 in such taxes but, because of the legal problems mentioned earlier, the amount is subject to adjustment when the leasehold valuation question is finally settled.

A summary of the revenues of the MAC in 1969 and since 1944 is presented in Table 13.

#### C. *MAC EXPENDITURES*

The MAC Act provides that the Commission has complete jurisdiction over the maintenance, operation, expansion and development of airports under its control and the Commission has been given "all the powers necessary and convenient" to accomplish the objects and perform the duties prescribed by the Act. The specific powers possessed by the MAC are discussed in a previous section of this article;<sup>133</sup> a look at the list indicates

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133. See text accompanying notes 33-35 *supra*.

that there are no limitations on MAC activities as long as its proposals are pertinent and germane to aeronautics and airports within its geographic jurisdiction. This means that the Commission has considerable freedom in deciding what it will do and on what it will spend money. The expenditures of the Commission fall into three broad categories. These are operating expenses, capital investment expenditures and debt service.

Table 13  
Summary of MAC Revenues,\*  
1944-1969

Source of Revenues	1969	1944-1969
Federal aid	\$490,235	\$14,222,586
State aid	233,788	5,235,338
Minneapolis and St. Paul:		
For operating and maintenance	-----	2,914,972
For debt service	743,551	16,901,902
MAC bonds issued	5,000,000	96,000,000
MAC taxes at Wold-Chamberlain Field	231,659	1,111,049

\* Does not include operating income.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

### 1. *Operating Expenses*

Tables 14 and 15 summarize the operating expenses of the MAC for the calendar year 1968. In Table 14 the Commission's operating expenses are shown by functions such as salaries and wages, utilities and so on. Of the total of \$3,134,793 in MAC operating expenses for 1968, \$2,782,589, or 88.8 percent, was incurred at Wold-Chamberlain Field, and the balance of \$352,203, or 11.2 percent, at the secondary airports. Of the latter amount, \$155,416, or 44.1 percent, was spent at Holman Field; although Flying Cloud is the MAC's busiest airport, as measured by number of flight operations, only \$59,580, or 16.9 percent, of the secondary airport expenditures was spent there.

An examination of the data for Wold-Chamberlain reveals that the Commission spent \$1,174,820 on salaries and wages and other employee-related expenditures such as maintenance labor, the employees' insurance and pension fund and workmen's compensation insurance. This represented 42.2 percent of the Commission's expenditures at Wold-Chamberlain. Maintenance material and expenses amounted to \$582,871 at Wold-Chamberlain in 1968, 20.9 percent of the total expenditures there. Utilities accounted for \$283,861, or 10.2 percent, while the \$200,985 provided for depreciation and obsolescence amounted to 7.2 percent. Operating supplies cost \$160,412, or 5.8 percent.

Table 14

## MAC Operating Expenses by Functions, 1968

<u>Wold-Chamberlain Field</u>		
Salaries and wages	\$708,853	
Operating supplies	160,412	
Utensils and tools	1,479	
Utilities	283,861	
Maintenance labor	306,980	
Equipment time <sup>a</sup>	135,523	
Maintenance material and expense	582,871	
Insurance—general	67,427	
Provision for depreciation and obsolescence	200,985	
Provision for deferred maintenance	16,100	
Interest expense <sup>b</sup>	14,902	
Employees' insurance	40,098	
Employees' pension fund	104,574	
Workmen's compensation insurance	14,315	
Professional services <sup>c</sup>	11,019	
Rubbish disposal	5,525	
Brink's service	600	
Equipment and other rentals	3,607	
Advertising—legal and employment	799	
Travel	898	
Sundry	629	
	<hr/>	\$2,661,447
Less: Equipment time prorated to other MAC departments <sup>d</sup>	137,165	
Expenses reimbursed by others <sup>e</sup>	47,517	
	<hr/>	184,582
		2,476,865
Add: Allocation of main office administration		305,724
Total Wold-Chamberlain Field		<hr/> \$2,782,589
<u>Holman Field</u>		
Salaries and wages	\$34,231	
Operating supplies	6,031	
Utensils and tools	257	
Utilities	7,307	
Maintenance labor	25,840	
Equipment time <sup>a</sup>	8,118	
Maintenance material and expense	12,406	
Insurance—general	8,068	
Provision for depreciation and obsolescence	48,040	
Provision for deferred maintenance	8,400	
Employees' insurance	4,732	
Employees' pension fund	7,569	
Workmen's compensation insurance	703	
Professional services	65	
Sundry	192	
	<hr/>	\$171,958
Less: Equipment time prorated to other MAC departments <sup>d</sup>	13,897	
Expenses reimbursed by others <sup>e</sup>	2,645	
	<hr/>	16,542
Total Holman Field		<hr/> \$155,416

Table 14 continued

Flying Cloud Airport

Salaries and wages	\$10,947	
Operating supplies	5,710	
Utensils and tools	148	
Utilities	3,797	
Maintenance labor	19,541	
Equipment time <sup>a</sup>	10,698	
Maintenance material and expense	16,613	
Insurance—general	2,866	
Provision for depreciation and obsolescence	10,139	
Employees' insurance	1,647	
Employees' pension fund	2,964	
Workmen's compensation insurance	454	
Professional services <sup>c</sup>	57	
Sundry	289	
		\$85,870
Less: Equipment time prorated to other MAC departments <sup>d</sup>	25,283	
Expenses reimbursed by others <sup>e</sup>	1,007	
		26,290
Total Flying Cloud Airport		\$59,580

Crystal Airport

Salaries and wages	\$14,122	
Operating supplies	1,665	
Utensils and tools	33	
Utilities	2,354	
Maintenance labor	7,851	
Equipment time <sup>a</sup>	6,674	
Maintenance material and expense	4,616	
Insurance—general	833	
Provision for depreciation and obsolescence	4,951	
Employees' insurance	1,534	
Employees' pension fund	1,976	
Workmen's compensation insurance	321	
Professional services <sup>c</sup>	138	
Sundry	219	
		\$47,287
Less expenses reimbursed by others <sup>e</sup>		607
Total Crystal Airport		\$46,680

Anoka County Airport

Salaries and wages	\$11,649
Operating supplies	635
Utensils and tools	10
Utilities	802
Maintenance labor	9,428
Equipment time <sup>a</sup>	8,266
Maintenance material and expense	2,106
Insurance—general	397

Provision for depreciation and obsolescence	2,721	
Employees' insurance	615	
Employees' pension fund	1,976	
Workmen's compensation insurance	320	
Sundry	111	
		\$39,036
Less expenses reimbursed by others <sup>a</sup>		597
Total Anoka County Airport		\$38,439

Lake Elmo Airport

Salaries and wages	\$54	
Operating supplies	336	
Utensils and tools	96	
Utilities	707	
Maintenance labor	6,966	
Equipment time <sup>a</sup>	5,679	
Maintenance material and expense	1,048	
Insurance—general	267	
Provision for depreciation and obsolescence	1,772	
Workmen's compensation insurance	102	
Professional services <sup>c</sup>	129	
		\$17,156
Less expenses reimbursed by others <sup>a</sup>		545
Total Lake Elmo Airport		\$16,611
Sub-total secondary airports		\$316,726
Add allocation of main office administrative <sup>f</sup>		35,477
Total secondary airports		\$352,203
Total all MAC airports		\$3,134,793

- a. Charges for use of equipment intended to cover amortization, grease, oil, gasoline, parts, maintenance and labor are made against each airport or project where such equipment is used.
- b. Interest on bonds sold to provide fire department and equipment building.
- c. Services of outsiders such as attorneys, engineers, economists, etc.
- d. Not allocable to specific airports or projects.
- e. Includes recoveries from insurance companies, recoveries for damages from tenants and others and insurance premium reimbursements from tenants.
- f. MAC general office expense.

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 14-16 (Dec. 31, 1968).

At the secondary airports employee-related expenditures also accounted for the largest category of expenditure. At Holman Field this factor accounted for 53.5 percent, at Flying Cloud 59.5 percent, at Crystal 55.3 percent, at Anoka County 62.4 percent and at Lake Elmo 42.9 percent.



Table 15  
MAC Operating Expenses by Cost Sectors, 1968

Cost Sector	Wold Chamberlain	Holman	Flying Cloud	Crystal	Anoka County	Lake Elmo	Total
Terminal Area	\$1,196,075	-----	-----	-----	-----	-----	\$1,196,075
Fields and Runways	369,567	\$ 46,809	\$38,682	\$30,529	\$35,981	\$14,486	536,054
Public Areas and Structures <sup>a</sup>	73,315	3,514	250	220	393	797	78,489
Other Administration Buildings <sup>b</sup>	74,958	41,404	1,958	4,813	-----	-----	123,133
Control Tower Buildings	41,357	-----	11,754	9,713	-----	-----	62,824
Hangars	13,772	36,669	691	-----	-----	-----	51,132
Equipment Buildings	86,907	7,348	5,263	-----	1,507	1,246	102,271
Fire Department	303,867	-----	-----	-----	-----	-----	303,867
Police Department	199,341	-----	-----	-----	-----	-----	199,341
Administrative	423,432	19,675	983	1,404	556	84	481,611
Equipment Maintenance <sup>c</sup>	-----	-----	-----	-----	-----	-----	-----
Total	\$2,782,591	\$155,419	\$59,581	\$46,679	\$38,437	\$16,613	\$3,134,797

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 14-16 (Dec. 31, 1968).

In Table 15 are shown data concerning 1968 operating expenses of the MAC by the several cost sectors or cost centers the Commission uses in its accounting. At Wold-Chamberlain Field the terminal area accounted for \$1,196,075 of the MAC expense, 42.9 percent of the total for that year at that airport. Administrative expenses amounted to \$423,432, or 15.2 percent, while the field and runway expense was \$369,567, or 13.2 percent. The fire department accounted for \$303,867, or 10.9 percent, while the police department cost \$199,341, or 7.2 percent.

At the secondary airports where there are no terminal expenses, the major cost sector is fields and runways, although at Holman Field there is also considerable expense attached to an administration building and hangars located there.

## 2. *Capital Expenditures*

Reference is made in an earlier section of this article to construction projects at MAC airports and plans for the future development of those fields. Capital expenditures include costs of such construction plus expenditures related to the purchase of land and equipment, including snowplows, office machines, tools and fire fighting equipment. The accounting system used by the MAC shows equipment purchases under operating expenses, since they are charged off annually as an expense as equipment is used, rather than as a capital expenditure.

MAC expenditures on construction projects in 1968 are shown in Table 16. It can be seen that the Commission spent a total of \$14,115,056 on new construction in 1968; \$13,791,108, or 97.7 percent of this amount, was spent at Wold-Chamberlain.

## 3. *Debt Service*

Up to the end of 1969 the MAC had levied a total of \$33,369,935 to service its bonded indebtedness, \$3,200,385 of this in

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### Footnotes for Table 15:

- a. Area outside field and leased area and, at Wold-Chamberlain Field, outside terminal building. Includes such things as maintenance of service roads, lawn maintenance, sign repair and maintenance of fences.
- b. Other than MAC's general office building. At Wold-Chamberlain includes former passenger terminal building now used by FAA and United States Weather Bureau.
- c. Charged to specific cost sectors such as "terminal area" as part of "equipment time" charge.
- d. Includes \$35,477 allocation of main office administrative expense to the secondary airports as a group.

Table 16  
MAC Construction Expenditures,\* 1968

<u>Wold-Chamberlain Field</u>		
Terminal building	\$974,583	
General office building	(589)	
Modification to roadways	1,800	
Apron paving	713,894	
Taxiways, service roads, runway extensions, etc. (runway 29R)	111,086	
Runway and taxiway lighting	415,831	
Vehicular tunnel	167,943	
Rehabilitate federal office building	5,738	
Post Office facility	294	
North Central Airlines main base	10,366,957	
Northwest Airlines hangar addition	865	
Cargo area	1,032,706	
Total Wold-Chamberlain Field		\$13,791,108
<u>Holman Field</u>		
Rehabilitate administration building	\$4,103	
Field equipment building	121	
Pavement resurfacing and lights	177,091	
Approach lighting (runway 30)	12	
Total Holman Field		181,327
<u>Flying Cloud Airport</u>		
Runways	\$114	
Total Flying Cloud Airport		114
<u>Crystal Airport</u>		
Runway and apron construction	\$116,731	
Equipment and administration building	30,526	
Total Crystal Airport		147,257
<u>Anoka County Airport</u>		
Runways, taxiways and lighting	\$13	
Total Anoka County Airport		13
<u>Lake Elmo Airport</u>		
Runway construction	(\$4,763)	
Total Lake Elmo Airport		(4,763)
Total		\$14,115,056
Add accounts payable at 12/31/67		1,345,978
		\$15,461,034
Deduct accounts payable at 12/31/68		1,965,246
Total		\$13,495,788

\* Includes the cost of land acquisition, if any.

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 44-45 (Dec. 31, 1968).

1969. Of the total levy, \$16,468,034, or 49.3 percent, came from user revenues, and \$16,901,902, or 50.6 percent, came from taxes

on Minneapolis and St. Paul.<sup>134</sup> All future debt service payments will come from user revenues only.

A total of \$67,625,000 in self-liquidating bonds remained outstanding as of December 31, 1969, in addition to \$12,105,000 in non-self-liquidating bonds, for a total of \$79,730,000. Total debt remaining, including interest charges, for bonds issued as of the end of 1969 was \$167,492,672 to be paid through the year 1999. The annual debt service expense on these bonds will reach a peak of \$8,115,753 in 1973 and then gradually decline until the final payment of \$1,384,713 is made in 1999. On March 1, 1970, \$20,000,000 in new MAC bonds was issued; this issue, along with others to come in the future, will change the debt structure and the annual debt service expense.

The annual debt service expenses of the Commission since 1949 are shown in Table 17.

#### D. VALUE OF MAC PROPERTY

As of December 31, 1968 the land and airport improvements and buildings and moveable equipment owned by the Commission were valued by the MAC as shown in Table 18. The value shown is a "net balance" after allowance is made for depreciation and obsolescence. The value before such allowances was \$98,987,743 and the net value was \$83,462,852, as is shown in the table. The net value shown is less than the market value or the current cost of reproduction. Wold-Chamberlain Field accounted for 87 percent of the value at that time, not including projects in progress or the value of the Commission's general office building while the secondary airports accounted for 13 percent. The relative importance of Wold-Chamberlain should increase in the next few years as further improvements are made there to accommodate the air traffic of the 1970's.

#### E. CONCLUSIONS RELATIVE TO MAC FINANCING ACTIVITIES

##### 1. *MAC Bonding and Taxing Authority*

An unusual feature of the financial resources available to the MAC is the Commission's authority to issue general obligation bonds and commit the cities of Minneapolis and St. Paul to such debt without the prior approval of the citizens of those cities.

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134. The figures in this section relative to the size of the MAC debt and annual debt service requirements are the MAC levies for the purpose of debt service. They are about five percent in excess of the actual debt figure because the MAC is required by law to calculate the tax levy (if needed) at 105 percent of actual debt service requirements.

Table 17

MAC Debt Service Expenses,\*  
1949-1969

<u>Year</u>	<u>Amount</u>
1949	\$227,285
1950	255,545
1951	249,245
1952	253,550
1953	247,065
1954	259,485
1955	255,795
1956	302,770
1957	1,393,465
1958	908,215
1959	2,005,445
1960	2,032,170
1961	2,460,500
1962	2,444,540
1963	2,458,910
1964	2,590,645
1965	2,606,535
1966	2,816,480
1967	3,196,265
1968	3,205,640
1969	3,200,385
Total	\$33,369,935

\* These figures are about 5.0 percent in excess of the actual debt service payments because the MAC Act requires that the Commission calculate the tax levy (if needed) to support the debt at 105.0 percent of the actual debt service requirement.

Source: Minneapolis-St. Paul Metropolitan Airports Commission.

This has given to the MAC considerable freedom and flexibility in borrowing money and also a favorable rate of interest because of the high financial ratings of the two cities.

The authority of the Commission to issue such bonds and to tax property in Minneapolis and St. Paul to service them has been criticized on the grounds that it represents too much power for a special purpose government agency and is highly unfair to the citizens of Minneapolis and St. Paul who, although they have no say as to whether such bonds should be issued, are responsible for the principal and interest payments associated with them. However, the people of the two cities actually have some voice in the decisions on bond issues because of their representatives on the Commission. Moreover, all bonds issued in excess of \$20,000,000 are now required by statute to be self-liquidating; Minneapolis and St. Paul are not to be asked to pay anything toward the retirement of the excess debt unless a default on the part of

a MAC contractor should occur. Finally, Minneapolis and St. Paul are protected broadly by the ceiling the state legislature places on the total amount of bonds that the MAC may issue.

Table 18  
Assets of the MAC, 1968<sup>a</sup>

Airport	Land <sup>b</sup>	Improvements and Buildings <sup>c</sup>	Movable Equipment <sup>d</sup>	Total
Wold- Chamberlain	\$4,418,227	\$52,086,897	\$507,848	\$57,012,972
Holman	184,297	3,426,301	25,177	3,635,775
Flying Cloud	507,329	896,478	20,018	1,423,825
Crystal	527,616	825,830	566	1,354,012
Anoka County	1,079,680	1,030,673	208	2,110,561
Lake Elmo	40,672	153,688	48	194,408
General Office Building		280,250	34,906	315,156
Total	\$6,757,821	\$58,700,117	\$588,771	\$66,046,709
Add projects in progress:				
Land acquisition				352,579
Construction				17,063,564
Total all assets				\$83,462,852

a. As of December 31, 1968.

b. Includes value of land acquired by the MAC from the cities of Minneapolis and St. Paul and the United States government although fee title to such land and improvements remains with the two cities. The fee title to the former United States Government land is in the hands of the MAC and will be as long as the land is used as part of an airport. If it should not be used for that purpose the fee title would revert to the United States government.

c. Includes runways, taxiways, aprons, roads, parking lots, sidewalks, curbs, gutters, field grading and drainage, utility services and site preparation, fences, field lighting and buildings, including those leased to airlines for their use.

d. Includes gasoline storage equipment, automobiles and trucks, field equipment, tools, china and silverware, furniture and fixtures, office equipment, fire protection equipment, janitor and sanitary equipment, kitchen utensils, building equipment, restaurant equipment and miscellaneous equipment.

Source: METROPOLITAN AIRPORTS COMM'N, AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION 50-53 (Dec. 31, 1968).

Despite these considerations, however, it is true that the Commission has considerable freedom in this area and that the

MAC could act carelessly, unwisely or even dishonestly when exercising its bonding and taxing power. But the Commission has been very careful when using this authority and its generally conservative philosophy over the years has meant that the citizens of Minneapolis and St. Paul have not suffered as a result of the unusual power possessed by the MAC. Although one could criticize certain MAC decisions to spend money, the money when spent has been spent efficiently and without waste. In other words, in this case at least, it is not what power the Commission has but how it is used that counts. A system whereby the voters of Minneapolis and St. Paul would be required to approve all MAC bond issues in advance would be cumbersome, expensive and time consuming, and it would not always result in effective decision making regarding Twin Cities area airports.

## 2. *Suburban Financial Backing*

In a previous section of this article the suggestion is made that representation on the MAC be expanded to include the entire seven-county Twin Cities metropolitan area and that, if this is done, the entire seven-county area be asked to share in the financial responsibility for the Commission and its activities. It was suggested that after suburban areas are given representation on the MAC the Commission should continue to have the power to issue general obligation bonds and that such bonds be self-liquidating to the extent possible but that, in case of default by a MAC contractor, the bonds be backed by the property tax base of the entire seven-county area. It is only necessary to add here that the outlying communities within the seven-county area similarly should share responsibility with Minneapolis and St. Paul for the operating and maintenance expenses of the Commission if deficits occur.

The MAC should continue to have the right to issue bonds without the prior approval of taxpayers. If the Commission is made an agency of the Metropolitan Council, as was suggested earlier, bonds for airport improvements should be issued by the Council and without prior approval of taxpayers in the seven-county area.

## 3. *User Charges*

Since 1961 the MAC has not asked Minneapolis and St. Paul to cover any of its operating and maintenance expenses, because its operating revenues have been sufficient to cover these costs. All bonds now issued by the Commission are intended to be self-

liquidating, and the MAC in 1970 did not levy any taxes against Minneapolis and St. Paul to cover principal and interest payments associated with any MAC bonds. Hence the Commission's airports are currently on a self-sustaining basis and support from Minneapolis and St. Paul will be necessary only if the MAC's revenues fail to cover the Commission's operating and maintenance expenses or its bonded indebtedness. This has been a notable achievement, since, although there has been a trend in this direction, few public airports in the United States are self-supporting, even when initial capital investment is excluded.<sup>135</sup>

The economic and social benefits that accrue to a community as a result of a transportation facility such as an airport, waterway or highway accrue whether financial support for the facility comes from the general public or from its users. Although public financial support of airports and other transportation facilities has often been necessary and desirable, as a general rule it is preferable that such facilities be paid for by the users who benefit directly therefrom rather than by the general taxpayer. This approach requires those who benefit the most to pay the most. In the case of an airport, if airlines and other operators of aircraft and that part of the general public who use and benefit directly from air transportation pay the costs of the airport, this goal has been reached.<sup>136</sup> The MAC has done an excellent job in this respect and now has reached the point where its airport system is being paid for by user charges and the airports as a group are self-sustaining operations without benefit of state or local general tax money.<sup>137</sup> This policy should be continued in the future, but it will meet an important test when a new major airport is constructed. In fact, it would be highly desirable if the MAC could use surplus earnings to repay Minneapolis and St. Paul for the contributions they have previously made to the Commission's activities.

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135. For an excellent discussion of the current airport "crisis" and the problems of financing airport development see *The Airport Crisis, FLYING*, July, 1969, at 58. See also Schary & Williams, *Airline Fare Policy and Public Investment*, 7 *TRANSP. J.* 1 (No. 41, 1967).

136. That users as a group pay for a transportation facility does not necessarily mean that different kinds of users, such as scheduled airlines, small plane operators and military aircraft, are each paying their appropriate share. This is a rather involved question which is beyond the scope of this article.

137. Prior to July 1, 1970, federal aid to airports had not been on a user-tax and dedicated fund basis so that the federal aid part of the investment at MAC airports was technically paid for from general tax revenues.



#### 4. *Financial Efficiency*

Although the Commission has great freedom in borrowing and taxing, the MAC has been careful, cautious and conservative in spending the money provided from the several sources available to it. In fact, conservatism is sometimes carried to extremes and has led the Commission to refrain from spending money for certain activities that private and some public agencies would not hesitate to undertake. This has been one of the causes of the problem created in connection with the location of a new major airport and has contributed also to the MAC's rather poor public relations image. In the case of the location of a new major airport the Commission did not spend money to conduct certain studies and to explain its position because it did not feel that these things were absolutely necessary.

The result of the MAC's conservatism and generally careful handling of its funds has been that the public and other contributors to Commission revenues have seen their money spent efficiently. Although the MAC has some very severe critics, the author encountered none who were critical of the financial management of the Commission.<sup>138</sup>

## VI. CONCLUDING COMMENTS

An attempt has been made in this study to provide an accurate description of the MAC and its activities and to evaluate its accomplishments objectively and fairly. In doing so, several major conclusions have been drawn. The first is that the MAC needs to be restructured so it has geographic jurisdiction over the seven-county metropolitan area and so that area is represented on the Commission and assumes financial responsibility for the Commission. The membership should be changed so that the commissioners are not holders of elected political office, and the members should be appointed by the Metropolitan Council, if certain conditions pertaining to the Council are met, or by the governor. Second, the MAC has not shown enough interest in working with other groups, individuals, organizations or government agencies and has lacked finesse in dealing with the public and the news media. On the other hand, it has been a successful manager and developer of the airports now in its system; however, it has not acted quickly enough to add to the secondary air-

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138. Some observers are critical of the continuing decision to develop Wold-Chamberlain as a major airport, but they have no objection to the way funds have been employed to implement this decision.

port network. Finally, the Commission has been very careful and conservative in using its broad financing powers and has done a good job in placing its airport system on a user-revenue or self-sustaining basis.

Thus, the MAC has earned high marks in some areas but low ones in others. The low marks probably can be traced to the character of the membership of the Commission, which results in a commission that is not representative of the geographic area affected and a commission consisting of poorly qualified and unprepared members who are unable to provide adequate guidance and direction to the staff or even to question intelligently what the staff is doing. As a result there has been excessive reliance by the Commission on the staff. Under these circumstances, it is somewhat surprising that the MAC has been as successful as it has been. A restructuring of the Commission as suggested here could solve many of the problems now associated with the MAC.

