

MAAE Fall Conference

September 14-18, 2015

Michigan
Department of Transportation
Office of Aeronautics
Update

Mike Trout, A.A.E.



Legislative Update

Bill Enacted

- HB 4468 – Amends P.A. 327, Aeronautics Code of the State of Michigan by adding Chapter VIIA, which allows a local unit of government to establish an airport authority whose sole function would be to own and operate the public-use airport or airports under its jurisdiction. (July 14, 2015 assigned P.A. 95 w/immediate effect.)

Legislative Update

Bills Introduced

- **SB No. 416** – Exempts aviation fuel from 2% sales tax.
Impact: \$12 million decrease to GF
(No further action -- remains in Committee on Finance)
- **SB No. 417** – Exempts aviation fuel from 2% use tax.
Impact: Unknown
(No further action -- remains in Committee on Finance)
- **SB No. 418** – Replaces the 3¢ per gallon tax on aviation fuels with a 2% wholesale tax. Sets a minimum taxation rate of 6¢ per gallon. (Substitute likely)
Impact: \$10 million increase to SAF
(No further action -- remains in Committee on Commerce)
- **SB No. 425** – Redistributes proceeds from the wholesale tax. (Substitute likely)
(No further action -- reassigned to Committee on Commerce)
- **SB No. 426** – Amends Aero Code to allow for redistribution.
(No further action -- reassigned to Committee on Commerce)
- **HB 4727** – Amends the Tall Structure Act to require meteorological evaluation towers (METs) be marked in accordance with federal standards.
(No further action -- remains in Committee on Local Government)

FAA's Policy Clarification on Revenue Use

- Primary Objective
 - Meet Federal Requirements
- Secondary Objectives
 - Fair to All Users
 - Support System of Airports
 - Address Aero Revenue Needs
- **Action Plan due by December 8, 2015**

FAA Reauthorization

- AIP
- Block Grant Program
- Revenue Sources
- Air Service
- Contract Towers
- Next Gen
- PFCs
- Airport Bonds
- ACRP

MI Transportation Plan State Long-Range Transportation Plan Reaffirmation

- MDOT is seeking comments on the Public Involvement Plan through September 30, 2015.
- www.michigan.gov/slrp
- Submit comments to:
 Bob Parsons, MDOT Public Involvement & Hearings Officer
 MDOT, Bureau of Development
 P.O. Box 30050, Lansing, MI 48909
parsonsb@michigan.gov
 Phone: 517-373-9534
 FAX: 517-373-9255

The screenshot shows the MDOT website interface. At the top, there is a navigation bar with links for 'MDOT Home', 'Contact MDOT', 'FAQ', 'Sitemap', and 'MI.gov'. Below this is a search bar and a banner image for '#MightyMacWalk15 - Sept. 7, 2015'. The main content area is titled 'MI Transportation Plan' and includes a description of the plan as a 25-year plan for transforming Michigan's transportation system. The sidebar on the left contains a list of navigation links, and the sidebar on the right contains a 'Quick Links' section with links to Title VI, Nondiscrimination, Tribal Governments, Twitter, Facebook, YouTube, MI Drive, and State Map.

FY 2016 MDOT Transportation Program

Revenue Assumptions:

- Federal Revenues
 - Uncertain, but estimated based on FY 2015 requests
 - Continued Formula apportionments, congressional earmarks, and discretionary grants
 - In partnership with locals competing for federal discretionary funds
- State Revenues
 - FY 2016 appropriation higher than FY 2015
 - Increase in funds comes from TEDF and General Fund
 - Committed to match all available federal funding
 - Excise Fuel Tax Revenue lower
 - Increase in bond debt service

FY 2016 Program Summary

Investment Strategy:

Priorities are a significant part of the funding decision that support the organizational mission and represent the overall vision, driving the airport infrastructure investment strategy.

Priorities include:

- Address asset management by reducing system and facility deficiencies.
 - Updated MASP in FY 2016 w/economic study to prepare Community Benefit Analyses.
- Preserve critical infrastructure, particularly pavements, nav aids and airspace.
- Maximize federal funds and leverage state, local and private funding.
- Support job growth and economic development through projects related to freight/logistics, aircraft maintenance and other emerging opportunities.

FY 2016 Airport Capital Program

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Federal Funding</u>			
Airport and Airway Trust Fund	\$78.58M	\$78.58M	\$79.00M
• Passenger Ticket Taxes			
• Cargo Taxes			
• Fuel Excise Tax			
<u>State Funding</u>	\$ 2.34M	\$ 1.01M	\$ 5.05M
State Aeronautics Fund			
• Fuel Excise Tax			
• Aircraft Registration			
• Licensing & Permits			
• Parking Tax			
<u>Local Funding</u>	<u>\$12.39M</u>	<u>\$12.39M</u>	<u>\$12.50M</u>
TOTAL	\$93.31M	\$91.98M	\$96.55M

Aeronautics Commission

- General Aviation Committee
 - August meeting at Michigan Aerospace in Ann Arbor
 - North Fox Island Airport new public-use airport (unimproved airstrip)
- Commercial Air Service Committee
 - Policy Plan for Michigan Air Service

Airport Projects

DTW Master Plan Update Study

- Cost of Study: \$6,144,601
- Planned Funding Sources:
 - 75% FAA AIP Entitlement
 - 0% State
 - 25% Airport Funds
- Anticipated Milestones:
 - Begin Study September 2015
 - FAA acceptance of master plan report and approval of ALP December 2017 (includes 1 year time period for FAA to review ALP)
- The master plan update study will include all necessary analysis, evaluations, reports, and documentation to guide the development of DTW over the next 20 years.



Airport Projects

YIP Master Plan Study

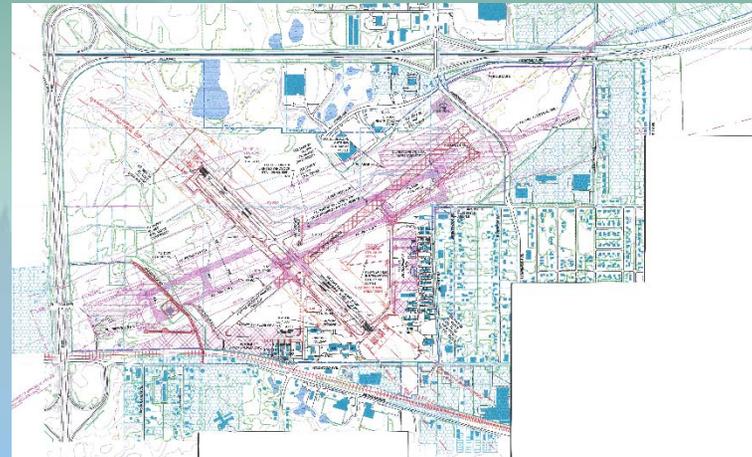
- Cost of Study: \$1,169,752
- Planned Funding Sources:
 - 0% FAA AIP
 - 0% State
 - 100% Airport Funds
- Anticipated Milestones:
 - Began Study May 2015
 - FAA acceptance of master plan report and approval of ALP December 2016
- The master plan will focus on developing a cohesive plan to assist in incrementally right-sizing the airfield and strategically replace critical pavement, utilities, and infrastructure.



Airport Projects

Jackson County Airport

- Reorientation of existing runway 6/24 to 7/25 with proper Runway Safety Areas:
- Phase 1 bid locally in June along with a local project to clean up the existing landfill that will be impacted with this important project.
- Funding for Phase 1 Construction is at 12.5 million dollars with a large portion of the project funded with Federal Discretionary.
- Project will be phased in two parts due to the funding challenges for a project of this size. Phase 2 portion is slated to be bid in 2017.



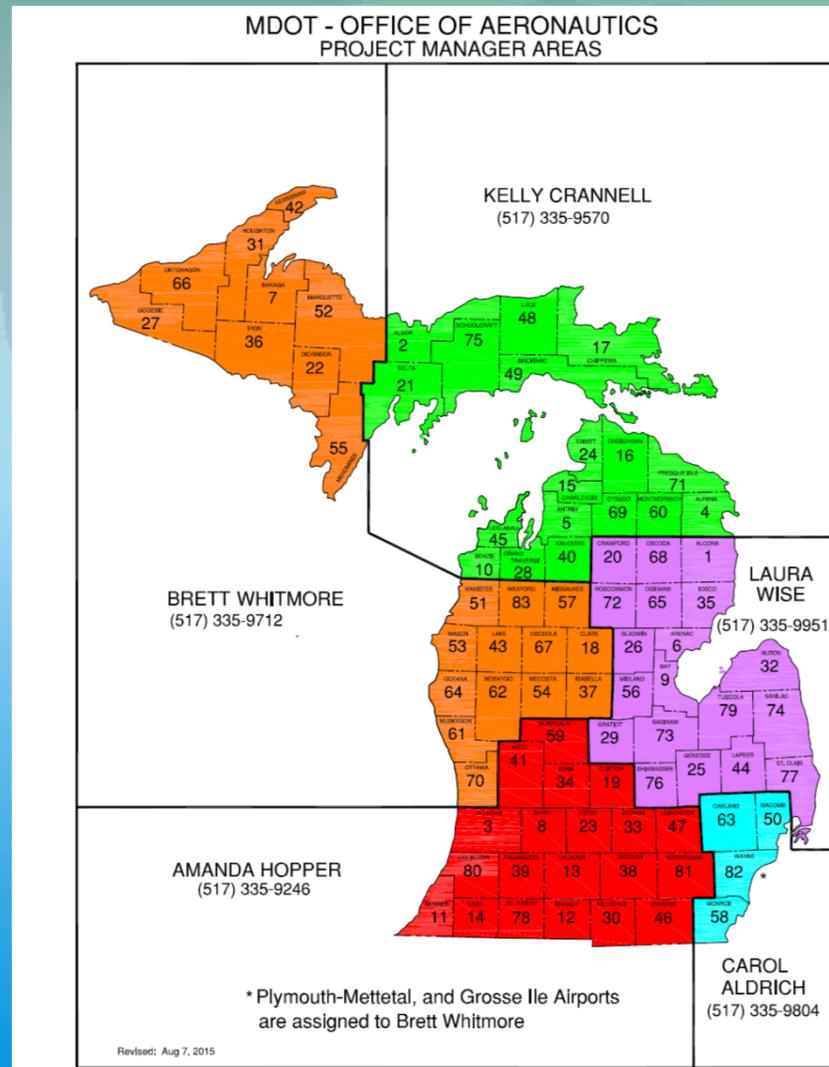
Airport Projects

W.K. Kellogg Airport

- Runway 5L/23R rehabilitation project began last week.
- Project will rehabilitate the 10,003 feet by 150' wide runway.
- Overall cost of the project is \$6 million dollars.
- Funded with both federal discretionary and state apportionment.
- Project has a 53 calendar day schedule for completion.



Project Manager Region Revisions



MDOT Strategic Plan

- **New Vision**

“ MDOT will be recognized as a *progressive* and *innovative* agency with an *exceptional workforce* that inspires *public confidence.*”

Wildly Important Goals (WIG)

- **INCREASE MDOT'S CAPACITY TO INNOVATE**

“In all areas of the department, achieve a 25% improvement in value-addition (in terms of safety measures, cost reduction, increased quality or reduced schedule) by December 31, 2016, through the rapid application of innovative products, processes and technology.”

Planning & Development Section

WIG

- Update the Michigan Aviation System Plan (MASP) to align with MDOT's current Strategic Plan. Update will incorporate current airport data and incorporate federal asset study information, as well as economic impacts of airport to local economies and tied that can be associated to RPI.

Measure: Current system plan was last updated in 2008. Final draft of MASP to be completed by Dec. 31, 2016, with MAC approval by March 2017.

Michigan Aviation System Plan Update

- The MASP will:
 - Review the basic premises of the existing MASP 2008.
 - Update the airport inventory data.
 - Define benchmarks/development needs for the various airport classifications and existing three 'Tier' system.
 - Identify development strategies.
 - Evaluate airport approaches.
 - Develop recommendations over a 20 year planning horizon.
- Final draft of MASP to be completed by December 31, 2016, with MAC approval by March 2017.

Programming Section

WIG

- Replace existing consultant and contractor payment process with ProjectWise electronic workflow. Existing process utilizes paper and old procedures resulting in lost invoices and long approval process. New electronic workflow will ensure document security and version control of documentation and incorporate efficient technologies to deliver payments faster.

Measure: New electronic workflow scheduled for March 1, 2016 implementation.

Electronic Payment Processing

Increase our capacity to innovate

Goal

Replace the existing paper invoicing process with an electronic workflow for consultant and contractor payments.
Implementation date of March 1, 2016.

Objective

Incorporate digital approvals and workflows into the payment process to achieve a 25% reduction in payment processing time.

Benefits

- Faster approvals and payments to consultants and contractors.
- Reduced MDOT staff time to process and provide status.
- Reduced costs by eliminating mailings and paper copies.

Transport and Safety Section

WIG

- **Replace outdated and inefficient applications and processes (FlightPak replacement)**. Current flight scheduling software is approximately 15 years old and developed with outdated technology. New flight scheduling system will be web-based allowing all users of the system, as well as customers to utilize mobile technology to schedule and receive flight information.
Measure: New web-based application scheduled to be purchased and implemented by October.

Notable Stats

- Annual Aviation Fuel Tax
(Treasury's Estimate) 2014 = \$5,056,196
2015 = \$5,100,000
- Fuel Tax Revenue YTD
(Thru July – 40.3% increase) 2014 = \$4,235,884
2015 = \$5,945,723
- Tall Structure Permits
(Towers/Wind Turbines to date) 2014 = 1,380/296
2015 = 1,944/277
- State Aircraft Flight Hours
(Thru August – 1.7 % increase) 2014 = 998.9
2015 = 1,016.1

Events

- Michigan Aviation Month – September, 2015
- Michigan Air Tour, September 17-20, 2015.
 - Pontiac, Ludington, Mt. Pleasant, Sandusky
- NASAO Annual Conference, September 19-22, 2015, Boise, ID
- Air Transportation Expo, September 25, 2015, Oakland County International Airport.

Staff Updates

- Doug Carsten – New Pilot joined Aero in August
- Kim Bowman – 40 years
- Carol Aldrich – 25 years
- Rick Hammond – 25 years
- Mary Kay Trierweiler – 25 years

THANK YOU

QUESTIONS?

“The airport runway is the most important main street in any town.”

Norm Crabtree

