



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

May 21, 2012

Dear Airport Sponsor:

SUBJECT: MICHIGAN AIRPORT PROGRAMMING (MAP) MEETINGS – STATE BLOCK GRANT SITES

This year we are again scheduling MAP meetings with the primary objective to review the work items shown for the 2014 through 2023* federal Airport Improvement Program. We will discuss the need, priority, eligibility, justification, and readiness of items presented by the Sponsor.

** A five-year (2014-2018) Airport Capital Improvement Plan (ACIP) including current development year (2013) is acceptable in lieu of a ten-year ACIP if the Sponsor has no major development proposed for years 6-10.*

We are requesting that Sponsors show the current development year (2013) to confirm and discuss what is planned for the upcoming year. This means a sponsor would end up showing eleven (or six)* years on their ACIP. A standard ACIP form has been developed in an effort to provide a more standardized format for all. This form is available on our website, www.michigan.gov/aero (under Programming & Development, Block Grant Program, MAP Meeting and ACIP Information).

Please note that the web-based Aeronautics Project Management System (AERO PM) is still not available for use this programming cycle. It's still under development by the Department of Technology, Management and Budget (DTMB). We anticipate having training sessions for the web-based AERO PM for Sponsors and Consultants when it becomes available. We are hopeful we'll have this for the next programming cycle!

Sponsors are required to email their ACIP submittals **no later than Friday, August 10, 2012** to the following email address: steudleb@michigan.gov. **If possible, please submit your ACIP submittal as a single pdf file with maximum size of 5mb.**

If not able to email, please mail three (3) copies to the following address:

Betsy Steudle, P.E.
MDOT Office of Aeronautics
2700 Port Lansing Road
Lansing, Michigan 48906

MAP meetings are generally scheduled on a first-come, first-serve basis. We typically hold MAP meetings from late August through late November. FAA requires MDOT to submit a "Master" State Block Grant ACIP no later than December 15th. The "Master" ACIP is typically

a five –year development plan of proposed projects for all of the block grant airports and is based on the individual sponsor ACIPs and programming recommendations.

In order to facilitate scheduling your MAP meeting, please clearly identify the contact person, email address, and telephone number of person who should be contacted. We are again offering the option of holding a teleconference MAP meeting, if desired. This would be most advantageous for Sponsors with little or no changes to their development plan or those who would like to forego the expense of travel.

Keep in mind that non-primary entitlements provided by FAA must be obligated within three years and expended within four years. Otherwise, the funding expires and can no longer be use.

In the FY 12 – FY 15 FAA Reauthorization Bill, the federal funding share for the majority of block grant airports is 90%. FAA will make a determination of whether an airport qualifies for an increased 95% federal share on an annual basis. (For FY 12, four block grant airports: Alpena, Escanaba, Ironwood, & Manistee received the increased 95% federal share since they met the Essential Air Service (EAS) and Economically distressed areas (EDA) criteria.) The State of Michigan match is anticipated to remain at 5% but will be evaluated annually during the budget review and approval process through the Michigan Legislature.

Airport Capital Improvement Plan (ACIP) Instructions & Information for State Block Grant Sites:

1. Identify all proposed airport development projects for the next ten (10)* years (FY 2014 through FY 2023).

Note: Sponsors should include the current development year (2013) to show what is planned for the upcoming year. The programming of projects for the current funding year (2013) has already been defined under the Master ACIP but minor changes may be acceptable particularly if sponsors plan to only use available non-primary entitlements.

2. Utilize Airport Layout Plans (ALP) or Master Plans, Sponsor Pavement Maintenance-Management Programs including state-provided Pavement Condition Index Report, previous ACIPs, Exhibit A (Property Inventory Map), etc. when developing your ACIP. **Proposed airport development projects MUST be consistent with a current FAA-approved ALP. Proposed airport development projects MUST be shown on a current FAA-approved ALP.**

3. Determine the airport's priority projects from the ACIP list being developed. (For example, if a Sponsor has three proposed projects shown in 2014, list the items in priority order with the higher priority shown first.)

4. Determine the airport's funding priority for each project. At a minimum, the Sponsor is required to show project budgets for the current year plus four years after (i.e. 2013, 2014, 2015, 2016 & 2017).

Note: Projects having multiple phases or require multiple years of funding should be clearly identified with each element tied to the overall project objective. It's expected that the airport sponsor will first use all available entitlement funding towards the project requesting additional funding consideration or for other higher priority projects.

For multi-phased complex projects, Sponsors should include preliminary engineering as part of the phased project. This will allow the Sponsor to provide more accurate project cost estimates which helps the overall planning process and the timing of your project. The Sponsor should also be aware of what steps are necessary for a multi-phased project and correctly identify the phased work items in the ACIP such as environmental review clearance, Benefit Cost Analysis (BCA), land acquisition, wetland mitigation, design phase, etc.

A Benefit Cost Analysis is a tool used by FAA for evaluating the financial considerations of investing in selected airport capacity projects. FAA Program Guidance Letter 12-01 dated 10/28/11 modified its policy to increase the AIP Discretionary funding threshold from \$5 million to \$10 million for requiring a BCA for airport capacity projects. However, a BCA may be requested by either FAA or MDOT for projects with lower Discretionary funding levels if needed to evaluate the reasonableness of project costs relative to project benefits.

5. Prepare the following attachments for each project that the airport assigns funding to:

-Project justification. Provide a narrative of the proposed project. Projects that are not AIP eligible or currently insufficiently justified by local demand and forecasts should not be included. (Example: A proposed runway extension project not currently justified with an approved user survey shouldn't be shown. If you decide to show an unjustified project, show it in the out years so that you can seek the justification required.)

Justification for development projects should be based on established aeronautical demand and based on current federal standards.

-Project Sketch. Provide a sketch showing the location of each specific project and where it's located on the Airport Layout Plan.

-Project Cost Estimate. Provide a detailed cost breakdown of the proposed project with anticipated funding sources identified.

6. **Environmental Clearance.** ALL projects require some type of environmental clearance. Questions to consider include: What type of environmental clearance is anticipated for my projects? What projects can be categorically excluded? What projects may require an environmental assessment? Provide as much information as possible as part of your project justification.

7. **Snow Removal Equipment (SRE).** If planning to acquire SRE for the current year (2013) or the next fiscal year (2014), the Sponsor must complete the AERO-formatted SRE Calculation worksheet (some fields on the worksheet will automatically calculate based on information you enter) to determine equipment eligibility. An Existing SRE Inventory worksheet is also required. The SRE forms and justification guide are available on the MDOT Aeronautics website, www.michigan.gov/aero, (under Programming & Development, Block Grant Program, Snow Removal Equipment).

8. Airfield Crack Sealing and Paint Marking. If you plan to do airfield crack sealing and/or paint marking as a stand-alone project either through our Statewide Program or bid separately for the current year (2013) or next fiscal year (2014), an Economic Necessity Certification Form must be completed and signed by the Sponsor. The Sponsor is certifying that they do not have funds available for eligible routine pavement maintenance using their own resources and that they have a Pavement Maintenance Plan in place and available upon request from FAA or MDOT. The form is available on the MDOT Aeronautics website, www.michigan.gov/aero (under Programming & Development, Block Grant Program, Miscellaneous Forms & Letters).

9. Revenue-Generating Facilities (Hangars & Fuel Farms). The FY 12 – FY 15 FAA Reauthorization Bill continues the provision that allows the use of federal non-primary entitlements for revenue-generating facilities such as hangars or fuel farms. The Sponsor must demonstrate that they have made adequate provisions for funding the airport's airside needs before a grant can be issued for a hangar and/or fuel farm project. In order for that determination to be completed, the sponsor must complete the FAA Revenue-Generating Facility Eligibility Evaluation Form and provide the required business plan and support documentation to determine eligibility and justification. The form is available on the MDOT Aeronautics website, www.michigan.gov/aero (under Programming & Development, Block Grant Program, Miscellaneous Forms & Letters).

10. Crosswind Runways. FAA looks at the following criteria for determining AIP eligibility of a crosswind runway: wind coverage and regular usage for the proposed runway.

FAA Advisory Circular, AC 150/5300-13, Section 203 provides the basis for a sponsor to determine if an additional runway is necessary to accommodate operational demands, minimize wind conditions, or overcome environmental impacts. FAA requires the forecast operations for the crosswind runway to be at least 500 itinerant operations on an annual basis. FAA Advisory Circular, AC 150/5325-4B, Section 104 states, "For Federally funded projects, the criterion for substantial use applies to the airplane used as the design airplane needing the crosswind runway." Section 102a(8) of AC 150/5325-4B provides the definition of Substantial Use Threshold. Section 102a(8) states that, "Federally funded projects require that critical design airplanes have at least 500 or more annual itinerant operations at the airport (landings and takeoffs are considered as separate operations) for an individual airplane or a family grouping of airplanes." FAA has confirmed the requirement of substantial use of at least 500 operations applies to the proposed runway, not the airport as a whole.

In order for a crosswind runway to be eligible, both the wind coverage and operational usage criterion must be met. The FAA has recommended that airport sponsors obtain letters of commitment or support from existing users or potential tenants, indicating the need for a crosswind runway. Letters should clearly state why these users currently can't use or have restricted use with the existing primary runway. They must be specific in the reason for their need and anticipated usage of the proposed crosswind if it were constructed to assist with developing the operational usage requirement.

11. Examples of Ineligible AIP Projects at General Aviation Airports:

- Maintenance Equipment and Vehicles
- Office Equipment
- Administrative offices including airport manager's office or other sponsor administrative areas in terminal buildings
- Snooze/sleep rooms in terminal buildings
- Kitchenettes in terminal buildings
- Conference or meeting rooms in terminal buildings UNLESS justified as a Aeronautical Revenue-Producing Area
- Maintenance or Repair of Buildings
- Surveillance cameras
- Heated pavements
- Landscaping
- Artworks
- Industrial Park Development
- Marketing Plans
- Training
- Improvements for Commercial Enterprises
- Environmental cleanup (e.g. fuel facilities, etc.)
- Airport entrance signs and flagpoles
- ARFF vehicles (if not required by Part 139 certification)
- Non-fixed emergency generators
- Runway closure ("X") marking signs

Please note that the following types of projects do not compete for federal discretionary funding: Snow Removal Equipment, Aircraft Rescue Firefighting Equipment (Part 139 airports), crosswind runways, parallel taxiways for crosswind runways.

Please bring a copy of your ACIP including support documentation to your scheduled MAP meeting. It is very important that Airport Sponsors be well prepared for their meeting and ready to present project work items, sketches, justification, and cost estimates.

MAP meeting attendance should include the airport manager, city/county manager or engineer, and the airport consultant (if appropriate). Members of boards, authorities, councils, commissions, mayors, etc., are encouraged to attend. Discussion will involve local government budgetary actions and attendance may encourage local officials to become involved and support the project. Our office will attempt to have the block grant coordinator, project manager, environmental specialist, airport layout plan liaison, and land specialist in attendance.

If we do not receive a response or draft ACIP by the August 10th deadline, a MAP meeting cannot be scheduled. Please be aware that the project work items we may submit to FAA on our Master ACIP may be from your previous ACIP we have on record and therefore, may not be up to date if you don't submit an ACIP for the upcoming programming cycle. This could affect the funding and scheduling of your projects.

Thank you for your efforts in the development of the State Block Grant Program. We understand planning is a challenge, especially when working with several agencies, limited funds, legislation and politics which is why we feel this information and meetings are so important. If you have any questions or comments, please feel free to contact me at either (517) 335-8359 or steudleb@michigan.gov to discuss.

Sincerely,



Betsy L. Steudle, P.E.
Grants & Contracts Unit
Office of Aeronautics

cc: Project Managers, AERO
Dave Baker, AERO
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Sponsor Consultants