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APPENDIX L – REVENUE PRODUCING

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20 **L-1. OVERVIEW**

21 This appendix outlines the eligibility and justification requirements for projects that will increase the
 22 revenue producing ability of the airport. In most cases, revenue producing projects are not eligible for
 23 AIP funding. This appendix discusses the limited exceptions for when an airport sponsor may use AIP
 24 funds on a revenue producing project.

25 **L-2. GENERAL ELIGIBILITY AND JUSTIFICATION**

26 See: 49 U.S.C. §§ [47101\(a\)\(14\)](#), [47102\(3\)\(M\)](#), [47102\(3\)\(W\)](#), [47102\(24\)](#), [47110\(h\)](#), and [47118](#)
 27 For eligibility and justification requirements applicable to all projects funded with AIP, see [Chapter 2,](#)
 28 [Eligibility & Justification.](#)

29 **L-2.1. ELIGIBILITY CRITERIA**

30 **TABLE L-2.1. GENERAL ELIGIBILITY REQUIREMENTS FOR REVENUE PRODUCING PROJECTS**

Item	Description
Eligible Airports and Allowable Funding	Revenue producing projects under this appendix are limited to: <ul style="list-style-type: none"> ▪ Nonprimary airports using general aviation apportionment funding under 49 U.S.C. § 47114 or nonprimary commercial service airports using apportionment funding, and ▪ Airports participating in the Military Airport Program (MAP) and using MAP special noncompetitive discretionary funding (MAP funding).
Ownership & Operator	To be eligible for AIP funding, revenue producing facilities must be owned and operated by the airport sponsor, available to the public, and not transferred to a third party for exclusive use. An airport sponsor may have an entity manage an AIP-funded facility on its behalf, provided it is publicly available and not for the exclusive use of that, or other, entities.
Use	The revenue producing facility must be available for nonexclusive public use. Hangars must be used for aeronautical purposes. For more information on aeronautical purposes, see FAA Order 5190.6, FAA Airport Compliance Manual.
Scope	Projects are designed to: <ul style="list-style-type: none"> ▪ Produce revenue for the sponsor’s airport system; ▪ Support the conversion of an airport participating in the MAP to civilian use; or

Item	Description
	<ul style="list-style-type: none"> ▪ Provide unleaded avgas fuel farms for piston-driven aircraft.
Location	The project must be on airport property and depicted on the latest FAA-approved ALP.

31 L-2.2. JUSTIFICATION REQUIREMENTS

32 **TABLE L-2.2. GENERAL JUSTIFICATION REQUIREMENTS FOR REVENUE PRODUCING PROJECTS**

Item	Description
Produce Revenue	<p>The project must increase the airport’s ability to produce revenue for airport system purposes and to be as self-sustaining as possible under the circumstances existing at each airport. Sponsors should not seek to create revenue surpluses exceeding amounts necessary for the airport’s operation.</p> <p>MAP Projects: Revenue producing MAP projects must be included in the sponsor’s MAP application outlining the airport’s conversion plan to civil use and approved by the ARP Field Office and ARP Headquarters. This does not preclude the sponsor from requesting airport apportionments to support projects outside of the MAP program, provided such projects meet the airside needs test.</p>
Airside Needs Test	<p>The sponsor must ensure it has either already satisfied all airside needs or has a funding plan, exclusive of noncompetitive discretionary funds, for airside needs projects within the current fiscal year plus the next two fiscal years.</p> <p>MAP Projects: The airside needs requirement does not apply to projects using MAP funding for fuel farm, hangar, or cargo building projects.</p>

33 L-2.2.1. SCOPE & ALLOWABLE COSTS

34 Projects must align with the project’s justification and not exceed the scope or quantities identified in
 35 the grant application.

36 Excluded work and costs are not eligible. This includes:

- Removal of existing revenue producing facilities or equipment, unless using MAP funding;
- Routine work;
- Rehabilitation of fuel farms, hangars, or airplane wash racks, except for fuel farm and hangar rehabilitations using MAP funding; and
- Stand-alone environmental remediation. However, the discrete part of a project dedicated to mitigation of contamination needed for the approval and permitting of an otherwise AIP-eligible project may be eligible as an included cost.

37 Relocation of a revenue producing facility may be considered in scope if the facility is impeding another
 38 AIP project and aligns with a configuration listed in [Chapter 2, Table 2-4.3](#).

39 See Special Discretionary Apportionment Categories: Military Airport Program for limitations on
 40 allowable costs for airports participating in the MAP.

41 L-2.2.2. USEFUL LIFE

42 [Chapter 2](#) discusses minimum useful life requirements applicable to all AIP-funded projects. One
 43 component of the minimum useful life requirement for equipment or a facility being reconstructed is
 44 that the equipment or facility must no longer be operational or maintainable, while rehabilitation must
 45 extend the useful life. [Chapter 2, Section 2-3.2., Minimum Useful Life](#), provides details on what factors
 46 the ARP Field Office must evaluate if the equipment or facility has not achieved its minimum useful life.

47 [Table L-3.1.](#) includes specific minimum useful life requirements applicable to revenue producing projects.

48 **L-3. ELIGIBLE REVENUE PRODUCING PROJECTS**

49 For scope of work requirements applicable to all AIP-funded projects, see [Chapter 2](#).

50 Relevant Advisory Circulars (ACs) include, but are not limited to, the current version of:

- 51 ▪ [AC 150/5230-4, Aircraft Fuel Storage, Handling, and Dispensing on Airports](#); and
- 52 ▪ [AC 150/5300-13, Airport Design](#).

53 See the [AC checklist](#) for a list of the latest version of ACs applicable to AIP-funded projects.

54 **TABLE L-3.1. ELIGIBLE REVENUE PRODUCING PROJECTS**

Project Type	Justification and Useful Life	Additional Requirements and Considerations	Excluded Work
Fuel Farms <i>Construct, Expand, Reconstruct, & Rehabilitate (MAP only)</i>	Increases the airport’s ability to produce revenue or included in an approved MAP plan. Reconstruction after 20 years and the equipment is no longer functional or	A centralized facility to store, manage, and dispense aviation fuel to aircraft, including bulk fuel storage tanks, the containment area, the pavement area needed for fueling	Removal of tanks at airports not participating in MAP unless required by an environmental determination.

Project Type	Justification and Useful Life	Additional Requirements and Considerations	Excluded Work
<p>Unit of Measure: <i>Item Type & Quantity</i></p>	<p>maintainable; or rehabilitation using MAP funding at 10 years.</p> <p>Replacement of a fuel farm if the facility has met or exceeded its useful life and is no longer functional or maintainable to a point that revenue is no longer being generated.</p>	<p>operations, pumps, and associated equipment.</p> <p>Construction of mobile refueler parking within a fuel farm.</p> <p>Construction of an access road if necessary to complete initial fuel farm construction.</p> <p>Additional fuel tanks for an existing or a new fuel type.</p> <p>Self-service credit card aeronautical fueling systems.</p>	<p>Replacement of a mobile refueler or self-service credit card aeronautical fueling system.</p> <p>Routine work.</p>
<p>Hangars <i>Construct, Expand, Reconstruct, & Rehabilitate (MAP only)</i></p> <p>Unit of Measure: <i>Square Feet</i></p>	<p>Increases the airport's ability to produce revenue or included in an approved MAP plan; major rehabilitation / reconstruction after 20 years (40 for concrete block structures) and the building is no longer functional or maintainable, which will restart the useful life of the facility; rehabilitation using MAP funding after 10 years and the building is no longer functional or maintainable.</p>	<p>Buildings associated with storage, maintenance, assembly of aircraft, and other aeronautical support facilities requiring construction of building space.</p> <p>Utilities needed to serve the building.</p> <p>Construction of an access road if necessary to complete initial hangar construction.</p> <p>Expansion of a public-use component of a hangar owned by the sponsor.</p> <p>MAP designated airports may also include a nonexclusive use cargo building. All MAP-funded</p>	<p>Acquisition of an existing building.</p> <p>Individual building components are generally considered minor rehabilitation and are not eligible. Major rehabilitation must include multiple components and must restart the useful life.</p> <p>Buildings intended for storage of property other than aircraft or aircraft supplies.</p> <p>Pavement exceeding the amount needed for wing-tip clearance.</p>

Project Type	Justification and Useful Life	Additional Requirements and Considerations	Excluded Work
		hangars and cargo buildings must be 50,000 square feet or less.	Rehabilitation at airports not participating in MAP. Improvements / modifications or routine work is not eligible. Reconstruction is limited to hangars, not other aeronautical support facilities.
Airplane Wash Racks <i>Construct</i> Unit of Measure: <i>Item and Quantity</i>	Increases the airport's ability to produce revenue.	A paved pad with a water and power system to clean aircraft. Proper drainage and water runoff collection. Utilities necessary for operation and drainage.	Expansion / rehabilitation / reconstruction / improvements / modifications or routine work is not eligible.

55 **L-4. RELATED PROJECTS**

56 The projects in this section are not eligible when they will produce revenue; however, references to
57 related projects that may be eligible are provided as applicable.

58 **TABLE L-4.1. RELATED PROJECTS**

Project Type	When Scope of Work Includes	See Appendix
Access road	Rehabilitation or reconstruction of an access road leading to eligible hangar building or fuel farm	C, Airfield Infrastructure
Buildings	Aircraft Rescue and Firefighting (ARFF)	E, Equipment & Facilities
	Snow Removal Equipment (SRE)	
Fuel truck	Airport-owned fuel trucks providing exclusively unleaded aviation fuels	D, Environmental & Energy

Project Type	When Scope of Work Includes	See Appendix
Revenue producing parking lot	Revenue generating parking lot using MAP funding	N, Terminal Development
Unleaded aviation fuel and hydrogen infrastructure	Airport-owned fuel infrastructure fueling piston-driven aircraft with unleaded aviation fuels or certificated hydrogen-powered aircraft	D, Environmental & Energy

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