

Funding a Project



Presented to: 2012 Fall Airport Seminar

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Date: October 10/11, 2012



Federal Aviation
Administration



Funding a Project

- **Types of Airport**
- **Types of Funding**
- **Airports Capital Improvement Plan**
- **National Priority System**
- **How Funding is Assigned**



Types of Airports

- **Commercial Service**
 - Enplane at least 2,500 pass. & have scheduled service
- **Cargo Service**
 - Served by cargo-only aircraft with total annual landed weight of more than 100 million pounds
- **Reliever**
 - Designated by FAA to relieve congestion at CS
- **General Aviation**



Commercial Service

- **Primary Commercial Service**
 - Hub Airports
 - Large Hub >1% of national enplanements
 - Medium Hub >0.25% enplanements <1%
 - Small Hub >0.05% enplanements <0.25%
 - Nonhub >10K enplanements <0.05%
- **Nonprimary CS**
 - 2,500 enplanements to 10,000 enplanements



ND and SD Airports

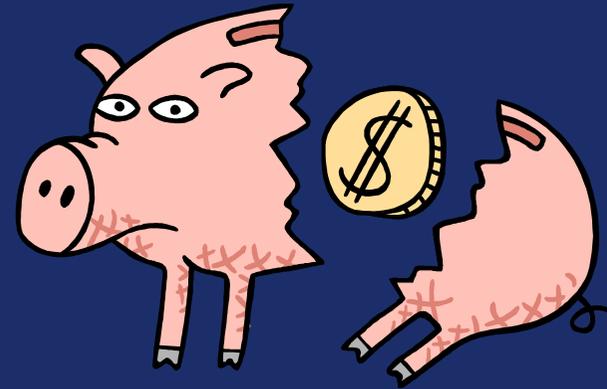
- **Commercial Service – 13 Airports**
 - Primary Large Hub – None
 - Primary Medium Hub – None
 - Primary Small Hub – FAR, FSD
 - Primary Non Hub – (ND) BIS, DIK, GFK, MOT, ISN, (SD) ABR, PIR, RAP
 - Non Primary – (ND) DVL, JMS, (SD) ATY
- **Cargo Service – (ND) GFK, (SD) FSD**
- **Reliever – 0**
- **General Aviation – All Others**



Types of AIP Funding

- **Divided into 2 categories:**

- **Entitlement**
- **Discretionary**



AIP Entitlement Funding

- **Passenger Entitlement**
 - Primary airports enplaning more than 10,000
 - Based on passengers enplaning at airport
 - Minimum \$1M annually
- **Non-Primary Entitlements**
 - Based on 5 year development shown in FAA's National Plan of Integrated Airport Systems (NPIAS)
 - Maximum \$150,000 annually



AIP Entitlement Funding (cont)

- **State Apportionment—**
 - Available to non-primary airports
 - Calculated based on population of a state and total area of state
 - ND – approx. \$2.36M annually
 - SD – approx. \$2.60M annually
 - States recommend projects for this funding



AIP Discretionary

- **Noise**
- **Capacity, Safety, Security**
- **Reliever**
- **Military Airport Program**
- **Pure Discretionary**



Airports Capital Improvement Plan

- **FAA Order 5100.39**
- **FAA's plan for the next 3 years**
- **Formulated based on your CIP submittals and State input**
- **Updated each spring (May 2013 for FY 2014-2016)**



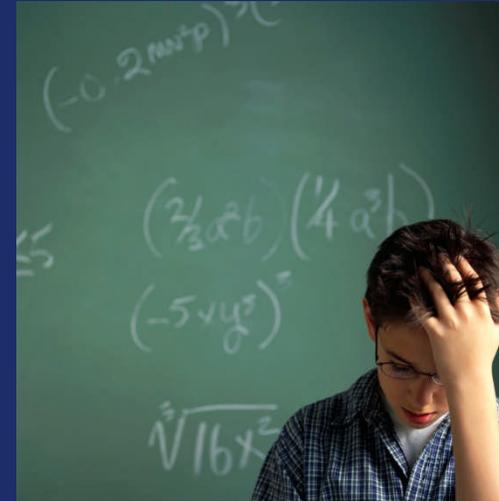
National Priority System

- **Ranking system for discretionary requests**
- **Scale 1 – 100 (higher the number the better the priority)**
 - Based on purpose of project, type of project, airport activity levels
- **Safety, Security, Rehab projects typically rank better than new construction**



Formula for Calculating

- **A – Airport Code**
- **P – Purpose Points**
- **C – Component Points**
- **T – Type Point**



- $K1=1.00, k2=1.40, k3=1.00, k4=1.20, k5 = 0.25$
- $(k5*P)*[(k1*A)+(k2*P)+(k3*C)+(k4*T)]$

Or just look it up on the chart!

National Priority Rating (NPR)

A = Airport Code (2 to 5 pts.):

Primary Commercial Service Airports

A = Large and Medium Hub = 5 pts

B = Small and Non Hub = 4 pts

Non Primary Commercial Service, Reliever, and General Aviation Airports.

Aircraft/Itinerant Operations

A = 100 or 50,000 = 5 pts

B = 50 or 20,000 = 4 pts

C = 20 or 8,000 = 3 pts

D = <20 and <8,000 = 2 pts

PROJECT DESCRIPTION	ACIP Codes			Airport Code			
	Purpose	Component	Type	A	B	C	D
				5	4	3	2
APRON							
Construct {name} Apron	CA	AP	CO	56	54	52	50
Expand {name} Apron	CA	AP	EX	47	46	44	42
Construct {name} Apron (environmental mitigation)	EN	AP	CO	66	64	62	60
Rehabilitate {name} Apron	RE	AP	IM	62	60	58	56
Construct {name} Apron	ST	AP	CO	46	44	43	41
Expand/Strengthen {name} Apron	ST	AP	IM	42	41	39	38
Install {name} Apron Lighting	ST	AP	LI	42	41	39	38



Calculating the NPR

- ABC Airport has 82 based aircraft and 80,000 itinerant operations. What is the NPR for Apron rehabilitation ?
 - First determine the airport code

A = Airport Code (2 to 5 pts.):

Primary Commercial Service Airports

A = Large and Medium Hub = 5 pts

B = Small and Non Hub = 4 pts

Non Primary Commercial Service, Reliever, and General Aviation Airports.

Aircraft/Itinerant Operations

A = 100 or 50,000 = 5 pts

B = 50 or 20,000 = 4 pts

C = 20 or 8,000 = 3 pts

D = <20 and <8,000 = 2 pts

Example 1

- Airport code is A
- What is the NPR for Apron rehabilitation ?
- Answer is 62.

PROJECT DESCRIPTION	ACIP Codes			Airport Code			
	Purpose	Component	Type	A	B	C	D
				5	4	3	2
APRON							
Construct (name) Apron	CA	AP	CO	56	54	52	50
Expand (name) Apron	CA	AP	EX	47	46	44	42
Construct (name) Apron (environmental mitigation)	EN	AP	CO	66	64	62	60
Rehabilitate (name) Apron	RE	AP	IM	62	60	58	56
Construct (name) Apron	ST	AP	CO	46	44	43	41
Expand/Strengthen (name) Apron	ST	AP	IM	42	41	39	38
Install (name) Apron Lighting	ST	AP	LI	42	41	39	38

Why is the NPR Important?



It provides a common way to rank a project that is competing for discretionary with other projects across the country.

Example 2

XYZ Airport Example

Background:

XYZ Airport has 19 based aircraft and 18,000 operations.

They submitted a request to the FAA for the following work:

<u>Work Item</u>	<u>Federal Share</u>
Reconstruct Taxiway	\$700,000
Reconstruct Apron	\$300,000
Acquire Land for Development	\$200,000

Exercise 1: Using the attached chart, determine the National Priority Rating for each work item

Hint: Determine Airport Code First (at the bottom of the attached matrix)

Work Item	Federal Share	National Priority Rating
Reconstruct taxiway	700,000	
Reconstruct apron	300,000	
Acquire land for development	200,000	

Example 2 - Answers

PROJECT DESCRIPTION	Purpose	Component	Type	A	B	C	D
TAXIWAYS							
Construct Taxiway (name)	CA	TW	CO	61	59	57	56
Extend Taxiway	CA	TW	EX	53	51	49	47
Construct Taxiway (name) (environmental mitigation)	EN	TW	CO	72	70	68	66
Rehabilitate Taxiway	RE	TW	IM	68	66	64	62
Rehabilitate Taxiway (name) Lighting	RE	TW	LI	68	66	64	62
Install Taxiway (name) Lighting (MITL) (Required by Part 139)	SA	TW	LI	92	89	87	84
Install Taxiway (name) Lighting (MITL) (non Part 139 CS)	SP	TW	LI	79	77	75	72
Construct Taxiway (name) (Includes relocation)	ST	TW	CO	50	49	47	46
-Extend/Widen/Strengthen- Taxiway (name)	ST	TW	IM	47	45	44	42
Install Taxiway (name) Lighting (e.g., SMGCS, reflectors, MITL)	ST	TW	LI	47	45	44	42
Install Taxiway (name) Sensors	ST	TW	SR	47	45	44	42

PROJECT DESCRIPTION	Purpose	Component	Type	A	B	C	D
APRON							
Construct (name) Apron	CA	AP	CO	56	54	52	50
Expand (name) Apron	CA	AP	EX	47	46	44	42
Construct (name) Apron (environmental mitigation)	EN	AP	CO	66	64	62	60
Rehabilitate (name) Apron	RE	AP	IM	62	60	58	56
Construct (name) Apron	ST	AP	CO	46	44	43	41
Expand/Strengthen (name) Apron	ST	AP	IM	42	41	39	38
Install (name) Apron Lighting	ST	AP	LI	42	41	39	38

PROJECT DESCRIPTION	Purpose	Component	Type	A	B	C	D
LAND							
Acquire <land/easement> for noise compatibility/relocation (# relocated) outside 65 DNL	EN	LA	60	46	44	42	40
Acquire <land/easement> for noise compatibility/relocation (# relocated) within 65 - 69 DNL	EN	LA	65	56	54	52	50
Acquire <land/easement> for noise compatibility/relocation (# relocated) within 70 - 74 DNL	EN	LA	70	63	61	59	57
Acquire <land/easement> for noise compatibility/relocation (# relocated) within 75 DNL	EN	LA	75	70	68	66	64
Acquire <land/easement> for development/relocation (list parcels and/or # relocated)	ST	LA	DV	41	40	38	37
Acquire miscellaneous land (describe, e.g., land for outer marker, relocate road)	ST	LA	MS	40	38	37	35
Acquire land/easement for approaches (list parcels and/or # relocated)	ST	LA	SZ	45	44	42	41

How Funding is Assigned

- **Assign entitlement to highest priority work and then compete for discretionary**
- **NPR Cutoff for discretionary funding**
 - varies each year. In FY 2012, it is 52.



Combining Entitlement and Discretionary Funding

Exercise 2: The airport has \$300,000 in non-primary entitlement available to them. They are requesting \$900,000 in discretionary. How would you assign funds to these projects?

Hint: Entitlement funds go to the highest priority project. NPR cutoff for discretionary (in this example) is 52.

Work Item	Federal Share	Entitlements	Discretionary	NPR
Reconstruct taxiway	\$700,000			64
Reconstruct apron	\$300,000			58
Acquire land for development	\$200,000			38

Combining Entitlement and Discretionary Funding - Answer

Exercise 2: The airport has \$300,000 in non-primary entitlement available to them. They are requesting \$900,000 in discretionary. How would you assign funds to this project?

Hint: Entitlement funds go to the highest priority project. NPR cutoff for discretionary (in this example) is 52.

Work Item	Federal Share	Entitlements	Discretionary	NPR
Reconstruct taxiway	\$700,000	\$300,000	\$400,000	64
Reconstruct apron	\$300,000	0	\$300,000	58
Acquire land for development	\$200,000	0	0	38

Other Factors in Discretionary Funding Decisions

- Financial considerations – local funding commitments, etc.
- Sponsor performance – compliance, historical close-out performance, etc.
- Planning factors – status for environmental documents, etc.
- Legal and Regulatory Requirements – ALP status, etc.
- State and Local Factors- State/local priorities, etc.



Questions

