

# Planning & Financial

## General Aviation Projects: Maintenance/Revenue Producing

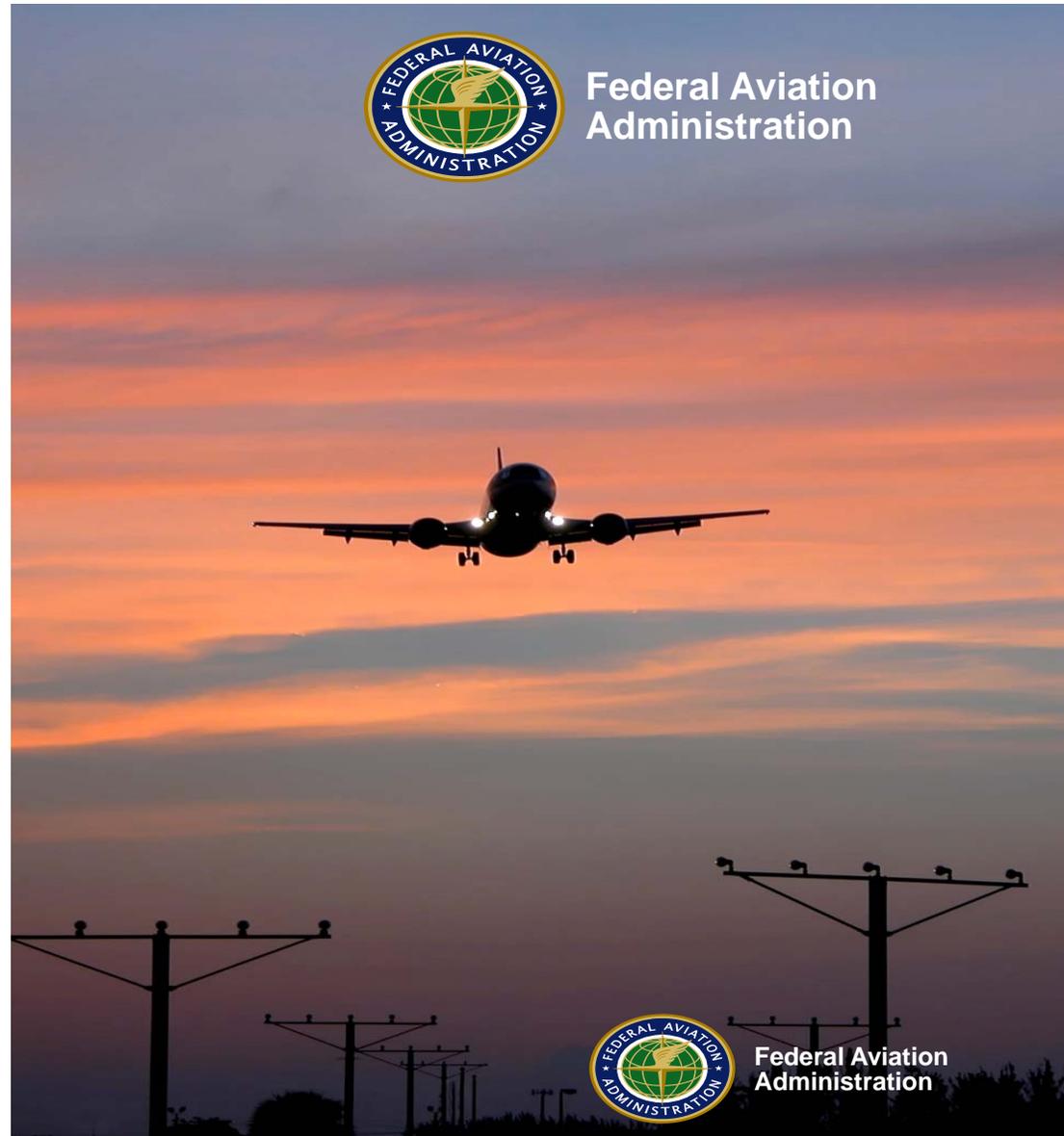
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Presented by:

Mister Andrew Tamanaha,  
Program Manager, ASW-630

Doctor John Dawson,  
Program Manager, ASW-640

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# Agenda

- **Definition**
- **How to fund a Maintenance Project?**
- **How to fund a Revenue Producing Project?**
- **Questions**



# Definition

- **Maintenance (AIP Handbook Table 3-2):**
  - Maintenance includes any regular or recurring work necessary to preserve existing airport facilities in good condition, work involved in the care or cleaning of existing, and any incidental or minor repair work on existing airport facilities.
  - Minor repair is a stop gap measure taken by a sponsor to keep a facility operational until the sponsor can complete a rehabilitation, reconstruction, or replacement.



# Definition

- **Maintenance (AIP Handbook Table 3-3):**
  - Applying a herbicide on pavement cracks Not eligible
  - Mowing the airfield grass Not eligible
  - Re-topping trees for airfield approach Not eligible
  - Replacing airfield light bulbs Not eligible
  - Replacing small sections of roofing Not eligible
  - Minor work/repair on a turf or aggregate rwy Not eligible
  - Performing spall repair, crack seal, or other Eligible\*\*
- \*\* Non-Hub Primary and Non-Primary Airports



# Definition

- **Revenue Producing Aeronautical Support Facilities**
  - Fuel farms
  - Hangar buildings
    - Includes rehabilitation of Sponsor Owned
  - Self-service credit card aeronautical fueling systems
  - Air plane wash racks
  - Other aeronautical support facilities that the Secretary determines will increase the revenue producing ability of the airport.



# Maintenance Projects

- **Not airport development as defined in the Act**
  - Therefore, it is not *normally* eligible for AIP funding except
    - Routine runway, taxiway, or apron pavement maintenance at non-hub primary airports and non-primary airports.
    - Typical pavement maintenance includes routine crack cleaning, filling and or sealing; grading pavement edges; maintaining pavement drainage; patching pavement; re-marking pavement areas.



# Revenue Producing Projects

- **Vision 100 -Century of Aviation Reauthorization Act**
  - Allows use of AIP funds to construct a revenue producing facility.
  - The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.
  - Must be a non-primary airport
    - Only non-primary entitlements may be used



# Revenue Producing Projects

- **Airside needs within the next three years**
  - Development or proper maintenance of
    - Runways
    - Taxiways
    - Safety areas
    - Aprons
    - Lighting
    - Marking and signing
    - Acquisition of land adjacent to these facilities required by current standards for separation and obstruction clearance.
  - Based on CIP.
    - Sponsor must have a plan to fund all projects with state, local funds, or non-primary entitlement funds.
    - No unfunded airside needs.



# Revenue Producing Projects

- ***“Business Plan” (generic term)***
  - Intent of the program is to make airports as self-sufficient as possible.
  - No return on investment criteria, per se.
    - Airports do not lose money on an AIP-funded revenue-producing venture - that would not be a good use of Federal resources.
    - There is some demand for the facility
    - The airport remains solvent after the venture



# Revenue Producing Projects

- ***“Business Plan”***
  1. Project Description
  2. What is the need for this facility?
  3. What are the costs for the facility?
  4. What revenue will this facility produce?
  5. Does the project comply with all rules and regulations?



# Guidance and Authorization

- **Requirements**
  - Eligible
    - Is the project shown on ALP?
    - Is the project in AIP Handbook (AIP is a permissive statute)?
- **Justified (AIP Handbook Table 3-4)**
  - Advance AIP Policy
    - The project must advance at least one AIP policy (Introduction slide)
  - Actual Need within the next five (5) years
    - Advisory Circular 150/5070-6, *Airport Master Plan*
  - Project Scope is Appropriate
    - FAA Order 5100.39, *Airport Capital Improvement Plan*



# Questions?

