

# Briefings

A publication of the Airport Technical Assistance Program of the Center for Transportation Studies at the University of Minnesota

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## Moving your airport project up the FAA funding priority list

Do you have projects on your Airports Capital Improvement Plan (ACIP) that have yet to be realized? By using FAA nonprimary entitlement funds, coupled with new Bipartisan Infrastructure Law (BIL) funding, you can open key opportunities for your general aviation airport and move these projects forward.

To help you determine which program provides the best opportunities for your airport and how to maximize potential funding, we've put together an overview of the funding sources along with examples of how they might work for your project.

### AIP background and entitlement funds

The FAA provides funding support through the Airport Improvement Program (AIP) to public-use airports included in the National Plan of Integrated Airport Systems (NPIAS). The amount of funding provided to each airport depends on the airport classification within the NPIAS report and is explained further in the *AIP Handbook*. The ACIP emphasizes using AIP funding on the highest priority projects as required by statute (49 U.S.C. § 47120 and § 47115(d)(2)).

The FAA makes investment decisions using structured selection and eligibility criteria to determine the most critical airport development needs within AIP funding limits set by Congress through its authorization and appropriation processes. To determine a project's priority rating, the FAA uses the National Priority System (NPS)—a quantitative measure used for ranking project importance based on the project and airport type. Through the NPS equation, a rating is given to each airport project. The resulting score, between 1 and 100, categorizes airport development according to FAA goals and objectives. The NPS is described in greater detail in *FAA Order 5090.5, Formulation of the NPIAS and ACIP*.



In general terms, the further projects are located from the runway, the less of a priority they are to fund through the AIP. The project ranking system starts with safety-related projects, runways, and taxiways. Aprons, taxilanes, snow removal equipment, buildings, parking lots, and access roads are lower on the priority list.

Through the AIP, most general aviation airports receive \$150,000 of entitlement funds to use towards the federal portion of eligible and justified airport projects. These funds can be banked for up to four years for a total of \$600,000. This funding amount has been the same for more than 20 years. As project costs and labor expenses continue to rise, this amount fails to cover project costs in the same way it has previously. Most general aviation airport sponsors have focused on pavement maintenance and safety-critical areas and so have not maintained arrival/departure buildings, parking lots, access roads, or existing hangars or constructed new hangars to support demand and revenue generation at the airport.

### New BIL funding opportunities through AIG funds

The passage of the new infrastructure law (BIL) in November 2021 provided the FAA with an additional \$15 billion for airport infrastructure projects in

FFY 2022–2026, which allows airport sponsors to receive additional federal funding. The amount provided to each airport annually is based again on the airport classification in the NPIAS report and can vary over the five years the funding is available. The money airport sponsors receive from the FAA will double over the next five years with the addition of this funding source. Airport sponsors who typically receive \$150,000 per year to be used on 90 percent of eligible and justified projects now have \$110,000, \$159,000, or even \$295,000 in additional federal funds, depending on the airport category.

Similar to AIP funding, AIG funds can accrue over the next four years. The AIG funds' life cycle, provided by the FAA, is shown in the table below:

AIG funds life cycle	
Fiscal year funds are first made available:	Funds must be obligated (under grant) by:
2022	September 30, 2025
2023	September 30, 2026
2024	September 30, 2027
2025	September 30, 2028
2026	September 30, 2029

Funding continued on page 3

# An airport's story: Faribault Municipal Airport Liz Wall Strohfus Field

Summer was just winding down in late September 2018 when a line of strong storms swept across southeastern Minnesota. Among the hardest-hit places was the Faribault municipal airport, which was struck by a category EF2 tornado hundreds of yards wide.

Located 50 miles south of the Twin Cities off I-35 between Northfield and Owatonna, Faribault is a community of almost 24,000. Its airport houses fixed-base operator Quality Aviation, an arrival/departure building, a maintenance hangar, city-owned T-hangars, and several private hangars. Operations on-site include a medical air ambulance service, a rare aircraft restoration outfit, an avionics company, and a glider operation.

The airport was originally located on the east side of town when it began operations in 1947. Faribault public works director Travis Block says the desire for an asphalt runway precipitated the airport's move to the northwest part of the city sometime in the 1970s.

That upgrade resulted in "a lot of activity here, with aircraft constantly coming and going," says Block. "Our airport sees a real mixture of traffic, especially for one of its size." In addition to the asphalt runway, the airport also has a turf strip.

According to Quality Aviation, there are about a hundred flights in to and out of Faribault every week. "About a third of those flights involve a medical helicopter," says Quality Aviation executive assistant Michelle Duffney. "Most of the traffic is privately owned for pleasure, but we do have jets that come in and out of Faribault for business about five to six times per week. We also have quite a few planes that fly in for St. Olaf and Carleton Colleges and Shattuck-Saint Mary's."

The airport's ties to the community run deep. One of the airport's board members has been serving since 1976, Block says. And in 2017, the airport was renamed Faribault Municipal Airport Liz Wall Strohfus Field in honor of the local World War II veteran and women's aviation pioneer. A



*The heavily damaged maintenance hangar*

member of the Women's Air Force Service Pilots (WASPs), Strohfus helped get WASPs recognized as veterans and received approval for their burial at Arlington National Cemetery.

So when the tornado struck in 2018, the community wanted nothing more than to rebuild its airport and get operations back off the ground. Of the public structures, the arrival/departure building, maintenance hangar, and several smaller hangars sustained the most damage. Quality Aviation was wiped out. Dozens of airplanes were damaged or destroyed when hangars collapsed on them or they were tossed around by winds that ranged from 111 to 135 mph. Sheet metal was twisted and wrapped around trees and power poles.

"The tornado was a huge learning curve," Block says, adding that patience with the process was critical. When the team's first idea on how to restore the airport was not financially feasible, it had to go back to the drawing board.

"We were underinsured and had to figure



*The A/D building, attached to the maintenance hangar, was also badly damaged.*



*Inside the rebuilt maintenance hangar*

out how to rebuild. We ended up using a combination of funds from insurance, HESM/FEMA, and MnDOT," he says. "Collaboration was key—everyone worked together to get it done."

Costing a total of \$2.7 million (\$1.9 million for the maintenance hangar and \$800,000 for re-siding the remainder of the publicly owned buildings), the rebuild began in 2019 and was completed in November 2020.

Block says the storm "turned out to be a blessing in disguise because we were able to get a larger maintenance hangar—a really beautiful and functional building. The person who helped design and build it is a pilot, so there is no wasted space."

The airport is now focused on the future and looking into extending its main runway, which would accommodate larger and different classifications of aircraft.

"The storm put a pause on things," Block says. "But we rebounded with a lot of perseverance and patience."



*Looking out from the rebuilt A/D building*

AirTAP was developed through the joint efforts of the Minnesota Department of Transportation, the Minnesota Council of Airports, and the Center for Transportation Studies (CTS). AirTAP is housed within CTS at:

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The BIL funding received will be distributed through an AIG. The grants can be used for airport-related projects as defined under the existing AIP eligibility criteria. Like AIP projects, the projects must appear on an Airport Layout Plan and have a National Environmental Policy Act environmental review completed.

### Bringing AIP and AIG together to maximize funding potential

AIG for eligible projects cover 90 percent of the eligible costs by the FAA, with 10 percent covered by the airport sponsor. AIP funds are covered 90 percent by the FAA, 5 percent by the State of Minnesota, and 5 percent by the airport sponsor. The state and local funding splits for AIP and AIG vary by state. With this unique funding opportunity, the main challenge will be securing the increased local share for AIG funds needed (10 percent, compared to the typical 5 percent in Minnesota) to fund airport projects through this program.

Both sources can be used on one project, but there must be separate grants written due to the source of funding available. It is important for airport sponsors to reach out to their FAA Airport District Office (ADO) program manager to discuss their plan to use both sources on one project. The different sources can fund separate usable units of work, or they can be used to fund a percentage of a project as outlined in *FAA Program Guidance Letter 22-02: Grant Proration Alternative*.

Reevaluating your priority list in your ACIP will help determine which funding source to obligate for each project. For example, if your pavement maintenance is up to date for the next three years, you can obligate funding to construct a new box hangar or a portion of a T-hangar instead.

Here is one example of how AIG and AIP funding can be maximized for a project.

**T-hangar construction:** T-hangar costs are at an all-time high. Most 8- to 10-unit T-hangars range from \$1 million to \$1.5 million for construction at the low end. Covering the federal share of the project with AIP or AIG funds takes creativity, often leveraging the opportunity to borrow AIP funds from other Minnesota airport sponsors. (Note: You cannot borrow AIG funds from other airport sponsors at this time.) A T-hangar project costing \$1.2 million needs \$1,080,000 of federal AIP or AIG funding to complete. AIP funds can be banked up to four years, for a total of \$600,000. That leaves \$480,000 of federal funding needed for the project. Here are some options for airport sponsors to fill the gap:

1. Borrow \$480,000 of AIP funding from one or more Minnesota airport sponsors not completing an AIP project in the year funding is needed. The airport sponsor would need to pay back the airport(s) over the next four years if or when entitlement funds are allocated and appropriated each year.
2. Bank or obligate a little over three years' worth of AIG funds to put towards the T-hangar project (if the airport sponsor receives \$159,000 of AIG funds each year). AIG funds could be used for distinct units of work for the T-hangar project, such as design

and construction administration, site preparation, or construction of the building. AIG project costs are reimbursable, so you could pay for an entire project and then continue to reimburse the federal portion through AIG funding as it becomes available each year.

3. Work with your ADO program manager to determine a percentage of the project that will be funded through AIG funds and agree to the remaining percentage of the project being funded through another source, such as AIP funds.
4. The \$480,000 gap could also be funded 100 percent by the local community or other sponsor funds.

This once-in-a-lifetime funding source enables additional opportunities for projects that have historically been challenging to fund. For example, an airport sponsor could build a box hangar or terminal building with multiple years of AIG while banking AIP funds to use towards taxiway reconstruction. In this way, airports can reach lower priority projects with AIG even while they have airside needs to address. Maximizing these new sources provides the opportunity to plan for upcoming high-priority needs at your airport while exploring opportunities to fund projects not previously attainable.



### Is your airport ready for winter?

Planning for snow and ice control at your airport is critical to safe operations. As a Minnesota airport operator, you know you need to be ready to not only manage the snow and ice, but also keep airport users informed about conditions that might change quickly. AirTAP provides best practices, resources, guides, and tools to help you prepare for the coming winter season. For more information, visit the Airport Manager Resources on the website and click on the Snow and Ice section at [airtap.umn.edu/guide/operations](http://airtap.umn.edu/guide/operations).

### Winter webinars coming in 2023

AirTAP will be partnering with MnDOT and the FAA to offer four webinars in early 2023. MnDOT will present "Introduction of No-Lead Fuels to General Aviation" and "Airport Reimbursements: Request for Funds, Process Improvement, and Different Types of Money Available to Airports," and the FAA will present "Buy American, Build American" and "Improving Communication Prior to Construction on Airfield Projects."

Details will be available soon at [www.airtap.umn.edu/events](http://www.airtap.umn.edu/events).

# MnDOT updates

## Deadlines

Reminder: December 31 is the deadline for submitting grant requests for SFY23 state-funded-only grant offers.

## New project prioritization policy

MnDOT's new project selection policy went into effect November 1, 2022. The policy aims to 1) advance the Minnesota GO Vision and Statewide Multimodal Transportation Plan objective of open decision making, 2) increase transparency and public understanding of MnDOT's project selection processes, 3) implement recommendations from the 2016 Office of the Legislative Auditor's evaluation report, *MnDOT Highway Project Selection*, and 4) comply with the requirements of MN Laws 2017, first special session ch. 3, article 3, sec. 124; and MN Laws 2021, first special session ch. 5, article 4, sec. 134.

Moving forward, MnDOT will use objective and transparent processes to evaluate, prioritize, and select all Aeronautics-funded capital projects, award grants for capital projects, and allocate funding or resources for capital projects, including general obligation bonds. This means the traditional "Green Line" project identification and selection process will change to align with legislative law and policy direction; this will be shared as part of the State Aviation System Plan outreach.

For more information, contact Kirby Becker at [kirby.becker@state.mn.us](mailto:kirby.becker@state.mn.us).

## Credit applications

MnDOT Aeronautics has implemented an improved credit application process to better facilitate prompt payment on all federal and state credit applications (excluding M&O).

To ensure proper tracking of incoming credit applications, airport sponsors must submit their requests electronically to

[airportdevelopment@state.mn.us](mailto:airportdevelopment@state.mn.us) and include their airport ID code in the subject line.

## Clarification of 16 A/C as it relates to federal grants

The MnDOT Office of Chief Counsel has determined that the language "Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work" is erroneous and should not be included in the state companion grant agreements. MnDOT will be working to remove it from the template for future agreements—and for already executed state companion agreements, the language is invalid. As a result, work can begin before execution of state companion grant agreements and will not result in a 16 A/C violation. Additionally, MnDOT cannot process any reimbursement requests for federal or state components of a project until the state companion grant agreement

is fully executed; it will reimburse according to FAA's rules for work already completed. For more information, contact Kirby Becker at [kirby.becker@state.mn.us](mailto:kirby.becker@state.mn.us).

## Runway marking contract

The State Runway Markings Contract covers all paved public-owned airports in the state of Minnesota. This contract requires that marking application is up to FAA AC 150/5340-1 specifications. Part 139 airports are repainted yearly, and the rest are completed every four years. If an airport has a pavement project, then paint should be completed as a part of it. Otherwise, the state handles re-marking based on the reoccurring schedule. When an airport is due for paint, the state contractor will work directly with the airport manager to schedule and safely apply paint at a given site. If there are any concerns when it comes to markings at an airport, contact Nate Sievert at [nathaniel.sievert@state.mn.us](mailto:nathaniel.sievert@state.mn.us).

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