

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: April 2, 2008
TO: Members of the Michigan Senate
FROM: Bill Bowerman, Chief Analyst
RE: Update on Federal Funding for Airport Improvement Programs

The FY 2007-08 Capital Outlay Budget, which passed the Senate and is now before the House of Representatives, includes \$183.2 million for the State's Airport Improvement Program. Of that amount, \$162.9 million is Federal funds (Federal Aviation Administration), \$15.2 million is local match, and \$5.1 million is from the State Aeronautics Fund. The Governor's FY 2007-08 proposed budget would support 105 airport improvement and maintenance projects throughout the State. In recent years, the Capital Outlay appropriation bill has not been enacted concurrently with other budget bills. The FY 2003-04 Capital Outlay budget was enacted on November 10, 2003; the FY 2004-05 Capital Outlay budget was enacted on April 28, 2005; the FY 2005-06 Capital Outlay budget was enacted on December 20, 2005, and the Aeronautics portion of the FY 2006-07 Capital Outlay Budget was enacted on March 19, 2007. While these delays result in lost economic opportunity in various capital outlay construction projects for several departments, this memo focuses on the impact that the delayed appropriation has on the Airport Improvement Program.

Airport Improvement Program

Federal funds for airport improvement projects are usually distributed between April and June. In a "normal" year, appropriations would be enacted before the beginning of the Fiscal Year (October 1). The bidding process would take place during December, January, and February. Review and approval (State/Local/Federal) would occur before April, enabling construction to begin sometime in April.

The Michigan Department of Transportation (MDOT) has commenced the bidding process for FY 2007-08 in order to complete as much preparation work as possible to facilitate processing bids subsequent to enactment of the appropriation bill. The bidding process takes several weeks and MDOT hopes to open and award bids on May 6, 2008. MDOT will not be able to award bids prior to the enactment of the appropriation bill. After the bids are awarded, it may take from 30 to 90 days to process awarded bids (State/Local/Federal review and approval). Assuming that bids are opened and awarded by May 6, 2008, actual construction would begin by late June or early August 2008, instead of April 2008. For major projects that require an entire construction season (April through November) to complete, the shortened construction season will delay projects until 2009. Further delay in the appropriation could jeopardize the entire FY 2007-08 construction season. Another complicating factor is that U.S. Congress has been unable to agree on a reauthorization of the Federal Aviation Program, therefore Congress authorized a partial year extension of the current Federal Program. Under that extension, Federal funds must be obligated by June 30, 2008, or they become unavailable. (Note: It is likely that if no agreement is reached on reauthorization the Congress will again extend the program.)

Based on the above, the MDOT believes that May 1, 2008 is the latest practical date for the State to enact the appropriation for the Airport Improvement Program in order to move the entire State Airport Improvement Program forward in FY 2007-08. Local airport officials believe this date should be earlier (April 15, 2008) to give MDOT a reasonable amount of time to process projects.

The delay in construction projects results in lost economic opportunity. The MDOT estimates that approximately 60.0% of Federal funding for airports goes toward salaries and wages. Also, delays result in increased costs due to inflation. Attachment A includes a listing of projects included in the FY 2007-08 Airport Improvement Program.

Federal Discretionary Funds

A portion of the Federal allocation includes discretionary funding that Michigan competes for with other states. The MDOT currently estimates that Michigan is eligible for approximately \$56 million in Federal discretionary funding in FY 2007-08. According to the MDOT, if the Department does not have appropriation authorization for eligible projects, the Federal Regional Office could choose to distribute the discretionary funds to other states that have projects ready to go. While there has been much discussion as to what the "drop dead" date is for having discretionary projects ready to go, no exact time table exists. The bottom line is that if the Federal government is ready to allocate funding and Michigan does not have its projects approved, other states could get this funding. That includes states within the Great Lakes Region, and other states on a nationwide basis.

I hope the above has been helpful in describing current issues related to the Airport Improvement Program. Please let me know if you have any questions.

/py
Attachment

c: Gary S. Olson, Director
Ellen Jeffries, Deputy Director

PROPOSED CAPITAL OUTLAY ACT - 2008MICHIGAN DEPARTMENT OF TRANSPORTATION
AERONAUTICS AND FREIGHT SERVICES BUREAU - AIRPORTS DIVISION

February 21, 2008

AIRPORT IMPROVEMENT PROGRAM

CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
ADRIAN Lenawee County Airport	Expand west apron	\$150,000	\$3,947	\$3,948	\$157,895
ALLEGAN Padgham Field	Animal control/security fencing - phase I	\$150,000	\$3,947	\$3,948	\$157,895
ALMA Gratiot Community Airport	PAPIs, SRE loader	\$150,000	\$3,947	\$3,948	\$157,895
ALPENA Alpena County Regional Airport	Ground Level Loading Bridge	\$760,000	\$20,000	\$20,000	\$800,000
	ARFF Engine	\$285,000	\$7,500	\$7,500	\$300,000
	ARFF Rescue	\$152,000	\$4,000	\$4,000	\$160,000
ANN ARBOR Ann Arbor Municipal	Rehab existing access road, terminal parking lot expansion	\$150,000	\$3,947	\$3,948	\$157,895
ATLANTA Atlanta Municipal Airport	Fencing	\$150,000	\$3,947	\$3,948	\$157,895
BAD AXE Huron County Memorial Airport	EA and design for parallel taxiway A	\$150,000	\$3,947	\$3,948	\$157,895
BARAGA New Airport	Land acquisition	\$0	\$675,000	\$75,000	\$750,000
BATTLE CREEK W.K. Kellogg Airport	Construct new runway and parallel taxiway (phase I) including MIRL, MITL, PAPIs, REILs & new vault; remove Maintenance/SRE facilities (phase I)	\$1,915,200	\$50,400	\$50,400	\$2,016,000
BAY CITY James Clements Airport	10-unit t-hangar	\$150,000	\$3,947	\$3,948	\$157,895
BELLAIRE Antrim County Airport	Rehab taxiways	\$150,000	\$3,947	\$3,948	\$157,895

Attachment A

CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
BENTON HARBOR Southwest Michigan Regional Airport	Design rwy and twy extension for rwy 9/27 and Sand Creek culvert, wetland mitigation design, shift & extend rwy 9/27 & twy to provide RSA phase I, wetland mitigation, Phase I aviation easements, tree clearing	\$4,607,500	\$121,250	\$121,250	\$4,850,000
BIG RAPIDS Roben-Hood Airport	Taxiway hangar area	\$150,000	\$3,947	\$3,948	\$157,895
CADILLAC Wexford County Airport	Rehab terminal apron	\$150,000	\$3,947	\$3,948	\$157,895
CARO Tuscola Area/Caro Municipal Airport	Install MITL on parallel taxiway, new windcone & segmented circle	\$150,000	\$3,947	\$3,948	\$157,895
CASEVILLE	ALP update	\$0	\$0	\$0	\$0
CHARLEVOIX Charlevoix Municipal Airport	Expand apron - 600 syd Parking lot phase II & Apron phase II	\$308,750 \$902,500	\$8,125 \$23,750	\$8,125 \$23,750	\$325,000 \$950,000
CHARLOTTE Fitch H. Beach Airport	EA & preliminary engineering for new runway	\$150,000	\$3,947	\$3,948	\$157,895
CHEBOYGAN Cheboygan County Airport	Realign, extend, pave & light runway 16/34 phase I	\$150,000	\$3,947	\$3,948	\$157,895
CLARE Clare Municipal Airport	Terminal area fencing, PAPI for rwy 4, design t-hangar and site work	\$150,000	\$3,947	\$3,948	\$157,895
COLDWATER Branch County Airport	Extend parallel taxiway to runway 4 phase I	\$150,000	\$3,947	\$3,948	\$157,895
DETROIT Detroit City Airport	T-hangar site prep and taxi streets	\$1,477,369	\$38,878	\$38,878	\$1,555,125

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
DETROIT	LOI	\$14,164,500	\$0	\$4,721,500	\$18,886,000
Detroit Metropolitan-Wayne County Airport	Reconstruct Twy K & Apron portion	\$13,431,750	\$0	\$4,477,250	\$17,909,000
	Reconstruct Twy V	\$7,713,716	\$0	\$2,458,778	\$10,172,494
DETROIT	RSA Improvements - Rwy 5R, 5L & 9R, Road relocation & Floodplain mitigator	\$6,080,000	\$160,000	\$160,000	\$6,400,000
Willow Run Airport	RSA Airfield Elect System Rwy 5R MALSR and 23L localizer	\$712,500	\$18,750	\$18,750	\$750,000
	RSA Airfield Elect System Rwy 5R/23L HIRL and Twy C MITL	\$760,000	\$20,000	\$20,000	\$800,000
	RSA Improvements - Twy A removal	\$237,500	\$6,250	\$6,250	\$250,000
	RSA Improvements - Rwy 9L	\$855,000	\$22,500	\$22,500	\$900,000
	Noise Mitigation	\$499,700	\$13,150	\$13,150	\$526,000
	GA East Apron Expansion	\$964,250	\$25,375	\$25,375	\$1,015,000
	Airfield Backup Generator	\$285,000	\$7,500	\$7,500	\$300,000
DOWAGIAC	Existing pavement rehab & new taxi streets	\$150,000	\$3,947	\$3,948	\$157,895
Cass County Airport					
DRUMMOND ISLAND	Land acquisition	\$150,000	\$3,947	\$3,948	\$157,895
Drummond Island Airport					
EAST TAWAS	SRE phase 2	\$0	\$0	\$0	\$0
East Tawas Iosco County					
ESCANABA	T-hangar	\$399,000	\$10,500	\$10,500	\$420,000
Delta County Airport					
EVART	New apron construction	\$150,000	\$3,947	\$3,948	\$157,895
Ewart Municipal Airport					
FLINT	Intermodal Parking Development	\$5,225,000	\$137,500	\$137,500	\$5,500,000
Bishop International Airport					
FRANKFORT	Approach clearing for runway 15/33	\$150,000	\$3,947	\$3,948	\$157,895
Dow Memorial Airport					
FREMONT	EA and design for parallel taxiway to runway 18/36	\$150,000	\$3,947	\$3,948	\$157,895
Fremont Municipal Airport					

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
GAYLORD Otsego County Airport	SRE building expansion	\$150,000	\$3,947	\$3,948	\$157,895
GLADWIN Gladwin Zettal Memorial Airport	NDB rehab, AWOS	\$150,000	\$3,947	\$3,948	\$157,895
GRAND HAVEN Grand Haven Memorial Airpark	Hangar taxistreets, design of corporate hangar	\$150,000	\$3,947	\$3,948	\$157,895
GRAND LEDGE Abrams Municipal	Land acquisition for west RPZ	\$150,000	\$3,947	\$3,948	\$157,895
GRAND RAPIDS Gerald R. Ford International	Rehab Ramp & Relocate Twy E Design Terminal Improvements	\$7,608,550 \$1,615,000	\$200,225 \$42,500	\$200,225 \$42,500	\$8,009,000 \$1,700,000
GRAYLING Grayling Army Airfield	Construct access road and parking lot phase I	\$150,000	\$3,947	\$3,948	\$157,895
GREENVILLE Greenville Municipal Airport	Land acquisition	\$150,000	\$3,947	\$3,948	\$157,895
GROSSE ILE Grosse Ile Municipal Airport	Design of rehab of taxiways C, E, F, MITLs, and paved shoulders	\$150,000	\$3,947	\$3,948	\$157,895
HANCOCK Houghton County Memorial	Design of Terminal Expansion Rehab/Relocate Entrance Road GA apron rehabilitation Rehab Taxistreets	\$617,500 \$1,301,500 \$648,850 \$120,650	\$16,250 \$34,250 \$17,075 \$3,175	\$16,250 \$34,250 \$17,075 \$3,175	\$650,000 \$1,370,000 \$683,000 \$127,000
HARBOR SPRINGS Harbor Springs Municipal Airport	Apron expansion phase I	\$0	\$0	\$0	\$0
HART- SHELBY Oceana County	Land acquisition phase I	\$150,000	\$3,947	\$3,948	\$157,895
HASTINGS Hastings City / Barry County Airport	Runway 18/36 RSA improvements - phase I	\$150,000	\$3,947	\$3,948	\$157,895

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
HILLSDALE Hillsdale Municipal Airport	Wetland mitigation and bury powerlines	\$464,360	\$12,220	\$12,220	\$488,800
HOLLAND Tulip City Airport	Land for terminal area improvements-phase I	\$150,000	\$3,947	\$3,948	\$157,895
HOUGHTON LAKE Roscommon County Airport	Extend and light parallel runway 27	\$150,000	\$3,947	\$3,948	\$157,895
HOWELL Livingston County Airport	Land acquisition - avigation easement NW approach	\$150,000	\$3,947	\$3,948	\$157,895
IONIA Ionia County Airport	Install AWOS	\$150,000	\$3,947	\$3,948	\$157,895
IRON MOUNTAIN Ford Airport	Design east apron rehabilitation, minor fencing, drainage improvements	\$150,000	\$3,947	\$3,948	\$157,895
IRONWOOD Gogebic - Iron County Wisconsin Airport	Design of new comm service terminal building Construct new comm service terminal building phase I	\$150,000 \$0	\$3,947 \$494,840	\$3,948 \$54,982	\$157,895 \$549,822
JACKSON Jackson County - Reynolds Field	Property acquisition	\$2,850,000	\$75,000	\$75,000	\$3,000,000
KALAMAZOO Kalamazoo/Battle Creek International Airport	Terminal phase II - Multi-year	\$6,365,000	\$167,500	\$167,500	\$6,700,000
LAKEVIEW Lakeview - Griffith Field	Design SE hangar area taxi streets and entrance road. SE hangar area grading	\$150,000	\$3,947	\$3,948	\$157,895
LAMBERTVILLE Toledo-Suburban Airport	N/S Taxiway and apron reconstruction	\$0	\$337,500	\$37,500	\$375,000
LANSING Capital City Airport	Extend Rwy 28L 500 ft Phase II Acquire/Install/Relocate four loading bridges Construct Twy to East Ramp Land Acquisition	\$4,750,000 \$1,092,500 \$380,190 \$2,375,000	\$125,000 \$28,750 \$10,005 \$62,500	\$125,000 \$28,750 \$10,005 \$62,500	\$5,000,000 \$1,150,000 \$400,200 \$2,500,000

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
LAPEER DuPont Lapeer Airport	Rehab and reconstruct taxistreets	\$150,000	\$3,947	\$3,948	\$157,895
LINDEN Price Airport	New terminal building	\$0	\$250,469	\$27,830	\$278,299
LUDINGTON Mason County Airport	Rehab runway lighting & signs for runway 7/25	\$150,000	\$3,947	\$3,948	\$157,895
MACKINAC ISLAND Mackinac Island Airport	Perimeter fencing, Design runway 8/26 and taxiway rehab	\$150,000	\$3,947	\$3,948	\$157,895
MANISTEE Manistee County Airport	SRE sweeper	\$150,000	\$3,947	\$3,948	\$157,895
MANISTIQUE Schoolcraft County Airport	Rehab apron and connecting taxiway	\$150,000	\$3,947	\$3,948	\$157,895
MARLETTE Marlette Township Airport	Rehab runway 1/19 phase I	\$150,000	\$3,947	\$3,948	\$157,895
MARQUETTE Sawyer Airport	Utility improvements for 600-series hangars and passenger terminal building	\$3,800,000	\$100,000	\$100,000	\$4,000,000
	SRE	\$475,000	\$12,500	\$12,500	\$500,000
	Pavement Rehab Rwy Slab	\$380,000	\$10,000	\$10,000	\$400,000
	Upgrade airfield lighting phase 2	\$712,500	\$18,750	\$18,750	\$750,000
	ARFF vehicle	\$712,500	\$18,750	\$18,750	\$750,000
MARSHALL Brooks Field	EA for runway 10/28 extension, perimeter fencing	\$150,000	\$3,947	\$3,948	\$157,895
MASON Mason Jewett Field	Construct taxistreet #8	\$150,000	\$3,947	\$3,948	\$157,895
MENOMINEE Menominee - Marinette Twin City Airport	Rehab taxistreets, crack seal taxiways A, B, E, and F	\$150,000	\$3,947	\$3,948	\$157,895

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
MIDLAND Jack Barstow Airport	SRE	\$150,000	\$3,947	\$3,948	\$157,895
MIO Oscoda County	Land acquisition - avigation easements	\$150,000	\$3,947	\$3,948	\$157,895
MISC. TRAINING	Training of MDOT personnel to perform FAA functions	\$10,000	\$0	\$0	\$10,000
MONROE Custer Airport	Rehab entrance road	\$150,000	\$3,947	\$3,948	\$157,895
MOUNT PLEASANT Mt. Pleasant Municipal Airport	Terminal building expansion	\$150,000	\$3,947	\$3,948	\$157,895
MUSKEGON Muskegon County Airport	SRE	\$570,000	\$15,000	\$15,000	\$600,000
	Apron rehab and expansion	\$1,710,000	\$45,000	\$45,000	\$1,800,000
	Master Plan update	\$237,500	\$6,250	\$6,250	\$250,000
NEW HUDSON Oakland - Southwest Airport	Land Acquisition and avigation easements	\$150,000	\$3,947	\$3,948	\$157,895
NEWBERRY Luce County Airport	Expand fuel farm	\$150,000	\$3,947	\$3,948	\$157,895
NILES Jerry Tyler Memorial Airport	Animal control/security fencing	\$150,000	\$3,947	\$3,948	\$157,895
ONTONAGON Ontonagon County Airport	Clearing & grubbing for wildlife habitat removal - phase II	\$150,000	\$3,947	\$3,948	\$157,895
OSCODA Wurtsmith Airport	GA hangar apron, phase I	\$150,000	\$3,947	\$3,948	\$157,895
OWOSSO Owosso Community Airport	T-hangar construction	\$150,000	\$3,947	\$3,948	\$157,895

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
PARADISE New Airport	Land acquisition	\$0	\$0	\$0	\$0
PELLSTON Pellston Regional Airport	Emergency Generator Tennant Access Rd - PhII	\$95,000 \$992,750	\$2,500 \$26,125	\$2,500 \$26,125	\$100,000 \$1,045,000
PLAINWELL Plainwell Municipal	Approach 27 clearing, land acquisition	\$0	\$0	\$0	\$0
PLYMOUTH Canton-Plymouth-Mettetal Airport	Hangar construction	\$150,000	\$3,947	\$3,948	\$157,895
POINTE AUX PINS Bois Blanc Island	Land acquisition, clearing and grubbing for Part 77	\$665,000	\$17,500	\$17,500	\$700,000
PONTIAC Oakland County International Airport	Extend runway 9R, parallel taxiway & hold apron, relocate perimeter road west end, relocate MALSR & ILS glide slope, RSA and land balancing 9R & 9L	\$3,531,150	\$92,925	\$92,925	\$3,717,000
PORT HURON St. Clair County Int'l	ALP and Exhibit A update, design drainage improvements for runway 4/22	\$150,000	\$3,947	\$3,948	\$157,895
ROGERS CITY Presque Isle County / Rogers City Airport	Fuel farm	\$150,000	\$3,947	\$3,948	\$157,895
ROMEO Romeo State Airport	Develop southwest t-hangar area phase II	\$4,495,875	\$118,313	\$118,313	\$4,732,500
SAGINAW Harry W. Browne	Rehab runway 5/23 and construct partial parallel taxiway F - phase I	\$150,000	\$3,947	\$3,948	\$157,895
SAGINAW MBS International Airport	Construct new terminal - phase II	\$38,000,000	\$1,000,000	\$1,000,000	\$40,000,000

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CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
SAINT IGNACE Mackinac County Airport	Fuel farm	\$150,000	\$3,947	\$3,948	\$157,895
SAINT JAMES Beaver Island Airport	GA terminal apron	\$150,000	\$3,947	\$3,948	\$157,895
SANDUSKY Sandusky City Airport	EA for runway 9/27 extension, relocate terminal building	\$150,000	\$3,947	\$3,948	\$157,895
SAULT STE. MARIE Chippewa County International	SRE loader & grader	\$433,200	\$11,400	\$11,400	\$456,000
	Design - Reactivate 1799 ft of Rwy 34, Twys C & E, Elect Vault/Gen	\$116,565	\$3,068	\$3,068	\$122,700
	Rehab Twys C & E	\$570,000	\$15,000	\$15,000	\$600,000
	Backup generator for airfield lighting	\$311,600	\$8,200	\$8,200	\$328,000
SAULT STE. MARIE Sanderson	SRE	\$0	\$0	\$0	\$0
SOUTH HAVEN South Haven Area Regional Airport	Snow removal equipment building	\$150,000	\$3,947	\$3,948	\$157,895
SPARTA Sparta Airport	Construct parallel taxiway to runway 7/25 phase I	\$150,000	\$3,947	\$3,948	\$157,895
STATEWIDE various sites	Airport inspections, ARFF Training, crack sealing, paint marking, wire marking, runway markers, wind socks, AWOS systems	\$0	\$0	\$0	\$0
STURGIS Kirsch Municipal Airport	Fill and grade north RSA	\$150,000	\$3,947	\$3,948	\$157,895
THREE RIVERS Three Rivers Municipal / Dr. Haines Airport	Rehab and widen runway 9/27 phase I	\$150,000	\$3,947	\$3,948	\$157,895
THOMPSONVILLE	SRE - plow truck	\$0	\$0	\$0	\$0

Attachment A

CITY	DESCRIPTION	FEDERAL	STATE	LOCAL	TOTAL
TRAVERSE CITY	Perimeter Road	\$760,000	\$20,000	\$20,000	\$800,000
Cherry Capital Airport	Land Rwy 36 Approach	\$779,000	\$20,500	\$20,500	\$820,000
	Demo ARFF bldg, Relocate Blast Wall	\$285,000	\$7,500	\$7,500	\$300,000
	SRE sweeper	\$446,500	\$11,750	\$11,750	\$470,000
TROY	Security access control system	\$150,000	\$3,947	\$3,948	\$157,895
Oakland - Troy Airport					
WEST BRANCH	RSA improvements, paint marking, crack sealing	\$150,000	\$3,947	\$3,948	\$157,895
West Branch Community Airport					
WHITE CLOUD	Runway 18 extension	\$653,125	\$17,187	\$17,188	\$687,500
White Cloud Airport					
AIRPORT IMPROVEMENT PROGRAM TOTAL =		\$162,867,600	\$5,114,300	\$15,209,400	\$183,191,300
Source of State Funds:	Aeronautics Fund		\$5,114,300		