

T Transportation Committee

Meeting date: January 26, 2008

Council meeting February 11, 2009

Date:	January 21, 2009
Subject:	2009 Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP) Review
District(s), Member(s):	All
Policy/Legal Reference:	MS 473.145, 473.165, 473.621 Sd. 6&7
Staff Prepared/Presented:	Arlene McCarthy, Director MTS (651-602-1754) Amy Vennewitz, Dep. Dir. Finance & Planning (651-602-1058) Connie Kozlak, Mgr. Transportation Planning (651-602-1720) Chauncey Case, Senior Planner (651-602-1724)
Division/Department:	Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council:

- 1) Finds the Metropolitan Airports Commission (MAC) has an adequate public participation process for development and review of its 2009 Capital Improvement Program (CIP),
- 2) Finds the 2009 CIP projects have adequate funding and are in conformance with the region's Aviation System Plan and consistent with Council policy; and,
- 3) Approves the following projects: MSP Taxiway C/D Complex, the Runway 12L/30R reconstruction, and the Flying Cloud Airport Runway 10R/28L construction.

Background

Under its statutory authority the Council reviews the MAC annual CIP and:

- Determines adequacy of public participation in the CIP process;
- Reviews and comments on all projects for consistency with regional policy and plans, and
- Approves projects meeting "significant effects" criteria.

The MAC approved the 2009 Capital Improvement Program at its December 15, 2008 meeting for review by the Council. The CIP includes \$127,115,000 for 2009 projects, \$852,545,400 for projects from 2010 through 2015, with a total of almost \$980 million overall. Implementation of the proposed MSP 2020 plan continues to be deferred, given the economic uncertainties and resulting status of the airline industry.

Rationale

Annual oversight review is authorized to meet state and federal financial and plan consistency requirements and to ensure that project costs or changes in scope are responsive to system needs and conditions.

Funding

No funding implications for the Council. The MAC has identified federal, state and local funding sources for all of its 2009 CIP projects including \$110 million available in contingency funding.

Known Support / Opposition

On January 21, 2009 the TAB is expected to take action on this CIP. The CIP is supported by MAC and airport users; there is no known opposition.

REVIEW FINDINGS:

Findings for the various review categories are discussed below.

1) Adequacy of public participation in CIP review process: Under state law the Council must make a determination as to adequacy of the process for public participation in the MAC capital improvement program. The 2009 capital improvement review process involved numerous scheduled meetings, public notices and hearings for discussion of the projects. The process included distribution of financial and environmental information that was both mailed and made available electronically. Potential cumulative environmental effects of the proposed projects were the subject of a public hearing and comments were responded to by the Commission. These actions are consistent with 2030 TPP Policy 6 *Public Participation in Transportation Planning and Investment Decisions* and Policy 23 *Agency and Public Coordination*.

Finding: The MAC has conducted an adequate public participation process for development and review of its Capital Improvement Program.

2) Review and Comment on all 2009 CIP Projects:

The Council reviews and comments on consistency of all CIP projects at the MAC airports with airport plans, with the Council's Metropolitan Development Guide and other regional systems, and with local plans. Most of the projects proposed in the CIP are on-site and involve general maintenance, service upgrades, operational improvements, and efforts to meet environmental and safety requirements (see Appendix A). Consideration of these elements is consistent with 2030 TPP Policy 19 *Aviation and the Region's Economy*, Policy 21 *Consistency with Federal and State Plans/Programs*, Policy 22 *Airport Development Plans*, and Policy 25 *Airports and Land Use Compatibility*.

Finding: All of the 2009 projects are in conformance with the 2030 TPP and consistent with Council policy.

2009 CIP – Project Category Summary

Airport	Airfield ¹ (38%)	Landside ² (48%)	Environmental ³ (14%)	Airport Sub-total	Percent of 2009 CIP
MSP - 2010 PLAN	\$33,300,000	\$ 5,800,000	\$18,000,000	\$ 57,100,000	44.92
MSP - POST 2010	\$ 1,300,000	\$53,525,000	-0-	\$ 54,825,000	43.13
MSP Sub-total	\$34,600,000	\$59,325,000	\$18,000,000	\$111,925,000	88.05
St. Paul Downtown	-0-	\$ 75,000	-0-	\$ 75,000	.06
Anoka Co.-Blaine	-0-	-0-	-0-	-0-	.00
Flying Cloud	\$12,750,000	\$ 1,315,000	-0-	\$ 14,065,000	11.06
Crystal	-0-	\$ 350,000	-0-	\$ 350,000	.28
Airlake	-0-	\$ 200,000	-0-	\$ 200,000	.16
Lake Elmo	\$ 500,000	-0-	-0-	\$ 500,000	.39
Relievers Sub-total	\$13,250,000	\$ 1,940,000	\$ -0-	\$ 15,190,000	11.95
Total	\$47,850,000	\$60,265,000	\$18,000,000	\$127,115,000	100 %

¹ Primarily runways and taxiways

² Primarily passenger and cargo terminals, airline facilities and roadways

³ Air and water quality control and remediation, also noise mitigation

3) 2009 Projects Requiring Council Approval

Under state statutes, 473.621 Subd. 6 and Subd. 7, the Council must review the capital improvement projects and make a determination if any project has a significant effect on the orderly and economic development of the metropolitan area. No such project may be commenced without the approval of the Metropolitan Council. The 2009 CIP projects have been reviewed for consistency by the TAC/TAB against the legislatively defined criteria and applicable 2030 TPP policies.

Finding: Review of the 2009 CIP identified three projects requiring approval: the MSP Taxiway C/D Complex and Runway 12L/30R reconstruction, and the Flying Cloud Runway 10R/28L construction.

4) Project Funding

The 2009 CIP is to be funded from a variety of sources including passenger facility charges (fees), federal grants, state grants, internally generated funds and bond proceeds. Based on the information reflected in the table below, MAC has sufficient funds to implement the capital program. Given the economic volatility of the airline industry the Commission has determined no bond sales would occur for capital projects in CY 2008, 2009, and 2010. The MAC has approximately \$110 million available in commercial paper as a contingency. These actions are consistent with 2030 TPP Policy 26 concerning *Adequate Aviation Resources, where public investments in air-transportation facilities should respond to forecast needs and the region’s ability to support the investment over time.*

Finding: That adequate federal, state and local funding for the 2009 CIP has been identified by the MAC, including approximately \$110 million available in commercial paper as a contingency.

MAC 2009 CIP - Funding Summary

Funding Source	2009 Funding	Percent of 2009 CIP
Passenger Facility Charges (PFC’s)		
- PFC #10 Pay-Go 2008 (2010 Projects)	\$ 19,600,000	
- PFC #11 Pay-Go 2009 (Post 2010 Projects)	\$ 7,025,000	20.95
Federal Aid – FAA		
- Entitlement	\$ 12,400,000	
- Discretionary	\$ 9,000,000	
- Non-Primary – Relievers	\$ 525,000	17.26
State Aid * (MnDOT Aeronautics Grants)	-0-	.00
Revenue Bonds & Commercial Paper		
- Revenue Bonds #	-0-	
- Commercial Paper	\$ 13,400,000	10.54
MAC Funds	\$ 15,765,000	12.40
Airline Reserve & Replacement Fund	\$ 22,200,000	17.46
Other**	\$ 27,200,000	21.39
Total	\$127,115,000	100.0

* Grants from MnDOT for this period have been committed to projects from prior years.

** Other funding sources represents facilities built by MAC or a developer and paid for by the tenant or developer.

IMPLEMENTATION STATUS OF PRIOR -YEAR COUNCIL REVIEW ACTIONS

In its review of the 2006 MAC CIP, several recommendations were made by the Council. The status of recent actions in 2007 and 2008 related to these recommendations are listed below for the Council’s consideration:

- **Recommendation:** Projects beyond 2008 should not be approved until the MAC updates and adopts a long-term comprehensive plan for MSP and reviewed by the Metropolitan Council.

Status: In 1996, a 2010 Long Term Comprehensive Plan (LTCP) and a 2020 Concept Plan for MSP airport were approved by the Legislature. Implementation of the 2010 LTCP is nearly complete. The 2020 plan for the airport needs to be revisited, but has been delayed several times for various reasons, including the Northwest Airline (NWA) bankruptcy. On October 29, 2008 Delta Airlines acquired NWA and a new airline agreement at MSP is required; action on the final negotiations is expected in the next few months. Therefore, in order to reflect the new agreement and economic conditions, the 12-18 month work effort by the MAC to prepare a 2020 LTCP for MSP will move into the 2009/10 time frame. All 2009 CIP projects at MSP are considered consistent with regional policy since they reflect primarily preservation/enhancement efforts rather than advancing a 2020 plan.

- **Recommendation:** Defer expansion of the HHH Terminal at MSP.

Status: Humphrey Terminal expansion is related to gate requirements at the Lindbergh Terminal. Certain airlines would move from one terminal to another. HHH terminal expansion projects are currently deferred although the HHH (orange) parking ramp has been expanded since 2006. New service by Southwest Airlines, which will be starting in 2009, can be accommodated without expansion because Champion Air and ATA airlines have ceased operations at MSP. The MAC has been involved with MnDOT and the City of Bloomington in evaluating transportation impacts of development in the Airport South area. Specific concern is with the capability of the I-494/34th Ave So. and TH5/Post Road interchanges and roadways to handle future airport demand and LRT traffic, as well as Airport South traffic.

- **Recommendation:** Continued delay of reliever airport capital investment projects, necessary to maintain an airport's significance in the regional system, should be viewed as being inconsistent with regional plans.

Status: This issue was initially raised by TAC/TAB in 2006. The Commission has since undertaken updates to each reliever airport long-term comprehensive plan (LTCP) to determine appropriate investments, and is moving forward with capital investment at the relievers. The LTCP Updates for Airlake, Crystal and Lake Elmo airports were approved by the Council in 2008. Updated LTCP's for the St. Paul Downtown, Anoka County-Blaine and Flying Cloud airports are expected to be completed and reviewed by the Council by mid-2009. The MAC has implemented new reliever airport rates and charges for financial self-sufficiency, and a new reliever airport development philosophy whereby future building area infrastructure and hangars are to be funded by private developers.

There has been significant progress made since 2006 on the capital projects at the reliever airports. At Anoka County-Blaine Airport, the east/west runway extension to 5,000 feet has been completed, and the precision instrument landing system became operational in 2007. The extensive NW hangar building area was developed through a private/public partnership and leased to a fixed base operator established in 2008. At St. Paul Downtown Airport the flood protection and runway safety projects are completed, and a joint zoning board established. The extension of the north parallel runway at Flying Cloud Airport is complete and the south parallel runway extension is in this 2009 CIP. The LTCP for Lake Elmo Airport envisions extension of the crosswind runway and a new building area. The Airlake Airport LTCP includes a new building area and eventual runway extension in the long term. Crystal Airport has been retained in the system and the LTCP envisions removal of two runways, to be more in line with forecast needs.

Appendix A
LISTING OF MAC 2009 CIP PROJECTS \$(000's)

MSP International Airport – 2010 Program		Reliever Airports – 2010 Program	
• Noise Mitigation Settlement	\$ 18,000	• Airlake Airport	
• Taxiway C/D Complex	6,500	- Plane Wash and Restroom Facilities	200
• Airside Bituminous Rehabilitation	500	- South Building Area Development *	2,500
• Taxiway P Reconstruction	500	• Anoka County-Blaine Airport	
• Runway 12L/30R Rehabilitation	1,800	- No Projects	
• Natural Gas Main Replacement *	300	• Crystal Airport	
• Parking Structure and Pavement Rehabilitation	3,400	- Hangar Area Alleyway Rehabilitation	350
• Terminal Modifications	2,000	• Flying Cloud Airport	
• Miscellaneous Airfield Construction	400	- Hangar Area Alleyway Rehabilitation	415
		- Hangar Removals	300
		- Runway 10R/28L widening	12,750
		- South Building Area Development *	600
		• Lake Elmo Airport	
		- Pavement Rehabilitation	500
		• St. Paul Downtown Airport	
		- No Projects	
MSP – Post 2010 Program		Relievers – Post 2010 Program	
- Lindbergh Terminal Elevator Modifications	1,350	• St. Paul Downtown Airport	
- In-Line Baggage Screening *	25,500	- Float Plane [access] stairway	75
- Check-Point Screening Improvements	300		
- Tug Drive Floor Repair	2,100		
- Electrical Infrastructure Rehabilitation	2,400		
- Emergency Power Upgrades	1,950		
- Concourse E & F Floor Rehabilitation	1,800		
- Automated People Mover Maintenance	350		
- Roof Drain & Overflow Repairs	1,500		
- Electronic Video Information Display	450		
- Concessions Upgrades	200		
- Airline Schedules/Status Displays	5,500		
- Open Architecture Building Automation	1,900		
- Energy Savings Projects	2,000		
- New Parking Entrance/Transit Gate	200		
- Valet Car Wash Equipment Replacement	150		
- Valet Garage Flammable Waste Traps	300		
- Runway 12L – Sewer Replacement	600		
- Airport Surveillance Radar Mitigation	100		
- Maintenance Building Improvements	300		
- Runway Status Lights *	300		
- Tunnel/Bridge Rehabilitation	100		
- Airport Lane/34 th Ave. Access Reconfiguration*	1,600		
- Inbound/Outbound Road Electrical Modification	150		
- Alternative Water Supply	2,000		
- Closed Circuit TV Upgrade	1,125		
- Security Gate 104 Retrofit	300		
- IS Data Room Power	300		
		Total 2009 Projects \$127,115,000	

* Projects Funded by Others

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

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January 22, 2009

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Peter Bell, Chair
Metropolitan Council
390 Robert Street No.
St. Paul, MN 55101

Mr. Bell,

On January 21, 2009, the Transportation Advisory Board reviewed and discussed the Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP) for 2009-2015.

The TAB concurs with the comments and findings in the attached Action Transmittal 2009-05 and recommends that the Metropolitan Council approve the program.

The TAB forwards this recommendation to the Metropolitan Council along with additional information described in TAB action transmittal 2009-05.

Sincerely,

Donn Wiski

RJR Donn Wiski, Chair
Transportation Advisory Board

Cc: Chauncey Case

**Transportation Advisory Board
of the Metropolitan Council of the Twin Cities**

ACTION TRANSMITTAL

No. 2009 – 05

DATE: January 22, 2009
TO: Metropolitan Council
FROM: Transportation Advisory Board
SUBJECT: Metropolitan Airports Commission 2009 CIP

MOTION: The Transportation Advisory Board approved the attached findings concerning the MAC 2009-2015 Capital Improvement Program and forwards them to the Metropolitan Council for its consideration.

BACKGROUND AND PURPOSE OF ACTION:

The MAC annually prepares a capital improvement program for projects at MSP International Airport and their six General Aviation reliever airports. Under state statutes the Council must:

- determine adequacy of public participation in the CIP process,
- approve CIP projects meeting certain dollar thresholds and "significant effects" criteria,
- review and comment on all projects as appropriate, including planning and environmental concerns. Projects eligible for federal funding are also reviewed under federal requirements.

TAB/TAC review comments are included for consideration with the final referral review report submitted for Council action. The TAC Aviation Technical Task Force, at its meeting on December 19th, recommended the following findings:

MAC 2009 CIP REVIEW FINDINGS:

- 1) That the MAC has in place an adequate public participation process for development and review of its Capital Improvement Program.
- 2) That an Assessment of Environmental Effects (AOEE) has been prepared and commented on for 2009 projects with potential environmental effects.
- 3) That adequate federal, state and local funding for the 2009 CIP has been identified by the MAC, including approximately \$110 million in commercial paper as a contingency.
- 4) That MSP runway 12L/30R reconstruction (segment 2) and Taxiway C/D complex construction should be approved, along with runway 10R/28L construction at Flying Cloud airport.
- 5) That all other projects in the 2009 CIP appear consistent with the TPP.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Aviation Technical Task Force	Review & Recommend	Dec. 19, 2008
Technical Advisory Committee	Review & Recommend	Jan. 7, 2009
TAB Policy Committee	Review & Recommend	Jan. 8, 2009
Transportation Advisory Board	Review & Approve	Jan. 21, 2009
Metropolitan Council	Concurrence	Feb. 11, 2009