

# T Transportation Committee

Meeting date: January 25, 2010

Metropolitan Council meeting: February 10, 2010

<b>Date:</b>	January 20, 2010
<b>Subject:</b>	2010 Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP) Review
<b>District(s), Member(s):</b>	All Districts & Members
<b>Policy/Legal Reference:</b>	MS 473.145, 473.165, 473.621 Sd. 6&7
<b>Staff Prepared/Presented:</b>	Arlene McCarthy, Director MTS (651-602-1754) Amy Vennewitz, Dep. Director Finance & Planning (651-602-1058) Connie Kozlak, Manager Transportation Planning (651-602-1720) Chauncey Case, Senior Planner (651-602-1724)
<b>Division/Department:</b>	Metropolitan Transportation Services

### Proposed Action:

That the Metropolitan Council:

- 1) Find that the Metropolitan Airports Commission (MAC) has an adequate public participation process for development and review of its 2010 Capital Improvement Program (CIP), including preparation of an assessment of environmental effects (AOEE) for 2010 projects with potential environmental effects.
- 2) Find that the 2010 CIP projects have adequate funding and are in conformance with the region's Aviation System Plan and consistent with Council policy; and,
- 3) Recommend approval of the following project: *MSP Taxiway C/D Complex*.

### 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 2010 CIP at its December 21, 2009 meeting for review by the Council. The CIP includes \$126,250,000 for all 2010 projects, \$814,565,000 for projects from 2011 through 2016, with a total of approximately \$940 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 needed 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 2010 CIP projects.

**Known Support / Opposition:**

On January 20, 2010 the TAB recommended approval of this CIP. The CIP is supported by MAC and airport users; there is no known opposition.

## REVIEW FINDINGS for 2010 CIP

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 2010 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 subject of a public hearing and comments were responded to by the Commission. These actions are consistent with 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 2010 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 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 2010 projects are in conformance with the TPP and consistent with Council policy.

**2010 CIP – Project Category Summary**

Airport	Airfield <sup>1</sup> (%)	Landside <sup>2</sup> (%)	Environmental <sup>3</sup> (%)	Airport Sub-total	Percent of 2010 CIP
MSP - 2010 PLAN <sup>4</sup>	\$ 7,400,000	\$ 5,400,000	\$ 43,300,000	56,100,000	44.43
MSP - POST 2010 <sup>5</sup>	- 0 -	66,550,000	- 0 -	66,550,000	52.71
Sub-total	\$ 7,400,000	\$71,950,000	\$ 43,300,000	122,650,000	<b>97.14 %</b>
St. Paul Downtown	100,000	200,000	- 0 -	300,000	.24
Anoka Co.-Blaine	600,000	- 0 -	- 0 -	600,000	.47
Flying Cloud	- 0 -	1,500,000	- 0 -	1,500,000	1.19
Crystal	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Airlake	200,000	1,000,000	- 0 -	1,200,000	.95
Lake Elmo	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Sub-total	\$ 900,000	\$ 2,700,000	\$ - 0 -	3,600,000	<b>2.85 %</b>
Total	\$ 8,300,000	74,650,000	\$ 43,300,000	\$126,250,000	<b>100 %</b>

<sup>1</sup> Primarily runways and taxiways

<sup>2</sup> Primarily Passenger and cargo terminals, airline facilities and roadways

<sup>3</sup> Air and water quality, control and remediation, including noise mitigation

<sup>4</sup> Denotes projects that are continued under 2010 Plan and funding (e.g. Noise mitigation until 2014)

<sup>5</sup> Denotes projects that are Post 2010 MSP Plan, and will be funded as part of the 2030 MSP Plan.

### 3) 2010 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 2010 CIP projects have been reviewed for consistency against the legislatively defined criteria and applicable TPP policies. One project was identified which should be approved.

**Finding:** Review of the 2010 CIP identified one project requiring approval: MSP Taxiway C/D Complex construction.

### 4) Project Funding

The 2010 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 had previously determined that no bond sales would occur for capital projects in CY 2008, 2009, and 2010. However, due to collapse of the commercial paper market, MAC will be conducting a bond sale in early 2010. These actions are consistent with 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 \$27 million from a proposed 2010 bond issue.

#### MAC 2010 CIP - Funding Summary

Funding Source	2010 Funding	Percent of 2010 CIP
Passenger Facility Charges (PFC's)		
- PFC #10 Pay-Go 2008 (2010 Projects)	\$ 2,400,000	5.98
- PFC #12 Pay-Go 2009 (Post 2010 Projects)	\$ 5,150,000	
- PFC #13 Pay-Go 2012 (Post 2010 Projects)	- 0 -	
Federal Aid – FAA		27.51
- Entitlement	\$ 3,600,000	
- Discretionary	- 0 -	
- Non-Primary – Relievers	\$ 979,000	
- TSA Grants	\$ 30,150,000	
State Aid * (MnDOT Aeronautics Grants)	- 0 -	- 0 -
General Airport Revenue Bonds **		
- Revenue Bonds #	\$ 27,400,000	21.70
MAC Funds	\$ 22,321,000	17.68
Airline Reserve & Replacement Fund	\$ 31,250,000	24.75
Other***	\$ 3,000,000	2.37
<b>Total</b>	<b>\$126,250,000</b>	<b>100.00</b>

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

\*\* Currently Revenue Bonds are anticipated to be issued in May 2010 to cover 2010 – 2012 projects.

\*\*\* 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 related to these prior recommendations is 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 (LTCP) for MSP and it is reviewed by the Metropolitan Council.

**Status:** In 1996 a 2010 LTCP and a 2020 Concept Plan for MSP airport were approved by the Legislature. Implementation of the 2010 plan is nearly completed. While the 2020 concept plan has been dropped from future consideration by the MAC, development of a new MSP plan has been delayed several times for various reasons, including the events of 9-11, the NWA bankruptcy and its subsequent merger with Delta Airlines. In early 2009 MAC began to prepare a 2030 LTCP which will be completed in January 2010 and transmitted to the Council by spring 2010. All 2010 CIP projects at MSP are considered consistent with regional policy since they reflect primarily preservation/enhancement efforts rather than advancing a new long term plan.

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

**Status:** This recommendation was made in 2006 because the 2010 plan did not show expansion of the Hubert H. Humphrey (HHH) terminal and the Council wanted MAC to develop a new plan for MSP prior to further expansion of that terminal. New service in 2009 by Southwest Airlines was accommodated without expansion. The new MSP 2030 LTCP being prepared by MAC identifies HHH Terminal development phasing.

- **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 and the Commission has undertaken action to update airport plans, initiate airport zoning, and define funding sources as summarized below:

- Updates to each reliever airport long-term comprehensive plan (LTCP). The LTCP Updates for Airlake, Crystal and Lake Elmo Airport's have been approved by the Council. Updated LTCP's for the St. Paul Downtown, Anoka County-Blaine and Flying Cloud Airport's are expected for Council review by mid-2010.
- Joint Airport/Community Zoning Boards have been established at MSP, St. Paul Downtown and Flying Cloud Airports. An airport zoning ordinance has been completed for MSP, and ordinances are being developed at St Paul Downtown and Flying Cloud Airports; upon their completion airport zoning at the other reliever airports is expected to continue in 2010 thru 2012.
- The MAC has implemented new rates and charges at its reliever airports as part of an effort to improve financial self-sufficiency, and focuses on a new development philosophy whereby future building area infrastructure and hangars are to be funded by private developers.

There has been progress made the past several years on the capital projects and planning activity 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 northwest hangar building area has been developed through a private/public partnership and leased to an fixed base operator established in 2008.

- The St. Paul Downtown Airport flood protection and runway safety projects are completed.
- New building area and runway redevelopment projects were completed at Flying Cloud Airport, with the 5,000' extended primary runway opening in November 2009.
- The LTCP for Lake Elmo Airport envisions extension of the crosswind runway and new building area. Relocation of the mainwind runway was retained for the long-term.
- The Airlake Airport LTCP includes a new south building area and eventual runway extension to 5,000 feet in the long term.
- Crystal Airport has been retained in the system; the LTCP envisions removal of two runways to be more in line with forecast needs. It also allows for building area redevelopment and non-aviation revenue potential.

**Appendix A**  
**LISTING OF MAC 2010 CIP PROJECTS ( \$ 000's)**

<b>MSP INTERNATIONAL AIRPORT – 2010 PROGRAM</b>	<b>MSP – POST - 2010 PROGRAM</b>
<b>AIRSIDE</b> <ul style="list-style-type: none"> <li>• Taxiway C/D Complex 6,000</li> <li>• Airside Bituminous Rehabilitation 500</li> <li>• Pavement joint sealing repair 500</li> <li>• Miscellaneous Airfield Construction 400</li> </ul> <b>LANDSIDE</b> <ul style="list-style-type: none"> <li>• Landside pavement rehabilitation 400</li> <li>• Parking structure rehabilitation 3,000</li> <li>• Terminal Modifications 2,000</li> </ul> <b>ENVIRONMENTAL</b> <ul style="list-style-type: none"> <li>• Noise Mitigation Settlement \$ 43,300</li> </ul>	<b>AIRSIDE</b> <ul style="list-style-type: none"> <li>- SIDA Incursion Upgrades 700</li> </ul> <b>LANDSIDE</b> <ul style="list-style-type: none"> <li>• <u>Lindbergh Terminal 1</u> <ul style="list-style-type: none"> <li>- Tug Drive Floor Repair 1,050</li> <li>- Electrical Infrastructure Rehabilitation 1,400</li> <li>- Emergency Power Upgrades 1,000</li> <li>- Conveyance System Upgrades 1,500</li> <li>- Checkpoint/Passenger Screening Improvements 1,000</li> <li>- Open Architecture Building Automation 1,650</li> <li>- Concessions Revenue Development Upgrades 200</li> <li>- Tunnel/Bridge Rehabilitation 100</li> <li>- Valet Parking Waiting Area Improvements 400</li> <li>- Valet Garage Flammable Waste Traps 500</li> <li>- In-Line Baggage Screening* 33,500</li> <li>- Fire Protection System – Phase 4 12,100</li> </ul> </li> <li>• <u>Humphrey Terminal 2</u> <ul style="list-style-type: none"> <li>- Jet-Bridge 6 &amp; 7 Replacement 1,600</li> </ul> </li> <li>• <u>Other</u> <ul style="list-style-type: none"> <li>- FAA Building Upgrades 3,000</li> <li>- Card Access/CCTV Improvements 2,850</li> </ul> </li> </ul> <b>ENVIRONMENTAL</b> (Note: aircraft noise mitigation/funding from the MSP 2010 Plan carries over until 2014 – see 2010 Program opposite)
<b>Reliever Airports – 2010 Program</b>	<b>Relievers – Post 2010 Program</b>
<b>St. Paul Downtown Airport</b> <ul style="list-style-type: none"> <li>- Joint and Crack Repairs 100</li> <li>- MAC Building Maintenance 200</li> </ul> <b>Airlake Airport</b> <ul style="list-style-type: none"> <li>- So. Building Area Alleyway Development* 1,000</li> </ul> <b>Anoka County-Blaine Airport</b> <ul style="list-style-type: none"> <li>- Pavement Rehabilitation 600</li> </ul> <b>Crystal Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul> <b>Flying Cloud Airport</b> <ul style="list-style-type: none"> <li>- South Building Area Development* 1,500</li> </ul> <b>Lake Elmo Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul>	<b>St. Paul Downtown Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul> <b>Airlake Airport</b> <ul style="list-style-type: none"> <li>- Runway 12/30 Extension 200</li> </ul> <b>Anoka County-Blaine Airport</b> <ul style="list-style-type: none"> <li>- Security Gate Replacement* 500</li> </ul> <b>Crystal Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul> <b>Flying Cloud Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul> <b>Lake Elmo Airport</b> <ul style="list-style-type: none"> <li>- No Projects - 0 -</li> </ul>

\* Projects Funded by Others

# Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

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Bill Hargis  
Acting Chair

January 25, 2010

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

Mr. Bell,

On January 20, 2010, the Transportation Advisory Board reviewed and discussed the Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP) for 2010-2016.

The TAB concurs with the comments and findings in the attached Action Transmittal 2010-01 and recommends that the Metropolitan Council approve the program.

Sincerely,

*for* 

Bill Hargis, Acting Chair  
Transportation Advisory Board

Cc: Chauncey Case

Citizen Members - Precinct

vacant - A  
Bill Guidera - B  
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Transit

Ron Have  
Freight

David Gepner  
Non-motorized



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

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**ACTION TRANSMITTAL**

No. 2010 - 01

**DATE:** January 25, 2010  
**TO:** Metropolitan Council  
**FROM:** Transportation Advisory Board  
**SUBJECT:** Metropolitan Airports Commission 2010-2016 Capital Improvements Program.

**MOTION:** The Transportation Advisory Board recommended approval of the attached findings concerning the MAC 2010-2016 Capital Improvement Program to the Metropolitan Council and forwards that recommendation.

**BACKGROUND AND PURPOSE OF REVIEW:**

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 14<sup>th</sup>, recommended the following findings:

**MAC 2010 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 2010 projects with potential environmental effects.
- 3) That federal, state and local funding for the 2010 CIP has been identified by the MAC, including approximately \$ 94 million in 2010 Bonds to cover 2011 and 2012 projects.
- 4) That the MSP Taxiway C/D complex construction project is consistent with the 2010 LTCP and should be approved.
- 5) That all other projects in the 2010 CIP appear consistent with the TPP.

**ROUTING**

<b>TO</b>	<b>ACTION REQUESTED</b>	<b>DATE COMPLETED</b>
TAC Aviation Technical Task Force	Review & Recommend	December 14, 2009
Technical Advisory Committee	Review & Recommend	January 6, 2010
TAB Policy Committee	Review & Recommend	January 14, 2010
Transportation Advisory Board	Review & Recommend	January 20, 2010
Metropolitan Council	Review & Approve	