

T Transportation Committee
For the Metropolitan Council meeting of February 14,
2007

Item: 2007-1

ADVISORY INFORMATION

Date Prepared: January 23, 2007

2007 Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP)

Subject: Review

Summary of Committee Discussion:

Chauncey Case, Metropolitan Transportation Services presented this item to the committee and answered questions from committee members.

Motion was made by P.Leppik, seconded by D.Wolter. Motion carried.

Recommendation:

That the Metropolitan Council:

- 1) Find that Metropolitan Airports Commission (MAC) has an adequate public participation process for development and review of its 2007 Capital Improvement Program (CIP).
- 2) Approve the Runway 12R/30L Rehabilitation Project (segment 2) at MSP International Airport.
- 3) Approve the attached findings and comments on the MAC 2007 Capital Improvement Program (CIP).

Reiterate to the MAC that the Council will not approve projects at MSP International, including the HHH terminal expansion, beyond 2008 until MAC updates and adopts a long-term comprehensive plan for MSP and submits it to the Metropolitan Council.

T Transportation Committee

Meeting date: January 22, 2007

ADVISORY INFORMATION

Date:	January 17, 2007
Subject:	2007 Metropolitan Airports Commission (MAC) Capital Improvement Program (CIP) Review
District(s), Member(s):	All Districts & Members
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. Director Finance and Planning; 651-602-1058 Connie Kozlak, Manager, Transportation Planning; (651-602-1720) Chauncey Case, Senior Planner (651-602-1724)
Division/Department:	Metropolitan Transportation Services

Proposed Action/Motion

That the Metropolitan Council:

- 4) Find that Metropolitan Airports Commission (MAC) has an adequate public participation process for development and review of its 2007 Capital Improvement Program (CIP).
- 5) Approve the Runway 12R/30L Rehabilitation Project (segment 2) at MSP International Airport.
- 6) Approve the attached findings and comments on the MAC 2007 Capital Improvement Program (CIP).
- 7) Reiterate to the MAC that the Council will not approve projects at MSP International, including the HHH terminal expansion, beyond 2008 until MAC updates and adopts a long-term comprehensive plan for MSP and submits it to the Metropolitan Council.

Issue(s)

Under its statutory authority the Metropolitan Council annually reviews the MAC CIP and:

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

This year's CIP (\$86,630,000) is much less than previous years since the 2010 plan for MSP has been substantially built out. Implementation of the MSP 2020 plan has been deferred, given the health of the airline industry, the status of airport plans, and current negotiations related to Northwest Airlines operating needs as it emerges from bankruptcy

The TAB is reviewing the MAC CIP at its meeting on Jan 17th and their comments will be presented at the Transportation Committee meeting on Jan 22.

Overview and Funding

The Metropolitan Airports Commission approved the 2007 Capital Improvement Program at its December 18, 2006 meeting. The CIP includes \$86,630,000 for 2007 projects and approximately \$1 billion for all projects through 2013, assuming successful exit of Northwest Airlines from bankruptcy, updating of the MSP 2020 Development Plan, and updated reliever airport development plans. 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 2007 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 also examined.

Finding: *That the MAC has an adequate public participation process in place that was followed for development and review of its Capital Improvement Program.*

2) 2007 Projects Requiring Council Approval

Under state statutes the Council must review the capital improvement projects and make a determination if any project has metropolitan significance and therefore requires "approval". Review of the 2007 CIP identified only one project that meets the dollar threshold dollar amounts and capital review criteria: MSP Runway 12R/30L(segment), \$17,500,000.

This project provides for the reconstruction of the middle section of the runway located between runway 4/22 and taxiwayA4. Reconstruction of two separate segments has been completed in previous years with segment 2 being the final section of pavement requiring reconstruction. This project represents one of the last major efforts to reconstruct the airport's overall paving to meet current design standards; it is estimated that the airport's airside paving should be good for the next 40-50 years and require only minimal maintenance efforts.

Finding: *The Runway 12R/30L project meets the dollar threshold and other specific criteria as required under state statute and requires approval. It is consistent with the Transportation Policy Plan/Aviation Policy Plan so approval is recommended.*

3) Review and Comment on all other 2007 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 2007 CIP are for general maintenance, service upgrades, operational improvements, and efforts to meet environmental and safety requirements. All of the 2007 projects are generally consistent with the TPP/APP.

Finding: *All other projects in the 2007 CIP are found consistent with the TPP/APP.*

4) Project Funding

The 2007-2013 CIP is to be funded from a variety of sources including passenger facility charges (fees), federal grants, MnDOT grants, internally generated funds and bond proceeds. The MAC will have approximately \$150 million available in commercial paper as a contingency. Based on the information in the table below MAC has sufficient funds to implement the capital program.

Metropolitan Airports Commission						
Capital Improvement Program Funding Summary 2007 - 2009						
<i>DRAFT</i>						
(\$=000)		2007	2008	2009	2007 - 2009	% Of Total
<u>Proposed Funding Available</u>		<u>Funding</u>	<u>Funding</u>	<u>Funding</u>	<u>Funding</u>	<u>2007 - 2009</u>
						<u>CIP</u>
<u>PFCs</u>						
PFC Application #8 - Bonds (Issued 2005)	2010 Plan	\$ 15,600	\$ -	\$ -	\$ 15,600	
PFC Application #10 - Pay As You Go (2007)	2010 Plan	10,300	26,200	9,600	46,100	
PFC Application #11 - Pay As You Go (2008)	2020 Plan	-	50,598	-	50,598	
PFC Application #11 - Bonds (Issued 2008)	2020 Plan	-	-	72,408	72,408	
PFC Application #12 - Pay As You Go (2009)	2010 Plan	-	400	9,850	10,250	
Total PFC Funding		\$ 25,900	\$ 77,198	\$ 91,858	\$ 194,956	39.33%
<u>Federal & MNDOT Grants</u>						
Federal Entitlement		\$ 6,300	\$ 6,200	\$ 6,000	\$ 18,500	
Federal Discretionary		7,900	21,496	24,133	53,529	
Federal Non Primary Aid Relievers		1,321	675	875	2,871	
MNDOT Grants		7,400	-	-	7,400	
Total Federal & MNDOT Grants		\$ 22,921	\$ 28,371	\$ 31,008	\$ 82,300	16.60%
<u>Internally Generated Funds</u>						
		\$ 28,349	\$ 24,745	\$ 22,225	\$ 75,319	15.19%
<u>Commercial Paper & Non PFC Garb Debt</u>						
2005 Garbs		\$ 8,900	\$ 3,500	\$ 9,000	\$ 21,400	
2008 Garbs	2010 Plan	-	9,900	-	9,900	
2008 Garbs	2020 Plan	-	36,463	24,983	61,446	
Total Commercial Paper & Non PFC Garb Debt		\$ 8,900	\$ 49,863	\$ 33,983	\$ 92,746	18.71%
Total Funding All Sources		\$ 86,070	\$ 180,177	\$ 179,074	\$ 445,321	89.83%
<u>Other Funding Sources</u>						
Noise 60-64 DNL - Funding To Be Determined		\$ 7,600	\$ 14,813	\$ 10,876	\$ 33,289	
		\$ -	\$ 3,200	\$ 13,900	\$ 17,100	10.17%
CIP Totals 2007 - 2009		\$ 93,670	\$ 198,190	\$ 203,850	\$ 495,710	100.00%

Finding: That adequate federal, state and local funding for the 2007 CIP has been identified by the MAC, including approximately \$150 million in commercial paper as a contingency.

Status of Prior Year Council Review Actions

In its review of the 2006 MAC CIP, several recommendations were made by the Council. The MAC's recent actions related to these recommendations are listed below for the Council's information:

- Projects beyond 2008 should not be approved until the MAC updates and adopts a long-term comprehensive plan for MSP and submits it to the Metropolitan Council.

Status: At its November 2006 meeting the Commission authorized issuance of a Request for Qualifications for airport planning services. Planning activities anticipated in 2007 include additional work on preparing a MSP development plan and the second round of reliever airport plan updates. Commission action on consultant(s) selection is scheduled for late February 2007.

- Defer expansion of the HHH Terminal at MSP.

Status: The expansion of the Humphrey Terminal is related to expansion at the Lindbergh Terminal and moving certain airlines from one terminal to another. All the [2020] expansion is on hold until current negotiations between the MAC and the airlines result in funding and operating agreements

- 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: There has been some progress made since 2006 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 instrument landing system is close to operational certification. The extensive NW hangar building area has also been prepared for leasing/development; both projects have been implemented through funding by a public/private partnership. The flood protection project is in progress at St. Paul Downtown airport. Updates to the Lake Elmo, Airlake and Crystal airports long-term comprehensive plans (LTCP's) are nearly complete, and updates for Flying Cloud, Anoka County-Blaine and St. Paul Downtown are scheduled for 2007.