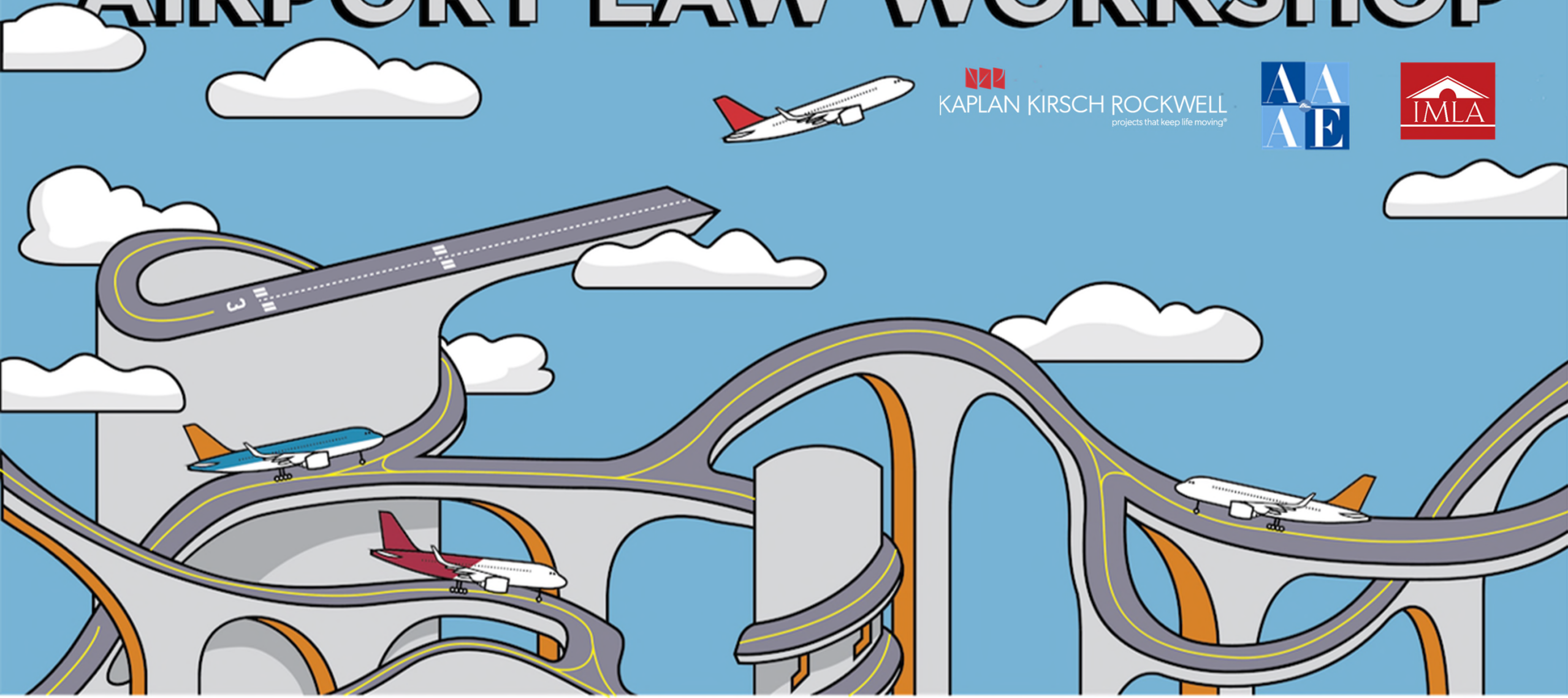


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AIP, infrastructure funding and
other grant programs

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Today's session



- Introduction to FAA and USDOT funding, grant and loan programs
- New or reformed programs
- Tools for success
 - Grant applications
 - Procurement



Some sobering data



- Airport infrastructure needs (per industry groups) – over \$100billion
- Annual AIP funding - \$3+ billion
- BIL funding - \$4 billion/year for 5 years



Funding vs financing

Grants vs loans



- Grant programs i.e. AIP or BIL provide funds for specific eligible purposes and come with requirements.
- Federal loan programs i.e. TIFIA have a broader use but still come with requirements and a repayment source
- Traditional loan i.e. bonds have fewer restriction on the use but can require a specific repayment source.



AIP statute and FAA policies define

- Who can get a grant –
 - Eligible sponsorship
- What types of projects get funded –
 - General rules for AIP grants
- What is required for a grant project –
 - Pre-Grant requirements checklist
 - Procurement rules
 - Grant administration
- Post-grant obligations
- Allocation of AIP funds



Eligibility - Who



- NPIAS – National Plan of Integrated Airport Systems
- State/local government, authorities, or Indian tribes owning airports
- Private owners of designated relievers or airports with more than 2,500 enplanements
- State/local government not owning airports – for planning and noise mitigation
- Federal government may never be sponsor



Eligibility - what



Safety and standards

Airfield/airport security

Airport planning

Airport development

Environmental mitigation

Public use facilities

Things that communicate with pilots



Ineligible projects

Things that make money at larger airports (revenue producing facilities)

Things that add to aesthetics

Things that communicate with air traffic

Other federal agency facilities

Day-to-day operational and maintenance costs



AIP – what to watch for



- Congressional authorizations are typically multiple years and may include adjustments to the program
- Annual funds are subject to appropriation process which has been disruptive on occasion
- AIP Handbook (FAA Order 5100.38D) updates and FAA advisory circulars (ACs) will clarify and set policy



AIP – why bother?



- Federal support is substantively critical for smaller airports
- AIP funding shows critical support for larger private funding efforts
- Legitimacy of project enhanced if it complies with AIP application, procurement and oversight requirements





\$15B

AIRPORT INFRASTRUCTURE GRANTS

For Airport projects that increase safety and expand capacity

\$5B

AIRPORT TERMINAL PROGRAM

To replace aging terminals and airports-owned towers, increase terminal energy efficiency and accessibility, and more.

\$5B

FAA FACILITIES AND EQUIPMENT

To replace facilities and equipment and improve safety, security, and environmental standards





- ***Airport Infrastructure Grants (AIG)***

- \$3 billion/year for 5 years (federal fiscal years 2022-2026)
 - Formulaic allocation with a few specific set-asides
 - PFC-project eligibility criteria apply
 - \$20 million/year competitive grants for airport-owned FAA contract towers
- Initial \$2.89 billion tranche announced December 16, 2021
 - Summer 2022 – FAA began issuing grants for specific projects based on the Fiscal Year 2022 airport allocations announced in December

Bipartisan Infrastructure Law



- ***Airport Terminal Program***

- \$1 billion/year for 5 years (federal fiscal years 2022-2026)
- Competitive allocation within hub categories
- Limited to terminal projects, on-airport rail access projects, and airport owned ATCT
- First \$1 billion awarded in July, including \$\$\$ for PHL, PIT, and ABE
- Extremely competitive – over \$14 billion in applications for \$1 billion in aid
- FY 2023 application period opened September 22 and closes at 5 pm ET on October 24



BIL - Airport Terminal Program



Eligible Uses: Capital improvements for airport terminal development generally defined as **development of an airport passenger terminal building**, including terminal **gates**; access **roads** servicing exclusively airport traffic that leads directly to or from an airport passenger terminal building; **walkways** that lead directly to or from an airport passenger terminal building; **multimodal** terminal development; and projects for on airport **rail access** projects. As well as projects for relocating, reconstructing, repairing or improving an **airport-owned air traffic control tower**.



Airport Terminal Program— FAA's project priorities



Consideration to be given to projects that:

1. Increase capacity and passenger **access**
2. Replace aging infrastructure
3. Achieve compliance with the **Americans with Disabilities Act (ADA)**, including expand accessibility for persons with disabilities
4. Improve airport access for **historically disadvantaged populations**
5. Improve **energy efficiency** including upgrading environmental systems, upgrading plant facilities, and achieving Leadership in Energy and Environmental Design (LEED) accreditation standards
6. Improve airfield **safety** through terminal relocation
7. Encourage actual and potential **competition**
8. Create good paying **jobs**

*It's never too early
to assess how your
project can meet
these objectives*



Keys to success – the application



- Prepare full funding package
 - Not just federal grants, loans but all other sources of funding
- Status of project –
 - Shovel ready
 - Environmental clearance
- Explain financing strategy
- Know the agency (?)
- Articulate justification
 - Reference the program objectives and goals



BIL funding- policy initiatives



- Aviation system need
- Show intermodal value
- Impacts on diverse communities and environmental justice
 - Construction as well as operations
- Climate adaptability, resiliency, sustainability



Other federal funding and loan programs



- Consider other federal funding and loan programs:
- Transportation Infrastructure Finance and Innovation Act (TIFIA) TIFIA Loans – low interest and long repayment plans
- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants (additional \$7.5 B available over 5 years)
- Additional programs for roads and transit projects.



Keys to success - procurement



- Procurement matters – cradle to grave
- Understand procurement requirements before applying
- Maintain flexibility to qualify for maximum number of programs



Procurement: advance planning is key



- The type of construction delivery method may require early coordination with FAA in order to ensure eligibility
 - Price (fee/profit) must be a consideration in the selection process
 - Alternative delivery methods require attention - Construction Manager at Risk (CMAR), Design Build, Progressive Design Build
- Materials may be subject to Buy America preference requirements
- Federal contract provisions are required such as Disadvantaged Business Enterprise, Davis-Bacon, Civil Rights, Equal Employment Opportunity (EEO), Veteran's Preference, etc.
 - 2 CFR § 200.333, 2 CFR § 200.336, FAA Order 5100.38





Questions?

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