

Memorandum

To: CHAIR AND COMMISSIONERS

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Information Item

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Ref: **PROPOSAL FOR A NEW PRIORITY SYSTEM FOR STATE FUNDED AIRPORT PROJECTS.**

SUMMARY

The Department of Transportation (Department) proposes to modify its methodology for selecting projects for Acquisition and Development (A&D) funding in accordance with Public Utilities Code (PUC) Section 21706 of the California Public Utilities Code. From these proposed changes are the following benefits:

- Improved coordination with the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP);
- Increased use of State funds for needed improvements;
- Greater flexibility in administering funds.

After reviewing our current methodology, requesting and reviewing other States' methods, and discussion, three basic changes were developed to select projects for funding:

- SET-ASIDES - Monetary set-asides for specific purposes or airport type.
- MATRIX REPLACED WITH A LIST – The current system uses a Project Evaluation Matrix (attached) that is used to prioritize projects. Creation of a list of project types, each having a specific point score value, will greatly simplify the prioritization of projects.

- DISCRETIONARY POINTS - Discretionary points would be applied to each set-aside. After an initial scoring, the Department uses the discretionary points to fund projects of highest value and greatest need.

BACKGROUND

PUC Section 21706 states: "In determining the priorities of projects, the division shall, and the transportation planning agencies may, utilize the methodology adopted by the California Transportation Commission (Commission) for determining the priorities of projects listed in the aviation element of the state transportation improvement program."

This proposal only affects the way in which the Department develops its recommended list of Aeronautics projects for Commission allocation. It does not call for any changes to Commission's role in the process, nor does it require any legislation to change current codes or regulations.

A&D Grants are 90% state funded grants given to airports, which are subject to allocation by the Commission.

Eligible projects identified in Title 21 CCR Section 4061 and PUC 21681, guide airports requesting grants, include:

- Airport marking systems
- Bond Service
- Fencing
- Lighting
- Navigational aids
- Noise monitoring equipment
- Obstruction/Hazard Removal
- Parking and Tiedown
- Project Services
- Property Acquisition
- Radio Communications Equipment
- Runways and Taxiways
- Service roads
- Surfacing of runways, taxiways, and aircraft parking areas to GA standards
- Water supply and sanitary systems
- Master plans and airport layout plans
- Airport Land Use Compatibility Plan (ALUCP)

The amount available for A&D grants is the remainder in the Aeronautics Account after funding State Operations, Annual Grants and AIP Matching. The minimum amount of an A&D grant is \$10,000. The maximum amount that can be allocated to an airport in a single fiscal year is \$500,000. This \$500,000 maximum can occur as a single grant or as multiple grants. The local match can vary from 10% to 50% of the project cost. The local match is set annually by the Commission. Neither the Annual Grant nor a state loan may be used for the local match of an A&D grant.

Currently, the Department ranks all projects using the sum of project points and airport points. Project points are determined using a matrix that is based on project purpose and project type. Airport points are determined from the airport's based aircraft and operations. The top ranking projects become the biennial Aeronautics Program, which is adopted by the Commission.

A committee was formed to tabulate the following objections to the current (matrix) method of project selection:

1. The Matrix is too complex, and sends out mixed messages to airport planners. Planners tend to submit projects that have a high probability of receiving funds, rather than those really needed.
2. It does not include all projects that are eligible, thus requiring subjectivity.
3. It emphasizes runway pavement projects and not all airport pavements as a unit. Pavement maintenance is more economical if done periodically at the same time.
4. Projects that would bring an airport to current standards are grouped with reconstruction projects.
5. The "tie breaker" for most projects is the airport points, biasing the funding to large airports. Airports with less than 100 based aircraft and fewer than 10,000 annual operations rarely get funding.
6. It does not consider security projects.
7. It does not reflect our State system plan or address multi-modal benefits.

8. Airport Land Use Compatibility Plans usually do not receive funds due to their low project points. Only counties with high airport points usually are funded for ALUCPs, and counties with smaller airports are left without funding. The age or the lack of an existing ALUCP cannot be considered when granting money for ALUCPs.
9. Does not consider airports out of safety compliance with their state operating permit or other deficiencies with maintenance.
10. Does not give preference to airports that are not eligible for FAA funding. Airports that are eligible for FAA funding are in the National Plan of Integrated Airports (NPIAS). Since many non-NPIAS airports are also smaller airports, they have historically not been able to compete for state funds.
11. Does not often provide for capacity improvements, or upgrades.
12. Does not provide for new or transitional airports (e.g. military to public).
13. Allows higher funds for a given airport over one program period. Since airports are allowed up to \$500,000 per year, it is conceivable for an airport to get up to \$1,500,000 in a three-year program period.
14. Does not reward sponsors that maintain assurances, especially action that prevents the loss of airport revenue. Nor does it penalize those who do not.
15. Does not provide sufficient replacement for Navigational Aids.
16. Does not provide flexibility and subjectivity for permit compliance and future role of airports per the California Aviation System Plan (CASP).
17. Does not coordinate with 18-month airport inspections.
18. Does not emphasize basic airport requirements (geometry, obstruction clearance, nav aids).

Executive Summary

Elements of the new methodology are:

1. SET-ASIDES - Before prioritizing project applications, the set-aside CAAP funds is 15% for ALUCP, and 35% for non-NPIAS airport projects. The remaining funds (50%) will be for all other projects. The three groups of projects will be ranked separately. This guarantees funding for land use compatibility plans and for small airports that previously missed funding support. ALUCP ranking will be based on the age of the previous plan. The other two groups will be processed using the priority list and discretionary points described below. This should result in an equitable distribution of funds throughout the system.
2. MATRIX REPLACED WITH A LIST – A new priority-ranking list was created, which is a product of the current matrix modified to better align with the CASP and FAA priorities. All safety projects were moved to the highest levels; some projects were redefined as safety; and lights and fencing projects were promoted. Capacity projects became a distinct group. Overall, it is a simple list of project types, divided into three basic purposes: Safety, Capacity, and Security. Each project will get a single point score. Points for based aircraft and operations were transferred to the next element of the methodology, “discretionary points”. The attached “Priority Ranking” table shows the proposed scoring.
3. DISCRETIONARY POINTS - Discretionary points will be assigned to projects that enhance the system plan, prepare for growth, meet statewide system need and generate regional benefits. The total discretionary points available will be 10% of the total points of the respective group. After initial scoring, discretionary points could be used to promote certain projects. The following criteria will be considered when assigning the discretionary points:
 - Annual operations
 - Functional classification of the airport
 - Permit compliance by the airport
 - Economic value to the community
 - Airport’s access to remote areas
 - Project’s potential for maximizing use of the airport
 - Relation of the project to the California Aviation System Plan
 - Airport’s potential for future growth

In addition to the above, input by the Regional Transportation Planning Agencies and the Technical Advisory Committee on Aeronautics can be used to assign points.

Attachments

California Transportation Commission
 Aeronautics Program
 Project Evaluation Matrix

March 1997

Project Purpose:	Project Type:																						
	A. Primary RW			B. Other RW/TW			C. Ramp/Apron			D. Nav aids			E. Safety			F. Acquire Land			G. Planning			H. Other	
A. Safety	9	10	8	9	8	7	7	7	8	6	9	9	6	4	6	7	5	7	8	5	5	4	5
B. Planning Documents																							
C. Reconstruction/Std																							
D. Upgrade																							
E. Miscellaneous																							

- A. **Safety** - Projects which are deemed necessary to eliminate or reduce identified safety hazards or are required for minimum safety standards.
- B. **Planning Documents** - Initial preparation of Comprehensive Land Use Plans (CLUP), Airport Layout Plans (ALP), and Master Plans (MP).
- C. **Reconstruction /Standards** - Projects that maintain or improve the existing airport system, or items necessary to meet minimum airport standards.
 Projects that update existing CLUPs, ALPs, and MPs.
- D. **Upgrade** - New construction that upgrades an existing airport to either accommodate larger aircraft or increase capacity. Construction of a new airport.
- E. **Miscellaneous** - Other eligible projects.

Priority Ranking of Aquisition and Development Projects

TYPE	DESCRIPTION	RANK	SCORE
Safety			
	Obstruction Mitigation/Abatement (Removal, trim, land acquisition, avigation easements for height restrictions)	1	20
	Obstruction Lighting (new)	2	19
	RSA/RPZ Land Acquisition	3	18
	RW or TW Lighting (repair or replace)	4	17
	Rotating Beacon (repair or replace)	5	16
	New Pavement for RW turnaround (no parallel TW)	6	15
	Landing Aids (e.g. Marking, Seg. Circle, VASI, AWOS/ASOS) (repair	7	14
Capacity			
	Seal/Overlay/Rehab existing RW	8	13
	RW Pavement (new) or Seal/Overlay/Rehab existing TW	9	12
	RW Lighting or Rotating Beacon (new)	10	11
	ALP (new or update)	11	10
	Automated Weather Reporting Equipment (new)	12	9
	TW Pavement (new) or Seal/Overlay/Rehab existing Apron	15	6
	Apron Pavement (new) or Service Roads (rehab or new)	16	5
	Landing Aids (new)	17	4
	Utilities (drainage, water, sewage), environmental mitigation, blast wall, fire protection systems, radio communication equipment, bond servicing	18	3
	Land Acquisition for Airside Usage or TW Lighting (new) or MP (new or update)	19	2
	Noise monitoring equipment (new)	20	1
Security			
	Security Fence (new)	13	8
	Apron Lighting (new)	14	7

Each project will be ranked and assigned points using the list above. The "bank" of discretionary points to promote projects with special needs will equal 10% of the total points in each year, and can be distributed to one or more projects. Statewide strategic plans, based aircraft and operations will also be considered with discretionary point awards. Projects with the highest point score will be selected for allocation.