

SRE/Maintenance Building Development Plan

Southwest Minnesota Regional Airport – Marshall (MML)

The Project

The City of Marshall desires to construct a new Snow Removal Equipment (SRE) and Maintenance Equipment Storage Building at the Southwest Minnesota Regional Airport. The existing building has outlived its useful life, and does not adequately accommodate all airport maintenance equipment storage needs. The new facility is planned to be constructed on the East Building Area of the airport, as shown on the recently completed Airport Master Plan. See **EXHIBIT 1 – ALP Terminal Area Plan – East Quadrant**.

A joint city fire station and ARFF (Aircraft Rescue and Fire Fighting) facility is ultimately planned to be co-located on the site with the SRE/Maintenance Building. The facilities would share common use amenities and utilities.

The Project has been identified on the airport CIP for several years.

Project Timeline

Phase 1 – 2021: Preliminary Design Study and Funding Plan

Phase 2 – 2022: Design and Site Preparation

Phase 3 – 2023: Construction

Project Costs and Funding

Preliminary cost estimates for the facility have been utilized for planning purposes on the airport capital improvement program (CIP). Those costs are order of magnitude costs, and require further refinement during design. The preliminary estimates have been developed to provide placeholders for Federal, State and Local funding. In discussions with the FAA in the fall of 2020, it was determined that an additional planning study would need to be performed to determine federal funding eligibility, more precise construction cost estimates, and a project funding plan. This planning study would be funded locally, but could be eligible for future federal and/or state funding reimbursement as project formulation costs.

See **TABLE 1 – Project CIP Estimates**

Federal Funding

Federal entitlement funding. The Airport receives \$150,000 annually in FAA entitlement funding. Those funds may be accumulated for up to four years. This caps the availability of federal entitlements at \$600,000, unless entitlement transfers are utilized. The Airport currently has \$600,000 available in 2021, of which \$150,000 will expire if not used or transferred this year. It is planned that two entitlement transfers will be performed, one in 2021, and one in 2022, to ensure that those entitlements do not expire. The receiving airport will then transfer back their newer funds in 2023 when building construction will occur. This will allow the airport to have \$900,000 in entitlements available

for use on the project. One additional entitlement transfer from another airport may be necessary to obtain the required funding amount.

Preliminary estimates utilized in the preparation of the airport CIP, indicate a need for federal funding in the amount of \$990,000. This accounts for approximately 63% of the overall project cost.

Entitlement Transfers as identified:

1. Dodge Center Municipal Airport - \$150,000 to Dodge Center in 2021 for use on reconstructing hangar taxilanes. Dodge Center will in turn transfer back to Marshall \$150,000 in entitlements in 2023. This transfer will need to occur prior to April 30, 2021.
2. Waseca Municipal Airport - \$150,000 to Waseca for use in constructing a multi-unit hangar. Waseca will in turn transfer back to Marshall \$150,000 in 2023.

State Funding

MnDOT Aeronautics provides development funding for eligible projects. Priority of funding is allocated based on state priorities. State match on local funds for federally eligible projects, as well as federally non-eligible work are highly prioritized. This project would fall into both categories since portions of the project are eligible for federal funding, and other portions would be prioritized for state funding only due to federal ineligibility.

Preliminary estimates utilized in the preparation of the airport CIP, indicate a need for state funding in the amount of \$320,500. This accounts for approximately 20% of the overall project cost.

Local Funding

A local funding match is required on both federal and state funds. Federal funds are typically 90% federal with a 10% local match. MnDOT Aeronautics provides a 5% local match on eligible federal work, resulting in an overall share of 90% federal, 5% state, and 5% local on federally funded work.

State funding for airport development is provided by MnDOT Aeronautics at a 70% funding rate, and a resulting 30% local share.

Preliminary estimates utilized in the preparation of the airport CIP, indicate a need for local funding in the amount of \$269,500. This accounts for approximately 17% of the overall project cost.