



North Dakota Aeronautics Commission Budget Hearing

HB 1006

House Appropriations – Government Operations Divisions
January 6th, 2023

Kyle Wanner, Executive Director

Aeronautics Commission – Statutory Authority

North Dakota Century Code Chapters 2-05, 2-08, 57-40.5, 57-43.3

Major Statutory Responsibilities:

- Encourage the establishment & maintenance of public airport and navigational facilities.
- Cooperates with federal and local government in the promotion & development of aeronautical activities
- Represents the state and industry in all matters relating to aeronautical activities.
- Regulatory functions – aircraft registrations, aircraft excise & fuel tax, aerial application, aircraft dealers

Audit for Biennium Ended June 30th, 2021:

- The audit did not identify any exceptions or defaults.



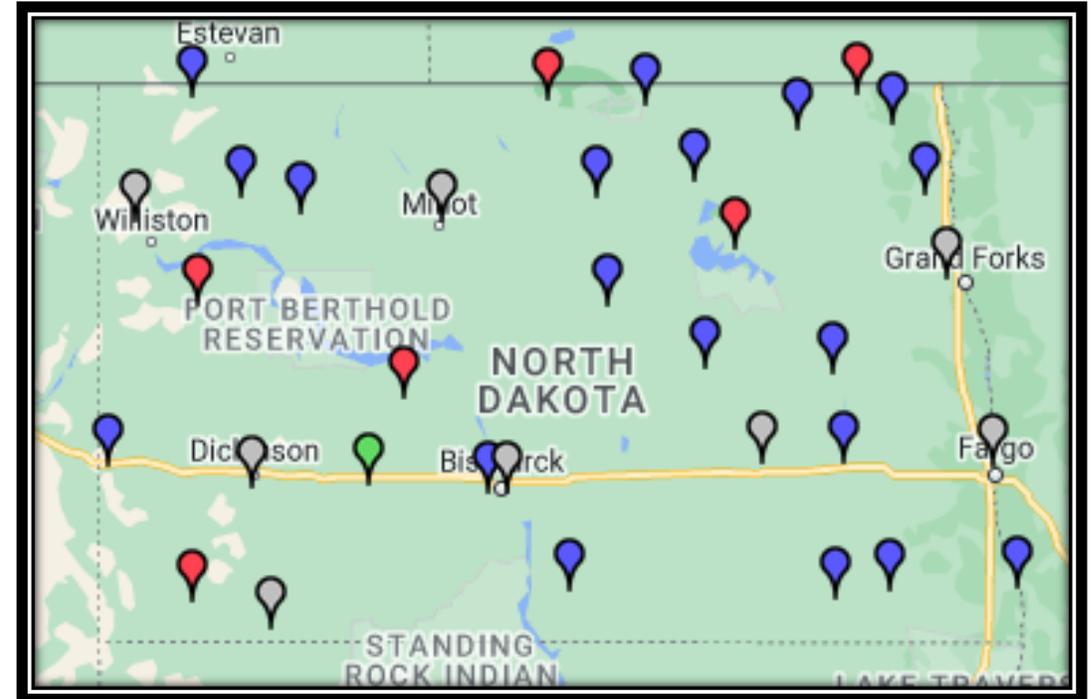
Additional Core Agency Duties

- Airport Infrastructure Grant Funding
- Airport Planning Support
 - Airport Layout Plan Development
 - Airport Inspections
 - Airspace Analysis
 - Airport Management Support and Resources
- Update Statewide Aviation Publications and Planning Documents
- Aviation Education Promotion and Grant Funding
- Own and Manage Two Public Airports: International Peace Garden Airport and Garrison Dam Recreational Airpark



Agency Programs

- Passport Program
- Aviation Museum Support
- Flight Training Assistance Program (FTAP)
- Airport Internship Program
- Aviation Education Grants
- Aviation Career Day Involvement
- Youth Aviation Art Contest
- High School Curriculum Assistance
- Windsock Program
- Aerial Applicator Alert Map
- Disadvantage Business Enterprise (DBE) Goal and Accomplishment Assistance for airports
- Statewide Automated Weather Observation System (AWOS) Maintenance Program

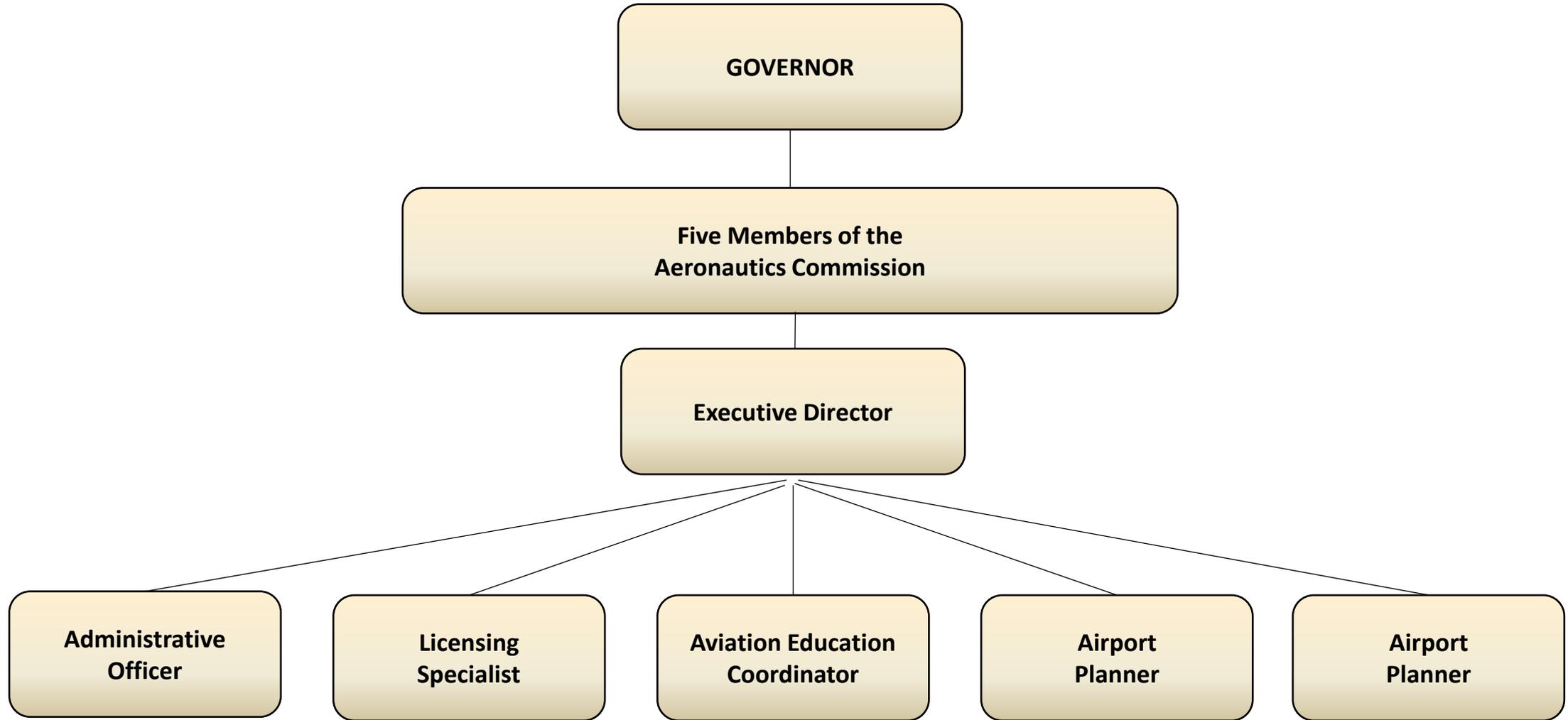


33 Certified Weather Observation Systems for Aviation

**National Weather Service Maintains 9 Stations*

**ND Aeronautics Assists in Maintenance of 24 stations*

Current Organizational Chart



Organization/Leadership – Aeronautics Commission

5 Member Commission Appointed by the Governor



Kyle Humann, Mandan - Chair

- Appointed in 2019



Jay B. Lindquist, Hettinger

- Appointed in 1993



Dr. Kim Kenville, Grand Forks

- Appointed in 2011



Steve Blazek, Fargo

- Appointed in 2022



Warren Pietsch, Minot

- Appointed in 2012

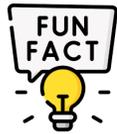
North Dakota's Airport System

89 Public-Use Airports in North Dakota

- 71 airports are paved
- 18 airports maintain turf only runways

54 are eligible to receive federal funding

35 are maintained utilizing state and local funding only



Over 200 private airstrips also exist throughout the state

2015 Economic Impact of Aviation Study



Employment

Jobs related to airport management, airport tenants, capital investment at airports, and visitor spending

12,217 jobs



Payroll

Annual payroll associated with these jobs

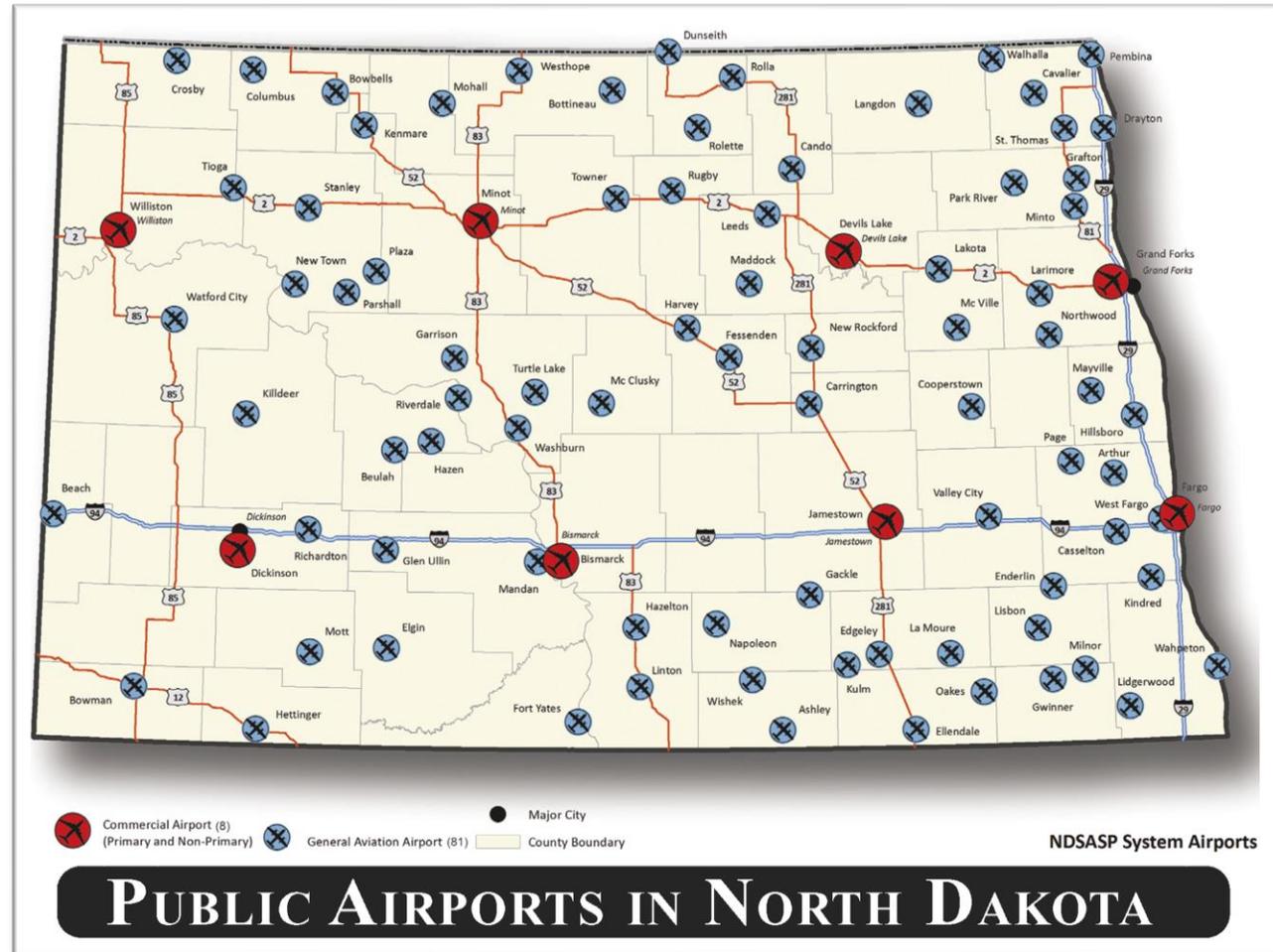
\$505.2 million



Output

Annual economic output for five activity centers

\$1.56 billion



Major Biennial Accomplishments

Adapting North Dakota to Federal Funding Opportunities

- New Federal Funding Programs
 - CARES/CRRSAA/ARPA & BIL/IIJA
- Successfully reacted to changes in environment to maximize federal funding and utilize state funding to fill in gaps and provide additional assistance to airports
- Redeveloped and re-prioritized the statewide Capital Improvement plans for airport development projects. The planning efforts also considered projects that were impacted by COVID-19 and the lack of “Operation Prairie Dog” funds.

State Airport Grant Funding

- Provided approximately \$22 million in State Airport Infrastructure Grants to 270 airport projects
 - \$13 million in one-time SIIF allocation from 2019 legislative session.
 - Legislative appropriation ends June 30th, 2023
 - \$5 million in one-time ARPA allocation from 2021 special legislative session
 - All funds have been obligated for airport projects and approximately \$2 million has been expended to date.
 - \$3.5 million Aeronautics Commission special fund allocation
 - \$475,000 state general fund allocation



COVID-19 initially led to significant impacts to passenger demand and greatly impacted local revenue streams for the airports.

Major Biennial Accomplishments

Aviation Education Initiatives

- NDAC partnered with NDAA and UND to receive a federal workforce development grant
 - \$500,000 was received to create professional development opportunities for teachers
- Assisting in the development and growth of aviation programming at high schools
 - Six cities in North Dakota now have aviation related courses
 - Distance Education is available to all high school students
- Annual Career Expo's were developed to occur every Fall to rotate between the Minot Air Museum and Fargo Air Museum
 - 3 Career Expo's have now occurred, and the last event drew over 170 students interested in aviation careers
 - Scholarship Fund development through NDAA

Online Payment System will be available Spring 2023

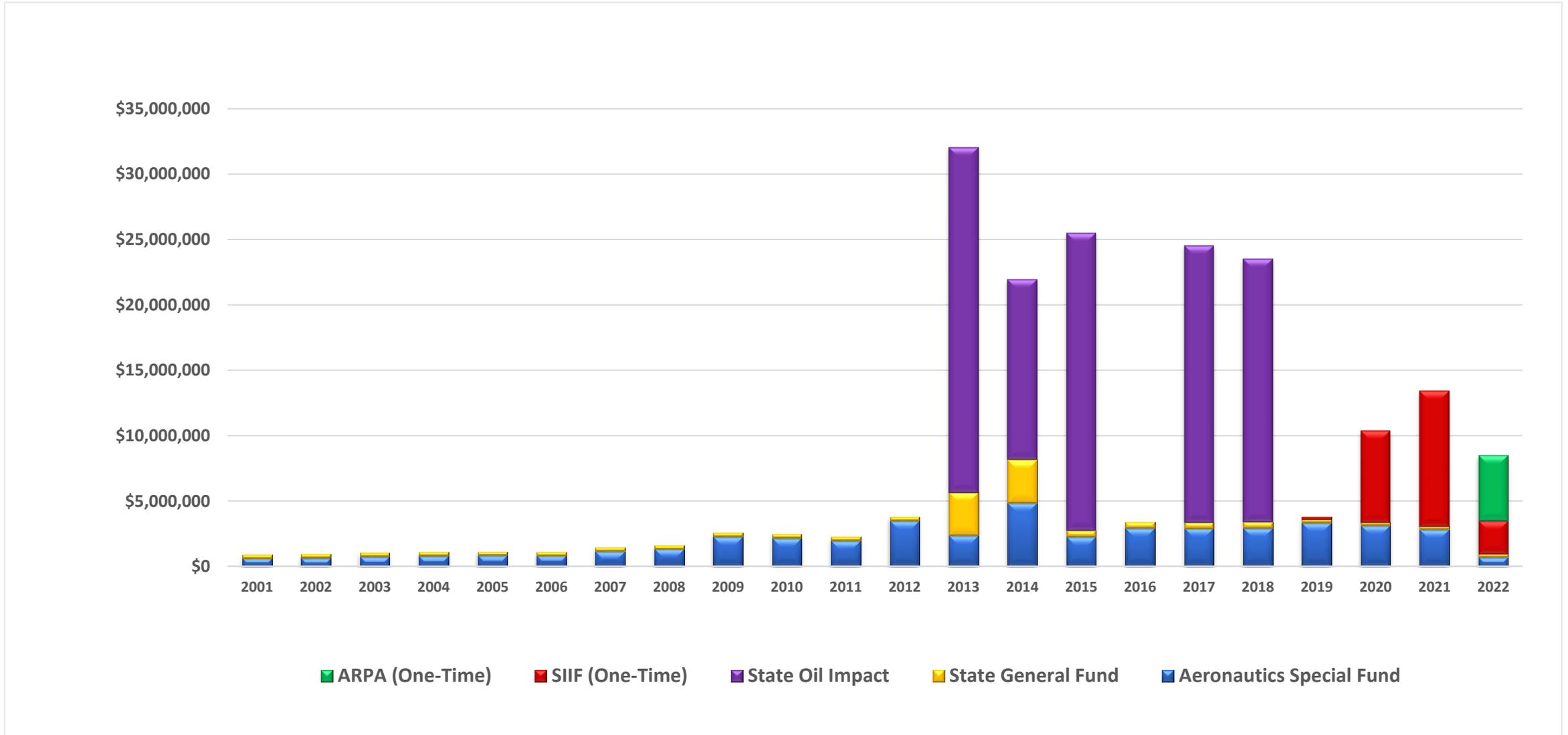
- NDAC is working with BND, NDITD, and Paymentus to develop an updated online payment system
 - Credit card & E-check payment methods will be accepted for all transactions

Updated Pavement Condition Index Study

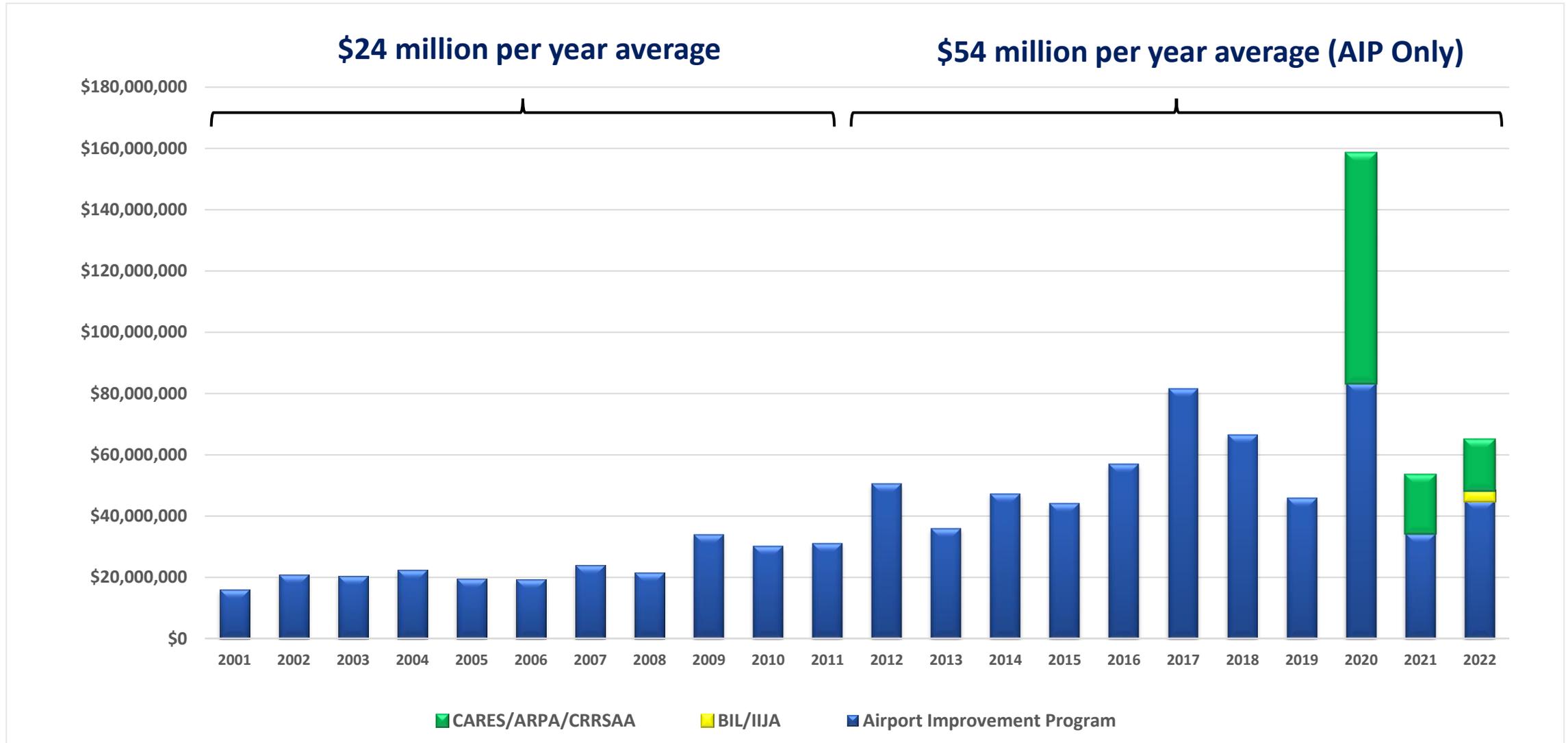
- Updated inventory data was collected in 2021 and released for all airports with pavements



Historical State Funding for North Dakota Airports



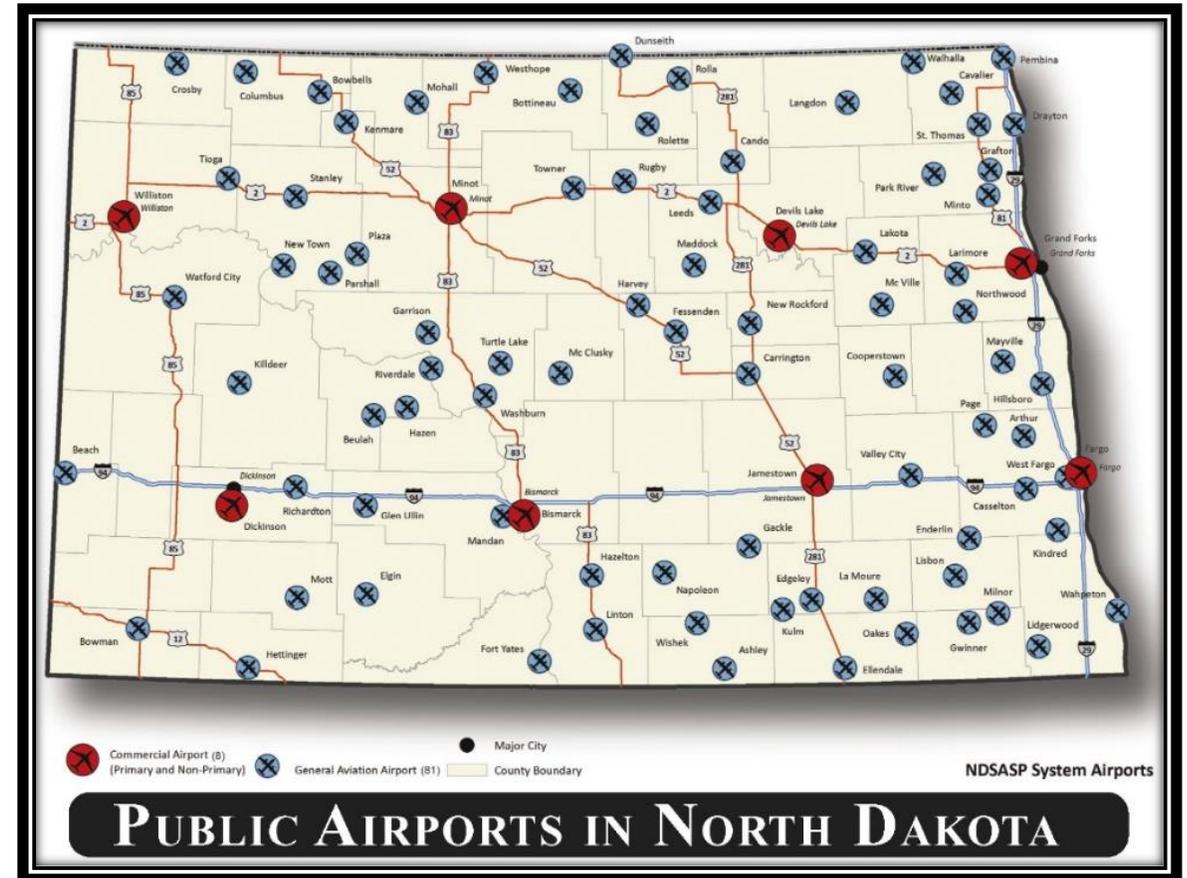
Historical Federal Funding for North Dakota Airports



A Decade of Accomplishments

2012 - 2022

- New Bowman Airport (2015)
- New Williston Basin International Airport (2019)
- Airport Layout Plan/Master Plan Updates
 - 37 General Aviation Airports
 - 8 Commercial Airports
- Runway Rehabilitations
 - 34 General Airport Runways
 - 7 Commercial Airport Runways
- Airport Terminals
 - 18 General Aviation Airports
 - New (Minot & Williston)
 - Multiple Commercial Terminal Upgrades
- Other Airport Upgrades
 - Snow Removal Equipment
 - Drainage Improvements
 - Instrument Approaches/Weather Reporting Upgrades
 - Lighting Upgrades



North Dakota's Return on Investment

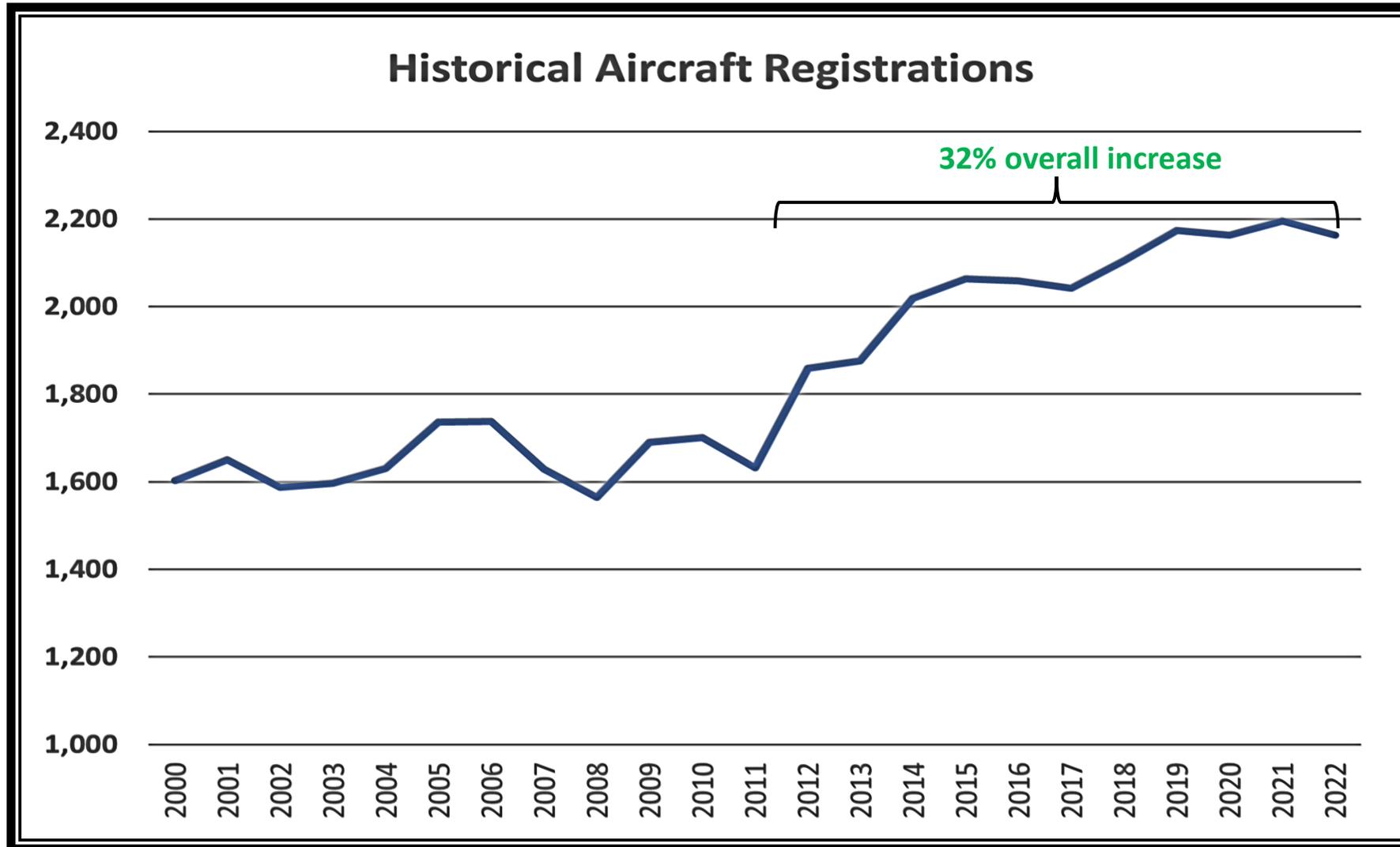
From 2013-2022 (Last 10 years):

- North Dakota has received \$541 million from Federal Government for Airport projects
- The State of North Dakota has invested a total of \$167 million in airport projects.

Over the last 10 years - for every \$1 dollar that the state has invested in airports, we have been able to leverage/receive approximately \$3.24 from the Federal Aviation Administration.

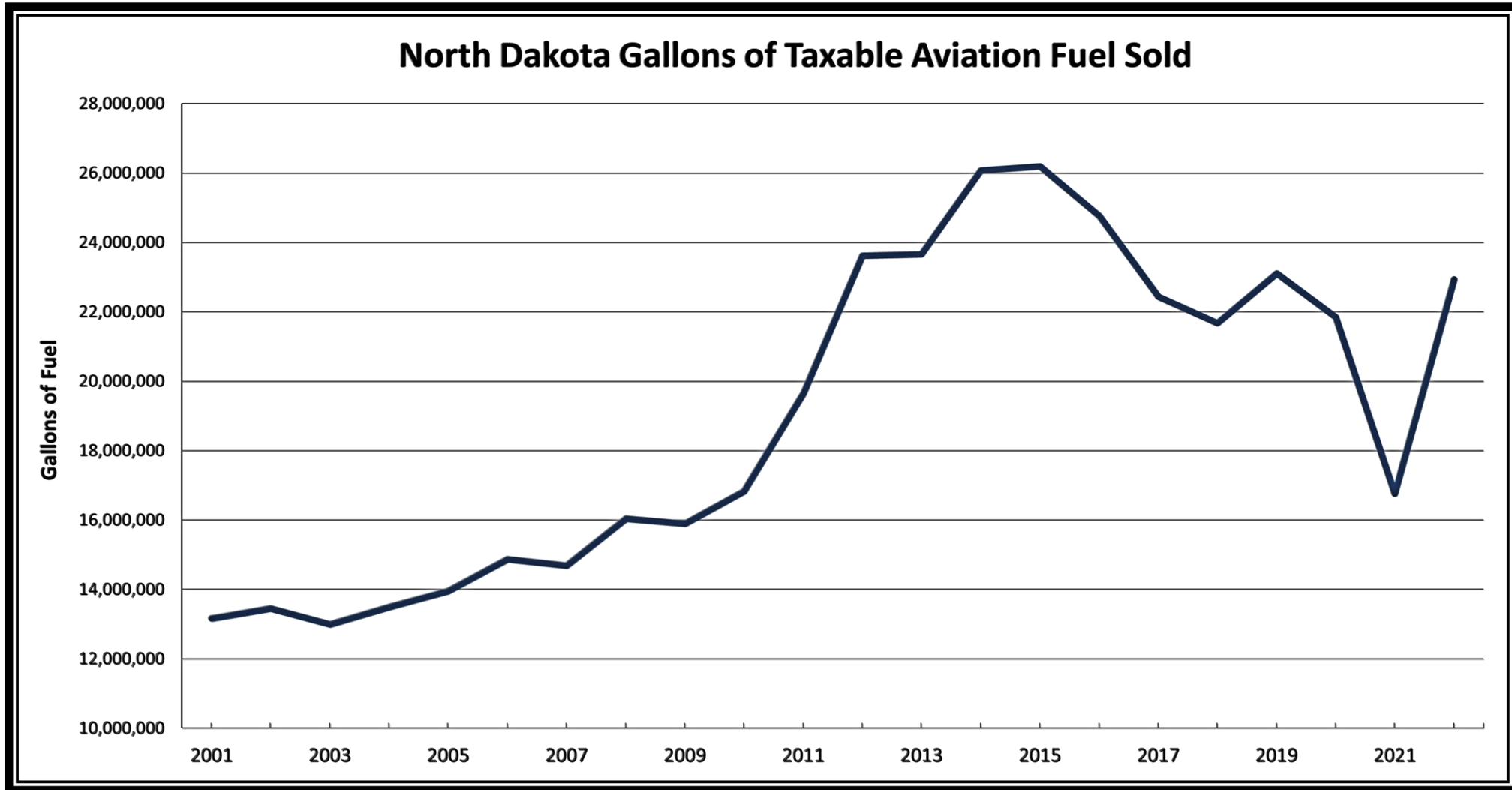


Aviation Statistics – Based Aircraft



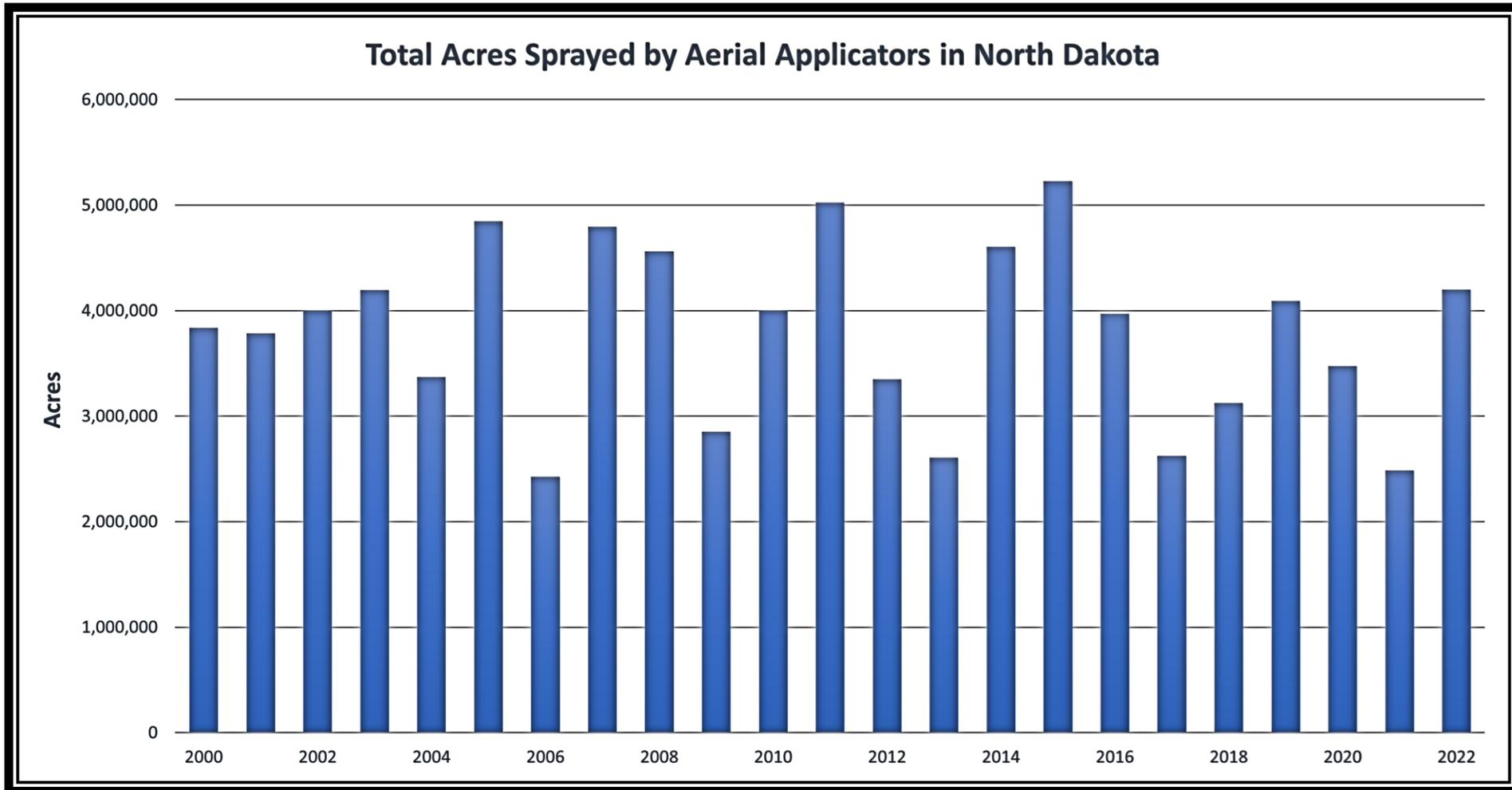
Aircraft Based in North Dakota are at record levels

Aviation Statistics – Aviation Fuel Purchases (Fiscal Year)



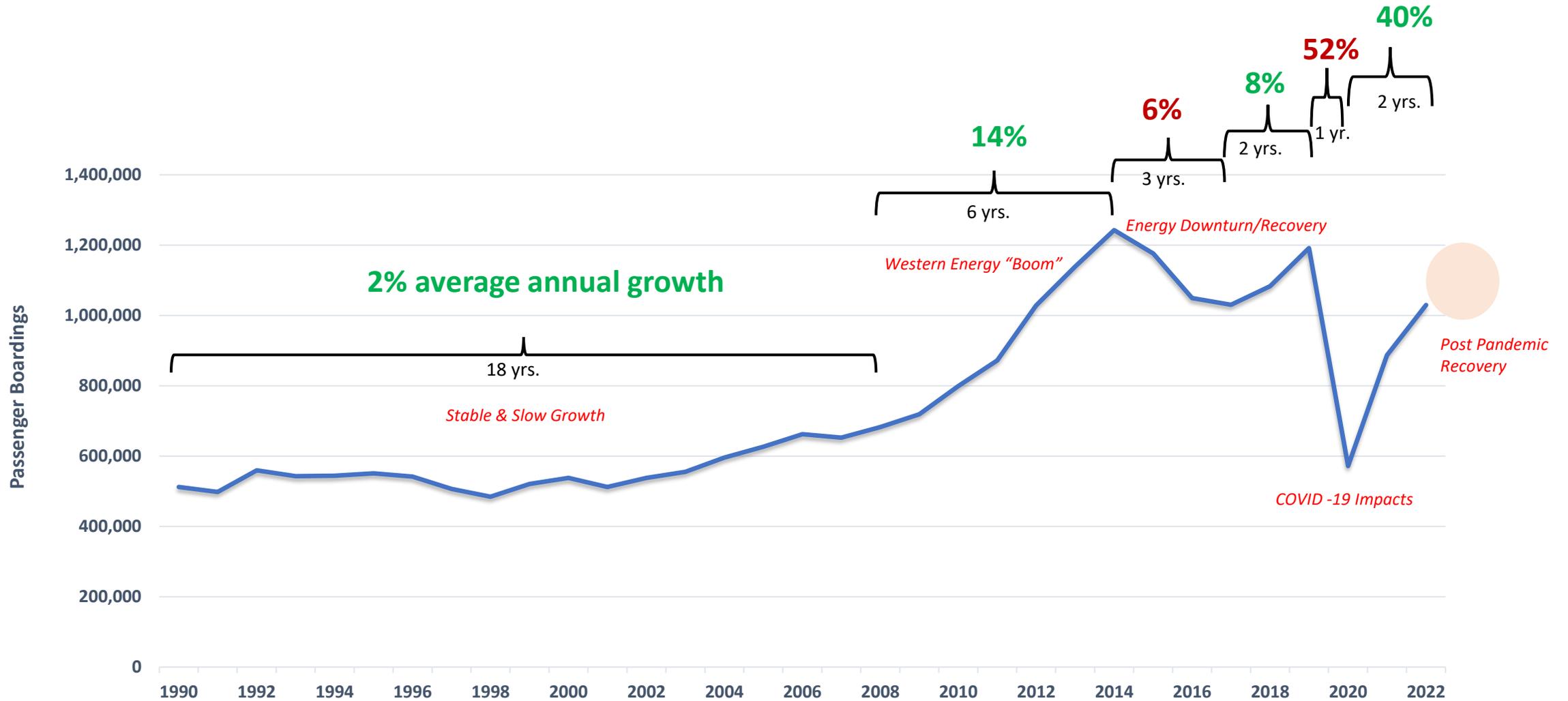
Aviation Fuel Use (100LL & Jet A) have recovered to Pre-pandemic levels

Aviation Statistics – Aerial Application

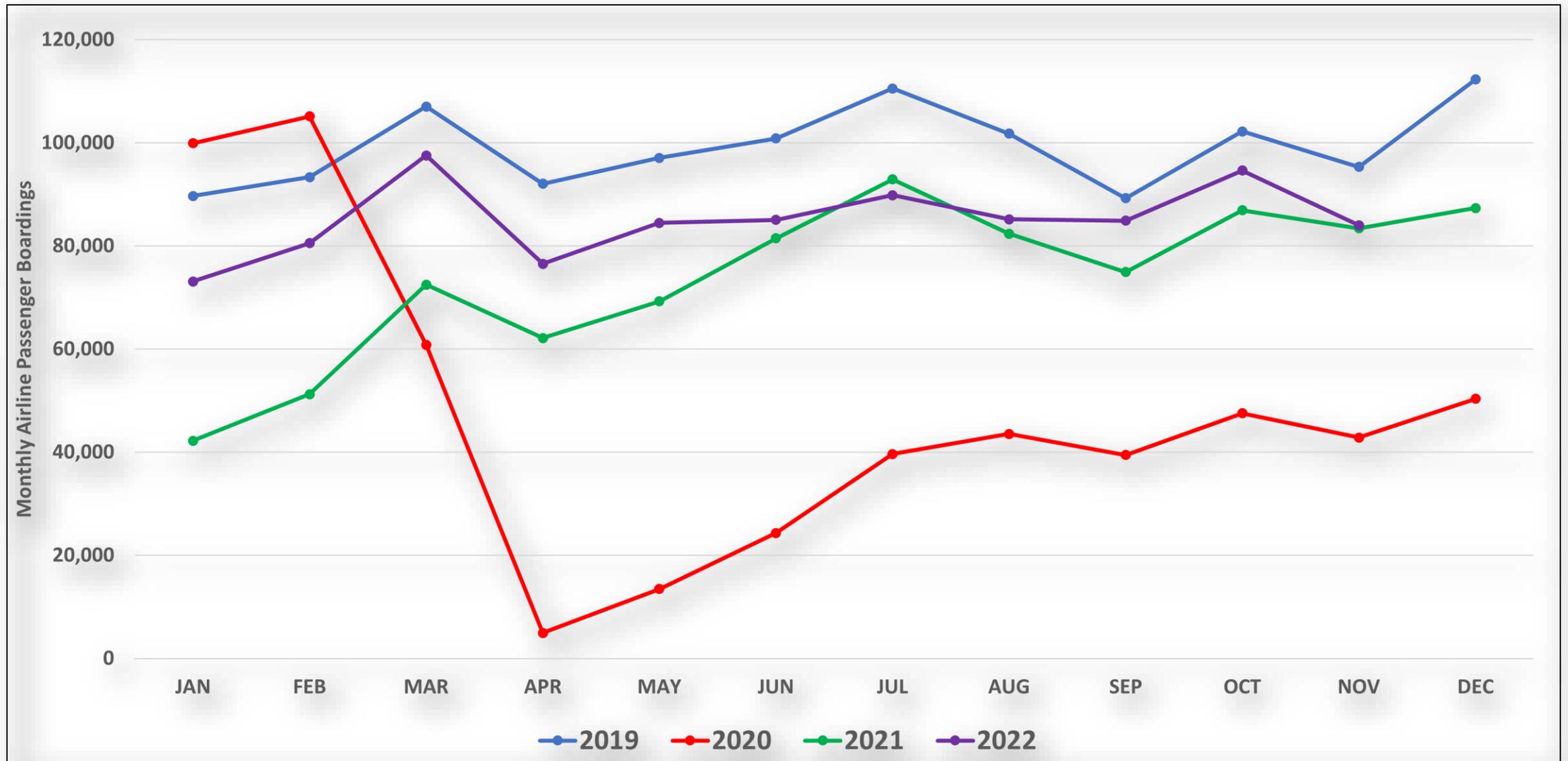


*2022 was an above average year for ND Aerial Applicators – 4.2 million acres
(3.8 million acres is 20-year average)
96 Aerial Applicator Businesses utilizing 191 aircraft and 172 pilots*

Aviation Statistics – Historical Airline Boardings



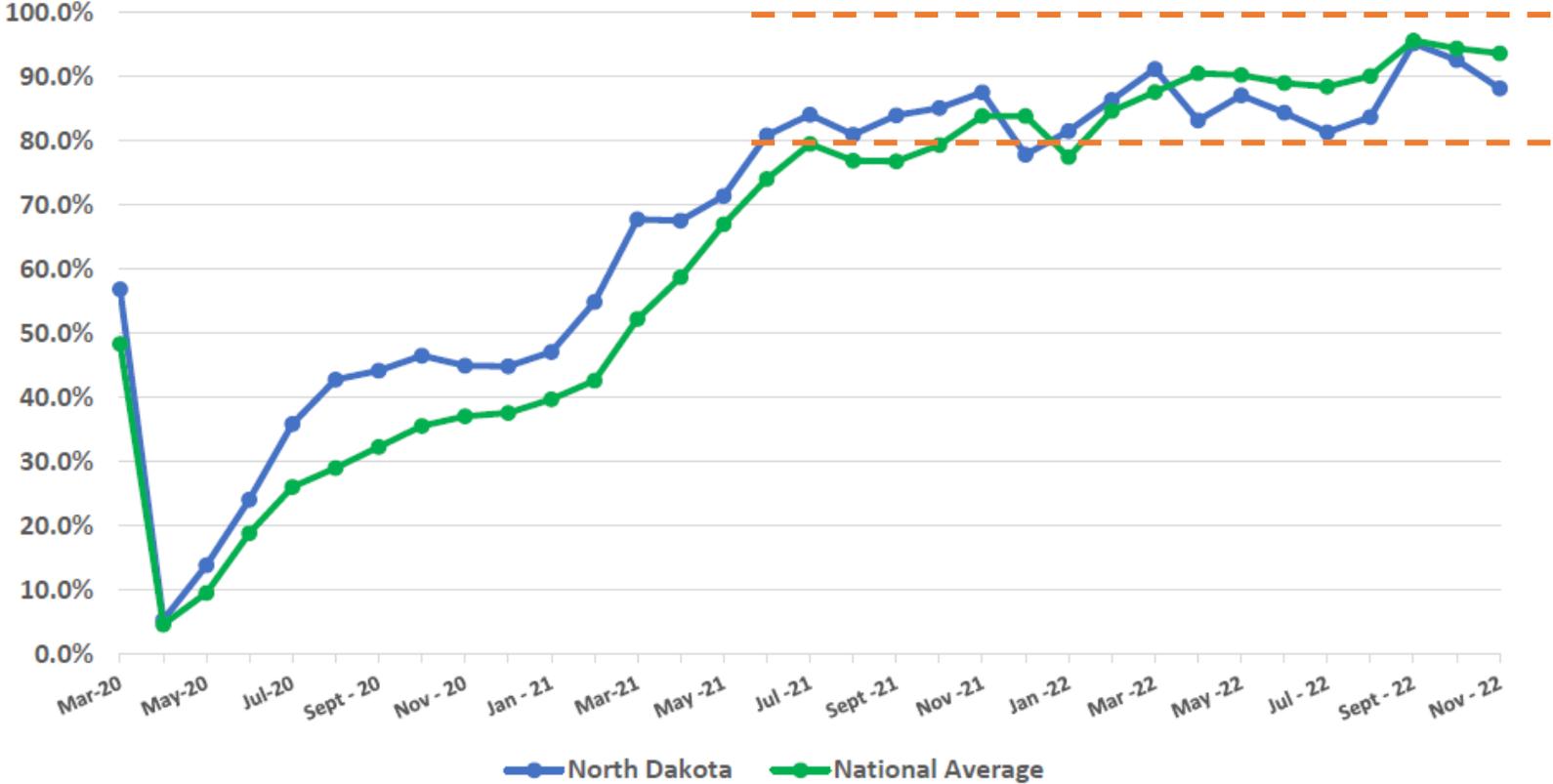
North Dakota Airline Passenger Boarding Trends



North Dakota versus National Average – Post Pandemic Recovery Analysis

ND vs. TSA Enplanement Retention

Month	ND	TSA
Mar-20	56.8%	48.3%
Apr-20	5.4%	4.7%
May-20	13.9%	9.6%
Jun-20	24.1%	18.9%
Jul-20	35.9%	26.1%
Aug-20	42.8%	29.0%
Sept - 20	44.2%	32.3%
Oct - 20	46.5%	35.6%
Nov - 20	45.0%	37.1%
Dec - 20	44.8%	37.6%
Jan - 21	47.1%	39.7%
Feb - 21	54.9%	42.6%
Mar-21	67.7%	52.2%
Apr - 21	67.5%	58.7%
May - 21	71.4%	67.0%
Jun - 21	80.8%	74.0%
Jul - 21	84.0%	79.5%
Aug - 21	80.9%	76.9%
Sept - 21	83.9%	76.8%
Oct - 21	85.0%	79.3%
Nov - 21	87.5%	83.8%
Dec - 21	77.8%	83.8%
Jan - 22	81.5%	77.4%
Feb - 22	86.3%	84.6%
Mar - 22	91.2%	87.6%
Apr - 22	83.2%	90.5%
May - 22	87.0%	90.2%
Jun - 22	84.3%	89.0%
Jul - 22	81.3%	88.4%
Aug - 22	83.7%	90.1%
Sept - 22	95.1%	95.6%
Oct - 22	92.5%	94.4%
Nov - 22	88.1%	93.6%



National statistics were retrieved from TSA website: <https://www.tsa.gov/coronavirus/passenger-throughput>

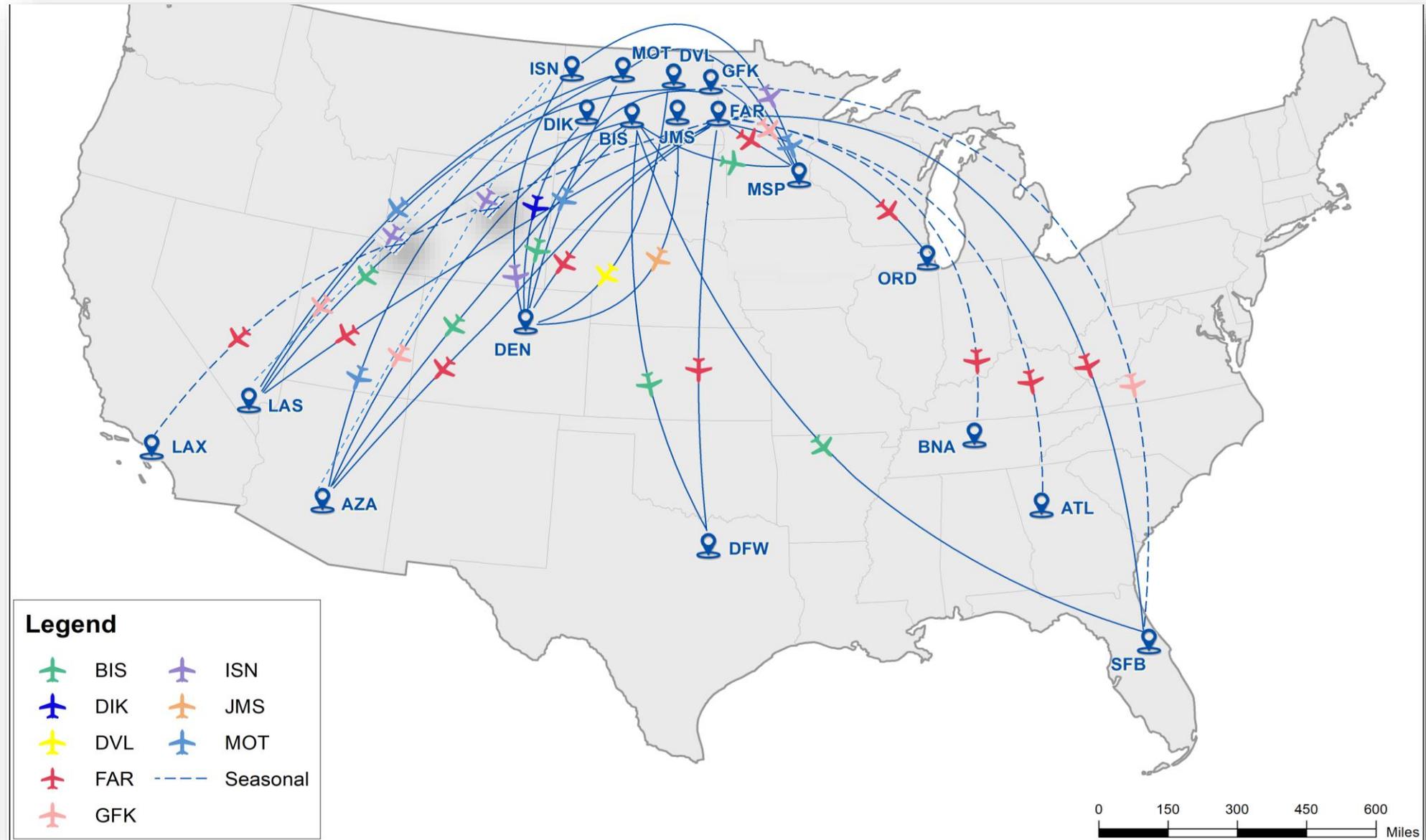
North Dakota Airline Annual Data

Year	Departures Performed	Available Seats	Aircraft Load Factor	Enplaned Revenue Passengers
2010	24,427	1,236,628	74.03%	806,230
2011	25,017	1,224,961	78.45%	869,582
2012	27,224	1,388,337	79.88%	1,028,543
2013	29,782	1,549,244	79.19%	1,139,586
2014	27,361	1,549,482	83.33%	1,242,995
2015	27,194	1,583,643	78.54%	1,176,043
2016	24,089	1,420,610	78.93%	1,049,418
2017	24,292	1,423,992	76.90%	1,030,639
2018	24,734	1,427,462	80.75%	1,083,117
2019	26,408	1,548,298	80.33%	1,191,569
2020	19,019	1,096,015	57.23%	572,093
2021	22,521	1,320,409	70.18%	886,809
2022 *	21,600	1,300,000	84.00%	1,030,000

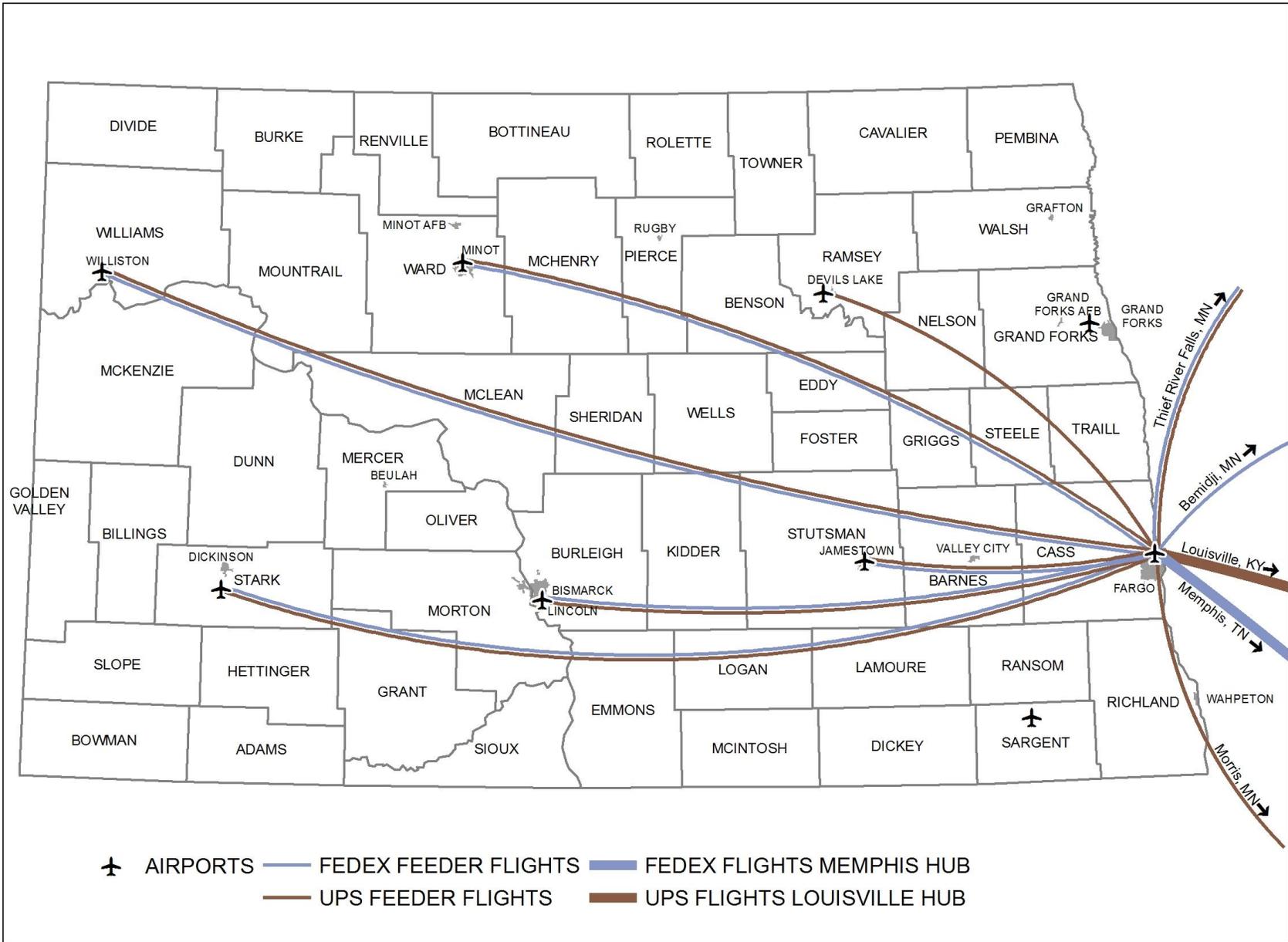
*2022 data is estimating October, November, and December months

- Approximately 15% less flight departures, available seats, and passenger counts than in 2019
- 2022 Load Factor is elevated which shows additional capacity is desired
 - Pilot & workforce shortage is currently preventing airlines from adding capacity

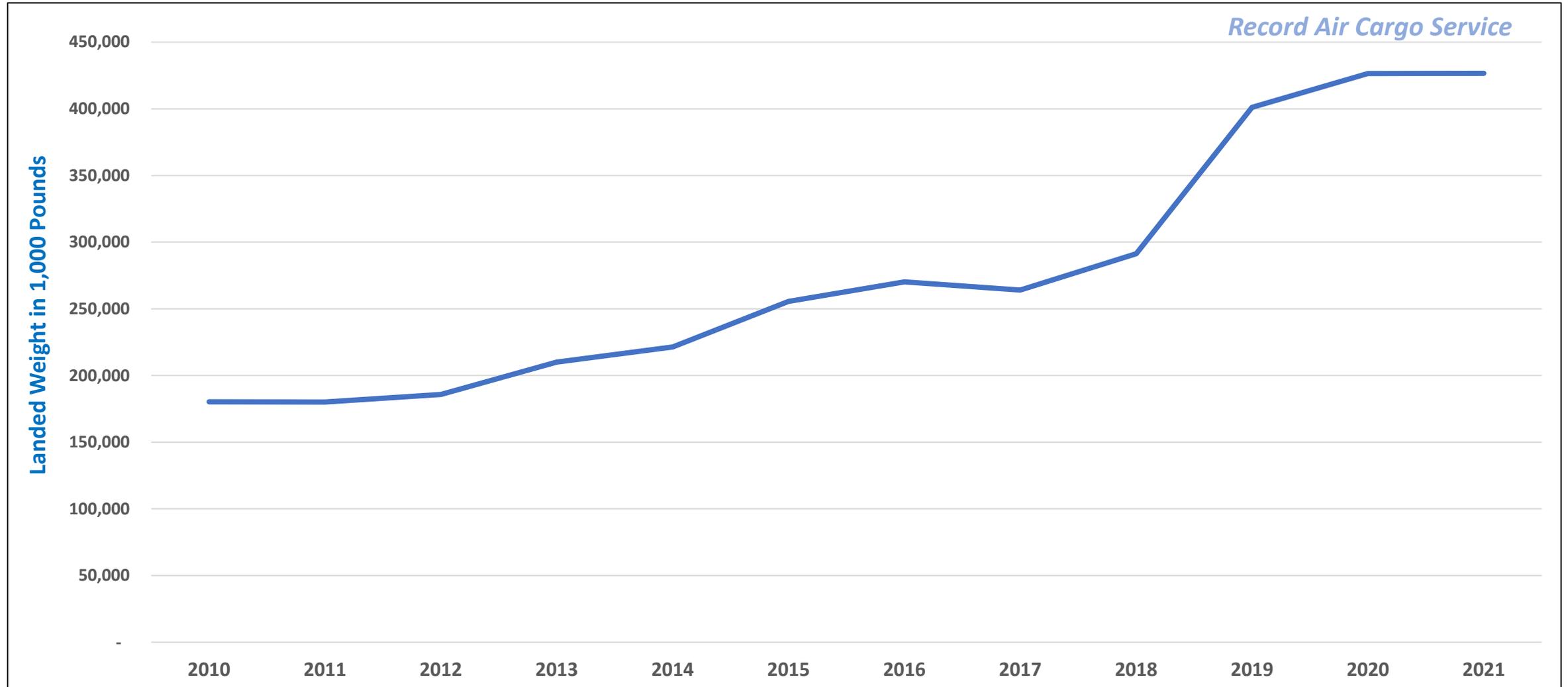
North Dakota Air Service Route Map - 2022



North Dakota Air Cargo Route Map - 2022



North Dakota Air Cargo Total Landed Weight



Pavement Condition Index Study

- 60 million square feet of concrete and asphalt pavement are inventoried, and condition is tracked every 3 years.
- Results are provided an interactive Airport Pavement Management System (APMS) tool
<https://apps.aero.nd.gov/app/pavement/>
- Fulfills FAA Grant Assurance 11 and Public Law 103-305 requirements for federal funded airports

Interactive APMS Tool Includes:

Statewide Summarized Results
Individual Airport Results, including:
Pavement Inventory and Work History
PCI Results
Photographs
Condition Analysis
Needs Analysis
Report Documents

The screenshot shows the website for the North Dakota Aeronautics Commission. The main navigation bar includes links for Maps, Forms, News, Events, Regulations, Publications, About, Contact, Renew Aircraft Registration, and Search. A secondary navigation bar features AIRPORTS, EDUCATION/PROGRAMS, LICENSING, STUDIES, and UNMANNED AIRCRAFT. The 'STUDIES' dropdown menu is open, highlighting 'Pavement Condition Index'. The main content area features a large banner for the '2021 PCI STUDY' with a red arrow pointing to the 'Pavement Condition Index' link. Below the banner, there are sections for 'UPCOMING EVENTS' (including FAA Weather Camera Program Webinar and NDAAA Tri-State Aerial Applicators Convention) and 'LATEST NEWS' (including North Dakota Aviation Association Awards and Air Travel Poised for Strong Holiday Season).

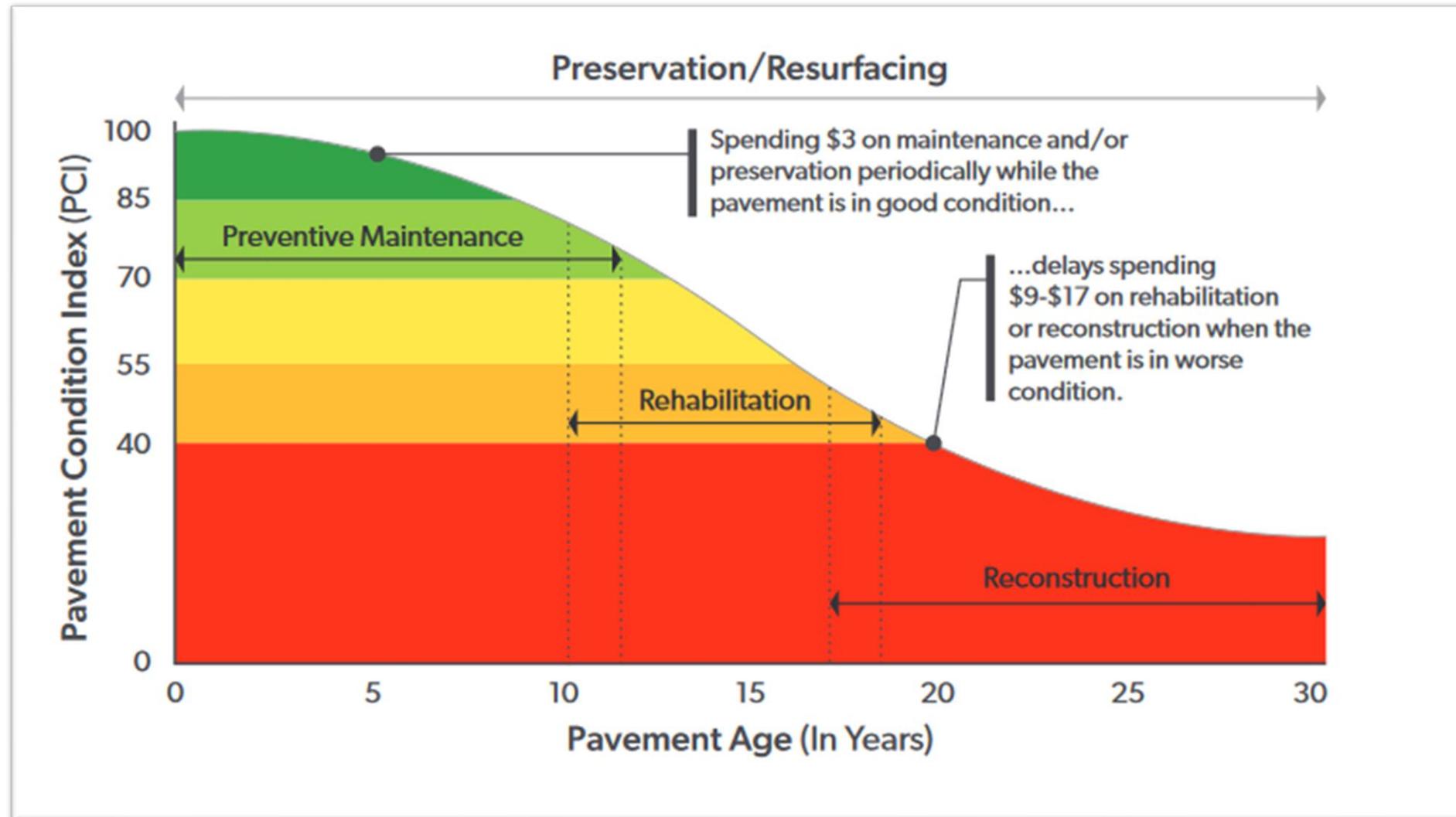
Pavement Condition Index Study

2021 Statewide Pavement Area by PCI Range



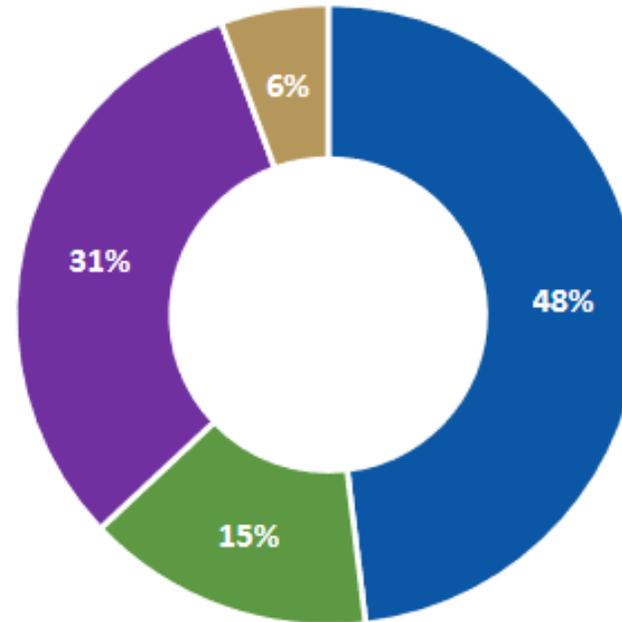
PCI Range	Pavement Area (sf)	Category
● 100-86	24,849,364	■ Preventative Maintenance
● 85-71	12,262,501	■ Preventative Maintenance
● 70-56	14,844,899	■ Preventative Maintenance ■ Rehabilitation
● 55-41	3,883,211	■ Rehabilitation
● 40-0	3,661,030	■ Reconstruction

Pavement Condition Index Study



Pavement Condition Index Study

If all projects identified within PCI Study were funded, an approximate total of \$251 million would be needed during the next 5 years



Overall State Airport System IN SQUARE FEET

■ Preventative Maintenance	28,613,741
■ Surface Treatments	8,847,337
■ Major Rehabilitation	18,741,180
■ Major Reconstruction	3,298,747

Pavement Condition Index Study

Branch Use	Area - Weighted Average Condition (PCI)				
	2009	2012	2015	2018	2021
Entire System	76	77	76	79	77
Runways	78	81	79	82	79
Taxiways	76	77	73	79	78
Aprons	72	69	72	73	71
Hangar Taxiways	64	64	72	76	75
Total Pavement (millions sq ft)	52.1	51.9	55.3	56.9	59.5

North Dakota has been able to successfully maintain our airport pavements over time while also increasing the amount of pavement in the system as our communities and airports grow.

Biennium Project Highlights – Commercial Service

Fargo

- Commercial Terminal Area Study
- Snow Removal Equipment Building Expansion

Grand Forks

- Reconstruct Intersection for Rwy 9L/27R and Rwy 17R/35L
- UND Bravo Apron Reconstruction

Devils Lake

- Commercial Terminal Design Work

Jamestown

- Terminal Apron Reconstruction



*Grand Forks – Runway Intersection
Reconstruction (2022)*

Biennium Project Highlights – Commercial Service

Minot

- General Aviation & Cargo Apron Rehabilitation

Bismarck

- Major In-Field Drainage Improvements

Dickinson

- Primary Runway Reconstruction & Extension

Williston

- New airport successfully opened Fall of 2019
- Crosswind Runway construction completed Fall of 2020
- Master Plan Update Ongoing



*Dickinson Airport Primary Runway
Construction (2022)*

Biennium Project Highlights – General Aviation

Runway Rehabilitations

- Beach
- Carrington
- Cando
- Glen Ullin
- Hazen
- Mohall (runway extension)
- Watford City (runway extension)

Taxiway/Apron Rehabilitations

- Hillsboro
- Tioga
- Washburn
- Garrison
- Hettinger
- Mandan
- Wahpeton



*Watford City Airport Runway
Reconstruction & Extension (2021)*

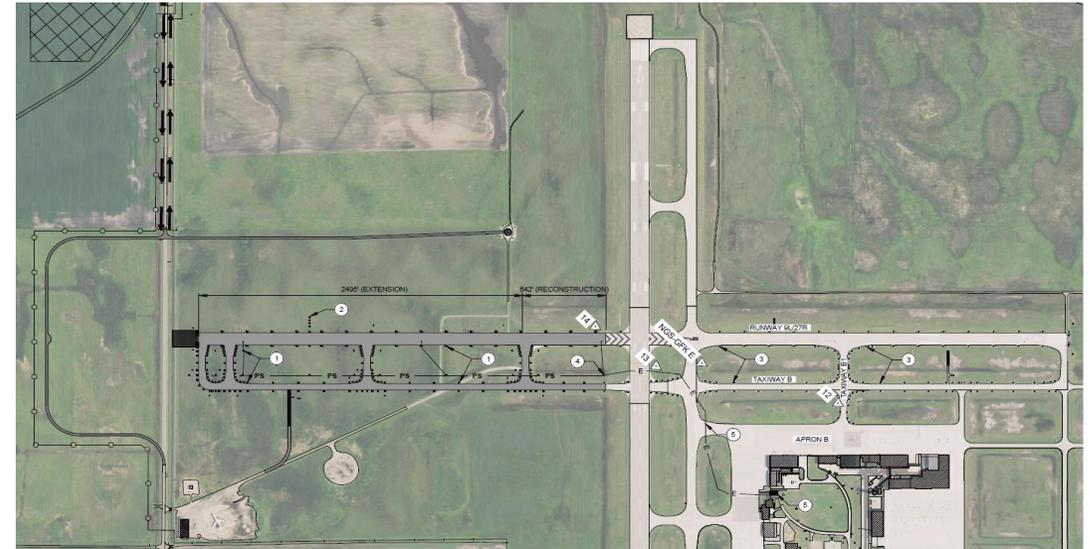
Major Airport Projects on Horizon

Commercial Aviation Major Projects

- **Bismarck:** Crosswind Runway Rehabilitation
- **Devils Lake:** Commercial Terminal Improvements
- **Dickinson:** Commercial Terminal Improvements
- **Fargo:** Commercial Terminal Expansion
- **Grand Forks:** Crosswind Runway Reconstruction/Extension and Primary Runway Reconstruction
- **Jamestown:** Primary Runway Rehabilitation
- **Minot:** Storm Water & Drainage Improvements
- **Williston:** Deicing Containment Area Expansion

General Aviation Runway Rehabilitations

- Crosby
- International Peace Gardens
- Lakota
- Leeds
- New Rockford
- Westhope



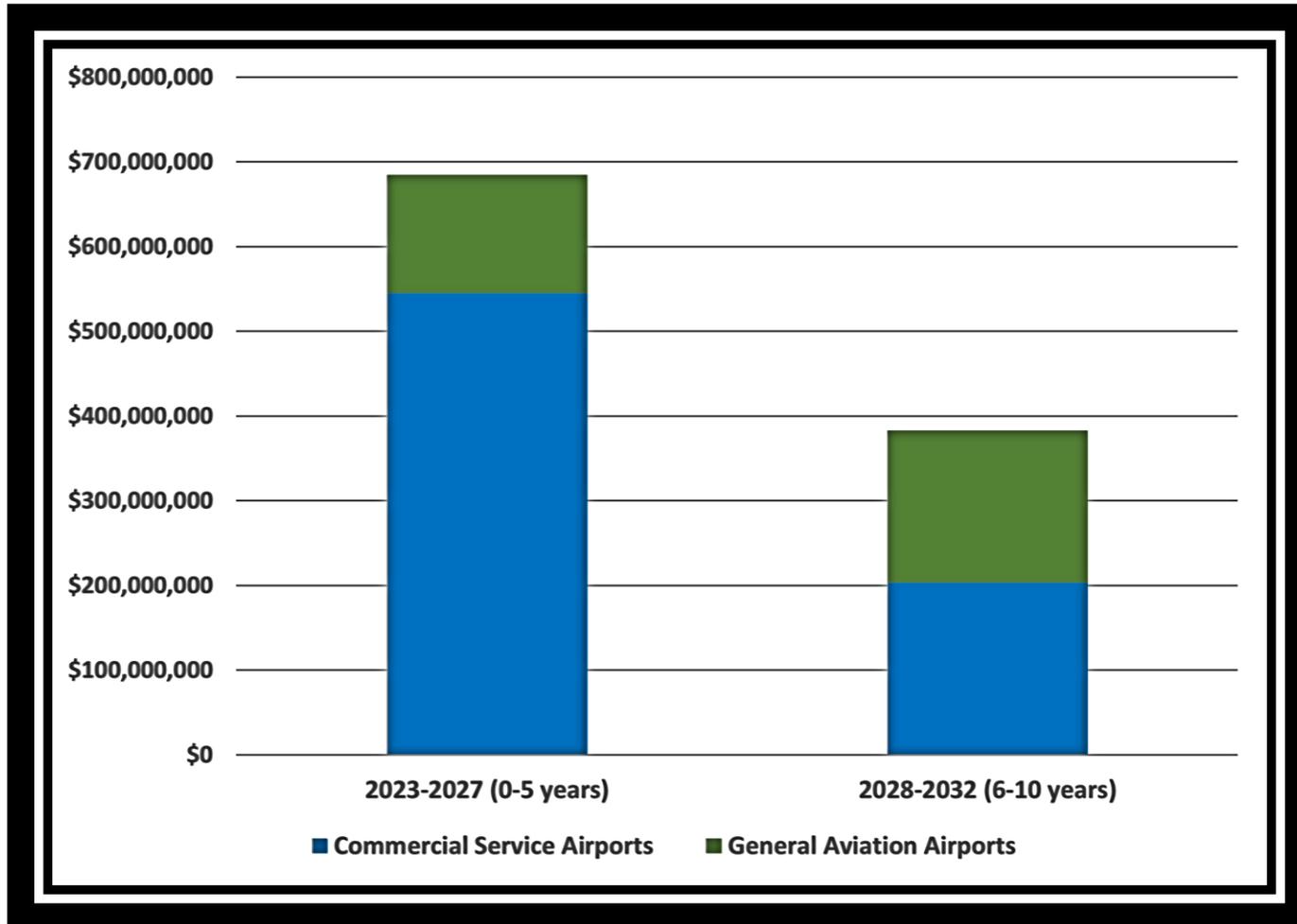
Grand Forks Crosswind Runway Extension



Fargo Commercial Terminal Preferred Alternative Looking Southwest

North Dakota Airport Infrastructure Needs Analysis

Identified Airport Infrastructure Projects
(NPIAS Only)



0-5 year identified projects: \$684 Million

6-10 year identified projects: \$383 Million

Total 10-year project costs: **\$1.067 Billion**

Anticipated 10-year federal investment: \$600 million

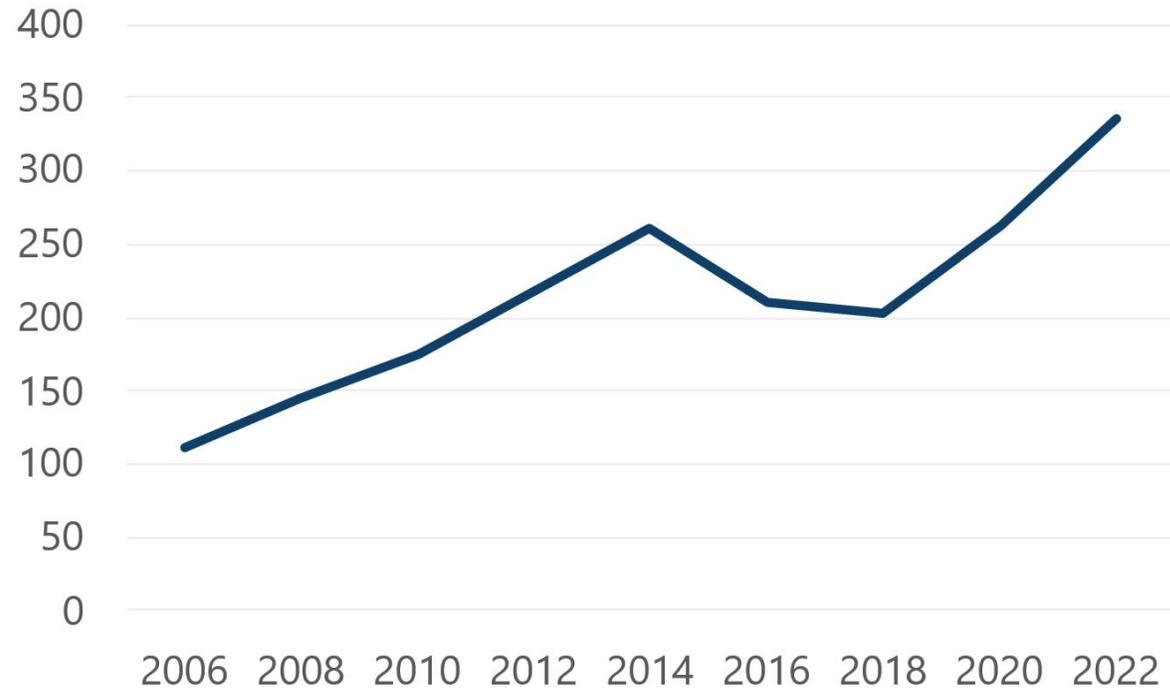
Funding Gap for State & Local: \$467 million

INCREASE IN CONSTRUCTION COSTS



- Construction costs increased 26% from 2021 to 2022.
- Projections for 2023 range from 4% -14%.
 - Will likely be around 7%.

Construction Cost Index



Looking Forward

Continue to support the aviation industry's recovery from COVID-19 pandemic

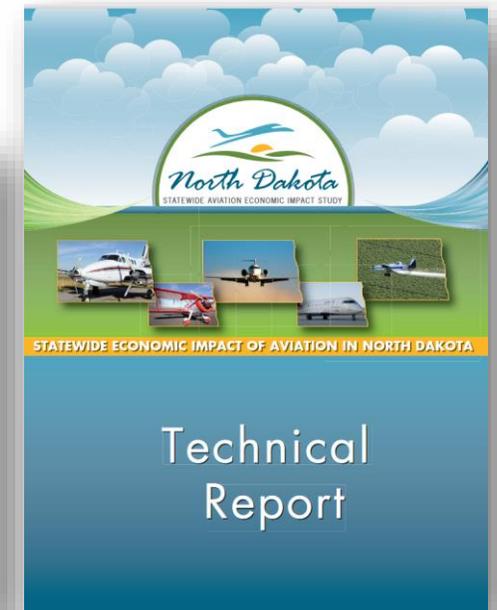
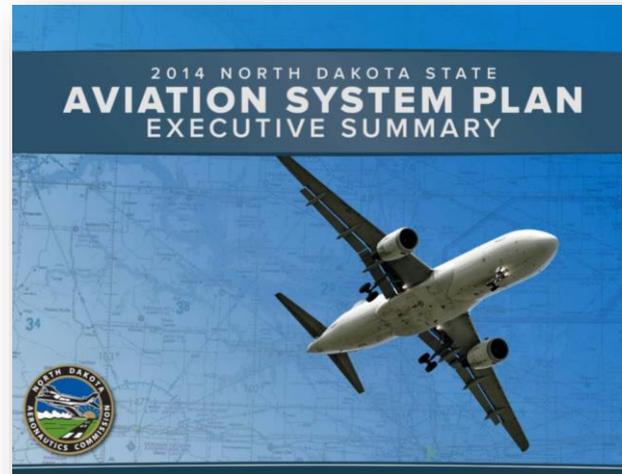
- Fully understand Federal Airport Infrastructure program and funding availability as Congress finalizes relief and funding packages
- Leverage federal funds where possible and utilize state grant funds on high priority projects
- Support aviation education and workforce development initiatives

Update Statewide Aviation System Studies

- Aviation System Plan and Economic Impact of Aviation Studies (Documents produced approximately every 10 years)
 - Anticipated release in 2025
- Updated Pavement Condition Index Study in 2024 (Study produced every 3 years)

Support the Northern Plains UAS Test Site and VANTIS

- Safe integration of UAS into National Airspace System



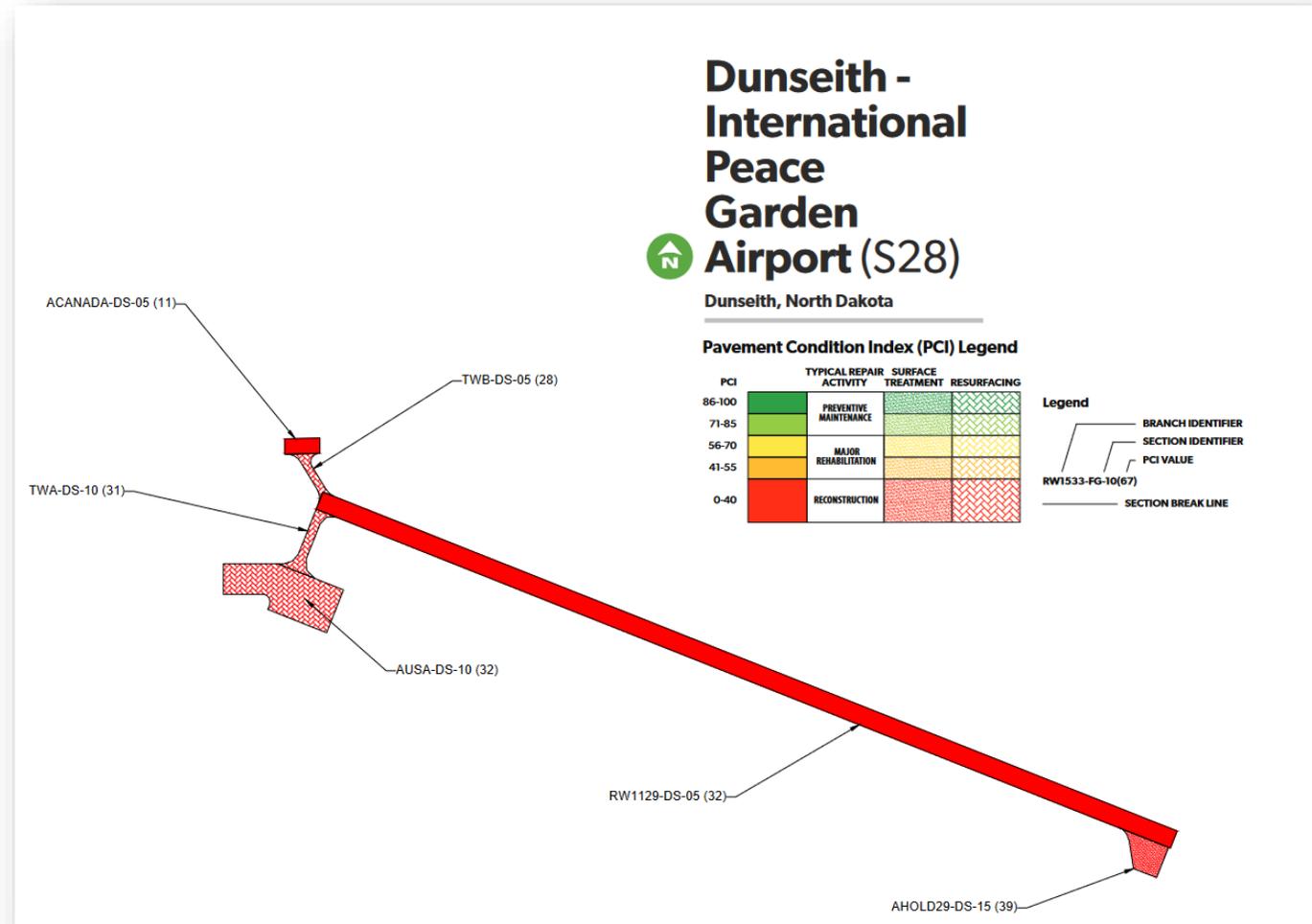
Looking Forward

International Peace Garden Airport Rehabilitation Project

- Airport is owned and operated by ND Aeronautics
- It is a NPIAS airport and eligible for federal funding
- Airport is utilized for tourism and access to U.S. and Canadian Customs at the border.

Airside pavements are in poor condition and aging pavements require a major rehabilitation.

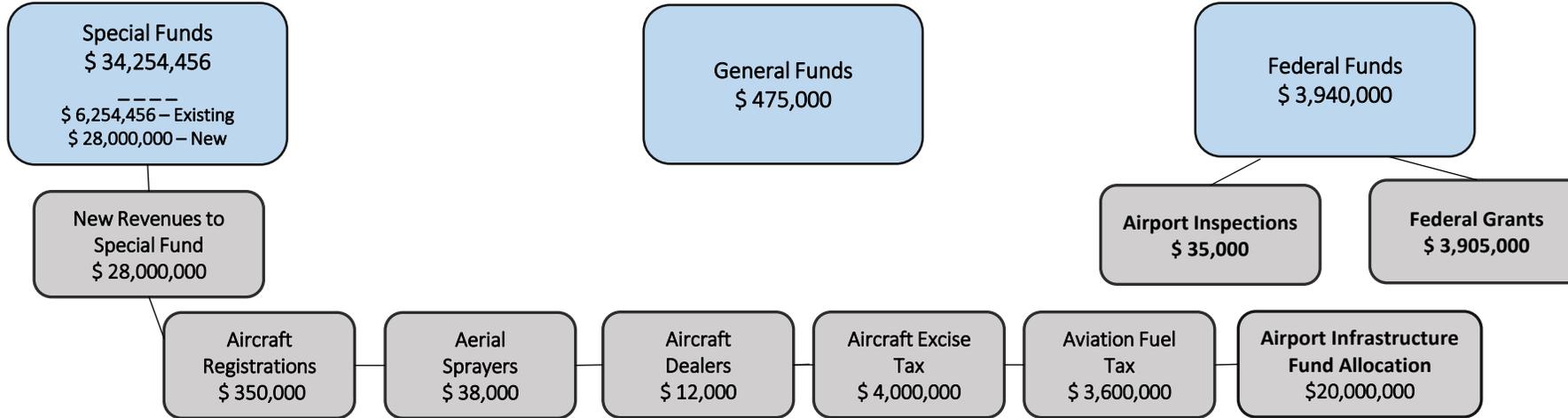
- Design will occur 2023
- Construction planned in 2024



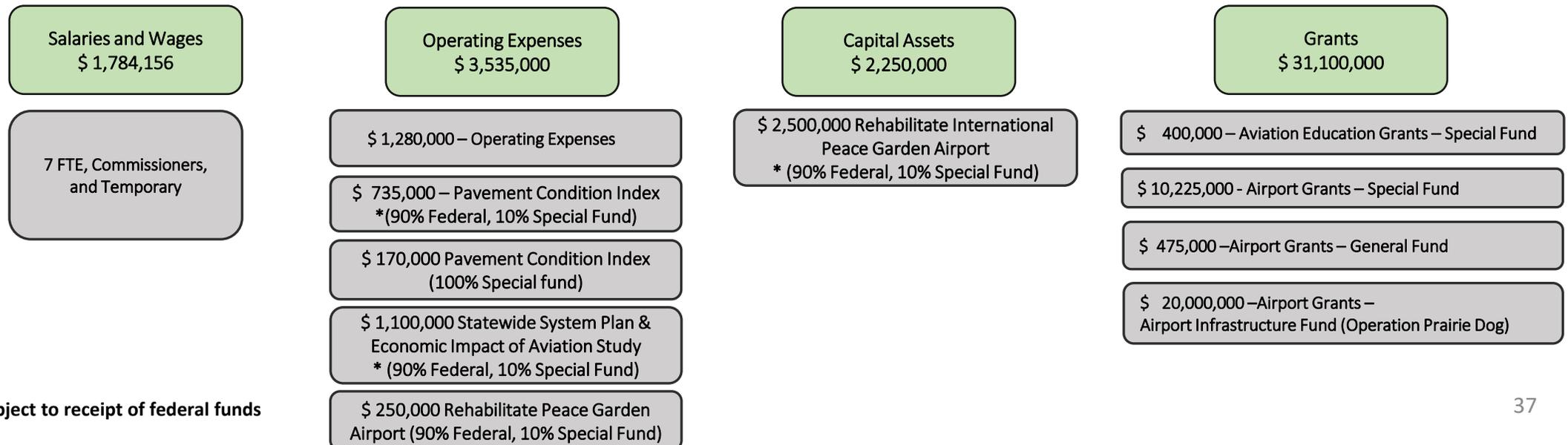


North Dakota Aeronautics Commission 2023 – 2025 Executive Recommendation \$ 38,669,156

REVENUES

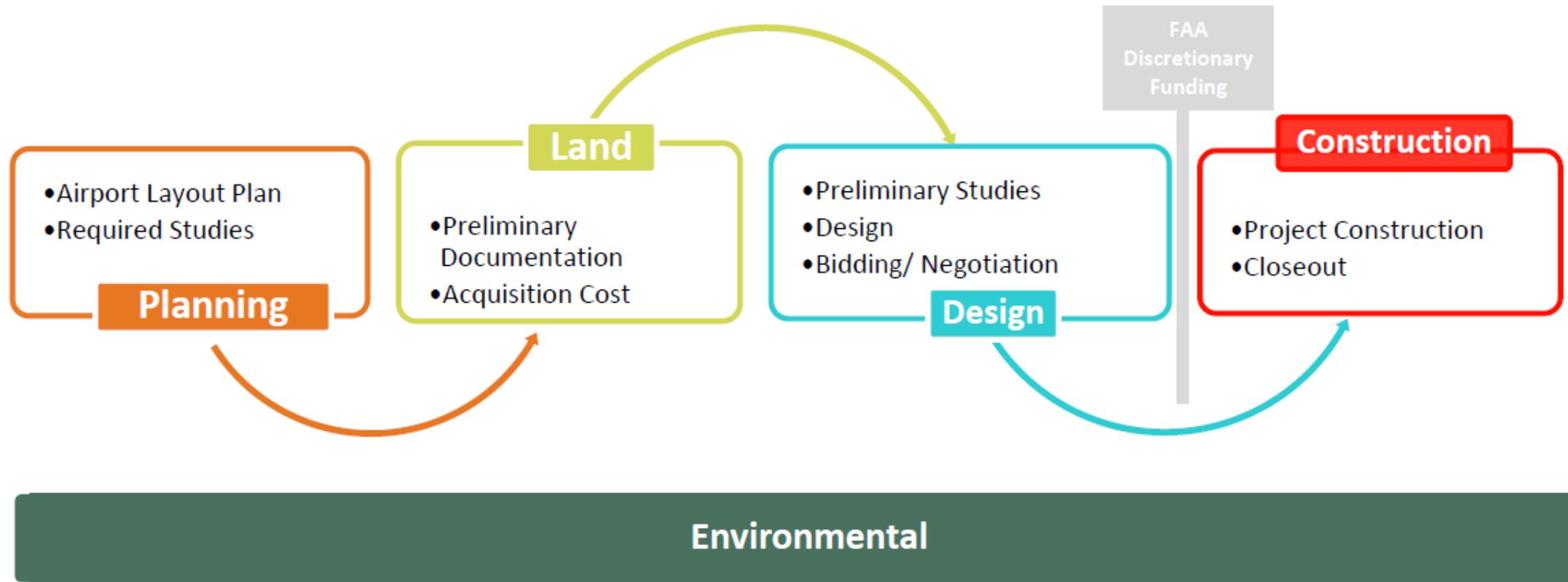


EXPENDITURES

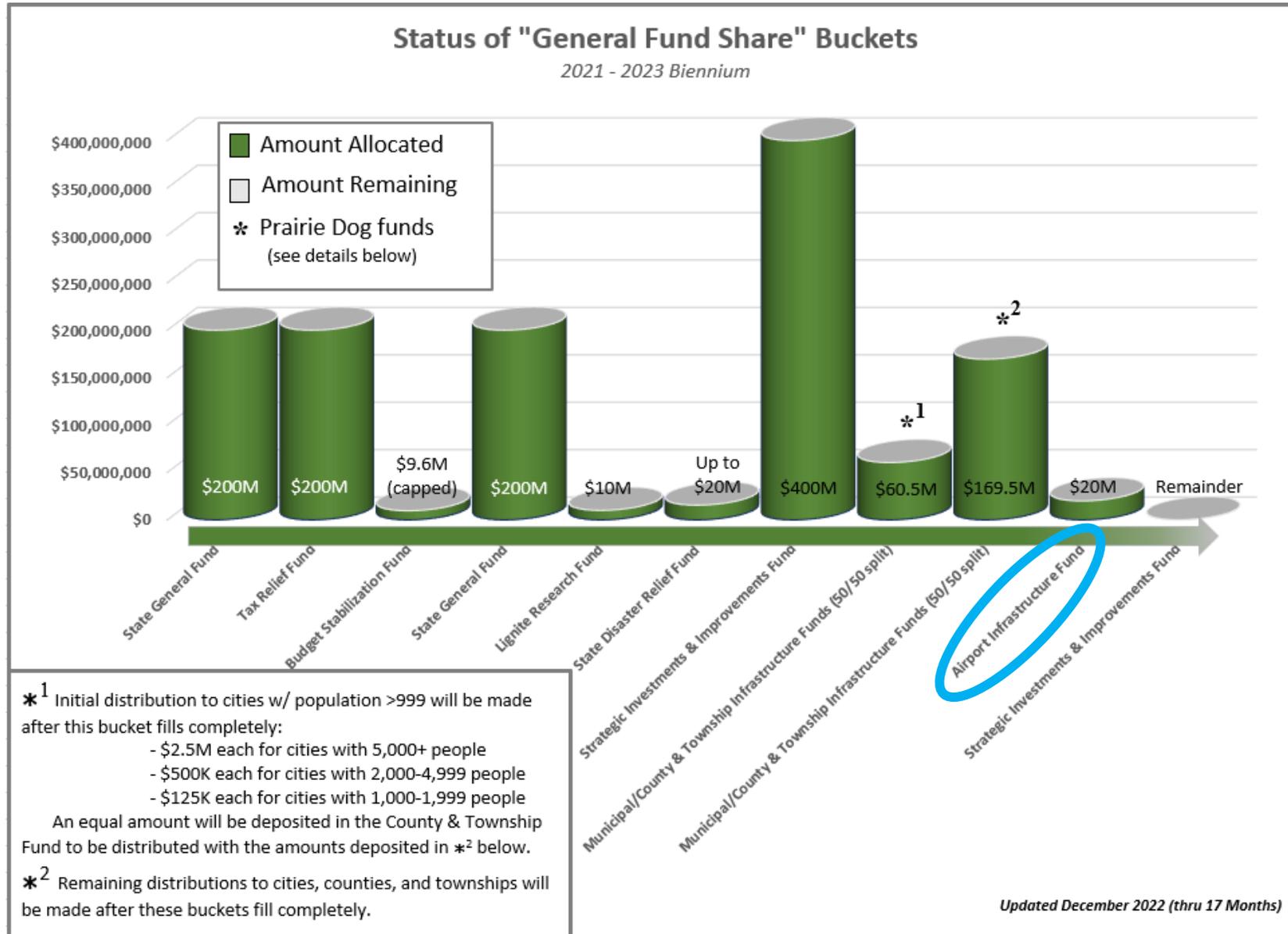


*Fed – subject to receipt of federal funds

Importance of Planning & Reliable Funding Sources



Status of Oil Revenue Buckets



Requested Language Change

Request to update the language in Section 2 to correct the purpose of the one-time funding provided during the special legislative session:

SECTION 2. ONE-TIME FUNDING.

~~International Peace Garden airport rehabilitation~~ **Airport Grants**

Request to update the language in Section 3 to allow continuing appropriation of Airport Infrastructure Funds that may be received next biennium from “Operation Prairie Dog”.

SECTION 3. ESTIMATED INCOME - AIRPORT INFRASTRUCTURE FUND – AIRPORT GRANTS. The estimated income line item in section 1 of this Act includes \$20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2023, and ending June 30, 2025. **Section 54-44.1-11 does not apply to this funding, and any additional funds not spent by June 30th, 2023, must be continued into the biennium beginning July 1st, 2025 and ending June 30th, 2027, and may be expended only for providing grants to airports.**

Questions

