

March 14, 2023

**RE: Testimony to House Finance and Taxation Committee on SB 2330 – Relating to the Legacy Infrastructure Loan Fund**

Chairman Headland and members of the committee,

I am Shawn Dobberstein, Executive Director of the Municipal Airport Authority of the City of Fargo – (FAR) – Hector International Airport. Thank you for the opportunity to testify today. I provide this written testimony on behalf of FAR to oppose SB 2330.

The North Dakota legislature passed HB 1425 during the 2021 legislative session. HB 1425 provided revolving infrastructure loans from the Legacy fund to political subdivisions to support infrastructure development throughout North Dakota. HB 1425 expanded the definition of essential infrastructure to include airports. The addition of airports to the eligibility definition was greatly appreciated and a significant development for airports across the state. Airports gained access to a funding source that will help to complete critical projects.

Airports across North Dakota are constantly planning for future development and growth to meet the needs of the aviation industry and to meet federal regulations. Airports in North Dakota coordinate with the Federal Aviation Administration (FAA) to access federal grant opportunities in order to obtain the maximum federal share for each eligible project. Airports still require additional investments from the State along with local airport sponsor funds to complete the projects listed on each airport's capital improvement plan. Airports are constantly dealing

with challenges to obtain the funding necessary to complete projects due to the lack of federal, state, and local funding. Project costs continue to increase each year due to inflation which can result in costly delays to complete the critical infrastructure projects across the state. Our airports need to have access to the revolving loan fund in order to complete infrastructure projects that benefit the citizens of North Dakota, our visitors from across the United States and around the world.

The Municipal Airport Authority of the City of Fargo is in the process of designing a Passenger Terminal Expansion and Modification project. This project will add four passenger gates to our current five gate terminal for a total of nine gates. Our plan is to break ground in March of 2024. The estimated cost is \$123 million. This also includes the expansion of the apron to accommodate the aircraft that will access the new four gate expansion area. The Municipal Airport Authority has applied for a \$40 million loan via the revolving loan fund to finance a significant portion of this project. We are working with the Bank of North Dakota to secure funding. Now there is uncertainty due to SB 2330. Our financing costs will escalate if we do not have access to the revolving loan fund due to the high costs of issuing and securing bonds.

The Municipal Airport Authority of the City of Fargo is in opposition to SB 2330. This bill will remove a critical alternate funding source that can be accessed to complete high priority infrastructure projects. We respectfully request that the committee provide a do not pass on the bill. Thank you for the opportunity to provide testimony today.

Respectfully,

Shawn A. Dobberstein, AAE  
Executive Director, Municipal Airport Authority of the City of Fargo