MICHIGAN ASSOCIATION OF AIRPORT EXECUTIVES

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# Michigan House State and Local Transportation Appropriations Committee

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Kalamazoo/Battle Creek International Airport

# Who are We?

The Michigan Association of Airport Executives (MAAE) is the professional organization for airport executives throughout Michigan. We assist airport executives in fulfilling their responsibilities to the airports and communities they serve. MAAE membership includes executives from large and medium size airports, as well as managers from smaller airports.

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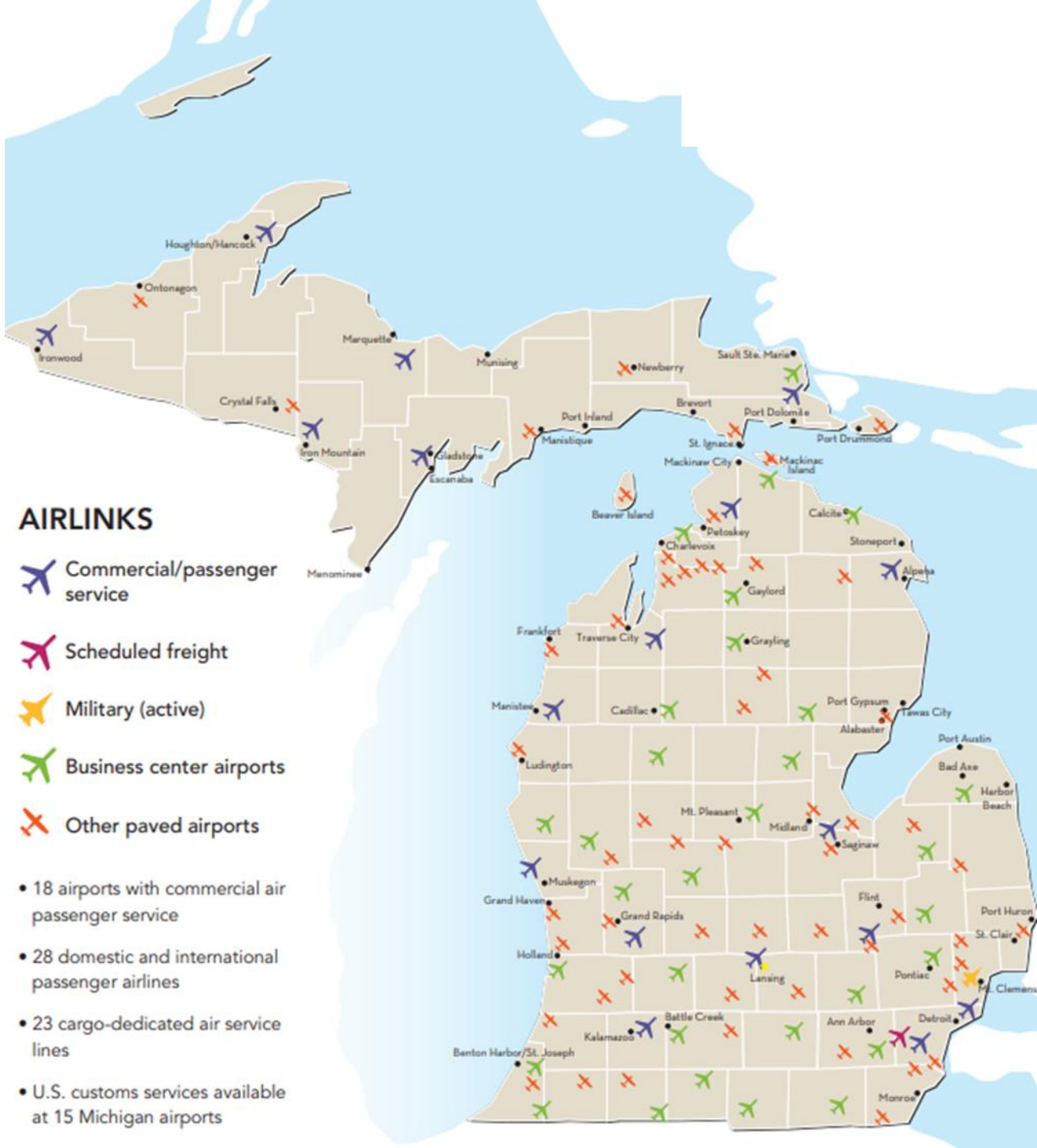
## Airports in Michigan

Michigan's aviation infrastructure consists of 220 licensed public use airports. Eighteen of these airports provide airline service.

Each of these airports contribute to a robust and vibrant overall aviation system able to connect travelers, businesses and emergency responders.



# Michigan Aviation Industry Impact

## Annual Economic Impact

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## Commercial Service Airports

Commercial Service Primary Airports are publicly owned airports that have at least 10,000 passenger boardings each calendar year and receive scheduled passenger service.

Michigan's commercial service airports are served by 17 different airlines. These airports are serviced by a major U.S. airline (American, Delta, Southwest, United)

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## General Aviation Airports

General aviation airports support a wide array of aviation services. The many functions of general aviation airports include support of flight training, aviation maintenance, flights for emergency medical services, law enforcement and border control, agricultural functions, time-sensitive air cargo services, and business travel.

# Funding is Critical

- Airport Capital Investment is Critical
  - Michigan 2025-2029 airport infrastructure needs is $2.9-billion
  - FAA Funding will cover approximately 50% of the cost.
- Infrastructure Funding Supports:
  - Runways
  - Taxiways
  - Navigation Aids
  - Safety Improvements
  - Support Equipment (fire, snow, etc.)

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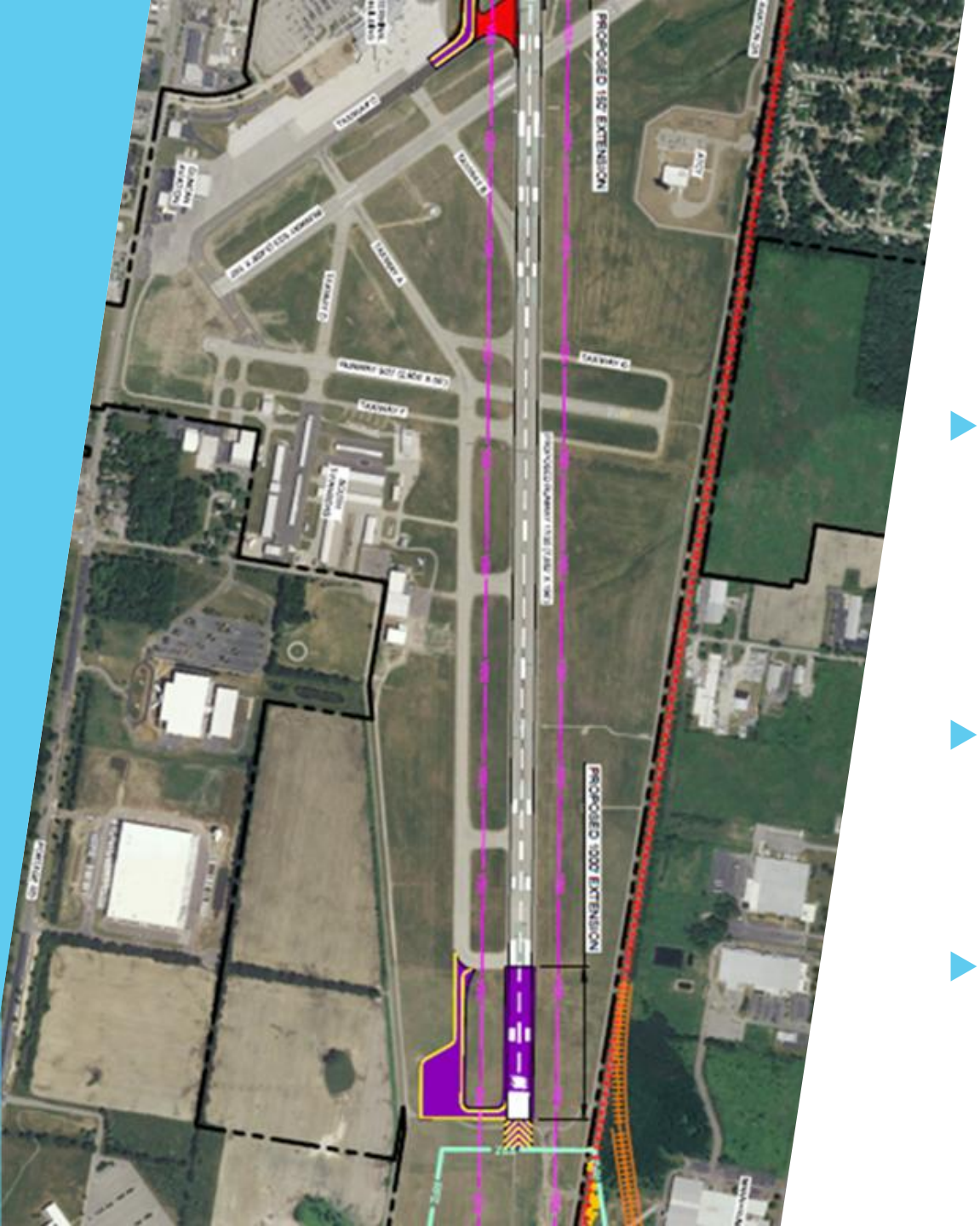


# The Kalamazoo Example

- Primary Runway
  - Extend Runway 450’
  - Safety Improvements
  - Obstruction Removals
- Secondary Runway
  - Rehabilitation

- Over $40-million worth of capital work between 2025-2029

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# Funding Erosion is Hitting Airports

- 1929 – State creates Aviation Fuel Tax ($.03). Half is rebated to airlines. **$4.4 million.** This was expanded in 1940 as aviation rapidly grew.
- 1990 – State becomes a Block Grant State
- 2015 – To comply with federal law and avoid revenue diversion. 2% of the 6% sales tax on aviation fuel dedicated to the State Aeronautics Fund (SAF) and Qualified Airport Fund (QAF) as required by federal law.
  - **$2.5 million** to SAF
  - **$6.8 million** to QAF
- Registration and Licensing Fees: **$500,000**
- Detroit Airport Parking Tax: **$6 million**

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# Recent Funding

- In the last three budgets, the legislature supported one-time appropriations to support airport needs. These include:
  - $7-million for Michigan's Air Service Development Program to stimulate economic activity and air service connectivity in Michigan.
  - $11.3-million (including $5.3-million in this budget) for capital development assistance to general aviation airports for projects including obstruction removal, pavement rehabilitation, fuel facility construction and terminal improvements.

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# Airport Funding Needs

- Airports **need** to be part of the State's strategic approach to transportation
- Airports **need** fuel tax revenue paid by users of airports to be directed to support airports.
- Airports **need** the Detroit Metro parking tax extended.
  - This supports $6 million to fund MDOT's airport capital program.
  - The parking revenue accounts for a substantial percent of the dollars the State uses to match its federal grant requirements. Without this revenue Michigan, may not meet the match it is required to provide to obtain approximately $120-$180 million in federal funds.