
TDOT AERONAUTICS DEVELOPMENT UPDATE

INTRODUCTION

For new development projects, Environmental Findings must now be completed before Final Project Formulation can begin. This change requires the Division to implement both changes to development phasing and new options for the reimbursement of Preliminary Project Formulation. Two methods will be available for airports/consultants to choose that offer tradeoffs between cashflow and the desire for fewer grants.

BACKGROUND

During recent discussions regarding Bipartisan Infrastructure Law (BIL) funding, the FAA questioned the procedures that the Division uses to phase project formulation while simultaneously completing the environmental finding, specifically performing “design” work.

Per 49 USC § 47106(c), any airport project funded with AIP funds requires an environmental finding **prior to** initiating/programming Final Project Formulation activities, including Stand-Alone Design Only grants.

Prior to the completion of the environmental finding and the execution of a Final Project Formulation grant (commonly referred to as a Design Only grant), Preliminary Project Formulation activities are only allowable to the extent that they are necessary to:

- Determine and confirm the preferred alternative,
- Provide information to agencies for permitting decisions,
- Complete the environmental finding, and
- Develop the preliminary engineer’s estimate.

These and other activities required for defining the scope of a project and establishing preliminary requirements are consistent with [Section 1.4.2.1 Preliminary Phase in FAA AC 150/5100-14E Change 1](#).

To better comply with 49 USC § 47106(c), the Division is making changes in how it issues grants for Project Formulation.

REIMBURSEMENT OF PRELIMINARY PROJECT FORMULATION ACTIVITIES

Under the TN AIP, there will now be two options/methods for seeking reimbursement of Preliminary Project Formulation activities.

1. [*optional*] For reimbursement prior to the completion of the environmental finding, a Planning Grant should be used. The primary objective of the Planning Grant should be the completion of the environmental finding and the related preliminary phase activities. 49 USC § 47108(b)(3) restricts Planning Grants from being increased, so a separate stand-alone design grant is required for Final Project Formulation.
2. Alternatively, reimbursement can be delayed until after the environmental finding is complete and the related costs can be included in the stand-alone design only grant.

NEW GRANT METHODS/PROCESS

Costs for Project Formulation – both Preliminary and Final - will now be reimbursed using one of two methods:

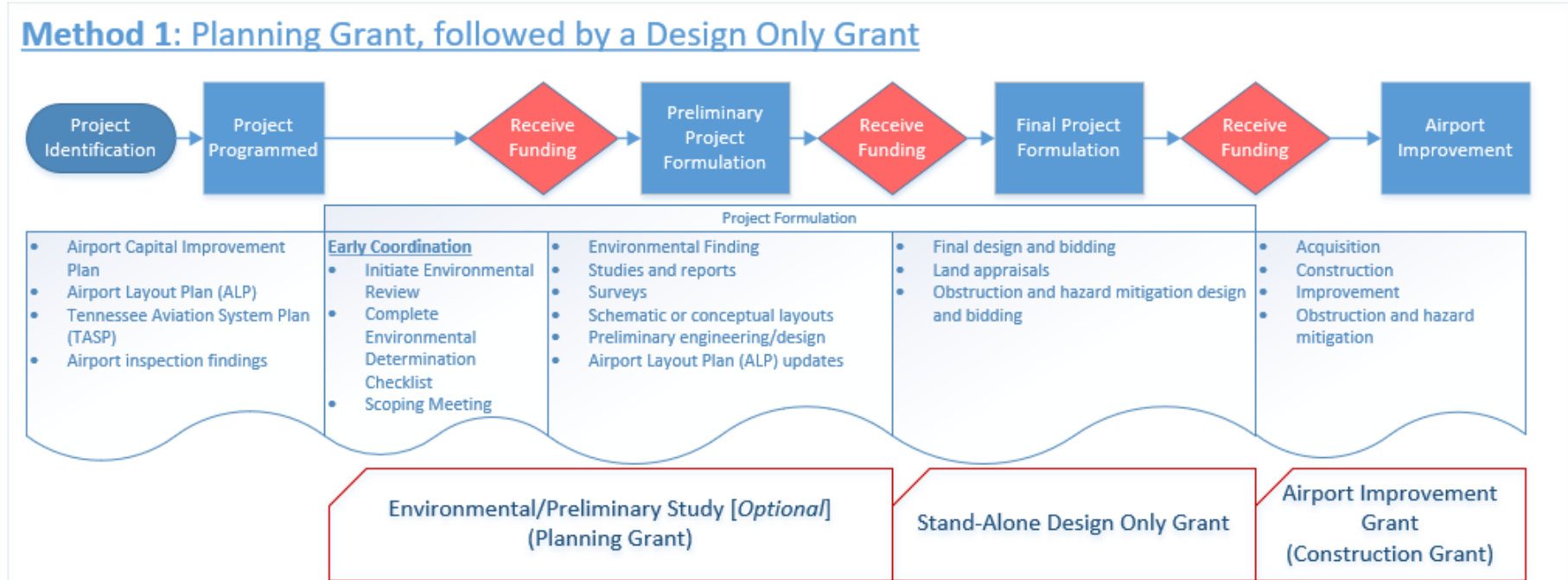
- Method 1: Planning Grant, followed by a Design Only Grant
- Method 2: Design Only Grant backdated to reimburse Preliminary Project Formulation

METHOD 1: PLANNING GRANT, FOLLOWED BY A DESIGN ONLY GRANT

A Planning Grant is issued to complete the environmental finding and associated Preliminary Project Formulation activities/costs.

Once the environmental finding and preliminary engineer’s estimate are complete, a separate Design Only grant is issued for Final Project Formulation activities/costs.

This method requires less initial cashflow but involves more grants.



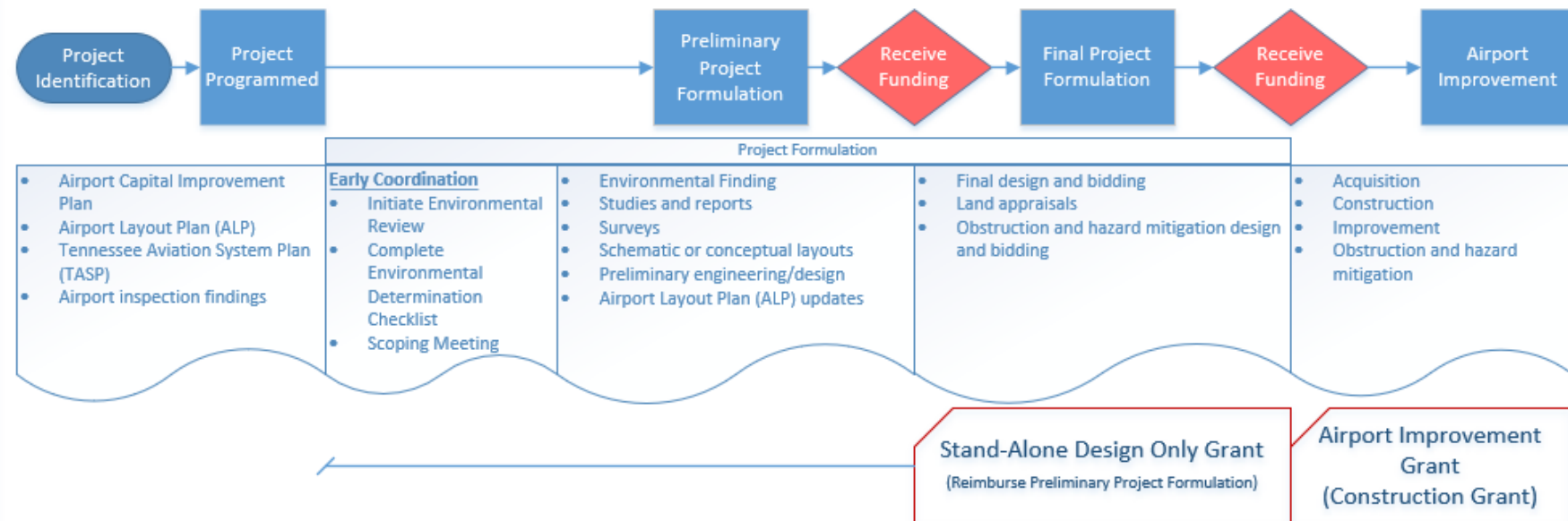
METHOD 2: DESIGN ONLY GRANT BACKDATED TO REIMBURSE PRELIMINARY PROJECT FORMULATION THE AERONAUTICS DIVISION

A Design Only grant is issued to provide funding for all Project Formulation activities/costs.

Preliminary Project Formulation activities/costs must be completed before an application is submitted to TDOT, and the grant will be backdated to cover the service dates for eligible costs.

This method requires more initial cashflow but involves fewer grants.

Method 2: Design Only Grant backdated to reimburse Preliminary Project Formulation



SELECTING THE APPROPRIATE APPLICATIONS

When it comes time to Begin Application and Federal funds are being requested, care must be taken to select the appropriate Application type...

- For Preliminary Project Formulation, select the Application: **Federal Planning/Environmental**
- For Final Project Formulation, Land, or Airport Improvements (construction), select the application: **Federal - Development, Equipment, and Land**

If only State funding is being requested, select the Application: **State**

More information about the different applications can be found in the [August 2021 Edition Engineering Update](#).

TRANSITION PERIOD FOR PROJECTS IN-PROGRESS

For development projects that have begun project formulation already, good faith effort should be made to complete the environmental finding prior to requesting a grant for Final Project Formulation.

The Division is committed to enabling a smooth transition to these changes. In cases where the existing scope and fee is inadequate to complete the environmental finding, the Division may (on a case-by-case basis) allow the environmental finding to be completed during Final Project Formulation.

EARLY COORDINATION

The [February 8, 2022 Edition of the TDOT Aeronautics Engineering Update](#) covered grant backdating to enable scoping activities to occur before requesting funding. This concept can be expanded to include other activities as necessary depending on the grant method chosen for reimbursement of Project Formulation.

Prior to holding the scoping meeting and making an application for a Planning Grant, an Environmental Determination Checklist must be approved to determine what type of environmental finding is warranted for the project. This determination is required in order to properly scope the associated services and deliverables.

SUMMARY

These changes, particularly under Method 1, results in a simple change in terminology, places earlier emphasis on environmental, and separates our typical two-step project formulation process into two grants, as opposed to a grant with an amendment. Method 2 creates more options for airports and consultants to streamline project formulation. Together, these enable Tennessee's program to be better aligned with FAA AIP and United States Code.

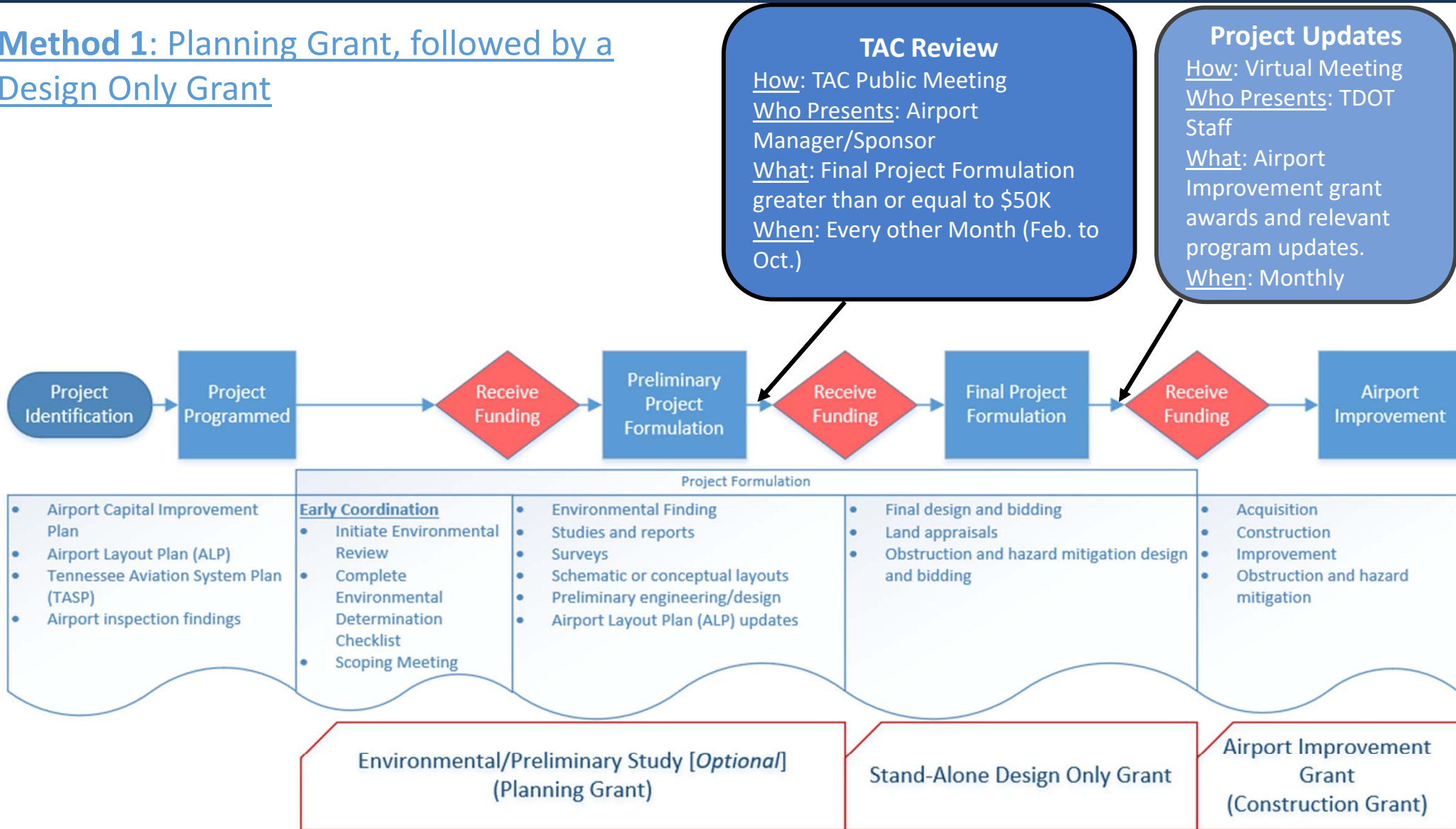
We sincerely appreciate all of you. Should you have questions, your respective Project Manager can help navigate these changes and provide guidance during project development.

Sincerely,

John-Paul Saalwaechter [sawl véktər], P.E. | Assistant Director of Development
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TAC Review of Funding Requests for Projects

Method 1: Planning Grant, followed by a Design Only Grant



Note: Funding requests from Commercial Service Airports, or from General Aviation Airports for airport maintenance equipment, Preliminary Project Formulation, Final Project Formulation less than \$50,000, and Airport Improvements will be considered by the Tennessee Aeronautics Division without review by the Tennessee Aeronautics Commission.



TAC Review of Funding Requests for Projects

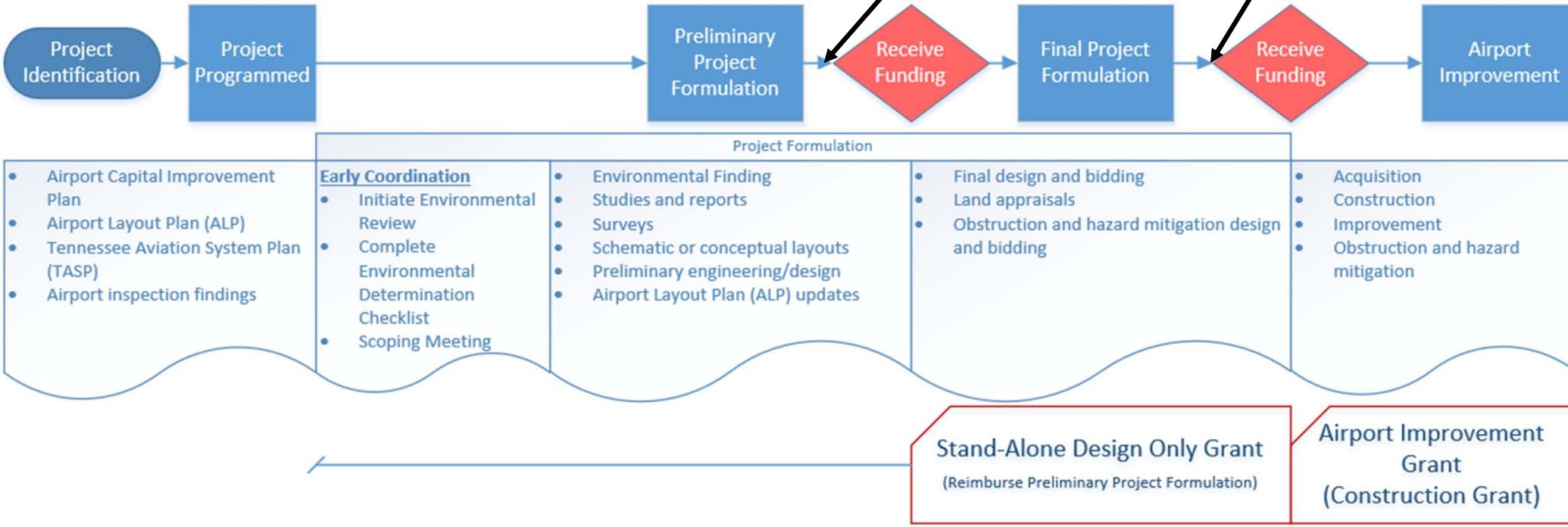
Method 2: Design Only Grant backdated to reimburse Preliminary Project Formulation

TAC Review

How: TAC Public Meeting
Who Presents: Airport Manager/Sponsor
What: Final Project Formulation greater than or equal to \$50K
When: Every other Month (Feb. to Oct.)

Project Updates

How: Virtual Meeting
Who Presents: TDOT Staff
What: Airport Improvement grant awards and relevant program updates.
When: Monthly



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