



DEPARTMENT OF  
**HOUSING**



# CDBG-MIT

## INFRASTRUCTURE MITIGATION PROGRAM OPERATIONS AND MAINTENANCE (O&M) PRELIMINARY PLAN FORM

October 3, 2022

V.1

## INFRASTRUCTURE MITIGATION PROGRAM APPLICATION – O&M PRELIMINARY PLAN

Section V.A.(2)(a)(10) of Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, 45848 requires grantees to plan for long-term operation and maintenance (**O&M**) of infrastructure and public facility projects funded with CDBG-MIT funds and include in its Action Plan a description of how it will fund long term operation and maintenance of CDBG-MIT projects.<sup>1</sup> Additionally, the grantee must describe any State or local resources that have been identified for the operation and maintenance costs of projects assisted with CDBG-MIT funds. Applicant must exclude O&M Costs from the total estimated project cost.

This document compiles information required for the Puerto Rico Department of Housing (**PRDOH**) to determine preliminary compliance with U.S. Department of Housing and Urban Development (**HUD**) requirements related to the O&M of the proposed project under the Application. Compliance with the O&M requirements affects the project's eligibility under CDBG-MIT. Also, PRDOH will require the Applicant to submit a complete and compliant O&M Plan, which will require PRDOH approval before committing CDBG-MIT funds to the project.

Requirements for the O&M are based on the current CDBG-MIT Operations and Maintenance Plan Guide.

### Filing Instructions:

Applicants must complete all sections of this Form to the best of their knowledge to be considered for the CDBG-MIT Infrastructure Mitigation Program. This Form will serve to document basic O&M information required to determine compliance with this CDBG-MIT eligibility criteria.

*If additional space is necessary, the Applicant may submit an attachment with the required information. Please specify the attachment in which the information is being included in the field for the section.*

## APPLICANT INFORMATION

ENTITY NAME PUERTO RICO PORTS AUTHORITY

UNIQUE ENTITY ID (UEI) XJULBJJEK958

## PROJECT INFORMATION

PROJECT NAME IMPROVEMENTS TO RAFAEL HERNANDEZ AIRPORT (BQN)

MUNICIPALITY AGUADILLA

<sup>1</sup> The CDBG-MIT Action Plan is available in the PRDOH website in English and Spanish at <https://cdbg-dr.pr.gov/en/cdbg-mit/> and <https://cdbg-dr.pr.gov/cdbg-mit/>.

## OPERATION AND MAINTENANCE REQUIREMENTS DURING APPLICATION

### PRELIMINARY ESTIMATE OF USEFUL LIFE AND COSTS ASSOCIATED WITH O&M ACTIVITIES.

- Describe a preliminary estimate of the useful life of the project and O&M costs associated to the project using project-specific industry standard practices.

The useful life of an airport runway well-designed and maintained is 25 years and passenger terminal building is 30 years. Those parameter could vary depending on a variety of factors, including the quality of materials and construction, the level of maintenance, and the frequency and intensity of use. Operation and maintenance costs for an airport runway could be \$100,000 per year, while operation and maintenance costs for the passenger terminal building could be \$200,000 per year.

### PROPOSED RESPONSIBLE ENTITIES

- Describe the proposed entity(-ies) responsible of the O&M activities.
- Describe the entity's current capacity for carrying out similar O&M activities (related to their staffing, funds, management structure, etc.).

The PR Ports Authority is the responsible of the O & M activities. Actually the PRPA provides O & M activities for BQN Airport and another regional airports, such as Ponce, Isla Grande,, Ceiba, Mayagues, Vieques and Culebra.

### PROFORMA (PROJECTION OR FORECAST) OF BUDGET AND REVENUE

- Describe the projected sources of revenue and other sources of funding that are expected to support the O&M activities for the useful life of the project.
- In the case of Covered Projects<sup>2</sup>, the budget calculations must provide detail at the individual O&M task level and schedule over the useful service life of the project.

In 2022, the Puerto Rico Ports Authority (PRPA) generated \$5,581,394 in revenue from various sources to support operations and maintenance (O&M) activities at BQN Airport, and expects to increase this revenue in the coming years. These revenue streams include landing fees, equipment and property rentals, space rentals, utilities, and passenger fees, which are essential for maintaining the airport's infrastructure, ensuring the safety of passengers and staff, and improving the overall passenger experience. The PRPA recognizes the importance of continued investment in O&M activities to ensure the airport's long-term success and viability, and will continue to explore new opportunities to increase revenue and support these critical efforts.

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<sup>2</sup> Notice 84 FR 45838 defines a Covered Project as an infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source (CDBG-DR, CDBG-National Disaster Resilience (NDR), CDBG-MIT, or CDBG)). According to HUD, an "infrastructure project," as it relates to Covered Projects, is an activity or group of related activities that develop the physical assets that are designed to provide or support services to the general

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public in the following sectors: surface transportation, including roadways, bridges, railroads, and transit; aviation; ports, including navigational channels; water resources projects; energy production and generation, including from fossil, renewable, nuclear, and hydro sources; electricity transmission; broadband; pipelines; stormwater and sewer infrastructure; drinking water infrastructure; and other sectors as may be determined by the Federal Permitting Improvement Steering Council. Infrastructure projects that meet the definition of a Covered Project must be included in the action plan or a substantial action plan amendment. 24 C.F.R. §58.32 (a)

## O&M REQUIREMENTS DURING APPLICATION – ONLY REQUIRED FOR COVERED PROJECTS

### O&M TASKS

- Based on the project's level of completeness, describe the O&M tasks required over the useful life of the project. Description of the O&M tasks should contain as much detail as possible based on the level of project completion.

On airfield projects, such as runways and taxiways, the operations and maintenance (O&M) tasks are crucial to ensure safe and efficient air traffic. These tasks encompass a range of activities, including repairing airfield luminaires and signs, repainting airfield markings, maintaining grassy areas, repairing fences, conducting pavement inspections, and implementing measures to remove debris, control wildlife such as birds and reptiles, and prevent animal intrusion. By prioritizing these tasks and performing them regularly, airfield operators can minimize the risk of accidents and ensure that the airport operates smoothly and safely for all users. Maintenance tasks on the passenger terminal building are essential to provide a comfortable and safe experience for passengers. These tasks include the upkeep of electrical systems and air conditioning, maintenance of floors, painting works, and the adjustment of signaling and doors to ensure smooth operation. With regular maintenance, the passenger terminal building can operate efficiently and provide a pleasant environment for travelers. In addition, by prioritizing these tasks, airport operators can identify and address potential issues before they escalate, preventing unexpected disruptions that can cause inconvenience to passengers.

### FUNDING SOURCES FOR O&M ACTIVITIES

- Describe, if applicable, any borrowing authority, retargeting of existing financial resources, proposed changes to tax policy or practices required, or any State or local resources identified to pay or provide the O&M costs and resources.

The Puerto Rico Ports Authority (PRPA) has allocated dedicated funds to cover the operations and maintenance (O&M) activities required for their facilities. This includes an annual budget specifically designated for O&M activities. By allocating funds towards O&M activities, the PRPA can ensure that their facilities remain in good condition and meet the required safety standards for efficient operation. Additionally, having a separate budget for O&M activities allows the PRPA to prioritize these essential tasks, ensuring that they are completed on time and within budget, which is crucial for maintaining the overall effectiveness and safety of their operations.

### Applicant Certifications

| Check                               |                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | I hereby understand that the Operations and Maintenance Plan is a HUD National Objective compliance aspect and understand that failure to comply could result in a potential re-payment of CDBG-MIT funds to PRDOH. I also understand that not meeting this National Objective may affect my eligibility to receive CDBG-MIT funds for the proposed project.                                                            |
| <input checked="" type="checkbox"/> | I hereby understand that specific requirements and elements are required for the Operations and Maintenance Plan, and I am familiarized with those requirements as defined under Appendix A of the CDBG-MIT Operations and Maintenance Guide.                                                                                                                                                                           |
| <input checked="" type="checkbox"/> | I hereby understand that completion of the application or this Form does not guarantee my eligibility for this Program. Further, I understand that participation in the Infrastructure Mitigation Program is voluntary and that I may withdraw at any time. I also understand that if I choose to withdraw from participating in the Program, federal law states that I must return any funds CDBG-MIT disbursed to me. |

My signature below indicates that I have read, understood, and agree to all statements in this Form. I affirm that all information provided in this Form is true and accurate to the best of my knowledge. I agree to hold harmless PRDOH and the CDBG-MIT Infrastructure Mitigation Program, its employees, agents, and assignees from liability for any damages that may arise as a result of my participation in the CDBG-MIT Infrastructure Mitigation Program.

X RIP

Primary Applicant Signature

\_\_\_\_ April 25, 2023 \_\_\_\_

Date

**Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. §287, §1001 and 31 U.S.C. §3729.**