

WSDOT Aviation Division

Airport Investment Study

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Joint Transportation Committee
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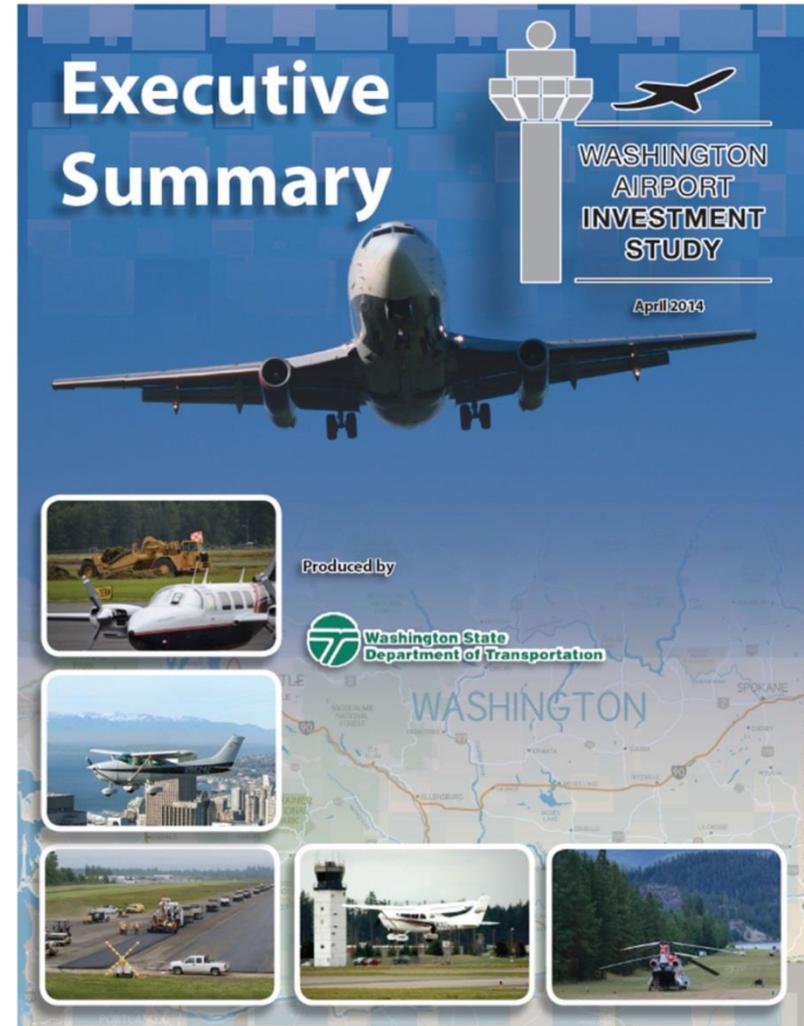


Airport Investment Study

Phase I—Overview

Executive Summary Overview:

- CD-ROM with entire 'Reference Guide' & Appendices
- Reference Guide Contents
- Advisory Committee Members
- Consultant/WSDOT Team





Airport Investment Study

Phase I—Overview

What did the study do?

- Evaluated current investment levels for airport preservation and safety projects.
- Assessed short-term and long-term statewide airport improvement needs.
- Determined consequences of doing nothing in terms of economic and aviation system impacts.

How did we do it?

- WSDOT and consultant CH2M Hill spearheaded the study.
- WSDOT formed an advisory committee comprised of a diverse group of 27 aviation stakeholders to provide feedback on the study's process and findings.



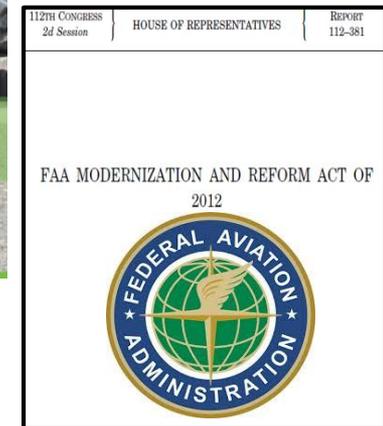
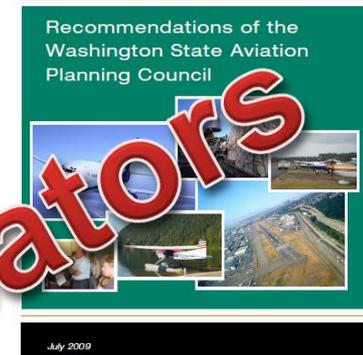
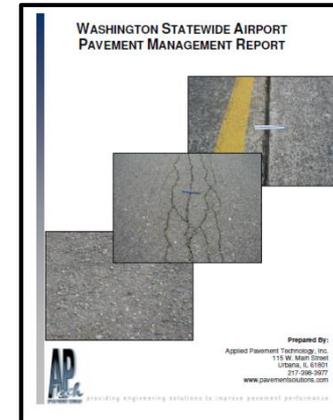


Airport Investment Study

Phase I—Overview

Why was the study necessary?

- **2005-** WSDOT airport pavement study
- **2009-** The Governor's Aviation Planning Council
- **2012-** The Federal Aviation Administration (FAA) Modernization and Reform Act
- **2012-** Airports requested \$4 million in state grants; only \$1 million available
- **2013-** WSDOT's updated pavement study
- **2013-** WSDOT's State Capital Improvement Program (SCIP)



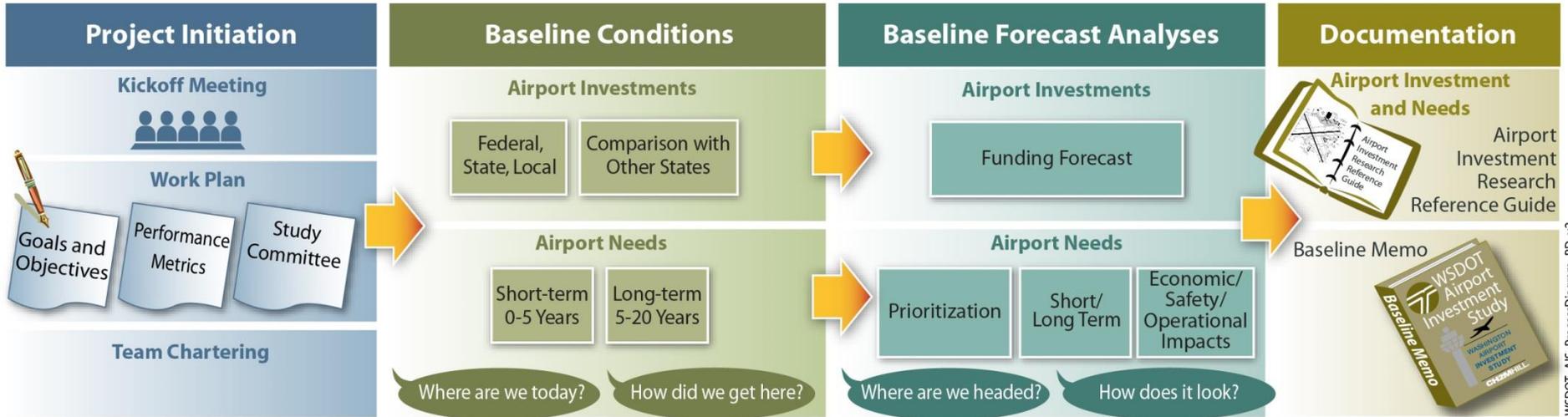
Indicators



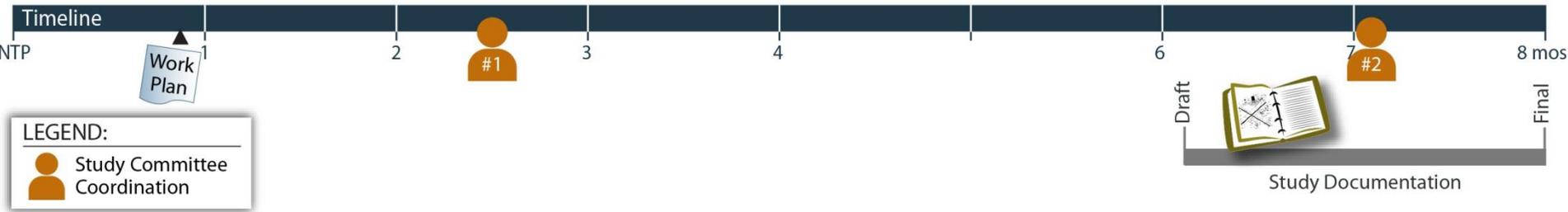
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Phase I—Overview

The Study's Process & Timeline



WSDOT_AIS_ProcessDiagram_PD_v2





Airport Investment Study

Phase I—Overview

Washington's Public Use Airports

- 134 public use airports
- 64 airports are eligible for federal funding (NPIAS)

Ownership	Airports
City/Towns	40
County	10
Port Districts	32
WSDOT	16
Private	29
Joint / Airport Authorities	5/2





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Funding Airports Airport Funding Eligibility

Airport Type	Federal Entitlement Funds	Federal Air Cargo Apportionment Funds	Federal Discretionary Funds	Passenger Facility Charge Funds	State Grant Funds	Local Funds
NPIAS Primary	X		X	X	X	X
NPIAS Air Cargo	X	X	X		X	X
NPIAS Non-Primary	X		X		X	X
Non-NPIAS					X	X

Definitions:

NPIAS = National Plan of Integrated Airport System (Federal Funds Eligible)

Non-NPIAS = Federal Funds Ineligible; state and local funding only



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Phase I—Overview

Airport Investments: Washington vs. Other States

STATE	NPIAS AIRPORTS	NON-NPIAS AIRPORTS	BASED AIRCRAFT	ANNUAL AVIATION PROGRAM FUNDING	FUNDING PER AIRPORT	FUNDING PER AIRCRAFT
Colorado	49	27	4,565	\$20,100,000	\$264,400	\$4,400
Florida	100	29	10,931	\$130,000,000	\$1,008,000	\$11,900
Indiana	65	42	3,064	\$2,400,000	\$22,400	\$780
Louisiana	56	19	2,164	\$28,800,000	\$348,000	\$13,300
Ohio	100	69	4,395	\$1,100,000	\$6,500	\$250
Tennessee	69	12	2,724	\$4,000,000	\$49,400	\$1,500
Texas	209	187	11,535	\$10,800,000	\$27,300	\$900
Washington	64	70	5,963	\$1,100,000	\$8,200	\$180
Wyoming	33	8	938	\$8,500,000	\$207,300	\$9,000

- WA is the only state with more Non-NPIAS airports than NPIAS airports
- WA has one of the highest number of based aircraft per NPIAS airport
- Dramatic difference in aviation funding between states
- WA aviation funding is among the lowest, based on airports and aircraft



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Phase I—Overview

Airport Investment Needs

Data Sources

- Statewide Capital Improvement Program (SCIP)
- Master Plans
- Airport Layout Plans (ALP)
- Airport Pavement Management System (APMS)
- PSRC's NextGen Study
- FAA Master Record Form 5010

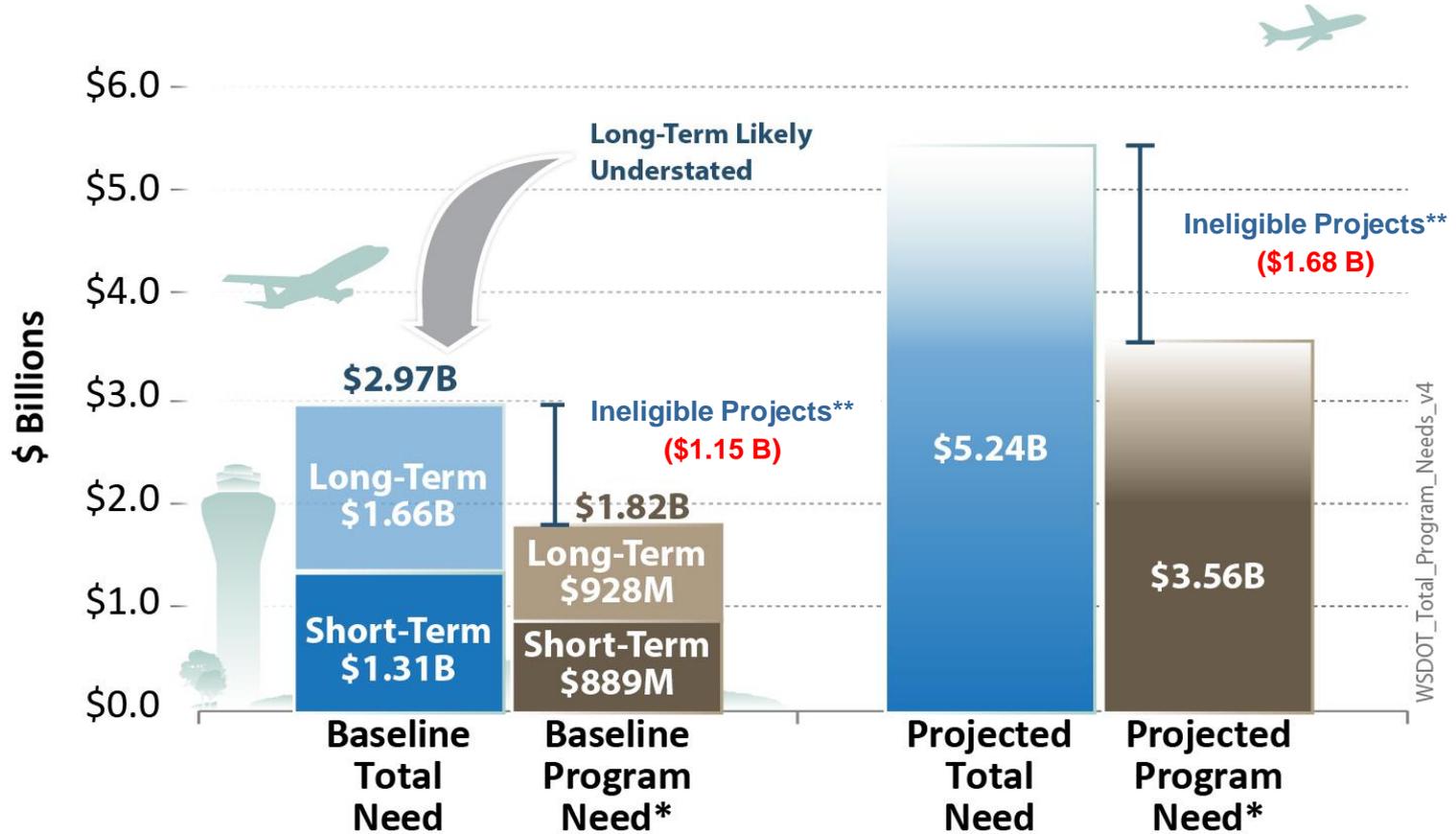
Data Validation

- Airport surveys
 - General information (existing and future)
 - Short- and long-term capital projects
 - Aviation related activities & public benefits
 - Local airport funding resources and issues



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Phase I—Overview



* Based on short-term project costs, allocations, and ratios

**Projects ineligible for state & federal funding



Airport Investment Study

Phase I—Findings

What were the key findings?

- Washington state airports, across all categories, rely on state and federal grants to accomplish preservation and capital improvement projects.
- The Airport Investment Study estimates that the state's 134 public-use airports will need **\$3.6 billion** for eligible projects during the next 20 years.
- The WSDOT's Airport Aid Program is forecasted to provide an average of **\$1.4 million** in state airport grants per year, pending decisions from the legislature.
- The State's share of the overall program need of \$3.6 billion is more than \$240 million, **resulting in an average annual need of more than \$12 million.**





Airport Investment Study

Phase I—Findings

What are some potential consequences of not funding capital needs at Washington state airports?

- The state could lose out in \$2 billion in economic output, 13,600 jobs and \$74 million in uncollected tax revenues.
- Airports would face negative impacts to facilities and operations, especially at smaller general aviation airports not eligible for federal funds.
- Airport funding would focus on core infrastructure (e.g., runways and taxiways), while other critical infrastructure would likely be maintained and improved at reduced levels.

Emergency sink hole repair at Darrington Municipal Airport, funded by WSDOT.





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Phase II—Solutions Overview

Phase II, Solutions





Airport Investment Study

Phase II—Solutions Overview

The overall goal of the **Solutions Phase** of the study is to identify and analyze potential implementable solutions to address the airport preservation and improvement needs of the Washington state aviation system.

Key Study Objectives include:

- Seek solutions that produce the greatest benefit to the aviation system's capital and preservation needs.
- Seek solutions that yield scalable and appropriate impact to users.
- Seek solutions that support the Governor's "Results Washington" initiatives and support Washington State "Priorities of Government."
- Seek solutions that improve the aviation system benefit to the Washington state Economy.



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Phase II—Solutions Overview

Solution Categories

- **Funding Solutions**
 - New Funding Sources
 - Refinements to Current Funding Programs
 - Revisions to Current Funding Sources
- **Non-Funding Solutions**
 - Aviation System Revisions
 - Airport Management Best Practices



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Phase II— Solutions Overview

33 Preliminary Solutions Considered by Advisory Committee

13 New Funding Sources

7 Refinements to Current Funding Programs

6 Revisions to Current Funding Sources

7 Aviation System Revisions/Airport Management Best Practices

- 1A) Alternative industry taxation Sources outside of aviation
- 1B) Utilize "Infrastructure Exchange" financing
- 1C) Corporate Sponsorships
- 1D) Public Private Partnerships, (P3) project funding
- 1E) Establish a state Passenger Facility Charge (PFC) head tax program
- 1F) Establish wide ranging state tax credits to airports
- 1G) Alternative taxing of airport operationally oriented uses
- 1H) Alternative taxing of on airport generated commercial activities
- 1I) Alternative taxing of the proportional value of transportation benefits derived
- 1J) Alternative economic development based consumption tax
- 1K) Establish a State sponsored revolving aviation infrastructure loan fund
- 1L) Establish a through the fence access fee structure
- 1M) Direct aviation administrative related fees
- 2A) Realignment of current funding allocations
- 2B) Restructure the current State transportation and general funds
- 2C) Tiered airport aid funding
- 2D) Set self-sustaining fee requirements for airports receiving grant funding
- 2E) Reduce sales tax exemption for other construction
- 2F) State of Washington to petition to become an FAA block grant state
- 2G) Modify project screening and evaluation process to allow for more project eligibility
- 3A) Increase existing aviation taxation rates
- 3B) Airport Leasehold taxes to go directly into the aeronautics account
- 3C) Revise Fuel Tax Exemptions
- 3D) Modify and improve the State aircraft excise tax program
- 3E) Utilizing other State and Federal grant funding sources
- 3F) Eliminate Aircraft Registration Exemptions, and Add New Registration Source(s)
- 4A) Promote establishment of commissions/ airport authorities
- 4B) leverage USDOT paving contracts at airports
- 4C) De-Federalize State airports for construction contracts
- 4D) Improve aviation educational/marketing and outreach programs
- 4E) Right size airport infrastructure
- 4F) Develop a Management Best Practices toolkit for state airports
- 4G) Investigate FAA funding best practices by region



Screening Solutions

- **Screening Criteria**
 - **Feasible** – capable of being accomplished
 - **Acceptable** – capable of being accepted (meet minimum requirements)
 - **Suitable** – appropriate or fitting the situation
 - **Distinguishable** – distinct or unique
 - **Complete** – having all parts or elements; whole; entire



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Phase II— Potential Solutions

Potential Solutions

- 1. Public Private Partnerships**
- 2. Alternative Taxing of Airport Operationally Oriented Uses**
- 3. Alternative Economic Development-Based Consumption Tax**
- 4. Establish a State-Sponsored Revolving Aviation Infrastructure Loan Fund**
- 5. Reallocation of Revenues from Other State Accounts to the Aeronautics Account**
- 6. Increase Select Aviation Tax Rates**
- 7. Revise Fuel Excise Tax Exemptions**
- 8. Modify the State Aircraft Excise Tax Program**
- 9. Develop a Best Management Practices Guidebook/Toolkit for State Airports**



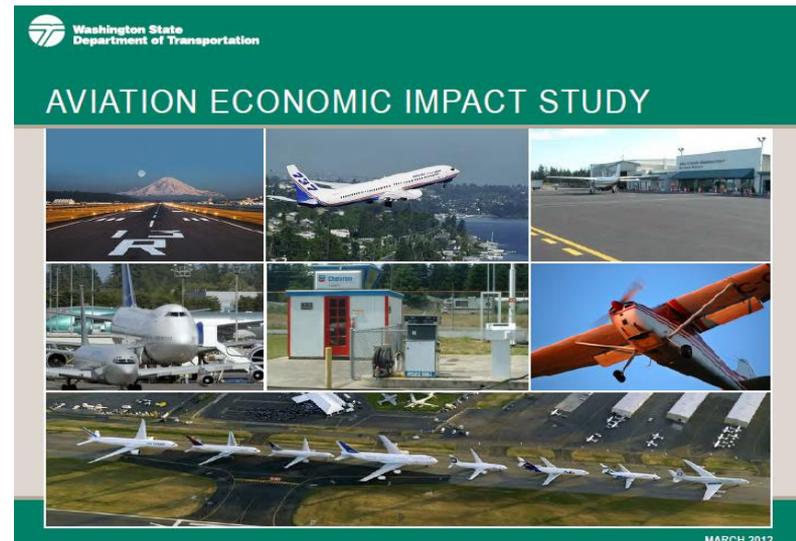
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Phase II— Potential Solutions

Consequence Evaluation

- Economic Impacts
- Impacts to Airport Users
- Impacts to Airport Facilities and Operations
- Impacts to Industry

Factors that we evaluate every five years as part of the WSDOT Aviation Economic Impact Study





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Phase II— Potential Solutions

Next Steps

- **December 17th**: Advisory Committee meeting at Boeing Field
- **January 2015**: Provide initial draft for legislative comments
- **March 2015**: Analyze legislative input
- **April 2015**: Project completion and final 'Solutions Guidebook' published



Questions & Contacts

WSDOT Aviation-
Airport Investments Study website:
<http://www.wsdot.wa.gov/aviation/>



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