WSDOT Aviation Division

Airport Investment Study

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Joint Transportation Committee
December 11, 2014
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)
Airport Investment Study
Phase I—Overview

The Study’s Process & Timeline

**Project Initiation**
- Kickoff Meeting
- Work Plan
- Goals and Objectives
- Performance Metrics
- Study Committee
- Team Chartering

**Baseline Conditions**
- Airport Investments
  - Federal, State, Local
  - Comparison with Other States
- Airport Needs
  - Short-term 0-5 Years
  - Long-term 5-20 Years

**Baseline Forecast Analyses**
- Airport Investments
- Funding Forecast
- Airport Needs
  - Prioritization
  - Short/Long Term
  - Economic/Safety/Operational Impacts

**Documentation**
- Airport Investment and Needs
- Airport Investment Research Reference Guide
- Baseline Memo

**Timeline**
- NTP
- Work Plan
- 2 months
- 3 months
- 4 months
- 6 months
- 7 months
- 8 months

**Legend**
- Study Committee Coordination

Study Documentation

Washington State Department of Transportation
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
# Airport Investment Study

## Funding Airports

### Airport Funding Eligibility

<table>
<thead>
<tr>
<th>Airport Type</th>
<th>Federal Entitlement Funds</th>
<th>Federal Air Cargo Apportionment Funds</th>
<th>Federal Discretionary Funds</th>
<th>Passenger Facility Charge Funds</th>
<th>State Grant Funds</th>
<th>Local Funds</th>
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<tbody>
<tr>
<td>NPIAS Primary</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>NPIAS Air Cargo</td>
<td>X</td>
<td>X</td>
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<tr>
<td>NPIAS Non-Primary</td>
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<td>X</td>
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<tr>
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</table>

**Definitions:**
- **NPIAS** = National Plan of Integrated Airport System (Federal Funds Eligible)
- **Non-NPIAS** = Federal Funds Ineligible; state and local funding only
Airport Investment Study
Phase I—Overview

Airport Investments: Washington vs. Other States

<table>
<thead>
<tr>
<th>STATE</th>
<th>NPIAS AIRPORTS</th>
<th>NON-NPIAS AIRPORTS</th>
<th>BASED AIRCRAFT</th>
<th>ANNUAL AVIATION PROGRAM FUNDING</th>
<th>FUNDING PER AIRPORT</th>
<th>FUNDING PER AIRCRAFT</th>
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<tbody>
<tr>
<td>Colorado</td>
<td>49</td>
<td>27</td>
<td>4,565</td>
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<td>10,931</td>
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<tr>
<td>Indiana</td>
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<td>3,064</td>
<td>$2,400,000</td>
<td>$22,400</td>
<td>$780</td>
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<tr>
<td>Louisiana</td>
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<td>19</td>
<td>2,164</td>
<td>$28,800,000</td>
<td>$348,000</td>
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<tr>
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<td>$6,500</td>
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<tr>
<td>Tennessee</td>
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<td>$9,000</td>
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</table>

- 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
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
Ineligible Projects** ($1.15 B)

Ineligible Projects** ($1.68 B)

* Based on short-term project costs, allocations, and ratios
**Projects ineligible for state & federal funding
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.
Phase II, Solutions
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.
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
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
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
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
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

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Airport Investments Study website:
http://www.wsdot.wa.gov/aviation/

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