

2014 Washington Airport Investment Study



What did the study do?

WSDOT and consultant CH2M Hill spearheaded the study to evaluate current statewide airport funding levels, determine the aviation system needs and identify potential gaps. WSDOT formed an advisory committee composed of a diverse group of aviation stakeholders to provide feedback on the study's process and findings.

Why was the study necessary?

- In 2005, a WSDOT-sponsored airport pavement study estimated a backlog of nearly \$163 million in essential pavement maintenance in our state.
- In 2009, the Governor's Aviation Planning Council determined that Washington's aviation system suffers from a significant funding shortfall stating that \$600 million is needed to bring all public use airports into compliance with state performance objectives.
- In 2012, WSDOT conducted an updated pavement study released in July 2013. Study findings: Pavement conditions have

declined statewide; with current funding the backlog will increase to \$257 million and pavement conditions will decline to 71 by 2020.

- In 2012, the FAA Modernization and Reform Act increased the required state and local match from 5% to 10%. This placed a greater financial burden for airport investments on state and local governments.

- In 2012, WSDOT's Airport Aid Grant program, which typically has \$1 million available per year, fell far short of funding the \$4 million requested.

- In 2013, initial, unrefined State Capital Improvement Program (SCIP) data indicates airports identifying nearly \$500 million in projects during 2014-2018.

What is the current funding picture for Washington's airports?

Federal:

- From 2004 to 2013, Washington received an average of 52 federal AIP grants per year, for an average total of \$100 million per year.

- From 2004 to 2013, 73% of AIP funds were distributed to Washington State's primary commercial service airports (16 of our 134 airports), leaving the remaining 27% to be split between NPIAS general aviation, reliever, non-primary commercial, and state sponsored airports.

- With forecast growth, Washington could see annual AIP allocations growing from \$88 million (2013) to over \$120 million in the next 20 years.

State:

- WSDOT's Airport Aid Grant Program typically gives \$1.1M per year to public-use airports.

- It is estimated that ~\$1.4 million may be available for airport grants on an annual basis, totaling approximately \$28 million for the 20-year planning horizon.

- Using state airport aid funds to leverage millions of dollars in federal funding at NPIAS airports is a crucial component of the state Airport Aid program.

Local:

- Local funds include aeronautical revenues such as Passenger Facility Charges (PFC), terminal building leases, landing/ramp fees, cargo fees, fuel flowage fees, and hangar/building leases.

- Local funds also include non-aeronautical revenues, such as automobile parking and ground transportation, airport concessions, advertising and sponsorships, rental cars, land and building leases.

- Also included are non-airport revenues, such as airport or municipal bonding, general funds from sponsor-generated tax revenues, and applicable non-aviation grants.

- Commercial service airports in Washington can generate hundreds of thousands to millions of dollars in revenue to fund capital needs.

How does Washington's airport funding compare with other states?

State Aviation Funding Analysis

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

CDM Smith

How was the funding gap determined?

The process for discovering the gap included:

Project Definition – assigning NPIAS/non-NPIAS, eligible/non-eligible, and short and long-term definition to each unique project.

Project Prioritization – applying FAA and WSDOT project codes and prioritization formulas.

Available Funding Application – applying available federal, state and local funds to NPIAS eligible projects, and available state and local funds to non-NPIAS eligible projects. Project costs were divided by eligible federal and state share, based on current match requirements.

Why include ineligible projects?

The study included ineligible projects to identify the total unconstrained aviation system need.

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 in eligible projects during the next 20 years.

The Washington State Department of Transportation's Airport Aid Program provides an average of \$1.1 million in state airport grants per year. During the 20-year study period the state grant program is forecasted to average \$1.4 million per year. WSDOT'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.

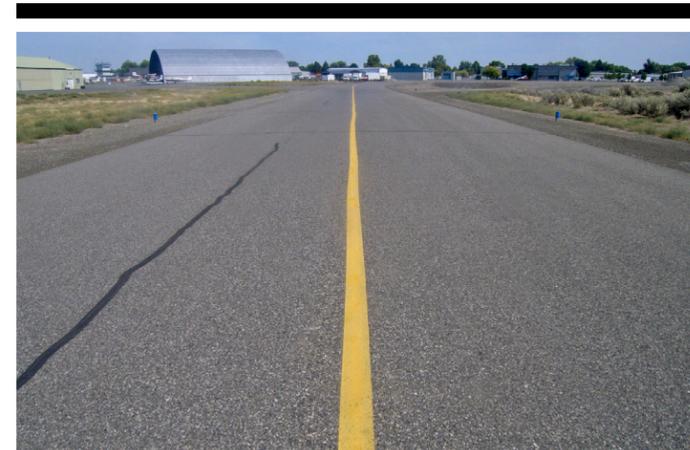
- The 20-year capital needs for Washington state's airports, not included above, are estimated at nearly \$1.7 billion in ineligible projects.

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

- If eligible projects are not funded the state could experience an unrealized \$2 billion in economic output, 13,600 unrealized jobs and \$74 million in uncollected tax revenues.

- If both eligible and ineligible projects are not funded the state could experience an unrealized \$3.9 billion in economic output, over 27,000 unrealized jobs and \$149 million in uncollected tax revenues.

- Airports would face negative impacts to facilities and operations, especially at smaller general aviation airports ineligible 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.

Next Steps

The study advisory committee recommended a follow-on study that would explore solutions to address the gap in meeting airport needs. WSDOT initiated that study in May 2014.

For More Information

Visit us online:

www.wsdot.wa.gov/aviation/AirportInvestmentStudy.htm

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