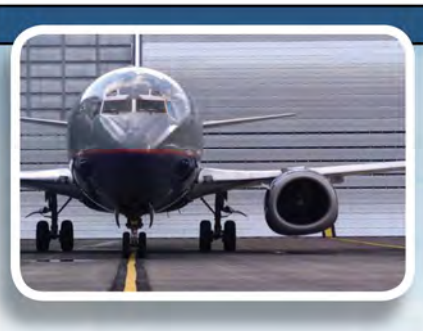

Contents

Exhibits

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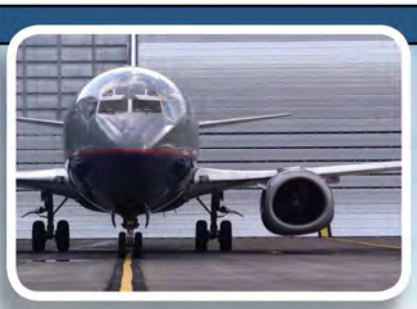

Acronyms and Abbreviations

WSDOT	Washington State Department of Transportation

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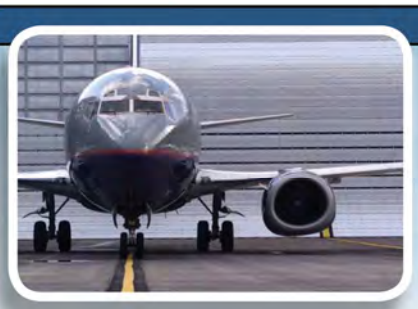

Introduction

Background

Washington State Department of Transportation's (WSDOT) Airport Investment Study was initiated to understand historical federal and state funding levels, forecast likely future funds availability, identify the total statewide airport preservation and capital needs, and identify any potential gaps between forecast funding and needs. The study was completed in April of 2014.

The study determined the state's 134 public-use airports will need an estimated $3.6 billion in projects over the next 20 years. A combination of federal, state and local funds are leveraged to address airport capital and preservation needs.

Based on funding forecasts, the study estimates that WSDOT's Airport Aid Grant Program will be able to contribute approximately $1.4 million per year on average over the next 20 years. WSDOT's share of the overall $3.6 billion program need is more than $240 million, resulting in an average annual need of more than $12 million.

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The study identified potential consequences if the state's airport capital and preservation needs continue to be underfunded:

- The state would not realize potential $2 billion in economic output, 13,600 jobs, and $74 million in tax revenues.
- Airports would only be able to address core infrastructure such as runways and taxiways, while other critical infrastructure would be maintained and improved at reduced levels.
- Smaller general aviation airports that are not eligible for federal funds would not have the ability to implement a majority of their planned capital projects.

A study Advisory Committee, consisting of a wide array of aviation stakeholder groups in Washington State, recommended a follow-on study that would explore solutions to address the State's portion of the funding gap.

Purpose and Need

WSDOT Aviation initiated the Airport Investment Solutions Study in an effort to develop a compilation of solutions that address both funding and non-funding related approaches, benefit the aviation system and as many of its users as possible, and translate into defined implementation strategies. Findings from this study will provide WSDOT Aviation with feasible solutions and implementation strategies that WSDOT or aviation stakeholders may leverage to address the funding gap.

Goals and Objectives

The overall goal 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 capital and preservation needs.
- Seek solutions that yield scalable and appropriate outcomes 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.

The project scope of work is developed specifically to accomplish the study goals, and address each of the key objectives along the way. The project team referred to the study goals and objectives to make decisions throughout the project.

Success Factors and Metrics

Success factors developed and refined for the project ensure that the key objectives of the project are met. The factors succinctly identify what a successful study outcome means to WSDOT and the project team. Defined metrics provide a means to measure the outcome for each of the success factors identified for the study. Success factors and associated metrics are as follows:

- A clear and comprehensive study, founded on the best available data that is readily understood, intuitive, and supported by the Advisory Committee, legislators, airports, and aviation stakeholders.
- A well-coordinated, high quality, organized and efficient study that provides:
  - Coordinated and meaningful touch points with project stakeholders
  - Recognized value for the State's investment
- Quality metrics as defined in the Project Quality Plan are accomplished.
- Feasible, implementable solutions that align with the study goal and objectives.

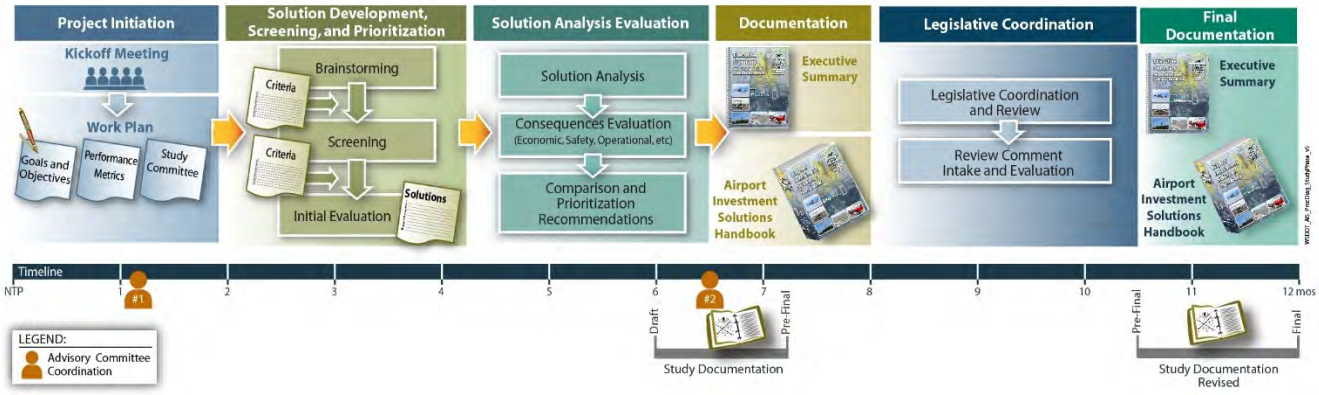
Study Process

The team developed a tailored transportation planning study process to successfully accomplish the study, based on the project's goal and objectives. Exhibit 2-1 provides a graphic overview of the approach. The linear process provides an integrated and meaningful touch points with aviation stakeholders (identified to participate on a Study Advisory Committee) and interested parties that are focused on crucial two-way dialogue on key project issues, at the points in the process where those issues should be vetted. Further, the study process solicits input from legislators on draft solutions and study documentation. The primary process steps are summarized as follows.

Project Initiation

Project initiation is one of the most critical steps in the process. Project initiation includes key tasks to define the project, how it will be

EXHIBIT 2-1
Airport Investment Solutions Study – Process and Timeline
Simple, linear process with integrated Advisory Committee and Legislative coordination touch points.



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accomplished, and what success at project completion comprises.

The team developed project goals, objectives, and success factors and metrics and reviewed them with the study's Advisory Committee members at the first coordination meeting, to encourage two-way dialogue on these crucial elements and make refinements as needed.

Solution Development, Screening, and Prioritization

The consultant team brainstormed solution ideas, and incorporated ideas from the study Advisory Committee to compile an initial list of solutions. The study team considered and documented all ideas.

In order to have a basic and consistent understanding of each solution idea, the consultant team reviewed each idea, and developed:

- An overview description of the solution
- Preliminary key components and/or steps that may be required to implement the solution
- Known obstacles or constraints to implementation of the solution
- Anticipated results of implementing the solution.

The study organized solution ideas into the following categories:

- **New Funding Sources** – new state revenue sources for WSDOT Aviation's Airport Aid Program
- **Refinements to Current Funding Programs** – adjustments to the distribution of funding resources to the Washington State transportation system, including the aviation system.
- **Revision of Current Funding Sources** – optimization of existing state aviation revenue sources to WSDOT Aviation's Airport Aid Program
- **Other Potential Solutions** – Non-funding related solution ideas that manage statewide airport capital and preservation needs and costs

An initial screening of the solution ideas serves to ensure that each solution is suitable, feasible, acceptable, distinguishable, and complete.

An initial evaluation of the solutions that pass the preliminary screen prioritizes the solutions list down to ten solutions that may be carried forward and further evaluated in the study.

Solution Analysis and Evaluation

Analysis of each of the solutions provides an in-depth understanding of each solution. The analysis further defines each solution and identifies details with respect to what key components comprise the solution, strengths, weaknesses, opportunities, and threats, and basic implementation strategies to assist the study with moving each of the solutions forward.

The study ascertains performance for the solutions relative to the key study objectives, identifies potential impacts and benefits to aviation industries, and provides economic analysis to support additional state funding of airports.

The study also compares the solutions in a final evaluation to provide stakeholders with a sense for relative opportunity for implementation and potential benefits and impacts to aviation industries.

Legislative Coordination

This process step provides critical input on draft solutions and documentation by state legislators and staffers. This review will help to further refine the solutions to enhance solution strengths and opportunities, and mitigate potential weaknesses or threats. Input from legislators help further define strategies and timelines for implementation.

Documentation/Final Documentation

Anticipated audiences for this study vary greatly, from aviation stakeholder agencies and businesses to state and local agencies, airport sponsors, planning agencies, legislative staff, and the public. Products of this study are envisioned to provide WSDOT and aviation

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interested parties with a number of different formats to effectively communicate the ultimate message to these audiences.

Decision Making Process

The goal of the Airport Investment Solutions Study is to identify and analyze potential implementable solutions to address the airport preservation and improvement needs of the Washington State aviation system.

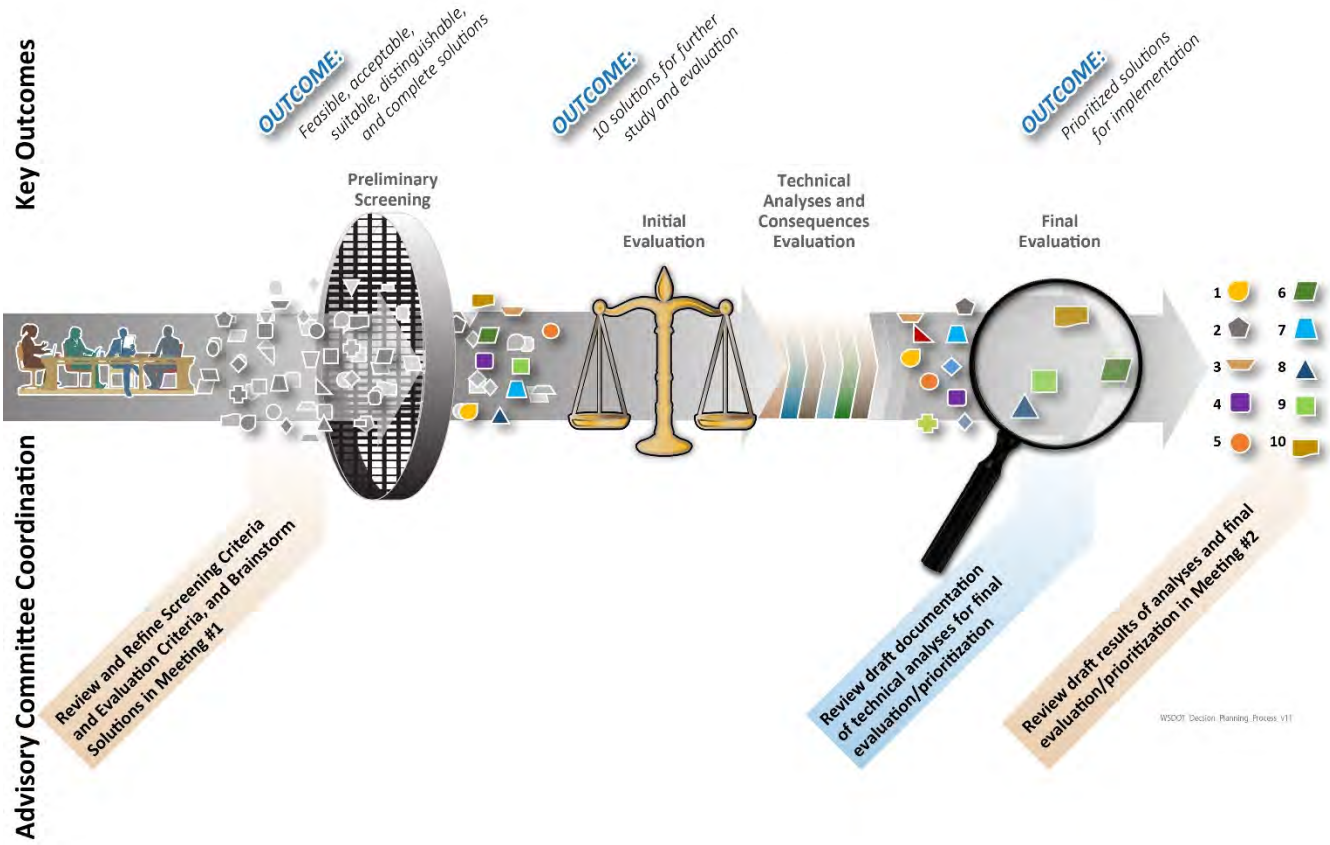
In order to help narrow down the wide array of solution ideas to a manageable list of up to ten feasible solutions to study further, the consultant team employed a decision-making process and tools that are transparent, traceable, effective, and engage the Advisory Committee in a meaningful way. The study leverages these methods and tools to provide a final comparison and prioritization of the ten analyzed solutions.

The result of this decision-making process is 10 prioritized, feasible and implementable solutions that align with the study goal and objectives, as discussed herein.

Decision-Making Process Elements

As illustrated in Exhibit 2-2, the decision-making process consists of three key phases: preliminary screening, initial evaluation, and final evaluation of potential solutions. Each one of these phases are fully described in the following chapters of this document, and are briefly summarized below:

EXHIBIT 2-2
Decision Making Process
Transparent, Defendable, Effective, and Collaborative



Preliminary Screening

The goal of the preliminary screening of solutions is to narrow down options from a vast array of solutions to the ones that are feasible, acceptable, suitable, distinguishable, and complete. The answer should be 'yes' for all screening criteria for a solution to move forward to the initial evaluation phase. This is an effective method for 'weeding out' solutions that have fatal flaws or otherwise won't work.

Initial Evaluation

During this phase the solutions that pass the screening criteria are evaluated against initial evaluation criteria. These criteria align with project objectives used to measure, evaluate and rank each solution. They also highlight trade-offs and are weighted for a more in-depth comparison. The outcome of this phase is 10 solutions for further study and evaluation.

Final Evaluation

As part of the final evaluation, the 10 identified solutions in the previous phase are ranked based on priorities identified by the project team, WSDOT, and the Advisory Committee. The outcome of this phase is a prioritized list of 10 solutions ready for implementation.

Advisory Committee Engagement

As shown in Exhibit 2-2, the Advisory Committee was meaningfully engaged throughout the decision-making process for this study. There were multiple touch points where feedback was solicited from the Advisory Committee. At Stakeholder Meeting #1 on May 28, 2014, the project team and WSDOT staff worked closely with the Advisory Committee to review, revise, and enhance the project goals and objectives, screening criteria, evaluation criteria, and the initial list of solutions. After the stakeholder meeting the project team incorporated the feedback received and solicited further review comments through Survey Monkey (a web-based survey tool) from the Advisory Committee for prioritizing the evaluation criteria.

The project team performed technical analyses and consequence evaluation to further help narrow down potential solutions based on the agreed upon criteria. They presented the results of the screening and final evaluation/prioritization of solutions to the Advisory Committee through draft documentation and requested additional feedback and reviews.

On December 17, 2014, the project team and Advisory Committee reviewed and provided input on draft results of the analyses and final evaluation/prioritization at Stakeholder Meeting #2. A make-up Advisory Committee meeting was held on January 28, 2015 as an opportunity to coordinate with those who could not attend the December 17 meeting.

Advisory Committee Coordination and Stakeholder Engagement

The study process featured specific touch points with an Advisory Committee, and forums to communicate with stakeholders throughout the process. The coordination and outreach elements promoted two-way communication, project understanding, and provide for guidance throughout the process. The coordination and outreach elements are summarized as follows.

Advisory Committee

The same Advisory Committee was retained from the Airport Investment Study and commissioned to serve in an advisory role throughout the study process to:

- Provide representation for aviation sectors, including commercial and general aviation, airport associations and organizations, airport sponsors, aviation agencies, and airport industries
- Act as a sounding board for understanding of project research and analyses

- Be a conduit for external project communications

The Advisory Committee was comprised to represent a wide array of aviation stakeholder groups in Washington State, including:

- Airport Associations and Operators
- Aerospace
- Commercial Aviation and Airlines
- Business Aviation
- Emergency Medical Air Transport
- Aerial Agriculture Industries
- General Aviation
- State and Local Agencies
- Transportation Planning Organizations

The perspectives of each of these groups was invaluable in providing a study that both listened to and spoke to all of the key aviation stakeholders in the state. A complete list of Advisory Committee representatives and their respective affiliations is provided in Appendix 1.

Communications Plan

The stakeholder groups represented in the Advisory Committee comprised a significant portion of the audience for this study. The study must be a supported tool that all of these groups may leverage to elevate the topic of aviation investments and infrastructure needs to local and state governments, as well as state and federal legislators and other interested parties that may include legislative staff, other aviation stakeholders, and community members.

A Communications Plan was developed and is included in Appendix 2. The Communications Plan refers to the project goals and objectives, and further identifies key messaging and specific touch points that leverage a number of different communication tools to reach varying audiences.

All project deliverables are posted on the WSDOT Airport Investment Study website at: http://www.wsdot.wa.gov/aviation/AirportInvestmentStudy.htm

Meeting notes from the Advisory Committee meetings are provided in Appendix 3.

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