

Legislative Airport Funding Day

WSDOT Aviation Division: Airport Investments

“Facts on the funding gap”

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WSDOT Aviation

Motto



**Washington State
Department of Transportation**

Aviation Division

"A Steward for Washington's Aviation System"

Mission Statement

To enhance Washington State's aviation system interests in ways that strengthens our transportation system, economy and quality of life.

Vision

To be a leader in aviation system planning and innovation.



The state's aviation system

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

Ownership	Airports
City/Towns	40
County	10
Port Districts	33
WSDOT	16
Private	30
Joint / Airport Authorities	5 / 2





Airports contribute to jobs & economy

Airport funding: why care?

Total impact attributed to aviation-related activities in Washington State—

- **248,500** jobs
- **\$15.3 billion** in labor income
- **\$50.9 billion** in economic output





Airports contribute to tax revenue

Airport funding: why care?

▪ Fiscal Impact Analysis

Classification	Aircraft Excise Tax	Aviation Fuel Tax*	Sales and Use Tax**	Property Tax***	B&O Tax	Other	Total
Commercial	144,000	471,000	390,277,000	30,335,000	121,000,000	115,228,000	657,455,000
Regional	235,000	829,000	7,724,000	13,804,000	98,980,000	6,227,000	127,799,000
Rural Essential	49,000	124,000	680,000	1,628,000	89,000	163,000	2,733,000
Community Service	105,000	364,000	923,000	604,000	401,000	334,000	2,731,000
Local Service	19,000	60,000	132,000	255,000	169,000	37,000	672,000
Seaplane Base	1,000	0	112,000	53,000	10,000	26,000	202,000
Total	553,000	1,848,000	399,848,000	46,679,000	220,649,000	122,015,000	791,592,000
% of Total	0.1%	0.2%	50.5%	5.9%	27.9%	15.4%	

* Fuel used for commercial aviation is exempt from the state aviation fuel tax.

** Includes sales and use tax paid on general and commercial aviation fuel.

*** Includes taxes paid on airline service providers' personal property.

• **Public-use airports generated about \$792 million** in tax revenue in 2009.

• **\$548 million** supports the state's General Fund.

• Nearly **\$244 million** is split fairly evenly amongst cities, counties, and special purpose districts.



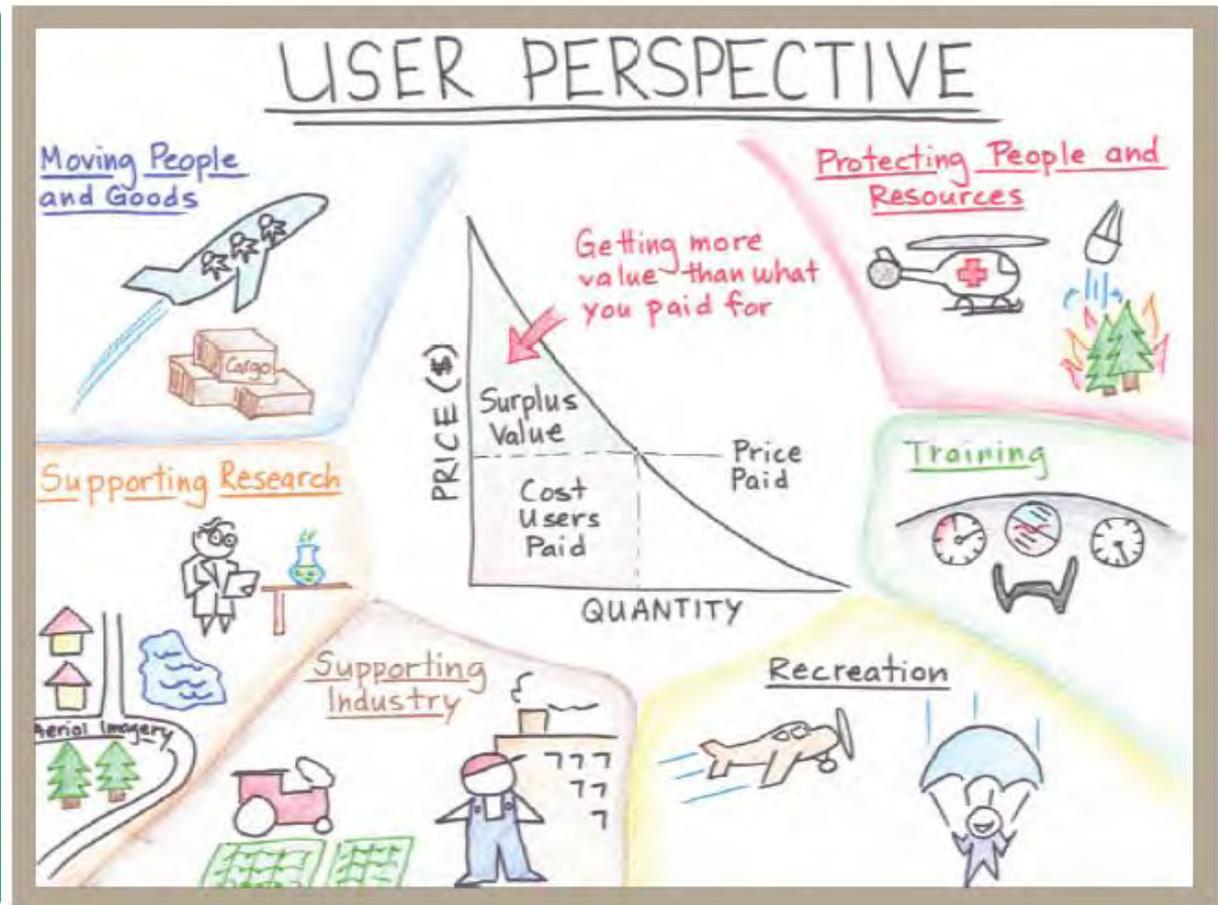


Airports contribute to communities

Airport funding: why care?

Enables Services that:

- Save Lives
- Protect Property
- Promote Business Activities
- Support Recreation & Tourism

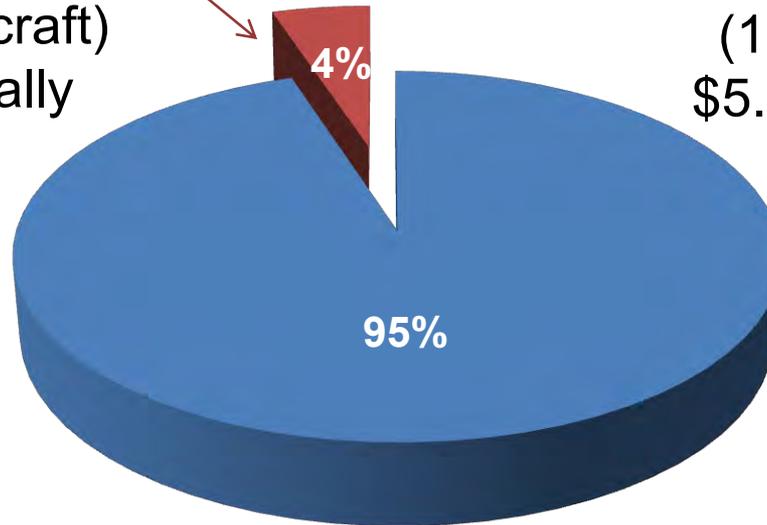




The aeronautic account: *funding sources*

Aircraft Registration & 10% of Excise Tax
(\$35-\$140 per aircraft)
\$280,000 biennially
4%

Aviation Fuel Tax
(11 cent per gallon)
\$5.7 million biennially
95%



PRIMARY SOURCES OF STATE FUNDS- 99%

- Aircraft fuel tax (11.0 cents per gallon)
- Aircraft excise tax (10% excise tax collected)
- Aircraft registration fees (\$15 year/aircraft)

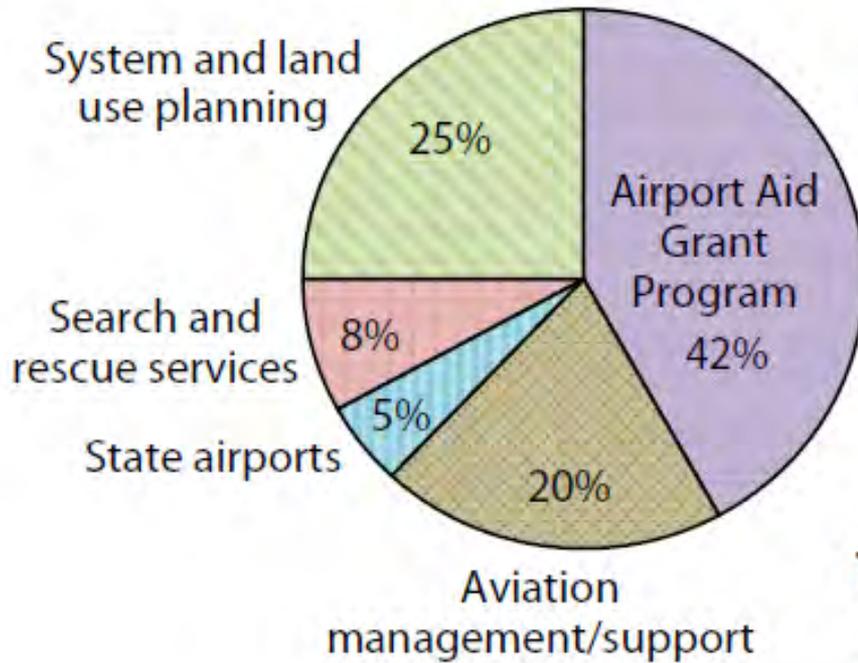
OTHER SOURCES OF STATE FUNDS- 1%

- Aircraft dealer license fees (\$75 annually)
- Miscellaneous revenues
- Treasury deposit earnings



Aviation budget breakdown

Budget Breakdown (Including Federal Funds)



42% of Aviation Division Budget used for airport grants

= \$2 million awarded to AIRPORTS (biennially)



Total \$8.128 million:

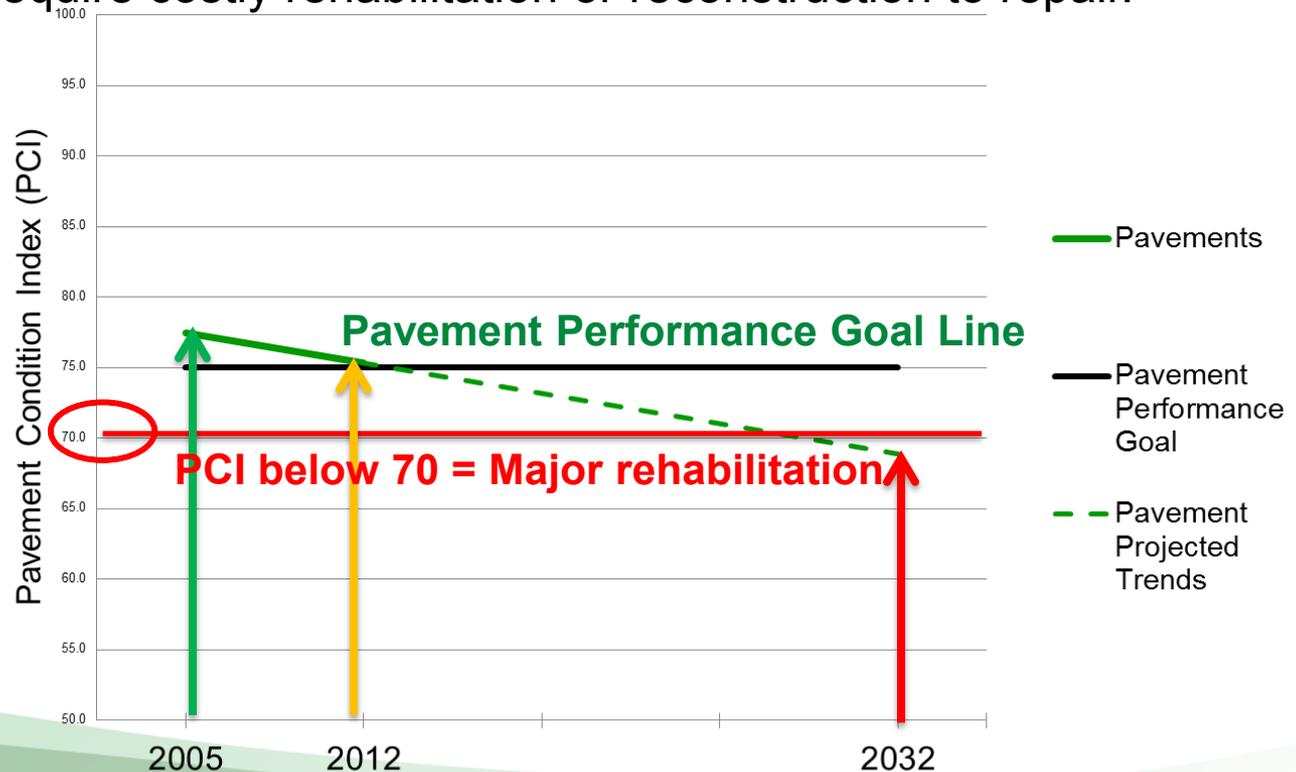
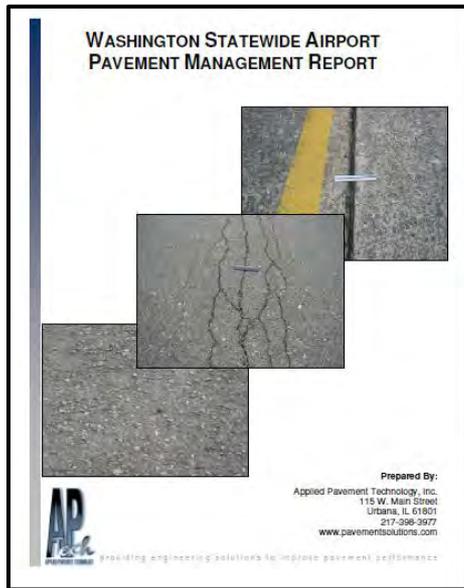
- 74% from Aeronautics Fund
- 26% from federal funds



Airport funding shortfalls

Pavement: Critical measure of airport performance and safety

- **In 2005**, a WSDOT-sponsored airport pavement study estimated a backlog of nearly **\$163 million** in essential pavement maintenance in our state.
- **In 2012**, WSDOT conducted a pavement study update (*due June 2013*).
- Preliminary data indicates pavement conditions **have declined** statewide; 22% of airport pavement will require costly rehabilitation or reconstruction to repair.

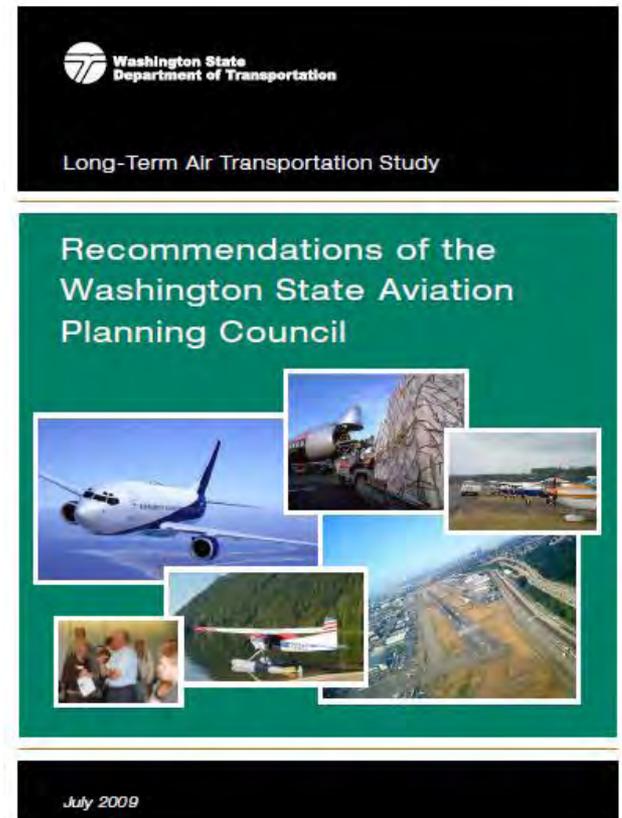




Airport funding shortfalls

Landmark Aviation Study: Additional funding is needed

- **In 2009**, the Governor's Aviation Planning Council determined that Washington's aviation system **suffers from a significant funding shortfall**.
- **\$600 million** is needed to bring all public use airports into compliance with performance objectives.

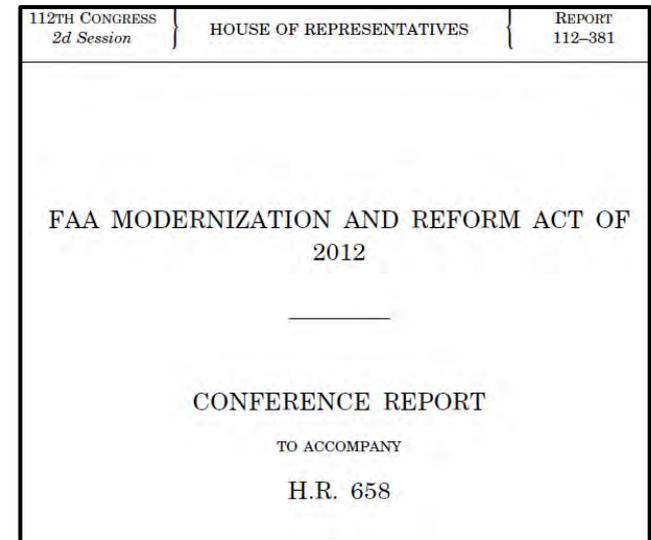




Airport funding shortfalls

Federal Government: States must address increased funding gap

- **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**.
- Impact: In 2012, the local + state matching requirements **increased 147%** compared to 2011.





Airport funding shortfalls

Airports to State: Funding needs are real and urgent

- **Also in 2012**, WSDOT's Airport Aid Grant program, which only has \$1 million available per year, fell far short of funding the \$4 million requested!





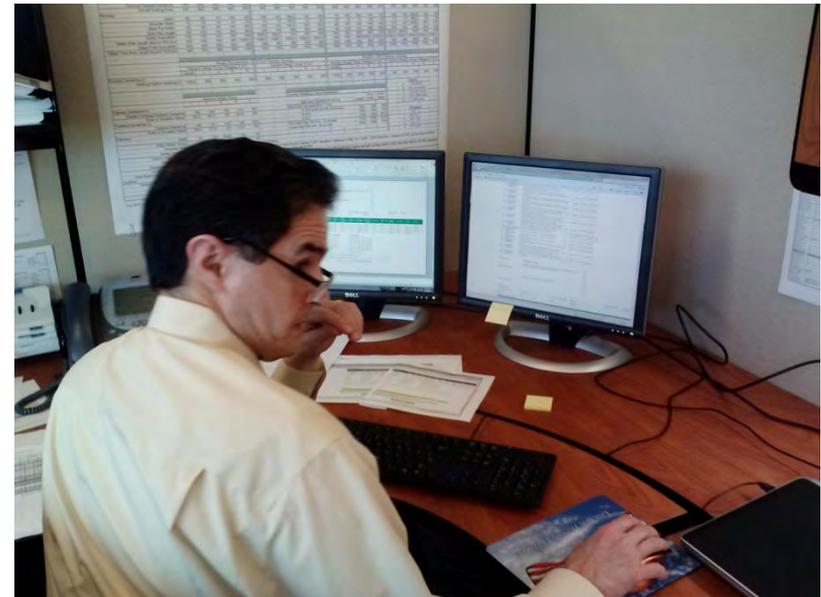
Airport funding shortfalls

WSDOT's Response: SCIP as a first-step

- **January 2013**, airport sponsors submitted the first-ever **Statewide Capital Improvement Program (SCIP)** airport project list to WSDOT.
- SCIP will tackle the challenge of strategically targeting limited state resources by prioritizing statewide aviation projects.

SCIP New “Just In” Information

- Most of the 136 public-use airports submitted five years of projects (2014-2018).
- WSDOT received more than 500 project requests.
- Initial, unrefined data indicates airports requesting nearly **\$400 million** in projects.



WSDOT's John MacArthur analyzing SCIP data



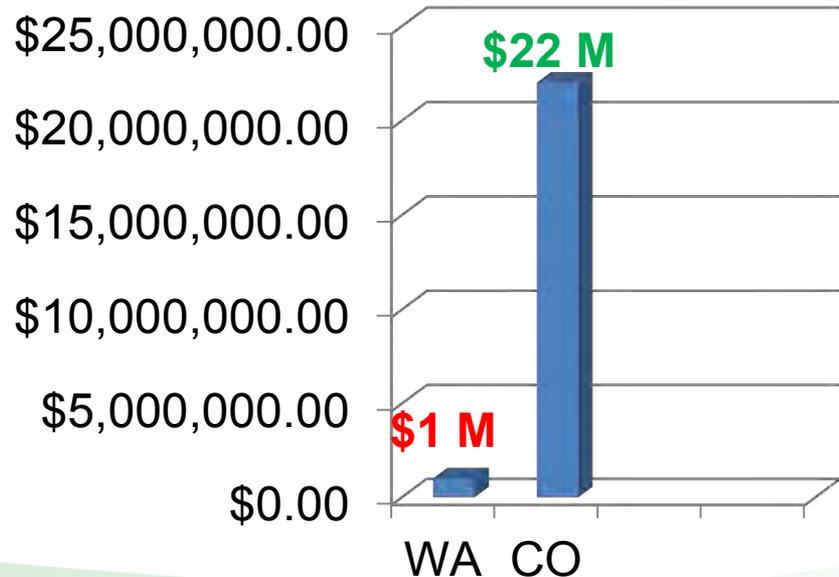
Airport funding shortfalls

Funding comparison: Does our state measure up?

How does our funding compare to other states?

Annual airport grant monies available (state \$): Washington vs. Colorado

State	Annual Grants \$	Public Use Airports	Per Airport Investment \$
Washington	\$ 1 million	136	\$ 7,353
Colorado	\$ 22 million	76	\$ 289,473





Questions & Contacts

Airport Investments:

What's the worst that can happen if we do nothing?



Vancouver's Evergreen Field closed in 2006

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Blaine Municipal Airport closed in 2008