

Airport Investment Study
Advisory Committee Meeting
9 a.m. to 12 p.m. / October 30, 2013
Boeing Field, Seattle

Attendees:

Advisory Committee Members Present:

Kate Adams: Tax Policy Specialist, Department of Revenue
Megan Ouellette: Managing Director of Government & Community Relations, Alaska Airlines
Kandace Harvey: Owner, Harvey Field / President, Washington Airport Management Association
Stephen Kiehl: Principal Planner, Puget Sound Regional Council
Janelle Garcia: President, Washington Aviation Association
James Lucci: Communications Center Supervisor, Airlift Northwest
Deb Wallace: Airports & Ferry Administrator, Pierce County / Washington Airport Management Association
Robert Kay: Washington State Liaison, Recreational Aviation Foundation
David Ulane – Northwest Mountain Regional Manager, Airport Owners and Pilots Association
Les Smith: President, Washington Pilots Association
John Dobson: Executive Director, Port of Shelton / Washington Public Ports Association
Jamie Shmunk: Mayor, Town of Lind, Washington Community Airports Association
Dave Ketchum: Senior Planner, T-O Engineers / Washington Community Airports Association
Michael Ehl: Director of Operations, Seattle Tacoma International Airport
John Gowey: Director of Seaplane Operations, Kenmore Air
Ryan Sheehan: Director of Operations & Maintenance, Spokane Airports / Washington Airport Management Association
Ken Wirtz: Air Ambulance Pilot, Northwest Medstar
Tom Dent: Owner, Tom Dent Aviation / Association of Washington Business
Mike Ennis: Government Affairs Director, Transportation & Environmental Policy, Association of Washington Business
Heather Hansen: Lobbyist / Association of Washington Aerial Applicators
Stephanie Wright: Councilmember, Snohomish County Council / Washington State Association of Cities
David Lehman: Pacific Northwest Business Aviation Association

WSDOT Aviation Staff Present:

Tristan Atkins: Director of Aviation

Rob Hodgman: Senior Planner / Project Manager

Eric Johnson: Airport Construction and Grants Program Manager / Stakeholder Management and Quality Management

Carter Timmerman: Aviation Planner & GIS Specialist / Project Integration Management and Project Risk Management

John MacArthur: State Capital Improvement Program Coordinator / Project Schedule Management and Budget Management

Nisha Marvel: Aviation Communications / Project Communications Management

Colleen Miller: Executive Assistant

Consultant Staff Present:

Mark Brower: Transportation Project Manager, CH2M Hill / Study Project Manager

Tony Davis: Senior Airport Planner & Project Manager, CDM-Smith / Study Financial and Funding Analysis Lead

Ryan Martin: Transportation Engineer & Planner, CH2M Hill / Study Needs Assessment Task Lead

Other attendees:

Kent Sherburne: Financial Manager, Boeing Field

Gary Molyneaux: Planning Manager, Boeing Field

Mark Bergam: Airport Engineer, Boeing Field

Marshall Sana: Pistol Creek

Jessica Fortescue: Vulcan

Pat Dunn: Pistol Creek

Welcome and Introductions:

WSDOT Director of Aviation Tristan Atkins welcomed the committee to its first meeting and thanked the group for participating in this important study. He explained the need to obtain a clear, holistic picture of Washington's funding sources, airport needs and the gaps and consequences. Atkins then led the group through introductions.

Project Manager Rob Hodgman briefed the committee on the meeting's agenda:

Welcome and Opening Remarks

Administrative Notes

Introductions

Project Overview

- Background
- Goals, Objectives and Success Factors
- Process

Study Committee

- Roles and Expectations
- Communications Plan

Baseline Conditions Approach and Progress

- Local, State, Federal Investments
- Short- and Long-Term Needs

Questions and Comments

Next Steps

Project Overview

Hodgman emphasized that committee's expertise, experience and diversity is valuable to the study. He said that the study team is interested in and depending on receiving the committee's input on the information presented during the meeting.

Background

Hodgman described the background information that demonstrated the need for this study:

- 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 and determined 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 July 2013. Study findings: Pavement conditions have declined statewide and with current funding the backlog will increase to \$257 million
- 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. This change alone could require an additional \$1.7 million biennially in state matching funds.
- 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.
- In 2013 the Statewide Capital Improvement Program received airport project requests totaling nearly \$500 million.

Hodgman said that this data represents pieces of an incomplete puzzle. He emphasized that this study is needed to provide the facts that will show the complete picture of the state's aviation system funding, needs, gaps and consequences.

Goals and Objectives:

CH2M Hill Study Project Manager Mark Brower then detailed the study's goals and objectives. He said the simple breakdown is that we have to understand that system wide need in our state. Whether it is a large, medium or small airport, we need to understand if our current funding levels are effective at moving projects forward. He said that this study would assess short term and long term needs, determine if funding is adequate and, if not, identify the consequences.

Success Factors and Metrics:

Brower asked the committee, "What does success look like?" The study team developed a list of success factors and methods. He said that the study needed to be clear and comprehensive and accessible to a wide variety of audiences including legislators, airports and the general public. He noted that the study team should provide simplicity for airports to provide inputs. He said the team should also provide coordinated touch points with stakeholders and clearly communicate the study's process and findings. He emphasized that the study team will rely on the committee to provide feedback and ensure that progress resumes on the right track. Brower said that it remains crucial that this study results in data that is valid, traceable and credible.

Study Process:

Brower said that WSDOT and the consultant team strategized together regarding what the study process should look like. He said the team would use data collection and fact finding to evaluate baseline conditions. The team would analyze how the state leverages available funding (local, state and federal) and turns it into aviation capital projects. Brower added that the team would perform a comparison with other states. From there the team will build an unconstrained list of airport needs statewide. The team will also produce a baseline forecast analysis, looking forward

to the prioritization of projects and the economic impacts. Brower said that the final products will be an Airport Investment Research Reference Guide and Baseline Conditions memo. Brower also noted that the study team is at the two month mark of the eight month study, and that the data collection process is well underway.

Summary of Discussion:

The committee discussion is summarized as follows:

- We should look at how the airport system is comprised. Do we need to make adjustments within the system to prevent duplication of airports?
- We must emphasize the economic benefits of airports and explain how they contribute to the state's health and vitality. Draw upon the recently completed Aviation Economic Impact Study.
- Washington must be promoted as an aviation friendly state otherwise people won't care. We must protect general aviation. Business aviation will only go where it is friendly and fair.
- The committee should strategize to determine how each member can be a voice that speaks to local officials and other influences. This is an opportunity for advocacy and demonstrating why this study matters.
- This study is meant to be fact-based. We don't know how big the problem is. One of the primary deliverables is to quantify the magnitude of the gap and determine the consequences. If significant gaps and consequences exist, we will move forward from there. It is premature to jump to solutions before we know the full story.
- January 28 is Airport Funding Day at the Capital. This will be a good venue to communicate where we are in the study process to the legislature.
- Remember the importance of smaller airports as they pertain to public safety. Many of these airports are used for emergencies and medical evacuation and, though they are small, they provide enormous benefit to the communities they serve.

Committee responsibilities:

Eric Johnson, Stakeholder and Quality Management Lead, discussed with the committee its role and responsibilities including:

- Attend meetings and contribute to discussions
- Understand and articulate the Committee's purpose and responsibilities
- Represent constituent group by:
 - Communicating perspective on key issues
 - Convey information back to stakeholders
- Review and comment on drafts and inputs throughout the process
- Provide feedback to the project team

Johnson also said that, like with any project, this study has a communication plan that will ensure consistent, transparent communication with the study team, interested parties list and general public. Communication tools include:

- Website (<http://www.wsdot.wa.gov/aviation/AirportInvestmentStudy.htm>)
- Aviation News service
- Interested party list
- Advisory Committee Charge
- Airport Investment Study folio
- Study brochure
- Requested briefings

Summary of Discussion:

Johnson asked committee members if they had any input on their role and communications strategies. The discussion is summarized as follows:

- It is useful for WSDOT to proactively provide press releases for committee members to disperse to their various groups.
- It is important that the committee provide their stakeholder groups with consistent messaging. We need to be clear about what this study is doing and what it's not doing.
- AWB has a subcommittee related to just aviation and it is useful to have materials that could be sent electronically to this group.
- CAA members should ensure they are communicating directly with airport sponsors to make sure the information is going where it needs to go.
- It is helpful to have web links embedded in press releases.
- The more channels we use for communication, the better. Using multiple channels is not only effective, but it will highlight the importance of the study
- It will be helpful to provide the study team with deadlines for newsletter articles. The study team can provide content for newsletters as appropriate.
- It is helpful to see what other committee members are sharing with their groups.

Baseline Conditions Approach and Progress:

Mark Brower said that the next section would delve into the available funding and the needs.

Local, State, Federal Investments

Brower initiated discussion of the approach to vet the historic and current investments. He started with federal funding, which is apportioned through entitlement and discretionary funds for the 64 airports that are eligible:

- AIP Funding
- Apportionment
- Entitlement Funds
 - Primary Airports
 - Cargo Service
 - Non-Primary
- Discretionary Funds
 - High Priority Projects

Brower said that the study team would forecast the status quo to understand the funding sources and competing interests. He said that since there is not enough money to fund every project, the team would make a reasonable assessment regarding what growth would look like and consider benchmarks of significant importance.

Tony Davis, Financial and Funding Analysis Lead, then discussed WSDOT's aeronautics account, which funds the department. The account receives revenues from an 11 cent fee on aviation fuel as well as aircraft registration/excise tax/dealer fees. He said that the study team would examine:

- History of aviation taxes in WA
- Revenue sources
 - Define and measure each source
 - Quantify revenue by source
- 10-year revenues/expenditures

Davis said that the study team would also perform an aviation tax comparison with six other states. He said that the study team would use Conklin De Decker software to evaluate the various aviation taxes and document all levels. He noted that they would also use information from NBAA, AOPA and DOR to evaluate where revenue is being generated. Davis said that the team would develop a high/low comparison regarding the range of taxation. They would also develop metrics to compare different taxation methods, the investment per airport and the investment per

based aircraft. He said that they would look to the advisory committee for input on other potential metrics.

Brower then delved into to the local funds. He said that with dwindling federal fund and state funds, airports are working to find ways to increase local funding sources. He said that the study team would survey the state's airports to find the traditional, and unique ways that locals fund their airports.

Brower gave an example of the Jackson County Airport in Medford, Oregon that uses an outside of the box approach to local airport funding. That airport developed a replica of the Oval Office that they rent out for events and capitalizes on multiple sponsorships and advertising.

Summary of Discussion:

- We need to take a holistic look at where the money goes and how much of it actually comes back to aviation. AOPA is a good resource for this.
- Situations exist where taxation has changed the face of aviation in particular states, e.g. Montana and Florida.
- The advisory committee can provide input on states to be used in the comparisons since the list hasn't been finalized yet.
- We should make a distinction between the number of airports that are and are not eligible to receive federal funding.

Short-Term and Long-Term Needs:

Ryan Martin, Needs Assessment Task Lead, presented on the short-term and long-term needs, emphasizing that the consultant team will look at all capital plans. He said that they would differentiate between NPIAS and non NPIAS airports and use an unconstrained budget view. He noted that the goal was to obtain a true assessment of airport needs across the state. Martin said that the team would summarize total short-term and long-term project lists, and prioritize using existing FAA and WSDOT programs.

Martin said that for the short term needs, the study team would leverage WSDOT's existing State Capital Improvement Program (SCIP) data. He noted that the team would try to use all available master plan and airport layout plans, and also survey airports to obtain missing or additional information.

Davis presented on the consequences evaluation. He said that the national infrastructure is deficient in many ways, stating that many roads, bridges and tunnels are in a state of disrepair. He emphasized that airports can easily fall into this category if we are not educated on funding, needs and consequences. Davis stated that this study would identify the consequences of remaining on our current path, including the economic impacts. Davis said that the study would

also measure the impacts of airports to the end users. He noted that the Aviation Economic Impact study identified 17 user-derived benefits of airports, and that these would also be used to evaluate the consequences of staying on the current path.

Summary

Hodgman summarized the meeting, emphasizing that this study must be based on credible, traceable and transparent best available facts. He said that the magnitude of investigating a CIP for 136 airports is significant and that there is a lot of work ahead for the study team. He emphasized again the study team's goal to use the advisory committee for its knowledge and expertise and thanked members for attending.

Summary of Discussion:

- The study is on schedule; the data collection has started and CIPs have been accessed. The next step will be surveying the airports.
- AOPA data will be helpful with the states' comparisons.
- The aeronautics account typically provides \$1 million a year for airport aid. During the 11-13 biennium only, the grant program has an additional \$1.5 million (using existing funds). At the end of this biennium, WSDOT Aviation will return to the original funding level.
- Airports need to show that they are efficiently using funding provided.
- The study team will use a margin of error range in the needs phase.
- Provide advisory committee with the Washington airport map showing NPIAS and Non-NPIAS airports.
- The study team will develop criteria for airports that do not have master plans or airport layout plans.
- The study team will apply the metrics to airports where standards do not apply.
- Make a clear distinction between federal recommendations and federal requirements. Also consider that not every airport is required to meet standards.
- Aerial applicators have provided feedback about differences in airport needs between managers and users.
- At unmanned airports, private businesses often provide information about the airports.
- Take into consideration that FAA standards are sometimes different than industry standards.
- In order for the investment study to be credible we need to have specific parameters. We need to have the lowest common denominator – a standard that is applicable at every airport.
- We should also look at the operations of airports, particularly the remoteness of the airport and the need to be accessible by EMS. We should look both at the

FAA standard and the state perspective. For instance, Ione is a NPIAS airport, but Colville isn't. Both have a relevant role in particular EMS functions.

- After we do objective classifying, then we will do a subjective analysis in order to try and vet some of these projects.
- When we consider investment and funding, consider volunteer groups. Many of these groups take care of airports and are willing to help keep the airport viable.
- Evaluating how a specific state's tax structure impacts the aviation system is a difficult analysis.
- When putting together the tax comparisons, consider the aviation industry and not just airports. Take a big picture approach.