WSDOT Aviation Division:
Airport Investments
“Update on the Airport Investment Study”

Tristan Atkins
Director of Aviation
and
Rob Hodgman
Senior Aviation Planner
WSDOT Aviation Division

Association of Washington Business (AWB)
August 9, 2013
Presentation Agenda

• WSDOT Aviation Overview

• The state’s aviation system

• Aeronautics Account—advancing aviation

• Airports funding—why care?

• Airport funding shortfalls—what we know today

• Airport Investment Study overview: Rob Hodgman

• Questions
Motto

“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.
Who we are and what we do

WSDOT is charged with advancing the state’s aviation interest in seven crucial areas:

- capacity
- environment
- safety
- stewardship
- economic vitality
- mobility
- land use & preservation

Major Programs

► Airport investments (grants & capital improvements)
► Aviation system and land-use planning
► Aircraft registration
► WSDOT-managed airports
► Aviation emergency management services

“A Steward for Washington’s Aviation System”

http://www.wsdot.wa.gov/aviation/
Welcome to WSDOT Aviation

Local News

- WSDOT’s grant program assists Darrington Airport with emergency sinkhole repair
- Governor declares June “General Aviation Appreciation Month” in Washington state
- Methow Airport radio frequency remains at 122.8
- WSDOT accepting applications for new round of airport grants
- More News...

WSDOT-Managed Airports

- Is Your State Airport Open?
- 2011/2012 Methow Valley State Airport Improvements Project
- Methow Airport Layout Plan
- Adopt-an-Airport Program
- Photo Gallery

Register Online

- Register Aircraft Online
- New to registration?
- Aircraft Registration Program
- Pilot and Mechanic Registration No Longer Required in Washington State
- Apply for Aircraft Exemption
- Aircraft Dealer License Forms
- Email us your request to subscribe to the Aviation News Service.

Who we are and what we do (pdf 300 kb)

Airport Investments Study

Aviation Economic Impact Calculator

Aviation Economic Impact Study
The state’s aviation system

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

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Airports</th>
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<tbody>
<tr>
<td>City/Towns</td>
<td>40</td>
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<tr>
<td>County</td>
<td>10</td>
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<tr>
<td>Port Districts</td>
<td>33</td>
</tr>
<tr>
<td>WSDOT</td>
<td>16</td>
</tr>
<tr>
<td>Private</td>
<td>30</td>
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<tr>
<td>Joint / Airport</td>
<td>5 / 2</td>
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<tr>
<td>Authorities</td>
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</table>

*Map showing the distribution of airports across different ownership types.*
The Aeronautics Account: funding sources

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

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

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
Aircraft fuel tax: How it works

11 cent per gallon (AVGAS or Jet-A)

- Paid primarily by General Aviation (GA)
  - Authorized by RCW 82.42.020
  - Collected by every distributor (seller) of aircraft fuel
  - Administered by the Department of Licensing (DOL)
- Funds deposited into the state’s Aeronautics Account
Aeronautics Account: Aircraft Excise Tax

Aircraft excise tax: How it works

Registration + Excise Tax

$15 + $20

$15 + $50

$15 + $65

$15 + $100

$15 + $125

Aircraft Excise Tax

- Aeronautical Fund 10%
- General Fund 90%
Aviation budget breakdown

Total $9.511 million:
- 77% from Aeronautics Fund
- 23% from federal funds

52% of Aviation Division Budget used for airport grants

= $3.5 million awarded to AIRPORTS (2013-15 Biennium)
General Aviation contributes 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

WSDOT Aviation Economic Impact Study
http://www.wsdot.wa.gov/aviation/WAEconomicStudy.htm
General Aviation contributes to tax revenue

**Airport Funding: why care?**

- **Fiscal Impact Analysis**

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

** Includes sales tax paid on sales and purchases of general and commercial 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.
General Aviation contributes to communities

Airport Funding: why care?

Enables Services that:

- Save Lives
- Protect Property
- Promote Business Activities
- Support Recreation & Tourism
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 an updated pavement study - released July 2013.

• Study findings: Pavement conditions have declined statewide; with current funding the backlog will increase to $257 million and PCI will decline to 71 by 2020.
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:** This change alone could require an additional $1.7 million biennially in state matching funds.
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!

Requested—$4 million from 39 Airports

Available—$1 million awarded to 23 Airports
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 Input Overview**

- WSDOT received more than 500 project requests.
- Initial, unrefined data indicates airports requesting nearly **$500 million** in projects.
How does our funding compare to other states?
Annual airport grant monies available (state $): Washington vs. Colorado

<table>
<thead>
<tr>
<th>State</th>
<th>Annual Grants $</th>
<th>Public Use Airports</th>
<th>Per Airport Investment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>$1 million</td>
<td>136</td>
<td>$7,353</td>
</tr>
<tr>
<td>Colorado</td>
<td>$22 million</td>
<td>76</td>
<td>$289,473</td>
</tr>
</tbody>
</table>

Sunnyside Municipal Airport

$22 M
$1 M
$0.00

WA CO
Airport study tops agenda at WSDOT Aviation

- WSDOT study will evaluate the need for preservation, safety, and other capital projects at the state’s 136 public-use airports.

- **Who**: WSDOT project manager, CH2M Hill and an advisory committee of commercial and general aviation stakeholders.

- **The study will**:
  - Evaluate current funding levels for airport preservation and safety projects.
  - Assess short-term and long-term airport improvement needs.
  - Determine consequences of doing nothing in terms of economic and aviation system impacts.

**If the study reveals a significant gap in funding AND significant consequences if not addressed, then we will determine the need for a follow-on study to identify solutions.**
• Evaluate current funding levels for airport preservation and safety projects.

• Assess short-term and long-term airport needs.

• Determine consequences of doing nothing in terms of economic and aviation system impacts.
Bring in experts to assist with the study

- Establish an Advisory Committee consisting of representatives from:
  - Commercial and General Aviation
  - Airport associations and organizations
  - Airport sponsors
  - Federal, state, and local agencies
  - Airline and aerospace industries
  - Emergency medical air transporters
  - Aerial agricultural providers

- Establish an Interested Party program to invite input from across numerous industries, programs and interests to enhance the collective knowledge of the study process
• Evaluate current funding levels
  • State aeronautics account
  • Federal funds (FAA)
  • Local funds (County, City, Port District)

• Assess short-term and long-term airport needs
  • Incorporate data from the Statewide Capital Improvement Program (SCIP), Airport Master Plans, 2012 Pavement Study, 2012 Economic Impact Study
  • Develop short-term (0-5 years) and long-term (6-20 years) airport investment needs
  • Determine if there is a significant gap

• Determine consequences of doing nothing
  • Economic impacts on jobs, wages, total economic activity, and tax revenue
  • User derived value impacts in terms of the 17 aviation-related activities
  • Impacts to airports in safety, operations, capacity, and sustainability
  • Determine if there are significant consequences
Share what we’ve learned

• Develop a reference guide:
  • Document the study process
  • Provide a comprehensive source of facts relating to the study

• Provide a study report:
  • Summarize the overall findings of the Study
  • Detail what may occur in system performance if no changes are made
  • Outline what may result in economic impact and user benefits if we do nothing
Questions & Contacts

Airport Investments:
What’s the worst that can happen if we do nothing?

Vancouver’s Evergreen Field closed in 2006

WSDOT Aviation Division
18204 59th Drive NE, Suite B
Arlington, WA 98223
(360) 651-6300
http://www.wsdot.wa.gov/aviation/

Blaine Municipal Airport closed in 2008