

# WSDOT Aviation Division: Airport Investment Study

**Rob Hodgman**

Aviation Division Senior Planner  
Airport Investment Study Project Manager

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# Presentation Outline

- The state's aviation system
- Aeronautics Account
- Airport funding shortfalls
- Airport Investment Study overview
- Questions and Discussion



# 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





# The Aeronautics Account: *funding sources*

## Aircraft Registration &

### 10% of Excise Tax

(\$35-\$140 per aircraft)

\$280,000 biennially

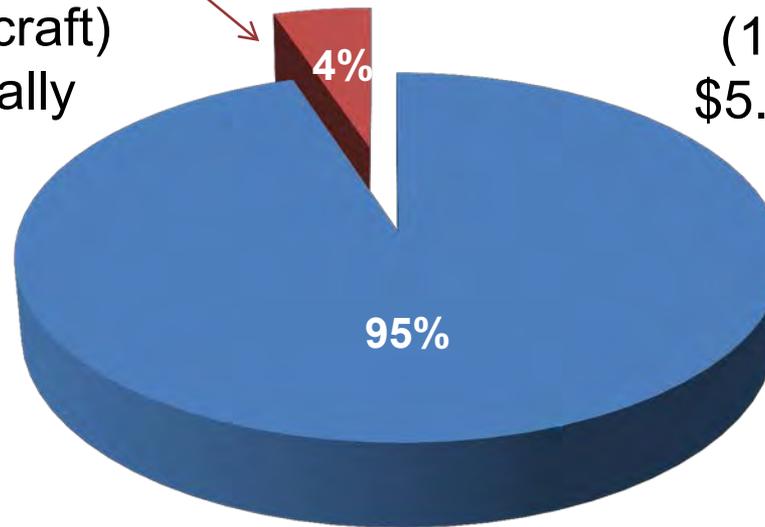
4%

## 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



# The aeronautic Account: *Aviation Fuel Tax*

## 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





# The Aeronautics Account: *funding sources*

## Aircraft Excise Tax: How it works



### Registration + Excise Tax

\$15 + \$20



\$15 + \$50



\$15 + \$65



\$15 + \$100



\$15 + \$125

### Aircraft Excise Tax

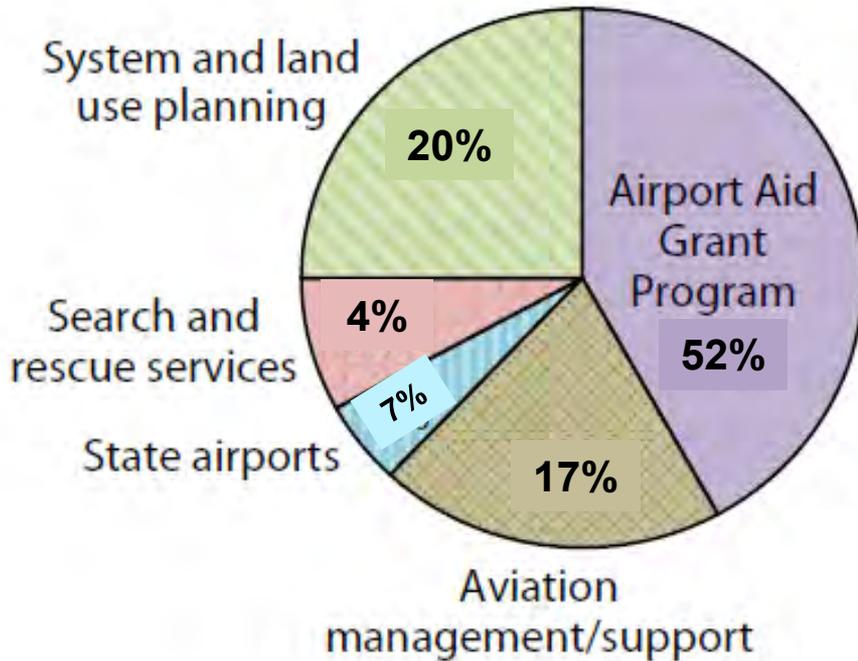


- Aeronautic Fund 10%
- General Fund 90%



# Aviation budget breakdown

## 2013-15 Transportation Budget (including federal funds)



52% of Aviation Division Budget used for airport grants

**= \$3.5 million awarded to AIRPORTS (2013-15 Biennium)**

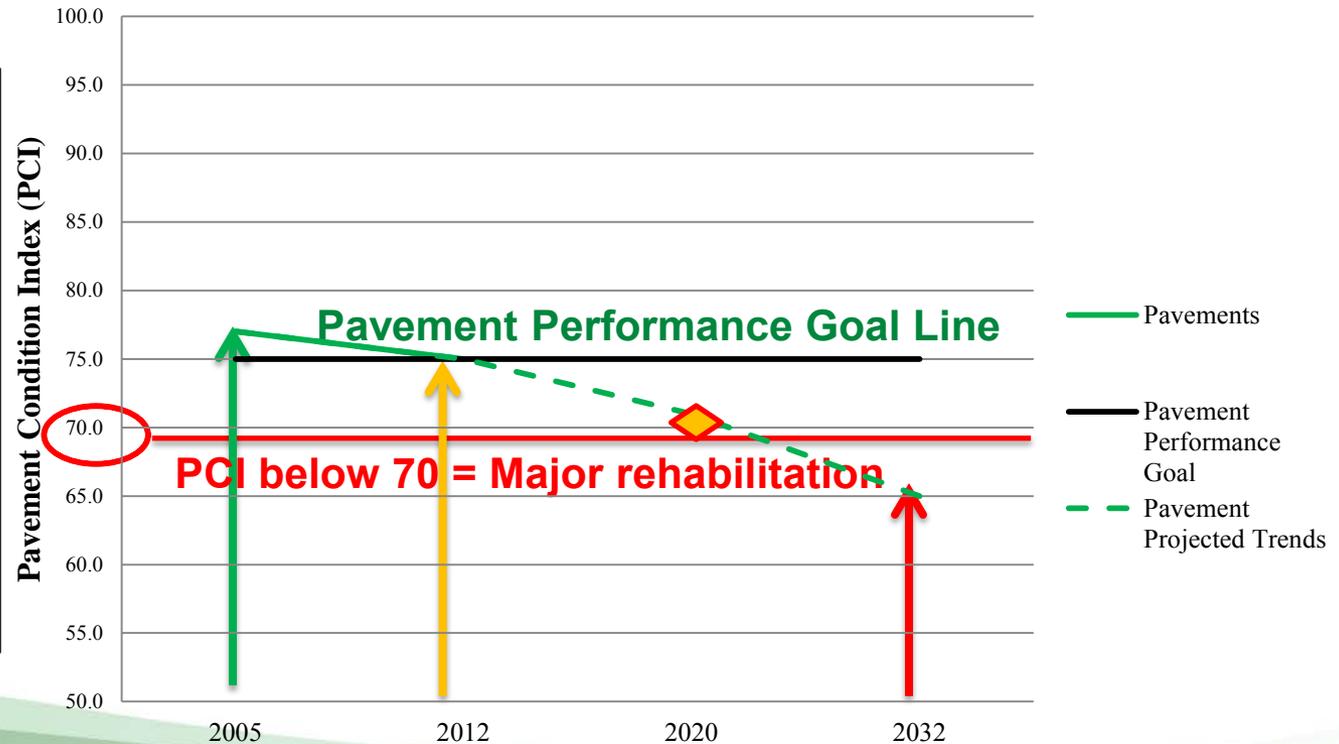
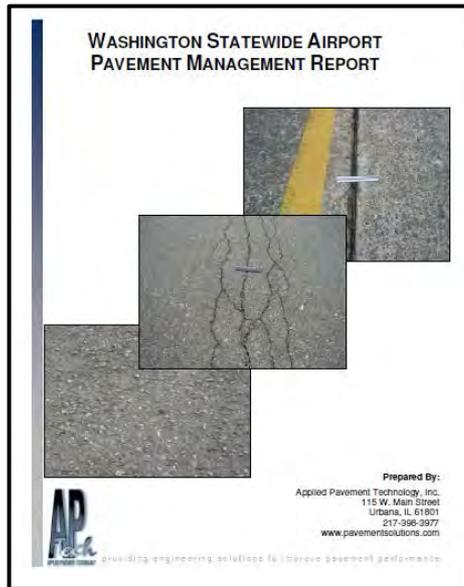




# Airport funding shortfalls

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

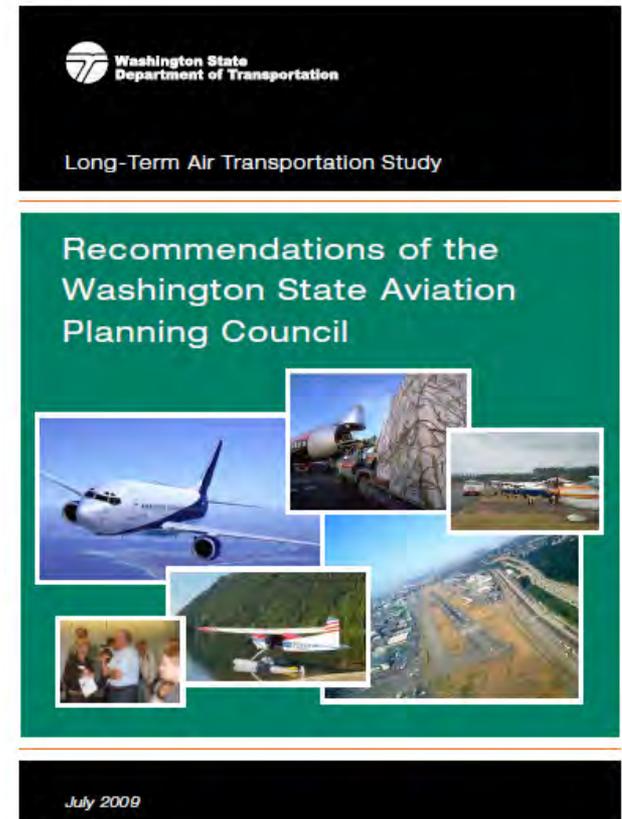




# Airport funding shortfalls

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.

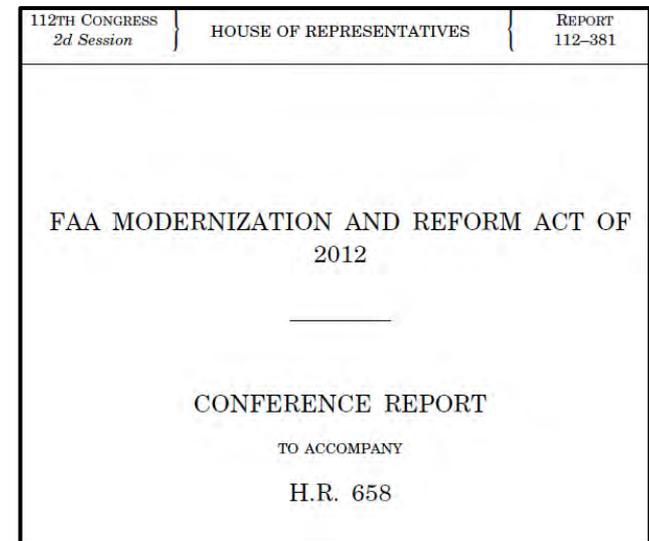




# Airport funding shortfalls

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: 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



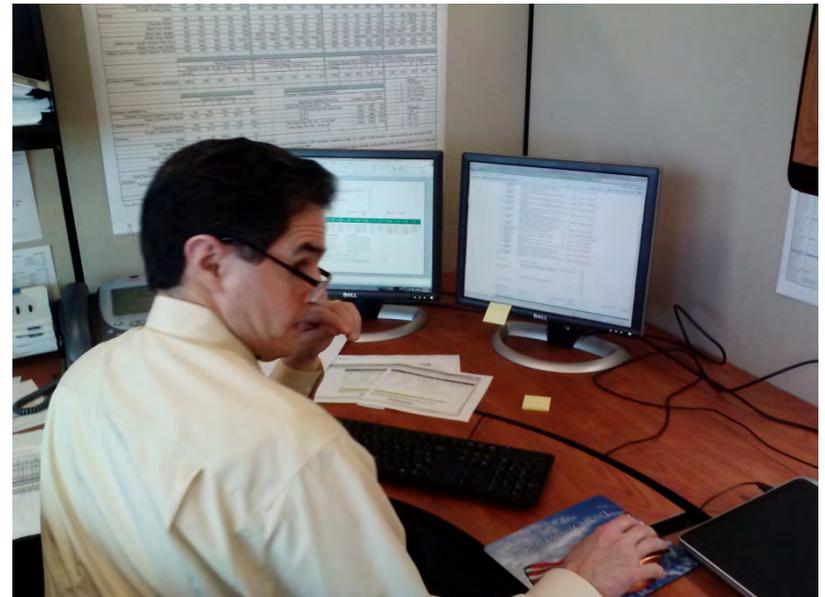
# Airport funding shortfalls

## 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

- 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 **\$500 million** in projects.



WSDOT's John MacArthur analyzing SCIP data



# Airport Investment Study

- What: WSDOT study will evaluate the need for preservation, safety, and other capital projects at the state's 136 public-use airports.
- Why: Aviation Division grant, SCIP, pavement programs and LATS research indicate there is a decline in statewide airport infrastructure due to insufficient funding.
- Who: WSDOT project team, CH2M Hill and an advisory committee of commercial and general aviation stakeholders.



CH2MHILL

- **The study will:**
  - ▶ Evaluate current funding levels for airport preservation and safety projects.
  - ▶ Assess short-term (0-5 years) and long-term (5-20 year) airport improvement needs.
  - ▶ Determine consequences of doing nothing in terms of economic and aviation system impacts.



# Airport Investment Study Process

- Establish Advisory Committee
- Facilitate Committee meetings
- Conduct Research
- Publish Airport Reference Guide
- Publish Investment Study Report





# Airport Investment Study

## Advisory Committee Membership

- Airport Associations and Operators
- Aerospace Manufacturing
- Air Carriers
- Business Aviation
- Emergency Medical Air Transport
- Aerial Agricultural Industries
- General Aviation
- Business
- Local & State Government





# Airport Investment Study

## Investment Study Schedule:

- Notice to Proceed: August 26<sup>th</sup>, 2013
- First Advisory Committee Meeting: October 30<sup>th</sup>
- Second Advisory Committee Meeting: Mid-March 2014
- Final Report and Reference Guide Publish: April 30<sup>th</sup> 2014.



# Questions and Discussion

For more information please contact:

Rob Hodgman

WSDOT Aviation

360-596-8910

[hodgmar@wsdot.wa.gov](mailto:hodgmar@wsdot.wa.gov)