APPENDIX 2:

Project Communications Plan

Airport Investment Study
Solutions Phase
May 28, 2014
9 a.m. to 1 p.m.
Boeing Field / Seattle, WA

Agenda:
Welcome and Opening Remarks
Administrative Notes
Introductions
Committee Charge and Responsibilities
Project Review Process
Solutions Phases Goals and Objectives
Decision-Making Process
Screening and Evaluation Criteria
Potential Solution Ideas
Questions and Comments
Next Steps
Closing Remarks

Welcome and Opening Remarks:
WSDOT Senior Aviation Planner Rob Hodgman introduced WSDOT Aviation Director Tristan Atkins. Atkins greeted the group, welcomed them to "Solutions Phase" of the Airport Investment Study, and thanked them for attending. He then introduced the group to guest speaker, Rep. Gael Tarleton, who represents the 36th District and is the Co-Chair of the newly formed Aviation Caucus. He said Rep. Tarleton serves on the Higher Education, Technology & Economic Development, Transportation and Rules committees.

Rep. Tarleton thanked the group for its time and reminded them our state faces competing needs for all infrastructure. She said that legislators are paying attention and highlighted the importance of aviation stating that airports benefit our economy in every district in the state. She emphasized the difference between being caretaker and stewards in that stewards have to invest in the future. She said that right now stewardship is what we need.

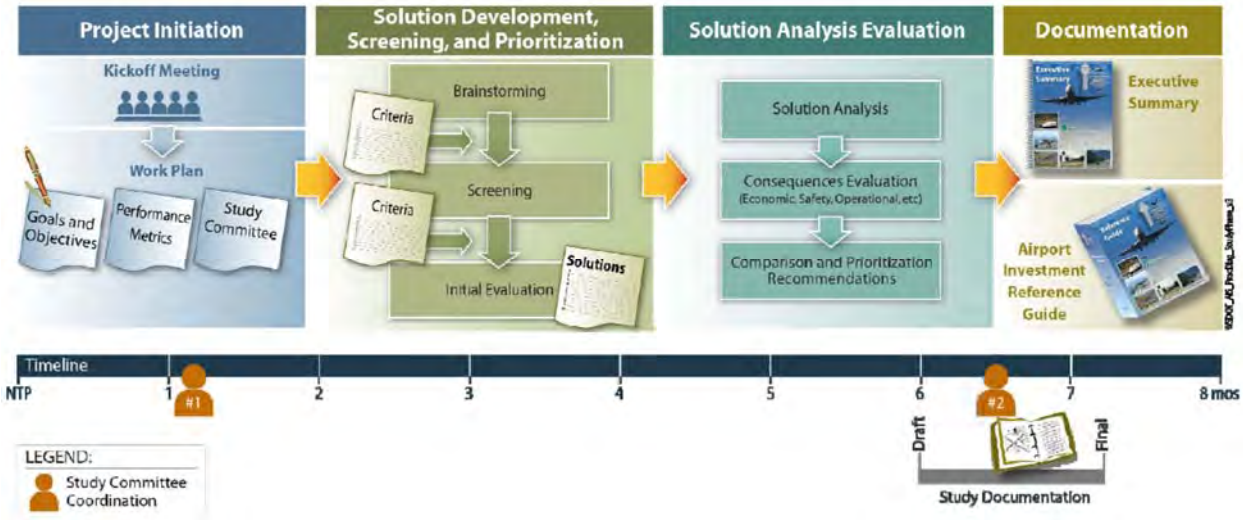
Committee Charge and Responsibilities:
WSDOT Aviation Airport Grants Manager Eric Johnson presented the committee charge, which includes:

- 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

Hodgman said that the project team has established a discussion board online. He emphasized that it is a way for the group to have a collaborative discussion and members are encouraged to post there.

CH2M Hill's Mark Brower described the study process:



Goals and Objectives:
WSDOT Aviation Planner Carter Timmerman discussed the study's 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 impact 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.

CH2M Hill's Sielen Namdar then presented the decision making process, which involves preliminary screening, initial evaluation, technical analyses and consequences evaluation and the final evaluation. Namdar said that this meeting would focus on the screening and evaluation

criteria and potential solutions. Hodgman said that the group could propose any solution at this meeting and that even if a solution is screened out, or does not make the short list to be studied further, all would be recorded as part of the study.

Screening Criteria:
WSDOT Aviation Planner Duncan Crump provided an overview of the screening criteria:

• Narrow down from a 'world of solutions' to ones that are feasible, acceptable, suitable, distinguishable, and complete.
• Employ an effective method for 'weeding out' solutions that won't work.
• The answer should be 'yes' for all screening criteria for a solution to be considered

The following are the initial screening criteria developed by the consultant team.

Feasible – capable of being accomplished
1. Solutions that WSDOT Aviation or other organizations are capable of accomplishing or influencing
Acceptable – capable of being accepted (meet minimum requirements)
2. Solutions that benefit statewide airport infrastructure
Suitable – appropriate or fitting the situation
3. Funding and non-funding solutions that reduce the funding gap
4. Solutions that support Washington State Priorities of Government and the Governor's "Results Washington" initiatives
5. Solutions that are harmonious with and do not preclude other solutions
Distinguishable – distinct or unique
6. Solutions that do not share critical components with other solutions
Complete – having all parts or elements; whole; entire
7. Solutions that are not dependent on other solutions
8. Solutions that are complete; not missing key elements or steps

Summary of Discussion:

- Cr*iteria 1: Informing* legislators is important. A balanced approach will be critical. We need to show what we have to offer, in return for what we are asking for.
- Criteria 1: Feasibility: what if a solution is not feasible today, how do we address that?
- Criteria 3: Non-funding solutions: We should balance funding increases with solutions that address the cost or need side of solutions, such as eliminating non-performing facilities.
- The study is going to pursue feasible and actionable items.
- Both funding/non-funding solutions are potentially viable and we've already identified potential ways to reduce the needs.
- Criteria 2: In order to sell solutions, benefits should be proportionate to impacts for various stakeholder groups.
- Criteria 2: There should be a nexus between the solutions and outcomes we're seeking.

- Criteria 2: There could be a direct cost benefit to stakeholder groups as a result of solutions, but we also need to think about and recognize indirect benefits for solutions that benefit the system.
- Criteria 1: Informing the legislature is critical. Informing is an important part of these criteria.
- Criteria 3: We will need to demonstrate solutions that save the state money (cost reduction) along with funding increases.
- Criteria 1: Feasibility: Screening criteria should allow for solutions that may not be feasible today, but could be later.
- Criteria 3: Non-funding solutions are important. We need to work at the cost side too or where there may be overlapping.

Evaluation Criteria:
Namdar then presented the Evaluation Criteria:

• Align with Project Objectives
• Used to measure, evaluate and rank each solution
• Highlight trade-offs
• Can be weighted for a more in-depth comparison

The following are the initial evaluation criteria developed by the consultant team.

Objective 1. Seek solutions that produce greatest benefit to the aviation system capital and preservation needs.

Evaluation Criteria
Solutions that support and enhance safety and security
Solutions that support and enhance system capacity
Solutions that support and enhance facilities and operational efficiencies
Solutions or combinations of solutions that address the funding gap
Solutions that support emerging technologies and future aviation system needs
Solutions that are stable and sustainable
Solutions that have the highest benefit to cost ratio

Objective 2. Seek solutions that yield scalable and appropriate impact to users

Evaluation Criteria
Solutions that can be implemented in a timely manner
Solutions that have stakeholder support
Solutions that are equitable among various users
Solutions that balance the needs of various Washington airport categories

Objective 3. Seek solutions that support the Governor's "Results Washington" initiatives and support Washington State priorities of government.

Evaluation Criteria
Solutions that increase jobs
Solutions that maintain infrastructure assets at 2012 baseline levels
Solutions that improve at least 92% of airport pavements to fair or better condition
Solutions that provide for safety of people and property
Solutions that protect and improve, and provide access to natural resources, and cultural and recreational opportunities throughout the state
Solutions that improve economic vitality of businesses and individuals, and vibrancy of communities
Solutions that improve statewide mobility of people, goods, and services
Solutions that improve quality of life and environment
Solutions that maintain prior investments in transportation systems and services

Objective 4. Seek solutions that improve the aviation system benefit to Washington state economy.

Evaluation Criteria
Solutions that increase jobs, wages, economic output, and/or tax revenues
Solutions that provide opportunity for growth

Summary of Discussion:
Objective #1

- Are these criteria in any order? (Response: They are not in any order at this time.) Safety and security should be above capacity.
- Need to have a criteria that supports and enhances 'preservation'

Objective #2

- A balance across WA geographically (west vs. east, etc.) may be desirable.
- Stakeholder support may shift. A solution may not have support today, but could achieve it through discussions. Criteria may need revising or removing so solutions are not dropped too early.

Objective #3

- Safety may be considered differently amongst stakeholders. We need for the safety of people and property criteria to apply to airports, and also beyond airports to the communities.
- Duplication of "increase jobs" criteria with one in objective #4. We need to be careful in weighting these items if there is duplication.

Objective #4

- Objective speaks for itself. The better the airports are managed the better the economy.
- Consider criteria that emphasize leveraging private investments.
- These airports don't act individually, but as a system (support each other) – part of a much broader network that connects our economic centers. They provide cargo movement between airports and communities that otherwise are challenged to access.
- Create/generate projects that the private sector can accomplish in short order. The government should have the first right of refusal.
- Criteria that measures solutions that improve public awareness and access to the aviation system. This increases use and public support, associated revenues, etc.
- If we don't know about details of airports, how can we increase jobs? Airports need skilled people and so does the industry.
- Create more partnership with education to train skilled workers for aviation jobs. Partner with aerospace/education.
- Commerce doesn't end at state lines. Consider our strategic relationships with boundary states and airports, such as PDX, Lewiston/Clarkston, etc.
- There is competition with tax structures outside of our borders. WA taxes (9.5%) are higher than taxes in ID and OR. How does WA compete? Operators buy tanker fuel in from other states, so we are not realizing the sales taxes on fuel.
- Consider a portion of excise/sales tax at airports going to aviation?

Potential Solution Ideas:
The group then broke out into four smaller groups to discuss potential solutions.

<u>Solutions Brainstorming</u>

Group #1 – Lead: Jamelle Garcia

1. Control cost side
    a. Look at public/private partnerships (P3)
2. Study fuel tax exemptions.
3. Promote commissions at small airports.
4. Cargo opportunities with border states/countries – (eg, Coeur d'Alene, Vancouver BC).
5. Aviation taxes (leasehold, sales, excise) should go to aviation.
6. Coordinate USDOT roadway paving with airport paving projects to benefit from economy of scale, mobilization savings.
7. Address FAA standards that may be more than needed at certain airports.
8. Kiosks – point of focus to improve education/assets to airports. Tiered system with size depending on airport.

Group #2 – Lead: Ryan Sheehan

- Waive FAA requirements – but maintain safety (NPIAS Airports).
- Provide education on other non-aviation state funding programs (i.e. CERB).
- Excise tax based on percent of value to be directed to Aviation fund (example is watercraft excise tax 0.5%).
    - Or increased fixed fee
    - Or capped fee based on value (percent of value up to maximum amount)
- Additional sales tax on aircraft to aviation fund.
- Taxing proportional value of transportation in WA (partial repeal of Federal Interstate Commerce clause).
- Eliminate exemption for commercial carriers on fuel tax (commerce clause issues).
- Include aviation in state transportation budget, proportional to size/benefit.
- Right-size airport infrastructure to support current/forecasted operations. Pavement maintenance is the #1 ongoing cost issue at airports.
- Education campaign for municipalities to allow industrial/commercial development on/near airfields.
- Education for municipalities on taxation of open spaces required for airfield safety. Reduce taxation to appropriate levels for parcels that have very limited use.
- Leasehold tax on airports returned to aviation fund.
- Reduce sales tax exemption for hanger construction and tax burden on airport development.

Group #3 – Lead: Deb Wallace

- Make distinction between high revenue generating airports and lower revenue generating airports, and consider their respective ability to pay and allocation of funds.
- Airport Management BMP Tool Kit. Emphasize BMP & take credit for implementation. WSDOT Aviation should facilitate individual airport assessments.
- Through-the-fence & business planning – communicate how it <u>can</u> be done.
- Protect aviation excise tax to aviation account! (first)

- Adjust exemptions to aviation account.
- Consider ways to create benefit to commercial aviation to create support for above 1¢ gallon on commercial aviation fuel.
- EB-5 – Investor Visa Program (investigate opportunity.)
- Investigate best practices among FAA regions for implementation (take advantage of FAA weekly calls with regions to learn).
- Investigate airport sponsor differences to identify & possibly implement sponsorship changes. Audit differences; trend analysis for different types of sponsors, i.e. port vs. municipal vs. other.
- Block grant opportunities (give WSDOT authority).
- P-3 (public private partnership) Funding.
- Leverage outside resources.

Group #4 – Lead: Stephen Kiehl

1. Bidding is an issue – they end up much higher than they need to be – <u>change bonding requirements.</u>
2. At smaller airports – tap into motel/hotel taxes that go into general fund.
3. Smaller airports are critical to NW airlift operations - need to have access (for example Kennewick closed).
4. Funding of airports that provide emergency services, especially in rural areas (small county airports).
5. Equity in taxing – pay the fair share (airlines may not pay fuel tax?).
6. Re-route some of the funds (aircraft, pilot registration, excise taxes) from general funds to aviation → can reclaim the revenue.
7. Work closely with Chamber of Commerce to promote smaller airports-marketing.
8. Rental car tax diversion – A share of it being used for aviation.
9. Modeling after national best practices (Colorado).
10. Landing fees? Can there be a shared model?
11. Consider carry-on luggage fees?

Follow-on Discussions – Solutions Brainstorming:

- West Coast Infrastructure exchange program – looking for opportunities to bolster infrastructure for commerce.
- NPIAS (WA has the most non-NPIAS airports).
- Should we look at the density of airports?
- FAA requirements are very specific for being NPIAS.
- Beneficial to state for airports to be eligible for federal money (NPIAS).
- Adding airports to NPIAS is challenging. Geographical requirements, operations, etc. (used to be 30 min, now its 30 miles?).
- Adding to the NPIAS goes against current FAA funding alignment. ACCESS II Study is reducing airports in NPIAS GA categories.

- Need to address the number of airports and concentration of them (why do we have 134, do we need all of them?).
- There is still value to many smaller airports (emergency, etc.).
- Some ideas from this process can be rolled into the system plan.
- We need specific implementable solutions.
- Would like to see the System Plan scope to see the whole program (non-funding, right-sizing the NPIAS component of the system, etc. (Hodgman noted the scope is in raw form currently, but would circulate when ready.)
- Can, for example, three airports be combined and move to a new location that serves several communities?
- Geographic analysis can help determine 'combining' ideas-system plan. May be a long-term solution.
- Regional airport system: create synergies among larger and smaller airports - mothership model (parent). For example Felts Field benefits from the same Airport Board as Spokane International.
- P3 (Public/Private Partnerships) FAA has a pilot program for airport privatization.
- Use private sector money, then turn over to the public sector.
- Need to think differently about diversion of aviation-generated revenues – recapture current funding revenue back into aviation.
- Airport ground leases. Based on percent of appraisal – can get higher lease rates?
- Market assessment every five years.
- We're not looking enough at industrial uses at airports.
- Registration fee: we need to provide an excise tax solution.
- Capturing existing revenues from the general fund – need to maximize current revenues before adding new ones.
- Every other industry and stakeholder group has similar ideas for using the general funds or re-capturing diverted fund to the general fund. We need to provide a compelling and balanced case.
- As an industry we need to persuade by the ability to leverage existing federal money for local <u>match</u> (multiply – say 10% match) – complete the circle.
- Funds from general fund to aviation, funds more airport projects, leads to more jobs, which generate more tax revenues, which feeds back into the general fund as airports are operated more efficiently and "as a business."
- Take advantage of legislative caucus.
- Smaller airports make annual grant requests. Can we promote the interest and management BMP system?
- Focusing on economic development whether one time, or program-based.
- Leverage airport investment, especially with the "airport investment study."
- Take care of excise tax, then identify economic development money and link to jobs – money that is invested from the general fund.
- Our goal should be to develop positive trends and consider future technologies.

Next Steps:
Hodgman encouraged the group to continue thinking and send criteria and solution ideas to WSDOT Communications Nisha Marvel or post on the SharePoint site. He said the project team would solicit feedback from the group in the coming week or two on weighting the evaluation criteria. Once the project team conducts the screening and evaluation processes, they will document and present to the committee in draft form for review and comment.

Atkins thanked the group again for attending the meeting.

Washington State
Department of Transportation

Airport Investment Study "Solutions Phase" Communication Plan

The "Solutions Phase" is a continuation of the Airport Investment Study that explores solutions to address the gap between airport needs and funding in Washington state.

Background

Phase I of the Airport Investment Study accomplished the following objectives:

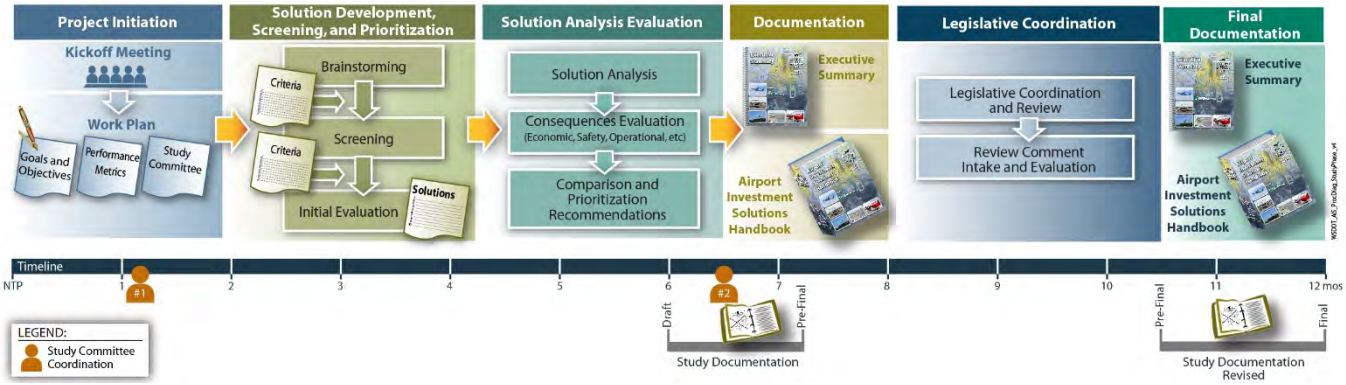
- Evaluate current funding levels for airport preservation and safety projects
- Assess short-term and long-term airport improvement needs
- Determine consequences of doing nothing in terms of economic and aviation system impacts

Some key findings of Phase I are as follows:

- Washington state airports, across all categories rely on state and federal grants to accomplish preservation and capital improvement projects.
- The Airport Investment Study estimates that the state's 134 public-use airports will need $3.6 billion in eligible projects during the next 20 years.
- The Washington State Department of Transportation's Airport Aid Program provides an average of $1.1 million in state airport grants per year. During the 20-year study period the state grant program is forecasted to average $1.4 million per year. WSDOT's share of the overall program need of $3.6 billion is more than $240 million, resulting in an average annual need of more than $12 million. At forecast funding levels WSDOT will recognize a 20-year gap of approximately $212m.
- The 20-year capital needs for Washington state's airports, also includes nearly $1.7

The study Advisory Committee recommended that WSDOT and CH2M Hill initiate a "Solutions Phase" to determine how best to address the gap between airport needs and funding levels.

How will the Solutions Phase meet objectives?



Target audiences

- Advisory Committee
- Interested party list
- Aircraft owners/pilots
- Legislators
- Aviation Associations
- State/local government agencies
- General public

Key messages

- 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.
- Seek solutions that produce the greatest benefit to the aviation system capital and preservation needs.
- Seek solutions that yield scalable and appropriate impact 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.

Key outreach tools

- Project website
- Aviation ListServ
- Targeted emails and touch points
- Solicitation for document review and input
- Two Advisory Committee meetings
- Project folio
- Advisory Committee brochure
- Advisory Committee notebooks

- Aviation association publications

Advisory Committee

- Act as a sounding board for understanding of project research and analyses.
- Share perspectives and expertise in areas including: the state's aviation system, current funding levels, short-term and long-term needs, and consequences.
- Provide advice on how best to present and communicate project findings.
- Be a conduit for external project communications to their respective stakeholder groups.

Key milestones

- May 2014 – Solutions Study kickoff
- May 28, 2014 – Frist Advisory Committee Meeting
- December 17, 2014 – Second Advisory Committee Meeting
- January – April 2015 – Legislative review of draft report
- May 2015 – Final report / study ends

Contacts

- Rob Hodgman, aviation senior planner, 360-596-8910
- Eric Johnson, WSDOT airport construction project manager, 360-651-6303
- Carter Timmerman, WSDOT aviation planner, 360-709-8019
- John MacArthur, WSDOT aviation planner, 360-596-8954
- Nisha Marvel, WSDOT aviation communications, 206-440-4790