CHAPTER 6: IMPLEMENTATION

Introduction

The implementation plan provides guidance on how to carry out the preferred development recommendations identified in **Chapter 5: Alternatives Analysis**. Based on the preferred development plan, the improvement projects needed at the Minot International Airport (MOT) over the planning period can be formulated.

Background

Each project is sequenced to balance demand, schedule, other projects, environmental/agency approval, funding, and financial constraints. The project plan may change over time to react to changing conditions, but remains flexible so that the airport can react to change and re-prioritize projects based on actual demand.

The implementation plan is divided into the following development time periods:

- Short-Term (2018 to 2022)
- Mid-Term (2023 to 2027), and
- Long-Term (2028 to 2037)

A more detailed facility implementation and financial feasibility plan is identified for the short-term and mid-term as the project needs can be more realistically anticipated based on available funding and actual activity demand. There is more uncertainty in project funding, demand, and local project importance in the long-term. When reaching that point, airport planning documents should be updated.

Implementing a Project

The airport must go through an established process to receive the federal funds to complete an airport development project. FAA requires long lead times to complete all project steps and incorporate projects into federal funding plans. Additional coordination is required to prepare National Environmental Policy Act (NEPA) environmental documentation. Common steps in the project implementation process for a complex project include (steps may be shorter or longer based on complexity):

Professional Services: Select a qualified consultant for the project planning, environmental reviews, survey, engineering design, and construction administration for the project. The FAA recommends a distinct selection process for both planning and engineering services.

Five (5) Years Prior to Construction: Identify the project on the Airport Layout Plan, complete necessary airport planning studies and collect supporting documentation to demonstrate the project is justified for AIP funding, and is compatible with the Airport Layout Plan.

Four (4) Years Prior to Construction: Update the Capital Improvement Plan (CIP) to identify the project scope, eligibility, justification, and funding. Close coordination with FAA is required.

Three (3) Years Prior to Construction: Initiate any aeronautical surveys, navigational aid agreements (reimbursable agreements) or special FAA coordination for flight procedures which may be necessary prior to construction. Solidify project funding plan and final justification with FAA.

Two (2) Years Prior to Construction: Complete required NEPA environmental documentation and analysis for the proposed action. Prepare 30 percent project design, refine cost estimates, and prepare benefit/cost analysis as necessary. Acquire land for project and initiate airspace studies.

One (1) Year Prior to Construction: Obtain environmental clearance and permits for the proposed action. Prepare funding pre-application, detailed project plans and specifications including design report, airspace studies, Safety Management Systems (SMS) and construction safety/phasing plan. Finalize project schedule.

Year of Construction: Complete final design. Solicit bid proposals from companies engaged in the project construction. Prepare grant application and accept Federal grant. Issue notice to proceed and monitor construction. Maintain FAA grant compliance and payments.

After Construction: Submit final report and close out the AIP grant.

For complex projects requiring federal discretionary funding such as runway extensions, these steps may take up to five years prior to the issuance of an AIP grant for construction. Less complex projects using entitlements such as pavement rehabilitation will require less lead times, typically no less than three years prior to grant issuance.

All planning-level project costs developed are in 2017 dollars. Final project costs are subject to change based on actual construction and project formulation needs.

Many of the projects identified are demand-driven based on the Planning Activity Levels (PALs) from the approved aviation forecasts found in Chapter 3. Each PAL corresponds to an estimated year. The timing of implementation is estimated from the FAA-approved activity forecasts. Any change from the forecasted airport activity may affect the timing of capacity-driven improvements.

A sound development strategy is vital to creating a realistic implementation plan. These considerations for MOT include:

- Maintain a safe airport. Address key safety/security/standards projects while providing adequate funding for other necessary improvements. Priority projects include reconfiguration of the intersection of Taxiway B and Runway 8.
- Maintain airport pavements and facilities in a functional condition. Priority projects in the short-term include general aviation apron and cargo apron pavement reconstruction.
- Build capacity at the airport to meet growing demands. Key projects include providing space for hangar development as demand occurs and additional employee parking.
- Sequence airport improvement projects considering a realistic funding plan with a mix of federal, state, and local funds.

Based on the PALs and other regular pavement and safety needs, some airport development capacity projects may not able to be sequenced to meet PALs within a realistic funding plan. These projects are initiated within a few years of their PAL demand trigger to account for anticipated available funding.

Financial Feasibility Analysis

The implementation plan considers the airport's ability to fund the projects identified in this planning study. Regardless of the identified need for improvements, the ability to fund a project will ultimately influence if, and when, the project is implemented. This chapter addresses the financial implications of the proposed Master Plan improvements.

Following an overview of both the state and federal grant programs, and a general overview of potential funding sources, each project's eligibility relative to state and federal funding programs is highlighted. Finally, the projected net operating position of the airport is presented, along with a review of the Airport's capital fund cash balances that will be used to assist in meeting the local funding requirements.

In general, the financial plan for the Master Plan was conducted as follows:

- An overview of the Airport's financial structure was prepared to present the current accounting practices, financial operating environment, and key provisions of certain governing documents.
- Rough order of magnitude (ROM) cost estimates for each project in the development program are summarized in this chapter, along with proposed timing and sources of funds for the short, intermediate, and long-term development periods.
- Potential funding sources are identified, including the FAA's Airport Improvement Program (AIP), North Dakota Aeronautics Commission funding, Airport discretionary funding, and other third-party funding sources. Project costs not funded by these sources are expected to be funded by some combination of rental car customer facility charges ("CFC's") and/or airport debt, and third-party investment. Because of the significant commitment of future PFC's to fund the eligible portions of the new terminal project, PFC's are not expected to be available to fund the 20-year CIP unless there is a change in the PFC collection level which is not anticipated at this time and are not factored into the projected sources and uses plan.
- The Airport's existing financial operating results were projected to determine primary revenue generating sources, its major expenses, and the ability of the Airport to fund the costs of the Capital Improvement Program (CIP) through the short- and intermediate-term of the planning period.

The financial analysis, is organized as follows:

- Financial Structure Overview
- Capital Improvement Program
- Funding Sources
- Operating Expenses
- Operating Revenues
- Financial Results
- Summary

Financial Structure Overview

This section discusses the City and the Airport's accounting practices and budget, including cost center structure utilized for airline rate-setting purposes, a summary of the airline agreement between the Airport and the airlines, and the commitments associated with the existing bonds.

AIRPORT ACCOUNTING AND BUDGETING

The Airport is owned and operated by the City of Minot, and is a department of the City. All contracts, budgets, capital improvement programs, and grants for the Airport are acted upon by the City Council. The City's goal is to operate the Airport as a financially self-sustaining enterprise fund although the City does have limited mill levy capacity dedicated to the Airport that could be assessed in order to support Airport costs. The mill levy has been utilized at times through the years. With the tremendous growth in activity as a result of the shale oil drilling in the Bakken Oil Fields from 2012-2014, activity and non-airline revenue had grown to the point where it was no longer necessary to utilize the mill levy and the airport was financially self-sufficient. Each year, as part of the City budgeting process, City and Airport Management determine if a recommendation should be made to the City Council to impose the mill levy depending on the revenue projected to be collected and the expected expenses. With other infrastructure demands on the City tax revenues, the utilization of the mill levy for the airport is scrutinized closely.

With the drop in oil prices and the sudden and significant curtailment of drilling after 2014, enplanements dropped significantly, and the level of non-airline revenue generated decreased significantly. The decline occurred after the decision had been made to proceed with the development of a new, larger terminal to support the growth that had been experienced. This decrease of non-airline revenue that was no longer available to pay for the new debt service and increased operating costs for the new terminal has placed stress on the budget over the past three years. Starting in 2016, a mill levy below the maximum amount was reinstituted and used to allow the Airport to balance the budget. The Airport is required to submit a balanced budget for City Council action each fiscal year.

The City's fiscal year runs from January 1st through December 31st of each year, and its financial statements are presented on the full accrual basis in accordance with Generally Accepted Accounting Practices (GAAP). All the Airport's activities are accounted for within a single proprietary (enterprise) fund within the City of Minot. Support services such as Finance, Human Resources, Police, Fire Protection, Insurance Administration, Information Technology, and Legal are provided through City resources and are not full-time staff dedicated to the Airport. There is an annual reimbursement from the Airport fund to the City general fund to compensate the City for providing these services.

Operating Expenses and Operating Revenues of the Airport are categorized into Cost Centers. Cost Centers include those areas or functional activities used for the purposes of accounting for the financial performance of the Airport. There are three Cost Centers included in the Airport's financial structure. The Cost Centers included in the Airport's financial structure are described in greater detail below:

Airfield – The Airfield cost center includes that portion of the Airport providing for the landing, taking off, and taxiing of aircraft, including runways, taxiways, aircraft parking aprons, approach and runway protection zones, safety areas, infield areas, landing and navigational aids, and land areas required by or related to aeronautical use of the Airport.

Terminal – The Terminal includes the passenger terminal building and associated curbside entrance areas and adjoining landscaped areas.

Other – The Other cost center includes those portions of the Airport not part of the Terminal Building and Airfield and generally set aside for non-aviation related commercial and industrial uses located now, or as may be located in the future, in any portion of the Airport. This cost center also includes the roadway and parking areas.

From a budgeting perspective, the Airport develops a balanced operating budget each year including the required capital improvement program budget requirements, and the capital equipment needs, which it submits to the City for review and approval ultimately by the City Council. All Airport costs and revenues are considered to be an enterprise fund and are not co-mingled with other City funds. The payments from the Airport to the General Fund for City services provided are determined based on a cost recovery methodology. All bonding requirements are grouped with other City bonding requirements and processed through the City so that issuance costs and coverage requirements are included in the overall City bonding program and not fully absorbed by the Airport.

AIRLINE AGREEMENT

The Airline Agreement between the Airport and the Signatory Airlines became effective on January 1, 2016 and expires December 31, 2019. There is one (1) two-year extension period that can be exercised upon mutual agreement provided airlines representing 51% of the enplaned passengers and the City agree. Signatory Airlines are required to pay landing fees and rental fees for the use of Preferential and Joint Use space in the Terminal through the term of the Airline Agreement. There are other incidental fees for such things as employee parking, security badges, etc. The rates and charges model determines a cost recovery airline requirement for rent and landing fees and then applies available non-airline revenue to write down the cost recovery rates to provide a more competitive airline structure for competitive reasons. There is no dedicated amount of non-airline revenue to be used for writing down the rates and charges in the Airline Lease Agreement.

BONDS

For the funding of the new Terminal, the City issued bonds in 2013, 2014, and 2015. Bond payments in the amount of $44 million dollars are slated to be paid off in 2035. The proceeds of the bonds were used to construct the improvements associated the Airport's terminal building, parking areas, roadways, and related apron areas. Revenues from the Airport are pledged to pay back the bonds.

The Airport generates the vast majority of its operating revenues from airline rates and charges, tenant rent, concessions, user fees, and non-airline revenue such as rental car commissions and parking. Surplus revenue over what is required to fund operating expenses and existing debt is earmarked for local shares of the capital improvement program. If there is available non-airline revenue following these allocations, the available revenue is used to write down airline rates and charges. The Airport also receives Federal grants, State grants, PFC's, and CFC's for eligible capital improvement projects. To support the funding of the terminal, the City dedicated future PFC collections to fund the eligible portions of the project. For purposes of this analysis, the current PFC collection rate of $4.50 is used but there is no PFC funding included in the funding projections through the full 20-year planning period because of the future PFC commitment made to the new Terminal development project. In the event the PFC were to increase as is currently being promoted by Airports, all the increase would be available to fund future eligible projects or to pay down existing approved projects early to free up

future capacity. It is important to note that PFC rates are set by Congress, and while airport communities support a rate increase, the airlines continually lobby against it.

Capital Improvement Program

Total Master Plan CIP project costs are estimated to be $64.2 million dollars over the 20-year forecast period. Master Plan Airport CIP projects for the next five (5) years are estimated to total approximately $18.4 million dollars. The Airport's proposed short term 5-year CIP includes projects that are currently planned and programmed to meet defined needs for the Airport. It is important to note that the CIP cost estimates and timing developed for future years are considered based on the current assessment of future needs, but must be viewed as preliminary, reflecting a master plan level of detail subject to refinement with regard to timing and final cost estimates in subsequent implementation steps. Some of the future projects may be replaced by new projects as priorities and conditions dictate. Some projects that are not eligible for FAA funding such as general aviation hangar projects and the quick turnaround ("QTA") facility for the rental cars are to be funded by third party sources and their timing will be dictated by the availability of the third party funding. All grant eligible projects are anticipated to be completed as planned in the 5 year CIP.

Table 6-4 at the end of this chapter, outlines the CIP project costs and the estimated funding amounts for federal, state, third party, and local funding sources by year through 2037. The Master Plan's 20-year CIP and funding requirements are broken into the categories of short, intermediate, and long-term development periods and are summarized below. An additional element of the CIP table is the inclusion of the FAA's National Priority Ranking and North Dakota's State Priority Ranking where applicable.

Short-Term Master Plan Improvements (2018-2022) – Within the short-term planning period (one to five years), the Airport anticipates the need for a variety of existing and Master Plan related 5-Year CIP projects and capital equipment requirements totaling an estimated $18.4 million dollars. These short-term projects represent projects that have been identified as priorities to address new needs, the replacement of aging infrastructure that is nearing the end of its useful life, or improvements that will provide operational enhancements to Airport operations. Major short-term Master Plan projects include ARFF Station rehabilitation, general aviation apron design and construction, a Quick Turnaround Facility for rental cars, and landside access road and parking for the FBO and GA area. These priority projects are needs that have to be addressed in this five-year window.

Intermediate-Term Improvements (2023-2027) – The Master Plan capital improvement plan and capital equipment requirements identified for the intermediate term (6-10 years) is outlined in Table 1 and represents a total cost estimate of $11.2 million dollars. Since these are beyond the 5-year CIP window, timing and budgets are less exact. Major projects identified in the intermediate term projects include runway rehab, the development of a T-hangar unit, and cargo apron replacement. It is anticipated that the T-hangar development would primarily be funded, and master leased by a third party. These capital improvements represent a mixture of projects to address expected timing of infrastructure refurbishment to coincide with projected deterioration and projects that would provide enhanced or additional capacity based on projected demand. For projects that are funded by third parties, and are more demand driven (ex. T-hangar development), the timing could be accelerated if demand and third-party financing becomes available.

Long-Term Improvements – (2028-2037) – Approximately $35.6 million dollars of capital Master Plan capital improvement projects and capital equipment requirements are identified to be undertaken in the long-term (10 to 20 years). The major projects projected in this long-term window include taxiway rehabilitation, runway rehabilitation, parking lot refurbishment, general aviation apron construction, perimeter fence replacement, and a runway extension project.

Funding Sources

FUNDING PLAN

Based on the identified Master Plan capital improvement projects and their associated costs, as well as the capital equipment requirements, a proposed funding plan was developed for the Airport's 20-year CIP identified in the Master Plan. For purposes of this analysis, 2018 dollars were used. In developing the funding plan, the overriding objective was to maximize the use of external resources (i.e. grants, AIP funds, and CFC's) and minimize the amount of funding from local public resources (i.e. the local mill levy). It is projected that the costs for the CIP will be funded from a combination of sources:

1. FAA AIP entitlement funds
2. FAA AIP discretionary funds
3. State of North Dakota Aeronautics Commission funds
4. Customer Facility Charges ("CFC's") for rental car related projects only
5. Local mill levy
6. Non-airline revenue (i.e. parking revenue, rental car commissions, land leases, etc.)
7. Airline rates and charges
8. Third party developers via a land lease

PFC's are not factored into the proposed funding plan due to the previous future commitments to fund the eligible portions of the new Terminal project. If additional PFC capacity is generated through the 20 year term through either an accelerated collection through enplanement increases not anticipated or through an increase in the PFC collection amount, PFC's would be substituted for Airport cash in funding eligible local matches for AIP projects. Under unique circumstances, the City has applied local business support through Magic Funds or CVB funds for special initiatives in the City. Since the City has committed to making major improvements to the City's infrastructure such as flood control and downtown parking structures, discretionary sources of revenue from these sources is not factored into the funding plan.

As shown on **Table 6-4**, total CIP costs for the projects and capital equipment identified in the Master Plan are estimated to total $65.3 million in 2018 dollars. Of this total, approximately $49 million dollars, or 76%, is estimated to be eligible for federal funding through the FAA's Airport Improvement Program (AIP) Program; $2.7 million dollars, or about 4%, through the State of North Dakota; $6.6 million dollars, or approximately 10%, from private local sources (i.e. non-airline revenue, land rent, parking, CFC's, concession fees, etc.); and $5.9 million dollars, or 9%, from third party private financing. As is noted in Section 3.1, no PFC's are being factored into the current sources and uses plan in that the future PFC revenue streams are committed to funding bond obligations for the new terminal project through 2035. No increase in the PFC collection rate was factored into the model through the 20 year planning period. While there is a chance that the PFC amount ($4.50) may be changed in the next 20 years, until there is a stronger indication that a change is agreed to between the airports and the airlines, it is not recommended to be factored into the financial sources and uses forecast.

It is important to note that these funding source estimates represent the amount of project and capital equipment costs that are eligible for federal, State, PFC, and CFC funding. Depending on actual federal and State funding appropriations made each year; competition with other airport funding needs throughout the United States and the State of North Dakota; and prior commitments of PFC's and CFC's, these levels of funding as a percentage of project costs may not be attainable.

As a general rule for the Master Plan CIP projects, the funding mix is projected to be 90% Federal, 5% State, and 5% local match. The local match can be sourced through surplus non-airline revenue (i.e. airport tenant revenue, parking revenue, concession revenues, etc.) and future PFC's if the PFC amount is amended at some future point. There are no PFC's factored into the local match currently.

A description of the eligible funding sources for the Airport's Master Plan CIP is presented in the following paragraphs.

FAA GRANTS

Federal participation is based on the Airport Improvement Program (AIP) as reauthorized under the FAA Modernization and Reform Act of 2012. Federal grants each Federal fiscal year are provided in the form of entitlement grants (based on annual enplaned passenger levels), discretionary grants, and letter-of-intent (LOI) grants. FAA AIP funds are distributed each year based on the appropriation received from Congress. By a special provision in the authorization, when $3.2 billion or more AIP is appropriated in the fiscal year, each level doubles (i.e., instead of $7.80 for each of the first 50,000, the rate becomes $15.60, etc.), the annual minimum becomes $1 million, and the maximum becomes $26 million per airport. The $3.2 billion threshold is met with the current authorization.

Allocation of funds from the FAA to the nation's airports is based on a number of eligibility criteria and tied to a priority system that is used to rank each request and determine which projects will be funded and which will not during any given fiscal year. The priority system employed by the FAA has different criteria for different projects. For instance, planning projects are assessed using specific criteria that are applicable to planning types of projects. Generally, projects that enhance the safety of aircraft operations and those that enhance capacity in the system are higher priority projects. The priority system also ranks projects based on the size of the airport and the number of aircraft, and aircraft operations, at the facility. Discretionary and LOI grants are distributed by each FAA region based on availability and project priorities. Discretionary grants are generally made immediately available to fund project costs, while LOI grants are distributed to the Airport over a number of years at defined annual funding levels. It should be noted that over the past few years, there has been additional discretionary grant funds available at the end of the Federal fiscal year that is last minute for "shovel ready" projects. These funds are usually the result of airports that are not able to fund a local match requirement and having to reject the FAA grant. Airports that have been strategic and have identified projects that are ready to put out for bids that otherwise would not likely be ranked high enough for AIP grants have been successful at obtaining these grants. With the nature of some of the projects identified in the 20-year Master Plan CIP, this approach would likely prove beneficial for the Airport.

Guidance on issues of eligibility is provided in FAA Order 5100.38D, Airport Improvement Program Handbook. The Federal funding share for these projects is generally ninety percent (90%) for small commercial service airports such as the Minot International Airport. In general, only those projects that are related to non-revenue producing items, such as land acquisition, airfield construction, certain public areas of the terminal area building, and safety/security projects are eligible for FAA AIP funding. Under most circumstances, projects which qualify for FAA AIP funding are eligible for up to ninety percent (90%) of total project costs. Close agency coordination is often required to address more complex issues relative to project eligibility. Additionally, it is reasonable to assume that there may be changes in eligibility criteria over the course of the planning period.

As shown in **Table 6-4**, the airfield projects contained in the Airport's Master Plan and 5-Year CIP are assumed to be eligible for FAA funding and a ninety percent (90%) funding level is assumed for planning purposes. If the ninety percent (90%) funding level is not supported by the FAA, the projects identified may need to be reprioritized or deferred until sufficient supplemental funding can be generated.

NORTH DAKOTA AERONAUTICS COMMISSION

The North Dakota Aeronautics Commission disburses funding annually to public airports across the state for airport improvement projects. These grant funds are derived primarily through aviation fuel taxes, aircraft excise taxes, and aircraft registrations. Airport sponsors may apply for state grant funding at fifty percent (50%) of the local share of project costs. If a higher state funding level is needed for the project, the airport sponsor shall indicate the level that is required and provide justification within the

grant application. Federal Aviation Administration (Airport Improvement Program) projects will be given priority in determining state funding. For the projects contained in the Master Plan CIP, the 50% funding level is projected.

Similar to the FAA, the North Dakota Aeronautics Commission has a priority rating system for airport projects. The current policy is maintained on the commission's website at 'aero.nd.gov'. In general, the policy provides ratings for different types of projects within certain broad categories of work. The state priority rating is not intended to mirror the FAA system but instead is complimentary to the FAA priorities and emphasizes funding to projects that are needed, but not necessarily a national priority.

THIRD PARTY FUNDS

Third party funding can be available for certain revenue producing facilities at a commercial service airport, including fixed base operator ("FBO") requirements, aircraft storage hangars, T-hangars, aircraft maintenance hangars, rental car maintenance facilities ("QTA's) or cargo facilities. While private funding can be provided in many different forms, a typical approach is for private parties to fund and construct the development of FBO facilities or hangars at an airport, and pay ground rent to the airport. FBOs, QTA's, maintenance facilities, and hangars for aircraft are usually built as demand warrants.

LOCAL FUNDS

The balance of Master Plan CIP project costs not funded by the FAA, State grants, local Airport discretionary income, and other private funding must be funded through the local sponsor. As such, it is anticipated that local sources will be a primary source of funding for certain future CIP projects such as a QTA (CFC's) and aircraft storage hangars. Local funding of airport improvements can come from PFC's, CFC's, Airport cash, or through third party private financing. For third party financed projects it is imperative that a provision be included in the land lease that calls for the improvement to revert to the Airport at the end of the Agreement so that the Airport is not required to "purchase" the asset back. No buyback has been factored into the financial plan.

PASSENGER FACILITY CHARGES (PFC'S)

No PFC's are projected to be used in the financing plan at this time due to the projected collection level ($4.50) not being amended and the projected level of enplanements not being anticipated to spike. If the PFC is increased in the future or the PFC collection rate exceeds the forecast through increased enplanements, then the additional PFC revenue would be used to offset local cash requirements funded by rates and charges or the mill levy..

RENTAL CAR CUSTOMER FACILITY CHARGES (CFCS)

The Airport began collecting a rental car CFC at the Airport in 2013 to pay for the construction of the rental car improvements associate with the new Terminal project. The improvements funded included the pro rata portion of the building that supports the rental car ticket counters, the offices for the rental car tenants, and the ready/return lot with associated infrastructure. The CFC is assessed at $3.50 per transaction day for rental car patrons at the Airport with a maximum of 10 days over which the CFC can be collected for each rental contract. The CFC is charged and collected by the various rental car companies at the Airport, and then remitted to the Airport on a monthly basis.

The rental car companies operating at the Airport have indicated a desire to develop a Quick Turn Around ("QTA") facility on Airport to expedite the cleaning, light maintenance, and fueling process of rental vehicles. There is not a current CFC balance sufficient to fund such a development. The plan contained in the Master Plan is to have that funded and developed by a third-party developer and to pledge the existing CFC fund balance and future CFC's to the developer to cover the development and operating costs of the facility.

AIRPORT CASH AND BONDS

All remaining local funds not funded with PFC's or CFC's must be funded from Airport discretionary cash. The capacity for available cash for CIP funding has to be balanced with the need to write down airline rates and charges.

MILL LEVY

The City Charter allows for an assessment of up to 4 mills on the tax base to support funding the costs of operating the Airport. While this levy was not used during the peak of the activity associated with the Bakken, it was re-instituted in 2016 with the downturn and the new debt service and operating costs associated with the opening of the new Terminal in 2016.

Operating Expenses

Operating Expenses at the Airport are assigned to various expense categories including Personnel and Benefits, Supplies/Equipment, Contract Services, Other Charges, and Capital Outlays. Operating Expenses are then allocated to the various Airport cost centers for rate-setting purposes.

Table 6-1 presents projected operating expenses and allocation of expenses by cost center at the Airport for FY 2018 through FY 2026. In general, projections of future operating expenses were based on a review of historical trends and the anticipated impacts of inflation. As shown, through FY 2026, operating expenses are estimated to increase from approximately $3.5 million dollars in FY 2018 to approximately $4.5 million dollars in FY 2026, representing a compounded annual growth rate of 3%.

Table 6-1 Expense Forecasts

OPERATING EXPENSE FORECAST — **MINOT INTERNATIONAL AIRPORT**
(Fiscal Years Ending December 31)

	Budget 2018	Budget 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2027	Forecast 2037
Operating Expenses:							
Payroll - Salaries & Wages	$ 1,476,359	$ 1,520,650	$ 1,566,269	$ 1,613,257	$ 1,661,655	$ 1,926,314	$ 2,588,804
Employee Benefits	358,246	$ 368,993	380,063	391,465	403,209	467,430	628,187
Professional and Technical	423,774	$ 436,487	449,582	463,069	476,961	552,929	743,090
Purchased Property Services	362,666	$ 373,546	384,752	396,295	408,184	473,197	635,937
Other Purchased Services	134,421	$ 138,454	142,607	146,885	151,292	175,389	235,708
Supplies	486,379	$ 500,970	515,999	531,479	547,424	634,614	852,869
City Services	313,577	322,984	332,674	342,654	352,934	409,147	549,859
Total Operating Expenses	$ 3,555,422	$ 3,662,085	$ 3,771,947	$ 3,885,106	$ 4,001,659	$ 4,639,019	$ 6,234,454
Percent Allocatated:							
Terminal	57%	57%	57%	57%	57%	57%	57%
Airfield	26%	26%	26%	26%	26%	26%	26%
Other	17%	17%	17%	17%	17%	17%	17%
Total	100%	100%	100%	100%	100%	100%	100%
Operating Expenses by Cost Center:							
Terminal	$ 2,033,701	$ 2,094,712	$ 2,157,554	$ 2,222,280	$ 2,288,949	$ 2,653,519	$ 3,566,108
Airfield	927,965	955,804	984,478	1,014,013	1,044,433	1,210,784	1,627,192
Other	593,755	611,568	629,915	648,813	668,277	774,716	1,041,154
Total Operating Expenses	**$ 3,555,422**	**$ 3,662,085**	**$ 3,771,947**	**$ 3,885,106**	**$ 4,001,659**	**$ 4,639,019**	**$ 6,234,454**

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, November 2017

Operating Revenue

The Airport is provided with a diverse revenue stream from a number of different sources. These revenue sources include revenues from the airlines (landing fees and terminal rent), terminal concessions (food & beverage and retail merchandise), parking, rental car, general aviation, cargo, and

other miscellaneous revenues. In FY 2018, the Airport's operating revenue sources budgeted to be approximately $4.36 million dollars.

Table 6-2 presents projected operating and non-operating revenues at the Airport for each year from FY 2018 through FY 2026. In general, projections of future operating revenues were based on a review of historical trends and the anticipated impacts of inflation. As shown, operating revenues are estimated to increase from approximately $4.35 million dollars in FY 2018 to approximately $5.19 million dollars in FY 2026, representing a compounded annual growth rate of 2.62%. The non-operating revenues represent grants for capital projects. Major revenue sources are described in greater detail in the following sections.

Table 6-2 Revenue Forecasts

REVENUE FORECAST
(Fiscal Years Ending December 31)

	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
Operating Revenue:									
Non-Airline:									
GA Terminal Rental FBO/FAA	$ 51,760	$ 52,795	$ 53,851	$ 54,928	$ 56,027	$ 57,147	$ 58,290	$ 59,456	$ 60,645
Terminal Rent - Car Rental	$ 786,994	$ 802,734	$ 818,789	$ 835,164	$ 851,868	$ 868,905	$ 886,283	$ 904,009	$ 922,089
Percentage of Gross	$ 20,379	$ 20,787	$ 21,202	$ 21,626	$ 22,059	$ 22,500	$ 22,950	$ 23,409	$ 23,877
Ground Rent - Private & T Hangar	$ 74,981	$ 76,481	$ 78,010	$ 79,570	$ 81,162	$ 82,785	$ 84,441	$ 86,130	$ 87,852
Agricultural Land Rent	$ 12,000	$ 12,300	$ 12,608	$ 12,923	$ 13,246	$ 13,577	$ 13,916	$ 14,264	$ 14,621
Fuel Flowage Fees/Other	$ 133,983	$ 136,663	$ 139,396	$ 142,184	$ 145,028	$ 147,928	$ 150,887	$ 153,904	$ 156,982
Security Badges	$ 11,415	$ 11,643	$ 11,876	$ 12,114	$ 12,356	$ 12,603	$ 12,855	$ 13,112	$ 13,374
Vending & Commissions	$ 194,996	$ 199,871	$ 204,868	$ 209,989	$ 215,239	$ 220,620	$ 226,136	$ 231,789	$ 237,584
Pay Parking Fees	$ 1,601,578	$ 1,641,617	$ 1,682,658	$ 1,724,724	$ 1,767,842	$ 1,812,039	$ 1,857,339	$ 1,903,773	$ 1,951,367
Employee Parking Fees	$ 14,600	$ 14,965	$ 15,339	$ 15,723	$ 16,116	$ 16,519	$ 16,932	$ 17,355	$ 17,789
Terminal Rental - Other	$ 9,500	$ 9,738	$ 9,981	$ 10,230	$ 10,486	$ 10,748	$ 11,017	$ 11,293	$ 11,575
Terminal Rental - TSA	$ 44,117	$ 45,220	$ 46,350	$ 47,509	$ 48,697	$ 49,914	$ 51,162	$ 52,441	$ 53,752
Misc. Income	$ 10,000	$ 10,200	$ 10,404	$ 10,612	$ 10,824	$ 11,041	$ 11,262	$ 11,487	$ 11,717
License Fees	$ 8,225	$ 8,390	$ 8,557	$ 8,728	$ 8,903	$ 9,081	$ 9,263	$ 9,448	$ 9,637
Future Hangar Land Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,966	$ 2,966
Subtotal - Non-Airline	$ 2,974,528	$ 3,043,403	$ 3,113,889	$ 3,186,026	$ 3,259,852	$ 3,335,407	$ 3,412,732	$ 3,494,836	$ 3,575,827
Airline:									
Terminal Rent (Sig/Non-Sig)	$ 798,309	$ 814,275	$ 830,561	$ 847,172	$ 864,115	$ 881,398	$ 899,026	$ 917,006	$ 935,346
Ramp Parking Fees	$ 6,168	$ 6,291	$ 6,417	$ 6,546	$ 6,676	$ 6,810	$ 6,946	$ 7,085	$ 7,227
Landing Fees	$ 576,435	$ 587,964	$ 599,723	$ 611,717	$ 623,952	$ 636,431	$ 649,159	$ 662,143	$ 675,385
Subtotal - Airline	$ 1,380,912	$ 1,408,530	$ 1,436,701	$ 1,465,435	$ 1,494,744	$ 1,524,638	$ 1,555,131	$ 1,586,234	$ 1,617,958
Total Operating Revenue	$ 4,355,440	$ 4,451,933	$ 4,550,590	$ 4,651,461	$ 4,754,595	$ 4,860,046	$ 4,967,864	$ 5,081,069	$ 5,193,786
Non-Operating Revenue:									
Misc. Non-Operating Revenue	$ 3,796,774	$ 3,891,693	$ 3,988,986	$ 4,108,655	$ 4,231,915	$ 4,358,872	$ 4,511,433	$ 4,669,333	$ 4,832,760
Total Non-Operating Revenue	$ 3,796,774	$ 3,891,693	$ 3,988,986	$ 4,108,655	$ 4,231,915	$ 4,358,872	$ 4,511,433	$ 4,669,333	$ 4,832,760
Total Revenue	$ 8,152,214	$ 8,343,626	$ 8,539,576	$ 8,760,116	$ 8,986,510	$ 9,218,918	$ 9,479,296	$ 9,750,402	$ 10,026,546

Note: Amounts may not add due to rounding.

AIRLINE REVENUES

Airline revenues, including terminal rentals and landing fees payable by the airlines, are estimated to comprise approximately 46% of the Airport's operating revenues in FY 2017. This is outside the airline desired range of 40% or less. Airline terminal rentals and landing fees are calculated pursuant to the Airport's airline agreement described previously. In general, the items included in the total requirement for the terminal rental rate and landing fee include the following components:

Operating Expenses - Includes the Operating Expenses (direct and allocated indirect) attributable to the Airfield or Terminal cost centers.

Debt Service - Includes the portion of Debt Service allocated to Airfield or Terminal cost centers.

Capital Expenses - Includes amounts budgeted for Capital Improvement Expenses within the specific rate-setting area.

Landing fees at the Airport are established based on a "residual" formula, which results in the airlines covering the net remaining requirement attributable to the Airfield cost center. The net requirement for the Airfield is equal to the sum of the previously described components for the Airfield, reduced by all Nonairline Revenue derived from the Airfield. In addition, the Airport may also apply an additional credit to the landing fee requirement at its discretion to lower airline landing fees. The landing fee is then calculated by dividing the net requirement by passenger Airline landed weight per thousand pounds.

Terminal rents at the Airport are established based on a hybrid compensatory terminal rental rate calculation. The terminal rent is calculated by combining the items described above for the Terminal cost center in order to determine the Airport's total terminal requirement. The total terminal requirement is then reduced by all non-airline terminal revenues and PFCs used to pay debt service. Similar to the landing fee calculation, the Airport may also apply an additional credit to the terminal requirement at its discretion to lower airline terminal rents. The terminal rental rate is then calculated by dividing the net requirement by rentable square feet in the terminal building.

FUEL FLOWAGE FEES

Revenues from fuel flowage fees are generated based on fees charged to the Airport's FBO, for the right to provide aviation fueling services at the Airport. As shown, fuel flowage fees are projected to increase from approximately $134,000 in FY 2018 to approximately $157,000 in FY 2026, representing a growth rate of 17%.

RESTAURANT AND RETAIL

The restaurant operator in the terminal is Oakwells, who has a number of locations in the upper Midwest. The current lease with Oakwells provides for plus percentage of gross sales based on food and beverages, alcohol, and retail. In FY 2018, restaurant revenues are budgeted at nearly $195,000 and are projected to increase to approximately $232,000 in FY 2026. This revenue is directly impacted by enplanement activity.

PARKING REVENUES

The parking lot at the Airport is operated under a management contract by Republic Parking. On Airport parking fees are generated for short term and long-term parking lots at the Airport. Existing parking rates at the Airport are:

Short-Term	
0-30 Minutes	Free
Each Hour	$2
Each Day	$14
Lost Ticket Minimum	$14

Long-Term	
Each Hour	$2
Each Day	$12
Each Week	$72
Lost Ticket Minimum	$12

In FY 2018, the parking revenue is budgeted at approximately $1.6 million dollars. Future parking revenues are expected to increase based on increased parking rates as well as forecast increases in enplaned passengers at the Airport. Total parking revenues are projected to increase to approximately $1.9 million dollars in FY 2026. Sufficient capacity was factored into the new Terminal parking lots to support considerable more activity.

RENTAL CAR REVENUES

Rental car fees are privilege fees assessed to the rental car operators for the right to provide services to users of the Airport. There are currently four on Airport rental car operators at the Airport. The Airport rental car operators are assessed a minimum annual guarantee ("MAG") or an 11% concession fee based on Gross receipts, whichever is greater. The MAG is different for each operator based on a RFP process that was completed in 2017. In addition, the Airport rental car operators are assessed annual rental fees and/or ground rents for their terminal counters and office space, and rental car ready/return lots. In FY 2018, rental car revenues at the Airport are budgeted at approximately $790,000 and are projected to increase to approximately $922,000 in FY 2026.

BUILDING AND GROUND RENTAL REVENUES

Building and ground rental revenues consist of revenues generated from building and ground rental fees assessed to various tenants located on the Airport such as the Airport's FBO, cargo tenants, etc. These revenues are generally charged to tenants based on a per square foot basis for the building and/or land contained within their leasehold for which their facilities occupy. In FY 2018, building and ground rental revenues from these various Airport tenants is budgeted at approximately $192,400 combined. Future building and ground rental revenues are projected to increase to approximately $223,000 in FY 2026. This represents a 16% increase over this period.

Financial Results

The results of the first 11 years of the financial plan are presented in terms of the resulting airport cash flow, or the net operating income generated by the Airport in **Table 6-3**.

Table 6-3 Airport Cash Flow

AIRPORT CASH FLOW
(Fiscal Years Ending December 31)

		Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Operating Revenue	[A]	$ 8,152,214	$ 8,343,626	$ 8,539,576	$ 8,760,116	$ 8,986,510	$ 9,218,918	$ 9,479,296	$ 9,750,402	$ 10,026,546	$ 10,310,942	$ 10,628,859	$ 10,957,429
Less: Operating Expenses	[B]	3,555,422	3,662,085	3,771,947	3,885,106	4,001,659	4,121,709	4,245,360	4,372,721	4,503,902	4,639,019	4,778,190	4,921,536
Net Revenue Available for Debt Service	[C=A-B]	$ 4,596,792	$ 4,681,541	$ 4,767,628	$ 4,875,010	$ 4,984,852	$ 5,097,209	$ 5,233,937	$ 5,377,682	$ 5,522,643	$ 5,671,923	$ 5,850,669	$ 6,035,893
Annual Net Debt Service (net of PFCs)	[D]	$ 1,549,813	$ 2,242,008	$ 2,257,919	$ 2,263,241	$ 2,277,927	$ 2,306,485	$ 2,327,731	$ 2,338,771	$ 2,351,049	$ 2,360,632	$ 2,387,001	$ 2,393,300
Net Operating Income	[E=C-D]	$3,046,979	$2,439,533	$2,509,709	$2,611,770	$2,706,924	$2,790,725	$2,906,206	$3,038,911	$3,171,595	$3,311,291	$3,463,668	$3,642,593
AIRPORT CAPITAL IMPROVEMENT FUND													
Beginning Balance		$ -	$ 904,149	$ (3,006,317)	$ (4,296,608)	$ (4,039,839)	$ (5,082,914)	$ (5,152,190)	$ (3,385,984)	$ (4,022,073)	$ (3,275,478)	$ (1,103,187)	$ (2,239,519)
Deposit to Airport Capital Fund		$ 3,046,979	$ 2,439,533	$ 2,509,709	$ 2,611,770	$ 2,706,924	$ 2,790,725	$ 2,906,206	$ 3,038,911	$ 3,171,595	$ 3,311,291	$ 3,463,668	$ 3,642,593
EXPEND: Capital Project Costs		$ 2,142,830	$ 6,350,000	$ 3,800,000	$ 2,355,000	$ 3,750,000	$ 2,860,000	$ 1,140,000	$ 3,675,000	$ 2,425,000	$ 1,139,000	$ 4,600,000	$ 375,000
Ending Balance		$ 904,149	$ (3,006,317)	$ (4,296,608)	$ (4,039,839)	$ (5,082,914)	$ (5,152,190)	$ (3,385,984)	$ (4,022,073)	$ (3,275,478)	$ (1,103,187)	$ (2,239,519)	$ 1,028,074

The Airport's net operating income is calculated after subtracting total Operating Expenses and annual debt service from the Airport's total Operating Revenues. As shown in **Table 6-4**, after payment of Operating Expenses and debt service, the Airport's net operating income is estimated to be approximately $900,000 for FY 2018 and then it goes negative through FY 2028. Following 2029, the positive revenue scenario continues even with funding the projected CIP during that period.

In addition, as discussed previously, given that the Airport's PFCs are currently committed toward the repayment of the new Terminal debt service through FY 2035, there is no PFC revenue applied during the projected 20-year Master Plan planning period.

Summary

Implementing and funding the Airport's Master Plan CIP will largely be a function of federal, state, third party, and local funding sources available at the time of specific project implementation. With the increased operating expenses associated with the new Terminal, the airline and non-airline revenue will need to be applied to cover the debt service and operating costs of the facility. There is little, if any, likely surplus non-airline revenue to be available to fund the local share requirements of the Master Plan CIP. Due to the conceptual nature of a master plan, implementation of most of these capital projects and capital equipment requirements should occur only after further refinement of their costs and timing. The financial feasibility of the Airport's Master Plan CIP is based on a number of factors, most notably of which is the level of external funding sources the Airport is able to secure to fund the various CIP projects. While the previous sections identified the maximum eligibility levels available for certain CIP projects, there is no guarantee that these funds will be made available in any given year, or if they are, that they will be funded at the full eligibility levels.

It appears likely that the Airport/City will need to seek third party financing and issue some form of short or long-term debt to fully implement the Airport's Master Plan CIP projects, particularly over the next five years (through FY 2022). Given the projected funding needs, there are a number of approaches that the Airport can pursue in order to undertake the Master Plan CIP projects and ensure their financial feasibility, including:

1. Defer or delay capital project cost expenditures – The actual implementation schedule for certain capital projects identified in the Master Plan will be defined by development triggers and demand growth rather than by specific years. In the event that certain funding sources are not available, or

that financial feasibility cannot be achieved when a project is needed, however, the Airport may need to defer certain projects until appropriate funding sources can be obtained. In addition, rather than deferring whole projects, in some cases, projects can be completed in several smaller phases over several years to help increase the participation from other funding sources and spread out local funding requirements. Constant monitoring and updating of the Airport's capital needs and available funding sources will be critical to successful implementation of the Airport's Master Plan CIP projects.

2. Seek FAA Discretionary Grant Funds – As discussed previously, based on the Airport's annual FAA entitlement grant collections and the estimated level of eligible project costs, the Airport would need to apply for additional discretionary funding from the FAA to fully fund all the Master Plan AIP eligible project costs, including the end of fiscal year money that will be earmarked for "shovel ready" projects. If these additional FAA discretionary funds are not successfully secured, the Airport will need to either defer project costs until later years or secure additional funding from alternative funding sources including PFCs, Airport cash, bonds, or other sources.

3. Prioritize revenue-producing projects – As identified in the Airport's Master Plan CIP, certain projects, hangar development, and the rental car QTA facility would likely be revenue producing projects that would ideally be funded by third parties. These projects will be demand-driven projects that should only be undertaken when demand warrants, and the project can be as self-supporting as possible from the day it is put in operation. In addition, ideally, these projects could generate additional land rent and potentially concession fees that could help to support other non-revenue producing projects. As such, it will be important for the Airport to thoroughly review any revenue-producing projects to ensure that they will be supported by anticipated demand and generate positive cash flow at the Airport.

4. Issue Airport Bonds – As discussed earlier, in order to fund the local share of large capital projects, airports typically will issue long-term debt to help defray upfront expenditures and mitigate the impacts to its available cash balances. In addition, special facility debt can be issued for certain revenue producing projects which are secured by a pledge of the revenues to be produced by the proposed facility. While issuing long-term debt can be an effective approach for implementing certain projects and minimizing up-front cash expenditures, it is important to ensure that the Airport's expected net operating income (revenues minus expenses) can not only pay for the expected annual debt service, but also generate the required minimum debt service coverage ratio of 1.25X. Spreading out the debt service requirement over an extended period would soften the short term debt service requirement and allow the activity to grow and the resulting non-airline revenue at the Airport to eventually increase to where the available cash and project cost requirements are back in balance. The issuance of debt in the current interest rate environment is a positive situation.

As previously mentioned, due to the conceptual nature of a master plan, implementation of most of these capital projects should occur only after further refinement of their costs and timing based on need. As a result, the project capital costs developed for the Airport must be viewed as preliminary, reflecting a master plan level of detail subject to refinement in subsequent implementation steps.

Table 6-4 – Airport Capital Improvement Program and Funding Sources by Year

Area	Project Name	Year	Priority Ratings					Estimated Project Cost	Funding Sources				
			ACIP Codes			FAA	State		FAA	State	Local		Other (3rd Party)
			P	C	T						(non PFCs)[2]	(PFCs)[1]	
Airfield	Wildlife Attractant and Stormwater Environ Assessment - Phase II	2018	EN	PL	MA	66	41	$ 350,000	$ 315,000	$ 17,500	$ 17,500	$ -	$ -
Misc./Equip	SRE - Sander to Replace Unit 316	2018	ST	EQ	SN	47	32	$ 450,000	$ 405,000	$ 22,500	$ 22,500	$ -	$ -
Airfield	REIL Construction RW 8-26 Phase II	2018	SP	RW	VI	81	32	$ 227,500	$ 204,750	$ 11,375	$ 11,375	$ -	$ -
Airfield	ARFF Station Rehab Construction (90/5/5 of 50% costs)	2018	SA	BD	EX	71	32	$ 1,115,330	$ 501,899	$ 27,883	$ 27,883	$ -	$ 557,665
Airfield	Cargo Apron Design - Phase I	2019	CA	AP	EX	46	54	$ 350,000	$ 315,000	$ 17,500	$ 17,500	$ -	$ -
Misc./Equip	SRE Blower (Replace Unit 313)	2019	ST	EQ	SN	47	32	$ 600,000	$ 540,000	$ 30,000	$ 30,000	$ -	$ -
GA	GA Apron Phase II & III (South Apron) - Construction	2019	CA	AP	EX	46	54	$ 1,900,000	$ 1,710,000	$ 95,000	$ 95,000	$ -	$ -
Terminal	QTA Facility	2019					21	$ 3,500,000	$ -	$ -	$ -	$ -	$ 3,500,000
Airfield	Cargo Apron Construction - Phase I	2020	CA	AP	EX	46	54	$ 3,150,000	$ 2,835,000	$ 157,500	$ 157,500	$ -	$ -
Misc./Equip	SRE Loader (Replace Unit 311)	2020	ST	EQ	SN	47	32	$ 650,000	$ 585,000	$ 32,500	$ 32,500	$ -	$ -
Airfield	Storm Water Pond & Wildlife Attractant Mitigation Design & Const	2021	EN	OT	MT	59	56	$ 2,305,000	$ 2,074,500	$ 115,250	$ 115,250	$ -	$ -
Misc./Equip	SRE - Tractor with Attachments (Replace Unit 330)	2021	ST	EQ	SN	47	32	$ 50,000	$ 45,000	$ 2,500	$ 2,500	$ -	$ -
Airfield	Runway 8-26 Rehabilitation Design	2022	RE	RW	IM	70	46	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
GA	GA Landside Access Road / Parking lot	2022	OT	GT	AC	22	43	$ 3,500,000	$ 3,150,000	$ 175,000	$ 175,000	$ -	$ -
Misc./Equip	New Operations Truck (Replace Unit 306)	2022	ST	EQ	SN	47	22	$ 50,000	$ -	$ -	$ 50,000	$ -	$ -
Airfield	Runway 8-26 Rehabilitation - Construction	2023	RE	RW	IM	70	56	$ 2,000,000	$ 1,800,000	$ 100,000	$ 100,000	$ -	$ -
Terminal	Short-Term Parking Lot Rehabilitation (Seal Coat) - Design	2023					23	$ 60,000	$ -	$ -	$ 60,000	$ -	$ -
Airfield	Airside Pavement Maintenance	2023	RE	RW	IM	70	51	$ 750,000	$ 675,000	$ 37,500	$ 37,500	$ -	$ -
Misc./Equip	SRE - Tractor and Attachments (Replaces Unit 318)	2023	ST	EQ	SN	47	32	$ 50,000	$ -	$ -	$ 50,000	$ -	$ -
Misc./Equip	SRE - Blower (Replace Unit 322)	2024	ST	EQ	SN	47	32	$ 600,000	$ 540,000	$ 30,000	$ 30,000	$ -	$ -
Airfield	Replace T-hangars / Demolish Old - Design	2024					42	$ 200,000	$ -	$ -	$ -	$ -	$ 200,000
Terminal	Short-Term Parking Lot Rehabilitation (Seal Coat) - Construction	2024					23	$ 250,000	$ -	$ -	$ 250,000	$ -	$ -
Airfield	Twy F Realignment - Design	2024	ST	TW	CO	49	45	$ 90,000	$ 81,000	$ 4,500	$ 4,500	$ -	$ -
Airfield	Expand Cargo Apron - Design	2025	CA	AP	EX	46	44	$ 150,000	$ 135,000	$ 7,500	$ 7,500	$ -	$ -
GA	GA Parking Lot Expansion	2025					43	$ 500,000	$ -	$ -	$ -	$ -	$ 500,000
Misc./Equip	SRE - Plow (Replace Unit 314)	2025	ST	EQ	SN	47	32	$ 500,000	$ 450,000	$ 25,000	$ 25,000	$ -	$ -
Airfield	Twy F Realignment - Construction	2025	ST	TW	CO	49	45	$ 225,000	$ 202,500	$ 11,250	$ 11,250	$ -	$ -
GA	Replace T-hangars / Demolish Old - Construction Phase 1 & 2 (Pvmt/Bldg)	2025					42	$ 2,300,000	$ -	$ -	$ 1,150,000	$ -	$ 1,150,000
Airfield	Expand Cargo Apron - Construction	2026	CA	AP	EX	46	44	$ 1,500,000	$ 1,350,000	$ 75,000	$ 75,000	$ -	$ -
Terminal	Employee Parking Lot Expansion - Design	2026	OT	OT	PA	18	43	$ 75,000	$ 67,500	$ 3,750	$ 3,750	$ -	$ -
Airfield	South Hangar Development Taxilane - Design	2026	CA	TW	CO	59	45	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
Airfield	Airside Pavement Maintenance	2026	RE	RW	IM	70	56	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
Misc./Equip	SRE - Sander (Replaces Unit 312)	2026	ST	EQ	SN	47	32	$ 450,000	$ 405,000	$ 22,500	$ 22,500	$ -	$ -
Misc./Equip	Paint Machine	2027					22	$ 50,000	$ -	$ 25,000	$ -	$ -	$ 25,000
Terminal	Employee Parking Lot Expansion - Construction	2027	OT	OT	PA	18	43	$ 139,000	$ 125,100	$ 6,950	$ 6,950	$ -	$ -

Area	Project Name	Year	Priority Ratings					Estimated Project Cost	Funding Sources				
			ACIP Codes			FAA	State		FAA	State	Local		Other (3rd Party)
			P	C	T						(non PFCs)[2]	(PFCs)[1]	
Airfield	South Hangar Development Taxilane - Construction	2027	ST	TW	CO	49	45	$ 300,000	$ 270,000	$ 15,000	$ 15,000	$ -	$ -
Airfield	New Hangar Taxilanes - Design	2027	ST	TW	CO	49	45	$ 150,000	$ 135,000	$ 7,500	$ 7,500	$ -	$ -
Airfield	Rwy 8 Threshold/Twy B Realignment with Twy D Expansion - Design	2027	SA	TW	IM	89	55	$ 500,000	$ 450,000	$ 25,000	$ 25,000	$ -	$ -
Airfield	New Hangar Taxilanes - Construction	2028	ST	TW	CO	49	45	$ 600,000	$ 540,000	$ 30,000	$ 30,000	$ -	$ -
Airfield	Rwy 8 Threshold/Twy B Realignment with Twy D Expansion - Construction	2028	SA	TW	IM	89	55	$ 4,000,000	$ 3,600,000	$ 200,000	$ 200,000	$ -	$ -
Airfield	Twy B/Twy G Rehabilitation - Design	2028	RE	TW	CO	70	55	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
Terminal	Terminal Parking Lots Rehabilitation - Design	2029					23	$ 75,000	$ -	$ -	$ 75,000	$ -	$ -
Airfield	New ATCT Access Road & Parking Lot - Design	2029	CA	GT	AC	46	43	$ 300,000	$ 270,000	$ 15,000	$ 15,000	$ -	$ -
Airfield	Twy B/Twy G Rehabilitation - Construction	2029	RE	TW	CO	70	55	$ 1,700,000	$ 1,530,000	$ 85,000	$ 85,000	$ -	$ -
Terminal	Terminal Parking Lots Rehabilitation - Construction	2030	CA	GT	AC	46	23	$ 1,000,000	$ -	$ -	$ 1,000,000	$ -	$ -
Airfield	New ATCT Access Road & Parking Lot - Construction	2030	CA	GT	AC	46	43	$ 800,000	$ 720,000	$ 40,000	$ 40,000	$ -	$ -
Misc./Equip	New ARFF Vehicle	2030	SA	EQ	RF	95	52	$ 600,000	$ 540,000	$ 30,000	$ 30,000	$ -	$ -
	ATCT Relocation	2031	ST	BD	MS	32	50	$ 3,500,000	$ 2,000,000	$ 100,000	$ 1,400,000	$ -	$ -
Airfield	Runway 13-31 Rehab. (Panel repair/reseal)	2031	RE	RW	IM	70	56	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
Airfield	Twy C Rehabilitation (Rwy 8-26 to Rwy 31) - Design	2031	RE	TW	IM	66	55	$ 310,000	$ 279,000	$ 15,500	$ 15,500	$ -	$ -
Airfield	Twy C Rehabilitation (Rwy 8-26 to Rwy 31) - Construction	2032	RE	TW	IM	66	55	$ 3,275,000	$ 2,947,500	$ 163,750	$ 163,750	$ -	$ -
Airfield	South Taxilanes Rehabilitation - Design	2032	RE	TW	IM	66	55	$ 120,000	$ 108,000	$ 6,000	$ 6,000	$ -	$ -
Airfield	Airside Pavement Maintenance	2032	RE	RW	IM	70	51	$ 200,000	$ 180,000	$ 10,000	$ 10,000	$ -	$ -
Airfield	South Taxilanes Rehabilitation - Construction	2033	RE	TW	IM	66	55	$ 800,000	$ 720,000	$ 40,000	$ 40,000	$ -	$ -
GA	South GA Landside Road and Parking - Design	2033	OT	GT	AC	22	22	$ 150,000	$ 135,000	$ 7,500	$ 7,500	$ -	$ -
Terminal	Passenger Boarding Bridge #5	2033	CA	TE	EX	39	31	$ 750,000	$ 675,000	$ 37,500	$ 37,500	$ -	$ -
GA	Northwest GA Apron - Design	2033	ST	AP	CO	44	44	$ 250,000	$ 225,000	$ 12,500	$ 12,500	$ -	$ -
GA	South GA Landside Road and Parking - Construction	2034	OT	GT	AC	22	43	$ 600,000	$ 540,000	$ 30,000	$ 30,000	$ -	$ -
Misc./Equip	SRE - Dump Truck	2034	ST	EQ	SN	47	32	$ 350,000	$ 315,000	$ 17,500	$ 17,500	$ -	$ -
GA	Northwest GA Apron - Construction	2035	CA	AP	EX	46	44	$ 2,000,000	$ 1,800,000	$ 100,000	$ 100,000	$ -	$ -
Airfield	Runway 31 Extension - EA	2035	CA	RW	EX	54	46	$ 350,000	$ 315,000	$ 17,500	$ 17,500	$ -	$ -
Airfield	Runway 31 Extension - Design	2036	CA	RW	EX	54	46	$ 500,000	$ 450,000	$ 25,000	$ 25,000	$ -	$ -
Airfield	Replace Perimeter Fence - Design	2036	SA	EQ	SE	83	41	$ 500,000	$ 450,000	$ 25,000	$ 25,000	$ -	$ -
Airfield	Runway 31 Extension - Construction	2037	CA	RW	EX	54	46	$ 7,000,000	$ 6,300,000	$ 350,000	$ 350,000	$ -	$ -
Misc./Equip	SRE - Broom	2037	ST	EQ	SN	47	32	$ 550,000	$ 495,000	$ 27,500	$ 27,500	$ -	$ -
Airfield	Replace Perimeter Fence - Construction	2037	SA	EQ	SE	83	32	$ 5,000,000	$ 4,500,000	$ 250,000	$ 250,000	$ -	$ -
Total Project Costs								$ 65,316,830	$ 49,901,748	$ 2,786,209	$ 6,696,208	$ -	$ 5,932,665

[1] Represents the amount of project costs that are eligible for PFCs. All of the Airport's PFC collections are currently commited toward the repayment of the 2013-2015 terminal debt.
[2] Depending on project timing and the availability of unrestricted cash, the City may need to issue bonds to cash flow certain local funding requirements.
[3] ACIP Codes: P-Purpose, C-Component, and T-Type from FAA Order 5100.39A
Note: Amounts may not add due to rounding.