

7 Facility Implementation Plan

This chapter analyzes the financial feasibility of the proposed projects depicted on the Airport Layout Plan presented in Chapter 6, “Airport Development Plan Narrative Report”. Specifically, this chapter examines the financial structure of Felts Field and provides information on the sources of funds that may be available for these projects that will become the 20-year airport capital improvement program (ACIP).

Capital projects at Felts Field will be undertaken when demand warrants, rather than in accordance with a projected schedule developed in advance in the Master Plan Update. Further, the actual financing of capital expenditures will be a function of the airport’s financial circumstances at the time of project implementation. For example, a project would not be implemented if sufficient funding sources (including future revenue to fund the debt service associated with a project) were not available. The ACIP contained herein will maintain existing facilities, as well as create new ones to further enhance the airport’s revenues.

To present the results of these analyses, this chapter is organized as follows:

- Felts Field Financial Structure
- Potential ACIP Funding Sources
- ACIP Costs and Funding Eligibility

7.1 FELTS FIELD FINANCIAL STRUCTURE

Spokane County and the City of Spokane jointly own Felts Field. The Spokane Airport Board operates Felts Field under provisions of local laws, consisting of seven appointees from the two governmental bodies. Felts Field is not financially self-sufficient, but serves a vital function for the region. Revenues generated at Felts Field primarily consist of fuel flowage fees, land lease revenue, hangar rentals, and concession fees.

7.2 POTENTIAL AIRPORT CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES

This section summarizes the potential funding sources for the ACIP. These sources include federal grants, State of Washington Department of Transportation grants, and local funding. Details of these funding sources are provided in the sections below.

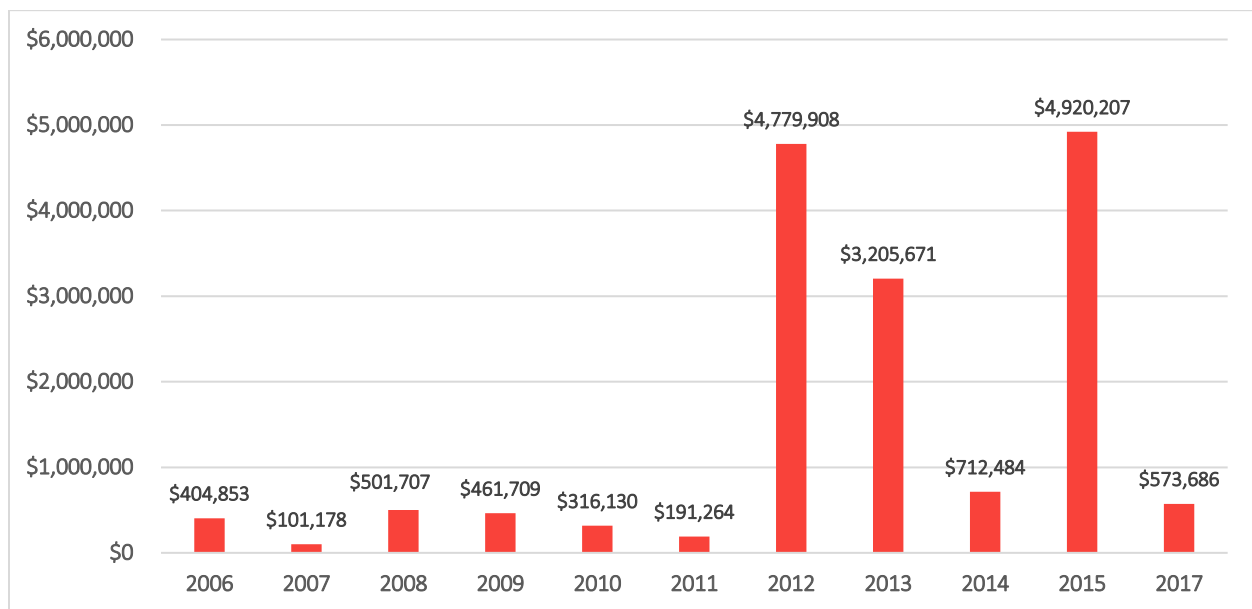
7.2.1 *Federal Grants*

On the federal level, the FAA’s Airport Improvement Program (AIP) provides funding for planning, construction, or rehabilitation at any public airport. The AIP grant program was established by the Airport and Airway Improvement Act of 1982 and amended most recently by the FAA Reauthorization Act of 2018 signed into law on October 5, 2018. The FAA Reauthorization Act of 2018 reauthorized the AIP through federal fiscal year 2023 (September 30, 2023). It is assumed that some form of federal grants-in-aid will be available for eligible projects throughout the planning period.

The AIP provides funding from the Airport and Airway Trust Fund for airport development, airport planning, noise compatibility planning and carrying out noise compatibility programs. Historically, federal grants have played a central role in the funding of Felts Field’s capital expenditures. This is expected to continue. Historically, most airfield projects have been eligible for up to 90 percent AIP participation, the amount authorized for non-primary non-hub airports.

Figure 7-1 presents historical AIP grants that Felts Field received from 2006 through 2017. During this period, Felts Field has received an average of approximately \$1.5 million annually in AIP funding (entitlement and discretionary), with these grant awards ranging from approximately \$100,000 to \$5 million, depending on annual project requirements. It is difficult to predict the actual levels of AIP discretionary grants that Felts Field could receive. Historically, Felts Field has received discretionary grants to make improvements at Felts Field that the FAA viewed as priority projects.

Figure 7-1. Felts Field Historical Airport Improvement Program Grants



Source: www.faa.gov; compiled by WSP.

7.2.2 Washington State Department of Transportation Grants

The Washington State Department of Transportation’s (WSDOT) Aviation Division provides the general supervision and administration of the WSDOT Airport Aid Grant program. The program provides financial assistance to public-use airports in the preservation of Washington state’s system of airports. Any entity that owns and operates a public-use airport included in the Washington Aviation System Plan, in which Felts Field is included, may apply for these funds. WSDOT Airport Aid Grant funds may be used for the planning, acquisition, construction, improvement, and maintenance of airports.

Typically, these funds provide a match for the local portion required to receive an AIP grant. In the case of Felts Field, this match would be 5 percent of the project costs up to a maximum of \$750,000 for a single grant.

7.2.3 Local Funds

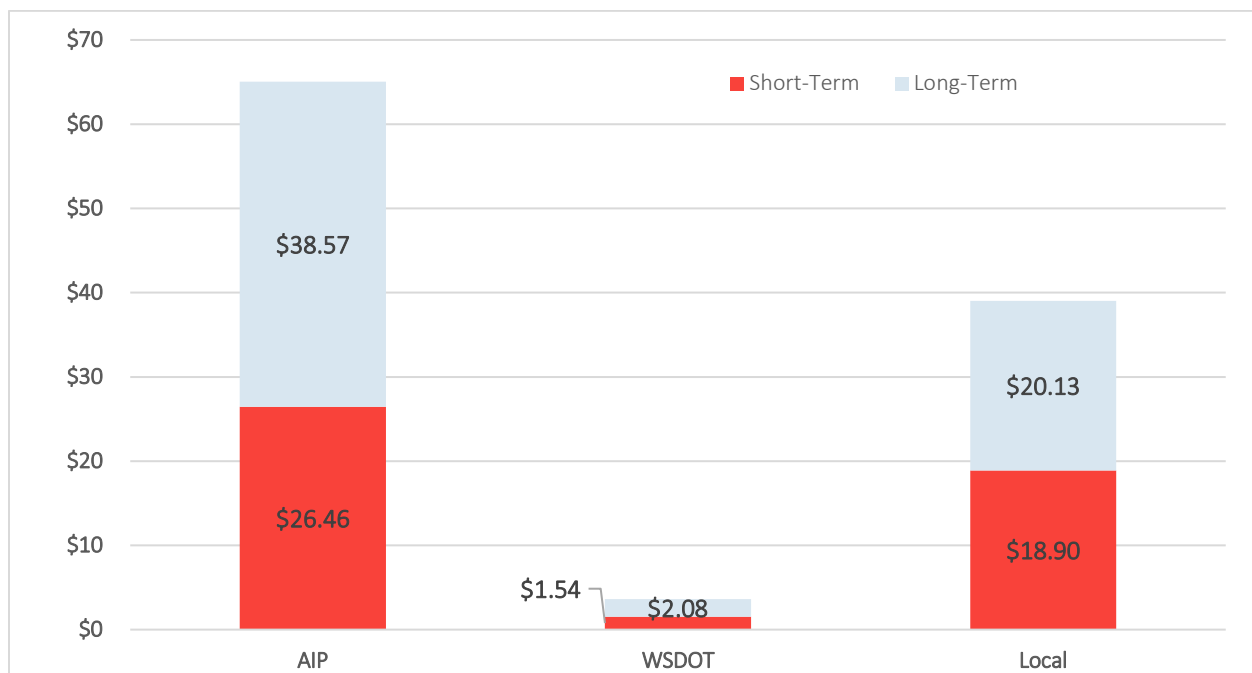
The balance of project costs (i.e., after considering federal and state grants) must be funded using local funds. Felts Field reserves and accumulated cash balances are assumed to fund the balance of project costs after any federal AIP grant or WSDOT Airport Aid Grant funds are applied. This practice is expected to continue and is assumed for this analysis. As previously mentioned, to the extent that sufficient funds are not available, the phasing and timing of certain projects would be adjusted to meet the availability of funds.

7.3 AIRPORT CAPITAL IMPROVEMENT PROGRAM COSTS AND FUNDING ELIGIBILITY

The projects in the Master Plan ACIP were evaluated as to their eligibility for the funding sources described in the previous section. **Table 7-1** presents the eligibility by project for AIP grants and WSDOT Airport Aid Grants, as well as the remaining local funds needed to implement the ACIP. As shown, approximately \$65.0 million in project costs is eligible for AIP grants, with approximately \$3.6 million in WSDOT Airport Aid Grants. The remaining \$39.0 million will be needed from local funding sources.

Figure 7-2 presents the funding eligibility for the ACIP by phase for each of the funding sources.

Figure 7-2. Airport Capital Improvement Program Funding Eligibility by Phase (in millions)



Sources: Compiled by WSP.



Table 7-1. Airport Capital Improvement Program and Potential Funding Sources

Project Name	COSTS					FUNDING ELIGIBILITY		
	Construction Cost (2020\$)	Inflation *	Construction Cost (YOE)	Contingency & Allowances **	Project Cost	FAA AIP	WSDOT Aviation	Local
SHORT- TO MID-TERM 2021-2027 PROJECT COST ESTIMATES								
Construct South Hangars, including Auto Parking	\$8,300,000	\$769,634	\$9,069,634	\$2,267,409	\$11,337,043	\$0	\$0	\$11,337,043
Construct Fire Fighting Access Gate	\$210,000	\$19,473	\$229,473	\$57,368	\$286,841	\$258,157	\$14,342	\$14,342
Demolish Building #52 and Construct Two New Hangars	\$1,810,000	\$167,836	\$1,977,836	\$494,459	\$2,472,295	\$0	\$0	\$2,472,295
Land Acquisition (RPZs and future off-airport hangar development area)	\$2,850,000	\$264,272	\$3,114,272	\$778,568	\$3,892,840	\$1,751,778	\$97,321	\$2,043,741
Construct North Hangar Area - Phase I (Utilities)	\$1,900,000	\$176,181	\$2,076,181	\$519,045	\$2,595,227	\$2,335,704	\$129,761	\$129,761
Construct North Hangar Area - Phase II (Hangar Area Development)	\$1,700,000	\$157,636	\$1,857,636	\$464,409	\$2,322,045	\$1,973,738	\$116,102	\$232,204
T-Hangar Development (East Infield) ***	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000	\$1,275,000	\$75,000	\$150,000
Relocate ATC Tower - Design and Construction ***	\$7,000,000	\$0	\$7,000,000	\$0	\$7,000,000	\$5,950,000	\$350,000	\$700,000
Runway 4L/22R Rehabilitation (outer keel section) ***	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000	\$4,675,000	\$275,000	\$550,000
Environmental Review for RWY 4L/22R Extension and North Hangar Area ***	\$300,000	\$0	\$300,000	\$0	\$300,000	\$255,000	\$15,000	\$30,000
RWY 4L/22R Extension and Taxiway/Taxilane Design ***	\$450,000	\$0	\$450,000	\$0	\$450,000	\$382,500	\$22,500	\$45,000
RWY 4L/22R Extension and Taxiway/Taxilane - Phase I Construction ***	\$8,500,000	\$0	\$8,500,000	\$0	\$8,500,000	\$7,225,000	\$425,000	\$850,000
West Infield Taxilane ***	\$750,000	\$0	\$750,000	\$0	\$750,000	\$382,075	\$22,475	\$345,450
Short- to Mid-Term Project Totals	\$40,770,000	\$1,555,032	\$42,325,032	\$4,581,258	\$46,906,290	\$26,463,952	\$1,542,502	\$18,899,836
LONG-TERM 2028-2037 PROJECT COST ESTIMATES								
Extend RWY 22R & TXWYs to 5,500' with 422' DT - AIP ELIGIBLE	\$4,200,000	\$965,470	\$5,165,470	\$1,291,368	\$6,456,838	\$5,811,154	\$322,842	\$322,842
Extend RWY 22R & TXWYs to 5,500' with 422' DT - AIP INELIGIBLE	\$740,000	\$170,107	\$910,107	\$227,527	\$1,137,633	\$0	\$0	\$1,137,633
Relocate RWY 22R MALSR	\$1,675,000	\$385,039	\$2,060,039	\$515,010	\$2,575,048	\$2,317,544	\$128,752	\$128,752
Relocate RWY 22R Glide Slope	\$470,000	\$108,041	\$578,041	\$144,510	\$722,551	\$650,296	\$36,128	\$36,128
Install RWY 4L 22R VASIs and Relocated PAPIs	\$190,000	\$43,676	\$233,676	\$58,419	\$292,095	\$262,886	\$14,605	\$14,605
Demo old ATCT and Building. Construct Two New Hangars	\$1,720,000	\$395,383	\$2,115,383	\$528,846	\$2,644,229	\$2,379,806	\$132,211	\$132,211
Land Acquisition (RPZs and future off-airport hangar development area)	\$3,125,000	\$718,356	\$3,843,356	\$960,839	\$4,804,195	\$2,161,888	\$120,105	\$2,522,202
Construct North Hangar Area - Phase III (Hangar Area Development)	\$3,700,000	\$850,533	\$4,550,533	\$1,137,633	\$5,688,167	\$5,233,113	\$170,645	\$284,408
Construct North Hangar Area - Phase IV (Hangar Area Development)	\$1,650,000	\$379,292	\$2,029,292	\$507,323	\$2,536,615	\$2,232,221	\$177,563	\$126,831
Construct New Airport Maintenance/SRE Building	\$2,500,000	\$574,685	\$3,074,685	\$768,671	\$3,843,356	\$3,459,020	\$192,168	\$192,168
Construct Compass Rose	\$84,000	\$19,309	\$103,309	\$25,827	\$129,137	\$116,223	\$6,457	\$6,457
Construct Helipad	\$380,000	\$87,352	\$467,352	\$116,838	\$584,190	\$525,771	\$29,210	\$29,210
Upgrade Seaplane Dock	\$300,000	\$68,962	\$368,962	\$92,241	\$461,203	\$415,082	\$23,060	\$23,060
Land Acquisition (RPZs and future off-airport hangar development area)	\$17,925,000	\$4,120,489	\$22,045,489	\$5,511,372	\$27,556,861	\$12,400,588	\$688,922	\$14,467,352
Construct Airport Ops Storage Building and Access Road	\$880,000	\$202,289	\$1,082,289	\$270,572	\$1,352,861	\$608,788	\$33,822	\$710,252
Long-Term Project Totals	\$39,539,000	\$9,088,983	\$48,627,983	\$12,156,996	\$60,784,978	\$38,574,379	\$2,076,488	\$20,134,111
SFF Master Plan CIP Total	\$80,309,000	\$10,644,015	\$90,953,015	\$16,738,254	\$107,691,268	\$65,038,331	\$3,618,990	\$39,033,948

* Inflation was applied to construction costs to obtain year-of-expenditure (YOE) project costs.

** Contingency and allowances in the amount of 25 percent were applied year-of-expenditure costs to account for the addition of design, construction management and other project cost uncertainties.

*** For projects that are included in the Airport's most recent ACIP submitted to the FAA, no inflation or contingency was included.

Sources: T-O Engineers (cost estimates), WSP Analysis; Compiled by WSP.