

SECTION E

FINANCIAL ANALYSIS

Schedules of proposed development resulting from recommendations in this AMPU and estimates of development costs are discussed in this section. Recommended development is distributed over three periods (short-, intermediate- and long-terms), based on need (i.e. demand) and the funding capacity of the FAA, state and city). Private funding will also play a major role in future development at the airport.

Although each period has a designated length of time, projects identified for one period may overlap with another as demand and funding warrant. It should not be assumed that projects listed anywhere in this report will be funded or that they will take place in the period suggested. The Capital Costs Table presented later in this section list planning-level cost estimates and identify anticipated financial responsibility for each improvement, as well as the estimated cost shares for each funding agency.

Funding from the FAA and/or MDOT is not necessarily guaranteed because it is discussed in this document. At least two situations must occur before federal and state funding will be approved. First, the airport sponsor must indicate a willingness and financial capability to fund its share of the project; and second, the FAA and MDOT must agree to capitalize the project.

AIP FUNDING

The Airport and Airway Trust Fund provides the revenue source used to fund AIP projects. Taxes and user fees are collected from the various segments of the aviation community and placed in the Trust Fund. These revenue sources include taxes on airline tickets and freight waybills, international air carrier departure fees, and fuel taxes on aviation fuels.

Funding for the AIP is distributed under specific guidelines outlined in the 1982 Airport and Airway Improvement Act, as amended. The FAA distributes entitlement funding for commercial-service and primary airports based on the number of enplaned passengers using the airport. General aviation airports also receive their funding from the FAA, but individual states determine the distribution of funds based on a ceiling provided by the FAA.

The AIP assists the development of a nationwide system of public-use airports by providing funding for airport planning and development projects at airports included in the NPIAS. It also provides funding for noise compatibility planning and noise compatibility programs established by the Aviation Safety and Noise Abatement Act of 1979.

Funding of projects that qualify under the AIP is typically divided into three sources: federal, state and local. The current Federal share of eligible costs for general aviation airports is 95%. The remaining 5% is divided between the state and airport.

Eligible projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors can use AIP funds on most airfield capital improvements or repairs except for terminals and non-aviation development. Any professional services that are necessary for eligible projects - such as planning, surveying, and design - are eligible as is runway, taxiway, and apron pavement maintenance. Aviation demand at the airport must justify the projects, which must also meet Federal environmental and procurement requirements.

Projects related to airport operations and revenue-generating improvements are typically not eligible for funding. Operational costs - such as salaries, maintenance services, equipment, and supplies - are also not eligible for AIP grants.

CONSTRUCTION COSTS AND INFLATION

Construction and planning cost estimates presented in this section are based on 2005 dollar values. To compute up-to-date cost estimates or revisions at any time in the future, refer to the Construction Cost Index (CCI). The CCI is revised every week to reflect changes in typical labor rates and material costs. By applying future CCI numbers as they are determined, cost estimates in this section can be updated to more accurately reflect ongoing inflationary factors.

PROJECT COSTS

Planned projects and estimated costs are listed below for both the East and West Ramp areas.

EAST RAMP

Expand Aircraft Aprons

Exclusive of the apron around the proposed hangars, the alternatives shown earlier call for adding approximately 100,000 square feet of paved apron. Because the area proposed for construction is upland and fairly level, costs will be relatively low per square foot.

- Project: Design and construct a 100,000 square foot aircraft parking apron with tie downs
- Construction Cost per square foot: \$3.00
- Total Estimated Construction Cost: \$300,000
- Contingency (20%): \$60,000
- Engineering (25%): 90,000
- Total Estimated Cost: \$450,000

- FAA Share: \$427,500
- State Share: \$11,250
- Local Share: \$11,250

Prepare Hangar Development Area

The cost of preparing an area for hangars is listed separate from the actual hangar costs, primarily because the city plans to develop the area using AIP and/or local funding, for eventual development of hangars with private funding.

- Project: Design and construct two areas totaling approximately 90,000 square feet for future hangar construction, including preparation of underground electric service.
- Construction Cost Per Square Foot: \$3.00
- Total Construction Cost: \$270,000
- Contingency (20%): \$54,000
- Engineering: \$100,000
- Total Estimated Cost: \$424,000
 - FAA Share: \$402,800
 - State Share: \$10,600
 - Local Share: \$10,600

Design and Construct SRE Building

Plans call for the design and construction of a 50 x 50 foot snow removal equipment building. Cost will vary depending on the ultimate design and facilities (utilities, heat, etc.). For planning purposes it will be assumed that this 2,500 square foot building will have full electric, but no water for heating system installed.

- Project: Design and construct a 2,500 square foot SRE building, with full electric, water, and heat.
- Construction Cost Per Square Foot: \$65.00
- Total Construction Cost: \$162,500
- Contingency (20%): \$32,500
- Engineering: \$55,000
- Total Estimated Cost: \$250,000
 - FAA Share: \$237,500

- State Share: \$6,250
- Local Share: \$6,250

WEST RAMP

Prepare Hangar Development Area

The cost of preparing an area for hangars is listed separate from the actual hangar costs, primarily because the city plans to develop the area using AIP and/or local funding, for eventual development of hangars with private funding.

- Project: Design and construct an area totaling approximately 360,000 square feet for future hangar construction, including preparation of underground electric, water, and telephone service. Plus, design and construct a 450 x 35 lighted taxiway.
- Ramp Construction Cost Per Square Foot: 3.00
- Ramp Construction Cost: \$1,080,000
- Taxiway Construction Cost Per Linear Foot: \$300
- Taxiway Construction Cost: \$135,000
- Total Construction Cost: \$1,215,000
- Contingency (20%): \$243,000
- Engineering: \$365,000
- Total Estimated Cost: \$1,822,500
 - FAA Share: \$1,731,375
 - State Share: \$45,562
 - Local Share: \$45,562

AIRSIDE

Design and Construct Taxiway

This project consists of the design and construction of a full-length parallel taxiway along the east side of Runway 15-33, setback 240 feet from the runway centerline, with 35 foot wide stub taxiways to the existing apron.

- Project: Design and Construct a 4,000 x 35 foot lighted taxiway
- Construction Cost: \$300/linear foot
- Estimated Total Construction Cost: \$1,200,000
- Contingency (20%): \$240,000

- Engineering (25%): \$360,000
- Total Estimated Cost: \$1,800,000
 - FAA Share: \$1,710,000
 - State Share: \$45,000
 - Local Share: \$45,000

Install PAPI on Runway 15 and 33

This project consists of the design, construction, and alignment of two PAPI systems, one for each end of the runway. This project can be funded at 100% by the FAA.

- Project: Install PAPI on Runway 15 and 33
- Construction Cost: \$100,000 per unit
- Estimated Total Construction Cost: \$200,000
- Contingency (20%): \$40,000
- Engineering (25%): \$60,000
- Total Estimated Cost: \$300,000
 - FAA Share: \$300,000
 - State Share: \$0
 - Local Share: \$0

TOTAL PROJECT COSTS

Table 10 lists the total project costs addressed above.

Table 10
Capital Costs Summary

Project	Total Cost	FAA Share	State Share	Local Share
Expand Aircraft Aprons	\$450,000	\$427,500	\$11,250	\$11,250
Prepare Hangar Development Area	\$424,000	\$402,800	\$10,600	\$10,600
Design and Construct SRE Building	\$250,000	\$237,500	\$6,250	\$6,250
Prepare West Ramp Area	\$1,822,500	\$1,731,375	\$45,563	\$45,563
Design and Construct Parallel Taxiway	\$1,800,000	\$1,710,000	\$45,000	\$45,000
Install PAPI	\$300,000	\$300,000	\$0	\$0
Totals	\$5,046,500	\$4,809,175	\$118,663	\$118,663