





Wood River Region Airport Site Selection And Feasibility Study

Financial Feasibility Analysis and Conceptual Funding Plan



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Historical Airport Planning Studies

- 1976 Grant Application
 - Airport's constrained site location and limited area for growth were mentioned
 - First mention of community intent to develop another airfield south of the site in the following 10-15 years
- 1983 Airport Master Plan
 - Mention of a new replacement airport occurred in the study with regard to ideal placement outside of the Wood River Region



Historical Airport Planning Studies (con't.)

- 1990 Airport Feasibility Study
 - The 1990 *Airport Feasibility Study*'s purpose was primarily to identify and compare the improvements necessary to modify the current airport site's deviations to FAA standards versus construction of a new airport at a different location in the Wood River Region. The study all stemmed from environmental noise concerns in the Airport vicinity.
 - The residents of Blaine County and the Blaine County Airport Commissioners were the final authority on deciding the action to take preceding this study. They concluded that staying with the current airport site was the best decision at the time.



Historical Airport Planning Studies (con't.)

- 1994 Master Plan Update
 - The study recognized that growth at the existing airport would eventually require relocating the entire airport away from its present site and the valley. A time frame for this relocation was not included in the study and design standards necessary for accommodating ARC C-II and D-II private jet operations at the existing site were also not accounted for.



Historical Airport Planning Studies (con't.)

- 2004 Master Plan Update
 - The 2004 *Master Plan Update* explored both short-term and long-term alternatives. The Airport Authority opted to begin with the required short-term improvements, but due to the combination of high costs, negative community reaction to required land acquisition and lack of resolution for long-term airport growth requirements, the Authority also approved a study for investigating alternate airport locations and selecting a new airport site.



The Preamble To The 1994 Friedman Memorial Airport Master Plan Update

- *“The Friedman Memorial Airport is critical to the success of our resort economy, yet it has an enormous impact on the adjacent community. The goals of this Master Plan are to eliminate as many of the safety deviations as possible while not expanding the impact on the adjacent community. We seek the highest quality and safest airport possible within the physical limits imposed by the geography and the human use of adjacent lands. As pressure for use reaches the physical limits of the facility, we need to look for alternatives away from the valley cities rather than expansion at the present site.”*



Historical Airport Planning Studies (con't.)

- 2006 Feasibility Study
 - The goal of the study was to identify alternate airport site locations away from the existing airport, select a preferred site from these locations and conduct a financial feasibility analysis for the new airport. This study confirmed that the current airport site was no longer a viable option to pursue when considering how to correct deficiencies with FAA standards for current and future airport operations
 - The 2006 Feasibility Study aimed to serve as a prerequisite for the replacement airport's EIS by providing research and background information for its preparation. The study also proved beneficial in providing public awareness and gauging community opinion, which is considered essential when investigating, evaluating and potentially developing a new airport site.



Friedman Memorial Airport Authority Rates and Charges Policy

- “*Whereas, FAA Airport Improvement Program Assurances require the Authority to maintain a fee and rental structure for the facilities and services existing at the Airport which will make the Airport as self-sustaining as possible;*”



Friedman Memorial Airport Authority Joint Powers Agreement

- “Nothing in the foregoing enumerations of powers shall be construed as (1) authorizing the Board to create any legal, contractual, fiscal or tort obligation binding upon the County of the City, (2) nor to incur any indebtedness or liability exceeding the revenues of the Authority for any one (1) fiscal year.”



2006 Financial Feasibility Analysis and Conceptual funding Plan (Chapter 6)

- Analysis built upon –
 - Consideration of the FMA's existing financial structure, airline and major tenant agreements, as well as the airport's historical financial performance
 - A schedule for the planning and construction of the new airport with an anticipated occupancy date of 2015



2006 Financial Feasibility Analysis and Conceptual Funding Plan - Continued

- The 2004 Friedman Memorial Airport Master Plan Update Enplaned Passenger Forecast for determining anticipated FAA AIP entitlement Funds and the PFC Revenues Forecast assumes a CAGR of 3.8 through 2022
- Identification of potential capital funding sources such as the AIP and PFC programs. Eligibility and receipt of AIP discretionary funds were also estimated while options for funding the required local share of project costs were also addressed



2006 Financial Feasibility Analysis and Conceptual funding Plan - Continued

- The funding plan for the airport CIP assumed sources of financing from AIP entitlement and discretionary funds, PFC revenues, the airport's Operating and Capital Reserve Fund, State of Idaho grants-in-aid, and the sale of existing Airport land. With the exception of operating revenues; all funds were in current dollars to match the CIP.
- Examination of historic operating revenues, all funds were in 2006 dollars to match the proposed CIP.



2006 Financial Feasibility Analysis and Conceptual Funding Plan - Continued

- Projections of revenues, and net cash flows from the operation of the airport for the period of FY2007-2015 were based on the historic financial activity of the airport, consumer price index (CPI) changes during the previous eight years and airport management input of future trends. To match the current dollars of the CIP, operating revenues were also stated in net present value terms. Net Present Value (NPV) is a valuation method based on discounted cash flows. NPV is calculated by discounting of a series of future cash flows to determine their current value



2006 Financial Feasibility Analysis and Conceptual Funding Plan - continued

- Benchmarking of airport facilities and key financial elements against peer airports.
- Projections of revenues, expenses, and net cash flows from the operation of the new airport for the period of FY2016-2020 to provide a conceptual understanding of the costs of operating a new airport during its initial five years of operation



Table 6-1 Airport Capital Improvement Program (CIP)

PROJECT	TOTAL COST	FAA ELIGIBLE SHARE	FAA ELIGIBLE LOCAL SHARE	NON-FAA ELIGIBLE LOCAL SHARE
FISCAL YEAR 2007:				
a. Environmental Impact Statement	\$ 2,100,000	\$ 1,995,000	\$ 105,000	
b. Replace Runway 13-31 Porous Friction Course	3,690,000	3,505,500	184,500	
	<u>\$ 5,790,000</u>	<u>\$ 5,500,500</u>	<u>\$ 289,500</u>	<u>\$ -</u>
FISCAL YEAR 2008:				
a. Acquire Snow Removal Equipment	\$ 721,000	\$ 648,900	72,100	
b. Snow Removal Equipment Facility Ph. I	390,000	351,000	39,000	
	<u>\$ 1,111,000</u>	<u>\$ 999,900</u>	<u>\$ 111,100</u>	<u>\$ -</u>
FISCAL YEAR 2009:				
a. Replacement Airport Master Plan/Pre-Engineering	\$ 833,000	\$ 749,700	83,300	
b. Snow Removal Equipment Facility Ph. 2	278,000	250,200	27,800	
	<u>\$ 1,111,000</u>	<u>\$ 999,900</u>	<u>\$ 111,100</u>	<u>\$ -</u>
FISCAL YEAR 2010:				
a. Parallel Taxiway Relocation	\$ 2,000,000	\$ 1,800,000	200,000	
	<u>\$ 2,000,000</u>	<u>\$ 1,800,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
FISCAL YEAR 2011:				
a. Design Replacement Airport (Ph. I)	\$ 1,850,625	\$ 1,665,563	\$ 185,063	
	<u>\$ 1,850,625</u>	<u>\$ 1,665,563</u>	<u>\$ 185,063</u>	<u>\$ -</u>
FISCAL YEAR 2012:				
a. Design Replacement Airport (Ph. II)	\$ 1,847,755	\$ 1,662,980	\$ 184,776	
b. Construct Replacement Airport (Ph. I)	15,869,063	14,282,156	1,586,906	
	<u>\$ 17,716,818</u>	<u>\$ 15,945,136</u>	<u>\$ 1,771,682</u>	<u>\$ -</u>
FISCAL YEAR 2013:				
a. Design Replacement Airport (Ph. III)	\$ 1,428,700	\$ 1,285,830	\$ 142,870	
b. Construct Replacement Airport (Ph. I)	15,869,063	14,282,156	1,586,906	
c. Construct Replacement Airport (Ph. II)	10,475,898	9,138,559	1,337,340	
	<u>\$ 27,773,661</u>	<u>\$ 24,706,545</u>	<u>\$ 3,067,116</u>	<u>\$ -</u>
FISCAL YEAR 2014:				
a. Construct Replacement Airport (Ph. II)	\$ 10,475,898	\$ 9,138,559	\$ 1,337,340	
b. Construct Replacement Airport (Ph. III)	13,286,650	11,867,235	1,419,415	
c. Rental Car Makeup/Drop Off Lots/Service Ctr.	783,647			\$ 783,647
d. Terminal Building Auto Parking	900,000			900,000
	<u>\$ 25,446,195</u>	<u>\$ 21,005,794</u>	<u>\$ 2,756,755</u>	<u>\$ 1,683,647</u>
FISCAL YEAR 2015:				
a. Construct Replacement Airport (Ph. II)	\$ 10,475,898	\$ 9,138,559	\$ 1,337,340	
b. Construct Replacement Airport (Ph. III)	13,286,650	11,867,235	1,419,415	
c. Rental Car Makeup/Drop Off Lots/Service Ctr.	783,647			\$ 783,647
	<u>\$ 24,546,195</u>	<u>\$ 21,005,794</u>	<u>\$ 2,756,755</u>	<u>\$ 783,647</u>



Table 6-2 Conceptual Funding Plan for Airport CIP

Funding Source	Contribution		
	Subtotal	Total	%
Funding Sources (FY2007-FY2010)			
AIP Entitlement	\$ 4,000,000		40.0%
AIP Discretionary	5,300,500		52.9%
Passenger Facility Charge	377,200		3.8%
Airport Reserves (local match)	274,500		2.7%
State of Idaho (\$15K per year)	60,000		0.6%
Subtotal Funds (FY2007-FY2010)		\$ 10,012,200	100.0%
Funding Sources (FY2011-FY2016)			
FAA Letter of Intent (\$10M per year for 5 years)	\$ 50,000,000		51.4%
Other AIP Discretionary	665,563		0.7%
FAA Entitlement (\$1M per year)	6,000,000		6.2%
FAA Facilities & Equipment Program -- Nav aids	2,000,000		2.1%
Passenger Facility Charge (2011-2015)	2,880,708		3.0%
Sale of FMA Property (purchased with grants) ^{1/}	27,448,000		28.2%
Sale of Airport Property (airport-owned) ^{1/}	3,450,000		3.5%
Local Funds	4,814,023		4.9%
State of Idaho (\$15K per year)	75,000		0.1%
Subtotal Funds (FY2011-FY2015)		\$ 97,333,293	100.0%
Total Funds (FY2007-FY2016)		\$ 107,345,493	
Funding Analysis FY2007-FY2010:			
CIP Cost ^{2/}		\$ 10,012,000	
Anticipated Funds		\$ 10,012,200	
Funding Gap (Surplus)		\$ (200)	
Funding Analysis FY2011-FY2015:			
CIP Cost ^{2/}		\$ 97,333,493	
Anticipated Funds		\$ 97,333,293	
Funding Gap (add previous surplus)		\$ (0)	

Sources: Friedman Memorial Airport Authority, Toothman-Orton Engineering Company, Mead & Hunt, and the Federal Aviation Administration, 2006.

Notes: ^{1/} Sale of FMA property does not include the original Friedman parcel.

^{2/} See Table 6-1



Table 6-4 Replacement Airport (Site 10) Design & Construction Costs

Facility/Item	Total Cost	FAA %	FAA Cost	Non-Federal Share
Federally Eligible:				
<i>Phase I</i>				
Site Preparation	\$ 17,275,000	90.0%	\$ 15,547,500	\$ 1,727,500
Infrastructure	4,312,500	90.0%	3,881,250	431,250
Infrastructure (Utilities)	4,250,000	90.0%	3,825,000	425,000
Construction Subtotal	\$ 25,837,500		\$ 23,253,750	\$ 2,583,750
Design Engineering	1,850,625	90.0%	1,665,563	185,063
Construction Engineering/Observation	3,316,875	90.0%	2,985,188	331,688
Construction Contingency & Administration	2,583,750	90.0%	2,325,375	258,375
Subtotal Phase I	\$ 33,588,750		\$ 30,229,875	\$ 3,358,875
<i>Phase II</i>				
Airfield	16,304,000	90.0%	14,673,600	1,630,400
Infrastructure	600,000	90.0%	540,000	60,000
Air Carrier Terminal Complex	8,692,500	80.0%	6,954,000	1,738,500
Construction Subtotal	\$ 25,596,500		\$ 22,167,600	\$ 3,428,900
Design Engineering	1,847,755	90.0%	1,662,980	184,776
Construction Engineering/Observation	3,271,545	90.0%	2,944,391	327,155
Construction Contingency & Administration	2,559,650	90.0%	2,303,685	255,965
Subtotal Phase II	\$ 33,275,450		\$ 29,078,655	\$ 4,196,795
<i>Phase III</i>				
Air Carrier Terminal Complex	1,815,000	80.0%	1,452,000	363,000
Airfield	285,000	90.0%	256,500	28,500
Air Traffic Control Tower	4,000,000	90.0%	3,600,000	400,000
Navigational Aids	2,280,000	90.0%	2,052,000	228,000
Airport Support Facilities	2,630,000	90.0%	2,367,000	263,000
Aircraft Parking Aprons	10,530,000	90.0%	9,477,000	1,053,000
Construction Subtotal	\$ 21,540,000		\$ 19,204,500	\$ 2,335,500
Design Engineering	1,428,700	90.0%	1,285,830	142,870
Construction Engineering/Observation	2,879,300	90.0%	2,591,370	287,930
Construction Contingency & Administration	2,154,000	90.0%	1,938,600	215,400
Subtotal Phase III	\$ 28,002,000		\$ 25,020,300	\$ 2,981,700
Total Federally Eligible	\$ 94,866,200		\$ 84,328,830	\$ 10,537,370
Non-Federally Eligible:				
Parking & Rental Car Facilities	\$ 2,100,000			\$ 2,100,000
Construction Administration				
Engineering, Contingency	367,293			367,293
Total Non-Federally Eligible	\$ 2,467,293			\$ 2,467,293
Total Project Cost	\$ 97,333,493		\$ 84,328,830	\$ 13,004,663

Source: Toothman-Orton Engineering Company and Mead & Hunt, January 2006



Table 6-5 Capital Improvement Program Funding Analysis

Year	Total Cost Airport CIP	FAA Eligible Share	FAA Entitlements	Anticipated FAA Discretionary	Planned Letter of Intent ^{1/}	FAA Facilities & Equipment	State Funds	Funds from Land Sale	Local Funds ^{2/}	PFC Funding	PFC Allocation
2007	\$ 5,790,000	\$ 5,500,500	\$ 1,000,000	\$ 4,500,500			\$15,000	\$	274,500		
2008	1,111,000	999,900	1,000,000				15,000			363,650	\$ 96,100
2009	1,111,000	999,900	1,000,000				15,000			375,744	96,100
2010	2,000,000	1,800,000	1,000,000	800,000			15,000			387,838	185,000
Subtotal FY07-10	\$ 10,012,000	\$ 9,300,300	\$ 4,000,000	\$ 5,300,500			\$ 60,000	\$	274,500	\$ 1,127,232	\$ 377,200
2011	1,850,625	1,665,563	1,000,000	665,563	\$ 10,000,000		15,000		400,000	399,932	170,063
2012	17,716,818	15,945,136	1,000,000		10,000,000		15,000	\$ 10,000,000	600,000	412,026	412,026
2013	27,773,661	24,706,545	1,000,000		10,000,000		15,000	\$ 10,000,000	800,000	425,799	425,799
2014	25,446,195	21,005,794	1,000,000		10,000,000	2,000,000	15,000	\$ 10,900,000	900,000	439,572	439,572
2015	24,546,195	21,005,794	1,000,000		10,000,000		15,000		1,000,000	453,346	453,346
2016			1,000,000						1,114,023		979,902
Subtotal FY11-15	\$ 97,333,493	\$ 84,328,830	\$ 6,000,000	\$ 665,563	\$ 50,000,000	\$ 2,000,000	\$ 75,000	\$ 30,900,000	\$ 4,814,023	\$ 2,130,676	\$ 2,880,708
Totals	\$107,345,493	\$93,629,130	\$10,000,000	\$5,966,063	\$50,000,000	\$2,000,000	\$135,000	\$30,900,000	\$5,088,523	\$3,257,908	\$3,257,908

Source: Mead & Hunt, April 2006

Note: ^{1/}Or similar program

Note: ^{2/}Local funds include the airport capital and operating reserve fund, and may include other airport services.



Table 6-6 Historical Airport Operating Revenues, FY1997-2006

	Actual 1997	Actual fy1998	Actual fy1999	Actual fy2000	Actual fy2001	Actual fy2002	Actual fy2003	Actual fy2004	Actual fy2005	Budget fy2006	97-06 CAGR ^{1/}
Air Carrier Revenue	\$129,136	\$126,436	\$133,990	\$141,721	\$136,346	\$148,353	\$169,434	\$172,163	\$241,051	\$188,000	4.3%
Terminal Auto Parking Revenue	36,051	37,129	54,144	77,008	76,841	99,398	111,141	115,197	116,892	128,000	15.1%
Automobile Rental Revenue	250,519	251,379	260,953	308,550	281,139	307,660	315,668	332,838	365,013	337,050	3.4%
Transient Landing Fees	1,846	614	27	0	0	319	5,406	7,588	3,028	5,000	11.7%
Terminal Concessions Revenue	27,594	31,549	32,427	30,469	30,599	31,620	40,532	41,572	42,019	46,700	6.0%
FBO Revenue ^{2/}	100,713	109,169	129,011	146,988	146,433	148,630	339,726	391,664	489,781	408,500	16.8%
Fuel Flowage Revenue	104,119	124,474	148,460	174,499	179,917	178,677	204,580	202,199	208,689	204,000	7.8%
Hangar Revenue	146,629	171,242	192,408	172,673	200,517	186,589	184,492	184,605	199,073	204,000	3.7%
Miscellaneous Revenue	3,326	-2,182	8,309	1,188	8,977	6,296	15,825	18,667	29,282	20,000	22.1%
Postal Carriers Revenue	5,088	6,191	6,234	6,608	7,005	5,875	7,601	8,360	7,737	9,350	7.0%
Ground Transportation Permit Revenue	4,991	6,000	5,944	6,972	4,650	6,273	7,028	8,197	6,900	9,200	7.0%
ATCT Revenue	342,750	59,545									
Tiedown Permit Revenue	18,258	18,983	17,316	18,094	17,229	17,738	18,494	20,121	24,200	22,000	2.1%
Interest Income	38,402	43,040	26,755	51,973	50,928	29,767	23,330	19,430	24,591	19,500	-7.3%
Total Revenue	\$1,209,422	\$983,569	\$1,015,977	\$1,136,743	\$1,140,581	\$1,167,195	\$1,443,256	\$1,522,601	\$1,758,256	\$1,601,300	

Source: Mead & Hunt, February 2006.

Note: ^{1/}CAGR = Compounded Annual Growth Rate

^{2/} FBO revenue includes transient parking fees, landing fees



Table 6-7 Forecast of Airport Operating Revenues, FY2006-2015

Budget Item	Budget	Projected									CAGR ^{1/}
	fy2006	fy2007	fy2008	fy2009	fy2010	fy2011	fy2012	fy2013	fy2014	fy2015	2006-2015
Airport Operating Revenues:											
Air Carrier Revenue	\$188,000	\$212,816	\$240,908	\$272,708	\$308,705	\$349,454	\$395,582	\$447,799	\$506,908	\$573,820	13.2%
Terminal Auto Parking Revenue	128,000	138,240	149,299	161,243	174,143	188,074	203,120	219,370	236,919	255,873	8.0%
Automobile Rental Revenue	337,050	347,836	358,966	370,453	382,308	394,542	407,167	420,196	433,643	447,519	3.2%
Transient Landing Fees	5,000	5,500	6,050	6,655	7,321	8,053	8,858	9,744	10,718	11,790	10.0%
Terminal Concessions Revenue	46,700	49,502	52,472	55,620	58,958	62,495	66,245	70,220	74,433	78,899	6.0%
FBO Revenue ^{2/}	408,500	441,180	476,474	514,592	555,760	600,221	648,238	700,097	756,105	816,593	8.0%
Fuel Flowage Revenue	204,000	219,912	237,065	255,556	275,490	296,978	320,142	345,113	372,032	401,050	7.8%
Hangar Revenue	204,000	224,400	246,840	271,524	298,676	328,544	361,398	397,538	437,292	481,021	10.0%
Miscellaneous Revenue	20,000	20,640	21,300	21,982	22,686	23,411	24,161	24,934	25,732	26,555	3.2%
Postal Carriers Revenue	9,350	10,005	10,705	11,454	12,256	13,114	14,032	15,014	16,065	17,190	7.0%
Ground Transportation Permit Revenue	9,200	9,844	10,533	11,270	12,059	12,903	13,807	14,773	15,807	16,914	7.0%
ATCT Revenue		-	-	-	-	-	-	-	-	-	
Tiedown Permit Revenue	22,000	22,704	23,431	24,180	24,954	25,753	26,577	27,427	28,305	29,211	3.2%
Interest Income	19,500	19,890	20,288	20,694	21,107	21,530	21,960	22,399	22,847	23,304	2.0%
Total Airport Operating Revenues	\$1,601,300	\$1,722,468	\$1,854,332	\$1,997,932	\$2,154,421	\$2,325,071	\$2,511,286	\$2,714,624	\$2,936,806	\$3,179,739	7.9%

Source: Mead & Hunt, April 2006.

^{1/}CAGR=Compounded Annual Growth Rate

^{2/}FBO revenue includes transient parking fees, landing fees

Table 6-8 Historical Airport Operating Expenses, FY1997-2006

	Actual 1997	Actual fy1998	Actual fy1999	Actual fy2000	Actual fy2001	Actual fy2002	Actual fy2003	Actual fy2004	Actual fy2005	Budget fy2006	97-06 10year CAGR
Personnel Expenditures	\$354,451	\$388,737	\$450,305	\$485,541	\$527,094	\$575,903	\$619,789	\$727,208	\$779,514	\$861,903	10.4%
Administrative Expenses											
Travel Expenditures - Administrative	\$7,528	\$8,985	\$8,968	\$3,562	\$8,304	\$2,557	\$4,226	\$3,724	\$11,310	\$13,000	6.3%
Supplies/Equipment - Administrative	8,510	9,766	10,043	8,862	9,780	7,485	12,516	14,954	17,540	13,000	4.8%
Insurance - Administrative	24,715	26,720	25,353	23,456	25,507	33,714	43,853	64,133	77,743	73,704	12.9%
Utilities - Administrative	34,120	39,265	45,388	41,519	49,862	56,743	53,824	62,536	68,430	89,750	11.3%
Professional Services - Administrative	47,736	61,484	75,681	48,811	48,878	73,786	39,999	66,319	58,043	80,000	5.9%
Maintenance - Office Equipment (Admin)	3,144	4,908	5,351	6,640	3,002	3,475	7,652	9,531	9,578	15,000	19.0%
Rent/Lease Equipment - Administrative	864	669	1,786	1,376	1,691	1,029	1,824	1,308	1,542	2,000	9.8%
Dues/Membership/Publications	6,404	7,230	8,682	8,469	10,092	13,711	12,412	12,504	8,050	17,000	11.5%
Postage - Administrative	2,568	3,006	3,052	2,750	2,944	1,898	2,829	3,296	4,234	5,000	7.7%
Education/Training - Administrative	9,694	12,796	14,959	8,394	26,594	18,732	32,673	28,777	15,728	30,000	13.4%
Contracts Labor - Administrative	12,065	11,600	12,000	18,000	30,075	76,058	188,907	67,080	60,899	74,800	22.5%
Miscellaneous - Administrative	6,979	27,472	10,254	8,769	6,433	4,573	10,205	19,401	9,247	14,000	8.0%
Total Administrative Expenses	\$164,328	\$213,900	\$221,517	\$180,610	\$223,162	\$293,759	\$410,920	\$353,563	\$342,344	\$427,254	11.2%
Operational Expenses											
Supplies/Equipment - ARFF/Operations	\$10,761	\$9,288	\$13,755	\$12,462	\$12,455	\$11,913	\$18,740	\$21,996	\$44,199	\$38,000	15.0%
Fuel/Lubricants	12,542	8,713	9,832	10,286	9,674	12,322	10,416	15,715	16,542	20,000	5.3%
Vehicles/Maintenance	18,426	14,384	17,341	19,995	15,941	20,015	16,646	21,524	18,212	23,000	2.5%
ARFF Maintenance	710	6,791	2,864	1,174	446	2,840	803	2,044	2,117	5,000	24.2%
Repairs/Maintenance - Building	14,918	9,305	10,472	11,954	8,765	10,954	18,318	17,161	13,635	20,000	3.3%
Repairs/Maintenance - Airside	64,657	12,123	12,359	13,096	12,006	8,440	24,944	20,815	17,375	25,000	-10.0%
Repairs/Maintenance - Aeronautical Equip.	4,196	7,579	8,100	5,534	8,119	13,182	7,165	8,293	11,784	12,000	12.4%
Security	3,237	3,641	1,445	3,846	3,880	27,186	5,484	12,787	20,351	25,000	25.5%
Total Operational Expenses	\$129,447	\$71,823	\$76,169	\$78,347	\$71,286	\$106,853	\$102,516	\$120,335	\$144,215	\$168,000	2.9%
Miscellaneous Capital Expenses	\$6,239	\$8,001	\$19,990	\$12,028	\$5,117	\$3,350	\$33,110	\$7,861	\$5,969	\$58,000	
ATCT	\$327,114	\$53,268	\$26,677	\$28,450	\$30,213	\$26,400	\$6,600	\$155	\$0	\$0	
Total Airport Operating Expenses	\$981,579	\$735,729	\$794,657	\$784,975	\$856,873	\$1,006,265	\$1,172,935	\$1,209,122	\$1,272,042	\$1,515,157	
Net Income	\$227,843	\$247,841	\$221,320	\$351,768	\$283,708	\$160,930	\$270,321	\$313,478	\$486,214	\$86,143	
Total Airline Revenues	\$129,136	\$126,436	\$133,990	\$141,721	\$136,346	\$148,353	\$169,434	\$172,163	\$241,051	\$188,000	
Enplanements	60,939	61,430	68,303	71,611	59,253	64,515	73,883	70,191	68,209	71,270	
Cost Per Enplaned Passenger	\$2.12	\$2.06	\$1.96	\$1.98	\$2.30	\$2.30	\$2.29	\$2.45	\$3.53	\$2.64	

Source: Mead & Hunt, April 2006.

Table 6-9 Forecasting of Airport Operating Expenses, FY2007-2015

Budget Item	Budget		Projected								CAGR ² 2006-2015
	fy2006	fy2007	fy2008	fy2009	fy2010	fy2011	fy2012	fy2013	fy2014	fy2015	
Personnel Expenditures ^{1/}	\$861,903	\$922,236	\$986,793	\$1,133,868	\$1,213,239	\$1,298,166	\$1,389,037	\$1,486,270	\$1,590,309	\$1,876,409	7.0%
Administrative Expenses											
Travel Expenditures - Administrative	\$13,000	\$13,390	\$13,792	\$14,205	\$14,632	\$15,071	\$15,523	\$15,988	\$16,468	\$21,962	3.0%
Supplies/Equipment - Administrative	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962	3.0%
Insurance - Administrative	73,704	79,600	85,968	92,846	100,273	108,295	116,959	126,316	136,421	147,335	8.0%
Utilities - Administrative	89,750	93,340	97,074	100,957	104,995	109,195	113,562	118,105	122,829	127,742	4.0%
Professional Services - Administrative	80,000	83,200	86,528	89,989	93,589	97,332	101,226	105,275	109,486	113,865	4.0%
Maintenance - Office Equipment (Admin)	15,000	15,600	16,224	16,873	17,548	18,250	18,980	19,739	20,529	21,350	4.0%
Rent/Lease Equipment - Administrative	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	4.0%
Dues/Membership/Publications	17,000	17,510	18,035	18,576	19,134	19,708	20,299	20,908	21,535	22,181	3.0%
Postage - Administrative	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	3.0%
Education/Training - Administrative	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	44,143	3.0%
Contracts Labor - Administrative	74,800	77,044	79,355	81,736	84,188	86,714	89,315	91,995	94,754	97,597	3.0%
Miscellaneous - Administrative	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	3.0%
Total Administrative Expenses	\$427,254	\$445,624	\$464,915	\$485,181	\$506,479	\$528,872	\$552,425	\$577,209	\$603,298	\$640,774	
Operational Expenses											
Supplies/Equipment - ARFF/Operations	\$38,000	\$ 39,520	\$ 41,101	\$ 42,745	\$ 44,455	\$ 46,233	\$ 48,082	\$ 50,005	\$ 52,006	\$ 54,086	4.0%
Fuel/Lubricants	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	4.0%
Vehicles/Maintenance	23,000	23,690	24,401	25,133	25,887	26,663	27,463	28,287	29,136	30,010	3.0%
ARFF Maintenance	5,000	5,275	5,565	5,871	6,194	6,535	6,894	7,273	7,673	8,095	5.5%
Repairs/Maintenance - Building	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	3.0%
Repairs/Maintenance - Airside	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	3.0%
Repairs/Maintenance - Aeronautical Equip.	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	3.0%
Security	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	3.0%
Total Operational Expenses	\$168,000	\$173,745	\$179,692	\$185,850	\$192,224	\$198,824	\$205,658	\$212,734	\$220,061	\$227,649	
Miscellaneous Capital Expenses	\$58,000	\$50,000									
Airport Traffic Control Tower	\$0										
Total Airport Operating Expenses	\$1,515,157	\$1,591,606	\$1,681,400	\$1,854,899	\$1,961,943	\$2,075,862	\$2,197,121	\$2,326,213	\$2,463,669	\$2,794,832	

Source: Mead & Hunt, April 2006.

Note: ^{1/} Additional staff position(s) assumed in years 2009 and 2015

^{2/} CAGR= Compounded Annual Growth Rate

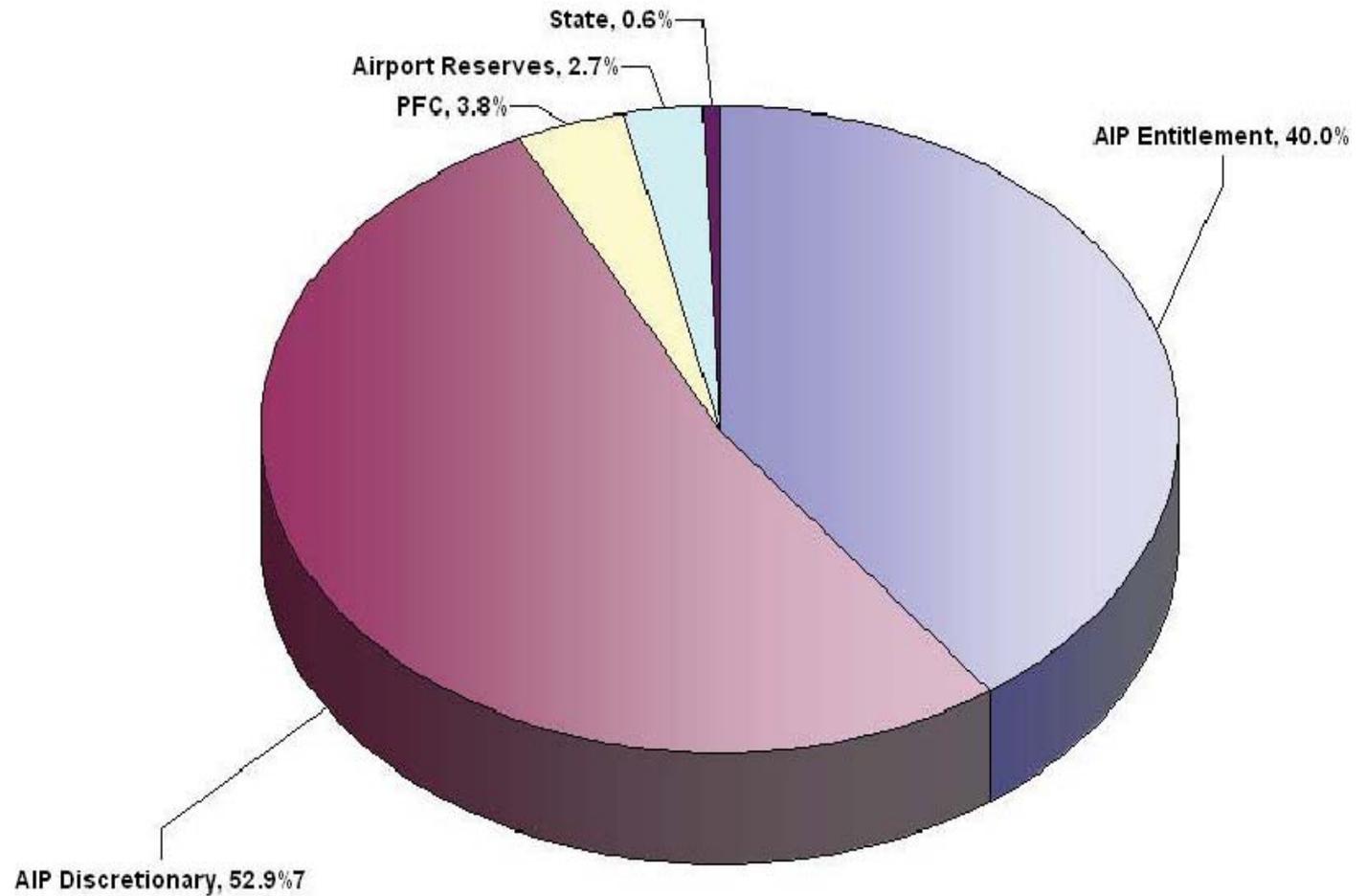


Table 6-2 Conceptual Funding Plan for Airport CIP

Funding Source	Contribution		
	Subtotal	Total	%
Funding Sources (FY2007-FY2010)			
AIP Entitlement	\$ 4,000,000		40.0%
AIP Discretionary	5,300,500		52.9%
Passenger Facility Charge	377,200		3.8%
Airport Reserves (local match)	274,500		2.7%
State of Idaho (\$15K per year)	60,000		0.6%
Subtotal Funds (FY2007-FY2010)		\$ 10,012,200	100.0%
Funding Sources (FY2011-FY2016)			
FAA Letter of Intent (\$10M per year for 5 years)	\$ 50,000,000		51.4%
Other AIP Discretionary	665,563		0.7%
FAA Entitlement (\$1M per year)	6,000,000		6.2%
FAA Facilities & Equipment Program -- Navajids	2,000,000		2.1%
Passenger Facility Charge (2011-2015)	2,880,708		3.0%
Sale of FMA Property (purchased with grants) ^{1/}	27,448,000		28.2%
Sale of Airport Property (airport-owned) ^{1/}	3,450,000		3.5%
Local Funds	4,814,023		4.9%
State of Idaho (\$15K per year)	75,000		0.1%
Subtotal Funds (FY2011-FY2015)		\$ 97,333,293	100.0%
Total Funds (FY2007-FY2016)		\$ 107,345,493	

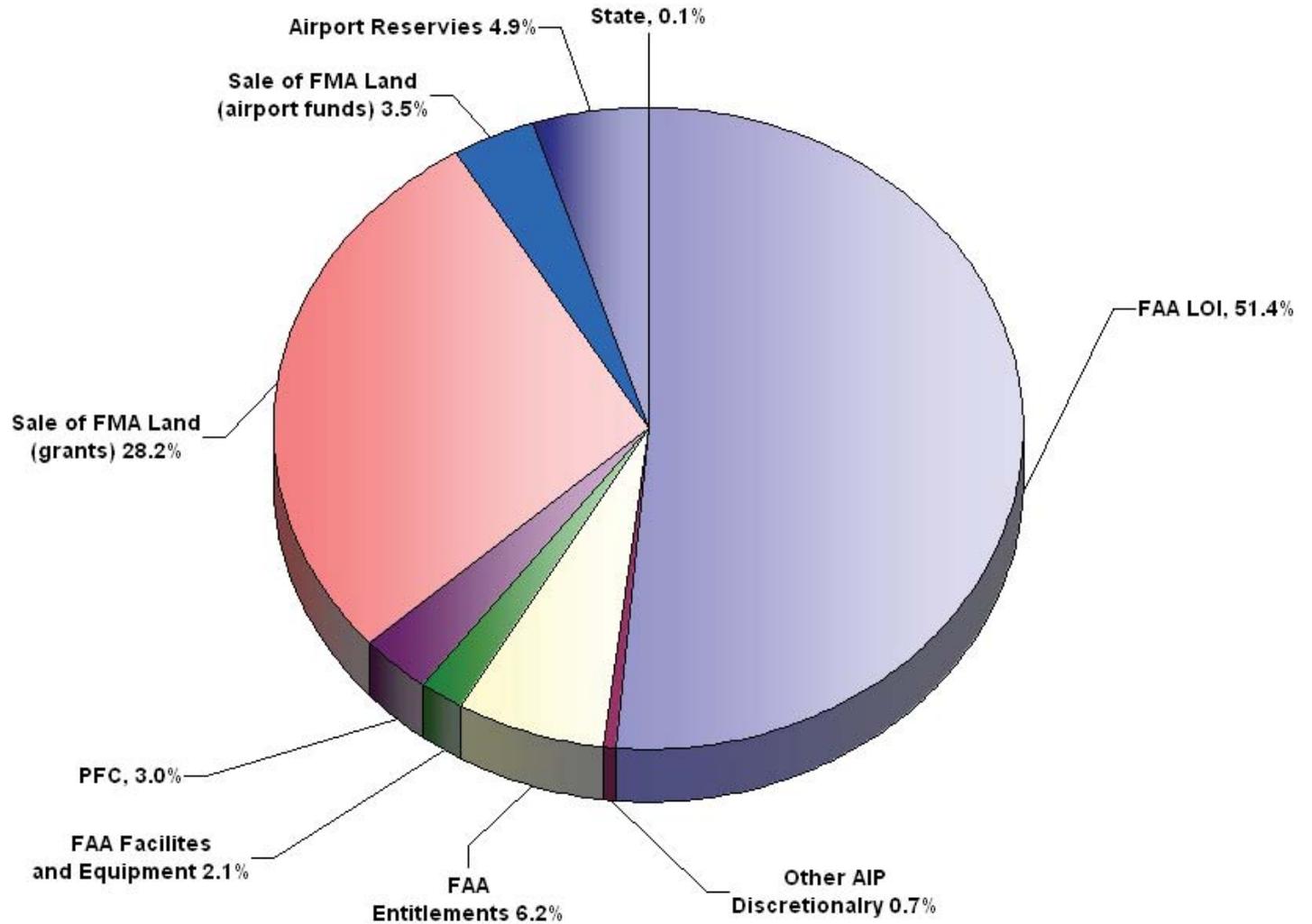


Graph 6-1 Funding Sources Existing Airport (FY2007-2010)





Graph 6-2 Funding Sources New Airport (FY2011-2015)





Conclusion

- Based on this analysis, it is not anticipated that airport debt would need to be issued to support the project. However, if some of the principle assumptions used in this analysis were to change dramatically, it is feasible to use bonds to support the project. Revenues from PFCs would be used to repay the bonds.



THANK YOU

FAA Northwest Mountain Region Airports conference
March 16-18, 2009

Presented by:
Mr. Rick Baird
Friedman Memorial Airport



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