

CHAPTER 5: IMPLEMENTATION PLAN AND FINANCIAL ANALYSIS

5.1. CHAPTER INTRODUCTION

Previous chapters of this Master Plan Update presented analyses that evaluated the Airport's facility needs based on existing infrastructure and forecasts of aviation demand. Various alternatives were then developed to address these facility needs, which were presented to members of the Master Plan Advisory Committee, the public, City staff, and the FAA. Based on feedback from these stakeholder groups, a Recommended Development Plan (RDP), presented in **Chapter 4 – Alternatives**, was developed to reflect a summation of all improvements to be made at Cottonwood Municipal Airport during the 20-year planning horizon.

This chapter summarizes projects as described in the RDP, environmental documentation requirements for various projects, anticipated funding sources, as well as an updated 5-year and 10-year airport Capital Improvement Program (CIP). Also included are opinions of probable costs (OPCs) for each project. OPCs should be re-evaluated and updated as projects transition from high-level planning to engineering and construction. Additionally, implementation of projects will depend on obtaining environmental clearance, the availability of public and private funds, FAA programming, City priorities, and attainment of forecast activity levels.

5.2. RECOMMENDED DEVELOPMENT PLAN

In addition to projects recommended based on analyses provided in this Master Plan Update, projects included in the Airport's previous CIP that are still valid and improvement projects identified within the Arizona Airport Pavement Management System (APMS) are described below. These projects are planned based upon anticipated demand and funding availability, and are grouped into the following phases:

5.2.1. Near Term Projects (0 - 5 Years)

- Reconstruct Taxiway A, Taxiway C, and replace Taxiway D. Reconstruct two new connector taxiways. Includes LED taxiway signage.
- Seal coat and re-mark Rwy 14/32.
- Install LED lights for Runway 14/32. Upgrade electrical vault & install airfield lighting control system.
- Upgrade Runway 14/32 PAPIs and REILs.
- Upgrade Runway guidance signs to LED.
- Environmental Assessment for Runway 14/32 improvements.
- Construct new helicopter landing area/parking apron area. Includes standard markings/lighting.
- Install emergency generator.
- Design/Construct Runway 14/32 extension, strengthening, and reconstruction.
- Relocate Power Control Units for Rwy 14/32 PAPIs.
- Install wildlife anti-dig fencing.
- Vegetation obstacle removal.
- Construct two new hangars.

5.2.2. Mid Term Projects (6 – 10 Years)

- Apron reconfiguration and new connector taxiways.
- East taxiway improvements.
- Site preparation for hangar development.
- New vehicle parking and extension of access road.
- Relocate fuel tanks.
- Install new Jet A fuel tank.
- Lower AOA fence to mitigate airspace obstruction.
- Replace rotating beacon.
- Remove Mingus Ave. access gate and relocate AOA fencing.
- Relocate T-shade.
- Purchase Airport vehicle.
- Construct two new hangars.
- Update Airport Master Plan/Airport Layout Plan.

5.2.3. Long Term Projects (11 – 20 Years)

Based on demand and availability of funding, as well as input provided by the Sponsor, it was determined that the projects identified in the RDP should be completed within a 10-year timeframe. However, as activity and demand at the Airport evolves over time, the Sponsor should continue to track its CIP and adjust projects and phasing as appropriate. Additionally, the Airport should continue to perform routine pavement management projects and monitor/remove obstacles to air navigation as needed.

5.3. ENVIRONMENTAL CONSIDERATIONS

It is important to have a strategy for the acquisition of required environmental approvals under the National Environmental Policy Act (NEPA) for the RDP. For certain projects, it is anticipated that FAA approval of the ALP will be conditional upon environmental review. Other environmental considerations related to NEPA may include impacts to sensitive habitats or hazardous waste sites on Airport property. An overview of environmental considerations was conducted as part of this Master Plan Update; however, project specific NEPA documentation will be required prior to design and construction.

The three types of environmental review are described below:

Environmental Assessment (EA): A public document prepared by an airport sponsor to provide sufficient evidence to determine if a proposed action would require the preparation of an Environmental Impact Statement (EIS) or a finding of no significant impact (FONSI). This process takes 6 months to 2 years to complete, on average.

Environmental Impact Statement (EIS): A public document that is required for an airport development action that may “significantly affect the quality of the human environment.” The EIS describes a proposed action’s impacts on the environment, the impacts associated with alternatives, and plans to mitigate impacts. On average, this process takes 2 to 3 years to complete.

Categorical Exclusion (CatEx): Actions that do not cumulatively or individually have a significant impact on the human environment fall into this category. Neither an EA nor EIS are required for such actions. Typically, the process of CatEx documentation and FAA approval takes 2 to 6 months.

RDP projects that are anticipated to require environmental review are presented in **Table 5.1**.

Table 5.1 - Project NEPA Documentation Requirements

Project	NEPA Documentation
Taxiway A reconstruction	CatEx
Runway 14/32 lighting improvements	CatEx
Runway 14/32 PAPI and REIL updates	CatEx
Upgrade Runway guidance signs to LED	CatEx
New helicopter landing area/parking apron area	CatEx
Install emergency generator	CatEx
Runway 14/32 extension and reconstruction	EA
Relocate PCUs for Rwy 14 and 32 PAPIs.	CatEx
Install wildlife anti-dig fencing	CatEx
Apron reconfiguration and new connector taxiways	CatEx
East taxilane improvements	CatEx
Site preparation for hangar development	CatEx
New vehicle parking and access road extension	CatEx
Relocate fuel tanks	CatEx
Install new Jet A fuel tank	CatEx
Replace rotating beacon	CatEx
Remove Mingus Ave. Access Gate, AOA Fence	CatEx
Relocate T-shade	CatEx
New hangar construction	CatEx

Source:FAA Order 1050.1F *Environmental Impacts: Policies and Procedures***Notes:**

CatEx: Categorical Exclusion

EA: Environmental Assessment

5.4. FUNDING PLAN

The funding plan identifies likely funding sources for RDP projects. To support the development of the funding plan, a Capital Improvement Program (CIP) was developed concurrent with the RDP. The CIP identifies funding sources that are expected to be available through the planning period for RDP projects.

5.4.1. Assumptions

The funding plan was developed using information and assumptions that provide a reasonable foundation for analysis on the level of an airport master plan update. It is important to note that some of the assumptions used to project funding sources may not come to fruition as unanticipated circumstances and events may take place. Therefore, there will be variance between forecast and actual results, and the difference between the two could be material.

The funding plan is by nature preliminary and is not intended for use in support of bond sales or to obtain other forms of financing. Additionally, more detailed financial analyses and cost estimates are necessary to implement individual projects. Note that some RDP projects could be postponed if forecast aviation activity does not occur, construction costs significantly increase, or if projected funding is not available.

Cost estimates for RDP projects were developed using region-specific criteria. These estimates included hard and soft construction costs, as well as estimates for planning, design and contingency. Generally, estimates for construction projects included a 12 percent planning, environmental, and design cost. Additionally, projects identified to be completed within the 6-10 year planning horizon included a 10 percent increase in total cost to account for inflation.

5.4.2. Funding Sources

The following sections include detailed descriptions of assumed funding sources. Each funding source available has unique availability, eligibility, and time constraints. For each source considered, availability of a given fund does not necessarily indicate that all of the available fund would be allocated to RDP projects.

Airport Improvement Program Grants

The Airport Improvement Program (AIP) is the FAA grant program that funds capital development at eligible airports in the NPIAS, which includes general aviation airports that are categorized by the FAA as “Local” like Cottonwood Municipal Airport. Annual non-primary entitlement grants are provided from the AIP to airports, which is based on 20 percent of the 5-year cost of need, up to an annual maximum of \$150,000. In the event that additional funding is required, the FAA may also issue discretionary AIP grants to supplement the entitlement funds. AIP funds can be used for most non-revenue-generating airport development. However, these funds may also be used for revenue-generating projects if there are no other needs at an airport and the FAA is in agreement with the situation.

Grant-specific assumptions made for this analysis are described below:

Entitlement Grants. As an operator of a non-primary airport, the City is eligible for an AIP entitlement apportionment in each federal fiscal year that the AIP is funded to \$3.2 billion or more. The entitlement is calculated as 20 percent of the 5-year cost of the Airport’s need listed in the most recent NPIAS, up to \$150,000 annually. It was assumed that the current FAA methodology for entitlement allocation would remain constant. Therefore, available AIP entitlement grants for the City would total approximately \$3.0 million over the 20-year planning period or \$1.5 million within a 10-year timeframe.

Discretionary Grants. The FAA administers discretionary grants for projects based on their priority. Projects that involve reconstruction/rehabilitation, safety, and capacity receive the highest level of priority. The City is eligible for 91.06 percent of eligible project costs to be financed with discretionary funds due to its status as an operator of a non-primary airport in Arizona. This percentage may vary depending on the amount of discretionary funds administered. During the planning period, it was estimated that the City would require approximately \$3.2 million in FAA discretionary grants through the 10-year planning period.

Bipartisan Infrastructure Bill. The Bipartisan Infrastructure Bill (BIL), also known as the Infrastructure Investments and Jobs Act (IIJA), was signed into law on November 15, 2021. The \$1.2 trillion bill allocates \$25 billion for aviation infrastructure over a five (5) year period. \$15 billion will be allocated towards formula funding for airport development grants based on passenger counts. Airports will be able to compete for \$5 billion in grant programs for airport terminal and landside improvements. The remaining \$5 billion will be used to update FAA towers and facilitates. The Airport is eligible to receive a total of \$159,000 annually in BIL funding between fiscal year 2022 and 2026. As such, it was assumed that the Airport would receive its full allotment of \$795,000, which must be spent by the end of fiscal year 2026.

State Funds

The Arizona Department of Transportation (ADOT) provides grants to assist with federal grant matching for projects that are eligible for FAA grants (Federal/State/Local grants), airport pavement preservation, and other projects that benefit the State aviation system (State/Local grants).

ADOT established the Arizona Development Loan Program to enhance the utilization of available state funds. This program was designed to be a flexible funding mechanism that would assist eligible airport sponsors as they improved the economic status of their respective airports. Eligible airport operators identified in the ADOT State Airports System Plan (SASP) may use this program for projects related to the following: Construction of runways, taxiways, aprons, aircraft storage facilities (hangars), utility services (water, power, sewer, etc.), ramp lighting, airport drainage, planning studies, land acquisition, approach aids, general aviation terminal buildings, airport fencing, fueling facilities, planning studies, and the preparation of plans and specifications for airport construction projects when the Loan Program is active.

ADOT provides half of the local matching share for capital development funded by the FAA, subject to funding availability in the State Aviation Fund. The ADOT State/Local grant program provides support for airport development for up to 90 percent of the eligible cost of a project. State/Local projects receive priority utilizing the ADOT priority ranking system and must be approved by the State Transportation Board.

Another funding mechanism sponsored by the State includes grants administered based on the results of the ADOT Airport Pavement Management System (APMS) Program. Every year, the State uses the APMS to identify airport pavement maintenance projects that are eligible for funding for the next five years. The project selection criteria does not guarantee that a pavement maintenance program will be funded.

The 10-year CIP identifies that approximately \$1.9 million in State grant funding will needed for Federal/State/Local and State/Local eligible development projects. Multi-year phasing may be required for specific projects presented in the RDP and CIP based on funding availability and project eligibility.

Local Funding

As noted, for FAA and ADOT grant eligible projects, a local match by an airport sponsor of 4.47% or 10% is required, respectively. For projects that are not eligible for grant funding and are not funded privately (such as by a tenant or developer), local funds must be used. For projects identified in the 10-year CIP, local funding comprises approximately \$5 million. It should be noted that several projects assumed a 50%/50% split

between local and third-party funding. These projects primarily include those that provide a direct benefit to tenants or preparation for and construction of aircraft storage hangars.

Private or Third-Party Funding

Projects identified in the CIP that are anticipated to occur on private leaseholds or provide direct benefit to a tenant may not be eligible for AIP or State grants. In such cases, private or third-party funding may be required. Typically, private development projects on airport property consist of a long-term (20-30 year) lease where a developer can recoup project construction costs. As noted, the CIP includes some projects that assumed a 50%/50% local-private funding split. Over the 10-year planning period, it was assumed that approximately \$4.1 million in private funding would be needed.

5.4.3. Capital Improvement Program

Table 5.2 summarizes the Airport's CIP for near term (FY 2024-2028) and mid-term (FY 2029-2033) projects. Estimated capital expenditures total approximately \$16.5 million (in escalated dollars) for all projects in the CIP. The timing of the Airport's 5-year CIP is denoted. Projects listed in the 6-10 range do not have specific years associated and should be prioritized based on realized need and demand. Projects identified within a 5-year timeframe typically reflect more immediate airport needs or facilities with potential funding having already been secured, as opposed to a 10-year CIP that identifies anticipated needs throughout the planning horizon.

Table 5.2 - 10-Year Airport Capital Improvement Program

Project	Fiscal Year	Funding Source	Project Cost	Federal Share	State Share	Private/ Third Party Share	Local Share
FY 2024-2028 Projects							
Taxiway A reconstruction	2024	FSL	\$1,270,700	\$1,157,099	\$56,800	--	\$56,800
Seal Coat and remark RWY 14/32	2024	FSL	\$221,417	\$201,622	\$9,897	--	\$9,897
Install LED lights on RWY 14/32. Upgrade electrical vault & airfield lighting control system	2024	SL	\$1,000,000	--	\$900,000	--	\$100,000
Upgrade RWY 14/32 PAPIs and REILs	2024	SL	\$200,000	--	\$180,000	--	\$20,000
Upgrade guidance signs to LED	2024	SL	\$400,000	--	\$360,000	--	\$40,000
Environmental Assessment for RWY 14/32 improvements	2025	FSL	\$300,000	\$273,180	\$13,410	--	\$13,410
New helicopter landing area (includes marking and lighting)	2025	FSL	\$78,795	\$71,751	\$3,522	--	\$3,522
Install emergency generator	2025	SL	\$50,000	--	\$45,000	--	\$5,000
Vegetation obstacle removal	2026	FSL	\$215,400	\$196,143	\$9,628	--	\$9,628
Runway 14/32 extension, strengthening, and reconstruction (design in FY 2026, construction FY 2027)	2026/ 2027	FSL	\$1,672,905	\$1,523,347	\$74,779	--	\$74,779
Relocate power control units for PAPIs	2027	FSL	\$65,000	\$59,189	\$2,906	--	\$2,906
Install wildlife anti-dig fencing	2028	FSL	\$381,160	\$347,084	\$17,038	--	\$17,038
Construct 2 new hangars	2028	L/P	\$1,209,200	--	--	\$604,600	\$604,600
FY 2029-2033 Projects							
Apron reconfiguration and new connector taxiways	--	FSL	\$1,228,700	\$1,118,854	\$54,923	--	\$54,923
East taxiway improvements	--	L/P	\$132,220	--	--	\$66,110	\$66,110
Site preparation for hangar development	--	L/P	\$6,310,700	--	--	\$3,155,350	\$3,155,350
New vehicle parking and access road extension	--	L/P	\$520,300	--	--	\$260,150	\$260,150
Relocate fuel tanks	--	L	\$53,000	--	--	--	\$53,000
Install new Jet A fuel tank	--	L	\$305,000	--	--	--	\$305,000
Lower AOA fence (obstacle)	--	SL	\$1,680	--	\$1,512	--	\$168
Replace rotating beacon	--	SL	\$178,080	--	\$160,272	--	\$17,808
Remove Mingus Ave. access gate and AOA fence	--	L	\$61,600	--	--	--	\$61,600
Relocate T-shade	--	L	\$81,000	--	--	--	\$81,000

Project	Fiscal Year	Funding Source	Project Cost	Federal Share	State Share	Private/ Third Party Share	Local Share
Purchase Airport vehicle	--	FSL	\$44,800	\$40,795	\$2,003	--	\$2,003
Master Plan Update/ ALP Update	--	FSL	\$560,000	\$509,936	\$25,032	--	\$25,032
0-5- Year Subtotal			\$7,064,577	\$3,829,416	\$1,672,980	\$604,600	\$957,580
6-10 Year Subtotal			\$9,477,080	\$1,669,585	\$243,741	\$3,481,610	\$4,082,143
Grand Total			\$16,541,657	\$5,499,001	\$1,916,722	\$4,086,210	\$5,039,724

Sources:

Kimley-Horn, 2022.

Airport Management.

Notes:

All construction projects include design and construction costs unless otherwise noted.

FSL: Federal/State/Local

SL: State/Local

L: Local

P: Private

5.5. FINANCIAL FEASIBILITY ANALYSIS

The Financial Feasibility Analysis compares the anticipated local share for projects identified in the 10-year CIP with the Airport's ability to fund these projects. A schedule for implementation is identified; however, final financial requirements are contingent on economic conditions, actual aviation-related activity, and other factors. Therefore, the City of Cottonwood is responsible for managing and budgeting of all Airport-generated revenues and expenditures including local matching for Federal and State grants.

The Airport's revenues and expenditures, as well as a comparison of cash flows and local grant matching requirements, are provided in the following sections.

5.5.1. Airport Revenues

Below are descriptions of categorized Airport revenues along with the amount that the City has budgeted for each category in Fiscal Year 2022. Projections of revenues and expenditures developed for the 10-year the Cash Flow Analysis incorporate general assumptions regarding forecast aviation demand at the Airport as well as inflation rates. Total revenues at the Airport in Fiscal Year 2022 amounted to \$360,740.

- **Taxes, Fees, and Transfers: 2022 Revenue = \$205,815.** Includes sales tax revenues, transfers from the City to pay for capital improvement projects and operating shortages, commercial operating permit, Airport application fees, penalties/late fees, and budget balance carryover.
- **Fueling Revenues (net): 2022 Revenue = N/A.** Includes the net revenues from fuel sales. Value is determined by subtracting the fuel sales expenses from the fuel sales income. In 2020 and part of 2021, the Airport's FBO operated fuel concessions. Starting in 2021, those duties were transferred to the Airport.
- **Building Rental Income (non-hangar): 2022 revenue = \$12,000.** Includes revenues for the terminal/admin building and FBO facilities. Although the Airport does not currently have a full-service FBO, it is assumed that another FBO would commence operations in Fiscal Year 2023.
- **Tie-Down, Land Lease, and Hangar Rent: 2022 Revenue = \$82,245.** Includes revenues associated with aircraft tie-downs, land lease fees, and City-owned hangar fees.
- **Other Income: 2022 Revenue = \$2,000.** Includes miscellaneous revenues not categorized by the City and rent from the FBO building.

5.5.2. Airport Expenditures

Below are descriptions of categorized Airport expenditures along with the amount that the City has budgeted for each category in Fiscal Year 2022. Total expenditures at the Airport in Fiscal Year 2022 amounted to \$358,010

Personnel Services: 2022 expenditure = \$113,860. Includes employee salaries, benefits, and insurance.

Memberships, Office Expenses, and Marketing Expenses: 2022 expenditures = \$11,500. Includes operational equipment and supplies, office supplies, travel/training, subscriptions/memberships, and the Airport's annual event.

Operating and Maintenance Expenses: 2022 expenditures = \$54,670. Includes vehicle, building, and equipment maintenance and repair, transfers for grants, furnishing and equipment and Airport improvements (non-capital).

Legal and Support Expenses: 2022 expenditures = \$119,940. Includes contractual services, bank charges, computer support, general counsel, liability insurance, indirect costs to the General Fund, and any budget reserves.

5.5.3. Cash Flow Analysis

The cash flow analysis compares forecast Airport revenues and expenditures. The net result is then compared to local grant matching requirements in the 10-year CIP to identify surpluses or deficits. Airport Management provided budget information for Fiscal Year 2022 and the projected budget for Fiscal Year 2023. The cash flow analysis made assumptions to identify estimates of future revenues and expenditures. These assumptions are identified in **Table 5.3**. As noted in the table, *Baseline Fiscal Year* indicates the year from when an annual growth rate or inflation rate was applied. This year is either the actual budget for FY 2022 or the projected budget for FY 2023 to factor for abnormally high or low budgets. Budget items that did not have actual values in FY 2022 or 2023, or that were not anticipated to recur in the 10-year horizon were omitted from the cash flow analysis for future years.

Table 5.3 - Cash Flow Analysis Assumptions

Item	Category	Annual Growth Rate	Baseline Fiscal Year*
Revenues			
Fuel Sales Income (net)***	Fueling Revenues (net)	1.7%	N/A
Tie Down Rent	Tie-Down/Land Lease, Hangar Rent	3.0%	2023
Land Lease Fees	Tie-Down/Land Lease, Hangar Rent	3.0%	2023
City Hangar Lease Fees	Tie-Down/Land Lease, Hangar Rent	3.0%	2023
Other Income	Other Income	3.0%	2022
Expenditures			
Salaries	Personnel Expenditures	3.0%	2023
Social Security	Personnel Expenditures	3.0%	2023
Medicare Tax	Personnel Expenditures	3.0%	2023
AZ State Retirement	Personnel Expenditures	3.0%	2023
Health/Life Insurance	Personnel Expenditures	3.0%	2023
Worker's Compensation	Personnel Expenditures	3.0%	2023
Recreation Membership Benefits	Memberships, Office/Marketing	3.0%	2023
Operational Equipment & Supplies	Memberships, Office/Marketing	3.0%	2023
Office Supplies	Memberships, Office/Marketing	3.0%	2023
Vehicle Maintenance & Repair	O&M Expenditures	3.0%	2023
Equipment Maintenance & Repair	O&M Expenditures	3.0%	2023
Building M&R	O&M Expenditures	3.0%	2023
Contractual Services	Legal/Support Services	3.0%	2023
Bank Charges	Legal/Support Services	3.0%	2023
Computer Support	Legal/Support Services	3.0%	2022
General Counsel	Legal/Support Services	3.0%	2022
Utilities	O&M Expenditures	3.0%	2023
Telephone	O&M Expenditures	3.0%	2023
Travel/Training	Memberships, Office/Marketing	3.0%	2023
Subscriptions/Memberships	Memberships, Office/Marketing	3.0%	2023
Airport Annual Event	Memberships, Office/Marketing	3.0%	2022
Liability Insurance	Legal/Support Services	3.0%	2023
Indirect Cost to General Fund	Legal/Support Services	3.0%	2023
Furnishing & Equipment	O&M Expenditures	3.0%	2022

Sources:

Airport Management, Kimley-Horn 2022.

Notes:

*Baseline Fiscal Year indicates the year from when an annual growth rate or inflation rate was applied. This year is either the actual budget for FY 2022 or the projected budget for FY 2023 to factor for abnormally high or low budgets.

** Transfers in includes local grant requirements. The cash flow identifies the amount needed to transfer. As such that amount is calculated in Table 5.5.

***1.7% growth rate mimics annual growth rate for aircraft operations over 20-year planning horizon. Based on historical data, net airport revenues roughly equate to \$2 per aircraft operation. This figure was applied to forecast total operations based on the Airport's operational monitoring system rather than the FAA-approved forecast developed for this Master Plan Update.

Table 5.4 depicts The Airport’s budget for Fiscal Year 2022, anticipated budget for Fiscal Year 2023, and budget estimates for Fiscal Years 2024 through 2032 based on the assumptions identified in **Table 5.3**. It should be noted that local share for capital improvement project grants (Transfer out to Grants) is not calculated for future years. That value is identified in **Table 5.5** as the additional amount the Airport will need to satisfy local grant requirements. As shown in **Table 5.4**, the Airport is anticipated to have slight year-to-year deficits between Fiscal Years 2023-2032 that amount to an overall deficit of \$72,400 through the 10-year horizon.

Table 5.5 identifies total Airport revenues, expenditures, and deficits by year based on the 10-year CIP derived from **Table 5.2**. By 2032, it is anticipated that the Airport will have an overall budget deficit of \$5,902,265 when local grant match requirements are factored for. It should be noted that several of the projects in the 6–10-year timeframe are anticipated to be privately/locally funded, which is a significant contributing factor to the forecast deficit.

Table 5.4 - 10-Year Airport Cash Flow Analysis

Item	2022 Budget	2023 Budget	2024 Est.	2025 Est.	2026 Est.	2027 Est.	2028 Est.	2029 Est.	2030 Est.	2031 Est.	2032 Est.
Airport Revenues											
Taxes, Fees, and Transfers	\$205,815	--	--	--	--	--	--	--	--	--	--
Fueling Revenues (Net)	N/A	\$76,400	\$77,574	\$78,892	\$80,233	\$81,597	\$82,984	\$84,166	\$85,596	\$87,051	\$88,531
Building Rental Income (Non-Hangar)	\$12,000	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
Tie-Down, Land Lease, and Hangar Rent	\$140,925	\$174,242	\$179,469	\$184,853	\$190,399	\$196,111	\$201,994	\$208,054	\$214,295	\$220,724	\$227,346
Other Income	\$2,000	--	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
TOTAL REVENUES	\$360,740	\$280,642	\$290,003	\$297,694	\$305,599	\$313,724	\$322,074	\$330,429	\$339,248	\$348,312	\$357,629
Airport Expenditures											
Personnel Expenditures	\$133,860	\$155,780	\$160,453	\$165,267	\$170,225	\$175,332	\$180,592	\$186,009	\$191,590	\$197,337	\$203,258
Memberships, Office/ Marketing	\$11,500	\$14,560	\$20,147	\$20,751	\$21,374	\$22,015	\$22,675	\$23,356	\$24,056	\$24,778	\$25,521
Operating and Maintenance Expenses	\$119,940	\$71,190	\$39,336	\$40,516	\$41,731	\$42,983	\$44,273	\$45,601	\$46,969	\$48,378	\$49,829
Legal and Support Expenses	\$92,710	\$84,020	\$70,404	\$72,066	\$73,778	\$75,541	\$77,357	\$79,228	\$81,155	\$83,140	\$85,184
Legal and Support Expenses	\$358,010	\$325,550	\$290,340	\$298,600	\$307,108	\$315,871	\$324,897	\$334,194	\$343,770	\$353,633	\$363,792
TOTAL EXPENDITURES	\$133,860	\$155,780	\$160,453	\$165,267	\$170,225	\$175,332	\$180,592	\$186,009	\$191,590	\$197,337	\$203,258
SURPLUS/ (DEFICIT)	\$2,730	\$(44,908)	\$(337)	\$(906)	\$(1,509)	\$(2,147)	\$(2,823)	\$(3,765)	\$(4,522)	\$(5,321)	\$(6,163)

Sources:

Kimley-Horn, 2022, Airport Management.

Table 5.5 - 10-Year Airport Cash Flow Analysis with Local Grant Requirements

Item	2022 Budget	2023 Budget	2024 Est.	2025 Est.	2026 Est.	2027 Est.	2028 Est.	2029 Est.**	2030 Est.**	2031 Est.**	2032 Est.**
Airport Revenues											
TOTAL REVENUES	\$360,740	\$280,642	\$290,003	\$297,694	\$305,599	\$313,724	\$322,074	\$330,429	\$339,248	\$348,312	\$357,629
TOTAL EXPENDITURES	\$133,860	\$155,780	\$160,453	\$165,267	\$170,225	\$175,332	\$180,592	\$186,009	\$191,590	\$197,337	\$203,258
LOCAL GRANT REQUIREMENT	\$65,270	\$2,440*	\$226,698	\$21,932	\$19,382	\$67,931	\$621,638	\$1,020,536	\$1,020,536	\$1,020,536	\$1,020,536
SURPLUS/ (DEFICIT)	\$(62,540)	\$(47,348)	\$(227,034)	\$(22,838)	\$(20,891)	\$(70,078)	\$(624,461)	\$(1,024,301)	\$(1,024,301)	\$(1,024,301)	\$(1,024,301)

Sources:

Kimley-Horn, 2022, Airport Management.

Note:

*Estimate based on remaining grant for Airport Master Plan Update.

**Actual year of CIP projects may vary. 6-10 year local share of \$4.696M was averaged between years 2028 through 2032.

5.5.4. Recommendations

According to the cash flow analysis, the Airport's anticipated revenues are not expected to cover the local match requirements for recommended improvements over the 10-year planning horizon. However, this analysis assumed that all projects in the CIP would be completed by the year 2032. Additionally, Airport revenues and expenditures may fluctuate over time, which could result in occasional funding increases and reduce the amount of reserves that the City would need to allocate in the Airport's budget.

An additional item that has constrained the Airport's ability to generate revenues has been the structure of long-term lease agreements for properties on the east side of the airfield and within the Airport's business park. All leases in these areas have a term length of 100 years, most of which were signed into agreement in 1983. These agreements were extremely favorable for lessees and do not generate revenue for the Airport at or near current fair market values. Discussions have been had about the Airport selling the properties outright, however, the City has identified that it intends to keep those properties and examine options to maximize revenues in other ways.

Generally, the Airport could take certain actions to generate additional revenues to minimize the deficits anticipated to occur within the 10-year horizon. These could include increased tenant lease rates, installation of Jet A fueling facilities that would generate revenues over time, leasing ground for private hangar developments at fair market value rates, developing commercial aviation hangars to support aviation business such as maintenance, avionics, charter, installation of energy-efficient utilities, sale of concessions, or other several other actions.