



Chapter 7 – Financial and Development Program



Introduction

The purpose of this chapter is to present the projects identified in the Airport Capital Improvement Program (ACIP), that have been developed and assembled based on the analyses conducted in the Facility Requirements and Development Alternatives chapters (Chapters 4 and 5). The ACIP projects are summarized in **Table 7-1** later in the chapter. The ACIP is organized in short, intermediate, and long-term periods that reflect both project prioritization and financial capabilities. Several factors were considered in determining project prioritization, including safety, forecasted demand, the need to maintain/replace existing airfield facilities, and financial capabilities of both the County and FAA to support the development program based on existing funding mechanisms.

The Airport Master Plan preferred alternative includes both airside elements and landside elements. Minor pavement maintenance items such as vegetation removal and crack filling are not included in the ACIP, but will need to be undertaken by the County on an annual or semi-annual basis.

A brief environmental review was prepared and is presented in Chapter 6. The review provides an overview of areas of potential concern related to proposed development. In addition, all federally funded projects will require some level of project-specific environmental study, as determined by FAA.

The ACIP lists all major projects included in the twenty-year planning period addressed in the Airport Master Plan. Individual projects for the first five years of the planning period are listed in order of priority by year. Projects for the intermediate and long-term phases of the planning period (years 6-20) are listed



in order of priority but have not been assigned a year. Each project’s eligibility for FAA funding is noted, based on current federal legislation and funding formulas. Specific project details are depicted on the updated Airport Layout Plan and Terminal Area Plan drawings contained in Chapter 8.

A primary source of potential funding identified in this plan is the FAA’s Airport Improvement Program (AIP). As proposed, approximately 90 percent of the airport’s 20-year ACIP will be eligible for federal funding. Funds from this program are derived from the Aviation Trust Fund, which is the depository for all federal aviation taxes collected on such items as airline tickets, aviation fuel, lubricants, tires, aircraft registrations, and other aviation related fees. These funds are distributed by FAA under appropriations set by Congress to all airports in the United States that are included in the federal airport system (National Plan of Integrated Airport Systems – NPIAS).

However, as noted in **Table 7-1**, the projected twenty-year total for FAA eligible projects in the ACIP significantly exceeds current FAA funding levels through the non-primary entitlement program. While other types of FAA funding may be available for some projects, it is reasonable to assume that despite establishing eligibility for FAA funding, not all eligible projects are likely to be funded by FAA. As the County manages its ACIP, maximizing the use of available FAA and other outside sources of funding is assumed. However, in some cases, the limited availability of outside funds may require projects to be deferred, or funded with increased levels of local, state, or private funding.

Airport Development Schedule and Cost Estimates

Cost estimates for each individual project were developed in 2014 dollars based on typical construction costs associated for the specific type of project. The project costs listed in the ACIP represent order-of-magnitude estimates that approximate design engineering, environmental, other related costs, sales tax, and contingencies. The estimates are intended only for preliminary planning and programming purposes. Specific project analysis and detailed engineering design will be required at the time of project implementation to provide more refined and detailed estimates of the development costs.

In future years, as the plan is carried out, these cost estimates can continue to assist management by adjusting the 2014-based figures for subsequent inflation. This may be accomplished by converting the interim change in the United States Consumer Price Index (USCPI) into a multiplier ratio through the following formula:

$$\frac{X}{I} = Y$$



Where:

X = USCPI in any given future year

Y = Change Ratio

I = Current Index (USCPI)¹

<i>USCPI-U</i>
238.343
(1982-1984 = 100)
June 2014

Multiplying the change ratio (Y) times any 2014-based cost figures presented in this study will yield the adjusted dollar amounts appropriate in any future year evaluation. Several different CPI-based indices are available for use and any applicable index may be substituted by the County in its financial management program.

The following sections outline the recommended development program and funding assumptions. The scheduling has been prepared according to the facility requirements determined through the master plan evaluation. The projected staging of development projects is based upon anticipated needs and investment priorities. Actual activity levels may vary from projected levels; therefore, the staging of development in this section should be viewed as a general guide. When activity does vary from projected levels, implementation of development projects should occur when demand warrants, rather than according to the estimated staging presented in this chapter. In addition to major projects, the airport will continue to require regular facility maintenance such as pavement maintenance, vegetation control, sweeping, lighting repair, and fuel system maintenance.

The first phase of the Capital Improvement Program includes the highest priority projects recommended during the first five years of the planning period. Intermediate and long-term projects are anticipated to occur in the 6-to 20-year time period, although changes in demand or other conditions could accelerate or slow demand for some improvements.

¹ U.S. Consumer Price Index for All Urban Consumers (USCPI-U)



SHORT-TERM PROJECTS

The short-term program contains work items of the highest priority. Priority items include improvements related to safety. Because of their priority, these items will need to be incorporated into the State Capital Improvement Program (SCIP) managed by the FAA Seattle Airport District Office and the Oregon Department of Aviation (ODA). To assist with this process, the short-term projects are scheduled in specific calendar years for the first six years of the planning period (2014-2019).

The main focus in the short-term development period is to address major taxiway improvements, preserve (seal coat) runway pavement.

Short-Term Projects:

- Beacon replacement (completed in 2014);
- Sealcoat Runway 8/26 and the aircraft holding area (remove visual runway markings and paint non-precision....), relocate the aircraft hold lines and signs based on 400-foot wide runway OFZ;
- Install runway end identifier lights (REIL) on Runways 8 and 26;
- Complete the environmental assessment/categorical exclusion (CATEX) report for the main apron expansion reconfiguration project;
- Reconfigure/expand main apron (pavement reconstruction, overlay, sealcoats, reconfigure taxilanes, relocate the existing fuel island, install new tiedowns) and overlay/reconstruct east access taxiway;
- Sealcoat parallel taxiway and access taxiways (west and center) and repaint markings; and
- Install taxiway edge reflectors parallel taxiway and access taxiways.

INTERMEDIATE & LONG-TERM PROJECTS

Several intermediate or long-term projects are considered to be current needs. However, based on the limited funding resources available, it was necessary to shift some projects to the longer-term timeline. However, projects may be completed sooner in the event that additional funding can be generated.

Intermediate-Term Projects (6-10 years)

- Environmental assessment for the Runway 8/26 object free area (OFA) grading project;
- Runway OFA grading including excavation, subgrade stabilization, proper drainage with catch basins, manholes and storm drains;
- Construct a new runway exit taxiway connector to the parallel taxiway (eastern 1/3 of runway);
- Airport service road realignment and extension (west terminal area hangar sites); and
- Sealcoat Runway 8/26 and repaint NPI markings.



Long-Term Projects (11-20 years)

- Sealcoat and repaint markings on the access taxiways, agricultural apron and main apron;
- Sealcoat and repaint markings on the main apron;
- Environmental assessment for the south parallel taxiway (west extension);
- “Property acquisition for South Parallel Taxiway Extension (embankment for AC hold area)
- South parallel taxiway (west extension) project;
- Install medium intensity taxiway lights (MITL) on parallel taxiway and runway exit taxiways;
- Sealcoat and repaint markings on the parallel taxiway (2007 section) including the three runway exits;
- “Property acquisition for South Parallel Taxiway Extension (embankment for AC hold area);
- Update the Airport Master Plan;
- Overlay (as needed) and repaint markings on the main apron existing pavement prior to the main apron reconfiguration project;
- Overlay and repaint markings on the parallel taxiway existing pavement prior to the taxiway extension project and the four runway exits;
- Replace the existing Runway 8/26 medium intensity runway lights (MIRL) at the end of useful life;
- Replace the existing Runway 8/26 precision approach path indicator lights (PAPI) at the end of useful life; and
- Overlay Runway 8/26 and repaint NPI markings.

Morrow County Lexington Airport

20-YEAR CAPITAL IMPROVEMENT PROGRAM

2014-2033

Current NPE \$ Accumulation: \$317,000 (FY 2014)

Prepared by Century West Engineering

Short Term	Yr	Project	ID	Project Category	Unit	Quantity	Unit Cost	Subtotal Cost	40% Engineering/ Contingency/ Environmental	Total Cost	FAA GA Entitlement	Other FAA **	Local Costs
2014	0	Beacon Replacement		Lighting	LS	1	\$21,908	\$21,908	\$0	\$21,908	\$0	\$0	\$21,908
Subtotal - Year 1								\$21,908	\$0	\$21,908	\$0	\$0	\$21,908
2015	1	Runway 8/26 & Aircraft Hold Areas- Sealcoat, NPI Markings, Relocate AC Holdlines & Signs		Pavement Maintenance	LS	1	\$210,000	\$210,000	\$84,000	\$294,000	\$264,600	\$0	\$29,400
		Runway End Identifier Lights (REIL) Runway 8/26		Lighting	EA	2	\$25,000	\$50,000	\$20,000	\$70,000	\$63,000	\$0	\$7,000
Subtotal - Year 2								\$260,000	\$104,000	\$364,000	\$327,600	\$0	\$36,400
2016	2	Main Apron Environmental/CATEX		Environmental	LS	1	\$50,000	\$50,000	\$20,000	\$69,999	\$62,999	\$0	\$7,000
Subtotal - Year 3								\$50,000	\$20,000	\$69,999	\$62,999	\$0	\$7,000
2017	3	Main Apron Reconfiguration/Expansion		Pavement Construction	LS	1	\$866,398	\$866,398	\$346,559	\$1,212,957	\$376,401	\$715,261	\$121,296
Subtotal - Year 4								\$866,398	\$346,559	\$1,212,957	\$376,401	\$715,261	\$121,296
2018	4	No Projects/Carry Over Funds						\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Year 4								\$0	\$0	\$0	\$0	\$0	\$0
2019	5	Parallel Taxiway & Access Taxiways (West & Center) Sealcoat; Restripe		Pavement Maintenance	SY	22136	\$2	\$54,272	\$21,709	\$75,981	\$68,383	\$0	\$7,598
Subtotal - Year 5								\$54,272	\$21,709	\$75,981	\$68,383	\$0	\$7,598
							0-5	\$1,252,578	\$492,268	\$1,744,845	\$835,383	\$715,261	\$194,202

* Connect Oregon Grant & Local Match

NPE Accumulation \$317,000
 FY 2015 NPE \$150,000
 Total Available (NPE) \$467,000

NPE Accumulation \$139,400
 FY 2016 NPE \$150,000
 Total Available (NPE) \$289,400

NPE Accumulation \$226,401
 FY 2017 NPE \$150,000
 Total Available (NPE) \$376,401

NPE Accumulation \$0
 FY 2018 NPE \$150,000
 Total Available (NPE) \$150,000

NPE Accumulation \$150,000
 FY 2019 NPE \$150,000
 Total Available (NPE) \$300,000
 Remaining NPE \$231,617

* Current Year Project Grant

** Other FAA Funding Total listed for reference only based on general project eligibility and does not indicate a funding commitment by FAA.

Intermediate Term	6--10	Project	Project Category	Unit	Quantity	Unit Cost	Subtotal Cost	40% Engineering/ Contingency/ Environmental	Total Cost	FAA GA Entitlement	Other FAA **	Local Costs
2020-2024		Environmental-Runway 8/26 Object Free Area Grading Project	Environmental	LS	1	\$53,572	\$53,572	\$21,429	\$75,000	\$67,500	\$0	\$7,500
		Runway Object Free Area (OFA) Grading	Pavement Construction	LS	1	\$307,200	\$706,560	\$268,493	\$975,053	\$877,548	\$0	\$97,505
		Runway Exit to Parallel Taxiway (Eastern Middle of Runway)	Pavement Construction	SY	719	\$75	\$53,925	\$21,570	\$75,495	\$36,570	\$31,376	\$7,550
		Airport Service Road Realignment and Extension	Other	LS	1	\$20,700	\$20,700	\$8,280	\$28,980	\$0	\$26,082	\$2,898
		Runway Sealcoat/Repaint Markings	Pavement Rehabilitation	SY	36,270	\$2	\$92,540	\$37,016	\$129,556	\$0	\$116,600	\$12,956
Subtotal - Year 6-10							\$927,297	\$356,788	\$1,284,084	\$981,617	\$174,058	\$128,408

Carry Over NPE \$231,617

** Other FAA Funding Total listed for reference only based on general project eligibility and does not indicate a funding commitment by FAA.

5 year NPE \$ = \$750,000

Long Term	11--20	Project	Project Category	Unit	Quantity	Unit Cost	Subtotal Cost	40% Engineering/ Contingency/ Environmental	Total Cost	FAA GA Entitlement	Other FAA **	Local Costs
2025-2034		Access Taxiways (west, east and center with connecting AG apron and SW hangar apron) Sealcoat/Repaint Markings	Pavement Maintenance	SY	14,210	\$2	\$38,420	\$15,368	\$53,788	\$48,409	\$0	\$5,379
		Parallel Taxiway (area prior to extension) & 3 Runway Exits Sealcoat/Repaint Markings	Pavement Maintenance	SY	13,341	\$2	\$36,682	\$14,673	\$51,355	\$46,219	\$0	\$5,135
		Main Apron Sealcoat/Repaint Markings	Pavement Maintenance	SY	16,061	\$2	\$42,122	\$16,849	\$58,971	\$53,074	\$0	\$5,897
		Environmental-South Parallel Taxiway (West Extension)	Environmental	LS	1	\$100,000	\$100,000	\$40,000	\$140,000	\$126,000	\$0	\$14,000
		Property Acquisition-South Parallel Taxiway	Other	Acres	2.3	\$10,000	\$23,000	\$9,200	\$32,200	\$28,980	\$0	\$3,220
		South Parallel Taxiway (West Extension)	Pavement Construction	LS	1	\$1,876,520	\$1,876,520	\$750,608	\$2,627,128	\$1,197,317	\$1,167,098	\$262,713
		Master Plan Update	Other	LS	1	\$150,000	\$150,000	\$60,000	\$210,000	\$0	\$189,000	\$21,000
		Access Taxiways (west, east and center with connecting AG apron and SW hangar apron) Overlay/Repaint Markings	Pavement Rehabilitation	SY	11,827	\$55	\$650,485	\$260,194	\$910,679	\$0	\$819,611	\$91,068
		Main Apron (2007 pavement area) Overlay/Repaint Markings	Pavement Rehabilitation	SY	8,082	\$55	\$444,510	\$177,804	\$622,314	\$0	\$560,083	\$62,231
		Parallel Taxiway (area prior to extension) & 4 Runway Exits Overlay/Repaint Markings	Pavement Rehabilitation	SY	20,614	\$55	\$1,143,770	\$457,508	\$1,601,278	\$0	\$1,441,150	\$160,128
		Runway 8/26 Medium Intensity Runway Lights (MIRL) Replacement	Lighting	LF	4,156	\$60	\$249,360	\$99,744	\$349,104	\$0	\$314,194	\$34,910
		Runway 8 & 26 Precision Approach Path Indicator (PAPI) Replacement	Lighting	EA	2	\$60,000	\$120,000	\$48,000	\$168,000	\$0	\$151,200	\$16,800
	Runway 8/26 Overlay/Repaint Markings	Pavement Reconstruction	SY	36,270	\$55	\$2,014,850	\$805,940	\$2,820,790	\$0	\$2,538,711	\$282,079	
Subtotal Year 11-20							\$6,889,719	\$2,755,888	\$9,645,607	\$1,500,000	\$7,181,047	\$964,561
20 Yr Total							\$9,069,594	\$3,604,943	\$12,674,536	\$3,317,000	\$8,070,365	\$1,287,171

** Other FAA Funding Total listed for reference only based on general project eligibility and does not indicate a funding commitment by FAA.

10 year NPE \$ = \$1,500,000



Capital Funding Sources

FEDERAL GRANTS

Federal funding is provided through the Federal Airport Improvement Program (AIP). This reauthorization is the latest evolution of a funding program originally authorized by Congress in 1946 as the Federal Aid to Airports Program (FAAP). The program provides grant funding for airports listed in the National Plan of Integrated Airport Systems (NPIAS). Under current legislation, eligible general aviation airports can receive up to \$150,000 per year in general aviation “non-primary entitlement” grants. If a project is anticipated to cost in excess of \$150,000, the participating airport can roll over the funding allocations for up to four years, at which time the accumulated total of funds can be used for larger projects. Any unused funds that remain beyond the maximum allowable roll over period revert to the FAA for use at other airports. These funds may only be used for eligible capital improvement projects and may not support airport operation and maintenance costs. Current FAA funding levels are 90 percent with a 10 percent local match.

FAA funding is limited to projects that have clearly defined need that has been identified through preparation of an FAA approved Airport Layout Plan (ALP). Periodic updates of the ALP are required when new or unanticipated project needs or opportunities exist that require use of FAA funds. The FAA will not generally participate in vehicle parking, utilities, building renovations or projects associated with non-aviation developments.

Projects such as hangar construction or fuel systems are eligible for funding, although the FAA indicates that this category of project would be considered to be a much lower priority than other airfield needs.

The FAA also provides discretionary grants to airports. The dollar amounts of individual grants vary and can be significantly larger than the primary entitlements. Discretionary grants are awarded at the FAA's sole discretion. Discretionary funds are distributed after all entitlement funds have been allocated. For larger projects requiring substantially larger amounts of funding, non-primary entitlement, state apportionment, and discretionary grants are often combined. Other types of FAA funding include facilities & equipment (F&E) projects and Congressionally-appropriated dollars for specific projects.

STATE FUNDING

No specific level of Oregon Department of Aviation (ODA) funding has been assumed in the CIP presented in **Table 7-1**. It is recommended that the County maximize use of any ODA or other State of Oregon funds that are available in the planning period.



Pavement Maintenance Program

The Pavement Management Program (PMP) programs airfield pavement maintenance funds on established multi-year cycles. This program is intended to preserve and maintain existing airfield pavements in order to maximize their useful lives and the economic value of the pavement. As noted earlier, several short-term pavement maintenance projects are identified for Morrow County Lexington Airport in the most recent PMP. The program funds pavement maintenance and associated improvements (crack filling, repair, sealcoats, etc.), including some items which have not traditionally been eligible for FAA funding.

Funding for the PMP is generated through collection of aviation fuel taxes. ODA manages the PMP through an annual consultant services contract and work is programmed on a 3-year regional rotation. The program includes a regular schedule of inspection and subsequent field work. Benefits from the PMP include:

- Economy of scale in bidding contracts;
- Federal/State/Local partnerships that maximize airport improvement funds; and
- PMP is not a grant program and local match is on a sliding scale (50% - 5% required).

The PMP includes the following features:

- Review prior year's Pavement Condition Index (PCI) reports;
- Only consider PCIs above 70;
- Apply budget;
- Limit work to patching, crack sealing, fog sealing, slurry sealing;
- Add allowance for striping; and
- Program to include approximately 20 airports per year, depending on funding levels.

Financial Aid to Municipalities (FAM) Grants

ODA's FAM grant program has been suspended in recent years due to a lack of funding. Efforts to resume and expand the program are currently being considered by ODA. Previously, FAM grants up to \$25,000 were available to Oregon airports for eligible airport related projects.



CONNECT OREGON GRANTS

State Capital Improvement Program (SCIP)

The FAA’s Seattle Airport District Office (ADO) is working with state aviation agencies in Washington, Oregon and Idaho to develop a coordinated “State” Capital Improvement Program, known as the SCIP. The SCIP is intended to become the primary tool used by FAA, state aviation agencies and local airport sponsors to prioritize funding. The program has reached full implementation with current and near term future funding decisions prioritized through evaluation formulas. Airport sponsors are asked to provide annual updates to the short-term project lists annually in order to maintain a current system of defined project needs. The short-term priorities identified in the master plan CIP will be imported into the SCIP and will be subject to additional prioritization for funding in competitive statewide evaluations.

LOCAL FUNDING

As currently defined, the locally funded (County/tenant) portion of the CIP for the twenty-year planning period is estimated to be just over 10.2 percent. Hangar construction costs, building maintenance and utility extensions have not been included in the CIP, since no FAA funding is assumed.

A portion of local matching funds are generated through airport revenues, including fuel sales, land leases, and hangar rentals.

Airport sponsors occasionally fund infrastructure and revenue-generating development such as hangars locally, either through an inter fund loan or the issuance of long-term debt (bonds).