

Oil Impacted Airport Funding Analysis

Federal Airport Improvement Program Estimates for ND:

Primary Airports (over 10k annual passengers)	Estimated Yearly Funding	5 Year Totals
Dickinson	\$1,000,000.00	\$5,000,000.00
Minot	\$1,200,000.00	\$6,000,000.00
Williston	\$1,000,000.00	\$5,000,000.00
General Aviation Airports		
Bowman	\$150,000.00	\$750,000.00
Crosby	\$150,000.00	\$750,000.00
Parshall	\$150,000.00	\$750,000.00
Stanley	\$150,000.00	\$750,000.00
Tioga	\$150,000.00	\$750,000.00
Watford City	\$150,000.00	\$750,000.00
State Apportionment		
State of North Dakota	\$2,500,000.00	\$12,500,000.00
Discretionary		
State Wide	\$15,000,000.00	\$75,000,000.00
Total Estimated Federal Aid:	\$21,600,000.00	\$108,000,000.00



March, 2012 Analysis Prepared By:
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5 Year Preliminary Development Costs

Primary Airports	5 Year Estimated Costs	General Description	Status
Dickinson	\$75,000,000.00	Reconstruct, strengthen, and extend the primary runway. Expand the Passenger Terminal. Expand the general aviation apron to accomodate increased aircraft operations. Construct a parallel taxiway.	Airport Master Plan Study Began in 2011
Minot	\$90,000,000.00	Shift crosswind runway for safety. Construct new passenger terminal. Construct/Expand Cargo Apron. Construct parallel taxiway.	Airport Master Area Study Began in 2011
Williston	\$128,500,000.00	Reconstruct the existing runway and taxiway or construct a new airfield. Expand the existing passenger terminal or build new. Expand the general aviation area.	Site Selection/Airport Master Plan Began in 2011
General Aviation Airports			Airport Master Plan/Environmental Assesment Complete
Bowman	\$12,000,000.00	New Airport is needed to due to congestion and wildlife hazards.	
Crosby	\$4,000,000.00	Reconfigure the Apron/Taxiway to allow for expansion. Shift Runway to meet FAA airport design standards.	Airport Master Plan Complete
Parshall	\$3,000,000.00	Extend and overlay the primary runway to meet current FAA design standards.	Airport Master Plan and Environmental Complete
Stanley	\$2,500,000.00	Reconfigure and expand the apron/taxiway. Rehabilitate the primary runway.	Airport Master Plan is being finalized.
Tioga	\$2,500,000.00	Reconfigure the apron/taxiway.	Airport Master Plan is being updated in 2012
Watford City	\$1,500,000.00	Reconfigure and expand the apron/taxiway. Rehabilitate the primary runway.	Airport Master Plan is being updated in 2012
Killdeer	\$4,000,000.00	Reconstruct the Runway, Taxiway, and Apron.	Awaiting Funding
New Town	\$2,000,000.00	Reconstruction and Extension of Runway.	Awaiting Funding

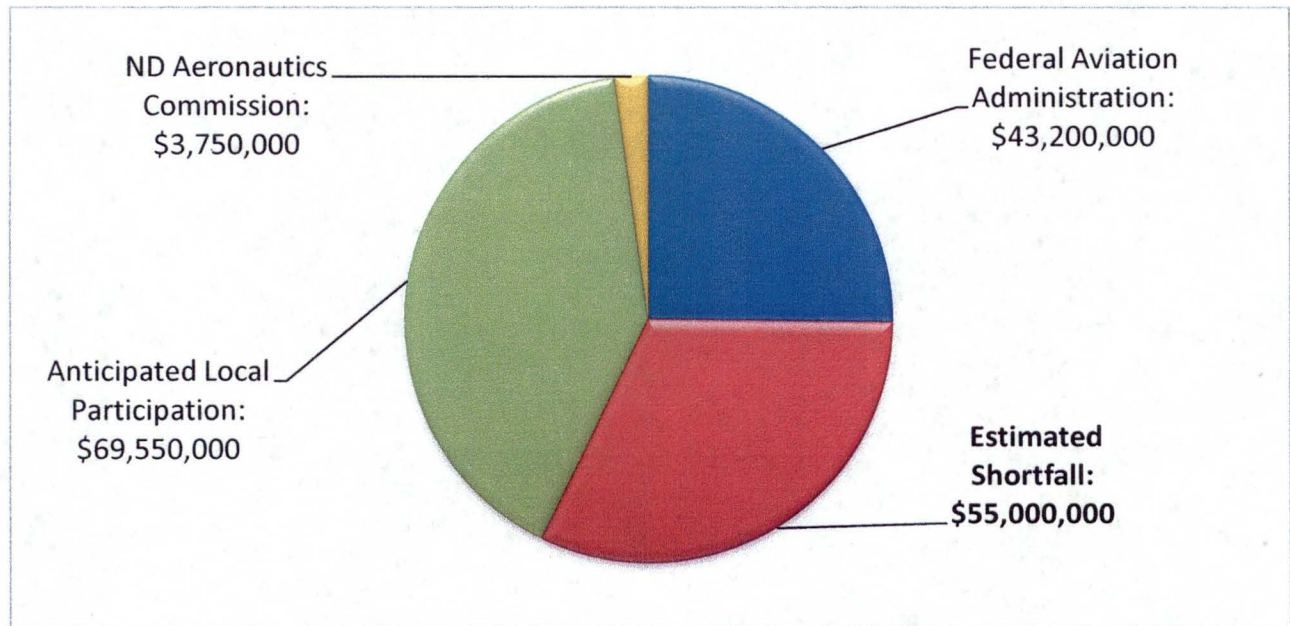
5 Year Estimated Project Costs: \$325,000,000.00

FY 2013 – FY 2014 Oil Impacted Airport Needs

Estimated FY 2013-FY 2014 project costs: \$171,500,000

Estimated Current Available Funding: \$116,500,000

Estimated Shortfall: **\$55,000,000**

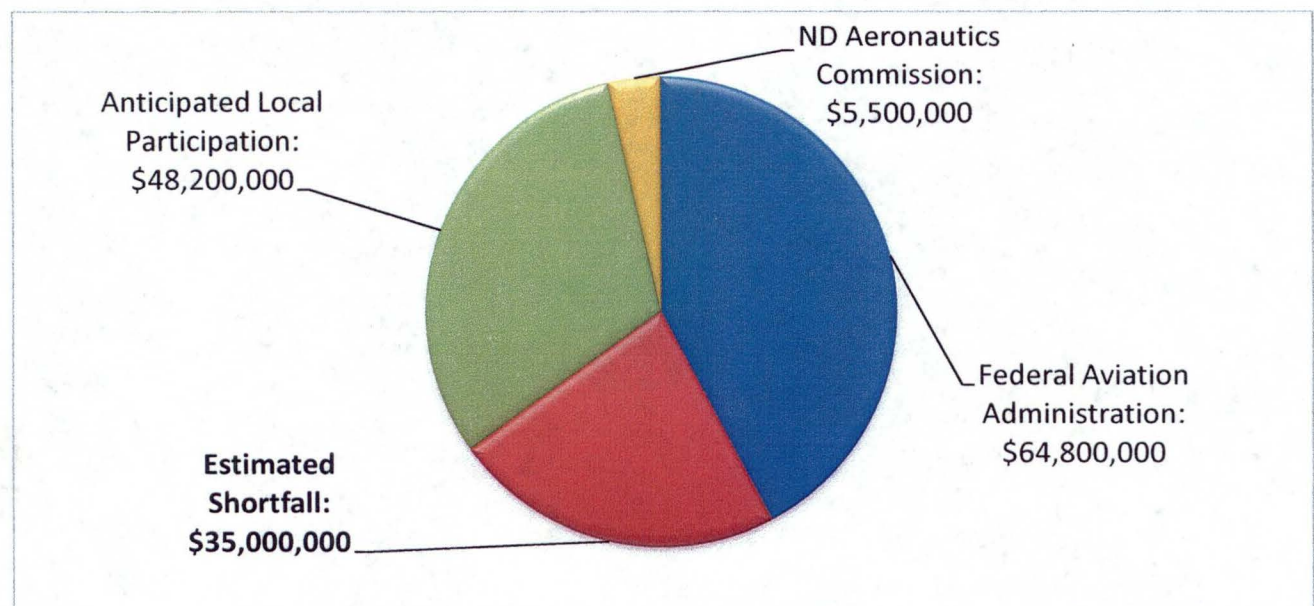


FY 2015 – FY 2017 Oil Impacted Airport Needs

Estimated FY 2015 – FY 2017 projects costs: \$153,500,000

Estimated Current Available Funding: \$118,500,000

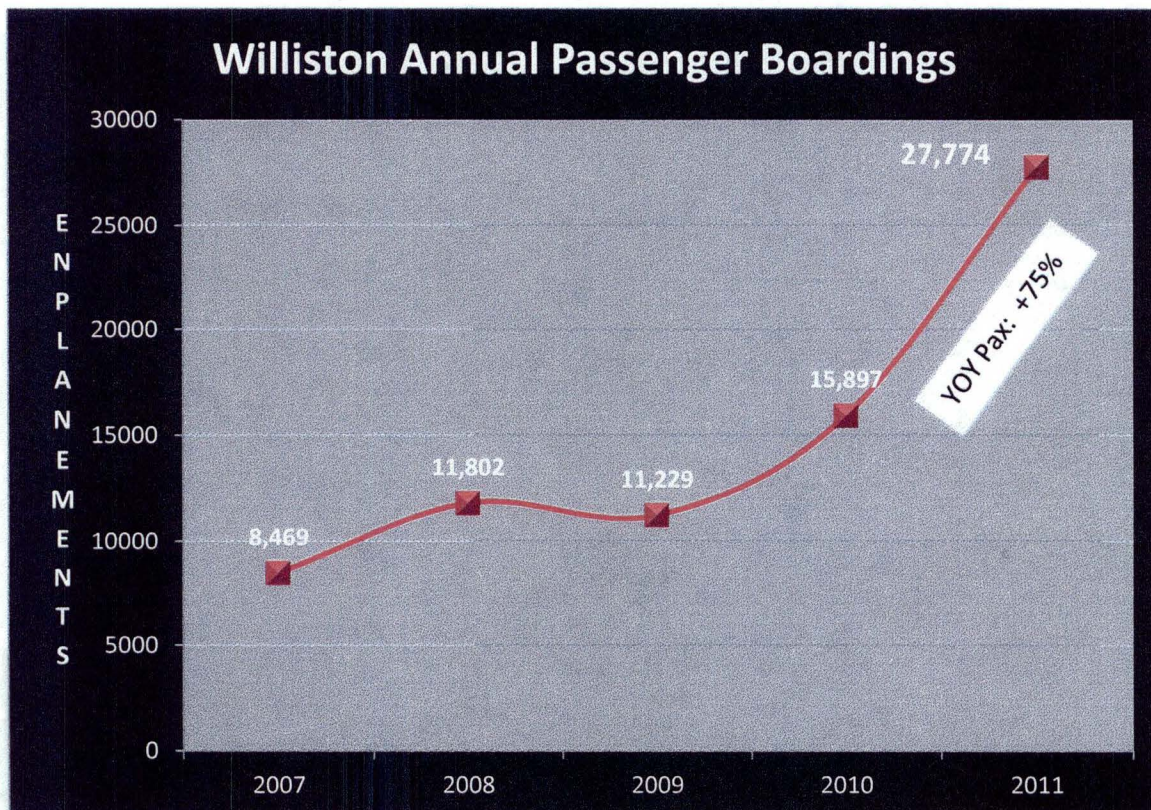
Estimated Shortfall: **\$35,000,000**







- Williston's Congested Terminal is shown in above picture





SLOULIN FIELD

International Airport Constraints

January 2012

OPTION A – MAINTAIN CURRENT AIRPORT DESIGN (2010)

The Sloulin International Airport has experienced a significant increase in activity, but prior to the increase, several projects were identified as requirements to maintain FAA safety standards for the airfield, and the current level of air service. The items include:

- Reconstruct primary runway and taxiway
- Remove obstructions to the north of the airport including an MDU transmission line
- Shorten landing distance on runway 29 to move runway protection zone onto airport property
- Expand terminal to handle overlapping flights



Estimated Cost: \$38.9 million

Once the items are complete, the following issues will remain:

- Runway slope will be too steep for regional jet aircraft
- Runway length will be too short for regular airline traffic
- Terrain north of airport will limit approaches in bad weather

OPTION B – EXPAND AIRPORT ON SITE TO ACCOMMODATE LARGER AIRCRAFT

Since the process to initiate Option A began, it has been discovered due to the increase in business jet traffic, new standards must be complied with. This will also allow regional jet traffic to operation at Sloulin Field. Projects required include:

- Excavate approximately 18.4 million cubic yard of dirt to extend and level the runway
- Relocate the MDU transmission line, municipal golf course and proposed pipelines north of the airport
- Reconstruct primary runway and taxiway to handle increased forecast loads
- Expand terminal building and general aviation ramp

Estimated Cost: \$123.3 million

Once the items are complete, the following issues will remain:

- Any future runway extension will require an extensive amount of additional excavation
- Terrain north of the airport will still limit approaches in bad weather
- Space to develop additional hangars and parking is still limited

OPTION C – RELOCATE ENTIRE AIRPORT TO NEW SITE

All current constraints on the existing site and requirements to comply with FAA standards have lead to the analysis of airport relocation to a site not restricted by terrain and development. Additionally, the cost of completing all items in Option B are approaching the cost of building an entirely new airport.



Goals:

1. Construct an airport that is able to accommodate regional jet or larger aircraft
2. Find a site not constrained for future development

Estimated Cost: \$100-150 million

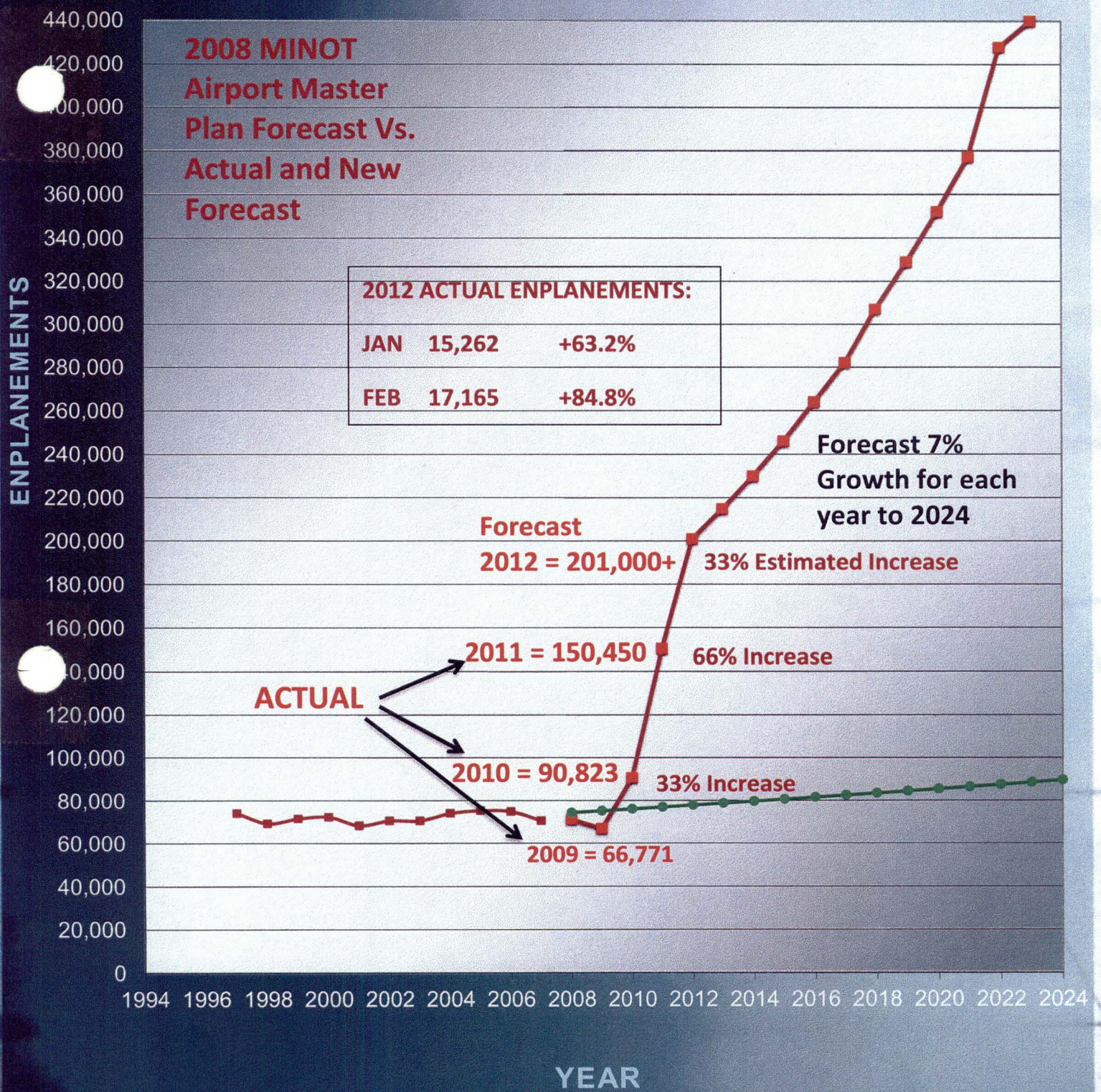
PROJECTED FUNDING AVAILABILITY

The FAA has been working with the City of Williston to identify and program funds within the FAA to assist in constructing either Option B or C. Currently, the FAA may be able to secure \$35 to \$50 million to assist in either build option over the next several years.

If Option C is pursued, the sale of the existing airport property will be required to go toward the new airport. Current estimates place the airport property value around \$30 million and may make this a more economical and sound decision for the community and future air service in Williston.

With tentative commitment from the FAA, the City of Williston will be required to find funding for the balance of either build option in the range of \$35 to \$85 million to ensure air service continues to meet the needs and demands of the community and region.





—●— Forecast Based on FAA Aerospace Forecast

AIRPORT STATISTICS

	Feb-10	%	Feb-11	%	Feb-12
Revenue Enplanements	5,005	85.6%	9,289	84.8%	17,165
Total Passengers (enplaning/deplaning)	10,672	74.8%	18,654	82.7%	34,074
Parking Vehicles (daily average)	210	82.8%	384 (peak 432)	106.2%	792 (peak 965)
Number of Monthly Airline Departures	86	127.9%	196	34.0%	297
Number of Monthly Airline Seats	6,484	68.5%	10,924	73.6%	18,966
Gallons Sold (Jet Fuel)	69,007	103.8%	140,674	98.7%	279,558

ACTUAL & POTENTIAL 2012-2014 PROJECTS

Taxiway "C" Reconstruction (North Half)	\$4,297,100
Airport Security System Upgrade	\$666,400
Additional Taxiway (Design & Construct)	\$2,520,000
Apron (Design & Construction)	\$9,420,000
Runway 8/26 Protection Zone & EA	\$6,800,000
Airport Snow Removal Equipment Bldg.	\$2,500,000
Fire Training Ground Relocation	\$2,000,000
Access Road Parking Lot	\$3,075,000
Existing Terminal Refurbishment	\$2,000,000
Terminal Building Design & Construction	\$41,000,000
Rental Car Quick-Turn Facility	\$4,000,000
TOTAL ESTIMATED FINANCIAL NEED	\$78+ Million

TERMINAL REQUIREMENTS

Must Plan for 30-Year Growth	CURRENT	NEED
Terminal Size:	32,400 Sq. Ft.	100,000 Sq. Ft.
Hold Room Gates	2	4
Vehicle Parking	800 (450 paved)	1,500
Building Expansion	Not Easily Attainable	New Building Will Allow



Airport Association of North Dakota

Timothy J. Thorsen- President Matthew Leitner- Vice President

Matthew Remyse - Sec. / Treasurer

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March 13, 2012

Re: Oil Impact Information Briefing to Senate Budget Committee

Senator Grindberg:

Thank you Senator Grindberg for inviting me to provide information to this budget committee. My name is Tim Thorsen, I am the current President of Airport Association of North Dakota (AAND). I am Operations Manager of Bismarck Airport since July 1996. I am also the immediate past president of the North Dakota Aviation Council. I will be providing you input from AAND.

In my time with you I want to talk briefly about three things, augment earlier general comments on impacts to Airports, recommend that lawmakers consider impact funds for airports and provide a recommendation on administering impact funds to airports if lawmakers choose to make funds available.

General Comments on Impacted GA Airports:

- Generally GA Airports need to get structure in place to meet current needs and support flexible future expansion. Apron needs to be configured to and structured (strengthened) to handle larger and heavier aircraft. Taxiways need to be configured to handle increased hangar demand.
- Airports need to upgrade layout plans that reflect current and future plans. This is needed to use Federal Funds. FAA wants flexibility to meet needs now and be able to expand.
- GA airports that have not seen significant development in 20 years are now seeing significant hangar development. Stanley just built a taxiway to facilitate the development of up to 7 hangars. All 7 hangar spots are spoken for (oil and casino traffic). Watford City Apron and hangar space is near capacity (it now has its first based business jet). It has immediate needs to reconfigure for increased length, span and weight of business aircraft. As aircraft size increases airport aprons must be farther from runways to maintain safety. Ramps are too small to taxi past aircraft on ramps. Needs of impacted GA airports are not speculative but immediate.
- Bracing for significant increase in Aviation Activity is closely tied to business traffic. Increase in disposable income is also adding to demand (one airport has 40 persons who want to start flying).

Commercial Service Airports:

- Bismarck is impacted, has added a 4th boarding bridge, is expanding the TSA screening check point to have two lanes, will do its fourth expansion of parking of this summer (300-500 parking stalls) and has a fourth airline (Frontier) starting service May 17, 2012. Bismarck will absorb growth in short term but anticipates physical plant needs farther out (5 year range).
- Minot, Williston and Dickinson have so much activity that existing structures are limiting their ability to meet immediate need. This is especially true at Minot. The environmental process required for FAA funding will likely push work at Williston farther out if the airport is moved.
- Minot has over double enplanements in two years, forecasts show enplanements could be higher than Fargo in 10 years. Williston and Dickinson have also growth that is taxing existing facilities.
- Impacts: Community airports will not meet community needs. Ticket prices will stay artificially high as capacity will constrain competition as demand increases, travel convenience will be negatively impacted as facilities become increasingly crowded, and wait times are likely to increase. Travel through impacted airports will become more difficult.

I want to thank lawmakers for financial support to airports through the ND Aeronautics Commission in past years. The funds have been put to good use. Based on oil impacts to western airports, AAND asks that lawmakers consider providing oil impact funds to mitigate impacts. The ND Aeronautics Commission representatives have spelled out the requirements in detail in earlier briefings. We also ask that lawmakers maintain existing funding provided to support the Aeronautics Commission development efforts around the rest of the state.

Administering impact funds to airports:

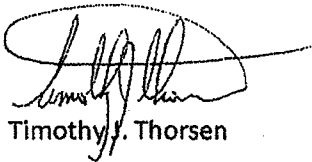
AAND asks that lawmakers consider placing impact funds with the ND Aeronautics Commission rather than place funds under a different state governmental entity. The ND Aeronautics Commission administers airport grants now with appropriated state funds. The Commission is well positioned to use existing structures, authority in Century Code and procedures in place to administer special impact funds to airport if provided by lawmakers. The ND Aeronautics Commission has established relationships with Federal Aviation Administration (FAA) officials, has knowledge of FAA priorities and can use this knowledge and ongoing working relationship as we put together a coordinated Federal, State and local effort it will take to solve these impact needs. The need for effective coordination to take full advantage of FAA, State and local funds is especially true because the recently approved 4 year FAA funding program has reduced Federal grant participation from 95% to 90%.

Airports need to have plans in place, especially airport layout plans as a first step to addressing their physical plant problems. FAA grant funds require an environmental action under the National Environmental Policy Act (NEPA) before Federal funds can be used. These actions can be relatively

uncomplicated and quick or complicated and take years. Because plans need to be in place and environmental actions must be accomplished not all projects can be addressed immediately. Those airports that are ready to move forward with projects to address impacts with fixes can be the first "digestible doses" that are addressed. Minot has some of the greatest impact needs and is also positioning itself by completing plans and environmental actions so that it can rapidly move forward as one of the first "digestible doses" that can be addressed incrementally as funding becomes available. The ND Aeronautics Commission can use its discretion to move forward the projects that address the greatest needs as the various communities become ready to move forward. The Commissioners can apply judgment on priorities to guide limited funds in "digestible doses" to the greatest need as airports and their consulting engineers complete plans and community airports become ready to bid work.

To summarize, General Aviation Airports, and three Commercial Service Airports in the West have immediate needs caused by Oil impacts. AAND asks that lawmakers consider special funding to mitigate the impacts and that they maintain existing funding for needs in the rest of North Dakota. AAND also asks that lawmakers consider placing impact funding under the ND Aeronautics Commission because they are well situated to steer funds where they will achieve the greatest positive outcome immediately and to help western airports prepare to do future work.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy J. Thorsen", is written over a horizontal line.

Timothy J. Thorsen

President