



Olympia Regional Airport

DRAFT

CHAPTER 6

FACILITIES

IMPLEMENTATION &

FINANCIAL FEASIBILITY

6. Facility Implementation & Financial Feasibility

The previous chapters of the OLM MPU identified existing conditions, forecasted future activity, and determined future facility needs based on existing and projected demand and FAA design standards. The Identification and Evaluation of Alternatives chapter outlined a comprehensive Preferred Alternative, featuring projects that will ensure the airport's compliance with FAA standards while meeting demand for aeronautical services. These projects are prioritized into phases based on need and anticipated demand levels.

The Preferred Alternative projects are illustrated in the ALP in Chapter 5. Safety and compliance-related projects receive priority in implementation, followed by those aimed at capacity and service enhancements. Proposed projects are organized into near-term (5 years), mid-term (10 years), and long-term (20 years) development phases. This chapter aims to update the Airport Capital Improvement Plan (ACIP) to incorporate the Preferred Alternative projects and discuss potential funding sources.

Many projects within the development plan contain interrelated components that must be coordinated for successful implementation. This chapter begins by outlining the required development sequence at the individual project level. Subsequent sections will present specific projects categorized by their development phases, along with funding options. Additionally, other strategic and non-aviation-related projects will be discussed. Finally, the chapter will detail potential funding sources for each project, accompanied by planning-level cost estimates in 2022 dollars.

6.1. IMPLEMENTATION PROCESS

To complete each capital project, several specific steps are necessary. It is not unusual for FAA-funded project coordination to begin up to four years before the facility/improvement is needed or required. This lead time is necessary to coordinate the funding, environmental documentation, design, and completion of the actual construction. Below is a typical sequence of events necessary to complete an FAA eligible airport project.

6.1.1. Implementation Process Timeline

Four years prior to construction, it is necessary to work in conjunction with local officials, airport users, and relevant agencies to assess the various elements of the project. The first step is to identify the project in the approved ALP. The next step is to validate project justification. The Airport would need to determine funding eligibility and coordinate with the FAA to ensure that the project is included in the ACIP. As with every airport improvement project, environmental impacts, constraints, and the need for environmental review should be considered.

Typical Steps Four Years Prior To Construction

- Identify the project in the approved ALP;
- Coordinate with FAA to ensure project is included in the FAA ACIP;
- Validate project justification and funding eligibility;
- Determine probable level of Environmental Review (If an Environmental Impact Statement [EIS] is likely, planning may need to begin much earlier);
- Determine whether in-flight procedure modifications will be required; and
- Coordinate steps with local officials and airport users.

Typical Steps Three Years Prior To Construction

- Identify, plan and allocate local and state leverage funding sources;
- Determine if a Benefit/Cost Analysis is needed;
- Determine if Reimbursable Agreements may be necessary for NAVAIDs or for FAA NPE funds with partner airports; and
- Begin purchase or assembly of all necessary land for the project.

Typical Steps Two Years Prior To Construction

- Refine project scope and cost estimates;
- Initiate NAVAID and/or NPE Reimbursable Agreements in coordination with the FAA;
- Submit requests for new/modified flight procedures with the FAA;
- Initiate a request for Airspace review of project;
- Initiate and submit Benefit/Cost Analysis to FAA;
- Begin FAA grant application process
- Begin project Environmental Assessment or submit Categorical Exclusion documentation for FAA review and funding; and
- Coordinate with local officials and airport users on refined project scope and schedule.

Typical Steps One Year Prior To Construction

- Ensure completion of airspace study;
- Complete significant environmental documentation;
- For design related projects, initiate and complete 90% design, plans, and specifications after FAA environmental findings are concluded;
- Execute reimbursable agreements to support NAVAIDs, if relevant;
- Prepare and coordinate Construction Safety Phasing Plan;
- Secure all necessary local, state and NPE partner airport funding;
- Secure environmental and other necessary permits;
- Submit Benefit/Cost Analysis;
- Coordinate Safety Risk Management Panel with FAA-Air Traffic Organization (ATO) or FAA - Office of the Associate Administrator of Airports (ARP), as necessary; and
- Finalize construction bidding, grant application and acceptance schedules.

Year of Construction

- Complete 100% design, plans, and specifications;

- Complete FAA Environmental documentation for current fiscal year;
- Advertise and secure bids according to acceptance schedules;
- Accept Federal grants;
- Coordinate with local officials and airport users on the progress and schedule;
- Issue notice-to-proceed; and
- Monitor environmental mitigation requirements during construction.

After Construction

- Submit final report and close any accepted Federal grants;
- Monitor environmental mitigation measures; and
- Update ALP drawing set.

6.1.2 Land Use and Zoning Regulations

To protect the current and future assets of the Airport, zoning codes ensure that the land around OLM is used in a manner that will be compatible now and into the future. Compatible land use focuses on densities, height awareness, and reduction of hazards to the purposes of the Airport and the community. Zoning and land use protections for OLM were incorporated into the City of Tumwater's Municipal Code under Chapter 18.32 in 2004. The focus of the Airport Overlay Zone is on compatible land use. Each zoning district also includes height restrictions that correlate with the FAR Part 77 "Objects Affecting Navigable Airspace," which must be met for development in the City of Tumwater. The municipal zoning chapter for the Airport Overlay for the City of Tumwater was adopted pursuant to RCW 36.70.547 and 3670A.510. Zoning regulations and guidance are available on the City of Tumwater's website along with associated maps and documentation available for review at the City of Tumwater's Community Development Department. Tumwater zoning is depicted on **Figure 1-19 and 1-20** of Chapter 1 of this MPU.

6.1.3 Environmental Considerations

The environmental process for projects within each development phase will need to be completed in advance of the design and construction to allow for project completion in accordance with applicable Federal rules and regulations. A five-year developmental Environmental Assessment (EA) may be appropriate to analyze the potential environmental consequences associated with the proposed action prior to construction beginning. A categorical exclusion (CE) may also be deemed acceptable for analyzing environmental impacts.

FAA Order 1050.1F, Policies and Procedures for Considering Environmental Impacts, and 5050.4B, National Environmental Policy Act (NEPA) Implementing Instructions for Airports, require the evaluation of airport development projects as they relate to specific environmental impact categories. A complete evaluation of the impact categories identified in FAA Orders 1050.1E and 5050.4B is required during an EA. It is possible that an EIS is deemed necessary as part of the EA process. An EIS is a complex, multi-level environmental assessment that may take years to complete. A CE is typically submitted in lieu of completing an EA in support of projects typically causing minimal environmental effects. If approved by the FAA, it allows for the project to proceed without the need for a costly EA.

Once the HCP Is approved it is not anticipated that any substantial environmental concerns would arise from any of the identified near-term development projects and a CE is sufficient for evaluating the environmental impacts. Environmental consideration will likely be required for the Runway, Taxiway and development area projects proposed in this MPU. In preparing for implementation of all projects, discussion with FAA environmental staff should take place to determine the best course of action for environmental processes.

6.1.4 Airport Recycling, Reuse, and Waste Reduction Plan

The FAA issued a memorandum on September 30, 2014 to provide guidance on preparing airport recycling, reuse, and waste reduction plans as an element of a master plan, master plan update, within a sustainability document, or as a standalone document. The guidance is mandatory when preparing a master plan or update.

The purpose of this section is to review the OLM recycling, reuse, and waste program and provide guidance on ways to reduce waste and improve recycling and reuse at a facility as part of the Master Plan in compliance with the FAA's memorandum. This section serves to meet that requirement and will:

- Review existing practices and solid waste sources (waste audit)
- Review the feasibility of solid waste recycling at the Airport
- Summarize operation and maintenance (O & M) requirements
- Review waste management contracts
- Identify potential cost savings or revenue generation
- Provide recommendations to minimize solid waste generation

Facility Description and Background

The Olympia Regional Airport is located four miles south of Olympia, Washington in the City of Tumwater Urban Growth Area, which is south of the Seattle-Tacoma Metropolitan Area near the center of Thurston County. It is owned and operated by the Port of Olympia, which provides for the day-to-day management of the airport. The Airport is designated as a Regional General Aviation (GA) airport in the NPIAS by the FAA, and also designated as a Regional Service Airport by the Washington State Department of Transportation (WSDOT) Aviation Division.

Existing Waste Resources

The identification and evaluation of airport waste sources can be complicated. There are different groups, operational styles, and collection/disposal processes that generate the waste. OLM has the following sources of waste: the hangars/tenants, airport administration/management, and airport operations/ maintenance.

The sources of waste can be further broken down by how much control the Airport has on the generation and disposal of waste. Two levels of control are:

- Areas where the Airport has direct control of waste management (public space, office space, administrative building, airport). These areas are controlled by the Airport and they are able to introduce recycling, reuse, and waste reduction programs directly.

- Areas where the Airport has no direct control but can influence waste management (tenants).

These are areas owned by the Airport; however, they are leased to tenants. The Airport can recommend recycling, reuse, and waste reduction programs be used and can include language that tenants' contracts, but management and monitoring of tenant practices would prove to be difficult.

Current Waste Management Programs

OLM has a contract in place with Pacific Disposal/LeMay. As a part of that contract, cardboard that is used by OLM, Glacier Aviation, and Olympia Flight Museum is collected once a week. In addition, mixed recycling is collected from Glacier Aviation and OLM.

Contracts with existing tenants do not require participation in the recycling program or provide recycling bins for customers and employees. It is recommended the Airport add language to future contracts that require tenants to provide recycling bins in order to increase the amount of recycling.

Review of Recycling Feasibility

Currently, OLM participates in a basic recycling program for the administrative offices and allows tenants to participate in the recycling program if they desire. Challenges and updates identified with the current program are;

- OLM does not require tenants to have recycling containers in place or to participate in Airport initiatives. However, the Airport does encourage their tenants to participate.
- OLM has updated their recycling program to also include plastics and bottles in addition to collecting cardboard, paper, used oil, and scrap material.

Plan to Minimize Waste Generation

OLM voluntarily participates in a recycling program however, the Airport is aware that its recycling, reuse, and waste reduction program can be improved by taking steps such as:

- Provide additional signage with recycling bins clearly showing the type of materials accepted.
- Provide educational material to tenants and airport employees on what material should be recycled and the appropriate business contacts.
- Investigate adding recycling, reuse, and reduce waste requirements to future tenant leases.
- When feasible, purchase products made from recycled material and encourage tenants to do so as well.

OLM has a basic recycling program in place; however, they may choose to implement additional procedures to improve their program and reduce the amount of solid waste they generate. Through continued coordination with local entities and tenants the Airport could play a more active role in recycling, reusing, and reducing solid waste.

6.1.5 Project Responsibilities

FAA Airport Improvement Program (AIP)-eligible airport projects are closely coordinated with the FAA to ensure compliance with all planning, design, and environmental standards. OLM representatives are responsible for project justifications and working closely with the FAA and the Washington State Department of Transportation (WSDOT) Aviation Division staff to secure funding and identify any necessary environmental processes and documentation. The Port of Olympia is also responsible for submitting grant applications to the WSDOT Aviation Division and the FAA, issuing project bid advertisements for project planning, environmental analysis, design, and construction as well as all materials and documentation required by local, state, and federal agencies in support of the project. To assist with these efforts, the Port of Olympia should obtain the support of a qualified consultant as part of the individual project effort or as part of a multi-year retainer for services. To ensure FAA compliance with AIP eligibility and existing grant assurances, the Port will need to select a consultant in accordance with FAA Advisory Circular standards. Once FAA AIP money is accepted, the Port must comply with all FAA grant assurance standards.

6.2 AIRPORT CAPITAL IMPROVEMENT PLAN

This section presents the various projects recommended to be included into the ACIP, broken into near-term, mid-term, and long-term development phases. The current ACIP reflects recommendations from the 2013 Master Plan. Changes recommended to the ACIP are reflective of the information contained within this MPU and the Preferred Alternative. These projects range in total cost widely, from multi-million dollars plus infrastructure improvement/maintenance projects to much smaller elements costing far less. Funding for the projects varies depending on eligibility between Federal funding, (Entitlement, State Apportionment, Bipartisan Infrastructure Law (BIL) funds) State Aviation funds, local funding, and private development.

The recommended projects presented in this chapter can be directly correlated to those projects outlined in the Preferred Alternative, illustrated in **Figure 4-9**. The following subsections provide in-depth detail of each project included in the recommended ACIP. Planning-level cost estimates are provided for each of these specific projects, which were developed utilizing estimated quantities for the major work items (e.g. hangar structures, asphalt, base course, earth work, and associated electrical items), including a 30% contingency factor to account for unforeseen conditions and additional work that may present itself through design. Consultant services (planning, engineering design, construction phase and contract administration services) are added in at 15%. Safety, FAA compliance, and identified facility requirements are the primary factors that determine the type of projects included in the Preferred Alternative. As expected, safety is a critical component for project selection and timing. The proposed timing for projects included in the recommended ACIP is also based on cost to benefit considerations and budget constraints.

Each project will require compliance with the HCP and an environmental review, most likely leading to a CE. Ensuring that the project will not negatively impact the environment is of high importance and crucial to sustaining the future of the developable land.

6.2.2 Near-Term Development Projects

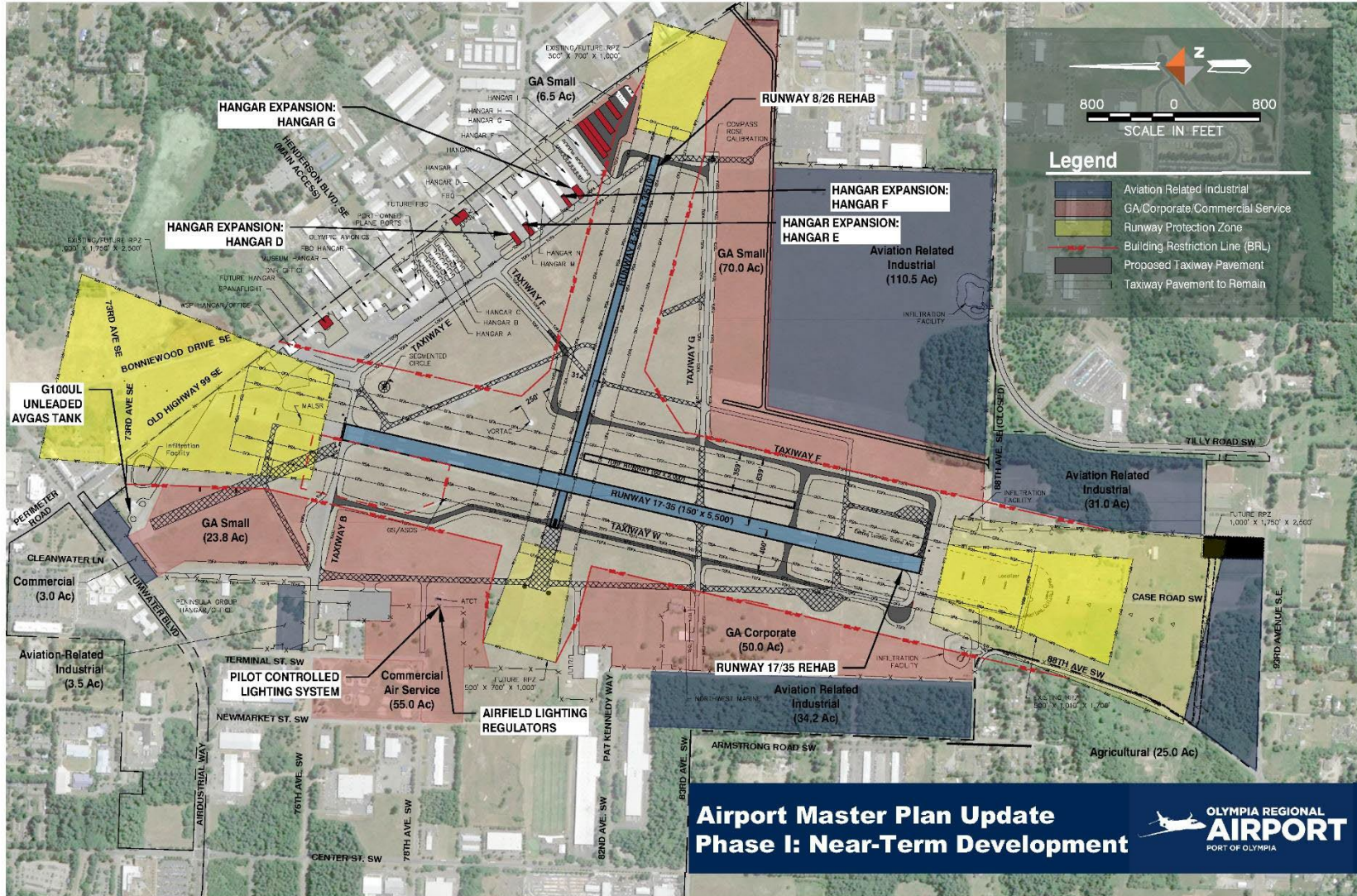
Near-term (Federal Fiscal Year) 2022 – 2026 capital improvements include those development items that are expected to begin within the next five years (**Figure 6-1**). **Table 6-1** outlines the near-term capital projects which are recommended to be included in the ACIP. Each of the near-term projects is also described in detail, including project description, costs, and justifications.

Table 6-1: Phase I – Near-Term (1-5 Years)

Year	Projects	Funding Source					Total Project Cost
		FAA AIP		BIL	State Aeronautics	Local/Other Funding	
		Entitlement	FAA State Apportionment				
2022	Carry Over						
2023	Runway 8/26 Rehab Phase 1 - Design (Non-AIP) Carry Over NPE					\$250,000	\$250,000
2024	Pilot Controlled Lighting System Replacement	\$135,000				\$15,000	\$150,000
2024	Airfield Lighting Regulators Replacement			\$450,000		\$50,000	\$500,000
2024	G100UL Unloaded Avgas Tank/Fuel Truck	\$21,000		\$429,000		\$50,000	\$500,000
2024	Runway 17/35 Rehab Phase 1 - Design	\$225,000			\$12,500	\$12,500	\$250,000
2024	Runway 8/26 Rehab Phase 2 - Construction (Non-AIP)					\$5,500,000	\$5,500,000
2025	Runway 17/35 Rehab Phase 2 - Construction	\$229,236	\$2,920,764		\$175,000	\$175,000	\$3,500,000
2026	Hangar Extensions (D, E, F, G) Design and Construction			\$584,000		\$1,216,000	\$1,800,000
2026	Taxiway Relocations (F, W, E, G Connectors, E Lighting) Phase 1 - Design	\$150,000	\$1,740,000		\$105,000	\$105,000	\$2,100,000

Source: The Aviation Planning Group 2023.

Figure 6-1: Phase I – Near-Term (1-5 Years)



Source: The Aviation Planning Group (2023)

Near-Term Projects Include:

- **Crosswind Runway Rehabilitation**

Runway 8/26 was constructed in 1943. The pavement is reaching the end of its useful life and will require reconstruction. The pavement received regular maintenance during its lifespan, allowing it to last over 80 years. Per the WSDOT 2018 Pavement Management Program update, much of Taxiway G has a forecasted PCI rating of 50 in 2022. The same areas of pavement had a PCI rating in 2018 of 54.

This project will likely not receive federal funding and is anticipated to be funded locally with possible additional matching funds from the state. During the reconstruction process the width will be reduced to 60 feet to meet the standards and needs of the aircraft utilizing the runway.

- **Pilot Controlled Lighting System and Airfield Lighting Regulators Replacement**

The existing pilot-controlled lighting system and airfield lighting regulators have reached their useful life and are in need of replacement. These projects will replace the equipment and provide updated equipment for the airport, improving reliability overall.

- **G100UL Unleaded Avgas Tank/Fuel Truck**

Unleaded aviation fuels are now available. Installation of a tank and acquisition of a fuel truck for the new fuel will be essential in the airport's ability to supply the new fuel to the aviation community. This project is in line with the desire to transition away from leaded fuels and will be the first towards that goal.

- **Primary Runway Rehabilitation**

Most of Runway 17/35 was reconstructed during 2007 and 2008, with the extension south of Taxiway L being constructed in 2005. Per the WSDOT PCI update, an overlay is warranted, with a PCI rating of 78 anticipated in 2025. A PCI rating of 85 was given to the pavement in 2018, but there have been significant cracks observed throughout the pavement, especially on the south end. This project will include a mill and overlay for Runway 17/35, installation of LED runway edge lighting, and subsurface drainage.

- **Hangar Extensions**

To utilize all buildable areas within the current hangar areas, extensions to hangars D, E, F, and G are anticipated. The hangars are owned by the Port, and the extensions are anticipated to be funded with BIL money and local funds.

- **Taxiway Relocations – Design**

Meeting FAA standards is imperative to maintaining the grant obligations for the airport. The taxiway system at the airport currently is nonstandard and, in many areas, does not meet the current FAA design standards. To meet the design standards, relocation of Taxiway F and W and the Taxiway Connectors F, W, and G will need to occur. FAA design standards achieved through the relocations include: (1) runway to taxiway separation distances, (2) intersections to the

runway occurring outside of the middle third of the runway, and (3) taxiway connectors being positioned at 90 degrees to the runway. This project is a design only project, with construction to be completed in the following year, and include the design for subsurface drainage on all included taxiways and taxiway connectors, and LED lighting and signage of Taxiway F, W, and E.

6.2.3 Mid-Term Development Projects

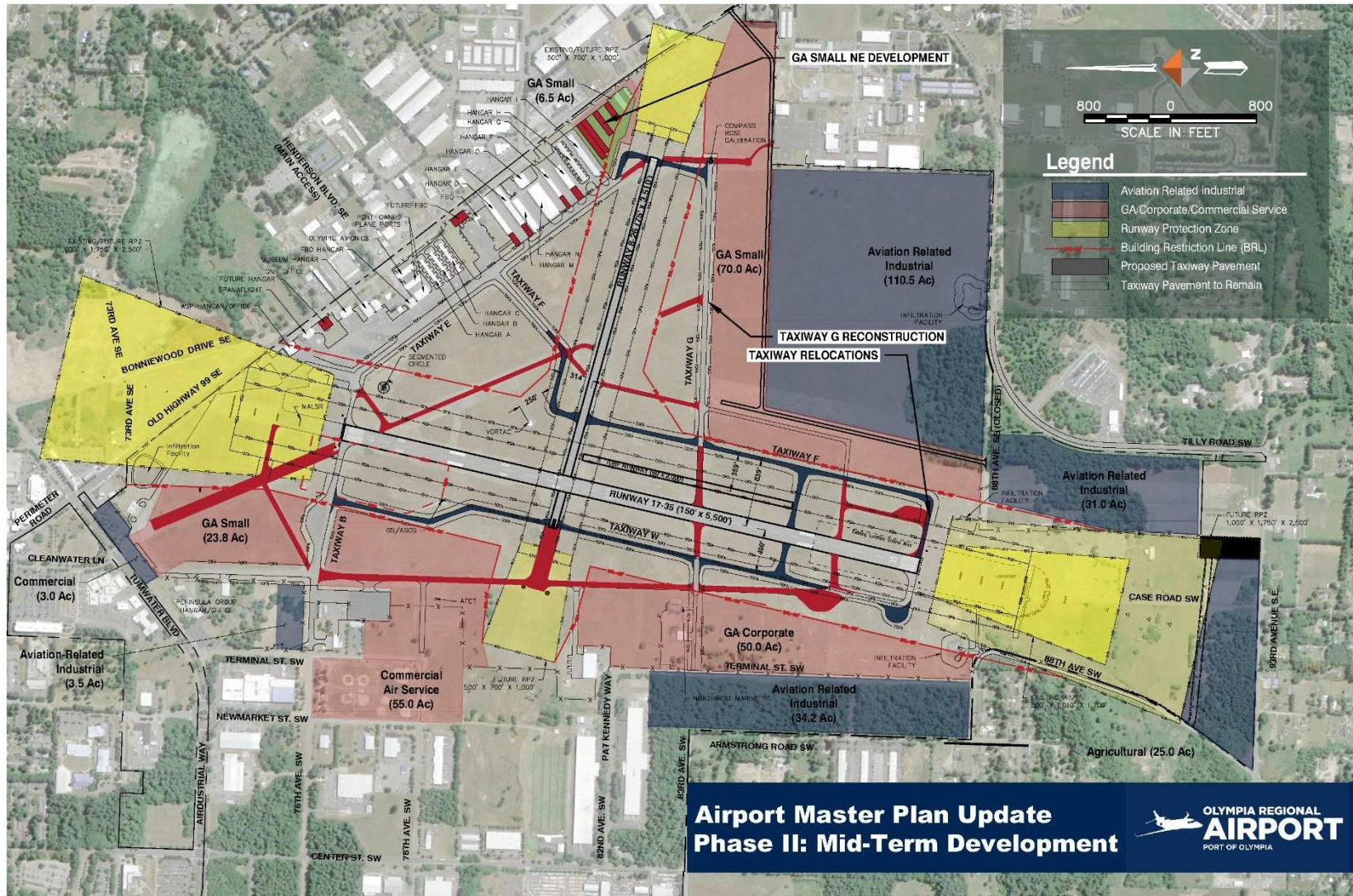
Mid-term development improvements include projects that are within the second five-year planning period (2027-2031) (see Figure 6.2). **Table 6-2** outlines the mid-term capital projects which are recommended to be included in the ACIP. Each of the mid-term projects is also described in detail, including project description, costs, and justifications. Environmental planning should be completed in conjunction with each project or at the beginning of the mid-term period to ensure compliance with NEPA.

Table 6-2: Phase II – Mid-Term (6-10 Years)

Year	Projects	Funding Source					Total Project Cost
		FAA AIP		BIL	State Aeronautics	Local Funding	
		Entitlement	FAA State Apportionment				
2027	Taxiway Relocations (F, W, E, and G Connectors, E Lighting) Phase 2 - Construction	\$150,000	\$12,450,000		\$700,000	\$700,000	\$14,000,000
2027	New Hangars - GA Small NE Development Phase 1 - Design (Non-AIP)					\$800,000	\$800,000
2028	Carry Over Note: 2027 Taxiway Project still be in construction						
2028	New Hangars - GA Small NE Development Phase 2 - Construction (Non-AIP)					\$11,500,000	\$11,500,000
2029	Taxiway G Reconstruction (and G Connector) Design and Construction	\$150,000	\$3,900,000		\$225,000	\$225,000	\$4,500,000
2030	Carry Over						
2031	Carry Over						

Source: The Aviation Planning Group 2023.

Figure 6-2: Phase II – Mid-Term (6-10 Years)



**Airport Master Plan Update
Phase II: Mid-Term Development**



Source: The Aviation Planning Group (2023)

Mid-Term Projects Include:

- **Taxiway Relocation - Construction**

Construction of the taxiway relocation, designed in the previous year, will occur to meet the current FAA design standards through the relocation of Taxiway F and W and the Taxiway Connectors F, W, and G. FAA design standards achieved through the relocations include: (1) runway to taxiway separation distances, (2) intersections to the runway occurring outside of the middle third of the runway, and (3) taxiway connectors being positioned at 90 degrees to the runway. This project will also include the installation of subsurface drainage on all included taxiways and taxiway connectors, and LED lighting and signage of Taxiway F, W, and E.

- **New GA Small Hangars**

Additional hangars are needed to accommodate the current demand at the airport. The distance between the existing hangar structures and Taxiway E Taxiway Object Free Area (TOFA) allows for the construction of additional hangars for aircraft storage capacity. Development of hangars, access taxiways, tiedowns, and an access road on the northeast corner of the airport near Runway 26 would allow for growth by fully building out the existing usable space of the airport in this location. This project is anticipated to be completed through private funding but has the potential to also be completed through local funding if the Port desires.

- **Taxiway G Reconstruction**

Taxiway G was constructed in 1943. The pavement is reaching the end of its useful life and will require reconstruction. Regular pavement maintenance on the Taxiway throughout its lifecycle allowed the pavement to last over 80 years. Per the WSDOT 2018 Pavement Management Program update, Taxiway G has a forecasted PCI rating of 34 in 2022. The PCI rating in 2018 was observed to be 38. Reconstruction will occur east of the future location of Taxiway F, providing continued access to Runway 26.

6.2.4 Long-Term Development Projects

Long-term development improvements include those projects that are further out than 10 years as illustrated in **Table 6-3**. These projects are all planned for the ultimate development of the airport beyond the near or mid-term planning period. Pavement maintenance will occur regularly throughout the long-term planning period to extend the useful life of the existing pavement. Pavement maintenance is critical for the airport to ensure the longevity of the pavement. Specific areas of pavement will be identified for pavement maintenance based on need and determination levels identified during WSDOT Aviation inspections for pavement conditions and the ratings provided on the respective pavement condition index scale (PCI).

Table 6-3: Phase III – Long-Term (11-20 Years)

Year	Projects	Funding Source					Total Project Cost
		FAA AIP		BIL	State Aeronautics	Local Funding	
		Entitlement	FAA State Apportionment				
2032	Carry Over						
2033	Pavement Maintenance	\$600,000				\$66,667	\$666,667
2034	Carry Over						
2035	Carry Over						
2036	Carry Over						
2037	Pavement Maintenance	\$600,000				\$66,667	\$666,667
2038	Carry Over						
2039	Carry Over						
2040	Carry Over						
2041	Pavement Maintenance	\$600,000				\$66,667	\$666,667

Source: The Aviation Planning Group 2022.

6.3 SOURCES OF CAPITAL FUNDING

Airport development projects rely on a variety of financial resources outside of the airport’s own capital reserve. Available sources of capital funding include federal government programs and grants, state government programs and grants, and private investment. Grants and outside funding stretch the local funds for the airport, and often include FAA Airport Improvement Program (AIP) program and WSDOT Aviation Division Airport Aid Grant Program. Projects such as hangars and structures built on leased property are generally constructed by private developers with private funds. Though there have been recent grant opportunities for 100% funding through federal relief grants by the FAA during the pandemic, the majority of the projects set forth in the CIP are expected to be funded through grants matched with local Sponsor funds.

6.3.2 Federal Aviation Funding

The FAA manages the AIP, which awards grants to agencies and entities for the planning and development of airports that are included in the NPIAS. The NPIAS identifies airports that are included in the national airport system, the role they serve, and the amounts and types of airport development eligible for Federal funding for a five-year period.

The AIP historically covers 90 percent of eligible costs for general aviation airports. Eligible projects include improvements related to enhancing airport safety, capacity, security, and environmental concerns. Generally, sponsors can get AIP funds for most airfield capital improvements or rehabilitation projects and in some specific cases, terminals, hangars, and non-aviation development. However, the FAA must determine if the projects are justified based on civil aeronautical demand. Grants are rated on a priority basis with safety and maintenance at the highest levels. Planning for necessary projects is vitally important to ensure program development is achieved in a time frame for maintenance to enhance pavement life rather than resulting in complete rebuilds. The Federal Airport and Airway Trust Fund, authorized by Congress, is provided by user fees and aviation taxes and in return funds the FAA AIP program. The sponsors share of the project not covered by the federal grants can be assisted with through state aviation grants and local matches (**Section 6.3.2 State Aeronautics Funding**).

In addition to AIP grants, the Bipartisan Infrastructure Law, enacted in the Infrastructure Investment and Jobs Act, authorized \$15 billion dollars for airport-related projects under the existing Airport Improvement Grant criteria for the years 2022-2026. Of the \$2.89 billion allocated for the fiscal year of 2022, \$295,000 had been allocated to the Olympia Regional Airport. The Airport will continue to receive \$295,000 in BIL funding from 2022-2023 and 292,000 starting in 2024 through 2026;

6.3.3 State Aeronautics Funding

The WSDOT Airport Aid Grant Program provides financial assistance to airports included in the WSASP. The WSDOT Airport Aid Grant funds can be used for the planning, acquisition, construction, improvement, and maintenance of airports. For projects to be eligible for funding, they must be included in the WSDOT Statewide Capital Improvement Program (SCIP). Additionally, for projects that are exclusively seeking state funding, the airport sponsor must contribute a minimum 5 percent match of the entire project cost. For projects that are receiving AIP funding, WSDOT will provide half of the match requirement.

In addition to state grants, all NPIAS airports are eligible to apply for other types of AIP grant funds through the State, such as state apportionment and discretionary grants, which are administered by WSDOT Aviation Division. Unlike NPE funds, these funds are administered and granted on a competitive basis.

Within the Airport Aid Grant Program, a portion of the funds (10%) were made available beginning in 2022 to be applied for through the Airport Transformation Grant Supplemental Application. These funds are intended to be directed to sustainable aviation projects such as, but not limited to:

- Sustainable aviation fuel storage
- Electrification of ground support equipment
- Electric aircraft charging infrastructure;
- Airport clean power production
- Electric vehicle charging stations whose infrastructure also supports ground support equipment and electric aircraft charging.

The purpose of the grants is to encourage clean forms of transportation, reduce greenhouse gases and reduce dependency on fossil fuels. Additionally, if OLM submits supplemental application for the Airport Transformation Grant and is not selected, the project will then be considered for funding through the Sustainable Aviation Grant Program.

During the 2022 Legislature, Substitute Senate Bill 5975 was signed into law. The bill establishes a Sustainable Aviation Grant Program for airports. Sustainable aviation fuel storage, electrification of ground support equipment, electric aircraft charging infrastructure, airport clean power production, and vehicle charging stations are eligible sustainable aviation projects. WSDOT submitted a report to the legislature in late 2022, that identified the initial projects for sustainable aviation funding in the state as well as recommended changes to modify and sustain the program. This program should be reviewed annually for further information on eligibility and deadlines to apply.

6.3.4 Other Federal Funding

The US Department of Transportation has several programs that airports can use to secure funding and credit assistance. The Build America Bureau considers Transportation Infrastructure Finance and Innovation Act (TIFIA) loans for qualifying airport related projects, as well as TIFIA and Railroad Rehabilitation & Improvement Financing (RRIF) loans for qualifying surface transportation projects at airports. Qualifying projects include:

- Airport development
- Terminal development
- Noise compatibility measures
- Converting vehicles and GSE to low-emission technology
- Consolidated rental car facilities
- Transit & rail facilities

The Department of Transportation also offers annual Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grants to assist with transportation projects that have significant local and regional impact. RAISE grants help at the local and state level to fund much-needed infrastructure projects and can serve as a good source of funding for projects that might otherwise be difficult to fund through other Department of Transportation programs. The 2023 deadline for RAISE Discretionary Grants was February 28th, but it is a good resource to consider for future funding years. The Federal Highway Administration provides grants through the Charging and Fueling Infrastructure discretionary program to provide publicly accessible electric vehicle charging stations, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas fueling infrastructure. Community Grants up to \$15,000,000 are available for qualifying projects. Similarly, the US Department of Energy, through the Office of Energy Efficiency and Renewable Energy promotes research and development of sustainable transportation technologies and infrastructure. The US Department of Labor offers grant funding to develop roles related to electric vehicles.

The Federal Transit Administration has a grant program aimed at supporting federal public surface transportation, including buses, subways, light rail, commuter rail, trolleys, and ferries. The US

Department of Agriculture offers funding programs to assist rural and agricultural communities protect natural resources and encourage rural development.

The FAA offers the Voluntary Airport Low Emissions (VALE) Program, which provides air quality credits for future airport development. Under this program, airports can use AIP funds and PFCs to purchase low emission vehicles, refueling and recharging stations, and other qualifying improvements. VALE grants have funded projects at over 100 airports so far, helping them to significantly reduce ozone emissions. To be eligible, the airport must first be a commercial service airport and must be in a nonattainment or maintenance area per the NAAQS. The project also cannot be listed in any State Improvement Plan. The annual deadline for pre-applications for the VALE Program is historically November 1st.

6.3.5 Other State Funding

The Washington State Department of Commerce makes funds available for projects through the Energy Efficiency Grant Program (EE) for improvements to existing public-owned facilities and related projects that result in energy and operational cost savings. These types of grants could be utilized for the modernization of the aging buildings around the airport, if deemed to qualify as a public building. The maximum award amount is \$350,000, and eligibility as a project includes:

- The project must be an improvement to existing facilities and related projects that result in energy savings and operational cost savings.
- No more than 50% of energy savings (in kWh) can come from lighting efficiency projects.
- Projects will be required to utilize non-fossil fueled heating equipment or to demonstrate why that is not possible or cost-effective.
- The construction phase of the project must be completed within 18 months of award letter return.
- The project must be located at an existing facility owned by an eligible applicant and located in Washington State.

Similarly, the Washington State Department of Enterprise Services has made available the Energy Savings Performance Contracting (ESPC), which is a contracting process used to identify and install energy and utility improvements in existing facilities. This is a Washington General Administration program that assists many different entities, to include port districts, with building energy upgrades for energy saving projects through financing opportunities. Areas of assistance include: energy management systems, interior and exterior lighting, boiler replacement and repair of steam distribution systems, high efficiency HVAC systems, LED traffic systems, wastewater treatment plant pumps and motors. The process provides a cost-effective method for completing building energy upgrades and retrofits.

6.3.6 Department of Energy Funding

The Office of Energy Efficiency and Renewable Energy (EERE), as part of the Department of Energy, promotes research and development of sustainable transportation technologies and infrastructure by

offering a variety of funding opportunities in areas such as solar, wind, water, bioenergy. These opportunities vary throughout the year. A list of current funding opportunities and their deadlines can be found at the website below:

- <https://www.energy.gov/eere/funding/eere-funding-opportunities>

Funding opportunities are listed on the EERE Exchange as well as GRANTS.gov. These websites can be found below:

- <https://eere-exchange.energy.gov/>
- <https://www.grants.gov/>

The Department of Energy is also home to the American Made Challenges Program Buildings Upgrade Prize. This program encourages “actionable and scalable” innovations to advance energy efficiency in existing infrastructure. The program offers a chance for organizations, tribes, local governments, building owners, utilities, nonprofit organizations, and others to work collaboratively and find energy efficient solutions that can be largely implemented across a geographic area or building type. The Buildings Upgrade Prize, totaling \$22,000,000, will be split among selected teams at various stages in the prize structure. More information can be found at the following link:

- <https://www.herox.com/BuildingsUP>

The NREL offers a similar program known as the Clean Energies to Communities (C2C) Program. This Department of Energy program offers technical partnerships with NREL to help rural and urban communities develop accessible clean energy systems. These partnerships allow local governments, community-based organizations, electric utilities and other organizations to collaborate with NREL to test potential energy solutions. Funding from this program offers communities access to:

- A dedicated NREL point of contact
- Funding to hire consultants and additional staff
- Facilitation and community engagement support
- Extensive technical support from the Department of Energy national laboratory complex

Proposal submissions for the C2C Program are currently being accepted. More information is available at the following website:

- <https://www.nrel.gov/state-local-tribal/c2c-in-depth-partnerships.html>

This resource will provide information on grants that are Federal and Non-Federal grants. The Website listed below has many great resources for understanding the grant process from start to finish and searching the available grants with certain key functions.

- <https://www.grants.gov/web/grants/view-opportunity.html?oppld=338480>

6.3.7 Low Interest Loans

The Community Aviation Revitalization (CARB) loan program was initiated with \$5 million dollars in 2019, and provides low interest loans (2%) up to \$1.2 million for airports. Within the first two years nearly all the money had been loaned out to airports with a maximum payback time frame of 20 years.

As funds are paid back with interest the program can re-loan out the funds to other airports. This program allows for airports to fund projects that may not fit traditional grant requirements, or may be lower priority for the grant funding agencies but highly desired by the airport.

State Infrastructure Banks (SIBs) are specialized financing entities established by each state's government in the US to fund infrastructure projects. These banks provide loans, loan guarantees, and other financial assistance. This assistance goes to the public and private entities for the construction, maintenance, and improvement of infrastructure projects. SIBs use a revolving loan fund model, which allows them to reinvest loan repayments into new projects, making them a sustainable source of financing for infrastructure development.

Additionally, The US Department of Transportation's Build America Bureau is home to the Rural Projects Initiative (RPI). RPI is part of the Transportation Infrastructure Finance and Innovation Act (TIFIA), and is a credit program that offers low-interest, long-term loans to fund qualifying transportation projects. State Infrastructure Banks (SIBs) can assist communities in obtaining Build America Bureau funds they otherwise might not qualify for.

In the case of airports, SIBs can play a crucial role in financing airport infrastructure projects, such as runway expansions, terminal renovations, and air traffic control upgrades and other projects associated with a master plan. SIBs can also provide financing for non-aeronautical facilities on airport property such as parking garages and rental car facilities, which generate revenue for the airport. This way the airport is leveraging public and private funds, SIBs can help airports finance costly infrastructure projects that might not be feasible with traditional funding sources alone. This can lead to improvements in airport safety, efficiency, and capacity, benefiting both the traveling public and the aviation industry.

6.3.8 Local Funding

Primary revenue sources for airports revolve around fuel sales, hangar/building rentals, and land leases for private development. The Olympia Regional Airport receives annual revenue from fuel flow fees from the FBOs fuel sales. The Airport also receives revenue from leasing airport owned buildings and land for aeronautical activities along with some non-aeronautical land leases on portions of the Airport property that is not suitable for aeronautical development. Revenues received by the airport are used to offset operational and maintenance expenses, with any additional expenses covered by the Port of Olympia as the Airport Sponsor. The ultimate goal for any airport is to become self-sustaining, and once achieved all remaining funds in reserve would be utilized for Airport expenses to include helping pay for grant matches, additional projects and enhancement of the Airport.

In addition to revenue generated at the Airport, the Port of Olympia, as the Airport Sponsor is responsible for ensuring that the airport is able to meet sufficient funding obligations and to remain operational. Other local governments that benefit from the airport within their jurisdictions include the City of Tumwater and Thurston County. Funding opportunities for capital projects may be able to be done in partnership with the surrounding communities and their economic development groups within

those communities. Many projects around the country are funded through economic development grants and loans as the airport provides business opportunities and important access to communities as economic drivers.

With an outlook towards the electrification of vehicles and aircraft, the need for charging will continue to increase. Puget Sound Energy is the airport's electrical provider and there may be grant and partnering opportunities for locating charging stations at the airport, as well as clean energy opportunities such as solar panels.

6.3.9 Private Funding

In addition to the local, federal, and state funding sources of airport capital funds, private development occurs on the airport by developers, airport users, and investors. Generally private development will occur when it is primarily beneficial to a single person or entity rather than for all airport users. This could be a business available to the public, but would be revenue generating or primarily beneficial to the owners of the development, such as an FBO or hangar. Additionally, individuals may invest in private developments to meet specific requirements for their aircraft operations.

Private funding is also available in the form of third-party financing for airport sponsors when the planned improvements will be primarily used by private businesses or other organizations that would not be eligible, or be considered a priority, for federal and state funding. As budgets tighten, leveraging private funding becomes increasingly vital for sustaining airport development through non-traditional financing avenues.

6.4 CAPITAL IMPROVEMENT PLAN SUMMARY

Based on the identification of capital improvement projects for the Olympia Regional Airport, the total project costs for the recommended ACIP is \$61 million over the period described, including those projects expected to be funded locally or through other investors in situations such as hangars. The following assumptions were necessary in the creation of the ACIP.

- The Airport will continue to receive \$150,000 in NPEs each year;
- The Airport will continue to receive \$295,000 in BIL funding from 2022-2023 and ~\$292,000 starting in 2024 through 2026;
- Projects will be prioritized by the WSDOT Aviation Division in conjunction with the FAA and funded at various levels from 5% to 95% depending on the individual project;
- The funding necessary to leverage project grant funds will be provided by a combination of local sources and other grant funds;
- And strategic opportunities are expected to be funded through a combination of FAA, WSDOT Aviation Division grants, local, other grant funds, and private developers.