

CHAPTER SIX

CAPITAL IMPROVEMENT PLAN

This chapter details the various projects required for the continued improvement and operation of the Ohio State University Airport for a period of 20 years. These projects, by phase (time period), include estimates of probable project costs in constant 2002 dollars. These planning cost estimates are intended to illustrate the relative order of magnitude and will undoubtedly vary somewhat. More detailed project definitions and associated estimates must be developed prior to the implementation of any project identified herein.

The 20-year Capital Improvement Program (CIP) is broken down into the following three development phases:

- Phase I (first five years)
- Phase II (second five years)
- Phase III (last 10 years)

Each phased development item is shown on the Airport Layout Plan (ALP). The recommended phasing is not absolute. Project development may change as a result of shifts in demand, sponsor or federal priorities, or available funding. This chapter also includes a funding analysis based on typical funding sources. Three primary funding sources include Federal Aviation Administration (FAA) grants, Ohio Department of Transportation (State) grants, and public/private funding. Public/private funding includes all costs typically not eligible for Federal or State grants.

The following section describes funding sources and eligibility criteria and planning estimates of probable project costs for each item identified as part of the Airport Master Plan.

6.1 FAA FUNDING

To promote the development of airports to meet the nation's needs, the Federal Government embarked on a Grants-In-Aid Program to units of State and local government after the end of World War II. This early program, the Federal Aid Airport Program (FAAP), was authorized by the Federal Treasury Act of 1946 and provided its funding from the Treasury.

In 1970, a more comprehensive program was established with the passage of the Airport and Airway Development Act of 1970. This Act provided grants for airport planning under the Planning Grant Program (PGP) and for airport development under the Airport Development Aid Program (ADAP). These programs were funded from a newly established Airport and Airway Trust Fund, which received funds from taxes on airline tickets, airfreight, and aviation fuel.

The authority to issue grants under these two programs expired on September 30, 1981. During this 11-year period (1970-1981), a total of 8,809 grants were awarded for a total of \$4.5 billion for airport planning and development.

The Airport Improvement Program (AIP) was established through the Airport and Airway Improvement Act of 1982. The initial AIP provided funding legislation through fiscal year 1992. Since then, the AIP has been authorized and appropriated on a yearly basis. Funding for this program is generated from a tax on airline tickets, freight way bills, international departure fees, tax on general aviation fuel, and a tax on aviation jet fuel. The FAA uses these funds to provide 90 percent funding at eligible airports for eligible items under the AIP.

Federal Airport Improvement Funds must be spent on FAA eligible projects as defined in FAA Order 5100.38 “Airport Improvement Program (AIP) Handbook.” In general, the handbook states that:

An Airport must be in currently approved National Plan of Integrated Airport Systems (NPIAS).

Most public-use airports improvements are eligible for 90 percent Federal funding.

General Aviation terminal buildings, T-hangars, and corporate hangars and other private-use facilities are not eligible for Federal Funding.

Revenue-producing items such as automobile parking lots are not eligible for Federal Funding. All eligible projects must be depicted on an FAA-approved Airport Layout Plan. AIP entitlement grants at large and medium hub airports (defined as airports with 0.25 percent or more of total U.S. enplanements) that impose a passenger facility charge (PFC) are required to be reduced by an amount that is equal to 50 percent of anticipated PFC revenues, not to exceed 50 percent of the entitlement amount. The reduction is effective in the first fiscal year immediately following PFC approval. The latter do not currently apply to the Airport.

Other sources of FAA funding include Facilities and Equipment (F&E) funding for facilities such as air traffic control towers and some runway instrumentation. This funding is separate from the AIP program and typically requires no local match. Federal noise funds (Part 150 funds) may also be available for noise mitigation with an 80 percent Federal and a 20 percent State and/or local share.

6.2 STATE FUNDING

The Ohio Department of Transportation (ODOT) administers State funding for airport improvements. This funding is typically used to support the local matching share (5-10 percent of available federal funding) and to provide for some State-financed aviation improvements. Currently, budget concerns have greatly limited the funding available from the State for airport projects.

6.3 SPONSOR FUNDING

The Ohio State University provides sponsor funding. This funding must be used to make up the balance after FAA and ODOT participation for the grant-eligible project costs. The Airport

generates all sponsor funds from fuel sales, lease fees, and other similar incomes. The University does not provide any financial assistance, other than in the form of loans.

6.4 OTHER FUNDING

Another potential source of funds for airport improvements is from private investors. Private investors may construct needed facilities as part of a lease agreement with the Airport that will allow time to amortize their investments. This type of funding is particularly suitable for corporate hangar development and other privately owned projects. These types of projects are not typically eligible for FAA or State funding.

6.5 PHASED COSTS

Table 6-1 depicts anticipated costs for the first five years (near term), 10 years, and 20 years for the Airport. Phase I contains approximately \$20.7 million in capital projects. In addition, private funds will be required for a proposed rental car facility and the beginning development on the north side corporate airpark. The Airport is anticipated to require nearly \$10.2 million in funding to complete this five-year capital program.

Phase II contains \$15 million in capital projects. Private funding is anticipated to continue the north side corporate development and for a historical research center. The Airport's share of the proposed development plan is the complete \$15 million.

Phase III development is relatively limited. The sole project is the update of the Airport Master Plan, estimated at \$150,000. In addition, it is anticipated that private development will continue on the north side corporate airpark.

When combined, the 20-year CIP for the Airport represents nearly \$35.9 million in development projects. More than 56 percent of the project development is anticipated in the first five years of development. Approximately 30 percent of the total is eligible for federal participation.

TABLE 6-1
CAPITAL IMPROVEMENT PROGRAM

Project	FAA Eligible	State Eligible	Airport Sponsor	Other	Total Cost
PHASE I 2005 - 2009)					
Plans & Construction - Runway 9L/27R Rehab & Extension	\$4,055,917		\$450,658		\$4,506,575
Rental car facility				Private funding	Private funding
Construct 2 T-hangars, corporate hangar			\$8,600,000		\$8,600,000
Acquire land interest - Nat'l Guard Ramp and hangar	\$3,584,700		\$398,300		\$3,983,000
Plans & Construction Rehab Rwy 9R/27L, Txy A,D	\$2,613,735		\$290,415		\$2,904,150
North side corporate air park (Ph. 1)				Private funding	Private funding
Plans - Terminal building, t-hangars			\$250,000		\$250,000
Self fueling system, west ramp expansion			\$250,000		\$250,000
Security fence and card reader	\$225,000		\$25,000		\$250,000
Total Cost - Phase I	\$10,479,352	\$0	\$10,264,373		\$20,743,725
PHASE II (2010-2014)					
Construct - Terminal building, t-hangars			\$15,000,000		\$15,000,000
North side corporate air park (Ph. 2)				Private funding	Private funding
Aviation Education Center				Private funding	Private funding
Historical research center				Private funding	Private funding
Community park				City of Columbus	
Total Cost - Phase II	\$0	\$0	\$15,000,000		\$15,000,000
PHASE III (2015-2024)					
Master plan update	\$135,000		\$15,000		\$150,000
North side corporate air park (Ph. 3)				Private funding	Private funding
Total Cost - Phase III	\$135,000	\$0	\$15,000		\$150,000
TOTAL COST - PLANNING PERIOD	\$10,614,352	\$0	\$25,279,373		\$35,893,725

