JUNEAU INTERNATIONAL AIRPORT BOARD
FINANCE COMMITTEE
Wednesday, August 8, 2018, 9:00 a.m.
Alaska Room

I. **Introduction** (meeting participants).

II. **Capital Improvement Plan (CIP) Overview/Update** (Attachment #1). The attached spreadsheet (Attachment #1) is an update to our current CIP list. Staff has updated amounts based on actual bids or refined estimates, as well as updates based on Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding for Federal Fiscal Year (FFY) 19 (October thru September). There are changes to a couple projects due to FAA priorities in the National Plan of Integrated Airport Systems (NPIAS) and how best to fit into the funding matrix. The biggest proposed change is the shifting of project years to try and capture some of the $1B supplemental spending approved for airports beginning in FFY18, as well as trying to maximize FAA entitlement dollars for eligible portions of the terminal reconstruction. No funding is guaranteed until a grant is received.

Overview of major changes:

1. (#11) The Snow Removal Equipment Facility (SREF) Sand/Chemical/Fuel has been moved from FFY2021 to FFY2018 (ending September 2018); as approved at the July 10, 2018, Airport Board meeting. This project is a strong candidate for the $1B Supplemental AIP spending authorized by Congress earlier this year. This is additional funding to the already programmed AIP funds for construction-ready projects. By moving this project up, it would potentially free-up the AIP entitlement funds in FFY21 for projects like the terminal that are lower priority and not eligible for AIP discretionary funding. Project costs were also updated to reflect design estimates and partial (above-ground) demo of old sand/chemical building. Total project cost is estimated at $12M at this time. The increase (from $10.3M) also means that the match ($643,750 Passenger Facility Charge (PFC) match currently being appropriated) will need to increase to $750,000. Staff will look at amending PFC9 by the $106,250 difference. In the meantime, for the project to go out to bid, this difference will require a temporary funding source. Staff suggests a transfer from the capital revolving account. It is also anticipated that if the grant for the SREF Sand/Chem/Fuel is awarded by the FAA, this project will be on a fast track for bidding, award and appropriation in August/September.
2. (#14) Taxiway D-1will not change years (FFY2019) but the Airport will work with FAA to see if programmed AIP discretionary funds or special Supplemental AIP funding will have better funding likelihood.
3. (#17 and #16) Terminal Reconstruction cost was updated based on conceptual project cost estimate ($21.6M). At the July 10, 2018, Airport Board meeting, the Board approved a conceptual design and to move this forward for design and the funding plan. This project is complex in funding and phasing. The proposed project funding requires collection of AIP entitlements over three years to capture/maximize entitlement dollars. The project is also proposing an increase to the current PFC9 funds from $5,199,619 (as approved in PFC9 application) to $5,983,514. Based on our airport size, only entitlement funds and PFC may be used for the eligible portion of the terminal; which is estimated to

be 70% of the project at this time. FAA must also approve the use of entitlement funds for the three years in a row. While the CIP plan outlines a financial plan and timing in order for the project to move forward, a funding plan (cash flow) will need to be addressed so that the project does not have to wait until 2023 to start. The 'space reconfiguration (old dining room/kitchen)' was updated to FFY19 (from FFY18) with the updated PFC (old) to $292,000 (from $250,000). This will be required prior to Terminal reconstruction as part of the phasing of the work.

4. The remaining projects were adjusted to reflect updated project year.
5. The next Snow Removal Equipment (SRE) Acquisition is slated for FFY23, however, if special FAA/AIP discretionary funds become available, this project could move up to make use of additional funds.

Finance Committee Actions:
"Approve the Snow Removal Equipment Facility Sand/Chem/Fuel Facility Capital Improvement Project anticipated special FAA AIP grant and forward to the Airport Board and Assembly for award."

"Approve forward-funding of the SREF Sand/Chem/Fuel Facility Capital Improvement Project additional match requirement of $106,250 from the Airport CIP revolving account; and amend PFC9 to increase/collect the additional $106,250 funding; reimbursing the CIP revolving account upon future PFC collection/appropriation."

"Approve the increase of Terminal Reconstruction PFC9 match funds by $783,895 and forward on for PFC public process."

"Approve the Airport Capital Improvement Plan update as presented in Attachment #1 (dated 8/6/2018)."

III. **Terminal Reconstruction Project Cash Flow**. The Airport has proposed a funding plan for the terminal reconstruction project based on updated estimates of $21.6M (Attachment #1). While $6.1M in General Obligation Bond money could be readily available, the Federal funding components (AIP and PFC) would not be available all at once. AIP entitlements are scheduled for FFY20/21/22 and the PFC9 collections would span a 4½ year collection period (FFY20-25). The funding plan must also take into account the federal eligibility (AIP and PFC) which is estimated at 70% at this time.

Some ideas for funding would be a request for line of credit or other City assistance until the remaining funds are appropriated or PFC/revenue-backed bonds, which ultimately make the project more costly. To delay the project until all funds are collected would also cost the project more due to inflation. More discussions about options will take place at the meeting with City & Borough of Juneau (CBJ) Finance Director Bob Bartholomew.

IV. **Other Items for Discussion**

V. **Next Finance Meeting: <u>TBD</u>**

UPDATE W/1% SALES TAX ($3M) FOR MATCH

10/20/2017

Juneau International Airport (JNU)
CAPITAL IMPROVEMENT PLAN

Airport Department Projects: CBJ Capital Improvement Plan **ATTACHMENT #1**

Project #	Project Name	Anticipated Project Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026+	FEDERAL: AIP Entitlements	FEDERAL: AIP Discretionary	FEDERAL: Other Federal Funding Sources[1]	STATE: State Legislative Grant	LOCAL: 2012 General Obligation Bond	LOCAL: Other Unidentified Funds	LOCAL: Passenger Facility Charge (PFC) old	LOCAL: Passenger Facility Charge (PFC) #9	LOCAL: 2012 Ballot Measure Sales Tax	LOCAL: 2017 Ballot Measure Sales Tax	LOCAL: M & O Budget	LOCAL: Local Capital Budget[3]
													Source of Funds									8/6/2018		
1	**RSA NE/NW(Ph 12) Construct Aprons, Fencing**	**$10,800,000**	$10,800,000										$134,336	$9,990,664								$1,075,000		
2	**Design Taxiway A, Realign TWY E and Relocate TWY D-1 (RIM)**	**$2,111,000**	$2,111,000										$1,979,062									$131,938		
3	**Float Pond Improvements (Flow Control Valve)**	**$816,000**	$816,000										$765,000									$51,000		
4	**Replace Snow Removal Equipment**	**$5,145,122**	$5,145,122											$4,823,551								$321,570		
5	**Ramp Lighting Energy Grant**	**$256,000**	$256,000											$240,000								$16,000		
6	First Floor Men's Restroom Renovation	$40,000	$40,000																$40,000					
7	Terminal East End Doors/Vestibule	$75,000	$75,000																$75,000					
8	**Design/Const. Passenger Boarding Bridge Gate 2**	**$1,922,000**		$1,922,000									$1,801,875									$120,125		
9	**Design/Const. Terminal Reconstruction**	**$1,500,000**		$1,500,000									$634,736				$791,515					$73,750		
10	**Design SREF Phase 2 Sand/Chemical Storage/Fuel**	**$565,000**		$565,000									$529,688									$35,312		
11	**SREF Building Phase II Sand /Chemical Storage, Fuel, demo old**	**$12,000,000**		$12,000,000										$11,250,000						$750,000				
12	**Const. Taxiway A Rehab**	$17,000,000			$17,000,000								$2,966,000	$12,971,500						$1,062,500				
13	**Const. Taxiway E Realignment (Geometry)**	$2,000,000			$2,000,000									$1,875,000						$125,000				
14	**Const. Taxiway D-1 Relocation (RIM)**	$1,300,000			$1,300,000									$1,218,750						$81,250				
15	*26 MALSR (FAA F&E Project)*	*$3,750,000*			*$3,750,000*										*$3,750,000*	*$93,750*								
16	Space Reconfig (old dining rm/kitn) Tenants & Admin	$292,000			$292,000														$292,000					
17	**Const. Terminal Reconstruction**	$15,272,530				$15,272,530							$2,966,000				$6,108,486			$5,588,044	$610,000			
" "	" " "	$3,163,735					$3,163,735						$2,966,000							$197,735				
" "	" " "	$3,163,735						$3,163,735					$2,966,000							$197,735				
18	Terminal Camera Surveillance system Design & install	$200,000				$200,000									$200,000									
19	Replace Trash Compactors and Pads	$100,000				$100,000																	$100,000	
20	Multi-Modal Feasibility Planning	$10,000				$10,000																		$10,000
21	Passenger Terminal Parking Lot Rehab	$3,000,000							$3,000,000									TBD					TBD	TBD
22	**Terminal Area (121) Apron Rehabilitation**	**$3,500,000**							$3,500,000				$3,000,000	$281,250								$218,750		
23	**Terminal Area (135) Apron Rehabilitation**	**$6,000,000**							$6,000,000					$5,625,000								$375,000		
24	**Emergency Vehicle Access Road (EVAR) extendDesign/construct**	**$500,000**							$500,000					$468,750								$31,250		
25	**Acquire Wetlands Access Vehicle (w/CCFR)**	**$250,000**							$250,000					$234,375								$15,625		

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Source of Funds **8/6/2018**

Project #	Project Name	Anticipated Project Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026+	FEDERAL AIP Entitlements	FEDERAL AIP Discretionary	FEDERAL Other Federal Funding Sources[1]	STATE State Legislative Grant	LOCAL 2012 General Obligation Bond	LOCAL Other Unidentified Funds	LOCAL Passenger Facility Charge (PFC) old	LOCAL Passenger Facility Charge (PFC) #9	LOCAL 2012 Ballot Measure Sales Tax	LOCAL 2017 Ballot Measure Sales Tax	LOCAL M & O Budget	LOCAL Local Capital Budget[3]
26	**Replace Snow Removal Equipment**	**$5,000,000**							$5,000,000					$4,687,500						$312,500				
27	*NE Development Area Sewer Infrastructure*	*$100,000*							$100,000									$100,000						
28	Phase IC SREB (remainder of maintenance shop) non -FAA elig.	$0							$5,500,000															$5,500,000
29	Design & Reconstruct Alex Holden Way, Cessna and Renshaw	$2,200,000								$2,200,000														$2,200,000
30	**Design/Const. Taxiway C Reconfiguration**	**$5,000,000**								$5,000,000			$3,000,000	$1,687,500								$312,500		
31	**Design/Const. Safety Area Grading @ RW Shoulder and NAVAIDs (2025)**	**$3,300,000**									$3,300,000		$3,000,000	$93,750								$206,250		
32	**Design/Const. Conversion of Runway 8/26 to 9/27 - MAGVAR (2025)**	**$200,000**									$200,000			$187,500								$12,500		
33	**Reconstruct West GA Taxilanes (2026)**	**$2,500,000**										$2,500,000	$187,500	$2,156,250				$156,250						
34	**Reconstruct West Tiedown Apron (2026)**	**$3,000,000**										$3,000,000	$2,812,500	$0				$187,500						
35	**Replace ARFF truck (2026)**	**$1,000,000**										$1,000,000		$937,500				$62,500						
36	**Reconstruct East GA Taxilanes (2027)**	**$2,000,000**										$2,000,000		$1,875,000				$125,000						
37	**Reconstruct East Tiedown Apron (2027)**	**$3,000,000**										$3,000,000		$2,812,500				$187,500						
38	**Reconstruct E-1 Ramp (2027)**	**$5,500,000**										$5,500,000	$3,000,000	$2,156,250				$343,750						
39	Terminal Expansion Planning - Baggage, Departure Loounge	**$600,000**										$600,000												$600,000
40	Parking Garage	$20,000,000										$20,000,000												$20,000,000
41	**Snow Removal Equipment Acquisition**	**$5,000,000**										$5,000,000	$3,000,000	$1,687,500										$312,500
42	**ARFF Truck Replacement**	**$1,000,000**										$1,000,000	$937,500											$62,500
43	Demolish (old) Sand/Chem Facility complete subsurface	$1,000,000										$1,000,000	$937,500											$62,500
44	Terminal Infrastructure Replacement	$5,000,000										$5,000,000						$5,000,000						
45	**Airport Master Plan Update**	**$1,200,000**										$1,200,000	$1,125,000											$75,000
46	*Relocate/Construct FAA ATCT*	*$50,000,000*										$50,000,000			$50,000,000									
47	**Terminal Expansion Construction**	**$10,000,000**										$10,000,000						$10,000,000						
48	**Landside Access Roads Pavement Rehab**	**TBD**										TBD	TBD											
49	**Airfield Pavement Rehab**	**TBD**										TBD	TBD											
50	Civil Air Patrol Hangar Relocation	$0										TBD												
51	Fish & Wildlife Service Hangar Relocation	$0										TBD												

Project Budgets and Sources of Funds Will Be Defined At A Later Date To Be Determined

These Projects May Move Forward As Project Funds Are Identified and Secured

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													Source of Funds								8/6/2018			
													FEDERAL			**STATE**	**LOCAL**							
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	TOTAL	$198,102,000	$0	$12,000,000	$24,342,000	$15,582,530	$3,163,735						32,863,999	$52,205,875	$53,950,000	$93,750	$6,108,486	$16,162,500	$292,000	$8,314,765	$610,000	$1,171,875	$100,000	$28,822,500

[1]FAA:Facilities & Equipment, Transporation Security Administration, Homeland Security, Federal Economic Development Agency, etc.

Projects 11 & 14 in Red/highlight are candidates for earlier AIP Supplemental funding

16 Terminal proposes multi year FAA AIP entitlements