

## 7.0 FINANCIAL IMPLEMENTATION PLAN

This chapter of the Airport Master Plan (AMP) presents the financial implementation analysis for the Central Colorado Regional Airport (AEJ or the Airport), and will examine various facets of the financial operating condition of the Airport. In addition, this chapter reviews the Airport’s historic operating revenues and expenses, and provides estimates for future financial results. The goal of this chapter is to help the Airport meet the requirements of FAA sponsor assurance number 24, Fee and Rental Structure, which states: “It (i.e. the airport sponsor) will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection.”

The projections of Airport revenues and expenses focus on the three planning periods of this AMP’s Capital Improvement Program (CIP): Phase I (Short Term, 2016-2020), Phase II (Intermediate Term, 2021-2025), and Phase III (Long Term, 2026-2035). These planning periods are utilized to assist the Airport in financially supporting future projects either by contributing the local share of costs, or by wholly funding them. The CIP and associated financial plan included in this chapter should be viewed as a guideline that is based on the circumstances and conditions that were current at the time of the completion of this Master Plan. Ultimately, capital projects should be undertaken when demand warrants and appropriate funding becomes available.

The overall approach for the development of the financial implementation analysis included the following elements:

- Gathered and reviewed key Airport documents related to historical financial results, capital improvement plans, operating budgets, regulatory requirements, and Airport policies.
- Interviewed key Airport management personnel to gain an understanding of the existing operating and financial environment, as well as the overall financial management philosophy.
- Reviewed the AMP CIP, cost opinions, and development schedule anticipated for the planning period to project the overall financial requirements for the program.
- Determined and analyzed the sources and timing of capital funding available to meet the financial requirements for funding the CIP.
- Analyzed historical and budgeted operating expenses, developed operations and maintenance expense assumptions, and projected future operating costs for the planning period.
- Analyzed historical and budgeted operating revenues, developed operating revenue assumptions, and projected future operating revenues for the planning period.
- Completed results of the analysis and evaluation in a Financial Plan Summary that provides conclusions regarding the financial feasibility of the CIP.

Airport budgets can be broadly categorized as capital improvements and operating and maintenance (O&M). Grants issued by the FAA and CDOT are generally restricted to capital improvement projects, and with few exceptions cannot be used for airport operating and maintenance expenses. Operating revenues generated by aircraft landing and parking fees, fuel flowage fees, land and building leases, etc., can be applied to both capital improvements as well as O&M expenses.

## 7.1 Capital Funding Sources

The implementation of AEJ's Master Plan CIP is anticipated to be funded primarily through the following sources:

- Federal Aviation Administration (FAA) Grants from its Airport Improvement Program (AIP)
- State of Colorado Funding Sources
- Local Funding Sources
- Other Capital Project Funding Sources

Each of these funding sources is described in the following sections.

### 7.1.1 Federal Aviation Administration Grants

Only airports included in FAA's National Plan of Integrated Airport Systems (NPIAS) are eligible to receive FAA grants. For general aviation airports, the Federal Aviation Administration provides the most significant percentage of the funding required for the construction of eligible capital projects. Following World War II, the Federal Government recognized the need to develop airports to meet the nation's long-term aviation needs, and thereafter initiated a Grants-In-Aid Program for eligible airport sponsors.

Following a series of federal airport funding programs, the Airport Improvement Program (AIP) was established by Congress on behalf of the FAA through the Airport and Airway Improvement Act of 1982. The initial AIP legislation provided funding through fiscal year 1992, but since then the AIP has been reauthorized and amended multiple times, most recently through the FAA Extension, Safety, and Security Act of 2016<sup>1</sup>. The current AIP program was authorized for one year, through FY 2017 (September 30, 2017). In order for FAA to continue issuing grants after that date, Congress will need to authorize a new AIP program or else pass continuing resolutions, as it has done in the past. Each time Congress reauthorizes AIP, it changes parts of the program including funding disbursements, project eligibility requirements, appropriation levels, etc. Those changes make it difficult for airports to know how much FAA funding will be available in the future, particularly once the current AIP program expires.

Under the most current legislation, the AIP will typically provide 90 percent of the total cost of an eligible capital project (with the balance typically being covered through a combination of state and local funding), although this percentage can be reduced based on the size, complexity, and requirements of a specific project. Funds obligated for the AIP are drawn from the Airport and Airway Trust fund, which is designed to support the improvement of the country's air transportation system by funding airport improvements, airport repair projects, and modernizing the Air Traffic Control system. The Trust Fund receives revenue through taxes on aviation fuels, airline ticket sales, and air freight shipments.

AIP grants are generally available for planning, development, or noise compatibility projects at public-use airports included in the National Plan of Integrated Airport Systems (NPIAS). Eligible

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<sup>1</sup> <https://www.congress.gov/114/bills/hr636/BILLS-114hr636enr.pdf>

projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns.

In general, sponsors can leverage AIP funds for most airfield capital improvements or repairs, and in limited situations, for terminals, hangars, and other non-aviation development. Professional services that are necessary for eligible projects, such as planning, surveying, and design, may be eligible. In most cases, an airport's demand for a capital improvements must be quantified and documented (such as through an airport master plan process), and each project must be shown on an approved Airport Layout Plan (ALP). In addition, the proposed improvement must meet appropriate Federal environmental and procurement requirements. Projects related to revenue-generating improvements (such as privately owned or leased hangars and aprons, or those portions of a terminal building leased by airlines or concessions, etc.) are typically not eligible for AIP funding, nor are standard airport operations and standard maintenance costs (salaries, equipment, supplies, etc.).

AIP grants are generally divided into two categories: entitlements and discretionary. Entitlement Grants are allocated among NPIAS airports through a formula largely driven by passenger enplanements, landed cargo weights, and types of operations. Currently, "primary" airports, defined in the NPIAS as having a particular level of commercial air service (i.e. enplane more than 10,000 passengers per year), receive \$1,000,000 annually in entitlement funding.

"Non-primary" airports, which include small commercial service airports and general aviation airports, are currently eligible for \$150,000 of annual entitlement funding. AIP grants must be spent on FAA-eligible projects as defined in the most current version of FAA Order 5100.38D, *AIP Handbook*, and must be expended within four years of their issue or they will be returned to the FAA. Similar to entitlements to individual airports, each state receives an annual apportionment from the FAA based on an area-population formula. These federal funds may be utilized at the discretion of the individual states.

In addition to entitlement grants, the AIP distributes discretionary grants since the capital requirements of airports often will exceed the limits of their annual entitlement funding. National discretionary funding levels are established annually by the FAA and result from federal funds that remain available after the distribution of entitlements. Generally, airports compete for these discretionary grants, which are typically awarded based on priority ratings given to each potential project by the FAA. The prioritization process makes certain that the most important and beneficial projects (as viewed by the FAA), given the availability of adequate discretionary funding, are the first to be completed. Each NPIAS airport development project is subject to eligibility and justification requirements as part of the normal AIP funding process.

As of the writing of this document, the AIP program is due for reauthorization before September 30, 2017, and will likely see changes. The future of the AIP program may include changes to federal share amounts, non-primary entitlements, set-asides, and/or passenger facility charges (PFCs).

Under the current authorization legislation and based on its inclusion in the NPIAS, the Central Colorado Regional Airport is currently eligible to receive General Aviation (GA) entitlements of \$150,000 per year through the planning period. Additional funding could be realized through state

apportionment funding and AIP discretionary funding, based on the aforementioned project eligibility ranking methodology.

### 7.1.2 State of Colorado Funding Sources

#### *Colorado Aviation Grant Program*

In support of the Colorado Department of Transportation's (CDOT) stated goal to develop a forward-looking multi-modal transportation system for the 21<sup>st</sup> century, the Colorado Division of Aeronautics is charged with promoting partnerships with its public and private constituents to enhance aviation safety, aviation education, and the development of an effective air transportation system through the efficient administration of the Colorado Aviation Fund. Specifically, through the Colorado Aviation Grant program and at the discretion of the Colorado Aeronautical Board (CAB), the Division annually awards discretionary aviation grants to the state's public-use, publicly-owned airports from the Aviation Fund. The chief priority for distributing these state grants is to leverage Federal AIP grants by providing a five percent match to state airports. The State awards half of the local match requirement up to a limit, recommended annually by the Division and approved by the CAB. Currently the grant cap is \$150,000 through the year 2020, after which that cap may be raised to \$250,000. Although the State is currently limiting grants to matches on AIP projects, it does have the statutory authority to give grants for overmatch on an AIP project that may be short of funds, as well as to award grants for State and Local projects without federal participation. In general, State funding is focused on non-revenue generating projects that are prioritized from the "runway out" – meaning that preference is given to projects related to runways, then taxiways, and then others.

It is important to note that the Colorado Aviation Fund is directly supported by revenues generated through a state sales tax on aviation fuel. This tax is indexed to a percentage of the cost of a gallon of commercial jet fuel. Therefore, as the cost of jet fuel increases, the size of the Colorado Aviation Fund increases, allowing for more state grant availability. Conversely, when fuel prices decline, the fund will decrease in size, reducing state grant availability.

#### *State Infrastructure Bank*

The State Infrastructure Bank (SIB) Loan Program was enacted by the Colorado Legislature in 1998 and adopted by CDOT in 1999. This unique funding source is administered by the Colorado Transportation Commission and helps provide funding for all types of transportation facilities (including aviation) through a low-interest revolving loan program. For aviation needs, a separate fund has been established within the SIB so that airports only compete with other airports for funding. Loans awarded to Colorado public-use airports from the SIB have been used to support funding for projects such as capital airport improvements, air traffic control towers, snow removal equipment, and airport pavement reconstruction. Additionally, these low-interest loans have been utilized for land acquisitions that have protected Colorado airports from incompatible land-use surrounding airports. These loans are awarded for a maximum of 10 years with an interest rate that is set every six months by the Transportation Commission. In November 2016, the interest rate was set at 2¼ percent and the aviation fund had an available balance of approximately \$11,000,000.

*State Aviation Fuel Tax Disbursements*

Pursuant to Colorado statutes, the State currently collects multiple sales taxes on aviation fuels at publicly owned, public-use airports at the following rates:

- Commercial jet fuel = 2.9 percent of the cost of a gallon.
- Non-commercial jet fuel = \$0.04 per gallon
- Aviation gasoline = \$0.06 per gallon

Of the commercial jet fuel sales taxes collected annually, 65 percent are distributed back to the airport where the fuel was sold, with the remaining 35 percent being used to fund the Colorado Division of Aeronautics Program. Of the non-commercial jet fuel taxes collected, 100 percent is provided to the airport of origin. With respect to aviation gasoline tax revenues, 66 percent is sent to the airport, and the remaining 33 percent is applied to the State Aviation Program. CDOT passed through the following amounts to AEJ from the aviation fuel taxes that were collected:

TABLE 7-1 – CDOT AVIATION FUEL TAX DISTRIBUTION TO AEJ

Fiscal Year	Amount
2016	\$1,557.12
2015	\$1,816.41
2014	\$2,677.58
2013	\$2,134.73
2012	\$2,208.01
2011	\$2,784.06

Source: CDOT Division of Aeronautics,  
<https://www.codot.gov/programs/aeronautics/FuelTax>

**7.1.3 Local Funding Sources**

Local Funding is typically generated from revenues accrued on the airport. These user fees are typically established by the airport based on market conditions in the area and vary airport-to-airport. AEJ has a number of sources for generating revenue including:

- Tie-down fee
- Hangar land leases
- Aircraft fuel sales and excise tax refund
- High altitude testing
- Indirect revenue
- Non-Aeronautical revenue
- Non-Operating revenues

Further explanation of these sources can be found in **Chapter 2, Inventory**.

Landside facility development and levels of aviation activity are typically the primary factors affecting airport operating revenues. As additional development occurs, the number of based aircraft and

itinerant aircraft operations increase and leases are updated at the Airport, it is likely that Airport operating revenues will increase in a corresponding fashion.

#### **7.1.4 Other Capital Project Funding Sources**

The traditional funding sources described in previous sections (FAA and CDOT grants, and airport revenue) are often insufficient to finance the full range of capital projects programmed for development during a CIP. When the availability of traditional funding is lacking, other non-traditional sources will need to be investigated and possibly utilized for the ultimate implementation of projects. (In this chapter, these sources have collectively been referenced as “Other Funding Sources.”) If funding sources cannot be ultimately identified and obtained in the time frames planned, the associated projects should be delayed until appropriate funding can be identified and secured.

Non-traditional funding sources for an airport typically include general fund revenues, bond issues, and private funding. Of these, general fund revenues and general obligation bonds are by far the most common funding sources, particularly at commercial service airports. The ability of municipalities and counties to issue general obligation bonds for airport capital projects is directly affected by their debt level and ability to finance their existing and future debt load. As the debt burden increases, rating agencies often lower their credit ratings, which increases their interest payments. Revenue bonds supported by airport-generated revenues are seldom used because most general aviation airports do not generate enough income to pay operating expenses and the debt service of capital funding requirements. Private sources such as FBOs, aircraft owners, etc., often assume the responsibility of paying for hangars, fuel storage tanks, and sometimes for parking aprons, taxiways, and utility hookups. However, when private parties make capital investments in airports, they often try to negotiate reduced land and/or building lease rates to balance their capital investment.

##### *General Fund Revenues*

Capital development expenditures from general fund revenues have been somewhat difficult to obtain in recent years. One reason for this difficulty is the seemingly universal shortfall in local general fund revenues. Budgetary problems have created an environment where local funding is uncertain. The amount of general fund support for airport improvement projects varies by airport and is generally based upon the local tax base, priority of the development project, historical funding trends, and, of course, local attitudes concerning the importance of aviation.

##### *Bond Funds*

The period since the mid-1990s has seen the unprecedented development of various types of municipal bonds and securities used for airport projects. Municipal securities (municipal bonds) refer generically to interest-bearing obligations issued by state and local governmental entities to finance capital costs. These funding instruments are generally broken down into the following categories: (1) general obligation, (2) revenue and special facility bonds, (3) hybrid source bonds, and (4) industrial development and exempt facility bonds.

For an airport owned by a municipality, like AEJ, bond issues funding the local share of airport development projects must compete for the same attention and leadership consideration as other departments or divisions within the municipal government (i.e., schools, highways, sewer, etc.). As with the general fund apportionment, bond issues supporting airport development depend greatly on the priority assigned to such projects by the local community.

### *Private Funds*

Items such as hangars, fuel systems, and pay parking lots are not typically eligible for federal or state grant funding at public airports because they generate income for the airport. Communities sometimes work with FBOs or other local businesses to fund these types of improvements.

Each of these options would need to be weighed independently to determine the appropriateness of their potential application for eligible projects.

## **7.2 Financial Analysis and Implementation Plan**

This section, along with the tables presented at the end of the section, provide the analysis and results of evaluating the financial reasonableness of implementing the AMP Capital Improvement Program (CIP) during the planning period (2016 through 2035).

### **7.2.1 Capital Improvement Program (CIP)**

The following is a listing and brief description of the projects identified within this AMP for inclusion in AEJ's CIP. The individual projects are listed in order of their CIP identifying letter and all projects are assumed to require some level of federal, state, and/or local funding, unless otherwise indicated. (Each project's associated "CIP ID" is not an indication of prioritization, importance, or funding participation, but simply a mechanism for tracking the individual projects.) Note that this listing is the best estimate of anticipated projects at the time of this AMP; however, it should be understood that many of these projects may change in scope or in timing based on future requirements. Therefore, the CIP must be reviewed, assessed and updated on a regular basis (typically annually).

- A. **Acquire Grindle Property:** Three parcels, currently zoned as "Industrial," would provide an area for future aeronautical development. The acquisition of this land will also eliminate an existing agreement that does not comply with current federal requirements and align a portion of the existing airport overlay district with land use compatibility.
- B. **Acquire Jones Hangar:** Acquisition of this hangar will allow AEJ to utilize this facility for revenue generating purposes.
- C. **Hangar Development:** Hangar development allows the Airport to satisfy local demand for additional hangar space and increase Airport revenues through ground leases. This project is anticipated to be funded through private resources.
- D. **Fog Seal / Crack Repair (Apron):** This project is a critical part of the best management practices for pavement preservation by improving existing pavement conditions on the apron and extending its useful life.

- E. **Construct SRE Storage Building:** This 3,000-square-foot building project will be constructed on the north end of Taxiway A. The building is critical to maintaining and extending the life of airfield maintenance and snow removal equipment by keeping them out of the weather.
- F. **Acquire Mower Attachment:** A new mower attachment is required to maintain grassed areas on the Airport.
- G. **Rehabilitate Runway 15/33 & Existing Apron (Design):** The useful pavement life of Runway 15/33 and the existing apron is rapidly nearing its end. This project consists of the engineering design phase required for the pavement's ultimate rehabilitation.
- H. **Rehabilitate Runway 15/33 & Existing Apron (Construct); Fog Seal / Crack Repair (Taxiway A):** Associated with Project G, this project encompasses the construction phase of the rehabilitation of Runway 15/33 and the existing apron. Note that this project will also include the installation of Medium Intensity Runway Lighting (MIRL) and Runway End Identifier Lights (REILs). Additionally, this project will include fog seal/crack repair maintenance for Taxiway A.
- I. **Acquire Sweeper Attachment:** A new sweeper attachment is required to augment the Airport's ability to keep runways and taxiways clear during snow events, enhancing its overall level of safety.
- J. **Design & Construct New Hangar Development on Existing Apron:** It is expected that an additional 34,010 square feet of hangar storage space will be required to meet demand by 2035. New hangars should be constructed throughout the planning period as demand warrants. This project is anticipated to be funded through private resources.
- K. **Construct & Reconfigure Auto Parking:** This project encompasses several elements related to auto parking and access at the Airport. These include a rehabilitation and expansion of the primary auto parking lot, a paving of the gravel parking lot and a reconfiguration of Airport access for single direction ingress/egress.
- L. **Acquire Plow Truck:** The Airport will require the acquisition of another plow truck to either augment or replace its current equipment.
- M. **Fog Seal / Crack Repair (Airfield Pavements):** This project is a critical part of the best management practices for pavement preservation by improving existing pavement conditions for various airfield areas and extending useful life.
- N. **Taxiway Rehabilitation Design (Mil & Overlay; MITLs; Fillets; Taxiway Relocation):** The Airport's taxiway and taxiway stub on the existing apron do not meet FAA design standards and must be brought into conformance. This project consists of the engineering design phase required to bring these pavements up to current standards.
- O. **Airport Master Plan:** The FAA recommends that airports update their master plans every five to ten years as part of their best management practices. As projects are constructed and conditions (e.g. local, economic, industry, etc.) change, it is important for an airport to regularly monitor and adjust their long-term development path. An AMP process will accomplish that.
- P. **Taxiway Rehabilitation Construct (Mil & Overlay; MITLs; Fillets; Taxiway Relocation):** Associated with Project N, this project encompasses the construction phase of



bringing the Airport's taxiway and taxiway stubs into conformance with FAA design standards.

- Q. **Acquire Plow Truck:** The Airport will require the acquisition of another plow truck to either augment or replace its current equipment.
- R. **Design & Construct New South GA Development Area - Phase 1:** This recommended alternative would involve constructing a new apron and taxiway connectors, and relocating fencing to accommodate more vehicle parking. This project is anticipated to be funded through private resources.
- S. **Fog Seal / Crack Repair (Airfield Pavements):** This project is a critical part of the best management practices for pavement preservation by improving existing pavement conditions for various airfield areas and extending useful life.
- T. **Design & Construct New North Apron:** Based on demand forecasts, it is anticipated that the Airport will require additional apron space to accommodate aircraft parking located north of the existing apron.
- U. **Design & Construct New South GA Development Area - Phase 2:** The second phase of Project R, this project provides the buildout of this development area that includes constructing a new apron, taxiway connectors and relocating fencing to accommodate more vehicle parking. This project is anticipated to be funded through private resources.
- V. **Design & Construct New MALSF:** A Medium Intensity Approach Lighting System with Sequenced-Flashers (MALSF) is recommended for installation on Runway 33 to improve the usability of the Airport during low visibility conditions. (Refer to **Chapter 9** regarding instrument approaches at AEJ: the current GPS approach to Runway 33 has relatively high minimums due to high terrain around the Airport, particularly to the north, and installation of a MALSF may not reduce visibility minimums. Close coordination with FAA Flight Procedures Division is needed to determine what visibility benefits could be gained from the MALSF before it is installed.)
- W. **Pave Over Island in Existing Apron for Jet Aircraft:** As reflected in demand projections, the Airport requires significantly more area to accommodate larger aircraft. This project will help satisfy the demand for additional jet aircraft parking on the apron.
- X. **Acquire Southard Property:** This acquisition will allow the Airport to development this land for future aeronautical development.
- Y. **Fog Seal / Crack Repair (Taxiway A):** This project is a critical part of the best management practices for pavement preservation by improving existing pavement conditions for Taxiway A and extending useful life.
- Z. **Acquire Avigation Easement on Parcel 10 (Steel Property):** This easement acquisition is required by the FAA to ensure Airport control of the Runway Protection Zone (RPZ) on the approach end of Runway 33.
- AA. **Acquire Parcel 11 (Pelino Property):** This property acquisition is recommended to ensure AEJ controls areas within its Building Restriction Line (BRL).

## 7.2.2 Estimated Project Costs and Development Schedule

A listing of capital improvement projects has been assembled based on the preferred development alternative for the Airport established in **Chapter Five** of this Master Plan. This project list has been coordinated with the Airport Layout Plan (ALP) drawing set and the CIP, both of which should be maintained and updated by Airport management, as required. Generally, the CIP has three primary purposes:

1. Identify improvement projects that will be required at an airport over a specific period of time.
2. Estimate the order of implementation of the projects included in the plan.
3. Estimate the total costs and funding sources for each of the projects.

It is important to note that as the CIP progresses from project planning in the current year to projects planned in future years, the plan becomes less detailed and more flexible. Additionally, the CIP is typically modified on an annual basis as new projects are identified, projects change, funding sources evolve, and financial environments evolve.

Each proposed capital improvement project within the planning horizon has been assigned to one of three specific planning periods: Phase I, Short Term (2016-2020); Phase II, Intermediate Term (2021-2025); and Phase III, Long Term (2026-2035). These project assignments are depicted in **Table 7-2**, **Table 7-3**, and **Table 7-4** which show all proposed Airport projects (including AIP funded, State funded, Airport funded, and privately funded) and their estimated costs for each phase within the planning horizon. The complete current CIP summary is found in **Table 7-5** and **Table 7-6**.

TABLE 7-2 - CAPITAL IMPROVEMENT PROGRAM PHASE I (2016-2020)

CIP ID	Project	Primary Funding Source	Estimated Capital Costs	Federal	State	Local	Other/ Private
A	Acquire Grindle Property	Local	\$200,000	\$0	\$0	\$200,000	\$0
B	Acquire Jones Hangar	Local	\$18,000	\$0	\$0	\$18,000	\$0
C	Hangar Development	Other	\$500,000	\$0	\$0	\$0	\$500,000
D	Fog Seal/Crack Repair (Apron)	State	\$20,000	\$0	\$9,000	\$11,000	\$0
E	Construct SRE Storage Building	FAA	\$553,718	\$498,346	\$27,685	\$27,687	\$0
<b>Phase 1 Program Totals</b>			<b>\$1,291,718</b>	<b>\$498,346</b>	<b>\$36,685</b>	<b>\$256,687</b>	<b>\$500,000</b>

Source: Jviation

TABLE 7-3 - CAPITAL IMPROVEMENT PROGRAM PHASE II (2021-2025)

CIP ID	Project	Primary Funding Source	Estimated Capital Costs	Federal	State	Local	Other/ Private
F	Acquire Mower Attachment	Local	\$69,000	\$0	\$0	\$69,000	\$0
G	Rehab RW 15/33 & Existing Apron (Design)	FAA	\$586,500	\$527,850	\$29,325	\$29,325	\$0

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CIP ID	Project	Primary Funding Source	Estimated Capital Costs	Federal	State	Local	Other/Private
H	Rehab RW 15/33 & Existing Apron (Construct); Fog Seal / Crack Repair (TW A)	FAA	\$7,553,573	\$6,798,216	\$150,000	\$605,357	\$0
I	Acquire Sweeper Attachment	Local	\$72,600	\$0	\$0	\$72,600	\$0
J	Design & Construct New Hangar Development on Existing Apron	Other	\$2,557,909	\$0	\$0	\$0	\$2,557,909
K	Construct & Reconfigure Auto Parking	Local	\$989,100	\$0	\$0	\$988,100	\$0
<b>Phase II Program Totals</b>			<b>\$11,827,682</b>	<b>\$7,326,066</b>	<b>\$179,325</b>	<b>\$1,764,382</b>	<b>\$2,557,909</b>

Source: Jviation

TABLE 7-4 CAPITAL IMPROVEMENT PROJECT PHASE III (2026-2035)

CIP ID	Project	Primary Funding Source	Estimated Capital Costs	Federal	State	Local	Other/Private
L	Acquire Plow Truck	Local	\$234,000	\$0	\$0	\$234,000	\$0
M	Fog Seal / Crack Repair (Airfield Pavements)	State	\$465,500	\$0	\$418,950	\$46,550	\$0
N	TW Rehab Design (mill & overlay; MITLs; Fillets; TW relocation)	FAA	\$517,004	\$465,304	\$25,850	\$25,850	\$0
O	Airport Master Plan	FAA	\$408,000	\$367,200	\$20,400	\$20,400	\$0
P	TW Rehab Construct (mill & overlay; MITLs; Fillets; TW relocation)	FAA	\$8,586,294	\$7,727,665	\$429,314	\$429,315	\$0
Q	Acquire Plow Truck	Local	\$250,200	\$0	\$0	\$250,200	\$0
R	Design & Construct New South GA Development Area-Phase I	Other	\$18,675,386	\$0	\$0	\$0	\$18,675,386
S	Fog Seal / Crack Repair (Airfield Pavements)	State	\$518,000	\$0	\$466,200	\$51,800	\$0
T	Design & Construct New North Apron	FAA	\$650,236	\$585,212	\$32,511	\$32,513	\$0
U	Design & Construct New South GA Development Area - Phase 2	Other	\$20,253,587	\$0	\$0	\$0	\$20,253,587
V	Design & Construct New MALSF	FAA	\$2,337,720	\$2,103,948	\$116,886	\$116,886	\$0
W	Pave over island in existing apron for jet aircraft	FAA	\$8,467,967	\$7,621,170	\$423,398	\$423,399	\$0
X	Acquire Southard Property	Other	\$2,388,540	\$0	\$0	\$0	\$2,388,540
Y	Fog Seal / Crack Repair (TW A)	State	\$64,680	\$0	\$58,212	\$6,468	\$0
Z	Acquire Avigation Easement on Parcel 10	FAA	\$15,400	\$13,860	\$770	\$770	\$0

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<b>CIP ID</b>	<b>Project</b>	<b>Primary Funding Source</b>	<b>Estimated Capital Costs</b>	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Other/Private</b>
AA	Acquire Parcel 11 (Pelino Property)	FAA	\$161,700	\$145,530	\$8,085	\$8,085	\$0
<b>Phase III Program Totals</b>			<b>\$63,294,714</b>	<b>\$19,029,889</b>	<b>\$1,581,626</b>	<b>\$1,365,686</b>	<b>\$41,314,513</b>

Source: Aviation



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TABLE 7-6 - AEJ CIP SUMMARY (CONT.)



CENTRAL COLORADO REGIONAL AIRPORT



CIP ID	CIP Phase	YEAR	DESCRIPTION	TOTAL ESTIMATED PROJECT COST 2017 DOLLARS	TOTAL ESTIMATED PROJECT COST w/ Annual % Escalation 3%	FUNDING SOURCES											TOTAL PROPOSED FUNDING		
						FEDERAL				STATE			Local					Other	
						Total	Entitlement (% project funding) 90%	Discretionary (% project funding) 90%	State Apportionment 90%	Total	Federal Match (% project funding) 5%	CDAG Grant (% project funding) 90%	Total	Federal Match (% project funding) 5%	CDAG Grant Match (% project funding) 10%	Other Local Funding		Private Investment	Unidentified
		2026	Payback NPE Funds for 2023	\$ -	\$ -					\$ -			\$ -						\$ -
		<b>2026</b>	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
		2027	Roll NPE Funds to 2029	\$ -	\$ -					\$ -			\$ -						\$ -
L	III	2027	Acquire Plow Truck	\$ 180,000	\$ 234,000					\$ -			\$ 234,000			\$ 234,000			\$ 234,000
		<b>2027</b>	<b>SUBTOTAL</b>	<b>\$ 180,000</b>	<b>\$ 234,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 234,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 234,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 234,000</b>
		2028	Roll NPE Funds to 2029	\$ -	\$ -					\$ -			\$ -						\$ -
M	III	2028	Fog Seal/ Crack Repair (Airfield Pavements)	\$ 350,000	\$ 465,500					\$ 418,950		\$ 418,950	\$ 46,550		\$ 46,550				\$ 465,500
		<b>2028</b>	<b>SUBTOTAL</b>	<b>\$ 350,000</b>	<b>\$ 465,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 418,950</b>	<b>\$ -</b>	<b>\$ 418,950</b>	<b>\$ 46,550</b>	<b>\$ -</b>	<b>\$ 46,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 465,500</b>
N	III	2029	TW Rehab Design (mill & overlay; MITLs; Fillets; TW relocation)	\$ 380,150	\$ 517,004	\$ 465,304	\$ 82,800	\$ 382,504		\$ 25,850	\$ 25,850		\$ 25,850	\$ 25,850					\$ 517,004
O	III	2029	Airport Master Plan	\$ 300,000	\$ 408,000	\$ 367,200	\$ 367,200	\$ -		\$ 20,400	\$ 20,400		\$ 20,400	\$ 20,400					\$ 408,000
		<b>2029</b>	<b>SUBTOTAL</b>	<b>\$ 680,150</b>	<b>\$ 925,004</b>	<b>\$ 832,504</b>	<b>\$ 450,000</b>	<b>\$ 382,504</b>	<b>\$ -</b>	<b>\$ 46,250</b>	<b>\$ 46,250</b>	<b>\$ -</b>	<b>\$ 46,250</b>	<b>\$ 46,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 925,004</b>
P	III	2030	TW Rehab Construct (mill & overlay; MITLs; Fillets; TW relocation)	\$ 6,177,190	\$ 8,586,294	\$ 7,727,665	\$ 600,000	\$ 7,127,665		\$ 429,314	\$ 429,314		\$ 429,315	\$ 429,315					\$ 8,586,294
Q	III	2030	Acquire Plow Truck	\$ 180,000	\$ 250,200					\$ -			\$ 250,200			\$ 250,200			\$ 250,200
		<b>2030</b>	<b>SUBTOTAL</b>	<b>\$ 6,357,190</b>	<b>\$ 8,836,494</b>	<b>\$ 7,727,665</b>	<b>\$ 600,000</b>	<b>\$ 7,127,665</b>	<b>\$ -</b>	<b>\$ 429,314</b>	<b>\$ 429,314</b>	<b>\$ -</b>	<b>\$ 679,515</b>	<b>\$ 429,315</b>	<b>\$ -</b>	<b>\$ 250,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,836,494</b>
		2031	Payback NPE Funds for 2030	\$ -	\$ -					\$ -			\$ -						\$ -
R	III	2031	Design & Construct New South GA Development Area - Phase 1	\$ 13,151,680	\$ 18,675,386					\$ -			\$ -			\$ 18,675,386			\$ 18,675,386
		<b>2031</b>	<b>SUBTOTAL</b>	<b>\$ 13,151,680</b>	<b>\$ 18,675,386</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,675,386</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,675,386</b>
		2032	Payback NPE Funds for 2030	\$ -	\$ -					\$ -			\$ -						\$ -
		<b>2032</b>	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
		2033	Payback NPE Funds for 2030	\$ -	\$ -					\$ -			\$ -						\$ -
S	III	2033	Fog Seal/ Crack Repair (Airfield Pavements)	\$ 350,000	\$ 518,000					\$ 466,200		\$ 466,200	\$ 51,800		\$ 51,800				\$ 518,000
		<b>2033</b>	<b>SUBTOTAL</b>	<b>\$ 350,000</b>	<b>\$ 518,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 466,200</b>	<b>\$ -</b>	<b>\$ 466,200</b>	<b>\$ 51,800</b>	<b>\$ -</b>	<b>\$ 51,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 518,000</b>
T	III	2034	Design & Construct New North Apron	\$ 430,620	\$ 650,236	\$ 585,212	\$ 300,000	\$ 285,212		\$ 32,511	\$ 32,511		\$ 32,513	\$ 32,513					\$ 650,236
		<b>2034</b>	<b>SUBTOTAL</b>	<b>\$ 430,620</b>	<b>\$ 650,236</b>	<b>\$ 585,212</b>	<b>\$ 300,000</b>	<b>\$ 285,212</b>	<b>\$ -</b>	<b>\$ 32,511</b>	<b>\$ 32,511</b>	<b>\$ -</b>	<b>\$ 32,513</b>	<b>\$ 32,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 650,236</b>
		2035	Payback NPE Funds for 2034	\$ -	\$ -					\$ -			\$ -						\$ -
U	III	2035	Design & Construct New South GA Development Area - Phase 2	\$ 13,151,680	\$ 20,253,587					\$ -			\$ -			\$ 20,253,587			\$ 20,253,587
V	III	2035	Design & Construct New MALSF	\$ 1,518,000	\$ 2,337,720	\$ 2,103,948	\$ -	\$ 2,103,948		\$ 116,886	\$ 116,886		\$ 116,886	\$ 116,886					\$ 2,337,720
W	III	2035	Pave over island in existing apron for jet aircraft	\$ 5,498,680	\$ 8,467,967	\$ 7,621,170	\$ -	\$ 7,621,170		\$ 423,398	\$ 423,398		\$ 423,399	\$ 423,399					\$ 8,467,967
X	III	2035	Acquire Southard Property	\$ 1,551,000	\$ 2,388,540					\$ -			\$ -			\$ 2,388,540			\$ 2,388,540
Y	III	2035	Fog Seal/ Crack Repair (TW A)	\$ 42,000	\$ 64,680					\$ 58,212		\$ 58,212	\$ 6,468		\$ 6,468				\$ 64,680
Z	III	2035	Acquire Avigation Easement on Parcel 10 (Steel Property)	\$ 10,000	\$ 15,400	\$ 13,860	\$ -	\$ 13,860		\$ 770	\$ 770		\$ 770	\$ 770					\$ 15,400
AA	III	2035	Acquire Parcel 11 (Pelino Property)	\$ 105,000	\$ 161,700	\$ 145,530	\$ -	\$ 145,530		\$ 8,085	\$ 8,085		\$ 8,085	\$ 8,085					\$ 161,700
		<b>2035</b>	<b>SUBTOTAL</b>	<b>\$ 21,876,360</b>	<b>\$ 33,689,594</b>	<b>\$ 9,884,508</b>	<b>\$ -</b>	<b>\$ 9,884,508</b>	<b>\$ -</b>	<b>\$ 607,351</b>	<b>\$ 549,139</b>	<b>\$ 58,212</b>	<b>\$ 555,608</b>	<b>\$ 549,140</b>	<b>\$ 6,468</b>	<b>\$ -</b>	<b>\$ 20,253,587</b>	<b>\$ 2,388,540</b>	<b>\$ 33,689,594</b>

Source: Jviation, 2016

### 7.2.3 Airport Operating Revenues and Expenses

Airport revenues are typically generated through user fees charged by a given airport for the facilities and services that it provides. These user fees are typically established by that airport based on the market conditions within its area and can vary dramatically from airport-to-airport. At AEJ, operating revenues are realized through several sources including, but not limited to:

- Hangar and Ground Leases
- Aircraft Fuel Sales
- Aircraft Testing Services
- Tie Down/Ramp Fees
- Direct Financial Contributions by Chaffee County and the Town of Buena Vista

The amount of land and buildings leased, the lease rates charged, and levels of aviation activity that generate fuel sales, parking and hangar storage, are the primary factors affecting airport operating revenues. Unlike commercial service airports, GA airports typically generate little to no revenue from auto parking, concessions (e.g. restaurants and shops), and terminal building tenants (airlines, rental car agencies), etc.

As additional airport development occurs, the number of based aircraft and itinerant aircraft operations will generally increase and new or updated leases will be enacted, typically resulting in airport operating revenues increasing in a corresponding fashion. Land and building leases typically generate the most stable source of revenue over the long term, particularly if the lease rates reflect industry standards. Revenue from fuel sales, aircraft tiedowns and hangar rentals, fluctuate with traffic levels. In addition, at AEJ revenue generated from high-altitude flight test companies also fluctuates with demand year over year.

With respect to the future establishment of lease rates and other income generating charges, it is important that the Airport continue to consider the following:

- FAA grant assurance number 22, Economic Nondiscrimination, states: “It (i.e. the airport sponsor) will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.”
- The FAA assurance states that the sponsor will charge, “reasonable and not unjustly discriminatory prices,” and will also ensure that airport tenants who enter into an agreement with the sponsor will: “furnish said services on a reasonable, and not unjustly discriminatory, basis to all users.”
- The FAA assurance states: “Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.”
- The FAA considers any lease with a term of greater than 20 years to be long-term, and a lease with a term of 50 years or greater to be in violation of FAA policy (source FAA Order 5160.9B, *Airport Compliance Manual*). FAA considers 50-year lease terms as equivalent to

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the sale of airport property, which FAA allows only under very specific circumstances, and also considers 50-year lease terms as infringing on the powers of the sponsor. FAA recommends that lease terms extend no longer than the end of the amortization period and/or useful life of the facility.

Airport operating revenues are offset by airport operating expenses, typically referred to as Operation and Maintenance (O&M) costs. Airport operating expenses are the day-to-day costs incurred by operating the airport. They do not include non-cash and capital costs associated with depreciation and infrastructure development. Primary components of O&M costs at AEJ include, but are not limited to, the following:

- Personnel Services
- Airport Supplies
- Aviation Fuel
- Other Operational Charges
- Utilities

The historic operating revenues and expenses for AEJ since 2014 is presented in **Table 7-7**. AEJ generated a strong operating profit (net operating income) in FY 2015, and is budgeted to in FY 2016, However, in both years there was a transfer from the general fund to the Airport of \$350,000 and \$321,000, respectively. (It is important to note that the Town will annually transfer resources from the general fund to the Airport to cover any O&M shortfalls, as well as to provide the local match for any airport-related grant funding. So, such transfer will fluctuate with annual revenues and capital expenditures.) In FY 2015, fuel sales and revenue from high altitude testing were the largest revenue generators. In FY 2016 it was projected that fuel sales and “non-operating revenues” would be two largest sources of funds, followed by transfer from the general fund.

TABLE 7-7 - AIRPORT OPERATING REVENUES AND EXPENSES (HISTORICAL)

	FY2014 (actual)	FY2015 (actual)	FY2016 (Budget)
<b>Airport Operating Revenues</b>			
Operating Revenues (Aviation Fuel)	\$261,810	\$358,100	\$350,300
Operating Revenues (Testing Service Fees)	\$20,000	\$200,000	\$150,000
Operating Revenues (Hangars & Ground Lease)	\$14,346	\$12,859	\$25,802
Operating Revenues (Other)	\$26,279	\$12,150	\$17,160
Non-operating Revenues	\$611	\$843	\$352,067
Chaffee County Contribution	\$25,000	\$25,000	\$25,000
Transfer from General fund	\$110,000	\$350,000	\$321,000
<b>Total Operating Revenues:</b>	<b>\$458,046</b>	<b>\$958,952</b>	<b>\$1,241,329</b>
<b>Airport Operating Expenses</b>			
Personnel Services	\$141,686	\$145,371	\$181,545
Materials & Supplies (less aviation fuel)	\$32,369	\$42,531	\$39,739
Materials & Supplies (aviation fuel)	\$211,131	\$212,986	\$269,731
Charges & Services	\$43,786	\$41,343	\$64,536
Utilities	\$22,494	\$26,106	\$25,268



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	FY2014 (actual)	FY2015 (actual)	FY2016 (Budget)
<b>Total Operating Expenses:</b>	\$451,465	\$468,335	\$580,819
<b>NET OPERATING INCOME:</b>	<b>\$6,580</b>	<b>\$490,617</b>	<b>\$660,509</b>

Source: Town of Buena Vista

### 7.2.4 Projected Operating Revenues and Expenses

The continued growth of AEJ in terms of activity, tenants, new leases and facility development will impact the Airport’s operating revenues and expenses over the 20-year planning period. Actual future financial outcomes will be determined by a variety of factors, many of which are impossible to identify at the current time. However, the projections developed in this evaluation depict future airport operating revenues and expenses based on recent financial results, budgeted revenues, and expenses for 2016, and activity and tenant growth trends identified in previous chapters of this Master Plan.

Projections of future airport operating revenues and expenses at AEJ for the periods 2016 through 2035 are presented in **Table 7-8**.

The estimates for future operating revenues were established through close consideration of historical trends, as well as proposed airport development initiatives and how they might impact those future revenues. In most instances, revenue projections resulted from normal, conservative growth factors refined to more closely reflect the circumstances of the Airport. These revenues were projected to increase between two percent and 3.5 percent annually with an average at the standard 3 percent annual growth rate. The exception to these rates may be miscellaneous revenues that could be realized through the one-time sales of airport assets, such as a fuel truck or other assets. On the operating expenses side, increases in salaries and wages, as well as overall operational activities are based on accepted inflationary growth rates (ranging from two percent to 3.5 percent average annual growth) with the higher growth factors being applied to fuel costs in order to account for some volatility in the supply market.

The projected operating revenues presented in **Table 7-8** are based on historical year-end financial results for FY2014-FY2015. Additionally, forecasted increases in airport based and itinerant aircraft activities, as well as airport tenant populations presented in previous chapters of this Master Plan, have been considered in these projections as a percentage annual increase. As reflected in **Table 7-9** and **Table 7-10**, based on projected activity growth and assumptions regarding future tenant growth and development at the Central Colorado Regional Airport, airport revenues are projected to increase from \$458,046 in FY2014 to \$1,574,212 by 2035. Additionally, operations and maintenance expenses are projected to increase from \$451,465 in FY2014 to \$1,017,945 by FY 2035. When combined, these projections reflect a balanced airport operations and maintenance budget throughout the planning period.

TABLE 7-8 – INCOME AIRPORT OPERATING REVENUES AND EXPENSES (PROJECTED)

	FY2016 (Budget)	FY2017	FY2020	FY2025	FY2035
<b>Airport Operating Revenues</b>					
Operating Revenues (Aviation Fuel)	\$350,300	\$357,306	\$382,902	\$443,889	\$596,551

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	<b>FY2016 (Budget)</b>	<b>FY2017</b>	<b>FY2020</b>	<b>FY2025</b>	<b>FY2035</b>
Operating Revenues (Testing Service Fees)	\$150,000	\$154,500	\$168,826	\$195,715	\$263,025
Operating Revenues (Hangars & Ground Lease)	\$25,802	\$26,318	\$27,929	\$31,600	\$42,468
Operating Revenues (Other)	\$17,160	\$17,503	\$18,574	\$21,015	\$28,243
Non-operating Revenues	\$352,067	\$417	\$443	\$489	\$659
Chaffee County Contribution	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Transfer from General fund	\$321,000	\$71,204	\$17,055	\$1,011,200	\$618,266
<b>Total Operating Revenues:</b>	<b>\$1,241,329</b>	<b>\$652,248</b>	<b>\$640,729</b>	<b>\$1,728,908</b>	<b>\$1,574,212</b>
<b>Airport Operating Expenses</b>					
Personnel Services	\$181,545	\$186,084	\$200,392	\$232,309	\$312,203
Materials & Supplies (less aviation fuel)	\$39,739	\$40,733	\$43,865	\$50,851	\$68,341
Materials & Supplies (aviation fuel)	\$269,731	\$276,474	\$297,733	\$345,154	\$486,875
Charges & Services	\$64,536	\$65,827	\$69,857	\$79,037	\$106,220
Utilities	\$25,268	\$26,026	\$28,439	\$32,968	\$44,306
<b>Total Operating Expenses:</b>	<b>\$580,819</b>	<b>\$595,144</b>	<b>\$640,286</b>	<b>\$740,319</b>	<b>\$1,017,945</b>
<b>NET OPERATING INCOME:</b>	<b>\$660,509</b>	<b>\$57,104</b>	<b>\$443</b>	<b>\$988,589</b>	<b>\$556,267</b>

Source: Jviation, 2016

Note: \* Transfers from general fund also reflect projected capital expenditures. Net operating income balance reflects capital expenditure requirements.

### **7.3 Financial Plan Summary**

The primary goal for the Airport is to evolve into a facility that will best serve the air transportation needs of the region while simultaneously maintaining itself as a self-sustaining economic generator for the Town of Buena Vista. This Airport Master Plan can best be described as the road map to helping the Airport achieve its goals. However, it should be recognized that planning is a continuous process that does not end with the completion of the Master Plan: the fundamental issues that have driven this Master Plan will remain valid for many years. Therefore, the ability to continuously monitor the existing and forecast status of airport activity will be a key ingredient in maintaining the applicability and relevance of this study.

In order to realize those goals through the successful implementation of airport development projects, the Airport must make sound and measured decisions. Two of the most important factors in influencing the decision to move forward with a specific improvement are airport activity and funding timing. Both factors must be considered in the implementation of this Master Plan because while airport activity levels provide the “what” and the “why” in the establishment of airport improvements, the timing of funding provides the “how.” The “what” and the “why” have been discussed in detail in previous chapters. This chapter has addressed the “how” by providing an overview of the practical financial realities required to implement this overall airport development program. While every effort has been made in this chapter to conservatively estimate when facility development may be required, aviation demand and the availability of financial resources for capital projects will ultimately dictate when facility improvements need to be implemented, accelerated or delayed.

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The financial plan summary presented below includes projection totals for operating revenues, operating expenses, capital expenditures, capital funding, and cash flow that result from the projections presented above.

Previous sections of this analysis provided a practical approach for scheduling capital expenditures to match the availability of capital financing. Based on the assumptions identified within the previous sections and subject to the availability of FAA and CDOT funding (identification of a potential funding source does not guarantee its availability), and the identification of currently unidentified Unknown Capital Funding Sources described in the analysis, implementation of the Master Plan CIP is financially feasible. However, the most significant concern of implementing this CIP is the identification of those Unknown Capital Funding Sources, without which, several projects would have to be shifted to later phases until such time as that funding is identified or is made available by accumulating airport revenue.

The “reasonableness” of funding the capital program can be best characterized by the level of identified funding indicated in each phase of the program. In Phase I and Phase II, all funding sources has been identified as federal, state, local, or private. Phase III, however, has one project where funding has not been identified. As this project approaches, funding sources will need to be further analyzed and identified.

Key assumptions supporting the financial plan relate to the availability and timeliness of the funding sources that have been indicated. Continuation of the AIP entitlement program at authorized funding levels is essential. Additionally, receiving funding of approximately \$1,291,718 during Phase I, \$11,827,682 during Phase II and \$63,294,714 during Phase III are critical to the financial feasibility of implementing these projects. Without these levels of funding, these projects are not feasible and would need to be delayed or cancelled unless another source of funds could be acquired.

The following tables present the detailed financial analysis for implementation of AEJ’s CIP.

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TABLE 7-9 - ACTUAL, BUDGETED, AND PROJECTED OPERATING REVENUES

Revenues	Historical Data (2014-2015)		Phase I (2016-2020)						Phase II Projected 2021-2025	Phase III Projected 2026-2035	
	Actual		Projected								
	2014	2015	2016	2017	2018	2019	2020	Total			
<b>Annual Airport Revenues</b>											
<b><u>Non-Airport Contributions</u></b>											
Chaffee County Contribution	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	\$125,000	\$250,000
Annual Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Town of Buena Vista	\$110,000	\$350,000	\$212,558	\$71,204	\$16,540	\$16,805	\$17,055	\$334,162	\$1,867,465	\$2,079,542	
Annual Growth Rate		218.2%	-39.3%	-66.5%	-76.8%	1.6%	1.5%	-45.4%	126.3%	-4.8%	
<i>Total Non-Airport Contributions</i>	<i>\$135,000</i>	<i>\$375,000</i>	<i>\$25,000</i>	<i>\$96,204</i>	<i>\$41,540</i>	<i>\$41,805</i>	<i>\$42,055</i>	<i>\$246,604</i>	<i>\$1,992,465</i>	<i>\$2,329,542</i>	
<b><u>Airport Operating Revenues</u></b>											
Aviation Fuel	\$261,810	\$358,100	\$350,300	\$357,306	\$364,452	\$373,563	\$382,902	\$1,828,523	\$2,093,867	\$5,241,361	
Annual Growth Rate		36.8%		2.0%	2.0%	2.5%	2.5%	1.3%	3.0%	3.0%	
Testing Service Fees	\$20,000	\$200,000	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$796,370	\$923,210	\$2,310,963	
Annual Growth Rate		900.0%		3.0%	3.0%	3.0%	3.0%	-3.3%	3.0%	3.0%	
Hangar & Ground Leases	\$14,346	\$12,859	\$25,802	\$26,318	\$26,844	\$27,381	\$27,929	\$134,274	\$150,476	\$373,126	
Annual Growth Rate		-10.4%		2.0%	2.0%	2.0%	2.0%	16.8%	2.5%	3.0%	
Other	\$26,279	\$12,150	\$17,160	\$17,503	\$17,853	\$18,210	\$18,574	\$89,300	\$100,071	\$248,139	
Annual Growth Rate		-53.8%		2.0%	2.0%	2.0%	2.0%	8.9%	2.5%	3.0%	
<i>Total Airport Operating Revenues</i>	<i>\$322,435</i>	<i>\$583,109</i>	<i>\$543,262</i>	<i>\$555,627</i>	<i>\$568,284</i>	<i>\$583,063</i>	<i>\$598,231</i>	<i>\$2,848,467</i>	<i>\$3,267,624</i>	<i>\$8,173,589</i>	
Total Annual Revenues	\$457,435	\$958,109	\$568,262	\$651,831	\$609,824	\$624,868	\$640,286	\$3,095,071	\$5,260,089	\$10,503,131	
Annual Growth Rate		109.5%	-40.7%	14.7%	-6.4%	2.5%	2.5%	-7.7%	22.0%	-0.9%	
<b><u>Total Non-Operating Revenues</u></b>											
Miscellaneous	\$611	\$843	\$400	\$417	\$425	\$434	\$443	\$2,119	\$2,351	\$5,785	
Annual Growth Rate		38.1%		2.0%	2.0%	2.0%	2.0%	-12.1%	2.0%	3.0%	
Total Annual Revenues	\$458,046	\$958,952	\$568,662	\$652,248	\$610,249	\$625,302	\$640,729	\$3,097,190	\$5,262,440	\$10,508,916	
Annual Growth Rate		109.4%	-40.7%	14.7%	-6.4%	2.5%	2.5%	-7.7%	22.0%	-0.9%	

Source: Town of Buena Vista, Jviation

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TABLE 7-10 - ACTUAL, BUDGETED, AND PROJECTED OPERATIONS AND MAINTENANCE EXPENSES

Expenses	Historical Data (2014-2015)		Phase I (2016-2020)					Phase II Projected 2021-2025	Phase III Projected 2026-2035	
	Actual		Projected							
	2014	2015	2016	2017	2018	2019	2020	Total		
<b>Operations &amp; Maintenance Expenses</b>										
Personnel Services	\$141,686	\$145,371	\$181,545	\$186,084	\$190,736	\$195,504	\$200,392	\$954,261	\$1,095,826	\$2,743,055
Annual Growth Rate		2.6%		2.5%	2.5%	2.5%	2.5%	6.6%	3.0%	3.0%
Materials & Supplies (less aviation fuel)	\$32,369	\$42,531	\$39,739	\$40,733	\$41,751	\$42,795	\$43,865	\$208,883	\$239,870	\$600,442
Annual Growth Rate		31.4%		2.5%	2.5%	2.5%	2.5%	0.6%	3.0%	3.0%
Materials & Supplies (aviation fuel)	\$211,131	\$212,986	\$269,731	\$276,474	\$283,386	\$290,471	\$297,733	\$1,417,795	\$1,628,126	\$4,190,861
Annual Growth Rate		0.9%		2.5%	2.5%	2.5%	2.5%	6.9%	3.0%	3.5%
Charges & Services	\$43,786	\$41,343	\$64,536	\$65,827	\$67,144	\$68,487	\$69,857	\$335,851	\$376,370	\$933,256
Annual Growth Rate		-5.6%		2.0%	2.0%	2.0%	2.0%	11.1%	2.5%	3.0%
Utilities	\$22,494	\$26,106	\$25,268	\$26,026	\$26,807	\$27,611	\$28,439	\$134,151	\$155,515	\$389,281
Annual Growth Rate		16.1%		3.0%	3.0%	3.0%	3.0%	1.7%	3.0%	3.0%
<b>Total O&amp;M Expenses/Expenditures</b>	<b>\$451,465</b>	<b>\$468,335</b>	<b>\$580,819</b>	<b>\$595,144</b>	<b>\$609,824</b>	<b>\$624,868</b>	<b>\$640,286</b>	<b>\$3,050,941</b>	<b>\$3,119,337</b>	<b>\$8,856,895</b>
Annual Growth Rate		3.7%	24.0%	2.5%	2.5%	2.5%	2.5%	6.5%	2.9%	3.2%

Source: Town of Buena Vista, Jviation

**Central Colorado Regional Airport  
Master Plan Update**

TABLE 7-11 - BUDGETED AND PROJECTED NET REVENUES, CAPITAL FUNDING, AND CAPITAL EXPENDITURES

Operating and Capital Cash Flow	Historical Data (2014-2015)		Phase I (2016-2020)						Phase II	Phase III
	Actual		Projected						Projected	Projected
	2014	2015	2016	2017	2018	2019	2020	Total	2021-2025	2026-2035
<b>Operating Cash Flow</b>										
Revenues:										
Total Operating Revenues	\$322,435	\$583,109	\$543,262	\$555,627	\$568,284	\$583,063	\$598,231	\$2,848,467	\$3,267,624	\$8,173,589
County Contributions (Direct)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	\$125,000	\$250,000
Town Contributions (Direct)	\$110,000	\$350,000	\$212,558	\$71,204	\$16,540	\$16,805	\$17,055	\$334,162	\$1,867,465	\$2,079,542
Expenses:										
Total Operation and Maintenance Expenses	\$451,465	\$468,335	\$580,819	\$595,144	\$609,824	\$624,868	\$640,286	\$3,050,941	\$3,495,707	\$8,856,895
Net Operating Cash Flow	\$5,970	\$489,774	\$200,000	\$56,687	\$0	\$0	\$0	\$256,687	\$1,764,382	\$1,646,236
Airport Enterprise Fund (07) Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Airport Operating Funds Available for Capital Expenditures	\$5,970	\$489,774	\$200,000	\$56,687	\$0	\$0	\$0	\$256,687	\$1,764,382	\$1,646,236
<b>Capital Cash Flow</b>										
Capital Improvement Program (CIP):										
AIP-Eligible Expenditures	\$9,267	\$1,520,979	\$0	\$553,718	\$0	\$0	\$0	\$553,718	\$8,140,073	\$21,144,321
CDAG-Eligible Expenditures			\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$1,048,180
Expenditures Ineligible for Fed/State Grants			\$200,000	\$518,000	\$0	\$0	\$0	\$718,000	\$3,687,609	\$41,801,713
Total Public/Airport Capital Expenditures	\$9,267	\$1,520,979	\$200,000	\$1,091,718	\$0	\$0	\$0	\$1,291,718	\$11,827,682	\$63,994,214
Non-CIP Capital Expenditures (airport projects)	\$143,051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Capital Funding Sources:										
AIP Entitlement Grants (Primary + Rollover)			\$0	\$498,346	\$0	\$0	\$0	\$498,346	\$1,200,000	\$1,350,000
AIP Discretionary Grants	\$58,910	\$640,664	\$0	\$0	\$0	\$0	\$0	\$0	\$6,126,066	\$17,679,889
State Apportionment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CDOT Aeronautics Division	\$61,416	\$563,175	\$0	\$36,685	\$0	\$0	\$0	\$36,685	\$179,325	\$2,000,576
Private or Unknown Capital Funding Source			\$0	\$500,000	\$0	\$0	\$0	\$500,000	\$2,557,909	\$41,317,513
Total Capital Funding Sources	\$120,326	\$1,203,839	\$0	\$1,035,031	\$0	\$0	\$0	\$1,035,031	\$10,063,300	\$62,347,978
Total Funds Available for Capital Expenditures	\$126,295	\$1,693,612	\$200,000	\$1,091,718	\$0	\$0	\$0	\$1,291,718	\$11,827,682	\$63,994,214
Total Local Funds Required for Capital Expenditures	\$31,993	\$317,140	\$200,000	\$56,687	\$0	\$0	\$0	\$256,687	\$1,764,382	\$1,646,236
FAA AIP Entitlement Rollover			\$150,000	-\$198,346	-\$48,346	\$101,654	\$251,654			
Ending Airport Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: Town of Buena Vista, Jviation