



7.0 CAPITAL IMPROVEMENT PROGRAM & FINANCIAL IMPLEMENTATION

With a chosen development concept as the preferred alternative, the focus now shifts to understanding the financial resources that will be needed in order to have a feasible plan. The first section of this chapter analyzes the development program at the project level, culminating in a list of projects that are sequenced and/or prioritized to maximize construction efficiency, efficient phasing, or match a lifecycle. In the second section of this chapter, the development program tabulates the funding requirements for projects and allocates the expected sources of funding. The tables at the end of the chapter provide the full list of projects and planned funding amounts for the 20-year planning period. This is also known as the Capital Improvement Program, or CIP.

7.1 CAPITAL IMPROVEMENT PROGRAM (CIP)

The preferred development program that was selected among the alternatives in **Chapter 5, Alternatives Analysis**, calls for the relocation of the passenger terminal complex to the east side of the airfield. The projects needed to implement this program will be high priority projects requiring significant levels of funding from a number of sources. There are also projects in the queue that are associated with the normal upkeep of DRO or are enabling projects needed prior to major construction. The CIP captures both types of projects and sequences them by priority.

The CIP is further broken down into three phases, which match the three forecasting time frames identified in **Chapter 3, Aviation Activity Forecasts**.

CIP Phases:

Phase I	2015-2020
Phase II	2021-2025
Phase III	2026-2035

Phase I projects are much more focused on detail because the need for these projects is certain. Many times the projects in the first year or two have been in the queue and interrupting the timing of those projects is not always beneficial. However, these are the highest priority projects and normally will feature significant development program elements from the preferred alternative. Phase II projects are a bit less certain but often feature rehabilitation projects for airport infrastructure that require periodic maintenance or replacement. Phase II can also show projects that are expected once demand reaches certain activity levels. Phase III projects are much less certain but they fill the requirements of the forecasted activity levels so that

the plan can meet expected demand levels within planned funding levels. The key projects in the CIP are identified and discussed in the following sections.

7.2 PHASE I – 2015 THROUGH 2020

7.2.1 Enabling Projects

Phase I will begin with a project year that has ended but not all of the construction has been completed. The reason to start with a completed year is to show the most recent balances of funding sources and reserves. These first projects also include enabling projects that are needed prior to initiation of the design and construction of the preferred development program. Costs for all projects are shown in 2015 dollars.

In addition to the capital improvements discussed below, the Airport will continue the normal upkeep projects such as Taxiway A rehabilitation. In addition, the Airport will ensure that the rest of the airfield will continue to meet FAA standards while the new terminal is constructed.

2015 Project A1– Environmental Assessment (EA) \$1,036,039

The EA is an enabling project that is required prior to FAA being able to fund projects associated with the relocation of the terminal building, including the designs. The EA, a planning study, follows a rigid methodology that looks closely at the potential impacts to specific environmental categories caused by the proposed improvements. The master plan has taken a careful look at environmental conditions in order to develop concepts that avoid environmentally sensitive areas. Because of this, planners are confident that a Finding of No Significant Impact (FONSI) will be obtained, subject to taking on any mitigation steps needed to avoid significant impacts. Once FAA issues the FONSI, FAA can then financially participate in the implementation of the terminal program. The price shown is from a firm bid.

2015 Project A2 – Taxiway A Rehabilitation Design/Construction \$5,968,645

Taxiway A is the main parallel taxiway on the west side of the runway. This project provides for the rehabilitation of the majority of the taxiway surface. A portion of the taxiway in front of the south general aviation parking apron requires full reconstruction, thus was separated from this project. Completion of this taxiway is urgently needed and must be done prior to the focus shifting to the terminal relocation. The price shown is from a firm bid.

2016 Project A3 – Taxiway A Rehabilitation Design – Reconstructed Portion..... \$180,000

Although this portion of Taxiway A meets the requirements for full reconstruction, due to FAA funding restraints it will be rehabilitated instead.

2016 Project A4 – Fog Seal/Restripe Runway 3/21 \$875,000

This important project is considered an enabling project because it is vital to ensuring that the runway surface is protected while the bulk of the resources for this CIP phase are directed toward implementing the terminal relocation program. A seal coat will be applied to the runway surface and affected markings will be reapplied. The cost reflects the need to avoid runway closures that affect airline service.

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2016 Project A5 – Airfield Backup Generator \$185,400

An airfield backup generator is vital to maintaining a safe airfield in all conditions. DRO has only one connection to the power supply so an interruption would cause a complete outage on the airfield, including critical navigational aids and communication facilities. Considering the extensive utility work in the terminal relocation program, having a backup generator will be prudent.

2016 Project A6 – Acquire SRE - Snow Plow and Vehicle \$484,100

In order to meet requirements under Federal Aviation Regulation Part 139, DRO is required to maintain equipment capable of maintaining a safe airfield in winter conditions. A dump truck vehicle with a plow attachment designed for use on airfield pavements is needed to maintain readiness.

2016 Project A7 - Environmental Assessment - Phase 2 \$200,000

This project has been included to account for additional survey work and coordination with tribes and agencies which may be required in relation to cultural resources within the project area.

2017 Project A8 – Taxiway A Rehabilitation Construction \$2,000,000

This is the final phase of rehabilitation for Taxiway A, and is the construction phase for the project designed in 2016.

2017 Project A9 – Modify ARFF Bay Openings \$200,000

Recent evolution in ARFF vehicle design has resulted in wider trucks. While the door openings are just wide enough to handle the existing vehicles, new ARFF vehicles may need additional width. This project is intended to increase the opening width to safely accommodate the new vehicles identified in this plan.

7.2.2 Preferred Development Program – Relocate Terminal to East

The relocation of an airport terminal is a large undertaking. As such, implementing this part of the master plan will require significant resources and coordination. Before continuing with the project descriptions, an overall description of the program is useful to see how everything fits together. The design and construction projects that comprise the terminal replacement program involve extensive coordination, and each needs to be phased and efficiently sequenced to get the best results in terms of duration and construction bids.

A key benefit of relocating the terminal to the east side of the airfield is the efficiency of not having to build the improvements in multiple short phases that would result in huge inconveniences for the public and the tenants. The ability to turn the entire site over to the contractors greatly simplifies the implementation of the program.

Each terminal project shown in the CIP contains a number of sub-projects intended to maximize efficiency and be built under a single bid. In our list these groupings of sub-projects are called Bid Packs. The bid packs are further broken down in this CIP to separate the engineering or architectural design from the actual construction phase. This efficiently allows for design and construction activities to occur concurrently and allows for flexibility with cash flow.

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As noted above the Airport will continue the normal upkeep projects such as Taxiway A rehabilitation, in addition to ensuring that the remainder of the airfield will continue to meet FAA standards while the new terminal is constructed.

The prices listed for each project includes construction cost, an allowance for contingencies, an allowance for program management, and design engineering if included. As a reminder, these estimates are shown in 2015 dollars. Inflation will be considered in the second section of this chapter to help planners anticipate the actual amount of funds that will be required as the program is implemented over several years. The program is expected to be completed in 2021 with a grand opening following the completion of construction of the 2021 bid pack. The last project of the program is briefly described in the second phase of the CIP.

2018 Project A10 – Replace Passenger Terminal – Civil Bid Pack 1 - Design \$265,569

Civil Airfield/Landside Grading/Drainage Design - The first design package includes various elements from the selection of the design team, geotechnical engineers, and surveyors to negotiating contracts and fees. The site investigation will include geotechnical and surveying.

Schematic design of the apron and partial parallel Taxiway B grading will be completed and coordinated with the FAA. Concurrence from the FAA will be acquired prior to proceeding with final design. Final design will also include road access off 309A grading, parking lot grading and airfield and parking lot drainage. FAA and DRO review and concurrence are part of this process.

2018 Project A11 – Replace Passenger Terminal – Civil Bid Pack 2 - Design \$321,774

The second bid package also includes the selection of the design team and engineers as well as contracts and fee negotiations. Design to improve the existing water distribution system, new water mains, sanitary sewer alignment, and water bore will be done in this phase. Improvements to the existing water distribution system are necessary for west side operations, and new utilities are required for relocation of the terminal facilities to the east side. FAA and DRO review and concurrence are part of this process.

2018 Project A12 – Replace Passenger Terminal – Architecture Design \$3,275,000

This element includes the architectural design of the new passenger terminal building and permitting elements. Coordination with DRO, the City, County, and FAA will be completed throughout the process to ensure a terminal is designed that meets the vision of DRO.

2019 Project A13 – Replace Passenger Terminal – Civil Bid Pack 1 - Construction..... \$5,244,536

The first phase of construction will consist of grading for the apron, Taxiway B (partial parallel - south end of apron to Runway 3 end), road access off 309A, and parking lot, as well as construction of airfield and parking lot drainage. Contingencies and construction management are included in this phase.

2019 Project A14 – Replace Passenger Terminal – Terminal Building Construction.. \$30,785,000

Construction of the new passenger terminal can begin while grading for other facilities is taking place. The terminal building is anticipated to be constructed over a one-year period and be approximately 80,000

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square feet, depending on final design. Sustainable practices will be applied to ensure that the space is optimally efficient and able to be expanded with minimum additional cost to future designers. A total of five gates will be accommodated as well as baggage claim, TSA, concessions, rental car, and airline space. The construction phase includes bidding, permits, and commissioning of the new facility.

2019 Project A15 – Replace Passenger Terminal – Civil Bid Pack 3 - Design \$1,003,511

Civil Airfield/Landside Paving and Lighting Design - This design phase includes selection of the design team and engineers as well as contract and fee negotiations. Pavement design of the apron and taxiway, parking lots, access road from 309A to new terminal site, and loop road around parking lots will be accomplished. Lighting for each of these elements will also be completed which includes medium intensity taxiway lights (MITLS), parking and apron lighting, as well as road striping and reflectors.

2019 Project A16 – Replace Passenger Terminal – Civil Bid Pack 4 - Design \$397,392

Airport Access Road Coordination/Design - This design phase also includes selection of the design team and engineers and negotiation of contracts and fees. The project involves a new access point from state highway 172 which would connect with the existing CR 309A. The alignment of the road would be perpendicular to the existing driveway which runs north to south. The driveway would be "decommissioned" once the new access road is constructed, and access to the private properties would be from the new road. Extensive coordination with CDOT, Durango, La Plata County, and other stakeholders will be necessary. Also, as impacts to wetlands are expected, there will be coordination with the Army Corps of Engineers.

2020 Project A17 – Replace Passenger Terminal – Civil Bid Pack 2 - Construction..... \$6,354,500

The existing water system is owned by the Airport. Due to the projected growth, improvements to the existing water distribution system are necessary. As the terminal facilities are moving to the east side it is also necessary to construct new water mains and sanitary sewer. This phase includes contingencies and construction management.

2020 Project A18 – Replace Passenger Terminal – Civil Bid Pack 3 - Construction... \$11,141,714

Construct apron, parking lots, parking lighting, access road off 309A, and loop road around parking lots; includes contingency and construction management.

7.3 PHASE II – 2021 THROUGH 2025

Phase II projects have not been assigned years but are sequenced according to priority to match the projected needs of the airport by 2025. In Phase II, the priorities may change according to actual demand levels or the scopes of each project may be scaled up or down to better fit the actual need. The first project will be the final project of the passenger terminal replacement program, which concludes in 2021.

Project B1 - Replace Passenger Terminal - Civil Bid Pack 3 - Construction..... \$8,675,956

Construct partial parallel taxiway and install lighting; includes contingency and construction management.

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Project B2 – Replace Passenger Terminal – Civil Bid Pack 4 - Construction \$7,847,830

Construction of the new airport access road from state highway 172 will be accomplished. Wetland impacts identified during the EA and design phase will need to be mitigated in this phase. Mitigation is anticipated to be payment to an existing wetland bank in La Plata County.

Project B3 – Conduct Strategic Business Plan \$250,000

Develop Airport Strategic Business Plan to improve financial performance, maximize the Airport's services to the community, and allow for continued airport development.

Project B4 – Replace ARFF Vehicle \$830,000

The replacement of one ARFF vehicle is scheduled to occur by 2025 in order to meet the requirements of 14 CFR Part 139. This includes the preparation of specifications and delivery for a new vehicle to meet current requirements.

Project B5 – Rehabilitate Runway 3/21 and Portion of Taxiway A..... \$8,700,000

Preventative and regular maintenance of airfield pavements is a critical element of airport maintenance. Following the completion of the terminal replacement, the first priority is to the runway. Rehabilitation of Runway 3/21's pavement will extend the useful pavement life of the runway pavement. The estimate reflects resurfacing and re-grooving the runway and includes design and construction.

Project B6 – Acquire Four Passenger Loading Bridges \$1,800,000

Passenger boarding bridges provide customers and airlines with an increased level of service and comfort; especially in adverse weather conditions. DRO perceives the acquisition of the bridges as a key element in customer service and the Durango image. Includes acquisition and installation.

Project B7 – Construct T/W B to R/W 21, Relocate VOR, NEPA Documentation... \$15,225,000

A parallel taxiway is considered a basic element of airfield design. Completion of Taxiway B on the east side will improve aircraft efficiency and airfield safety. Relocation of the VOR is necessary to complete the taxiway. Impacts to wetlands cannot be avoided and mitigation may be required. One likely scenario for mitigation is payment to a mitigation bank, although the final method will be determined following permitting. Design of the grading, pavement, and VOR relocation is included, as well as construction.

Project B8 – Relocate CR309A outside Runway Protection Zone (RPZ) \$1,500,000

Currently, CR309A cuts through the Runway 21 RPZ. Per FAA guidance, the road should be located outside the RPZ. This includes design, engineering, and construction.

Project B9 – Acquire Snow Removal Equipment \$750,000

Replace aging 1983 Oshkosh W7000 Blower, 1985 and 1986 Oshkosh P Series Plow Trucks, and 1989 Snowblast MP-3000 Blower. The replacement of this SRE equipment is necessary for DRO to maintain clear runways/taxiways during adverse weather.

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Project B10 – Modify Former Terminal Building \$2,000,000

Modification of the west side terminal will be completed to repurpose it for lease to an aeronautical business. Leasing the old terminal will provide DRO with additional revenues well into the future. The estimate simply reserves an amount of funds that can be used to attract potential businesses. The price reflects mechanical updates and interior/exterior cosmetic changes plus design.

Project B11 – Rehabilitate South General Aviation Apron-Phase 1 \$300,000

It is anticipated that the south general aviation apron and taxilanes will be in fair condition during this phase. Rehabilitation of each is necessary to extend the life of the pavement and provide reasonable facilities for general aviation tenants; includes design and construction.

Project B12 – Conduct Airport Master Plan \$1,000,000

A master plan is suggested in the 2025 time frame to re-evaluate the recommendations from the prior master plan. A master plan project is recommended every 5 to 10 years to ensure the master plan is tracking with projected demand. At that time, a new CIP will be prepared to update this one. That CIP will address airport demand and lay the groundwork for continued expansion as warranted. Price includes comprehensive public outreach program and frequent updates to elected leaders.

7.4 PHASE III – 2026 THROUGH 2035

Phase III covers the last half of the planning period. These projects are sequenced to show the types of projects that will be needed to meet the forecasted demand. Future planning that considers the actual passenger and airline trends seen in Phase II will determine which projects will need to be constructed in this CIP phase. However, the value of planning for Phase III projects in this master plan is to ensure that the plan can be financially supported, and that there is sufficient developable land to accommodate the upper range of the approved forecast.

Project C1 – Expand Terminal Building (260k Enplanements) \$12,200,000

The terminal building will be expanded to accommodate enplanements projected in PAL 1. This will include an approximate 30,000-square-foot building expansion that accommodates two additional gates, expanded holdrooms, concessions, and public circulation. Design and construction are included.

Project C2 – Expand Terminal Apron (260k Enplanements) \$5,000,000

It is anticipated that additional aircraft parking positions will be needed. The apron will be expanded to accommodate two additional parking positions and movement area. Includes design and construction.

Project C3 – Expand Terminal Parking (260k Enplanements) \$1,500,000

Supplying sufficient auto parking for passengers, employees, and tenants is critical to airport operations. An additional 400 parking spaces will be needed at this time. Includes design and construction.

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Project C4 – Rehabilitate or Relocate ARFF Building..... \$5,000,000

The existing ARFF/SRE building is situated next to steep terrain to the south and GA hangars to the north, leaving very few options for expansion. Consideration should be made to relocate the building to a more central location that allows for expansion. Estimate shown is to rehabilitate the existing building. Includes design and construction phases.

Project C5 – Replace Taxiway Lighting with LED Fixtures..... \$600,000

DRO values sustainability. LED lights are proven to reduce the need for power and have a longer lifespan. Replacement of the existing taxiway lights with LED lights will reduce maintenance needs and result in lower utility costs.

Project C6 – Relocate Shared Rental Car Maintenance Facilities to East Side..... \$4,500,000

Design/Construction - The existing west side washrack and maintenance area for rental cars will be removed and a new washrack and maintenance facility constructed on the east side to consolidate all rental car operations.

Project C7 – Relocate/Expand Fuel Farm..... \$1,000,000

Expansion of the fuel farm is necessary to accommodate the anticipated increase in Jet-A fuel. As the terminal facility moved to the east side, relocating the fuel farm to the east would improve fueling efficiency.

Project C8 – Rehabilitate South GA Apron Phase 2..... \$2,000,000

It is anticipated that the south general aviation apron and taxilanes will be in fair condition. Rehabilitation will be necessary to extend the life of the pavement and provide desirable facilities for general aviation tenants; includes design and construction.

Project C9 – Acquire SRE Vehicle \$630,000

Replace the aging 1999 Oshkosh H-2723 Plow Truck with a newer model. This replacement is necessary to assist DRO in keeping the runways/taxiways open during adverse conditions.

Project C10 – Conduct Airport Master Plan..... \$1,000,000

A master plan is suggested in the 2030-2035 time frame to re-evaluate the recommendations from the prior master plan. At that time, a new CIP will be prepared to update this one. That CIP will address airport demand and lay the groundwork for continued expansion as warranted. Price includes comprehensive public outreach program and frequent updates to elected leaders.

Project C11 – Fog Seal and Restripe Runway 3/21 \$550,000

A seal coat will be applied to the runway surface and affected markings will be reapplied. The cost reflects the need to avoid runway closures that affect airline service.

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Project C12 – Construct Holding Apron at Runway 21 End..... \$2,000,000

As aircraft operations continue to increase during peak periods, congestion can lead to delays of airline operations. Constructing a holding apron that allows for aircraft to bypass another can alleviate this chokepoint. The price reflects the significant costs to construct a holding apron that meets FAA criteria for Airport Reference Code D-IV. Includes design engineering and construction.

Project C13 – Prepare Lease Lots on East Development Area..... \$1,500,000

This is a valuable project that would extend infrastructure and grade a number lease lots that could be quickly leased to a large GA tenant or an FBO. This would raise the value of the airport to prospective aeronautical tenants by being able to make significant acreage in shovel-ready condition.

Project C14 – Expand USFS Apron (Assist Only)..... \$500,000

Based upon discussions during the master plan process, the USFS anticipates a need for expansion in the future to maintain mission readiness. Firefighting aircraft are evolving from the aging piston aircraft of yesterday to larger modified airliners. Having the ability to accommodate the expansion of the USFS is valuable to the entire Four Corners Region. Estimate includes only what is needed by the Airport to participate in this potential USFS project.

Project C15 – Construct Apron/Taxilanes in East Development Area \$2,000,000

Building on the work done in Project C13, this project will build an apron to the north of the new terminal and at least one stub taxiway that provides access from a hangar site to the airfield. The construction of hangars is anticipated by this time to meet the demands of the general aviation business community or other aeronautical tenants.

Project C16 – Rehabilitate Former Terminal Apron \$3,000,000

It is expected that a general aviation aircraft or other type of aeronautical use will be leasing the former terminal apron. Thus to address the normal wear and tear that is anticipated, rehabilitation of the apron is recommended. The estimate includes design and construction for this concrete apron.

Project C17 – Replace ARFF Vehicle \$850,000

The replacement of one ARFF vehicle is scheduled to occur by 2025 in order to meet the requirements of 14 CFR Part 139. This includes the preparation of specifications and delivery of a new vehicle that meets current requirements.

Project C18 – Rehabilitate North GA Apron/Taxilanes \$500,000

It is anticipated that the north general aviation apron and taxilanes will be in fair condition. Rehabilitation will be necessary to extend the life of the pavement and provide reasonable facilities for general aviation tenants; includes design and construction.

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Project C19 – Expand Water Facility \$420,000

The water treatment facility at DRO provides the potable water for the Airport and a number of other users on the west side of the airfield. The potential exists for an increase in demand for water that will warrant an upgrade to accommodate the need. The system will also be handling the water needs on the east side of the field, including the new terminal complex and any other development that occurs by this time. Cost shown includes design, engineering, and construction.

Project C20 – Acquire SRE Vehicle \$750,000

It is anticipated that the 1998 Oshkosh H Series Broom will be in fair condition at best. Replacement will allow DRO to be able to clear runways and taxiways in a timely manner during periods of adverse weather.

Project C21 – Conduct Environmental Assessment For Terminal Expansion..... \$1,000,000

Expansion of the terminal and facilities to meet growing enplanement numbers is anticipated at this time. An Environmental Assessment (EA) will be completed in compliance with the National Environmental Compliance Act (NEPA). Projects to be included are terminal expansion, apron expansion, parking expansion, and other related facilities). The EA would include a comprehensive public outreach program and agency/stakeholder coordination.

Project C22 – Expand Terminal Building (380,000 Enplanements) \$14,000,000

To meet the upper forecast demand level of 380,000 enplanements, an expansion of approximately 20,000 square feet is needed to accommodate the increase in enplanements. The expansion as estimated will include two additional gates for a total of nine gates. Given the fact that this is a project at the end of the forecast period, there will be at least two master plans that address the actual trends in enplanements and airline service. The expansions of holdrooms, concessions, airline, and rental car space have been factored into the estimate in order to meet the 2035 enplanement forecast. Estimate includes design, program management, and construction.

Project C23 – Expand Terminal Apron (380,000 Enplanements)..... \$4,000,000

Representing the airfield civil portion of the expansion program, the apron will be expanded to the south to accommodate two additional parking positions as well as movement area. Estimate includes design, program management, and construction.

Project C24 – Expand Terminal Parking (380,000 Enplanements)..... \$1,400,000

Representing the landside civil portion of the expansion program, parking stalls will be increased to provide an additional 500 spaces to meet demand. Estimate includes design, program management, and construction.

Project C25 – Fog Seal and Restripe Taxiway B \$550,000

This important project is needed to care for and extend the lifecycle of the taxiway. A seal coat will be applied to the taxiway surface and affected markings will be reapplied.

7.5 CAPITAL IMPROVEMENT PROGRAM

The CIP is a valuable tool and product of a master plan. Taken together, they represent the orderly plan to accommodate demand over the long term. It is likely that this CIP will evolve over the 10 years until the next master plan. All of the variables are in constant movement, especially airline service. However, this CIP demonstrates at the project level that this plan will be able to support the forecasted demand over the planning period, and perhaps well beyond because of the terminal relocation to the east side of the airfield.

The next section of this chapter examines and allocates the various sources of funds that are planned to be available to implement the CIP. This includes examining the cash flow that will be required to fund the projects and operate the airport at the high level of service the region's traveler has come to expect.

7.6 FINANCIAL IMPLEMENTATION ANALYSIS

7.6.1 Financial Analysis Objectives

The primary objective of the Financial Implementation Analysis for the master plan is to evaluate DRO's capability to fund the CIP and to finance operations. The program is planned for implementation through three phases of development - Phase I (2015-2020), Phase II (2021-2025), and Phase III (2026-2035). The analysis includes development of a detailed Financial Implementation Plan. Objectives for developing the Financial Implementation Plan include presenting the results of the implementation evaluation and providing practical guidelines for matching an appropriate amount and timing of financial sources with the planned use of funds.

7.6.2 Overall Approach

The overall approach for conducting the Financial Implementation Analysis includes the following steps:

- Gathering and reviewing key DRO documents related to historical financial results, capital improvement plans, operating budgets, regulatory requirements, City/County policies, airline agreements, and other operating agreements with Airport users.
- Interviewing key DRO officials to gain an understanding of the existing operating and financial environment, relationships with the airlines, and overall management philosophy.
- Reviewing the Aviation Activity Forecast previously developed in the master plan.
- Reviewing the (CIP) project cost estimates and development schedules anticipated for the planning period and projecting the overall financial requirements for the program.
- Determining and analyzing the sources and timing of capital funds available to meet the financial requirements for operating DRO and financing the CIP.
- Analyzing historical operations and maintenance expenses, developing operations and maintenance expense growth assumptions, reviewing assumptions with DRO management and projecting future operations and maintenance expenses for the planning period.
- Analyzing historical revenue sources, developing revenue growth assumptions, reviewing assumptions with DRO management and projecting future airline and non-airline revenues for the planning period.

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- Completing results of the review in a Financial Analysis Summary that evaluates the financial reasonableness of the CIP.

7.6.3 Capital Funding Sources

In the past, DRO has used a combination of the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) entitlement and discretionary grants, Colorado DOT grants, passenger facility charges, rental car customer facility charges, private third-party financing, and cash reserves/net operating revenues to fund capital improvements. These funding sources will continue to be important to finance the Airport's master plan CIP during the planning period.

Airport Improvement Program Grants

DRO receives grants from the FAA to finance the eligible costs of certain capital improvements. These federal grants are allocated to commercial passenger service airports through the AIP. AIP grants include passenger entitlement grants, which are allocated among airports by a formula that is based on passenger enplanements and discretionary grants that are awarded in accordance with FAA guidelines. In February 2012, after several years of continuing budget resolutions in Congress, the FAA Modernization and Reform Act of 2012 was enacted and authorized funding for the AIP through September 30, 2015. In September 2015, Congress extended authorization through March 2016 while it continues its deliberations on funding the FAA and its programs for the next several years. Under current AIP authorization legislation, eligible projects are funded on a 90% AIP grant/10% local match basis for small and non-hub airports. Under this authorization, DRO received current entitlements of about \$1.8 million in 2015 and future annual grants are projected to grow to \$2.8 million by 2035 - the end of the planning period. Non-hub airports (those with annual enplanements up to about 370,000 passengers) can accumulate and carryover up to three years of unspent entitlements plus the current year before the awards are revoked. In 2014, DRO had approximately \$3.9 million in unspent entitlements to carryover for use in 2015. The implementation analysis assumes the application of AIP passenger entitlement funds will be about \$15.2 million during the Phase I planning period, \$10.5 million during Phase II and \$25.0 million during Phase III.

The approval of AIP discretionary funding is based on a project eligibility ranking method the FAA uses to award grants, at their discretion, based on a project's priority and importance to the national air transportation system. In the past, DRO has received discretionary funding support for various eligible capital projects. It is reasonable to assume that DRO will receive additional discretionary funding during the planning period for higher priority, eligible projects, such as runway, taxiway and aircraft apron projects. The implementation analysis assumes the application of AIP discretionary funds will be \$26.9 million during Phase I. Regarding this assumed level of funding for Phase I, it is important to note that the FAA has an annual discretionary set-aside program which provides for \$20 million in AIP discretionary funds for selected non-hub airport terminal building projects. This analysis assumes that DRO will be awarded this grant in the 2019 time frame for its terminal building improvements. The implementation analysis also assumes that additional discretionary grants of about \$27.6 million will be available for high priority airfield pavement projects during the five-year Phase II period and about \$13.1 million will be available during the 10-year Phase III period. Since the future availability of AIP discretionary grants is not certain until an actual grant is awarded, it should be noted that any CIP projects which have discretionary

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funds indicated as a funding source in the implementation plan may need to be delayed until such funds actually become available.

The implementation analysis further assumes that the current AIP program will continue to be extended through 2035 and that future program authorizations will provide substantially similar funding levels as it currently does and as it has historically provided since the program was established in 1982.

Colorado Department of Transportation Grants

The Colorado Department of Transportation (CDOT), Division of Aeronautics provides Discretionary Aviation Grants for airport projects from a portion of the state sales tax collected on aviation fuel. Grants are approved for projects including those that are AIP eligible, aviation pavement maintenance projects, and various other aviation projects. For AIP-eligible projects, state grant awards for up to 50% of an airport's local match requirement are allowed. Non-Revenue producing projects that are not AIP eligible (but are still eligible for state funding) may also receive up to 80% funding (with a 20% local match) for the total cost of approved projects. In past years, an estimated limit of about \$400,000 per year in state grants was awarded to Colorado airports supported by the Division. More recently the limit has been \$250,000 per year to better fit the trends in lower fuel prices that have reduced the amount of funds the state has available for grants. DRO's CIP includes several projects during the planning period that are assumed to be partially funded from State Aeronautics Grants - \$1.3 million in Phase I, \$970,000 in Phase II and \$2.1 million in Phase III.

Passenger Facility Charges

The Aviation Safety and Capacity Expansion Act of 1990 established the authority for commercial service airports to apply to the FAA for imposing and using a Passenger Facility Charge (PFC) of up to \$3.00 per eligible enplaned passenger. With the passage of AIR-21 in June 2000, airports could apply for an increase in the PFC collection amount from \$3.00 per eligible enplaned passenger to \$4.50. The proceeds from PFCs are eligible to be used for AIP eligible projects and for certain additional projects that preserve or enhance capacity, safety or security; mitigate the effects of aircraft noise; or enhance airline competition. PFCs may also be used to pay debt service on bonds (including principal, interest and issue costs) and other indebtedness incurred to carry out eligible projects. In addition to funding future planned projects, the legislation permits airports to collect PFCs to reimburse the eligible costs of projects that began on or after November 5, 1990.

DRO currently collects PFC revenues in an approved open application and is planning to submit an additional application to continue collection without interruption of its collection authority. Current collections are approximately \$850,000 per year. The implementation analysis assumes that DRO will submit additional PFC applications and amendments, as required, to ensure that the collection of PFC revenues continues beyond the authorized expiration date through the end of the planning period in 2035. The implementation analysis further assumes that PFCs will be used on a pay-as-you-go basis to fund approximately \$3.8 million in eligible project costs during Phase I, \$4.7 million in Phase II and \$18.1 million in Phase III.

City/County Capital Contribution

The City of Durango and La Plata County have indicated their recognition of the importance of the planned implementation of the Eastside Terminal Area Development for the long-term growth of commercial passenger activity at DRO. The capital financial plan projects that \$39.7 million in funding will be needed from the City/County during the 2018-2021 time frame to implement the terminal project to design and construct. If this level of funding is not available from the City/County and another alternative source is not identified, development of the terminal project will not be feasible during the currently planned implementation period.

Rental Car Customer Facility Charges

In the last several years, rental car Customer Facility Charges (CFCs) have become common financing tools for landside improvements at airports in the United States. CFCs are collected by the rental car companies on behalf of, and for the benefit of, the airports where they operate. The charge is typically based on a fee per rental car transaction day that is added to rental car contracts.

The CFC fee is to be used to support the planning, design, and construction of various landside and passenger terminal improvements at DRO, including facilities used by the rental car companies. Unlike other funding sources, the implementation analysis does not apply CFCs to fund specific capital projects—instead, the analysis assumes that CFCs will be used to support the cash flow needs of the overall capital program. Current collections are approximately \$300,000 per year, growing to about \$600,000 per year by the end of the planning period. The capital financial plan projects that approximately \$2.8 million in CFC revenue will be available to support cash flow during Phase I, \$1.9 million in Phase II, and \$4.6 million in Phase III.

Private Third Party Funding

Many airports use private third-party financing when the planned improvements will be primarily used by private businesses or other outside organizations. Projects of this kind are not eligible for federal funding, and typically include general aviation development areas, hangars, fixed base operator (FBO) facilities, cargo facilities, private aircraft parking aprons, industrial development areas, non-aviation commercial areas, and various other projects. These projects are implemented and funded as market demand warrants and do not affect an airport's other capital funding capabilities. The implementation analysis assumes that private third-party funding will be available to finance \$2.4 million of such projects in Phase II and \$16.4 million in Phase III.

Cash Reserves/Airport Net Operating Revenues

At the beginning of 2015, the Airport had accumulated about \$2.6 million in unrestricted cash reserves available for operations and capital project funding. Cash reserves are supplemented throughout the 21 year planning period with about \$502,000 in net revenues (operating revenues less operating expenses) generated during Phase I (6 years), \$2.4 million generated during Phase II (5 years) and \$19.1 million generated during Phase III (10 years). Net revenue growth occurs because revenues are reasonably projected to grow at a higher rate than expenses over the 21-year planning period.

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During Phase III (2026-2035), net revenues are projected to grow from about \$900,000 to over \$3 million by the end of the long term period. The Airport’s revenues are used to cover all operating expenses and provide net revenues to support funding for local matches and ineligible project costs for the entire capital improvement program. As previously noted, approximately \$2.8 million in CFC revenue will also be available to supplement cash reserves during Phase I, \$1.9 million in Phase II and \$4.6 million in Phase III.

The implementation analysis assumes that Airport cash reserves/net operating cash flow will be used to fund about \$917,000 in Phase I and \$679,000 in Phase II for local grant match requirements and project components ineligible for federal funding. During Phase III, \$28.8 million in cash reserves/net revenues are assumed to fund \$23.3 million for future terminal building expansion, \$4.5 million for terminal auto parking and about \$1 million in ineligible costs and local matches.

7.6.4 Financial Analysis and Implementation Plan for the Master Plan Capital Improvement Program

This analysis, along with the Schedules presented at the end of this chapter, provides the results of evaluating the financial reasonableness of implementing the master plan CIP during the planning period of 2015 through 2035.

Estimated Project Costs and Development Schedule

The CIP Estimated Project Costs and Development Schedule is derived from previous results of the master plan analysis. The CIP for capital expansion and improvement projects is projected on an annual basis for the Phase I planning period from 2015 through 2020, in total for the Phase II planning period from 2021 through 2025, and in total for the Phase III planning period from 2026 through 2035. For each of these planning periods, **Schedule 7-1** presents the CIP including estimated costs and anticipated development schedule for the identified projects.

As shown in **Schedule 7-1**, the total estimated cost of projects is \$185,246,966 in 2015 dollars. The estimated costs for projects scheduled during the period 2015 through 2035 are adjusted by an assumed three percent rate of annual inflation. The resulting total project costs escalated for inflation are \$238,078,404. **Table 7-1** presents a summary of the Schedule and provides a comparison of 2015 base year costs with escalated costs adjusted for inflation for each of the planning periods.

TABLE 7-1 – SUMMARY OF 2015 BASE YEAR AND TOTAL ESCALATED COSTS FOR THE MASTER PLAN CAPITAL IMPROVEMENT PROGRAM

Planning Periods	2015 Base Year Costs	Total Escalated Costs
Phase I Projects (2015-2020)	\$69,918,180	\$76,594,770
Phase II Projects (2021-2025)	\$48,878,786	\$57,956,698
Phase III Projects (2026-2035)	\$66,450,000	\$103,526,935
Total Project Costs	\$185,246,966	\$238,078,404

Note: Addition errors are due to rounding of calculated amounts.

Source: Leibowitz & Horton AMC analysis

Sources and Uses of Capital Funding

Funding sources for the CIP depend on many factors, including AIP and PFC project eligibility, the ultimate type and use of facilities to be developed, management's current and desired levels of the airline cost per enplaned passenger, the availability of other financing sources, and the priorities for scheduling project completion. For master planning purposes, assumptions were made related to the funding source of each capital improvement.

Schedule 7-2 lists each of the CIP projects, their estimated costs (escalated annually for inflation) and the assumed funding sources and amounts. During the planning period, it was assumed that AIP entitlement grants would partially fund runway/taxiway rehabilitation, aircraft parking aprons, passenger loading bridges, snow removal equipment (SRE), terminal entrance road improvements, Eastside Terminal Area Improvements and other eligible improvements. It was assumed that AIP discretionary grants would partially fund runway/taxiway rehabilitation and extension, the commercial passenger aircraft parking apron and the new eastside terminal building. It was assumed that CDOT aviation grants would provide a portion of the funding for AIP eligible projects. PFC pay-as-you-go revenues were assumed to also fund a portion of the AIP eligible projects. Private third party financing was assumed to fund ineligible project elements related to the former terminal building, fuel farm facilities, and other ineligible improvements. Available cash reserves were assumed to fund ineligible projects and a portion of the local match for AIP projects.

A summary of the sources of capital funding by type and uses of capital funding by planning period for the CIP is presented in **Table 7-2**.

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TABLE 7-2 – SUMMARY OF SOURCES AND USES OF CAPITAL FUNDING FOR THE MASTER PLAN CAPITAL IMPROVEMENT PROGRAM

Sources of Capital Funding	Phase I (2015-2020)	Phase II (2021-2025)	Phase III (2026-2034)	Totals
AIP Entitlement Grants	\$15,170,339	\$10,514,363	\$25,000,258	\$50,684,960
AIP Discretionary Grants	\$26,854,231	\$27,553,152	\$13,126,166	\$67,533,549
CDOT Aviation Grants	\$1,286,593	\$969,975	\$2,126,518	\$4,383,086
Passenger Facility Charges	\$3,804,253	\$4,702,830	\$18,125,620	\$26,632,703
City/County Capital Contribution	\$28,561,883	\$11,149,345	\$0	\$39,711,228
Private Third Party Funding	\$0	\$2,388,105	\$16,358,658	\$18,746,762
Cash Reserves/Net Ops Cash Flow	\$917,472	\$678,930	\$28,789,714	\$30,386,116
Total Sources of Capital Funding	\$76,594,770	\$57,956,698	\$103,526,935	\$238,078,404
Uses of Capital Funding				
Runway/Taxiway Improvements	\$9,177,095	\$38,629,150	\$2,648,545	\$50,454,790
Aircraft Apron Improvements	\$10,195,862	\$0	\$22,590,528	\$35,786,389
Terminal & Related Landside Improvements	\$55,987,400	\$13,041,449	\$46,894,819	\$115,923,669
General Aviation Facility Improvements	\$0	\$368,962	\$7,010,853	\$7,379,816
SRE Facilities & Equipment	\$498,623	\$895,539	\$2,149,995	\$3,544,157
ARFF Facilities & Equipment	\$212,180	\$991,063	\$9,114,109	\$10,317,353
Other Improvements	\$523,610	\$4,030,534	\$13,118,086	\$17,672,230
Total Uses of Capital Funding	\$76,594,770	\$57,956,698	\$103,526,935	\$238,078,404

Note: Addition errors are due to rounding of calculated amounts.

Source: Leibowitz & Horton AMC analysis

Projected Operations and Maintenance Expenses

Operations and maintenance expense projections for the Phase I (2015 through 2020), the Phase II (2021 through 2025) and the Phase III (2026 through 2035) planning periods are based on DRO's 2015 budget, the anticipated impacts of inflation, aviation traffic increases, facility improvements, and the recent experience of other airports with similar levels of aviation activity.

Operations and Maintenance Expense Projection Assumptions

Operations and maintenance expense growth assumptions, as reflected in **Schedule 7-3**, were developed to project DRO's operating expenses during the planning period. Actual amounts for 2012 through 2014 and budgeted amounts for 2015 provide a comparison with expenses that are projected for the period 2016 through 2035. For each of the following expense categories, projections are based on 2015 budgeted amounts with an assumed 3% annual rate of inflation beginning in 2016.

- Personnel Services
- Materials & Supplies
- Charges & Services
- Utilities

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- Minor Capital Outlays
- Other Operating Expenses.

Projection of Operations and Maintenance Expenses and Operating Expenses Per Enplaned Passenger

The projection of operations and maintenance expenses is provided in **Schedule 7-3**. As shown in the Schedule, total expenses are expected to grow from \$2,926,746 budgeted in 2015 to \$3,825,092 in 2020, reflecting an overall growth rate of 7.8% per year and a total of \$20,269,964 during the Phase I planning period. Phase II expenses are projected to total \$20,917,172, reflecting a 3% annual growth rate for the five-year period 2021-2025. Phase III expenses are projected to total \$52,359,665, reflecting a 3% annual growth rate for the ten-year period 2026-2035.

Schedule 7-3 also provides a comparison of DRO's total operating expenses per enplaned passenger versus an average for airports with similar resort community operations, as well as overall non-hub airports with similar levels of aviation activity. DRO's operating expenses per enplaned passenger are projected to increase from \$14.17 budgeted for 2015 to an average of \$14.77 during the Phase III planning period. Also during Phase III, the average for similar non-hub resort airports grows from \$38.83 in 2015 to an average of \$45.72, and the overall non-hub industry average grows from \$45.36 in 2015 to \$53.42 (Source: Non-Hub Airports, FAA Operating and Financial Summary Report #127 and FAA Air Carrier Activity Information System enplanement database). These comparisons show that budgeted and projected operating expenses at DRO are substantially lower than other non-hub airports (including resort airports) of similar size during all three phases of the 21-year planning period. This implies that DRO currently manages operations and controls expenses more efficiently than other comparable non-hub airports.

Projected Operating Revenues

Operating revenue projections for the Phase I (2015 through 2020), the Phase II (2021 through 2025) and the Phase III (2026 through 2035) planning periods are based on DRO's 2015 budget, current rates and charges methodology, current leasing practices, the anticipated impacts of inflation, aviation traffic increases, facility expansions, and the recent experience of other airports with similar levels of aviation activity.

Operating Revenue Projection Assumptions

Operating revenue growth assumptions, as reflected in **Schedule 7-4**, were developed to project the Airport's operating revenues during the planning period. Actual amounts for 2012 through 2014 and budgeted amounts for 2015 provide a comparison with revenues that are projected for the period 2016 through 2035. This analysis organizes revenues into categories for airline revenues, non-airline revenues and non-operating revenues. Annual revenue growth assumptions for the period 2016 through 2035 are provided in the following sections.

- Airline Revenues
 - Airline landing fee projections beginning in 2017 are based on DRO's 2015/2016 budget with growth at a 3% annual inflation rate plus increases in aircraft landed weight using

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annual growth at ½ the rate of forecast passenger enplanements. This reflects the airlines' practice of managing increased load factors before additional flights are provided.

- Airline terminal rent projections beginning in 2017 are based on DRO's 2015/2016 budget with growth at a 3% annual inflation rate thereafter.
- Non-Airline Revenues
 - State Aviation Fuel Tax Refund revenue projections beginning in 2016 are based on DRO's 2015 budget with growth at a 3% annual inflation rate plus increases in aircraft landed weight using annual growth at half the rate of forecast passenger enplanements.
 - Non-Airline revenue projections beginning in 2016 for the following categories are based on DRO's 2015 budget with growth at a 3% annual inflation rate plus the annual rate of forecast enplanement growth:
 - Concession Fees - Rental Cars
 - Concession Fees - Terminal
 - Parking Lot - Airport Operated
 - Concession Fees - Ground Transportation.
 - Non-Airline revenue projections beginning in 2016 for the following categories are based on DRO's 2015 budget with growth at a 3% annual inflation rate thereafter:
 - Landing Fees - Air Taxi/Freight
 - FBO Rent
 - FBO Fuel Flowage Fees
 - Land Rent
 - Terminal Rentals Other
 - Concession Fees - Advertising
 - Airport Utility Reimbursements
 - Auto Fuel Sales
 - Other Revenue
- Non-Operating Revenues - Non-Operating revenue projections beginning in 2016 for Interest Income are based on the DRO's 2015 budget with no annual inflation growth thereafter and asset sales are based on the 2015 budget with inflation growth thereafter beginning in 2016.

Projection of Operating Revenues, Airline Cost Per Enplaned Passenger and Operating Revenues Per Enplaned Passenger

The projection of operating revenues is provided in **Schedule 7-4**. As shown in the Schedule, airline revenues are expected to grow from \$490,000 budgeted for 2015 to \$571,785 projected for 2020 with a total of \$3,140,320 during the Phase I planning period. During Phase II, airline revenues are projected to total \$3,217,485, and during the Phase III, revenues are projected to total \$8,682,012. The overall annual growth rate for airline revenues is 3.9% during the planning period. Non-airline revenues are expected to grow from \$2,534,400 budgeted for 2015 to \$3,363,155 projected for 2020 with a total of \$17,592,919 during Phase I. During Phase II, non-airline revenues are projected to total \$20,041,671. During Phase III,

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non-airline revenues are projected to total \$62,728,829. The overall annual growth rate for non-airline revenues is 5.7%. Total Airport revenues (including non-operating revenues) are expected to grow from \$3,030,400 budgeted for 2015 to \$3,941,736 projected for 2020, with a total of \$20,771,580 during Phase I. During Phase II, revenues are projected to total \$23,295,853, and during Phase III, revenues are projected to total \$71,500,184. The overall annual growth rate for DRO revenues is 5.8%.

Schedule 7-4 also provides a comparison of DRO's airline cost per enplaned passenger (CPEP) versus an average for airports with similar resort community operations, as well as overall non-hub airports with similar levels of aviation activity. The airline CPEP (all airline fees and rentals divided by enplaned passengers) is a measure airlines use to compare their cost of operations among the airports they serve. DRO's airline CPEP is projected to grow from \$2.37 budgeted for 2015 to an average of \$2.45 during Phase III. Over the same period, the average for similar non-hub resort airports grows from \$14.28 in 2015 to an average of \$16.81 and the overall non-hub industry average grows from \$9.00 in 2015 to \$10.60 (Source: Non-Hub Airports, FAA Operating and Financial Summary Report #127 and FAA Air Carrier Activity Information System enplanement database). These comparisons show that airline rates and charges at DRO are currently substantially lower than other similar non-hub airports (including resort airports) and are expected to remain lower (by as much as 85%) throughout the planning period. DRO's very low level of CPEP suggests that rate-setting practices and the overall structure of rates and charges should be revised to enable the Airport to recover a greater portion of its operating costs from the airlines that serve DRO.

Schedule 7-4 also provides a comparison of DRO's total operating revenue per enplaned passenger versus an average for other non-hub and resort airports. DRO's total operating revenue per enplaned passenger is projected to grow from \$14.64 budgeted for 2015 to an average of \$20.15 during Phase III. Over the same period, the average for similar non-hub resort airports grows from \$45.06 in 2015 to an average of \$53.05, and the overall non-hub industry average grows from \$44.78 in 2015 to \$52.73 (Source: Non-Hub Airports, FAA Operating and Financial Summary Report #127 and FAA Air Carrier Activity Information System enplanement database). These comparisons show that non-airline revenues along with airline revenues are substantially lower than both the resort and non-hub industry averages throughout the planning period. This indicates that DRO's overall policies for setting/negotiating user fees and rental rates should be reviewed and adjusted over time in order to establish rates that are more comparable with other airports having similar levels of aviation activity.

Financial Plan Summary for the Master Plan Capital Improvement Program

The Financial Plan Summary presented in **Schedule 7-5** includes a Capital Cash Flow section that presents a summary of projected capital funding (from **Schedule 7-2**) and scheduled capital expenditures (from **Schedule 7-1**) with the cash flow that results from implementing the master plan CIP. **Schedule 7-5** also includes an Operating Cash Flow section that summarizes totals for operating revenues (from **Schedule 7-4**) and operating expenses (from **Schedule 7-3**) with the addition of beginning cash reserve balances to provide the cash flow that results from these activities.

Schedule 7-1 of the Financial Implementation Analysis provides practical approaches for scheduling capital expenditures to match the availability of capital funding. **Schedule 7-2** provides practical approaches for matching specific capital funding sources with each of the identified projects. As shown in **Schedule 7-5**, positive year end cash reserves are projected throughout the planning period 2015 to 2035.

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Based on the assumptions underlying the Financial Implementation Analysis summarized in the Capital Cash Flow section of **Schedule 7-5**, implementation of projects in the Master Plan CIP that are scheduled throughout the planning period are projected to be financially reasonable if the City and County can provide approximately \$39.7 million in funding for the Eastside Terminal Area Development project planned for implementation in the 2018-2021 time frame. Complete funding of the Eastside Terminal Development is also significantly dependent on the FAA's approval of the \$20 million discretionary grant set-aside for non-hub terminal buildings. If these two funding sources are not available for the terminal project and other alternative sources cannot be identified, then development of the terminal project will not be feasible during the implementation period that is currently planned.

Implementation of other capital projects during the 2015-2035 planning period that have AIP discretionary grants indicated as a funding source are subject to the availability of those grants which are provided at the sole discretion of the FAA. If the identified portion of discretionary funding is not awarded by the FAA, then these projects will need to be delayed until funding is available.

Additionally, the Financial Implementation Analysis relies on achievement of the aviation activity and passenger enplanement forecast. Actual aviation traffic may temporarily vary from the projected levels of activity without a significant adverse impact on the capital program. If decreased traffic levels occur and persist, implementation of all the proposed projects may not be financially feasible. It should also be noted, however, that if the forecast activity levels are not met, then a number of the planned capital improvements may not be necessary.

7.7 FINANCIAL ANALYSIS SCHEDULES

Financial analysis **Schedule 7-1** through **Schedule 7-5** are presented on the following pages.

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FIGURE 7-1 – SCHEDULE 7-1

DURANGO-LA PLATA COUNTY AIRPORT (DRO) Durango, Colorado

DROMP_2014_5.123

Sched 7-1

Master Plan - Financial Implementation Analysis Estimated Project Costs and Development Schedule

08-Jan-16

Capital Improvement Program	Funding Schedule									
	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Funding
	2015	2016	2017	2018	2019	2020	Total			
Funds Used for Capital Improvement Projects										
AIP Entitlement Grants	\$1,782,544	\$1,786,392	\$1,854,180	\$1,891,896	\$1,930,938	\$1,971,350	\$11,217,300	\$10,514,363	\$25,000,258	\$46,731,921
AIP Entitlements carryover from the prior years	3,953,039	153,911	328,158	272,717	(0)	(0)	3,953,039	(0)	(0)	3,953,039
AIP Entitlement unspent current year + carryover	(153,911)	(328,158)	(272,717)	0	0	0	0	0	0	0
AIP Discretionary Grants	854,231	0	0	0	22,220,515	3,779,485	26,854,231	27,553,152	13,126,166	67,533,549
CDOT Aviation Grants	340,495	89,564	106,090	250,444	250,000	250,000	1,286,593	969,975	2,126,518	4,383,086
Passenger Facility Charges	2,253,985	861,070	891,304	922,600	954,994	988,526	6,872,480	5,488,277	14,271,946	26,632,703
City/County Capital Contribution	0	0	0	0	39,711,228	0	39,711,228	0	0	39,711,228
Customer Facility Charges	1,102,136	310,534	321,437	332,724	344,406	356,499	2,767,736	1,943,103	4,618,073	9,328,912
Private 3rd Party Funding	0	0	0	0	0	0	0	2,388,105	16,358,658	18,746,762
Net Operating Cash Flow	103,654	132,317	80,933	48,164	19,904	116,644	501,616	2,378,681	19,140,519	22,020,816
Funds Available Current Year	10,236,173	3,005,630	3,309,385	3,718,545	65,431,985	7,462,504	93,164,222	51,235,655	94,642,139	239,042,016
Beginning Cash Balance/Funds Carried Over from Prior Year	2,603,666	5,835,155	6,858,550	7,833,954	7,393,095	31,508,879	2,603,666	19,173,118	12,452,074	2,603,666
Funds Used Current Year	(7,004,684)	(1,982,235)	(2,333,980)	(4,159,405)	(41,316,201)	(19,798,266)	(76,594,770)	(57,956,698)	(103,526,935)	(238,078,404)
Funds Carried Over to Next Year	<u>\$5,835,155</u>	<u>\$6,858,550</u>	<u>\$7,833,954</u>	<u>\$7,393,095</u>	<u>\$31,508,879</u>	<u>\$19,173,118</u>	<u>\$19,173,118</u>	<u>\$12,452,074</u>	<u>\$3,567,278</u>	<u>\$3,567,278</u>

Capital Project Description	2015 Base Year Costs	Estimated Project Costs and Development Schedule									Total Escalated Costs	
		Phase I							Phase II 2021-2025	Phase III 2026-2035		Total
		2015	2016	2017	2018	2019	2020	Total				
Phase I Projects (2015-2020)												
A1 EA New Terminal	\$1,036,039	\$1,036,039								\$1,036,039		\$1,036,039
A2 Rehab Taxiway A - Design & Construct	5,968,645	5,968,645								5,968,645		5,968,645
Total Capital Projects 2015	\$7,004,684	\$7,004,684	\$0	\$0	\$0	\$0	\$0	\$0	\$7,004,684	\$0	\$0	\$7,004,684
A3 Taxiway A - Sched III Design	180,000		185,400						185,400			185,400
A4 Fog Seal/Restripe Runway 3/21	875,000		901,250						901,250			901,250
A5 Airfield Backup Generator	185,400		190,982						190,982			190,982
A6 Snow Removal Equipment - Snow Plow and Vehicle	494,100		498,623						498,623			498,623
A7 Environmental Assessment - Phase 2	200,000		206,000						206,000			206,000
Total Capital Projects 2016	\$1,924,500	\$0	\$1,982,235	\$0	\$0	\$0	\$0	\$0	\$1,982,235	\$0	\$0	\$1,982,235
A8 Taxiway A - Sched III Construction	2,000,000			2,121,800					2,121,800			2,121,800
A9 Modify ARFF Bay Openings	200,000			212,180					212,180			212,180
Total Capital Projects 2017	\$2,200,000	\$0	\$0	\$2,333,980	\$0	\$0	\$0	\$0	\$2,333,980	\$0	\$0	\$2,333,980
A10a Replace Passenger Terminal - Civil 1 - Design Eastside Apron/Taxiway Grading/Drainage	73,602				79,261				79,261			79,261
A10b Replace Passenger Terminal - Civil 1 - Design Eastside Terminal Building Grading/Drainage	139,386				150,104				150,104			150,104
A10c Replace Passenger Terminal - Civil 1 - Design Eastside Entrance Road Grading/Drainage	25,960				27,848				27,848			27,848
A10d Replace Passenger Terminal - Civil 1 - Design Eastside Parking Grading/Drainage	26,721				28,775				28,775			28,775
A11a Civil 2 - Design Westside Water Distribution System Improvements	5,280				5,770				5,770			5,770
A11b Replace Passenger Terminal - Civil 2 - Design Eastside Utility System & Deicing Pad	316,494				340,829				340,829			340,829
A12 Replace Passenger Terminal - Design Eastside Terminal Building	3,275,000				3,526,817				3,526,817			3,526,817
Total Capital Projects 2018	\$3,862,343	\$0	\$0	\$0	\$4,159,405	\$0	\$0	\$0	\$4,159,405	\$0	\$0	\$4,159,405

Source: Leibowitz and Horton AMC Analysis

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DURANGO-LA PLATA COUNTY AIRPORT (DRO) Durango, Colorado

DROMP_2014_5.123

Sched 7-1

Master Plan - Financial Implementation Analysis Estimated Project Costs and Development Schedule

08-Jan-16

		Funding Schedule										
		Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Funding	
		2015	2016	2017	2018	2019	2020	Total				
Capital Improvement Program												
Funds Used for Capital Improvement Projects												
AIP Entitlement Grants		\$1,782,544	\$1,786,392	\$1,854,180	\$1,891,896	\$1,930,938	\$1,971,350	\$11,217,300	\$10,514,363	\$25,000,258	\$46,731,921	
AIP Entitlements carryover from the prior years		3,953,039	153,911	328,158	272,717	(0)	(0)	3,953,039	(0)	(0)	3,953,039	
AIP Entitlement unspent current year + carryover		(153,911)	(328,158)	(272,717)	0	0	0	0	0	0	0	
AIP Discretionary Grants		854,231	0	0	0	22,220,515	3,779,485	26,854,231	27,553,152	13,126,166	67,533,549	
CDOT Aviation Grants		340,495	89,564	106,090	250,444	250,000	250,000	1,286,593	969,975	2,126,518	4,383,086	
Passenger Facility Charges		2,253,985	861,070	891,304	922,600	954,994	988,526	6,872,480	5,488,277	14,271,946	26,632,703	
City/County Capital Contribution		0	0	0	0	39,711,228	0	39,711,228	0	0	39,711,228	
Customer Facility Charges		1,102,136	310,534	321,437	332,724	344,406	356,499	2,767,736	1,943,103	4,618,073	9,328,912	
Private 3rd Party Funding		0	0	0	0	0	0	0	2,388,105	16,358,658	18,746,762	
Net Operating Cash Flow		103,654	132,317	80,933	48,164	19,904	116,644	501,616	2,378,681	19,140,519	22,020,816	
Funds Available Current Year		10,236,173	3,005,630	3,309,385	3,718,545	65,431,985	7,462,504	93,164,222	51,235,655	94,642,139	239,042,016	
Beginning Cash Balance/Funds Carried Over from Prior Year		2,603,666	5,835,155	6,858,550	7,833,954	7,393,095	31,508,879	2,603,666	19,173,118	12,452,074	2,603,666	
Funds Used Current Year		(7,004,684)	(1,982,235)	(2,333,980)	(4,159,405)	(41,316,201)	(19,798,266)	(76,594,770)	(57,956,698)	(103,526,935)	(238,078,404)	
Funds Carried Over to Next Year		\$5,835,155	\$6,858,550	\$7,833,954	\$7,393,095	\$31,508,879	\$19,173,118	\$19,173,118	\$12,452,074	\$3,567,278	\$3,567,278	

		Estimated Project Costs and Development Schedule											
		2015 Base Year Costs	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Escalated Costs	
			2015	2016	2017	2018	2019	2020	Total				
Capital Project Description													
A13a	Replace Passenger Terminal - Civil 1 - Construct Eastside Apron/Taxiway Grading/Drainage	1,453,517					1,604,411					1,604,411	
A13b	Replace Passenger Terminal - Civil 1 - Construct Eastside Terminal Building Grading/Drainage	2,752,641						3,038,401				3,038,401	
A13c	Replace Passenger Terminal - Civil 1 - Construct Eastside Entrance Road Grading/Drainage	510,692						563,708				563,708	
A13d	Replace Passenger Terminal - Civil 1 - Construct Eastside Parking Grading/Drainage	527,686						582,466				582,466	
A14	Replace Passenger Terminal - Construct Eastside Terminal Building	30,785,000						33,980,880				33,980,880	
A15a	Replace Passenger Terminal - Civil 3 - Design Eastside Apron/Taxiway Paving/Lighting	781,680						862,828				862,828	
A15b	Replace Passenger Terminal - Civil 3 - Design Eastside Parking Paving/Lighting	221,831						244,860				244,860	
A16a	Replace Passenger Terminal - Civil 4 - Design/Coordination Eastside Airport Access Road	388,392						428,712				428,712	
A16b	Replace Passenger Terminal - Civil 4 - Design Eastside Airport Access Road Landscaping	9,000						9,934				9,934	
Total Capital Projects 2019		\$37,430,439	\$0	\$0	\$0	\$0	\$41,316,201	\$0	\$41,316,201	\$0	\$0	\$41,316,201	
A17a	Civil 2 - Construct Westside Water Distribution System Improvements	\$104,271							\$120,879	\$120,879		\$120,879	
A17b	Replace Passenger Terminal - Civil 2 - Construct Eastside Utility System & Deicing Pad	6,250,229							7,071,560	7,071,560		7,071,560	
A18a	Replace Passenger Terminal - Civil 3 - Construct Eastside Apron	6,760,921							7,649,361	7,649,361		7,649,361	
A18b	Replace Passenger Terminal - Civil 3 - Construct Eastside Parking Paving/Lighting	4,380,793							4,956,465	4,956,465		4,956,465	
Total Capital Projects 2020		\$17,496,214	\$0	\$0	\$0	\$0	\$0	\$0	\$19,798,266	\$19,798,266	\$0	\$0	\$19,798,266
Total Phase I Project Costs		\$69,918,180	\$7,004,684	\$1,982,235	\$2,333,980	\$4,159,405	\$41,316,201	\$19,798,266	\$76,594,770	\$0	\$0	\$76,594,770	

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

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Capital Improvement Program	Funding Schedule										
	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Funding	
	2015	2016	2017	2018	2019	2020	Total				
Funds Used for Capital Improvement Projects											
AIP Entitlement Grants	\$1,782,544	\$1,786,392	\$1,854,180	\$1,891,896	\$1,930,938	\$1,971,350	\$11,217,300	\$10,514,363	\$25,000,258	\$46,731,921	
AIP Entitlements carryover from the prior years	3,953,039	153,911	328,158	272,717	(0)	(0)	3,953,039	(0)	(0)	3,953,039	
AIP Entitlement unspent current year + carryover	(153,911)	(328,158)	(272,717)	0	0	0	0	0	0	0	
AIP Discretionary Grants	854,231	0	0	0	22,220,515	3,779,485	26,854,231	27,553,152	13,126,166	67,533,549	
CDOT Aviation Grants	340,495	89,564	106,090	250,444	250,000	250,000	1,286,593	969,975	2,126,518	4,383,086	
Passenger Facility Charges	2,253,985	861,070	891,304	922,600	954,994	988,526	6,872,480	5,488,277	14,271,946	26,632,703	
City/County Capital Contribution	0	0	0	0	39,711,228	0	39,711,228	0	0	39,711,228	
Customer Facility Charges	1,102,136	310,534	321,437	332,724	344,406	356,499	2,767,736	1,943,103	4,618,073	9,328,912	
Private 3rd Party Funding	0	0	0	0	0	0	0	2,388,105	16,358,658	18,746,762	
Net Operating Cash Flow	103,654	132,317	80,933	48,164	19,904	116,644	501,616	2,378,681	19,140,519	22,020,816	
Funds Available Current Year	10,236,173	3,005,630	3,309,385	3,718,545	65,431,985	7,462,504	93,164,222	51,235,655	94,642,139	239,042,016	
Beginning Cash Balance/Funds Carried Over from Prior Year	2,603,666	5,835,155	6,858,550	7,833,954	7,393,095	31,508,879	2,603,666	19,173,118	12,452,074	2,603,666	
Funds Used Current Year	(7,004,684)	(1,982,235)	(2,333,980)	(4,159,405)	(41,316,201)	(19,798,266)	(76,594,770)	(57,956,698)	(103,526,935)	(238,078,404)	
Funds Carried Over to Next Year	\$5,835,155	\$6,858,550	\$7,833,954	\$7,393,095	\$31,508,879	\$19,173,118	\$19,173,118	\$12,452,074	\$3,567,278	\$3,567,278	
Estimated Project Costs and Development Schedule											
Capital Project Description	2015 Base Year Costs	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Escalated Costs
		2015	2016	2017	2018	2019	2020	Total			
		EASTSIDE TERMINAL AREA DEVELOPMENT SUMMARY									
Design Terminal Area Grading/Drainage - Civil 1	\$265,569	\$0	\$0	\$0	\$285,989	\$0	\$0	\$285,989	\$0	\$0	\$285,989
Construct Terminal Area Grading/Drainage - Civil 1	5,244,536	0	0	0	0	5,788,986	0	5,788,986	0	0	5,788,986
Design Terminal Area Utility System - Civil 2	316,494	0	0	0	340,829	0	0	340,829	0	0	340,829
Construct Terminal Area Utility System - Civil 2	6,250,229	0	0	0	0	0	7,071,560	7,071,560	0	0	7,071,560
Design Terminal Building	3,275,000	0	0	0	3,526,817	0	0	3,526,817	0	0	3,526,817
Construct Terminal Building	30,785,000	0	0	0	0	33,980,880	0	33,980,880	0	0	33,980,880
Design Terminal Area Paving/Lighting - Civil 3	1,003,511	0	0	0	0	1,107,688	0	1,107,688	0	0	1,107,688
Construct Terminal Area Paving/Lighting - Civil 3	19,817,670	0	0	0	0	0	12,605,827	12,605,827	10,061,449	0	22,667,276
Design/Coordination Airport Access Road - Civil 4	397,392	0	0	0	0	438,646	0	438,646	0	0	438,646
Construct Airport Access Road - Civil 4	7,847,830	0	0	0	0	0	0	0	9,101,077	0	9,101,077
Total Eastside Terminal Area Development Costs	\$75,203,231	\$0	\$0	\$0	\$4,153,635	\$41,316,201	\$19,677,387	\$65,147,223	\$19,162,526	\$0	\$84,309,749
Phase II Projects (2021-2025)											
B1 Replace Passenger Terminal - Civil 3 - Construct Eastside Taxiway Paving/Lighting	\$8,875,956	0	0	0	0	0	0	\$0	\$10,061,449	0	\$10,061,449
B2a Replace Passenger Terminal - Civil 4 - Construct Eastside Airport Access Road	7,670,095	0	0	0	0	0	0	0	8,894,959	0	8,894,959
B2b Replace Passenger Terminal - Civil 4 - Construct Eastside Airport Access Road Landscaping	177,735	0	0	0	0	0	0	0	206,118	0	206,118
B3 Conduct Strategic Business Plan	250,000	0	0	0	0	0	0	0	298,513	0	298,513
B4 Replace ARFF Vehicle	830,000	0	0	0	0	0	0	0	991,063	0	991,063
B5 Rehab Runway 3/21 & Taxiway A (Between A2-A3)	8,700,000	0	0	0	0	0	0	0	10,388,255	0	10,388,255
B6 Acquire Passenger Boarding Bridges (4)	1,800,000	0	0	0	0	0	0	0	2,149,294	0	2,149,294
B7 Extend Parallel Taxiway B to Runway 21 End/Relocate VOR/NEPA Documentation	15,225,000	0	0	0	0	0	0	0	18,179,446	0	18,179,446
B8 Relocate CR309A Outside Runway Protection Zone	1,500,000	0	0	0	0	0	0	0	1,791,078	0	1,791,078
B9 Acquire SRE Vehicle	750,000	0	0	0	0	0	0	0	895,539	0	895,539
B10 Modify Former Westside Terminal - Prepare for Lease	2,000,000	0	0	0	0	0	0	0	2,388,105	0	2,388,105
B11 Rehab South GA Apron/Taxilanes - Phase 1	300,000	0	0	0	0	0	0	0	368,962	0	368,962
B12 Conduct Airport Master Plan	1,000,000	0	0	0	0	0	0	0	1,343,916	0	1,343,916
Total Phase II Project Costs	\$48,878,786	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57,956,698	\$0	\$57,956,698

Source: Leibowitz and Horton AMC Analysis

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Funding Schedule										
Capital Improvement Program	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Funding
	2015	2016	2017	2018	2019	2020	Total			
Funds Used for Capital Improvement Projects										
AIP Entitlement Grants	\$1,782,544	\$1,786,392	\$1,854,180	\$1,891,896	\$1,930,938	\$1,971,350	\$11,217,300	\$10,514,363	\$25,000,258	\$46,731,921
AIP Entitlements carryover from the prior years	3,953,039	153,911	328,158	272,717	(0)	(0)	3,953,039	(0)	(0)	3,953,039
AIP Entitlement unspent current year + carryover	(153,911)	(328,158)	(272,717)	0	0	0	0	0	0	0
AIP Discretionary Grants	854,231	0	0	0	22,220,515	3,779,485	26,854,231	27,553,152	13,126,166	67,533,549
CDOT Aviation Grants	340,495	89,564	106,090	250,444	250,000	250,000	1,286,593	969,975	2,126,518	4,383,086
Passenger Facility Charges	2,253,985	861,070	891,304	922,600	954,994	988,526	6,872,480	5,488,277	14,271,946	26,632,703
City/County Capital Contribution	0	0	0	0	39,711,228	0	39,711,228	0	0	39,711,228
Customer Facility Charges	1,102,136	310,534	321,437	332,724	344,406	356,499	2,767,736	1,943,103	4,618,073	9,328,912
Private 3rd Party Funding	0	0	0	0	0	0	0	2,388,105	16,358,658	18,746,762
Net Operating Cash Flow	103,854	132,317	80,933	48,164	19,904	116,644	501,616	2,378,681	19,140,519	22,020,816
Funds Available Current Year	10,236,173	3,005,630	3,309,385	3,718,545	65,431,985	7,462,504	93,164,222	51,235,655	94,642,139	239,042,016
Beginning Cash Balance/Funds Carried Over from Prior Year	2,603,666	5,835,155	6,858,550	7,833,954	7,393,095	31,508,879	2,603,666	19,173,118	12,452,074	2,603,666
Funds Used Current Year	(7,004,684)	(1,982,235)	(2,333,980)	(4,159,405)	(41,316,201)	(19,798,266)	(76,594,770)	(57,956,698)	(103,526,935)	(238,078,404)
Funds Carried Over to Next Year	\$5,835,155	\$6,858,550	\$7,833,954	\$7,393,095	\$31,508,879	\$19,173,118	\$19,173,118	\$12,452,074	\$3,567,278	\$3,567,278

Estimated Project Costs and Development Schedule											
Capital Project Description	2015 Base Year Costs	Phase I							Phase II 2021-2025	Phase III 2026-2035	Total Escalated Costs
		2015	2016	2017	2018	2019	2020	Total			
Phase III Projects (2026-2035)											
C1 Expand Terminal Building (260,000 enp)	\$12,200,000								\$19,007,202	\$19,007,202	
C2 Expand Terminal Apron (260,000 enp)	5,000,000							7,789,837	7,789,837		
C3 Expand Terminal Parking (260,000 enp)	1,500,000							2,336,951	2,336,951		
C4 Rehab or Relocate ARFF/SRE Building	5,000,000							7,789,837	7,789,837		
C5 Replace Taxiway Lighting with LED Fixtures	600,000							934,780	934,780		
C6 Relocate RAC Car Washrack; Maintenance	4,500,000							7,010,853	7,010,853		
C7 Relocate/Expand Fuel Farm	1,000,000							1,557,967	1,557,967		
C8 Rehab South GA Apron/Taxilanes - Phase 2	2,000,000							3,115,935	3,115,935		
C9 Acquire SRE Vehicle	630,000							981,519	981,519		
C10 Conduct Airport Master Plan	1,000,000							1,557,967	1,557,967		
C11 Fog Seal and Restripe Runway 3/21	550,000							856,882	856,882		
C12 Holding Apron - Taxiway A at Runway 21 End	2,000,000							3,115,935	3,115,935		
C13 Prepare Lease Lots North of Passenger Terminal	1,500,000							2,336,951	2,336,951		
C14 Expand USFS Apron (assist only)	500,000							778,984	778,984		
C15 Construct GA Apron/Taxilanes for Large Hangar Sites	2,000,000							3,115,935	3,115,935		
C16 Rehab Former Westside Terminal Apron	3,000,000							4,673,902	4,673,902		
C17 Acquire ARFF Vehicle	850,000							1,324,272	1,324,272		
C18 Rehab North GA Apron/Taxilanes	500,000							778,984	778,984		
C19 Expand Water Facility	420,000							654,346	654,346		
C20 Acquire SRE Vehicle	750,000							1,168,476	1,168,476		
C21 Conduct EA for Terminal Expansion	1,000,000							1,557,967	1,557,967		
C22 Expand Terminal Building (380,000 enp)	14,000,000							21,811,544	21,811,544		
C23 Expand Terminal Apron (380,000 enp)	4,000,000							6,231,870	6,231,870		
C24 Expand Terminal Parking (380,000 enp)	1,400,000							2,181,154	2,181,154		
C25 Fog Seal/Restripe Taxiway B	550,000							856,882	856,882		
Total Phase III Project Costs	\$66,450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,526,935	\$103,526,935	
Total Project Costs	\$185,246,966	\$7,004,684	\$1,982,235	\$2,333,980	\$4,159,405	\$41,316,201	\$19,798,266	\$76,594,770	\$57,956,698	\$238,078,404	

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

FIGURE 7-2 – SCHEDULE 7-2

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Capital Improvement Projects	Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	CDOT Aviation Grants	Passenger Facility Charges (PAYG)	City/County Capital Contribution	Private 3rd Party Funding	Cash Reserves/ Net Revs	Total Funding
Phase I Projects (2015-2020)										
A1 EA New Terminal	\$1,036,039	\$951,912		\$951,912	\$42,063				\$42,064	\$1,036,039
A2 Rehab Taxiway A - Design & Construct	5,968,645	4,629,760	854,231	5,483,991	298,432	186,222			0	5,968,645
Totals for 2015	\$7,004,684	\$5,581,672	\$854,231	\$6,435,903	\$340,495	\$186,222	\$0	\$0	\$42,064	\$7,004,684
A3 Taxiway A - Sched III Design	185,400	166,860		166,860	9,270	9,270			0	185,400
A4 Fog Seal/Restripe Runway 3/21	901,250	811,125		811,125	45,063	45,063			0	901,250
A5 Airfield Backup Generator	190,962			0					190,962	190,962
A6 Snow Removal Equipment - Snow Plow and Vehicle	498,623	448,761		448,761	24,931	24,931			0	498,623
A7 Environmental Assessment - Phase 2	206,000	185,400		185,400	10,300	10,300			0	206,000
Totals for 2016	\$1,982,235	\$1,612,146	\$0	\$1,612,146	\$89,564	\$89,564	\$0	\$0	\$190,962	\$1,982,235
A8 Taxiway A - Sched III Construction	2,121,800	1,909,620	0	1,909,620	106,090	106,090			0	2,121,800
A9 Modify ARFF Bay Openings	212,180			0	0	212,180			0	212,180
Totals for 2017	\$2,333,980	\$1,909,620	\$0	\$1,909,620	\$106,090	\$318,270	\$0	\$0	\$0	\$2,333,980
A10a Replace Passenger Terminal - Civil 1 - Design Eastside Apron/Taxiway Grading/Drainage	79,261	71,335		71,335	3,963	3,963			0	79,261
A10b Replace Passenger Terminal - Civil 1 - Design Eastside Terminal Building Grading/Drainage	150,104	135,093		135,093	7,505	7,505			0	150,104
A10c Replace Passenger Terminal - Civil 1 - Design Eastside Entrance Road Grading/Drainage	27,848	25,064		25,064	1,392	1,392			0	27,848
A10d Replace Passenger Terminal - Civil 1 - Design Eastside Parking Grading/Drainage	28,775			0					28,775	28,775
A11a Civil 2 - Design Westside Water Distribution System Improvements	5,770			0					5,770	5,770
A11b Replace Passenger Terminal - Civil 2 - Design Eastside Utility System & Deicing Pad	340,829	306,746		306,746	17,041	17,041			0	340,829
A12 Replace Passenger Terminal - Design Eastside Terminal Building	3,526,817	1,626,375		1,626,375	220,542	1,150,877			529,023	3,526,817
Totals for 2018	\$4,159,405	\$2,164,614	\$0	\$2,164,614	\$250,444	\$1,180,780	\$0	\$0	\$563,567	\$4,159,405

Source: Leibowitz and Horton AMC Analysis

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Capital Improvement Projects	Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	CDOT Aviation Grants	Passenger Facility Charges (PAYG)	City/County Capital Contribution	Private 3rd Party Funding	Cash Reserves/ Net Revs	Total Funding
A13a Replace Passenger Terminal - Civil 1 - Construct Eastside Apron/Taxiway Grading/Drainage	\$1,604,411		\$1,443,970	\$1,443,970	80,221	80,221			\$0	\$1,604,411
A13b Replace Passenger Terminal - Civil 1 - Construct Eastside Terminal Building Grading/Drainage	3,038,401	1,930,938		1,930,938	151,920	480,336	475,208		0	3,038,401
A13c Replace Passenger Terminal - Civil 1 - Construct Eastside Entrance Road Grading/Drainage	563,708			0	17,859	480,336	65,513		0	563,708
A13d Replace Passenger Terminal - Civil 1 - Construct Eastside Parking Grading/Drainage	582,466			0			582,466		0	582,466
A14 Replace Passenger Terminal - Construct Eastside Terminal Building	33,980,880		20,000,000	20,000,000			13,980,880		0	33,980,880
A15a Replace Passenger Terminal - Civil 3 - Design Eastside Apron/Taxiway Paving/Lighting	862,828		776,546	776,546			86,283		0	862,828
A15b Replace Passenger Terminal - Civil 3 - Design Eastside Parking Paving/Lighting	244,860			0			244,860		0	244,860
A16a Replace Passenger Terminal - Civil 4 - Design/Coordination Eastside Airport Access Road	428,712			0			428,712		0	428,712
A16b Replace Passenger Terminal - Civil 4 - Design Eastside Airport Access Road Landscaping	9,934			0			9,934		0	9,934
Totals for 2019	\$41,316,201	\$1,930,938	\$22,220,515	\$24,151,453	\$250,000	\$1,040,892	\$15,873,857	\$0	\$0	\$41,316,201
A17a Civil 2 - Construct Westside Water Distribution System Improvements	120,879			0					120,879	120,879
A17b Replace Passenger Terminal - Civil 2 - Construct Eastside Utility System & Deicing Pad	7,071,560	1,971,350		1,971,350	250,000		4,850,211		0	7,071,560
A18a Replace Passenger Terminal - Civil 3 - Construct Eastside Apron	7,649,361		3,779,485	3,779,485		988,526	2,881,350		0	7,649,361
A18b Replace Passenger Terminal - Civil 3 - Construct Eastside Parking Paving/Lighting	4,956,465			0			4,956,465		0	4,956,465
Totals for 2020	\$19,798,266	\$1,971,350	\$3,779,485	\$5,750,834	\$250,000	\$988,526	\$12,688,026	\$0	\$120,879	\$19,798,266
Total Phase I Project Funding	\$76,594,770	\$15,170,339	\$26,854,231	\$42,024,570	\$1,286,593	\$3,804,253	\$28,561,883	\$0	\$917,472	\$76,594,770

Source: Leibowitz and Horton AMC Analysis

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Capital Improvement Projects	Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	CDOT Aviation Grants	Passenger Facility Charges (PAYG)	City/County Capital Contribution	Private 3rd Party Funding	Cash Reserves/ Net Revs	Total Funding
EASTSIDE TERMINAL AREA DEVELOPMENT SUMMARY										
Design Terminal Area Grading/Drainage - Civil 1	\$285,989	\$231,492	\$0	\$231,492	\$12,861	\$12,861	\$0	\$0	\$28,775	\$285,989
Construct Terminal Area Grading/Drainage - Civil 1	5,788,986	1,930,938	1,443,970	3,374,907	250,000	1,040,892	1,123,187	0	0	5,788,986
Design Terminal Area Utility System - Civil 2	340,829	306,746	0	306,746	17,041	17,041	0	0	0	340,829
Construct Terminal Area Utility System - Civil 2	7,071,560	1,971,350	0	1,971,350	250,000	0	4,850,211	0	0	7,071,560
Design Terminal Building	3,526,817	1,626,375	0	1,626,375	220,542	1,150,877	0	0	529,023	3,526,817
Construct Terminal Building	33,980,880	0	20,000,000	20,000,000	0	0	13,980,880	0	0	33,980,880
Design Terminal Area Paving/Lighting - Civil 3	1,107,688	0	776,546	776,546	0	0	331,143	0	0	1,107,688
Construct Terminal Area Paving/Lighting - Civil 3	22,667,276	0	9,779,485	9,779,485	0	988,526	11,899,265	0	0	22,667,276
Design/Coordination Airport Access Road - Civil 4	438,646	0	0	0	0	0	438,646	0	0	438,646
Construct Airport Access Road - Civil 4	9,101,077	2,013,181	0	2,013,181	0	0	7,087,896	0	0	9,101,077
Total Eastside Terminal Area Development Funding	\$84,309,749	\$8,080,082	\$32,000,000	\$40,080,082	\$750,444	\$3,210,198	\$39,711,228	\$0	\$557,798	\$84,309,749
Phase II Projects (2021-2025)										
B1 Replace Passenger Terminal - Civil 3 - Construct Eastside Taxiway Paving/Lighting	\$10,061,449		\$6,000,000	\$6,000,000		\$0	\$4,061,449		\$0	\$10,061,449
B2a Replace Passenger Terminal - Civil 4 - Construct Eastside Airport Access Road	8,894,959	2,013,181		2,013,181			6,881,778		0	8,894,959
B2b Replace Passenger Terminal - Civil 4 - Construct Eastside Airport Access Road Landscaping	206,118			0			206,118		0	206,118
B3 Conduct Strategic Business Plan	298,513			0					298,513	298,513
B4 Replace ARFF Vehicle	991,063			0	250,000	741,063			0	991,063
B5 Rehab Runway 3/21 & Taxiway A (Between A2-A3)	10,388,255	4,157,779	5,191,650	9,349,429	500,000	538,825			0	10,388,255
B6 Acquire Passenger Boarding Bridges (4)	2,149,294	1,934,365		1,934,365		214,929			0	2,149,294
B7 Extend Parallel Taxiway B to Runway 21 End/Relocate VOR/NEPA Documentation	18,179,446		16,361,502	16,361,502		1,817,945			0	18,179,446
B8 Relocate CR309A Outside Runway Protection Zone										
B9 Acquire SRE Vehicle	1,791,078	1,270,987		1,270,987	89,554	430,538			0	1,791,078
B10 Modify Former Westside Terminal - Prepare for Lease	895,539	805,985		805,985	44,777	44,777			0	895,539
B11 Rehab South GA Apron/Taxilanes - Phase 1	2,388,105			0				2,388,105	0	2,388,105
B12 Conduct Airport Master Plan	368,962	332,066		332,066	18,448				18,448	368,962
	1,343,916			0	67,196	914,752			361,968	1,343,916
Total Phase II Project Funding	\$57,956,698	\$10,514,363	\$27,553,152	\$38,067,515	\$969,975	\$4,702,830	\$11,149,345	\$2,388,105	\$678,930	\$57,956,698

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

DURANGO-LA PLATA COUNTY AIRPORT (DRO)
Durango, Colorado

DROMP_2014_5.123

Master Plan - Financial Implementation Analysis
Projected Capital Funding Sources

Sched 7-2

08-Jan-16

Capital Improvement Projects	Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	CDOT Aviation Grants	Passenger Facility Charges (PAYG)	City/County Capital Contribution	Private 3rd Party Funding	Cash Reserves/ Net Revs	Total Funding
Phase III Projects (2026-2035)										
C1 Expand Terminal Building (260,000 enp)	\$19,007,202	\$2,245,419		\$2,245,419		\$5,000,000			\$11,761,784	\$19,007,202
C2 Expand Terminal Apron (260,000 enp)	7,789,837	2,296,871	4,713,982	7,010,853	250,000	528,984			0	7,789,837
C3 Expand Terminal Parking (260,000 enp)	2,336,951			0					2,336,951	2,336,951
C4 Rehab or Relocate ARFF/SRE Building	7,789,837	2,350,131	2,000,000	4,350,131	389,492	3,050,214			0	7,789,837
C5 Replace Taxiway Lighting with LED Fixtures	934,780	841,302		841,302	46,739	46,739			0	934,780
C6 Relocate RAC Car Washrack; Maintenance	7,010,853			0				7,010,853	0	7,010,853
C7 Relocate/Expand Fuel Farm	1,557,967			0	0			1,557,967	0	1,557,967
C8 Rehab South GA Apron/Taxilanes - Phase 2	3,115,935	2,804,341		2,804,341	155,797				155,797	3,115,935
C9 Acquire SRE Vehicle	981,519	883,368		883,368	49,076	49,076			0	981,519
C10 Conduct Airport Master Plan	1,557,967	1,402,171		1,402,171	77,898	77,898			0	1,557,967
C11 Fog Seal and Restripe Runway 3/21	856,882	771,194		771,194	42,844	42,844			0	856,882
C12 Holding Apron - Taxiway A at Runway 21 End	3,115,935	0	2,804,341	2,804,341	155,797	155,797			0	3,115,935
C13 Prepare Lease Lots North of Passenger Terminal	2,336,951			0				2,336,951	0	2,336,951
C14 Expand USFS Apron (assist only)	778,984			0				778,984	0	778,984
C15 Construct GA Apron/Taxilanes for Large Hangar Sites	3,115,935	2,804,341		2,804,341	155,797				155,797	3,115,935
C16 Rehab Former Westside Terminal Apron	4,673,902			0				4,673,902	0	4,673,902
C17 Acquire ARFF Vehicle	1,324,272	1,191,845		1,191,845	66,214	66,214			0	1,324,272
C18 Rehab North GA Apron/Taxilanes	778,984	701,085		701,085	38,949				38,949	778,984
C19 Expand Water Facility	654,346			0					654,346	654,346
C20 Acquire SRE Vehicle	1,168,476	1,051,628		1,051,628	58,424	58,424			0	1,168,476
C21 Conduct EA for Terminal Expansion	1,557,967	1,402,171		1,402,171	77,898	77,898			0	1,557,967
C22 Expand Terminal Building (380,000 enp)	21,811,544	2,253,551		2,253,551		8,053,057			11,504,936	21,811,544
C23 Expand Terminal Apron (380,000 enp)	6,231,870	2,000,840	3,607,843	5,608,683	311,593	311,593			0	6,231,870
C24 Expand Terminal Parking (380,000 enp)	2,181,154			0					2,181,154	2,181,154
C25 Fog Seal/Restripe Taxiway B	856,882			0	250,000	606,882			0	856,882
Total Phase III Project Funding	\$103,526,935	\$25,000,258	\$13,126,166	\$38,126,424	\$2,126,518	\$18,125,620	\$0	\$16,358,658	\$28,789,714	\$103,526,935
Total Project Funding	\$238,078,404	\$50,684,960	\$67,533,549	\$118,218,509	\$4,383,086	\$26,632,703	\$39,711,228	\$18,746,762	\$30,386,116	\$238,078,404

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

FIGURE 7-3 – SCHEDULE 7-3

DURANGO-LA PLATA COUNTY AIRPORT (DRO) Durango, Colorado

DRCMP_2014_5.123

Master Plan - Financial Implementation Analysis Actual, Budgeted and Projected Operations & Maintenance Expenses

Sched 7-3

08-Jan-16

Operations & Maintenance Expenses	Actual 2012	Actual 2013	Actual 2014	Phase I						Total	Phase II 2021-2025	Phase III 2026-2035	
				Budgeted 2015	2016	2017	Projected 2018	2019	2020				
Personnel Services:													
Salaries & Wages	\$807,823	\$766,406	\$754,152	\$993,272	\$1,041,561	\$1,146,774	\$1,255,142	\$1,366,762	\$1,407,764	\$7,211,275	\$7,698,232	\$19,270,142	
Employee Benefits	296,117	266,238	288,498	381,039	403,979	462,133	522,032	583,727	601,239	2,954,149	3,267,823	8,230,046	
Total Personnel Services	\$1,103,940	\$1,052,644	\$1,042,650	\$1,374,311	\$1,445,540	\$1,608,907	\$1,777,174	\$1,950,489	\$2,009,004	\$10,165,424	\$10,966,055	\$27,500,189	
Annual Growth Rate	-	-4.6%	-0.9%	31.8%	5.2%	11.3%	10.5%	9.8%	3.0%	11.6%	3.0%	3.0%	
Materials & Supplies:													
Office Supplies	\$0	\$1,107	\$2,879	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$29,108	\$28,527	\$71,409	
Chemicals & Lab Supplies	0	250	6,110	13,000	13,390	13,792	14,205	14,632	15,071	84,089	82,412	206,293	
Janitorial Supplies	0	11,293	33,499	40,000	41,200	42,436	43,709	45,020	46,371	258,736	253,575	634,748	
Clothing & Uniforms	0	2,681	4,639	5,500	5,665	5,835	6,010	6,190	6,376	35,576	34,867	87,278	
Fuel	310,550	306,709	305,234	385,000	396,550	408,447	420,700	433,321	446,321	2,490,338	2,440,664	6,109,446	
Vehicle Parts	13,816	11,276	6,994	12,000	12,360	12,731	13,113	13,506	13,911	77,621	76,073	190,424	
Hand Tools	0	0	856	2,000	2,060	2,122	2,185	2,251	2,319	12,937	12,679	31,737	
Signs & Parts	0	95	205	2,000	2,060	2,122	2,185	2,251	2,319	12,937	12,679	31,737	
Painting Supplies	0	2,510	17,167	11,500	11,845	12,200	12,566	12,943	13,332	74,387	72,903	182,490	
Repair Parts & Materials	0	2,511	39,760	37,800	38,934	40,102	41,305	42,544	43,821	244,506	239,629	599,836	
Fire & Rescue Supplies	6,200	13,516	12,436	11,100	11,433	11,776	12,129	12,493	12,868	71,799	70,367	176,142	
Office Equipment < 5K	0	0	2,743	5,000	5,150	5,305	5,464	5,628	5,796	32,342	31,697	79,343	
Security Supplies	0	3,391	5,379	7,000	7,210	7,426	7,649	7,879	8,115	45,279	44,376	111,081	
Other Supplies	117,078	81,505	45,053	51,000	52,530	54,106	55,729	57,401	59,123	329,889	323,309	809,303	
Total Materials & Supplies	\$447,644	\$436,844	\$482,954	\$587,400	\$605,022	\$623,173	\$641,868	\$661,124	\$680,958	\$3,799,544	\$3,723,755	\$9,321,269	
Annual Growth Rate	-	-2.4%	10.6%	21.6%	3.0%	3.0%	3.0%	3.0%	3.0%	5.9%	3.0%	3.0%	
Charges & Services:													
Professional Services	\$9,897	\$56,766	\$20,982	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$81,149	\$452,789	\$443,757	\$1,110,808	
Liability Insurance	59,590	85,720	70,488	70,965	73,094	75,287	77,545	79,872	82,268	459,031	449,875	1,126,122	
Other Contracted Services	69,339	128,004	34,815	71,000	73,130	75,324	77,584	79,911	82,308	459,257	450,096	1,126,677	
Radio Services	1,176	1,051	0	10,000	10,300	10,609	10,927	11,255	11,593	64,684	63,394	158,687	
Books, Newspapers & Periodicals	0	90	96	5,000	5,150	5,305	5,464	5,628	5,796	32,342	31,697	79,343	
Postage	0	617	620	1,300	1,339	1,379	1,421	1,463	1,507	8,409	8,241	20,629	
Publications & Legal Notices	0	0	0	500	515	530	546	563	580	3,234	3,170	7,934	
Ad Placement	12,928	11,439	1,068	20,000	20,600	21,218	21,855	22,510	23,185	129,368	126,788	317,374	
Special Events	0	0	6,245	5,000	5,150	5,305	5,464	5,628	5,796	32,342	31,697	79,343	
Relocation Expenses	0	0	1,500	0	0	0	0	0	0	0	0	0	
Dues & Memberships	9,585	2,108	9,182	3,000	3,090	3,183	3,278	3,377	3,478	19,405	19,018	47,606	
Recruitment	0	0	1,147	0	0	0	0	0	0	0	0	0	
Auto Allowance & Mileage	0	900	0	0	0	0	0	0	0	0	0	0	
Professional Development	15,681	51,188	20,246	30,000	30,900	31,827	32,782	33,765	34,778	194,052	190,182	476,061	
Training	0	95	29,975	34,000	35,020	36,071	37,153	38,267	39,415	219,926	215,539	539,535	
Vehicle Rent & Maintenance	0	0	0	17,200	17,716	18,247	18,795	19,359	19,940	111,257	109,037	272,941	
Rentals	0	383	4,859	5,040	5,191	5,347	5,507	5,673	5,843	32,601	31,951	79,978	
Repairs & Maintenance	16,965	4,059	8,520	30,000	30,900	31,827	32,782	33,765	34,778	194,052	190,182	476,061	
Total Charges & Services	\$195,161	\$342,420	\$209,743	\$373,005	\$384,195	\$395,721	\$407,593	\$419,820	\$432,415	\$2,412,749	\$2,364,623	\$5,919,101	
Annual Growth Rate	-	75.5%	-38.7%	77.8%	3.0%	3.0%	3.0%	3.0%	3.0%	12.8%	3.0%	3.0%	
Utilities:													
Electric	\$211,009	\$197,167	\$227,536	\$190,000	\$195,700	\$201,571	\$207,618	\$213,847	\$220,262	\$1,228,998	\$1,204,483	\$3,015,051	
Water, Sewer, Trash	0	0	7,557	7,500	7,725	7,957	8,195	8,441	8,695	48,513	47,545	119,015	
Gas	0	0	18,902	30,000	30,900	31,827	32,782	33,765	34,778	194,052	190,182	476,061	
Telephone & Data	9,054	6,316	3,668	4,700	4,841	4,986	5,136	5,290	5,449	30,402	29,795	74,583	
Cell Phone	0	0	3,630	4,380	4,511	4,647	4,786	4,930	5,078	28,332	27,767	69,505	
Total Utilities	\$220,063	\$203,483	\$261,293	\$236,580	\$243,677	\$250,988	\$258,517	\$266,273	\$274,261	\$1,530,296	\$1,499,772	\$3,754,215	
Annual Growth Rate	-	-7.5%	28.4%	-9.5%	3.0%	3.0%	3.0%	3.0%	3.0%	0.8%	3.0%	3.0%	

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

DURANGO-LA PLATA COUNTY AIRPORT (DRO) Durango, Colorado

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Master Plan - Financial Implementation Analysis Actual, Budgeted and Projected Operations & Maintenance Expenses

08-Jan-16

Operations & Maintenance Expenses	Actual	Actual	Actual	Phase I					Phase II 2021-2025	Phase III 2026-2035		
	2012	2013	2014	Budgeted 2015	Projected 2016 2017 2018 2019 2020						Total	
Minor Capital Outlay:												
Vehicles & Equipment	\$0	\$0	\$29,059	\$25,000	\$25,750	\$41,523	\$42,768	\$44,051	\$45,373	\$224,465	\$248,117	\$621,084
Other Capital	0	10,245	0	60,000	61,800	63,654	65,564	67,531	69,556	388,105	380,363	952,121
Total Minor Capital Outlay	\$0	\$10,245	\$29,059	\$85,000	\$87,550	\$105,177	\$108,332	\$111,582	\$114,929	\$612,569	\$628,480	\$1,573,205
Annual Growth Rate	-	-	183.6%	192.5%	3.0%	20.1%	3.0%	3.0%	3.0%	25.8%	3.0%	3.0%
Other Operating Expenses:												
Operating Contingency	\$0	\$0	\$0	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$64,684	\$63,394	\$158,687
Salary Contingency	0	0	0	32,827	33,812	34,826	35,871	36,947	38,055	212,338	208,103	520,921
Admin Fee General Fund	199,000	216,600	213,100	227,623	234,452	241,485	248,730	256,192	263,877	1,472,359	1,442,990	3,612,079
Transfer to Capital	1,320,000	180,000	200,000	0	0	0	0	0	0	0	0	0
Total Other Operating Expenses	\$1,519,000	\$396,600	\$413,100	\$270,450	\$278,564	\$286,920	\$295,528	\$304,394	\$313,526	\$1,749,381	\$1,714,487	\$4,291,687
Annual Growth Rate	-	-73.9%	4.2%	-34.5%	3.0%	3.0%	3.0%	3.0%	3.0%	-4.5%	3.0%	3.0%
Total Operations & Maintenance Expenses	\$3,485,808	\$2,442,236	\$2,438,799	\$2,926,746	\$3,044,548	\$3,270,885	\$3,489,011	\$3,713,682	\$3,825,092	\$20,269,964	\$20,917,172	\$52,359,665
Annual Growth Rate	-	-29.9%	-0.1%	20.0%	4.0%	7.4%	6.7%	6.4%	3.0%	7.8%	3.0%	3.0%
Operating Expenses Per Enplaned Passenger:												
Durango-La Plata County Airport	\$18.69	\$12.67	\$12.60	\$14.17	\$14.24	\$14.78	\$15.23	\$15.66	\$15.58	\$14.98	\$15.35	\$14.77
Similar Non-Hub Resort Industry Average	\$38.22	\$38.02	\$38.42	\$38.83	\$39.24	\$39.65	\$40.07	\$40.49	\$40.92	\$39.87	\$42.24	\$45.72
Non-Hub Industry Average	\$42.85	\$44.42	\$44.89	\$45.36	\$45.84	\$46.33	\$46.82	\$47.31	\$47.81	\$46.58	\$49.35	\$53.42

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

FIGURE 7-4 – SCHEDULE 7-4

DURANGO-LA PLATA COUNTY AIRPORT (DRO)
Durango, Colorado

DROMP_2014_5_123

Sched 7-4

Master Plan - Financial Implementation Analysis
Actual, Budgeted and Projected Operating Revenues

08-Jan-16

Revenues	Actual 2012	Actual 2013	Actual 2014	Phase I							Phase II 2021-2025	Phase III 2026-2035
				Budgeted 2015	Projected			2019	2020	Total		
					2016	2017	2018					
						LDV - Landed Weight Growth						
						ENP - Enplanement Growth						
AIRLINE REVENUES												
Landing Fees	\$273,513	\$247,694	\$240,922	\$250,000	\$250,000	\$262,021	\$274,619	\$287,824	\$301,663	\$1,626,127	\$1,740,347	\$4,984,453
Terminal Rent	227,325	207,257	234,772	240,000	240,000	247,200	254,616	262,254	270,122	1,514,193	1,477,138	3,697,559
Total Airline Revenues	\$500,838	\$454,951	\$475,694	\$490,000	\$490,000	\$509,221	\$529,235	\$550,078	\$571,785	\$3,140,320	\$3,217,485	\$8,682,012
Annual Growth Rate	-	-9.2%	4.6%	3.0%	0.0%	3.9%	3.9%	3.9%	3.9%	3.1%	4.0%	4.0%
Airline Cost Per Enplaned Passenger:												
Durango-La Plata County Airport	\$2.69	\$2.36	\$2.46	\$2.37	\$2.29	\$2.30	\$2.31	\$2.32	\$2.33	\$2.32	\$2.36	\$2.45
Similar Non-Hub Resort Industry Averag	\$13.83	\$13.98	\$14.13	\$14.28	\$14.43	\$14.58	\$14.73	\$14.89	\$15.05	\$14.66	\$15.53	\$16.81
Non-Hub Industry Average	\$8.56	\$8.82	\$8.91	\$9.00	\$9.10	\$9.19	\$9.29	\$9.39	\$9.49	\$9.24	\$9.79	\$10.60
NON-AIRLINE REVENUES												
Landing Fees - NonSignatory Carriers	\$1,596	\$3,549	\$6,354	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Landing Fees - Air Taxi/Freight	10,675	25,204	43,220	8,000	8,000	8,240	8,487	8,742	9,004	50,473	49,238	123,252
Landing Fees - Miscellaneous	0	8,114	0	0	0	0	0	0	0	0	0	0
State Aviation Fuel Tax Rebates	146,113	102,605	102,782	100,000	104,808	109,848	115,130	120,665	126,467	676,918	729,611	2,089,648
FBO Rent	24,758	24,132	26,326	26,000	26,780	27,583	28,411	29,263	30,141	168,179	164,824	412,586
FBO Fuel Flowage Fees	33,964	38,306	33,794	35,000	36,050	37,132	38,245	39,393	40,575	226,394	221,879	555,404
Land Rent	44,000	64,044	59,702	54,000	55,620	57,289	59,007	60,777	62,601	349,294	342,327	856,909
Terminal Rentals - NonSignatory Carriers	0	5,760	11,520	0	0	0	0	0	0	0	0	0
Terminal Rentals Other	12,420	7,245	10,230	26,400	27,192	28,008	28,848	29,713	30,605	170,766	167,360	418,933
Concession Fees - Rental Cars	577,496	576,087	604,655	550,000	586,391	625,190	666,556	710,659	757,680	3,896,477	4,610,091	15,099,715
Concession Fees - Terminal	46,015	66,906	51,803	45,000	47,977	51,152	54,536	58,145	61,992	318,803	377,189	1,235,431
Concession Fees - Advertising	32,781	33,281	27,177	35,000	36,050	37,132	38,245	39,393	40,575	226,394	221,879	555,404
Concession Fees - Parking	920,361	1,095,876	1,055,906	0	0	0	0	0	0	0	0	0
Parking Lot-Airport Operated	0	0	229,231	1,300,000	1,386,015	1,477,722	1,575,496	1,679,740	1,790,881	9,209,854	10,896,579	35,690,234
Concession Fees - Ground Transportation	225	0	0	5,000	5,331	5,684	6,060	6,461	6,888	35,423	41,910	137,270
Airport Utility Reimbursements	0	16,233	24,643	20,000	20,600	21,218	21,855	22,510	23,185	129,368	126,788	317,374
Auto Fuel Sales	304,329	264,866	310,419	285,000	293,550	302,357	311,427	320,770	330,393	1,843,497	1,806,725	4,522,577
Other Revenue	47,810	34,942	55,777	45,000	46,350	47,741	49,173	50,648	52,167	291,078	285,272	714,091
Total Non-Airline Revenues	\$2,202,543	\$2,367,150	\$2,653,539	\$2,534,400	\$2,680,715	\$2,836,293	\$3,001,477	\$3,176,879	\$3,363,155	\$17,582,919	\$20,041,671	\$62,728,829
Annual Growth Rate	-	7.5%	12.1%	-4.5%	5.8%	5.8%	5.8%	5.8%	5.9%	4.0%	5.9%	6.0%
NON-OPERATING REVENUES												
Interest Earned	\$2,228	\$225	\$2,080	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000	\$5,000	\$10,000
Other Contributions	0	101,563	0	0	0	0	0	0	0	0	0	0
Sale of Fixed Assets	0	3,376	0	5,000	5,150	5,305	5,464	5,628	5,796	32,342	31,697	79,343
Total Non-Operating Revenues	\$2,228	\$105,164	\$2,080	\$6,000	\$6,150	\$6,305	\$6,464	\$6,628	\$6,796	\$38,342	\$36,697	\$89,343
Annual Growth Rate	-	4620.1%	-98.0%	188.5%	2.5%	2.5%	2.5%	2.5%	2.5%	21.8%	2.6%	2.7%
Total Revenues	\$2,705,609	\$2,927,265	\$3,131,313	\$3,030,400	\$3,176,865	\$3,351,818	\$3,537,176	\$3,733,585	\$3,941,736	\$20,771,580	\$23,295,853	\$71,500,184
Annual Growth Rate	-	8.2%	7.0%	-3.2%	4.8%	5.5%	5.5%	5.6%	5.6%	3.9%	5.6%	5.8%
Operating Revenues Per Enplaned Passenger:												
Durango-La Plata County Airport	\$14.49	\$14.64	\$16.17	\$14.64	\$14.83	\$15.12	\$15.41	\$15.72	\$16.03	\$15.32	\$17.07	\$20.15
Similar Non-Hub Resort Industry Average	\$43.35	\$44.12	\$44.59	\$45.06	\$45.53	\$46.01	\$46.50	\$46.99	\$47.49	\$46.26	\$49.02	\$53.05
Non-Hub Industry Average	\$45.81	\$43.85	\$44.32	\$44.78	\$45.26	\$45.74	\$46.22	\$46.71	\$47.20	\$45.98	\$48.72	\$52.73

Source: Leibowitz and Horton AMC Analysis

Durango-La Plata County Airport Master Plan

FIGURE 7-5 – SCHEDULE 7-5

DURANGO-LA PLATA COUNTY AIRPORT (DRO) Durango, Colorado

DROMP_2014_5.123

Sched 7-5

Master Plan - Financial Implementation Analysis Financial Plan Summary Budgeted and Projected Net Revenues, Capital Funding and Capital Expenditures

08-Jan-16

Operating/Capital Cash Flow	Phase I							Phase II 2021-2025	Phase III 2026-2035
	Budgeted	Projected							
	2015	2016	2017	2018	2019	2020	Total		
<u>Passenger Enplanements</u>	206,573	213,826	221,334	229,106	237,150	245,477	1,353,466	1,362,883	3,544,098
Annual Growth Rates	-	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%	3.51%
<u>Operating Cash Flow</u>									
Revenues:									
Airline Revenues	\$490,000	\$490,000	\$509,221	\$529,235	\$550,078	\$571,785	\$3,140,320	\$3,217,485	\$8,682,012
Non-Airline Revenues	2,534,400	2,680,715	2,836,293	3,001,477	3,176,879	3,363,155	17,592,919	20,041,671	62,728,829
Non-Operating Revenues	6,000	6,150	6,305	6,464	6,628	6,796	38,342	36,697	89,343
Total Revenues	\$3,030,400	\$3,176,865	\$3,351,818	\$3,537,176	\$3,733,585	\$3,941,736	\$20,771,580	\$23,295,853	\$71,500,184
Operations & Maintenance Expenses	(\$2,926,746)	(\$3,044,548)	(\$3,270,885)	(\$3,489,011)	(\$3,713,682)	(\$3,825,092)	(\$20,269,964)	(\$20,917,172)	(\$52,359,665)
Total Net Operating Cash Flow Available For Capital Expenditures	\$103,654	\$132,317	\$80,933	\$48,164	\$19,904	\$116,644	\$501,616	\$2,378,681	\$19,140,519
<u>Capital Cash Flow</u>									
Beginning Cash Balance	\$2,603,666	\$5,835,155	\$6,858,550	\$7,833,954	\$7,393,095	\$31,508,879	\$2,603,666	\$19,173,118	\$12,452,074
Other Capital Funding Sources:									
AIP Entitlement Grants	\$1,782,544	\$1,786,392	\$1,854,180	\$1,891,896	\$1,930,938	\$1,971,350	\$11,217,300	\$10,514,363	\$25,000,258
AIP Entitlement unspent current year + carryover	(153,911)	(328,158)	(272,717)	0	0	0	0	0	0
AIP Entitlements carryover from the prior years	3,953,039	153,911	328,158	272,717	(0)	(0)	3,953,039	(0)	(0)
AIP Discretionary Grants	854,231	0	0	0	22,220,515	3,779,485	26,854,231	27,553,152	13,126,166
CDOT Aviation Grants	340,495	89,564	106,090	250,444	250,000	250,000	1,286,593	969,975	2,126,518
Passenger Facility Charges	2,253,985	861,070	891,304	922,600	954,994	988,526	6,872,480	5,488,277	14,271,946
City/County Capital Contribution	0	0	0	0	39,711,228	0	39,711,228	0	0
Customer Facility Charges	1,102,136	310,534	321,437	332,724	344,406	356,499	2,767,736	1,943,103	4,618,073
Private 3rd Party Funding	0	0	0	0	0	0	0	2,388,105	16,358,658
Total Other Capital Funding Sources	\$10,132,519	\$2,873,313	\$3,228,451	\$3,670,381	\$65,412,081	\$7,345,860	\$92,662,606	\$48,856,974	\$75,501,619
Total Funds Available for Capital Expenditures	\$12,839,839	\$8,840,785	\$10,167,934	\$11,552,500	\$72,825,080	\$38,971,383	\$95,767,888	\$70,408,773	\$107,094,213
Capital Improvement Program Expenditures	7,004,684	1,982,235	2,333,980	4,159,405	41,316,201	19,798,266	76,594,770	57,956,698	103,526,935
Ending Cash Balance	\$5,835,155	\$6,858,550	\$7,833,954	\$7,393,095	\$31,508,879	\$19,173,118	\$19,173,118	\$12,452,074	\$3,567,278

Source: Leibowitz and Horton AMC Analysis