

Destination: DRO



Master Plan

Planning Advisory Committee
January 15, 2015



PAC Matrix Results Summary

- **Highest Ranked Alternative – “More Ability to Meet Selection Criteria”**
 - **Alternative Three – Construct New Terminal on East Side of Airfield** is ranked highest over the two alternatives that are on the existing side of the runway.
 - Alternative Two ranked highest for “Some Ability to Meet”
 - Alternative One ranked highest for “Less Ability to Meet”

PAC Matrix Results

	Alternative 1			Alternative 2			Alternative 3		
	More Ability to Meet	Some Ability to Meet	Less Ability to Meet	More Ability to Meet	Some Ability to Meet	Less Ability to Meet	More Ability to Meet	Some Ability to Meet	Less Ability to Meet
QUANTITATIVE									
Complies with FAA safety & design standards	7	4	5	9	7	0	16	0	0
Maximizes operational efficiency	0	2	13	4	10	1	12	3	0
Meets the 20 year facility requirements, plus room to grow	2	2	12	5	6	5	15	1	0
Balances benefits and costs	1	4	10	4	6	4	6	5	4

PAC Matrix Results

	Alternative 1			Alternative 2			Alternative 3		
	More Ability to Meet	Some Ability to Meet	Less Ability to Meet	More Ability to Meet	Some Ability to Meet	Less Ability to Meet	More Ability to Meet	Some Ability to Meet	Less Ability to Meet
QUALITATIVE									
Promotes safety and efficiency of airport operations	3	8	4	7	8	0	14	1	0
Enhances security of airport and airline operations	2	8	5	4	10	1	10	5	0
Improves customer satisfaction/convenience	3	3	9	8	4	3	12	1	2
Fosters Durango./Four Corners' Image	2	7	5	6	8	0	11	2	1
Minimizes construction phasing impacts to tenants and users	1	2	13	3	9	4	13	1	2
Incorporates sustainable design elements where appropriate	3	5	7	8	5	2	12	2	1
Sensitive to Environmental Resources	5	6	3	5	7	1	4	6	4
Totals:	29	51	86	63	80	21	125	27	14

FAA Discussion

We asked FAA for the amount of federal funding (FAA) that could be expected for each alternative so that the study can measure the financial impact to the local community.

- FAA has indicated that funding requests up to \$35M–\$40M would be reasonable.
- Chances of success increase when local and other funding are at least 1 to 1.

New Planning Activity Level Zero

Consider interim Planning Activity Level that allows us to meet a realistic budget.

- Re-tooled analysis
- New Planning Activity Level
- PAL Zero – Provides ability to remain within \$80–90 million budget

PAL Zero Requirements

- Terminal – 82,000 square feet
- Parking – 1,500 spaces
- Gates – 4
- Remain Overnight Parking Positions – 1
- Jet Bridges – Deferred in initial phase
- Entrance Roadway – intersection at SR 172 remains same
 - West side loop roadway realigned
 - East side access via existing 309A

Terminal Development Elements

Scalable –

Elements that can be reduced or phased to meet a budget

- Parallel Taxiway
- Entrance Roadway
- Apron
- Gates
- Jet Bridges
- Terminal Size

Non-Scalable –

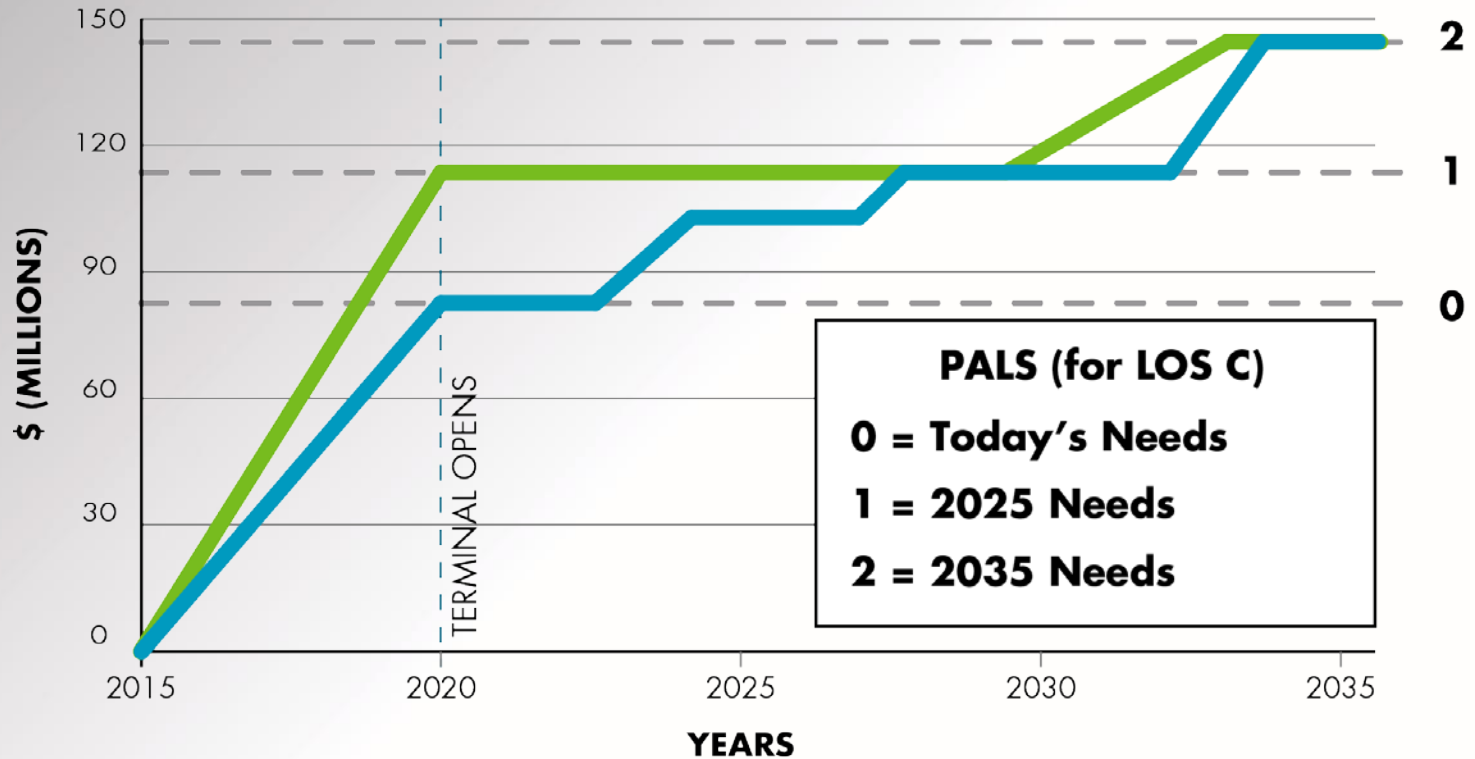
Elements that are more fixed within the program



- Grading
- Permitting
- Utilities
- Basic Access
- Terminal Core

New PAL Zero – Questions to Ask

- How much does PAL Zero get us?
- How long will development last for each alternative?
- How much will it cost taxpayers?

Is it okay to settle for a reduced Planning Activity Level?



-  **PAL 1** program requirements are met in one stage
-  **PAL 0** program requirements are met as an interim stage and PALs 1 and 2 met as future demand warrants.

Local Investment Per Residential Property in La Plata County

Median Home Price = \$353,750*

Local Match	Annual Property Tax Amount per Actual Value (Residential)					
	\$100,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000
\$40 Million (1.294 mill rate)	\$10	\$26	\$31	\$36	\$41	\$46
\$50 Million (1.616 mill rate)	\$13	\$32	\$39	\$45	\$51	\$58
\$60 Million (1.938 mill rate)	\$15	\$39	\$46	\$54	\$62	\$69

Assumptions: Financing term of 30 years at 5% interest rate

Source: La Plata County

*According to Durango Area Association of Realtors – 2014 MLS Data 3rd Quarter

Local Investment Per Commercial Property in La Plata County

Local Match	Annual Property Tax Amount per Actual Value (Commercial)			
	\$100,000	\$500,000	\$1,000,000	\$1,500,000
\$40 Million (1.294 mill rate)	\$38	\$188	\$375	\$563
\$50 Million (1.616 mill rate)	\$47	\$234	\$469	\$703
\$60 Million (1.938 mill rate)	\$56	\$281	\$562	\$843

Assumptions: Financing term of 30 years at 5% interest rate
Source: La Plata County

Implementation Strategy:

- The budget would be set between \$80M – \$90M for the initial building program.
- Deferred elements would be included in the Airport's CIP as additional funding is identified and as the individual projects are warranted.
- The local share of this budget would be between \$35M – \$45M plus other non-FAA monies yet to be identified.
- This represents a range of approximately \$36 to \$54 per \$350,000 of assessed value annually for La Plata County residential property owners.

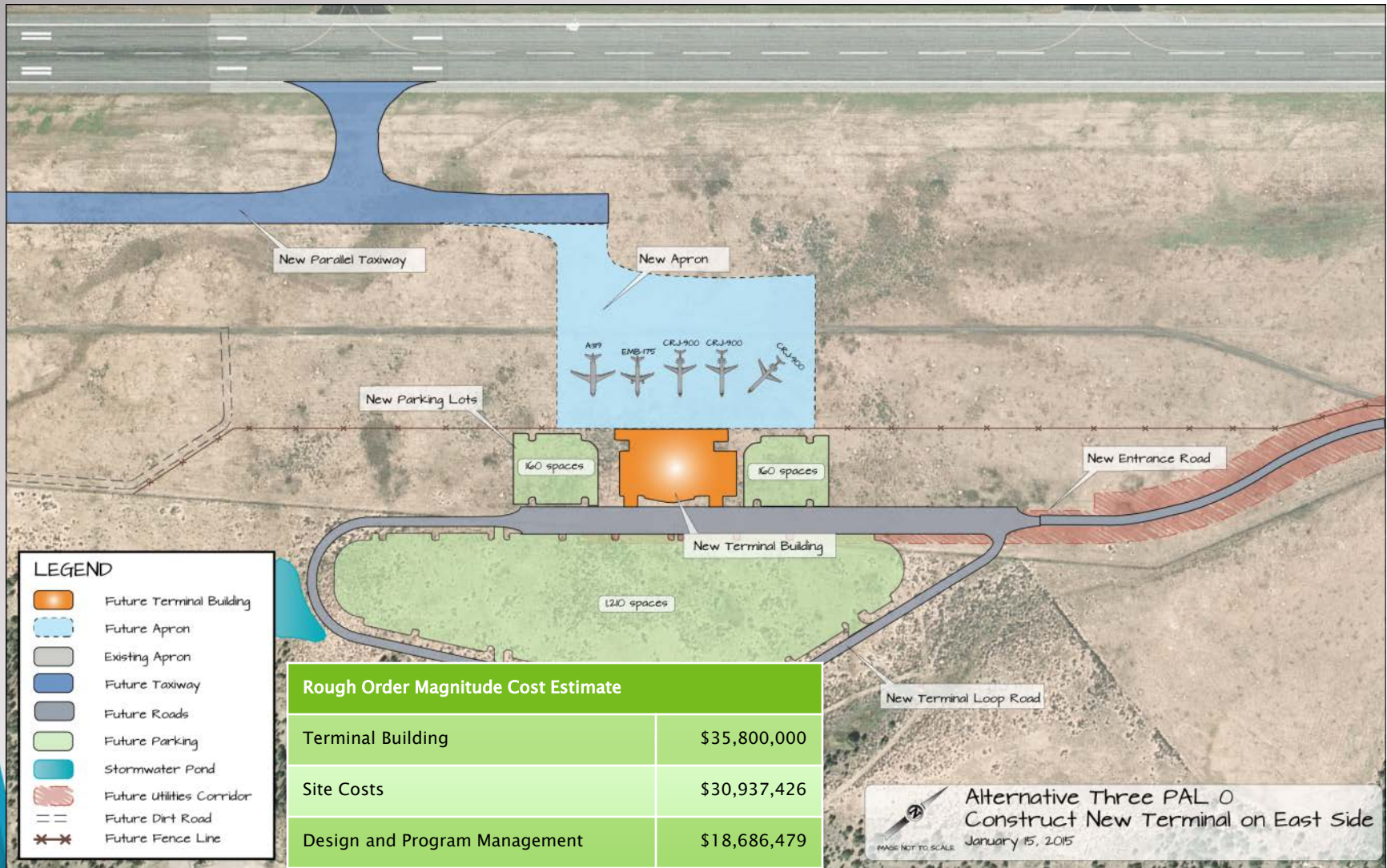
Consultant Recommendation

- Based upon the analysis of needs and the constraints to long-term terminal development in the current terminal location, the best alternative is to relocate terminal facilities to the east side of the airport.
- **Alternative Three is the Recommended Alternative**

Alternative Three

Planning Activity Level 0 – 2015

Construct new terminal complex on east side of airfield



Rough Order Magnitude Cost Estimate	
Terminal Building	\$35,800,000
Site Costs	\$30,937,426
Design and Program Management	\$18,686,479
TOTAL:	\$85,423,906



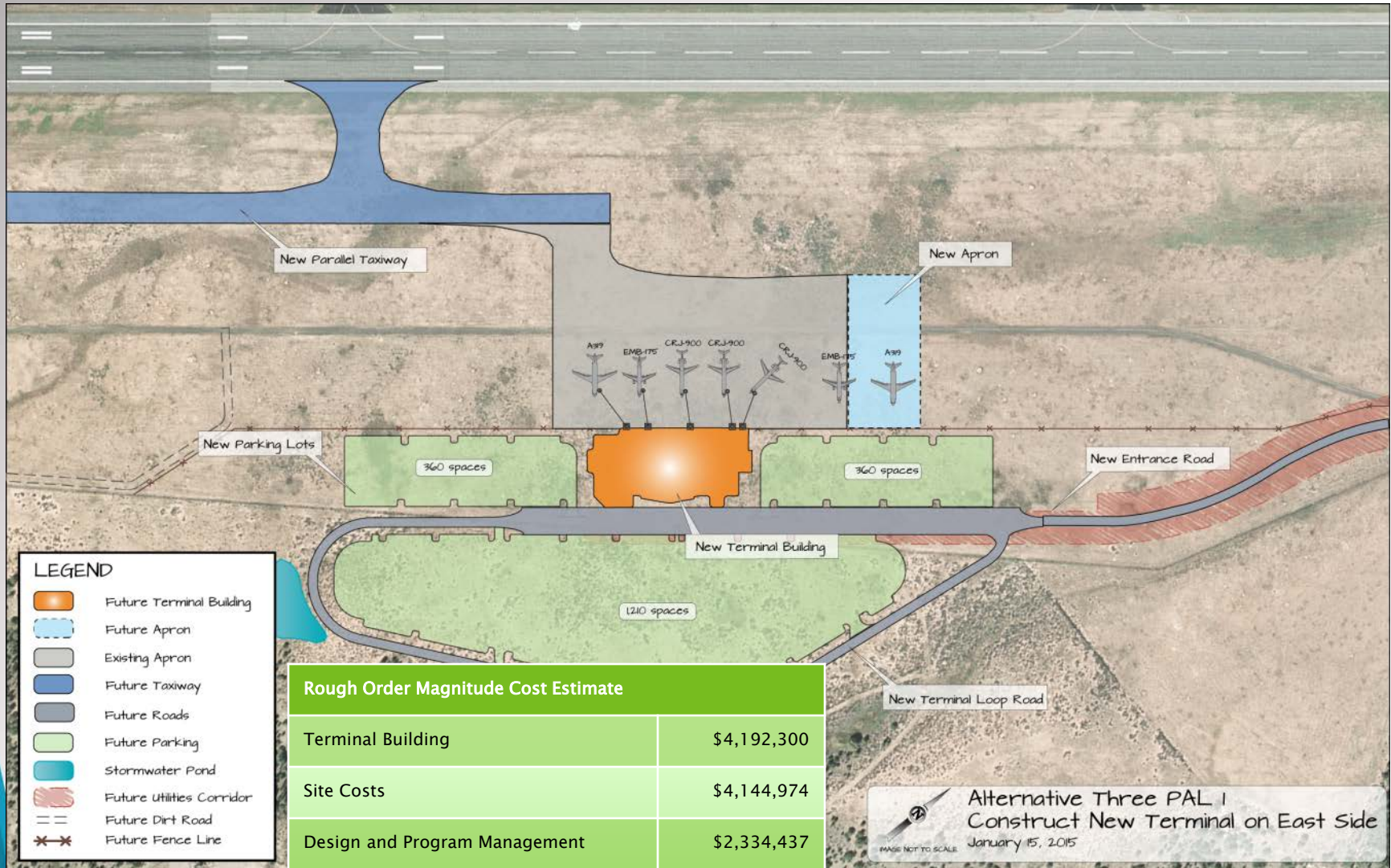
Alternative Three PAL 0
Construct New Terminal on East Side
January 15, 2015

IMAGE NOT TO SCALE

Alternative Three

Planning Activity Level 1 – 2025

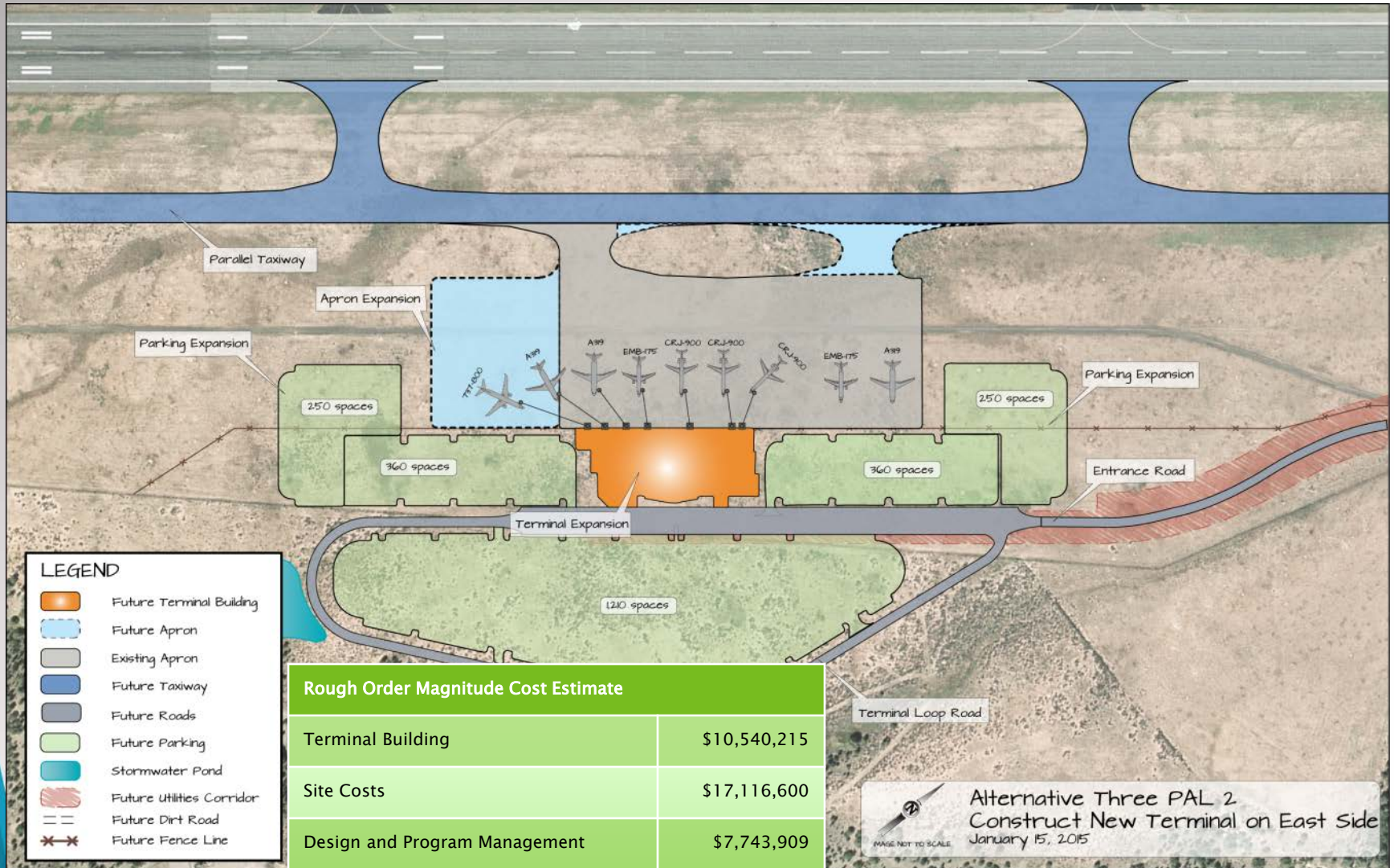
Construct new terminal complex on east side of airfield



Alternative Three

Planning Activity Level 2 – 2035

Construct new terminal complex on east side of airfield



Rough Order Magnitude Cost Estimate	
Terminal Building	\$10,540,215
Site Costs	\$17,116,600
Design and Program Management	\$7,743,909
TOTAL:	\$35,400,723

Alternative Three PAL 2
Construct New Terminal on East Side
January 15, 2015
IMAGE NOT TO SCALE

Alternative Three

Rough Order Magnitude Cost Estimate

Construct new terminal complex on east side of airfield

Terminal Building Costs	PAL 0	PAL 1	PAL 2
Construct New Terminal	\$ 35,800,000	\$ 1,567,300	\$ 9,490,215
Passenger Boarding Bridges	\$ -	\$ 2,625,000	\$ 1,050,000
Site Costs			
Earthwork	\$ 2,548,100	\$ 349,800	\$ 1,994,900
Utilities	\$ 4,616,000	\$ -	\$ 385,000
Apron Construction	\$ 7,089,000	\$ 2,690,500	\$ 2,231,200
Taxiway Construction	\$ 8,343,600	\$ -	\$ 7,283,300
Parking Lots	\$ 4,142,526	\$ 1,104,674	\$ 1,380,900
Structured Parking	\$ -	\$ -	\$ -
Roadways/Access	\$ 4,198,200	\$ -	\$ 3,841,300
Total Construction Cost	\$ 66,737,426	\$ 8,337,274	\$ 27,656,815
Design and Program Management			
Design and Program Management	\$ 18,686,479	\$ 2,334,437	\$ 7,743,909
Total ROM Cost – Alternative Three	\$ 85,423,905	\$ 10,671,711	\$ 35,400,723
Total ROM Cost – Alternative Three Combined			\$ 131,496,339

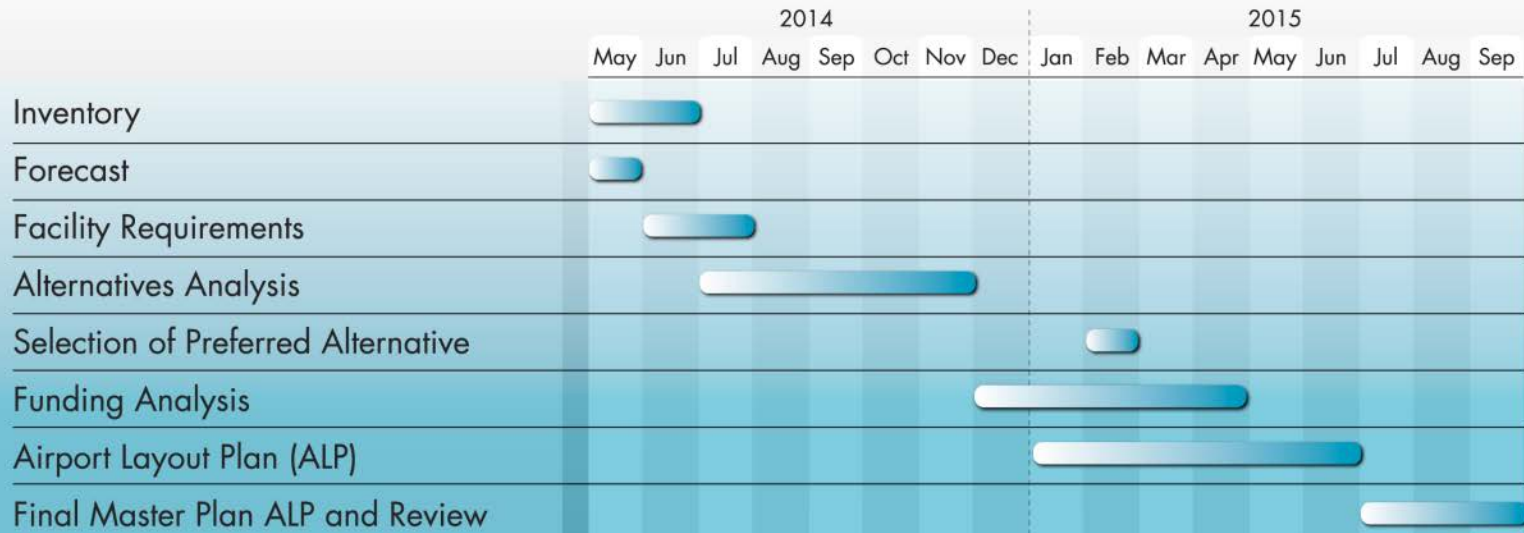
Comparisons

Rough Order Magnitude Cost Estimates

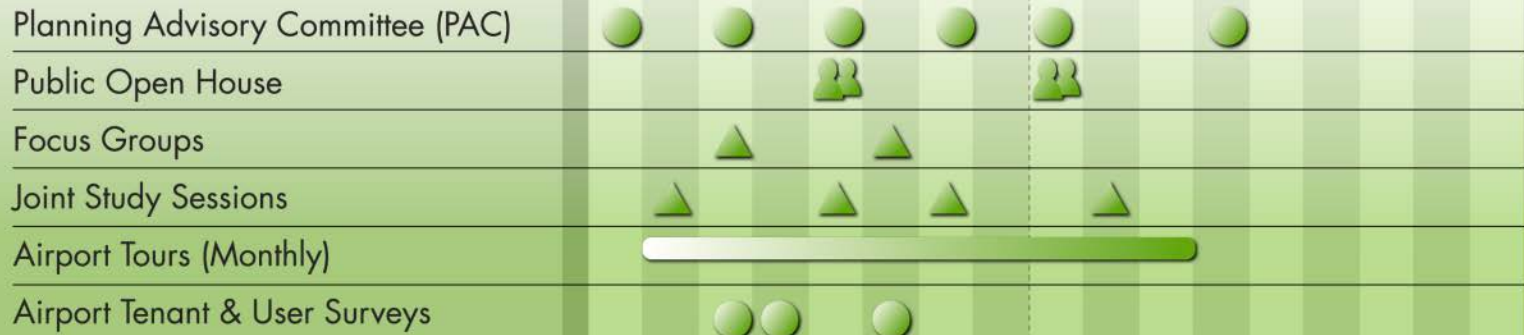
Alternative Concept	PAL 1	PAL 2	Total
Alternative One – Renovate and Expand	\$77,698,288	\$63,256,064	\$140,954,352
Alternative Two – Construct New – West	\$72,413,779	\$59,619,091	\$132,032,870
Alternative Three – Construct New – East	\$96,095,616	\$35,400,723	\$131,496,339

Project Timeline

AIRPORT MASTER PLAN STUDY ELEMENTS



COMMUNITY OUTREACH



Next Steps

- Airport Commission Board meeting today
- Continued public outreach with an emphasis on County residents
- January 21st – Community Open House with identification of recommended alternative
- February 10th – Joint Study Session to select preferred alternative
- Financial Analysis



» Thank You!

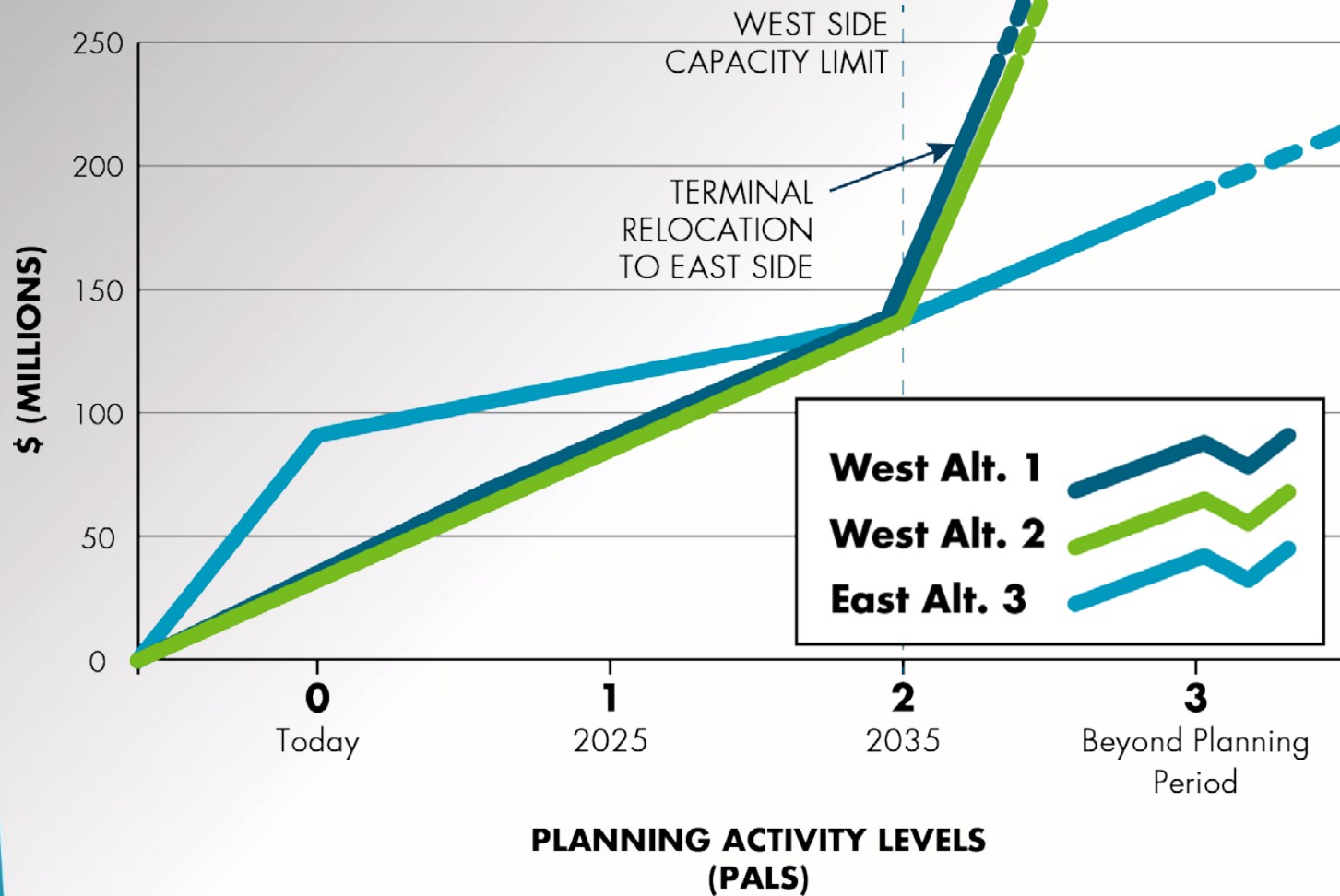
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How long will it last?

Capacity vs. Investment



PAC Matrix – Other Comments and Discussion

“Prepare financial analysis (checkbook exercise) that allows the PAC to measure the overall expected revenues vs. costs for each alternative.”

- This will be a more involved analysis that is typically performed on one alternative following its selection as preferred. Prior to the financial analysis we can only make some wide assumptions.
- Revenues would increase from additional leasable area and parking as well as from putting additional airport land into productive use.
- Costs would also be expected to increase to operate and maintain larger facilities.

PAC Matrix – Comments and Discussion

Have a backup plan in the event local funding is not available (voted down).

- This would be a PAY-Go solution until the needed funding levels were secured. Invest as little as possible on the existing facilities and keep trying to secure the needed funding to meet the urgent need.
- It is not a recommended strategy to prepare a plan that cannot meet the presently identified needs over the long term.

Conclusions and Discussion

- *Assuming* a sufficient amount of grant assistance is available from FAA and other sources; and
- *Assuming* the amount required from local sources is within an amount considered to be realistic to request from local sources; and
- *Assuming* the amount of sufficient local and other funding is within approximately 1.25-to-1 with federal grant funds; and
- *Assuming* the facilities could meet the present need at an acceptable Level of Service (LOS); and
- *Assuming* the environmental approvals can be obtained;

Conclusions and Discussion:

- *Then* the preferred alternative would be to construct new terminal facilities on the east side of the airfield to ensure that the investment made would endure through the end of the planning period (2035) and beyond.