



## 7. Financial Implementation Plan

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

The projections of airport revenues and expenses focus on the three planning periods of this AMP's Capital Improvement Program (CIP): Phase I (Short-term, 2021-2025), Phase II (Intermediate-term, 2026-2030), and Phase III (Long-term, 2031-2040). These planning periods are utilized to assist the Airport in financially supporting future capital projects either by contributing the local share of costs in coordination with FAA and Massachusetts Department of Transportation (MassDOT) grants, or by wholly funding them. The CIP and associated financial plan included in this chapter should be viewed as a guideline that is based on the circumstances and conditions that were current at the time of the completion of this Master Plan. Ultimately, capital projects should be undertaken when demand warrants and appropriate funding becomes available.

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

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



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

## 7.1 Capital Funding Sources

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

- Federal Aviation Administration (FAA) grants from its Airport Improvement Program (AIP)
- Commonwealth of Massachusetts (State) funding sources
- Local funding sources
- Other capital project funding sources, such as private parties

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

### 7.1.1 Federal Aviation Administration Grants

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

Following a series of federal airport funding programs, the Airport Improvement Program (AIP) was established by Congress on behalf of the FAA through the Airport and Airway Improvement Act of 1982. The initial AIP legislation provided funding through the fiscal year 1992, but since then the AIP has been reauthorized and amended multiple times, most recently through the FAA Reauthorization Act of 2018. The current AIP program was authorized for five years, through FY 2023 (September 30, 2023). For FAA to continue issuing grants after that date, Congress will need to authorize a new AIP program or else pass continuing resolutions. Each time Congress reauthorizes AIP, it changes parts of the program including funding disbursements, project eligibility requirements, appropriation levels, etc. Those changes make it difficult for airports to know how much FAA funding will be available in the future, particularly once the current AIP program expires.

Funds obligated for the AIP are drawn from the Airport and Airway Trust Fund. The Trust Fund receives revenue through taxes on aviation fuels, airline ticket sales, and air freight shipments. It is designed to support the improvement of the country's air transportation system by funding airport improvements, airport repair projects, and modernizing the air traffic control system.

AIP grants are generally available for planning, development, or noise compatibility projects at public-use airports included in the NPIAS. Eligible projects include those improvements related to enhancing airport safety, capacity, security, and

environmental concerns. In most states throughout the country, the FAA provides 90 percent funding for eligible projects.

Sponsors can leverage AIP funds for most airfield capital improvements, and in limited situations for terminals, hangars, and non-aviation development. Professional services that are needed for eligible projects such as planning, surveying, and design, may be eligible. In most cases, an airport's demand for capital improvements must be quantified and documented (such as through an airport master plan process), and each project must be shown on an approved Airport Layout Plan (ALP) and meet appropriate Federal environmental and procurement requirements.

Airport budgets can be broadly categorized under capital improvement projects, and operations and maintenance (O&M). Grants issued by the FAA are generally restricted to capital improvement projects, those which relate to increasing airport security, safety, capacity and addressing environmental concerns. Projects related to revenue-generating improvements (such as privately owned or leased hangars and aprons, or those portions of a terminal building leased by airlines or concessions, etc.) are typically not eligible for AIP funding, nor are standard airport operations and maintenance costs (salaries, equipment, supplies, etc.). Operating revenues generated by aircraft landing and parking fees, fuel flowage fees, land and building leases, etc., can be applied to both capital improvements as well as O&M expenses.

AIP grants are generally divided into two categories: entitlements and discretionary. Entitlement grants are allocated among NPIAS airports through a formula largely driven by passenger enplanements, landed cargo weights, and types of operations. Currently, "primary" airports, defined in the NPIAS as having a level of commercial air service (i.e. enplane more than 10,000 passengers per year), receive \$1,000,000 annually in entitlement funding. "Non-primary" airports, which include small commercial service airports and general aviation airports, are currently eligible for \$150,000 of annual entitlement funding. Under current legislation, the AIP will typically provide 90 percent of the total cost of an FAA-eligible capital project (with the balance often being covered through a combination of state and local funding), although this percentage can be reduced based on the size, complexity, and requirements of a specific project.

As defined in the most current version of FAA Order 5100.38D, *Airport Improvement Program Handbook*, AIP grants must be expended within four years of their issue or they will be returned to the FAA. Like entitlements to individual airports, each state receives an annual apportionment from the FAA based on an area-population formula. These federal funds may be utilized at the discretion of the individual states. The Commonwealth of Massachusetts apportions money for capital projects to general aviation airports within the state.

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



funding, are the first to be completed. Each NPIAS airport development project is subject to eligibility and justification requirements as part of the normal AIP funding process.

Under the current authorization legislation and based on its inclusion in the NPIAS, BVY is currently eligible to receive entitlements of \$150,000 per year through the planning period. Additional funding could be realized through AIP discretionary funding, based on the project eligibility ranking methodology.

### **7.1.2 Commonwealth of Massachusetts Funding Sources**

#### ***MassDOT – Aeronautics Division***

MassDOT Aeronautics is committed to “promote aviation throughout the Commonwealth, while providing an efficient integrated airport system that will enhance airport safety, economic development, and environmental stewardship.” In support of that mission statement, MassDOT Aeronautics provides funding assistance to airports within the Commonwealth through two primary mechanisms.

First, MassDOT Aeronautics provides a five percent matching grant to any airport that receives a federal AIP grant. As noted previously, AIP currently provides funding up to 90 percent of an eligible project cost, with the balance being the responsibility of the airport sponsor. In order to assist those sponsors, who are often financially strained, MassDOT provides five percent of the total project cost, meaning that the sponsor is only responsible for the remaining five percent.

Second, MassDOT Aeronautics recognizes that not all airport sponsors are eligible for federal AIP funding, and of those who are, none are eligible for AIP funding from the FAA for routine maintenance. Thus, MassDOT Aeronautics initiated a grants-in-aid program called the Airport Safety and Maintenance Program (ASMP) specifically designed for this purpose. This program is designed to assist in the maintenance and repair of airports included in the state airport system plan, excluding those airports owned and operated by the Massachusetts Port Authority (Massport).

MassDOT Aeronautics operations are funded through the Executive Office for Administration and Finance, while airport capital, development, and planning projects are funded through the biennial State Transportation Bond Issuance, which is approved by the State Legislature. Appropriated funds are also derived from aircraft registration fees, aviation gas tax, and fees for air transportation charged to other state agencies.

Under the ASMP, MassDOT Aeronautics can reimburse an airport sponsor for up to 80% of the total project cost as adjusted for federal reimbursement, if any. The local sponsor is responsible for funding the remaining 20% of the total project cost under the ASMP program. The Aeronautics Division also has the ability to fund up to 100% of the total project cost for security improvement projects.

### **7.1.3 Local Funding Sources**

Local funding is typically generated from operating revenues accrued on a given airport and generally consist of user fees associated with leases, fuel sales, services, etc. The user fees are typically established by the airport based on market conditions

in the area and vary from airport to airport. BVY has several sources for generating revenue including:

- Aircraft fuel sales
- Hangar leases
- Land leases
- Tie-down fees
- Other operating revenues
- Non-operating revenues, such as return on investments, interest payments, etc.

Landside facility development and levels of aviation activity are typically the primary factors affecting airport operating revenues. These revenues will normally increase as a function of usual inflationary growth as well as average annual increases associated with existing leases. Additionally, as additional airport development occurs, growth in the numbers of based aircraft and itinerant aircraft operational levels will often be realized. In general, land and building leases provide the most stable long-term sources of revenue at an airport. Fuel sales, tie-downs and other operational fees will fluctuate with traffic levels. Unlike commercial service airports, GA airports typically generate little to no revenue from auto parking, concessions (e.g. restaurants and shops), and any terminal building tenants.

It is important to recognize that while the Beverly Regional Airport is owned by the City of Beverly, it is financially operated and managed as an enterprise fund. Note that an enterprise fund is employed for many municipal resources and services to promote and maintain long-term financial sustainability by effectively operating as a business. Thus, an enterprise fund is charged with being financially self-sustaining. The City currently uses enterprise funds to account for its water, sewer, airport, golf and tennis, sanitation, harbor management, recreation, and senior citizens activities.

As an enterprise fund, BVY utilizes a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other municipal activities. This includes identifying the total direct and indirect costs to maintain the facility and provide services, as well as the sources and amounts of revenues that support the facility and services. Direct costs generally consist of personnel services, expenses, and capital outlay, which are budgeted and accounted for in the enterprise fund. Indirect costs are expenditures budgeted and accounted for in the general fund on behalf of the enterprise fund, which are allocated to the enterprise fund for funding. Examples of indirect costs are central service department costs (accounting, treasury, collections, law, and the like), insurances, and fringe benefits that are not budgeted and accounted for in the enterprise fund.

With respect to the airport, this has resulted in its operation as being a self-funded and financially self-sustaining entity; thus, BVY does not receive any direct financial support from the City of Beverly. It should also be noted that BVY has historically supplemented its capital financial needs through the occasional sale of airport properties. However, due the now limited properties available for development on the airport, as well as due to obligations associated with the FAA grant assurances, such practices will no longer be available for use by BVY.



#### 7.1.4 Other Capital Project Funding Sources

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

Non-traditional funding sources for an airport typically include general fund revenues, bond issues, and private funding. Of these, general fund revenues and general obligation bonds are by far the most common funding sources, particularly at commercial service airports. The ability of municipalities and counties to issue general obligation bonds for airport capital projects is directly affected by their debt level and ability to finance their existing and future debt load. As the debt burden increases, rating agencies often lower their credit ratings, which increases their interest payments. Revenue bonds supported by airport-generated revenues are seldom used by general aviation airports because most such airports do not generate enough income to pay operating expenses and the debt service of capital funding requirements.

Private funding sources such as FBOs, aircraft owners, investors, etc., often assume the responsibility of paying for hangars, fuel storage tanks, and sometimes for parking aprons, taxiways, and utility hookups. However, when private parties make capital investments in airports, they often try to negotiate reduced land and/or building lease rates to balance their capital investment. Additionally, they can seek to avoid property reversion clauses whereby ownership facilities constructed on an airport ultimately revert to the airport after a set period (often a minimum of 20).

#### **General Fund Revenues**

General fund revenues are those provided by the airport sponsor (municipality or state) from their general tax revenues. Airport capital development expenditures from general fund sources have been somewhat difficult to obtain in recent years. One reason for this difficulty is the seemingly universal shortfall in local general fund revenues. Budgetary problems have created an environment where local funding is uncertain. The amount of general fund support for airport improvement projects varies by airport and is generally based upon the local tax base, the credit rating of the municipality and state, priority of the development project, historical funding trends, and, of course, local attitudes concerning the importance of aviation.

As an enterprise fund for the City of Beverly, BVY operates as a self-funded and financially self-sustaining entity – it does not receive any direct funding support from the City nor is any anticipated in the future. It is anticipated that only exceptional circumstances would result in a change to this practice.



### Bond Funds

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

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

### Private Funds

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

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

## 7.2 Financial Analysis and Implementation Plan

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

### 7.2.1 Capital Improvement Program (CIP)

The following is a listing and brief description of the projects identified within this AMP for inclusion in BVY's CIP. The individual projects are listed in order of their CIP identifying letter and all projects are assumed to require some level of federal, state, and/or local funding, unless otherwise indicated. (Each project's associated "CIP ID" is not an indication of prioritization, importance, or funding participation, but simply a mechanism for tracking the individual projects.) Note that this listing is the best estimate of anticipated projects at the time of this AMP; however, it should be understood that many of these projects may change in scope or in timing based on future requirements. Therefore, the CIP must be reviewed, assessed, and updated on a regular basis (typically annually). Additionally, as noted in **Chapter 5**, each description contains the environmental documentation that is anticipated to be required prior to the project being executed.

- A. Update SWPPP & SPCC:** In conformance with environmental regulatory requirements, BVY must update its Stormwater Pollution Prevention Plan (SWPPP) and its Spill Prevention, Control, and Countermeasure (SPCC) plan.



- B. Preliminary Design/EA/ENF/Permitting for Reconstruction of Runway 16-34 (Ph 1):** This is phase 1 of a planning effort designed to obtain the environmental permits that will be required to reconstruct existing Runway 16-34 and extend each end 300 feet into the existing RSA. (Note that there is no associated extension of the RSA/ROFA required.) This effort will include preliminary design.
- C. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- D. EA/ENF/Permitting for Reconstruction of Runway 16-34 (Ph 2):** This is phase 2 of a planning effort designed to obtain the environmental permits that will be required to reconstruct existing Runway 16-34 and extend each end 300 feet into the existing RSA. (Note that there is no associated extension of the RSA/ROFA required.)
- E. Design, Reconstruct, Mark, Light, Groove, and Extend Runway 16-34 (100' x 5,601'):** This project entails the entirety of the reconstruction and improvements of Runway 16-34. This effort includes the design and reconstruction of the runway, the extension of each end 300 feet into the existing RSA that will be available for aircraft departures (not landings), grooving of the pavement, drainage improvements, and runway lighting replacement among other elements. (Note that there is no associated extension of the RSA/ROFA required.)
- F. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- G. Purchase Loader:** As defined by the FAA, the useful life of airport maintenance and snow removal equipment (SRE) is 10 years, and therefore should be replaced on a regular schedule. Thus, the Airport should progressively replace its aging equipment as required. BVY has petitioned MassDOT through its ASMP to purchase a loader for airport maintenance use.
- H. Preliminary Design/EA/ENF/Permitting for Taxiway E Extension, Taxiway B Relocation, & Perimeter Road:** This is a planning effort designed to obtain the environmental permits that will be required to relocate/extend existing Taxiway E to the approach end of Runway 16, the relocation of Taxiway B to meet the existing design standard separation from Runway 16-34, and to construct a perimeter road from the west side of the airport to the east side, following a path around the approach end of Runway 16. This effort will include preliminary design.
- I. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the



developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.

- J. **Extend Taxiway E (North) & Construct Perimeter Road (Ph 1):** This project includes the relocation of existing Taxiway E to have a 300-foot centerline separation from Runway 16-34 in conformance with FAA airport design standards. Additionally, Taxiway E will be extended to the approach end of Runway 16 to enhance airfield operational efficiency and safety. This effort will also include the removal of existing unnecessary pavements. Finally, this project will include the first phase of the construction of a perimeter road that will connect the west side of the airport with the east side, following a path around the approach end of Runway 16. This will enhance the operational efficiency and safety of ground vehicles operating on the airport. (Note that both the taxiway extension and perimeter road has been explicitly requested and endorsed by the BVY ATCT.)
- K. **Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- L. **Relocate Taxiway B & Construct Perimeter Road (Ph 2):** This project includes the relocation of existing Taxiway B to have a 300-foot centerline separation from Runway 16-34 in conformance with FAA airport design standards. This effort will also include the removal of existing unnecessary pavements and enable areas to be made available for redevelopment. Additionally, this project will include the second phase of the construction of a perimeter road that will connect the west side of the airport with the east side, following a path around the approach end of Runway 16. This will enhance the operational efficiency and safety of ground vehicles operating on the airport. (Note that the perimeter road has been explicitly requested and endorsed by the BVY ATCT.)
- M. **Airport Master Plan:** Consistent with airport best management practices, an airport should undertake a master planning effort every seven to ten years. This will help ensure that airport maintenance and development occur that will meet current/projected requirements as well as being consistent with the goals of the sponsor/community.
- N. **Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- O. **Preliminary Design/EA/ENF/Permitting for Taxiway E Extension (South) & Reconstruct Runway 9-27:** This is a planning effort designed to obtain the environmental permits that will be required to relocate and extend Taxiway E



to the approach end of Runway 34 as well as for the reconstruction of Runway 9-27. This effort will include preliminary design.

- P. Extend Taxiway E (South):** This project includes the relocation of the existing south end of Taxiway E to have a 300-foot centerline separation from Runway 16-34 in conformance with FAA airport design standards and to be consistent with the previously relocated Taxiway E (north). Additionally, Taxiway E will be extended south to the approach end of Runway 34 to make it a full-length parallel taxiway that will enhance airfield operational efficiency and safety.
- Q. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- R. Reconstruct Runway 9-27 (75' x 4755'):** This project will entail the entirety of the reconstruction and narrowing of Runway 9-27. This effort includes the design and reconstruction of the runway, the narrowing of the existing 100' wide runway to 75' in conformance with FAA Airport Design standards, removal of old pavements, drainage improvements, and runway lighting replacement among other elements.
- S. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.
- T. Preliminary Design/EA/ENF/Permitting for TW D Relocation & Construct TW J:** This is a planning effort designed to obtain the environmental permits that will be required to relocate existing Taxiway D to have a 240-foot centerline separation from Runway 9-27 in conformance with FAA airport design standards. Additionally, this will include permitting associated with the construction of a partial parallel taxiway (Taxiway J) south of Runway 9-27. This effort will include preliminary design.
- U. Relocate TW D:** This project is the relocation existing Taxiway D to have a 240-foot centerline separation from Runway 9-27 in conformance with FAA airport design standards. This effort will also include the removal of existing unnecessary pavements and enable areas to be made available for redevelopment.
- V. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.

- W. Construct TW J:** This project is the construction of a new partial parallel Taxiway J to the approach end of Runway 9 and having a 240-foot centerline separation from Runway 9-27 in conformance with FAA airport design standards. This taxiway will enable airport areas located south of the runway to be utilized for aeronautical-related development.
- X. Construct Hangar Building(s)/Apron:** BVY plans to accommodate the construction of future hangar facilities and aprons in accordance with its ALP. Costs associated with such development would be the responsibility of the developer with BVY realizing land lease revenue. Anticipated environmental documentation would be a documented CatEx. This project is a representation of anticipated future development initiatives and is not tied to a specific proposal.

Additionally, throughout the 20-year planning period, on-going pavement and airfield maintenance projects will be required as needed. This includes pavement crack and seal or rehabilitation projects necessary to maintain a safe environment for aircraft operations. As part of on-going airfield maintenance requirements, BVY should regularly inspect airfield pavement and grounds to ensure that problem areas are addressed.

### 7.2.2 Estimated Project Costs and Development Schedule

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

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

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

Each proposed capital improvement project within the planning horizon has been assigned to one of three specific planning periods: Phase I, Short-term (2021-2025); Phase II, Intermediate-term (2026-2030); and Phase III, Long-term (2031-2040). The assignment of these projects into appropriate periods are depicted in **Table 7-1, Table 7-2, and Table 7-3**, which show all proposed CIP projects (including AIP-funded, State-funded, Airport-funded, and privately-funded) and their estimated costs for each phase within the planning horizon. As mentioned previously, reauthorization of the FAA AIP by Congress may change the funding formulas used in these tables. (Note that while the cost estimates for the individual projects are based on 2021 dollars, the CIP incorporates an assumed 3.0 percent annual escalation to compensate for anticipated future inflationary increases in project construction costs.)



**Table 7-1 - Capital Improvement Program Phase I (2021-2025)**

CIP ID	Project	Primary Funding Source	Estimated Capital Costs*	Funding Sources			
				Federal	State	Local	Other/ Private
A	Update SWPPP & SPCC	FAA	\$75,000	\$67,500	\$3,750	\$3,750	\$0
B	Preliminary Design/EA/ENF/Permitting for Reconstruction of RW 16-34 (Ph 1)	FAA	\$144,200	\$129,780	\$7,210	\$7,210	\$0
C	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
D	EA/ENF/Permitting for Reconstruction of RW 16-34 (Ph 2)	FAA	\$341,555	\$307,400	\$17,077	\$17,078	\$0
E	Design, Reconstruct, Mark, Light, Groove, and Extend RW 16-34	FAA	\$16,350,000	\$14,715,000	\$817,500	\$817,500	\$0
F	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
G	Purchase Front End Loader	State	\$672,000	\$0	\$537,600	\$134,400	\$0
<b>Phase I Program Totals</b>			<b>\$19,582,755</b>	<b>\$15,219,680</b>	<b>\$1,383,137</b>	<b>\$979,938</b>	<b>\$2,000,000</b>

Source: Airport Solutions Group; Jviation

\* The cost estimate is based on 2021 dollars and incorporates a 3.0 percent annual cost escalation from 2021.

**Table 7-2 - Capital Improvement Program Phase II (2026-2030)**

CIP ID	Project	Primary Funding Source	Estimated Capital Costs*	Funding Sources			
				Federal	State	Local	Other/ Private
H	Preliminary Design/EA/ENF/Permitting for TW E Extension, TW B Relocation, & Perimeter Road	FAA	\$575,000	\$517,500	\$28,750	\$28,750	\$0
I	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
J	Extend TW E (North) & Construct Perimeter Road (Ph 1)	FAA	\$7,375,000	\$6,637,500	\$368,750	\$368,750	\$0
K	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
L	Relocate TW B & Construct Perimeter Road (Ph 2)	FAA	\$9,610,000	\$8,649,000	\$480,500	\$480,500	\$0
M	Airport Master Plan	FAA	\$508,000	\$457,200	\$25,400	\$25,400	\$0
N	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
<b>Phase II Program Totals</b>			<b>\$21,068,000</b>	<b>\$16,261,200</b>	<b>\$903,400</b>	<b>\$903,400</b>	<b>\$3,000,000</b>

Source: Airport Solutions Group; Jviation

\* The cost estimate is based on 2021 dollars and incorporates a 3.0 percent annual cost escalation from 2021.

**Table 7-3 - Capital Improvement Program Phase III (2031-2040)**

CIP ID	Project	Primary Funding Source	Estimated Capital Costs*	Funding Sources			
				Federal	State	Local	Other/ Private
O	Preliminary Design/EA/ENF/Permitting for TW E Extension & Reconstruct RW 9-27	FAA	\$520,000	\$468,000	\$26,000	\$26,000	\$0
P	Extend TW E - South	FAA	\$4,655,000	\$4,189,500	\$232,750	\$232,750	\$0
Q	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
R	Reconstruct RW 9-27	FAA	\$11,120,000	\$10,008,000	\$556,000	\$556,000	\$0
S	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
T	Preliminary Design/EA/ENF/Permitting for TW D Relocation & Construct TW J	FAA	\$740,000	\$450,000	\$37,000	\$253,000	\$0
U	Relocate TW D	FAA	\$6,191,000	\$5,571,900	\$309,550	\$309,550	\$0
V	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
W	Construct TW J	FAA	\$5,495,000	\$4,945,500	\$274,750	\$274,750	\$0
X	Construct Hangar Building(s)/Apron	Other	\$1,000,000	\$0	\$0	\$0	\$1,000,000
<b>Phase III Program Totals</b>			<b>\$32,721,000</b>	<b>\$25,632,900</b>	<b>\$1,436,050</b>	<b>\$1,652,050</b>	<b>\$4,000,000</b>

Source: Airport Solutions Group; Jviation

\* The cost estimate is based on 2021 dollars and incorporates a 3.0 percent annual cost escalation from 2021.

Note that the phasing of projects is established based on a combination of immediate needs (e.g., timing of required pavement reconstruction, meeting market demands, etc.), compliance with current airport safety design standards, advancing airport goals, and funding availability. Projects shown in Phase I include those that are a higher priority to the airport’s immediate needs, are timelier in nature, and/or are related to meeting FAA design standards. Projects included in Phase II and Phase III tend to have more flexibility in terms of their timing and some could be adjusted based on factors such as funding availability, conditions of pavements, market demands at that future time, etc.

The federal funding share for eligible AIP projects at BVY is typically 90 percent with the Commonwealth of Massachusetts providing a 5 percent matching share, which leaves the local share also at 5 percent. Based on the CIP presented above, approximately \$57 million in federal funds will be required to complete all the projects listed above over the 20-year planning period. Federal funding assistance for projects within each phase will exceed the \$150,000 million annual entitlements given to BVY and will require the use of combined entitlements as well as discretionary funds through the project eligibility and ranking methods. Additionally, state funding requirements for this CIP will total approximately \$3.7 million over the 20 years, and local funding requirements will exceed \$3.5 million. Finally, local private investment in the form of hangars, aprons, etc. over the planning is anticipated to exceed \$9 million.



### 7.2.3 Airport Operating Revenues and Expenses

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

- Aircraft Fuel Sales
- Ground/Land Leases
- Tiedown/Ramp Fees
- Landing Fees

The amount of land leased, the lease rates charged, and levels of aviation activity that generate fuel sales, landing fees, aircraft parking, and other user fees are the primary factors affecting operating revenues at the Airport. Specifically, airport land leases account for over 60 percent of the airport's operating revenues, followed by landing and other user fees that typically comprise approximately 25 percent. It should be noted that since BVY does not sell aircraft fuel, it receives a fuel flowage fee based on the amount of fuel sold by the airport Fixed Base Operator; this accounts for approximately 13 percent of the airport's operating revenues.

As additional airport development occurs, the number of based aircraft and itinerant aircraft operations should reasonably be expected to increase, resulting in a commensurate increase in airport operating revenues. (Note that revenues associated with fuel sales, aircraft tiedowns and landing fees are directly influenced by traffic levels). Additionally, as new leases are enacted and existing leases are updated to reflect prevailing rates and terms, the Airport's most stable source of revenue will continue to increase over the long term.

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

- Personnel Services
- Repairs and Maintenance
- Utilities
- Materials and Supplies
- Charges and Services (Operations)
- Charges and Services (City of Beverly)

At BVY, personnel services account for the largest percentage of expenses incurred on an annual basis (typically over 50 percent). This is followed by services and charges affiliated with airport operations and various services provided by the City of Beverly.



The historical operating revenues and expenses for BVY between 2018 and 2020 are presented below in **Table 7-4**.

**Table 7-4 - Airport Operating Revenues and Expenses (Historical)**

	FY2018 (actual)	FY2019 (actual)	FY2020 (actual*)
<b>Airport Operating Revenues</b>			
Operating Revenues (Aviation Fuel/Oil)	\$75,854	\$71,797	\$70,060
Operating Revenues (Land Leases)	\$306,401	\$322,387	\$327,124
Operating Revenues (Tiedown/Landing/User)	\$110,716	\$130,615	\$135,084
Operating Revenues (Misc.)	\$1,825	\$12,218	\$1,000
Airport Non-Operating Revenues	\$569,077*	\$0	\$0
City of Beverly Contribution	\$0	\$0	\$0
<b>Total Operating Revenues:</b>	<b>\$1,063,873</b>	<b>\$537,017</b>	<b>\$533,268</b>
<b>Airport Operating Expenses</b>			
Personnel Services	\$213,012	\$224,101	\$239,855
Repairs & Maintenance	\$32,839	\$42,785	\$32,213
Utilities	\$42,562	\$42,703	\$40,203
Materials & Supplies	\$15,695	\$16,230	\$15,367
Charges & Services (Operating)	\$33,060	\$121,121	\$67,931
Charges & Services (City of Beverly)	\$50,000	\$50,000	\$69,095
Charges & Services (Bond/Misc.)	\$0	\$0	\$0
<b>Total Operating Expenses:</b>	<b>\$387,167</b>	<b>\$496,940</b>	<b>\$464,663</b>
<b>NET OPERATING INCOME:</b>	<b>\$676,706</b>	<b>\$40,077</b>	<b>\$68,605</b>

Source: Beverly Regional Airport

\* One-time income that resulted from sale of parcel on airport lands.

### 7.2.4 Airport Rates and Charges

Since the Airport accepts AIP grants and therefore must abide by FAA grant assurances, it is important that the Airport continue to consider the following with respect to the future establishment of lease rates and other income-generating fees:

- FAA grant assurance number 22, Economic Nondiscrimination, states: “It (i.e. the airport sponsor) will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.”
- Another FAA grant assurance states that the sponsor will charge, “reasonable and not unjustly discriminatory prices,” and will also ensure that airport tenants who enter into an agreement with the sponsor will: “furnish said services on a reasonable, and not unjustly discriminatory, basis to all users.”
- An FAA grant assurance states: “Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are



uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.”

- FAA strongly encourages airport sponsors to set rates and charges that will make an airport financially self-sustaining as possible given the circumstances at that airport.
- The airport sponsor will not use/include any FAA grants in establishing fees, rates, and charges for users of that airport.
- The airport sponsor will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. However, the airport sponsor may choose to provide any commercial aeronautical service on an exclusive basis.
- The FAA considers any lease with a term of greater than 20 years to be long-term, and a lease with a term of 50 years or greater to be in violation of FAA policy (source FAA Order 5160.9B, Airport Compliance Manual). FAA considers 50-year lease terms as equivalent to the sale of airport property, which FAA allows only under very specific circumstances, and considers 50-year lease terms as infringing on the powers of the sponsor. The FAA recommends that lease terms extend no longer than the end of the amortization period and/or useful life of the facility.

FAA requires airport sponsors to charge fair market value (FMV) for leases with non-aeronautical tenants. FAA allows the airport sponsor to determine fair market value, which may be calculated using several different techniques, including appraisals, comparable assessments, and compensatory or cost recovery systems.

When setting new or adjusting existing rates and charges, airports and their tenants are bound not just by FAA policies, but also by market forces. Airports and FBOs operate in a very competitive environment, and aviation users are price sensitive. As a result, while airport sponsors and the FAA may set a priority on achieving financial self-sufficiency, setting rates and charges on aeronautical users to achieve that goal may adversely impact the level of activity at the airport if competing airports and FBOs have lower rates and charges.

FAA does not maintain a database of rates and charges set by airports. Some state aeronautics agencies have undertaken statewide surveys of airport rates and charges, including Wyoming, Montana, Florida, Wisconsin, and Massachusetts, and individual airports also conduct surveys of adjacent airports and FBOs. However, most rates and charges surveys are typically not updated regularly. The rates and charges surveys reveal that there is little consistency between airports:

- Within each state, airport rates and charges can vary widely. Charges for landing, tie-down and fuel flowage fees, land and building leases, etc., range from none to many dollars per item.
- Some airports impose a wide variety of fees, while others charge relatively few fees.
- Some airports update their rates and charges regularly, while other airports rarely change their rates and charges.
- Additionally, most surveys do not include the actual amount of revenue generated by each fee within a given fiscal year, what percent of total

revenue is generated by each fee, or whether each airport is financially self-sufficient based on their rates and charges.

Several factors affect what rates and charges an airport can impose:

- The lease agreements in place affect an airport’s ability to impose new fees and/or change existing fees. While the FAA provides guidance on leases between airports and tenants, the FAA does not review and comment on leases unless specifically requested to do so.
- Ownership of buildings and improvements; some airports own all or most of the buildings, while others have relied on private investment to construct and operate buildings and other improvements on the airport. Leases also have a bearing on this issue; some airport leases have reversion clauses whereby all improvements constructed by a third party revert to airport ownership at the end of the lease term, while other airports do not have reversion clauses in their leases.
- The amount of property available for both aeronautical and non-aeronautical development can affect revenue generation potential. For example, some airports that have large amounts of surplus property that generate significant revenue each year can maintain relatively low airfield rates and charges, which enhances their competitive standing among area airports.
- The ability of an airport and/or its FBO to collect and track fees. Some airports choose not to impose landing or tie-down fees because they do not have the staff or resources to collect the fees. Also, the cost of collecting the fees may exceed the revenue generated.
- The level of competition from area airports and FBOs.
- The demand for aviation facilities and services within a given market area, including short and long-term trends in specific aviation sectors such as airline service, general aviation activity, and military activity.

Given those variables, caution must be used when considering other airport rates and charges as guidance. Because the economy is constantly changing, it is important for BVY to be vigilant in ensuring that its rates and charges are appropriate for area market conditions.

**Table 7-5 - Airport Rates and Charges (2021)**

Categories	Fee
<b>Landing Fees</b>	
Single Engine less than 6,700 lb.	No Charge
Twin Engine less than 6,700 lbs.	\$20.00
Helicopters	\$20.00
Aircraft over 6,700 lbs. to 30,000 lbs.	\$3.00/1,000 lbs. MTOW
Aircraft over 30,000 lbs.	\$4.00/1,000 lbs. MTOW
<b>Ramp (Transient) Parking Fees</b> (Over 1 Hour or Overnight – East Side of Airport)	
0-5,000 lbs. Single Engine	\$10.00



0-5,000 lbs. Twin Engine	\$15.00
<b>Tiedown Fees</b> (Yearly tiedown lease term = July 1st – June 30th of each year)	
Yearly Tiedown Lease paid before August 1st of each year	\$960.00
Yearly Tiedown Lease paid after August 1st of each year	Prorated @ \$80/month plus \$50 annual processing fee
Month-to-Month	\$100.00
<b>Land Lease Fee</b>	
Per square foot per year	\$0.60
<b>Fuel Flowage Fee</b>	
Per gallon	\$0.10

Source: Beverly Regional Airport

### 7.2.5 Airport Revenue Enhancement Considerations

As noted above, airports have a variety of revenue sources that provide multiple opportunities for revenue enhancement. Revenue generally falls into one of two categories:

- Aeronautical: tie-down, fuel flowage fees, aviation-related land leases, hangar and terminal rental, additional services, etc.
- Non-Aeronautical: non-aviation land leases, advertising, oil/mineral production, vehicle parking, etc.

When examining revenue enhancement opportunities, airports should ask themselves the following questions:

- How will a change in rates and charges negatively impact traffic? Most aviation users are price-sensitive and have alternative airports and/or FBOs they could use.
- Are new fees easy to collect and manage, and/or does the airport have the staff and resources to collect the fees? Many airports, for example, find that consistently collecting landing and tie-down fees are difficult and expensive. Airports often have FBOs collect the fees, only a fraction of which are returned to the Airport. Airports that have instituted a percentage of gross fee revenue, for example, find that auditing tenants to confirm annual income levels is time-consuming and expensive.
- Are new fees or increased rates and charges non-discriminatory? FAA grant assurances specifically require that airport rates and charges be “reasonable and not discriminatory.”

### 7.2.6 Projected Operating Revenues and Expenses

The continued growth of BVY in terms of activity, tenants, new leases, and facility development will impact the Airport’s operating revenues and expenses over the 20-year planning period. Projections developed in this evaluation depict future airport operating revenues and expenses based on recent financial results, budgeted revenues and expenses, forecasted increases in airport based and itinerant aircraft activities, as well as airport tenant population trends identified in previous chapters

of this Master Plan. Projections of future airport operating revenues and expenses at BVY for the periods 2021 through 2040 are presented below in **Table 7-6**.

Specifically, the estimates for future operating revenues were established through close consideration of historical trends, as well as proposed airport development initiatives and how they might impact those future revenues. In most instances, revenue projections resulted from normal, conservative growth factors refined to reflect the circumstances of the Airport. These revenues were projected to increase between 1.0 percent and 3.5 percent annually with an average at the standard 3.0 percent annual growth rate. The exception to these rates may be miscellaneous revenues that could be realized through the one-time sales of airport assets, such as easement rights or other assets. Additionally, since the Airport is projected to continue to lease lands for future hangar construction throughout the planning period, increased revenue growth associated with hangar and land leases was identified in selected years.

On the operating expenses side, increases in salaries and wages, as well as overall operational activities are based on accepted inflationary growth rates (ranging from 3.0 percent to 4.0 percent average annual growth) with the higher growth factors being applied to personnel and maintenance costs to reflect market volatility.

**Table 7-6 - Airport Operating Revenues and Expenses (Projected)**

	FY2020 (actual)	FY2021	FY2025	FY2030	FY2040
<b>Airport Operating Revenues</b>					
Operating Revenues (Aviation Fuel/Oil)	\$70,060	\$72,162	\$81,220	\$94,157	\$126,540
Operating Revenues (Land Leases)	\$327,124	\$330,395	\$688,727	\$802,035	\$1,116,381
Operating Revenues (Tiedown/Landing/User)	\$135,084	\$139,812	\$160,437	\$190,549	\$268,787
Operating Revenues (Misc.)	\$1,000	\$1,030	\$1,160	\$1,345	\$1,808
Airport Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0
City of Beverly Contribution	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Revenues:</b>	<b>\$533,268</b>	<b>\$543,399</b>	<b>\$931,544</b>	<b>\$1,088,086</b>	<b>\$1,513,516</b>
<b>Airport Operating Expenses</b>					
Personnel Services	\$239,855	\$249,449	\$367,532	\$522,870	\$859,140
Repairs & Maintenance	\$32,213	\$33,502	\$39,192	\$47,683	\$70,582
Utilities	\$40,203	\$41,409	\$46,606	\$54,029	\$72,610
Materials & Supplies	\$15,367	\$15,905	\$18,251	\$21,676	\$30,577
Charges & Services (Operating)	\$67,931	\$69,969	\$78,751	\$91,294	\$122,692
Charges & Services (City of Beverly)	\$69,095	\$50,000	\$50,000	\$50,000	\$50,000
Charges & Services (Bond/Misc.)	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses:</b>	<b>\$464,663</b>	<b>\$460,234</b>	<b>\$600,332</b>	<b>\$787,552</b>	<b>\$1,205,601</b>
<b>NET OPERATING INCOME:</b>	<b>\$68,605</b>	<b>\$83,165</b>	<b>\$331,212</b>	<b>\$300,534</b>	<b>\$307,915</b>

Source: Jviation



### 7.3 Financial Plan Summary

BVY's primary goal is to continue to improve itself to better fulfill its stated roles within the regional, state, and national airport systems, while simultaneously maintaining itself as a self-sustaining economic generator for the local community. This Airport Master Plan can best be described as the road map to helping the Airport achieve these goals. Realizing these goals requires the successful implementation of airport development projects through sound and measured decisions made by the Airport. Two of the most important factors influencing the decision to move forward with a specific improvement are airport activity levels (i.e., demand) and funding availability. Both factors must be considered in the implementation of the CIP, because while airport activity levels provide the "what" and the "why" in implementing future airport improvements, the timing of funding provides the "how." The "what" and the "why" have been discussed in detail in previous chapters.

This chapter has addressed the "how" by providing an overview of the practical financial realities required to implement this overall airport development program. While efforts have been made in this chapter to conservatively estimate when facility development may be required, aviation demand and the availability of financial resources for capital projects will ultimately dictate when facility improvements need to be implemented, accelerated or delayed.

The financial plan presented in this chapter and summarized in **Table 7-7**, **Table 7-8**, and **Table 7-9** includes projection totals for operating revenues, operating expenses, capital expenditures, capital funding, and cash flow that result from the projections presented above. Based on the assumptions identified within the previous sections, and subject to the availability of FAA and MassDOT funding (note that identification of a potential funding source does not guarantee its availability), and the identification of Unidentified Funding for Capital Expenditures described in the analysis, implementation of BVY's Master Plan CIP is financially feasible.

The most significant uncertainty for implementing this CIP is the realization of additional land lease revenues associated with nonaeronautical-related development for which the Airport has recently issued requests for development proposals. Based on preliminary feedback, it is understood that the Airport could generate more than \$300,000 annually in addition revenue through by issuing long-term leases for these parcels. Assuming these additional revenues are realized, the Airport's projected financial plan should be self-sustaining.

Key assumptions supporting the financial plan relate to the availability and timeliness of the funding sources. Continuation of the AIP entitlement program at authorized funding levels is essential. Additionally, securing federal funding of approximately \$15,219,680 during Phase I, \$16,261,200 during Phase II, and \$25,632,900 during Phase III is critical to the financial feasibility of implementing these projects. Without these levels of funding, these projects are not feasible and would need to be delayed or cancelled unless another source of funds could be acquired.

Finally, it must be recognized that planning is a continuous process that does not end with the completion of the Master Plan - the fundamental issues and considerations that have driven this planning effort will remain valid for many years. Therefore, the ability to continuously monitor actual revenues and expenses, as well as aviation



activity levels, will be key to maintaining a sound financial position. Actual future financial outcomes will be determined by a variety of factors, many of which are difficult to identify at this time, such as future FAA and MassDOT funding formulas, project costs and inflationary pressures, as well as potential revenues associated with currently unforeseen sources.



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Table 7-7 - Actual, Budgeted, And Projected Operating Revenues

Revenues	Historical Data (2016-2020)					Phase I (2021-2025)					Phase II Projected 2026-2030	Phase III Projected 2031-2040	
	Actual					Projected							
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			Total
<b>Airport Annual Revenues</b>													
<b>Airport Operating Revenues</b>													
Operating Revenues (Aviation Fuel/Oil)	\$24,331	\$33,153	\$75,854	\$71,797	\$70,060	\$72,162	\$74,327	\$76,557	\$78,854	\$81,220	\$383,120	\$444,148	\$1,111,791
Annual Growth Rate	25.1%	36.3%	128.8%	-5.3%	-2.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Revenues (Land Leases)	\$291,969	\$300,204	\$306,401	\$322,387	\$327,124	\$330,395	\$333,699	\$507,036	\$662,106	\$688,727	\$2,521,963	\$3,778,681	\$9,688,205
Annual Growth Rate	-1.4%	2.8%	2.1%	5.2%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	16.1%	3.1%	3.4%
Operating Revenues (Tiedown/Landing/User)	\$58,798	\$65,188	\$110,716	\$130,615	\$135,084	\$139,812	\$144,705	\$149,770	\$155,012	\$160,437	\$749,736	\$890,449	\$2,313,640
Annual Growth Rate	1.0%	10.9%	69.8%	18.0%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Operating Revenues (Misc)	\$1,760	\$1,475	\$1,825	\$12,218	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,160	\$5,470	\$6,345	\$15,882
Annual Growth Rate	-97.2%	-16.2%	23.7%	569.5%	-91.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<i>Total Airport Operating Revenues</i>	\$376,858	\$400,020	\$494,796	\$537,017	\$533,268	\$543,399	\$553,792	\$734,456	\$897,098	\$931,544	\$3,660,289	\$5,119,623	\$13,129,518
<i>Annual Growth Rate</i>	-13.6%	6.1%	23.7%	8.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%
<b>Airport Non-Operating Revenues</b>													
<i>Total Non-Airport Operating Revenues</i>	\$0	\$0	\$569,077	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Annual Growth Rate</i>	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Non-Airport Contributions</b>													
City of Beverly Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Total Non-Airport Contributions</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Annual Growth Rate</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Airport Annual Revenues</b>	\$376,858	\$400,020	\$1,063,873	\$537,017	\$533,268	\$543,399	\$553,792	\$734,456	\$897,098	\$931,544	\$3,660,289	\$5,119,623	\$13,129,518
<i>Annual Growth Rate</i>	-13.6%	6.1%	166.0%	-49.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%

Source: City of Beverly, Jviation



**Table 7-8 - Actual, Budgeted, and Projected Operations and Maintenance Expenses**

Revenues	Historical Data (2016-2020)					Phase I (2021-2025)					Phase II Projected 2026-2030	Phase III Projected 2031-2040	
	Actual					Projected							
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			Total
<b>Airport Annual Revenues</b>													
<b>Airport Operating Revenues</b>													
Operating Revenues (Aviation Fuel/Oil)	\$24,331	\$33,153	\$75,854	\$71,797	\$70,060	\$72,162	\$74,327	\$76,557	\$78,854	\$81,220	\$383,120	\$444,148	\$1,111,791
Annual Growth Rate	25.1%	36.3%	128.8%	-5.3%	-2.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Revenues (Land Leases)	\$291,969	\$300,204	\$306,401	\$322,387	\$327,124	\$330,395	\$333,699	\$507,036	\$662,106	\$688,727	\$2,521,963	\$3,778,681	\$9,688,205
Annual Growth Rate	-1.4%	2.8%	2.1%	5.2%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	16.1%	3.1%	3.4%
Operating Revenues (Tiedown/Landing/User)	\$58,798	\$65,188	\$110,716	\$130,615	\$135,084	\$139,812	\$144,705	\$149,770	\$155,012	\$160,437	\$749,736	\$890,449	\$2,313,640
Annual Growth Rate	1.0%	10.9%	69.8%	18.0%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Operating Revenues (Misc)	\$1,760	\$1,475	\$1,825	\$12,218	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,160	\$5,470	\$6,345	\$15,882
Annual Growth Rate	-97.2%	-16.2%	23.7%	569.5%	-91.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<i>Total Airport Operating Revenues</i>	\$376,858	\$400,020	\$494,796	\$537,017	\$533,268	\$543,399	\$553,792	\$734,456	\$897,098	\$931,544	\$3,660,289	\$5,119,623	\$13,129,518
<i>Annual Growth Rate</i>	-13.6%	6.1%	23.7%	8.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%
<b>Airport Non-Operating Revenues</b>													
<i>Total Non-Airport Operating Revenues</i>	\$0	\$0	\$569,077	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Annual Growth Rate</i>	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Non-Airport Contributions</b>													
City of Beverly Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Total Non-Airport Contributions</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Annual Growth Rate</i>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Airport Annual Revenues</b>	\$376,858	\$400,020	\$1,063,873	\$537,017	\$533,268	\$543,399	\$553,792	\$734,456	\$897,098	\$931,544	\$3,660,289	\$5,119,623	\$13,129,518
<i>Annual Growth Rate</i>	-13.6%	6.1%	166.0%	-49.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%

Source: City of Beverly, Aviation

**Table 7-9 - Budgeted and Projected Net Revenues, Capital Funding, and Capital Expenditures**

Revenues	Historical Data (2016-2020)					Phase I (2021-2025)					Phase II Projected 2026-2030	Phase III Projected 2031-2040	
	Actual					Projected							
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			Total
<b>Airport Annual Revenues</b>													
<b>Airport Operating Revenues</b>													
Operating Revenues (Aviation Fuel/Oil)	\$24,331	\$33,153	\$75,854	\$71,797	\$70,060	\$72,162	\$74,327	\$76,557	\$78,854	\$81,220	\$383,120	\$444,148	\$1,111,791
Annual Growth Rate	25.1%	36.3%	128.8%	-5.3%	-2.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Revenues (Land Leases)	\$291,969	\$300,204	\$306,401	\$322,387	\$327,124	\$330,395	\$333,699	\$507,036	\$662,106	\$688,727	\$2,521,963	\$3,778,681	\$9,688,205
Annual Growth Rate	-1.4%	2.8%	2.1%	5.2%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	16.1%	3.1%	3.4%
Operating Revenues (Tiedown/Landing/User)	\$58,798	\$65,188	\$110,716	\$130,615	\$135,084	\$139,812	\$144,705	\$149,770	\$155,012	\$160,437	\$749,736	\$890,449	\$2,313,640
Annual Growth Rate	1.0%	10.9%	69.8%	18.0%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Operating Revenues (Misc)	\$1,760	\$1,475	\$1,825	\$12,218	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,160	\$5,470	\$6,345	\$15,882
Annual Growth Rate	-97.2%	-16.2%	23.7%	569.5%	-91.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Total Airport Operating Revenues</b>	<b>\$376,858</b>	<b>\$400,020</b>	<b>\$494,796</b>	<b>\$537,017</b>	<b>\$533,268</b>	<b>\$543,399</b>	<b>\$553,792</b>	<b>\$734,456</b>	<b>\$897,098</b>	<b>\$931,544</b>	<b>\$3,660,289</b>	<b>\$5,119,623</b>	<b>\$13,129,518</b>
Annual Growth Rate	-13.6%	6.1%	23.7%	8.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%
<b>Airport Non-Operating Revenues</b>													
<b>Total Non-Airport Operating Revenues</b>	\$0	\$0	\$569,077	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Growth Rate	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Non-Airport Contributions</b>													
City of Beverly Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Non-Airport Contributions</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Airport Annual Revenues</b>	<b>\$376,858</b>	<b>\$400,020</b>	<b>\$1,063,873</b>	<b>\$537,017</b>	<b>\$533,268</b>	<b>\$543,399</b>	<b>\$553,792</b>	<b>\$734,456</b>	<b>\$897,098</b>	<b>\$931,544</b>	<b>\$3,660,289</b>	<b>\$5,119,623</b>	<b>\$13,129,518</b>
Annual Growth Rate	-13.6%	6.1%	166.0%	-49.5%	-0.7%	1.9%	1.9%	32.6%	22.1%	3.8%	11.8%	3.2%	3.4%

Source: City of Beverly, Aviation



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