

HOUSE BILL REPORT

HB 1018

As Passed Legislature

Title: An act relating to modifying the maximum amount for grants provided to airports and air navigation facilities.

Brief Description: Modifying the maximum amount for grants provided to airports and air navigation facilities.

Sponsors: Representatives Dent, Gregerson, Hargrove, Tarleton, Pike and Klippert.

Brief History:

Committee Activity:

Transportation: 1/12/17, 1/18/17 [DP].

Floor Activity:

Passed House: 2/1/17, 97-0.

Passed Senate: 4/7/17, 49-0.

Passed Legislature.

Brief Summary of Bill

- Increases the allowable grant amount, from \$250,000 to \$750,000, that the Department of Transportation may provide for general aviation projects through the Airport Aid Grant Program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 23 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Chapman, Gregerson, Hayes, Irwin, Kloba, Lovick, McBride, Morris, Ortiz-Self, Pellicciotti, Pike, Riccelli, Rodne, Shea, Stambaugh, Van Werven and Young.

Staff: Patricia Hasan (786-7292).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department of Transportation (WSDOT) is responsible for the general supervision over the Airport Aid Grant Program (Program), which provides financial assistance to public-use airports in Washington. Any city, county, airport authority, political subdivision, federally recognized Indian tribe, public corporation, or person(s) that owns and operates a public-use airport included in the Washington Aviation System Plan is considered an eligible airport sponsor within the Program and may apply for Program funds. The municipality, tribe, or person(s) may act jointly with other municipalities, tribes, or persons to plan or carry out the project. Airport sponsors applying for grants must own or have a long-term lease for the land upon which the project will be completed.

Under the Program, the WSDOT solicits grant applications and awards funds once per year. During odd-numbered years, the WSDOT solicits grant applications from airport sponsors between March and May and announces grant awards by July 15. In even-numbered years, the WSDOT solicits grant applications from airport sponsors between February and March and announces grant awards by May 15. Airport sponsors may submit a grant application at any time during the year (outside of the official solicitation period) for consideration in the next grant cycle.

The maximum grant amount the WSDOT can provide to an individual sponsor in a single Program grant is \$250,000. If municipalities, tribes, and/or person(s) are acting jointly on a project, all parties together are considered the individual sponsor. For projects in which the sponsor is seeking only state funds, the sponsor must contribute a minimum 5 percent match of the entire project cost. For projects in which a sponsor receives a federal grant from the federal Airport Improvement Program (AIP), sponsors must provide 10 percent of project costs. The WSDOT may support these projects by providing up to half of the sponsor's match requirement (up to 5 percent of the project funds), as long as the WSDOT's match does not exceed the \$250,000 maximum grant cap.

There are 137 public-use airports eligible to receive funding from the Program. Of these, 64 airports are also eligible to receive federal funding (through the AIP) based on meeting the following criteria: (a) publicly owned, or (b) privately owned but designated by the Federal Aviation Administration as a reliever, or (c) privately owned but having scheduled service and at least 2,500 annual enplanements. An airport must also be included in the National Plan of Integrated Airport Systems (NPIAS) published every two years to be eligible for a federal grant. The remaining 73 public-use airports in Washington are not included in the NPIAS and may receive only state grants. In the 2015-17 biennium, the Program awarded approximately \$3,832,585 in state funding for 96 projects at public-use airports. The final award total amount may change based on a few projects' actual bid amounts; bidding is scheduled for these projects in spring 2017.

In 2013 the WSDOT began an Airport Investment Study to evaluate short- and long-term airport preservation needs at Washington's public-use airports. Analysis of the study resulted in 10 core solutions detailed in the *Airport Investment Solution Handbook* produced in July 2015. These solutions include public private partnerships, realignment of current transportation revenue allocations, and developing a best management practices guidebook for airports. In addition to the core solutions, a number of recommendations were provided, including increasing the Program grant limit of \$250,000.

Summary of Bill:

The maximum amount the WSDOT can provide to an individual sponsor in a single Airport Aid Grant Program grant is increased from \$250,000 to \$750,000.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This will be a major help to Washington's general aviation airports. Many of these projects can't get done in one grant cycle. Also, it's more cost efficient to get things done all at once.

The WSDOT Airport Aid Grant Program has allowed local airports to leverage millions of federal dollars. Currently, the maximum amount that can be awarded in a single grant is \$250,000. The amount has not kept up with inflation over the last 35 years. As the prime sponsor indicated, increasing the limit will lead to more efficient project delivery at smaller airports. An increased limit will make a difference in capturing grants crucial to getting big projects done.

Regional airports have a funding shortfall for preservation needs. There are a couple of ways to approach this issue: one is to get more money; the other way is to lower costs. This bill lines up with the second approach. Several projects have been delayed because of the arbitrary \$250,000 cap. The heart of the concern is one of efficiency, and, if we have efficiency, there are cost savings. When the current cap was adopted 35 years ago, the state's general aviation airports did construction differently, and the approach now is more costly.

Increasing the threshold gives the state a more flexible tool to invest in high priority projects.

(Opposed) None.

Persons Testifying: Representative Dent, prime sponsor; Tristan Atkins, Washington State Department of Transportation; David Ketchum, Washington State Community Airport Association; Susie Tracy, Washington Airport Management Association; John Dobson, Washington Pilots Association; and Mike Ennis, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.