

Wyoming Valley Airport Proposed Improvements

Presented June 26, 2012

By

The WBW Airport Advisory Board & FBO



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Purpose of Proposal

Come to agreement on how to alleviate an ongoing shortage of TEE hangars and maintenance capacity within 1 year while improving airport income.

WBW Airport Overview

WBW Airport Overview

- Public use airport owned by Luzerne County
- Located in Forty Fort & Wyoming
- Approximately 110 acres of land
- Main runway 3375' long X 75' wide
- Turf runway 2191' long X 100' wide
- 15,000 sq.. main hangar
- FBO office
- 28 TEE hangars
- 20 aircraft tie down positions
- 56 based aircraft



WBW Airport Overview

Operated under lease by Valley Aviation - Fixed Base Operator (FBO)

- Fuel sales
 - Aircraft tie down rental
 - Aircraft TEE hangar rental
 - Main hangar rental
 - Aircraft rental
 - Flight Instruction
 - Ground instruction
 - Aircraft maintenance
 - Pilot supplies
 - Snow removal
 - Waste removal
 - Grass cutting
 - Wildlife control
 - Utilities
 - FBO Liability, hangar keepers, WC insurance
 - Facility maintenance
- 2 full time and 6 part time operations employees
 - 2 full time and 3 part time flight instructors
 - 1 part time FAA authorized aircraft inspector / mechanic
 - 50 flight students

WBW Airport Overview (cont.)

A detailed analysis of the WBW airport is included in the report “The Economic Impact of Aviation in Pennsylvania Study” prepared for PENNDOT Bureau of Aviation by Wilbur Smith Associates, Inc. and submitted October 2011.

Based on the report findings WBW has an overall favorable \$3.4 mil. impact on the economy.

Sufficient justification exists to preserve and grow the airport operation.

Background of Facility
Improvements Proposed in this
Presentation

Background of Proposed Improvements

WBW is a public use airport where certain improvement projects are eligible for Federal and State funding.

There is a decade long shortage of TEE hangars and maintenance capacity

- WBW is listed in the FAA National Plan of Integrated Airport Systems (NPIAS).
- Due to NPIAS listing WBW is eligible for Federal Airport Improvement Project (AIP) funding.
- Project funding is 90% Federal (FAA), 5% PA Bureau of Aviation (BOA) and 5% Luzerne County.

Background of Proposed Improvements (cont.)

- WBW projects follow a master plan agreed to by the FAA, BOA and Luzerne County.
- Luzerne County is the official “Airport Sponsor” under the Federal AIP program.
- Due to size of WBW the FAA has transferred their authority to the state BOA regarding AIP program management.
- WBW is currently a viable, self sustaining airport that needs to grow income and jobs to maintain that status.
- Existing airport infrastructure is not adequate to support growth.

Background of Proposed Improvements (cont.)

- Current understanding is that the WBW master plan projects are behind schedule due to Luzerne County fiscal situation and / or lack of other resources.
- The 2 most urgent projects, TEE hangars and an aircraft maintenance facility are not eligible for 95% federal and state government funding.

A dedicated group of airport users, the Advisory Board and FBO have come together to find an alternative solution to the funding and resource dilemma.

WILKES-BARRE/WYOMING VALLEY AIRPORT - All Projects

State Fiscal Years for 2008 to 2022

State Fiscal Year	Federal Fiscal Year	Project Description	Status	Requested Federal Share	Requested State Share	Requested Other/Local Share	Total Project Amount	Capital Budget Amount
2008	2009	Snow removal equipment	G	\$103,075	\$2,712	\$2,712	\$108,499	\$0
Summary for 2008 (1 projects)				\$103,075	\$2,712	\$2,712	\$108,499	\$0
2009	2010	Construct Parallel Taxiway "B", Phase II Construction, Grading Drainage	TAC	\$287,451	\$7,564	\$7,565	\$302,580	\$0
2009	2010	Install GVGI, RW7/25, design build	TAS	\$85,500	\$2,250	\$2,250	\$90,000	\$0
Summary for 2009 (2 projects)				\$372,951	\$9,814	\$9,815	\$392,580	\$0
2010	2011	Construct Apron, Ph IIA, Construction		\$422,940	\$11,130	\$11,130	\$445,200	\$0
2010	2011	Construct Parallel TW B, 3300 x 40, Phase III, Construct Pavements		\$574,082	\$15,107	\$15,107	\$604,296	\$0
2010	2011	T-Hangars (30 Units) Design	Construct	\$0	\$150,000	\$600,000	\$1,200,000	\$450,000
2010	2011	Upgrade Airport Utilities		\$0	\$150,000	\$50,000	\$200,000	\$0
Summary for 2010 (4 projects)				\$997,022	\$326,237	\$676,237	\$2,449,496	\$450,000
2011	2012	ALP Update		\$142,500	\$3,750	\$3,750	\$150,000	\$0
2011	2012	Construct Taxilanes, Ph IIB, Construction		\$422,940	\$11,130	\$11,130	\$445,200	\$0
Summary for 2011 (2 projects)				\$565,440	\$14,880	\$14,880	\$595,200	\$0
2012	2013	Construct Apron 130,500 SF Ph IIC, Construction		\$422,940	\$11,130	\$11,130	\$445,200	\$0
2012	2014	Replace MIRL (1991) (6750 LF), Install MITL T/W A (2340 LF) and T/W B (6740 LF), Install TW Guidance Signs, Phase II, Construction		\$427,500	\$11,250	\$11,250	\$450,000	\$0
2012	2013	Replace MIRL, Install MITL T/W A and T/W B, Phase I: Design		\$95,000	\$2,500	\$2,500	\$100,000	\$0
2012	2013	Upgrade Airport Utilities, Ph I: Design		\$0	\$37,500	\$12,500	\$50,000	\$0
Summary for 2012 (4 projects)				\$945,440	\$62,380	\$37,380	\$1,045,200	\$0
2013	2014	Acquire Land (0.4 AC) Pizano, RW 25 (11 AC) Fein, Phase II	DR	\$36,385	\$957	\$958	\$38,300	\$0
2013	2014	Construct SRE Building, Ph I, Design		\$14,250	\$375	\$375	\$15,000	\$0
2013	2014	Construct Terminal Bldg, Ph I, Design		\$0	\$0	\$48,000	\$48,000	\$0
2013	2014	Rehab RW 7-25		\$266,000	\$7,000	\$7,000	\$280,000	\$0
Summary for 2013 (4 projects)				\$316,635	\$8,332	\$56,333	\$381,300	\$0
2014	2015	Construct Apron 130,500 SF Ph IID, Construction		\$1,216,570	\$32,015	\$32,015	\$1,280,600	\$0
Summary for 2014 (1 projects)				\$1,216,570	\$32,015	\$32,015	\$1,280,600	\$0
2015	2016	Construct SRE Building, Ph II, Construction		\$142,500	\$3,750	\$3,750	\$150,000	\$0
Summary for 2015 (1 projects)				\$142,500	\$3,750	\$3,750	\$150,000	\$0
2016	2017	Construct Terminal Bldg, Ph II, Construction		\$0	\$0	\$475,000	\$475,000	\$0
Summary for 2016 (1 projects)				\$0	\$0	\$475,000	\$475,000	\$0
2017	2018	Construct Airport Access Road		\$72,000	\$4,000	\$4,000	\$80,000	\$0

WILKES-BARRE/WYOMING VALLEY AIRPORT - All Projects
State Fiscal Years for 2008 to 2022

State Fiscal Year	Federal Fiscal Year	Project Description	Status	Requested Federal Share	Requested State Share	Requested Other/Local Share	Total Project Amount	Capital Budget Amount
2017	2018	Construct Airport Parking Lot		\$0	\$0	\$96,000	\$96,000	\$0
Summary for 2017 (2 projects)				\$72,000	\$4,000	\$100,000	\$176,000	\$0
2018	2019	Construct 60,000 SF T-hangars		\$0	\$440,500	\$440,500	\$881,000	\$0
Summary for 2018 (1 projects)				\$0	\$440,500	\$440,500	\$881,000	\$0
2019	2020	Demolish Existing T-Hangars		\$0	\$0	\$25,000	\$25,000	\$0
2019	2020	Install NDB		\$0	\$0	\$44,000	\$44,000	\$0
Summary for 2019 (2 projects)				\$0	\$0	\$69,000	\$69,000	\$0
Summary for WILKES-BARRE/WYOMING VALLEY AIRPORT (25 projects)				\$4,731,633	\$904,620	\$1,917,622	\$8,003,875	\$450,000

WBW SWOT ANALYSIS

WBW SWOT Analysis

Strengths

- Wholly owned by Luzerne County
- In NPIAS program with some master plan progress
- Multi faceted FBO capability
- Reasonable FBO price structure for users
- Decent physical condition
- Favorable \$3.4 mil. Impact to economy (Wilbur Smith report)
- Space for growth
- Strong private interest to ensure ongoing success of WBW
- Strong support of WBW by the PA Bureau of Aviation
- Good location

WBW SWOT Analysis

Weaknesses

- FBO success partly due to unpaid family labor
- Large capital investment in unique aircraft by FBO to generate interest in aviation
- Business volume is fixed by the available infrastructure
 - Part time aircraft maintenance due to hangar space*
 - Shortage of aircraft TEE hangars*
- Will lose available Federal and State funding if not aggressively pursued
- Ability of Luzerne County to fund infrastructure projects at WBW
- WBW appears to be a low priority within Luzerne County due to available resources

WBW SWOT Analysis

Opportunities

- Immediate demand for increased maintenance capability
- Immediate demand for TEE hangars
- Potential funding from the State and Federal governments.
- Growth in basic and advanced flight and ground training
- Recognized regional leader in specialized flight training
- Area leader in generating aviation interest and careers
- Increase the number of jobs and business income through improved infrastructure
- Strong BOA, FBO and user support

WBW SWOT Analysis (cont.)

Threats

- Lack of user support if FBO prices increase substantially
- Lack of support by FBO due to low profitability (no growth)
- Lack of support or capability on the part of Luzerne county to make needed infrastructure improvements
- Lack of use by aircraft owners due to runway or taxiway conditions.
- Lost income due to restricted flight school and / or maintenance capability
- Airports in other PA counties or States are moving faster than WBW to lure users to their facilities

What we Hope to Accomplish

Objective of Proposed improvements

- Develop an airport infrastructure that will enable new business growth.
- Ensure ongoing benefits to Luzerne County and the general public.
- Provide a short term solution for the shortage of TEE hangars and the lack of a maintenance facility.

The proposed projects are covered under the “Airport Master Plan”. However, based on Luzerne County’s fiscal situation it is doubtful that these projects will come to fruition in a reasonable time frame. Individuals have been waiting over 10 years for a hangar.

To accelerate the completion of these projects an alternate finance and operational model is being proposed.

Key Points to be Addressed

Revise the Master Plan

The Airport Advisory Board, FBO and users would like to focus on modifying and accelerating 2 projects

- Construct 10 new TEE hangars with an option for 20 more.
- Construct 1 new 8000 sq. ft. maintenance hangar.

Completion of these projects would satisfy the immediate demand while increasing income to the County and FBO

Define How TEE Hangars Will be Funded

Construction of 10 TEE hangars

- Metal building including arch. & erection
- Site work
- Floors
- Apron and new taxiway to existing taxiway
- Utilities

Est. Cost

\$132,000

20,000

15,000

120,000

20,000

\$307,000

Project is not eligible for AIP funding

except for point 4 – County, state, federal funding

Location would be approximately the same as proposed in the Master Plan. However, consideration needs to be given to location redesign to minimize Apron and new taxiway cost where 5% must be funded by the county (or others?)

Define How Maintenance Facility will be Funded

Construction of 8000 sq. ft.

Maintenance Facility

- Metal Building including arch. & erection
- Site work
- Foundation and floor
- Utilities

Project is not eligible for AIP funding.

Est. Cost

\$145,000

20,000

35,000

25,000

\$225,000

This cost estimate assumes that the location on the master plan can be modified to take advantage of existing apron area.

Define How Projects are Best Located to Keep Cost Down

Location of Projects on Airport

- Keeping the TEE hangar location as proposed on the master plan results in an unaddressed \$120,000 taxiway cost. This may be 95% offset by federal and state funds.
- The maintenance hangar would need to be relocated from the location shown on the master plan to the West corner of the fenced airport perimeter. This is adjacent to the entrance to the soccer fields.

Relocation of the TEE hangars and Maintenance hangar compared to as shown on the master plan is essential to save cost and make this proposal viable.

Storm Water Mitigation Is A Critical First Step

- Storm water mitigation for new construction is included in the master plan
- Mitigation must be complete before any construction of buildings or paved surfaces takes place
- Cost of mitigation is to be managed by the County, State and Federal government
- Mitigation cost is expected to be approx. \$300k

An alternative to the proposed storm water mitigation plan or a source of funding is needed for the proposed project to be viable short term (1 yr.)

Proposed Solution for Hangar Funding

Proposed Funding Method

It is assumed that the required \$532,000 hangar and taxiway construction funding will be the challenge and that project locations on the master plan are flexible. \$120,000 Hangar taxiway is included in the \$532,000 but not in the private funding proposal below. Funding for storm water mitigation is not included in this proposal.

Concept for Funding Project

1. County (lessor) and FBO (airport lessee) agree to modify the existing lease by dividing into 3 parts.
2. One lease will cover the airport and facilities that exist right now under an operation lease with the county. The second lease will be a land lease for the 10 new TEE hangars. The third lease will be a land lease for the new maintenance hangar.

Proposed Funding Method

Concept for Funding Project (cont.)

3. The second and third lease will run for a period of 30 years (with options after that) at an annual rate to be negotiated.
4. Rate and term of the current lease to the FBO will remain the same. Lease income from the second and third leases is in addition to the first (primary) lease.
5. Due to risk of having time to recover investments consideration must be given to extended the operating lease with the current FBO / investors.

Proposed Funding Method

Concept for Funding Project (cont.)

6. FBO / Private investors take full responsibility to secure design and construction of the maintenance and TEE hangars
7. County engineering has the right to review and approve all design and construction documents but must respond within an agreed to time frame. Any county demands must be realistic and within established building codes and regulations.

Summary of Estimated Costs

• Tee Hangars	\$187,000 private funding
• Tee Hangar Taxi Way	\$120,000 public funding
• Maintenance Hangar	\$225,000 private funding
• Storm Water Mitigation	\$300,000 public funding
Total	\$832,000

Distribution of Costs

- \$412,000 Private Funding
- \$21,000 Luzerne County (5% of public funding)
- \$399,000 State and Federal Government

Project Benefits

Project Benefits

- Creates \$532,000 of income producing infrastructure that eventually becomes Luzerne County property
- Very low cost to Luzerne County
- Provides addition income to Luzerne County with no risk
- Provides additional income to FBO
- Provides for a full time aircraft maintenance operation and jobs for aircraft technicians
- Solves TEE hangar shortage. Provides a starting infrastructure and finance model to construct additional TEE hangars as needed by private users or investors.
- Creates construction jobs in area
- Provides a more robust overall airport operation to ensure future profitability.

Actions and Timing

Required Actions

1. Approval of proposal by Luzerne county.
2. Agreement of Luzerne County to expedite a solution for storm water mitigation funding and completion.
3. Agreement of Luzerne County to provide funding for Tee hangar taxi way and apron funding.

Draft Implementation Plan and Timing

(months from start date independent of storm water mitigation)

- Approval of project by Luzerne County
- 5 mo. Negotiation for second and third leases complete. Sign letter of intent.
- 8 mo. Secure architect, prepare construction documents and apply for permits.
- 9 mo. Approval of construction documents by Luzerne County
- 10 mo. Release of construction documents for bid

Draft Implementation Plan and Timing (cont.)

- 10 mo. Sign lease once construction costs are understood and still within investment expectations.
- 11 mo. Start construction
- 15 mo. End of construction (weather dependent)

Thank you for your consideration and support!!!!