



AVIATION & TRANSIT DEPARTMENT

BILLINGS LOGAN INTERNATIONAL AIRPORT



BUSINESS PLAN 2009

EXECUTIVE SUMMARY

Billings Logan International Airport is one of two transportation operations within the City of Billings Aviation and Transit Department. Located two miles northwest of downtown, Billings Logan Airport provides the air transportation needs for the Billings area, eastern Montana, and Northern Wyoming.



Designated as a small hub airport, Delta, SkyWest, United, Horizon, Allegiant, Frontier, and Great Lakes Airlines combined provide approximately 30 commercial flights per day, and provided transportation to over 873,000 passengers into and out of Billings during 2008. Several cargo and mail carriers, including United Parcel Service and Federal Express, also serve the Billings market. Two Fixed Base Operators (FBOs), Edwards Jet Center and Corporate Jet, provide air charter, aircraft maintenance and fueling services; Aerotronics offers radio/navigational sales and service, and Aero Interiors provides aircraft interior refurbishing. Numerous other companies and agencies operate from Logan Field, including multiple car rental agencies, smaller charter and airfreight companies, corporate and private hangars, an interagency fire fighting cache and air tanker base, and multiple government agencies.¹

During calendar year 2007, the Airport set a commercial passenger enplanement record with over 883,301 people boarding and deplaning commercial flights. Unfortunately, during 2008, the rapid rise in oil prices and the economic recession negatively affected commercial passenger and general aviation flight activity.² This trend was not unique to Billings, as airports and communities of all sizes have faced similar passenger and operational declines. This Business Plan will examine the Airport's current operational and financial condition, and explore the facility and capital needs that will be necessary to ensure the City's Airport operation can meet the air service needs of our growing City while maintaining the enterprise nature of the operation.

¹ APPENDIX 1 – Airport Tenant List

² APPENDIX 2 – Total Commercial Passengers and Aircraft Operations

AIRLINE INDUSTRY AND AIR SERVICE



The last eight years have been difficult ones for the commercial airline industry. The first major decline in air travel occurred after the tragic events of September 2001. With weak passenger demand, the airlines were forced to reduce seat capacity and focused their attention on the high density, high performance

markets. Some airlines survived, while some did not. Four of the airlines that serve the Billings market have been in and out of Chapter 11 Bankruptcy and Billings based Big Sky Airlines ceased operations in March 2008. The more recent challenge for the airlines began in 2008 when oil prices reached record highs. As large users of fuel, the airlines' operating costs quickly outpaced their revenues. Demand also declined as many consumers, especially the discretionary traveler, began eliminating air travel from their personal budgets, as they also experienced the economic impact of higher fuel and fuel related expenses. By the Fall of 2008, an economic recession occurred causing even greater passenger declines, especially in the business sectors. The airlines were once again forced to further reduce capacity to try to better match passenger demand. Unfortunately, the outlook for 2010 is still uncertain. Air travel demand and the U.S. economy are so closely linked that a sustained improvement in the economy will be necessary before the airline industry can begin to recover in a meaningful way.

The Airport's administrative staff monitors changes in the airline industry and passenger use patterns as the Department's Business Model is driven by airline passenger activity. When passenger activity levels change, so do the concession revenues received from the car rentals, parking, gift shop, and restaurant operations. This will usually result in an inverse reaction to the revenues that must then be provided by the airline tenants.

Like most U.S. markets, Billings was negatively impacted by the fuel and recessionary factors discussed above, and experienced year-over-year enplanement declines since the second quarter of 2008. However, the fundamentals of the Billings market are sound and the passenger numbers will rebound as the nations economic conditions improve. Billings has been

and will continue to be a strong year around market for several reasons. First, the airlines that serve Billings enjoy a relatively large, geographically isolated and captive air service market. The airlines like captive markets as it permits them more latitude to price their service to generate a positive profit margin. For the consumer, this means that the average airfares may be a little higher in Billings; however, when the airlines make capacity cuts, the higher yielding markets (Billings) are better positioned to retain service options. Second, Billings has also experienced slow steady population growth for a number of years and has a strong and diversified local economy. This type of market consistency allows the airlines to more efficiently match seat capacity to the expected demand. Finally, the management of the Billings Airport has fostered a cooperative relationship with the airlines, and has worked hard to control its operating and capital costs and maintain competitive airline charges. This helps to maintain or even reduce the airlines' overall operating costs in Billings, which staff believes will continue to be important as the airlines evaluate system wide market and service opportunities.

FACILITIES AND EQUIPMENT

The airside and landside facilities at an airport are planned, designed, and managed to accommodate the volume and type of activity that utilizes the airport. Fortunately, due to the past efforts of Airport management, the existing Airport facilities and equipment fleet is in good to excellent condition, and adequate to meet existing service levels.³

Most commercial service airports use a five-year capital improvement plan, as well as a longer range master plan to stage for future development efforts.⁴ Often times the Airport's projected



growth in airline passenger activity is the primary driver for facility related improvements, since increases and/or decreases in commercial passenger activity can impact the airside facilities, Terminal and concession services, automobile parking, and so on. For this reason, accurate and consistently updated forecast information is essential to ensure that facilities are in place to meet future demand levels and to guard against

costly overbuilding. Dependable forecast information is also essential to secure the necessary Federal grant funding. With over 3,000 airports eligible to receive grant funding, the Federal Aviation Administration (FAA) uses master plan and forecast information to identify and prioritize the system expansion and improvements that will be needed to meet the nation's aviation demand and safety goals.

The Department initiated an update of its Master Plan during the Fall of 2007, and anticipates FAA approval during the Fall of 2009. The projected aviation demand forecasts and a draft of the maintenance, equipment, and facility projects that may need to be addressed during the 20-year planning period are contained in Appendix 5. Again, it is important to emphasize that the proposed dates listed for each project are simply pre-established action points to help guide and facilitate project decisions. Actual project decisions will be made when pre-established demand levels are realized, when actual events occur, or based on funding availability.

³ APPENDIX 3 – Facility and Equipment Inventory

⁴ APPENDIX 4 – City Five-Year Capital Plan

STAFF RESPONSIBILITIES

The City's Airport operation currently has 56 authorized full time equivalent employees in five divisions: Administration, Building Maintenance, Airfield Maintenance/Operations, Aircraft Rescue Fire Fighting, and Airport Police.⁵ These divisions provide the services and needed resources to ensure that the Billings Airport annually maintains and meets the requirements necessary for its FAA issued Airport Operating Certificate. A closer look at each division's key responsibilities is as follows.

ADMINISTRATION

The Administration Division oversees the Department's financial, business, planning, and property management activities in concert with the City of Billings' Vision Statement, Values and Guiding Principles, and Strategic Planning Process.⁶ A summary of the key responsibilities include:

- Development of the Departmental budget, airline rates and charges, capital funding, payable and receivable processing and monitoring.
- Oversight, coordination, negotiations, and processing of approximately 90 tenant leases and concession agreements.
- Grant and funding management of the annual Airport Improvement Program and Passenger Facility Charge programs.
- Air service development and monitoring.
- Employee recruitment, selection, training, and development.
- Oversight of the Department's capital planning, construction and environmental services programs.
- Manage the Department's community outreach and governmental affairs efforts.

BUILDING MAINTENANCE

The Building Maintenance Division maintains over 309,000 square feet of City owned and operated buildings. Several of their more important tasks include:

- Twenty-four hour Terminal Building cleaning, and building systems maintenance and repairs.
- Tenant relations and support functions, and assisting with the Department's property management program.
- Facility related construction and contract management.
- Manage facility inspections and compliance requirements.
- Terminal area street side maintenance and snow removal.

⁵ APPENDIX 6– Airport Organizational Chart & Staffing Authorization

⁶ APPENDIX 7 – City of Billings Vision Statement, Values and Guiding Principles, and Strategic Plan

AIRFIELD MAINTENANCE/OPERATIONS

The Airfield Maintenance (AFM) Division is one of the broader operations at the Airport, as they are responsible for the exterior maintenance of the Airport grounds and the safe operation of the airfield complex. Their key responsibilities include:

- Maintenance of the airfield lighting and electrical system, and all City owned navigational aids.
- Airfield and Airport road system snow removal and operations.
- Vehicle and equipment maintenance for over sixty pieces of equipment.
- Oversight and coordination of all airfield related construction.
- Management of the Department's Wildlife Management Program.
- FAA compliance documentation and daily airfield inspection program.

AIRCRAFT RESCUE FIRE FIGHTING

The Aircraft Rescue Fire Fighting (ARFF) Division works closely with the Airfield Maintenance Division, and most of the employees in both Divisions are cross trained to do a wide variety of tasks. Several of the tasks specific to the ARFF mission are:

- Respond to and manage all aircraft and Airport related emergencies. This includes aircraft responses, medical responses, as well as other facility related emergencies and incidents.
- Staff and tenant training, and emergency preparedness.
- Tenant inspections and FAA related compliance documentation.
- Community outreach and coordination to include providing mutual aid support.

AIRPORT POLICE

The Airport Police Division provides law enforcement support to the Transportation Security Administration (TSA) passenger and baggage screening process, manages the Department's Aviation Security Program, and carries out other traditional law enforcement duties. Several of their more important tasks include:

- Develop and enforce the Department's Security Program and access control program.
- Monitor and enforce the Department's traffic control (automobile) procedures.
- Manage the identification badge, fingerprint-based criminal history background checks and threat assessment programs in accordance with the Federal regulatory procedures.
- Conduct aviation security employee and tenant training.
- Provide public assistance and coordinate law enforcement, aviation security and emergency procedures with other law enforcement agencies.

BBUSINESS MODEL

AIRLINE RATES AND CHARGES

The Aviation Department has not received General Fund Tax support since 1975. The costs to run the operation must therefore be recaptured through user/tenant rates and charges. This requires careful financial planning to ensure that the rates and charges are consistently large enough to fund the needed operational and capital expenses and to sustain the enterprise nature of the operation.

Most airports use either a compensatory or a residual method to establish the charges that are assessed to the airlines. The basic difference between the two is who assumes the majority of the risk for financial operations as well as control over larger capital decisions. Under the compensatory method, the airport assumes all risk and is responsible for ensuring that expenses do not exceed the revenue received. Under the residual method, much of the financial risk is transferred to the airlines in return for a negotiated limit on the airport's profits. Airport revenues in any fiscal year that exceed the airport's debt service coverage, and operation and maintenance costs are credited back to the airlines. In turn, since the airlines agree to pay all costs (residual costs) not covered from the income received from non-airline related sources, they are billed and obligated to pay fiscal year end shortfalls.

The Billings Airport uses a hybrid rate making methodology. The Terminal rates are based on a compensatory calculation, while the landing fees are based on a residual calculation. This has become a common method to establish rates and changes, and was preferred by the airlines when the Airport's existing agreement was negotiated in 1990. At that time, the Airport needed to finance a major Terminal Building expansion effort with revenue bonds. Since the residual agreement provided the Airport a higher level of financial security, this rate making methodology was instrumental in securing the revenue bond financing. While it does provide the airlines with more control in approving the type and size of future capital projects, this has not hampered the Airport's ability to maintain and expand the facility.

One of the methods staff uses to monitor the Airport's cost structure is the "cost per enplaned passenger," which is an airline's total cost to carry one passenger from the Billings market (see Table 1, Page 8). During the last several years, the Airport has been able to maintain relatively stable per passenger costs, as additional concession revenues have helped offset inflationary cost increases and rising labor, fuel, and utility costs. However, should the declining enplanement trend continue, the Airport's per passenger costs will begin an upward trend. Additional information concerning the Airport's revenue and cost projections during the next five years is presented in the next section of this plan.

TABLE 1
COST PER ENPLANED PASSENGER

2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 BUDGET
\$6.88	\$6.48	\$5.87	\$6.59	\$6.76

CONCESSION PROGRAM

The concession agreements at the Airport allow various companies the opportunity to conduct business on City property in exchange for payment of a guaranteed minimum annual fee and/or a specified percentage of revenues. While revenue generation from the concession agreements is important, they also help provide the goods and services needed by the passengers, visitors, and employees while at the Airport. Due to the requirements of the Federal Disadvantaged Business Enterprise (DBE) Program, the concession agreements are publicly bid at regular intervals, with the bid award generally based on a minimum annual guarantee in revenues. However, in some cases, award preference has been based on achievement of specified DBE goals and service level considerations.⁷ The Airport's concession program has been successful and now represents approximately 42% of all Airport operating revenues.



GROUND AND BUILDING LEASES

The Airport also has a number of ground and building leases that generate income. Most of the ground leases are used to construct private hangars or for aviation related facilities, and governmental offices and facilities. The typical term for a ground lease is 20 years to allow the developers sufficient time to amortize their construction costs. The ground and building lease rates are based on appraisal and comparable cost information, as well as the infrastructure costs needed to prepare for the development. All of the Airport lease agreements contain a rate modification mechanism so that rates can be adjusted for inflation.

⁷ APPENDIX 8– Concessions/Term of Lease

FEDERAL GRANT FUNDING AND PFC PROGRAMS

The Airport primarily uses the Airport Improvement Program (AIP) and the Passenger Facility Charge (PFC) program to fund the larger aviation related capital projects.

The Airport matching grant program was established by Congress in 1946 through the Federal Airport Act. The intent of this program was to develop an adequate system of airports to support national security efforts. While the program has undergone many changes since then, a very important change occurred in 1970 when Congress established the user fee supported Airport and Airway Trust Fund. User fees and taxes from passenger tickets, domestic air cargo waybills, and non-commercial aviation fuel taxes flow into the trust fund and get used for a variety of aviation related programs and services. For airports, the trust fund helps provide a



stable funding source for the development of long term capital projects. An airport's annual appropriation is based on the number of enplaning passengers at the airport. Billings' annual entitlement funding is currently approximately \$2,900,000–\$3,000,000. Additionally, airports can apply for discretionary funding to supplement the annual entitlements. The FAA awards discretionary grants based on an established priority system

and generally requires longer term planning to secure these additional funds. In the past, Billings has been very successful in receiving discretionary grant funding.

During the late 1980's, Congress and the FAA recognized the need for additional capital funding and established the PFC Program through the Aviation Safety and Capacity Expansion Act. This Act allowed public agencies controlling commercial service airports that enplane more than 2,500 passengers annually to charge each enplaning passenger a facility charge of up to \$3.00 per ticket. This charge is levied on the ticket collected by the airlines and forwarded to the airport for use on aviation related projects that enhance safety, security, and system capacity. Although the amount that airports can collect has now been increased to \$4.50, Billings has maintained a \$3.00 PFC, which currently amounts to approximately \$900,000 per year.

CAPITAL AND FINANCIAL PLANNING

While outside influences, such as the recent economic downturn, can impact the Airport's financial and capital plans from year-to-year, the Airport's core objectives and mission remain consistent and guides the Airport's financial and capital planning. These core objectives are summarized below.

- Maintain and operate the Airport in accordance with FAA, TSA, and City regulatory requirements and policies. This objective alone, accounts for the majority of the Airport's annual operational expense and many of the airfield related capital construction projects.
- Ensure that the City and region's air transportation needs are safely and adequately met, to include providing the facilities required to support these needs.
- Maintaining the Airport's self supporting (no tax support) Business Model.

Since the Airport's Business Model is closely linked to commercial passenger activity, the Airport's financial plan is annually reviewed and adjusted to reflect previous year actual financial results and twelve-month projected activity levels. This adjustment process is required by the airlines' contractual agreements with the City, and is a function of how the airline rates and charges calculation is structured. As previously discussed, the rationale behind this rate making methodology is to ensure all operating costs, debt service, and basic capital needs are met, while providing reasonable airline costs in Billings. This however, can have an affect on the Airport's capital program. Generally, during passenger growth years more funds can flow to needed capital projects. When passenger use of the Airport is stagnant or declining, non-airline revenues also stagnate or decline and the capital program may need to be scaled back. This requires on-going financial and capital project planning and can serve to either accelerate or delay planned projects.

Fortunately, the Airport's airfield infrastructure, safety and security enhancement efforts are primarily funded through the AIP and PFC programs. These dedicated funding sources are basically excluded in calculating the airline rates and charges in Billings. Undertaking larger projects that are not eligible for grant or PFC funding can be more difficult, as these projects often require long term debt financing and may result in cost increases to the airlines. The Airport currently has two projects in the Department's five year capital program that potentially fall into this category, the new Car Rental Quick Turn Around Facility and the expansion of the automobile parking infrastructure. A more detailed summary of both projects is as follows:

CAR RENTAL QUICK TURN AROUND FACILITY

Project Description

The proposed Car Rental Quick Turn Around Facility (QTA) is a facility where the Airport's car rental concessionaires wash, detail, fuel, and store their vehicles in between car rental transactions. The site being considered for the QTA is on the west end of the Airport near the general aviation hangar area.

Project Need

The project is being pursued for several reasons:

- The existing car rental wash and fueling facility was converted from the Airport's old operations building in 1991 and is in poor condition. This facility is not properly sized or configured to meet the current and forecasted rental car demand.
- The current facility is located adjacent to the Airport's main parallel taxiway and runway. With limited airside development space remaining at the Airport, this property could be better used for an aviation related activity.

Project Cost and Funding

The Airport's Master Plan estimate for the design and construction of the QTA is approximately \$8,000,000. The proposed funding source for the project will be through the collection of a user fee based, Customer Facility Charge (CFC) that would be assessed on each car rental transaction. The CFC collections would be remitted to the Airport and used to pay for the debt required to construct the facility. Although this is a new funding source for the Billings Airport, CFC's are used at many other airports to fund similar car rental facilities. The car rental agencies and the airlines that serve the Billings market have endorsed this project and the collection of CFC's.

Next Steps

Since the CFC revenues would be used to construct this facility, this project would have little affect on the airline rates and charges. Therefore, staff intends to move forward with this project during the 2010 Fiscal Year. A tentative project time line is as follows:

- August 2009 – October 2009: A&E selection for financial planning and project design.
- October 2009 – December 2009: Conduct financial feasibility and site/facility design.
- January 2010 – March 2010: Establish CFC ordinance/car rental contract amendments.
- April 2010 – June 2010: Advertise for bids and begin Construction.

EXPANDED AUTOMOBILE PARKING**Project Description**

During peak passenger traffic years the existing on grade parking facilities directly across from the Terminal Building regularly overflowed, resulting in long passenger walks from the overflow lots and a loss of parking revenue, since the overflow lots are not incorporated into the paid parking system. Subsequently, the Airport has



been exploring the option for construction of a multi level parking structure near the Terminal Building to accommodate the Airport's short term, long term, car rental, and employee parking needs.

Project Need

The Airport Master Plan study evaluated the need for additional parking based on the forecasted demand over the 20-year planning period. The current, and 20-year projected parking needs for each parking category are outlined below.

	Long Term	Overflow	Short Term	Rental Car	Employee
Current Inventory of Spaces	620	225	195	250	200
Forecasted Need 2026	1,559	434	344	520	281

Project Cost and Funding

The Master Plan recommended a phased approach to address the future parking needs, which consists of reconfiguring the existing surface lots to gain some minor space increases and operating efficiencies, followed by a two phased garage construction effort. Although the phased development would help to spread out the impact of this project over a 20-year period, the total project cost is estimated to be \$39,000,000. This is a sizable project and if not properly planned and financed, could significantly affect the Airport's long term airline rate structure and the ability to fund other necessary capital development efforts. The level of analysis needed to undertake a project of this size was beyond the scope of the Master Plan,

and must be accomplished in a separate planning effort before this project can advance beyond the conceptual stage. Strategies that will be examined during this analysis could include, but are not limited to, the advantages and disadvantages of third party developments, long term lease/operate options, the use of various bond financing sources, the feasibility of securing non-traditional grant funding, and if the CFC funding could be used for some of the Terminal area (car rental) parking needs. This analysis will also consider potential modifications to the airline lease agreement, which may be necessary depending on the funding arrangement selected.

Next Steps

During the Fall of 2009, staff will prepare a Request for Proposals to select a financial and planning firm capable of conducting the analysis discussed above. It is staff's desire to have a preliminary feasibility analysis by the Summer of 2010.

FIVE-YEAR FINANCIAL FORECAST

While the Airport has enjoyed a significant number of growth years with adequate revenue generation, the recent economic downturn has resulted in reduced revenues for Fiscal Year 2009 and a forecast for additional constriction of the Airport's revenue flows for Fiscal Year 2010. While the existing Business Model in use with the airlines allows for the Airport to maintain a balanced budget, Airport Administration has remained sensitive to the amount of the total charges that the airlines might bear. To analyze what the impacts could be to the Airport and the airlines, as the Airport looks into the future, two (2) scenarios were developed and placed into a five-year financial forecast. Table 2, Page 16 and Page 17, contains a five-year financial forecast for the Airport beginning with the 2010 Fiscal Year for both Scenario One and Scenario Two. The assumptions used to develop these forecasts are listed below.

ASSUMPTION ONE – Given the regional nature of the Billings Airport, passenger enplanements will most likely continue to grow in the future once the current downturn ends. That growth, when it begins, will result in expanded revenue growth.

Future growth issues, while important, are not the current focus of Airport management as we needed to determine whether the Airport could continue to reasonably operate through a five-year time frame with just modest passenger growth (Scenario One), or with no passenger growth (Scenario Two). Under Scenario One, it is anticipated that the declining travel demand caused by the recession will stabilize by the end of the 2010 Fiscal Year and begin to increase at a modest rate (1.5%) for the remainder of the five-year planning period. In Scenario Two, the passenger numbers are held constant at the 2010 levels, or 0% growth for the five-year period. For both Scenario One and Two the forecasted passenger information is the catalyst for the financial projections (landing fees, concession revenues, etc.) that have been adjusted to reflect the respective growth rates.

ASSUMPTION TWO – The Federal Airport Improvement Program and locally generated capital funding programs are projected to remain stable during the next five years and are reflected as such in both Scenarios. The proposed new CFC and the existing PFC programs have been projected to increase 1.5% per year (enplanement growth) during the five-year planning period in Scenario One, and at 0% in Scenario Two.

FIVE-YEAR FINANCIAL FORECAST

ASSUMPTION THREE – *Land and building rentals are projected to increase at 2% during the planning period.*

Although new building starts have slowed during the last 18 months, all current and any new land and building leases require annual CPI-U adjustments, which will help the annual revenues received from these leases to keep pace with inflation. Both Scenarios reflect this assumption.

ASSUMPTION FOUR – *The five-year forecast assumes that wages and benefits will increase at 5% (both Scenarios), and other operational and maintenance items at 3% per year for Scenario One, and at 0% for Scenario Two.*

ASSUMPTION FIVE – *The business relationship/operating agreement with the airlines will remain relatively the same for the next five years.*

ASSUMPTION SIX – *Although it is probable that one or more of the existing air carriers could exit the Billings market or a new one could enter the market, staff feels that the overall seat count into and out of Billings will remain relatively constant during the five-year planning period.*

SUMMARY

Because of the dynamics of the current Business Model with the Airport's airline tenants, the City's Airport will be able to continue to operate as normal over the next five-year time frame. Even under the no growth Scenario Two, the Airport should be able, for the five-year forecast period, to offset the lack of new revenues through a reduced capital program and a minimized maintenance program. The main downside to operating in those conditions will be the build up of deferred maintenance and capital items that will subsequently have to be addressed, and that could put pressure on the airlines' rates and charges if the non-airline revenues do not start to grow after the fifth year.

BILLINGS LOGAN INTERNATIONAL AIRPORT

TABLE 2
FIVE YEAR PROJECTION
ALL AIRPORT FUNDS
SCENARIO ONE

	<u>Assumptions</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Revenues						
Airline Revenues	From Rates & Charges Schedule	\$ 2,659,909	\$ 2,792,461	\$ 3,003,717	\$ 3,205,458	\$ 3,416,367
Non-Airline Revenues						
Concessions ¹	1.5% Annual Increase	3,331,988	3,705,635	3,761,220	3,817,638	3,874,902
Other ²	2% Annual Increase (CPI-U)	1,714,792	1,759,088	1,794,270	1,830,155	1,866,758
Car Rental Fuel Sales	5% Annual Increase	276,470	300,294	315,308	331,074	347,627
AIP Grant Revenues	Constant for Future Years	3,440,000	3,000,000	3,000,000	3,000,000	3,000,000
PFC Charges	1.5% Annual Increase	843,200	855,848	868,686	881,716	894,942
CFC Charges	1.5% Annual Increase (2010 is a partial year)	330,000	800,000	812,000	824,180	836,543
Debt Financing Revenues		6,000,000	-	-	-	-
Total Revenues		<u>18,596,359</u>	<u>13,213,325</u>	<u>13,555,200</u>	<u>13,890,220</u>	<u>14,237,139</u>
Expenditures						
Personnel Services	5% Annual Increase	3,868,027	4,061,428	4,264,500	4,477,725	4,701,611
Operations & Maintenance	3% Annual Increase	2,477,171	2,551,486	2,628,031	2,706,872	2,788,078
Car Rental Fuel Sales ³	5% Annual Increase	267,415	290,786	305,325	320,591	336,621
CFC Maintenance	Excess of CFC Charges Over CFC Debt Payments		50,000	62,000	74,180	86,543
Debt Service						
Series 2000 Bond Refunding	Actual Based on Payment Schedule	1,042,154	1,035,830	1,037,767	1,037,082	1,033,705
Car Wash Facility Financing	\$6 Million - 12 Year at 7% Interest	-	750,000	750,000	750,000	750,000
Local Capital	Local Capital + AIP Local = \$500,000	1,033,307	342,105	342,105	342,105	342,105
AIP Capital (Local Share)	5% of Total AIP Capital Costs	181,053	157,895	157,895	157,895	157,895
AIP Capital (Federal Share)	95% of Total AIP Capital Costs	3,440,000	3,000,000	3,000,000	3,000,000	3,000,000
PFC Capital	PFC Capital = PFC Revenue for Future Years	1,902,994	855,848	868,686	881,716	894,942
CFC Capital	Estimated Costs for Facility and Storm Drains	6,330,000	-	-	-	-
Total Expenditures		<u>20,542,121</u>	<u>13,095,378</u>	<u>13,416,308</u>	<u>13,748,166</u>	<u>14,091,499</u>
Revenues Over (Under) Expenditures		<u>\$ (1,945,762)</u>	<u>\$ 117,947</u>	<u>\$ 138,892</u>	<u>\$ 142,055</u>	<u>\$ 145,640</u>
	Landing Fees	\$ 0.94	\$ 1.02	\$ 1.21	\$ 1.39	\$ 1.58
	Terminal Rent Rate	\$ 44.18	\$ 45.73	\$ 47.16	\$ 48.62	\$ 50.11

Additional Assumptions:

¹ In FY 2011, added \$318,884; \$150,000 from increased car rental commissions due to added car rental counter and \$168,884 for a 10% increase in parking commission rates.

² In FY 2011, added \$10,000 for added car rental counter rents.

³ In FY 2011, added \$10,000 for increased car rental fuel sales for one more on-site car rental company.

BILLINGS LOGAN INTERNATIONAL AIRPORT

TABLE 2
FIVE YEAR PROJECTION
ALL AIRPORT FUNDS
SCENARIO TWO

	<u>Assumptions</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Revenues						
Airline Revenues	From Rates & Charges Schedule	\$ 2,659,909	\$ 2,762,338	\$ 2,955,216	\$ 3,136,532	\$ 3,324,829
Non-Airline Revenues						
Concessions ¹	0% Annual Increase ⁴	3,331,988	3,650,872	3,650,872	3,650,872	3,650,872
Other ²	2% Annual Increase	1,714,792	1,759,088	1,794,270	1,830,155	1,866,758
Car Rental Fuel Sales	5% Annual Increase	276,470	300,294	315,308	331,074	347,627
AIP Grant Revenues	Constant for Future Years	3,440,000	3,000,000	3,000,000	3,000,000	3,000,000
PFC Charges	0% Annual Increase ⁴	843,200	843,200	843,200	843,200	843,200
CFC Charges	0% Annual Increase (2010 is a partial year) ⁴	330,000	800,000	800,000	800,000	800,000
Debt Financing Revenues		6,000,000	-	-	-	-
Total Revenues		<u>18,596,359</u>	<u>13,115,791</u>	<u>13,358,866</u>	<u>13,591,833</u>	<u>13,833,286</u>
Expenditures						
Personnel Services	5% Annual Increase	3,868,027	4,061,428	4,264,500	4,477,725	4,701,611
Operations & Maintenance	0% Annual Increase ⁴	2,477,171	2,477,171	2,477,171	2,477,171	2,477,171
Car Rental Fuel Sales ³	5% Annual Increase	267,415	290,786	305,325	320,591	336,621
CFC Maintenance	Excess of CFC Charges Over CFC Debt Payments		50,000	50,000	50,000	50,000
Debt Service						
Series 2000 Bond Refunding	Actual Based on Payment Schedule	1,042,154	1,035,830	1,037,767	1,037,082	1,033,705
Car Wash Facility Financing	\$6 Million - 12 Year at 7% Interest	-	750,000	750,000	750,000	750,000
Local Capital	Local Capital + AIP Local = \$500,000	1,033,307	342,105	342,105	342,105	342,105
AIP Capital (Local Share)	5% of Total AIP Capital Costs	181,053	157,895	157,895	157,895	157,895
AIP capital (Federal Share)	95% of Total AIP Capital Costs	3,440,000	3,000,000	3,000,000	3,000,000	3,000,000
PFC Capital	PFC Capital = PFC Revenue for Future Years	1,902,994	843,200	843,200	843,200	843,200
CFC Capital	Estimated Costs for Facility and Storm Drains	6,330,000	-	-	-	-
Total Expenditures		<u>20,542,121</u>	<u>13,008,415</u>	<u>13,227,963</u>	<u>13,455,769</u>	<u>13,692,308</u>
Revenues Over (Under) Expenditures		<u>\$ (1,945,762)</u>	<u>\$ 107,376</u>	<u>\$ 130,903</u>	<u>\$ 136,064</u>	<u>\$ 140,979</u>
	Landing Fees	\$ 0.94	\$ 1.01	\$ 1.20	\$ 1.38	\$ 1.56
	Terminal Rent Rate	\$ 44.18	\$ 45.31	\$ 46.27	\$ 47.27	\$ 48.33

Additional Assumptions:

¹ - In FY 2011, added \$318,884; \$150,000 from increased car rental commissions due to added car rental counter and \$168,884 for a 10% increase in parking commission rates.

² - In FY 2011, added \$10,000 for added car rental counter rents.

³ - In FY 2011, added \$10,000 for increased car rental fuel sales for one more on-site car rental company.

⁴ - Air travel is projected to remain at FY 2010 levels.

BILLINGS LOGAN INTERNATIONAL AIRPORT

TENANT LIST

AIRLINES

ALLEGIANT AIR
FRONTIER
GREAT LAKES
HORIZON
NORTHWEST
SKYWEST
UNITED

GOVERNMENT OFFICES

AFS-SSC
TOWER
TSA

CONCESSIONAIRES

AIR HOST
ALAMO/NATIONAL
ENTERPRISE
HERTZ
THRIFTY/DOLLAR
AIRPORT GIFTS
STANDARD PARKING
EPCON SIGN CO.
QWEST
RSVP
SMARTE CARTE, INC.
OPTI-FI

FBO

CORPORATE JET
EDWARDS JET CENTER

BUILDING & LAND LEASES

AEROTRONICS
BIG SKY GROUND SUPPORT IND.
BLM FIRE DISPATCH TANKER BASE

BUILDING & LAND LEASES

HILSENDEGER, ALEX
INDUSTRIAL PROPERTIES, INC.
IP-1, 2, & 4 CORPORATE AIR
IP-3 (*Vacant*)
IP-5 ALPINE AIR
IP-6 & 7 BLM FIRE CACHE
IP-8 (*Vacant*)
IP-9 DEPT ENVIRONMENTAL QUALITY
IP-9 DEPT NAT RES & CONSERVATION
IP-9 YELLOWSTONE COUNTY MUSEUM
U.S. POST OFFICE
UPS
BLIA – WEST END OFFICE BUILDING

EXECUTIVE HANGARS

AERO INTERIORS
AGRI SYSTEMS
BILLINGS CLINIC
B & J PROPERTIES
BVDS, INC.
FIRST INTERSTATE BANCYSYSTEM
LARSON FAMILY PROPERTIES
MT DEPT FISH/WILDLIFE/PARKS
SARPY CREEK LAND CO., LLC
ST. VINCENT HEALTHCARE
USDA APHIS-ADC (*Jack Bolme*)
WILLIAMS, KENT

WEST END HANGARS

B & J PROPERTIES
BACKSCRATCH AVIATION, LLC
COAL BLACK CATTLE COMPANY, LLC
DANIELS, BONNIE
EXPERIMENTAL AIRCRAFT ASSO.
HAT CREEK HANGAR COMPANY, LLC
HEATHERLY, JAMES

WEST END HANGARS

JULIA HOLDINGS, LLC
LEMON, JAMES
MAYER, LARRY
MOORE, SCOTT & TOSTENRUD, LLC
MT-LAND COMPANY, LLC (*McKamy*)
MUSSER, MERTON
NASH, JOHN & MARCIA
REDMAN, ROBERT
RICHLAND AVIATION (*Phil Petrik*)
SCHMITT, RUSSELL
SCOTT, JONATHAN
TAYLOR, BRIAN
TURNIP, INC.
VOLD, STEVE
WHITE, DREW & JENNIFER
WHITING, TED & SALLY

MISCELLANEOUS

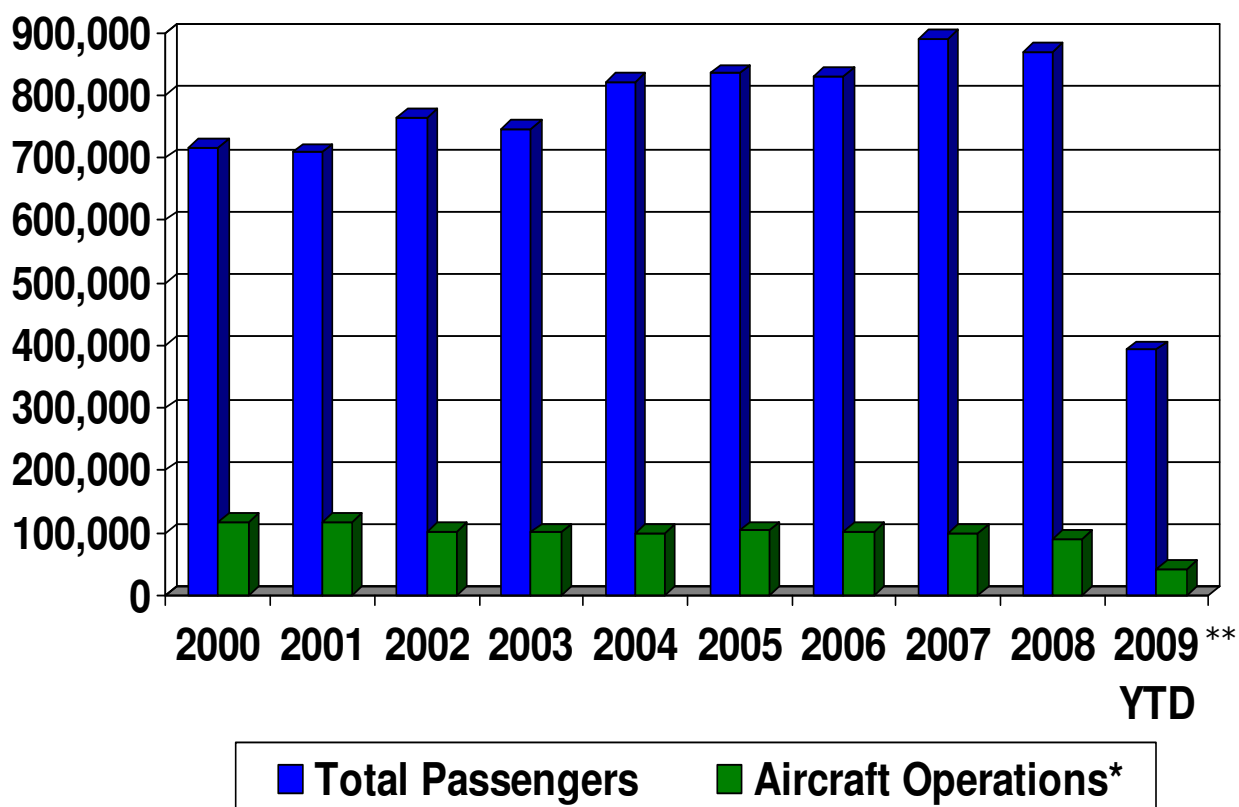
AIRPORT HOUSE (*Vacant*)
AMERICA WEST AIRLINES
ARINC. INC.
GOLD CREEK CELLULAR
YELLOWSTONE COUNTY MUSEUM

OPERATING AGREEMENTS

ALPINE AVIATION
AMERIFLIGHT
EXEC AIR MONTANA
FEDERAL EXPRESS
LYNX AVIATION, INC.
MATHESON FLIGHT EXTENDERS
RICHLAND AVIATION
UPS

BILLINGS LOGAN INTERNATIONAL AIRPORT

TOTAL COMMERCIAL PASSENGERS AND AIRCRAFT OPERATIONS



* Aircraft Operations Include Air Carrier, Air Taxi, General Aviation, Local, Itinerant, and Military Activity.

** As of June 30, 2009 – Six Months of Activity.

BILLINGS LOGAN INTERNATIONAL AIRPORT

FACILITY AND EQUIPMENT INVENTORY

The following is a list of the major airside and landside facilities at the Airport, followed by a current equipment list.

AIRSIDE FACILITIES

Airside facilities include land, runways, taxiways, aircraft parking ramps, aircraft storage hangars, Fixed Based Operators and other aircraft related businesses, airport operations, maintenance and fire fighting facilities, fueling facilities, and navigational aids.

Land

The Airport encompasses 2,140 acres of land; 1,820 acres owned by the City, and 320 acres that are currently leased.

Runways

Runway 10L/28R is the primary runway and is 10,518 feet long and 150 feet wide. This runway has a porous friction course asphalt service with a design pavement strength of up to 130,000 pounds for single wheel landing gear, 170,000 pounds for double wheel, and 285,000 pounds for double tandem. The navigational aids and instrument approach procedures for this runway include:

- Runway 10L – High intensity runway lights, medium intensity approach lighting system with runway alignment indicator lights, 4-light precision approach path indicator, and precision instrument lighting. CAT I ILS.
- Runway 28R – High intensity runway lights, 4-light precision approach path indicator, 3-degree glide path and precision instrument markings. CAT I ILS.

Runway 7/25 is the Airport's crosswind runway and is 5,501 feet long by 75 feet wide. This runway also has a grooved asphalt surface, but can only accommodate light twin engine piston aircraft, some larger multi-engine turboprops, and small business jets. The design strength is 12,500 pounds for single wheel gear. The navigational aids and instrument approach procedures for this runway include:

- Runway 7 – 4-light precision approach path indicator, 3-degree glide path, medium intensity runway lights, and non-precision markings. GPS.
- Runway 25 – Medium intensity runway lights, 4-light precision approach lighting system, non-precision markings. GPS

Runway 10R/28L is the Airport's third runway and is 3,801 feet long and 75 feet wide. This runway is used primarily by single engine piston aircraft and some light piston twins. The design strength of the pavement is 12,000 pounds, single wheel gear.

- Runway 10R – Medium intensity runway lights and basic markings.
- Runway 28L – Medium intensity runway lights and basic markings.

BILLINGS LOGAN INTERNATIONAL AIRPORT**Taxiways and Taxi Lanes**

The Airport has an extensive taxiway system. The main parallel taxiway, Taxiway A serves Runway 10L/28R and has a series of connecting access taxiways. Runway 10R/28L also has a parallel taxiway system. The remainder of the Airport's taxiways and taxi lanes are designed to connect other movement surfaces, aircraft parking ramps, and airside facilities.

Aircraft Parking Ramps

The Airport has four main parking ramps. The Terminal ramp, which is primarily used by air carrier aircraft, the west and midfield cargo ramps used by airfreight operators, and the Fixed Based Operator (FBO) ramps used primarily by general aviation and business aircraft.

Aircraft Storage Hangars

The Airport currently has approximately 35 hangar buildings, consisting of executive hangars, aircraft storage hangars, maintenance hangars, and T-hangars.

Fixed Base Operators

The Airport has two Fixed Base Operators (FBO) who provide the facilities and services for general aviation and business aircraft. Edwards Jet Center is located on the east end of the airfield while Corporate Jet is located on the west end of the field.

Operations Center

The Aviation and Transit Department's Operations Center is located west of the main Terminal and houses the airfield operations, and Aircraft Rescue Fire Fighting (ARFF) personnel and equipment.

Aircraft Fueling

The Airport has a number of underground fueling facilities, with the largest located on the east end of the field and stores the aviation grade fuel. Additional fueling facilities are located at the car rental wash facility, the Airport Operations Center, and the ARFF live burn training facility.

Business Park Facilities

A number of buildings and businesses are located in the Airport Business Park, which is located north of the main runway, and include aircraft storage and maintenance hangars, a Bureau of Land Management Air Tanker Base, an Interagency Fire Dispatch Center, fire cache storage, and several other government offices.

Other Airside Facilities

Aerotronics is located east of Edwards Jet Center and provides radio, electronic and avionic equipment sales and service. Rocky Mountain College leases space from Edwards Jet Center that houses a portion of their aviation studies program. The U.S. Post Office has a mail sort facility, which is east of the Terminal Building.

BILLINGS LOGAN INTERNATIONAL AIRPORT

LANDSIDE FACILITIES

The Airport's landside facilities include:

Passenger Terminal

The main Passenger Terminal was constructed in 1958 and has been expanded and renovated numerous times, with the more substantial renovations occurring in 1970 and 1992. The Terminal is currently 176,000 square feet and houses airline and car rental operations, a gift shop, restaurant, lounge and snack bar, Federal government offices, and the Department's administrative offices.

Air Traffic Control Tower

The new 120 foot Air Traffic Control Tower that was completed in 2005 is located directly west of the main Terminal Building.

Car Rental Wash Facility

The car rental agencies lease the old Airport operations facility on the east end of the Airport where they wash, detail, fuel, and store their vehicles.

Automobile Parking

The main Terminal parking area is located south of the Terminal Building. Currently it consists of 815 revenue spaces, 225 overflow spaces, 250 rental car spaces, and 200 employee spaces.

Yellowstone County Historical Museum

The Yellowstone County Historical Museum is located on the south side of the public automobile parking area and houses various displays and artifacts of regional, historical, cultural, and natural significance.

EQUIPMENT LIST

1975	CHEVROLET C20 STEP VAN/MASS CASUALTY UNIT
1979	CRAFCO 200 ASPHALT CRACK ROUTER
1980	WHITE XPEDITOR TANDEM AXLE/WATER TENDER
1982	SCHMIDT STA6M AP RUNWAY SANDER
1982	AMIDA LT 1000 PORTABLE LIGHT PLANT/GENERATOR
1982	MILLER BIG 40 PORTABLE WELDER/GENERATOR
1983	OSHKOSH H SERIES 4X4/ 8' ROTARY SNOW BLOWER
1983	FORD TANDEM AXLE DUMP TRUCK
1984	GMC/ELGIN CROSSWIND STREET SWEEPER VACUUM
1984	TORO 62" RIDING LAWN MOWER
1985	INGERSOLL-RAND PORTABLE COMPACTOR ROLLER
1985	INGERSOLL-RAND PORTABLE AIR COMPRESSOR (E-103)
1987	CLYDE 18' PORTABLE HYDRAULIC AIR-STAIRS
1988	CHEVROLET C3500 PICKUP 4X2/SERVICE BODY
1988	FORD ECONOLINE 350/MB
1990	CHEVROLET C1500 PICKUP 4X2
1990	CHEVROLET C1500 PICKUP 4X2
1991	MASS TRANSIT BUS SURPLUS
1992	OPS CENTER HYDRAULIC TRASH COMPACTOR
1994	FORD 3-350 18 PASSENGER VAN
1994	MILLER 300 SHOP MASTER WELDER/WIRE FEED
1994	JOHN DEERE WHEEL LOADER/3 & 4 YD BUCKETS/FORKS/22' & 10' BLADES

BILLINGS LOGAN INTERNATIONAL AIRPORT

1995	OSHKOSH HB SERIES 4X4/22'MB BROOM/8' ROTARY SNOW BLOWER
1995	KUBOTA B1750 TRACTOR/SWEEPER/BUCKET/BLADE
1995	TERMINAL BUILDING TRASH COMPACTOR
1995	LIFT-A-LOFT PASSENGER LIFT
1995	1 JLG CM2033 SCISSOR LIFT
1996	TASKI 1900 FLOOR SCRUBBER
1997	CHEVY TAHOE 1500 4DR 4X4
1997	CHEVROLET C3500 PICKUP 4X2
1997	E-ONE TITAN AIRCRAFT RESCUE AND FIRE FIGHTING VEHICLE
1997	OSHKOSH P SERIES 4X4 SNOW PLOW/22' SCHMIDT BLADE/SNOW BOX
1997	OSHKOSH P SERIES 4X4 SNOW PLOW/22' SCHMIDT BLADE
1997	16' HOMEMADE TANDEM AXLE EQUIPMENT TRAILER
1997	AMIDA LT760D PORTABLE LIGHT PLANT/GENERATOR
1998	FORD E350 12 PSGR VAN
1999	ADVANCE 40" AUTOMATIC FLOOR SCRUBBER
1999	FORD TAURUS LX SE
1999	CRAFCO 200 ASPHALT CRACK ROUTER
2000	CRAFCO SS250 ASPHALT CRACK SEALER
2001	CHEVY 2500 PICKUP 4x2
2002	ADVANCE AQUAMAX CARPET EXTRACTOR
2002	NEW HOLLAND TRACTOR TC45/LAND PRIDE 6' FLAIL MOWER FM30
2002	CHEVY 1/2 TON 2WD PICKUP 4X2
2003	JOHN DEERE TRACTOR 6420/15'ALAMO HYDRO MOWER/8' BROOM/ 8' REAR BLADE
2003	OSHKOSH P SERIES 4X4 SNOW PLOW/22' SCHMIDT BLADE
2003	OSHKOSH H SERIES 4X4 SNOW BLOWER
2003	TURBOWAY PASSENGER RAMP
2003	IHC TANDEM DUMP TRUCK
2003	HENDERSON RUNWAY SANDER
2003	JOHN DEERE MOTOR GRADER
2004	TENNANT RIDING SWEEPER
2004	TITAN PAINT STRIPER-WALK BEHIND
2004	FORD EXPEDITION 4 DR 4X4
2004	OSHKOSH HB SERIES 4X4/20' MB BROOM
2004	OSHKOSH P SERIES 4X4 SNOW PLOW/22' SCHMIDT BLADE
2005	CHEVY 2500 PICKUP W/SERVICE BODY
2005	JOHN DEERE WHEEL LOADER
2006	TENNANT READY SPACE CARPET EXTRACTOR
2006	FORD EXPEDITION
2006	CHEVY 3/4 TON PICKUP
2006	JOHN DEERE TRACTOR WITH MOWER
2007	FORD CROWN VICTORIA
2007	JOHN DEERE SKIDSTEER LOADER
2007	RUNWAY CLOSURE MARKERS
2007	RUNWAY CLOSURE MARKERS
2007	ROSENBAUER AIRCRAFT FIRE RESCUE TRUCK
2007	ROSENBAUER AIRCRAFT FIRE RESCUE TRUCK
2007	BAUER SCBA COMPRESSOR
2008	ESCALATOR TREAD CLEANING MACHINE
2008	CHEVY 1 TON 4X4 PICKUP
2008	CHEVY 1 TON 4x4 PICKUP W/SERVICE BOD
2008	ASPHALT CRACK ROUTER

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
CITY OF BILLINGS FY 10 – FY 14 CAPITAL IMPROVEMENT PROGRAM
APPROVED BY THE BILLINGS CITY COUNCIL ON FEBRUARY 23, 2009**

PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
Airport			AMOUNT FOR EACH FUNDING SOURCE	AMOUNT FOR EACH FUNDING SOURCE	AMOUNT FOR EACH FUNDING SOURCE	AMOUNT FOR EACH FUNDING SOURCE	AMOUNT FOR EACH FUNDING SOURCE	AMOUNT FOR EACH FUNDING SOURCE	
	New Freight and Cargo Facility	Construction of a multi-tenant cargo sort facility, which would be leased to the three largest air cargo haulers at the airport, meeting their needs and consolidating this activity to one area of the airport.							
	Airport User Fee		\$0	\$0	\$0	\$5,000,000	\$0		\$5,000,000
			\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
	Land Purchase-West End	Purchase parcel of land adjacent to the west end of the Airport. Landowner contacted Airport and location would be beneficial for future Airport expansion of Runway 7/25.							
	Passenger Facility Charge		\$0	\$1,100,000	\$0	\$0	\$0		\$1,100,000
			\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
	Cargo Ramp-Slot 4	New Concrete Ramp for additional cargo activities.							
	Passenger Facility Charge		\$0	\$0	\$0	\$3,000,000	\$0		\$3,000,000
			\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$3,000,000
	Emergency Generator-Terminal Building	New emergency generator for Airport Terminal Building, large enough to ensure security systems and all Airport Terminal Building needs do not fail in the event of commercial power loss.							
	Passenger Facility Charge		\$1,100,000	\$0	\$0	\$0	\$0		\$0
			\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$0

BILLINGS LOGAN INTERNATIONAL AIRPORT

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	Taxiway "H" Rehab	150,000 sq. ft. of asphalt removal, installing 3 two-inch layers of new dense-grade asphalt, paint markings, replacement of light cables, transformers and fixtures.							
	FAA Grant		\$1,050,000	\$0	\$0	\$0	\$0		\$0
			\$1,050,000	\$0	\$0	\$0	\$0	\$0	\$0
	Pave Airport Operations and ARFF Staging Area	Overlay pavement section north of the Operations Center. Work includes roto-milling, laying petro mat and repaving with 4 inches of asphalt. (70,000 sq. ft.)							
	FAA Grant		\$368,421	\$0	\$0	\$0	\$0		\$0
			\$368,421	\$0	\$0	\$0	\$0	\$0	\$0
	Elevator for IP-9 Office Building	Exterior mounted elevator on the IP-9 Office Building to address ADA issues.							
	Airport User Fee		\$0	\$0	\$200,000	\$0	\$0		\$200,000
			\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000
	Terminal Roof Maintenance / Replacement Phase Four	In Phase Four, six sections of the Terminal roof will be replaced.							
	Airport User Fee		\$150,000	\$0	\$0	\$0	\$0		\$0
			\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
	Terminal Roof Maintenance / Replacement Phase Five	In Phase Five, three sections of the Terminal roof will be replaced.							
	Airport User Fee		\$150,000	\$0	\$0	\$0	\$0		\$0
			\$150,000	\$0	\$0	\$0	\$0	\$0	\$0

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
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	Reprint Existing Carpet Squares	Return approximately 2,000 square yards of used carpet squares to the factory to be cleaned and reprinted for reuse in office areas.							
	Airport User Fee		\$40,000	\$0	\$0	\$0	\$0		\$0
			\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
	Remodel Operations Center Lower Level	Removal of lower half of the old elevator shaft and reutilize this space.							
	Airport User Fee		\$0	\$0	\$0	\$0	\$0	\$75,000	\$75,000
			\$0	\$0	\$0	\$0	\$0	\$75,000	\$75,000
	Airport Concrete Joint Repair	Complete the removal and replacement of approximately 35,000 linear feet of remaining concrete joint sealant in aircraft parking areas.							
	Airport User Fee		\$250,000						\$0
			\$250,000	\$0	\$0	\$0	\$0	\$0	\$0
	Restore Restroom Stalls and Counters	Remove existing stalls and counter tops and install new laminate stall partitions and counter tops.							
	Airport User Fee		\$45,000						\$0
			\$45,000	\$0	\$0	\$0	\$0	\$0	\$0
	Lost and Found/Evidence Room	Expansion of the Airport Police's lost and found/evidence room.							
	Airport User Fee		\$35,000						\$0
			\$35,000	\$0	\$0	\$0	\$0	\$0	\$0
	Pave Terminal Circle	Rehab pavement sections on the Terminal loop road. Work consists of roto-milling pavement sections as needed and overlaying with 2-3 inches of new asphalt (approx. 120,000 square feet).							
	Airport User Fee		\$0	\$0	\$480,000	\$0	\$0		\$480,000
			\$0	\$0	\$480,000	\$0	\$0	\$0	\$480,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
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	Training Room	Airport Police need a larger training room to facilitate new interactive training modules to be used for Federally mandated training of all Airport and Airport tenant employees.							
	Airport User Fee		\$50,000						\$0
			\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
	Pave Taxi lanes at Executive Hangars and General Aviation Area	Rehab the existing taxi lanes used to access the executive hangars and West End GA hangars. Work consists of roto-milling pavement sections as needed and overlaying with 4 inches of new asphalt.							
	FAA Grant		\$1,100,000	\$0	\$0	\$0	\$0		\$0
			\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$0
	Relocate Taxiway 'D' and Taxiway 'A' Work	A portion of Taxiway 'A' will be reconstructed. Taxiway 'D' will then be relocated to the west and will replace the existing Taxiway 'E' section that intersects with Runway 10L/28R.							
	FAA Grant		\$3,052,632						\$0
			\$3,052,632	\$0	\$0	\$0	\$0	\$0	\$0
	Construct a Unisex Restroom	Construct a unisex restroom for individuals with mobility or physical impairments with attendees and for families with small children.							
	Airport User Fee		\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
			\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
	Paint Terminal Interior	Paint the Airport Terminal interior.							
	Airport User Fee		\$0	\$0	\$0	\$350,000	\$0		\$350,000
			\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
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	Carpet Terminal Baggage Areas	Replace existing carpet with new.							
	Airport User Fee			\$55,000					\$0 \$55,000
			\$0	\$55,000	\$0	\$0	\$0	\$0	\$55,000
	Water/Sewer Extension for Business Park	Installation of the Water and Sewer mains for the north end of the Airport Business Park to accommodate the future development of the Airport properties for tenant businesses that would lease the land from the City.							
	Airport User Fee		\$0	\$0	\$0	\$400,000	\$0		\$400,000
			\$0	\$0	\$0	\$400,000	\$0	\$0	\$400,000
	Parking Garage	The construction of an Airport parking garage to accommodate the increased number of vehicles parking at the Airport.							
	Airport User Fee			\$0	\$9,600,000				\$9,600,000
			\$0	\$0	\$9,600,000	\$0	\$0	\$0	\$9,600,000
	Business Park Fire Alarm	Install monitoring devices and strobes in eight Business Park Buildings and tie to existing fire alarm system and notification dialers located in the IP-9 building.							
	Airport User Fee			\$75,000					\$75,000
			\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000
	Relocate East End Stair Tower	Relocate the Terminal Building East End Stairwell to the south to open up the terminal lobby. The current ticket counter space in front of the former Big Sky Airlines area is significantly reduced due to the location of the stair tower on the east end of the Terminal Building.							
	Passenger Facility Charge			\$0	\$3,000,000				\$3,000,000
			\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
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	Baggage Circulation Project	Rebuild airline ticket counter and baggage makeup areas to accommodate baggage screening behind the ticket counter.							
	Passenger Facility Charge		\$0	\$0	\$7,000,000	\$0	\$0		\$7,000,000
			\$0	\$0	\$7,000,000	\$0	\$0	\$0	\$7,000,000
	Relocate Taxiway 'G'	Removal and relocation of Taxiway 'G' to the west of its existing location.							
	FAA Grant			\$1,578,947					\$1,578,947
			\$0	\$1,578,947	\$0	\$0	\$0	\$0	\$1,578,947
	Relocate Taxiway 'F'	Removal of Taxiway 'F'.							
	FAA Grant		\$0	\$842,105	\$0	\$0	\$0		\$842,105
			\$0	\$842,105	\$0	\$0	\$0	\$0	\$842,105
	Taxiway 'G' Storm Drain Removal	Removal of the abandoned storm drains at the intersection of Taxiway 'G' and Runway 10L.							
	FAA Grant				\$50,000				\$50,000
			\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000
	Runway 10L/28R Rehab (dense grade/grooved asphalt)	Roto-mill the pavement surface and repave with dense grade/grooved asphalt. Milling and paving will extend into each taxiway intersection just beyond the hold lines. Electrical work will include replacing all lighting transformers.							
	FAA Grant				\$8,316,000				\$8,316,000
			\$0	\$0	\$8,316,000	\$0	\$0	\$0	\$8,316,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
CITY OF BILLINGS FY 10 – FY 14 CAPITAL IMPROVEMENT PROGRAM
APPROVED BY THE BILLINGS CITY COUNCIL ON FEBRUARY 23, 2009**

PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Pave East Frontage Road	Widen and rebuild east end frontage road extending from Gate 15 to Gate 12. Road section approximately 1,700' (51,000 sq ft).							
	Airport User Fee			\$250,000	\$0				\$250,000
			\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$250,000
	Runway 10L Run-up Pad (Multi-Year)	Construct an aircraft run up pad on Taxiway 'A' near the approach end of Runway 10L. A large amount of dirt/waste material will need to be excavated. This material will be transported and used to fill in/extend the Runway 10L safety area north of Runway 10L and east of old Runway 34.							
	FAA Grant					\$3,500,000			\$3,500,000
			\$0	\$0	\$0	\$3,500,000	\$0		\$3,500,000
	Burn Building Removal	Removal of the deteriorating smoke and burn training facility located at the Airport. The location of the building blocks access into a large developable parcel of land on the west end of the Airport, restricting aviation-related development.							
	FAA Grant		\$20,000			\$0			\$0
			\$20,000	\$0	\$0	\$0	\$0	\$0	\$0
	New Airport Entrance Sign	New Airport Entrance Sign to be installed after Airport entrance is reconstructed by State Highway project.							
	Airport User Fee		\$0	\$100,000	\$0	\$0	\$0		\$100,000
			\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
	Anti-Crash Bollard System	Bollard System to be installed in front of Terminal Building to prevent vehicles from crashing into the Terminal.							
	Airport User Fee		\$0	\$0	\$200,000	\$0	\$0		\$200,000
			\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
CITY OF BILLINGS FY 10 – FY 14 CAPITAL IMPROVEMENT PROGRAM
APPROVED BY THE BILLINGS CITY COUNCIL ON FEBRUARY 23, 2009**

PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Reconstruct West End Access	Reconstruct the Airport's west end access entrance to correct the grade issues that currently exist.							
	Airport User Fee		\$450,000	\$0	\$0	\$0	\$0		\$0
			\$450,000	\$0	\$0	\$0	\$0	\$0	\$0
	General Aviation Dirt Work	Excavate hillside to make room for a new row of General Aviation hangars.							
	Passenger Facility Charge		\$0	\$265,000	\$0	\$0	\$0		\$265,000
			\$0	\$265,000	\$0	\$0	\$0	\$0	\$265,000
	Relocation of Utility Lines	Airport participation in the relocation of Airport utility lines that need to be moved during the reconstruction of the Airport entrance and Highway 3.							
	Airport User Fee		\$37,706	\$0	\$0	\$0	\$0		\$0
			\$37,706	\$0	\$0	\$0	\$0	\$0	\$0
	Upgrade of Security Gates	Upgrade the Access Control readers and add CCTV to Airfield access gates 17 & 21. Relocate gates 21 and 24 and remove gate 14.							
	FAA Grant		\$0	\$0	\$0	\$600,000	\$0		\$600,000
			\$0	\$0	\$0	\$600,000	\$0	\$0	\$600,000
	Enhance Taxiway Centerline Markings	FAA-required paint markings for taxiway surfaces.							
	FAA Grant		\$40,000	\$0	\$0	\$0	\$0		\$0
			\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
	Transformer Relocation Project	Relocate General Aviation Airfield transformers. Safety issue.							
	FAA Grant		\$0	\$50,000	\$0	\$0	\$0		\$50,000
			\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ADJUSTMENTS TO
CITY OF BILLINGS FY 10 – FY 14 CAPITAL IMPROVEMENT PROGRAM
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PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Fuel Spill Retention Pit	Construct a drive-in pit for all fuel trucks on the Airport to contain potential fuel spills while trucks are unmanned. EPA requirement.							
	Airport User Fee		\$250,000	\$0	\$0	\$0	\$0		\$0
			\$250,000	\$0	\$0	\$0	\$0	\$0	\$0
	Remodel Screening Area	Add third screening lane in screening lobby in Terminal.							
	Airport User Fee		\$100,000	\$0	\$0	\$0	\$0		\$0
			\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
	Concrete Ramp for Gate B-4	Replace asphalt surface with concrete to prevent larger aircraft from sinking into the pavement during summer heat.							
	Passenger Facility Charge			\$1,100,000	\$0				\$1,100,000
	Total For Project		\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
	Replace Terminal Building Cooling Tower	The cooling tower is an integral part of the Terminal Building cooling system. This 17-year old equipment needs to be replaced soon.							
	Airport User Fee			\$150,000	\$0				\$150,000
	Total For Project		\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
	Relocate Car Rental Wash Facility	The Airport's car rental industry has outgrown the old car wash facility and parking area. This project will move the Car Rental Wash Facility to the west end of Airport to open up developable property along main Taxiway on east end.							
	Airport User Fee			\$8,000,000	\$0				\$8,000,000
	Total For Project		\$0	\$8,000,000	\$0	\$0	\$0	\$0	\$8,000,000
	Realign Taxiway 'A' on East End and Remove Obstruction	Airport's recent Master Plan identified that the east end of Taxiway 'A' be straightened and the hillside obstruction be removed. Safety item.							
	Passenger Facility Charge			\$1,500,000	\$0				\$1,500,000
	Total For Project		\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000

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**ADJUSTMENTS TO
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PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Energy Savings Performance Contracting	The City has been exploring Energy Savings Performance Contracting. This project would be very beneficial to a large facility like the Airport							
	Airport User Fee			\$50,000	\$0				\$50,000
	Total For Project		\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
	Add Two New Car Rental Offices	Project would convert freight area in baggage claim into two new Car Rental Counters and offices so that the airport could host 6 car rental concessions.							
	Airport User Fee			\$75,000	\$0				\$75,000
	Total For Project		\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000
	Terminal Building Ceiling Tile Replacement	Most of the ceiling tiles in the Airport are 20 years old or older and are extremely dirty and/or stained from roof leaks. This would be the first phase in replacing the tiles.							
	Airport User Fee			\$100,000	\$0				\$100,000
	Total For Project		\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
	Roof Coating for Buildings IP-6 & IP-7	The steel roofs on IP-6 & IP-7 in the airport business park are getting very rusty. The roofs on these 1960-era buildings will last longer if coated.							
	Airport User Fee			\$40,000	\$0				\$40,000
	Total For Project		\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
	Upgrade of Second Floor Ladies Restroom	This bathroom is undersized for the amount of tenant traffic it receives. Project would expand it.							
	Airport User Fee			\$35,000	\$0				\$35,000
	Total For Project		\$0	\$35,000	\$0	\$0	\$0	\$0	\$35,000
	Skylights for Terminal Concourses	Skylights would be added in the Terminal Concourses to add natural light in enclosed areas.							
	Airport User Fee			\$0	\$40,000				\$40,000
	Total For Project		\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000

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**ADJUSTMENTS TO
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PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Rehab East End of Taxiway 'A'	Project would remove and replace the asphalt surface on a busy taxiway.							
	FAA Grant			\$0	\$0	\$1,600,000			\$1,600,000
	Total For Project		\$0	\$0	\$0	\$1,600,000	\$0	\$0	\$1,600,000
	Paint Exterior of Large Hangar IP-5	The metal exterior of the large hangar, IP-5 is rusting and needs to be protected.							
	Airport User Fee			\$0	\$0		\$33,000		\$33,000
	Total For Project		\$0	\$0	\$0	\$0	\$33,000	\$0	\$33,000
	Update Interior of Office Building IP-8	Project would update the bathrooms so they are ADA compliant, provide new wall coverings, carpet and paint and reconfigure some of the space.							
	Airport User Fee			\$0	\$0		\$50,000		\$50,000
	Total For Project		\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
	Interior Terminal Wall Protective Wainscoat	Project would install protective wainscoat on the walls in heavy traffic areas to reduce the amount of wall maintenance currently caused by luggage and carts banging into the walls.							
	Airport User Fee				\$0		\$65,000		\$65,000
	Total For Project		\$0	\$0	\$0	\$0	\$65,000	\$0	\$65,000
	Re-Pave West End Office Building Parking Lot and Access Road.	The pavement at this facility is over 20 years old, is cracked and unravelling and needs to be replaced.							
	Airport User Fee			\$0	\$0			\$70,000	\$70,000
	Total For Project		\$0	\$0	\$0	\$0	\$0	\$70,000	\$70,000
	Environmental Assessment for Changes to Runways 7 & 10R	Before these runways can be lengthened or modified, an Environmental Assessment must be performed for the FAA.							
	FAA Grant			\$0	\$0		\$250,000		\$250,000
	Total For Project		\$0	\$0	\$0	\$0	\$250,000	\$0	\$250,000

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**ADJUSTMENTS TO
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PROJECT NUMBER	TITLE	SHORT DESCRIPTION	7/1/08 - 6/30/09 FY '09	7/1/09 - 6/30/10 FY '10	7/1/10 - 6/30/11 FY '11	7/1/11 - 6/30/12 FY '12	7/1/12 - 6/30/13 FY '13	7/1/13 - 6/30/14 FY '14	FY10-14 FUND TOTALS
	Taxiway 'E' Removal and Earthwork	Project removes a portion of Taxiway 'E' and association earthwork.							
	FAA Grant			\$0	\$0		\$1,600,000		\$1,600,000
	Total For Project		\$0	\$0	\$0	\$0	\$1,600,000	\$0	\$1,600,000
	Repave Airport Service Road	Project repaves the service road used by fuel trucks to get to the Business Park to fuel aircraft.							
	FAA Grant			\$0	\$0		\$850,000		\$850,000
	Total For Project		\$0	\$0	\$0	\$0	\$850,000	\$0	\$850,000
	Runway 7/25 Extension and Widening	Project would increase the size of the aircraft that can operate on this runway, allowing a 2nd option for aircraft, especially when the main runway is closed for maintenance.							
	FAA Grant			\$0	\$0			\$3,300,000	\$3,300,000
	Total For Project		\$0	\$0	\$0	\$0	\$0	\$3,300,000	\$3,300,000
	Hangar Door Replacement	Replace hangar door on City owned hangar.							
	FAA Grant			\$40,000	\$0			\$0	\$40,000
	Total For Project			\$40,000	\$0	\$0	\$0	\$0	\$40,000
Airport Funding Total <u>All</u> Projects (Including New Projects)			FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY10-14 FUND
	Airport User Fee		\$1,557,706	\$8,930,000	\$10,520,000	\$5,750,000	\$198,000	\$145,000	\$25,543,000
	FAA Grant		\$5,631,053	\$2,511,052	\$8,366,000	\$5,700,000	\$2,700,000	\$3,300,000	\$22,577,052
	Passenger Facility Charge		<u>\$1,100,000</u>	<u>\$3,965,000</u>	<u>\$10,000,000</u>	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,965,000</u>
			\$8,288,759	\$15,406,052	\$28,886,000	\$14,450,000	\$2,898,000	\$3,445,000	\$65,085,052

(This CIP will be adjusted during the Spring of 2010 in accordance with Airline Contracts)

BILLINGS LOGAN INTERNATIONAL AIRPORT

SUMMARY OF AVIATION DEMAND FORECASTS				
YEAR	PASSENGER ENPLANEMENTS	AIRCRAFT OPERATIONS	BASED AIRCRAFT	AIR CARGO (POUNDS)
2006	415,298	102,838	155	33,919,386
2011	484,659	127,411	172	40,872,834
2016	570,230	142,193	181	49,251,733
2026	801,692	178,229	201	71,514,656
CAGR 2006–2026	2.97%	1.27%	130%	3.80%

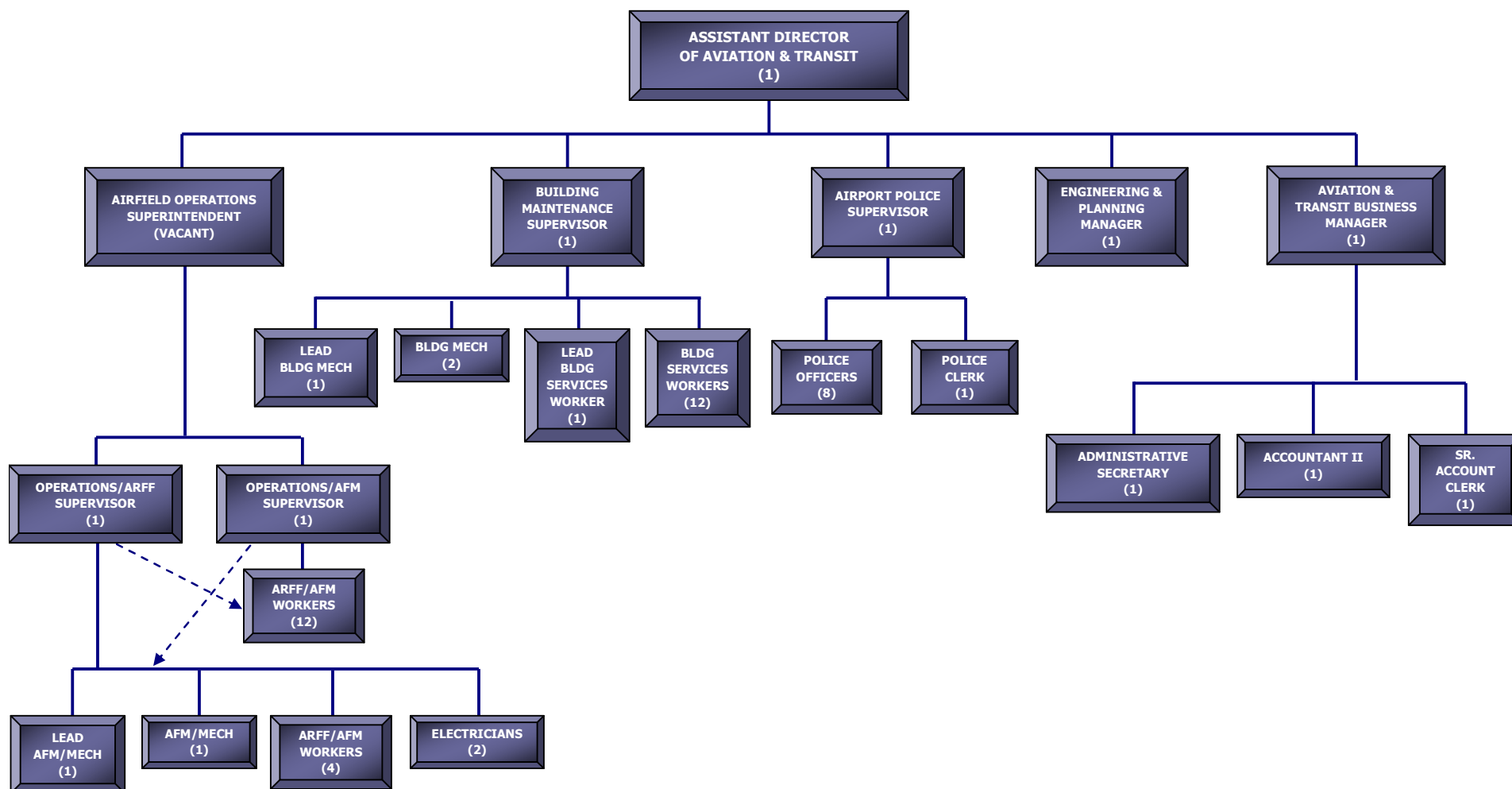
SUMMARY OF MASTER PLAN POTENTIAL CAPITAL IMPROVEMENT PROJECTS

PROJECT	FISCAL YEAR
Terminal: 800 kva Terminal Generator	2008/2009
ADM: Acquire Vacuum Truck	2008/2009
ADM: Acquire 3rd Runway Sweeper	2009
ADM: Acquire Truck Chassis for 3,000 Gallon Water Tender	2009
West GA Area: Reconstruct Taxi Lane Area T-11/Rehab West GA and East Taxi Lanes	2009
Taxiway A, D, E, & F Improvements	2009
Taxiways: Rehabilitate Taxiway A East	2009
Terminal: Roof Preplacement - Final Phase	2009
Apron: Concrete Ramp Joint Repairs	2009
Roadways: Reconstruct West Access Highway Approach	2009
Land Acquisition: Approach Protection	2010
ADM: Replace Runway Sweeper	2010
ADM: Deicing Fluid Applicator Truck and Storage	2010
ADM: Mass Casualty Trailer	2010
Runway 10R/28L and 7/25: EA for Runway 10R Runway Shift and Runway 7 Extension	2010
Rental Car Center: Construct Consolidated Rental Car Center	2010
Taxiway G: Relocate	2010
Consolidated Rental Car Facility Drainage Improvements	2010
West GA Area: Dirt Removal to Expand West End	2010
Terminal: Gate B-4 Concrete Ramp	2010
Terminal: Cooling Tower Replacement	2010
Terminal: Miscellaneous Upgrades	2010

BILLINGS LOGAN INTERNATIONAL AIRPORT

PROJECT	FISCAL YEAR
Taxiway A: Realign East End	2011
Auto Parking: Phase 1 (Lots Reconfigured and Relocate Cashier Plaza)	2011
Terminal: Concourse A Concessions	2011
Terminal: Concourse B Concessions	2011
Business Park: Elevator for Office Building IP-9	2011
Roadways: Repave Terminal Circle	2011
Terminal: Anti-Crash Bollards	2011
Land Acquisition: Airport Land Use Buffer - North Side	2012
West GA Area: Construct Taxi Lanes - Phase 1	2012
West GA Area: Construct Taxi Lanes - Phase 2	2012
ADM: Replace ARFF Truck C-3	2012
Runway 10L/28R: Runway 10L Runup Area	2012
ADM: Acquire Airfield Sander Unit	2012
Drainage System 1 Improvements	2012
Terminal: Repaint Interior	2012
Upgrade Security Gates 17 and 21, Relocate 24, and Remove 14	2012
Runway 10L/28R: Mill and Replace PFC Asphalt Surface	2013
ADM: Acquire Snow Blower	2013
ADM: Acquire Dump Truck	2013
Incursion Road Improvements	2013
Commercial Development Area: Site Preparation	2013
Business Park: Site Improvements	2013
Runway 10R/28L: 1,000' Shift to the West	2014
Airport Master Plan Update	2014
Runway 7/25: Extend, Widen, and Strengthen	2014
Air Cargo: Consolidated Air Cargo Facility - Phase 1 Site Work and Road	2014
Air Cargo: Consolidated Air Cargo Facility - Phase 1 Building	2014
Pave West End Office Building Parking Lot	2014
Runway 10L/28R: 695' Threshold Displacement (Runway 28R)	2015
East GA Area: Expand Aircraft Transient Parking on Existing Ramp	2015
West GA Area: Construct Apron	2015
Terminal: Improve Lobby at Baggage Claim Area	2016
Auto Parking: Phase 2 (Structure)	2016
Terminal: Security Checkpoint Remodel	2016
Terminal: Concourse Expansion and One Jetway	2016
Terminal: Add Departure Security Checkpoint	2016
Terminal: Add Security Checkpoint and Escalator	2016
East GA Area: Construct Transient Aircraft Parking Apron(s)	2026
Runway 10L/28R: 1,070' Threshold Displacement (Runway 28R) for 50:1 Approach	2026
Air Cargo: Consolidated Air Cargo Facility - Phase 2 Ramp/Site Work	2026
Air Cargo: Consolidated Air Cargo Facility - Phase 2 Building Expansion	2026
Auto Parking: Phase 3 (Structure)	2026
Terminal: Lobby Expansion and Additional Ticket Office	2026
Terminal: Expand Baggage Claim Area/Relocate Rental Car Offices	2026
Terminal: Add Two Gate Positions/Jetways	2026

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ORGANIZATIONAL CHART
&
STAFFING AUTHORIZATION****UNDER THE DIRECTION
OF THE
AVIATION AND TRANSIT DIRECTOR**

BILLINGS LOGAN INTERNATIONAL AIRPORT

**ORGANIZATIONAL CHART
&
STAFFING AUTHORIZATION**

POSITION	SALARY RANGE	APPROVED FY 09	APPROVED FY 10
AVIATION & TRANSIT DIRECTOR	6,737-9,028	1.0	1.0
ASSISTANT AVIATION DIRECTOR	5,631-7,547	1.0	1.0
AIRPORT ENGINEER/PLANNING MANAGER	5,151-6,900	1.0	1.0
AVIATION & TRANSIT BUSINESS MANAGER	5,151-6,900	1.0	1.0
ADMINISTRATIVE SECRETARY	2,466-3,305	1.0	1.0
ACCOUNTANT II	2,921-3,912	1.0	1.0
SENIOR ACCOUNT CLERK	2,328-3,119	1.0	1.0
AIRFIELD OPERATIONS SUPERINTENDENT	4,221-5,656	1.0	1.0
OPERATIONS/ARFF SUPERVISOR	3,746-5,019	1.0	1.0
OPERATIONS/AFM SUPERVISOR	3,746-5,019	1.0	1.0
ARFF/AIRFIELD MAINTENANCE WORKER	2,853-3,822	15.0	15.0
LEAD AIRFIELD MAINTENANCE WORKER/MECHANIC	3,152-4,265	1.0	1.0
AIRFIELD MAINTENANCE WORKER/MECHANIC I	2,853-3,822	1.0	1.0
ARFF/ELECTRICIAN II	3,468-4,645	2.0	2.0
BUILDING MAINTENANCE SUPERVISOR	3,746-5,019	1.0	1.0
LEAD BUILDING MAINTENANCE MECHANIC	3,151-4,224	1.0	1.0
BUILDING MAINTENANCE MECHANIC	2,881-3,862	2.0	2.0
LEAD BUILDING SERVICES WORKER	2,016-2,698	1.0	1.0
BUILDING SERVICES WORKER	1,823-2,444	12.0	12.0
AIRPORT POLICE SUPERVISOR	3,494-4,679	1.0	1.0
AIRPORT POLICE OFFICERS	2,881-3,862	8.0	8.0
AIRPORT POLICE CLERK	2,008-2,689	<u>1.0</u>	<u>1.0</u>
TOTAL		<u>56.0</u>	<u>56.0</u>

BILLINGS LOGAN INTERNATIONAL AIRPORT**CITY OF BILLINGS VISION STATEMENT**

A Vibrant, Welcoming Place Where People Flourish and Business Thrives

CITY OF BILLINGS VALUES AND GUIDING PRINCIPLES

<u>INTEGRITY</u>	Through honesty, fairness, openness, and inclusiveness, we earn the trust of citizens to whom we are responsible.
<u>COLLABORATION</u>	We aspire to achieve common goals through collaboration with citizens, businesses, schools, governments, and other organizations.
<u>STEWARDSHIP</u>	We provide stewardship by planning responsibly, protecting community resources, and delivering services effectively and efficiently.

The City of Billings' Vision Statement, Values and Guiding Principles, and the 2007 and 2008 Strategic Plans (following pages) help guide the Airport's day-to-day activities and longer range planning. Several of the recent activities that have been accomplished in accordance with these principles include:

- ▶ Being responsive to public and user inquiries and concerns.
- ▶ Providing the public, tenants, and users the opportunity to participate in the recent Master Plan update.
- ▶ Monitoring tenant cost of service data and maintaining a rate structure that encourages business development at the Airport.
- ▶ Seeking alternative revenue sources to undertake capital development.
- ▶ Maintaining and expanding the facilities needed to support the growth policy and improve air transportation services.

BILLINGS LOGAN INTERNATIONAL AIRPORT

STRATEGIC PLAN

COUNCIL RANKINGS OF ACTIONS OCTOBER 2008:

Create a City Infill Policy, develop a map of available property and promote infill development and growth.

Identify areas that are favored for future growth.

Perform cost of service study to determine the current cost of services and projected cost of annexation.

Coordinate with other entities to obtain State legislative approval of a resort/local option tax.

Encourage the funding and completion of the Inner Belt Loop in the Heights.

Establish service level preferences through needs assessments, surveys, and strategic planning.

Investigate funding strategies such as float the mills, impact fees, Park Maintenance District, Library District, Street maintenance fee strategies, service cuts.

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BILLINGS CITY COUNCIL/STAFF STRATEGIC PLANNING – 2007

HONEST RESPONSIVE GOVERNMENT

GOAL 1: A value-centered organization with policies and procedures that promote responsibility, accountability and trust.

Objective 1: Strengthen/Ensure the public trust by governing effectively.

- Action 1: Develop a quarterly report on major issues addressed by individual departments and how they were resolved.
- a) Devise standard format regarding which issues to report.
 - b) Report quarterly.
- Action 2: Develop a more accountable standardized City-wide complaint/inquiry procedure.
- a) Conduct an assessment of how complaints are currently handled centrally and within each department and create a summary report for review.
 - b) Identify current complaint handling and documentation process, including software, for possible adoption.
 - c) Implement recommended processes.
 - d) Post a copy of summary report of complaints monthly to Council members.
 - e) Conduct customer service training where indicated.
 - f) Convene "City Successes" recognitions at Council Meetings.
- Action 3: Distribute City of Billings' Vision/Values/Goals Statement to all employees and the public. (Institute immediately and continue indefinitely.)
- a) Dialog with employees and institutionalize the Values. *Values and Strategic Plan will be distributed to employees, such as in paychecks. City Administrator Council members and Dept. Directors will schedule meetings at employees' workplaces to present and discuss the material and respond to questions. Feedback City Council when presentations are completed.*
 - b) Post in prominent City government locations, including the Web site, Council chambers, etc. (upon Council approval).
 - c) City Council will serve as ambassadors to various City groups regarding Values Statement and the Strategic Planning process.
 - d) Produce PSAs featuring City employees as spokespersons.
 - e) Prepare handouts and PowerPoint presentations.
- Action 4: Revise Employee Recognition Program.
- a) Implement/execute values within a limited time frame.
 - b) Effectiveness/efficiency improvements resulting in financial savings.
 - c) Standardization of rewards and levels of recognition across the organization.

GOAL 2: Open and accessible government.

Objective 1: Provide opportunities for citizens to become better informed so they can participate in government.

BILLINGS LOGAN INTERNATIONAL AIRPORT

- Action 1: Identify more opportunities to put information about the City on the Web site.
- Action 2: Redesign City Web site.
- Action 3: Investigate putting public notices on the City Web site as well as publishing in the legal newspaper.
- Action 4: Hold annual town hall meetings in each ward each year.
- Action 5: Evaluate the feasibility of convening a "Citizenship Academy," (similar to the Police Academy & Leadership Billings) offering citizens with information, tours, etc., about the routine operations of our City.
- Action 6: Review the current formal process for honoring requests for public documents and make information available in a timely manner, upon written requests.

Objective 2: Expand citizen participation in boards and commissions to improve public understanding of and involvement in government functions.

- Action 1: Examine City ordinances and identify ways to spread appointments out over the year, allowing time to recruit and screen appropriate candidates, and otherwise improving the appointment system.
- Action 2: Examine the role of and determine the need for existing and future advisory boards and committees.
- Action 3: Develop tools for publicizing board appointments in publicly accessible places, such as through news releases and on the City Web site.
- Action 4: Provide training on City-related issues and procedures for new advisory board and commission members.
- Action 5: Consider assigning Council members as liaisons.

COMPREHENSIVE ORDERLY GROWTH

GOAL 1: Comprehensive, cost-effective, and orderly growth.

Objective 1: Manage growth in a way that protects the existing community.

- Action 1: Create a City infill policy, develop a map of available property and promote infill development/growth.
- Action 2: Develop neighborhood plans as a decision making document.
- Action 3: Implement an annexation policy that identifies areas that are favored for future growth working with the County Commissioners.

Objective 2: Identify, assess, and establish a level of service for City Departments and determine funding needs to achieve those levels.

- Action 1: Establish service level preferences through needs assessments, surveys, and strategic planning.
- Action 2: Perform cost of service study to determine the current cost of services and projected cost of annexation.
- Action 3: Investigate funding strategies, such as:
 - a) Float the Mills
 - b) Impact Fees
 - c) Park Maintenance District
 - d) Library District
 - e) Street Maintenance Fee Strategies
 - f) Service Cuts

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GOAL 2: A customer-friendly development process.

Objective 1: Enhance service quality.

- Action 1: Assess the current development review process to identify strengths and weaknesses, using methods such as:
- a) Conduct a truly independent review of the staff and process.
 - b) Evaluate review findings.
 - c) Develop strategies to address findings.
 - e) Implement strategies to address customer needs and improve internal process.

TRANSPORTATION LINKAGES

GOAL 1: A comprehensive, multi-modal transportation system that supports the Growth Policy to accommodate the future needs of our residents and business community.

Objective 1: Improve transportation in Billings.

- Action 1: Encourage use of City bus system combining bikes and buses.
- Action 2: Develop a central bike parking place in partnership with the YMCA or Transfer Center.
- Action 3: Ensure Council participation on the PCC.
- Action 4: Maintain timely City responses to MDTs requests for actions on state road projects.
- Action 5: Develop plan to bring existing arterials to City standards.
- Action 6: Encourage funding and complete the Inner Belt Loop and investigate switching funding from the bench connector.
- Action 7: Organize City transportation planning and citizen input through the creation of a Multi-Modal Transportation Steering Committee.
- Action 8: Encourage traffic calming in identified areas.

Objective 2: Expand, beautify, and maintain the existing trails system within City limits.

- Action 1: Complete trail connections (e.g., Heights to Downtown) to make this a viable mode of transportation (FY '12).
- Action 2: Update open space and recreation resource data base to identify what lands are available.
- Action 3: Find resources for acquiring the lands (BikeNet, CTEP, YRPA, etc.).
- Action 4: Acquire property for open spaces.
- Action 5: Revisit/Update the Heritage Trail Plan in 2007.

PRESERVATION OF RESOURCES

GOAL 1: Preserve Billings' abundant resources: cultural, educational, medical and natural.

Objective 1: Support expansion of the Medical Corridor and the colleges in the West End, Heights and to East End TIFD.

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- Action 1: Develop urban greenway on or near the 5th Avenue corridor east of the Yellowstone Art Museum through the East End TIF District. (FY '12):
- a) Identify corridor parameters.
 - b) Determine ownership.
 - c) Determine interest of owners/TIFD.
- Action 2: Coordinate a plan for open spaces and attractive landscaping City-wide.
- Action 3: Address hospital growth planning issues, such as encroachment into existing residential neighborhoods and street closures.
- Action 4: Finalize participation in joint project with the College of Technology and determine feasibility of branch library in the Heights.

ECONOMIC DEVELOPMENT

GOAL 1: Economic vitality of Billings and the greater region that fosters community partnerships, and maintains a strong and efficient infrastructure.

Objective 1: Establish formal collaborative relationships with Big Sky Economic Development (*BSEDA*), the Chamber of Commerce and *other economic entities* to ensure a united coordinated approach to helping business grow and thrive.

- Action 1: Determine the potential conflicts of interest, if any, of serving as Council representatives on the Chamber, BSEDA, School District #2, tax increment finance districts, the Downtown Billings Partnership, medical boards, Beartooth RC&D, and committees.
- Action 2: Inquire of the above groups what their process is for selecting board members and when such openings occur.
- Action 3: Find and appoint City Council members who can serve, once those groups agree to City Council appointments.
- Action 4: Invite Council members to more fun stuff such as "employee for the day," and selected other social activities.

Objective 2: Expand the statistical database on Billings so that decision makers have data to make effective decisions for economic development of new businesses.

- Action 1: Identify existing data bases and information City-wide and create connectivity with other data bases, such as Chamber, BSEDA, etc.).
- Action 2: Fill in any blanks needed to provide appropriate information.
- Action 3: Link the identified sites to the City Web site.

Objective 3: Identify alternative sources to the property tax to fund City operations.

- Action 1: Coordinate with other entities to obtain state legislative approval of a resort/local option tax.
- Action 2: If successful, begin preparations for a 2008 local option resort tax.
- Action 3: Investigate creating a major, long-term policy influencing strategy.

Objective 4: Expand recreational access from the Yellowstone River to the Rimrocks.

- Action 1: Complete master plan revision for Riverfront Park.

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Action 2: Work with Fish, Wildlife and Parks to identify a site and funding for a fishing and boating access on the Yellowstone.

Action 3: Seek additional recreational partnership opportunities with private, non-profit groups such as Big Sky Games, Billings Softball Association and the Yellowstone Soccer League, YMCA, YRP.

Objective 5: Work with organizations to publicize historic aspects and cultural advantages of Billings.

Action 1: Assign staff or Mayor/Council as liaisons to the Cultural Partners and the Yellowstone Historic Preservation Board and the Convention and Visitors' Bureau.

Action 2: Define relationships with Moss Mansion, the Alberta Bair Theatre the Depot Montana Avenue and Zoo Montana.

Action 3: 125th Anniversary Celebration.

INVOLVED, UNITED COMMUNITY

GOAL 1: Support the community-wide visioning process.

Objective 1: Create common ground with other community organizations and their strategic planning/visioning process.

Action 1: Hold a joint meeting with Celebrate Billings, BSEDA, MSU-B or others interested in a community visioning process and distribute City Strategic Planning information to other entities.

Action 2: Investigate models and funding for neighborhood councils/task forces for greater input.

Objective 2: Investigate the budget needed to conduct a citizen survey every 3 to 5 years to determine public understanding of and satisfaction with City services.

Action 1: Budget a reasonable amount of money for the survey.

Action 2: Identify a source for survey questions.

Action 3: Conduct a survey and report findings to the public.

Action 4: Use survey results to plan for more efficient future government services.

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TYPE	NAME	TERM	EXPIRATION
Restaurant/Deli	Air Host	5 Years	10/31/2014
Car Rental	Alamo/National	4 Years	03/31/2011
Car Rental	Enterprise	4 Years	03/31/2011
Car Rental	Hertz	4 Years	03/31/2011
Car Rental	Thrifty/Dollar	4 Years	03/31/2011
Gift Shop	Airport Gifts	5 Years	08/31/2010
Parking	Standard Parking	5 Years	10/31/2009
Advertising	Epcon Sign Company	5 Years	10/31/2009
WiFi	Boingo DBA Opti-Fi	5 Years	10/31/2010