



CHAPTER 7 - FINANCIAL PLAN

7.01 General

This chapter presents a financial plan to assist with future capital improvements and provide a guide for implementing the development of Cuyahoga County Airport. The plan outlines capital improvement projects in sequence and estimated financial obligations to be shared by the federal and state government, and the airport sponsor (Cuyahoga County). The objective of this financial analysis is to identify the most likely plan for funding capital improvement projects from today through year 2025.

7.02 Capital Improvements

The proposed schedule of capital improvements is presented in Tables 7-1 through 7-4. The tables describe, by phase, the investment required for airport improvements, as shown on the Airport Layout Plan (Sheet 3 of 12). In addition, the proposed airport improvement projects were based on input from the Cuyahoga County Airport Advisory Committees and comments from local, state and federal representatives. Project costs were based on unit costs developed by the consultant from experience at other airports of similar size. For comparative purposes, the estimated costs of capital improvements are stated in 2006 dollars. Therefore, these costs should be considered as foundation planning costs that will likely have to be adjusted regularly to arrive at actual project costs. In most cases, the actual project costs and corresponding budgeted amounts will be greater, to account for varying economic conditions.

The Capital Improvement Program (CIP) is presented in three phases. Phase 1 (2006-2010), Phase 2 (2011-2015), and Phase 3 (2016-2025) are divided into federal, sponsor, and private funding portions. A majority of the airport improvement projects qualify for Federal Aviation Administration/Airport Improvement Program (AIP) funding. Based on current legislation, AIP approved projects are eligible for 95 percent funding. The remaining cost of eligible projects is to be financed by the airport sponsor (Cuyahoga County). The state of Ohio may provide 80 percent funding (maximum state grant of \$175,000) for eligible projects, with the sponsor financing the remaining 20 percent. Total investment is estimated to be \$63,933,000 to the year 2025.



7.03 Financing Capital Improvements

The total expected airport improvement costs associated with the implementation of the development program are presented in Tables 7-1 through 7-4. However, the portion of those development costs that must be funded by the airport sponsor are of a more immediate concern to the implementation of the plan.

For a majority of airport development projects, airport sponsors are eligible for federal financial assistance through the Airport Improvement Program (AIP). The funds for the AIP are distributed in accordance with provisions contained in the Airport and Airway Improvement Act (the Act). The Airport and Airway Trust Fund, which was established by the Act, provides the revenue used to fund AIP projects.

As an alternative to AIP funding, the state of Ohio also contributes towards financing of capital projects and may provide 80 percent funding (maximum state grant of \$175,000) for eligible projects. In the following tables, for long-range planning purposes, financing of project costs are outlined in the simplest way possible (i.e., assuming federal funding). The remaining cost of capital projects is paid with airport sponsor funds or private investment.

**TABLE 7-1
CUYAHOGA COUNTY AIRPORT
CAPITAL IMPROVEMENT PROGRAM (2006 dollars)
PHASE 1, 2006 – 2010**

Project	Project Description	Total Cost	Federal Eligible*	Local Share	Private Funds
1-1	Purchase and Install Automated Weather Observation System (AWOS) and Upgrade Runway Sensor System	\$395,000	\$166,250	\$228,750	
1-2	Airport Administrative and Maintenance Expansion (Building and Auto Parking)	\$1,435,000	\$1,363,250	\$71,750	
1-3	Airport Perimeter Fencing	\$352,000	\$334,400	\$17,600	
1-4	Electrical Improvements (Transformer and Field Lighting Loop)	\$490,000		\$490,000	
1-5	Rehabilitate Taxiways A, A1, A2, A3, A5, A6, A7 and A8	\$4,865,000	\$4,621,750	\$243,250	
1-6	Aircraft Run-Up Enclosure (Design and Construct)	\$3,100,000	\$2,945,000	\$155,000	
TOTAL		\$10,637,000	\$9,430,650	\$1,206,350	\$0

* It is assumed that the funding rate of 95% will remain in effect beyond the current legislation that expires in 2007.
Source: C&S Engineers, Inc.





**TABLE 7-2
CUYAHOGA COUNTY AIRPORT
CAPITAL IMPROVEMENT PROGRAM (2006 DOLLARS)
PHASE 2, 2011-2015**

Project	Project Description	Total Cost	Federal Eligible*	Local Share	Private Funds
2-1	Curtiss Wright Parkway Conceptual Realignment Route	\$270,000	\$256,500	\$13,500	
2-2	Runway and Parallel Taxiway Extension (Design and Construct)	\$32,026,000	\$30,424,700	\$1,601,300	
2-3	Land/Easement Acquisition for Runway 6-24 Improvements	\$11,300,000	\$10,735,000	\$565,000	
2-4	Relocate Taxiway A (Design and Construct)	\$4,850,000	\$4,607,500	\$242,500	
2-5	Design and Construct Two 10-Bay T-Hangars	\$1,000,000			\$1,000,000
2-6	Design and Construct Based Aircraft Apron	\$700,000	\$665,000	\$35,000	
2-7	Demolition of County T-Hangars	\$200,000		\$200,000	
TOTAL		\$50,346,000	\$46,688,700	\$2,657,300	\$1,000,000

* It is assumed that the funding rate of 95% will remain in effect beyond the current legislation that expires in 2007.

Source: C&S Engineers, Inc.





**TABLE 7-3
CUYAHOGA COUNTY AIRPORT
CAPITAL IMPROVEMENT PROGRAM (2006 DOLLARS)
PHASE 3, 2016-2025**

Project	Project Description	Total Cost	Federal Eligible*	Local Share	Private Funds
3-1	Design and Construct Corporate Hangars (3)	\$2,550,000			\$2,550,000
3-2	Design and Construct Corporate Apron Expansion	\$400,000	\$380,000	\$20,000	
TOTAL		\$2,950,000	\$380,000	\$20,000	\$2,550,000

* It is assumed that the funding rate of 95% will remain in effect beyond the current legislation that expires in 2007.

Source: C&S Engineers, Inc.

**TABLE 7-4
CUYAHOGA COUNTY AIRPORT
CAPITAL IMPROVEMENT PROGRAM (2006 DOLLARS)
SUMMARY**

Project	Total Cost	Federal Eligible	Local Share	Private Funds
Phase 1 (2006-2010)	\$10,637,000	\$9,430,650	\$1,206,350	\$0
Phase 2 (2011-2015)	\$50,346,000	\$46,688,700	\$2,657,300	\$1,000,000
Phase 3 (2016-2025)	\$2,950,000	\$380,000	\$20,000	\$2,550,000
TOTAL	\$63,933,000	\$56,499,350	\$3,883,650	\$3,550,000

Source: C&S Engineers, Inc.

With the existing airport development programs in mind, the anticipated local sharing of development costs for the next twenty years is outlined in Table 7-4. In 2006 dollars, federal funding is projected to total \$56,499,350 (or an average of \$2,824,968 per year), to the year 2025. The airport sponsor (i.e., Cuyahoga County) share of capital projects is projected at \$3,883,650 (average of \$194,183 per year) for the planning period.





7.04 Conclusions

Chapter 7 has outlined the proposed capital improvement projects and the financial costs associated with improvements to Cuyahoga County Airport on a development schedule from today through year 2025. The Airport Master Plan Update has documented the existing aviation need for a public-use, general aviation reliever facility in eastern Cuyahoga County and the Northeastern Ohio Region, based on existing conditions, business and user surveys (see Appendix E), and informed local and technical opinions, as expressed through the study's Airport Advisory Committees. From today through year 2025, the continued development of the Airport could be influenced by many factors. With this in mind, it is important to recognize the vital role that the Airport plays in the National Plan of Integrated Airport Systems (NPIAS), in Northeast Ohio, Lake and Cuyahoga counties, and in the ongoing success and growth of surrounding municipalities and local businesses.

Many communities with airports may lose sight of the benefits of having an airport. In many cases, communities will benefit economically but it can sometimes be difficult to demonstrate the economic benefits of an airport due to the unavailability of studies. In many situations, studies of national or state economic trends are available. The Cuyahoga County Airport has used national and state studies and also conducted an independent economic study which identifies the direct and indirect economic impacts of the Airport upon the surrounding community. This study, titled *Economic and Fiscal Impacts of the Cuyahoga County Airport*, was prepared in May 2005 and is included in Appendix B. The report identifies various types of small, medium, and large businesses that utilize the Airport in different ways. The Airport is used for attracting new businesses into the area; studies show airports are an important asset for those businesses considering relocation due to the flexibility they offer. Communities generally recognize major benefits of an airport and are supportive of its growth, development, and goals in order to capitalize on the economic success of the airport. These communities understand that airports play a vital role in the municipal infrastructure, thus assisting with attracting new businesses and sustaining existing businesses, which results in positive economic benefits to the communities through job creation and stability, and sales and payroll tax revenues.

The Airport's goal and initiative is to be able to provide a safe, useable airport in all-weather conditions to serve the business in the northeastern Ohio region by providing aircraft storage, maintenance, repair, and refueling. To this end, the Airport must be able to accommodate existing tenants with an adequate runway and taxiway infrastructure system with respect to the pavement condition and runway length and width. Throughout the development phases, hurdles are anticipated along the way and will be addressed as they arise. Ultimately, Cuyahoga County and the communities of Richmond Heights, Highland Heights, and Willoughby Hills, along



with local businesses, working together, will assist with the Airport accomplishing its goals and initiatives.

During the review of this Airport Master Plan Update, the Airport Advisory Committees evaluated the need and role of the Airport in terms of the demand for aviation services. This plan reflects the commitment on the part of Cuyahoga County to support and improve the Airport and sustain its ability to provide economic benefits to the aviation and municipal communities.