BZN Bozeman Yellowstone
INTERNATIONAL AIRPORT

2020 MASTER PLAN UPDATE

CHAPTER SEVEN
FINANCIAL

Morrison Maierle
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CHAPTER SEVEN:

FINANCIAL ANALYSIS

7.1 Introduction

The analyses conducted in the previous chapters evaluated airport development needs based upon forecast activity changes and operational efficiency. However, the most important element of the master planning process is the application of basic economic, financial, and management rationale to each development item so that the feasibility of implementation can be assured. The purpose of this chapter, therefore, is to provide financial management information and tools which will help make the master plan achievable and successful.

This chapter provides a financial plan and examines the economic feasibility of developing the proposed improvements at Bozeman Yellowstone International Airport (BZN). The use of airport revenue, federal and state grant programs, Passenger Facility Charges (PFC), Car Rental Facility Charges (CFC), and bond financing is evaluated in considering the ability of the Gallatin Airport Authority to finance the proposed capital improvements. Implementation of the improvements will be based on an "as required" basis consistent with the financial capability of the Authority.

The presentation of the financial plan and its feasibility has been organized into three sections. First, airport improvement funding sources on the federal, state, and local levels are identified and discussed. Secondly, the airport improvement schedule is presented. Finally, the airport's cash flow is examined for its ability to support future capital improvements.

7.2 Airport Improvement Funding Sources

Financing capital improvements at the airport will not rely exclusively upon the financial resources of the Gallatin Airport Authority. Capital improvements funding is available through various grant-in-aid programs administered by the FAA, the State of Montana and local passenger facility charges.

7.3 Federal Grants

<u>Airport Improvement Program</u>

The United States Department of Transportation, through the Federal Aviation Administration, provides a portion of development costs for eligible airport projects. This program is the Airport Improvement Program (AIP).

The source for AIP funds is the Aviation Trust Fund. The Aviation Trust Fund was established in 1970 to provide funding for aviation capital investment programs (aviation development, facilities and equipment, and research and development). The Trust Fund also finances the operation of the FAA. It is funded by user fees, taxes on airline tickets, aviation fuel, and various aircraft parts.

Under the AIP, eligible projects (such as airfield, apron, terminal, and access roads) in currently can receive up to 90 percent federal participation with the airport sponsor responsible for the other 10 percent. Projects that are undertaken for security, safety, operational efficiency, or environmental reasons are generally eligible for funding. Projects that have the potential to generate revenue or benefit a private individual or company are generally ineligible. Examples of ineligible projects include the construction of revenue producing parking lots and garages, general aviation terminals, hangars and fuel farms. Funds are distributed each year by the FAA under authorization from Congress.

Commercial service airports which enplane 10,000 or more passengers are considered primary airports and currently receive a minimum of $1,000,000 annually in "entitlement" funds from the FAA based upon enplanement levels. Entitlement funds are distributed through grants by a formula based on the number of enplanements at individual airports. For the purposes of this study, it is assumed that BZN is expected to receive approximately $3.6 million in AIP entitlements in 2021 with annual increases based on forecast enplanements.

Remaining AIP funds are distributed by the FAA based upon the priority of the project for which they have requested Federal assistance through discretionary apportionments.

CARES Act

In March of 2020, nearly $10 billion was made available to US airports to prevent, prepare for and respond to impacts of the coronavirus pandemic through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CARES funding makes available at least $7.4 billion to Commercial Service Airports for any purpose for which airport revenues may lawfully be used. The total allocation for individual airports is determined by formula. Funds under the CARES Act are available at a 100% Federal share. In 2020 BZN received a grant for $15 million in CARES Act funds.

7.4 Passenger Facility Charges

Passenger facility charges (PFCs) were authorized by Congress through the Aviation Safety and Capacity Act of 1990. Authorized agencies are allowed to impose a charge of as much as $4.50 for each enplaned passenger. Congress is currently considering an increase in the PFC cap. PFCs can only be used on approved projects. However, they can be used to fund all of a project, or to match other AIP funds. They can also be used to service debt and financing costs of bonds for eligible improvements.

The PFC law sets the general structure under which public agencies that own or operate airports may impose PFCs at their commercial service airports. Airport operators seeking to impose a PFC must apply to the Secretary of Transportation for PFC authority, after offering air carriers that use the airport an opportunity for consultation on the projects the airport proposes to include in the application. Airports, and later the USDOT/FAA, must meet a detailed set of notice and consultation requirements designed to elicit the participation of affected airlines, other airport users, and other affected parties at various stages of the process.

On May 29, 1991, FAA published the final regulations, FAR Part 158, "Passenger Facility Charges," that governs an airport's application for authority to impose a PFC. These regulations, which have the force and effect of law, specify procedures for the way in which (1) an airport operator applies for authority to impose PFCs, (2) FAA processes these applications, (3) air carriers collect and remit PFC revenues, (4) record keeping and audit procedures would work, (5) PFC authority could end, and (6) how collection of a PFC would reduce the AIP grants allocated to large and medium hub airport operators imposing a PFC.

The law designates the airport operator that controls a commercial service airport as initiator of the PFC process. The airport operator structures its capital improvement plan and decides how various parts of the plan are to be financed. If the airport operator decides to rely on a PFC for financing one or more specific projects or a multi-project program, it applies to FAA for separate authority to collect PFCs and to expend them accordingly. The airport operator may propose collecting $1, $2, $3 or $4.50 per enplaned passenger, domestic or foreign. No intermediate amounts (such as $2.50) are permitted. As a part of that process, the airport operator must notify the air carriers serving the airport that it is planning to apply for PFC authority, and must present to them its capital plan and financing strategy. In the application, the airport operator must summarize any airline comments contained in a certification of disagreement with the project and the airport's reasons for proceeding nonetheless. After the application is filed, FAA publishes a notice of the application in the *Federal Register* and receives comments from other airport users and interested parties. After receipt of all comments, FAA approves or disapproves the application. If the application is approved, the airlines are directed to begin collecting the PFC on a certain date.

The PFC level approved by FAA normally stays in operation until the PFC revenue collected plus interest earned equals the cost of the approved project. Throughout the collection and project completion process, the airport operator must send written notification to the air carrier and FAA if it intends to decrease the level of PFC collected from each passenger, decrease the total PFC revenue collected, or increase the revenue by 15 percent or less. Large-scale changes – increasing the per-passenger charge, increasing total PFC revenue by more than 15 percent, making material changes in the scope of a project, or altering the class of carriers exempt from collection – would require that the airport operator again notify and consult with the carriers. Finally, FAA retains the ability to terminate an airport operator's PFC authority if it determines that the airport operator violated certain rules regarding collection, use of PFC revenues, or that the airport violated the Airport Noise and Capacity Act of 1990 or its implementing regulations.

BZN is currently collecting $4.50 in PFCs to fund federally ineligible projects as well as a share of identified eligible projects that is over and above what can be expected through AIP.

7.5 FAA Facilities and Equipment Program

The Airway Facilities Division of the FAA administers the Facilities and Equipment (F&E) Program. This program provides funding for the installation and maintenance of various navigational aids and equipment of the national airspace system. Under the F&E program, funding is provided for FAA approved airport traffic control towers, enroute navigational aids, on-airport navigational aids, and approach lighting systems. A number of items included in the program could potentially qualify for funding under this program including the VOR relocation and new navigational aids for Runway 11-29 and relocated navaids for the extension of Runway 12-30.

7.6 State Aid to Airports

In support of the state airport system, the State of Montana also participates in airport improvement projects, through the Montana Department of Transportation. The majority of these grants and loans are awarded to small general aviation airports.

7.7 Local Funding

The balance of project costs, after consideration has been given to grants and PFCs, must be funded through local resources. General fund contributions at the local level can vary greatly from airport to airport. This is due in part to varying community characteristics and tax base sizes. There are several alternatives for local financing of airport projects, including:

- Gallatin County Taxes
- Revenue Bonds
- Tax Backed Revenue Bonds
- General Obligation Bonds
- Airport User Fees

Airport Authorities Act

The Gallatin Airport Authority was created by Gallatin County in 1972 pursuant to Title 1, Chapter 9 R.C.M. 1947, as amended for the purpose of owning, operating, and improving BZN. The Authority is governed by a Board consisting of five members appointed by the Board of County Commissioners of Gallatin County.

The Authority has the power under Title 1, Chapter 9 (currently Title 67-11 MCA) of a municipal airport authority, including the power to own and operate the Airport, acquire real and personal property in connection therewith, establish rates, charges, and rentals for the use of the Airport, employ persons to operate and maintain the Airport, undertake improvements to the Airport and finance the improvements by the issuance of revenue bonds. The Authority is required to submit an annual budget to the Board of County Commissioners. At the time the Authority was created, the County agreed to levy an ad valorem tax of two mills on all taxable property in the County for airport purposes and pay the proceeds to the Authority. The Authority has no independent taxing powers and derives its revenue solely from the operation of the Airport, federal and state grants, and any County tax levy.

In 1991, Authority reserve fund balances were such that the collection and payment of the two mill airport levy was suspended by the Authority and the County.

Gallatin County Airport Mill Levy

67-11-201 MCA (2005) states that an airport authority has the power to certify annually to the governing bodies creating it, the amount of tax to be levied for airport purposes subject to 15-10-420. 67-11-201 further identifies the powers of the airport authority to sue and be sued; execute contracts for purposes of operating the airport; to plan, establish, acquire, develop, construct, purchase, enlarge, improve, maintain, equip, operate, zone, and to acquire land.

15-10-40 MCA (the statutory process for the levy of taxes) indicates that the exclusive power to impose taxes lies with the County:

"Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's value of newly taxable property, plus one-half of the average rate of inflation for the prior 3 years."

A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the Airport or the Airport Authority in either of the previous 2 years and the Airport or Airport Authority has not been appropriated operating funds by a county or municipality during that time.

67-11-301 MCA, Municipal Tax Levy, states: The airport authority may certify annually to the governing bodies the amount of tax requested to be levied by each municipality participating in the creation of the airport authority, and subject to 15-10-420, the municipality shall levy the amount certified, pursuant to provisions of law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. The levy may not exceed the maximum levy that may have been established by the municipalities in the resolution creating the authority. The municipality shall collect the taxes certified by an airport authority in the same manner as other taxes are levied and collected and make payment to the airport authority. The proceeds of the taxes paid to the airport authority must be deposited in a special account or accounts in which other revenue of the authority is deposited and may be expended by the authority as provided for in this chapter. Prior to the issuance of bonds under 67-11-303, the airport authority or the municipality may by resolution covenant that the total amount of the taxes authorized by law or the portion of the taxes specified by the resolution will, subject to 15-10-420, be certified, levied, and deposited annually until the bonds and interest are fully paid.

Therefore, if the Authority certifies to the County a "justifiable" amount of taxes to be levied for airport purposes, the County shall levy the amount certified.

Revenue Bonds

There are several types of revenue bonds, but in general they are a form of municipal bond which is payable solely from the revenue derived from the operation of a facility that was constructed or acquired with the proceeds of the bonds. For example, a lease revenue bond is secured with the income from a lease assigned to the repayment of the bonds. Revenue bonds have become a common form of financing airport improvements. In fact, they have become the preferred method of financing new airport construction, expansion, and improvements over the past two decades.

Financing airport facilities under the "Airport Authorities Act" Title 67-11 MCA (2005) allows an airport authority to sell bonds payable out of any revenues to the authority, including revenues derived from: airport facilities, taxes levied, grants or contributions from the federal government or other sources. Issuance of revenue bonds by the airport authority does not require an election, but is subject to the limitation of the airport authority that annual pledged revenues meet the total bond payment.

Revenue bonds present the opportunity to provide the improvements without direct burden to the taxpayer. Revenue bonds normally carry a higher interest rate because they lack the guarantees of general and limited obligation bonds.

The Airport Authority Act also states that if insufficient revenues are available to pay the principal and interest due on a revenue bond, that a general tax can be levied to pay for the deficiency. This, however, requires approval of a majority of the voters voting on the question.

Tax Backed Revenue Bonds

The Airport Authorities Act also states that if insufficient revenues are available to pay the principal and interest due on a revenue bond, that a general tax can be levied to pay for the deficiency. This, however, requires approval of a majority of the voters voting on the question. If the voters do not approve the tax, then the Airport Authority would be limited to bonding the project as stated in 67-11-303 (1).

67-11-303 more specifically provides:

Bonds and obligations: (1) An authority may borrow money for any of its corporate purposes and issue its bonds for those purposes, including refunding bonds, in the form and upon the terms that it may determine, payable out of any revenue of the authority, including revenue derived from: (a) an airport or air navigation facility or facilities; (b) taxes levied pursuant to 67-11-301 or other law for airport purposes; (c) grants or contributions from the federal government; or (d) other sources.

(2) The bonds may be issued by resolution of the authority, without an election and without any limitation of amount, except that bonds may not be issued at any time if the total amount of principal and interest to become due in any year on the bonds, and on any then-outstanding bonds for which revenue from the same source or sources is pledged, exceeds the amount of revenue to be received in that year as estimated in the resolution authorizing the issuance of the bonds. The authority shall take all action necessary and possible to impose, maintain, and collect rates, charges, rentals, and taxes, if any is pledged, sufficient to make the revenue from the pledged source in the year at least equal to the amount of principal and interest due in that year.

(3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102. Except as otherwise provided in this section, any bonds issued pursuant to this chapter by an authority may be payable as to principal and interest solely from revenue of the authority and must state on their face the applicable limitations or restrictions regarding the source from which the principal and interest are payable.

(4) Bonds issued by an authority or municipality pursuant to the provisions of this chapter are declared to be issued for an essential public and governmental purpose by a political subdivision within the meaning of 15-30-111(2)(a).

(5) For the security of bonds, the authority or municipality may by resolution make and enter into any covenant, agreement, or indenture and may exercise any additional powers authorized to be exercised by a municipality under Title 7, chapter 7, parts 44

and 45. The sums required from time to time to pay principal and interest and to create and maintain a reserve for the bonds may be paid from any revenue referred to in this chapter, prior to the payment of current costs of operation and maintenance of the facilities.

(6) Subject to the conditions stated in this subsection, the governing body of any municipality having a population in excess of 10,000, with respect to bonds issued pursuant to this chapter by the municipality or by an authority in which the municipality is included, may by resolution covenant that in the event that at any time all revenue, including taxes, appropriated and collected for the bonds is insufficient to pay principal or interest then due, it shall, subject to 15-10-420, levy a general tax upon all of the taxable property in the municipality for the payment of the deficiency. The governing body may further covenant that at any time a deficiency is likely to occur within 1 year for the payment of principal and interest due on the bonds, it shall, subject to 15-10-420, levy a general tax upon all the taxable property in the municipality for the payment of the deficiency, and the taxes are limited to a rate estimated to be sufficient to produce the amount of the deficiency. In the event that more than one municipality having a population in excess of 10,000 is included in an authority issuing bonds pursuant to this chapter, the municipalities may apportion the obligation to levy taxes for the payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that the municipalities may determine. The resolution must state the principal amount and purpose of the bonds and the substance of the covenant respecting deficiencies. A resolution may not be effective until the question of its approval has been submitted to the qualified electors of the municipality at a special election called for that purpose by the governing body of the municipality and a majority of the electors voting on the question have voted in favor of the resolution. The special election must be held in conjunction with a regular or primary election. The notice and conduct of the election is governed, to the extent applicable, as provided for municipal general obligation bonds in Title 7, chapter 7, part 42, for an election called by cities and towns and as provided for county general obligation bonds in Title 7, chapter 7, part 22, for an election called by counties. If a majority of the electors voting on the issue vote against approval of the resolution, the municipality may not make the covenant or levy a tax for the payment of deficiencies pursuant to this section, but the municipality or authority may issue bonds under this chapter payable solely from the sources referred to in subsection (1).

General Obligation Bonds

General obligation (G.O.) bonds are a common form of municipal bonding which are issued by voter approval and secured by the full faith and credit of the city or county. Community tax revenues are pledged to retire the debt. Montana law 7-7-2201 MCA (2005) (Purposes for which general obligation bonds of a county may be issued) provides for general obligation bond issues for counties to acquire land for sites and grounds for public buildings and for constructing, erecting, or acquiring by purchasing necessary public buildings. This allows the Authority to construct a project and repay the cost plus interest over a 15- to 20-year period.

As instruments of credit, and because the community secures the bonds, G.O. bonds reduce the available debt level of the community. Due to the community pledge to secure and pay G.O. bonds, they are the most secure type of municipal bond and are generally issued at lower interest rates. The primary disadvantage is that they require voter approval and are subject to statutory debt limits. This requires that they have broad support among the voters, and that they be reserved for projects that have highest public priorities.

Bonded Indebtedness Limitations: 7-7-2101 MCA (2005) places a county's bonded indebtedness limitation for general obligation bonds at approximately 1.4% of the taxable value of the property in the county. A number of exceptions such as high school bonds and emergency bonds exist. This limitation can also be exceeded depending on the interim production or new production of natural gas, petroleum, or other crude oil products as defined in 15-23-607(2)(a) or (2)(b) and 15-23-612.

Gallatin County is not restrained by statutory debt limits from financing major airport improvements using general obligation bonds. But the County may not incur indebtedness or liability for any single purpose to an amount exceeding $500,000 without the approval of a majority of the electors of the County voting at an election as provided by law.

Limited Obligation Bonds

In contrast to G.O. bonds, limited obligation bonds (sometimes referred to as self liquidating bonds) are secured by revenues from a local source. While neither general fund revenues nor the taxing power of the local community is pledged to pay the debt service, these sources may be required to retire the debt if pledged revenues are insufficient to make interest and principal payments on the bonds. These bonds still carry the full faith and credit pledge of the local community and therefore are considered, for the purpose of financial analysis, as part of the debt burden of the local community. The overall debt burden of the local community is a factor in determining interest rates on municipal bonds.

Certificate of Participation

Another source for funding is a certificate of participation. Certificates of participation are similar to lease revenue bonds, except that they normally do not constitute indebtedness under constitutional or statutory debt limits. In general, they are a form of security which allows the purchaser of the certificate to participate in the income stream of the improvement.

Airport User Fees

Airport revenue is also generated by users of the airport. Airline landing fees, fuel flowage, tiedown fees, hangar ground leases, terminal rent, rental car concession fees, restaurant rent, FAA Facilities rent, and parking income are the major sources of user fees at BZN. Airport user fees and revenues are established in order to reduce the need for local tax support.

Car Rental Customer Facility Charge

The operation of an airport as a public facility attracting airline passengers who use car rental facilities imposes a financial responsibility on the Airport to provide car rental facilities in and adjacent to the terminal building, parking lots, and access roads. Many airports have established a Customer Facility Charge (CFC) collected by a rental car company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport car rental company serving the Airport.

The CFC's are typically used to pay or reimburse the airport for the costs associated with the design, planning, and construction of facilities or improvements exclusively used by the rental car companies serving the airport. Any or all of the CFCs collected may be pledged to the punctual payment of debt service on obligations issued by or on behalf of the airport for the cost of the rental car portion of a parking garage expansion, car wash facility, or parking lots established for the rental car companies.

CFCs are typically collected by the rental car company and remitted to the Airport on a monthly basis.

BZN currently collects a CFC of $5.00 per rental day $3.50 is allocated toward capital for the rental car parking garage construction in 2019. $1.50 is allocated toward maintenance of the parking garage and rental car quick turn around facility.

Private Investment

The airport has a valuable resource in its land holdings. While a portion of these holdings will need to be reserved for aviation-related improvements, considerable land can be developed for additional commercial and industrial uses to increase airport revenues. Typically, this entails a ground lease upon which private investment is made.

The FAA's policy is that an airport can lease land which was not acquired with federal or state aid for non-aeronautical revenue production, as long as the development does not interfere with aeronautical activities. Non-aeronautical leases are required to be at fair market value. Typically, leases have a reversionary clause whereby the structures become airport property after 20 or 30 years.

Leasehold Financing

Leasehold financing refers to developer or tenant financing of improvements under a long-term ground lease. The obvious advantage of such an arrangement is that it relieves the community of all responsibility for raising the capital funds for improvements. However, the private construction of facilities on a ground lease, particularly on property owned by a municipal agency, produces a unique set of problems. In particular, it is more difficult to obtain private financing as only the improvements and the right to continue the lease can be claimed in the event of a default.

Summary

There are many options available to the Authority to provide the necessary funding for the operation and maintenance of BZN, as well as the construction of both Federally participating and non-participating capital improvements.

Given the current economic conditions and limitations voted by Montana taxpayers on property taxes, the following sections do not propose the use of general obligation bonds of tax backed revenue bonds. The permissive airport tax mill levy will also not be used unless required to make the project more financially viable.

Since Revenue Bond Issues may be retired by either Airport Revenues or a combination of Airport Revenues, CFC, and PFC income, various combinations will be considered in development of the financial plan.

7.8 Airport Financial Structure

A summary of the historical revenues and expenses at the airport for the years 2014-2019 has been included in **Table 7-1**. The allocations of revenues to expenses correspond to the Authorities' current Airline Operating Agreement at BZN and are used to determine whether airport costs are being recovered through rates and charges. Airlines in particular are sensitive to cost allocations, and, generally demand allocation of costs to agreed upon cost centers when negotiating operating agreements and committing to capital improvements paid for from airport revenues.

The table indicates that the Net Cash Provided by Operating Activities available for capital improvement projects averages $8.2 million per year.

Table 7-2, Statement of Cash Flows, combines the net cash provided by operating activities with the cash flows from capital and related financing activities to arrive at the net increase or decrease to the Authorizes' reserve fund. The reserve fund is earmarked for future capital improvements to the Airport. The fund has decreased from $18,979,132 in 2014 to $12,964,906 at the end of 2019.

Table 7-1: BZN Statements of Revenues, Expenses, and Changes in Net Position

	2014	2015	2016	2017	2018	2019
OPERATING REVENUES						
Airline	1,390,335	1,458,820	1,467,582	1,518,773	1,673,898	1,907,037
Rental Car Concessions	2,416,366	2,623,508	2,743,357	3,217,657	3,684,537	4,293,046
Parking	2,112,824	2,396,074	2,589,899	2,752,978	3,149,527	3,674,747
Other terminal concessions and rents	1,030,264	1,109,858	1,383,942	1,465,824	1,654,633	1,998,529
General Aviation	482,389	518,771	569,666	616,881	687,426	774,637
Air Cargo	38,364	38,740	41,070	42,670	43,055	41,442
Other Revenue	353,945	772,366	834,449	883,155	994,761	1,285,969
Total Operating Revenues	7,824,487	8,918,137	9,629,965	10,497,938	11,887,837	13,975,407
OPERATING EXPENSES						
Personnel	2,578,366	2,844,738	2,940,619	3,237,477	3,711,569	3,871,242
Utilities		643,980	654,428	629,222	681,892	706,503
Supplies and Materials		381,268	347,314	535,315	496,872	764,690
Outside Services		340,761	436,833	508,542	935,766	931,961
Insurance	89,256	88,500	91,754	98,209	99,264	120,312
Operations and Maintenance	1,069,945					
Professional Services and Other	209,524					
Amortization	16,642					
Other		134,981	167,820	177,759	194,327	227,732
Total Operating Expenses	3,963,733	4,434,228	4,638,768	5,186,524	6,119,690	6,622,440
OPERATING INCOME						
Operating Income Before Depreciation	3,860,754	4,483,909	4,991,197	5,311,414	5,768,147	7,352,967
Depreciation Expense	3,822,342	3,847,944	3,975,823	4,181,565	4,224,905	4,698,725
Total Operating Income	38,412	635,965	1,015,374	1,129,849	1,543,242	2,654,242
NONOPERATING REVENUES (EXPENSES)						
Passenger Facility Charges			2,076,082	2,221,502	2,462,825	2,975,601
Customer Facility Charges			878,320	1,095,592	1,936,069	2,196,989
Interest Income	181,796	127,567	93,325	62,444	91,008	246,132
Other nonoperation revenue	55,790	100,887	54,035	51,924	58,259	70,214
Other nonoperation expenses	(4,177)	(43,881)	(350)	(350)	(350)	(350)
Interest Expense	(638,786)	(623,636)	(608,036)	(591,986)	(574,386)	(555,176)
Rental Car facility income	312,873					
Rental Car facility expenses	(213,379)					
Payments to other agencies	(85,354)	(399,713)	(84,230)			(347,170)
Customs	(7,491)					
Total Nonoperating Revenues	(398,728)	(838,776)	2,409,146	2,839,126	3,973,425	4,586,240
CAPITAL CONTRIBUTIONS						
Passenger Facility Charges	1,766,737	1,939,344				
Customer Facility Charges	632,988	749,939				
Grants	1,053,869	1,998,828	3,358,462	6,865,939	7,985,484	3,328,173
Total Capital Contributions	3,453,594	4,688,111	3,358,462	6,865,939	7,985,484	3,328,173
CHANGE IN NET POSITION	**3,093,278**	**4,485,300**	**6,782,982**	**10,834,914**	**13,492,151**	**10,568,665**

Table 7-2: BZN Statements of Cash Flows

	2014	2015	2016	2017	2018	2019
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Cash Receipts from Customers	8,310,094	9,132,708	8,794,333	10,849,052	11,646,161	13,834,008
Cash Payments to Suppliers for Goods and Services	(1,283,050)	(1,617,215)	(1,771,107)	(1,909,839)	(2,359,738)	(2,647,511)
Cash Payments to Employees for Services	(2,548,808)	(2,824,710)	(2,940,822)	(3,224,637)	(3,765,492)	(3,824,665)
Net Cash Provided by Operating Activities	4,478,236	4,690,783	4,082,404	5,714,576	5,520,931	7,361,832
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments to Other Agencies	(85,354)	(399,713)	(84,230)			(347,170)
Nonoperating Grant Receipts	87,826	(21,788)	5,700	7,000	16,500	12,857
Net Cash Used by Noncapital Activities	2,472	(421,501)	(78,530)	7,000	16,500	(334,313)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES						
Purchase of Capital Assets	(5,086,718)	(4,704,866)	(4,702,061)	(11,756,284)	(23,508,082)	(25,717,524)
Federal Grant Receipts	3,034,925	2,939,657	3,361,947	5,401,096	7,055,136	5,883,758
Other Receipts	55,790					
Passenger Facility Charge Receipts	1,825,957	1,872,297	2,021,436	2,183,044	2,402,884	2,901,702
Customer Facility Charge Receipts	632,988	749,939	878,320	1,095,592	1,936,069	2,196,989
Principal Payment on Capital Debt	(505,000)	(520,000)	(535,000)	(550,000)	(565,000)	(585,000)
Bond Interest Payments	(638,786)	(623,636)	(608,036)	(591,986)	(574,386)	(555,176)
Net Cash Used by Capital Activities	(680,844)	(286,609)	416,606	(4,218,538)	(13,253,379)	(15,875,251)
CASH FLOWS FROM INVESTING ACTIVITIES						
Reclassification of Investments (STIP)		22,787				
Interest Received	181,764	127,567	93,325	62,444	91,008	246,132
Net Cash provided by investing activities	181,764	150,354	93,325	62,444	91,008	246,132
NET INCREASE IN CASH	3,981,628	4,133,027	4,513,805	1,565,482	(7,624,940)	(8,601,600)
Cash and Cash Equivalents at the Beginning of Year	14,997,504	18,979,132	23,112,159	27,625,964	29,191,446	21,566,506
CASH AND CASH EQUIVALENTS AT END OF YEAR	**18,979,132**	**23,112,159**	**27,625,964**	**29,191,446**	**21,566,506**	**12,964,906**

7.9 Airport Improvement Schedule and Cost Summaries

With the establishment of the specific needs and improvements for the airport in Chapters 3, 4 and 5, the next step is to determine a realistic schedule and costs for implementing the plan. This section examines the overall cost of improvement and presents a development schedule.

The airport improvement schedule is presented in **Table 7-3,** 20-Year Capital Improvement Program (CIP). The CIP provides an expected schedule for when projects identified in the master plan update are to be completed. The timing of these projects will shift throughout the planning period depending upon the actual forecast activity at the airport and available funding.

Due to the conceptual nature of a master plan, capital projects should undergo further refinement prior to requesting funds from the FAA. Capital costs presented in **Table 7-3** are in current (2020) dollars. Adjustments will need to be applied over time as construction costs or capital equipment costs change.

An estimate has been included with each project of federal funding eligibility, although this amount is not guaranteed. For larger capital projects, it may be necessary for the Authority to apply for federal discretionary funds.

The plan also evaluates a number of funding alternatives including the PFC authorized in the Aviation Safety and Capacity Expansion Act of 1990. In developing the financial plan, maximizing the use of FAA grant programs and airport user fees and minimizing the need for local taxpayer support was given prime consideration.

BZN has grown to the size of an airport where some type of local tax subsidy or guarantee is generally not required to finance major capital improvements. While there may be an interest rate advantage when selling bonds or borrowing money, taxpayer support is difficult to obtain. Unless the cost of the program becomes very large and ambitious, a revenue bond program can be developed without the need for taxpayer guarantees.

Presently, the Airport Authority generates sufficient revenue from airport users and lessees to pay airport operation, maintenance, and debt retirement costs without relying on taxpayer support. The elimination of taxpayer support occurred in 1991 and was the result of the Authority being able to develop a fairly large reserve fund. Principal and interest from the reserve fund is primarily used to match the local share of FAA projects and to pay for non-federally participating capital improvement projects.

Federal entitlement funds available to BZN are currently estimated to be approximately $3.6 million per year. These funds will increase as passenger enplanements increase and may be accumulated for three years before the Airport Authority loses use of them. For the purpose of this study, it is assumed that the CIP will rely primarily on FAA entitlement funds. If a shortfall occurs, in the case of a large capital project, the airport can apply for an FAA Discretionary single-year or multi-year grant, defer a project or projects, or use internally generated funds to fund its CIP needs.

Capital Projects

To develop a CIP, the facility requirements and concepts identified in previous chapters were refined into discrete fundable projects. These projects were phased according to need, priority and critical path to establish a planning level development schedule. Many large scale planning concepts require multiple related and / or dependent projects to be achieved. Maintenance projects such as pavement rehabilitation and reconstruction are timed according to pavement conditions and cycling identified in the facility requirements chapter. Projects are phased in groups of short term (2021-2025), intermediate term (2026- 2030) and long term (2031-2040). Projects for accomplishing ultimate master plan objectives are also identified beyond the 20 year planning horizon.

The following section identifies the phased CIP projects grouped according to the master plan concepts they support. These projects were used to develop the 20-Year Capital Improvement Program shown in **Table 7-3**.

Runways & Taxiways

Concept: Ultimately extend Runway 12-30 to 10,828 feet. This is a phased development with an initial extension of 328' to align with 11-29 in intermediate term. The ultimate full length extension to the west would occur beyond the planning horizon. Parallel taxiways are extended to correspond with runway lengthening projects.

Long Term

- Taxiway A widening to add 17.5' shoulders (standards)
- Runway 12/30 widening to add 12.5' shoulders (standards)
- Runway 12/30 east extension (328' X 150', 25' shoulders)
- Taxiway C1 S Realignment
- Taxiway A east extension (new A1 connector)
- Localizer relocate, install MALSAR Runway 30

Beyond Planning Horizon

- Runway 12/30 west extension
- Runway 12/30 ultimate extension
- Taxiway A west extension
- Taxiway A ultimate west extension

Concept: Ultimately extend and widen Runway 11-29 to 8,500 feet by 150 feet. Widening would occur in the context of the next pavement rehabilitation on the runway. Extension would be by 2430' to the west and by 1020' to the east. The separation between Taxiway C and Runway 11-29 is increased to 400 feet to meet future standards. Rerouting of Airport Road and Tubb Road are required to accommodate the extended runway and relocated taxiway.

Short term

- EA Runway 11-29 & Roads
- VOR Relocation
- Airport Road Relocation
- Taxiway C West Extension (design)

Intermediate Term

- Taxiway C West Extension
- Tubb Road Extension
- Taxiway C Relocation
- Runway 11/29 rehabilitation and widening
- Runway 11/29 west extension (2430' X 150', 25' shoulders)

Long Term

- Runway 11/29 east extension (1020', 25' shoulders)
- Taxiway C east extension
- Taxiway C1 east extension

Beyond Planning Horizon

- Taxiway C4 new construction
- Taxiway C4 west extension
- Taxiway C4 ultimate west extension
- ATC Relocation

Concept: Ultimately extend Runway 3-21 to 5,100 feet. Parallel taxiways are extended to correspond with associated runway projects.

Short Term

- TW F relocation and service road
- Taxiway F1 (connection to 3-21)
- Taxiway G1 (connection to 3-21)

Beyond Planning Horizon

- Runway 3/21 ultimate extension
- Taxiway G ultimate north extension

Taxiways

Concept: Consider addition of bypass taxiways and secondary parallel taxiways to serve the existing runway system.

Beyond Planning Horizon

- Taxiway B
- Taxiway B west extension
- Taxiway B ultimate west extension

Concept: Consider addition of high speed exits for capacity improvement and operational efficiency.

Long Term

- High speed exits 1, 2, 3 and 4
- Taxiway A2 Demolition
- Taxiway A4 Demolition

Concept: Increase separation between Taxiway C and Runway 11-29 to 400 feet.

Intermediate Term

- Taxiway C Relocation

Concept: Resolve "hammerhead" taxiway issue at Runway 21 threshold.

Short Term

- Runway 3-21 Extension (to TW C2)
- TW C2 Extension (to RW 3-21)

Runway Approaches

Concept: Pursue improvement to the minimums of Runway 12-30 with designation as a Category II Runway with a Runway Visual Range (RVR) of 1,200 feet (1/4 mile).

Short Term

- Runway Visual Range

Concept: As far as practicable, bring Runway 30 to the same precision approach standards as Runway 12 including the addition of ILS and approach lighting.

Long Term

- Runway 30 relocate localizer install MALSAR

Concept: Pursue GPS approaches to Runway 11-29 in the short term.

Short Term

- Pursue GPS approaches to Runway 11-29

Terminal Area

Concept: Provide for automobile parking expansion through construction of parking garages and expansion of parking lots for the general public, employees, and rental car ready and return.

Short Term

- Complete terminal expansion to 12 gates
- Terminal paid parking lot re-stripe
- Rental car wash parking lot expansion

Intermediate Term

- Paid parking garages

Long Term

- Paid parking garages

Beyond Planning Horizon

- Employee parking lot south expansion
- Paid parking lot south expansion (south of car condos)

Concept: Expand the terminal building to accommodate 20 gates.

Short Term

- Passenger boarding bridges (B6 & B7)
- Integrated baggage system (outbound)
- Expand terminal building gates A3, A4 and A5 (design)

Intermediate Term

- Expand terminal building gates A3, A4 and A5 (construction)

Long Term

- Expand terminal apron east
- Terminal expansion gates A6, A7, A8
- New passenger boarding bridges (Gates A6-A8)
- Expand terminal apron west
- Passenger boarding bridges (B8-B12)

General Aviation

Concept: Add north side general aviation development and accommodate build out in existing GA area.

Short Term

- Land acquisition
- Wings Way realignment (for west GA area development)
- Road to north GA apron
- Northside Apron, Access Road, Service Road – Phase 1
- Northside apron utilities

Long Term

- Northside apron phase 2

Beyond Planning Horizon

- Sande property subdivision loop
- Sande property subdivision utilities

Airport Support

Concept: Expand the Airport's ARFF Building with the acquisition of additional equipment as required.

Short Term

- ARFF Truck

Intermediate Term

- ARFF Building Expansion

Concept: Addition of new maintenance and snow removal equipment, as required.

Short Term

- Snow Removal Equipment

Intermediate Term

- Snow Removal Equipment

Concept: Plan for additional fuel storage facilities.

Short Term

- West Fuel Farm

Pavement Maintenance

Concept: Maintain all airfield pavements on a regular cycle.

Short Term

- Terminal Apron Rehabilitation
- East GA Apron Rehabilitation – Overlay
- West GA Apron Rehabilitation
- Tie-Down Rehabilitation and Expansion

Long Term

- Taxiway A Rehabilitation
- Runway 12/30 Rehabilitation

Beyond Planning Horizon

- Apron seal coats
- Taxilane seal coats
- Taxiway C1 Overlay
- Taxiway C3 Overlay

Table 7-3: BZN Capital Improvement Program

Fiscal Year	Project	Project Cost This Year	Total Funding this FY	AIP - Entitlements	AIP - Discretionary	TSA	Local AIP Match	Local TSA Match	Local Non-Match	PFC	CFC
2021	Expand Terminal Building - Schedule 1	$ 1,395,875	$ 4,001,538	$ 3,601,384	$ -	$ -	$ 400,154	$ -	$ -	$ -	$ -
2021	Expand Terminal Building - Schedule 2	$ 3,093,395	$ 3,093,395	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,093,395	$ -
2021	Terminal Apron Expansion	$ 1,060,900	$ 1,060,900	$ 1,060,900	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	Master Plan	$ 120,574	$ 120,574	$ 120,574	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	Southeast Hangar Area - Schedules 1	$ 215,919	$ 215,919	$ 194,327	$ -	$ -	$ 21,592	$ -	$ -	$ -	$ -
2021	Southeast Hangar Area - Schedules 2	$ 244,099	$ 244,099	$ -	$ -	$ -	$ -	$ -	$ 244,099	$ -	$ -
2021	Land Acquisition	$ 700,000	$ 700,000	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ -	$ -
2021	Integrated Baggage System Design	$ 1,200,000	$ 1,200,000	$ -	$ -	$ 459,000	$ -	$ 741,000	$ -	$ -	$ -
2021	Passenger Boarding Bridges (B4 & B5	$ 1,203,000	$ 1,203,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,203,000	$ -
2021	Passenger Boarding Bridge (B3)	$ 569,000	$ 569,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 569,000	$ -
2021	ARFF Truck	$ 750,000	$ 750,000	$ -	$ 675,000	$ -	$ 75,000	$ -	$ -	$ -	$ -
2021	Terminal Apron Rehabilitation & Expansion	$ 3,101,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	West GA Apron Rehabilitatin	$ 1,717,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	**Total**	**$ 15,370,762**	**$ 13,158,425**	**$ 4,977,185**	**$ 675,000**	**$ 459,000**	**$ 496,746**	**$ 741,000**	**$ 944,099**	**$ 4,865,395**	**$ -**
2022	EA Northside Taxiway C, Development and Roads	$ 250,000	$ 250,000	$ -	$ 225,000	$ -	$ 25,000	$ -	$ -	$ -	$ -
2022	Reimburse Terminal Apron Rehabilitation & Expansion	$ -	$ 3,101,000	$ 2,790,900	$ -	$ -	$ 310,100	$ -	$ -	$ -	$ -
2022	Reimburse GA Apron Rehabilitation	$ -	$ 1,717,000	$ 810,484	$ 734,816	$ -	$ 171,700	$ -	$ -	$ -	$ -
2022	Land Acquistion	$ 700,000	$ 700,000	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ -	$ -
2022	Belgrade Waste Water Treatment Plant	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ 3,000,000	$ -	$ -
2022	Wings Way Realignment	$ 663,200	$ 663,200	$ -	$ -	$ -	$ -	$ -	$ 663,200	$ -	$ -
2022	Rental Car wash parking lot expansion	$ 978,100	$ 978,100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 978,100
2022	Integrated Baggage System	$ 14,021,000	$ 14,021,000	$ -	$ -	$ 4,810,000	$ -	$ 9,211,000	$ -	$ -	$ -
2022	Rental Car/Airline GSE Building	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 341,300	$ -	$ 658,700
2022	Passenger Boarding Bridges (B6 & B7)	$ 2,040,100	$ 2,040,100	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,040,100	$ -
2022	Construct Northside Apron/Access Rd/Service Rd	$ 4,984,900	$ 4,984,900	$ -	$ 4,486,410	$ -	$ 498,490	$ -	$ -	$ -	$ -
2022	Construct Runway 3/21 Extension (To Taxiway C2)	$ 260,000	$ 260,000	$ -	$ 234,000	$ -	$ 26,000	$ -	$ -	$ -	$ -
2022	Construct Taxiway C2 (To Runway 3/21)	$ 852,700	$ 852,700	$ -	$ 767,430	$ -	$ 85,270	$ -	$ -	$ -	$ -
2022	Construct Northside Utilities (Non-AIP)	$ 1,115,400	$ 1,115,400	$ -	$ -	$ -	$ -	$ -	$ 1,115,400	$ -	$ -
2022	**Total**	**$ 29,865,400**	**$ 34,683,400**	**$ 3,601,384**	**$ 6,447,656**	**$ 4,810,000**	**$ 1,116,560**	**$ 9,211,000**	**$ 5,819,900**	**$ 2,040,100**	**$ 1,636,800**

Table 7-3: BZN Capital Improvement Program (Continued)

Fiscal Year	Project	Project Cost This Year	Total Funding this FY	AIP - Entitlements	AIP - Discretionary	TSA	Local AIP Match	Local TSA Match	Local Non-Match	PFC	CFC
2023	Expand Terminal Building	$ -	$ 1,812,004	$ 1,630,804	$ -	$ -	$ 181,200	$ -	$ -	$ -	$ -
2023	East GA Apron Rehabilitation	$ 1,354,000	$ 1,354,000	$ 555,300	$ 663,300	$ -	$ 135,400	$ -	$ -	$ -	$ -
2023	Taxiway F and G and Service Road Design	$ 472,533	$ 472,533	$ 425,280	$ -	$ -	$ 47,253	$ -	$ -	$ -	$ -
2023	Integrated Baggage System	$ 14,021,000	$ 14,021,000	$ -	$ -	$ 4,810,000	$ -	$ 9,211,000	$ -	$ -	$ -
2023	Land Acquistion	$ 700,000	$ 700,000	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ -	$ -
2023	Terminal Pay Parking Lot Re-stripe	$ 317,435	$ 317,435	$ -	$ -	$ -	$ -	$ -	$ 317,435	$ -	$ -
2023	West Fuel Farm	$ 1,047,400	$ 1,047,400	$ -	$ -	$ -	$ -	$ -	$ 1,047,400	$ -	$ -
2023	Snow Removal Equipment	$ 1,100,000	$ 1,100,000	$ 990,000	$ -	$ -	$ 110,000	$ -	$ -	$ -	$ -
2023	**Total**	**$ 19,012,368**	**$ 20,824,372**	**$ 3,601,384**	**$ 663,300**	**$ 4,810,000**	**$ 473,853**	**$ 9,211,000**	**$ 2,064,835**	**$ -**	**$ -**
2024	Relocate VOR	$ 750,000	$ 750,000	$ 675,000	$ -	$ -	$ 75,000	$ -	$ -	$ -	$ -
2024	Taxiway F Relocation and Service Road	$ 1,607,938	$ 1,607,938	$ 1,447,144	$ -	$ -	$ 160,794	$ -	$ -	$ -	$ -
2024	Taxiway F Connection to R/W 3/21	$ 104,600	$ 104,600	$ 94,140	$ -	$ -	$ 10,460	$ -	$ -	$ -	$ -
2024	Taxiway G/M/J connection (G1) to R/W 3/21	$ 325,000	$ 325,000	$ 292,500	$ -	$ -	$ 32,500	$ -	$ -	$ -	$ -
2024	Tie-Down Rehabilitation and Expansion	$ 1,214,000	$ 1,214,000	$ 1,092,600	$ -	$ -	$ 121,400	$ -	$ -	$ -	$ -
2024	Land Acquistion	$ 700,000	$ 700,000	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ -	$ -
2024	RVR	$ 1,000,000	$ 1,000,000	$ -	$ 900,000	$ -	$ 100,000	$ -	$ -	$ -	$ -
2024	**Total**	**$ 5,701,538**	**$ 5,701,538**	**$ 3,601,384**	**$ 900,000**	**$ -**	**$ 500,154**	**$ -**	**$ 700,000**	**$ -**	**$ -**
2025	Expand Terminal Building (Gates A3 - A5 Design)	$ 2,018,800	$ 2,018,800	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,018,800	$ 1,000,000
2025	Reimburse 2020 Terminal Expansion	$ 1,982,738	$ 1,982,738	$ 1,784,464	$ -	$ -	$ 198,274	$ -	$ -	$ -	$ -
2025	Land Acquistion	$ 700,000	$ 700,000	$ -	$ -	$ -	$ -	$ -	$ 700,000	$ -	$ -
2025	Airport Road Relocation	$ 2,900,000	$ 2,900,000	$ 825,536	$ 1,784,464	$ -	$ 290,000	$ -	$ -	$ -	$ -
2025	Taxiway C West Extension (Design and Insp.)	$ 1,101,538	$ 1,101,538	$ 991,384	$ -	$ -	$ 110,154	$ -	$ -	$ -	$ -
2025	Airline Ground Equipment Storage Building	$ 1,200,000	$ 1,200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,200,000	$ -
2025	**Total**	**$ 9,903,076**	**$ 9,903,076**	**$ 3,601,384**	**$ 1,784,464**	**$ -**	**$ 598,428**	**$ -**	**$ 700,000**	**$ 2,218,800**	**$ 1,000,000**

Table 7-3: BZN Capital Improvement Program (Continued)

Fiscal Year	Project	Project Cost This Year	Total Funding this FY	AIP - Entitlements	AIP - Discretionary	TSA	Local AIP Match	Local TSA Match	Local Non-Match	PFC	CFC
2026	Taxiway C West Extension	$ 5,533,562	$ 5,533,562	$ 3,376,384	$ 1,603,822	$ -	$ 553,356	$ -	$ -	$ -	$ -
2026	Terminal Building Expansion (Gates A3 - A5)	$ 30,000,000	$ 30,000,000	$ -	$ -	$ -	$ -	$ -	$ 2,000,000	$ 23,000,000	$ 5,000,000
2026	Pay Parking Lot Expansion - South of Car Condos	$ 2,202,300	$ 2,202,300	$ -	$ -	$ -	$ -	$ -	$ 2,202,300	$ -	$ -
2026	Runway 11/29 EA	$ 250,000	$ 250,000	$ 225,000	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -
2026	**Total**	**$ 37,985,862**	**$ 37,985,862**	**$ 3,601,384**	**$ 1,603,822**	**$ -**	**$ 578,356**	**$ -**	**$ 4,202,300**	**$ 23,000,000**	**$ 5,000,000**
2027	Taxiway C Relocation	$ 7,180,100	$ 7,180,100	$ 3,601,384	$ 2,860,706	$ -	$ 718,010	$ -	$ -	$ -	$ -
2027	**Total**	**$ 7,180,100**	**$ 7,180,100**	**$ 3,601,384**	**$ 2,860,706**	**$ -**	**$ 718,010**	**$ -**	**$ -**	**$ -**	**$ -**
2028	Snow Removal Equipment	$ 2,222,222	$ 2,222,222	$ 1,000,000	$ 1,000,000	$ -	$ 222,222	$ -	$ -	$ -	$ -
2028	ARFF Truck	$ 800,000	$ 800,000	$ 720,000	$ -	$ -	$ 80,000	$ -	$ -	$ -	$ -
2028	ARFF/SRE Buidling	$ 1,690,427	$ 1,690,427	$ 1,521,384	$ -	$ -	$ 169,043	$ -	$ -	$ -	$ -
2028	Runway 12/30 Extension EA	$ 400,000	$ 400,000	$ 360,000	$ -	$ -	$ 40,000	$ -	$ -	$ -	$ -
2028	Pay Parking Garage Design (Ph 1 & Ph 2)	$ 4,000,000	$ 4,000,000	$ -	$ -	$ -	$ -	$ -	$ 4,000,000	$ -	$ -
2028	Employee Parking Lot South Expansion	$ 892,200	$ 892,200	$ -	$ -	$ -	$ -	$ -	$ 892,200	$ -	$ -
2028	**Total**	**$ 10,004,849**	**$ 10,004,849**	**$ 3,601,384**	**$ 1,000,000**	**$ -**	**$ 511,265**	**$ -**	**$ 4,892,200**	**$ -**	**$ -**
2029	Runway 11/29 Rehabilitation and Widening	$ 7,596,011	$ 7,596,011	$ 3,601,384	$ 3,235,026	$ -	$ 759,601	$ -	$ -	$ -	$ -
2029	Pay Parking Garage (Ph 1 & Ph 2)	$ 30,000,000	$ 30,000,000	$ -	$ -	$ -	$ -	$ -	$ 30,000,000	$ -	$ -
2029	**Total**	**$ 37,596,011**	**$ 37,596,011**	**$ 3,601,384**	**$ 3,235,026**	**$ -**	**$ 759,601**	**$ -**	**$ 30,000,000**	**$ -**	**$ -**
2030	Runway 11/29 West Extension	$ 5,223,000	$ 5,223,000	$ 3,601,384	$ 1,099,316	$ -	$ 522,300	$ -	$ -	$ -	$ -
2030	Pay Parking Garage (Ph 1 & Ph 2)	$ 30,000,000	$ 30,000,000	$ -	$ -	$ -	$ -	$ -	$ 30,000,000	$ -	$ -
2030	**Total**	**$ 35,223,000**	**$ 35,223,000**	**$ 3,601,384**	**$ 1,099,316**	**$ -**	**$ 522,300**	**$ -**	**$ 30,000,000**	**$ -**	**$ -**

Table 7-3: BZN Capital Improvement Program (Continued)

Fiscal Year	Project	Project Cost This Year	Total Funding this FY	AIP - Entitlements	AIP - Discretionary	TSA	Local AIP Match	Local TSA Match	Local Non-Match	PFC	CFC
2031	Taxiway A widening	$ 2,122,300	$ 2,122,300	$ 1,910,070	$ -	$ -	$ 212,230	$ -	$ -	$ -	$ -
2031	Taxiway A Rehabilitation	$ 2,461,500	$ 2,461,500	$ 1,691,314	$ 524,036	$ -	$ 246,150	$ -	$ -	$ -	$ -
2031	**Total**	**$ 4,583,800**	**$ 4,583,800**	**$ 3,601,384**	**$ 524,036**	**$ -**	**$ 458,380**	**$ -**	**$ -**	**$ -**	**$ -**
2032	Runway 12/30 Widening	$ 1,769,500	$ 1,769,500	$ 1,592,550	$ -	$ -	$ 176,950	$ -	$ -	$ -	$ -
2032	Runway 12/30 East Extension	$ 678,600	$ 678,600	$ 610,740	$ -	$ -	$ 67,860	$ -	$ -	$ -	$ -
2032	Taxiay C1 Realignment	$ 415,938	$ 415,938	$ 374,344	$ -	$ -	$ 41,594	$ -	$ -	$ -	$ -
2032	Taxiway A East Extension (New A1 Connector)	$ 1,137,500	$ 1,137,500	$ 1,023,750	$ -	$ -	$ 113,750	$ -	$ -	$ -	$ -
2032	Localizer Relocated, 30 MALSR Install	$ 3,000,000	$ 3,000,000	$ -	$ 2,700,000	$ -	$ 300,000	$ -	$ -	$ -	$ -
2032	**Total**	**$ 7,001,538**	**$ 7,001,538**	**$ 3,601,384**	**$ 2,700,000**	**$ -**	**$ 700,154**	**$ -**	**$ -**	**$ -**	**$ -**
2033	Runway 12/30 Rehabilitation	$ 4,502,000	$ 4,502,000	$ 3,601,384	$ 450,416	$ -	$ 450,200	$ -	$ -	$ -	$ -
2033	Terminal Expansion Gates A6, A7, A8 - Design	$ 4,000,000	$ 4,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,000,000	$ -
2033	**Total**	**$ 8,502,000**	**$ 8,502,000**	**$ 3,601,384**	**$ 450,416**	**$ -**	**$ 450,200**	**$ -**	**$ -**	**$ 4,000,000**	**$ -**
2034	Terminal Apron Phase 1 (East)	$ 1,114,900	$ 1,114,900	$ 1,003,410	$ -	$ -	$ 111,490	$ -	$ -	$ -	$ -
2034	Terminal Expansion Gates A6, A7, A8	$ 18,000,000	$ 18,000,000	$ 2,597,974	$ -	$ -	$ 288,664	$ -	$ -	$ 15,113,362	$ -
2034	Snow Removal Equipment	$ 1,100,000	$ 1,100,000	$ -	$ 990,000	$ -	$ 110,000	$ -	$ -	$ -	$ -
2034	**Total**	**$ 20,214,900**	**$ 20,214,900**	**$ 3,601,384**	**$ 990,000**	**$ -**	**$ 510,154**	**$ -**	**$ -**	**$ 15,113,362**	**$ -**
2035	North Apron Phax 1	$ 6,037,700	$ 6,037,700	$ 3,601,384	$ 1,832,546	$ -	$ 603,770	$ -	$ -	$ -	$ -
2035	New Passenger Boarding Bridges - A6, A7, A8	$ 2,370,000	$ 2,370,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,370,000	$ -
2035	Terminal Expansion Gates A6, A7, A8	$ 17,000,000	$ 17,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,000,000	$ -
2035	**Total**	**$ 25,407,700**	**$ 25,407,700**	**$ 3,601,384**	**$ 1,832,546**	**$ -**	**$ 603,770**	**$ -**	**$ -**	**$ 19,370,000**	**$ -**

Table 7-3: BZN Capital Improvement Program (Continued)

Fiscal Year	Project	Project Cost This Year	Total Funding this FY	AIP - Entitlements	AIP - Discretionary	TSA	Local AIP Match	Local TSA Match	Local Non-Match	PFC	CFC
2036	Runnway 11/29 East Expansion	$ 2,213,800	$ 2,213,800	$ 1,587,184	$ 405,236	$ -	$ 221,380	$ -	$ -	$ -	$ -
2036	Taxiway C East Extension	$ 1,119,000	$ 1,119,000	$ 1,007,100	$ -	$ -	$ 111,900	$ -	$ -	$ -	$ -
2036	Taxiway C1 East Extension	$ 1,119,000	$ 1,119,000	$ 1,007,100	$ -	$ -	$ 111,900	$ -	$ -	$ -	$ -
2036	Pay Parking Garage Design (Ph 3 & Ph 4)	$ 6,000,000	$ 6,000,000	$ -	$ -	$ -	$ -	$ -	$ 6,000,000	$ -	$ -
2036	**Total**	**$ 10,451,800**	**$ 10,451,800**	**$ 3,601,384**	**$ 405,236**	**$ -**	**$ 445,180**	**$ -**	**$ 6,000,000**	**$ -**	**$ -**
2037	High Speed Exit 2	$ 2,068,800	$ 2,068,800	$ 1,813,984	$ 47,936	$ -	$ 206,880	$ -	$ -	$ -	$ -
2037	High Speed Exit 3	$ 1,986,000	$ 1,986,000	$ 1,787,400	$ -	$ -	$ 198,600	$ -	$ -	$ -	$ -
2037	Pay Parking Garage (Ph 3 & Ph 4)	$ 35,000,000	$ 35,000,000	$ -	$ -	$ -	$ -	$ -	$ 35,000,000	$ -	$ -
2037	**Total**	**$ 39,054,800**	**$ 39,054,800**	**$ 3,601,384**	**$ 47,936**	**$ -**	**$ 405,480**	**$ -**	**$ 35,000,000**	**$ -**	**$ -**
2038	High Speed Exit 1	$ 2,323,800	$ 2,323,800	$ 2,091,420	$ -	$ -	$ 232,380	$ -	$ -	$ -	$ -
2038	High Speed Exit 4	$ 2,603,600	$ 2,603,600	$ 1,509,964	$ 833,276	$ -	$ 260,360	$ -	$ -	$ -	$ -
2038	Pay Parking Garage (Ph 3 & Ph 4)	$ 35,000,000	$ 35,000,000	$ -	$ -	$ -	$ -	$ -	$ 35,000,000	$ -	$ -
2038	**Total**	**$ 39,927,400**	**$ 39,927,400**	**$ 3,601,384**	**$ 833,276**	**$ -**	**$ 492,740**	**$ -**	**$ 35,000,000**	**$ -**	**$ -**
2039	Taxiway A2 Demolition	$ 275,000	$ 275,000	$ 247,500	$ -	$ -	$ 27,500	$ -	$ -	$ -	$ -
2039	Taxiway A4 Demolition	$ 253,200	$ 253,200	$ 227,880	$ -	$ -	$ 25,320	$ -	$ -	$ -	$ -
2039	Terminal Apron West - Phase 1	$ 6,471,000	$ 6,471,000	$ 3,126,004	$ 2,697,896	$ -	$ 647,100	$ -	$ -	$ -	$ -
2039	**Total**	**$ 6,999,200**	**$ 6,999,200**	**$ 3,601,384**	**$ 2,697,896**	**$ -**	**$ 699,920**	**$ -**	**$ -**	**$ -**	**$ -**
2040	Terminal Expansion Gates B8 - B12	$ 40,000,000	$ 40,000,000	$ -	$ -	$ -	$ -	$ -	$ 2,000,000	$ 38,000,000	$ -
2040	Terminal Apron Deicing	$ 7,967,300	$ 7,967,300	$ 3,601,384	$ 3,569,186	$ -	$ 796,730	$ -	$ -	$ -	$ -
2040	Passenger Boarding Bridges B8-B12	$ 4,000,000	$ 4,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,000,000	$ -
2040	**Total**	**$ 51,967,300**	**$ 51,967,300**	**$ 3,601,384**	**$ 3,569,186**	**$ -**	**$ 796,730**	**$ -**	**$ 2,000,000**	**$ 42,000,000**	**$ -**
	20 Year Total	**$421,953,404**	**$426,371,071**	**$ 73,403,481**	**$ 34,319,818**	**$ 10,079,000**	**$ 11,837,981**	**$ 19,163,000**	**$157,323,334**	**$112,607,657**	**$ 7,636,800**

Due to the conceptual nature of a master plan, capital projects should undergo further refinement prior to requesting funds from the FAA. Adjustments will need to be applied over time as construction costs or capital equipment costs change.

7.10 CIP Feasibility Analysis

The 20 Year Capital Improvement Plan presented in **Tables 7-3** was utilized to model the 20 Year Cash Flow Analysis as presented in **Table 7-4**.

Projections of airport revenues and expenses, were based on the following assumptions:

- Constant 2020 dollars were used, and no inflationary factor was included.
- All relevant time periods were assumed to coincide with each other. That is, the airport's fiscal year and the federal fiscal year were brought into phase with the calendar year to coincide with the collection of airport activity data (enplanement levels, number of operations, etc.).
- Aviation activity and passenger forecasts will be realized, as projected in Chapter 2 of this study.
- The PFC program will not be repealed. An assumption is made that the $4.50 per boarded passenger level will remain.
- The AIP program will not be repealed.
- CIP projects to be undertaken during the forecast period include those presented in this study in **Table 7-3**.
- Effective financial management of the airport's operations will continue throughout the forecast period.

When expected AIP funds are subtracted from CIP Requirements, on both the annual and 5-year cumulative basis, the net deficiency or surplus of AIP eligible portion of CIP projects is identified in each table. If a shortfall results, the airport can apply for an FAA Discretionary single-year or multi-year grant, defer a project or projects, or use internally generated funds to fund its CIP needs.

The total Local Share shown in **Tables 7-4** includes the Sponsor's share of AIP eligible projects and ineligible projects or ineligible portions of eligible projects.

Table 7-4: BZN Budget Summary & Cash Flow Analysis

			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Projections	**Passenger Projection**		542,723	707,135	785,706	824,991	866,241
	CFC Days Projection (85% of Pax)		461,315	601,065	667,850	701,243	736,305
Operating Revenues	**Fixed Revenues**		$ 1,700,000	$ 1,768,000	$ 1,838,720	$ 1,912,269	$ 1,988,760
	Variable Revenues						
		Airline Revenues $2.95/pax	$ 1,601,033	$ 2,086,048	$ 2,317,833	$ 2,433,724	$ 2,555,411
		Rental Car Facility O/M $1.5/CFC Day	$ 691,972	$ 901,597	$ 1,001,775	$ 1,051,864	$ 1,104,457
		Terminal Related Income $14.05/pax	$ 7,625,258	$ 9,935,247	$ 11,039,169	$ 11,591,128	$ 12,170,684
	Operating Income		$ 11,618,263	$ 14,690,892	$ 16,197,497	$ 16,988,985	$ 17,819,311
Operating Expenses	**Operating Expense**		$ (6,936,000)	$ (7,296,672)	$ (7,676,099)	$ (8,075,256)	$ (8,495,169)
Operating Income	**Ordinary Income**		**$ 4,682,263**	**$ 7,394,220**	**$ 8,521,398**	**$ 8,913,729**	**$ 9,324,142**
PFC	**PFC 5 (Approved)**	**$ 5,727,000**	$ 3,528,972	$ 665,075	$ -	$ -	$ -
	PFC 6 (Nearing Approval)	**$ 34,408,193**	$ -	$ -	$ 31,891,159	$ 28,549,944	$ 25,041,669
	PFC 7 (2026-2035)	**$ 63,702,162**	$ -	$ -	$ -	$ -	$ -
	PFC 8 (2040)	**$ 42,000,000**	$ -	$ -	$ -	$ -	$ -
	Cumulative PFC		$ 2,198,028	$ 5,061,925	$ 8,244,034	$ 11,585,249	$ 15,093,524
CFC	**CFC 2**	**$ 24,105,080**	$ 24,105,080	$ 23,695,730	$ 22,776,787	$ 21,578,149	$ 20,202,727
	CFC 3 (Garage, Parking, Oil Change/Terminal)	**$ 10,913,513**	$ -	$ -	$ -	$ -	$ -
	CFC Principal		$ 409,350	$ 918,943	$ 1,198,638	$ 1,375,422	$ 1,566,933
	Cumulative CFC		$ 1,614,601	$ 3,718,328	$ 6,055,803	$ 8,510,152	$ 11,087,219
			FY 2021	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
Cash Flow	**Beginning Cash**		$ 8,368,137	$ 13,939,452	$ 13,418,321	$ 14,171,635	$ 24,297,715
	Ordinary Income		$ 4,682,263	$ 7,394,220	$ 8,521,398	$ 8,913,729	$ 9,324,142
	PFC Income ($4.05/Pax)		$ 2,198,028	$ 2,863,897	$ 3,182,109	$ 3,341,215	$ 3,508,276
	CFC Facility Income $3.50/CFC Day		$ 1,614,601	$ 2,103,727	$ 2,337,475	$ 2,454,349	$ 2,577,067
	Bonds		$ -	$ -	$ -	$ -	$ -
	Bank financing *		$ (421,947)	$ (2,688,484)	$ (2,688,484)	$ (2,688,484)	$ (2,688,484)
	Interest Income/Non Capital Grants		$ -	$ -	$ -	$ -	$ -
	Maintenance Projects		$ (600,000)	$ (630,000)	$ (661,500)	$ (694,575)	$ (729,304)
	Capital Projects		$ (15,370,762)	$ (29,865,400)	$ (19,012,368)	$ (5,701,538)	$ (9,903,076)
	AIP Entitlements		$ 4,977,185	$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384
	AIP Discretionary		$ 675,000	$ 6,447,656	$ 663,300	$ 900,000	$ 1,784,464
	AIP CARES - $15,446,029 -$2,646,213		$ 7,357,947	$ 5,441,869	$ -	$ -	$ -
	TSA Reimbursement		$ 459,000	$ 4,810,000	$ 4,810,000	$ -	$ -
	Ending Cash		**$ 13,939,452**	**$ 13,418,321**	**$ 14,171,635**	**$ 24,297,715**	**$ 31,772,184**

Table 7-4: BZN Budget Summary & Cash Flow Analysis (Continued)

				FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Projections	**Passenger Projection**			909,553	955,031	1,002,782	1,052,921	1,105,567
	CFC Days Projection (85% of Pax)			773,120	811,776	852,365	894,983	939,732
Operating Revenues	**Fixed Revenues**			$ 2,068,310	$ 2,151,042	$ 2,237,084	$ 2,326,567	$ 2,419,630
	Variable Revenues							
		Airline Revenues $2.95/pax		$ 2,683,181	$ 2,817,340	$ 2,958,207	$ 3,106,117	$ 3,261,423
		Rental Car Facility O/M $1.5/CFC Day		$ 1,159,680	$ 1,217,664	$ 1,278,547	$ 1,342,475	$ 1,409,598
		Terminal Related Income $14.05/pax		$ 12,779,218	$ 13,418,179	$ 14,089,088	$ 14,793,543	$ 15,533,220
	Operating Income			$ 18,690,389	$ 19,604,226	$ 20,562,927	$ 21,568,702	$ 22,623,871
Operating Expenses	**Operating Expense**			$ (8,936,918)	$ (9,401,638)	$ (9,890,523)	$ (10,404,830)	$ (10,945,882)
Operating Income	**Ordinary Income**			**$ 9,753,471**	**$ 10,202,588**	**$ 10,672,403**	**$ 11,163,872**	**$ 11,677,990**
PFC	**PFC 5 (Approved)**	**$**	**5,727,000**	$ -	$ -	$ -	$ -	$ -
	PFC 6 (Nearing Approval)	**$**	**34,408,193**	$ 21,357,979	$ 17,490,106	$ 13,428,838	$ 9,164,507	$ 4,686,960
	PFC 7 (2026-2035)	**$**	**63,702,162**	$ -	$ -	$ -	$ -	$ -
	PFC 8 (2040)	**$**	**42,000,000**	$ -	$ -	$ -	$ -	$ -
	Cumulative PFC			$ 18,777,214	$ 22,645,087	$ 26,706,355	$ 30,970,686	$ 35,448,233
CFC	**CFC 2**	**$**	**24,105,080**	$ 18,635,794	$ 16,861,662	$ 14,863,527	$ 12,623,426	$ 10,122,155
	CFC 3 (Garage, Parking, Oil Change/Terminal)	**$**	**10,913,513**	$ -	$ -	$ -	$ -	$ -
	CFC Principal			$ 1,774,132	$ 1,998,135	$ 2,240,101	$ 2,501,271	$ 2,782,956
	Cumulative CFC			$ 13,793,138	$ 16,634,354	$ 19,617,631	$ 22,750,072	$ 26,039,134
				FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Cash Flow	**Beginning Cash**			$ 31,772,184	$ 11,680,355	$ 27,069,965	$ 38,539,187	$ 25,453,756
	Ordinary Income			$ 9,753,471	$ 10,202,588	$ 10,672,403	$ 11,163,872	$ 11,677,990
	PFC Income ($4.05/Pax)			$ 3,683,689	$ 3,867,874	$ 4,061,267	$ 4,264,331	$ 4,477,547
	CFC Facility Income $3.50/CFC Day			$ 2,705,920	$ 2,841,216	$ 2,983,277	$ 3,132,441	$ 3,289,063
	Bonds			$ -	$ -	$ -	$ -	$ -
	Bank financing *			$ (2,688,484)	$ -	$ -	$ -	$ -
	Interest Income/Non Capital Grants			$ -	$ -	$ -	$ -	$ -
	Maintenance Projects			$ (765,769)	$ (804,057)	$ (844,260)	$ (886,473)	$ (930,797)
	Capital Projects			$ (37,985,862)	$ (7,180,100)	$ (10,004,849)	$ (37,596,011)	$ (35,223,000)
	AIP Entitlements			$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384
	AIP Discretionary			$ 1,603,822	$ 2,860,706	$ 1,000,000	$ 3,235,026	$ 1,099,316
	AIP CARES - $15,446,029 -$2,646,213			$ -	$ -	$ -	$ -	$ -
	TSA Reimbursement			$ -	$ -	$ -	$ -	$ -
	Ending Cash			**$ 11,680,355**	**$ 27,069,965**	**$ 38,539,187**	**$ 25,453,756**	**$ 13,445,258**

Table 7-4: BZN Budget Summary & Cash Flow Analysis (Continued)

			FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Projections	**Passenger Projection**		1,160,846	1,218,888	1,279,832	1,343,824	1,411,015
	CFC Days Projection (85% of Pax)		986,719	1,036,055	1,087,857	1,142,250	1,199,363
Operating Revenues	**Fixed Revenues**		$ 2,516,415	$ 2,617,072	$ 2,721,755	$ 2,830,625	$ 2,943,850
	Variable Revenues						
		Airline Revenues $2.95/pax	$ 3,424,495	$ 3,595,719	$ 3,775,505	$ 3,964,280	$ 4,162,495
		Rental Car Facility O/M $1.5/CFC Day	$ 1,480,078	$ 1,554,082	$ 1,631,786	$ 1,713,375	$ 1,799,044
		Terminal Related Income $14.05/pax	$ 16,309,881	$ 17,125,375	$ 17,981,644	$ 18,880,726	$ 19,824,762
	Operating Income		$ 23,730,869	$ 24,892,248	$ 26,110,690	$ 27,389,007	$ 28,730,151
Operating Expenses	**Operating Expense**		$ (11,515,067)	$ (12,113,851)	$ (12,743,771)	$ (13,406,447)	$ (14,103,582)
Operating Income	**Ordinary Income**		**$ 12,215,801**	**$ 12,778,397**	**$ 13,366,919**	**$ 13,982,559**	**$ 14,626,568**
PFC	**PFC 5 (Approved)**	**$ 5,727,000**	$ -	$ -	$ -	$ -	$ -
	PFC 6 (Nearing Approval)	**$ 34,408,193**	$ (14,465)	$ -	$ -	$ -	$ -
	PFC 7 (2026-2035)	**$ 63,702,162**	$ -	$ 58,780,131	$ 53,596,810	$ 48,154,323	$ 42,439,712
	PFC 8 (2040)	**$ 42,000,000**	$ -	$ -	$ -	$ -	$ -
	Cumulative PFC		$ 40,149,658	$ 45,086,154	$ 50,269,474	$ 55,711,961	$ 61,426,572
CFC	**CFC 2**	**$ 24,105,080**	$ 7,339,199	$ 4,252,642	$ 839,082	$ -	$ -
	CFC 3 (Garage, Parking, Oil Change/Terminal)	**$ 10,913,513**	$ -	$ -	$ 7,945,094	$ 3,947,218	$ 658,700
	CFC Principal		$ 3,086,557	$ 3,413,560	$ 839,082	$ -	$ -
	Cumulative CFC		$ 29,492,650	$ 33,118,841	$ 36,926,342	$ 40,924,218	$ 44,212,736
			FY 2031	**FY 2032**	**FY 2033**	**FY 2034**	**FY 2035**
Cash Flow	**Beginning Cash**		$ 13,445,258	$ 32,380,283	$ 51,995,011	$ 68,825,037	$ 75,493,054
	Ordinary Income		$ 12,215,801	$ 12,778,397	$ 13,366,919	$ 13,982,559	$ 14,626,568
	PFC Income ($4.05/Pax)		$ 4,701,425	$ 4,936,496	$ 5,183,321	$ 5,442,487	$ 5,714,611
	CFC Facility Income $3.50/CFC Day		$ 3,453,516	$ 3,626,191	$ 3,807,501	$ 3,997,876	$ 3,288,518
	Bonds		$ -	$ -	$ -	$ -	$ -
	Bank financing *		$ -	$ -	$ -	$ -	$ -
	Interest Income/Non Capital Grants		$ -	$ -	$ -	$ -	$ -
	Maintenance Projects		$ (977,337)	$ (1,026,204)	$ (1,077,514)	$ (1,131,389)	$ (1,187,959)
	Capital Projects		$ (4,583,800)	$ (7,001,538)	$ (8,502,000)	$ (20,214,900)	$ (25,407,700)
	AIP Entitlements		$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384
	AIP Discretionary		$ 524,036	$ 2,700,000	$ 450,416	$ 990,000	$ 1,832,546
	AIP CARES - $15,446,029 -$2,646,213		$ -	$ -	$ -	$ -	$ -
	TSA Reimbursement		$ -	$ -	$ -	$ -	$ -
	Ending Cash		**$ 32,380,283**	**$ 51,995,011**	**$ 68,825,037**	**$ 75,493,054**	**$ 77,961,023**

Table 7-4: BZN Budget Summary & Cash Flow Analysis (Continued)

				FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Projections	**Passenger Projection**			1,481,566	1,555,644	1,633,426	1,715,098	1,800,853
	CFC Days Projection (85% of Pax)			1,259,331	1,322,298	1,388,412	1,457,833	1,530,725
Operating Revenues	**Fixed Revenues**			$ 3,061,604	$ 3,184,068	$ 3,311,431	$ 3,443,888	$ 3,581,644
	Variable Revenues							
		Airline Revenues $2.95/pax		$ 4,370,619	$ 4,589,150	$ 4,818,608	$ 5,059,538	$ 5,312,515
		Rental Car Facility O/M $1.5/CFC Day		$ 1,888,996	$ 1,983,446	$ 2,082,619	$ 2,186,750	$ 2,296,087
		Terminal Related Income $14.05/pax		$ 20,816,000	$ 21,856,800	$ 22,949,640	$ 24,097,122	$ 25,301,978
	Operating Income			$ 30,137,220	$ 31,613,465	$ 33,162,297	$ 34,787,298	$ 36,492,224
Operating Expenses	**Operating Expense**			$ (14,836,969)	$ (15,608,491)	$ (16,420,133)	$ (17,273,980)	$ (18,172,226)
Operating Income	**Ordinary Income**			**$ 15,300,251**	**$ 16,004,974**	**$ 16,742,165**	**$ 17,513,318**	**$ 18,319,997**
PFC	**PFC 5 (Approved)**	**$**	**5,727,000**	$ -	$ -	$ -	$ -	$ -
	PFC 6 (Nearing Approval)	**$**	**34,408,193**	$ -	$ -	$ -	$ -	$ -
	PFC 7 (2026-2035)	**$**	**63,702,162**	$ 36,439,370	$ 30,139,012	$ 23,523,635	$ 16,577,489	$ 9,284,037
	PFC 8 (2040)	**$**	**42,000,000**	$ -	$ -	$ -	$ -	$ -
	Cumulative PFC			$ 67,426,914	$ 73,727,273	$ 80,342,649	$ 87,288,795	$ 94,582,248
CFC	**CFC 2**	**$**	**24,105,080**	$ -	$ -	$ -	$ -	$ -
	CFC 3 (Garage, Parking, Oil Change/Terminal)	**$**	**10,913,513**	$ -	$ -	$ -	$ -	$ -
	CFC Principal			$ -	$ -	$ -	$ -	$ -
	Cumulative CFC			$ -	$ -	$ -	$ -	$ -
				FY 2036	**FY 2037**	**FY 2038**	**FY 2039**	**FY 2040**
Cash Flow	**Beginning Cash**			$ 77,961,023	$ 91,569,078	$ 77,159,206	$ 63,648,796	$ 85,964,369
	Ordinary Income			$ 15,300,251	$ 16,004,974	$ 16,742,165	$ 17,513,318	$ 18,319,997
	PFC Income ($4.05/Pax)			$ 6,000,342	$ 6,300,359	$ 6,615,377	$ 6,946,146	$ 7,293,453
	CFC Facility Income $3.50/CFC Day			$ -	$ -	$ -	$ -	$ -
	Bonds			$ -	$ -	$ -	$ -	$ -
	Bank financing *			$ -	$ -	$ -	$ -	$ -
	Interest Income/Non Capital Grants			$ -	$ -	$ -	$ -	$ -
	Maintenance Projects			$ (1,247,357)	$ (1,309,725)	$ (1,375,211)	$ (1,443,972)	$ (1,516,170)
	Capital Projects			$ (10,451,800)	$ (39,054,800)	$ (39,927,400)	$ (6,999,200)	$ (51,967,300)
	AIP Entitlements			$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384	$ 3,601,384
	AIP Discretionary			$ 405,236	$ 47,936	$ 833,276	$ 2,697,896	$ 3,569,186
	AIP CARES - $15,446,029 -$2,646,213			$ -	$ -	$ -	$ -	$ -
	TSA Reimbursement			$ -	$ -	$ -	$ -	$ -
	Ending Cash			**$ 91,569,078**	**$ 77,159,206**	**$ 63,648,796**	**$ 85,964,369**	**$ 65,264,919**

The most important element of the master planning process is the application of basic economic, financial, and management rational to each development item so that the feasibility of implementation can be assured. The financial plan demonstrates that the airport should be capable of accomplishing its Capital Improvement Program over the master planning period by maximizing the use of AIP, PFC, CFC, and local funds without issuing revenue bonds or the use of local tax revenue

7.11 Plan Implementation

The successful implementation of the BZN Master Plan will require sound judgment on the part of the Authority with regard to implementation of projects to meeting future activity demands, while maintaining the existing infrastructure and expanding this infrastructure to support new improvements.

While the projects included in the capital improvements program have been assigned development years, the Board will need to consider the scheduling of projects in a flexible manner, and add new projects from time to time to satisfy safety or design standards, or newly created demands. As new buildings or pavement is added, the as-built information should be reflected on the Airport Layout Plan drawings, and the revised drawings resubmitted to the FAA for approval.

In summary, the planning process requires that the Gallatin Airport Authority continually monitor the need for new or rehabilitated facilities, since applications (for eligible projects) must be submitted with the FAA each year. The Authority should also continually monitor with the FAA the projects which are required for safety and continued certification under F.A.R. Part 139.