GDOT®
Georgia Department of Transportation

2024 COMMERCIAL SERVICE AIRPORT

CAPITAL IMPROVEMENT PLAN
FUNDING ANALYSIS

EXECUTIVE SUMMARY

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OVERVIEW

The Georgia Department of Transportation (GDOT) completed the 2024 Commercial Service Airport-Capital Improvement Plan (CIP) Funding Analysis in response to recommendations from the 2021 report issued by the Georgia Joint Legislative Study Committee on Airport Infrastructure and Improvements. This analysis focuses on project costs as per FY25-FY29 CIPs submitted to GDOT in December 2023 for seven commercial airports referred to collectively as CSA. The analysis compares CIP costs to historical funding and identifies potential funding gaps, concluding that CSA may face a collective annual funding gap that could exceed **$126.2 million**.

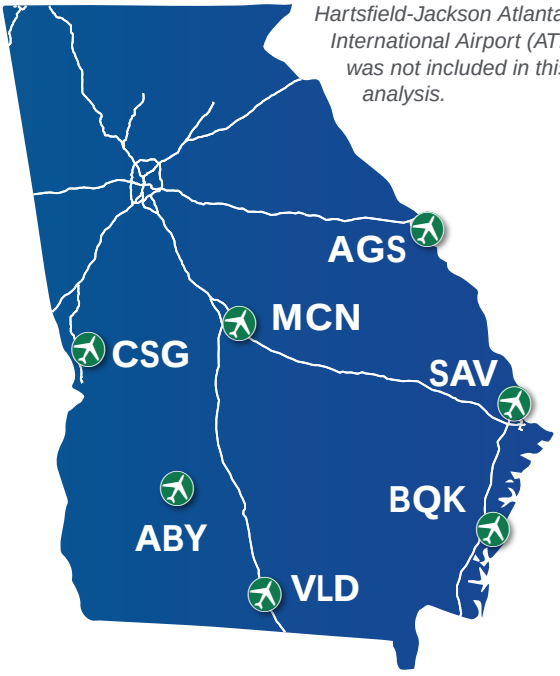
This analysis focused on CSA identified projects that will be implemented using federal and/or state grants leveraged with local matching funds. The analysis does not include local only funded projects. Airports may undertake other projects not included in their CIPs using other funding sources such as Passenger Facility Charges (PFCs), Regional Transportation Special Purpose Local Option Sales Taxes (TSPLOST), and Special Purpose Local Option Sales Taxes (SPLOST).

A Capital Improvement Plan (CIP) is an annual formal submission to GDOT to request federal or state funding; the airport sponsor provides matching funds, if the project is selected. The CIP normally reflects a five-year program showing projects, funding sources, and anticipated costs. Federal or state priority ranking systems determine grant awards.

GEORGIA CSA INCLUDED IN THE ANALYSIS

The CSA are vital transportation and economic engines for local communities, Georgia-based and visiting businesses, and leisure travelers coming to Georgia. The airports provide essential access to the state, contributing to Georgia's national ranking as a top state for doing business. Area Development Magazine named Georgia the **#1 state** for doing business for ten straight years (2014-2023). In addition, according to a 2020 GDOT Statewide Economic Impact Study, collectively, the CSA are responsible for an annual statewide economic impact of **$5 billion**.

- **AUGUSTA REGIONAL AT BUSH FIELD (AGS)**
- **BRUNSWICK GOLDEN ISLES (BQK)**
- **COLUMBUS (CSG)**
- **MIDDLE GEORGIA REGIONAL (MCN)**
- **SAVANNAH/HILTON HEAD INTERNATIONAL (SAV)**
- **SOUTHWEST GEORGIA REGIONAL (ABY)**
- **VALDOSTA REGIONAL (VLD)**



Hartsfield-Jackson Atlanta International Airport (ATL) was not included in this analysis.

HISTORICAL FAA FUNDING

The Federal Aviation Administration (FAA)'s Airport Improvement Program (AIP) is an important source of federal funding for eligible public airports. FAA funding is divided into two primary categories: Entitlement and Discretionary.

An airport project must meet minimum FAA requirements before receiving AIP funding. FAA prioritizes AIP projects that enhance safety, improve security, satisfy aeronautical demand, and protect and enhance the environment. The FAA's National Plan of Integrated Airport Systems (NPIAS) for 2023-2027 identifies 3,287 airports eligible for AIP funds. All Georgia CSA are eligible to compete for FAA Discretionary funds, based on formulas in FAA's National Priority Ranking System, and all receive Entitlement funds.

As the graph shows, historically, there has been little change in FAA AIP funding. Conversely, the cost of both materials and labor to implement airport capital projects continues to escalate.

The FAA's numerical priority ranking system signifies a project's overall importance. All projects and corresponding project rankings are reviewed to develop the national Airports Capital Improvement Plan (ACIP). The ACIP supports the FAA's selection process to distribute AIP funds to projects with the highest rankings. In the 2023-2027 NPIAS, the FAA estimates **$62 billion** in eligible airport development projects for that five-year period. With a congressionally authorized AIP amount of **$16.75 billion** during this five-year period, **nearly 73%** of all eligible projects will not be funded.

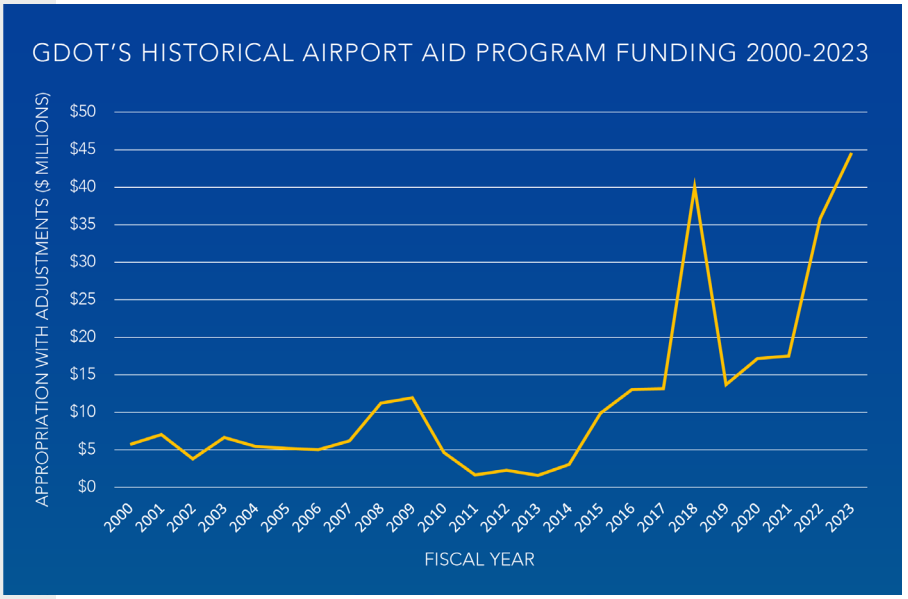
The information here shows historical federal AIP Discretionary and Entitlement funding for the CSA. These amounts do not include funds that were provided to the airports for COVID recovery efforts. Of the funding reported, **55%** is attributed to Entitlement funding, with the remaining **45%** of the historical funding coming from the Discretionary category.

AIRPORTS	AIRPORT'S NATIONAL RANK FOR SERVING BOARDING AIRLINE PASSENGERS	TOTAL HISTORICAL DISCRETIONARY AND ENTITLEMENT FUNDING (FY18-FY23)
Augusta Regional at Bush Field	173	$24.5 million
Brunswick Golden Isles	298	$4.5 million
Columbus	256	$19.2 million
Middle Georgia Regional	356	$6.7 million
Savannah/Hilton Head International	75	$27.1 million
Southwest Georgia Regional	304	$12.3 million
Valdosta Regional	283	$9.5 million

Ranking based on FAA data for 549 commercial airports in the US.

HISTORICAL GDOT FUNDING

In addition to FAA funding, the CSA also rely on GDOT and local funding, including airport-generated revenues, to support infrastructure improvements. Funding for GDOT's State Airport Aid Program, available to general aviation and commercial service airports, increased from approximately **$5 million** in 2000 to nearly **$45 million** in 2023. The Airport Aid Program, which requires annual appropriations from the State's General Fund, currently assigns the highest funding priority to projects at general aviation airports that enhance safety and rehabilitate primary infrastructure. The CSA, with a greater ability to generate revenues and compete for AIP Discretionary funding, are assigned a lower state funding priority.



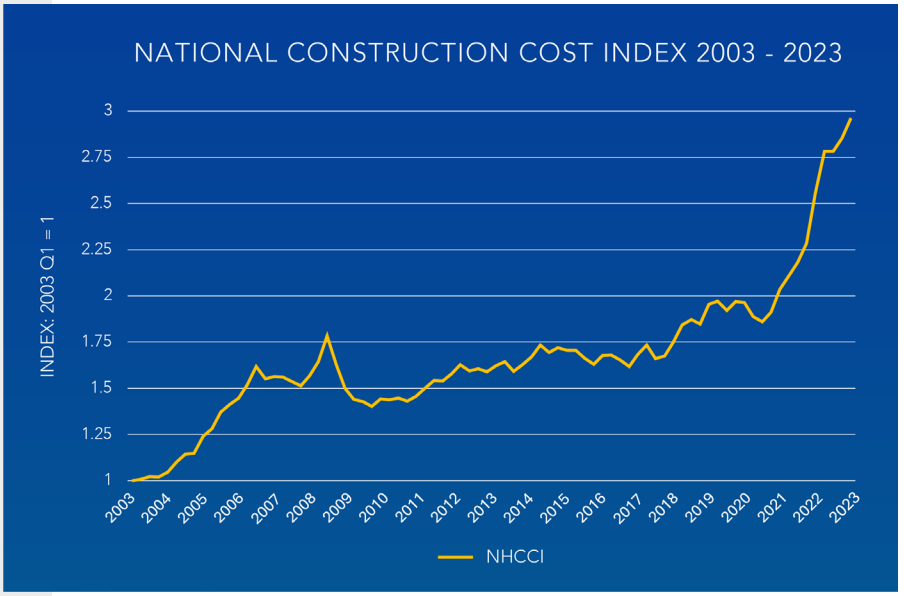
Source: Georgia Department of Transportation Aviation Programs

ESCALATING COSTS FOR CONSTRUCTION

As shown in the National Construction Cost Index chart published by the Bureau of Transportation Statistics, the cost of labor and materials to implement capital projects has trended upward since 2003. Following the COVID pandemic, construction costs skyrocketed. As this graph implies, between 2003 and 2023, project costs increased by **200%**.

Available FAA funding has experienced a nominal increase while costs to implement capital projects have increased exponentially. These two conditions impact the ability of the CSA to fund projects included in CIPs.

It should be noted that in the spring of 2024, Congress passed legislation reauthorizing AIP; if funding is fully appropriated, total annual AIP funding for all eligible airports in the U.S. could increase from **$3.35 billion** to **$4 billion**. Potential changes in funding for the study airports are noted later in this summary.



Source: U.S. Department of Transportation Bureau of Transportation Statistics, 2023
Note: NHCCI is the National Highway Construction Cost Index

CIP FUNDING COSTS AND HISTORICAL FUNDING FOR CSA

A review of CIPs from all CSA shows that the costs of implementing planned projects over the next five years (FY25-FY29) total **$766.6 million**. Over the five-year period, the CSA could receive **$32.1 million** in FAA funding associated with the Bipartisan Infrastructure Law (BIL) program to implement projects identified in current CIPs. BIL was enacted through the Infrastructure Investment and Jobs Act (IIJA) of 2021 and authorized up to $108 billion for public transportation.

As part of this analysis, it was assumed that all BIL-related projects identified in current CIPs will be funded, but that BIL funds may not be available post FY29. As such, this leaves **$735.4 million** in CIP costs to be covered through FAA, state, and local funding over the next five years **($146.9 million/year)**.

Compared to the total historical five-year funding, anticipated costs for projects included in the CIPs for the CSA far outweigh the funding that has been available historically. Between FY18 and FY23, federal, state, and local funding sources totaled **$103.7 million ($20.7 million/year)**. While this historical funding accounts for local funding used to match federal and/or state grants, it does not account for local funding used to fund other projects not included in a CIP. As noted previously, the CSA periodically have access to PFCs, TSPLOST, SPLOST, and other local funding that can be used to fully fund projects not included in CIPs.

Comparing CIP costs for CSA projects to historical funding showed that anticipated project costs for the next five years are **seven times** higher than federal, state, and local funding that has historically been available for CIP implementation. **Nearly 50%** of the anticipated CIP projects are associated with rehabilitation or improvements to runways, taxiways, and aprons.

IDENTIFIED ANNUAL CIP COSTS

FY25-FY29: **$146.9 MILLION***

**This total does not include additional costs for projects that will be funded from the BIL program.*

ANNUAL HISTORICAL FEDERAL, STATE, AND LOCAL FUNDING

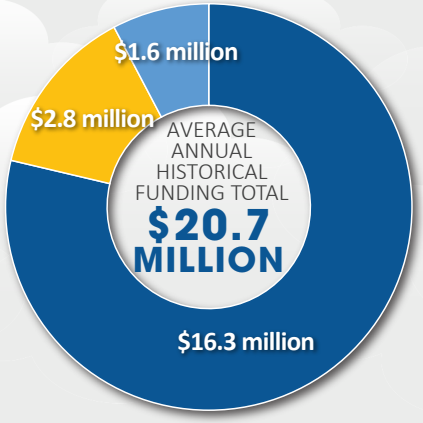
FY18-FY23: **$20.7 MILLION***

**Does not include COVID relief funding*

AVERAGE ANNUAL HISTORICAL FUNDING FOR CSA

The information in the chart below shows the average annual funding that was distributed to the CSA between FY18-FY23 to assist with implementing projects in CIPs. This includes funding from federal, state, and local sources. Historical funding reported in this section does not include funds the airports received from COVID-related recovery programs or from the BIL program.

HISTORICAL AVERAGE ANNUAL FUNDING BY SOURCE



- Average Annual FAA Funding *(FAA Discretionary and Entitlement funds)*
- Average Annual State Funding
- Average Annual Local Funding *(Includes only local funds that have been used historically to match federal and state grants.)*

The $1.6 million in average annual local funding is limited to the amount used to leverage state and federal grants. During the historical funding period considered in this analysis, the need for local funding was reduced because the FAA increased its level of funding to 100% during this time frame to assist airports with COVID recovery.

In May 2024, Congress approved the Reauthorization of the AIP. If funds are fully appropriated to support the Reauthorization, annual AIP funding would increase to **$4 billion**. Average annual federal funding for the seven CSA could increase from **$16.3 million** annually to **$19.4 million** annually. An annual increase of approximately **$3 million** in federal funding would be beneficial to the implementation of CIPs for the CSA and would aid in reducing, but not eliminating, the federal funding gap.

REVISED FEDERAL FUNDING GAP ANALYSIS

Current CIPs were reviewed to align the level of federal costs with the federal funding that has historically been available to the CSA. The objective of this review was to identify projects with lower federal funding priority rankings. These projects, while eligible, may be less likely to receive a federal grant award. CIP projects with lower federal priority rankings were moved from the federal category to the state (75% of project cost) and local (25% of project cost) funding categories. No federal funding is assumed for projects reallocated in the revised federal funding analysis.

Adjustments to the CIP funding categories results in the need for average annual federal funding of **$20.7 million**. This level of federal funding is more realistic and reflective of the actual **$16.3 million** in federal funding the CSA have received on an average annual basis. Based on the revised funding analysis, potential annual funding gaps for each funding source are shown in the table below.

FUNDING SOURCE	ANNUAL FY25-FY29 CIP COSTS REVISED FEDERAL FUNDING ANALYSIS	ANNUAL HISTORICAL FUNDING FY18-FY23	POTENTIAL ANNUAL REVISED FUNDING GAP
FAA Discretionary & Entitlements	$20.7 million	$16.3 million	$4.4 million
State	$85.5 million	$2.8 million	$82.7 million
Local	$40.7 million	$1.6 million	$39.1 million
TOTAL	**$146.9 MILLION***	**$20.7 MILLION**	**$126.2 MILLION**

**This total does not include funds the airports may receive from BIL. Information shown in the table above applies only to the seven CSA.*

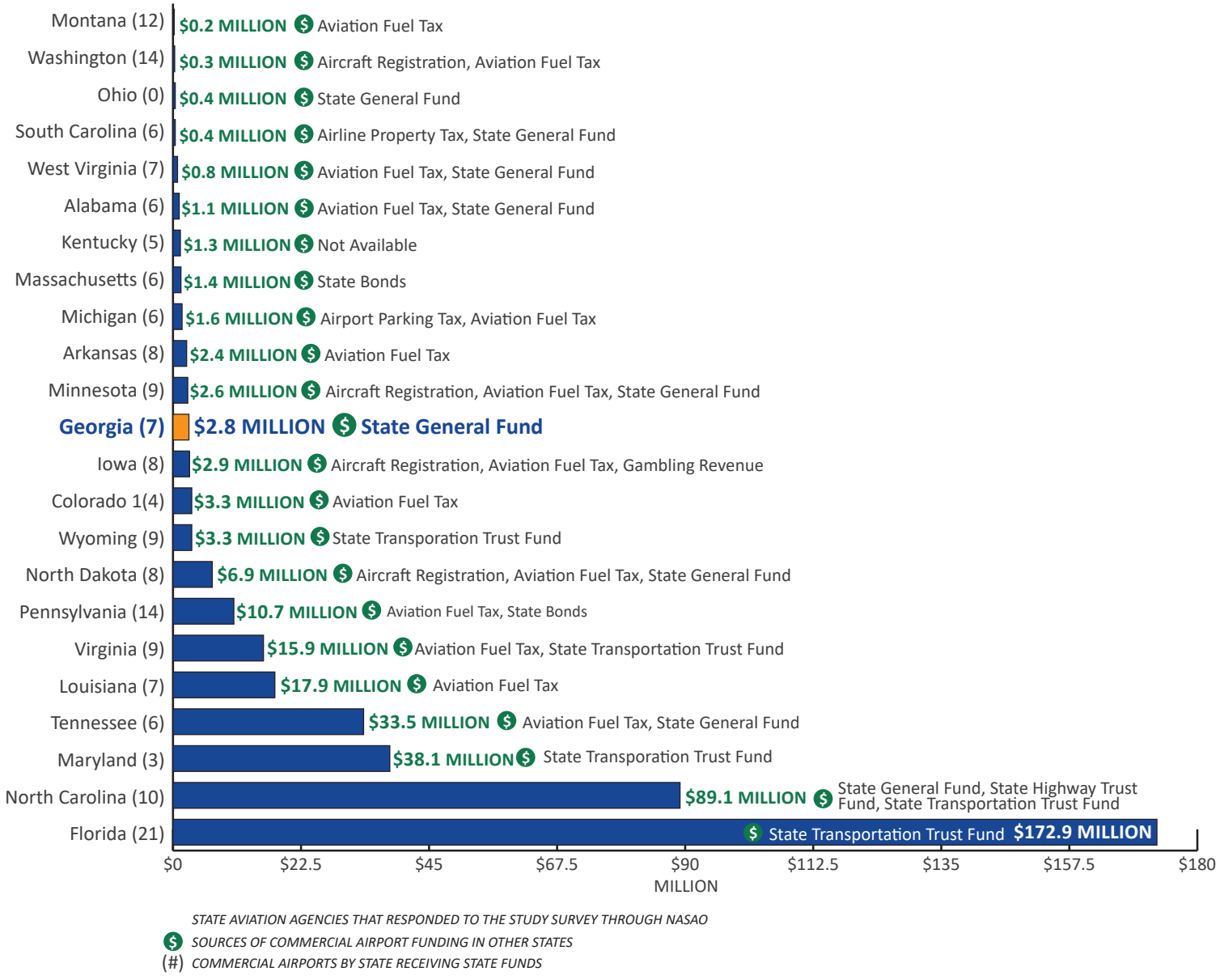
If federal, state, and local funding continues at historical levels, the average annual CIP funding gap for the CSA is estimated at **$126.2 million**. The information indicates that significant increases in state and local funding could be needed for the CSA to fund CIPs. On an annual basis, historical state funding for the CSA has averaged **$2.8 million**. If CIPs are to be implemented, annual funding to address the state's share of the project costs would need to increase to **$85.5 million**. In the revised scenario, the annual need for local funding would increase to **$40.7 million**.

SURVEY OF FUNDING FOR COMMERCIAL AIRPORTS IN OTHER STATES

As part of the study, the National Association of State Aviation Officials (NASAO) surveyed all other state aviation agencies to obtain information on policies, sources of funding, and annual funding allocations to commercial airports. **Thirty-three** states participated in this survey. Responding states report providing an average of **$14.2 million** in annual funding to commercial airports. In comparison, annual GDOT funding for the CSA analyzed in this study averages **$2.8 million**.

According to survey information for all responding states, the funding sources for commercial airports include state aviation fuel taxes, state general funds, aircraft registration fees, state transportation trust funds, state bonds, state highway funds, gambling revenue, airport parking taxes, and airline property taxes. Of the responding states, **63%** use revenue from state aviation fuel taxes to fund commercial airports; currently, this is not a source of funding for CSA in Georgia. The state programs in Florida and North Carolina, which have the most robust funding for commercial airports, draw revenues from state transportation trust funds. Typically, state transportation trusts are funded by a state's fuel tax programs.

ANNUAL STATE FUNDING FOR COMMERCIAL AIRPORTS IN OTHER STATES



STATE AVIATION AGENCIES THAT RESPONDED TO THE STUDY SURVEY THROUGH NASAO

($) *SOURCES OF COMMERCIAL AIRPORT FUNDING IN OTHER STATES*

(#) *COMMERCIAL AIRPORTS BY STATE RECEIVING STATE FUNDS*

ANNUAL CIP COSTS VS ECONOMIC BENEFITS OF GEORGIA'S SEVEN CSA

Considering the average annual costs estimated in current CIPs for the CSA, including funding from the federal BIL program, the average yearly investment to fully fund all FY25-FY29 CIP projects for the seven CSA is **$153.3 million**. It is important to compare the costs shown in the CIPs for the CSA to the economic impacts and benefits associated with the CSA. A summary of economic benefits related to the CSA, as estimated in GDOT's 2020 Statewide Economic Impact Study, follows. Economic impacts related to Hartsfield-Jackson Atlanta International are not included in the statistics reported in this section.

- **$5 billion** in annual economic impact is supported by the CSA; this estimate includes direct, indirect, and induced impacts associated with airport management, business tenants, capital investment, and air visitor spending.
- Collectively, annual economic and tax revenue impacts for the CSA are **35 times greater** than the annual cost to implement all projects identified in current CIPs.
- Annual local and state sales tax and income tax revenues associated with the CSA are estimated at **$202.3 million**; annual average tax revenues from the CSA are significantly higher than the **$2.8 million** that the state currently invests in these airports on an average annual basis.
- **$153 million** invested annually to improve infrastructure at the CSA would support 2,080 jobs with an annual payroll of **$230 million**. The initial **$153 million** investment would return **$330 million** in total annual economic activity to the state.
- Every **$1** directly invested in airport improvements returns **$49** in total annual direct, indirect, and induced economic impacts to the state's economy.

AVERAGE ANNUAL CIP COSTS COMPARED TO ANNUAL ECONOMIC IMPACT AND TAX REVENUES

COMMERCIAL SERVICE AIRPORT	AVERAGE ANNUAL FIVE-YEAR CIP COSTS	ANNUAL ECONOMIC IMPACT	ANNUAL STATE & LOCAL TAX REVENUE
Augusta Regional at Bush Field	$26.8 million	$285.7 million	$13.0 million
Brunswick Golden Isles	$24.1 million	$155.0 million	$5.9 million
Columbus	$15.1 million	$94.6 million	$4.2 million
Middle Georgia Regional	$23.1 million	$153.9 million	$5.6 million
Savannah/Hilton Head International	$50.1 million	$4.2 billion	$169.4 million
Southwest Georgia Regional	$5.5 million	$63.0 million	$2.7 million
Valdosta Regional	$8.6 million	$37.3 million	$1.8 million
TOTAL	**$153.3 MILLION**	**$5.0 BILLION**	**$202.3 MILLION**

Source: FY25-FY29 CIPs provided by study airports in December 2023; annual CIP costs include BIL funding. Economic impacts and annual tax revenues are from GDOT's 2020 Statewide Economic Impact Study.

Columns may not sum due to rounding.

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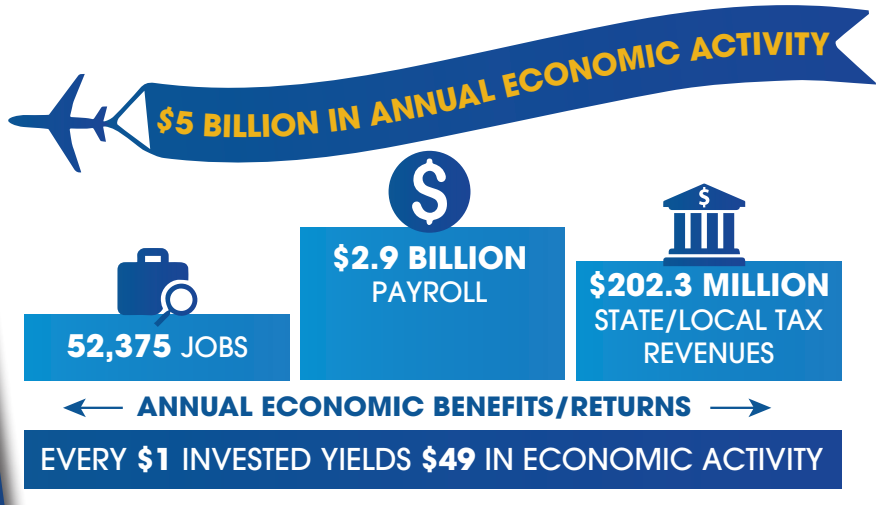
SUMMARY OF FINDINGS FROM CSA CIP FUNDING ANALYSIS

The analysis concluded that the CSA, both individually and collectively, face annual funding gaps affecting their ability to implement projects identified in current CIPs. While a modest increase in federal funding may be on the horizon, an increase will do little to address the annual gap in funding for the CSA which is estimated to be **$126.2 million**. The information that follows summarizes annual needs, historical funding availability, the potential annual funding gap, and annual economic impacts and tax revenues associated with each of the CSA. These results are based on the Revised Federal Funding Analysis.

	AVERAGE ANNUAL CIP COST	AVERAGE ANNUAL HISTORICAL FEDERAL, STATE, AND LOCAL INVESTMENT	ANTICIPATED AVERAGE ANNUAL FUNDING GAP	ANNUAL ECONOMIC IMPACT	ANNUAL STATE/LOCAL TAX REVENUE CONTRIBUTION
AUGUSTA REGIONAL AT BUSH FIELD	$25.3 MILLION*	$4.9 MILLION	$20.4 MILLION	$285.7 MILLION	$13.0 MILLION
BRUNSWICK GOLDEN ISLES	$23.5 MILLION*	$0.9 MILLION	$22.6 MILLION	$155.0 MILLION	$5.9 MILLION
COLUMBUS	$14.1 MILLION*	$3.8 MILLION	$10.3 MILLION	$94.6 MILLION	$4.2 MILLION
MIDDLE GEORGIA REGIONAL	$22.7 MILLION*	$1.3 MILLION	$21.4 MILLION	$153.9 MILLION	$5.6 MILLION
SAVANNAH/HILTON HEAD INTERNATIONAL	$50.1 MILLION*	$5.4 MILLION	$44.7 MILLION	$4.2 BILLION	$169.4 MILLION
SOUTHWEST GEORGIA REGIONAL	$4.1 MILLION*	$2.5 MILLION	$1.7 MILLION	$63.0 MILLION	$2.7 MILLION
VALDOSTA REGIONAL	$7.1 MILLION*	$1.9 MILLION	$5.2 MILLION	$37.3 MILLION	$1.8 MILLION
TOTAL	$147 MILLION*	$20.7 MILLION	$126.2 MILLION	$5 BILLION	$202.3 MILLION

**DOES NOT INCLUDE FUNDING FROM THE BIL PROGRAM; WITH BIL FUNDING, THIS ANNUAL AMOUNT IS $153.3 MILLION.*
HISTORICAL LOCAL FUNDING DOES NOT INCLUDE LOCAL PFCS, TSPLOST, OR SPLOST FUNDS THAT HAVE BEEN USED TO UNDERTAKE PROJECTS NOT INCLUDED IN A CIP.
COLUMNS DO NOT SUM DUE TO ROUNDING.

The annual economic benefit of each airport is higher than the annual amount of investment identified to implement each airport's CIP projects. Collectively, the airports contribute an estimated **$5 billion** to the state's economy each year, and they support over **52,000 jobs**. Study analysis shows an estimated **$85.5 million** in state funding could be needed annually to cover the cost of implementing CIP projects for the CSA. The seven airports contribute **$202 million** annually to state and local tax revenues, an amount higher than the estimated state investment need.



The CSA are economic engines for the state and for the communities that host each airport. Investment is needed annually to ensure that the CSA continue to support the economic impacts and other benefits summarized in this report. The airports support commerce, businesses, and tourism in Georgia. Collectively, the airports could face an annual funding gap of **$126.2 million** based on funding that has been available historically. This analysis concluded that increases in federal, state, and local funding are needed if the CSA are to have sufficient funding to implement projects identified in current CIPs.

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