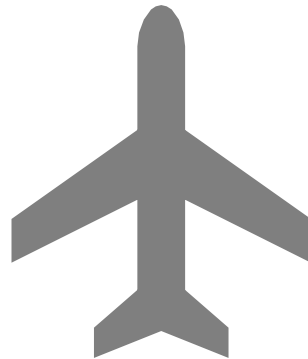


# Salem Airport Commercial Passenger Air Service Readiness Effort

City Council Presentation

January 9, 2023



# Steps to Commercial Passenger Air Service Readiness...

## Airline, City and Community Commitment

- Letter of Intent from Airline
- Agreement Between City and Airline
- Revenue Guarantee and Marketing Support

## Terminal Building Improvements

- Structural Improvements
- Data, Physical and Cyber Security Systems
- Installation of TSA Security Equipment

## Develop & Implement Airport Security Program

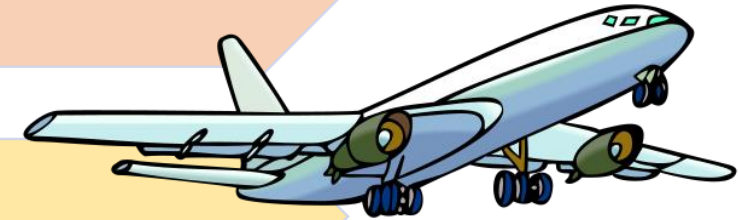
- Approval of Airport Security Plan
- Required Staff Training and Certification
- Badging and Credentials for All Staff, Vendors, and Tenants

## Hire Additional City Staff

- Airport Staff (5)
- Aviation-Trained Firefighters (3)
- Aviation Security Police Officer (1)

## Approve Funding

- Identify Funding Source
- Council Approval of Budget Resolution
- Contracts and Purchase Orders



SCOPE

- CHECK-IN DESKS OUT 3' TO UPDATE NEW CONVEYOR
- CEILING JOISTS, INSTALL CEILING LIGHTING + FLOORING TO ACCOMMODATE TSA EQUIP. + ACCESS
- NEW WALLS + CREATE NEW EXTERIOR TSA SCREENING
- EXTERIOR CANOPIES FOR TSA PASSENGER SCREENING EQUIP.
- NEW PARTITIONS + GRAB BARS TO MEET ADA
- NEW ELECTRICAL, ELECTRIFIED EQUIP. + 2-FACTOR AUTH. CONTROL
- NEW WINDOWS ON AIR SIDE: + MAKE INOPERATIVE

TSA BAGGAGE SCREENING

NEW STRIPES + SIGN ABOVE DOOR

TSA PASSENGER SCREENING

CONCEPT PLAN

SCALE: 1/16" = 1'-0"

500 Liberty Street SE, Suite 100  
Salem, Oregon 97301  
Ph: 503.480.8700 / Fx: 503.480.8701

SALEM AIRPORT RENOVATION

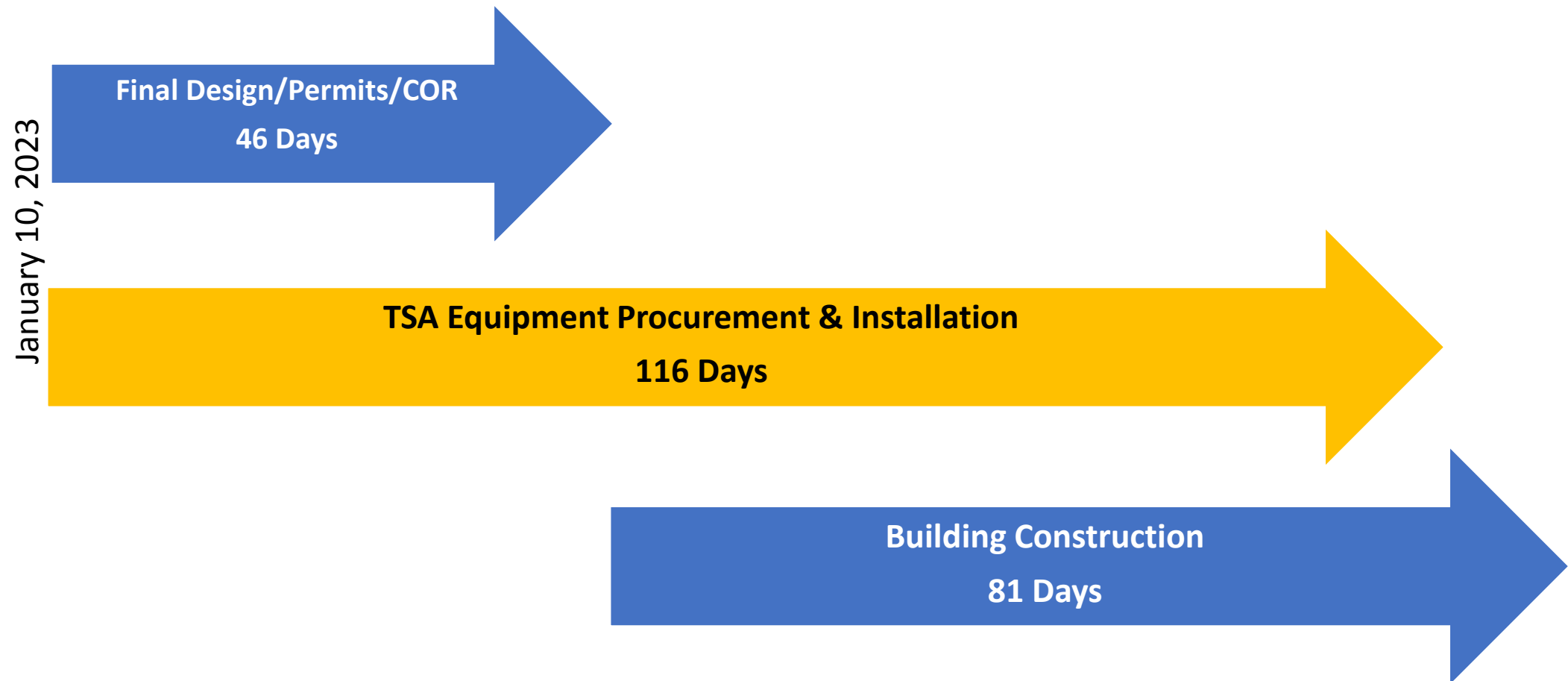
2900 25th St SE, Salem, OR 97302

## TERMINAL CONCEPT DESIGN

## A1.01

# Passenger Terminal Building Improvements

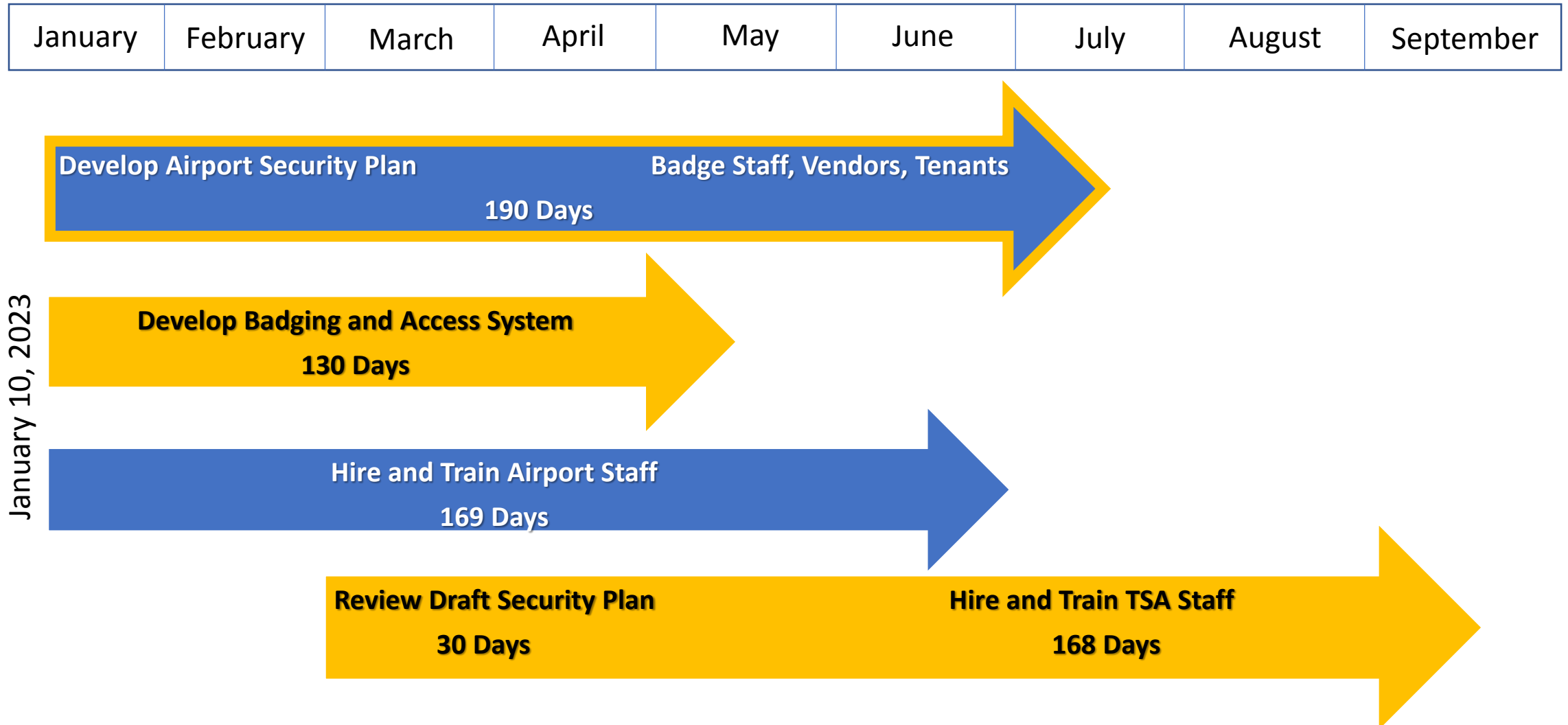
January	February	March	April	May
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# Total Capital Project Budget – Airport Terminal Improvements

Item	Budget
<b>Construction/Equipment</b>	
Construction Contract	1,061,000
Furniture/Equipment	25,000
Controlled Equipment	200,000
<b>Subtotal</b>	<b>1,286,000</b>
<b>Soft Costs</b>	
Engineer/Architectural Services	175,000
Consultant/Other Professional Services	100,000
Project Management	75,000
Permits and Inspection	45,000
<b>Subtotal</b>	<b>395,000</b>
<b>Project Contingency</b>	<b>200,000</b>
<b>Total Project</b>	<b>\$1,881,000</b>

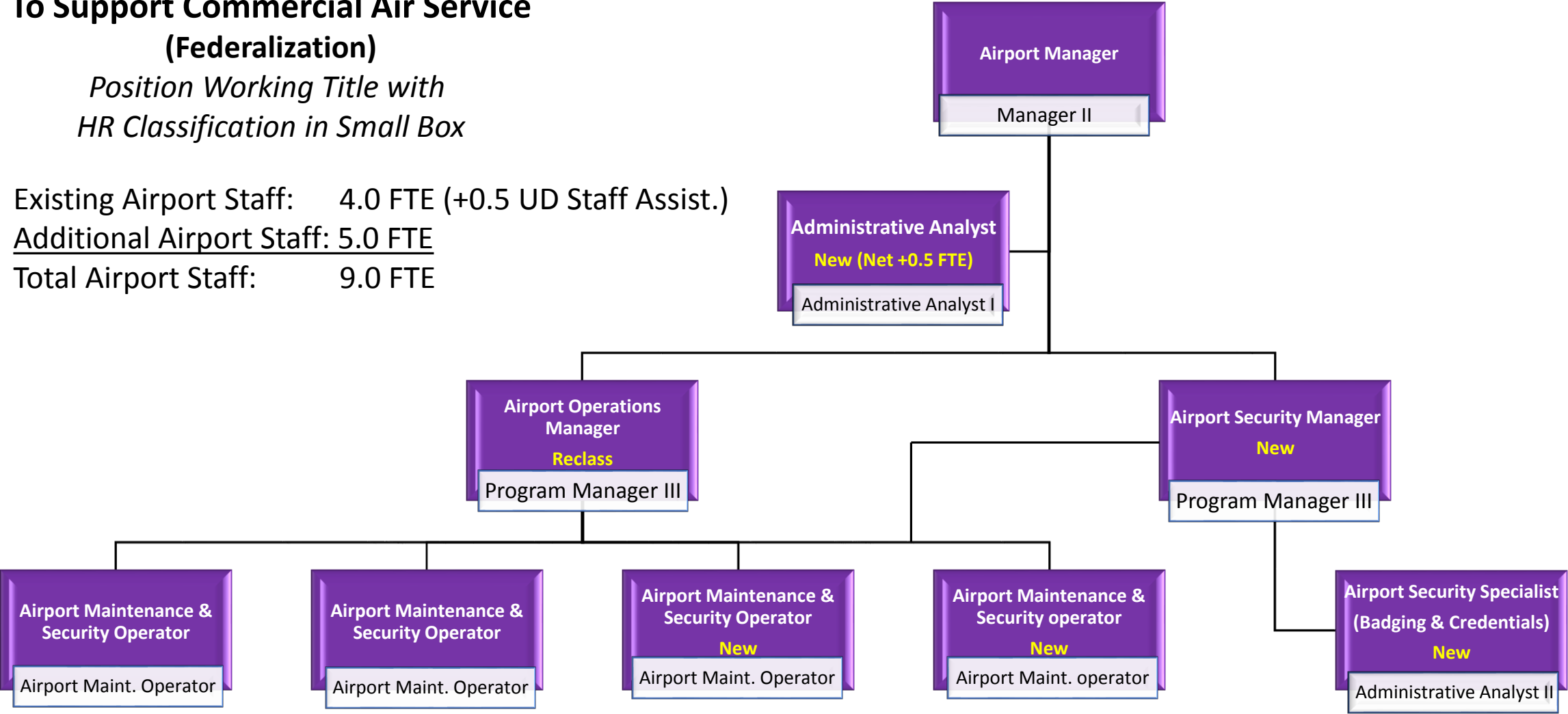
# Development, Approval, and Implementation of Airport Security Program (Federalization)



Proposed Airport Staff Organization  
To Support Commercial Air Service  
(Federalization)

*Position Working Title with  
HR Classification in Small Box*

Existing Airport Staff: 4.0 FTE (+0.5 UD Staff Assist.)  
Additional Airport Staff: 5.0 FTE  
Total Airport Staff: 9.0 FTE



*Operators are shared between Airport Operations and Security Assignments*

## Additional Airport Costs Associated with Passenger Air Service Readiness

Position	FY23	FY24	FY25	FY26	FY27	FY28
Administrative Analyst I (1 FTE New – Net +0.5 FTE)	22,170	66,510	71,860	76,470	81,630	89,090
Administrative Analyst II (1 FTE New)	39,320	117,960	127,730	136,600	146,420	159,370
Program Manager III [x2] (1 FTE Reclass + 1 FTE New)	58,020	174,060	185,830	201,070	216,920	237,810
Airport Maintenance Operators (2 FTE New)	64,590	193,760	208,840	223,300	238,670	259,360
<b>Net Additional Personnel Costs</b>	<b>184,100</b>	<b>552,290</b>	<b>594,260</b>	<b>637,440</b>	<b>683,640</b>	<b>745,630</b>
<i>Additional Materials &amp; Services</i>	<i>81,900</i>	<i>100,000</i>	<i>105,000</i>	<i>110,250</i>	<i>115,760</i>	<i>121,550</i>
<b>Total Net Additional Airport Costs</b>	<b>\$266,000</b>	<b>\$652,290</b>	<b>\$699,260</b>	<b>\$747,690</b>	<b>\$799,400</b>	<b>\$867,180</b>

### Notes:

Includes additional personnel costs of new Airport positions and reclassification of existing positions.

FY23 personnel costs represent 4 months remaining in fiscal year

Personnel costs inflated at 3 percent annually. Materials and Services Costs inflated at 5 percent annually

FY23 Materials and Services costs represent 5 months of estimated expenditures, includes badging and associated security equipment

Materials and Services costs include additional vehicle fuel, utilities, badging materials, uniforms, maintenance/security costs, etc.

When total annual enplanements exceed 10,000 the City will be eligible for additional FAA aviation grants, requiring larger local match



## Additional Public Safety Costs Associated with Passenger Air Service Readiness

Position	FY23	FY24	FY25	FY26	FY27	FY28
Aviation Firefighters [x3]* (3 New FTE)	200,000	633,000	652,000	671,550	705,130	740,380
Aviation Police Officer (1 New FTE)	0	150,000	154,500	159,140	163,910	168,830
<b>Total Additional Public Safety Personnel Costs</b>	<b>\$200,000</b>	<b>\$783,000</b>	<b>\$806,500</b>	<b>\$830,690</b>	<b>\$869,040</b>	<b>\$909,210</b>
<i>*Total Public Safety Personnel Costs if only 1 Additional Aviation Firefighter is needed</i>	<i>\$67,000</i>	<i>\$361,000</i>	<i>\$371,830</i>	<i>\$382,990</i>	<i>\$398,950</i>	<i>\$415,620</i>

### Notes:

Personnel Costs are inflated at 3 percent annually

FY23 estimated costs are based on 4 months remaining in fiscal year for recruitment time and training

One aviation-trained firefighter needed for each 24-hour shift at Station 6

TSA requires that a sworn, aviation security-trained law enforcement officer be present at the airport during air passenger service

**\*If air passenger flights occur within an 8-hour timeframe, five days per week, only one additional aviation firefighter is needed**

## Total Additional City Operational Costs Associated with Passenger Air Service Readiness

Category	FY23	FY24	FY25	FY26	FY27	FY28
Total Net Additional Airport Costs	\$266,000	\$652,290	\$699,260	\$747,690	\$799,400	\$867,180
Additional Aviation Grant Match		95,000	95,000	95,000	95,000	95,000
Total Net Additional Police Costs		150,000	154,500	159,140	163,910	168,830
Total Net Additional Fire Costs	200,000	633,000	652,000	671,550	705,130	740,380
<b>Total Net City Operational Costs</b>	<b>\$466,000</b>	<b>\$1,530,290</b>	<b>\$1,600,760</b>	<b>\$1,673,380</b>	<b>\$1,763,440</b>	<b>\$1,871,390</b>
Minus Estimated Additional Airport Revenues		-634,000	-750,000	-900,000	-1,026,000	-1,150,000
<b>Net Surplus/(Shortfall)</b>		<b>(\$896,290)</b>	<b>(\$850,760)</b>	<b>(\$773,380)</b>	<b>(\$737,440)</b>	<b>(\$721,390)</b>

## If Only One Additional Aviation Firefighter Needed...

Category	FY23	FY24	FY25	FY26	FY27	FY28
<b>Total Net City Operational Costs If only 1 Additional Firefighter</b>	<b>\$333,000</b>	<b>\$1,108,290</b>	<b>\$1,166,090</b>	<b>\$1,225,680</b>	<b>\$1,293,350</b>	<b>\$1,377,800</b>
Minus Estimated Additional Airport Revenues		-634,000	-750,000	-900,000	-1,026,000	-1,150,000
<b>Net Surplus/(Shortfall)</b>		<b>(\$474,290)</b>	<b>(\$416,090)</b>	<b>(\$325,680)</b>	<b>(\$267,350)</b>	<b>(\$227,800)</b>

# Budget Transfer Resolution No. 2023-02

## FY23

### Transfer from General Fund Contingency to:

Item	Transfer Amount
Fund 255 Airport Capital Construction Project	1,900,000
Fund 160 Airport Fund	266,000
Fund 101 Fire Department Operations	200,000
<b>Total General Fund Budget Transfer</b>	<b>\$2,366,000</b>

# Considerations and Next Steps

- Timelines assume optimistic process and outcomes
- TSA has been cooperative and enthusiastic to partner with City
- General Funds will be required to augment Airport revenues
- Development of new Airport Master Plan is underway
- Future use of Urban Renewal Funds possible for capital construction
- To Start Process: Approval of Budget Resolution No. 2023-2



**Questions?**