



COLORADO DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION

2004 ANNUAL REPORT

In support of the Colorado Department of Transportation's development of a forward-looking multi-modal transportation system for the 21st century, the Colorado Division of Aeronautics shall promote partnering with its public and private constituents to enhance aviation safety, aviation education and the development of an effective air transportation system through the efficient administration of the Colorado Aviation Funds.

Control tower and administration building - Centennial Airport (KAPA) Denver

STATEWIDE AVIATION EDUCATION



Photo by Jennie Sparks, Longmont Daily Reporter-Herald

Colorado's young people are a vital part of the Division's thrust toward education. It is the goal of the Aviation Education Program to form a strong bond with students, pilot organizations, teachers and the general public to bring an awareness of aviation into the community.

Over the course of the last year, we have:

Coordinated *KidSpace* areas at 5 air shows throughout the State. *KidSpace* provides hands-on aviation activities for kids of all ages. Over 1000 students participated in *KidSpace* arenas during the past year. Local voluntary resources are critical to the success of our programs. It is the goal of this program to give local groups ideas and support to act independently in offering *KidSpace* activities at their airport events.

Offered on-airport teacher workshops in Fort Collins and Grand Junction. These two-day seminars consist of hands-on sessions

in specific curriculum areas and an Aviation Fair, which includes make-and-take centers, hands-on activities and an airport tour. By partnering with local pilot organizations, we are also able to offer participants the opportunity for a flight in a general aviation airplane. Teachers receive graduate credit through Adams State College for completing the workshops and using the activities in their classrooms.

Introduced our *Get 'Em Flyin' Program* which encourages teachers and facilitates the introduction of aviation into the curriculum. Division staff provides aviation curriculum to the teachers and then facilitates a *Young Eagles* 'fly-day' provided by EAA pilots for students who have successfully completed the aviation unit. Six classes participated statewide in the program during its inaugural year.

Maintained an Aviation Events Calendar on the Division's website. The calendar is a resource for pilots and pilot organizations, teachers, airports and the general public and currently covers over 200 events annually ... everything from pilot organization meetings to local fly-ins to nationally-recognized events.

Initiating and coordinating these activities, the Division partners not only with aviation groups such as Experimental Aircraft Association, Civil Air Patrol, Tuskegee Airmen, Wings Over the Rockies Museum and Fantasy of Flight Foundation, but also with non-aviation related youth organizations like the Boys and Girls Clubs and the Boy Scouts.

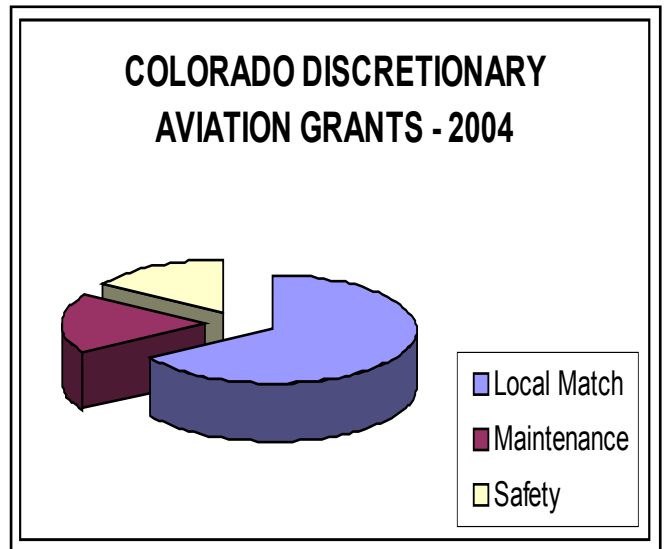
The Division will continue to offer innovation, leadership and guidance in aviation education. It will work as the catalyst to form lasting commitments to the discovery of technology and science through the exciting world of aviation.

COLORADO DISCRETIONARY AVIATION GRANT PROGRAM

2004 brought changes to the local match requirement for FAA Airport Improvement Program (AIP) funding, which in turn, positively impacted the State's ability to participate in shared local match while supporting a larger number of independent projects.

Although total funds for AIP projects increased slightly, the introduction of 5% versus 10% local match of previous years meant that discretionary grant funds could now be turned to: funding survey work at ten statewide airports requiring RNAV (GPS) approaches; a study to define the needs for approach and departure control radar at mountain airports; completion of construction of twelve mountain Automated Weather Observing System (AWOS) sites; multi-airport and emergency maintenance projects.

More than \$2.8M were awarded during the initial grant application period in a total of 48 individual projects. Nearly \$4M in grants were awarded in 2004.



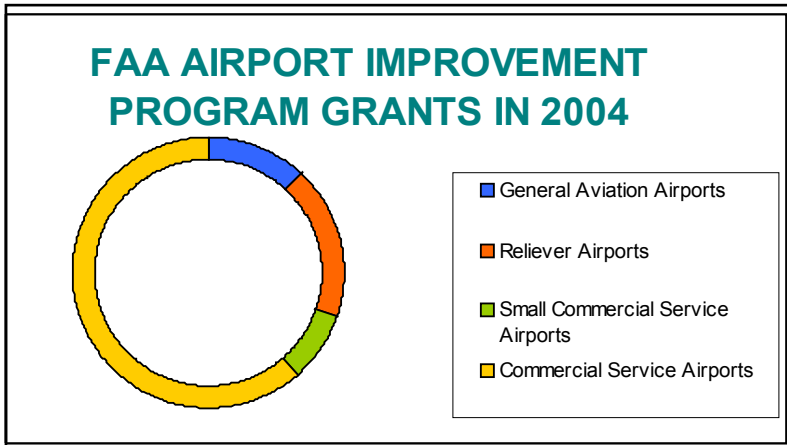
The Division has been successful in partnering with the Colorado Department of Local Affairs in several aviation-related programs.

Shared funding success of the 2003 Glenwood Springs Municipal Airport project to resurface the runway, taxiways and apron with **asphalt-rubber paving materials using recycled waste tire crumb rubber** prompted the Colorado Aeronautical Board to support a similar project at Spanish Peaks Airfield, Walsenburg, which is anticipated to be completed in fall 2004. Multiple funding sources were also found to develop a business plan and support commercial air service at Lamar Municipal Airport.

AIRPORT CAPITAL IMPROVEMENT PROGRAM

Each year, the CDOT-Aeronautics Division and the FAA-Denver Airports District Office planners assist general aviation, reliever and small commercial service airports in maintaining a **5-year Capital Improvement Program (CIP)**. The process includes the updating and implementing of capital projects and costs for year 2005 through 2010.

Through joint planning conferences, individual airport site visits and various other meetings, individual capital projects are identified, evaluated, prioritized and recommended for inclusion in the federal Airport Capital Improvement Program.



9 Commercial Service Airports	\$32,272,359.00
3 Small Commercial Service Apts.	\$4,355,513.00
3 Reliever Airports	\$9,624,485.00
23 General Aviation Airports	\$6,467,978.00
Total FAA AIP Commitment to Colorado Airports	\$52,720,335.00

GENERAL AVIATION ENTITLEMENTS

With the reauthorization of the **Federal Aviation Administration (FAA) Airport Improvement Program (AIP)** in 2001, many of Colorado's general aviation airports became first time recipients of an annual entitlement in the amount of \$150,000 as part of the Non-Primary Entitlement Program. Over the course of a three year period (2001-2003), this entitlement program proved to be very beneficial to many of these airports. As a result of its success in its first three years, the program has been continued in the new AIP program for 2004 through 2007. While a majority of the specifics of the entitlement program have remained unchanged, one notable change approved by Congress is the flexibility for airport sponsors receiving the entitlement funds to "transfer" their entitlement funds to other airport sponsors if they are not using the money in a certain year.

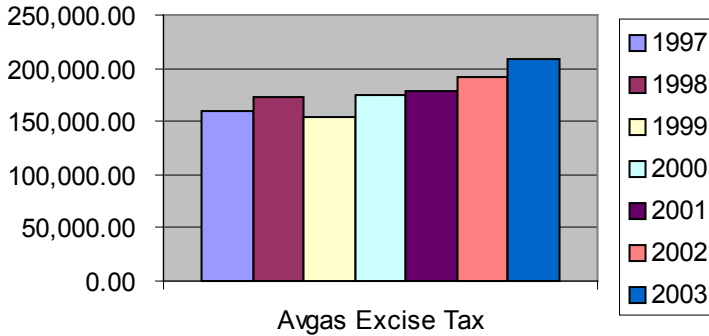
Anticipating such a change, in 2004 the Division of Aeronautics has worked with the FAA and various airport sponsors to develop a four year GA Entitlement Program that takes advantage of the "transfer" aspect of the new AIP program. By utilizing these transfers, the Division, the airports and the FAA have realized more, "economies of scale" where we can now plan for a \$300,000 to \$600,000 project after several years, as opposed to just an annual \$150,000 project.

- For Fiscal Year 2004, **nine (9) airports** have successfully participated in the Non-Primary Entitlement Transfer Program.
- Participation from just these nine (9) airports has as resulted in **\$1.35 Million** of Non-Primary Entitlement Funds being successfully transferred to other Colorado Airports for larger scale projects.
- For Fiscal Years 2005-2007 **19 airports** have committed to participate in the transfer program.
- Over the course of the next three fiscal years, participation by these 19 airports will result in **\$2.85 Million** of Non-Primary Entitlement Funds being transferred to various airports throughout Colorado.

ENTITLEMENT TAX REFUNDS

Aviation fuel taxes paid when aircraft are refueled at any of Colorado's airports find their way back to the aviation community in the form of discretionary grants and through the Entitlement Refund Program.

AVGAS EXCISE TAX REIMBURSEMENTS

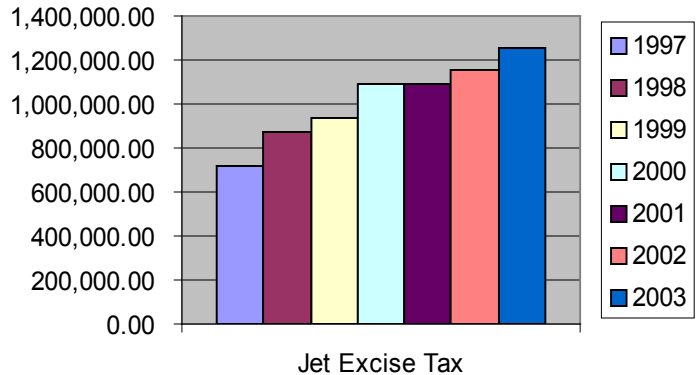


\$.04 per gallon on each gallon of Avgas or non-commercial jet fuel is returned to the airport of origin. 65% of Colorado's 2.9% sales tax on commercial jet fuel is reimbursed to commercial service airports as entitlement refunds. The remainder of excise and sales taxes collected is used to administer the Aeronautics Division, or is awarded by the Colorado Aeronautical Board to statewide airports as discretionary grants.

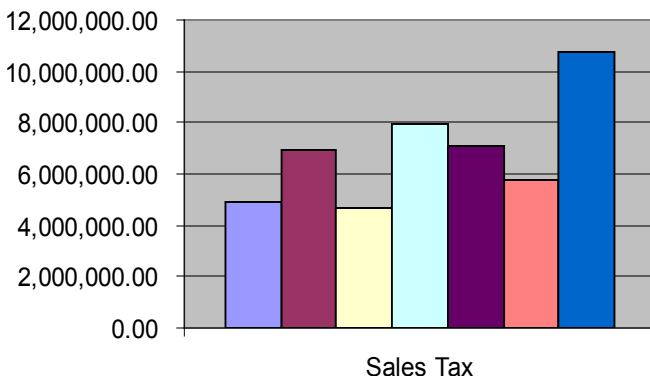
Revenues rebounded during 2003-2004, signalling the resurgence of airline activity, as well as the higher cost of fuel per gallon.

Entitlement refunds represent a portion of the airport's operating budget, used to support maintenance and capital improvements in conjunction with other local, state and federal funds.

JET EXCISE TAX REIMBURSEMENTS



SALES TAX REIMBURSEMENTS



2003 REFUND TOTALS

TOTAL AVGAS EXCISE REFUNDS
\$209,347.00

TOTAL JET EXCISE REFUNDS
\$1,257,682.00

TOTAL JET SALES REFUNDS
\$10,730,999.00

TOTAL ENTITLEMENT TAX RE-FUNDS

TIMETABLE FOR LONG TERM AIRPORT IMPROVEMENT PROJECTS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ASPEN Expand runway safety area-relocate taxiway-expand terminal-extend runway	[Timeline bar from 2000 to 2010]										
EAGLE Rehab and extend runway and taxiway-Construct control tower	[Timeline bar from 2000 to 2007]										
GUNNISON Relocate threshold - extend runway and taxiway	[Timeline bar from 2000 to 2006]										
HAYDEN Apron and parking expansion-new terminal construction	[Timeline bar from 2004 to 2008]										
MONTROSE Rehab Runways-Rehab and construct new taxiways-	[Timeline bar from 2002 to 2008]										
PAGOSA SPRINGS Reconstruct runway-Construct taxiway and midfield ramp	[Timeline bar from 2001 to 2007]										
TELLURIDE Expand runway safety areas-Reconstruct runway-Reconstruct taxiway and apron	[Timeline bar from 2003 to 2010]										

Numerous other multi-year projects kick-off in the next 2-3 years at general aviation airports statewide

SURPLUS EQUIPMENT PROGRAM

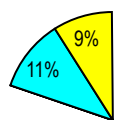
Each year, dozens of pieces of quality equipment are made available to Colorado airports from the inventories of the **Colorado Dept. of Transportation-Highways Division** and **Denver International Airport**. These items, with many years of good service remaining for general aviation airport use, have been fully depreciated in their original capacity and are sold at a fraction of their retail value in annual sales held by the Aeronautics Division.

In 2003, fifteen airports bought 45 pieces of equipment.

Results of the **2004 Pavement Condition Indexing** conducted by the Division indicates that **80% of Colorado airport pavements are categorized as "Good"**. This is an increase of 1% from the findings of 2003.

Continuing **maintenance programs** and the **crack fill material rebate program** supported by the Colorado Aeronautical Board account for the quality improvements of the State's pavements.

AIRPORT PRIMARY PAVEMENTS



AIR SERVICE FORUMS

In conjunction with Denver International Airport, the CDOT Aeronautics Division brought together airports, airlines, local, state and federal interests in open forums to discuss the future development of commercial service to Colorado's system of airports. A consensus of cooperation was formed to promote and market expanded service to regional and seasonal markets statewide. Future efforts will be directed toward greater national and international awareness of recreation, business and cultural opportunities in our State.

CDOT-Aeronautics Division, in cooperation with the Governor's Office of Economic Development and the Colorado Airport Operators Association has begun a presence at the



National Business
Associa-
fair



jet and corporate aircraft throughout



the State.

discretionary destination
of welcoming biz

Both the continuation of the successful air service forums and the expansion of its presence at the nation's finest trade fairs are identified as primary goals of the Division's effort to expand awareness of the unique culture, facilities and services Colorado has to offer - and the aviation services available to reach them.

AVIATION STATE INFRASTRUCTURE BANK

2004 was a busy year for the State Infrastructure Bank (SIB) low interest revolving loan fund. In total four loans were administered by the Colorado Transportation Commission and Colorado Aeronautical Board totaling just under \$6.6 Million dollars. **Gunnison County** received two loans totaling \$594,727 to upgrade security access control as well as fund the local match to FAA Airport Improvement Program grant funds. **Archuleta County** received \$2.5 Million dollars to construct a mid-field FBO and apron facility to meet FAA safety standards with the upgrade of the airport to accommodate business jet traffic. **Meadow Lake Airport** was the recipient of a \$3.5 Million dollar loan to purchase land to protect the airport from residential encroachment. The airport is a reliever airport to **Colorado Springs Municipal Airport** and has over 450 based aircraft on the field.

To date, there has been \$10,584,727 loaned from the CDOT SIB fund to nine airports throughout Colorado leveraging over \$89 Million in local, state and FAA funds to enhance the Colorado Aviation System.

Congress enacted the SIB pilot program in 1995 and the Colorado State Legislature enacted House-Bill 98-1001, which included provisions for the creation of the Aviation account as a part of the program offered by CDOT.



COLORADO AERONAUTICAL BOARD



The Colorado Aeronautical Board is the policy-making body that oversees the operations of the Colorado Aeronautics Division. It is an honorary seven-member Board appointed by the Governor to serve three-year terms as representatives of defined constituencies in the aviation community.



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