

Community Aviation Revitalization Loan Program

Purpose: To provide low-interest loans to airports in order to support revenue producing and other airport infrastructure projects.

Method: Revise and pass legislation from last legislative session that authorizes the loan program, provides funds to loan, and establishes and funds administration of the program.

Background: The State Sponsored Revolving Aviation Infrastructure Loan Fund was identified in the *Airport Investment Solutions Study* (conducted by WSDOT Aviation in 2015) as one of the top ten solutions to assist airports with earning additional revenue, with the goal of becoming self-sufficient. This concept would require the State to manage a revolving loan fund that could be available to airports that meet basic credit requirements. The loan fund would offer airports access to low interest capital funding. This would allow airports to pursue revenue producing projects while lowering the existing funding gap required to sustain airport infrastructure across the state.

Objective: House Bill ???? establishes the Community Revitalization Loan Program along with the Community Aviation Revitalization Board (CARB) to administer the program. This program will promote the goal of airports becoming financially self-sufficient. This would be accomplished by improving an airport's options for developing revenue producing facilities, expanding their base of ground leases, and improving their local contribution to employment and economic vitality. An associated objective of this bill is to relieve funding constraints associated with constructing aviation revenue producing facilities.

Current Situation: In the 2018 Legislative Session, House Bill 1656 passed the House and the Senate, but was vetoed by the governor. The governor had concerns with members of the legislature being voting members of Community Aviation Revitalization Board. Additionally, the proviso to start the program with \$5M is currently stalled due to a constitutional question over providing public funds derived from the sale of bonds to privately owned airports open to public use. This bill could also help fund recommended projects in the pursuit of expanding air cargo operations within the state.

Recommendations for a path forward:

- Pass the legislation that would allow for the distribution of \$5M in funds already provided for the loan program
- Resolve the constitutional question of selling bonds that benefit privately owned airports open to public use