

Washington State Dept. of Commerce Community Economic Revitalization Board Community Economic Revitalization Board (CERB)

2023-25 CERB-Planning Application

Deadline: 4/1/2024

City of Yakima - Yakima Air Terminal Yakima Airport Passenger Terminal Modernization

Jump to: Please also provide the following: Application Tables Attachments

\$ 75,000.00 Requested

\$ 5,000,000 Match Funding (20% of total project cost)

Project Contact

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Additional Contacts

none entered

City of Yakima - Yakima Air Terminal

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Airport Director

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Please also provide the following: top

1. Statewide Vendor Number (SWV #)

SWV #0007122-02

2. Legislative District

14th

3. Congressional District

4th

4. County

Yakima

Application top

1. Project Description:

Describe the goals and/or issues to be addressed with the CERB Planning Grant.

Yakima Air Terminal supports aviation activities including passenger service, air cargo, aeromedical evacuation, aerial wild land fire fighting, business and personal travel, and aerospace manufacturing. The original passenger terminal was constructed in 1950 with renovations and additions in 1967, 1996, 1998 and most recently in 1999. Many building systems in

service in the terminal today are original construction.

In late 2019 the airport supported its peak volume of passengers at 14,000 passengers per month, resulting in \$591M annual economic impact and 2,366 jobs to the region. During the pandemic air travel through the airport dropped to an all-time-low of 500 passengers per month, eventually leading to air service reduction to only one set of flights a day to Seattle. In November 2023 the airport was successful in negotiating the return of the second set of flights and passenger volumes recovered to about half of the 2019 high mark, with economic impact at \$479M and1,559 jobs. The airport is currently in talks with two air carriers to add another destination, which is projected to add \$2.4M in economic impact and 29 jobs to the region. These airlines operate larger capacity airplanes.

Air service is an economic engine for the community. A 2012 Aviation Economic Impact Study published by WSDOT determined 97% of Gross Business Income occurs within 10 miles of an airport, and 70% within five miles. Passenger volume is a key measure of economic impact, in on-airport jobs, visitor spending, and direct, indirect and induced impact.

The airport has developed a three-phase project to accomplish needed terminal modernization work. This funding request will support market analysis and project engineering and design for phase 1B, a second floor over the ground level sterile area. This phase of the project will move three gates and TSA passenger screening upstairs and provide jetways to accommodate larger airliners, capable of carrying larger passenger loads and palletized air cargo. This expansion will also allow future revision of the first floor layout to accommodate shops and eating establishments, and provide space to meet the needs of modern air travel.

The overarching goal of the Terminal Modernization Project is to increase useable space, modernize legacy, failing building systems, enhance air travel by enabling larger air liners, and providing improved space utilization to accommodate modern air travel requirements that didn't exist in 1950. These improvements will lead to more living-wage jobs, and will support economic growth in the region.

2. Project Scope of Work:

List the key components of the study

The catchment area of Yakima Air Terminal includes Yakima and Kittitas counties, representing approximately 300,000 citizens. Yakima Air Terminal fulfills a regional role, providing passenger air service and air cargo support to these rural and economically disadvantaged communities.

This project will conduct a market analysis and examine the potential of the airport terminal to accommodate growth in passenger and freight air transportation for the region. It will examine the air transportation needs of the community and identify improvements to the terminal building needed to enable economic growth. Yakima Valley is a leading producer of hops and wine, with customers around the country and across the globe. The study will engage with the agricultural, aerospace, and other industry sectors to understand their travel and air cargo needs, and improvements required to the terminal to accommodate them. It will also support preliminary design concepts to revise and expand the terminal in line with these findings.

The Airport Director and his staff will implement the marketing strategies. The Director has degrees in business administration with an emphasis in marketing and is well-equipped to accomplish this task.

The airport is zoned Airport Commercial, Airport Industrial, and Airport Operations; it is well suited to accommodate economic growth across the spectrum of aviation-related and other commercial and industrial development. The airport is two miles from interstate 82 and readily accessible for passengers and freight from across the region. The airport has a strong relationship with the Yakama Nation and will seek their participation in the process. NEPA and SEPA have been accomplished but will need updating.

The marketing analysis will focus primarily on opportunities to add air transportation capacity and commercial functionality. The study will examine demographics and travel needs, including destinations sought, competitive market pricing analysis, and passenger and shipper preferences for in-terminal activities.

3. Project Short-Term Benefits:

Describe the projected short-term economic benefits the planning project will have on the local community. In the near term the project will improve passenger capacity and flow in the building, eliminating crowding and lines at airline ticket counters, TSA screening, and baggage claim. The new sterile area will accommodate larger passenger loads as the airport upgrades from the Embraer 175, a 76-seat aircraft, to Boeing 737-700s ranging from 126-149 seats. The project will also enable the future establishment of shops, cafe/snack bars, and wine tasting on the ground floor, and the return of the landmark airport restaurant to the upper floor. All of these are benefits to the passenger and jobs for the community.

Increasing passenger volumes will require increases of airline employees to support larger planes and more flights. Present day wages for these positions average:

- Gate Agent: ~ \$20/hr
- Customer Service Agent: ~ \$20/hr
- Aircraft Mechanic: ~ \$32/hr

4. Project Long-Term Benefits:

Describe the projected long-term economic benefits the planning project will have on the local community. Long term this project will add vibrancy to the community and economic vitality to the region. Access to air travel and air cargo shipping are staples of a strong business community. In addition to the robust offering of agricultural products, the airport hosts aerospace manufacturing businesses and the community benefits from manufacturing jobs. The airport terminal modernization is a powerful step towards raising the average wage and retaining local, young workers by providing broader career options with promotion and earnings increase potential.

5. Accomplishments:

What will be accomplished as a result of the project?

This project funding request, combined with \$5M congressionally directed spending, will support the terminal modernization design. The market analysis will fine-tune the public and industry needs and inform the design process. The marketing strategy will draw local and regional passengers and the shippers, as well as businesses looking to site their operations in eastern Washington.

6. Community Impact:

Describe the impact on the community in the event the project is NOT funded by CERB.

The passenger terminal building is reaching the end of its useful life, and without modernization throughout it is at risk of being removed from service. The building is cramped, old, and tired. The baggage claim area is too small per Fire Marshall code and the bags are delivered by a metal slide that is not accessible by people with disabilities. The TSA line stretches through the non-sterile seating area all the way to the building front door, and the line for airline ticketing is the same. The traveling public desires and deserves a better traveling experience. And the region deserves a more viable and economic multiplier an airport can represent. Phase 1B, construction of an upper level sterile area and TSA screening is pivotal to resolving this.

Currently there is insufficient space to accommodate larger modern airplanes and their larger passenger capacity. Presently passengers walk out of the terminal building, across the tarmac, and climb a metal ramp to board the airplane, in all kinds of weather, most notably during periods of snow and scorching heat. The planes that currently serve the airport are too small to support palletized loads of hops and other products. Phase 1B, a second floor sterile area, will bring jetways to the airplanes. The terminal cannot support large airplanes in its current configuration; jetways are necessary. Jetways also make enplaning and deplaning accessible for those with limited mobility.

This project, and the phases that follow, will revitalize the airport terminal and enhance the airport as an economic engine for the region.

7. Project Link with Economic Diversification:

Describe the project's link with the economic diversification strategy and goals of the community. Include whether this project is part of an economic development plan consistent with local and applicable state planning requirements. Support for increased services at the airport is documented in the Yakima Air Terminal Airport Master Plan, the City of Yakima Comprehensive Plan, and the Yakima County Horizon 2040 Comprehensive Plan.

Expanding air service and air cargo will be a boost for economic diversification. Yakima is located near the middle of the state, and the airport is only two miles from I-82. Travelers and shippers from across the region will benefit from improved air transportation, and companies will be more inclined to site their operations here and take advantage of the available workforce. This will bring increased and diverse job opportunities for the region.

8. Infrastructure Construction Support:

If infrastructure construction is to be supported by the study, indicate estimated construction schedule and/or project time frame.

-no answer-

9. Private Investment Interest:

Indicate if there has been private investment interest, if so please describe.

Horizon Air/Alaska Airlines provide air carrier support and will provide additional equipment to support and maintain their airplanes and associated equipment. As aircraft size and flight frequency increase, the fixed-base operator McCormick Air Service will upgrade their fueling equipment that serves the airline.

10. Industry Clusters:

Does this project build on locally-identified industry clusters? If yes, please explain:

Yes, the Yakima industry clusters are hop and fruit production and shipping, and industrial manufacturing. Enhanced air cargo associated with the terminal modernization will support industry sector growth. Because shipping by air is substantially more expensive than by another mode, air cargo is typically comprised of perishable food and live items, and critical, high-value express parts for major commercial and industrial operations. There are 52 manufacturing companies within 10 miles of the airport, such as Triumph Actuation Systems and Pexco Aerospace that manufacture high-value aircraft repair parts.

	Modernizing the terminal will enable the airport to accommodate larger freight and larger aircraft capable of transporting that freight.
	11. Consultant Selection Process
	Has a consultant been chosen? If yes, who will be conducting the study?
	Yes, please explain:
	✓ No
	12. If an outside consultant has not yet been chosen, describe the selection process.
	We have begun the solicitation process and are reviewing proposals from four separate A/E teams.
	13. Is this plan mandated or required by a statute, law, or regulatory agency? Yes
	✓ No
	14. Applying for which funding tier?
	☐ Up to \$50,000 - Tier 1 - Economic Development Activities that DO NOT qualify for CERB construction.
	✓ Up to \$75,000 - Tier 2 - Economic Development Activities that DO qualify for CERB construction.
	☐ Up to \$100,000 - Tier 3 - Site Readiness and Economic Development Activities that DO qualify for CERB construction.
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ESTIMATED Schedule for Public Project Completion

Task	Estimated Date (Month/Year)
Consultant Service Chosen	5/24
Consultant Begin Work	6/24
Consultant Draft Report	11/24
Consultant Final Report	4/25
Consultant End Work	6/25
Project Complete	12/25

Other Source Funding

Source	Researched/Applied	Outcome
CDBG Planning-Only Grant	✓	Not applicable
RCAC Planning	✓	Not applicable
Department of Ecology Planning	✓	Not applicable
Department of Health Planning	✓	Not applicable
USDA Rural development Pre-Development Grant	✓	Not applicable

Match Funding

Source	Date Approved	Amount (\$000,000)
Congress/FAA	10/23	5,000,000
Total		

Documents Requested * Attachment A: Resolution Authorizing CERB Application download template	Required? Attached Documents * Draft City Council Resolution
Attachment B: Evidence of Public Notification - Meeting Agenda that resolution was approved at, CERB as a line item - Meeting advertisement	✓
Attachment C: Evidence of local Support (statement of support from the local Associated Development Organization (ADO) or the governing body of a Federally Recognized Tribe)	t <u>YCDA Letter of Support</u>

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Application ID: 468995

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