

Des Moines airport needs \$200 million for new terminal

Joel Aschbrenner; jaschbrenn@dmreg.com 11:47 p.m. CDT June 10, 2014



(Photo: Register File Photo)

After approving a plan for a new terminal Tuesday, Des Moines airport officials are now faced with a \$200 million question: How to fund it?

The terminal would cost more than half a billion dollars after inflation, making it one of the most expensive public buildings in state history.

Most of the funding would come from federal grants, airport revenue and airline landing fees. But more than a third of the funding — up to \$202 million — has not been identified.

Airport Executive Director Kevin Foley said the airport could seek funding from local economic development groups, additional federal grants and even sponsorships.

“If anyone writes us a big enough check, we’ll name the airport after them,” he said.

Another option is urging the state to create an economic development program specifically geared toward airport improvements, Foley said.

Foley pointed to the Iowa Reinvestment Act as a blueprint.

Approved by the Legislature last year, the act allows cities to use property tax revenue to finance projects that spur tourism and economic development.

A \$130 million convention hotel in downtown Des Moines is one of three proposed projects in line to receive funding.

A local tax levy is another option, “but that would be an absolute last resort,” Foley said.

Construction would begin in 2022, but it would be contingent on continued passenger growth. Ridership at the Des Moines airport has risen 16 percent since 2008, reaching a record 2.2 million passengers in 2013.

Passenger numbers dropped significantly during the recession, and another economic downturn would stall the project, Foley said.

The Des Moines Airport Authority Board voted 5-0 Tuesday to approve the long-term plan.

The plans calls for building the terminal on the south end of the airport to replace the current 66-year-old terminal that airport officials say is too small, outdated and lacks the space to expand due to adjacent runways.

The terminal would have 14 gates — up from 11 at the current terminal — with a plan to expand to 18 gates and space to expand further if needed.

The Taxpayers Association of Central Iowa hasn’t taken a stance on the project, but the group’s executive director, Gretchen Tegeler, said a new terminal should attract more flights or otherwise increase the airport’s economic impact on the region — not just give passengers more breathing room.

“To interest the general taxpayer, it would be important to demonstrate that kind of improvement more frequent flights, better flights, more choices,” she said.

The first phase of the project would cost \$420 million, or an estimated \$538 million after inflation.

The second phase would increase the total to \$468 million in today’s dollars.

“The money scares all of us, I know, but I don’t think we have a choice,” said board member Liz Ward. “I think we need to move forward.”

Officials with Master Builders of Iowa said to their knowledge, the terminal would be the most expensive public building in the state.

Temporary flights to Salt Lake City

Skiers, take note: Direct flights will run between Des Moines and Salt Lake City from Dec. 20 to Jan. 4.

Delta is offering the flight because they expect to have an extra jet at the time.

The airline has said it does not plan to make the Salt Lake City flight a permanent route, said Airport Executive Director Kevin Foley. Still, Foley said he hopes to fill the seats to show Delta that Des Moines can support additional routes.

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