

VIII. CAPITAL IMPROVEMENTS PROGRAM AND FINANCING

Interpretation of Capital Improvements Schedules

The unit prices presented in the schedules which follow were arrived at by examination of recent bids for construction of similar facilities in the Northeastern Arizona area, and represent average prices that may be expected, based upon 1990 dollars. No attempt has been made to apply inflation factors to the projected future development programs.

The work items referenced with an asterisk (*) are items which are currently eligible for FAA funding participation under grants through the Airport Improvement Program (AIP). The current funding level of 91.06 percent was used in all cases.

Engineering fees included for each project include all field surveys, design, materials testing, construction staking and inspection and may be regarded as approximations of industry averages based on the complexity and scope of the construction work proposed.

Phased Development Schedule

Phase I development is proposed for 1991. Phase II development would be added as the need arises. It is probable that Phase I development will be adequate for the life of this master plan (1987-2005). The construction and development of the different projects under the above two phases is shown in tabular form as follows:

Phase I (1991-1993) - Short Range

- | | |
|-------------|--|
| Project "A" | Construct 24-foot wide by 650-foot long access road, auto parking, public use area, FBO hangar and utilities. |
| Project "B" | Construct 75-foot wide by 6,900-foot long Runway 18/36 with turnarounds, connecting taxiway 35-feet by 300-feet, and aircraft parking apron 7,500 square yards with tie-downs. |
| Project "C" | Construct MIREL on Runway 18/36 and connecting taxiway with PAPI or PLASI, navigational aids and electrical vault with equipment. |
| Project "D" | Construct perimeter barbed-wire fencing around runway and security (chain link) around operations area. |

Project "E" Construct rerouting of existing secondary roads 4,500-foot by 24-foot around perimeter of southern portion of airport.

Phase II (1994-2005) - Long Range

Project "A" Construct 6,700-foot by 35-foot parallel taxiway to Runway 18/36 and 185-foot by 35-foot connecting taxiway including marking.

Project "B" Construct taxiway lighting to 6,700-foot long parallel taxiway and connecting taxiway.

Project "C" Construct auto parking lot, aircraft parking apron 250-feet by 150-feet, T-hangars and taxiway access to T-hangars.

Project "D" Construct FBO hangar.

Chinle Airport, Chinle, Arizona
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Phase I/1991-1993 (Short Range)

	Tribal Administration Share	Federal Share	Construction Total
<u>Project "A"</u> ¹			
1. 24'x650' access road*	\$1,877	\$19,123	\$21,000
2. Auto parking (28 spaces)	10,000	--	10,000
3. Hangar (FBO)	72,000	--	72,000
4. Public Use Area	50,000	--	50,000
5. Utilities - water, septic system and electrical power to operations area*	10,013	101,987	112,000
PROJECT "A" TOTALS	\$143,889	\$121,111	\$265,000
<u>Project "B"</u>			
1. 75'x6,900' runway 18/36 with turnarounds*	\$73,755	\$751,245	\$825,000
2. Connecting taxiway 35'x300'*	1,341	13,659	15,000
3. Aircraft parking apron 7,500 sq.yds. with tie-downs*	10,013	101,987	112,000
PROJECT "B" TOTALS	\$85,109	\$866,891	\$952,000

	Tribal Administration Share	Federal Share	Construction Total
<u>Project "C"</u>			
1. Medium Intensity Runway lights on Runway 18/36 and connecting taxiway with PLASI or PAPI*	\$18,774	\$191,226	\$210,000
2. Navigational aids - rotating beacon, segmented circle, and lighted wind cone*	1,609	16,391	18,000
3. Electrical vault with equipment*	1,430	14,570	16,000
PROJECT "C" TOTALS	\$21,813	\$222,187	\$244,000
<u>Project "D"</u>			
1. Perimeter fencing, 15,900 l.f. barbed wire*	\$4,264	\$43,436	\$47,700
2. Operational area Fencing 2,400 l.f. (chain link)*	2,146	21,854	24,000
PROJECT "D" TOTALS	\$6,410	\$65,290	\$71,700
<u>Project "E"</u>			
1. Rerouting of 4,500' x24' existing roads	\$88,000	--	\$88,000
PROJECT "E" TOTALS	\$88,000	--	\$88,000
PHASE I PROJECT SUBTOTALS	\$345,221	\$1,275,479	\$1,620,700
**ENGINEERING COSTS	\$57,168	\$201,352	\$258,520
PHASE I PROJECT TOTALS	\$402,389	\$1,476,831	\$1,879,220

¹Project "A", Item 5, electrical power of estimated \$100,000 cost to airport is not eligible for engineering since the paver company engineers will be doing their own engineering.

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Phase II/1994-2005 (Long Range)

	Tribal Administration Share	Federal Share	Construction Total
<u>Project "A"</u>			
1. Construct 6,700'x 35' parallel taxi- way to Runway 18/36 including marking and connecting taxi- way*	\$31,648	\$322,352	\$354,000
<u>Project "B"</u>			
1. Construct taxiway lighting to 6,700' parallel taxiway to Runway 18/36 and connecting taxiway*	\$10,281	\$104,719	\$115,000
<u>Project "C"</u>			
1. Construct Auto parking lot	\$10,000	--	\$10,000
2. Construct aircraft parking apron 250'x150'*	5,587	56,913	62,500
3. Construct 12-place T-hangars and taxiway access to T-hangars	170,000	--	170,000
PROJECT "C" TOTALS	\$185,587	\$56,913	\$242,500

	Tribal Administration Share	Federal Share	Construction Total
Project "D"			
1. Construct FBO hangar	\$72,000	--	\$72,000
PHASE II PROJECT SUBTOTALS	\$299,516	\$483,984	\$783,500
ENGINEERING COSTS	50,918	82,277	133,195
PHASE II PROJECT TOTALS	\$350,434	\$566,261	\$916,695

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM

Year	Project	Description	Estimated Cost
1991-93	IA	Access road, auto parking, public use area, FBO hangar, utilities	\$265,000
1991-93	IB	Runway 18/36, turnarounds, taxiway, parking apron	\$952,000
1991-93	IC	MIRL, PAPI or PLASI, nav aids, electrical vault	\$244,000
1991-93	ID	Perimeter fencing and security fence	\$71,700
1991-93	IE	Rerouting of secondary roads	\$88,000
1994-2005	IIA	Parallel taxiway, connecting taxiway, marking	\$354,000
1994-2005	IIB	Taxiway lighting	\$115,000
1994-2005	IIC	Auto parking lot, aircraft parking apron, T-hangars, taxiway access	\$242,500
1994-2005	IID	FBO hangar	\$72,000

Airport Financing

Airport Revenues. It may be assumed that the capital improvements actions proposed by this study will create potential sources of airport revenue, particularly through fuel sales and rental fees. This will result both from increases in based aircraft and operations and from expansion and improvement of the airside and landside facilities in the Chinle area. Increases in airport capacity and activity may also attract lessees for FBO-type businesses. The result of this increase in revenue, and the goal of the implementation strategies, should be the eventual operational self-sufficiency of the airport. It is obvious, however, that although the airport may be operationally self-sufficient, direct revenues will not be sufficient to fund the Capital Improvements Program presented for the planning period. In order to fund the proposed actions of the Master Plan, funding will need to be obtained from the other sources.

Certain items of development included in the program may be undertaken by private enterprise. These items include hangar construction, which may be developed on land leased to individuals by the owner, terminal expansion to accommodate possible commuter or tourist-oriented air service operations, and construction of FBO facilities (i.e., flight instruction, repair, charter). Negotiations may also be made with prospective private interests to participate in the funding of airport improvements and maintenance as a part of the lease agreements.

Additionally, user fees, in the form of rental of tie-downs and hangars, and commercial operator landing fees and lease agreements, could be imposed as a method of generating revenues to aid in the cost of operation and development of the airport. All revenues generated by airport activities should be utilized for airport operation, improvement and maintenance.

Local Funding. While the possibility exists for local funding of limited improvements, the best sources of funding of the recommended improvements will be through government-sponsored programs. Arizona Revised Statutes (ARS) Section 28-106 allows distribution of monies appropriated to ADOT from the State Aviation Fund for planning, design, development, acquisition of interest in land, construction and improvement of publicly-owned and operated airport facilities in counties and incorporated cities and towns. According to the law a "publicly-owned and operated airport facility" means an airport and appurtenant facilities in which one or more agencies, departments or instrumentalities of this state or any city, town or county of this state holds an interest in the land upon which the airport is located which is clear of any reversionary interest, lien, easement, lease or other encumbrance which might preclude or interfere with the possession, use or

control of the land for public airport purposes for a minimum period of 20 years.

A Native American tribe is not a political subdivision of the State of Arizona. It is not a public agency in that a tribe is a closed membership organization. One cannot become tribal members by application, residence or any other means. Various tribes have their own government and courts and the State of Arizona is excluded from asserting jurisdiction (refer to Attorney General's Opinion, dated October 20, 1975). Under the circumstances, the State cannot assure that after it invests in a Native American airport, the facility will remain open to the public and the airport will be operated and maintained at reasonably safe standards for a period not less than 20 years after the facility has been improved. Because of these reasons, state funds cannot be granted for designing, development or maintenance of Native American airports (Carter 1988). Therefore, the remaining sources are those of the Federal government.

Federal Funding. The Airport and Airway Trust Fund, which was established by the Airway Revenue Act of 1970, provides revenues which are used to fund AIP projects. This trust, which is administered by the FAA, guarantees a stable funding source which is derived from aviation-related user fees. Taxes and user fees are collected from the various segments of the aviation community and are placed in the trust. The taxes assessed include an eight percent tax on airline passenger tickets, a five percent tax on air freight, a three dollar international departure fee, a twelve cent and fourteen cent per gallon tax on aviation gasoline and jet fuels, respectively, and a five and ten cent per pound tax on aviation tires and tubes, respectively. The trust funds are distributed under appropriations set by Congress to airports within the United States which have certified eligibility.

The Airway Improvement Program was enacted in 1982 and was amended in 1987 by the Airport and Airway Safety and Capacity Expansion Act of 1987. It should be noted that all AIP funding is distributed on a prioritized basis. The priorities are established at the regional level by the FAA, based on number, amount and relative merit of the applications for funding which are received.

The funding level for airports within the State of Arizona at the time of preparation of this study allows the Federal funding of up to 91.06 percent of these eligible items. However, in light of the recent legislative trend towards budget reduction on Federal programs, it should be anticipated that the current level of funding may be reduced within the planning period of this study. It is, therefore, appropriate for airport owners to consider the possibility of budgeting for an amount greater than the current matching level in order to expedite and insure the timely development of needed airport improvements.

It is reasonable to predict that Chinle, through the Navajo Nation government will be able to compete successfully for AIP funds. This can be effectively accomplished by establishing and maintaining coordination and communication with the FAA through either staff responsiveness or a qualified consultant.