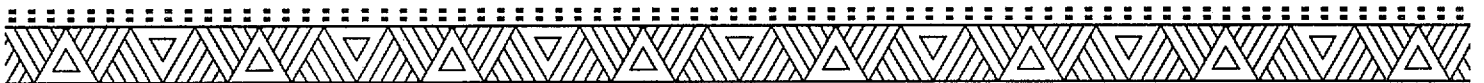




Chapter **7**

FINANCIAL MANAGEMENT AND DEVELOPMENT PROGRAM



Chapter 7

FINANCIAL MANAGEMENT AND DEVELOPMENT PROGRAM



Airport Master Plan

The analyses conducted in previous chapters have evaluated airport development needs based upon forecast aviation activity, environmental factors, and operational efficiency. One of the most important elements of the master planning process, however, is the application of basic economic, financial, and management rationale so that the feasibility of implementation can be assured. This chapter will concentrate on those factors that will help make the plan successful. A logical development schedule is essential to maintain a realistic and cost effective program for Scottsdale Airport.

The program outlined on the following pages has been evaluated from a num-



ber of perspectives. The plan is not dependent exclusively upon the City for funding new facilities. In fact, it is quite possible for the City to implement \$28,947,425 in improvements over the next twenty years, with continued federal and state funding.

CAPITAL IMPROVEMENT PROGRAM

Once the specific needs of the airport have been established, the next step is to determine realistic costs for each development item. Day-to-day operating expenses will also be an important factor in determining the amount of funds available for the local share. Development and operating costs will be compared to the potential funds available. A schedule will then be developed in an attempt to balance the



need for each facility and its cost with the projected income sources that can be identified.

This section examines the total cost of each development project and a schedule for the projects. The following sections will examine the revenue sources and expenses of the airport operation. From this evaluation, any shortcomings can be determined and adjustments made to establish a financial program for the airport.

AIRPORT DEVELOPMENT SCHEDULE

In order to better assess the effects of the airport development costs on the overall financial system, the timing or schedule of each development item should be estimated. This evaluation

can initially be conducted by dividing the development needs into three stages covering the first five years, the second five years and the final ten year periods, respectively. The first stage includes those items of highest priority to meet immediate and short-term safety and activity needs. The second five-year stage includes those items associated with the development of a T-hangar area to enhance the capacity of the facility. The third, long-term phase, covering the remaining years of the planning period, includes those additional items necessary to maintain the overall operational effectiveness of the airport facilities. Of course, each phase should also include basic maintenance and revenue generating components. **Table 7A, Summary of Total Costs**, provides the total cost associated with the 20-year planning period.

TABLE 7A Summary of Total Costs Scottsdale Airport	
Stage I (FY1996/97-FY2000/01)	\$17,457,525
Stage II (FY2001/02-FY2005/06)	\$3,811,400
Stage III (FY2006/07-FY2015/16)	\$7,678,500
TOTAL DEVELOPMENT COST	\$28,947,425

Prior to summarizing the staged capital costs, two important points should be emphasized. First, the staging of development projects should be considered in conjunction with Capital Improvement Projects already being contemplated and funded by the City. Secondly, all of the projects will be determined by the

actual level of airport activity. Actual activity levels may vary from the projected or forecast levels. Implementation of capital improvement projects should only occur after the demand has been achieved. The airport development program is based on a fiscal year which coincides with the City's annual

financial period. **Table 7B, Capital Improvements Program**, includes a breakdown of the development items during each stage.

Stage I, the first five year period of the development program, has been subdivided into individual fiscal years, FY1996/97 through FY2000/01. The projects in Stage I include land acquisition, runway widening, T-hangars/shades construction, ARFF and Maintenance facility construction, and runway safety area improvements. The total development cost associated with Stage I was estimated at \$17,457,525.

Projects identified in the **Stage II** development program encompass the five year period from FY2001/02 through FY2005/06. Stage II develop-

ment is generally associated with the development of T-hangars/shades on the Thomas and Keycor Parcels, as well as continued pavement preservation. The total development cost associated with Stage II was estimated at \$3,811,400.

Stage III contains the development items proposed between FY2006/07 and FY 2015/16. The projects included in Stage III are generally associated with the development of the new commercial service terminal building, apron, and auto parking on the Rey West Parcel, as well as the continued development of the Thomas and Keycor Parcel with T-hangars/shades. The total development cost associated with Stage III was estimated at \$7,678,500.

TABLE 7B
Capital Improvement Program
Scottsdale Airport

	TOTAL	FAA	STATE	LOCAL
STAGE I (FY1996/97-FY2000/01)				
FY1996/1997				
1. Land Acquisition (Thomas Parcel) ¹	\$1,737,000	\$1,581,712	\$77,644	\$77,644
2. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
3. Land Acquisition (Rey West Parcel) ²	\$3,567,725	\$1,145,284	\$2,100,000	\$322,441
FY1996/1997 Subtotal	\$5,554,725	\$2,954,646	\$2,188,819	\$411,260
FY1997/1998				
4. Replace REILs	\$60,000	\$54,636	\$0	\$5,364
5. Widen Runway (23,000 SY)	\$1,002,900	\$913,241	\$0	\$89,659
6. Relocate MIRLS	\$50,000	\$45,530	\$0	\$4,470
FY1997/1998 Subtotal	\$1,112,900	\$1,013,407	\$0	\$99,493
FY1998/1999				
7. Land Acquisition (Butherus Parcel)	\$325,000	\$295,945	\$0	\$29,055
8. Construct Cholla Parcel Taxilanes (17,000 SY)	\$531,300	\$483,802	\$0	\$47,498
9. Construct Cholla Parcel T-hangar/shade (74 units) ³	\$1,850,000	\$0	\$0	\$1,850,000
10. Improve Runway Safety Area	\$250,000	\$227,650	\$0	\$22,350
FY1998/1999 Subtotal	\$2,956,300	\$1,007,397	\$0	\$1,948,903

TABLE 7B
Capital Improvement Program
Scottsdale Airport

	TOTAL	FAA	STATE	LOCAL
FY1999/2000				
11. Extend Bravo Taxiway (14,300 SY)	\$689,000	\$627,408	\$30,798	\$30,798
12. Install Exit Taxiways (8,400 SY)	\$291,700	\$265,622	\$13,039	\$13,039
13. Extend Perimeter Road (1,400 SY)	\$39,000	\$35,513	\$1,743	\$1,743
14. Construct Terminal Access and Parking (15,700 SY)	\$232,000	\$0	\$208,800	\$23,200
15. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
FY1999/2000 Subtotal	\$1,501,700	\$1,156,189	\$265,556	\$79,956
FY2000/2001				
16. Land Acquisition (Keycor Parcel)	\$3,200,000	\$2,913,920	\$143,040	\$143,040
17. Install MITLs (21,300 LF)	\$931,900	\$848,588	\$41,656	\$41,656
18. Construct ARFF Facility	\$750,000	\$682,950	\$33,525	\$33,525
19. Construct Airport Maintenance Facility	\$700,000	\$0	\$0	\$700,000
20. Pavement Preservation	\$500,000	\$0	\$450,000	\$50,000
21. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
FY2000/2001 Subtotal	\$6,331,900	\$4,673,108	\$679,396	\$979,396
STAGE I TOTAL (FY1996/1997-FY2000/2001)	\$17,457,525	\$10,804,747	\$3,133,770	\$3,519,008
STAGE II (FY2001/2002-FY2005/2006)				
1. Construct Thomas Parcel Taxiways (15,800 SY)	\$493,700	\$449,563	\$22,068	\$22,068
2. Construct Thomas Parcel T-hangar/shade (50 units) ³	\$1,250,000	\$0	\$0	\$1,250,000
3. Construct Auto Parking (4,200 SY)	\$130,200	\$118,560	\$5,820	\$5,820
4. Construct Keycor Parcel Taxiways (14,000 SY)	\$437,500	\$398,388	\$19,556	\$19,556
5. Construct Keycor Parcel T-hangars/shades (40 units) ³	\$1,000,000	\$0	\$0	\$1,000,000
6. Pavement Preservation	\$500,000	\$0	\$450,000	\$50,000
STAGE II TOTAL (FY2001/2002-FY2005/2006)	\$3,811,400	\$966,511	\$497,445	\$2,347,444
STAGE III (FY2006/2007-FY2015/2016)				
1. Construct Commercial Service Terminal Building (9,700 SF)	\$1,515,700	\$1,380,196	\$67,752	\$67,752
2. Construct Commercial Service Apron (33,400 SY)	\$1,488,400	\$1,355,337	\$66,531	\$66,531
3. Construct Commercial Terminal Auto Parking (8,600 SY)	\$268,800	\$244,769	\$12,015	\$12,015
4. Construct Thomas Parcel Taxiways (10,900 SY)	\$340,600	\$310,150	\$15,225	\$15,225
5. Construct Thomas Parcel T-hangar/shade (50 units) ³	\$1,250,000	\$0	\$0	\$1,250,000
6. Construct Keycor Parcel Taxiways (12,000 SY)	\$375,000	\$341,475	\$16,763	\$16,763
7. Construct Keycor T-hangars/ shades (56 units) ³	\$1,400,000	\$0	\$0	\$1,400,000

TABLE 7B
Capital Improvement Program
Scottsdale Airport

	TOTAL	FAA	STATE	LOCAL
8. Relocate Runway 21 Threshold Lighting	\$30,000	\$27,318	\$1,341	\$1,341
9. Relocate REILs	\$10,000	\$9,106	\$447	\$447
10. Pavement Preservation	\$1,000,000	\$0	\$900,000	\$100,000
STAGE III TOTAL (FY2006/2007-FY2015/2016)	\$7,678,500	\$3,668,352	\$1,080,074	\$2,930,074
TOTAL COSTS (FY1996/1997-FY2015/2016)	\$28,947,425	\$15,439,610	\$4,711,289	\$8,796,526

Notes: Total and Subtotals may not add due to rounding

¹ Federal Grant for \$1,000,000 and a tentative allocation of \$1,625,000 has been received by the City to date.

² The \$2,100,000 State portion is from a three-year grant advance loan. No additional State funding will be provided until FY1999/00.

³ Assumes that the City will utilize the State Loan Program for the development of T-hangars/shades

AIRPORT DEVELOPMENT COST SUMMARY

The listing of projects under each stage in the development program, as outlined in **Table 7B**, represents the basic budget factors and priority assignments for the airport development through the planning period. Although development items have been numbered, this should not be construed to indicate actual development priority. The construction of any development item should be based on the current demand at that time.

Cost estimates were developed from information provided by construction industry sources as well as a review of actual costs on similar airport projects. This information was applied to pavement, earthwork, and building size requirements for Scottsdale Airport to determine the estimated construction costs. A 25 percent contingency for

engineering, legal fees, and unforeseen costs are included in the estimates.

In future years, the cost shown in **Table 7B** will need to be adjusted for inflation. This may be accomplished by converting the interim change in the United States Consumer Price Index (USCPI) into a multiplier ratio through the following formula:

$$\frac{X}{Y} = Z \text{ (Change Ratio)}$$

X = USCPI in any given year

Y = USCPI in 1996

Z = Change Ratio

Multiplying the change ratio (Z) by any 1996-based cost estimate presented in this study will yield the adjusted dollar amounts appropriate in any future year. The local or state CPI may be used since the national CPI may not be representative of this community.

AIRPORT DEVELOPMENT AND FUNDING SOURCES

As previously mentioned, financing for the development and operation of an airport does not typically come from only one funding source. Such is the case with Scottsdale Airport, where federal, state and local funding will be necessary during the next 20 years. The primary contributor to the development and operation of the airport will be the aviation community.

FEDERAL AND STATE AID TO AIRPORTS

Airport development and funding in Arizona is accomplished through a cooperative effort involving three levels of government: local, state and federal. A brief description of the funding sources is provided in the following paragraphs.

Airport Improvement Program

A major funding mechanism that is anticipated to exist throughout the 20-year program, is the Federal Airport Improvement Program (AIP). This program, funded by airport users through user taxes and fees, was recently reauthorized to provide \$2.28 billion in FY1997 and \$2.347 billion in FY1998.

AIP monies are distributed to airports in two ways: in the form of entitlements (based on actual levels of passenger enplanements), and through discretionary grants. The City is currently eligi-

ble for discretionary grants and it is anticipated will be eligible for entitlement grants during the planning period. In Arizona, airport development projects that meet the FAA's discretionary funds eligibility requirements, could receive 91.06 percent of the project cost from the AIP.

Because airline/charter passenger service is available at Scottsdale Airport, entitlement funding from the FAA will also be available. Through this mechanism, primary commercial service airports enplaning at least 10,000 passengers annually are guaranteed a minimum of \$500,000 per year. For the first 50,000 enplanements, the airport receives \$7.80 per enplanement. For the next 50,000 enplanements, the airport receives \$5.20 per enplanement. The next 400,000 enplanements provide \$2.60 per enplanement. For all enplanements over 500,000, the airport receives \$0.65 per enplanement.

The funding level authorized in the legislation, however, are not always the levels appropriated in the annual Congressional budget process. For example, the AIP authorized level for FY1997 is \$2.28 billion, but only \$1.46 billion has been appropriated. When the appropriation level is too low to meet the full entitlement formula, the formula is prorated to the appropriated levels. In FY1996 for example, entitlements were approximately 77 percent of the authorized level. As a result, entitlements are anticipated to be approximately \$385,000 rather than \$500,000.

As often the case, major capital improvements require funds in excess of

the airport's annual entitlement. Additional funds from the discretionary apportionments under the AIP are desirable. The primary feature of AIP discretionary funds that must be recognized is that these funds are distributed on a priority basis. These priorities are established by each FAA regional office based upon the need of the proposed project and the amount of funding available. Since the AIP program funds up to 91.06 percent of eligible projects, it is essential to most public airport development programs. As a result, the airport will be competing with other airports in Arizona, the FAA Western Pacific Region, as well as the remainder of the country for discretionary funds. Whereas entitlement monies are guaranteed on an annual basis, discretionary funds are not assured.

Passenger Facility Charges

The Aviation Safety and Capacity Expansion Act of 1990 contained a provision for airports to levy passenger facility charges (PFCs) for purposes of enhancing airport safety, capacity or security, reduce noise, or enhance air carrier competition.

Title 14 CFR Part 158 (May 1991), establishes the procedures that must be followed by airports choosing to levy PFCs. The regulations specify that PFCs may be imposed by public agencies controlling a commercial service airport with scheduled service and at least 2,500 annual passengers. Authorized agencies may impose a \$1.00, \$2.00, or \$3.00 charge per enplaned passenger.

Prior approval is required from the U.S. Department of Transportation (DOT) before an airport is allowed to levy a PFC. Any AIP-eligible project, whether development or planning, is eligible for PFC funding. Noise Compatibility projects are also eligible whether or not they are in an approved F.A.R. Part 150 program. Gates and related areas for the movement of passengers and baggage are eligible as are on-airport ground access projects.

PFCs may be used only on approved projects for all or part of the allowable costs. They may be used as matching funds for AIP grants or to augment AIP-funded projects. PFCs can also be used for debt service and financing costs of bonds for eligible airport development. Before submitting a PFC application, the airport must give both notice and opportunity for consultation to airlines operating at the airport.

PFCs are to be treated similar to other airport improvement grants rather than as airport revenue, and are administered by the FAA. Large and medium hub airports (those airports that enplane more than 0.25 percent of the annual U.S. domestic enplanements) will be required to forego up to 50 percent of their AIP passenger entitlements if they levy a PFC. Based on the forecast enplanements for Scottsdale Airport and the U.S., it is not anticipated that the Airport will qualify as a medium hub airport during the planning period. Scottsdale Airport, therefore, will be eligible to retain all of its entitlement funds as well as any PFC revenue it receives.

Potential PFC and Entitlement Revenues

Table 7C, Potential Passenger Entitlement Funds and PFCs, outlines the maximum potential PFC and entitlement funding anticipated to accrue to the Scottsdale Airport during the planning period. PFC revenues were based on the maximum of \$3.00 per enplaned

passenger. Only 75 percent of the enplaned passengers were assumed to be eligible for a PFC charge based on the current regulations. It is not anticipated that Scottsdale Airport would benefit from PFC revenues until the year 2005, when sufficient scheduled commuter service supporting the implementation of a PFC is realized.

TABLE 7C
Potential Passenger Entitlement Funds and PFCs
Scottsdale Airport

Year	Forecast Calendar Year Enplanements	Entitlement Funding	PFC Revenues	Net Potential Entitlement and PFC
1996	8,400	\$0	\$0	\$0
1997	9,050	\$0	\$0	\$0
1998	9,770	\$0	\$0	\$0
1999	10,480	\$0	\$0	\$0
2000	11,200	\$0	\$0	\$0
2001	16,220	\$500,000	\$0	\$500,000
2002	21,240	\$500,000	\$0	\$500,000
2003	26,260	\$500,000	\$0	\$500,000
2004	31,280	\$500,000	\$0	\$500,000
2005	36,300	\$500,000	\$81,675	\$581,675
2006	42,060	\$500,000	\$94,635	\$594,635
2007	47,820	\$500,000	\$107,595	\$607,595
2008	53,580	\$500,000	\$120,555	\$620,555
2009	59,340	\$500,000	\$133,515	\$633,515
2010	65,100	\$500,000	\$146,475	\$646,475
2011	71,680	\$500,000	\$161,280	\$661,280
2012	78,260	\$500,000	\$176,085	\$676,085
2013	84,840	\$500,000	\$190,890	\$690,890
2014	91,420	\$500,000	\$205,695	\$705,695
2015	98,000	\$500,000	\$220,500	\$720,500

FAA Facilities and Equipment Program

When activity levels warrant, airports are considered for various FAA installed navigational aids, including Air Traffic Control Towers (ATCT) and navigational equipment. This is espe-

cially true at commercial service airports. Funding for these facilities is normally obtained from the Airway Division of the FAA. It does not appear that any development items anticipated for this planning period will be eligible for this funding source.

Arizona Aviation Fund

Another source of funds available for airports in the State of Arizona is the Arizona Aviation Fund. Taxes levied by the State on aviation fuel, flight property, aircraft registration tax and registration fees, as well as interest on these funds are deposited in the Arizona Aviation Fund. These funds have the dual objective of maximizing the effective use of the Fund's dollars for Arizona airport improvements, while attracting maximum federal AIP funds.

The Transportation Policy Board establishes the policies for distribution of these State dollars. Projects are considered within the priorities established for each of four airport categories: Commercial Service and Reliever Airports, airports in the Primary system, airports in the Secondary system and special projects. Scottsdale Airport is currently considered a Reliever facility. The City can obtain one half (4.47 percent) of the local share from the aviation fund for eligible federal AIP projects or 90 percent on state-local projects. The State has set a maximum grant amount of \$650,000 to any eligible airport in FY1996. It is anticipated that the State funding level will increase to \$965,000 in FY1997, \$980,000 in FY1998, \$994,000 in FY1999, \$1,009,000 in FY2000, and \$1,024,000 in FY2001.

State Airport Loan Program

A recent program started at the Arizona Department of Transportation - Aeronautics Division (ADOT) is the Airport Loan Program. This program was es-

tablished to enhance the utilization of the State funds. It is designed to be a flexible funding mechanism to assist eligible airport projects.

Eligible airport related projects include runways, taxiways, aircraft parking aprons, hangars, fuel storage facilities, terminal buildings, utility services, land acquisition, planning studies, and preparation of plans and specifications for airport construction projects. Some projects, which are not currently eligible for state funding, would be considered under the loan program if the project would enhance the airport's ability to be self-sufficient.

There are three ways in which the loan funds can be used: Grant Advance, Matching Funds, or Revenue Generating Projects. The Grant Advance funds are provided when the airport can demonstrate the ability to accelerate the development and construction of a multi phase project. The project(s) must be compatible with the Airport Master Plan and included in the ADOT 5-year Airport Development Program. The Matching Funds are provided to meet the local matching fund requirement for securing federal airport improvement grants or other federal or state grants. The Revenue Generating funds are provided for airport related construction projects that are not eligible for funding under another program. Although the Loan Program is an option for receiving funding, the availability of funds through this program is subject to the aviation revenue generated in the State.

AIRPORT OPERATING REVENUE AND EXPENDITURES

The City has established an Airport Enterprise Fund accounting system for the operation of Scottsdale Airport. The FY1990/91 through FY1994/95 actual revenues and expenses associated with the operation of Scottsdale Airport are presented in **Table 7D, Historical Revenues and Expenses**. The table

includes the City's twelve revenue categories and ten expense categories.

The accounting classifications currently used by the City appear to provide sufficient detail for financial analysis. The following description of revenues and expenses will provide the City with general insight into the airport's future cash flow.

TABLE 7D					
Historical Revenues and Expenses					
Scottsdale Airport					
	FY1990/91	FY1991/92	FY1992/93	FY1993/94	FY1994/95
Revenues					
Interest Income	\$15,524	\$1,090	\$0	\$0	\$264
Aircraft Tiedowns	\$91,338	\$71,904	\$82,559	\$86,456	\$88,886
Aviation Fuel	\$159,902	\$116,648	\$131,350	\$86,226	\$197,842
Private Hangar/Office	\$24,391	\$17,166	\$14,993	\$8,473	\$14,575
Transient Tiedowns	\$19,922	\$27,247	\$33,469	\$19,672	\$53,054
Use License Fees	\$27,773	\$23,095	\$30,205	\$26,605	\$36,587
Landing Fees	\$4,540	\$4,575	\$3,619	\$2,607	\$5,253
Fixed Tenant Rents	\$164,965	\$176,890	\$160,672	\$198,246	\$330,724
Private Hangar/Shade	\$89,253	\$98,731	\$98,886	\$176,391	\$20,899
Misc. Revenue	\$25,609	\$13,526	(\$27,376)	\$3,692	\$10,660
Gross Receipts %	\$105,124	\$76,664	\$51,897	\$64,501	\$65,118
Total Operating Revenues	\$728,341	\$627,536	\$635,026	\$672,869	\$823,862
Expenses					
Salaries	\$208,870	\$273,051	\$290,956	\$300,353	\$307,110
Professional Fees	\$99,974	\$99,394	\$122,617	\$77,159	\$78,381
Insurance	\$23,944	\$23,944	\$26,128	\$30,244	\$29,816
Utilities	\$75,717	\$73,861	\$65,026	\$81,727	\$72,933
Supplies	\$22,242	\$24,287	\$20,946	\$27,604	\$50,964
Other	\$24,037	\$30,073	\$38,393	\$28,054	\$27,163
In Lieu Property Tax	\$25,562	\$27,161	\$30,479	\$41,724	\$48,360
Capital Outlay	\$11,503	\$30,769	\$6,755	\$12,245	\$10,968
Fleet	\$3,144	\$52,308	\$59,304	\$46,008	\$40,500
Indirect Costs	\$233,008	\$273,208	\$295,745	\$278,460	\$273,000
Total Operating Expenses	\$728,001	\$908,056	\$956,349	\$923,578	\$939,195
Source: City of Scottsdale Airport Administration					

Airport Operating Revenues

Presently, the revenue related to the airport is derived from twelve sources. A brief description of each revenue source is provided in the following sections.

Interest Income

This revenue source includes the interest income accrued by the Airport during the year. It is anticipated that this source will remain constant during the planning period. This source is expected to account for less than one percent of the total airport revenues.

City Tiedowns/Hangars/Shades

City owned and operated tiedown/hangar/tiedown fees are collected on a monthly basis from aircraft owners that lease space from the City at Scottsdale Airport. The fees currently being assessed at Scottsdale Airport are \$35 for single engine, \$45 for multi-engine, and \$100 for jet aircraft for aircraft tiedowns and \$85 for a City T-shade and \$150 for a City T-hangar. These fees are escalated by two percent every two years throughout the planning period. This revenue source is expected to account for approximately 7.8 percent of the total airport revenues.

New City Hangars

During the planning period, it is expected that additional City owned hangars will be constructed. These hangar

fees have been estimated based on a breakeven situation for the financing of the hangar complex. It is estimated that the hangar fees would be approximately \$230 per month. These fees are escalated by two percent every two years throughout the planning period. This revenue source is expected to account for approximately 24.4 percent of the total airport revenues.

Aviation Fuel

Fuel flowage fees are one of the most common revenue sources for public airports. The fee is usually established on a per-gallon basis and is collected from the fuel concessionaires on the airport. Care must be taken in establishing a reasonable fee that will not discourage aircraft operators from refueling at the airport. The existing FBOs at Scottsdale Airport are permitted to sell fuel and are responsible for distributing the fuel to aircraft. A fuel flowage fee of seven percent per gallon of wholesale price is collected by the City on a monthly basis. Utilizing the forecast fuel sales for the planning period, fuel flowage revenue was projected for Scottsdale Airport. It is expected that fuel flowage revenue will account for the second largest revenue source at approximately 18.7 percent of the total airport revenues over the planning period.

Private Hangar/Office

The revenue identified in this category is derived from the Air Commerce Center lease. The lease extends beyond the

planning period, therefore, this revenue is expected to remain constant throughout the planning period. No additional revenue source in this category is expected during the planning period. This revenue source is expected to comprise 1.0 percent of the total airport revenues.

Transient Parking Fees

Transient aircraft are currently assessed a parking fee for over-night use of the airport. This fee is collected by the FBOs when the aircraft operator purchases fuel. The current fee for transient parking is five dollars per night. Utilizing the forecast transient aircraft activity, revenue from this source was projected throughout the planning period. Approximately 4.6 percent of the total revenues are expected to be derived from this source.

Use License Fees

Aircraft owners which access the Scottsdale Airport from the adjacent airpark area are required to obtain a Use License from the City of Scottsdale. If the aircraft operator operates a fuel storage system in the airpark, the aircraft operator pays \$0.05 per gallon of fuel distributed through that fuel storage system. If the aircraft operator does not have a fuel storage system, the aircraft operator pays one-half of the tiedown fee associated with their type of aircraft. It is anticipated that due to the continued growth of the airpark area, this revenue source will double over the planning period. It is expected

that this revenue source will account for approximately 3.8 percent of the total airport revenue during the planning period.

Landing Fees

Landing fees are charged to commercial/charter operators at a rate of \$0.55 per 1,000 pounds certificated landing weight. Based on forecast activity, the revenue expected from this category was project throughout the planning period. This source is expected to account for approximately 1.9 percent of the total revenue generated during the planning period.

Fixed Tenant Rents

Revenues included in this category include those collected from the FAA's Flight Standard District Office, terminal building tenants, and FBO leases. This revenue source is escalated at 2.5 percent every three years. This revenue source is expected to increase when the construction of the new commercial service terminal building is completed. It is expected that 75 percent of the new terminal building will be leased during the planning period. This revenue source is expected to be the largest revenue source at approximately 31.4 percent of the total airport revenue during the planning period.

Private Hangar/Shade

This revenue source accounts for revenues generated through the private

leasing of T-hangars/shades in the Greenway Hangar/shade area. This revenue category is expected to account for approximately 1.6 percent of the total airport revenue during the planning period.

Miscellaneous Revenue

Miscellaneous revenues are collected for special events, special use fees, etc. This revenue source is expected to account for less than one percent of the airport's total revenue during the planning period.

Gross Receipts Percentage

Companies conducting business at the airport are required to obtain a Commercial Use Permit from the City of Scottsdale. This permit allows the holder to conduct their services on the airport. Currently, permit holders are assessed a fee of two and one-half percent of their gross revenues. This revenue source is expected to remain constant throughout the planning period. Approximately 4.5 percent of the total airport revenues are expected to be derived from this source.

Airport Operating Expenses

The City currently accounts for expenses in ten categories. Each of these categories are briefly described in the following sections.

Salaries

The Salaries category includes the personnel expenses of the airport staff. Personnel expenses include an annual two percent increase, as well as the addition of one staff member during FY1997/98. This category is expected to be the largest expense category at 36.7 percent of the total airport expenses during the planning period.

Professional Fees

Professional Fees include those fees associated with service provided by non-city employees. This expense category includes a two percent annual increase. This category is expected to comprise approximately 10.5 percent of the airport's total expense during the planning period.

Insurance

The Insurance category includes the cost associated with maintaining a liability insurance policy on the airport. For planning purposes, this category is expected to remain constant throughout the planning period. This category is expected to account for 2.7 percent of the total expenses during the planning period.

Utilities

Utility cost include electricity, water, gas, and telephone charges paid by the

airport. The utility expenses are expected to increase during the planning period as additional facilities requiring utilities are construct. Based on the Capital Improvement Program, the anticipated increases in utility expenses were estimated for the planning period. This category is expected to comprise 8.2 percent of the total expense during the planning period.

Supplies

This category includes those office and maintenance supplies used on a day-to-day basis. This expense includes a two percent annual increase throughout the planning period. This category is expected to consist of approximately 3.7 percent of the total airport expenses.

Other

This category is utilized for those expense not included in any of the other nine categories. This expense includes a two percent annual increase throughout the planning period. This category is expected to account for 3.4 percent of the planning period's total expenses.

In Lieu Property Tax

The City of Scottsdale assesses the Scottsdale Airport an equivalent property tax associated with the land owned by the Airport, as if the Airport was operated by a private company. This assessment is anticipated to continue throughout the planning period. Approximately 4.4 percent of the total

airport expenses can be attributed to this category.

Capital Outlay

This category includes the cost associated with the purchase of office and maintenance equipment that exceed \$1,000. It is anticipated that this expense category will remain relatively constant throughout the planning period. This category is expected to account for approximately 1.4 percent of the total airport expenses during the planning period.

Fleet

The City of Scottsdale assesses the Airport for the use of other City vehicles and equipment used by the airport on an as-needed basis. It is expected that the Airport will continue to utilize other City vehicles and equipment from the City's fleet during the planning period. This category is expected to account for 4.5 percent of the total expenses during the planning period.

Indirect Costs

The cost associated with this category include the service provided by other City departments or divisions, such as legal, purchasing, etc. It is expected that the Airport will continue to utilize other City departments for their expertise during the planning period. This category is the second largest expenses at approximately 24.5 percent of the

total airport expenses during the planning period.

CASH FLOW ANALYSIS

Table 7E, Cash Flow Analysis, illustrates the revenue/expense projections throughout the planning period. Some categories have increases identified which are averaged throughout the planning period. The cost of operating the airport, however, is expected to exceed the anticipated revenues through FY1998/99. As shown in Table 7E, however, adding the CIP Local Share and State Loan Program expenses result in a cash flow deficit through FY2010/11. The ideal and ultimate goal of any airport should be to support its own operation through self-generated user fees. Reasonable fees should be established in order to keep the airport competitive with airports in the surrounding area.

There is a general tendency to raise rates and fees when income cannot meet the expenses of operation. Caution should be used when considering a rate or fee that is higher than the market condition. Higher fees may result in

a short-term revenue increase but can be detrimental in the long-run by discouraging new business and/or causing the relocation of established businesses.

Long-term leases for tenants should contain automatic cost increases. Lease contracts should also contain provisions for the acquisition of any privately constructed buildings or hangars after a reasonable length of time. Lease agreements should allow sufficient time for the private investor to amortize the debt and include incentives for complying with airport rules and procedures.

Funding Sources

Table 7F, Funding Sources Analysis, illustrates the potential sources of funds to finance the capital improvement program throughout the planning period. As indicated, \$17,136,907 of capital improvement costs will have to come from federal or State discretionary grants, and/or local debt financing. The major funding sources depicted (Entitlement Funds, PFCs, and Airport Income) are anticipated to exceed the capital improvement dollars during fiscal year 2003/04.

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE 7E
Cash Flow Analysis
Scottsdale Airport

	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
OPERATING INCOME:											
Interest Income	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
City Tiedowns/Hangars/Shades	\$88,000	\$88,000	\$92,400	\$92,400	\$97,000	\$97,000	\$101,900	\$101,900	\$107,000	\$107,000	\$112,400
Aviation Fuel	\$198,000	\$203,900	\$210,000	\$216,300	\$222,800	\$229,500	\$236,400	\$243,500	\$250,800	\$258,300	\$266,000
Private Hanger/Office	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Transient Parking Fees	\$55,000	\$55,800	\$56,900	\$58,000	\$59,200	\$60,400	\$61,600	\$62,800	\$64,100	\$65,400	\$66,700
Use License Fees	\$38,100	\$39,400	\$40,800	\$42,200	\$43,700	\$45,200	\$46,800	\$48,400	\$50,100	\$51,900	\$53,700
Landing Fees	\$5,400	\$6,100	\$6,800	\$7,500	\$8,200	\$8,800	\$11,500	\$14,200	\$16,900	\$19,600	\$22,400
Fixed Tenant Rents	\$330,000	\$330,000	\$330,000	\$413,300	\$413,300	\$413,300	\$423,600	\$423,600	\$423,600	\$434,200	\$434,200
Private Hanger/Shade	\$20,900	\$20,900	\$21,422	\$21,422	\$21,422	\$21,958	\$21,958	\$21,958	\$22,507	\$22,507	\$22,507
New City Hangars	\$0	\$0	\$0	\$204,300	\$204,300	\$208,386	\$346,386	\$346,386	\$353,314	\$353,314	\$353,314
Misc Revenue	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$3,400	\$3,500
Gross Receipts Percentage	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
OPERATING INCOME	\$818,400	\$827,200	\$841,523	\$1,138,723	\$1,153,323	\$1,168,044	\$1,333,744	\$1,346,444	\$1,372,121	\$1,396,121	\$1,415,221
OPERATING EXPENSES:											
Salaries	\$313,300	\$319,600	\$351,000	\$358,000	\$365,200	\$372,500	\$380,000	\$387,600	\$395,400	\$403,300	\$411,400
Professional Fees	\$96,300	\$98,200	\$100,200	\$102,200	\$104,200	\$106,300	\$108,400	\$110,600	\$112,800	\$115,100	\$117,400
Insurance	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Utilities	\$74,900	\$76,300	\$76,300	\$76,300	\$76,300	\$93,300	\$93,300	\$93,300	\$93,300	\$93,300	\$93,300
Supplies	\$33,700	\$34,400	\$35,100	\$35,800	\$36,500	\$37,200	\$37,900	\$38,700	\$39,500	\$40,300	\$41,100
Other	\$31,500	\$32,100	\$32,700	\$33,400	\$34,100	\$34,800	\$35,500	\$36,200	\$36,900	\$37,600	\$38,400
In Lieu Property Tax	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Capital Outlay	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Fleet	\$50,500	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000
Indirect Costs	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
OPERATING EXPENSES	\$970,700	\$982,100	\$1,016,800	\$1,027,200	\$1,037,800	\$1,065,600	\$1,076,600	\$1,087,900	\$1,099,400	\$1,111,100	\$1,123,100
OPERATING INCOME(LOSS)	(\$152,300)	(\$154,900)	(\$175,278)	\$111,523	\$115,523	\$102,444	\$257,144	\$258,544	\$272,721	\$285,021	\$292,121
CIP Local Share	\$411,260	\$99,493	\$98,903	\$79,956	\$979,396	\$19,489	\$19,489	\$19,489	\$19,489	\$19,489	\$28,007
State Loan Program (T-hangars)	\$0	\$0	\$0	\$199,600	\$199,600	\$199,600	\$442,300	\$442,300	\$442,300	\$442,300	\$442,300
NET EXCESS (DEFICIT)	(\$563,560)	(\$254,393)	(\$274,181)	(\$168,034)	(\$1,063,474)	(\$116,645)	(\$204,645)	(\$203,245)	(\$189,068)	(\$176,768)	(\$178,186)

TABLE 7E (Continued)
Cash Flow Analysis
Scottsdale Airport

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
OPERATING INCOME:										
Interest Income	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
City Tiedowns/Hangars/Shades	\$112,400	\$118,000	\$118,000	\$123,900	\$123,900	\$130,100	\$130,100	\$136,600	\$136,600	\$143,400
Aviation Fuel	\$274,000	\$282,200	\$290,700	\$299,400	\$308,400	\$317,700	\$327,200	\$337,000	\$347,100	\$357,500
Private Hanger/Office	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Transient Parking Fees	\$68,000	\$69,400	\$70,800	\$72,200	\$73,600	\$75,100	\$76,600	\$78,100	\$79,700	\$81,300
Use License Fees	\$55,600	\$57,500	\$59,500	\$61,600	\$63,800	\$66,000	\$68,300	\$70,700	\$73,200	\$75,800
Landing Fees	\$26,300	\$30,200	\$34,100	\$38,000	\$41,800	\$46,700	\$51,600	\$56,500	\$61,400	\$66,100
Fixed Tenant Rents	\$445,500	\$467,900	\$479,200	\$490,500	\$514,100	\$525,400	\$536,700	\$561,400	\$572,700	\$584,000
Private Hanger/Shade	\$23,070	\$23,070	\$23,070	\$23,646	\$23,646	\$23,646	\$24,238	\$24,238	\$24,238	\$24,844
New City Hangars	\$494,074	\$494,074	\$494,074	\$503,955	\$503,955	\$503,955	\$514,034	\$514,034	\$514,034	\$524,315
Misc Revenue	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300	\$4,400	\$4,500
Gross Receipts Percentage	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
OPERATING INCOME	\$1,583,043	\$1,626,543	\$1,653,743	\$1,697,602	\$1,737,702	\$1,773,202	\$1,813,472	\$1,863,372	\$1,893,872	\$1,942,259
OPERATING EXPENSES:										
Salaries	\$419,600	\$428,000	\$436,600	\$445,300	\$454,200	\$463,300	\$472,600	\$482,100	\$491,700	\$501,500
Professional Fees	\$119,700	\$122,100	\$124,500	\$127,000	\$129,500	\$132,100	\$134,700	\$137,400	\$140,100	\$142,900
Insurance	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Utilities	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300	\$99,300
Supplies	\$41,900	\$42,700	\$43,600	\$44,500	\$45,400	\$46,300	\$47,200	\$48,100	\$49,100	\$50,100
Other	\$39,200	\$40,000	\$40,800	\$41,600	\$42,400	\$43,200	\$44,100	\$45,000	\$45,900	\$46,800
In Lieu Property Tax	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Capital Outlay	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Fleet	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000
Indirect Costs	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
OPERATING EXPENSES	\$1,141,200	\$1,153,600	\$1,166,300	\$1,179,200	\$1,192,300	\$1,205,700	\$1,219,400	\$1,233,400	\$1,247,600	\$1,262,100
OPERATING INCOME(LOSS)	\$441,843	\$472,943	\$487,443	\$518,402	\$545,402	\$567,502	\$594,072	\$629,972	\$646,272	\$680,159
CIP Local Share	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007	\$28,007
State Loan Program (T-hangars)	\$728,100	\$728,100	\$528,500	\$528,500	\$528,500	\$285,800	\$285,800	\$285,800	\$285,800	\$285,800
NET EXCESS (DEFICIT)	(\$314,264)	(\$283,164)	(\$69,064)	(\$38,105)	(\$11,105)	\$253,695	\$280,265	\$316,165	\$332,465	\$366,352

TABLE 7F
Funding Sources Analysis
Scottsdale Airport

Fiscal Year	Capital Cost	Funding Sources			Funding Requirements ¹
		Entitlement	PFC	Airport Income	
1996/97	\$5,554,725	\$0	\$0	\$0	\$5,554,725
1997/98	\$1,112,900	\$0	\$0	\$0	\$1,112,900
1998/99	\$2,956,300	\$0	\$0	\$111,523	\$2,844,777
1999/00	\$1,501,700	\$0	\$0	\$115,523	\$1,386,177
2000/01	\$6,331,900	\$0	\$0	\$102,444	\$6,229,456
2001/02	\$762,280	\$500,000	\$0	\$257,144	\$0
2002/03	\$762,280	\$500,000	\$0	\$258,544	\$0
2003/04	\$762,280	\$500,000	\$0	\$272,721	\$0
2004/05	\$762,280	\$500,000	\$0	\$285,021	\$0
2005/06	\$762,280	\$500,000	\$81,675	\$292,121	\$0
2006/07	\$767,850	\$500,000	\$94,635	\$441,843	\$0
2007/08	\$767,850	\$500,000	\$107,595	\$472,943	\$0
2008/09	\$767,850	\$500,000	\$120,555	\$487,443	\$0
2009/10	\$767,850	\$500,000	\$133,515	\$518,402	\$0
2010/11	\$767,850	\$500,000	\$146,475	\$545,402	\$0
2011/12	\$767,850	\$500,000	\$161,280	\$567,502	\$0
2012/13	\$767,850	\$500,000	\$176,085	\$594,072	\$0
2013/14	\$767,850	\$500,000	\$190,890	\$629,972	\$0
2014/15	\$767,850	\$500,000	\$205,695	\$646,272	\$0
2015/16	\$767,850	\$500,000	\$220,500	\$680,159	\$0
TOTAL	\$28,947,425	\$7,500,000	\$1,638,900	\$7,279,051	\$17,128,035
Notes: ¹ These funds may be available from the FAA AIP discretionary funding, ADOT Aeronautics funding or Loan Program, and/or local debt financing.					

FINANCING THE LOCAL SHARE OF CAPITAL IMPROVEMENTS

The City will need to consider other sources of funding for obtaining the local share of its capital improvement projects. In addition to the revenues derived from airport operations, several other methods are available for financing the local share of airport development costs. The more common methods involve debt financing which amortize the debt over the useful life of the project or a specified period. Methods of financing available to the City are discussed below.

Revenue Bonds

Revenue Bonds are retired solely from the revenue of a particular project or from the operating income of the issuing agency, such as the City. Generally, they fall outside statutory limitations on public indebtedness and, in many cases, do not require voter approval. Because of the limitations on other public bonds, airport sponsors are increasingly turning to revenue bonds whenever possible.

Revenue Bonds, however, normally carry a higher rate of interest because

they lack the security of tax supported General Obligation (GO) bonds issued by other government bodies. Revenue Bonds are more suited to airports that have sufficient cash flow and income to retire the debt in a reasonable time period.

Bank Financing

Some airport sponsors have successfully used bank financing as a means of providing airport development capital. Generally, two conditions are required: the airport must demonstrate the ability to repay the loan at current market rates, and the capital improvement must be less than the value of the present facility. These are standard conditions which are applied to almost all bank loan transactions. This method of financing is particularly useful for smaller development items that will produce revenues and a positive cash flow, and for cases when no private financing is available.

Third-Party Support

Several types of funding would be classified as third-party support. For example, individuals or interested organizations may contribute portions of the required development funds. Private donations are not a common means of airport financing; however, the private financial contributions not only increase the financial support of the project, but also stimulate tenant and community support to airport development.

A slightly more common method of third party support involves permitting the Fixed Based Operators (FBOs) to construct their own hangar and maintenance facilities on property leased from the airport. The advantage to the airport in this type of an arrangement is that it lowers the local share of development costs, a large portion of which is building construction. The advantage to the FBO is that the development may qualify for investment tax credit and that they would be allowed depreciation on the facilities. The disadvantage with this option, however, is that the City will receive a smaller percentage of the revenue generated at the airport. For this reason, it is important to consider all possibilities before entering into a specific lease agreement.

CONTINUOUS PLANNING

The successful implementation of the Scottsdale Airport Master Plan will require sound judgement by airport management. Among the more important factors influencing management decisions to implement a recommendation are timing and airport activity. Both of these factors can be used as references in plan implementation. While it was necessary for scheduling and budgeting purposes to focus on the timing of airport development, the actual need for facilities is in fact established by levels of activity. Proper master plan implementation suggests the consideration of the airport activity rather than time as a guide toward scheduling future airport development.

Experience has indicated that major problems materialize from a rigid format for master plans. These problems involve the plan's inflexibility and inherent inability to deal with new issues that develop from unforeseen changes that may occur during the planning period. The format used in the development of the Master Plan has attempted to deal with this issue. This section is titled Continuous Planning for several reasons. The first reason is to emphasize that planning is a continuous process that does not end with the completion of a major project. The second is to recognize this fact without invalidating the overall Master Plan. The primary issues upon which this Master Plan is based are expected to remain valid for a number of years.

The real value of a usable master plan is that it keeps the issues and objectives in the mind of the user. Consequently, the manager is better able to recognize change and its effect. The continuous planning process can make the preparation of a master plan much more cost effective by extending the period of time for which the plan is valid, and can eliminate the need for costly updates.

Guidelines and worksheets are included in the following section for each future year during the initial five-year stage of development from FY1996/97 to FY2000/01. Summary worksheets are also included for Stage II (FY2001/02-FY2005/06) and Stage III (FY2006/07-FY2015/16). All estimated development costs are based on 1996 dollars; therefore, costs must be adjusted by the ap-

propriate inflation rate factor in effect at the time of development.

CONTINUOUS PLANNING AIDS

The continuous planning process allows airport management to consistently monitor the progress of the airport in terms of growth in based aircraft and annual operations, because this growth is critical to the specific timing and need for new airport facilities. The information obtained from this monitoring process will provide the data necessary to determine if the development schedule should be accelerated, decelerated, or maintained as scheduled.

On an annual basis, airport management should compile this information and determine the actual number of enplanements, total annual aircraft operations, and total amounts of fuel sales. Use of the Continuous Planning Chart, **Exhibit 7A**, and the Continuous Planning Graph, **Exhibit 7B**, will enable management to visualize airport activity growth and compare it to the forecast levels. These exhibits are located at the end of this chapter.

With this information, adjustments in the development schedule can be made to effectively deal with variations in forecast or any unanticipated demand that may arise. By closely monitoring the activity and availability of funds with the worksheets provided on the following pages, management will be able to effectively implement the Scottsdale Airport Master Plan.

SUMMARY AND CONCLUSIONS

As previously indicated, federal funding will be the primary funding source for development of Scottsdale Airport and will be instrumental in the implementation of the plan. Airport revenue will ultimately contribute to financing airport development. The airport will need to keep abreast of all potential funding sources, and will need to research each source on a continuing basis. By closely monitoring the activity and availability of funds with the worksheets provided

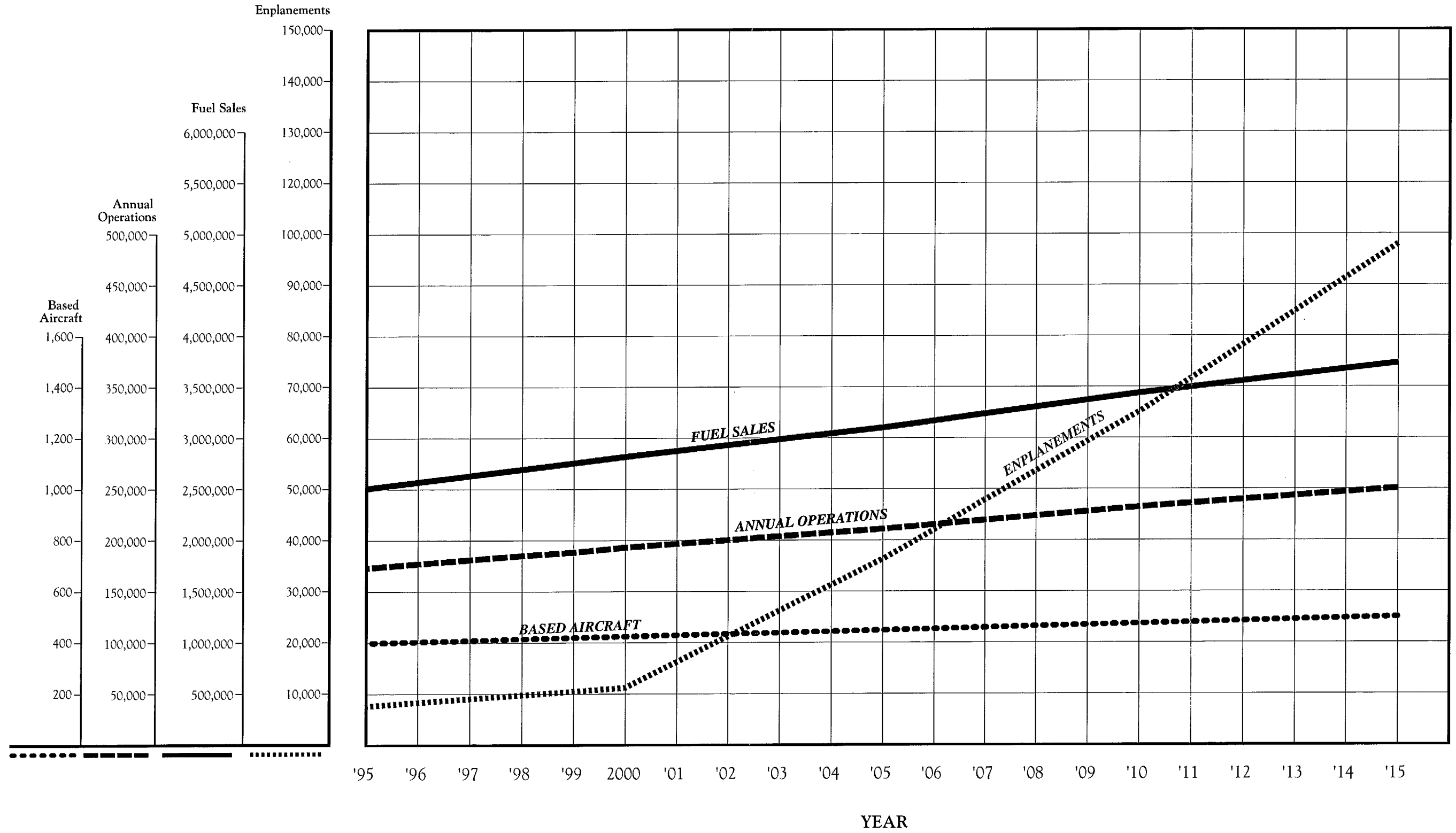
at the end of this chapter, the Master Plan can be successfully implemented.

While the cash flow analysis indicates that the airport will operate at a loss until the year 2010, it must be understood that the annual economic impact of Scottsdale Airport, according to the 1992 Economic Impact of Scottsdale Airport Study, is approximately \$91.9 million. The operation of Scottsdale Airport, therefore, is essential to the continued economic growth and viability of the area.

SCOTTSDALE AIRPORT**Based Aircraft****Annual Operations****Fuel Sales**

Year	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
1995	398		173,000		2,508,500		7,620	
1996	403		177,020		2,570,652		8,336	
1997	408		181,040		2,632,804		9,052	
1998	414		185,060		2,694,956		9,768	
1999	419		189,080		2,757,108		10,484	
2000	424		193,100		2,819,260		11,200	
2001	429		196,680		2,875,748		16,220	
2002	434		200,260		2,932,236		21,240	
2003	438		203,840		2,988,724		26,260	
2004	443		207,420		3,045,212		31,280	
2005	448		211,000		3,101,700		36,300	
2006	453		215,280		3,169,264		42,060	
2007	458		219,560		3,236,828		47,820	
2008	464		223,840		3,304,392		53,580	
2009	469		228,120		3,371,956		59,340	
2010	474		232,400		3,439,520		65,100	
2011	479		236,060		3,498,702		71,680	
2012	484		239,720		3,557,884		78,260	
2013	490		243,380		3,617,066		84,840	
2014	495		247,040		3,676,248		91,420	
2015	500		250,700		3,735,430		98,000	





STAGE I

FY1996/97-FY2000/01 Airport Development Program and Funding

The following section has been designed to note the funds available so that they can be kept in mind while analyzing the development factors outlined for this

period on the next few pages. This section also provides a reminder of other potential sources that might be used in critical situations.

Airport Funds Balance
Contributions/Other
TOTAL

\$ _____
\$ _____
\$ _____

As a reminder, airport development should be keyed to demand (*actual* activity) rather than to a specific time frame (*forecast* activity). The spaces provided below allow actual activity data to be recorded for comparison with the forecast levels. This should be the

first step in the process of initiating the recommended development program for this period. Significant difference between forecast and actual activity may justify acceleration or deceleration of the airport development schedule.

Item	FY1996		FY1997		FY1998		FY1999		FY2000	
	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT
Based Aircraft	403		408		414		419		424	
Operations	173,000		177,020		181,040		185,060		189,080	
Fuel Sales (Gal)	2,570,652		2,632,804		2,694,956		2,757,108		2,819,260	
Enplanements	8,336		9,052		9,768		10,484		11,200	

Based on the activity comparison above, should the recommended development schedule be maintained? Have new problems, needs or development potentials occurred which may impact the

development program? What adjustments in the development schedule are required to effectively deal with these factors?

Table 7G, Stage I (FY1996/97-2000/01) Airport Development Program, provides a listing of those development items recommended during Stage I of the planning period. Each item is numbered so that it can be

cross-referenced on **Exhibit 7C, Stage I (FY1996/97-2000/01) Airport Development Program**. The costs for every development includes 25 percent for engineering, contingency, and administration costs.

TABLE 7G**Stage I (FY1996/97-2000/01) Airport Development Program
Scottsdale Airport**

	TOTAL	FAA	STATE	LOCAL
STAGE I (FY1996/97-FY2000/01)				
FY1996/1997				
1. Land Acquisition (Thomas Parcel) ¹	\$1,737,000	\$1,581,712	\$77,644	\$77,644
2. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
3. Land Acquisition (Rey West Parcel) ²	\$3,567,725	\$1,145,284	\$2,100,000	\$322,441
FY1996/1997 Subtotal	\$5,554,725	\$2,954,646	\$2,188,819	\$411,260
FY1997/1998				
4. Replace REILs	\$60,000	\$54,636	\$0	\$5,364
5. Widen Runway (23,000 SY)	\$1,002,900	\$913,241	\$0	\$89,659
6. Relocate MIRLS	\$50,000	\$45,530	\$0	\$4,470
FY1997/1998 Subtotal	\$1,112,900	\$1,013,407	\$0	\$99,493
FY1998/1999				
7. Land Acquisition (Butherus Parcel)	\$325,000	\$295,945	\$0	\$29,055
8. Construct Cholla Parcel Taxilanes (17,000 SY)	\$531,300	\$483,802	\$0	\$47,498
9. Construct Cholla Parcel T-hangar/shade (74 units) ³	\$1,850,000	\$0	\$0	\$1,850,000
10. Improve Runway Safety Area	\$250,000	\$227,650	\$0	\$22,350
FY1998/1999 Subtotal	\$2,956,300	\$1,007,397	\$0	\$1,948,903
FY1999/2000				
11. Extend Bravo Taxiway (14,300 SY)	\$689,000	\$627,403	\$30,798	\$30,798
12. Install Exit Taxiways (8,400 SY)	\$291,700	\$265,622	\$13,039	\$13,039
13. Extend Perimeter Road (1,400 SY)	\$39,000	\$35,513	\$1,743	\$1,743
14. Construct Terminal Access and Parking (15,700 SY)	\$232,000	\$0	\$208,800	\$23,200
15. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
FY1999/2000 Subtotal	\$1,501,700	\$1,156,189	\$265,556	\$79,956
FY2000/2001				
16. Land Acquisition (Keycor Parcel)	\$3,200,000	\$2,913,920	\$143,040	\$143,040
17. Install MITLs (21,300 LF)	\$931,900	\$848,588	\$41,656	\$41,656
18. Construct ARFF Facility	\$750,000	\$682,950	\$33,525	\$33,525
19. Construct Airport Maintenance Facility	\$700,000	\$0	\$0	\$700,000
20. Pavement Preservation	\$500,000	\$0	\$450,000	\$50,000
21. Improve Runway Safety Area	\$250,000	\$227,650	\$11,175	\$11,175
FY2000/2001 Subtotal	\$6,331,900	\$4,673,108	\$679,396	\$979,396
STAGE I TOTAL (FY1996/1997-FY2000/2001)	\$17,457,525	\$10,804,747	\$3,133,770	\$3,519,008

Notes: Total and Subtotals may not add due to rounding

¹ Federal Grant for \$1,000,000 and a tentative allocation of \$1,625,000 has been received by the City to date.² The \$2,100,000 State portion is from a three-year grant advance loan. No additional State funding will be provided until FY1999/00.³ Assumes that the City will utilize the State Loan Program for the development of T-hangars/shades

Inflation Adjustment: _____% X \$17,457,525 = \$_____

Plus or Minus Other Proposed Development:

Development Items	Total	FAA	State	Local
1.				
2.				
3.				
4.				
Total				

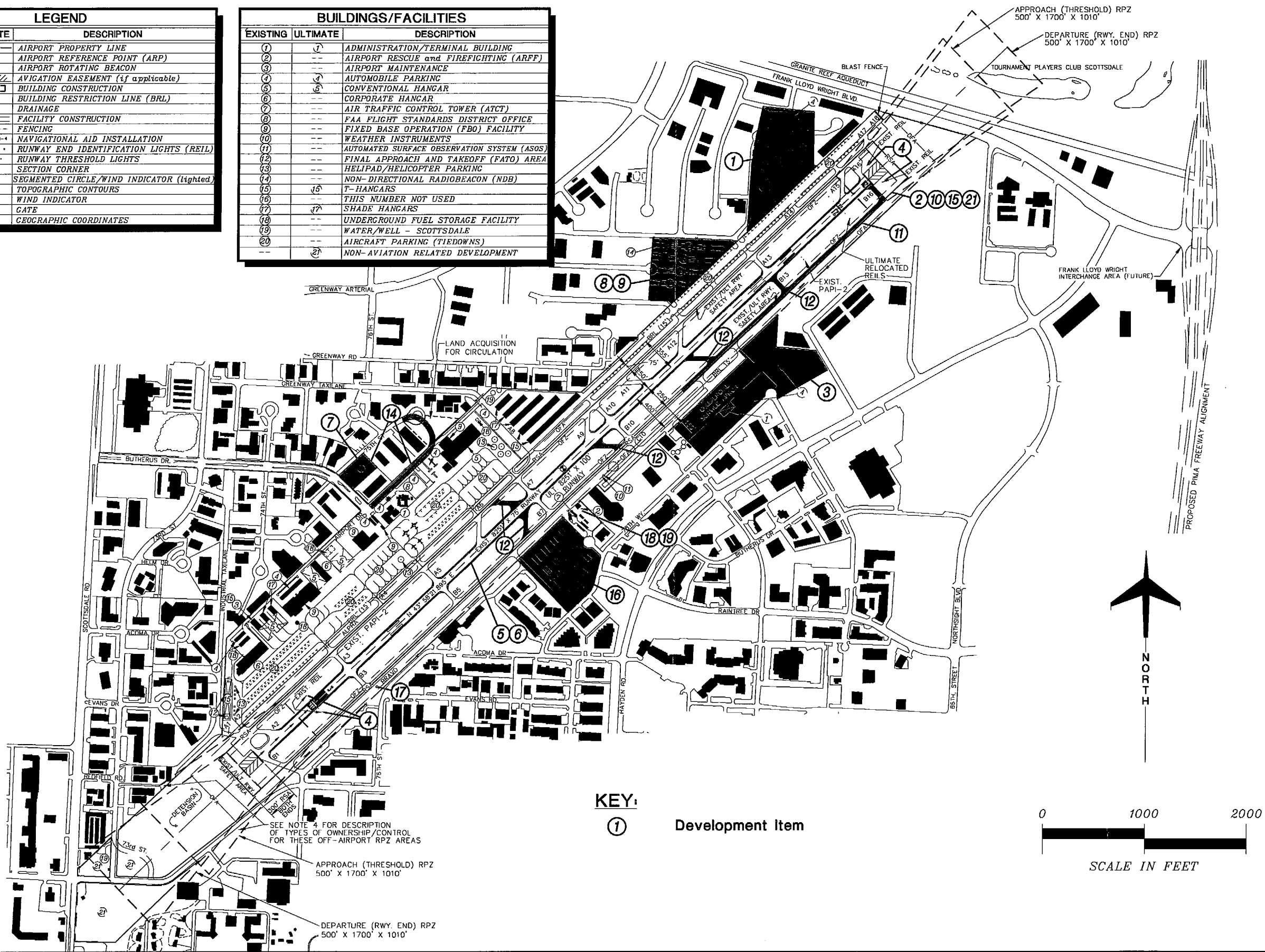
Since the FAA Fiscal Year is from October through September and the ADOT fiscal year is from July through June, efforts should begin immediately to identify the development that will be eligible for federal, state or other fund-

ing during this period. The City of Scottsdale should have applications submitted early for the maximum funding possible in case additional funds become available.

THIS PAGE INTENTIONALLY LEFT BLANK

LEGEND		
EXISTING	ULTIMATE	DESCRIPTION
---	---	AIRPORT PROPERTY LINE
+	N/A	AIRPORT REFERENCE POINT (ARP)
*	N/A	AIRPORT ROTATING BEACON
N/A	////	AVIGATION EASEMENT (if applicable)
---	---	BUILDING CONSTRUCTION
BRL	N/A	BUILDING RESTRICTION LINE (BRL)
---	---	DRAINAGE
---	---	FACILITY CONSTRUCTION
---	---	FENCING
VAS-2	DAP-4	NAVIGATIONAL AID INSTALLATION
---	---	RUNWAY END IDENTIFICATION LIGHTS (REIL)
---	---	RUNWAY THRESHOLD LIGHTS
---	N/A	SECTION CORNER
---	N/A	SEGMENTED CIRCLE/WIND INDICATOR (lighted)
---	N/A	TOPOGRAPHIC CONTOURS
---	N/A	WIND INDICATOR
---	N/A	GATE
---	N/A	GEOGRAPHIC COORDINATES

BUILDINGS/FACILITIES		
EXISTING	ULTIMATE	DESCRIPTION
①	①	ADMINISTRATION/TERMINAL BUILDING
②	---	AIRPORT RESCUE and FIREFIGHTING (ARFF)
③	---	AIRPORT MAINTENANCE
④	④	AUTOMOBILE PARKING
⑤	⑤	CONVENTIONAL HANGAR
⑥	---	CORPORATE HANGAR
⑦	---	AIR TRAFFIC CONTROL TOWER (ATCT)
⑧	---	FAA FLIGHT STANDARDS DISTRICT OFFICE
⑨	---	FIXED BASE OPERATION (FBO) FACILITY
⑩	---	WEATHER INSTRUMENTS
⑪	---	AUTOMATED SURFACE OBSERVATION SYSTEM (ASOS)
⑫	---	FINAL APPROACH AND TAKEOFF (FATO) AREA
⑬	---	HELIPAD/HELICOPTER PARKING
⑭	---	NON-DIRECTIONAL RADIOBEACON (NDB)
⑮	⑮	T-HANGARS
⑯	---	THIS NUMBER NOT USED
⑰	⑰	SHADE HANGARS
⑱	---	UNDERGROUND FUEL STORAGE FACILITY
⑲	---	WATER/WELL - SCOTTSDALE
⑳	---	AIRCRAFT PARKING (TIEDOWNS)
---	⑳	NON-AVIATION RELATED DEVELOPMENT



KEY:
① Development Item

0 1000 2000
SCALE IN FEET



STAGE II

FY2001/02-FY2005/06 Airport Development Program and Funding

The following section has been designed to note the funds available so that they can be kept in mind while analyzing the development factors outlined for this

period on the next few pages. This section also provides a reminder of other potential sources that might be used in critical situations.

Airport Funds Balance
Contributions/Other
TOTAL

\$ _____
\$ _____
\$ _____

As a reminder, airport development should be keyed to demand (*actual* activity) rather than to a specific time frame (*forecast* activity). The spaces provided below allow actual activity data to be recorded for comparison with the forecast levels. This should be the

first step in the process of initiating the recommended development program for this period. Significant difference between forecast and actual activity may justify acceleration or deceleration of the airport development schedule.

Item	FY2001		FY2002		FY2003		FY2004		FY2005	
	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT
Based Aircraft	429		434		438		443		448	
Operations	196,680		200,260		203,840		207,420		211,000	
Fuel Sales (Gal)	2,875,748		2,932,236		2,988,724		3,045,212		3,101,700	
Enplanements	16,220		21,240		26,260		31,280		36,300	

Based on the activity comparison above, should the recommended development schedule be maintained? Have new problems, needs or development potentials occurred which may impact the

development program? What adjustments in the development schedule are required to effectively deal with these factors?

Table 7H, Stage II (FY2001/02-2005/06) Airport Development Program, provides a listing of those development items recommended during Stage II of the planning period. Each item is numbered so that it can be

cross-referenced on Exhibit 7D, Stage II (FY2001/02-2005/06) Airport Development Program. The costs for every development includes 25 percent for engineering, contingency, and administration costs.

TABLE 7H
Stage II (FY2001/02-2006/07) Airport Development Program
Scottsdale Airport

	TOTAL	FAA	STATE	LOCAL
STAGE II (FY2001/2002-FY2005/2006)				
1. Construct Thomas Parcel Taxilanes (15,800 SY)	\$493,700	\$449,563	\$22,069	\$22,068
2. Construct Thomas Parcel T-hangar/shade (50 units) ¹	\$1,250,000	\$0	\$0	\$1,250,000
3. Construct Auto Parking (4,200 SY)	\$130,200	\$118,560	\$5,820	\$5,820
4. Construct Keycor Parcel Taxilanes (14,000 SY)	\$437,500	\$398,388	\$19,556	\$19,556
5. Construct Keycor Parcel T-hangars/shades (40 units) ¹	\$1,000,000	\$0	\$0	\$1,000,000
6. Pavement Preservation	\$500,000	\$0	\$450,000	\$50,000
STAGE II TOTAL (FY2001/2002-FY2005/2006)	\$3,811,400	\$966,511	\$497,445	\$2,347,444
Notes: Total and Subtotals may not add due to rounding ¹ Assumes that the City will utilize the State Loan Program for the development of T-hangars/shades				

Inflation Adjustment: _____ % X \$3,811,400 = \$ _____

Plus or Minus Other Proposed Development:

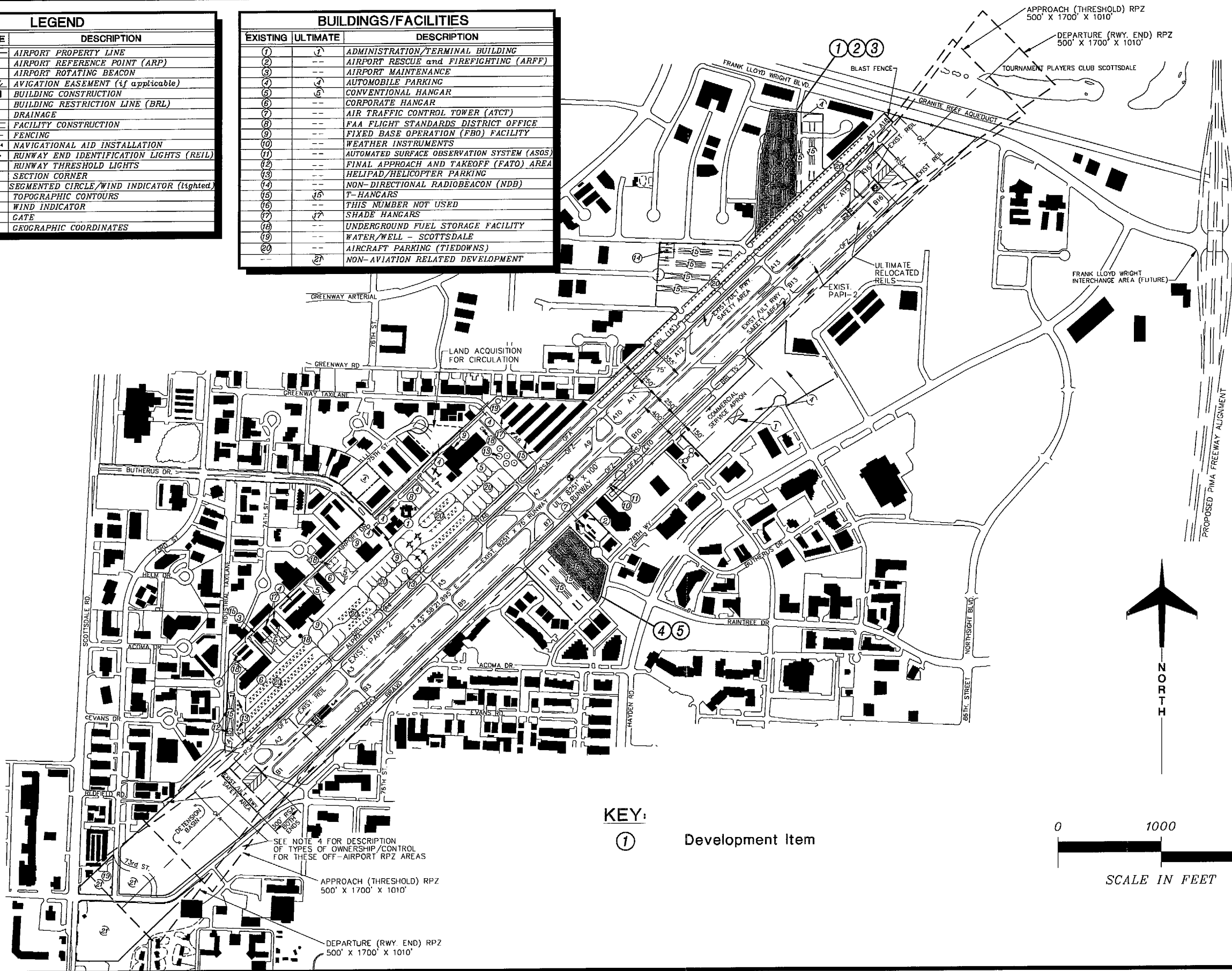
Development Items	Total	FAA	State	Local
1.				
2.				
3.				
4.				
Total				

Since the FAA Fiscal Year is from October through September and the ADOT fiscal year is from July through June, efforts should begin during Stage I to identify the development that will be eligible for federal, state or other fund-

ing during this period. The City of Scottsdale should have applications submitted early for the maximum funding possible in case additional funds become available.

LEGEND		
EXISTING	ULTIMATE	DESCRIPTION
---	---	AIRPORT PROPERTY LINE
+	N/A	AIRPORT REFERENCE POINT (ARP)
*	N/A	AIRPORT ROTATING BEACON
N/A	////	AVIGATION EASEMENT (if applicable)
---	---	BUILDING CONSTRUCTION
BRL	N/A	BUILDING RESTRICTION LINE (BRL)
---	N/A	DRAINAGE
---	---	FACILITY CONSTRUCTION
---	---	FENCING
VA-2	PAP-4	NAVIGATIONAL AID INSTALLATION
---	---	RUNWAY END IDENTIFICATION LIGHTS (REIL)
---	---	RUNWAY THRESHOLD LIGHTS
---	N/A	SECTION CORNER
---	N/A	SEGMENTED CIRCLE/WIND INDICATOR (lighted)
---	N/A	TOPOGRAPHIC CONTOURS
---	N/A	WIND INDICATOR
---	N/A	GATE
---	N/A	GEOGRAPHIC COORDINATES

BUILDINGS/FACILITIES		
EXISTING	ULTIMATE	DESCRIPTION
1	1	ADMINISTRATION/TERMINAL BUILDING
2	2	AIRPORT RESCUE and FIREFIGHTING (ARFF)
3	3	AIRPORT MAINTENANCE
4	4	AUTOMOBILE PARKING
5	5	CONVENTIONAL HANGAR
6	6	CORPORATE HANGAR
7	7	AIR TRAFFIC CONTROL TOWER (ATCT)
8	8	FAA FLIGHT STANDARDS DISTRICT OFFICE
9	9	FIXED BASE OPERATION (FBO) FACILITY
10	10	WEATHER INSTRUMENTS
11	11	AUTOMATED SURFACE OBSERVATION SYSTEM (ASOS)
12	12	FINAL APPROACH AND TAKEOFF (FATO) AREA
13	13	HELIPAD/HELICOPTER PARKING
14	14	NON-DIRECTIONAL RADIOBEACON (NDB)
15	15	T-HANGARS
16	16	THIS NUMBER NOT USED
17	17	SHADE HANGARS
18	18	UNDERGROUND FUEL STORAGE FACILITY
19	19	WATER/WELL - SCOTTSDALE
20	20	AIRCRAFT PARKING (TIEDOWNS)
21	21	NON-AVIATION RELATED DEVELOPMENT



KEY:
① Development Item

0 1000 2000
SCALE IN FEET



STAGE III

FY2006/07-FY2015/16 Airport Development Program and Funding

The following section has been designed to note the funds available so that they can be kept in mind while analyzing the development factors outlined for this

period on the next few pages. This section also provides a reminder of other potential sources that might be used in critical situations.

Airport Funds Balance
Contributions/Other
TOTAL

\$ _____
\$ _____
\$ _____

As a reminder, airport development should be keyed to demand (*actual* activity) rather than to a specific time frame (*forecast* activity). The spaces provided below allow actual activity data to be recorded for comparison with the forecast levels. This should be the

first step in the process of initiating the recommended development program for this period. Significant difference between forecast and actual activity may justify acceleration or deceleration of the airport development schedule.

Item	FY2006		FY2007		FY2008		FY2009		FY2010	
	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT
Based Aircraft	453		458		464		469		474	
Operations	215,280		219,560		223,840		228,120		232,400	
Fuel Sales (Gal)	3,169,264		3,236,828		3,304,392		3,371,956		3,439,520	
Enplanements	42,060		47,820		53,580		59,340		65,100	

Item	FY2011		FY2012		FY2013		FY2014		FY2015	
	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT	FCST	ACT
Based Aircraft	479		484		490		495		500	
Operations	236,060		239,720		243,380		247,040		250,700	
Fuel Sales (Gal)	3,498,702		3,557,884		3,617,066		3,676,248		3,735,430	
Enplanements	71,680		78,260		84,840		91,420		98,000	

Based on the activity comparison above, should the recommended development schedule be maintained? Have new problems, needs or development potentials occurred which may impact the

development program? What adjustments in the development schedule are required to effectively deal with these factors?

Table 7J, Stage III (FY2006/07-2015/16) Airport Development Program, provides a listing of those development items recommended during Stage III of the planning period. Each item is numbered so that it can be

cross-referenced on **Exhibit 7E, Stage III (FY2006/07-2015/16) Airport Development Program**. The costs for every development includes 25 percent for engineering, contingency, and administration costs.

TABLE 7J
Stage III (FY2006/07-2015/16) Airport Development Program
Scottsdale Airport

	TOTAL	FAA	STATE	LOCAL
STAGE III (FY2006/2007-FY2015/2016)				
1. Construct Commercial Service Terminal Building (9,700 SF)	\$1,515,700	\$1,380,196	\$67,752	\$67,752
2. Construct Commercial Service Apron (33,400 SY)	\$1,488,400	\$1,355,337	\$66,531	\$66,531
3. Construct Commercial Terminal Auto Parking (8,600 SY)	\$268,800	\$244,769	\$12,015	\$12,015
4. Construct Thomas Parcel Taxilanes (10,900 SY)	\$340,600	\$310,150	\$15,225	\$15,225
5. Construct Thomas Parcel T-hangar/shade (50 units) ¹	\$1,250,000	\$0	\$0	\$1,250,000
6. Construct Keycor Parcel Taxilanes (12,000 SY)	\$375,000	\$341,475	\$16,763	\$16,763
7. Construct Keycor Parcel T-hangars/shades (56 units) ¹	\$1,400,000	\$0	\$0	\$1,400,000
8. Relocate Runway 21 Threshold Lighting	\$30,000	\$27,318	\$1,341	\$1,341
9. Relocate REILs	\$10,000	\$9,106	\$447	\$447
10. Pavement Preservation	\$1,000,000	\$0	\$900,000	\$100,000
STAGE III TOTAL (FY2006/2007-FY2015/2016)	\$7,678,500	\$3,668,352	\$1,080,074	\$2,930,074

Notes: Total and Subtotals may not add due to rounding

¹ Assumes that the City will utilize the State Loan Program for the development of T-hangars/shades

Inflation Adjustment: _____% X \$7,678,500 = \$_____

Plus or Minus Other Proposed Development:

Development Items	Total	FAA	State	Local
1.				
2.				
3.				
4.				
Total				

Since the FAA Fiscal Year is from October through September and the ADOT fiscal year is from July through June, efforts should begin during Stage II to identify the development that will be eligible for federal, state or other fund-

ing during this period. The City of Scottsdale should have applications submitted early for the maximum funding possible in case additional funds become available.

LEGEND		
EXISTING	ULTIMATE	DESCRIPTION
---	---	AIRPORT PROPERTY LINE
+	N/A	AIRPORT REFERENCE POINT (ARP)
*	N/A	AIRPORT ROTATING BEACON
N/A	////	AVIGATION EASEMENT (if applicable)
---	---	BUILDING CONSTRUCTION
---	---	BUILDING RESTRICTION LINE (BRL)
---	N/A	DRAINAGE
---	---	FACILITY CONSTRUCTION
---	---	FENCING
---	---	NAVIGATIONAL AID INSTALLATION
---	---	RUNWAY END IDENTIFICATION LIGHTS (REIL)
---	---	RUNWAY THRESHOLD LIGHTS
---	N/A	SECTION CORNER
---	N/A	SEGMENTED CIRCLE/WIND INDICATOR (lighted)
---	N/A	TOPOGRAPHIC CONTOURS
---	N/A	WIND INDICATOR
---	N/A	CATE
---	N/A	GEOGRAPHIC COORDINATES

BUILDINGS/FACILITIES		
EXISTING	ULTIMATE	DESCRIPTION
1	1	ADMINISTRATION/TERMINAL BUILDING
2	2	AIRPORT RESCUE and FIREFIGHTING (ARFF)
3	3	AIRPORT MAINTENANCE
4	4	AUTOMOBILE PARKING
5	5	CONVENTIONAL HANGAR
6	6	CORPORATE HANGAR
7	7	AIR TRAFFIC CONTROL TOWER (ATCT)
8	8	FAA FLIGHT STANDARDS DISTRICT OFFICE
9	9	FIXED BASE OPERATION (FBO) FACILITY
10	10	WEATHER INSTRUMENTS
11	11	AUTOMATED SURFACE OBSERVATION SYSTEM (ASOS)
12	12	FINAL APPROACH AND TAKEOFF (FATO) AREA
13	13	HELIPAD/HELICOPTER PARKING
14	14	NON-DIRECTIONAL RADIOBEACON (NDB)
15	15	T-HANGARS
16	16	THIS NUMBER NOT USED
17	17	SHADE HANGARS
18	18	UNDERGROUND FUEL STORAGE FACILITY
19	19	WATER/WELL - SCOTTSDALE
20	20	AIRCRAFT PARKING (TIEDOWNS)
21	21	NON-AVIATION RELATED DEVELOPMENT

