



Chapter Seven

Financial Feasibility

CHAPTER 7 - FINANCIAL FEASIBILITY

INTRODUCTION

This chapter presents a financial analysis of the Capital Improvement Program (CIP) for Ryan Airfield (RYN or the Airport), as previously identified in **Chapter 6 - Facilities Implementation Plan**. This chapter also describes the financial framework of the Tucson Airport Authority (TAA) for RYN. The analysis includes TAA's historical revenues, expenses and anticipated CIP funding sources.

- ▶ Financial Feasibility Approach
- ▶ Funding Sources
- ▶ Summary

This chapter is prepared according to Federal Aviation Administration (FAA) Order 5100.38D, *AIP Handbook*, and FAA Order 5100.39A, *Airports Improvement Plan*, guidance and procedural requirement.

FINANCIAL FEASIBILITY APPROACH

Chapter 6 - Facilities Implementation Plan presented the potential capital improvements necessary to accommodate the future needs of RYN in three phases: Phase-I (1-5 years), Phase-II (6-10 years), and Phase-III (11-20 years). The funding plan presented in this chapter addresses the estimated capital costs and potential distribution of cost amounts allocated amongst various funding sources. Project escalation is not included as part of the project costs providing the Airport flexibility on the timing of projects. For long-term projects, estimates of the funding of capital costs beyond FY 2040 (Phase-IV) are considered speculative at this point; therefore, they are not presented in this chapter.

FUNDING SOURCES

Funding sources for future development projects depend on a variety of factors, including FAA Airport Improvement Program (AIP) eligibility, the ultimate type and use of facilities to be developed, debt capacity of RYN, the availability of other financing sources, and the priorities for scheduling project completion. For planning purposes, assumptions have been made related to the funding sources of each project. The following funding sources provide background and context when reviewing the financial feasibility of proposed improvements:

- ▶ Federal
- ▶ State
- ▶ Local

FEDERAL

The FAA provides funding for airport improvements through the Aviation Trust Fund (ATF), which is financed by aviation system user fees and taxes (e.g., airline passenger tax, aircraft parts taxes, fuel taxes, and aircraft registration fees). The AIP provides the mechanism to reinvest the ATF at FAA-eligible airports. FAA Order 5100.38D, *Airport Improvement Program Handbook* (AIP Handbook), describes AIP funding eligibility. The formula specific to RYN supports for an FAA contribution of 91.06 percent. The AIP grants require RYN to contribute a local match of 8.94 percent.

The FAA National Plan of Integrated Airport Systems (NPIAS) defines RYN as a Reliever Airport (R) airport. The NPIAS identifies airports eligible for AIP funding and estimates the amount of AIP funds needed for projects that will update airports to current FAA standards and increase capacity as needed. FAA AIP funds are classified as non-primary entitlement and discretionary.

ENTITLEMENTS

General aviation airports are eligible for annual non-primary entitlement funding under the AIP. The total amount of non-primary entitlement funding is governed by congressional appropriations to the AIP. The AIP Handbook defines how the FAA calculates non-primary entitlement for GA airports to receive lesser of the following:

- ▶ \$150,000 or
- ▶ One-fifth of the estimated five-year costs for airport development for each of the airports as listed in the most recent NPIAS.

The FAA makes the project decisions on the use of the funds in consultation with the State of Arizona. RYN is assumed to receive \$150,000 in non-primary entitlements when evaluating project organization and coordination during this planning process. The FAA distributes AIP entitlement funding annually, and RYN can save the entitlement funds for up to three years.

DISCRETIONARY

Projects eligible for AIP funding may receive discretionary funding if the total cost exceeds costs covered by non-primary entitlement funds. Discretionary funds are not guaranteed, and their approval is established through a project priority ranking methodology that the FAA uses to award grants based upon a project's importance to the National Airport System (NAS). Discretionary funds are, generally, provided for projects that have placed high in priority towards enhancing safety, security, and capacity and would be difficult to fund otherwise. Dollar amounts vary and can be significant compared to non-primary entitlement funds. The amount dedicated to any one airport is determined by its demonstrated and documented need compared to the needs at other airports within the NPIAS.

ARIZONA DEPARTMENT OF TRANSPORTATION – AERONAUTICS DIVISION (STATE)

The Arizona Department of Transportation (ADOT) Aeronautics Division administers all state aviation grant programs. The ADOT Five-Year Airport Capital Improvement Program (ACIP) is in coordination with the FAA and RYN to assist with the following funding options:

- ▶ Airport Development Grants Program
- ▶ Airport Preventative Maintenance System (APMS)
- ▶ Airport Loan Program

The Airport Development Grants Program assists projects that enhance safety and capacity and provide environmental assessments, planning, and land acquisitions. The grants are determined by category that is associated with the ADOT's airport priority ranking system, similar to the FAA's categorization with the NPIAS. State funds come from the State Aviation Trust Fund where revenues are derived from flight property tax, aircraft lieu taxes, aircraft registration, and aviation fuel taxes.

The Arizona Pavement Preservation program (APPP) assists in preserving the state airport system pavement infrastructure. Airport Pavement Management System (APMS) is the management system in which Arizona airport pavements are tracked and evaluated. Any airport requesting AIP funding must comply with Public Law 103-305 in participating in a pavement management system. RYN participates in the APMS program, which includes RYN completing monthly visual pavement inspections.

The Airport Development Loans program provides financial assistance for airports in need of financing airport related construction projects that are both AIP eligible and non-eligible. The intention of the loan program is to enhance the economic benefit of the airport.

ARIZONA DEPARTMENT OF TRANSPORTATION – FEDERAL AID HIGHWAY PROGRAM (STATE)

The Federal Aid Highway Program (FAHP) program assists in the construction of roads and highways in the state of Arizona through a reimbursement program associated with the Federal Highway Administration (FHWA). The funding distribution for this program, if approved, is a federal match of 94.3 percent and a state or local match of 5.7 percent. RYN's CIP includes multiple state highway and road related projects that would benefit from the FAHP program.

LOCAL

Local funds include airport revenues from land leases, fuel surcharges, landing fees, parking, space rentals, and grant funding. Local funds can also include bonds issued to provide the required percent match on AIP and state-eligible projects and to pay for projects that are not eligible for or do not compete well for AIP funding.

FINANCIAL PLAN

The financial plan developed is for the 20-year capital improvement plan to demonstrate RYN's ability to fund project improvements. RYN financial governance, structure, and fiscal authority will be described by the existing financial policy and rates and charges used for assessing funding assumptions, strategies, and suitability.

The financial plan focuses on:

- ▶ Operating Budget Historical Review
- ▶ Grant History
- ▶ Cost Estimates and Phasing Plan
- ▶ Airport Capital Improvement Program-Project Funding Summary

HISTORICAL REVIEW

The City of Tucson holds a long-term lease for RYN with TAA through which RYN is operated and maintained. Review of the analysis based on financial statements and historical data led to the identification of RYN budget trends, income patterns, operating influence, and debt retirement schedules. **Table 7-1** provides RYN's historical and current operating budget.

Table 7-1: RYN Historical and Current Operating Budget Summary

Account Activity	Historical		Current
	2018	2019	2020
Operating Revenues:			
Space rentals	\$37,504	\$37,632	\$32,374
Land rent	\$147,051	\$149,372	\$161,986
Concession revenue	\$10,831	\$12,159	\$8,752
Reimbursed services	\$330	\$2,056	\$141
Other operating revenues	\$22,047	\$23,437	\$13,909
Total Operating Revenues	\$217,762	\$224,657	\$217,163
Operating Expenses:			
Personnel expenses	\$0	\$0	\$0
Contractual services	\$87,667	\$91,699	\$94,701
Materials and supplies	\$27,591	\$58,548	\$53,143
Cost of product sales	\$0	\$0	\$0
Other operating expenses	\$18	\$6	\$0
Total Operating Expenses	\$115,276	\$150,254	\$147,844
Depreciation and Amortization	\$1,295,023	\$1,377,547	\$1,166,911
Operating Income	-\$1,192,537	-\$1,303,144	-\$1,097,592
Capital Contributions:			
Federal	-\$170,624	\$347,540	\$182,055
State	-\$1,771	\$20,704	\$171,339
Total Capital Contributions	-\$172,395	\$368,245	\$353,394
Increase (Decrease) in Net Income	-\$1,364,931	-\$934,900	-\$744,198

Source: Tucson Airport Authority Financial Statements (2018-2020)

Airport revenue includes rates and charges collected from tenants, fuel sales, and grants such as those issued by the FAA. The fiscal years for RYN are shown (ending September 30) for 2018 and 2019. The fiscal year amount for 2020 shown is July year to date. Space rental operating revenues are anticipated to increase beginning in 2022 with the addition of a flight school.

GRANT HISTORY

RYN grant history provides grant amounts received through the FAA AIP and ADOT Aeronautics Group ACIP. **Table 7-2** shows federal and state grants RYN has received over the last five years. RYN received \$4.1 million in combined federal and state grants from 2016 to 2020. Grant types include rehabilitate apron, update airport master plan, and install weather reporting equipment.

Table 7-2: RYN Federal and State Five-Year Grant History

Fiscal Year	Federal	State
2016	\$1,530,485	\$264,600
2017	\$57,581	\$209,756
2018	\$643,510	\$0
2019	\$0	\$31,589
2020	\$481,717	\$105,836
Totals	\$3,252,591	\$927,373

Source: RYN Grant Log Data

COST ESTIMATES AND PHASING PLAN

Cost estimates help RYN and the FAA understand potential cost obligations. The cost estimates are developed for FAA AIP-eligible projects and non-AIP eligible projects. Professional engineers and architects have developed cost estimates for each project contained in the 20-year CIP based on 2020 dollars. Project costs have contingencies added to account for unknowns at the planning level of design. The contingency amount varies by project but is generally set between 15 and 35 percent depending on the phase in which the projects are located. Costs for planning, environmental review, design, and construction management are included as appropriate. **Tables 7-3** through **7-5** show each project and estimated costs, sequencing, and anticipated funding participation for the 20-year period. AIP Non-Primary Entitlements are only available for those projects that are eligible for grants through the FAA AIP grant program. The non-AIP eligible projects are anticipated to be covered through state and local funds.



Table 7-3: Phase-I (0-5 Years) Development Costs and Funding Participation

Project Title	Estimated Total Project Cost 2020 Dollars	AIP Non Primary Entitlements	AIP Discretionary	ADOT	Local
Proposed FY 2021 to 2025 CIP Projects (0-5 years)					
Install (3) PAPIs to the approach to Runway 6L, 6R, and 24R. Project includes FAA flight check.	\$567,190	\$0	\$0	\$510,471	\$56,719
Phase 1 - Upgrade/replacement of Air Traffic Control Tower (ATCT) equipment. Work will include purchase or equipment, installation and training.	\$362,130	\$300,000	\$44,024	\$9,053	\$9,053
Phase 2 - Upgrade/replacement of Air Traffic Control Tower (ATCT) equipment. Work will include purchase or equipment, installation and training.	\$164,727	\$150,000	\$6,491	\$4,118	\$4,118
Conduct Environmental Assessment for the 800' extension of Runway 6R/24L with supporting taxiway connectors and taxiway F. Includes A2, A4, A5, B2, B4 and B5.	\$425,000	\$0	\$403,750	\$10,625	\$10,625
Loader with Attachments	\$246,577	\$0	\$0	\$0	\$246,577
2018 Cyclone CY 5500 (RYN)	\$140,000	\$0	\$0	\$0	\$140,000
B-11 Admin Building Upgrades	\$120,000	\$0	\$0	\$0	\$120,000
Ryan Maint. Bathroom and Water Heaters	\$85,000	\$0	\$0	\$0	\$85,000
Continental Road Pavement Maintenance	\$12,629	\$0	\$0	\$0	\$12,629
Herbicide Shed & Spill Containment	\$100,000	\$0	\$0	\$0	\$100,000
Install CCTV Cameras Throughout Ryan Airfield Complex	\$150,000	\$0	\$0	\$0	\$150,000
Extend RYN Sewer 1,700 feet along Aviator Lane. Includes connecting all tenants to sewer along Aviator Lane. Mill and overlay Aviator Lane (approximately 43,700 sf). Project includes pavement, markings, and restriping. Overall PCI is 50. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$455,780	\$0	\$432,991	\$11,394	\$11,394
Reconstruct Aviator Lane parking lot (approximately 12,750 sf) and Gate 3. Project includes pavement, markings, and restriping. Overall PCI is 33.	\$118,219	\$0	\$0	\$0	\$118,219
Extend main trunk of RYN Sewer west for 1,300 feet from Airfield Drive to Aviator Lane. Connect TAA administration building and restaurant to sewer line. Project also includes Reconstruct connector roadway between Aviator Lane and Airfield Drive (approximately 34,000 sf). Project includes pavement, markings, and restriping. Roadway is called C Road - 02 and overall PCI is 54. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$351,896	\$0	\$0	\$0	\$351,896
APMS- Taxiway A (TWARY 10) PCI 94 (2017)	\$28,624	\$0	\$0	\$25,762	\$2,862
Design access control at RYN	\$260,000	\$0	\$0	\$0	\$260,000
Construct access control at RYN	\$550,000	\$0	\$0	\$0	\$550,000
Replace airfield lighting control computers (3)	\$310,000	\$0	\$0	\$0	\$310,000
Extend RYN Sewer 1,400 feet along Airfield Drive. Includes connecting all tenants to sewer along Airfield Drive. Project includes a sealcoat of the entire length of Airfield Drive. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$240,235	\$0	\$0	\$0	\$240,235
Design a 4,000' asphalt mill and overlay for Runway 15/33. Project includes supporting taxiway connectors. ADOT PMMP RW1533RY-10 PCI 64 (2017).	\$220,200	\$0	\$209,190	\$5,505	\$5,505
Construct a 4,000' asphalt mill and overlay for Runway 15/33. Project includes supporting taxiway connectors.	\$2,750,000	\$300,000	\$2,312,500	\$68,750	\$68,750
Acquire 2.83 acres of land on the westside of the Airport.	\$54,183	\$0	\$51,474	\$1,355	\$1,355
Design Runway 6R/24L Extension Phase I - Extend Runway 6R/24L in asphalt by 800', Taxiway B by 800', and new Taxiway F. Relocate aircraft run-up areas, and the FAA glideslope 800' to the east. Project includes grading, drainage, utilities, lighting, and markings. Includes the design of the supporting taxiway systems and A2, A4, A5, B2, B4 and B5.	\$373,800	\$0	\$355,110	\$9,345	\$9,345
Conduct Air Traffic Control Tower (ATCT) siting study. Includes evaluating a using a remote tower option for RYN.	\$175,000	\$0	\$166,250	\$4,375	\$4,375
Total Phase-1 (0-5 Years) Development Program Project Costs	\$8,261,190	\$750,000	\$3,981,779	\$660,753	\$2,868,658

Table 7-4: Phase-II (6-10 Years) Development Costs and Funding Participation

Project Title	Estimated Total Project Cost 2020 Dollars	AIP Non Primary Entitlements	AIP Discretionary	ADOT	Local
Proposed FY 2026 to 2030 CIP Projects (6-10 years)					
Construct Runway 6R/24L Extension Phase I - Extend Runway 6R/24L in asphalt by 800', Taxiway B by 800', and new Taxiway F. Relocate aircraft run-up areas, and the FAA glideslope 800' to the east. Project includes grading, drainage, utilities, lighting, and markings. Includes the design of the supporting taxiway systems and A2, A4, A5, B2, B4 and B5.	\$4,720,000	\$300,000	\$4,184,000	\$118,000	\$118,000
Construct the relocation of Taxiway Connector B5 to the east by 100' and construct new B5 and A5 to the approach end of Runway 24R.	\$1,310,000	\$0	\$1,244,500	\$32,750	\$32,750
Construct the removal of Taxiway Connectors A2, A4, B2, and B4.	\$420,000	\$0	\$399,000	\$10,500	\$10,500
Conduct Instrument Approach Procedure Feasibility Study	\$450,000	\$0	\$0	\$0	\$450,000
Conduct new Airport Master Plan Study.	\$800,000	\$0	\$760,000	\$20,000	\$20,000
Conduct Environmental Assessment to acquire 39.5 acres.	\$200,000	\$0	\$190,000	\$5,000	\$5,000
Acquire 39.5 acres of land north of Runway 6L/24R, which is between two TAA parcels of land on the east and west.	\$761,653	\$0	\$0	\$685,488	\$76,165
Extend main trunk of RYN Sewer 5,300 feet east of Airfield Drive to boundary of east quadrant. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$802,821	\$0	\$0	\$0	\$802,821
Extend main trunk of RYN Sewer 9,000 feet west of Aviator Lane to boundary of west quadrant. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$1,341,565	\$0	\$0	\$0	\$1,341,565
Construct airside service road (approximately 3,400 sy) and parking in front of the wash rack and along the southern edge of the tower apron. Project includes pavement, markings, striping and signage.	\$236,960	\$0	\$225,112	\$5,924	\$5,924
Realign and relocate fence along northern perimeter road to match the northern property line of RYN.	\$590,000	\$0	\$560,500	\$14,750	\$14,750
Design a new asphalt helicopter parking apron capable of supporting eight new 100' x 80' parking positions north of the existing tower apron, south of Taxiway B, east of Taxiway D, and west of Taxiway B2.	\$125,000	\$0	\$118,750	\$3,125	\$3,125
Construct a new asphalt helicopter parking apron capable of supporting eight new 100' x 80' parking positions north of the existing tower apron, south of Taxiway B, east of Taxiway D, and west of Taxiway B2.	\$1,275,000	\$0	\$1,211,250	\$31,875	\$31,875
Conduct Environmental Assessment to relocate RYN Air Traffic Control Tower (ATCT)	\$250,000	\$0	\$237,500	\$6,250	\$6,250
Design the RYN Air Traffic Control Tower (ATCT) to increase the height of the cab or to use a remote tower.	\$2,450,000	\$0	\$2,327,500	\$61,250	\$61,250
Construct the RYN Air Traffic Control Tower (ATCT) to increase the height of the cab or to use a remote tower.	\$7,000,000	\$300,000	\$6,350,000	\$175,000	\$175,000
Acquire land (2.83 acres) for remaining Runway 6L approach RPZ	\$54,569	\$0	\$51,841	\$1,364	\$1,364
Design a new 2,000 sf building to support TAA Administration stationed at RYN. Project includes grading, drainage, asphalt parking lot, access road, and associated utilities.	\$297,500	\$0	\$0	\$0	\$297,500
Construct a new 2,000 sf building to support TAA Administration stationed at RYN. Project includes grading, drainage, asphalt parking lot, access road, and associated utilities.	\$850,000	\$0	\$0	\$0	\$850,000
Design a new 5,000', two lane, bi-directional asphalt frontage road parallel to W. Ajo Highway to provide access to the East Quadrant of the Airport.	\$127,885	\$0	\$120,596	\$0	\$7,289
Construct a new 5,000', two lane, bi-directional asphalt frontage road parallel to W. Ajo Highway to provide access to the East Quadrant of the Airport.	\$1,593,000	\$0	\$1,502,199	\$0	\$90,801
Design the minor interior roadway network in the East Quadrant of the Airport.	\$375,181	\$0	\$353,796	\$0	\$21,385
Construct the minor interior roadway network in the East Quadrant of the Airport.	\$4,673,447	\$0	\$4,407,061	\$0	\$266,386
Design and construct a full signalized intersection on W. Ajo Highway to access East Quadrant of the Airport.	\$435,978	\$0	\$411,127	\$0	\$24,851
Total Phase-II (6-10 Years) Development Program Project Costs	\$31,140,559	\$600,000	\$17,859,953	\$7,966,054	\$4,714,553

Table 7-5: Phase-III (11-20 Years) Development Cost and Funding Participation

Project Title	Estimated Total Project Cost 2020 Dollars	AIP Non Primary Entitlements	AIP Discretionary	ADOT	Local
Proposed FY 2031 to 2040 CIP Projects (11-20 years)					
Connect south quadrant to sewer line. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$6,228	\$0	\$0	\$0	\$6,228
Connect north quadrant to sewer line. Establish a new TAA telecommunications conduit and pullboxes along the entire length of the sewer line.	\$763,583	\$0	\$0	\$0	\$763,583
Realign perimeter road along boundary of northern quadrant.	\$7,174,870	\$150,000	\$6,666,126	\$179,372	\$179,372
Conduct Environmental Assessment for the relocation of Runway 15/33 550' to the north. Includes all connecting taxiways and geometry.	\$425,000	\$0	\$403,750	\$10,625	\$10,625
Design the relocation of Runway 15/33 550' to the north, eliminating pavement on the south and new asphalt pavement to the north. Includes the design of taxiway D1, D2, and connecting taxiways D and E. Eliminate 185' of Taxiway Connector D1 to the approach end of Runway 33. Construct new segment of Taxiway D to connect to the approach end of Runway 15. Relocate the aircraft runup areas and compass rose.	\$247,700	\$0	\$235,315	\$6,193	\$6,193
Construct the relocation of Runway 15/33 550' to the north, eliminating pavement on the south and new asphalt pavement to the north. Eliminate 185' of Taxiway Connector D1 to the approach end of Runway 33. Construct new segment of Taxiway D to connect to the approach end of Runway 15. Relocate the aircraft runup areas and compass rose.	\$2,308,300	\$300,000	\$1,892,885	\$57,708	\$57,708
Construct the relocation of the D1 Taxiway connector north to connect Taxiway D, E to the new approach end of Runway 15/33. Remove two taxilane connectors east of Taxiway D providing access to the FAR Part 61 existing apron.	\$310,000	\$0	\$294,500	\$7,750	\$7,750
Construct the relocation of Taxiway D2 to the north by 185' connecting Taxiway D, E and Runway 15/33.	\$520,000	\$0	\$494,000	\$13,000	\$13,000
Construct New Apron at the end of Airfield Drive (44,700 SY)	\$4,800,000	\$150,000	\$4,410,000	\$120,000	\$120,000
Design a 5,500' asphalt mill and overlay for Runway 6R/24L. Project includes supporting taxiway connectors. ADOT PMMP RW6R24LRY-10 PCI 77 (2017) and RW6R24LRY-20 PCI 78 (2017).	\$250,000	\$0	\$237,500	\$6,250	\$6,250
Construct a 5,500' asphalt mill and overlay for Runway 6R/24L. Project includes supporting taxiway connectors.	\$2,750,000	\$300,000	\$2,312,500	\$68,750	\$68,750
Conduct Environmental Assessment new 4,900 asphalt taxiway parallel to Runway 6L/24R, including 4 new taxiway connectors and supporting taxiways.	\$350,000	\$150,000	\$182,500	\$8,750	\$8,750
Design a new 4,900' asphalt taxiway parallel to Runway 6L/24R, including 4 new taxiway connectors. Includes the design for the taxiway connector between Runway 6L/24R and Taxiway Alpha and the removal of 1,370' of asphalt on Taxiway A, west of Taxiway D to the Approach end of Runway 6L.	\$450,000	\$150,000	\$277,500	\$11,250	\$11,250
Construct a new 4,900' asphalt taxiway parallel to Runway 6L/24R, including 4 new taxiway connectors.	\$3,400,000	\$150,000	\$3,080,000	\$85,000	\$85,000
Construct a new asphalt taxiway connector between Runway 6L/24R and Taxiway Alpha.	\$1,500,000	\$150,000	\$1,275,000	\$37,500	\$37,500
Construct the removal of 1,370' of asphalt on Taxiway A west of Taxiway D to the Approach end of Runway 6L, including the aircraft runup apron bump out. Includes removal of taxiway lighting and associated infrastructure.	\$350,000	\$150,000	\$182,500	\$8,750	\$8,750
Design and replace two underground fuel storage tanks.	\$387,800	\$0	\$0	\$0	\$387,800
Design a new 7,700 sf joint-use fire-fighting station to support RYN and local emergencies. Project includes grading, drainage, asphalt parking lot, access road, and associated utilities.	\$1,505,000	\$0	\$0	\$0	\$1,505,000
Construct a new 7,700 sf joint-use fire-fighting station to support RYN and local emergencies. Project includes grading, drainage, asphalt parking lot, access road, and associated utilities.	\$4,300,000	\$0	\$0	\$0	\$4,300,000
Design a new 8,997', two lane, bi-directional asphalt frontage road parallel to W. Ajo Highway to provide access to the West Quadrant of the Airport.	\$230,116	\$0	\$0	\$217,000	\$13,117
Construct a new 8,997', two lane, bi-directional asphalt frontage road parallel to W. Ajo Highway to provide access to the West Quadrant of the Airport.	\$2,866,443	\$0	\$0	\$2,703,056	\$163,387
Design and construct 3 full signalized intersection on W. Ajo Highway to access West Quadrant of the Airport.	\$1,307,933	\$0	\$0	\$1,233,380	\$74,552
Total Phase-III (11-20 Years) Development Program Project Costs	\$36,202,973	\$1,650,000	\$21,944,076	\$4,774,333	\$7,834,564

IMPROVEMENT PROGRAM – PROJECT FUNDING SUMMARY

Table 7-6 summarizes the CIP sources and uses by project type associated with projects listed in **Tables 7-3** through **7-5**. The three largest funding sources are AIP grants at 62 percent, ADOT at 18 percent, and TAA local funding at 20 percent. The largest uses of CIP funding include:

- ▶ Runway and taxiway projects, 30 percent
- ▶ Access roads and parking projects, 25 percent
- ▶ Building improvement projects, 10 percent
- ▶ ATCT improvements projects, 13 percent
- ▶ Apron projects, 8 percent
- ▶ Utilities projects, 5 percent
- ▶ Planning and environmental projects, 4 percent
- ▶ Land acquisition projects, 1 percent
- ▶ Other projects, 4 percent

Table 7-6: Sources and Uses of Capital Funding

Sources of Capital Funding	Phase-I (0 to 5 Years)	Phase-II (6 to 10 Years)	Phase-III (11 to 20 Years)	Total
FAA AIP Entitlements	\$ 750,000.00	\$ 600,000.00	\$ 1,650,000.00	\$ 3,000,000.00
FAA AIP Discretionary	\$ 3,981,779.04	\$ 17,859,952.64	\$ 21,944,076.27	\$ 43,785,807.94
ADOT Grants	\$ 660,753.10	\$ 7,966,053.81	\$ 4,774,332.77	\$ 13,401,139.68
Local	\$ 2,868,657.55	\$ 4,714,552.99	\$ 7,834,564.49	\$ 15,417,775.04
Total Sources	\$ 8,261,189.69	\$ 31,140,559.44	\$ 36,202,973.53	\$ 75,604,722.66
Uses of Capital Funding	Phase-I (0 to 5 Years)	Phase-II (6 to 10 Years)	Phase-III (11 to 20 Years)	Total
Runway/Taxiway Projects	\$ 3,939,814.00	\$ 6,450,000.00	\$ 12,086,000.00	\$ 22,475,814.00
Apron Projects	\$ 0.00	\$ 1,400,000	\$ 4,800,000.00	\$ 6,200,000.00
Access Roads/Parking	\$ 130,848.02	\$ 7,442,450.62	\$ 11,579,361.83	\$ 19,152,660.48
Utility Infrastructure	\$ 1,047,910.22	\$ 2,144,386.48	\$ 769,811.70	\$ 3,962,108.40
Building Improvements	\$ 305,000.00	\$ 1,147,500.00	\$ 5,805,000.00	\$ 7,257,500.00
ATCT Improvements	\$ 526,857.00	\$ 9,450,000.00	\$ 0.00	\$ 9,976,857.00
Land Acquisition	\$ 54,183.44	\$ 816,222.34	\$ 0.00	\$ 870,405.78
Planning/Environmental	\$ 600,000.00	\$ 1,700,000.00	\$ 775,000.00	\$ 3,075,000.00
Other Projects	\$ 1,656,577.00	\$ 590,000.00	\$ 387,800.00	\$ 2,634,377.00
Total Uses	\$ 8,261,189.69	\$ 31,140,559.44	\$ 36,202,973.53	\$ 75,604,722.66

Notes: ¹The assumed AIP Discretionary funding is based on the FAA's funding criteria and priority system.

² Phase-IV projects were not included in the analysis as they are beyond the 20-year planning period.

³ Escalation is not included in any of the project phases.

RYN's capital contributions from federal and state grants provide RYN with AIP non-primary entitlement grants and position RYN to maximize discretionary grants. The local match accounts for 5 percent of the project cost and 2.5 percent is from state assistance. During the periods in which RYN will need supplementary funding to provide the local match, the recommendation is that RYN secure additional sources of funding through other state grants and loans or private funding.

SUMMARY

The financial feasibility plan shows project costs for planned development for the 20-year planning period. Various factors may change in this plan over time such as project priorities, aviation activity levels, and federal and state funding priorities. The 20-year CIP project costs, in 2020 dollars, are expected to total \$75 million. Knowing the full scope of development possibilities enables RYN to capitalize on opportunities, respond to financial realities, and select projects that are in accord with the Airport's overall development plan and strategic vision.

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