

CHAPTER TWO: INVENTORY OF CURRENT POLICY

INTRODUCTION

Arizona has a legacy of policies that have been created based on historical conditions. Many of these policies have not been evaluated for their effectiveness and appropriateness based on current and projected conditions in Arizona and in the aviation industry. The purpose of this task is to review and summarize existing policies pertaining to airports including the Arizona Revised Statutes, Arizona State Transportation Board (STB) Aviation Policies and Five-Year Airport Capital Improvement Program guidelines.

This task reviews the existing policies to set the stage for evaluating the effectiveness and appropriateness of the policies in a subsequent task. The existing policies are subsequently evaluated to determine the need for clarification, definition, or modification to increase the effectiveness of each policy.

REVIEW OF CURRENT POLICIES

Each of the following policies are reviewed and analyzed to determine how the policies affect the State's aviation system and how the policy is serving or not serving its purpose:

- Arizona Revised Statutes Title 28 – Chapter 25 Aviation
- State Transportation Board Aviation Policies
- Five-Year Airport Capital Improvement Program (ACIP) Guidelines

Arizona Revised Statutes Title 28 – Chapter 25 Aviation

The current Arizona Revised Statutes (ARS) have been updated with the 48th Legislature, 1st Regular Session information and contain the version of the statutes effective January 1, 2008. The ARS are the laws established by Arizona; the current ARS has more than 49 titles including Title 28 which addresses transportation. Among other requirements, the statutes under Chapter 25 establish the guidance and requirements for the Aeronautics Division and the Director of Aviation to follow in order to encourage and advance the safe and orderly development of aviation in the state. The Director uses the statutes along with the STB policies to develop programs and procedures to fulfill the mandates and directs staff to implement and maintain the programs. **Figure 2-1** presents Chapter 25 and the articles it covers.

As shown, there are eight articles included in Chapter 25. These eight articles deal with issues ranging from the operation of the Aeronautics Division to aircraft operation, aircraft registration and taxation, aircraft dealers, airports, airport zoning and regulation, and joint powers airport authorities.

Figure 2-1: Arizona Revised Statutes, Title 28 - Chapter 25, Aviation

Article 1	General Provisions
28-8201	Definitions
28-8202	State aviation fund; report
28-8204	State owned airports; fees
28-8205	Construction of new airports; definitions
28-8206	Sovereignty
28-8207	Ownership
28-8208	Crimes, torts and other wrongs; governing law
28-8209	Legal relationships while in flight
Article 2	Aeronautics Division
28-8241	Aeronautics division; assistant director
28-8242	Powers and duties
28-8243	Abandoned aircraft; definition
28-8244	Hearing; appeal
Article 3	Aircraft Operation
28-8271	Federal license; violation
28-8272	Federal regulation; licensing and registration; violation
28-8273	Damage responsibility
28-8274	Aircraft collisions; liability
28-8275	Insurance coverage disclosure; civil penalty
28-8276	Violations; classification
28-8277	Low altitude flying prohibited
28-8278	Landing prohibition; liability
28-8279	Trick or acrobatic flying; low level flying; dropping objects
28-8280	Careless or reckless aircraft operation; classification
28-8281	Killing birds or animals; classification
28-8282	Prohibited operation; under the influence; incapacitation
28-8283	Implied consent; immunity
28-8284	Violation; classification
28-8285	Alcohol abuse screening session
28-8286	Alternative sentencing
28-8287	Second offense
28-8288	Third or subsequent offense
28-8289	Political subdivision; immunity
28-8290	Employment permitted
28-8291	Prior convictions allowed
28-8292	Waiver of fine, surcharge or assessment
Article 4	Aircraft Registration and Taxation
28-8321	Definition of resident
28-8322	Registration; exceptions
28-8323	Government and dealer aircraft registration; fees
28-8324	Registration; license tax; proration; fee
28-8325	Registration fee; certificate; decal; duplicate
28-8326	Aircraft dealers; registration application; penalty
28-8327	Exemption claim
28-8328	Failure to register; assessment procedure
28-8329	Late registration; penalty; abatement
28-8330	Lien
28-8331	Seized aircraft sale
28-8332	Registration; transfer or assignment

Figure 2-1 (continued): Arizona Revised Statutes, Title 28 - Chapter 25, Aviation

Article 4 (con't)	Aircraft Registration and Taxation
28-8334	Aircraft loss or destruction
28-8335	License tax; tax rate
28-8336	Nonresident; license tax rate
28-8337	Stored or repaired aircraft; license tax rate
28-8338	Salvage aircraft; license tax rate; definition
28-8339	Special aircraft; license tax rate; definitions
28-8340	Manufacturer's aircraft; definition
28-8341	Maintenance aircraft; license tax rate; definition
28-8342	Fair market value determination
28-8343	Aircraft total loss; violation; classification
28-8344	Aviation fuel tax; rate; definition
28-8345	Registration fees; penalties; taxes; distribution
28-8346	Filing by mail; date of filing
28-8347	Civil penalties
Article 5	Aircraft Dealers
28-8381	Definition of aircraft dealer
28-8382	License requirement; application; renewal; license tax; liability
28-8383	Aircraft dealer duties
28-8384	Bond or cash deposit
28-8385	Records
28-8386	Violation; classification
Article 6	Airports in General
28-8411	Authority of cities, towns and counties; limitation
28-8412	Airports; public purpose
28-8413	Acceptance by state, cities, towns or counties of federal or other aid
28-8414	City and town airport disposal
28-8415	Real property interests; airport purposes
28-8416	Private property acquisition; airport purposes
28-8417	Payment for real property; bonds
28-8418	Airport construction and operation; charge
28-8419	Airport rules, fees and charges; limitation
28-8420	Agreements; joint airport operations
28-8421	Joint exercise of powers
28-8422	Adjoining state monies for airports
28-8423	Airport land lease; nonprofit corporation
28-8424	Nonprofit corporation lessees; status; authority; exemptions
28-8425	Lease authority; airport or air terminal purposes
28-8426	Airport police; powers; qualifications
28-8427	Police aides
28-8428	Liability; airport police and aides
Article 7	Airport Zoning and Regulation
28-8461	Definitions
28-8462	Airport hazard; public nuisance; prevention and elimination
28-8463	Acquisition of facilities or nonconforming property; exception
28-8464	Political subdivisions; airport zoning regulations
28-8465	Joint airport zoning board
28-8466	Zoning regulations; relationships
28-8467	Airport zoning regulations; procedure; airport zoning commission
28-8468	Airport zoning regulations; criteria; limitations

Figure 2-1 (continued): Arizona Revised Statutes, Title 28 - Chapter 25, Aviation

Article 7 (con't)	Airport Zoning and Regulation
28-8469	Airport zoning regulations; administrative agency; duties
28-8470	Permit
28-8471	Variance
28-8472	Permit; variance; condition; hazard indicators
28-8473	Airport zoning regulations; board of adjustment; powers; proceedings
28-8474	Board of adjustment; appeals
28-8475	Appeals; superior court
28-8476	Violation; classification
28-8477	Remedies
28-8478	Resolutions; ordinances; vehicle operations in airports
28-8479	Regulation; limitation
28-8480	Military airport continuation; land acquisition
28-8481	Planning and zoning; military airport and ancillary military facility's operation compatibility; compliance review; penalty; definitions
28-8482	Incorporation of sound attenuation standards in building codes
28-8483	Registry of military airport flight operations; public inspection
28-8484	Military airport disclosure; residential property
28-8485	Airport influence areas; notice
28-8486	Public airport disclosure; definitions
Article 8	Joint Powers Airport Authority
28-8521	Joint powers airport authority; agreement; board of directors
28-8522	Joint powers airport authority classification
28-8523	Annual operating budget
28-8524	Allocation of monies; sources; public hearing; reuse, development and capital improvement plans
28-8525	Joint powers airport authority; withdrawal
28-8526	Joint powers airport authority; admission
28-8527	Joint powers airport authority; powers
28-8529	Financing authority
28-8530	Revenue bonds; fees and charges
28-8531	Refunding bonds
28-8532	Bond terms
28-8533	Bond validity
28-8534	Bonds; legal investments
28-8535	Federal income tax considerations
28-8536	Bond proceeds; application

Source: Arizona State Legislature

As stated in ARS 28-8242 *Powers and Duties*, the Aeronautics Division “shall cooperate with all state, local and federal organizations to encourage and advance the safe and orderly development of aviation in this state.” This parallels the Arizona State Transportation Board Aviation Policies and the Five-Year Airport Capital Improvement Program Guidelines. In addition, it recommends the division “accept, in the name of this state, federal monies made available for the advancement of aviation” and deposit these monies in the state aviation fund, which is supported by the ACIP and the associated FAA grants. It also permits the department to loan monies from the state aviation fund to the operating entity for a public airport.

ARS 28-8242 also says the Director will “adopt rules to promote public safety and the best interests of aviation in this state.” This includes contracting for the operation of state-owned airports and obtaining air search and rescue services. The Director is also supposed to work with local authorities to plan, build and develop airports, airport terminals and other related navigational facilities. Finally, the Director is directed to operate and maintain the Grand Canyon National Park Airport.

Other articles and statutes within Title 28, Chapter 25 Aviation are applicable to aircraft and airport operators, and several focus specifically on Grand Canyon National Park Airport. As noted in the previous task, the Division of Aeronautics performs many functions that contribute to the public safety and best interests of aviation and the statutes support these functions.

A review of the effectiveness and appropriateness of this policy will be conducted in a subsequent task. An example of this evaluation analysis may be the provision in Title 28, Chapter 25 Aviation directing the Division of Aeronautics to operate and maintain the Grand Canyon National Park Airport. Does this directive “promote public safety” and is it in the “best interests of aviation in this state”? Could another entity operate and maintain the airport to established state standards more efficiently and cost-effectively? Another statutory directive that will be reviewed for effectiveness and appropriateness is the state contract for search and rescue. Aspects of these policies will be evaluated and determined if the need for clarification, definition, or modification would increase the effectiveness of each policy.

Arizona State Transportation Board Aviation Policies

While the ARS establish the laws that govern the state, Arizona’s State Transportation Board is responsible for developing rules to administer the ARS and create statewide transportation policies. There are six State Transportation Board policies applicable to the State Airports System, which were adopted as current policy on October 18, 2002 (Fiscal Year 2003). The purpose of the policies is to maximize funding resources and advance the safe and orderly development of the airport system. The intended purpose is to update STB policies on a regular basis to address specific issues facing ADOT and aviation that are within the statutory authority of the division.

Prior to describing the specific policies, the Fiscal Year 2003 STB Aviation Policies presents a definition of the State Aviation System. This definition is important as it describes the division of airports into two systems for planning and administrative purposes. It also describes airport categories within the two systems. As the 2008 SASP progresses, any changes to the airport system and airport category definitions will require changes to the STB Aviation Policies.

The six current policies are described below:

- 1. Loan Program:** A program created by the State Transportation Board using available cash balance funds in the State Aviation Fund. Dollars are loaned to eligible system airports for revenue generating and airport economic development projects that are ineligible under state and federal grant programs. In addition, the loan program provides eligible airports with a means to borrow matching funds for federal grants.

For an airport to be considered eligible, five basic conditions must be met: it is an eligible agency with an eligible project; has statewide interest; has financial need and the project is considered feasible. An eligible agency is a town, city, county, airport authority or other political subdivision of the State, which owns, operates or controls an airport, open to the public on a nondiscriminatory basis. Eligible projects are ones that are not eligible for funding under other programs and are designed to improve airport self-sufficiency. The project has statewide interest if it contains factors such as protecting airport facilities from damage, enhancing air safety, protecting natural resources from loss or waste, improving air service, maintaining the state-wide system, etc. Financial need is determined if an agency applying for an airport assistance loan demonstrates that it has attempted to obtain funds on reasonable terms from other sources. Finally, the agency must demonstrate that the proposed project meets certain conditions of engineering feasibility, economic justification and financial feasibility. A project feasibility report must accompany the application for a loan and must contain sufficient information to justify the project.

This loan program appears to serve its purpose of maximizing federal funding by providing eligible airport sponsors with loans for the local matching share and also supporting revenue generating projects to provide airport sponsors additional opportunities to be more financially self sufficient and have the ability to pay the local share of grants that would otherwise not be available. This policy supports ADOT's mission to "encourage and advance the safe...development of aviation" in Arizona. It will be evaluated in a subsequent task and determined if clarification or a modification would increase its effectiveness.

- 2. Airport Pavement Management Program (APMP):** Public Law 103-305 requires that airports requesting Federal Airport Improvement Program (AIP) funding for pavement rehabilitation or reconstruction have an effective pavement maintenance management system. The Aeronautics Division has completed and is maintaining an Airport Pavement Management System (APMS) which, coupled with monthly pavement evaluations by the airport sponsors, fulfills this requirement. The APMS consists of visual inspections of all airport pavements and uses the Army Corps of Engineers' "Micropaver" program as a basis for generating a Five-Year Airport Pavement Preservation Program (APPP). The program generates a pavement condition index (PCI) of all eligible system airports. Airports that are eligible include all public-use airports in Arizona. The APMP also recommends projects, in priority order, for pavement preservation work.

The APMP is a program that helps preserve airport infrastructure, protects the initial investment used to fund critical aircraft pavement projects and extends to the maximum amount the useful life of the airport system's pavement. This policy supports ADOT's mission to "encourage and advance the safe...development of aviation" in Arizona. In addition, this policy satisfies Arizona Revised Statute (ARS) 28-504 Transportation System Performance Measures; Data Collection and Reporting; Methodologies by

supporting the need for “system preservation and maintenance”. This program will be evaluated to determine if additional clarification or a modification to the policy would increase its effectiveness of achieving the state’s goals.

3. **Planning Guidelines:** Guidelines were established by the State Transportation Board in order for the Aeronautics Division to accurately assess the limitations and deficiencies of airports in the state’s primary and secondary airport systems. These guidelines apply to airports in the primary and secondary system and are evaluated periodically to determine the estimated statewide capital improvement costs required to bring the airports into compliance with the planning guidelines.

The planning guidelines provide the Aeronautics Division with definitive criteria to steer airports toward developing capital improvement programs that achieve these minimum standards/safety improvement goals. This policy clearly encourages and advances the safe and orderly development of airports in the state. In addition, this policy satisfies ARS 28-503 Performance Based Planning and Programming by supporting the need “to monitor and evaluate the performance outcomes of transportation planning and programming decisions”.

This program will be evaluated to determine if additional clarification or a modification to the policy would increase its effectiveness of encouraging and advancing “the safe and orderly development of aviation in this state”.

4. **Priority Rating System:** A rating system utilized to numerically score individual airport development projects requested by system eligible airports. This numerical rating system is designed to assist the Aeronautics Division in recommending the allocation of funds to the highest priority airport development projects within the statewide airport system.

The purpose of the Priority Rating System is to objectively evaluate projects based upon the airport’s activity level and the type of project being proposed. This system provides the Aeronautics Division with objective measurements of various factors, including the importance of the proposed project to the airport, the importance of the airport to the people of Arizona, and the considerations specified in A.R.S. 28-6951. The priority rating formula is intended to provide systematic information to guide decision-making for the limited funding resources available annually.

Criteria for rating projects in the Five-Year Airport Development Program are based on whether the airport is classified as a Primary or a Secondary Airport. The Primary Airport System includes all public use airports in Arizona categorized as:

- Commercial Service, Reliever and/or General Aviation Airports.
- Airports that have 10 or more based aircraft, or
- Airports with 2,000 or more annual aircraft operations, or
- Airports projected to meet any of the above criteria within 10 years.

The airports in the Secondary Airport System are the State’s public use airports/heliports that do not qualify for inclusion in the Primary Airport System.

Proposed changes and projects must be included in the approved airport layout plan prior to consideration for possible funding.

This policy supports the Division’s mission statement to encourage and advance the safe and orderly development of airports in the state and ASR 28-505: *Transportation system performance factors; weights* by demonstrating how the “system is moving people, goods and services in relation to the cost”. This policy will be evaluated in a subsequent task and determined if a clarification or modification would increase its effectiveness and benefit state aviation better.

- 5. Resource Allocation:** Guidelines established by the State Transportation Board to allocate State Aviation Fund dollars in an equitable, efficient and effective manner and utilized by the Aeronautics Division in the development of the annual 5-year Airport Development Program.

The construction and development of airports in Arizona are accomplished through a variety of funding efforts involving federal, state and local governments. The state program is a separately established program that derives funds from taxes on aviation goods and services. Flight property taxes, aircraft lieu tax, registration fees and aviation fuel tax are the primary sources of revenue for the State Aviation Fund, All public use airports/heliports sponsored by a political subdivision of the state are eligible to participate in the Airport Development Grant Program.

The allocation formulas are designed to provide the largest dollars to the airports with the largest amount of aviation activity (passenger enplanements, based aircraft and operations) while ensuring that all eligible airports will have an opportunity to participate in the annual allocation of state aviation funds. The allocation percentages are based upon the percentage of based aircraft and annual operations at the commercial service and reliever airports compared with based aircraft and annual operations levels at other airports. These funding resources are allocated in the following approximate percentages:

- Commercial Service and Reliever Airports - 80%
- Other Primary Airports - 18%
- Secondary Airports - 2%

This policy supports aeronautics’ mission statement to encourage and advance the development of airports in the state and ASR 28-504 *Transportation system performance measures; data collection and reporting; methodologies* through “identify the appropriate units of measurement and the processes for determining and reporting the performance measures.” This program will be evaluated to determine if additional clarification or a modification to the policy would increase its effectiveness of encouraging and advancing “the safe and orderly development of aviation in this state”.

- 6. Small Community Air Service Pilot Program:** This pilot program is funded through a grant-in-aid from the STB to supplement a related federal grant from the USDOT. It is designed to help smaller communities enhance their air service through public-private partnership projects. Funding to support this program is obtained from the Arizona Department of Transportation funds collected pursuant to A.R.S. 35-146 and 147 and placed in a special account to be established by the Department of Transportation. The Aviation Investment and Reform Act for the 21st Century (AIR-21) gives priority to those communities where: (1) average air fares are higher than the air fares for all communities; (2) a portion of the cost of the project is provided from local, non-airport revenue sources; (3) a public-private partnership has or will be established to facilitate

air carrier service to the public; (4) improved service will bring material benefits to a broad section of the traveling public.

This policy encourages state, local and federal organizations to cooperate and advance the development of aviation and air service in the state. However, the effectiveness and appropriateness of this policy and its elements will be reviewed in part by comparing what other states are doing and identifying the benefits and any unintended consequences.

Five-Year Airport Capital Improvement Program Guidelines

With the STB Aviation Policies in place, the ADOT Aeronautics Five-Year Airport Capital Improvement Program (ACIP) Guidelines are developed to ensure the policies are implemented through project planning. The purpose of the ADOT Aeronautics Five-Year ACIP is to maximize the effective use of state dollars for airport development, while maximizing FAA funding for Arizona airports. ADOT Aeronautics develops the five-year ACIP program and it is reviewed and approved annually by the State Transportation Board in conjunction with the STB Aviation Policies.

The ACIP allocates funds for eligible projects from the State Aviation Fund and distributes these funds across three major funding categories: the Airport Development Grants Program; Airport Loan Program; and the Airport Preventive Maintenance Services.

Currently, the Airport Development Grants Program requires the local sponsor to provide a matching share of five percent on federal/state/local projects. However, the sponsor can request a matching grant from the state and both the sponsor and the state will provide 2.5 percent share of the total grant. On state/local projects, the airport sponsor must provide 10 percent of the funds. Even with a matching share of only 2.5 to 10 percent, many smaller communities find it difficult to meet this requirement, given the size and extent of the projects necessary to adequately address the needs of their local airport. Thus the Airport Loan Program was developed to help airports become more financially self-sufficient and generate revenue to help pay the local share.

The Airport Loan Program was created to help airports become more financially self-sufficient through low-interest loans for projects that are not eligible for grant assistance.

The Aeronautics Division has developed an Airport Pavement Management System that includes all paved airports in the Primary and Secondary airport systems. A set-aside for the Pavement Maintenance Program is calculated annually based upon the system project costs needed to fund identified projects, approximately \$3 million annually.

The Five-Year Airport Capital Improvement Program serves its stated purpose of maximizing the effective use of funding based on the three successful, stable funding programs ADOT Aeronautics administers. The nearly 1000 airport improvement projects submitted annually to ADOT have helped advance the safe and orderly development of the airport system in Arizona.

IMPACT OF POLICIES

The current ARS, STB, and Five-Year ACIP policies and guidelines have been in place over many years. Each of these policies has had varying levels of impact on the development of

Arizona's aviation system. Specific impacts of the three groups of policies are discussed below.

ARS – Title 28, Chapter 25

The Title 28, Chapter 25 of the ARS sets forth specific statutes or laws regarding all matters related to aviation. Many of these do not impact the operation or activities of the Aeronautics Division or the airports specifically, but instead focus on issues such as general provisions, aircraft operation and aircraft dealers. These articles within the chapter will continue to be modified as necessary to meet safety and regulatory needs. A few of the statutes that have the most significant impact on Arizona's aviation system, as relevant to this study, are as follows:

Article 1, 28-8202, State aviation fund; report

This statute provides for the establishment and administration of the State Aviation Fund. The creation of this statute was critical to the funding now in place to assist with the development of Arizona's airports. The fund is comprised of money from aviation fuel taxes or motor vehicle fuel taxes, monies from the sale of abandoned or seized aircraft, flight property tax revenue, registration fees, license taxes, and penalties, monies from the operation of airports (Grand Canyon National Park), and monies earned from investment of the fund. This statute allows for administering monies that are appropriated from the legislature out of the fund, as approved by the STB. The STB is directed to distribute the monies according to the needs to publicly owned and operated airports. The statute indicates that no more than 10 percent of the total aviation fund may be awarded to any one airport in any fiscal year.

The State Aviation Fund has enjoyed significant growth as Arizona's aviation environment has expanded. With additional airlines generating flight property tax revenue, pilots purchasing additional fuel due to growth in population, and increased registration fees from higher numbers of registered aircraft, the State Aviation Fund had nearly \$30 million dollars at the start of Fiscal Year 2007. This growth in the fund provides an opportunity for more investment in Arizona's aviation system, even though the cost of projects has increased substantially with the economic environment of 2008.

The limitation of an annual award of no more than 10 percent of the total fund has meant that more airports have been provided with grants, as opposed to large grants being awarded to single airports. For some airports seeking projects that exceed this amount, they must obtain funding from other sources to ensure completion of these projects.

The deposit of funding from the operation of the Grand Canyon National Park Airport has meant that the money generated by the airport is not necessarily available for its use for maintenance and development. This airport is the only one in the state operated by ADOT and funded strictly through the State Aviation Fund. *Article 28-8204, State owned airports; fees* sets the framework for the types of fees that can be charged at the airport. While not noted, because of the inclusion of this airport's funding in the State Aviation Fund, it is also subject to the appropriations and other regulatory processes associated with state government.

Article 1, 28-8205, Construction of new airports; definitions

This statute identifies limitations associated with developing new airports. It notes that “new airports within the boundaries of an urbanized area or within 24 statute miles of the exterior boundary of an urbanized area” shall not be constructed without approval of the STB. This statute would impact the development of new airports in the state, but would not prevent such development.

There are currently no policing mechanisms in place to locate and identify new airports being developed within 24 statute miles of the exterior boundary of an urbanized area. Also, there are no penalties imposed on the developer of such an airport if that airport was not approved by the STB.

Article 6, 28-8413, Acceptance by state, cities, towns or counties of federal or other aid

This statute allows the state or a county, city or town to accept federal and other monies for airport improvement. It also allows that ADOT can be designated as the agent to accept and receive federal monies. This statute would allow ADOT to consider participation in the Federal Aviation Administration’s (FAA’s) Block Grant or Channeling programs if so desired or warranted. While not currently used in this manner, this statute will be revisited subsequently as the system is analyzed and recommendations are developed.

Article 7, 28-8485, Airport influence areas; notice

This statute provides for the option of the state or the governing body of a political subdivision to establish an airport influence area. The statute identifies property in the vicinity of the airport “that is currently exposed to aircraft noise and overflight and that either has a day-night average sound level of 65 decibels or higher or is within such geographical distance from an existing runway that exposes the area to aircraft noise and overflights as determined by the airport owner or operator” as potentially included in the airport influence area. After notification and conducting a hearing, the political entity that has established an airport influence area must file a record of the area in the office of the county recorder in each county that contains property in the airport influence area. As part of the record, owners or potential purchasers of property in the airport influence area will receive notification that property in the area is currently subject to aircraft noise and aircraft overflights.

This statute provides a means for airports to educate those in their environs of the potential noise and overflight issues associated with airports. There are separate statutes that address military airports and their disclosure and these have been widely implemented. While many airports may have airport influence areas, less than 30 have taken the next step in implementing public disclosure through the Arizona Department of Real Estate (DOR). *Article 7, 28-8486. Public airport disclosure; definitions* denotes that the DOR “shall have and make available to the public on request a map showing the exterior boundaries of each territory in the vicinity of a public airport.” The DOR is to work with each public airport and affected local government “as necessary to develop a map that is visually useful in determining whether property is located in or outside of a territory in the vicinity of a public airport.”

While these two statutes provide for some airport zoning and regulation, there are no requirements and no penalties for not implementing airport influence areas or public airport

disclosure. Because of this, encroachment is worsening around airports, limiting expansion potential and creating additional impacted areas.

Arizona STB Aviation Policies

The STB Aviation Policies are updated regularly to reflect current aviation needs and changes in the aviation environment. Through the SASP, an update of the STB Aviation Policies will be proposed to reflect changes recommended as part of the plan. While changes to all policies may not be proposed, the impact of the policies on the state aviation system and its future will be considered throughout the study's process.

As the 2008 SASP progresses, any changes to the airport system and airport category definitions will require changes to the STB Aviation Policies. Other potential impacts for the six current policies are outlined below:

- 1. Loan Program:** The current Loan Program is limited to certain airports and projects designed to generate revenue, improve economic development, and provide a match for grants. The eligibility of airports and projects will be considered in subsequent elements of the study once the analysis has determined where Arizona's airports are in need of improvement.
- 2. Airport Pavement Management Program (APMP):** While not part of the SASP, the APMP serves to preserve airport infrastructure investment by extending the useful life of pavements. Through review of the PCI for Arizona's airports and how the PCI has changed with the implementation of a long-standing APMP, the SASP will provide information that can be used to determine if changes to the APMP would enhance the state aviation system.
- 3. Planning Guidelines:** The current STB policies contain guidelines related to the development of airports within the primary and secondary airport systems. If the SASP determines that different airport categories will be established, these planning guidelines will require modification to be consistent with the SASP's recommendations. As part of the SASP, updated estimates of statewide capital improvement costs required to bring the airports into compliance with the new planning guidelines will be prepared.
- 4. Priority Rating System:** Use of the current rating system has impacted Arizona's development of the state aviation system through the priorities established in the system. The factors used in the rating system as well as the high priority placed on certain types of projects have resulted in some projects being funded and others still remaining on the list of needs. Based on the analysis of the state's future aviation needs as determined during the SASP, it is possible that changes to the rating system will be proposed. It is important that any proposed changes to the rating system continue to provide ADOT with an objective and sustainable process for selecting projects that improve the state aviation system's performance.
- 5. Resource Allocation:** The allocation formulas currently in place have resulted in the most significant development focused on commercial service and reliever airports (who are allocated 80% of the funding), while other primary and secondary airports receive approximately 20% of the funding. These allocation guidelines allow for participation by all eligible airports but more funding at larger airports. The eligibility of airports, allocation formulas, and factors used to allocate will be considered as part of the SASP.

6. **Small Community Air Service Pilot Program:** This STB policy was created to address air service throughout Arizona and to maximize funding that may be provided through the USDOT. Based on grants that were provided by the USDOT to several of Arizona’s smaller commercial service airports, this policy allowed for matching funds to be dedicated to air service improvement. The continued importance and need for this policy will be evaluated as the other policies are considered.

Five-Year ACIP Guidelines

The Five-Year ACIP allocates funds for eligible projects from the State Aviation Fund and distributes these funds across three major funding categories: the Airport Development Grants Program; Airport Loan Program; and the Airport Preventive Maintenance Services. The guidelines used to distribute the funds in each of these categories have resulted in Arizona’s current aviation system development. Once the system has been analyzed, a review of how the Five-Year ACIP Guidelines can be modified to address the performance of the system will be performed. Modifications will be proposed that promote improvement in the areas of the system most in need to promote a balanced, integrated system of airports to serve Arizona’s aviation needs.

SUMMARY

This task has identified the existing policies impacting Arizona’s aviation environment. These existing policies have been implemented over time, and will continue to see changes. A subsequent task analyzes the effectiveness of these policies based on the evaluation of the system’s performance. Changes to the existing policies will be considered after the evaluation of the system.