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# THE FINANCIAL PROBLEMS OF THE MUNICIPAL AIRPORT\*

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## THE PROBLEM OF AIRPORT DEVELOPMENT

The financial problem of the municipal airport is today the most serious airport problem which cities operating airports have to face. Since most of the airports which are used by commercial planes and which are located on federal airways are municipal airports, this financial problem of municipal airports will probably place a limitation on the size and performance of the airplanes of the future; for airplanes cannot operate safely unless terminal facilities are available which are adequate in size, safe with respect to landing area, and located at not too great distance apart. It is therefore very likely that the size and speed of the transport plane of tomorrow will depend on the size and standard of the municipal airport of tomorrow, and that the municipal airport situation will be an important factor in retarding or accelerating the growth of commercial aviation. Today the airplane itself has reached a standard of development which is far ahead of the standard of development of the airports at which these planes must land.

The municipal airports which cities have built in all parts of the country represent the investment of a huge amount of money, according to one authority, the sum of \$400,000,000.00. Cities are still spending large amounts of money on their airports. Into the planning and development of these airports has gone the best talent, the best engineering ability and the best construction which cities have had to offer. Many cities have made their airport a sort of monument to commercial aviation and the citizens of those communities are very proud of their airport. In many cities the municipal airport ranks as one of the most expensive, single public improvements which the city has built. Cities built their airports as well as they knew and as well as they could foresee the future growth of aviation. In planning and constructing their airports

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they were guided by standards set up by the Federal Government.

During the period of the greatest airport development, an airport one-half mile square, having an area of 160 acres, with landing strips twenty-five hundred feet long could qualify for the highest rating of the Department of Commerce. No one could then predict the future development of the airplane but at that time there were many who felt that the landing areas of the future would be smaller instead of larger.

However, quite the contrary is true. Instead of transport planes being able to land on landing strips twenty-five hundred feet long, the transport operators today are asking for landing strips three thousand to thirty-five hundred feet long and we are told that the kind of plane which will be in the air within the next few years may require landing strips more than thirty-five hundred feet long. Where airports which had an area of 160 acres were large enough five years ago, there must now be provided about five hundred acres for the new large transport planes.

Many cities which bought and developed airport sites one-half mile square, airports which then qualified for the A-1-A rating, today find that their airport is too small and the improvements which they made are inadequate to meet the aviation needs of the immediate future. Some cities are confronted with the problem of abandoning their present airport with all of its improvements and acquiring a new site and improving it. Many other cities are finding it necessary to make large expenditures for new improvements on their airports if they are to serve as landing places for the new transport planes.

The realization that has come to many cities that their airports are not qualified to meet the new demands of aviation is a sad blow to the citizens of those cities who only a few years ago voted large bond issues for the development of a modern airport. Many municipal airports were financed by bond funds and many of those bonds are still outstanding. There are a number of such cities which cannot now issue additional bonds for airport improvements because of statutory limitations, and even if they could, the taxpayers of those cities would not approve the issuance of additional bonds for airport purposes.

The burden falls especially hard on the smaller cities and on those cities which have but limited resources. Many such cities feel that they cannot spend any more money for airport improvements, yet they are confronted with the situation that unless they do make these needed improvements they will lose the benefits of

their present investment. They know that their city will be passed up by future transport schedules unless the required improvements are made.

So the principal financial problem which cities owning municipal airports are facing today is the problem of financing additional airport improvements so their airports can qualify as landing places for advancing aviation.

But let us consider whether or not it should be entirely the obligation of a city to pay the whole cost of airport development and operation, and let us consider the purposes for which the transport planes which land on municipal airports are being used.

The outstanding use of the large transport planes is for carrying the mail, and we all know that it is not possible for an air transport line to pay expenses unless it has a mail contract. Should it be the entire obligation of the local community to pay the whole cost of providing a terminal facility for the use of mail planes? Is not part of the responsibility of financing such terminal facilities a national obligation, especially when it is the mail-carrying planes which make it necessary to build hard surfaced runways and other expensive improvements?

Municipal airports are a great asset to the national defense, but the new heavy type of army plane cannot land on many of our municipal airports. In a recent article in the *New York Times*, Major General Oscar Westover, Chief of the Army Air Corps, wrote:

"The principal basis for defense against air attack is the network of civil airports extending into all the strategic areas of the continental U. S. It is fortunately situated in possessing, in most areas, an adequate number of civil airports for the purpose of defense."

Inasmuch as the municipal airports are so necessary to the national defense, should not the responsibility for developing those airports which have strategic military value be partly a national responsibility?

Transport planes which use municipal airports are carrying passengers from every part of the country. Is not it therefore a national responsibility to share the expense of financing airport improvements which are used by the flying public who do not live in any one locality but who represent the nation at large?

So because municipal airports are largely used by the flying public, because they are terminal facilities for handling the United States mails, because they are so necessary to the national defense

and because they serve interstate commerce it would seem that it should be the responsibility of the Federal Government to assist in financing airport improvements, where airports are located on federal airways and especially where cities have reached their limit in providing airport terminal facilities.

There are a number of precedents for such a policy, as for example, the appropriations by the Federal Government to the development of the rivers and harbors and appropriations to Federal Aid Highways. Other new modes of public transportation have had substantial help from the federal government in the past.

The Federal Works and Federal Relief program have rendered splendid service to airport development projects but the present WPA program is not adapted to making such improvements as hard surfaced runways where a minimum expenditure is for material and a minimum expenditure is for labor.

#### THE PROBLEM OF AIRPORT MAINTENANCE

There is another financial problem which is becoming a serious one to municipal airports, and this problem involves the cost of maintenance and upkeep of municipal airports. At present there are few municipal airports which are self-sustaining and the cost of maintaining airports is increasing. Airports must be lighted at night if they are to be safe for landing. Airports serving the airlines must furnish the highest standard of public service for airline passengers. The matter of traffic control at airports is becoming a serious problem and this need will doubtless put an additional burden of expense on municipal airports.

Taxpayers of cities will not indefinitely approve of substantial annual tax levies to make up large deficits incurred by the operation of municipal airports.

Of course airports receive some income which partially offsets the cost of operation, such as payments for transport lines for landing privileges, payments for concessions, rentals, etc. But only in rare cases does this income equal even the cost of operating the airport let alone paying anything on depreciation, interest on outstanding bonds, etc.

One of the items of expense which airports are required to assume is the cost of providing departments of the Federal Government with office space and facilities for which the Government pays nothing. It would seem fair to expect the Federal Government "to pay its way" at municipal airports as other users

of the airport facilities pay for office space and the facilities which they use.

One of the heaviest expenditures at many airports is the cost of lighting. All airports on Federal Airways where there are night operations are required to maintain lights on all obstructions and they are required to also burn their boundary lights much of the night.

With respect to this heavy expense of lighting airports I would like to quote from the report of the Federal Aviation Commission, published in January, 1935:

"The Federal Government now lights . . . almost 19,000 miles of airways. . . . The provision of lights at airports appeals to us as presenting a perfectly valid analogy with the provision of harbor lights and buoys. . . . We are proposing that the Federal Government assume the responsibility for the installation cost of new lighting and for a part of the maintenance cost at any field . . . performing a function which justifies keeping it in condition for night use in the general interest." \* \* \*

". . . The cost of maintenance of such lighting equipment . . . should be shared by the Federal Government and the appropriate local agency."

In conclusion it may be stated that cities are disappointed in the benefits they expected would result from the development of an airport. Many of them question as to whether or not the benefits accruing to their cities by reason of their airport development is proportional to the cost of the development of their airport. They feel that cities have assumed a larger share of the expense of the construction and maintenance of terminal facilities for the Federal Airways than is fair and equitable. Many such cities feel that when they have financed the construction of an airport which is of suitable size and of a standard that will qualify for local and intra-state air traffic then they should have some help in financing additional improvements and construction if such are needed so the airport may qualify as a landing place for heavy mail planes, for army planes and for interstate traffic. The demands upon airports are constantly increasing with a proportional increase in the cost of maintenance.

A recent editorial from the Engineering News Record indicates the trend of thought in this respect. The first paragraph of this editorial is as follows:

"Hundreds of cities throughout the country are in a dilemma over their airports. Having spent large sums of their own money and, more recently, of federal relief-work money, they find that their airport facilities still are inadequate, prospectively if not actually. Two or three years hence, it is predicted, planes will weigh 20 tons instead of 10; they will take off faster;

they will land blind, on flatter angles; they will have wider wing spreads; they will come in and take off more often and with more passengers. But will they? And if they do, where is the money coming from to pay for these airports of the future? These are the horns of the dilemma which are prodding city officials and airway authorities alike, because it is recognized that most of our present airports are white elephants, providing no return on the investment and giving only mediocre service to the airplane."

The above editorial also represents the opinion of many city officials with respect to Municipal Airports.

Therefore as a means of meeting this condition the following suggestions are offered:

1. That financial assistance from the Federal Government be made available to cities operating airports located on Federal Airways for the development of such airports on a similar basis to Federal Aid to highways, river and harbor development, etc.
2. That Congress be urged to pass Bill H. R. 6972, introduced by Congressman Dingell of Michigan which is a bill to authorize the Federal Government to share with the various states, counties and municipalities, the cost of constructing and improving airports.
3. That the Federal Government pay for services rendered by airports and facilities it uses at airports on the same basis as other users.
4. That the Federal Government assume a portion of the expense of lighting municipal airports which are located on Federal Airways where such lighting is required for the general aviation interest.
5. That definite action be taken on the recommendation of the American Municipal Association asking for a determination of Federal and inter-state values of municipal airports and the determination of financial responsibility of the various beneficiaries of such airports to the end that the expense of the development and operation of municipal airports will be shared on a more equitable basis by those receiving the benefits from such airports.

Unless cities can soon obtain outside financial help toward the cost of constructing and maintaining municipal airports located on federal airways, we may expect that the development of airports will lag far behind the general development of aviation, which is sure to retard the progress of air transportation and the aviation industry in general.