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## **A P3 PAYOFF**

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DFW cashes in on the commercial development paycheck Page 18

**April 2014**

# INTRODUCING THE ALL-NEW TRANSIT CONNECT THE NUMBERS



## DON'T LIE



### 1

### 130.7 CU. FT. OF CARGO SPACE



### 2

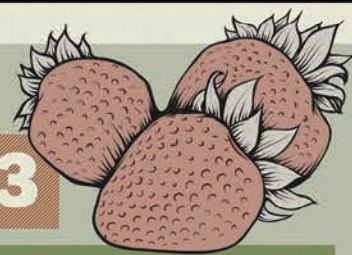
### TWO SLIDING DOORS

Let's say it takes about 13 steps to walk around a van. That's a 26-step round-trip when you're loading or unloading, which really adds up if your delivery requires multiple loads. Having a door on either side of the Transit Connect means you might not have to waste time and energy walking around the van to get your cargo in or out. And each of those doors opens **6 inches wider and 2½ inches higher\*** than the doors on the nearest competitor, making your goods even more accessible.

Maria has 32 plants that produce an average 15-lb. harvest 2 times a week. That makes 30 lbs. x 52 weeks = 1,560 lbs. of

Brussels sprouts a year. With an average sprout diameter of 2 in., she uses only 11.2 cu. ft. of her **best-in-class\* cargo space** on the sprouts, leaving 77 cu. ft. for string beans, 23.8 cu. ft. for tomatoes and 18.7 cu. ft. for her sweet corn, i.e., the things that people like.

### 3



### BEST-IN-CLASS EPA-ESTIMATED HIGHWAY RATING OF

# 30 MPG\*\*



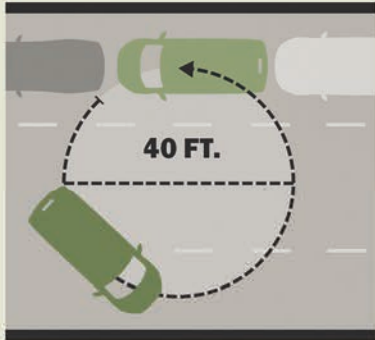
Optional features shown. \*Class is Small Cargo Vans. Transit Connect Van long-wheelbase model. \*\*Class is Small Cargo Vans. EPA-estimated rating of 22 city/30 hwy/25 combined mpg for Transit Connect Van with the available 1.6L EcoBoost® I-4 engine. Actual mileage will vary. †Driving while distracted can result in loss of vehicle control. Only use SYNC/MyFord Touch/other devices, even with voice commands, when it is safe to do so. Some features may be locked out while the vehicle is in gear. Not all features are compatible with all phones. ††SYNC Services varies by trim level and model year and may require a subscription. Traffic alerts and turn-by-turn directions available in select markets. Message and data rates may apply. Ford Motor Company reserves the right to change or discontinue this product service at any time without prior notification or incurring any future obligation.





## 4 40-FT.

### CURB-TO-CURB TURNING DIAMETER



Let's say there are 13,270 cabs in her city. Plus 5,600 buses, 5,150 garbage trucks and 2,564,367 cars. Getting a van load of green peppers across town during rush hour is going to take some **nimble maneuvering.** That's where the Transit Connect really shines.



Running a business isn't easy, especially when your product has a limited shelf life. That's why Transit Connect offers maneuverability, **best-in-class EPA-estimated highway fuel economy,\*\*** and plenty of other smart features designed to help you get the job done and bring home the bacon.

## 5 HANDS-FREE

### COMMUNICATION

About 9 times out of 10, the customers who wanted 3 lbs. of peas and corn change their minds and want 4 lbs. of beans. Obviously, the **hands-free calling** that the available SYNC® with MyFord Touch®† offers is handy, and helps keep your digits on the wheel. When you're trying to get from the customer at 2435 Edgewood to the one at 3512 53rd Street, the voice-activated directions and 411 Business Search that come with **SYNC Services††** are nice little numbers to have, as well.



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bring folks together to facilitate industry change

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## INSIDETHEFENCE

Ronnie L. Garrett  
Editor



# Robbing Peter to Pay Paul?

**E**ver hear someone say, "We're robbing Peter to pay Paul?" When it comes to the 2015 Obama Administration budget the meaning behind this old saying becomes crystal clear.

In a win for airports nationwide, the budget proposal calls for raising the cap on the Passenger Facility Charge (PFC) from \$4.50 to \$8, a move that will give airports more buying power when raising funds for capital improvement projects.

But this increase will come at a price—in exchange for reduced entitlement grants. The goal being the supposed elimination of "double dipping" by airports, who receive both AIP funds and PFCs to pay for their improvement projects. The proposed budget trims the federal grants available to airports through the Airport Improvement Program (AIP) by \$450 million.

It is great news that the Obama Administration plans to support a PFC cap increase, but it also needs to continue its support of the AIP, a needed program that traditionally helps small- to mid-size airports enhance airport safety, capacity and security as well as address environmental concerns. Smaller airports, which bring in less revenue and have fewer revenue-generating activities on site, rely on these funds to help meet FAA standards; make airfield improvements to both pavement and lighting systems; increase airfield capacity; and modify, replace and construct terminal buildings to accommodate

additional passengers, larger aircraft and new security requirements.

As the federal government moves to rob Peter to pay Paul, it's critically important that all airports—no matter their size—begin looking under every rock and in every nook and cranny for potential revenue sources. There's an estimated \$71.3 billion in needed infrastructure improvements looming in the years ahead, and airports will need to pay for these updates somehow.

This issue *Airport Business*' takes an in-depth look at the many ways airports are boosting their non-aeronautical revenues. From FBOs to general aviation facilities to commercial airports, all are taking a creative approach to increase revenue in uncertain times—an approach that will likely become a necessity rather than a luxury in the years to come.

Take a look inside and learn how DFW continues to boost its commercial development revenue, while seeing how general aviation airports are getting creative in the use of their lands in the name of making money, and finding out how one FBO focuses its efforts on a payoff in film-making.

Then take a hard look at your airport and your opportunities. Chances are there are more than a few money-making opportunities in your neck of the woods too!



## 2015 BUDGET WOULD DOUBLE PFC CAP

If passed, the Obama Administration's Fiscal Year 2015 budget proposal will raise the cap on the Passenger Facility Charge (PFC) from \$4.50 to \$8. Airports collect this fee for every boarded passenger, but

the PFC cap hasn't been adjusted since 2000, creating a deficit in airport spending power. "With federal investment in our nation's airport system declining and facing

further constraints, airports desperately need additional tools locally to meet current requirements and to prepare for future demand," says AAAE President and CEO Todd Hauptli. "Unfortunately local airport authorities remain hamstrung by a federal cap on local airport user fees that was last adjusted more than 14 years ago and that remains woefully inadequate to meet the very real and growing needs that exist at airports across the country."



# Leaders Lead

*Seriously, aviation!*

I have had an opportunity to work in some pretty cool industries over the span of a 25-year magazine/media career. I rode the rails in the railroad/intermodal industry then hit the water while working on boating magazines in the '80s and '90s. In the 1990s, I launched my own publishing business in Southern California before moving to the coatings industry. I was then approached by an association to build a new magazine and in this role I created and ran a magazine, handled trade show sales, and operated a live summit event. After this incredible ride, I now get to take to the skies and run the Aviation Group at Cygnus Business Media!

Leadership is the one commonality I've found within all the industries I have been a part of. At the core of every successful organization be it a publishing company, a railroad, a

boating manufacturer, an airport or an aviation MRO—is strong leadership that propels the operation toward a common goal.

The phrase “leaders lead” knows no boundaries. But while it's true that good leaders step up and take charge, great leaders look closely at their teams and rely on each and every member for their organizations' success. What I found refreshing at my first aviation event, the Airport Planning, Design and Construction Symposium put on by Airport Consultants Council (ACC) and American Association of Airport Executives (AAAE) in Denver, is while airport leaders were the ones in attendance describing their airport projects, these leaders used words like teamwork and collaborative effort in their presentations. Time after time, we heard they couldn't have done these projects without their teams.

Over my career, I have learned that the most successful leaders in any industry typically have a strong support structure in place and utilize every member of their teams to their fullest potential.

How do you do this?

- **Serve as an inspiration.** Paint a vision for the future that others want to be a part of.
- **Support your team.** Promote a safe environment for them to speak up, take risks, and make decisions.
- **Engage team members in all that you do.** Offer challenges and seek out their ideas and contributions.
- **Recognize team members for a job well done.** Don't keep the accolades to yourself. Praise your team and give them recognition for the work that they do.

The Cygnus Aviation Group has at its core an incredible team; a team ready to help you lead your teams to an incredible future. *Airport Business* is part of this group and we plan to use the benefits of our incredible multimedia capabilities to help you lead your teams to successful outcomes. Our staple of aviation magazines, which also includes *Ground Support Worldwide* and *Aircraft Maintenance Technology*, offer in-depth insight into the aviation market while our website, [www.AviationPros.com](http://www.AviationPros.com), is accessed by more than 200,000 visitors a month! If you are one of the few not using this incredible resource, visit [www.AviationPros.com](http://www.AviationPros.com) today and see what you are missing (make sure to sign up for the daily eNewsletters). Our industry-leading magazine and digital properties can help you lead your team.

Let's work together to drive innovation and success in a cooperative environment.

I welcome your feedback on what you would like to see within the pages of *Airport Business* or any of the Cygnus Aviation properties listed on this page. Let us help you lead your team to success!

C'mon Aboard!

Brett Ryden  
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## AviationPros LIVE 2014

AviationPros LIVE 2014 at the Sands Convention & Expo Center was an amazing two days of excitement and fun as there were more than 1,500 people in attendance, 118 incredible exhibitors, and some wonderful highlights to the event.

A Town Hall session, moderated by *Airport Business* Editor Ronnie Garrett and *Ground Support Worldwide* Editor Steve Smith, opened the event with industry insight from Rosemary Vassiliadis, director of aviation at the Clark County Department of Aviation; Tom Hendricks, president of the National Air Transportation Association (NATA); and Rick Angor, senior manager of GSE-Southwest Region for Southwest Airlines.

Over the two-day event, exhibitors attended FBO and Safety Sessions as part of a new partnership with NATA. Later the first day, the Ground Support Leaders of the Year awards bestowed a Lifetime Achievement award on the former Alan Janis of J&B Aviation, and exhibitors heard the entertaining thoughts and expressions of keynote speaker and *Airport Business*' columnist Ralph Hood.

The event closed with a chili cook-off and special performance by country music superstar Aaron Tippin, who, accompanied by band members Lee Bogan on guitar and Lendell Black on keyboard, thrilled attendees. Those at the performance



learned Tippin's passion for aviation went far beyond the performance. Tippin is an avid aviation enthusiast who is a certified pilot, licensed flight instructor, and aviation maintenance professional (AMP).

The event left everyone recharged and excited for the year ahead.

"AviationPros LIVE is the best show in our industry. It brings together the best customers and we've made some valuable contacts for our business. It's a great place to unveil new products to the right customers," says Brian Pietry, executive vice president of PAGE Industries.

"Our objective was to meet major GSE managers in the United States and Canada and we met that

118 exhibitors met with attendees on the AviationPros LIVE show floor.

A toast from former Las Vegas Mayor Oscar Goodman opened the two-day event.



objective at AviationPros LIVE," says Joe Frend, president of Frend-Therm. "We were introducing a new product and this was the right place to do that. We've made some great relationships that will grow into customers for life."

"AviationPros LIVE 2015 is already out of the gate and ready to be loaded, with nearly 50 percent of the show floor already booked and many top names returning," says Show Director Michael Sasso. "We will spend the months ahead looking toward the continued improvement of this event to ensure it is the highlight that allows exhibitors to build their business all year long."



Airport Business columnist Ralph Hood was the event's keynote speaker.

Country western singer Aaron Tippin, also a licensed aircraft mechanic, pilot and certified flight instructor, greeted attendees and exhibitors at the show.

A performance by Aaron Tippin closed out the event.



# INDUSTRY NEWS

## ABU DHABI AIRPORTS...

Reports a 15.6 percent year-on-year rise in passenger traffic during February 2014 at Abu Dhabi International Airport.

## ALBANY INTERNATIONAL AIRPORT...

Announces JetBlue will add daily service next year.

## ATLANTIC CITY INTERNATIONAL AIRPORT...

Welcomes the first United Airlines flight at the airport. The airline will run one round-trip flight from Houston and Chicago each day.

## AUGUSTA AIRPORT...

Revamps its online reservation system in preparation for the 78th annual Masters Golf Tournament.

## AURORA STATE AIRPORT...

Received clearance to build a traffic control tower over an area of the Willamette Valley.

## BOEING...

And Air Canada finalized a \$6.5 billion order for 61 737-MAX airplanes to lead the airline's single-aisle fleet renewal plan.

## CHARLESTON INTERNATIONAL AIRPORT...

Opens its new rental car pavilion in a 6,200-square-foot addition on the left side of the passenger building.

## DELTA AIR LINES'...

CFO Paul Jacobson reports that the carrier plans to turn Seattle, Wash., into a hub.

## DENVER INTERNATIONAL AIRPORT...

Reports February traffic reached a record high with 3,779,715 passengers traveling through.

## DESTIN AIRPORT...

Is being investigated by authorities for possible anti-trust issues over airport FBO ownership.

## DULLES INTERNATIONAL...

And Reagan National announced a roster of new restaurant vendors that includes local chains and chef-driven restaurants.

## FEDERAL AVIATION ADMINISTRATION...

Extends limits on flights at Newark Liberty, John F. Kennedy International and LaGuardia airports for at least another two years in a move intended to minimize delays.

## FORT MCMURRAY AIRPORT AUTHORITY...

Announces its new \$258-million terminal facility will include 15 food and beverage outlets.

## GENERAL MITCHELL INTERNATIONAL AIRPORT ...

Announces a \$9.2 million project that includes several safety-related improvements and planning updates at the Milwaukee airport.

## HARTSFIELD-JACKSON INTERNATIONAL AIRPORT...

Offers up to \$2 million in incentives to airlines that start new international routes from the Atlanta airport.

## HEATHROW AIRPORT ...

Begins search for a new chief executive as Colin Matthews steps down from his post.

## Fuel Watch

The following fuel prices were derived from transactions completed with the AVCARD credit card during February. Not all operations sell both jet-A and Avgas. The figures for jet fuel prices will be more representative than those for Avgas, due to the higher number of transactions recorded. Prices reflect all taxes and discounts. Data is supplied from AVCARD in consolidated format; individual transactions are not disclosed.

### West Coast

Jet-A: \$5.32

Avgas: \$5.82

### South Central

Jet-A: \$4.73

Avgas: \$5.58

### Southeast

Jet-A: \$5.05

Avgas: \$5.84

### North Central

Jet-A: \$5.09

Avgas: \$6.08

### Northeast

Jet-A: \$5.34

Avgas: \$6.03

## FBO Partners Seeks to Redefine Real Estate Proposition in FBO Operations Segment

FBO Partners LLC, a Seattle-based FBO consulting firm, announces the start of business operations. Founded by Douglas Wilson, an FBO industry veteran with more than 20 years experience, FBO Partners consults on real estate revenue optimization for FBOs, through an emphasis on professional hangar and office subleasing.

"For many FBOs, hangar leasing has been viewed—quite accurately for the most part—as an opportunity to create stable fuel sales for an FBO through its based tenants." To that end, he continues, "...the very process of leasing gets lost in the noise of the day-to-day operations of the FBO. By contrast to the competitive approach and business analytics FBOs associate with fuel sales, there simply isn't the same emphasis placed on leasing."

FBO Partners proposes an outsourced approach for the asset management function of hangar leasing, adding that benefits such as "better risk mitigation, increased revenue and greater situational awareness of an FBO's real estate holdings are more fully realized."

For more information visit [www.fbopartners.com](http://www.fbopartners.com).



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## LOS ANGELES INTERNATIONAL AIRPORT...

Is the scene of what officials believe is one of the largest baggage theft operations in the airport's history. At least 14 baggage handlers are suspected of stealing thousands of dollars in electronics, jewelry and other high-priced items.

## NORTHWEST FLORIDA REGIONAL AIRPORT AUTHORITY...

Halts plans for a \$17 million crosswind runway, citing financial constraints.

## SANTA MONICA CITY COUNCIL...

Approved plans to take control of the city-owned portion of Santa Monica Airport.

## SAN FRANCISCO INTERNATIONAL AIRPORT...

Will shut down two of its four runways for the entire summer to complete a federally mandated safety project.

## TAMPA INTERNATIONAL AIRPORT...

Recently completed a new 30-foot entrance sign with an LED light display and large "Spirit of Flight" airport logo.

## TRILLION AVIATION...

Hires Jeff Schulthess, formerly of Ricondo & Associates, to provide financial services to the company's U.S. and international clients.



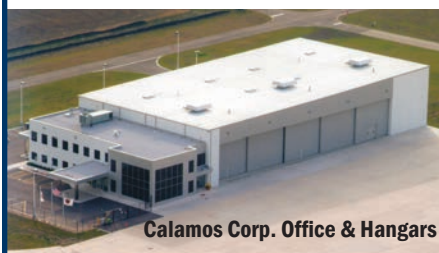
## Skytrax Names Top 10 Airports

The airport ranking agency Skytrax just released its annual list of top airports around the globe. Rounding out that list are:

1. Singapore Changi Airport
2. Incheon International Airport
3. Munich Airport
4. Hong Kong International Airport
5. Amsterdam Schipol Airport
6. Tokyo International Airport
7. Beijing Capital International Airport
8. Zurich Airport
9. Vancouver International Airport
10. London Heathrow Airport

None of the Top 10 airports were in the United States. In fact the only airport selected in North America was Vancouver International in British Columbia. The results fall closely in line with past years' reports that perennially give Singapore, Incheon (South Korea) and Hong Kong top honors.

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# A P3 PAYOFF

*Chattanooga Metropolitan Airport finds the three Cs of P3s—communication, collaboration and community—in a water quality project that benefits the entire city*

**W**hat does “yes” look like? Chattanooga City Councilwoman Carol Berz posed this question many times over the last five years as she pushed for the renaissance of Chattanooga’s Brainerd Road community.

For years, three vacant car dealerships rotted away along the roadway, near the Chattanooga Metropolitan Airport’s runway protection zone. The deteriorating buildings were a source of concern for local businesses, residents and city government officials, but commercial developers expressed little interest in purchasing the land and revitalizing the area.





*Chattanooga Metropolitan Airport purchased eight acres along Brainerd Road to control its runway protection zone.*

## WHAT IS A P3? **A PUBLIC**

Private Partnership, or P3, is a business relationship between a private-sector company and a government entity for the purpose of completing a project that will serve the public. P3s can be used to finance, build and operate projects such as public transportation networks, parks and convention centers. Financing a project through a public-private partnership can help complete it more quickly or make it a possibility in the first place.

— Source: [www.investopedia.com](http://www.investopedia.com)

Berz finally found an answer in a \$4.5 million improvement project, where a public-private partnership (P3) transformed the 8-acre, decaying urban landscape into a rolling field of prairie grass and native plantings sprinkled with public walkways.

"When the airport and the city came together, this project took life. That's when we learned what 'yes' looks like," says Pete Yakimowich, Arcadis' national discipline leader for green infrastructure.

The senior consultant for Arcadis, a U.S. firm that provides consultancy, design, engineering and management services worldwide, says the Jay Hollingsworth Speas Airport Award winning project is a keystone effort that is part of a larger venture to revitalize the Midtown Area, which he characterizes as a "diamond in the rough that's gotten a little tarnished over the years."

"This venture helped kick off that effort," he says. "It's a great demonstration project for future public-private partnerships."

### COMMUNICATION

"An airport is here to serve the community," says Terry Hart, president of the Chattanooga Metropolitan Airport Authority (CMAA). But serving the community is impossible without communication. Hart believes in regularly attending city meetings and networking with community members. Without these relationships, he believes the cooperative stormwater project may not have taken off.

The property along Brainerd Road, with its vacant Volvo, Infiniti and BMW dealerships, sorely needed some TLC. Initially the airport sought FAA funding to purchase the land, demolish the abandoned buildings and plant grass on the razed site. However, the goals expanded when

Hart learned of the city's plans for a water quality project in the same area.

Due to legacy problems with its National Pollutant Discharge Elimination System permit with the EPA, the City of Chattanooga had agreed to a supplemental environmental project in the Midtown Area, according to Don Green, Chattanooga's water quality supervisor. When the city sought stakeholder support for this effort, the CMAA stepped up. "We thought instead of just planting grass why not do something that would also help the city with stormwater," Hart says.

They partnered to tackle the area's flooding problem and stormwater challenges in a collaborative effort that has since become a National Water Quality Demonstration Project. The work

demonstrates how green infrastructure may be used to divert stormwater runoff and prevent it from entering a city's stormwater sewer system.

Yakimowich characterizes the project as a perfect storm. "You had the city needing a supplemental environmental project for compliance purposes; an airport looking to facilitate its long-range plans; and a community seeking to revitalize and reinvigorate the area," he says. "This truly was a team effort."

## COLLABORATION

All in, the project bolsters airport safety by extending the landlocked airport's runway protection

zone. An FAA grant covered all but 10 percent of the project's price tag, with the CMAA laying down the rest.

The airport paid \$3.69 million to purchase the property and spent more than \$670,000 razing the buildings. Workers salvaged, repurposed and reused construction waste. A machine crushed concrete on site, recyclers picked up usable metals and other materials, and crews stockpiled soil removed from the area for later use, netting an Tennessee Governor's Environmental Stewardship Award for Excellence in Sustainable Performances.

"The concrete buildings were rubbelized,"

says John Naylor, CMAA vice president of planning and development. "They are in the area's gravel pathways, and sitting underneath the airport's solar farm. It didn't get transported off-site and it didn't go into the landfill."

Arcadis developed the engineering plan and final design. "There are five land-based stormwater strategies designed into this project," says Patty West, a landscape architect with Andropogon Associates Ltd., a landscape architecture and ecological design firm. These strategies included removing impervious surfaces (the buildings and pavement); re-grading the land to mimic natural topography and slowly route water; creating an inter-connected system of bio-retention basins; soil remediation; and changing landscape cover type by adding plantings and native grasses, which help to evapotranspire stormwater back into the atmosphere.

Once the area was clear, workers began improving the soil. This involved decompacting and treating the soil with a "compost tea" designed to reintroduce microorganisms back into the ground. "Soil is a complex living system," West explains. "There are bacteria, fungi, nematodes, ciliates and amoebas in there, and they all need to work together with plant roots to start necessary nutrient cycling for a healthy meadow or forest. We needed to add those critters back into the soil, which was essentially dead after years of being under a parking lot."

Crews then graded the land in a way that mimicked natural flow patterns. Because Tennessee is a mountainous state, this included adding small hills and other terrain variations. They also created bio-retention areas to hold stormwater until it is absorbed into the ground. "This is not just a flat field of green, which would have been very easy to do," says Yakimowich. "The team designed in contours and created passive walking areas that people could enjoy."

Green says the project disconnected the city's stormwater system from the area. Instead, during hard rains, water spilling on the roadway gets diverted into large bio-retention ponds, where the composition of the soil and the vegetation itself acts as a sponge, absorbing and purifying the water before it hits the groundwater table.

The last step recreates a vegetation cover of prairie grasses, trees and other vegetation. "We planted native vegetation that was here before the settlers came. This vegetation is adaptive to the climate here and doesn't need a lot of water

## THE PUSH FOR P3s AMERICA'S

airports need to complete \$71.3 billion of essential infrastructure projects by 2017, including major runway and terminal expansions that are required to keep pace with passenger growth forecasts, according to a 2013 Capital Needs Survey by Airports Council International-North America (ACI-NA). However, the existing federally mandated funding system fails to meet U.S. airport capital needs for modernizing airport capacity. The value of the Passenger Facility Charge (PFC) has declined, having not been adjusted for inflation since 2000. Though the Obama Administration proposes increasing the PFC to \$8, it also calls for a \$450 million decrease in Airport Improvement Program (AIP) funds. With funding levels uncertain, airports, such as Chattanooga Metropolitan Airport, are getting creative and relying on public-private partnerships (or P3s) to get improvements done. "P3s are becoming an important aspect in making projects work," says Pete Yakimowich of Arcadis. "We're going to see more major cities and airports talking about these, especially in regard to issues like watershed management."

Chattanooga leadership says the successful P3 has:

- **A willing partner.** A successful project requires a team interested in working together to improve infrastructure. "Find partners who want to showcase their property and do a good job, hoping to make their property more marketable," says Don Green, Chattanooga's water quality supervisor.
- **A valid reason.** Environmental objectives work well with the P3 funding mechanism. "Water quality is an important aspect for the entire community, as is revitalizing the community," says Yakimowich. "What makes P3s more viable is being able to satisfy social, economic and environmental goals."
- **A solid relationship.** "An airport needs to get involved with the different departments within the city," says Terry Hart, president/CEO of the Chattanooga Metropolitan Airport Authority (CMAA). "You need to go and listen to what the community is saying and try to be a good neighbor. This gets people comfortable with the airport and helps them see its value."



**Chattanooga Airport President  
Terry Hart**





The Chattanooga Airport Authority recently approved a \$7.2 million terminal renovation project.

and fertilization. It's root system is very deep so it really helps water infiltrate the ground," says Green.

Employees from Arcadis, the CMAA and the City of Chattanooga recently planted more than 600 trees. The trees included Redbuds, Sumac and Dogwoods, with mature heights of less than 4 feet, keeping the airport's line of sight clear. The trees also do not produce seeds or berries that might attract wildlife. "Meadow grasses were

creek where visitors can enjoy Chickamauga Creek and its levies.

#### COMMUNITY

This project has paved the way for future developments and improvements of this kind throughout the entire city, says Green. "We have had a good partner in the airport; they bent over backwards to help us," says Green. "The P3 has been a great way to get what we needed done."

Education plays a critical part of P3s for the future, adds Yakimowich. A live camera feed documents the site's progress at <http://earthcam.net/projects/arcadis/>. Students from Chattanooga State Technical College also produced a documentary outlining the project. "These measures were important because they allowed the community as a whole to see the progress on the site," Yakimowich says.

The videos and the project itself are a positive addition to the airport's educational tours, which are designed to provide schools and other community groups with information about the airport's sustainability projects and environmental goals.

These efforts demonstrate the site's transformation, showing exactly what happens when a community comes together for the greater good. "If you looked at the site before, you would

have characterized it as hard, dirty and hostile," Yakimowich says. "Now it's clean, green and inviting."



**"When the airport and the city came together, this project took life. That's when we learned what 'yes' looks like."**

**PETE YAKIMOWICH, NATIONAL DISCIPLINE LEADER FOR GREEN INFRASTRUCTURE, ARCADIS**

also planted," says Yakimowich. "We all wanted to create something that was very natural."

Though it will be months before the vegetation fully takes hold, Yakimowich deems the project a success. "We were recently able to handle a significant rainfall event without flooding," he says. "We restored the natural balance that existed long before those car dealerships and roads were in place."

The city added sidewalks along the road and gravel pathways allowing visitors to walk through the improved area. The pathways extend to the

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# Dollars & Sense

U.S. SPORT AVIATION EXPO

*Securing modern and creative revenue streams helps non-aeronautical revenues takeoff at general aviation airports*







**G**eneral aviation (GA) airports are in a tough spot—between a rock and a hard place, as people like to say. They are being tasked with striking a perfect balance among aviation activity and non-aeronautical revenue in order to survive. The future is definitely not doom and gloom, however. GA airport directors around the country are securing modern and creative revenue streams, while still relying on old-fashioned common sense to flourish.

## A MATTER OF PERSPECTIVE

"A general aviation airport is really a real estate development that has runways as an amenity," says Mike Willingham, executive director at Sebring Airport Authority. Willingham has been in his current position for 22 years, and says he has always viewed airport property as a platform for economic development. This previous banking and commercial real estate professional brings a unique, and successful, attitude to his role. Sebring Regional Airport is host to 2,000 acres and nearly 500 full-time non-airport jobs.

Willingham explains airport directors must be willing to shift their perspective, coming to work every day looking for new opportunity and facing every challenge as a traditional business deal. "In the end, that's what matters," he says. "If you can make a business case for it that makes sense, you can sell it. I believe that with all my heart."

Todd McNamee, director of airports at California's County of Ventura, agrees. He oversees two facilities, Oxnard Airport and Camarillo Airport. Oxnard is used exclusively for aviation, while Camarillo (an old U.S. Air Force base) boasts an entire business park with renovated barracks serving as offices. Revenue from the business park provides 35 percent of his department's annual income. "It's huge," he notes. "You have to step away from just the revenue source, look to community involvement and create partnerships."

GA airports are learning to re-examine their way of thinking, and looking to other industries is key in this mindset shift. Willingham says the Urban Land Institute, for example, is an excellent resource. These conferences bring in industry leaders, dis-

cussing topics such as real estate development and enhancing revenue, to name a few.

Robert Oislagers is considered a leader in the topic of non-aeronautical revenue, and also serves as the executive director of Centennial Airport. He agrees airports should be operated as businesses, recognizing not every airport will be self-sufficient. Oislagers likens them to libraries or parks, which provide an important service to the community but the ROI is delivered intangibly. However, even libraries must be mindful of their fiduciary

**"You gotta get the money; you gotta get the money."**

**MIKE VAN WIE, DIRECTOR, DEKALB PEACHTREE AIRPORT**

responsibility and do everything possible to be self-sustaining, he says. "When the businesses are successful, we are successful," Oislagers remarks in regard to airport-based revenue streams.

## SHOW THEM THE MONEY

"You gotta get the money; you gotta get the money," says Mike Van Wie. This industry leader has been at the DeKalb Peachtree Airport for 11 years and is a retired U.S. Navy veteran. There are two restaurants, county facilities, storage facilities, two car lots and a business park on this airport's land. He says there was great demand for the property when he entered into these lease agreements.

"That's not the case in many, many areas," he explains,

and adds that he is actually almost out of land.

McNamee agrees that demand is lower than before. He inherited much of what exists at the Ventura County airports, but in 13 years he has found new ways to bring an influx of green. The airport leases space to a variety of county agencies, educational institutions, including a branch of the Embry-Riddle Aeronautical University. He says one of the challenges GA airports face, however, is long-term land leases with reversion clauses. The benefit to the airport is that any improvements revert to the land owner at the conclusion. The bad news is many businesses are finding lower land prices and interest rates with complete ownership of land and improvements elsewhere in this softer commercial real estate market.

Money can be found in revenue, but also savings. Both Olislagers and Willingham say running a tight crew is part of their airports' overall financial stability and successful growth. Each director outsources tasks which minimize overhead inventory and staff costs. Willingham explains he has always run Sebring through the "Yellow Pages Test," and as a result employs five full-time people, versus the 20 he began with two decades ago.

"If you can look up the needed goods and

services within the Yellow Pages, you need take a really strong look and decide whether you need to keep it in-house or should contract it out," he says. Both agree this tactic allows them to spend more when necessary, and to contract the business when the monetary pipeline slows. Willingham says this makes his organization very nimble.

## **PARTNERSHIPS PAY OFF**

"Once you've lost credibility, you've lost it all," says Van Wie. All these directors agree on this crucial fact.

"It's important for people to see you're doing a good job, working hard and trying to make the community a better place to live and work," Willingham says. He explains when an airport director does that, a lot of support shows up that might not have otherwise.

Willingham says his most important job is making sure the commissioners and airport authority board are educated on what he's doing and why. Even if the idea fails, which he says has happened, they want to see that their GA airport is fresh, evolving and changing with the times. "You have to be willing to forget what you know, and learn again, then forget what you know, and learn again," he says.

**"A general aviation airport is really a real estate development that has runways as an amenity."**

**MIKE WILLINGHAM,  
EXECUTIVE DIRECTOR,  
SEBRING AIRPORT AUTHORITY**

Van Wie laughs and says he appreciates when his name doesn't come up in the annual budget talks. He cautions airport directors about over promising and under delivering. He says vision and goals are important, but they must be realistic and communicable.

Olislagers' current focus is to transform existing transactional relationships to strategic partnerships with businesses, both on and off the airport.

McNamee has done well at this, by developing influential partnerships with renowned educational institutions. This has drawn a unique blend of people to the Camarillo location. He

## THE INTRINSIC VALUE OF LAND

**"IT REALLY** depends if you have land available, and if not, figure out a way to get it," says Todd McNamee, director of airports at California's County of Ventura. While every GA airport is unique, the lesson these directors offer is to find the opportunity that's there. For many years a farmer grew lima beans on property within the fence at Camarillo Airport, and a flower farmer still keeps acres in the runway protection zone at Oxnard Airport.

Mike Van Wie, the airport director at DeKalb Peachtree Airport, says a director alone can't truly market his airport and stresses the surrounding community has an equal influence. "People fly into this airport because they are going to downtown Atlanta or Buckhead," he says. That's what makes my airport busy, and in turn, draws non-aeronautical uses to the area. We are happy to be the property owner that can accommodate them."

Mike Willingham, director at Sebring Regional Airport, has taken this idea to the next level, implementing what's called the Encouragement Zone, a project aimed at long-term vision. He explains he and his team realized in planning sessions that all of the airport's surrounding property realistically could not be acquired. They are implementing a process to work hand-in-hand with surrounding land owners to ensure the land develops in a way that will benefit the area as whole, and is zoned for a future of global economic development.



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The Sebring International Raceway has a 139-room hotel near it, both of which are big draws for the small general aviation airport.

also recently applied to become one of the FAA's six test sites for unmanned aircraft in hopes of creating new jobs and economic benefits. From high school students to major flight schools, he says it's important to also foster the next generation of aviation enthusiasts. This is essential

to the long-term sustainability of GA airports and the industry in general.

## CAPITALIZING ON CREATIVITY

Olislagers says creativity has everything to do with running a successful GA airport. "We are

not just an airport; we connect people, places and products," he says. Centennial Airport has a long history of creative thinking, which Olislagers explains diversifies its economic basket of non-aviation enterprises. The airport hosts a golf course, driving range, pro shops, two ice hockey rinks, a hotel and a kart racing track. There are also three restaurants on the property.

The almost 4,000 feet of abandoned runway at Camarillo has been a big payoff for McNamee's mission. It is routinely used for car testing, rally car events, filming and public safety training, to the tune of \$100,000 a year in revenue. McNamee also has found success in marketing cell phone towers around the airport, and even on the beacon. The leasing company is responsible for changing the bulbs and cleaning the lenses, a bonus for this GA airport.

The most prominent attraction at Sebring is the Sebring International Raceway, a well-known landmark and host of large events, as well as car tuning and testing. The raceway has a 139-room hotel near it, a big amenity to a small GA airport, says Willingham. The entire airport is a foreign trade zone, including the fuel farm.

He quotes Albert Einstein: "If at first the idea is not absurd, then there is no hope for it." Willingham says this is true in the approach GA airports must use for acquiring revenue. He says he has been allowed to operate in an environment which is overseen by entrepreneurial minds, but also demands creativity and risk. He acknowledges there have been misses along the way, but stresses they were only a hiccup in the overall growth of the airport.

"We've come a long way, but that didn't happen by accident," he concludes, affirming the significance of an astute business mindset, cultivating relationships and seeking creativity. While there are substantial costs to running a GA airport, there is also equally substantial room for revenue opportunity.



## SELL IT WHEN

all is said and done, a general aviation airport has to sell itself, and be able to compete in a global market.

- **The director has to be a visionary and willing to take risks.** It matters, says Mike Willingham, director at Sebring Regional Airport. The boards and commissioners are interested in broadening the tax base, providing the community with well-paying jobs, and he says they require constant education on why initiatives are taken and how they will be a benefit on a larger scale.
- **Marketing plays a big role.** Willingham says he does a lot of cold calling, but also investing in high-quality, high-visibility materials. The airport's website is of utmost importance to this director, who understands a current, polished look and feel will drive online traffic, airport visitors and eventually, business. "You have to do something that sets you apart and be diligent at it," he says. "There has to be a lot of mud thrown on the wall before it sticks."
- **Infrastructure and landscape at a business park will draw or deter renters.** Curb appeal is not only for residential neighborhoods. Willingham says Sebring has set design standards, one of the most valuable things it requires. "When somebody comes to the airport, the first impression is always a lasting one and we want it to be a good one," he says.

## ABOUT THE AUTHOR

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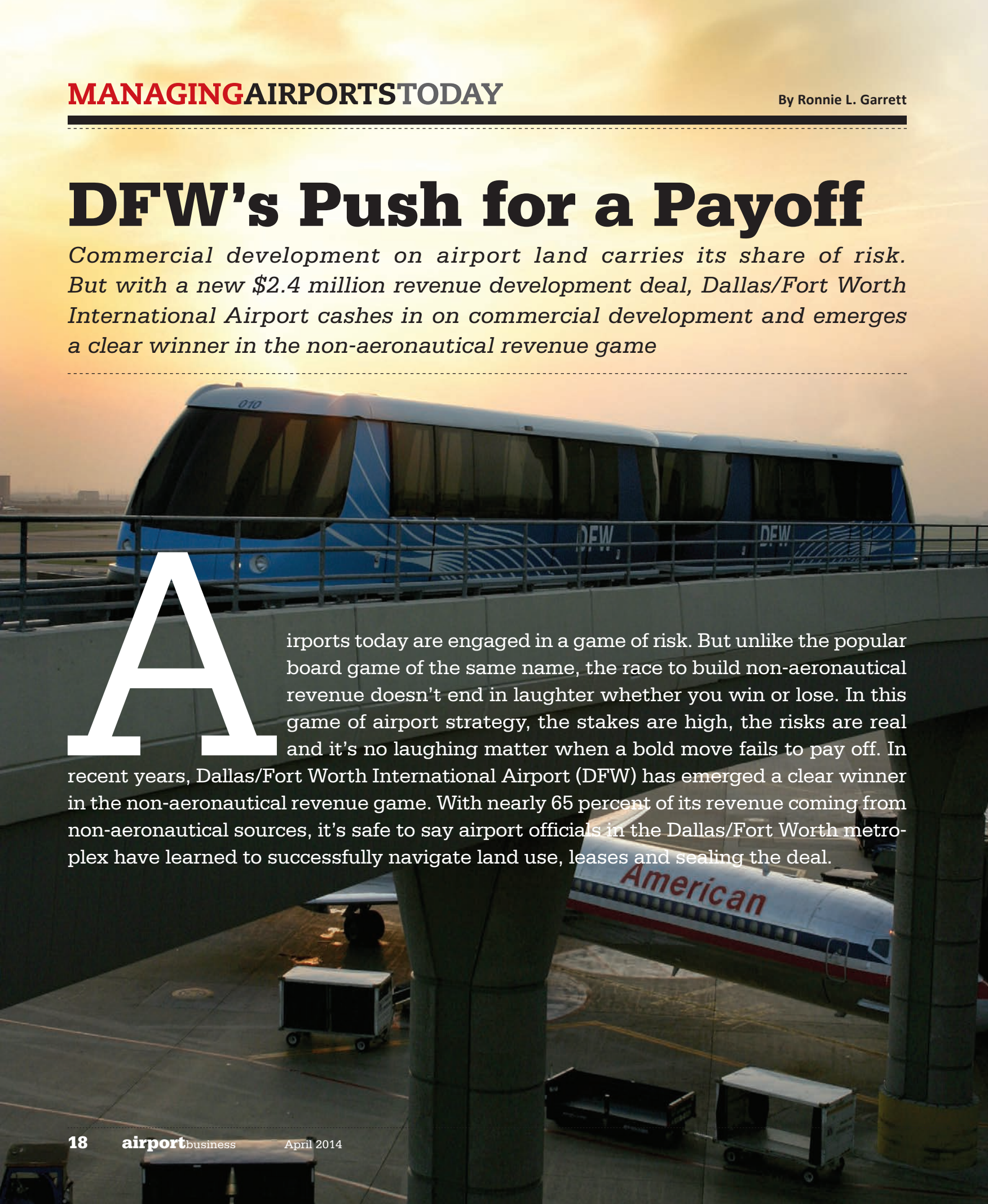
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# DFW's Push for a Payoff

*Commercial development on airport land carries its share of risk. But with a new \$2.4 million revenue development deal, Dallas/Fort Worth International Airport cashes in on commercial development and emerges a clear winner in the non-aeronautical revenue game*



A airports today are engaged in a game of risk. But unlike the popular board game of the same name, the race to build non-aeronautical revenue doesn't end in laughter whether you win or lose. In this game of airport strategy, the stakes are high, the risks are real and it's no laughing matter when a bold move fails to pay off. In recent years, Dallas/Fort Worth International Airport (DFW) has emerged a clear winner in the non-aeronautical revenue game. With nearly 65 percent of its revenue coming from non-aeronautical sources, it's safe to say airport officials in the Dallas/Fort Worth metroplex have learned to successfully navigate land use, leases and sealing the deal.



In fact, the ink is barely dry on the largest commercial land-use agreement in the Big D airport's history—one that is expected to generate up to \$2.4 million in revenue annually, reports John Terrell, DFW vice president of Commercial Development.

According to Terrell it took plenty of moves and countermoves to arrive at this point. The land these new developments will rest on was not available for lease until the airport entered a tax-sharing, inter-local agreement with the City of Coppell.

"This agreement allowed us to finally put the property on the market," says Terrell, who explains the tract located off Interstate 635 and Royal Lane had long been of high interest to industrial developers who appreciated its proximity to both the interstate and the airport.

Renewing conversations with developers who had expressed interest in the past quickly led to a leasing agreement with Fresenius, a distributor of kidney dialysis machines and head of an international kidney dialysis training program. The firm sought a location for a 500,000-square-foot distribution and training center, and found one on 36 acres of airport real estate. This development soon led to a second 40-year lease for a 120-acre plot. Here the developer plans to construct Logistics Center I and II, two 1-million-square-foot warehouse/distribution centers, side by side.

"The Fresenius building is already under construction and will be completed within three months," says Terrell. "Construction will start on Logistics I in the next couple months and



**DFW International Airport's seven-year Terminal Renewal and Improvement Program (TRIP), which will renovate the airport's legacy terminals (A, B, C and E), has increased interest in developing surrounding airport land.**

will take 10 to 12 months to complete. Work on the second building, depending on market conditions, could begin within six months."

"DFW has been one of the more aggressive and successful airports in planning and implementing plans for things like warehouse/distribution centers, retail space, office buildings and other uses," says John Lynch, director at Ricondo & Associates, an aviation consultancy based in Chicago that assists airports in developing land-use plans.

## LAND LOOKOUT

Lynch, a one-time real estate advisor who joined Ricondo & Associates to help airports with commercial development planning, remarks that the shift to build non-aeronautical revenue began in earnest in 2009, during the Great Recession. "Folks started talking about airport cities, the aerotropolis concept, and how to drive more revenue out of their land as other revenue sources began drying up," he says.

In the years that followed, airport cities began to sprout up in Amsterdam, Dubai, Athens and Bangkok, and airports, such as DFW, began viewing them as viable concepts in the United States too.

"What really drives non-aeronautical development is the airport's quest to maintain a low-cost structure for airlines," stresses Ken Buchanan, executive vice president of Revenue Management at DFW, a role where he is responsible for the airport's strategic direction to maximize non-aeronautical revenues. "Non-airline revenues help off-set costs so that we can maintain a low-cost structure that helps us retain airlines and attract new ones. The more non-aeronautical revenues you can generate the lower your airline fees can become."

But non-aeronautical development doesn't just happen. It requires careful consideration and thoughtful planning, Lynch says. While the sheer acreage it has at its disposal puts DFW in an optimal position to boost non-aeronautical yields, many airports are landlocked or only own enough property to meet their operational needs. Before seeking out commercial developments, Lynch believes every airport must critically examine its land to:

- 1) Make sure it won't be needed for aeronautical purposes in the future, and
- 2) Evaluate it as a real estate developer would.

"An airport cannot be myopic in regard to

**"DFW has been one of the more aggressive and successful airports in planning and implementing plans for things like warehouse/distribution centers, retail space, office buildings and other uses."**

**JOHN LYNCH, DIRECTOR,  
RICONDO & ASSOCIATES**

## LAND LEASING BASICS WHEN LEASING

airport land, the terms and conditions must be clearly delineated, according to Ken Buchanan, executive vice president of Revenue Management at Dallas/Fort Worth International Airport.

- **Term.** The length of the lease is a critical concern, and not everyone will be on the same page. “The FAA and the airport often want shorter durations while developers push for longer ones,” says John Lynch, director at Ricondo & Associates. As a rule of thumb, he says a lease should run at least 20 years but is more typically 30 to 40.
- **Reversion.** What happens to the property once the lease ends? “That has to be understood,” Buchanan stresses. “Does the developer need to tear down the property at the end? Does it go back to the airport? Does the airport have to buy out the developer?”
- **Rent Adjustments.** How and when will airports evaluate rents and make adjustments? Lynch recommends tweaking rent rates every five years. “The property needs to be leased at market rate. The FAA is not fond of airports ‘giving away’ their property,” he stresses.
- **Utilities and Infrastructure.** The lease must clearly spell out who will bring utilities and roadways to the site and who will maintain them. “If an airport and a developer have different ideas, and it’s not built into the lease, it can lead to conflict,” explains Lynch.
- **Termination.** No one wants to think about an ending at the onset of an agreement, but it’s essential that a lease spell out what will happen if the airport needs to reclaim the land. “There is always that possibility,” says Lynch. “What does that mean in terms of structuring terminations or buyouts? This is something neither side wants to see happen but needs to be thought out and something both sides can live with.”

their land,” he explains. “They have to look at it in the context of what’s around them and really assess what opportunities exist. I’ve seen airports going down a path thinking they had opportunities that weren’t really there because they hadn’t taken the time to properly evaluate their land assets.”

### LOCATION, LOCATION, LOCATION?

The old real estate adage about location, location, location may be true, but Lynch stresses airport proximity cannot be the only reason for developing by an airport. Developments based on this presumption—and without consideration of traffic patterns, access,

visibility and competing supply are destined to fail, he says.

For this reason, every airport needs a land-use plan before the first shovel breaks ground. Ricondo & Associates helped DFW craft its strategy for commercial land development. Buchanan says this plan identifies the space the airport needs for aeronautical use over the next 50 to 60 years. “We set aside the land we believe we’ll need to cover our operations in the future, leaving 6,600 acres out of 18,000 for commercial development,” he says.

This blueprint needs to look out at least 20 years, but Lynch explains it’s not unrealistic for a land-use plan to map out 40 to 50 years.

“Anything we do on the non-aeronautical side has to be subservient to the airport’s future aeronautical needs,” he explains.

Long-range plans also must be flexible, Lynch adds. “Markets will change a lot over 50 years, and you have to be able to respond to that,” he says. “We want to be sure we are not precluding positive projects because they don’t fit into the exact plan in mind.”

This fact, he says, is particularly true for small- to mid-size airports lacking the pockets of development around them that DFW, Chicago O’Hare or Dulles airports have. “Sometimes it takes smaller steps to get things going,” he says. “You need to look at realistic projects, even if



*Development at Dallas/Fort Worth International Airport includes two 18-hole golf courses and three hotels. Shown are the Bear Creek Golf Club (at left) and the Hyatt Regency Hotel (at right).*





## DFW LAND DEVELOPMENTS DALLAS/FORT WORTH

International Airport has been hailed as one of the premier airport cities in the United States. Check out what this airport has in place on its property:

- ▶ Two 18-hole golf courses.
- ▶ More than 1,000 hotel rooms. The airport recently broke ground on a third hotel, the Hyatt Place, which will boast 137 rooms in a mixed-use development.
- ▶ A \$92 million development, called Southgate, which when complete will include a consolidated corporate headquarters, the Hyatt Place hotel, a U.S. Post Office, and five restaurant pads.
- ▶ Grubbs Infiniti, a car dealership at Texas Trail and Highway 114.
- ▶ More than 100 hundred natural gas producing wells.

it's a service plaza or small office/retail building."

The plans also must identify appropriate uses for the land—ones that are compatible with the airport's aeronautical needs. "Anything going in on the non-aeronautical side can't conflict with aeronautical operations in terms of proximity, noise, air space issues and things like that," Lynch says.

This is where many airports go wrong, he adds. They consider their future aeronautical needs, declare the rest of their land appropriate for non-aeronautical uses, and then believe they'll just "build stuff on it." "The mistake is they are not really looking at the land they are dealing with," Lynch says. "They are assuming it can be developed and that's not necessarily the case."

Even if the property can be developed, its uses may vary. "We didn't just put distribution/warehouse centers in because of the land's proximity to the airport," explains DFW's Buchanan. "We identified the highest and best use for each segment of land. Some of it has highway frontage, and easy access to and from the highway. That made it appropriate for one kind of development. Some of it is landlocked and not easily accessible to the general public, that land has been identified for a different use."

Land-use policies must take advantage of the property's natural layout and the synergies that exist in and around the airport. Logistics centers need to be located near road transportation but away from areas already designated for hospitality or entertainment purposes. Geological features and impediments to building must be considered, as must the land's visibility from the roadway.

Plans also must consider the ability to service the area with roadways and utilities. Terrell draws a comparison between DFW and Denver International Airport (DIA) to emphasize this point. While DIA has twice the land as DFW, it is considerably removed from the downtown area and municipal infrastructure, thus its uses are different and its ability to add infrastructure differs as well. "DFW is surrounded by infrastructure, and we have our own utility plant on site," he says. (See [www.dfwairport.com/landhere/useplan/index.php](http://www.dfwairport.com/landhere/useplan/index.php) for more information on DFW's land use plan.)

### LOCAL INTERESTS AT PLAY

Airports also cannot plan their futures in a vacuum.

"You do not want to compete with your neighbors," says Buchanan, explaining that it was extremely important that DFW maintain good working relationships with the cities of Grapevine, Coppell, Irving and Euless as it developed its land. These key stakeholders were included in the planning process and kept abreast of the airport's development plans, and how utilities and roadways would be impacted.

"We didn't want to develop in a way that would be contrary or have a negative impact on the surrounding community. We wanted to build something

that added to the community," Terrell explains. So after gathering community input, DFW went back to the drawing board, developed a plan then took it to each of the communities' city councils for comments and suggestions.

DFW then launched a marketing effort to engage developers, many of whom had expressed concern about the plans giving the airport an unfair advantage. DFW centered their educational efforts on the fact that in most cases the airport wouldn't be involved in vertical construction but rather in installing necessary infrastructure to make building feasible on this incredibly visible and accessible land.

"Since we got that message out we have worked with at least 12 developers who have all developed on airport land," Terrell says. "This land is now generating revenues for developers, tax dollars for the city, and land rents and increased cargo traffic for the airport."



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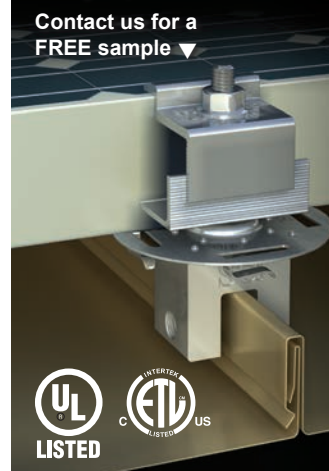
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# Kevin Burke: ACI-NA's Agent of Change

*Airports Council International-North America's new president strives to bring folks together to facilitate industry change*



**A**s the new president and CEO of Airports Council International-North America, Kevin Burke fields more than a few questions these days about his aviation background. He's learned to respond to them with a smile and quip that while he does not have his pilot's license he is a crack study at flight simulation.

He explains that when his children were growing up, his busy work and home life prevented him from investing the time to get a pilot's license as much as he wanted one. His fall back was to play a flight simulator game on his children's computer.

"I practiced takeoffs and landings in airports all over the country flying a multitude of different airplanes," he says. "When I tell airport directors this, they laugh because a lot of them do the same thing."

He's become the epitome of a road warrior, having traveled through countless airports around the world in his 30 years in government relations. And he says he's learned firsthand that there is truth in the expression: When you've seen one airport,



you've seen one airport. "They're all unique but they also have some very similar challenges," he says. "And ACI-NA exists to help them with those challenges."

*Airport Business* recently caught up with Kevin Burke, between visits to ACI-NA member airports and trips to Capitol Hill, to talk about his goals for his new role heading the association known as the Voice of Airports.

## HOW DID YOUR BACKGROUND WITH THE AMERICAN APPAREL AND FOOTWEAR ASSOCIATION (AAFA) PREPARE YOU FOR YOUR ROLE AT ACI-NA?

At the AAFA, I was the president and CEO. When I took that job in 2001, I came from the food industry, where I had been a chief lobbyist for 16 years. The AAFA hired me because I had no background in the apparel and footwear industry and they wanted somebody with "clear eyes" to help rebuild their trade association. Similarly I come to ACI-NA with no experience in airports

or aviation other than being a frequent flier and frequent user of airports here and around the world. But I know how to run a trade association. And while the issues before me are complicated and large, every member of Congress has an airport, or many airports, in their states and in their districts. This fact makes it easy to introduce myself in my new role and quickly start the conversation on the issues facing airports.

## HOW DO WE ENSURE AIRPORTS HAVE FUNDING FOR NEEDED CAPITAL IMPROVEMENT PROJECTS?

If we don't get an increase in the PFC and also continued funding for the AIP for smaller airports, then we're going to have a tremendous infrastructure problem. We already have a big problem with infrastructure. ACI-NA's most recent Capital Needs Study identified approximately \$71 billion dollars in projects needed by the year 2017 at airports around the country just to keep pace with expected increases in passenger and

## ON INCREASING THE PFC ...

If we don't get an increase in the PFC ... we're going to have a tremendous infrastructure problem.

## ON HOW HIGH THE PFC NEEDS TO GO ...

The PFC was last increased in 2000, up to its current maximum of \$4.50. Most of the larger airports express strong interest in increasing the PFC up to \$8 ... to keep pace with inflation.

## ON WORKING MORE CLOSELY WITH AAAE...

For airports to get our major issues heard on the Hill, we not only have to walk in step, we have to talk with the same cadence, the same words, in the same rhythm, or else we won't be heard.

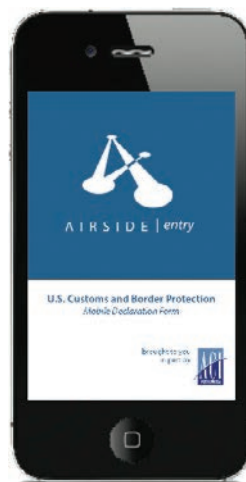
## ON TEAMING WITH AIRLINES ...

We agree with the airlines on 95 percent of the issues. The stumbling block ... historically has been funding for airport capital improvement and infrastructure.

# ACI-NA AND AIRSIDE MOBILE TO DEBUT MOBILE PASSPORT CONTROL APP

## THE NEW Mobile Passport Control (MPC) app from Airports Council International-

North America (ACI-NA) and Airside Mobile will soon be available for both Android and iOS users. Once available, MPC could considerably reduce passengers' waiting time for the primary inspection process clearing into ports of entry at U.S. airports. Passengers using the app will input their customs declaration and passport information and upload a photograph directly through MPC to the Customs and Border Protection (CBP) computer system at that airport. CBP will then send a response back to the app directing the user, depending on CBP's determination, to a lane for expedited clearance or a lane for regular clearance. "MPC will create a faster, easier experience for processing through Customs, which will really help travelers when they are tired and just want to get to their home or hotel," says Airside CEO Hans Miller. "If you've ever used your phone to get a boarding pass or a movie ticket, you'll feel right at home with this new process. We are excited to be helping ACI-NA and CBP make a real difference in the travel experience."



cargo traffic. A restored PFC purchasing power would go a long way toward alleviating that project backlog.

Increasing the PFC not only benefits the airport, it also benefits the local economy surrounding the airport. For example, if you're talking about funds to build a runway, renovate an existing terminal or construct a brand new terminal, the many businesses that play an important part—from architecture firms to asphalt pavement producers—will ultimately benefit from the economic impact of such large-scale projects.

## HOW HIGH DOES THE PFC NEED TO GO TO ADDRESS THESE NEEDS?

The PFC was last increased in 2000, up to its current maximum of \$4.50. Most of the larger airports express strong interest in increasing the PFC up to \$8. That is to keep pace with inflation, to get us to a point where that money can go toward needed capital projects. If the PFC is increased, an airport is more attractive to Wall Street when seeking municipal bonds for these projects. The PFC is collateral that can help them get bonds to invest in these projects. The lower PFC has been harmful to airports trying to get funds for construction. My job is to get over 218 members of Congress to agree that increasing the PFC is not only good for airports; it's good for the economy as a whole.

## HOW DO YOU FEEL ABOUT THE 2015 BUDGET PROPOSAL RAISING PFCs BUT DECREASING AIPs?

We were disappointed with that. But I think there's a way we can fix that. A large airport may want to increase the PFC, but it doesn't need AIP. This frees up AIP support for the smaller airports that don't predominantly rely on PFCs for funding capital improvements. We're going to lobby for AIP but there could be creative ways to maximize the availability of these funds to the airports that would need them the most.

## HOW IS ACI-NA WORKING WITH AIRPORTS TO HELP EXPAND NON-AERONAUTICAL REVENUES?

While my primary focus currently is achieving a PFC increase, part of my job also is convincing those who would contribute to non-aeronautical revenue that airports are an excellent place to sell their goods and services. Health clinics, spas, yoga rooms, restaurants, and shops selling clothing,



*The collaborative efforts of ACI-NA and AAAE on Capitol Hill are key to industry change, says Kevin Burke.*

footwear or apparel make up an important part of non-aeronautical revenue sources that airports seek to increase. One thing I stress to airport directors is that it's OK for you to think of your airport as a business because you are a business, and attracting and growing concessions programs plays a significant part.

## HOW ARE ACI AND AAAE WORKING TOGETHER?

One of the things that was stressed during my interview is the need to work with Todd Hauptli and his crew at AAAE because in order for us to get our major issues heard on the Hill, we not only have to walk in step, we have to talk with the same cadence, the same words, in the same rhythm, or our issues won't be heard. The instructions from both our boards has been to work closely to make certain the 2015 FAA Reauthorization Bill contains language that benefits airports. That's what we've been doing. Todd and I meet once a month, and we're making rounds on the Hill together. That helps portray the industry to lawmakers as a much stronger entity as we move forward with our policy objectives.

## HOW WILL YOU EXPAND ACI-NA'S WORK WITH THE AIRLINES?

When I first came to this job, I thought it was crazy that we hadn't been talking to the airlines. In my first two weeks here, I called every member of our board and introduced myself. One of the themes I got from those conversations was, "Can you find a way to open up a dialogue with the airlines?" I believe that's essential. Win, lose or draw, I want to be able to go before our membership and say that we tried every opportunity to work with our friends at the airlines. We agree with the airlines on 95 percent of the issues. We work very closely with the Airlines For America (A4A) team on issues that affect, positively or negatively, airports and airlines. The stumbling block, though, historically has been how to fund necessary airport capital improvement and infrastructure.

## WHAT MUST BE IN PLACE TO SPEED UP THE CUSTOMS SCREENING PROCESS?

You can have the best airport in the world but if you can't get through it quickly it doesn't matter. The process in the customs hall has to be faster. We were pleased to see that the President's budget proposal has a provision for 2,000 additional U.S. Customs and Border Protection (CBP) officers and equipment procurement. The main factor for these lengthy custom screening times in several airports has been the lack of appropriate resources for CBP so, in our view, this is a step in the right direction. We've also been a big proponent in technology and making screening time more efficient and passenger friendly. Last year we saw the introduction of automated passport control kiosks, which are now available in several airports in the United States and Canada.

## HOW WILL YOU BE AN AGENT OF CHANGE FOR THE ASSOCIATION?

I've read everything Jack Welch, the former chairman of General Electric, has ever written. He is a brilliant businessman who made very difficult choices yet drove his company to record profitability during his CEO tenure. In terms of our legislative and policy objectives, the airport industry is in an environment where what we've done in the past isn't necessarily working anymore. My definition for what makes an agent of change is someone who recognizes when we need to try a different approach to achieve long-sought goals and new goals entirely.







# Great Triangle of Trade Shows

San Antonio, Winnipeg, Minneapolis and Vegas—it's been a great few weeks for aviation conferences

**S**an Antonio, Winnipeg, Minneapolis and Vegas—it's been a great few weeks for aviation conferences.

In February in San Antonio, I spoke for the Fifth Annual Flight School Operators Conference, put on by the Flight School Association of North America (FSANA). FSANA—as reported in a 1997 article in *Airport Business*—is dedicated to the growth and prosperity of flight schools. Started in Penn. under the enthusiastic leadership of Bob Rockmaker, FSANA has become a national powerhouse in the field. It's a pleasure to be around those involved in, and excited about, working together on this problem (and opportunity). I enjoyed and admired them.

In March I spoke to the Manitoba Aviation Council in Winnipeg, and what a delightful group of hardworking aviators attended. They also proved conclusively that great hospitality thrives in the frozen North.

Aviation in wintertime Canada—as in Alaska—breeds tough people in a tough business. In both places I've sensed that aviation includes much more attention to such basics as starting engines, emergency equipment and keeping things from quitting, freezing and slipping. Up here, one doesn't just hop in and fly, one works at it. This was my first trip to Winnipeg—even the natives call it "Winter"peg—and it's a beautiful place.

The next day I had lunch in Minneapolis with a group of legendary pilots. I'd been trying to do that since I was first invited in 1997, and this time it all came together. I was a total neophyte compared to each of them, and you can bet that I wasn't bragging about my few thousand flight hours. I plan to devote a full column to this group in an upcoming issue.

OK, I'll go ahead and admit that one night in the frozen North I took the wrong sidewalk and found myself crawling on hands and knees in deep snow, while wearing dress shoes, dress slacks, tie and blazer. You never heard such cussing in your life. If I'd hit my head and passed out, I would've died and never been found 'til the spring thaw.

In late March I spoke at AviationPros Live in Las Vegas. This was a show devoted to the support side of the industry—the people who make flight possible by fueling, maintaining and servicing aircraft. The exhibit hall featured fuel and tow trucks, ground power units, baggage loading conveyors, portable ramps, lights and a jillion other things totally unnoticed by most passengers.

Support includes maintenance technicians, and they held competition all day long in an area that included bleachers with audiences cheering for their team. We all bet our lives on these specialists, and it was gratifying to see them get much deserved attention.

Trade shows are wonderful and I love 'em. I hope you'll ask me to speak for your next show.



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# Lights, camera, FBO

*How Jet Center Los Angeles  
makes money at the movies*

**B**usiness aircraft operators and pilots have long sought out Jet Center Los Angeles to avoid the high cost of flying, noise restrictions and curfews plaguing neighboring airports, but they likely are not aware that the full-service FBO boasts another claim to fame. Amid the roar of plane engines and the smell of jet fuel at this Jack Northrop Field/Hawthorne Municipal Airport FBO, camera crews may be calling: Lights! Camera! Action!



Several years ago, the premier FBO and EPIC fuel dealer, owned by Advanced Air Aircraft Services, uncovered a niche revenue market in the filming industry. Since then, television shows, such as *Revenge* and *CSI: Miami*, have used the facilities multiple times. The site has also hosted filming for *America's Next Top Model*, Mercedes, Honda and Southwest Airlines commercials.

Boosting revenue is the primary benefit of tapping into the television and movie market, according to Jet Center Los Angeles General Manager Donny Sandusky, who says the FBO lands about 10 films a year. "It offsets the costs of operating this facility and having the hangar space," he says. "When a hangar is sitting at half capacity, using it for filming helps us meet our costs."

"In fact, loaning out our facility for filming probably accounts for 3 to 5 percent of our total revenue," adds the general manager of the once Million Air franchise that transitioned to its own brand two years ago.

Lending out its facilities also shines attention on the airport itself. There is promotional value in the fact that the FBO has been used for filming. "Many times people come to the airport for the first time and say, 'I've seen this airport before,'" Sandusky says. "It brings a few more eyes here."

## GET A STARRING ROLE

"While a large percentage of entertainment is filmed on sound stages in Culver City, Hollywood, Los Angeles and the San Fernando Valley, the images you see on movie and television screens do not all come from studio lots," reports the California Film Commission in "Your Property in a Starring Role." Anything from natural landscapes to public spaces, private homes—and yes, FBOs—may be used for filming purposes.

Though JetCenter Los Angeles' proximity to the film industry offers some inherent advantages (filmmakers often look to this FBO, situated just two miles east of LA, when the studio is booked), filmmakers everywhere tend to see FBOs as attractive filming sites. Sandusky explains producers find an FBO's hangars, acres of concrete ramp, taxiways, well-appointed offices and flashy executive terminals to be captivating footage locations.

"We have a large hangar, that's 17,000 square-feet, 36-feet tall, and wide open, and they really like the size of it," he says. "The other 50 percent of the time they are looking for tarmac and an airport scene." He notes *Revenge* used JetCenter Los



An FBO's large hangars often serve in a pinch when film studios are booked, says Donny Sandusky, general manager, Jet Center Los Angeles.

Angeles' hangar, ramp, tarmac and a Gulfstream jet in its footage.

An FBO is also a less expensive and more accessible alternative than an airport itself. "There are limited airports who will give them access for filming," Sandusky says. "Here, they're not going to get access to LAX, though they can sometimes get it at Van Nuys or Long Beach."

Film scouts hunt for filming locations that

match their scripts during the preproduction phase of filming. This process begins with a phone call. In order to simplify the steps and avoid having individuals make unnecessary trips, it's helpful when an FBO designates its available space upfront. JetCenter Los Angeles, for example, lists five available filming zones with a space diagram and photos on its website. When a location scout calls seeking a specific type of

## TAP INTO THE LOCAL TELEVISION MARKET

**JUST** because an FBO is not located in a movie making mecca, doesn't mean filming opportunities do not exist. Local television stations and filming companies often need sites for commercials and other films, and it's a market any FBO can tap into. JetCenter Los Angeles General Manager Donny Sandusky offers a few suggestions for FBOs hoping to tap into the television industry:

- ▶ **Know what's available.** An FBO owner must fully understand the space they have available for filmmakers to use.
- ▶ **Get approvals for the space in advance.** Get tenant approval to use the space and move airplanes before committing to anything. "You do not want to be in a situation where you have a filmmaker interested in the space, but can't get access to an area," he says.
- ▶ **Know the rules, regulations and permits required to allow filming at your location.** Most communities have very specific requirements for filming activities, Sandusky says. Provide a list of city officials to contact for the appropriate approvals and permits.
- ▶ **Hire an attorney to review the film contract.** "Though the contracts are pretty standard, it's important to have them reviewed, and to remember that they might bounce back and forth a few times until everyone is satisfied with the agreement," he says.

space, i.e. a large hangar or a length of tarmac, FBO personnel send them to the website. If the location seems to match the script, scouts visit to walk and photograph the site, says Sandusky. The producer makes a trip out later; if the location seems workable.

## THE PRICE TO PLAY

Sandusky recommends asking some key questions before arriving at a price to play. These include:

- What type of production is it?
- How many shooting days are expected?
- What times of day will filming occur?
- How many hours a day will people be on set?
- What types of activity will take place during filming?
- How many people will be there?

The answers to these questions help dictate a price. "The standard is \$500 per hour with a minimum of \$3,000," Sandusky says. "If they will be there multiple days, we work out a daily rate."

Filmmakers also must pay for all additional expenses. JetCenter Los Angeles requires an escort for every 20 people on site, and the film company must cover the cost. "We are bringing non-badged personnel out to the airport so we have to make sure we go with them to ensure they stay within designated areas, and that we let them in and out. Escorts also make sure our tenants and customers are not adversely affected, and if they are affected, it's in a positive way," says Sandusky.

The fee for escorts might change per day. For instance, on set up day, only one escort may be

needed because there are only 15 people on set, but on filming day there may be 100 people and five escorts necessary.

Clean up responsibilities lie with the film company too, and all areas used must be restored to their original condition before they leave. Airplanes must be returned to their correct locations, and while FBO employees perform this service, there is a charge.

## PERMIT THE PICTURES

An FBO must provide filmmakers with a detailed list of restrictions or conditions pertaining to the use of the facility, as well as local permitting information. JetCenter Los Angeles expects the companies to gain a film permit through the City of Hawthorne. The FBO also mandates that film companies carry liability insurance, the amount of which is determined by the activities and the potential risk involved.

The city airport manager visits the site in advance and reviews all plans then specifies safety requirements. For example, he may indicate an area needs cones and additional signage or that it must be roped off. All of these things must be agreed to before shooting occurs.

During filming, the city also supplies several employees to oversee operations and maintain safety. The employees include uniformed police officers and a fire marshal.

Filmmakers also need FAA approval to move vehicles on a taxiway or use a crane or boom that sits higher than existing buildings. Typically this permitting/approval process involves so much red

tape that Sandusky says filmmakers find a way to accomplish their goals without navigating the FAA's sea of requirements.

"Because it's at an airport, there are requirements you need to hop through to make it work, and sometimes those requirements make it non-competitive," says Sandusky. "But if you're a filmmaker and you need an airport shot, you have no choice but to meet these requirements."

That being said, there are few restrictions once approval is granted. "We have had requests to blow something up, and we have said, 'Anything is possible as long as you get the proper permits,'" says Sandusky. "If it makes sense financially,

**"... loaning out our facility  
for filming probably accounts  
for 3 to 5 percent of  
our total revenue."**

**DONNY SANDUSKY, GENERAL MANAGER,  
JET CENTER LOS ANGELES**

everyone is kept safe, the facilities are fine, and it's permitted, we can pretty much do anything."

The caveat is that filming cannot interfere with the FBO's core business. To date, Sandusky says that hasn't been an issue. The FBO had America's Next Top Model film in its lobby, and it didn't affect operations at all. Likewise when planes needed moving, owners were compensated accordingly with a break on their rent.

"Customers cannot see filming as an inconvenience," says Sandusky. "We are very careful to make sure we provide the same high level of service to our FBO customers during filming, because we don't ever want them to say, 'We're not going back there because they care more about filming than they do us.'"

The venture into filmmaking has been an Oscar-worthy performance for this Los Angeles FBO. Says Sandusky: "It's a great side venue for revenue to come in. We are actually looking at adding another hangar and working with studio owners to set it up so that it's a little more attractive for filming."

He adds, "That kind of says it all: We are shell-ing out money to build a new hangar so that film crews want to use us more."



**Jet Center Los Angeles  
plans to build a new  
hangar to attract more  
film companies to its  
facility.**



# Common Insurance Pitfalls and Considerations for FBO Operators

*Part of a continuing series on airport tenant relations and aviation legal matters*

**A**t the end of the day, the best insulation that an FBO Operator can provide from legal liability and expense is a comprehensive insurance policy. To this end, we sought out some practical advice and recommended

considerations from Lou Timpanaro, who as senior managing director of Crystal & Company in New York has more than 28 years of experience in the aviation insurance industry. Timpanaro manages Crystal & Company's Global Aviation operation. He offers the following considerations:

## **UNDERSTAND YOUR INSURANCE OBLIGATIONS AND PASS-THROUGH INSURANCE**

FBOs leasing space on airport property must obtain insurance coverage in accordance with the state, county or local insurance obligations of the airport. These insurance requirements are generally set forth in the lease agreement. The best means of ensuring compliance with same is to involve your risk manager and/or insurance broker early in the process to ensure no ambiguities in the requirements of the lease as they pertain to insurance. They should always provide a copy of the lease and the insurance requirements thereunder to ensure that the insurance broker can identify and obtain the specific coverages required.

Many FBOs then seek to pass these insurance coverage obligations on to the subtenants that lease space from them. In effect, the FBO requires the subtenant to obtain the same coverages required of the FBO itself, making the FBO and the airport/landlord additional insureds thereunder. To have true pass-through insurance coverage, it is important that the FBO require subtenants to obtain insurance coverage in the full amount required by the airport.

## **HOLD HARMLESS CLAUSES**

One of the other issues that Timpanaro sees is the increased and improper use of, and unintended exposure and liability stemming from, hold harmless clauses in customer service agreements. In a typical scenario, the FBO will present a service agreement to a pilot who has requested services such as fueling. These service agreements often include a "hold harmless" clause indicating the FBO disclaims liability if the aircraft is damaged while the services are being provided. The problem with many FBOs' use of hold harmless clauses is that the clause is not readily apparent to the person signing the form. If the hold harmless clause appears in the form of fine print, the person signing the form is not likely to have read or noted it and, as a result, the clause will usually be rendered invalid and unenforceable. Without this clause, an FBO will be liable for any damage it causes the customer, and this, in turn, has a direct impact upon the FBO's insurance premiums.

## **CERTIFICATES OF INSURANCE**

Timpanaro also stresses the importance of keeping track of certificates of insurance. Most FBOs will require that a prospective

subtenant provide them with a certificate of insurance indicating that the subtenant has the insurance coverage the parties agreed to. Subtenants then typically provide the FBO with a certificate of insurance each year during the tenancy. Most FBOs file these certificates away without reviewing them, often leading to significant insurance coverage problems. Many times, after the initial certificate of insurance is provided to the FBO, there will be a change in insurance agents, insurance carriers, or the insurance coverage itself. Any shortfalls in the requirements of insurance coverage based on possible changes become the FBO's problem.

## **FELLOW EMPLOYEE EXCLUSION**

Another potential issue is present when an FBO leases space to a commercial entity that, itself, has several employees, such as a corporate flight department. Often the flight department's insurance policy will have a "fellow employee exclusion" which is designed to exclude coverage when one employee sues another for a work-related injury. In most cases, based on state workers' compensation law, the injured party cannot pursue legal action against his or her employer. However the employee can turn to his or her fellow employee in pursuit of legal action of which is typically excluded under the flight department's insurance policy. In addition, such legal action can include the FBO depending on the circumstances at hand. If at all possible, the fellow employee exclusion should be taken out of the commercial subtenant's insurance policy. If it is not possible to remove the exclusion, the FBO should be aware of this and ensure that its own liability coverage is adequate to cover any possible deficiencies.



The full text of this article is available online at [www.aviationpros.com](http://www.aviationpros.com).

# RISKY BUSINESS

*A Transportation Research Board study reveals that when it comes to business continuity planning, many airports fall short. Scott Corzine from FTI Consulting shares how airports can plan for every contingency*

**H**ow well do airports know their risk and plan for business continuity? This question was posed by FTI Consulting as part of a three-year, FAA-funded research and development project for the Transportation Research Board (TRB).

"The genesis of this project was a 'problem statement' developed by airport industry experts for the Airport Cooperative Research Panel (ACRP), which is a program within the TRB," says Scott Corzine, managing director of FTI Consulting and principal investigator for the project. "The airport industry had concluded that—while airports excel at safety, security and emergency management—their level of knowledge and practice of business continuity planning were at an immature stage. Our research confirmed and amplified that finding."

*Airport Business* recently spoke with Corzine about the project and how airports can better plan for continuity of business operations when disaster strikes.

## WHAT WERE THE KEY FINDINGS FROM THE RESEARCH?

We confirmed the premise and problem statement that led to this research, which was: There is a fairly radical lack of awareness in the airport community for business continuity. What it is, how it's different from emergency management, and why it's critical. Part of the problem is a lack of knowledge. The second part is that business continuity planning, or "BCP", is just not a strategic priority for many airports. BCP is confused in a very big way with what airports do so well—which is emergency management, safety and security.

Our second finding is that there's a general misconception that BCP is an incident-specific recipe for exactly how you recover, step-by-step,



Scott Corzine,  
managing director,  
FTI Consulting



for all kinds of disaster scenarios. First do this, then do this, and so on. BCP is really not that at all because the best practice is to write a business continuity plan in a way that is incident-agnostic. You write a recovery plan for how you recover certain essential functions regardless of what specific incident took them out of operation.

Next we found that business continuity is uniquely challenging at airports. Many essential functions at airports are the responsibility of a contractor, tenant or government entity. Airports don't control what the FAA does in the tower. They don't control the work the TSA does. They don't control what Customs and Border Protection does. Airports don't land planes—airlines do. Airports are a very complicated kind of ecosys-



tem of shared responsibility among lots of entities and people, many of whom do not work for the airport directly.

## CAN YOU EXPLAIN THE DIFFERENCE BETWEEN AN EMERGENCY PLAN AND A BUSINESS CONTINUITY PLAN?

An emergency management plan is a plan that's all about protecting life and property, physical assets, and infrastructure in an emergency. By its nature, emergency management is incident-specific and deals with what we call the four phases of emergency management. How do we prevent destructive things that threaten us physically from happening? How do we mitigate the impact on life and property if they do happen? How do we prepare for the inevitable incidents that are going to happen whether we like it or not? How do we respond to each of these types of incidents? How do we physically and psychologically recover the physical plant after something terrible happens? Airports generally do this very well.

By contrast, a business continuity plan is incident-agnostic. It doesn't address why a system is down, why a process is broken or why an essential function doesn't work. It documents the mix of resources that is critical to every essential function so planners can understand how to recover those functions. While emergency management is about the protection of life and property, business continuity is about the recovery of essential functions and processes, and data that drive those functions. The BCP addresses, for example, that the IT system is down, runway lights and NAVAIDS are not functioning, shared services are disrupted, or winter operations are unable to take place. Whether these functions are down because of a hurricane, fire, flood, sabotage, power outage or pandemic doesn't matter. You have to get them back up and operational, and here's the plan for how you will do that.

A business continuity plan deals with the mix of the kinds of resources that every essential function has in common – people, plant, equipment and supplies, technology and related processes. Every essential function that takes place at the airport requires a certain number of people with specific training, licenses, certifications or physical attributes to do it. If the usual person isn't there, it may well be that the job can't get done, for example, because it has to be performed by a union worker who is required to have specific qualifications. The second resource every func-

tion requires is technology. Airports need network resources, laptops, desktop computers, servers and applications to get the job done. Without those, we can't run payroll. We can't check how much fuel we've used. We can't operate shared infrastructure services, or provide customer support. The third piece of the resource puzzle is that every single function at the airport needs some mix of supplies, equipment and facilities at which to operate optimally, whether it is fuel, forms or vital records, tools or vehicles. Related or dependent processes is the fourth resource category that almost every essential function depends on. Nearly everything that's automated at the airport connects with some other process – internal or external – that had to come before it, in order for the process to be viable. We can't write paychecks for the airport staff unless Payroll gets the timesheets on time. If the timesheet system is down or if the guy who brings them to me in our office envelope isn't available, we won't make payroll on time. That's a predecessor process. BCP looks at the mix of these four types of resources that it takes to perform every essential function as a baseline for how airports go about recovering those functions.

## WHAT MIGHT OCCUR IF AIRPORTS LACK A BUSINESS CONTINUITY PLAN?

Not having a business continuity plan simply makes the likelihood far greater that it will take airports longer to recover than it should. Every moment they haven't recovered, there is probably damage to a constituency—from the airlines that are lease holders, to the tenants that need the space to operate, to restaurants that can't serve hamburgers because the power is still out, to the TSA who can't do their job because they can't put people through the security process. Damage from operational downtime can also be measured in direct costs. Loss of services or facilities may mean contractual penalties and claw-backs. Regulatory scrutiny or fines could be levied. Reputational damage suffered can be difficult to recover.

## WHO SHOULD BE PART OF THE PLANNING PROCESS?

The person heading up the business continuity program should have a job at the airport that gives them an overall purview of how the airport works. That might be operations because the operations office knows what everybody does and what everyone's responsible for. It might be an inter-

“... while airports excel at safety, security and emergency management—their level of knowledge and practice of business continuity planning are at an immature stage.”

**SCOTT CORZINE, MANAGING DIRECTOR,  
FTI CONSULTING**

nal auditor. Often, it's the finance department because finance touches everybody in terms of operating budgets and so forth. It may be the risk manager because the risk manager has an inside view of all the risks at the airport and because he or she has to arrange insurance and perform risk management planning. Often, it's someone on the administrative side. It's rarely advisable for someone in public safety or in ARFF to coordinate BCP, because these job functions are emergency, safety, security and crisis response-oriented, and they may not know the rest of the airport operational processes the way an internal administrative or oversight group might.

## WHAT PROCESS SHOULD AIRPORTS FOLLOW IN BUSINESS CONTINUITY PLANNING?

This process and recovery framework are part of our project deliverables. The results of the TRB project were a guidebook and software tool, which have been published by the TRB and can be downloaded or purchased directly from the TRB at [http://onlinepubs.trb.org/onlinepubs/acrp/acrp\\_rpt\\_093.pdf](http://onlinepubs.trb.org/onlinepubs/acrp/acrp_rpt_093.pdf). The software application is available on CD, which accompanies the guidebook entitled “Operational and Business Continuity Planning for Prolonged Airport Disruptions.” The guidebook includes a discussion about what business continuity is, how to build a business continuity plan, and how to keep it up to date. We developed both tools specific to the airport operating environment, and flexible enough to work for small airports, general aviation facilities, and FBOs on the one hand, and large, complex airports on the other. We encourage airports everywhere to add BCP to their strategic plans, and to get started by using these tools.



# FBO MANAGEMENT TOOLS



## PerformaFuel

Integrated Inventory Control

### PERFORMAFUEL AVIATION FUEL MANAGEMENT SOFTWARE

#### TAUGHANNOCK AVIATION

PerformaFuel is aviation fuel management software solution built by an FBO, for FBOs. This Taughannock Aviation-created software takes care of the time-consuming functions associated with aviation fuel ticket handling, inventory allocation, balancing, adjusting and reporting, and allows FBO managers to use the data collected in the field to their advantage. From receipts, into-plane, defueling, truck fills and transfers to back office activity monitoring, reporting and EOM close-outs, PerformaFuel integrates all fueling operations seamlessly. This multiple-inventory fuel management solution allows for seamless inventory allocation, creates electronically generated meter tickets, automates product balance sheets and updates them on the fly, monitors truck and storage tank volumes, and performs end-of-month reconciliation tasks. Customers have exclusive access to their fueling data through the PerformaFuel web portal, including the ability to retrieve meter tickets.

[www.aviationpros.com/11384168](http://www.aviationpros.com/11384168)

### WORLD FUEL SERVICES NETWORK PARTNERS WITH FLIGHTAWARE TO SUPPORT FBOS

#### WORLD FUEL SERVICES

World Fuel Services Network partnered with FlightAware to offer its member FBOs access to FlightAware's FBO ToolBox flight tracking suite. Through this agreement World Fuel Services Network FBOs are able to purchase FlightAware FBO ToolBox at a significant discount off the retail price. FBO ToolBox enhances current FlightAware offerings while delivering new powerful tools and useful information to the hands of FBO managers, enabling them to see a more complete picture of the flying habits of their current and potential customers. In addition to this discounted flight tracking offering, World Fuel Services Network FBOs benefit from a host of products and services that support their businesses. These include the World Fuel Services Network e-learning tool (for web-based aviation/customer service training), NATA Safety 1st Professional Line Service Training, cooperative advertising, marketing and advertising support, credit card processing featuring AVCARD®, WFS-Alliance contract fuel, the FlyBuys Rewards Program and more.



[www.aviationpros.com/11295775](http://www.aviationpros.com/11295775)

### PHILLIPS 66® AVIATION FLY SAVVY PILOT REWARDS PROGRAM

#### PHILLIPS 66 AVIATION

Phillips 66® Aviation has launched the aviation industry's first program to help pilots save on fuel costs whether flying or driving—Fly Savvy™ Rewards. Pilots using Fly Savvy Rewards with their Phillips 66 Aviation personal card will now save 5 cents per gallon at nearly 900 Phillips 66 Aviation FBOs, plus Phillips 66®, Conoco® and 76® locations when they purchase 45 or more gallons per billing cycle. When pilots open a new aviation personal card account, they'll get 10¢ off per gallon for the first 90 days. Then, they'll get 5¢ off per gallon after the first 90 days. "Phillips 66 is the only brand that can provide these benefits to our customers," explains Rosemary Leone, director, programs development—general aviation, Phillips 66. "So, whether you're traveling by ground or air, we are there for you."

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### AVFUEL TRANSACTION PROCESSING AVFUEL CORPORATION

"Avfuel believes that the term 'supplier' shouldn't be used strictly in reference to fuel," says Marci Ammerman, Avfuel vice president, marketing. "We supply FBOS with the systems needed to conduct business safely and efficiently across all areas of operations." Avfuel groups its offerings into four main systems: The Avfuel Rampside System encompasses the company's FAA-approved line training course, regional Part 139 and Fire Safety seminars, trucks, equipment support and supplies. The Avfuel Counterside System includes the Avfuel Hub, a proprietary web-based point-of-sale system; customer service training resources, real-time support, and program training and application materials. The Avfuel Marketing System increases FBOs' visibility by harnessing the power of the network and Avfuel's national brand recognition, while the Avfuel Sales System uses the Avfuel Contract Fuel and Avplan Trip Support sales teams to target flight departments and direct traffic within the network.

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## EPIC INTRODUCES NEW APP OFFERING

**EPIC**

The iGo EPIC app offers search functionality and fuel pricing for FBOs within the EPIC FBO Network. EPIC Cardholders can also obtain account-specific pricing by FBO location and quick access to Bravo Rewards information and account login. "It was important to make sure the app would serve not just as a locator tool, but provide account-specific pricing that our EPIC cardholders count on for their flight planning," says John Nelson, EPIC chief products officer. The app is currently available in the iTunes app store.

[www.aviationpros.com/10857647](http://www.aviationpros.com/10857647)



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# FINAL ANALYSIS



## SAN DIEGO SOAKS UP THE SUN

San Diego International Airport recently partnered with Borrego Solar Systems Inc. to develop a 3.3-megawatt solar system featuring solar panel arrays on the roof of the airport's newly expanded Terminal 2 West. Borrego Solar will finance and build the system through a 20-year power purchase agreement (PPA). Power produced by the solar installation will be sold back to the airport at a competitive rate. The move is expected to save the San Diego Regional Airport Authority \$3 to \$8 million over the contract period. "PPAs ... are indeed a win-win for all parties involved," says a spokesperson from Borrego. "The system owner/investor gets a return on the investment. The airport obtains solar energy without making the capital investment. Borrego Solar is paid to design, construct, operate and maintain the project. How is this possible? Because the initial commodity (i.e. the energy) that sets this transaction in motion is available for free from the sun!"

**\$3.50**  
THE AMOUNT  
THE PASSENGER  
FACILITY CHARGE  
(PFC) WILL INCREASE  
IF THE OBAMA  
ADMINISTRATION'S  
BUDGET PROPOSAL  
PASSES. THE  
ADMINISTRATION  
PROPOSES RAISING  
PFCs TO \$8 PER  
ENPLANEMENT

**\$450 MILLION**

Proposed decrease in Airport Improvement Program (AIP) funding for 2015.



**PAUL YOUNG**  
Director of Operations,  
Jet Source Inc.

"It's time for the federal government to empower airport investment rather than stymie it by giving airports the self-help they need in the form of an increase in the passenger facility charge."

**AAAE PRESIDENT AND CEO  
TODD HAUPTLI**

**21%**

The reduction in the airline baggage mishandling rate in 2013. The rate of mishandled bags in 2013 was 6.96 bags per 1,000 passengers. — SITA



**GERT-JAN  
DE GRAAFF**  
President and CEO,  
JFK International Air  
Terminal LLC

"The cut in AIP's overall funding ultimately would mean the smaller airports that depend on this funding for necessary capital improvement projects will have less support."

**KEVIN BURKE, PRESIDENT AND CEO,  
AIRPORTS COUNCIL INTERNATIONAL-  
NORTH AMERICA**

**\$2.4 MILLION**

The annual revenue expected in the largest commercial land-use development in Dallas/Fort Worth International Airport's history.

"For any local economy to flourish, a rapid transportation link to the rest of

the world is a vital necessity."

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