

Bizav in Chicagoland

How three of the region's executive GA airports are going to market

Brad McAllister, Associate/Technology Editor

“Development is still going on in this economy; in fact, if you want to build, this is a great time to do it.”

— Dennis Rouleau, Chicago Executive

CHICAGO - On a recent visit to the Chicago region, *airport business* sat with officials at Landmark Aviation (formerly DB Aviation) at the Waukegan Regional Airport, and airport managers at both the Chicago Executive and Dupage airports to get a sense of the challenges of operating in the current economic environment, and to see how business aviation is expected to fare here in the short term.

Waukegan Regional Airport (UGN), situated on 535 acres and located some 35 miles north of Chicago, is a general aviation facility with two runways and is categorized by FAA as a reliever for Chicago's O'Hare International Airport. DB Aviation, recently acquired by Landmark Aviation (see sidebar), is the sole FBO on the field offering aircraft charters and sales, maintenance, fuel, and FBO services.

Comments Landmark operations manager Joshua Lewis, “There hasn't been a significant pickup in activity over the last year; there was more traffic but less sales, and you've seen a lot of home-based people buying product from home.”

Chicago Executive Airport (PWK), formerly Palwaukee Municipal, is located 18 miles northwest of Chicago and is publicly co-owned by the City of Prospect Heights and the Village of Wheeling. Business here is coming back, says airport



Some 300 aircraft are based on the field and approximately 200,000 take-offs and landings occur annually at Chicago Executive Airport.

manager Dennis Rouleau, who has been on the field since 1989. “The economy put us down some 15 percent, but we still had people flying, and we didn't lose anybody; our hangars were still full,” he adds.

Offering some 2,800 acres of property, 1,200 acres of which is solely dedicated to airfield activities, Dupage Airport (DPA) is located in the western Chicago region 29 miles from downtown Chicago. Owned and operated by the Dupage Airport Authority, the airfield is positioned well with a model of growth that is focused on the corporate sector, says manager David Bird.

“The entire industry has gotten smaller,” comments Bird. “I think Chicago, as

a center of commerce for the Midwest ... business is always going to be here; however, growth out of this economic climate is going to be modest.”

Adjusting to the downturn

With the largest charter fleet in Chicago, according to Lewis, “The fourth quarter is typically a high quarter for charter, or aircraft activity here in general,” he says. “As a general rule of thumb, the first two to three weeks of January tend to be down charter-wise — but we don't see that this year, which is promising.”

The facility has some 80 based aircraft, and the majority of fuel sales comes from jet fuel (with the acquisition, the FBO is now an Eastern Aviation Fuels dealer).

“We haven't had any new corporate flight departments come in since 2008,” relates Lewis. “That's more an indication of the industry as a whole and the economy, and not Chicago in and of itself.”

“From an economic development standpoint, we rely a lot on the City of Waukegan and the Lake County Chamber of Commerce to really do their job in bringing in companies to the region.”

At Chicago Executive, Rouleau says just looking at the month of December compared with last year, December's traffic increased 42 percent; and year over

A designated reliever airport to O'Hare and Midway, DuPage Airport is located within minutes of Chicago's major suburban business districts.



LANDMARK ACQUIRES DB AVIATION

Long-time Waukegan Regional FBO becomes part of a network

"DB Aviation will be a great addition to our network, and will expand our presence in the Midwest," says Landmark president and CEO Dan Bucaro in a recent press release.

Offering FBO, charter, and aircraft management and maintenance services, DB Aviation becomes the 41st FBO in the Landmark network, which has locations in the U.S., Canada, and Western Europe. The acquisition supports Landmark's growth strategy, according to the company.

Headquartered in Houston, Landmark Aviation is a portfolio company of GTCR Golder Rauner and Platform Partners, LLC. For more information, visit www.landmarkaviation.com.

year, traffic has gone up 8.6 percent.

With a number of charter companies on the field, he relates there was a bump in charter activity last year, however it leveled out. "Now things are starting to come back again," adds Rouleau.

"Before the economic downturn, we went out for an RFP for an FBO on the Southeast corner of the field. We had four people respond to doing a business there. At the same time there was some interest in another parcel of land here ... XJet was looking at developing 13 acres."

In West Chicago, Dupage's Bird says the impact of the downturn was dramatic here. "I think that some months we saw as much as 40 percent decreases," he explains. "Starting in the summer of '08, we began to feel a significant impact. When we saw the financial collapse, a substantial number of flight departments liquidated and stopped flying.

"We reduced our budget significantly in response to that. We also reduced staffing significantly, especially at the manager and director level; that was our response."

Bird says the airport is starting to see some growth, and that the industry has hit bottom. "Business activity is clearly tracking with the recovery; we're a lot more optimistic than we were a year ago at this time," he adds.

Development initiatives

Hangar space at Landmark is some 85 percent full, relates Lewis. DB Aviation completed a development of hangars two years ago, and the company has two more parcels of land of 90,000 square feet that can be developed.

Waukegan Airport has plans to extend its primary runway to 7,000 feet, plus an additional 1,000-foot per end for displaced threshold. "That really allows us to bring in larger aircraft that can tanker fuel and fly further," explains Lewis.

Rouleau says some 98 percent of hangar space at Chicago Executive is occupied airport-

wide. The airport recently completed a 48-unit six building T-hangar development (a Fulfab product) at a cost of some \$2.6 million, and a \$5 million, 24,500-square foot corporate hangar has also sprung up on the field; the privately funded facility will house five jet aircraft.

Comments Rouleau, "Because of the economy, this was just a great time to build, and cost of materials are fairly cheap. We had 15 contractors respond to bids for the T-hangar development, and we recently received bid openings for a self-fueling facility to support that development.

"Development is still going on in this economy; in fact, if you want to build, this is a great time to do it."

On the marketing front, Rouleau says that changing the airport's name in 2006 from Palwaukee Municipal to Chicago Executive has been a very positive thing.

"We looked at different things in terms of branding the airport, and Chicago Executive said what we are," he explains. "We are not a jetport; we are not a recreational airport; executive means we are all-inclusive."

At Dupage, the airport has recently completed a master plan. "We have a lot of green fields inside the fence," relates Bird. "We plan to continue to develop and grow our corporate hangar facilities.

"We are surrounded by compatible development; it's a pretty mature facility airside, and we are looking at growing the corporate sector over the next decade, which is the highest yield customer we have."

Dupage is also planning on extending one runway, giving the airport some operational flexibility so that when another runway is closed for maintenance, it'll be able to shift all of the traffic to the newly extended runway, says Bird. The project will be paid for with cash reserves.

On being an airport that is also the FBO and fuel provider on the field, Bird says it provides the ability to control the product more directly than if it were relying on a typical FBO.

Bird's concern for the near term is the possibility of another recession. "It's going to take us years to get back to the prerecession levels of activity that we had in '06," he explains. "The climb back is going to be slow."



Waukegan Regional Airport has a 6,000-foot runway, ILS, and a U.S. Customs office which provides clearances for direct international arrivals.

Your Airfield Lighting Solutions Partner

Airfield Lighting Products Advanced DMF offers increased visibility and U.S. and ICAO compliant lighting.	Navigational Lighting Aids Advanced DMF offers over twenty years of experience with Category II, III, IV, V, and HD systems.	Design-Build New Aids Lighting Solutions Advanced DMF offers a complete solution for the ground crew and pilot on the tarmac.
---	--	---

Need a lighting solution with an upcoming airfield lighting project? **CALL US.**

Call: 954.975.2100
Email: DMELightingSales@Astronics.com
or Visit: www.Astronics.com

ASTRONICS
INC. 0307071004

VCA® - VELCON CONTAMINANT ANALYZER

Emergency

Dirt Alert

Stop

Dirt & Water - Stop Auto Sensed & Stopped*.

- Incoming fuel delivery quality check
- Final stage quality check downstream of fuel filtration.
- A safe, portable assurance system for providing clean, dry fuel to aircraft and FBOs around the world.

*Output can trigger alarm, valve closure, or alarm

VELCON FILTERS, LLC
COLORADO SPRINGS, CO, USA
1-800-254-1983 • (719) 531-3835 • FAX (719) 531-5890
VISIT OUR WEB SITE AT: www.velcon.com

LASER SENSING AUTO SHUT-OFF