

# Business & Commercial Aviation



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## Are Business Aviation's 'Hubs' Ready for the Future?

The big metropolitan business aviation airports are coping with a variety of challenges today, but will they have the capacity to accommodate predicted traffic loads in the next two decades?

By David Esler

**W**hat component of aviation infrastructure is more essential than airports? And yet is there any more beset? And very soon, in addition to concerns about real estate development, noise and environmental impact, safety considerations, airspace integration, zoning and land-use planning, and community relations, there comes one of capacity. Aviation forecasters in government and industry are predicting business and commercial air traffic will double (or more) over the next two decades and across the United States, airport managers are wondering where all these new aircraft will go and where they will park when they get there.

In recent years, much discussion and speculation has focused on the major commercial hubs, epitomized by airports such as JFK, O'Hare, Dallas-Fort Worth,

Atlanta Hartsfield and Los Angeles International, and whether these mega-fields are prepared for the forecast traffic surge. Rest assured that this, along with ATC capacity, will be one of the principal topics in the forthcoming FAA reauthorization debate with its threat of user-fee imposition and increased taxes. But what of the major urban general aviation reliever airports that serve as magnets for the vast majority of business aviation operations? How do they fare, and are they prepared to meet the challenges of the near future?

### Points of Relief

This was the question asked by B&CA of industry advocacy groups, state aviation officials and airport managers presiding over a selection of major reliever airports in urban centers favored by both based and transient business aviation operators. Some of these fields - New Jersey's Teterboro (TEB), Westchester County (HPN) in White Plains, N.Y., and Van Nuys (VNY)

outside Los Angeles, for example, where general and business aviation predominate - could even be thought of as business aviation "hubs;" however, the NBAA's vice president for operations, Steve Brown, quickly disabused us of this notion.

"The way we generally think of hubs is as nexuses for high-frequency round-trips between major metropolitan areas and small communities," Brown said from his office in Washington, D.C. "Places like Van Nuys or Teterboro don't reflect that characteristic, that is, banks of flights coming in and going out to predetermined destinations every two hours. What you usually see at these reliever fields is much more random traffic that doesn't fly repetitively along the same routes, that is, it comes from all directions. So it is less 'directional' than that of the airline hubs."

Consider Teterboro on a Tuesday, Brown said. "In the airline context, its traffic would be consistent for Wednesday and Thursday, too. But of course, at a business aviation

## DuPage: How Foresight Can Pay Off

How many urban general aviation airports can make this claim? “We have room to grow, as a result of a property acquisition that was done in the late 1980s and early 1990s.”

Well, there’s at least one -- DuPage Airport (DPA) in West Chicago -- and the speaker is the field’s executive director, David Bird. Dating all the way back to the 1920s, DuPage sits on 2,800 acres of prime land about 30 miles west of Chicago’s Loop. As Bird pointed out, most of DPA’s growth has occurred in the last 15 years after the airport’s owner, DuPage County, had the foresight to both recognize the value of the airport it owned and the importance of preparing -- and protecting -- it for the future by way of the land purchase.

Of course the land around the field was essentially undeveloped, a luxury and resource most urban airports can’t boast, and it had not been zoned for construction of tract housing -- at least not up to the point the county bought it. Reportedly, the political process to accomplish this wasn’t a cakewalk, but the airport interests prevailed, and today the facility and an attached business park are thriving contributors to the community.

“The only way to grow the airport was to engage in considerable land acquisition, which did three things,” Bird related to *B&CA*. “First, it gave us the room to develop the airside components to sustain growth -- ramps, taxiways and runways. We built an entirely new 7,570-foot runway in 1992 to accommodate the larger business jets. [Again, how many urban airports can claim that? -- Ed.] So some good planning took place there.

“Second,” Bird continued, “it created noise buffers. And third, it allowed us to create new hangars and support facilities for the users. The recent growth has changed the field dramatically. It continues to evolve, with continued airside development of the new corporate hangars, and we are looking at a possible condo/hangar development. The airport is . . . operated as an independent authority with a board appointed by the county chairman. The result is that we have no constraints for forecasted growth.”

And the DPA airside is impressive with four runways: the newer 7,570-foot 02L/20R plus its parallel, 02R/20L, 3,300 feet, and crosswind 10/28, 4,751 feet, and 15/33, 3,401 feet. The airport is the sole fueler and manages 500,000 square feet of hangars, from “t’s” for light planes to high-tail corporate facilities. There are no scheduled commercial operations at the airport.

“We have about 100 turbine aircraft of the field out of a total of 400 based aircraft,” Bird said, “and we’re home to eight corporate flight departments. We are very pleased, and the majority of the growth has been among business aviation. Ninety percent of our fuel sales are Jet-A, a proxy for the operational mix. Currently, we’re seeing about 140,000 annual movements. We have the full range of services here: flight schools, maintenance shops and one FBO, the DuPage Flight Center, which the airport authority manages. Additionally, we manage a high-end golf course and are in the process of developing an 800-acre business park.”



### Seeking Self-Sufficiency

DuPage provides 2,900 jobs directly related to the businesses of the airport with a combined payroll of \$106 million. "Primarily as a result of the growth of the tech park," Bird said, "we are projecting 8,900 employees by 2011, with a payroll of \$355 million. Only two buildings have been completed in the park, so there will be a significant amount of development within that component over the next five years. We have a number of commitments in the pipeline and could approve as many as five this year. The condo arrangement is not residential, just hangars that an operator could actually buy, which is becoming a popular concept. What attracted me here was the quality and uniqueness of the facility."

And the airport is on its way to being totally self-sufficient in terms of funding -- at least that's Bird's goal. "We have three sources of revenue: fuel sales, accounting for almost half; land and building leases, a large component; and a tax levy. It is our desire through the development of the tech park that our reliance on the tax levy will, over time, diminish -- the overall goal is that this become a self-sustaining airport, but it will take several years to do that. It's attainable for us, though."

Note the reference to land-use planning, leading to a payoff most other urban airport managements would envy: "The critical noise contours are all contained on airport property, so the impact zone on residential developments is very small," Bird said. "We still get complaints from time to time, but the important noise contours are not problematical, and I don't envision curfews or other constraints."

"We have a based BBJ here, too," he continued, "so there are no runway restrictions, and we could accommodate larger aircraft if we had to, but we won't. On the other hand, if Air Force One [the 747] wants to come in here, we could accommodate it. We get no noise complaints from the typical business aviation operation here. We don't see very many Stage 2 airplanes, so they don't present a problem, either. Believe it or not, we get only 10 or 12 noise complaints a year. And because we're at the edge of O'Hare's Class B airspace and you will hear airliners from there, I'm convinced that some that we do get are from there. We are simply not noise-impacted here due to good planning on land use and cooperation from the surrounding communities."

If Bird does have a challenge, it's living with DPA's dependency on fuel sales and diminishing federal support for smaller airports. "The biggest threat we have is that from a revenue flow, we are very reliant on fuel sales . . . that, plus at the federal level, obtaining grant funds to continue to develop the airfield in a way to sustain the growth realized in the last decade. Because our revenue streams are not diversified, we are subject to the volatility of the market, hence the tech park."

### Competing With the Biggies for Federal Funding

Bird believes that reductions in AIP funding have heightened the competition in obtaining available grants. "The [Bush] administration is continually trying to reduce the development funds, and that's a problem. So it always comes down to money. We -- the general aviation airports -- are in some ways at a competitive disadvantage due to the commercial airports, which will get first priority, and we don't have PFCs [passenger facility charges], so it has to come out of discretionary funds, and it's a very competitive environment."

"We are a designated reliever airport for O'Hare and Midway," Bird continued, "and that does improve some of our chances for funding, but we receive no assistance from Chicago. The congestion at O'Hare actually helps us because getting in and out of here is much easier and faster."

In cooperation with the Illinois government, DuPage is engaged in producing a master plan, a piece of which will forecast future operations and fleet mix. "Based on that, we will develop an airport plan to sustain growth," Bird said. "We're now looking at strengthening and widening the primary runway [2L/20R] to 100 feet, based on the BBJ as a baseline. We see growth at this airport and we will grow on the non-aviation side [i.e., the tech park] and be a significant employment center for the county."

"All the revenue will flow back to the airport to sustain the growth. That's the goal in a nutshell -- the use the resources we have to develop what we think is a premier airport, one of the finest in the country. We want to become the Ritz-Carlton of airport!"

land for protection of navoids. Another issue is residential development and noise. When land is developed for residential needs, the closer you get to the airport, the bigger impact the noise has.

"Then there's the issue of growth," he continued. "When you forecast for increased growth, you have to ask whether the infrastructure of these facilities has enough capacity to accommodate that growth. Do they have enough runways, terminals, taxiways, and what are their condition? Do you need a rehab of the runway? So growth has its impact just like at a commercial airport."

Added Brown, "There have been very distinct threats to these airports from very specific sources. They are threatened by increased environmental regulations, whether from the standpoint clean water or air or noise; by pressure on local funding, as they are locally owned, so they're always under pressure for local financial support; and they are threatened by general population growth, since as they become surrounded by growing communities, their land value goes up, and there is a great temptation to sell off the land for development."

"Teterboro, Van Nuys and Santa Monica [California] are under a lot of pressure," Brown continued, "mostly from noise and citizens groups pushing for stringent traffic restrictions, just constant political pressure. In general, people living next to airports like this don't recognize the economic benefits they bring to their communities. HPN qualifies there as well." But is there capacity to handle business aviation growth at these fields? B&CA wanted to know. "As a broad statement," Brown answered, "because of local zoning, these airports have been hemmed in, and that isn't going to change, so their capacity will grow only incrementally. There are a few [e.g., DuPage, near Chicago], where adding runways and ramps are possible, but they aren't capacity-constrained yet and won't be for many decades to come. The lack of local zoning has had the same impact over the years on the relievers as the big airline hubs."