

Memorandum



DATE May 18, 2012

TO Members of the Economic Development Committee: Tennell Atkins (Chair),
Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo

SUBJECT **Realizing Potential: Dallas Executive Airport**

On Monday, May 21, 2012, the Economic Development Committee will be briefed on the Realizing Potential: Dallas Executive Airport.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Director, Chief Financial Services
Mark Duebner, Interim Director, Aviation
Stephanie Pegues-Cooper, Assistant to the City Manager



Dallas Executive Airport

Realizing Potential:

Dallas Executive Airport

May 21, 2012

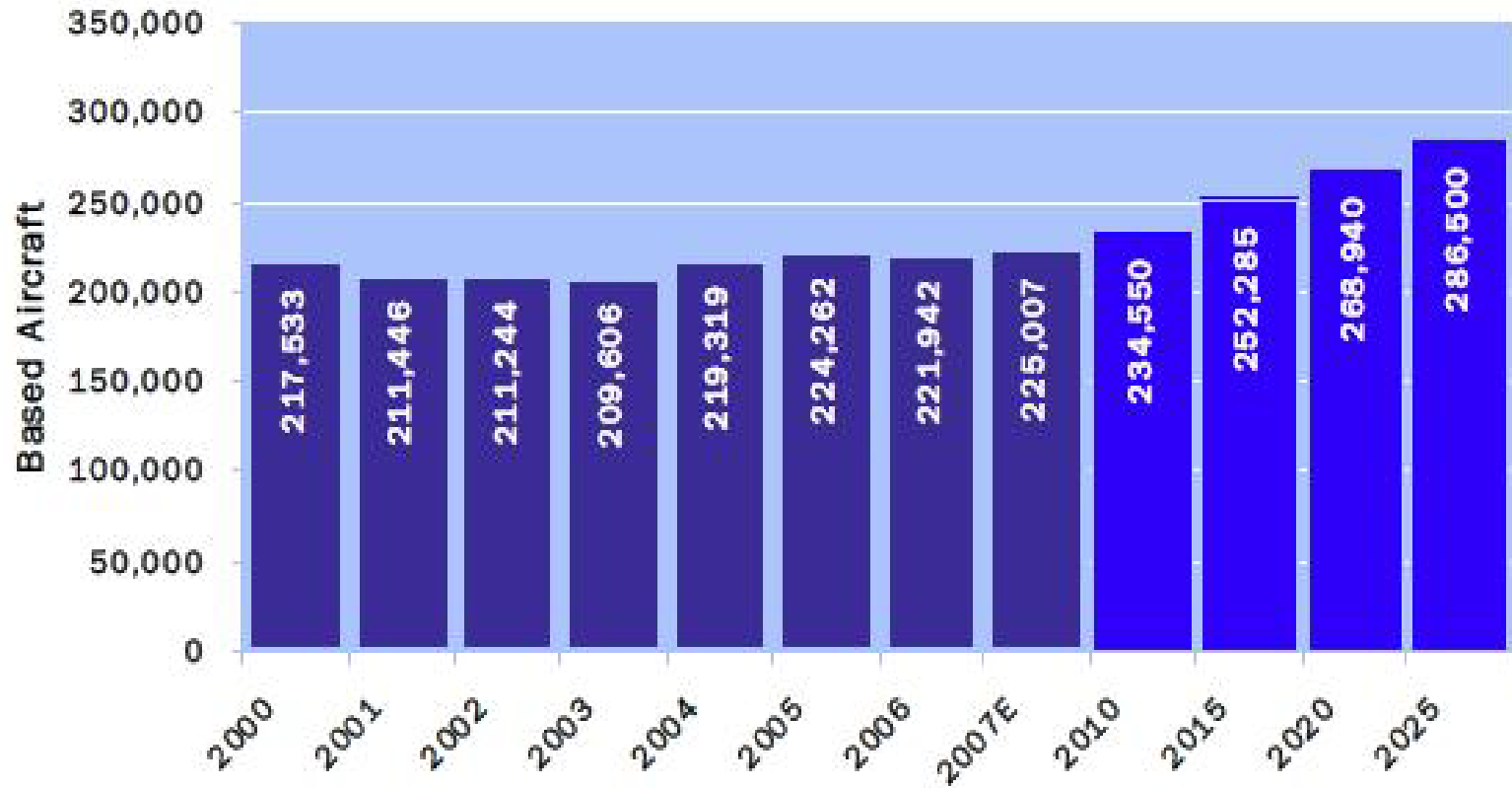
Purpose

- Provide overview of general aviation in the North Texas region
- Provide detailed overview of DEA
- Demonstrate potential economic impact of Dallas Executive Airport(DEA)
- Identify factors contributing to slow growth at DEA
- Outline key strategies to move DEA into the future

Aviation Trends

- Business aviation is one of the fastest growing facets of general aviation
 - Companies are again using aircraft as a tool to improve their businesses efficiency and productivity
 - Companies flying general aviation aircraft for business have control of their travel
 - Private aircraft can fly into destinations not served by scheduled airlines

Exhibit 2-4: U.S. Active General Aviation and Air Taxi Aircraft



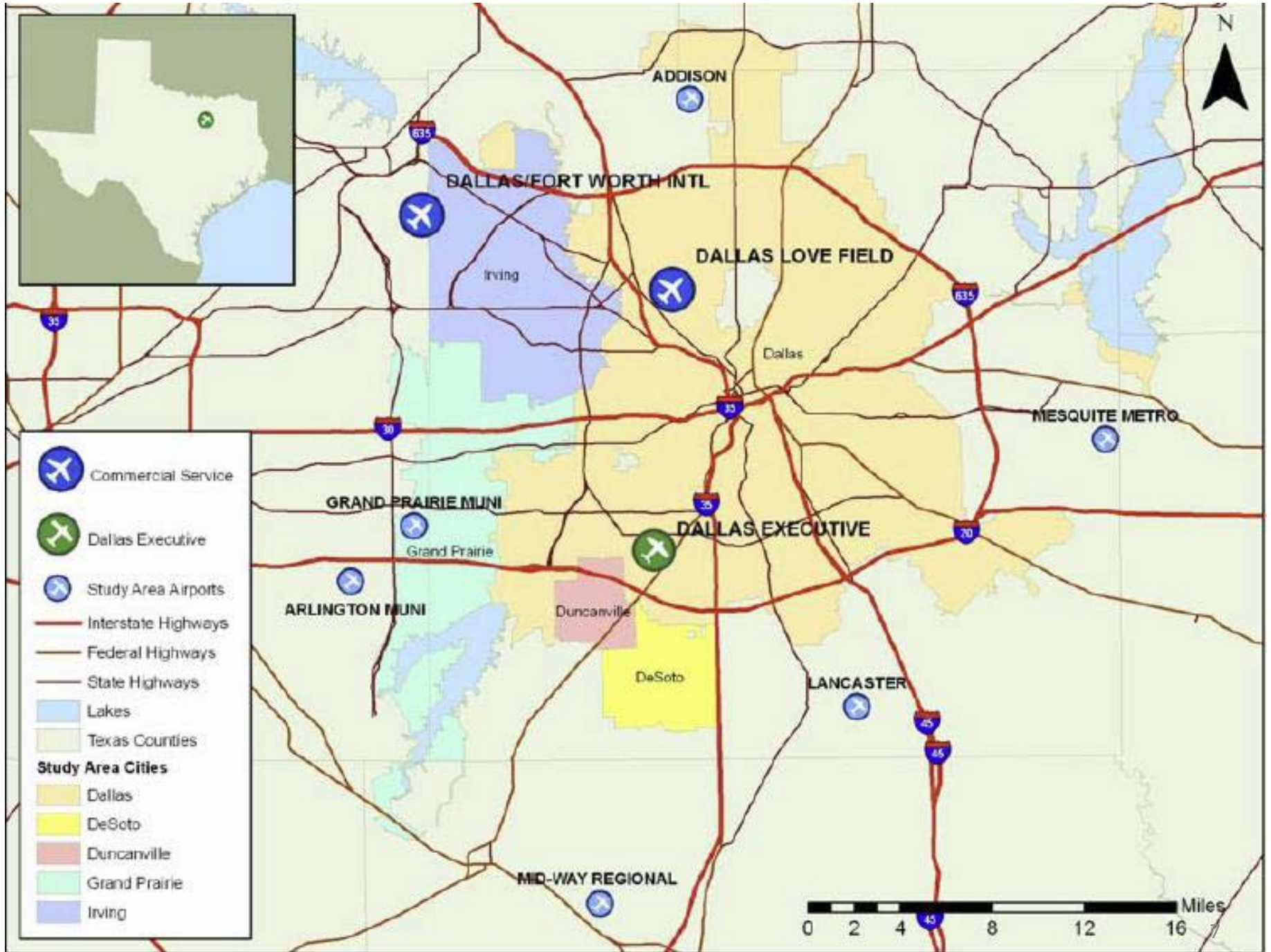
Source: FAA Aerospace Forecasts, Fiscal Years 2008-2025

Aviation in the Region

- The Dallas region is home to a robust and diverse aviation market
- Many of the airports in the region are expanding in an effort to attract new and retain existing tenants in a competitive market
- The primary competition for Dallas Executive Airport is:
 - Addison
 - Arlington Municipal
 - Collin County Regional (McKinney)

Aviation in the Region

- With so many airports to choose from in the region, location and infrastructure are the most important factors in a tenant's decision of where to base aircraft
 - **Arlington Municipal** serves the Ft. Worth and western Dallas areas
 - **Addison Airport** captures most of its tenants and business activity from the growing north Dallas market
 - **Collin County Regional** continues to expand with the growing north Texas market
 - **Dallas Executive Airport** is key to the economic development for the Southern Sector of Dallas and serves the southern side of the Dallas Market



Comparison

- These competing airports to Dallas Executive Airport have similar airport facility characteristics such as:
 - Precision approaches
 - Air Traffic Control Tower,
 - Affordable Jet Fuel pricing
 - First Class Fixed Based Operator(FBO) services
- All of these factors attract the same client base

Background

- Dallas Executive Airport occupies 1,040 acres of land, with two concrete runways:
 - 13/31 measuring 6,451 feet in length and 150 feet wide.
 - 17/35 measuring 3,800 feet in length and 150 feet wide.
- Dallas Executive Airport is fully equipped with an air traffic control tower, a full instrument landing system, and all of the necessary aeronautical lighting, airport markings and air navigation radio aids to ensure accessibility to aircraft even under highly adverse weather conditions
 - Tower open from 0700 to 2100 daily

Background

- The service level for Dallas Executive Airport has been established and defined by the National Plan of Integrated Airport Systems (NPIAS),
 - Identifies DEA as airport important to National Transportation System
- Allows DEA eligible to receive grants under the Airport Improvement Program (AIP) for airport capital improvements and infrastructure development

Aerial View



Advantages

- Two full service fixed base operators (FBO's) provide general aviation users with a wide variety of services including meeting rooms, car rentals, limousine service, fuel, maintenance, hangar rentals, and charters
- Full fire service protection
 - ARFF Index B capable - 24 hours

Advantages

- Terminal Building
 - Constructed in 2005
 - Full service with passenger lounge, administrative offices, and pilot facilities
- Business Conference Center – with Main Hall Occupancy of 75, as well as break out rooms
- Restaurant

Advantages

- The Airport has good existing airside facilities to support general aviation and business related activity
- Excellent location in Southern Dallas with good proximity to transportation, higher education, and other commercial areas
- Approximately 50 acres currently developed with combination of aviation, commercial, and governmental use
- DEAh has more developable land (480 acres) than any other general aviation airport in the Dallas region

Advantages

Flight Time:

- Immediately outside Class B airspace (congested commercial airspace that DFW + Love Field + Addison occupy)
 - Example: During the Super Bowl, Dallas Executive Airport was the closest airport to Cowboys Stadium allowed to operate during that event
- Air Traffic Controlled Field - Class D
- No delays – 20 minute turn around for aircraft
- Low fuel prices

Drive Time:

- 10 minutes to Downtown Dallas
- 23 minutes to the Cowboy Stadium and The Ballpark in Arlington
- 20 minutes to Lone Star Park
- 20 minutes to Galleria Mall
- Easy access to I-20, I-30, I-35E, I-45, US-67 and Loop 12

Disadvantages

- Dallas executive has some disadvantages over the competition, and needs to invest in improvements to attract and retain customers
 - Runway length under 7000' is a liability for larger aircraft insurance
 - Large amount of unproductive acreage requires maintenance expense

Competing General Aviation Airport Analysis			
Airport/Tower	Runways	Size	Navigation Aids
Dallas Executive: Yes	Rwy 13/31: 6451'X150' Rwy 17/35: 3800'X150'	1040 Acres	ILS, PAPI, VASI
Addison: Yes	Rwy 15/33 7202'X100'	373 Acres	ILS, VASI
Arlington: Yes	Rwy 16/34 6080'X100'	500 Acres	VASI
McKinney: No	Rwy 17/35 5999'X100'	350Acres	ILS, PAPI

Challenges

- DEA has been hampered in its development due to misperceptions
- Infrastructure and physical improvements to the airport need additional funding
- DEA has suffered from changing development strategies
- Some vacant developed facilities, i.e. hangers

Economic Potential

- Why should the City invest in Dallas Executive Airport now?
 - Development on the 480 acres available at Dallas Executive Airport:
 - Aviation Revenue – estimated \$2.9 million
 - Property tax Revenue – estimated \$1.85 million
 - This represents real opportunity for DEA to drive additional investment in the Southern Sector

Economic Potential

- By seeking available grant funding, DEA can maximize its investment:
 - TxDOT Airfield infrastructure grants are typically “90/10” grants, where the City would only be responsible for 10% of the project costs
 - Other infrastructure development can be captured through state and federal matching grants, with City responsible for 25% of project costs

Future of DEA

- In order to effect change at DEA, will be important to have a comprehensive approach
- All aspects of the airport have to be considered as a whole
- Multiple aspects can be worked on concurrently
- All constituent groups must be included in this process for success

Activity Currently Underway at Dallas Executive Airport

Master Planning

- City has begun master plan project to help guide development and management of DEA into the future
 - Contract awarded to Coffman & Associates -24 month duration to include:
 - Airfield Layout and Improvements
 - Study extension and overlay for both runways and related impact and cost
 - Facility Inventory
 - Rates and Charges
 - Land Development opportunities including non-aeronautical and aeronautical land use alternatives
 - Forecasting
 - Noise Contours
 - Financial Data
 - Fuel Storage

Master Planning

- Main goal of the Master Plan will be to create an “Identity” for the airport
- Need to answer fundamental questions about what type of airport DEA should be, e.g. private jet vs. cargo and logistics airport
- From the Master Plan, the City will better be positioned to target what type of growth should be pursued
- Plan will also address compatibility issues within the airport and the surrounding community as well as Dallas as a whole

Capital Improvement: Current Year

Leveraged State and Federal Funding: TxDOT Aviation and FAA AIP (Airport Improvement Projects).

TxDOT Funded Projects for FY 10/11 – FY11/12	Amount	Grant Type	Split	Contract Award
Master Plan Update	\$200,000	90/10	\$180K / \$20K	Coffman & Associates
Engineer/Design: Fencing, Roads, Hangar Access TW	\$555,000	90/10	\$499.5K / \$55.5K	Garver Engineering
Clearing: Brush along North Perimeter Road	\$100,000	90/10	\$90K / \$10K	Garver Engineering
Construction: Asphalt Airfield Service Road	\$550,000	50/50	\$275K / \$275K	Garver Engineering
Construction: Light Duty Perimeter Road	\$220,000	50/50	\$110K / \$110K	Garver Engineering
Total Capital Improvement Cost: \$1,625,000		City of Dallas Cost: \$470,500		

AVI CIP-Supported Projects:

Engineering/Design for the Master Drainage & Grading Plan – \$498K Project cost

Development

- Working with Office of Economic Development to promote and recruit development
 - Joint efforts to identify and attract new business
 - Dedicated staff to assist in development activity
- Recently completed appraisal process to help set market rates for lease/ sale of property

Marketing

- Heli-Expo 2012 – February 11-14, 2012, Dallas Convention Center –
 - *World's largest tradeshow dedicated to the International helicopter community*
 - DEA FBOs were the exclusive fuel provider for this event
 - DEA staff provided logistics and operation support for this event
 - Received excellent feedback from attendees and gathered several target for recruitment

Moving Forward

- Action plan at Dallas Executive Airport looking strategically at the next five years, encompassing following areas:
 - *Airport Development*
 - *Capital Improvement and Funding Opportunities*
 - *Marketing*

Action Plan-Airport Development

- Near term action items (3-6months):
 - Continue partnership with Office of Economic Development – work to identify and leverage other economic development efforts surrounding airport including dedicated Economic Development staff to focus on DAE
 - Develop Airport Property Parcel GIS locating all available utilities for potential clients
 - Work to identify infrastructure with utility providers to develop grid maps for cable, fiber, water, electric, gas and sewage lines; prepares parcels for “shovel ready” development
 - Attend NTCAR (North Texas Commercial Association of Realtors) annually for developing relationships with commercial brokers
 - Continue participation in the North Texas Commission Aviation Marketing Committee

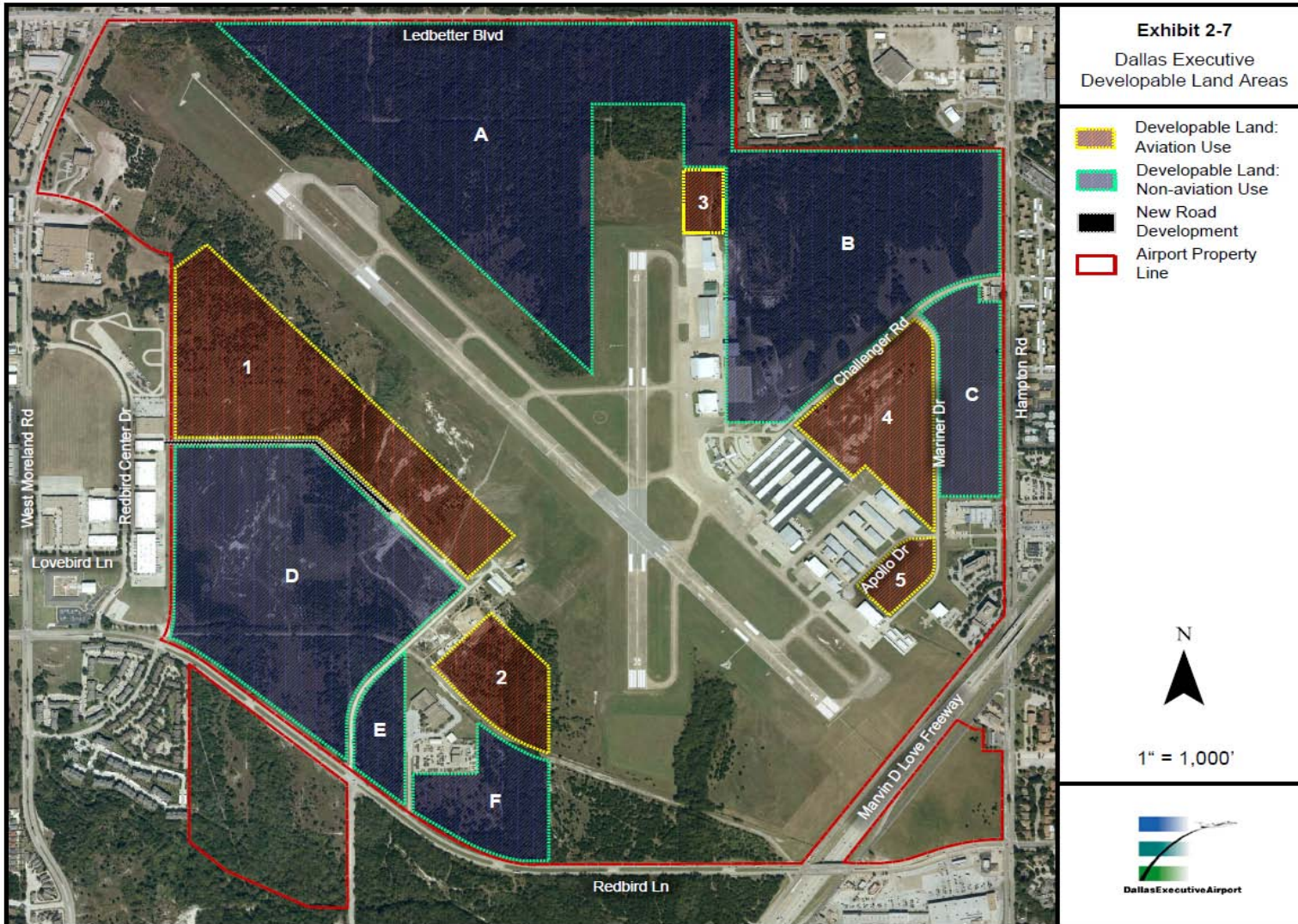
Action Plan-Airport Development

- Mid term action items (6-12 months):
 - Work with various local Chambers and business groups to identify potential private developers
 - Create database
 - Host “Development Roundtable” with potential developers to gain insight into what steps airport can take to make development more attractive
 - Increase attendance and visibility at Aviation Business Conferences
 - NBAA
 - Schedulers and Dispatchers
 - Texas Aviation Conferences
 - Texas Airport Council
 - Other conferences when identified as appropriate

Action Plan-Airport Development

- Long term action items (12-36 months):
 - Develop and conduct survey of potential tenants regarding deficiencies, real and perceived, to increasing development at the airport
 - Pursue the addition of a stop light at the corner of Hampton Road & Challenger Drive
 - Create a safe ingress and egress onto airport property
 - Increase response time by DFD Station #49
 - Explore street name change of Red Bird Lane
 - Consult with the Sustainable Development and Construction Department
 - Research alternative use of property for commercial ventures i.e. solar farm, cargo containment, maximizing Free Trade Zone position, and production facilities

Action Plan-Airport Development



Action Plan-Capital Improvement

TxDOT Funded Projects for FY 12/13 - FY13/14	Amount	Grant Type	Split	Contract Award
Airfield Pavement Evaluation & Rehabilitation	\$4,318,000	90/10	\$3,878.2M / \$431.8K	Garver Engineering
Airfield Pavement Rehabilitation – Phase 2	\$3,000,000	90/10	\$2,565M/\$300K	TBD
Taxilane Romeo - Construction	\$565,000	90/10	\$358.5K/\$56.5K	Garver Engineering
Apron Island Improvements – Design & Construction	\$1,650,000	90/10	\$1,485M/\$165K	Garver Engineering
Airfield LED Electrical Upgrades – Design & Construction	\$1,420,000	90/10	\$1,278M / \$142K	Garver Engineering
Fuel Farm - Design & Construction	\$1,630,000	75/25 ≤\$600K	\$450K / \$1,180M	TBD
Total Capital Improvement Cost: \$12,583,000		City of Dallas Cost: \$2,275,300		

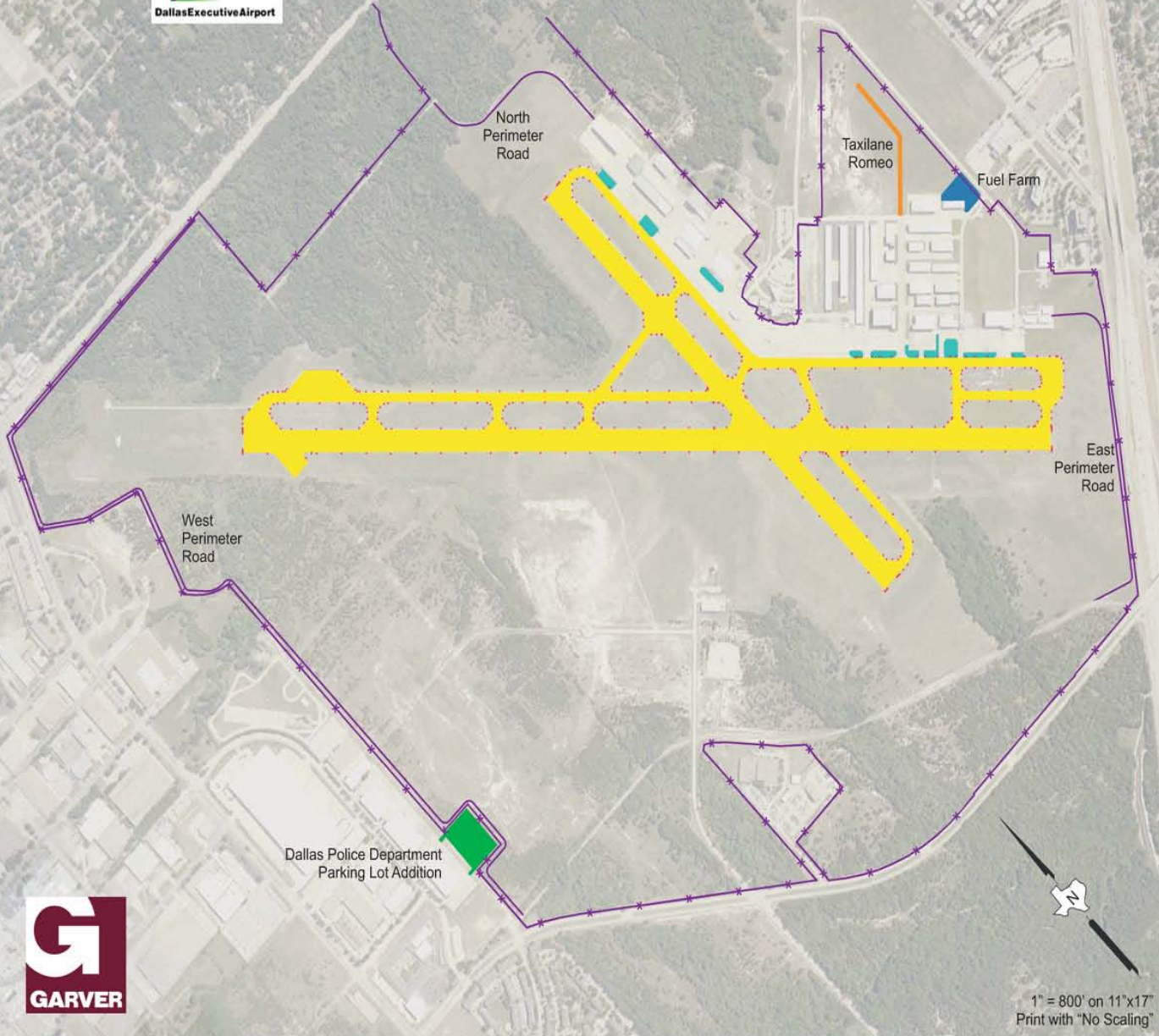
AVI Funded CIP:

Dallas Police Department Parking Lot Addition- Design & Construction \$140,000.00

Dallas Executive Airport



2012-2014 Capital Improvement Plan



Dallas Police Department Parking Lot Addition
Total: \$140,000 (FY 2012)

- Engineering Services
- Construct Gravel parking lot with a minimum of 200 parking spaces

Airfield Pavement Rehabilitation
Total: \$7,318,000 (FY 2012-2014)

- Perform non-destructive and destructive pavement testing, and evaluate the structure life of the existing pavement
- Pavement rehabilitation design
- Rehabilitate and reconstruct pavement determined from the evaluation

Perimeter Fence & Perimeter Road
Total: \$1,725,000 (FY 2012)

- Replace existing perimeter fence and gates
- Construct perimeter road

Taxilane Romeo
Total: \$565,000 (FY 2013)

- Construct Taxilane Romeo extension into proposed hangar development

Apron Island Improvements
Total: \$1,650,000 (FY 2013)

- Engineering Services
- Fill-in grass islands between Taxiway Alpha and the existing aprons

Airfield LED Electrical Improvements
Total: \$1,420,000 (FY 2013-2014)

- Engineering Services for upgrade to LED fixtures and signs for both runways and all taxiways
- Install LED fixtures and signs on both runways and all taxiways

Fuel Farm Construction
Total: \$1,630,000 (FY 2013-2014)

- Site Design
- Environmental Assessment
- Engineering Services
- Construct Fuel Farm



1" = 800' on 11"x17"
Print with "No Scaling"

Action Plan-Capital Improvement

- **Near term action items (3-6months) :**
 - AVI Staff will seek to garner additional grant funding opportunities from TxDOT
 - Set meetings with TxDOT Aviation Offices in Austin and key State officials to promote DEA and garner support for increased funding
 - Make needed repairs and improvements to existing airfield infrastructure, i.e. RWY 13/31 and RWY 17/35 and associated taxiways
 - \$4M currently earmarked by TxDOT for Dallas Executive CIP Program, should be awarded next fiscal year
 - Upgrade airfield lighting to LED to comply with current FAA standards and decrease energy footprint
 - Creates 40% savings in energy costs
 - Drainage improvements on the west side of airport property
 - Other projects as identified by the Master Plan Study

Action Plan-Capital Improvement

- Mid term action items (6-12 months) :
 - Increase revenues through airport development
 - Review rates & charges program and lease terms
 - Investigate feasibility of additional funding mechanisms such as bond funding and other economic incentives such as new market tax credits and EB-5 capital
- Long term action items (12-36 months) :
 - Begin to divest non- aeronautical real estate portfolio to create capital pool and leverage private capital investments

Action Plan-Marketing

- Near term action items (3-6months) :
 - Enhance DEA Website Development
 - Utilize Google Analytics
 - Create survey/Feedback Templates
 - Develop Social Media Feeds
 - Build user-friendly data fields to enable staff to input current airport conditions, special events, etc.
 - Create high quality marketing materials for aviation and non-aviation development opportunities
 - Increase travel budget to attend marketing events and conference to solicit business interest

Action Plan-Marketing

- Mid term action items (6-12 months) :
 - Increase print media and Web-Based advertising in the following:
 - AOPA (Aircraft Owners and Pilots Association)
 - Flying Magazine
 - FlightAware.com
 - NBAA.org
 - Create DEA hosted Air Show
 - Target date : Spring of 2013
 - One Day event with 2-3 hours air show, vendors, booths, entertainment
 - Anticipated attendance approximately 8000
 - Preliminary estimated cost approximately \$30,000

Action Plan-Marketing

- Long term action items (12-36 months):
 - Develop comprehensive marketing plan
 - Create strategy to overcome misperceptions regarding airport location and surrounding area
 - Target users of major attractions, i.e. Lone Star Park, Cowboy Stadium, etc.

Conclusion

- Dallas Executive Airport represents a significant investment for the City that offers many development opportunities
- To realize this potential, the City needs to:
 - Move forward with the ongoing Master Planning effort currently underway
 - Implement the development, capital improvements, and marketing outlined action steps
 - Begin immediately