



## Scottsdale Airport Strategic Business Plan - Project Overview

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### Scottsdale Airport

Scottsdale Airport has been a fixture in the physical and economic landscape of the City of Scottsdale and the greater Phoenix area since 1942, and is considered to be one of the preeminent general aviation airports in the United States. As a general aviation airport, it is at the hub of one of the largest economic growth centers within the State of Arizona (over \$3 billion annual impact combined), serving as the model for airport-industrial park interface development in the aviation industry. Located nine miles north of Scottsdale's downtown area and in close proximity to a wide range of world-class resorts, hotels, restaurants, and golf courses, as well as home to many of the Valley's corporate aircraft, Scottsdale Airport is the ideal aviation choice for vacationers and business travelers to the Scottsdale and Phoenix metropolitan areas. As such, Scottsdale Airport is invaluable and irreplaceable to the City of Scottsdale as a transportation resource and as an economic generator.

Detailed information about Scottsdale Airport can be found within the business plan and on the Airport website. [www.ScottsdaleAirport.com](http://www.ScottsdaleAirport.com)

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### Strategic Business Plan Purpose

The purpose of the *Scottsdale Airport Strategic Business Plan* is to provide a long-term vision of the Airport in order to guide future planning and development efforts associated with a potential Master Plan Update that will ultimately detail specific facility improvements for the Airport over the next 20 years.

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### General Strategic Business Plan Approach

The general approach taken for the project is described in the following, as well as the location in the study where detailed information is provided.

1. Established baseline of current conditions for the airport, its relevant markets, and the overall region. (*Chapter One*)
2. Provided an overview of the primary components of the Aviation Industry in order to establish appropriate context for the project. (*Chapter Two*)
3. Established a reasonable range of aviation activities that could potentially be accommodated at Scottsdale Airport as well as what some of those activities' possible implications may be for the Airport. (*Chapter Three*)
4. Provided an analysis of four potential long-term development scenarios for the Airport to focus on each scenario's potential physical, operational and financial implications. (*Chapter Four*)
5. Conducted an airport business review based on current operational conditions, including regional Rates & Charges survey and a review of the Airport administrative structure. (*Appendices*)

*Copies of these chapters and the full study can be downloaded from the Scottsdale Airport website: [www.scottsdaleaz.gov/airportsbp.asp](http://www.scottsdaleaz.gov/airportsbp.asp)*

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**Scottsdale Airport SWOT Analysis**

Based on the results of analyses conducted in the first three chapters of the plan, a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was conducted for Scottsdale Airport to assess its current condition.

	Helpful to the Airport	Harmful to the Airport
<b>Internal</b> (Attributes of the Airport and Market Area)	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- Prominent and established national/local market position (Corporate GA)</li> <li>- Established facilities, infrastructure, "world class" corporate GA aviation and passenger services</li> <li>- Some commercial air service infrastructure (i.e. terminal)</li> <li>- Strong demographics; High growth regional economy/industrial base</li> <li>- City of Scottsdale itself is an established destination (business/Airpark/tourism) - Airport benefits from Scottsdale "brand"</li> <li>- Significant economic generator - Airport/Airpark combine for \$3B annually</li> <li>- Airport is financially self-sustaining</li> <li>- Airport is proactive and responsive in relationship with local community</li> <li>- Strong support from local proponents/business interests</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Increasingly strong competition from other area airports for corporate GA, including various incentives and developable lands on or near airport</li> <li>- Scottsdale Airport cannot accommodate new large GA aircraft due to runway weight restriction (75,000 lbs) - competitive disadvantage</li> <li>- Scottsdale Airport has limited to no land available for development; capped TTF</li> <li>- City of Scottsdale nearing "build out"; Airport/Airpark require redevelopment of existing lands</li> <li>- Very strong economic growth and development in other metro area cities</li> <li>- Economic uncertainty likely to negatively impact market area</li> <li>- Potentially strong anti-airport noise sentiment in surrounding community, particularly regarding commercial service</li> </ul>
<b>External</b> (Attributes of the Industry)	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Continued growth in GA</li> <li>- Projected strong growth in business aviation segments of GA               <ul style="list-style-type: none"> <li>o Fractional ownerships</li> <li>o VLJs &amp; large corporate jets as emerging markets</li> </ul> </li> <li>- Continued growth in commercial traffic; increased demand for international</li> <li>- Potentially strong commercial air service markets identified for Scottsdale (LAX, LAS, SAN, other tourism locales, etc.)</li> <li>- Alternative commercial air service providers               <ul style="list-style-type: none"> <li>o Air Charter/VLJ-based air taxi model</li> <li>o Local/regional niche airlines</li> </ul> </li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- National economic uncertainty and volatile fuel costs likely to have negative impact on aviation industry in general</li> <li>- Even without economic concerns, only limited projected growth in small GA</li> <li>- Economic concerns likely to negatively impact corporate GA</li> <li>- VLJs yet to prove competitive value and viability of air taxi model</li> <li>- Commercial airline industry highly volatile, resulting in significant cost cutting strategies</li> <li>- Mature national air cargo market results in very limited growth opportunities</li> </ul>

**Potential Airport Development Scenarios**

Based on the analyses included within the business plan, the following four potential airport development scenarios were established for analysis:

- **Scenario 1 - Small to Mid-Sized Corporate Aircraft; reflects current operations**
- **Scenario 2 - Small to Mid-Sized Corporate Aircraft with an Adjusted Administrative Weight Restriction; current operations plus an increase to the aircraft weight limit from 75,000 pounds to 100,000 pounds**
- **Scenario 3 - Small to Large-Sized Corporate Aircraft; current operations plus larger corporate aircraft in excess of 100,000 pounds**
- **Scenario 4 - Commuter Airline Service; current operations plus scheduled passenger/commuter air service**

(Note that consideration of primary scheduled commercial air service was eliminated from the analysis during the study process.)

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**Strategic Business Plan Purpose**

Chapter Three and Chapter Four of the Strategic Business Plan provided detailed analyses of these scenarios and their potential operational, physical, and financial implications. These are summarized in the following table.

<b>Scenarios</b>	<b>Description</b>	<b>Benefits</b>	<b>Disadvantages</b>
<b><u>Scenario 1</u></b>	Maintains current (status quo) operations at airport	<ul style="list-style-type: none"> <li>- No additional costs to airport</li> <li>- No additional impacts to surrounding community</li> </ul>	<ul style="list-style-type: none"> <li>- Possibility of flat or decreased revenues</li> <li>- Potential long-term competitive disadvantage</li> </ul>
<b><u>Scenario 2</u></b>	Current operations but adjusts administrative weight limit from 75,000 to 100,000 pounds	<ul style="list-style-type: none"> <li>- No additional costs to airport</li> <li>- Potential increase in revenue</li> <li>- Maintains airport's competitive advantage against other local general aviation airports</li> </ul>	<ul style="list-style-type: none"> <li>- Perceived potential noise impacts</li> </ul>
<b><u>Scenario 3</u></b>	Current operations but increase weight limit to include longer-range corporate aircraft	<ul style="list-style-type: none"> <li>- Potential increase in revenue</li> <li>- Maintains airport's competitive advantage against other local general aviation airports</li> </ul>	<ul style="list-style-type: none"> <li>- Significant impacts and costs to airport facility</li> <li>- Potential noise impacts</li> <li>- Impacts to operations</li> </ul>
<b><u>Scenario 4</u></b>	Current operations but add scheduled passenger/commuter air service	<ul style="list-style-type: none"> <li>- Potential increase in revenue</li> <li>- Maintains airport's competitive advantage against other local general aviation airports</li> <li>- Provides a more convenient alternative for short trips to area residents/businesses</li> </ul>	<ul style="list-style-type: none"> <li>- Significant impacts and costs to airport facility</li> <li>- Potential noise impacts</li> <li>- Impacts to operations</li> <li>- Negative perception from surrounding community</li> </ul>



## **Strategic Business Plan Conclusion**

Through the analyses conducted within the *Scottsdale Airport Strategic Business Plan, Scenario 2 - Small to Mid-Sized Corporate Aircraft Market Focus with an Adjusted Administrative Weight Restriction* appears to offer the most efficient and effective opportunities for long term growth at Scottsdale Airport. In short, this development scenario would simply allow the Airport to enhance the operational capabilities of the same aircraft that currently operate at Scottsdale Airport, thereby enhancing the Airport's competitive ability to help maintain its current market share with respect to corporate aircraft. Realizing this would also help enable the Airport to maintain its current financial operation and promote self-sufficiency, as opposed to potentially reducing the financial success of the Airport due to stagnant or declining levels of corporate activity.

This development scenario endorses Scottsdale Airport continuing to pursue development that is consistent with what has made the Airport an industry and national leader in corporate aviation, while also continuing to pursue opportunities to initiate or enhance aviation services that fit within its market focus of corporate aviation. Additionally, in recognition of the various environs within which Scottsdale Airport operates, this scenario would promote reasonable, responsible, sustainable and appropriate facility development for the Airport over the long term.

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