

# Scottsdale Airport

STRATEGIC BUSINESS PLAN



# Scottsdale Airport Strategic Business Plan

Scottsdale Airport Commission  
Scottsdale, AZ

December 10, 2008



# Scottsdale Airport

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## PROJECT PURPOSE

**TO** provide a long-term vision of Scottsdale Airport to guide future planning and development efforts associated with the upcoming Master Plan Update.

### Introduction

SWOT

Airport Roles

Options

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## KEY CONSIDERATIONS

- **SDL** is one of the premier general aviation airports in the country
- **SDL** is the model for industrial park interface / TTF
- **SDL** is a significant economic generator (\$3 billion annual impact) - can not be replicated within region
- **NBAA** reports GA airport in top 10 considerations for business relocation
- **Business Plan** is strategic; master plan is tactical
- **Identify** airport role that is reasonable and practicable
- **Platform** for decision making

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## SCOPE APPROACH

- **Establish** baseline of current conditions (airport, market, region).
- **Establish** a reasonable range of possible aviation activities that could be accommodated at SDL.
- **Conduct** an analysis to determine the potential physical and financial implications on the Airport at its environs of those respective aviation activities.

### *Airport Role Decision Point*

- **Conduct** airport business and financial review based on current and future operational conditions. Includes review of City administrative structure with respect to Airport.
- **Document** findings and coordination in the form of the final report.

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## Project Deliverables To Date

- Conducted 17 Interviews with Airport stakeholders
  - Coordinated with City of Scottsdale General Plan effort
- **Working Paper 1 - Airport Overview & Context**
- **Working Paper 2 - Aviation Industry Overview & Context**
- **Working Paper 3 - SDL Long-Term Market Focus Options**

### Pending:

- **Working Paper 4 – SDL Long Term Development Scenarios**

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## Working Paper 3 Overview

- Airport SWOT – summarizes WP 1 & WP 2
- FAA Airport Roles – definition & implications
- Market Focus Options – industry segment analysis
  - “Reasonable” options defined
  - Practical implications defined
  - Fit with SWOT described
- Potential Development Scenarios - based on Market Focus Options
  - Options overlap
  - Practical implications

### Introduction

SWOT

Airport Roles

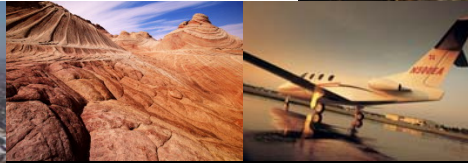
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## Airport SWOT

- Summarizes key considerations from WP 1 & WP 2
- Critical tool when considering market focus options

	Helpful to the Airport	Harmful to the Airport
Internal (Attributes of the Airport and Market Area)	Strengths	Weaknesses
External (Attributes of the Industry)	Opportunities	Threats

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## FAA Airport Roles

*National Plan of Integrated Airport Systems (NPIAS)* effectively segregates airports into defined roles based on their level of service and importance in the overall national system of airports – Basis of AIP

- Primary Commercial Service Airport (hub sizes)
- Non-Primary Commercial Service Airport
- Reliever Airport
- General Aviation Airport

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## Market Focus Options

### Aviation Industry System Segment Analyses:

- General Aviation Analysis
- Commercial Air Service Analysis
- Air Cargo Analysis

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## Market Focus Options

### Aviation Industry System Segment Analyses:

- General Aviation Analysis
  - Small GA Aircraft/Flight Training
  - Small to Mid-Sized Corporate - *Market Focus Option 1*
  - Small to Large-Sized Corporate - *Market Focus Option 2*
- **Commercial Air Service Analysis**
- **Air Cargo Analysis**



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## Market Focus Options

### Aviation Industry System Segment Analyses:

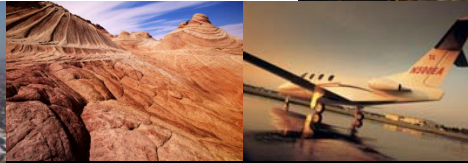
- General Aviation Analysis
- Commercial Air Service Analysis
  - Primary Commercial Air Service
  - Commuter Air Service - *Market Focus Option 3*
  - Other Air Services
- Air Cargo Analysis



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## Market Focus Options

### Aviation Industry System Segment Analyses:

- General Aviation Analysis
- Commercial Air Service Analysis
- Air Cargo Analysis
  - General Aviation Focused Airports
  - Commercial Air Service Focused Airports



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## Market Focus Options - General Comparison

Industry Segment	General Aviation	General Aviation	Commercial Air
Market Focus	<u>Option 1</u> Small to Mid-Sized Business Jet	<u>Option 2</u> Small to Large-Sized Business Jet	<u>Option 3</u> Regional/Commuter Air Service
Design Aircraft	G-IV	G650	CRJ/Dash 8 (328Jet)
ARC	D-II	D-III	C-III (B-II)
Facility Implications	- Reduced Approach Min - Weight Restriction	- Reduced Approach Min - Design Standards - Weight Restriction	- Precision Approach - Design Standards - Facilities/Security
Operational Implications	- Future TSA Req.	- Weight Restriction Policy - Future TSA Req.	- FAR Part 139 - Community
Financial Implications	- VLJs	- Larger Aircraft Impacts	- New Revenue Streams - Fees Waved/Lower Margins
SWOT	- Status Quo	- Expanded GA Market	- New Aviation Market
Airport Role	Reliever	Reliever	Primary Commercial Service

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## Potential Scenario - Market Focus Option 1

<i>Market Focus</i>	Option 1 - Small to Mid-Sized Business Jet
<i>General Aviation</i>	<ul style="list-style-type: none"> <li>- Status quo operations – growth in VLJs</li> <li>- Potential competitive disadvantage regarding large GA</li> <li>- Potential long-term weakness due to shifting demographics</li> </ul>
<i>Commercial Service</i>	<ul style="list-style-type: none"> <li>- Status quo – air charter services</li> <li>- Potential on-demand air taxi/charter operation (DayJet model)</li> </ul>
<i>Air Cargo</i>	<ul style="list-style-type: none"> <li>- Status quo – GA based air cargo – any growth market-driven</li> </ul>
<i>Facilities</i>	<ul style="list-style-type: none"> <li>- Status quo – maximize efficiencies/highest-and-best-use</li> <li>- Potential design standards/airspace issues based on reduced approach minimums</li> </ul>
<i>Operations</i>	<ul style="list-style-type: none"> <li>- Status quo – maximize efficiencies/highest-and-best-use</li> <li>- Potential weight restriction adjustment to permit some larger GA (&lt;500 annual ops)</li> </ul>
<i>Financial</i>	<ul style="list-style-type: none"> <li>- Status quo – maximize efficiencies/highest-and-best-use</li> </ul>
<i>Other</i>	<ul style="list-style-type: none"> <li>- Potential for partially addressing competitive disadvantage on large GA aircraft by raising weight restriction (not to level of BBJ)</li> </ul>



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## Potential Scenario - Market Focus Option 2

<i>Market Focus</i>	Option 2 - Small to Large-Sized Business Jet
<i>General Aviation</i>	- Primarily same as Market Focus Option 1 - Expand market by accommodating large GA aircraft
<i>Commercial Service</i>	- Same as Market Focus Option 1
<i>Air Cargo</i>	- Same as Market Focus Option 1
<i>Facilities</i>	- Potential for significant airport design deficiencies resulting from increased ARC (D-III) and reduced approach minimums - Potential pavement strength considerations to meet raised weight restriction
<i>Operations</i>	- Primarily same as Market Focus Option 1, except for accommodating large GA aircraft
<i>Financial</i>	- Primarily same as Market Focus Option 1, except for that Airport will realize some revenue increases by accommodating large GA aircraft
<i>Other</i>	



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## Potential Scenario - Market Focus Option 3

<i>Market Focus</i>	Option 3 - Regional/Commuter Air Service
<i>General Aviation</i>	- Primarily same as Market Focus Option 2 (due to ARC increase to Group III)
<i>Commercial Service</i>	- Non-hub commercial commuter operations to limited markets (LAX, LAS, etc.) - Potential on-demand air taxi/charter operation (DayJet model)
<i>Air Cargo</i>	- Same as Market Focus Options 1 & 2 - Potential limited development of commercial aircraft belly cargo
<i>Facilities</i>	- Significant airport design deficiencies resulting from increased ARC (C-III) and precision approach minimums - Potentially significant facility deficiencies to meet requirements of Part 139, TSA, and commercial air industry (terminal, access, parking, etc.)
<i>Operations</i>	- Part 139 Certification - Potential for negative community reaction to service and possible "spill over" to negative airport perception
<i>Financial</i>	- Similar to that of Market Option 2 for GA revenues - Potential for various new revenue streams, although many may have to be waived or reduced until market established – general lower income margins
<i>Other</i>	- Potential service provider utilizing 328Jet (B-II) would reduce facility impacts



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## NEXT STEPS / QUESTIONS

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