

SEC JOURNAL

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CITY COUNCIL TO TAKE ON JAX

When Donald Green first started pushing for a change to the charter of the Jacksonville Aviation Authority, the airport police officer was smarting from failed contract negotiations.

More than a year later, a bill Green hopes will make future negotiations smoother will soon be brought before the Jacksonville (Fla.) City Council. Along the way, it's opened the door for a fight over a more fundamental question: How independent should an independent authority be?

"They seem to be moving forward with whatever they want to do and not considering what the council wants," Councilman Ray Holt, who plans to introduce the bill to council, said about the Aviation Authority. "I think we need to have a certain amount of control over the authority."

Other council members are going further, talking of a need to

change either the executive leadership or the authority's board.

The past few months have been rocky ones for JAA-city relations. Among the flashpoints:

- Arguments over how development should be done at Cecil Commerce Center, the former naval air station divvied up by the city and the authority.
- Recurring attempts by the Aviation Authority to lengthen a runway at Craig Municipal Airport in Arlington despite promises almost a decade ago that the change would not be made.
- Anger over the authority's recent announcement that it would lay off workers.

"The leadership there is not working right," Councilwoman Glorius Johnson said. "It's supposed to be a collective effort, but it's acting more like a dictatorship."

The legislation now at the heart of the matter is itself fairly straightforward. It would make the City Council the final arbiter during contract negotiations with unionized employees and would prohibit the authority from outsourcing large chunks of work.

The first of those changes stems from disagreements during the latest round of negotiations, prior to the airport's two unions signing new contracts next year.

The authority reached an impasse with the unions, Florida Council of Industrial and Public Employees UBC 2081, comprising around 100 skilled maintenance workers, and Fraternal Order of Police Lodge 85, which represents approximately 35 police officers. According to Florida state law, if public employees, who aren't allowed to strike, can't come to terms with their employees, the issue should go to the organization's legislative body.

CHARLOTTE—\$400 MILLION OVERHAUL PLANNED FOR TERMINAL/PARKING DECK

Charlotte/Douglas International Airport (NC) is readying a massive overhaul that will make the facility competitive with the world's most advanced airports according to the *Charlotte Business Journal*.

The \$400 million project will change almost everything about the way passengers use the airport. That includes where you park, how you drop off your bags and pick up your tickets, the time you spend at the screening areas, even the approach to the sparkling new terminal.

"The hub is important to the economic health of the city," says Jerry Orr, Charlotte's Aviation Director. "And it's important that we keep upgrading to have a state-of-the-art facility."

Orr says the expansion is nec-

essary because of the airport's tremendous growth over the last decade. Since 1977, passenger traffic is up 59% to more than 33.2 million passengers last year. Traffic could double in 15 years, despite the current downturn in the airline industry, according to experts.

As with past expansion projects that have included the addition of several parking decks, Orr says the growth is important to secure Charlotte/Douglas' position as a hub airport. Attracting more international travel is also a priority.

The project—modeled after new European and Asian airports that are more high-tech and passenger friendly—is expected to be completed as soon as 2012.

It will be paid for with future revenue bonds and from a \$3.00 customer facility charge (CFC) assessed by rental car companies.

"The U.S. has been lagging behind Europe and Asia in terminal expansion and development," says John Kasarda, a UNC Chapel Hill Kenan-Flagler Business School professor and aviation expert. "We're just trying to catch up. And Charlotte is on the way to closing that gap."

The project has grown from what was expected to be a \$150 million terminal and parking deck renovation. Over the past year, Orr—working with architectural firm LS3P Associates Ltd.—has expanded the scope considerably.

Panama City Airport Terminal Design and Construction Approved

The Panama City-Bay County International Airport has approved the design and construction of the terminal building at its new airport now under construction in West Bay, Fla.

The new terminal design includes several improvements and cost saving measures planned to keep the project on budget. At the request of the

general contractor, Walbridge, worked with the airport's architect (HNTB), engineer (PBS&J) and construction manager (KBR) to identify cost savings in order to bring the cost of the terminal building within budget.

Through value engineering, the construction team was successful in lowering the cost by \$9.8 million to \$58.8 million.

The new terminal will be 125,000 square feet and have

seven gates. The airport aims to have the first LEED certified terminal building in the nation, with a state-of-the-art storm water management system, extensive use of sustainable materials and a landscaping plan that will not require supplemental irrigation.

Construction of the \$318 million state-of-the-art airport began in January 2008 and is currently almost three months ahead of schedule.

PRIVATIZATION OF AIRPORT PROPOSED

Even as the state ponders a possible takeover of Louis Armstrong International Airport, airport officials are exploring the idea of turning Armstrong over to private management—perhaps generating a financial windfall for the city.

Told recently that privatization could potentially generate hundreds of millions of dollars for the airport's owner, City Councilman Arnie Fielkow said that putting Armstrong's management in private hands while keeping the airport under city ownership might be the best plan. He called the idea "very intriguing."

The airport is owned by New Orleans but sits mostly in Kenner, with its east-west runway extending into St. Charles Parish.

Airport officials laid out the idea of privatizing Armstrong at a meeting of the council's Aviation Committee on the same day that

Chicago City Council voted 49-0 to approve a \$2.5 billion, 99-year lease of Midway Airport to a private operator.

Midway is Chicago's "second airport" trailing O'Hare International in usage.

Overseas, more than 50 airports have been privatized since 1987, accounting for more than 10% of the global market.

The Midway price tag of \$2.5 billion—all to be paid upfront—includes \$1.4 billion in airport debt to be assumed by the new operators. The City of Chicago will net a little more than \$1 billion that it will use primarily for infrastructure projects and shoring up pension funds.

Midway is a formerly deteriorated facility that underwent a transformation in recent years, primarily as a home for South-

West airlines. The airport had 19.1 million passengers pass through its doors in 2007. In contrast, that is twice as many passengers as Armstrong had each year before Hurricane Katrina caused a sharp decline in flights and usage from which the airport has yet to fully recover.

Midway carries approximately \$1.4 billion in debt compared to Armstrong's \$213 million.

Comparing the numbers for the two airports, New Orleans council members figured the city potentially could reap a windfall of \$500 million to \$1 billion by privatizing Armstrong's management, assuming private investors would be prepared to pay a comparable value for each passenger served.

GPS Airport Unveils Plan for New Terminal

The Greenville-Spartanburg International Airport (SC) has unveiled plans to build a new \$1.5 million general aviation terminal, replacing the existing terminal because a portion of the roof collapsed last year.

Airport commissioners recently passed a resolution giving long time SEC-AAAE member Gary Jackson, airport executive director, the authority to enter into a

contract with RS&H, Inc., to engineer and design the facility, including as many energy-efficient and environmentally friendly features as can be incorporated into the design.

Stevens Aviation, the airport's fixed base operator, is the occupant of the terminal. It has been using a mobile office since a 2007 storm dumped water on the flat roof of the

building, said Monica Brownlee, Stevens Aviation spokeswoman. The weight of the water caused a partial roof collapse in the terminal which was built in the 1970's, according to Rosylin Weston, GPS Spokeswoman.

Design work for the new facility should be completed by the end of this year.

Southeast Chapter—AAAE

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Delta Regional Airport Groundbreaking Honors Efforts of Local Leaders

The partnership between four area government entities was recently praised by state and federal officials during the groundbreaking for the Delta Regional Airport in Colt, Ark.

The event marked the end of five years of work by members of the Delta Regional Airport Authority. DRAA president Dr. John Kerr said he was pleased to finally be at this point in bringing a regional airport to Colt. "For those of you who don't know, we started this process in 2002, and it has taken a lot of work to get to this point," he said. "I'm thrilled after all of this time and all the hard work that has been done by the members of DRAA to be here for this today, and I still can't hardly believe that we're to this point."

In Memoriam

SEC-AAAE member Robert F. Holscher, executive director/CEO of Cincinnati/Northern Kentucky International Airport, died October 3.

Mr. Holscher was the longest-sitting CEO of a major U.S. hub airport. He began his career at Cincinnati/Northern Kentucky in 1961 as a firefighter. He steadily moved up the ranks to chief of the airport fire department and, ultimately, in 1977 to director of aviation. For 33 years, he continued to hold the same top position, now titled executive director/CEO.

Mr. Holscher served on AAAE's Policy Review Committee, the World Board of ACI, including a year as chairman of ACI-NA. In 2004, FAA's Southern Region selected him as its Commercial Service Airport Manager of the Year. Additionally, Mr. Holscher was the recipient of Kentucky's Airport Manager of the Year in 2006, the Northern Kentucky Chamber's Frontiersman Award in 2007 and the Kentucky Aviation Museum's Achievement Award in 2007.

SEC-AAAE CORPORATE COMMITTEE SUBMITS SPONSORSHIP PLAN

During the course of the SEC-AAAE Board of Directors' Meeting held September 6, 2008 in Reno, Nevada, the Corporate Committee, under the direction of Ms. Claudia Holliday, and an ad hoc subcommittee headed by Mr. Mike Landguth, proposed a Corporate One Rate Sponsorship Plan that was approved by the Board.

The objective of the Plan is to provide sponsors of the SEC-AAAE Finance and Administration Conference and the SEC-AAAE Annual Conference the opportunity to cut one check to sponsor both conferences at a discounted rate.

The Plan is also available to airports that may have an interest in sponsoring

the conferences.

The following two pages provide a breakdown of the Plan along with a list of frequently asked questions pertaining to the Plan.

If you are interested in taking part in the Plan, please contact the executive secretary at email address secaaae@aol.com.

Sponsorship Type

Conference

Finance & Administration

Annual

Both

President's Club	\$2,500	\$5,000	\$6,750
Network Meeting with President of SEC-AAAE	√	√	√
Spot at head table for lunch	√	√	√
Complimentary registrations	2 Registrations	2 Registrations	3 Registrations Total
Listed in program as lunch sponsor	√	√	√
Photo Ad in Program			√
Logo/Ad in program - 1/2 page			√
Full Page ad in Newsletter	1 Quarter	1 Quarter	Full Year
Logo on website	Half Year	Half Year	Full Year
Informational Company presentation Prior to General Session	√	√	√

Directors Club	\$1,500	\$3,500	\$4,500
Complimentary registration	1 Registration	1 Registration	2 Registrations Total
Listed in Program as Directors Club Sponsor	√	√	√
Recognized as a break sponsor	√	√	√
Half Page ad in Newsletter	√	√	√
Logo on website	Half Year	Half Year	Full year
Logo/Ad in program - 1/4 page	√	√	√

Members Club	\$1,000	\$2,000	\$2,700
Complimentary registrations	1 Registration	1 Registration	1 Registration
Quarter Page ad in Newsletter	√	√	√
Listed in in program as Member Level Sponsor	√	√	√
Recognized as a break sponsor	√	√	√

Partners Club	\$500	\$500	\$900
Listed in program as Partners Club Sponsor	√	√	√

Miscellaneous

Ad in newsletter 1/4	\$500
Ad in newsletter 1/2	\$750
Ad in newsletter full	\$1,000
Ad in newsletter w/article	\$1,500
Web sponsor	\$500
Badges (logo on badge)	\$2,000
Conference bag	cost plus \$1,500
Back cover for program Ad	\$1,000
Inside Front Cover of Program	\$1,000
Inside Back Cover of Program	\$1,000
Introduction sponsorship of general session	\$2,000
Introduction sponsorship of speakers of sessions	\$1,000
General Sponsor	\$250

Southeast Chapter of the American Association of Airport Executives
Sponsorship Levels for FY 2008
Corporate Committee Comments

There were five Corporate Committee Members that commented on the proposed sponsorship levels. The comments are as follows:

Define "Recognize" for each level (i.e. logo / no logo, size, note at the bottom of the page)

Recognize will be replaced with the term "listed" in the program.

A financial analysis should be performed to determine what each level is worth in revenue versus actual cost to the Chapter where it regards quantitative items (e.g. complimentary registrations).

President's Club Level Cost	Approximately \$1500
Director's Club Level Costs	Approximately \$1000
Members Club Level Costs	Approximately \$500

To enhance new sponsors, offer a bigger sponsorship rate discount to first-time sponsors.

The current sponsorship levels have incorporated a discount to encourage corporate member participation for both conference events. Discount for first time sponsors was considered but was not carried forward in fear of alienating long time sponsors of the Chapter.

How and by whom will records be kept to ensure that the monies are being allocated between conferences appropriately?

If a sponsor signs up for both events under a sponsorship type (i.e., Presidential) then the money will be deposited into the general fund. A separate set of books will be kept by the Executive Secretary and the discounted portion of the sponsorship will be allocated to the Finance and Administration Conference. If a sponsor only wants to support one conference then the money is sent to the conference chair.

Develop more incentives that will not cause quantitative expenses to the Chapter but will offer value to the Corporate Members (e.g. logos on the website, newsletter information, etc. versus free registrations)

The sponsorship table presented to the corporate committee represents over two years of meetings attempting to capture unique opportunities for additional revenue. This should be considered a living, breathing document that should be revisited on an annual basis for updates and improvements. At that time any concrete

recommendations by sponsors should be considered by the Board of Directors for inclusion into the program.

Offer fewer complimentary registrations at each level but give a discounted rate should a company need more than the allotment.

Excellent idea but the administration of this activity is too burdensome to consider at this time. As the program evolves the Board should consider this for future improvements of the program.

Commenter indicated that a) this plan should not completely replace the old as many companies may be only interested in one conference or the other; b) the new plan should revert to using the previous sponsorship level names (i.e. Platinum, Gold, Silver, etc.) as companies may be more inclined to accept an increased contribution level due to familiarity

Consideration was given by the committee to simply modify the old system. It was decided that a complete overhaul was need for the program.

Might there be a need for additional level of \$250 and a provision for smaller contributions of (say) \$100?

This recommendation was considered by the committee but the floor limits presented were considered reasonable. A general sponsor category has been added to the miscellaneous section. The fee is \$250 but the sponsor is not recognized in any of the media circulated for the event.

For which session is the information presentation allowed?

The informational presentation will be done in concert with the introduction of a general secession speaker. The company will be allowed approximately 3 minutes to introduce their company and/or product which will be followed by the introduction of the speaker.

Offer an option of 3 complimentary registrations or 2 registrations and a discount (percent TBD) on booth space at this level.

See response to question #6.

Should Director's Level receive a half page in the newsletter to correspond with those offered at Directors' and Members' level?

Half Page added

Does Directors/Members Club level get a selection as to which break is sponsored?

The selection on which break a sponsor wants will be based on who pays first. Payment remittance by the sponsor will determine priority selection by the different sponsors. For example the first paid sponsor will get first selection on which break they want to sponsor.

Offer discounted booth space

Booth space is a direct pass through from the meeting hotel. As a result it is not included in any of the sponsorship levels.

Does this level get a selection as to which break is sponsored?

See response to question # 12

There should be a level between Members and Partners similar to the previous "Angel" level.

See response to question # 8.

The gap between Members Club and Partners Club sponsorships on a fiscal level is too large.

See response to question # 7

What is the frequency of the ad? Will it run one time or on a repeat basis throughout the year?

It was intended that the ads run one time.

What is the duration of the sponsorship?

One time event