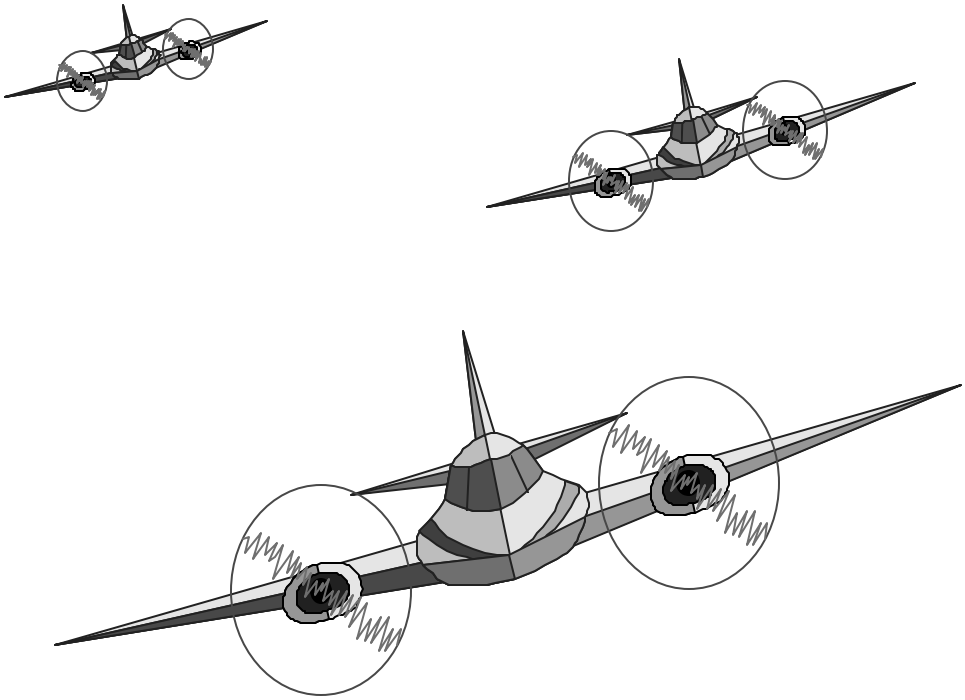
Continuous Airport System Planning Program

Report On

Cortland County Airport

Business Plan

December 2001



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CORTLAND COUNTY AIRPORT
BUSINESS PLAN

Introduction

This document is an airport business plan prepared for the Cortland County Legislature and the Cortland County Department of Highways to provide information on financial issues and recommendations for consideration in strengthening the role of the Cortland County Airport and its economic contribution to the area economy. The document represents the situation at a particular point in time and periodically needs to be reviewed and updated to maintain currency.

The study to prepare this document was undertaken at the request of the New York State Department of Transportation. The document was prepared by the Central New York Regional Planning and Development Board, with the financial assistance provided by the Federal Aviation Administration and the State of New York. Technical assistance for this project was provided by the New York State Department of Transportation and the Small Business Development Center. The study is provided for information purposes only and Cortland County has sole responsibility for implementing any actions pursuant to the recommendations contained in the document.

Location

The Cortland County Airport (Chase Field) is located on NYS Route 222 in the Town of Cortlandville and the western portion of Cortland County, approximately 1.5 miles west of the City of Cortland. [1] This facility is the only public use general aviation airport in Cortland County. There is no commercial service in the County and travelers use Hancock International Airport in Syracuse, Binghamton Regional Airport in Binghamton and the Ithaca-Tompkins County Regional Airport in Ithaca.

Airport History [2]

In 1928, several Cortland area business people combined resources to sponsor the construction of what is now the Cortland County Airport. Following the grading of landing strips, a hangar and ancillary facilities were erected. On June 25, 1929, the airport was officially dedicated and continued in operation as a privately owned facility until purchased by the City of Cortland in 1960. By that time, the airport had two turf runways, one with a northeast-southwest orientation of 2,800 feet and one with a north-south orientation of 1,900 feet. Since the construction methods established a solid base, the airport could be used on a year round basis. One of the major favorable factors of the airport site was the close proximity to the City of Cortland, 1.5 miles away. The City of Cortland named the airport

[1] Cortland County. *Cortland County Airport (Chase Field), Airport Layout Plan, Final Report*, prepared by Calocerinos & Spina Engineers, P.C., November 1990.
[2] Cortland County Transportation Committee. *Airport Master Plan for Chase Field, Cortland County, New York*, prepared by TransPlan, Incorporated, May 1, 1976.

Chase Field after Major General Levi Chase.
By 1962, the City of Cortland could no longer afford to operate the airport. The Cortland County Board of Supervisors established an airport committee on February 14,1962, to investigate the feasibility of Cortland County acquiring the airport. The airport committee's report noted that air transportation provided significant direct and indirect benefits to the community and that the airport should therefore be maintained. Cortland County purchased the airport 1962 for $35,000.

Throughout the airport's long history, many have recognized the need for an airport and supported the continuation of the facility through private contributions. Edwin Link conducted some initial work on the Link Trainer at the airport. The airport has been the location of many special community events. Since 1962, the facility and service improvements have enabled the airport to assume a more important role in serving the community needs for economic growth and development.

Airport Administration

In 1996 the County Legislature delegated the day-to-day responsibility for operation of the airport to the Cortland County Department of Highways. Cortland County Legislative oversight of the airport is provided through the Cortland County Legislative Highway Committee, which in turns reports to the full Cortland County Legislature. The Department of Highways provides the staffing for the daily operation and maintenance of the airport. One staff person from the Highway Department is assigned the responsibility for on-site supervision, as well as maintenance of runways and grounds.

The Cortland County funding of airport operations is through a separate budget and is administered by the Department of Highways. The annual budget is established by the County Legislature. The Cortland County Finance Office is responsible for financial accounting. Bills for airport-related expenses are paid by the County Department of Highways, with oversight by the County Budget Office.

Airside Facilities and Airport Design

The airport site contains 117 acres and has a single paved runway (06/24) of 3,400 feet long by 75 feet wide and a parallel taxiway to Runway 6-24 of 3,400 feet long by 40 feet wide, as well as an apron. The runway is being considered for an extension to improve safety and capacity. A longer runway of 4,000 feet or more would permit the airport to accommodate business aircraft requiring a somewhat longer runway. Other facilities include medium intensity runway edge lights (MIRL), taxiway edge lights, a low intensity rotating beacon, wind cone, All Weather Observation System (AWOS) and obstruction lighting. Runway 24 has an installed Visual Approach Slope Indicator (VASI) and Runway End Identifier Lights (REIL) [3] and a non-precision Global Positioning System (GPS) approach. [4]

[3] Cortland County. *Cortland County Airport Rotating Beacon Design Report*, prepared by Calocerinos & Spina Engineers, P.C., August 1990.
[4] New York State Department of Transportation. *State Aviation System Plan*, prepared by The Airport Technology and Planning Group, Inc., August 1998, Table 2-12, p. 2-61.

The engineering design of airports is based on the characteristics of the most critical aircraft currently using or anticipated to use an airport. Two factors are considered in making this determination: aircraft approach speed and aircraft wingspan. At the present time, the Cortland County Airport has a Federal Aviation Administration (FAA) Airport Reference Code (ARC) designation of B-II. The Aircraft Approach Category "B" indicates an approach speed of at least 91 knots but not more than 121 knots. The Aircraft Design Group "II" indicates a wingspan of at least 49 feet but not more than 79 feet.

Translated into specific aircraft, the B-II designation means the ability to accommodate various models of the Cessna Citation (Citation III and Citation V) and the Dassault Falcon (Falcon 900 and Falcon 2000). These jet aircraft have approach speeds of less than 121 knots and wingspans of less than 79 feet.

A significant airport operational issue is the fact that the runway length of 3,400 feet is too short to accommodate many business aircraft. Despite the fact that aircraft manufacturing specifications allow a given aircraft to use a 3,400-foot runway, there are aircraft insurance carriers insisting the use runways of 4,000 feet or longer. The ability to accommodate business aircraft at the Cortland County Airport is, consequently, an issue for the Cortland County Legislature to consider in assessing ways for strengthening the role of the airport to serve area private businesses and the County's economic development interests.

Airport Operations and Capacity

As of February 2001, the Cortland County Airport had 31 based aircraft. [5] This compares to 42 based aircraft in 1973, [6] 36 in 1976, [7] 39 aircraft in 1989, [8] and 37 in 1995 [9] and 1999. [10] No particular significance should be attached to the variations in the number of based aircraft. A number of factors influence the data, including time of year that the inventory is conducted, retirement from flying by those who learned to fly during World War II, the increasing cost of flying and the fact that, beginning in the 1970s, problems associated with aircraft manufacturers' liability limits has had an adverse impact on aircraft production and aircraft utilization which only recently has begun to change.

The estimated number of operations is 17,800 annually and the annual operations capacity is rated at 105,200. [11] Consequently, there is adequate capacity available to meet a growth in demand far into the future. As pointed out in a previous paragraph, however, there still remains the issue of the runway being too short to accommodate many smaller business

[5] New York State Department of Transportation, Passenger Transportation Division, Aviation Services Bureau. *New York State Inventory of Aviation Facilities*, February 1, 2001.
[6] *Airport Master Plan*, 1976, p. II-D-2.
[7] Central New York Regional Planning and Development Board. *Regional Aviation System Plan*, prepared in cooperation with Landrum and Brown, September 1980, Table 3-20, p. 3-28.
[8] *Airport Layout Plan*, 1990, p. 3-1.
[9] *State Aviation System Plan*, Table 3-7, p. 3-40.
[10] Central New York Regional Planning and Development Board. *Report on Cortland County Airport, Financial Implementation Strategies*, December 2000, p.2.
[11] *State Aviation System Plan*, Table 4-2, p. 4-9.

aircraft that could otherwise be using the airport. An engineering analysis indicates that a runway length of 4000 feet is the required minimum length for present use conditions. [12]

Landside Facilities

The landside facilities currently available at the Cortland County Airport consist of 25 hangar spaces for aircraft storage, 20 apron tie-down spaces, 10 transient aircraft parking spaces, 26 automobile parking spaces and 27,000 gallons of fuel storage. The engineering assessment of existing facilities indicated that each of these capacities were equal to or exceeded requirements for the then existing level of activity. The requirements for hangar spaces was 24, apron spaces was 12, transient aircraft parking was 3, automobile parking spaces was 24 and aviation fuel storage was 3,780 gallons. [13] The engineering assessment indicated a need for 14,000 linear feet of airport perimeter fencing, which has been installed. [14]

Market Survey of Aviation Services and Pricing

Aircraft owners make choices as to where to base their aircraft according to a variety of factors, only one of which is pricing. Other factors might include proximity to home, airport atmosphere (e.g. an informal club atmosphere versus a formal business atmosphere), level of activity or the type and quality of facilities and services available, among others. Consequently, looking at prices alone does not necessarily provide a complete answer as to why aircraft are based at a given airport and not at another.

Any conclusions on pricing competitiveness at privately owned airports should be drawn cautiously because the interviews conducted as part of the survey disclosed the fact that individual arrangements are made which result in prices that are different from those quoted. For example, a pilot at a privately owned airport who provides help with grass mowing and snow plowing might pay a different aircraft storage fee than someone else who does not.

Nevertheless, it can be informative to compare one airport with its competitors. Consequently, a survey was conducted of 12 airports plus the Cortland County Airport, the results of which are presented in Appendix A, Tables 1 through 5. In each table, the situation at the Cortland County Airport is compared with that at 12 airports that are in sufficiently close proximity to Cortland as to be reasonably considered a potential competitor for the same business as Cortland. The airports include commercial service airports, general aviation airports of a roughly similar nature to the Cortland County Airport and general aviation airports with turf runways. The airports which were compared are identified in Table 1 which follows, together with selected data characterizing the airports.

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[12] *Airport Layout Plan*, p. 4-4.
[13] *Airport Layout Plan*, Tables 4-4, 4-5, 4-6 and 4-7, pp. 4-15 through 4-18.
[14] *Airport Layout Plan*, p. 4-19.

Table 1: Airports Included in the Survey of Services and Pricing							
Airport	Location	Type of Airport	Length Runway #1	Surface of Runway #1	Length of Runway #2	Surface of Runway #2	# Based Aircraft
Cortland County Airport	Cortland, NY	General Aviation	3,400	Asphalt			39
Airtrek Airport	Waterloo, NY	General Aviation	2,500	Turf			9
Binghamton Regional Airport	Binghamton, NY	Commercial Service	7,501	Asphalt	4,998	Asphalt	28
Dundee Airport	Dundee, NY	General Aviation	2,760	Turf			5
Finger Lakes Regional Airport	Seneca Falls, NY	General Aviation	3,200	Asphalt	1,850	Turf	21
Greene Airport	Greene, NY	General Aviation	2,665	Turf			8
Hamilton Municipal Airport	Hamilton, NY	General Aviation	5,000	Asphalt			32
Ithaca Tompkins County Airport	Ithaca, NY	Commercial Service	6,601	Asphalt			62
Kirkwood Airpark	Kirkwood, NY	General Aviation	3,350	Turf			12
Lt. Warren Eaton Airport	Norwich, NY	General Aviation	4,724	Asphalt			9
Ovid Airport	Ovid, NY	General Aviation	2,300	Turf			8
Skaneateles Airport	Skaneateles, NY	General Aviation	3,134	Asphalt	3,400	Turf	18
Tri-Cities Airport	Endicott, NY	General Aviation	3,900	Asphalt			74

Source: New York State Department of Transportation. *1997 New York State Airport Directory*, prepared by Niagara Frontier Transportation Authority and New York State Association of Regional Councils.

***Results of the Market Survey*.**

The market survey of airport services and pricing was undertaken to see how Cortland County Airport compares in a competitive market. Conclusions from the survey can also be drawn as to what steps Cortland County could consider to strengthen its position in the market. The detailed results are presented in Appendix A, Tables 1 through 5. A summary of the results from the survey is provided in the paragraphs that follow and is intended as a general description of where Cortland County Airport stands competitively, relative to the airports surveyed, for aviation services and pricing.

Comparison of Fuel Availability and Pricing (see Appendix A, Table 1). At $2.45 per gallon for 100 octane Low Lead fuel (100LL), Cortland County Airport has the lowest price among the eight airports offering such fuel. The average price among the other seven is $2.70 per gallon. If Cortland is consistently in a position to offer fuel at the lowest price, that fact would seem to have considerable marketing potential. The attractive fuel price is further enhanced by being one of three out of the eight airports having both credit card service and fuel available 24 hours a day, seven days a week.

Comparison of Landing and Tie-Down Fees (see Appendix A, Table 2). Only three of the 13 airports surveyed have some type of landing fee, and two of those are commercial service airports. Cortland, which does not have a landing fee, has a comparable situation to competing airports.

Tie-down fees were divided into those for paved and turf tie-downs. The monthly fee at Cortland of $30 for a paved area is about $5 lower than most of the competition but, with the same $30 fee charged for a turf area, Cortland is more in the middle range.

Comparison of Aircraft Storage Fees, Space Occupied and Waiting Lists (see Appendix A, Table 3). The cost per hangar space comparison is somewhat tenuous, given variations in the character of that space (for example, heated versus unheated space). For the purposes of generalizing the situation, a comparison of hangar space for a single engine aircraft shows a range of $75 to $250 monthly at non-commercial service airports. The average of eight airports calculates to about $140 monthly, which means that Cortland, at $135, is below the average cost.

The conventional hangar space at two-thirds of those airports surveyed is 90 to 100% occupied, but waiting lists are mostly non-existent. Cortland fits both conditions.

The cost of T-hangar space per bay at the airports surveyed varies considerably ($35 to $160 monthly) but at $125 monthly, Cortland is competitive with similar general aviation airports having a paved runway (Hamilton, $135 in the new hangar; Lt. Warren Eaton, $125; Skaneateles, $125; Tri-Cities, $65-$100).

The T-hangar space at most of the airports surveyed is fully occupied, with waiting lists generally small to non-existent. Cortland, however, is one of two airports (Ithaca-Tompkins is the other) having the longest waiting list, with 12.

Comparison of Aircraft Maintenance Services Provided (see Appendix A, Table 4). Of the 13 airports in the survey, seven including Cortland offer major airframe and major power plant repairs, thereby placing Cortland on an even competitive footing.

Comparison of Aviation Services Provided (see Appendix A, Table 5). Of the aviation services included in the survey, three stand out as occurring most frequently. These are flight instruction, aircraft rental and aircraft sales, with all three offered at four of the 13 airports. Cortland does not have a competitive position in aviation services provided and ranks with one other airport as having the fewest aviation services available among the 13 airports in the survey.

Actual and Projected Expenses and Revenues for Cortland County Airport.

Revenue and expense data was collected for the previous five years (1996 through 2000) as well as projections for the following five years (2001 through 2005). The data collected is included in Appendix B. Due to a variety of circumstances, some data elements are missing but enough information is available nevertheless to present an overview and draw some conclusions.

Five-Year Actual Annual Expenses, 1996-2000 (see Appendix B, Table 1). The actual expenses for Cortland varied from approximately $96,000 to $119,000. Major contributors to the variations appear to be insurance, site maintenance and fuel purchases, with other line items showing a lesser variation. The five-year average annual expense for 1996-2000 is approximately $111,500.

Five-Year Projected Annual Expenses. 2001-2005 (see Appendix B, Table 2). The projected expenses for the coming five years show less variation, from approximately $88,000 to $100,000. The five-year projected average annual expenses for 2001-2005 is approximately $93,200.

Five-Year Actual Annual Revenues, 1996-2000 (see Appendix B, Table 3). The actual revenues for Cortland varied from approximately $72,000 to $90,000. Major contributors to the variations were fuel sales. The five-year average annual revenues for 1996-2000 is approximately $83,500.

Five-Year Projected Annual Revenues, 2001-2005 (see Appendix B, Table 4). The projected revenues for the coming five years show less variation, from $83,000 to $92,000. The five-year projected average annual revenues for 2001-2005 is approximately $89,800.

Actual and Projected Capital Investments for Cortland County Airport.

Capital investment data was collected for the previous five years (1996 through 2000) as well as projections for the following five years (2001 through 2005). The data collected is included in Appendix B. Due to a variety of circumstances, data for 1999 and 2005 are missing but enough information is available nevertheless to present an overview and draw some conclusions.

The capital investments made in the Cortland County Airport are funded largely by the Federal Aviation Administration (generally 90% of the cost), as well as with funds from the New York State Department of Transportation (generally 5% of the cost). This leaves Cortland County paying only five cents of every investment dollar made in the airport.

Five-Year Annual Capital Investments, 1996-2000 (see Appendix B, Table 5). The levels of investment shown in Appendix B, Table 5, reflect funding from the Federal Aviation Administration (FAA), New York State Department of Transportation (NYSDOT) and Cortland County. The actual annual capital investments in the airport ranged from $20,000 to over $221,000. The substantial difference appears attributable to investments made in order to make the airport attractive for business use through upgrading of facilities as well as expanding the potential for generating revenue by increasing the size of the site available. The average annual level of capital investments for 1996-2000 (four years of data are available) is approximately $96,000, but this figure is not particularly a representative one for any given year due to the wide fluctuations.

Five-Year Projected Annual Capital Investments, 2001-2005 (see Appendix B, Table 6[two pages]). The levels of investment shown in Appendix B, Table 6, reflects anticipated funding from the FAA and NYSDOT for 95% of the total investment cost, with the remaining 5% coming from Cortland County. The projected annual capital investments for the coming five years continues to show considerable anticipated variation, from approximately $680,000 to $1,000,000, and is attributable to the types of projects expected to be undertaken to continue making the airport more effective in attracting local business users. The five-year projected average annual revenues for 2001-2005 (four years of data are available) is approximately $888,000.

Break Even Point for Cortland County Airport.

In developing recommendations for the Cortland County Airport Business Plan (see the section which follows), it might be useful for Cortland County to have a numerical target by which average annual revenues would need to increase in order to reach a break even point between expenses and revenues. Achieving a break even point at the airport cannot be approached in the same fashion as would a normal business enterprise. Therefore, an estimate of an airport break even point can be set as the point when total variable plus fixed costs equal revenue. Admittedly, most airports, especially general aviation airports, have a difficult time breaking even, meaning that the revenues and expenses are about equal. This situation is characteristic of most transportation facilities, which generally need to be subsidized.

Since expense and revenue data is available for the Cortland County Airport for the 1996-2000 period, and given the fluctuations previously noted in that data, the five-year annual averages were used for the Cortland County Airport Business Plan. For Cortland County Airport, the five-year average of expenses for 1996-2000 was approximately $111,500. By comparison, the five-year average of revenues was $83,500. The difference is an average annual amount of $28,000, exclusive of the capital investment share contributed by Cortland County. In order to break even, the airport would have needed to generate an additional

$28,000 annually during 1996-2000, on average. The alternative approach of cutting costs by that amount is not viewed as viable since the services available are modest and further cuts could further reduce revenue generation, resulting in a downward spiral.

For the coming five-year period (2001-2005), the situation changes only slightly, based on present expectations of future expenses and revenues. The anticipated average annual expenses are $120,600 and expected average annual revenues are $89,800. Therefore, in order to break even, the airport will need to generate an additional $30,800 in revenues annually, all other budget line items remaining equal. This is a fairly substantial amount for a small airport and the target can probably be attained only over several years of intensive efforts to improve the airport to the point where business aircraft can use the facility and new marketing efforts can bear fruit (see the section on recommendations).

Nevertheless, with this target established of about $31,000 additional revenues needed annually to break even, the Cortland County Legislature can review the alternative ideas presented in the following section. The Legislature can determine how best to generate additional revenue against the background of this target to determine the most appropriate course of action.

Business Plan Recommendations for the Cortland County Airport.

The recommendations in this section draw on the information presented in previous sections to shape a possible plan of action that Cortland County could consider for generating more revenue at the airport to help offset the operational costs. Some information is also drawn from two previously prepared reports published by the Central New York Regional Planning and Development Board, as well as a report on airpark development by MacNeill-Tagg Engineers. [15]

Unlike bridges, which do not directly generate any revenues, except in the case of a toll bridge, airports do have the potential for generating more revenue than expenses, as discussed in the following paragraphs. Inevitably, to generate more revenue at the airport, more effort will be required which may increase costs, or divert personnel time from other tasks to activities outlined in this business plan. However, the intention is to aim at a point where revenues at least equal expenses, which is currently not the case at the airport, and make the airport a stronger contributor to the overall economic development effort of Cortland County by stimulating use of the airport by area businesses.

Consideration of competitive factors identified in the airport survey is important. For example, Cortland has the strongest competitive position relative to the price of 100 octane low lead fuel (100LL) but has a less competitive position relative to the lack of aviation

[15] Central New York Regional Planning and Development Board. *Report on Cortland County Airport, Financial Implementation Strategies,* December 2000; Central New York Regional Planning and Development Board. *Cortland County Airport Assessment of Airport Economic Impact,* 1999. MacNeill-Tagg Engineers. *Cortland County Airport, Airpark Development Report*, August 1999.

services available at the airport. Cortland County needs to maintain its position where strong and take action where a weak competitive position exists.

Three key recommendations. Of the 15 recommendations presented below, three would benefit from immediate attention for strengthening the economic contribution of the airport. These are to lengthen the runway to 4,000 feet to allow use by business aircraft; lease available airport property for business use (aviation-related if possible) to generate an annual revenue stream from leases to help offset annual operating costs; and, establish a cooperative airport marketing program between the County Highway Department and the County Business Development Corporation/Industrial Development Agency. These and the other recommendations that follow represent ideas for strengthening the business use of the airport and increasing the revenue generated at the airport. There is no significance to the order in which the recommendations are presented.

1. *T-hangar space.* Consider expanding the T-hangar space available. Cortland is one of two airports with the longest waiting list (12 pilots) for a bay. A typical T-hangar holds 10 to 12 bays, which is equal to the waiting list at Cortland. Possible sources for financing T-hangar construction include Cortland County bonding, joint County-pilot financing or New York State AIR '99 funds.

2. *Aviation services.* One of the least competitive areas of the airport concerns the aviation services currently available. At the time of the survey, Cortland was not offering air charter services. The situation regarding the availability of flight instruction at Cortland during the survey seemed to be in transition toward a phase-out. In any case, the existence of an air charter service and flight instruction are considered key ingredients to a healthy airport and revenue generation for other on-site aviation services.

3. *Fuel pricing.* Maintain the competitive pricing for fuel and continue the practice of having credit card service and fuel available 24 hours a day, seven days a week.

4. *Landing fee.* Maintain the no-landing fee policy currently in place but consider giving a somewhat lower price for turf tie-downs if the $30 fee appears to be turning some pilots away.

5. *Storage fee.* Maintain the competitive aircraft storage fees for hangars and T-hangars.

6 *Airframe and power plant.* Maintain the major airframe and major power plant repair services available.

7. Leasing agreements. Cortland County should review current leasing agreements to determine whether the agreements allow for appropriate inflation or other cost factor escalators and, where lacking, should seek changes as lease agreement come for renewal to protect the County's interests, if/as needed.

8. Airport business park. An airport business park should be developed at the former drive-in as well as other land not needed for aviation purposes. Some strategies for

developing a business park include establishing a single County point of contact, identifying incentives the County would make available (tax credits, property tax exemptions, assistance with development permitting, support with employment and special job training programs, etc.), having a County marketing brochure, and considering the use of a commercial realtor for marketing purposes. While the Federal Aviation Administration (FAA) prefers that new activities on airport land be aviation related, the FAA has proven quite flexible in cases such as the Hamilton Municipal Airport in Madison County. An important fact is that long-term land lease revenues generated at the airport business park must be used for the benefit of the airport, rather than being treated as general County revenues.

9. Runway length. The prevailing aviation industry view is that a 4000-foot runway is the minimum threshold runway length for attracting significant use of an airport by area private businesses. This reflects primarily aircraft insurance carrier requirements. The existing runway length is less than 4000 feet and area businesses are currently using competing airports, which means that other airports are capturing revenue from Cortland businesses for aircraft storage, maintenance and fuel sales that could be captured at the Cortland County Airport.

10. Air charter service. Normally, an air charter service forms the centerpiece for a private business-oriented airport. The activity generated by an air charter service normally enhances a wide range of other aviation sales and service opportunities, such as increased fuel sales and aircraft maintenance services. The Cortland County Airport does not currently offer an air charter service. While there are many hurdles to starting an air charter service, a major difficulty experienced by start-up air charter firms is a lack of financial resources and experienced marketing personnel.

At some point in the future, Cortland County could give consideration encouraging the establishment of an air charter service, including giving assistance to a start-up firm with some marketing efforts. For example, the County could consider holding focus group meetings with area businesses to encourage their use of an air charter. Attention should be focused on current business travel patterns and a comparison of how the use of a local air charter might allow for time and travel cost savings as well as an expansion of a firm's market area, depending on individual company circumstances.

If Cortland County wishes to consider establishing an air charter service, a useful approach would be through the use of a Request for Proposals (RFP) seeking a qualified and experienced firm. The RFP should be distributed to a wide audience such as eastern seaboard or even on a nationwide basis. Depending on the County's assessment of the quality of responses, an agreement could be negotiated that would provide a percentage of the gross or other compensation to Cortland County. The County could also decide not to act if the quality of responses received was not adequate.

11. Terminal facilities. Based on previous survey information, the current terminal facilities at the Cortland County Airport are viewed by many actual and potential airport users as inadequate in terms of quality and amenities. More space is needed and additional facilities could be provided for pilots and, if the runway is lengthened, for corporate pilots, as

well. Among the facilities that could be improved are lounge area and general comfort, work spaces for pilots, computer stations, weather links, showers and rest areas, among others.

12. Airport management. A number of municipal and county airport owners have found that, beyond a low level of airport activity, it may be advantageous to enter into a contract with a business that assumes responsibility for day-to-day operations and provides the specialized skills that a growing airport needs. For example, one of the major activities at an airport, as with any other business, concerns the need for marketing. Generally, a county highway department does not have personnel with a marketing background. However, another county economic development or tourism agency could assume responsibility for airport marketing. An example of a marketing activity that could be pursued is in promoting fly-in ski packages for the winter season. For instance, Cortland County has three ski resorts at Song Mountain, Greek Peak and Labrador. A package could tie in lodging (hotel or Bed & Breakfast), transportation, food and skiing and other activities.

At the present time, Cortland County uses County personnel for airport operations and management. While this approach works well, consideration also could be given to using a professional airport management firm hired through a Request for Proposals (RFP). The airport operator would pay Cortland County a negotiated fee for the opportunity to operate the airport. The terms of the contractual agreement would specify the mutual responsibilities, including some or all of the following: snow plowing and grass mowing, site and building maintenance, fuel sales, aircraft maintenance, flight instruction, air charter service and airport marketing.

Other specific objectives could be incorporated into the contractual agreement and an annual evaluation of the performance conducted by the County. Previous County experience with private operators notwithstanding, with adequate contractual provisions and sufficient oversight of airport operations, problems can be avoided with a reputable airport operator. While this would change the current day-to-day responsibility for airport operation, the Cortland County Department of Highways would continue to provide oversight of the airport operation to assure that County interests are protected and the Cortland County Legislative Highway Committee would continue to provide the oversight necessary to assure that County policy is being implemented.

13. Being entrepreneurial. One county airport operator in Upstate New York has been operating a campaign under the motto *"be flexible, rent anything,"* which has helped to turn the airport from operating at a loss to generating a surplus. He advises that an airport operator should be prepared to rent anything and be flexible enough to meet widely divergent opportunities. For example, the Upstate airport rents space for business training at $500 per day and is generating $10,000 to $15,000 annually. The same airport encourages fairs, flea markets, snowmobile races and similar activities for $1,000 per day.

For an example from another state, Barnstable Municipal Airport (Cape Cod, Massachusetts) had a 40,000 square foot building on-site that needed a roof and other major work. The cost of repair was too high to permit being able to rent the repaired structure at the going rate of $8 per square foot. Finally, a company in the construction business turned up that was

willing to pay $4.50 per square foot and make their own building repairs, thereby generating revenue for the airport, fixing up an airport asset and providing a place of business for the firm.

Another example of an activity from an Upstate New York airport from which an entrepreneurial orientation might generate revenue include providing a location for legally testing personal automobiles (seeing how fast they could go), including attending to insurance and waivers. Drivers at an Upstate airport pay $500 per test period and the airport generates $10,000 annually from this activity.

14. Airport marketing. Most successful airports incorporate a strong marketing program to bring the existence of the airport and the services and facilities available to the attention of the public on a continuing basis. Particular emphasis may be given to the private business sector to stimulate the area economy. A county highway department is not normally equipped to develop and implement a marketing program. However, Cortland County does have available the Business Development Corporation/Industrial Development Agency which could potentially work with the Cortland County Highway Department to establish an airport marketing program.

15. Identify other on-site resources that may be available. At other airports, experience has shown that other users of the airport frequently are able to identify opportunities that could be exploited to benefit the airport. This requires maintaining a working relationship with the airport users over time. Speaking with other airport tenants on a regular basis (for example, holding a formal annual airport meeting) as well as prospective tenants can help identify opportunities to pursue.

Economic Impact of the Cortland County Airport.

The foregoing sections suggest possible modifications for strengthening the role of the airport and potentially generating more revenue at the airport. However, there may be concerns as to whether the economic development benefits would justify Cortland County implementing ideas presented in this Business Plan. In order to document the positive economic benefits from the Cortland County Airport, a study recently was undertaken to measure the economic impact of the Cortland County Airport on the surrounding community. In 1999, the Central New York Regional Planning and Development Board published the results of the airport's economic impact assessment

New York State developed a methodology for estimating the dollar value contributed to the area economy by an airport, which is known as an airport economic impact assessment. The process for conducting the impact assessment uses a statistical model, called the RIMS-II model. The methodology was prepared for the New York State Department of Transportation by Wilbur Smith Associates and EMJ/McFarland-Johnson Engineers, Inc. The methodology has been approved by the Federal Aviation Administration and used for several airports throughout the State.

The methodology involves collecting financial data for expenditures for on-airport services provided and expenditures by off-site users of the airport. These data are combined and an economic multiplier is applied to estimate the total dollar value of the airport impact. The economic multiplier corresponds to the estimated number of times that a dollar spent is thereafter re-spent locally before leaving the impact area. All re-spending of that dollar within the impact area is treated as a spin-off of the initial airport-related expenditure and is therefore included in the impact assessment.

Summary of the Cortland County Airport Economic Impact Assessment. To estimate the economic impact, data for each of the steps indicated above was gathered for the Cortland County Airport. The results obtained for the three major impact areas are presented below.

- Estimated total economic activity impact of the airport: $ 2,694,800
- Estimated on-airport and off-airport jobs created approximately 50
- Estimated on-airport and off-airport wages paid $ 1,610,200

The economic impact assessment report portrays a positive picture of the contribution made by the Cortland County Airport to the area economy. In preparing the assessment report, surveys were distributed to 171 businesses identified by Cortland County, of which 46 were returned (27%). Of the 27 surveys distributed to owners of aircraft based at the airport, 15 were returned (56%). In addition, during the research, survey respondents provided additional information of interest regarding the airport, as identified below.

1. Cortland County Airport was described as a good airport because of its location, even by those who are using other airports instead of Cortland. The reasons for their not using Cortland are indicated in subsequent points.

2. Several respondents indicated that Syracuse Hancock International and Tompkins County Airports are used for general aviation operations rather than Cortland County Airport because of operational limitations, particularly the short runway, aircraft approach procedures and the need for upgrading the quality of the airport terminal. Removal of the limitations would offer a potential for growth in business use of the airport.

3. In discussions with several survey respondents, the belief exists that a more intensive use of the airport could be achieved. As an example of a recent success along those lines, the Hamilton Municipal Airport in southeastern Madison County was cited. In the section which follows, some specific approaches are identified from a second recent study at the Cortland County Airport.

APPENDIX A

Results from the Cortland County Airport Survey Comparing Prices and Services

The appendices are not available on-line. Please contact Benjamin Manton of the Central New York Regional Planning and Development Board at (315) 422-8276 for more information.

APPENDIX B

Cortland County Airport
Actual Expenses, Revenues and Capital Investments for 1996-2000
and Projected Expenses, Revenues and Capital Investments for 2001-2005

The appendices are not available on-line. Please contact Benjamin Manton of the Central New York Regional Planning and Development Board at (315) 422-8276 for more information.