

# Exploring the Feasibility of Forming a Regional Airport Authority

Delaware Municipal Airport – Jim Moore Field (DLZ)  
Delaware, Ohio

July 18, 2024



City of Delaware  
Delaware County



# AMCG Team



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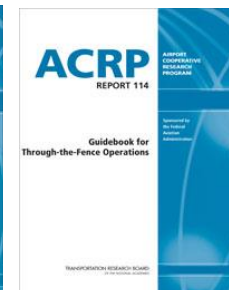
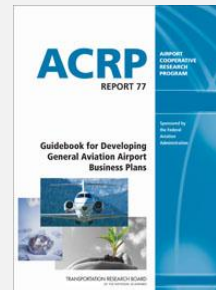


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AMCG Services, Support, and Resources	Airports	Aviation Businesses	Agencies	Associations	Industry Stakeholders
Strategic Planning/Business Planning	→	→	→	→	
Primary Management and Compliance Documents	→	→	→	→	
Rent Study	→	→	→	→	→
Fee Study	→		→	→	
Appraisal	→	→		→	→
Valuation	→	→			→
Transaction Services	→	→			
RFP Development and Proposal Evaluation	→		→	→	
RFP Proposal Development		→		→	→
Agreement Development and Negotiation	→	→	→	→	→
Through-the-Fence Assessment	→	→	→		→
Assessment	→	→	→		
Market Assessment/Feasibility Study	→	→	→	→	→
Regulatory Compliance	→	→	→	→	→
Interim Management and Transition Services	→	→			
Land Use, Site Planning, Facility Programming	→	→			→
Marketing and Business Development	→	→		→	
Litigation Support and Expert Testimony	→	→	→	→	→



# Scope Overview

## Scope Element

**Element 1:** Airport Assessment

**Element 2:** Governance Options Analysis

## Work Plan and Purpose

- Review historical documentation and conduct site visit
  - Perform Strengths, Weaknesses, Opportunities, Threats Analysis
  - Identify key areas to be improved or enhanced in priority order
  - Convey to 10 areas to be resolved or improved prior to, during, or following a potential change in governance structure
- 
- Qualitative analysis of operational and customer impacts
  - Quantitative analysis of financial impacts
  - Convey actual and perceived impacts of Authority governance structure



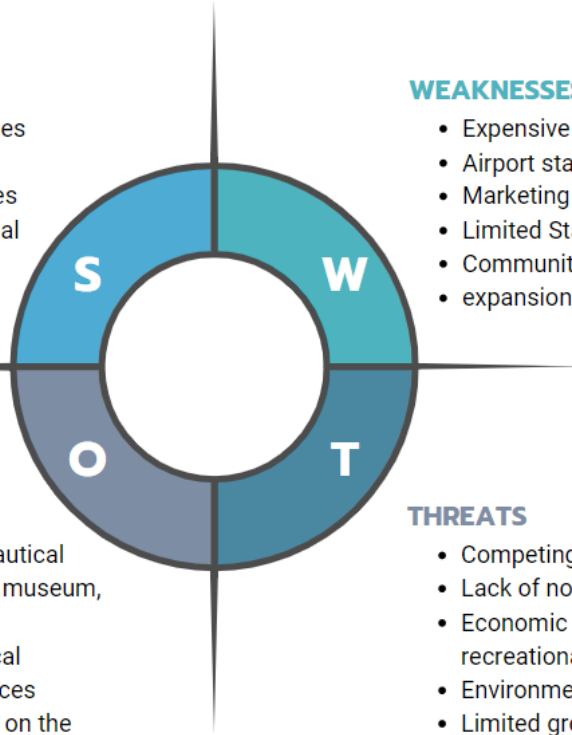
# Project Goals

- ✈️ Convey key areas requiring enhancement at Airport
- ✈️ Outline operational (internal) and customer (external) impacts
- ✈️ Forecast financial performance and capital requirements

# SWOT Analysis

## STRENGTHS

- Well maintained facilities
- Developable land
- Strong Airport Revenues
- Proximity to recreational facilities



## WEAKNESSES

- Expensive Expansion options
- Airport staff capacity
- Marketing of Airport
- Limited Staff
- Community outreach
- expansion of approach capability

## OPPORTUNITIES

- Development of aeronautical services (flight school, museum, other programs)
- Demand for aeronautical development and services
- Business development on the Airport
- SW Focus Plan and Sawmill Parkway

## THREATS

- Competing airports
- Lack of non-aeronautical revenue
- Economic downturn affecting recreational/business travel
- Environmental/Noise concerns
- Limited ground transportation and attractions in the area



# Airport Assessment – Key Findings



	Areas	Details
<b>Immediate recommendations</b>	Governance Determination	Determine Airport governance structure including control and ownership interest, define roles and responsibilities of represented parties
	Engage Parties Interested in Development	Engage parties interested in on-Airport development to provide specific timelines for Airport development projects and initiatives
	Tenant and Community Engagement	Develop a robust community engagement program and host informational events to convey the benefits of the Airport to the community
	Enhance Instrument Approach Procedures	Seek FAA guidance and assistance in developing precision approaches to the Airport

# Airport Assessment – Key Findings



Areas		Details
Short-Term Recommendations	Accounting Protocols	Implement accounting protocols to establish independent Airport and FBO departments
	Fuel Pricing Program	Develop fuel pricing program to include appropriate fees and target margin (jet and avgas) with discount program
	Lease and Compliance Review	Organize and review all leases and agreements for compliance to ensure accuracy of expiration dates, reversion protocols, and rent basis
	Leasing Policy	Develop a <i>Leasing Policy</i> that fosters development on Airport property and remains consistent with FAA guidance
	Airport Management and Staffing Plan	Analyze current/future staffing needs to ensure adequate staff to support the operation and management of the Airport and FBO
	Branding of Airport	Develop consistent branding cohesive with the organizational and ownership structure and represents the vision of the Airport
	ACIP Revisions	Review and revise ACIP to develop a more aggressive development approach for available Airport property
	Rules and Regulations	<i>Airport Operations Policies and Procedures</i> should be updated and transitioned to Airport Rules and Regulations
	Minimum Standards	Update <i>Minimum Standards</i> to reflect current circumstances and address future commercial aeronautical activities
	Snow and Ice Control Plan	Develop a <i>Snow and Ice Control Plan</i> to safeguard winter operations and establish expectations during inclement weather

# Airport Assessment – Key Findings



Areas		Details
Long-Term Recommendations	Customer Service Management	Develop standards to manage each customer and apply a fuel pricing program consistent with industry practices
	Airport Operations Manual	Develop <i>Airport Operations Manual</i> based on 14 CFR Part 139
	Airport Master Plan Update	Update <i>Airport Master Plan</i> within the recommended timeframe as established by the FAA
	Development Standards	Create <i>Development Guidelines</i> to set forth standards governing the design, development, and modification of improvements at the Airport
	Information Management System	Implement <i>Electronic Resource Planning (ERP)</i> including finance and lease management modules
	Operations Continuity Program	Develop <i>Operations Continuity Plan</i> which may include security plans, irregular operations plan, and wildlife hazard management plan
	Non-Aeronautical Development	Seek FAA approval for non-aeronautical development to support the Airport's self-sustainability goals
	Staff Training Program	Develop staff training program that meets the expectations identified in updated job descriptions
	Infrastructure Connectivity Planning	Explore options to expand access and connectivity to the Airport
	Inventory/Asset Management Plan	Inventory and assess existing maintenance facility and equipment to identify future needs.
	Part 139 Certification	Develop and meet FAA Part 139 certified airport status through managing the Airport as an essential public facility



# Governance Options Analysis – Identification of Options

- ✈ Roles and responsibility
  - ✈ Strategy: market assessments, SWOT, business planning, implementation
  - ✈ Management: planning, human resources, compliance documents
  - ✈ Operations: staffing, products and services, inspections, response
  - ✈ Financial: controls, systems, financial statements, budgeting
  - ✈ Marketing: branding, communication, special events
  - ✈ Development: inventory, forecasting, requirements, implementation

**AMCG** IDENTIFICATION AND ANALYSIS OF OPTIONS

### A. City Operated Governance Structure

City operated airports are owned and operated by municipal government bodies and operated by departments, or within the local government by bodies such as commissions, city councils, or a combination of airport management and advisory bodies. This governance structure allows the airport sponsor to guide and direct the airport's operations and development to align with the community's priorities and needs while adhering to relevant safety and compliance standards. This governance option would maintain the status quo, the City would maintain full control over Airport policy, guidance of development, and the ability to fulfill City objectives.

**Key Facts:**

- City operated governance is the most common structure (approximately 40% of NPIAS airports).
- Single entity sponsorships provide the most direct guidance of the Airport.
- City would have greatest influence over future development.
- City would maintain full responsibility and cost burden for the Airport.

City Operated Governance	
<b>Option Overview</b>	Existing structure Lowest cost Simplified decision-making Existing staffing and management Stability and consistency
<b>Key advantages</b>	Existing structure Lowest cost Simplified decision-making Existing staffing and management Stability and consistency
<b>Key disadvantages</b>	Slow growth Limited new capital Smaller outreach capability Does not address current identified concerns
<b>Airport Sponsor Perspective</b>	Control and responsibility City has continued direct control over operations and management Financial contribution City continues to be fully responsible for financial support including grant matching Capital requirements City continues to be fully responsible for all vehicles and equipment, new infrastructure, grant matching, and improvements Liability exposure City continues to be fully burdened with any liability not addressed through a lease agreement Administration City continues to be fully responsible for direction and support
<b>Customer Perspective</b>	Infrastructure/improvements Limited concern for infrastructure given City's historical performance Rents and fees Limited concern based on City's historical practices Vehicles and equipment Concern for financial ability to acquire updated vehicles and equipment Personnel Concern for training opportunities and fulfillment of Director role Airport relations Concern for Airport management autonomy and ability to market/develop Airport given expressed demand

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**AMCG** IDENTIFICATION AND ANALYSIS OF OPTIONS

### B. Airport Authority Governance Structure

Airport Authority operated airports are operated by independent entities created by two or more municipal government bodies and governed by an Authority board, or commission and created by the state. The board or commission positions are often appointed through agreements (between the municipal government bodies) defining responsibilities for appointing qualified board or commission members and in some cases local elections. This governance structure allows the authority to focus solely on the development and operation of the Airport. This governance option would require the initiation of resolutions creating an airport authority under Ohio Revised Code Section 308.03 and the establishment of a board. The City and County would become co-sponsors for the purposes of federal grants. The City and County would not have direct control over airport policy, guidance, and development. Rather, influence on policy, guidance, and development would be dictated from board appointments.

**Key Facts:**

- Airport authority governance is a common structure (approximately 13% of NPIAS airports).
- Would require Delaware County's commitment and assistance to establish the airport authority.
- City and County have full responsibility and cost burden for the Airport.
- The Airport would be operated semi-autonomously by the Authority and board appointments would limit guidance of the Airport.

Airport Authority Operated Governance	
<b>Option Overview</b>	Airport centric oversight Stability from political influence Simplified, direct decision-making May provide capital infusion to advance Airport goals
<b>Key advantages</b>	Airport centric oversight Stability from political influence Simplified, direct decision-making May provide capital infusion to advance Airport goals
<b>Key disadvantages</b>	Highest cost to implement Least amount of oversight from City and County elected officials Substantial change for existing Airport staff Additional staff will be required Sponsors (City and County) remain fiscally responsible for Airport
<b>Airport Sponsor Perspective</b>	Control and responsibility Authority assumes all control and responsibility Financial contribution Authority operates as independent entity Capital requirements Authority responsible for all vehicles and equipment, new infrastructure, grant matching, and improvements (unless supported by co-sponsors) Liability exposure Authority assumes all liability Administration Authority assumes administrative functions (except board appointments)
<b>Customer Perspective</b>	Infrastructure/improvements Reduced concern due to potential funding sources Rents and fees Concern due to independent entity requiring financial performance Vehicles and equipment Reduced concern due to financial ability for acquiring updated vehicles and equipment Personnel Reduced concern for training opportunities and fulfillment of Director role Airport relations Reduced concern due to independent entity pursuing opportunities

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**AMCG** IDENTIFICATION AND ANALYSIS OF OPTIONS

### C. Multijurisdictional Operated Airport Governance Structure

Multijurisdictional operated airports are owned by two or more municipal government bodies and can be operated in a variety of manners through a memorandum of understanding (MOU), interlocal agreement, or other agreement(s). Common structures include commissions or boards with membership being appointed by the governmental body responsible for that position. This governance structure allows the airport sponsors to guide the airport's operations and development to align with the community's priorities and needs while adhering to relevant safety and compliance standards. This governance option would create partner sponsors, and the City or County would maintain majority control over Airport policy with input from other partners. The City and County would maintain significant control over Airport policy and development.

**Key Facts:**

- Multijurisdictional airport governance is less common.
- Multi-entity sponsorships provide less direct guidance of the Airport.
- City and County would share full responsibility and cost burden for the Airport.
- Development would require cooperation in developing initiatives and funding.

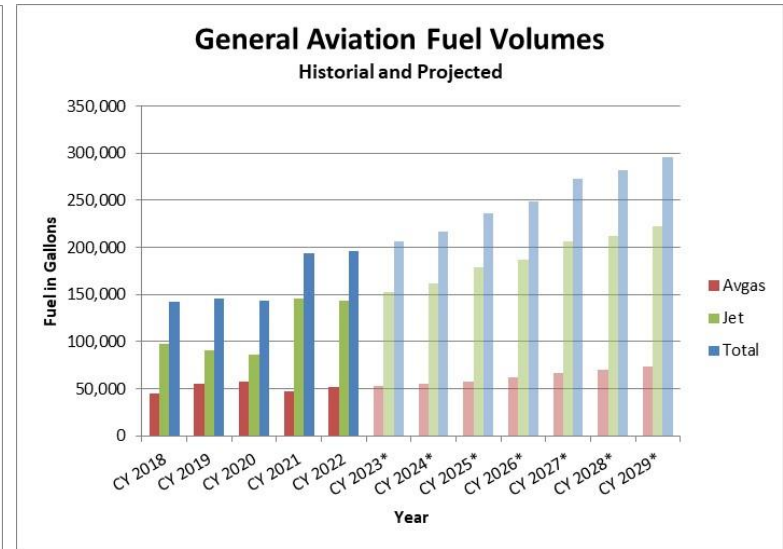
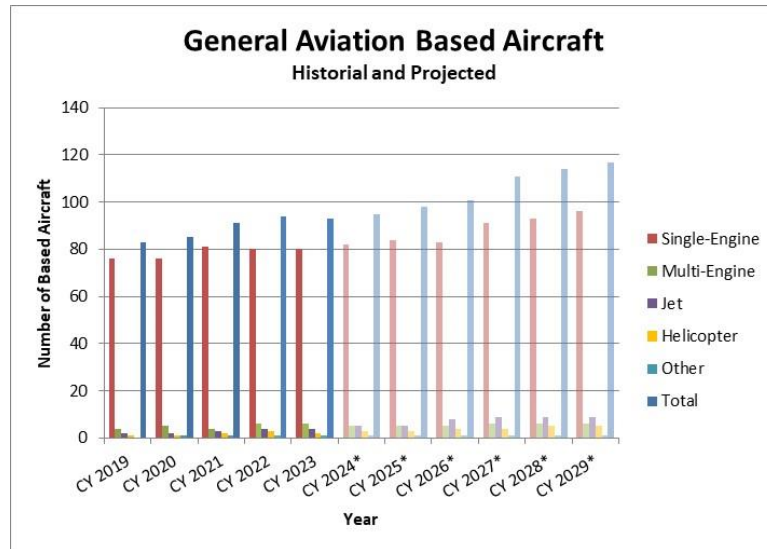
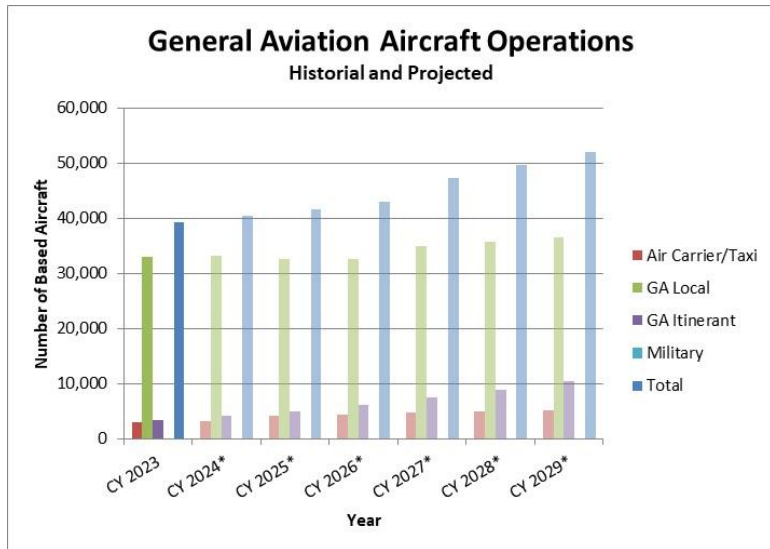
Multijurisdictional Operated Governance	
<b>Option Overview</b>	Less complex implementation Mid-level cost to implement Simplified decision-making Existing staffing and management Less stability and consistency
<b>Key advantages</b>	Less complex implementation Mid-level cost to implement Simplified decision-making Existing staffing and management Less stability and consistency
<b>Key disadvantages</b>	Controlling interest would be negotiated Require high-level of cooperation and communication between partners Does not address current identified concerns
<b>Airport Sponsor Perspective</b>	Control and responsibility City and County share control over operations and management Financial contribution City and County share financial responsibility including grant matching Capital requirements City and County share responsibility for vehicles and equipment, new infrastructure, grant matching, and improvements Liability exposure Liability to shared between City and County Administration City and County fully responsible for direction and support
<b>Customer Perspective</b>	Infrastructure/improvements Reduced concern due to potential funding sources Rents and fees Limited concern based on City's historical practices influencing decision Vehicles and equipment Reduced concern due to financial ability for acquiring updated vehicles and equipment Personnel Concern for training opportunities and fulfillment of Director role Airport relations Concern for Airport management autonomy and ability to market/develop Airport given expressed demand

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# Governance Options Analysis – Operational Basis

- ✈ Activity Indicators
  - ✈ Aircraft Operations
  - ✈ Based Aircraft
  - ✈ Fuel Volumes



# Governance Options Analysis – Operational Basis

## ✈ Pricing

- ✈ Fuel Pricing
- ✈ Rent (Land)
- ✈ Rent (Improvements)

## ✈ Expenses

- ✈ Employment and Payroll
- ✈ Vehicles and Equipment

Fuel Revenue and Cost Projection	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
<b>Jet (Retail)</b>					
Volume	98,154	99,314	103,062	106,154	107,003
Revenue	\$ 579,111	\$ 590,920	\$ 613,219	\$ 636,923	\$ 642,019
Cost of Goods Sold	\$ 333,725	\$ 337,669	\$ 350,411	\$ 360,923	\$ 363,811
Price Per Gallon	\$ 5.90	\$ 5.95	\$ 5.95	\$ 6.00	\$ 6.00
Cost Per Gallon	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40
Margin Per Gallon	\$ 2.50	\$ 2.55	\$ 2.55	\$ 2.60	\$ 2.60
Margin Percentage	42.37%	42.86%	42.86%	43.33%	43.33%
<b>Jet (Based)</b>					
Volume	80,308	88,071	103,062	106,154	115,920
Revenue	\$ 463,779	\$ 513,015	\$ 600,336	\$ 623,654	\$ 681,030
Cost of Goods Sold	\$ 273,048	\$ 299,442	\$ 350,411	\$ 360,923	\$ 394,128
Price Per Gallon	\$ 5.78	\$ 5.83	\$ 5.83	\$ 5.88	\$ 5.88
Cost Per Gallon	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40	\$ 3.40
Margin Per Gallon	\$ 2.38	\$ 2.43	\$ 2.43	\$ 2.48	\$ 2.48
Margin Percentage	41.13%	41.63%	41.63%	42.13%	42.13%
<b>Avgas (Retail)</b>					
Volume	17,230	21,610	26,549	31,361	36,588
Revenue	\$ 118,027	\$ 149,107	\$ 183,188	\$ 217,959	\$ 254,285
Cost of Goods Sold	\$ 80,982	\$ 101,565	\$ 124,780	\$ 147,397	\$ 171,963
Price Per Gallon	\$ 6.85	\$ 6.90	\$ 6.90	\$ 6.95	\$ 6.95
Cost Per Gallon	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70
Margin Per Gallon	\$ 2.15	\$ 2.20	\$ 2.20	\$ 2.25	\$ 2.25
Margin Percentage	31.39%	31.88%	31.88%	32.37%	32.37%
<b>Avgas (Based)</b>					
Volume	40,204	40,132	39,823	38,330	36,588
Revenue	\$ 271,075	\$ 272,598	\$ 270,501	\$ 262,274	\$ 250,352
Cost of Goods Sold	\$ 188,959	\$ 188,621	\$ 187,170	\$ 180,151	\$ 171,963
Price Per Gallon	\$ 6.74	\$ 6.79	\$ 6.79	\$ 6.84	\$ 6.84
Cost Per Gallon	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70
Margin Per Gallon	\$ 2.04	\$ 2.09	\$ 2.09	\$ 2.14	\$ 2.14
Margin Percentage	30.29%	30.81%	30.81%	31.31%	31.31%

Airport Rent Analysis	Square Feet or Number	Gallons	Rental Rate*	Total
<b>FBO</b>				
Terminal Building	1,700	N/A	\$ 6.00	\$ 10,200
Hangar #1 (907 Aviation)	5,600	N/A	\$ 4.00	\$ 22,400
Asphalt Apron and Tiedown Area	62,300	N/A	\$ 0.55	\$ 34,265
Vehicle Parking (Asphalt)	10,250	N/A	\$ 0.45	\$ 4,613
<b>Total FBO Rent</b>				<b>\$ 71,478</b>
<b>Hangar</b>				
T-Hangar A (Small T-Hangar)	8	N/A	\$ 250.00	\$ 24,000
T-Hangar A (Small T-Hangar with Storage)	2	N/A	\$ 275.00	\$ 6,600
T-Hangar B (Small T-Hangar)	8	N/A	\$ 250.00	\$ 24,000
T-Hangar B (Small T-Hangar with Storage)	2	N/A	\$ 275.00	\$ 6,600
T-Hangar C (Small T-Hangar)	8	N/A	\$ 250.00	\$ 24,000
T-Hangar C (Small T-Hangar with Storage)	2	N/A	\$ 275.00	\$ 6,600
T-Hangar D (Medium T-Hangar)	8	N/A	\$ 360.00	\$ 34,560
T-Hangar D (Medium T-Hangar with Storage)	2	N/A	\$ 410.00	\$ 9,840
T-Hangar E (Medium T-Hangar)	8	N/A	\$ 360.00	\$ 34,560
T-Hangar E (Medium T-Hangar with Storage)	2	N/A	\$ 410.00	\$ 9,840
T-Hangar F (Medium T-Hangar)	8	N/A	\$ 360.00	\$ 34,560
T-Hangar F (Medium T-Hangar with Storage)	2	N/A	\$ 410.00	\$ 9,840
<b>Total Hangar Rent</b>				<b>\$ 225,000</b>
<b>Land (Existing)</b>				
Hangar #3 (Jet Stream)	22,400	N/A	\$ 0.100	\$ 2,240
Condominium Hangars (Air Space Place)	50,000	N/A	\$ 0.240	\$ 12,000
<b>Total Land Rent (Existing)</b>				<b>\$ 14,240</b>
<b>Land (Future)</b>				
Future Lessee (CY 2027)	25,000	N/A	\$ 0.350	\$ 8,750
<b>Total Land Rent (Future)</b>				<b>\$ 8,750</b>
<b>Fuel Storage Facility</b>				
Jet (1 tank)	N/A	10,000	\$ 0.750	\$ 7,500
Avgas (1 tank)	N/A	10,000	\$ 0.750	\$ 7,500
<b>Total Fuel Storage Facility Rent</b>				<b>\$ 15,000</b>

\* Based on query of AMCG's national airport database (per square foot per year or monthly)



# Governance Options Analysis – Financial Summary

Historical Financial Summary					
Item	CY 2019 Actual	CY 2020 Actual	CY 2021 Projected	CY 2022 Budget	CY 2023 Projected
Revenue - Rents, Fees, Other	\$ 198,491	\$ 196,145	\$ 224,689	\$ 211,950	\$ 213,161
Revenue - Fueling	\$ 683,739	\$ 583,336	\$ 741,655	\$ 802,200	\$ 810,222
Revenue - Products/Services	\$ 13,377	\$ 11,695	\$ 14,680	\$ 12,500	\$ 12,625
REVENUES	\$ 895,607	\$ 791,176	\$ 981,024	\$ 1,026,650	\$ 1,036,008
COST OF GOODS SOLD	\$ 484,564	\$ 324,566	\$ 559,000	\$ 559,000	\$ 570,180
GROSS MARGIN	\$ 411,043	\$ 466,610	\$ 422,024	\$ 467,650	\$ 465,828
OPERATING EXPENSES	\$ 343,646	\$ 273,722	\$ 305,637	\$ 534,701	\$ 552,144
OPERATING INCOME (EBITDA)	\$ 67,397	\$ 192,888	\$ 116,387	\$ (67,051)	\$ (86,316)
Non-Operating Sources of Funds	\$ 69,355	\$ 125,013	\$ 35,574	\$ 120,521	\$ 292,535
Non-Operating Use of Funds	\$ 216,809	\$ 221,682	\$ 255,773	\$ 193,511	\$ 195,598
NET CASH FLOW	\$ (80,057)	\$ 96,219	\$ (103,812)	\$ (140,041)	\$ 10,621

Projected Financial Summary					
Item	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
Revenue - Rents, Fees, Other	\$ 419,306	\$ 432,197	\$ 455,393	\$ 468,524	\$ 482,567
Revenue - Fueling	\$ 1,434,493	\$ 1,528,215	\$ 1,669,897	\$ 1,743,542	\$ 1,830,501
Revenue - Products/Services	\$ 5,303	\$ 5,462	\$ 14,064	\$ 14,485	\$ 14,920
REVENUES	\$ 1,867,055	\$ 1,974,065	\$ 2,139,353	\$ 2,226,552	\$ 2,327,988
COST OF GOODS SOLD	\$ 878,213	\$ 928,842	\$ 1,014,364	\$ 1,051,034	\$ 1,103,553
GROSS MARGIN	\$ 988,842	\$ 1,045,223	\$ 1,124,989	\$ 1,175,518	\$ 1,224,435
OPERATING EXPENSES	\$ 791,527	\$ 816,856	\$ 844,413	\$ 870,477	\$ 897,672
OPERATING INCOME (EBITDA)	\$ 197,314	\$ 228,367	\$ 280,577	\$ 305,041	\$ 326,763
Non-Operating Sources of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Use of Funds	\$ 13,000	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW	\$ 184,314	\$ 228,367	\$ 280,577	\$ 305,041	\$ 326,763

## Excludes:

- ✈ Major maintenance items, major capital investment (and grant matches), or acquisition of future vehicles and equipment
- ✈ Annual Non-Primary Entitlement from FAA
- ✈ Acquisition/transition costs related to Airport and FBO



# Recommendations

- ✈ Create Airport Authority (City and County) to acquire ownership, governance, operation, and management of Airport
- ✈ Airport Authority acquire ownership, operation, and management of FBO (fueling operation)
- ✈ Transition from City to Airport Authority in planned, thoughtful manner
- ✈ Implement *Airport Assessment Recommendations*



# Questions and Discussion

- Airport Assessment
- Governance Options Analysis



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