May 9, 2014

Mr. John Buckner, Jr.
Director of Administration and Commercial Services
Salt Lake City Department of Airports
P.O. Box 145550
Salt Lake City, Utah 84114

RE: FBO Development Analysis and Leasehold Study
Salt Lake City International Airport (SLC)
Salt Lake City, Utah

Dear Mr. Buckner:

Per the request by the Salt Lake City Department of Airports, we are pleased to present this document, which represents the analysis of the development of various FBO/general aviation greenfield sites at Salt Lake City International Airport (SLC). This document also provides an analysis of the existing general aviation leasehold sites on the east side of SLC. The following report provides our assessment and analysis of various leasehold issues, site analysis, access, infrastructure and facility costs, and potential issues related to the process of reconfiguration or redevelopment of the east side of the Airport.

In the development of this document, Airport Business Solutions reviewed the current Airport Minimum Standards (Title 16 Document), Airport Rules and Regulations, the current airport ALP drawings, Airport Master Plan, and various leasehold documents representing the general aviation tenants on the field. Moreover, we visited each prospective greenfield site, and toured all the general aviation facilities on the Airport. We met with Airport Administration and Staff and interviewed various industry experts regarding the cost of FBO development. In addition, we have utilized our internal combined 100 plus years of expertise in the development and management of FBOs across the country.

We appreciate the opportunity to provide our professional services to the Salt Lake City Department of Airports. If you should have any further questions, please advise.

Respectfully Submitted,

Randy D. Bisgard
President/CEO

Michael A. Hodges, MAI
President/CEO

Randy D. Bisgard
Senior Vice President

Solutions as Unique as the Problems . . .
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I. **BACKGROUND INFORMATION**

1. **Scope of the Assignment**

   Based on the conclusions and recommendations derived from the first task of our engagement with Salt Lake City Department of Airports (SLCDA), *Airport Business Solutions (ABS)* has been directed by SLCDA in Task Order Number 2 to provide information and recommendations for various general aviation leaseholds at SLC. Task 2 is divided into two parts which include a development analysis of potential greenfield FBO sites and the analysis of leasehold reconfiguration and optimum use of the existing FBO sites on the east side of the Airport.

2. **Department of Airports’ Goals**

   Within the parameters of this Task, the goal of the Department of Airports is to determine the logical locations and/or options for the development of a second FBO service provider at SLC. This is based on the SLCDA’s desire to offer premier aviation services to the users of the airport while also providing a fair and equal competitive environment for all service providers on the field, now and in the future. It is also the desire of the SLCDA to follow the guidelines of the Airport Master Plan and other administrative planning information to ensure highest and best use of all available land and facilities on the Airport for decades to come.

3. **Methodology**

   a. **On-Site Review**

      In addition to previous meetings and on-site tours of the SLC airfield, *ABS* performed an additional in depth tour of the entire SLC aviation complex on March 5, 2014. This tour included all existing general aviation leaseholds with emphasis on current TAC Air/Keystone Aviation facilities.
In addition to four greenfield sites identified by TAC Air/Keystone Aviation, ABS reviewed the entire Airport for potential FBO/general aviation sites with an emphasis on operational, logistical and financial considerations.

b. Airport Data

As part of this analysis, ABS also reviewed various ALP documents, the Airport Master Plan and other information regarding the current infrastructure. We also analyzed the land use planning issues related to the four proposed TAC Air sites, the existing east side development, and the entire north side of the airfield. It should also be noted, that this preliminary analysis also includes information and conclusions from the previous detailed analysis of the overall general aviation marketplace at SLC.

c. ABS Proprietary Information & Industry Data

In addition to the data provided by SLCDA and others through interviews, ABS has also relied on information from its proprietary database of aviation service business appraisals, knowledge of transactions currently occurring in the industry, and other financial data from previous engagements to reach the conclusions herein.
II. **FBO Development Analysis**

1. **Analysis of Potential General Aviation Development Sites**

In addition to the four identified greenfield sites by TAC Air/Keystone Aviation, ABS reviewed the entire Airport for potential FBO/general aviation sites with an emphasis on operational, logistical and financial considerations. As part of this analysis, ABS also reviewed various Airport Layout Plan (ALP) documents, the Airport Master Plan and other information regarding the current infrastructure. We also analyzed the land use planning issues related to the four proposed TAC Air sites, the existing east side development, and the entire north side of the airfield. It should also be noted that this analysis also includes information and conclusions from the previous detailed review of the overall general aviation marketplace at SLC.

**General Observations**

- Along with improvements to the economy, the general aviation marketplace at SLC is maturing and it is widely believed that the Airport is ready for a second service provider based on the assumptions of the previous draft report.

- For several decades the Airport supported multiple general aviation service providers including FBOs and other service related entities. During that time, it has been the consensus of both current and previous airport administrations that the highest and best use of land for general aviation development is the east side of the airfield (east of 17/35).

- Under the current long term airfield development plans, with the exception of the east side, all of the remaining land on the airfield is programmed for air carrier, air cargo, taxiways/runways, terminal development, deicing facilities, FAA facilities, wetlands, or other SLCDA support facilities. Any development of general aviation facilities, other than the east side, would severely restrict the commercial development options and growth of air carrier activity at SLC.
• While the current east side area is somewhat constricted with existing general aviation facilities, the area has excellent potential for redevelopment. Several leaseholds, which are due to revert to the SLCDA in the next several months, are in need of redevelopment and are likely good candidates for the development of a second FBO facility.

• Any comments related to the potential closure or movement of Air National Guard operations away from SLC must be discounted at this time. Even if the ANG decided today that it no longer needs SLC for operation (not likely), it is the experience of ABS that it would be decades before the ANG fully turned over their eastern site to the SLCDA. Any use of the ANG site is not a viable option within the immediate and marketplace driven expansion of general aviation services.

• It should also be noted that there appears to be a slow, but steady, transition of smaller (single engine) general aviation aircraft toward the reliever airports in the South Valley region. Through financial incentives and “all new hangar facilities” that would be attractive to these users, this movement would likely accelerate. This scenario would provide a significant amount of east side leasehold space to meet the demands of corporate operators including hangar and office space.

• While it may be the desire of any new FBO entrant to develop an all-new greenfield site on any airport, the situation at SLC does not provide a financially attractive means to support this scenario. All of the greenfield sites would be far too costly to develop, with reasons to be further discussed in the evaluation of each site.

• It should also be noted that development of any of the identified greenfield sites would be disadvantageous to the new operator for several reasons. The operator would be a significant distance from the existing general aviation marketplace (based tenants), and too far away from its source of fuel, that being the common fuel storage area on the east side. From a competitive standpoint it is always more attractive to both users and competitors to be within the same general area of the field. In addition, the four sites include only 10 acres, which would not likely be enough to meet the needs of a future FBO facility.
• From an airport administration and an FAA safety perspective, it is always more prudent to separate general aviation operations from larger commercial aircraft operations whenever possible. It is also advantageous from a TSA perspective to keep general aviation on the opposite side of the runway from the scheduled air carriers. This natural runway barrier eliminates the danger of pilots and passengers from wandering into the SIDA area that includes the air carrier terminal and air cargo ramp areas.

• Finally, the east side general aviation area at SLC has the best access to downtown, local hotels and other support businesses on that side of the airfield. These issues are critical to corporate aircraft users. None of the four proposed greenfield sites, or other areas of the field, are practical for future general aviation development. Restrictions to development for the sites involve various concerns, including financial, operational, ease of access, safety, environmental, and competitive concerns.

a. Potential Greenfield Sites

After review of the airfield, meetings with Airport Staff and an on-site evaluation of each potential lease area, the following sites have been analyzed. The sites identified are denoted as follows:

Site 1 – Center Field Near the Approach End of 16R

• Site 1 is the farthest away from the existing general aviation business base.

• This site encroaches into future plans for a new taxiway that will connect the two parallel 16/34 runways.

• This site would require thousands of feet of new access roads, taxiways, fencing, and utilities.

• Street side access for customers and employees is not user friendly or practical.
• This site is adjacent to the current fire training facility and not user friendly due to issues of smoke or other emergency vehicle activity.

• Site 1 is designated for future air cargo facilities in the ALP.

**Site 2 – Center Field and North of the Current Air Cargo Area**

• Site 2 is in an area designated for air cargo expansion. FedEx is currently planning for the development of new facilities on this site.

• Air Cargo and General Aviation activity are not compatible.

• This site would require thousands of feet of new access roads, taxiways, and fencing.

• Street side access for customers and employees is not user friendly or practical.

• There is no parallel taxiway in front of this site. Access would require general aviation aircraft to cross 16L/34R on a frequent basis or back-taxi on the runway.

**Site 3 – Center Field Near Approach End of 16L and near ASR**

• Site 3 encroaches into the clear area for the FAA Airport Surveillance Radar site.

• This area is programmed for future airport maintenance facilities.

• This site would require thousands of feet of new access roads, taxiways, and fencing.

• Street side access for customers and employees is not user friendly or practical.
Site is within ASOS critical area.

**Site 4 – East Side Near Approach End of Runway 17**

- Site 4 is within the landbank that is part of a first right of refusal of the Boeing Company. Recent conversations between Boeing and the Airport Administration/State of Utah, have indicated that Boeing will not give up its rights to the site. Boeing has indicated that they have future significant development plans for this site on the Airport.

- Site would require a significant investment in fencing, taxiways, and entry roads.

- Site is closer than other three sites but still nearly one mile from the common fuel storage area for general aviation.

**b. Access Issues – Landside and Airside (Greenfield Sites)**

While all of the sites identified have reasonable access to runways, all have serious landside access limitations. Sites 1 and 3, with locations generally in the central portion of the Airport, would each require as much as 1,000 feet of access roadway for vehicle access. The cost of grading, pavement, security fencing (on both sides of road), drainage, lighting and striping would be cost prohibitive for any general aviation service provider. In addition, the remote locations and protracted route required to reach the facilities by pilots and their passengers would also put an FBO in these locations at a distinct disadvantage in terms of friendly and easy landside access. Sites 2 and 4, while closer to existing perimeter roads would still require several hundred feet of entry road to access the proposed FBO site. Moreover, as previously indicated, Site 4 would require relinquishment of land already under the control of the Boeing Company. The utilization of the existing general aviation areas on the east side of the airfield would mitigate all landside and airside issues.
c. Available Infrastructure and Proximity

Similar to the roadway issues related to the proposed greenfield sites, the access to key infrastructure is also difficult. Some of the proposed sites may have utilities in the same quadrant of the airfield; however, only one of the proposed FBO areas has any key utilities in close proximity to the boundary of the construction sites. Site 2 has a cargo facility in the area, while Sites 1, 3 and 4 would require potable water, electrical, sanitary sewer, and natural gas to be brought to the sites over distances of several hundred feet to nearly one-half mile. As such, the cost to construct the utilities would far exceed the financial capabilities of any general aviation service provider. The existing general aviation sites on the east side of the field eliminate all infrastructure issues and costs that would be involved in the greenfield sites.

2. Minimum FBO Services and Facilities Required

a. Services

Today's competitive FBO must provide a minimum level of service and facilities to compete in a marketplace as complex and mature as SLC. In addition to meeting the requirements stated in the SLCDA Title 16 Minimum Standards, a second FBO would likely need to exceed these requirements to be competitive. The following information provides guidance as to the services and facilities that would be needed for a second operator at SLC to be compliant with Title 16. It should be noted that this basic development data would be expected for the development of a greenfield site or as part of a redevelopment plan. Other cost issues and considerations would be determined by an RFP process should the SLCDA decide to utilize the reconfiguration scenarios outlined in Section III.
Required FBO Facilities and Services per Title 16

- FBO must provide fuel, oil and other aircraft provisions to the based and itinerant flying public at SLC. This would include both 100LL/Avgas and Jet fuel.

- FBO must provide terminal services and other facilities in support of fuel sales. At a minimum, the terminal must have passenger waiting areas, restrooms, vending areas, flight counters and weather briefing stations. Other minimum facilities include aircraft parking, ramp access and staging areas, aircraft tie-down, hangar space, fuel storage and auto parking. The size and make-up of these areas at SLC must be competitive with the size and style of the competitor, in this case TAC Air/Keystone Aviation.

- FBO must provide Aircraft Maintenance Services and associated Parts Sales during normal business hours, as well as offering 24/7 on-call availability.

- FBO must provide Aircraft Sales and Aircraft Rental.

- FBO must provide ground handling services, including lavatory servicing, aircraft towing, oil servicing, oxygen servicing, deicing, catering, ground power, food/vending and ground transportation.

- In addition to the mandatory services listed above, an FBO may also provide additional secondary service from the list of other typical services provided at an airport including:

  ✓ Properties - Including hangar and office rental, or land leasing
  ✓ Avionics
  ✓ Flight Training
  ✓ Charter
  ✓ Aircraft Refurbishment and/or Paint & Interior
  ✓ Air Carrier Services
  ✓ Cargo Handling
Regardless of the requirements of Title 16, there are certain minimum expectations in the marketplace for FBOs in markets such as SLC. The following is a summary of some of these expected FBO facilities, services, and amenities. (Recommendations and data in this section is predicated upon input from Airport staff, experienced airport engineering and planning firms, and Airport Business Solutions’ experience including over 100 combined years of FBO operations and management.

b. Executive Terminal and Storage/Maintenance Hangar Complex

The executive terminal and hangar complex is at the core of the FBO business and would typically include a plush, state-of-the-art executive terminal that would be either attached or as a separate structure. The initial phase or minimum requirement for a competitive facility would typically reflect an approximate 10,000 square foot terminal with a 20,000 square foot hangar offering a door height capable of handling up to a Gulfstream or Global Express class aircraft (minimum 28 feet). Initially, approximately 10,000 square feet of the hangar envelope would typically be allocated to community/itinerant hangar space. The remainder of the hangar floor space would be used to accommodate based aircraft storage. Typically attached to the street side of the hangar would be several thousand square feet of office and support facilities, including a minimum of 5,000 square feet of rental office space. The initial building complex is generally broken down as follows:

- Executive Terminal/Office/Shop Areas 10,000 – 15,000 Sq. Ft.
- Phase 1 Hangar Area 20,000 Sq. Ft.
- Aircraft Ramp, Tiedown and Staging 4 to 6 Acres
- Auto Parking 100 to 125 Cars
- Fuel Storage Facility (If Needed) 10,000 Sq. Ft.
- Landscaping (Estimated) 20,000 Sq. Ft.
- Entry Road (Estimated) 1,000 Linear Ft.
Terminal Amenities Should Include:

- Comfortable and Quiet Passenger Lounges
- Pilot Lounge with Game Table, Library, Quiet Rooms and Satellite TV Theater
- User Friendly Flight Counter/Reception Area
- Concierge/Customer Service Area with Interactive Community Information
- Line Operations Ready-Room
- Line Operations Manager/Customer Service Director Office(s)
- Customized Work Areas with Wireless Computer Access Systems
- Spotless, Well-Appointed Restrooms with Touch Free Fixtures
- Main Conference Room with Audio/Visual and Wet Bar
- Wi-Fi access inside the terminal, hangars, and on the ramp for pilot trip planning
- Extensive security system with cameras and access controls
- Mini Conference/VIP Area
- Quiet Area for Food and Vending with Seating Available (potential for restaurant development in the area of the former SLCDA Executive Terminal)
- Computerized Flight Planning and Weather Briefing Area with Weather Services International (WSI) briefing system and interactive computer touch screens
- Car Rental Counter area
- Office Rental Space
- Senior Management and Accounting Office Area
- Catering Storage, Ice & Coffee Area
- Luggage Storage
- Local Computer Electronics Memorabilia or Mini Museum Display Area

Hangar Amenities Should Include:

- Separate customer waiting and restroom area
- Heavy duty electrical system for spot maintenance
- Employee break room
c. Aircraft Parking and Ramp Staging Area

In order to provide a safe and operationally attractive facility for corporate aircraft activity, the facility must have adequate ramp and aircraft circulation space. At a minimum, a facility should have the space to park approximately 10 to 20 mid-sized corporate aircraft at any given time. More space would be required for seasonal operations such as during the peak ski season and holidays. This typically equates to approximately 4 to 6 acres of ramp/apron area to also provide for aircraft staging, overnight parking, secure tiedowns, refueling operations, clear areas in front of the hangar areas, and all aircraft circulation and taxi lanes. The circulation and operations area for the FBO must be based on minimum FAA Design Group II (Gulfstream) size aircraft with some larger design group areas planned for the long term.

d. Auto Parking

The auto parking area(s) must provide for a minimum of 100 to 125 cars at the primary FBO site and constructed per SLCDA and City codes and regulations, including ADA disabled access. The parking areas should be well-lit and marked for easy flow and access. All vehicle access to aircraft parking areas and ramp/apron side facilities must be strictly controlled by electronic gate access including card readers, voice and video surveillance control. In addition to any proprietary garages, additional auto parking must be provided for each hangar proposed in the complex.

e. Fuel Storage Facilities

For a greenfield site, an FBO would likely need to construct a state-of-the-art above ground fuel storage facility on the primary leasehold. Initially, this fuel storage area would have a
minimum of 40,000 gallons of storage for Jet fuel and 10,000-12,000 gallons for Avgas. The entity may also elect to install an auto gas tank for servicing of company vehicles. The fuel storage area would likely encompass an area of approximately 10,000 square feet to accommodate future expansion and to allow the FBO to grow the facility, as well as to allow for a minimum of three days supply based upon growing demand. This fuel storage area must also meet or exceed Federal, State and City requirements including all environmental requirements for spill/overfill protection including an approved written SPCC plan. The facility must be lighted and surrounded by security fencing and landscaping to ensure security and to reduce the visual impact of the facility.

f. Landscaping

The FBO facility must meet all local codes for space requirements, landscaping and roadway setbacks. The FBO entity must recognize that this facility is a “front door” to the community, and as such, it must be beautifully landscaped to reflect the local environment.

3. Development Issues and Costs

a. Site Preparation

While most of the sites are reasonably flat, many have wetlands concerns, and Site 3 is within the influence and critical area surrounding the Airport Surveillance Radar (ASR) site. All of the sites would likely require some excavation and fill with sub-base materials or water/clay mitigation for a stable site. These are common to most airports. However, Site 3 would require the relocation of the ASR equipment by the FAA. While the relocation expense is unknown at this time, the cost and timeline for FAA development and approval would be well outside any reasonable feasibility.

b. Development Costs for a 10-Acre FBO Site

The following construction cost estimate range is based upon information from a number of sources and locations in the region. Final construction estimates would be based on the final design
of the facilities, type of construction materials used, quality and type of interior finishes, location and cost to connect to local utilities, local codes and construction requirements for the City and State and other numerous variables such as design build or other construction scenarios. However, the data provided is generally in line with other recently completed aviation projects in the western U.S.

Note that all construction estimates are based on the average cost of completing similar projects in the region. The higher end costs would include community or municipally controlled construction, which would fall under prevailing wage or “Davis Bacon” scenarios. It should be noted that all facility construction estimates would be considered somewhat aggressive, to include modern and high end customer finish areas. It should be noted that some of the fuel storage costs may be shared or negotiated with the fuel supplier based on volumes and/or fuel cost cooperative agreements.

**Executive Terminal Construction**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Range</th>
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<tbody>
<tr>
<td>Terminal Building (10,000-15,000 S.F.)</td>
<td>$2,500,000 to $4,500,000</td>
</tr>
<tr>
<td>FBO/Hangar Utilities (10,000-15,000 SF)</td>
<td>$1,250,000 to $1,875,000</td>
</tr>
<tr>
<td>Landscaping</td>
<td>$100,000 to $150,000</td>
</tr>
<tr>
<td>Ramp/Parking Lighting</td>
<td>$200,000 to $300,000</td>
</tr>
<tr>
<td>Ramp Construction (4 Acres)</td>
<td>$1,500,000 to $2,000,000</td>
</tr>
<tr>
<td>Entry Road (Paving/Fencing/Lighting)</td>
<td>$1,000,000 to $1,200,000</td>
</tr>
<tr>
<td>A&amp;E Design</td>
<td>$450,000 to $700,000</td>
</tr>
<tr>
<td>Total Construction</td>
<td>$7,000,000 to $10,725,000</td>
</tr>
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</table>

**Initial Hangar**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Range</th>
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</thead>
<tbody>
<tr>
<td>15,000 to 20,000 S.F. Hangar</td>
<td>$2,625,000 to $3,500,000</td>
</tr>
</tbody>
</table>

**Total Initial FBO Development**

*$9,625,000 to $14,225,000*
*Note*: Construction estimates are exclusive of fuel storage. There may be a means by which the new entity could utilize the east side fuel farm at SLC, although a greenfield development not located on the east side would not likely be feasible for a development anywhere on the Airport except for the east side. If a fuel farm is required, reflecting a minimum of 40,000 gallons of Jet fuel and 10,000 gallons of Avgas, it would likely cost approximately $500,000 to $750,000 to construct.

4. **Recommended Site**

Based on the parameters discussed in this analysis, including the previous market study, data provided by Airport staff, and the general observations/research by ABS, the following conclusion is recommended regarding the site for a second FBO at SLC. As noted, the sites identified by TAC Air/Keystone Aviation for greenfield development are not financially or economically feasible now or in the near future. Moreover, based upon our analysis and research, there are no other parcels currently on Airport property that fit the needs of general aviation services and facilities.

As will be discussed in the following section, a portion of the current east side FBO land and facilities could be repurposed, reconfigured and improved to accommodate a new FBO entrant. As such, it is our recommendation that the area and leaseholds, formerly known as Salt Lake Jet Center and other areas (Noted as Zone 2 in Section III), be designated and consolidated to provide the best site option for a second FBO at SLC.
III. Analysis of Leasehold Areas

1. Review of General Aviation Facilities

a. Existing TAC Air/Keystone Aviation Facilities

Currently at SLC, TAC Air/Keystone Aviation has leaseholds or lease documents that represent 24 separate leasehold properties. This includes ramp areas, hangars, offices, fuel storage, glycol storage, cargo facilities, and FBO terminal space. The following is a list of the current leases, what they include, and expiration dates.

<table>
<thead>
<tr>
<th>NO.</th>
<th>LEASE NUMBER</th>
<th>DESCRIPTION</th>
<th>EXPIRATION</th>
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<tr>
<td>1</td>
<td>1640-26</td>
<td>State Ramp/Old Tie-Down Rows 13 &amp; 14</td>
<td>11/30/2014</td>
</tr>
<tr>
<td>2</td>
<td>1640-22</td>
<td>Storage Hangar/TSA</td>
<td>6/30/2033</td>
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<td>3</td>
<td>1640-08</td>
<td>Storage Hangar/TSA</td>
<td>5/31/2025</td>
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<td>4</td>
<td>3870-08</td>
<td>3 Contiguous Storage Hangars</td>
<td>6/30/2015</td>
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<td>5</td>
<td>3870-09</td>
<td>Storage Hangar</td>
<td>6/30/2015</td>
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<tr>
<td>6</td>
<td>1640-11</td>
<td>3 Storage Hangars</td>
<td>9/30/2033</td>
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<td>7</td>
<td>1640-21</td>
<td>Storage Hangar</td>
<td>Month to Month</td>
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<td>8</td>
<td>1640-24</td>
<td>Old tie-Down Rows 4 &amp; 5</td>
<td>Month to Month</td>
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<td>9</td>
<td>1640-01</td>
<td>FBO Complex/Hangars</td>
<td>9/30/2033</td>
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<tr>
<td>10</td>
<td>3870-01</td>
<td>FBO Complex/Hangars</td>
<td>6/30/2015</td>
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<tr>
<td>11</td>
<td>3870-06</td>
<td>2 Storage Hangars</td>
<td>5/31/2021</td>
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<tr>
<td>12</td>
<td>3870-14</td>
<td>Storage Hangar</td>
<td>7/31/2033</td>
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<tr>
<td>13</td>
<td>1640-15</td>
<td>Storage Hangar</td>
<td>1/31/2020 + 5-year tenant option</td>
</tr>
<tr>
<td>14</td>
<td>3870-13</td>
<td>Storage Hangar</td>
<td>6/15/2015 + 5-year tenant option</td>
</tr>
<tr>
<td>15</td>
<td>1640-17</td>
<td>Storage Hangar</td>
<td>Month to Month</td>
</tr>
<tr>
<td>16</td>
<td>1640-16</td>
<td>Storage Hangar</td>
<td>4/30/2019</td>
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<tr>
<td>17</td>
<td>1640-07</td>
<td>Storage Hangar</td>
<td>8/31/2013 + 3-1-year SLCDA options</td>
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<tr>
<td>18</td>
<td>1640-14</td>
<td>Cargo Building 3</td>
<td>Month to Month</td>
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<tr>
<td>19</td>
<td>1640-23</td>
<td>Glycol Farm</td>
<td>Month to Month</td>
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<td>20</td>
<td>1640-12</td>
<td>Executive Terminal Second Floor</td>
<td>Month to Month</td>
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<td>21</td>
<td>3870-02</td>
<td>Fuel Farm West</td>
<td>6/30/2015</td>
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<td>22</td>
<td>3870-07</td>
<td>Fuel Farm South</td>
<td>5/31/2021</td>
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<td>23</td>
<td>1640-05</td>
<td>Fuel Farm East</td>
<td>11/30/2033</td>
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<tr>
<td>24</td>
<td>3870-11</td>
<td>Barken Fuel Farm – Decommissioned</td>
<td>6/30/2015</td>
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</tbody>
</table>
b. Useful Life/Highest & Best Use Analysis

Pursuant to our review of the current leaseholds and facilities utilized by TAC Air/Keystone Aviation, many of the facilities have significant useful life remaining. However, there are a number of hangars and fuel farm facilities that either will need replacement or refurbishment within the next 5 to 10 years. The following narrative addresses each lease area, to include its usefulness or limitations.
1. **Lease Number 1640-26 – State Ramp/Old Tiedown Rows 13 & 14 (Expires 11/30/2014)**

   This lease represents two separate ramp areas utilized by TAC Air for overflow aircraft parking, particularly during ski season. The lease expires on November 30, 2014. Image one identifies the State Ramp area and image two is the area formerly known at tie-down rows 13 and 14. The highest and best use for the area designated as State Ramp is likely to remain as overflow ramp. The area identified as Rows 13 & 14 may be better utilized in the future as an area for corporate or general aviation box hangars.

2. **Lease Number 1640-22 – Hangar (Expires 6/30/2033)**

   This is a new and modern facility with excellent street side access and first class office space. This facility currently houses the TSA and Skaggs. The image identifies the street side entrance to the facility, which faces to the south. This hangar/office complex is ideal for a private corporate operator since it is somewhat isolated from the main FBO area and also has its own underground fuel storage tank and fuel delivery cabinet next to the hangar. The highest and best use of this leasehold is for a corporate flight department or as general aviation aircraft storage.

3. **Lease Number 1640-08 – Hangar (Expires 5/31/2025)**

   This lease represents a storage hangar, which is also a modern office facility that has its own proprietary fuel storage tank and delivery system. Current tenants include the Transportation Security Administration, with the hangar used for general aircraft storage for TAC Air. This facility has adequate auto parking and adequate, but limited, ramp space. This facility sits on a corner site and has hangar doors on both the west and north sides of the hangar envelope. There are two stories of
office space attached to the hangar and the highest and best use of this facility would be for a corporate flight department who would like to have their own segregated fuel storage.

4. **Lease Number 3870-08 – 3 Hangars (Expires 6/30/2015)**

   This leasehold includes three adjoining hangar spaces with two story office space along a portion of the west side of the facility. Designated as three separate hangars, the facilities house Flying Wrench, Ameriflight, and general aircraft storage for TAC Air. These hangars are older and in need of repair/remodel or a complete redevelopment of the leasehold. The offices are in general disrepair and need to be replaced or have a major renovation. While the hangars are currently in use, the facility is under utilized for its size. The primary ramp near this facility is on the west side of the facility. There is limited ramp on the east side where there is an access taxiway for leaseholds 2 & 3. Essentially this building is facing the wrong direction for optimal operational efficiency. The highest and best use of this facility is for general aviation hangars; however, a total redevelopment is recommended to maximize the use of the land available. It is recommended that this site be considered as an alternate site for the Honda Jet delivery facility since it is away from the main FBO facilities, and also has excellent taxiway and independent street access.

5. **Lease Number 3870-09 – Hangar/Aircraft Storage (Expires 9/30/2033)**

   This is an old hangar facility that is used for aircraft storage. This facility is isolated on the ramp and has limited street access and is used by TAC Air for general aircraft storage. This hangar sits well west of the primary general aviation facilities and is believed to be within the clear area for the adjacent runway beyond the building restriction line. This facility
will likely need to be demolished and removed in the near future. Highest and best use of this lease would be to convert the area to aircraft parking ramp.

6. **Lease Number 1640-11 – 3 Hangars (Expires 9/30/2033)**

   This lease represents three separate hangars which are located on the east side of the primary TAC Air FBO terminal and hangar complex. This lease area was originally proposed as the location of a Honda Jet delivery complex by Keystone Aviation. The three hangars face eastward and are facing the ramp area that is identified as the old tiedown rows 4 and 5. As such, there is currently ample ramp/development space in front of the hangars. These are older facilities and have adequate mid-range useful life. Highest and best use of this facility would be for new corporate hangars or as the Honda Jet delivery facility. While this site does not have front ramp access to the runway, it does have adequate developable area and also has excellent street side access and visibility from the main access road to the general aviation area.

7. **Lease Number 1640-21 – Hangar (Month to Month)**

   This lease includes a storage hangar which is utilized by TAC Air for general aircraft storage. The hangar is a limited size and has a low door height. It is recommended that this facility be redeveloped along with the plans for Lease Number 1640-11 as described above. Highest and best use would be to re-develop into larger corporate hangar facilities or as a portion of a new Honda Jet facility.
8. **Lease Number 1640-24 – Old Tiedown Rows 4 & 5 (Month to Month)**

   This lease area represents the former tiedown rows 4 and 5 and sits just east of the storage hangars. The area is currently utilized as overflow ramp space for the FBO during peak ski season activity. The highest and best use of this area would be for future corporate hangars or as the ramp area for the Honda Jet facility.

9. **Lease Number 1640-01 – TAC Air Main FBO Terminal Facility/Hangars (Expires 9/30/2033)**

   This lease area includes the primary FBO terminal and maintenance/storage hangars for the TAC Air operation. The terminal facility has been generally been upgraded to reflect a long useful life. Facility includes a large south facing hangar, one large west-facing hangar, two smaller west-facing hangars, and the executive terminal building. The larger hangars have high-door clearance to accommodate most corporate aircraft. This leasehold is at the roll-out end of Runway 17, which provides excellent access to the airside facilities of the SLC airfield. The facility also has a large auto parking area to the east and has good street side access. This lease also includes a significant amount of aircraft parking ramp. The highest and best use of this leasehold is to remain as a general aviation terminal and support facility for a full service FBO.
10. **Lease Number 3870-01 – Hangars and FBO Terminal (Expires 6/30/2015)**

This lease area includes the primary FBO leasehold for the former Salt Lake Jet Center operation. This facility includes two west facing hangars and the executive terminal complex attached to the southern most hangar envelope. This facility, while somewhat functional, has reached the end of its useful life. The southern hangar and terminal area are in better condition than the northern hangar which is in very poor condition and is currently being utilized as a vehicle maintenance building. The north hangar needs to be replaced and eventually the south facility including terminal and hangar will also likely need to be replaced to increase the size of the terminal space and to create a facility that has modern amenities and is more competitive with other FBO facilities in the region. Highest and best use of this leasehold is for FBO terminal and hangar facilities. The site has excellent airside and streetside access including a large aircraft parking ramp to the west and auto parking to the east. Facility is also adjacent to the primary entrance road to the general aviation area at SLC.

11. **Lease Number 3870-06 – Storage Hangars (Expires 3/31/2021)**

This lease area includes two hangar facilities and a large ramp area that is adjacent to the parallel taxiway to runway 17/35. This ramp also abuts the deicing pad utilized for general aviation aircraft operations. The first hangar is an older facility with hangar doors facing north and south. It has two-story office space on both the east and west sides with the FBO terminal to the west, adjacent to the large ramp. This facility will likely need to be replaced with a newer and larger hangar facility in the near term. The other hangar faces to the west and is a newer and
good quality hangar facility. The highest and best use of this leasehold is for corporate hangar storage and for overflow ramp for the primary FBO leasehold facility identified in number 10 above.

12. **Lease Number 3870-14 – Storage Hangar (Expires 7/31/2033)**

   This leasehold includes a large and good quality corporate hangar complex plus a significant area of ramp both to the south and west. This hangar faces to the south and is part of the complex of hangars in area 11 above. Facility is used for corporate hangar storage and ramp parking for the FBO leasehold that was part of the former Salt Lake Jet Center. The highest and best use for this facility is for continued corporate aircraft storage and as part of the FBO leasehold identified in item 10.

13. **Lease Number 1640-15 – Storage Hangar (Expires 1/31/2020)**

   This leasehold includes a storage hangar and adjacent aircraft staging and auto parking. This facility is one of the newest corporate hangars on this site and has a high door height and modern office areas. The highest and best use of this facility will be to continue as a corporate storage hangar.

14. **Lease Number 3870-13 – Storage Hangar (Expires 6/15/2015)**

   This hangar is utilized for general aircraft storage and is currently used for helicopter operations. Facility was part of the former Jet Center leasehold. Highest and best use of this facility is for helicopter operations. This facility is in a portion of the general aviation area that will revert to the SLCDA and all leases in the future should remain as direct lease with the SLCDA.
15. **Lease Number 1640-17 - Hangar/Utah Air Guard (Month to Month)**

   This hangar is currently being utilized by the Utah Air National Guard for small aircraft operations. Highest and best use of this leasehold may include redevelopment to larger corporate facilities in the long term.

16. **Lease Number 1640-16 - Storage Hangar (Expires 4/30/2019)**

   This leasehold includes a small hangar that currently houses a helicopter flight training operation. This area is part of a large grouping of individual hangars that are primarily leased directly by the SLCDA to general aviation tenants. The highest and best use of this area should remain as support facilities for general aviation and continue under direct leases with SLCDA.

17. **Lease Number 1640-07 - Storage Hangar (Month to Month)**

   This facility is currently being utilized for general aviation operations and reflects a good quality, large hangar with a high door, office areas, and auto parking. Facility has good street access and is part of the same large grouping of facilities identified in item 16 above. The highest and best use of this area should remain as support facilities for general aviation and continue under direct leases with SLCDA.

18. **Lease Number 1640-14 (Month to Month)**

   Facility is utilized by TAC Air for cargo support operations. Not shown on the above drawing and not part of the general aviation facilities on the east side of SLC.
19. **Lease Number 1640-23 (Month to Month)**

   Facility is utilized by TAC Air for glycol storage. Not shown on the above drawing and not part of the general aviation facilities on the east side of SLC.

20. **Lease Number 1640-12 (Month to Month)**

   Facility is subleased by TAC Air to an office tenant. These offices are in the SLCDA Executive Terminal area between areas 9 and 10 shown above.

21. **Lease Number 3870-02 Fuel Farm West (Expires 6/30/2015)**

   Fuel storage tanks that were part of the former Jet Center facility. Highest and best use is to remain as fuel storage for general aviation.

22. **Lease Number 3870-07 Fuel Farm South (Expires 5/31/2021)**

   These fuel storage tanks were part of the former Jet Center facility. Highest and best use is to remain as fuel storage for general aviation.

23. **Lease Number 1640-05 Fuel Farm East (Expires 11/30/2033)**

   Fuel storage tanks currently leased by TAC Air for general aviation fuel storage.

24. **Barken Fuel Storage Area (2 Tanks – Decommissioned)**
2. **Determine Various Options**

This section describes the options for the development of a second FBO/general aviation service provider at SLC. Based on earlier analysis, it has been determined that one additional service provider is likely to be positioned on the Airport in the near future. While a number of greenfield sites have also been analyzed, information provided by the Airport Master Plan, other industry data and detailed analysis of the consultants, indicates that these sites are not practical nor in the best interest of the SLCDA or the users of the airfield for general aviation use. Therefore, any greenfield areas on the Airport should not be considered in the near term.

In order to accommodate general aviation growth, particularly corporate aircraft activity in the next five to ten years, it will be necessary to renovate, reconfigure and segregate several distinct leasehold areas on the east side of SLC. This action will provide for multiple service providers, and individual corporate entities who wish to base their aircraft at SLC.

There are several goals for the SLCDA with regard to the reconfiguration of leaseholds on the east side general aviation area. These goals include:

- Provide separate and distinct lease areas for users and competitors on the field.
- Allow for fair and equitable competition among the service providers at SLC.
- Keep all general aviation activity in one primary quadrant of the field.
- Provide the safest and most operationally sound environment for general aviation tenants and users.
- Keep all general aviation fuel storage within one common fuel facility area of the field.
- Provide an opportunity to consolidate FBO tenant leases to allow for simpler administration of the leases, better terms, and logical separation of different segments of users.
- Promote incentives for tenants to redevelop older facilities and reconfigure leaseholds to accommodate future growth.
- Offer incentives to single engine aircraft operators to move to better facilities at a reliever airport in the south valley.
• Separate flight training, helicopter operations and other activities away from larger itinerant aircraft operations.

• Continue to make SLC one of the premier general aviation and corporate aviation venues in the valley to support business activities and tourism in the City and the Region.

3. Recommendations for Reconfiguration

Salt Lake City has one of the strongest economies in the nation. As such, it is suggested that business aviation will continue to flourish in the area. As noted, to accommodate this segment of aviation at SLC, it is recommended that the east side area of the field be reconfigured and developed to meet the goals identified above.

The first general observation is that there are three distinct areas of the east side general aviation area. The following graphic shows the natural lines of separation for what would be a logical layout to meet the goals established.

- **Zone 1** - This area would accommodate the current incumbent FBO operator and associated operations

- **Zone 2** – This leasehold would provide for a new service entity on the airfield

- **Zone 3** – This lease area would accommodate the individual entities and corporate operators who have leases directly with the SLCDA.

The following graphic shows the three areas identified as Zones 1, 2, and 3. Note that the common fuel storage area would be separated from the Zone 2 leasehold and become part of Zone 3, under the direct control of the SLCDA.
In addition, the area in the center of the graphic, identified as the SLCDA Terminal, should also be separated from Zones 1 and 2.

Lease Terminations

In order to provide for an equitable business climate for the two FBO service entities, with the incumbent in Zone 1, and a proposed new entrant in Zone 2, certain lease transfers and buyouts will need to be accomplished. Once negotiations have been completed and determinations have been made as to the exchange or transfer of leasehold interests, followed by a full RFP selection process, the likely timeline for commencement of the new lease Zones 1 and 2 would take the transfer timeline well into 2015. At that time, many of the lease areas currently being utilized by TAC Air/Keystone Aviation will have automatically reverted to the SLCDA. As such, the following lease areas will already be within the control of the SLCDA: Lease Areas 1, 4, 5, 7, 8, 10, 14, 15, and
17. Lease areas that are currently in Zone 1 that would remain under the TAC Air/Keystone Aviation lease are Areas 2, 3, 6, and 9. Therefore, the remaining lease areas that will be subject to potential negotiations are Areas 11, 12, 13, which have leases that extend to 2021, 2033, and 2020, respectively.

**Lease Area Reconfiguration**

The following recommendations are offered for the establishment of two consolidated FBO leaseholds as identified as Zone 1 – TAC Air/Keystone Aviation and Zone 2 – New FBO to be determined by RFP.

**Areas 11 and 12**

Areas 11 and 12 are within Zone 2 and will become part of the new FBO leasehold. These areas include two storage hangars, of which one hangar is very old and in need of replacement, as well as the associated aircraft parking ramp to the west of both of the hangar buildings. In 2015, Area 11 will have 6 years remaining, with an expiration date of 2021. Area 12 will have 18 years remaining with an expiration date in 2033. It is recommended that the SLCDA negotiate a purchase of the leasehold interest of Areas 12 and 13 based on a present value determination by a third party appraisal. (It should be noted that any early buy-out of the facilities in Area 11 would likely need to include some concession to allow TAC Air sufficient time to construct new hangar facilities to accommodate based tenants located in these facilities.)

**Lease Area 13**

The shortest remaining lease currently in control by TAC Air/Keystone Aviation is Area 13, and its associated storage hangar. As of 2015, this facility will have a remaining term of 5 years based on its expiration in 2020 plus a 5-year tenant renewal option. This hangar structure is also within Zone 2 and will need to be a part of the new FBO leasehold. As such, it is recommended that SLCDA offer TAC Air/Keystone Aviation long-term leases in Zone 1.
for Areas 1, 4, and 5 in exchange for Area 13. This provides TAC Air/Keystone Aviation with a significant amount of ramp, and the four hangars. As noted in earlier discussions, Lease Area 4 would be an excellent location for a Honda Jet facility either via renovation or new construction.

**Tiedown Area 8 and Adjacent T-Hangars**

This area would also become part of the TAC Air/Keystone Aviation Zone 1 including the area that is now designated as T-hangars. As noted, it should be the priority of the SLCDA to motivate the T-hangar occupants to move to the South Valley via hangar rebates, fixed and/or subsidized rents, or other incentives. This area will be needed for new corporate hangars and associated offices.

**Fuel Farm Area 22 South**

It is understood that this area of the fuel farm is scheduled to be refurbished by the SLCDA to accommodate future general aviation activity and a second FBO service provider. It is recommended that the SLCDA maintain control of this facility and make it available to either FBO via a through-put fee on a per gallon basis. The SLCDA would provide maintenance of the facility with the exception of fuel quality control. Allowing both FBOs to access the estimated 250,000 gallons of capacity will allow for expansion and eliminate the need for a second fuel farm for the new entrant on the field. The SLCDA could also choose to issue an RFP for each tank if they can be segregated.

**Deicing Pad**

The deicing facility in front of Zone 2 would need to be accessed by both FBO entities. This will need to be clarified in any new leases. Although the SLCDA is constructing new commercial deicing pads for the primary runways at SLC, is it recommended that the general aviation deicing pad remain in place for the long-term in order to segregate commercial air-carrier aircraft from general aviation.
Zone 3

All lease areas within Zone 3, with the exception of Areas 14 and 16, will revert to the SLCDA by 2015. Area 14 has an additional 5-year tenant option and Area 16 extends to 2019. Zone 3 should remain under the direct control and lease by the SLCDA. The refueling rights for Zone 3 tenants would be available to both FBO entities via negotiation with the tenants in each hangar. Zones 1 and Zone 2 refueling rights will be exclusive to each entity, TAC Air/Keystone Aviation and the new entrant, respectively.

SLCDA Terminal Building

The current terminal building controlled by SLCDA that sits between the two FBO Zones is underutilized and in need of redevelopment. As part of an RFP process, separate from the Zone 2 FBO RFP, it is recommended that the SLCDA entertain development ideas from either FBO entity, or any other third party developer for this building/parcel. This area would likely be better utilized for auto parking, restaurant, or modern office building space. Allow the creative expertise of developers and FBO entities to provide presentations to the SLCDA. If none of the proposals meet the needs of the Airport, the SLCDA should reserve the right to keep this area separate and reuse the area at its discretion.

Lease Terms

In order to provide lease terms to accommodate the transition of leases and level the playing field for all tenants on the Airport, the following lease terms are recommended. Assuming a successful reconfiguration of Zones 1 and 2, and the completion of the FBO RFP process in 2015, each FBO entity would be provided with a new 20-year term for all facilities, within their zones, with a termination date of 2035. Additional 5-year option increments could be negotiated and/or added based on proposed construction of new hangars, facilities, or terminal buildings by either FBO entity.
IV. CONCLUSIONS AND RECOMMENDATIONS

1. Summary and Conclusions

_Airport Business Solutions (ABS)_ has reviewed the various options for the implementation and procurement of a second FBO/general aviation service provider at SLC. Based upon the analysis of Master Plan documents, meetings with staff, industry projections, review of site limitations, and current leases and facilities, ABS offers the following conclusions.

1. At the present time, and/or within the next 10 to 20-year planning period, there are no greenfield sites that could physically or economically support the development of a full service FBO at SLC.

2. Upon completion, if it is ever constructed, the planned development of a third parallel runway on the extreme western edge of the Airport could potentially accommodate further commercial and general aviation facilities. However, according to Airport staff, this project is at least 20 years in the future and does not meet the current needs and demands for general aviation facilities at SLC.

3. Access to land currently under the control of the Utah Air National Guard is not currently available, and according to Airport staff and Military Command, will not be available for any demolition or non-military development for at least 10 years, and possibly never. Again, this area does not meet the immediate needs for additional general aviation facilities.

4. The best and only option for procurement of additional FBO services and associated facilities is redevelopment, realignment of leaseholds, and strategic leasing policy changes with regard to the current general aviation facilities on the east side of Runway 17/35, south of the Utah Air National Guard complex.
2. Recommendations

Based upon customer demand, marketplace conditions, infrastructure limitations, planned commercial development, and pursuant to the Master Plan documents approved by the FAA for SLC, the following recommendations are proposed for general aviation development.

1. Immediately begin strategic planning for the realignment of general aviation lease areas into the three separate zones identified in Section III of this document.
2. Begin discussions and negotiations with TAC Air/Keystone Aviation for the reconfiguration of lease areas and facility trade-offs with regard to facilities that will revert to SLCDA between now and 2015, and leasehold buy-out of areas with terms extending from 2020 to 2033. (Certain concessions would likely be required to allow TAC Air/Keystone Aviation adequate time to construct replacement hangars to accommodate based tenants located in hangars acquired.)
3. Concurrent with negotiations, begin a fair market value/rent appraisal of Areas 12 and 13 identified in Section III, and any other areas that may impact negotiations for lease area exchange or buy-out.
4. Begin immediate marketing and incentive plans to relocate T-hangar tenants to the reliever airports in the South Valley. This would include temporary rent abatements, fixed and/or subsidized rents, fuel discounts and/or other incentives. Begin incremental T-hangar rate increases at SLC every three months to slowly bring rents to rates consistent with hangars on a major air carrier airport. If necessary begin plans for additional T-hangar construction at the reliever airports to accommodate the new tenants.
5. Concurrent with negotiations between SLCDA and TAC Air/Keystone Aviation, begin the development of a comprehensive Request for Proposals for a second FBO operator at SLC. Specifically, this RFP should include parameters to allow for input from proposers as to the most unique and best use of existing facilities and redevelopment of buildings in need of replacement.
6. Issue a separate RFP for the redevelopment or repurposing of the SLCDA Executive Terminal Building. Responders to the FBO RFP should be invited to add this to their plans to redevelop Zone 2. Although, responses should also be pursued from other third parties including property developers or other commercial entities.

The above opinions are based on data and information provided by SLCDA and various industry sources considered to be highly reliable and accurate. However, ABS reserves the right to modify its conclusions if it is discovered that pertinent information was not made available.
V. APPENDIX

1. SLCDA General Aviation Facilities

A graphic depiction of the general aviation facilities on the east side of SLC, including TAC Air/Keystone Aviation and the former Salt Lake Jet Center, is included on the following page.
2. Airport Business Solutions Curriculum Vitae

The following pages include background data and bio information for Airport Business Solutions.
CURRICULUM VITAE

NAME: Michael A. Hodges, MAI
TITLE: President/CEO
FIRM NAME: ABS Aviation Consultancy, Inc. d/b/a Airport Business Solutions
ADDRESS: 13007 W. Linebaugh Avenue, #102, Suite B
          Tampa, Florida 33626-4489
PHONE: (813) 855-3600

EDUCATION

Graduate of the University of Tennessee with a Bachelor of Arts Degree - Major in Philosophy.

PROFESSIONAL AND TECHNICAL COURSES

Currently certified in the program of continuing education as required by the Appraisal Institute.

Completed requirements for MAI member designation of the Appraisal Institute to include peer review of appraisal assignments, completion of a demonstration appraisal report on an income-producing property, experience rating, and educational courses.

Attended numerous professional courses and seminars relative to real estate appraisal such as Capitalization Theory and Techniques, Case Studies in Real Estate Valuation, Real Estate Appraisal Principles, Basic Valuation, Residential Valuation, Investment Analysis, Standards of Professional Practice, and Report Writing and Valuation Analysis, as presented by the American Institute of Real Estate Appraisers and the Appraisal Institute.

BACKGROUND AND EXPERIENCE

President and CEO of ABS Aviation Consultancy, Inc. d/b/a Airport Business Solutions (ABS), a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting, to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports and through-the-fence access agreements and operations.
BACKGROUND AND EXPERIENCE (Continued)

ABS has provided a myriad of services to airports throughout North and South America, Asia, and Europe. Using our extensive and diverse experience, ABS has assisted airports throughout the world in such areas as business plan development and implementation, concessions planning and management, air cargo assessments, airline agreement negotiation, terminal design analysis, parking assessment, rental car analysis, general aviation operations and management, non-aeronautical land development, financial modeling, and full or partial airport privatization assessments.

President and CEO of ABS Aviation, Inc., an airport and FBO management services entity providing management of the Kinston Jet Center FBO at the Kinston Regional Airport in Kinston, North Carolina, and the Minden-Tahoe Airport in Minden, Nevada.

Vice President and Part Owner in the firm of Hodges, McArthur, & Dunn, P.C. Real Estate Appraisers and Consultants from 1990 through 1995. Hodges, McArthur and Dunn, P.C. was a full-service real estate appraisal and consulting firm with offices in Knoxville, Nashville, and Memphis, Tennessee, and Atlanta, Georgia. Responsibilities included appraisals, general feasibility studies, and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

Founder and President of HMD Aviation Appraisal Group in 1994, a division of Hodges, McArthur & Dunn, P.C. HMD Aviation Appraisal Group was a real estate appraisal and consulting firm which specialized in the valuation of the real estate aspect of fixed base operations and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold valuation, and bankruptcy.

Staff Appraiser with Hodges and Wallace Appraisal Associates from 1982 through 1990. Responsibilities included research, appraisals, general feasibility studies and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

COURT EXPERIENCE

Qualified as an expert witness in various courts in Florida, Georgia, Tennessee, Kentucky, Arizona, Colorado, and California on various valuation, management, financial and operational issues on airports, aviation businesses and aviation-related properties.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado and Dayton, Ohio. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.
Elected to Membership in the Appraisal Institute with an MAI designation on April 20, 1994 - Member No. 10,333.

State of Florida - Certified General Appraiser - License No. RZ2770


State of Georgia - State Certified General Real Property Appraiser - License No. CG004018

Texas State Certified General Real Estate Appraiser - License No. TX-1338569-G

Member of the Appraisal Institute’s Young Advisory Council in 1994, 1995 and 1996

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the American Association of Airport Executives (AAAE)

Corporate Member of the National Business Aviation Association (NBAA)

Member of AAAE’s Non-Hub/GA Airport Committee

Member of NATA’s Airport Business Committee
CURRICULUM VITAE

NAME: Randy D. Bisgard

TITLE: Senior Vice President

FIRM NAME: ABS Aviation Consultancy, Inc. d/b/a Airport Business Solutions

FIRM ADDRESS: 201 S. Gilpin Street
Denver, Colorado 80209-2612

PHONE: (303) 744-0261

EDUCATION

Attended Metropolitan State College of Denver – Achieved three years towards degree and major in Aviation Management. Interest and minors also included the areas of Architectural Drawing, Meteorology, and Business.

Attended numerous aviation related training and personal development programs through employers and industry trade associations.

Hold Private Pilots Certificate – Single Engine Land

BACKGROUND AND EXPERIENCE

Senior Vice President with Airport Business Solutions, a diverse valuation and consulting firm headquartered in Tampa, Florida, with satellite offices in Dayton, Ohio and Denver, Colorado. The firm specializes in the valuation and analysis of airports, fixed base operations, and other aviation businesses and properties for business planning, operational assessments, lease negotiation, acquisition, litigation, and valuation.

Senior Vice President and Director of Training for ABS Aviation, Inc., an airport and FBO management services entity providing management of the Kinston Jet Center FBO at the Kinston Regional Airport in Kinston, North Carolina and the Minden-Tahoe Airport in Minden, Nevada.

Mr. Bisgard is a professional advisor to aviation management providing expertise in the area of facility design/development, financial analysis, valuation studies, marketing, advertising, and training. His career as a problem solver includes over 30 years continuous employment in the aviation industry including 16 years at an international air carrier airport.
Director of Training for Integrated Airline Services, a national cargo handling company. Responsible for operational control of all safety and training functions for a nationwide network of 24 airline and cargo handling stations. Provided the development and overview of training and operations manuals, training procedures, “train-the-trainer” programs, and employee testing/certification. Developed a safety orientation and mentoring plan for new employees entitled the BuddySafe System. This program addresses personal safety and ramp awareness issues.

Senior Associate with Aviation Resource Group International - Consulted with aviation service company clientele regarding various business and operational issues such as facility design and development, operational reviews, financial analysis, valuation studies, regional market studies, and marketing and advertising. Conducted all marketing and advertising activities including the coordination of the firm’s trade show and convention activities, resulting in a continuous expansion of client base every year.

Senior Associate with the Aviation Training Institute - Wrote, produced, and managed the development of a nine-module comprehensive video-based aviation safety and customer service training program. This award-winning program is recognized as the industry standard for ramp safety training and has contributed to a substantial reduction in employee turnover and ramp accidents for ATI clientele. Initiated training program development budget, and ultimately managed the sale and distribution of multiple training products to hundreds of aviation businesses around the world.

Corporate Manager of Marketing for Jet Aviation Denver, Inc.- Direct supervision of all customer service and facilities personnel. Developed additional customer base in the area of fuel sales to corporate flight departments. Established competitive fuel pricing structures and extensive direct mail and telephone call campaigns resulting in improved departmental revenues.

Corporate Manager of Marketing for Jet Aviation America - Responsible for system-wide corporate marketing that included over 20 domestic and international locations. Developed a new trade show display, new corporate brochure, pilot handouts, corporate slide presentation, and a new media advertising campaign which resulted in the repositioning of Jet Aviation as a major competitor in the U.S. marketplace.

Manager of Marketing/Construction Development for Jet Aviation – Randy was responsible for redeveloping the image and facilities of the former Atlas Aircraft facility in Denver, including a new marketing campaign, collateral materials, and new facilities. He also served as the Project Manager on a multi-million dollar facility improvement package including a new 10,000 square foot executive terminal and 300,000 square feet of ramp and site improvements. Responsibilities included design development work, direct interface with architects and engineers, selection of a general contractor, construction monitoring in the field, and controlling the disbursement of funds.
Director of Marketing Services at Combs Gates Denver - Managed the advertising and marketing support for the FBO division of the Gates Learjet Corporation, including media advertising, collateral materials, direct mail, promotional programs, and trade show activities. In addition, he was the Corporate Training Director and standardized the training programs and procedures for all Combs Gates locations. He developed and produced a seven-part audio-visual line service-training program for in-house use, and also produced a non-proprietary line-training program that was marketed to other aviation service organizations.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado, and Dayton, Ohio. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

National Business Aviation Association
American Association of Airport Executives
National Air Transportation Association
Aircraft Owners & Pilots Association
National Safety Council
American Society for Training and Development