



# Airport Beacon Report

March 2009

## SPRING IS COMING, AND THE AIR SHOWS ARE IN FULL BLOOM

By Bobbi Thompson, Executive Vice President

Spring is on the way and air shows are in full bloom. (What, you thought flowers?) We are positive that is true because we will be directing three air show events over the next 3 months. Two of these shows are being held at commercial service airports (Charlotte County Airport and the new Branson Airport) and one at a joint use facility (Cecil Field). Now for all of you that have been involved in air show production, you understand that these events take a full year of planning. However, once the spring thaw begins, activity become much more intense. The following is a brief overview of these shows.

*Show 1, March 21-22, Florida International AirShow, Charlotte County Airport in Punta Gorda, Florida*

[www.floridaairshow.com](http://www.floridaairshow.com)

The 2009 Florida International AirShow is celebrating its 29<sup>th</sup> year and can stand proud due to the more than \$2.5 million it has donated to local charities over the years. Headlining this year will be the Blue Angels, with an F-15 Eagle, F-16 Falcon and a Heritage flight adding to the military participation. Talk about your positive community interaction...



December's changes to security procedures for air carrier airports will certainly impact this event. In fact, this will be the "beta" test in many areas, as it is the first show of the 2009 season to operate under the new requirements. We have been advised by TSA that all persons entering the event will be scanned (that's about 80,000 people), all bags will be searched, and all vehicles will be searched (vendors, show, performers, etc). Does that sound like fun . . . or what?

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Show 2, April 18-19, Cecil Field AirShow, Cecil Field Airport in Jacksonville, Florida

[www.cecilfield.aero](http://www.cecilfield.aero)

Cecil Field, which is operated by the Jacksonville Airport Authority (JAA), is hosting its first air show this year. Over the past couple of years, they have held an AirFest with multiple ground displays, static aircraft and a variety of vendors. However, this year an opportunity was presented to the JAA and they elected to step-up with a full air show. . . and what an event it will be. More than 36 air show performers, several military TAC Demos, and a Heritage and Legacy flight, will be on-site for the enjoyment of the community. A lot of credit for this event goes to the Jacksonville Airport Authority staff, and especially the crew at Cecil Field.



This will be the largest number of performers to appear at a 2-day air show . . . Ever, Anywhere. This group has gathered in support of one of their air show friends. If you get the chance read the full story on the Cecil Field website, it will touch your heart.

Show 3. May 8-10, Branson AirShow, the NEW Branson Airport in Branson, Missouri

[bransonairshow.com](http://bransonairshow.com)

The Branson AirShow will be held in conjunction with the grand opening of the country's first privately funded commercial service airport. The Airport will began full operations on May 11, 2009. If you had not noticed, that is morning **immediately after** a three-day air show. That may sound overly optimistic and ambitious, but this is the same group that is building an entire airport in 22 months, so I guess they do not scare easily.



Headlining this show will be the USAF Thunderbirds, the US Army Golden Knights, an A-10 Demo, the Aeroshell Team, Air National Guard, Patty Wagstaff, John Mohr, and many more performers (and some very special pyrotechnics).

We will also be doing a full night show during the event. We will have Matt Younkin in his Twin Beech, Gene Soucy in the AgCat, the Aeroshell Team doing formation night flying, Manfred Radius with the night glider act, a night jump by the Golden Knights, Steve Oliver with wing fireworks, more pyro, and of course, some awesome fireworks.

Several of the static aircraft were selected to visually display airline history, from DC-3s to Lockheeds to a Constellation to the AirTran 717 and others. This display helps highlight this commercial service airport opening in a very special way.

Who needs the smell of flowers blooming when Jet Fuel is in the air?

## FBO OVERVIEW

I was recently asked to provide a summary of an FBO for NATA's FBO Spotlight in March. I found this story so interesting, I wanted to share some excerpts from it with the airports out there that do not get any mailings from NATA.

*On the heels of construction project completions at Lafayette, LA (LFT) and Charleston, SC (CHS) Odyssey Aviation has finally paved the way to build their brand new, world class jet center at New Orleans Lakefront Airport (NEW). Odyssey has certainly come a long way since Hurricane Katrina! On January 1, 2009, they rebranded their former Million Air operations, and this month they will break ground on their permanent new location at the main entrance to Lakefront that will replace the facilities damaged by Katrina. Within the year they will move from their current, temporary facility.*

*Odyssey Aviation New Orleans is one of seven branded locations owned and operated by the Cincinnati-headquartered FBO group led by Ken Allison, President and CEO. Established in 1988, this wholly owned group of seven FBOs is one of the fastest growing families of independent FBOs, and employs 150 people system-wide. Allison recently*

rebranded his locations at Asheville (AVL), Charleston, (CHS), Chicago (MDW), Cincinnati (LUK), Columbus, (CMH), Lafayette (LFT), and New Orleans, (NEW) as Odyssey Aviation locations. Odyssey was formed as a joint co-branding and marketing partnership between Allison and his longtime friend, Steven Kelly, President and CEO, Odyssey Aviation Nassau, Bahamas (MYNN). The Odyssey brand name made its debut at Kelly's operation in 2008.

Addie Fanguy, Vice President and General Manager, Odyssey Aviation New Orleans, is a perfect example of how Odyssey Aviation's values and principles have shaped its team and contributed to its 20 plus years of success. Prior to his career in aviation, Addie was with the New Orleans Police Department for 28 years, the first 10 of those years dedicated to the Special Operations Division. During his tenure he saw duty as Commander of the dive rescue squad, the hostage negotiation unit and the arson and post-explosive investigation unit. Additionally, Addie served on VIP details of numerous government heads with the SWAT Team. The final 18 years of his NOPD career were spent in the Homicide Division, where he eventually became the Commander of the Homicide Unit of the Fifth District. This area includes the 9<sup>th</sup> and Lower 9<sup>th</sup> Wards, the areas in New Orleans devastated the most by Hurricane Katrina. Prior to retiring, Addie headed up an investigation of a violent drug ring that was responsible for 34 shootings and 13 homicides. The year-long investigation resulted in 16 defendants being arrested, five of them, including the ring leader, receiving life sentences and the others being sentenced to over 20 years in prison. For his service and dedication the U.S. Attorney's Office presented the Louisiana Police Officer of the Year Award to Addie at a ceremony in Washington D.C.

When Addie took over as GM in 1993, the FBO was getting only 23% of the business. Over the following year, they worked to increase marketshare to 82%. Their newfound success continued to gain momentum until that fateful morning in late August, 2005 when Hurricane Katrina blew up the entire area.

Only hours before Katrina's unspeakable wrath pounded Lakefront Airport, the last few remaining aircraft were frantically attempting to depart from the FBO's ramp. Addie and the last of his remaining staff, John Harrison (now GM of Odyssey Aviation

Lafayette) and Will Learhart were exhausted and fatigued but determined to make any possible last minute adjustments.

Lakefront Airport is unique in that three continuous sides of the ramp are surrounded by Lake Pontchartrain. An 8-foot cement flood wall, complete with flood gates, was built to prevent any breaching that may occur during powerful weather events. On that Sunday morning, those flood gates were closed and they were the only FBO on the entire field open for business. Addie, Will and John were assisting last minute charter flights and customers to safety far away from the Crescent City. The departures began at 5 AM that morning and by sometime around 5 PM, once the last customer was safely off the ground, the faithful team gathered amidst the howling winds and word was finally given: It was time to leave the facility. It was a mere 8 hours before Katrina made landfall and the three men were the only ones left at Lakefront.

From there the men had to negotiate the only evacuation route (a levee next to the lake), the mass exodus of people (3.5 hours to drive 22 miles), no accommodations until Birmingham, and closed gas stations (a special thanks to the kind man in MS who opened his station for Addie in the middle of the night) to make it to safety. Two days later Addie made his way back to Lakefront via an airboat and a National Guard truck. Three and a half blocks from the facility he found pieces of the new furniture from the just completed flight crew center strewn about the road. As he advanced the scene grew more and more devastating.....

Out of the three FBOs on the field at Lakefront Airport only Odyssey remained and reopened within 5 weeks of one of the worst disasters in U.S. history. AirBP also played a vital role in getting equipment to New Orleans so they could resume operations servicing both emergency and business related aircraft. Progress on the airport was painfully slow due to the magnitude of the damages sustained in the region. But the dedication of the employees and the corporate office overcame the odds. Despite the fact that at least five employees' homes were destroyed, Odyssey made arrangements for continued pay, housing and offered temporary job placement for those they could not keep on-staff initially. Being an AOPA volunteer, Addie was able to get assistance

*from AOPA personnel, as well as NATA's Jim Coyne who personally flew to Lakefront to witness the devastation.*

*Slowly the business began to reemerge and continued to grow. Through it all the employees remained upbeat despite all the massive destruction and have since become a closer knit unit - a dedicated family - and appreciate how the company stood up for them making sure they never lost a paycheck through it all.*

Perhaps the trials and tribulations of the Odyssey Aviation Lakefront FBO can be related to the struggles of private businesses in the current economy. This goes to show you that through hard work and dedication, there is a light at the end of the tunnel.

### **ASK ABS**

Once again, a valued part of our monthly newsletter is a section called "Ask ABS." (When it is free, it has to be valuable, right?) Within this section, we answer aviation-related questions from our readership. Each month we publish one question that we receive with a joint reply from our professional consulting team. Please submit any questions via e-mail to me, Michael A. Hodges, MAI at [mhodges@airportbusiness.net](mailto:mhodges@airportbusiness.net).

**Question:** This month we have a real question, even though I made it up. (Hey, it is still a question!) "What is a reasonable margin for my FBO to be charging/making on their fuel?"

**Answer:** Fuel pricing is a combination of art, science and luck. There are a few things that you must understand in order to even begin to grasp fuel pricing. First, an FBO's fuel costs changes weekly. That means that while the supplier can give their dealers some insight on what prices might do the following week, it is usually nothing more than an educated guess. As such, if you have an FBO that sells limited fuel volumes, and therefore only buys sporadically, then it becomes a game of chance trying to buy at the right time. As such, the price charged must be a combination of what you paid for your last load and what you will likely have to pay for the next load. Second, you need to understand that only a very small percentage of an FBO's fuel purchasers pay the posted price. Just about everyone qualifies for some

discount, whether volume discounts, contract fuel agreements, based tenant discounts, or even just because they asked. As a result, the average fuel margin (price less cost) generated by an FBO is **substantially less** than what is posted.

As far as what is a reasonable margin, that is a bit trickier and subject to interpretation. A number of things can influence appropriate margins, including the cost of operation (rent, payroll, insurance, operating costs), and the investment in the facility. Moreover, even the term of the lease can impact things, whereby the tenant may only have a certain amount of time to amortize their investment. Regardless, it is usually best for the airport to not get involved in the FBO's fuel pricing, as the market usually takes care of those things. Even if you are realizing a decline in fuel volumes, it is not fair to assume that it is just because of fuel prices, especially in today's market. The operator that is selling \$4.00 per gallon fuel at \$3.00 per gallon, hoping to make it up on volume, is much more damaging to your airport in the long run.

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*Our international affiliate, Airport Business Solutions International, has helped numerous airports worldwide with a variety of airport management and operational issues and problems, including business planning and privatization assessments.*

*ABS Aviation Management Services offers contract airport and FBO management to airports looking to maintain the revenues generated by ownership, while avoiding day-to-day management and operational issues.*

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