

Aspen-Pitkin County Airport

Preliminary FBO Analysis Briefing

PRESENTED TO:

John Kinney & Chris Padilla
ASE Airport

PRESENTED BY:

Bryan Elliott, Director
Ricondo

PRESENTED ON:

March 2, 2020

Agenda

1. Background & Methodology
2. Summary of Existing FBO Lease & Use Agreement
3. Benchmarking Analysis
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. Discussion

Background & Methodology



Background

Purpose:

Evaluate future models for delivery of FBO Services:

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- [REDACTED]
- [REDACTED]

Guiding Principles/Documents/Obligations:

Federal Aviation Administration (FAA) Grant Assurances:

- Economic Nondiscrimination (#22)
- Prohibition against Exclusive Rights (#23)
- Self-sufficiency (#24)
- FAA Rates & Charges Policy

Methodology

Evaluate Existing
FBO Lease & Use
Agreement

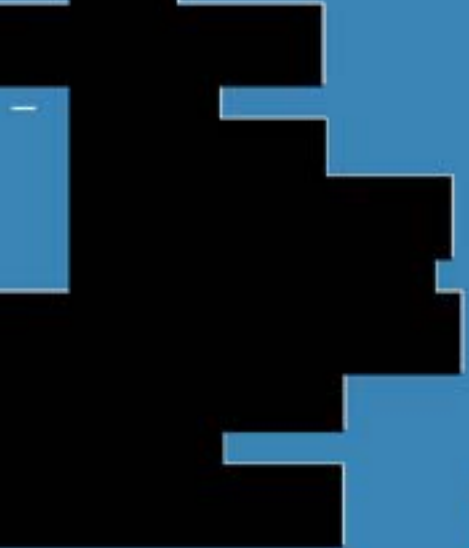
Historical
Financial Return
to Airport
(2015 -2019)



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Summary of Existing FBO Lease & Use Agreement



Existing Airport FBO Agreement

Term: 30 years (October 1, 1993 – September 30, 2023)

Lessee:

- County issued a Request for Proposal (RFP) Process in 1992
- Aspen Base Operation, Inc. (ABO) was selected
- October 2005 ABO assigned its interest in the Agreement to Trajen Flight Support, LP
- Atlantic Aviation acquired Trajen in 2006
- Current lessee is Atlantic Aviation

Rights & Privileges granted to Lessee by County:

- Lease and use of a portion of the General Aviation Facilities/Area
- Redevelopment of certain general aviation facilities (1993 -2001)

Current Facilities owned and operated by Lessee:

- 6,000 s.f. general aviation terminal
- 3 hangars totaling 30,000 s.f.

Existing Airport FBO Agreement (Cont.)

Current Facilities owned and operated by lessee (cont.):

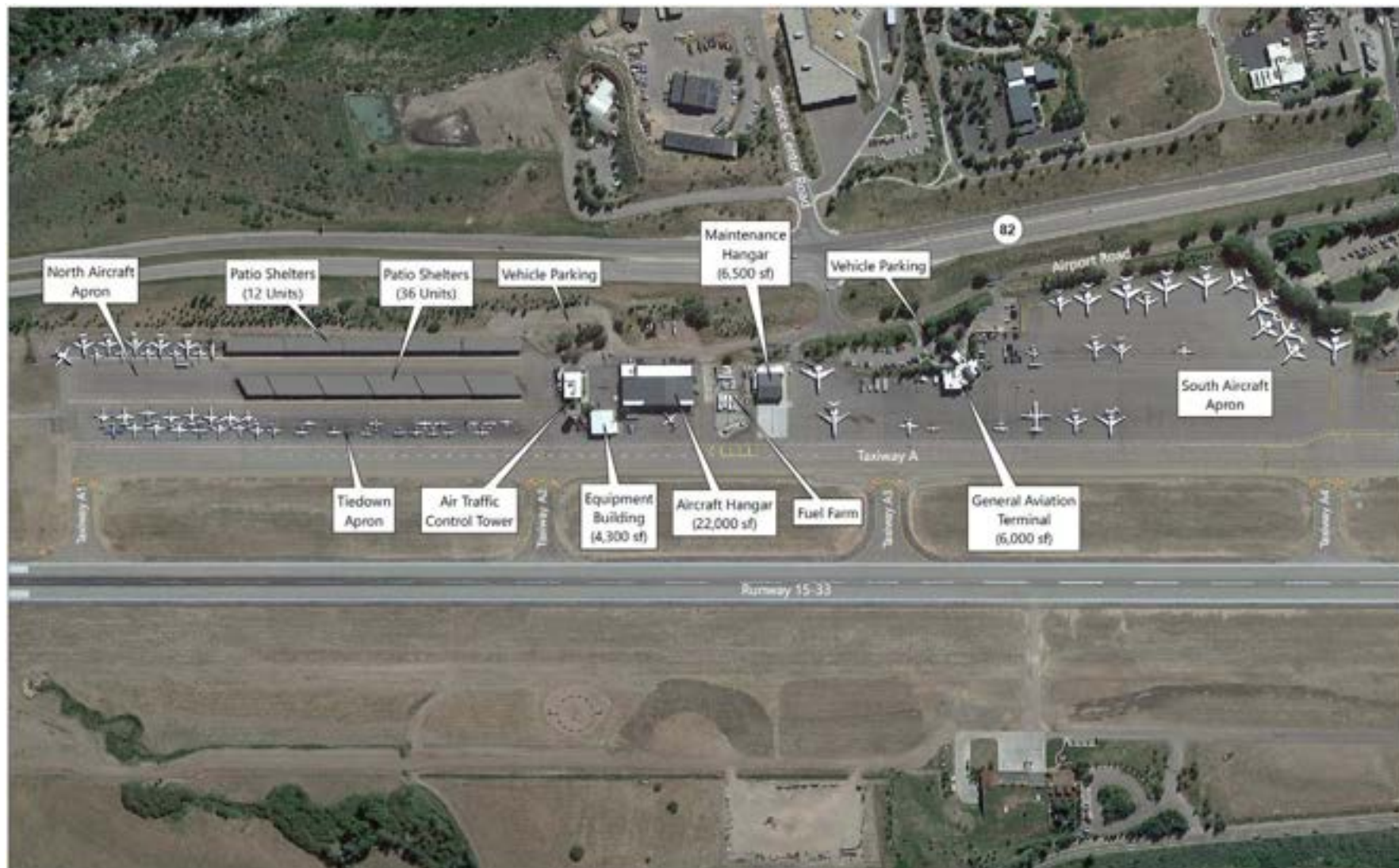
- Fuel farm:
 - 100,000 gallon above-ground Jet-A tanks
 - 12,000 gallon above-ground AvGas tank
 - 2,000 gallon above-ground gasoline tank
 - 2,000 gallon above-ground diesel tank
 - 1,000 gallon above-ground waste-oil tank
- GA Terminal loop access road
- Auto Parking 86 spaces (3 areas)

Current Facilities managed on-behalf of County:

- 32 tiedowns (Lessee retains 100% of all rents & fees)
- 48 bay patio shelters (Lessee retains 15% of rents & fees; remainder to Airport Fund)

All Lessee constructed facilities revert to ownership of County at termination

Existing General Aviation Area Facilities



SOURCES: Google Earth Pro, June 23, 2017 (aerial photography - for visual reference only, may not be to scale); Ricondo & Associates, Inc., February 2020 (general aviation facility areas).



Existing Airport FBO Agreement (Cont.)

Lessee Rent & Fees to Airport Fund:

- Fuel Flowage Fee – MAG (\$120,000 per year)
- Fuel Flowage Fee – Excess over MAG
- Rent
- GA South Ramp Space Rent
- Monthly Patio Shelter Fees

Rent & Fee Adjustments:

- Fuel Flowage Fee rate set by Pitkin County Board of County Commissioners
- Rent – annually by CPI-U or 4%; whichever is greater

S-FBOs

- WestStar Aviation (Aircraft Maintenance) – subleases hangar/office from Lessee
- Mayo Aviation (Aircraft Charter) – subleases hangar/office from Lessee
- Aspen Aero (Flight Instruction & Aircraft Rental) – subleases office from Lessee

General Aviation Lease Limits



SOURCES: Google Earth Pro, June 23, 2017 (aerial photography - for visual reference only, may not be to scale); Ricondo & Associates, Inc., February 2020 (general aviation lease limits).



Historical General Aviation Rents & Fees (FY 2015 – FY 2019)

(Fiscal Years Ending December 31)

	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	CAGR 2015-2019
General Aviation						
Jet-A Fuel Sales (gallons)	3,870,219	4,242,162	4,433,100	4,100,801	4,182,817	2.0%
100 LL Fuel Sales (gallons)	28,028	32,966	40,825	24,389	24,877	-2.9%
Airline in-to plane (gallons)	2,157,087	2,601,432	3,106,374	3,963,861	4,043,138	17.0%
Fuel Flowage MAG	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	0.0%
Fuel Flowage Excess	\$328,027	\$382,623	\$410,855	\$388,318	\$396,084	4.8%
FBO Rent - Atlantic Aspen Aviation	\$190,199	\$197,807	\$205,719	\$211,829	\$218,184	3.5%
GA South Ramp Space Rental	\$4,781	\$2,954	\$1,469	\$0	\$5,000	1.1%
Monthly Patio Shelters Maint Fees	\$183,442	\$187,037	\$196,273	\$202,356	\$208,427	3.2%
Total General Aviation	\$826,449	\$890,421	\$934,316	\$922,504	\$947,695	3.5%

SOURCES: Aspen-Pitkin County Airport; Ricondo & Associates, Inc.

General Aviation Rents & Fees Forecast (FY 2020 – FY 2023)

(Fiscal Years Ending December 31)

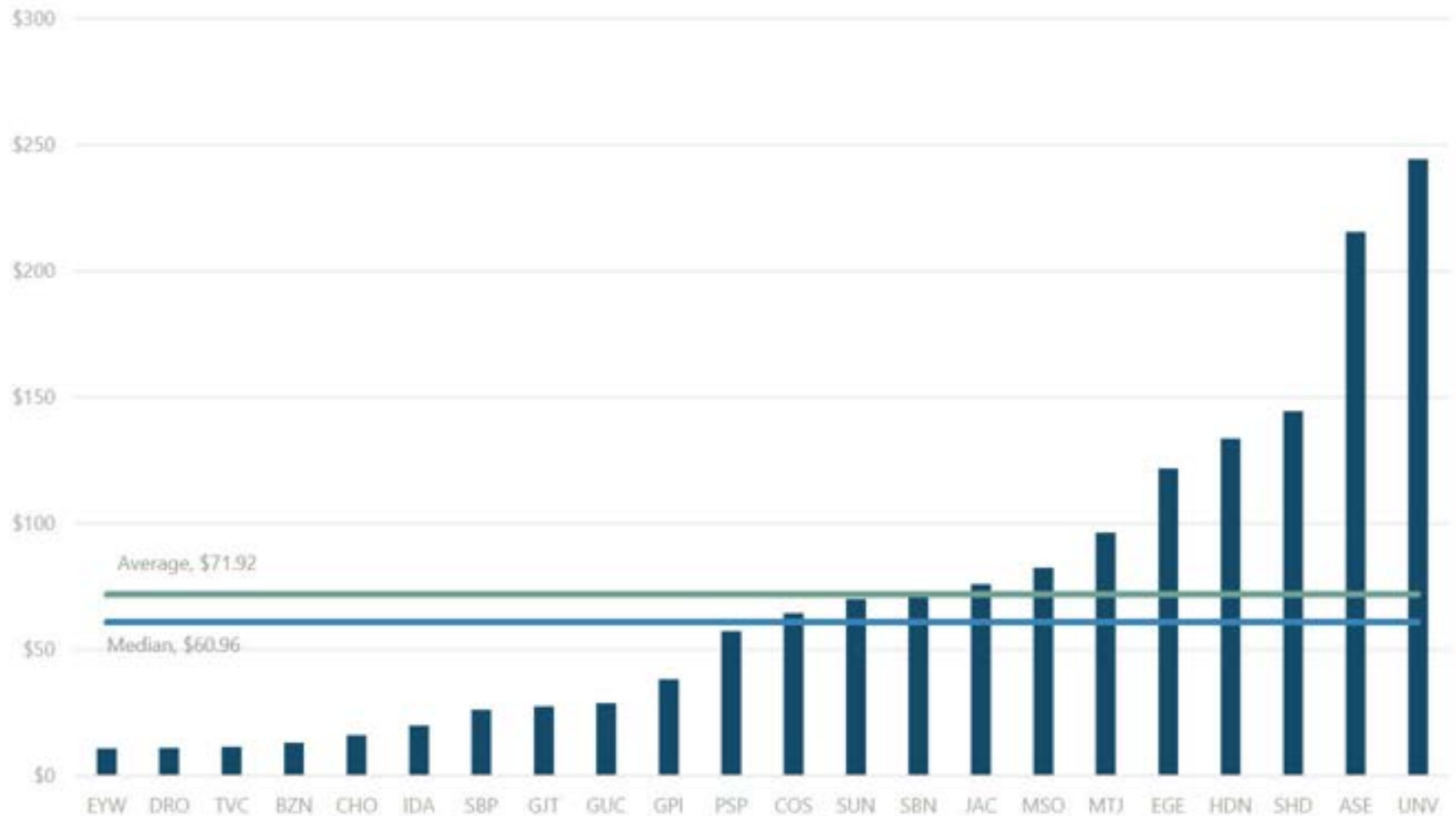
	ESTIMATED FY 2019						
General Aviation							
Jet-A Fuel Sales (gallons)	4,182,817						
100 LL Fuel Sales (gallons)	24,877						
Airline in-to plane (gallons)	4,043,138						
Fuel Flowage MAG	\$120,000						
Fuel Flowage Excess	\$396,084						
FBO Rent - Atlantic Aspen Aviation	\$218,184						
GA South Ramp Space Rental	\$5,000						
Monthly Patio Shelters Maint Fees	\$208,427						
Total General Aviation	\$947,695						

SOURCES: Aspen-Pitkin County Airport; Ricondo & Associates, Inc.

Benchmarking Analysis



G.A. Revenue Per Itinerant Operation



NOTE: Revenue data is for each airport's fiscal year 2018.

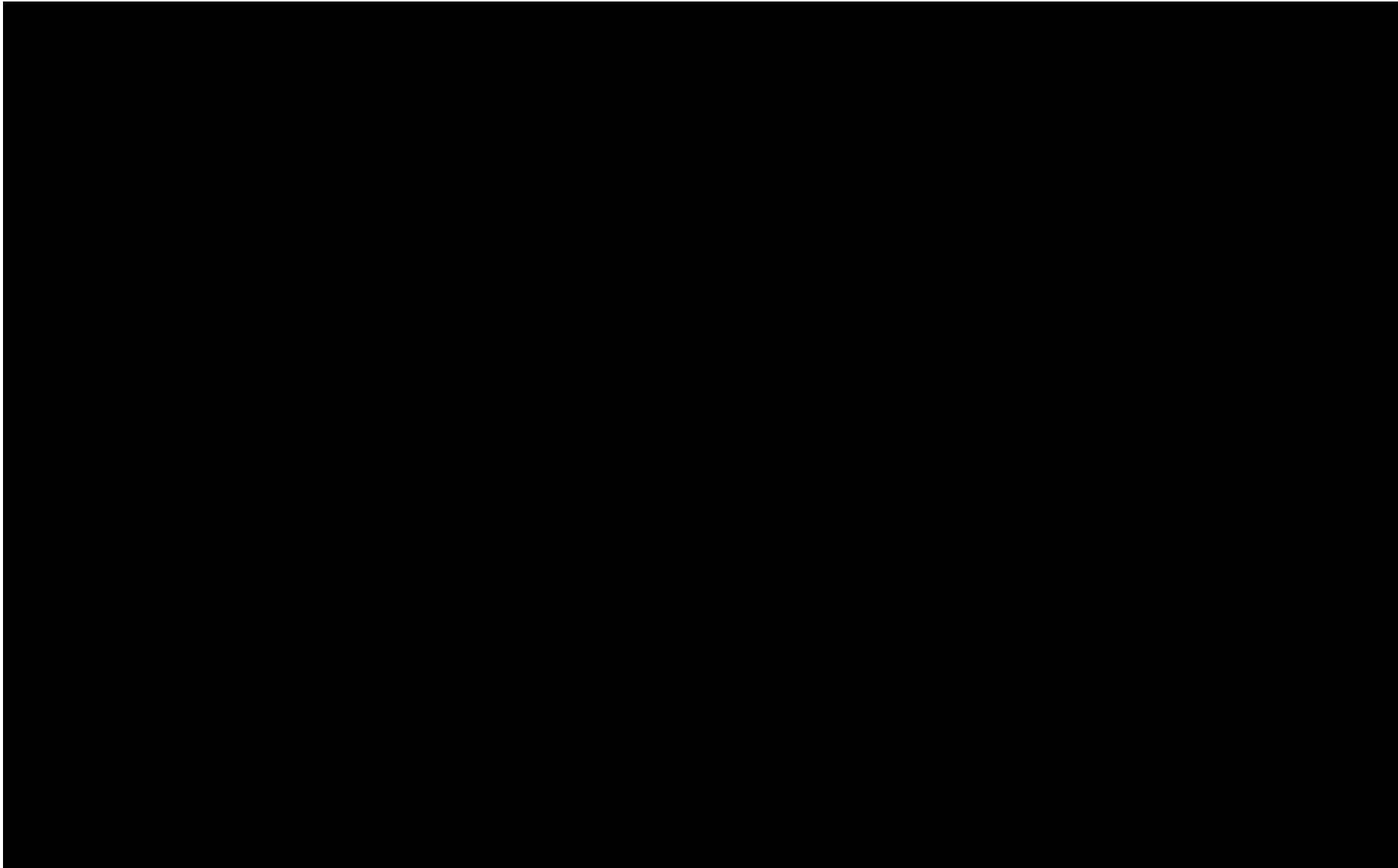
SOURCES: FAA Certification Activity Tracking System (CATS) database, January 2020 (revenues); AirportIQ 5010, January 2020 (operations).



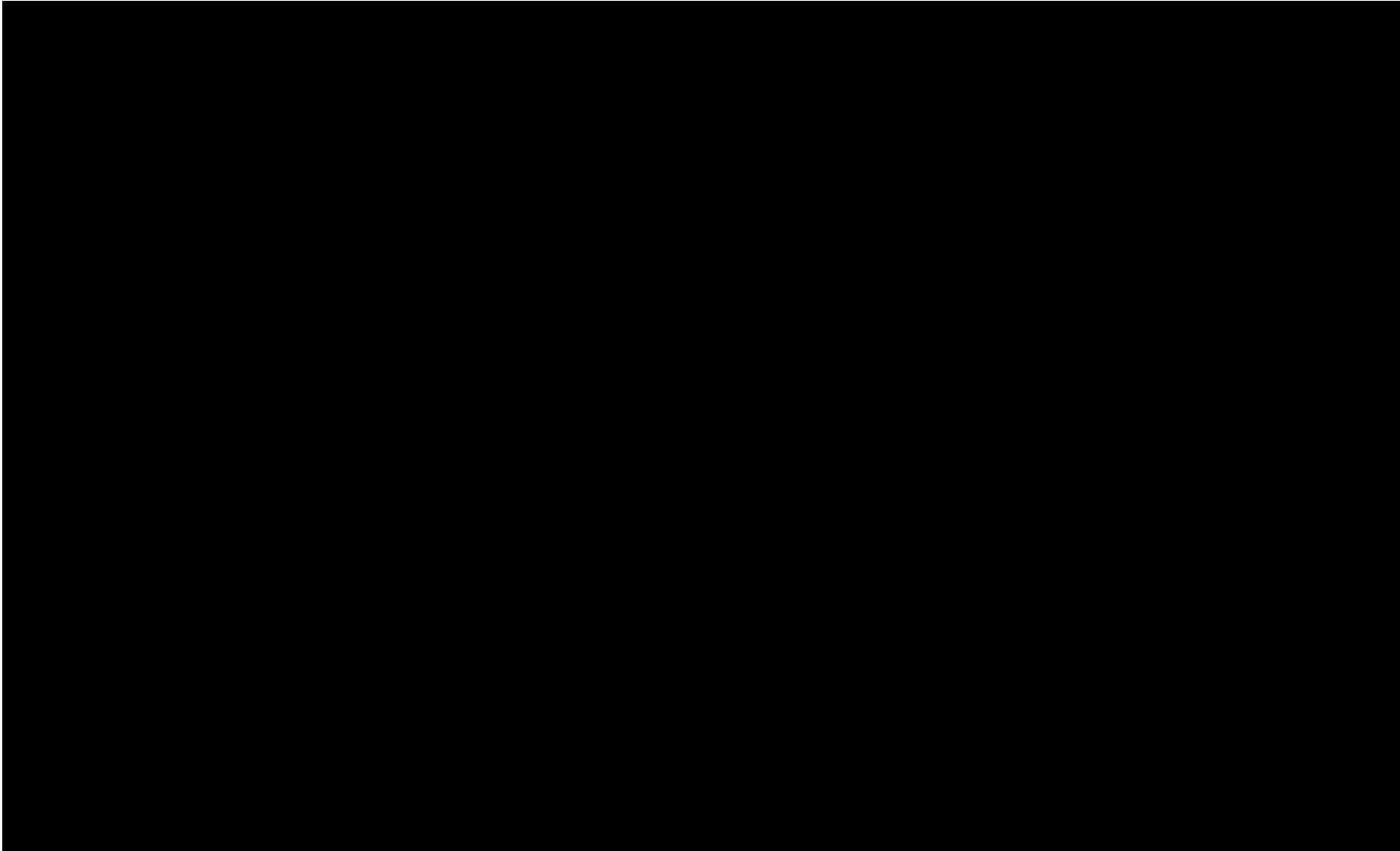
Options for Future Delivery of FBO Services



FBO Delivery Option Matrix



FBO Delivery Option Matrix (cont.)



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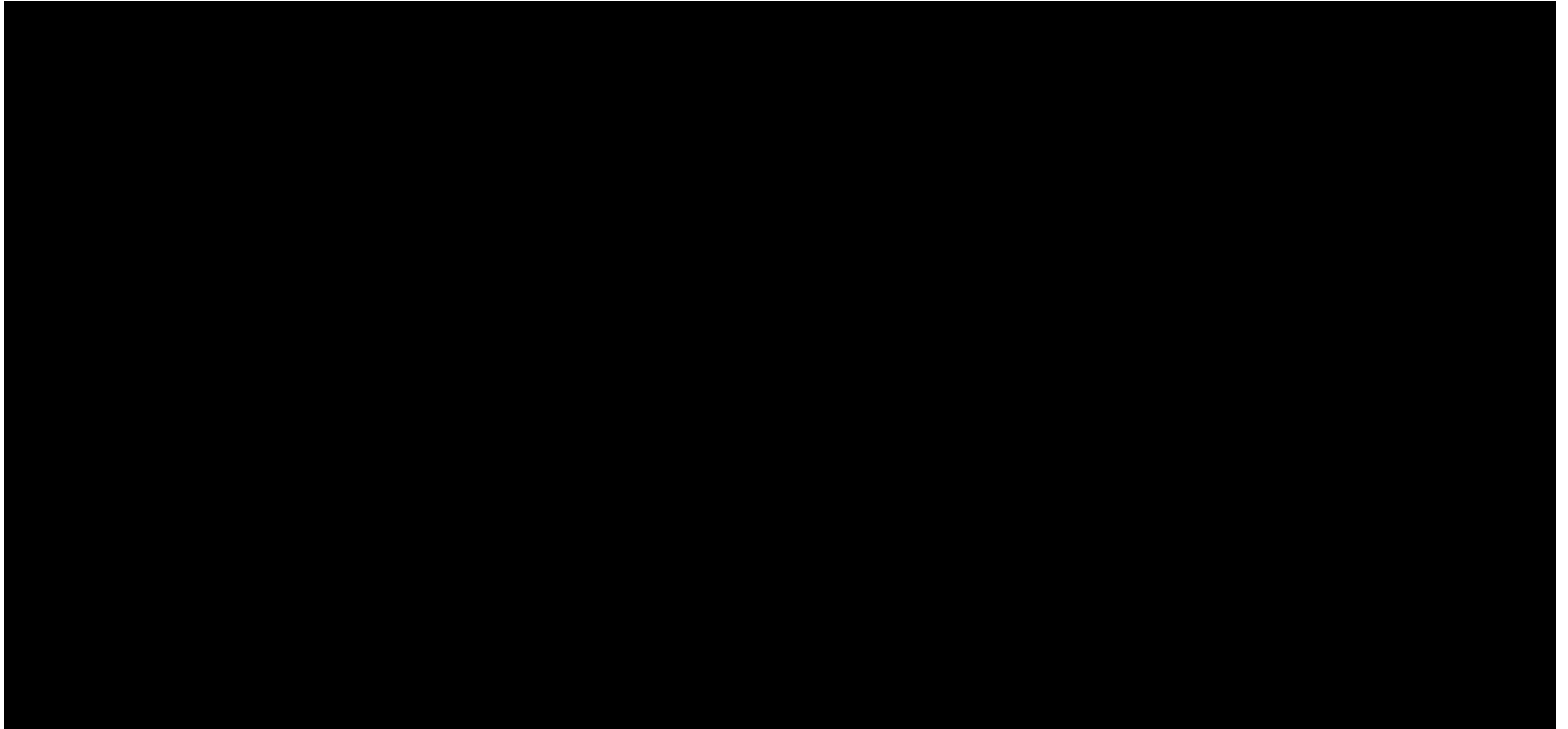


Proposed FBO Capital Improvement Plan



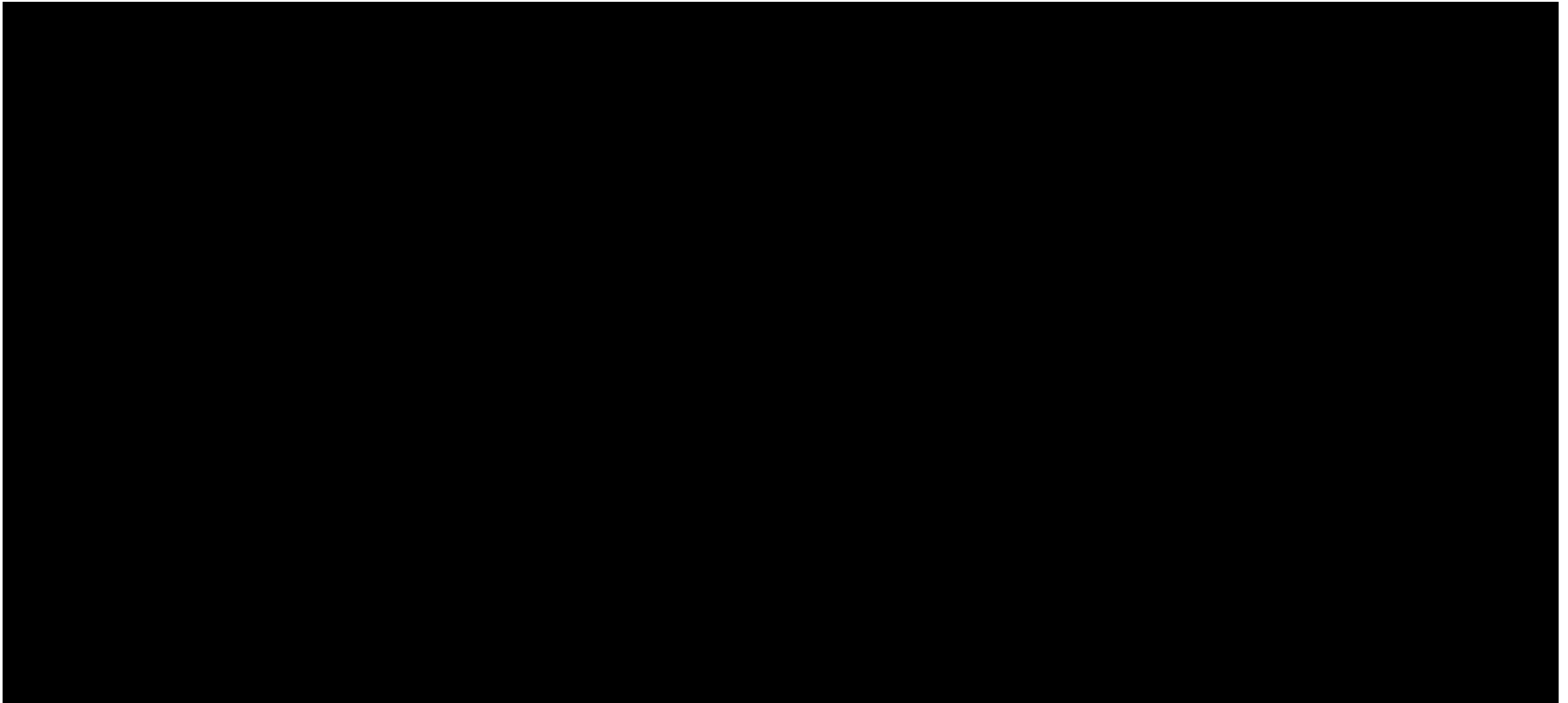
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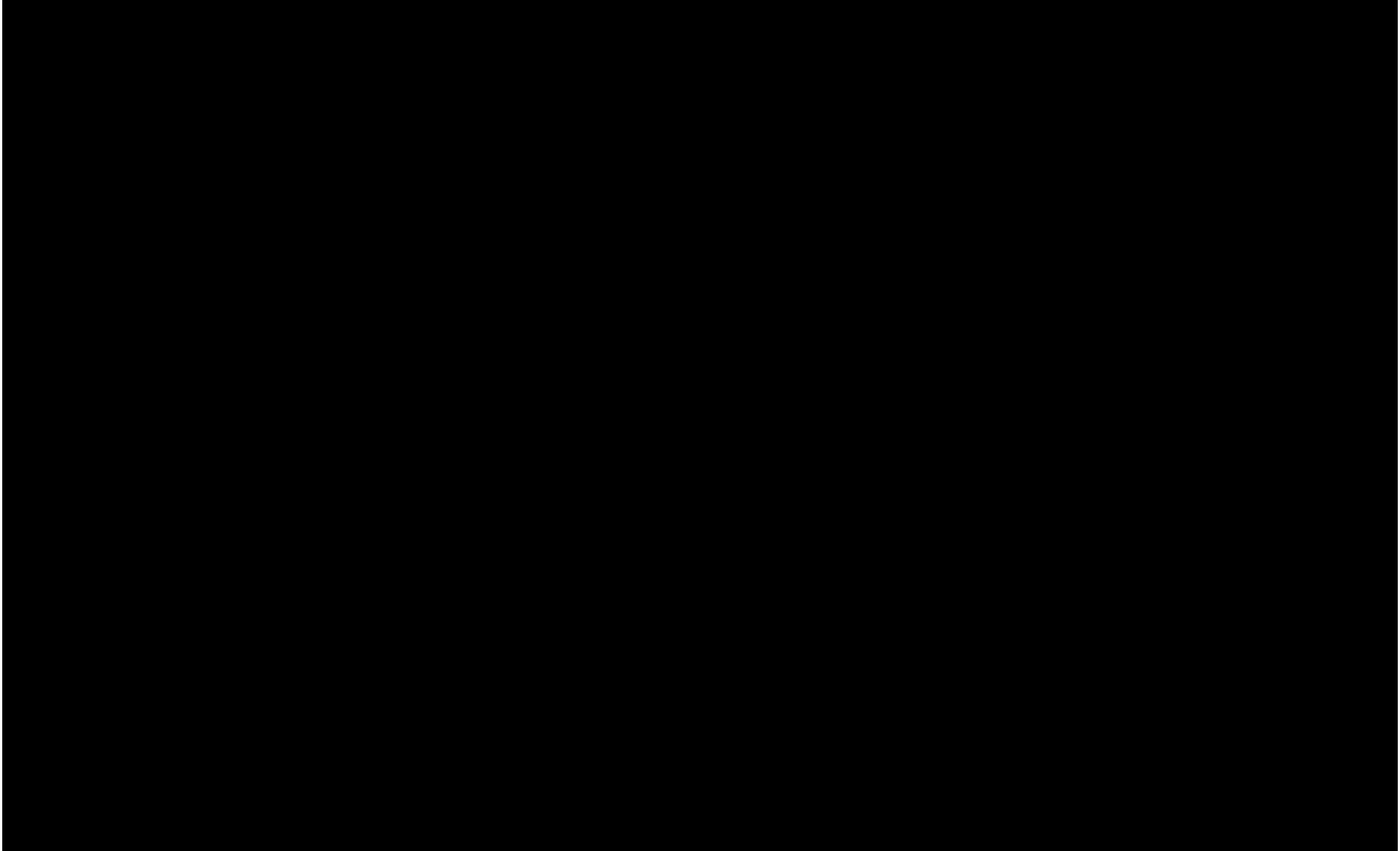
Forecast of Net Revenues



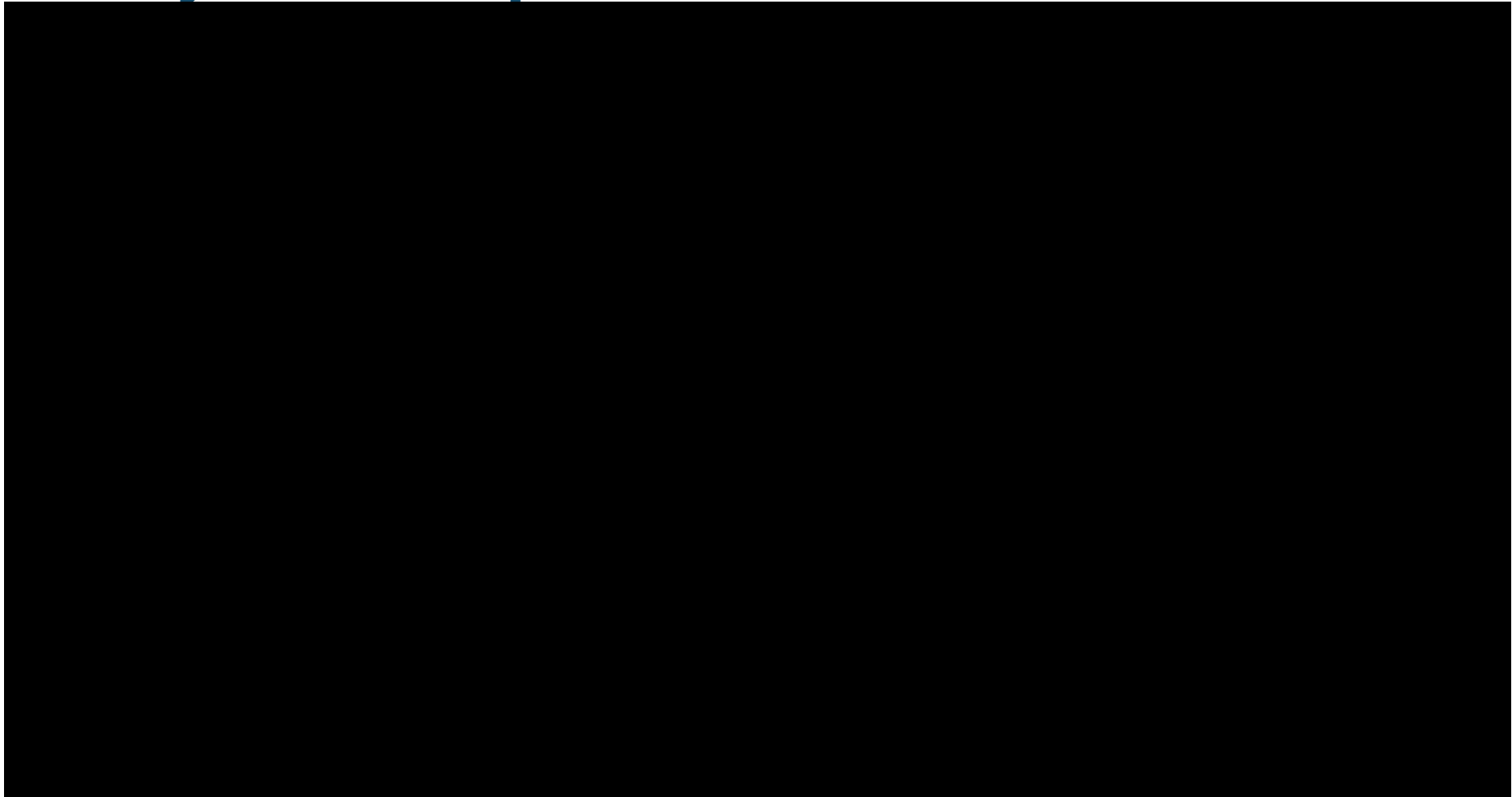
Analysis Assumptions



Analysis Assumptions



Analysis Assumptions



Analysis Assumptions



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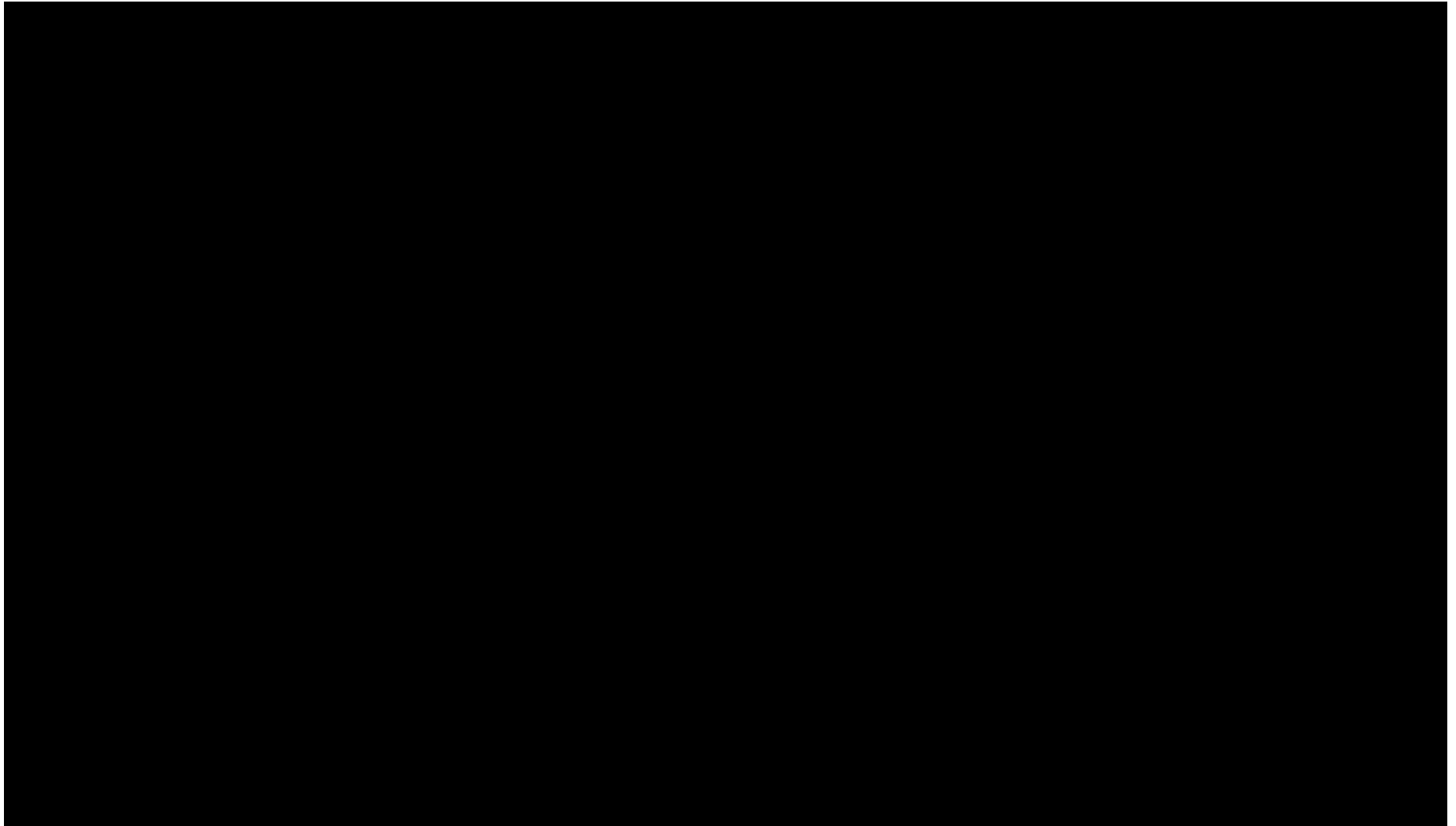
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Discussion



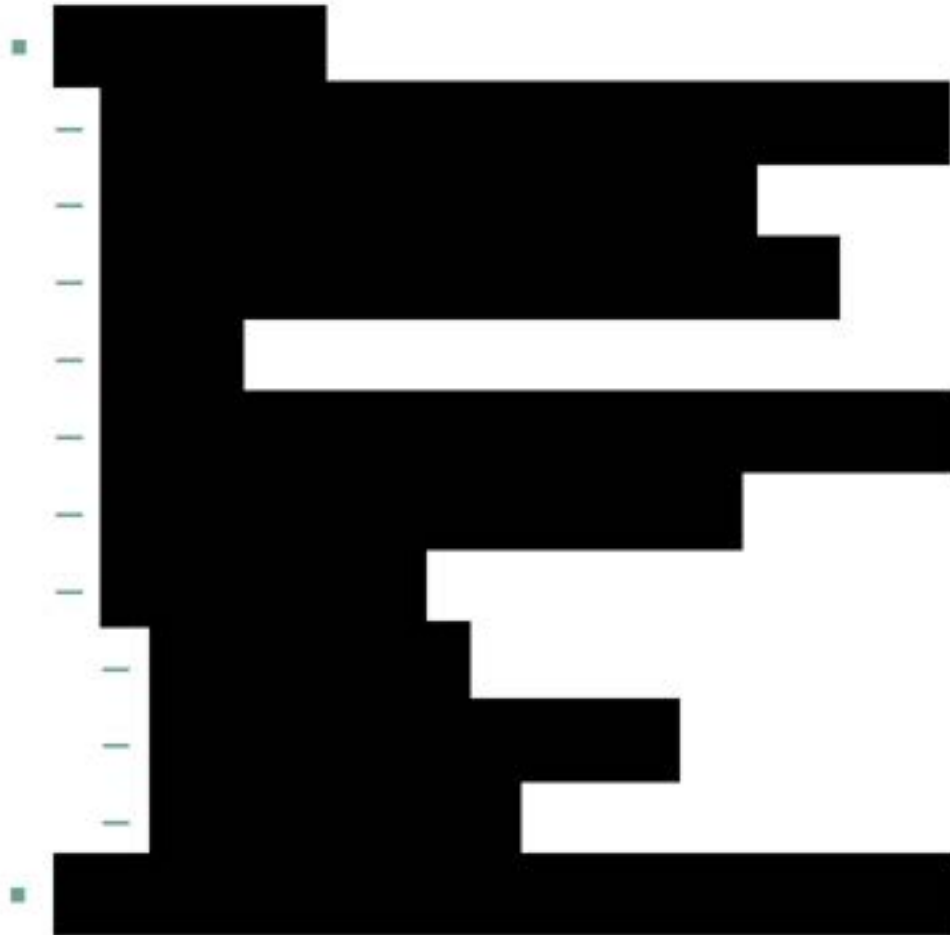
Discussion



Recommendation



Recommendation





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