

4.0 MANAGEMENT/OWNERSHIP OPTIONS

This chapter provides a summary of potential ownership options for the retention of Simsbury Airport as a public-use airport, including the municipal purchase by the Town of Simsbury. The discussion is intended to describe the potential advantages and disadvantages of each ownership option. While there may be many variations of each ownership approach, four overall options are described herein, and include the following:

- Town acquisition/ownership
 - with contract management/leased operation
 - with Town operation/management
- Airport authority ownership (joint municipal, regional, or independent)
- Sale to another private airport operator
- State ownership and operation (i.e., ConnDOT Bureau of Aviation & Ports)

4.1 Town/Municipal Ownership

Of the nearly 20 public-use airports in Connecticut, four are municipally¹ owned (see Table 4-1). Of these, Meriden Markham Municipal Airport is most similar in size to Simsbury Airport. However, the City of Meriden is over twice the size of the Town of Simsbury (in terms of population). Although town airport ownership is quite common in other states (e.g., New York, New Jersey, & Massachusetts), each municipal airport in Connecticut is owned by a City.

TABLE 4-1 – MUNICIPAL AIRPORTS IN CONNECTICUT						
Airport Name	Owner	Longest Runway	No. of Runways	Control Tower	Municipal Population¹	2007 Based Aircraft²
Danbury Municipal	City of Danbury	4,422'	2	Yes	78,765	227
Tweed-New Haven*	City of New Haven	5,600'	2	Yes	130,625	72
Meriden Markham Municipal	City of Meriden	3,100'	1	No	59,494	78
Sikorsky Memorial*	City of Bridgeport	4,761'	2	Yes	144,890	241
Robertson ³	Private	3612'	1	No	17,711	110
¹ 2007 CERC Town Profiles ² FAA Terminal Area Forecast (TAF) ³ The Town of Plainville is currently in the process of acquiring the Airport *FAR Part 139 Commercial Service Airport						

¹ Municipal ownership may include ownership by any type of local government including the town and city levels.

Benefits of Town ownership of Simsbury Airport include:

- Town (i.e., public) ownership would provide eligibility for federal and state airport development grants, assuming the Airport qualified for the National Plan of Integrated Airport System (NPIAS) program.
- Full control/authority over airport developments and improvements
- Potential use of municipal bonds (i.e., revenue or general obligation bonds), to finance airport projects such as hangars
- Ability to lease airport property and buildings for airport and non-airport purposes, with the associated revenues available for airport operations or capital projects
- Acquisition cost for the Airport and all associated buildings would be 98.75% funded by federal and state grants under the current FAA Airport Improvement Program (AIP); however, 100% of any revenues generated would be retained by the Town (to support airport expenses).
- Various options available for airport management (contract, commission, direct, etc.)
- Town has land use and zoning authority over adjacent property

The primary disadvantage of the Town ownership of Simsbury Airport is financial risk. This issue is not specific to Simsbury Airport, but inherent to most non-commercial municipal airports. While it is anticipated that the current operator (Simsbury Flying Club) will operate with surplus revenues under Town ownership, the Town will operate with a small annual deficit due to maintenance and insurance costs and the tax revenue lost. Most municipal facilities operate at a break-even point or with a small deficit.

Another constraint of Simsbury's potential ownership of Simsbury Airport is that the facility is not located entirely within the Town's jurisdictional limits. A portion of the airport property lies within East Granby. This complicates issues associated with development approvals, zoning, and land use control. Other airports in the state of Connecticut also face this concern (e.g., Tweed-New Haven Airport is partly located in East Haven, Sikorsky Memorial is located in Stratford).

Other considerations include:

- Federal grant assurances associated with each FAA-funded project requires the Town to maintain the Airport open for public-use, for a 20-year period or design life of the project.
- Grant assurances associated with property acquisition remain in effect in perpetuity
- Grant assurances transfer with the property (if the Town were to acquire the Airport, and later sell it to others)

Of consideration for Simsbury is also the relatively small size of the community (and associated economic base and staff size). Although there are many municipal airports owned by political subdivisions with populations of less than 25,000,² these communities do experience some financial burden of airport ownership. When an airport is a considerable element of the overall municipal budget, the financial burden of the airport must be closely scrutinized. While many municipalities are interested in owning an airport due to the potential for economic development and community benefits, the airport typically needs to demonstrate an ability to nearly break even and / or provide other documented economic and public benefits.

Municipal Airport Management

Many public airports are directly managed by the municipal owner; however, there is wide variation in the level of involvement. Some facilities have an on-site manager (with or without an administrative and maintenance staff) who oversees the FBO, tenants, airport projects, and may be responsible for maintenance. The most active municipal management organization will also provide fueling, aircraft parking, rental hangars, and other services. Other airports may have airport services provided by one or more FBOs, but hire a contract manager or management company to oversee airport operations. These various forms of municipal management/operations are common at larger facilities, having numerous tenants and leases. It has been determined through the analysis in Chapter 3 that municipal management is not the most cost effective under Town ownership of the Airport.

Contract Management of Municipal Airports

Many municipal airports contract the day-to-day operation of the facilities to a private company. At small airports such as Simsbury, the private company is most often the airport’s Fixed Base Operator (FBO). A FBO is an airport service provider (typically a private enterprise) that provides aircraft fueling and other services, such as aircraft parking, tiedown and hangar rental, aircraft maintenance, air charter, aircraft rental, and flight training. The management contract includes serving as the airport attendant, and may also include general maintenance (grass cutting, snow plowing, etc.) depending on the terms of the contract. While an FBO can be a department of the Town, this is uncommon at small airports. There may be more than one FBO at an airport; however, this is also rare at smaller facilities (although other airport businesses are common, such as avionics shops, flight schools, flying clubs, etc.).

* * * * *

With the goal of minimizing expenses and based on discussions with Town officials, if Simsbury Airport was acquired by the Town of Simsbury, the contract management by the FBO is recommended. An existing Simsbury Department (e.g., Public Works) could oversee maintenance activities, as well as implement airport projects and upgrades.

4.2 Airport Authority Ownership

²Note: the Schroon Lake Airport is owned by the Town of Schroon, NY with a population of 1,700. This is one of the smallest towns to own/operate a public-use airport in the Northeast.

Some municipally-owned commercial airports are operated by an airport authority. A key reason for this is to separate airport operations, maintenance, and financial responsibilities from the general municipal budget. Commercial airports typically have several sources of revenue (e.g., airlines, passenger facility charges, parking, tenant leases, and FAA grants) and expenses, and regularly bond for major projects to distribute costs over a number of years. Airport authorities are generally able to operate with less political influences over their day-to-day operation, as well as bypass municipal bonding limitations.

Municipal general aviation airports may also be operated by an authority, but this is less common as their accounting, financing, and management needs are substantially less than commercial facilities. As such, there is typically a less compelling need to separate the airport from municipal operations, particularly since it may add additional staffing and management costs.

One benefit of an authority is that their management staff often report to a board composed of a broad range of aviation, business, and community leaders, as well as elected officials, to ensure that many interests and constituencies are represented. At general aviation airports, this benefit can alternatively be obtained by appointing a voluntary advisory committee (which may be called the Airport Commission, Airport Advisory Board, or similar title). These committees can help review planning, development, and leasing activities, with the Town elected officials retaining the ultimate decision authority.

4.3 Joint Municipal Airport Authority

Another type of airport authority can provide some financial advantages at general aviation airports by sharing capital and maintenance costs between multiple towns and cities. Such a body may be called a Joint Municipal Airport Authority, and can be formed under a number of structures. Such authorities reduce the financial risk to each municipality and also address the fact that airports benefit the region, not just a specific town.

In the case of Simsbury Airport, the northern portion of the Airport extends into the Town of East Granby, and the Town of Granby is also in proximity. Thus, the geographic benefit of a joint municipal authority is clear. However, the funding arrangement between the towns would have to recognize that the host town(s) stands to lose property tax revenue, and may also be responsible for snow removal and mowing. Like any authority structure, a joint municipal authority generally has a set of board representatives with oversight responsibilities and a small professional staff. A small airport such as Simsbury may only require a manager and administrative assistant (full or part-time). Nevertheless, any authority will have some additional organizational costs as compared to being operated under an existing municipal department. Each of the municipalities would be required to enact legislation to form the authority, with pre-established procedures for maintenance, operation, and funding.

A final factor to consider for a joint municipal authority is the potential for disagreements between the various municipalities. Such conflicts may be related to development options,

leases, land use compatibility, as well as the responsibility for capital costs, maintenance, and staffing. There are currently no joint municipal airport authorities in Connecticut.

4.4 Sale to Another Private Owner / Operator

Simsbury Airport currently has no known deed encumbrances or FAA grant assurances that must be honored. As such, the current owner may sell to any potential buyer for airport or non-airport purposes. As general aviation airport operations do not typically generate significant net revenue (if any), a buyer interested in purchasing Simsbury Airport in order to retain it as an airport would likely be someone intending to operate an aviation business on site. The Airport's acquisition could be a means to support the buyer's business, rather than as an investment in the existing airport business itself. Such purchases are infrequent, but with the potential for quality facilities at Simsbury Airport and its location in the Greater Hartford Region, a sale to another private owner may be a possibility. Nevertheless, in the majority of cases, private sale of an airport usually results in closure and redevelopment of the property³.

4.5 State Ownership & Operation

Several states in New England own and operate airports, most often through a bureau of the State Department of Transportation. The Connecticut Department of Transportation (ConnDOT) owns five general aviation airports as well as Bradley International, as listed in Table 4-2. The State airport most similar to Simsbury is Danielson, although Simsbury has a shorter runway and fewer based aircraft.

TABLE 4-2 – STATE-OWNED AIRPORTS IN CONNECTICUT					
Airport Name	Location	Longest Runway	No. of Runways	Control Tower	2007 Based Aircraft¹
Danielson	Town of Killingly	2,700'	1	No	66
Groton-New London*	City of Groton	5,000'	2	Yes	69
Hartford-Brainard	City of Hartford	4,418'	3	Yes	132
Waterbury-Oxford	Town of Oxford	5,800	1	Yes	260
Bradley International*	Windsor Locks	9,502	3	Yes	74
Windham	City of Willimantic	4,278'	2	No	67
¹ FAA Terminal Area Forecast *FAR Part 139 Commercial Service Airport					

It has been many years since the State has acquired an airport. In fact, to do so at Simsbury Airport would require legislative action and ultimately approval of the Governor. Thus, if Simsbury does not pursue airport acquisition, State purchase would not be a strong probability. If

³ A number of private airports in Connecticut closed in recent decades. An informal compilation of these airfields is available at http://members.tripod.com/airfields_freeman/CT/Airfields_CT.htm.

State acquisition was desired by the Town, Simsbury (and ideally other adjacent towns) would need to solicit action from their State representatives to negotiate the required legislative agenda.

It should also be noted that due to the high level of airport services and facilities ConnDOT provides each of the state-owned general aviation (non-commercial) airports operates at a financial deficit.⁴ As such, obtaining political support at the State level to acquire and operate another airport may have added difficulty.

The benefits and shortcomings of State ownership of Simsbury Airport to the Town are straightforward. The benefits include a well maintained, operated, and attended airport facility, available for business and general public-use, with long-term stability and no direct cost to the Town. Thus, the Airport would continue to provide all the advantages of a public airport, with no involvement or expense to the community.

There is one significant disadvantage to the Town regarding State ownership of Simsbury Airport. The Airport would become tax exempt, and thereby ceasing to generate any property tax revenue to Simsbury. As listed in Tables 3-8, 3-9, and 3-10 the annual tax revenue lost in the first planning year would be \$21,732.00.

A second consideration is that the Town would lose development authority over the Airport. However, as the Airport is generally compatible with the surrounding area, and the State would likely implement projects consistent with the recommendations of Chapter 2, the loss of authority may not be a significant consideration in this case.

⁴ ConnDOT provides professional management, daily inspections, and security facilities at all State-owned airports. These activities are not required, and are rarely provided at other non-commercial airports.