

# Landscape of the Fixed-Base Operator Industry

July 25, 2024  
2:00 PM – 3:30 PM



# Today's Learning Objectives

- **Identify recent trends in aviation and the U.S. economy**
- **Explore the current landscape for U.S. FBOs**
- **Explore FBO survey results and future updates**

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## 1.5 Certification Maintenance Credits

**You must attend the entire webinar to be eligible for credits**

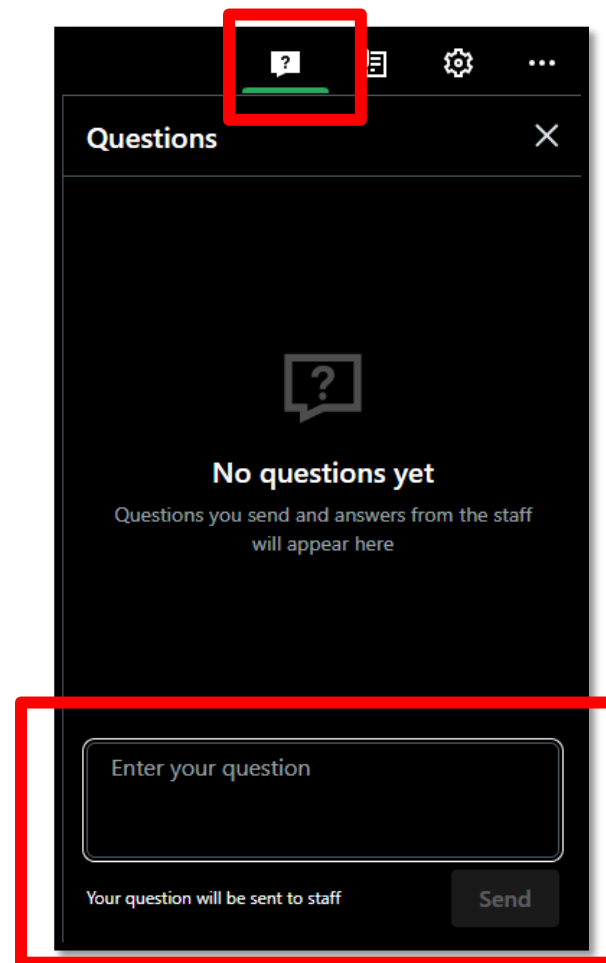
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# Questions and Answers

Please type your questions into  
your webinar control panel

We will read your questions out  
loud, and answer as many as  
time allows

#TRBwebinar



# Lois Kramer

## *KRAMER aerotek inc.*

- CEO
- specializes in strategic planning, revenue diversification, financial analysis
- 30+ years of experience
- led or participated in multiple ACRP reports
- principal investigator for three ACRP reports about the FBO industry





# ACRP Synthesis 129

## Landscape of the FBO Industry in 2022



Lois Kramer, Principal Investigator

# FBOs are the Servicing Agent for a Diverse Customer Base and an Excellent Bellweather for the Industry

FBOs are “a business granted the right by the airport sponsor to operate on an airport and provide aeronautical services.” (FAA)

## Core Services

- **Fueling and Fuel Storage**
- **Pilot and Passenger Terminal**
- **Hangar Rentals/Leases**
- **Line Services, Cleaning, Detailing**
- **Aircraft Maintenance, Repair, Parts**
- **Flight Training**
- **Aircraft Rental/Charters**
- **Aircraft Management**
- **Aircraft Sales**
- **Avionics**
- **Custom Clearance Support**
- **Courtesy Transportation**

## Diverse Customers

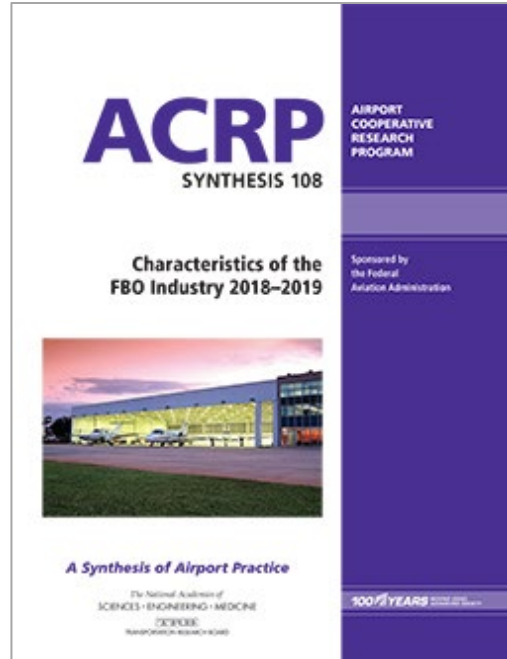
- **Small GA**
- **Business Aviation**
- **Commercial Airlines**
- **Cargo Operators**
- **Military**
- **Medical Airlift**
- **Firefighters**



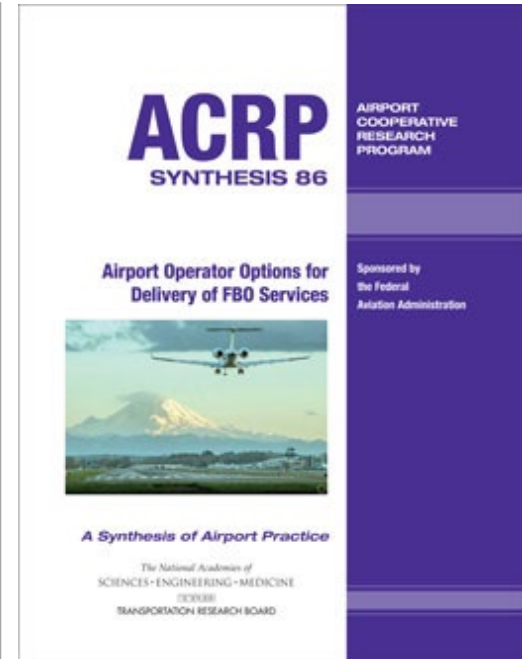
# ACRP Reports on FBOs



- Pandemic Impacts
- Business Model Changes
- Trends in New Markets
- Industry Challenges
- New Technology



- Types of FBOs
- FBO Demographics in the U.S.
- Products, Services, and Facilities
- Private FBOs
- Public FBOs



- FBO Business Models
- Local Considerations for Service Delivery
- Procurement Process
- FBO Lease Provisions
- Case Studies

# Today's Webinar is an Update on the Current FBO Industry from Different Perspectives



→ **Curt Castagna**, President and CEO of the National Air Transportation Association (NATA) and of Aeroplex Group Partners. Curt will provide an overview and insights into changes in the FBO business model and challenges within the industry as technology evolves and revenue streams change.



→ **Chris Rozansky**, Executive Director of the Naples Airport Authority and the FBO it operates, Naples Aviation. Chris will speak to the trends and challenges of operating a public-owned FBO in the post-pandemic environment and how Naples is incorporating sustainable fuels into its FBO operations.



→ **Courtney Beamon**, President of Delta Airport Consultants, a civil engineer, and pilot. Courtney will wrap things up with some ideas about what additional research might assist public and private owned FBOs as the industry continues to evolve.

We'll have about 45 minutes of presentation time and then we are hoping for some lively Q&A.

# Curt Castagna

## NATA President & CEO

- More than 35 years of industry expertise in
  - airport development
  - airport project management
  - aviation consulting
- Recognized for
  - fostering collaborative partnerships
  - negotiating complex general aviation challenges
  - maintaining a focus on compromise and consensus building



# BUSINESS INDUSTRY TRENDS & AWARENESS

## State of the FBO Industry

- Consolidation
- Changing FBO Models
- Workforce Shortages
- Hangar Shortages
- AAM
  - Infrastructure
  - Operational Deployment

# BUSINESS INDUSTRY TRENDS & AWARENESS

## Challenges & Opportunities

- NEPA Requirements
- Hangar Foam
- Parts 135/380
  - FAA & TSA Regulatory Changes
- Unleaded Avgas
- Sustainable Aviation Fuel (SAF)
- Workforce

# BUSINESS INDUSTRY TRENDS & AWARENESS

## Advocating for Aviation Businesses

- Legislation & Regulations
  - FAA Reauthorization
    - Airport Grant Assurances
- Environmental Pressures
  - Industry Sustainability Focus
    - Climbing. Fast.
    - NATA & Other Industry Standards



# FOR ADDITIONAL INFORMATION



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



# Chris Rozansky

## Executive Director, Naples Airport

- 20+ years in aviation
- Thrives on the opportunities and challenges of operating the FBO for the betterment of the airport, its employees, customers and community
- Email: [crozansky@flynaples.com](mailto:crozansky@flynaples.com)



# About the Naples Airport and its FBO - Naples Aviation

- Airport authority w/ a 99-year lease for the airport
- Mission focused five (5) member board of commissioners
- Inherited the FBO in the 1970's following tenant-landlord dispute
- Naples ranked #1 place to live for 2024-2025



# Post-COVID Trends at Naples Aviation

- 2<sup>nd</sup> home market w/ an increasing year round population
- Most new private flyers have remained despite ~ 30% higher cost
- Hiring and attrition have stabilized, but cost of living a significant issue
- Cost of construction up ~ 35%
- Increasing aircraft foot utilization and footprint, straining FBO resources



# Environmental challenges and opportunities

- Striving to reduce noise impacts - Part 150 Study and flight procedure design
- Aggressively promoting UL 94
- Pursuing ACI-NA Carbon Accreditation and fleet electrification
- Conducted 'black soot' (i.e. mold), soil, water and air sampling for lead
- First airport in FL to transition ARFF vehicles to F3





# Is Running the FBO Right for Your Airport?

- It depends...what is the goal?
- Will it help you become more financially self-sufficient?
- Can you run it safely, efficiently and like a business?
- Are you prepared for the investment and unexpected expenses?





# Thank you!



[Contact me at crozansky@flynaples.com](mailto:crozansky@flynaples.com)

# Courtney A. Beamon, PE, CM

## Panel Member

- President,  
Delta Airport Consultants, Inc.
- Civil Engineer / Consultant
- Private Pilot



# FBOs are quite different!

Seen one airport, seen one airport  
AND  
Seen one FBO, seen one FBO!

→ Regional customs / differences  
(example: capital facilities, lease arrangements, etc.)

# FBOs are quite different!



# 2023 ACRP Synthesis 129: Landscape of the FBO Industry in 2022

## → Key Themes, *continued*

- Pandemic impacts varied significantly
- Activity was generally booming
- Since 2018, a slight reduction in airports with fuel
- Since 2018, largest FBO chains merged / expanded
- Seasonal markets a new FBO growth area
- Publicly-owned FBOs remain diverse

**Investigator / Panelist Takeaway: data gathering is difficult!  
Data is typically private (antitrust laws may also apply)**

# Clear (but sometimes forgotten)!

The FBO and the airport  
are in a  
SYMBIOTIC  
(and hopefully mutually-beneficial)  
relationship



# Questions from a “typical” AIRPORT viewpoint

- ➔ How is “our” FBO doing relative to others?
  - Do we have the “best” FBO possible?
  - Is our FBO offering the “right” sorts of services?
  
- ➔ What are the indicators that our airport has enough activity to support **multiple FBOs**?
  
- ➔ What are the indicators that we should “give up” on our current FBO / attracting a (better) private FBO and **declare a proprietary exclusive**?
  - If we’re going to (reluctantly) enter the FBO business, what should we know?

# Questions from a “typical” FBO viewpoint

- Airports and FBOs must work together to **be attractive to based aircraft / transient traffic**
- Communities must position themselves as **business-friendly/ visitor-friendly and air travel friendly** ... FBOs depend on this!
- Airport operators must understand (and work hand-in-hand) to **protect the revenue sources that allow an FBO to stay profitable**. A well-performing business is key to being able to continue to be a good employer, be a good corporate citizen, make investments in operational improvements and on-airport facilities.

# Possible Areas for Future Research

# Similar to Synthesis 129

## FBO Businesses

- New Operations
- Ceased Operations
- Mergers

## Fuel at FBOs

- Spot market vs branded
- Availability of SAF
- Availability of unleaded

## Non-Fuel Fees

- Types of fees charged
- Methods of airport access directly (in lieu of utilization of FBO services / facilities)

# Airport & Community Policies

- What sorts of **business-friendly policies** are being implemented by airports and communities to attract / maintain FBOs?
- What **quantitative metrics** might indicate what FBO business models might be successful at an airport?
- **Qualitative metrics / case studies** that describe successful FBO models

# Other Possibilities

- FBO Labor market: recruiting, retention, training policies
- Drilling down into service lines / SASOs
  - Trends in maintenance shops (new / ceased operations)
  - Trends in flight schools (new / ceased operations)
- Modeling hangar costs / price sensitivity
- A comparison of aspects of the US vs European models
- How are FBOs and airports preparing for AAM / future changes?
- How are FBOs and airports handling community engagement in climate-focused initiatives?



# FOR ADDITIONAL INFORMATION



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# Other Events for You:

**Sep 9 - 11, 2024**

**TRB's International Conference on Women and Gender in  
Transportation**

**Jan 5 - 9, 2025**

**2025 TRB Annual Meeting**

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- Networking opportunities
- May provide a path to Standing Committee membership

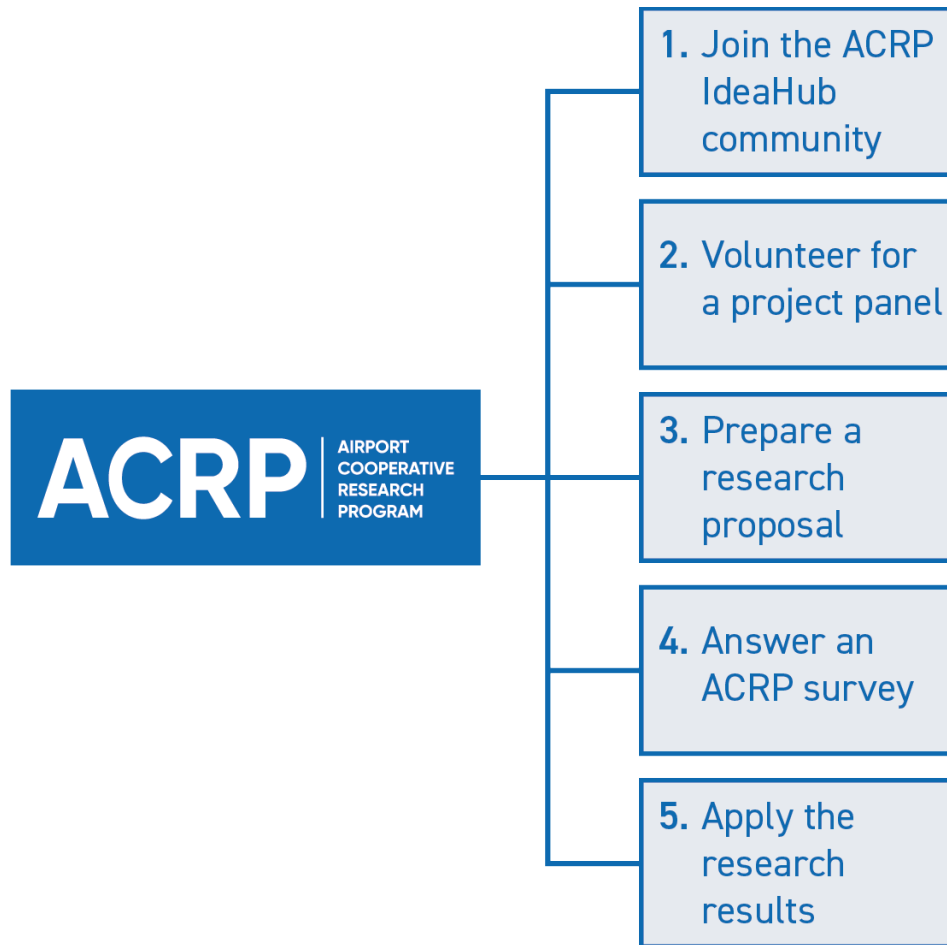
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