

# Audit on the Governance and Operations of the Logan/Cache Valley Airport

**Final Presentation with Recommendations**

**By Dr. Mike Jones**

**Swelbar-Zhong Consultancy**

**July 2024**



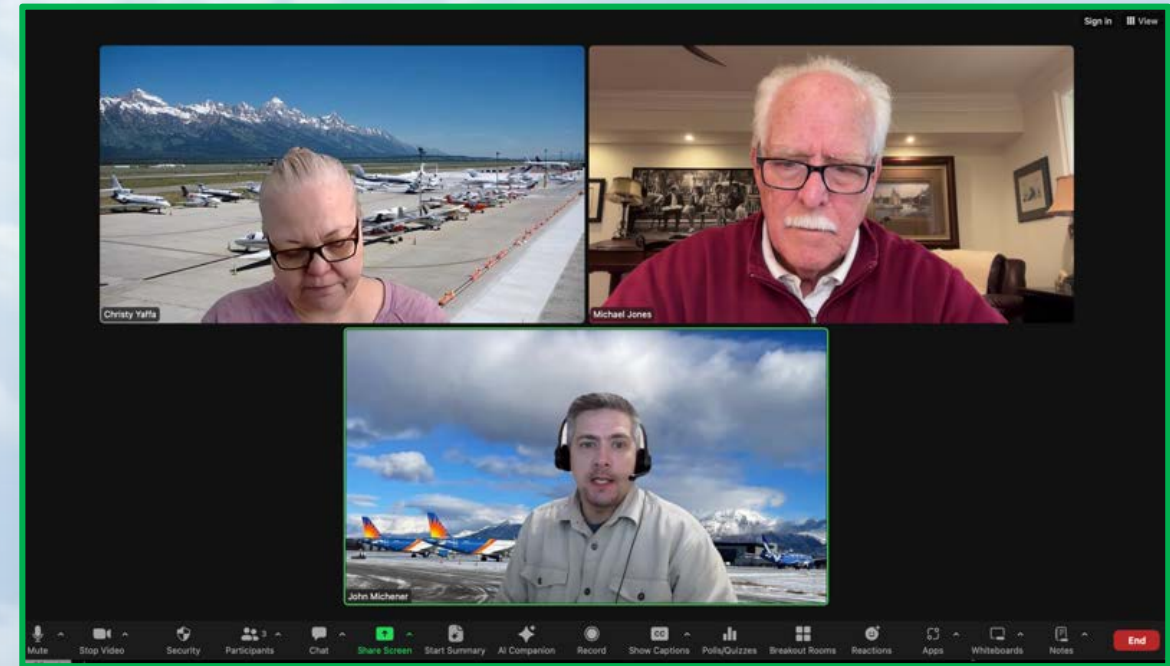
# Before We Begin

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- ❖ This Briefing Will Highlight a Number of Deficiencies
- ❖ **None of These Observations Are Intended to Impugn the Diligence, Effort, and Years of Hard Work Provided by the Members of the Authority, the Airport Managers, the Airport Consulting Engineers, Contractors, Pilots, Flight Instructors, or Other Individuals**
- ❖ This Airport Has the Potential to Be a Gem and Make Major Economic Contributions to the Community.
- ❖ The Purpose Here Is to Suggest a Path Forward Which Will Give This Airport a Chance to Shine

# Methodology

- ❖ December 2023: Interviews with Authority Members, Airport Manager
- ❖ Jan-Mar 2024: 60+ Zoom Interviews and In-Person Discussions, Using Structured Questionnaire —
  - Local Corporate Leaders
  - State Dept of Aviation Officials
  - State, Regional, City Eco. Dev.
  - Regional Managers at the F.A.A.
  - Airport Managers of Peer Airports
  - Local Corporate and Private Pilots
  - Educators at USU, Bridgerland Tech
  - The New Airport Manager
- ❖ Other Sources: FAA Data, Form 5010 Submissions, Census Data, Satellite Data, VirTower Traffic Data, Cache County G.I.S. System, Airport Budget, Airport Leases & Contracts



# My Sincere Thanks

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John Kerr, Chairman, Airport Authority  
Karl Ward, Airport Authority, County Council Member  
Ryan Snow, Airport Authority  
Brett Hugie, Airport Authority & Executive, Cache Valley Electric  
Holly Daines, Airport Authority & Mayor, City of Logan  
David Zook, Airport Authority & County Executive, Cache County  
Jason Ririe, Previous Airport Manager  
Jeannie Simmonds, Airport Authority & Member, Logan City Council  
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Kirk Jensen, Logan City Eco-Development  
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Craig Ide, Utah DOA  
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Bruce Miller, Director, Aviation Programs, USU  
Aaron Dykes, Aviation Dept., USU  
Scott Weaver, Leading Edge Aviation  
Kim Hall, Pilot & Mechanic, Leading Edge Aviation  
Judd Hill, Lochner/Armstrong Aviation Consultants  
Frank Stewart, Bridgerland Tech College, Logan

Robert Kidd, Utah Soaring Society;  
Matt Larson, Chief Pilot, Wasatch Properties  
Preston Nilsson, Chief Pilot, Campbell Scientific  
Jared Esselman, Utah DoA and EP Systems  
Brett Roberts, Former Airport Manager and Corporate Pilot  
Garrett Harding, Logan Station Manager, FedEx  
Brad Wursten, Chief Pilot, Cache Valley Electric  
Bob Low, New Airport Manager, KLGU  
Dain Maher, Utah Inland Port Authority  
Stephanie Park, Inland Port Authority  
Lynne Mayer, Inland Port Authority  
Allan Evans, Chair, Inland Port Authority  
Josh Campbell, Campbell Scientific  
Jay Johnson, Schreiber's Dairy  
Dave Higham, Northrup Grumman  
Glenn Ames, TTM Technologies  
Capt. Robert Stephens, ARFF Manager, Logan Fire Dept.  
Justin Meehan, Cytivia  
David Christensen, EP Systems  
Brett Robinson, Cache County Assessor

Bryan Cox, Mayor, Hyde Park City  
Marcus Alton, Manager, Hyde Park City  
Les Goldsmith, President, VirTower  
Ron Mallard, VP Marketing, VirTower  
Darin Partridge, V-P, Space Dynamics Labs  
Helena Glenn, Vector Systems  
Annie Teixeira, Vector Systems  
Will Repole, COO, Vector Systems  
Tyler Galetka, Airport Manager, Cedar City, Utah  
Rich Stehmeier, Airport Manager, St. George Regional and Former Airport Director at LGU  
Bryant Garrett, Airport Mngr., Ogden, Utah  
Christian Davis, Airport Mngr., Spanish Fork, Utah  
Paul Damron, Utah DoA AAM Development  
Bill Francis, Former Member, LGU Airport Authority  
Rick Schorder, FAA Standards in Seattle  
Christy Yaffa, Airport Planner for FAA  
John Michener, FAA Airport Planner  
Brady Fredrikson, Planning Director, SLC Intl.  
Sean Nelson, Asst Planner, SLC Intl.

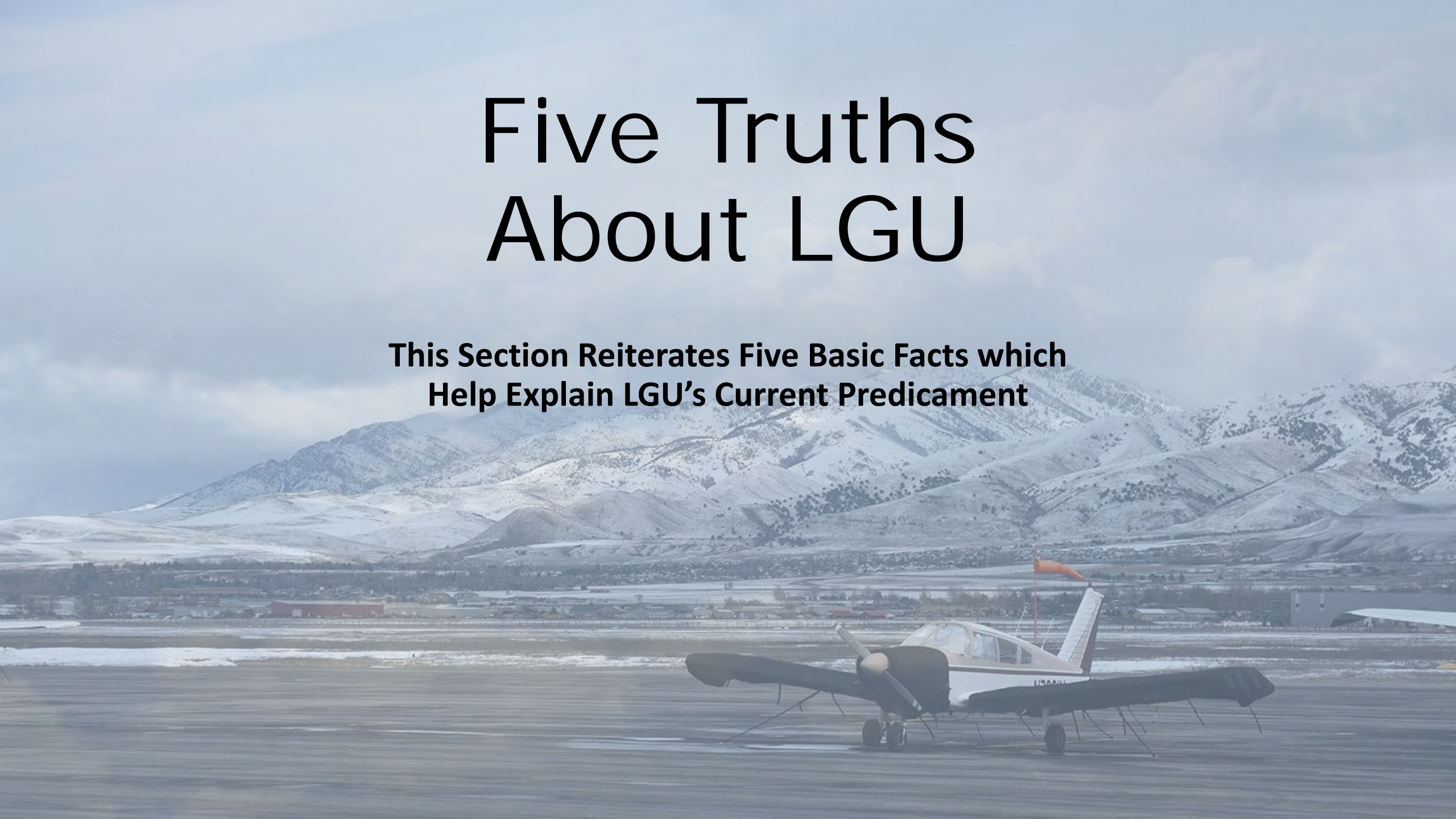
# TL/DR: Summary Findings

- ❖ The Airport Is A Small Business with Revenues of \$366K in 2024
  - It's Losing Money Every Year
- ❖ The Airport Is:
  - Not Operating in a Sustainable Manner
  - Not Equipped with Proper Staff, Administrative Systems, Improvements, Facilities, Equipment
  - Not Developing Stable Revenue Sources
  - Not Cultivating Current or New Customers
  - About to Lose It's Part 139 Status
  - Under-performing Peer Airports in Utah
  - Struggling with Issues of Split Ownership
- ❖ But the Future Could Be Bright, With Changes

Income	2024 Budget
Ground Leases	111,200
Landing Fees	5,500
Fuel Flowage Fees	36,000
Contribution - Cache County	100,000
Contribution - Logan City	100,000
Other Income	13,500
<b>Total Revenues</b>	<b>366,200</b>
Expenses	
Employees, Full-Time	79,200
Employees P-T: Ops, Actg., Cust Svc	44,900
Employee Benefits	45,200
Equipment Maint & Supplies	25,000
Buildings & Grounds	21,800
Snow Removal	65,000
Utilities	27,000
Communications	5,000
Fuel for Equipment	10,000
Legal (Aeronautical)	30,000
Legal (Administrative)	5,000
Airport Engineering	22,000
ARFF Training & Certs	33,000
Other Expenses (28 items)	109,400
<b>Total Expenses</b>	<b>522,500</b>
<b>Net Profit/Loss</b>	<b>(156,300)</b>

# Five Truths About LGU

**This Section Reiterates Five Basic Facts which  
Help Explain LGU's Current Predicament**



# #1: Commercial Airline Service Isn't Coming

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- ❖ Too Close to SLC International
- ❖ Cache Valley Market Is Too Small; No "Destination" Traffic
- ❖ On-Going Pilot & Mechanic Shortages
- ❖ Cost of TSA Services
- ❖ Lack of a Passenger Terminal



*“LGU has NO CHANCE of getting commercial service. It’s in the same situation as Ogden, UT, which gets commercial service and then loses it every three years. In Utah, people will drive 50 miles just to get groceries; driving 90 minutes to Salt Lake City isn’t even noticed.”*

# #2: Governments and For-Profit Businesses

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## ❖ Governments Don't Run For-Profit Businesses Very Well

- ✓ Airports, In Particular, Have Very Complex and Specific Technical, Engineering, Geographic, Legal, and Operational Needs
- ✓ Most Airports Owned by Governments Have Politicians as Their "Board of Directors"
- ✓ But Most Politicians Know Nothing About Airports

## ❖ They Will (a) Ignore It's Needs, or (b) Run It Inexpertly

- ✓ Respond to public pressure rather than the airport's commercial or technical needs (Baum & Wally, 2003; Meyer & Brown, 1977; Pastoriza, 2008).
- ✓ Be ill-informed on legal, financial, technical details (Caers et al., 2006)
- ✓ Ignore vital information flows (Baiman, Larcker & Rajan, 1995)
- ✓ Ignore industry "best practices" and peer benchmarking (Linsenmayer, 2013)
- ✓ Deploy inappropriate employee incentives (Macey & Schneider, 2008)
- ✓ Accept "good enough" performance for years (Teece, 2007; Raisch & Birkinshaw, 2008)



# #3: LGU's "Prime Directive" Leads to Failure

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- ❖ For Decades, the Airport Has Operated Under One Rule: *Don't Spend Any Money*
- ❖ **To Comply with the "Don't Spend" Rule, the Airport Relinquished Most Sources of Revenue but Retained Most of the Operating Costs**
- ❖ Staff Development Has Been Ignored; Urgent Capital Projects Have Been Postponed; Strategic Plans Have Been Shelved
- ❖ *Time Has Run Out*



# #5: But None Can Self-Fund Capital Projects

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- ❖ Capital Equipment and Airport Improvements Are Ferociously Expensive
- ❖ Safety Advances, Engineering Improvements, and Customer Requirements Keep Redefining the Standards for Operations, Safety, and Convenience



# #5: But None Can Self-Fund Capital Projects

- ❖ Capital Equipment and Airport Improvements Are Ferociously Expensive
- ❖ Safety Advances, Engineering Improvements, and Customer Requirements Keep Redefining the Standards for Operations, Safety, and Convenience

❖ ***An Airport Without an On-Going Construction Project Is an Airport that's Failing***

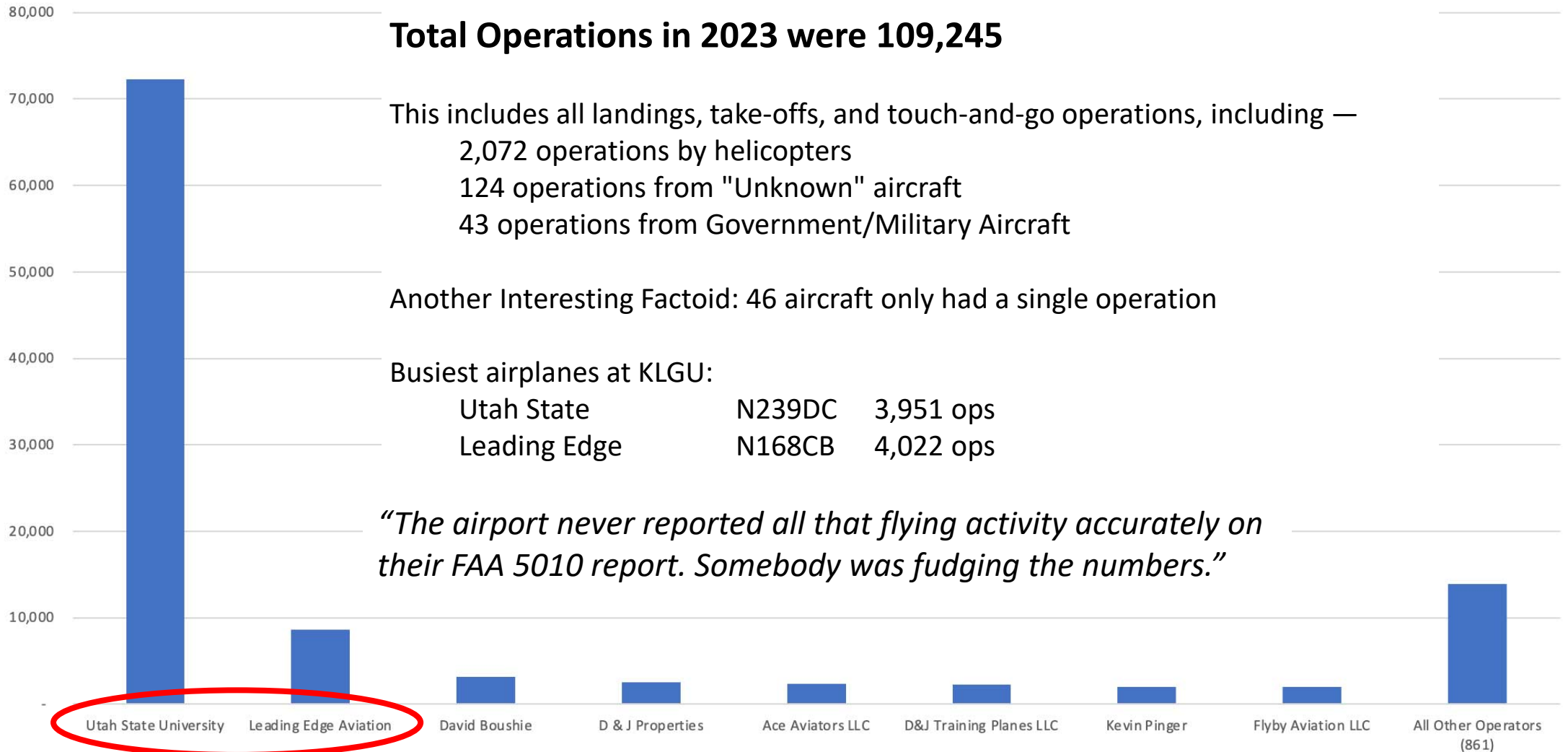


# Pass/Fail Report Card

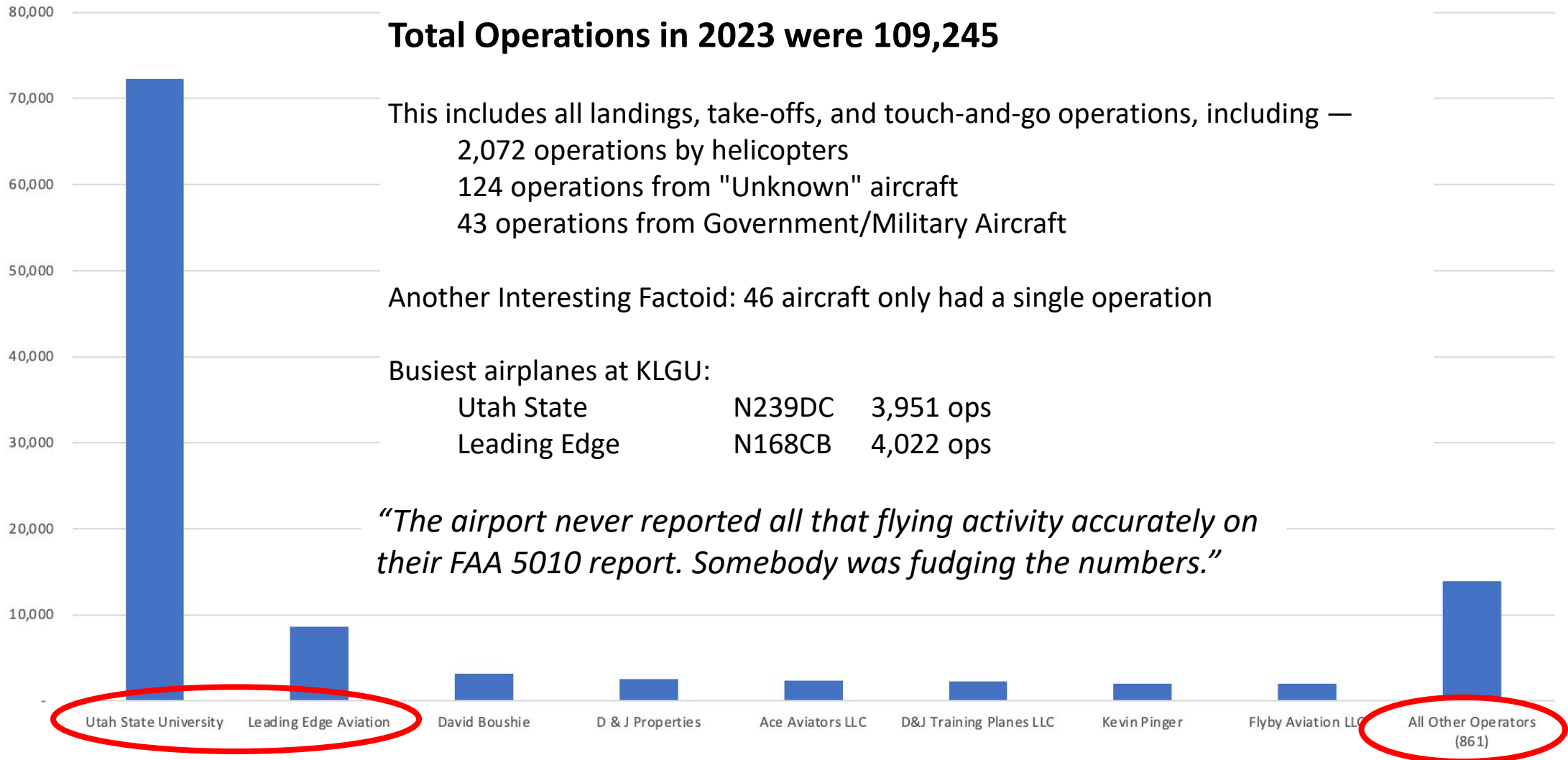
**This Section Documents the General Condition of the Airport  
and Finds Two Success but 19 Problematic Conditions**



# Pass: LGU Is an Amazingly Busy Airport



# Pass: LGU Is Amazingly Busy



# Pass: USU Is Awesome

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- ❖ The USU Aviation Program Is the Airport's Biggest Single Customer
  - 70,000 Operations/Year
  - Probably One of the Top Ten Flight Schools in the Entire Nation
  - Creating Hundreds of Jobs: Instructors, Admin, Aircraft Maintenance, Logistics
- ❖ It Is A Great Asset, and Should Be Protected and Cultivated
- ❖ This School Is a Great Example of Why Any Community Has an Airport





# But USU Has Few Friends

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- ❖ *“The USU flight school is pretty good. I see the business they bring to this community, it’s important.”*
- ❖ *“One time we needed to use Runway 35 and I had to wait 30 minutes to find a break between the students to get into the air.”*
- ❖ *“They have to put a noose around USU. It costs the airport a fortune [to keep Part 139 status] and the University puts nothing into it.”*
- ❖ *“[When] a student [pilot] does a stop-and-go it screws up the whole process. It’s super-frustrating.”*
- ❖ *“The airport is two or three times [over] its maximum safe capacity. The FAA would be shocked and amazed at the congestion.”*
- ❖ *“Every time you go up, you take your life in your hands. Amazing we haven’t had an accident yet.”*
- ❖ *“Twin Falls doesn’t have nearly the traffic as LGU but they have a control tower. Safety is a worry.”*
- ❖ *“The traffic at LGU is insane. LGU has five times the traffic of Pocatello, and Pocatello has a tower.”*
- ❖ ***“It’s a mid-air collision just waiting to happen.”***



A photograph of a bright blue sky filled with soft, white, fluffy clouds. The clouds are scattered across the frame, with some appearing more prominent than others. The overall tone is light and airy.

Now the Bad News...

# Fail #1: The Airport Has No Goals or Direction

- ❖ The Authority Has Not Defined Goals Which Shape Decisions, Priorities, Investments
  - No Awareness of Serving Customers
- ❖ Goals Should Be Strategic and Visionary
  - Independently Measured
  - Quantitative and Precise
  - Unable to Be "Gamed"
- ❖ The Best Goals Should Answer the Question, "Why Do We Need an Airport?"
- ❖ The Most Useful Goal for LGU Is ***"Total Economic Impact"***



A ship without a rudder isn't going anywhere.

# Fail #2: LGU Trails Peers in Economic Impact

Airport ID	City	Total Jobs	Total Economic Impact
SLC	SALT LAKE CITY	124,407	\$11,484,143,000
OGD	OGDEN	2,626	\$328,102,000
PVU	PROVO	2,326	\$248,554,000
SGU	ST GEORGE	1,936	\$177,779,000
U42	SALT LAKE CITY	1,216	\$132,773,000
CDC	CEDAR CITY	990	\$112,665,000
CNY	MOAB	488	\$49,937,000
ENV	WENDOVER	353	\$31,743,000
VEL	VERNAL	208	\$26,839,000
LGU	LOGAN	194	\$17,717,000
HCR	HEBER	179	\$16,796,000
SPK	SPANISH FORK	151	\$16,085,000
BDG	BLANDING	81	\$11,103,000
TVY	TOOELE	132	\$9,742,000
KNB	KANAB	59	\$9,042,000

- ❖ The State of Utah Publishes Economic Impact Studies
  - ✓ Unbiased, with Strong Data Procedures, Excellent Analytical Model, by Outside Vendor
- ❖ At \$17.7 Million, LGU Does Poorly Compared to “Peer” Airports,
- ❖ LGU Has Been Hamstrung By the “Don’t Spend” Rule, Even When the Spending Creates Jobs and Prosperity

(Much more on this topic later!)

# Fail #3: LGU Has No Room to Grow

- ❖ LGU Airport Covers 734 Acres But, Like Most Airports, Was Built on the Worst Land
- ❖ Only About 40 Acres Are Available, and That Is Mostly Built-Out Already (Yellow)
- ❖ Being Land-locked Limits the Airport's Ability to Expand, to Build New Hangars, or to Welcome New Businesses
- ❖ One Option: Use the Old, Abandoned Runway (Red) But There's No Access to It



# Fail #4: LGU Suffers from Under-Investment

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- ❖ Good News: LGU Has Two Flight Schools, Six Corporate Flight Depts., and the Opportunity for More
- ❖ This Airport Consistently Says “No” to It’s Customers
  - It Lacks a Program to Support & Cultivate the Businesses Here Today
  - Airport Should Formally Liaison with County & City Economic Development
  - With a Little Foresight, LGU Also Could Support Businesses in Box Elder County, Rich County, Franklin County, ID and Even Preston
- ❖ It Also Lacks a Strategy to Attract New Businesses to the Airport
  - Infrastructure Needed: Roads, Taxiway Access, Water, Sewer, Gas, Electricity
  - The Airport Needs People Authorized to Make Deals, Change the ALP, Contract Terms, Capabilities, Timelines

# Comments Regarding Under-Investment

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- ❖ *“What we really need is more businesses at the airport, more business development, creating activity and making new jobs.”*
- ❖ *“There was community push-back about making changes at the airport for the airlines.”*
- ❖ *“There has long been an interest in having businesses on or close to the airport. But there hasn’t been any emphasis on an industrial center.”*
- ❖ *“EP Systems wanted to be on the airport, but they ‘couldn’t find space’ for them.”*
- ❖ *“One guy wanted to bring a freight business here and build 100,000 sq ft hangar. But the Board wouldn’t put in a sewer line.”*

# Fail #5: Snow Control Is a Part 139 Safety Issue

- ❖ Cache County Gets 55+ Inches of Snow Annually
  - Snow Removal Provided by Cache County Under Contract
- ❖ In 2006, FAA Raised Standards for Snow Control But LGU Didn't Change Their Methods
- ❖ Most Pressing Needs:
  - A Snow Broom, Which Cleans Runways Better than a Plow
  - A Reliable, *Functional* Snow Blower
  - An Equipment Storage Facility



The current snow control equipment is decrepit and unreliable. It is stored outside, year-round



# Comments on Snow Control

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- ❖ *“The biggest hurdle is the out-dated snow equipment. The County people waste an hour just trying to get the machinery to work.”*
- ❖ *“Snow removal equipment is an issue, old and tired and not up to the job... Last year was a complete disaster.”*
- ❖ *“[They must fix] snow removal procedures; if they [airport manager] closes the airport for snow removal we may be stuck at a distant airport, waiting to get in.”*
- ❖ *“During pre-flight planning [for a flight home], the braking report said LGU was ‘3-3-3’ ...Turns out, the braking report was twelve hours old. The runway braking condition was NIL... **It took 6,000 feet to stop the plane.**”*
- ❖ *“I flew 25 days last year when I couldn’t see the taxi lights. **The airport should have been shut down for snow.**”*
- ❖ *“Last year, there were many times when **there wasn’t enough wingtip clearance to taxi past the snowbanks. That’s just wrong.**”*

# New Systems Protect Part 139 Status

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A modern Snow Broom Cleans Runways, Avoids Leaving a Thin Layer of Ice on the Pavement



A Snow Eater Allows the Operator to Throw the Snow without Covering Landing Lights and Signs

# Fail #6: The Bad Deal on Fuel

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- ❖ In 2017, the Airport Signed a 30-Year Deal with Leading Edge
  - ✓ The Goal Was to Avoid the Expense of Operating the FBO
- ❖ This Was (and Remains) a Bad Deal for the Airport
  - ✓ No Performance Standards or Customer Satisfaction Requirements
  - ✓ No Requirement to Act as an Agent for the Airport (Collecting Landing Fees)
  - ✓ No Countervailing Investment Requirements (Terminal Upgrades)
  - ✓ No Requirement to Keep Fuel Affordable (LGU Fuel Is More Expensive than Many Peers)
- ❖ Fuel-Flowage Fee: A 6¢ per Gallon (Raised to 8¢ in 2022)
  - ✓ Peer Airports Are Charging 50% Higher Rates (12¢ Per Gallon)
  - ✓ Currently: 450,000 Gallons/Year; L-E Revenue Approximately \$3 million
  - ✓ Airport Receives \$36,000 in Fuel Sales (~1% of L-E Fuel Revenues)
- ❖ This Decision Starves the Airport of Urgently Needed Income

# Fail #7: The Bad Deals with Hangar Rents

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❖ Under “*Don’t Spend*” LGU Allowed Customers to Build 90+ Hangars

❖ Problems:

- The 2024 Price Is Only 22¢ Per SqFt; Peer Airports Charge Up to 42¢
- Rent Is Only Charged on the Area Covered by the Building Itself
- Airport Still Is Burdened with Building Taxi Lanes to the Hangars
- Extremely Limited Ability to Raise Rents
- In Some Cases, Extremely Long Leases
- No “Right of Reversion” In Hangar Leases

(This Policy Was Made to Avoid the Airport Having to Pay the Taxes on the Ground Leases; the “No Spending” Rule Bites Again!)

# Fail #8: Ground Facilities Have Been Ignored

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- ❖ The Airport Lacks a Safe and Professional Entrance from the Highway
- ❖ The Airport Entrance and the Signage into the Airport Is Poor
  - ✓ The Road Geometry Is Inappropriate; Rush-Hour Exits from the Airport Are Unsafe
  - ✓ *“The airport entrance, off the highway, is unsafe. The turnoff from the highway is poorly marked, the sign is too small, covered by snow, and no lighting. The intersection needs a traffic light.”*
  - ✓ *“The exit from the airport ought to have a stoplight, for safety.”*
- ❖ There Is Insufficient Parking for Visitors, Students and Pilots
  - ✓ *“There was a plan to pave a bus turnaround area, but the airport wouldn’t pay for it.”*
- ❖ There Are No Directional Signs or Maps; No Restaurant; No Public Amenities of Any Sort; Everything Is Behind Barbed Wire

# Fail #9: The FBO Is Not Up to Par

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- The Airport's FBO Is the "Front Door" to Cache Valley
- But the FBO Has None of the Features Expected by Today's Corporate Visitors
  - ✓ No Comfortable Pax Waiting Room
  - ✓ No Conference Facilities
  - ✓ No Kitchen, No Hospitality Services
  - ✓ No Pilot Lounge
  - ✓ Old Furniture, Low Ceilings, Unappealing Décor
  - ✓ Inadequate Lavatories
- No Customer Satisfaction Metrics
- This Contract Goes Until 2047

# Specific Comments on the FBO

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- ❖ *“The airport needs a vastly improved FBO facility, a modern customer lounge, a pilot lounge, a hangar to overnight a medium-sized jet or a Pilatus.”*
- ❖ *“The LGU terminal is very small and very drab... [Scott Weaver] said the airport won’t let him improve his terminal or his hangar.”*
- ❖ *“A larger, better terminal and hospitality would be a big plus.”*
- ❖ *“The FBO building is dated, it’s like walking back into the 1960s.”*
- ❖ *“The FBO ramp is a mess... It gets jammed when new planes arrive... Plus, the FBO just puts their trucks wherever they want. The fire truck is often blocked... There’s no oversight at all. It’s like the wild west out there.”*
- ❖ *“There are no rental cars or ground transportation available at the airport, so even if somebody did come on a charter flight, they’d be stuck.”*

# This Is the Public Face of Your Airport

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This “Terminal”  
Is One Reason  
There Is No  
Commercial  
Service at LGU





# Other Airports Do Far Better

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# Fail #10: USU and Part 139 ARFF\* Requirements

- ❖ The Only Reason LGU Has Part 139 Status Is for USU Football
- ❖ Part 139 ARFF Services Are Tightly Regulated & Expensive
- ❖ The Logan F.D. Staffs the ARFF *Stryker* Fire Engine
- ❖ Purchased in 2012, Must be Replaced in Three Years
  - Has 20 Miles on the Odometer
  - Tires Are Out-of-Date, \$8,000
- ❖ Too Large, Too Heavy, Too Slow to Be Used Off-Airport



\*ARFF = Airport Rescue and Fire Fighting

# An ARFF Failure Is Catastrophic

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- *“ARFF is expensive. The silver ‘proximity gear’ needs to be replaced every five years, at about \$3K per person. Bunker gear, air systems and ‘turnout’ gear needs to be refreshed regularly.”*
- *“The ‘primary engine’ must be no older than 15 years.”*
- *“The ‘reserve engine’ must not be more than 30 years old.”*
- *“A new truck will cost \$1 million and need \$50K in consumables. It’s very hard to keep a machine more than 15 years because the systems on the truck will not be up to modern standards and the manufacturers won’t keep spare parts available.”*
- *“ARFF training is complex. Firefighters need training in eleven areas for ARFF responses (A/C 150-5210-7-c) which costs roughly \$1,000 per person per year and is only available at Helena, Montana or Casper, WY.”*

All of the above sourced from Rick Schorder,  
Part 139 Standards Expert with the FAA in Seattle

# Fail #11: Airport Security

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- ❖ The Owners of Valuable Aircraft Expect Modern, Efficient Security
- ❖ Driver Training Is Mandatory for Everyone Driving on the Field (a Part 139 Requirement) But Has Neither Been Offered Nor Enforced
  - ✓ Multiple Vehicles Drive Through Gates After They Are Opened
- ❖ Changes Needed:
  - ✓ High-Resolution Security Cameras with Weeks of Storage
  - ✓ Key Fobs Instead of Key-Pads (Key Pads Are Easy to Cheat, Hard to Update)
  - ✓ A Complete and Enforced Driver Training Program
    - *“The other day, I just stood at the gate and told drivers ‘my code wasn’t working’ and everybody let me in. That’s a HUGE violation.”*
    - *“Driver training doesn’t exist. There are untrained drivers crossing the field. I’ve seen some crazy stuff.”*

# Fail #12: Self-Storage in Airplane Hangars

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- ❖ There Have Been Few, If Any, Hangar Inspections in the Past Years
- ❖ Numerous Stories of Mis-Use of Hangars with Non-Aeronautical Equipment, Cars, or Non-Flight-worthy Airplanes
- ❖ This Deprives the Airport of Funds (Fuel Sales) and Purpose
- ❖ Mis-Use of Aeronautical Property Violates FAA Grant Assurances

*“The airport needs more hangars. There are lots of old ones, full of snowmobiles and old cars.”*

*“[I] know of at least one large hangar with 13 cars in it. A lot of people use the airport [hangars] as cheap self-storage.”*

*“They need to start doing hangar inspections and enforcing the [FAA grant assurance] rules. There are hangars not being used for aeronautical purposes, which hurts everybody.”*

# Fail #13-18: Other Crucial Safety Issues

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- ❖ Fueling *“Part 139 requires automated valves and shutoffs for fueling, but LGU fueling system is not up to part 139 standards, and there’s not enough electricity.”*
- ❖ Lighting *“Yesterday was foggy at LGU and we couldn’t land, had to divert to Bingham and wait it out. This was due to the Pilot Controlled Landing Lights not coming on during the day. Without those lights we couldn’t see the runway area and we had to divert. Management has no clue what we need.”*
- ❖ Communications *“The radios and safety systems are inadequate; 122.8 is too crowded with [radio] traffic from Preston and eight other airports; it’s a safety issue.”*  
*“There’s no radio contact with [air traffic control] below 700 feet AGL.”*
- ❖ ADSB Repeater *“ADSB would allow the aircraft to see all the traffic in the area; right now radar coverage ends about 700 feet above the ground.”*
- ❖ Flight Service *“LGU needs an RCO outlet to activate IFR flight plans, today pilots use their cell phones.”*
- ❖ AWOS System *“There have been many days when the weather system (AWOS) was down or reporting inaccurate numbers. Net-net, we’re flying in unsafe conditions a large part of the year.”*

# Fail #19: Your New Master Plan Won't Help

- ❖ Your Airport Consultant, Armstrong (Now Lochner), Is Developing a New Master Plan for \$350,000+ +
  - Using the Same Footprint, the Same Strategy, the Same Lack of Goals or Vision
  - Constrained by the Same *No Spending Rule*
- ❖ Without New Goals, the New Master Plan Will Look Just Like the Old Master Plan; No New Ideas
- ❖ *Its Time to Hit the "Pause" Button*

**LOGAN-CACHE AIRPORT**  
Airport Master Plan Update  
Future Use Survey

The Logan-Cache Airport, through a grant from the Federal Aviation Administration (FAA), is conducting a Master Plan Update (MPU). A critical component of this effort is to identify the existing and future needs and demands for the Airport. As a current or potential airport user, you can provide helpful information concerning the current use and needs of the airport, as well as to help identify what future improvements may be warranted.

Your participation will be important in shaping the future of the Logan-Cache Airport. **Please return this survey by Monday, October 27, if you would like your comments included in the study.**

JLL ENGINEERS, Inc.

Points of Contact:  
Gruen Shuler – (801) 888-8052 or (801) 418-7811  
Andy Hill – (801) 888-8052 or (801) 418-8664

**RESPONDENT INFORMATION**

The combined results of this survey will be reported in the study without identifying individual respondents. However, entering the information below will allow us to contact you individually if questions arise about any of the above responses or if additional information is needed.

Company Name: \_\_\_\_\_  
Respondent's Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

# Root Cause Analysis

**This Section Pinpoints the Primary Cause  
of the Failures Noted Above**





# Root Cause: Weak Governance

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- ❖ ***The Airport Has Relinquished Most Revenue but Retained All the Costs***
- ❖ The Airport Authority Itself Is THE Problem
  - Members Have Insufficient Aeronautical Expertise
  - The Authority Is Passive, and Ineffective
  - The Airport Is Not Managed Like a Business, Using Modern and Proper For-Profit Business Tools
  - The Airport Receives Little Support from City or County, Which Simply Do Not Want Spending
  - The Logan Subsidy Taxes Logan Residents Twice
- ❖ Bifurcated Ownership Induces Conflicting Priorities



*Sec. of Def. Donald Rumsfeld in 1991*

# Customers Want a Business-Like Operation

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- ❖ *“It would be great if they would make this airport a welcoming place for flying, but it’s not.”*
- ❖ *“They should start running it like a business.”*
- ❖ *“The Airport Authority has no power, it’s useless.”*
- ❖ *“John Kerr is wonderful, but they need somebody new, somebody business-oriented, who can solve the fight between the City and County.”*
- ❖ *“Nobody knows how to contact management at LGU, nobody knows how to reach John Kerr. There’s no process, no office, no clear steps to take to get anything done.”*
- ❖ *“The airport needs a PROFESSIONAL airport manager, not a greenskeeper. Somebody who knows the industry and knows how to get grants.”*
- ❖ *“We’ve run into more obstacles at this airport than any other.”*
- ❖ *“The airport seems to have no idea of what corporate customers and flight depts. really need.”*
- ❖ *“[Customers are] looking for an airport that is run like a business, and Cache County isn’t there.”*



# In Short: You're Out of Money and Out of Time

## *The Airport Is Not Being Run In a Sustainable, Business-Like Manner*

- There's No Money; the Infrastructure Is Inadequate and Crumbling
- There's No Emphasis on Satisfying the Needs of Your Customers
- The FBO Is Completely Inadequate and Unsuitable
- The Economic Contribution of the Airport to the Community Is Insignificant
- The New Master Plan Is Ill-Conceived and Mostly Wasted
- The Airport Is Inches Away from Losing Its Part 139 Status
- Aeronautical Safety Is a Very Real Concern

# Near-Term Recommendations

**This Section Will Introduce Fourteen Specific Recommendations  
in Three Groups: Governance, Revenue, and then Community Service**



# Rx #1-3: Fix the Split Ownership Problem

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- ❖ Fix #1: Reconstitute the Authority Membership
  - ✓ Eliminate Political and Geographic Representation, Add People with Expertise in Specialty Fields
  - ✓ Term Limits Are Uncomfortable But Essential (No More than Ten Years)
  - ✓ **All Meetings MUST Be Held at the Airport, Starting Immediately**
- ❖ Fix #2: Consolidate Ownership to One Entity (Either City or County)
  - ✓ The Departing Entity Avoids All Future Subsidies AND Capital Investments
  - ✓ The Departing Entity Vacates All Their Assigned Seats on the Authority
- ❖ Fix #3: Convert Airport into an Autonomous, Quasi-Public Business
  - ✓ The Airport Authority Serves as the Board of Directors of that Corporation
  - ✓ New, Expert and Engaged Members Are Appointed to the Authority
  - ✓ Modern, For-Profit Management and Accounting Practices Deployed (“QuickBooks”)
- ❖ *Fact: Autonomous Airports Generate 20 Times More Economic Impact!!!*

# Put the Right People on the Airport Authority

## ❖ Members Selected for Expertise —

- Marketing and Business
- Economic Development\*
- Financial Management
- Civil Engineering
- Knowledge of Aeronautics
- Aviation Law

## ❖ Do Not Use:

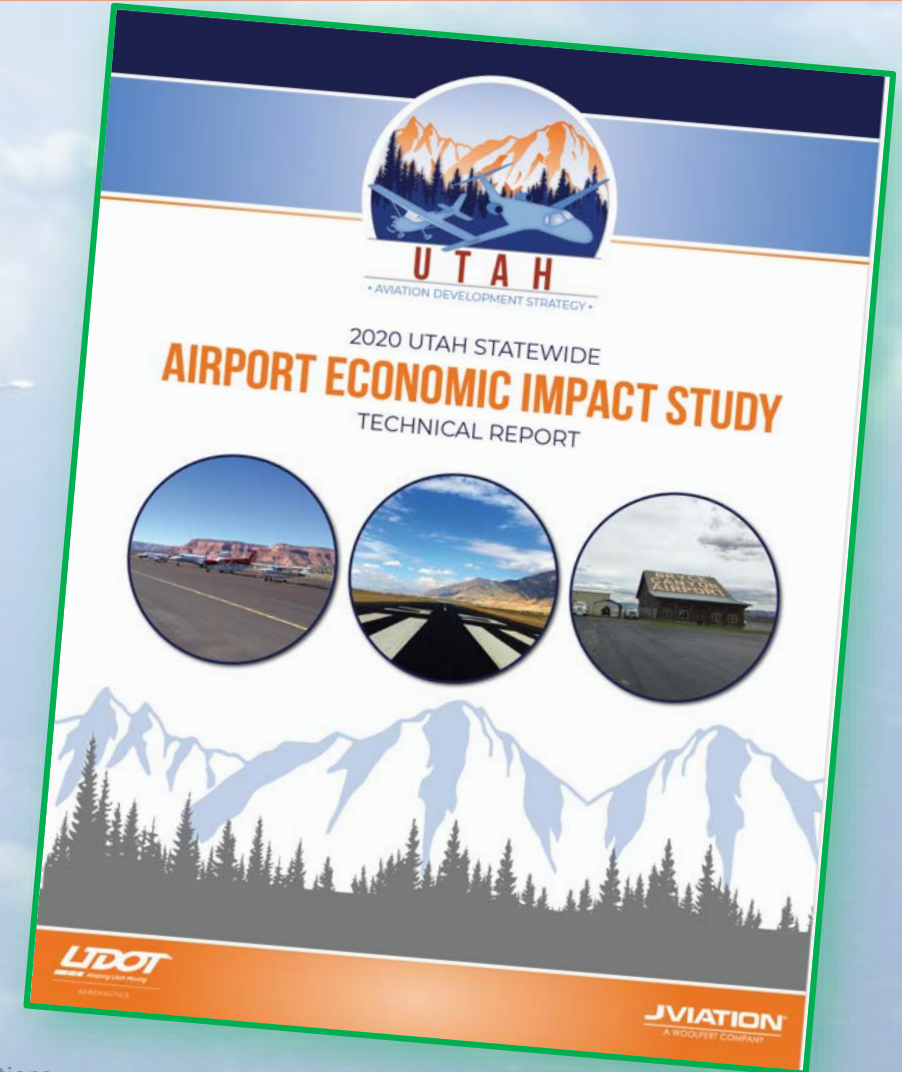
- Politicians
- Geographic Representation
- More than 50% Airport Customers
- More than Ten Years Continuous Service



\* Could be the local Eco. Development Officer

# Rx #4: Set “*Total Economic Impact*” as THE Goal

- ❖ Total Eco-Impact Is Measured by Utah Every 5 +/- Years
  - Eco-Impact Is Independent and Can’t Be “Gamed”
  - It Is Much More Stable than Profits or Operations
  - It Is Community-Focused
- ❖ This Focus Will Create Hundreds of Jobs and Millions in New Wages
- ❖ Suggestion: Set \$30 Million as the Near-Term Objective



# A Ten-Year Goal for Economic Impact

Airport ID	City	Total Jobs	Total Economic Impact	Community Imperv. Area	Economic Intensity (\$/SqMi of Imperv Surf)	Governance Score	Longest Runway	Land Area (Acres)	Based Multi Engine Aircraft	Local Ops	Visitor Ops	Total Ops
SLC	SALT LAKE CITY	124,407	\$11,484,143,000	539	\$132,587,588	8	12,002	7700	69	47,711	4,485	344,683
OGD	OGDEN	2,626	\$328,102,000	253	\$97,267,095	5	8,107	720	25	42,457	66,795	113,663
SGU	ST GEORGE	1,936	\$177,779,000	93	\$59,624,182	4	9,300	1204	20	60,000	9,125	80,105
CDC	CEDAR CITY	990	\$112,665,000	82	\$17,811,992	2	8,652	1040	3	97,214	24,506	123,550
VEL	VERNAL	208	\$26,839,000	82	\$13,671,568	3	7,000	393	1	4,000	2,500	8,600
LGU	LOGAN	194	\$17,717,000	131	\$40,337,033	2	9,010	739	16	105,390	3,880	110,568
SPK	SPANISH FORK	151	\$16,085,000	259	\$100,085,286	6	6,500	345	13	15,412	11,752	27,264
Average of Peers			\$132,294,000	154	\$57,692,025	4	7,912	740	12	43,817	22,936	70,636
Advantage of Peers Compared to LGU			62.2%	117%	<b>143%</b>	<b>200%</b>	88%	100%	<b>78%</b>	42%	591%	<b>64%</b>
<b>Revised Logan Eco Impact</b>			<b>\$82,286,868</b>									
Correlations with Total Economic Impact:				0.44	0.53	0.73	0.45	0.99	0.70	0.20	0.89	0.60

- ❖ After Statistical Adjustments for the Differences Between the Cities and Facilities, LGU Should Have a Total Eco-Impact of \$82 Million
- ❖ Near-Term, a Goal of \$30 Million Would Be Reasonable



# Rx #5: You Need a Control Tower

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- ❖ The Airport Logs 109,000 Ops/Year
  - One of the Busiest G.A. Airport in Utah
  - By Far, One of the Busiest Airports in the West Without a Control Tower
- ❖ “Contract Towers” Are Available
  - Take 3-6 Years to Implement
  - “Seasonal Tower” a Good Option, Faster to Implement, and Less Expensive
- ❖ Operating Costs: \$1 Million Annually
- ❖ Construction Costs: About \$15 Million



# Rx #5: You Need a Control Tower

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  - Take 3-6 Years to Implement
  - “Seasonal Tower” a Good Option, Faster to Implement, and Less Expensive
- ❖ Operating Costs: \$1 Million Annually
- ❖ **Construction Costs: Maybe Zero?**



# Rx #6: Revenues — Landing Fees for All Aircraft

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- ❖ Landing Fees Are Loathed by All, Paid by Few
  - ✓ Unevenly Enforced; Often Used by FBOs to Encourage Fuel Sales
- ❖ Recommended Program: Almost All Aircraft Will Pay Fees
  - ✓ Fees Can Be Based on Operations and Weight
  - ✓ Recommendation: \$1.50 per Thousand Pounds Max Gross Weight (rounded up), per Operation
  - ✓ Based on VirTower Data, Managed by Vector
  - ✓ Exemptions: Young Eagle Flights, Medical Flights, Charity Flights
- ❖ Neighbors Using Similar Plans: St. George, Provo, Ogden, Bountiful, Canyonlands; Cedar City Is Considering
- ❖ Ballpark Revenue Estimate: \$360,000 per annum

# One Example: An "Escalating" Landing Fee

Aircraft Category	# of Landings (Inclg. T&G)	Est. Landing Fee	Total Revenue*
A1 - Small Single Engine or Very Light Twin (~3,000 lbs.)	57,634	\$ 2.50	\$ 144,085
A2 - Heavy Single Piston or Single Turbine (~5,000 lbs.)	374	\$ 6.75	\$ 2,525
B1 - Light Twin (~7,000 lbs.)	111	\$ 14.00	\$ 1,554
B2 - Medium Twin (~10,000 lbs.)	231	\$ 36.00	\$ 8,316
B3 - Heavy Twin (~16,000 lbs.)	16	\$ 60.00	\$ 960
C1 - Light Jet (~10,000 lbs.)	9	\$ 120.00	\$ 1,080
C2 - Medium Jet (~30,000 lbs.)	98	\$ 240.00	\$ 23,520
C3 - Heavy Jet (>50,000 lbs.)	17	\$ 480.00	\$ 8,160
D1 - Military	18	\$ -	\$ -
Helicopter (~4000 lbs.)	499	\$ 5.25	\$ 2,620
UKN	185	n/a	n/a
<b>Grand Total</b>	<b>59,192</b>		<b>\$ 192,819</b>

## ➤ Rules:

- ✓ Rates Based on Max Gross Weight of the Aircraft
- ✓ Rates Climb Higher with Each ADG
- ✓ All Landings and T&G Ops Included

## ➤ Impact:

- ✓ Fees Imposed on Roughly 59,000 Operations (No Fee for Take-offs)

## ➤ Conclusion:

- ✓ Generates Substantial Boost in Revenues
- ✓ Big Jump in Fees for Heavier A/C
- ✓ Burden on USU and Leading Edge Substantially Reduced

# Rx #7: Revenues — Revamp Ground Leases

---

- ❖ The Right Terms Will Help Build a Busier, Healthier Airport
  - Rents Increased to Peer-Airport Rates, With Frequent and Reasonable Increases
  - Rents Should Include the *Entire* Rented Parcel, including Areas Between Hangars, Parking Ramps, Auto Parking Areas
  - All Hangars Should Revert to the Airport After 30 Years
  - Regular Hangar Inspections Should Ensure They Are Used for Aeronautical Purposes
  - If Hangar Is Derelict, the Owner Will Be Required to Return It to “Natural Condition”
  - Renters Should Pay the Property Taxes Not Only on the Hangar but the Entire Plot
  - Airport Should Share the Profits of Hangar Owners If Hangar Is Sold to New Owner
- ❖ The Airport Should Build 30+ Additional Owned-Hangars
- ❖ Ogden Has Faced Similar Situation But Seen Some Success
- ❖ Expected Impact: Additional \$400,000/Year by 2047

# Proper Leases Will Help LGU Survive

Year of Expiration	# of Leases	Baseline: Total, Current Annual Rent	Fcsd Rent at Market Rates	Addition Annual Revenue (\$)	Change (%)																											
						2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047			
Unk.	6	\$7,534	\$23,721	\$16,187	215%	\$23,721	\$24,432	\$25,165	\$25,920	\$26,698	\$27,499	\$28,324	\$29,173	\$30,049	\$30,950	\$31,879	\$32,835	\$33,820	\$34,835	\$35,880	\$36,956	\$38,065	\$39,207	\$40,383	\$41,594	\$42,842	\$44,128	\$45,451	\$46,815			
6/30/09	1	\$392	\$1,646	\$1,254	320%	\$1,646	\$1,696	\$1,747	\$1,799	\$1,853	\$1,909	\$1,966	\$2,025	\$2,086	\$2,148	\$2,213	\$2,279	\$2,347	\$2,418	\$2,490	\$2,565	\$2,642	\$2,721	\$2,803	\$2,887	\$2,974	\$3,063	\$3,155	\$3,249			
6/30/16	1	\$798	\$1,676	\$878	110%	\$1,676	\$1,726	\$1,778	\$1,831	\$1,886	\$1,943	\$2,001	\$2,061	\$2,123	\$2,187	\$2,252	\$2,320	\$2,389	\$2,461	\$2,535	\$2,611	\$2,689	\$2,770	\$2,853	\$2,939	\$3,027	\$3,117	\$3,211	\$3,307			
6/30/18	2	\$660	\$1,848	\$1,188	180%	\$1,848	\$1,903	\$1,961	\$2,019	\$2,080	\$2,142	\$2,207	\$2,273	\$2,341	\$2,411	\$2,484	\$2,558	\$2,635	\$2,714	\$2,795	\$2,879	\$2,965	\$3,054	\$3,146	\$3,240	\$3,338	\$3,438	\$3,541	\$3,647			
6/30/21	2	\$735	\$2,058	\$1,323	180%	\$2,058	\$2,120	\$2,183	\$2,249	\$2,316	\$2,386	\$2,457	\$2,531	\$2,607	\$2,685	\$2,766	\$2,849	\$2,934	\$3,022	\$3,113	\$3,206	\$3,302	\$3,402	\$3,504	\$3,609	\$3,717	\$3,828	\$3,943	\$4,062			
6/30/23	5	\$6,486	\$14,339	\$7,853	121%	\$14,339	\$14,769	\$15,212	\$15,668	\$16,138	\$16,623	\$17,121	\$17,635	\$18,164	\$18,709	\$19,270	\$19,848	\$20,444	\$21,057	\$21,689	\$22,339	\$23,010	\$23,700	\$24,411	\$25,143	\$25,897	\$26,674	\$27,475	\$28,299			
6/30/24	4	\$2,680	\$6,468	\$3,788	141%	\$6,468	\$6,468	\$6,662	\$6,862	\$7,068	\$7,280	\$7,498	\$7,723	\$7,955	\$8,193	\$8,439	\$8,692	\$8,953	\$9,222	\$9,498	\$9,783	\$10,077	\$10,379	\$10,691	\$11,011	\$11,342	\$11,682	\$12,032	\$12,393			
6/30/25	7	\$7,498	\$18,947	\$11,449	153%	\$7,498	\$20,101	\$20,704	\$21,325	\$21,965	\$22,624	\$23,302	\$24,002	\$24,722	\$25,463	\$26,227	\$27,014	\$27,824	\$28,659	\$29,519	\$30,404	\$31,317	\$32,256	\$33,224	\$34,220	\$35,247	\$36,304	\$37,394	\$38,515			
6/30/26	4	\$2,993	\$7,385	\$4,392	147%	\$2,993	\$3,053	\$8,070	\$8,231	\$8,478	\$8,733	\$8,995	\$9,265	\$9,543	\$9,829	\$10,124	\$10,427	\$10,740	\$11,062	\$11,394	\$11,736	\$12,088	\$12,451	\$12,824	\$13,209	\$13,605	\$14,014	\$14,434	\$14,867			
6/30/27	9	\$5,227	\$11,686	\$6,459	124%	\$5,227	\$5,332	\$5,438	\$13,153	\$13,547	\$13,954	\$14,372	\$14,804	\$15,248	\$15,705	\$16,176	\$16,662	\$17,161	\$17,676	\$18,207	\$18,753	\$19,315	\$19,895	\$20,492	\$21,106	\$21,740	\$22,392	\$23,063	\$23,755			
6/30/28	9	\$20,629	\$41,692	\$21,063	102%	\$20,629	\$21,041	\$21,462	\$21,892	\$48,332	\$49,782	\$51,276	\$52,814	\$54,398	\$56,030	\$57,711	\$59,442	\$61,226	\$63,062	\$64,954	\$66,903	\$68,910	\$70,977	\$73,107	\$75,300	\$77,559	\$79,886	\$82,282	\$84,751			
6/30/29	7	\$6,935	\$11,359	\$4,424	64%	\$6,935	\$7,074	\$7,215	\$7,359	\$7,507	\$13,564	\$13,971	\$14,390	\$14,821	\$15,266	\$15,724	\$16,196	\$16,682	\$17,182	\$17,697	\$18,228	\$18,775	\$19,338	\$19,919	\$20,516	\$21,132	\$21,766	\$22,419	\$23,091			
6/30/30	13	\$6,478	\$12,760	\$6,282	97%	\$6,478	\$6,607	\$6,739	\$6,874	\$7,011	\$7,152	\$15,693	\$16,163	\$16,648	\$17,148	\$17,662	\$18,192	\$18,738	\$19,300	\$19,879	\$20,475	\$21,090	\$21,722	\$22,374	\$23,045	\$23,737	\$24,449	\$25,182	\$25,938			
6/30/31	6	\$3,958	\$7,434	\$3,476	88%	\$3,958	\$4,037	\$4,118	\$4,200	\$4,284	\$4,370	\$4,457	\$7,434	\$7,657	\$7,887	\$8,123	\$8,367	\$8,618	\$8,877	\$9,143	\$9,417	\$9,700	\$9,991	\$10,290	\$10,599	\$10,917	\$11,245	\$11,582	\$11,929			
6/30/32	15	\$5,965	\$47,972	\$42,008	704%	\$5,965	\$6,084	\$6,206	\$6,330	\$6,457	\$6,586	\$6,717	\$6,852	\$47,972	\$49,412	\$50,894	\$52,421	\$53,993	\$55,613	\$57,282	\$59,000	\$60,770	\$62,593	\$64,471	\$66,405	\$68,397	\$70,449	\$72,563	\$74,739			
6/30/39	1	\$508	\$1,050	\$543	107%	\$508	\$518	\$528	\$539	\$549	\$560	\$572	\$583	\$595	\$607	\$619	\$631	\$644	\$657	\$670	\$1,685	\$1,735	\$1,788	\$1,841	\$1,896	\$1,953	\$2,012	\$2,072	\$2,134			
6/30/41	2	\$4,642	\$9,240	\$4,598	99%	\$4,642	\$4,735	\$4,830	\$4,926	\$5,025	\$5,125	\$5,228	\$5,332	\$5,439	\$5,548	\$5,659	\$5,772	\$5,887	\$6,005	\$6,125	\$6,248	\$6,372	\$15,730	\$16,202	\$16,688	\$17,189	\$17,705	\$18,236	\$18,783			
6/30/43	2	\$5,532	\$8,106	\$2,574	47%	\$5,532	\$5,643	\$5,756	\$5,871	\$5,988	\$6,108	\$6,230	\$6,355	\$6,482	\$6,611	\$6,744	\$6,879	\$7,016	\$7,156	\$7,300	\$7,446	\$7,595	\$7,746	\$7,901	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478			
6/30/47	3	\$7,767	\$16,024	\$8,257	106%	\$7,767	\$7,923	\$8,081	\$8,243	\$8,408	\$8,576	\$8,747	\$8,922	\$9,101	\$9,283	\$9,468	\$9,658	\$9,851	\$10,048	\$10,249	\$10,454	\$10,663	\$10,876	\$11,094	\$11,315	\$11,542	\$11,773	\$12,008	\$32,573			
<b>Grand Total</b>	<b>99</b>	<b>\$97,417</b>	<b>\$245,411</b>	<b>\$147,994</b>	<b>152%</b>	<b>\$129,888</b>	<b>\$145,261</b>	<b>\$153,855</b>	<b>\$165,292</b>	<b>\$195,591</b>	<b>\$206,913</b>	<b>\$221,134</b>	<b>\$230,336</b>	<b>\$277,949</b>	<b>\$286,071</b>	<b>\$294,433</b>	<b>\$303,041</b>	<b>\$311,903</b>	<b>\$321,026</b>	<b>\$330,418</b>	<b>\$341,089</b>	<b>\$351,080</b>	<b>\$370,597</b>	<b>\$381,529</b>	<b>\$399,366</b>	<b>\$411,233</b>	<b>\$423,455</b>	<b>\$436,041</b>	<b>\$469,327</b>			
Incremental Revenue Over Baseline				\$147,994		\$32,471	\$47,845	\$56,438	\$67,875	\$98,174	\$109,496	\$123,717	\$132,919	\$180,532	\$188,655	\$197,016	\$205,624	\$214,486	\$223,609	\$233,001	\$243,672	\$253,664	\$273,180	\$284,112	\$301,949	\$313,817	\$326,038	\$338,624	\$371,910			

# Proper Hangar Rents Will Help LGU Survive

Year of Expiration	# of Leases	Baseline: Total, Current Annual Rent, Fcstd Rent at Market Rates, Addition Annual Revenue (\$), Change (%)				2024-2047																										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047							
Unk.	6	\$7,534	\$23,721	\$16,187	215%	\$23,721	\$24,432	\$25,165	\$25,920	\$26,698	\$27,499	\$28,324	\$29,173	\$30,049	\$30,950	\$31,879	\$32,835	\$33,820	\$34,835	\$35,880	\$36,956	\$38,065	\$39,207	\$40,383	\$41,594	\$42,842	\$44,128	\$45,451	\$46,815			
6/30/09	1	\$392	\$1,646	\$1,254	320%	\$1,646	\$1,696	\$1,747	\$1,799	\$1,853	\$1,909	\$1,966	\$2,025	\$2,086	\$2,148	\$2,213	\$2,279	\$2,347	\$2,418	\$2,490	\$2,565	\$2,642	\$2,721	\$2,803	\$2,887	\$2,974	\$3,063	\$3,155	\$3,249			
6/30/16	1	\$798	\$1,676	\$878	110%	\$1,676	\$1,726	\$1,778	\$1,831	\$1,886	\$1,943	\$2,001	\$2,061	\$2,123	\$2,187	\$2,252	\$2,320	\$2,389	\$2,461	\$2,535	\$2,611	\$2,689	\$2,770	\$2,853	\$2,939	\$3,027	\$3,117	\$3,211	\$3,307			
6/30/18	2	\$660	\$1,848	\$1,188	180%	\$1,848	\$1,903	\$1,961	\$2,019	\$2,080	\$2,142	\$2,207	\$2,273	\$2,341	\$2,411	\$2,484	\$2,558	\$2,635	\$2,714	\$2,795	\$2,879	\$2,965	\$3,054	\$3,146	\$3,240	\$3,338	\$3,438	\$3,541	\$3,647			
6/30/21	2	\$735	\$2,058	\$1,323	180%	\$2,058	\$2,120	\$2,183	\$2,249	\$2,316	\$2,386	\$2,457	\$2,531	\$2,607	\$2,685	\$2,766	\$2,849	\$2,934	\$3,022	\$3,113	\$3,206	\$3,302	\$3,402	\$3,504	\$3,609	\$3,717	\$3,828	\$3,943	\$4,062			
6/30/23	5	\$6,486	\$14,339	\$7,853	121%	\$14,339	\$14,769	\$15,212	\$15,668	\$16,138	\$16,623	\$17,121	\$17,635	\$18,164	\$18,709	\$19,270	\$19,848	\$20,444	\$21,057	\$21,689	\$22,339	\$23,010	\$23,700	\$24,411	\$25,143	\$25,897	\$26,674	\$27,475	\$28,299			
6/30/24	4	\$2,680	\$6,468	\$3,788	141%	\$6,468	\$6,468	\$6,662	\$6,862	\$7,068	\$7,280	\$7,498	\$7,723	\$7,955	\$8,193	\$8,439	\$8,692	\$8,953	\$9,222	\$9,498	\$9,783	\$10,077	\$10,379	\$10,691	\$11,011	\$11,342	\$11,682	\$12,032	\$12,393			
6/30/25	7	\$7,498	\$18,947	\$11,449	153%	\$7,498	\$20,101	\$20,704	\$21,325	\$21,965	\$22,624	\$23,302	\$24,002	\$24,722	\$25,463	\$26,227	\$27,014	\$27,824	\$28,659	\$29,519	\$30,404	\$31,317	\$32,256	\$33,224	\$34,220	\$35,247	\$36,304	\$37,394	\$38,515			
6/30/26	4	\$2,993	\$7,385	\$4,392	147%	\$2,993	\$3,053	\$8,070	\$8,231	\$8,478	\$8,733	\$8,995	\$9,265	\$9,543	\$9,829	\$10,124	\$10,427	\$10,740	\$11,062	\$11,394	\$11,736	\$12,088	\$12,451	\$12,824	\$13,209	\$13,605	\$14,014	\$14,434	\$14,867			
6/30/27	9	\$5,227	\$11,686	\$6,459	124%	\$5,227	\$5,332	\$5,438	\$13,153	\$13,547	\$13,954	\$14,372	\$14,804	\$15,248	\$15,705	\$16,176	\$16,662	\$17,161	\$17,676	\$18,207	\$18,753	\$19,315	\$19,895	\$20,492	\$21,106	\$21,740	\$22,392	\$23,063	\$23,755			
6/30/28	9	\$20,629	\$41,692	\$21,063	102%	\$20,629	\$21,041	\$21,462	\$21,892	\$48,332	\$49,782	\$51,276	\$52,814	\$54,398	\$56,030	\$57,711	\$59,442	\$61,226	\$63,062	\$64,954	\$66,903	\$68,910	\$70,977	\$73,107	\$75,300	\$77,559	\$79,886	\$82,282	\$84,751			
6/30/29	7	\$6,935	\$11,359	\$4,424	64%	\$6,935	\$7,074	\$7,215	\$7,359	\$7,507	\$13,564	\$13,971	\$14,390	\$14,821	\$15,266	\$15,724	\$16,196	\$16,682	\$17,182	\$17,697	\$18,228	\$18,775	\$19,338	\$19,919	\$20,516	\$21,132	\$21,766	\$22,419	\$23,091			
6/30/30	13	\$6,478	\$12,760	\$6,282	97%	\$6,478	\$6,607	\$6,739	\$6,874	\$7,011	\$7,152	\$15,693	\$16,163	\$16,648	\$17,148	\$17,662	\$18,192	\$18,738	\$19,300	\$19,879	\$20,475	\$21,090	\$21,722	\$22,374	\$23,045	\$23,737	\$24,449	\$25,182	\$25,938			
6/30/31	6	\$3,958	\$7,434	\$4,118	98%	\$3,958	\$4,037	\$4,118	\$4,200	\$4,284	\$4,370	\$4,457	\$7,434	\$7,657	\$7,887	\$8,123	\$8,367	\$8,618	\$8,877	\$9,143	\$9,417	\$9,700	\$9,991	\$10,291	\$10,600	\$10,918	\$11,245	\$11,582	\$11,929			
6/30/32	15	\$5,965	\$6,084	\$6,206	66%	\$5,965	\$6,084	\$6,206	\$6,330	\$6,457	\$6,586	\$6,717	\$6,852	\$47,972	\$49,412	\$50,894	\$52,421	\$53,993	\$55,613	\$57,282	\$59,000	\$60,770	\$62,593	\$64,470	\$66,401	\$68,387	\$70,428	\$72,523	\$74,673			
6/30/39	1	\$508	\$518	\$528	98%	\$508	\$518	\$528	\$539	\$549	\$560	\$572	\$583	\$595	\$607	\$619	\$631	\$644	\$657	\$670	\$1,685	\$1,735	\$1,788	\$1,841	\$1,895	\$1,950	\$2,007	\$2,067	\$2,130			
6/30/41	2	\$4,642	\$4,735	\$4,830	98%	\$4,642	\$4,735	\$4,830	\$4,926	\$5,025	\$5,125	\$5,228	\$5,332	\$5,439	\$5,548	\$5,659	\$5,772	\$5,887	\$6,005	\$6,125	\$6,248	\$6,372	\$15,730	\$16,202	\$16,688	\$17,188	\$17,701	\$18,226	\$18,763			
6/30/43	2	\$5,532	\$5,643	\$5,756	47%	\$5,532	\$5,643	\$5,756	\$5,871	\$5,988	\$6,108	\$6,230	\$6,355	\$6,482	\$6,611	\$6,744	\$6,879	\$7,016	\$7,156	\$7,300	\$7,446	\$7,595	\$7,746	\$7,901	\$14,640	\$15,080	\$15,523	\$15,970	\$16,478			
6/30/47	3	\$7,767	\$8,257	\$8,747	106%	\$7,767	\$7,923	\$8,081	\$8,243	\$8,408	\$8,576	\$8,747	\$8,922	\$9,101	\$9,283	\$9,468	\$9,658	\$9,851	\$10,048	\$10,249	\$10,454	\$10,663	\$10,876	\$11,094	\$11,315	\$11,542	\$11,773	\$12,008	\$32,573			
<b>Grand Total</b>	<b>99</b>	<b>\$97,417</b>	<b>\$245,411</b>	<b>\$147,994</b>	<b>152%</b>	<b>\$129,888</b>	<b>\$145,261</b>	<b>\$153,855</b>	<b>\$165,292</b>	<b>\$195,591</b>	<b>\$206,913</b>	<b>\$221,134</b>	<b>\$230,336</b>	<b>\$277,949</b>	<b>\$286,071</b>	<b>\$294,433</b>	<b>\$303,041</b>	<b>\$311,903</b>	<b>\$321,026</b>	<b>\$330,418</b>	<b>\$341,089</b>	<b>\$351,080</b>	<b>\$370,597</b>	<b>\$381,529</b>	<b>\$399,366</b>	<b>\$411,233</b>	<b>\$423,455</b>	<b>\$436,044</b>	<b>\$469,327</b>			
Incremental Revenue Over Baseline				\$147,994		\$32,471	\$47,845	\$56,438	\$67,875	\$98,174	\$109,496	\$123,717	\$132,919	\$180,532	\$188,655	\$197,016	\$205,624	\$214,486	\$223,609	\$233,001	\$243,672	\$253,664	\$273,180	\$284,112	\$301,949	\$313,817	\$326,038	\$338,624	\$371,910			

**\$97,417**

**\$468,327**

# Rx #8: Revenues — Make a Deal with USU

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- ❖ The Flight School Is a Strong Component of the Airport's *Total Economic Impact* and Should Be Protected and Cultivated
- ❖ The Part 139 Status Inflicts High Costs *Without Producing Substantial Benefits to the Airport, Its Tenants, or the Community at Large*
- ❖ Over Time, USU Sports Should Pay Most (if not all) of the Part 139 Compliance Costs
- ❖ Expected Impact: \$150,000 in Reimbursements from USU to the Airport for Part 139 Services



# Rx #9: Revenues — Fuel Sales

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- ❖ Invest In a Self-Service Fueling Capability, or...
- ❖ Establish a New FBO to Capture the Revenue and Profit from Fuel
- ❖ Assume Market Share Split 50:50
- ❖ Likely Economic Impact: \$250,000 Net Contribution

# Rx #10: Fix the Infrastructure

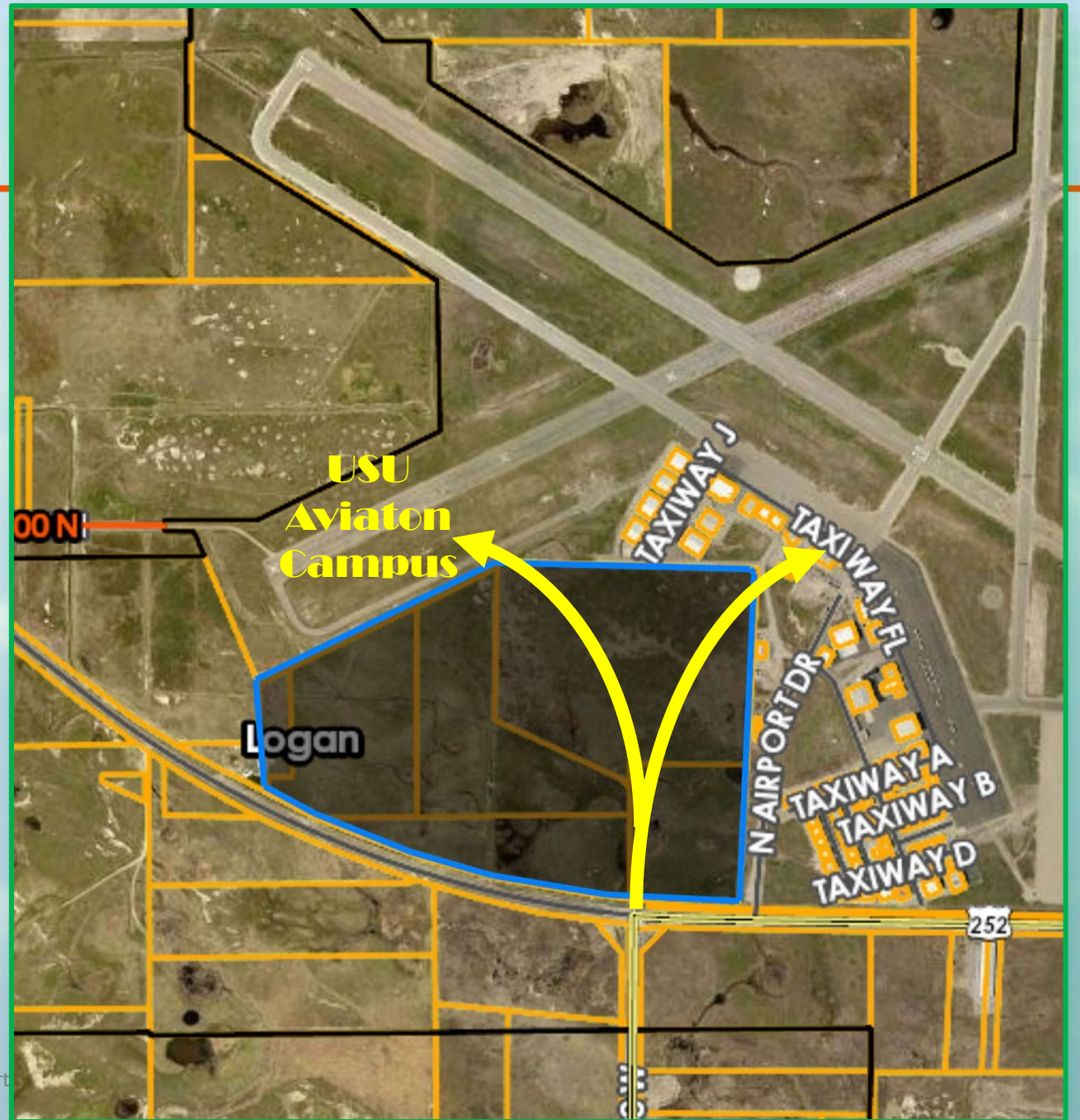
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- ❖ Establish a FOD-Control Program (\$10K)
- ❖ Fix the Old Control Tower (\$100K)
- ❖ Refresh and Fund Pavement Control and Marking Program (\$150K)
- ❖ Upgrade/Sustain the Airport's ARFF Capabilities (\$1M)
- ❖ Upgrade Snow Control Capabilities (\$1.5M)
- ❖ Move USU Offices and Build a Restaurant, Featuring the Old Control Tower (\$1M)



# Rx #11: Fix Access

- ❖ Access to Airport Drive Is Unsafe, Especially During Busy Hours
- ❖ Acquire 90 Acres to the Southwest of the Field to Improve Road Access
- ❖ Access Should Be at the Traffic Light; a Huge Boost for Safety and Convenience
- ❖ This Change Also Would Open the Abandoned Runway for USU Campus, or Hangar and Industrial Development



# Rx #12: Create a True “USU Aviation Campus”

- ❖ **The Vision: LGU & USU Should Collaborate to Create a New, World-Class Aero-Training Center**
- ❖ USU Has 50 Airplanes & Helicopters, Dozens of Instructors and Techs, and Hundreds of Students, Sprawled Across Eight Hangars & Buildings
- ❖ USU Also Has A&P Classes and Other Specialties Up on Campus
- ❖ Consolidate It in a State-of-the-Art Facility Built on the Abandoned Runway
- ❖ The Goal: A Better Environment, with Improved Efficiencies, to Make USU Even Better than It Is, AND Free Up Corporate Hangars for Other Uses



# Rx #13. Plan a Vertiport for eVTOL Service

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- “Advanced Air Mobility” Is the Next Big Thing in Aviation
- Fly from LGU to Salt Lake City in 18 Minutes!
- SLC Is Already Planning a Vertiport at Parking Garage
- If LGU Is Ready, This Service Could Begin in 2028

# Rx #14. Turn the Airport into An “Aerospace Engine”

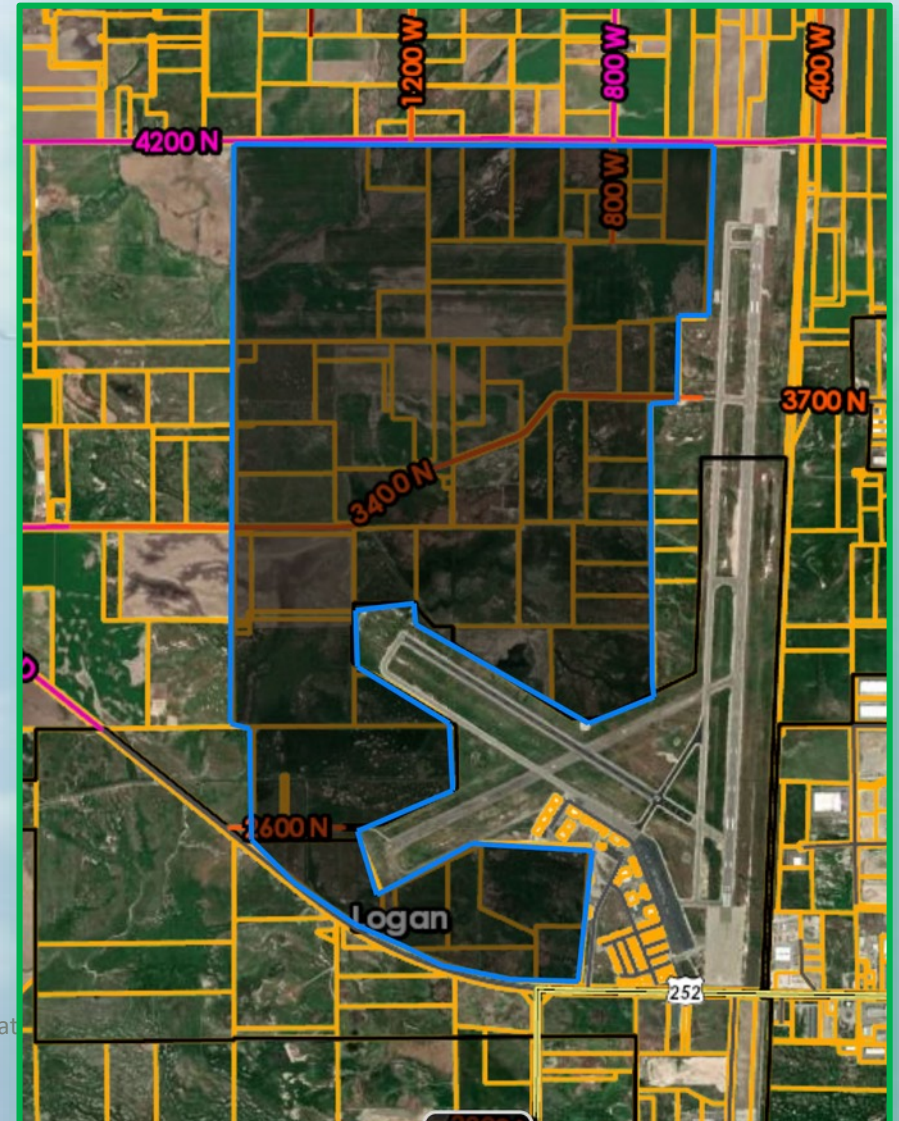
- ❖ Hundreds of Companies Are Investing In Aviation for the “Next Big Thing”
  - Amazon, FedEx, UPS, and Other Companies Are Looking for Cost-Effective Aviation Answers
  - This New Amazon Shipping Facility at Lakeland, FL Hosts Twenty Jet Ops Every Day and Creates Hundreds of High-Paying Local Jobs
- ❖ Aggressive Airports with Strong Management and a Vision Will Attract These Companies



# Rx #14. Turn the Airport into An “Aerospace Engine”

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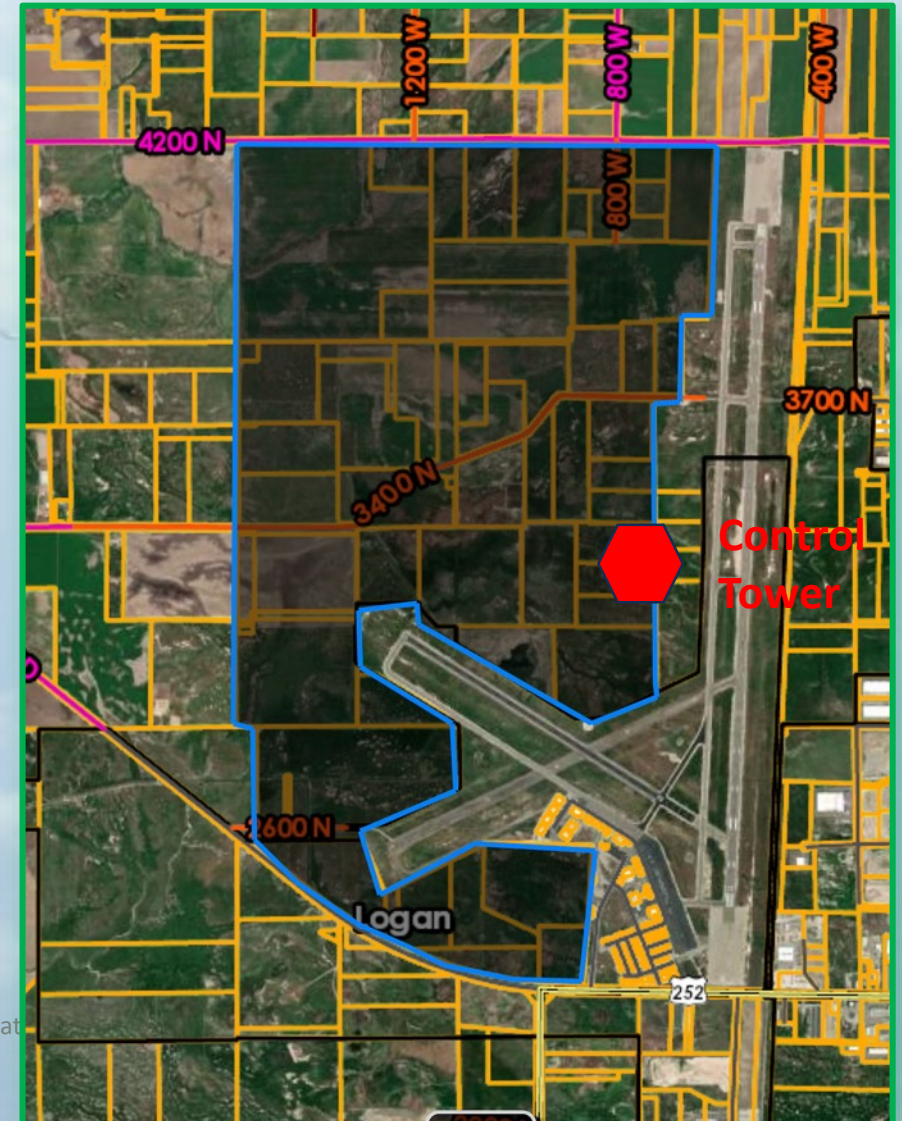
- ❖ Acquire 1,100 Acres of Land West of the Airport for a High-Tech Aerospace Park



# Rx #14. Turn the Airport into An “Aerospace Engine”

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- ❖ Acquire 1,100 Acres of Land West of the Airport for a High-Tech Aerospace Park
- ❖ Build a Control Tower with Great Visibility Near the Center of the Airport





# Rx #14. Turn the Airport into An “Aerospace Engine”

- ❖ Acquire 1,100 Acres of Land West of the Airport for a High-Tech Aerospace Park
- ❖ Build a Control Tower with Great Visibility Near the Center of the Airport
- ❖ Create Space for Aeronautical Tenants Who Need Runway Access, Like USU, EP Systems, Amazon, UPS and FedEx



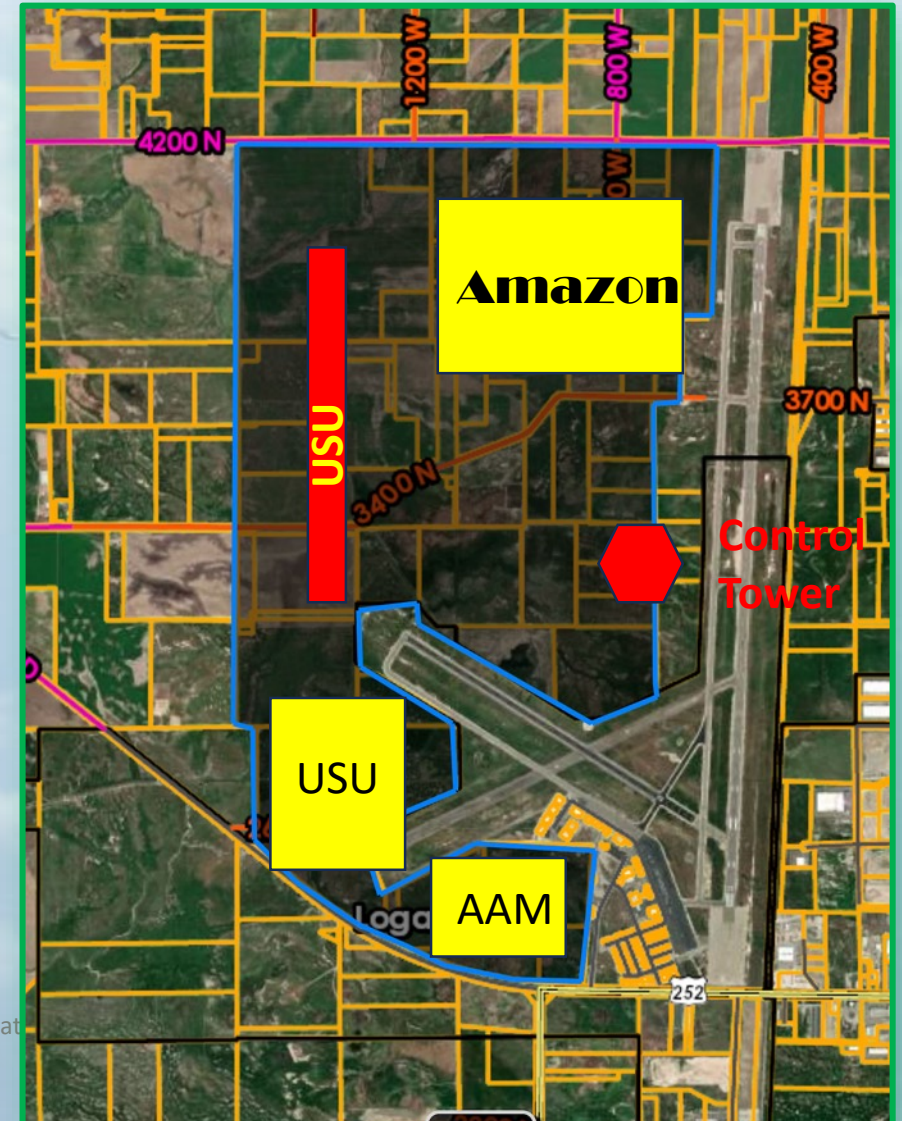
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- ❖ Create Space for Aeronautical Tenants Who Need Runway Access, Like USU, EP Systems, Amazon, UPS and FedEx
- ❖ Build a Dedicated Runway and a World-Class Teaching Center for USU Aviation



# Rx #14. Turn the Airport into An “Aerospace Engine”

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- ❖ Build a Control Tower with Great Visibility Near the Center of the Airport
- ❖ Create Space for Aeronautical Tenants Who Need Runway Access, Like USU, EP Systems, Amazon, UPS and FedEx
- ❖ Build a Dedicated Runway and a World-Class Teaching Center for USU Aviation
- ❖ Collaborate with Salt Lake City Intl. to Introduce Advanced Air Mobility Services (AAM) with a Proper “VertiPort”



# A Budget for the 21<sup>st</sup> Century “Vision”

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- ❖ Acquire the 90-Acres West of the Airport Access Road, Relocate Airport Entrance (\$2M, Most from State DOT)
- ❖ Build 30 New Airport-Owned Hangars (\$3M)
- ❖ Build a USU Aviation Center (\$6M-\$16M, Depending)
- ❖ Begin Marketing the Airport to Businesses (\$100K)
- ❖ Build and Staff a Control Tower (\$15M)
- ❖ Build a Modest, Modern Terminal Building Suitable for Corporate Visitors (\$8M)
- ❖ Build a VertiPort for Commuter Service to SLC (Ukn.)

# Outcome

**Here We Estimate the Economic Returns  
from These Changes**



# Remember: The Action Plan Has Three Phases

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## ❖ First: Fix the Governance Issues

- ✓ Consolidate Ownership
- ✓ Revamp Enabling Ordinance to Improve Membership of the Authority
- ✓ Professionalize Management of the Airport
- ✓ Operate Using For-Profit Business Systems (Quickbooks, Financial Autonomy, etc.)

## ❖ Second: Find New Revenues

- ✓ Revamp Ground Leases; Raise Rents
- ✓ Impose Automated Landing Fee Program
- ✓ Find New Revenues from Fuel Sales

## ❖ Third: To Be Customer- and Community-Oriented

- ✓ Create a Real Master Plan that Includes the Facilities Customers and the Public Need
- ✓ Begin Eco-Development and Community Out-reach Efforts
- ✓ Fund It with Grants and Appropriations with State and Federal Officials



Income		2024	2025	2026	2027	2028	2029
13	Ground Leases	111,200	245,411	252,773	260,357	268,167	276,212
14	Airport-Owned Hangar Rents	-	38,400	76,800	115,200	153,600	158,208
15	Landing Fees	5,500	176,167	181,452	186,896	192,502	198,278
16	USU Athletic Support	-	50,000	100,000	150,000	150,000	150,000
17	Fuel Flowage Fees	36,000	41,715	28,644	29,504	30,389	31,300
18	Revenue, FBO Fuel Sales	-	1,488,994	2,983,781	3,048,708	3,140,170	3,234,375
21	Contribution - Cache County	100,000	100,000	100,000	-	-	-
22	Contribution - Logan City	100,000	-	-	-	-	-
23	Other (3 Items)	13,500	17,785	18,319	18,868	19,434	20,017
24	Total Revenues	366,200	2,158,472	3,741,769	3,809,532	3,954,262	4,068,390
Cost of Goods Sold		2024	2025	2026	2027	2028	2029
25	All Fuel, Combined	-	1,042,296	2,088,647	2,134,096	2,198,119	2,264,062
Expenses		2024	2025	2026	2027	2028	2029
26	Employees, Full-Time	79,200	163,152	336,093	346,176	356,561	367,258
27	Employees P-T: Ops, Actg., Cust S	44,900	132,000	132,000	135,960	140,039	144,240
28	Employee Benefits (36%)	44,676	106,255	168,514	173,569	178,776	184,139
29	Credit Card Costs	-	64,754	66,697	68,698	70,759	72,881
35	Equipment Maint & Supplies	25,000	25,750	26,523	27,318	28,138	28,982
36	Minor Equipment, Non-Capital	6,000	8,000	10,000	12,000	14,000	14,000
37	Buildings & Grounds	21,800	22,454	23,128	23,821	24,536	25,272
38	Snow Removal	65,000	66,950	68,959	71,027	73,158	75,353
39	Weed Control Chemicals	12,000	12,360	12,731	13,113	13,506	13,911
41	Utilities	27,000	27,810	28,644	29,504	30,389	31,300
42	Landing Fee Collection Costs	1,100	35,233	36,290	37,379	38,500	39,656
45	Legal (Aeronautical)	30,000	60,000	60,000	25,000	15,000	10,000
46	Legal (Administrative)	5,000	5,150	5,305	5,464	5,628	5,796
47	Airport Engineering (Non-grant)	22,000	22,660	23,340	24,040	24,761	25,504
52	ARFF Training & Certs	33,000	33,990	35,010	36,060	37,142	38,256
53	Insurance	18,000	36,000	37,080	38,192	39,338	40,518
57	Non-Capital Improvements	55,000	56,650	58,350	60,100	61,903	63,760
61	Other (15 Items)	35,400	66,290	78,365	83,497	85,693	87,954
58	Total Expenses	525,076	945,458	1,207,026	1,210,918	1,237,826	1,268,782
59	<b>Net Profit/Loss EBIDTA</b>	<b>(158,876)</b>	<b>170,718</b>	<b>446,097</b>	<b>464,519</b>	<b>518,317</b>	<b>535,546</b>

## Results:

- Assume a New FBO w/ Fuel
- Ground Leases Fixed
- Some Airport-Owned Hangars
- Fees from USU
- Landing Fees



Questions?



# About the Author — Dr. Mike Jones

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## ❖ Career:

- Swelbar-Zhong Consultancy. An aviation consulting firm that provides industry analysis to aviation firms, airlines and airports of all sizes. The firm also serves as a trusted expert voice on industry issues.
- MicroCare Corp. — Vice President. Managed all the marketing programs for the company and strategic planning, product development, pricing etc. Visited 60 countries, in Europe, Asia and the Middle East.
- Chairman (Retired) Pinehurst (NC) Airport Authority — Grew the economic impact of the airport 40%. Cut costs, sold under-performing assets, built new hangars, attracted two flight schools, doubled revenue.
- New York Telephone (a division of AT&T, now Verizon) — Director of Marketing. implemented marketing programs, research, advertising.
- U.S. Air Force — Air traffic control instructor.

## ❖ Education:

- The Univ. of Florida, Doctorate in Business Administration (2023); Columbia University (M.B.A., 1976); Grove City (PA) College (B.A., 1973)

## ❖ Personal:

- Married for 40+ years. An active pilot with more than 4,000 hours. Volunteers with "Angelflight" and has flown more than 800 "Young Eagles" flights.. Enjoys weight-lifting, gardening, and golf.

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Prepared by Dr. Mike Jones

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Dr. Mike's Flying Channel:

<https://www.youtube.com/channel/UCFUIZyDOUM16wgzwAsVOVoQ>

Dr. Mike, as Profiled by the  
University of Florida:

<https://www.youtube.com/watch?v=F21d6xcJk7M>

