

Development of Regional Industrial Airport with Planned Transition to Air Carrier Operations

I have been critical of the present Board's course of accelerated relocation of the entire airport to a new site. I do not have any illusions about stopping this project, ***NOR DO I WISH TO STOP IT.*** This is the largest project in the history of the county, and I understand the implications for our economic future. I don't believe that the advocates of this project are recognizing all of the adverse economic and time losses that the passengers and airport employees in our community are going to have to endure for years before the new airport, as proposed, can succeed in the market. I have examined the engineering report used to justify this project, the selective alternatives, the fast-tracking and overstating of benefits, and the avoidance of environmental safeguards (Environmental Assessment instead of a full Environmental Impact Statement). ***The result is a project being pushed too fast without stating a worthy goal, and the insulting assertion that we are saving money in the process.*** There are other alternatives for phasing the project, which should be considered along with the sensitive environmental conditions in West Bay. The airport, when built, will be ***PERMANENT***, and it should not be sited or built in haste to meet an artificial deadline. ***At the very least, the public must have an opportunity to communicate any concerns and resolve the environmental issues thoroughly and sensitively, not confronting the arrogant "war footing" approach to the schedule.***

The recent opposition to a fast-track relocation of the Panama City/Bay County airport is not based on total resistance to an unconstrained airport to serve Northwest Florida. Such an airport may well have long-range value and potential to attract industry from global range. ***It will not attract domestic air service at a level or range that justifies a complete new airport. The data in the Feasibility Study says this very clearly, except for a guarded "hope" that a few mainline aircraft and charters will be re-introduced to the market 20 years out.***

What is really called for is an investment of public funds to create a unique asset: ***the only unconstrained international-departure-length airfield in northern Florida.*** The answer is ***not*** another ordinary airport, with modest domestic traffic potential compared to its established competitor at Eglin/Okaloosa, only 40 miles away.

The industrial airport, with limited operations expected for several years, can be operated as a remote airport with takeoff/landing clearances handled by existing FAA procedures for PFN, including PFN tower, Tyndall TRACON, and the Jacksonville FAA enroute center. Otherwise, the airfield and industrial park is similar to the ex-Brookley AFB in Mobile, now designated Mobile Downtown Airport (BFM). This Brookley complex, with a 9600 foot runway, will be a strong competitor, already hosting heavy aviation maintenance on 747's. Mobile Regional Airport (MOB) carries all the Mobile air carrier traffic, and has operated as a true regional airport in recent years. MOB is on track to carry 400,000 enplaned passengers, up from a slump after losing low-fare service in the ValuJet/AirTran restructuring, ***and well over the PFN forecast for 2020.*** This traffic is carried on 25 flights per day (12 Delta mainline jets and 13 regional jets, or RJ's). The whole operation is at 50% load factor, and ripe for RJ substitution for some of the Delta jets when RJ deliveries and pilot contract issues are resolved. The Mobile destination area

includes all of the Alabama Gulf coast and reaches into Mississippi and the Pensacola area as well.

The cost estimates which were used to conclude that the new airport is \$111 million less expensive than the old have been analyzed. ***It can now be argued that the alternatives over 20 years are no worse than equal, and an innovative expansion design, which does not intrude into the Forest Park neighborhood unnecessarily, could be built for less than one-half the cost of the present proposal.*** Although the new site has the advantage of removing community noise to a new and more compatible area, the level of community noise does not increase unless PFN is expanded, and PFN expansion is not necessary in a phased relocation plan.

The ***disadvantages*** of a fast-track move are:

Substantially greater first-phase cost which is not justified by the air traffic and only supports a test of the "Industrial Airport" in a small-market setting; this test is much more likely to succeed based on a true global-reach airfield

1 million local passengers and airport employees inconvenienced by a 60-mile commute for ten years

economic damage to the City of Panama City by relocating the economic activities prematurely

requires sacrificing PFN (an \$80 million asset which will net only \$38 million from decommissioning), even though the bonding capacity of PFN is the same at either location

leaves no possibility of operating PFN in the future as a local GA or commuter airport, in the way that Page Field (FMY) has proved invaluable as an adjunct to Southwest Florida Regional airport at Ft. Myers

The industrial airport's first phase can be justified as a unique regional asset with a clear path to a true regional airport. ***It will be less expensive than the present design of the complete new airport, by at least the cost of a crosswind runway (\$15-20 million) passenger terminal (\$30 million), cargo terminal (\$2 million), complete GA complex (\$21 million), control tower (\$1 million), and airport maintenance (\$1 million) a total savings of at least \$70 million.*** This saving more than offsets the cost of continuing PFN in service until moving airlines to the new airport is justified by passenger traffic.

This new approach gives the public a "test ride" of the marketing success predicted, without prematurely relocating a valuable economic asset from Panama City. The developer gets a true international stage for developing global industries. If/when the venture succeeds, the local air traffic and its modest economic activity can be relocated,

probably about 10 years after opening, ***sooner if the industrial airport quickly drives up traffic.***

"Premium" GA activities can relocate voluntarily on opening day, without squeezing out a locally-based GA community which is not viable in the new setting. If the new airport really booms a la Ft. Myers, a local General Aviation airport may survive and prosper as has Page Airport in Ft. Myers.

A viable local airport is a valuable asset and should not be sacrificed "up front" to raise a fraction of the relocation cost.

Under the revised plan, the overall cost is well below the funds already projected to be available from the FAA and the Florida DOT. If not, the developer may consider investing to bridge the shortfall, since the economic opportunity is overwhelmingly for the developer, not the public at large.

Recommendation:

Revise grant proposals and plans to change the scope of the PFN-replacement airport program: ***The project is to build an unconstrained international-departure-length runway (9500 to 10,400 feet) Industrial/Charter Airport with planning for eventual transfer of air carrier and GA operations, when passenger and cargo traffic emerges from the marketing efforts, which are now nascent.*** Open this airport as a remote facility, with appropriate communication links to control air traffic from existing FAA and Tyndall AFB facilities. Do not build a crosswind runway, passenger terminal, full cargo terminal, or extensive GA facilities.

Encourage operation of private cargo/GA facilities by concessionaire(s) (preferably a business based in the region, but in any event not owned in whole or in part by St. Joe unless no concessionaire will take the risk), to handle large charter/GA/industrial logistics operations, basing of large "premium" GA aircraft, the fractional-sharing GA fleet, etc. Use the savings from postponing passenger terminal construction, crosswind runway, and local GA duplication to build the initial runway to full length.

Move Arctic Slope Services to the new location as a seed tenant and assist Arctic Slope, with marketing, to expand toward a major depot-level aviation maintenance base

Not to exceed 10 years after opening, earlier if developments warrant, move the remaining functions and evaluate whether the control tower function can be reversed to provide continuing remote-supervised GA operations at PFN. Aggressively market the industrial airfield as a potential mainline regional airport, which it will not be under the existing plan, regardless of how it is advertised. If/When mainline airline interest appears, it can likely be operated at PFN until a terminal can be built. If not, temporary facilities can be offered at the industrial airport. Such temporary facilities are commonly used and accepted by passengers during expansion or alteration at airports. A full-service passenger terminal can

be built within 12-18 months at a pre-prepared site such as this industrial airfield. A crosswind runway is not essential, and may be opened after the passenger terminal is opened, if necessary to conserve funds or meet a tight schedule.

Environmental Mitigation and Community Development:

Do a comprehensive Environmental Impact Statement (EIS) and exceed its requirements, including moving the site upland and away from the tidal watersheds in Burnt Mill and Crooked Creeks. This project is permanent, so it should not be sited and built in haste. The new site is an area that has been environmentally sequestered for many years, and should be treated very carefully. The SR 20 corridor is a much more logical alignment for regional east-west traffic flow than CR 388, and should have higher priority for state funding. Offer to buy out the (few) local residents who may be affected in the Burnt Mill area at fair market replacement value if the new airport is offensive in the first five or ten years of operation.

Support the development of aviation-related manufacturing, maintenance, and quality-control businesses at the industrial airfield. Support regional-student scholarships, promotion of aviation-related careers and education, and transitional education for military veterans to assume jobs in the aviation industry.