



BOCA RATON AIRPORT AUTHORITY WORKSHOP

March 12, 2020

1:30 P.M. – 4:30 P.M.

**BOCA RATON AIRPORT ADMINISTRATION BUILDING
903 NW 35TH STREET
BOCA RATON, FL 33431**

AGENDA

1. Strategic Issues Presentation.
2. Strategic Initiatives Formulation.
3. Next Steps.
4. Public Comment.



2020 Strategic Business Plan Airport Authority Board Workshop

March 12, 2020



Workshop Overview

- Workshop Goals
- Project Update
- Strategic Issues Review
- Strategic Initiatives Formulation
- Next Steps
- Public Comments

Workshop Goals

1. Present strategic issues formulated by Strategic Planning Committee
2. Identify preliminary strategic initiatives

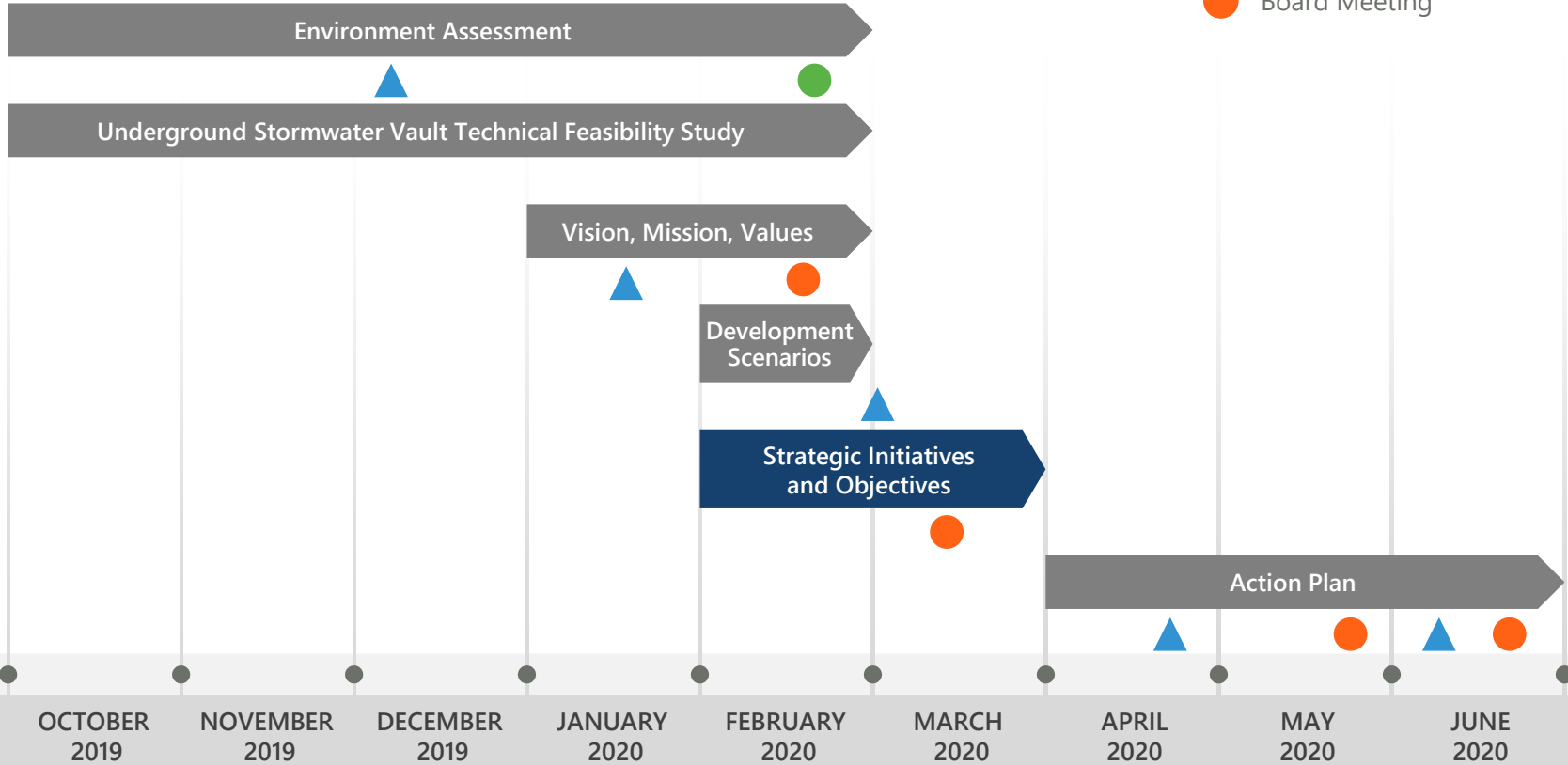
Strategic Business Plan Update

- SWOT analysis is complete
- Underground stormwater vault feasibility study is complete
- 4 airports selected for benchmark have been contacted
- Property analysis is ongoing

Strategic Business Plan Process

- ▲ Strategic Planning Committee Meeting
- Stakeholder Engagement Meeting
- Board Meeting

KICKOFF





Strategic Issues Review

Strategic Issues Formulation

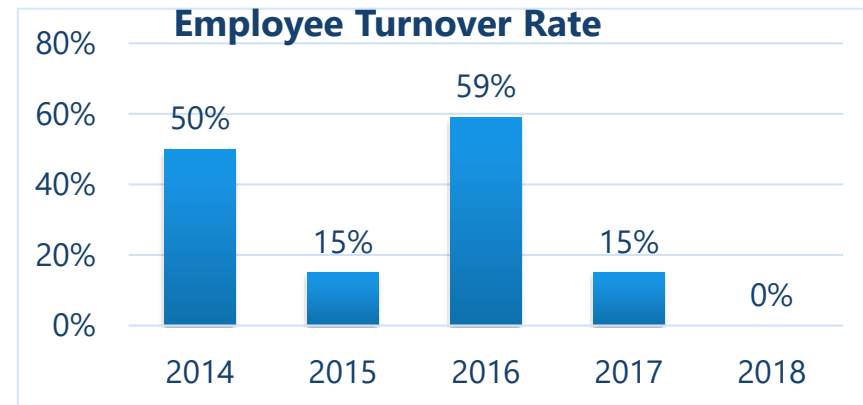
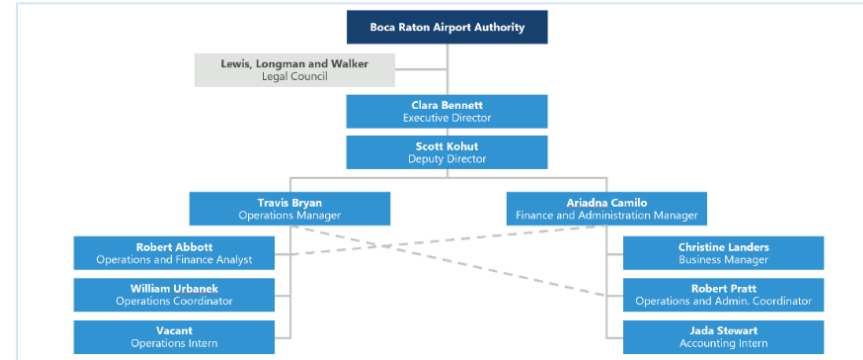
- Operational and business environment information was collected and organized by themes to support stakeholder meetings
- Tenants, External Organizations and Committee members reflected on Strengths, Weaknesses, Opportunities and Threats (SWOT)
- Strategic issues have subsequently been formulated by the Strategic Planning Committee

Strategic Issues

- Existing resources are insufficient to address the needs, the expectations and the Vision of the Authority.
- Availability of grant funding and the dynamic nature of the industry could challenge the Authority's financial sustainability.
- Organizational effectiveness can be vulnerable to governance changes and staff turnover.
- Current Airport land constraints require maximizing use of land while concurrently exploring opportunities to creatively expand the land available for existing and new tenants.
- Airport's role in and contribution to local and regional economies could be overlooked or eclipsed by other external factors.
- Organization's resiliency can be threatened by frequency of natural disasters and emerging man-made threats.
- Airports' environmental impacts are continuously scrutinized and questioned resulting in a need to evolve and leverage innovation.

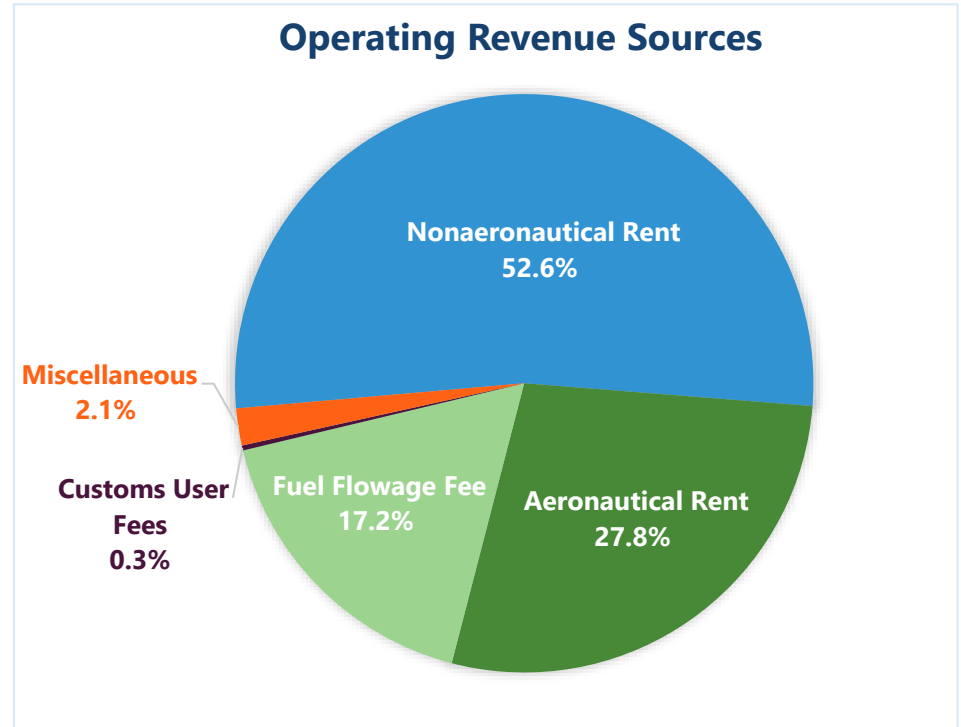
Existing resources are insufficient to address the needs, the expectations and the Vision of the Authority

- Increasing staff workload
 - Cross-training increases responsibilities of each staff member
 - Limited availability to engage with local community organizations, explore new services and programs, and leverage innovations
- Vulnerable to departures/turnover
 - High reliance on individual skills
 - Significant initial training for staff to effectively and efficiently fulfill their responsibilities



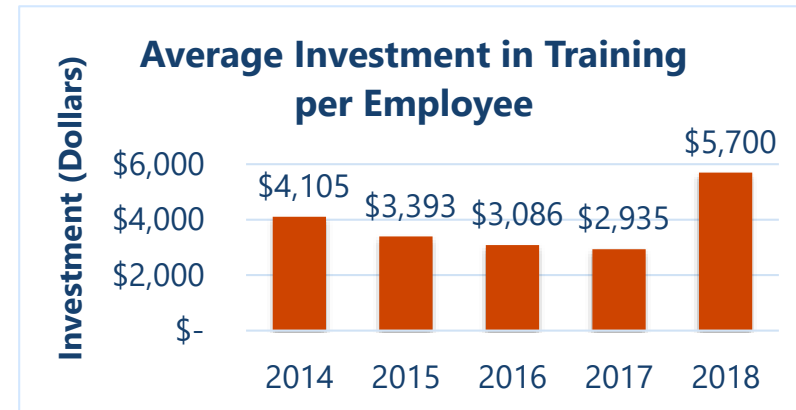
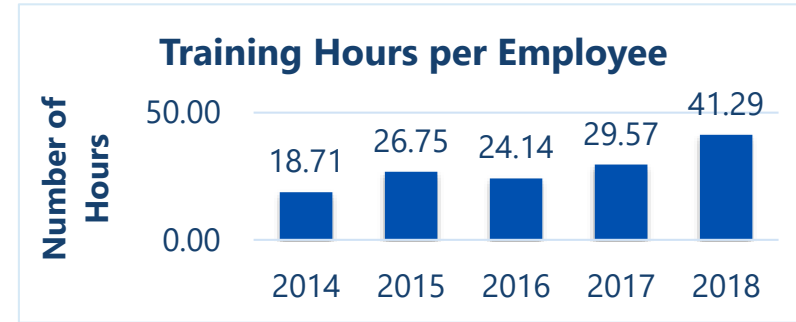
Availability of grant funding and the dynamic nature of the industry could challenge the Authority's financial sustainability.

- Decreasing fuel flowage fees and uncertain fuel tax at State level
- Authority aims at providing excellent infrastructure to its tenants, while remaining competitive
- Legislation requires airports to be as self-sustaining as possible
- BRAA operates BCT under a lease with the State of Florida through 2073.



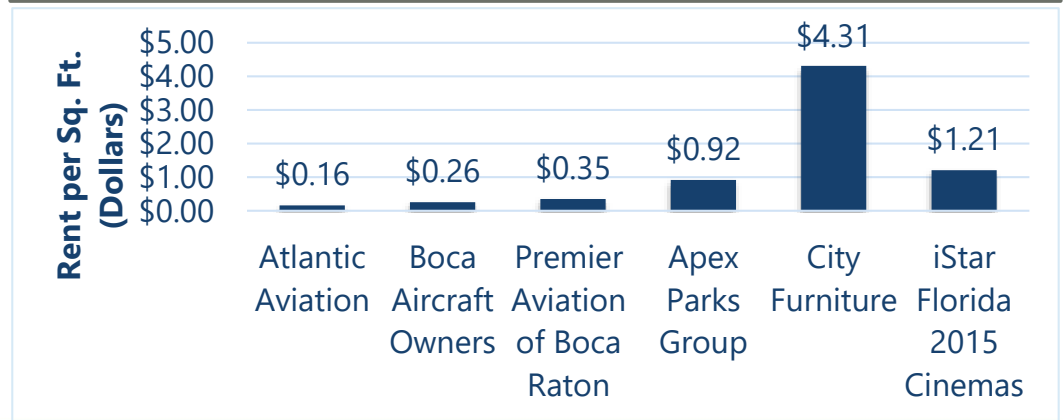
Organizational effectiveness can be vulnerable to governance changes and staff turnover.

- Authority continuously adopts/prepares plans and operating procedures that ensure continuity of programs and processes
- Governance continuity, strong leadership and fiduciary and loyalty duties contribute to effectiveness of the organization
- Majority of Board members are re-appointed every 2 years
- Improving employee training program is critical to delivering excellence



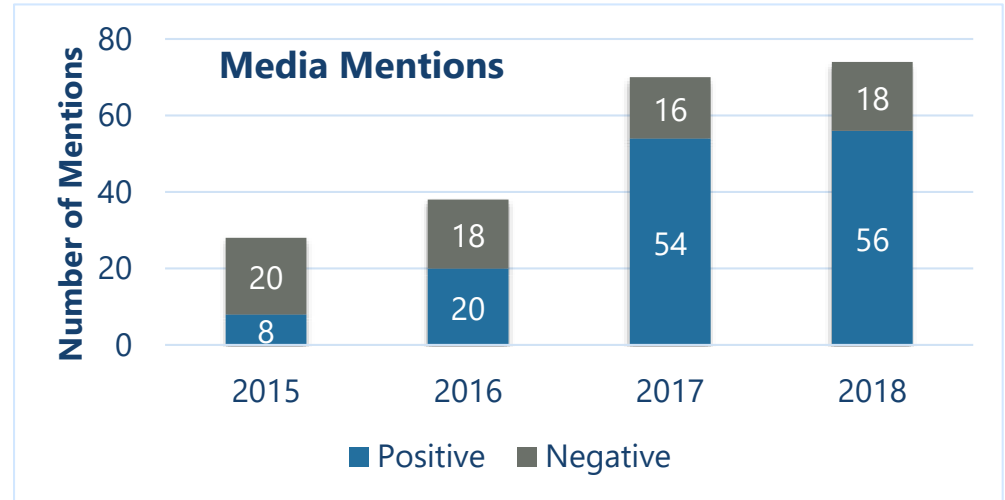
Current Airport land constraints require maximizing use of land while concurrently exploring opportunities to creatively expand the land available for existing and new tenants.

- Leasing guidelines and best practices allow the Authority to continuously encourage the development of the property leased to tenants
- Authority must plan for leases arriving at term to maximize highest and best use of the limited land available for its tenants



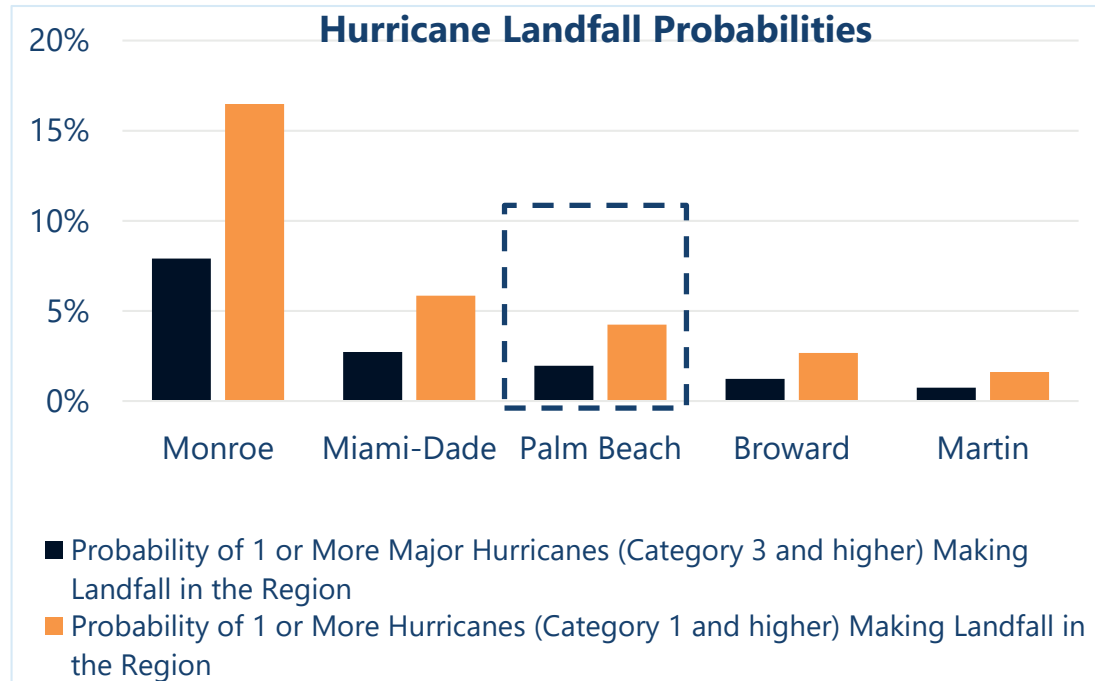
Airport's role in and contribution to local and regional economies could be overlooked or eclipsed by other external factors.

- Continuously improve communications with local governments and organizations
- Leverage relationships with professional organizations to advocate Airport needs to legislators
- Increase engagement with community organizations
- Anticipate a workforce shortage in industry – collaborate with tenants' initiatives to help discover our industry opportunities



Organization's resiliency can be threatened by frequency of natural disasters and emerging man-made threats.

- Increase frequency of natural disasters
- Significant increase in cyber attacks (and ransomwares)
- Airport relies on mutual aid agreements with local safety agencies for services such as firefighting and police; requires continuous training and communication

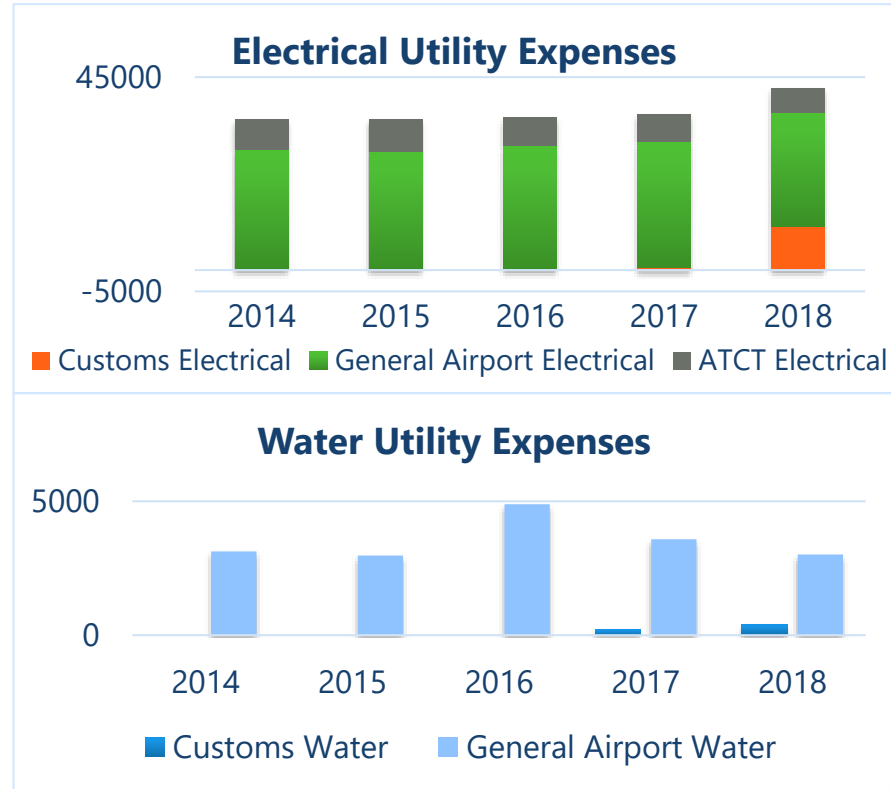


Airports' environmental impacts are continuously scrutinized and questioned resulting in a need to evolve and leverage innovation.

- Monitor technology and innovation capable of advancing airport's efforts to minimize noise impacts
- Increasing number of airports are committing to carbon neutral goals



LEED Certified Customs and Border Protection



Strategic Issues Review

- Discussion of strategic issues presented.



Strategic Initiatives Formulation

Strategic Initiative Definition

Strategic initiatives must address strategic issues and meet the following criteria:

- Be understandable and explainable
- Be flexible/adaptable
- Be consistent with the legal requirements of airports
- Have predictable and acceptable effects on stakeholders
- Be measurable and verifiable
- Be realistic and achievable
- The benefits of implementing the initiative outweigh the costs

Do's and Don'ts

Strategic Initiatives Do

- Address long-term (two or more year) issues
- Address major airport financial risk
- Require:
 - Changes in revenue sources
 - Amendments to existing policies
 - Staff changes
 - Technology changes
 - Changes in stakeholder relationships
 - Major facility changes

Example:

Fully integrate the Airport with the Town. (Addison Airport, 2014)

Strategic Initiatives Do Not

- Only address current issues
- Address minor airport financial risk
- Impact only one department
- Solve issues that are easy to reach a consensus on (strategic issues are more complex)
- Solve issues that are simply inconvenient if left unaddressed

Example:

Develop new operating procedures for the Airport Operations group to transition through upcoming staff retirement.

Formulating Strategic Initiatives

- Open discussion on candidate strategic initiatives.



Next Steps

Next Steps

- Strategic Planning Committee will review Board input and finalize the strategic initiatives
- Strategic initiatives will be augmented with further research and will guide the development of the Action Plan



Public Comments

Public Comments

- Any public comments may be presented at this time.



Supplemental Information

Boca Raton Airport Authority (BRAA)

- Seven members
 - 5 appointed by the City Council every two years
 - 2 appointed by the Palm Beach County Commission every two years
- Responsibility to construct, improve, equip, repair, maintain, and operate the airport and its land
- Fiduciary and loyalty duties
- Responsibility to lease any portion of the airport and to fix, establish rates, and to collect fees and other charges for use of airport-provided facilities and services

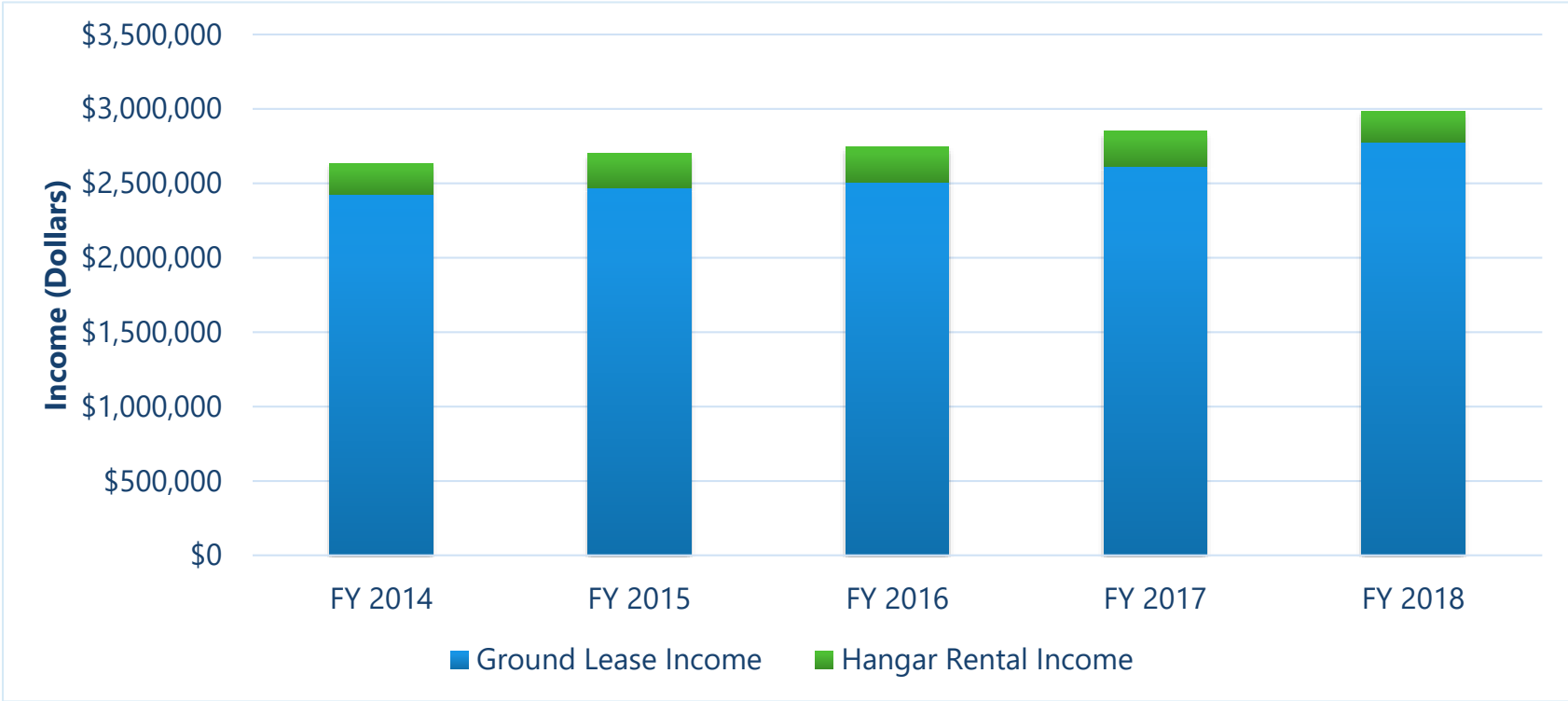
Source: Boca Raton Airport Authority, *Financial Report for the Fiscal Year Ended September 30, 2018, 2019*; Boca Raton Airport Authority Bylaws, Resolution No. 06-10-05, June 15, 2005.

Boca Raton Airport Land

- 90 Year Lease granted by the State of Florida
 - 1983 – 2073
 - Board of Trustees of the Internal Improvement Fund with the State of Florida
 - May be terminated by the State of Florida if airport facilities not used to operate airport

Source: Boca Raton Airport Authority, *Financial Report for the Fiscal Year Ended September 30, 2018, 2019.*

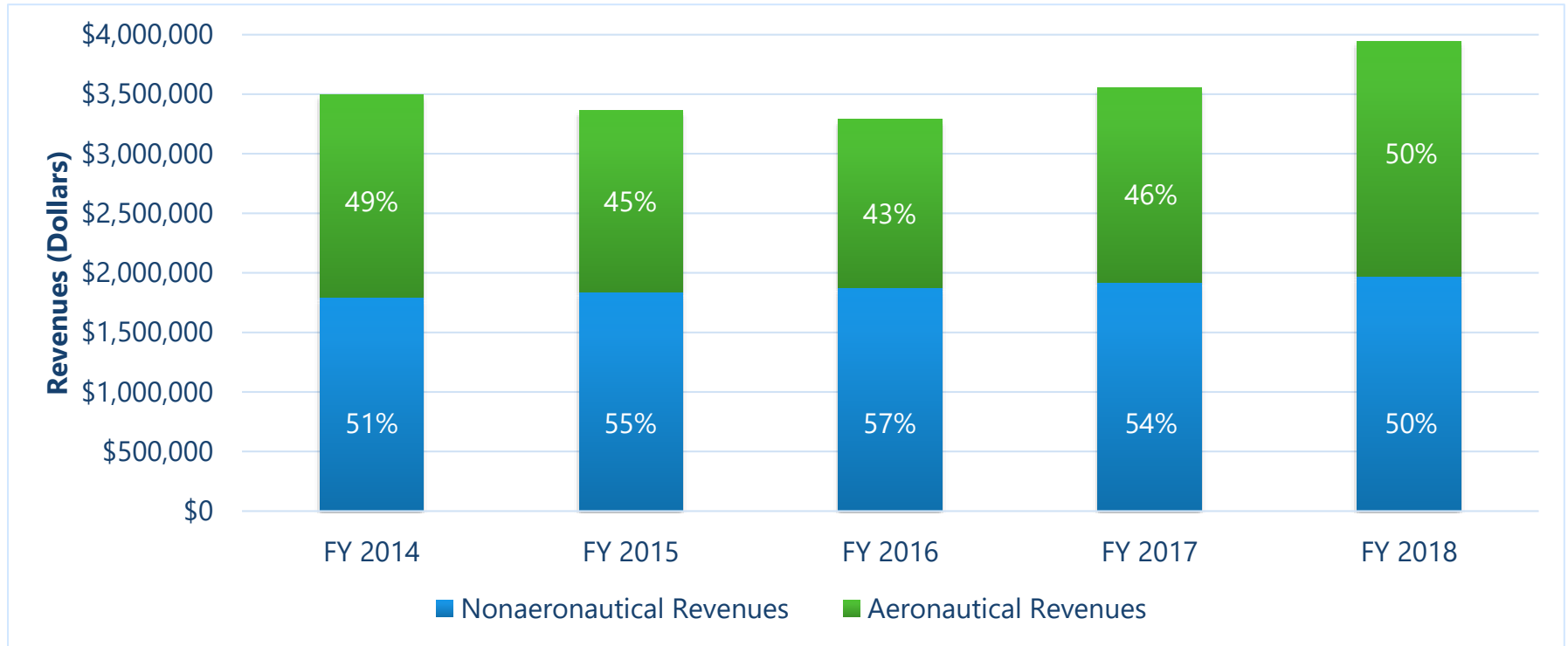
Hangar Rental Income and Ground Lease Income



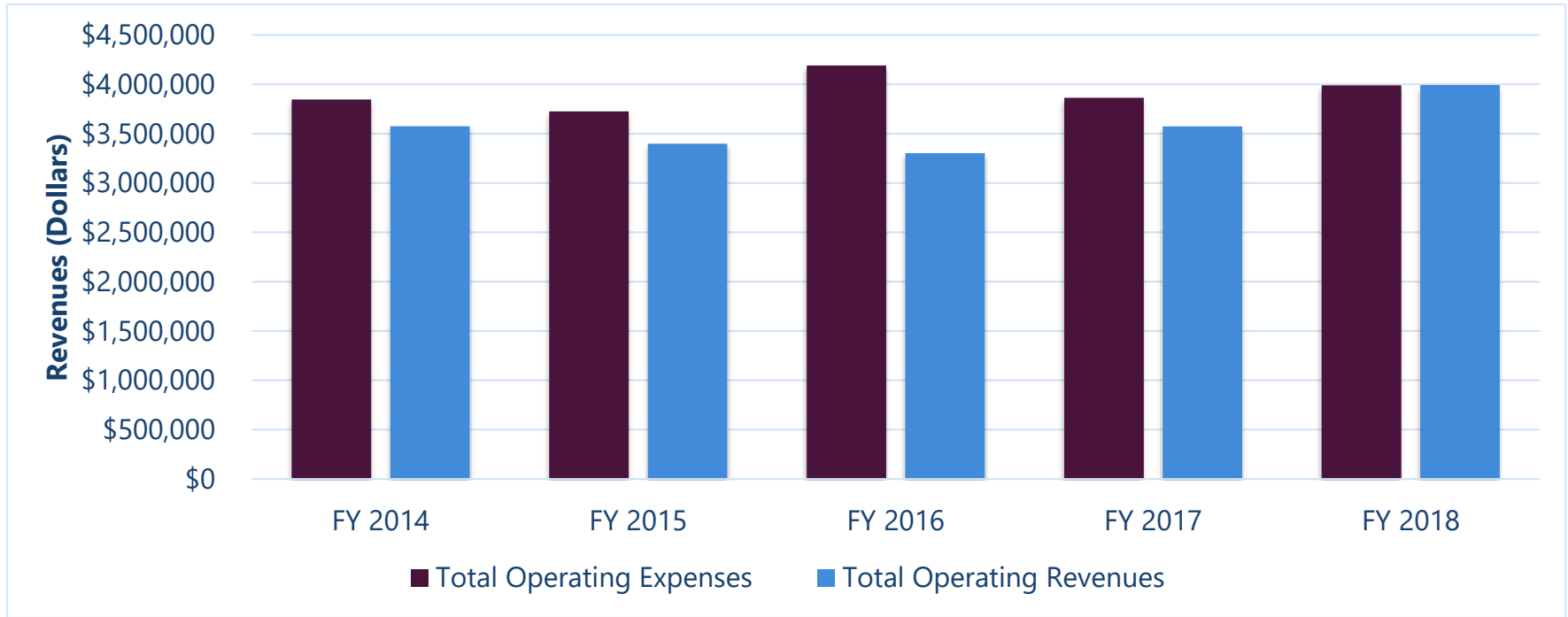
3.42% Annual Growth Rate

-0.19% Annual Growth Rate

Aeronautical and Nonaeronautical Revenues



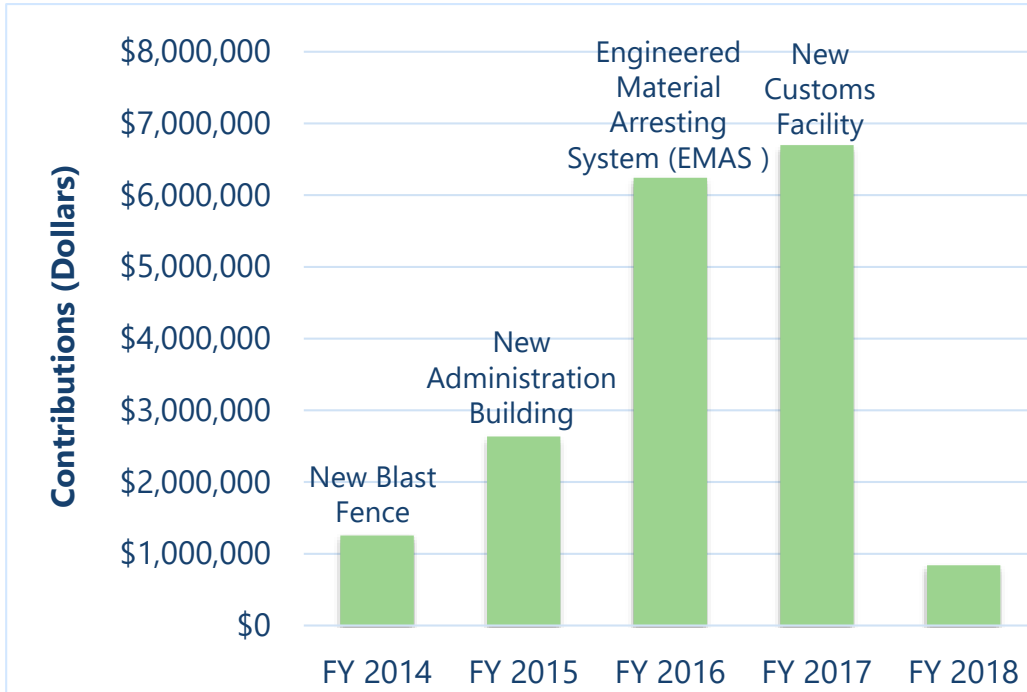
Operating Revenues and Expenses



0.92% Annual Growth Rate

2.80% Annual Growth Rate

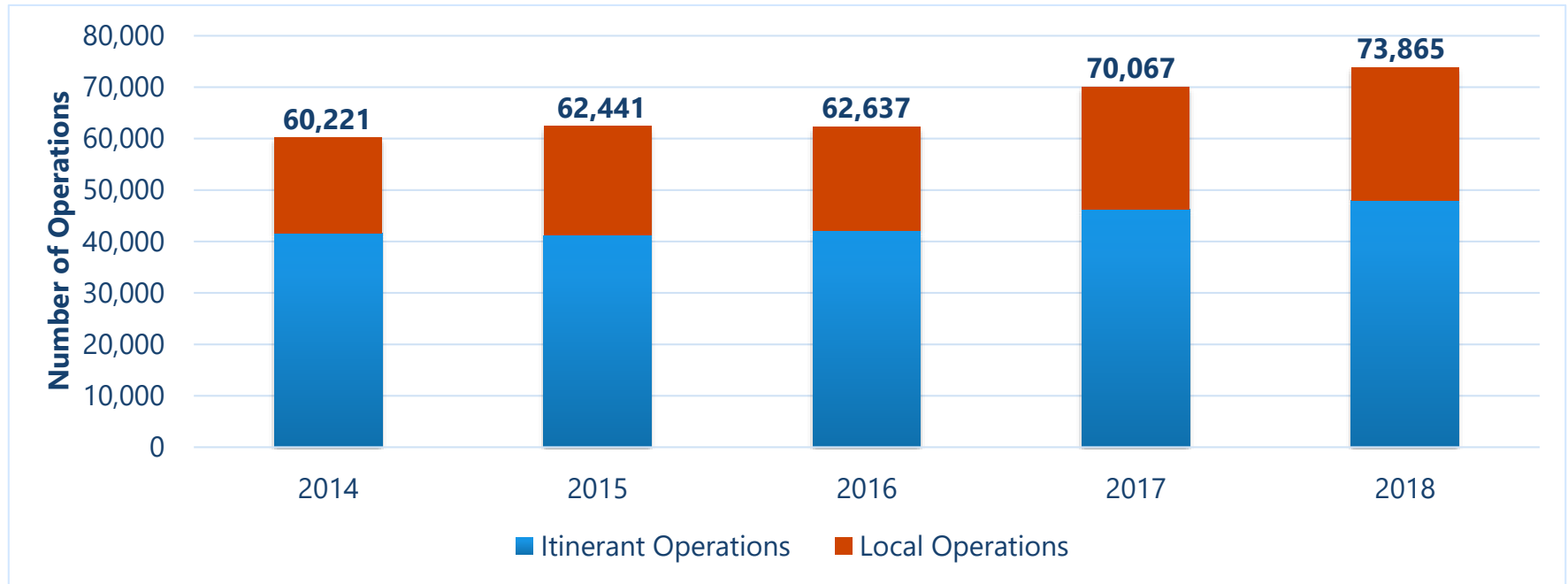
Capital Contributions from State and Federal Grants



Future Capital Improvement

- 2 New Conventional Aircraft Hangars
- Airfield Improvements:
 - Taxiways B and C Relocation
 - Taxiway F Widening
- Landside Roadway Rehabilitations
- Miscellaneous Pavement Demolition

Aircraft Operations

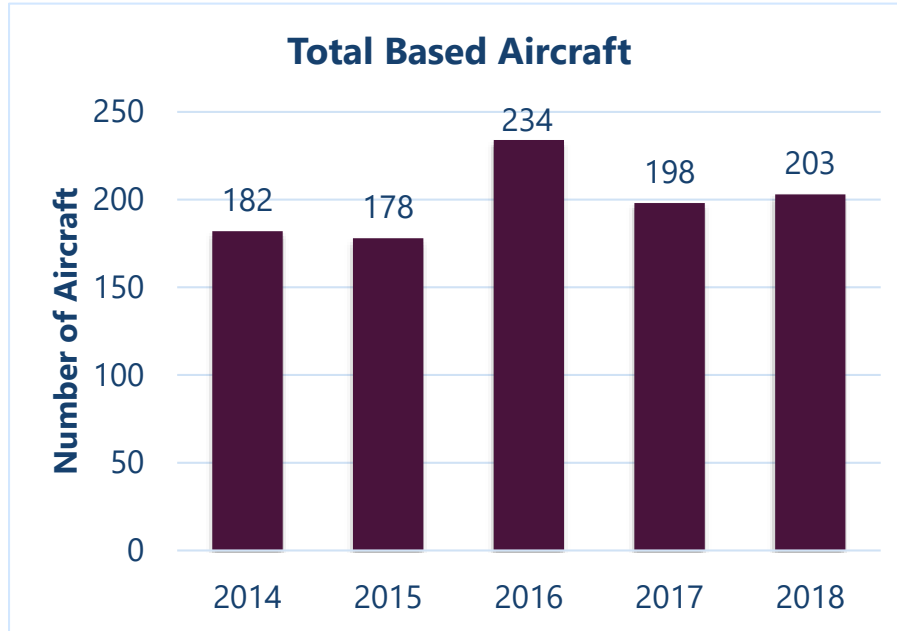


3.67% Annual Growth Rate

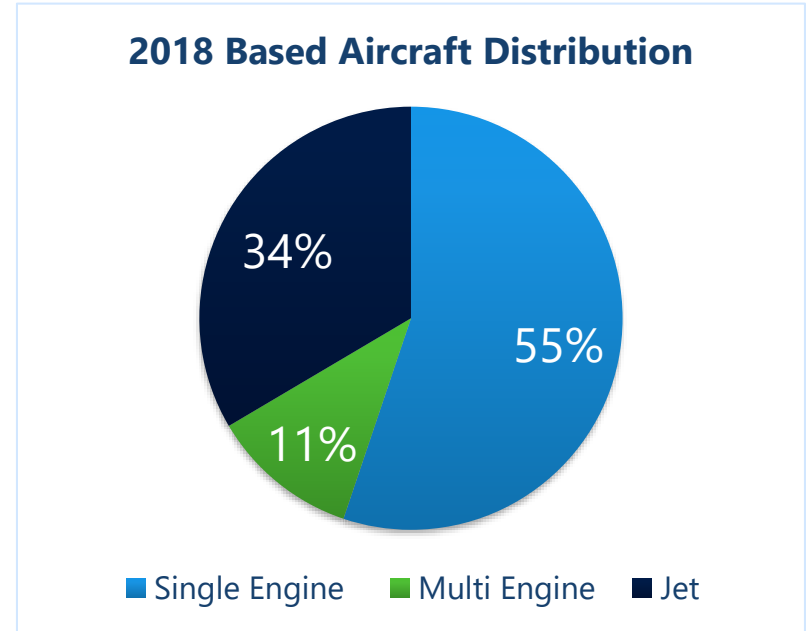
8.49% Annual Growth Rate

Source: Federal Aviation Administration, Terminal Area Forecast, accessed 2019.

Based Aircraft



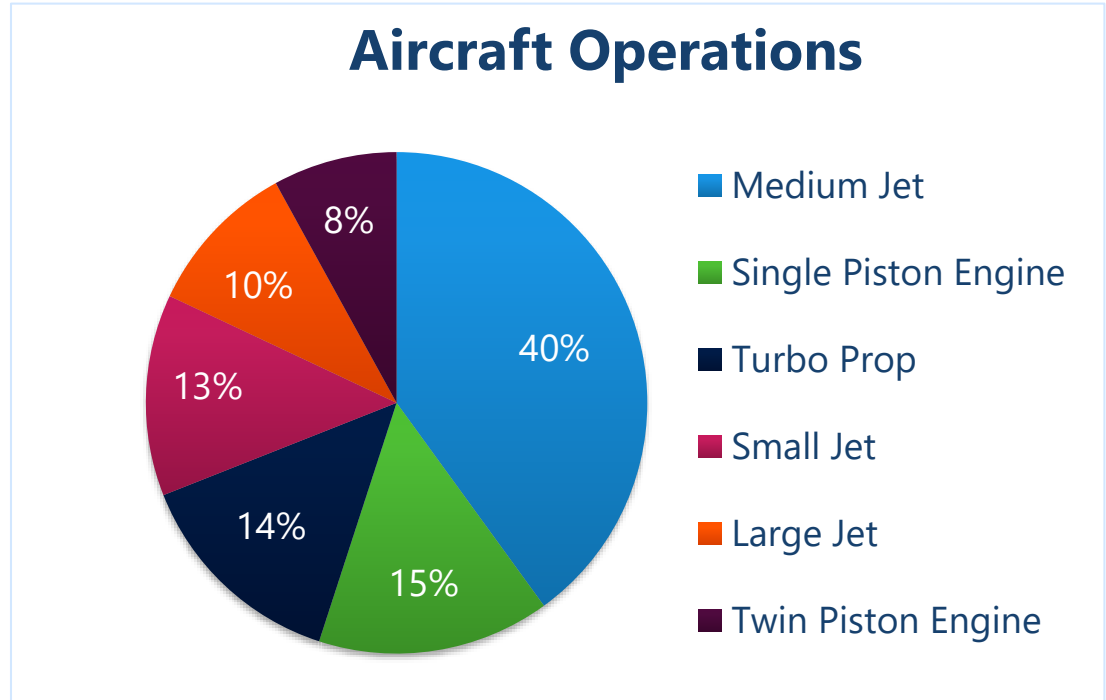
2.77% Annual Growth Rate



Source: Federal Aviation Administration, Terminal Area Forecast, accessed 2019.

CBP Operations (First Year of Operations)

- Operations
 - 1,542 Aircraft
 - 35 Vessels
- Most Frequent Origins
 - Bahamas
 - Canada
 - Turks and Caicos Islands
 - Dominican Republic
 - Cayman Islands



Tenant and Pilot Communication

Type	Frequency
Tenant Meetings	Quarterly
Holiday Outreach	Halloween, Christmas, Spring
Social Events	Yearly
Tenant/ Pilot E-blast	as needed for Temporary Flight Restrictions (TFR's)

On-Airport Community Outreach Events

- Wings of Freedom
- Unveiling of new LEED Administration and Customs and Border Protection (CBP) buildings
- Customs facility ground breaking
- Boynton Beach Community High School - airport visit
- Naval Junior Reserve Officers' Training Corps (NJ ROTC) – High School Student Tour



Participation in Community Events

- Sponsor of City of Boca Fabulous Fourth Event - July 4, 2018
- FAU Owl Athletics Sponsor
- Boca Raton Holiday Street Parade Float
- Charity Involvement
 - Toys for Tots
 - Back to School Drive
 - Hurricane Dorian Response
 - Boca Raton Airport Scholarship
 - Ken A. Day Scholarship (2014, 2015)



Community Engagement

- Boca Raton Airport serves as a valuable transportation facility and economic engine of the greater Boca Raton area.

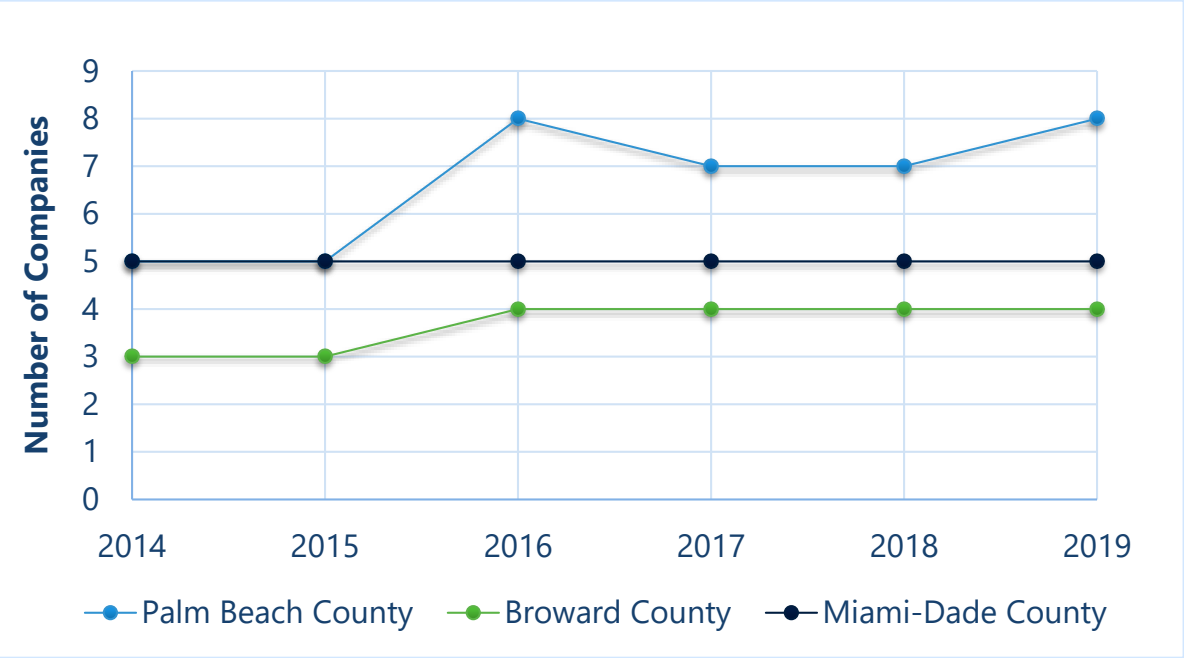
Education	Community Engagement	Environmental
BRAA Scholarship administered by the George Scholarship Fund	Medical flights	Noise abatement
Educational events and career expos	Disaster relief assistance	Wildlife hazard assessments
Aerospace program sponsorships	Humanitarian efforts	LEED Certified facilities

Source: Boca Raton Airport Website, <https://bocaairport.com/community-engagement-2/>, accessed January 2020.

Government Engagement

Type	Frequency
City Government	As needed
City Council	Annually, for events /outreach, and as needed
Chamber of Commerce	For events and outreach, participate as board member

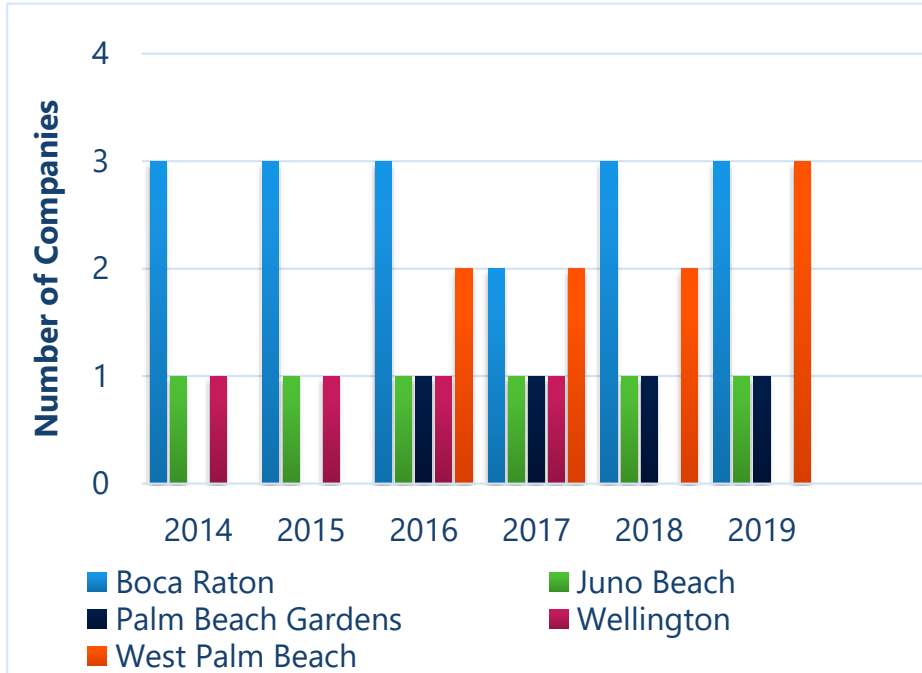
Fortune 1000 Companies per County



- Palm Beach County has had the most Fortune 1000 Companies headquartered in its cities.

Source: Fortune 500 Lists, <https://fortune.com/fortune500/2019/search/?hqstate=FL>, accessed January, 2020.

Fortune 1000 Companies in Palm Beach County Cities



- Boca Raton, FL consistently had the most Fortune 1000 companies within Palm Beach County followed by West Palm Beach.
- Below are the Fortune 1000 rankings for the 2018 and 2019 Boca Raton Companies:

Company	2018 Rank	2019 Rank
Office Depot, Inc.	281	285
ADT Inc.	578	566
The GEO Group, Inc.	889	897

Source: Fortune 500 Lists, <https://fortune.com/fortune500/2019/search/?hqstate=FL>, accessed January, 2020.

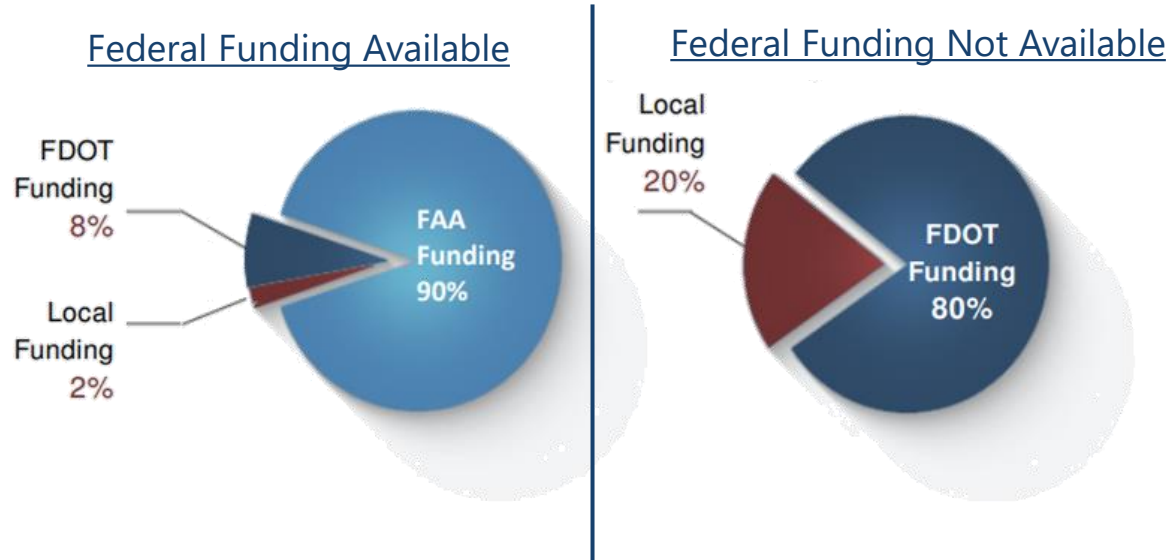
Industry Trends

- Current General Aviation fleet is expected to remain stable.
- Expected decline in fixed-wing piston aircraft (-0.9% annually)
- Expected increase in turbine powered, experimental, and light sport aircraft
 - Turbine fleet will grow due to growth in US Gross Domestic Product and corporate profits (turbine fleet includes jet aircraft)

Source: Federal Aviation Administration, Aerospace Forecast (FY 2019-2039), March 2019.

Access to State and Federal Grants

- FDOT may provide up to 80% of the local share of general aviation airport project costs.



Source: The Florida Department of Transportation Aviation and Spaceports Office, Florida Aviation Project Handbook 2019-2020, August 2019.

Florida's Aviation Fuel Tax

- Aviation Fuel Tax contributes to the State Transportation Trust Fund which funds the FDOT Aviation Grant Program
 - 6.9 cents per gallon on July 1, 1998
 - Decreased to 4.27 cents per gallon on July 1, 2019
- A proposal to repeal this tax is currently under review (Senate Bill 1192)

Source: The Florida Senate, Bill Analysis and Fiscal Impact Statement, Bill SB 1192, January 13, 2020.

Noise Regulation Change

- Regulations In place:
 - Aviation Safety and Noise Abatement Act (ASNA) of 1979
 - 14 CFR Part 150 Airport Noise Compatibility Planning: defines land use compatibility guidelines for aviation noise exposure established under the ASNA.
 - National Environmental Policy Act of 1969: requires to prepare an Environmental Impact Statement (EIS) if a proposed federal action would significantly affect the environment.
 - Airport Noise and Capacity Act (ANCA) of 1990: airports have limited authority to restrict access as a means of reducing aircraft noise impacts. To do this, an airport must prepare and share an analysis and allow for comment from the public and the FAA.
- New Regulation:
 - Aircraft Noise Reduction Act: introduced in the House of Representative on December 12, 2019.
 - This Act allows airport operators to impose certain restrictions relating to noise, and for other purposes.

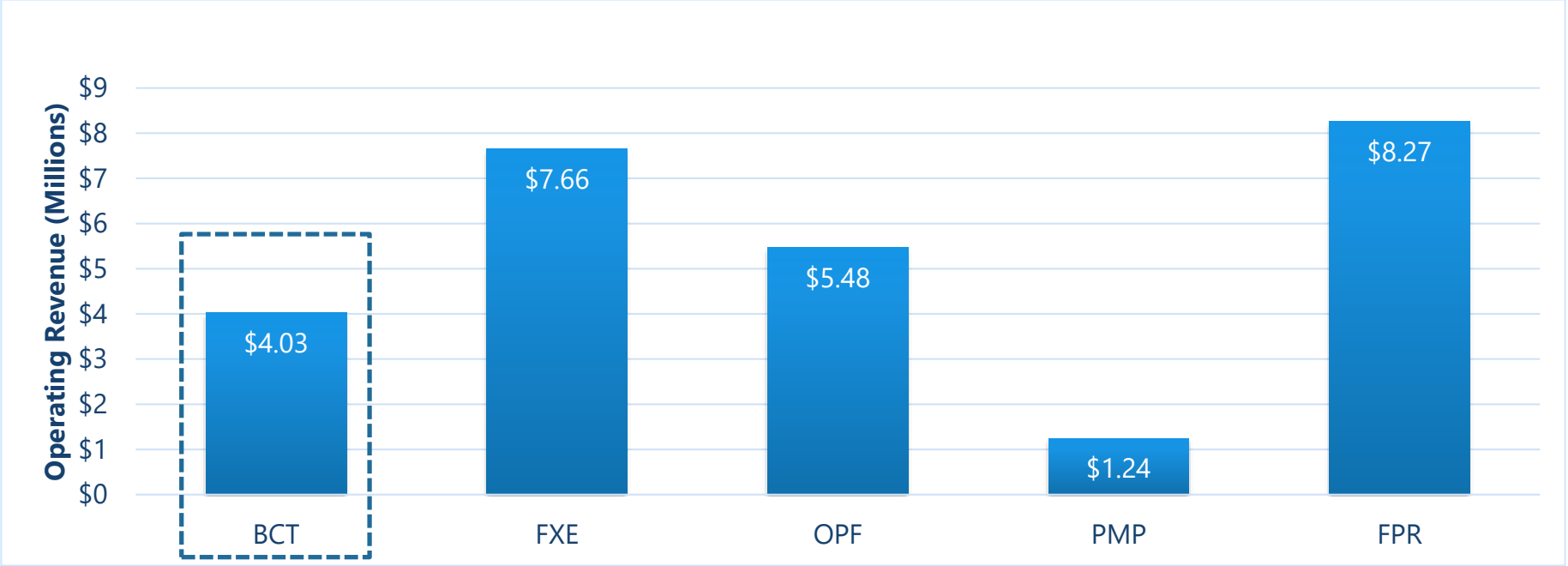
Local General Aviation (GA) Airport Market Characteristics

Airport	Code	Total Acres	Land Constrained	Number of Runways	Runway Length(s) (lin ft)	Control Tower Operation Hours	Customs and Border Protection Status
Boca Raton Airport	BCT	214	Yes	1	6,276	7AM - 1PM	Yes
Fort Lauderdale Executive Airport	FXE	1,050	Yes	2	4,000 / 6,002	24 hours	Yes
Miami-Opa Locka Executive Airport	OPF	650	Yes	3	4,309 / 6,800 / 8,002	7AM - 11PM	Yes
North Palm Beach County General Aviation Airport	F45	1,832	No	3	4,300 / 4,300 / 3,679	No	No
Treasure Coast International Airport	FPR	3,844	No	3	4,000 / 4,755 / 6,492	7AM - 9PM	Yes

Note: An emphasis was placed on business travel for airports evaluated.

Sources: Federal Aviation Administration, Current Airport Master Record Form 5010-1, 2019; AirNav.com, 2019.

FY 2018 Operating Revenue Benchmark



Sources: Broward County, FY 2019 Adopted Operating Budget, 2018; City of Fort Lauderdale, FY 2019 Adopted Budget, 2018; City of Pompano Beach, FY 2019 Adopted Budget, 2018; Miami-Dade Aviation Department, FY 2019 Adopted Budget, 2018; Ricondo & Associates, Inc., 2019; Port Lucie County, FY 2018 Department Summaries, 2019.

Vertical Take-Off and Landing Vehicles

- Benefits:

- Decrease commute and travel time
- Connect communities farther from large cities where commute is more burdensome
- Introduce an environmentally sound alternative to travel (zero emissions)
- Provide a noiseless or nearly noiseless type of air travel



Uber Elevate utilizes Vertical Take-off and Landing (VTOL) aircraft
demonstrator flights anticipated in 2020 and commercial operation goal of 2023

Source: Goel, Nikhil and Holden, Jeff, Uber Elevate Whitepaper, October 2016; Uber/Pickard Chilton, Arup, Uber Sky Tower, 2018.

- Requirements/ Barriers:

- Infrastructure for charging stations and landings
- Capital for technology development
- Development of the aircraft (autonomous technology integration if desired, vehicle efficiency, noise reduction, battery technology)
- Safety
- Certification from aviation authorities
- Air Traffic Control (ATC) coordination
- Pilots required if not fully autonomous

Natural Disasters - Boca Raton Airport

- Damaged by hurricane-force winds during **Hurricane Wilma** (Category 2) in 2005.
- Damage included collapse of 2 hangars, more than 50 damaged planes and blown hangar doors.
- Damage Cost: approximately \$12 million
- Received a Natural Disaster Grant/ Capital fund from the U.S. Department of Housing and Urban development.



Source: South Florida SunSentinel, Boca Airport tab nears \$12 million, November 2005; Southern Palm Beach County, With storm looming, look back at damage in Boca/Delray from Hurricane Wilma, October 2016.

Natural Disasters - New Orleans Lakefront Airport

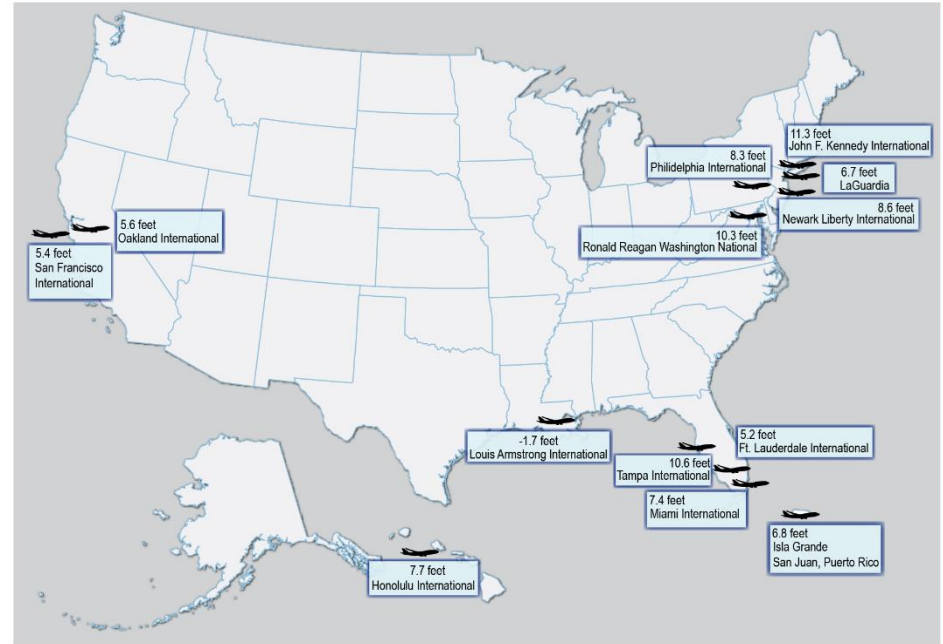
- Public use airport located 5 miles northeast of New Orleans.
- Categorized until 2015 as a general aviation reliever airport.
- Damaged by hurricane-force winds and storm surge during **Hurricane Katrina** (Category 4) in 2005.
- Flooding Damage Cost: \$80 million
- Airport officials requested FEMA for \$68 million to build a floodwall that would surround the Airport.



Source: Nola, Lakefront Airport seeking FEMA money to build floodwall around airport, August 2015; UPI, Hurricane Katrina Aftermath at Lakefront Airport, 2005.

Sea Level

- 13 of the of the US's 47 largest airports have at least one runway with an elevation within the reach of moderate to high storm surge (i.e. within 12 feet of current sea levels).
- Airports are addressing the growing threat of flooding by implementing drainage system, installing protective walls or pumps.
- Based on Environmental Assessment published in August 2012, none of the Airports located in Palm Beach County would be affected by a 1-, 2- or 3-foot sea level rise.



Source: Federal Advisory Committee Act, 2014 National Climate Assessment, October 2014; Southeast Florida Regional Climate Change Compact; Analysis of the Vulnerability of southeast Florida to Sea Level Rise., August 2012.



THANK YOU

FORMULATING STRATEGIC INITIATIVES

This worksheet is intended to guide the identification of strategic initiatives. These initiatives are intended to address strategic issues resulting from analysis conducted to date. Please review the Board Workshop Informational Materials and formulate at least two strategic initiatives that address one or more of the issues. These will be discussed during the Board Workshop on March 12.

<u>Strategic Initiatives Do</u>	<u>Strategic Initiatives Do Not</u>
<ul style="list-style-type: none"> ■ Address long-term (two or more year) issues ■ Address major airport financial risk ■ Require: <ul style="list-style-type: none"> – Changes in revenue sources – Amendments to existing policies – Staff changes – Technology changes – Changes in stakeholder relationships – Major facility changes <p><i>Example:</i> Fully integrate the Airport with the Town. (Addison, 2014)</p>	<ul style="list-style-type: none"> ■ Only address current issues ■ Address minor airport financial risk ■ Impact only one department ■ Solve issues that are easy to reach a consensus on (strategic issues are more complex) ■ Solve issues that are simply inconvenient if left unaddressed <p><i>Example:</i> Develop new operating procedures for the Airport Operations group to transition through upcoming staff retirement.</p>

Draft Initiative	Strategic Issue(s) Addressed	Anticipated Challenges in Implementation of Initiative

Draft Initiative	Strategic Issue(s) Addressed	Anticipated Challenges in Implementation of Initiative