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Joint-Use Agreements: What Are The Financial Benefits?

- Military/Civil joint use most often results in the airport operator receiving money, and free services from the military.
- The anticipated cutbacks and base closures as a result of the end of the Cold War will be beneficial for some airports and will hurt others.
- Increasing military use fees to airports can become politically controversial due to the fact that there may be residual benefits to a community via civilian employment on the installation which might be lost if the unit left the airport.
- Military Crash Fire Rescue services are generally far in excess of that required by the FAA.
- Some military installations contribute to the sponsors share of an AIP project, particularly when it involves taxiway and runway overlays.
- The average dollar amount of the average annual cash use fee paid to airports is a small fraction of its overall operating budget allocated to conduct the military's activities at that particular location.

A number of airports in the United States are sufficiently developed to allow both extensive military and civilian use. This arrangement allows local Reserve and National Guard units to operate a wide variety of aircraft from the same airport which basically serves all of the civil aviation needs of that community.

The most prevalent joint-use agreement between the military and the civilian sector involves a mixture of an annual "use payments" to the airport, along with the provision of crash fire rescue services by the military for the entire airport at no charge. Due to the wide variety of high performance aircraft operated by Guard and Reserve units, the Crash Fire Rescue Indexes (specifications) prescribed by the FAA are generally inadequate to meet the military's needs. The military's enhanced Crash Fire Rescue capability is an excellent adjunct to an airport's marketability, and relieves the airport of the burden of paying for this particular service.

The ongoing relationship between the military and the civil sector at some airports has been jeopardized by the anticipated cuts which will apply to military spending as a result of the end of the Cold War. This will undoubtedly result in elimination and consolidation of Guard and Reserve units stationed throughout the United States. Depending on the size and type of airport, the potential loss of a military joint user will be beneficial for some and will clearly hurt others. The airports which will benefit the most are very large air-carrier facilities where the closing of a military installation will result in the reversion of



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valuable airside property which can be put to use in some other, more intensive revenue producing capacity. At airports where there are not a lot of income sources, the loss of the military may mean a reduction in operating income and the loss of free Crash Fire Rescue services.

The revenues collected by airport sponsors from the military can clearly become politically controversial issues. Airside military installations which support the average aviation related Reserve or National Guard unit have the potential to provide civilian employment opportunities for the community. There is no question that this residual benefit is another factor why communities are nervous in anticipation of the inevitable military cutbacks which will occur, and approach the renegotiation of their use agreement with some trepidation. No one wants to give the military a reason to close an installation.

Oftentimes the Crash Fire Rescue capability provided by the military offers a huge superadequacy for the airport. Depending on the size of the military aircraft operated, there may be as many as forty firemen at a particular base adjoining a civilian airport which may have Beech 99's as their primary air-carrier aircraft. In the event of an accident, each passenger would have two exclusive crash fire rescue representatives. ("Hi, we're Rob and Fab, your CFR attendants, let us personally escort you through that gaping hole in the fuselage.")

In addition to the annual fees paid to the airport, and supplying the airport's Crash Fire Rescue service, the military will often pay all or part of the sponsors share for a particular AIP project. This will apply to a taxiway or runway overlay project, particularly where the military user may operate large aircraft like the C-130 and have contributed to the depreciation of the surface.

In general, there is other cooperation between the military and airport management which can help the airport save money. Large, man-power intensive projects like tree trimming and brush removal can sometimes be accomplished with Reserve National Guard personnel.

The basic annual fee which is generally collected from the military runs from approximately \$20,000 per annum at the lower end, to \$100,000 at the upper end. There are differences which apply to the ownership of the property. Many joint use military installations are leased by the military for a nominal rent of \$1 a year for the real estate plus the annual cash payment. These facilities are similar to FBO's, corporate hangars and other civilian airside installations in that the owner of the underlying land is the airport operator. Other military facilities are "through-the-fence" operations. If some bases are closed, those with fee simple land holdings adjacent to an existing airport will have to be



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disposed. It will be interesting to see whether the government chooses to try to market this airside property to the nonaviation industrial, commercial, or residential user, or as has been the tradition in the past, deeds the land and buildings over to the airport in fee simple for free.

In most cases, the actual cash paid by the military to the airport is fairly nominal given the average operating budget which is required by the sophisticated aircraft the military operates. Overall, the arrangement has basically worked well with each side enjoying the symbiotic benefits of the others presence and the net result being a more efficient utilization of the airport.