

## **DEPARTMENTAL BUDGET INFORMATION AIRPORT DEPARTMENT (10)**

### **STATEMENT OF PURPOSE**

The Airport Department continues to evolve during economically challenging times by structurally balancing bringing costs in line with revenue and improving services. The emerging strategy is to unleash the enterprise power of the Coleman A. Young by identifying and capturing new streams of capital and operating revenue through a Public Private Partnership.

### **DESCRIPTION**

The Airport Department by City Ordinance, Section 4-1-2, acquires and holds aviation facilities, develops and operates them, lease these facilities, represent the city in all aviation matters affecting the interest of the city, and manage - control all city properties and equipment devoted to aviation activities.

The Department's main holding is the Coleman A. Young Airport. The Airport covers 300 acres of land, which includes: two runways, the Air Carrier Terminal, Executive Terminal (including 14 large hangars), 129 small aircraft hangars with 145 based aircraft. Coleman A. Young Airport handles more than 75,000 aircraft operations.

Currently airport staff administers, operates, and maintains the airport. In addition, there are more than 100 personnel employed at Coleman A. Young Airport. The primary employers are the Airport Department, Signature Flight Support, Air Eagle, Enterprise, City Aviation, and the Detroit Fire Department.

The airport hosts a number of interesting programs for youth and adults, including: The Civil Air Patrol (High School), Wild Blue Wonders (Middle School) and Experimental Aircraft Association. We also

provide infrastructure for one of the premier high school aviation programs in the nation at B.O. Davis High School.

### **MAJOR INITIATIVES FOR FY 2008-09**

The Department is negotiating an agreement with a strategic partner equipped to manage and develop the Coleman A. Young Airport. Our goal is to execute a public/private partnership to provide the best opportunity for the City of Detroit's:

- Vision for the growth and redevelopment of the airport;
- Plan for capital investment in the airport to create a thriving enterprise;
- Opportunities for Detroit based businesses;
- Employment opportunities for displaced city employees;
- Expected income to the City's General Fund (including rents, taxes, etc.).

The strategic partner will assume the day to day running of the Airport facility and make capital investments (\$50M minimum) to leverage current City, State and Federal investment. In addition, the City will work with its chosen partner to ensure adequate public oversight and maintenance of federal, state and local requirements.

The continued redevelopment of said facility includes the Tuskegee Airmen National Museum, office space and a Fly-In conference-exhibition center.

### **PLANNING FOR THE FUTURE FOR FY 2009-10, FY 2010-2011 and BEYOND**

The Airport Department's dynamic and ambitious vision for the future is to establish the Coleman A. Young Airport as an anchor for economic development, job creation, and

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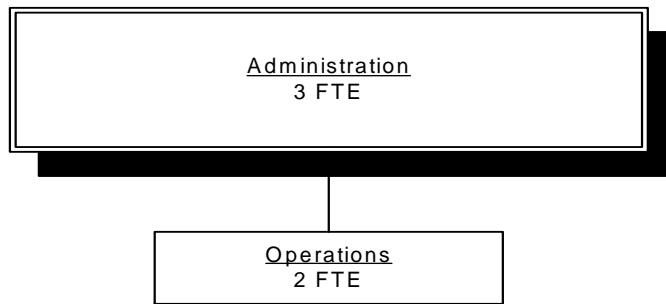
improvements for the surrounding community. The vision includes modernized facilities, improved customer service, enabling ordinance driven business practices, and continued development programs. Restoring and maintaining airline service is a key component to maximize the potential impact of the Coleman A. Young Airport and to the airport's role in improving Detroit

To achieve that vision, the department's goals are to construct a replacement runway to continue to promote the capture and

growth of air commerce; to completely rehabilitate the executive terminal for use as a conference center, office space, exhibition center and museum; and to complete land acquisition along French Road to meet FAA design standards. Additional economic development options are under consideration.

The Airport Department will continue to evaluate the aviation business climate to make the enterprise grow and be proactive to market demands.

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***AIRPORT OPERATIONS MEASURES AND TARGETS***

<b>Type of Performance Measure:</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
List of Measures	<b>Actual</b>	<b>Actual</b>	<b>Projection</b>	<b>Target</b>
<b>Outputs: Units of Activity directed toward Goals</b>				
Corporate/Charter Passengers	52,145	60,000	45,000	35,000
Annual airline emplanements	3,457	10,000	0	0
Annual tons of air cargo	69.7	75	75	35
<b>Outcomes: Results or Impacts of Program Activities</b>				
Budgeted city subsidy	\$0	\$900,000	\$928,865	\$789,535
<b>Activity Costs</b>	<b>\$2,787,627</b>	<b>\$6,542,110</b>	<b>\$5,554,765</b>	<b>\$1,839,496</b>

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**EXPENDITURES**

	2007-08 Actual Expense	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 535,829	\$ 448,643	\$ 431,518	\$ (17,125)	-4%
Employee Benefits	334,051	279,762	283,373	3,611	1%
Prof/Contractual	(4,101)	62,880	12,000	(50,880)	-81%
Operating Supplies	174,807	145,495	273,524	128,029	88%
Operating Services	735,194	945,905	809,081	(136,824)	-14%
Capital Equipment	52,778	3,501,200	-	(3,501,200)	-100%
Capital Outlays	231,807	25,000	25,000	-	0%
Other Expenses	913,568	145,880	5,000	(140,880)	-97%
<b>TOTAL</b>	<b>\$ 2,973,933</b>	<b>\$ 5,554,765</b>	<b>\$ 1,839,496</b>	<b>\$ (3,715,269)</b>	<b>-67%</b>
<b>POSITIONS</b>	<b>11</b>	<b>8</b>	<b>5</b>	<b>(3)</b>	<b>-38%</b>

**REVENUES**

	2007-08 Actual Revenue	2008-09 Redbook	2009-10 Mayor's Budget Rec	Variance	Variance Percent
Rev from Use of Assets	\$ 1,144,945	\$ 838,500	\$ 1,059,481	\$ 220,981	26%
Grants/Shared Taxes	3	-	-	-	0%
Sales & Charges	164,474	95,000	85,000	(10,000)	-11%
Contrib/Transfers	582,137	928,865	680,015	(248,850)	-27%
Miscellaneous	2,434,829	3,692,400	15,000	(3,677,400)	-100%
<b>TOTAL</b>	<b>\$ 4,326,388</b>	<b>\$ 5,554,765</b>	<b>\$ 1,839,496</b>	<b>\$ (3,715,269)</b>	<b>-67%</b>