

NOW BOARDING ...

DESTINATION, ANYWHERE

by Cynthia Scanlon

photo by Daniel Watts

When it comes to operating and maintaining a huge facility, none compares to Phoenix Sky Harbor International Airport. The airport has grown from modest beginnings as a small municipal airport, purchased by the city of Phoenix in 1935, to the focal point of the Valley, serving more than 27 million passengers a year.

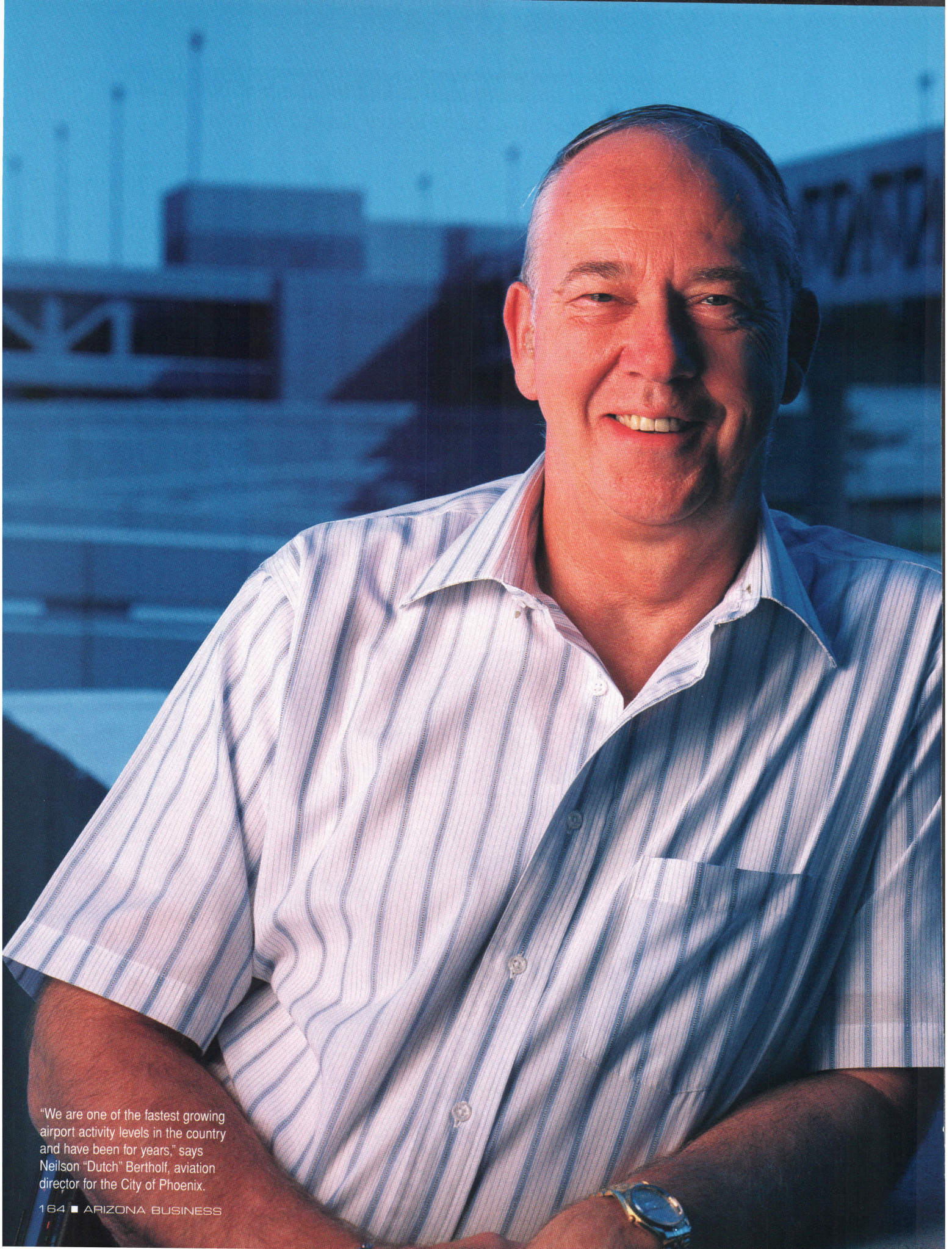
For the occasional traveler, the airport is a facility that is there when needed. For the frequent business traveler, Sky Harbor is the familiar building to be passed through on the way to some other destination. But regardless of the perception, Phoenix Sky Harbor International Airport is a facility that is on the cutting edge where airports are concerned. And as the traveling population continues to expand, Sky Harbor will continue to meet the demands of the traveling public by focusing on needs and meeting constant challenges on an almost daily basis.

"We are one of the fastest growing airport activity levels in the country and have been for years," says Neilson "Dutch" Bertholf, aviation director for the City of Phoenix. "And the business community and city council are well aware of the value of Sky Harbor and the ability to move from Phoenix to anywhere else in the world rather quickly."

This rapid growth is due in part to the growing population, people traveling more for business and leisure, and Sky Harbor's commitment to provide a state-of-the-art facility that maintains itself in the wake of constant change. Numerous projects have been completed and even more projects are either currently under way or deep in the middle of the planning stages. For Bertholf, keeping up with the rapid change while trying to plan for the future keeps his staff and everyone at the airport busy night and day.

One of the biggest projects that was brought to completion was Terminal 4's \$31 million expansion. The terminal and expansion was designed by DWL Architects & Planners, Inc. and was undertaken to accommodate the growth of Southwest Airlines and make room for the airport's newest tenant, British Airways.

Terminal 4, which opened in 1990, was constructed with expansion for the future in mind. The expansion included new ticketing counters, an elevated walkway to connect the terminal's southern and northern concourses, and two new baggage carousels. The project was on track to be finished by the time the Super Bowl arrived in January 1996. ▶



"We are one of the fastest growing airport activity levels in the country and have been for years," says Neilson "Dutch" Berthoff, aviation director for the City of Phoenix.

With all the expansion at the airport comes added travel population, both in people flying and people picking up or dropping off loved ones. As might be expected, this has created severe parking problems, which Bertholf and his staff are now concentrating on.

"We constantly have a problem with parking, and over the past six to eight months, it has become severe," he says. "We are building 5,000 parking spaces to the east currently and are looking to add two additional parking decks on top of Terminal 4. We also want to widen out the levels north and south. When you put all this together, it's a huge capital improvement."

When he's not working on parking concerns, Bertholf spends

knew it had a problem that had to be fixed. While water running wild is no longer a problem because of the state's dams, Bertholf concedes that the environmental process of constructing a new runway has taken an enormous amount of time, almost 10 years. "Nothing comes quickly in this kind of thing. We just kept the pressure on," he says.

Part of the environmental and design difficulty has revolved around relocating the Arizona Air National Guard, which presently sits in the middle of the proposed site. The entire base will have to be moved southeast. "We have 19 design contracts working on that facility to redesign hangers, operation centers, and the whole base, including rerouting sewer lines and roads," Bertholf says.

As if this weren't enough, Sky Harbor also agreed to convert 100 on-site vehicles to natural gas in response to the state's request to cut emissions and meet federally mandated guidelines to reduce particulates in the air. "Compressed natural gas is better for air quality," says Bertholf, and so, as part of the third runway agreement, the conversion was undertaken. The original gas tanks were designed to operate under pressure up to 3,600 pounds per square inch and hold the equivalent of 14 to 15 gallons of natural gas. But that is now changing.

"We have had some mechanical problems with the systems, tanks that won't hold their charge and leak," says Bertholf. "We're going to end up with steel tanks, which are cheaper, but because they are heavier, we are going to have to make some modifications to the suspension system in the vehicles." Sky Harbor plans to convert an additional 100 vehicles once all the mechanical kinks are worked out.

One item that has been on Bertholf's agenda for some time is the eventual closing of Terminal 2. He says the building is old and aging every day. "It's like living in a 40 year old house," says Bertholf. "When things go wrong, they really go wrong, and that's always in our mind."

Sky Harbor had planned to take a serious look at closing the terminal when America West went into bankruptcy in June 1991. The plan was backburnered until the airline could become more stable. "If America West went out of business, the revenue stream would be seriously impacted, so we backed away," says Bertholf. "I'm sure we'll go back and look at the closing of the terminal as part of our master planning process in the future."

Cargo is another area that is greatly impacting Sky Harbor's facility on a daily basis. And the demand to move more and more cargo through the airport only seems to be intensifying. In 1994, Sky Harbor International Airport transferred more than 257,000 tons of cargo through its facilities, a 26 percent increase from 1993. That is expected to increase 20 percent every year. Air cargo operations for 1994-95 chocked up an astounding \$239 million. Freight carriers that are responsible for those increases include Federal Express, DHL, United Parcel Service, Burlington, Airborne Express, Emery Air Freight, the U.S. Postal Service and, now, British Airways.

Currently, cargo facilities take up three buildings, occupying more than 197,000 square feet of space with more than 2,600 employees working within the operation.

Cargo from all over the world passes through the airport, but a hefty amount of freight money is contributed from the numerous businesses right here in Arizona. Motorola and Intel are just two of the state's exporters that ship goods in large numbers all over Europe. Hughes Missile Systems Company and McDonnell Douglas Helicopter Systems also export overseas. And all of these goods must pass through Sky Harbor Airport. Exports from British Airways' new Phoenix route are expected to increase by \$100 million a year. ▶

DID YOU KNOW...

- Phoenix Sky Harbor International Airport is the 11th busiest airport in the United States and the 17th busiest airport in the world. Nineteen airlines fly into the facility and 185 private aircraft make Sky Harbor their home.
- Employees of the airport number more than 21,000 and 72,000 passengers pass through Sky Harbor daily.
- Last year, 22.7 million gallons of aircraft fuel was dispensed.
- Travelers do their share of food consumption at the airport: 6,000 pounds of potato chips, 27 tons of hot dogs and 1.2 million Pizza Hut Personal Pan Pizzas are sold every year.
- There are currently 9,850 parking places available with 12,442 parking transactions conducted on average every day.
- Three taxi cab companies serving Sky Harbor make an average 990 daily trips solely for the transportation of air travelers. Fifteen different limousine companies provide airport-to-door service to air travelers, posting 162 trips per day. Airport-to-door van service is available 24 hours a day. Super Shuttle averages about 240 trips per day.
- A fleet of 35 passenger airport buses provide transportation between terminals, departing every five minutes from shuttle stops around the airport. Sky Harbor's inter-terminal shuttles make about 222 daily trips and transport nearly 3,000 visitors each day.—CS

some of his day with one of the most ambitious projects the airport has undertaken in some time: the design and construction of a third runway. According to Bertholf, a third runway is critical to Sky Harbor's growth and expansion. Without it, passengers will experience more and more delays in departing, especially during peak travel times. A third runway will help spread the traffic burden.

The third runway is being funded by a five-year, \$3 passenger user fee and is expected to run \$178 million by its completion in early 1999. Bertholf asked the Federal Aviation Trust Fund for money to help finance the runway, but the bulk of the money will come from the passenger facility charge.

The third runway has been in the master plan since 1976, says Bertholf. When a part of runway two ended up underwater twice in the 1980s because of an overflowing Salt River, Sky Harbor

Bertholf is more than aware of the growing demands of cargo and continually asks himself questions like, "How do we handle cargo? What are the facilities that are needed? And what is the forecast for cargo?"

In fact, he asks himself questions about the facilities operation of the entire airport all day long. He talks to other tenants and officials, as well. Both the questions and possible solutions are continually put down in a master plan that breathes and grows as the airport takes on a life of its own.

"What are the needs for the next five, 10, 20 years?" Bertholf asks. "We are looking long term at where we want to be with all of our aviation facilities, including Goodyear and Deer Valley. What is the system going to be like?"

To answer all these questions, Bertholf says cargo, general aviation and all carrier operations will be scrutinized to determine the kinds of facilities needed and the kinds of dollars and cents that will be required to finance those requirements.

It is no secret that one of the airport's biggest and most noteworthy projects brought to successful completion is the addition of British Airways as a permanent tenant to Sky Harbor's Terminal 4. Six years of negotiations have finally made the dream of international travel out of Phoenix a reality, and Bertholf says it was accomplished by persistence and having something that the foreign airline wanted: a growing international travel market.

"We have a great market and we've become a center to fly more conveniently to Europe," he says. "I don't think the community is totally tuned into the impact of international travel out of Phoenix, but this is going to make our community truly international."

According to aviation figures from the city of Phoenix, British Airways will have a direct impact of \$24 million in its first year of operation in Phoenix. This number is expected to grow to more than \$42 million at the end of five years. Three-hundred jobs are expected to be created immediately and more than 4,500 jobs will be originated indirectly. This translates to an expected economic impact of \$237 million the first year, growing to \$344 million by year five.

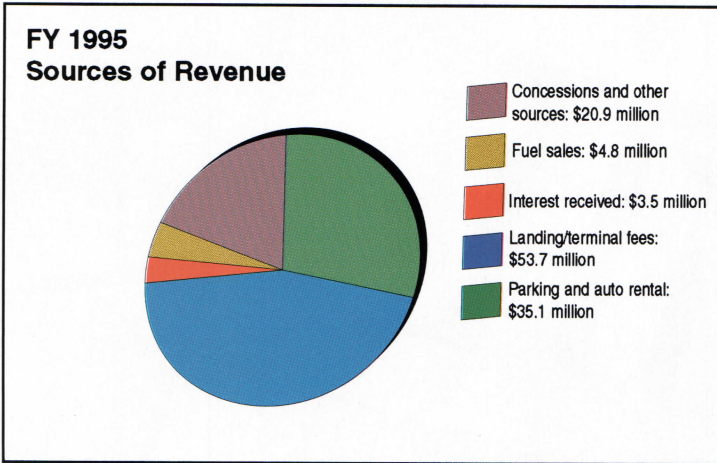
According to Ken Melidoni, director of sales southwest USA for British Airways, the international airline was looking to grow its business from its hub



United Title is adopting the name of its parent company, ATI Title Company, the nation's largest title agency. What won't change, however, is our people. The same professionals you already know will continue to provide reliable services for the real estate industry throughout the Greater Phoenix area.



WE'VE CLOSED ON A NEW TITLE...
NOW LET US CLOSE ON YOURS.



in the United Kingdom. The airline's most profitable routes are across the North Atlantic into the United States, and its growth potential is in cities west of the Mississippi that have a good mix of corporate and leisure business travelers.

"Phoenix had the correct mix, and it also worked well with the proximity to San Diego because that's where the flight originates," says Melidoni. "Since San Diego backs up the flight to Phoenix, we have those two cities combined almost on a daily basis."

Securing the future

With the recent crash of TWA Flight 800, heightened security at airports has become the norm. And Sky Harbor

organized for the day and take care of any work he took home with him the night before. When he is in town, most of his day is devoted to meeting with airport tenants, operational, construction and maintenance staff. Then there's the work do to in marketing, community outreach and night meetings. Bertholf also spends a great deal of time traveling, promoting Sky Harbor all over the world.

Operating a facility the size of Sky Harbor requires teamwork in the truest sense of the word. Bertholf would like the community to remember that the airport runs smoothly because of the dedication of a great many people on a daily basis. Without them, he says, Sky Harbor would not be one of the fastest growing airports in the nation.

"There are an awful lot of people here who work hard every day to make sure the airport works for them," he says. "Not only my staff, but all the airlines, the concessionaires, maintenance staff and other people here are really trying to serve the public as best they can. They work very hard at it."

He adds, "If you ask people across the country what is one of the better airports, we come out on top. That's because the people here work hard to make that happen."

Perhaps the biggest show of confidence in Phoenix and Sky Harbor has been British Airways choice to set up shop here. "It's a huge commitment when we decide to fly to a new destination," says BA's Melidoni. "It has been 13 years since British Airways has opened a new destination in the U.S. This is our 21st U.S. gateway. We don't willy nilly start up a new city. We do a lot of market research."

Melidoni adds that British Airways can fly from the east coast to London and back with one airplane. But it takes two planes, one leaving Phoenix as one is leaving London, to accommodate time changes and make the Phoenix-to-London route successful. "It's a huge commitment because airplanes are not inexpensive," he says.

As a result of the commitment from both British Airways and Sky Harbor, Melidoni believes that other international carriers will be looking closely at the international airline and the airport itself as a place to do business in the future.

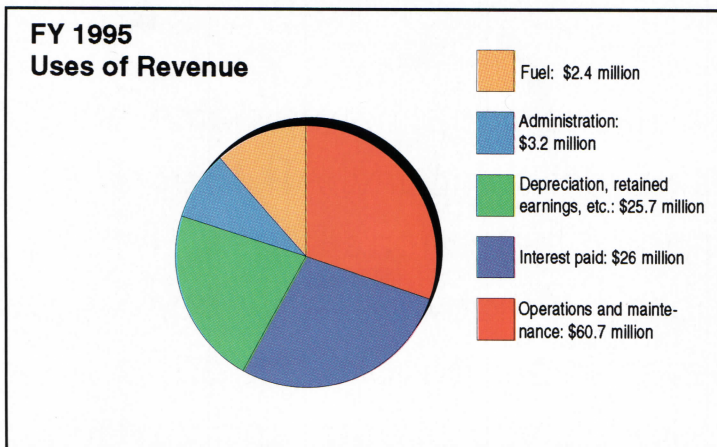
"There's going to be a lot of other international air carriers that are standing at Sky Harbor with clipboards counting how many people are getting on and off our aircraft," he says. "We are going to be used as the benchmark for their decision-making process."

Both business and leisure travel show no signs of abating. And as the world becomes more sophisticated and complex, worldwide travel will become the norm. It will be up to Sky Harbor to see that it keeps pace with the demand without sacrificing quality and service. It's a big challenge, but Bertholf, his staff and all the employees that work to maintain the airport think they are up to the call the future signals.

For the rest of us, we will go on passing through terminal gateways on route to somewhere else, conscious that we are standing in a modern airport, appreciating the facility and how smoothly it runs most of the time, but still a little anxious about making our flight on time.

AB

Cynthia Scanlon is a Tempe-based free-lance writer and a regular contributor to Arizona Business Magazine.



is no different. Bertholf stresses that not only is Sky Harbor vigilant about its own security, but it keeps a close eye on airport security measures throughout the world. Here at home, security is priority one.

"We have a very stringent security plan, and we work hard at making sure that our plan stays in place," says Bertholf. "Our airport association works closely with the FAA, and we constantly update our plan."

Bertholf adds, "Terrorism is something that is out there. I don't think anybody has a good idea about how far away it is."

It is all of this constant activity that keeps Bertholf busy. The former Milwaukee airport manager arrives early in the morning before most of his staff in order to get