

Relocating an

AIRPORT



URA compliance takes center stage for the first publicly-funded airport built in 15 years.

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The Panama City–Bay County International Airport had to relocate. The 61-year-old airport was positioned in a location vulnerable to hurricane storm surge, and proponents of change said the old 6,500-foot runway was too short to handle fully loaded large jets. Hemmed in on three sides by residential property, and with environmental issues blocking expansion into the water, the old airport was stalemated. After years of deliberations, the time had finally come for a changeover to a new location.

On the exact day the old airport was scheduled to close, a new airport would open on an entirely new site. The \$310 million Northwest Florida Beaches International Airport was built in spite of opposition by those who feared growth would bring a negative change in the quality of life, those who had environmental concerns, and those who doubted the need for a new airport. It is already showing indications of success beyond its projections, despite the recession and the negative publicity surrounding the Gulf oil spill.

This was clearly a once-in-a-lifetime relocation project. Not only was it the first publicly funded airport built in this country in 15 years, it was the first publicly funded airport built in the United States incorporating security requirements resulting from 9/11.

It all started in 1998, when the St. Joe Company, the state's second largest private landowner, agreed to work with the Airport Authority to identify a suitable site for relocation, and offered to donate 40,000 acres of land on the north shore of St. Andrews Bay, which flows into the Gulf. The company saw an opportunity to attract businesses as well as build homes, commercial property, shops, hotels and recreational facilities.

PLANNING FOR COMPLIANCE

The plan sounded impossible. The existing Panama City airport was scheduled to shut down on May 22, 2010 and reopen the next morning as the Northwest Florida Beaches International Airport in West Bay, eight miles away.

The closure of the existing airport affected hundreds of leasehold interests, and because the \$310 million dollar airport project included over \$90 million in federal funding, ensuring the Airport Authority's compliance with the Uniform Relocation Act (URA) was an integral component.

In April 2009, my company, Keystone Field Services, was brought in as subject matter experts to advise the Airport Authority on Uniform Act issues and bring the airport project into compliance. Initially, airport staff projected eight to twelve interests that might be impacted by the airport relocation. The actual scope ended up dwarfing this estimate.

BIGGER THAN LIFE

The new airport was being constructed on vacant timberland, and other than wildlife, there were no anticipated displacements. However, the new airport project also mandated the decommissioning of the existing airport.

At the beginning of the project, the Authority's focus was primarily directed at the commercial aviation side of the airport's operations. Only limited communication had taken place between the Authority and the rest of the potentially affected population, such as the concessionaires, advertisers, industrial tenants, and the general aviation operators and pilots who were based at the existing airport.

The Airport Authority held a myriad of leases with direct airport tenants, commercial airlines, car rental companies, concessionaires, advertisers, fixed-base operators and government agencies, including the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA). Even residential tenants would be affected. Many of the leases were older, long-term leases, and some were entered into as early as 1965. The leases were subject to decades of amendments, assignments, subleases and bifurcations, with many of the original entities no longer present on airport property. Additionally, the various leases had been written over decades and lacked consistency, specifically with regard to termination vis-à-vis the airport's relocation to a new site.

Our first task was to develop the Airport's Relocation Plan using a needs assessment survey to get a better handle on the magnitude of the impacts. It quickly became apparent to the team that the displacement population was much larger and presented many more complexities than airport staff had originally presumed.

When we identified over 300 potentially displaced persons, the Airport Authority's staff was taken by surprise. We all knew the fair and equitable treatment of all displaced persons

under the provisions of the URA was vital to the overall success of the project. However, by the time our due diligence revealed the magnitude of the project, there were only 10 months remaining to execute the acquisition and relocation program, and a very limited remaining budget.

THE TEAM GETS TO WORK

Our team had less than a year to identify this displacement population, assess their needs, and identify potential solutions for a successful relocation from the old airport property. This required that we determine their legal status as tenants or sub-tenants of the Airport Authority, acquire all leasehold interests as necessary, and facilitate the physical relocation of all individuals, businesses, and personal property from the existing airport property in accordance with Uniform Act provisions.

A thorough forensic review of all leases was conducted by the team, who then made recommendations as to which leases could be terminated, and which had to be extinguished or broken triggering Uniform Act issues. Once this determination was made, the team was equipped with a roadmap and went on to address the various entities according to their status vis-à-vis the Uniform Act.

Although the Principals at Keystone have vast experience in executing accelerated projects, this was a monumental undertaking. We had to hit the ground running and rapidly bring the Airport Authority into compliance with the Uniform Act, and then seamlessly move to the implementation and execution phase of the relocation program. A project of this magnitude and schedule



Construction at the new site was well underway when the team was brought in to relocate hundreds of tenants.

could easily necessitate a team of eight to ten individuals. However, the limited budget simply could not support a team of that size.

We knew from experience that the only way to meet the schedule and stay within budget was to utilize a small project team of senior level professionals with diversified skills and a proven track record of successfully overcoming similar challenges. This project called for expertise in acquisition and relocation under the URA, extensive field experience, eminent domain expertise, and proven accelerated production management know how.

To this end, a three-person team of experts was assembled. I was chosen for the role of Relocation Program Manager. My field experience and prior success in managing accelerated acquisition and relocation programs under the URA made me a good fit. Celeste Adorno, Esq. served as the Airport Authority's Special Legal Counsel, leveraging her vast experience in negotiating and acquiring right of way under the threat of eminent domain. To keep us on track, Eli Matalon served as the Operations and Production Manager, drawing on his extensive experience of driving complex and accelerated projects under very tight schedules.

Combined, our team brought over 65 years of right of way and eminent domain experience to the project.

GREATER SYNERGY THROUGH ROLE ASSIGNMENT

The team quickly moved forward with developing the Airport's Relocation Procedures Manual and Appeal Procedure, which was adopted by the Airport's Board of Directors. In July 2009, General Information Notices were delivered, and thus began an accelerated acquisition and relocation program. Each team member was tasked with reviewing the FAA guidance documents and identifying a set of challenges that could potentially be encountered on the project. The team then met to brainstorm solutions to the countless issues and potential problems, and mapped out a mitigation plan. This resulted in a formalized matrix of tasks designed to drive the project forward.



Located eight miles from the old airport, not all entities were able to relocate to the new airport.



On May 22, 2010, the Panama City-Bay County International Airport officially closed.

Synergy was achieved by assigning a team member “driver” to each critical task, with other team members contributing to the task in the capacity of “advisor” or “reviewer,” based on their respective expertise and core competency. The driver was the one whose expertise was most suitable for handling the task. They would be responsible for delivery, while pulling in the expertise of the advisor throughout the process. The reviewer’s expertise was used to bounce ideas for mitigation of issues and quality control.

These role assignments greatly contributed to the group’s ability to drive forward critical issues. It helped the team mitigate issues quickly, enabling us to keep forward momentum at an accelerated pace. Because the individual roles changed over many work assignments, tasks were effectively shared throughout the project, further allowing each team member to become intimately familiar with every assignment and its relation to the overall project objective. Maintaining focus on the big picture contributed greatly to our team’s ability to tackle challenges as they arose, and keep the project on the right track.

DISCOVERY PROCESS

When the project began, the Airport Authority was not fully aware of all airport stakeholders, specifically the sub-lessees and the impact the airport relocation would have on them. As one can imagine, a multitude of public and private entities can make an airport buzz, and many opportunities existed for the discovery of additional interests not readily apparent to the Authority. The team’s due diligence and persistence were vital, as all of these concerns had to be adequately addressed to meet the schedule.

One of the project’s biggest challenges was the scarcity of suitable replacement sites. Unlike other acquisition/relocation projects, where replacement sites might be available in the surrounding communities, impacted airport tenants are limited to relocating to other airports. Since not all entities at the existing airport were able to relocate to the new Northwest Florida Beaches International Airport in West Bay, the project team needed to identify other alternatives early in the project lifecycle.

The team worked diligently with smaller airports in the region to accommodate general aviation pilots who were unable to move to the new airport and secure replacement properties for their aircraft. A concerted effort was made to work with other airports in the region to expand their facilities to accommodate these displacements.

LOGISTICAL ISSUES

The logistics involved with making this overnight transition seamless required our project team to consistently think outside the box. We worked closely with the entire displacement population to put a customized plan in place for every displacee that would guarantee minimal disruption to their operations.

Essential airport tenants and concessionaires had to remain fully operational to serve the public at the old airport until it closed, yet be ready for business at the new airport early the next morning. To accomplish this, we planned and coordinated a two-phase move for each critical airport tenant, such as the TSA, the air traffic controllers, car rental companies, and other essential concessionaires. The first phase of their move would include the non-essential portion of their operations, and the second phase would entail the most critical functions. The first phase occurred ten days in advance of the opening of the new airport and included relocating non-essential equipment,

furniture and files. The second phase of the move was executed just prior to the opening of the new airport.

In coordinating the move of the TSA, our team worked with its director to ensure the TSA was left with adequate equipment and furniture critical to their operations at the old airport. They were able to maintain the security checkpoints and monitor all TSA activities through a central computer system until the closure of the old airport. The second phase of their move occurred the next morning, in conjunction with opening day at the new airport in West Bay.

Due to post-9/11 security measures, there were numerous security issues and restrictions associated with access to sterile areas within both airports. This presented a unique challenge which had to be addressed and mitigated by the team prior to the move.

SUCCESS FACTORS

At the close of business on May 22, 2010 the lights were turned off at the old Panama City – Bay County International Airport, and the new Northwest Florida Beaches International Airport was open for business at 6:00 AM on May 23rd. Despite the intricate logistics required, we were successful in orchestrating this changeover without a hitch.



Luring Southwest Airlines to the new location was essential for spurring economic development and job growth needed in the recession-hit area.



The first new publicly-funded international airport built in the United States since 9/11 has a 10,000-foot primary runway and a LEED certified green building air terminal.

There were several factors that contributed to the group's ability to meet this goal. Having worked together in the past, our team had prior experience in overcoming complex challenges. While the small team size led to a heavier workload on each person, it also led to greater synergy. The group was able to focus on the right things. Switching the driver role for each critical task got everyone involved and vested, with an increased sense of shared responsibility in the overall project. This enabled the group to process many tasks expeditiously.

Another factor that facilitated success was the realization of the magnitude and importance of the new airport to the region. This was an energizing factor. With so many roadblocks, complications and challenges arising along the way, this continuous motivation proved instrumental to the project's success. Without sounding simplistic, having a positive "can do" attitude in the face of every challenge, conviction in the team's ability to deliver results, and the perseverance to overcome the obstacles along the way were the most important ingredients in meeting the goal.

The team was also flexible, believing that, "when you can't control the wind, adjust your sails." This translated into quick and innovative solutions. The team found creative replacement property solutions which greatly enhanced the relationship with displaced and reduced the need for exercising the power of eminent domain.

Finally, as the old saying goes, "Necessity is the mother of invention." Strapped for time and money, our team looked to technology to close the gap. A project database was used as a central repository for all pertinent project information, and was used to drive production runs of all the necessary notices mandated by the Uniform Act. This automation considerably reduced both costs and time, and assured tighter quality control. The database also served as the hub for tracking project milestones and costs. The use of paperless documents whenever possible and smart phones for record-sharing and maintaining instant communication helped the team accelerate the process.

Ongoing and open communication within the group and with the Airport Authority was vital to maintaining the accelerated schedule throughout the project. Early in the process, our team worked with the Airport Authority to develop an initial list of critical tasks. This task list was reviewed and adjusted by the team to address all critical items every week throughout the project lifecycle. This made all priorities, assignments, and responsibilities clearly stand out and increased our productivity.

The accelerated project schedule also reinforced some important components. Public agencies and consultants alike cannot discount or underestimate the effect of the Uniform Act on infrastructure projects. Uniform Act considerations should be viewed as paramount planning concerns and must be taken into account early in the project lifecycle. They can have a significant impact on meeting the project's schedule and budget.

GATEWAY TO THE FUTURE

The new Northwest Florida Beaches International Airport opened to commercial air traffic as scheduled on May 23, 2010. During the first month of operation, the new airport delivered a record number of passengers representing a three-fold increase over the same period in 2009. In a region hit hard by the recession and impacted by the biggest oil spill in history, the new airport has delivered a timely and welcome achievement.

This project represents much more than a new airport. The Northwest Florida Beaches International Airport is considered the gateway to Northwest Florida's future. The new airport has become the heart of a plan to create an economic center attracting businesses, residential development and tourism to the Florida Panhandle.

When it opened, Florida's then-Governor Charlie Crist called the airport "a national model for economical transportation and environmental preservation." He further stated that, "Florida's economy thrives on projects and initiatives that strengthen our always-expanding tourism industry. This state-of-the-art airport will no doubt continue to help our economy and support opportunities for job growth, marketplace competition and industry expansion."

The new 10,000-foot runway length accommodates large passenger jets, and with the introduction of Southwest Airlines, tourism has already experienced a positive impact. The runway can also handle cargo planes, enabling the airport to become an import and export hub. The new airport is expected to become the economic development engine that will create opportunities for growth and propel the economy of Northwest Florida to new heights. A recent study by the Bay County Economic Development Alliance indicates that the new airport is also expected to generate approximately \$80 million in new state revenue over its first 20 years of operation.



As part of the mixed-use plan, nearly 41,000 acres have been designated for perpetual conservation of the shoreline and adjacent wetlands.



On opening day, officials christened the new airport as the “Gateway to the Future.” The centerpiece of an economic development plan, job growth and industry expansion are expected to follow.

The new airport is now the centerpiece of an economic development plan called the West Bay Sector Plan, a land use plan which includes the development and conservation of approximately 75,000 acres in Northwestern Bay County. It is one of the largest mixed-use planned communities in the United States. In addition to the airport, the plan includes land for residential, commercial and business development and some 41,000 acres designated for perpetual conservation of the shoreline, adjacent wetlands and the watershed of West Bay. Mitigation on the conservation site, which will return the land to pre-industrial conditions, began at the same time as construction of the new airport. This conservation area covers approximately 60 square miles and includes 33 miles of bay front and 44 miles of creek front. It is one of the largest conservation set asides in Florida. The area will be available for non-intrusive recreational activities such as kayaking, fishing, birding and hiking.

Many believe the new airport holds the key to the future of Northwest Florida. It will become the anchor of an untapped resource and will serve as the catalyst to luring new industry and investments that would provide much needed diversification of the region’s economy.

In the next 20 years, Northwest Florida could see phenomenal growth in areas such as high-tech industry, commercial and residential mixed-use development, trade and tourism. The development that is expected to populate the area is going to create a phenomenal economic engine for the region. The

St. Joe Company that donated 4,000 acres for the airport site has plans to develop 1,000 acres adjacent to the airport, and will include retail, office and hotel uses, light industrial uses, and manufacturing, distribution and logistics companies. Once completed, the area will become a major growth driver for Northwest Florida, creating jobs and revenue-generating opportunities for other companies.

Having participated in such an important infrastructure development project has given our team a strong sense of pride and accomplishment. Florida had been hit hard, not only by the recession, but more recently by the oil spill in the gulf. The relocation of the airport and the growth opportunities it will create are an essential part of the recovery, and a huge source of optimism for the entire region. We know the full economic impact is still years away, but the new airport is certainly off to a good start.



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