

# **Terre Haute International Airport**

## **Strategic Plan**

*"We could not be in a more exciting time in aviation; it is the new frontier."*

-U.S. Representative Frank LoBionda

**June 2016**

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## **I. Executive Summary & Goals**

The Terre Haute International Airport (THIA) has been a regional landmark for nearly 100 years. During this time, the airport has offered various services including commercial and municipal air service; National Guard Base location; customs services; charter services and now educational resources.

The THIA Board of Directors now seeks to position the THIA to evolve to its next great purpose serving Terre Haute and the Midwest region. The Terre Haute International Airport Board of Directors' vision for the airport is to deliver a safe and superior aviation facility; be a partner in education, technology advancements and provide economic opportunities for the community and stakeholders.

In considering the Airport's natural strengths and the market opportunities ahead, the Airport's future goals are to evolve the Airport to become a state-of-the-art facility which will:

1. Education of community as an economic engine for the region
2. Draw businesses to locate at the airport facility
3. Become the preferred destination for private flight "rest stop" services in the region (Hoosier Aviation)
4. Serve as the Midwest leader in unmanned air systems (UAS)
5. Become the preferred site for Maintenance Repair and Overhaul market
6. Become the preferred provider of chartered flights in the region (Hoosier)

## **II. Market Factors by Business Area**

The Airport is dependent upon the local and national economy. Despite regional economies, the following business services can help evolve the airport for future growth.

### Unmanned Systems

Unmanned Vehicle Systems is a growth market. Airport Magazine Sept 2015 said that according to the Association of Unmanned Vehicle Systems (AUVS) International, the business league for unmanned aircraft companies, predicts the UAS industry will grow to \$90 billion a year by 2035. The AUVS predicts that the largest beneficiary will be agriculture, as UASs can replace all kinds of manned missions for a fraction of the cost. They also expect that in the future, UASs also will be used for livestock, wildlife/forest monitoring, search and rescue, pipeline/powerline monitoring and a whole host of other purposes.

Retired Air Force Major General Marke “Hoot” Gibson is senior advisor on UAS integration at the FAA. He is seeing a “major culture clash between traditional aviators and the new IT people who are developing the UAS Technology.” Cape May County Herald, Drone Symposium Aims at the Sky, Nov 2, 2015

### Charter Services

Charter services is a natural opportunity for the Terre Haute Airport. Since 2008 and the beginning of the recession, charter airline services were scrutinized by Congress and citizens as an extravagance in a time of massive job losses. As a result, charter services and small plane manufacturing has decreased. However, economic forecasts now project that most aviation business segments are experiencing increased demand, achieving profitability and are positioned for future growth. U.S. charter market is expected to increase 3.5% in 2015; with 3.6% growth specifically in the Midwest.\*

### MRO Services

As the charter and private aviation industry is on the upswing, so are opportunities for maintenance, repair and overhaul (MRO). Although AAR, a MRO competitor has a thriving Indianapolis MRO location, Terre Haute could compete based on being more personalized, located near an interstate, easy in & out, less traffic, outstanding FBO with all the “concierge” type amenities that pilots and passengers desire.

### Private Flight “Rest Stop” Services

As charter and hobby piloting increase\* so will the need for “rest stop” type services. The THIA is well positioned for increasing this business. According to 75 pilots who responded to the Airport survey (October 2015) , the most important attributes in choosing an airport are: Helpful, Friendly FBO (85%); Competitive Fuel Prices (81%) and Easy In & Out (60%). They also rated the THIA airport highly on all those attributes. It will be important to continue to offer more “rest stop” services, such as food options, business services such as wi-fi and transportation (rental cars or courtesy shuttle). Additionally, it will be important to find a way to compete with Bloomington Airport’s low cost fuel as this is important to pilots.

*Business Tenants/Employees at the Airport*

Current tenants at the Airport facility have reported to be very happy with management, both in the one-on-one interviews and in the electronic survey. Tenants rated the airport excellent on all the attributes that are important to them: Easy in & out (84%); Responsive landlord (76%); Access to roads & interstate (76%). Business tenants are now relatively happy, but adding restaurant options would make them even more pleased. This will also help attract new tenants.

According to participants in the one-on-one interviews, economic development professionals say the airport is a great location because of it's proximity to the interstate. However, it is important to stay top of mind with economic development staff as they are major influencers in business relocation.

### III. Airport Background

In defining the future of the THIA, it's important to consider the historic evolution of the airport. Below is a timeline that shows how the name and services have evolved over the years.

Date	Name	Function
1920s	Dresser Field	Municipal Airport Development
1930s	Cox Field	Functioning Commercial & Municipal Airport by South High School
1940s	Hulman Field	Feds deny international flights; Anton Hulman donates land, new airport is developed on current site. TWA cargo & passenger service; Weather Bureau facilities and housed Civil Aeronautics Administration office.
1950s	Hulman Field	New terminal. Extended runway. Added a second carrier, Delta C&S which became Lake Central Airlines. Air National Guard established a base at the airport.
1960s	Hulman Field	Continued facility improvements and continued offering commercial and municipal aviation. TWA left but Lake Central increased flights. Lake Central became part of Allegheny Airlines.
1970s	Hulman Field	Allegheny contracted Britt Airlines to operate commuter flights. City and County developed an Airport Authority to manage the airport.
1980s	Hulman Regional Airport	Commuter services continued through Britt until the late 1980s. Air National Guard continues base operations.
1990s	Terre Haute International Airport at Hulman Field	Extended the second runway. Commuter operations from Great Lakes Aviation which later became United Express from 1995 - 1999, when commuter operations ended.
2000s	Terre Haute International Airport	BRAC commission reassigned 181st base at the airport to an Intelligence Wing. (non-flying mission)
2015 & Beyond	Terre Haute Regional Airport & Aerotech Park	Airport expands services to become a Midwest leader for: Unmanned Air Systems Training, Certification and Promotion Charter & Private Pilot Service, MRO, Rest Stop Services and Business Park Location

#### **IV. S.W.O.T. Analysis**

The following is an analysis of THIA's Strengths, Weaknesses, Opportunities and Threats, based on primary market research, secondary data and staff expertise.

##### **a. THIA Strengths**

- Easy in and out for pilots
- Long runways
- Less traffic than other area FAA tower controlled airport
- 24-hour tower
- Good landlord for tenants
- Clean and safe environment
- FBO has good reputation
- Facility improvement (internal)
- Good reputation for conducting business and solving issues
- Right people with the skills required to do the work - 63% agree or strongly agree
- Good physical infrastructure
- FAA staffed control tower & instrument landing system
- Room for growth and expansion, airside and landside
- Competitive lease rates and terms
- Strong relationship with military
- Location near interstate and transportation
- Proximity to logistics hubs in Midwest

##### **b. THIA Weaknesses**

- Perception because of lack of commercial flights and the base losing the fighter jets
- Lack of dedicated resources to promote the airport and develop relationships with key stakeholders
- Lack of community awareness of activity at the airport
- Communications with major stakeholders as to the benefits of the airport and developing new opportunities
- Lack of sufficient available funds to pursue many of the economic development opportunities
- Lack of comprehensive marketing plan or coordinated communications
- Less traffic than other area FAA tower controlled airport

### **c. THIA Opportunities**

UAS is a growing market and THIA has educational, certification and leadership resources in the field - Develop facility, resources, certification for unmanned aircraft systems (UAS)

MRO is a growing industry and THIA has ability to compete based on less traffic, more personalized attention

THIA FBO Hoosier Aviation has good reputation and can attract pilots looking for a nice facility & services

Promote the long runways, easy in & out and location near interstate

Positive community engagement and interaction

Expand partnership with military

Increase general aviation and charter usage with FBO

\*1 Become an attractive site for UAS

\*2 Procure corporate aircraft and maintenance operations MRO facility

\*3 Attract air cargo operation or secondary location

Terre Haute's location/proximity to large population areas - asset in supply chain

Flood of UAS on market, but little education (sensor development, technical maintenance)

Changing regulations regarding UAS

Promote the airport in the community to improve visibility, advertise air events and increase new business

Partner with Purdue Aviation resources

### **d. THIA Threats**

Lack of awareness for most attributes (UAS resources, land, FBO, state of the art facility, long runways, low traffic, easy in and out, amount of employees on site, etc...)

Apathy among regional citizens, airport stakeholders and prospective "customers"

Lack of resources to grow the business and promote accomplishments/opportunities

Competition from external organization: UAS at Purdue, MRO in Indy

Nearby commercial and industrial sites available

Economic uncertainty for near future likely to negatively impact market area

Strong competition from other nearby and larger airports for passenger and air cargo services



#### **IV. Target Audiences**

- a. Prospective UAS Students/Drone Owners
  - i. UAS Certified Pilots (Unmanned Systems)
  - ii. GA Pilots (PAFT)
  - iii. Aviation Management/Administration
  - iv. Sensor Control Engineers (Rose Hulman)
- b. General Aviation Pilots
- c. Charter Customers
- d. Economic Development Professionals
- e. Prospective Tenants
- f. Existing Tenants
- g. Local and Regional Media
- h. Prospective Restaurant Proprietors
- i. Area Leadership
- j. Area Citizens
- k. UAV Experts

## V. Strategies

### **Goal: Education of the community as an economic engine for the region**

#### **Strategy:**

Change the name to The Terre Haute Regional Airport and Aero Tech Park  
Host community events: fly-ins, runway races or other entertainment style event  
Explore facilities use for community purpose  
Develop regular communication to community leaders

#### **Tactics:**

1. Do a name change campaign
  - a. Issue press releases and follow up with personal invite to an event
  - b. Hold an open house to see what is new at the airport
  - c. Create talking points for all staff to explain what is new at the airport
  - d. Invite local and regional leaders and citizens
2. Do a community event feasibility study to explore airshow and non-airshow options
3. Secure a restaurant in the vacant space
4. Explore alternative “big idea” uses of airport facilities for community good. (Ideas: solar farm, community garden, walking trails, specialty fitness space, car shows, farmer’s market, RC practice/competition space)
5. Host a regional economic summit and include an annual state-of-the-airport update in the event
6. Send a monthly or quarterly email communication to database with airport updates
7. Develop an annual “State of the Airport” to share with local and regional lawmakers
8. Keep an airport events calendar on the airport website and other regional sites, such as the city, Vigo County, news outlets and economic development websites (as available).
9. Advertise events to community and, in particular, the education systems to encourage youth interest in aviation
10. Fill valuable food service need, includes exploring low or no cost leasing arrangements
11. Develop a presentation for an annual speaker’s bureau circuit. Opportunities may include: Downtown Rotary, Terre Haute Chamber of Commerce, Downtown Terre Haute Inc., the Exchange Club of Terre Haute, Breakfast Optimists, Verge, Terre Haute Tomorrow

**Goal: Draw businesses to locate at the airport facility**

**Strategy:**

Provide meeting and community work space with free wi-fi and charger stations

Host community meetings

Develop marketing materials of available space and amenities

Prepare land for development

**Tactics:**

1. Develop real estate style sell sheets, maps, etc. for space (including high quality photographs of the space)
2. Update website and online materials
  - a. Including a virtual tour of the space with video
  - b. Image gallery
  - c. Specialty initiative such as UAS and MRO effectively covered
3. Submit space avails to local and regional economic development personnel
4. Schedule regular one-one-one meetings with LEDOs, current tenants
5. Create a long-term plan for space and land prep/development
6. Develop community meeting space for use to study/meet.
7. Advertise on digital advertising as a great space to work.

**Goal: Become the preferred destination for private flight “rest stop” services in the region (Hoosier)**

**Strategy:**

Fill gaps in amenities

Develop a marketing plan to raise awareness and encourage trial for private pilots

**Tactics:**

1. Complete a competitive analysis of other regional airports
  - a. Fill niche audience needs through concierge style service:
  - b. Explore feasibility of high demand, specialty services
    - i. Continue remodeling of airport into a club-like, modern facility that appeals to pilots
2. Develop an East coast registration database, market offers to those pilots / charter operators with equipment that would be in need of cross-country refueling.
3. Regularly contribute content to social media advertising and encourage pilots to “like” the airport on Linked In, Facebook, Instagram or other social media outlets.
4. Create a few “centers of influence” pilots by inviting them to participate on an advisory board.
5. Advertise online to behaviorally target pilots developing flight plans/routes
6. Test offers such as “pilots eat free”

**Goal: Serve as the Midwest leader in UAS**

**Strategies:**

Be the catalyst for open communication on UAS opportunities

Develop UAS facilities

Develop events that bring national/international leaders in UAS to speak at the THIA airport creating publicity for the Airport, the topic and university programming.

Support local University programming and marketing efforts

Ensure airport is in compliance with all safety and certification requirements for UAS

**Tactics:**

1. Be the catalyst to Terre Haute's role in UAS expertise
  - a. Provide a forum for RHIT, Ivy Tech, Purdue University and Indiana State to work together to provide individual program collaboration
  - b. Meet with the leaders in the military, including 181st Intelligence Wing, Atterbury, Muscatatuck to let them know what is happening with UAS at THIA
  - c. Invite industry leaders in business to share "big sky" ideas on UAS
  - d. As regulations are introduced send press releases to local and regional press; be a resource to the media to explain how the regulations will affect people, pilots, and businesses that may want to use drone technology
2. Develop a workshop for consumers on how to safely use a drone and what regulations apply to the general public with drones.
  - a. Create a database of drone owners to communicate changes in regulations
3. Develop a facility master plan for UAS
4. Become the Midwest "thought leader" by holding a UAS Summit with national/international speakers on the current topics in UAS
  - a. Take the leadership role by coordinating the summit with other Midwest UAS schools
  - b. Develop contacts with UAS and economic development influencers, such as:
    - i. The Economic Club of Indiana
    - ii. Congressional Representatives, U.S. Senators, State Senators, and State Representatives
    - iii. Network of statewide Economic Development Corporation staff
  - c. Coordinate and participate in one Washington DC legislative trip annually
  - d. Attend national events related to UAS
  - e. Continue to share the Midwest collaborative's voice on UAS issues and topics through various organizations:
    - i. State airport associations
    - ii. Regional Planning orgs
    - iii. Local Economic Development: West Central, Chamber
    - iv. AAAE
    - v. National Business Aviation Association
    - vi. National Air Transportation Association
    - vii. General Aviation Manufacturers Association

- viii. Aircraft Owners and Pilot's Association
- 5. Continue to promote and grow the higher ed UAS opportunities including: Indiana State's UAS Program, RHIT's electrical engineering and robotics programming around UAS, Purdue's UAS Program
  - a. Increase enrollment in UAS- related programs by broadening awareness for prospective students
  - b. Help the local universities differentiate their programs through
    - i. State-of-the-art facilities
    - ii. Partner experiential opportunities
    - iii. Open communication about UAS needs in the industry that could be served by the programs
  - c. Support the local University's marketing plans
    - i. Open house opportunities to prospective students
    - ii. Network with nationally renowned experts on UAS, flight administration, and other areas of specialty

**Goal: Become the preferred site for Maintenance Repair and Overhaul Market**

**Strategy:**

Understand the decision factors that go into MRO choice

Develop a facility master plan that can meet the needs of the MRO community

**Tactics:**

1. Create land development plan
2. Conduct primary research with MRO decision makers and use data to inform a master plan
3. Conduct a competitive analysis of MRO providers in region
4. Submit RFP for master plan development/feasibility study
5. Start building MRO database
6. Define criteria and budget for providing MRO services.

**Goal: Become the preferred provider of chartered flights in the region (Hoosier)**

**Strategy:**

Help the FBO market the available charter opportunities to businesses in the area

**Tactics:**

1. Host an event for a local economic development organization.
2. Invite the media for a “ride” in the new charter plane as part of the announcement.
3. Develop a database of interested community members and “preferred” destinations for partial flight offerings
4. Use Highway 46 frontage space to communicate available services.
5. Consider local radio advertising a few times throughout the year to remind people about the charter services.
6. Develop a presentation for an annual speaker’s bureau circuit. Opportunities may include: Downtown Rotary, Terre Haute Chamber of Commerce, Downtown Terre Haute Inc., the Exchange Club of Terre Haute, Breakfast Optimists, Verge, Terre Haute Tomorrow



*Other References:*

*\*Charter Services Secondary Data:*

CAVOK Global Fleet & MRO Market Forecast 2015- 2025:

Most aviation business segments today are experiencing increased demand, achieving profitability and are positioned for future growth. Avinode, the world's leading online marketplace for buying and selling air charter, is predicting the recovery of the U.S. business jet charter market to continue in 2015, with a 3.5% increase in flights versus 2014, while Europe will show modest growth, with flight volume growing by 1.6%.

All regions of the U.S. will see charter market growth in 2015. The South will perform strongest, with an increase in flight numbers of 4%, closely followed by the West, where volumes will grow by 3.6%. The Northeast will see a 3.3% increase in activity, while the Midwest will record growth of 2.5%.

We expect that by the end of 2014, the U.S. will see its highest annual levels of business jet travel for at least six years. New business models are emerging, more aircraft are being purchased, and venture capital is flowing back into the market. This trend will only continue in 2015, when we are predicting market growth of 3.5%.

*\*\* Drone Data NATA*

Compliance Service Blog: Economic Forecast for Blue Skies January 2015

Airport Magazine Sept 2015: According to the Association of Unmanned Vehicle Systems International, the business league for unmanned aircraft companies, predicts the UAS industry will grow to \$90 billion a year by 2035. That number rivals all commercial maintenance, repair, and overhauls in the US. The largest beneficiary will be agriculture, as UASs can replace all kinds of manned missions for a fraction of the cost. In the future, UASs also will be used for livestock, wildlife/forest monitoring, search and rescue, pipeline/powerline monitoring and a whole host of other purposes.

The Mid-Atlantic Aviation Partnership was formed to grow the UAS technology in the states of Virginia, Maryland and New Jersey with Virginia Tech as a lead collaboration partner.