

Airport Action/ Business Development Plan Section Two

New Business Analysis



New Business Analysis

2.0 Overview

This section of the Business Action Plan analyzes and recommends business activities that could be pursued by the H.H. Coffield Regional Airport, the City of Rockdale and Milam County in general.

The business opportunities analyzed have been developed using the “28 standard categories of business products and services” as presented by Business Week. These categories follow the Standard Industrial Classification system of the U.S. Department of Commerce, and were used in the comprehensive business situational review for the City of Rockdale, Milam County and at the H.H. Coffield Regional Airport. These categories cover all of the classifications for any type of business that operates in the U.S.

These categories include: Aerospace, Agriculture, Automotive, Banking, Business Services, Chemicals, Conglomerates, Consumer Products, Containers and Packaging, Discount and Fashion Retailing, Educational Services, Electrical and Electronics, Food, Fuel, Health Care, Housing and Real Estate, Leisure Time Activities, Manufacturing, Metals and Mining, Non-bank Financial, Office Equipment and Computers, Paper and Forest Products, Public Administration, Publishing and Broadcasting, Service Industries, Telecommunications, Transportation, Utilities and Power. The goal of the community is to help existing business expand and attract companies that fit well with the City of Rockdale.

The initial businesses in a community are consumer product and services companies and they generally include: Apparel Sales; Appliance Sales and Repair; Auto Parts, Auto Repair, and Auto Sales; Building Materials; Business Services; Electronic Products and Repairs; Food and Drug Stores; Floor Coverings; Furniture Sales; Hospitals and Nursing Homes; Hotels and Motels; Insurance Agencies; Medical and Dental Services; Real Estate Services; Restaurants; Service Stations; Stockbrokers; Tire Sales and Repair; Transportation services; and Travel Agencies.

The other business products and services in a community follow the geographical characteristics and attributes of an area. The attributes are historical and provide a general base for business. The natural attributes of Rockdale and Milam County tend to attract agricultural, government, technology, natural resources extraction and service industries. A strong rail (Burlington Northern/Santa Fe and Southern Pacific) and highway transportation system (Highways 77 & 79) helps place Rockdale and Milam County at a competitive advantage in attracting manufacturing and industrial companies.

Table 2-1 lists the various categories of business products and services that are commonly located in a community.

TABLE 2-1 CATEGORIES OF BUSINESS PRODUCTS AND SERVICES	
Aerospace/Aviation	Health Care
Agriculture	Housing and Real Estate
Automotive	Leisure Time Activities
Banking	Manufacturing
Business Services	Metals and Mining
Chemicals	Non-Bank Financial
Conglomerates	Not for Profit
Consumer Products	Paper and Forest Products
Containers and Packaging	Public Administration
Discount Fashion Retailing	Publishing and Broadcasting
Educational Services	Service Industries
Electrical and Electronics	Telecommunications
Food	Transportation
Fuel	Utilities

2.1 Current Situation in Rockdale and Milam County

Two industrial parks are located in Milam County. The Cameron Industrial Park is a 30-acre Greenfield site with rail access to Burlington Northern / Santa Fe routes. In Rockdale, the 170-acre H.H. Coffield Industrial Park is just north of the city on Farm to Market Road 487.

The Coffield site was donated to the City of Rockdale in 1987, along with the H.H. Coffield Regional Airport. The two sites are approximately six miles apart. The industrial site needs improved road access to US Highway 77 to make the site attractive for business attraction. A planned US Highway 79 by-pass along the northern edge of Rockdale would also make the site more attractive for business development. Regional transportation systems offer Interstate Highway access both east and west of Rockdale in less than an hour's drive.

The acreage at H.H. Coffield Regional Airport is limited for an industrial or business park at this time. As part of the Airport Layout Drawing (ALD) created within the Airport Development Plan, potential land use exists on the Airport's east side toward the south end of the property for potential building development with air-side access. At the present time, the Airport has one public hangar and two private tenants storing and operating general aviation aircraft. All of the existing facilities have runway access.

2.2 Business Products and Service in H.H. Coffield Regional Airport Area

Table 2-2 presents an inventory of business products and services currently located in the H.H. Coffield Regional Airport area listed by the standard categories developed by Business Week. Of the 77 categories of products and services, none are located at the airport; 43 are located within 30 minutes of the airport; and 34 are not located within the airport area. None of the business products, services, or manufacturing is located at the H.H. Coffield Regional Airport. The manufacturing categories require large facilities, large levels of semi-skilled workers, and access to parts and materials. Aerospace, electronics, and computers normally require easy access to metro areas and highly skilled workers.

Table 2-2 lists an inventory of business products and services located in the area.

TABLE 2-2 INVENTORY OF BUSINESS PRODUCTS & SERVICES LOCATED IN THE ROCKDALE MARKET AREA			
Product/Service	At Airport	In Area	Not in Area
Aerospace/Aviation; Government & DOD		X	
Aerospace/Aviation; Non-Government		X	
Agriculture; Production		X	
Agriculture; Processing		X	
Automotive; Parts Manufacturing			X
Automotive; Vehicle Manufacturing (vehicle)			X
Automotive; Sales and Service		X	
Automotive; Tire and Rubber		X	
Banks		X	
Business Services		X	
Chemicals			X
Conglomerates			X
Consumer Products; Apparel		X	
Consumer Products; Appliance and Furnishings		X	
Consumer Products; Beverages		X	
Consumer Products; Personal Care		X	
Containers and Packaging; Glass, Metal, Plastic		X	
Containers and Packaging; Paper		X	
Fashion		X	
Education; Services		X	
Education; College		X	

Electrical/Electronics; Electrical Products		X	
Electrical/Electronics; Electronics		X	
Electrical/Electronics; Instruments		X	
Electrical/Electronics; Semi Conductors			X
Food; Distribution		X	
Food; Processing			X
Food; Retailing		X	
Fuel; Coal			X
Fuel; Oil and Gas		X	
Fuel; Petroleum Services		X	
Health Care; Drug Manufacturing			
Health Care; Research		X	X
Health Care; Services		X	
Health Care; Medical Products		X	
Housing and Real Estate; Building Materials		X	
Housing and Real Estate; Construction		X	
Housing and Real Estate; Real Estate Sales		X	
Product/Service; Building Materials		X	
Product/Service; Construction		X	
Product/Service; Real Estate Sales		X	
Leisure Activities; Eating Establishments		X	
Leisure Activities; Entertainment		X	
Leisure Activities; Hotel/Motel		X	
Leisure Activities; Recreation Products			X
Manufacturing; Fabricated Metal		X	
Manufacturing; Furniture			X
Manufacturing; House ware			X
Manufacturing; Machine/Hand tools			X
Manufacturing; Primary Metals			X
Manufacturing; Rubber and Plastics			X
Manufacturing; Special Machinery			X
Manufacturing; Textiles			X
Metal and Mining			X
Non-Bank Financial; Financial Service		X	
Non-Bank Financial; Insurance		X	

**TABLE 2-2 (Continued)
INVENTORY OF BUSINESS PRODUCTS & SERVICES
LOCATED IN THE ROCKDALE MARKET AREA**

Product/Service	At Airport	In Area	Not in Area
Non-Bank Financial; Thrift and Loan		X	
Office Equipment and Computers; Business Machines/Services		X	
Office Equipment and Computers; Computers/Peripherals		X	
Office Equipment and Computers; Software Services		X	
Paper and Forest Products			X
Public Administration; Federal Government		X	
Public Administration; State Government		X	
Public Administration; Local Government		X	
Broadcasting		X	
Publishing and Printing		X	
Service Industries; Advertising		X	
Service Industries; Construction		X	
Service Industries; Engineering		X	
Service Industries; Distribution		x	
Service Industries; Consultants		X	
Service Industries; Other Services		X	
Telecommunications; Equipment and Services		X	
Telecommunications; Telephone companies		X	
Transportation; Airlines		X	
Transportation; Bus		X	
Transportation; Rail		X	
Transportation; Ship			X
Transportation; Truck		X	
Utilities & Power		X	

2.3 Airport Tenants

All of the facilities and hangers on the airport property are currently occupied. In order to accommodate new tenants, new facilities will need to be built.

2.4 Businesses Located Near the Airport

The area near the Airport is mostly open land for agriculture and small ranches. There are no manufacturing companies or industrial companies located near the Airport or planned to locate near the Airport in the near term. The only businesses in the proximity of the Airport are self-storage center located across from the Airport on the Farm to Market Road 908, and a restaurant northeast of the airport just off US Highway 77.

2.5 Resources

As a publically-owned airport by the City of Rockdale, all expenses are born by the City. The City will need to develop funding strategies to finance the improvements required for the Airport to maintain industry compliance or attract new business opportunities.

2.6 Incentives for Business

The State of Texas provides various incentives for the development and location of business in the area. Also, the City of Rockdale and its Municipal Development District (MDD) have incentive programs and fund to attract or assist local firms expand.

Financial aids include small business loans, industrial revenue bonds, tax-free leasing, and business and industry loans through the U.S. Department of Agriculture. Educational and training grants are available.

2.7 Community Benefits

The “quality of life” and low cost of operation are the best selling points. The community has a low crime rate, good public education through the college level in the region, and lower cost housing. Good passenger air service and cargo service are available nearby at Austin-Bergstrom International Airport. The community leaders seem to favor new business for the area. The local economic development groups are seeking all types of businesses that will be compatible with the goals of the community. Upon review of customer requirements, the H.H. Coffield Regional Airport area should be an attractive area for relocation or the start of a business.

2.8 Customer Requirements

The key to the recruitment of a new business to the H.H. Coffield Regional Airport area is the ability to meet the requirements of that business. The potential customer will create jobs for the area residents and contribute to the overall aviation demand at the airport. In various surveys that have been performed regarding relocation, the following are considered the most important requirements of the customer.

Table 2-3 lists some of the critical elements necessary to successful recruitment and retention to business enterprises at the H.H. Coffield Regional Airport.

**TABLE 2-3
KEY CUSTOMER REQUIREMENTS**

Low Cost Labor and Non Union Environment
Low Cost Land and Low Taxes
Pre-Constructed Facilities and Build to Suit
Limited Environmental Restrictions
Economic Incentive and Availability of Training Funds
Location that Offers "Quality of Life" for Employees
Transportation Access to Major Markets
Strong Air Passenger and Cargo Opportunities
Strong Community Support for Business

2.9 Market Trends

The analysis of Rockdale, Milam County, and the H.H. Coffield Regional Airport market area indicates the market has a base of business centered on agriculture, government, technology, health care and service businesses. There is low cost land available for occupancy throughout the county. The population is stable and the area has an available work force of skilled and semi-skilled people. The area vocational and workforce development agencies can develop training programs for new companies that need to hire employees. The State of Texas is very aggressive in the recruitment and relocation of businesses to the state and offers a comprehensive package of incentives. The City has its own package of incentives to attract new business and the Airport should be positioned as an asset for new companies locating in the area.

2.10 Market Characteristics for Airport-Related Business

There are certain products and services that are directly related to aviation service delivery. These products and services, by their nature, may be required to be located at the airport or near the airport. In reviewing various aviation guides and directories, a list of 52 aviation-related services has been identified.

In reviewing the list we found that, in most cases, many aviation-related products and services needed to be onsite or near the Airport. In our survey we identified that 39 of the 52 activities need to be at or near the airport. These activities are the service related businesses that support freight service and general aviation services. The companies provide services for general aviation. These products and services are totally dependent on the Airport.

We identified 13 activities that do not depend on an airport location to operate effectively. These products or services included manufacturing, engineering, training, publishing, and consulting. These products and services could be located at an airport or near an airport as long as the cost of operation is lower than a location away from the Airport.

2.11 Market Characteristics for Industrial Park Related Industries

As mentioned in the customer requirements section of this plan, the need for low cost land, low taxes, build-to-suit facilities, economic incentives, and limited environmental restrictions are the market drivers for companies to locate at the airport industrial park.

Table 2-4 lists the location characteristics for aviation related businesses.

TABLE 2-4 LOCATION CHARACTERISTICS OF AVIATION-RELATED PRODUCTS AND SERVICES			
Aviation Activity	Onsite at Airport	Near Airport	No Airport Requirement
Accessory Manufacturers			X
Acoustics			X
Air Ambulance	X		
Air Cargo	X		
Air Charters	X		
Air Courier		X	
Air Taxi	X		
Aircraft Brokers			X
Aircraft Cleaning Services	X		
Aircraft Interior Design and Modification			X
Aircraft Manufacturer	X		
Aircraft Parts Manufacturer			X
Airframe Repair and Overhaul	X		
Associations/Clubs	X		
Automobile Rental	X	X	
Aviation Attraction	X	X	
Aviation Fueling	X		
Aviation Medical Services		X	
Avionics Distribution/Dealers	X	X	
Aviation Training	X	X	

**TABLE 2-4 (Continued)
LOCATION CHARACTERISTICS OF AVIATION-RELATED
PRODUCTS AND SERVICES**

Aviation Activity	Onsite at Airport	Near Airport	No Airport Requirement
Catering		X	
Component Design Engineering			X
Computer Software			X
Engine Repair and Overhaul	X		
Flight Planning Services			X
Freight Forwarder		X	
General Aviation Center	X		
Ground Equipment Manufacturer			X
Ground Equipment Repair			X
Government Agency	X	X	
Helicopter Charter	X		
Helicopter Repair/Overhaul	X		
Hotel		X	
Instrument Manufacturer			X
Instrument Repair	X	X	
Modification/Repair/Painting	X		
Pilot Training	X		
Publications (Aviation)			X
Restaurants/Food Service	X	X	
Safety and Emergency Equipment			X
Simulators		X	
Weather Services	X	X	X
Window, Windshield, Shade Repair			X

2.12 Market Segmentation

The H.H. Coffield Regional Airport is dealing with a very broad and diverse market in its efforts to find companies that will relocate. The number of options available is numerous, widely scattered, and varied in their selection requirements. Some of the Airport's competitors are in a better position to serve certain segments of the market. Instead of competing everywhere, it is in the best interest of the Airport to identify the most attractive segments of the market that it can serve most effectively.

The market consists of companies that differ in their wants, resources, geographical location requirements, buying attitudes and practices. Industrial markets can be segmented by using variables such as: demographic variables, operating variables, business character, situational factors, and personal characteristics.

Market Segmentation Variables

Demographic

- Industry: which industry should we focus on?
- Company: what size companies should we focus on?
- Location: what geographical areas should we focus on?

Operating Variables

- Technology: what customer technologies should we focus on?
- Customer capabilities: should we focus on customers needing many or few services?

Character of the Business

- Power structure: should we focus on companies that are engineering dominated, financially dominated, marketing dominated, etc.?
- Nature of existing relationships: should we focus on companies and industries already represented in the county or go after the most desirable companies?
- Sales criteria: should we focus on companies that are high volume with many employees or on companies that are high tech and high income?

Situation Factors

- Urgency: should we focus on companies that need a quick and sudden change of location?
- Specific application: should we focus on certain product or service applications rather than all applications?
- Size of client: should we focus on large or small clients?

Personal Characteristics

- Buyer-seller similarity: should we focus on companies whose people and values are similar to ours?
- Attitudes toward risk: should we focus on risk-taking or risk-avoiding companies?
- Loyalty: should we focus on companies that show loyalty to their customers, suppliers, employees, and community?

Based on the market segment variables for Industrial Markets, the segmentation strategy for the airport market area should be centered on the following:

Demographic – The community is focusing their efforts on business development and attraction. Land is being set aside for industrial and commercial development. As the country emerges from the recession of 2008-2009, the opportunities to recruit new businesses will improve as companies seek to lower operating costs. The downturn of the economy may slow down relocations by business. Rockdale should recruit regional companies that are either already established in the Austin/College Station area or are familiar with doing business in the region. Companies from outside the region, or state, could be targeted from states that have stricter work rules or a much poorer quality of life.

Operating Variables - Fiber optic business telecommunications systems are a key component in the evaluation equation for businesses seeking to locate and Rockdale should make sure that service providers are in place to help fill that business need. The ability to use Internet, teleconferencing, and direct line access will be necessary for all businesses. Companies need immediate high speed telecommunications response from outside suppliers, delivery systems, and even internal company communications to meet their business objectives and immediate access to their customer base.

Character of the Business - Professional and technical companies have the greatest flexibility in locating. The city should look to adding to its existing areas of business to create a specialty niche or cluster for new types of businesses.

Situation Factors - In the short term, there should be a focus on companies that need a quick change of location. Companies seeking to leave the high-crime areas in the large metropolitan areas would be good candidates.

Personal Factors - The companies that the H.H. Coffield Regional Airport will attract, in most cases, are privately owned. The existing location of these companies is based on various business factors and the companies are close to where the owner wants to live. "Quality of life" is a key selling point of the recruitment package and this should be stressed.

Each of the business or industry types is profiled based on certain criteria to determine if this business or industry type meets the goals and objectives of the community. The development of the profile is based on the business attributes of Rockdale, Milam County and the H.H. Coffield Regional Airport area.

The key business attributes include lower cost land, lower cost labor, a pool of skilled labor, lower cost housing, land available for small or mid-size business, pro-business environment, access to vocational/technical schools, community college and university facilities along with close proximity to a viable community airport, and good access to metropolitan markets. Each of the business or industry types is matched against the business attributes of the region to find which segment presents the best target of opportunity.

2.13 Business Selection Criteria

Each of the business or industry types is profiled based on certain criteria to determine if this business or industry type meets the goals and objectives of the community. The development of the profile is based on the business attributes of Rockdale, Milam County and the H.H. Coffield Regional Airport area.

As noted in Section 2.12, each of the business or industry types is matched against the business attributes of the region to find which segment presents the best target of opportunity.

Table 2-5 lists business attributes of market area.

TABLE 2-5 BUSINESS ATTRIBUTES OF MARKET AREA										
Business/Industry	Low-Cost Land	Low-Cost Labor	Low-Cost Housing	Skilled Labor	Low-Cost Utilities	Facilities and Land Available	Access to Metro Markets	Access to Higher Education	Limited Environ. Restrictions	Fits Community Objectives
Aviation	X	X	X	X	X	X	X	X	X	X
Agriculture; Production	X	X	X		X	X			X	
Agriculture; Processing	X	X	X		X	X	X		X	X
Automotive; Manufacturing	X	X	X	X	X	X	X		X	
Parts Manufacturing	X	X	X	X	X	X	X		X	
Automotive; Sales/Service	X	X	X	X	X	X				X
Banking	X	X	X	X	X	X	X	X		X
Business Services	X	X	X	X	X	X	X	X		X
Chemicals	X	X	X	X	X	X	X		X	
Consumer Services; Apparel	X	X	X		X	X				
Consumer Services; Containers	X	X	X		X	X	X			X
Consumer Services; Beverages	X	X	X		X	X	X		X	X
Consumer Services; Appliances	X	X	X		X	X			X	
Educational Services	X	X	X	X	X	X	X	X		X
Electronics; Assembly	X	X	X	X	X	X	X		X	X
Electronics; Manufacturing	X	X	X	X	X	X	X	X	X	X
Food; Distribution	X	X	X		X	X	X		X	X
Food; Processing	X	X	X		X	X	X		X	
Fuel/Energy Products	X	X	X	X	X	X			X	
Healthcare; Research	X	X	X	X	X	X	X	X	X	X
Healthcare; Production	X	X	X	X	X	X	X	X	X	X
Healthcare; Services	X	X	X	X	X	X	X	X	X	X
Housing Materials	X	X	X		X	X	X		X	

**TABLE 2-5 (Continued)
BUSINESS ATTRIBUTES OF MARKET AREA**

Business/Industry	Low-Cost Land	Low-Cost Labor	Low-Cost Housing	Skilled Labor	Low Cost Utilities	Facilities and Land Available	Access To Metro Market	Access To Higher Education	Limited Environ. Restrictions	Fits Community Objectives
Leisure Time; Entertainment	X		X	X	X	X	X	X		X
Leisure Time; Rec. Products	X	X	X	X	X	X	X	X		X
Manufacturing; Metal	X	X	X	X	X	X	X		X	
Manufacturing; Furniture	X	X	X	X	X	X	X		X	
Manufacturing; House wares	X	X	X	X	X	X	X		X	
Manufacturing; Machine Tools	X	X	X	X	X	X	X		X	
Manufacturing; Plastics	X	X	X		X	X	X		X	
Manufacturing; Textiles	X	X	X		X	X	X		X	
Metals and Mining	X	X	X	X	X				X	
Non-Bank Financial	X	X	X		X	X	X	X		X
Office Equipment/Computers; Business Machines	X	X	X		X	X	X	X	X	X
Office Equipment/Computers; Personal Computers	X	X	X		X	X	X	X		X
Office Equipment/Computers; Software	X	X	X		X	X	X	X		X
Paper Products	X	X	X		X		X		X	
Publishing and Broadcasting	X	X	X		X	X	X	X		X
Service Industries; Construction	X	X	X		X	X			X	
Service Industries; Distribution	X	X	X		X	X	X			X
Service Industries; Consulting	X		X		X	X	X	X		X

**TABLE 2-5 (Continued)
BUSINESS ATTRIBUTES OF MARKET AREA**

Business/Industry	Low-Cost Land	Low-Cost Labor	Low-Cost Housing	Skilled Labor	Low-Cost Utilities	Facilities and Land Available	Access to Metro Markets	Access to Higher education	Limited Environ. Restrictions	Fits Community Objectives
Service Industries; Printing and Advertising	X	X	X	X	X	X	X	X	X	X
Telecommunications; Equipment	X	X	X	X	X	X	X	X		X
Telecommunications; Services	X	X	X	X	X	X	X	X		X
Transportation; Aviation	X	X	X	X	X	X	X	X	X	X
Transportation; Motor Coach	X	X		X	X	X	X		X	X
Transportation; Rail	X	X		X	X	X	X	X	X	X
Transportation; Trucking	X	X		X	X	X	X	X	X	X
Tourism	X	X		X	X	X	X	X		X
Utilities; Electric	X	X	X	X	X	X	X	X	X	X
Utilities; Water	X	X	X	X	X	X	X	X	X	X
Utilities; Gas	X	X	X	X	X	X	X	X	X	X

2.14 Target Markets

The market segmentation analysis revealed the opportunities for the market area by Business and Industry Type. The various segments have been evaluated by segment size and growth; by segment attractiveness; and by objectives and resources of the community.

Based on the business segmentation criteria data presented on the previous pages, the areas that show growth; attractiveness; and best fit the objectives and resources of Rockdale and Milam County are: agriculture, banking, business services, educational services, healthcare, leisure time products, light manufacturing, non-bank financial, office equipment, publishing, printing, telecommunications, tourism, and utilities. Listed below are the primary target areas:

Agricultural - This has been the basic industry for the region for many years. Community leaders will not have to go far to find companies and organizations in this field.

Banking and Non-bank Financial Services - As Austin is the key community in the region, it is the natural banking center for the area. Non-bank financial services can include telemarketing center for credit cards, mortgages, and consumer loans. "Quality of life" is key to this area.

Business Services – This industry has done well in the regions area due to the above average median household incomes. Companies in this area include engineering, consulting, architects, environmental, and marketing.

Educational and Training Services - The primary companies in this business area engage in providing educational development and services in training and development. These companies provide training hardware, training software, off-the-shelf published material, and provide seminars and conferences for this \$235 billion market. This field of business is seeking low cost operations and presently operates in suburban areas.

Health Care Services – Rockdale already has good health care facilities and facilities for all ages. With the cost of senior care and senior housing increasing dramatically, the lower cost of living and available labor force in Rockdale should allow for a competitive advantage. The quality of life should be attractive to retirees.

Publishing and Printing – The pool of skilled workers in the region is attractive for this industry. Rockdale's location in the middle of the regional triangle would allow it to compete favorably with the larger metro areas of Austin, College Station and Waco with its combination of highways and airport access.

Telecommunications - This is already a key industry for the area. Lower cost facilities and access to lower cost labor is key to this business. Manufacturing and services can both be developed in the Rockdale area.

Tourism – The geography and physical attributes of an area are key for tourism. The history of Rockdale is actively promoted and offer tourism opportunities. Air tourism is a growing segment of the aviation industry. Unique locations such as the historic Beaumont Hotel and Airport in Beaumont, Kansas, offer pilots a unique dining and lodging experience. Rockdale could create similar destination packages using local partners, i.e. – The Rainbow Courts, to compliment services for tourists at the Airport.

Utilities – Generation of power is usually in remote areas and the distribution can be key to the development of the area. Manufacturing of utility equipment could be a good opportunity for the region. Texas is the most intensive wind energy development region in the Western Hemisphere, and opportunities are present to recruit manufacturing or training firms to settle in the region.

Each of these target markets require specific marketing plan for any successful business recruitment by the City of Rockdale. The marketing plan will also present ideas on how to attract these target companies to Rockdale.

2.15 Business Opportunities for H.H. Coffield Regional Airport

The airport property that has access to the runways and taxiways will be very attractive to aviation-related companies. As noted on the ALD, the city will have to address how best to provide ramp access and facilities that can be built to suit the tenant needs.

The aviation business area of this Business Plan has been segmented into 48 products and services for the H.H. Coffield Regional Airport market. Of the 48 products and services, only two are presently at the Airport. Two are near the Airport and the other 42 opportunities are not in the area. This provides great opportunities for the Airport.

The aviation-related products and services that would best fit the business objectives and resources of H.H. Coffield Regional Airport include: general aviation and corporate hangars, maintenance repair operations, aviation training, and aviation and aircraft equipment manufacturing.

Table 2-6 shows the aviation related products and services that would best fit the business objectives and resources of H.H. Coffield Regional Airport.

TABLE 2-6 TARGET AVIATION AND AIRLINE-RELATED PRODUCTS AND SERVICES FOR H.H. COFFIELD REGIONAL AIRPORT			
Activity	Onsite at Airport	Near Airport	Not at Airport
Accessory Manufacture			X
Acoustics			X
Air Ambulance			X
Air Cargo			x
Air Charters			X
Air Taxi			X
Aircraft Broker			X
Aircraft Cleaning			X
Aircraft Modification			X
Aircraft Maintenance			X
Aircraft Manufacturer			X
Aircraft Storage	X		
Airframe Repair			X
Associations			X
Auto Parking Lot			X
Auto Rental			X
Aviation Attraction			X
Aviation Fueling	X		

Aviation Medical			X
Aviation Training			X
Avionics Repair			X
Catering		X	
Cargo Facility			X
Electrical Repair			X
Engine Repair			X
Fire Crash Rescue		X	
Flight Planning			X
Freight Forwarder			X
General Aviation Center			X
Gift/Retail Shop			X
Government Agencies			X
Ground Equipment Manufacturer			X
Ground Equipment Repair			X
Helicopter Repair			X
Hotel			X
In-Flight Training			X
Instrument Manufacturer			X
Instrument Repair			X
Maintenance Training			X
Terminal			X
Pilot Training			X
Repair & Painting			X
Reservations Training			X
Restaurant			X
Safety Equipment Manufacturer			X
Security Training			X
Simulator Training			X
Weather Service			X
Window Repair			X

2.16 Aviation-Related Business that Need Airport Access

The various aviation business options that need airport access to conduct business can be combined into four business opportunities:

1. General Aviation and Corporate Aviation - Fuel sales, aircraft sales, hangar rental, and corporate aircraft servicing.
2. Maintenance Repair Operation – Airframe repair and painting, avionics and instrument repair, electrical repair, and engine repair.
3. Aviation Training Center – Pilot training and maintenance training.
4. Operations Center – supports various aviation programs that need hangar and office space.

General Aviation and Corporate Aviation

H.H. Coffield Regional Airport needs to explore recruitment of a FBO service and a facility to handle corporate aircraft operations. Established companies in the area present a great opportunity for charter flights and corporate aircraft storage. Aircraft fueling, aircraft cleaning, and aircraft catering can be provided by the fixed base operator. Air Ambulance service may also be needed to support the hospital and medical services community. Eventually, a helicopter or tour-type aircraft could be utilized for air tours of the area.

Maintenance Repair Operation

If the H.H. Coffield Regional Airport had a full time Maintenance, Repair and Overhaul (MRO) facility, it would have a substantial competitive edge over several of the closest competing airports in its market service region. This increased service demand could drive a greater need for hangar space and more flights at the airport. Another business opportunity that may work for H.H. Coffield Regional Airport is the aircraft modification business. With the increased use of private aircraft by businesses due to security concerns, there is also a need for more aircraft upgrades and modification. Almost all of the conversion work will be interior modifications. A company engaged in this business will need a hangar large enough to contain a piston or turbine aircraft and office space to house the staff. Runway access is mandatory for this service business.

Aviation Training Center

There is a large demand in the industry for maintenance and operations people. Most of the people in this field have been trained through technical schools and community colleges. Development of a local curriculum through a joint venture with the Airport and established educational provided could be oriented toward aircraft maintenance, pilot training, flight training, airport operations, security training, and a program for fire, crash, and rescue. Many of these aviation training programs can be conducted off-airport with follow-up field course work at the Airport. Federal or state funds may be available for the development of this program.

Operations Support

Another potential client for the H.H. Coffield Regional Airport is Operational Support businesses. The Civil Air Patrol, Law Enforcement and Military require operational support to base aircraft and staff in support of their missions. The H.H. Coffield Regional Airport offers easy access and available land to support facilities for these and other similar operational support.

2.17 Aviation-Related Business that Do Not Need Airport Access

Many aviation product and service providers do not need to be located at the Airport. The review of the business opportunities indicated that there are 13 aviation-related businesses that do not need to have airport access. These activities included; aircraft broker, aircraft parts manufacturer, component design engineering, aviation computer software, engine repair and overhaul, charter services, ground equipment repair, flight training, maintenance training, aviation publications, corporate office, safety and emergency equipment, and simulators.

The FBO can take on the role as the aircraft broker for the area. The engine repair can be done by the MRO and the training can be done by an authorized vocational institute. None of the other aviation functions fit the H.H. Coffield Regional Airport profile.

2.18 Additional Business Opportunities for the H.H. Coffield Regional Airport

Table 2-7 lists the aviation-related products and service opportunities for H.H. Coffield Regional Airport. Based on review, the Airport is unique in that it can meet the requirements of all of the aviation-related businesses and most all of the non-aviation related businesses that locate near airports.

TABLE 2-7 AVIATION AND AIRLINE-RELATED PRODUCT AND SERVICE OPPORTUNITIES FOR THE H.H. COFFIELD REGIONAL AIRPORT	
Activity	Opportunity for Airport
Air Ambulance	Yes
Air Cargo Service	No
Aircraft Broker	Yes
Aircraft Cleaning Service	Yes
Aircraft Manufacturer	No

TABLE 2-7 (Continued)
AVIATION AND AIRLINE-RELATED PRODUCT AND SERVICE OPPORTUNITIES FOR THE H.H. COFFIELD REGIONAL AIRPORT

Activity	Opportunity for Airport
Aircraft Parts Manufacturer	Yes
Airframe Repair and Overhaul	Yes
Aviation Training School	Yes
Catering/ Food Service	Yes
Component Design Engineering	Yes
Computer Software	No
Electrical Repair	Yes
Engine Repair and Overhaul	Yes
Flight Planning Services	No
Freight Forwarder	No
Ground Equipment Manufacturer	Yes
Ground Equipment Repair	Yes
In-flight Training	Yes
Instrument Manufacturer	Yes
Instrument Repair	Yes
Maintenance Training	Yes
Pilot Training	Yes
Publication	No
Reservations Training	Yes
Regional or Charter Airline Corporate Office	No
Regional or Charter Airline Maintenance Base	No
Safety and Emergency Equipment Manufacturing	Yes
Security Training	Yes
Scheduled Passenger Service	No
Simulator	Yes
Window, Windshield Repair	Yes

2.19 New Business Enterprises

Based on experience at other airports, the non-aviation businesses that may be interested in locating at an airport, or airport industrial park, are small manufacturing or service-related companies that would employ from 10 to 50 people. Annual payroll for this type of company would range from \$300,000 to \$1.5 million.

A multi-use building would be an attractive incubator to recruit small enterprises that perform specialty services. Attorneys, accountants, consultants, architects, financial services, marketing companies, and computer support companies that specialize in aviation are examples of jobs that would be candidates for this type of building. These companies will range from 1 - 10 employees. Annual payroll could range from \$50,000 to \$300,000 per year. It is not known at this time what companies would consider locating at the Airport. Listed below is scenario of various size companies that could locate in the Airport industrial park and the potential new business revenue from these ventures.

Table 2-8 Identifies examples of potential Business for the Airport.

TABLE 2-8 EXAMPLES OF POTENTIAL BUSINESS FOR THE AIRPORT			
Business	Annual Revenue	No. of Jobs	Annual Payroll
FB0/Corporate Aviation	\$2 Million	8	\$350,000
Maintenance Repair	\$5 Million	15	\$750,000
Aviation Training (flight, repairs, etc.)	\$5 Million	15	\$1,000,000
Aviation Product	\$10 Million	40	\$1,600,000

2.20 Economic Impact

TXDOT calculated the economic impact of all Texas airports in 2011. This calculation combines direct airport costs with project indirect revenue generated from airport activities, i.e. – fuel purchase, aircraft rental, lodging, dining and shopping, cost of doing business within the market area.

TXDOT calculated the state’s economic impact for its airports at \$14.6 billion annually. The impact values generated for each community is an important value to communicate to community stakeholders, elected officials and local media as a benchmark for the vitality and quiet ‘impact’ an airport has on its community. Many airport sponsors are never aware of this value, or do not use it enough to demonstrate the value of having a community airport.

Table 2-9 lists a comparison of economic impact of the seven competing airports within the service area of the H.H. Coffield Regional Airport.

**TABLE 2-9
REGIONAL ECONOMIC AIRPORT IMPACT**

Airport	Jobs Supported	Salary, Wages & Benefits	Economic Impact
H.H. Coffield Regional Airport	2	\$82,958	\$187,293
Caldwell Municipal Airport*	1	N/A	\$51,748
Cameron Municipal Airpark	2	\$236,000	\$123,441
Hearne Municipal Airport*	.5	N/A	\$12,937
Taylor Municipal Airport*	N/A	N/A	N/A
Bryan – Coulter Field	49	\$2,242,120	\$7,813,759
Georgetown Municipal Airport	227	\$9,872,319	\$23,738,564
Austin Executive Airport (Private)	N/A	N/A	N/A
*Information Estimated from TXDOT.			
Total Impacts	281.5	\$12,433,397	\$31,927,742

2.21 Capital and Assets Required

The companion Airport Development Plan created by Airport Development Group, Inc., has created a capital improvement project list and estimated project cost spreadsheet.

These estimates can form the basis of creating a priority list to bring the Airport up to industry compliance and plan for developments that can attract new business investment at the H.H. Coffield Regional Airport.

The City of Rockdale will need substantial funds to move ahead with the project list. The H.H. Coffield Regional Airport is not eligible for Federal funding through the FAA. The Airport is eligible for airport improvement grants through TXDOT.

However, the City may be eligible for federal and state economic development grants for creating new infrastructure and facility construction in its pursuit of new business. At the federal level, the U.S. Department of Commerce, and U.S. Department of Agriculture have grant funds available for individual businesses. Also, the similar agencies at the State of Texas have development grants available.