

BUSINESS

Officials: DuPage Airport a growth engine

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But \$6.4 million in property taxes still collected

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More than 20 years ago the DuPage Airport Authority's decision to purchase surrounding land sparked controversy. Some said the spending was unnecessary and excessive, but the airport, nevertheless, grew from 900 acres in 1985 to 2,800 acres by 1992.

Airport officials now say the planning paid off.

"The long-range planning in the 1980s led to the airport being well-positioned," said Michael Masciola, the DuPage Airport Authority's director of business and marketing.

The airport sits of DuPage County's far western border near St. Charles in Kane County and wraps around the Pheasant Run Resort, located at the southeast corner of North Avenue and Kautz Road.

Every day about 350 flights depart and arrive at DuPage Airport, 85 percent for business and 15 percent recreational.

More than 100 of the Fortune 500 companies have used the airport, including Wal-Mart, General Electric, Bank of America, Motorola, Time Warner, Wells Fargo and Hewlett Packard, among others.

Brett Hansen, a pilot for Hoffman Estates-based Sears Holding Corp., said there is less congestion for passengers and pilots at DuPage than at O'Hare or Midway.

"There is less waiting time to deboard and get on the airplanes," Hansen said.

Sears has a hangar at the airport, on land leased from the airport authority.

McDonald's a user

Companies based in DuPage County that use the airport include McDonald's, based in Oak Brook; Omaha-based ConAgra, which has offices in Naperville; Calamos Investments, also in Naperville; and ServiceMaster, based in Downers Grove.

There are 384 planes based at DuPage Airport, including 95 jets, according to



The Flight Center at DuPage Airport (Photo for the Doings by Herb Shenkin)

Masciola.

Some corporations choose to lease the land from the DuPage Airport Authority and have their own hangars; others use charter companies operating at the airport. There are five primary charter operators at the airport, including T-Bird Aviation, which also performs aircraft management and maintenance. T-Bird president Peter Messina said business has grown since his company came to DuPage Airport in 1998.

Aprons and ramps

The airport authority tries to get state and federal funding to build infrastructure such as aprons and ramps needed for airplanes to move from the runway to hangar.

"Aprons and ramps are similar to side streets," said Masciola. A ramp can serve about six hangars; one ramp can cost three to six million dollars to construct.

The airport authority collects \$6.4 million dollars in property taxes from DuPage taxpayers annually, according to David Bird, executive director of the airport authority.

While the airport is now debt-free, it still operates in the red, according to Masciola. Although the bonds have been paid off, there is about \$100 million worth of capital improvements and large maintenance projects that are needed, according to Bird.

Federal dollars usually pay for 90 percent of these improvements, but if funding is not available the airport may have to issue long-term bonds and use local tax dollars to pay the debt, according to Masciola.

But Masciola said the airport's share of the tax bill has gone down over the past five years because of the county's growth. Five years ago, the owner of a \$200,000 home in DuPage County paid \$23 for the airport, now that's down to about \$17.50.

A 2006 economic and fiscal study projected that by the year 2011, the airport will generate \$1.1 billion in economic activity for DuPage County's economy and \$1.6 billion for surrounding counties. Although DuPage Airport is adjacent to the city of St. Charles in Kane County, residents in Kane pay no property taxes for the airport, according to Masciola.

Officials: DuPage Airport a growth engine (Continued)

By 2011, about 8,960 jobs are expected with 4,580 of those directly attributable to the airport such as pilots, mechanics, and other related aviation jobs, in addition to the jobs located at the airport's technology park.

Golf, tech park

The airport's 2,800 acres, (four and a half square miles), include 1,200 acres for the airfield itself. In 2006, the airport, a technology and the 18-hole Prairie Landings Golf Course created \$373 million in local spending and generated 2,960 jobs according to the study commissioned by the airport authority.

"Airports alter the actual economic basis of regions," said Aaron Gruen, a principal with Gruen Gruen and Associates, the firm that conducted the economic and fiscal study.

"The fact that senior executives can get easily on their jets is one reason that they're still here," said Gruen.

But some question why the airport is still part of the DuPage County tax bill, if it is an economic engine.

Botti: Privatize it

Former Dupage County Board chairman Aldo Botti said it should have never been taxpayers' burden to support the airport.

"I got into politics because of the tax burden," Botti said. He said he believed

the airport should have been privatized.

The airport has come a long way since the Navy sold it to DuPage County for \$1 after World War II.

"In the 1980s, it was the goal of DuPage Airport Authority to maintain control of all surrounding property to serve as a noise buffer zone from non-compatible development," Bird said.

An initial \$40 million capital investment plan in the late 1990s and 1990s, led to the development of the golf course, the technology park, a Flight Center, a corporate hangar area and longer runways, according to Bird.

Thomas Marziani, who was airport authority chairman in 1992, said, "They considered us building the Taj Mahal but we assured them that we could bring in the money."

As part of the expansion in the 1980s, a 7,570-foot-long north/south runway was created -- the longest runway in the Midwest after O'Hare and Rockford, according to the airport authority.

"The airport has the ability to accommodate the largest business jets," said Bird. The largest the airport has handled is equivalent to a Boeing 737.

The technology park and golf course both provided options for additional income and buffers against residential development. Land leases from the Technology Park will continue to generate revenue, according to Masciola.

Northern Illinois University has announced a \$120 million cancer therapy center to open in 2011 and Argonne National Laboratory has proposed a facility in the tech park.

"The investment markets for industrial parks are as robust as they have been the last few years," said Gruen. "It is opposite of the housing market."

In 2006, green fees pro-shop sales, 52 weddings and other banquet hall events generated \$250,000 in revenue, according to the airport authority. The golf course also has reduced flooding in the area.

When will taxes stop?

The airport may have the potential to make money, but some DuPage County Board members wonder when it will come off the tax bill for good.

County Board Member Kyle Gilgis (R-3rd) said, "The taxpayers shouldn't have to pay for it."

Bird couldn't say when the airport will disappear from DuPage County tax bills.

"I can't say exactly when," said Bird. "But one of the reasons we're engaged in the type of development is to reduce the reliance on taxes." •

Photo Courtesy Lee Hogan

