

Airport Management Study

Lehigh Northampton Airport Authority



Prepared for:



**County of Lehigh and
County of Northampton**

Prepared by:

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EXECUTIVE SUMMARY

The Lehigh Northampton Airport Authority (LNAA) is responsible for operating and developing Lehigh Valley International Airport (LVIA), Queen City Airport, and Braden Airpark. LNAA and LVIA is indeed in a unique position – geographically positioned between two major air service hubs (as well as international gateway airports) with significant passenger leakage to both. Yet, the Airport still contributes over \$330 million in annual economic activity to the Lehigh Valley region according to the last statewide economic impact calculation in 2001¹. In today’s dollars that impact is even greater.

Given the Airport’s important role as the catalyst for economic development throughout the Lehigh Valley Region, Lehigh County and Northampton County, Pennsylvania, retained The Louis Berger Group, Inc. to assess the performance of LNAA through this Airport Management Study by evaluating the efficiency and effectiveness of the Authority functions and to provide recommended actions to maximize the attractiveness and use of the Airport in furtherance of regional economic development.

Toward that end, the Study utilized a comprehensive process to evaluate LNAA by taking into account stakeholder perspectives, comparing LVIA to comparable airport facilities, conducting an evaluation of LNAA’s organization that included the identification of LNAA’s strengths, weaknesses, opportunities, and threats, and ultimately providing recommendations for the Counties and the Authority to consider for implementation.

Stakeholder Perspectives. The Study included an extensive effort to understand the perspectives of various stakeholders (a stakeholder being defined as someone who has an interest in LNAA, the Lehigh Valley Region, or the Airport). Over 40 individuals were interviewed representing a cross-section of Airport Employees, Airport Management, Board of Governors, County Administration, and Regional and Community representatives (stakeholders). In addition, a parallel web-based survey was distributed to over 90 participants.

¹ Economic Impact of Aviation in Pennsylvania, Pennsylvania DOT, June 2001.



As can be expected, when speaking to such a large group of individuals, the Study Team heard the complete spectrum of views and opinions of LNAA and the Airport, the results of which have provided the Study Team the context and history to better understand the organization.

Comparable Airports. This component of the Study effort identified five (5) airports to compare LNAA against and evaluate common and best practices among them. To choose the comparable airports, the Study Team identified airports that were in close proximity to major domestic and international hubs, similar to LVIA. The five comparable airports for which comparative data was collected and evaluated included:

1. **General Mitchell International Airport** (Milwaukee, WI) – Proximity to Chicago O’Hare and it is directly operated by Milwaukee County.
2. **T. F. Green Airport** (Providence, RI) – Proximity to Boston and it is operated by a quasi-governmental State agency.
3. **Orlando Sanford International Airport** (Sanford, FL) – Proximity to Orlando International Airport and it is operated by an Authority outside of Pennsylvania.
4. **Harrisburg International Airport** (Harrisburg, PA) – Proximity to Philadelphia and Baltimore, and it is operated by an Authority under the same Pennsylvania legislation as LNAA.
5. **Stewart International Airport** (Newburgh, NY) – Proximity to the New York Metropolitan Area and it is operated by a large airport authority, the Port Authority of New York and New Jersey.

The information obtained from these comparables provided input to the Study Team on how these airports are currently being managed and operated. Detailed information from each of these comparable airports is reported and compared to LNAA in Section 3. While finding an exact comparable airport is not possible, these comparables provided the Study Team with valuable input regarding best practices common among their operations.

Organizational Evaluation. An organizational evaluation was performed to review the data and information collected through the various Study efforts discussed above. Included with this effort was an analysis conducted with LNAA of the **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats (SWOT). The SWOT analysis provided significant input to the process identifying numerous areas



that highlight LNAA's many strengths and opportunities it currently faces. It also identifies areas that could be improved.

This information as well as information collected on the various governance models of today's airports in the United States and the comparable airports in this Study provided key input into the overall development of findings and recommendations for this Study. These include recommendations to enhance the efficiency and effectiveness by: Strengthening the Board member appointment process; Improving and maximizing the Airport's Competitiveness; Developing comprehensive and pragmatic strategic and marketing plans; Streamlining LNAA's organization; and Reducing the size of the Board of Governors.

Findings and Recommendations. There is an old adage in the airport industry that says when you have seen one airport, you have seen one airport. All airports have their own unique characteristics. Accordingly, this Study recognizes that specific methods from one airport will not be a perfect fit for another airport. Rather it takes into account all the information obtained throughout the Study process, evaluates that information, applies the experience of the Study Team, and identifies the results through findings and recommendations.

The following summarizes the findings and recommendations of this Study. Each recommendation is aimed at improving the efficiency and effectiveness of LNAA to enable LVIA to realize its full potential as the Lehigh Valley's economic engine.

Finding and Recommendation #1 – The Counties should develop a more effective process to select Board appointees to foster more effective communication between the Board and the Counties. Enhancing communication between Board members and the Counties will help both parties better understand the ongoing activities and efforts of the Lehigh Valley Region.

Finding and Recommendation #2 – LNAA should take steps to position the Airport to be more competitive. LNAA should consistently work to maintain low operating expenses while constantly seeking revenue/economic development opportunities as much as possible.



Finding and Recommendation #3 – LNAA should have a comprehensive Strategic Plan in place. Strategic Plan’s are dynamic in nature and help to focus an organization on achieving its goals. This Plan will help LNAA develop strategic and tactical goals, Departmental objectives, and then provide a method to measure performance. Annual and longer 5-year period goals would be set, as well as target areas for reducing operating expenses. A properly structured Strategic Plan allows everyone involved to understand the Organization’s goals and the steps needed to reach them.

Finding and Recommendation #4 – As part of the Strategic Plan, LNAA should develop a standalone Marketing Plan as the blueprint to aide in the development and implementation of various initiatives the Authority is pursuing. This multi-faceted Plan should involve participation from surrounding governmental, corporate, and community organizations. A Marketing Plan will focus the energies of all participants on the common goal of increasing the utilization of the Airport. It will also aide in everyone’s understanding of air service initiatives; help to further refine the marketing message and “brand” for LVIA; and assist LNAA in obtaining financial assistance for air service incentives.

Finding and Recommendation #5 – LNAA should be reorganized to enable Executive Management to provide a more strategic marketing focus for the Airport and to enhance efficiencies in its operation and development. The current Authority organization has various reporting lines to differing levels of responsibility, all reporting to the Deputy Executive Director. The organization of LNAA should be streamlined to reduce the number of Departments reporting to Executive Management. The Executive Director position should be more focused on policy development and implementation as well as the external management of the LNAA, while the Deputy Executive Director position should focus on the operational needs of the Authority. In addition, efficiencies can be realized by having three Departments reporting to the Executive Director: Administration; Finance; and Business Development, including a Public Relations position. Two Departments: Operations and Engineering, would report to the Deputy Executive Director.



Finding and Recommendation #6 – The LNAA Board of Governors is large for the size and scope of its Mission. The Study Team believes that reducing the size of the Board of Governors from 19 to 11 members would increase its effectiveness. Further, each County should consider designating the County Executive or representative as an Ex-Officio voting member to be included in the 11 members. This will significantly improve the communication linkage between the Counties and the Board.

Next Steps. The next step for County decision makers to optimize the efficiency and effectiveness of LNAA is to review the report in detail and develop an Action Plan that addresses each of the recommendations contained in this Study. No one recommendation should be considered less or more important than the other.



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