



The RFD Beacon



GRAA Quarterly Tenant Newsletter
www.FlyRFD.com

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Foreign Trade Zone Status Report

By Marge Burton Bevers,
Properties & FTZ Specialist

“Harvest Season: FTZ #176”

Some seeds take longer than others to germinate. While FTZ #176 received a Grant of Authority from the Foreign-Trade Zone Board in 1991, the Zone has been dormant for many of those intervening years.

Under the leadership of Franz Olson beginning in the mid-1990s, the Zone grew in acreage, and slowly began to show signs of life. By 2006 several sites had activated and were moving foreign merchandise through their facilities. With no activity in FY2004, \$45 million of product was moved through in FY2005 and \$67 million in FY2006. The projection for FY2007: \$100 million moving through four (4) activated sites and subzones.

Companies Can Save Money Plus Community Benefits

The growth of activity is driven by the corporate bottom line. There are many ways for firms engaged in the import of foreign merchandise to save money in the Zone. These include deferral, reduction or elimination of duties and – often more significant – savings resulting from weekly entries (customs broker fees and merchandise processing fees), direct delivery and supply chain benefits.

The FTZ program is the opportunity for American businesses to partner with the government to remain competitive and retain jobs here at home. One of the most frequent questions we face today, is “what is in it for the airport?” The answer is our mission: to create wealth and improve the quality of life in the community.

With the early “seeds” finally germinating, the GRAA decided in fall 2006 to formally commit additional resources to cultivate the growth. The airport contracted with consultant Tommy Berry, president of PointTrade Services, Inc. In addition, the airport rewrote their FTZ governance documents, created new marketing materials (see www.flyrfd.com) and presentations, solicited meetings with individual companies, sought speaking engagements, and hosted a workshop featuring Berry in January, 2007. The six-hour seminar provided a chance for 17 prospective partners to learn about the FTZ and what it could do for individual companies. Many in attendance were key decision makers.

“Those firms that import at least \$1 million a year, want to take a serious look at the Zone program. If the fact pattern warrants, they may be able to save in excess of \$100,000 a year in duties, supply chain, and cash flow savings,” Berry reports.

Below is a list of companies who signed up to utilize the FTZ. These new sites offer a diverse set of options in warehouse, transportation logistics and packaging for area companies who import and could occasionally benefit from the duty deferral of the FTZ:

- Abilities Center (Rockford)
- City of Rockford – Logistics Park (Rockford)
- Hendricks Development Group – Essex Wire and Counselor Scale (Rockford)
- Venture One/Mark Goode - three industrial parks: Park 88 (DeKalb); Loves Park Corporate Center (Loves Park); and Rock 39 (Cherry Valley)
- HSA Realty – 4500 Kishwaukee/former National Lock building (Rockford)

Also anticipated before the ‘next planting season’: between two and four new subzones (single purpose users, usually manufacturing facilities). Can you hear the seeds sprouting? If you would like info on how the FTZ can help your company, contact **Marge** at **815-969-4427** or **mbevers@flyrfd.com**. We’d love to hear from you!

RFD Tenant Terry Norris Receives Master Mechanic Award

The Charles Taylor “Master Mechanic” Award is the FAA’s most prestigious award issued to persons certified under Title 14 of the Code of Federal Regulations.



Terry Norris (left) receives the Master Mechanic Award from the FAA’s Scott Landsdorf.

RFD is proud to report that Terry Norris of Aircraft Systems was recently issued this award for his more than 50 years of service to the aviation maintenance community.

Jim Rezich of Rezich & Rezich Aviation Consulting said that Norris is one of only two people in the history of the Greater Rockford Airport to receive this prestigious award. “George Church, the former Director of Maintenance for Sundstrand Flight Department was the first,” said Rezich.

The award was named after Charles Taylor, the FAA’s first aircraft mechanic and was established to recognize individuals who have spent over 50 years in the aircraft maintenance profession as “master mechanics.” Once the award has been issued, the FAA adds the recipient’s name to the Roll of Honor, a leather-bound book on display at the entrance to the FAA Aircraft Maintenance Division Headquarters in Washington, D.C.

The Greater Rockford Airport Authority Board of Commissioners and staff congratulate Terry on this outstanding accomplishment!



As a Master Mechanic award winner, Terry Norris received the above plaque from the FAA. Norris is only the second person in the history of RFD to receive this prestigious award.

RFD Featured Tenant: Heritage Aero Inc.

*By Marge Burton Bevers,
Properties & FTZ Specialist*

“Tortoise and the Hare”

Big airport news continues to decorate the front pages of the *Rockford Register Star*: current carriers, new flight destinations, AirFest, cargo business, and the Foreign-Trade Zone. Even one story about corporate jets. But every day, other business does occur in general aviation.



Heritage Aero apprentice Josh Kohlhorst opens the engine compartment of a P51D Mustang for inspection.

Over the past three years, Cliff Wilewski, President of Heritage Aero Inc. has quietly been building a business to service planes smaller than corporate jets. From single engine general-aviation aircraft to warbirds, Cliff has created a market niche – and a loyal following. Opening in the fall of 2004 with one employee (and a strong vote of confidence from friend and mentor Mark Clark of Courtesy Aircraft), Heritage Aero now employs nine. With this growth, his business threatens to burst the seams of the 12,000 sq. ft. hangar located on the northeast side of the airport.

Wilewski said that there are two reasons for his company’s growth. “1) We hire exceptional people at the top of their field; and 2) we have built a strong customer base by offering personalized services. If there’s a maintenance issue off-site, we’re there. If it is a warranty issue, the customer pays nothing. This philosophy has cemented many relationships for us,” said Wilewski.

Offering maintenance services to civilian general aviation and military aircraft now privately owned, Heritage Aero has also acquired a large selection of warbird parts (most new surplus or military overhaul). They also specialize in disassembly and crating of aircraft for shipment worldwide.

Apprenticeship Program a Success

Another intriguing aspect of Heritage Aero’s success is their apprenticeship program that Wilewski has created to help fuel his growth. Common in Canada, such programs are rare in the U.S. This two-year program has been created in cooperation with the F.A.A. Heritage provides tools and books which become property of the apprentice when the program ends.

The training program personifies an old adage: necessity is the mother of invention. “Our growth meant we needed help NOW and I knew there were people looking to learn a trade without time for long formal education. The apprenticeship is win-win: it gives a student hands-on experience without a huge investment of time and money and gives us the chance to evaluate, train, and hire a skilled employee after certification,” said Wilewski.

On second thought: the tortoise and the hare metaphor doesn’t work here – this is one tortoise moving at warp speed!

For more information, visit the Heritage Aero, Inc. website at Heritageaero@t6b.com.

If you or your business would like to be featured in our next newsletter, please contact **Marge** at **815-969-4427** or **mbevers@flyrfd.com**. We’d love to hear from you!

Security Corner



Aircraft TUG Protocol: Contact RFD for Escort

The Airport Authority would like to remind aviation tenants at RFD who need to TUG an aircraft from one location to another on the airfield that **MUST FIRST CONTACT AIRPORT OPERATIONS (815) 969-4011 (24/7) TO ARRANGE AN OPERATIONS VEHICLE ESCORT.**

Escort Fees Do Not Apply for Tugs

While the Airport Authority recently enacted an “escort fee”, this fee does NOT apply to tenants. The escort fee was established to reduce contractor dependence on Airport Operations & Facilities personnel during airfield construction projects.

The perimeter service road was specifically designed to be used by Airport personnel (including Airport tenants having the appropriate ramp driving authorization and training) to access facilities on the airfield without crossing the runway system. This road is NOT designed to tug aircraft from one side of the airfield to another. Airport Operations staff will escort all aircraft needing to be tugged across the airfield.

Any vehicle (including an aircraft being tugged into the Movement Area) that is not in contact with ATCT constitutes a vehicle deviation (“incursion”).

This is an extremely serious offense and will most definitely be investigated by the FAA. The results of their investigation could result in permanent revocation of the operator’s ramp driving privileges, as well as significant fines being leveled against the person/company involved in the incident. This policy is meant to enhance the safety for everyone operating at RFD. **SAFETY IS FIRST AND FOREMOST!**

We ask you to remind all your employees of this IMPORTANT operational procedure. Thank you!!



AirFest 2007... More Than Dollars & Cents

By Geoff Oman, RFD Special Events Coordinator

During the recent AirFest, over 60 corporations were involved in one way or another through various sponsorship opportunities. I wanted to focus on two corporations and their involvement because it extends beyond financial means to employee morale and community involvement. The first is a local company with a global reach. They employ less than 50 people at a small but very technologically-advanced shop in Roscoe, Illinois. Forest City Gear makes an array of products from gears for fishing rods to gears that will be on the Mars explorer vehicles.

Forest City Gear

Forest City Gear is a company that puts its people first and encourages them to put the community first. They were involved with the AirFest financially by sponsoring a chalet for their employees. They encouraged their employees to also be involved in the event from a volunteer standpoint as well. In the past, owners Fred and Wendy Young have encouraged all of their employees to take part in some kind of volunteering efforts, and arranged for them to get paid time off in order to show their appreciation. Fred and Wendy also are key volunteers for our hospitality team - leading by example.

Hamilton-Sundstrand

The second company is a multi-national corporation with a defined leadership within its Rockford location. Hamilton-Sundstrand's corporate office was previously based in Rockford, but has since moved its home to the east coast area. Within the Rockford location, there is a group of managers that make up what is called the Rockford Leadership Council (RLC). The RLC is a group that raises funds through Hamilton-Sundstrand and uses those funds to do community-related events including charitable giving, and other events such as the AirFest. The RLC was helpful from a financial standpoint contributing over \$14,000 in sponsorship money, but what really helped the AirFest was the 80 volunteers that the RLC recruited from HS. This is just another way that HS gives back to the community. In addition to the volunteers, Hamilton-Sundstrand's RLC focused attention on Rockford as an aviation community by hosting a tent that educated attendees as to what parts of the planes that were on display were made right here in Rockford. Educating the community on how involved Rockford is in the aerospace industry creates a sense of pride in the community.

These are two examples of how local companies do more than just contribute money to an event. They take it one step further and encourage employee involvement in community events.

We want you!

If you are interested in taking part in any way in AirFest 2008 by including your employees in a group volunteering opportunity, please contact Geoff Oman at **815-969-4416** or goman@flyrfd.com.



Hamilton-Sundstrand hosted a booth that educated AirFest attendees about aircraft parts that were made here in Rockford.

RFD Named IL Primary Airport of the Year

This past May, The Illinois Division of Aeronautics announced that RFD was named the 2007 Primary Airport of the Year.

The selection was based, in part, on recent improvements to air passenger and air cargo facilities, good maintenance of the facility, preservation and enhancement of airfield safety and good community relations.

This honor was formally presented to the airport at the annual IL Aviation Conference Luncheon held on May 23, 2007 in Wheeling, IL.

Thank you and congrats to everyone who helped make this award possible!

Airport Board Approves Cargo Building Project

At a special Board of Commissioners meeting held on July 19, 2007, RFD Commissioners approved an agreement between Tandem Development Group for the construction of an airside cargo spec building. Leopardo Construction is the construction partner of Tandem.

Tandem Development Group's project is a phased development of up to 33 acres of land located adjacent to the primary runway (7/25). Phase I involves approximately seven (7) acres and construction of a minimum 70,000 sq. ft. building, which the board and RFD administrators estimate will produce nearly \$600,000 in gross revenues for RFD as well as many new jobs for the region.

Construction of the project is scheduled to start in late fall or early spring 2008 and should be completed in approximately 12 months.

A Message from the Executive Director



First, let me take this opportunity to thank everyone for your understanding, support, and participation in AirFest 2007.

From every indication, it was a huge success. The weather, as you will recall, was just as challenging as last year; but, nonetheless, people attended in record numbers. With your continuing support, we are planning to host the fourth annual event in 2008. Thank you to all RFD tenants who took advantage of the Friday night Block party. Despite the rain, we hope you enjoyed the Friday night show and wonderful fireworks display. More to follow...and again, thanks for your encouragement and support of this aviation opportunity.

Business Partners Experience Growth

Second, congratulations to our business partners who are realizing growth and success at RFD. I certainly hope that applies to each and every one of you. In recent months, **Bob Moreland** has built two state-of-the-industry T-Hangars, which are, as I understand, about 90% sold.

Just “across the ramp”, **Kaney Aerospace, Inc.** is gainfully employed and expanding operations into several niche market areas. This has led to about 15 new employees.

Just down the taxiway, **Emery Air** likewise is expanding its “wings” into the regional jet maintenance and repair operations in conjunction with the former Coleman Hangar.

Across the airport, **Ryan Air**, owned by Rubloff Development, is finding ways to involve RFD in their very impressive contract military airlift operations by “clearing customs” on the return trip for many of our men and women serving overseas in the armed forces. This provides many opportunities for “folks” to come out to RFD and “welcome these unsung heroes,” which is so warmly appreciated by many.

In the coming months, I'll hope to recognize other business opportunities and successes involving other equally as important business partners.

Growth Around the Corner

Third, growth is in the wind. The Airport Authority recently announced an airport development project on par with the recent 70,000 sq. ft. building constructed by UPS. This “spec building” will be used to attract additional businesses to the airport. It should also “signal” to you and others, that there are opportunities to update or position your businesses for additional growth. More soon.

Air Service Development

Fourth, air service development is going well, but always a challenge, despite how smoothly it seems to be going; however, that is not unexpected.

Over the next several months, we hope to announce two to three new domestic destinations and one international destination. “If and when” we get these opportunities, we MUST accelerate awareness and support through use of RFD, as we will get only a few months to prove the potential opportunities. Please join me in “assuming nothing,” until success can be gauged through passenger production.

And, if that weren't enough, I want to also take this opportunity to tell you that the “Freedom Field” concept of developing an ‘Education, Research and Development Campus’ continues to advance with real promise for many existing airport tenants, as well as a few off-airport potential partners. Again, more soon.

FTZ Fuels Economic Growth

Fifth, the FTZ is another opportunity to support economic growth in our community. In September, we will submit an application for expansion (4-6 new sites) and reorganization as Grantee of FTZ #176. We also expect a couple of neighbors inside our current territory here in Rockford to join the expanding FTZ family this fall. By the end of the year, we anticipate at least two new manufacturing subzones to apply for FTZ status and begin operations next year.

In closing, while these updates are encouraging opportunities, if and when you have needs, please let me know.

We are here to support and assist your businesses as well. We are working with a few of you “privately” right now. But again, to the rest, please call upon me when you think we may be able to help.

Escalator Project Completed: More Terminal Enhancements Planned

By Franz Olson, Deputy Director of Operations & Facilities

Yes its true...we now have escalators in our terminal building! While it was common knowledge that the terminal was originally designed 20 years ago with the "intent" to install escalators on either side of the central staircase, quite frankly, I was a little skeptical whether or not we would ever get to the point that passenger numbers warranted the need. Again, I was also one who questioned the Airport ever needing to extend runways...in my 30-year career at RFD the runways have now been extended three times!



The escalator installation project was completed this past June and provides easier access to the upper level for RFD passengers.

Great things are occurring at RFD and a lot has to do with the "can do" attitude of employees and staff. The Terminal projects are truly exciting in that we encourage staff/employee participation in the initial design/function process. After all, they are the people who view the operation day-to-day and are very familiar with passenger needs, passenger flow, congestion points, as well as needed amenities to make passengers' travel experience as hassle free as possible.

Future Projects

In the coming months, we will have completed expansion of the Terminal passenger queuing area leading into the TSA screening lanes. This will provide us three times the current screening-lane queuing capacity. We will be installing a \$2 million dollar "EDS" baggage scanning device to improve "checked" baggage efficiency. We will be constructing a passenger concourse, or "connecting link" and jet bridge at the International Arrival Gate to enable off loading international passengers without exposure to the elements. We are currently working to relocate CMT from the second level of the Terminal to facilitate expansion of the passenger boarding area by an additional 2,000 sq. feet, as well as adding another jet bridge at that location. By years end, we will be a 5-jet bridge/gate airport enplaning as many as 200,000 plus passengers a year. In the meantime staff will be in the midst of planning another fantastic air show.

Available for Lease

GRAA T-Hangar C-4 - 1,440 sq. ft., insulated with heater.

GRAA T-Hangar C-7 - 1,440 sq. ft.

GRAA T-Hangar A-9 - 1071 sq. ft.

80 Space Parking Lot - On Falcon Rd., as of 9/1/07

Professional Building Office Space - Office spaces ranging from 162 - 935 sq. ft.

Car Wash Facility - Wash lane and 4 details bays

OPERATIONS & PROPERTIES CONTACTS

Franz Olson, Deputy Director of Operations & Facilities: 969-4426
folson@flyrfd.com

Wayne Langy, Operations & Facilities Manager: 703-5309; langy@flyrfd.com

Matt Zinke, Operations & Facilities Supervisor: 969-4019
mzinke@flyrfd.com

Dave Lindberg, Operations & Facilities Supervisor: 969-4018
dlindberg@flyrfd.com

Marge Bevers, Properties & FTZ Specialist: 969-4427
mbevers@flyrfd.com

24-Hour Assistance from GRAA Operations Staff: 969-4011
operations@flyrfd.com

Blue Angels Soar High



Photo by Sherry Pritz

Thank you to all the tenants who participated in the Tenant Block party on Friday, June 1st and/or who attended AirFest on Saturday or Sunday. Over 100,000 people attended our three-day show. We hope to secure another jet team for AirFest 2008.

Share Your News!



Do you have news that you would like to share about your business with your GRAA neighbors? Please send details to Denise Delanty at ddelanty@flyrfd.com and watch for your news in the next issue!