

The Dallas Morning News

April 9, 2006

Lancaster Plans Big Things for Small Airport

By Herb Booth

Lancaster Municipal Airport sits alone amid cotton and corn fields in southern Dallas County, a single landing strip and cozy cafe its only amenities.

But city officials say the smallish 306-acre airport can be transformed into the next Alliance Airport, Ross Perot Jr.'s economic engine in far North Fort Worth that is responsible for generating \$26 billion since its 1990 opening. They're not alone.

"I think Lancaster has a great shot at becoming a second Alliance," said Bill Blaydes, a Dallas council member and chairman of two groups that focus on trade in that area. "Everything is in place for it to happen."

The two groups - the River of Trade Corridor and the Dallas NAFTA Trade Corridor coalitions - have made it their mission to protect trade in that southeastern corner of the North Texas region. Establishing more capacity for cargo airports is one of the groups' platforms.

Though there are some doubters, Lancaster officials believe some recent developments will boost their airport's chances of being a key component of southern Dallas County's predicted growth, including an airport expansion grant from the Federal Aviation Administration and a new city master plan calling for airport upgrades.

They list others factors as well:

Lancaster airport is within a few miles of Interstates 35, 45 and 20, and the future Loop 9 will hug its southern boundary.

A new \$100 million, 350-acre Union Pacific intermodal railroad facility - which straddles Wilmer and Hutchins and is less than five miles from the Lancaster airport - opened earlier this year.

The Allen Group - a California-based investment company that specializes in industrial and distribution construction projects - has purchased about 4,500 acres and has options on about 1,500 more bordering the airport and the Union Pacific facility. The firm's holdings are divided among Lancaster, Dallas, Wilmer and Hutchins. Plans for a Burlington Northern-Santa Fe intermodal facility are in the preliminary stages, too. Other developers are carving up land in the sector.

Lancaster recently received a letter from the FAA finding a nearby Ellis County landfill compatible with flying operations at the airport. The FAA sometimes has concerns with airports that locate near landfills because birds congregate at those dumps, presenting a danger during takeoffs and landings.

Hangar space has more than doubled during the past three years. Plus, there's a waiting list for planes.

www.allengroup.com



Private investment

Richard Allen, owner and CEO of The Allen Group, said private investment speaks for the promise of the area.

"We could develop up to 70 million square feet of space on our land. That means jobs - jobs in an area that has high unemployment," Mr. Allen said. "It would be a big help to what we're doing if there was a cargo airport there."

He said federal, state and local entities are lining up to help ensure the region's success. The FAA recently awarded Lancaster a \$333,334 grant for airport expansion. Immediate plans will expand the runway from 5,000 linear feet to 6,500 and eventually to 8,000.

David Fulton, director of the Texas Department of Transportation Aviation Division, said the Lancaster airport has a "very bright future." The division doles out the FAA money allocated to general aviation airports. "Corporate aviation is beginning to discover the southern sector," Mr. Fulton said.

City Manager Jim Landon said the airport's development is following two tracks: one for corporate jet traffic, the other for cargo flights.

Neighboring cities support Lancaster as well.

DeSoto Mayor Michael Hurtt said corporate executives could live in his town.

"It cements a quality market for this area," Mr. Hurtt said. "And if an Alliance takes place, think of all the other developments that surround that airport. That could happen here."

For example, Alliance is home to more than 140 companies that employ 24,000 workers. More than 2 million square feet of office space has been developed there, and the airport has spurred the construction of 5,200 homes.

The roadblocks

While funding agencies have little doubt the Lancaster airport will grow, they're not convinced it could become another Alliance. Or that it needs to be.

Mike Nicely, the manager of the FAA's Texas Airport Development Office, said the FAA bases funding on demonstrated need.

"We need to be shown that there is sufficient cargo business for that airport," Mr. Nicely said. "I don't know if there's a need for another cargo airport in this region."

He said Alliance's construction was based on a North Central Texas Council of Governments study that revealed holes in the North Texas' aviation network. A similar regional airport study may be in the works.

But former Fort Worth Mayor Bob Bolen, who was in office when that city approved Alliance, also questions the viability of a second huge cargo airport in the area.

"You need the critical mass before it becomes a reality," Mr. Bolen said. "Ten years or 20 years down the road, maybe. But not now."

Mike Berry, president of Mr. Perot's Hillwood Properties, which developed Alliance Airport, said he was unfamiliar with Lancaster airport and its development potential. But he noted that with Alliance, Fort Worth's ability to fund debt to extend services there was an integral part of the development. Even today, 16 years after it opened, Alliance is only about 30 percent developed, Mr. Berry said.

However, Lancaster officials and Mr. Allen said financing options are available, including increment financing districts and tax incentives.

Lancaster's Mr. Landon said his city already has water and sewer available to the airport. A recently completed water tower would allow Lancaster to easily extend services to any airport expansions or private developments, he said.

And David Dean of Dean International, the consultant hired for the two coalitions, notes that Lancaster does have one advantage that Alliance didn't have: Its airport is already in place.

"Clearly, Perot was visionary in starting Alliance," Mr. Dean said. "But I think there's room for at least two cargo airports."