



2020

Business Plan



Chad Newton, CEO
Revised: February 4, 2020

Prepared by Office of Strategy Management



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

Michael Berry Administration Building
11050 Rogell Drive, Bldg. #602
Detroit, MI 48242

January 27, 2020

Dear Board of Directors,

After serving as CEO this past year, I believe I have assembled the right team to help drive business results and make our airport the best in the world to the 36 million passengers traveling through Detroit Metro. Each person is uniquely qualified to raise the bar to exceed the board's expectations. Our CY2020 Business Plan reflects their quality of thought and body of work to build on last year's accomplishments.

This plan outlines the framework for maintaining a high level of service in airport operations. By managing our airport assets to generate new business opportunities, we can leverage our runways and land bank to improve our airport system. Also, I believe innovation will enable us to better serve our passengers now and in the future.

I remain steadfast in my determination that this business plan will facilitate a breakthrough year and position Wayne County Airport Authority for expansion and growth. We laid the groundwork last year to ensure we can achieve our projected goals for 2020. I will continue to seek your guidance and concurrence to help me chart the best path.

Thank you for your support and encouragement.

Sincerely,

A handwritten signature in blue ink that reads "Chad Newton". The signature is fluid and cursive, with the first name "Chad" being more prominent than the last name "Newton".

Chad Newton, Chief Executive Officer
Wayne County Airport Authority



CONTENT

Tab 2) Vision

Tab 3) Core Values

Tab 4) CEO Approach

Tab 5) Business Plan



VISION



Chad Newton, AAE

Chief Executive Officer

"I want to be the best airport in the world to the 36 million passengers traveling through Detroit Metro."



Let's take the difficult challenge of climbing the summit together

CORE VALUES

Passenger
Experience

INNOVATION

Reduce cost and raise value

Financial
Stewardship

RESPONSIBILITY

Investment and business management

Operational
Excellence

SAFETY/QUALITY

Drive efficient and effective operations

People
Development

INTEGRITY

Living our values without exception

Regional
Engagement

COMMUNITY

Be inclusive of the people who make up the region

CEO APPROACH

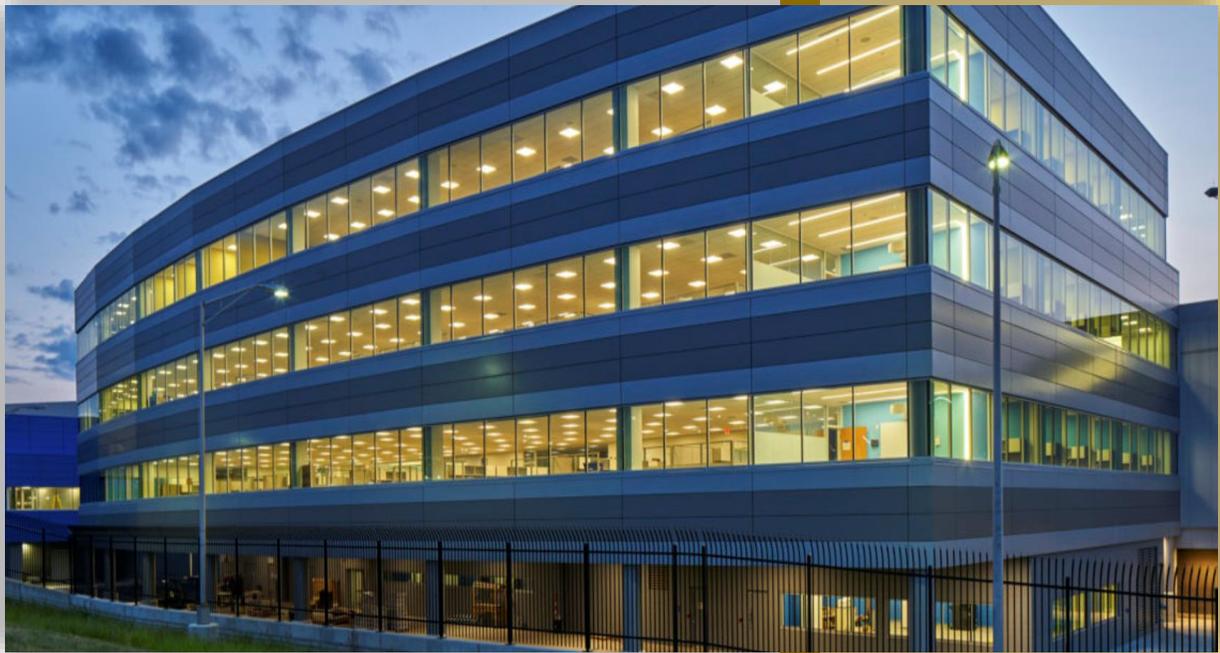


- *We will create an environment where leadership can reinforce our vision to inspire our employees*
- *Our management team will promise to support our employees and hold each other accountable*
- *We will be coachable at all levels to foster a more collaborative workforce*



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Chad Newton, Chief Executive Officer
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CALENDAR YEAR: 2020

Wayne County Airport Authority

TABLE OF CONTENTS

TOPIC	PAGE
INTRODUCTION	2
TOP PRIORITY INITIATIVES	3
PERFORMANCE MEASUREMENTS	4
RENEW: KEEPING THE LIGHTS ON	5
REFINE: CLOSING NEW DEVELOPMENTS	9
REDEFINE: DRIVING BUSINESS INNOVATION	12

INTRODUCTION

Wayne County Airport Authority's Business Plan focuses on delivering results for the 2020 calendar year period. Our business approach is to remain competitive, maintain airport facilities, and seek opportunities to make improvements that will reduce operating costs and enhance efficiencies that will strengthen the partnership with our airline partners.

Our vision is clear, as we want to be the best airport in the world to the 36 million passengers who travel through Detroit Metro. We are determined to strive for high standards in our five focus areas: passenger experience, operational excellence, financial stewardship, people development, and regional engagement.

We will reinforce the core values of our Board of Directors. Being attentive to the needs of our passengers, being responsible for our actions, promoting safety and quality in everything we do to support the organization, having integrity by living up to our promises, and being inclusive of all people and backgrounds living in our community.

As a residual airport operator, formulating a financial tolerance acceptable to our airline business partners at the onset is crucial to the annual budgeting process. The Airport Authority's ability to fund projects falls under two sources: 1) Operation & Maintenance (O&M) Budget for renewing the airport "Keeping the Lights On." 2) General Airport Revenue Bonds (GARBs) approved by the carriers through the Weighted-Majority process for refining our business model to generate new revenue by "Closing New Developments," and redefining future airport capabilities and improving the passenger experience by "Driving Business Innovation and Technology."

The information that follows summarizes the Airport Authority's business plan and key performance measures required to meet the business needs for the 2020 calendar year. We collectively recognize the need to work as a team, trusting one another, communicating openly and frequently, and holding each other accountable. The change in mindset will enable each department to help manage our airport system more effectively and efficiently.

Chad Newton, Chief Executive Officer
Wayne County Airport Authority

PERFORMANCE MEASUREMENTS

AIRPORT AUTHORITY PERFORMANCE MEASURES

We will measure performance in a way that helps us identify defects and deploy corrective action supported by data. Each department identified KPIs that will influence the output of our five focus areas. These five focus areas will serve as the basis for our business goals and “Pay-for-Performance” program.

Bonus Distribution: If Airport Authority achieves 100% of its goals:

	<u>Airport Authority Performance</u>	<u>Individual Performance</u>
Vice Presidents	75%	25%
Directors	40%	60%
At-Will	15%	85%

- 1. Customer Experience (20%)**
 - Measure: Customer Experience Scoring Index
 - Source: Air Service Quality (ASQ) Indices
 - Deliverable: Customer Satisfaction Index ≥ 4

- 2. Financial Stewardship (20%)**
 - Measure: Cost Per Enplanement
 - Source: MUNIS
 - Deliverable: Projected Budget CPE \leq \$10.10

- 3. Operational Excellence (20%)**
 - Measure: Operational Performance Index
 - Source: MAXIMO/MUNIS/TRIRGA
 - Deliverable: Operational Performance Index $\geq 90\%$

- 4. People Development (20%)**
 - Measure: Critical Skills
 - Source: Learning Management System (LMS)
 - Deliverable: Employee Completion of Six Critical Skills $\geq 85\%$

- 5. Regional Engagement (20%)**
 - Measure: Small Business Enterprise (SBE) Participation
 - Source: MUNIS
 - Deliverable: Aggregate Contract Value $\geq 18\%$

RENEW – KEEPING THE LIGHTS ON

The main objective of the Airport Authority staff is to maintain the assets of the airport through quality control measures and continuous improvement methodologies. The five-year Capital Improvement Plan (CIP) is continuously updated to reflect needs and funding requirements to maintain safe and efficient operations on the entire campus. Capital assets are significant items associated with airfield pavement and airport campus infrastructure. Landside assets related to parking structures, bridges, and tunnel infrastructure. Facility assets related to the roofs and four walls of terminals and support facilities. Equally important are material assets related to fleet and equipment management, as well as consumables like working inventory control.

AIRFIELD & CAMPUS ASSET MANAGEMENT



- Airfield Pavement & Runway Markings
- Power Plants
- Water, Sanitary & Stormwater
- Site Redevelopment & Demolitions

Capital Asset Management Plan

- **GOALS & OBJECTIVES:**

We will identify (Capital and Predictive Maintenance) programs including associated project cost. Quantify cost-benefit (dollar-value) of the new debt request to fund initiatives utilizing General Airport Revenue Bonds (GARBs).

- **TACTICS:**

Utilize Master Plan Studies, Pavement Condition Index (PCI), and other Engineering consulting studies to assess, evaluate, and recommend course of action to departments.

- **PLAN MANAGEMENT TOOLS:**

Utilize Geographical Information System (GIS) to maintain “As-Built” file structure to inventory capital assets. Utilize Maximo to initiate predictive maintenance work orders. Utilize Asset Management Plan (AMP) Workbook Tool to manage working CIP and Predictive Maintenance schedule and setting priorities with the Capital Improvement Committee.

RENEW – KEEPING THE LIGHTS ON

LANDSIDE ASSET MANAGEMENT



- Electrical Distribution System
- Parking Structures
- Roadways & Bridges
- Tunnels

Roads, Bridges & Tunnels Asset Management Plan

- **GOALS & OBJECTIVES:**

We will identify (Capital and Predictive Maintenance) programs including associated project cost. Quantify cost-benefit (dollar-value) of the new debt request to fund initiatives utilizing General Airport Revenue Bonds (GARBs).

- **TACTICS:**

Utilize Master Plan Studies, Concrete Condition Index, and other structural engineering consulting studies to assess, evaluate, and recommend course of action to departments.

- **PLAN MANAGEMENT TOOLS:**

Utilize Geographical Information System (GIS) to maintain “As-Built” file structure to inventory capital assets. Utilize Maximo to initiate predictive maintenance work orders. Utilize Asset Management Plan (AMP) Workbook Tool to manage working CIP and Predictive Maintenance schedule and setting priorities with the Capital Improvement Committee.

RENEW – KEEPING THE LIGHTS ON

FACILITIES ASSET MANAGEMENT



- Terminals & Jet Bridges
- Leased Property
- Fleet & Equipment
- Inventory Control

Terminals & Jet Bridges Asset Management Plan

- **GOALS & OBJECTIVES:**

We will identify (Capital and Predictive Maintenance) programs including associated project cost. Quantify cost-benefit (dollar-value) of the new debt request to fund initiatives utilizing General Airport Revenue Bonds (GARBs).

- **TACTICS:**

Utilize Master Plan Studies and Lifecycle Data to assess, evaluate, and recommend replacement or refurbishment.

- **PLAN MANAGEMENT TOOLS:**

Utilize Geographical Information System (GIS) to maintain “As-Built” file structure to inventory capital assets. Utilize Maximo to initiate predictive maintenance work orders. Utilize Asset Management Plan (AMP) Workbook Tool to manage working CIP and Predictive Maintenance schedule and setting priorities with the Capital Improvement Committee.

RENEW – KEEPING THE LIGHTS ON

Leased Property Asset Management Plan

- **GOALS & OBJECTIVES:**
We will ensure leased property is properly maintained by tenants
- **TACTICS:**
Conduct regularly scheduled inspections with tenants to monitor, assess, and recommend corrective course action to maintain airport standards.
- **PLAN MANAGEMENT TOOLS:**
Utilize Geographical Information System (GIS) to maintain “As-Built” drawings of leased property. Utilize TRIRIGA to initiate or renew tenant lease agreements. Utilize Maximo to initiate predictive maintenance work orders for roofs and four-walls.

Fleet & Equipment Asset Management Plan

- **GOALS & OBJECTIVES:**
We will ensure timely repairs of fleet vehicles, airfield lighting and signage.
- **TACTICS:**
Utilize OEM Vehicle Preventive Maintenance (PM) specifications to service fleet. Utilize Maximo (PM) triggering system to initiate campus-wide equipment servicing. Utilize Part 139 Inspections to ensure airfield is fully operational.
- **PLAN MANAGEMENT TOOLS:**
Utilize Maximo to record results and initiate predictive and corrective maintenance work orders.

Inventory Control Asset Management Plan

- **GOALS & OBJECTIVES:**
We will inventory and reorder all consumable stock keeping items requested by the enterprise.
- **TACTICS:**
Conduct periodical and annual inventory of central storeroom and satellite inventory locations to update Maximo on-hand and re-order points.
- **PLAN MANAGEMENT TOOLS:**
Utilize Maximo to maintain inventory of all consumable stock keeping units in the central storeroom

REFINE – CLOSING NEW DEVELOPMENTS

A secondary objective of the Airport Authority is to look for ways to grow operations throughout the entire airport system. WCAA has corporate relationships at both Detroit Metropolitan Airport and Willow Run Airport. Also, seeking ways to expand air service and cargo is paramount in the sustainability of both airports.

DETROIT METRO AIRPORT CORPORATE RELATIONSHIPS

Detroit Metro Airport can handle new air service operations. Our Airport operates 24/7/365, equipped with the latest instrument landing systems. Our four parallel aircraft design group (ADG) V runways, including new centralized de-icing pads ensure uninterrupted operations year-round.



Integrated Cargo Carriers

- **FEDEX:**
We plan to seek opportunities to grow FedEx operations at DTW on a site along Taxiway Sierra.
- **UPS:**
We plan to seek opportunities to grow UPS operations at DTW on a site along Taxiway Sierra.
- **UNIDENTIFIED CARRIER:**
We plan to seek opportunities to introduce a new unidentified cargo operator at DTW on a site along Taxiway Zulu.

REFINE – CLOSING NEW DEVELOPMENTS

WILLOW RUN AIRPORT CORPORATE RELATIONSHIPS

Willow Run Airport is embarking on the most substantial private investment in the history of the airport. Since the deployment of the Willow Run Airport Modernization Plan in 2017, the Airport Authority is experiencing increased interest from private investors bringing our corporate tenant consortium membership to eight companies. The Airport Authority wants to rebrand Willow Run Airport as the premier corporate jet destination airport.



Corporate Jet Clients

- **AVFLIGHT FIXED-BASE OPERATOR:**
We plan to seek opportunities for Avflight to build two new hangars at YIP along Taxiway Echo.
- **ODYSSEY FIXED-BASE OPERATOR:**
We plan to seek opportunities for Odyssey to expand their hangar footprint along Taxiway Echo.
- **YANKEE AIR MUSEUM (YAM):**
We plan to seek opportunities for YAM to build a hangar along East Ramp.
- **POTENTIAL GENERAL AVIATION EXPANSION:**
We plan to seek opportunities to expand General Aviation activities.

REFINE – CLOSING NEW DEVELOPMENTS

REGIONAL PARTNERSHIPS

Because Wayne County Airport Authority (WCAA) plays a critical role in the region, senior leadership will be actively engaged in regional affairs to help promote the area and facilitate economic development. As part of our overall regional engagement WCAA will subscribe to local chambers where possible to support marketing campaigns related to the airport.



Off-Airport Land Developments

- **DETROIT REGIONAL CHAMBERS:**
The Airport Authority will collaborate with other regional stakeholders to drive regional strategies aligned with airport core values and purpose.
- **DETROIT REGIONAL PARTNERSHIP:**
The Airport Authority will work in concert with Regional Partnership to articulate the airport’s capabilities to support industries.
- **DETROIT REGION AEROTROPOLIS:**
The Airport Authority will work with Detroit Aerotropolis to facilitate marketing and technical support.
- **REGIONAL TRANSPORTATION AUTHORITY:**
The Airport Authority will work with regional transportation to ensure airport connectivity to the region.

REDEFINE – DRIVING BUSINESS INNOVATION

DTW NORTH TERMINAL REFRESH

The North Terminal experienced significant growth over the past two years. As a result, optimization of baggage handling processes and conveyerization is under evaluation. The Airport Authority recently opened an expanded apron to accommodate three new gates and is now looking for innovative ways to improve inbound passenger check-in and terminal circulation.



Terminal Optimization

- **VALUE PROPOSITION:**
Propose refreshing terminal over two phases:
 - Implement Cosmetic Facelift at Arrivals Curbside
 - Implement Self Drop Bag-Kiosk & LED Ticket Counter
 - Autonomous Wheel Chair
- **BUY-IN/SUPPORT:**
Senior Management will seek support from the Board of Directors, and work with DANTEC Consortium for input from North Terminal stakeholders to determine timing and funding mechanism.
- **BENEFIT:**
Create the appearance of a brand-new terminal without the expense of new construction. Innovation will provide a substantial return on investment to North Terminal signatory airlines. WCAA will increase our ability to compete for J.D. Power Award – Best Large Hub Airport in the U.S.

REDEFINE – DRIVING BUSINESS INNOVATION

DTW MOBILITY TERMINAL

Delta Air Lines continues to be on the leading edge when it comes to technology and innovation. If your travel plans go through the McNamara Terminal, you will see a kiosk for accessing airline tickets, and paying for baggage. Delta was first to introduce CLEAR at DTW with much success! The Mobility Terminal is an opportunity for DTW to partner with Delta to bring an exciting and innovative concept not offered at any other airport in the U.S.



Delta Air Lines Flagship South Campus Terminal Complex

- **VALUE PROPOSITION:**
Propose constructing multiple structures to support south campus:
 - 5,000 Public Parking Spaces (Rates Apply)
 - Sky Chef/Delta Logistics
 - Delta Employee Parking
 - Consolidated Rental Car Facility (CONRAC)
- **BUY-IN/SUPPORT:**
Senior Management will seek support from the Board of Directors, and work with Delta Air Lines and Rental Car Companies to structure debt services.
- **BENEFIT:**
Create a new image of the south campus, recognizing Delta Air Lines as our flagship passenger airline. The advanced design of our CONRAC will incorporate terminal features and anticipate autonomous vehicles. WCAA will increase our ability to compete for J.D. Power Award – Best Large Hub Airport in the U.S.

REDEFINE – DRIVING BUSINESS INNOVATION

WILLOW RUN AIRPORT MODERNIZATION

The final segment of the Willow Run Airport (YIP) Modernization Plan Phase 1 (Ending 2023) calls for new revenue and more aircraft operations. The current infrastructure projects underway help foster new runways and taxiway construction grants FAA and hangar developments from private investors.

To capture unmet demand in the aircraft maintenance market, the Airport Authority is pursuing a Public-Private Partnership to develop a Maintenance, Repair, & Overhaul (MRO) facility at Willow Run Airport. An MRO complex will position the airport to be a profit center and job creator for the community.



Maintenance, Repair & Overhaul Complex

- **VALUE PROPOSITION:**
Propose construct multiple structures on the west campus:
 - 100,000 sq. ft. aircraft hangar capable of accommodating two wide body aircrafts to perform heavy check maintenance
- **BUY-IN/SUPPORT:**
Senior Management will seek support from the Board of Directors, and work with Michigan Economic Development Corporation (MEDC) and private investors.
- **BENEFIT:**
Create jobs. Generate fuel flow and landing fee revenue. Adds potential 500 aircraft operations to YIP Terminal Aircraft Forecast (TAF) to justify runway extension.