



Bismarck Municipal Reaps Benefits & Developed Rental Car Facility

BY MIKE SCHWANZ

FACTS & FIGURES

Project: Consolidated Quick Turn-Around Facility

Location: Bismarck (ND) Municipal Airport

Main Components: Automatic car wash; 3 cleaning/hand-wash bays; 2-position fueling station; 1.6-acre ready lot; 3-acre staging area

Approx. Building Size: 6,400 sq. ft.

Cost: \$5.9 million (including reserve funds)

Opened: June 2016

Resident Car Rental Companies:
Avis; Enterprise; Hertz

Lot Capacity: 430 vehicles

Facility Developer & Operator:
Conrac Solutions Project Delivery

Architect: PGAL

General Contractor: Greystone Construction

Local Property Management Firm:
The Aspen Group

Of Note: Project was completely funded by private developer

Key Benefits of Private Development:
Preserves airport's cash reserves for other projects such as runway reconstruction; mitigates financial risk; \$6,500/year revenue from ground lease

Key Benefits of Facility: Increases operational efficiency for car rental companies; reduces traffic & vehicle exhausts



Like blind dates and family vacations, airport projects don't always go as originally planned. Case in point: the new rental car service center at Bismarck Municipal Airport (BIS) in North Dakota.

"We were thinking of building our own QTA [quick turn-around facility] for several years, and we even had some preliminary designs done," explains Airport Director Greg Haug. "Unfortunately, our primary runway needed a total reconstruction, with an estimated cost of \$68 million. We just couldn't afford another big project."



GREG HAUG

Not wanting to kill the QTA project altogether, airport officials decided to turn to the private sector for help and issued a request for proposals. "Conrac Solutions Project Delivery made us an excellent offer, which we accepted," Haug says.

The \$5.9 million facility that resulted opened last June, much to the delight of BIS officials. According to management, it's the first privately developed on-airport QTA in the United States.

Although the new car rental facility has been operating less than a year, Haug has been very pleased with how well it has worked. "The car rental companies and

Conrac Solutions have given me very positive feedback," he says. "The only thing that was somewhat unsettling with this kind of project is that my staff and I are used to being very 'hands on' concerning airport projects. It is a bit different having a third party making the decisions as the project moved forward; but so far it has worked out great!"

Why the Interest?

Conrac Solutions was attracted to the North Dakota QTA project as a follow-up endeavor to on-airport consolidated rental facilities it has developed at Ted Stevens Anchorage International in Alaska and Austin-Bergstrom International in Texas. The company continues to operate those projects along with car rental facilities at Chicago Midway International, Salt Lake City International, San Diego International, San Francisco International and Seattle-Tacoma International.

"Our company has many years of experience in managing and operating such facilities," says Amy Barnes, vice president of client relations. At BIS, however, Conrac Solutions invested its own capital and financing to build the facility, thereby isolating the airport from project risk, explains Barnes. The company rents the site



AMY BARNES



Reduces Risk With Privately

from BIS through a 26-year ground lease, and manages the overall operation and long-term maintenance of the facility.

The company hired a local property management firm, The Aspen Group, for day-to-day maintenance. "Aspen is very familiar with the labor and vendor pool in the Bismarck area," Barnes says. "If something breaks down, they know who to contact locally to come in and fix it."

Conrac Solutions expects to recoup its initial investment of \$5.9 million over the term of the agreement, says Barnes. The city commission approved an initial customer facility charge of \$3.46 per transaction day, with annual 2% increases, to finance facility improvements, she notes.

In addition, volume at BIS continues to increase annually (271,022 passengers last year—up 4.49% from 2015). "Serving the state capital, this is an airport primarily used by business travelers, and we expect the demand for rental cars will grow accordingly," Barnes explains.

Consolidating Operations

Transitioning to a single QTA facility was a huge benefit for the airport's three car rental companies (Hertz, Avis and Enterprise), reports Haug. "In the past, the car rental companies each had their own service centers a few miles away," he says. "They had to have runners take cars uptown to wash them, and then get gas at a separate gas station. With one facility, they can do all of that right here. It allows them to turn cars over a lot quicker, so they can rent out more cars a year."

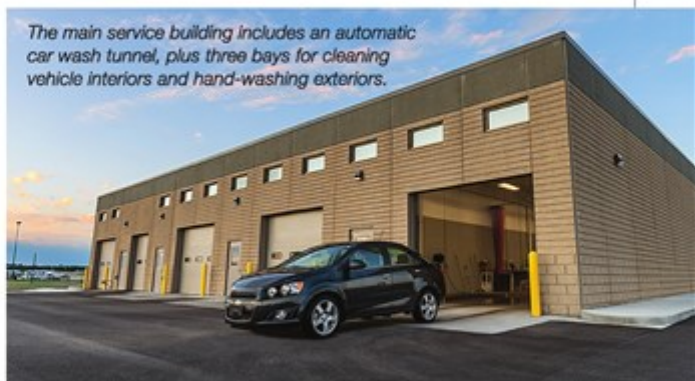
Barnes predicts that the trend toward consolidated rental car facilities on airport grounds is likely to continue. With positive results at BIS, Conrac Solutions is already talking with rental car providers and airport executives about developing similar facilities at other small non-hub airports throughout the United States.

Beyond new operational efficiencies, the facility at BIS is also providing big environmental advantages. "Eliminating the need to drive between the service centers and the airport significantly decreases vehicles exhaust, traffic and wear-and tear on our roadways," Haug explains.

The new QTA site occupies about 1.6 acres of what was once an empty field, and is adjacent to an existing vehicle staging area that was expanded to about three acres and newly paved during the project. The 6,400-square-foot main building includes three cleaning and hand-washing bays—one for each car rental company. There is also an automatic car wash tunnel, which the three companies share.

Due to the harsh nature of some North Dakota winters, the structure was outfitted with insulated walls, overhead doors and heated slabs.

The above-ground fueling station includes two gas nozzles and a usage tracking system that records how much product each



The main service building includes an automatic car wash tunnel, plus three bays for cleaning vehicle interiors and hand-washing exteriors.

80 BIS PASSENGER TRANSPORT

The airport's three rental car companies share a new onsite fueling station.



company pumps. Employees enter company-specific codes to activate the pumps when refueling rental cars. The shared outdoor parking lot has spaces for 430 vehicles.

Although the main wash building was built primarily for function, the airport, Conrac Solutions and the project architect (PGAL) also considered the effect of its aesthetics. "We took care when designing the new QTA building that it matched the style of the terminal and other maintenance buildings," Haug relates.

Financial Matters

According to Haug, the economic advantages of partnering with a private developer for the new rental car service facility have been

substantial. "While the income Conrac pays us for the ground lease is relatively modest, roughly \$6,500 a year, we saved significant dollars by not incurring the upfront costs for design and construction of the facility and the general operating and maintenance costs of the QTA moving forward," he says. "We now can spend that money on projects such as our new runway."

From a customer service standpoint, the new QTA saves travelers time. Customers sign in at the rental car desks near Baggage Claim, pick up their keys and proceed to the ready lot, approximately 200 feet away via a well-lit sidewalk.

"Instead of waiting around for a shuttle bus to take them to a distant off-property lot, passengers can get to their car in two or three minutes," Haug estimates. "And when you return the vehicle, you just go to an adjacent return lot, and simply take your keys back to the same desk in the terminal where you originally checked in. It is very user-friendly."

Having Hertz, Avis and Enterprise share the same facility also prevented a potential problem down the road, adds Haug. "We had heard rumblings that some of the car rental companies were wanting to build their own facilities on the airport," he explains. "Space is at a premium here; there is only so much of it. We wanted to reserve the flexibility to have land available for future expansion." ✈️



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