

By Jim Martyka

CONRACS Expand To Middle Markets

Small And Mid-Sized Airports Follow Lead Of Large Hubs

Left: Desiree Pfeffer, CEO of Conrac Solutions, says various financing options allow smaller airports to commit to consolidated rental car facilities, even if budgets are stretched.

Right: Mark Pfeffer, president of Conrac Solutions Project Delivery, says CONRACs ease roadway congestion and enhance passenger satisfaction through ease of use.



Convenience and customer satisfaction. That's what it came down to for **San Antonio International (SAT)**, leading it to the development of a \$165.6 million consolidated rental car facility, or CONRAC, that will house 13 different rental car brands all under one 1.8 million-square-foot roof. It comes complete with parking, a customer service center, a quick-turnaround area for maintenance, fueling and washing of vehicles and a sky bridge to connect travelers to their terminals.

"We had several issues we were facing," says Tim O'Krongley, deputy aviation director. "We had an older parking facility we were going to have to replace anyway; we had too many rental agencies that were scattered on and off campus, making them difficult for passengers to find and because of that, we had too much traffic and sustainability issues with congestion caused by the shuttles getting passengers to and

from their terminals. This CONRAC was an opportunity to fix all three and to satisfy the number-one complaint our customers had."

San Antonio's CONRAC, slated to open in March 2018 (with the parking portion opening in April 2017), is one of a growing number of consolidated facilities being built at small and mid-sized airports across the country. While a fixture at larger airports for many years, it's a trend that industry officials say now makes more and more sense for smaller markets as well.

"With a growing number of passengers using these smaller and mid-sized markets, there is more of a need for quicker rental car turnaround and more convenience for the traveler," says Desiree Pfeffer, CEO of **Conrac Solutions**, a company that specializes in the development of CONRACs. "There are several airport issues that can be addressed with this type of structure. Plus, there are financing options and services that a third-party operator like us can provide that now

make it easier for the agencies to get on the same page and share a space."

While CONRACs vary in size and design, most of them include a customer service center, a full-functioning QTA with washing, fueling and maintenance capabilities and easy access to and from terminals for passengers. According to a report by the **American Association of Airport Executives**, there are currently 19 documented airports that either have CONRACs under construction, in the planning and design phase or in the evaluation stage, not to mention many others that are building consolidated QTAs or some other form of combined service center.

Streamlining The Mishmash

There are several reasons that a CONRAC makes sense for a small or mid-sized airport, says Mark Pfeffer, president of **Conrac Solutions Project Delivery**. Having



Left: Ted Stevens Anchorage International has opted to use a third party to operate its CONRAC.



Above: A consolidated quick-turnaround facility at Bismark Municipal, opening this month, is expected to reduce wait times and add availability of cars at the small airport.



Left: The consolidated rental car facility Austin-Bergstrom International (AUS) opened last October, alleviating congestion issues at the fast-growing airport, aviation director Jim Smith says.

rental car agencies scattered throughout an airport and the surrounding community takes up a lot of land, which can be scarce depending upon the location. Plus, trying to locate a specific agency can be confusing for travelers unfamiliar with the area.

“One of the bigger issues is with all the shuttle buses and cars that the agencies need to get travelers,” he says. “You put them all into traffic with some coming from the east, the west, wherever, and it creates a mishmash. If you consolidate all these agencies in one spot, you get an efficient pattern that eases traffic, puts less wear and tear on the road system, is more environmentally friendly, is safer and more convenient for the travelers.”

In some cities, CONRACs and combined QTAs also help with another type of traffic – the customers themselves. **Bismark Municipal (BIS)** is opening a \$5.9 million consolidated QTA this June that will hold 430 cars (up from 150) in its 6,415-square-foot facility and will include all the agencies need in terms of car maintenance.

“That means a quicker turnaround and more cars for our customers,” says Greg Haug, airport director at BIS. “Our rental agencies are busy, and we were told that in peak times they had long wait times and sometimes had to turn people away. This new facility will make more cars available and will help us get them in and out quicker.”

Finding The Funds

While CONRACs and consolidated QTAs may be desirable in the airport environment, they are by no means easy to develop. Often times, negotiating these developments can take time and a lot of effort as airport officials try to budget a project that might fall low on the priority list, under runway improvements, terminal upgrades, concessions expansions and other projects.

In many cases, these facilities end up being paid for through a customer facility charge. For example, BIS is charging customers a fee of \$3.46 per transaction day that will pay for development and maintenance costs. Coming to a specific number can be tricky, officials say; if the price is too low, it won't cover the costs, too high and consumers might not pay, opting to go off site or simply take a cab or rideshare.

Plus, there is the challenge of trying to get all the agencies who will be sharing the structure, and some of the liability, on the same page.

“You're asking competing rental car companies to come together and operate together under one agreement” says Mark Pfeffer. “Of course they want to because of the efficiency, but they also want to maintain their ability to compete and take a market share from the other guy.”

Mark Pfeffer says agencies worry about

issues such as covering maintenance costs for a particular agency that might not be as profitable, determining who's responsible for any hiccups during developments, equal share and signage, and different opinions on the customer facility charge, among other issues.

Using a third-party developer is one option, with companies like Conrac Solutions and others available to design, build, finance, operate and maintain the facilities. And some airports prefer a more hands-on approach, treating the CONRAC development and the agreements with rental car companies as they would other capital projects and lease agreements.

Jim Smith, aviation director at **Austin-Bergstrom International (AUS)** chose the former approach.

“It not only saved us money, but working with Conrac as a third-party operator helped us steer away from the inevitable municipal issues that would have come up if we had tried to do this ourselves,” he says. The new structure, which opened in October of last year, is a five-level, 1.6 million-square-foot facility that hosts 11 rental agencies and turns more than 3,000 vehicles through it per day. “We are an actively growing airport, and this allowed us to fix a problem for our large volume of passengers a lot quicker and more efficiently.”

As CONRACs and consolidated QTAs continue to emerge, industry officials expect to

see more third-party operators on the scene. And the operators themselves are looking into ways to become even more efficient in both cost savings and maintenance. For example, Conrac Solutions recently introduced a mobile dumpster at its Seattle facility that cut down on man hours needed to make trips back and forth to the trash. The company is also using technology to estimate best use of space, environmental footprint and even how much water is being wasted at the car wash.

A smooth, efficient, consolidated operation ultimately leads to happier customers, says John Parrot, airport manager at **Ted Stevens Anchorage International** (ANC). ANC, an early participant in the trend, opened its CONRAC in 2007.

Parrot says having all the agencies in one place, easier access for the customers and an organization to run it all is the best possible situation, saying "Anytime I can make my customers happy and I don't have to do anything, that's a good deal for me." ■

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