

# North Texas FBO Caddo Mills 7F3



## **Executive Summary**

Our FBO business is committed to delivering comprehensive services and facilities for private aircraft, ensuring a one-stop solution for aviation needs. Our diverse revenue streams include aircraft rentals, hangar rent, office space leasing, hosting charter company services, facilitating a flight school, and providing fuel sales (Jet A and 100LL). Additionally, we aim to engage the local community through events, catering to both individual and corporate needs. Building a strong and long-term relationship with the city working alongside each other in growing aviation and making sure the city's needs are at the forefront of the FBO business.

## **Mission Statement**

North Texas FBO is dedicated to providing comprehensive services and facilities for private aircraft, positioning itself as a one-stop solution for aviation needs. Our revenue streams include aircraft rentals, hangar rent, office space leasing, charter company services, flight school, and fuel sales (Jet A and 100LL). We aim to actively engage with the local community through events, fostering a strong and long-term relationship with the city, and ensuring mutual growth.

## **Key Managers**

### **Will Havens:**

Real Estate Broker and Property Management  
Multi-generational developer of golf courses and neighborhoods  
Currently Manages Rockwall Golf and Athletic Club

### **Gaylon Adkison:**

Owner operator of 2 FBO's with decades of experience

### **Luke Thomas:**

One of the youngest pilots out of American Flyers  
Owner of Jet Smart Management  
Extensive experience in flying and managing aircraft

### **Edward Erickson:**

Multi-generational developer focusing in commercial development  
Owner Operator of Good Faith Construction

## Financials

- 15 Airplanes from Cessna to Barons and Cessna 421s at an average price of \$750/month:  $\$750 \times 15 = \$11,250$  per month
- 6 Jet aircraft from King Airs to Citation XLS at an average price of \$1200/month:  $\$1200 \times 6 = \$7,200$  per month
- Fuel sales of 12,500 gallons a month at 5\$. This means we need to fill up 25 planes a month=\$62,500 a month. 750,000 in first year
- We will also have Leased office space in the FBO on the second floor for aviation companies. Revenue projected at 15/sqft
  - Estimated 5,000 sqft available for rent
    - at 50%occupancy we will show 37,500/year
- Parking Fees/ Overnight Fees

Gallons in each aircraft Cessna 172 (52) Bonanza G36 (74) Cessna 421 (213) Baron G58 (200) King Air 90 (473) King Air 200 (544) King Air 350 (775) Citation 560 (806) Citation XLS (1000)

**Total Monthly Revenue:**  $\$11,250 + \$7,200 = \$18,450$

**Projected Revenue Year 1:**  $\$18,450 \times 12 = \$221,400$  from Hangar rent + 750,000 in fuel sales + 37,500 office space rent = \$971,400

**Projected Revenue Year 2:** With increased awareness and marketing we aim to have increased planes, fuel sales, and office occupancy rate.

20 small planes (750 x 20) 10 jets (1200 x 10)=27,000 monthly 324,000/year

Increased fuel sales to 17,500 gallons per month 87,500 and 1,050,000/year

75% occupancy in office 56,250/year

Total Revenue year 2: 1,430,250

**Projected Revenue Year 3:**

25 small planes (750x25) 12 jets (1200x12) 33,150 monthly 397,800

Fuel to 20,000 per month 100,000 and 1,200,000/year

85% occupancy at new rate of 17/sqft 72,250/ year

Total Revenue year 3: 1,670,050

**Estimated Annual Costs:**

FBO: estimated cost of 3.8 million

Hangar attached would be 130x170 total 22,100 sqft

FBO office will be at 6,500 sqft footprint with option for second floor

With 20% down and 20 year loan, monthly payment will be around \$27,000

Estimated ramp and parking lot at 1.2 million

**Net Operating Income Year 1**

Year 1 Revenue 971,400

Costs: Fuel 577,500 Insurance 12,000 Utilities 12,000 Staff 60,000

Bank loans 243,000

Total Costs 904,500

**Net 66,900**

**Net Operating Income Year 2**

Year 2 Revenue 1,430,250

Costs: Fuel 808,500 Insurance 12,000 Utilities 16,000 Staff 80,000

Bank loans 324,000

**Net 189,750**

**Net Operating Income Year 3**

Year 3 Revenue 1,670,050

Costs: Fuel 924,000 Insurance 12,000 Utilities 20,000 Staff 120,000

Bank Loans 324,000

**Net 270,050**

## Operational Costs for North Texas FBO Business

### 1. Staff Salaries: FBO Manager, Hangar Manager, Front desk personnel, 2 Rampers

- **FBO Manager: 40,000 plus benefits**
  - Aircraft sales 3% commission
  - Gas sales commission structure
  - hangar occupancy rate sliding scale of commission
- **Hangar Manager: 20/hour**
  - Responsible for ordering fuel, customer service, liaison with city and airport manager, customer relations, handling staffing hours and training, managing contracts for airplane spaces, leasing office space, and maintaining corporation relationships.
- **Rampers (2 Part-Time): 15/ hour**
  - Responsibilities include pulling planes out of the hangar, moving planes on the ramp, approaching customers for services and needs, fueling planes at customers' request, and cleaning and maintaining aircraft.

### 2. Equipment: 435,000

- 2 Tugs 110,000
- 2 Ground Power Units (GPUs) 15,000
- 1 Jet A fuel tank 150,000
- 1 100LL fuel tank 150,000
- 2 Crew cars 45,000
- 1 100LL fuel truck 50,000
- 1 Jet A fuel truck 50,000

### 3. Maintenance:

- Repairs and maintenance of utilities, including tugs, GPUs, fuel tanks, crew cars, and fuel trucks.
- Ramp repair in case of damage.
- Structural repairs to the FBO building.

### 4. Fuel Costs:

- Purchase of Jet A and 100LL fuel for resale to customers.
- 12,500 gallons at 3.85/gallon 48,125/month 577,500

### 5. Administrative Expenses:

- **Lease to the City:**
  - Monthly/yearly lease payments for the FBO facility on city-owned property.
- **Utilities:**

- Monthly water and electric bills for the FBO. est 1,000/month
- **Insurance:**
  - FBO insurance coverage for liability and property. 12,000/year
- **Fuel Purchase:**
  - Monthly/yearly expenses for purchasing Jet A and 100LL fuel.
- **Salary for Management and Staff:**
  - Monthly salary for the Hangar Manager and part-time rampers.
- **Company Taxes:**
  - Federal, state, and local taxes are associated with the FBO business.

## 6. Office Facilities:

- Develop a modern and professional office space on the second floor of the FBO, providing a conducive environment for aviation-related businesses.
- Offer multiple office spaces with various sizes and layouts to accommodate the diverse needs of lessees.
- Implement a tiered leasing structure with different rates for short and long-term agreements, attracting a range of aviation companies that align with FBO goals and contribute to Caddo Mills' growth.

## *Marketing and Business Development:*

### 1. Funding:

- Secure private funding from FBO owners to initiate and sustain infrastructure projects.
  - Initial draw of \$500,000 out of pocket
  - Second draw of \$700,000 as down payment to begin private loan.
  - Recurring Capital calls to fund payments from partners
- Collaborate with the city to explore additional financial support, aligning FBO development with the broader goals of the city of Caddo Mills

### 2. Advertising:

- Utilize a comprehensive online presence:
  - Establish and maintain a dedicated Facebook page (North Texas FBO) for real-time updates, engagement, and community interaction.
  - Launch and regularly update an informative company website, showcasing FBO services, hangar availability, and Caddo Mills airport details.
  - Partner with APEX SEO, a reputable marketing agency, to optimize online visibility, ensuring a strong presence in relevant aviation circles.
  - Use Geo-fencing to attract people with targeted ads
- Pre-sale marketing
  - Create flyers of build to suit for office space
  - Make a commercial listing to show airport services to companies

### 3. Networking Events:

- Foster community engagement and aviation camaraderie through:
  - Regular fly-in events, attracting North Texas aviators and creating networking opportunities.
  - 'Airplanes and Coffee' gatherings, providing a casual and inviting atmosphere for aviation enthusiasts and potential clients.
  - 'Cars and Coffee' events, tapping into the broader community of car enthusiasts, introducing them to the FBO, and expanding outreach.
  - Partner with Porsche and have bi-annual events to bring more attention

### 4. Corporate and Community Events:

- Strengthen business partnerships and community bonds through:
  - Corporate events, showcasing FBO capabilities and attracting potential collaborators.
  - Local events such as birthday celebrations, city council gatherings, and retirement events for residents, create a sense of community and local support.
  - Monthly appreciation day events are held by the FBO for the fire and police departments, reinforcing relationships with essential community services.

## Market Analysis:

DFW is projected to become the third-largest metro in the U.S. in the 2030s.

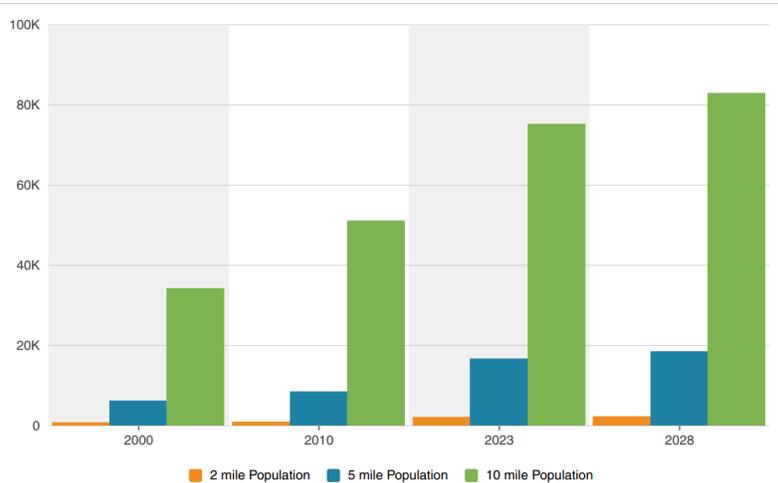
Future job growth over the next ten years is predicted to be 46.7%, which is higher than the US average of 33.5%.

Hunt county is projected to see substantial growth in the next five years. With multiple housing developments currently approved by the city, we will see 1500-2000 homes built in the next couple of years. Consumer spending already shows a majority in transportation and maintenance. This will prove an immediate increase in operations at the airport.

Caddo Mills 7F3 has an opportunity to become DFW's favorite airport for private aircraft.

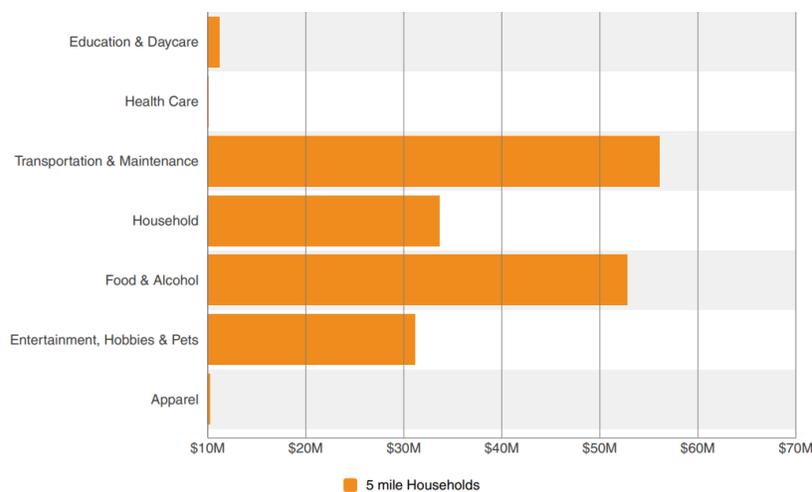
With Rockwall F46 being a planned obsolescence, and KGVT Majors airport potentially being taken over by L3 Harris, Caddo mills expansion will be imminent.

Population



Consumer Spending

Currency: USD (\$)



# Growth Strategy for North Texas Fixed Base Operation

## 1. Expand Fleet:

- **Current fleet**

- **Cessna 182, Piper Cub, Cessna TTX, Cirrus Sr22**

- All available for rent and charter

- **Increase Aircraft Fleet:**

- Acquire additional aircraft ranging from Piper to Baron G58s, offering a diverse range of options for local pilots and businesses.
- Reach out to current plane owners with custom deals to incentivize them to move their aircraft to Caddo Mills.
- Collaborate with friends who own flight schools, encouraging them to relocate or establish a satellite location at Caddo Mills.
- Negotiate custom deals with charter companies, providing a cost-effective alternative to the Dallas metroplex.

- **Diversify Aircraft Types:**

- Current Diverse planes that will be attracted to this FBO and the current length of the runway are from Light Sports to Cessna, Bonanza, Beechcraft, and Citations. Every model aircraft has a max weight of 12,500 and are single pilot planes.
- Assess the feasibility of expanding the runway to 6000 feet to accommodate larger aircraft.
- Explore hosting heavy private jets like Challenger 350s to Gulfstream and Global Express, diversifying the types of aircraft served.

## 2. Enhance Services:

- **Airport Restaurant**

- We will bring with us a breakfast, lunch, and dinner spot right on the field for pilots to come and land and walk there.
- We will also bring a Smoothie and tea place so that pilots and passengers have refreshment before or after flights.
- Both bringing together people and increasing aircraft traffic.

- **City Tours and discovery flights**

- With aircraft purchased by the North Texas FBO, We will give the ability to have locals do city tours of Dallas Texas with an aircraft. This may help people get interested in flying and promoting our local flight school at Caddo Mills

- **Aircraft Maintenance, Repair, and Overhaul (MRO) Services:**

- Build an 80X80 hangar to lease to an aircraft maintenance company, offering services.
- Provide aviation maintenance and repair services, including annuals, repairs, and avionics upgrades for both transient and resident aircraft.

- **Partnerships with Other Aviation Businesses:**

- o Collaborate with other aviation businesses to lease space within the FBO, creating a hub for diverse aviation services. Our focus is Aviation Charter Companies, Aircraft cleaning services, Aircraft Maintenance, Aircraft Insurance, Medical support aviation companies, avionics shops, and car rental companies.
- o Forge partnerships with businesses that complement FBO services as well as complement the city's future for this airport. Enhancing the overall aviation experience for residents and Transient Customers.

- **Loyalty Programs:**

- o Implement loyalty programs for long-term clients, providing incentives such as favorable leasing rates and fuel percentage discounts.
- o Develop referral incentives to encourage existing clients to refer new customers to the FBO.

### **3. Selling aircraft, and management**

- Managing company and individual aircraft that reside at Caddo Mills
- North Texas FBO will have a business of managing aircraft and being a broker in selling aircraft for our customers. This will bring another source of income as well as building a trusted and loyal customer experience.
- Managing aircraft will give us the ability to also keep the airplanes in Caddo Mills which will increase the revenue from Hangar, fuel, and operational revenue

### **4. Time Building Opportunities for Local and Metroplex Pilots.**

- North Texas FBO will be hosting a part-time and full-time program with purchasing aircraft under the LLC and selling block wet hours to pilots. This will increase customer strength, fuel orders, and relationship growth. As well as helping grow the aviation community and allowing pilots to utilize their pilot licenses and have a purpose to share their passion with others as well.

This growth strategy positions North Texas FBO for expansion, increased service offerings, and a stronger presence in the aviation community. By diversifying the fleet, enhancing services, and fostering partnerships, the FBO aims to become a key player in the Caddo Mills aviation landscape as well as the whole North Texas Aviation community.