



BEST USE ANALYSIS FOR THE OLD SPRINGFIELD-BRANSON NATIONAL AIRPORT TERMINAL

Prepared for:

SPRINGFIELD BUSINESS DEVELOPMENT CORPORATION

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INTRODUCTION

This project provided a challenging opportunity to determine the possible re-use of a type of building that was designed and engineered for a very unique purpose. In its current state, it would not be optimal for the majority of potential users available. Most companies would not consider being located on an airport as an asset but rather a hindrance to their operation. However there are some companies for which being located on an airport could be considered an advantage, and for others it would be neither an asset nor handicap. The open and narrow multistory design of an airport terminal would not be cost-effective to modify to fit many corporate needs. There are a limited number of uses where this design could be cost-effectively modified or used in much of its current form.

The purpose of this Analysis is to identify industries that could offer a “Highest and Best-Use” for the Springfield-Branson Old Terminal Building. Potential industries are evaluated based on Category Criteria that analyze a prospect’s: (1) ability to take advantage of the inherent characteristics of the terminal building and contribute to airport traffic, (2) income potential, (3) quality of jobs, and (4) positive community impact. The prospective industries have been ranked based on their potential Highest and Best Use for the terminal building as Type “A”, “B”, or “C”. Type “A” industries utilize the uniqueness of the terminal, significant positive impact on the community, provide high quality jobs, and warrant a competitive market income potential. A Type “B” would not utilize the uniqueness of the terminal, but would considerably impact the community, provide quality jobs, and warrant a moderate market income potential. Type “C” would not utilize the uniqueness of the terminal, may have a moderate impact the community, provide quality jobs, and warrant a lower market income potential. We did not include any users that, in our opinion, would find the facility a feasible alternative physically or financially or that most communities would find unattractive.

CATEGORY CRITERIA

TYPE “A”	TYPE “B”	TYPE “C”
Use of Terminal Uniqueness	Does Not Use Terminal Uniqueness	Does Not Use Terminal Uniqueness
High Income Production	Moderate Income Production	Lower Income Production
High Quality Jobs	Quality Jobs	Quality Jobs
Significant Community Impact	Considerable Community Impact	Moderate Community Impact

We divided the potential industries we identified into the 3 categories; Type “A”, Type “B”, and Type “C” as shown below. Please keep in mind that the industries ranked below are based on the highest and best use, and not the likelihood that individual companies within these industries would be potential users of the property.

HIGHEST AND BEST USE CATEGORIES

TYPE "A"	TYPE "B"	TYPE "C"
Aviation School	Data Center	Higher Education Institution
Aerospace	Back Office	Public Services
Air Cargo	Medical Call Center	
Perishable Center		

In the course of this evaluation, we examined numerous potential uses that, after review, were determined not to be strong candidates for this location for a variety of reasons (see Secondary Industries). The most common reason for elimination of industries is that the existing terminal would be unsuitable, and that it would be more cost effective to start with a greenfield site rather than to modify the current facility to meet the specific needs of the industry. That does not mean that there could not be specific cases where the building would work, but simply that for the majority of possible uses in an industry, the modification of this building would be cost prohibitive.

In this report we suggest numerous possible industries and uses for the facility. It should be clear that the building can be separated into multiple units, and as a result have multiple user types to occupy the structure. The building is quite large and the community should be willing to consider dividing the building up into sections to better accommodate multiple tenants if the need arises. For example, the Police and Fire department could use part of the building while the School District or a corporate user occupies another part. The building could easily be divided in half and additional research would be needed to determine if it could be subdivided further.

When addressing the issue of Income Potential, we compared the potential industry use to the type and quality of office space that the industry would typically occupy. For example, a company that would typically use the most expensive and high-end type of space would use Class "A" designated office space. This is the highest quality space in an area and will command the highest rents. Users who would typically use more moderate, less expensive space would use Class "B" space. Class "B" space usually has fewer amenities and is older than Class A buildings, and as a result does not command the premium rents that Class "A" space receives. Class "C" space typically consists of older facilities that have not been renovated and have few amenities. These spaces are the lowest end of the office market and will command the lowest rents. The rates these classifications command vary by community based on a metropolitan area's general economy. Additionally, intramarket fluctuations are caused by changing vacancy rates, competition and overall market health.

In the process of evaluating the potential for re-use of the terminal, we identified several critical issues that will need to be resolved before the Phase II public discussion phase:

- Who will be the owner of the building?
- How many levels of approval will be necessary for the acceptance of a tenant or lease?

- What will be the FAA's or other government agencies role in the decision making process (e.g. tenant selection and tenant renovations)?
- Who will be responsible for constructing the tenant space?
- What process will be required for construction bids?
- Where will the money for tenant improvements come from?
- How long will it take to fund tenant improvements and commissions?
- Who will pay commissions to brokers representing tenants?
- How much access will potential tenants have to the airports facilities?
- Who will manage and maintain the leased facility?
- What is the current condition of the mechanical facilities for the building (electricity, HVAC, telecommunications, sewer, water, waste handling)?
- What are the property boundaries?
- Will the property be subject to real estate taxes if occupied by non-government tenants?
- Are there any local economic development incentives available to tenants?

The above questions are critical for the decision-making process and they should be resolved before the project comes up for any public review and certainly before marketing the property.

AVIATION SCHOOL

INDUSTRY SUMMARY:

The Aviation sector has been growing steadily since its inception in 1903, and is expected to continue its significant growth well into the future. With large job vacancies expected in the next 10 years due to retirement of current employees, there will be a large demand for pilots, machinists, and air traffic controllers. This will fuel the need for new institutions to train entrants into this rapidly expanding industry. Aviation schools offer a wide variety of programs for study, including pilot schools, air traffic controller schools, and aircraft maintenance schools. These programs cover the entire range of aircraft, from helicopters to multi-engine jets.

LIKELIHOOD OF FINDING A POTENTIAL USER:

There are numerous flight schools around the country and almost all are attached to or near an airport. A search would need to be conducted to determine if there is any potential for these existing schools to expand or relocate to the Springfield area. One of the options for finding a potential user would be to look to any of the numerous universities in the Midwest or Plains states to determine their interest in establishing an Aviation school. Universities such as The University of North Dakota, Ohio State, Purdue, South Dakota State, University of Illinois, Middle Tennessee University, and Indiana State already have Aviation schools and their experience could provide support data for another university to do the same.

SUITABILITY OF PROPERTY TO POTENTIAL USER & PROPERTY MODIFICATION REQUIRED:

An aviation school would be well suited to the unique nature of the property, and would be able to utilize the Springfield-Branson International Airport and its existing infrastructure. The intermodal section could be used for maintenance instruction, and the terminal area could be converted into classrooms and simulators. The cafeteria area and lobby could easily be converted to common areas for the school. Of all of the options available, this option is able to take advantage of the unique nature of the property the best. The airport and runway could be used for training flights and would increase the usage of the airport. This is a use that would likely be able to occupy much of the existing structure and take advantage of many of the unique aspects of being located on an airport.

Classrooms would need to be created in the terminal area. No additional infrastructure such as power and other utilities should be required. An analysis of existing schools would be required to determine if any additional facilities or information would need to be created to further enhance the viability of this site.

IMPACT ON COMMUNITY:

An aviation school would have significant positive impact on the community. This would be a completely new industry for Springfield and would fit well with Springfield's reputation as an education

cluster for Missouri. With the demand for jobs in the aviation industry, a school could generate significant taxable revenue and help bring a consistent flow of new individuals into the community.

INCOME POTENTIAL:

Income potential of an Aviation School is good, and would be comparable to the income derived from a Class “B” office space. However, Aviation School is a Type “A” user for the terminal building. The school, depending on size, could produce consistent and steady rents for the property owner. The influx of new students from outside the area could result in additional money coming in from outside the area, increasing the economic impact for the community.

PROS & CONS OF INDUSTRY:

Pros:

- Would reuse much of the existing terminal and airport
- High potential to produce consistent, long-term income from rent
- There are no existing aviation schools to compete with in area
- Likely to bring in new students to the area who may become residents

Cons:

- The facility may be larger than required by a school and may need to be subdivided

Examples of Industry Companies:

- The University of North Dakota
- Ohio State
- South Dakota State
- University of Illinois
- Midway Aviators

AEROSPACE

INDUSTRY SUMMARY:

The Aerospace industry consists of any industry that designs, constructs, operates and researches vehicles that move through air and/or space. The aerospace industry is much like the auto industry, with a robust supply chain of parts suppliers and assemblers, each with extensive involvement in research and development. The United States currently possesses one of the most robust aerospace industries in the world, and jobs in this industry are in significant demand by communities across the country.

LIKELIHOOD OF FINDING A POTENTIAL USER:

The aerospace industry is growing fastest outside of the US due to the industry being a very mature business in the US. Aerospace companies tend to locate around clusters of other aerospace companies to take advantage of groupings of suitable employees and supplier networks. Recently, Bombardier considered an alternative site on an airport, which demonstrates that Springfield could possibly be a viable location for the aerospace industry. Aerospace companies also look for Universities that possess strong aerospace related programs for joint research and development. The question to be answered is whether the terminal could be converted to suit the needs of a specific company for less money than building a new facility on the other side of the airport.

SUITABILITY OF PROPERTY TO POTENTIAL USER & PROPERTY MODIFICATION REQUIRED:

The proximity of the available runways for testing is a significant benefit to any aerospace use. While the building does not lend itself well to heavy aerospace manufacturing, smaller operations such as research and development as well as back office development could serve as suitable uses for the facility with moderate modification. The suitability of the facility for re-use by the aerospace industry is dependent on the intended use. There is a tremendous variety of potential uses within the industry and further research will need to be conducted to determine the suitability of the property for these uses. The extent of property modification would need to be determined on a case by case basis to suit the specific needs of a company.

IMPACT ON COMMUNITY:

The impact on the community would be significant with the potential to create significant numbers of research and development, engineering, or high skilled manufacturing jobs. The aerospace industry generally pays above average wages and would likely provide high quality, stable jobs for the community. Because of the high prestige nature of aerospace projects, as well as the high income generation and large investments made by employers, this industry is very likely to receive support from the economic development arm of the state of Missouri. State support could potentially offset some of

the initial property modification costs, as well as provide inducements that will make the property more attractive to potential users.

INCOME POTENTIAL:

An Aerospace operation located at the terminal building is a Type “A” user with an income potential comparable to the income derived from a Class “A” office space. Income potential for this use would be one of the highest potential income generators, depending on the specific use. As a whole, the Aerospace industry operates with strong income potential. NASA and Military-related uses are especially lucrative, as are civilian uses. If an aerospace tenant occupies the facility, the factor that would most limit income potential is the cost of the modification of the building required. Some or all of these costs may be built into the rent for the building. If extensive modifications are necessary, this could drastically reduce the profit margin on the building in order to maintain a competitive rent.

PROS & CONS OF INDUSTRY:

Pros:

- High prestige jobs would likely generate support from the state in an effort to bring in this type of employer
- Would provide good high income jobs for the community jobs
- The more aerospace industry in an area the easier it is to recruit other aerospace companies
- Would provide potential for increased use of the airport
- Aerospace could be a good industry for local educational institutions to work with

Cons:

- Would likely require extensive property modification to fit the needs of the aerospace industry
- Additional land may be required to accommodate for expansion potential
- There is a highly competitive market for the projects taking place in the US and it would likely require a significant incentive package

EXAMPLES OF INDUSTRY COMPANIES:

- Boeing
- Lockheed Martin
- Cesna
- Bombardier
- Airbus

AIR CARGO INDUSTRY

INDUSTRY SUMMARY:

Although many industry sectors continue to decline in the United States, the logistics segment of the economy is growing. Global pressures, primarily stemming from consumer demands, force manufacturers to provide products at the lowest possible price. Manufacturers continue to relocate their operations offshore to cut costs and to better compete in the global economy. Fortunately for the logistics industry, the United States remains the largest consumer nation in the world. In spite of the recession, the demand for goods to be imported and exported continues to be strong in the U.S. Trade is being fueled by the increased demand for imports and exports from Asia.

The United States accounts for approximately 64% of the world's international air cargo traffic and 67% of the world's domestic air cargo traffic. The Air Transport Association says that air cargo ton miles increased by approximately 6.2% in both 2006 and 2007. This statistic is dramatically up from just 3.8% growth recorded in 2005 over its previous year. The U.S. Department of Transportation's Bureau of Transportation Statistics has stated that air traffic is the fastest growing segment of the American cargo industry.

Air cargo transportation providers can service international transport, domestic transport or both. These services can be defined to include any of the following: local pick-up & delivery, airport recovery & transfers, expedited service & J.I.T (just-in-time) service, on-site management services, CFS (container freight station), warehousing and cross-dock.

An air cargo service provider can function in one of two ways: (1) air forwarders or (2) asset-based operators. An air forwarder is essentially a logistics broker. These companies receive fees for arranging and orchestrating the entire shipping process. Air forwarders focus on global supply chain strategy and rely heavily on their strategic global network. They do not own/ operate aircraft nor do they employ pilots or flight staff. These operations simply purchase space on planes as necessary to fulfill commitments and orders.

Conversely, asset-based operators use their own aircraft and trucks to provide door to door service for shippers and importers of goods around the globe. An air cargo hub would require around-the-clock stand-by airplanes and professionals in case of mechanical or weather irregularities. These operators would not only employ a sales staff but also mechanics, engineers, pilots and other pertinent material handling employees. The Extensive training, required by the entire staff is typically administered on-site because of the need to create hands-on experience.

Air cargo is considered to be the total volume of freight, mail and express traffic, and encompasses smaller industry sectors including; (1) air courier service and (2) bank check courier and processing. The air courier sector includes only freight that is less than 100 pounds and express mail. Freight and express mail includes various types of services for small packages including; counter service, express service, and priority-reserved freight but does not include the delivery of U.S. mail. Bank check courier and processing is another sector within the air cargo industry where on-time performance is a premium. The terminal could become a central hub for receiving and redistributing bank checks.

LIKELIHOOD OF FINDING A POTENTIAL USER:

The challenges and goals for any type of air cargo operation remain similar. They aim to reliably transport goods at a competitive price in a timely manner. For an operation to excel, it first requires direct access to an airport, which adequately addresses its needs. Additionally it will need a proficient well-trained workforce. Springfield's terminal could serve as an excellent fit for a growing company looking to capitalize on a central location.

SUITABILITY OF PROPERTY TO POTENTIAL USER AND REQUIRED PROPERTY MODIFICATIONS:

The terminal could prove to be suitable building for the air cargo industry. Although it would require modifications, the airport's functionality would remain. In addition, an air cargo operation would require short and long term warehousing. A fully functioning operation would also need to plan for a training area, mechanical work station, offices, etc. Building sizes for asset-based operators vary tremendously. However, the location of an operation and its need to have direct access to an airport is imperative for any air cargo operation.

The air cargo industry strives to convey an image of convenience, speed, and reliability. It attracts business by offering the reliable transportation of goods at a competitive price in a timely manner. A geographically advantaged location is paramount to the success of any air cargo hub. The location of an air cargo hub can help appeal to customers by cutting down on time required for product to be transported.

Cost of transportation can also be reduced as a result of a hub location. Springfield, MO is centrally located in the United States. It could potentially offer a passage way for inbound and outbound international cargo and is well located to serve as the central point for domestic distribution.

IMPACT ON COMMUNITY:

An air cargo user could have a significant impact on the community. Pilots, mechanics, and engineers are just some of the high-skilled required employees necessary to operate a fully functioning asset-based air cargo company. An air cargo operation would also positively increase air traffic at Springfield-Branson National Airport.

The overall investment of an air cargo user could have a considerable impact on the community. As product comes into the terminal, it would primarily get redistributed in one of two ways: (1) aircraft or (2) truck. Redistribution through aircraft is simply a continued function of the operation. However, redistribution via truck is an additional investment in the operation including trucks, mechanics, drivers, logistics engineers, etc. The building is strategically located near the interstate for efficient transportation of product throughout the Midwest and beyond. The abundant parking lots would serve adequately as truck staging areas and offer excellent accessibility to the runways.

INCOME POTENTIAL:

The air cargo industry is a Type “A” level user for the airport terminal building and could warrant Class “A” type rental rates. It utilizes the unique characteristics offered by the airport terminal. Because of its advantageous location on an airport in the center of the United States, the space could yield a very good per square foot rent. The air cargo industry would genuinely make a positive impact on the community.

PROS & CONS OF INDUSTRY:

Pros:

- Would take advantage of the airport’s unique qualities and enhance air traffic
- Could make Springfield a global gateway into and out of the United States
- May bring a new economic element to diversify the economy of the community
- Would warrant a competitive market rent
- Would require a high-skilled labor force

Cons:

- Extremely competitive industry with limited potential users
- Springfield, MO must fit in a prospect’s supply chain model in order to be viewed as a viable option

EXAMPLES OF INDUSTRY COMPANIES:

- DHL
- Astar Air Cargo
- Panalpina
- Polar Air Cargo
- Superior Air Freight

PERISHABLE CENTER INDUSTRY

INDUSTRY SUMMARY:

The fastest growing segment of on-time air shipment is perishable goods. Currently, approximately 15% of all worldwide air cargo is made up of perishables. As a percentage of the total volume of air cargo, perishables are growing at a rapid annual rate of 12%. These shipments consist of fresh flowers, seasonal fruits and vegetables, exotic fruits and vegetables, fresh fish, and other seafood.

The United States imports approximately 81% of the seafood and 67% of the flowers consumed by Americans. Over the past 3 decades, there has been a dramatic transition in production locations away from the U.S. for aquaculture and floriculture. While driven by the existence of more affordable labor and land elsewhere, this shift has been made possible through developments in air transportation and refrigeration.

In the 1950s, the development of air cargo made the transportation of perishable goods possible. While the growth of flowers originated on the East Coast, air cargo allowed the business of growing flowers to move to more affordable western and southern states. Similarly, aquaculture and fish farms began to take advantage of new economic models as well. Today, aquaculture and floriculture have expanded out of the United States and into several low-income and less developed countries. The United States imports 57% of its seafood from Asia and 82% of its fresh flowers from South America.

The transportation systems for perishables are far from perfect. Critical supply chain characteristics, such as on-time reliability, appropriate interface with transportation modes, and adequate refrigerated/freezer storage capacity, are vital for the successful transfer of perishable goods.

Located on or adjacent to an airport, the perishable center receives goods, inspects the goods, and quickly breaks the goods down based on final destination. The product is then redistributed to subsequent destinations through its next mode of transportation. The next mode is either another aircraft or truck. The perishable center must have superior supply chain advantages because of the critical nature of on-time delivery. Springfield, MO may lend itself to this type of operation as it has a strong central location with excellent interstate access. The terminal facility could act as a hub for imported products or a point for intermodal connections from other perishable facilities.

Miami International Airport (MIA) is the leading center in the United States for imports of perishable products, handling 70% of all perishable air imports. More specifically, MIA is responsible for approximately 86% of all flowers, 63% of all seafood, and 68% of all fruits and vegetables imported by air into the United States. The most notable second-tier perishable centers are located in Houston, Atlanta, New Orleans, and Orlando.

While advancements in transportation and refrigeration logistics have made perishable centers possible, there is still much room for improvement. An increase in competition among airlines could result in more reasonable and stabilized airfreight rates. An overall increased reliability and improvement of transit time is essential for the continued development of this industry. Congestion delays at U.S. airports are a major concern for international perishable trade. For example, in an effort to save on fuel costs, it is common practice for pilots to switch off the engine after landing, thus leaving the cargo vulnerable to the outside temperature. Perishables are extremely sensitive and sloppy care can lead to

a significant loss in profits. Additionally, more attention is needed in the care of perishable goods across transportation modes. Perishables require swift and cautious transfers through elements that are not controlled.

LIKELIHOOD OF FINDING A POTENTIAL USER:

Springfield, MO may offer many unique advantages when compared to other cities that have perishable centers. In an industry where supply chain logistics is paramount, Springfield is centrally located in the United States. A perishable center requires direct access to large markets and a location on an airport. Major markets, such as St. Louis, Kansas City, Memphis, and Oklahoma City are within a 300 mile radius of Springfield, MO. Furthermore, Chicago, Minneapolis, Dallas, Houston, New Orleans, Nashville, and Atlanta are all within an approximate radius of 500 miles from Springfield, MO. Springfield, MO is more centrally located to major markets than the perishable centers in Miami, Atlanta, New Orleans, Orlando, and Houston.

SUITABILITY OF PROPERTY TO POTENTIAL USER AND REQUIRED PROPERTY MODIFICATIONS:

The terminal building could lend itself to be suitable as a perishable center. Depending on the air cargo tenant, the entire terminal building could be used as a perishable center or perhaps a portion of the building could be dedicated to perishables leaving the rest of the facility for other functions. Although the building would require improvements, the airport's functionality would remain. A fully functioning perishable center would require vacuum cooling storage chambers, mechanical work stations, offices, inspection stations, etc.

Perishable Centers typically require three separate drive-in vacuum cooling chambers for short-term storage with individual temperate controls ranging from 25 degrees to 45 degrees. Vacuum cooling causes extremely rapid evaporation of water from certain perishable products. This system reduces temperature quickly and safely, while preserving the product's freshness. The goods are stored in these coolers until they are ready to go back onto an aircraft or onto a truck for distribution.

IMPACT ON COMMUNITY:

A perishable center in Springfield, MO could have a significant positive impact on the community. With the proper foresight and the development of a new supply chain model, Springfield could compete with major markets by offering a unique opportunity in an improved location. Depending on the final user, the perishable center could include high-skilled employees such as pilots, mechanics, engineers, government officials, and scientists.

Perishable centers also require a high tech x-ray system for the inspection of cargo to be pre-approved and regulated by U.S. Customs and Border Protection. USDA-APHIS-PPQ and CBP offices would be set up in the facility for rapid and efficient inspections of perishable commodities. Furthermore, a USDA Plant Inspection Station may be assembled for the inspection of all floriculture that passes through the airport.

INCOME POTENTIAL:

The perishable center industry is a Type “A” level user and would warrant a Class “A” type rental rate for the airport terminal building. It utilizes the unique characteristics offered by the airport terminal. The building could generate an aggressive market rent as a perishable center because it has the distinctive features offered by a terminal building on an airport. A perishable center would have a positive impact on the community.

PROS & CONS OF INDUSTRY:

Pros:

- Would take advantage of the terminal’s unique qualities and enhance air traffic.
- Could make Springfield a global gateway into and out of the United States
- May bring a new economic element to diversify the economy of the community
- Would warrant a competitive market rent
- Would require a high-skilled labor force

Cons:

- Extremely competitive with limited potential users
- Springfield, MO must create the supply chain model in order to attract prospects

EXAMPLES OF INDUSTRY COMPANIES:

- MIA Perishables Center
- IAH Perishable Center in Houston
- Atlanta Perishable Complex
- New Orleans Perishable Center
- Orlando Perishable Center

DATA CENTER

INDUSTRY SUMMARY:

Data centers are used by a large number of companies for the housing of computer systems, networking components, and storage equipment. Data centers perform two major functions: (1) processing and storage of important company information, and (2) long term redundant back up storage of critical company information. Information processing centers are often located in relatively close proximity to corporate centers of operation. They are relied on to handle all back office information processing and everyday data storage. On the other hand, back-up facilities are often housed at more remote locations far away from the company's normal centers of operation and serve to back up the company's information in case of a natural disaster, accidents, or other unforeseen events. The most critical aspects of data centers are reliable and continuous operation. The operations conducted in a data center are often critical to daily corporate operation. The disruption of such service can have catastrophic repercussions for a company. Because of their importance, data centers will have multiple redundant systems to remain in operation, including dual source power and back-up generators.

LIKELIHOOD OF FINDING A POTENTIAL USER:

The likelihood of finding a potential data center user is above average. This industry has been steadily growing for the last decade. From mega data centers owned by search engine giants like Google, Microsoft, and Yahoo, to smaller companies providing datacenters to back up critical corporate data, there is considerable potential for growth in this industry. As the modern workplace becomes more and more efficient through the use of computers, the need for reliable data centers will continue to increase. This growth potential in the coming decades provides well situated communities opportunities to fulfill the needs of modern data centers. In terms of site selection, the most critical aspect to a data center is to locate low-cost reliable and redundantly supplied electric power. Data Center's require a massive number of power hungry servers and cooling systems that run 24 hours a day. These data centers not only demand power but also high-speed communication lines.

SUITABILITY OF PROPERTY TO POTENTIAL USER & PROPERTY MODIFICATION REQUIRED:

One of the advantages that the Springfield community has for a data center is its ample affordable power supply. Electricity is the primary cost of a data center and affordable power is often the most critical component of finding potential data center sites.

The facility would need extensive modification in the areas of power transmission and air handling. Data centers require excessive amounts of power for their equipment and, as a result, produce a tremendous amount of wasted heat in their daily operations. An analysis of the high-speed data capacity to the terminal will need to be conducted to determine if there is bandwidth available to support a data center. One of the most important aspects of a data center is redundancy of certain critical elements, such as power, air handling and data communication infrastructure. Further research would need to be conducted on the quality capacity, and reliability of the current infrastructure.

IMPACT ON COMMUNITY:

Data centers are often a mixed blessing for economic development. While these locations represent massive capital investment, the actual number of jobs created tends to be low relative to investment. However, these jobs, while few in number, tend to be well paid and require a high level of skill. As a result, there are few jobs created but the long-term tax prospects from the facility are good. One of the big winners for data projects are the electric utilities.

INCOME POTENTIAL:

A Data Center is a Type "B" user with an income potential comparable to the income derived from a Class "A" or "B" office space. While the rents may be above average, due to the potential for extensive modification of the building, infrastructure development may limit the profitability for the landlord. Once a data center is established and the initial costs of setting up the center are paid off, a data center could generate consistent long term income potential. Due to the specialized nature of the tenant's improvements to the space, they often will pay those costs themselves and the landlord need not front these costs.

PROS & CONS OF INDUSTRY:

Pros:

- Data Centers are considered high prestige projects and would likely receive the support of the state
- Will have high potential for tax revenue generation
- Jobs that are created are high skill and will pay well
- High potential for large electricity sales
- High level of investment ensures client will likely remain for a long time, as well as large tax revenue generation

Cons:

- Not many new jobs created
- Potential for high telecommunication and electric build out cost
- Building may require extensive modification to fit the specific needs for the Data Center

Examples of Industry Companies:

- Google
- Microsoft
- Yahoo
- Chase
- Bank of America
- Wells Fargo
- ADP
- CDW
- Allstate

BACK-OFFICE INDUSTRY

INDUSTRY SUMMARY:

The term, Back-Office, derives from the arrangement of early company facilities. Sales staff and other customer-facing facets of the operation would be strategically located in the front office, leaving the remainder, or back-office, for functions dedicated to running the company from behind the scenes. Internal operations of an organization that are not accessible or visible to the general public include accounting, human resource management, bookkeeping, information technology, customer service, marketing, and promotion. Back-office systems generally require the support of secure e-commerce software that processes company information.

Back-office functions are no longer required to be located in the back of an operation. In fact, with technological advancements, back-offices can be positioned virtually anywhere on the globe. An increasing number of companies are developing remote back-offices or outsourcing their back-office functions in order to take advantage of off-site labor cost benefits and other business expense gains. Many corporations have their headquarters in trophy buildings located in major cities while their back-offices tend to reside in small cities or suburbs that are more cost effective.

Back-offices are common in many industries such as banking, investment firms, and sales operations. In banking, back-offices include a heavyweight IT processing system which handles position keeping, clearance, and settlement. In investment firms, back-offices include administrative functions that support the trading of securities, trade confirmation, trade settlement, recordkeeping, and regulatory compliance. In sales, back-offices include functions that fulfill customers' orders and would usually include the duties involved in customer-support call centers.

LIKELIHOOD OF FINDING A POTENTIAL USER:

Springfield, MO has proven to be an attractive location for a diverse back-office community. With the existence of back-offices, Springfield, MO has a skilled available pool of labor. Springfield's labor, cost of operation, and central location make it an attractive location for back-office functions.

SUITABILITY OF PROPERTY TO POTENTIAL USER AND REQUIRED PROPERTY MODIFICATIONS:

The terminal building may serve as a suitable building for back-office functions. While back-office functions do not need to be located near the terminal, the building itself may be appropriate. Back-offices require a significant and affordable power supply. For this industry, affordable power is a critical component in site selection. Back-offices typically prefer open space floor plans with a cubicle-type arrangement. The terminal building, as it exists, is comprised of glass and steel construction. The open floor plan offers excellent remodeling and construction flexibility. Additionally, the parking lot is adequate, as back-offices generally require five parking spaces per 1,000 square feet rented.

IMPACT ON COMMUNITY:

A back-office operation located at the terminal building would offer a significant positive impact on the community. Back-offices tend to employ a large number of skilled people including IT architects, accountants, and human resources. Employees can take advantage of the existing bus route that conveniently stops at the terminal building. Back-office operations usually run on multiple shifts and often have high demands on parking. The facility currently offers more than enough parking to satisfy this requirement.

INCOME POTENTIAL:

A back-office operation is considered a Type “B” user and would provide a rent equal to approximately a Class “B” or Class “C” rate. While it would not impact or be impacted by the airport, the building and location offers some unique advantages that could be capitalized on by a back-office operation. Furthermore, landlords can typically command a competitive market rent when a building is utilized by a back-office user. Most back-office users expect the landlord to build out the space to their specifications. Standard tenant improvements (e.g. carpet, lighting, fire suppression, office build out, conference rooms) could be amortized into the rent. Improvements such as adding a second floor, HVAC systems, adding elevators, are considered Base Building Improvements. Base Building Improvements help bring a facility up to necessary building codes, meet handicap accessibility requirements, and other general rentable standards. The landlord is typically responsible for Base Building Improvements.

PROS & CONS OF INDUSTRY:

Pros:

- Would take advantage of power infrastructure at the terminal building
- Could tap into existing labor pool
- Would warrant market rent

Cons:

- Would not take advantage of the terminal
- Cost of Building Improvements may hamper this user

EXAMPLES OF INDUSTRY COMPANIES:

- Google
- Microsoft
- Sprint
- Chase
- CDW

MEDICAL CALL CENTER

INDUSTRY SUMMARY:

Medical Call Centers are typically inbound call centers staffed by nurses, doctors, or pharmacists. These call centers are often owned and operated by either Hospitals, Insurance Companies, Pharmaceutical Companies, or medical instrument companies, and deal with a wide range of health related issues. With the rapid growth of the health services industry as the baby boomers age, Medical Call Centers continue to expand and grow across the country.

LIKELIHOOD OF FINDING A POTENTIAL USER:

There is currently a robust Call Center industry in the Springfield area which has been thriving for many years, but seems to be slowing due to the difficulty in finding new employees. A medical call center can take advantage of the telecommunications infrastructure already present in the area, but because a medical call center would draw from a completely different employee pool the labor issues would not be as much of an issue.

SUITABILITY OF PROPERTY TO POTENTIAL USER & PROPERTY MODIFICATION REQUIRED:

Call centers typically do not require individual offices, and the current layout, with some modification, can provide the open cubicle layouts that call centers require. The current facility already possesses ample parking space for employees, as well as a bus route that can accommodate the transportation needs of employees. The terminal already possesses adequate washrooms and common cafeteria areas for call center operations.

Research would need to be conducted to ensure that the extensive telecommunications infrastructure exists or could be created in a cost effective way. Transportation infrastructure is critically important and the current parking lot and bus route would need to be maintained after airport closure. Power distribution inside the terminal would need to be evaluated due to the specific needs of computer systems and workstations.

IMPACT ON COMMUNITY:

A medical call center would create a significant number of high paying jobs depending on the size of the tenant. The jobs created will be higher paying than typical call center positions because of the more professional nature of the employees and higher level of training required. A medical call center would draw from the Springfield medical community and possibly from local colleges and universities rather than the typical call center employee pool, so it should not cause staffing problems with the other call centers in the area.

INCOME POTENTIAL:

A Medical Call center is a Type “B” user with an income potential comparable to the income derived from a Class “B” office space. Income potential of a Medical call center is good and would be comparable to the income derived from corporate office space. In order to be a cost effective possibility for a medical call center, the rents would have to be kept competitive to equivalent call centers in the area. The costs of converting the space to be suitable for call centers should not be excessive there by keeping the low and maintaining adequate profitability for the landlord.

PROS & CONS OF INDUSTRY:

Pros:

- A medical call center would create a large number of good paying jobs
- Many jobs can come from the existing medical community in the area
- Property may not require extensive modification to be suitable for call center needs
- Much of the existing infrastructure of the facility could be re-used
- These call center jobs would draw from a different employee pool than the existing call center jobs in the area come from

Cons:

- Build out costs could be prohibitive if extensive telecommunications and electrical construction is required

Examples of Industry Companies:

- Johnson & Johnson
- Pfizer
- Novartis
- Eli Lilly & Company
- Abbott
- Medline
- Baxter

HIGHER EDUCATION INSTITUTION

INDUSTRY SUMMARY:

There are many different types of educational institutions that may find the existing terminal building to be an effective learning environment. Private Technical Colleges show continual signs of expansion and growth throughout the nation. These private colleges offer diverse professional degrees while focusing their efforts to attract prospective students with convenient and flexible class schedules. Similarly, Community colleges are publicly funded two year educational institutions typically geared towards obtaining an Associates Degree, but also offer programs geared towards General Education or workforce development. Community colleges serve as an educational institution for furthering the education of a community's populace on a community level.

LIKELIHOOD OF FINDING A POTENTIAL USER:

Ozarks Technical Community College currently services the Springfield area and has approached the Airport Board of Directors relative to the possible use of the terminal for the school. At the time, the terminal building was determined not to be cost-effective, but this could change in the future. Further discussions would need to be conducted with the institution to determine the suitability of the facility and sources of financing for improvements.

Privately held national technical colleges or universities have not yet expressed interest, but there is continued growth and expansion in this sector.

SUITABILITY OF PROPERTY TO POTENTIAL USER:

Due to the nature of the terminal, there are already elements of the existing structure that would be suitable for reuse as a college. The large parking lot and existing bus route are ideal for private and public transport. The site provides ample land for creation of additional classroom buildings. The building's existing cafeteria and bathroom facilities could be useable with minimal modification. Other aspects of the current facility would need extensive modification. The terminal areas would need to be divided into classrooms with other parts of the terminal being decked over to provide 2 floors of classrooms.

IMPACT ON COMMUNITY:

The impact on the community will be mixed. For instance, a community college would not create many new jobs if existing teachers were transferred from the current system. The real impact for the community will be the improvement of the community college system that would be the result of having an additional campus.

On the other hand, a new private technical college or university would offer a larger impact on the community. A new college or university would bring new teachers and other faculty member to the community.

In either case, a portion of the education facility could be dedicated to enhancing the workforce training of the Springfield area, sparking an impact on the business climate. The formation of a job training center on the new campus would enhance the existing workforce training and job placement efforts of the community.

INCOME POTENTIAL:

While a college is considered a Type “B” user, this industry would likely provide a moderate income potential similar to a Class “B” or “C” rental rate. Its potential will be limited by the amount of improvements that will need to be constructed to make the facility suitable for educational use. The availability of financial resources to pay for improvements for the school would need to be investigated to determine if this project was cost feasible. Educational institutions typically do not pay the type of rents that corporate users pay. However, educational institutions provide stable long term tenants with little possibility of defaulting on a lease due to the stability of the institutions. Because a community college is public, it may be able to take advantage of government financing or low interest loans to help with building improvements. A private college, conversely, will assess the improvements and factor them into the balance sheet, much like any other investor.

PROS & CONS OF INDUSTRY:

Pros:

- Enhancing the educational institutions of the area

Cons:

- Extensive renovation costs
- Classrooms would need to be constructed from large open areas in terminals

Examples of Industry Companies:

- Ozarks Technical Community College

PUBLIC SERVICES

Industry Summary:

The terminal building could be separated and sectioned off as necessary to accommodate public services such as school administrative offices, fire, police, and 911 Emergency Service (EMS). While these public services would not take advantage of the terminal, the building location may offer inherent advantages. The building is somewhat of a destination location with minimal traffic flow and is served by public transportation. The abundance of paved parking space could be an advantage for training operations for the police and fire department. Additionally, the building could be converted into an attractive school administrative center.

LIKELIHOOD OF FINDING A POTENTIAL USER:

Given the expressed interest by several Springfield public services, the likelihood of finding a user is good. The respective organizations are looking to take advantage of a unique space that can be adapted for their services.

SUITABILITY OF PROPERTY TO POTENTIAL USER AND REQUIRED PROPERTY MODIFICATIONS:

Since the building is constructed on multiple levels with separate wings, the building could conceivably be separated as necessary for multiple public service users. The building most certainly will require improvements for the individual organizations. Because the sections within the building are rather open, the terminal is a flexible shell that can accommodate multiple users.

IMPACT ON COMMUNITY:

Filling the terminal building with public service organizations will have little economic development impact on the community. Considering the general state of the economy, a vacant facility would certainly have a negative impact on the community. If combined properly, these users will be able to fill a void and may be integrated with some of the other recommended users to fill-out the building.

INCOME POTENTIAL:

The income potential is not likely to be competitive. Government services typically require rental rates that are at or below market value. The income potential is considered Class "C". Conversion to office space for the school district would require extensive improvements.

PROS & CONS OF INDUSTRY:

Pros:

- When combined with other users, they could help occupy the entire building
- Could make use of the parking lots
- May be able to take advantage of government financing or grants for tenant improvements

Cons:

- May not pay optimum rental rate

SECONDARY INDUSTRIES

The Industries listed below are industries that were considered in our evaluation, but in our opinion the obstacles each presents may not be able to be overcome in a cost-effective manner. Consequently, the industries mentioned here would not be considered the highest and best use of the existing facilities. We include the following industries as secondary types of industries.

CORRECTIONAL FACILITY

Correctional facilities are complexes which are often run by the government (some are private) in which incarceration is a legal penalty that may be imposed by the state for the commission of a crime. Modern prisons are typically built around a large central building with multiple wings for different security classifications of prisoners. This central facility is often surrounded by an exercise yard, additional administration buildings and a large security perimeter including razor wire, guard stations and limited access points. The prison industry in the U.S. is rapidly expanding due to overcrowding in many existing correctional facilities.

Correctional facilities were considered strongly during this project due to the already secure nature of the property. During the course of our investigation into private and public correctional facilities, we experienced difficulty in finding cases of existing buildings being modified into correctional facilities, except in cases of high property scarcity. Correctional facilities are specifically designed for the management of individuals in a controlled and orderly fashion and as a result the facilities they occupy are specifically designed for that purpose with cells and common areas made of heavily reinforced concrete. It is our opinion that the extent of property modification that would be required would be cost prohibitive for any correctional facility. The site however could still be viable for a correctional facility if the existing terminal was torn down and a building specifically built for the containment of prisoners were constructed in its place.

SHORT-TERM REPAIR

Since the building is located on an airport, it may lend itself to be advantageous for a short-term repair company. Typically, these companies serve specific industries and products. For example, there are companies that buy, sell, and fix bar code scanners. When bar code scanners become broken, they are immediately shipped to a central location for repair. The product typically takes 3-5 business days for repair and then is expeditiously sent back to the customer for use. Because Springfield's central location may help cut down on transportation costs, any industry that demands on-time performance from a short-term repair operation was considered as a viable option for this facility.

However, most short-term repair operations ship domestic product through FedEx or UPS. These companies do not provide their own logistics or transportation because their customers are typically scattered throughout the United States. Thus, it would not be advantageous to be located on an airport

because air freight transportation companies, such as FedEx and UPS, charge and satisfy shipping requirements by area codes and not by address. There is no inherent advantage for a short-term repair operation to be located on the airport. Furthermore, the building's multi-level layout would hinder this type of operation because of its extreme emphasis on staged production and on-time production performance.

CORPORATE TRAINING AND RETREAT FACILITY

Corporate training and retreat facilities have effectively served businesses on a number of fronts from training high-level executives to rewarding employees for exemplary achievements. Retreat Centers provide a neutral off-site setting that encourages relationship building and teamwork. The terminal building may offer advantages to a particular industry that would benefit from a training facility near an airport.

Unfortunately, the terminal building is not directly adjacent to hotel and dining accommodations. Corporations seek convenient full-service destinations for company functions. Additionally, the building is not located within a downtown region, on a desert, in a forest, or overlooking water. Corporate executives tend to prefer more exotic location as a workspace to refine their tools and skills.