



Business in Perspective

Jet Aviation, Around the World and Into the Future

By W. Stephen
Dennis

**Santa Fe
Jet Center &
Scottsdale
Air Center**

In the seventies
and eighties,

Herb Marchman was an entrepreneur with a successful commodities company in Texas and radio broadcasting businesses scattered over New Mexico and the Southwest.

"Learning to fly was the only way to afford doing business in those days," said Marchman. "I was flying myself around long before I got into the business side of aviation."

In 1986, he had the opportunity to buy a fixed base operation in Santa Fe at Santa Fe Airport (SAF). Since then, that establishment has been a vital part of Santa Fe's general aviation scene.

Troy Padilla, a native of Santa Fe, is a wonderful example of job success in general aviation management. In 1982, he showed up at Santa Fe Jet Center, to inquire if they would hire him after he became certified in airplane mechanics. The manager at that time said he could do better than that; he offered him a position as a lineman, as well as aviation mechanic certification.

A couple years later, there was a shift in management and Padilla was promoted to shop foreman, then director of maintenance. Fourteen years later, he is now the general manager.

Padilla has seen the company through a number of changes in staff and owners. Marchman, Marty Schaffer, Ralph Black and Jerry Wilger originally owned it. After being sold, the FBO was renamed International Aviation. Then, it was sold back again to Marchman, Schaffer and Ron Tarson, and renamed Santa Fe Jet Center.

"Having been able to work through almost every position in the company has really been a great experience," said Padilla. "When one of my employees comes to me with a concern, I usually have first-hand experience in knowing what they're dealing with."

Also a pilot, Padilla can talk "flight," which helps the people flying in feel

they're in good hands. In fact, in his spare time, he's constructing a Vans RV8, a 200-hp two-seater plane.

"Aviation is truly a hobby of mine," he said. "I can relate to the people involved."

Similar to many FBO general managers, Padilla is seeing the business aviation market in the midst of transformation.

"We saw a dip in business three years ago, as did most people in the business. But business is on the rise over the last year or so," said Padilla. "Business is shifting. Most corporations have sold their airplanes and flight departments. Instead, they're signing up for fractional offers. It's still the same customers, just a different way of doing business—the customer's way of getting more for their dollar."

The market these days is truly competitive. FBOs are facing through-the-roof insurance costs and fuel costs, which plays an integral role in the success of an FBO.

Santa Fe Jet Center and sister FBO Scottsdale Air Center work hand in hand when it comes to marketing and strategy.

"Tommy Walker, the GM of Scottsdale, and I speak and meet on a regular basis to work on upcoming projects and marketing strategies," said Padilla. "We combine forces when it makes sense."

Padilla, who manages 35 employees, boasts of the benefit of choosing Santa Fe Jet Center.

"We have the best hotel rate in Santa Fe, 25-dollar crew cars from Hertz and free golf, drink and breakfast with a 500 gallon fill up," he said.

Santa Fe and Scottsdale are both destination seasonal locations.

"We get more visitors in the spring," said Padilla. "Tourists come here for the Indian and Spanish markets downtown. Business usually slows down



Scottsdale Air Center's main lobby is host to a prize-winning art gallery.

after Labor Day. The peak in Scottsdale is in the winter. People come from all over the west and northwest to the warmth."

But Padilla said their business is extremely consistent during their busy season.

"We have a lot of loyal customers," he said. "I'm proud to be a part of this company. The new Scottsdale location is state of the art, proof of the owner's great reputation. It really shows you what they're about. They've taken the mom-and-pop deal to the next level."

Another opportunity

In 2001, that now architecturally-arresting FBO was only a spark in Marchman's mind. That year, he seized another business aviation opportunity when the City of Scottsdale requested bids for a second fixed base operator at Scottsdale Airport.

Marchman, acting as managing general partner of the group, and two other investors/co-owners, Tarson and Schaffer, won the bid in 2001 and began laying plans for Scottsdale Air Center, which, after much planning and preparation, opened its doors in March 2003.

"I am so proud of our new location," said Marchman. "Our goal was to create a five-star location with unique design, hire five-star associates and provide five-star service."

As far as aviation business is concerned, Marchman says the business seasons work nicely together. Scottsdale is moving in the winter and Santa Fe is full of summer activities. When asked if the strategy was pre-conceived Marchman replied, "I would like to think it was a brainchild of mine, but I'm really lucky it worked out that way. I can say so in hindsight."

Award-winning building

Marchman hired two innovative architects, Dan Richardson and Daniel Perez of the firm Carter and Burgess, who carefully planned the design.

Scottsdale Jet Center's new facility was designed and built over a two-year period. With over 10,000 square feet of modern unique terminal, the space has been created for the most discriminating traveler.

"A lot of thought went into the building," said Walker, the location's manager for the past year and a half. "The architectural concept was a wing foil. The design is continued on the inside, as the ceiling looks like the inside of a wing, with rows of windows that let in bright light. It really is beautiful. If you haven't stopped by to see it, you really should."

According to Walker, "The architect went to great lengths in working out the design."

The contemporary-style facility is decorated with a wide variety of original paintings and sculptures.

"You can literally buy the art off the walls—if that's what you want," said Walker. "Our goal here is to have a five-star FBO in every area: customer satisfaction, personal detail, and world-class service."

With a large conference room, comfortable seating in two lobbies, a concierge at your service for those special needs and over 3,000 square feet dedicated to the flight crews, the building is designed to fill a client's every need.

In addition, Scottsdale Air Center boasts more than 75,000 square feet of pristine hangar space—enough to accommodate the Global Express and Gulfstream V, including an all-concrete ramp. In all, the facility occupies more than 11 acres.

An aggressive expansion plan is already underway and will add 125,000 square feet of new offices and hangars slated to open in late 2005. Each of their three hangars each can accommodate the largest GA aircraft.

Scottsdale Air Center played host to the 3rd Annual Scottsdale Business Aircraft & Jet Preview, presented by Airport Journals. The event attracted Scottsdale's GA crowd as well as avia-



Scottsdale Air Center's award-winning building has a dramatic aviation-inspired design.

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tion enthusiasts from around the region.

Ranked #3

This past spring, in their first year of business, Scottsdale Air Center earned a prestigious No. 3 FBO ranking in Aviation International News' Top FBOs. The team at the FBO is definitely flying high after having won just after the operation's one-year anniversary.

"We're on cloud nine," said general manager Tommy Walker, who came on board more than a year ago in the final development phases of the new construction. "As a new facility, we're especially honored that the business aviation pilot and flight department communities have rated us so highly so soon."

Walker, whose focus on customer service is legendary, is accustomed to winning awards. He previously managed Air Flight in Long Beach, Calif., that earned AIN's No.1 ranking.

"My experience taught me how to do things the right way," said Walker. "My 14 years at Long Beach schooled me in everything I needed to know in order to help make the Air Center work. We ran a great place in Long Beach. And just as I was about to retire, I got a phone call from Herb asking me to come up to SDL."

He said he became involved after the plans were under way, but early enough in the process to be able to make a contribution.

"Scottsdale is a destination airport, like Newport, the Vineyard, Nantucket

or West Palm Beach. Most of the vacationers come from the mid-west, Chicago, Canada and Texas," Walker said. "No matter where they're from, our entire staff works very hard to set a new standard for what a full-service FBO should be. So far, customers have been pleased with our facilities and service."

Their market share is growing accordingly.

"Our business has definitely grown this year," said Walker. "Our fuel volumes are show of that. And we're starting the second phase of our development plan, an additional eight acres of office/hangar space."

Scottsdale has truly grown. It began as an Army Air Corps training field, which opened in 1942. It was purchased by the city in 1966, and the airport's first fixed base operator opened in 1967. The first airpark tenant, Casa Precision, broke ground for its first building in 1968. By December 1969, 127 aircraft and 20 helicopters were based at Scottsdale Airport.

In 1999, there were over 450 aircraft based at Scottsdale Airport, from single-engine recreational planes to numerous corporate jets.

Approximately 230,000 takeoffs and landings occurred, making Scottsdale the second busiest single-runway airport in the country—and the busiest corporate jet facility in the state.

Now, Scottsdale airport serves as a major part of the city's economic stimulus. A recent study of the City of Scottsdale and north Valley region indicated that the airport generates more than \$182 million annually in revenue to the region's economy and the combined annual impact of the airport/air-



The Santa Fe Jet Center is the older sister of Scottsdale Air Center.

park is approximately \$2.5 to \$3 billion.

Marchman, along with his Jet Center and Air Center, is certainly poised for future success.

"We will adapt to whatever comes in the future. I see many good years ahead. I'm just so happy that everything has worked out so well this far. We've really been blessed doing so well early on in the game. And our facility is truly unique," he said.

Santa Fe Jet Center is a reliable and true choice when flying to SAF. Scottsdale Air Center's new building is not only architecturally striking; it represents the most advanced design of FBO facilities currently being built, in terms of a dramatic terminal, creative use of space, and the advanced technology of the office and hangars.

Marchman is a man who follows through with his vision. He has owned and run other successful enterprises in the past; it's no surprise he's done it again.

For more information, visit www.fly-pfs.com or call (914) 328-9800. W. Stephen Dennis is the founder, CEO and president of Aviation Resource Group International, a leader in aviation advisory services since 1975. He has more than 25 years of varied aviation industry and executive and senior management experience covering specialized areas such as operational efficiency, profitability conversions, business development, strategic planning, marketing and corporate restructuring.

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