



Air Cargo Capabilities



The Industry's Most Comprehensive Range of Air Cargo Services

Consulting Services
Marketing and Market Assessments
Business and Financial Elements

Physical Planning
Facility Development

Air Cargo Consulting Services

As airports struggle to address the financial challenges of the evolving aviation industry, more and more are beginning to look to air cargo as a potential source of new revenue, expanded business, and regional job generation. Recognizing that for many airports, growing and managing an air cargo operation takes them into unfamiliar territory, L&B has assembled the industry's most complete set of air cargo expertise to help managers with both start-up and mature operations. Our services are designed to address all elements of the industry, from initial market assessments that determine the feasibility and need for facilities, to the physical planning and financial analyses necessary to support implementation decisions. We have one of the industry's most experienced air cargo groups that can quickly review an airport's cargo operations or objectives and provide immediate feedback on critical strategic issues.

Air cargo growth continues to outpace air passenger growth. Cargo volumes are projected to triple over the next 25 years. Airports will face serious challenges balancing their ability to meet both cargo and passenger demand. Existing cargo facilities may need to be totally redeveloped, or in some instances, relocated to alternate airports to accommodate passengers.

Not all air cargo moves by air. In fact, an increasing amount of both air freight and express shipments move by surface mode. Understanding and responding to this intermodal feature of air cargo operations is an important consideration in both security and ground transportation planning tasks.

For most major airlines and many airports, air cargo is an important source of revenues. L&B believes that the value-added services we offer can help any airport to better evaluate and optimize its cargo potential. Because we understand how cargo works and where revenues can be generated, our services can assist airports of all sizes exploring how to initiate or maintain a successful cargo operation. This includes mature cargo gateways that measure cargo in millions of tons.

Marketing and Market Assessments:

No air cargo operation should be contemplated without a market assessment. It is absolutely essential that cargo development be based on realistic assessments of what an airport can hope to achieve in terms of its market. We offer:

- In-depth Market Assessments and (when appropriate) less extensive due diligence analyses to determine the viability, growth potential and critical issues of an air cargo market
- Marketing Plan development with detailed marketing strategies and carrier-specific tactics to increase business
- Marketing by the most experienced team of air cargo professionals in North America to build new business through connectivity for carriers and supporting firms

Business and Financial Elements:

Air cargo is more than just tonnage. It is a complex and potentially profitable segment of the aviation industry that can generate new revenues for an airport and substantial economic impact and jobs for a region. To help airports achieve their business and financial goals, we offer:

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Offices Worldwide

- Forecasts of air cargo demand and projections of air cargo facility requirements that integrate some of the most sophisticated quantitative models in the industry with an in-depth understanding of the business dynamics
- A unique Building Utilization Model incorporating carrier-specific and overall airport cargo volumes to assist property staff in managing cargo facility leases
- Cargo Facility Audits that include on-site inspections that assess the utilization of air cargo facilities to determine not only lease compliance but also to calculate available capacity to meet future demand
- Highest and Best Use Analyses that often involve a comprehensive assessment of airport land use and compatibility with the airport's goals and objectives to establish space allocation and utilization priorities
- Capital and Operating Expense Analyses to identify costs that may be incurred by the airport operator in maintaining air cargo facilities, including apron areas, in order to develop the most accurate economic scenario for air cargo facility development
- Rates & Charges Models to help identify cargo carrier contribution to gross landed weights and the impact on the airport's overall Rates & Charges, particularly as they relate to landing fees
- Bond Feasibility Analyses to assess the viability of proposed new cargo facility development

Physical Planning:

L&B's general philosophy with regard to airport cargo facilities and operations involves sound planning from conception through implementation. Once the basic air cargo forecast, facility requirements, environmental impacts and project economics are examined, we can assist the airport in implementation. Effective physical planning for cargo facilities must incorporate and reflect airport goals and objectives, regional land use concerns and transportation planning because of the intermodal aspects of the business. The facilities themselves must be flexible in design, appropriately sized to meet demand, and sited to optimize the use of aeronautical infrastructure and landside access. Our experience enables us to offer:

- Impact analysis and integration of security changes into short and long-term cargo facility planning needs
- Reliable conversion of forecast numbers into facility requirements segregated by belly and freighter operations, with outputs that include specific requirements for aircraft parking, truck parking and queuing, building and roadway geometry, automobile parking, and warehouse and office space
- Evaluation of the need for specialized air cargo facilities for items such as perishables, animal handling, free trade zones (FTZs), and cross-dock distribution.
- Master planning of cargo complexes that integrate tenant and user operational needs into efficient and cost effective land use
- Environmental impact analyses of proposed new cargo facilities or changes to existing air cargo operations

Facility Development:

In an economic environment that is very sensitive, airports must determine whether or not to develop air cargo facilities themselves or enter into a partnership with a third-party developer. As a result of our depth of experience at major cargo airports as well as small airports seeking new cargo opportunities, we offer:

- The creation of cargo development RFPs and RFQs designed to attract maximum participation from the private sector
- The development of selection criteria and criteria weighting to help the airport select the best possible candidate. We can participate as a non-voting member of the selection committee
- Evaluation of the financial elements of a proposal to determine impacts on potential tenants
- Coordination of the solicitation process
- Assistance with the negotiation of a lease agreement and as appropriate, a development agreement