



ACC Assessment of Post COVID-19 Future Airport Projects

Summary

- ACC has identified \$31B in Renovation and Rehabilitation Projects from its Capital Development Report.
- ACC continues to monitor and identify airport projects and activities as the industry responds to and recovers from the COVID-19 pandemic.
- Opportunities exist to educate airport clients in how to conduct planning and move forward with capital projects in a responsible way, given the uncertainty from the COVID-19 pandemic and the economic recovery.

This past February, ACC released its [Capital Development Report](#) providing an overview of upcoming capital development spending needs through the year 2024 at over 100 surveyed airports of varying sizes within the U.S. The report estimated over \$138 billion in planned projects at these airports prior to the COVID-19 pandemic, with a majority of the projects focused on terminal redevelopment and expansion, climate change mitigation, infrastructure resiliency development, and more.

In lieu of the dramatic impact to the aviation system in these past months, ACC recently re-examined the report and identified over **\$31 billion in rehabilitation and maintenance projects at 46 airports**. These projects may be more viable for moving forward as uncertainty continues regarding the length and extent of recovery.

Background

The COVID-19 pandemic has greatly impacted development projects and programs, with several airports and airlines struggling to cover basic operating expenses and essential services. In outreach to member companies, ACC found that many airports have pulled back, delayed, or cancelled billions of dollars in projects that would have increased capacity to meet record levels of travelers prior to the pandemic. With a severe drop in revenue, airports' ability to fund capital development projects has been at great risk with many having to delay or scale back on capital expansions.

According to ACC's outreach and findings, in a time of great uncertainty, many airports may have an opportunity to continue projects and programs focused on rehabilitating and maintaining aging airport infrastructure. There is further data supporting this, including ACI-NA's finding that the average age of airport facilities is 40 years old. The FAA has also indicated that the new National Plan of Integrated Airport Systems (NPIAS) shows a marked increase in maintenance and rehabilitation project needs identified by airports.

Using certain estimations and extrapolations, ACC conducted a secondary review of the survey results from the Capital Development Report and identified more than \$31 billion in rehabilitation and maintenance projects at 46 airports. In short, ACC identified the proportion of the \$138 billion in planned projects that could be attributed to **renovation** of existing systems and infrastructure, as opposed to capacity expansion and new development. This list of projects, broken down into Airside, Terminal and Landside category projects, is now available on the [ACC Training Hub](#).

It should be noted, however, that there is no guarantee that the maintenance and rehabilitation projects identified in the ACC report are certain to move forward, particularly given the difficult financial situation facing many airports.

Feedback from ACC Member Companies

In reaching out to member companies in August, ACC also found other types of projects that may be more viable in the short term given the state of uncertainty. These include:

- **Projects directly responding to the COVID-19 pandemic** – Airports will be focusing on the projects that help to mitigate the spread of COVID-19. Many of the projects, focused on self-automation, biometrics, etc., will also enhance the overall passenger experience. These projects will increase passenger confidence through terminal facility modifications, and provide state of the art technology to increase health and safety, and sanitation.
- **FAA and government funded projects** – With local and airport revenues down, there will be more reliance on AIP and other government funding. Due to AIP eligibilities and priorities, much of the investment may be on the airside to enhance safety, repair and maintain pavements, and bring facilities up to standards. Airport projects to help increase safety on the airside will be well positioned for funding, given that operations are down and such projects can be accelerated.
- **Resiliency** – Many airports have been exploring projects to help them become financially sustainable, and more resilient to extreme weather events, cybersecurity threats, power disruptions, etc. Many believe that these activities will continue as the aviation industry recovers. The ACC Planning & Environmental Committee is developing a guidance memo for enhancing resilience of airports during COVID and beyond.
- **Asset Management** – This will be a good time for airports to undertake an assessment of their current facilities and develop systems to better track the performance and maintenance of their assets in the future.

Many airports are also taking advantage of lower operations to significantly accelerate projects to complete them much sooner, resulting in millions of dollars in savings for the airports due to reduced time and costs.

Airport Planning

In discussions with member companies, ACC found that airports may substantially pull back on planning activities, given the uncertainty surrounding the COVID pandemic. The ACC Planning & Environmental Committee has established working groups to identify best practices relating to forecasting and other short-term airport planning activities that will help airports prepare for recovery and the eventual return to pre-COVID travel.

Conclusion

As airports across the country temporarily pull back on planned capacity projects and seek other areas of needed improvements at their facilities, ACC hopes that this list will help shed some light on airports with potential *renovation projects*, and serve as a starting point or resource to direct members to projects that could still be viable and available, even in the current environment, pending the airports having the funding available. These insights are especially timely in the current season, as the dramatic hit to the aviation industry continues to unfold.

ACC will continue to investigate the findings through additional follow up inquiries with member companies on the current status of projects around the country. The goal is to provide ACC members insights to enable them to stay ahead of the curve on trends we see occurring in the airport industry, so they can proactively shift their attention and efforts to the current and future needs of the aviation system.