

Airport Revenue Generation

Quick Reference Guide

Why is it Important for Airports to Generate Revenue?

Airports are critical assets to the state's multimodal transportation system, providing access to the national and international airport network. While each airport is unique in terms of the operations it supports and the services it provides, each requires resources to operate (e.g. conduct regular maintenance, pay staff, etc.) and develop to meet user needs. While there are public funding mechanisms available for airports to support justified development and/or improvement of certain infrastructure, these funding sources are limited by the amount available and have associated requirements for eligibility. Since public funding sources are limited, airport owners and sponsors must identify and implement strategies to generate revenue in an effort to be as financially self-sustaining as possible.

What are Some Common Sources of Revenue for General Aviation (GA) Airports?

Examples of Aeronautical Revenue Sources

Aircraft Parking and Storage

Aviation Fuel Sales

Aviation-Related Ground Leases

Hangar Leases

Landing Fees

Sales of Goods and Services

Examples of Non-Aeronautical Revenue Sources

Commercial Development

Non-Aviation-Related Land Leases

What are Some Innovative or Less Common Revenue-Generating Practices?

The extent of possible aeronautical and non-aeronautical revenue sources greatly depends on an airport's location, property size, and the type and number of users they serve. For example, some GA airports in urban metropolitan areas may be able to charge for automobile parking and advertising but are not ideal locations for installing a solar farm, whereas an airport in a more rural area with excess land may be able to develop a solar farm but not have success in charging users for automobile parking. Some examples of less traditional revenue generating strategies are listed below (this is not an exhaustive list):

- Advertising
- Automobile parking at GA airports
- Natural resource/mineral extraction
- Electric vehicle (EV) charging stations
- Electricity generation (e.g. solar farm)

What Federal and State Guidance or Requirements Govern Revenue Generating Activities at Airports?

Airport Sponsor Assurances (for federally obligated airports)

Airports that accept federal grants must adhere to a variety of federal grant assurances. For a complete list of grant assurances, see the “Assurances for Airport Sponsors” in the FAA’s Airport Improvement Program (AIP) Handbook. The following grant assurances were identified in ACRP Report 176: Generating Revenue from Commercial Development on or Adjacent to Airports as being most relevant to revenue generating activities at grant-obligated airports:

- Assurance 5, Preserving Rights and Powers
- Assurance 6, Consistency with Local Plans
- Assurance 7, Consideration of Local Interest
- Assurance 8, Consultation with Users
- Assurance 19, Operation and Maintenance
- Assurance 20, Hazard Removal and Mitigation
- Assurance 21, Compatible Land Use
- Assurance 22, Economic Non-discrimination
- Assurance 23, Exclusive Rights
- Assurance 24, Fee and Rental Structure
- Assurance 25, Airport Revenues
- Assurance 29, Airport Layout Plan
- Assurance 30, Civil Rights

The National Environmental Policy Act (NEPA)

- Requires that projects using federal money, requiring federal approvals/permits, or taking place on a federally obligated airport must undergo an environmental review to identify the potential environmental impacts of the proposed project. Depending on the activity, NEPA may apply.
- More details regarding environmental considerations are included in FAA Order 5050.4, NEPA Implementing Instructions for Airport Projects.

Section 163 of the FAA Reauthorization of 2018

- Narrows the scope of the FAA’s authority over airport land uses by generally prohibiting the FAA from “directly or indirectly” regulating airport land that is not needed for aeronautical purposes.
- The impact of Section 163 should make it easier for airports to develop unused land (as long as it isn’t needed for future aeronautical purposes). Non-aeronautical commercial uses could promote revenue generating opportunities for the airport and provide economic development for the surrounding community.

Where Can I Learn More?

- **ACRP Report 121:** Innovative Revenue Strategies - An Airport Guide
- **ACRP Report 176:** Generating Revenue from Commercial Development on or Adjacent to Airports
- **ACRP Report 16:** Guidebook for Managing Small Airports
- **ACRP Synthesis 1:** Innovative Finance and Alternative Sources of Revenue for Airports



Indiana Department of Transportation
Office of Aviation
www.in.gov/indot/multimodal/aviation