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RDU holds vast acreage

Airport leaders will begin studying how to develop first 300-400 acres of more than 5,000 acres owned

Triangle Business Journal - by [Chris Baysden](#)

MORRISVILLE – One of the biggest land developers in the Triangle of the future could be an unlikely suspect – **Raleigh-Durham International Airport**.

Over the years, RDU has amassed 5,200 acres of land, and only 2,000 acres have been developed into terminals, hangars, runways, parking lots and other airport functions.

From an aeronautical perspective, RDU has no need for all that land, so the airport will undertake a land-use study that could open the first few hundred of acres of prime airport-owned real estate to commercial development.

Airport Director John Brantley told the RDU authority board about the land-use plan, which will be for 300 to 400 acres to the west of Brier Creek Reservoir, at a March 11 budget meeting. The airport has allocated \$250,000 for the study, which should begin in the summer.

RDU eventually plans to construct a consolidated rental car facility on about 100 acres of that property. That leaves plenty of opportunities for other development along a tract that borders **Pleasant Grove Church** Road. Brantley wants the plan to examine possibilities – everything from office parks to retail to warehouses to a hotel – over the next two to three decades.

“That will not be aeronautical development, as much as it will be commercial,” he says. “We’re just really trying to look down the road.”

Residential developments wouldn’t be an option due to the noise created by planes. But there are business-related advantages to being located close by an airport, especially for companies that ship a lot by air or whose executives travel a great deal. Plus, the location is in the heart of the Triangle and is close to major highways including Interstate 40 and Interstate 540.

“I think that could be very good property from a commercial standpoint,” says Gregg Sandreuter, a local developer who is familiar with the area. “A lot of people will watch that with interest.”

Sandreuter adds that road improvements would need to be made to the property to make it better suited for development.

One parcel of RDU-owned land has been developed. The **Aviation Station** development on Aviation Parkway is home to a Sheetz gas station, which pays RDU \$166,969 in annual rent. A Burger King is planned for that area as well; the restaurant will pay a percentage rent with a minimum annual guarantee.

Airport spokeswoman Mindy Hamlin says RDU officials don’t know what kind of financial model would be used in future developments. “To be absolutely honest, we haven’t gotten to that point yet,” she says. “We’re really at the beginning stages of this.”

Other airports haven’t been as shy about these types of developments as RDU – especially since aeronautical revenue streams, which are highly dependent on passenger levels, have been belted by the economic downturn.

“It’s becoming more prevalent as airports are trying to identify more sources of revenue,” says Ann Ferraguto, a principal at AirProjects Inc. The Alexandria, Va.-based firm is a commercial property consultant that often works with airports.

While increased commercial development would provide another source of income, it also could irk some developers who might fear government-sponsored competition.



Sky Site Aerial Photography
RDU International has plenty of land for development.

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Sandreuter, for one, says he doesn't think it would be a good use of public money for the airport to back bonds that fund the construction of something like a multi-tenant office building. He thinks the airport should go through a request for proposals process in order to partner with a developer on a commercial project.

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