

Aeroterm



Aeroterm adds high-profile projects to its on-airport properties portfolio.

By Kat Zeman, Senior Editor at Knighthouse Media

Although it already sports the largest portfolio of on-airport support facilities in North America, [Aeroterm](#) is working on making it even bigger. With more than 17 million square feet of property and development at more than 35 airports, Annapolis, Md.-based Aeroterm is the leading owner and provider of capital, expertise and facility-related services to airports throughout North America. It specializes in the development, acquisition, financing, construction, leasing and management of airport properties.

“What sets us apart is our intimate knowledge of airport real estate and our successful history as a solution provider to airports and their support service

tenants,” says Alexi Lachambre, vice president of development. “But another very important part of our specialty is our ability to respond very quickly to airport authority needs.”

AEROTERM

www.aeroterm.com

- Headquarters: Annapolis, Md.
- Employees: 300+
- Specialty: Owner and developer of airport support facilities

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Tick Tock

A recent project that required a quick response was a new multi-tenant facility at Montréal–Pierre Elliott Trudeau International Airport. Completed in April, the project involved demolishing a 50,000-square-foot ground service equipment garage and replacing it with a state-of-the-art 78,000-square-foot facility.

“This building is really instrumental to the operations of the airport,” Lachambre says. “Without it, they can’t operate their airport. The maintenance of all the ground support equipment is done out of this facility.”

Aeroterm had to work closely with Nav Canada to ensure that the new facility did not interfere with aircraft traffic radar. In addition, because it’s a maintenance garage, floor drains with oil and water separators had to be installed to prevent spills from leaking into the sewer system, as well as sophisticated air makeup units to satisfy air turn requirements.

Furthermore, a traditional cargo building will have 9- by 10-foot doors but this one required 20- by 20-foot doors. Aeroterm completed the project in only eight months.

“Typically a development like this would take double that time,” Lachambre says. “But we were on a super fast track to accommodate the airport on this expansion. The Aeroports de Montreal real estate team was instrumental in the success of this development and have been leaders in advancing airport security and modernizing their facilities to accommodate staggering growth.”

Increasing Air Traffic

Aeroterm has more than 25 years of experience in working with airports and tenants specializing in air cargo operations and other airport-related activities. In the past 10 years, the company has seen an increase in air cargo and passenger traffic volumes.

"I'd say that business has really picked up over the last 10 years," Lachambre says. "But the last five years have been particularly active as passenger growth, as well as the growth of e-commerce, perishables and other flown freight has significantly outpaced historical trends."

Apart from the recession in 2009, air traffic passenger demand has increased 5 percent to 8 percent annually in the last 15 years, according to Statista.com. On a global scale, passenger air travel is expected to maintain positive growth rates for many years into the future.

"We don't see that trend slowing down," Lachambre says. "People are traveling more and more, be it for work or leisure, and this is all imposing redevelopment requirements for airports who must deal with that additional flow of people."

It is expected that the global aviation industry will reach up to \$38.4 billion in profits in 2018, up from only \$8.3 billion in 2011, according to Statista.com.

Modernizing JFK

In November 2017, Aeroterm received approval from the Port Authority Board of Directors to begin working on a new state-of-the-art 346,000-square-foot cargo-handling facility at John F. Kennedy International Airport.

The facility, along with approved taxiway upgrades to be completed by the Port Authority, represents the first phase of the modernization of air cargo operations at JFK. The project includes a minimum \$70 million investment associated with the new cargo facility and \$62.2 million to rehabilitate and upgrade two taxiways.

This project is part of the port authority's broader plan to upgrade efficiency and enhance cargo operations at JFK. Ultimately, cargo operations will be consolidated in a more convenient location at JFK and efficient road access to off-airport cargo operations will be incorporated.

According to a media release from New York Gov. Andrew M. Cuomo, more than half of JFK's cargo buildings are more than 40 years old and do not meet current industry standards. That includes the two underutilized warehouses that will be demolished by Aeroterm on the site of the proposed new facility.

Adding this new project to Aeroterm's existing facilities at JFK brings the company's estimated total investment in the airport to more than \$200 million.

Canadian Roots

Aeroterm does a lot of business in Canada – where the company got its start. The company's roots go back to the late 1980s and the development of Cargo Dorval, the beginning of the modernization of the air cargo facilities at Montreal's Dorval International Airport. Aeroterm was incorporated shortly after the decentralization of the Canadian Airport system and the transfer of the airports to regional airport authorities.

At that time, Aeroterm acquired the existing cargo and service buildings at Dorval and Mirabel and undertook a redevelopment program to modernize and improve all on-airport facilities including air cargo in earnest.

Working with the airport authority, the company developed and rehabilitated an industrial village, including relocating air cargo tenants from one airport to the other with minimal disruption of commercial activities.

With this experience, Aeroterm began to expand its portfolio of specialized airport facilities by building relationships with tenants and airport authorities throughout North America.

Precious Cargo

Last year, the company completed a new state-of-the-art \$10 million dollar cargo and logistics warehouse at Edmonton International Airport in Alberta, Canada. The new 50,000 square-foot cargo facility, which opened in October 2017, is the third building owned by Aeroterm at Edmonton. Construction began in spring 2016.

"Most airports are very land-constrained and there's limitations as to what can be done," stated John Cammett, CEO and founding partner of Aeroterm, in a media release. "Here at Edmonton, it has such a large land mass and it's working with the various municipalities to be able to do developments that are transformational to help the economy fit in the global marketplace. They have the available lands, which gives you the ability to put in the runways that you need, and the supporting facilities."

The four tenants at this new facility include Gate Gourmet, Swissport, Sky Café and Airport Terminal Services. Notable features of this new facility include vehicle maintenance pits, wash bays, clear-span warehouse, direct airside access and proximity to passenger terminal.

Green Initiatives

When it comes to green building, Aeroterm investigates and implements beneficial eco-friendly building and construction techniques to its development projects whenever possible.

The company worked with Chicago's O'Hare International Airport to apply green and LEED techniques to the airport's 800,000-square-foot Northeast Cargo Center. Aeroterm prides itself on being sensitive to delivering green initiatives while balancing the economics of the initial project costs and long-term operational expenses to deliver an environmentally sensitive yet cost competitive development.

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