FREE
WHEELING

Changes in passenger transportation models and service demands mean airports are rethinking parking in entirely new ways.

By Bill Smith, APR

A irports are always striving to find new ways to make the traveling experience more convenient and enjoyable. Competition for travelers can be fierce, and terminals need to offer the amenities and services that travelers are looking for.

Entrepreneurs are helping many airports in their quest for new offerings. Two entrepreneurial trends in particular stand out: airport-based gourmet food trucks and on-demand ride services. These services, which are very popular among travelers and airport employees (not to mention employees of local businesses), are popping up at airports throughout the world. And because both revolve around motor vehicles, they are closely tied to parking. While they can be a boon to airports in their quest to compete, they can also create unique challenges for airport parking professionals.

Food for Thought

Food trucks have been around for what feels like forever. Many of us remember the silver catering trucks that were (and still are) ubiquitous at construction sites. In recent years, the concept has invaded cities across the U.S., with food trucks offering all sorts of gourmet offerings from ethnic delicacies to old-fashioned hot dogs and hamburgers (see the May 2013 issue of *The Parking Professional*).

The food truck movement has even made its way to airports, with trucks setting up regularly outside terminals to offer a host of tasty options, from Asian to Mexican to barbeque, to travelers, airport employees,

and sometimes even employees of area businesses who make the trek to the airport for a quick meal.

Terminal-side food trucks can be a very popular amenity, but can present some complicated challenges to airport and parking professionals, especially in a post-September 11 world.

According to John Reeb, acting associate deputy director of revenue development and management at San Francisco International Airport (SFO), location is a primary concern when rolling restaurants pull up. After all, security is a paramount consideration and you can't have vehicles parked just anyplace. Reeb says SFO executives carefully selected a location on a roadway close to Terminal One that provided easy access to travelers and employees while also offering easily-managed oversight.

"We had to approach this very strategically because vehicles aren't typically allowed to park near terminals for long periods of time," says Reeb. "We were able to find a location that both offered convenience for diners and was secure."

"We were also fortunate to be able to work with Off The Grid, a well-known and successful vendor with a lot of experience managing gourmet food trucks," he continues. "The company is very well known throughout the Bay area, and is able to handle the administrative

issues, including making sure that each truck is well established and well known."

The San Francisco program is still in its infancy, having only been up and running for a few months. So far, the food trucks are only permitted to operate on Thursdays from 11 a.m. until 2 p.m. because that is one of the lightest periods for traffic around the terminal.

"The program has been a huge success," says Reeb. "Each week we have three trucks offering different types of food. Menus are posted online each week so people know what types of food will be available on Thursday."

Rick Decker, CAPP, assistant manager for parking operations for Minneapolis/St. Paul International Airport, agrees that location is one of the primary challenges presented by food trucks.

"We have been working on regulations for awhile," says Decker. "We are very concerned about creating traffic problems."

According to Decker, the airport's taxi holding lot and access ramp couldn't meet ordinance requirements, so the airport offered to set up space for food trucks in an adjacent parking garage. In return, the airport asked caterers to reimburse the airport for lost revenue from the parking spaces they were occupying. Airport managers also established some basic requirements, including strict hours of operations and for caterers to pick up all trash created by the trucks and their customers. So far, the catering companies that have expressed interest haven't been able to create business models they feel will work within the boundaries set by the airport. "For us, it's a case of wait and see," says Decker.

Another consideration expressed by both Reeb and Decker is concern among legacy food providers inside the airport that they may lose business to gourmet food trucks.

"We need to be aware of our tenants' concerns," says Reeb, "and we've asked them to keep us informed about how the food trucks are affecting them, if at all."

While food trucks are proving to be popular amenities, they do introduce several challenges that need to be addressed. Foremost among these challenges are safety and security. Airport administrators must carefully select locations that provide safe and convenient access without raising security concerns for adjacent terminals. Also, it's essential to balance the interests of existing food providers with those of the caterers managing the food trucks. Finally, airport administrators should select reputable operators who have a proven track record when it comes to handling the administrative, personnel, and culinary requirements of operating food trucks.

Take A Ride

Another trend that has taken hold in cities across the globe and is starting to be felt at many airports is ride sharing, which connects riders with drivers via the internet. Drivers serve as contractors for web-based services such as Uber, Lyft, and Sidecar.

Passengers connect with drivers through apps on their smartphones. They can request a certain type of vehicle or even a specific driver to pick them up. All of the cars are fitted with GPS transponders so customers can follow a car's progress as it moves toward their location. Passengers and drivers rate each other on the site, so passengers can make informed decisions about their drivers, and drivers can choose whether they want to pick up an individual customer. Rides are paid for either as fees or tips, depending on the company, and payment is shared between the driver and the company.

Cities across the U.S. have actively sought to restrict the operations of these services, citing safety and regulatory concerns (though providers contend that the cities are trying to protect their local taxi and limousine industries). In spite of local government opposition, the services are meeting increasing success. For instance Uber, which offers probably the best-known ride sharing

service, operates across the world, including in some of the largest cities in the U.S.

The success of the ride sharing model led the state of California to enact regulations that provide industry oversight. The California Public Utilities Commission recently issued a series of regulations mandating liability insurance for ride sharing providers, setting requirements for driver background checks, and dictating what types of vehicles can be used. These regulations provided validation for the industry and will likely foster its continued growth and expansion.

Ride sharing companies have already begun operating at airports across the U.S., and will likely become more prominent as airports move to regulate their activities. The key for airport administrators is to implement requirements that promote safety while providing a level playing field for ride sharing and traditional livery companies.

"These services are very popular," says Stephanie Box, a consultant with LeighFisher, which specializes in airport management consulting. "They are typically less expensive than cabs and limousines, they are very convenient, and the two-way rating service promotes high levels of customer service."

According to Box, in spite of the obvious advantages, ride sharing also creates challenges for airports.

"It's important for airports to maintain existing services and provide opportunities for everyone," says Box. "Plus, airport administrators need to ensure that the transportation they are providing is safe and reliable. Airports need to have regulations in place to assure that drivers are subjected to background checks and that vehicles are properly inspected.

"It's great that California has set an example," continues Box. "Now we'll see if other states follow suit."

SFO has first-hand experience with the challenges of establishing ride sharing services.

"Ride sharing companies came to the forefront earlier this year," says Doug Yakel, public information officer for the airport. "The airport took initial steps of sending cease-and-desist letters to several organizations in April 2013."

"Our concerns have been based around safety and fairness," continues Yakel. "While we have been open to providing the forms of transportation our customers want, we must also ensure that all such forms meet our standards of safety."

According to Yakel, the airport's first response to the appearance of ride sharing cars on its property was to enforce existing rules and regulations. The airport made contact with various companies to outline what would be required for them to operate legally at SFO. Ride sharing providers were required to define themselves under an existing regulated category—such as a taxi or limousine—to obtain a permit before undergoing the airport's own permit process. The airport also legally documented the notifications through cease-and-desist letters and followed up with citations when violations occurred.

"Since then, the California Public Utilities Commission has stepped forward to regulate this new form of ground transportation," says Yakel. "This addresses our safety and fairness concerns, and paves the way for companies to get permitted to operate legally at SFO."

Box notes that ride sharing is here to stay, and airports need to keep informed about what's going on with these services. She offers several recommendations for airports that are working with ride sharing companies or considering the possibilities. First, she says, airport administrators should stay proactive when it comes to regulating these companies. Airports should have plans in place to make these operations work, and have a strategy for establishing fees for those operations.

Next, airport management should make sure that their ride sharing programs are managed in a way that's consistent with how other transportation vendors are being treated. It is important not to undermine the operations of taxis and other delivery services. She also points out that it can be difficult to recognize drivers offering ride sharing because they are in private unmarked vehicles. Airports should have procedures in place to help with that identification.

Finally, there should be a strategic plan for where drivers are permitted to pick up and drop off riders. The plan should be designed to minimize congestion on airport roadways and avoid any potential security concerns.

The Benefits of Change

Entrepreneurial initiatives such as food trucks and on-demand ride services can provide important benefits to airports, most notably by promoting better customer service and generating revenue. However, they also bring with them a host of regulatory and administrative challenges. Airports that take a strategic approach and follow the leads of other airports that have already successfully integrated these services are much more likely to successfully navigate these challenges. ℗

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