

ROCHESTER BUSINESS JOURNAL

VOLUME 23, NUMBER 6

DAILY EDITION: <http://www.rbjdaily.com>

MAY 11, 2007

Passero group sees growth take off

By MARY STONE

Engineering firm Passero Associates P.C. has hired five aviation consultants to beef up its airport services group, where revenues are expected to double over the next two years as the division doubles its client base in Florida.

Passero Associates has 25 airport clients, up from 20 in 2005. The division represents roughly 25 percent of billings at the local firm, whose president said that percentage will increase with the new account wins.

By reinforcing its airport services group with new hires, the firm brings the number of full-time staffers in the division up to 14.

The company last pumped up its airport services two years ago when Wayne Wegman was appointed president and chief operating officer. Its founder, Gary Passero, continues as chairman and CEO.

"Back in 2005, I talked about our goal to expand the business. What we've done is hired, within the last three months, five new professionals to our airport group. We're also looking to hire two more," Wegman said.

The company's airport services group provides engineering, consulting and other services for airport improvement programs.

The new employees include two engineers, a grants administrator, an airport planner and two seasoned program managers, whom Wegman explained were key to winning the two accounts.

"One has over 30 years' experience, and the other has 20 years' experience," he said. "They're consultants from a competitor firm in Florida that have decided to join our firm. Strategically that was important for us to make sure we had program management-level people in first in order to consult with the airport clients and provide that value and then shore them up with the technical staff."

Passero Associates has a total of 75 employees, including approximately 15 engineers. The firm ranked eighth on the



Top five current airport projects

St. Augustine/St. Johns County Airport
Cost: \$9 million

Greater Rochester International Airport
Cost: \$3 million

Palatka Municipal Airport
Cost: \$3 million

Watertown International Airport
Cost: \$2.5 million

Buffalo Lancaster Airport
Cost: \$1.8 million

Photo courtesy of Passero Associates

Passero Associates launched its airport services group in the 1990s. The group provides engineering, consulting and other services for airport improvement programs.

Rochester Business Journal's most recent list of engineering firms, with the bulk of its work focused on government, municipal and commercial projects.

In 2006, billings totaled \$8.4 million, Marketing Manager Kim Perry said.

Gary Passero, chairman and CEO, said the entire firm has benefited from the airport services group by broadening its name



Gary Passero



Andrew Holesko



Wayne Wegman

recognition into markets Passero Associates might not otherwise have reached.

The division also builds billings across the firm.

"We all feed off work from the airport department, but that's no different from any of our other departments because we share clients. But with the airport group, because of the type of work, it requires our surveying department, so our survey capitalizes on it," Passero said. "It requires environmental, so our environmental department capitalizes on it. It requires architecture, so our architectural department capitalizes on it."

Since Passero Associates founded its airport division in the 1990s, most of the firm's clients have been in New York. Today, the division has two clients in Pennsylvania and five in northeastern Florida.

"(The company's) recent growth in Florida started in 1999, when Passero opened an office in Fernandina Beach, just north of Jacksonville," Vice President Andrew Holesko said. He launched operations there when he relocated to Florida to scout the market. At the time the office had two clients.

Passero Associates launched its airport services group in the 1990s after a job it won to design a network of airport access roads at Greater Rochester International Airport. Wegman worked to leverage that experience and market it to other, smaller airports by forming a consulting expertise to round out its engineering services.

Airport engineering focuses mainly on capacity and safety. The consulting services Wegman added to that offering are meant to help administrators at small airports accomplish other large-scale projects they cannot perform themselves.

Passero Associates helps with land acquisitions or tenant leases. It also aids in obtaining grants. Holesko said in some cases the division has worked with clients over the course of years to secure the funding needed to complete projects.

Annually, officials said, Passero Associates has helped each of its clients obtain an average of \$600,000 in local, state and federal funding. The funding has been used for projects such as runway and taxiway improvements or expansion, new equipment, buildings, aircraft storage hangars, safety fences, aircraft parking and lighting.

"The federal government supports, through grants, a regional system of airports that they consider important to maintain safe skies. And we realized that these airports are in need of consultants and not just engineering consultants, but what we call program managers that can come in

and assist the airport and its administration in more than just providing engineering services," Wegman said.

Watertown International Airport is an example. Passero Associates helped the airport attract a new air service provider, Big Sky Airlines, out of Montana.

"A new carrier has come in who has built and designed through our support to locate their maintenance facility in Watertown. That provides 25 highly paid professional jobs. They're air frame and power plant mechanics, along with their management staff," Wegman said. "It has a huge economic impact for that community."

"In terms of added value, that's what I'm talking about," he said.

In the 1990s, that kind of service was under early development.

"When we looked at that we saw it as a good opportunity, understanding that the most important thing is to provide value to these airports. Not just provide engineering documents," Wegman said.

That service model has distinguished the firm from its competitors, which in New York at least, remain relatively few.

Holesko estimates the company is the state's second largest aviation consulting firm.

"Aviation consulting is different from other forms of engineering and planning, mainly in terms of operations, project phasing and a general approach to a project," Holesko said. "We don't deal with

cars and trucks, we deal with aircraft, people and a heightened level of safety and security. Several of our staff members are pilots, and many of us have devoted our careers to the field of aviation."

And that is important, he said, because airport managers want to work with consultants that are extremely knowledgeable. It is why the two new program managers in Florida are especially important to growing revenues there.

"It's based on relationships that the program managers we've now hired have with existing airports, and the airports' desire to work with these program managers," Wegman explained. "Four of these airports have already gone out to re-select their current consultants. Six of them have committed to that. Four of them have put on the street to advertise and re-select consultants."

Wegman said he is spending more of his work week in Florida now to help the team develop its expanding operations as it services existing accounts.

As the company expands, so does its reputation.

"The bottom line to the growth is as we work for more airports, we develop a reputation, and quite frankly there are airports that have been contacting us due to our reputation and the referrals they receive from airports we represent," Wegman said. "That's happening more and more."

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