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WFU Baptist hospital looks to grow in Clemmons

By **MATT EVANS** THE BUSINESS JOURNAL

WINSTON-SALEM — Wake Forest University Baptist Medical Center is seeking permission from the state to add about \$14 million in new facilities and services in Clemmons, according to hospital officials.

Wake Forest Baptist has filed two Cer-

tificate of Need applications with state authorities. One application seeks permissions to relocate three operating rooms from Maplewood Avenue in Winston-Salem to a proposed outpatient surgery center on Bay Meadows Court in Clemmons.

Those operating rooms would be used for a variety of surgical procedures and

would cost about \$8.5 million to relocate. Wake Forest Baptist would like to have those open by 2014.

The hospital also submitted a separate application for a new imaging center at its Medical Plaza-Clemmons, where two buildings housing physician offices will be built. The imaging center would house

about \$5.5 million worth of equipment including a CT scanner, ultrasound machine and two X-Ray machines for use by the doctors in the complex.

Robin Meter, Wake Forest Baptist's vice president of regional business develop-

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Smith Reynolds plight easing with new airport deals

By **KATIE ARCIERI**

THE BUSINESS JOURNAL

WINSTON-SALEM — The financially troubled Smith Reynolds Airport has finally caught some luck, with new commercial jet service starting in November and a potential deal on the table to bring a major aviation tenant that could create as many as 300 jobs.

Earlier this week, Virginia-based Dynamic Aviation announced the launch of its new charter air service, Dynamic Airways, that will provide domestic and international flights with an initial staff of 40. Dynamic Airways will add an estimated 15 new employees each time it adds another plane to its charter fleet. It will have two planes at Smith Reynolds by year-end.

Meanwhile, the Airport Commission of Forsyth County is close to signing a deal with a large tenant that would lease the vacant

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AIRPORT: Charter service to start next month; prospective tenant could take Pace's space

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hangar previously occupied by Pace Airlines. The tenant would take some portion of the roughly 300,000-square-foot space.

Airport Director Mark Davidson declined to name the prospect because the deal is still under negotiation, but he said the unnamed company would need between 200 and 300 employees to begin operations next year.

Smith Reynolds isn't alone among Triad airports in seeking to attract tenants. Piedmont Triad International Airport, for example, is planning \$50 million worth of land acquisitions to accommodate large aviation companies capable of setting up operations nearby. Burlington-Alamance Regional Airport is in the midst of extending its runway to 6,400 feet to attract more economic activity.

But an economic boost is perhaps most sorely needed at Smith Reynolds. That's because the airport, located on the east side of Winston-Salem, is now spending

SMITH REYNOLDS AIRPORT

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more money than it is taking in, Davidson said. The airport's total budget for fiscal 2011 is \$1.56 million, but its approved expenses for the year exceed that by about \$320,000.

The airport is losing between \$30,000 and \$60,000 each month, he said.

Part of the economic loss stems from Pace Airlines, which previously leased hangar space for an estimated \$1.5 million annually. According to filings with the U.S. Bankruptcy Court for the Middle District of North Carolina, an involuntary Chapter 7 petition was filed against Pace Airlines by its creditors in December 2009. Davidson said that Pace still owes the commission more

than \$1 million.

Though securing a tenant for the main hangar is the airport's primary focus, Davidson said the commission is heavily marketing other available space at the airport with the help of Meridian Realty Group in Winston-Salem "to get the word out nationwide."

"What we're trying to do is not be so dependent upon that one facility for our revenues," he said.

Excluding the airport's buildings on ground leases, 49 percent of the facilities owned by the airport commission are leased. Companies have leased about 250,000 square feet out of roughly 510,000 square feet of total leasable space.

Some of that space includes a roughly 63,000-square-foot space previously occupied by a USAirways, which had a landing gear facility and operated limited commuter air service until 2000, Davidson said. That building does not have access to the airfield and is best suited for a light-industrial or warehous-

ing operation, he added.

Smith Reynolds also is looking into the possibility of adding an "aviation-themed restaurant" and leasing existing office space within the hangar that Pace Airlines once occupied, he said.

"We're so close to downtown and North Liberty (Street) that you would have that traffic for lunch coming here and watching aircraft take off," Davidson.

The strategy that Smith Reynolds is pursuing to generate revenue is wise, especially for airports that do not provide regular commercial flights, said John Kasarda, an aviation expert and director of the Kenan Institute of Private Enterprise at UNC Chapel Hill's Kenan-Flagler Business School.

"It needs to generate revenue to stay in the black, and commercial development is one key way in which airports of all types have boosted revenue," Kasarda said.

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