

A Look Back: Atlantic Coast Airlines' Move Toward Independence

Atlantic Coast Airlines' (ACA) upcoming reinvention as Independence Air is merely the latest challenge the Dulles-based company has faced.

Originally the "Atlantic Coast" division of WestAir Airlines, Atlantic Coast Airlines began as a last-minute replacement when United Airlines' East Coast partner, Presidential Airways, abruptly went out of business in 1989. When WestAir was tasked with creating a replacement at Dulles Airport in just 11 days, the company's Senior Vice President of Sales and Marketing, Kerry Skeen, was assigned the challenge, and Atlantic Coast Airlines was born.

Since that time, ACA has grown from a company with just six turboprop aircraft, six destinations, and 30 daily flights to one of the largest independently-owned regional jet operators in the world, including nearly 150 aircraft serving 84 airports with 840 daily departures from Dulles, Chicago, Cincinnati, and Boston hubs. Under Skeen's leadership, the company has emerged as one of the county's largest employers, and a visible presence in Loudoun's community, including Skeen's participation on boards dedicated to aviation safety, education, and business development.

Throughout its history, ACA has been recognized for its achievements. Most recently, Skeen was named as one of the "12 people to watch" in 2004 by the *Washington Business Journal*. In December 2003, ACA parent company ACA Holdings, Inc. was awarded the 7th highest Corporate Governance Quotient score of all S&P Small Cap 600 Index companies by Institutional Shareholder Services, one of the nation's leading providers of corporate governance data services. ACA's score, which is a measure of the quality of its corporate board and the impact its governance practices may have on company performance, is better than 99% of the companies in the Index.

In July 2003, Atlantic Coast Airlines Chairman and Chief Executive Officer Kerry Skeen said, "We are extremely excited about the challenges that lie ahead



Then WestAir's Senior Vice President of Sales and Marketing, Kerry Skeen first set up shop for Atlantic Coast Airlines at the Holiday Inn Dulles in 1989. He was named ACA President in 1992, CEO in 1995, and Chairman in 2000.

- Department's Prospect Activity—January:**
- Responded to 635 requests for general information
 - Received 4 leads
 - Conducted 12 business visits
 - Distributed 22 marketing packages
 - Assisted 23 new business start-ups
 - Worked with 7 new and 27 on-going prospects
 - Delivered 1 proposal, 2 presentations/tours, and 1 Open Door Certificate
 - Distributed 300 Wine Trail Brochures
 - Received 25,801 hits on our website, with 6,811 user sessions

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Photo by Larry Rosenstrauch



Enthusiasm was evident at the announcement of Independence Air unveiling.

and are actively moving forward with the launch of our new low-fare carrier. Our company will offer a product based on what today's consumers are demanding—low, simple fares, excellent service and convenient schedules featuring frequent departures and flexible tick-

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Announcements and Expansions

New & Existing Business



United improvements at Dulles are being designed to give passengers easier access to connecting flights, to customer service and check-in kiosks, and to the three United Red Carpet Clubs.



The new 185,000 square foot Dulles Town Center Building One at 21000 Atlantic Boulevard is the largest available block of Class A office space in Loudoun.

- ◆ Skybitz (www.skybitz.com), the Dulles-based company that patented the Global Locating System (GLS) platform to monitor company supply chains worldwide, has signed new contracts with five trucking companies for its satellite-based trailer tracking and information management service.

“Problems with loss and theft, inefficient fleet management and misdirected dispatch have plagued trucking companies for decades,” said Skybitz CEO Andy Wood. “While the trucking industry has adopted various technology-based solutions over the years, our Global Locating System technology is the solution more and more companies are turning to for complete supply chain visibility and accurate, low cost trailer tracking.”

As announced earlier this month, the company also closed \$16 million in a Series C funding round and entered into an agreement with Motorola to develop new products that use the company's patented GLS Platform.

- ◆ United Airlines (www.ual.com) and Metropolitan Washington Airports Authority announced January 22 that they have signed a permit to allow United to begin construction of a \$22 million facil-

ity improvement at Dulles Airport that is expected to provide all United and United Express customers with better access, more convenient connections and an improved travel experience overall. Construction is expected to begin by the end of the month.

United will construct a customer waiting area on the C30 ramp area and a larger United Express passenger terminal and gate in an area designated on the F apron. Approximately half of all United Express flights will continue to leave from the C and D concourses and, with the addition of a new United Express terminal and gates, United and United Express passengers will no longer need to transfer to another Dulles concourse.

- ◆ Booz Allen Hamilton (www.bah.com), is currently considering Loudoun, along with other Fairfax County locations, for a future expansion. Several sources, including the *Washington Business Journal*, reported in late January that the McLean-based consulting giant is considering leasing Dulles Town Center Building One. The 185,000 square foot, 7-story structure is owned by the Lerner Corporation, sits adjacent to Dulles Town Center Mall, and can be recognized at night by its intersecting blue and yellow



Wegmans Newest Store Opens February 29

- ◆ Wegmans' (www.wegmans.com) Dulles location is scheduled to open February 29 at 7am. The

store is holding a prize drawing for \$5,000 worth of groceries, which will be given to five customers who apply for their Wegmans Shoppers Club card online by February 21. Entrants will also receive a free copy of *Wegmans Menu* magazine and a free Wegmans brand product and recipe.

Noteworthy

- ◆ The Loudoun County Board of Supervisors and the Loudoun County Economic Development Commission (EDC) are teaming up to host a **business leader forum** to improve the county's business strategy.

The forum will be held Tuesday, February 3, 2004, from 8:00 a.m. to 11:30 a.m. at the Loudoun County Government Center. About two dozen key community business and development leaders have been invited to contribute their ideas in a roundtable discussion moderated by EDC Vice Chairman Joe Paciulli. Topics to be covered are:

- Top reasons for locating a business in Loudoun County.
- Priority transportation improvements needed.
- Major stumbling blocks seen with development in Loudoun.
- Ideas to accelerate economic development in the Route 28, Route 50, Route 606 and Dulles Greenway corridors, along Route 7, and in our towns.
- The future economic development direction for Loudoun County.

The agenda for the roundtable discussion also includes an update on efforts underway to improve economic development and land practices.

- ◆ In the latest quarterly report from Moody's Investors Services, the Washington D.C. area is projected to have the 8th best overall commercial property market in the country in the coming year, based on 3rd quarter 2003 performance scores for the multifamily building, shopping center, hotel, and office and industrial property markets.

Meanwhile, real estate services company **Grubb and Ellis** released its 2004 national real estate forecast on January 14. The report shows that "virtually all economic indicators point to improving conditions," said Robert Bach, National Director, Market Analysis for Grubb & Ellis. "Real estate is on the upswing, although it will take some time to fully reverse the effects of the 2001 recession," he stated. Office leasing activity is expected to increase, despite a continuing supply of sublease and "phantom" space. Rising factory orders, low inventories and a weakening dollar are expected to encourage demand for both industrial space leasing and investment in 2004, although flex space lease rates could further decrease by the end of the year. Strong consumer spending and low housing interest rates are expected to contribute towards continued "exceptional" performance in the retail market.

The Washington D.C. metro area is projected to be among the strongest national markets in all areas measured, ranking 4th in the overall office market; 3rd in the industrial market; and 5th in the retail and multi-housing markets.

- ◆ The Greater Washington Initiative (GWI) economic development alliance recently reported that, "in a significant sign of economic recovery," its staff is busy serving 30% more prospects - firms considering an expansion into the Greater Washington market - than just one year ago. GWI staff provides firms with customized research, and facilitates tours & meetings with partner economic development offices and area business executives.



The EDC's Joe Paciulli will moderate the February 3 forum. Businesses not actively participating in the event are welcome to observe the proceedings in the county government boardroom.



GWI's report is available online at <http://www.greaterwashington.org/>

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The Washington Business Journal says Skeen "runs a lean, but not mean operation."

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Department News

- ◆ Robyn Bailey attended the January Route 606 Coalition meeting, where members discussed the Route 606 resolution passed by the Board of Supervisors and prepared for their presentation at the February Economic Development Committee meeting.
- ◆ Warren Howell attended the Virginia Grown Conference and Trade Show in Richmond January 22. The event, sponsored in part by the Virginia State Horticulture Society, the Virginia Department of Agriculture and Consumer Services, and the Virginia Tech Cooperative Extension, included workshops on trends in direct marketing, techniques for developing niche markets, and partnering with local communities to develop agritourism and agritainment opportunities.

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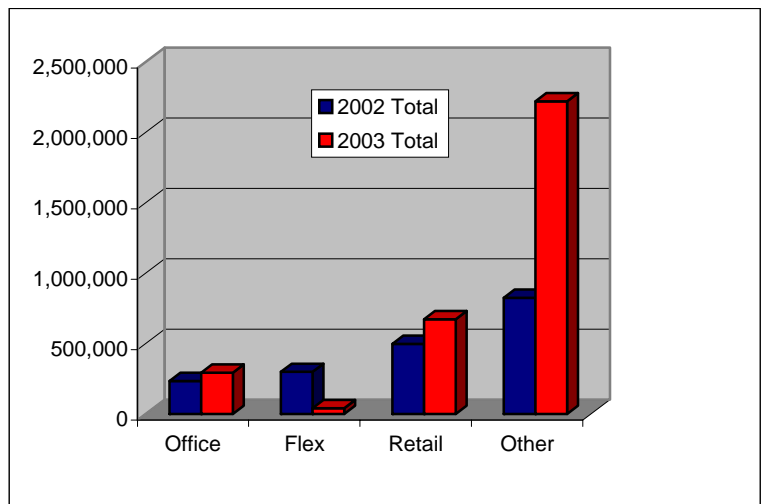
eting rules. We are confident that as an independent carrier we will be able to offer better overall value and service for consumers..." He added, "We strongly believe today's announcement is the beginning of a bright, new long-term future for our company."

On November 19, 2003 Atlantic Coast Airlines announced its new identity: Independence Air. The Independence Air hub at Washington Dulles will be the largest low-fare hub in America, with over 325 daily departures. On February 6th, Skeen will be presenting updated Independence Air information at the regular meeting of the Loudoun County Economic Development Commission.

Construction Activity

In December 2003, Loudoun County permitted 583,660 square feet (SF) of nonresidential construction. The combined value of new buildings (\$39,090,001) and alterations (\$3,818,398) is over \$42 million.

- ◆ Office — 176,070 SF in December and 78,250 SF in November
- ◆ Flex/Industrial — 28,440 SF in December and 0 SF in November
- ◆ Retail — 0 SF in December and 0 SF in November
- ◆ Other — 379,150 SF in December and 191,600 SF in November
- ◆ Taxable — 70,093 SF in December and 269,850 SF in November
- ◆ Route 28 — 0 SF in December and 29,400 SF in November



**Nonresidential Construction – Square Feet Permitted
2002 Total and 2003 Total**