

# MANAGEMENT OF IMMOVABLE ASSETS OF THE AIRPORT

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The article describes immovable assets owned by the airport operator. It provides a general overview of the processes taking place during the establishment of property, conditions arising from the laws on the management of such property. It defines the basic activities carried out by department of investments. It is a comprehensive set of information about civil aviation, especially information related to the construction in territorial jurisdiction of the airport and airport protection zones.

**Keywords:** property management, airport operator, airport construction, a protection zone.

## 1 INTRODUCTION

Immovable property is an object that can't be moved, replaced, without destroying it. It includes property consisting of land and the buildings fixed to the Earth. It is also known as Fixed Assets or Real Estate. The main types of real estate are land and buildings.

Real Estate of an airport has great monetary value and therefore it is in the airports interest to keep its full functionality for as long as possible. There are many factors that will affect the life of the assets, and airports will look to extend the life of the assets through regular repairs, upgrades and maintenance.

All aspects of airport property should be carefully recorded and any changes made in respect of those assets should be monitored. Personnel responsible for the record keeping must be properly trained and qualified especially in budgeting, accounting records and also understand the local laws to meet all legal measures to handle the assets.

Personnel responsible for the record keeping must be properly trained and qualified in accountancy and budgeting, auditing, and the understanding of appropriate laws to handle the assets correctly.

The Main objective of this paper is to describe the fixed assets of the airport operator, its management and analysis of the legislation of property management - buildings and airfields.

## 2 ADMINISTRATION OF PROPERTY

The trustee is entitled and obliged to use the given property to accomplish the main purpose of its existence, in accordance with the set rules, keep it in good condition, use all legal means to protect and take care to avoid damage, loss, misuse or decrease.

A trustee is assigned to administrate the property on behalf of the owner to ensure the quality of Property Management isn't neglected. An administration delegation can be done by signing an asset management contract. The contract describes the duties of the administrator, owners responsibilities, scope, responsibilities, remuneration and the expected management competence.

To decide whether to delegate the management activities to a trustee or to sell the property outright, the owner needs to consider whether the economic benefit of selling the property outweighs the cost of paying a trustee to continue the management.

Property management can be divided into several areas that can be performed in total or individually:

- financial reporting - provides economic calculations, sets the prices for rent, provides accounting, tax and implementation of economic plans,
- technical report - provides maintenance, repairs and reconstruction, purchase and delivery of materials, media, updates of technical documentation and also includes projects and engineering activities,
- management of investment activities - provides planning and future evaluation of

the property, obtained the necessary investment and ancillary services,

- administrative and legal administration - dealing with the paperwork, contracts, resolves disputes and complaints, representing the owner in legal proceedings etc.

A trustee who has been delegated to property management is required to:

- ensure good technical condition of the property,
- ensure functionality of all the necessary media used for the connection of the property,
- use entrusted property to meet tasks within the scope of business,
- protect against damage, destruction, loss or misuse,
- use all legal means to protect property,
- ensure the registration of property in the land register,,
- lead and administer the claims against the assets and property which had been entrusted to the management,
- care to ensure that all the debtor's obligations have been fulfilled on time and properly, that the claim was timely reported to the competent authorities and the decisions of these bodies were timely and properly executed
- perform routine maintenance and repairs to agreed time schedules,
- keep records of entrusted property in Accounting according to special regulations related to contracts, litigation, income and expenditure of endowment assets,
- ensure archival of documents, carry out an inventory of assets under special regulations.

To accept the delegation of property management the asset should first be investigated and all documents related to the ownership provided. In addition to these, to avoid confusion and disputes about ownership of the property in the future, also documentation to proof the purchase and ownership should be provided. It is necessary to determine whether the property is insured and if so, to review whether it is necessary

to provide additional insurance. Finally, it is necessary to determine all the rights and duties of the trustee in the asset management contract.

Basic documents:

- Property List - document proving the ownership of the property. Exposure and record keeping is provided by the land register.
- Geometric plan - is the technical basis for legal actions, if the prior data are consistent with data extracts from existing land register.#

Additional documents are the floor plans and other construction drawings that capture the building layout and design of the building with basic data for commercial areas. A construction plan features a situational positioning of the building and the basic infrastructure. Important additional documents are also contracts with energy suppliers and insurance contracts. The main agencies involved in providing documents for registration of real estate include the Geodesy, Cartography and Land Register, Land Office and the Land Fund of the SR.

Property that does not serve temporarily, will not serve or can not serve the trustee for the tasks within the scope of its activities or in connection with the trustee shall be divided into:

- temporarily surplus property,
- surplus property,
- useless property .

Temporary surplus property is property that temporarily does not serve the trustee to perform the tasks within the scope of its activities or in connection with, but will in the future. It is a functional property such as operational. seasonal utilized property, assets during the transformation, reconstruction etc.

Temporarily surplus property may be during the quiet period rented out or lent to another manager respectively, in compliance with generally binding legal regulations.

Surplus property is property that does not serve nor will serve the trustee to perform the tasks within the scope of its activities or in connection with it. It is fully functional, but the type or amount exceeds the amount needed. The trustee of

such property is entitled to delegate management of such a property or transfer ownership.

Useless property can be movable assets or buildings that can no longer serve its purpose due to serious damage, general wear due to the life of the asset or when an asset no longer is economically viable to support. Useless property can also be assets that did not receive any successful bids to manage on behalf of the airport.

### 3 BUILDING ON AIRPORT

The airport is a place where users of the air transport services meet the individual entities involved in this process. At the airport coordination takes place between the main providers of air transport services.

Airport can also be defined as a set of operational buildings and areas which cover the operation, and clean set of buildings and spaces, which are designed for the commercial interests of the airport. This distribution shows that the airport itself is split into two parts.

Part of the airport, which is in terms of placement closer to the aircraft, also known as the airside, with a predominance of buildings and areas directly linked to the basic function of the airport. This section is, non-public "or airside.

This section includes for example:

- runways,
- taxiway,
- stop shops and parking areas,
- building-stop,
- various stores,
- fire stations,,
- buildings ensuring the protection of airport construction - fencing,
- buildings and equipment for energy distribution,
- other buildings ensuring the operation of other buildings.

Buildings and areas with commercial character in responsibility of a trustee as well as other commercial entities are part of the airport

called the landside, ie., the city side "or a public part of the airport.

This commercial zones may include:

- business and catering service inside the terminal
- buildings and equipment belonging to the operators in the transport process - carriers
- buildings for government authorities in the area of air transport - eg. customs service,
- parking areas,
- buildings for the production of aircraft refreshments,
- hotels etc.

A part of the Civil Aviation Authority of SR is also Department of protection zones of airports. The business activity of this department is the promulgation of the protection zones of airports and aircraft ground equipment. According to Law no. 143/1998 of Civil Aviation it is responsible for:

- assessing land-use plans and review their changes
- amendments of project documentation and determination of the conditions for realization of buildings and non-structural equipment and their operation in the protection zones of airports and aircraft ground equipment and beyond
- allow exceptions from the protection zones of airports and aviation ground facilities.

It performs the control function, orders the removal of obstacle marking, issues binding statements on the treatment or disposal of hazardous and deceptive lights, natural or artificial obstacles in the vicinity of civil airports and aircraft ground equipment in Slovakia. It has the right to fine companies and individuals doing business in the field of civil aviation. For the sake of aviation safety, it provides preliminary information on construction projects. The department of the protection zones of airports also provides information about the implementation of renewal of aviation obstacle markings on existing barriers, or the premises where the aviation obstacle markings have been overwritten by the Ministry of Defence of the Slovak Republic. Provides data for publishing of air barriers for Aeronautical Information Services of the SR.

Height limitation of buildings, equipment, construction equipment and vegetation is determined by:

- protective zone of approach and takeoff area of an airport
- protection zone of transition areas of the airport
- protection zone of a horizontal airport obstacle limitation
- protection zone of a conical plane of the airport
- protection zone of single sectors across aircraft ground equipment

Other restrictions are set by protection zone of the airport. This means that all projected buildings must be discussed with the Civil Aviation Authority of the SR, due to the need to assess the impact on airport development.

Protection zone of operational areas is a zone with no permission for construction, improvement or reduction of the ground, planting trees and other tall vegetation, no permanent or temporarily placed vehicles, machinery nor other equipment. This area can also be called the free zone of buildings

Another of the protective zones is a zone protecting from dangerous and misleading lights. In this zone it is required to finish buildings and facilities with non-reflecting materials, external lighting of buildings, paved areas and communications, advertising and similar devices must be facilitated with lighting, where the beam is pointed directly at the illuminated surface and can not cause blindness of the aircraft crew. At the same time, the positioning of the lighting may not mislead the pilots. It is forbidden to:

- use the equipment to generate or amplify electromagnetic radiation,
- use a strong light source - conditions are determined by the type of operation at the airport the day / night.

Protection zone with limited construction of airborne transmission line (electric power lines and high voltage must be dealt with underground cables).

Implementation activities and furnishing buildings and facilities, which could increase the population of birds in the vicinity of an airport, for

example, landfills, piles, silage etc., in an inner protection zone are prohibited. It is essential that owners of the surrounding land agree with the airport operator the level and schedule of tillage.

In the outer ornithological protection zone, activities or creation of buildings that could increase the population of birds near the airport is prohibited. This zone also limits the number of operational structures that contain farm animals. Recycling centres, any processing of waste material or structures that would encourage standing water are forbidden.

Protection zone against laser radiation is an area where any establishment, operation and use of laser equipment which the radiation level exceeds 50InW/cm is prohibited. Radiation may cause visual disturbances of the flight crew.

Exact parameters of protection zones and the resulting restrictions are described in the the declaration of protection zones of airports, which is available at the Department of protection zones of airports and aviation ground equipment.

## 5 CONCLUSION

In this article we focused our attention mainly on definition of conditions and procedures for property management of the airport operator,. We also specified the issue of depreciation of buildings owned by the airport operator.

This article tries to provide the reader with advices and recommendations in the process of airline property management, may also serve as a guide for effective and efficient management of the entire airport.

Whilst processing this article we came across several problems associated with the property management process. One of them is the discrepancy between accounting practices and the Law no. 162/1995 Z. of Land register. This discrepancy concerns the acquisition of ownership of a property. The law defines the acquisition of ownership by record permission in the Land register. However, in accounting procedures it is provided that if the acquired property is taken over following protocol, the property is considered as a transaction. This means that on that date, the seller

is obliged to exclude this property from his record and of Land registration and buyer is obliged to include this property in his records. Except that the ownership is fixed in the Land register until taking over the property by protocol. For the specification we include the following example. The building was handed over on 10th January 2012, but record in the Land register about the transfer of ownership was allowed only on 25th February 2012.

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Another equally significant issue is the period of depreciation of buildings and structures at the airport. In some cases, the depreciation period is too long and unrealistic. This causes an enormously high cost of repairs and maintenance.

As well as buildings left unused after being used by the army. Because of its high wear and tear is not possible to sell and they represent additional costs for the airport.

We propose to remove the discrepancy between the accounting procedures and Law No. . 162/1995 Z. of Land register, resulting from the acquisition of ownership of property and shortening the life cycle of some buildings and facilities at the airport.

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