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Centennial Airport company pampers jet owners XJet sells fuel at cost, profits from concierge services

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Stuart Kupfer took a few steps from the podium and strutted down an imaginary corridor in a performance just shy of Monty Python's funny walks. Some might say he had a spring in his step. He called it "a kick in the walk."

The director of hospitality and services for XJet, a new private jet club at Centennial Airport, was trying to emphasize to a group of media reps the feeling the new company's clients will experience when they enjoy the brand of world-class treatment the private aviation company aims to provide.

And the 40-employee XJet team knows they better deliver on the promise: "From the member's perspective, the expectations are enormous," said Kupfer, who previously operated the concierge desk at the Broadmoor hotel in Colorado Springs.

XJet touts itself as "the world's first full-service, elite privation aviation program." The concept is simple: Use the power of volume to provide jet owners fuel at cost and make money by selling them such services as flight planning and aircraft provisioning, gourmet in-flight catering, hotel and limousine reservations, and yacht chartering.

Last week, the company celebrated the launch of the first phase of its \$25-million 100,000-square-foot jet center, where it already has sold out its initial 12 memberships.

The 18-acre project, expected to be completed by the end of 2008, will ultimately include space for about 25 planes, a lounge, library, fine art gallery, conference facilities and a five-star restaurant. Plans also are underway for expansion, first to Grand Rapids, Mich.

Members pay a \$50,000 to \$90,000 annual fee plus \$80,000 to \$150,000 a year for hangar space, based on the size of their jets. Founder and CEO Josh Stewart, a former Royal Air Force pilot from Ireland, said the company is modeling itself on the "Four Seasons and Ritz-Carltons of the world."

"We provide what a Fortune 10 company gets," Stewart said.

Most fixed-based operators at airports earn 80 percent to 90 percent of their revenues from fuel sales. XJet will make no money on fuel sales, relying solely on member fees for its profits,



Stewart said. He noted that XJet's current fuel price, about \$3, is \$2 cheaper than its competitors.

XJet is backed by someone who ought to know a thing or two about enjoying first-class service: Denver oil and gas tycoon Alex Cranberg is a principal in the company.

Cranberg said the FBO model has created a monopoly "for a small group of entrenched players" that has kept fuel prices high and led to an underinvestment in service and facilities.

Robert Olislagers, executive director of the Arapahoe County Public Airport Authority, praised the XJet model and said it would enhance the airport's already strong reputation for having stellar fixed-based operators.

"What XJet is going to do is raise the bar beyond where we have been," he said.

And special orders? Why, of course. This is a club with a "never say no" philosophy.

"Excellence in service is no longer the norm, but a true delicacy when it's encountered," Kupfer said.

Especially when you're enjoying it up above the clouds in your private jet.

Not that I would know. But I bet it would put a kick in my walk.