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# ORIGINAL

## BEFORE THE OFFICE OF THE SECRETARY DEPARTMENT OF TRANSPORTATION

DEPT. OF TRANSPORTATION  
DOCKETS

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Community Proposal  
Central Illinois Regional Airport  
Bloomington, Illinois

### SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM

DOCKET OST-2002-11590-10

Under 49 U.S.C. 41743 *et seq*

### SUMMARY

Central Illinois Regional Airport (CIRA) hereby submits its proposal to participate in this pilot program. The airport believes it and its proposal meets the criteria as set forth in the Docket.

- CIRA has emerged as the second busiest airport in Illinois outside of Chicago. Because of economic and demographic shifts, CIRA is now depended upon by over 1 million people for air service access.
- CIRA is the gateway for a range of global industries located in Central Illinois. However, access to and from large portions of the Western United States, Mexico, Central and South America remains limited.
- CIRA's analyses have indicated that the addition of access to a true westbound gateway hub will allow the airport to fill the needs of industries and employers seeking to expand and create more jobs in Central Illinois.
- The proposal meets the spirit and the letter of the intentions of Congress by stimulating traffic at a centrally located regional airport facility while generating incremental traffic through a major hub airport.

Central Illinois Regional Airport respectfully requests the Secretary's favorable approval to this proposal.

All correspondence regarding this document should be directed to:

Mr. Michael LaPier, Executive Director  
Central Illinois Regional Airport  
3201 CIRA Dr., Suite 200  
Bloomington, IL 61704  
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## I. Technical Description

### a). Airport and Community Name:

Central Illinois Regional Airport (BMI)  
3201 CIRA Dr., Suite 200  
Bloomington, IL 61704  
Contact: Mr. Michael LaPier  
Executive Director

Community and Region Served: Bloomington/Normal, IL and Central Illinois represented by the Bloomington-Normal Airport Authority (BNAA).

### b). Additional Community Members

This proposal is supported by the Bloomington-Normal area Air **Service Development Partnership** – a consortium of businesses and civic groups in the region - will represent the Community participation in this application.

### c). Project Sponsor

The Bloomington-Normal Airport Authority (BNAA) is the official sponsor in submitting this application.

### d). Project Description:

Central Illinois Regional Airport herein requests a grant under the terms of The Small Community Air Service Development Pilot Program to recruit and incubate specific additional air service that will help resolve the region's problem of insufficient air service to the West. Specifically, this proposal entails a risk-abatement program for the recruitment of Continental/Continental Express jet service to Houston Intercontinental or Frontier JetExpress/Mesa service to Denver International. Central Illinois is currently an entire region of the country with inadequate air service access to communities in the Western United States, as well as Latin America.

*Analyses accomplished by the airport clearly show that the market can profitably support additional air service in this market. Furthermore, with the financial support provided by the Pilot Program, it is believed that such service can be successfully attracted.* CIRA believes that this service can be successful and that there is reasonable potential for the grant funds in this proposal, which are intended as a risk-abatement tool, may not be fully

utilized, and can therefore be returned to the **DOT** at the end of the project period.

Economic and strategic shifts in the airline industry make it difficult for the community by itself to recruit and establish the additional service the market can support.

In this proposal, the airport requests a grant to support a carefully-designed and implemented program to successfully recruit Continental Express to provide two daily small jet flights between Central Illinois Regional Airport and Houston George Bush Intercontinental Airport. In the event that Continental Express should not choose to provide service, the airport would like to use the funds to attract Frontier JetExpress/Mesa to fly between Central Illinois Regional Airport and Denver International Airport.

## 11. Project Objectives & Results

The clear objectives of the community and of the airport are as follows:

1. Address service deficiencies by incubating and firmly establishing service to and from a hubsite that serves the Southwestern United States as well as Latin America. Within this, the growth of communities of interest between CIRA-area industries on one hand, and industrial plants in Northern Mexico on the other hand, represent potential for creation of additional jobs in Central Illinois. Companies such as Eureka, Caterpillar and Mitsubishi are typical of the global industries who will benefit and create additional jobs as a result of this new and needed air link.
2. The net addition of this service – the increase in one carrier system and access to another connecting hub – will result in stimulation of traffic at all carriers due to the additional frequencies and consumer options it represents,
3. Expand the economic base of the region with the implementation of additional air service connectivity to the nation and the globe.

### **CIRA Has Clearly Defined Air Service Development Goals**

Since the mid-1990s, CIRA has seen its role shift from one of the smallest rural airports in Illinois to the second passenger airport in the State outside of Chicago. The reason is due to economic and demographic in-migration to the region.

The airport has already completed extensive air service analyses, and no part of this grant is intended to be used to create more "studies." The entire grant and the local matching funds are intended to be used to successfully establish permanent new air service that meets the needs of the economy of the region.

### **Project Results**

Central Illinois Regional Airport and the Bloomington-Normal Air Service Development Partnership would respectfully submit that this application successfully fulfills the intent of the Department and of Congress:

1. The community and the region served by CIRA currently has limited access to and from the growing Western United States, as well as Mexico, Central and South America. This grant will rectify that challenge. We

believe that the program as outlined herein, will not only recapture much of the traffic now generated in the region, but will also stimulate additional travel.

2. Fares now charged at Bloomington-Normal are higher than at other similar size airports. The recruitment of additional service will tend to address this issue. However, the airport fully understands the economics of both rural air service and of airline operations. It has no illusions that the addition of service will **significantly** reduce fare levels. It will, however, increase market pricing discipline.
3. The objectives outlined in this document are, as required by the Docket, attainable and fulfill the intent of the funding provided by the Pilot Program.
4. The results of the program will result in materially improved air service access to and from the entire Central Illinois region.
5. The results of the program outlined herein will improve the national air transportation system. By offering convenient access between Central Illinois and an additional hubsite, incremental traffic will be generated on existing routes to and from the hub.

### III. Description of Bloomington-Normal Air Service

#### Current Air Service

There are currently four airlines serving the Bloomington-Normal market. These carriers are AirTran, American, Northwest and United. Combined, these carriers serve a total of five destinations.

<i>Destination</i>	<i>Airline</i>	<i>Equipment</i>	<i>Weekly Frequency</i>	<i>Weekly Departing Seats</i>
Atlanta	AirTran	DC9-30	21	2226
		<b>ATL Total</b>	<b>21</b>	<b>2226</b>
Chicago	American Eagle	Embraer 145 RJ	28	1400
	United/Air Wisconsin	Domier 328	21	672
	<b>ORD Total</b>		<b>49</b>	<b>2072</b>
Detroit	Northwest/Mesaba	Saab 340	8	256
	Northwest/Pinnacle	Canadair RJ	12	600
	<b>DTW Total</b>		<b>20</b>	<b>856</b>
Minneapolis	Northwest/Mesaba	Saab 340	20	640
		<b>MSP Total</b>	<b>20</b>	<b>640</b>
St. Louis	American Connection	Jetstream 41	32	960
		ATR 42	12	576
		<b>STL Total</b>	<b>44</b>	<b>1536</b>

With the exception of AirTran DC-9 service to Atlanta, all flights to and from the airport are flown with either turboprop or small jet aircraft.

While air service to and from the airport to most Midwestern hubs can be considered adequate, a major deficiency exists with adequate westbound access - specifically to a hub that provides connectivity to important business centers in Texas, California and industrial Northern Mexico. This deficiency threatens increased investment in the entire region by various industries, particularly those related to the automotive industry, which have communities of interest with related plants in Texas, Louisiana, and Northern Mexico.

## CIRA Can Support Additional Air Service

Despite the in-migration of industry, CIRA is an underserved market when compared to other communities of its size. This threatens the continued growth of the entire region.

While every community is different, the comparisons below are pertinent. An evaluation of the current air service levels at BMI were compared with levels at communities throughout the country that are of similar size. The following chart is a summary of the results.

Market	Bloomington, IL	Billings, MT	Charlottesville, VA	Burlington, VT
2000 MSA Population	150,433	129,352	159,576	169,391
Weekly Departing Seats	7,330	10,733	7,368	17,226
Weekly Frequencies	154	211	193	299
Number Of Carriers	Four	Six	Three	Six
Number Of Nonstop Destinations	Five	Nine	Seven	Ten

It is clear that compared to other communities of similar size, CIRA is an underserved market.

The communities above all have similar population bases. Bloomington-Normal has the least number of weekly departing seats, frequencies, number of carriers and number of nonstop destinations served. Billings, Montana a community with a smaller population base, has 46.4% more weekly departing seats, 37% more weekly frequencies, two additional carriers and nonstop service in four additional markets.

Burlington, Vermont, a somewhat larger community than Bloomington-Normal in population size, has 133.7% more weekly departing seats, twice as many weekly departing frequencies, service from six carriers instead of four and ten nonstop destinations served instead of five.

Billings, Montana, a community that is currently 14 percent smaller in population size, has 46.2% more weekly departing seats, 37 percent more departing frequencies, service from six carriers instead of four and four additional nonstop destinations.

Most important for the DOT to consider, however, that none of the compared communities above have anywhere near the installed industrial, manufacturing, and service employment base of the CIRA region. None, for example have an automobile factory or a major service industry headquarters, yet all have superior air service.<sup>1</sup> If the region is to retain this economic growth, it must recruit additional air service. This Pilot Program

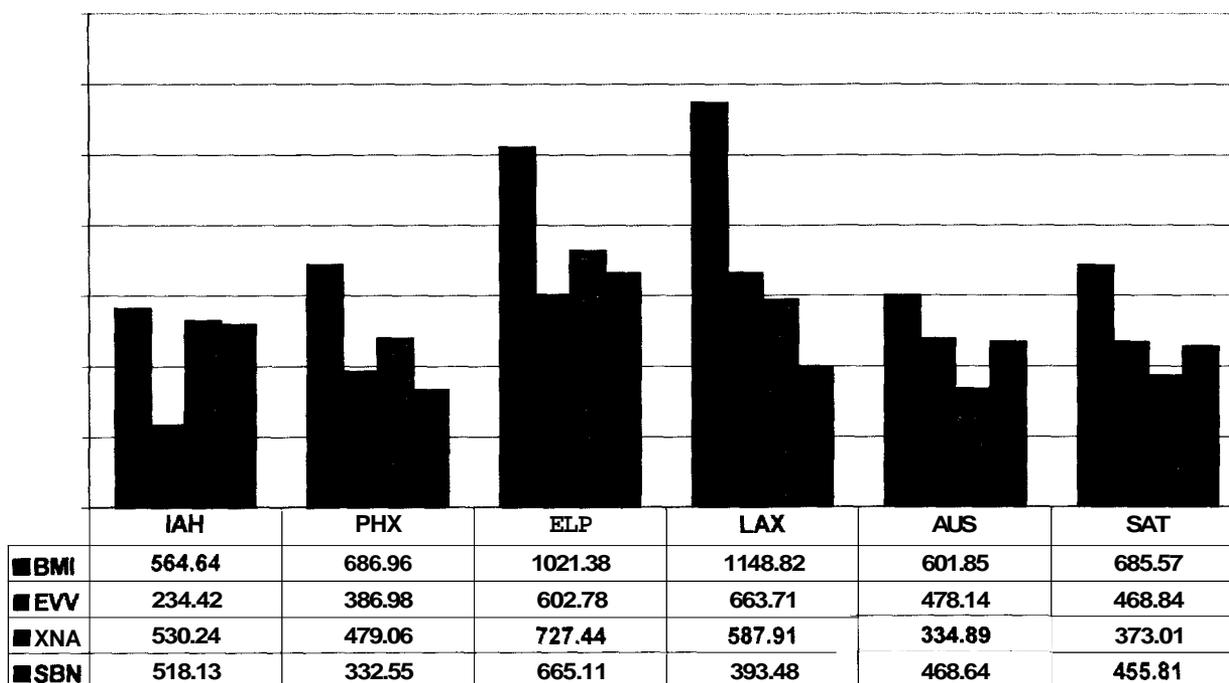
<sup>1</sup> Mitsubishi and State Farm Insurance, respectively, as just two examples.

will accomplish this objective with minimal risk to the taxpayer, and make optimal use of the scarce funds allocated by Congress to the Program.

### Fare Levels

With limited access to and from the Southwestern United States, fares from BMI in key markets are higher than from other Midwestern communities under most circumstances.

#### Bloomington Fares Exceed Those Found In Similarly Sized Communities

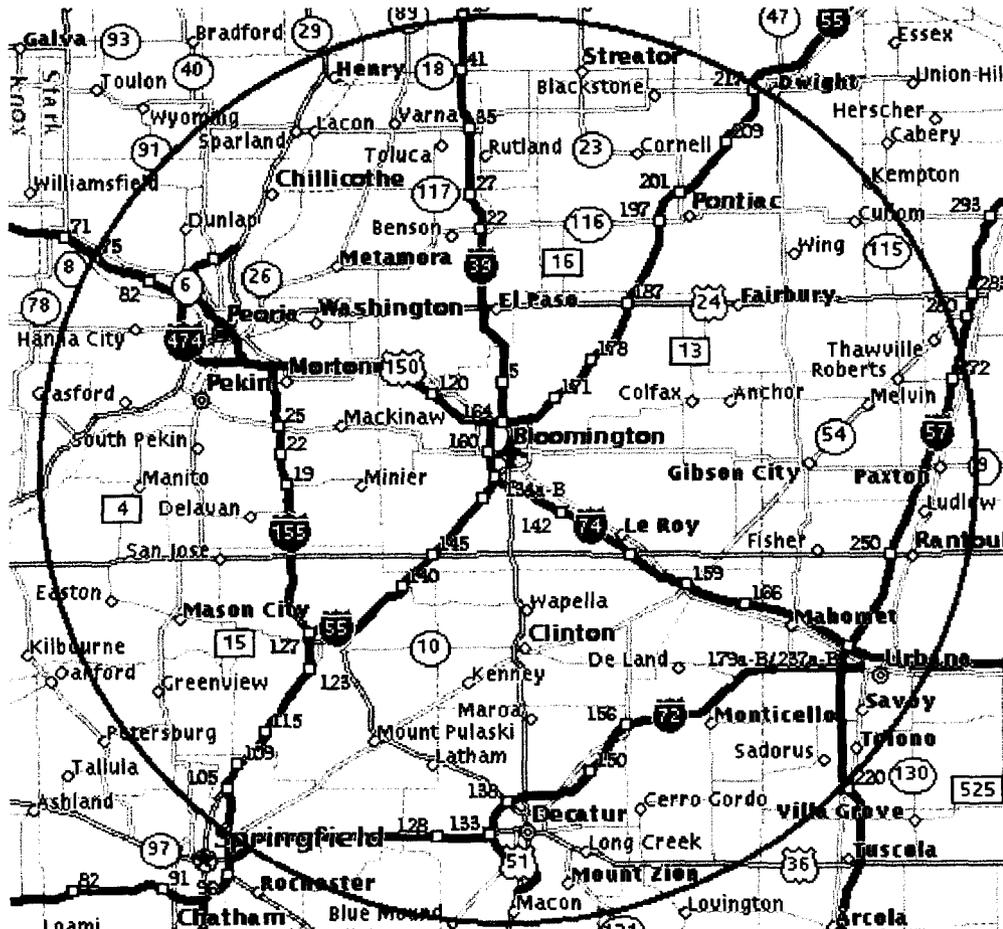


As an example, fares between BMI and Phoenix are 77.5 percent greater than from Evansville, 43.3 percent greater than from Northern Arkansas, and 106.5 percent greater than from South Bend. In the markets evaluated, CIRA fares are always the higher than those found in the comparison communities. The fares evaluated can be categorized as "business fares," since they are based on a three day advance purchase with a single night stay.

The addition of the service facilitated by the Pilot Program will address many of these challenges.

## CIRA's Service Area

Based on a recent air service study, approximately 1 million residents live within a one hour drive of CIRA. This region encompasses most of Central Illinois.



While the communities of Peoria, Champaign and Springfield all have strong and well-served airports, CIRA has emerged as a dominant access point to the entire Central Illinois region.

As a compatible - *not competitive* - part of the region's airport infrastructure, CIRA's growth has helped focus additional service and consumer options at other airports in the region.<sup>2</sup> The growth of CIRA in the past five years has facilitated growth at other airports in the area. This access to Houston will further this dynamic.

In addition, all of these nearby airports are faced with the issue of not having adequate air service to the Western United States and Latin America.

<sup>2</sup> Peoria has seen increases in service to Atlanta, and Springfield has gained additional service to Chicago and new service to Memphis.

However, amongst these airports, CIRA has the highest population base within an hour's drive and is located at the convergence point of several major highway systems. It for this reason, that CIRA continues to remain the strongest candidate for additional air service to and from the region.

### **The Central Illinois Community**

Bloomington has a large number of local public and private sector, as well as academic entities that are in need of strong air service access to and from the Houston metro area and points beyond.

Central Illinois is home to one of the most diverse economic bases in the country. State Farm Insurance, the nation's largest insurer of automobiles, is headquartered in Bloomington. Other corporations nearby include Mitsubishi Motors, Archer Daniels Midland, Caterpillar, Staley, AFNI and the Country Companies. These are mostly companies that not only conduct business throughout the United States, but on a global level as well.

Within 60 miles of CIRA, there are numerous institutions of higher learning in need of additional air service options. The largest is the University of Illinois at Urbana/Champaign with 36,000 students. Illinois State, located in Bloomington, currently enrolls over 21,000 students. Illinois Wesleyan University, also located in Bloomington, currently has a student population of over 2,000. The University of Illinois at Urbana/Champaign and Illinois State are major graduate research institutions with worldwide academic partnerships.

## IV. Proposal & Grant Application

### Addressing Realities

Central Illinois Regional Airport is fully cognizant of the fact that today airlines require a reliable return on investment, and are more risk-averse than ever.

- The airport also recognizes that to attract any new service, some level of risk-reduction must be offered to the target carrier.
- From the community's perspective, any such service increase must result in providing the region with meaningful increases in connectivity to the rest of the nation.

CIRA believes that needs of both the target airline and the region are not mutually-exclusive, and with funds from the Pilot Program additional air service can be established with long-term results.

### Recruitment Targets

Based on numerous analyses conducted by CIRA, both internally and by outside services, it is clear that recruitment of Continental/Continental Express represents the highest benefits to the region.

Of all the routes evaluated, the following route was recommended as having the strongest potential in terms of community support and financial viability:

- **Continental Express to the Continental hub operation at Houston George Bush Intercontinental Airport.** This option has some unique characteristics. It would enhance connectivity for all of Central Illinois, providing the community with more adequate air service to and from points throughout the Southwestern US as well as Mexico, Central and Latin America.

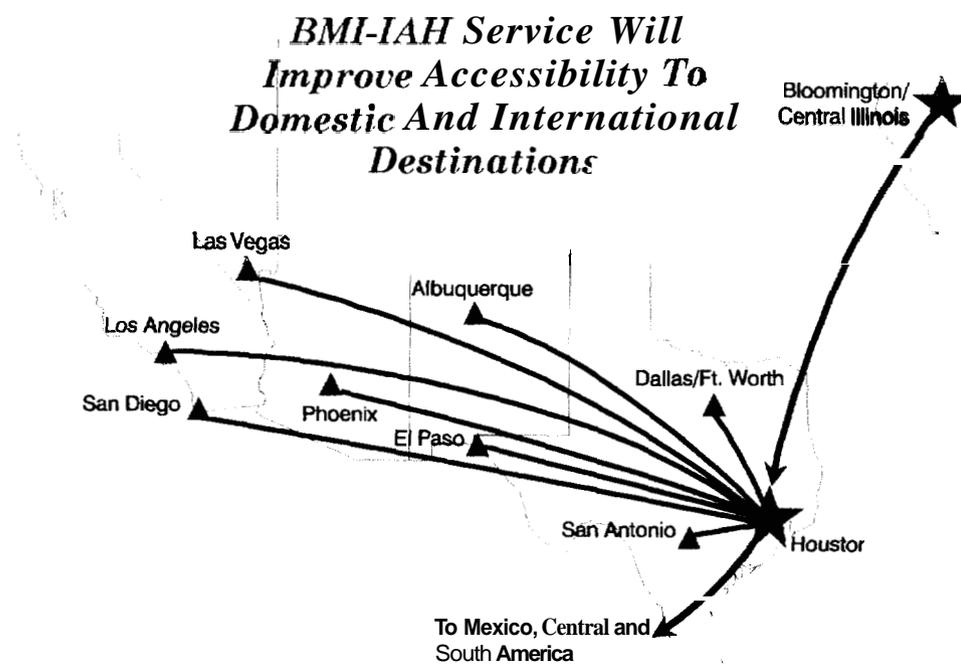
This would add yet another mega-carrier system to the Central Illinois region, as Continental does not serve any point in the area.

Addition of Continental would also help insulate the region from the effects of potential airline mergers which would reduce carrier option.

Since Continental also has a hub operation at Cleveland, an outgrowth of this program could eventually be service from CIRA to that airport, allowing yet another eastbound option for the entire region.

In addition, the traffic analyses conducted by the airport indicate viable profit potential for the carrier on this route.

The community agrees with the intent of the Small Community Air Service Pilot Program, which is to assure that any funds granted be used to assure maximum increase in air service.



It is therefore felt that service to Houston target is most in line with intent of the program for the following reasons:

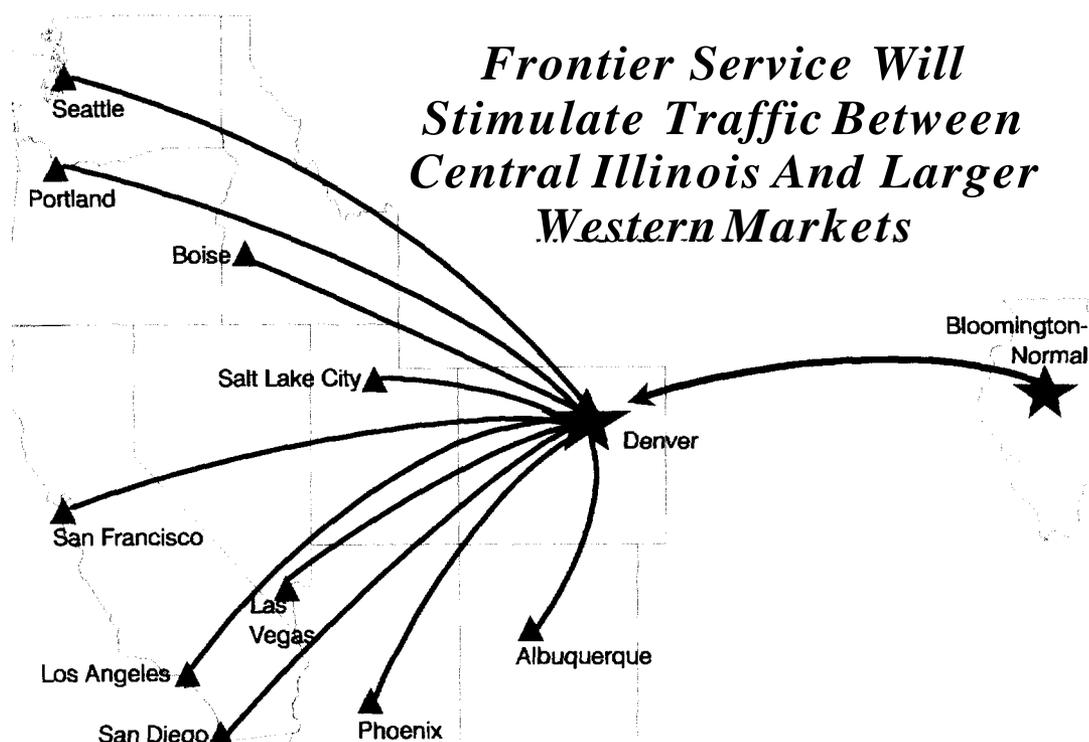
Based on financial and traffic generation projections, Houston is the most viable air service recruitment target for CIRA. The route's strong financial performance projections are driven by the large component of high yield local business traffic that travels between the two cities. In addition, Houston offers strongest connections of any hubsite in the region to points in Texas, the Southwestern United States as well as Latin America.

Preliminary contacts have been made with Continental Airlines regarding this proposal. The carrier has stated an interest in the potential of the proposal.

## Frontier Airlines Service To Denver

Should Continental decide not to initiate service, the airport would like to use the funds from the Pilot Program to attract air service on Frontier Jet Express/Mesa Airlines to Denver. This option will greatly improve connectivity between the region and points in the entire Western United States.

While the number of destinations that Frontier offers beyond Denver is less than that offered by Continental beyond Houston, Frontier is considered to be a "low fare" airline and will have more of a stimulative effect on traffic levels in some of the larger Western US markets.



Financial and traffic performance projections indicate that Denver service will be quite strong. Frontier is currently one of the fastest growing airlines in the industry and has recently added several new destinations west of Denver. As the carrier's network grows, the proposed service will generate larger amounts of revenue, as a result of more connecting options beyond Denver.

## V. Air Service Action Plan

The Bloomington-Normal Airport Authority is seeking a Small Community Air Service Grant of \$750,000 to utilize as an inducement to attract either Continental Express service between Houston and CIRA or Frontier Airlines JetExpress/Mesa Airlines service between CIRA and Denver.

The BNAA and the community will match this with \$150,000 in community-generated funds. The BNAA proposes to utilize the Combined total of \$900,000 as follows:

- \$100,000 for advertising and marketing for the airport. This includes consulting services to recruit and negotiate with the target carrier, and marketing efforts subsequent to the recruitment to the benefit of both the new carrier and the incumbent as well. Emphasis will be on convenience and the range of destinations served.
- \$800,000 as a revenue guarantee to help offset possible losses in the early months of service, and ensure the service is given adequate time to establish itself.

### Disbursement of Funds

The proposal is to deposit the total funds in an account. Funds will be disbursed based upon a pre-agreed set of traffic and revenue triggers, subject to negotiation with the carrier.

Based on traffic analyses completed by CIRA, it is felt that there will be minimal disbursement of funds to support the risk-abatement portion of the program. CIRA does, however, contemplate expending the \$100,000 advertising and marketing funds under this program. This will be done based on the proposed split between Program and local funds on an 16.667% - **83.333%** basis.

If awarded the grant, the community will immediately initiate negotiations with Continental Express to establish Houston service. The airport will hire an air service consultant to assist in the negotiations.

If an acceptable agreement cannot be accomplished with Continental Express for service to Houston, the Airport will pursue an agreement with Frontier JetExpress/Mesa for service to Denver.

Should either carrier fail to reach an agreement with CIRA, the funds will be returned to the DOT's Small Community Air Service Development Program.

## **Service Standards Required**

The service requirements will be as follows:

- A minimum of two weekday round trips to the carrier's hub, with two round trips on weekends.
- Operation with regional jet aircraft. In this proposal, the risk guarantee would apply to Embraer Regional Jet aircraft operated by Continental Express with a capacity of 37 seats or greater or 50 Seat Canadair Regional Jet aircraft operated by Frontier JetExpress/Mesa.

## **Residual Funds**

The airport and community will agree that any revenue guarantee funds from this grant left over after the 12-month period from initiation of airline operations will be returned to the Department of Transportation.

## **Target Carrier Traffic and Revenue Projections**

The airport understands that this program is intended to produce long term results. Therefore, there must be a reasonable potential for traffic generation for both target carriers.

To this end, the airport engaged a nationally-recognized air service development consultant to prepare projections of traffic and revenue that the proposed routes can **expect**.<sup>3</sup> These projections are included in the Appendix of this document.

## **Determination of Revenue Guarantee**

Since Central Illinois can be considered an underserved market, it is believed that either carrier will have a very short "ramp" period where traffic grows to the point of break-even and beyond.

Negotiations with the carrier will determine the trigger points for pay-out under the guarantee program. These negotiations will include:

- The Determination of operating costs of the flight segment between Bloomington and the hub airport for either carrier. Clear and set cost levels, including adjustment for certain variable costs will be established.

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<sup>3</sup> The Boyd Group/ASRC, Inc.

- Determination of revenue levels necessary for break-even plus a set profit hurdle of not more than 15%. Since a large portion of the revenues will be incremental to the carrier, a pro-rated portion of the revenue generated by system connections beyond the hub airport will also be taken into consideration.
- Determination of the payment mechanisms and timing of same.

### **Project Duration**

The BNAA requests this funding for one year.

The applicant does not anticipate requesting any funding after the first year. We are confident that after a single year of operation, the carrier operating to and from the community will have established a strong enough foothold in the marketplace in order to continue service without a financial risk guarantee.

## VI. Grant Administration

The commission would use a large portion of the funds provided by this grant as a risk guarantee to the recruited carrier. A smaller portion of the funds will be used to establish a marketing program with the intent of familiarizing the new service with the community.

The performance guarantee is not to be used as a fixed subsidy. If the revenues generated by the carrier exceed those established in the program, the carrier will receive no funds.

The BNAA will be the administer of funds under this program.

- Specific revenue targets will be established in negotiations with the carrier. If these revenue targets are not met, payout of the risk guarantee will be made based on a pre-negotiated formula with the airline. Because the aircraft at each target carrier are different in terms of cost, this formula will be dependent on the outcome of such negotiations. In no case will the airport nor the DOT be liable for more than the risk guarantee amount noted above.
- The risk guarantee funds will be disbursed on a quarterly basis. Negotiations between the airline and the BNAA will determine the risk guarantees and revenue levels. It is envisioned that "revenues" will also include a pro-rated amount of network revenues generated by Bloomington-Normal service on segments beyond the carrier's hub.
- The carrier and the Bloomington-Normal Airport Authority will agree upon a minimum revenue guarantee for each quarter that flights operate to and from BMI. If the total revenue generated during a given quarter fails to meet the agreed upon minimum revenue guarantee, funds from an account containing the \$800,000 in revenue risk guarantees will cover the difference between the minimum revenue guarantee and the total revenue generated. Should the difference between the minimum revenue guarantee and the total revenue generated exceed \$800,000, the carrier assumes all risk.
- The consulting, marketing and advertising funds (\$100,000) will be spent as determined by the BNAA and, when appropriate, via consultations with the airline. The BNAA will use these funds to craft marketing and advertising programs that encourage use of the new service at CIRA.

## **Agreement Terms With Air Service Provider**

In order to be eligible for the proceeds from both the local community and the Small Community Air Service Pilot Program grant, the air service provider will be obliged to meet the following requirements:

- Term: An agreement to serve the community with two daily flights for at least one year, subject to extraordinary events specifically agreed upon in advance. Such an event would include traffic levels not attaining target goals after 180 days of operation.
- Operational Reliability The carrier will be subjected to completing at least 95% of the flights within a given quarter, with exception of cancellations due to inclement weather conditions or other events beyond the control of the airline, including labor stoppages and air traffic control failures.
- Schedule: Flights operated under this agreement must provide connectivity, defined as arrival and departure at the hub reasonably within one of the carrier's connecting banks.
- Quality of Service: Reasonable and acceptable levels of customer service must be maintained.
- Fare Levels: The airline will agree to offer a range of fares consistent with those charged at other small communities with service from their hub. For comparison purposes, this will be defined as 14-day advance, 3-day advance, and walk-up day of departure fares, expressed on a per-mile basis.

## **Evaluation Of Program Results**

The success of the program will be evaluated based on the overall traffic and financial performance generated by the route. The airport believes that the addition of this service can fulfill the needs of the community for more convenient accessibility to the Western United States and international destinations, while moderately stimulating overall travel to and from the airport.

**Project Revenue Split**

1). Local Share -	\$ 133,333 Revenue Guarantee
	\$ 16,667 Marketing Funds
2). Small Community Air Service Pilot Program	\$ 666,667 Revenue Guarantees
	<u>\$ 83,333 Marketing Funds</u>
Total Joint Funds	\$ 900,000 Total

## **Appendix**

**Airline Traffic & Revenue Projections**

**Airport Operating Budgets - Past Two Years**

**Airport Operating Budget - Current Period**

## **Airline Traffic and Revenue Projections**

On the following pages is a pro-forma analysis of the traffic and revenues projected for the BMI - Houston route operated by Continental Express and the BMI - Denver route operated by Frontier JetExpress/Mesa. This independent analysis was accomplished to determine if the service can meet the Department of Transportation's standard requirement that the Pilot Program funds be used to establish long-term improvements.

Actual figures will be determined by the specific carriers. However,

- Aircraft operating costs are derived from airline sources and adjusted as necessary for conditions such as route length.
- Revenue per mile figures in the BMI - Hub Market as well as connecting markets is based upon estimate of net average fares in markets of similar length operated with similar aircraft on the specific carrier's system.
- In all cases, yield estimates are considered to be conservative.
- Traffic generation by market has been developed based on projections felt to be reasonable based on the nature and scope of the carrier and the service involved.

## **BMI-IAH Traffic Generation**

<i>Destination</i>	<i>Estimated O&amp;D</i>	<i>Capture Rate</i>	<i>Segment Traffic</i>
Houston	23,828	70%	16,679
Phoenix	17,545	35%	6,141
Dallas/Ft. Worth	16,148	25%	4,037
Los Angeles	7,579	35%	2,653
Las Vegas	6,259	35%	2,191
San Diego	5,863	35%	2,052
Austin	3,520	65%	2,288
Orange County	3,234	35%	1,132
Tuscon	2,233	45%	1,005
San Antonio	2,134	65%	1,387
Albuquerque	1,870	40%	748
Ontario	1,375	35%	481
Other (incl. Latin America)			10,000
<b>Total</b>			<b>50,793</b>

<b>Central Illinois - Houston Key Operating Data</b>	
<b>Key Operating Data</b>	
BMI-IAH Mileage	810
Assumed Aircraft:	Embraer 145 RJ
Passenger Seats:	50
Estimated Weekly Flights Scheduled:	28
Estimated Completion Factor:	98%
Estimated Weekly Flights Completed:	27.44
Projected Annual Flight Segments:	1,427
Projected Available Seat Miles (ASMs)	57,788,640
Projected Cost per Available Seat Mile (CASM)	\$0.126
Projected Annual "On-Segment" Operating Expense	\$ 7,281,369
<b>Financial Analysis</b>	
<b>"On-Segment" Financial Estimates</b>	
Total Projected Passengers	50,793
Projected Local Passengers	16,679
Projected Local Revenue Passenger Miles (RPMs)	13,510,193
Projected <b>Local</b> Average Yield:	\$0.317
Projected Connecting Passengers	34,114
Projected Connecting Revenue Passenger Miles:	27,632,502
Projected Connecting Average Yield:	\$0.132
<b>TOTAL,PROJECTED "ON-SEGMENT" REVENUES</b>	<b>\$ 7,930,221</b>
Total Projected "On-Segment" Operating Expense:	\$ 7,281,369
Projected "On-Segment" Profit	\$ 648,853
<b>Projected System Revenue Contribution</b>	
"On-Segment" Traffic Revenue	\$ 7,930,221
Revenue Contribution To CO Network Beyond <b>IAH</b>	\$ 3,406,386
Total System Revenue Contribution	\$ 11,336,607
Minus <b>10%IAH</b> Originating Seat Spill/Diversion	\$ (340,639)
Total Adjusted System Revenue Contribution	\$ 10,995,968
<b>Segment Load Factor Data</b>	
Projected Annual Available Seat Miles (ASMs)	57,788,640
Projected Revenue Passenger Miles From Local Traffic	13,510,193
Projected Revenue Passenger Miles From Connecting Traffic	27,632,502
Total Revenue Passenger Miles (RPMs)	41,142,695
Projected Load Factor	71.2%

### **BMI-DEN Traffic Generation**

<i>Destination</i>	<i>Estimated O&amp;D</i>	<i>Capture Rate</i>	<i>Segment Traffic</i>
Denver	18,265	80%	14,612
Phoenix	18,343	40%	7,337
San Francisco	11,063	40%	4,425
Los Angeles	7,924	40%	3,169
Las Vegas	6,828	40%	2,731
San Diego	6,130	40%	2,452
Seattle	5,520	40%	2,208
Salt Lake City	3,554	40%	1,421
Portland	3,163	40%	1,265
San Jose	2,392	40%	957
Albuquerque	1,955	40%	782
Reno	1,806	60%	1,083
Ontario	1,438	40%	575
Sacramento	1,254	50%	627
Other (including Great Lakes Code Share)			5,000
<b>Total</b>			<b>48,645</b>

<b>Central Illinois - Denver Key Operating Data</b>	
<i>Key Operating Data</i>	
BMI-DEN Mileage	843
Assumed Aircraft:	Canadair RJ
Passenger Seats:	50
Estimated Weekly Flights Scheduled:	28
Estimated Completion Factor:	98%
Estimated Weekly Flights Completed:	27.44
Projected Annual Flight Segments:	1,427
Projected Available Seat Miles (ASMs)	60,142,992
Projected Cost per Available Seat Mile (CASM)	\$0.129
Projected Annual "On-Segment" Operating Expense	\$ 7,758,446
<i>Financial Analysis</i>	
<i>"On-Segment" Financial Estimates</i>	
Total Projected Passengers	48,645
Projected Local Passengers	14,612
Projected Local Revenue Passenger Miles (RPMs)	12,317,916
Projected Local Average Yield:	\$0.312
Projected Connecting Passengers	34,033
Projected Connecting Revenue Passenger Miles:	28,689,693
Projected Connecting Average Yield:	\$0.162
<b>TOTAL PROJECTED "ON-SEGMENT" REVENUES</b>	<b>\$ 8,490,920</b>
Total Projected "On-Segment" Operating Expense:	\$ 7,758,446
Projected "On-Segment" Profit	\$ 732,474
<i>Projected System Revenue Contribution</i>	
"On-Segment" Traffic Revenue	\$ 8,490,920
Revenue Contribution To F9 Network Beyond DEN	\$ 3,940,863
Total System Revenue Contribution	\$ 12,431,783
Minus 10% DEN Originating Seat Spill/Diversion	\$ (394,086)
Total Adjusted System Revenue Contribution	\$ 12,037,697
<i>Segment Load Factor Data</i>	
Projected Annual Available Seat Miles (ASMs)	60,142,992
Projected Revenue Passenger Miles From Local Traffic	12,317,916
Projected Revenue Passenger Miles From Connecting Traffic	28,689,693
Total Revenue Passenger Miles (RPMs)	41,007,609
Projected Load Factor	68.23

Sponsor: Bloomington-Normal Airport Auth. **Operating and Financial Summary**

Name of Airport: Central Illinois Regional Airport

Fiscal Year Ended April 30, 2001

Operating Revenue		Operating Expenses	
<b>Aeronautical Operating Revenue</b>		<b>Personnel Compensation and Benefits</b> \$ 859,968	
Landing - e ? ?	\$ 241,362	Communications and Utilities	\$ 160,195
Terminal/International arrival area rental or other charge	\$ 94,515	Supplies, Materials, Repairs, Maintenance	\$ 295,167
A& charges/tiedowns	\$ 966	1. Services (1)	\$ 313,803
Fuel flowage fees	\$ 125,942	Insurance and Claims	\$ 59,211
FBO revenue contract or sponsor-operated	\$ 49,200	Government in lieu. permit, impact fees, etc	\$ -
cargo and hangar rent@	\$ 223,949	Misc (Should not exceed 5% of total op expenses)	\$ 361
Security Reimbursement	\$ 12,540	Other (Enter total here and add attachment) Advertising	\$ 26,988
Misc (Should not exceed 5% of total aeronautical)	\$ -	<b>Total Operating Expenses</b>	<b>\$ 1,715,693</b>
0 Other (Enter total here and add attachment)	\$ -	<b>Non-Operating Expense and Other Fund Use</b>	
<b>Total Aeronautical Operating Revenue</b>	<b>\$ 749,074</b>	1 Debt Service Payments Net of Capitalized Interest	\$ 642,772 \$ 642,772
Non-Aeronautical Operating Revenue		2 Transfers to Reserves	
Rent/land rental	\$ 279,404	a	\$ -
Concessions	\$ 46,761	b	\$ -
Parking	\$ -	Total Transfers to Reserves	\$ -
Rental Cars	\$ 333,999	3 Capital Expenditures	
In-flight Catering	\$ -	a Maintenance Vehicle	\$ 109,568
Interest Income	\$ 299,815	b See Attached List	\$ 7,694,069
Royalties from natural resource sales	\$ -	Total Capital Expenditures	\$ 7,803,637
Misc (Should not exceed 5% of total nonaeronautical)	\$ 25,236	4 Other Non-Operating Expenses and Fund Uses	
Other (Enter total here and add attachment)	\$ -	a Debt Service Interest	\$ 339,024
<b>Total Nun-Aeronaut61 Operating Revenue</b>	<b>\$ 984,911</b>	b Service Charges	\$ 49,334
<b>Total Operating Revenue</b>	<b>\$ 1,733,985</b>	Total Other Non-Operating Expenses and Fund Uses	\$ 388,358
<b>Nun-Operating Revenue and Other Receipts</b>		<b>Total Non-Op Exps and Other Fund Uses</b>	<b>\$ 8,834,767</b>
1 Bond Proceeds	\$ 14,023,490	<b>Total Expenses and Fund Uses</b>	<b>\$ 10,550,460</b>
2 Proceeds from sale of property not subject to Federal obligations	\$ -	<b>REVENUE SURPLUS (LOSS)</b>	<b>\$6,890,587</b>
3 Proceeds from sale of property subject to SPA/grant obligations	\$ -		
4 Grant payments	\$ 235,044		
5 Passenger Facility Charges	\$ 758,112		
6 Other (Enter total here and add attachment)	\$ 690,416		
<b>Total Non-Operating Rev. and Other Receipts</b>	<b>\$ 15,707,062</b>		
<b>Total Revenue and Other Receipts</b>	<b>\$17,441,047</b>		

Guidance used for accounting (check one or more) GAAP:  OMB Circular A-87  X  
 (1) Services includes fees for other governmental services not included in other categories Cash basis  Accrual  X Other

In compliance with section 47107(a) of the Title 49 United States Code and section 111(b) of the Federal Aviation Administration Authorization Act of 1994  
 I certify that the information on this form is true and accurate to the best of my knowledge and belief.  
 Please complete this form in order assist the public in understanding airport finances and the use of airport generated revenue  
 Chad Farischon, Authorized Representative  
 Administration and Finance Manager  
 Date 08/08/2001  
 Title

**Operating and Financial Summary**

Bloomington-Normal Airport Authority  
Central Illinois Regional Airport

**Non-Operating Revenue and Other Receipts**

6. Other	
Property Taxes	\$538,988
RCF Misc Receipts	\$151,428
	<u>\$690,416</u>

## Operating and Financial Summary

Bloomington-Normal Airport Authority  
Central Illinois Regional Airport

Non-Operating Expense and Other Fund Use

### 3. Capital Expenditures

b.

Equipment	\$	23,566
Building and Office	\$	52,166
CIF-Misc. Expense	\$	160
Maintenance Shop Doors	\$	8,523
Matching Share Grant	\$	82,435
PFC New Terminal-BRH	\$	1,572,891
Appraisal Fees	\$	1,500
Title Fees	\$	75
PFC Bond Issue Costs	\$	242,933
PFC Bond Annual Fee	\$	5,900
PFC New Terminal-Ed Just Associates	\$	20,135
Matching Fund Ramps	\$	61,667
Local Share	\$	340,800
PFC New Terminal-CM&T	\$	7,833
PFC New Terminal-RCM & Co.	\$	8,055
PFC New Terminal-Utility Installation	\$	67,176
Perimeter Fence Replace	\$	19,772
Towanda Barnes Road Project	\$	92,831
Land Sale Commissions	\$	51,000
RCF New Terminal Engineering	\$	3,776,489
RCF New Terminal-Design	\$	209,031
RCF New Terminal-Prof. Fees	\$	77,525
RCF New Terminal-Misc Exp.	\$	6,580
96DBP New Terminal-Engineering	\$	812,393
Prof. Fees-New ATCT	\$	50,000
Misc. Expense-New ATCT	\$	70,227
Hangar Painting	\$	21,500
Hangar Door Replacement	\$	10,906
	\$	<u>7,694,069</u>

Sponsor: Bloomington-Normal Airport Auth. **Operating and Financial Summary**

Name of Airport: Central Illinois Regional Airport

Fiscal Year Ended: April 30, 2000

Operating Revenue		Operating Expenses	
<b>Aeronautical Operating Revenue</b>		<b>1. Personnel Compensation and Benefits</b>	
1. Landing Fees	\$ 206,237		\$ 606,719
2. Terminal/international arrival area rental or other charge	\$ 84,192	2. Communications and Utilities	\$ 105,404
3. Apron charges/tiedowns	\$ 240	3. Supplies, Materials, Repairs, Maintenance	\$ 317,468
4. Fuel flowage fees	\$ 114,203	4. Services (1)	\$ 565,484
5. Utilities	\$ -	5. Insurance and Claims	\$ 35,167
6. FBO revenue: contract or sponsor-operated	\$ 53,456	6. Government in lieu, permit, impact fees, etc.	\$ -
7. Cargo and hangar rentals	\$ 211,323	7. Misc. (Should not exceed 5% of total op expenses)	\$ 1,746
8. Security Reimbursement	\$ 11,415	8. Other (Enter total here and add attachment) Advertising	\$ 48,178
9. Misc. (Should not exceed 5% of total aeronautical)	\$ -	<b>Total Operating Expenses</b>	
10. Other (Enter total here and add attachment)	\$ -		\$ 1,680,166
<b>Total Aeronautical Operating Revenue</b>		\$ 681,066	
<b>Non-Aeronautical Operating Revenue</b>		<b>Non-Operating Expense and Other Fund Use</b>	
1. Rent/land rental	\$ 315,487	1. Debt Service Payments Net of Capitalized Interest	\$ 621,768 \$ 621,768
2. Concessions	\$ 11,300	2. Transfers to Reserves	
3. Parking	\$ -	a.	\$ -
4. Rental Cars	\$ 335,820	b.	\$ -
5. In-flight Catering	\$ -	Total Transfers to Reserves	
6. Interest Income	\$ 313,265		\$ -
7. Royalties from natural resource sales	\$ -	3. Capital Expenditures	
8. Misc. (Should not exceed 5% of total nonaeronautical)	\$ 2,812	a. Maintenance Vehicle	\$ 24,923
9. Other (Enter total here and add attachment)	\$ -	b. See Attached List	\$ 1,916,516
<b>Total Non-Aeronautical Operating Revenue</b>		Total Capital Expenditures	
	\$ 978,684		\$ 1,941,439
<b>Total Operating Revenue</b>		4. Other Non-Operating Expenses and Fund Uses	
	\$ 1,659,750	a. Debt Service Interest	\$ 326,077
		b. Service Charges	\$ 48,982
		Total Other Non-Operating Expenses and Fund Uses	
			\$ 375,054
<b>Non-Operating Revenue and Other Receipts</b>		<b>Total Non-Op. Exps and Other Fund Uses</b>	
1. Bond Proceeds	\$ -		\$ 2,938,261
		<b>Total Expenses and Fund Uses</b>	
3. Proceeds from sale of property subject to SPA/grant obligations	\$ -		\$ 4,618,427
4. Grant payments	\$ -	<b>REVENUE SURPLUS (LOSS)</b>	
5. Passenger Facility Charges	\$ 605,718		\$2,629,453
6. Other (Enter total here and add attachment)	\$ 1,826,712		
<b>Total Non-Operating Rev. and Other Receipts</b>		\$ 5,588,130	
<b>Total Revenue and Other Receipts</b>		\$7,247,880	
In compliance with section 47107(a) of the Title 49 United States Code and section 111(b) of the Federal Aviation Administration Authorization Act of 1994.		(1) Services includes fees for other governmental services not included in other categories	
Please complete this form in order assist the public in understanding airport finances and the use of airport generated revenue.		Cash basis — Accrual <input checked="" type="checkbox"/> Other —	
		I certify that the information on this form is true and accurate to the best of my knowledge and belief.	
		08/15/00	
		Chad Farischon, Authorized Representative	
		Date	
		Administration and Finance Manager	
		Title	
FAA Form 5100-125 (xx)			
AGENCY DISPLAY OF ESTIMATED BURDEN.			
The FAA estimates that the average burden for this report form is 5 hours per response. You may submit any comments concerning the accuracy of this burden estimate or any suggestions for reducing the burden to the Office of Management and Budget. You may also send comments to the Federal Aviation Administration, Program Support Branch, ARP-11, 800 Independence Avenue, SW, Washington, DC 20591, Attention: OMB Number 2120-0557.			

## Operating and Financial Summary

Bloomington-Normal Airport Authority  
Central Illinois Regional Airport

### Non-Operating Revenue and Other Receipts

#### 6. Other

Property Taxes	\$1,674,477
RCF Misc Recei	<u>\$152,235</u>
	<u>\$1,826,712</u>

## Operating and Financial Summary

Bloomington-Normal Airport Authority  
Central Illinois Regional Airport

### Non-Operating Expense and Other Fund Use

#### 3. Capital Expenditures

b.

Fuel Farm Upgrade	\$	49,500
Snow Removal Vehicle	\$	8,474
Car Wash Facility Upgr	\$	9,084
New Terminal	\$	1,644,417
New Control Tower	\$	49,113
Pavement Replacemen	\$	15,000
Maintenance Vehicle	\$	4,923
Capital Expenditure	\$	30,722
Perimeter Fence Repla	\$	17,982
Towanda-Barnes Road	\$	61,677
K-Row Hangar	\$	25,624
		<hr/>
	\$	1,916,516

**Sponsor: Bloomington-Normal Airport Authority** **Operating and Financial Summary**

**Name of Airport: Central Illinois Regional Airport**

**Fiscal Year Ended: 4/30/99**

Operating Revenue		Operating Expenses		
<b>Aeronautical Operating Revenue</b>		<b>1. Personnel Compensation and Benefits</b>		
1. Landing Fees	190,416		530,787	
2. Terminal/international arrival area rental or other charge	80,682		132,430	
3. Apron charges/tiedowns	300		867,607	
4. Fuel flowage fees	105,548		0	
5. Utilities	0		54,602	
6. FBO revenue: contract or sponsor-operated	49,200		0	
7. Cargo and hangar rentals	201,603		49,157	
8. Security Reimbursement	11,400		455,749	
9. Misc. (Should not exceed 5% of total aeronautical)		<b>Total Operating Expenses</b>		
10. Other (Enter total here and add attachment)	1556,382		2,090,332	
<b>Total Aeronautical Operating Revenue</b>		2,193,530	<b>Non-Operating Expense and Other Fund Use</b>	
<b>Non-Aeronautical Operating Revenue</b>			<b>1. Debt Service Payments Net of Capitalized Interest</b>	
1. Rent/land rental	289,721		1,280,103	
2. Concessions	2,707		<b>2. Transfers to Reserves</b>	
3. Parking	0		a.	
4. Rental Cars	15,120		b.	
5. In-flight Catering	0		Total Transfers to Reserves	
6. Interest Income	349,008		<b>3. Capital Expenditures</b>	
7. Royalties from natural resource sales	0		a.	
8. Misc. (Should not exceed 5% of total nonaeronautical)	18,447		b.	
9. Other (Enter total here and add attachment)	307,221		Total Capital Expenditures	
<b>Total Non-Aeronautical Operating Revenue</b>		982,225	<b>4. Other Non-Operating Expenses and Fund Uses</b>	
			a.	
<b>Total Operating Revenue</b>		3,175,755	b.	
			Total Other Non-Operating Expenses and Fund Uses	
<b>Non-Operating Revenue and Other Receipts</b>			<b>Total Non-Op Exps and Other Fund Uses</b>	
1. Bond Proceeds	0		2,981,429	
2. Proceeds from sale of property not subject to Federal obligations	3,630		<b>Total Expenses and Fund Uses</b>	
3. Proceeds from sale of property subject to SPA/grant obligations	0		5,071,761	
4. Grant payments	14,189		<b>REVENUE SURPLUS (LOSS)</b>	
5. Passenger Facility Charges	627,206		(1,250,980)	
6. Other (Enter total here and add attachment)	0			
<b>Total Non-Operating Rev. and Other Receipts</b>		645,025	Guidance used for accounting (check one or more)	
			GAAP: ___ OMB Circular A-87 ___	
<b>Total Revenue and Other Receipts</b>		3,820,780	(1) Services includes fees for other governmental services not included in other categories	
			Cash basis ___ Accrual ___ Other ___	
In compliance with section 47107(a) of the Title 49 United States Code and section 111(b) of the Federal Aviation Administration Authorization Act of 1994.		I certify that the information on this form is true and accurate to the best of my knowledge and belief.		
Please complete this form in order assist the public in understanding airport finances and the use of airport generated revenue.		Authorized Representative <i>Daphne Moraw</i>		Date <i>8/13/99</i>
		Title <i>Office Manager</i>		
FAA Form 5100-125 (xx)				
AGENCY DISPLAY OF ESTIMATED BURDEN				
The FAA estimates that the average burden for this report form is 5 hours per response. You may submit any comments concerning the accuracy of this burden estimate or any suggestions for reducing the burden to the Office of Management and Budget. You may also send comments to the Federal Aviation Administration, Program Support Branch, ARP-11, 800 Independence Avenue, SW, Washington, DC 20591, Attn: OMB N 2120-0557				

**FINANCIAL GOVERNMENTAL PA**

Sponsor: Bloomington-Normal Airport Authority  
 Name of Airport: Central Illinois Regional Airport  
 Fiscal Year Ended: 4/30/99

**Payments to other government units**

**Payments to other government units**

Government Entity: \_\_\_\_\_

Government Entity: \_\_\_\_\_

Payee - Department or Agency	Purpose	Amount	Payee - Department or Agency	Purpose	Amount
1	Law Enforcement	0	1		
2 City of Bloomington	Firefighting	25,002	2		
3	Legal Services	0	3		
4	Engineering	0	4		
5	Procurement	0	5		
6			6		
7			7		
8			8		
9			9		
10			10		
11			11		

**Services and property provided to other government units**

**Services and property provided to other government units**

Government Entity: \_\_\_\_\_

Government Entity: \_\_\_\_\_

Recipient - Department or Agency	Property/Service Provided	Value/Cost	Compensation Rec'd	Recipient - Department or Agency	Property/Service Provided	Value/Cost	Compensation Rec'd
1				1			
2				2			
3				3			
4				4			
5				5			
6				6			
7				7			
8				8			

Please complete this form noting fees and service provided to and received from other governments. Please list each government if more than one.

Daphne Monow  
 Authorized Representative  
Office Manager  
TITLE

8/13/99  
 Date

FAA Form 1100-126 (xx)

**AGENCY DISPLAY OF ESTIMATED BURDEN**

The FAA estimates that the average burden for this report form is 3 hours per response. You may submit any comments concerning the accuracy of this burden estimate or any suggestions for reducing the burden to the Office of Management and Budget. You may also send comments to the Federal Aviation Administration, Program Support Branch, ARP-11, 800 Independence Avenue, SW, Washington, DC 20591, Attention: OMB Number 2120-0557.

August 13,1999

U.S. Department of Transportation  
Federal Aviation Administration  
Chicago Airports District Office  
2300 East Devon Avenue  
Des Plaines, IL 60018

Enclosed is an attachment for the totals which are marked other on the Operating and Financial Summary.

Operating Revenue

***Aeronautical Operating Revenue***

**10. Other**

Property Taxes	\$1,556,122.
Gate Card & Key Deposit	<u>\$ 260.</u>
	\$1,556,382.

***Non- Aeronautical Operating Revenue***

**9. Other**

Commissions	\$ 200,493.
Advertising	\$ 25,940.
Pay Phones	\$ 5,399.
Rental Car Wash Facility	<u>\$ 75,389.</u>
	\$ 307,221.

***Operating Expenses***

**8. Other**

Legal Fees	\$ 14,364.
Audit Fees	\$ 13,725.
Commissions-R/E	\$ 758.
Advertising	\$ 112,595.
Property Taxes	\$ 22,308.
Land Sale Commissions	<u>\$ 292,000.</u>
	\$ 455,749.