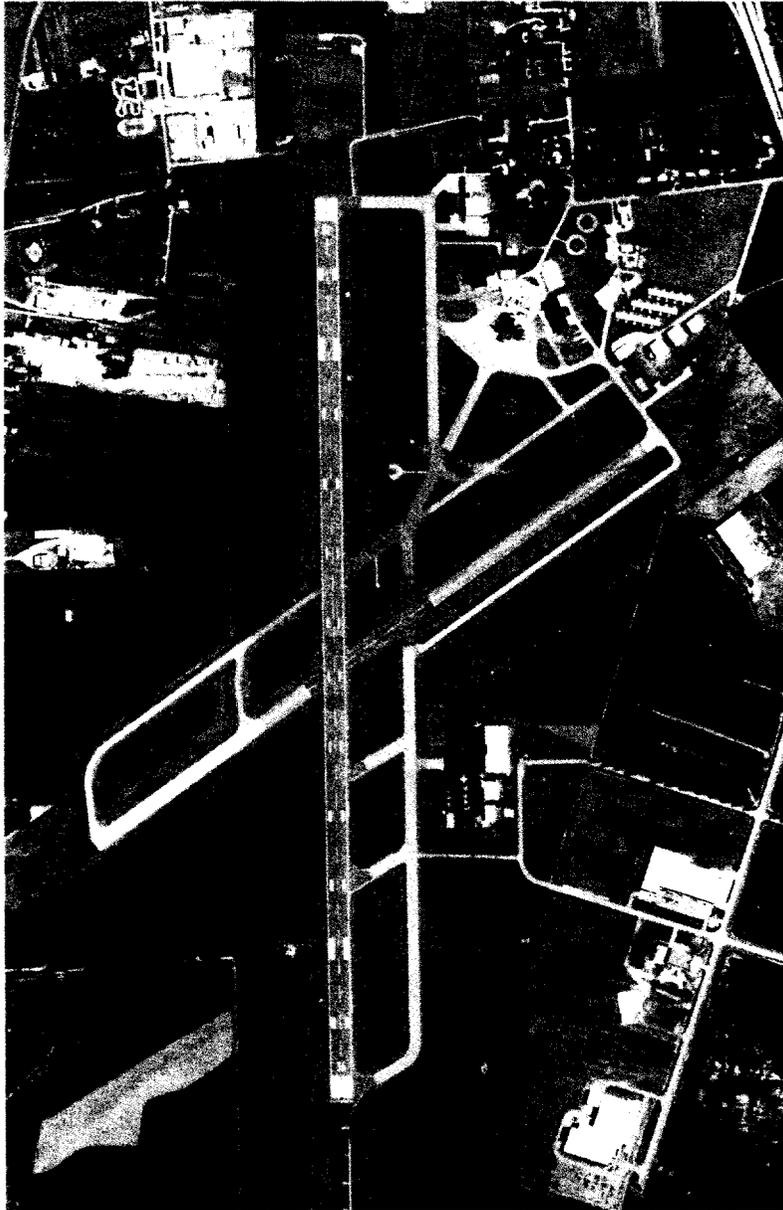


163841

OST-02-11590-45

Air – 21 Small Community Air Service Development Program

DEPT OF TRANSPORTATION
DOCKETS
02 APR 19 AM 11:13



Docket OST – 2002 – 11590

Submitted by:
The Owensboro – Daviess County Regional Airport
Green River Area Development District

OWB

April 18, 2002

DEPT. OF TRANSPORTATION
COCKETS
02 APR 19 AM 11:13

Ms. Read C. Van de Water
Assistant secretary for Aviation and International Affairs
Department of Transportation, Room 10232
400 7th Street, SW
Washington, DC 20590

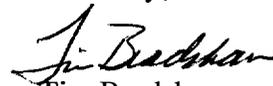
Dear Ms. Van de Water:

On behalf of the community of Owensboro and Daviess County, I am pleased to submit the enclosed application for federal assistance under the Small Community Air Service Development Pilot Program. The amount of grant funding requested for our initiative is \$500,000. Our local governments, **as well as** the Commonwealth of Kentucky, have pledged their financial support for this endeavor.

Rural airports across this nation are facing a number of challenges with respect to commercial air service. These challenges are largely due to changes in the airline industry, including aircraft fleet decisions, low-fare airline competition, code share agreements and most recently the tragic events that shook our nation last year. As the airline industry continues to face turmoil, airline planners reallocate their assets on a moment's notice to fortify their market position. Airports are dependent and reactive to these changes and often times the smaller rural markets find themselves suffering the consequences of these changes.

Fortunately, Congress has the foresight to understand these trends and has enacted a program designed to assist communities such **as** Owensboro. Reliable scheduled passenger service is an essential part of our overall economic infrastructure. Our economic development efforts would suffer a tremendous setback if we were to lose our passenger service. This program is a wonderful opportunity for our community and I hope you will consider our proposal worthy of approval. Thank you for your consideration and if you need any additional information please feel free to call our office.

Sincerely,


Tim Bradshaw
Airport Manager

CC: Mayor Waymond **Morris**
Judge Executive Reid Haire

Owensboro-Daviess County Regional Airport Board

2200 Airport Road Owensboro, KY 42301 (270) 685-4179 Fax (270) 685-1710

Community Proposal for the Small Community Air Service Development Pilot Program

Docket OST-2002-11590

Submitted by

The Owensboro-Daviess County Regional Airport and
The Green River Area Development District

Tim Bradshaw
Airport Manager
2200 Airport Road
Owensboro, KY 42301
(270) 685-4179
airport@owensboro.net

Background

The Owensboro-Daviess County Regional Airport is an independent public airport governed by a ten member Board of Directors composed of private citizens. The Airport serves a large portion of mid-western Kentucky and southern Indiana by providing the residents of this region access to the national and international air transportation system. As such, this airport is an integral and dynamic element in the economic infrastructure of this region. The Board pursues its objectives by employing a professional staff, and by working closely with the traveling public, various levels of government, the airlines and a variety of other groups whose goals is to serve the best interests of the community at large.

The Owensboro-Daviess County Regional Airport is a FAR Part 139 airport that has attained primary status (10,000 + enplanements) for the last three (3) years. The community of Owensboro was designated an Essential Air Service point under the Deregulation Act of 1978. Currently the community is served by Corporate Airlines (dba American Connection) with three daily non-stops to St. Louis, Missouri. Service is provided by a 19 passenger Jetstream aircraft. Corporate Airlines currently receives a subsidy for two of the three flights under the EAS program.

History of Service

Airline service has continuously been available to Owensboro residents by various airlines since the 1950's. After deregulation in 1978, service was provided by Air Kentucky a commuter carrier with frequent nonstop service to Louisville, Frankfort and Paducah. Air Kentucky also provided single stop service to Cincinnati, Nashville and Bowling Green as well as connections to New York's Laganardia airport via Louisville.

By 1984, Allegheny Airlines provided service to Louisville, Paducah, Lexington and London, Kentucky with connections to Chicago and Houston. In 1986, Northwest AirlinK began service to their hub in Memphis with Jetstream 31's and eventually upgrading to Saab 340's. In 1990 American Eagle became the third airline offering service at the airport with daily flights to their Nashville hub.

As with most communities of this size, the airport began to see a reduction in the level of air service. Mergers, bankruptcies and industry trends began to take a toll on the amount of airline service offered. Allegheny Airlines withdrew from the market after being purchased by US Air and American Eagle closed its Nashville hub in 1996 leaving only Northwest AirlinK as the sole carrier. Historic passenger enplanements for the Owensboro - Daviess County Regional Airport, from 1986 to 2001, are found in Exhibit 3.

In 1996, Airport Board members, elected officials and local business leaders decided to hire a consultant, Nammack and Associates, to initiate an air service study. The purpose of the study was to determine our existing market and to evaluate the possibilities of securing a new carrier. The study concluded that the community itself could economically support a higher level of service than it currently receives. The report went on to suggest, among other things, that an Air Service Task force should be formed to seek out new opportunities such as increased service with Northwest to one of their alternate hubs. A joint service proposal with nearby Evansville or Louisville was considered and in June of 1997, Mesaba Airlines (dba Northwest Airlink) began a one-stop service to their hub in Detroit. The one and only daily flight departed Owensboro at 6:30 AM with a stop in Evansville, Indiana. The flight continued on to Detroit arriving at 10:00 AM. The return flight did not arrive in Owensboro until 10:00 PM the same day. This service did not last very long and Mesaba Airlines withdrew from the market two years later. The lack of frequency coupled with the high airfares doomed this venture from the start.

Since deregulation, regional airlines have experienced tremendous growth in their available seat miles (ASM) and a steady growth in aircraft sizes has occurred with the increased market share. Regional airlines began to replace their older turboprop aircraft with small jets. In early 2000, Express Airlines (dba Northwest Airlink) announced that the airline was replacing all of its turboprop aircraft with all jet aircraft. Later that year, Airlink informed the Owensboro-Daviess County Regional Airport Board that it was filing a termination notice with the DOT to withdraw from the market.

Fortunately, the community has been designated an Essential Air Service (EAS) point and Airlink could not suspend service without DOT approval. Several community leaders met with Northwest Airline officials to persuade them to stay in the market. In those meetings, it became apparent that Northwest Airlines was not interested in serving this community any longer despite increased passenger boardings. The offer of subsidized service was declined as well. The DOT requested service proposals from Express Airlines and again there was no interest. Northwest Airlines wanted to shift their resources to a more profitable market. This same scenario has played out in several communities across the United States.

However, with the benefit of EAS the community of Owensboro and Daviess County was able to secure a new carrier with better frequencies and service connections. In May of 2001, Corporate Airlines inaugurated non-stop service with Jet Stream 31's to their hub in St. Louis. This service proved to be best "fit" for Owensboro as it provided nonstop service to a hub with six daily banks as opposed to three daily banks in Memphis. The equipment also proved to be the right selection for Owensboro as we are capable of supporting a 19-seat aircraft. The airline service has been very successful since its inaugural flight in May of last year, but like everyone else, we suffered a setback due to the events in September. The passenger boardings are just now beginning to rebound to the pre-9/11 levels.

The Community and the Airport

Owensboro is located along the southern banks of the Ohio River and is the third largest city in terms of population in the Commonwealth of Kentucky. It boasts an excellent quality of life and a strong business climate. With a 2000 population of 93,800 and 34,900 households, the community (Owensboro and Daviess County) is expected to expand by another 3 percent to 96,614 within the next five years.

The Owensboro-Daviess County area is the industrial hub of western Kentucky. The economic base is largely diversified with over 33,000 people earning their living in Daviess County. Owensboro maintains a low unemployment rate of 5.1 percent. According to Sales & Marketing Management, the Owensboro metropolitan area is comprised of the counties of Daviess and Owensboro.

The Owensboro Regional Airport has recorded an average annual passenger enplanement level of 14,500 passengers since 1979. Major passenger diversion occurs to Evansville, Indiana, 47 miles to the northwest. A 1995 Owensboro Chamber of Commerce survey concluded that 44 percent of local area passengers drove to the Evansville Regional Airport, where scheduled airline service was available to eight different airline hubs. Significant diversion has also been traced to Louisville and to Nashville.

Owensboro today is producing only 10-15 percent of its enplanement potential. The Owensboro Regional Airport's true unconstrained passenger enplanement potential is in excess of 135,000 annual enplanements. The area from which the Owensboro-Daviess County Regional Airport draws most of its originating passenger traffic encompasses 10 counties in the state of Kentucky. The total population of these counties is 305,400. Estimated population in the service area amounts to 218,560, according to data in the most recent Survey of Buying Power published by Sales and Marketing Management. The service area is illustrated on Exhibit 1 and the populations of the various counties involved are tabulated in Exhibit 2.

Owensboro-Daviess County government and civic leaders have had several opportunities to attract large aircraft aviation industry to the community. The airport has become the subject of interest by cargo operators and prospective aircraft maintenance corporations over the past several years. Until recently, airport facilities were inadequate to attract large utility and transport aircraft. Beginning in 1995 the Owensboro-Daviess County Air Board with the support and encouragement of Industry, Inc. embarked on a program to improve and expand the facilities to better serve the traveling public and support the economy of Daviess and surrounding counties. The airport expansion program is consistent with other community development plans, which includes the Mid America Airpark that is adjacent to the Regional Airport.

The Airport expansion program included the following projects:

- Extension of Runway 5/23 to 5000' to provide a secondary/crosswind runway capable of handling aircraft in the regional jet category. This project also included land acquisition rehabilitation of the airfield electrical vault. Cost - \$2.82 million.
- New Aircraft Rescue and Fire Fighting vehicle
Cost - \$168,000.
- Replacement of sections of deteriorated pavement on Runway 18/36 and additional land acquisition.
Cost - \$1.16 million.
- Overlay of Runway 18/36 and associated taxiways, new taxiways to improve operational patterns and terminal apron security.
Cost - \$3.25 million.
- Land acquisition for airport expansion.
Cost - \$924,000.
- Replacement of lighting for Runway 18/36 and associated taxiways and acquisition of land in Runway 18 runway protection zone.
Cost - \$1.43 million.
- Installation of security fence around airport boundary.
Cost - \$490,000.
- Purchase of new snow removal equipment.
cost - \$101,000.
- Rehabilitation of terminal roof, terminal air conditioning system, and baggage claim modifications.
Cost - \$265,000.

In March of 2002, the Federal Aviation Administration approved the Benefit Cost Analysis report for the extension and strengthening of Runway 18/36. This project will extend the main runway from 6,500' to 8,000' and will strengthen the existing portions of the runway to handle heavy (Boeing 757 and 767) class aircraft. The FAA has issued a \$1.3 million grant to fund the studies and design for this project. The first construction projects for this \$15 million expansion are planned for 2003. The total investment from federal, state and local sources is \$26.9 million for the expansion program.

Essential Air Service

At the time deregulation was initially proposed in the late 1970s, there was a groundswell of concern with respect to the effect of deregulation on rural markets. The prospect of permitting air carriers the ability to enter and exit markets freely, without government approval, raised legitimate questions regarding the ability of communities with lower traffic levels to maintain air service. It was anticipated that air carriers could shift their resources and operations to larger, more lucrative markets to realize economies of scale, at the expense of the rural markets. To address this concern, Congress established the Essential Air Service Program as part of the Federal Aviation Act.

The purpose of this program is to ensure that smaller communities, such as Owensboro, can maintain a link to the national air transportation system.

The Owensboro Daviess County area does not have adequate surface transportation routes. There are no interstate highways near this region. Owensboro is not only isolated by surface transportation. The nearest airport is Evansville, Indiana (47 miles from Owensboro) and it is not a hub airport. Standiford Field in Louisville is 108 miles from Owensboro and it is not a hub airport. The nearest medium or large hub airports are in excess of 210 miles. Owensboro is 342 miles from Northwest's Memphis hub; 224 miles from TWA's St. Louis hub; 213 miles from U S Airways' Indianapolis hub; and 211 miles from Delta's Cincinnati hub.

In August of 2000, our incumbent carrier (Northwest Airlines) filed notice with the DOT to terminate air service to the community of Owensboro. Northwest was offered the opportunity to be subsidized in this market; however, company officials declined the offer of assistance. Fortunately for us, Corporate Airlines of Smyrna, Tennessee came forward and offered scheduled airline service with the requirement that the DOT subsidize their operation.

Our original request for a subsidy was for four round trip flights a day from Owensboro to St. Louis; however, the DOT offered a service order for three round trips. Due to budget restraints, that order was further scaled down to two daily round trips. At that time, there was a \$50 million dollar cap on the EAS program and the DOT lacked the funding necessary to fulfill the original order. The airline, American Connection, agreed to fly the third round trip without subsidy until funding could become available.

Since that time, Congress passed the Transportation bill which included \$63 million (an increase of \$13 million for the program) and subsequently a supplemental measure was attached to the Defense Spending bill, which provided an additional \$50 million for the program

Airport representatives, along with local business leaders, met with DOT officials on March 1st of this year to request funding for the third daily flight. The EAS representatives informed the group that due to the events in September, increased costs as well as uncertainties about other potential EAS filings prohibited them from making any commitments at that time.

The airport group explained the need for the additional funding. The new carrier has gained broad acceptance from the community. Passenger boardings were increasing steadily due to the nonstop service to a better connecting hub as well as favorable airfares. The major concern for the airport officials was the uncertainty of the airline industry (after 9/11) and the decisions that may be forthcoming from Corporate Airlines code-share partner American Airlines.

It is very likely that an American Airlines Pilot union issue may have an adverse effect on our air service here in Owensboro. Apparently, the American Airlines Pilot

Union has an ASM (available seat miles) cap in their contract (scope clause) that goes into effect if there are furloughed pilots (American laid off pilots after 9/11/2001). The purpose of the cap clause was to prevent American from shifting some of its routes to its more cost effective, smaller commuter operators such as American Eagle and our carrier American Connection.

American Airlines is approaching that ASM cap and should reach it sometime in the near future. What this means for Owensboro is that our carrier, American Connection, may be forced to reduce our flights to two a day. Airline service will not survive in Owensboro with just two flights a day. Airfares are one of the major factors in passenger's decisionmaking and so is the frequency or availability of flights in and out of an area. Our passengers would be unable to make timely connections with the hub in St. Louis and they would be more likely to use alternative airports such as the one in Evansville, Indiana or Louisville, Kentucky.

This community needs a third daily flight to ensure the success of our carrier. Without the subsidy or an agreement to fund the third flight, we are at the mercy of Airline planners who will ultimately make a decision to enhance their profitability or satisfy an existing agreement with the Pilot's union.

Strategic Plan

To enhance and protect our existing passenger service, the Owensboro-Daviess County Regional Airport Board has developed the following goals and objectives:

Short term (1-2 years) goals

- 1. Maintain minimum of three (3) daily flights to hub in St. Louis, MO with existing air service provider*
- 2. Promote community support and awareness*
- 3. Increase passenger enplanements by **15%***

Long-term (3 or more years) goals

- 1. Increase frequency to **four (4)** daily flights to hub in St. Louis, MO.*
- 2. Assist and encourage current provider to obtain code-share agreements with other major airlines.*
- 3. Capture additional market share from existing potential market.*

Action Plan

To accomplish the goals listed in the strategic plan, the Owensboro-Daviess County Regional Airport intends to initiate the following programs:

Subsidize third daily flight

The Airport Board will enter into an agreement with the DOT and Corporate Airlines to provide direct annual financial payments to the air carrier for a period not to exceed three (3) years. The cost for the additional flight will be shared equally between the Airport Board and Corporate Airlines. This program will operate in conjunction with the existing Essential Air Service Order (Docket # OST-2000-7855).

Develop Comprehensive Marketing Plan

The Airport Board will introduce several local and regional programs that will promote awareness and highlight the convenience of flying from Owensboro. The Airport Board will continue to work with a professional advertising and public relations firm to develop these programs.

Update Existing Air Service Study

The Airport Board will solicit proposals from air service consultants to update the 1996 "Air Service Market Analysis". The update will provide timely information on current passenger trends and explore new opportunities for service. The analysis will gather data from various sources such as ticket lifts, zip code reports, demographic studies, traffic bleed analysis and passenger surveys.

Projected Budget

<u>Source</u>	<u>Amount</u>
Chamber of Commerce/Industry, Inc.	\$10,000
City of Owensboro	\$20,000
Daviess County	\$20,000
Commonwealth of Kentucky	\$20,000
Department of Transportation	\$500,000
Corporate Airlines matching contribution	<u>\$375,000</u>
Total Income	\$945,000

<u>Projected Expenditures</u>	<u>Amount</u>
FY03	
Airline Subsidy	\$250,000
Marketing Campaign	<u>\$50,000</u>
FY04	
Airline Subsidy	\$250,000
Marketing Campaign	<u>\$50,000</u>
Air Service Study	\$45,000
FY05	
Airline Subsidy	\$250,000
Marketing Campaign	<u>\$50,000</u>
Total Expenses	\$945,000

Program Implementation and Measurement

The Green River Area Development District will be responsible for the administration of the grant and the monitoring of program goals and objectives. The Owensboro-Daviess County Regional Airport, as recipient, will accept grant assurances for the funds and will be responsible for compliance with terms and conditions of any grant offer. The Airport Board or the Green River Area Development District will provide detailed accounting of all income and expenses for the program. At the end of each fiscal year (June 30), **an** independent accounting firm audits the Airport Board financial records and copies of such audits will be provided to the DOT.

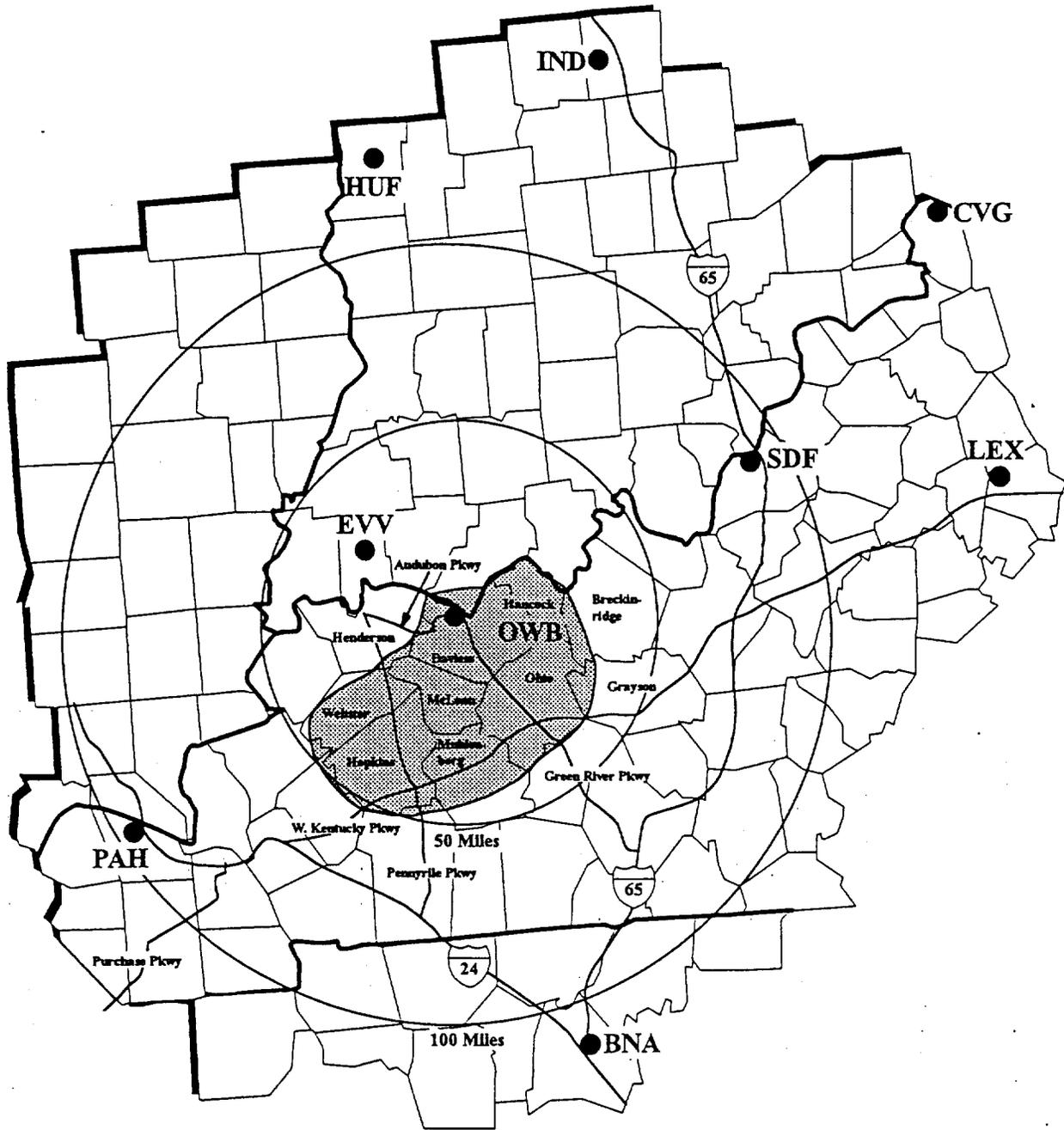
The Owensboro-Daviess County Regional Airport Authority will provide semi-annual progress reports to the DOT. The reports will include, but not limited to current enplanement statistics, new marketing initiatives, and financial reports. The airline subsidy payments will be sent on a monthly basis. The program timeframe will last for three (3) years. The success of the program will be measured against existing passenger enplanement data.

Conclusion

The loss of commercial service to this community would result in a tremendous setback to our future economic development. Scheduled air service into our local airport has been an important factor in recruiting business and industry to the region. In order to continue our economic expansion, Owensboro and the surrounding area desperately needs continued air service. Given the history of enplanements at our airport and the robust state of business in our community and region, it is our belief that three flights a day is the bare minimum required to adequately serve our market. The people in our community have embraced our new service; however, the turmoil and uncertainty of the airline industry may have an adverse effect on our schedule frequency. As you can see we need a minimum of three flights a day to ensure our viability and to fortify our market position. In review of our application, we urge you to consider the points discussed in our narrative. If you have questions or comments about the information submitted, please feel free to contact the Airport Manager, Tim Bradshaw, 270.685.4179.

EXHIBIT 1

Owensboro Daviess County Regional Airport Air Service Area



 Owensboro Air Service Area



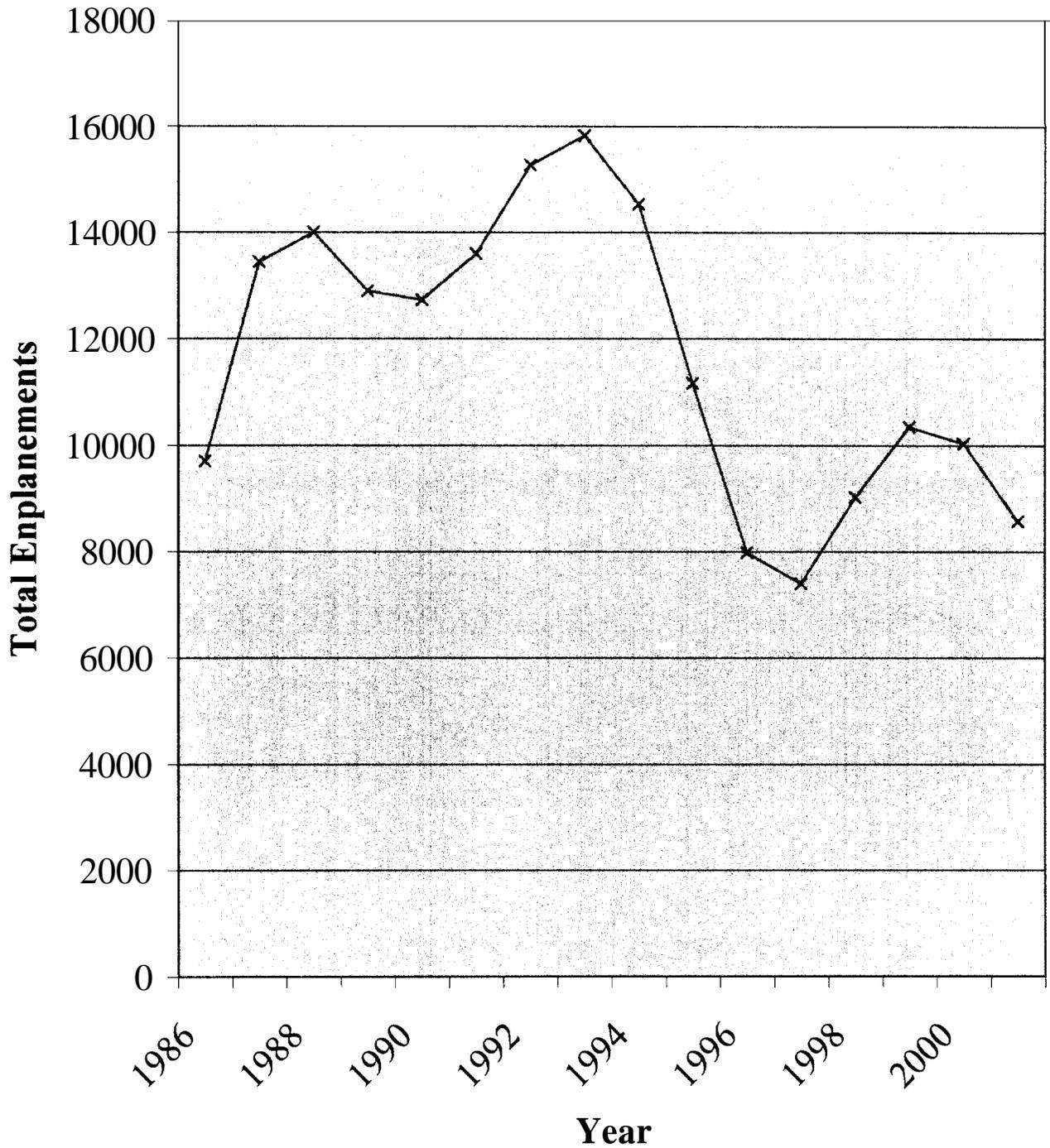
EXHIBIT 2

**Population In The Owensboro-Daviess County Regional Airport's
Air Service Area .**

County	Total 1995 Population	Percent In Area	<i>Air Service</i> Area Population
Breckenridge	16,500	10%	1,650
Daviess	91,100	100%	91,100
Grayson	23,100	10%	2,310
Hancock	8,300	100%	8,300
Henderson	44,300	5%	2,215
Hopkins	46,200	100%	46,200
McLean	9,700	100%	9,700
Muhlenberg	31,100	75%	23,325
Ohio	21,700	100%	21,700
Webster	13,400	90%	12,060
Total	305,400		218,560
Total Kentucky	3,876,100		

Source: Sales & Marketing Management, 1996 Survey of Buying Power

Owensboro - Daviess County Enplanements





Commonwealth of Kentucky
Transportation Cabinet
Frankfort, Kentucky 40622

James C. Codell, III
Secretary of Transportation

Paul E. Patton
Governor

Clifford C. Linkes, P.E.
Deputy Secretary

April 16, 2002

The Honorable Norman Y. Mineta
Secretary
U. S. Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Dear Secretary Mineta:

The Kentucky Transportation Cabinet requests your consideration by *the* Owensboro-Daviess County Regional Airport for federal assistance under the Small Community Air Service Development Program. This pilot program was created under *the* Wendell H. Ford Aviation Investment and Reform Act (AIR-21) to assist small communities with their air service needs.

Owensboro is the **third largest** city in *the* Commonwealth and **one** of only five airports in the State to have scheduled passenger service. The Owensboro-Daviess County Regional Airport is an integral part of the economic infrastructure for Western Kentucky. Our businesses in Western Kentucky rely on the airport to move people and products in an expeditious manner. To continue the economic growth in the area, it is important that we maintain good, reliable air service. It is a well known fact that in every community - small, medium or large - the airport serves as the single most important generator of economic activity. The Owensboro-Daviess County Regional Airport is no exception. Last year the airport generated \$22 million dollars in economic activity and it is expected to contribute \$123 million over the next five years to Kentucky's economy. Many economic development specialists regard airports as the equivalent of yesterday's seaport or railroad station.

The continued economic vitality of the Owensboro-Daviess County Regional Airport is important to the citizens of the Commonwealth. We respectfully request that the Owensboro-Daviess County Regional Airport be provided this much needed federal assistance under the Small Community Air Service Development Program. Thank you for your consideration on this most important matter.

Sincerely,


James C. Codell, III
Secretary



KENTUCKY TRANSPORTATION CABINET
"PROVIDE A SAFE, EFFICIENT, ENVIRONMENTALLY SOUND, AND FISCALLY RESPONSIBLE TRANSPORTATION SYSTEM
WHICH PROMOTES ECONOMIC GROWTH AND ENHANCES THE QUALITY OF LIFE IN KENTUCKY."
"AN EQUAL OPPORTUNITY EMPLOYER M/F/D"



The Chamber of Commerce and Industry, Inc.

April 8, 2002

Mr. Tim Bradshaw
General Manager
Owensboro-Daviess County Regional Airport
2200 Airport Road
Owensboro, KY 42301

RE: Support for Air-2 1 Proposal

Dear Tim,

It has come to my attention that the Owensboro-Daviess County Regional Airport will be seeking funds from the U.S. Department of Transportation's Air-2 1 Demonstration program for small commercial airports. This funding would allow the airport to pursue efforts aimed at increasing passenger loads and overall airport utilization and thereby increasing the possibilities of greater levels of service availability.

On behalf of the 1100 members of the Owensboro Chamber of Commerce, I wish to express support for your proposal and to offer our continuing assistance in promoting the airport. The Chamber along with Industry, Inc. serve as the largest business **and** economic development groups in this region. We know how important quality air service is to creation of a vibrant and growing economy and have developed many of our growth strategies around the assumption that local air service options will continue to be enhanced.

Our commitment to the success of your Air-21 proposal goes beyond words to a pledge of direct financial assistance. As you finalize your proposal, you can count on continued use of our staff to complement your marketing efforts, prominent and free placement in all of our publications and other forms of cash and non-cash support.

We are very grateful for the outstanding relationship that has developed between the airport and the Chamber/Industry, Inc. and look forward to continuing to work with you.

Sincerely,



Hugh A. Haydon
President/CEO

OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2000-2001

INCOME

PROJECTED 00 PROPOSED 2001

General Aviation Operations

MILLIONAIR RENT	3797	4177
MILLIONAIR % OF GROSS	20100	20703
MILLIONAIR FUEL FLOWAGE	12500	12875
T-HANGAR INCOME	21600	21600
BULLFROG NORTH% GROSS	216	216
PRECISION ENGINE % GROSS	200	400
OBORO AVIATION % GROSS	475	670
MARTIN AVIATION RENT OR %	12982	12982
MARTIN AVIATION FUEL FLOW	5568	4176
AYER FLYING CLUB	1800	1800
MODERN WELDING RENT	1700	1900
MODERN WELD. FUEL FLOW	1112	1008
TEXAS GAS RENT	3230	4853
TEXAS GAS FUEL FLOWAGE	90072	3133
Sub-Total	90072	90493

Commercial Operations

NORTHWEST EXPRESS RENT	11868	12224
NW EXPRESS LANDING FEE	13188	13188
NW MESABA RENT	2760	0
NW MESABA LANDING FEE	3975	0
Sub-Total	31791	25412

Rents|Concessions|Misc.

OFFICE RENTALS	3547	4800
ENTERPRISE CAR RENTAL	7998	10792
DAVIESS CTY WATER DIST.	7980	7980
EDGE CUMBE INC	2347	2347
R A ALEXANDER	3240	3240
HOUSE RENT	6480	6300
TELMAR RENT	19200	19200
BROADLEAF CONTRACTING	4500	4500
VENDING	504	525
TERMINAL ADVERTISING	3500	3500
COMMISSIONS	2200	40
INTEREST INCOME	1325	2650
FISHER FARMS	42034	39932
EBELHAR FARMS	15053	14300
BITTEL FARMS	8500	8075
TABOR FARMS	200	200
MISC. INCOME	450	562
Sub-Total	129058	128943

TOTAL INCOME

250921

244848

OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2000-2001

EXPENSES		
Payroll Expenses		
SALARIES	142,240	150,615
PAYROLL TAXES	8962	9488
HEALTH INSURANCE	14659	20832
PENSION EXPENSE	10402	9767
WORKERS COMP	1900	1900
LIFE INSURANCE	1344	900
UNIFORM ALLOWANCE	750	1160
Sub-Total		
Operations/Admin Expenses		
UTILITIES	40100	30075
FUEL	1973	2466
RADIO/COMMUNICATIONS	1924	1924
TELEPHONE	6000	4500
INSURANCE	23416	21074
MISC. ADMINISTRATION	4500	40%
TRAVEL ADMINISTRATION	7000	3500
LEGAUPROFESSIONAL	38000	38000
OFFICE SUPPLIES	3584	3046
POSTAGE	203	800
AIRLINE/MARKETING	700	<u>1000</u>
PUBLIC RELATIONS	1000	
ADVERTISING	3000	24000
CONSULTING EXPENSE	200	250
ADMIN VEHICLE	6837	
VENDING EXPENSE	48	300
DUES/SUBSCRIPTIONS	850	1062
EQUIPMENT RENT	1200	1200
Sub-Total		
	140535	148084
Maintenance Expenses		
EQUIPMENT EXPENDABLE	1777	888
LANDSCAPING	1427	1427
SNOW REMOVAL	2500	2500
CLEANING SUPPLIES	2482	1861
BUILDING REPAIRS	1500	3000
EQUIPMENT REPAIRS	5038	6298
FIELD MAINTENANCE	3055	6110
VEHICLE MAINTENANCE	2859	2859
SMALL TOOLS	225	169
Sub-Total		
	20863	25112
TOTAL EXPENSES		
	341655	367858
TOTAL INCOME FROM OPERATIONS		
	250921	244848
CASH SHORTFALL BEFORE CITY-COUNTY FUNDIN		
	-90,734	-123,010

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CAPITAL REPLACEMENT ITEMS	
AIRCRAFT RAMP PAVEMENT RESEAL	9586
NEW SIGNAGE	13,000
TOTAL	-145,596
TOTAL FUNDING NEEDED	-145,596
CITY OF OWENSBORO FUNDING REQUEST	82,929
DAVISS COUNTY FUNDING REQUEST	62,667

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OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2001-2002

INCOME

PROJECTED 01 PROPOSED 2002

General Aviation Operations

MILLION AIR RENT	4177	4594
MILLION AIR % OF GROSS	20703	21303
MILLION AIR FUEL FLOWAGE	12875	12875
T-HANGAR INCOME	21600	21600
BULLFROG NORTH % GROSS	216	216
PRECISION ENGINE % GROSS	400	500
OBORO AVIATION % GROSS	670	650
MARTIN AVIATION RENT OR %	12982	12982
MARTIN AVIATION FUEL FLOW	4176	0
AYER FLYING CLUB	1800	1800
MODERN WELDING RENT	1900	1900
MODERN WELD. FUEL FLOW	1008	1008
TEXAS GAS RENT	4853	4853
TEXAS GAS FUEL FLOWAGE	3133	3300
Sub-Total	90493	87581

Commercial Operations

AIRLINE RENT	12224	12224
AIRLINE LANDING FEE	13188	8100
Sub-Total	25412	20324

Rents|Concessions|Misc.

OFFICE RENTALS	4800	4200
CORRADINO	0	3547
ENTERPRISE CAR RENTAL	10792	13000
DAVIESS CTY WATER DIST.	7980	7980
EDGE CUMBE INC	2347	2347
R A ALEXANDER	3240	3240
HOUSE RENT	6300	6300
TELMAR RENT	19200	19200
BROADLEAF CONTRACTING	4500	4500
VENDING	525	550
TERMINAL ADVERTISING	3500	3500
COMMISSIONS	40	60
INTEREST INCOME	2650	6000
DAVIESS COUNTY FIRE DEPT.	0	3996
FARM INCOME	62507	68244
MISC. INCOME	562	200
Sub-Total	128943	146864

TOTAL INCOME

244848	254769
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OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2001-2002

EXPENSES	PROJECTED 01 PROPOSED 2002	
Payroll Expenses		
SALARIES	150,615	153,169
PAYROLL TAXES	9488	9650
HEALTH INSURANCE	20832	20643
PENSION EXPENSE	9767	10982
WORKERS COMP	1900	1900
UNEMPLOYMENT INSURANCE		8000
LIFE INSURANCE	900	1073
UNIFORM ALLOWANCE	1160	1160
Sub-Total	194662	177934
Operations/Admin Expenses		
UTILITIES	30075	35000
FUEL	2466	3100
RADIO/COMMUNICATIONS	1924	812
TELEPHONE	4500	4000
INSURANCE	21074	21706
MISC. ADMINISTRATION	4050	3500
TRAVEL ADMINISTRATION	3500	3500
LEGAL/PROFESSIONAL	38000	38000
AIRPORT SECURITY		2500
DISCOVERY FLIGHTS	100	140
OFFICE SUPPLIES	3046	1500
POSTAGE	800	1000
FREIGHT/SHIPPING	100	200
AIRLINE/MARKETING	1000	5000
PUBLIC RELATIONS	4000	2000
ADVERTISING	24000	24000
CONSULTING EXPENSE	250	1000
ADMIN VEHICLE	6837	6837
VENDING EXPENSE	300	300
TRAINING	600	1500
DUES/SUBSCRIPTIONS	1062	1500
EQUIPMENT RENT	1200	600
Sub-Total	148884	150195
Maintenance Expenses		
EQUIPMENT EXPENDABLE	888	400
LANDSCAPING	1427	1000
SNOW REMOVAL	2500	2500
CLEANING SUPPLIES	1861	2500
BUILDING REPAIRS	3000	4000
EQUIPMENT REPAIRS	6298	6298
FIELD MAINTENANCE	6110	5000
VEHICLE MAINTENANCE	2859	2859
SMALL TOOLS	169	169
Sub-Total	25112	24726
TOTAL EXPENSES	368658	352855
TOTAL INCOME FROM OPERATIONS	244848	254769

CASH SHORTFALL BEFORE CITY-COUNTY FUNDING -123,810 -98,086

CAPITAL REPLACEMENT ITEMS

PARKING LOT PAVEMENT RESEAL	9586
MOWER	11,000
NEW SIGNAGE	<u>13,000</u>
TOTAL	<u>33,586</u>

TOTAL FUNDING NEEDED	-131,672
CITY OF OWENSBORO FUNDING REQUEST	-65,836
DAVISS COUNTY FUNDING REQUEST	-65,836

OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2002-2003

INCOME

PROJECTED 02 PROPOSED 2003

General Aviation Operations

MIDAMERICA JET RENT	4594	5054
MIDAMERICA JET % OF GROSS	21303	23000
MIDAMERICA JET FUEL FLOW.	12875	13000
T-HANGAR INCOME	21600	21600
BULLFROG NORTH % GROSS	216	225
PRECISION ENGINE % GROSS	500	500
OBORO AVIATION % GROSS	650	650
OBORO AVIATION ANNEX RENT/%	12982	12982
AYER FLYING CLUB	1800	1800
MODERN CHARTER	0	6500
MODERN WELDING RENT	1900	1900
MODERN WELD. FUEL FLOW	1008	1008
TEXAS GAS RENT	3300	4853
TEXAS GAS FUEL FLOWAGE	87581	3300
Sub-Total	87581	96372

Commercial Operations

AIRLINE RENT	12224	9840
AIRLINE LANDING FEE	8100	7795
Sub-Total	20324	17635

Rents/Concessions/Misc.

OFFICE RENTALS	4200	3600
CORRADINO	3547	3547
ENTERPRISE CAR RENTAL	13000	3000
ENTERPRISE % OF INCOME	0	10000
DAVIESS CTY WATER DIST.	7980	8785
EDGE CUMBE INC	2347	2370
SHOP RENT	3240	0
HOUSE RENT	6300	6300
TELMAR RENT	19200	19200
BROADLEAF CONTRACTING	4500	4500
VENDING/COMMISSIONS	610	550
TERMINAL ADVERTISING	3500	3250
INTEREST INCOME	6000	5000
DAVIESS COUNTY FIRE DEPT	3996	3996
FARM INCOME	68244	68244
MISC. INCOME	200	300
Sub-Total	146864	142642

TOTAL INCOME

254769

256649

OWENSBORO DAVIESS COUNTY REGIONAL AIRPORT
OPERATING BUDGET FY 2002-2003

EXPENSES	02 PROPOSED 2003	
Payroll Expenses		
SALARIES	153,169	149,382
PAYROLL TAXES	9650	12705
HEALTH INSURANCE	20643	25803
PENSION EXPENSE	10982	10740
WORKERS COMP	1900	2500
UNEMPLOYMENT INSURANCE	8000	1932
LIFE INSURANCE	1073	1054
UNIFORM ALLOWANCE	1160	700
Sub-Total		
Operations/Admin Expenses		
UTILITIES	35000	35000
FUEL	3100	3100
RADIO/COMMUNICATIONS	812	812
TELEPHONE	4000	4000
INSURANCE	21706	22357
MISC. ADMINISTRATION	3500	3500
TRAVEL ADMINISTRATION	3500	3500
LEGAL PROFESSIONAL	38000	38000
AIRPORT SECURITY	2500	2500
DISCOVERY FLIGHTS	140	100
OFFICE SUPPLIES	1500	1350
POSTAGE	1000	800
FREIGHT/SHIPPING	200	200
AIRLINE/MARKETING	5000	5000
PUBLIC RELATIONS	2000	2500
ADVERTISING	24000	5000
CONSULTING EXPENSE	1000	0
ADMIN VEHICLE	6837	6837
VENDING EXPENSE	300	300
TRAINING	1500	600
DUES/SUBSCRIPTIONS	1500	1500
EQUIPMENT RENT	600	600
Sub-Total	157695	137556
Maintenance Expenses		
EQUIPMENT EXPENDABLE	400	400
LANDSCAPING	1000	600
SNOW REMOVAL	2500	2500
CLEANING SUPPLIES	2500	3500
BUILDING REPAIRS	4000	4000
EQUIPMENT REPAIRS	6298	7500
ARFF VEHICLE	0	1200
FIELD MAINTENANCE	5000	5000
VEHICLE MAINTENANCE	2859	2859
SMALL TOOLS	169'	500
Sub-Total	24726	28059
TOTAL EXPENSES	388998	370431

TOTAL INCOME FROM OPERATIONS	254769	259,338
Manager's increase in salary		15,000
CASH SHORTFALL BEFORE CITY-COUNTY FUNDING	-134,229	-126,093

CAPITAL REPLACEMENT ITEMS

Mower Deck		3,000
HP Printer		1,400
TOTAL		4,400

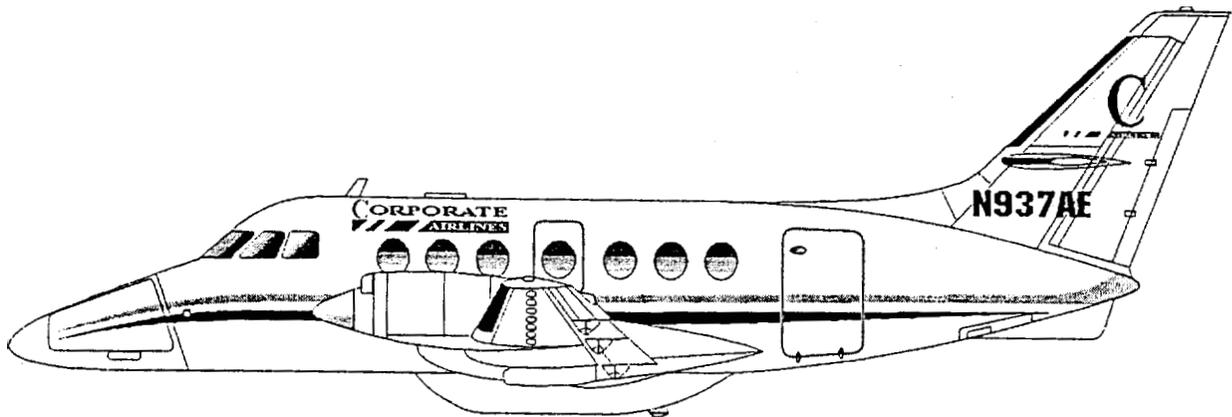
NEW PROGRAM

Local matching funds for Air Service Development Program		40,000
TOTAL FUNDING NEEDED		-170,493
CITY OF OWENSBORO FUNDING REQUEST		-85,247
DAVISS COUNTY FUNDING REQUEST		-85,247

CORPORATE AIRLINES

d/b/a

AMERICAN CONNECTIONS



CORPORATE AIRLINES FLIGHT SCHEDULE

Owensboro to St. Louis			St. Louis to Owensboro		
Flt #	Depart	Arrive	Flt #	Depart	Arrive
7889	6:00 am X7	7:02 am	7888	10:02 am X7	11:04 am
7887	11:25 am	12:27 pm	7886	2:04 pm	3:06 pm
7885	3:30 pm X6	4:32 pm	7884	6:25 pm X6	7:27 pm

For Reservations
Call Your Local Agent
or
1-800-221-2000

X6 = except Saturday

X7 = except Sunday