



# City of Grand Island

Tuesday, April 22, 2008

Council Session

## Item I2

**#2008-121 - Consideration of Approving Letter of Support for  
Essential Air Service (EAS) to the Department of Transportation  
(DOT)**

Staff Contact: Jeff Pederson

# **Council Agenda Memo**

**From:** Jeff Pederson, City Administrator

**Meeting:** April 22, 2008

**Subject:** Essential Air Service Recommendation

**Item #'s:** I-2

**Presenter(s):** Mike Olson, AAE Central Nebraska Regional Airport  
Executive Director

## **Background**

The Department of Transportation developed a program entitled Essential Air Service (EAS) several years ago to assure that smaller rural communities would be provided with passenger air service. The program provides subsidies to commercial air carriers to offset the cost of offering such service in areas where ridership cannot be to the level to achieve profitability. This program is intended to help small communities in economic development, community development and population stabilization. Hall County has benefited from this program over the last few years by assuring that the area continued flight service for citizens and businesses.

On January 16, 2008 the current air carrier, Mesa Airlines, filed a "Notice of Termination of Service". The Department of Transportation asked for bids from air carriers for the various EAS communities for the continuation of air service. The Central Nebraska Regional Airport received bids from two airlines: Great Lakes Aviation and Hawaii Island Air. A summary of the proposals is attached for City Council review.

## **Discussion**

The Department of Transportation encourages public input into the process to secure EAS providers. On April 9, 2008 the Central Nebraska Regional Airport Board conducted a public meeting to seek input from citizens and businesses concerning air service. Mike Olson, Executive Director will be on hand to present the outcome of the public participation process and results of a recently completed survey for City Council review. He will also present a recommendation from the Airport Authority Board

requesting concurrence from the Grand Island City Council in support for Hawaii Island Air - Option #1.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Move to deny

### **Recommendation**

City Administration recommends that the Council accept the recommendation of the Hall County Airport Authority Board submitted by Hawaii Island Air and pass resolution #2008-121 to authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.

### **Sample Motion**

Motion to accept the recommendation of the Hall County Airport Authority Board submitted by Hawaii Island Air and pass resolution #2008-121 to authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.



April 16, 2008

Mayor Margaret Hornady  
City of Grand Island  
P.O. Box 1968  
Grand Island, NE 68802

Dear Mayor Hornady:

If you recall, on January 16<sup>th</sup> our current air carrier, Mesa Airlines, filed a "Notice of Termination of Service." As a result of this action, the Department of Transportation requested bids from other airlines to take over service at nine communities the termination affected. On March 21<sup>st</sup>, the request for bids were received. The Central Nebraska Regional Airport received bids from two airlines: Great Lakes Aviation and Hawaii Island Air. Both airlines proposed service to Kansas City.

On Wednesday, April 9<sup>th</sup>, the Airport Authority conducted a public input meeting with both airlines having a representative present to talk about their proposals. During this public meeting, a number of questions were asked to both airlines.

During the Airport Authority's board retreat on Friday, April 11<sup>th</sup>, the Airport Authority Board voted 5-0 to recommend Hawaii Island Air as the replacement air carrier for Mesa Airlines. The board took into consideration a number of issues in their final decision. The board also took into consideration the online survey conducted on the airport's website.

The results of the survey (attached) favored Hawaii Island Air over Great Lakes Aviation 51-33. Also taken into consideration were the following:

- Ability to start service in 90 days upon bid award
- Size of aircraft
- Ticket prices
- Frequency
- Interview of airlines from the April 9<sup>th</sup> public meeting

3743 Sky Park Road  
Grand Island, NE 68801  
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FlyGrandIsland.com


Mayor Margaret Hornady  
City of Grand Island  
April 16, 2008  
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In conclusion, the Airport Authority Board felt the 37-seat Dash-8 aircraft and low airfares (starting at \$59 each way) to Kansas City on Hawaii Island Air was the better of the two airline bids.

The Hall County Airport Authority Board is respectfully requesting concurrence from the Grand Island City Council in our support for Hawaii Island Air – Option #1. Also, the Airport Authority is requesting a letter of support from Mayor Hornady recommending the same to the Department of Transportation.

Sincerely submitted,

HALL COUNTY AIRPORT AUTHORITY

A handwritten signature in black ink, appearing to read "Michael J. Olson", with a long horizontal flourish extending to the right.

Michael J. Olson, AAE  
Executive Director

MJO/srw

## **Hall County Airport Authority**

April 11, 2008

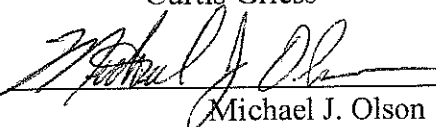
### **Resolution 08-31**

#### **Essential Air Service (EAS) Agreement**

**AUTHORITY ACTION TAKEN:** Resolved that the Hall County Airport Authority makes the following recommendations to the Department of Transportation (DOT) for air service for the Central Nebraska Regional Airport under the Essential Air Service (EAS) program listed in order of preference:

1. Hawaii Island Air -- Option #1
2. Hawaii Island Air -- With time schedule as close to Option #1 for times

Chairman:   
Curtis Griess

Executive Director:   
Michael J. Olson

**ESSENTIAL AIR SERVICE SURVEY**  
**Central Nebraska Regional Airport**

On Tuesday, March 25, 2008, the Central Nebraska Regional Airport received bids from 2 airlines for our Essential Air Service. The bids from Hawaii Island Air and Great Lakes Aviation are for non-stop service to Kansas City. You will notice on each proposal the flight schedule is included. Great Lakes Aviation will utilize the 19 seat Beech 1900 and Hawaii Island Air will utilize the 37 seat Dash 8 aircraft with a lavatory and a flight attendant.

Hawaii Island Air is proposing airfares as low as \$59.00 each way to Kansas City with a 7-day advanced purchase. Great Lakes Aviation has not proposed any airfare information.

**Your Name:** \_\_\_\_\_

**Please Print**

1. How often do you travel by airline? (Please check one.)

\_\_\_\_\_ Once  
\_\_\_\_\_ 2-4 times a year  
\_\_\_\_\_ 4-7 times a year  
\_\_\_\_\_ More than 7 times a year

2. Is your travel mostly: (Please check one.)

\_\_\_\_\_ Business  
\_\_\_\_\_ Leisure  
\_\_\_\_\_ Both

3. Please rank in order of importance: (1-6)

\_\_\_\_\_ Size of aircraft  
\_\_\_\_\_ Ticket prices  
\_\_\_\_\_ Frequency of flights  
\_\_\_\_\_ Reliable service  
\_\_\_\_\_ Connecting hub  
\_\_\_\_\_ Code share or Frequent Flyer programs

4. What 3 airports in the United States do you fly to the most?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

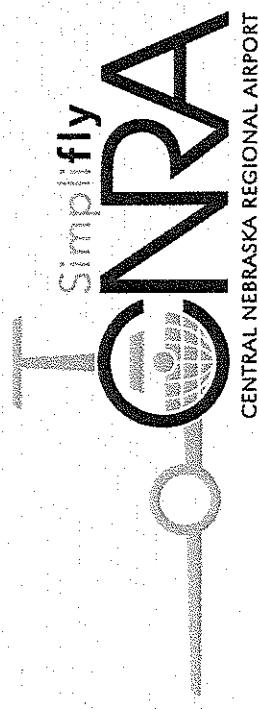
5. Of the 2 airlines that have submitted proposals, which airline do you prefer?

\_\_\_\_\_ Great Lakes Aviation  
\_\_\_\_\_ Hawaii Island Air

# Central Nebraska Regional Airport

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## Survey Results



# How often do you travel by airline?

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Once	2-4 Times A Year	4-7 Times A Year	More Than 7 Times A Year
9	36	22	24

**Is your travel mostly:**

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<b>Business</b>	<b>Leisure</b>	<b>Both</b>
<b>18</b>	<b>30</b>	<b>43</b>

# **Rank in Order of Importance**

- 1. Ticket Prices**
  - 2. Connecting Hub**
  - 3. Frequency of Flights**
  - 4. Connecting Hub**
  - 5. Size of Aircraft**
  - 6. Code Share or Frequent Flyer Programs**
-

# Rank in Order of Importance

Ranking	Size of Aircraft	Ticket Prices	Frequency of Flights	Reliable Service	Connecting Hub	Code Share or Frequent Flyer Programs
1	3	57	7	24	11	2
2	5	18	14	26	30	2
3	11	7	31	23	11	5
4	12	5	23	9	25	6
5	35	2	12	3	8	19
6	20	1	2	4	2	50

What 3 airports in the United States do you fly to the most?

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- ☐ 1<sup>st</sup> Airport Choice: Denver
  - ☐ 2<sup>nd</sup> Airport Choice: Denver
  - ☐ 3<sup>rd</sup> Airport Choice: Chicago
-

# **Airport Preferences:**

## **1. Denver – 16**

- (Followed by Kansas City (15) and Chicago (14))**

## **2. Denver – 19**

- Followed by Chicago (12), Kansas City (7) and Omaha (7)**

## **3. Chicago & Omaha – 9**

- Followed by Phoenix (6), Denver (5) and Kansas City (5)**
-

Which airline proposal do you prefer?

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- ☐ Hawaii Island Air - 51
  - ☐ Great Lakes Aviation - 33
-

If you chose Hawaii Island Air,  
which proposal did you favor?

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- ☐ Option #1 – 9
  - ☐ Option #2 – 6
  - ☐ Option #5 – 8
  - ☐ Option #7 – 5
  - ☐ Option #9 – 5
  - ☐ Option #11 – 2
  - ☐ Option #12 – 3
-

## Hawaii Island Air d/b/a Island Air

**All flights operated with 37-seat DeHavilland Dash-8-100 series aircraft. (Reserve the right to substitute a similar 30+ seat cabin-class aircraft in place of the Dash-8 in the future.)**  
**Code share with United Airlines and Continental Airlines.**

Option #1	Service to Kansas City (Part of package that includes Joplin, MO and Columbia, MO)				EAS Subsidy \$1,639,076			
	Grand Island to Kansas City				Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive	Frequency	Stops
	0540 1535	0645 1640	Mon-Sat Sun-Fri	0 (47) 0 (44)	1400 2015	1505 2120	Mon-Sat Sun-Fri	0 (38) 0 (48)
Option #2	Service to Kansas City (Part of package that includes Joplin, MO and Columbia, MO)				EAS Subsidy \$1,551,286			
	Grand Island to Kansas City				Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive	Frequency	Stops
	0540 1255	0645 1400	Mon-Sat Sun-Fri	0 (47) 0 (35)	1130 2015	1235 2120	Mon-Sat Sun-Fri	0 (38) 0 (48)
Option #5	Service to Kansas CityEAS Subsidy \$1,649,560 (Part of package that includes Joplin, MO)							
	Grand Island to Kansas City				Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive	Frequency	Stops
	1030 1755	1135 1900	Mon-Sat Sun-Fri	0 (35) 0 (19)	0905 1630	1010 1735	Mon-Sat Sun-Fri	0 (19) 0 (37)

## Hawaii Island Air d/b/a Island Air (Continued)

*All flights operated with 37-seat DeHavilland Dash-8-100 series aircraft. (Reserve the right to substitute a similar 30+ seat cabin-class aircraft in place of the Dash-8 in the future.)*

*Code share with United Airlines and Continental Airlines.*

Option #7	Service to Kansas City (Part of package that includes Joplin, MO; Columbia, MO; and Kirksville, MO)		EAS Subsidy \$1,721,063			
	Grand Island to Kansas City		Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive
	0550 1255	0655 1400	Mon-Sat Sun-Fri	0 (48) 0 (35)	0930 2015	1035 2120
			Mon-Sat	0 (22)	Sun-Fri	0 (48)
Option #9	Service to Kansas City (Part of package that includes Joplin, MO; Harrison, AR; and Hot Springs, AR)		EAS Subsidy \$1,493,258			
	Grand Island to Kansas City		Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive
	1030 1655	1135 1800	Mon-Sat Sun-Fri	0 (35) 0 (31)	0905 1530	1010 1635
			Mon-Sat	0 (19)	Sun-Fri	0 (38)
Option #11	Service to Kansas City (Part of package that includes Harrison, AR; Hot Springs, AR; and Columbia, MO)		EAS Subsidy \$1,561,105			
	Grand Island to Kansas City		Kansas City to Grand Island			
	Depart	Arrive	Frequency	Stops	Depart	Arrive
	0540 1255	0645 1400	Mon-Sat Sun-Fri	0 (47) 0 (35)	1130 2015	1235 2120
			Mon-Sat	0 (38)	Sun-Fri	0 (47)

## Hawaii Island Air d/b/a Island Air (Continued)

*All flights operated with 37-seat DeHavilland Dash-8-100 series aircraft. (Reserve the right to substitute a similar 30+ seat cabin-class aircraft in place of the Dash-8 in the future.)*  
**Code share with United Airlines and Continental Airlines.**

Option #12	Service to Kansas City (Part of package that includes Columbia, MO)	EAS Subsidy \$1,572,295				
		Grand Island to Kansas City				
		Depart	Arrive	Frequency	Stops	
		0540	0645	Mon-Sat	0 (47)	
		1255	1400	Sun-Fri	0 (35)	
	Kansas City to Grand Island					
	Depart	Arrive	Frequency	Stops		
	1130	1235	Mon-Sat	0 (38)		
	2015	2120	Sun-Fri	0 (47)		

**Great Lakes Aviation, Ltd.**

***Flights operated with 19-seat Beechcraft 1900D aircraft.***

<b>Proposal #5</b>	<b>Three round trip non-stops to Kansas City Hub</b>					<b>EAS Subsidy \$1,867,351</b>
<u>Flight No.</u>	<u>Frequency</u>	<u>Flow</u>	<u>Schedule</u>	<u>Block Time</u>	<u>Equipment</u>	
7200	123456	GRI-MCI	0600-0715	75	BE1 (50)	
7201	123456	MCI-GRI	1140-1255	75	BE1 (39)	
7202	1234567	GRI-MCI	1310-1425	75	BE1 (37)	
7203	1234567	MCI-GRI	1530-1645	75	BE1 (38)	
7204	12345 7	GRI-MCI	1700-1815	75	BE1 (24)	
7205	12345 7	MCI-GRI	2000-2115	75	BE1 (42)	

Note: Great Lakes Aviation, Ltd. has submitted a proposal for McCook to Kansas City with one stop at Grand Island, NE; Hays, Ks; or Salina, KS.

RESOLUTION 2008-121

WHEREAS, the Central Nebraska Regional Airport has been working diligently to improve the air service options available to central Nebraskans and to increase the number of enplanements from the local airport; and

WHEREAS, the current air carrier, Mesa Airlines, filed a "Notice of Termination of Service"; and

WHEREAS, on April 11, 2008, the Hall County Airport Authority Board approved a resolution authorizing a recommendation to the Department of Transportation to allow Hawaii Island Air of Honolulu, Hawaii to provide two (2) weekly round trip nonstop flights to Kansas City, Missouri; and

WHEREAS, the recommendation would serve more passengers in central Nebraska, and would be the best use of federal Essential Air Service subsidies; and

WHEREAS, the City of Grand Island supports the efforts to increase affordable, convenient options for air travel for central Nebraska; and

WHEREAS, the Hawaii Island Air of Honolulu, Hawaii offers the best proposal with the goal of reaching self sufficiency in a more timely manner from EAS; and

WHEREAS, increased air traffic to serve central Nebraska would be a valuable asset to the community.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor and City Council of the City of Grand Island hereby pledge their full support, endorsement, and cooperation with the efforts of the Hall County Airport Authority in submitting a recommendation to the Department of Transportation seeking Essential Air Service improvement funding to allow Hawaii Island Air of Honolulu, Hawaii to provide two (2) weekly round trip nonstop flights to Kansas City, Missouri.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to send a letter to the Department of Transportation expressing support of such proposal.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 22, 2008.

\_\_\_\_\_  
Margaret Hornady, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk