



City of Grand Island

Tuesday, March 24, 2015

Council Session

Item I-1

#2015-83 - Consideration of Approving Letter of Support for Essential Air Service (EAS) to the Department of Transportation (DOT)

Staff Contact: Marlan Ferguson

Council Agenda Memo

From: Marlan Ferguson, City Administrator
Meeting: March 24, 2015
Subject: Essential Air Service Recommendation
Item #'s: I-1
Presenter(s): Mike Olson, AAE, Executive Director
Hall County Airport Authority

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.

Every two years the Department of Transportation asks for proposals from air carriers for the various EAS communities for the continuation of air service. One proposal from American Airlines was submitted for the Central Nebraska Regional Airport. A summary of the proposal is attached for City Council review.

Discussion

The Airport Authority Board, in a letter to Mayor Jensen, is requesting concurrence from the City for the formal request to the Department of Transportation for the Essential Air Service. This is a requirement of the DOT on matters such as this.

On March 11, 2015 the Hall County Airport Authority conducted a public meeting to discuss the bids for Essential Air Service to Grand Island, NE. The Hall County Airport Authority is recommending American Airlines to the Department of Transportation (DOT) for air service for the Central Nebraska Regional Airport under the Essential Air Service Program.

Alternatives

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

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council accept the recommendation of the Hall County Airport Authority Board submitted by American Airlines and authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.

Sample Motion

Move to accept the recommendation of the Hall County Airport Authority Board submitted by American Airlines and authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.



March 11, 2015

Mayor Jeremy Jensen
City of Grand Island
PO Box 1968
Grand Island, NE 68802

Dear Mayor Jensen:

Today, the Hall County Airport Authority adopted the enclosed Resolution 15-25 to make the following recommendation to the Department of Transportation for air service at the Central Nebraska Regional Airport under the Essential Air Service program: American Airlines will provide 13 nonstop round trips per week on a (44 or 50 seat) regional jet from the Central Nebraska Regional Airport in Grand Island, NE (GRI) to Dallas/Fort Worth International Airport (DFW) in Dallas/Fort Worth, TX.

The term is a two-year period from July 1, 2015 through June 30, 2017 with an annual Federal subsidy of \$1,270,707.00, and Authority agrees to waive the right to hold in American Airlines upon issuance of 120 days' notice to terminate service.

The Hall County Airport Authority Board respectively requests concurrence from the City Council in our support for American Airlines to Dallas/Fort Worth Texas International Airport, and a letter of support from Mayor Jensen recommending the same to the Department of Transportation.

Sincerely submitted,

HALL COUNTY AIRPORT AUTHORITY

Michael J. Olson, AAE
Executive Director

cc: Marlan Ferguson – City Administrator
RaNae Edwards – City Clerk

EMAILED
3/16/15 DP

Michelle Setlik
Lynne Werner
Mike Olson, AAE, Executive Director

Ken Caldwell
Joe Cook
Brian Ousant

B O A R D M E M B E R S :

H A L L C O U N T Y A I R P O R T A U T H O R I T Y

Hall County Airport Authority

March 11, 2015

Resolution 15-25

Essential Air Service (EAS) Request for Grand Island, NE

AUTHORITY ACTION TAKEN: Resolution being the Hall County Airport Authority makes the following recommendation to the Department of Transportation (DOT) for air service at the Central Nebraska Regional Airport under the EAS program:

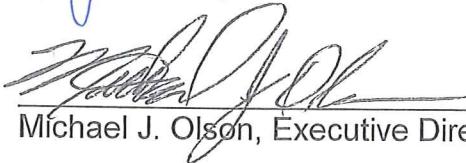
Air service with American Airlines to provide 13 nonstop round trips per week on a (44 or 50 seat) regional jet from the Central Nebraska Regional Airport in Grand Island, NE (GRI) to Dallas/Fort Worth International Airport (DFW) in Dallas/Fort Worth, TX.

The term is a two-year period from July 1, 2015 through June 30, 2017 with an annual Federal subsidy of \$1,270,707.00.

The Hall County Airport Authority agrees to waive the right to hold in American Airlines upon issuance of 120 days notice to terminate service.



Lynne Werner, Board Chair



Michael J. Olson, Executive Director

RESOLUTION 2015-83

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 Central Nebraska Regional Airport; and

WHEREAS, on March 11, 2015, the Hall County Airport Authority Board approved Resolution #15-25 authorizing a recommendation to the Department of Transportation to allow American Airlines to provide thirteen (13) weekly round trip nonstop flights to Dallas/Fort Worth International Airport in Dallas/Fort Worth, Texas; 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, 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 American Airlines to provide thirteen (13) weekly round trip nonstop flights to Dallas/Fort Worth International Airport in Dallas/Fort Worth, Texas.

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, March 24, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 20, 2015	☐ City Attorney