

Source: Public Works

To: <u>City Council</u> From: <u>City Manager and Staff</u>

Council Meeting Date: Jun 17, 2013

Agenda Item No: REP 91-13

Re:

FY13 Columbia Regional Airport Endeavors

EXECUTIVE SUMMARY:

Staff has prepared for Council consideration a report concerning FY13 Columbia Regional Airport endeavors.

DISCUSSION:

Fiscal year 2013 has been an extremely busy year at the Columbia Regional Airport. To keep Council informed of the various endeavors, staff has attached a report highlighting some of the major activities.

FISCAL IMPACT:

None with this report.

VISION IMPACT:

http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php

None

SUGGESTED COUNCIL ACTIONS:

For information only

		FISCAL and	VISION NO	DTES:	
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Expands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	

Council Report Airport Projects FY13

Air Service Revenue Guarantee:

The Air Service Revenue Guarantee for Columbia Regional Airport (COU) was modeled after the Manhattan, Kansas Regional Airport. The Manhattan City Commission entered into an agreement with American Airlines in May 2009. The agreement established a two-year minimum revenue guarantee by which the airline could draw incentive funds if passenger revenue failed to meet targets as defined by a formula in the agreement. Over the two year life of the air service agreement, the revenue guarantee fund was tapped just once for approximately \$161,000, covering the first two months of operations, and was not at all unexpected for a new service.

The City of Columbia, and its partners, entered into a two-year minimum revenue guarantee agreement with American Airlines in February 2013. Enplanement (departing) load factors have averaged over 85% since the start of American Airlines service at COU. During the first quarter of this agreement with American Airlines, the City of Columbia paid approximately \$22,500 from interest accrued in the original revenue guarantee fund. The primary reason for payment to American Airlines during the first two weeks of operations was deplanement (arriving) passenger loads. Once the route systems were populated with passengers originating from COU, no additional minimum revenue guarantee payments were required during the first three months of service.

American Airlines – US Airways Merger

In February 2013, American Airlines and US Airways announced plans to merge, creating, by some measurements, the largest airline in the world. The merger is expected to close in the third quarter of 2013. While the merger may not have a direct short term impact at COU, long-term opportunities do exist.

Once the merger is complete, two additional hubs in the American Airline system will be within 700 miles of COU (Philadelphia PA and Charlotte NC). The hub with the most conductivity for domestic and international travel is the Charlotte/Douglas International Airport, Charlotte, North Carolina.

American Airlines Hubs:

Dallas/Fort Worth International Airport Dallas, Texas John F. Kennedy International Airport New York, New York LaGuardia Airport New York, New York (focus city) Los Angeles International Airport Los Angeles, California Miami International Airport Miami, Florida O'Hare International Airport Chicago, Illinois

US Airways Hubs:

Charlotte/Douglas International Airport Charlotte, North Carolina Philadelphia International Airport Philadelphia, Pennsylvania Phoenix Sky Harbor International Airport Phoenix, Arizona Ronald Reagan Washington National Airport Washington, D.C.

Regional Jet Fleet

The national regional carrier passenger fleet is forecast to decrease by 63 aircraft in 2013 as increases in larger regional jets are more than offset by reductions in 50 seat and smaller regional jets and turboprops. After 2013, the regional carrier fleet is expected to increase by an average of five aircraft (0.2 percent) a year over the remaining years of the forecast period, totaling 2,436 over the next 20 years.

American Airlines recently entered into an agreement with Republic Airways Holdings Inc., to operate regional flights using the new 76 passenger Embraer ERJ-175 regional jets. They will go into operation at a rate of two or three per month starting in mid-2013. American stated it will match the right size plane to market demand on certain routes. COU will be one of the candidates for the upgraded ERJ service. The ERJ-175 will also offer a business class cabin.

Currently, American Airlines regional jet service consists of 47 ERJ-700 (65 passenger jet), 118 ERJ-145 (50 passenger jet), 59 ERJ-140 (44 passenger jet) and 18 ERJ-135 (37 passenger jet). Service from Columbia has been predominantly on the 50 passenger aircraft. During the month of May, Columbia was served by the 44 passenger aircraft. American officials informed us that Columbia would return the 50 passenger aircraft in June.

Terminal Upgrades

The Columbia Regional Airport was designed in the mid 1960's. The runway became operational in November 1968 and the terminal opened in 1969.

At the beginning of FY13, the Columbia Regional Airport was able to seat approximately 50 passengers in the security holding area. The security holding area was first placed in service around 1980. This area was a temporary double-wide mobile structure that replaced a 6-foot security fenced in the same area that exposed the passengers to Mid-Missouri weather extremes. The fenced-in area was created to meet FAA Security Directives in the early 1970's. Due to the passenger holding area being a temporary structure, no water or sewer access was designed to accommodate passenger needs.

In 1984, the original temporary structure (passenger holding area) was made permanent with the addition of a second double-wide structure placed next to it. The second structure served as the baggage claim area. The airport utilized these separate structures until the last quarter of FY2012.

For many years, the passenger holding area was able to accommodate approximately 50 screened passengers. With the trend towards larger regional jets and the opportunity to provide nonstop service from Columbia to Orlando, the decision was made to combine the passenger holding area and baggage area into one large area with two gates. The City of Columbia purchased a mobile classroom from Columbia Public Schools for \$3,300. This building was connected to the south portion of the main terminal building and utilized for new baggage claims. Today, the airport can seat approximately 130 passengers and operate two airline gates in the screened passenger holding area.

Upgrade TSA Category IV to Category III Airport

In November of 2012, the Columbia Regional Airport upgraded from a TSA Category IV Airport (partial security plan) to a category TSA III Airport (full security plan). This upgrade allowed the Columbia Regional Airport to operate regularly scheduled air carrier aircraft with more than 60 seats.

Taxiway A Reconstruction

Taxiway A, which is parallel to Runway 2-20 is currently being reconstructed. This taxiway scored low according to pavement condition indexing. This failure caused foreign object debris almost daily creating a concern to all taxiing aircraft. The newly constructed taxiway is 50ft wide and has new LED lighting installed. This LED lighting reduces the energy demand and provides clear crisp light for navigational purposes complying with the FAA requirements. This lighting also has a long life reducing the need for replacement. The old taxiway pavement was crushed and produced approximately 80,000 tons of recyclable material that was used to create a 160 vehicle parking area and build a perimeter road inside the new wildlife fence.

The Columbia Regional Airport currently has a farm fence surrounding the AOA. This fence did not comply with FAA and TSA requirements. In January 2013, a new wildlife fence began to be constructed. This new fence will be 10ft tall with three strands of barbed wire on the top. This new fence will provide a boundary that will prevent wildlife from entering the movement areas and will provide security for the airfield. Wildlife strikes are the main concerns for safety with the FAA. Funding was provided to construct this fence to comply with our Wildlife Hazard Management Program. The fence will also serve the purpose of complying with TSA 1542, which requires inadvertent entry by unauthorized persons due to the increase in our Full Security Plan. Without this increase, the airport would not be able to support larger than 60 passenger commercial aircraft.

Airport Parking

Over 200 additional parking spaces were created in 2012. Fifty-one spaces were added to the parking lot near Central Missouri Aviation. An additional 160 overflow parking lot was constructed with material from the Taxiway A reconstruction project. These additional parking areas were at capacity during spring break and the NCAA tournament (charter aircraft).

Upgrade FAA Certification from Index A to Index B

Due to American Airlines providing service with an Embraer type aircraft, the FAA increased the requirement of Aircraft Rescue and Firefighting (ARFF) services to Index B, due to the larger aircraft (over 90 feet in length). This requirement will necessitate the enhancement of Aircraft Fire Rescue equipment and vehicles in the future. The added benefit to this change could provide the potential for additional funding to these enhancements in future procurements of ARFF vehicles.