



Elizabethtown Airport Board

- Client:** Elizabethtown Airport Board
- Location:** Elizabethtown, Kentucky
- Project Goals** Phase One – Conduct Passenger Airline Service Market Feasibility Study
- Phase Two – Develop Communications/Promotion Strategy for Airport
- Phase Two – Develop Regional Support for Passenger Airline Service
- Phase Two – Address Airport Infrastructure Issues
- Phase Two – Recruit Airlines to Elizabethtown Regional Airport
- Project Status:** Ongoing

Introduction

The Elizabethtown Airport Board (EAB) operates the municipal airport, Elizabethtown Regional (EKKX) in Elizabethtown, Kentucky. In 2005, the EAB decided to respond to numerous inquiries received from area citizens regarding the establishment of passenger airline service at EKKX. EKKX had prior service in the mid 1980s (Delta Connection service to Cincinnati/Northern Kentucky and Piedmont Commuter to Dayton). The service was not successful for a variety of reasons. However, due to the repeated inquiries and substantial growth in the market the EAB decided to review the issue.

The EAB retained Luke Schmidt, President of L.B. Schmidt & Associates, LLC for Phase One of the project with the purpose of conducting a market feasibility study to confirm the presence of a viable passenger airline service market in Central Kentucky. Following the completion of the feasibility study, the EAB elected to proceed with Phase Two and again retained L.B. Schmidt & Associates, LLC to direct the project with the following goals:

- *Attract a regional airline that is aligned with a major carrier*
- *Develop service to a major connecting hub to provide one-stop access from Central Kentucky to all major North American destinations, along with significant international connections*
- *Develop service using regional jets*
- *Develop service that offers competitive airfares*

Phase One/Market Feasibility Study

The Market Feasibility Study was completed in May 2006. The Study (276 pages) included detailed demographic research into each of the 24 counties in the regional air service market. Highlights of the Study include:

- Prepared an overview of previous passenger airline service at EKX and analyzed what went wrong and why the service could be successful now
- Analysis of Fort Knox travel patterns (summary of destinations and the number of annual roundtrips to each)
- Summary of Fort Knox market (current Commands and incoming Commands)
- Projection of future Fort Knox air travel
- Analysis of travel patterns for key businesses and industries located throughout the region
- Detailed demographic information on Elizabethtown Metro area
- Analysis of regional driving distances, costs and times to all regional commercial airports
- Projected annual potential passenger enplanements at EKX using a variety of methodologies (350,000 departing passengers)
- Conducted site visits to six southeastern commercial airports in markets which have demographics similar to Elizabethtown to determine best practices and overviews of each market, airport and the community's approach to airline service
- Developed profiles of airlines and airline connecting hubs most likely to serve EKX
- Reviewed regional aircraft operational requirements
- Provided recommendations regarding FAA Part 139 (commercial airport) operating and regulatory requirements
- Provided recommendations regarding TSA security issues
- Provided recommendations on marketing and promoting the airport to potential airlines and passengers

The Study was presented to the EAB, the Mayor of Elizabethtown, Board members of the Elizabethtown Industrial Foundation in written form and also with a detailed PowerPoint presentation. Upon review of the data, conclusions and recommendations, the EAB confirmed that a market for passenger airline service did exist and elected to proceed to Phase Two of the project.

Phase Two

Luke Schmidt was retained in 2006 to continue directing the project. Phase Two of the project is ongoing and encompasses the following scope of work:

- Develop Communications/Promotion Strategy for Airport

- Develop Regional Support for Passenger Airline Service
- Address Airport Infrastructure Issues
- Recruit Airlines to Elizabethtown Regional Airport

Community's Air Service Development Efforts

Luke Schmidt began efforts in 2006 to recruit passenger airline service to EKK. By working with the EAB, much has been done to achieve this goal, including:

1. Re-branded the airport by changing the airport's name to reflect new regional mission
2. Developed new airport logo and related collateral materials
3. Developed new airport Web site (www.ekkairport.com)
4. Developed concept design for new passenger terminal
5. Developed an unprecedented level of regional support for new passenger service at EKK along with key support at Fort Knox
6. Began efforts to develop contract military airfares
7. Started airline recruitment process with formal and ongoing discussions with three network carriers and one low-cost carrier
8. Attended the airline industry JumpStart Conference in Pittsburgh in June 2008
9. Established a schedule of airline airport charges and fees – the most competitive in Kentucky
10. Recently updated the region's Origin & Destination survey



Partnership for Central Kentucky Airline Service

As part of its efforts to develop passenger airline service at EKK, Luke Schmidt has invested a significant amount of time in the area of regional outreach. The goal of the outreach has been two-fold:

- *To provide background information on efforts to develop passenger airline service at EKK and to illustrate the benefits that this service will provide, not only to Elizabethtown/Fort Knox but also to a wide portion of Central Kentucky*
- *To solicit the support of various government jurisdictions, elected officials, business and industry leaders, and, individuals as the project moves forward to demonstrate regional support for new airline service*

Since the outreach effort began, Luke Schmidt has addressed numerous city councils, county fiscal courts, chamber of commerce boards of directors, industrial development boards of directors, and, military officials. The result has been an unprecedented level of regional support for this project from throughout the 24 county regional air service market, including:

- *72 government jurisdictions, chamber boards and industrial development boards have considered this issue and have passed formal resolutions of support.*
- *200+ elected officials, military officials, business and industry leaders and individuals have issued formal letters of support*

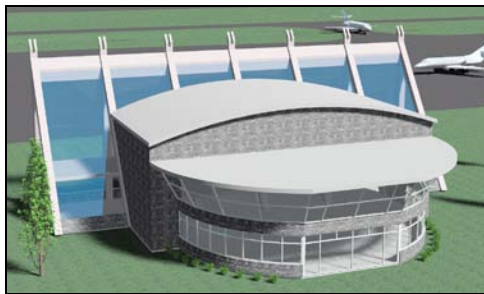
Luke Schmidt and the EAB developed the Partnership for Central Kentucky Airline Service – a loosely organized group of key regional leaders who are supporting this project (the level of regional support is unprecedented – most of these communities are used to competing against each other for economic development projects!)

Extensive efforts have been taken to build relationships with key leaders at Fort Knox, including the Garrison Commander and various Deputy Garrison Commanders, and the Installation Transportation Officer. Luke Schmidt meets routinely with these officials to keep them apprised of the project. This project has been endorsed by the leadership at Fort Knox.

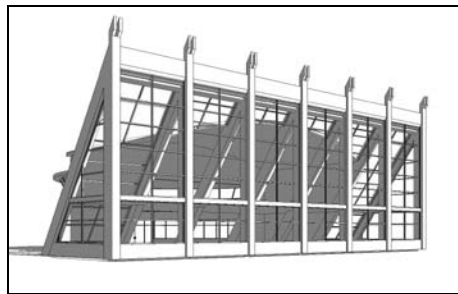
Airport Infrastructure Issues

Luke Schmidt has also worked with the EAB to address airport infrastructure issues. Luke Schmidt facilitated meetings with the FAA for the purpose of securing funding for an Instrument Landing System (ILS) Glide Slope. This was accomplished by working closely with Congressman Ron Lewis and his staff. This particular project is ongoing.

The EAB commissioned a set of concept drawings for a new passenger terminal. The new terminal will be approximately 25,000 square feet and will be green in design in terms of environmental efficiency. The terminal will also include a USO/military departure lounge for soldiers.



**New EKX Passenger Terminal
Landside Elevation**



**New EKX Passenger Terminal
Airside Elevation**

The cost of the new terminal has been included in a list of projects to be funded to support infrastructure expansion as the result of the BRAC transformation at Fort Knox. Luke Schmidt worked closely with regional state legislators as this process started and will continue to provide support to secure funding once a written commitment to provide service has been received by a carrier.

Airline Recruitment

Before actual airline recruitment could begin, much of the work described above had to be completed first. When it finally became time to begin recruiting airlines (First Quarter 2008) fuel costs had skyrocketed. Simply put, with oil at \$145 a barrel this was not the best time to recruit *any* airline to a new market. Nonetheless, detailed briefing books (60 pages) on the market and the airport were developed along with accompanying PowerPoint presentations.

By adopting an approach which recognized the difficult economic climate, and not “immediately” asking for the order, an orderly dialogue has been established with both parties – the EAB and the airlines – pointing towards an improving economy. The bottom line is simply this: in spite of a very difficult economic environment, EKX has now been identified as a viable, potential expansion market by three network carriers and a low cost carrier.

Efforts are underway to develop contract military airfares for Fort Knox personnel to/from EKX by working with the Installation Transportation Officer and the Surface Deployment and Distribution Command at Scott AFB.

Summary

Significant progress has been made towards the attainment of the goals set forth with this project. As the economy improves so should the chances to successfully complete this project.

It is important to note that the success that this project has attained to date has been due to the partnership which has been developed between Luke Schmidt, L.B. Schmidt & Associates, LLC, and, its client, the Elizabethtown Airport Board. Luke Schmidt has worked in close consultation with the EAB Chairman and the Board in moving forward on this project. Substantial support has been developed in the immediate community, Fort Knox and throughout Central Kentucky.

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