Docket: OST-2006-23671
Before the Office of the Secretary of Transportation

Quincy Regional Airport, Illinois

Proposal Under the Small Community Air Service Development Program
U.S. Department of Transportation

An Integrated Program of Air Service Development via;

Aircraft Upgrade and Advertising/Marketing

Sponsor: City of Quincy, Illinois
Dun & Bradstreet Number: 832707491

April 2006
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Introductory Letter

Mark E. Hanna, C.M.
Airport Director

The Honorable Norman Y. Mineta
United States Secretary of Transportation
400 7th Street, SW
Washington, DC 20590

Dear Secretary Mineta:

The Quincy Regional Airport – Baldwin Field is respectfully submitting for your consideration an application to the Small Community Air Service Development Program. Our application seeks funding to offset additional costs to secure cabin-class aircraft for all or part of its daily flights to the St. Louis hub and to support a comprehensive marketing campaign to boost enplanements, increase public awareness of the services provided at our facility and to ensure the long term financial viability of our marketplace to encourage the continuance of the passenger air service products provided by our incumbent airline, RegionsAir d/b/a AmericanConnection.

The downsizing of the American Airlines hub in St. Louis in November 2003 and the recent airspace congestion problems in Chicago have stymied the development of air service in downstate Illinois. Access to a major hub offering many connecting options is vital for Quincy and the entire Tri-States Region of West Central Illinois, Northeastern Missouri and Southeastern Iowa to sustain and further develop its economic base while continuing to improve the quality of life in our region.

We feel a renewed and vibrant marketing campaign will increase our local passenger boardings as ridership has been consistently down since the fall of 2001. Our quantifiable goal is to reenergize our marketplace to attain passenger enplanements that are equivalent to the months prior to September 2001. We are confident that the offering of a cabin-class passenger aircraft and increased media exposure of the airport and the airline will produce positive results.

If approved, this program will greatly advance the development of air service in West Central Illinois and enhance the economic viability of our airline partner, while providing a tremendous value and benefit for the citizens in our region who are seeking opportunities in economic development and improvements in the overall quality of life. Thank you for your consideration and we urge you to approve and fully fund this project.

Sincerely yours,

Mark E. Hanna, C.M.
Airport Director

MEH:sa
1645 Hwy. 104 • Quincy, Illinois 62305
217-885-3285 • fax 217-885-3360
www.quincyrregionalairport.com
Applicant Information

- **Community now receives EAS subsidy**

Community Contact Information:
- Community Name: Quincy Regional Airport
- Address: 1645 Highway 104
- City, State, Zip-code: Quincy, Il 62305
- Point of Contact: Mark Hanna, Airport Director
- Phone: 217-885-3285
- Fax: 217-885-3260
- Email: mhanna@quincyil.gov
- County: Adams
- Dun & Bradstreet #: 832707491

Air Service Development Zone: 

Airport Information:
- Airport Name: Quincy Regional Airport-Baldwin Field
- Airport City: Quincy
- Airport State: Illinois
- Airport Code: UIN

Project Information:
- Project Proposal: (Check all that apply)
  - ☑ Marketing
  - ☑ Upgrade Aircraft
  - ☑ New Route
  - ☑ Personnel
  - ☑ Secure Increased Frequency
  - ☑ Low Fare Service
  - ☑ Travel Bank
  - ☑ Service Restoration
  - ☑ Surface Transport
  - ☑ Subsidy
  - ☑ Regional Service
  - ☑ Other (specify)
  - ☑ Revenue Guarantee
  - ☑ Launch New Carrier
  - ☑ Start Up Cost Offset
  - ☑ First Competitive Service
  - ☑ Secure Additional Carrier
  - ☑ Study
Project Goal: Project is intended to address problems involving (Check all that apply)

- High Fares
- Insufficient Air Service
- Unique Airport Circumstance
- Access to National Transportation System Needed
- Other (specify)

Please provide a brief synopsis (in one paragraph) of the highlights of your proposal:

Objectives for Program:
- Increase Local Enplanements
- Discourage Leakage

Course of Action to Support Means:
- Upgrade Aircraft
- Initiate Marketing and Advertising Campaign

Quincy Regional Airport seeks to stem the leakage experienced to competitive airports, thereby increasing enplanements. The Airport seeks to accomplish this by upgrading at least one flight each day from the existing 19-seat Jetstream 32’s to a 30-seat Saab 340. In the past year the Airport and RegionsAir have agreed to a deal that provides space for RegionsAir to do A and B checks on their aircraft operating at St. Louis at Quincy. The Airport hopes that the swapping of some J32 service will encourage RegionsAir to do A and B checks on Saab aircraft at Quincy as well, thus accomplishing several goals with this grant application. The Airport also plans to institute an aggressive advertising and marketing campaign to announce these changes to the community with the goal of continuing to highlight the service provided by RegionsAir dba American Connection from the hometown airport.

Public/Private Partnerships:

- City of Quincy, IL
- Quincy Area Chamber of Commerce
- Great River Economic Development Foundation
- RegionsAir
Project Cost:
Federal amount requested: $ 167,000
Total local financial contribution: $ 8,000
Airport funds: $ 0
Non-Airport funds: $ 8,000
City of Quincy $6,000
Great River Economic Development Foundation $2,000
State financial contribution: $ 0
Existing funds: $ 0
New funds: $ 0
In-kind contribution: $ 25,000
Marketing / Advertising Co-op / One for One
Total cost of project: $ 200,000

Airport Classification at Quincy:
☒ Non Hub ☐ Small Hub ☐ Medium Hub ☐ Other

Existing landing aids at Quincy:
☒ Full ILS ☒ Outer/Middle Marker ☒ Published Instrument Approach
☒ Localizer ☐ Other

Existing Service at Quincy:
☐ Jet service ☐ Low Fare Service ☒ Turboprop

Air Carriers Serving Quincy:

RegionsAir (DBA American Connection)

Current Flight Information for Quincy: (as of March 2006)
Number of non-stop round trip flights per destination:

STL = 26 Round Trip flights per week on RegionsAir using 19-seat J 32’s
Enplanements at Quincy:

2001: 14,310  
2002: 14,268  
2003: 9,627  
2004: 9,319  
2005: 9,332  

Airfares at Quincy:
(Fare Avg Fares Based on US DOT OD1A Survey - YE Sept 2005)

Overall Domestic Airfares  
Airfare: $390 RT  
20.25¢ per mile  

O&D Market: Dallas/Ft Worth  
Airfare: $398 RT  
30.07¢ per mile  

O&D Market: Chicago  
Airfare: $296 RT  
42.02¢ per mile  

O&D Market: Orlando  
Airfare: $349 RT  
17.55¢ per mile  

Proximity of Other Airports to Quincy:

What is your closest?  
Non-hub (w/jet service): Springfield, IL  
116 driving miles  
1:59  
Small Hub: N/A  
Medium Hub: N/A  
Large Hub: St. Louis, MO  
144 driving miles  
2:44  
Low-fare service: St. Louis, MO  
144 driving miles  
2:44
Executive Summary
Located in west central Illinois, Quincy has a metro area population near 70,000. Within 90 minutes of the airport reside 234,000 people. The City is home to Quincy University, John Wood Community College, Vatterott College and an outstanding public school system. Quincy offers a unique blend of natural beauty, cultural and recreation opportunities, a strong economic base and diverse employment opportunities.

Quincy Regional Airport has entered into an agreement with RegionsAir to provide a maintenance base for A and B checks for RegionsAir’s Jetstream 32 aircraft. Quincy Regional Airport, in conjunction with Baldwin Developers LLC is installing the hanger door with the intention of being able to accommodate larger 30-seat Saab 340 aircraft as well. In support of that goal, Quincy has determined that working with RegionsAir to swap out one of RegionsAir’s flights to/from St. Louis will help bring in additional capacity to the market in terms of seats, and additional work to the community in terms of a variety of aircraft serving
the market and available for maintenance at Quincy’s new facility at the Baldwin Field Business Park.

The short-term goal is to increase enplanements back above the 10,000 level experienced for so many years prior to 2003. The availability of additional seats in the market, covered with revenue guarantee funds from this grant for RegionsAir will allow RegionsAir and American Airlines to price the market more competitively in the future.

Quincy also feels that these changes, as well as the continued service provided by American Airlines at St. Louis needs to be communicated to the community of Quincy as well as the larger catchment area. Therefore, Quincy is proposing setting aside some funds to advertise and otherwise promote the services available at the Quincy Regional Airport.
GOV. BLAGOJEVICH ANNOUNCES OPPORTUNITY RETURNS INVESTMENT TO UPGRADE INFRASTRUCTURE AND ATTRACT NEW BUSINESS AND JOBS TO QUINCY

QUINCY – Building on his promise to continue economic growth in West Central Illinois, Gov. Rod Blagojevich today announced the awarding of more than $521,000 in Opportunity Returns support to RegionsAir, allowing the Smyrna, Tennessee-based company to relocate its aircraft maintenance facility to Quincy and bring 30 new jobs to the local economy. Joined by other state and local officials, the announcement was made today by Illinois Department of Commerce and Economic Opportunity Director Jack Lavin in Quincy.

“When we set out to craft the Opportunity Returns strategy for the West Central region, we sat down with regional stakeholders to learn what their greatest priorities were for laying the foundation for renewed economic growth. Time and again, what we heard is that local infrastructure must be improved so that this area can better position itself to attract investment and foster business development. By partnering with the City of Quincy and RegionsAir, we’re achieving two major goals at once - providing the infrastructure capacity the city needs to attract new business, as well as the resources companies like RegionsAir need to help ensure that they not only come to this community, but thrive here,” Gov. Blagojevich said.

“We greatly appreciate all of the support that Gov. Blagojevich is providing RegionsAir. This important partnership between our company, the State of Illinois and the City of Quincy will pay important economic benefits for years to come,” RegionsAir President and CEO Doug Caldwell said.

The Illinois Department of Commerce and Economic Opportunity (DCEO) is administering this business investment deal. DCEO will make available Economic Development for a Growing Economy (EDGE) tax credits based on job creation over a ten-year period, a grant for infrastructure improvements, Enterprise Zone benefits, including sales tax exemptions and tax credits for job creation, and an Employer Training Investment Program (ETIP) grant to fund workforce training of RegionsAir employees.

“Gov. Blagojevich is committed to continuing to invest in the immense economic potential of this region. This initiative shows that by working hard to build a competitive business climate, we can attract important companies like RegionsAir that will provide good jobs in our community and foster a renewed economic vitality in this region,” State Senator John Sullivan (D-Rushville) said.

(more)
Explanation of Proposal

Quincy Regional Airport proposes to swap, initially, one daily 19-seat Jetstream 32 with one daily 30-seat Saab 340 aircraft. The beginning of service would depend on the timing of the introduction of Saab 340's into the general fleet of RegionsAir, which is anticipated in June of 2006 in several St. Louis markets that are losing service with Trans States Airlines. Should the Saab 340 indeed be placed into service in the summer of 2006 the swap could occur as early as September of 2006, though the Airport has calculated a start date of January 2007.

The goal of the airport is to increase enplanements to a level that safely exceeds 10,000 annual enplanements and to accomplish this on a consistent basis in years to come. The Airport believes this goal can be accomplished with this proposed aircraft swap, coupled with an aggressive regional advertising and marketing campaign. The introduction of Saab service will attract more passengers in its own right, who will be drawn to the cabin-class features and in-flight comfort of the new aircraft.
By replacing one departure per day with a Saab 340, Quincy Regional Airport will see an available seat increase of 22% in 2007 versus 2005. This increase will add an average of 456 departing seats per month at Quincy.

In addition to the aircraft swap, Quincy Regional Airport proposes an aggressive air service marketing campaign in the region, which consists of a quarter million residents. The Airport will coordinate print and electronic campaigns to make potential customers aware of the service options available at Quincy, the connecting opportunities available via American Airlines at St. Louis and touting the new cabin-class service provided by RegionsAir at the local airport.
Use of Funds

Use of Funds Part 1: Aircraft Upgrade Revenue Guarantee
The increase in direct operating cost of a Saab 340 aircraft versus a Jetstream 32 aircraft is about 22.2%. For example, a Saab 340 is estimated to produce a direct operating cost of $930 per block hour versus the $761 per block hour in direct operating costs generated by the Jetstream 32 aircraft. Quincy estimates the swap of one aircraft type for another once a day will consist of approximately 730 block hours, for a total increase in cost to Regions Air of $123,305 annually. The increased operating cost will also necessitate a $6,165 increase in profit required by Regions Air in this EAS market for a total of $129,470.

Quincy Regional Airport is planning on working with Regions Air and American Airlines separately to bring some common-rated plus airfares to Quincy, hopefully resulting in some stimulation of traffic. The potential increase in revenue will be used to offset the increased costs of the Saab 340. This portion of the grant will only be used if new revenue generated does not cover the increased cost of the aircraft. The Airport plans to make this revenue guarantee available for as long as Regions Air provides the upgraded aircraft, to a total of three years.

Use of Funds Part 2: Advertising/Marketing
In support of the upgraded service, the Quincy Regional Airport will develop and implement an aggressive campaign of product awareness through an advertising and marketing campaign. A total of $45,529 in cash will be earmarked for this two year campaign, with $25,000 estimated to be spent in Quincy proper and the remaining $20,529 projected to be spent in the greater catchment area. An additional one-for-one match is offered by local newspapers, TV and radio stations as in-kind services, the value of the local media in-kind valued at $25,000.
**Expected Results**

Quincy Regional Airport projects that the 22% increase in available seats, coupled with the advertising campaign associated with the aircraft upgrade, will increase enplanements at Quincy from 8,993 in 2005 to nearly 11,000 in 2007. This calculation has been made with the assumption that RegionsAir load factors will remain steady between 2005 and 2007.

**Performance Measures**

The success of the program will be based on one measurable variable; the number of enplanements at the airport. The measurement will include a monthly comparison once the program begins to past enplanements numbers.

**Financial Controls**

As the sponsor, Quincy Regional Airport will be the responsible party for all fiscal matters and DOT reporting requirements. As a public entity the DOT can be assured that proper financial controls are in place to assure that the DOT’s grant will be used in accordance with any
subsequent agreement. Quincy Regional Airport understands that the grant is a reimbursable grant, meaning the Airport is responsible for program expenditures and will submit invoices to the DOT for reimbursement, based on a percentage of the total grant request.

Return on Investment
Quincy Regional Airport has developed a cost effective and achievable strategy to increase enplanements at the airport. The proposal uses proven methods of achieving air service improvements, while building on the greater than one-half million dollars in work already done by the state of Illinois and the local community regarding the Maintenance Facility made available to RegionsAir.

Timetable
Depending on availability of RegionsAir aircraft, service could begin as early as the fall of 2006. This proposal assumes the swap of aircraft will occur in January 2007.
Letters of Support

OFFICE OF THE MAYOR
CITY OF QUINCY

JOHN A. SPRING
MAYOR

April 3, 2006

The Honorable Norman Y. Mineta
United States Secretary of Transportation
400 7th Street, SW
Washington, DC  20590

Dear Secretary Mineta:

I am writing in support of the Quincy Regional Airport’s application to the Small Community Air Service Development Program. This application seeks funding to offset additional costs to secure cabin-class aircraft for all or part of its daily flights and to support a comprehensive marketing and promotion program to boost ridership and increase public awareness of our incumbent air service provider, RegionsAir d/b/a AmericanConnection.

The downsizing of the American Airlines hub in St. Louis in November 2003 and the recent airspace congestion problems in Chicago have stymied the development of air service in downstate Illinois. Access to a major hub offering many connecting options is vital for Quincy and the entire Tri-States Region of West Central Illinois, Northeastern Missouri and Southeastern Iowa to sustain and further develop its economic base while continuing to improve the quality of life in our region.

We in Quincy know that we need to be part of a collaborative effort to promote the development of quality air service. Accordingly, we have a marketing program that includes contributions from local media outlets and economic development officials. We respectfully request your favorable consideration of awarding Quincy Regional Airport a grant for aircraft upgrades and a comprehensive marketing program. We are dedicated to this partnership and are committed to ensure the success of this proposal as we intend to work closely with the community participants in the private sector in this ever-important public-private partnership that will assist in maintaining an attractive marketplace for our incumbent airline.

This program will greatly advance the development of air service in West Central Illinois and enhance the economic viability of our airline partner, while providing a tremendous value and benefit for the communities in our region who are seeking opportunities in economic development and improvements in the overall quality of life. Thank you for your consideration and we urge you to approve and fully fund this project.

Sincerely,

John A. Spring
Mayor

JAS:jll
March 31, 2006

The Honorable Norman Y. Mineta
United States Secretary of Transportation
400 7th Street, SW
Washington, DC 20590

Dear Secretary Mineta:

I am writing in support of the Quincy Regional Airport’s application to the Small Community Air Service Development Program. This application being made by the airport seeks funding to offset additional costs to secure sub-class aircraft for all or part of its daily flights and to support a comprehensive marketing and promotion program to boost ridership and increase public awareness of our incumbent air service provider, RegionsAir d/b/a AmericanConnection.

The downsizing of the American Airlines hub in St. Louis in November 2003 and the recent airspace congestion problems in Chicago have halted the development of air service in downstate Illinois. Additionally, some communities are having difficulty in simply sustaining their existing air service.

Quality access to a major hub offering many connecting options is vital for Quincy and the Tri-States region of West Central Illinois, Northeastern Missouri and Southeastern Iowa to sustain and further develop its economic base. Since the American Airlines downsizing of the St. Louis hub and the loss of United Express service to Chicago, many of our local firms are expressing concerns with both employee and customer travel to Illinois and the Tri-State Region. While not the sole factor, the lack of convenient, economical and comfortable transportation for sales, marketing and technical support is a major factor companies consider when locating some of these jobs and facilities to other domestic and international locations.

The Tri-States Region includes companies such as Archer Daniels Midland, Gardner Denver, J.M. Huber Corp., Prince Minerals, Inc., Harris Corporation, Titan International, BASF, Roquette America and Medelec Electronics. All of these firms have substantial activity not only here, but also in other international locations. Their locations here are very dependent upon air transportation, and the lack thereof threatens the future of jobs and economic opportunities.

We respectfully request your favorable consideration of awarding Quincy Regional Airport a grant for aircraft upgrades and a comprehensive marketing program. We are dedicated to this partnership and are committed to ensure the success of this proposal as we intend to work closely with the airport in this ever-important public-private partnership that will ultimately increase enplanements on our incumbent airline. Thank you for your consideration and we urge you to approve and fully fund this project.

Sincerely,

Charles G. Bell


Quincy and Adams County, Illinois... Geared for Business
Current Air Service

With the loss of United Express service to Chicago O’Hare in 2002, air service at the Quincy Regional Airport has been scaled-back in the last few years. RegionsAir is now Quincy’s sole air service provider, operating 19-seat Jetstream 32 aircraft. The American Connection brand operates four weekday and three weekend departures to American Airlines’ St. Louis hub.

Based on American’s March 2006 schedule, Quincy’s four daily departures connect to an average of 74 departing flights per day - ranging from a low of 13 flights for the 2:18 pm departure to a high of 24 flights for the 5:13 pm departure. Quincy’s arriving flights are timed a little better, with an average of 82 connecting flight opportunities per day - ranging from a low of 16 arrivals for the 3:55 pm STL departure to 26 flights for the 7:35 pm STL departure.

Existing Quincy - St. Louis Schedule
Schedule as of March 15, 2006

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<tr>
<th>Flight Number</th>
<th>Flight Origin</th>
<th>Flight Destination</th>
<th>Airline</th>
<th>Days of Week</th>
<th>Weekly Flights</th>
<th>Origin Departure</th>
<th>Destination Arrival</th>
<th>Weekly CX Flights</th>
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<td>S270</td>
<td>Quincy</td>
<td>St Louis</td>
<td>RegionsAir</td>
<td>MTWFTSx</td>
<td>6</td>
<td>6:20 AM</td>
<td>7:30 AM</td>
<td>54</td>
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<tr>
<td>S272</td>
<td>Quincy</td>
<td>St Louis</td>
<td>RegionsAir</td>
<td>MTWFTSS</td>
<td>7</td>
<td>10:37 AM</td>
<td>11:20 AM</td>
<td>161</td>
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<td>S274</td>
<td>Quincy</td>
<td>St Louis</td>
<td>RegionsAir</td>
<td>MTWFTSS</td>
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<td>2:18 PM</td>
<td>3:01 PM</td>
<td>93</td>
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<td>S276</td>
<td>Quincy</td>
<td>St Louis</td>
<td>RegionsAir</td>
<td>MTWFTxS</td>
<td>6</td>
<td>5:13 PM</td>
<td>6:01 PM</td>
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<th>Flight Destination</th>
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<th>Days of Week</th>
<th>Weekly Flights</th>
<th>Origin Departure</th>
<th>Destination Arrival</th>
<th>Weekly CX Flights</th>
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<tr>
<td>S271</td>
<td>St Louis</td>
<td>Quincy</td>
<td>RegionsAir</td>
<td>MTWFTSS</td>
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<td>10:13 AM</td>
<td>124</td>
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<tr>
<td>S273</td>
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<td>Quincy</td>
<td>RegionsAir</td>
<td>MTWFTSS</td>
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<td>1:05 PM</td>
<td>1:48 PM</td>
<td>154</td>
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<td>Quincy</td>
<td>RegionsAir</td>
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<td>3:55 PM</td>
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<td>S277</td>
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<td>Quincy</td>
<td>RegionsAir</td>
<td>MTWFTSS</td>
<td>7</td>
<td>7:35 PM</td>
<td>8:10 PM</td>
<td>163</td>
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With a four times daily service schedule RegionsAir is able to time its flights at Quincy to meet up with hundreds of weekly American Airlines flights at St. Louis. The most number of connections is provided by the combination of the first arrival in from St. Louis in the morning and the second departure from Quincy, which connects to 285 flights weekly at the hub.

Through 2002 Quincy Regional Airport had exceeded the 10,000 enplanement threshold. However, with the loss of Quincy’s second hub – Chicago O’Hare (which was served by Air Wisconsin) – enplanements have hovered just below 10,000 for the last three years. Enplanements on TWExpress and American Connection to St. Louis exceeded 10,000 on its own right from at least 1994 through 1997. Beginning in 1998 enplanements fell below 10,000, increasing somewhat when United Express was flying to Chicago but falling back down again in 2003. 2003 enplanements totaled 8,800, followed by 8,500 and 8,900 in 2004 and 2005.
Quincy, Illinois – Small Community Air Service Development Grant Application – April 2006

Quincy Experienced an Upswing in Traffic in '01-'02, However the Last Three Years Have Seen Enplanements Fall Below the 10,000 Level

Quincy Passengers on TW Express and American Connection to St. Louis Have Fluctuated Between 8,400 and 9,700 This Decade
St. Louis is reported as Quincy’s largest passenger market, though misreporting of the data could result in a different outcome.

RegionsAir reported average load factors at Quincy over the last three years of 36.8%. This rate compares to the 38.6% overall average load factor of RegionsAir at St. Louis. All flights presently operated at St. Louis are on Jetstream 32 aircraft.
Quincy Load Factors on RegionsAir to St. Louis Have Averaged 36.8% Since January 2003...

...However, Overall Load Factors for RegionsAir at St. Louis Have Averaged Only 38.6% Since January 2003
**Air Service History**

During the late 1940’s and 1950’s Quincy was served by three (3) airlines: Trans World Airlines, Braniff Airways, and Ozark Airlines. From the early years to present day Quincy continued to be served by a number of different carriers: Air Illinois, Britt Airlines, Simmons Aviation d/b/a American Eagle, Air Midwest d/b/a Trans World Express, Great Lakes Aviation d/b/a United Express, and Trans States Airlines d/b/a Trans World Express.

Only three (3) carriers ever served Quincy at any given time, primarily serving the hubs in Chicago and St. Louis. In January 2000 Great Lakes Aviation terminated its service to Chicago O’Hare leaving Quincy with only service to St. Louis. A community orientated effort to restore service to Chicago was spearheaded by the Quincy Area Chamber of Commerce. The Chamber of Commerce and other community leaders worked tirelessly in concert with our Congressional Delegation to restore the needed slots at O’Hare in order to reinstate air-service to Quincy. The community effort proved to be successful as Air Wisconsin d/b/a United Express agreed to serve Quincy for a period of two (2) years. In June 2000 the City of Quincy and Air Wisconsin executed a “Declaration of Cooperation.” This declaration invited all parties to offer each other in a cooperative manner “resources to create awareness and encourage demand for this new service.” The community supported its pledge by implementing a $100,000 marketing and awareness campaign that was made possible through the leadership of the Quincy Area Chamber of Commerce. Air Wisconsin and United Express agreed to continue the service to Quincy beyond the two-(2) year commitment if the market proved to be financially self-sufficient.

However the events of September 11, 2001 and the bankruptcy filing by United Airlines contributed to the termination of the United Express service to Quincy in January 2003, leaving Quincy with air service to only St. Louis. Meanwhile, Trans State Airlines d/b/a Trans World Express was replaced by Corporate Airlines d/b/a Trans World Express to fulfill Quincy’s air service needs to St. Louis. Corporate Airlines brought a new and fresh perspective to air service in the Tri-States Region when they began service in May 2000. Corporate Airlines delivered an updated fleet of aircraft, an aggressive marketing department, and most importantly an impeccable service record that is virtually unheard of in the airline industry. Corporate Airlines boosted a 99% overall reliability rate for arrivals and departures and over a 95% on-time performance rating. To this date the Quincy community has been satisfied with the service provided to St. Louis.
Air Service Deficiencies
The Quincy Regional Airport is served by only one airline; RegionsAir, which offers service to only one hub; St Louis. The inherent nature of EAS service is that it is a lifeline. There is no encouragement or financial incentive for American Airlines to offer competitive airfares in markets such as Quincy. Seven of the top twenty-one markets at Quincy have an average price over $400 round-trip. Overall, domestic airfares average $390 round-trip at Quincy.

Quincy's Domestic Passenger Fares Average $390 Roundtrip – Led by Atlanta at $509, 7 of the Top 21 Market Pairs are Priced Over $400

![Graph showing fared average fares at top 21 domestic O&D passenger markets at Quincy (excludes STL). Twelve months ended September 2006.](image-url)
Twelve of the top twenty-one markets at Quincy have an average yield of over 20¢ per mile. Overall, domestic yields average 20.25¢ per mile at Quincy.
Availability of Alternate Airports
Quincy is located 116 west of Springfield, while St. Louis is located 144 miles south of Quincy. Both of these markets are more than a two hour drive from Quincy.
**Air Service Advisory Groups**

A public-private partnership has been established between the City of Quincy and the Quincy Area Chamber of Commerce. The two parties have a long relationship in working together to promote the Quincy Regional Airport and its air service providers. The Quincy Area Chamber of Commerce has assembled an Air Service Advisory Committee to monitor air service developments and respond accordingly to maintain a positive relationship with the airlines while keeping the community informed of air service developments by supporting advertising campaigns and press releases. Additionally, the Great River Economic Development Foundation, long time supporter of the airport, has worked extensively with the airport and airlines to promote their value to the community. The Chamber of Commerce and the Great River Economic Development Foundation will assist in the implementation and monitoring of the strategic plan and proposal as outlined in this application. The Airport Director under the supervision of the Aeronautics Committee and the City Council will oversee and coordinate the daily administration of the plan in concert with its local partners and partners in this coalition to include the State of Illinois.

**Tri-State Development Summit**

The Tri-State Development Summit is an ongoing economic development initiative based on cooperation among business, government and community leaders from Northeast Missouri, Southeast Iowa and Western Illinois. While it began as a one-day event, it now includes task forces that work throughout the year on specific issues and projects. Its influence can be seen in the establishment of regional highway priorities, in cooperative programs among the region's three community colleges, and in products such as the first-ever tri-state tourism brochure.
Air Service Development Efforts
In January 2000 Great Lakes Aviation terminated its service to Chicago O’Hare leaving Quincy with only service to St. Louis. A community-orientated effort to restore service to Chicago was spearheaded by the Quincy Area Chamber of Commerce. The Chamber of Commerce and other community leaders worked tirelessly in concert with our Congressional Delegation to restore the needed slots at O’Hare in order to reinstate air-service to Quincy. The community effort proved to be successful as Air Wisconsin d/b/a United Express agreed to serve Quincy for a period of two (2) years. In June 2000 the City of Quincy and Air Wisconsin executed a written “Declaration of Cooperation.” This declaration invited all parties to offer each other in a cooperative manner “resources to create awareness and encourage demand for this new service.” The community supported its pledge by implementing a $100,000 marketing and awareness campaign that was made possible through the leadership of the Quincy Area Chamber of Commerce. Air Wisconsin and United Express agreed to continue the service to Quincy beyond the two- (2) year commitment if the market proved to be financially self-sufficient. However the events of September 11, 2001 and the bankruptcy filing by United Airlines contributed to the termination of the United Express service to Quincy in January 2003, leaving Quincy with air service to only St. Louis.

Meanwhile, Trans State Airlines d/b/a Trans World Express was replaced by Corporate Airlines d/b/a Trans World Express to fulfill Quincy’s air service needs to St. Louis. Corporate Airlines brought a new and fresh perspective to air service in the Tri-States Region when they began service in May 2000. Corporate Airlines delivered an updated fleet of aircraft, an aggressive marketing department, and most importantly an impeccable service record that is virtually unheard of in the airline industry. Corporate Airlines boosted a 99% overall reliability rate for arrivals and departures and over a 95% on-time performance rating. To this date the Quincy community has been satisfied with the service provided to St. Louis and the local media inking advertising contributions remain in effect at little to no cost to the airport. Since the termination of the service to Chicago, the community was successful in convincing Corporate Airlines to add a fourth daily flight to St. Louis to cover the void in air service left by United Express.
Extenuating Factors Affecting Air Service

The primary factor responsible for a loss of service and enplanements at Downstate Illinois airports such as Quincy is the lack of access at Chicago O’Hare and the dismantling of the St. Louis hub by American. Without access to Chicago, St. Louis became and still is the only viable option for Quincy area passengers. However, the reduction in seats available between 1999 and 2005 on TWA and American from 17.8 million to 5.1 million, the reduction in departures from 171,000 to 77,000 and the decline in destinations served from near a hundred to less than 70 has all resulted in a decrease in the availability of passengers in Quincy to connect to other flights in St. Louis. The first problem is having to double connect to more markets than in the past, the second problem is jockeying with passengers in all other markets for a vastly diminished supply of seats and the third is the removal of entire banks of flights to connect to. This reduction in banks can be seen by looking at the average departures per market served, which has fallen from 5 per day to 3 per day. The result of all of this is that passengers are now traveling to a) markets they can get to non-stop from St. Louis and b) markets with frequent service from St. Louis. In fact, 13 of Quincy’s top 20 markets coincide with the top frequency airports for American at St. Louis, including the top 9 destinations served.

The Number of Seats Available on American (TWA) Has Fallen Substantially Since 1999, From 17.8 Million to 5.1 Million Seats
The Number of Departures on American (TWA) Has Fallen Substantially Since 1999, From 171,000 to 77,000 Departures

The Number of Airport Pairs Served by American (TWA) Has Fallen Substantially Since 1999, From 97 to 68 Airports
The Number of Departures Per Airport Pair Served by American (TWA) Has Fallen Substantially Since 1999, From 5 to 3 Per Day

13 of Quincy’s Top 20 Markets are Also Markets in Which American Offers the Most Number of Departures From St Louis
Public / Private Partnerships
City of Quincy, IL

The westernmost city in Illinois, Quincy is located along the eastern shore of the Mississippi River atop 100 foot limestone bluffs which overlook a wide expanse of the river and a natural harbor.

Quincy is home to a number of major employers, in a number of different industries. These companies include Blessing Hospital (2,232 employees), Quincy Public Schools (1,292 employees), Titan Wheel International (1,103 employees), Niemann Foods (411 employees), Quincy Medical Group (716 employees), Knapheide Manufacturing (630 employees), Gardner-Denver (328 employees), Harris Broadcasting (449 employees), and Blue Cross/Blue Shield (537 employees).

Great River Economic Development Foundation
More than 100 manufacturers and many more service companies call Adams County home. Among them are some of the world’s leading electronics companies, heavy equipment makers and food processors.

Quincy's talent in radio frequency design prompted Spectran Corp., a California-based high-tech firm, to open a research and development lab here in 1998. The same year, Quincy's central location and highway access attracted Wisconsin Pepsi-bottler Wis-Pak, Inc.

In 2000, Gardner Denver, an international manufacturer of pumps and compressors headquartered in Quincy, announced it was making an $8.5 million upgrade to its local plant. And service industries such as Blue Cross Blue Shield continue to cite the area's labor force as the reason for their interest in expanding their Adams County operations.

Expansion was the name of the game for 3 long-time Quincy companies in 2001. ADM completed the purchase of Omaha-based Consolidated Nutrition and merged their operation with MoorMan’s to form ADM Alliance Nutrition, headquartered in Quincy. This
new venture brought 40 additional jobs to Quincy and created the third largest feed business in North America. Quincy Medical Group broke ground for a 94,000 square foot outpatient center in Quincy’s Central Business District and Blessing Hospital started construction on a new 40,000 square foot cancer center set to open in spring 2003. This project is the first in Blessing’s five-year planned expansion of its campus and service. Together, Quincy Medical Group and Blessing Hospital will invest over $100 million in the Healthcare corridor of Quincy’s Central Business District.
Corporate Community
Titan Wheel Corporation
A subsidiary of Titan International, Inc., Titan Wheel Corp. is the world’s largest manufacturer of off-highway wheels. Headquartered in Quincy, Illinois, we have two plants in the United States.

Titan’s wheels are manufactured for the world’s most respected OEMs, including John Deere, New Holland, Case, AGCO, Caterpillar, Komatsu and Kubota. They rely on Titan’s quality wheels ranging in application from agriculture to construction to recreation.

Gardner Denver
Gardner Denver is a global producer of blowers, air compressors, petroleum pumps, water jetting pumps and accessories, and fluid transfer equipment, and liquid ring pumps. We provide low-pressure air and vacuum with a complete line of positive displacement and centrifugal blowers and exhausters, as well as rotary vane compressors.

One of the most respected names in the petroleum industry, Gardner Denver designs, manufactures, markets, and services a diverse group of pumps used in oil and natural gas drilling production, well servicing and stimulation. Gardner Denver also offers water jetting pumps and accessories for industrial cleaning and maintenance.

The Knapheide Manufacturing Company
After 150 years of operation, The Knapheide Manufacturing Company has evolved into the nation’s premiere producer of steel service truck bodies and platform/stake style truck bodies. Our company has seen a lot of changes over the years, but one thing that will never change is our focus of meeting customer expectations.
Emerging Industries

Plastics
Adams County provides several advantages for the plastics industry. First, it is rich in two of the primary ingredients of plastics — water and calcium carbonate. Not only does the area have a plentiful supply of water from the Mississippi River, but it also is home to two calcium carbonate processing facilities that could supply a plastics manufacturer with raw materials. Second, Adams County offers ready access to potential customers, including local food processors and bottlers, as well as a wide range of manufacturers in nearby cities such as St. Louis, Chicago, and Kansas City. In fact, a third of the nation’s gross domestic product is produced within 300 miles of Illinois, which is one of the reasons the state was ranked as the third best location for plastics manufacturing in the February 1999 issue of Business Facilities. The magazine points out that Illinois’ plastics industry is driven by a large base of end-users in industries such as automotive, electronics, healthcare, construction and food processing.

Call Centers
Both Blue Cross Blue Shield of Illinois and APAC Customer Services have found Adams County an excellent place to do business, and together they provide a strong indication of the viability of call center operations in the Quincy area. BCBS’s Quincy claims processing center has expanded four times since opening in 1988, and APAC’s call center, which opened in 1996, doubled its workforce the following year. Both are located in the Quincy Development Center, a former Motorola facility that has been transformed into a business mall. With 250,000 square feet of space available, the Quincy Development Center offers a ready-to-go call center site. The building is equipped with 12 fiber-optic lines with T-1 and DS3 capacity, as well as SONET service. Besides offering an ideal facility, Adams County boasts a workforce known for its work ethic. “I think physical availability (of office space) is obviously a real strength, but I also think the job market and the work ethic in this area has led to wanting to expand this office,” said Linda Amburn, senior manager of the BCBS office.

Warehouses/Distribution
Two of the fastest growing commercial operations in Adams County are wholesalers for whom access to four-lane highways is of primary importance. Merchants Wholesale and Kohl Wholesale, both of whom have recently undergone major expansions, benefit from their strategic location within an emerging network of four-lane highways that include I-172 to Springfield, the Avenue of the Saints, linking St. Paul, Minn., and St. Louis, Mo., and Ill. 336,
providing access to Chicago. The transportation network in Quincy and Adams County also was a big attraction for soft-drink bottler Wis-Pak Inc., which opened a new manufacturing and distribution facility in Quincy in 1998.

Food Processing
Opportunities for the food processing industry abound in Adams County, where agribusiness leader ADM Alliance Nutrition operates a soybean crushing plant, Wis-Pak Inc. bottles Pepsi products and KTM processes flour. Adams County’s abundant water supply and location in America’s agricultural heartland provide the basic ingredients, while four-lane highways connect with customers in all directions. Quincy also features Underground Warehouses Inc., a unique storage, fulfillment and distribution warehouse facility literally carved out of the rocky limestone bluffs overlooking the Mississippi River. This USDA certified facility offers 650,000 square feet of dry, climate and humidity controlled storage space, with 2.3 million cubic feet of refrigerated and freezer space from -10 F to +55 F.
Comparison to Regional Communities

Among Airports in the Five State Region Surrounding Illinois, Quincy’s Fares Rank as the 5th Highest – 41% Above the Regional Average of $276

Among Airports in the Five State Region Surrounding Illinois, Quincy’s Yields Rank as the 6th Highest – 47% Above the Regional Average of 13.9¢
Conclusion

Quincy is an Essential Air Service community. As such, the community maintains minimum levels of service as contracted by the DOT. This is appreciated. However, Quincy would like to expand the level of air service received by the community and stimulate enplanements. In Quincy’s case, it is imperative to stimulate enough traffic to move back above the 10,000 enplanement threshold necessary to qualify for AIP grants in the future.

The Airport is convinced that the proposal as put forward accomplishes the goals set forth by the DOT in the Small Community Air Service Development Program, while also supporting the Essential Air Service Program and maintaining a commitment to the airport infrastructure under the Airport Improvement Program.