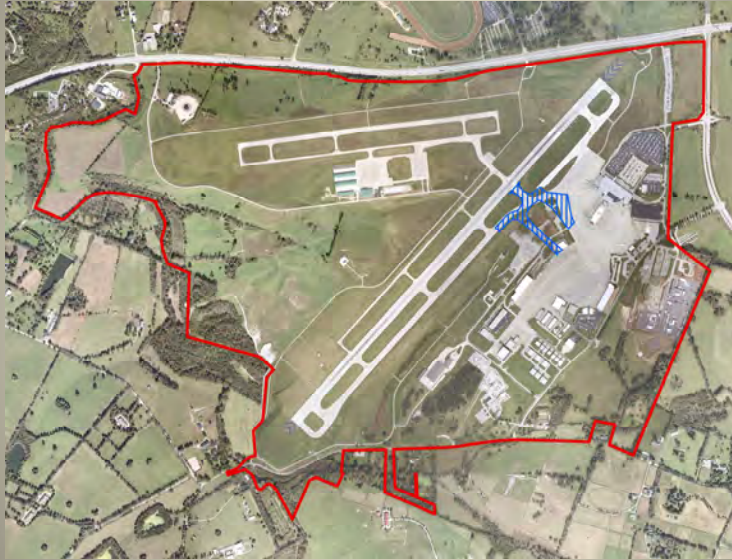


Airport Property



Blue Grass Airport: Serving Our Region



Who owns the airport?

- Governmental entity operated by the Lexington-Fayette Urban County Airport Board (a/k/a Airport Authority) since 1946
 - Modified after merged government in 1972
 - Modified again in 1998
- Board is a Kentucky airport board, operating pursuant to Kentucky Revised Statutes, Chapter 183
- An Airport Authority operates independent of the city once Mayor makes Board appointments
 - Enjoy a positive, collaborative relationship with the city
 - Mutual aid agreements with city police and fire
 - City has assisted airport on bond financing

Blue Grass Airport: Serving Our Region



How is the airport funded?

- Airport is a governmental entity operated as an **Enterprise Fund** under General Accepted Accounting Principles
 - Establishes a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods/services
- Airport does not receive federal, state or local taxpayer funds for operating purposes
- Airport collects rents and fees from the airlines and other tenants and operators
- Airport is eligible for and does receive federal and, more rarely, state grant funds for capital improvement projects



Blue Grass Airport: Serving Our Region



Who has oversight of the airport?

- Governance is via the 10-member Airport Board
- Mayor or his/her appointee on the Airport Board
 - Historically a member of the Urban County Council
 - Currently Council Member Richard Moloney
- Mayor appoints nine members of the Board and Council confirms appointees
 - Two Board Members must reside within three miles of the airport



Blue Grass Airport: Serving Our Region



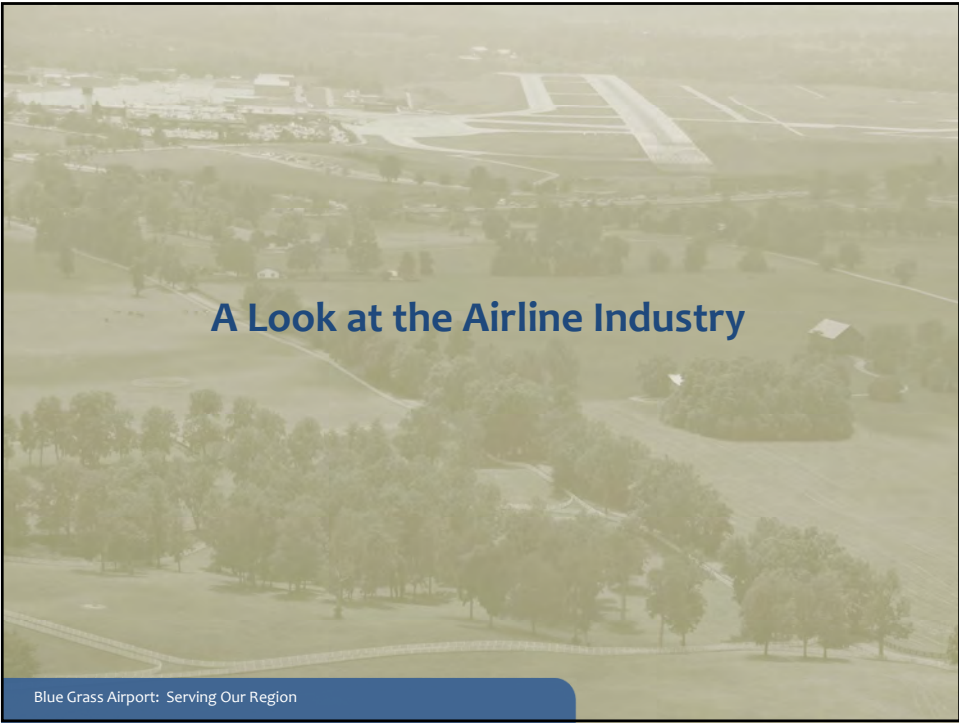
How many people are employed at the airport?

- Airport Board itself employs approximately 100 full and part-time employees that work shifts 24/7/365—highly regulated industry
 - Police/Fire/EMS
 - Maintenance & Custodial
 - Planning & Engineering
 - Marketing & Community Relations
 - Administration & Finance
- When you consider all of the employees of the FAA, TSA, airlines, rental car agencies and numerous other tenants, the airport overall has approximately 485 employees



Blue Grass Airport: Serving Our Region





Airlines

Current:

Other:

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Non-Stop Destinations

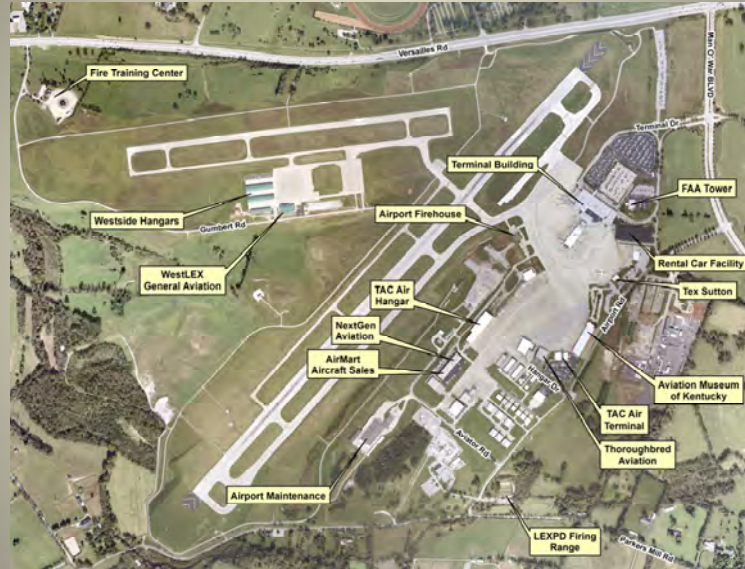


Factors that Influence Airlines

- Population, market size and passenger volume (service must be self-sustaining)
- Economic data (per capita income, local corporations)
- Existing service at our airport and competing airports
- Availability of aircraft/flight crews
- Fuel costs
- Airport rents and fees
- Airport incentive program – highly regulated (fee waivers, advertising dollars)
 - Even playing field for all carriers
 - First come, first serve



Questions and Discussion



Blue Grass Airport: Serving Our Region

