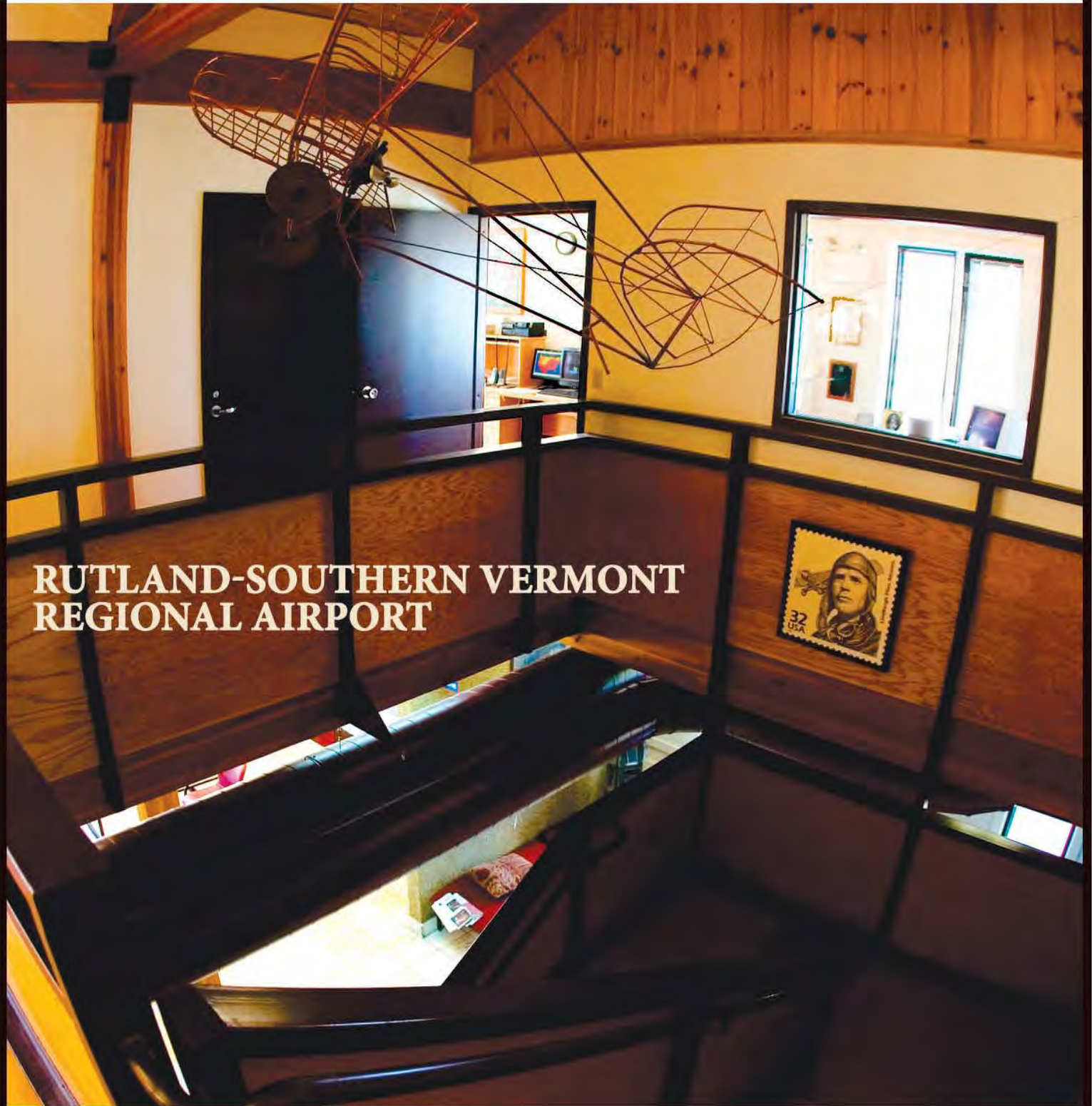


January 25, 2008

VTrans

Vermont Agency of Transportation

STATEWIDE AIRPORT BUSINESS PLANS



**RUTLAND-SOUTHERN VERMONT
REGIONAL AIRPORT**



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1. INTRODUCTION

THE PURPOSE OF THIS BUSINESS PLAN for Rutland – Southern Vermont Regional Airport (RUT) is to recommend potential means of improving the Airport’s financial performance, enhancing economic development in the southern Vermont region, and increasing operational efficiency.

1.1 Vision & Key Issues

The VTrans vision for RUT has a number of facets including: expanded business use of the airport, increased general aviation activity, improved scheduled air service, and expanded development of airport property; all resulting in greater financial performance and utilization of the Airport. The Airport is included in the *National Plan for Integrated Airport Systems* (NPIAS). The NPIAS is a national airport system plan for the development of public use airports in the United States prepared by the FAA. This plan identifies needed improvements in the national airport system for airports that are eligible for federal funding provided through the Airport Improvement Program (AIP). Expenditure of AIP funds is scheduled through the five-year Airport Capital Improvement Program (ACIP). The Airport’s role in the NPIAS is that of a commercial service airport but its dominant role and the role which defines the character of the airport is general aviation. General aviation activity at the airport is comprised of primarily single-engine and multi-engine propeller aircraft along with corporate jet activity. The Airport desires to maintain a positive image and good public relations with the surrounding community; it currently enjoys strong support in the community and the region as a whole.

As a part of this study, VTrans wants to determine the optimum use of the Airport and its facilities. The business plan will also address:

- **Airport Financial Performance:** Means to enhance revenue and improve efficiency in order to increase net revenues.
- **Attraction of Corporate Aviation:** Facilities, both airfield, landside and adjacent to the airport, are needed to accommodate larger corporate aircraft, and to attract corporate flyers to base their aircraft at RUT.
- **Right-Sized Facility Recommendations:** Recommended facility developments must be warranted by current and projected aviation demands.
- **Community Relations:** RUT enjoys strong support by local and regional residents. However, the value of the Airport in serving the entire region must continue to be communicated to the general public and their associated representatives. Communication of these benefits helps to justify allocation of resources and support Airport activity and investment.

Airport economic benefits are usually stated in terms of jobs, income, and output. In addition to the quantified economic benefits, a discussion of the intangible benefits associated with the Airport will be included.

1.2 Desired End Products

The final report that will be produced as a result of this analysis will include the following:

- A well-defined mission statement for the airport.
- An evaluation of current airport business operating practices.
- An identification and evaluation of needs, opportunities, and challenges facing the Airport.
- A five-year projection of revenues and expenses at the Airport for the baseline case and alternative scenarios.
- Strategic planning recommendations for the Airport.
- Graphic materials for Airport promotion and marketing. These may include color ALPs, photos, and/or brochures depending upon the Airport's needs.
- An economic impact evaluation of the recommended strategies at the Airport, identifying jobs, income, and total output associated with the facility.

1.3 Report Outline

This report has been organized to include the following sections in order to address the issues described above and to produce the desired end products:

Section 1 - Introduction

Section 2 - Background and Management Structure

Section 3 - Existing Airport Characteristics

Section 4 - Baseline Financial and Economic Outlook

Section 5 - Business Climate and Plan Development

Section 6 - Recommended Plan

Section 7 - Summary of Business Plan Recommendations

Section 8 - Economic Impact Assessment

Appendix A - Summary of Lease Agreements, Rates, and Contract Details

Appendix B - IMPLAN Results

2. BACKGROUND AND MANAGEMENT STRUCTURE

UNDERSTANDING THE BACKGROUND AND MANAGEMENT STRUCTURE of the Airport helps VTTrans leadership identify some of the challenges and opportunities facing the Airport. Management and operational structure affect the ability of the Airport to reach its potential. A clearly defined, current, and realistic mission statement for the Airport provides the oversight framework to benefit from opportunities as they arise. This analysis is geared toward the future and toward positioning the Airport to take the best advantage of its assets and strengths. As such, this section is organized to include the following:

- Historical Mission of the Airport
- Historical Performance Toward Meeting The Mission
- Airport Management Structure

2.1 Historical Mission of the Airport

As previously mentioned, the Airport's assigned NPIAS role is as a commercial service airport. Both the scheduled service role and the general aviation role are particularly important in the southern Vermont region due to the lack of a nearby interstate highway system combined with the distance and resultant travel time required to reach major business centers such as Boston. The Airport provides a base for air transportation services for the local community, the region and for national and international companies in and around the Airport. Thus, the Mission Statement for the Rutland-Southern Vermont Regional Airport may be stated as:

The Rutland – Southern Vermont Regional Airport strives to provide safe, sufficient airport facilities and services to its commercial service passengers, its based aircraft owners, and other users of the airport, while operating compatibly with its neighbors and providing a base for encouraging regional economic development.

Program goals supporting this mission would include:

- Continue to operate the Airport safely, efficiently, and conveniently.
- Maintain and improve scheduled passenger service.
- Strive to balance expenses and revenues at the Airport.
- Encourage private sector investment in the utilization and development of the Airport's facilities.
- Create an environment which facilitates business activity and access to the region's businesses.
- Pursue funding for implementation of necessary capital improvement projects to improve safety and usability of the Airport.
- Supplement economic development goals of VTTrans as opportunities arise at the Airport.
- Encourage compatible public use of Airport facilities or property, where possible and appropriate.

- Craft a plan of physical development that corresponds to actual market need and implements the most efficient use of limited airport property.

2.2 Historical Performance

The on-going Airport Master Plan and discussions with Airport management and other VTrans staff indicate that the Airport needs to increase its airfield capacity and its aircraft storage (hangar and apron) capacities while contending with a constrained airport surrounded by steep slopes which limit physical expansion capability. The Airport is assessed by VTrans and Airport Management as generally meeting its mission statement and many of the program goals described above, specifically:

- Continue to operate the Airport safely, efficiently, and conveniently. This goal is generally met and this project will look at efficiency more closely.
- Maintain and improve scheduled passenger service. To some extent this goal is met through continued passenger service, however market pressures have resulted in a decrease in service levels.
- Pursue funding for and implementation of capital improvement projects to improve safety and usability of the Airport.
- Encourage compatible public use of Airport facilities or property, where possible and appropriate.
- Craft a plan of physical development that corresponds to actual market need and implements the most efficient use of limited airport property. The ongoing Master Plan Update partially meets this goal and will be supplemented by this Airport Business Plan.

It is believed that there is room for improvement in the areas of balancing expenses and revenues at the Airport, creating an environment which facilitates business access to the region and business activity in the region and encouraging private sector investment in the utilization and development of the Airport's facilities.

Using its existing base of strong regional support, the Airport must aggressively continue to demonstrate the benefits of the airport to governmental and business leaders. These two leader types are in the best position to 1) improve the business climate in the region; 2) attract new business to the region and 3) assist with needed funding for critical airport infrastructure. These measures would result in increased airport utilization and maximize the airport's benefit to the community.

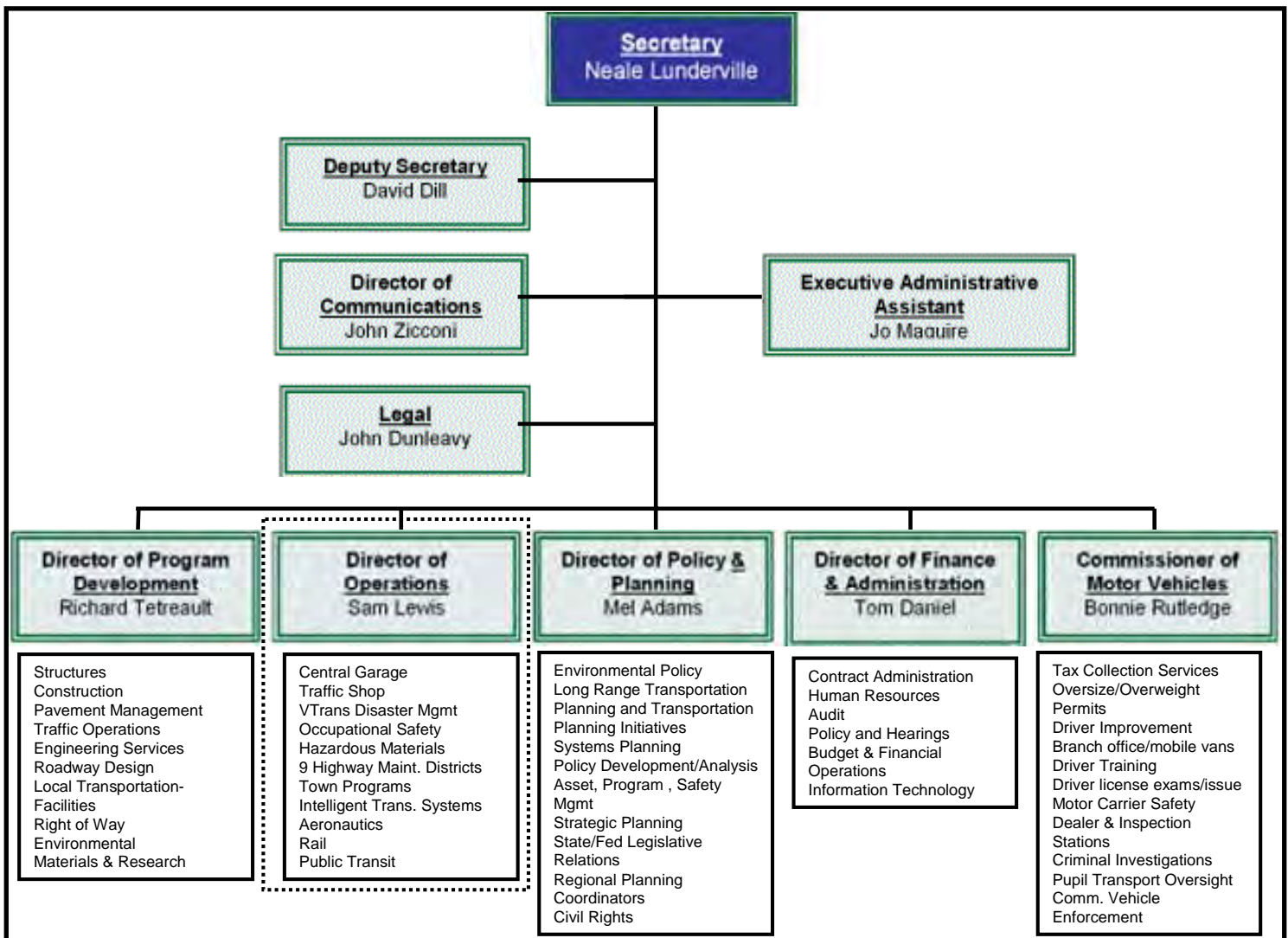
2.3 Airport Management Structure

Rutland – Southern Vermont Regional Airport is owned by the State of Vermont and managed and operated by the Operations Division of the Vermont Agency of Transportation. The organizational chart for VTrans is shown in Figure 1. The Operations Division is one of five divisions of VTrans; the others being Program Development, Policy and Planning, Finance & Administration, and Motor Vehicles. Within the Operations Division are the Traffic Shop, nine

highway maintenance districts, Aeronautics, Rail, and Public Transit. The Operations Division’s pavement management, right-of-way, engineering, and environmental needs are met by the Program Development Division. The Operations Division’s strategic planning and state/Federal relations needs are met by the Policy & Planning Division. Operation’s budget and financial needs are met by the Finance & Administration Division. The Operations Division’s enforcement needs are met by the Motor Vehicles Division.

As with any large organization, there are challenges in carrying out efficient day to day operations at the airport due, in part to the diffuse nature of the Vermont Agency of Transportation reporting structure and division of responsibility for the ongoing operation, maintenance and development of the Airport.

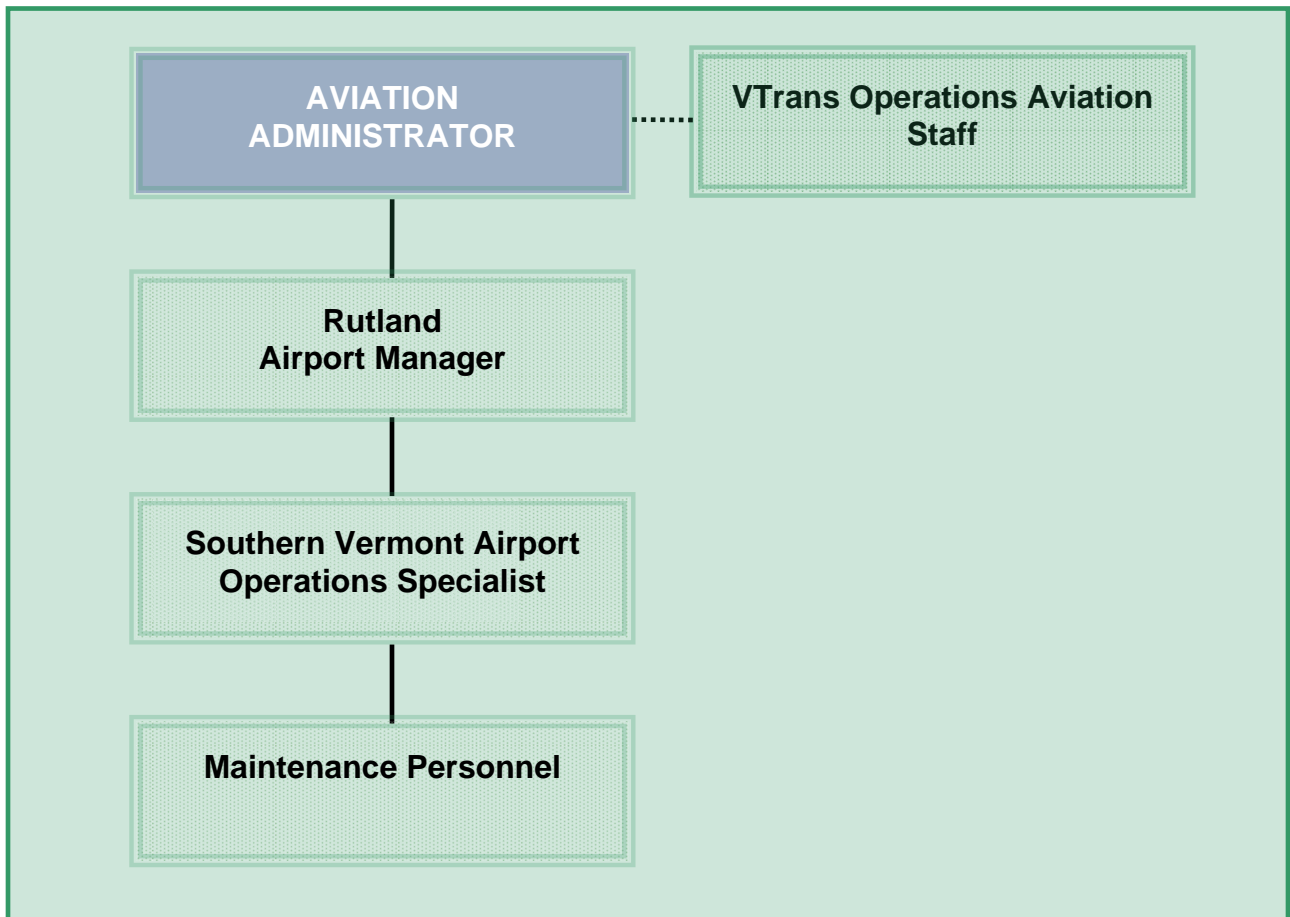
Figure 1: VTrans Organization



Within the Operations Division, RUT airport maintenance is performed by the on-site maintenance position at the airport and by Highway Maintenance-District 3. The Aeronautics program operates and manages the airport, administers airport consultant contracts and construction projects, and prepares capital improvement plans and annual state and Federal budget requests.

The VTrans Aviation Administrator manages all aspects of the aviation program but has limited funding access to funds for revenue producing projects. The RUT Airport Manager reports to the VTrans Aviation Administrator. The State Airport Operations Specialist serves as Deputy Airport Manager for RUT and also provides management assistance for Middlebury, Hartness, and Bennington airports. Approximately 60% - 70% of his time is available for RUT. A third person at the airport is responsible for full-time maintenance and operations. A second person from the VTrans District 3 maintenance garage adjacent to the airport is “loaned” to the airport on a part-time basis from Highway Maintenance as needed for snow removal/grass mowing. Also reporting to the VTrans Aviation Administrator are Airport Project Managers, an Airport Leasing Specialist, and a Planning Coordinator. An organizational chart for the RUT operation is shown on Figure 2.

Figure 2: Rutland-Southern Vermont Regional Airport Organization



3. EXISTING AIRPORT CHARACTERISTICS

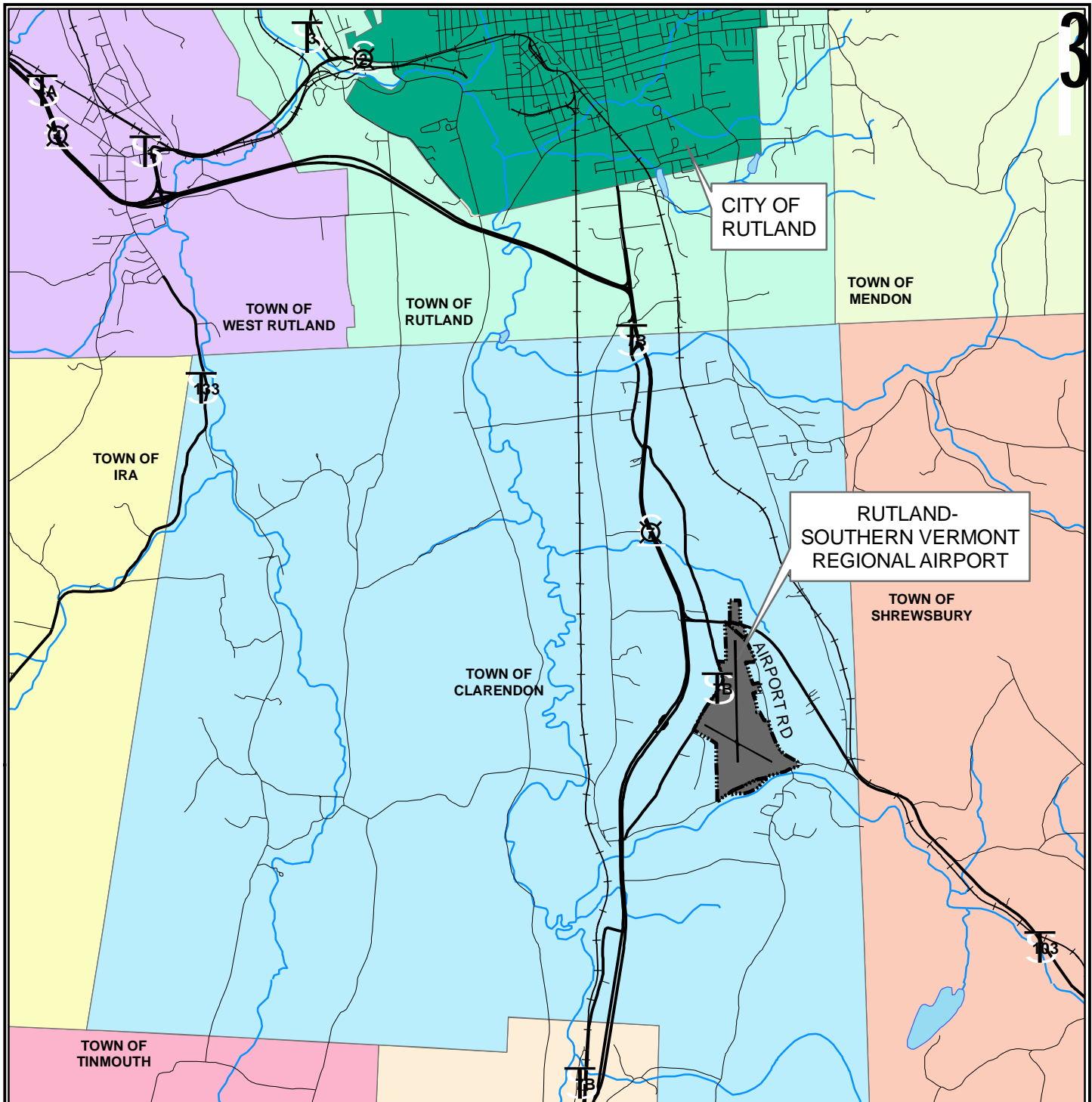
3.1 Introduction

Rutland – Southern Vermont Regional Airport (RUT) is located in the southern half of Vermont in northern Rutland County, and entirely within the eastern portion of the Town of Clarendon. Rutland, the second largest city in the state, is located approximately five miles north of the airport. Access to the airport is provided via US Route 4 from Interstates 89 and 91 along the east side of the state; and New York State Routes 254 and 32 to US Route 4 from Interstate 87 in New York along the west side of the state. Access to the airport from US Route 4 is gained via US Route 7 southbound from Rutland, then State Route 103 to Airport Road. The Airport location is shown in Figure 3.

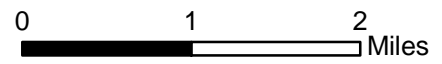
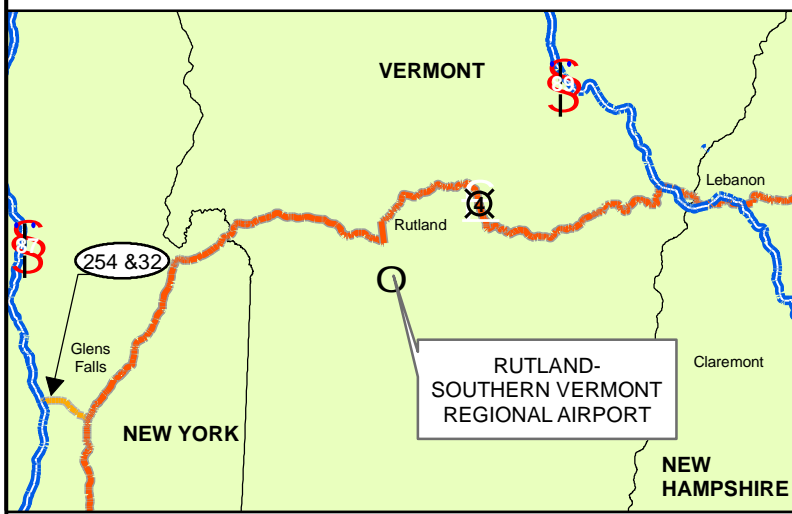
The airport has two runways. Runway 1-19 extends in a north-south direction and measures 5,000 feet in length and 100 feet in width. The runway is asphalt with non-precision markings. The crosswind runway, Runway 13-31 extends in a northwest-southeast direction and is 3,170 feet long and 75 feet wide. See Figure 4. Taxiways serving the runways are Alpha, Bravo, Charlie, Delta, Echo, Foxtrot and Golf as illustrated in Figure 4.

Currently RUT has an Airport Reference Code (ARC) of C-II. Specifically, Runway 1-19 is classified as C-II and Runway 13-31 is classified as B-II; based on the 2000 Airport Layout Plan (ALP). The largest aircraft type that regularly operates at RUT (340 operations per year) is the Gulfstream G-100 (wingspan of 58 feet). The largest aircraft types that currently operate at the airport on a more limited basis (12 – 25 operations per year) include other members of the Gulfstream family of aircraft: G-II (wingspan of 69 feet), G-III (wingspan of 78 feet), G-IV (wingspan of 78 feet), G-V (wingspan of 94 feet) and G-200 (wingspan of 58 feet).

The ARC is based on two factors: letters based on a number 1.3 times the aircraft's stall speed and numbers based on an airplane's wingspan. Aircraft Category C is an aircraft with an approach speed of 121 knots or more but less than 141 knots. Aircraft category B is an aircraft with an approach speed of 91 knots or more but less than 121 knots. An airplane design group of II signifies that the aircraft has a wingspan of 49 feet up to but not including 79 feet.



REGIONAL LOCATION



RUTLAND-SOUTHERN
VERMONT REGIONAL AIRPORT
CLARENDON, VERMONT

LOCATION MAP

| | | |
|---------------------|-------------------------|---------------|
| SCALE : AS SHOWN | DATE : NOVEMBER 2007 | FIGURE : 3 |
|---------------------|-------------------------|---------------|

3.2 Existing Activity & Facilities

Aviation Activity

As at most airports like RUT, private individuals who utilize the Airport for discretionary uses such as recreational flying, flight training, transportation, and non-corporate business flying generate the majority of aviation activity. The availability of a wide range of aviation services, a non-precision instrument approach procedure, and a generally adequate runway length and width make the airport attractive to these users and transient corporate aircraft operators.

As of September 2007, there were 56 based aircraft at RUT. These aircraft consisted of 49 single engine, one multi-engine piston, one small turboprop, two medium turboprop, two corporate jets, and one helicopter. Approximately 46 of these aircraft are stored in hangars. An average of 10 aircraft are stored on the paved apron.

Based on the on-going airport master plan, approximately 41,200 aircraft operations (landings and takeoffs) were conducted at the Airport in 2006. These operations consisted of 1,600 scheduled service operations, 36,900 general aviation operations, 1,600 air cargo operations, and 1,100 military operations. The 1,600 scheduled service and 1,600 air cargo operations were all transient.¹ According to the master plan forecasts, over the next 20 years the number of scheduled service operations is expected to increase 6%; the number of air cargo operations is expected to increase 31%, and the number of general aviation operations is expected to increase 62%.²

Capacity

The on-going 2007 Airport Master Plan Update contains a projection of annual operations increasing from 41,200 in 2006 to 65,000 in 2026. The FAA recommends planning for additional capacity when an airports capacity reaches a 60% of the projected future Annual Service Volume (ASV), which indicates the airports annual capacity to process airport operations. The ASV at RUT is estimated at 250,000. As the number of annual operations falls well below 60% ASV, capacity constraints will not be a factor in the future.

Airfield Lighting

Medium Intensity Runway Lights (MIRLs) are provided on Runways 1-19 and Runway 13-31. All taxiways are lit with Medium Intensity Taxiway Lights (MITLs).

The Runway 19 end is equipped with an Omni-directional Approach Light System (ODALS). The Runway 1 end is equipped with a Pulsating/steady burning Visual Approach Slope Indicator (PVASI). The Runway 19 end is equipped with a 4-box Visual Approach Slope Indicator (VASI). Runway End Identifier Lights (REILs) are located at the Runway 19 end. Runway 13-31 is equipped with MIRLs. The Runway 13 end is equipped with a 2-box Precision

¹Transient operations are departures from one airport and landings at a different airport.

² On-going Rutland Airport Master Plan Update, 2007

Approach Path Indicator (PAPI) on the left side of the runway. Runway End Identifier Lights (REILs) are located at the Runway 13 end. All of these visual aids are intended to increase the ability of pilots to locate and land at the airport in poor weather conditions.

Instrumentation

The Airport has several instrument approaches available to airport users. Table 1 provides a summary of all available instrument approaches.

| Table 1 - RUT Approach Minima | | | | | |
|-------------------------------------|-----------------|----------|-------|-------|-----|
| Procedure | Ceiling 1/ | Category | | | |
| | Visibility 1/ | A | B | C | D |
| Runway 19 VOR / DME | Ceiling | 1713 | 1713 | 1713 | n/a |
| | Visibility (SM) | 1 1/4 | 1 1/2 | 3 | |
| Runway 19 LOC / DME | Ceiling | 813 | 813 | 813 | n/a |
| | Visibility (SM) | 2 | 2 | 2 1/2 | |
| Runway 19 LOC "Z" | Ceiling | 2173 | 2173 | 2173 | n/a |
| | Visibility (SM) | 1 1/4 | 1 1/2 | 3 | |
| Runway 19 LOC "Z" (with DME fix) | Ceiling | 493 | 493 | 493 | n/a |
| | Visibility (SM) | 1 1/4 | 1 1/4 | 2 1/4 | |
| Runway 19 RNAV (GPS) | Ceiling | 1413 | 1413 | 1413 | n/a |
| | Visibility (SM) | 1 1/4 | 1 1/2 | 3 | |
| Runway 1 VOR / DME | Ceiling | 2273 | 2273 | 2273 | n/a |
| | Visibility (SM) | 1 1/4 | 1 1/2 | 3 | |

1/ Ceilings in feet above runway threshold and visibility in statute miles.

IFR departures are not authorized from Runway 13. IFR departure minima for the other runways are: Runway 1 (2300 – 3) with a minimum climb of 270 feet per Nautical Mile); Runway 19 (2800 – 3) with a minimum climb of 510 feet per Nautical Mile); and Runway 31 (2300 – 3) with a minimum climb of 420 feet per Nautical Mile).

RUT has an Automated Weather Observing System (AWOS) which is used for measuring, collecting and disseminating weather data. The AWOS allows lower visibility minima than would be allowed if another weather source such as from Springfield, VT would have to be used.

Obstructions

FAR Part 77 Imaginary Surfaces

The specifications for airspace surrounding airports have been set forth in Federal Aviation Regulation (FAR) Part 77, Objects Affecting Navigable Airspace. This airspace is defined and delineated by a set of geometric surfaces referred to as “imaginary surfaces,” which extend outward and upward from airport runways. Those imaginary surfaces identify the maximum acceptable height of objects beneath and within their boundaries. An object may be considered an obstruction to air navigation if it penetrates an imaginary surface.

The FAR Part 77 imaginary surfaces consist of a set of five geometric surfaces that surround an airport’s runway(s). If these surfaces are penetrated, the approach minimums or departure minimums may be negatively impacted.

There are tree penetrations on the approaches of each of the four runway ends. The 15-foot clearance over Route 7B is also an obstruction to the Runway 13 approach surface. The Airport is aware of these penetrations and is taking action to correct the penetrations to the extent practical.

Runway Protection Zones (RPZ)

The Runway Protection Zone (RPZ) is a controlled area that is generally kept clear of concentrated activity and development. The FAA recommends property acquisition and/or lease easements within the RPZ to assure necessary control over these areas. An RPZ is a trapezoidal area that begins 200 feet from each runway end that extends and diverges based on the type of aircraft that the facility expects to serve, and by the approach visibility minima for each runway end. Table 2 describes the RPZ’s for all runway ends at the Airport.

| Runway | Length (feet) | Inner Width (feet) | Outer Width (feet) | RPZ Acres |
|--------|---------------|--------------------|--------------------|-----------|
| 1 | 1,700 | 500 | 1,010 | 28.47 |
| 19 | 1,700 | 1,000 | 1,510 | 48.98 |
| 13 | 1,000 | 500 | 700 | 13.77 |
| 31 | 1,000 | 500 | 700 | 13.77 |

The Airport does not currently control all of the land in the Runway Protection Zones. Therefore, land and/or easement acquisitions are necessary to assure the Airport some form of control over current and potential obstructions in these areas. The Runway 19 RPZ is controlled through fee simple and easement. There are three areas identified over which the Airport should gain some sort of control, likely through obtaining easements:

- A one half-acre area at the southwestern corner of the Runway 13 RPZ;
- Three acres north and south of the Runway 31 RPZ, south of Mill River Road; and
- Approximately 11 acres south of the Mill River within the Runway 1 RPZ.

Landside Facilities and Services

Landside facilities support the many activities and services involved in storing and maintaining aircraft and in processing aircraft and passengers before and after use of the airside facilities. Well-maintained and affordable landside facilities are important to an airport's efficient operation and success. Typical landside facilities include aircraft hangars and aprons, terminal buildings, aviation fuel facilities, parking lots, and access roads. Landside facilities and services have been divided into the following categories and are discussed in detail on the pages to follow:

- Airline Services, Terminal & Associated Infrastructure
- General Aviation
- Air Cargo
- Aviation Support Facilities

Airline Service, Terminal & Associated Infrastructure

Airline Service

Until recently, airline service to Boston was provided by CommutAir, a Continental Airline affiliate using 19-seat Beechcraft BE-1900 aircraft. CommutAir ceased service in November 2007. Cape Air, a JetBlue code-share carrier, replaced CommutAir in November 2007 with three round trips per day to Boston using 9-seat Cessna C-402 aircraft. The current Cape Air service allows passengers to connect to the JetBlue network of twenty-seven (27) non-stop destinations from Boston.

Terminal

An airport's terminal includes the passenger terminal building and the paved areas surrounding it on both the airside and landside. The terminal building at RUT is a two-story structure of approximately 6,900 gross square feet (GSF); with approximately 4,000 GSF on the 1st floor and 2,900 GSF on the 2nd floor.

As with all commercial service terminal buildings, there are a number of functional areas within such as Airline Operations (including ticketing, baggage handling and office space), Concessions, Secure Public, Non-Secure Public, Non-Public, and Structural-Miscellaneous. On the first floor are all Airline areas, concessions space (vending machines), and Secure Public areas (consisting of the security screening area and the holding space entered after passing through security screening equipment for departures or prior to reaching non-secure areas on arrival). Also on the first floor are Non-Secure Public areas (circulation areas near the ticketing and baggage claim areas, restrooms, and general circulation), and some Non-Secure Non-Public areas (police and mechanical areas). On the second floor are Concessions (a presently vacant restaurant), Non-Secure Public areas (general circulation), and Non-Public space (Airport

Administration and Mechanical). On both floors are Structural-Miscellaneous areas (walls, stairwells, open areas, etc.)

Apron

The terminal building includes two gates served by a single departure lounge. The gates provide access to the terminal apron. The airline does not lease a specific amount of ramp area but the area adjacent to the two gates is generally reserved for two airline parking and access positions.

Parking

The terminal curb area in front of the building includes a covered walkway of approximately 70 feet to accommodate passenger vehicle loading and unloading. The Terminal parking lot is served by the circulation road from Airport Road. This centrally located Terminal parking lot accommodates the Terminal building, State Hangar, CAP hangar, and other public parking at no charge. Within this same lot are five spaces reserved for rental cars. A 12-space parking lot is provided south of the Columbia office building for its' use. Auto parking for other hangars is provided adjacent to those hangars.

General Aviation

General Aviation (GA) flying is comprised of all flying with the exception of military and commercial service. GA users at RUT include individuals flying for business or personal reasons, flight training, air charter and corporate flying. An example of corporate flying at RUT is OmyAviation, which has a base of operations at the airport. Other corporate operations that do not base aircraft at RUT but which utilize its facilities are also considered corporate flyers. GA landside facilities support both based and itinerant non-scheduled aircraft operations at RUT. Components of general aviation landside facilities include the Fixed Base Operator (FBO) facilities, conventional and T-hangar space, apron areas, and automobile parking areas.

Columbia Air Services

The airport's current FBO, Columbia Air Services (Columbia), is responsible for ensuring that all FBO services are provided at RUT; however the Columbia lease with VTrans allows Scott Draper Aviation to provide aircraft maintenance. Services presently provided by Columbia include: sales, service, charter and management of jet, turboprop, and piston powered aircraft; flight school; aircraft sales; aircraft rental; catering; pilot lounge; pilot supplies; Jet-A and 100 low-lead aircraft fuel; deicing; pre-heating; and aircraft hangar space. Columbia also collects landing fees for transient aircraft.

Columbia owns or operates twelve based aircraft including nine single-engine piston aircraft, two medium turboprops, and one helicopter. Columbia also manages the five-unit T-Hangar for the Rutland Aviation T-Hangar II Condominium Association. Columbia occupies its own 6,490 SF hangar at the southeast end of the terminal apron. This hangar is used for offices, flight training, a pilot lounge, and aircraft storage. A separate 13,720 SF parcel is leased from

VTrans that accommodates the hangar and a 12-space auto parking area. Columbia also owns a 4,550 SF aircraft storage hangar on a leased 8,000 SF parcel of land leased from VTrans.

In addition, Columbia leases a 5,229 SF portion of the State Hangar from VTrans. Columbia operates the fuel farm area along the southwest edge of the terminal apron and has the right to manage and collect fees from 34 tiedowns on the Terminal Apron. As with all lessees abutting the terminal apron, Columbia has rights to area on the Terminal Apron for access and circulation to and from their hangar.

Scott Draper Aviation

Scott Draper Aviation leases a 7,200 SF area off the northeast corner of the Terminal Apron. The leased area includes a 3,000 SF hangar owned by the lessee, a 1,200 SF area west of the hangar, and a 2,400 SF paved apron west of the hangar. Scott Draper provides periodic maintenance and oil changes for GA aircraft. Two single-engine piston aircraft are based in the hangar. Scott Draper Aviation does not provide depot level maintenance such as major engine overhauls or avionics.

OmyAviation

OmyAviation is the aviation operation of Omya Corporation, an international mining operation with offices in Proctor, VT. OmyAviation leases a 20,647 SF area north of the Scott Draper hangar. Within this area, Omya constructed a parking lot, and a 6,375 SF hangar with a paved apron and access to Taxiway "E". Omya bases two corporate jets in the hangar; a Dassault Falcon 900 and a Gulfstream G-100. Omya's corporate flight department is very active, flying over 380 operations per year.

Civil Air Patrol

The Civil Air Patrol (CAP) leases two parcels at RUT. A 6,400 SF parcel is located east of the Scott Draper hangar along the northeast edge of the paved road access to the snow removal equipment (SRE) building. The parcel includes a 3,970 SF building used for CAP offices, training, and communications. A second parcel, of approximately 4,200 S.F. is located along the northeast edge of the Terminal Apron north of the terminal building. This area includes a 2,360 SF aircraft hangar with one based single-engine piston aircraft. This hangar also houses transient aircraft during statewide emergency response efforts.

Other Conventional Hangars

There are four parcels, each encompassing a conventional hangar located along the northeast edge of the Terminal Apron south of the Terminal, that are individually leased through ground leases. The northern parcel is 5,520 SF and contains a 3,137 SF hangar. To the south is a 5,520 SF parcel that contains a 3,600 SF hangar. The third hangar is 4,550 SF within an 8,000 SF parcel leased to Columbia. The fourth parcel is 3,416 SF and contains a 2,576 SF hangar. The hangars on all four parcels are owned by the individual lessees.

T-Hangars

There are two developed parcels for T-Hangars located at the southeast end of the Terminal Apron. The southern parcel is 27,260 SF, and contains a 10,146 SF six-bay T-Hangar. The northern parcel is approximately 27,260 SF, contains a 10,294 SF T-Hangar (with four based single-engine piston and one small turboprop aircraft) and is leased to Rutland Aviation T-Hangars II Condominium Association. As mentioned above, Columbia manages the five-unit T-Hangar for the Rutland T-Hangars II Condominium Association. The T-Hangar spaces are owned by the members of the associations.

West Conventional Hangars

North of the Runway 13 end is an 114,250 SF conventional hangar area and a 14,300 SF tiedown area. The hangar area is owned by VTrans and leased to ten individual lessees. VTrans maintains and plows the paved areas. Ten hangars are constructed as of this writing. Individual hangar size ranges from 1,890 SF to 2,880 SF. The existing hangars, when fully utilized, could accommodate approximately 13 aircraft. There is additional area between the hangar area and Taxiway "F" that is not yet leased which could accommodate approximately two 11,500 SF corporate-sized hangars.

Apron Areas

The principal apron at RUT encompasses approximately 356,000 SF and extends north from the Rutland Aviation T-Hangar Association to the CAP and SRE buildings. Within this area is a portion of the fuel farm, 34 tiedowns operated by Columbia, aircraft parking for Cape Air adjacent to the Terminal Building, based aircraft parking, and access to hangars along the southeast and northeast edges of the apron. A 2,400 SF apron is within the Scott Draper lease area and a 6,800 SF apron is part of the OmyAviation lease area. Existing based aircraft by aircraft type and location is shown in Table 3.

| Location | Single-Engine Piston | Multi-Engine Piston | Turboprop | Corporate Jet | Helicopter | Total |
|-----------------------------------|----------------------|---------------------|-----------|---------------|------------|-------|
| OmyAviation | | | | 2 | | 2 |
| Scott Draper | 2 | | | | | 2 |
| Civil Air Patrol | 1 | | | | | 1 |
| State Hangar (leased by Columbia) | | | 2 | | | 2 |
| Private Hangar | 2 | | | | | 2 |
| Private Hangar | 3 | | | | | 3 |

| Table 3 - Location Of Based Aircraft | | | | | | |
|--|----------------------|---------------------|-----------|---------------|------------|-----------|
| Location | Single-Engine Piston | Multi-Engine Piston | Turboprop | Corporate Jet | Helicopter | Total |
| Columbia Hangar "C" | 2 | | | | | 2 |
| Columbia's Hangar / Office "A" | 5 | | | | | 5 |
| North End of Rutland Aviation Condo Assn. Hangar "B" | 2 | | | | 1 | 3 |
| Maplewood Flying Association | 3 | | | | | 3 |
| Mountain Aviation T-Hangar | 6 | | | | | 6 |
| Rutland Aviation T-Hangar Condo Assn. | 4 | | 1 | | | 5 |
| 6 T-Hangars North of Runway 13 End | 9 | 1 | | | | 10 |
| Based On Apron | 10 | | | | | 10 |
| Total | 49 | 1 | 3 | 2 | 1 | 56 |

Air Cargo

Both United Parcel Service (UPS) and FedEx have cargo operations at RUT and are served by contract carrier Wiggins Airways operating Cessna Caravan aircraft. Cargo is transferred between truck and aircraft on the terminal apron. UPS conducts two operations per day Monday – Saturday and FedEx conducts three operations per day Monday – Saturday. All cargo operations are between RUT and Albany International Airport. Total Cargo in 2006 (enplaned + deplaned) was approximately 520,000 pounds. Approximately 44% of RUT’s cargo is outbound (enplaned) and 56% is inbound (deplaned).

Aviation Support Facilities

Aviation support facilities include the following and are discussed below:

- Fuel farm
- Aircraft Rescue and Fire Fighting (ARFF)
- Airfield Maintenance
- Deicing
- Security
- Utilities

Fuel Farm

The above-ground fuel farm is located along the southwest edge of the Terminal ramp and is owned and operated by Columbia. Storage capacity includes 15,000 gallons of Jet-A and 12,500 gallons of 100 LL. Jet-A is dispensed via a 1999 Ford 3,000-gallon truck and 100LL is dispensed with a 1999 International 1,200-gallon truck. VTrans constructed the system (without tanks) and transferred the system to Columbia, which installed the tanks.

Aircraft Rescue and Fire Fighting (ARFF)

A 2,000 SF four-bay ARFF facility is located at the north corner of the Terminal Apron. One bay each is used for a Vermont State Police mobile command center, ARFF response vehicle, a car rental wash bay, and miscellaneous uses. The principal ARFF apparatus is a 1992 EasyOne (E-200). ARFF response is accomplished by the Rutland Fire Department, supported by the Clarendon Fire Department. Response time is typically 10 – 13 minutes.

The airport currently complies with Part 139 Class I ARFF requirements. The airport's scheduled service aircraft is presently below the "greater than 9-seat threshold" requiring Part 139 compliance for scheduled service. However the Airport intends to maintain its Part 139 Certificate to accommodate larger corporate aircraft and to remain in compliance should aircraft size be increased in the future.

Airfield Maintenance

Airfield maintenance is accomplished by one or two people from the VTrans District 3 Highway Department "loaned" to the airport. VTrans staff coordinates airport maintenance needs with highway maintenance needs. The maintenance building includes five bays totaling 2,750 SF, a 150 SF storage area, and a 100 SF personnel area. The equipment used for airport maintenance is stored in this building.

Deicing

De-icing is accomplished at two locations: in front of the terminal (principally for Cape Air) and in front of the Columbia office. The airport estimates that total deicing fluid use is less than 2,500 gallons per year.

Security

Airport security at RUT is provided in two ways. The Transportation Security Administration (TSA) provides air carrier screening service and occasional airport-wide security inspections with six full-time staff. The TSA leases 650 SF of area in the terminal for security screening and offices/staff rooms. The Rutland County Sheriff's Department (RCSD) provides one Law Enforcement Officer at a time during Scheduled Service operations. The RCSD does not lease any areas at the airport.

As a physical deterrent to property entry, the airport is encircled by 8-foot high, 3-wire security fence. In conformance with the §139.325 Airport Emergency Plan, the airport is patrolled by the RCSD. In addition, there are numerous gates and fences on and around the airport to limit access, and security signage displayed throughout airport property.

Utilities

Central Vermont Public Service (CVPS) provides single-phase power along Airport Road and three-phase power off State Route 7B. All water at the airport is provided by wells rather than municipal sources as such sources are not available in the immediate vicinity of the airport. Water for the Terminal, the State Hangar to the north, and SRE/ARFF buildings to the north is provided by a single well, while water to other hangars is provided by individual wells. Sewage facilities west of Runway 1-19 are connected to a force-main routed around the Runway 31 and Runway 1 ends to a pumping station in the REDC Industrial Park at the southwest corner of the airport. Sewage from the hangar area north of the Runway 13 end is piped to the same pumping station.

3.3 Airport Development Plan

Development Considerations

Development considerations at the Airport are mainly physical in nature. These consist of the following:

- Obstructions
- Terrain
- Available Development Areas
- Runway Length
- Land use
- Environmental Considerations

Specific details of these considerations follow:

Obstructions

Tree obstructions exist to each of the four runway ends. These trees should be topped or removed, if practical, to minimize the impact on instrument approach and departure minimums at the airport. Control of the Runway 1 RPZ and the Runway 13 and 31 RPZs (through fee simple or easement) would allow the necessary obstruction clearing and protect against future obstructions to airport imaginary surfaces.

Terrain

A major impediment to both aviation and non-aviation development at the Airport is the steep terrain that surrounds the airport facilities and generally characterizes the Southern-

Vermont Region. Fill required for airfield improvements and non-aviation development is a significant deterrent due to cost and permitting.

Available Development Areas

Closely related to the terrain issue noted above is the issue of areas that can be easily developed. The terrain surrounding the Airport makes sensible space utilization key to improving the ability of the Airport to generate revenue. One area holds particular promise in the way of developable land. This area is presently undeveloped along State Route 7B. This action would create add 38 acres of developable land to the airport. In addition, the replacement of the Doppler VOR with a Global Positioning System (GPS)-based such as Localizer Performance with Vertical guidance (LPV) approach would allow for the development of another area to the west of the runway junction. This action would clear 58 acres for hangar and apron development.

Runway Length

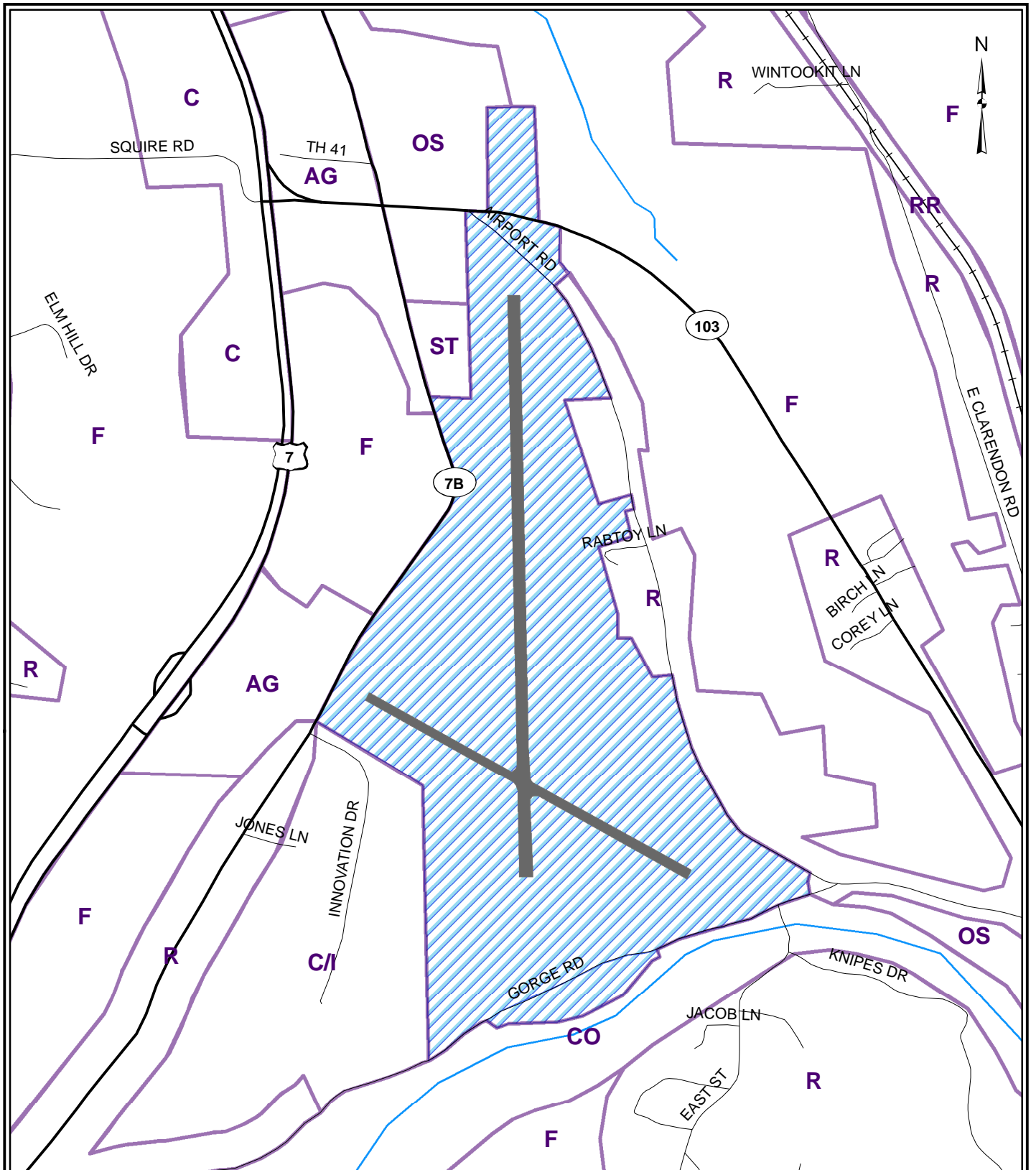
Through the ongoing Master Plan Update and as confirmed by this study; the airport has insufficient runway length for current and future users. Major users of the airport are based and transient corporate jet operators and charter operators that conduct business in Rutland and the surrounding areas. These operators have expressed their need for additional runway length, which is currently a detractor to attracting additional airport users. New rules governing charter operators, promulgated in FAR Part 91K, further exacerbate the problem of an already marginal runway length.

Land Use












Existing land use surrounding the airport is Residential along Airport Road to the east and Gorge Road to the south. Land use adjacent to the southwest corner of the airport is Commercial/Industrial in the Rutland Economic Development Corporation Park. Other areas around the airport are agricultural, forested, or are transportation corridors such as US Route 7. The existence of residential land uses in close proximity to the airport warrant consideration to ensure that the airport maintains the good will that they currently experience from the community. Existing land use is depicted on Figure 5.

Environmental

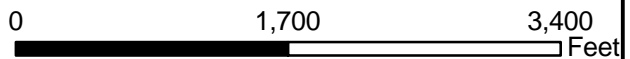
As illustrated in Figure 5, a conservation area is located beyond the approach end of Runway 1 at the Airport. This area represents an environmentally sensitive site, which makes any development in that direction extremely challenging. Additionally, numerous wetlands have been identified and mapped on airport property and in areas adjacent to the airport. Wetlands exist along the south border of the airport along the Rutland Economic Development Corporation area, downslope from the Runway 1 end north of Gorge Road, north of the OmyAviation hangar



LEGEND

-  Runway
 -  Airport Boundary
- General Land Use**
- | | |
|---|---|
|  Agricultural |  Forested |
|  Commercial |  Open Space |
|  Commercial/Industrial |  Railway |
|  Conservation |  Residential |
| |  State Hwy Maintenance |

NOTE: AIRPORT AND LAND USE BOUNDARIES ARE APPROXIMATE AND SHOULD BE USED FOR PLANNING PURPOSES ONLY.



| | | |
|--|-------------------------|---------------|
| <p>RUTLAND-SOUTHERN VERMONT REGIONAL AIRPORT CLARENDON, VERMONT</p> | | |
| <p>TOWN OF CLARENDON GENERAL LAND USE</p> | | |
| SCALE : AS SHOWN | DATE : NOVEMBER 2007 | FIGURE : 5 |
| <p>McFarland Johnson in association with R.A. Wiedemann & Associates, Inc.</p> | | |

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and along Taxiway “E”, between the Runway 19 end and VT Route 103, and north of VT Route 103.

Development Plan

The Airport Master Plan is on-going as of this writing. The current signed 2000 ALP shows the following general improvements. Implementation status of these projects as of 2007 is noted:

1. Install a precision Instrument Landing System (ILS) for Runway 19 with a Glide Slope antenna east of the Runway 19 end.
 - Not completed. Improvement of the Runway 19 instrument approach procedure is being studied in the current Airport Master Plan Update. An improved GPS approach may be implemented as part of an FAA initiative.
2. Acquire control of property for the larger precision instrument approach RPZ.
 - Not completed as the precision instrument approach was not implemented.
3. Replace the existing Runway 19 ODALS with Medium Intensity Approach Lights with Runway Alignment Indicator Lights (MALSR).
 - FAA funding to complete the MALSR project is in the FAA 2008 budget. Construction to be completed in the summer/fall of 2008.
4. Acquire property between Taxiway “E” and Airport Road.
 - Not completed as of this writing. Land acquisition for airports is difficult in Vermont and such planned projects get routinely removed during the state budget cycle.
5. Improve the Runway 19 RSA.
 - Not completed. A Runway Safety Area Study was completed in 2007. The FAA determination regarding the study was to place Engineered Materials Arresting System (EMAS) on existing terrain off the Runway 1 end and placement of fill to a width of 400 feet to a distance of 600 feet north of the Runway 19 end (to VT Route 103).
 - The on-going Airport Master Plan is reviewing runway length requirements. Improving the Runway 1 RSA as proposed in the 2007 FAA determination is expected. A requirement to extend the Runway 19 end 1,000 feet to the north has been demonstrated, but the Master Plan Update has not yet addressed the feasibility of such an extension.
6. Construct a parallel taxiway for Runway 13-31.
 - Taxiway “F” was constructed from the terminal apron to the Runway 13 end. The easterly portion (from the terminal apron to the Runway 31 end) has not been constructed.
7. Construct a hangar and apron area north of the Runway 13 end.
 - Taxiway “G” was constructed from Taxiway “F” to the north. A hangar and apron area was constructed north of the Runway 13 end. Space remains for two multi-plane hangars. Hangar development is subject to the state obtaining stormwater permits and archeological clearances.
8. Land swap of property along Innovation Drive. Phase 2 – 2009 to 2013.

- One parcel was acquired by the airport to protect the Doppler VOR critical area, and a compensatory airport parcel was transferred from the Airport.
9. Expand the terminal apron.
 - Accomplished as part of the 2003 Taxiway “F” project.
 10. Construct a taxiway from Runway 13-31 to the Runway 1 end to provide access to the Runway 1 end from the terminal area.
 - Not completed.
 11. Realigning a portion of Airport Road to accommodate the Runway 19 RSA improvement.
 - Not completed. Town road relocation likely to be completed as a separate construction project to more easily accommodate the project cost in the VTrans budget. Safety Area improvements for Runway 19 would then be a follow-up project.

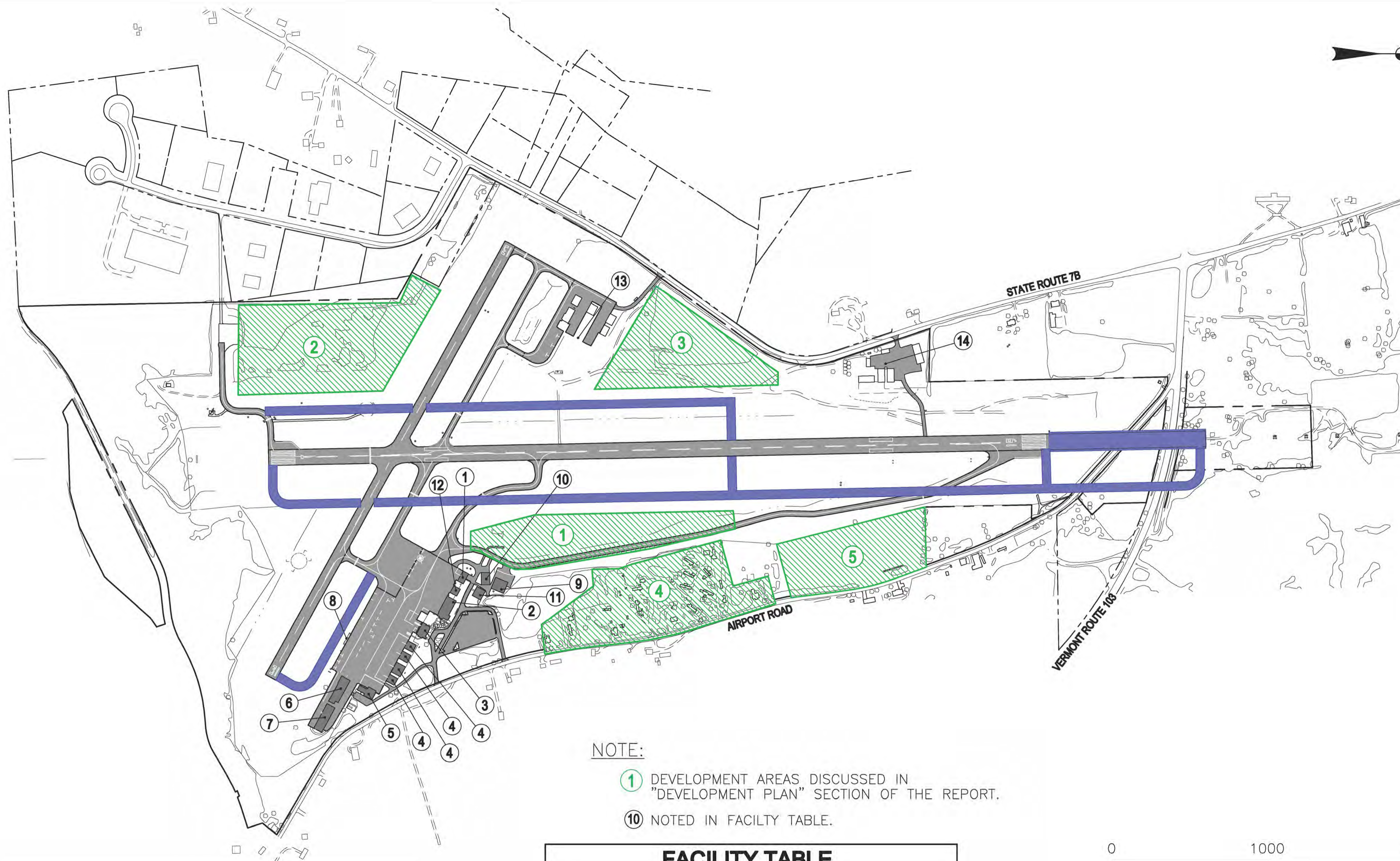
A number of additional concepts may be considered in the on-going Airport Master Plan Update:

1. Extending the Runway 19 end by 1,000 feet, improving Runway 1-19 approach procedures, and acquiring the necessary property in fee simple.
2. Improving the RSA beyond the Runway 19 end as part of a possible runway extension project.
3. Realigning VT Route 103 around or tunneling underneath the Runway 19 extension/RSA improvement project.
4. Realigning the portion of Taxiway “E” that is at least 300 feet from Runway 1-19 to be 300 feet east of and parallel to Runway 1-19. Then, as part of the runway extension project, extend the taxiway to the extended Runway 19 end.
5. Remove the Doppler VOR (as it has a 1,000-foot critical area) once a replacement approach GPS-based LPV approach can be developed to make existing airport area available for revenue-producing hangar and aviation business uses.
6. More strongly pursue acquisition of the property between Taxiway “E”: and Airport Road and other parcels to accommodate projected aviation growth.
7. Review existing State procedures for making hangars available, and possibly constructing hangars for lease.
8. Develop a number of programs to ensure hangars are constructed when demand exists and hangars are constructed of the type desired.
9. Market corporate aviation and maximize improvements to scheduled passenger service.
10. Provide additional area for hangars, aprons, and aviation-related business: north of the Runway 13 end by cut and fill, north of the existing hangar area by realigning Taxiway “E”; and south of the existing hangar and apron areas by reusing existing airfield pavement. The latter measure requires taking Runway 13-31 out-of-service.

The Development Plan for RUT is illustrated on Figure 6. The Development Plan includes measures being discussed in the RUT Airport Master Plan Update being prepared as of this writing and areas identified for development as part of this Airport Business Plan. The Development Plan illustrates a plan of action for both airside and landside improvements, and is discussed in terms of four development areas:

- Area 1: Realigning a section of Taxiway “E” would provide 38 acres of relatively level on-airport area for development. Existing wetland mitigation areas would have to be replaced.
- Area 2: This area would require removal of the Doppler VOR. There are a number of wetlands in the area and the area slopes upward slightly from Runway 1-19 but could be developed with Runway 13-31 remaining operational. Available area would be 59 acres.
- Area 3: This area is high ground with exposed ledge. This area would be the most expensive to develop due to the ledge. One consideration in the Airport Master Plan is to excavate/“level” this area although expensive, to provide fill material for the Runway 1-19 extension and RSA improvement. If this area was “leveled” for airside improvements, the cost for private development of this area for revenue-producing uses would be much less.
- Area 4: This area has continually been shown on RUT’s Airport Master plans to be acquired for aviation-related business. The area slopes down from the airport toward Airport Road and so may be suitable for aviation-related businesses that may not require airside access. Available area would be approximately 13 acres.
- Area 5: As with Area 4, this area has continually been shown on RUT’s Airport Master plans to be acquired for aviation-related business. The area slopes down from the airport toward Airport Road and so may be suitable for aviation-related businesses that may not require airside access. Available area would be approximately 9 acres.

Of the areas identified, Area 1 holds the most promise for development in the short-term. Areas 2 through 5 would require fill material and several improvements but are still considered feasible in the mid and long-term.

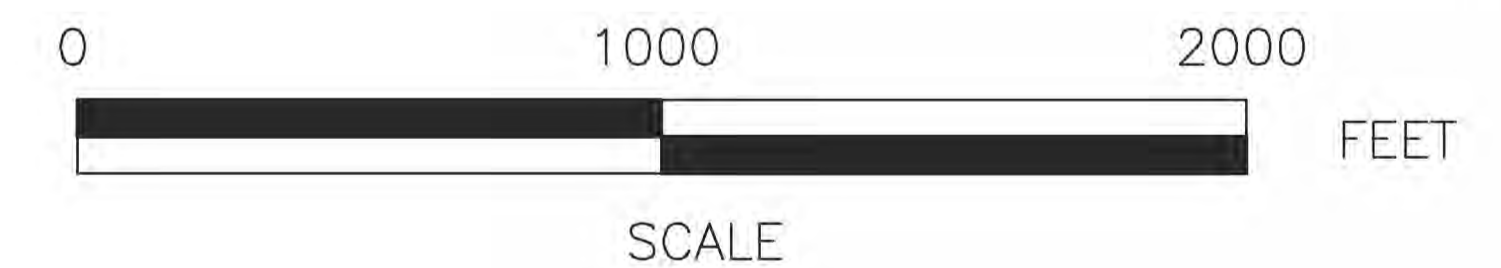


NOTE:

- ① DEVELOPMENT AREAS DISCUSSED IN "DEVELOPMENT PLAN" SECTION OF THE REPORT.
- ⑩ NOTED IN FACILITY TABLE.

| LEGEND | |
|---|--------|
| DESCRIPTION | SYMBOL |
| RUNWAY CENTERLINE | --- |
| RUNWAY SAFETY AREA | --- |
| RUNWAY OBJECT FREE AREA | --- |
| RUNWAY PROTECTION ZONE | --- |
| AIRPORT PAVEMENT | ▬ |
| AIRPORT BUILDINGS | ■ |
| MISCELLANEOUS BUILDINGS | □ |
| AIRPORT PROPERTY LINE | --- |
| ROADS | ▬ |
| POTENTIAL TAXIWAY AND RUNWAY IMPROVEMENTS | ▬ |

| FACILITY TABLE | |
|----------------|---------------------------------|
| # | Description |
| 1 | Fire Station |
| 2 | SRE/State Storage Hangar |
| 3 | Terminal |
| 4 | Storage Hangar |
| 5 | FBO Office & Maintenance Hangar |
| 6 | Storage and T-Hangars |
| 7 | T-Hangars |
| 8 | Fuel Farm |
| 9 | Storage Hangar |
| 10 | FBO Maintenance Hangar |
| 11 | Civil Air Patrol |
| 12 | Civil Air Patrol |
| 13 | West Side Storage Hangars |
| 14 | District Transportation Garage |



RUTLAND-SOUTHERN VERMONT
REGIONAL AIRPORT
CLARENDON, VERMONT

AIRPORT DEVELOPMENT PLAN

| | | |
|--------------------|-------------------|--------------|
| SCALE: AS SHOWN | DATE: MAY 2008 | FIGURE: 6 |
|--------------------|-------------------|--------------|

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Airport Capital Improvement Program

As the RUT Airport Master Plan Update is being prepared as of this writing, phasing or construction costs are not available for this report. This section will discuss current funding practices. RUT is eligible for capital project funding assistance from FAA through the Airport and Airway Improvement Program (AIP). As an eligible participant in this program, the Airport is required to prepare, update annually, and submit to FAA a five-year Airport Capital Improvement Program (ACIP) to apply for federal grants. These grants typically fund 90 – 95 percent of eligible development costs.

AIP eligible projects include the planning, design, and construction of projects associated with public use non-revenue generating facilities and equipment of the Airport. Typical AIP eligible projects include: Airport Master Plans, Airport Layout Plans; land acquisition and site preparation; airfield pavements, e.g. runways, taxiways, and transient aprons; lighting and navigational aids; safety, security, and snow removal equipment; public use passenger terminal facilities that are not leased for exclusive use; and obstruction identification and removal. Items not typically eligible for AIP funding include revenue generating facilities such as hangars (at primary airports), automobile parking facilities, and private-use areas of terminal facilities³. The highest funding priority according to FAA's rating procedure is generally given to those projects that are safety-related such as obstruction removal, runway safety area improvements, and facility improvements to meet current FAA Airport Design Standards and enhance capacity.

The current Airport Capital Improvements Program (ACIP) is shown in Table 4. This table, based on the airport's most recent ACIP as submitted to FAA, summarizes the anticipated projects, local share, and priorities that are recommended for effective implementation of this business plan. The FAA-funded projects are to facilitate improvement of the Runway Safety Areas. Replacement of RUT's emergency generator and providing additional corporate hangar infrastructure are two projects that are not AIP-eligible and would need to be funded by VTrans or by private developers. The following statewide projects will be funded by both FAA and VTrans and from which RUT would realize some benefit: Phase 1 of airport business planning (which includes Rutland), pavement maintenance and engineering for Global Positioning System (GPS)-based instrument approach procedures with vertical guidance (LPV) approaches.

Key additional projects/initiatives discussed in later sections include the following:

- Development of hangars in the Areas 1 through 3 depicted on Figure 6.
- Pursue additional Small Community Air Service Program (SCASD) grants for improved scheduled air service.
- Market and attract corporate aviation to RUT.

³ Per Vision 100-Century of Aviation Reauthorization Act, "The Secretary may decide that the costs of revenue producing aeronautical support facilities, including fuel farms and hangars, are allowable for an airport development project at a nonprimary airport if the Government's share of such costs is paid only with funds apportioned to the airport sponsor under section 47114 (d)(3)(A) (nonprimary entitlement) and if the Secretary determines that the sponsor has made adequate provision for financing airside needs of the airport."

| Year | Project Description | FAA | State | Private | Total |
|----------------|---|--------------------|--------------------|---------------|--------------------|
| 2008 | Business Planning | \$22,500 | \$2,500 | \$0.00 | \$25,000 |
| 2009 | Runway Safety Area Improvements – EA and Permitting | \$292,500 | \$32,500 | \$0.00 | \$325,000 |
| 2011 | Runway Safety Area Improvements – Design | \$225,000 | \$25,000 | \$0.00 | \$250,000 |
| 2013 | Runway Safety Area Improvements – Construction | \$4,500,000 | \$500,000 | \$0.00 | \$5,000,000 |
| | | | | | |
| No Date | Replace Emergency Generator | \$0 | \$195,000 | \$0.00 | \$195,000 |
| No Date | Corporate Hangar Infrastructure | \$0 | \$100,000 | \$0.00 | \$100,000 |
| | | | | | |
| 2008-2013 | Statewide – Pavement Maintenance | \$612,000 | \$68,000 | \$0.00 | \$680,000 |
| 2008 | Statewide – Business Planning | \$225,000 | \$25,000 | \$0.00 | \$250,000 |
| 2009 | Statewide – General Aviation Planning | \$225,000 | \$25,000 | \$0.00 | \$250,000 |
| 2008-2012 | Statewide – LPV Approaches | \$540,000 | \$60,000 | \$0.00 | \$600,000 |
| | | | | | |
| Totals: | | \$6,642,000 | \$1,033,000 | \$0.00 | \$7,675,000 |

Note: Funding indicated in the table for statewide projects is intended for distribution at multiple airports.

Local/Private Funding

Local funding of publicly-owned airports is usually accomplished through a public sponsor's general fund. This expenditure may be offset by airport-generated revenues. Public bodies may also issue general obligation (GO) or revenue bonds. These bonds are usually reserved for large capital projects. A GO bond is backed by the full faith and credit of the issuing party. Statutory restrictions often limit the amount that can be borrowed in relation to the tax base of the issuing government.

A revenue bond is backed by a promise to pay the principal and interest represented by the bond with revenues generated by the project it funds. Revenue bonds must be evaluated by independent underwriters, and the proposed bonds must demonstrate a reasonable expectation of repayment. Revenue bonds may not always meet this test since some airport facilities generate more indirect benefits to the community than direct revenues. In the case of RUT and all other state-run airports in Vermont, VTrans contributes the local share of capital projects through annual state appropriations.

Private investors are also a potential source of funds for revenue producing development. Tenants and/or investors may finance the construction of facilities from which they derive income. While direct revenues to the Airport are usually limited to the lease charges for the land underlying the facilities, the local sponsor does not need to obtain its own funding for these improvements. Additionally, the increased activity resulting from Airport improvements often increases the number of based aircraft or operations, which in turn generates additional revenue

associated with fuel sales and other aviation services. Examples of private investment at airports include aviation business buildings for fixed based operators, fuel facilities, and non-aviation commercial development.

In the past, private investment at RUT has been limited to enhancement of Columbia facilities, and construction of small individual hangars. VTrans's approach to hangar development has been to provide a ground lease for the lessee to construct their own structure and has chosen not to construct hangars to lease themselves. This results in the construction of facilities but lessens the control that the Airport has over its facilities and also results in much slower growth.

3.4 Market Analysis

Airport Market Area

Figure 7 illustrates the Airport service area and other nearby public-use airports. As with the other four airports (Hartness, Middlebury, Morse, and Knapp) for which business plans are currently being prepared, a 30-mile circle is assumed to enclose each airport's Airport Service Area (ASA). This area is typically sufficient to cover a general aviation service area. The RUT Airport Service Area includes Hartness State Airport and North Windham Airport. Except for RUT, these airports are all classified as General Aviation facilities with no scheduled service. North Windham is privately owned and private-use and will not affect market conditions for RUT. In addition, several other similar airports in the region have been included for comparison purposes. These airports include Lebanon and Laconia in New Hampshire; Floyd Bennett (Glens Falls) and Saratoga County in New York; and Auburn-Lewiston in Maine.

Facilities

Table 5 provides a listing of Airport facilities within the Rutland – Southern Vermont Regional Airport ASA and the additional comparison airports. Two of the ASA airports have paved runways: Hartness State has the longest at 5,498 feet, and Rutland the second longest at 5,000 feet. All five of the non-ASA comparison airports have paved runways, with Laconia Municipal Airport maintaining the longest at 5,890 feet. Four of the five non-ASA comparison airports also feature precision approaches, which Rutland lacks.

Based Aircraft

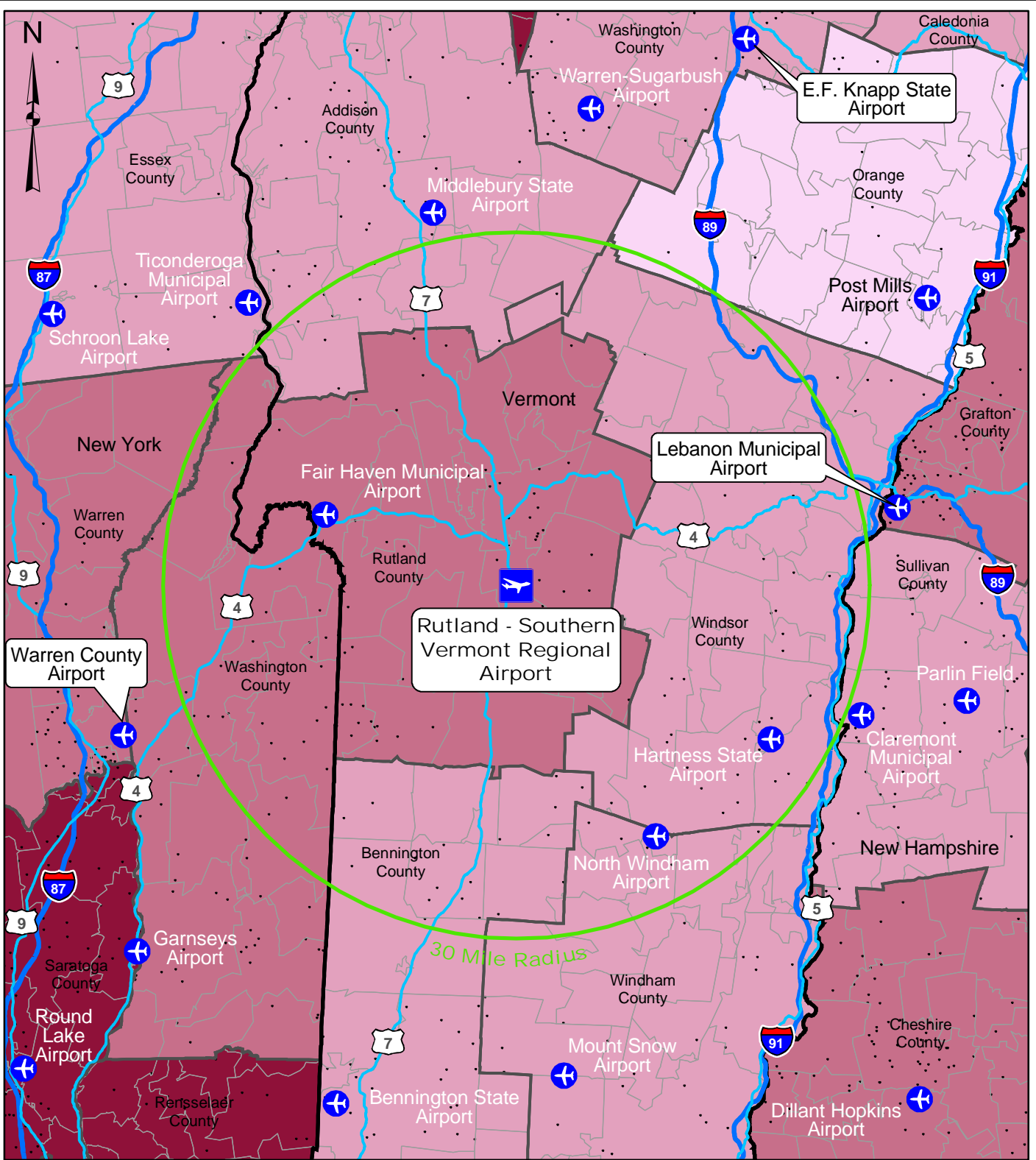
There are a reported total of 95 aircraft based at the public use Airports within the RUT Airport Service Area. A majority of these aircraft consist of single and multi-engine aircraft. RUT has the most based aircraft at 56 and Hartness State Airport second with 37 aircraft among the ASA airports considered. Laconia Municipal, with 107 based aircraft, has nearly twice the total of RUT.

Aviation Services

Table 6 presents the availability of various aviation services at each of the area airports. In the ASA, only Rutland and Hartness State offer a full range of general aviation services that include full maintenance and fuel facilities, flight instruction (Rutland only), charter services, aircraft sales, and aircraft rentals (Rutland only). No services are offered at North Windham Airport. Laconia, Bennett, Saratoga, and Lebanon also provide a full range of aviation service.

Hangars and Tie-downs

Of the three airports within the RUT ASA, only RUT and Hartness have tiedown available for rental and only Hartness has hangar space available for rent as the RUT hangars are at capacity. Prices for various services within the ASA, and at the other competitive airports, are shown in Table 7. It is interesting to note that the only three airports with landing fees are the three that have commercial service (Rutland, Lewiston-Auburn, and Lebanon).



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Population by County

- 0 - 30000
- 30001 - 60000
- 60001 - 90000
- 90001 - 120000
- 120001 +

- ✈ Commercial Service
- + General Aviation
- Service Area
- Zip Code Boundaries
- Registered Aircraft



RUTLAND - SOUTHERN VERMONT REGIONAL AIRPORT
RUTLAND COUNTY, VERMONT

AIRPORT SERVICE AREA

| | | |
|---------------------|------------------------|---------------|
| SCALE : AS SHOWN | DATE : JANUARY 2008 | FIGURE : 7 |
|---------------------|------------------------|---------------|



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Table 5 - Facility Comparisons

| Airport | Owned | Acres | ARC | Number Of Based Aircraft | | | | | | Runway | | NAVAIDs | Control Tower | |
|-------------------------------------|-----------------------|-------|-------|--------------------------|-----------|------------|-----------|--------------------------|----------|------------|-----------------------------|-----------------------------|-------------------------|------------------|
| | | | | Jet | Multi | Single | Heli | Ultra-light / Gliders | Military | Total | First L x W | Second L x W | | Best Approach |
| Rutland-Southern Vermont Regional | Public | 787 | C-II | 2 | 4 | 49 | 1 | | | 56 | 5,000' x 100' | 3,170' x 75' | Non-precision (LOC/DME) | No |
| Hartness State | Public | 185 | B-II | 0 | 1 | 28 | | 8 | | 37 | 5,498' x 100' (Pavement) | 3,000' x 75' | Non-precision (LOC/DME) | No |
| North Windham | Private / Private Use | 19 | Small | | 1 | 1 | | | | 2 | 2,270' x 70' (Turf) | | Visual | No |
| TOTAL (Airport Service Area) | | | | 2 | 6 | 78 | 1 | 8 | | 95 | | | | |
| Laconia Municipal | Public | 448 | C-II | 1 | 20 | 85 | 1 | | | 107 | 5,890' x 100' (Pavement) | | Precision (ILS) | No |
| Auburn-Lewiston Municipal | Public | 547 | B-II | | 8 | 72 | 3 | 8 | | 91 | 5,001' x 100' (Pavement) | 2,750' x 50' (Pavement) | Precision (ILS) | No |
| Floyd Bennett Memorial | Public | 550 | C-II | 4 | 4 | 54 | | | | 62 | 5,000' x 150' (Pavement) | 4,000' x 100' (Pavement) | Precision (ILS) | No |
| Saratoga County | Public | 300 | D-II | | 2 | 59 | | 8 | | 69 | 4,700' x 100' (Pavement) | 4,000' x 100' (Pavement) | Non-precision (VOR/DME) | No |
| Lebanon Municipal | Public | 563 | C-II | | 8 | 31 | 11 | 1 | | 51 | 5,476' x 100' (Pavement) | 5,200' x 100' (Pavement) | Precision (ILS) | Yes |
| TOTAL | | | | 7 | 48 | 379 | 16 | 25 | 0 | 475 | | | | |

Sources: Rutland Airport Master Plan, Auburn-Lewiston Airport Master Plan, Airport Master Records as published March 2008 (<http://www.gcr1.com/5010web/>)

Table 6 - Service Comparison

| Airport | Frame Repairs | Power Repairs | Flight Instruction | Charter Service | Avionics | Aircraft Sales | Aircraft Rentals | Other |
|-------------------------------------|---------------|---------------|--------------------|-----------------|----------|----------------|------------------|---|
| Rutland – Southern Vermont Regional | Y | Y | Y | Y | N | Y | Y | Scheduled passenger service and scheduled cargo service |
| Hartness State | Y | Y | N | Y | N | Y | N | |
| North Windham | N | N | N | N | N | N | N | |
| Laconia Municipal | Y | Y | Y | Y | N | Y | Y | |
| Auburn-Lewiston Municipal | Y | Y | Y | N | N | N | Y | |
| Floyd Bennett Memorial | Y | Y | Y | Y | N | Y | Y | |
| Saratoga County | Y | Y | Y | Y | N | Y | Y | |
| Lebanon Municipal | Y | Y | Y | Y | N | Y | Y | Scheduled passenger service |

Source: Airport IQ 5010 Airport Master Records as Published March 2008 (<http://www.gcr1.com/5010web/>) N=No, Y=Yes,

Table 7 - Rates and Charges Comparison

| Airport | Tie-Down | | Conventional Hangars | | T-Hangars | | Lowest Fuel Price (\$/gallon) | | GA Landing Fee |
|-----------------------------------|---------------------|-----------|--|-----------|---|-----------|-------------------------------|-----------------|--|
| | \$/ | Available | \$/month | Available | \$/ month | Available | 100 ll | Jet A | |
| Rutland-Southern Vermont Regional | \$45 / month | Y | Single (\$300/Month in State Hangar; \$400 / Month in other hangars). Twin-Piston (Length X Width / 12 * 8). Turboprop (Length X Width / 12 * 9). Jet (Length X Width / 12 * 10). | N | Condo | N | \$4.99 - \$5.19 | \$5.29 - \$5.49 | Single – N/C Twin - \$35 Jet - \$75 |
| Hartness State | \$35 / month | Y | \$175 – \$300 / month | Y | \$175 – \$300 / month | Y | \$4.27 - \$4.61 | \$4.94 | N/C |
| North Windham | N/A | N | N/A | N | N/A | N/A | N/A | N/A | N/A |
| Laconia Municipal | \$45 - \$55 / month | Y | \$175 - \$350 / month | N | \$175 - \$350 / month | N | \$4.55 - \$5.50 | \$4.93 - \$5.05 | N/C |
| Auburn-Lewiston Municipal | \$35 - \$45 / month | Y | \$200 (Single, no heat) to \$1,000 (Twin, with heat) / month | N | \$300 / month | N | \$4.40 - \$4.65 | \$4.40 - \$4.49 | \$1.75 / 1,000 lbs, N/C for aircraft under 4,000 lbs |
| Floyd Bennett Memorial | \$45 / month | Y | N/A | N | Unavailable | N | \$5.19 | \$5.35 | N/C |
| Saratoga County | \$40 / month | Y | \$100 / night (Single) to \$250 / night (Jet) | Y | \$375 - \$400 / month (Small, Unheated), \$1150 - \$1250 / month (Large, Heated) | N | \$4.39 - \$4.79 | \$4.70 | N/C |
| Lebanon Municipal | \$50 - 65 / month | Y | \$850 / month (Box Hangars) (Under const.; \$2100 - \$2700 / month) | Y | \$475 - \$575 / month | Y | \$5.45 | \$5.40 | \$10 (Single Engine) - \$125 (Jet) |

Source: McFarland-Johnson, Inc. Telephone Survey November 2007 – March 2008

Legend: N/C = No Charge, N/A = Not Available, N=No, Y=Yes

4. BASELINE FINANCIAL AND ECONOMIC OUTLOOK

THIS SECTION IDENTIFIES HISTORICAL REVENUES AND expenses attributable to the Rutland-Southern Vermont Regional Airport and projects those revenues and expenses to the year 2012. This projection only considers a baseline scenario with no revenue enhancement projects being undertaken. In other words, what are the financial implications of continuing the Airport's operation as it is today? In a later section, alternative projections of financial performance will be developed based upon suggested improvements and marketing pro-formas.

4.1 Baseline Forecast of Revenues

Information concerning historical revenues centered on the year 2005, with some additional information for years 2004 and 2006 supplementing this data when available. These data gave an indication of the growth of the revenue base. Table 8 shows those historical revenues, along with estimated tax revenues from the fuel sold at Rutland-Southern Vermont Regional Airport. As shown, the revenues from leases and landing fees have increased significantly over the three year history. However, examination of the leases indicates that the growth will slow in the future, approaching annual growth of the Consumer Price Index (CPI).

| Revenues | 2004 | 2005 | 2006 |
|-----------------------|------------------|------------------|------------------|
| Leases & Landing Fees | \$35,097 | \$54,544 | \$68,821 |
| FBO Revenue | \$17,210 | \$21,337 | \$28,290 |
| Rental cars | \$9,606 | \$2,930 | \$2,359 |
| Food and Misc | \$223 | \$1,650 | \$339 |
| Aviation Fuel Taxes* | | | |
| 100 LL | \$6,712 | \$6,980 | \$7,259 |
| Jet A | \$54,344 | \$56,518 | \$58,779 |
| TOTAL REVENUE | \$123,192 | \$143,959 | \$165,847 |

* Estimated for years 2004 and 2006

It is against this historical background that the baseline forecast of revenues for Rutland-Southern Vermont Regional Airport is presented. New hangar and apron space will be difficult to develop because the Airport has limited landside vacant space. Thus, growth in based aircraft will also be limited. The new airport master plan update predicts renewed modest growth in based aircraft at the Airport and space should be provided to accommodate that growth. Table 9 presents a conservative forecast of airport operating revenues, which assumes that the status quo will hold and that prices will increase at the rate of the CPI.

| Revenues | 2006 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Leases & Landing Fees | \$68,821 | \$74,437 | \$77,414 | \$80,511 | \$83,731 | \$87,081 |
| FBO Revenue | \$28,290 | \$30,598 | \$31,822 | \$33,095 | \$34,419 | \$35,796 |
| Rental cars | \$2,359 | \$2,551 | \$2,654 | \$2,760 | \$2,870 | \$2,985 |
| Food and Misc | \$339 | \$600 | \$600 | \$600 | \$600 | \$600 |
| Aviation Fuel Taxes | | | | | | |
| 100 LL | \$7,259 | \$7,852 | \$8,166 | \$8,492 | \$8,832 | \$9,185 |
| Jet A | \$58,779 | \$63,575 | \$66,118 | \$68,763 | \$71,513 | \$74,374 |
| TOTAL REVENUE | \$165,847 | \$179,613 | \$186,774 | \$194,221 | \$201,966 | \$210,020 |

As shown, revenues are anticipated to grow from \$165,800 in 2006 to \$210,000 by the year 2012.

4.2 Baseline Forecast of Expenses

There was no historical data regarding expenses available for this analysis. Only one year, 2005, was available and as such, no significant historical trends could be cited. Instead, knowledge of general trends were applied to the various cost categories and projected into the future. In this regard, labor costs were increased at two percent, which is one-half of the rate of forecast inflation. Historically at other airports, salaries and wages have increased more slowly than the CPI due to personnel turnover and part time employee usage. It is also known that insurance costs have been increasing faster than the rate of inflation. For this analysis, a seven percent rate was used. The WSI Weather Brief was held constant, while the remaining categories were increased at a four percent rate, which is projected to be the rate of inflation over the period. Table 10 presents the baseline forecast of operating expenses, beginning with estimates from the 2006.

| Expenses | 2006* | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Salaries and Wages | | | | | | |
| Airport Manager | \$126,514 | \$131,625 | \$134,257 | \$136,942 | \$139,681 | \$142,475 |
| District MX Staff Labor | \$95,060 | \$98,900 | \$100,878 | \$102,896 | \$104,954 | \$107,053 |
| Total Operating- District | \$142,965 | \$154,631 | \$160,816 | \$167,248 | \$173,938 | \$180,896 |
| Total Operating- Aviation | \$93,451 | \$101,077 | \$105,120 | \$109,325 | \$113,698 | \$118,246 |
| WSI Weather Brief | \$2,040 | \$2,040 | \$2,040 | \$2,040 | \$2,040 | \$2,040 |
| Insurance (\$100K/ occurrence deductible) | \$1,401 | \$1,604 | \$1,716 | \$1,836 | \$1,964 | \$2,102 |
| Total Operating Expenses | \$461,431 | \$489,876 | \$504,827 | \$520,287 | \$536,276 | \$552,811 |

* Estimated

Baseline operating expenses are expected to increase from \$461,400 in 2006 to \$552,800 by the year 2012, amounting to a 20 percent increase.

4.3 Baseline Net Operating Costs

When the baseline operational costs are compared with the baseline forecasts of operational revenues, the net operating costs for the Airport can be predicted as followed in Table 11.

| Table 11 - Baseline Net Operating Income/(Deficit) | | | |
|---|-------------------|--------------------|--------------------------------|
| Year | Operating Expense | Operating Revenues | Net Operating Income/(Deficit) |
| 2008 | \$489,900 | \$179,600 | (\$310,300) |
| 2009 | \$504,800 | \$186,800 | (\$318,000) |
| 2010 | \$520,300 | \$194,200 | (\$326,100) |
| 2011 | \$536,300 | \$202,000 | (\$334,300) |
| 2012 | \$552,800 | \$210,000 | (\$342,800) |

As shown, the net operating deficit is anticipated to grow from \$310,300 in 2008 to \$342,800 by the year 2012. Hence, the results of the baseline forecast indicate that if no additional revenue generating measures are taken, the State will have to cover this shortfall in operating revenues plus any local share of capital development projects.

5. BUSINESS CLIMATE AND PLAN DEVELOPMENT

The business climate at the Airport and within the region was reviewed to illuminate strengths and weaknesses prior to considering business plan alternatives. Upon review of the business climate, several preliminary business plan alternatives were developed to explore a variety of methods designed to increase revenues. These revenues could be used to reduce the projected operating deficit and/or to pay for portions of the local share of capital development projects.

5.1 Area-wide Factors Supporting Growth and Development of the Airport

There are a number of factors that support the potential growth and development of the Rutland-Southern Vermont Regional Airport. These factors are briefly described below.

Airport Location:

Rutland-Southern Vermont Regional Airport is located five miles south of Rutland City in the town of Clarendon. It is strategically located off Route 4, an important gateway into Vermont from the west. Rutland is approximately 30 miles north of Massachusetts and 20 miles east of New York.

The Rutland Region enjoys an abundance of outdoor recreational activities. The area is home to several state forests and parks and nearly 56,000 acres of National Forest land. The Green Mountains, Killington and Pico Peaks and the Appalachian Trail are all located in close proximity to the city. The area is also home to the Okemo Mountain Resort and Killington Resort. The Okemo Mountain Resort has 112 downhill and cross-country ski trails. The resort also offers an 18 hole championship golf facility. The Killington Resort, with over 200 trails and 33 lifts, is the largest ski and snowboard resort in the eastern United States. In addition to the major outdoor activities, Manchester Designer Outlets, the only major designer outlet mall in Vermont, is located nearly 30 miles south of Rutland.

Second home ownership in Vermont is very high. Some reports put second homeowners at more than half as many owner-occupied homes. Even with the slump in the nationwide housing market; according to national statistics, Vermont was one of only two states that showed an increase in the sales price in the third quarter of 2007 compared the third quarter of 2006.

Business Environment:

Rutland County represents 28 towns that are home to over 63,750 residents. The Rutland region has a more diverse employment base compared to many other areas of Vermont. Rutland has more than 100 manufacturers, ranging in size from General Electric Aircraft Engines with over 1,000 employees, to smaller operations with few employees.

The Rutland-Southern Vermont Regional Airport serves a large number of area businesses, some of which only operate in the area because of the Airport. Cape Air, a JetBlue

affiliate airline provides three daily flights to and from Boston, seven days per week. In addition, RUT has weekday all-cargo service by both UPS and FedEx. Corporate jets owned by Time Warner, Dow Chemical, General Dynamics, Cox Enterprises, and Peace River Citrus also operate at the Airport. Some of the major employers in the area are listed in Table 12.

Table 12 – Major Rutland-Area Employers

| Employer | Product/Service | Employees |
|--------------------------------------|--|-----------|
| Killington Ltd. | Four-season resort | 1,960* |
| Casella Waste Systems | Integrated waste management | 1,350 |
| Rutland Regional Medical Center | Hospital/health care organization | 1,100 |
| GE Aircraft Engines | Jet engine blades/vanes | 1,100 |
| Carris Community of Companies | Reels, furniture, pallets | 600 |
| Central Vermont Public Service | Energy/energy related services | 542 |
| The Vermont Country Store | Direct mail catalog | 400 |
| Castleton State College | Education | 325 |
| OMYA Industries, Inc. | Calcium carbonate | 300 |
| Experian Corporation | Bulk mailing/direct marketing | 300 |
| Rutland Plywood | Plywood manufacturer | 157 |
| Hubbardton Forge | Hand-forged wrought iron lamps and accessories | 150 |
| John A. Russell Corporation | Construction | 150 |
| Nexus Custom Electronics, Inc. | Electronics/circuit boards | 115 |
| The Rutland Herald | Daily newspaper | 110 |
| Cortina Inn | Lodging and conference space | 100 |
| Joseph P. Carrara and Sons | Concrete, sand, stone, precast | 100 |
| New England Woodcraft | Furniture manufacturing | 100 |
| Vermont Electric Power Company, Inc. | Electric transmission utility | 95 |

Source: www.rutlandeconomy.com

*: Employment at Killington Ltd. can be lower due to seasonal fluctuations

Personnel of the American Skiing Company, General Electric and Omya Company are frequent users of the Airport. The Omya Corporation is a global mineral extraction company with headquarters in nearby Proctor. The proximity of Rutland-Southern Vermont Regional Airport facilitates the location of Omya’s aviation operation at RUT. Killington Four Season Resort attracts just under a million skiers each year. The Airport gets a significant influx of passengers during the winter months bound for this resort, as it is the closest commercial services airport to the resort. General Electric has an Aviation Division in Rutland where they make engine blades and vanes.

Industrial Parks

Rutland County is home to the following industrial parks:

- **The Brandon Industrial Park:** A 132,500 square foot building complex located

on 59 acres in northern Rutland County. It is utilized as a manufacturing plant with municipal water, sewer and three-phase power. Brandon's Industrial Park features easy truck access with railroad access located nearby.

- **The Fair Haven Industrial Park:** A 21 acre parcel presently permitted as a commercially zoned, four lot subdivision. It offers municipal water and sewer, three-phase power, and 102 feet of highway frontage. The park allows for easy truck access. The industrial park can also be altered to include a rail spur.
- **The Howe Center:** A 384,000 square foot building complex located on 19 acres in downtown Rutland. It features truck access with loading docks, rail access, and public bus transportation.
- **Cold River Industrial Park:** An industrial park that includes a 43,660 square foot building suitable for any office, warehouse, or manufacturing company. Several businesses are located in this park.
- **The Russell Industrial Park:** This park offers 3-phase power and on-site sewer and water. The park features easy truck access and is only a few minutes from the Rutland-Southern Vermont Regional Airport.
- **The West Rutland Industrial Park:** A 15 acre park with six permitted lots offering municipal sewer and water, three-phase power, and adjacent rail service.
- **Airport Industrial Park (Phase One):** A 58-acre park adjacent to Runway 13 of the Rutland-Southern Vermont Regional Airport. The park is one of the premiere locations in the state and offers underground three-phase power, telephone, municipal sewer and on-site water. A tie down area for executive/corporate aircraft, airport hangars and hangar sites are available.
- **The Airport Industrial Park (Phase Two):** A 64 acre parcel, across Route 7B and adjacent to the existing Airport Industrial Park (Phase One). It's an expansion of the main site in North Clarendon. The park is proposed to be a five-lot subdivision that can accommodate a building size exceeding 120,000 square feet. The property has access to three-phase power, municipal sewer and water and the same convenient access as the Airport Industrial Park (Phase One).

Local and State Incentives & Programs:

In addition to the industrial park locations in Rutland County, business growth is encouraged through local and State incentives.

Local Incentives & Programs:

- **Rutland Economic Development Corporation (REDC):** Offers a revolving loan fund to help new businesses relocating to the area or for the expansion of existing businesses. Loans between \$5,000 and \$75,000 are available to qualifying firms. REDC reinvests repaid loans in the form of new loans to other businesses. The Small Business Development Center located at REDC provides free technical assistance to starting and growing small businesses.
- **Rutland Regional Chamber of Commerce:** Informs business owners or prospective owners about tax incentives. These incentives include payroll tax

credits; credits for incremental payroll; Workforce Development Tax Credit for eligible employee training costs; Research and Development Tax Credit for eligible research and development costs; Investment Tax Credit for new capital equipment exceeding an annual threshold of \$250,000; and an Export Sales Incentive.

- **Rutland Regional Planning Commission (RRPC):** Provides Brownfield Assessment programs aimed at assisting with the development of remediation plans for contaminated parcels.

State Incentives & Programs:

- **Financial Services Companies Tax Credit:** Vermont offers a tax credit up to 75 percent off the state income tax, based on a formula that combines the company's in-state payroll and out-of-state revenues.
- **Sales Tax Exemption:** Vermont offers a sales tax exemption on certain building materials in excess of \$1 million.
- **Fuel and Electricity Sales Tax Exemption:** This exemption applies to sales of electricity, oil and other fuels used directly or indirectly in manufacturing tangible personal property for sales.
- **Equipment Sales Tax Exemption:** Machinery and equipment used directly or indirectly in manufacturing tangible personal property for sale.
- **Industrial Fuels and Raw Materials Tax Exemption:** Motor fuels, except for railroad and jet fuel; component parts for manufacturing, packaging, and shipping materials; and newspapers and tangible property used as components in the manufacture of newspapers are exempt from sales taxation. An exemption from property taxation is provided for plants and shrubs in commercial nurseries or greenhouses.
- **Pollution Control Equipment Tax Exemption:** Real and personal property used to control air or water pollution is exempt from property taxation.
- **Energy and Fuel Conservation Measures:** Alternative energy sources used to generate electricity or energy not sold or exchanged may be exempted by municipalities from property taxation.
- **Small Business Investment Tax Credit:** The small business tax credit was retroactively amended (effective January 1, 1998) to allow a credit for the first dollar of investment, not only dollars expended over \$150,000, provided the investment exceeds \$150,000. A company may receive a credit in an amount equal to 5 to 10 percent of its investments within the state of Vermont in plants, facilities, and machinery and equipment. Requirements vary depending upon the number of employees in the business
- **Payroll Tax Credit:** The Payroll Tax Credit provides a credit against income tax liability equal to a percentage of increased payroll costs. A company with sales less than \$10 million may receive credit for up to 10 percent of its increased costs of salaries and wages in the applicable tax year.
- **Research and Development Tax Credit:** The Research and Development Tax Credit provides a 10 percent tax credit against income tax for qualified research

and development expenditures. Qualified R&D expenditures are those included in the IRS code.

- **Workforce Development Tax Credit:** A corporation can receive an income tax credit of 10 percent of its qualified training, education, and work force development expenditures.
- **Export Tax Credit:** This provision allows exporting businesses to claim credit against income tax liability. The credit is the difference between income tax calculated under the existing state apportionment formula and the proposed formula, which double weights the sales factor and disregards "throwback" provisions.
- **Brownfields Property Tax Exemption:** Statewide education property tax exemptions are provided for expenditures incurred by a business for the construction of new, expanded or renovated facilities on contaminated property.
- **Vermont's Downtown Development Act:** Incentives include assistance with rehabilitation of certified historic or older buildings, sprinkler system rebates, reallocation of sales tax on construction materials, downtown transportation, related capitol improvement fund, planning grant for qualifying for designation, and others.
- **Tax Increment Financing Districts (TIF):** The Vermont Economic Progress Council can approve applications from municipalities that wish to use the taxes generated on the excess property valuation for interest and principal repayment on bonded debt or prefunding future tax increment financing district debt.
- **The 504 Loan:** The program provides long term fixed rate financing to business through the sale of guaranteed debentures issued by certified development companies. Loan funds are used for real estate or machinery and equipment but not for working capital or debt payment. The loan is limited to 40% of the project cost and is combined with bank financing and equity. The maximum loan amount is \$750,000 (up to \$1 Million for some projects) with loan terms of either 10 or 20 years depending on the use of the loan proceeds.

5.2 **Obstacles to Airport Performance**

In addition to the positive trends, there are factors that present challenges to the attainment of stated goals and objectives for the financial performance of the Airport. Some of these potential obstacles include:

- **Potential Runway Extension Limitation:** If the runway length at Rutland is limited to 5,000 feet, some corporate and charter operations will continue to be lost due to their requirement for more runway length. Additionally, high instrument approach ceilings and high visibility minimums can limit airport availability, impacting the attractiveness and efficiency of the airport.
- **Landside Development Limitations:** The airport has built-out almost all of its available property. In order to continue aviation-related expansion of the Airport's landside area, additional property is needed. Currently, several proposals have been offered that require

extensive site preparation or land acquisition. Given the priority that land acquisition has had in the past, it may be difficult to move forward with future landside development.

- ***Slow Socioeconomic Growth:*** As mentioned previously, the growth in population and income in Rutland County has been somewhat stagnant in recent years. Unemployment is at its structural low (4.6 percent) and unless there is an influx of new population, the opportunities for new large companies are limited. Vermont has recognized this statewide problem and the legislature has created the Next Generation Commission to develop a plan to encourage Vermonters to live and work in Vermont. Particular attention is given to the local workforce, its training and the critical marketplace needs.
- ***Capital Investment Sources:*** In the past, the State of Vermont has relied heavily on private investment to fuel hangar development at Vermont's airports. Delay in aviation growth at the State's airports could occur if those investment funds are slow in materializing. The attraction of based aircraft, including corporate aviation, relies in part on the availability of hangar facilities.
- ***Certified Flight Instructors/Flight Training:*** There are a number of issues affecting the availability of flight training services and numbers of Certified Flight Instructors (CFI) in Vermont. One significant issue is the increased risk and complexity of aviation insurance policies in the post September 11 environment. Increases in CFI liability have added significant burden to what is oftentimes modest levels of income for instructors, leading some to no longer be active in the field.

Some general aviation airports have developed successful flight training programs by establishing partnerships with local universities and community colleges, which already have technical and engineering programs within which an aeronautics or aviation program might be appropriate. Typically, young pilots who are newly certified are interested in building flight time for their future, and, therefore, become CFIs for new students that enter the program. This practice is a good option for growing the numbers of certified pilots; however, with the increasing complexity of aviation insurance for flight schools, aircraft owners, renters, and students, careful attention must be paid to the existing protections and any changes that must be made to properly protect all parties involved.

5.3 Revenue Enhancement

There are only two ways to increase net revenues for the Rutland-Southern Vermont Regional Airport: increase revenues or cut costs. Revenue enhancement strategies, which are the primary focus of this business plan, are discussed below. Having reviewed the business climate of the Airport and the region as a whole, these strategies serve as the starting point for developing the Airport's business plan. Elements of these strategies include the following:

- ***Attraction of Corporate Aviation:*** To increase economic development in the area, the Airport may need to attract more business and corporate aviation. When implemented at

other airports, this has resulted not only in the attraction of new businesses to the area but also in significant revenue enhancement for airport sponsors. With 5,000 feet of runway length, the Airport meets the minimum insurance requirements threshold to compete in the corporate aviation market, albeit with serious limitations for some key aircraft types. With additional runway length, the Airport could serve an even larger market of corporate users and charter operators and allow existing users to increase their efficiency. Companies already using the airport include OmyAviation, Casella, Columbia Air Services, FedEx, UPS and the commuter airline – Cape Air.

Studies suggest that each additional corporate jet based at Rutland-Southern Vermont Regional Airport has the potential to add between 1,000 and 1,500 gallons of jet fuel sales per week and up to 5 personnel. Additional revenue would be realized from land leased for hangar space or use of other airport services. State revenue from fuel taxes were estimated at \$0.20 per gallon. When the employment benefits and the hangar lease aspects of the operation are included, there is a significant potential revenue impact for attracting corporate aircraft to Rutland-Southern Vermont Regional.

- ***Retain or Expand Airline Passenger Market Share:*** Rutland currently has Essential Air Service (EAS). Until recently, this service was provided by CommutAir in the form of two daily roundtrips to Boston. In November 2007, the CommutAir service was replaced with Cape Air, a JetBlue code share carrier. Cape Air offers three rounds trips to Boston, seven days per week, on 9-seat Cessna C-402 aircraft. In 2006, the airport carried roughly 2,200 enplanements (4,400 passengers). In order to keep the EAS, the airport must continue to attract scheduled service passengers. Airline service is a required factor for some companies looking to expand into a new area. The availability of airline service in Rutland creates opportunities to compete with other communities for company expansions and relocations. Strategies to bolster the local airline passenger market need to be developed and implemented. One such strategy would be to continue pursuit of Small Community Air Service Development Program (SCASDP) assistance, in order to use the money for marketing purposes. Also, a study should be undertaken to determine if Boston is the optimal location for air service from Rutland-Southern Vermont Regional Airport.
- ***Airport Branding:*** Branding is the process of developing a unique selling identity for a product or service. In this regard, the Airport has recently changed its name to Rutland-Southern Vermont Regional Airport. Renaming the Airport permits greater clarity, visibility, and identity. For Rutland-Southern Vermont Regional, the value of the name change is for those outside of the State who plan to visit Vermont. It is believed that the Airport can attract more ski area visitors through the use of a geographic location in its name. It is important to follow up on the branding process with a new look, new logos, and an upgraded Internet website for the rebranding to have its full impact.
- ***Airport Marketing:*** Marketing activities in the general aviation industry vary significantly, and should be designed and executed to respond to the unique circumstances at play in every airport market area. However, generally speaking, there

are a number of marketing materials and actions that can be taken to communicate the brand developed for Rutland-Southern Vermont Regional Airport, and successfully attract additional corporate activity, and retain and expand airline passenger market share.

Several examples exist in New York State where brochures have been used for direct marketing to corporate aviation interests in their service areas. In addition, the Internet can be used as a means of attracting general aviation. One example is New Castle Airport, (Wilmington, DE) whose marketing plan began by making the effort to understand the Airport's target market of users and their needs. This was accomplished with the conduct of surveys of existing and prospective users. Once this was complete, an assessment of the ways in which competitive airports might be addressing needs in the market was important. With an understanding of customer and prospect needs and the competition, New Castle Airport's sponsor developed separate collateral pieces of marketing information for each target market segment, used with compelling promotional campaigns, including direct mail and trade shows, to increase interest in the airport. Once interests come forward, the airport can provide information on possible incentive plans, tax abatements, incubation start-up grants, and funding sources from government agencies for securing new businesses to locate on the airport. Direct mail programs were considered to capitalize on any link between the airport and area industrial parks.

- ***New or Improved Terminal Services, Amenities, and Activities:*** Air travel and tourism is supported by rental car service at the airport which is available by advanced reservations from three rental car agencies: Hertz, Budget, and Majestic Car Rental Group. The State receives revenue from car rental agencies for their use of the Airport. Other amenities that could be provided at the Airport include a multi-modal interface for air to ground (and vice versa) passenger transfers to and from ski resorts at Killington and Pico. Many smaller airports have aviation-themed restaurants that serve both passengers and the community. In-terminal advertising opportunities can be designed to be both cost-effective for the advertisers and to produce some additional revenue for the Airport.
- ***Hangar Development Options:*** The State can increase revenues through the development of aircraft hangars. Currently, the State both leases hangars, as well as leasing land for hangars at the Airport. These hangars have been a significant source of Airport revenue, accounting for over one third of total revenues in the past. The year 2000 ALP update recommended construction of an additional 12-unit T-hangar facility and at least one conventional hangar, to be constructed either by VTrans or by third parties. The equivalent of a 15 percent return on investment was estimated for the first 20 years, with market rental rates prevailing in the post-20 year period. Prevailing T-hangar rents at Hartness State Airport range from \$175 to \$300 per month (see Table 7). Depending upon the size, age, and quality of the hangar, rents ranging from \$2.00 to \$4.00 per square foot per year could be anticipated from corporate aviation rental of conventional hangar space. If the State would build hangar space, based on positive responses from marketing efforts, revenues to the Airport could be increased over the long term.

Variations on this option include private development of hangar space. Many airports

earn revenue through the lease of land for hangar space. Currently, the State leases land for hangars at Rutland for between \$0.075 and \$0.10 per square foot per year. FBOs and corporate aviation interests often build facilities on leased airport property. Leased land for conventional hangar space at other airports in the Northeast averages between \$3,000 and \$4,000 per year for a 10,000 square foot conventional hangar, apron, and access footprint (lease rates of between \$0.15 and \$0.20 per square foot). Some airports use condominium hangar development where a developer is permitted to build hangars on land under long-term leases. "Condominium" hangar development at Rutland-Southern Vermont Regional Airport currently exists, however, these developers generally require long lease terms to recoup their investment, and the Airport does not currently benefit from increases in the rents collected by the developer. Hence, such leases are "safe" in terms of guaranteed income, but are limiting in terms of revenue development potential. Such leases also offer the advantage of not including any required capital investment on the part of the Airport.

- **Aviation and Non-Aviation Property Development:** Corporate hangar development and non-aeronautical industrial development are two potential revenue producers, if adequate land could be located on which to develop these uses. Currently, there is very little available land due to airport design criteria requirements such as the setback requirements for the VOR critical area, runway safety areas and object free zones, and runway intersection line-of-sight requirements. A number of potential strategies to provide additional area for hangars, aprons, and aviation-related business are discussed in the Airport Development Plan section of this Business Plan. There are several areas to focus on in the near term, including: north of the Runway 13 end by cut and fill, and north of the existing hangar area by realigning Taxiway "E". Other development may be possible if the closure or Runway 13/31 were to be considered, however this is an option best reserved for the long term. Recent FAA funding for partial parallel taxiway development imposed grant obligations that would push potential closure beyond the short term horizon. The feasibility of this measure will be addressed in the Airport Master Plan Update.

A second strategy to increase the developable envelope on the Airport would be to remove the VOR and replace it with a Instrument Landing System approach. It is estimated that removal of the VOR would open an additional 58 acres for development. However, FAA funding and coordination will be necessary to replace the VOR with new equipment and procedures that provide equal or better instrument approaches for the Airport.

In addition to the reallocation of existing Airport property as described above, a more aggressive strategy for land acquisition of the property between Taxiway "E": and Airport Road and other parcels to accommodate projected aviation growth is advised.

- **Rates and Charges/Lease Agreement Structure:** Many airport sponsors use reversionary clauses in lease agreements as a part of their airport management practices. This includes the airports run by the State of Maryland, as well as Canandaigua, NY, Brookhaven NY,

New Castle DE, and Millville NJ. For VTrans, there could be reversion clauses that grant ownership of the hangars to the State after for the underlying land leases expire on airport lands where tenants have constructed hangars. The current land leases only offer renewals up to a total of 25 years and are silent on the ownership of the hangars when the term of the Lease expires. With reversion clauses, the State would be given ownership at lease termination and then be able to rent hangars for market rates. A summary of the current lease agreements, rates, and contract details is shown in Appendix A.

- ***Additional/Specialty FBOs:*** Economic activity from specialty FBOs includes the attraction of aircraft to the Airport, the employment of local residents, and the purchase of supplies and materials both locally and from outside the area. In order to attract corporate aviation, an FBO that performs jet aircraft maintenance would be needed at the Airport. This specialty trade, if not offered by current FBOs should be recruited as a specialty service to support corporate aviation use of Rutland-Southern Vermont Regional Airport.

6. RECOMMENDED PLAN

THE RECOMMENDED BUSINESS PLAN FOR Rutland-Southern Vermont Regional Airport focuses on two primary strategic areas: management/administrative actions and revenue enhancement strategies and actions. Revenue enhancement activities include the primary efforts of attracting corporate aviation, building hangar facilities, and seeking additional or new FBO investment, while at the same time, developing aviation and non-aviation Airport property for revenue production.

As noted previously; major cost efficiency actions were not identified in this report and cost efficiency will receive only cursory review. The airport appears to already be running a lean operation, assuming that VTrans is applying costs to the airport, as appropriate. If net costs of operating the Airport and paying for its capital improvement are to be trimmed, revenues will have to be increased. Revenue and expense projections for the baseline option were presented earlier in this report. They show a year 2012 operating deficit of \$342,800. If there is a desire to decrease these operating shortfalls, the following range of options is available in each of the strategic areas described below.

6.1 Recommended Management/Administrative Actions

Currently there is a slight difference between the goals of the Airport's FBO (Columbia Air Services-Rutland) and the Airport's owner, (VTrans). In this regard, the FBO is interested in developing hangars for additional corporate aviation interests at the Airport. Because the State does not construct new hangar facilities, it can only benefit indirectly from new tenants at the Airport. The FBO, on the other hand, benefits directly from actively marketing aircraft tenants. This subtle difference creates difficulties in developing coordinated marketing programs not just for Rutland, but for each of the state-owned airports. Since the FBOs will receive the largest share of benefit from these programs, it is difficult to motivate State-funded marketing projects.

However, if the State would consider developing hangars, their economic goals and the financial goals of the FBOs would be more aligned. This change on the State's part would require a new initiative and more "hands on" coordination with each of its airports. It is likely that additional staff resources would be needed to ensure that such a program was successful, and would also require significant capital investments on the part of the State. These requirements may be more than the State is able or willing to do, preferring to let the private sector lead the way in hangar development. Therefore, it is recommended that:

VTrans should consider developing hangar space or letting contracts to developers to construct and manage hangar space at RUT.

In order to track and manage costs effectively, an accounting system is needed that will allocate these costs by airport by year. Currently, the accounting system permits only aggregate analysis of total costs. Effective business management of each facility requires that expense and revenue information be available by airport on a cost-category basis. Therefore, it is

recommended that:

VTrans should consider modifying their accounting system to better track costs each year for each airport.

This alteration will not require a significant change, since all of the costs are currently collected and totaled by airport. Once implemented, VTrans can then better analyze, understand, and control the allocation of its resources.

6.2 Revenue Enhancement Recommendations

The revenue enhancement recommendations did not focus on one strategic option to the exclusion of all others. Instead, a number of different revenue enhancement strategies are recommended for the Rutland-Southern Vermont Regional Airport:

Attraction of Corporate Aviation

Most airport sponsors have learned that corporate aviation helps “pay the bills” by providing a disproportionately higher source of airport revenue than recreational general aviation. As mentioned previously, the size and quality of runway facilities at Rutland-Southern Vermont Regional Airport, relative to most other airports in the area, create a natural market niche for the Airport. It is believed that either the attraction of several based business jets or fractional jet service would increase the amount of fuel sold at the Airport. Therefore, it is recommended that:

Marketing efforts to attract corporate aviation should be instituted for Rutland-Southern Vermont Regional Airport.

There are five interest groups with common interests in attracting corporate aviation: the Vermont Agency of Transportation (VTrans), the Rutland Economic Development Corporation (REDC), the City of Rutland, the Rutland Region Chamber of Commerce (RRCC), and Columbia Air Services-Rutland, the Airport’s FBO. This presents a significant opportunity for these three organizations to join forces to expand the reach and impact of their promotional activities. In other communities, combining industrial park marketing with the marketing for corporate aircraft has worked to the benefit of both, in the cost-effectiveness of marketing and administration. Hence:

An airport facility marketing committee should be formed involving all three major stakeholders to effectively coordinate marketing efforts to the benefit of all involved.

Efforts are underway by the Rutland Economic Development Corporation to attract businesses to the 64-acre Phase 2 development of the Industrial Park. Targeted industries include alternate energy (wind, ethanol), environmental technology, manufacturing, catalogue and on-line retail, back office support centers, and high tech/electronics. To the extent these efforts are continued without the active involvement of the marketing committee previously recommended:

Information concerning the Airport and its planned amenities should be included with industrial park promotional literature and marketing activities.

Another generator of corporate aviation involves second home ownership in the area. Vermont has the second highest percentage of second homes in the nation (14.6 percent) after Maine (15.6 percent).⁴ Additionally, the area seems to be bucking the national trend of falling home values. The Airport also services visitors to the local ski resorts such as Killington and Pico. Such visitors often use business jets and sophisticated multi-engine propeller aircraft. While most of these aircraft are based elsewhere, the itinerant activity generates fuel sales and overnight aircraft storage fees for the Airport. Therefore, it is recommended that:

Marketing via the Internet and possibly other aviation publications should be used to promote Rutland-Southern Vermont Regional Airport as a destination for general aviation traffic desiring to access “the slopes.”

Such marketing could take the form of providing information (or at least a link to the Airport’s website) on the websites of the major ski vacation destinations, and in return, providing a similar level of information or linkage to the ski resort websites. In addition, informational material can be published on www.airnav.com highlighting services and facilities at the Airport. Joint marketing efforts with the Airport’s FBO can also be effective, depending on both parties willingness to contribute to such efforts.

At the time of this writing, just a few sites are available for hangars at the Airport. If the State can make more sites available, then a follow-up program to accommodate inquiries from aircraft owners regarding basing their aircraft at Rutland-Southern Vermont Regional Airport would help to support the leasing of these sites. This program should include the provision of a “Welcome” package, providing information about Airport services, facilities, and land availability for hangar development, as well as information promoting the Rutland-Southern Vermont region and amenities. Contacts at the REDC and with the FBO should be provided as well. The State may desire to use these inquiries to develop a “hard” list of aircraft hangar clients that it can use as a basis for expanding corporate hangar facilities at the Airport.

Retain or Expand Airline Passenger Market Share

⁴ Source: U.S. Census Bureau, www.census.gov/hhes/www/housing/census/historic/vacation.html

Until November 2007, Rutland had Essential Air Service (EAS), provided by CommutAir in the form of two daily roundtrips to Boston. In 2006, the airport had roughly 2,200 enplanements (4,400 passengers). In order to keep the EAS the airport must continue to attract scheduled service passengers. Airline service is a required factor for some companies when deciding whether or not to stay in the area or looking to expand into a new area. In addition, the ski areas benefit from visitors using the airline service. Currently, the Chamber of Commerce promotes the airline service. While this is positive, additional strategies to bolster the local airline passenger market need to be developed and implemented. In November 2007, Cape Air replaced CommutAir as Rutland's Essential Air Service Program provider.

The Federal government offers the Small Community Air Service Development Program (SCASDP) to market airline services at smaller airports. Although there is no required local match, chances of receiving a grant award are significantly increased with a modest matching share. Thus, a modest contribution by the State could have a much greater impact in raising awareness of the service available at the Airport. Therefore, it is recommended that in 2008:

VTrans should consider continuing pursuit of a Small Community Air Service Development Grant for assistance for Rutland-Southern Vermont Regional Airport.

This recommendation assumes that the SCASDP will be continued in the new Airport Improvement Program authorization.

In addition, the Airport should consider undertaking a community air service demand study to determine what the potential market is, where passengers are flying from if not Rutland-Southern Vermont Regional Airport, where the community desires/requires air service to, etc. Interviews with passengers, large corporate travel departments, travel agents, and others can provide key information which can then be used in discussions with Cape Air or other carriers.

Airport Branding

Branding is the process of developing a unique identity for a product or service. In this regard, the Airport has recently changed its name to Rutland-Southern Vermont Regional Airport, creating greater clarity, visibility, and identity for those who don't know where the Airport is located. The Airport has already celebrated the name change. In order to continue to keep the new name in front of the public, and to reinforce this new identity, a new logo and an upgraded Internet website featuring a fresh design and image, should be created. Each of these can then be celebrated with appropriate publicity, thus reinforcing the name, location and opportunities of this facility. Therefore, it is recommended that:

New branding efforts for the Airport should be supported with a new look, new logos, and an upgraded Internet website.

To create the identity and presence desired in the market, efforts to communicate the Airport's brand and offerings should be ongoing. Groups such as the Chamber of Commerce and Economic Development Agencies can be asked to assist with such campaigns.

New or Improved Terminal Services, Amenities, and Activities:

Air travel and tourism is supported by rental car service at the airport which is available by advanced reservations from three rental car agencies: Hertz, Budget, and Majestic Car Rental Group. Hertz is actually located on the Airport, creating convenience for air travelers visiting the area. The State receives revenue from car rental agencies for their use of the Airport.

In addition to rental cars, many airports attempt to provide restaurants or some type of food service for their users. Airport restaurants provide both service and convenience to Airport patrons and visitors, and, if they are good, can often attract people to the airport, both locally, and on a fly-in basis. As corporate aviation grows, restaurants and food service businesses located on-airport can provide catering to aircraft, providing both revenue to the Airport and an additional amenity to airport users. The State is urged to encourage the location or attraction of restaurant services and facilities to Rutland-Southern Vermont Regional Airport.

The Airport is used by private aircraft to access the nearby ski areas. It is possible that charter packages could take advantage of Rutland-Southern Vermont Regional Airport's location near ski resorts. Economic development interests such as the Chamber of Commerce in coordination with the ski areas may desire to participate in the promotion of ski weekend packages with airlines or air charter operations. The Airport should take an active role in facilitating coordination among the stakeholders to maximize the impact of a coordinated effort

Recommendations for new or improved terminal services, amenities, and activities included the following:

VTrans should encourage the development of restaurant services or facilities at Rutland-Southern Vermont Regional Airport and should participate in the development and promotion of vacation packages by local ski area interests and air service providers.

Other revenue generating activities such as fly-ins and pancake breakfasts, mini-air shows, and other community outreach programs should also be encouraged.

Creating Developable Land

Developable property is needed for hangars and other revenue producing activities at the Airport. In fact, the major impediment to revenue development at Rutland-Southern Vermont Regional Airport is the lack of immediately-developable land on the Airport. Under the current configuration, the Airport has practically no ready-to-use vacant property that can be developed either for aviation or non-aviation purposes. To provide property for development and keep both runways operational, the Airport will have to perform extensive site preparation and acquire new

land. Both of these options are expensive and land acquisition has not been a funding priority with the State in recent years; however, creating developable land on the Airport as discussed in previous sections should be a priority for the future of the Airport. .

Currently, the lack of available property is due mainly to the setback requirements for the VOR critical area, runway safety areas and object free zones, and runway intersection line-of-sight requirements. To increase the developable property on the Airport, several options have been developed for the short term, including north of the Runway 13 end (cut and fill) and north of the existing hangar area (realigning of Taxiway “E”). Long term options include the possible closure of Runway 13-31 and removal of the VOR and replacing it with a Instrument Landing System approach. In the near term, however, maintaining Runway 13-31 as an active runway is a priority for the State, as FAA funds were used in construction and debt obligations are not yet satisfied. Figure 6 illustrates these potential options.

Airport land developed for aviation purposes could be leased for revenue production in some type of hangar development. This type of property currently leases for between \$0.075 and \$0.14 per square foot per year, which is considered low compared to other similar sized airports (see page 44). If part of the land is leased for non-aviation uses, such as an expansion of the industrial park this land could be sold for between \$25,000 and \$35,000 per acre or leased for \$0.15 to \$0.20 per square foot of undeveloped land. Warehouses, should they be the development option, return \$4.50 to \$6.50 per square foot. If the land is developed for retail, the current lease rates in the community are \$9.00 to \$16.00 per square foot. Finally, if some land is reserved for office space (class A & B), the lease prices will likely range from \$14.00 to \$18.00 per square foot.⁵ In order to preserve its options for the future, it is recommended that the State lease rather than sell Airport property.

Instrument approach technology has evolved well beyond the Doppler VOR system currently available at the Airport. Thus, the ground-based system will eventually need to be upgraded to an Instrument Landing System (ILS) approach, or other technology that may be developed. This may take a number of years, in addition to FAA funding and coordination, but eventually the ground-based technology that requires a 1,000-foot radius clear of buildings will be replaced by technology that does not require any such limitations on the ground. While this will certainly occur in the future, the timing cannot be accurately forecast. Therefore, it is recommended that:

At some point in the future, the Doppler VOR should be replaced with an Instrument Landing System (ILS) approach.

This action would free property adjacent to the existing Airport Industrial Park and provide expansion capabilities on Airport property not needed for aviation purposes. If non-aviation uses are considered, a formal release of the property will be needed from FAA, followed

⁵ Source: Rutland Economic Development Corporation and Ault Commercial Realty, 9/10/2007.

by marketing and leasing activities. Because the timing of such a plan cannot be predicted, revenues from this action were not included in the Recommended Plan. Instead, it was assumed that revenues accruing from this action would occur in the post-2012 period.

Hangar Development Options

The State can increase revenues through the development of aircraft hangars. In general, two methods of aircraft hangar development can be used: State owned and funded development and privately owned and funded development. Both methods have positive and negative features. Briefly, the differences between the two methods can be described as follows. State development incurs higher risk (via rental unit vacancies), but offers a higher degree of control and financial return. Private development incurs lower risk, but offers lower financial returns to the State, since a third party (the developer) must also earn a return on the investment. In cases where grant money is available for the development of all or part of the hangars, the economic choice is clear - the public agency should develop the facilities.

At Rutland-Southern Vermont Regional Airport, the demand for hangar development has been estimated to include one 12-unit T-hangar and three corporate/conventional hangars in the near term. Several creative methods have been employed by airport sponsors to develop hangar facilities using both public and private investment. For public investment, State grants, FAA general aviation entitlement funding, or low-interest bond issues are preferred sources of funds. The State owns a large hangar at Rutland and leases it to Columbia Air Services. This arrangement is the exception rather than the rule. VTrans typically does not enter into leases with individual aircraft operators but leases a building or number of buildings to an operator at the airport and the operator leases out space to individual aircraft operators.

The preferred method for VTrans has been to lease land to private developers for hangar construction. For private investment, VTrans offers land leases at roughly \$0.10 per square foot. Private developers or aircraft owners then construct their hangars and pay rents to the State (usually \$500 or less per year on each parcel). Typically, a five-year lease is provided, along with up to four renewals (a total of 25 years). This method has its drawbacks since it relies on private capital to construct the hangar facilities. Many aircraft owners are willing to lease a hangar, but unwilling to construct one. Under the current practice, hangar development has proceeded at a moderate rate when land was available.

The State can continue its current practice and hope that there are enough aircraft owners with capital or borrowing capability to construct their own hangars. If better performance is desired, the State should consider third-party private developers. That happens already on some of the conventional hangar space, where construction of the hangar space is financed by an FBO who then leases to other tenants at a profit. Formalizing this process by requesting proposals from third party developers would be one way of “testing the water” to determine whether or not a market for this development opportunity exists. Under this development process, VTrans would still collect a land lease fee, but has the potential to lease out large parcels of property. Therefore, it is recommended that:

VTrans should continue to lease land, when available, for hangar development to individual builders, and should offer larger tracts of land, when assembled, for third party hangar developers, solicited through a “Request-for-Proposals” process.

The request for proposal (RFP) process would quickly identify the potential for third party developer hangar construction. Offering favorable terms to these developers would likely spur construction, but large returns to the State may take a number of years. If reduced rates are used to lure developers, those rates should be short term and capable of adjustment to market rates within a reasonable period of time.

As a fall back position, the State may choose to develop either the T-hangars or large conventional hangars recommended by this business plan by constructing them itself. Then:

VTrans should seek FAA and State grant money to finance all or part of the development of any hangars it constructs without private participation. Airfield deficiencies will need to be corrected prior to FAA funding approval for hangar facilities.

Costs to construct a 12-unit T-hangar facility were estimated at \$725,000, while the costs to construct three corporate conventional hangars (two 5,000 s.f. hangars and one 10,000 s.f. hangar) were estimated at \$1,800,000. This hangar construction assumes minimal site work. At Rutland, the need for airfield development will rule out the use of FAA entitlement grants to develop hangars until the airfield needs are satisfied. Thus, if VTrans wants to fund these projects, they will have to either use State grants or some type of debt financing. Because of high construction costs, T-hangar development has difficulty yielding enough rental revenues to cover debt service. For example, to finance the 12-unit T-hangar construction over 20 years at 7 percent, a debt service payment of \$67,500 annually would be required. This amounts to \$470 per month for T-hangar rental fees - far in excess of the current market rates.

Conventional hangar development has a slightly better chance of market success, simply because rental rates are higher than those for T-hangars on a square-foot basis. Assuming financing of three corporate hangars for 20 years at 7 percent, a debt service payment of \$167,500 annually would be required. This amounts to a total of \$14,000 per month for hangar rental fees - not unreasonable for corporate hangar leases, based on corporate lease information available from other airports in the Northeast. However, this rate is significantly greater than current lease rates at Rutland.

If VTrans is not interested in becoming a landlord to large numbers of individual aircraft hangar lessees, it can manage the process formally through either local FBOs or on a statewide basis via contracts with providers of property management services.

It should be noted, however, that given the lack of available funding for airport

development in Vermont, VTrans construction of hangars should not be the State's first option for growth.

Rates and Charges Agreement Structure

The rate schedule for ramp parking, terminal facility use, commercial automobile parking, courtesy cars, and the like are considered reasonable based upon the service area analysis and general industry guidance. Therefore the rate schedule and fees for these items should not be raised at this time. Fuel flowage fees are collected through a default 3 percent gross fee charged to the FBO as a part of their lease with the State. This is also considered reasonable. However, Rutland is the only airport within its service area that charges a GA landing fee, and the State may wish to reconsider whether this is a charge it wishes to maintain. Land leases are considered low, relative to rates collected in other northeast U.S. states. However, land lease rates for hangar owners cannot be adjusted except by mutual agreement. The current contracts provide for 5-year renewals with Consumer Price Index adjustments at that time. Therefore, it is recommended that:

No change should be made to rates and charges for tie-down fees or fuel flowage fees. VTrans should consider whether it wishes to discontinue the GA landing fee, which is unique to Rutland in this service area.

For new leases, rates that are higher than those on older leases and which reflect the prevailing market rates for real estate in the area can be obtained. However, it is necessary to obtain data to justify such higher rates. Therefore,

For new hangar development, land lease rates should be developed based on a study of the prevailing market lease rates for property of similar characteristics in the region and/or at other, competing airports.

Additional/Specialty FBOs

Large FBOs with significant capitalization are able to fund large conventional hangars, high-end maintenance operations, corporate flight services and amenities, as well as executive charter and air taxi services. All of these services are in addition to the day-to-day activities such as fuel service, flight training, etc. For Rutland-Southern Vermont Regional Airport, additional FBOs or Specialty FBOs that can construct new hangar space would benefit the Airport. In addition, FBOs that offer large maintenance shops, paint shops, and aircraft refurbishment shops could attract clients from the entire multi-state region. These companies can employ significant numbers of trained workers and provide incomes to local families. As stated previously, space for such specialty FBO operations is limited; however, this has the potential to create significant revenue for the Airport as land is made available in the near and long term periods. Therefore, it is recommended that:

Marketing efforts should be directed toward the attraction of new or specialty FBOs for the Airport in coordination with activities aimed at creating developable land.

Part of the qualifications and selection criteria should be a comparison of capitalization and investment capabilities of the candidate FBOs. Regional or national FBOs such as Signature Flight, Million Air, Hawthorne Aviation, etc., are able to invest significant dollars in hangar construction, as well as attract high-end clients because of their reputations for high quality service. It should be noted, however, that if an additional FBO is brought on-Airport, it will diminish, and might destroy the business of the existing FBO. A careful examination of the existing contract between VTrans and the current FBO should be undertaken to determine if there are any limits on the addition of competing FBO's at Rutland-Southern Vermont Regional Airport.

6.3 Cost-Efficiency Recommendations

A management audit was not performed as a part of this airport business plan. Therefore assumptions concerning cost-efficiencies had to be taken from a cursory review of expense data rather than an exhaustive review of management and operating performance indicators. Examination of existing Airport cost categories revealed that all cost categories are within reasonable limits, with no significant savings to be accrued from reductions in services or materials. Therefore, the conclusions reached by this analysis indicate that there are little or no impacts to the current or forecast level of expenses resulting from cost-cutting or efficiency improving measures.

6.4 Impact of Revenues/Expenses

Impact on Revenues

Quantifying the levels of additional potential revenue that would result from implementing the strategies listed above is highly subjective. The only reasonable method is one where the assumptions for each strategy are stated, along with the resulting impact. Then, if the assumptions are not met, deviations from the predicted revenues can be expected. It is believed that changes in revenues to the State would come primarily from increased airport development and aviation activity.

Changes in Aviation Activity

The first and most important step in determining the impacts of these strategies is to predict the change in aviation demand that would occur if each strategy were implemented. Table 13 presents a listing of the potential demand changes along with the assumptions used in estimating demand changes.

| Demand Change | Assumption | Operations | Based Aircraft | Enplane-ments |
|--|--|------------|----------------|---------------|
| Current Activity | 2006 GA Operations only | 36,900 | 56 | 2,200 |
| Corporate Aviation | Derived from marketing corporate aviation interests, and attracting corporate offices to local business parks. | 5% | 3 | |
| Airline Passengers | Retain or increase market share of airline passengers. | 0% | 0 | 1,000 |
| Airport Branding | Airport name change to capture larger market base. Supports airline passenger marketing. | 0% | 0 | |
| New Terminal services | Most being done already - minor impacts to demand | 0% | 0 | |
| Hangar Development | 12 new T-hangars within 5 year period along with 3 corporate hangars. | 10% | 12 | |
| Aviation/Non-Aviation Property Development | Supports development of new hangar area and possible expansion of Airport Industrial Park. | 0% | 0 | |
| Additional/Specialty FBOs | New specialty FBOs can attract additional activity - paint shops, avionics, etc. | 1% | 0 | |
| Rates and Charges | Examine potential revenues from changes to rates and charges. | 0% | 0 | |
| | | | | |
| Additional Potential Growth | | 16% | 15 | 1,000 |
| Total Potential Activity | | 42,804 | 71 | 3,200 |

Table 14 presents a listing of how these potential demand increases could impact the revenue picture for Rutland-Southern Vermont Regional Airport, if the assumptions for each scenario are met. In order to bring about these revenue increases, the key strategic initiative for the State is the creation of developable land on the Airport. Without developable land, revenue growth potential at the Airport will be extremely limited, and will almost certainly not reach these levels.

| Revenue Category | 2006 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Leases & Landing Fees | \$68,821 | \$74,437 | \$94,711 | \$103,340 | \$111,970 | \$120,600 |
| FBO Revenue | \$28,290 | \$32,793 | \$35,045 | \$37,297 | \$39,548 | \$41,800 |
| Rental cars | \$2,359 | \$2,906 | \$3,180 | \$3,453 | \$3,727 | \$4,000 |
| Food and Misc | \$339 | \$630 | \$5,100 | \$5,100 | \$6,100 | \$7,100 |
| Aviation Fuel Taxes | \$66,038 | \$71,427 | \$85,819 | \$92,413 | \$99,006 | \$105,600 |
| | | | | | | |
| TOTAL REVENUE | \$165,847 | \$182,193 | \$223,854 | \$241,603 | \$260,351 | \$279,100 |

Impact on Expenses

For this analysis, none of the additional revenue will impact or increase the level of

expenses. Since it was assumed that the State would require private interests to construct hangar facilities, no capital costs or debt service expenses were assumed for the State. Increased tax revenue from fuel sales requires no additional investment from the State. One possible increase could come from the Small Community Air Service Development Program marketing grant which requires a cash matching portion. That matching portion is usually no less than 10 percent of the grant. Thus, \$15,000 to \$20,000 may be needed to secure a grant of between \$150,000 and \$200,000. Potential increases in operating expenses at the airport are shown in Table 15.

| Table 15 - Potential Increases in Operating Expenses | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Expense Category | 2006* | 2008 | 2009 | 2010 | 2011 | 2012 |
| Salaries and Wages | | | | | | |
| Airport Manager | \$126,514 | \$131,625 | \$134,257 | \$136,942 | \$139,681 | \$142,475 |
| District MX Staff Labor | \$95,060 | \$98,900 | \$100,878 | \$102,896 | \$104,954 | \$107,053 |
| Total Operating- District | \$142,965 | \$154,631 | \$160,816 | \$167,248 | \$173,938 | \$180,896 |
| Total Operating- Aviation | \$93,451 | \$101,077 | \$105,120 | \$109,325 | \$113,698 | \$118,246 |
| WSI Weather Brief | \$2,040 | \$2,040 | \$2,040 | \$2,040 | \$2,040 | \$2,040 |
| Insurance (\$100K/occurrence deductible) | \$1,401 | \$1,604 | \$1,716 | \$1,836 | \$1,964 | \$2,102 |
| SCASDP Matching Funds | | \$20,000 | | | | |
| Total Operating Expenses | \$461,430 | \$509,876 | \$504,827 | \$520,287 | \$536,276 | \$552,811 |

* Estimated

Comparison of Expenses & Revenues

When the enhanced potential revenue forecast is compared to the associated operating expenses, the new net operating costs for the Airport can be predicted and are shown in Table 16.

| Table 16 - Net Operating Income/(Deficit) | | | |
|--|-------------------|--------------------|--------------------------------|
| Year | Operating Expense | Operating Revenues | Net Operating Income/(Deficit) |
| 2008 | \$509,900 | \$182,200 | (\$327,700) |
| 2009 | \$504,800 | \$223,900 | (\$280,900) |
| 2010 | \$520,300 | \$241,600 | (\$278,700) |
| 2011 | \$536,300 | \$260,400 | (\$275,900) |
| 2012 | \$552,800 | \$279,100 | (\$273,700) |

Comparison of the baseline forecasts of revenues and expenses show an increasing operating deficit through the five-year forecast period. Unlike the Baseline forecasts, this deficit decreases over the period, shrinking from \$327,700 to \$273,700 with the proposed revenue enhancement strategies. While not eliminating the operating deficit, the business plan trims

\$214,500 from the projected deficits through the year 2012. Additional revenues could be earned with a more aggressive state policy of hangar or non-aviation development.

7. SUMMARY OF BUSINESS PLAN RECOMMENDATIONS

A number of recommendations have been made as a part of this business plan study, all with the goal increasing net revenues at the Airport and increasing economic development and employment in the area. The recommended plan of action from this report rests on three primary strategic initiatives:

- 1) ***Development of Hangars:*** In order to attract more aircraft to the Airport and to provide a location for more corporate aviation, both T-hangars and several large conventional hangars need to be developed. Land for this development can be made available in several areas on the Airport, all of which require significant site improvements to make the land buildable. Hangar development would increase the revenue base for the Airport and ensure a long-term income stream. Currently, a waiting list exists for T-hangars, thereby decreasing the economic risk of development.
- 2) ***Attraction of Corporate Aviation:*** Corporate aviation represents a large user of fuel, an employer of on-airport personnel, and an engine for increased utilization of the Airport. As such, corporate aviation needs to be attracted to use the Airport. The development of the Airport Industrial Park, along with direct marketing efforts in Northern New York, New Hampshire, and even Canada would serve to attract this business aviation segment. Increased runway length recommended in the Airport Master Plan would help the Airport take advantage of this market niche.
- 3) ***Promotion of Airline Use Through SCASDP Grant:*** The airline service to Boston can be marketed through continued pursuit of a Small Community Air Service Development Program grant from the US Department of Transportation (USDOT). The State should consider applying for such a grant, if available in the new Airport Improvement Program.

Specific recommendations by timeframe are as follows:

Immediate

- ***1st Priority - Airport Branding:*** New branding efforts for the Airport should be supported with a new look, new logos, and an upgraded Internet website.

2008 - 2012

- ***1st Priority - Hangar Development:*** VTrans should continue to lease land for hangar development to individual builders, but should also consider reserving larger tracts of land for potential third party hangar developers.
 - VTrans should lease land for hangar development using competitive market rates.

- If VTrans develops hangars, AOT will need to correct airfield deficiencies prior to seeking FAA and State grant money to finance all or part of the development.
- **2nd Priority - Air Service Improvement:** VTrans should consider applying for a Small Community Air Service Development Grant for Rutland-Southern Vermont Regional Airports (spring 2008).
- **3rd Priority - Attract Corporate Aviation:** Marketing efforts to attract corporate aviation should be instituted for Rutland-Southern Vermont Regional Airport.
 - Information concerning the Airport and its planned amenities should be included with industrial park promotional literature and marketing activities.
 - Marketing via the Internet and possibly other aviation publications should be used to promote Rutland-Southern Vermont Regional Airport as a destination for general aviation traffic desiring to access the area.
 - Joint marketing efforts should be undertaken with the REDC and the FBO to promote use of the Airport.

2009-2012

- **1st Priority - Expand Airport Services:** VTrans should encourage the development of restaurant services or facilities at Rutland-Southern Vermont Regional Airport and should encourage the promotion of vacation packages by local ski area interests.
- **2nd Priority - Attract Additional/Specialty FBO(s):** Marketing efforts should be directed toward the attraction of new or specialty FBOs for the Airport.
- **3rd Priority - Replace Doppler VOR with ILS Approach:** At some point in the future, the Doppler VOR should be replaced with a Instrument Landing System (ILS) approach.

Other Items

- **Accounting:** VTrans should consider modifying their accounting system to better track costs each year for each airport.
- **Rates & Charges:** No change should be made to rates and charges for tie-down fees, fuel flowage fees, or for landing fees.
 - For new hangar development, land lease rates should be adjusted to market rates based on the region and other airports.

7.1 Timetable and Trigger Points

Table 17 presents a timetable and listing of trigger points for implementation of the recommended plan, grouped by type of action (administrative, marketing, etc.).

Table 17 - Action Plan Trigger Points

| Action | Description | Trigger Point | Timeframe |
|------------------------------------|---|---|-----------|
| Administrative | | | |
| System of Accounts | Modify accounting system to better track costs by category and airport. | Immediate | 2008 |
| Method for Developing Hangars | Examine potential means of hangar development to include developers or State construction | As soon as practical | 2008 |
| Marketing | | | |
| Branding | Airport has been renamed to recognize its regional market. Follow-up marketing with new logos, websites, etc. | Immediate | 2008 |
| Market Airline | Apply for SCASDP grant to market airline service. | When RFPs are requested by USDOT | 2008 |
| Market Corporate Aviation | Begin marketing of corporate aviation using a combination of State and Industrial Park interests. | After brochures become available | 2008 |
| Market Specialty FBO | Attract new specialty FBO or aviation business to the Airport. | Once space is identified in landside area. | 2009 |
| Restaurant Facilities | Encourage development of on-Airport restaurant. | Once space is identified in landside area. | 2010 |
| Airport Development | | | |
| Aircraft Hangars | Hangar construction should be undertaken as demand warrants. Private investment is encouraged and should be built into the State's procurement program. | Upon finding willing developers | 2008 |
| Replace Doppler VOR | When practical, replace Doppler VOR with ILS approach. | When airline aircraft are equipped with LPV Approach capability | 2012 |
| Rates & Charges | | | |
| Hangar, Tie-down, and Landing Fees | No changes to these fees are needed except increases in hangar land lease rates to market prices when existing leases expire. | For new contracts | 2008 |

8. ECONOMIC IMPACT ASSESSMENT

THE PURPOSE OF THIS SECTION IS to quantify the economic impact and contribution of Rutland-Southern Vermont Regional Airport to the local economy for both the existing situation and for the Recommended Plan. Support for Airport projects may be generated by showing the existing and newly created jobs, income, and total economic output. This analysis demonstrates the economic impacts of Airport and aviation use within Rutland County by tracing the movement of expenditures through the various economic sectors until the money is exported incrementally from the County through purchases of outside goods and services.

8.1 Goals and Methods of Analysis

The goal of this analysis was to quantify the following economic aspects of Rutland-Southern Vermont Regional Airport both for the existing situation and for the year 2012 Recommended Plan:

- **Direct Spending:** On-airport spending on employment, operations, and capital projects. Direct spending also includes off-airport spending by air travelers for rental cars, hotels, restaurants, etc. associated with the use and provision of airport services.
- **Induced Benefits:** Impacts created by the successive rounds of spending in the local economy until the original direct or indirect impact has been incrementally exported from the local area.
- **Jobs and Income:** Quantify the income generated by aviation and the number of jobs supported by the Airport.
- **Total Output in Dollars:** The combined impacts of direct, indirect, and induced spending.

The study utilized the following process and methodology:

- Collect baseline data from the existing statewide economic impact study.⁶ These numbers were adjusted for inflation from the year 2003 to the year 2007.
- Apply regional multipliers to direct recommended plan capital costs and projected employment for 2012.
- Describe non-monetary impacts of Rutland-Southern Vermont Regional Airport and local aviation.

These inputs were used with IMPLAN modeling to estimate the additional economic impacts resulting from implementation of the recommended plan. Appendix B presents the IMPLAN output detail associated with this estimated impact.

⁶ Source: Simat, Helliesen & Eichner, Inc. (SH&E, Inc.), **Economic Impact of Vermont's Public-Use Airports**, April, 2003.

8.2 Results of Analysis

The economic impact methodology first identified the direct spending and employment at Rutland-Southern Vermont Regional Airport (called direct impacts) for the year 2012 recommended plan. Armed with this information, regional respending multipliers derived from IMPLAN software were applied to the data to determine the multiplier impacts of direct spending (called induced impacts). Table 18 presents a summary of Rutland-Southern Vermont Regional Airport's direct and induced economic impacts for both the baseline case and the year 2012.

| Item | Year 2003 Impacts | Year 2007 Impacts** | Recommended Plan Add-on Impacts | Total 2012 Impacts |
|---------------------------------------|-------------------|---------------------|---------------------------------|--------------------|
| Direct Impacts | | | | |
| On-Airport Income* | \$802,668 | \$907,015 | \$574,400 | \$1,481,415 |
| On-Airport Expenditures | \$3,507,119 | \$3,963,044 | \$2,781,500 | \$6,744,544 |
| On-Airport Employment | 21 | 21 | 26 | 47 |
| Off-Airport Income* | \$3,882,832 | \$4,387,600 | -- | \$4,387,600 |
| Off-Airport Expenditures | \$9,571,764 | \$10,816,093 | -- | \$10,816,093 |
| Off-Airport Employment | 240 | 240 | -- | 240 |
| Induced Impacts | | | | |
| Induced Direct and Indirect | \$7,914,535 | \$8,943,425 | \$1,310,300 | \$10,253,725 |
| Total Induced Employment Impacts | 147 | 147 | 13 | 160 |
| Grand Total Dollar Impacts | \$20,993,418 | \$23,722,562 | \$4,091,800 | \$27,814,362 |
| Grand Total Income Impacts* | \$7,713,793 | \$8,716,586 | \$1,003,100 | \$9,719,686 |
| Grand Total Employment Impacts | 408 | 408 | 39 | 447 |

* Includes indirect incomes from visitor spending and capital development. This is a subset of the total impacts and is already included in the output number.

** Inflated for CPI change - roughly 13 percent over the period. Employment not inflated.

As shown in the previous table, if recommended improvements at the airport are realized, twenty-six new jobs would become available at the airport. These new positions would be with the new corporate jet operators, at the airport restaurant, at the specialty FBO, and working on capital construction at the airport.

8.3 Non-monetary Impacts

There are a number of non-monetary benefits of aviation that have not been mentioned in this analysis. Some of these benefits include:

- **Transportation Benefits:** These benefits include the time saved and cost avoided by travelers who use airports rather than the next best alternative. Rutland-Southern Vermont Regional Airport provides access to the National Air Transportation System.
- **Stimulation of Business:** Airports have been shown in other studies to be an important factor in the attraction and siting of new businesses in a community. This is particularly true for businesses with over 100 employees.
- **Aeromedical Evacuation:** Airports often serve as bases for aeromedical evacuation teams or flight services. This life-saving function has intrinsic value that often cannot be adequately quantified.
- **Recreation:** Roughly 50 percent of commercial airline travel and 60 percent of general aviation travel is for recreational purposes. This includes the valuable tourist trade which brings economic activity to the study region.

All of the above factors point to a value of an airport that is not easily quantified. The impacts that were estimated within the body of this report are only one facet of the overall picture. Rutland-Southern Vermont Regional Airport enjoys a significance that is much larger than these numbers can estimate. It is part of a scarce resource that needs support, protection, and appreciation from all the citizens that directly and indirectly benefit from its operation.

APPENDIX A

SUMMARY OF LEASE AGREEMENTS, RATES, AND CONTRACT DETAILS

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|---|---|-------------|------------------------|--|
| Memorandum of lease between State of Vermont and a Private Hangar Owner | Land measuring approximately 27,260 SF upon which Lessee will use a 178' x 57' 7-unit T-hangar | \$171.3 a month The Fair Market Value (FMV) is used for changes to rental fees | | 5 years | 8/01/2000 7/30/2005 | Four (5) year renewals Must have in writing at least six months before the lease expires the intent to renew lease |
| Lease between the State of Vermont and Rutland Aviation, Inc | FBO maintenance hangar, office, and pilot training facilities and vehicular parking (7,812 SF) FBO-owned fuel farm (2,600 SF) AOT owned hangar 63' x 103' | Monthly rent of \$1,100 50% of all landing and ramp fees on traffic at the airport paid quarterly 5% of the sales of assets conducted by the FBO at the Airport | The FBO has the right to manage at least 10 tiedowns for the AOT Included with the monthly rent will be a statement of all gross income connected with the leased premises during each preceding month | 7 years | 8/01/2000 7/30/2007 | May renew the lease for five (5) year periods, not exceeding 32 years In order to renew, the FBO must advise the AOT in writing at least 6 months prior to the expiration date of the lease |
| Assignment of Airport lease from Rutland Aviation, Inc to Columbia Air Services-Rutland LLC | 140' x 98' of land where CAS will operate a FBO and occupy a CAS owned structure measuring 100' x 78' containing a maintenance hangar, aircraft storage, office, lounging area, laboratory, pilot training facilities and vehicular parking | Monthly rent of 1,100 | | 30 years | 8/26/2002 8/25/2032 | |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|--|-------------------------|--|----------------|-------------------|--------------------|
| Wastewater disposal Agreement between the Airport Business Park Owners Association (ABPOA) and the State of Vermont | The combined WS/WW wastewater flow from the 5 buildings located at the airport | Fees: \$1,225 quarterly | ABPOA and/ or REDC will fully maintain the pump station and pay operating costs associated with its operation and the State will pay for maintenance of the State owned pipeline | 1 year | 1/01/2007 | Year to year basis |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|--|--|--|---|-------------|----------------|---|
| Lease between the State of Vermont and Columbia Air Services- Rutland, LLC | <p>140' x 98' of land where CAS will operate a FBO and occupy a CAS owned structure measuring 100' x 78' containing a maintenance hangar, aircraft storage, office, lounging area, laboratory, pilot training facilities and vehicular parking</p> <p>2,600 SF CAS owned fuel farm</p> <p>Aircraft storage hangar and office building measuring 63'x 103' 63' x 20' of the building to be used by AOT for snow removal equipment</p> <p>100' x 80' parcel of land that CAS owns a 70' x 65' hangar on (used to be owned by Omya Corporation)</p> <p>Included as a part of the leased areas are the CAS sewage drainage field and sewage pipeline</p> | <p>\$1,100 a month for rent and the management rights of the tiedown area</p> <p>\$599 annually for the 100' x 80' parcel of land</p> <p>\$300 monthly for commercial use of the 70' x 65' hangar</p> <p>50% of all landing and ramp fees on air traffic at the Airport</p> <p>The monthly payment under this lease, not including landing and ramp fees, is \$1,400</p> <p>At the end of each 5 year period the rent shall be adjusted to reflect any increase in the CPI-U</p> | <p>CAS has the right to manage at least 34 tiedowns for the AOT</p> <p>CAS has the right to sell Aviation and Jet A fuel from a system owned and maintained by CAS</p> <p>A statement of all gross income connected with the leased premises during each preceding month shall be included with each monthly rental</p> <p>CAS shall pay all taxes imposed upon the business, aircraft, inventory, leasehold improvements, equipment, or buildings of CAS</p> | 5 years | 2006 2011 | <p>If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 6 additional periods of 5 years, not exceeding a total period of 35 years</p> <p>CAS must advise AOT in writing at least 6 months prior to the expiration of the lease term of CAS desire to renew this lease</p> |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|--|--|---|---|----------------|-------------------|--|
| <p>Airport Ramp Operations Agreement between the State of Vermont and Columbia Air Services-Rutland, LLC</p> | <p>Land measuring approximately 10,412 SF upon which CAS will utilize FBO's maintenance hangar, office, pilot training facilities, vehicular parking, and FBO's fuel farm</p> <p>63' x 103' State owned hangar</p> | <p>Rent is 3% of gross monthly receipts</p> | <p>CAS has the right to manage at least 10 tiedowns for the AOT</p> <p>CAS can sell aviation gasoline, fuel, oils and lubricants of kinds customarily sold to GA aircraft users</p> <p>CAS shall issue NOTAMS when appropriate</p> <p>CAS shall offer adequate ramp services, including fuel, hangar storage, tiedowns, deicing and preheating for general aviation aircraft users by a qualified attendant 7 days a week, 8 hours a day</p> <p>CAS is responsible for janitorial maintenance of the Airport terminal</p> | <p>1 year</p> | <p>2005</p> | <p>If CAS, with the consent of AOT, holds over and continues its airport operations after the expiration of the initial term of this Agreement, this Agreement shall be considered as renewed and shall continue in effect from year to year</p> |
| <p>Agreement between the State of Vermont and the Vermont State Police</p> | <p>The north bay of AARF Building measuring 38' x 16'</p> | <p>There will be no rent charged for this agreement</p> | | <p>1 year</p> | <p>2006</p> | <p>Year to year basis</p> |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|---|--|-------------|--------------------------|--|
| Lease between the State of Vermont and a Private Hanger Owner | Hangar Lot #4 parcel of land 56' x 61' SF upon which Lessee will own and occupy a 46' x 56' hangar (formerly a private-owned hangar) | Rent: \$342 annually | Lessee will pay all charges for all utilities and all taxes, duties and assessments If Lessee sublets space they have to pay 10% of the annual gross income received from the sublet to AOT | 5 | 12/05/2005 12/04/2010 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and Commutair (VT), Inc | A portion of the main terminal building measuring 8' x 8' to be used for office space An area in front of the office measuring 10' x 7' to be used as the ticket counter An area next to the leased office area know as the weather room measuring 8' x 8' to be used as a miscellaneous storage area | Rent of a minimum of \$378 per month plus landing fees Security deposit of \$600 | The lessee shall have the right to use the following areas, in common with others: The baggage make-up and claim areas, the baggage make-up access area, aircraft gate ramp operating area, and the passenger gate area Insurance policy should be no less than \$1,000,000 per occurrence-combined single limit \$1,000,000 general aggregate \$1,000,000 products/completed products aggregate \$50,000 fire legal liability | 5 | 12/01/2003 11/30/2008 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|--|--|----------------|-------------------|---|
| Agreement between the State of Vermont and the Rutland Regional Chamber of Commerce | The Chamber shall have the exclusive commercial advertising right inside the Rutland-Southern Vermont Regional Airport terminal building | Quarterly payments of 8% of adjusted gross receipts | | 1 year | 2001 | If the Chamber, with the consent of the Owner, holds over and remains in possession of said premises after the expiration date of said term, this Agreement shall be considered renewed and shall continue in effect for one additional year. |
| Lease between the State of Vermont and Barrett Transportation Services, INC. | A portion of the main terminal building measuring 5.5' x 6' to be used for counter and office space The right to occupy up to 5 designated parking spaces in the long-term parking area north of the terminal building | Office space \$150 per month or 8% of gross monthly income or \$191.65 whichever is greater Included in the minimum monthly payments is 41.65 per month for 5 designated parking spaces used by rental cars | Insurance policy should be no less than \$1,000,000 per occurrence-combined single limit \$1,000,000 general aggregate \$1,000,000 products/completed products aggregate \$50,000 fire legal liability | 5 years | 2/11/2005 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| License Agreement between the State of Vermont and All Pro Communications | Install and maintain, a lightweight radio panel measuring 12" x 12" and weighing approximately 2 pounds on the Bear Mountain Beacon | Rent \$900 annually One time fee of \$250 | A maintenance beyond the requirements of the State shall be the sole responsibility and expense of APC, Inc | 1 year | | May be renewed at the end of 1 year provided the Licensee is not in default |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|---|--|-------------|--------------------------|---|
| Lease between the State of Vermont and the Civil Air Patrol | 80' x 80' area with a 60' x 60' hangar the area is located 15' northerly of the edge of the existing road accessing the C.F.R. building and 18' easterly of the most easterly corner of the Draper-Mahoney hangar | No rent due to the public benefits resulting from the Lessee's use of and activities conducted at the subject property | The Lessee shall carry insurance in compliance with the General Conditions | 10 years | 6/02/2006 6/01/2016 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 2 additional periods of 10 years, not exceeding a total period of 30 years |
| Lease between the State of Vermont a Private Hangar Owner | Lot number 3-A 75' x 62', where the Lessee will construct a 60' x 42' hangar | Rent: \$465 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 11/22/2002 11/21/2007 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and a Private Hangar Owner | Lot number 3-B upon which the Lessee will construct a 60' x 45' hangar | Rent \$487 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions | 5 years | 11/01/2002 10/31/2007 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|--|--|----------------|--------------------------|--|
| Lease between the State of Vermont and a Private Hangar Owner | 60' x 80' lot number 2-C upon which the Lessee will construct a 40' x 40' hangar Must start construction under a year of the signing of this lease | Rent \$480 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | Must start construction under a year of the signing of this lease The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 5/23/2006 5/22/2011 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and a Private Hangar Owner | 68' x 80' lot number 2-A upon which the Lessee will construct a hangar measuring 48' x 60' | Rent \$544 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | Must start construction under a year of the signing of this lease The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 03/03/2004 03/02/2009 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|--|--|--|-------------|--------------------------|--|
| Lease between the State of Vermont and a Private Hangar Owner | 80' x 62' lot number 2-B upon which the Lessee will construct a 60' x 42' hangar | Rent \$496 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | Must start construction under a year of the signing of this lease The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 9/21/2006 9/20/2011 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and a Private Hangar Owner | 75' x 62' lot 1-A upon which the Lessee will construct a 60' x 42' hangar | Rent \$465 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments | 5 years | 12/02/2002 12/01/2007 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and a Private Hangar Owner | 55' x 57' lot 1-B upon which the Lessee will construct a 45' x 42' hangar | Rent \$314 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments | 5 years | 11/19/2002 11/18/2007 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|---|--|--|----------------|--------------------------|--|
| Lease between the State of Vermont and a Private Hangar Owner | 55' x 57' lot 1-C upon which the Lessee will construct a 45' x 42' hangar | Rent \$314 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments | 5 years | 11/18/2002 11/17/2007 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |
| Lease between the State of Vermont and a Private Hangar Owner | 58' x 62' lot 1-D upon which the Lessee will construct a 42' x 48' hangar | Rent \$359 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | Must start construction under a year of the signing of this lease The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 9/21/2006 9/20/2011 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 4 additional periods of 5 years, not exceeding a total period of 25 years |

| Lessee / Tenant Description | Physical Facilities | Amount | Additional Terms | Term Length | Begin/End Date | Renewal Options |
|---|--|--|---|----------------|--------------------------|---|
| Lease between the State of Vermont and a Private Hangar Owner | This lease lets the Lessee continue to occupy a hangar of which he is the principal owner. This agreement also lets the Lessee continue to lease parcel 2 which is 70' x 75' | Rent \$420 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | This was an amendment to the lease between the State of Vermont and Lessee and his former Co-Lessee. The Lessee bought out the Co-Lessee's interests in the lease | 5 years | 2001 2006 | If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 3 additional periods of 5 years, not exceeding a total period of 20 years |
| Lease Between the State of Vermont and a Private Hangar Owner | 60' x 60' hangar | Rent \$468 annually At the end of the first 5 year period and at the end of each succeeding 5 year periods, the amount of annual rent shall be adjusted to reflect any increase in the Consumer Price Index | The Lessee shall carry insurance in compliance with the General Conditions The Lessee will pay all charges for all utilities and all taxes, duties and assessments If the Lessee sublets space he will have to pay 10% of the annual gross income received from the sublet to AOT | 5 years | 11/09/2006 11/08/2011 | This lease adds 5 more years to the original lease from 11/09/2001 and if all the renewals are taken will end on 11/08/2031 If the lessee performs all of its obligations under this lease satisfactorily and timely, it shall have the right to renew this lease at the end of its term for 5 additional periods of 5 years, not exceeding a total period of 30 years |

APPENDIX B
IMPLAN RESULTS

Rutland, VT, Economic Impact –

Employment

| <i>NAICS Aggregated Sector</i> | <i>Direct</i> | <i>Indirect</i> | <i>Induced</i> | <i>Total</i> |
|--|---------------|-----------------|----------------|--------------|
| Ag, Forestry, Fish & Hunting | 0.0 | 0.1 | 0.0 | 0.1 |
| Mining | 0.0 | 0.0 | 0.0 | 0.0 |
| Utilities | 0.0 | 0.0 | 0.0 | 0.1 |
| Construction | 2.9 | 0.1 | 0.0 | 3.0 |
| Manufacturing | 0.5 | 0.4 | 0.1 | 1.0 |
| Wholesale Trade | 0.0 | 0.2 | 0.1 | 0.4 |
| Transportation & Warehousing | 17.0 | 0.8 | 0.1 | 17.9 |
| Retail trade | 0.6 | 0.5 | 1.2 | 2.3 |
| Information | 0.0 | 0.2 | 0.1 | 0.2 |
| Finance & insurance | 0.0 | 0.1 | 0.1 | 0.2 |
| Real estate & rental | 0.0 | 0.3 | 0.2 | 0.5 |
| Professional- scientific & tech services | 0.0 | 0.9 | 0.2 | 1.1 |
| Management of companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Administrative & waste services | 0.0 | 1.7 | 0.2 | 1.9 |
| Educational services | 0.0 | 0.0 | 0.3 | 0.3 |
| Health & social services | 0.0 | 0.0 | 1.4 | 1.4 |
| Arts- entertainment & recreation | 0.3 | 0.1 | 0.1 | 0.5 |
| Accommodation & food services | 4.7 | 1.6 | 0.8 | 7.1 |
| Other services | 0.0 | 0.1 | 0.5 | 0.6 |
| Government & non NAICs | 0.0 | 0.5 | 0.1 | 0.6 |
| Total | 26.1 | 7.8 | 5.5 | 39.4 |

Multiplier: 1.51

Income

| <i>NAICS Aggregated Sector</i> | <i>Direct</i> | <i>Indirect</i> | <i>Induced</i> | <i>Total</i> |
|--|---------------|-----------------|----------------|--------------|
| Ag, Forestry, Fish & Hunting | \$0 | \$1,215 | \$1,491 | \$2,706 |
| Mining | \$0 | \$944 | \$127 | \$1,072 |
| Utilities | \$0 | \$3,811 | \$3,312 | \$7,123 |
| Construction | \$112,960 | \$4,292 | \$1,165 | \$118,416 |
| Manufacturing | \$37,121 | \$21,674 | \$2,431 | \$61,225 |
| Wholesale Trade | \$2,493 | \$12,374 | \$7,036 | \$21,903 |
| Transportation & Warehousing | \$311,867 | \$33,938 | \$3,881 | \$349,686 |
| Retail trade | \$14,139 | \$12,745 | \$31,876 | \$58,760 |
| Information | \$181 | \$8,004 | \$2,611 | \$10,797 |
| Finance & insurance | \$0 | \$6,192 | \$6,018 | \$12,210 |
| Real estate & rental | \$490 | \$6,180 | \$3,526 | \$10,196 |
| Professional- scientific & tech services | \$2,428 | \$36,194 | \$7,497 | \$46,119 |
| Management of companies | \$0 | \$2,468 | \$628 | \$3,096 |
| Administrative & waste services | \$20 | \$52,271 | \$3,974 | \$56,265 |
| Educational services | \$0 | \$372 | \$6,581 | \$6,953 |
| Health & social services | \$0 | \$5 | \$58,185 | \$58,190 |
| Arts- entertainment & recreation | \$7,738 | \$774 | \$2,580 | \$11,092 |
| Accommodation & food services | \$84,846 | \$27,274 | \$13,343 | \$125,462 |
| Other services | \$0 | \$3,241 | \$9,338 | \$12,579 |
| Government & non NAICs | \$89 | \$25,202 | \$4,005 | \$29,296 |
| Total | \$574,372 | \$259,171 | \$169,604 | \$1,003,148 |

Multiplier: 1.75

Output

| <i>NAICS Aggregated Sector</i> | <i>Direct</i> | <i>Indirect</i> | <i>Induced</i> | <i>Total</i> |
|--|--------------------|------------------|------------------|--------------------|
| Ag, Forestry, Fish & Hunting | \$0 | \$3,112 | \$2,203 | \$5,315 |
| Mining | \$1 | \$10,823 | \$1,223 | \$12,046 |
| Utilities | \$0 | \$17,212 | \$14,958 | \$32,170 |
| Construction | \$361,090 | \$10,069 | \$3,160 | \$374,319 |
| Manufacturing | \$110,909 | \$94,470 | \$13,920 | \$219,300 |
| Wholesale Trade | \$6,595 | \$32,733 | \$18,613 | \$57,941 |
| Transportation & Warehousing | \$1,885,752 | \$56,356 | \$8,586 | \$1,950,693 |
| Retail trade | \$34,793 | \$31,938 | \$79,550 | \$146,282 |
| Information | \$778 | \$40,973 | \$13,696 | \$55,448 |
| Finance & insurance | \$0 | \$17,846 | \$18,256 | \$36,103 |
| Real estate & rental | \$2,927 | \$37,897 | \$20,574 | \$61,398 |
| Professional- scientific & tech services | \$2,771 | \$82,167 | \$17,522 | \$102,461 |
| Management of companies | \$0 | \$5,926 | \$1,509 | \$7,435 |
| Administrative & waste services | \$73 | \$153,739 | \$8,371 | \$162,183 |
| Educational services | \$0 | \$805 | \$13,714 | \$14,520 |
| Health & social services | \$0 | \$15 | \$110,209 | \$110,224 |
| Arts- entertainment & recreation | \$22,500 | \$2,600 | \$7,025 | \$32,125 |
| Accommodation & food services | \$251,714 | \$82,531 | \$40,613 | \$374,858 |
| Other services | \$0 | \$8,069 | \$19,763 | \$27,832 |
| Government & non NAICs | \$401 | \$111,298 | \$96,215 | \$207,913 |
| Total | \$2,781,475 | \$800,580 | \$509,681 | \$4,091,736 |

Multiplier: 1.47

Tax Impact

| Enterprises (Corporations) | Empl. Comp. | Prop. Income | Household Ex | Enterprises Ind. | Bus Tax | Totals |
|---------------------------------------|-------------|--------------|--------------|------------------|-----------|-----------|
| Corporate Profits Tax | | | | \$28,173 | | \$28,173 |
| Indirect Bus Tax: Custom Duty | | | | | \$3,157 | \$3,157 |
| Indirect Bus Tax: Excise Taxes | | | | | \$8,509 | \$8,509 |
| Indirect Bus Tax: Fed NonTaxes | | | | | \$3,857 | \$3,857 |
| Personal Tax: Estate and Gift Tax | | | | | | \$0 |
| Personal Tax: Income Tax | | | \$74,502 | | | \$74,502 |
| Personal Tax: NonTaxes (Fines- Fees) | | | | | | \$0 |
| Social Ins Tax- Employee Contribution | \$55,979 | \$943 | | | | \$56,922 |
| Social Ins Tax- Employer Contribution | \$56,808 | | | | | \$56,808 |
| Federal Government NonDefense | \$112,786 | \$943 | \$74,502 | \$28,173 | \$15,523 | \$231,927 |
| Corporate Profits Tax | | | | \$5,473 | | \$5,473 |
| Dividends | | | | \$6,244 | | \$6,244 |
| Indirect Bus Tax: Motor Vehicle Lic | | | | | \$1,632 | \$1,632 |
| Indirect Bus Tax: Other Taxes | | | | | \$5,467 | \$5,467 |
| Indirect Bus Tax: Property Tax | | | | | \$72,367 | \$72,367 |
| Indirect Bus Tax: S/L NonTaxes | | | | | \$5,897 | \$5,897 |
| Indirect Bus Tax: Sales Tax | | | | | \$32,762 | \$32,762 |
| Personal Tax: Estate and Gift Tax | | | | | | \$0 |
| Personal Tax: Income Tax | | | \$23,772 | | | \$23,772 |
| Personal Tax: Motor Vehicle License | | | \$1,924 | | | \$1,924 |
| Personal Tax: NonTaxes (Fines- Fees) | | | \$6,541 | | | \$6,541 |
| Personal Tax: Other Tax (Fish/Hunt) | | | \$853 | | | \$853 |
| Personal Tax: Property Taxes | | | \$896 | | | \$896 |
| Social Ins Tax- Employee Contribution | \$209 | | | | | \$209 |
| Social Ins Tax- Employer Contribution | \$838 | | | | | \$838 |
| State/Local Govt NonEducation | \$1,048 | \$0 | \$33,986 | \$11,717 | \$118,125 | \$164,876 |
| Total | \$114,823 | \$943 | \$108,488 | \$39,891 | \$133,648 | \$397,792 |