

## EVANSVILLE REGIONAL AIRPORT TERMINAL RENOVATION

Evansville, Indiana

**Observations / Overview:** Renovation of the Evansville Regional Airport Terminal is an essential resource for attracting talent to the Evansville Region.

While the terminal is located in the Evansville metropolitan area, it serves as the regional airport for three states (Indiana, Kentucky and Illinois). The entire region understands and appreciates the importance of the regional airport in supporting commerce and attracting talent. The airport is a bona fide regional facility.

The terminal at the Evansville Regional Airport creates the first impression that visitors will form of the Evansville area. At twenty-five years of age, the airport is considerably dated and does not meet current expectations. While improvement of the appearance is important, functional terminal improvements would also help to attract new carriers and increase the number flights and destinations. The functional improvements are associated with reconfiguring the TSA security gates, increasing the utilization of jet ways, restrooms, restaurants and parking.

The updated terminal will add considerable value to the efforts of local companies to grow their businesses, attract talent, develop new customers and improve the quality of supply chains. While challenging to quantify, one could argue that creating a positive impression for persons visiting SW Indiana can be a considerable driver in developing new business opportunities and attracting talent.



Graphics provided by Hafer Associates

EVV Regional Airport has realized success attracting carriers and new flights. These include new flights to the Charlotte and Chicago hubs. With terminal improvements and continued economic expansion in the region, the EVV Regional Airport is well positioned to continue this growth pattern.

Increasing the availability of flights can help to attract talent and economic development investment. As Evansville and the region continue to realize the attraction of new corporate facilities such as Haier and the expansion of existing global companies, like Berry Plastics, increasing the number of carriers and flights is essential.

Considerable new aviation business opportunities are available by increasing airport utilization by persons outside of Indiana in Kentucky and Illinois. These out of state airport customers help to increase new dollars to the State of Indiana and the regional economy.

Also, additional carriers and flights will support business with affordable and accessible transportation options to new and expanding markets.

Creating a positive business travel environment also improves the travel experience for the casual or vacation traveler as more flights mean more options which can translate into more affordable prices. More flights help to create a positive impression and favorably adds to the brand of Evansville and Southwest Indiana. Also noteworthy is the University of Evansville's study abroad program that brings as many people into Evansville as it sends out. The terminal renovation project would create a positive impressive arrival location for those international students. This is another component that lends itself to attracting and retaining talent.

**Recommendations / Implementation Strategy:** While the airport has received Federal Aviation Administration (FAA) funding for recent runway improvements, the terminal renovation will be accomplished with local airport funding.

The increases in private sector investment has been realized by the airlines increasing their traffic in the past year. EVV traffic is up 20-30% which is a direct result of not only the airline's investment in Evansville (hiring of new employees) but also of our community putting money back into the EVV airport through flights out, parking fees, etc.

Funding from Regional Cities will be combined with funding from the EVV Regional Airport to finance the project. Limited, special purpose grant funds could be secured to fund smaller components of the terminal project such as improvements associated with TSA measures.

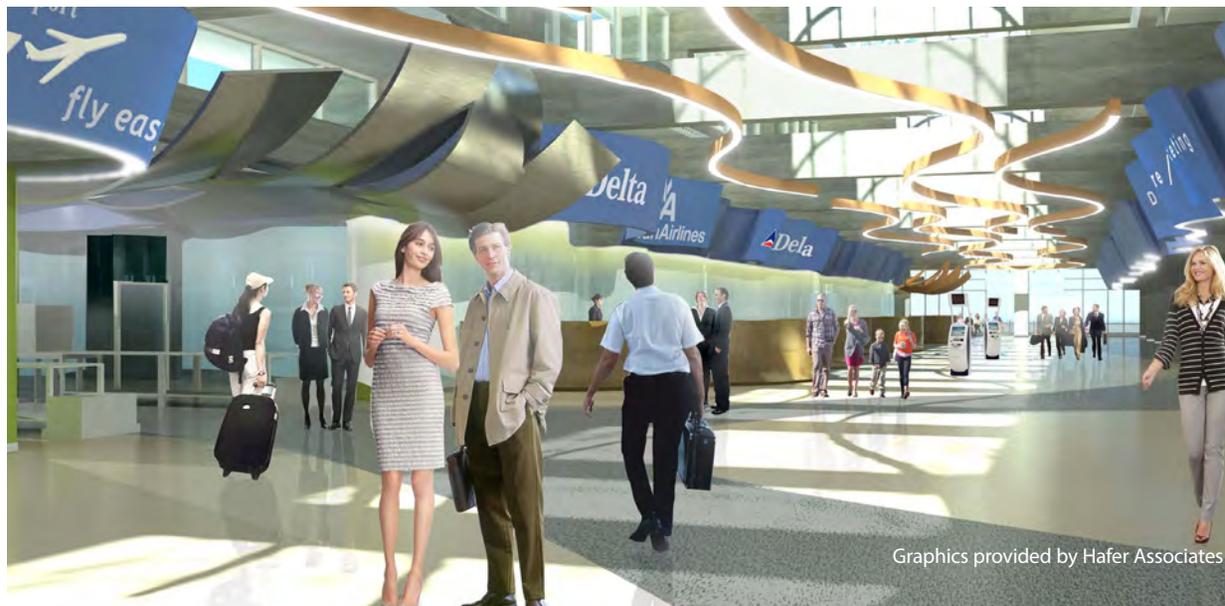
Project funding is as follows:

Regional Cities Funding	\$5,000,000
EVV Regional Airport	\$5,000,000
<b>Total</b>	<b>\$10,000,000</b>

The project will generate additional revenue for the airport. With the proposed 20% increase in air service, increases in fees and revenues are outlined below:

Parking revenue/yearly increase	\$300,000
Rental car fee/yearly increase	\$200,000
Passenger Facility Charge/yearly increase	\$190,000

Evansville Regional Airport Terminal Renovation	Public	Private	Regional Cities	Total
Terminal Improvements	\$ 5,000,000		\$ 5,000,000	\$ 10,000,000
<b>Total</b>	<b>\$ 5,000,000</b>		<b>\$ 5,000,000</b>	<b>\$ 10,000,000</b>



EVV Regional Airport is managed by a Board of Directors that focuses on creating a highly functioning aviation facility. This is done without consideration of partisan politics.

The project will essentially proceed as a conventional construction project. However, the project timeline must account for plan reviews by the FAA and the Department of Homeland Security.

Without Regional Cities funding, pursuing the airport terminal renovation would be very challenging and would result in a considerable delay while alternative funding is secured. This delay would diminish the airport's opportunity to grow in a manner that positions them to support increased aviation demand associated with a transforming region.