



TWEED NEW HAVEN AIRPORT AUTHORITY NEW HAVEN, CONNECTICUT

Dun & Bradstreet DUNS Number: 800203864

***PROPOSAL UNDER THE:
SMALL COMMUNITY
AIR SERVICE DEVELOPMENT PROGRAM***

DOCKET DOT-OST-2014-0113

***SUBMITTED:
Thursday, July 31, 2014***



**APPLICATION UNDER
SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM
DOCKET DOT-OST-2014-0133**

SUMMARY INFORMATION¹

All applicants **must** submit this Summary Information schedule, as the application coversheet, a completed standard form SF424 and the full application proposal on www.grants.gov.

For your preparation convenience, this Summary Information schedule is located at <http://www.dot.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>

A. PROVIDE THE LEGAL SPONSOR AND ITS DUN AND BRADSTREET (D&B) DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER, INCLUDING +4, EMPLOYEE IDENTIFICATION NUMBER (EIN) OR TAX ID.

Legal Sponsor Name: Tweed New Haven Airport Authority

Name of Signatory Party for Legal Sponsor: Diane Jackson

DUNS Number:800203864

EIN/Tax ID:

B. LIST THE NAME OF THE COMMUNITY OR CONSORTIUM OF COMMUNITIES APPLYING:

1. City of New Haven _____

2. _____

3. _____

4. _____

C. PROVIDE THE FULL AIRPORT NAME AND 3-LETTER IATA AIRPORT CODE FOR THE APPLICANT(S) AIRPORT(S) (ONLY PROVIDE CODES FOR THE AIRPORT(S) THAT ARE ACTUALLY SEEKING SERVICE).

1. Tweed New Haven Regional Airport (HVN) 2.

3.

4.

DOES THE AIRPORT SEEKING SERVICE HOLD AN AIRPORT OPERATING CERTIFICATE ISSUED BY THE FEDERAL AVIATION ADMINISTRATION UNDER 14 CFR PART 139? (IF “NO”, PLEASE EXPLAIN WHETHER THE AIRPORT INTENDS TO APPLY FOR A CERTIFICATE OR WHETHER AN APPLICATION UNDER PART 139 IS PENDING.)

Yes **No (explain)**

D. LIST THE 2-DIGIT CONGRESSIONAL DISTRICT CODE APPLICABLE TO THE SPONSORING ORGANIZATION, AND IF A CONSORTIUM, TO EACH PARTICIPATING COMMUNITY.

1. CT-03

2.

3.

4.

E. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)

Not a Consortium **Interstate Consortium** **Intrastate Consortium**

Community currently receives subsidized Essential Air Service

Community (or Consortium member) previously received a Small Community Air Service Development Program Grant

If previous recipient: Provide year of grant(s); 2007; **and, the text of the grant agreement section(s) setting forth the scope of the grant project:**

- Address Southern Connecticut’s air service deficiencies by securing access to New England’s largest airport, Boston Logan International, and the hundreds of connecting opportunities available there.
- Re-engage the New Haven Community in the effort to recruit quality air service to HVN.
- Further expand the benefits of quality air service to the citizens of the Southern Connecticut region.

F. PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

PUBLIC

PRIVATE

1. Tweed New Haven Airport Authority

1. Economic Development Corp. of New Haven

2. City of New Haven

2. Greater New Haven Chamber of Commerce

3.

3. AvPORTS

G. PROJECT PROPOSAL:

1. GRANT GOALS: (CHECK ALL THAT APPLY)

- | | | |
|---|---|---|
| <input type="checkbox"/> Launch New Carrier | <input type="checkbox"/> Secure Additional Service | <input checked="" type="checkbox"/> Upgrade Aircraft |
| <input type="checkbox"/> First Service | <input type="checkbox"/> New Route | <input type="checkbox"/> Service Restoration |
| <input type="checkbox"/> Regional Service | <input type="checkbox"/> Surface Transportation | <input type="checkbox"/> Professional Services² |
| <input type="checkbox"/> Other (explain below) | | |
-
-

2. FINANCIAL TOOLS TO BE USED: (CHECK ALL THAT APPLY)

- Marketing (including Advertising):** promotion of the air service to the public
- Start-up Cost Offset:** offsetting expenses to assist an air service provider in setting up a new station and starting new service (for example, ticket counter reconfiguration)
- Revenue Guarantee:** an agreement with an air service provider setting forth a minimum guaranteed profit margin, a portion of which is eligible for reimbursement by the community
- Recruitment of Air Carrier:** air service development activities to recruit new air service, including expenses for airport marketers to meet with air service providers to make the case for new air service
- Fee Waivers:** waiver of airport fees, such as landing fees, to encourage new air service; counted as in-kind contributions only
- Ground Handling Fee:** reimbursement of expenses for passenger, cabin, and ramp (below wing) services provided by third party ground handlers
- Travel Bank:** travel pledges, or deposited monetary funds, from participating parties for the purchase of air travel on an air carrier, with defined procedures for the subsequent use of the pledges or the deposited funds; counted as in-kind contributions only

Other (explain below)

H. EXISTING LANDING AIDS AT LOCAL AIRPORT:

- Full ILS Outer/Middle Marker Published Instrument Approach
 Localizer Other (specify)

I. PROJECT COST: DO NOT ENTER TEXT IN SHADED AREA

LINE	DESCRIPTION	SUB TOTAL	TOTAL AMOUNT
1	Federal amount requested		\$640,000
2	State <u>cash</u> financial contribution		
	<i>Local cash financial contribution</i>		
	3a Airport <u>cash</u> funds		
	3b Non-airport <u>cash</u> funds	\$260,000	
3	Total local <u>cash</u> funds (3a + 3b)		\$260,000
4	TOTAL CASH FUNDING (1+2+3)		\$900,000
	<i>In-Kind contribution</i>		
	5a Airport <u>In-Kind</u> contribution**	\$100,000	
	5b Other <u>In-Kind</u> contribution**		
5	TOTAL IN-KIND CONTRIBUTION (5a + 5b)		\$100,000
6	TOTAL PROJECT COST (4+5)		\$1,000,000

J. IN-KIND CONTRIBUTIONS

For funds in lines 5a (Airport In-Kind contribution) and 5b (Other In-Kind contribution), please describe the source(s) of fund(s) and the value (\$) of each
5a) Funds consist of \$100,000 in marketing cost assistance.

K. IS THIS APPLICATION SUBJECT TO REVIEW BY AN AFFECTED STATE UNDER EXECUTIVE ORDER 12372 PROCESS?

- a. This application was made available to the State under the Executive Order 12372 Process for review on (date) _____.
- b. Program is subject to E.O. 12372, but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

L. IS THE LEAD APPLICANT OR ANY CO-APPLICANTS DELINQUENT ON ANY FEDERAL DEBT?

(If "YES", PROVIDE EXPLANATION)

- No
- Yes (explain)

APPLICATION CHECKLIST

INCLUDED?	ITEM
<i>For Immediate Action</i>	
	Determine Eligibility
	New Grants.gov users must register with www.grants.gov . Existing Grants.gov users <i>must verify existing www.grants.gov account has not expired and the Authorized Organization Representative (AOR) is current.</i>
<i>For Submission by 5:00 PM EDT on July 31, 2014</i>	
	Communities with active SCASDP grants: notify DOT/X50 of intent to terminate existing grant in order to be eligible for selection in FY2014
	Complete Application for Federal Domestic Assistance (SF424) via www.grants.gov
	Summary Information schedule complete and used as cover sheet (see Appendix B)
	Application of up to 20 one-sided pages (excluding any letters from the community or an air carrier showing support for the application), to include:
	• A description of the community’s air service needs or deficiencies.
	• A strategic plan for meeting those needs under the Small Community Program.
	• A detailed description of the funding necessary for implementation of the community's project.
	• An explanation of how the proposed project differs from any previous projects for which the community received SCASDP funds (if applicable).
	• Designation of a legal sponsor responsible for administering the program.
	• A motion for confidential treatment (if applicable) – see Appendix D below.

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Section 1: The New Haven Market

Introduction

About New Haven

New Haven is in the midst of a historic revitalization that solidifies its place as the innovation and biosciences capital of Connecticut. With major investments in public infrastructure, new commercial / lab space and residential developments, the City is attracting young professionals and new startups to the Downtown. A **massive \$1.5 billion downtown development plan** is currently underway with major investments at Yale University, Yale-New Haven Hospital and other major community stakeholders. The \$467 million Yale New-Haven Smilow



Figure 1: Alexion Pharmaceuticals is moving its headquarters to this new \$140 million facility currently under construction in downtown New Haven. Alexion, together with other tenants, will bring nearly 1,000 new jobs to the city in 2015. Photo Credit: Elkus Manfredi

Cancer Hospital, completed in 2009, has catalyzed this renewed and vibrant economic base. Emerging from the recession, Covidien relocated its 400-person Surgical Devices Unit to New Haven, Alexion Pharmaceuticals announced plans to move back to the center city and double its workforce to approximately 1,000; and HigherOne developed a new \$50 million headquarters to support a growing 600 employee financial services company.

In turn, some 1,800 new market rate residential units are under construction or completing the zoning approval process as New Haven is consistently rated one of the hottest rental markets in the nation. Economic and residential growth is closely related. HigherOne and Alexion both originated at Yale and chose to stay and grow in the region. The so-called 'millennial demographic' is establishing itself in the workforce and New Haven offers both high quality of life and career path employment opportunities.

Greater New Haven's continued growth is at risk due to deteriorated transportation infrastructure conditions in the metropolitan New York region which impede access to the regional and global marketplaces. In addition to the limited air service at HVN (documented extensively herein), Interstate 95 is rated the 6th most congested highway in America; there are over \$2.0 billion in deferred capital investments on the MTA Metro-North passenger rail service line (including the repair of numerous bridges); and Amtrak has proposed significant investment for a new high speed rail line which would altogether bypass New Haven in order to better serve other markets, including Hartford. All of these factors adversely affect the City's ability to create even more jobs and enhance the nation's economic competitiveness.

Key Facts about the Market:

Population: 861,113 (Top 60 metro market in the country)
Employment Base: 300,000 (with 79,000 located in a densely concentrated urban core)

Economic Drivers:

Higher Education: There are seven colleges/universities located within 15 miles of Downtown with a total enrollment of 50,756 students, 24,000 employees and a total economic impact of over \$1.5 billion. Yale University is currently expanding its undergraduate college by 15% (800 new students).

Advanced Manufacturing: Schick, Covidien and Assa Abloy are all industry leaders. Assa Abloy not only has a 600-employee manufacturing center here, but also its headquarters for the 9,400-employee North American division of the company.

Financial Services: The Knights of Columbus, a fraternal benefit society based in New Haven (725 employees) ranks among the Fortune 1000 list of America's largest companies.

Health Care: Yale-New Haven Hospital is the 4th largest nationally by bed count and is the headquarters of a statewide hospital system. YNHH has over 1.1 million outpatient cases per year and over 80,000 inpatient discharges.

About Tweed-New Haven Regional Airport

Located in the heart of southern Connecticut and just 15 minutes from downtown, Tweed-New Haven Regional Airport (HVN) has a catchment area that contains a population of 1,749,116 residents. The Airport is currently served by only one carrier, US Airways Express with four daily flights operated by 37 seat Dash-8-100 turboprop aircraft to the carrier's hub in Philadelphia. The Airport's main runway, RWY 20, is 5,600 feet long. A 400 foot displaced threshold on the north end of the runway forces RWY 02 to be only 5,200 feet long. The runway's short length has limited the potential for new air service at the Airport.

Superior flight options along at surrounding airports have historically caused residents to drive between one and three hours to other airports when traveling by air.

Legal Sponsor Designation

Tweed New Haven Airport Authority
155 Burr Street
New Haven, CT 06512
(203) 466-8833



Tim Larson, Executive Director
tlarson@flytweed.com

Diane Jackson, Airport Manager
djackson@flytweed.com

Passenger Traffic & Air Service Trends

During the calendar year 2013, 78,070 O&D passengers used Tweed-New Haven Regional Airport (HVN) according to BTS O&D passenger data. This 2013 traffic represented a 2.0% increase from 2012 when there were 76,570 O&D passengers using HVN. The overall trend during the past five years has been a slow and steady growth in passenger traffic. In 2013 passenger traffic was up 14.0% when compared to 2009, when only 68,470 O&D passengers used the Airport.

Over the course of the past five years, US Airways has adjusted the frequency of its HVN-PHL service (between 3-4 daily departures) and size of aircraft in the market (the larger Dash 8-300 has been used on occasion, with the route primarily being served by the Dash 8-100). Meanwhile, air fares at HVN have increased 18.2% over this time period, which is in line with national averages.

Catchment Leakage (*Complete Year 2013*)

Tweed New Haven Regional Airport's Catchment Area is segmented into two different regions, a Primary Catchment Area and a Secondary Catchment Area. Slightly over one million people reside within HVN's Primary Catchment Area, which is defined as all zip codes within a 30 minute drive of HVN. An additional 750,000 residents live within HVN's Secondary Catchment Area which is defined as the area outside the Primary Catchment Area whereby residents can drive to HVN in less time than they could to any other commercial service airport. The **total catchment area boasts a population of approximately 1.75 million people.**

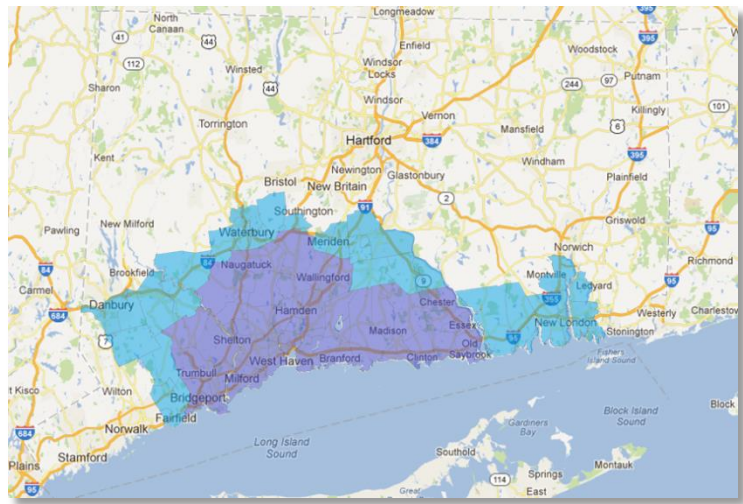


Figure 2: New Haven's Primary Catchment Area, shaded in purple, has a population of just over one million people. When including HVN's Secondary Catchment Area shaded in blue, HVN's total catchment area has a population of 1.75 million people.

Leakage from HVN's Primary Catchment Area totaled 2,910,656 O&D passengers during the calendar year 2013, or 3,987 PDEW (passengers daily each way). Total leakage from HVN's combined total catchment area was 5.1 million O&D passengers or 6,988 PDEW (passengers daily each way).

45% of all airline bookings within the State of Connecticut take place within Tweed New Haven Regional Airport's combined catchment area. However, HVN only retains 1.2% of those passengers with the other 98.8% leaking to other airports in the surrounding region.

Top 10 Domestic Leakage Markets (CY 2013 Data):

1) South Florida, FL (FLL, MIA, PBI)	388,303 (532 PDEW)
2) Orlando, FL (MCO)	385,103 (528 PDEW)
3) Chicago, IL (MDW, ORD)	185,802 (255 PDEW)
4) Los Angeles, CA (BUR, LAX, ONT, SNA)	159,202 (218 PDEW)
5) Tampa, FL (TPA)	158,435 (217 PDEW)
6) Las Vegas, NV (LAS)	144,387 (198 PDEW)
7) SF Bay Area, CA (OAK, SFO, SJC)	142,833 (196 PDEW)
8) Washington/Baltimore (BWI, DCA, IAD)	138,852 (190 PDEW)
9) Denver, CO (DEN)	112,450 (154 PDEW)
10) Atlanta, GA (ATL)	109,822 (150 PDEW)

(It should be noted that the leakage data outlined above is drastically different from the data provided in last year’s SCASDP grant application. This variance is a result of different sources of point of sale data. The previous leakage data was calculated using MIDT data, which captures the zip codes of travel agencies that book tickets. The most current study uses ARC data, which captures the actual billing zip code from credit cards used to purchase airline tickets. MIDT data can severely understate or overstate passenger leakage depending on the number of travel agencies within an airport’s catchment area. In the case of HVN’s previous leakage study, the MIDT data severely understated passenger leakage. The current 2013 leakage data is a more accurate representation of the market.)

Differentiating Connecticut’s Two Metropolitan Area Markets: New Haven & Hartford

Despite both being in the State of Connecticut, New Haven and Hartford are distinctly different metropolitan areas, each with their own passenger bases. The New Haven-Milford, CT CBSA has a population of 862,597 and consists only of New Haven County. The Hartford-East Hartford-West Hartford, CT CBSA has a population of 1,210,570 and consists of three counties, Hartford, Middlesex & Tolland. This population distribution gives New Haven a population that is roughly 2/3 the size of Hartford, making it large a centralized unique population center with its own identity and its own need for air service.

The distance between Downtown New Haven and Hartford’s Bradley International Airport is 52 miles and requires a drive through or around Downtown Hartford. To put this into perspective, the distance between Downtown Providence and Boston’s Logan International Airport is also 52 miles and it too requires a drive through or around the larger airport’s city, in this case Boston. Although many people who live in the suburbs between Providence and Boston may use the other city’s airport, these are two distinct markets just as New Haven and Hartford are. Figure 3 provides a map detailing the drives from New Haven and Providence to Hartford and Boston respectively.

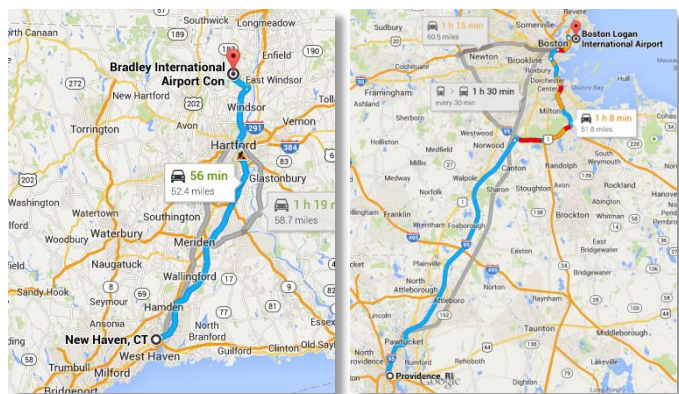


Figure 3: Drives from New Haven to BDL and Providence to BOS.

Section 2: Description of Air Service Needs and Deficiencies

Danger of Losing Existing Service

The length of HVN's primary runway causes weight restrictions that prevent certain aircraft from carrying enough fuel to travel to distant hubs and often require airlines to limit the number of passengers on the plane to reduce weight. This limits the air service opportunities available to the airport. There are only a few airlines that operate aircraft capable of flying fully loaded from HVN to their nearby hubs. For US Airways, the Dash-8 is one of the few aircraft in its fleet that can profitably serve HVN unrestricted from its Philadelphia hub. While the Dash-8-100/200 & 300 series aircraft have been a workhorse for short regional flights at the US Airways Express Philadelphia hub for over 20 years, it is an aging aircraft that is getting more expensive to maintain and is no longer in production. As a result of its age and lack of newer airframes to acquire, US Airways intends to retire the Dash-8 from its regional fleet during the next few years. Once the Dash-8 is removed from its fleet, US Airways will



Figure 4: Displaced Threshold Limits Runway Length to 5,200 feet.

not have a similarly sized aircraft type to maintain service between HVN and Philadelphia. **Replacing the Dash-8 with regional jet service is the only way to preserve HVN commercial air service.**

Deficiencies of Alternative Airports in Region

Many passengers within New Haven's catchment area are forced by lack of service to use the crowded New York City airports at JFK, Newark and LaGuardia. While these premier domestic and international gateways offer nonstop flights around the country and around the world, congestion both on the ground and in the air can present a significant limitation on the ease, reliability and availability of air service for New Haven Catchment Area passengers. The travel time by car to La Guardia from New Haven is 90 minutes in no traffic with drives to Newark and JFK being even longer.

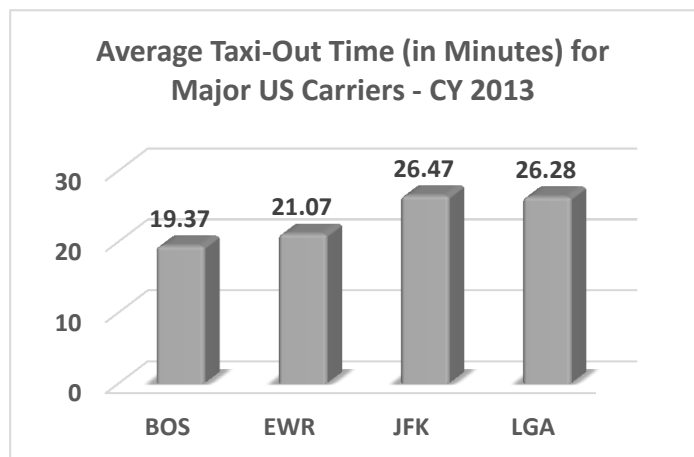


Figure 5: NYC's airports had average taxi-out times exceeding 20 minutes in 2013. Congestion both on the ground and in the air at airports that would otherwise serve as suitable alternates for New Haven passengers further increases the need for expanded service at HVN. Source: BTS

The three main New York City airports are the most congested and delay-prone in the country, responsible for schedule disruptions and passenger inconveniences across the national air space system. Taxi-out times from these airports regularly exceed 20 minutes, further adding to the already significant amount of time New Haven Catchment Passengers spend on the ground when they are forced by lack of service to use alternate airports for air travel.

HVN's Limited Air Service as Compared to Its Peers

When compared to the airports serving metropolitan areas of similar size to New Haven, the level of air service at Tweed-New Haven Regional Airport is far below its peers. In fact, Figure 6 below shows more than thirty airports that are located in MSA's smaller than New Haven that offer more seats per resident than HVN does.

The New Haven Metropolitan Area has 861,113 people. For the week of June 03-09, 2014, US Airways' schedule offered 16 daily seats at HVN per 100,000 New Haven residents. By comparison, Burlington, VT has a metropolitan area one quarter the size of New Haven's and yet Burlington International Airport (BTV) offers 1,027 daily seats per 100,000 local residents.

Even airports in similar proximity to the major New York Airports have significantly greater service. The Lehigh Valley International Airport (ABE) located near Allentown, PA is the same distance from Newark Liberty (EWR) as Tweed-New Haven is from LaGuardia (LGA). The metropolitan area populations of Allentown and New Haven are similar in size, with New Haven being the larger of the two. Yet ABE offered 150 daily seats per 100,000 residents in June 2014 compared to HVN's 16.

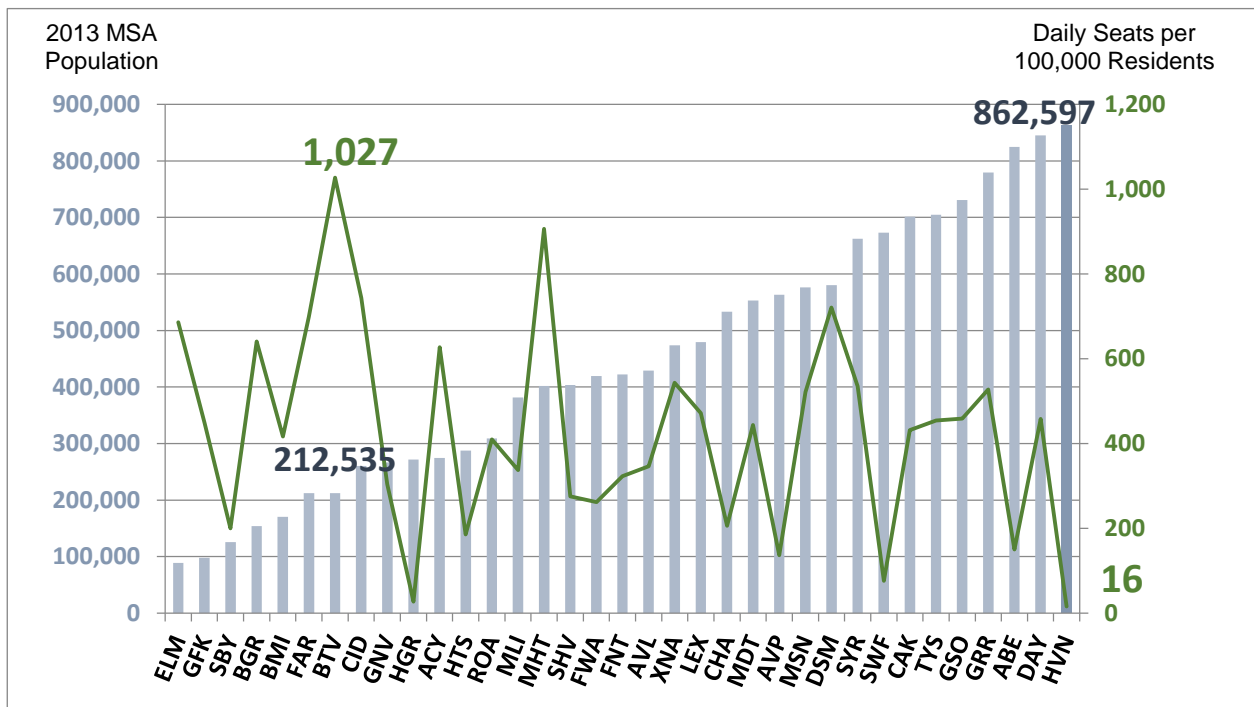


Figure 6: Tweed-New Haven Regional Airport has a level of air service far below its peers as this side by side seats to population comparison demonstrates. Data Source: US Census and Data Based Products Airline Schedules for the week of June 03-09, 2014.

Section 3: Proposed Upgrade to Jet Service

Growing Local Demand

Having a substantial local passenger market on a route that connects a city with an airline’s hub is key to making the economics of that route work profitably for the airline. It is one of the primary considerations taken into account when gauging the prospects for additional flights or capacity through the positioning of larger aircraft on a route.

Philadelphia is the largest air passenger O&D market from New Haven and among the fastest growing markets over the last five years. The Local PDEW (Passengers Daily Each Way) on the HVN-PHL route has doubled

growing from 4 to 9 in that time period, and grew 50% in the last year alone. Revenues have grown 51% since 2012 and 91% since 2009 as well. Additionally, there are currently 19 PDEW leaving to surrounding airports to fly to Philadelphia.

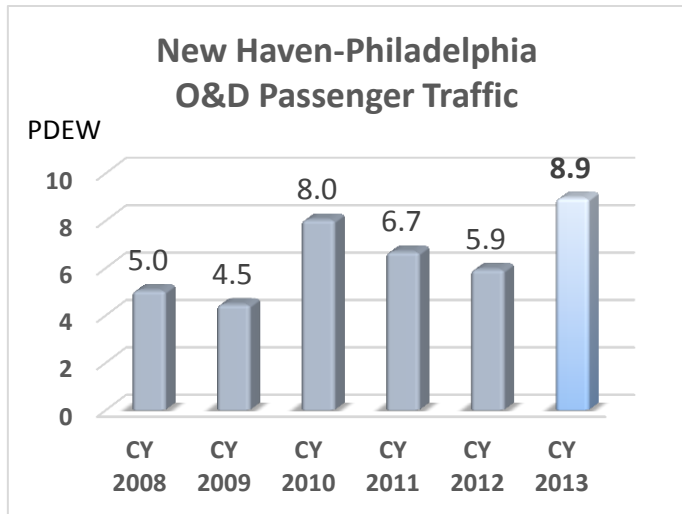


Figure 7: Local passenger traffic between New Haven and Philadelphia has doubled since 2009. Source: US O&D Passenger

Passenger Demand Limitations of Turboprop Service

All service currently offered at Tweed is on 37-seat turboprop aircraft. Turboprops suffer from a public perception of poorer safety standards and lower levels of service than larger jet aircraft due to high profile crashes in the 1990’s and early 2000’s as well as the perceived added noise, less cabin space, and limitation to economy class only service. Industry accepted forecasting models routinely estimate that a turboprop fails to capture between 20-30% of potential market demand that would have otherwise been captured if a jet were operated on the route. For New Haven, this represents the **potential loss of over 25,000 O&D passengers a year**. In a large metropolitan region such as the New Haven Catchment Area, with renowned institutions such as Yale University and Fortune 1000 companies like Alexion Pharmaceuticals, the failure to attract passengers through turboprop aversion is likely greater than the national average, due to the minimal use of turboprops by airlines serving larger markets in general making the natural loss of passengers to the Airport even higher.

HVN’s Need for Business Traveler Convenience

A large portion of the airline passengers living and working in the Tweed-New Haven Regional Airport catchment area are business travelers. As such, these passengers require frequent reliable air service that provides them with flight options in the morning, midday and evening. Any replacement of HVN’s current air service must provide these customers with the similar schedules and improved reliability versus the current HVN flights to ensure that existing business travelers are retained and business

travelers using other airports might choose HVN for the first time. Without a frequent schedule, growing or maintaining this part of HVN’s passenger base will be difficult.

Long-Term Viability of Air Service @ HVN

Without a viable alternative to the Dash-8, Tweed New Haven Regional Airport risks losing all scheduled air service when US Airways Express retires the fleet type in the next two years. Without a financial incentive to mitigate initial operating losses, US Airways may choose not to take the financial gamble that upgrading service to regional jets brings with it, choosing instead to simply discontinue the market when the Dash-8s are retired. In effect, the long term viability of commercial air service at Tweed New Haven Regional Airport may hinge on the ability to provide financial incentives for regional jet aircraft to replace the Dash-8s.

Embraer 170/175 Jet Service: A Benefit to the Entire Region

The Embraer 170/175 can be the replacement for the Dash-8 to effectively serve HVN-PHL. By introducing the Embraer 170/175 to the New Haven market, US Airways will offer area passengers jet service in addition to providing the option to fly in a first class cabin. This service will be particularly attractive to business travelers looking for an enhanced way to reach Philadelphia and destinations beyond as well as to travelers who might have previously avoided HVN because of the stigma of turboprop-only service. The added seat capacity will provide more local passengers increased opportunities to travel to Philadelphia as well as greater access to the national air transportation system. The offering of jet service with premium class seats will stimulate further demand that will strengthen the financial performance of the route and ensure its profitability and sustainability. It would lay the ground work for transitioning all Philadelphia service to jets at HVN and thus preserve future commercial service after the Dash 8 is retired. It would also prove the aircraft’s viability in New Haven for potential service to other markets in the future. The upgrade to service with an Embraer 170/175 Regional Jet greatly improves Tweed-New Haven’s ability to survive in a highly competitive industry.

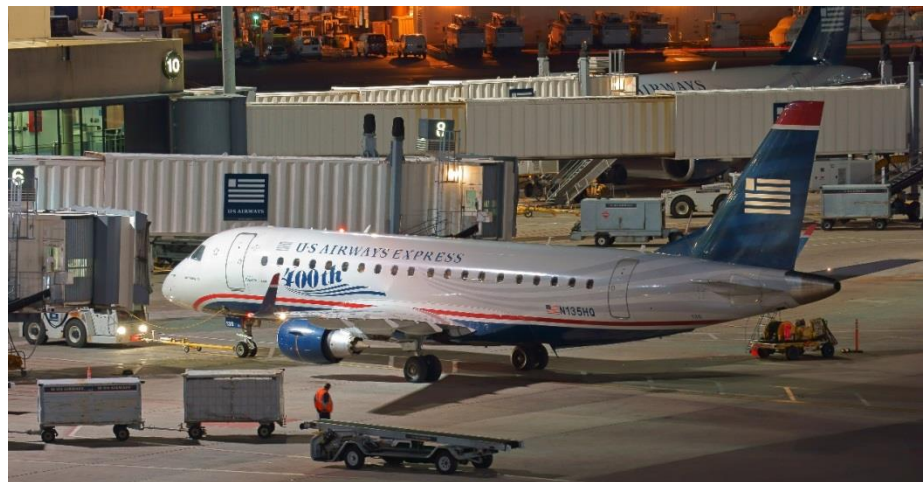


Figure 8: The Embraer 170/175 can be the eventual replacement for Dash-8 service to Philadelphia. It will offer local passengers jet service for the first time in years as well as additional seating capacity, enhanced access to the national air transportation system, and the first introduction of premium cabin service on the route. Photo Credit: Wikimedia.org

Section 4: HVN's Air Service Development Efforts and Future Plans

Tweed New Haven Regional Airport's Plan for overcoming its air service deficiencies and meeting the air service needs of area residents takes a three-pronged approach. It begins with the continued implementation of the Master Plan Update which includes infrastructure improvements to allow for safer flight operations and expanded runway length that will enable airlines to provide the airport with more potential air service. It continues beyond the airport's perimeter through pervasive and effective community engagement to raise awareness about the Airport, be a familiar face at local events and demonstrate the Airport's commitment to the region. Following from that is the mission to elicit expanded community support to finance the Airport's operations and growth efforts.

Infrastructure Improvements

Tweed New Haven Regional Airport is actively engaged in the recruitment of new air service. In 2002, the Airport Authority adopted four phases of an updated Master Plan which focused on the physical constraints that prevent HVN from securing additional air service. Phase 1 included the construction of runway safety areas 1,000 feet in length at end of the main runway. Phase 2 included the systematic removal of runway obstructions identified in a recent aeronautical study. Lighting upgrades and the lowering of instrument approach minimums on Runway 02 were also a part of this phase. The Airport continues with an extensive tree removal program as part of the on-going runway obstruction removal. Phase 3 is crucial to developing future air service as it involves the paving of the safety areas of Runway 02 and 20 which would effectively provide 6,200 feet of runway for takeoffs and enable HVN to handle larger jets flying to further destinations. The Airport continues to work with the FAA to secure approval and funding for Phase 3 implementation.

HVN maintains one of the lowest CPE's (cost per enplanement) for its tenant airlines in the region. The Airport is in continual dialogue with airlines interested in potentially serving HVN now as well as when the safety areas are paved and runway performance is improved.

Community Engagement

In addition to a concerted effort to improve the Airport infrastructure, Tweed New Haven Regional Airport maintains strong ties and partnerships with the community in an aggressive marketing campaign to increase local awareness and utilization of the Airport. Airport staff maintains close relationships with travel managers at many of the region's largest employers and travel generators, these travel managers provide the airport with vital information regarding their organizations travel needs, budgets and most popular destinations. When discussing new air service opportunities with targeted airlines, the information provided by these individuals is used to complement the analysis done by the airport to identify passenger traffic that will shift toward the new airline if it chooses to serve HVN.

Community Support

Both the City of New Haven and the State of Connecticut understand how important Tweed New Haven Regional Airport is to the local economy which is why these regional government agencies actively support the Airport with millions of dollars provided by both the City of New Haven (\$325,000 annually) and the State of Connecticut (\$1,500,000 annually) to cover the airport's operating expenses. To ensure HVN has the best chances possible of securing additional air service, the airport has spent over \$144,000 during the past four years on air service development efforts and will continue to spend money in support of air service development initiatives. In addition to these funds, Tweed New Haven Regional Airport also works with local employers, businesses and other economic drivers to promote the use of HVN through cooperative advertising, partnerships, promotions and sponsorships.

In the past the community has pledged overwhelming support for new air service to ensure its success. In 2007 many of New Haven's local media outlets including; The New Haven Register, The Connecticut Post, Comcast Cable and our local ABC and NBC affiliates combined to pledge \$50,000 for marketing assistance. This was in addition to the incentives already being offered by Tweed New Haven Regional Airport. It is our belief that similar pledges will be made by local media outlets this time as well. The exact list of contributors and pledge amounts have not yet been finalized; however, past showing of support makes us confident to believe it can be done again.

For the sake of accuracy, the in-kind services outlined in the grant application do not include such pledges from local media outlets since the exact amount of those pledges is yet to be determined.

NEW HAVEN REGISTER



Section 5: Requested Funds and Plan to Self-Sufficiency

Requested Amount (Local share, Federal grant request)

The Federal Amount requested in the grant proposal is **\$640,000**. The “Local Match” will be an additional **\$260,000** in matching cash or 29% of the combined dollar amount. Local funds will be provided by the Economic Development Corporation of New Haven, a private non-profit organization, dedicated to business and economic development within the City of New Haven. Together, these two amounts will combine for a total of \$900,000 in cash to be used to provide revenue assistance to US Airways to upgrade its existing Dash-8 aircraft at HVN to regional jets.

In addition to the local matching funds of \$260,000 in cash, Tweed New Haven Regional Airport will be providing at least \$100,000 in additional marketing support for the upgraded flights. The \$100,000 will be used to market and promote the new jet service within the catchment area. With the value of HVN’s cash contribution to “In-Kind Services” taken into account, Tweed New Haven Regional Airport will be able to provide US Airways with an incentive package with a total value of \$1,000,000. The value of HVN’s total “Local Match” contribution will be \$360,000 (\$260,000 + \$100,000) or 36% of the total \$1,000,000 incentive value. The combination of these funds into a single \$1,000,000 incentive package for US Airways will effectively create a public/private partnership between the New Haven EDC, the Tweed New Haven Airport Authority and the U.S. DOT.

Plan after SCASDP Funds are Acquired

The Tweed New Haven Airport Authority has been in discussions with US Airways regarding the eventual upgrade of service at HVN. The carrier has expressed interest in upgrading HVN’s flights to jet service provided some level of revenue assistance were made available to them. Once the SCASDP funds are acquired, the Tweed-New Haven Regional Airport Authority will notify US Airways of the grant receipt and begin discussions for upgrading the service during the first half in 2015.

How Service Becomes Self-Sufficient

Based on the market data we have compiled, it is clear that a growing market exists between New Haven and Philadelphia and that more than adequate demand for connecting markets via PHL exists to ensure the success of the upgrade. This market should easily be able to support the upgraded flights without assistance after an initial startup period.

To ensure that HVN’s enhanced service to Philadelphia and beyond is a success; the airport will start a local marketing campaign, using the \$100,000 in marketing funds to inform the traveling public of the upgraded service. Emphasizing the introduction of jet and premium class service will be central to the campaign. The New Haven EDC will also take an active role as the “Private” piece of our public/private partnership by promoting the flights to the community, informing the local business community of the upgraded flights and actively encouraging its membership to support the flights.

The airport will also work with New Haven’s largest companies and universities, the drivers of most business travel in the region, to both inform them of the upgraded flights and to solicit their travel budgets toward the flights. It is our strong belief that the efforts put forth by the airport to promote upgraded jet service and to engage the local business community that will use the flights will ensure that this “road to sustainability” is as short as possible.

Once upgraded service is announced, the remaining \$900,000 will be available to US Airways as a revenue guarantee to cover any operating losses the carrier might incur during the first year of upgraded operations as market demand begins to match the increased available seat capacity.

In order to qualify for the \$1,000,000 incentive, US Airways must replace HVN’s four daily Dash-8 flights to with 3 daily larger regional jets (70 seats or more). Such a schedule will ensure the HVN-PHL market maintains a frequent and competitive schedule while also ensuring a daily seat capacity increase of 50%. If US Airways wishes to upgrade HVN’s Dash-8 flights to 50 seat regional jets, all four daily flights must be upgraded at the same time.

The following timelines highlight the most plausible scenarios for regional jet upgrades at HVN.

Timeline #1: Upgrade to EMB-170/175s

- **Oct 15, 2014:** **Award** - \$640,000 SCASDP grant award to HVN
- **Nov 1, 2014:** **Coordinate** - Engage US Airways to finalize HVN upgrade plans
- **Feb 1, 2015:** **Announcement** - Upgrade of 2 daily flights to EMB-170/175s loaded in res system for Apr 6th launch
- **Feb 1, 2015:** Local marketing campaign to promote upgraded flights begins
- **Apr 1, 2015:** **2nd Announcement** - Remaining 2 daily Dash-8 flights replaced with a third EMB-170/175 in the res system for a June 1st launch
- **Apr 6, 2015:** **Launch** - EMB-170/175s begin serving 2 of HVN’s 4 daily PHL flights
- **Jun 1, 2015:** **2nd Launch** - 3rd EMB-170/175 replaces 2 remaining Dash-8s leaving HVN with three flights per day to PHL on EMB-170/175 aircraft

Timeline #2: Upgrade to 50 seat jets

- **Oct 15, 2014:** **Award** - \$640,000 SCASDP grant award to HVN
- **Nov 1, 2014:** **Coordinate** - Engage US Airways to finalize HVN upgrade plans
- **Feb 1, 2015:** **Announcement** - Upgrade of 2 daily flights to CRJ/ERJs loaded in res system for Apr 6th launch
- **Feb 1, 2015:** Local marketing campaign to promote upgraded flights begins
- **Apr 1, 2015:** **2nd Announcement** - Remaining 2 daily Dash-8 flights replaced with third & fourth CRJ/ERJs in the res system for a June 1st launch
- **Apr 6, 2015:** **Launch** – CRJ/ERJs begin serving 2 of HVN’s 4 daily PHL flights
- **Jun 1, 2015:** **2nd Launch** - 3rd & 4th CRJ/ERJs replace 2 remaining Dash-8s leaving HVN with four flights per day to PHL on CRJ/ERJ aircraft

Section 6: Difference from Past Air Service Development Efforts

The difference between this and previous air service development efforts lies essentially on two points: 1) Seeks to preserve existing service while growing future service and 2) can benefit an existing carrier serving the airport rather than attempting to attract a new carrier not already invested in the market.

One Grant for Present and Future

Unlike previous air service development efforts which sought to address HVN's limited air service and pending retirement of the Dash-8 by securing service to a new destination, this effort seeks to enhance existing service to a level which will ensure the route survives future airline fleet decisions. By enhancing existing service with a superior product, HVN will generate more interest and demand in using the airport. That success opens the door to new service to other destinations with aircraft similar to the Embraer 170/175 in much the same way service to a new destination proves the existence of market demand.

The Target Airline Is Already Here and Invested

Previous air service development efforts often focused on the attraction of a new carrier or the opening of a new destination. Both efforts entail greater risk to success than seeking to improve and expand a service that already exists. When the launch of a new carrier or destination fails, that market is dropped and the level of service goes to zero for area passengers. The damage done to the community is great in terms of wasted financial capital and loss of credibility in reliable air transportation that will stick around for the long-haul. If the upgrade to Embraer 170/175 jet service does not prove to be financially profitable for US Airways, even though we have every reason to believe that it will be, then the Airport and Community do not risk losing the service all together. Instead, US Airways would simply return to flying the Dash-8 on the route and future air service development efforts would return to finding another suitable replacement.

Letter of Support: New Haven Mayor Toni N. Harp



OFFICE OF THE MAYOR
TONI N. HARP
50th Mayor of New Haven Connecticut



July 30, 2014

The Honorable Anthony Foxx
Secretary
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

REFERENCE: Small Community Air Service Development Program
DOCKET NUMBER: DOT-OST-2014-0113
DUNS: 800203864

Dear Secretary Foxx:

I am writing in support of the application by the Tweed-New Haven Airport Authority for funding under the Small Community Air Service Development Program.

As you may know, the Federal Aviation Administration has identified Tweed-New Haven Regional Airport as one of eleven integral air service providers in the New England Region. This funding will allow the Tweed-New Haven Regional Airport Authority to attract larger jet aircraft to operate the airport's current nonstop service to the Philadelphia International Airport.

These flights would be operated in conjunction with the new American Airlines and would not only provide New Haven with additional daily seat capacity at the airport, the flights would provide New Haven a long-term solution to maintain existing service once the Dash-8 turboprop aircraft are retired. This is therefore a critical moment for Tweed-New Haven given the decade-long effort to upgrade the physical conditions of the airfield in support of new commercial service and economic growth.

In my first term as Mayor, I have heard from many business leaders about the importance of Tweed-New Haven to the region's future economic health and vitality. New Haven is home to globally-significant institutions such as Yale University and Yale-New Haven Hospital along with major companies like Assa Abloy and Knights of Columbus. Simply put, transportation connections matter for these companies and many new innovative start-ups wishing to create jobs in this growing region.

I believe that you will find that the Airport Authority has provided a strong application and I hope that you will give their request every possible consideration.

Very truly yours,


Toni N. Harp
Mayor

165 Church Street, New Haven, CT 06510
phone 203.946.8200 fax 203.946.7683



OFFICE OF THE MAYOR

Joseph Maturo, Jr.
Mayor

July 31, 2014

The Honorable Anthony Foxx
Secretary
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

REFERENCE: Small Community Air Service Development Program
DOCKET NUMBER: DOT-OST-2014-0113
DUNS: 800203864

Dear Secretary Foxx,

I am writing in support of the application by the Tweed New Haven Airport Authority for funding under the Small Community Air Service Development Program.

Southern Connecticut continues to grow and emerge from the Recession with a stronger economic base. This trend, however, is at risk due to a severe lack of alternative transportation options along the Northeast Corridor. In our area, high levels of congestion on Interstate 95 and the limited service schedule for intercity Amtrak service inhibit vehicular traffic. Access to airports in other cities often add an 'extra leg' to business trips which is expensive and time consuming for large and small businesses.

Tweed-New Haven Regional Airport is a valuable economic asset to this region. Both the State of Connecticut and the City of New Haven have invested over \$10 million dollars in operating Tweed over the past decade. Coupled with the support of FAA entitlement funding, Tweed-New Haven Regional Airport has utilized this financial support to make significant facility improvements as well as actively seek out new airline partners. However, due to the minimal revenue provided by the airport's current air carrier, Tweed has limited funds to offer marketing incentives to prospective carriers to promote new air service.

The Federal Aviation Administration has identified Tweed New Haven Regional Airport as one of eleven integral service providers in the New England Region. This funding will allow the Tweed-New Haven Regional Airport Authority to support an upgrade of non-stop service to Philadelphia. These flights would provide our region with increased national connectivity via Philadelphia. In conjunction with local share commitments, this grant will assist in building awareness within the community of the many travel options which Tweed-New Haven Regional Airport can provide.

250 MAIN STREET • EAST HAVEN, CONNECTICUT 06512

www.townofeasthavenct.org • (203) 468-3204 • FAX (203) 468-3372 • email: eh.mayor@att.net



EAST HAVEN

OFFICE OF THE MAYOR

Joseph Maturo, Jr.
Mayor

As you may or may not be aware, Tweed-New Haven Regional Airport was and continues to be an issue of critical importance to neighbors who live around the airport. Of utmost importance to me is to continue to balance their quality-of-life concerns with the interests of making Tweed economically self-sufficient and more successful. I do not believe Tweed's application under this program will significantly lower the quality for neighbors surrounding the airport.

I want to stress that I believe the continued development of Tweed-New Haven Regional Airport's commercial air service will be an integral piece of the region's future economic health and vitality. I believe that you will find that the Tweed-New Haven Regional Airport Authority has provided a strong application and I hope that you will give their request every possible consideration. I appreciate your time and consideration of my comments.

Sincerely,



Joseph Maturo, Jr.
Mayor

250 MAIN STREET • EAST HAVEN, CONNECTICUT 06512

www.townofeasthavenct.org • (203) 468-3204 • FAX (203) 468-3372 • email: eh.mayor@att.net

Letter of Support: American Airlines/US Airways



July 29th, 2014

Brooke Chapman
Associate Director
Small Community Air Service Department
Office of Aviation Analysis
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590
Room W86-307

**Subject: Small Community Air Service Development Program
Tweed New Haven Airport (HVN)**

Dear Ms. Chapman:

I am writing in support of the application by the Tweed New Haven Airport Authority (HVN) for funding under the Small Community Air Service Development Program.

American Airlines has partnered with HVN and the surrounding community for many years. We believe that this application, if awarded, would further strengthen this partnership and increase the likelihood that American Airlines would add capacity to HVN going forward.

American Airlines supports the SCASD grant application of HVN and respectfully requests that you give it favorable consideration. If I can be of further assistance, please feel free to contact me. Thank you very much for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Wheeler", with a long horizontal flourish extending to the right.

Colin Wheeler
Manager – Route Planning
American Airlines
4333 Amon Carter Blvd.
Fort Worth, TX 76155
Colin.Wheeler@aa.com



APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

*** 1. NAME OF FEDERAL AGENCY:**
 Department of Transportation

2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
 [Empty Field]

CFDA TITLE:
 [Empty Field]

*** 3. DATE RECEIVED:** [Yellow Box] **SYSTEM USE ONLY**

*** 4. FUNDING OPPORTUNITY NUMBER:**
 DOT-OST-2014-0113

*** TITLE:**
 Small Community Air Service Development Program

5. APPLICANT INFORMATION

*** a. Legal Name:**
 Tweed New Haven Airport Authority

b. Address:

*** Street1:** 155 Burr Street **Street2:** [Empty Field]

*** City:** New Haven **County/Parish:** [Empty Field]

*** State:** CT: Connecticut **Province:** [Empty Field]

*** Country:** USA: UNITED STATES *** Zip/Postal Code:** 06512-3656

c. Web Address:
 http:// [Empty Field]

*** d. Type of Applicant: Select Applicant Type Code(s):**
 D: Special District Government

Type of Applicant: [Empty Field]

Type of Applicant: [Empty Field]

*** Other (specify):** [Empty Field]

*** e. Employer/Taxpayer Identification Number (EIN/TIN):**
 06-1497018

*** f. Organizational DUNS:**
 8002038640000

*** g. Congressional District of Applicant:**
 CT-03

6. PROJECT INFORMATION

*** a. Project Title:**
 Proposal Under the Small Community Air Service Development Program

*** b. Project Description:**
 Proposal to receive funds under the Small Community Air Service Development Program in order to better serve the New Haven community with upgraded jet service.

c. Proposed Project: * Start Date: 09/01/2014 *** End Date:** 08/31/2016

APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

7. PROJECT DIRECTOR

Prefix: <input type="text"/>	* First Name: Diane <input type="text"/>	Middle Name: <input type="text"/>
* Last Name: Jackson <input type="text"/>		Suffix: <input type="text"/>
* Title: Airport Manager <input type="text"/>		* Email: dmjackson@flytweed.com <input type="text"/>
* Telephone Number: 203-466-8833 <input type="text"/>		Fax Number: <input type="text"/>
* Street1: 155 Burr Street <input type="text"/>		Street2: <input type="text"/>
* City: New Haven <input type="text"/>		County/Parish: <input type="text"/>
* State: <input type="text"/> CT: Connecticut		Province: <input type="text"/>
* Country: <input type="text"/> USA: UNITED STATES		* Zip/Postal Code: <input type="text"/> 06512-3656

8. PRIMARY CONTACT/GRANTS ADMINISTRATOR

<input checked="" type="checkbox"/> Same as Project Director (skip to item 9):		
Prefix: <input type="text"/>	* First Name: Diane <input type="text"/>	Middle Name: <input type="text"/>
* Last Name: Jackson <input type="text"/>		Suffix: <input type="text"/>
* Title: Airport Manager <input type="text"/>		* Email: dmjackson@flytweed.com <input type="text"/>
* Telephone Number: 203-466-8833 <input type="text"/>		Fax Number: <input type="text"/>
* Street1: 155 Burr Street <input type="text"/>		Street2: <input type="text"/>
* City: New Haven <input type="text"/>		County/Parish: <input type="text"/>
* State: <input type="text"/> CT: Connecticut		Province: <input type="text"/>
* Country: <input type="text"/> USA: UNITED STATES		* Zip/Postal Code: <input type="text"/> 06512-3656


APPLICATION FOR FEDERAL DOMESTIC ASSISTANCE - Short Organizational

9. * By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties (U.S. Code, Title 218, Section 1001)

** I Agree

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

AUTHORIZED REPRESENTATIVE

Prefix: <input type="text"/>	* First Name: <input type="text" value="Timothy"/>	Middle Name: <input type="text"/>
* Last Name: <input type="text" value="Larson"/>	Suffix: <input type="text"/>	
* Title: <input type="text" value="Airport Executive Director"/>	* Email: <input type="text" value="tlarson@flytweed.com"/>	
* Telephone Number: <input type="text" value="203-466-8833"/>	Fax Number: <input type="text"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="07/29/2014"/>	