

EXECUTIVE SUMMARY

Subject:

Small Community Air Service Development Program Grant

Background:

The DOT has granted the PAC up to \$950,000 to off-set costs for air service and marketing at PHF. In addition to the grant allowance, there is a matching share of \$700,000 that will come from RAISE. With the matching funds, the total amount of the funds available for air service development and marketing is \$1,650,000. The grant expires December 31, 2015.

Discussion:

Enclosed is the agreement between the PAC and TEM Enterprises (PEOPLEExpress). Mr. Kelly has reviewed this and is in agreement in principle. Upon PAC agreement and verification of the deliverables (TEM obligations), we will grant an initial \$565,000 and the balance at a later date when RAISE has approved the matching funds. After PEOPLEExpress begins service, the eligible costs will be submitted to DOT for reimbursement of up to \$950,000.

Budget Impact:

Initially, \$565,000, then ultimately \$950,000. Funds shall be reimbursed to PAC by DOT.

Recommendation: Approve Agreement