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2 **BILL NO. R-14-02-05**

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4 RESOLUTION NO. R-_____

5 A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF FORT
6 WAYNE, INDIANA AGREEING TO PROVIDE FINANCIAL SUPPORT FOR
7 THE ESTABLISHMENT OF DIRECT AIR SERVICE FROM FORT WAYNE
8 INTERNATIONAL AIRPORT TO A MAJOR NORTHEAST HUB.

9 WHEREAS, the Fort Wayne International Airport (FWA) provides direct air service to
10 five (5) hub destinations, which is essential to the economic vitality of northeast Indiana;
11 and

12 WHEREAS, FWA provides connecting opportunities to all directions in the United
13 States but does not currently provide service to key business markets in the northeast
14 region of the United States, the establishment of which would be a significant economic
15 development milestone for the community; and

16 WHEREAS, in a recent survey residents of northeast Indiana who travel for
17 business expressed their preference for the establishment of direct air service to a major
18 hub in the northeast region of the United States to improve and expand the air travel
19 service available from FWA; and

20 WHEREAS, the Fort Wayne - Allen County Airport Authority (Authority) and
21 Greater Fort Wayne, Inc. (GFW) have made significant progress in attracting an air carrier
22 to provide direct air service from FWA to the northeast United States, including the receipt
23 of a \$600,000 federal grant to partially offset a carrier's risk of entering a new market; and

24 WHEREAS, the Authority and GFW are requesting financial support from the
25 northeast Indiana community to leverage the federal grant funds to create a minimum
26 revenue guarantee (MRG) which will be made available to carriers interested in entering
27 the northeast Indiana market with direct air service to a major hub in the northeast United
28 States; and

1 WHEREAS, an MRG is an economic development tool utilized by communities to
2 enhance air service by guaranteeing the carrier a certain level of revenue from a newly
3 established route over a predetermined period of maturity by providing backdrop
4 revenues for the carrier only if the new route underperforms during such time period; and

5 WHEREAS, the Authority and Mead & Hunt Air Service Consultants have analyzed
6 and evaluated the air traffic patterns from Fort Wayne to the northeast United States and
7 believe that a direct flight to this region will be ultimately profitable and self-sustaining due
8 to the use of a major northeast United States hub by FWA passengers as a destination and
9 for other northeast domestic and international flight connections, which would justify the
10 initial investment by the City of Fort Wayne (City) in the MRG to attract the carrier; and

11 WHEREAS, the Authority and GFW are requesting a maximum \$600,000 matching
12 investment from the City (\$300,000 per year for a two (2) year period) to be included in
13 the MRG package to be offered to the carrier; and

14 WHEREAS, the Authority and GFW have also requested financial support for this
15 economic development initiative from Allen County, the Indiana Economic Development
16 Corporation, the Northeast Indiana Regional Partnership and from locally based industry:

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18 **NOW, THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF**
19 **FORT WAYNE, INDIANA AS FOLLOWS:**

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21 SECTION 1. The Common Council supports the establishment of direct air service
22 from FWA to a major hub in the northeast United States and the establishment of a two (2)
23 year MRG to attract a carrier to FWA to establish and operate such direct air service.

24 SECTION 2. Subject to: (a) Allen County, the Indiana Economic Development
25 Corporation the Northeast Indiana Regional Partnership and locally based industry
26 participating in the funding of the MRG package and upon terms at levels acceptable to the
27 City ; (b) the Authority securing an approved carrier to provide direct air service to a major
28 hub in the northeast United States upon terms and conditions acceptable to the Authority

1 and GFW; and (c) the Authority and GFW approving the terms and conditions of the MRG
2 package to be offered the carrier, the Common Council approves the City's participation in
3 the funding through Legacy Funds of the MRG package for a two (2) year period in an
4 amount not to exceed the sum of Three Hundred Thousand and 00/100 Dollars
5 (\$300,000.00) per year.

6 SECTION 3. That this Resolution shall be in full force and effect from and after
7 its passage and any and all necessary approval by the Mayor.

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11 _____
Council Member

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13 Approved as to form and legality:

14 Carol Helton, City Attorney
15 Carol Helton, City Attorney
16 by LB
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