



Council Communication No. 97-309

SYNOPSIS –

On the June 2, 1997, Council agenda is a roll call authorizing the Mayor to issue a letter of support for a State of Iowa, Physical Infrastructure Assistance Program Application, made by AccessAir Holdings, Inc. requesting an \$800,000 forgivable loan. The application is part of a \$15-\$17 million capitalization package that includes \$12 million in equity raised through a private stock offering and between \$3-\$5 million in debt obligations. The company is in the midst of raising its capitalization and will move forward with the project when they have raised a minimum of \$8 million.

AccessAir Holdings, Inc. is an Iowa-based corporation founded in 1996 for the purpose of establishing a new airline to provide high-quality air service to medium-sized midwestern cities by linking them to the ten largest metropolitan cities on the east and west coasts. Initial service will offer daily service from Des Moines, the Quad Cities, and Wichita, Kansas to Los Angeles and New York. Subsequent service in Iowa will be provided to Sioux City and Cedar Rapids.

AccessAir Holdings, Inc. will maintain its corporate offices in the Ruan Building occupying initially 10,000 square feet of space. The company’s management team is headed by D. Roger Ferguson who is the President and CEO. Mr. Ferguson was employed for 21 years by Eastern Airlines in a wide ranging variety of roles including Vice President of Maintenance and Engineering, Vice President Strategic Marketing Programs, and Vice President Advance Schedule Planning.

The company projects that its total statewide employment will reach 472 jobs with an average salary of approximately \$30,000. The company projects that of its total employment approximately 235 jobs will be created within the City of Des Moines at an average wage of \$15.79 per hour. The following table shows the projected jobs to be created within the City of Des Moines:

**Jobs Created Position Average Annual Average Wage Total Annual
in Des Moines Titles Salary Per Hour Payroll**

52	Corporate Office	\$35,500	\$17.07	\$
1,846,000				
60	Pilots	\$49,220	\$23.66	\$ 2,953,200
8	Airport Mgt.	\$22,750	\$10.94	\$
182,000				
90	Customer Contacts	\$24,453	\$11.76	\$
2,200,770				
25	Ramp Service	\$21,423	\$10.30	\$
535,575				
235		\$7,717,545		

32,841

Averages

\$15.79

\$

FISCAL IMPACT –

No community participation is required as part of the application.

RECOMMENDATION –

Authorize the Mayor to issue a letter of support for a \$800,000 forgivable loan under the State of Iowa, Physical Infrastructure Assistance Program, to AccessAir Holdings, Inc.

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