

Moving Forward



AIRPORT MASTER PLAN UPDATE (2013) EXECUTIVE SUMMARY

Our Planning Partner:



CRAWFORD, MURPHY & TILLY, INC.

In association with:

HDR, Inc.

GRW, Inc.

Integrated Engineering, Inc.

Unison Consulting, Inc.

Ailevon, LLC

Message From The Executive Director



As part of our commitment to maintaining safe and comfortable facilities now and in the future, the Airport Board and Staff have invested a significant amount of time into this planning effort. As we operate in a very dynamic industry, it is important that we anticipate changes in aviation so we can continue to develop airport facilities that will serve our customers and the broader air transportation system.

The airport's Master Plan process includes thoughtful forecasting of future activity and plans for an orderly phased development of the airport over time to accommodate that activity. Based on demographics, current airline industry conditions, trends in general aviation, historic growth and economic conditions, the airport and its consulting team have made plans for future facility improvements to accommodate both the immediate and long-term needs of both the commercial airlines and our general aviation community. Preparing for these changes now will allow Blue Grass Airport to meet the aviation needs of Lexington and central Kentucky in the future.

I encourage you to review our Master Plan and see how these improvements will allow us to operate more efficiently, manage growth responsibly and maintain our role in the community as an economic driver.



Eric J. Frankl, A.A.E.
Executive Director

FACILITY NEEDS Facility Inventory and Assessment

Future
Demand

Strategic
Objectives



OPTIONS AND STRATEGIES Concepts and Alternatives

Financial and
Environmental
Responsibility

RECOMMENDED PLAN

Master Plan Report

Airport Layout Plan

A Focused Master Plan



A Unique Approach

At Blue Grass Airport, we're fond of saying, "our approach is different." This is evident in the beauty of the approach as you come in for landing, and our approach to how we manage the airport. The 2013 Airport Master Plan Update provides a unique opportunity to engage our stakeholders and community partners in assessing the long-term strategic vision for the airport. Recognizing that the aviation industry continues to evolve, it is important to ensure that our airport can provide the highest quality facilities and services to our customers.

The 2013 Airport Master Plan Update is focused on developing a comprehensive assessment of "core" infrastructure needs that take into consideration valuable input from stakeholders and community partners.

Planning Process Stakeholders

- Airport Management and Staff (Operations, Maintenance, Public Safety, Engineering, etc.)
- Lexington Air Traffic Control Tower
- Federal Aviation Administration Airport District Office - Memphis
- General Aviation Users
- Fixed Base Operator
- Aircraft Maintenance Providers
- Lexington-Fayette Urban County Government - Planning & Corridors Commission
- Keeneland
- General Public (Open House Held November 13, 2012)
- Fayette Alliance
- Save Our Irreplaceable Land (SOIL)
- Neighborhood Associations

Key Planning Objectives

- Identification and Study of "Core" Development Areas
- Stakeholder and Community Engagement
- Market-based Aviation Demand Projections
- Asset Management and Facility Planning
- Financial Feasibility
- Compliance with Federal Design Standards and Guidance



Airline Service

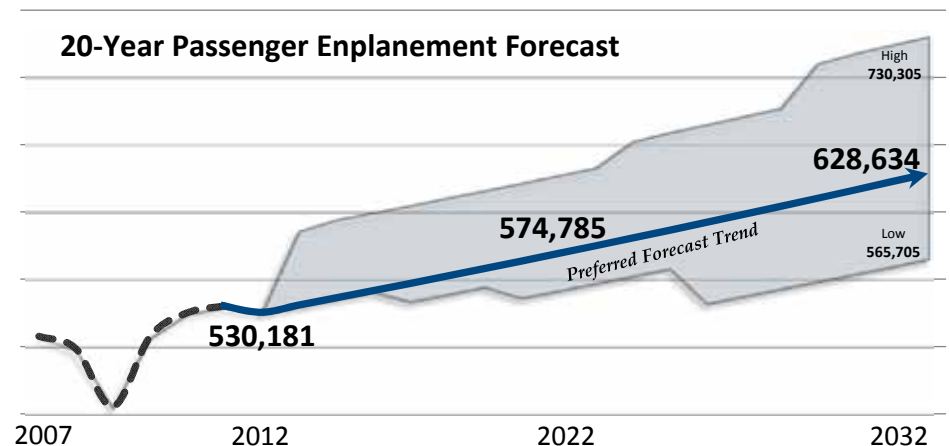
Looking forward, we recognize that the aviation industry has experienced a number of dynamic changes since our last airport master plan, updated in 2005. To establish the foundation for the 2013 Update, we developed a 20-year airline service forecast

based on a three-tiered approach that addressed these questions:

What Influences Our Demand?

Passenger demand for our airport can be attributed to a number of factors and influ-

ences. Looking forward into the future, we evaluated key drivers including trends in community demographics (population, economy, businesses, etc.), level of airline service provided (routes, frequency, etc.) and competition from other airports.



Aviation Demand



Planning for the future of LEX must take into consideration the volatility of the airline industry and its impact on the local market.



What are the airlines doing?

Our airport is increasingly sensitive to the ever-evolving dynamics of the airline industry. Key industry factors include airline consolidations, competing airports in the region, hub strategy maneuvers, heightened route profitability expectations and aircraft performance.

How do these considerations affect the airport's future?

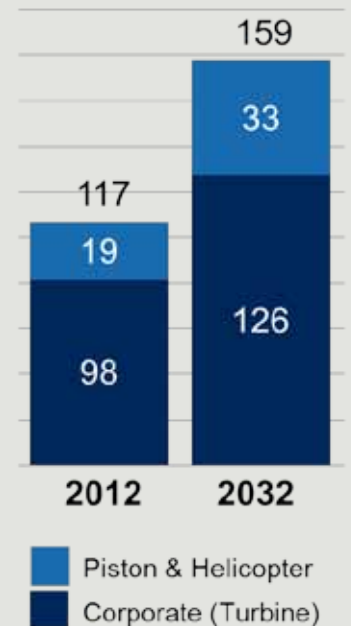
We understand that looking to the past is not always the best indicator of the future when it comes to airline service scenarios. Therefore, our plan was developed to be responsive to the various scenarios that could happen in the future – especially since planning covers a period extending out 20 years.

General Aviation

General or private aviation is a significant component of the total operations at Blue Grass Airport. While the recent economic recession has impacted general aviation activity, the 2013 Update identifies a positive outlook for demand based on tenant interviews and trends within the industry. In developing the general aviation outlook, the following considerations were taken into account:

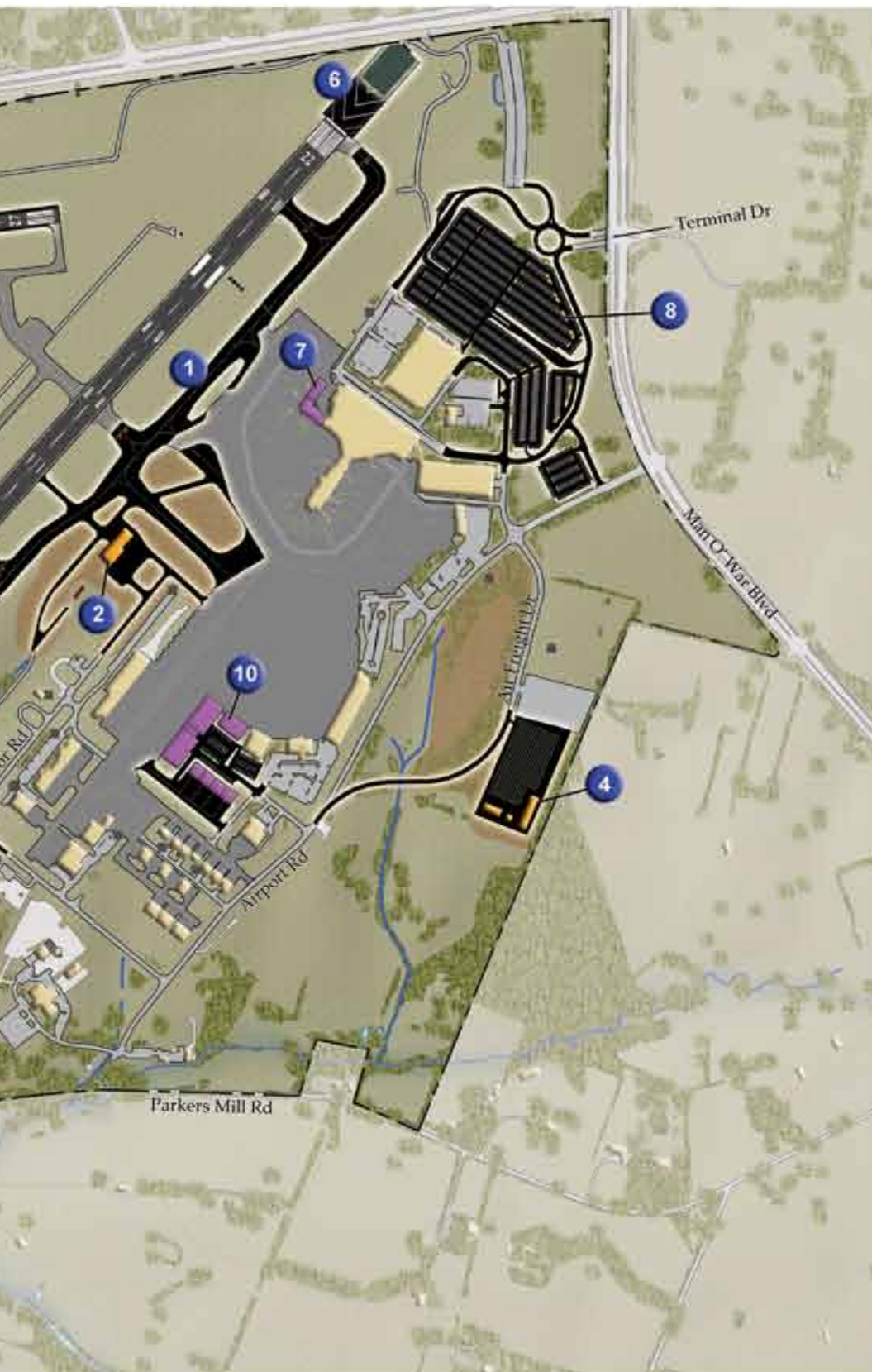
- Slow Economic Recovery
- Increase in Flight Training Activity
- Increase in Aircraft Maintenance & Repair Services
- Development of a West General Aviation Campus (Runway 9-27)
- Airport Services (Control Tower, Police & Fire Protection, Snow Removal)
- Premier Corporate Aviation Facilities within the Region

Based Aircraft Forecast





The Overall Concept



Capital Improvement Program

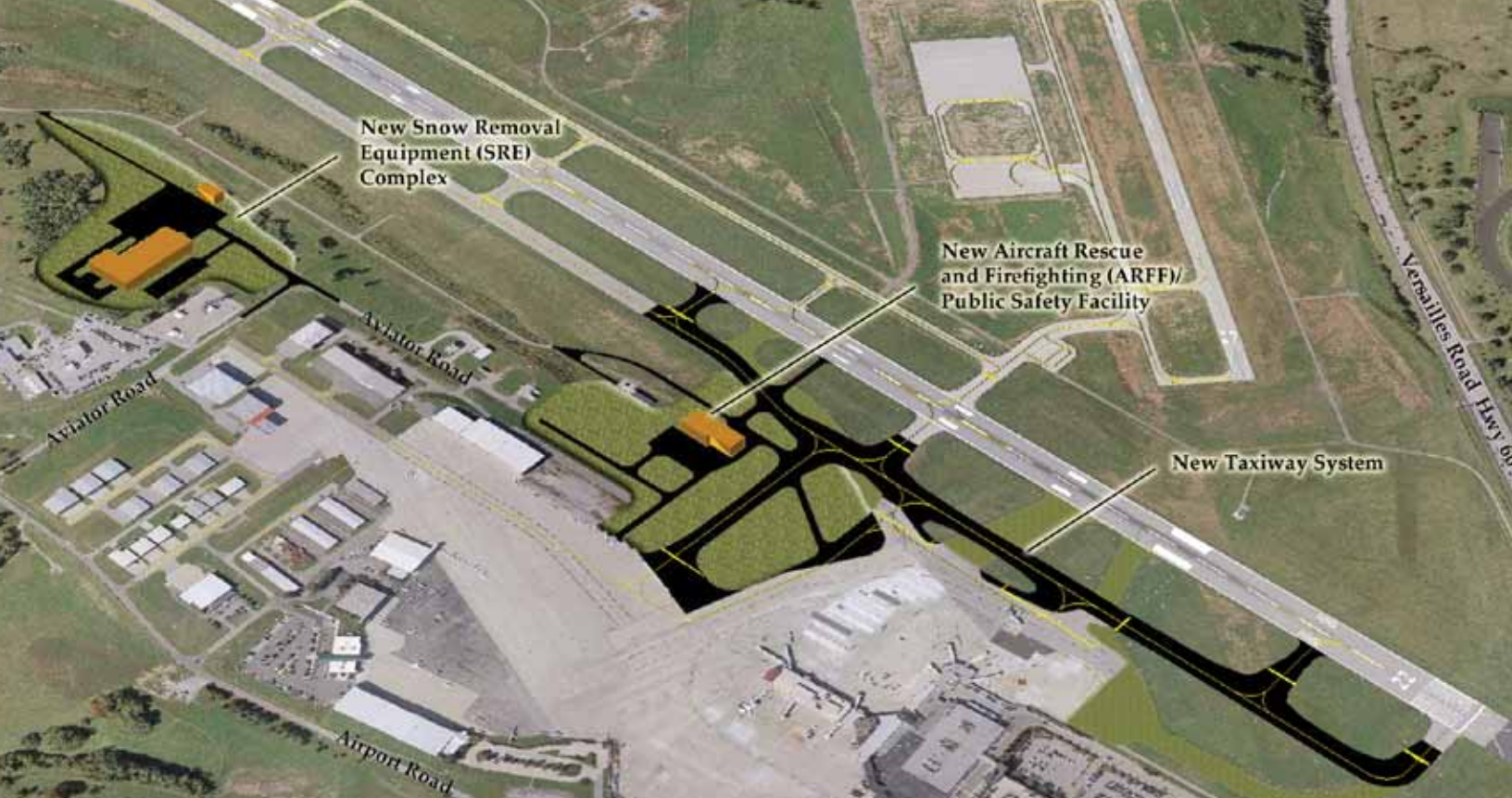
Short-Term Initiatives

- 1 Taxiway System Improvements
- 2 New Aircraft Rescue & Firefighting (ARFF) Facility
- 3 New Snow Removal Equipment (SRE) Complex
- 4 Consolidated Rental Car Facility
- 5 West General Aviation Campus - Phase I

Long-Term Initiatives

- 6 Runway 4-22 Rehabilitation & Safety Improvements
- 7 International Customs Facility
- 8 Parking Lot Expansion
- 9 West General Aviation Campus - Phase II & III
- 10 East General Aviation Campus - Redevelopment
- 11 Runway 9-27 Extension & Widening
- 12 New Air Traffic Control Tower (ATCT)





Taxiway Safety Enhancement Program

By listening to stakeholders who provided valuable input, the 2013 Update identifies a number of improvements to the existing taxiway system to enhance operational safety and improve the efficiency of aircraft movements at Blue Grass Airport.

The Taxiway Safety Enhancement Program represents a multi-year initiative by Blue Grass Airport to continue providing a quality facility meeting the needs of our customers today and well into tomorrow.

Key objectives include the following:

- Reduce Runway Incursion Potential
- Reduce the Potential of Aircraft Conflicts
- Enhance Separation of Aircraft Movements
- Enhance Operational Flexibility

To facilitate the objectives identified, the Taxiway Safety Enhancement Program is comprised of several infrastructure improvements, key among them the realignment of Taxiway A. Enabling projects involve the relocation of two key airport support buildings, which provide an opportunity to design and construct facilities that are more efficient and meet today's requirements.

Consolidated Rental Car Facility

In keeping with providing a quality facility, the 2013 Update identifies the development of a new Consolidated Rental Car Facility dedicated to serving our rental car partners. The new facility will be planned and constructed in a manner that will not interrupt current operations. We look forward to working with our rental car partners on this new facility so that they can serve their customers in an efficient manner.

Priority Projects

The Taxiway Safety Enhancement Program was a key outcome of the stakeholder engagement process.



West General Aviation Campus

Blue Grass Airport has a unique opportunity to develop new general aviation facilities associated with Runway 9-27. During the 2013 Update, we learned that our tenants have a strong desire to participate in the strategic vision of the West General Aviation Campus. Our goal is to provide facilities and services our customers can call their “home.”

Based on the input we received during the 2013 Update and a current waiting list for aircraft storage units, Blue Grass

Airport is in the process of designing the first phase of new facilities in the West General Aviation Campus.

Campus setting may be home to the following:

- Flight Training
- New Aircraft Storage Units
- Community Resources (Meeting Space, Offices, etc.)
- Dedicated General Aviation Community (Fly-In's, Cookouts, Education Flights, etc.)

Pavement Management & Safety

In 2012, Blue Grass Airport updated its comprehensive Pavement Management Program to assist in developing a strategic approach to maintaining pavement infrastructure. The program identifies both airside and landside pavement needs going forward.

Currently, safety enhancements to Runway 4-22 are planned to occur in 2018. These enhancements include pavement rehabilitation and may also consider the installation of Engineered Materials Arrestor Systems (EMAS) on both ends, as an additional safety measure.





Long-Term Projects (Six to 20 Years)

The 2013 Update establishes a long-term development program that continues to provide a quality facility that meets the needs of our customers. While understanding that the aviation industry will continue to evolve, Blue Grass Airport's long-term initiative consists of the following improvements:

- Asset Management & Infrastructure Rehabilitation
- Possible International Customs Facility
- Parking Lot Expansion
- Equipment Replacement
- West General Aviation Campus (Phases II & III)
- Runway 9-27 Extension & Widening

Financial/Capital Improvement Program

Blue Grass Airport maintains a commitment to the community and its stakeholders that it will adhere to the strongest ethical standards and ensure fiscal responsibility. The airport staff prudently manages its operating expenses, as well as millions of dollars in capital investments.

The 2013 Update identifies a wide range of capital improvements focused on providing a quality facility to our customers. The level of capital investments throughout the 20-year planning period are summarized in the following column:

SHORT-TERM CAPITAL INVESTMENTS:

\$53.2 MILLION

\$36.6 Million Federal
\$16.6 Million Local

LONG-TERM CAPITAL INVESTMENT:

\$64.7 MILLION

Moving Forward

Economic Impact of Blue Grass Airport

Blue Grass Airport provides a multitude of benefits to the economies of Lexington and Kentucky. In order to quantify the economic benefits of the airport, the Lexington-Fayette Urban County Airport Board commissioned an economic impact study of Blue Grass Airport.

Jobs

3,478

Payroll

\$104 million

Output

\$370 million



A Plan for Change

Blue Grass Airport is committed to providing our customers with high-quality service and a safe travel experience. The 2013 Master Plan Update identifies “core” infrastructure initiatives to enhance that commitment. It also outlines the tools to provide the best management of our assets. We recognize that the aviation industry will continue to

evolve, presenting unique opportunities and challenges going forward. This plan considers those contingencies and provides us the blueprint to respond accordingly.





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