

ECONOMIC DEVELOPMENT GRANT APPLICATION COVER PAGE

Title of Project: [Air Service Marketing Campaign Phase II](#)
Funds Requested: [14700](#)
Organization Applying: [Crater Lake - Klamath Regional Airport](#)
Contact Person: [LindaTepper](#)
Phone Number: [5418835372](#)
Email Address: ltepper@flykfalls.com
Mailing Address: [6775 Arnold Ave., Klamath Falls, OR 97603](#)
Web Site Address: www.flykfalls.com
Brief Description of Project: [Marketing of new air service being provided by PenAir through the purchase of ad space in the Alaska and Horizon Air in flight magazines for three months.](#)

The undersigned, as proposer, declares that he/she has carefully examined the requirements of the Klamath County Economic Development Grant Application packet and agrees, if the application is funded, that proposer will enter into an agreement with Klamath County to furnish the services as specified, in accordance with the grant application attached.

Signature of Applicant _____ Date _____

If the applicant is requesting funds on behalf of another organization, the application must be approved by that organization.

Signature of Organization _____ Date _____

1. Name of prospective grant applicant: Crater Lake - Klamath Regional Airport

2. Applicant type: Nonprofit corporation Tribe
 Public body Private business
 Other _____

3. Name of project: Air Service Marketing Campaign Phase II

(Use a brief descriptive title to allow for easy identification of the project).

4. Contact person for this project:

Name: Linda Tepper

Position: Business Manager

Organization: Crater Lake - Klamath Regional Airport

Telephone: 541-883-5372

Mailing address: 6775 Arnold Avenue, Klamath Falls, OR 97603

E-mail: ltepper@flykfalls.com

5. Project objectives (more than one objective may apply):

Job creation or retention

Education and training

Marketing and promotion

Building Capacity

Economic Development Infrastructure

Other (explain) _____

6. Describe the grant project briefly.

(Brevity is the soul of wit! Also provide a project schedule.)

Purchase of 2/3 vertical junior page in both the Alaska and Horizon Air in flight magazines for three months (Jan-Mar) to promote the Crater Lake - Klamath Regional Airport, PenAir service and local community..

7. Explain the source of funds for this grant project and complete the budget form:

(A detailed budget is not required; in the box below provide a general financial description. Identify how this project would be modified if only partial funding from the County is obtained.)

The Airport has set aside \$7,600 from its operating budget to purchase and design a 2/3 page ad in the Alaska and Horizon Air in flight magazines for one month and would use the County's funds to expand the ad purchase to three consecutive months. If only partial funding is received from the County the Airport would reduce the ad size or frequency to accommodate the amount of available funding.

8. Explain what exactly the project funds (and especially the county funds) will actually pay for and complete the budget form:

(A detailed budget is not required; in the box below provide a general financial description. Identify how this project would be modified if only partial funding from the County is obtained.)

County funds would be utilized to augment the Airport's fund to extend the advertising campaign from one month to three. County funds will be specifically used to purchase ad space from Paradigm Communications Group for the Alaska and Horizon Air in flight magazines. If only partial funding is received from the County the Airport would reduce the ad size or the frequency to accommodate the amount of available funding.

9. Identify the specific economic development benefits from the project:

[\(Reference to economic development objectives in section 5\).](#)

It is critical for the long term success of the new air service being provided by PenAir that it be extensively marketed beyond our local area. To achieve the level of passengers required to make the service financially viable for PenAir we need visitors to utilize the Crater Lake - Klamath Regional Airport as their preferred means to access the community. The ability to establish, and retain air service, supports economic development efforts on multiple fronts.

Job creation or retention - Air service has been shown to be a key factor in increasing visitors, both leisure and business, to a community. Additional visitors directly benefits the hospitality sector of the community (hotels, restaurants, local attractions) allowing for these businesses to grow and create more jobs. The multiplying effect of each "new" dollar spent by a visitor benefits businesses outside the hospitality sector enhancing the overall economic health of the community.

Education and training - Many professionals such as physicians, lawyers, finance professionals, architects and engineers must take continuing education classes or receive specific training on an annual basis. Many of these classes, conferences or programs are located outside of Klamath Falls and air service would greatly enhance the convenience of accessing these programs. This convenience factor is key in recruiting and retaining professionals to our community. In addition, air service makes it easier for our local higher education institutions to market their programs to potential students outside our area. For many potential students, the decision on where to attend college is a family decision with many parents looking at the ease to which they or their child can get to and from Klamath Falls as an important factor in the decision making process.

Marketing and promotion - The ad campaign proposed in this grant application will market the greater Klamath area to potential visitors, both business and leisure, through the Alaska and Horizon Air in flight magazines. Alaska and Horizon Air have over 2.5 million passengers per month on their flights providing an excellent opportunity to promote our local community to those looking to visit for either leisure or business purposes. And marketing in both the Alaska and Horizon Air magazines provides both regional and national exposure.

Building capacity - Air service directly supports the mission of the Klamath County Economic Development Association and the City of Klamath Falls to recruit new companies to the community and retain and grow existing companies. For many companies having convenient access to air service is a key factor in their decision on whether to even consider a community as a potential site for their business.

10. Identify how this project is consistent with regional or local economic development plans:

<http://www.scoedd.org/docs/2013%20CEDS%20Final.pdf>

One of the goals of the SCOEDD Comprehensive Economic Development Strategy 2013-2018 Plan is to "Create economic opportunities by maintaining and improving our public infrastructure and capitalizing on our natural and cultural assets." The Airport, and by association the services that it offers to the community such as air service, is a vital piece of public infrastructure. The ability of people to easily access the community is a vital component of being able to market our natural and cultural assets. Klamath Falls and the greater community have many great attributes but to showcase them interested parties need to be able to easily access the community. Having to utilize an airport outside the community creates a hurdle that must be overcome putting the community at an immediate disadvantage. In some instances, the lack of air service might even prevent Klamath Falls from moving beyond the initial screening by site selectors.

11. Describe the prospective applicant's experience in administering and/or delivering similar types of projects:

The Crater Lake - Klamath Regional Airport has extensive experience managing grants at the County, State and Federal levels. The Airport has received, and successfully executed in the past, Klamath County Tourism grants, State ConnectOregon grants and on an annual basis Federal Aviation Administration Airport Improvement Program grants. Specifically the Airport has successfully planned, implemented and executed an Air Service Marketing Campaign Phase I for the new PenAir air service utilizing \$75,000 in funds from a Small Community Air Service Development Program grant. The Airport also works closely with Discover Klamath in all our marketing efforts, utilizing their knowledge and experience to develop effective strategies that will achieve our objectives.

12. Describe how the prospective applicant's intends to publically acknowledge the assistance received from the County:

(At a minimum, the applicant will provide a press release to local media).

The Airport intends to provide a press release to the local media to acknowledge the assistance received from the County and include the County's logo in the ad which will be placed in the Alaska and Horizon Air magazine.

This grant application and associated cover page, budget form and letters of support are due no later than September 15, 2016 at 2pm.

Economic Development Advisory Committee may request additional information.

**Klamath County Economic Development Grant Application
Project Budget**

INCOME	Committed	Pending	Total	Actual	Comments/Explanations
County Grant Request		14700	14700		
Cash Revenues - Source: Airport	7600		7600		
Source:					
Source:					
Total Cash Revenues	7600	14700	22300	-	
In-Kind Revenues: Source:					
Source:					
Source:					
Total In-Kind Revenues	-	-	-	-	
Total Revenue	7600	14700	22300	-	
EXPENSES					
Cash Expenses - Personnel costs					
Travel costs					
Materials and supplies					
Professional services					
Other: Advertising	-	22050	22050	-	
Other: Ad Design Services		250	250		
Other:					
Other:					
Total Cash Expenses	-	22300	22300	-	
In-Kind Expenses Labor					
Other:					
Other:					
Other:					
Other:					
Other:					
Total In-Kind Expenses	-	-	-	-	
Total Expenses	-	22300	22300	-	
Net Income<Expense>	-	0	0	-	

NOTES

Advertising: 2/3 vertical junior page (\$7,350/month) in both the Alaska and Horizon in flight magazines for three months (Jan-Mar) promoting the Crater Lake - Klamath Regional Airport, PenAir service and local community attractions.

Board of Directors

Todd Andres

PacificCorp

Dan Keppen

Dan Keppen & Associates, Inc

Rachael Spoon

State Farm Insurance

Randy Shaw

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Herald & News

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Cascade Comprehensive Care

Col. Wes French

173d Fighter Wing, Kingsley Field

Tessa Gutierrez

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Party Time/Power Pac Rentals

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Oregon Institute of Technology

Klamath Community College

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Heather Tramp

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Member Outreach

Joyce Jordan

Office Coordinator

Chrystal Vaughan

Office Assistant

205 Riverside Drive Ste A

Klamath Falls, OR 97601

Phone: (541) 884-5193

Fax: (541) 884-5195

www.klamath.org



Klamath County CHAMBER OF COMMERCE

Lead. Connect. Advocate.

September 13, 2016

Klamath County Finance
Economic Development Grant Program
305 Main St.
Klamath Falls, OR 97601

RE: Letter of support for Crater Lake – Klamath Falls Airport Grant Application

To Whom It May Concern:

Please accept this letter on behalf of the Klamath County Chamber of Commerce in support of the Crater Lake – Klamath Regional Airport's grant application to the Klamath County Economic Development Program. The Airport's application for funds to be used to market the new air service being provided by PenAir has our support for funding.

The Klamath County Chamber of Commerce is committed to the economic vitality and livability of the area. The Chamber represents over 500 businesses located in or near Klamath County and for many of them air service is a critical component of their success.

Air service brings additional visitors to town resulting in increased business for the hospitality sector and other associated industries like rental car agencies. These visitors bring "new" dollars that are then spent throughout the community to many other local businesses contributing many times over to the economic health of the community.

Air service makes it easier for professionals such as physicians, lawyers, finance professionals, architects and engineers to gain access to necessary continuing education classes or specific training – most of which occur outside of Klamath Falls. These professionals are critical to a thriving community and having convenient air service goes a long way in recruiting and retaining them to/in Klamath Falls.

The successful launch and establishment of air service by PenAir is something that the entire community should be invested in as it pays dividends to everyone. Utilizing grant program funds to advertise this new service through the Alaska Air/Horizon Air inflight magazines would be an excellent use of funds that would benefit the entire community.

Sincerely,

Heather Tramp
Interim Executive Director
Klamath County Chamber of Commerce
(541) 884-5193
heathert@klamath.org

"The Klamath County Chamber of Commerce is committed to Klamath County by advancing its economic vitality and quality of life through the education, promotion and networking of our members"



September 14, 2016

John T. Barsalou, A.A.E., Airport Director
Crater Lake – Klamath Regional Airport
6775 Arnold Avenue
Klamath Falls, OR 97603

RE: Application – Klamath County Economic Grant

Dear Director Barsalou,

On behalf of the 15 member Board of Directors of **Discover Klamath Visitor and Convention Bureau**, the official tourism agency for Klamath County, Oregon, we would like to express our thanks for your continuous efforts to improve our flight infrastructure and service in Klamath Falls and the Klamath Basin catchment area. And, we would like to take this opportunity to congratulate you on your President's Award this month for your leadership in bringing air service back to Klamath Falls following a protracted battle with the T.S.A. over returning to our market.

With that, we gladly and enthusiastically support your/the airport's efforts to secure a Klamath County Economic Development Grant in the amount of \$7500 (with an airport \$7500 match).

Currently, the airport has a marketing fund to promote the new PenAir Service. This marketing fund will be exhausted by the end of this year, however. Additional funds are needed to sustain current promotional efforts aimed at: (a) Generating 100% awareness that air service is available from Crater Lake – Klamath Regional Airport, and, (b) Incenting Trial / Purchase of airline tickets.

We know, based on working with you and your Staff over many months, you/your Team will use these funds judiciously and smartly to maximize the marketing impact and in the process sell more tickets.

By stating the obvious, from a tourism point of view, having an airport is critical to bringing more tourists to the area while protecting jobs in the hospitality sector. We know tourists spend, and it will take \$93,750 in hotel bookings to recoup the \$7500 investment from the County. At \$100 per night, that is 938 hotel nights. This seems to be a reasonable and attainable goal over a six month period (156 hotel nights per month / 39 per week).

Once again, we support this project and wish you luck securing an Economic Development grant.

Jim Chadderdon

Jim Chadderdon
Executive Director

September 9, 2016

RE: Letter of Support / County Economic Development Grant for Air Service Advertising

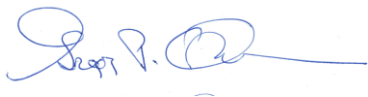
To Whom It May Concern,

It has come to our attention that the Crater Lake Klamath Regional Airport is seeking grants funds through the county's economic development fund. KCEDA would like to express their support and encourage a strong consideration to augment and expand advertising for air services. These requested funds would greatly leverage other significant marketing and advertising programs that are implemented by Discover Klamath (tourism) and KCEDA (Business Travel). We believe that expanding support for our new air services, will help keep Klamath connected with national and global economies by:

- **Creating and Retaining jobs in Klamath County:** The investment of grant funds supports the airport as the business hub for retention and attraction of new companies. Direct access to air service will cut operational costs for business travel and provide time savings for local businesses and employers.
- **Enhance Workforce and Business Skills:** In today's business climate employers know that education, training and skill enhancement is required to stay competitive. Direct air service will give local residents and employers the option to travel to Portland or beyond, extending people's reach to participate in valuable programs, seminars, conferences, and more.
- **Support and Expand the Capacity of Economic and Business Development Organizations:** Economic development and business professionals will gain tangible competitive advantages from inbound and outbound air service to key markets. This value especially impacts business sectors that need or require seamless connections between key supply chain markets.

The investment of Klamath County Grant funds will go a long way to help grow airport revenues as well as generate economic opportunity. Furthermore, getting the enterprise launched successfully will assure longevity of air service.

Respectfully,



Greg O'Sullivan
Executive Director



RUNNING Y RANCH
RESORT

9-13-16

Economic Development Program Committee

Dear Committee:

Running Y Ranch Resort is pleased to write a letter of support for Crater Lake- Klamath Falls Region Airport application for Marketing Funds for the Horizon/ Alaska Magazine.

The Running Y Ranch Resort is thrilled about the return of air service to the Crater Lake- Klamath Falls Region Airport. This return to service is sure to directly benefit the Running Y Ranch Resort as well as the Klamath Basin tourism industry at large. This return of service will result in an increase of both transient and business traffic to the Klamath Falls tourism market. With direct connect flights to Portland Klamath Falls also stands a better chance of companies looking to relocate to the area. The ease of access to the Portland market for training, meetings, and client calls will benefit many companies in Klamath Falls including the Running Y Ranch Resort.

The Running Y Ranch Resort has a long standing relationship with the Crater Lake- Klamath Falls Region Airport. The Running Y Ranch Resort is looking forward to occupying three of the in lobby back lit signs at the airport and doing other co-op marketing with the Crater Lake- Klamath Regional Airport in the future.

Running Y Ranch Resort enthusiastically supports Crater Lake- Klamath Falls Region Airport efforts towards receiving a Klamath Economic Development Grant towards marketing to increase travel to the Klamath Falls market.

Sincerely,

Victoria Haley
Director of Sales and Marketing

