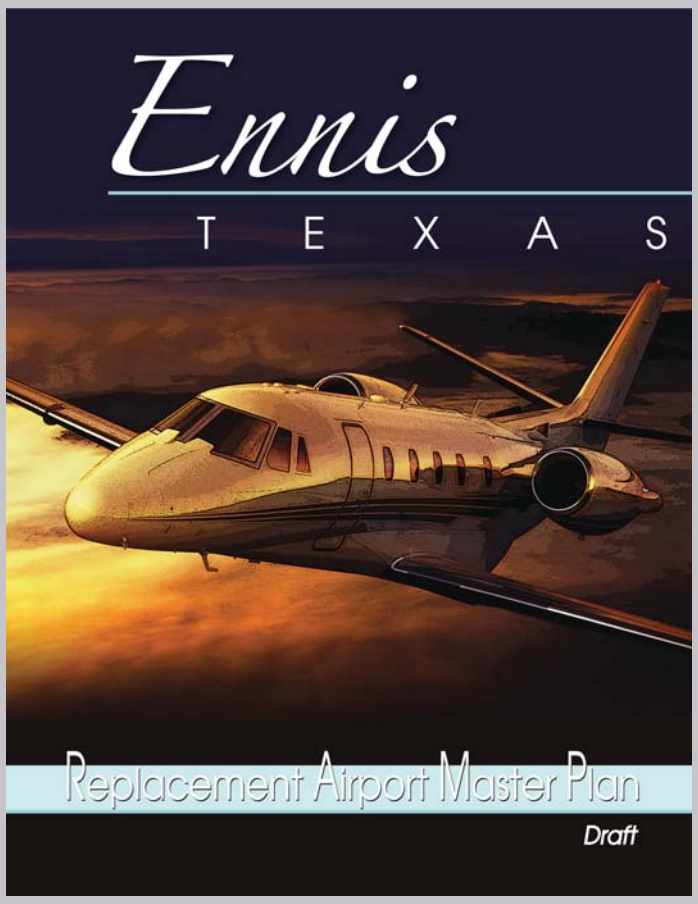


Ennis Replacement Airport Summary

The City of Ennis is nearing completion of a planning process that evaluated the existing Ennis Municipal Airport, identified a site for a replacement airport, and developed a master plan of the proposed replacement airport. Working in partnership with the Texas Department of Transportation – Aviation Division (TxDOT), in which TxDOT funded 90 percent of the study costs, three separate planning studies were developed. The airport planning firm of Coffman Associates, in conjunction with KSA Engineers, developed the following planning documents in accordance with federal and state guidelines:

Airport Feasibility Study (Final August 2005): This initial study concluded that the existing Ennis Municipal Airport was inadequate to serve forecast growth of aviation in the area. The existing airport is encumbered by several constraints, the most significant of which include the inability to meet various FAA safety and environmental standards.

Airport Site Selection Study (Final August 2006): Utilizing the latest Geographic Information Systems (GIS) technology and site visits, 14 potential airport replacement sites were narrowed to five (5) that were studied in detail. A single site, located adjacent and to the west of the Texas Motorplex, was identified as the preferred site.

Airport Master Plan (Draft Final August 2009): A master plan of the preferred replacement airport site has been developed and is currently in draft form. A separate Environmental Assessment (EA) of the site is also in draft form. The master plan included detailed evaluations of the long term potential of the replacement airport and cost estimates for construction.

Purpose and Need

The existing Ennis Municipal Airport is constrained from future growth, is in non-compliance with current FAA and TxDOT design standards, and is negatively impacted by several environmental issues. Constraints to future growth include the physical location of Lake Clark which currently reduced the available runway length. Residential development and Country Club Road (FM 1722) limit expansion to the north. As a result, the airport cannot be reasonably developed to accommodate the business aircraft that commonly utilize general aviation airports today.

Environmentally, the airport is located adjacent to Lake Clark with the south runway end less than 100 feet from the lake. This presents a significant bird strike danger which has become a high priority safety concern for both the FAA and TxDOT, due to several high profile bird strikes including the emergency landing of a passenger airliner in the Hudson River in New York. The airport also has soil erosion problems due to local drainage patterns. The soil erosion causes early deterioration of the runway pavement necessitating frequent pavement rehabilitation well before the useful life of the pavement has been reached.

The studies have outlined the positive growth trends for the City of Ennis in both employment and population. In order to continue to attract such businesses, a full service general aviation airport is needed.

Replacement Airport Justification

As part of the master plan study, new forecasts of aviation demand were developed. The forecasts show continued aviation growth for the region. The minimum number of based aircraft necessary to justify a new or replacement airport is ten (10). The existing airport has 14 based aircraft. By the long term planning period (20-years), up to 70 based aircraft are forecast provided adequate facilities were available.

In recent years, the FAA and TxDOT have supported replacement airport projects that can provide the potential for positive economic impacts to the communities which they serve. Basically, these agencies are more likely to support the construction of a new or replacement airport if the project will also have a positive economic impact. As a bonus, the selected replacement airport site has the ability to support an adjacent industrial/business park development. It should be noted that federal aviation grants can only be used for airport development; therefore, any supporting industrial/business park would be the responsibility of others (e.g., the city, private developers, etc.).

The City of Ennis has been very aggressive in attracting businesses to the City. The Ennis Economic Development Corporation (EEDC) understands and supports the need for a highly functional replacement airport which can accommodate all general aviation aircraft while meeting current FAA design and safety standards. Communities with inadequate general aviation facilities are at a disadvantage when competing for these businesses. The studies identified at least 13 businesses with operations in Ennis that utilize general aviation for transport of executives, management, suppliers and/or customers. Currently only two of these utilize the existing airport.

Financing

A capital improvement program for the design and construction of a replacement airport is presented in the airport master plan. The planned airport would be included in the National Plan of Integrated Airport Systems (NPIAS), which is the list of airports that are eligible for development funding from the Airport Improvement Program as administered by the FAA. As a block grant state, TxDOT has the responsibility to distribute these funds within the state. Eligible airport development projects, including a replacement airport serving the Ennis area, would be eligible for 90 percent funding.

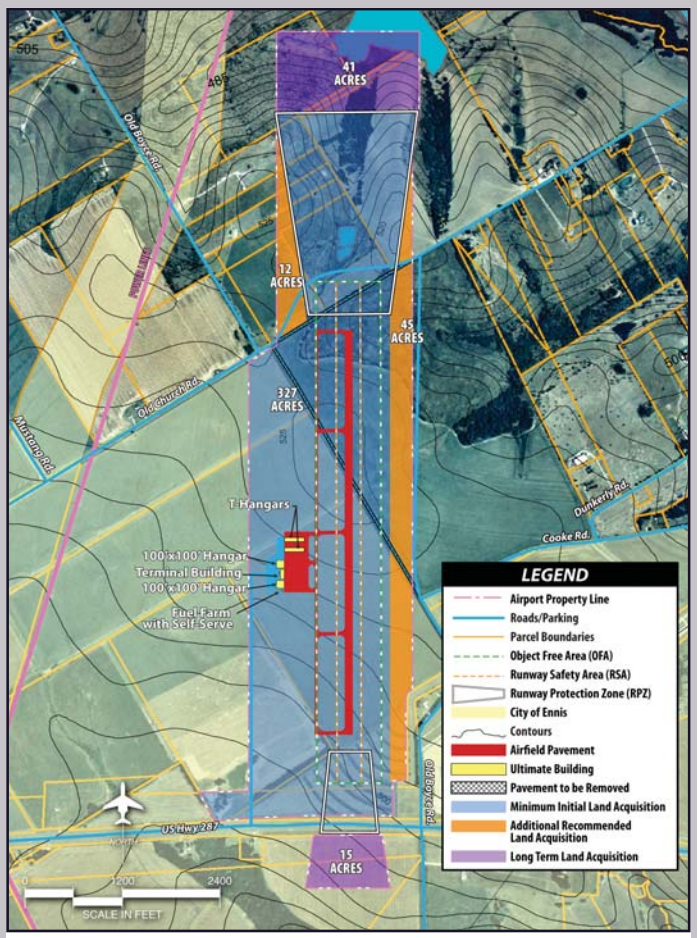
The City of Ennis would be required to sell the existing airport property and use the proceeds towards the replacement airport. Because 80 percent of the existing airport property was originally city property, this percentage of the proceeds could be applied to the 10 percent city match. The proceeds from the remaining 20 percent of airport property, which was acquired with federal grants, would be applied to the baseline construction costs.

The initial airport construction is estimated at $25.2 million (not including property acquisition). If the existing 120-acre airport property was sold for $2.4 million (estimated $20,000 per acre), then approximately $500,000 would go toward capital projects and $1.9 million would be available to the city in the form of matching grants. Once 20 percent is applied to the estimated construction cost, the City of Ennis would be responsible for providing a 10 percent match on $24.7 million ($25.2 million - $500,000) or $2.47 million. With $1.9 million available to the city from the proceeds from the sale of the existing airport property, approximately $570,000 would be the further responsibility of the city.

Airport Benefits

General aviation airports provide myriad benefits to the communities in which they are located. Paramount of these is to provide an increased level of services to the community. Often this is comparable to the provision of public parks or roads. Airports have the additional benefit of generating revenue through land leases, hangar rentals, and fuel sales. The following is a list of community benefits that airports can provide:

- Stimulation of Business: The presence of an airport is often an important consideration in siting new businesses.
- Aviation Related Business: Only an airport can serve as a base for businesses that require runway access. Some of these businesses are fixed base operators, maintenance facilities, aerial mapping companies, utility monitoring companies, aerial spraying companies, and many other specialty operators.
- Education and Training: General aviation airports are a primary training ground for commercial pilots.
- Civil Defense: Airports often serve as staging grounds in the event of natural disasters such as tornados and floods. They also support Civil Air Patrol and National Guard units.
- Access to the National Airport System: Through the local airport, citizens have access to the most extensive network of airports in the world. A replacement airport would be an improved airport that could accommodate a greater range of aircraft types.
- Delay Reduction: Aircraft that might otherwise utilize a more congested commercial service airport can instead utilize a more local airport.
- Recreation and Tourism: Many private pilots utilize aviation as recreation through aircraft ownership, flying clubs, aircraft lease, and fractional ownership.
- Enhanced Medical Care: The availability of an airport can enhance time-sensitive medical transports. This would include transportation of specimens for testing, organ transplants, and trauma care.
- Transportation Benefits: The proximity of an airport to the business center of a community reduces transportation costs associated with travel to a more distant airport.
- Economic Impact: This includes the direct benefit of on-airport employees, their payroll, and the revenues produced by airport businesses. Indirect benefits such as restaurants and lodging would positively impact the community. Induced impacts such as the circulation of money within the community would contribute to the overall economic benefit of an airport. Finally, the opportunity to attract businesses that may not be aviation-related but use general aviation would become available.



Coffman Associates Airport Consultants

ENNIS TEXAS EST. 1872

MID-WAY REGIONAL AIRPORT

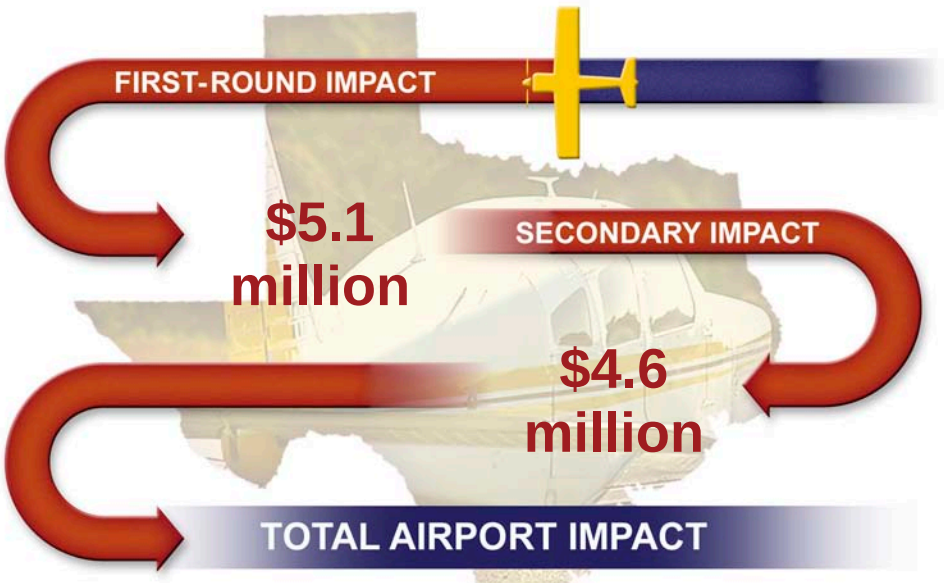
Mid-Way Regional Airport, owned by the cities of Midlothian and Waxahachie, is a public-use general aviation airport located in Ellis County, Texas. The airport, which occupies approximately 250 acres of land, operates one asphalt runway, Runway 18/36, measuring 5,000 feet in length and 75 feet in width. A runway expansion project planned for completion in 2007 will extend the runway to 6,500 feet and widen it to 100 feet.

The direct output attributable to the airport is estimated at $4.5 million. The 4,750 general aviation visitors that arrive at the airport each year support an additional $394,000 in payroll and $626,000 in direct economic output.

When combined, the general aviation tenants and visitors at the airport are responsible for over $9.7 million in total economic output, 89 full-time jobs, and $2.9 million in payroll.

The primary aviation-related activities that take place at Mid-Way Regional Airport on a regular basis are corporate use, aerial inspections, military operations, and recreational flying. Additionally, the airport provides several community-based services and programs to enhance the health, safety, welfare, and quality of life of area citizens. Such services include Civil Air Patrol search-and-rescue operations, and police and fire support.

Mid-Way Regional Airport hosts an annual fly-in. The airport also serves as a gateway for visitors who use the facility in pursuit of local recreational opportunities, including hunting and auto racing.



Total Employment	**89 jobs**
Total Payroll	**$2.9 million**
Total Economic Activity	**$9.7 million**

IMPACT TYPES

First-Round Impacts include both direct and indirect impacts. Direct impacts are those benefits associated with on-airport business and government spending that support general aviation. Indirect impacts generally take place off-airport and are usually attributable to the spending of visitors who arrive in a community via general aviation aircraft.

Secondary Impacts primarily consist of induced impacts, which are those benefits (dollars and employment) that result from the re-circulation of direct and indirect impacts within the economy. This re-circulation is commonly referred to as the "multiplier effect".

Total Impacts are the combination of all first-round and secondary impacts.

IMPACT MEASURES

Employment measures the number of full-time equivalent jobs related to general aviation activity.

Payroll measures the total annual wages and benefits paid to all workers whose salaries are directly or indirectly attributable to general aviation activity.

Economic Activity (Output) measures the value of all goods and services related to general aviation in Texas. The output of general aviation businesses is typically assumed to be the sum of annual gross sales and average annual capital expenditures.