



# CITY OF SIOUX CITY, IOWA

FY 2016 Priority Project Update  
& Requested Assistance

April 2015

[WWW.SIOUX-CITY.ORG](http://WWW.SIOUX-CITY.ORG)



# TABLE OF CONTENTS

<b>2014 Sioux City Successes .....</b>	<b>2-11</b>
<b>City of Sioux City, Iowa Map .....</b>	<b>12</b>
<b>Hoeven Valley Transportation Improvements .....</b>	<b>13</b>
<b>Southbridge Business Park .....</b>	<b>14-16</b>
<b>Interstate I-29 Reconstruction Project .....</b>	<b>17</b>
<b>US Highway 20 .....</b>	<b>18</b>
<b>Public Transit Funding Levels .....</b>	<b>19-20</b>
<b>Section 8 Housing Choice Voucher Funding Cuts .....</b>	<b>21-22</b>
<b>HUD Entitlement Communities Funding Cuts .....</b>	<b>23</b>
<b>Essential Air Service Program .....</b>	<b>24-25</b>
<b>City of Sioux City Contacts .....</b>	<b>26-27</b>

Sioux City MSA Ranks High for Economic Development



Home Base Iowa Community Designation



## 2014 SIOUX CITY PROGRESS HIGHLIGHTS

### Southbridge Rail Yard: TrinityRail



### Bomgaars Distribution Center Expansion



# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## Sabre Industries Expansion



## Sunnybrook Development



## 2014 SIOUX CITY PROGRESS HIGHLIGHTS

### Williges Lofts Offer Downtown's Newest Market Rate Housing Development



### Hard Rock Hotel and Casino



# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## Children's Museum of Siouxland



## V Lofts Development

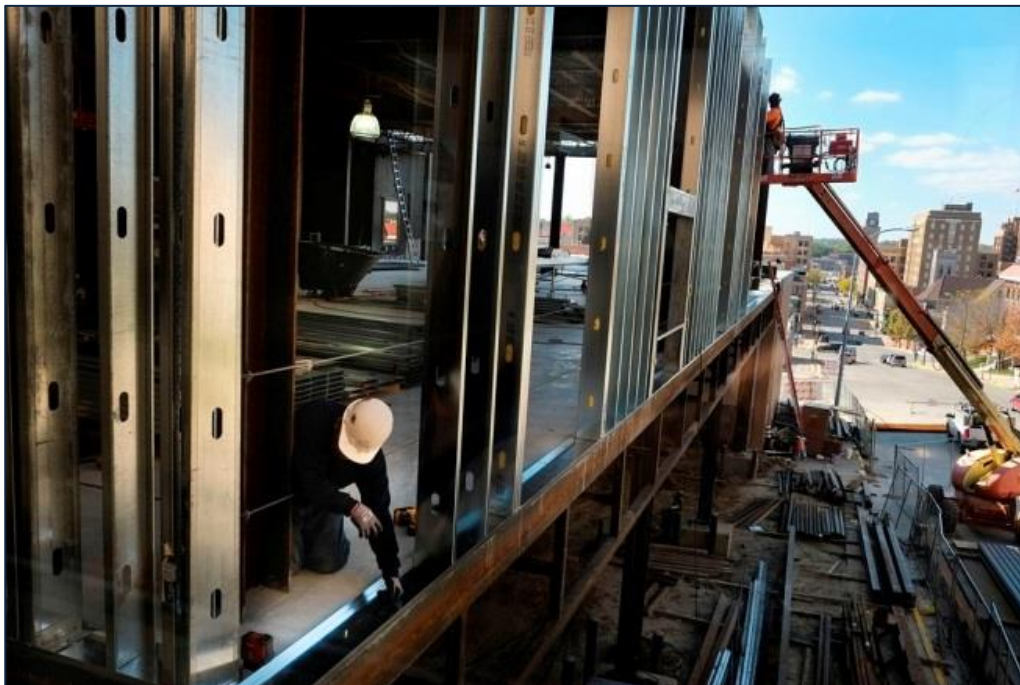


# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## Ho-Chunk Centre Renovations



## Mercy Medical Center Expansion







# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## New Regional Entrepreneurship Project



## Startup Weekend and Dream Big Grow Here



# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## I-29 Reconstruction



## Eagle Ridge Housing Development

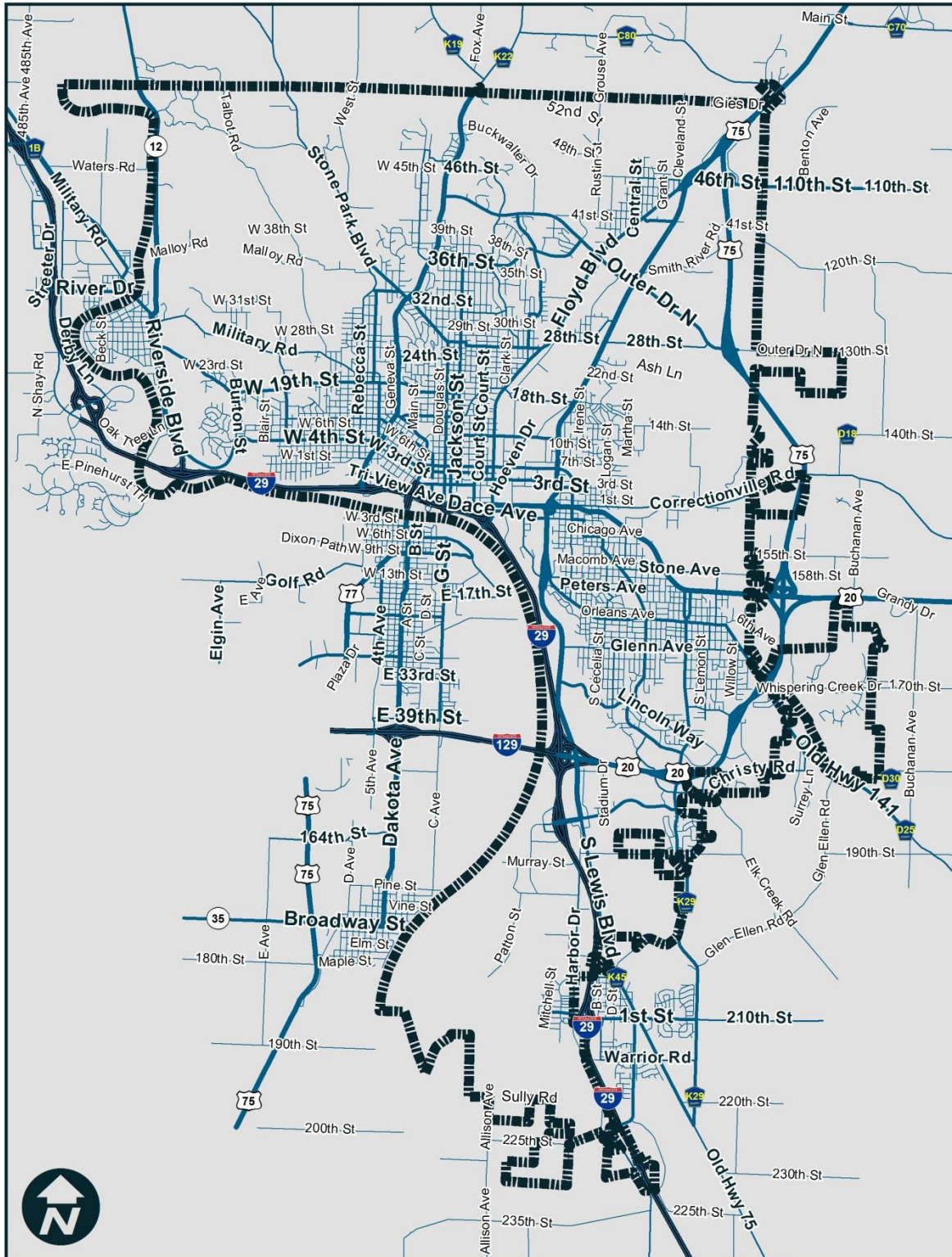


# 2014 SIOUX CITY PROGRESS HIGHLIGHTS

## Northern Valley Crossing Development



# MAP OF THE CITY OF SIOUX CITY, IOWA



# HOEVEN VALLEY TRANSPORTATION IMPROVEMENTS

## ISSUE

Conflicts between rail and car/truck traffic can have a significant impact on business efficiency and commuter safety. For this reasons it is important for a community to build infrastructure to resolve conflicts and improve the safety and efficiency of its transportation networks. Historically, Sioux City has had success in constructing projects which address these concerns. Projects include the recent over and underpasses with the construction of Outer Drive North, the construction of Floyd Boulevard several years ago, and the Iowa Department of Transportation (IDOT) crossing of Gordon Drive (built in the 1930s). All of these projects eliminate conflict in their respective areas. Even with these past successes, the City needs to continue the effort to resolve conflicts that pose a safety threat and slow down access to important commercial areas of the City. Among these identified improvements is the 18<sup>th</sup> Street Viaduct, which last year received \$1 million in federal funding through the Transportation Investment Generating Economic Recovery (TIGER) Planning Grant Program.

## SUPPORT REQUESTED

Sioux City would like to thank you for the support provided in acquiring the 2014 TIGER Planning Grant. This grant is the first step in being able to develop the 18<sup>th</sup> Street Viaduct Project. These funds will allow the City to design area improvements and consider the impacts that new infrastructure will have on the established Hoeven Valley Corridor. The planning study will also allow for development of alternative transportation options through the area for citizens wanting to safely access the City's recreational trail system.

Hoeven Valley is the home of several major industries which depend upon efficient and safe transportation routes to operate and grow. Many of these industries also have dependence on the rail network for the supply of raw materials of the transportation of their finished goods. Projects such as the Viaduct will help to improve the efficiency and safety of the existing road and rail infrastructure. These are the kinds of enhancements that allow the businesses to thrive and grow in the communities in which they are established.

## BACKGROUND

The City has repeatedly applied for the TIGER Construction Grant which would provide funding to build the infrastructure projects, such as the 18<sup>th</sup> Street Viaduct. Last year, the City also submitted an application for a TIGER Planning Grant which would provide funding for the planning and design of infrastructure improvements in the Hoeven Valley corridor. The City was notified of the TIGER award after the 2014 Washington D.C. visit and the receipt of legislative support from our Iowa delegation.

In early discussions with the Federal Highway Authority it has been suggested that the planning grant is an important first step in assembling a project that will be more qualified for future construction funding. Over the next two years the City will work to complete planning and design in preparation of future requests for federal assistance. Legislative support associated with continued infrastructure funding programs will help to ensure growth of these Sioux City based industries.

## AUTHOR

Jade Dundas, Assistant City Manager for Public Works, City of Sioux City, Iowa,  
[jdundas@sioux-city.org](mailto:jdundas@sioux-city.org) 712.279.6957

## ISSUE

The City of Sioux City wishes to provide a progress update on infrastructure and industrial development projects in the Southbridge Business Park. The City requests continued tri-state Congressional support for the construction of critical infrastructure needed to secure major new economic development projects through the development of the Southbridge Business Park.

## SUPPORT REQUESTED

The continued development of industrial sites in the Southbridge Business Park will be enhanced by additional improvements to the transportation and utilities systems in the area. The City requests federal support for the construction of additional industrial-scale infrastructure with improvements to the transportation network, including planning of a new Interstate 29 (I-29) interchange.

In addition, the creation of a rail-served industrial business park will positively impact Sioux City and the surrounding regional area by increasing safety and providing efficient growth of freight rail transportation, with reduced truck traffic, vehicle emissions, and other environmental benefits over the projected 20-year horizon.

## BACKGROUND

The development of the Southbridge Business Park was necessitated by the limited opportunities for large, flat industrial development sites in the community, and the economic challenges faced by the community in recent years. The City will incur significant costs to be able to continue creating opportunities for the attraction of quality jobs and capital investment to grow the local and regional economy.

The City is currently also financially burdened by the ongoing reconstruction of I-29 (currently about half-way through the 10-year construction project). The I-29 project incorporates critical safety and capacity improvements to the 10-mile length of this vital transportation link for the tri-state region. Prior to the start of construction, this was the oldest section of urban interstate highway in Iowa. While the highway construction costs are paid through state and federal highway funds, The City's required utility relocation costs exceed \$40 million.

## UPDATE

- **The Southbridge Business Park** is strategically located immediately south of the Sioux Gateway Airport/Col. Bud Day Field, adjacent to I-29, with nearby rail service and several thousand acres of potentially-developable land. In addition to the speculative purchase of more than 300 acres of development property, the City has invested over \$65 million in infrastructure. Infrastructure projects to support business development in Southbridge include:
  - **Water Treatment Plant** - A \$35 million water treatment plant and well system went online in early 2012. The facility is interconnected to the City's existing water system and provides an additional 10mgd (expandable to 30 mgd) of capacity to Sioux City.
  - **Southbridge Drive** - Working with the 185th Air Refueling Wing of the Iowa Air National Guard, the existing airport access road was relocated out of the airport area, providing a new north/south access road into the new business park. The project also improved access and security to one of Iowa's two National Guard bases. The new street, renamed Southbridge Drive, was opened in 2012.

## SOUTHBRIDGE BUSINESS PARK

- **225<sup>th</sup> Street** – This rural gravel road was reconstructed to industrial standards to meet the demands of growing industry in the Southbridge area. All associated utilities were also upgraded as part of this project. A final leg of this project, providing a more truck-friendly connection to Port Neal Road, is expected to be completed in 2016.
- **Drop and Pull Rail Yard:** With support from our Congressional delegation, the City of Sioux City has been awarded nearly \$3.2 million in grant funds from the Economic Development Administration (EDA) and the Federal Rail Administration (FRA) to assist with rail improvements in Southbridge Business Park. These funds are supporting the construction of an industrial lead track and “drop & pull yard”. Total cost of the project is approximately \$7.5 million. Following several years of coordination with Union Pacific and federal funding agencies, construction began in September 2014 and is expected to be complete by mid-summer 2015.
- **TrinityRail Maintenance Services** chose a 120-acre site in the Southbridge Business Park as the home of its next railcar maintenance and remanufacturing facility. The project will include an initial investment of approximately \$30 million and will bring 250 new, well-paid jobs to the region. The company was drawn to Southbridge for the “shovel-ready” site which includes new road and utility infrastructure and improved access to Interstate 29. A major factor for the company was also the availability of the City’s rail yard with access to Union Pacific rail service.
- **Sabre Industries**, a leading provider of communication and electric transmission infrastructure products, opened its new 150-acre Southbridge industrial campus in 2012 and began the first expansion of these facilities in 2014. To accommodate growing customer demands in the utility industry, the company completed the expansion of its main manufacturing facility and is nearly finished on a new building to house the Sabre’s Catalog Division. The long-time Sioux City manufacturing company was the first to build in Southbridge growing their highly skilled workforce to 532 employees with an initial \$28 million investment in 2012 and a subsequent investment of \$8 million for the Phase II expansion in 2014.

**U.S. Economic Development Administration (EDA) National Priorities:** The EDA grant award was from disaster relief/mitigation funds related to the 2011 Missouri River flooding. The City worked closely with our Congressional delegation and the EDA regional staff on the successful award to support the Southbridge Rail project. This project met the criteria geared toward assisting with the community’s economic recovery.

**Federal Priorities:** Development of the Southbridge Business Park fits in line with federal EDA priorities including the business expansion of clean energy, green technology, and environmentally-sustainable development. The Southbridge project also fits well with federal U.S. Department of Transportation priorities of job creation and near-term economic activity, especially in economically-distressed areas; transportation benefits and readiness; economic competitiveness, safety, and environmental sustainability.

New infrastructure in the Southbridge Business Park will significantly aid in the City’s ability to attract new industry and assist existing industry with expansion by providing shovel-ready sites



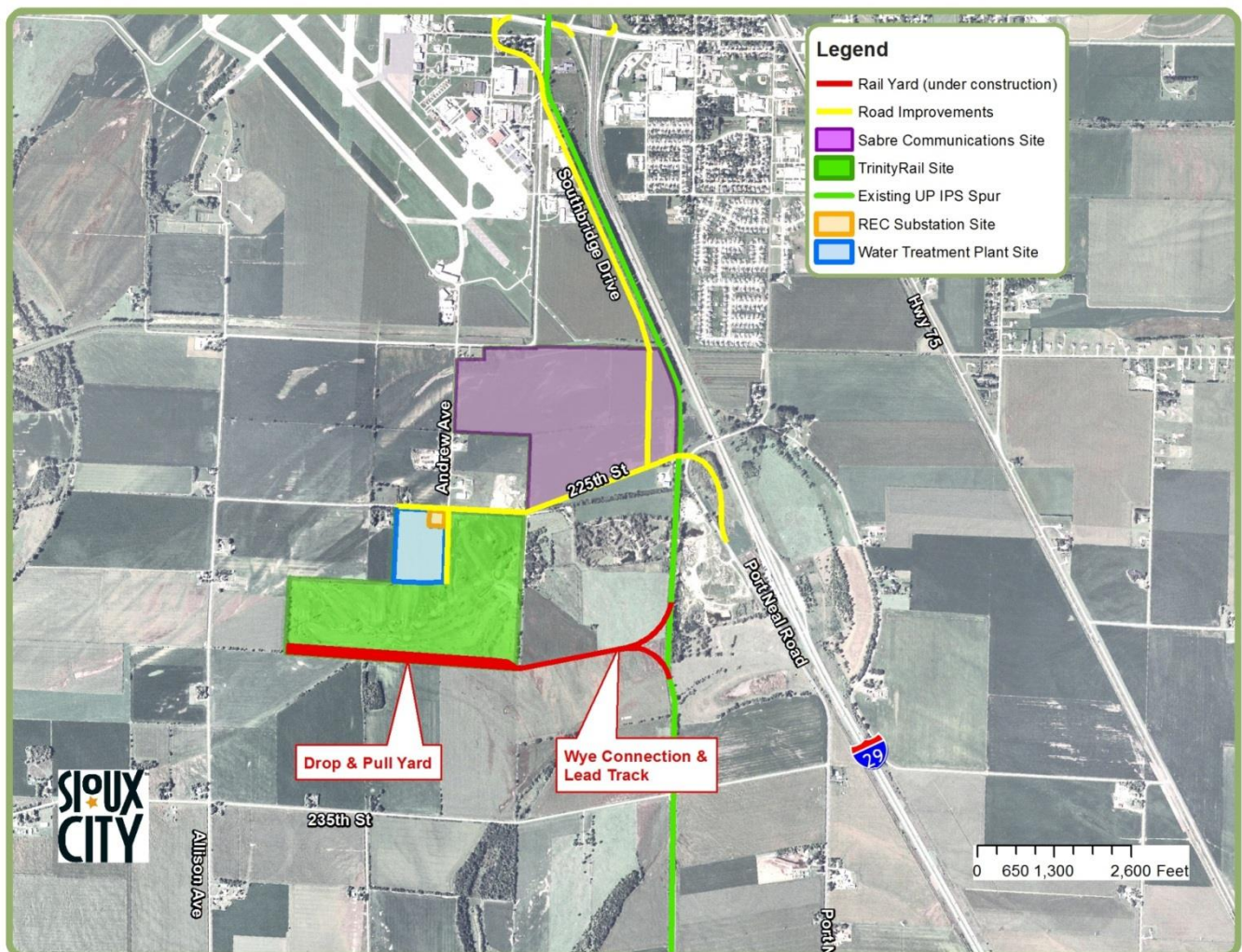
# SOUTHBRIDGE BUSINESS PARK

with heavy rail access free from the threat of future flooding. Existing companies with large expansion plans and new national and international manufacturing firms in the advanced manufacturing and food processing sectors are actively evaluating Southbridge.

## AUTHORS

Marty Dougherty, Economic and Community Development Director, City of Sioux City, Iowa, [mdougherty@sioux-city.org](mailto:mdougherty@sioux-city.org), 712.279.6345

Chris Myres, Economic Development Specialist, City of Sioux City, Iowa, [cmyres@sioux-city.org](mailto:cmyres@sioux-city.org), 712.224.5502



# INTERSTATE I-29 RECONSTRUCTION PROJECT

## ISSUE

The Iowa Department of Transportation (IDOT) and the City of Sioux City have partnered to reconstruct Interstate 29 (I-29) through Sioux City. This reconstruction is a multi-year project which replaces all of the highway infrastructure. When the project is complete, IDOT will have replaced all bridges, paving, and highway access ramps. The City's part in this project is the relocation of utilities out of the right-of-way. The costs associated with moving the utilities will amount to over \$40 million.

## BACKGROUND

The IDOT has developed a funding program which allows the City to pay its portion of the project cost over a three year period following individual project phases. The funding sources to be used to pay for the projects are the City's General Fund and Iowa's State Revolving Loan program. The City has no issue with funding availability. The issue is with the burden of these improvements being placed entirely on the utility rate payers in Sioux City and the fact that the new utilities do not support additional revenue generation.

Although the new utilities will not produce additional development opportunities, the City has been able to use the paving projects associated with I-29 reconstruction to promote business retention. The best example of this is the retention of the Bomgaars corporate headquarters. Additional infrastructure investment would help to continue business development in the area. Specifically the construction of an I-29 interchange south of the airport would help industry operations and development throughout Woodbury County and within the cities that are located in this area, including Sioux City's Southbridge Industrial Park.

In partnership with IDOT, the City made a commitment to reconstruct I-29 within the City limits. This project includes the reconstruction of the highway and clearing of the right of way of all City utilities. The City must bear the costs of the utility relocation which will place a significant burden on the rate payers of the water and sewer utilities. These costs are being carried by IDOT for a period of three years after the completion of the projects but this still requires a significant expense for Sioux City.

## AUTHOR

Jade Dundas, Assistant City Manager for Public Works, City of Sioux City, Iowa,  
[jdundas@sioux-city.org](mailto:jdundas@sioux-city.org) 712.279.6957

### ISSUE

The completion of the U.S. Highway 20 project has been listed as a priority of the City of Sioux City for many years. Support is needed as the project continues to move forward. The completion of a statewide four-lane U.S. Highway 20 is vital to the future growth and development of the City of Sioux City.

### SUPPORT REQUESTED

Support is requested in seeking additional funding through various sources to complete a four-lane U.S. Highway 20. Currently the Iowa Department of Transportation (IDOT) has programmed a total of \$82 million for U.S. Highway 20 in the 2015-19 Iowa Highway Program. The segment from Merville to Correctionville will be completed by 2018.

### BACKGROUND

One of the very first coast-to-coast highways in the United States, U.S. Highway 20, starts in downtown Boston and travels through Massachusetts, New York, Pennsylvania, Ohio, Indiana, Illinois, Iowa, Nebraska, Wyoming, Idaho, and Oregon. U.S. Highway 20 is a direct route from Iowa's manufacturing and food processing industries to the northeastern United States, one of the world's largest and wealthiest markets.

With just 30.5 miles of the project left to be designed and programmed for construction (from Correctionville to Early), the IDOT will let bids for grading of two new lanes of U.S. Highway 20 from Merville to Minnesota Avenue west of Correctionville in Spring 2014. When complete, the statewide four-lane U.S. Highway 20 will serve the manufacturing, agriculture, value-added ag, and service industries as well as the traveling public in northwest Iowa while providing relief for an over utilized Interstate 80. Completing U.S. Highway 20 in Iowa will provide a crucial link between the major Midwestern hubs of Chicago and Denver. It will also connect the only two cities of 20,000 population or greater in Iowa not presently served by a connecting four lane highway: Sioux City and Fort Dodge. Where safe, efficient, and modern transportation does not exist, the loss of population, business, and opportunity is experienced. U.S. Highway 20 is also a direct route for Iowa's exports to the western seaports. Over 50% of Iowa highway traffic moves east/west with only one four-lane facility, Interstate 80, supporting this demand.

A four-lane U.S. Highway 20 is strategically positioned to increase national roadway capacity by becoming the "Midwest Connector." The four-lane completion of the U.S. Highway 20 segment from Merville to Early is critical. The estimated cost for completing U.S. Highway 20 in Iowa is \$375 million.

### AUTHOR

Jill M. Wanderscheid, Neighborhood Services Manager, [jmwander@sioux-city.org](mailto:jmwander@sioux-city.org), 712.224.5136

# PUBLIC TRANSIT FUNDING LEVELS

## ISSUE

Moving Ahead for Progress in the 21st Century Act (MAP-21) has reduced the federal capital funding support to Iowa. It has declined from \$7 million annually to approximately \$2 million for FY 2014 & FY 2015. There is no state funding. Through the Statutory Allocation Fund, public transit receives 4% of the fees from new registration collected on sales of motor vehicles. The Iowa Department of Transportation (IDOT) bolsters the amount with \$3 million per year from the federal Clean Air Attainment Program (ICAAP). The estimated direct economic benefit of public transit service in Iowa is \$33.4 million. Indirect economic benefits increase the state impact to more than \$100 million annually.

## SUPPORT REQUESTED

We request the support of our tri-state Congressional delegation to restore the federal capital formula funding for public transit service to a minimum level of \$10 million annually.

## BACKGROUND

The estimated cost to replace buses in Iowa currently beyond their useful life is \$125 million. Federal capital funding in Iowa needs to be maintained at a minimum level of \$10 million per year through a formula-driven bus replacement program just to maintain our current level and not fall further behind replacement needs.

Our fleet consists of 26 large fixed route buses and 10 light-duty cutaway vans for Paratransit service which is door-to-door service for those with disabilities who are not able to navigate the regular fixed route system. We provide rides to over one million passengers per year and operate six days per week from 6 a.m. to 6 p.m., Monday through Saturday. Iowa as a whole provides more than 28.5 million rides annually. Our buses range in age with sixteen of the fixed route buses (62%) and six of the Paratransit buses (60%) beyond their expected useful life. Iowa statewide, 54% of buses have exceeded the Federal Transit Administration (FTA) standard for useful life; \$125 million is needed to replace them. Our greatest challenge is bus replacement and managing increased operating costs while keeping the same level of service. Buses are the main infrastructure necessary for transit service and the Iowa Public Transit Systems desperately need a larger investment in the fleet.

Most of our passengers are those that depend on our service for work, medical appointments and school. Our number one request is to provide additional hours of service to meet their needs. We realize more service would provide better access to all the destinations our passengers need but our efforts are concentrated on just being able to maintain the current service offered due to the age and maintenance costs of our fleet. Vehicle age increases safety issues, exacerbates fuel efficiency, and increases the out-of-service maintenance and repair time. Public transit passengers in rural states like Iowa deserve access to stable and ongoing funding sources on an equal basis with those in a growing or a more densely populated area. Mobility is essential for all Americans.

Ensuring adequate federal public transit funding to Iowa will provide the following benefits:

- Allow residents to get to work and contribute to the tax base
- Allow residents to go to school, improve themselves and contribute to the betterment of their communities.

## PUBLIC TRANSIT FUNDING LEVELS

- Achieve mobility necessary to accommodate medical needs, maintain an independent life style and ensure quality of life
- Allow residents to shop for goods and services which support Iowa jobs and strengthen local economies.

### AUTHOR

Mike Collett, Assistant City Manager for Administration, City of Sioux City, Iowa,  
[mcollett@sioux-city.org](mailto:mcollett@sioux-city.org), 712.279.6957

## SECTION 8 HOUSING CHOICE VOUCHER FUNDING CUTS

### ISSUE

The City of Sioux City is a recipient of HUD funds for the Section 8 Housing Choice Voucher Program. Administrative fees to operate the program continue to be insufficient to operate the program.

### SUPPORT REQUESTED

The Sioux City Housing Authority requests support to adequately fund Section 8 administrative fees by restoring the proration to 100% and streamline the time-intensive details and administrative burdens of the voucher program. The downward spiral of the administrative fees needs to be stopped and brought back to appropriate levels to effectively manage the administratively intense Section 8 Housing Choice Voucher Program.

### BACKGROUND

Most households receiving voucher assistance are headed by a senior (24%) or disabled person (36%) or are families with children (50%). Consecutive years of inadequate funding have forced PHAs across the nation to reduce staff, deeply eroding capacity to administer the program. In fact, since 2003, 9% of PHAs have “handed back” their voucher programs because they cannot afford to administer them. Underfunded administrative fees threaten the poorest families, elderly, and special needs households. Cutting administrative fees to 69% in 2013 and to 74% in 2012 and 2014, left Housing Authorities unable to sustain leasing and utilization supported by renewal funding, which defeated the purpose for which that renewal funding was appropriated. The 2015 administrative fee proration remains at an inadequate level of 74%. This is not an appropriate level to be able to provide for experienced and knowledgeable administrators for this program.

The Sioux City Housing Authority serves approximately 1,200 families in Sioux City under the Section 8 Housing Choice Voucher Program with an annual budget of approximately five million dollars. Housing assistance payments to landlords participating in the rental assistance program alone add about \$355,000 to the local economy every month.

Ongoing reductions in administrative fees below the 100% proration will adversely impact the City of Sioux City’s staff in administration of the Section 8 Program. We will find it necessary to reduce critical staff that carry out program activities and keep Sioux City in compliance with all applicable laws and regulations, and citizen and participation requirements. Shortfalls in administrative fee funding can lead to staff reductions that negatively impact the ability of families to utilize the Section 8 Program. Reductions in staffing will not allow us to respond appropriately to the need. The cost of administering the Section 8 Program has been on the rise, with contributing factors including higher postage and employee health care costs. In every year since 2004, Congress has provided administrative fees that were at least 6% lower than the 2003 rate. 9% or 4 out of 44 Public Housing Authorities in Iowa have transferred their vouchers to another entity because they can no longer afford to administer the program.

## SECTION 8 HOUSING CHOICE VOUCHER FUNDING CUTS

The City of Sioux City is a member of the Iowa Chapter of the National Association of Housing and Redevelopment Officials (INAHRO). We support measures to streamline the operating environment in which PHAs operate. NAHRO continues to pursue implementation of long overdue reforms on issues such as income verification, rent calculation, and utility allowance calculation. Until such time as adequate funding is restored, PHAs should not be held to unattainable standards. Section Eight Management Assessment Program scores should be made advisory to reflect the imbalance between resources and requirements. It is important to note that Veterans Affairs Supportive Housing (VASH) Program is a highly staff intensive program that serves homeless veterans and receives the same administrative fees to meet the regulatory intensive demands. If pro-rations continue to be required, relief of some of the numerous administrative duties needs to come quickly. Section 8 programs must be reformed now, especially with funding reductions as drastic and severe as we have witnessed.

### AUTHOR

Amy Tooley, Housing Services Manager, City of Sioux City, Iowa, [atooley@sioux-city.org](mailto:atooley@sioux-city.org), 712.279.6980

# HUD ENTITLEMENT COMMUNITIES FUNDING CUTS

## ISSUE

The City of Sioux City is a recipient of HUD Entitlement funds, and currently receives allocations for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), and Emergency Solutions Grant (ESG) grant programs. Since 2010, our CDBG allocation has decreased by 28% and our HOME allocation has decreased by 36%. ESG funding levels have continued to fluctuate but we have been able sustain our programs.

## SUPPORT REQUESTED

The City of Sioux City requests support to restore levels of the CDBG and HOME entitlement programs to 2010 levels. Significant reductions in the CDBG and HOME budgets have a detrimental effect to the redevelopments currently underway and those planned in Sioux City. Over the past two years alone, thousands of individuals and properties have received assistance through CDBG and HOME within our community. The City of Sioux City is able to maximize the impact of CDBG and HOME through multiple activities including affordable housing creation, housing rehabilitation, public service, outreach and education, and public improvement projects. These funding programs truly help us improve the lives of our community's most vulnerable populations.

## BACKGROUND

The City of Sioux City has been receiving funds from the CDBG Program since 1974. Since that time the program has literally changed the face of our community. Thousands of properties have been rehabilitated with CDBG funds, impacting tens of thousands of residents in our community.

Additionally, the HOME program has been in Sioux City since 1995. Since that time, hundreds of affordable housing units have been created. Other programs funded with HOME include the Tenant Based Rental Assistance (TBRA), Security Deposit Program, and Down Payment Assistance Programs. Since 1995, these additional programs have provided affordable housing options to thousands of Sioux City residents.

If the level of cuts to CDBG and HOME continue, our two largest programs would be significantly impacted most. These programs include public improvements and housing rehabilitation / development activities. Additionally, significant budget cuts could reduce or eliminate all other activities we currently administer outside of housing rehabilitation and public improvements.

## AUTHOR

Jill M. Wanderscheid, Neighborhood Services Manager, [jmwander@sioux-city.org](mailto:jmwander@sioux-city.org),  
712.224.5136



# ESSENTIAL AIR SERVICE PROGRAM

## ISSUE

Sioux Gateway Airport/Col. Bud Day Field has a \$218 million local economic impact. It is imperative that we continue to have commercial air service to support economic development, business retention, and future growth of our community. The Sioux Gateway Airport Board of Trustees, the City of Sioux City, and the Siouxland Chamber of Commerce are continuing efforts to attract additional service, expand the number of flights, and add an additional hub to accommodate those fliers that need to go west or south from Sioux City. Due to the recent economic conditions in the airline industry, the opportunities to add service are limited. While it is everyone's hope that we will be able to succeed in expanding service and attracting a new carrier, we are forced to depend on the Essential Air Service (EAS) program to provide the basic service we rely on. Congress will be considering a new FAA reauthorization bill this year. It is imperative that the Essential Air Service program is included in the new reauthorization, and that it is fully funded for the current airports that depend on the EAS program to retain commercial air service.

## SUPPORT REQUESTED

The Sioux Gateway Airport Board of Trustees, the City of Sioux City, and the Siouxland Chamber of Commerce recommend continued support of the EAS program. As Congress looks at reauthorization for the coming year, we ask that the EAS program budget be maintained at sufficient levels to meet the current contract obligations and that no new restrictions are added that would eliminate Sioux Gateway Airport from being eligible for the program.

## BACKGROUND

The tri-state community has always supported the Sioux Gateway Airport/Col. Bud Day Field as the regional airport.

On October 14, 2011, two airlines submitted competitive bids for the Sioux City service and American Eagle Airlines was selected by the U.S. Department of Transportation (USDOT) to provide EAS service to Chicago with two flights per day using 44-seat and 50-seat regional jets. American Eagle began service on April 3, 2012 under the EAS program. The USDOT contract was for two years; however it included a waiver of the hold in requirements that allows American Eagle to leave this market if they give written notice to the USDOT. If American Eagle discontinued service, USDOT would be required to go back through the Request for Proposal (RFP) process under the EAS program to get a new service provider. The contract was for \$1.5 million per year for two years.

The USDOT asked for new proposals that were due in December 2013 for the next two-year contract beginning April 2014. Bids were received from American Eagle Airlines (\$611,000) and United Airlines (\$1.4 million). The American Eagle proposal is considerably lower than the previous two year contract of \$1.5 million. We believe the lower proposed cost for the next two years indicates how successful the service has been and that the EAS program is working to help bridge the gap for air service in Sioux City.

American Eagle has shown their ability to build service in other EAS markets and has been successful in eliminating the need for EAS in those markets. During the past few years, prior to 2011, enplanements had been declining at Sioux Gateway Airport, but the 2011 enplanement numbers showed a substantial increase over 2010 and enplanements remained strong in 2012,

## ESSENTIAL AIR SERVICE PROGRAM

2013, and 2014. Average load factors have been higher for the past three years since American Eagle began service to Chicago. This increase in enplanements is indicative of the demand for service from Sioux City to other areas of the country. Access to the EAS program ensures our ability to retain air service while we work with American Airlines to build our market and to become self-supporting, eliminating our need for EAS in the future.

### AUTHOR

Curt Miller, Airport Director, City of Sioux City, Iowa, [cmiller@sioux-city.org](mailto:cmiller@sioux-city.org), 712.279.0170

## CITY COUNCIL

### **Bob Scott, Mayor**

Office: 712-279-6102

Cell: 712-251-2216

[council@sioux-city.org](mailto:council@sioux-city.org)

### **Keith Radig, Mayor Pro Tem**

Office: 712.279.6102

Cell: 712.560.6542

[ccouncil@sioux-city.org](mailto:ccouncil@sioux-city.org)

### **Rhonda Capron, Councilmember**

Office: 712.279.6102

Cell: 712.281-5631

[ccouncil@sioux-city.org](mailto:ccouncil@sioux-city.org)

### **Dan Moore, Councilmember**

Office: 712.279.6102

Cell: 712-202-3642

[ccouncil@sioux-city.org](mailto:ccouncil@sioux-city.org)

### **Pete Groetken, Councilmember**

Office: 712.279.6102

Cell: 712-898-4545

[ccouncil@sioux-city.org](mailto:ccouncil@sioux-city.org)

## CITY STAFF

### **Robert Padmore, City Manager**

Office: 712.279.6102

Cell: 712.204.7977

[bpadmore@sioux-city.org](mailto:bpadmore@sioux-city.org)

### **Curt Miller, Airport Director**

Office: 712.279.0170

Cell: 712.898.0253

[cmiller@sioux-city.org](mailto:cmiller@sioux-city.org)

### **Jeff Hanson, Community Development Operations Manager**

Office: 712.279.6103

Cell: 712.899.4054

[jeffhanson@sioux-city.org](mailto:jeffhanson@sioux-city.org)

### **Jill Wanderscheid, Neighborhood Services Manager**

Office: 712.224.5136

Cell: 712.898.8308

[jmwander@sioux-city.org](mailto:jmwander@sioux-city.org)