

?Salem Common Council nixes funding for new airport

Written by
Tuesday, 20 January 2009 09:27 -

by **G. Wright**
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Green Banner Publication

In an unexpected move the Salem Common Council voted unanimously not to fund the proposed airport expansion plan. Though not on the official agenda, the issue was brought up by Councilman Danny Libka who serves as the Council's representative on the Board of Aviation Commissioners. With only cursory discussion by council members and citing a lack of money, a motion was made by Libka to stop any future funding for the airport project by the city. The public was not given an opportunity to comment on the subject prior to the Council's vote.

Under the current funding formula, the local community is expected to pay only 2 ½ cent out of every dollar spent on the proposed project. The remaining funding would come through the Federal Aviation Administration and the State of Indiana. The federal and state funds are generated through excise tax on aviation fuel. Estimates for the local share of the funding range from \$600,000 to \$830,000 for the new airport facility depending on length of runway and plans for the new terminal.

In an interview on Wednesday, April 18, Mayor David Bower and City Council President, Wally Terkhorn, the reasoning behind the Council's action was explained.

"Bottom line, with the circuit breakers and the expected shortfall in revenues, the city simply doesn't have the money unless we start to cut back on basic necessary services." explained Bower.

"We are not against the airport project but the city cannot afford to pay for it regardless of how good the deal may be." added Terkhorn.

Terkhorn said that he surveyed several of his constituents to see if they backed the project. According to Terkhorn less than 10 percent were in favor of the airport expansion. When asked if those individuals surveyed were knowledgeable about the potential economic impact on the community of the airport project and the financial realities of the city's budget, his answer was vague.

Bower emphasized that the Board of Aviation Commissioners should explore other financing options.

"This project is too important to let it pass us by. I just wish the city had the money to fund it." commented Bower.

In a separate interview on Wednesday, Board of Aviation Commissioners President, Bill Barnett, admitted that the City Council's decision on Monday evening was a bit of a shock and extremely disappointing.

"We are in the process of exploring other options for funding." noted Barnett, "Joint funding by

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various government agencies or issuance of bonds are two of the options we are looking into.”

As noted in a news story earlier this year, the estimated value of the current Salem airport facility is in the \$600,000 to \$700,000 range and would nearly cover the portion of the new facility’s cost not covered by federal and state funding.

It was noted by all who were interviewed for this story that the benefit to the community from a new airport facility is significant but finding the funding on the appropriate schedule will be the challenge.