



Consolidated Business Plan

Prepared for:

City of Lee's Summit Missouri

Municipal Airport

June 6, 2016

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Executive Summary

Legacy Aviation, Incorporated Doing Business As (DBA) “Flying KC” has been formed as an aircraft rental, flight instruction, aircraft broker, and aircraft management company. The Co-Founders come from diverse backgrounds that include multiple successful service-based business operations, fixed-wing flight instruction, and commercial flying experience. Flying KC will offer well-maintained aircraft for individual rental and flight training. Flying KC will also provide primary and advanced flight instruction through the use of independent flight instructors possessing corporate and airline backgrounds. Flying KC will offer professional aviation management and consulting advice for individual and corporate aircraft needs.

1.2 Mission

Flying KC offers affordable, professionally-maintained aircraft for rental and flight instruction. We will provide a safe, clean, and highly-effective learning environment while adhering strictly to all applicable Federal, State, and City Aviation Regulations. Flying KC will take student through experienced pilots and grow their aviation capabilities through a proven system ensuring a high success rate.

1.3 Keys to Growth

- A. 24-hour scheduling portal allowing a personalized and painless way for aircraft and instructors to be scheduled.
- B. Aggressive Brand Awareness to the local community demonstrating the opportunity of learning to fly, which many people do not realize exist.
- C. Pro-Active approach to Preventative Maintenance ensuring limited downtime of aircraft.
- D. Provide a student driven training program that reduces the barriers of entry into the world of aviation, ensuring a high follow through rate for discovery flights.

2.0 Company Structure and Requested Information

Flying KC has prepared the below information to comply with the requests outlined in “Appendix 2” of the *Municipal Airport Minimum Standards for Commercial Aeronautical Service Providers*.

2.1 Name and Ownership of Business

Legacy Aviation, Inc. DBA Flying KC is a Missouri Corporation. The stock of the corporation is jointly 50% owned by Thomas Alwardt of Kansas City, MO and Taylor Hill of Blue Springs, MO. Legacy Aviation is within good standing with the State of Missouri.

The current contact information for the business is:

Legacy Aviation, Inc.
600 EE Kirby Road
Grain Valley, MO 64029
816-579-1800
www.FlyingKC.com
info@flyingkc.com

The contact information for the owners is as follows:

Taylor Hill
4405 SE Willow Place Ct.
Blue Springs, MO 64014
816-377-6622
thill@flyingkc.com

Thomas Alwardt
5619 Rockhill Road
Kansas City, MO 64110
816-536-7438
thomas@flyingkc.com

2.2 Services Offered

Flying KC's main service offerings include:

- Primary Flight Instruction
- Aircraft Rental
- Aircraft Management/Consulting
- Occasional Aircraft Sales

2.3 Amount of Land desired to Lease

Flying KC in its current state has no plans on leasing any land from the city of Lee's Summit, other than the tie-down areas designated by the city and included in the Lease Agreement between Flying KC and the City of Lee's Summit.

2.4 Building Space that will be constructed of leased

Flying KC wishes to lease Office Space in the modular building located at Lee's Summit Municipal Airport. Upon approval of the city to operated, Flying KC wishes to rent suite "E" of the office space with future expansion to follow based on demand for services offered.

2.5 Number of Aircraft Provided

Flying KC currently has one aircraft available for Instruction and Rental. Flying KC's growth model includes adding two more aircraft with an anticipated number totaling three (3) for the first year with subsequent growth following thereafter.

2.6 Equipment and Special Tooling to be provided

In addition to the aircraft available for rental and instruction, Flying KC plans to operate a Flight Simulator system to be located within the office space being leased. This will be utilized for new pilot training, in addition to existing pilots for currency requirements.

2.7 Number of Persons to be Employed

Flying KC will not have any employees other than the two corporate officers mentioned above in section 2.1.

2.8 Operating Policies and Procedures

A copy of our operating policies and procedures for Aircraft Rental are attached as Appendix 1. Our flight instruction procedures conform to Federal Aviation Administration standards as outlined in the F.A.R.

2.9 Abbreviated Resumes of Corporate Owners

Thomas Alwardt is an Airline Transport Pilot with over 1000 hours of dual instruction given. Thomas has successfully and profitably operated an aircraft instruction and rental business. In addition to his flight instruction background, Thomas holds a single-pilot King Air 350 type and has worked for Executive Airshare as a corporate pilot. He has an unblemished record with the FAA, and has a passion for introducing people to aviation. He is a graduate of University of Central Missouri with a degree in Flight Operations and Business Management.

Taylor Hill is an entrepreneur that has owned several successful companies in the Kansas City area. His business background includes Showtime Transportation, providing Trolley, Bus, and Limousine services to the greater Kansas City Metro. He has also successfully brokered aircraft for the past five years and has sold more than 40 aircraft. Taylor learned to fly at Lee's Summit Municipal Airport. His passion for aviation is what has driven him to partner with Thomas to introduce people to the world of aviation.

2.10 Management of Business Operations

For the first year of operations, Thomas and Taylor will be the sole operator and managers of the operations conducted at Lee's Summit Airport. In the event of continued growth, we may decide to bring additional management onto the team.

2.11 Hours of Proposed Operation

Flying KC will operate from 8:00 AM to 6:00 PM on a Monday through Saturday basis. Additional flight instruction will take place before or after the above mentioned times as required.

2.12 Insurance Coverage to be Maintained

Flying KC has full commercial insurance on the aircraft owned with limits of \$1,000,000 per occurrence and \$100,000 per personal. Additionally, Flying KC will maintain Premises Liability coverage in the amount of \$2,000,000 per occurrence of combined single limit for bodily injury and property damage. This coverage complies with Appendix 1 of the "Municipal Airport Minimum Standards for Commercial Aeronautical Service Providers"

2.13 Current Financial Status and Business Projections

Flying KC is a debt free company with cash reserves in the bank exceeding the operational expense requirements necessary to operate the company for the next year (12 months). Projected Cash Flow for the first year is as follows:

First Year Projected Cash Flow	
Revenue	
Aircraft Rental Income	\$74,400.00
Flight Instruction Income	\$9,000.00
Aircraft Management	\$18,000.00
Combined Revenue	\$101,400.00
Variable Costs	
Aircraft Operating Costs @ 600 Hours	(\$31,782.00)
Fixed Costs	
Advertising	(\$2,500.00)
Insurance	(\$3,300.00)
Lease Expense	(\$3,180.00)
Combined Expense	(\$40,762.00)
Projected First Year Profit	\$60,638.00

Based on Market Demand, Flying KC may elect to add additional aircraft and instruction to the business model. In the event this takes place, we project increased revenue from aircraft rental equivalent to 80% of the first aircraft. A third aircraft available is likewise projected to generate revenue equal to 80% of the second aircraft. Therefore with continued growth the subsequent 2 years following the first year is projected to be:

Year 2 and 3 Projected Cash Flow				
Revenue	Aircraft 1	Aircraft 2	Aircraft 3	Total
Aircraft Rental Income	\$74,400.00	\$59,520.00	\$47,616.00	
Flight Instruction Income	\$9,000.00	\$7,200.00	\$5,760.00	
Aircraft Management	\$18,000.00			
Combined Revenue	\$101,400.00	\$66,720.00	\$53,376.00	\$221,496.00
Variable Costs				
Aircraft Operating Costs	(\$31,782.00)	(\$25,425.60)	(\$20,340.48)	(\$77,548.08)
Fixed Costs				
Advertising				(\$6,000.00)
Insurance				(\$8,500.00)
Lease Expense				(\$4,296.00)
Combined Expense				(\$96,344.08)
Projected Profit				\$125,151.92

2.14 Advertising Practices to be Utilized

Flying KC will market to the following areas:

- A. Existing Local Pilots looking for additional Ratings
- B. Local individuals seeking to earn their pilots license
- C. Out of Town individuals looking for an accelerated flight training schools

In order to be successful capturing those audiences, Flying KC will market heavily online through traditional advertising sources such as the already developed flyingkc.com website, Google advertising, social media outlets, and more.

Further advertising outside of electronic means will include but not limited to:

- Postcards to local area residents
- Booths at aviation related open houses
- Relationships with the Chamber of Commerce and City Functions
- Signage on the building and flyers in local FBO's advertising our services

2.15 Amenities Offered to Attract Customers

The initial state of operation for Flying KC will offer the following amenities:

- High Quality Aircraft for Rental
- Simulator for instruction of new students and currency compliance for existing pilots
- Motivated and passionate instructors differentiating our services from other local flight schools

2.16 Future Physical Expansion

Flying KC has future plans to expand our current service offerings as well as grow to provide additional services in the aviation related field. Before expanding in detail on future expansion plans, Flying KC would like to assess the setting and potential opportunities that the Lee's Summit Airport has to offer. In the event a future business growth model looks profitable, we would like to invest in a larger facility either by leasing ground from the airport and building our own facility or leasing additional and more modern facilities from the airport.

3.0 Summary and Additional Thoughts

Flying KC was created as a for-profit company, but has more goals in mind than just turning a profit. We realize the difficulties involved in the aviation related field, and fully know what we are getting ourselves into. It is our goal to not just be profitable, but to do so while generating additional interest in aviation and learning to fly. We view Lee's Summit as a unique opportunity to partner with a municipality that sees the importance of marketing the airport and its services to the local community. We also feel there is currently a void for quality flight instruction and aircraft rental in the Kansas City area. We hope to bridge the gap that currently exists and do so in a fun and enthusiastic manner. If our mission proves successful, we hope to continue a mutually beneficial relationship with the City of Lee's Summit, and we look forward to what the future brings.