# AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

**Agenda Item:** Air Service Incentive Policy

**Action Requested:** Discussion

**Parties to the Agreement:**

**Term Begins:** **Term Ends:** **Grant Contract #:**

**Summary:**

To discuss the proposed Air Carrier Incentive Policy

**Fiscal Impact:**

**Submitted by:** Stephanie Williams **Submitter's Email Address:** swilliams@gunnisoncounty.org

**Finance Review:** (●) Required ( ) Not Required

Comments:
Additional flights during current hours of operation will not increase payroll costs. No concerns. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 8/17/2016

**County Attorney Review:** (●) Required ( ) Not Required

Comments:
ok - gs

Reveiwed by: GUNCOUNTY1\gstuhr Discharge Date: 8/18/2016 Certificate of Insurance Required

Yes ( ) No (●)

**County Manager Review:**

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 8/18/2016

( ) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 20

Agenda Date: 8/23/2016

*Revised April 2015*

# Gunnison-Crested Butte Regional Airport
# Air Service Incentive Policy

## 1. Purpose

It is the desire of Gunnison County (the airport sponsor) and the Gunnison-Crested Butte Regional Airport (the airport; GUC) to offer an air carrier incentive program to enhance air carrier service at the airport and create an opportunity to increase air and passenger traffic to support long term growth at the airport. This will be achieved by the following goals:

- Increase and promote existing commercial passenger air service;
- Develop and promote new commercial passenger air service to/from new destinations utilizing existing air carriers and/or new air carriers;
- Foster a healthy competitive environment amongst air carriers to promote air service opportunities;
- Promote public and industry awareness of airport air services and facilities.

## 2. Policy Statement

This purpose of this Air Service Incentive Policy is to establish and implement a responsible, and non-discriminatory air carrier incentive program that complies with Federal Aviation Administration rules, regulations, and policies pertaining to;

- Airport sponsor assurances;
- The use of airport revenue;
- Airport rates and charges.

## 3. Definitions

a. **New Air Service -** is defined as at least one flight weekly to a destination not currently served from the airport sustained for a period of at least 24 (twenty four) months or two seasons.

b. **Increased Air Service -** is defined as an increase in frequency of an existing scheduled route by one or more flights per week as compared against the previous years' applicable months or season, sustained for a period of least 24 (twenty four) months or two seasons.

## 4. Applicability

The incentives offered under this New Air Service Incentive Policy are applicable as follows;

a. To FAR Part 121, 129, and 14 CFR Part 380 certificated commercial air carriers only;

b. To existing air carriers that provide air service to a new destination not currently served to/from GUC beginning on or after the “Effective Date”;

c. To existing air carriers that increase frequency to/from an existing destination beginning on or after the “Effective Date”;

d. To new entrant air carriers that will serve new markets currently not served to/from GUC beginning on or after the “Effective Date”.

## 5. Targeted Markets and Goals

The following goals and air service objectives have been identified and accepted by the airport sponsor and as amended from time to time:

a. By spring 2018, Gunnison Valley will experience expanded air service beyond the winter season, which will increase connectivity and our reach into other visitor markets.

b. By the 2018–19 ski season, Gunnison Valley will be able to experience expanded air service to a southeastern hub, which will further increase connectivity and our reach into other visitor markets.

c. By June, 2019, GUC and Valley residents and visitors will experience 69% or less leakage to other airports, accomplished through increased air service connectivity for originating passengers.

## 6. Incentives

The airport sponsor, shall provide a landing fee waiver and terminal rent waiver incentive to qualifying air carriers and qualifying air service as follows:

### Landing Fee Incentives

a. For New Air Service – Landing fee waivers for up to twelve (12) months for each flight serving a new destination as targeted by the airport sponsor.

b. For Increased Air Service - Landing fee waivers for up to (12) months for each flight that results in an increase of frequency to an existing destination. The total number of air carrier operations must exceed all of the carrier's prior year flight operation levels.

**Terminal Fee Incentives**

a. For New Air Carrier Service – terminal fee waivers for up to six (6) months for each new carrier serving a new destination as targeted by the airport sponsor.

## 7. Term

a. This policy is effective December 1st 2016 – the "Effective Date". The policy will terminate November 30th 2018.

b. If an air carrier is awarded an incentive program at any time under this policy term, the incentive will be honored as stated in section 5, Incentives, regardless of this policy termination date.

c. The airport sponsor may extend, suspend or amend this policy at any time without notice.

## 8. Termination and Reduction of Air Service

a. In the event an air carrier, awarded an incentive under this policy, terminates the new or increased air service within 24 (twenty four) months from the start of the service, the Airport shall be entitled to a reimbursement of all terminal use incentives issued.

b. In order to maintain an awarded incentive, an incumbent air carrier introducing a new destination or increasing its level of service to an existing destination, may not reduce its current level of service (total for all its markets) it sustained at the airport in the previous months during the prior year. i.e. it cannot reduce one market's flights to introduce a new market or expand another market

## 9. Miscellaneous

In addition the following is applicable with respect to this policy:

a. The incentive program is directed to grow and support air service to or from GUC.
b. The airport sponsor is not obligated to provide an air carrier service incentive for destinations not targeted by the sponsor.

c. The airport sponsor does not recognize repeated seasonal service, upgrade of equipment type, or increased number of seats on existing flights as new service.
d. All air carriers will have the same opportunity to receive the same incentives under the same circumstances.
e. Incentives will not be offered to air carriers on an individual basis.
f. Incentives will not be based on the type or size of aircraft or its passenger class configuration.