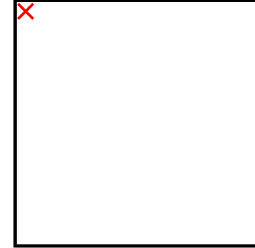


CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacey Brechler-Knaggs, Grants, Contracts & Emergency
Management Director
Co-Submitter: Barney Helmick
Date: 02/27/2019
Meeting Date: 03/05/2019



TITLE:

Consideration and Approval: Flagstaff Airport Air Carrier Incentive Policy

STAFF RECOMMENDED ACTION:

Approve the City of Flagstaff, Flagstaff Airport Air Carrier Incentive Policy

Executive Summary:

The Flagstaff Airport (FLG) wishes to establish and implement a robust, consistent, responsible, and non-discriminatory Air Carrier Incentive Policy. The policy is applicable to new airlines and incumbent airlines with new direct routes and complies with the U.S. Department of Transportation, Federal Aviation Administration guidelines.

Incentives, similar to the landing fee waiver found in this proposed policy, are common practice with competitive airports. This policy is being presented to the Council for consideration and hopeful approval.

Financial Impact:

The airport will waive landing fees to encourage the establishment of new nonstop service to and from the Flagstaff market.

The frequency of new service must meet or exceed one roundtrip flight daily to qualify for this program. All incentives shall apply to new airlines or existing airlines offering new routes not offered by that airline within the last 24 months. This Airport Incentive Policy will not be aimed at a specific airline, aircraft type or seat configuration.

New routes will be eligible for up to 12-months of waived landing fees. The current landing fees are \$1.09 per thousand pounds of declared maximum certified gross landing weight of the aircraft landed.

Policy Impact:

Approving the Air Carrier Incentive Policy may enhance air carrier service at our airport and may create an opportunity to increase air traffic. Additional air service will support tourism and business growth in Flagstaff.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Transportation and other public infrastructure: Support the airport with needed infrastructure upgrades in order to enhance our tenant and patron experience as well as additional airline attraction.

Previous Council Decision on This:

No

Options and Alternatives:

- Approve the policy.
- Do not approve the policy.
- Council could provide alternative financial funding to attract new carriers and routes.

Background and History:

The FLG Air Carrier Incentive Policy has been created to encourage airlines currently serving the Flagstaff Airport, as well as potential new entrant airlines, to initiate new nonstop routes.

Key Considerations:

Incentives offered under this policy are applicable only to FAR (Federal Aviation Regulations) Part 121, 129, and 14 CFR (Code of Federal Regulations) Part 380 certificated commercial air carriers, or third-party companies who contract with such carriers and provide new air service at the airport beginning on or after the effective date.

Community Benefits and Considerations:

None

Community Involvement:

The policy will assist in retaining air carrier service at the Flagstaff Airport.

Expanded Options and Alternatives:

The Economic Vitality Director and Airport Director presented to several groups in our local community about our current air service and what needed to be done to secure additional service. We were able to retrieve information on desired routes and more.

Attachments: S:\Economic Vitality\Airport\Airline\3879_Airport Air Service Incentive Policy-02-19-19.docx