



Air Service Incentive Program



Council Presentation
March 25, 2025



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- Comprised of a waiver of fees, with varying levels and periods of waiver for different air service offerings.
- Involves no up-front costs or expenses by airport or community.
- Very common in aviation industry. Many airports credit incentive program as the “final kick” to receiving new service.
- Maximizing incentive periods under federal regulations.

Category	Eligibility	Operational Incentive	Marketing Incentive	Example
I – New Year-Round Service	Establishment of new year-round nonstop service to an <i>unserved</i> destination	100% landing fee waiver for 24 months 100% waiver of common-use fees for 24 months	Up to \$125,000 per year for up to two years (to be used within 24 months)	Any airline (new or incumbent) adds year-round service to Las Vegas.
II - New Seasonal Service	Establishment of seasonal nonstop service to an <i>unserved</i> destination	100% landing fee waiver for up to three seasons 100% waiver of common-use fees for up to three seasons	\$25,000 per season for up to three seasons (to be used within 36 months)	Any airline (new or incumbent) adds summer only service to Denver.
III - Significant Increase in Seat Capacity	Increase in seat capacity on a specific route by 50% or more <i>without</i> loss of existing frequency	Waiver of landing fees for increased capacity for 12 months	No marketing incentive	Southwest adds 2 more flights daily to Houston, which they currently serve.
IV – New Entrant Bonus	Any <i>new</i> entrant passenger air carrier establishing year-round or seasonal nonstop service	If year-round service, 100% waiver of all common-use fees and preferential rents for first 24 months to an unserved destination If year-round service, 100% waiver of all common-use fees and preferential rents for first 12 months to a currently served destination If seasonal, 50% waiver of all common-use fees and preferential rents for up to three seasons.	No additional marketing incentive	Allegiant begins seasonal OR year-round service to Las Vegas.

Waived fees

vs.

Additional revenue

AIR SERVICE INCENTIVE ANALYSIS - AIRBUS 320	
Enplanements (per flight)	140
Seats Available (per flight)	175
Load Factor	80%
Annual Enplanements	21,840
3 FLIGHTS / WEEK	
LANDING FEES	
Total Landed Weight per flight	134,482
Total Landed Weight per week	403,446
Total Annual Flights	156
Total Annual Landed Weight	20,979,192
Total per 1,000 lbs	20,979
Landing Fee Non-Signatory	\$ 3.17
TOTAL Landing Fees (annual)	\$ 66,504
RENT	
Sq. Ft. / Month	\$ 7.86
Estimated 250 Sq. Ft.	\$ 1,964
TOTAL Terminal Rent (annual)	\$ 23,565
TOTAL WAIVER (annual)	\$ 90,069

ADDITIONAL REVENUE	
PARKING	
Estimated parking (per flight) @ 50% of pax for 2.5 days	\$ 1,750
Total parking revenue per week	\$ 5,250
TOTAL Parking (annual)	\$ 273,000
CONCESSIONS	
\$2 per pax (per flight)	\$ 280
3 Flights per week	\$ 840
TOTAL Concessions (annual)	\$ 43,680
RENTAL CARS	
Estimated 20% of paxs (per flight)	28
Estimated 3 day rental concession fee (per week)	\$ 1,848
Annual concession fee	\$ 96,096
Estimated 3 day CFC fee (per week)	\$ 1,386
Annual CFC fee	\$ 72,072
TOTAL Rental Cars (annual)	\$ 171,430
PASSENGER FACILITY CHARGES - PFC	
\$4.50 per enplanement (per flight)	\$ 630
3 Flights per week	\$ 1,890
TOTAL PFC (annual)	\$ 98,280
FUEL FLOWAGE FEES	
Total available fuel lbs per plane	7,060
80% of time fuel filled	5,648
Fuel flowage fee	0.10
TOTAL Fuel Flowage Fees	\$ 88,108.80
TOTAL ADDITIONAL REVENUE	\$ 674,498.80
NET GAIN/(LOSS)	\$ 584,429.76

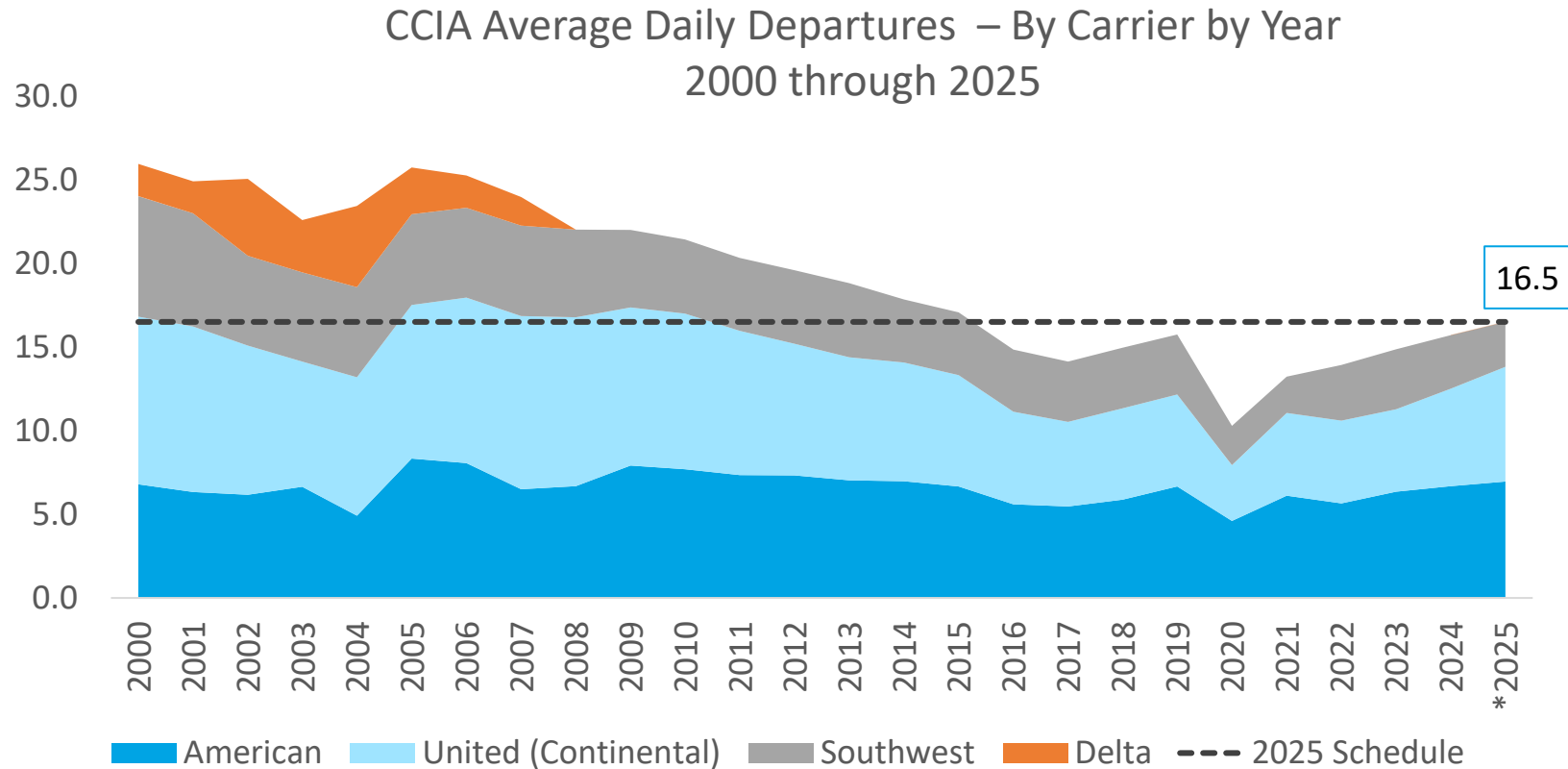
CCIA meetings and conferences with Airlines

Airlines	Carrier Meeting	Jumpstart May 2024	CMT Connections Sep 2024	Takeoff Oct 2024	Routes Americas Feb 2025	Jumpstart June 2025	CMT Connections September 2025	Takeoff November 2025
American	Jun 2024	Y	Y	Y	Y			
United	Sep 2024	Y	-	-	Y			
Southwest	Nov 2024	Y	Y	Y	-			
Allegiant	Oct 2023	Y	-	Y	Y			
Avelo	Feb 2024	Y	Y	-	Y			
Breeze	Dec 2023	Y	-	Y	Y			
Delta	-	Y	-	Y	Y			
Frontier	-	Y	-	-	Y			
Southern Airways	-	Y	-	Y	Y			
Sun Country	-	-	-	-	Y			
Spirit	-	-	-	-	-			
JetBlue	-	-	-	-	-			
Alaska/Hawaiian	-	-	-	-	-			

Airline messages to Corpus Christi International Airport

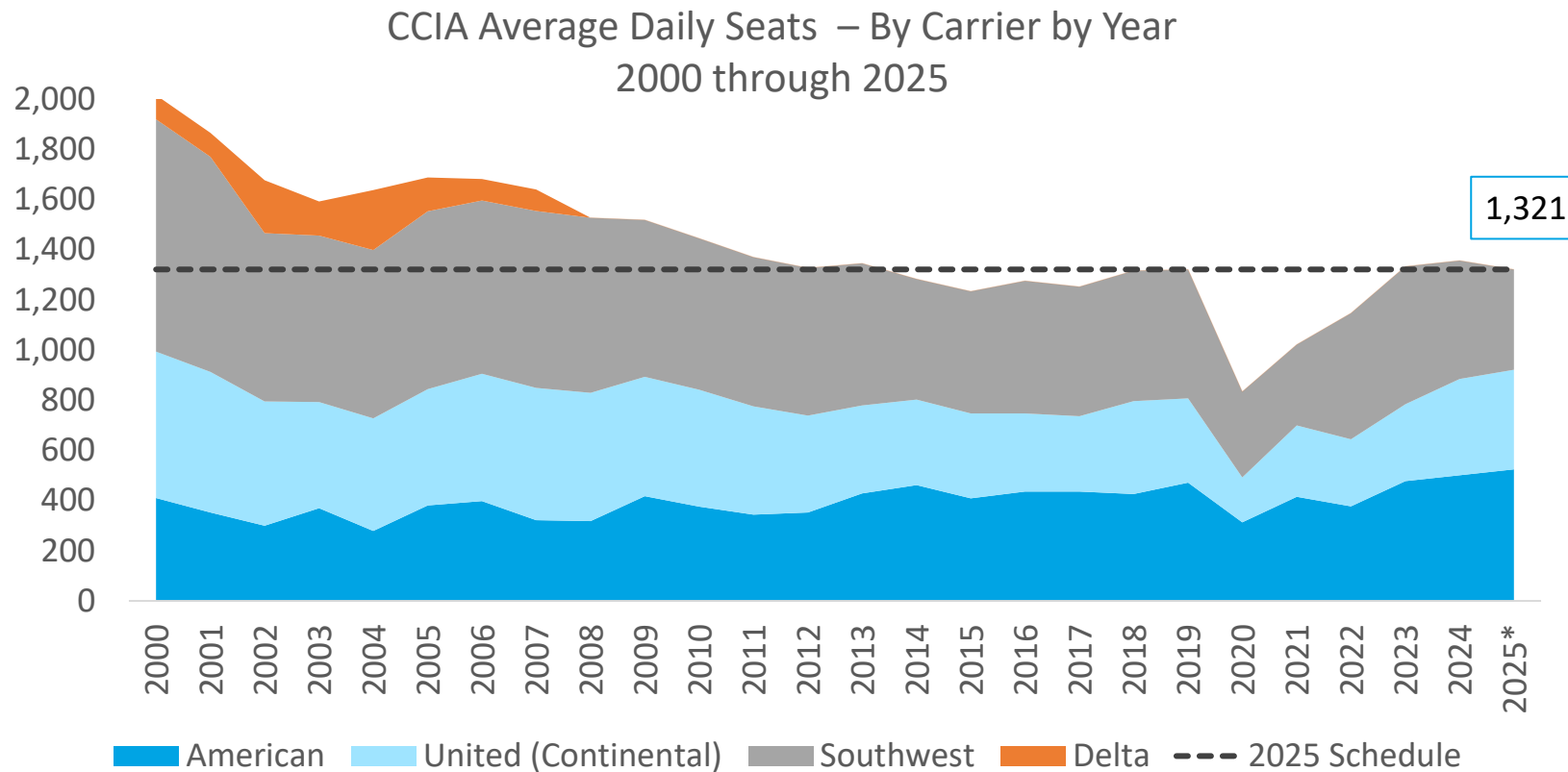
Airline	Fleet Issues	Financial Issues	CRP Airport Costs	Hubs
American	-	-	-	Cannibalization
United	-	-	-	Cannibalization
Southwest	Boeing Delays	Elliot Investors	-	-
Delta	-	-	-	Austin Constraints
Allegiant	Boeing Delays	-	Historically High Costs	-
Avelo	Boeing Delays	Upstart Carrier	Historically High Costs	Only on Coasts
Breeze	-	Upstart Carrier	High; Requests MRG	-
Frontier	-	-	High; Requests MRG	Only Denver
Southern Airways	Small Aircraft (9 seats)	Yes	High; Requests MRG	No Texas Service
Spirit	-	In Bankruptcy	Historically High Costs	-
Sun Country	Diversify Fleet Uses	-	-	Only Minneapolis
JetBlue	-	-	-	East Coast Focus
Alaska/Hawaiian	-	Merging	-	West Coast Focus

CCIA average daily departures are scheduled to be 16.5 in 2025, a level not seen since 2015



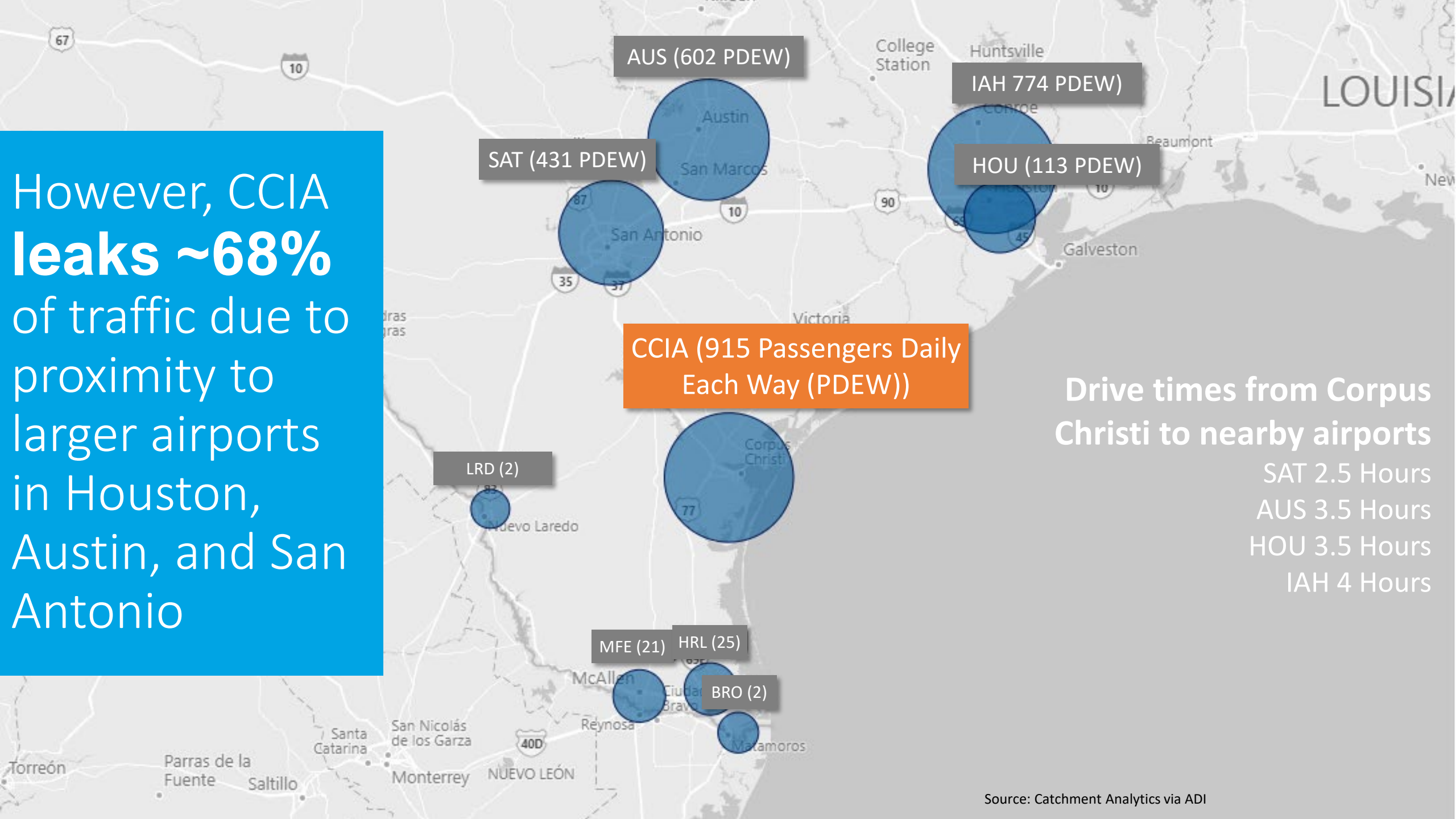
- Departures increased an average of **+5.7% each year from 2021 to 2025**
- More flights are from American & United
- **Southwest reduced** departures in August 2024 by roughly (-30%) **due to Boeing delays**

However, 2025 daily seats are scheduled to reduce by (-3%) year-over-year due to Southwest



- Southwest reduction of one daily departure in August 2024 **took away ~147 daily seats**
- Additional American & United flights only have 50-76 seats per plane
- American & United seats not yet able to **backfill** all Southwest seats

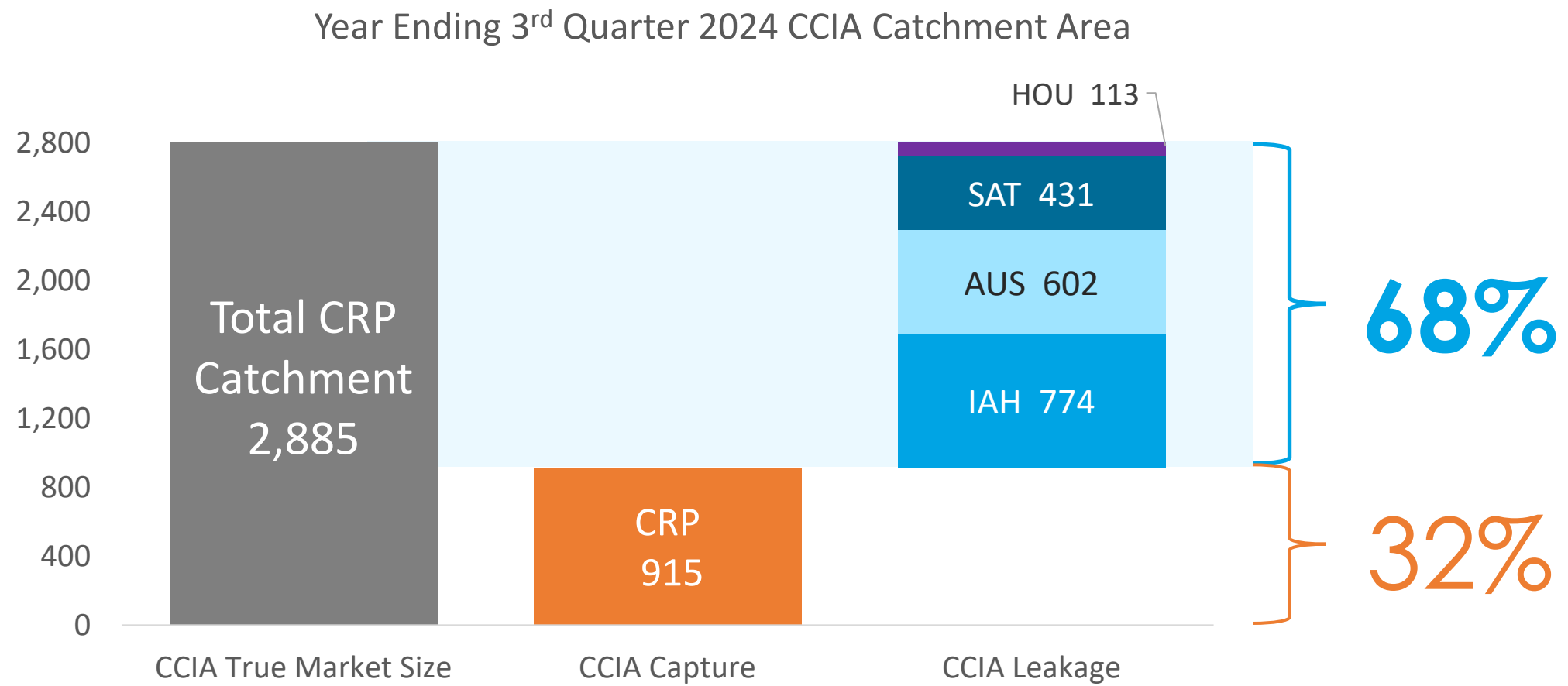
However, CCIA
leaks ~68%
of traffic due to
proximity to
larger airports
in Houston,
Austin, and San
Antonio



Drive times from Corpus Christi to nearby airports

SAT 2.5 Hours
AUS 3.5 Hours
HOU 3.5 Hours
IAH 4 Hours

True market size for CCIA catchment is **2,885 Passengers Daily Each Way** but 68%, or 1,970 passengers, fly from other airports despite long drives



Source: Catchment Analytics & DOT O&D data via ADI

Airport has actively worked to reduce CPE by 35% since 2020

Steps taken since 2020 to reduce CPE

- Reducing costs
- New & increased revenue

Planning to reduce CPE further

- Lowering landing fees
- Updated concessions
- New non-aero revenue

