



# Air Service Incentive Program

# Air Service Incentive Program

- 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.

Name	Target	Incentive	Period	Example
Program 1	New Airline	100% landing fees and terminal-based fees	24 months	Allegiant Air begins operating at CCIA.
Program 2	New Airport-Wide Nonstop Destination	100% landing fees and incremental terminal-based fees associated with those flights	24 months	American begins a flight to Denver.
Program 3	New Airline-Wide Nonstop Destination	100% landing fees and incremental terminal-based fees associated with those flights	12 months	American begins a flight to Houston, where United already serves.

Name	Target	Incentive	Period	Example
Program 4	New Direct Destination	100% landing fees and incremental terminal-based fees associated with those flights	6 months	United begins Denver service direct via IAH. Passengers stop at IAH but do not get off the airplane before continuing to Denver.
Program 5	New International Destination	100% landing fees and incremental terminal-based fees associated with those flights	24 months	American begins service to Monterrey, Mexico.
Program 6	New Seasonal Air Service	50% landing fees and incremental terminal-based fees associated with those flights	First season of operation	Allegiant Air begins service to Orlando during spring and summer periods only.

# Waived Airline Revenue

AIR SERVICE INCENTIVE ANALYSIS			
<b>Basis: AIRBUS 320</b>			
Enplanements	140	Annual Enplanements (3/wk)	21,840
Seats Available	175	Annual Enplanements (4/wk)	29,120
Load Factor	80%		
3 FLIGHTS / WEEK		4 FLIGHTS / WEEK	
<u>Landing Fees</u>	<b>CRP to Vegas</b>	<u>Landing Fees</u>	<b>CRP to Vegas</b>
Total Weight	134,482	Total Weight	134,482
3 Flights/week	403,446	4 Flights/week	537,928
Annual Flights (3/wk for 52 Weeks)	156	Annual Flights (4/wk for 52 Weeks)	208
Total Annual Landing Weight	20,979,192	Total Annual Landing Weight	27,972,256
Weight Charge per 1,000 lbs	20,979	Weight Charge per 1,000 lbs	27,972
Non-Signatory Rate	\$ 3.59	Non-Signatory Rate	\$ 3.59
<b>Estimated Annual Landing Fees</b>	<b>\$ 75,315.30</b>	<b>Estimated Annual Landing Fees</b>	<b>\$ 100,420.40</b>
<u>Space</u>		<u>Space</u>	
Annual Counter Rate	\$ 89.75	Annual Counter Rate	\$ 89.75
Monthly Rate	\$ 7.47917	Monthly Rate	\$ 7.47917
600 Square Feet/Monthly Rent	\$ 4,487.50	600 Square Feet/Monthly Rent	\$ 4,487.50
<b>Annual Space Rent</b>	<b>\$ 53,850.00</b>	<b>Annual Space Rent</b>	<b>\$ 53,850.00</b>
<b>Total Revenue Waiver</b>	<b>\$ 129,165.30</b>	<b>Total Revenue Waiver</b>	<b>\$ 154,270.40</b>

# Earned Auxiliary Revenue

## ADDITIONAL CONCESSIONS

### Parking

2.5 days of parking (50% of Pax)	\$ 1,400.00
3 Flights/week	\$ 4,200.00
<b>Est Annual PARK REV (3/wk x 52)</b>	<b>\$ 218,400.00</b>

4 Flights/week	\$ 5,600.00
<b>Est Annual PARK REV (4/wk x 52)</b>	<b>\$ 291,200.00</b>

### Concessions

\$1 per enplanement (per flight)	\$ 140.00
3 Flights per week	\$ 420.00
<b>Est Annual F&amp;B Concessions</b>	<b>\$ 21,840.00</b>

\$1 per enplanement (per flight)	\$ 140.00
4 Flights per week	\$ 560.00
<b>Est Annual F&amp;B Concessions</b>	<b>\$ 29,120.00</b>

### PFC

\$4.50 per enplanement (per flight)	\$ 630.00
3 Flights per week	\$ 1,890.00
<b>Est Annual PFC</b>	<b>\$ 98,280.00</b>

4 Flights per week	\$ 2,520.00
<b>Est Annual PFC</b>	<b>\$ 131,040.00</b>

### RAC

3 Flights per week	
20% Rental Rate \$5.33 per enplanement	\$ 23,281.44

4 Flights per week	
20% Rental Rate \$5.33 per enplanement	\$ 31,041.92

### Fuel Flowage Fees

Total available fuel lbs per plane	7060
50% of time fuel filled	3530
Fuel flowage fee	0.06
<b>Est Annual FFF</b>	<b>\$ 33,040.80</b>

Total available fuel lbs per plane	7060
50% of time fuel filled	3530
Fuel flowage fee	0.06
<b>Est Annual FFF</b>	<b>\$ 44,054.40</b>

### Badging & Misc

Based on Employees	<b>\$ 1,000.00</b>
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<b>Total Additional Revenue</b>	<b>\$ 372,560.80</b>
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<b>Total Additional Revenue</b>	<b>\$ 527,456.32</b>
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<b>NET GAIN/(LOSS)</b>	<b>\$ 243,395.50</b>
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<b>NET GAIN/(LOSS)</b>	<b>\$ 373,185.92</b>
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