



AGENDA MEMORANDUM
Corpus Christi B Corporation
July 21, 2025

DATE: July 16, 2025

TO: President and Honorable Board Members,
Corpus Christi B Corporation

FROM: Arturo Marquez, CEcD, Ms. Econ
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Airline Minimum Revenue Guarantee Project

CAPTION:

Public hearing and resolution authorizing an Air Service Minimum Revenue Guarantee Program project, totaling up to \$700,000, to expand Corpus Christi International Airport services and retain or create primary jobs.

SUMMARY:

This Resolution authorizes the Airline MRG Project, which entails the creation of a dedicated Minimum Revenue Guarantee (MRG) Program in the amount up to \$700,000, supported by the Type B Economic Development Fund. This fund will be used to attract and sustain new air service routes, strengthening Corpus Christi's regional air connectivity and supporting the community's economic growth.

BACKGROUND AND FINDINGS:

A Minimum Revenue Guarantee is an economic development tool widely used by small and mid-sized communities to attract new commercial air services. In the highly competitive airline industry, airlines are more likely to add new routes if financial risk is minimized during the start-up phase. An MRG works by guaranteeing an airline a minimum level of revenue for a new route over a set period. If actual passenger revenue falls short of that minimum, the MRG Fund covers the difference. This provides airlines with greater financial certainty to test new markets, while giving the community an opportunity to prove the route's long-term viability through increased passenger demand.

For Corpus Christi, stronger air connectivity is vital for economic development, tourism, business travel, and quality of life. Access to more nonstop destinations opens doors for business expansion, talent recruitment, tourism spending, and easier access for residents. With limited hub connections compared to peer cities, Corpus Christi must compete aggressively to secure new routes, and MRGs are a proven, industry-standard approach to do so.

The creation of this dedicated fund amounting up to \$700,000 will allow the City and Corpus Christi International Airport to respond quickly to opportunities with airlines, leveraging local dollars to secure new nonstop flights to high-priority destinations.

Under Type B statute 505.155, the provision allows for the expansion of airport service and the retention or creation of primary jobs.

By investing in an MRG Fund, the City of Corpus Christi demonstrates a commitment to expanding air service, supporting local businesses, creating jobs, and making the community more connected and competitive.

ALTERNATIVES:

The Board may choose not to approve the Airline MRG Project for the creation of a dedicated MRG Fund. However, without an established MRG Fund, the City and Corpus Christi's International Airport would have less flexibility and readiness to respond quickly to airline proposals, which could limit Corpus Christi's competitiveness in securing new routes.

FINANCIAL IMPACT:

The financial impact is an amount up to \$700,000, to be funded from the Type B Economic Development Fund.

Funding Detail:

Fund:	1146 Type B Economic Development
Organization/Activity:	15010 Major Business Incentive Project
Mission Element:	57
Project # (CIP Only):	
Account:	530000 Professional Services
Amount:	

RECOMMENDATION:

Staff recommends approval of the MRG Project in an amount up to \$700,000

LIST OF SUPPORTING DOCUMENTS:

Presentation