



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 28, 2012
Action Item for the City Council Meeting of September 11, 2012

DATE: August 17, 2012
TO: Ronald L. Olson, City Manager
FROM: Fred A. Segundo, Director of Aviation
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Acceptance and appropriation of a Small Community Air Service Development Program grant in the amount of \$300,000 to help Corpus Christi International Airport improve community air service through a marketing campaign.

CAPTION:

Authorizing the City Manager or designee to execute all documents necessary to accept Small Community Air Service Development Program from the United States Department of Transportation (USDOT) in the amount of \$300,000 and appropriating \$300,000 from the United States Department of Transportation Small Community Air Service Development Program in the No. 1055 Airport Grants Fund for a marketing campaign to educate travelers on benefits of local air service at Corpus Christi International Airport.

PURPOSE:

Acceptance and appropriation of the USDOT Grant will fund various strategic initiatives directed at improving air service at Corpus Christi International Airport (CCIA).

BACKGROUND AND FINDINGS:

The Corpus Christi International Airport has been awarded a \$300,000 grant by the U.S. Department of Transportation. The grant award is part of a program designed to help small airports improve the air service they can offer their customers. Corpus Christi International Airport will be required to contribute \$20,000 in expenditures and \$20,000 in In-kind Services over a 2-year period. The \$20,000 has been budgeted in the FY 2012-13 Airport Operating Budget.

The grant proposal submitted by Corpus Christi International Airport lays out a two year Marketing plan designed to:

- Market and promote the air service currently offered
- Reduce the leakage of Coastal Bend residents to other competing airports
- Increase enplanements at Corpus Christi International Airport
- Ultimately improve air service

- Address the issue of higher than average airfare for customers flying out of Corpus Christi.

Corpus Christi International Airport is one of 34 communities in 25 states that will benefit from the Small Community Air Service Development Program. The grant award order notes that CCIA was selected to receive the grant in part because of its' higher than average airfare and because of its relatively isolated geographic location.

ALTERNATIVES:

The only alternative would be an effort to fund the marketing / air service initiative entirely from Airport funds. The level of funding required for an effective initiative currently exceeds available resources. Airport staff is of the opinion that the USDOT development grant will have a positive impact on local air service.

OTHER CONSIDERATIONS:

Not Applicable

CONFORMITY TO CITY POLICY:

The project is consistent with Department of Aviation Business Plan.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance
Management and Budget

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget	\$0	\$0	0	\$0
Encumbered / Expended Amount	\$0	\$0	0	\$0
This item	0	\$300,000	0	\$300,000
BALANCE	\$0	\$300,000	0	\$300,000

Fund: 1055 Airport Grants Fund

RECOMMENDATION:

Staff recommends acceptance of the grant and appropriation of the funds to support the Airport's air service marketing plan.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

Grant Award Notice