

Air Service Incentive Policy

OBJECTIVE To outline the range of incentive options available for air service development for the Greater Asheville Regional Airport Authority (Authority).

METHOD OF OPERATION

Introduction To stimulate air service growth and provide an incentive to incumbent and new entrant airlines for the addition of new air service at Asheville Regional Airport (Airport), the Authority establishes a range of incentive options available. This policy provides the parameters within which staff will be able to negotiate air service development on behalf of the Authority.

Definitions **Target market** – Target markets are any current top 25 Origin and Destination (O&D) airports or geographic areas with alternative airports (based on most current rolling 12-month DOT data), or other markets identified by the GARAA board, if needed.

Other market – Domestic O&D airports that fall below the top 25 O&D airports/geographic regions (based on most current rolling 12-month DOT data).

Served market – O&D airport already served from AVL, either by incumbent or new entrant carrier. (Seasonal routes are only considered served markets when they are in season.)

Unserved market – Nonstop route not currently offered by any carrier.

Seasonal Service – Less-than-yearly domestic air service with a minimum 90-day consecutive service period, maximum of 7 months of service in a calendar year, with at least 2x/week service.

Year-round service – Domestic air service to new route that is offered daily or less-than-daily (at least 2x/weekly) for at least 12 consecutive months.

Terminal rents and fees – airline rental fees for new or expanded preferential lease space (ticket counter, queue and office space), rent for common areas (baggage claim, boarding areas, aircraft apron, loading bridges, etc.), airport-imposed security fees and fees for shared terminal equipment and supplies for passenger processing.

Incumbent – Air carrier currently providing air service at the airport.

New Entrant – Air carrier that has not provided air service at the airport for at least the previous 24 months.

Incentive Program

Year-round service

	Unservd target market	Any other unserved market
Marketing	Up to \$150,000 (Yr 1)	Up to \$75,000 (Yr 1)
Landing Fee Waivers	100% for 24 months	100% for 12 months
Terminal Rent & Fee Waivers	100% for 24 months	100% for 12 months

Seasonal service

	Unservd target market	Any other unserved market
Marketing	Up to \$75,000 (Yr 1)	Up to \$50,000 (Yr 1)
Landing Fee Waivers	100% for first season	100% for first season
Terminal Rent & Fee Waivers	100% for first season; 50% for second season	100% for first season

New Entrant Only – one time incentive for entry into the market.

	Any market year round	Any market - seasonal
Marketing	Up to \$150,000 (Yr 1)	Up to \$75,000 (First Season)
Landing Fee Waivers	100% for 12 months	100% for first season
Terminal Rent & Fee Waivers	100% for 12 months	100% for 12 months

Seasonal-to-year-round service (without interruption of service)

	Unserviced target market	Any other unserved market	Served market (New Entrant Only)
Marketing	Up to \$75,000 (additional for first year)	Up to \$25,000 (additional for first year)	Up to \$25,000 (additional for first year)
Landing Fee Waivers	100% for additional consecutive months up to 24 months total	100% for additional consecutive months up to 12 months total	100% for additional consecutive months up to 12 months total
Terminal Rent & Fee Waivers	100% for additional consecutive months up to 24 months total	100% for additional consecutive months up to 12 months total	100% for additional consecutive months up to 12 months total

Focus City – At least 5 routes (including at least one target market) within first 12 consecutive months of service. To qualify, incumbents must add service to unserved markets. New entrants eligible to include one served market of the 5 or more total added.

	AVL Designated as Focus City
Marketing	Up to \$300,000 for all combined new domestic services (Yr 1)
Landing Fee Waivers	100% for 24 months (unserved markets only) 100% for 12 months (served markets – new entrants)
Terminal Rent & Fee Waivers	100% for 24 months

Requirements For those incentives identified under the Incentive Program section of this policy, a formal contract is not required. However, staff will codify the arrangement and provide the air service entity with a written outline of the incentives that have been offered. If a revenue guarantee or other cash incentive is provided by a third party, a formal contract or agreement between the third party and air service entity must be executed. The airport cannot be involved in this transaction.

Exclusions

Airlines that return previously served routes into service do not qualify for incentives if the route was served by the airline within the previous 24 months. The Board may elect to offer incentives if the route is a targeted unserved market.

If the new service ceases or is suspended at any time during the incentivized period, any unpaid incentive funds at the time of suspension/cessation of service will be forfeited.

Incentives for new service to unserved markets are limited to the first carrier to establish service.

Applicability This policy applies to both incumbent and new entrant commercial or scheduled charter air service entities utilizing the airport and desiring to provide new nonstop service, and who request incentives prior to announcing the new service.

The Authority budgets for air service incentives annually. Therefore, once the budgeted funds are exhausted for a given fiscal year, further incentives may not be available until the next fiscal year unless authorized by the Board.

Right to Amend Policy The Greater Asheville Regional Airport Authority reserves the right to adopt such amendments to this policy from time to time as it determines is necessary or desirable to reflect current trends of airport activity for the benefit of the general public or the operation of the airport.

APPROVAL AND UPDATE HISTORY:

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Supersedes June 17, 2022, June 4, 2021, October 6, 2017, August 8, 2014, June 11, 2010, April 13, 2007, December 18, 2000, May 17, 2004, October 18, 2004, January 24, 2005