

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: December 12, 2023
PUBLIC HEARING DATE:

CONTACT PERSON(S) NAME AND PHONE NUMBER: Sam Rodriguez, (915) 212-7300

DISTRICT(S) AFFECTED: ALL

STRATEGIC GOAL 1: Create an Environment Conducive to Strong, Sustainable, Economic Development

SUBGOAL: Grow the core business of air transportation.

SUBJECT:

A resolution for the El Paso City Council to adopt the Department of Aviation, Air Service Development Incentive Program.

BACKGROUND / DISCUSSION:

The El Paso International Airport has amended the current air service incentive policy to include a two-year fee waiver for use of the Federal Inspection Station (FIS). This is in addition to the existing landing fee waiver and will only apply to a destination that is not already served or has not been served in the past 12 months. This amendment will assist the airport in attracting international non-stop flights by limiting start-up costs while a new flight builds awareness in the community. An update will be provided covering recent accomplishments and upcoming goals for air service development.

PRIOR COUNCIL ACTION:

El Paso City Council approved El Paso International's Air Service Incentive program that went into effect on February 1, 2022, and was last updated on May 24, 2022.

AMOUNT AND SOURCE OF FUNDING:

N/A

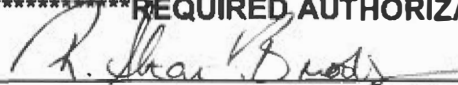
HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? YES NO

PRIMARY DEPARTMENT: Aviation

SECONDARY DEPARTMENT: None

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

for 
Sam Rodriguez, P.E., Director of Aviation

RESOLUTION

WHEREAS, on February 1, 2022, the El Paso City Council approved the Air Service Development Incentive Program revision to encourage new non-stop commercial passenger service, new airlines and new unserved markets, whether those markets be domestic or international; and

WHEREAS, on May 24, 2022, City Council approved the revised Air Service Development Incentive Program providing temporary financial relief to an airline beginning new non-stop commercial passenger service to a destination; and

WHEREAS, the City staff recommends that the Air Service Development Incentive Program be revised to include a temporary fee waiver for Federal Inspection Station use for new international nonstops.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the El Paso International Airport Air Service Development Incentive Program for passenger airlines, attached hereto as Exhibit "A", be approved and made effective on December 12, 2023; and

THAT the prior El Paso International Airport Air Service Development Incentive Program effective May 24, 2022 will no longer be in effect on December 12, 2023.

ADOPTED this ____ day of _____, 2023.

THE CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Ignacio Troncoso
Assistant City Attorney

APPROVED AS TO CONTENT:




Samuel Rodriguez, P.E.
Director of Aviation
 R. Shane Brooks

Exhibit "A"

El Paso International Air Service Incentive Plan



The purpose of the Air Service Development Incentive Program is to encourage new non-stop air service and competition at El Paso International Airport (ELP) by providing temporary financial relief to an airline beginning a new non-stop commercial passenger service to a destination. The incentive program is also an effort to stimulate the growth of airline service to and from ELP by promoting the establishment of new non-stop routes. This incentive program will be in effect for three years, starting December 12, 2023.

- All commercial airlines will be made aware of the program and encouraged to offer new air services.
- Incentives shall be administered so as not to increase the charges of any non-participating air carrier.
- Incentives shall be offered on a reasonable, nondiscriminatory basis to all airlines. A waiver of any fee shall apply only to the flights providing the qualifying service.

	Market Requirements	Minimum service Requirements	Cost Abatement ¹	Marketing Incentives ²	Additional Outreach Efforts
New Airline + new unserved market	A new airline that has not operated at ELP within the past three years AND begins service to a new market that is currently not served from ELP and has not been served 12 months prior to the first flight	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service Additional Fee Waiver – 100 sq. ft. for new entrants for the first 24 months of new service	\$5.00 per departure seat for the 1 st year and \$2.50 per departure seat for the 2 nd year	Broadcast announcements utilizing the airport's media outlets and assist with inaugural flight festivities
New unserved market - domestic	Airports that are currently not served from ELP and have not been served 12 months prior to the first flight, or are upgrading from seasonal to year-round, or from less than daily to daily service	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service	\$5.00 per departure seat for the 1 st year and \$2.50 per departure seat for the 2 nd year	Broadcast announcements utilizing the airport's media outlets and assist with inaugural flight festivities
New unserved market - international	International airports that are currently not served from ELP and have not been served 12 months prior to the first flight	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service Additional Fee Waiver – Access to the Federal Inspection Station for the first 24 months of new service	\$10.00 per departure seat for the 1 st year and \$5.00 per departure seat for the 2 nd year	Broadcast announcements utilizing the airport's media outlets and assist with inaugural flight festivities

¹The carrier is not required to be a signatory and will pay non-signatory rates; however, if the carrier is a signatory, signatory rates will apply.

²All media plans and other marketing plans must have prior written approval by the Director of Aviation to qualify for the identified participation. Payment for marketing activities will be sent directly to the media source, not the airline. Payment will be made to the media source following completion of the approved media plan or marketing plan services or goods and receipt of an invoice by the Director of Aviation. Media incentives shall be instituted in such a manner that in addition to promoting new services, airlines shall also promote ELP. At a minimum, the airport logo will be included in any advertisements.