

Colorado Springs Airport (COS) Air Service Incentive Program – September 2024

Purpose:

The purpose of the Air Service Incentive Program is to encourage new nonstop air service and promote overall competition at the Colorado Springs Airport (COS) by providing temporary economic incentives to commercial airlines that bring qualified new service to the Airport.

Program Summary:

Incentives shall be administered to promote additional air service to COS for the Colorado Springs community. In addition, the program will be administered in such a way to ensure fees and charges for any non-participating air carrier are not increased.

Program Period:

Incentive program shall be effective **September 1, 2024**.

Eligible Airline:

Any Signatory or Non-Signatory airline providing qualified passenger service at COS on a scheduled basis is eligible to participate in the Air Service Incentive Program.

Qualified Service:

Qualified Service is defined as air service to one of the following:

- A new **Target Nonstop Market** as identified below, not previously served by any airline in the past 12 months, which is scheduled to operate a minimum of 5 frequencies per week for at least 12 consecutive months.
- A new **Annual Nonstop Market** not previously served by any airline in the past 12 months, which is scheduled to operate a minimum of 7 frequencies per week for at least 12 consecutive months.
- A new **Seasonal Nonstop Market** not previously served by any airline in the past 12 months, which is scheduled to operate for 6 months or less, up to 3 seasons.
- New **International Service** may qualify for incentives as either Annual Nonstop Market or Seasonal Nonstop Market.

Target Nonstop Market:

Markets identified by the Colorado Springs Airport (COS) to receive enhanced incentives during the program period. Target markets include: Charlotte (CLT), Washington Dulles (IAD), Los Angeles (LAX), San Francisco Bay Area (OAK, SFO, SJC), Seattle (SEA), New York City Area (EWR, JFK, LGA), Orlando (MCO), San Diego (SAN), San Antonio (SAT), Cancun (CUN), Cabo San Lucas (SJD), Puerto Vallarta (PVR)

Program Details:

The Air Service Incentive Program will be administered by COS and will provide a cash credit incentive of up to **\$4.00 USD** per flown departing seat for new nonstop markets unserved in the prior 12 months, plus marketing incentives up to a maximum of **\$100,000 USD** per year in marketing expenses for Domestic and International markets paid directly by the Airport, or reimbursed to the carrier, per market for all qualified routes to promote a carrier's service.

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The cash credit cannot exceed the Eligible Airline’s total airport expense and cannot be rolled over to the following year. The amount of incentive will be based on the following, subject to approval by the Airport Director of Aviation:

Incentive	New Seasonal Nonstop Mkt	New Annual Nonstop Mkt	New Target Nonstop Mkt	New Intl Nonstop Mkt
Minimum Service	Less than 6 months, up to 3 seasons in 3 Years	Annual (12 Months)	Annual (12 Months)	Seasonal or Annual
Minimum Sched Frequency	2X Per Week	7X Per Week	5X Per Week	1X Per Week
Compared to	Prior 12 Months	Prior 12 Months	Prior 12 Months	Prior 12 Months
Cash Credit – Year One	\$4.00 Per Flown Departing Seat			
Cash Credit – Year Two	\$3.00 Per Flown Departing Seat			
Marketing – Year One	Up to \$50,000	Up to \$75,000	Up to \$100,000	Up to \$100,000
Marketing – Year Two	Up to \$50,000	Up to \$75,000	Up to \$100,000	Up to \$100,000

* Incentive per twelve calendar months from start of service

* Airport reserves the right to prorate the amount of incentive by level of service scheduled by Eligible Airline.

* **Target Nonstop Markets: BAY (SFO, OAK, SJC), CLT, IAD, LAX, MCO, NYC (EWR, JFK, LGA), SAN, SAT, SEA, CAN, SJD, PVR**

Prior to initiating new Qualified Service, an Eligible Airline must notify the COS Director of Aviation in writing of the new service and request inclusion in the Air Service Incentive Program.

Incentives in Prior Years:

If an air carrier received incentives for new air service as part of the previous Air Service Incentive Program and is continuing the new service in current year for a minimum of **6 months**, then it will be automatically continued in that incentive program for the duration of that effective period.

Marketing:

- 1) COS Airport will spend or reimburse up to **\$100,000 USD** per new market, depending on frequencies and duration of service, as described above, in marketing of promoting new or expanded service for up to the first 12 months that the new Qualified Service is in place. The Eligible Airline may also receive additional marketing support in Year Two for a new market also as described in the above chart.
- 2) The amount of spend will be determined and approved by the COS Director of Aviation.
 - a) The airline may receive additional marketing support through community engagement, local press releases, inaugural support, inclusion in the Airport’s overall internal and local media plan, and the Airport’s social channels.
 - b) The Airport will pay for Airport marketing expenditures by the Airport, or reimburse the qualified carrier, up to the full amount of the eligible costs described above to market the specified carrier’s route(s).

- c) All marketing plans must be reviewed and accepted in advance by the Colorado Springs Airport Director of Aviation or designee.
- d) Eligible marketing activities may include, but are not limited to, creative development, digital and fixed advertising exposure throughout the terminal based on availability, inbound and/or outbound media placed in promotion of the route, any other promotional and advertisement activity that is seen fit.

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All activities, promotions and amount of spend subject to approval by the COS Director of Aviation or designee.

- e) All marketing activities must promote Colorado Springs Airport, in addition to the Eligible Airline’s brand and the new market(s). The determination of the proportional share eligible for payment will be made by the COS Director of Aviation on a case-by-case basis and will depend upon the portion of the marketing/advertising element that is dedicated to promoting the Airport.
- f) Colorado Springs Airport will use allocated marketing expenditures to promote the carrier’s qualified new routes or increased capacity or will focus efforts on improving performance in underperforming markets, which may be determined in conjunction with the carrier.
- g) If the carrier suspends or terminates its expanded service prior to the minimum duration of service for the incentive, with exception for Acts of God or reasons beyond its control, any incurred marketing spend by Colorado Springs Airport for the routes in question must be reimbursed to Colorado Springs Airport within three calendar months.

If at any time the FAA determines that this Incentive Program does not comply with any federal law, rule, regulation, or grant assurance, Colorado Springs Airport shall either immediately suspend non-compliant portions of the Program or terminate this Program by written notice to all participating airlines.

Colorado Springs Airport and the COS Director of Aviation shall have the ability to amend and/or terminate this incentive program at any time without reason at its discretion and has the ability to determine qualification and amount of spend per qualifying incentive.

Airport Approval



Date: August 29, 2024

Gregory S. Phillips, AAE
Director of Aviation