



Item

FlyCasper Support

Responsible Staff Contact

J. D. Cox, City Manager

Recommendation

Approve FlyCasper Alliance Support of \$25,000 for Minimum Revenue Guarantee (“MRG”) for Delta Airlines/SkyWest Air Service.

Executive Summary

The City of Douglas has been requested by the FlyCasper Alliance to consider contributing toward the Minimum Revenue Guarantee that Delta Airlines/SkyWest is needing to continuing operating its Casper-Salt Lake City air service. In return for the contribution, Casper Airport has offered to provide advertising to Douglas/Converse County as needed and FlyCasper Alliance has offered a seat on their board.

The total MRG request for July 1, 2024- June 30, 2025, is \$ 1,984,733, and the remaining shortfall is approximately \$200,000. The balance has been committed by Natrona County \$595,420 (30%) and the City of Casper \$400,000 - 20%).

Other organizations being asked for contributions include:

- State of Wyoming
- Advance Casper
- Community Businesses
- Converse County

The State and Natrona County have asked Fly Casper Alliance to bring more community partners into the equation.

Background

On Tuesday, 21 May 2024, the Douglas City Council held a joint meeting with the Converse County Commission and representatives from the FlyCasper Alliance to discuss the Minimum Revenue Guarantee “MRG” that the Casper/Natrona County Airport needed to reach to maintain Delta/SkyWest service to Salt Lake City. MRGs are part of the business model for SkyWest’s at-risk markets. MRG funds are only paid to the airline when there is a revenue shortfall. The State and Natrona County have asked Fly Casper Alliance to bring more community partners into the equation.

The MRG request for our route can be reduced through INCREASED RIDERSHIP.

- SkyWest only bills on the difference between the number of people budgeted to fly each month and the actual number. In March of 2024, ridership exceeded the budget by 210 passengers.

Commitments

Thus, far we have commitments from the following:

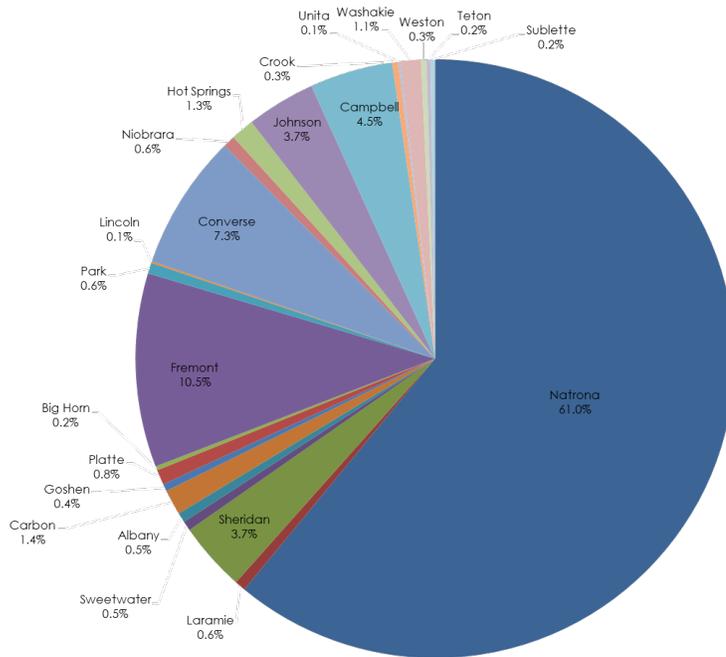
- Natrona County \$595,420 - 30%
- City of Casper \$400,000 - 20%

To secure the shortfall, we are seeking monetary support from:

- State of Wyoming
- Advance Casper
- Community Businesses
- Converse County
- City of Douglas

Converse County Ridership

Converse County has 52,522 True Market Passengers, of which 1/3 or approximately 17,507 use Casper Airport. Further, according to license plate data at the airport 7.3% of the cars in our parking lot are from Converse County (see chart below).



Reasons Identified as to Why Our Region Needs a Flight to Salt Lake City?

- C/NCIA is a pivotal hub to get people to medical care and to bring medical personnel to central Wyoming.
- Small businesses, tourism, entrepreneurs, and the energy industry benefit from having direct access to Salt Lake City.



- C/NCIA needs two airlines serving the market to keep prices competitive. Additionally, it is the only Foreign Trade Zone and International Airport in Wyoming. Both of these assets enhance global business growth in central Wyoming.
- From July 1, 2022 – June 30, 2023, the Delta Connection brought \$11 Million into central Wyoming’s economy. That’s an astonishing 11:1 return on investment for the MRG.

Alignment to Strategic Doing (SD) and/or Other Plans

SD24 Outcome

SD24 Strategy

SD24 KPI

2014 Master Plan

2015 Downtown Master Plan

Budget/Fiscal Impact

<u>Fund/Department</u>	47-5410-2158
<u>Project/Line Item(s)</u>	Economic Development
<u>Budgeted Amount</u>	\$1,458,300
<u>Anticipated Amount</u>	\$25,000

Action Requested/Recommended Motion

Approve FlyCasper Alliance Support of \$25,000 for Minimum Revenue Guarantee (“MRG”) for Delta Airlines/SkyWest Air Service.

Reviewed/Approved

- Community Development
- Law Enforcement
- City Manager

- Public Works
- Legal
- Finance/City Clerk