

ORDINANCE

AMENDING THE AIR SERVICE INCENTIVE PROGRAM TO PROMOTE INTERNATIONAL AIR SERVICE TO THE SAN ANTONIO INTERNATIONAL AIRPORT, WITH FUNDING OF \$950,000 BUDGETED IN THE FY 2023 AIRPORT OPERATING AND MAINTENANCE FUND.

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WHEREAS, domestic airports have routinely employed Air Service Incentive Programs since the 1990s whereby the Federal Aviation Administration (FAA) allows airports to provide certain incentives through marketing funds and fee waivers to attract new airlines and/or new service from existing carriers for new or underserved markets; and

WHEREAS, the FAA maintains strict guidelines on how incentive programs are structured to retain fair market competition and also dictates where incentive funds may and may not be allocated; and

WHEREAS, the current Air Service Incentive Program was approved through Ordinance 2019-12-12-1056 in December 2019 and offers air carrier marketing incentives and fee waivers based on criteria such as the level of service and whether the air carrier is a new carrier to the airport; and

WHEREAS, the goal for this amendment to the Air Service Incentive Program is to increase nonstop scheduled air service and subsequent passenger traffic at SAT to international markets, and will assist the Airport System in its efforts to remain competitive against other airports in an ever-changing aviation industry; and

WHEREAS, the proposed changes include expanding Landing Fee and Federal Inspection Station Fees, and creating three new categories of incentives for targeted international flights;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The revised San Antonio International Airport Air Service Incentive Program is approved and authorized to be implemented as written, a copy of which is set out in **EXHIBIT 1**.

SECTION 2. There is no fiscal impact associated with this item.

SECTION 3. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 4th day of May 2023.

M A Y O R
Ron Nirenberg

ATTEST:

Debbie Racca-Sittre, City Clerk

APPROVED AS TO FORM:

Andrew Segovia, City Attorney

EXHIBIT 1

REVISED SAN ANTONIO INTERNATIONAL AIRPORT AIR SERVICE INCENTIVE PROGRAM

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