

FOR COUNCIL MEETING OF:
AGENDA ITEM NO: _____

December 10, 2007
4.3 (f)

TO: MAYOR AND CITY COUNCIL
Robert G. Wells
THROUGH: ROBERT G. WELLS, CITY MANAGER
FROM: VICKIE HARDIN WOODS, DIRECTOR *VHW*
COMMUNITY DEVELOPMENT DEPARTMENT
SUBJECT: RECRUITMENT EFFORTS FOR ADDITIONAL COMMERCIAL AIR
SERVICE TO LOS ANGELES
ISSUE: DIRECT AIR SERVICE TO LOS ANGELES

RECOMMENDATION:

Information only.

BACKGROUND:

The City of Salem, with strong community support, undertook a comprehensive recruitment program to return commercial air service to McNary Field. The program included a Revenue Guarantee funded by a Department of Transportation "Small Community Air Service Development Grant, Airline Travel Bank (ATB), coordinated by the Salem Area Chamber of Commerce, a marketing program and selected short term fee waivers. The effects were successful with Delta Air Lines starting service June 7, 2007.

FACTS AND FINDINGS:

Acceptance of commercial air service has been positive for both business and personal travel. To better serve Salem and Mid-Willamette Valley passengers additional flight options would be beneficial. Discussions and an onsite meeting in Atlanta between Mayor Taylor, the Director of SEDCOR and Delta officials have been encouraging. Discussions have centered on direct service between Salem and Los Angeles. The daily service would serve the second largest overall Salem area market and the primary single business market.

To be competitive in attempting to gain additional service, City and Community leadership are exploring possible incentives. Salem's proposal for jet service to Los Angeles would include:

- 1) An Airline Travel Bank with a goal of \$150,000 coordinated by the Salem Area Chamber of Commerce;
- 2) A partnership with Marion County, SEDCOR and the State of Oregon Strategic Fund to generate a revenue guarantee agreement of approximately \$250,000;
- 3) City of Salem/McNary Field landing fee waivers for the Los Angeles flight for the first year of operation.
- 4) Marketing money budgeted by the City of Salem to market the service for the first year (This is within the amount of marketing money already budgeted for Delta service to Salt Lake City).

Should Salem's proposal be accepted service could start during Summer, 2008.


Alan Alexander, Airport Administrator