

AVIATION BOARD BACKGROUND LETTER

Aviation Board Meeting Date: April 21, 2025

To: Chair Dickinson and Aviation Board Members
Cc: Shaundel Washington-Spivey, Mayor
From: Jeff Tripp, Airport Director
Subject: Airport Minimum Revenue Guarantee Update

Summary:

Minimum Revenue Guarantees (MRGs) are a common tool used by airports to attract airlines, especially when trying to initiate new routes or increase service frequency. MRGs essentially provide a financial safety net for airlines by guaranteeing a certain level of revenue, regardless of the actual performance of the route.

Overall, MRGs can be a valuable tool for airports seeking to attract airlines and stimulate air service development by providing financial incentives and mitigating some of the risks associated with launching new routes or increasing service frequency.

The LSE Air Service Working Group has established a target goal of raising \$1,500,000 to support air service development. The money for the \$1.5 million MRG will be provided from three sources:

- **U.S. DOT.** Receipt of a 2025 Small Community Air Service Development (SCASD) Grant from the US Department of Transportation, if awarded. The Airport anticipates an amount of \$750,000 based on typical awards.
- **Public Sector contributions.** La Crosse County and the City of La Crosse have authorized providing support up to \$250,000 each.
- **Private Sector contributions.** The Airport is working to secure up to \$250,000 in additional public & private sector funding.

Current Actions

The airport is working in cooperation with LADCO and the LSE Air Service Working group to requests letters of support and financial contributions to help raise the additional public & private sector funding in support of the MRG.

Requested Aviation Board Action:

None – Informational Update Only

Respectfully Submitted,

Jeffrey S. Tripp

Jeffrey S. Tripp, A.A.E.
Airport Director