



Air Service Incentive Program



As the primary commercial airport for central Kentucky, Blue Grass Airport's (LEX) vision is to provide a welcoming approach connecting Kentucky and the world.

The airport collaborates with its partners to provide a convenient and modern airport with southern hospitality and efficient transportation services.

To serve the region's business and leisure travel needs, the Lexington-Fayette Urban County Airport Board ("Airport Board") has developed this Air Service Incentive Program to encourage new airlines and flights to operate to/from Blue Grass Airport. This program assists in long-term success by offsetting initial expenses airlines endure when entering new markets.

In developing this Air Service Incentive Program, the Airport Board aims to create a mutually beneficial environment for new entrant and incumbent carriers at the airport while providing enhanced air travel options for its community. This program is consistent with the Federal Aviation Administration guidelines in the *Air Carrier Incentive Guidebook: A Reference for Airport Sponsors*.

New Entrant Carrier Incentives

The following incentive program is offered to any air carrier not currently providing air service at Blue Grass Airport.

- Marketing support of up to \$200,000 for one year to create brand awareness
- Additional marketing support of up to \$150,000 per unserved destination for two years; if service is less than daily, this marketing support incentive may be tiered. (See "Unserved Destination Incentives" for the distribution of this support.)
- Waiving of any incremental terminal, airfield and loading bridge fees for up to two years to any unserved destination and one year for any destination with preexisting service by an incumbent carrier. This includes common space, landing weight, per-turn (if applicable) and RON fees.

Marketing support begins on the date of the press announcement, and fee waivers start on the first day of operation. All incentives are for consecutive years only. Marketing plans must be mutually agreed upon by the Airport Board and air carrier.



Unserved Destination Incentives

The following incentive program is offered to any air carrier providing flights to a location that does not have preexisting service at Blue Grass Airport. Air carriers that offer a significant increase in capacity to a preexisting underserved destination are also eligible for this incentive.

- Marketing support of up to \$100,000 per unserved destination for the first year of service; if service is less than daily, this marketing support incentive may be tiered.
- Up to an additional \$50,000 in marketing support for the second year of service; if service is less than daily, this marketing support incentive may be tiered.
- Waiving of any incremental terminal, airfield and loading bridge fees for up to two years for the unserved destination. This includes common space, landing weight, per-turn (if applicable) and RON fees.
- New seasonal service to an unserved destination is eligible to receive all the above waived fees for up to three years.

Marketing support begins on the date of the press announcement, and fee waivers start on the first day of operation. All incentives are for consecutive years only. Marketing plans must be mutually agreed upon by the Airport Board and air carrier.

Program Administration

To receive air service incentives, air carriers must remain in good financial standing with the Airport Board and sign a letter outlining the specified incentives. In addition, the air carrier must submit a monthly report to the Airport Board detailing its operations and enplanements at Blue Grass Airport, including a breakdown of the landing weight, enplanements and number of flights for the new destination.

The following eligibility guidelines are in place for marketing support:

- All marketing plans and creative materials require pre-approval of the Board's Vice President of Marketing & Community Relations prior to placement. Marketing plans should promote public awareness of the new services to/from Blue Grass Airport. The airport's logo must be featured with substantial or equal prominence to the air carrier in all advertisements and used in accordance with the Airport Board's brand guidelines. All radio advertisements must mention Blue Grass Airport's name in the voiceover/copy.
- Marketing support for new entrant carriers must be utilized within Blue Grass Airport's catchment area. Marketing support dollars for unserved destinations must be utilized within Blue Grass Airport's catchment area or the new destination catchment area. At least 25% of marketing dollars must be spent prior to the inaugural flight.
- Based on guidance from the Federal Aviation Administration, the Airport Board will pay marketing and advertising costs directly to the marketing provider or air carrier. Payment to an air carrier assumes the marketing provider has been paid in full, and an invoice is submitted to the Airport Board with supporting documentation of the purchase and proof of performance reports. Invoices and documentation should be emailed to Blue Grass Airport's Vice President of Marketing & Community Relations for payment. All advertising must be pre-approved to be eligible for payment with marketing support dollars.



Additional Airport Support

To supplement the marketing support mentioned above, the airport will provide promotion of new entrant carriers and unserved destinations via its own resources. Examples include:

- Press release distribution and promotion via local media interviews
- Promotion during presentations to community groups/associations
- Hosting of inaugural events to create awareness among travelers
- Promotion on the airport's website and via airport e-blasts
- Posts via social media channels, including Facebook, X, LinkedIn and Instagram
- In-terminal promotion via digital displays and signage

The Airport Board encourages all air carriers to use its own marketing resources to promote new services to/from Blue Grass Airport. The airport can supply writing assistance, photography, media contacts and other marketing assets upon request.

For More Information

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This Air Service Incentive Program is effective 3.27.24 and will be subject to periodic review by the Airport Board to ensure its effectiveness and relevance. The Airport Board reserves the right to modify the program based on changing market conditions and the overall impact on airport development. The Airport Board may also amend or terminate this program at any time to comply with regulatory changes implemented by the Federal Aviation Administration.

