

**MINUTES OF AIRPORT COMMISSION SPECIAL STUDY SESSION**  
**TUESDAY – MAY 9, 2023**  
**FORT SMITH REGIONAL AIRPORT CONFERENCE ROOM**

The special meeting of the Fort Smith Airport Commission was called to order at 12:00 p.m. by Chairman Grimes, presiding. Commissioners Hawkins, Pendergrass, Ridgley and Voris were present. Commissioners Kelly and McGhee were absent. Also present were Michael Griffin, Airport Director, Lindsay Conley, Finance Director, and Kirk Lovell, Mead & Hunt Managing Director, Air Service Consulting.

**STUDY SESSION**

Kirk Lovell presented an Air Service Update for commissioners. He reported that the pilot and crew shortage, along with high jet fuel prices have had a national impact on airports. Low cost carriers have rebounded from the pandemic, but legacy carriers (e.g. American Airlines and Delta) have not. Regional jet capacity is declining, which makes it a challenge for small markets to grow. 69 US airports lost a legacy carrier after the onset of the pandemic. Airlines lost \$47 billion in 2020, and that figure includes funds received from CARES grants.

Over four hundred US airports are currently trying to attract new air service, which means the competition is steep. Fort Smith Airport was awarded a Small Community Air Service Development Program grant totaling \$1.145 million to attract direct flight service to Chicago or another east coast destination. However, those funds as well as airport funds cannot be used to offer incentives to airlines due to signed grant assurances. Other states, chambers, and communities have begun offering incentives to attract airlines in the form of Minimum Revenue Guarantees (MRG). The MRG will only be paid if the airline doesn't meet the revenue goal set in the agreement. Low cost carriers rely on the MRG for revenue.

In order for air service development to occur, the community must present the business case to the airlines. To do this, the chamber would need to be involved, sending out surveys to local business that would provide details about how many businesses use air travel, how often, and how much they are spending. The data could be compiled to present to airlines proving the revenue that a new air service route could bring them, and also give a figure for the Minimum Revenue Guarantee that could be offered.

**ADJOURNMENT**

On motion by Commissioner Voris and second by Commissioner Ridgley, the meeting adjourned 12:52 p.m. Voting aye: Grimes, Hawkins, Pendergrass, Ridgley and Voris. Voting Nay: None. Motion Carried.

Respectfully submitted,



Michael Griffin, A.A.E.  
Airport Director