

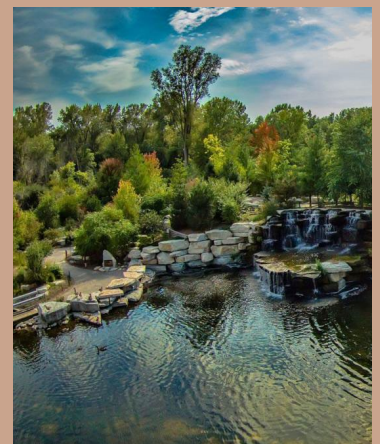


Brown County, WI
Established 1818

Project 2759

BROWN COUNTY

AIR SERVICE MINIMUM REVENUE GUARANTEE PROGRAM



BROWN COUNTY

MINIMUM REVENUE GUARANTEE PROGRAM

July 1, 2025

Introduction and Purpose

Brown County, as operator of Green Bay Austin Straubel International Airport, is actively pursuing new and increased passenger air service to serve the Airport and its community. As a key component of this effort, the County is instituting an incentive to air carriers in the form of a Minimum Revenue Guarantee (MRG), under which Brown County and its community share the risk in launching new service with the air carrier providing the service. The funding will come from Brown County's Loss Revenue Fund.

The County's goal is to advance this effort on a timeline for the launch of service by the end of 2026. This list of frequently asked questions was compiled to answer the most common concerns and to provide a framework for understanding the MRG to air carriers and community members.

Basics

What was approved by the County?

The County agreed to create a \$1 million air carrier Minimum Revenue Guarantee (MRG) fund to be used as a key incentive in efforts to attract new nonstop flights to and from the Airport.

What's an MRG?

A MRG is a common arrangement for airports in the US that is designed to reduce an airline's financial risk in launching service on a new route. It is a guarantee from the County that the airline will receive at least an established minimum amount of compensation for agreed upon new service in the event that the airline is not achieving defined revenues from scheduled commercial service. MRGs are created with a limited timeframe, usually one to two years.

The goal is for an MRG to reduce the airline's hesitation to try the new service by lowering financial risks. However it is the expectation that the introduced routes quickly become self-sustaining and no longer – or perhaps ever – require the support of the MRG to be viable.

Benefits

How would the additional nonstop flights benefit the community?

This MRG program is an investment in the local community. The County expects that the dollars spent will have a positive return on investment for both community members and the local economy. Providing new nonstop flights to destinations already frequented by our community members via connections or alternate airports provides an overall time savings for them, while also enticing new travelers on the route with the added convenience of nonstop service.

Further, any additional air service will eventually generate additional dollars for both the Airport and community. The Airport Cooperative Research Program estimated that one additional community job is created for every additional 270 seats (approximately 2 flights) departing Green Bay (ACRP Research Report 218: Building and Maintaining Air Service Through Incentive Programs, 2020).

Funding

How will our airport's MRG be funded?

It's expected that the \$1 million would come from the Brown County's Loss Revenue Fund. The Airport is not permitted to contribute funding to the MRG. Per federal regulations, no airport-generated revenues may be used for this type of incentive, though other incentives that would qualify for utilizing airport funds are available.

Process

How will the MRG work?

Here's the expected process:

1. Advertise the MRG.
2. Receive applications from and negotiate with interested airlines.
3. Reach agreements and sign contracts with one or more airlines.
4. Begin the new services!
5. After an agreed period, evaluate progress and meet with the airline to determine whether to continue services or end the contract early.
6. If a decision is made to proceed, the airline will submit regular reports on route performance and the MRG fund would provide payments if the airline were not to achieve its agreed upon revenues.
7. After a specified period of time, the fund would return its unused dollars to the County. The goal is that flights would continue and be fully self-sustaining,

although it is not unusual for funds from the MRG to be needed in the early stages.

Airlines and Routes

If multiple airlines are interested, on what will the selection be based? Who will decide?

All applications from airlines will be considered. The County envisions that one or at most two routes will be selected. However, the program retains flexibility to reach agreements with multiple airlines and multiple routes.

This program is a community-sponsored incentive program. Once airline applications have been submitted, the County will direct the program and make final decisions. County employees and their representatives will conduct the program and handle funds. To comply with federal regulations, the Airport and its management will not be directly involved in the program or decision-making process, though they may provide technical assistance and may advise the County on specifics of the airline industry.

What destinations are being targeted, and are there limitations?

The County is prioritizing service to leisure destinations, specifically Orlando, and key unserved business markets. However, applications to provide service to other destinations will be considered as well.

This MRG is intended for commercial passenger air service; cargo-only service will not be considered.

Reporting and Oversight

How does the guarantee work? How is the amount determined?

The MRG is not a profit guarantee, rather it is a guarantee of total revenue. In negotiations, the airline will state its requested revenue per route operated. This amount will be evaluated by the County. Once an agreement is reached and service begins, if the route generates less than the minimum amount of revenue from regular service, the MRG fund will make payments to the airline to “top it off” up to the agreed amount. Data provided by the airline on route revenue will be reviewed and audited prior to distributing funds. Any MRG agreement with an airline will contain an evaluation process that allows the County to assess the viability of the route and whether to continue with the MRG.

Is there a maximum payment the County will make?

Yes, to limit risk to the County there is a cap, or maximum amount, of \$1 million available to be paid out to airlines. This amount can be allocated to support a single route served by a single airline, or divided amongst multiple routes served by a single airline or multiple airlines, at County's sole discretion.



Air Carrier Minimum Revenue Guarantee Program Application Form

Instructions to Air Carrier: Please complete and return to Chad Weinger, Director of Administration, chad.weinger@browncountywi.gov, 305 E. Walnut Street, Green Bay, WI 54301 once complete, but no later than July 14, 2025. If no responses are received by this date, the County may extend or withdraw this offer at County's discretion.

For questions regarding the MRG program, please contact Chad Weinger, Director of Administration, chad.weinger@browncountywi.gov, 920-448-4035.

Item	Response
Date Submitted	
Air Carrier Name	
Destination	
Planned Aircraft Type and Seat Capacity	
Frequency, Schedule, and Seasonality	
Service Start Date	

Narrative or Comments:

Signature of Air Carrier Representative: _____

Print or Type Name: _____