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Meeting Date: 08/19/25

Augusta Regional Airport (AGS) – Airline Recruitment Funding Support

Department:	Augusta Regional Airport (AGS)
Presenter:	Herbert L. Judon, Jr., Airport Executive Director
Caption:	Motion to approve \$1,000,000 funding in the FY 2026 General Fund operating budget to support new airline recruitment.
Background:	<p>One of the Airport’s primary focus areas is the growth of commercial service airline routes. Currently, AGS staff are in advanced negotiations with a prospective airline. If this comes to fruition, the prospective airline will provide direct service to/from Augusta to two new markets with the possibility of additional future routes.</p> <p>The funds requested would be aggregated with other public and private sector donors to create a local pool of cash to develop a Minimum Revenue Guarantee (MRG) to incentivize new airline service in Augusta. In this very competitive environment, MRGs are contractual agreements that are common practice to entice airlines to begin or expand service. These funds are intended to mitigate some of the financial risks associated with startup air service. MRG’s are usually structured for a finite period (typically one year) and the funds are disbursed at intervals only when specific flight segments fall short of projected revenue thresholds.</p>
Analysis:	<p>Augusta Regional Airport (AGS) is one of the region’s largest economic and quality-of-life generators providing aeronautical resources for the constituents of the greater Augusta Metropolitan Statistical Area (MSA) and beyond. The Georgia Department of Transportation’s (GDOT) 2020 Economic Impact Study showed that AGS had a \$285,707,700 local economic impact and generates \$12,986,650 in Airport-Supported Annual State & Local Sales/Income Tax Revenues. The Airport also serves as the primary aviation gateway for the Masters® Golf Tournament transporting tens of thousands of patrons in and out of Augusta via commercial, business, and corporate aviation facilities and resources. The Airport supports other high-profile regional events such as the Nike Peach Jam®, Steeplechase, Augusta Ironman, Military Exodus, etc.</p>

The Airport is critically important and has been a great regional partner. Not only does the Airport provide efficient facilities for business and leisure travel, the Airport also consistently contributes to and serves the region in diverse ways such hosting community events, sponsorships, business incubation, and emergency response/mutual aid.

To illustrate this, in the immediate aftermath of Hurricane Helene, the Airport stepped up to support the entire region. For several days the Airport was the only County governmental entity with operating fuel resources. The Airport provided fuel for vehicles and equipment for a myriad of local and regional public safety and response agencies (e.g., law enforcement, fire, coroner, state agencies, etc.). These resources (fuel) likely saved lives and property and undoubtedly prevented an already bad situation from exacerbating.

The Airport is a strong and diverse community resource, and we request reciprocal monetary support for this very important endeavor. Increased airline service (routes) is one of the prominent requests we regularly receive from customers and local constituents.

Table 1:

Economic Metrics	
Annual Economic Outputs	\$285,707,700
Annual State & Local Sales/ Income Tax Revenues	\$12,986,650

Aeronautical activity generated by a new entrant airline and additional flights would increase the above economic metrics. Although not quantifiable, these additional flights would also positively impact constituent quality of life metrics by expanding local originating airline routes.

Financial Impact:

Per regulations, the Airport is not allowed to use Airport Enterprise Funds to directly support MRGs hence the request to Augusta Richmond County (and others). Once the MRG is developed, a third party will serve as a surrogate/financial manager and will receive, disburse, and provide accounting records.

The County provided similar support through a 2017 US DOT Small Community Air Service Development (SCASD) Grant to support the successful initiation of the Washington, DC flight.

Additional Information:

- 1) Commitment of the funds are vital in securing assurance from the prospective airline. However, *there is a chance these funds may not be used or only partially used*. Use of the funds are dependent on the performance of the prospective airline routes.

- 2) The potential use of the funds would only occur if an airline commits/agrees to begin service at Augusta Regional Airport (AGS).
- 3) If required, the funds will almost assuredly not be used until the second quarter of FY 2026 (April) at the earliest.
- 4) If disbursements are required, the entire amount (\$1,000,000) will not be expended in a lump sum. Instead, incremental payments would be made only during periods (months) when revenue shortfalls exist (e.g., when the airline does not meet minimum revenue thresholds).
- 5) This particular minimum revenue guarantee agreement is for one year.
- 6) Any portions of unused funding from Augusta will be returned to the general fund balance.

Alternatives: N/A

Recommendation: Approve \$1,000,000 funding in the FY 2026 general fund operating budget to support new airline recruitment.

Funds are available in the following accounts: FY 2026 General Fund

REVIEWED AND N/A
APPROVED BY: