

A RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE LEE COUNTY PORT AUTHORITY AMENDING THE AIR SERVICE INCENTIVE PROGRAM FOR THE SOUTHWEST FLORIDA INTERNATIONAL AIRPORT ADOPTED BY THE LEE COUNTY PORT AUTHORITY RESOLUTIONS NOS. 02-03-03, 03-05-08, 04-03-01, 06-03-01, 08-01-22, 09-09-30, 12-05-10, 15-09-08, 18-09-11 AND 21-09-21.

WHEREAS, the Lee County Port Authority operates the Southwest Florida International Airport ("Airport") under the authority of Chapter 63-1541, Laws of Florida, Chapters 125 and 332, Florida Statutes and Lee County Ordinance No. 01-14; and

WHEREAS, the Board of Port Commissioners finds that the retention of existing nonstop airline service to certain international and domestic destinations, and the expansion of such service, either by air carriers currently serving the Airport or by new carriers, will enhance air carrier service to the Airport and is critical to the economic development of Southwest Florida; and

WHEREAS, the Board of Port Commissioners has determined that such existing airline service can best be retained, and the development of additional service best encouraged, by the adoption of a program of short-term incentives available to both airlines currently operating at the Airport and to new entrant commercial airline operators at the Airport; and

WHEREAS, on March 11, 2002, the Board of Port Commissioners adopted the Southwest Florida International Airport Air Service Incentive Program to create such incentives by Lee County Port Authority Resolution No. 02-03-03; and

WHEREAS, on May 12, 2003, the Board of Port Commissioners amended the Air Service Incentive Program to encourage development of additional travel routes by adopting Lee County Port Authority Resolution No. 03-05-08; and

WHEREAS, on March 8, 2004, March 13, 2006, and January 14, 2008, the Board of Port Commissioners further amended the Air Service Incentive Program to encourage development of additional travel routes and extend the term of the Program by adopting Lee County Port Authority Resolutions Nos. 04-03-01, 06-03-01 and 08-01-22; and

WHEREAS, on August 8, 2009, the Board of Port Commissioners further amended the Air Service Incentive Program to add qualifying domestic cities, modify the duration and calculation of the discount period and extend the term of the Air Service Incentive Program by adopting Lee County Port Authority Resolution No. 09-09-30; and

WHEREAS, on May 10, 2012, the Board of Port Commissioners amended the Air Service Incentive Program to provide for an annual review of the Passenger Market Qualifying Air Service and adopt a Sunset Provision that would terminate the Program on May 10, 2016, by adopting Lee County Port Authority Resolution No. 12-05-10; and

WHEREAS, on September 3, 2015, the Board of Port Commissioners amended the Air Service Incentive Program to increase the terminal rates and fee waiver amounts and extend the term of the Program to September 30, 2018, by adopting Lee County Port Authority Resolution No. 15-09-08; and

WHEREAS, on September 6, 2018, the Board of Port Commissioners amended the Air Service Incentive Program to increase the terminal rates and fee waiver amounts and extend the term of the Program to September 30, 2021, by adopting Lee County Port Authority Resolution No. 18-09-11; and

WHEREAS, on September 9, 2021, the Board of Port Commissioners amended the Air Service Incentive Program to increase the terminal rates and fee waiver amounts and extend the term of the Program to September 30, 2024, by adopting Lee County Port Authority Resolution No. 21-09-21; and

WHEREAS, the Board of Port Commissioners now desires to extend the term of the Program until September 30, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the Lee County Port Authority that:

1. The Board of Port Commissioners hereby adopts in its entirety the amended Southwest Florida International Airport Air Service Incentive Program attached as Exhibit "A" and Exhibit "B" to encourage the development of nonstop airline service from the Airport to International and Domestic Markets not currently served.

This Resolution shall amend Resolutions PA-02-03-03, PA-03-05-08, PA-04-03-01, PA-06-03-01, PA-08-01-22, PA-09-09-30, PA-12-05-10, PA-15-09-08, PA 18-09-11 and PA 21-09-21, except as to any airline now receiving incentives under the existing Air Service Incentive Program.

2. On or about October 1st of each year the Executive Director will review the description of Qualifying Air Service, as that term is used in the Air Service Incentive Program, and update the Qualifying Air Service, based on data and supporting analysis, for the Port Authority's upcoming Fiscal Year.

3. The provisions of the amended Southwest Florida International Airport Air Service Incentive Program shall sunset and be of no further force or effect as to any airline that is not participating in the Incentive Program, upon the date of termination of the Program, as provided therein, or September 30, 2027, whichever occurs first. To qualify as a participant under the Program, an airline must have properly executed, and the Port Authority received, the appropriate Program participation letter prior to the termination or sunset date of the Program.

The foregoing Resolution was adopted by the Lee County Board of Port Commissioners of the Lee County Port Authority upon a motion by Commissioner XXX, and seconded by Commissioner XXX and, upon being put to a vote, the result was as follows:

MIKE GREENWELL	_____
KEVIN RUANE	_____
CECIL L. PENDERGRASS	_____
BRIAN HAMMAN	_____
RAY SANDELLI	_____

DULY PASSED AND ADOPTED THIS XX day of September 2024.

ATTEST: KEVIN KARNES
Clerk of Circuit Court

BOARD OF PORT COMMISSIONERS
LEE COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____
Chair or Vice Chair

Approved as to Form the Reliance
of Lee County Port Authority Only:

By: _____
Port Authority Attorney's Office

**SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
AIR SERVICE INCENTIVE PROGRAM**

1. PURPOSE

This Air Service Incentive Program (the "ASIP") is adopted by the Lee County Port Authority Board of Port Commissioners (the "Port Authority") to encourage airlines that currently serve Southwest Florida International Airport (the "Airport"), as well as new entrant airlines, to initiate New Airline Passenger Service to markets that currently have no nonstop airline passenger service from the Airport.

2. DEFINITIONS

For purposes of this ASIP, the following definitions apply:

- A. Domestic Flights: Air service to a market within the United States.
- B. International Flights: Air service to a market outside of the United States, including service to the Caribbean except for the Bahamas or Cuba.
- C. New entrant: An airline that does not serve the Airport. New entrants are considered an incumbent carrier after one year. This applies to new entrants providing seasonal service, as well as those providing year-round service.
- D. Seasonal Service: A minimum of one weekly international or two weekly domestic nonstop flights for at least 12 consecutive weeks, but less than seven months of the calendar year for up to three consecutive years from the start of service,
- E. Short-Haul Caribbean Service: Air service to the Bahamas or Cuba.
- F. West Coast Service: Air service to destinations in Arizona, California, Oregon, Utah and Washington.
- G. Rates and Fees: Will include Landing Fees, Common Use Gate, Common Use Ticket Counter (two positions), Common Use Baggage Makeup (BMU) and Federal Inspection Service Facility Fee (FIS).

3. QUALIFYING AIR SERVICE

Any Airline Passenger Service, with the exception of charter flights, is "Qualifying Air Service" if it is scheduled nonstop service to a market not served from RSW and meets the criteria below. A new entrant airline will receive an incentive for service to a preexisting market for one year and must meet the criteria below. An air carrier can only receive the incentive one time for any one market.

International Service Incentive Program

There are three International Service Incentive Programs available. Eligible air service must provide at least one weekly flight to a market that is not served from RSW.

A) New Routes - Europe/South America

1) Year-Round Service

1. Incentive Term – Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees – Waived for 24 Consecutive Months
 - b. Terminal Rates and Fees Credit
 - i. Year 1 - 100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$500,000
 - ii. Year 2 - not to exceed \$500,000

2) Seasonal Service

1. Incentive Term - Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees – Waived for 24 Consecutive Months
 - b. Terminal Rates and Fees Credit
 - i. Year 1 - 100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$300,000
 - ii. Year 2 - not to exceed \$300,000

B) New Routes -Caribbean/Central America/Mexico/Canada

1) Year-Round Service

1. Incentive Term – Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees – Waived for 24 Consecutive Months
 - b. Terminal Rates and Fees Credit
 - i. Year 1 -100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$300,000
 - ii. Year 2 - not to exceed \$300,000

2) Seasonal Service

1. Incentive Term -Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees - Waived for 24 Consecutive Months
 - b. Terminal Rates and Fees Credit
 - i. Year 1 -100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 -not to exceed \$200,000
 - ii. Year 2 -not to exceed \$200,000

C) New Routes - Caribbean Service to the Bahamas or Cuba

1) Year-Round Service

1. Incentive Term – Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees – Waived for 24 Consecutive Months
 - b. Terminal Rates and Fees Credit
 - i. Year 1 - 100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$100,000
 - ii. Year 2 - not to exceed \$ 50,000

2) Seasonal Service

1. Incentive Term - Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees – Waived for two years
 - b. Terminal Rates and Fees Credit
 - i. Year 1 - 100%
 - ii. Year 2 - 50%
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$75,000
 - ii. Year 2 - not to exceed \$25,000

Domestic Service Incentive Program

There are four Domestic Service Incentive Programs available. Eligible air service must provide at least two weekly nonstop flights to a market that is not served from RSW.

A) New Routes - West Coast

1) Year-Round Service

1. Incentive Term – Two Consecutive Calendar Year
 - a. Landing Fees - waived for two years
 - b. Terminal Rates and Fees Credit - Authority will apply a lump sum credit equal to \$75,000.00 or the actual charges, whichever is less, toward terminal rates and fees, at a rate of \$75,000.00 per year for two consecutive years.
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$200,000.00
 - ii. Year 2 - not to exceed \$100,000.00

2) Seasonal Service

1. Incentive Term – Three Consecutive Seasonal Calendar Years
 - a. Landing Fees - Waived for 3 Seasonal years
 - b. Terminal Rates and Fees Credit - Authority will apply a lump sum credit equal to \$50,000.00 or the actual charges, whichever is less, toward terminal rates and fees at a rate of \$50,000.00 per year for three consecutive seasonal years.
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$100,000.00
 - ii. Year 2 - not to exceed \$ 50,000.00
 - iii. Year 3 - not to exceed \$ 25,000.00

B) New Routes - Other Domestic Service

Eligible air service must provide at least two weekly nonstop flights for any domestic route currently without nonstop service.

1. Year-Round Service

1. Incentive Term – Two Consecutive Calendar Years
2. Incentives:
 - a. Landing Fees -waived for 24 Consecutive Months Years
 - b. Terminal Rates and Fees Credit - Authority will apply a lump sum credit equal to \$50,000.00 or the actual charges, whichever is less, toward terminal rates and fees, at a rate of \$50,000.00 per year for two calendar years.
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$50,000.00
 - ii. Year 2 - not to exceed \$25,000.00

2. Seasonal Service

1. Incentive Term – Three Consecutive Seasonal Calendar Years
2. Incentives:
 - a. Landing Fees -Waived for Three consecutive Seasonal Years
 - b. Terminal Rates and Fees Credit -Authority will apply a lump sum credit equal to \$25,000.00 or the actual charges, whichever is less, toward terminal rates and fees at a rate of \$25,000.00 per year for three consecutive seasonal years.
 - c. Marketing Incentives
 - i. Year 1 - not to exceed \$25,000.00
 - ii. Year 2 - not to exceed \$15,000.00
 - iii. Year 3- None

EXHIBIT “B”

REQUIREMENTS FOR MARKETING INCENTIVES

Qualifying Airlines must meet the specific guidelines and program requirements outlined below to receive marketing incentives:

- A. Submit a marketing plan that identifies:
 - 1) The air service to be promoted;
 - 2) The proposed timeline of planned promotional activities;
 - 3) The channels to be used in the promotion;
 - 4) The proposed budget for the promotion; and
 - 5) Contact information for the person representing the Applicant Airline.
- B. The Executive Director or designee may request additional information as may be necessary for the proper, non-discriminatory application of the available marketing incentives. The marketing plan must be approved by the Executive Director or his/her designee.
- C. Marketing activities that may be supported under the Program include, but are not limited to:
 - 1) Promotional events;
 - 2) Content marketing and SEO;
 - 3) Search engines, travel sites and web sites;
 - 4) Multimedia advertising, such as video, audio, animation;
 - 5) Social media channels, and/or
 - 6) Billboards, banners and signage.
- D. Marketing activities eligible for incentives hereunder will prominently and exclusively promote service between the Airport and a specific market.
- E. To be eligible hereunder, advertisements and/or other promotional material(s) must feature Southwest Florida International Airport prominently in the copy. This identification of the Airport must be consistent with the Authority's current marketing or image strategy, as determined by the Executive Director or designee. The content of all eligible marketing materials and activities will be subject to the prior written approval of the Executive Director or designee.

- F. All promotional materials eligible for participation must display the RSW logo. Print and outdoor advertisements must display the RSW logo for each instance in which a Qualifying Airline's logo appears. Logo size, placement and dimensions will be subject to the prior written approval of the Executive Director or designee.
- G. Approved marketing efforts will be funded on a cooperative basis with the Qualifying Airline funding the marketing program and the Authority reimbursing the marketing program after its execution, not to exceed the amounts specified in the Program and earmarked for marketing incentives in the Port Authority Budget, whichever is less.
- H. All copy and creative material will be furnished at the sole cost of the Qualifying Airline (subject to reimbursement of eligible costs) and comply with the specifications of the Authority.
- I. The Executive Director or designee must review and approve all marketing materials and expenditures before they will be qualified for reimbursement under this Program. The Qualifying Airline must provide proof of all expenditures to be reimbursed and all invoices must be received by the Authority within 90 days of the completion of the approved Program
- J. The Authority will reimburse a Qualifying Airline only after the completion of the marketing effort. Any expenses that were incurred without Authority approval prior to the expenditure will be ineligible for reimbursement. Reimbursement will not exceed the Qualifying Airline's actual out-of-pocket cost of the eligible marketing expenditure. Actual costs must be documented to the satisfaction of the Executive Director or designee. Under no circumstances will a Qualifying Airline be entitled to reimbursement above the amounts specified in the Program.

The Authority will have the right, at any time during a Qualifying Airline's reasonable business hours, to audit all marketing incentives reimbursed to the Qualifying Airline under the Program. By accepting any such reimbursement from the Authority, a Qualifying Airline agrees to cooperate with the Authority and its representatives in the performance of this audit, and to make all of the Qualifying Airline's books and records available to the Authority and its representatives either at the Airport or at the Qualifying Airline's location where such books and records are maintained in the ordinary course of the Qualifying Airline's business.

- K. Each Applicant Airline will be responsible for obtaining all necessary permits, licenses, leases, and/or approvals relating to its use and/or occupancy of the Airport and the service sought to be promoted before permission to undertake a marketing effort is granted.
- L. Each Applicant Airline must complete and submit the required application documents.

- M. Each Qualifying Airline must meet all Program guidelines.
- N. If an Applicant Airline that was determined to be eligible for incentives fail to satisfy the eligibility requirements set forth above and/or otherwise fail to comply fully with all the terms, conditions, and requirements of the Program, the Airline will reimburse the Authority for all financial incentives received under the Program and the Authority will no longer be obligated to provide any incentives to the Airline under the Program.
- O. Each Applicant Airline must be current in all its financial and/or other obligations with and to the Authority to be considered eligible for incentives and the Airline must continue for the full term of its eligibility under the Program to perform and meet all of its obligations pursuant to any agreements that such Airline may have with the Authority and/or under the Authority's Schedule of Rates and Fees and/or under the Authority Rules and Regulations, including, but not limited to, paying all rates, fees, and charges in a timely manner. Any time that a Qualifying Airline fails to stay current in its obligations with or to the Authority, such Airline will be determined to no longer be eligible for incentives and the Authority will not be obligated to provide any incentives to said Airline under the Program unless and until such Airline cures such failure within a period of forty-five (45) days after notice of such failure.

5. TERMINATION

This Incentive Program will terminate on September 30, 2027, or such earlier date as may be set forth in a written notice from the Port Authority's Executive Director to all Signatory and Non-Signatory Airlines (the "Termination Date"); provided, however, that such termination of this Incentive Program will not terminate the discounts to be provided pursuant to Section 3 above for Qualifying Air Service initiated prior to the Termination Date; and further provided, however, that if the Federal Aviation Administration or the Port Authority's legal counsel determines that this Incentive Program violates federal law, rules or regulations, or the Port Authority's federal grant agreements, then the Port Authority may immediately terminate this Incentive Program and any discounts to be provided under Section 3 above, by written notice to all Signatory Airlines and Non-Signatory Airlines then participating in this Incentive Program.

6. ELIGIBILITY REQUIREMENT

In order to be eligible to participate in this Incentive Program, an airline must be or become a party to the Port Authority's Airline-Airport Use and Lease Agreement or the Port Authority's Non-Signatory Airline-Airport Agreement and must execute and deliver to the Port Authority an agreement that will be similar to the form marked Attachment "1" (if a Signatory Airline) or Attachment "2" (if a Non-Signatory Airline). To receive a discount under this Incentive Program, an airline must not be in default under the Port Authority's Airline-Airport Use and Lease Agreement or the Port Authority's Non-Signatory Airline-Airport Agreement, as applicable to such airline. Discounts earned under this Incentive Program will be credited monthly to the Signatory Airline or Non-Signatory Airline eligible for such discounts.

7. EARLY TERMINATION OF QUALIFYING SERVICE

If an Airline elects to cancel any Qualifying Air Service before the minimum service requirements have been met, (for example, during the third month of a New Domestic Year-Round Air Service commitment), the Airline will be required to pay to the Port Authority the difference between the discounted landing fee and the landing fee that would otherwise apply for each flight occurring after the initiation date of the Qualifying Air Service but prior to the date of cancellation. The Airline will be required to pay the difference between the discounted fee and the landing fee to the Port Authority within thirty (30) days of canceling Qualifying Air Service. If the Airline fails to pay the difference between the discounted fee and the landing fee as required, the Port Authority may deduct the amount from any security deposit or letter of credit posted by the Airline for operations at the Airport or from any money owed to the Airline by the Port Authority.

Attachment "1"

_____, 20____

Mr. Steven C. Hennigan, C.M., ACE
Executive Director
Lee County Port Authority
11000 Terminal Access Road, Suite 8671
Fort Myers, Florida 33913-8899

Dear Mr. Hennigan:

We are a party to an Airline-Airport Use and Lease Agreement with the Lee County Port Authority (the "Port Authority") dated _____ (the "Use Agreement").

We hereby request participation in the Port Authority's Southwest Florida International Airport Air Service Incentive Program adopted by the Port Authority on _____, 20____; as such program has or may hereafter be amended by the Port Authority pursuant to its terms (the "Incentive Program"). Our initial Qualifying Air Service is described as _____ (Title of Qualifying Program from Exhibit A) and we agree to all the Terms and Conditions in Exhibit B to include Requirements, Eligibility, Termination and Early Termination.

We agree that this letter is hereby incorporated by this reference in the Airline-Airport Use and Lease Agreement as fully as if set forth therein.

Sincerely,

NAME OF AIRLINE

SIGNATURE

NAME OF PERSON SIGNING

TITLE OF PERSON SIGNING

Attachment "2"

_____, 20____

Mr. Steven C. Hennigan, C.M., ACE
Executive Director
Lee County Port Authority
11000 Terminal Access Road, Suite 8671
Fort Myers, Florida 33913-8899

Dear Mr. Hennigan:

We are a party to a Non-Signatory Airline-Airport Use and Lease Agreement with the Lee County Port Authority (the "Port Authority") dated _____ (the "Non-Signatory Airline Agreement").

We hereby request participation in the Port Authority's Southwest Florida International Airport Air Service Incentive Program adopted by the Port Authority on _____, 20____; as such program has or may hereafter be amended by the Port Authority pursuant to its terms (the "Incentive Program"). Our initial Qualifying Air Service is described as _____ (Title of Qualifying Program from Exhibit "A") and we agree to all the Terms and Conditions in Exhibit "B" to include Requirements, Eligibility, Termination and Early Termination.

We agree that this letter is hereby incorporated by this reference in the Non-Signatory Airline-Airport and Lease Agreement as fully as if set forth therein.

Sincerely,

NAME OF AIRLINE

SIGNATURE

NAME OF PERSON SIGNING

TITLE OF PERSON SIGNING