

FLY LOCAL - COMMERCIAL AIR SERVICE

The Moore County Airport, Moore County Economic Development Partnership (MCEDP), and Visit Pinehurst, Southern Pines, & Aberdeen are working with a major airline to establish daily air service from the Moore County Airport to Washington Dulles Airport, providing over 80 one-stop connections around the world.

The airline is requiring a \$3 million Minimum Revenue Guarantee to mitigate financial risk during the critical two-year startup period, while the route builds passenger volume, which is a standard industry practice.

MINIMUM REVENUE GUARANTEE FUNDS

What is a Minimum Revenue Guarantee (MRG)?

A Minimum Revenue Guarantee (MRG) guarantees an airline carrier a minimum amount of revenue over a certain period while the airline is building a customer base in a new market. In our case, the \$3 million MRG is spread over a two-year period. It is not a profit guarantee.

Who is responsible for oversight of the MRG Fund?

The County of Moore will collect, oversee, and disburse MRG funds according to the terms of the negotiated contract with the airline.

How is the amount of MRG funds due to the airline determined?

Each calendar quarter, the airline will submit a report of revenue generated that quarter. If revenue generated by the airline does not exceed the minimum revenue amount per flight segment stated in the contract, the county will determine the pro rata amount due from each contributor and remit the total amount of MRG funds due to the airline carrier.

How are pro rata amounts due calculated?

If any public funds (federal, state, or local) are obtained for the MRG Fund, these funds will be accessed and exhausted first before any non-public funds are used. If private funds are needed for the MRG, the pro rata share is calculated as the donor's contribution as a percentage of the total private funds contributed to the MRG Fund.

Can you just invoice me for my pro rata share if it is needed?

Funding for the MRG must either be made with an upfront cash payment or an irrevocable letter of credit issued by a bank to the County of Moore. Invoicing is not an option.

Is my contribution to the MRG tax deductible?

Contributions may be tax-deductible for individuals and may be considered a business expense for businesses.

What happens if all or a portion of the MRG funds are not used?

Donors to the MRG Fund can elect to have unused donations either returned at the end of the two-year air service period or retained by the County of Moore to secure additional air service routes in the future.

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AIR SERVICE

When could commercial air service to Washington Dulles begin?

If the community secures \$3 million in funding by Summer 2026, we could begin daily air service to Washington Dulles Airport in the Spring of 2027.

What time will the flights be and how often?

One flight a day would arrive from DC mid-morning and one flight a day would depart from the Moore County Airport mid-afternoon.

Commercial air service has failed at the airport in the past. Why do we believe it will be successful this time?

This airline operates flights in banks, or all planes arrive at the airport and then depart the airport within a 90-minute timespan. This will reduce long layovers, which contributed to the failure of commercial air service over twenty years ago. With strong passenger demand today (over 600 Moore County residents fly out of RDU and 15 fly to Washington, DC daily), only 8% of Moore County residents need to fly local for the service to be successful.

AIRPORT IMPACTS

What facility improvements are needed to start commercial air service?

Temporary facility improvements for ticketing, security, and baggage handling will be needed. More permanent facility improvements will be incorporated into the Moore County Airport terminal improvements currently in the design phase.

Where would the money come from to make airport improvements?

Funding for airport facility improvements will come from federal or state sources, with any required local matching funds coming from the Moore County Airport.

Will the runway need to be expanded for commercial service?

The 6,500 ft runway is more than adequate to support the aircraft which would be used for the Dulles service. In fact, planes this size currently arrive at and depart from the Moore County Airport daily.

How will commercial air service impact the noise level at the airport?

On average, 15 jets currently land at the airport daily. Another jet landing each day should be imperceptible.

ACCOUNTABILITY

How will stakeholders be kept informed regarding route performance and how much MRG funds are used?

The airport will provide updates to stakeholders on a quarterly basis, within 30 days after the end of the quarter, regarding the number of seats filled and any MRG funds utilized.