



Kansas City's Transatlantic Opportunity

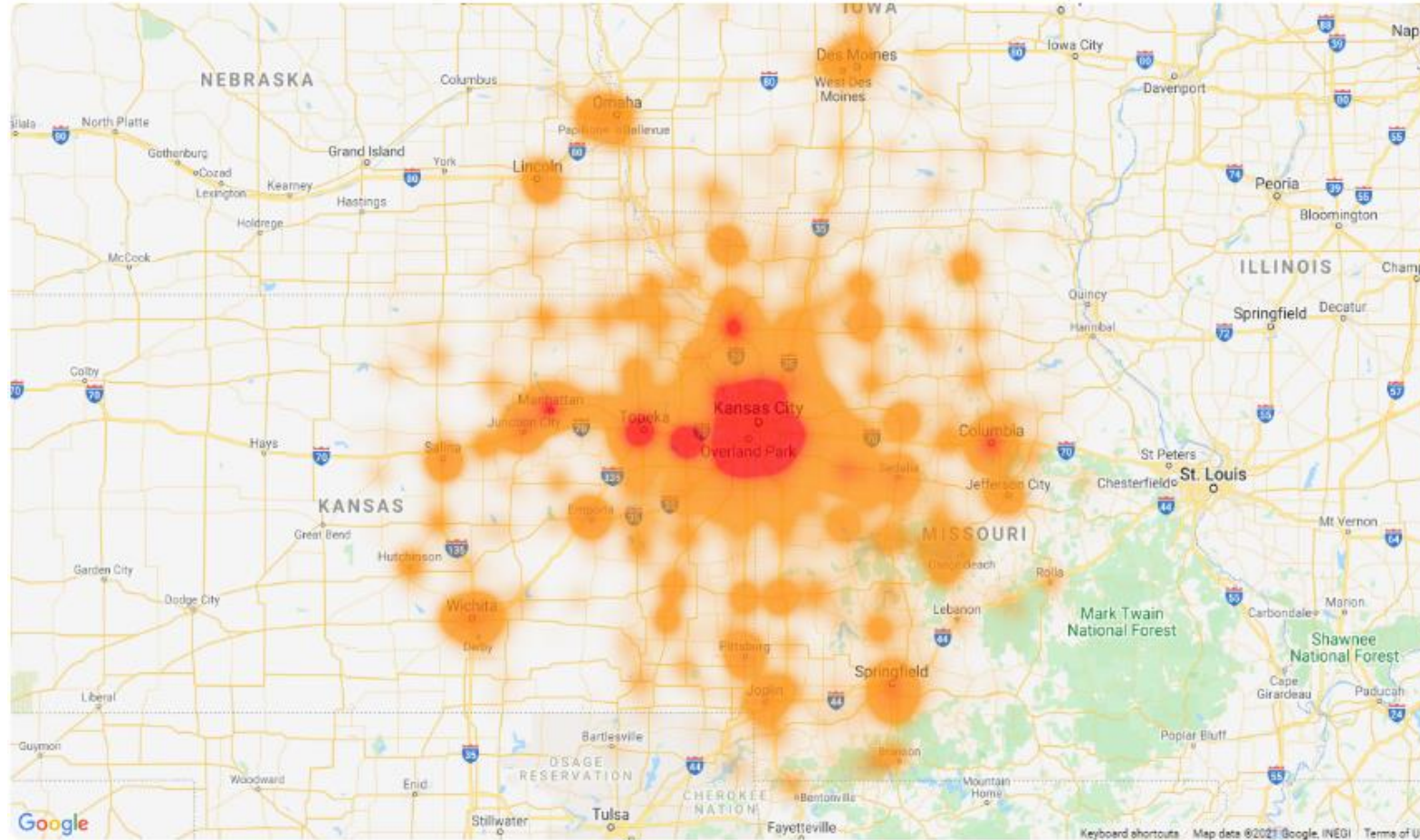
November 2021

Presentation Outline

- Kansas City's Catchment Area
- Peer Market Comparison
- MCI – Iceland Stimulation
- Need for Regional Support
- Next Steps

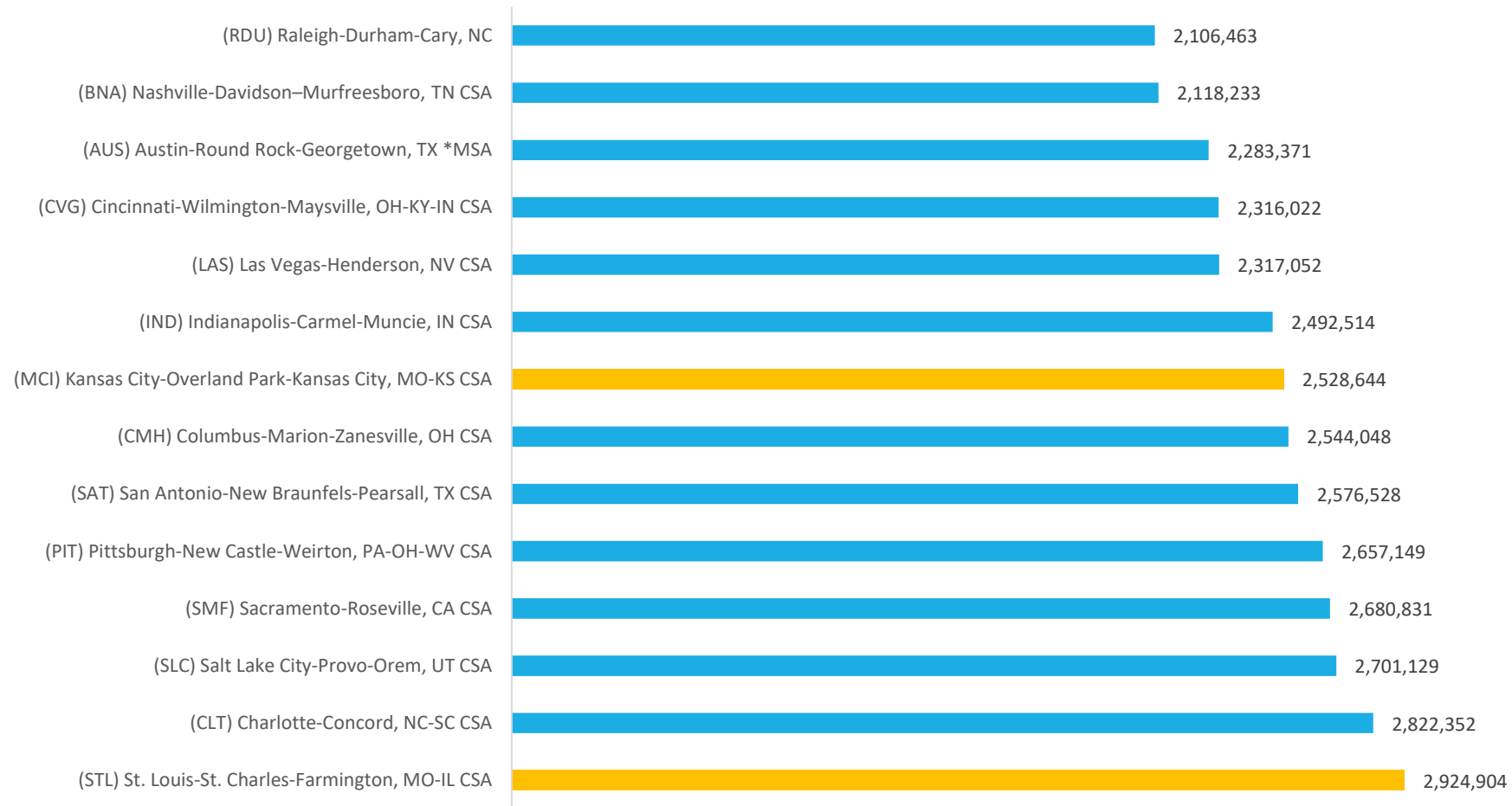


Overnight Location of MCI Originators



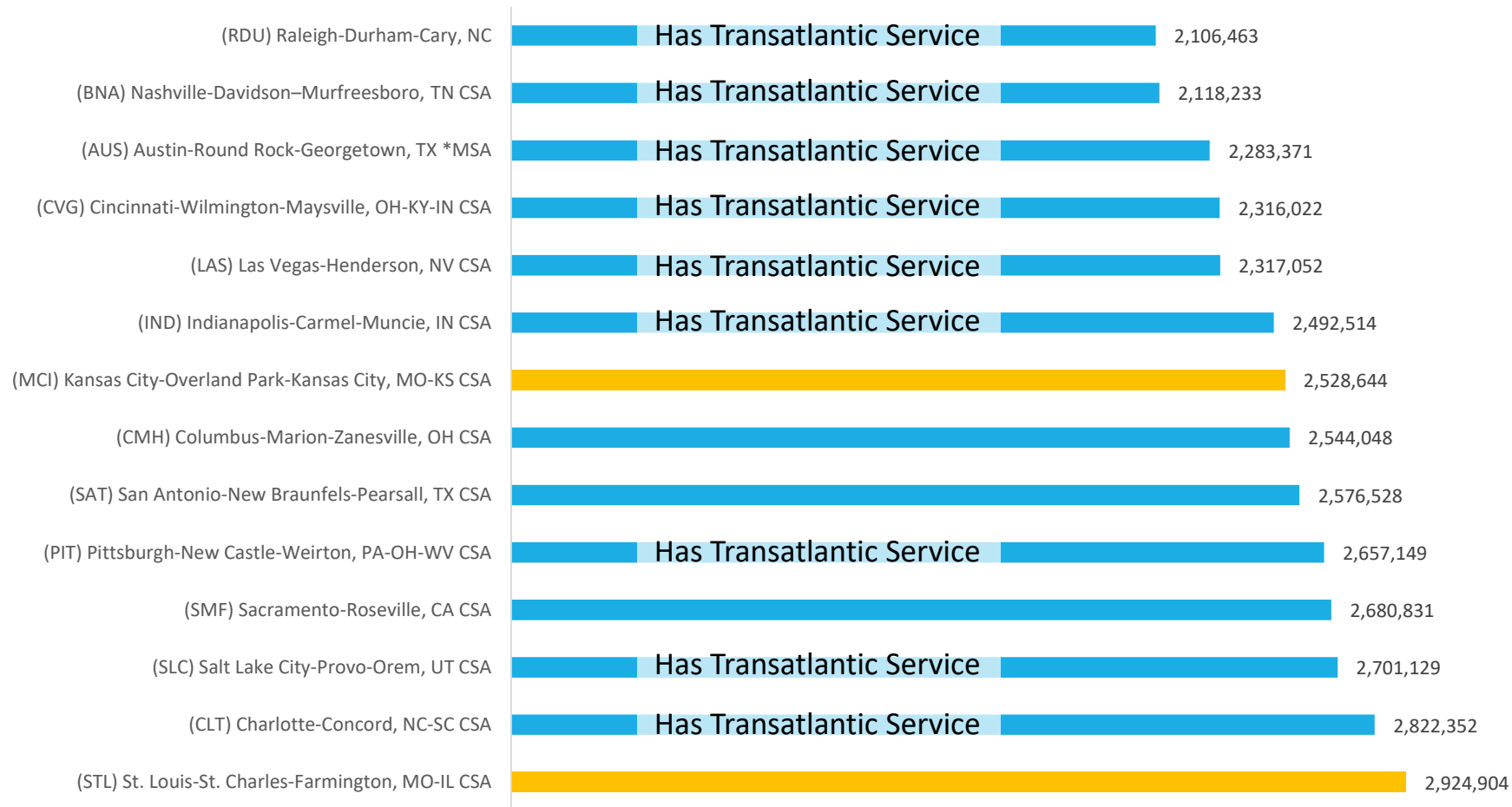
Source: Buxton, Mobilytics Mobile Data, CY 2019.

Combined Statistical Area Population



MSAs ranked by population as of January 2020 as estimated by the United States Census Bureau

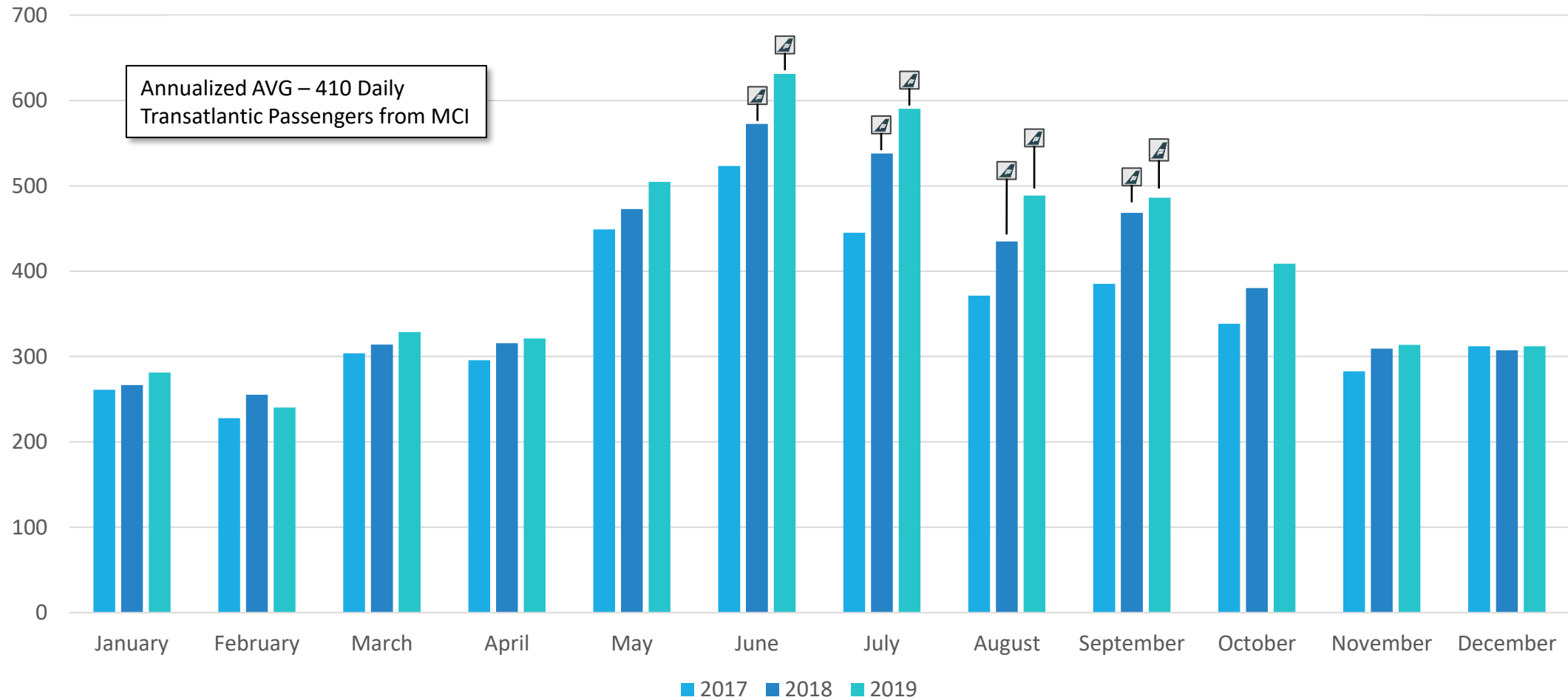
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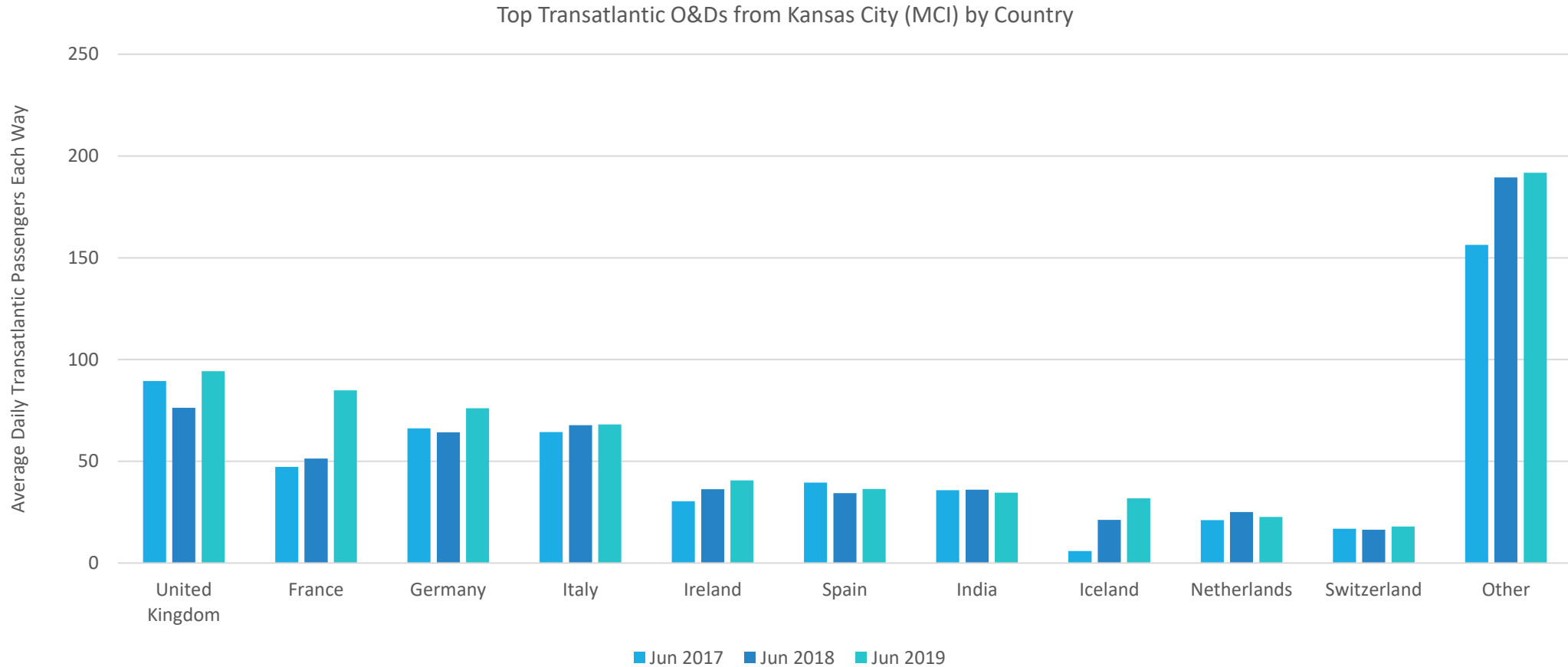
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Daily Transatlantic Passenger Traffic By Month from Kansas City International Airport (MCI)



Source: FMDg report via Diio Mi.

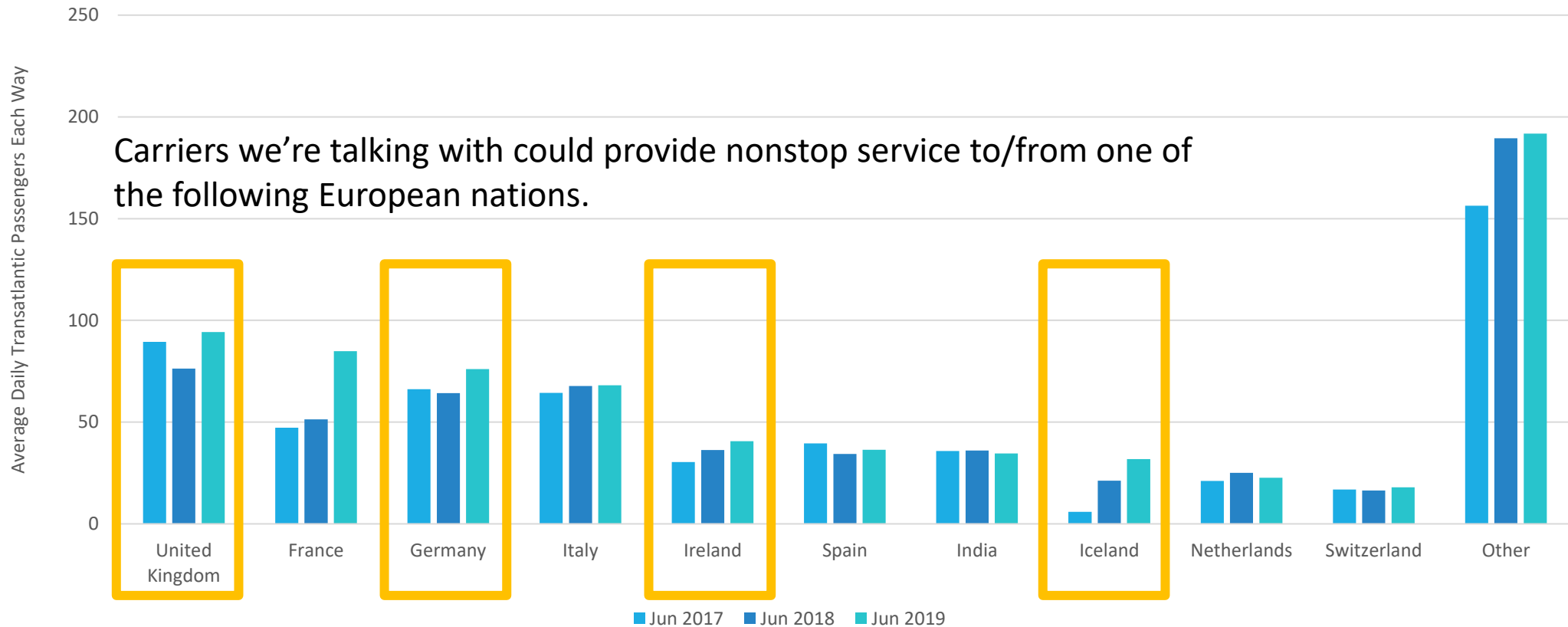
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Source: FMDg report via Diio Mi.

MCI Transatlantic Opportunity

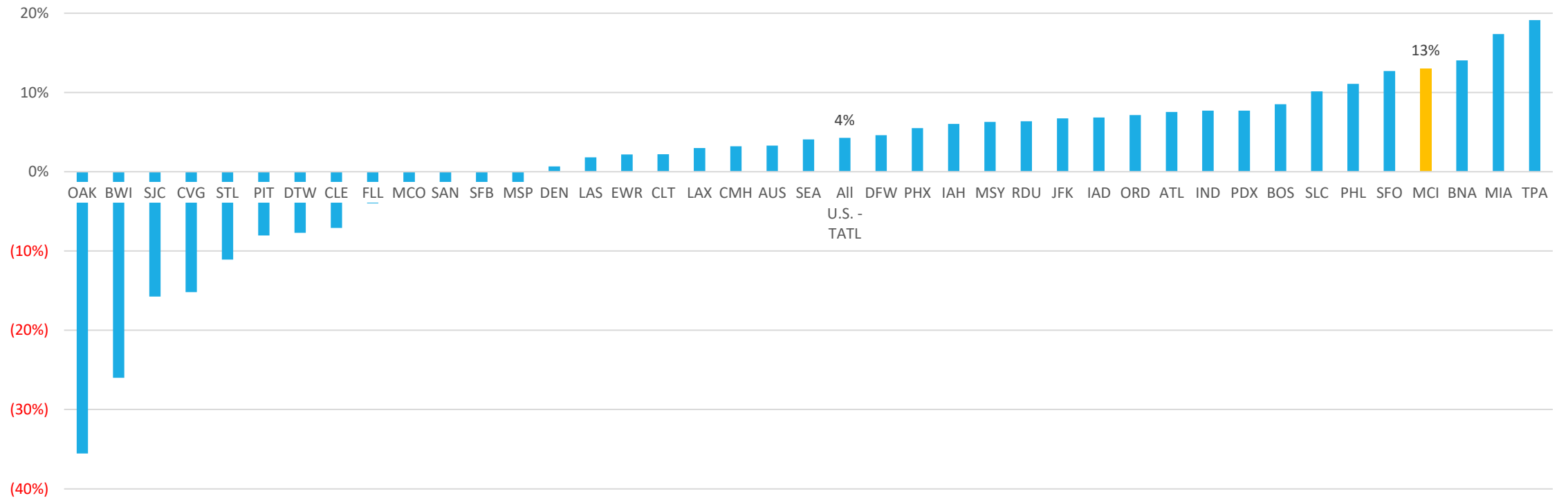
Top Transatlantic O&Ds from Kansas City (MCI) by Country



Source: FMDg report via Diio Mi.

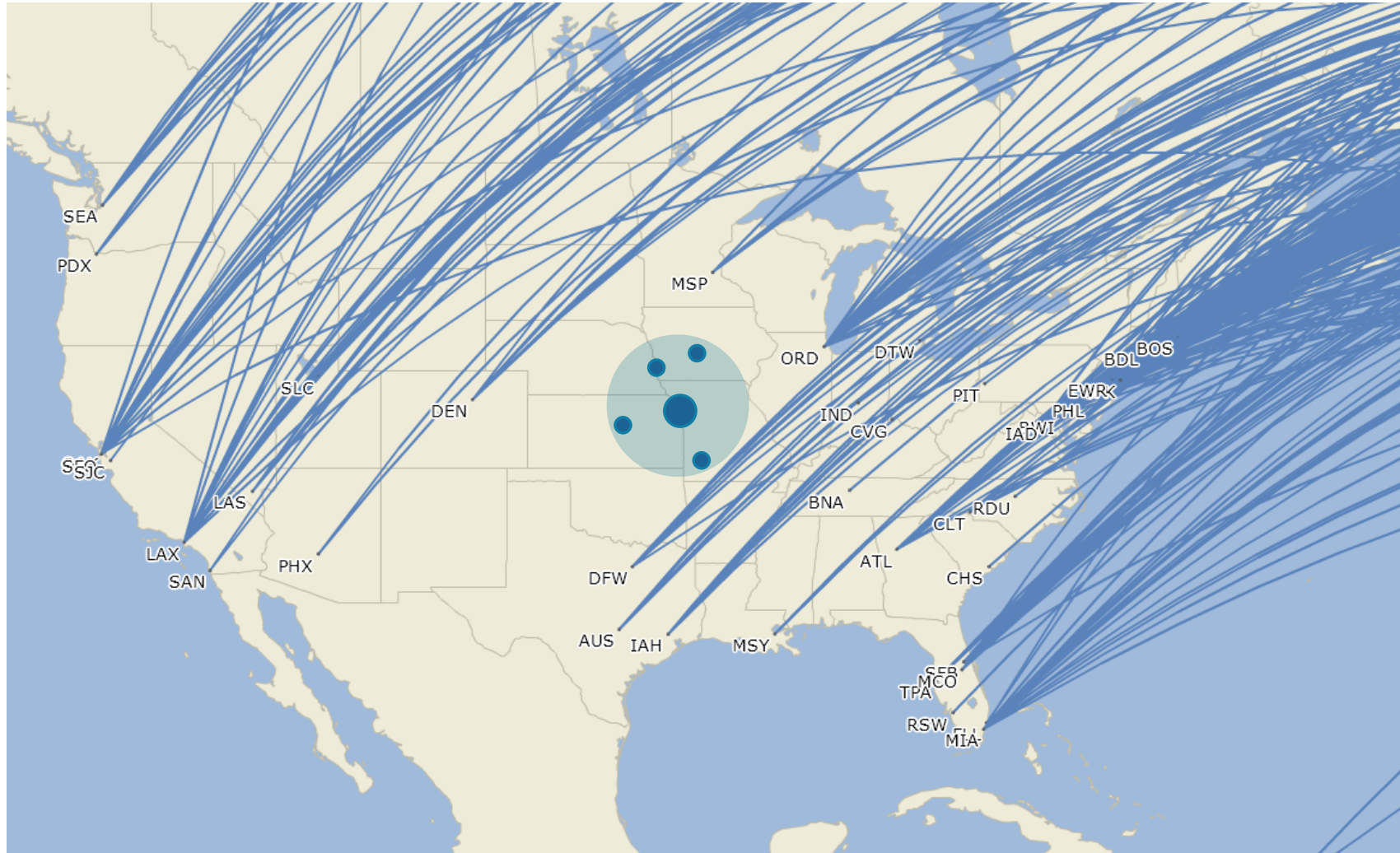
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Year Over Year Percent Change of TATL O&D Passengers
Top 40 U.S. Airports
June 2019



Source: FMdg report via Diio Mi.

MCI Transatlantic Opportunity



Source: June 2020 flight schedules as published pre-pandemic via Diio Mi.

Regional Support is Expected by Airlines

- Demonstrates a community's support for the service
- Minimizes the airline's financial risk
- Is repaid through the economic impact of the flight

Business

Ohio airports want \$15 million in state budget to attract new flights

Updated: Apr. 29, 2019, 12:28 p.m. | Published: Apr. 29, 2019, 12:17 p.m.

Ohio airports are at a competitive disadvantage as they work to attract new service, she said. It's an economic development issue, she added, because businesses frequently cite convenient air service as a key component for expansion and relocation.

"We have seen other states passing us by," said Tory Richardson, executive vice president and chief operating officer for the Columbus Regional Airport Authority, which oversees John Glenn Columbus International Airport. "We're seeing other airports getting the service and we are not."

The proposal calls for the creation of a \$15 million fund, administered by the state, which airports could use to help attract and subsidize new airline service.

<https://www.cleveland.com/business/2019/04/ohio-airports-want-15-million-in-state-budget-to-attract-new-flights.html>

Example of Economic Impact of Service

Raleigh (RDU) to Paris (CDG)

- “According to the Raleigh-Durham Authority Board in 2014, N.C. State Economist Michael Walden determined that the economic impact of one international flight will result in an additional \$25 million in net economic spending in the Triangle and create 100 new jobs within the first year. Over a 25 year period, Walden found, the impact of one international flight will boost the region’s GDP by \$1.4B, add 14,000 new jobs and contribute \$272 million to public entities.”

<https://raleigh-wake.org/blog/nonstop-service-from-rdu-to-paris-to-bring-positive-economic-impact>

Example of Economic Impact of Service

Charleston (CHS) and London (LHR)

- “Officials estimate the economic impact generated by new job creation and activity associated with the new flights could exceed \$20 million annually in tourism. From an industry recruitment perspective, South Carolina already provides excellent access to major business points all over the country. Now, with these new flights, the state will offer connectivity to Western Europe, enhancing the marketability of South Carolina as a top destination for international business.”

<https://www.scommerce.com/news/british-airways-unveils-plans-non-stop-air-service-between-south-carolina-and-uk>

Example of Economic Impact of Service

Tampa (TPA) and Zurich (ZRH)

- From my previous experience at Tampa International Airport (TPA), we found the direct regional economic impact to the Tampa Bay area from our twice-weekly nonstop Edelweiss flight to/from Zurich to exceed \$50,000,000 annually.
- Quick math: 315 seats on the Edelweiss A330 aircraft, 85% load factor, 75% of passengers inbound, \$350 average daily spend per passenger in the local market (car rental, lodging, dining and entertainment), 7 day average stay, two flights per week, 52 weeks of the year.

Frequently Asked Questions

Isn't this really considered a local issue and why should the State get involved?

- As Missouri competes with not only other states but other countries for economic and workforce development, air service is a crucial decision-making factor for businesses and talent in deciding where to locate. A recent study ranked ease of access to the international destinations as the 5th most important factor in attracting talent to a State or region. Additionally, a study found 70% of expanding companies identified air connectivity as an important factor in their decision-making process and often ranks as one of the Top 5 considerations. This is particularly true for businesses who have complex supply chains, many of whom are naturally drawn to Missouri for its market access and ground logistics advantages.

Why can't the airports use incentives to compete for new air service?

- The FAA significantly restricts what an airport can do to attract air service. While airport can offer incentives such as waiving landing fees or providing marketing support, they are prohibited from directly subsidizing air carrier to provide new service. Therefore, communities must form partnerships between state government, local government, and the private sector to develop incentive programs for new air service.

Frequently Asked Questions

Are other states investing in air service?

- A recent analysis found 19 states either have an air service incentive program or have providing incentive funds on an ad-hoc basis to support new domestic or international air service. Two additional states, Montana and Nevada, have pending legislation to create new air service incentive programs. In many cases, states partner with local communities and the private sector to leverage matching funds to increase the scale of the incentive package.

KCAD Request

KCAD request City of KCMO have a State of Missouri legislative priority requesting a fund between \$3-\$5M for trans-Atlantic service incentive to be utilized by MCI or STL.