

**Long Island MacArthur Airport  
Air Service Development Incentive Program  
Effective January 1, 2023**

**Airport Air Service Development Initiative:**

Separate and apart from the Air Service Development Incentive Program, the Town of Islip will, over the course of the calendar year 2023, expend at least \$303,000. In promoting Long Island MacArthur Airport as well as the Air Carriers that serve the Airport, including Airline. The means and methods of such promotion shall be at the sole discretion of the Town. This expenditure is not conditioned on any performance or consideration to be provided by Airline and is not subject to matching funds.

**Introduction**

This Air Service Development Incentive Program is offered by the Town of Islip (“Town”), the owner and operator of Long Island MacArthur Airport (“Airport”). The purpose of this Incentive Program is to encourage new non-stop air service and competition at the Airport by providing incentives during a promotional period to an airline (Part 121 Certificated) not presently operating at the Airport (a “New Airline”) or to an airline presently operating at the Airport (“Incumbent Airline”) which, during the promotional period, will provide additional non-stop flights. A flight that satisfies the criteria shall be a “Qualifying Flight.” The Incentive Program will be administered without causing an increase in Airport-imposed rates and charges of any airline operating at the Airport. An airline will not be entitled to incentives if its existing schedule of flights at the Airport is reduced below qualifying requirements described below in the first year during the period it is receiving incentives under the Incentive Program.

**Minimum Periods of Service**

In order to qualify for Air Service Incentive Program benefits, a New Airline must operate continuous flight service for not less than 12-months; an Incumbent Airline must operate continuous flight service for not less than 12-months. This minimum does not apply to seasonal service.

**Qualifying Airlines**

The Incentive Program will be available to all New and Incumbent Airlines. To qualify for the Incentive Program, an Incumbent Airline must not have operated the prospective qualifying flights for at least twelve (12) months prior to the Promotional Period. No airline shall be entitled to any incentive unless it enters into a Memorandum of Agreement with the Town of Islip in the form specified by the Town.

### **Qualifying Period**

The incentives are offered only for Qualifying Flights that are inaugurated on any date between January 01, 2023 and December 31, 2025 (the “Promotional Period”). The Town reserves the rights to cancel the Incentive Programs at any time at its discretion.

### **Qualifying Flight**

A new non-stop flight that operates roundtrip at least 72 times during its initial 12 month period is a qualifying flight.

### **Seasonal Service**

Incumbent air carriers providing air service to a new non-stop seasonal destination, not previously served, are eligible for incentives. Service must be provided for a minimum of three (3) months with incentives available for a maximum of six (6) consecutive months.

### **Incentives**

- A. The Airport will facilitate communications between the airline and the Long Island Tourism Board for possible marketing cooperation.
- B. The Airport shall make available a maximum of \$25,000 in matching marketing funds for each new non-stop flight consistently operated for twelve (12) months. The maximum matching marketing funds made available to any one airline shall not exceed \$100,000. The actual amount of funds made available to any airline is dependent upon the marketing plan provided by such airline and approved by the Airport prior to such implementation. Payments will be made at the end of the twelve (12) month period and invoices are subject to audit.

#### **New Airline:**

- A. 100% discount on rent due for counter, office, and queuing in the Main Terminal, and operational space for a twenty-four (24) month period beginning on the date that the New Airline occupies the rented space.
- B. reduction of the fuel flowage fee by fifty percent (50%) for twenty four (24) months for the Qualifying flights;
- C. waiver of the employee security background-check fee, Baggage Claim Area Fee and Concourse Fee for the initial twenty-four (24) month period; and
- D. 100% discount of the landing fee for each Qualifying Flight for a period of twenty-four (24) months from the date such Qualifying Flights are inaugurated.

#### **Incumbent Airline:**

- A. 100% discount on the landing fee for each Qualifying flight for a period of twenty-four (24) months from the date such Qualifying Flight is inaugurated; and
- B. Reduction of the fuel flowage fee by fifty percent (50%) for twenty four (24) months for the Qualifying Flights: and
- C. Waiver of the Baggage Claim Area Fee and Concourse Fee on Qualifying Flights for twenty four (24) months.

Cancellation of Qualifying Flights:

If a New Airline does not provide the service for which it is receiving an incentive under this Incentive Program for twelve (12) months or reduces its scheduled flights under the amount determined above to make it a “Qualifying Flight” at the Airport during the period it is receiving incentives under the Incentive Program then the Airline shall reimburse the Airport for the full value of all incentives received.

If an Incumbent Airline does not provide the service for which it is receiving an incentive under this Incentive Program for the full twelve (12) months then it shall reimburse the Airport for the full value of all incentives received, with the exception of the first three months. Such reimbursements shall be made within thirty (30) days following the transmission by the Airport of an invoice for the reimbursement due to the Airport.