

**CITY OF JOPLIN  
COUNCIL AGENDA ITEM**

**ITEM**

Council Bill 2019-103 – authorizing the City of Joplin to enter into an agreement with the Joplin Area Chamber of Commerce Foundation for the purpose of sharing liability for the air service agreement minimum revenue guaranty by and between the City of Joplin and American Air Lines, Inc. in an amount not to exceed Six Hundred Thousand and 00/100 Dollars (\$600,000.00) for regularly scheduled air passenger service between Joplin Regional Airport and Chicago O’Hare International Airport; authorizing the City Manager to execute the same by and on behalf of the City of Joplin; and containing an emergency clause.

**MEETING DATE**

January 7, 2019

**ORIGINATING DEPT**

Public Works/Airport

**ATTACHMENTS**

CB2019-103 Ordinance; Air Service Guarantee Participation Agreement

**REVIEWED BY**

Dept. Head: David Hertzberg; Director of Finance: Leslie Haase; City Attorney: Peter Edwards;  
City Manager: Sam Anselm

**SUMMARY**

This Council Bill approves an Air Service Guarantee Participation Agreement by and between the City of Joplin and Joplin Area Chamber of Commerce Foundation for the purpose of sharing liability for the air service agreement minimum revenue guaranty by and between the City of Joplin and American Air Lines, Inc. associated with proposed regularly scheduled passenger air service between the Joplin Regional Airport and Chicago O’Hare International Airport.

**BACKGROUND**

Over the last few years the Joplin Regional Airport has been working to increase our air service options to include the Chicago hub. American Airlines has agreed to expand their existing service platform to include flights to Chicago but require a Revenue Guarantee to provide the new service. In order to secure this service, the Airport will be required to sign a 1-year MRG (Minimum Revenue Guarantee) agreement in an amount not to exceed Six Hundred Thousand and 00/100 Dollars (\$600,000.00) for the service.

The Joplin Area Chamber of Commerce Foundation has agreed to share this liability with the City of Joplin in an amount not to exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00). City and Chamber shall pay American any shortfall under the Air Service Agreement in the proportion of their limitation on liability: City two-thirds (2/3) and Chamber one-third (1/3). For example, if the revenue shortfall in the first month is \$9,000.00, City would pay \$6,000.00 and Chamber would pay \$3,000.00.

**FUNDING SOURCE**

N/A

**RECOMMENDATION**

Staff recommends adoption of this Council Bill on an Emergency basis, being an Ordinance dealing with a general appropriation, within the meaning of Section 2.12(4) of the Home Rule Charter of the City of Joplin, Missouri, and, as such, this Ordinance shall become effective immediately upon its passage.