



## **OFFICE OF THE CHAMPAIGN COUNTY EXECUTIVE**

1776 East Washington Street, Urbana, Illinois 61802-4581

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**Darlene A. Kloeppel, County Executive**

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### MEMORANDUM

TO: County Board Members  
FROM: Darlene Kloeppel, County Executive  
DATE: April 22, 2021  
RE: Recommendation to participate in University of Illinois – Willard Airport Minimum Revenue Guarantee

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University of Illinois – Willard Airport is developing multiple sources of risk mitigation funding for non-stop service between Champaign-Urbana and it's top target market for new service: Washington, D.C. The goal is to develop sufficient local commitments on a timeline for service to launch by the spring or summer of 2022.

A Minimum Revenue Guarantee (MRG) fund has been set up with a mix of local support and federal grant money. Revenue guarantees for new routes is the norm throughout the airline industry. This is not a profit guarantee, but a guarantee of total revenue. Once an amount is negotiated with the airline, the community will agree to guarantee that minimum level of revenue, within a maximum exposure. Funds will only be drawn each quarter if the service does not meet the negotiated minimum revenue during its two-year start-up phase. Unspent funds will be returned to partners.

A new route will support economic growth in Champaign County, and I am recommending adoption of the attached resolution to commit \$15,000 for the county's support of this Minimum Revenue Guarantee.

RESOLUTION NO. 2021-155

RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT TO PARTICIPATE IN A MINIMUM GUARANTEE FUND FOR THE UNIVERSITY OF ILLINOIS – WILLARD AIRPORT

WHEREAS, The Champaign County Board recognizes that Champaign County is well-served by the University of Illinois – Willard Airport; and

WHEREAS, The University of Illinois – Willard Airport is developing multiple sources of risk mitigation funding for new non-stop service between Champaign-Urbana and Washington, D.C.; and

WHEREAS, a Minimum Revenue Guarantee fund comprised of public and private partners has been established to provide a method of risk mitigation by providing a revenue guarantee for launching a new route; and

WHEREAS, The Champaign County Board supports local transportation infrastructure improvements as a means to economic development growth in Champaign County;

NOW, THEREFORE, BE IT RESOLVED by the County Board of Champaign County that the County Executive is authorized to commit \$15,000 for the University of Illinois – Willard Airport Minimum Revenue Guarantee fund for the purpose of developing a route between Champaign-Urbana and Washington, D.C.

PRESENTED, ADOPTED, APPROVED, by the County Board this 22<sup>nd</sup> day of April, A.D. 2021.

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Kyle Patterson, Chair  
Champaign County Board

Recorded  
& Attest: \_\_\_\_\_  
Aaron Ammons, County Clerk  
and ex-officio Clerk of the  
Champaign County Board  
Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Darlene A. Kloepfel, County Executive  
Date: \_\_\_\_\_