



MEETING DATE: March 25, 2014
TO: Board of Directors
FROM: Kevin Smith, General Manager
SUBJECT: Reno Tahoe Regional Air Service Committee (RASC)

RECOMMENDATION: Staff recommends that the District join the Reno Tahoe Regional Air Service Committee (RASC).

DISCUSSION: Formed in 2001, the RASC brings together public and private organizations and businesses to contribute air service marketing dollars and expertise to position and brand the Reno-Tahoe area as one region. The primary functions of the RASC include: supporting Reno Tahoe International Airport (RTIA) efforts to develop new nonstop air service from priority markets with marketing, promotional funding assistance; identifying and developing ongoing partnerships with specific airlines for increasing and maintaining air service; promoting awareness of Reno-Tahoe air service through ongoing marketing efforts; and when necessary provide revenue guarantees to airlines to provide air service to the region. Consumer efforts for RASC can be found online at FlyRenoTahoe.com. The fruits of RASC can be seen in the recent addition of air service to JFK on Jet Blue, London Gatwick on Thomas Cook, and Guadalajara Mexico on Volairs. The Committee is also very involved in keep existing routes intact.

Current Membership of RASC includes:

Reno-Tahoe International Airport
Atlantis Resort Spa Casino
Circus Circus Reno
Eldorado Resort Casino
Grand Sierra Resort
Incline Village/Crystal Bay Visitors Bureau
Lake Tahoe Visitors Authority
Nevada Commission on Tourism

North Lake Tahoe Resort Association (NLTRA)
Peppermill Resort Spa Casino,
Reno-Sparks Convention & Visitors Authority
Silver Legacy Resort Casino
Ski Lake Tahoe (Ski Resorts)
Tahoe Douglas Visitors Authority
Virginia City Tourism Commission

RASC is currently working on expanding membership into the professional business community as well as governmental entities such as UNR that have an interest in expanded air service options for our region.

Membership and votes are based on your annual contribution level. Each \$10,000 in Annual Contribution provides the member one vote on the committee. Membership rates range from \$10,000 to \$100,000 per year. These funds are held by the Regional Air Service Corporation which is a 501.c6 Nevada nonprofit corporation. The Corporation has no paid staff. Staff support for the Committee comes from Reno Sparks Convention and Visitors Bureau. Each contributing member has a seat on the Corporation Board. Staff and Airport Legal Counsel have reviewed the RASC budget and By Laws and the General Manager has attended a RASC Committee meeting.

Staff feels there is tremendous benefit to TTAD constituents by District participation in RASC. RTIA is the primary commercial service airport for our region and is used by both recreational/tourism visitors as well as residents and business in our District. Using District revenue to assist in enhancing air services options for all constituents of the District as well as our local business community can add benefit and value to those that do not directly utilize airport facilities.

RASC participation also gives the District visibility and understanding of regional marketing and branding campaigns and programs in the Reno, Carson City, and South Lake Tahoe, assisting our understanding of potential positive/negative impacts on TTAD. Enhanced air service options at RTIA to priority markets like New York, Atlanta, Dallas, as well as regional markets like Oakland, San Jose, and the LA basin may also ease demand on operations at TRK.

Overall, staff feels participation is clearly within the District's mission. This could be considered an additional service the District can add to its portfolio of products, initiatives, and projects that have wide application, benefit, and appeal to all District constituents.

FISCAL IMPACT:

As stated above, the District can join RASC at the \$10,000 level or up to \$100,000 per year. Currently they have one member at \$100,000, six at \$50,000, four at \$20,000, three at \$10,000, and one is not listed. Staff suggests joining at the \$50,000 level. Staff recommends using either Unrestricted Net Assets or absorb the cost in to the FY2015 budget. Staff anticipates additional property tax revenue of approximately \$180,000 as well as savings on projects in our maintenance budget. Staff projects sufficient revenue in the FY2015 budget to fund this proposal as well as others discussed at this meeting such as the TART request as well as the BGCNLT Education Partnership.

PUBLIC COMMUNICATIONS:

If the Board proceeds with participation on RASC, staff will inform constituents of our participation and solicit input and ideas as to where RASC should focus air service development efforts to benefit the District. Efforts will be made with residents, business owners, resorts, and other constituents to assure they are aware of TTAD participation.

ATTACHMENTS:

Visit the RASC website at flyrenotahoe.com for more information.