



NEWS RELEASE
City of Chico
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Contact: Tom Bahr, Airport Manager (530) 896-7216

*****MEDIA ALERT*****

CHICO REGIONAL AIRPORT REVENUE GUARANTEE FUND OPENS AT NORTH VALLEY COMMUNITY FOUNDATION

CHICO, CA — (Tuesday, November 29, 2022) - The City of Chico has partnered with the North Valley Community Foundation to establish a *Chico Regional Airport Revenue Guarantee Fund* and is now accepting donations from the community to help restore airline service to the region.

The key incentive to recruiting new airline service to the region is a Revenue Guarantee Fund, under which the Chico Regional Airport and its community partners share the goal of launching commercial air service. The funding will be a mix of local support, airport incentives, and a federal grant provided to the City by the Department of Transportation in the amount of \$500,000. The airport needs to raise another \$500,000 to reach the goal of \$1 million in the fund.

“Revenue guarantee funds are increasingly becoming an industry standard and will likely become the tool used in the future to recruit new flights in most markets,” said City Manager Mark Sorensen. “Regional air service provides a closer airport for those living in the three-county surrounding area, allows individuals and businesses to save on gas and overnight stays, and generates local business growth and economic activity.”

Revenue guarantees are provided to limit the airline’s risk associated with the service provided. In essence, if the airline does not meet its target revenue, the local entity providing the guarantee will make a cash payment from the fund to the airline for the shortfall. The terms and guarantee periods associated with the agreements vary widely and are negotiated individually with each airline to cover its cost of entry and operations.

In recent years, many airlines have launched hundreds of new routes with community revenue guarantees.

“Generally, airline managers favor revenue guarantee incentives,” said Tom Bahr, Manager of the Chico Regional Airport, “In our discussions with airlines, virtually all carriers have explained the value of a revenue guarantee in ensuring passengers use the new flights. We are trying to generate more support for the Revenue Guarantee Fund and excite our community about the opportunity to return commercial airline service to the region.”

The Chico Regional Airport Revenue Guarantee Fund opens just in time for **Giving Tuesday**, a global day of giving meant to harness the collective power of individuals, communities, and organizations to celebrate generosity worldwide. The 24-hour giving event is held annually on the Tuesday after

Thanksgiving to kick-off the holiday giving season. The hope is that people will set aside a few minutes from holiday shopping to give back to their community through the charities and causes they support.

Local Chico businesses and individuals interested in supporting an air service initiative can donate to the Revenue Guarantee Fund directly at: <https://www.nvcf.org/funds/Chico-Regional-Airport-Air-Service-Revenue-Guarantee-Fund>.

For more information on the Chico Regional Airport's fundraising initiative, visit www.helpchicofly.com, or contact Tom Bahr, Airport Manager, at (530) 896-7216 or tom.bahr@chicoca.gov.

Located in Butte County, California, Chico is the cultural and economic center of the northern Sacramento Valley and the largest city north of Sacramento. Known as a college town, the home of California State University, Chico and for Bidwell Park, one of the largest urban parks in the world. For more information, visit www.chico.ca.us

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