



# MEMORANDUM

Council Agenda  
Item No. X. L  
4/8/2025

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Concurrence with the Oklahoma City Economic Development Trust approving a Memorandum of Agreement with The Alliance for Economic Development, commercial air service development in support of more non-stop air service at OKC Will Rogers International Airport. Ward 3.

### **Background:**

In 2022, the Oklahoma State Legislature passed a new statute (3 O.S. §411 et seq.) creating the Oklahoma Air Service Development Grant Program (OASDGP), which is designed to offer financial grant assistance to eligible applicants for the purpose of assisting commercial air service development.

The Oklahoma Department of Aerospace and Aviation (ODAA) administers the Air Service Grant Program for the State of Oklahoma, and the Oklahoma City Airport Trust (OCAT) became interested in securing said grant funding in order to bring new non-stop routes to Oklahoma City, however, due to federal law and grant assurances, OCAT is legally prohibited from directly or indirectly subsidizing airline operations. Therefore, in 2024, the Alliance submitted a grant application pursuant to the OASDGP in order to fund subsidies and incentives to eligible airlines to support more non-stop air service at OKC Will Rogers International Airport (OKC Airport), in order to be eligible for the up to \$2,500,000 grant, the Alliance was required to demonstrate its ability to provide a 20% local match (\$500,000 of the \$2,500,000 grant).

On June 18, 2024 and July 30, 2024, OCEDT and the City approved an allocation of \$500,000 to the Alliance for Economic Development of Oklahoma City (Alliance) for the purpose of providing the 20% matching fund for the grant application, finding that incentivizing an airline to provide nonstop service options to destinations from the OKC Airport serves an important economic development purpose for which General Obligation Limited Tax (GOLT) bonds may be expended to strengthen the local economy by offering new job opportunities, making Oklahoma City more attractive to companies that operate on a global scale, and making Oklahoma City more attractive to persons desiring to relocate here but also desiring more efficient travel options.

The allocation was made contingent upon the award of the grant by the state and the Alliance has received notification it is eligible for grant funding in an amount not exceeding \$2,000,000 (not including the \$500,000 matching funds), which will be set aside with ODAA until the Alliance has identified routes and airlines to receive grant awards. Prior to distributing program funds, the state will require the Alliance to enter into individual grant agreements with the state and the

Director of Airports. The City will provide guidance to assist the Alliance in identifying new-nonstop air service at the OKC Airport for the Alliance's administration of the grant program. When identified, the Alliance will notify OCEDT of the amount of state grant funds being provided and OCEDT shall then administratively remit the required amount of matching funds from the \$500,000 allocation of GOLT bond funds.

**Recommendation:** Concur with the Oklahoma City Economic Development Trust in approving the Memorandum.