Lewiston City Council
SPECIAL JOINT CITY/COUNTY MEETING AGENDA
September 10, 2026 - 1:30 PM
Nez Perce County Courthouse – 1st Floor Confluence Conference Room – 1230 Main Street
Lewiston, Idaho 83501

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. DISCUSSION ITEMS

Please note that identifying an item as an "Action Item" does not require the City Council to vote on that item.

- **A. REGIONAL AIR SERVICE ENHANCEMENT GRANT BILL:** Discussion on the proposed Regional Air Service Enhancement Grant Bill - Discussion Item (Nez Perce County Board of County Commissioners Chair Joe Gish)

IV. UNFINISHED AND NEW BUSINESS

- **A. COUNTY COMMISSIONER COMMENTS**
- **B. MAYOR & CITY COUNCILOR COMMENTS**

V. CITIZEN COMMENTS

VI. ADJOURNMENT - Action Item

The City of Lewiston is committed to providing access and reasonable accommodation in its services, programs, and activities and encourages qualified persons with disabilities to participate. If you anticipate needing any type of accommodation or have questions about the physical access provided at this meeting, please contact Nikki Province, ADA Coordinator, at least forty-eight (48) hours in advance of the meeting at 208-746-3671 x 6211.

HOUSE BILL NO. ####

BY TRANSPORTATION AND DEFENSE COMMITTEELEGISLATURE OF THE STATE OF IDAHO

Seventieth Legislature

First Regular Session - 2027

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. ####

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

RELATING TO AERONAUTICS; ENACTING THE REGIONAL AIR SERVICE ENHANCEMENT ACT; MAKING AN APPROPRIATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. SHORT TITLE.-- This act may be cited as the "Regional Air Service Enhancement Act".

SECTION 2. DEFINITIONS.-- As used in the Regional Air Service Enhancement Act:

A. "department" means the Idaho Transportation Department;
B. "director" means the director of the division;
C. "division" means the Division of Aeronautics of the department; and
D. "minimum revenue guarantee" means the amount of money guaranteed by a municipality or county to be earned by an airline providing scheduled air services to and from that municipality or county, which is the difference between the minimum flight charge revenue specified in the contract between the municipality or county and the airline and the amount of actual flight charge revenue received by the airline that is less than that contractual amount.

SECTION 3. REGIONAL AIR SERVICE ENHANCEMENT GRANT PROGRAM.—

A. The "regional air service enhancement grant program" is created in the Aeronautics Division of the Idaho Transportation Department to be administered by the director.
B. The director shall:
(1) establish and publish deadlines and guidelines for the submission of grant applications;
(2) develop procedures for receipt, review and approval of grant applications;
(3) receive, review and approve grant applications;

(4) monitor municipalities' and counties' use of grant money by reviewing annual reports submitted to the director to ensure that grants are used consistently with the terms of the grant awards;
(5) establish grant reporting requirements that meet the general purpose of the Regional Air Service Enhancement Act; and
(6) perform other duties as necessary to carry out the provisions of the Regional Air Service Enhancement Act.

C. Each fiscal year, competitive grants for minimum revenue guarantees shall be awarded to applicants for the sole purpose of funding regional air service enhancement grants.

D. The director shall award grants to applicants through a competitive process and based upon the following criteria:
(1) the demand for service from a rural regional airport on the proposed or existing air route(s);
(2) the economic impact on the municipality or county of the proposed new air service route(s) or existing air service route(s); and
(3) the feasibility of a common carrier licensed by the state servicing proposed new air route(s).

E. Applicants shall meet the following minimum criteria to be eligible for a grant:
(1) the airport shall reside in the state of Idaho;
(2) municipalities or counties shall have a minimum population of twenty thousand persons residing within a fifty-mile radius of the airport unless the municipality or county has existing scheduled air service;
(3) aircraft to be used to service proposed new air route(s) served by the regional air service enhancement grant program shall have a passenger capacity of not more than one hundred persons;
(4) minimum matching funds from a municipality or county shall be:
(a) ten percent if the municipality or county has no existing scheduled air service at the time of application; and
(b) twenty percent if the municipality or county has existing scheduled air service at the time of application.

F. Individual air service grants awarded through the regional air service enhancement grant program shall not:
(1) exceed two million five hundred thousand dollars ($3,000,000) per year for municipalities or counties with existing scheduled air service;
(2) exceed three million dollars ($3,500,000) per year for municipalities or counties not served by existing scheduled air service;
(3) be used for infrastructure improvement.

G. Individual grants awarded through the regional air service enhancement grant program may be awarded to cover a time frame of either one or two years.

H. No more than ten percent of the balance of the regional air service enhancement fund on July 1 of any year may be used by the division for infrastructure improvements associated with individual grants awarded through the regional air service enhancement grant program.

SECTION 4. GRANT APPLICATIONS.-- A municipality or county may submit an application to the director for a regional air service enhancement grant. An applicant shall comply with deadlines and guidelines published by the director.

A. A grant application for new air service route(s) shall include:

(1) a description of the facility that will serve the proposed new scheduled air service;
(2) an estimate of the demand for the proposed new scheduled air service route(s);
(3) identification of the air carrier that will service the proposed new scheduled air service route(s) and the aircraft to be used on the new scheduled air service route(s);
(4) a description of existing scheduled air service route(s) serving the applicant;
(5) a description and schedule of the proposed new scheduled air service route(s) to serve the applicant;
(6) a justification for the new proposed scheduled air service route(s);
(7) the requested grant amount and the amount of any matching funds; and
(8) the time frame for a commitment to subsidize the proposed new scheduled air service route(s).

B. A grant application for existing air service route(s) shall include:

(1) a description of the facility used for the existing scheduled air service;
(2) the average passenger loads on the scheduled air service route(s) to be subsidized;
(3) identification of the air carrier that services the existing scheduled air service route(s) and the aircraft to be used on the scheduled air service route(s) to be subsidized;
(4) a description of any other existing scheduled air service route(s) serving the applicant;
(5) a description and schedule of the existing scheduled air service route(s) to be subsidized;
(6) a justification for the existing scheduled air service route(s) to be subsidized;
(7) the requested grant amount and the amount of any matching funds; and
(8) the time frame for a commitment to subsidize the existing scheduled air service route(s).

SECTION 6. REGIONAL AIR SERVICE ENHANCEMENT FUND.—

A. The "regional air service enhancement fund" is created in the state treasury. All appropriations, gifts, devises, grants and donations received shall be deposited in the fund. Money in the fund is appropriated to the division for the purpose of carrying out the regional air service enhancement grant program and related infrastructure improvements pursuant to the provisions of the Regional Air Service Enhancement Act. Money in the fund shall not revert at the end of a fiscal year.

B. The fund shall be administered by the division. Disbursements from the fund shall be made only upon warrant drawn by the secretary of finance and administration pursuant to vouchers signed by the director or the director's designee for the purpose of carrying out the regional air service enhancement grant program and related infrastructure improvements pursuant to the provisions of the Regional Air Service Enhancement Act.

SECTION 7. APPROPRIATION.-- Twelve million dollars ($12,000,000) is appropriated from the general fund to the division of aeronautics of the transportation department for expenditure in fiscal year 2027 and in subsequent fiscal years for the purpose of carrying out the provisions of the Regional Air Service Enhancement Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund, and the general fund appropriation for the next year shall be the difference between the unencumbered balance and twelve million dollars ($12,000,000).

The Regional Air Service Enhancement Act (enclosed) is a Minimum Revenue Guarantee(MRG) grant program that will return $11 in economic impact for every grant $1 invested in it by the State of Idaho.

According to the "IDAHO AIRPORT ECONOMIC IMPACT ANALYSIS (AEIA) UPDATE OF 2020" (enclosed), aviation drives approximately $5 billion in economic benefit for the state of Idaho. See Table below:

TABLE 36: IDAHO AIRPORTS' TOTAL ECONOMIC IMPACTS, 2018

CATEGORY OF AIRPORT	Jobs	Earnings	GDP	Output
Commercial Service	28,780	$1,061,000,000	$ 1,991,200,000	$ 3,867,500,000
General Aviation	4,680	$ 229,400,000	$ 405,300,000	$ 988,200,000
Total	**33,460**	**$1,290,400,000**	**$ 2,396,500,000**	**$ 4,855,600,000**

Note: Totals may not sum due to rounding. Source: InterVISTAS, 2019

Including the effects of the on-airport activity, supplier sales, induced spending by employees, and tourism impacts, airports contribute substantial sums to Idaho's state and local governments. It is estimated that the airports contribute about $163 million to the state government and almost $91 million to local governments.

Looking at just the impact of "Commercial Service" above, Idaho commercial airports' total 2018 economic impact was $3.87B. Furthermore, the total number of 2018 statewide outbound enplanements was 2.35M, equating to an economic impact of $1,648 per outbound enplanement. See the table below:

IDAHO COMMERCIAL AIRPORTS' TOTAL ECONOMIC IMPACTS, 2018	
Total Economic Output	$3,867,500,000
2018 Idaho Outbound Enplanements	2,346,486
Economic Impact per Outbound Enplanement	$1,648
2024 United Enplanements	16,644
Economic Impact of United Airlines at Lewiston	$27,432,795
Grant Amount	$2,500,000
Return per Dollar of $2,500,000 Grant	$10.97

These numbers from the Idaho Transportation Department's 2020 study are the basis for the estimate that every dollar of MRG grant money invested in our regional airports through this appropriation bill will return $11 in economic impact back to the State of Idaho.

The regional air service market has changed dramatically in the last 5 years. The change was driven by a shortage of Part 121 qualified airline pilots as well as increases in fuel prices resulting in rural airports across the United States losing air service. The financial realities of this "new air service market" resulted in the airlines phasing out smaller passenger aircraft, that carried 50 or less passengers, in favor of larger aircraft that carry 75 or more passengers. This allowed a smaller number of pilots to carry more passengers. Even with the larger aircraft, the airlines continued to lose money on these routes resulting in the airlines demanding MRG money from communities they served in order for them to retain their air service.

Several states, recognizing that they must assist rural communities with the airlines MRG demands if they are to capture the economic impact these air service provide, have passed rural air service appropriation bills. These states are Kansas, Wyoming, Ohio and New Mexico.

Case Study:

In 2021 the City of Lewiston and Nez Perce County established an air service route from Lewiston Idaho to Denver Colorado. The 40,000 residents of Nez Perce county paid the United $4M in MRG for the first 3 years of this service, $4 million for the fourth year of service, and finally lost this air service route when they were unable to pay the $4.9M of MRG United demanded for 2025. In 2024, this United service to Denver generated approximately 16.6K enplanements at LWS, equating to an economic impact for the state of Idaho of $27.4M.

Note that out of the 16.6k LWS to DEN enplanements in 2024, 28% of the enplanements were from Nez Perce County with the other 72% coming from outside the county. This perfectly illustrates why this is a state issue. If we equate the enplanements to economic impact, Nez Perce County paid 100% of the $8 million dollars of MRG, but only received 28% of the economic impact.

United was immediately able to transfer the Lewiston to Denver air service route to Farmington NM who won the service by financing the MRG payments with a Rural Air Service Enhancement grant from the state of New Mexico. Farmington NM announced its new air service in January of 2025 and credited their Rural Air Service Enhancement grant for winning the service. Their success story can be read about in a Flying Magazine article at the following link:

https://www.flyingmag.com/airports/another-new-mexico-airport-regains-service/

This grant was established by an appropriation bill passed by the New Mexico legislature in 2021. More detail about this case study can the found in the enclosed Rural Air Service Enhancement (RASE) Program Overview (enclosed).

The enclosed Regional Air Service Enhancement Act was modelled from the 2021 New Mexico Bill and it will allow regional airports in the state of Idaho to effectively compete for air service routes and capture the $11 of economic impact for every $1 of grant money spent. Idaho must become an early adopter of these state MRG grant programs. The “regional MRG economy” will not last forever, but by using MRG grants to establish regional air service now, we will be positioned better than most states for the sustained economic growth these air service routes provide; and we will not be just another state standing in line waiting for air service when the economy once again supports growth in regional air service routes sometime in the future.