



Your Central Texas Hometown Airport

FLIGHT PLAN

JUNE 2024





Jeremiah Gerald, C.M.
Sr. Director, Air Service
Strategy and Marketing

The Role We Play

- ✓ An airport business case can provide the relevant information needed to aid in the advancement of the route opportunity.
- ✓ We act as market liaisons, influencers, and local experts.
- ✓ We ultimately serve as a catalyst for economic development.
- ✓ We can impact the business case through strategic programs and actions.



Challenges to the Process

- Hub-centric airlines
 - The new route may not align with the target airline's hub and spoke strategy
 - The route may have the traffic demand, but the airline doesn't want to overfly its hub(s)
- Aircraft delivery delays / staffing shortages
- Industry, local, and/or global economics
- Airline decision-maker / strategy changes
- “Cannibalization” New routes may have a negative effect on the airline's existing flights
- Airports are competing against other airports, not just with regional competitors, but globally for airline capacity and this requires the airport to demonstrate why it will outperform others.

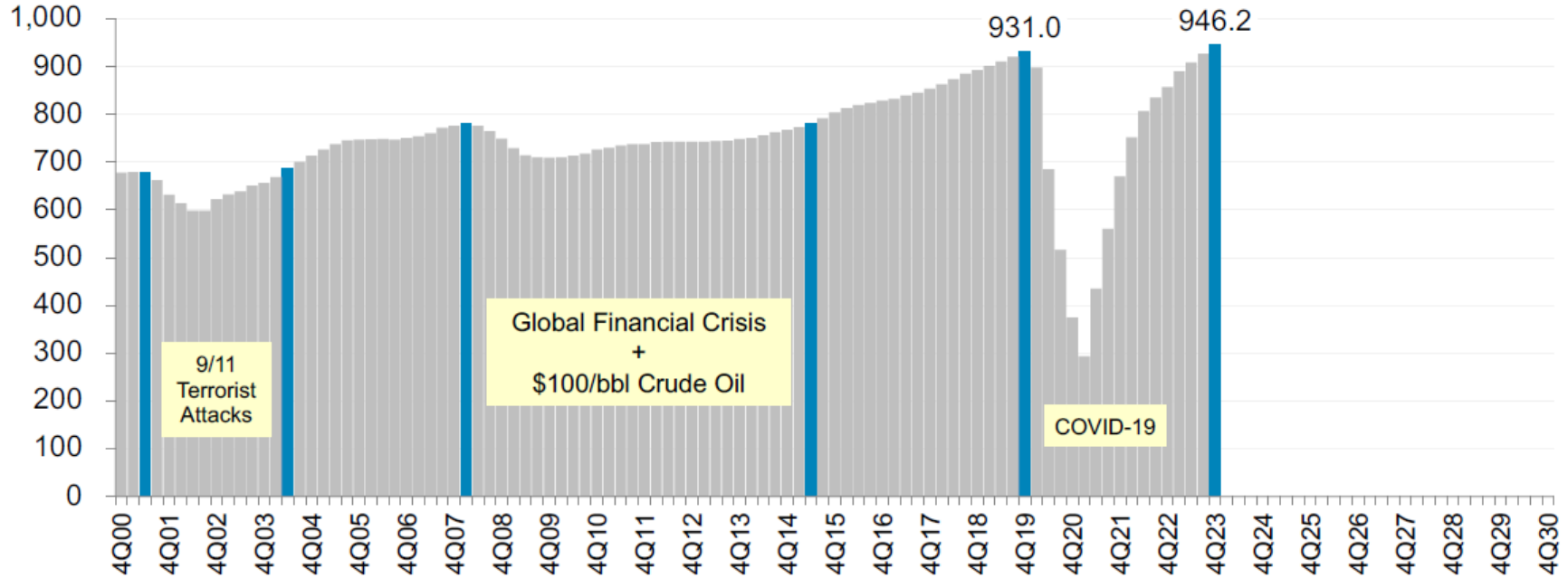
Setting the Scene



U.S. Airline Passenger Volumes (Scheduled + Charter) Reached an All-Time High in 2019

Volumes Took More Than Seven Years to Recover From the Financial Crisis/Oil Spike

Four-Quarter Rolling Scheduled-Service and Charter Passengers Enplaned (Millions) on U.S. Airlines



Source: Bureau of Transportation Statistics (Form 41 Schedule T1)

324 U.S. airports (76%) lost service – *airports losing service lost average of 30 % of their flights*

152 airports (35%) lost more than 25% of flights

53 airports (12%) lost more than half their flights

14 airports (3%) lost all scheduled, commercial flights

Source: OAG Published Schedules January 2020 vs. January 2023 (Analysis excludes Alaska)

AVIATION

Small communities see airlift vanish as pilot shortage hits regional flyers

By Robert Silk | Feb 22, 2022

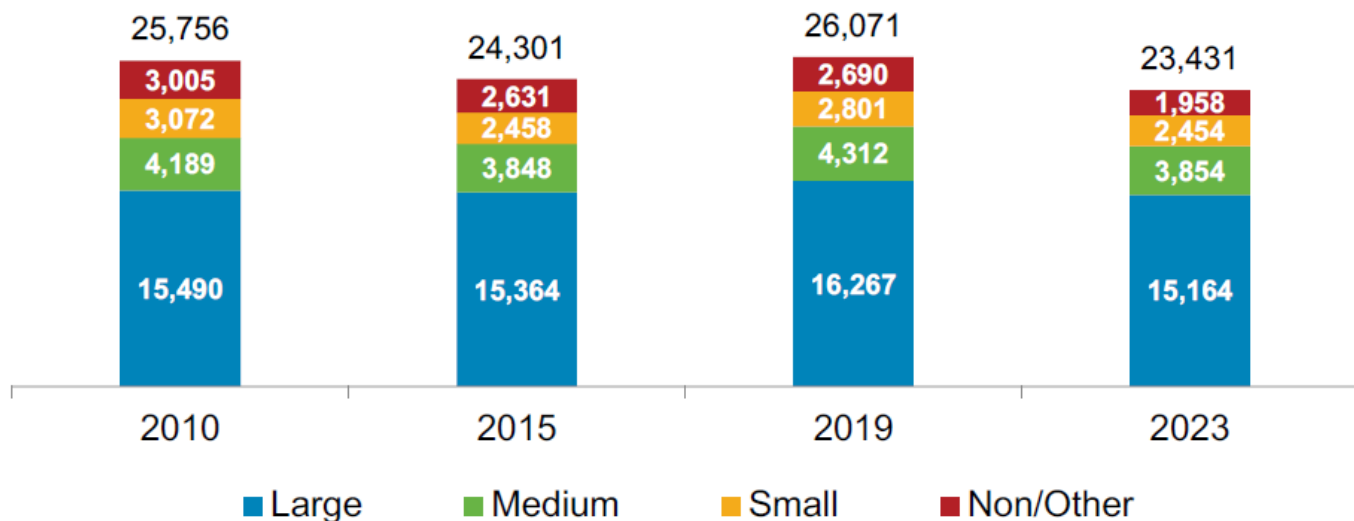
A+ A-



Williamsport, Pa., home to the Little League World Series, lost its lone airline route last September. Photo Credit: Courtesy of Lycoming County Visitors Bureau

Collectively, Public Policy, Higher Costs (Labor/Fuel), Retirement of Small* Aircraft, Growth at Nearby Airports and Tight Pilot Supply Have Reduced Flying at the Smallest U.S. Airports

Average Daily Flights at U.S. Airports by FAA Hub Size Classification



Notes: FAA pilot qualification (1,500-hour) rule effective Jul-2013; pilot flight/duty/rest rule effective Jan-2014

* Per https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/, U.S. airports with less than 0.05% of annual passenger boardings

Sources: Cirium published schedules (Jan. 5, 2024) for all airlines providing scheduled passenger service from U.S. airports to all destinations

* Operating with 50 or fewer seats

UA: Service Cuts (2019 vs 2024) – 15 Markets

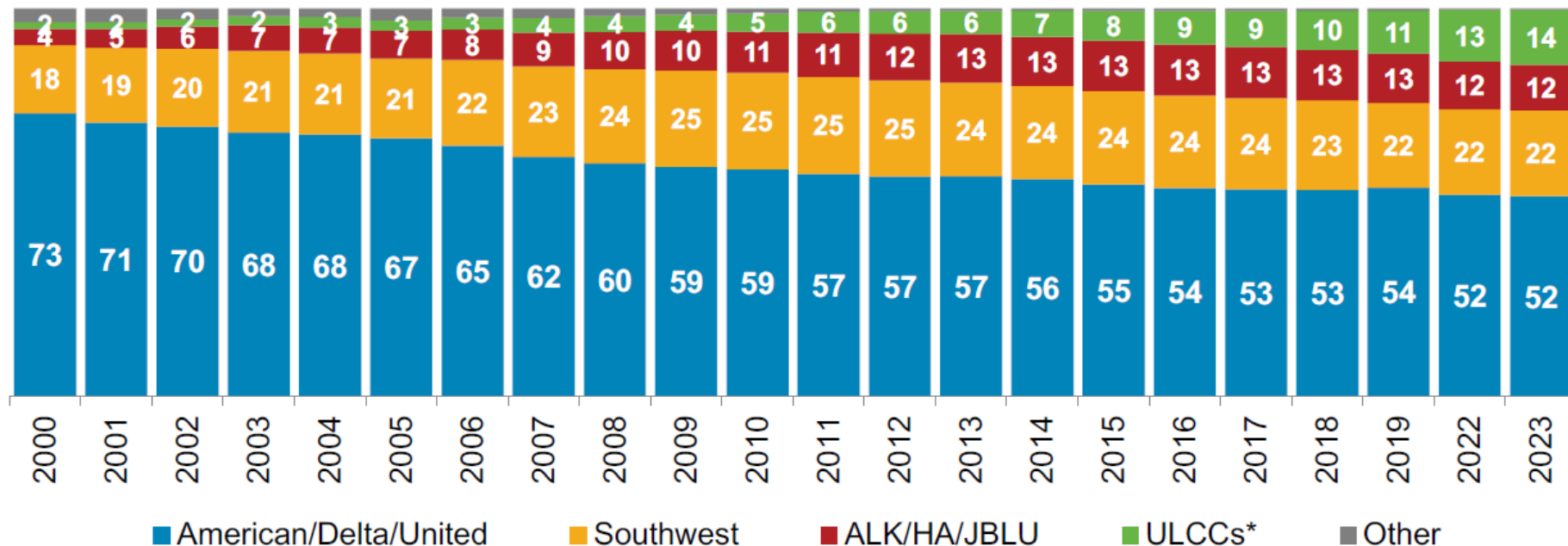
IAH



Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 52% in 2023

In 2023, Ultra Low-Cost Airlines Carried 14% of Domestic O&D Passengers

Share (%) of U.S. Domestic O&D Passengers by Airline Business Model



Source: DOT Data Bank 1B (each airline shown on a marketing-carrier basis and tracked with its respective merged/acquired predecessors [e.g., DL/NW]) via Cirium

* Allegiant/Avelo/Breeze/Frontier/Spirit/Sun Country



EASY, NONSTOP FLIGHTS
FROM \$39*

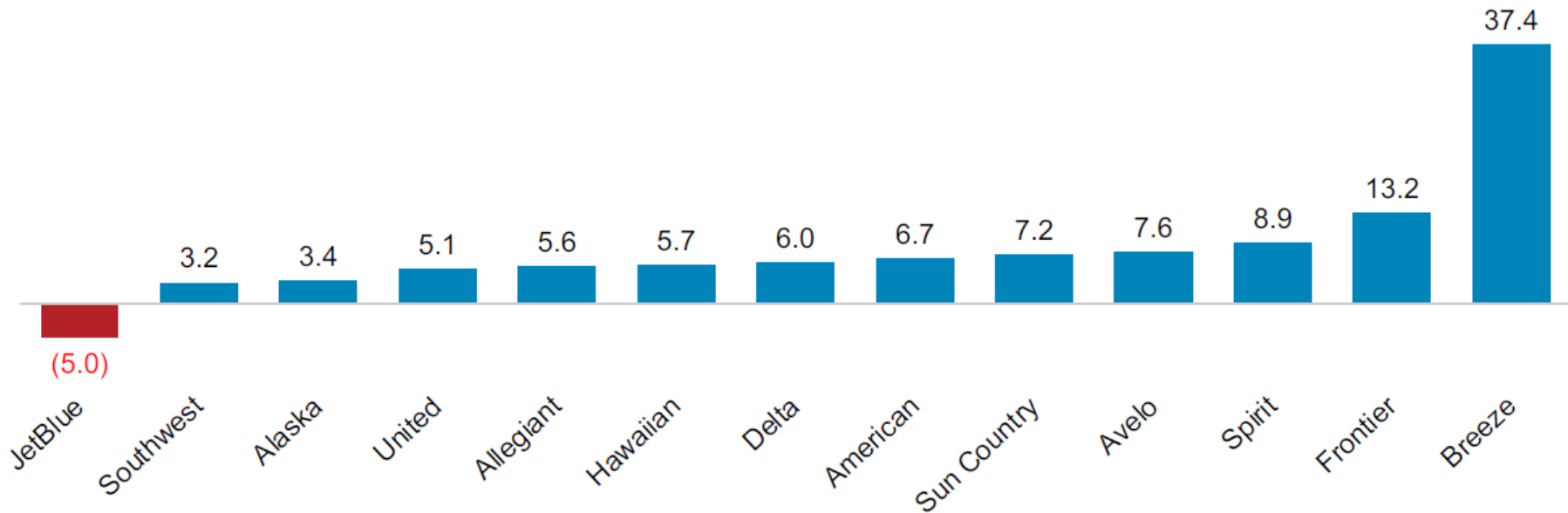




Schedules for 3Q 2024 Show Five ULCCs Dominating Year-Over-Year Capacity Growth

Breeze/Frontier/Spirit Showing Highest YOY Growth, JetBlue Showing Contraction

Change (%) in Systemwide Capacity (ASMs): 3Q 2024 vs. 3Q 2023



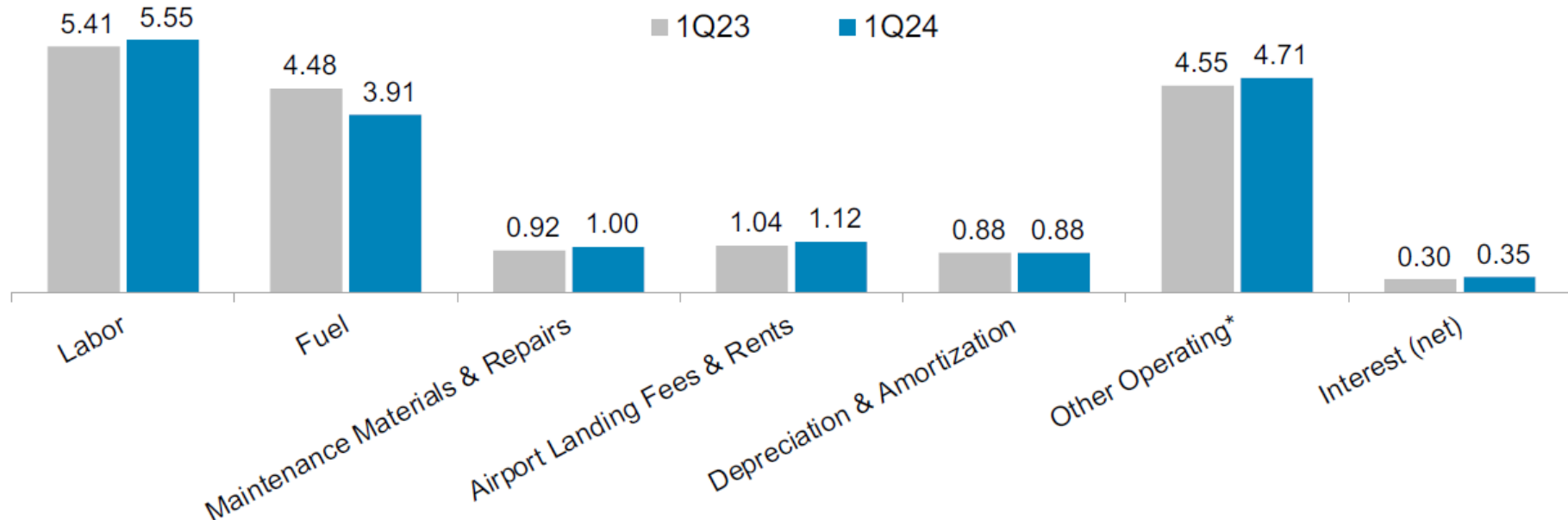
Source: Cirium published schedules (May 17, 2024) for selected marketing airlines on a consolidated basis

Note: ASMs = available seat miles

In 1Q 2024, U.S. Airlines' Pre-Tax Unit Costs Fell Slightly Year Over Year Entirely On Lower Fuel

Labor CASM Up 2.7%, Maintenance CASM Up 8.8%, Airport CASM Up 7.9%

U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile



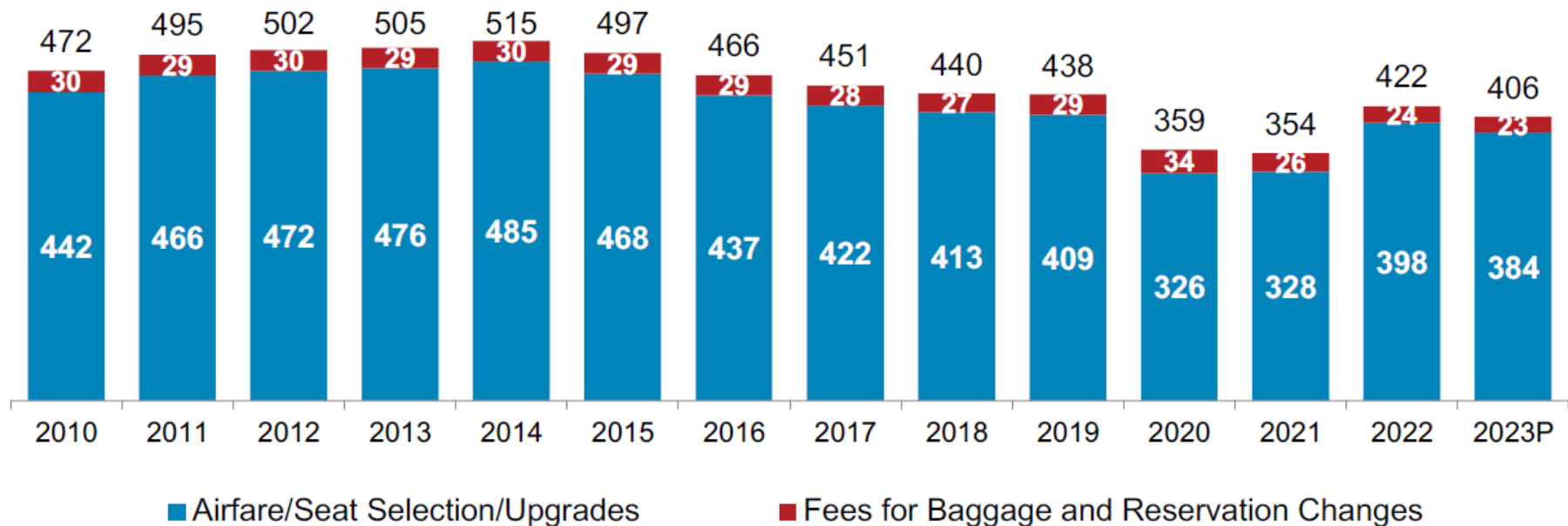
Source: SEC filings of Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United

* Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, payments to regional carriers, etc.

In 2023, Inflation-Adjusted Domestic Fares/Fees Fell ~7% Below 2019 Levels

From 2010-2023, the Real Price* of Domestic Air Travel—including Ancillaries—Fell ~14%

Round-Trip Ticket Price (in \$ 2023)*



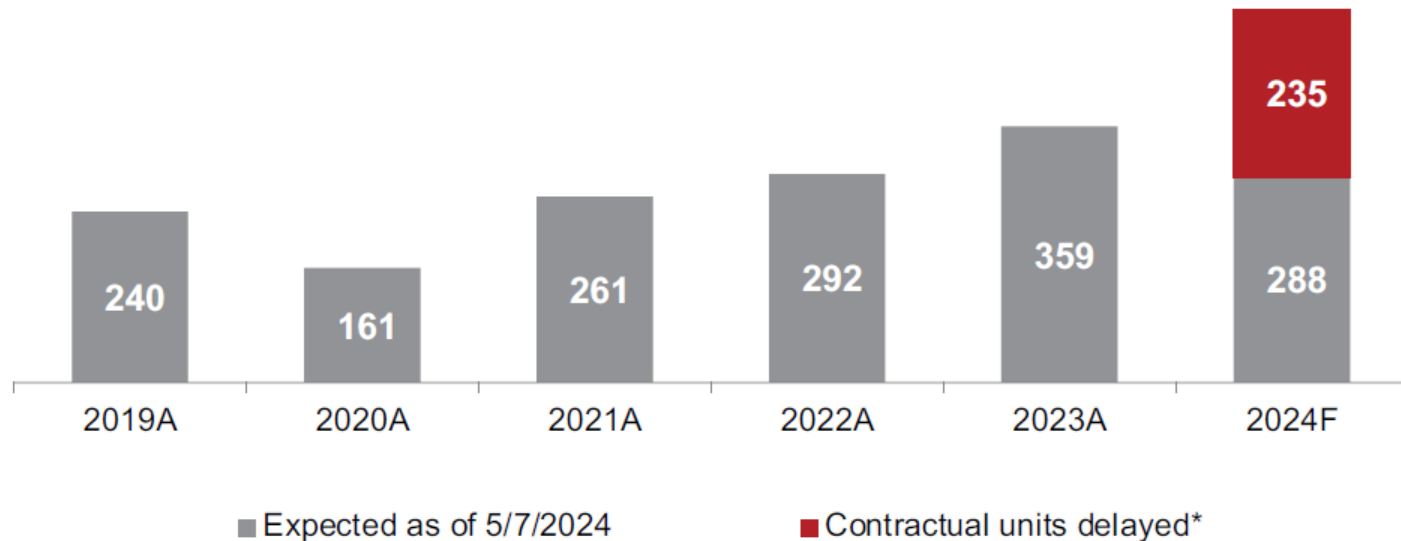
Source: A4A analysis of DOT Data Bank 1B (all cabins and fare basis codes) and DOT Form 41 via Airline Data Inc. (airlinedata.com)

* Data for fares and ancillary fees available through 3Q23; excludes taxes

Aircraft Delivery Expectations in 2024 Reduced Materially by Production/Certification Delays

U.S. Passenger Airlines Now Expect 45% Fewer Deliveries Than Contractually Stipulated

Expected New-Aircraft Deliveries for 11 U.S. Passenger Airlines



Source: Alaska, Allegiant, American, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United

* Based on contractual fleet plans as of 10/31/2023



Your Central Texas Hometown Airport

AIR SERVICE DEVELOPMENT

JUNE 2024



2022-23-24 AIRLINE ENGAGEMENT

- Routes Americas – February 2022
American, aha!, Frontier, **United**
- American Airlines GRK site visit – September 15, 2022
- TakeOff-NA Conference – October 2022
American, Allegiant, Avelo, Breeze, Southwest, **United**
- Avelo Web Meeting – March 7, 2023
- Routes Americas – March 2023
American, Allegiant, Breeze, **United**
- American Airlines HQ visit – July 2023
- TakeOff-NA Conference – August 2023
Allegiant, Elite, Landline, Southern
- Avelo Web Meeting – September 19, 2023

- Avelo Web Meeting – March 8, 2024
- Breeze Web Meeting – March 14, 2024
- ACI-NA Jumpstart Conf– May 2024
Allegiant, American, Breeze, SkyWest, **United**



2022/23/24 Community Engagement

- February 14, 2022 – GRK Navigators Task Force Meeting
- September 15, 2022 – GRK Navigators Task Force Meeting w/ American Airlines
- March 7, 2023 – City Council Meeting
- July 19, 2023 – ReBrand Program Focus Group Session #1 (GRK Stakeholders)
- August 31, 2023 – ReBrand Program Focus Group Session #2 (GRK Stakeholders)
- August 31, 2023 – City Council Meeting
- September 19, 2023 – Air Service Task Force Meeting (GRK Stakeholders)

- June 17, 2024 – Air Service Task Force Meeting
- June 18, 2024 – City Council Meeting



Most Recent Milestones

- 2020 Small Community Air Service Development Grant Award : \$1M FEDERAL FUNDING (Minimum Revenue Guarantee) Available through January 2027
- GRK Rebrand Program 2023/24
- Air Service Data Collection: Placer. ai (Location Based Mobile Data – Migration)
- Air Service Data Collection: Airport Catchment Analytics Analysis
- American Airlines enhanced service offerings: Up-gauging from 50 seat jets to dual class large RJ's (76 to 65 seats) also reaching 6 daily flights this Summer



Rebrand Program: 4 Phase Process

1

RESEARCH
STRATEGY

2

DESIGN
ELEMENTS

3

BRAND
IMPLEMENTATION

4

BRAND LAUNCH

ASM



Brand Logo Preview.

PRIMARY

Use this as the primary choice for displaying the airport logo in all public-facing applications.

SECONDARY

When the primary logo size isn't suitable for the platform, utilize this version.



OUR BRAND



Quick Reference Guide

January 2024

For additional brand guidelines refer to the Brand Style Guide or consult with the Marketing / Brand Manager

MISSION

Our aim is to provide exceptional convenience and service, prioritizing fast processing, seamless connections, and a premium experience, so that every traveler can confidently embark on their journey from nearby.

"Your Home. Your Airport"

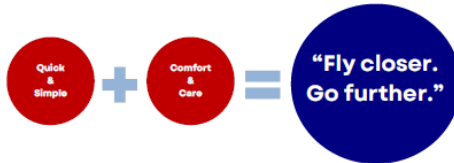
BRAND POSITION

Killeen Regional Airport is a convenient and efficient alternative to larger international airports, offering a local feel that resonates with Texas' heart. Our services, accessibility, and values cater to the evolving air travel needs of expanding communities, ensuring every traveler feels the vastness of Texas and the intimacy of home.

BRAND ATTRIBUTES

Flyer-Friendly	Cost Effective	Easy Connections	Customer Centric
<ul style="list-style-type: none"> ▢ Small terminal ▢ Close parking ▢ Short drive ▢ Short security lines ▢ Friendly staff 	<ul style="list-style-type: none"> ▢ Competitive fares ▢ Save time = money ▢ Save on fuel ▢ Save on parking ▢ Save on hotel fees 	<ul style="list-style-type: none"> ▢ Access to major hub ▢ 1 air carrier ▢ One stop global access 	<ul style="list-style-type: none"> ▢ Accessible staff ▢ Personal service ▢ Empathy and Compassion

PLATFORM AND PROMISE



BRAND PURPOSE

Killeen Regional Airport, nestled in the heart of a proud community, understands the unique needs and aspirations of its residents. While we might have limited carriers and schedules, these limitations translate to fewer crowds and a more personal travel experience. We are more than just a military airport; we serve Killeen and Central Texas, and we're dedicated to bringing the world closer to our community while continually evolving to meet expectations. By positioning Killeen Regional as the go-to airport for the rising population north of Austin, the brand captures the influx of new air travel demands, offering a compelling alternative to larger, potentially more congested airports like Austin-Bergstrom International.

Behaviors

- We are Killeen Regional Airport.
- We are professional.
- We are attentive.
- We are responsive.
- We are friendly.
- We are thoughtful.
- We are progressive.
- We are compassionate.
- We are accommodating.
- We are where convenience and efficiency meet to make the travel experience exceptional.

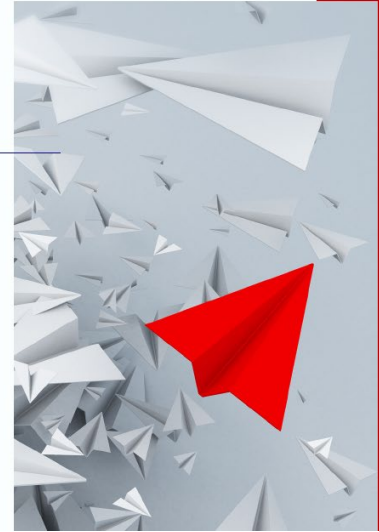
Version 1.0



Brand Guidelines.

Killeen Regional Airport is a convenient and efficient alternative to larger international airports, offering a local feel that resonates with Texas' heart. Our services, accessibility, and values cater to the evolving air travel needs of expanding communities, ensuring every traveler feels the vastness of Texas and the intimacy of home.

www.flyGRK.com



2024

Version 1.0



GENERAL AVIATION

BUSINESS

FLIGHTS ▾

AT THE AIRPORT ▾

ABOUT GRK ▾

CONTACT ▾



Simple.

THAT'S HOW
WE FLY!

Killeen
Regional Airport

8101

American Airlines





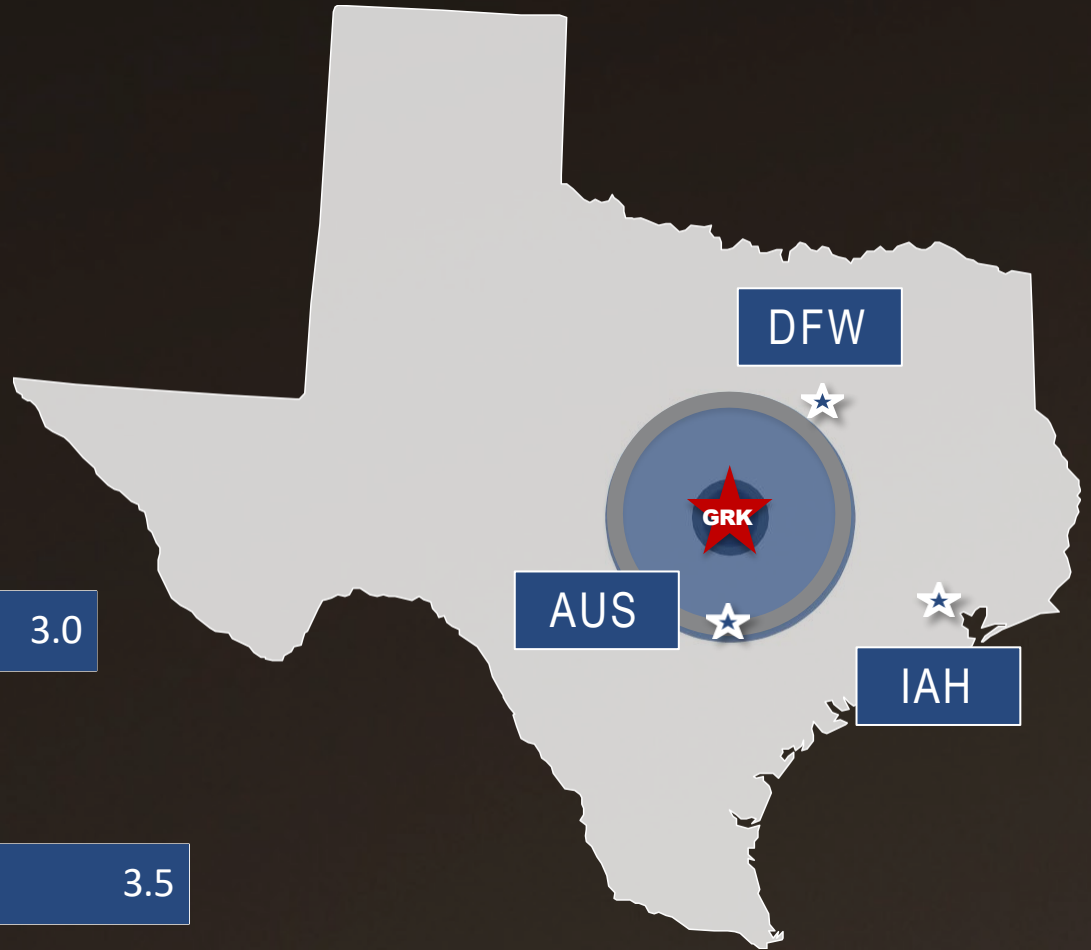
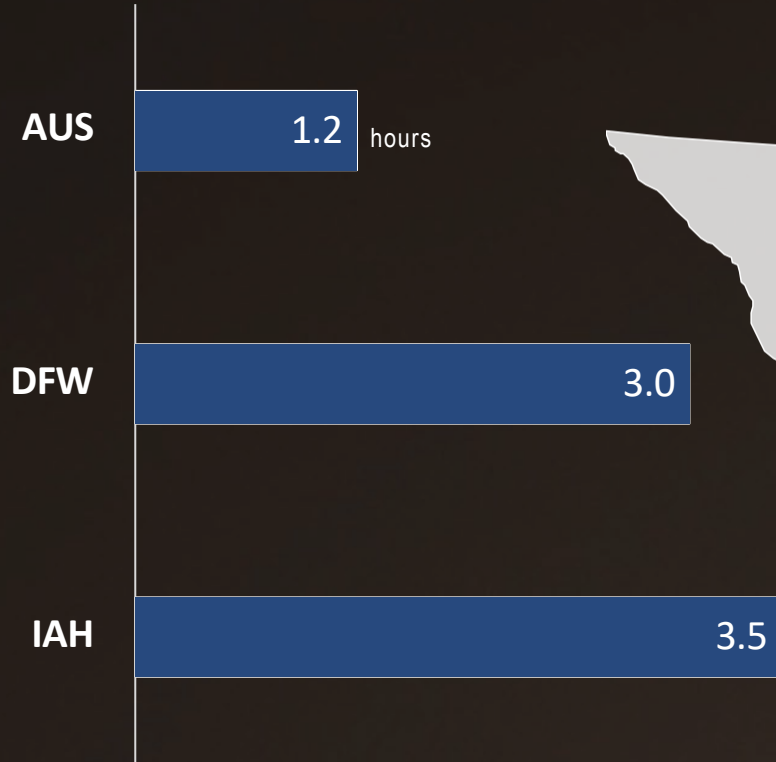
Your
**CENTRAL TEXAS
HOMETOWN
AIRPORT.**

[FLYGRK.COM](https://www.flygrk.com)



AIRPORT position

DRIVE TIME



GDP TAKES FLIGHT

Killeen-Temple MSA

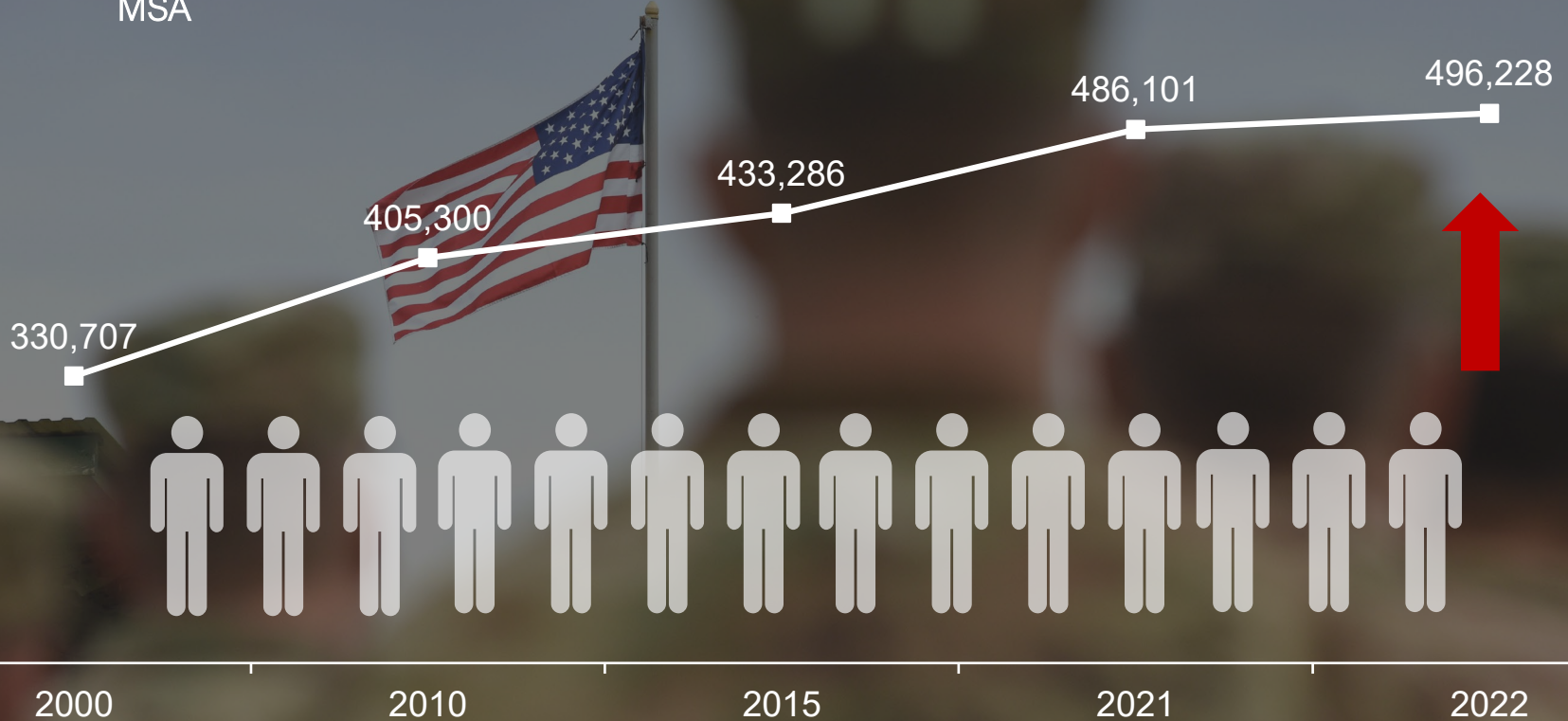
Brownsville-Harlingen
MSA
2022 – \$14,259 (Millions)



POPULATION ON THE RISE

Killeen-Temple- Fort Hood
MSA

Brownsville-Harlingen
MSA
2022 – 425,208



FORT CAVAZOS - ECONOMIC DRIVER



The largest...

- Active Duty Armored Post (U.S.), Power Projection Platform
- Single site employer in the state of Texas

47,096 personnel on-site
48,113 off post family
6,021 deployed

\$35.4 B Statewide Economic Impact

“Mission Critical”

“Enduring Installation”

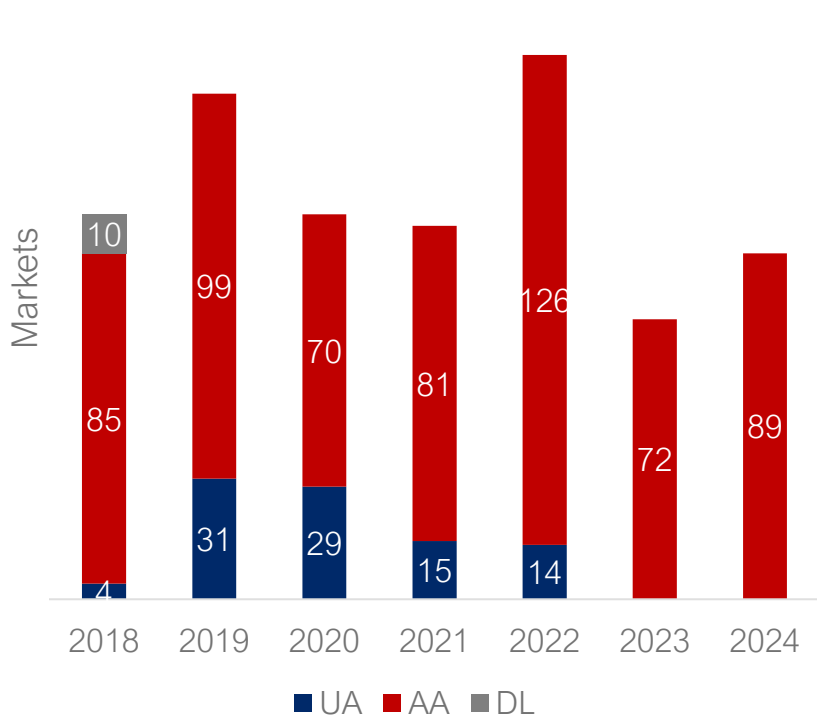


	Population	% Total
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Killeen, TX	158,129	
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Fort Cavazos	95,209	60%
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GSA – CITY PAIR PROGRAM



“Mission Critical”
“Enduring Installation”



CATCHMENT REGION



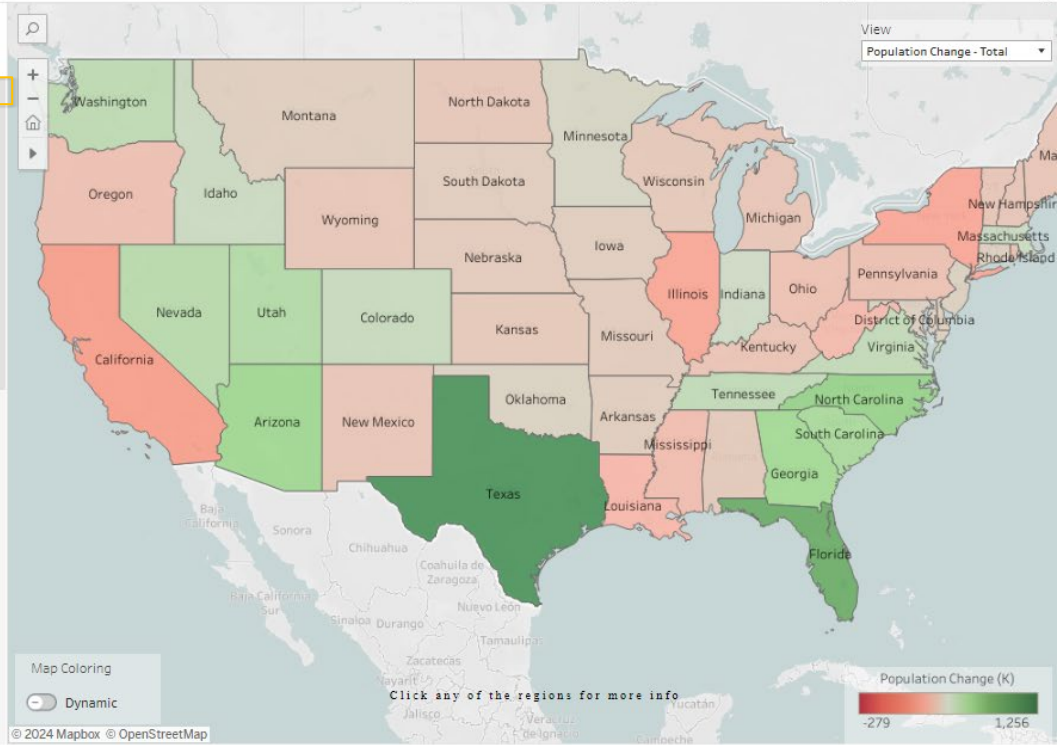
Migration Data – 48 months (National)

Report Period: Until Date: Time Period: Show By:



Filter By State:

Name	Pop. Change	Pop. Change %	HHI Ratio
Texas	1,256.3K	4.30%	8.35%
Florida	894.1K	4.15%	20.90%
North Carolina	345.2K	3.27%	17.41%
Arizona	260.2K	3.52%	11.41%
Georgia	226.1K	2.12%	4.90%
South Carolina	205.8K	3.96%	25.47%
Utah	175.5K	5.43%	-9.34%
Nevada	161.5K	5.13%	17.75%
Washington	145.7K	1.90%	-12.76%
Tennessee	134.8K	1.97%	14.65%
Virginia	128.3K	1.49%	-12.66%
Colorado	115.3K	2.00%	-13.13%
Idaho	106.6K	5.90%	17.87%
Massachusetts	105.9K	1.52%	-19.29%
Indiana	94.0K	1.39%	8.52%
Minnesota	66.9K	1.18%	-12.47%
Oklahoma	52.3K	1.32%	19.27%
New Jersey	49.0K	0.55%	-20.21%
Maryland	46.7K	0.77%	-19.29%
Connecticut	44.9K	1.26%	-12.29%
Delaware	39.8K	4.08%	5.83%
Montana	39.4K	3.63%	18.35%
Iowa	36.3K	1.14%	5.37%
Arkansas	36.2K	1.19%	25.08%



The Fastest Growing Places in the U.S. in 2023-2024

These metro areas are attracting new residents at a rapid pace.



20. Killeen, Texas

Best Places 2023-2024 Rank: 122

Metro Population: 467,838

Median Age: 32.1

Median Home Price: \$307,329

Average Annual Salary: \$50,900

Net Migration: 1.28%



 (GETTY IMAGES)

Between Dallas-Fort Worth and Austin in Texas, [Killeen](#) is one place seeing lots of growth both due to the major cities just a couple of hours' drive away and for its job opportunities drawing new residents in defense, health care and education. Killeen is home to Fort Cavazos, formerly known as Fort Hood, which is one of the largest military bases in the U.S. The area's population increased by 1.28% between 2020 and 2021 from net migration, according to the U.S. Census Bureau.

1. Myrtle Beach, South Carolina
2. Sarasota, Florida
3. Fort Myers, Florida
4. Lakeland, Florida
5. Port St. Lucie, Florida
6. Boise, Idaho
7. Ocala, Florida
8. Daytona Beach, Florida
9. Naples, Florida
10. Salisbury, Maryland
11. Melbourne, Florida
12. Spartanburg, South Carolina
13. Austin, Texas
14. Huntsville, Alabama
15. Fayetteville, Arkansas
16. Knoxville, Tennessee
17. Jacksonville, Florida
18. Phoenix
19. Tampa, Florida

20. Killeen, Texas

21. Raleigh and Durham, North Carolina
22. Reno, Nevada
23. Greenville, South Carolina
24. Portland, Maine
25. Spokane, Washington



2024

Killeen ranks **second fastest-growing city** in the country

According to a countrywide survey by U.S. News & World Report



CITY OF KILLEEN

QUALITY OF LIFE & HOUSING (2023/2024)



Killeen ranked **most affordable & fastest growing** city in the U.S.

- GOBankingRates

Killeen named **BEST housing market** in the nation for first-time homebuyers

- SmartAsset



Killeen ranks 2nd in the state for **lowest cost of living**

- Texas Real Estate Source

Killeen ranked **8th-most-moved-to** city in the nation in 2022

- SmartAsset



Killeen ranked **9th most affordable college town** in the U.S.

- WalletHub

Surprising Central Texas city has more than doubled its rate of big earners

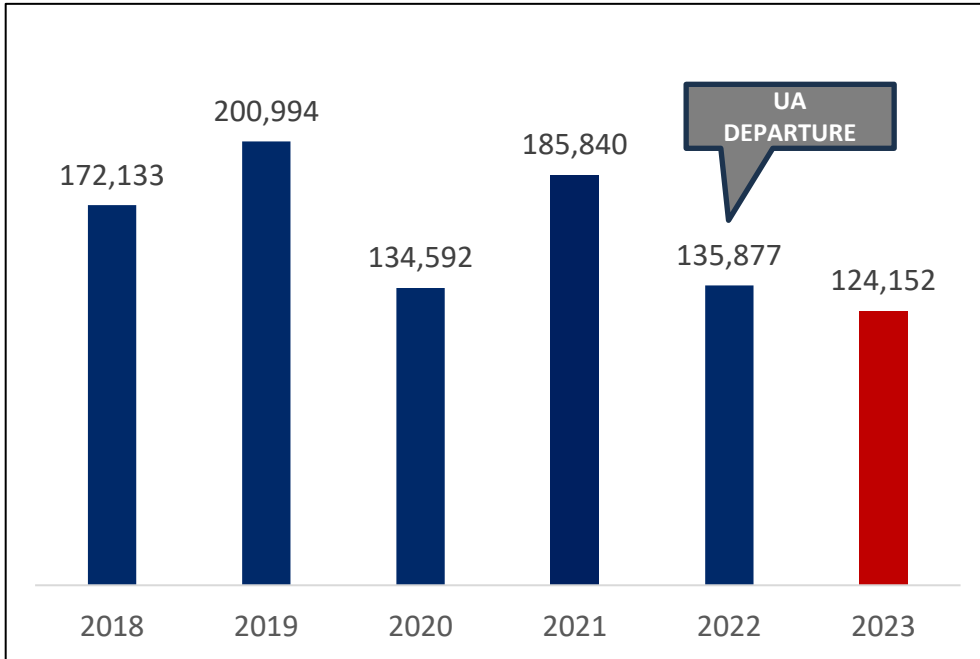
The top 10 cities adding the most high-income-earning households in the U.S. are:

- No. 1 – Spokane Valley, Washington
- No. 2 – Allentown, Pennsylvania
- No. 3 – Evansville, Indiana
- No. 4 – Killeen, Texas**
- No. 5 – San Tan Valley, Arizona
- No. 6 – Springfield, Massachusetts
- No. 7 – New Haven, Connecticut
- No. 8 – Manchester, New Hampshire
- No. 9 – Jackson, Mississippi
- No. 10 – Palmdale, California



culturemap
A U S T I N

GRK – Capacity Trend



AA - DFW

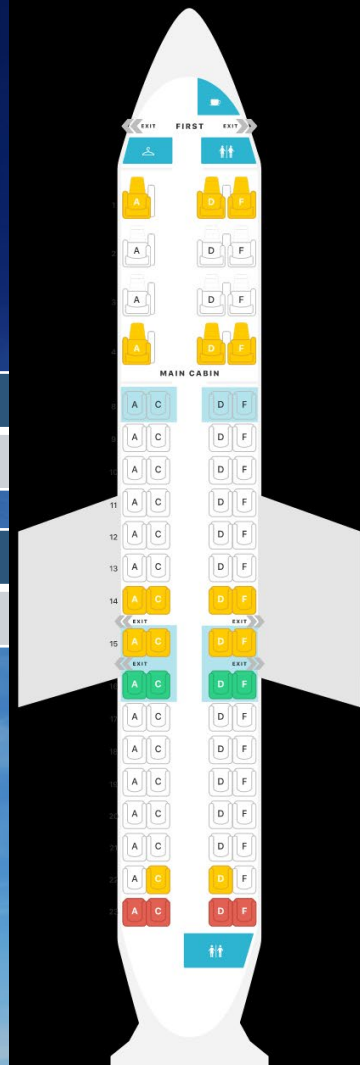
Month	Total Seats	DDEW
3	8,500	4.0
4	9,973	4.9
5	10,858	4.9
6	12,412	5.7
7	12,853	5.9
8	11,412	5.2
9	10,740	5.0

DFW

American Airlines 



Aircraft type	CRJ900
Capacity	76 seats / 12 First
Aircraft type	E175
Capacity	76 seats / 12 First



GRK – Capacity Trend (2022 vs 2023)

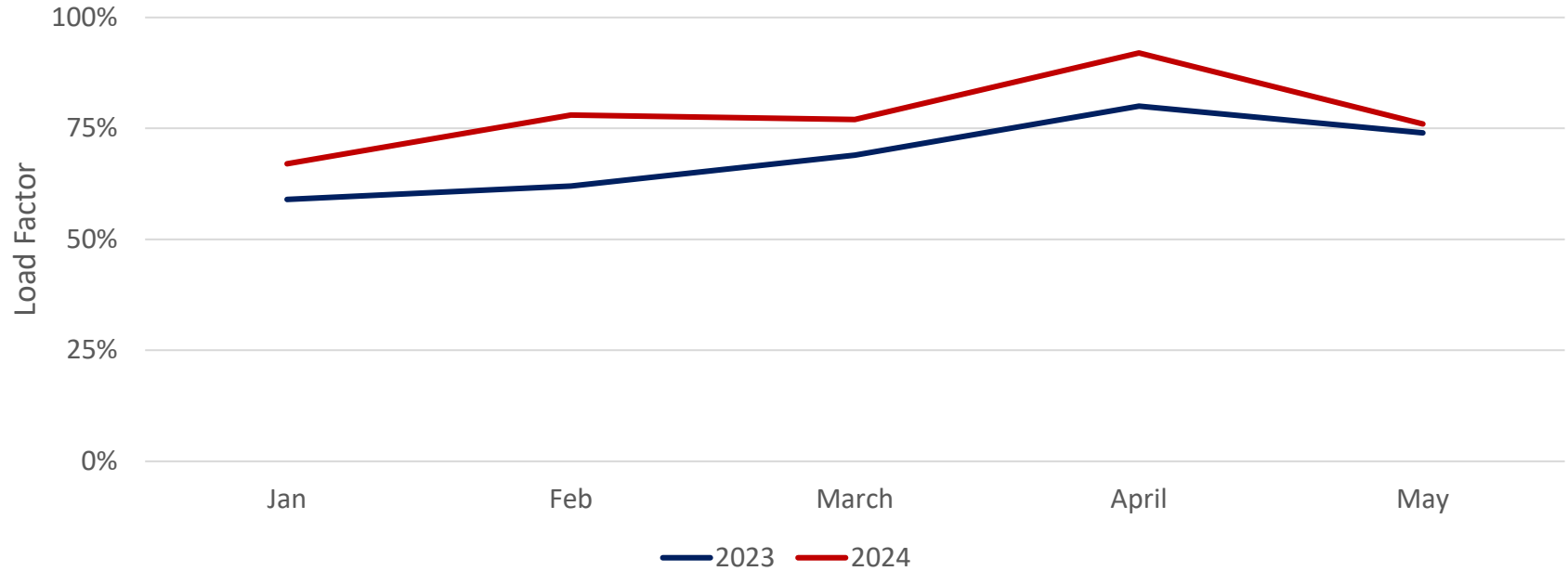


Orgn Arpt Code	2022 Seats	2023 Seats	Change of Seats	% Change of Seats
GGG	39,406	38,350	(1,056)	-3%
BPT	40,485	38,220	(2,265)	-6%
LRD	129,596	120,097	(9,499)	-7%
TYR	63,346	56,355	(6,991)	-11%
TXK	65,105	56,745	(8,360)	-13%
SJT	79,418	65,665	(13,753)	-17%
ABI	100,603	83,034	(17,569)	-17%
CLL	75,985	61,169	(14,816)	-20%
GRK	132,131	104,581	(27,550)	-21%
ACT	87,721	58,612	(29,109)	-33%
DRT	40,180	11,570	(28,610)	-71%
TOTAL	853,976	694,398	(159,578)	-19%

American Airlines – AUS vs GRK

Origin	2023 Seats	2024 Seats	Change of Total Seats	% Change of Total Seats
AUS	3,399,969	2,751,598	(648,371)	(19.07%)
GRK	124,152	125,954	1,802	1.45%

GRK – Load Factor Comp (2023 vs 2024)



GRK – Capacity Trend (2023 vs 2024)



	2023	2024		
	Q3-Q4	Q3-Q4		
Origin Airport Code	Total Seats	Total Seats	Change of Total Seats	% Change of Total Seats
LRD	85,201	113,216	28,015	32.88%
GRK	60,875	68,850	7,975	13.10%
ABI	59,902	65,796	5,894	9.84%
ACT	35,030	35,815	785	2.24%
TYR	35,075	35,815	740	2.11%
GGG	23,700	24,063	363	1.53%
SJT	37,616	38,037	421	1.12%
BPT	23,888	23,920	32	.13%
CLL	39,110	36,794	(2,316)	(5.92%)
TXK	35,425	23,920	(11,505)	(32.48%)
Total	435,822	466,226	30,404	6.98%

GRK – Average Fare



Airline pricing is extremely complex and is typically based on a number of factors such as:

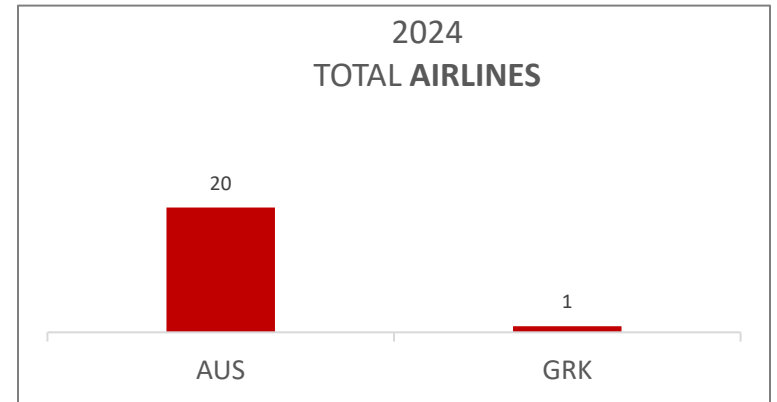
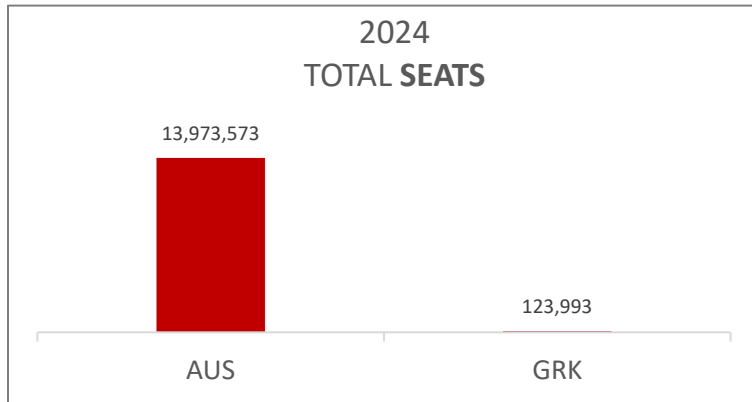
- seats available,
- fare buckets offered,
- seasonal/day of week demand,
- competition both in market and nearby,
- aircraft type offered,
- pricing elasticity.

the most accurate way to measure the fares across two markets can be found in the **average fare** paid from each market

GRK – Average Fare Comparison (YE 3Q23)



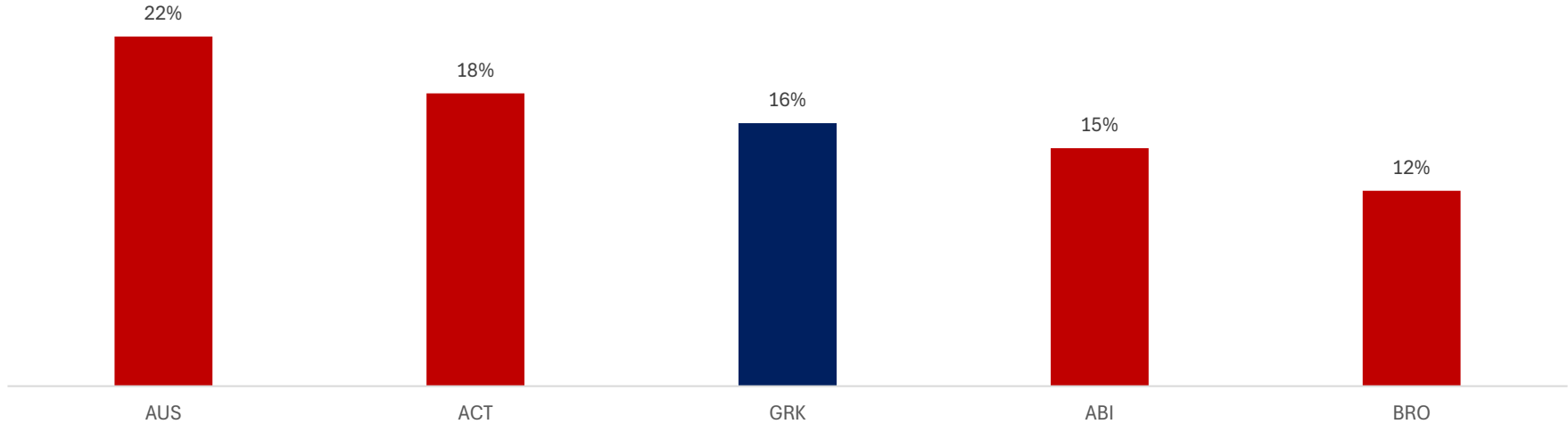
	ATL	BOS	DCA	DTW	EWR	FLL	LAS	LAX	LGA	MSP	MSY	ORD	PHL	PHX	SAN	SEA	SFO	TOTAL
GRK vs AUS	\$37.10	\$56.98	\$68.03	\$34.71	\$68.37	\$19.81	\$72.46	\$46.28	\$53.01	\$16.36	\$48.62	\$78.80	\$71.88	\$47.61	\$11.30	\$54.26	(\$0.31)	\$65.58
GRK vs DFW	\$54.51	\$47.07	\$73.29	\$35.06	\$79.30	(\$6.85)	\$28.87	(\$16.05)	\$51.88	\$43.65	\$30.92	\$76.49	\$98.69	\$53.14	(\$2.68)	\$64.73	\$30.80	\$62.89



GRK – On Time Performance CY 2023



% Delayed



CUSTOM CATCHMENT ANALYTICS DATA

Point of Sale methodology :

Web search behavioral data, US
Census, DOT DB1B, MIDT

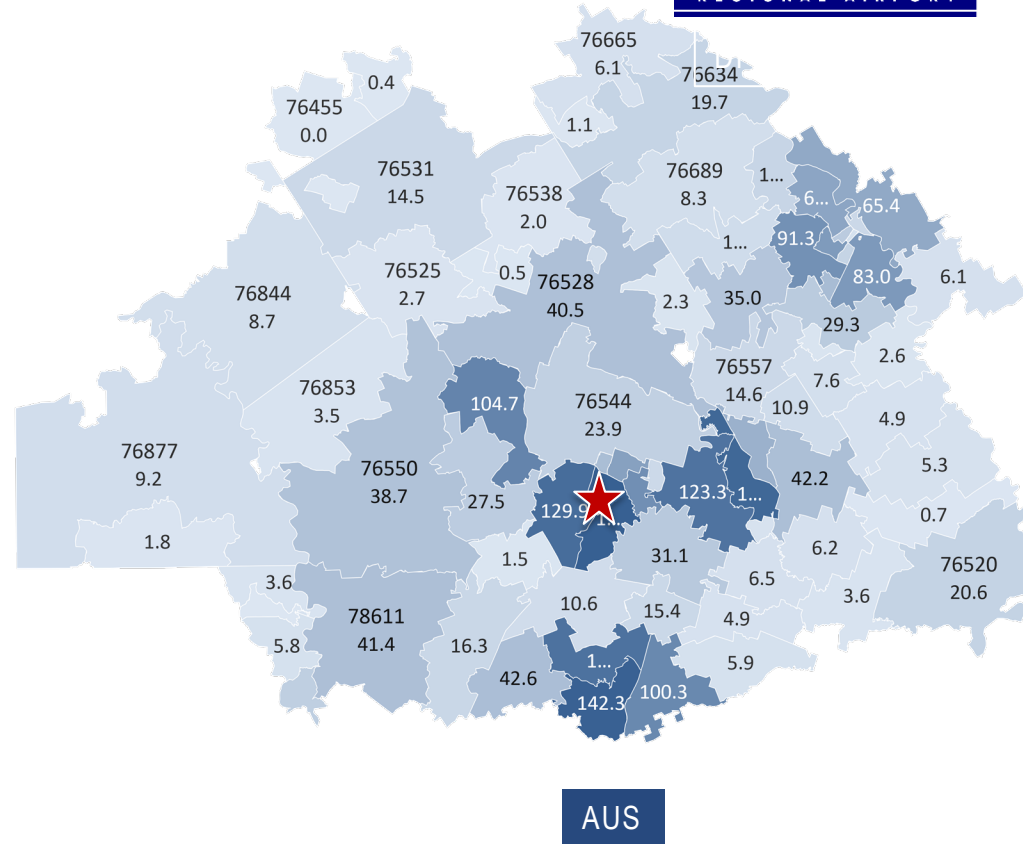
Origin – outbound passenger traffic starting travel
from catchment area.

Visitor – inbound catchment area traffic depicted by
zip code of final destination.

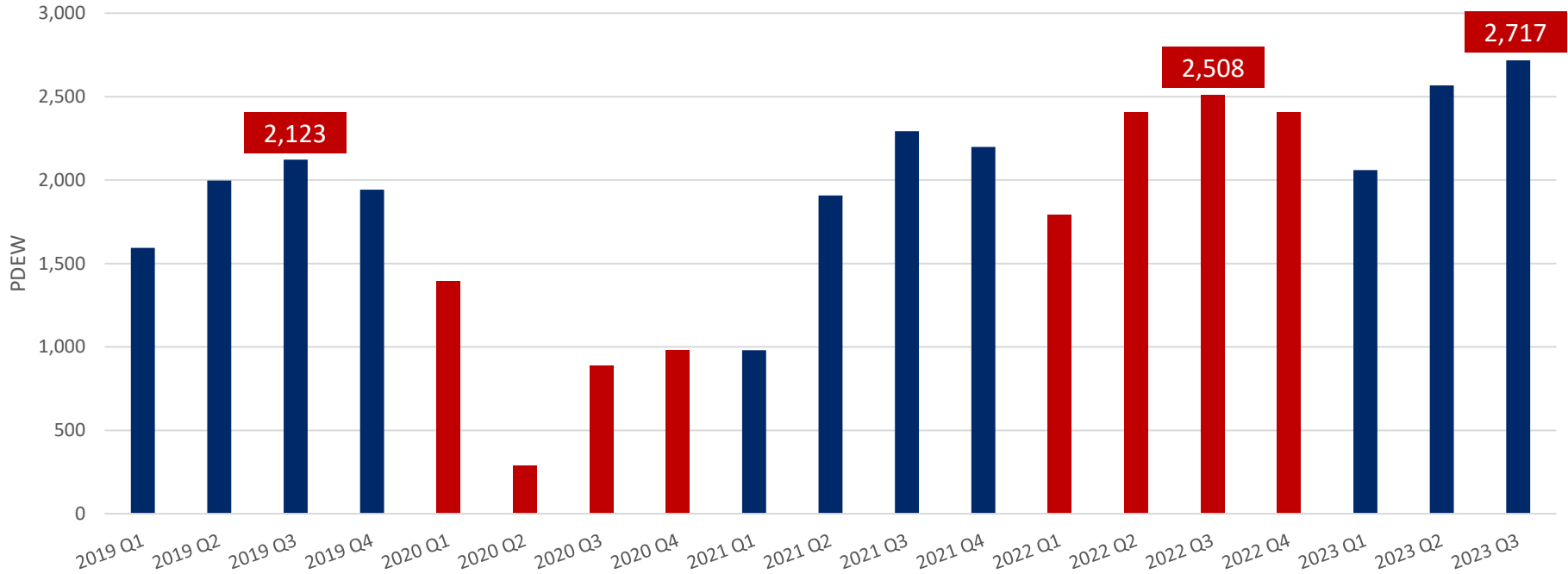


TOP Zip Codes – ORIGIN YE 3Q23

Zip Code	Distance to Base	PDEW	
76542	6	143.9	
78628	28	142.3	
76502	25	135.7	
76549	3	129.9	
78633	22	124.6	
76513	19	123.3	
76522	14	104.7	
78626	31	100.3	
76548	11	93.0	
76712	46	91.3	
76706	52	83.0	
76710	50	80.7	
76543	13	74.5	
76708	53	69.4	
76705	58	65.4	
76504	27	56.7	
76643	46	45.2	
76541	7	43.3	
78642	27	42.6	
76501	34	42.2	
78611	33	41.4	
76528	25	40.5	
76550	26	38.7	
76657	37	35.0	



Custom Catchment Area Traffic Recovery (ORIGIN)

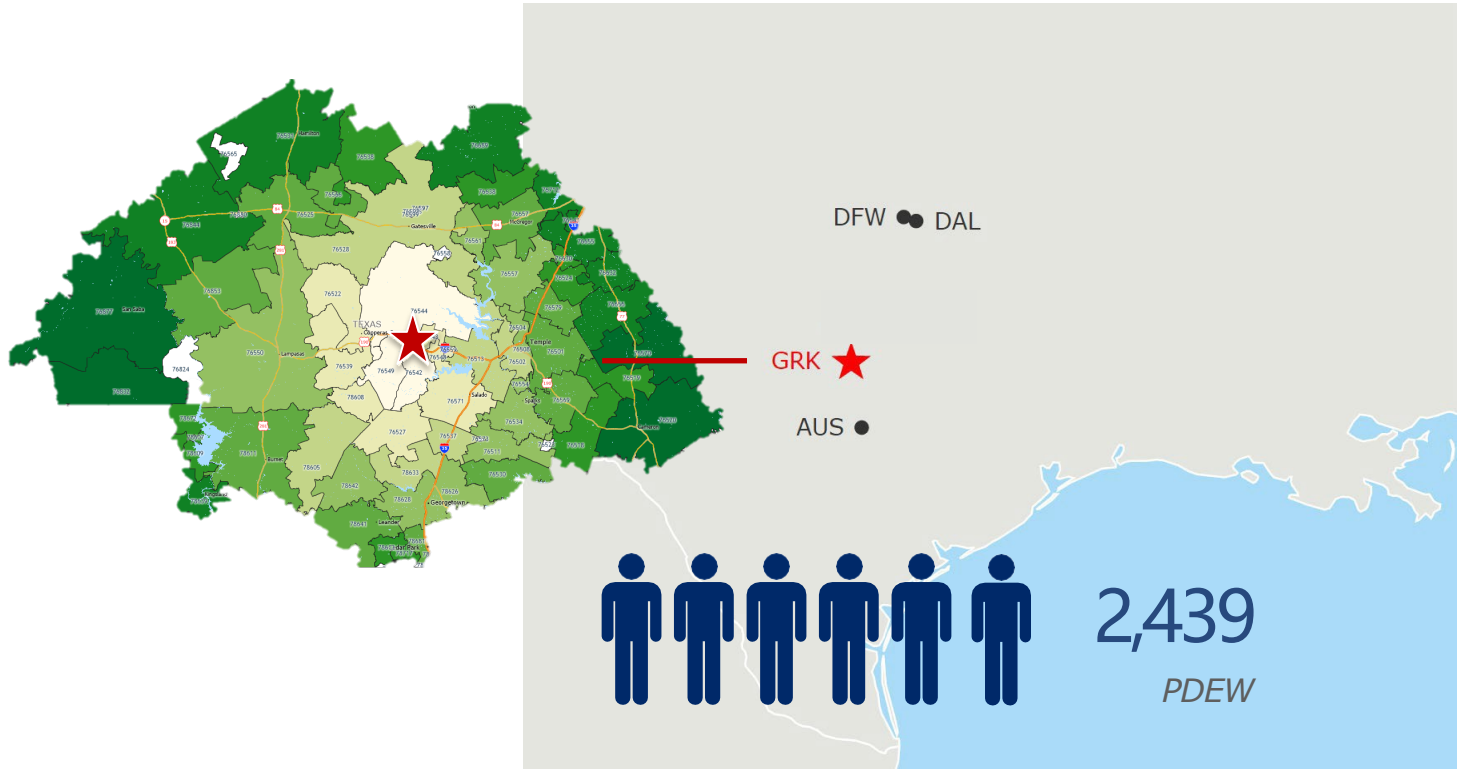


TRUE Market Size (custom catchment) YE 3Q23



ORIGIN

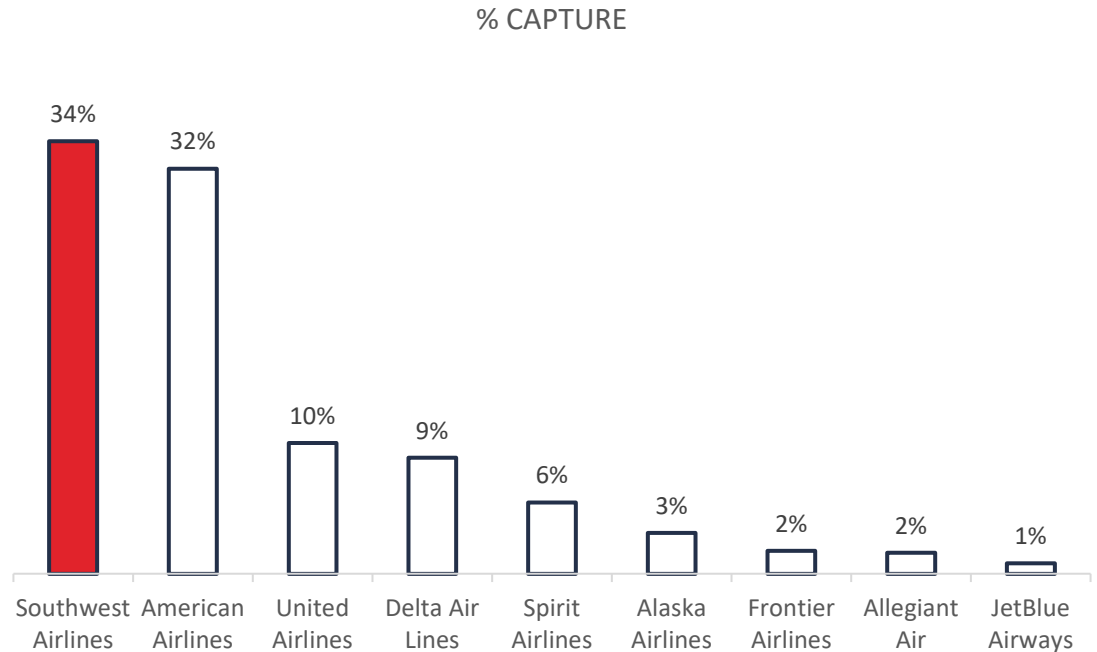
Airport	PDEW	% Capture
AUS	1293	53%
DFW	612	25%
GRK	134	6%
DAL	128	5%
OTHER	271	11%
TOTAL	2,439	



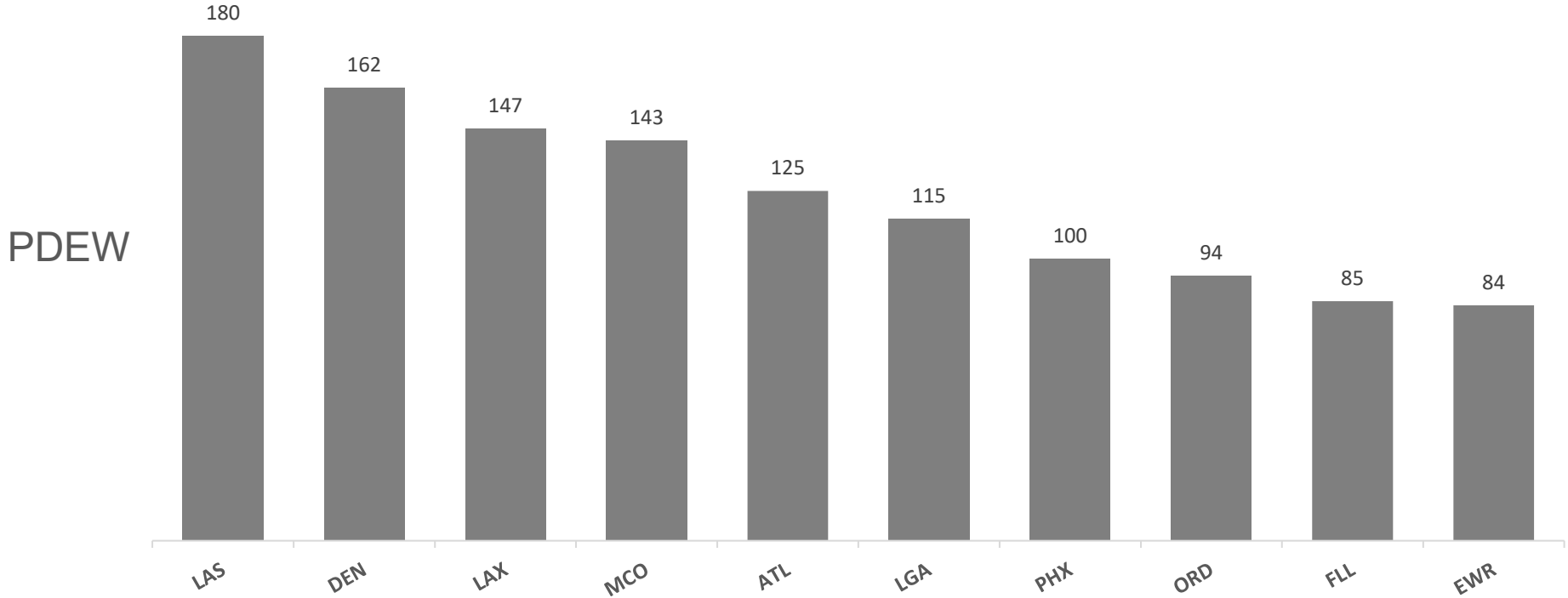
AIRLINE Capture YE 3Q23



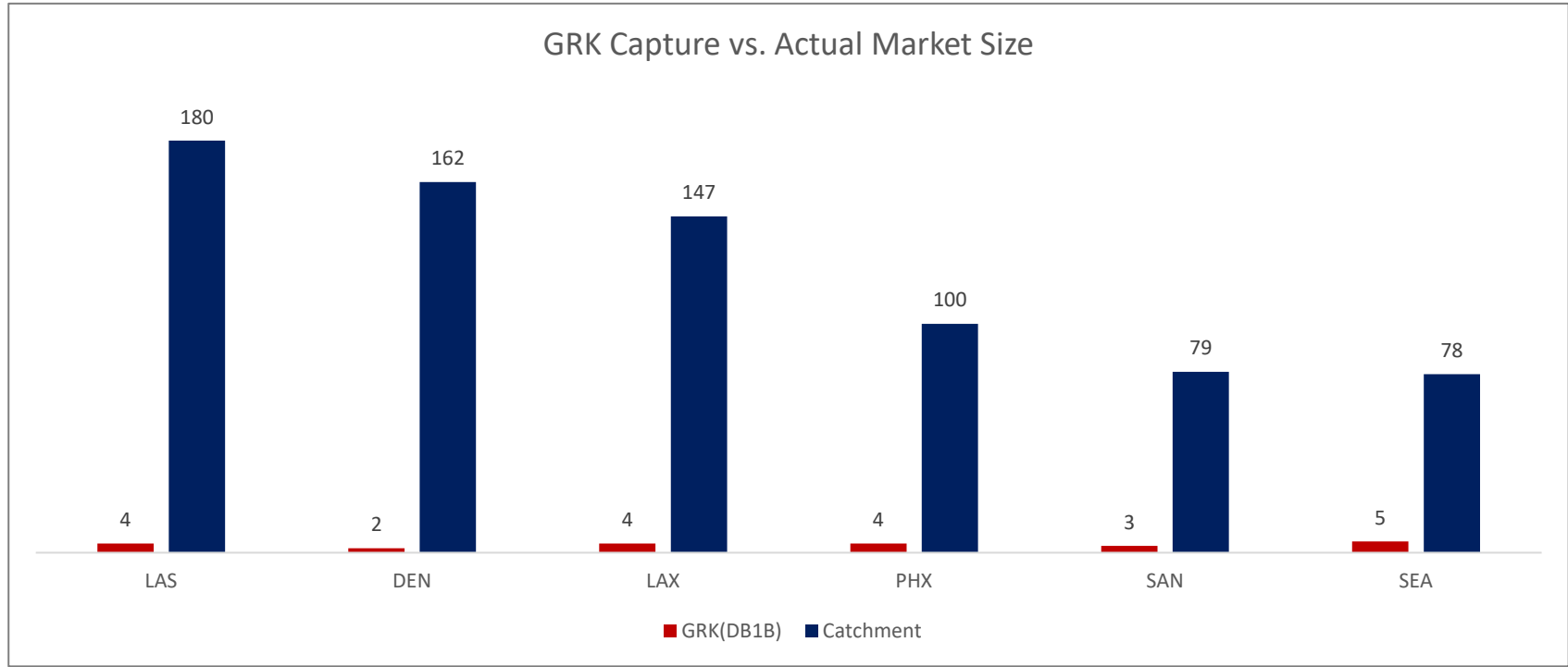
Mkt. Carrier Name	PDEW
Southwest Airlines	1033
American Airlines	967
United Airlines	312
Delta Air Lines	277
Spirit Airlines	170
Alaska Airlines	97
Frontier Airlines	55
Allegiant Air	50
JetBlue Airways	25



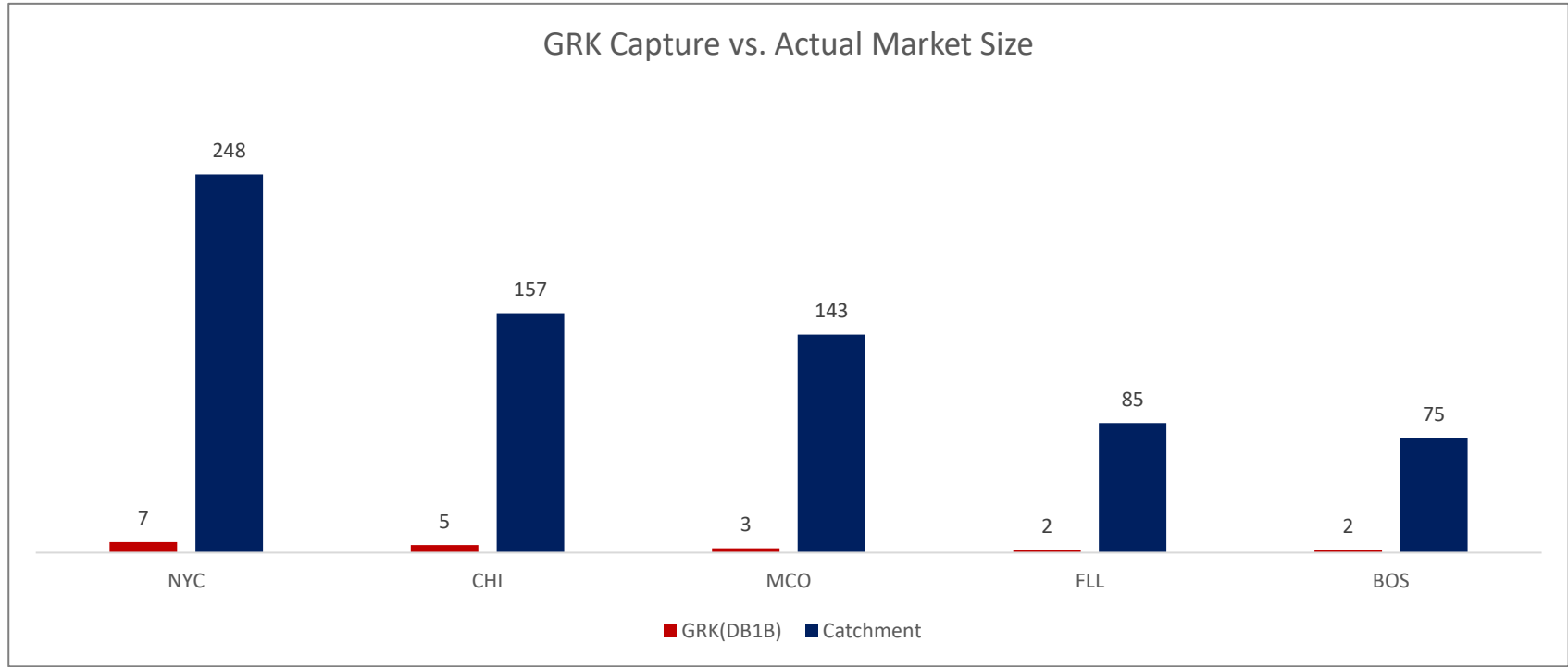
TOP 10 Markets (ORIGIN + VISITOR) YE 3Q23



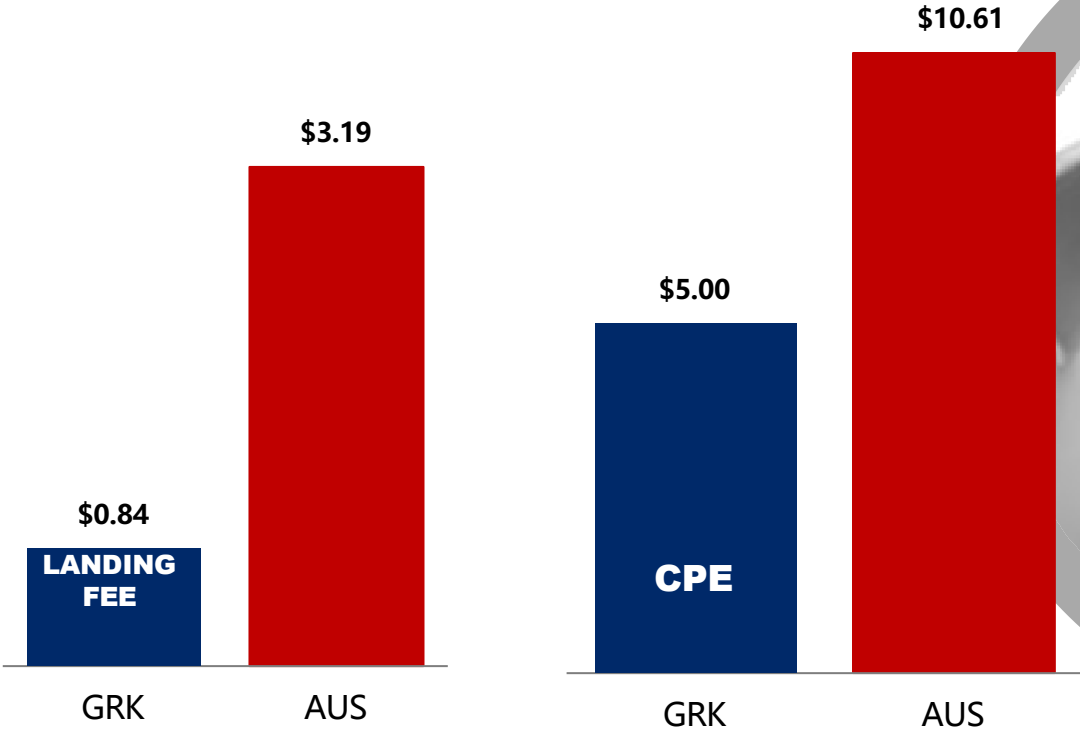
TOP Market Capture (WEST)



TOP Market Capture (EAST)



AIRPORT Cost Comparison CY2023



AIRPORT INCENTIVES

Airport Fees

Waived landing fees / Ground handling support

Marketing Support Funds

\$MRG

2019/20 SCASDP grant proposal

DOT Amendment Request

Category	Federal	Local	Total
Minimum Revenue Guarantee	\$1,000,000	\$200,000	\$1,200,000
Marketing/Advertising (Private)		\$10,000 (1% match)	\$10,000
Marketing/Advertising (Airport)		\$100,000	\$100,000
Airport In-Kind Contribution		\$20,000	\$20,000
Community In-Kind Support		\$50,000	\$50,000

TOTAL
\$1,380,000

FLIGHT PLAN 2024

- United Airlines – return with daily flight (3X), ULCC LAS/MCO/DEN/LAX, American Airlines – additional frequency to DFW and continue to pursue CLT service.
- Secure relevant data to help drive development efforts forward.
 - Paint the picture more clearly for the targeted airlines.
- Continue to develop stronger ties with local Stakeholders (Chamber, City, County, etc.)
 - Schedule a minimum Quarterly meeting with Air Service Task Force
 - Work to build a risk mitigation support package
- 2024 Airline meetings:
 - Web / HQ target meetings – American, Avelo, Allegiant, Breeze, Frontier, JSX, **United**
 - Conference Meetings: ACI-NA Jumpstart (May), TakeOff North America (Oct)

CONTACT DETAILS



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