Incentives help land airlines

Airport's lures for Southwest worth about $4 million

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Greenville-Spartanburg International Airport enticed Southwest Airlines with an incentives deal worth about $4 million, money airport officials said was necessary to help lure the low-fare carrier to the Upstate.

"It is imperative that airports be able to offer incentives," Dave Edwards, GSP president and chief executive officer, told GreenvilleOnline.com. "Most airports provide some level of incentives."

To attract Southwest, GSP put on the table fee waivers for two years, worth about $1.4 million annually; capital improvements to the counter and office space the airline would use, about $1 million; and marketing help, he said.

Airline requirements for its GSP space included the construction of a 2,700-square-foot operations office and the refurbishing of a ticket officer, ticket counter and baggage service area.

Local and state tourism organizations also provided enticements, with groups in Greenville, Spartanburg and Charleston teaming with the state Parks, Recreation and Tourism Department in a $3.8 million advertising campaign.

Southwest began service to both the Upstate and Charleston in mid-March

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after GSP and Upstate business leaders had spent the better part of a decade trying to land the carrier, believing it would open new travel markets and lead to lower fares among the carriers already operating here.

GSP had some of the highest fares in the country, leading scores of travelers to drive to Charlotte or Atlanta to catch flights.

GSP already is feeling the so-called "Southwest effect" that airports typically report, with dramatic increases in passenger traffic since the carrier began service here.

Traffic growing

Passenger traffic is growing by about 48 percent over the past year, a rate Edwards anticipates can be maintained during the airline's first 12 months of service. Some of the increased traffic, as well as lower fares, are coming from carriers already at GSP.

GSP also worked out an incentives deal with Vision Airlines, which began service to the Upstate in March on a much smaller scale with flights to Florida.

The airport waived fees for 12 months and provided marketing assistance, Edwards said. That assistance worked out to about $50,000, said Rosylin Weston, airport spokeswoman.

"The formula is the same for any airline," she said, adding that it involves factors such as whether the airline is low-fare, whether it flies regional or full-size jets and the frequency of service.

The airport's commissioners recently approved a budget including a $600,000 fund to be used to pay for incentives that could attract other airlines.

The Charleston County Aviation Authority, which owns Charleston International Airport, also used incentives to attract Southwest.

The Charleston Area Convention and Visitors Bureau led the charge, kicking in $800,000 to help pay for Southwest advertising and marketing ahead of the carrier's March 13 launch, according to *The Charleston Post and Courier*.

The airport waived landing fees totaling about $75,000 for Southwest for one year. It also paid $150,000 to redevelop the Dallas-based airline's terminal area and another $10,000 for marketing, the newspaper reported.

"We are trading pennies for dollars," said Chip Limehouse, chairman of the aviation authority. "This is a very good business deal for the Lowcountry, and I will take that deal all day long."

Limehouse said the volume of flights has increased 30 percent at Charleston International since Southwest arrived, with much but not all of that attributable to the discounter.

He said about 5 percent of the gains have come from other airlines increasing service and dropping fares.