



FY16 MID-YEAR REPORT FY17 CONTRACT BUDGET PROPOSAL

July 27, 2016

Presented To

SUN VALLEY
AIR SERVICE BOARD





BIG SUCCESS IN 2016

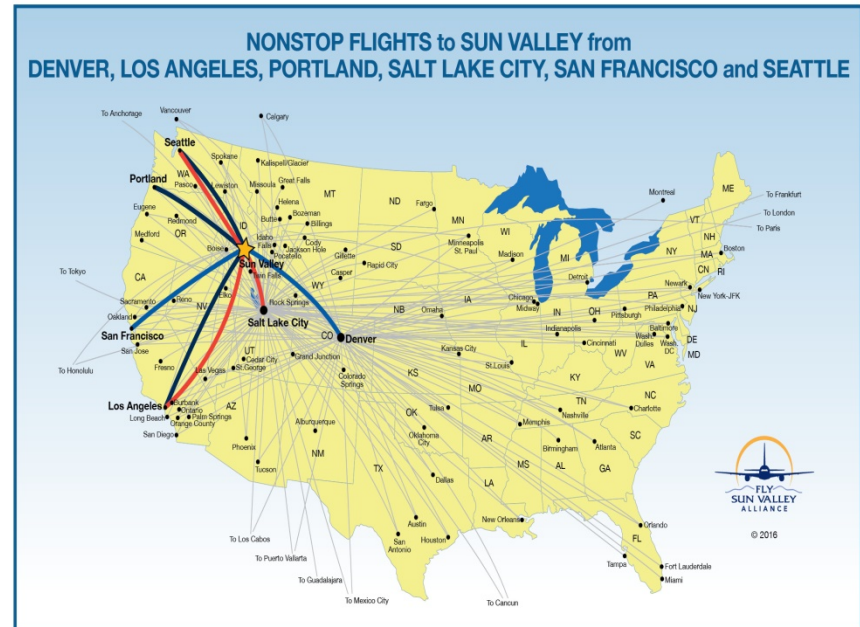
Investment in Air Service Continues to Deliver Results

- ❑ Now 6 nonstop cities for SUN! New Alaska Portland (PDX) flight to start Dec 2016
- ❑ Expanded Flights to LAX, SEA, DEN, more daily frequency to SLC
- ❑ For the local, business, part-time resident, visitor travelers – more choices, more convenience, more competitive fares
- ❑ For the Wood River Valley – more positive economic impact

2013



2016





FY16 MID-YEAR UPDATE

FSVA Air Service Development Efforts

- **Airline Meetings/Strategic Development**

- Negotiated and secured optimized winter & summer air service contracts w/United and Alaska
- Continued discussions with Delta on increasing SLC flight frequency
- Continued discussions, analysis on performance, fares, etc. with airlines
- Continued pursuit of strategic opportunities for enhanced/new future service
- Continued to support and manage enhanced diversion bussing for winter
- Weekly monitoring/tracking of bookings, competitive developments

- **Local Air Marketing/Community Outreach**

- Promotion in local and regional (southern ID) markets.
Encourage use of SUN as air gateway
- Keep community, stakeholders, consumers, media updated with information via Enews, website, social media, press releases, presentations, etc.
- Gather input from business on air service needs

- **Research**

- Air Passenger survey for winter 2015/16 season completed
- Air Passenger survey for summer 2016 underway
- Other ongoing research studies, analysis, etc.

Alaska
**Hit the Slopes
or Hit the Coast.**
Fly between Sun Valley
and SEA for as low as
\$95*
and LAX for as low as
\$148*
*Additional restrictions apply.
See www.alaskaair.com for details
**Hurry! Book by
January 4, 2016**

Fly SUN. ✈️
Non-stop to DEN, LAX, SEA, SFO, SLC
ONE-STOP TO THE WORLD



FY16 YTD RESULTS & SUCCESS

Secured Expanded Service for Winter/Summer FY16 MORE SEATS & FLIGHTS

- ❖ Expanded overall service for winter 2015/16 by 12% more seats (5,672)
- ❖ Expanded overall service for summer 2016 by 17% more seats (8,215)
- ❖ Expanded United DEN-SUN winter 2015/16 service to 5x week
- ❖ Added 2nd daily SEA flight over peak Xmas holiday period
- ❖ Welcomed new Delta nonstop weekly LAX flights for winter/summer 2016
- ❖ 186% increase in SUN-SLC flights for 2016 (non-contract service)

Improved Diversion Busing Operations & Customer Experience

- ❖ Newer motor coaches – Airport hosts in TWF/SUN - improved communication with passengers

More Competitive average business and leisure airfares to SUN

- ❖ Airfares in 17 of top 20 SUN markets have decreased over past 2 years by average of 10%





FY16 YTD RESULTS & SUCCESS

2015/16 WINTER SEASON (FMA Reported Dec- April)

- 43,314 seats available - up 5%
- 31,958 enplanements - up 7%
- Average Load Factor: 74% - up 1 pt



Notes:

- Passengers and flights diverted to TWF/BOI not included in these stats
- *Weather-diverted flights increased substantially this winter due to heavy snowfall, which means actual flights and passengers were significantly higher . Total scheduled seats for winter season were up 12%.

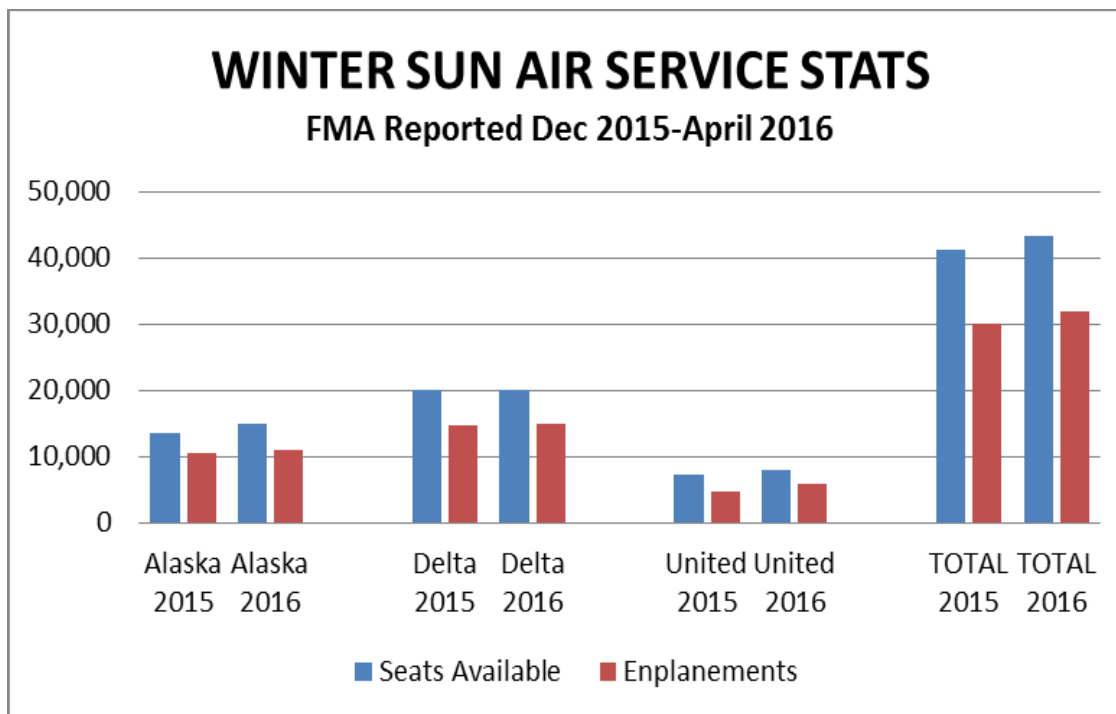
* Average annual flight load factor at competing Rocky Mtn destinations: 65-75%



FY16 YTD RESULTS & SUCCESS

SUN Winter Stats – Continued Growth

Notes: Statistics do not include flights, passengers diverted to TWF /BOI; diverted flights increased this winter due to heavy snow



TOTAL WINTER DEC-APRIL	Alaska 2015	Alaska 2016	% Change	Delta 2015	Delta 2016	% Change	United 2015	United 2016	% Change	TOTAL 2015	TOTAL 2016	% Change
Seats Available	13,680	15,048	10%	20,081	20,148	0%	7,392	8,118	10%	41,153	43,314	5%
Enplanements	10,604	11,084	5%	14,641	15,073	3%	4,750	5,801	22%	29,995	31,958	7%
LF % Avg	78%	74%	(-4pts)	73%	75%	1 pt	64%	71%	7 pts	73%	74%	1 pt



SUMMER FY16 UPDATE

- Secured 17% increase in seats (+8,215) for summer/fall 2016
- Delta SUN-SLC flights increased 186% in 2016; 169 days with 3 daily Delta flights vs 59 days in 2015.
- FSVA negotiating with contract airlines for 2016/17 winter& 2017 summer service
- FSVA partnered with FMA to submit \$500K USDOT grant for new winter/summer nonstop PDX-SUN service – was awarded grant in July
- SUN Air Passenger Surveys for summer/fall began mid-June
- FSVA & FMA local marketing of SUN air service ongoing

SUMMER/FALL 2016 SUN VALLEY (SUN) NON-STOP FLIGHT SCHEDULE

AIRLINE	CITY	AIRPORT	PLANE	DEPARTS CITY	ARRIVES SUN	DEPARTS SUN	ARRIVES CITY	FREQUENCY	DATES	DETAILS
 www.alaskaair.com	Los Angeles	LAX	Q400	1:35pm	5:00pm	11:20am	12:55pm	Daily	Jun 10 - Sep 5	
				1:35pm	5:00pm	11:20am	12:55pm	3 x week	Sep 8 - Oct 2	Thurs, Fri, Sat
	Seattle	SEA	Q400	8:05am	10:45am	5:30pm	6:30pm	Daily	Jun 10 - Sep 18	
					10:45am	5:30pm	6:30pm	3 x week	Sep 22 - Oct 16	Thurs, Fri, Sat
 www.delta.com	Los Angeles	LAX	CRJ700	12:30pm	3:30pm	4:05pm	5:10pm	SA	Jun 11 - Sep 10	
				9:00am	12:00pm	12:35pm	1:40pm	SU	Jun 12 - Aug 28	
	Salt Lake City	SLC	CRJ700	9:50pm	10:42pm	6:50am	7:40am	Daily	Year Round	
				11:15am	12:25pm	1:00pm	2:00pm	Daily	Year Round	
				1:50pm	2:42pm	3:20pm	4:23pm	Daily	Jun 3 - Sep 30	(except Sep 3 - 6, 10, 17, 24)
 www.united.com	Denver	DEN	CRJ700	6:50pm	8:39pm	7:05am	8:50am	Daily	Jun 24 - Sep 4	(to SUN June 24; from SUN June 25)
		DEN	CRJ700	6:50pm	8:39pm	7:05am	8:50am	3 x week	Sep 7 - 18	(to SUN Wed, Thurs, Sat from SUN Thurs, Fri, Sun)
	San Francisco	SFO	CRJ700	4:15pm	7:05pm	8:10am	9:22am	Daily	Jun 24 - Sep 4	(to SUN June 24; from SUN June 25)
			CRJ700	4:15pm	7:05pm	8:10am	9:22am	3 x week	Sep 7 - 18	(to SUN Wed, Thurs, Sat from SUN Thurs, Fri, Sun)

Flight times and dates are approximate and subject to change.
Airline and independent booking resources should be checked for accurate flight schedules and times.





WINTER FY17 UPDATE

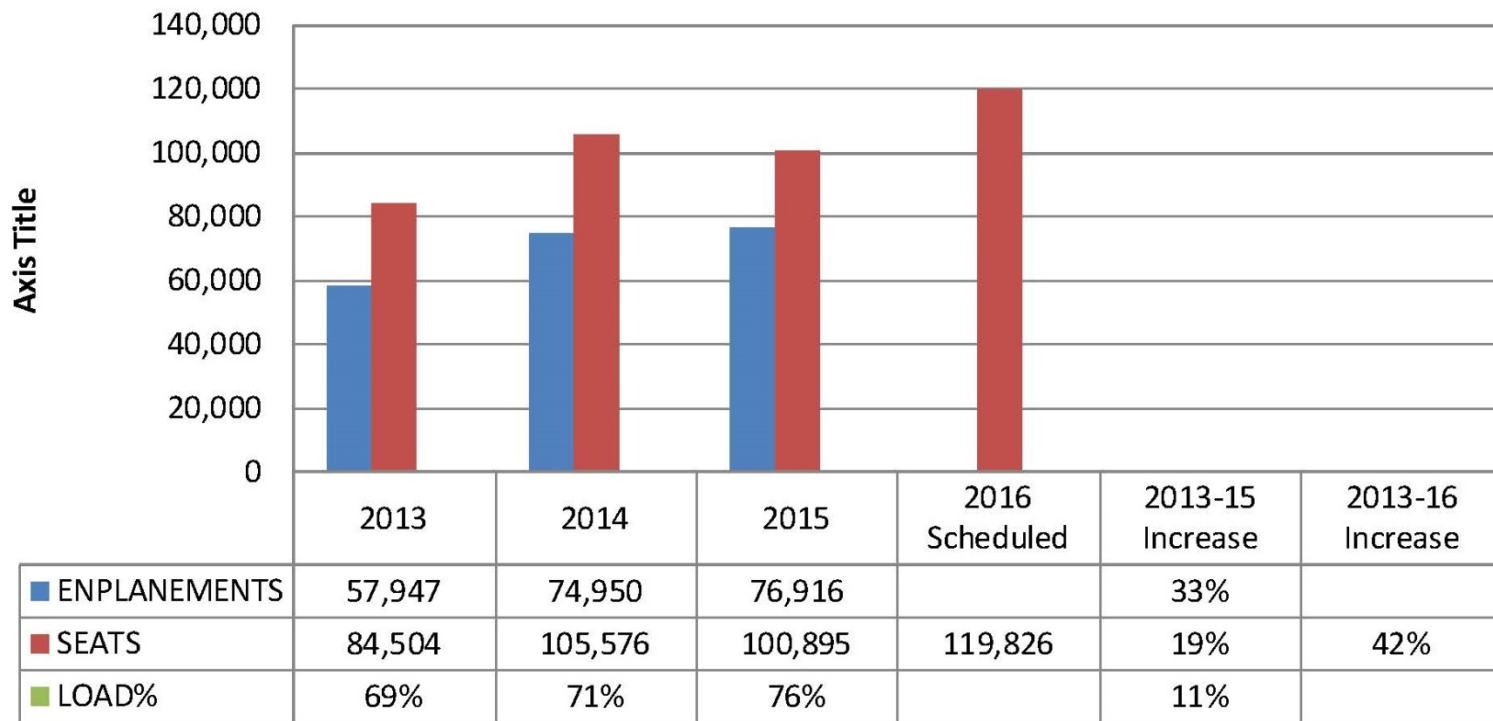
- **30% increase in seats (+15,500) for winter 2016/17**
 - **New!** Alaska Portland (PDX) flights start in December (2x weekly – Wed & Sat)
 - **New!** Alaska SEA flights expanded – starts Nov 23, more flights in Feb & March
 - **New!** Delta SEA flight daily during holidays and Saturdays all winter
 - **New!** Delta LAX flight daily Dec – March
 - **New!** UA DEN flights run daily Dec – March (up from 2x week in Jan, 5x week Feb & March in 2015)
 - Alaska LAX nonstop flights Dec – early April
 - United SFO nonstop flights daily Dec - March
 - Delta SLC daily nonstop flights continue year-round, 3x daily flights all winter
- **Improved instrument landing procedures at FMA will help reduce diversions**





SUN AIR SERVICE GROWTH

SUN AIR SERVICE GROWTH 2013-2016



*Friedman Memorial Airport Stats +10% estimated for diverted flights/passengers

*SFO service began Dec 2013; DEN Service began June 2014; PDX service begins Dec 2016



FY17 Goals & Performance Metrics

- **Retain/Expand Current Air Service**

- Retain contracted nonstop SEA, LAX, SFO, DEN, PDX flights
- Expand winter and summer service schedules and frequency
- Pursue increased frequency during non-peak months (April/May/Oct/Nov)

- **Pursue New Air Service**

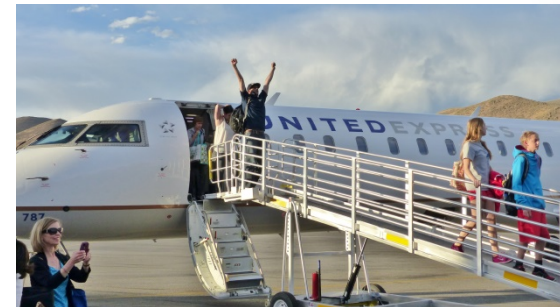
- Pursue new nonstop flight market for FY18

- **Minimize Air Service Contract Costs**

- Work with airlines & marketing partners to increase load factors & minimize air service contract costs. Reduce local market leakage.
- Work with airlines to make SUN fares as competitive as possible

- **Research**

- Conduct Air Passenger Surveys at SUN; continue with competitive analysis, economic impact and air service ROI research.





FSVA FY17 ASB PROPOSED BUDGET

FSVA 1% LOT ASB CONTRACT BUDGET (FYE 9/30/17)

FSVA CONTRACT INCOME	FY16 1% LOT Budget	FY17 1% LOT Budget
1% LOT Revenues	\$ 1,300,000	1,495,000
TOTAL INCOME	\$ 1,300,000	1,495,000
<i>*Contract for Services with Air Service Board</i>		
FSVA AIR SERVICE DEVELOPMENT EXPENSE		
Air Service Contract Costs <i>(United SFO/DEN; Alaska SEA/LAX/PDX)</i>	\$ 1,185,000	\$ 1,365,000
<i>Projected maximum MRG FSVA (50% share with SV Resort) + Bussing</i>		
Air Service Consulting Fees/Meetings/Travel	\$ 70,000	\$ 80,000
<i>Mead & Hunt consulting fees, airline meetings</i>		
Local Air Service Marketing (fare sales, etc)	\$ 25,000	\$ 25,000
<i>Wood River Valley, southern Idaho</i>		
Research	\$ 20,000	\$ 25,000
<i>Winter/summer air passenger surveys, other research</i>		
TOTAL EXPENSE	\$ 1,300,000	\$ 1,495,000

Notes:

- FY17 FSVA Air Service Contract Cost amount less than estimated MRG caps due to:
 - 1) PDX grant
 - 2) Allocation of 30% increase in VSV marketing \$ for inaugural service to PDX and to fill 30% increase in winter seats and estimated 10% increase in summer seats.



FSVA AIR SERVICE PARTNERS

FLY SUN VALLEY ALLIANCE SUN VALLEY AIR SERVICE KEY PARTNERS

SUN VALLEY
AIR SERVICE BOARD
.....



SUN VALLEY
ECONOMIC
DEVELOPMENT

Plus.....

The Wood River Valley Community

Over 50 Local Businesses



AIR SERVICE = BUSINESS

We continue to make great progress –
the investment in air service is working for our community.

THANK YOU

YOUR ADVENTURE STARTS HERE!



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