



FY19 PROGRESS REPORT

January 30, 2019

Presented To

SUN VALLEY
AIR SERVICE BOARD





CONTINUED SUCCESS

Investment in Air Service & Marketing Delivers Results

2013/14 - 2018 (12 months ending Sept 2018 vs 2013)

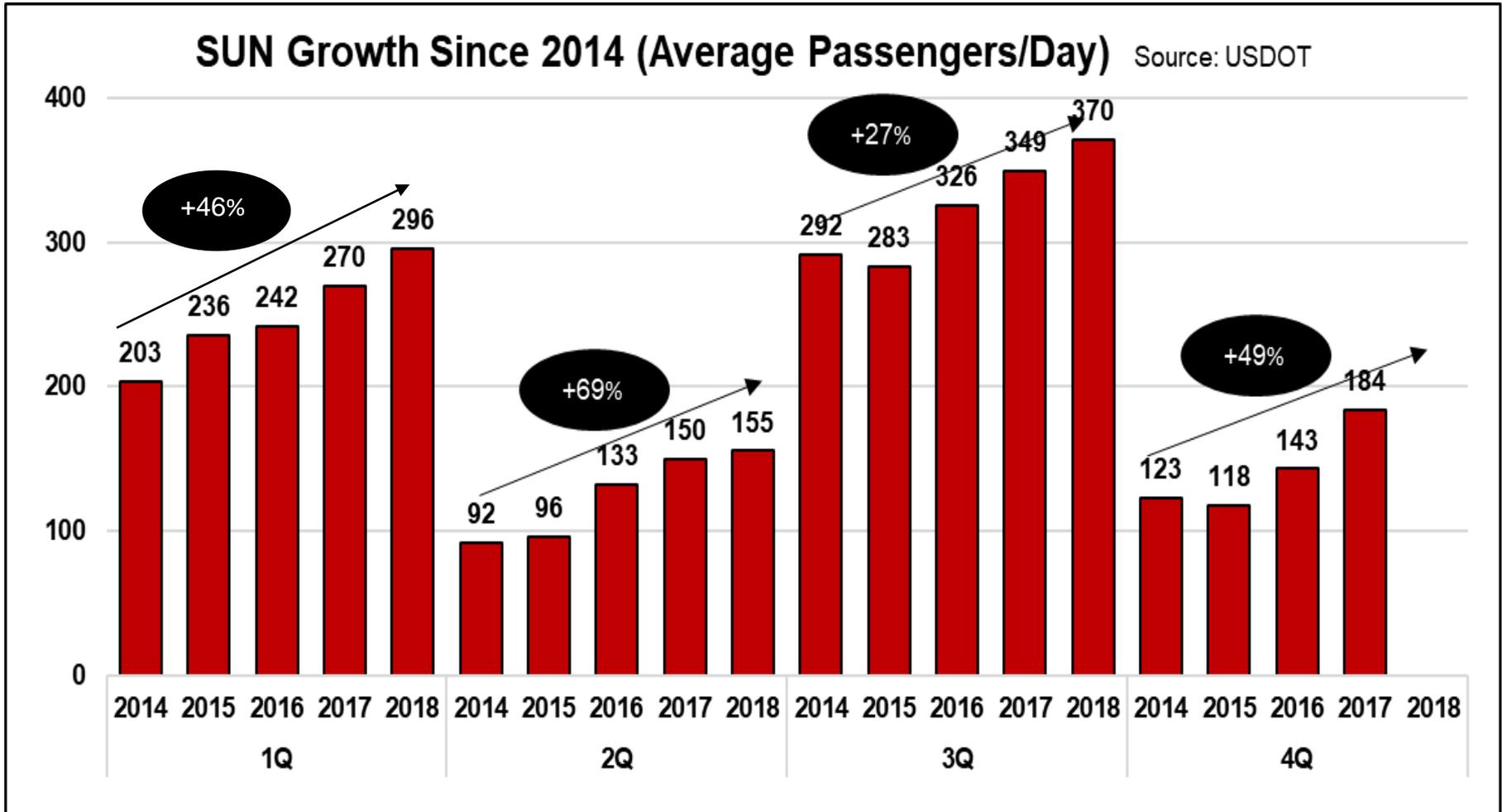
- 3 New nonstop flights (DEN, SFO, ORD)
- 66% More air seats (+49,338)
- 86% More enplanements/passengers (+42,445)
- \$622M in direct spend economic impact by SUN Air Visitors





SUN AIR SERVICE GROWTH - PAST 5 YEARS

- Strong YOY passenger growth in all quarters

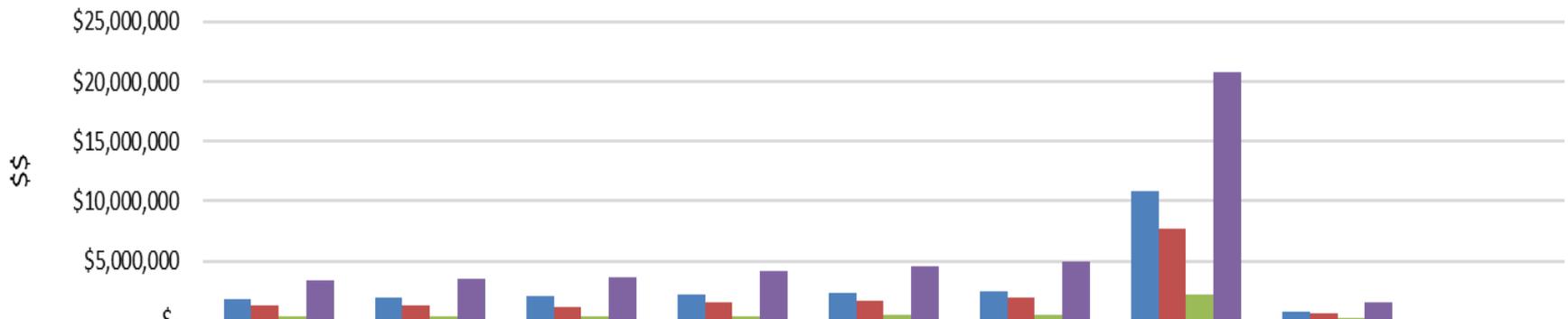




LOT SALES TAX GROWTH TRACKS AIR SERVICE & PASSENGER GROWTH

- 68% growth in general city LOT revenues over past 5 years tracks with 66% growth in air seats 86% growth in enplanements, \$622M in air traveler direct spending.
- Total General LOT revenues=\$20M; \$622M (est) in air traveler spend x 2% = \$12M
- Investment in air service & marketing has significant community ROI in many ways

General LOT Revenues FY13-18 (not including 1% for Air)



	FY13	FY14	FY15	FY16	FY 17	FY18	TOTAL FY14-18	\$ Increase FY13-FY18	% Increase FY13-FY18
■ Ketchum	\$1,774,378	\$1,891,103	\$2,019,867	\$2,141,419	\$2,338,874	\$2,481,755	\$10,873,018	\$707,377	71%
■ Sun Valley	\$1,248,522	\$1,257,699	\$1,196,547	\$1,572,788	\$1,682,102	\$1,919,992	\$7,629,127	\$671,470	65%
■ Hailey	\$348,850	\$367,757	\$403,174	\$411,368	\$489,139	\$547,601	\$2,219,039	\$198,751	64%
■ TOTAL	\$3,371,750	\$3,516,559	\$3,619,588	\$4,125,575	\$4,510,114	\$4,949,348	\$20,721,184	\$1,577,597	68%



2018 SUMMER/FALL RESULTS – AIR SERVICE

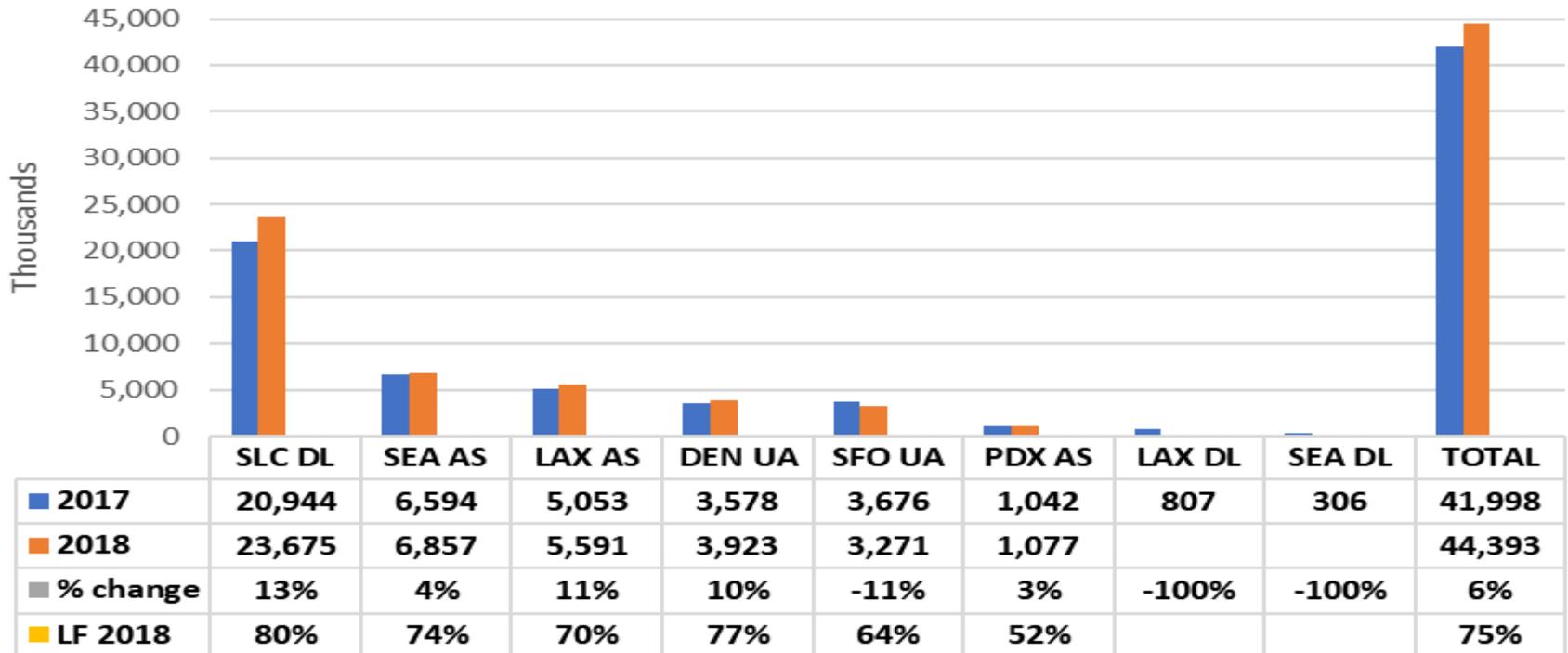
STRONG SUMMER/FALL SEASON FOR AIR TRAVEL AT SUN

- **6% increase** in Enplanements (passengers)
- **75% Load Factor** (% of seats filled)

SUN ENPLANEMENTS-LOAD FACTOR BY FLIGHT

Summer/Fall 2018 (May-Sept)

Source: USDOT





SUN AIR PASSENGER SURVEY RESULTS

2017/18 Summary – 5 Year Overview



BRC
ASSOCIATES™

FRIEDMAN MEMORIAL AIRPORT PASSENGER SURVEY

2018 Annual Results: Winter 2017/18 and Summer 2018



SUN AIR TRAVELER SURVEY – PASSENGER MIX

- 1,936 air passenger surveys collected from departing SUN passengers in 17/18
- 76% of all SUN travelers last year were visitors/part-time residents (PTR)
- Over 5 years, size of passenger pie has grown - mix has remained same

RESIDENT AND VISITOR MIX



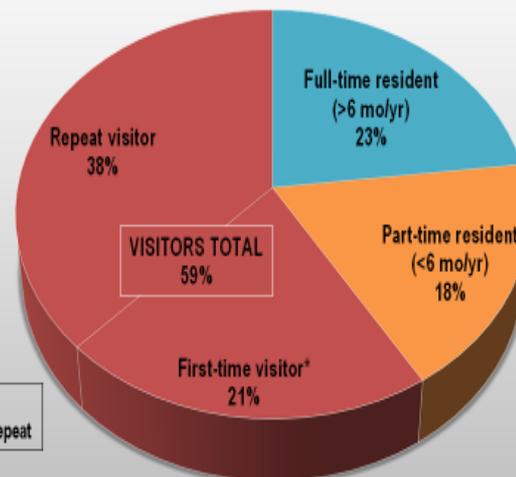
Resident/Visitor Mix of SUN Passengers
2018 Annual Results: Winter 2017/18 and Summer 2018



▪ In 2018, Visitors accounted for 59% of passengers, PTRs 17%, and FTRs 24%.

Resident - Visitor Mix

2013/14



Among visitors:
36% are first-time, 64% repeat

*First time visitors = no previous visits to SV in past 5 winters or summers.
Note: Full-time resident = live in area more than 6 mo/yr.
Part-time resident = live in area less than 6 mo/yr.



About 3 in 4 passengers are visitors (59%) or part-time residents (18%).
About 1 in 4 passengers are full-time residents (23%).





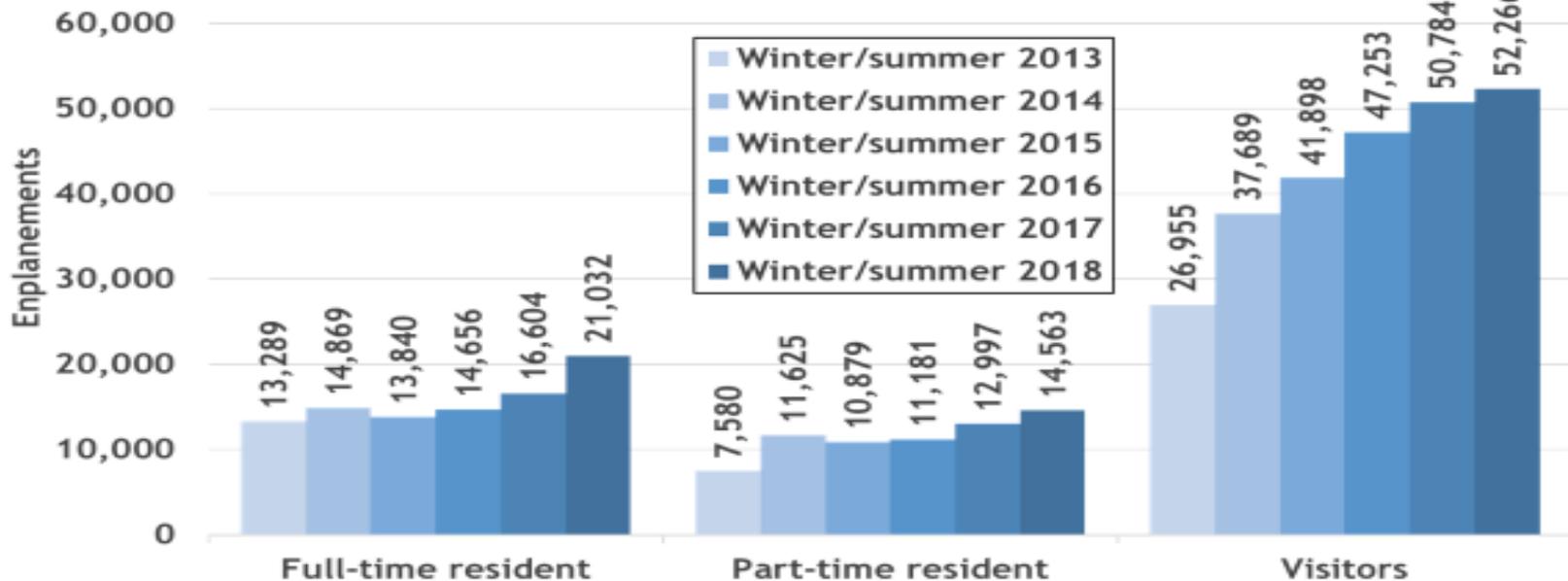
SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

- Steady YOY Growth in SUN air travelers – all segments

RESIDENT AND VISITOR MIX

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Resident/Visitor Mix of SUN Passengers
2013-18 Annual Results: Winter and Summer



- In absolute terms, enplanements by FTRs rose moderately from 2013 to 2014-16, and rose more rapidly in 2017-18.
- Enplanements by PTRs jumped from 2013 to 2014, trended flat to 2016, and rose again in 2017-18.
- Enplanements by visitors have shown substantial, ongoing growth over the 2013-18 period.



SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

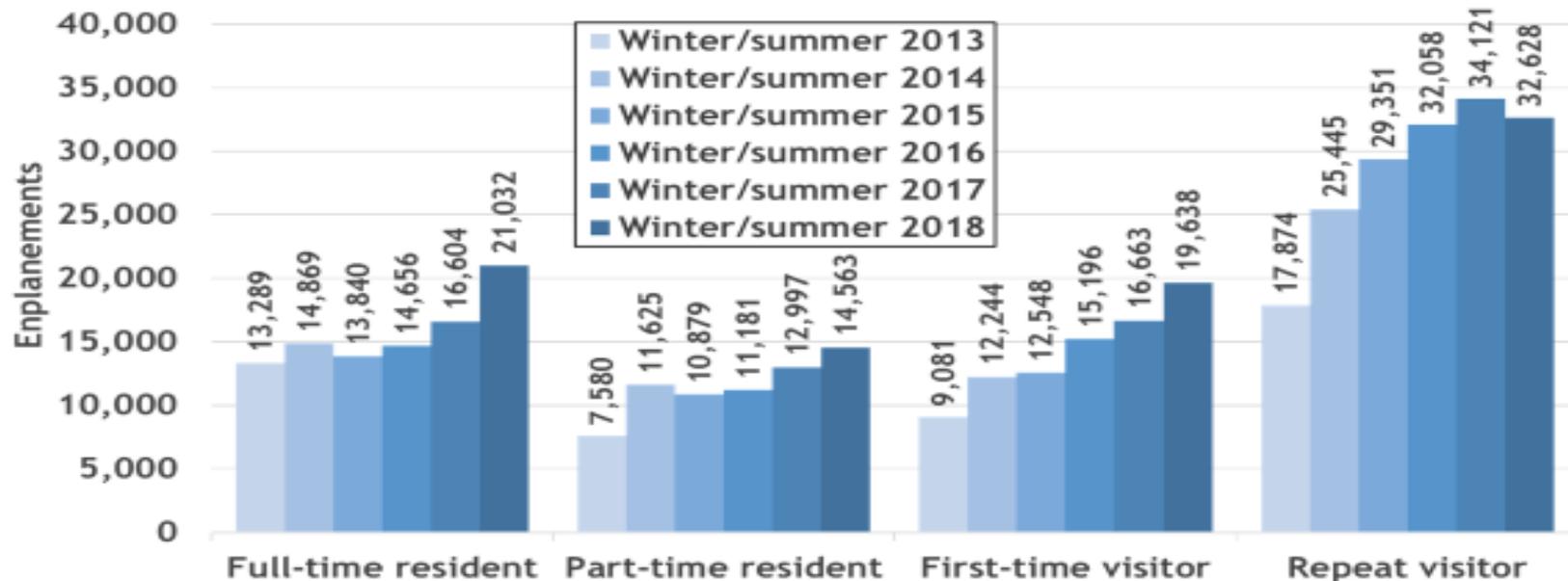
- Steady YOY growth in new SUN Air Traveler First-Time Visitors

RESIDENT AND VISITOR MIX

RRC ASSOCIATES



Resident/Visitor Mix of SUN Passengers
2013-18 Annual Results: Winter and Summer



- Enplanements by FTRs rose moderately from 2013 to 2014-16, before growing more rapidly in 2017-18.
- Enplanements by Ptrs jumped from 2013 to 2014, trended flat through 2016, and rose again in 2017-18.
- Enplanements by first-time visitors have shown substantial, ongoing growth over the 2013-18 period.
- Enplanements by repeat visitors grew markedly over the 2013-17 period, before dipping slightly in 2018.

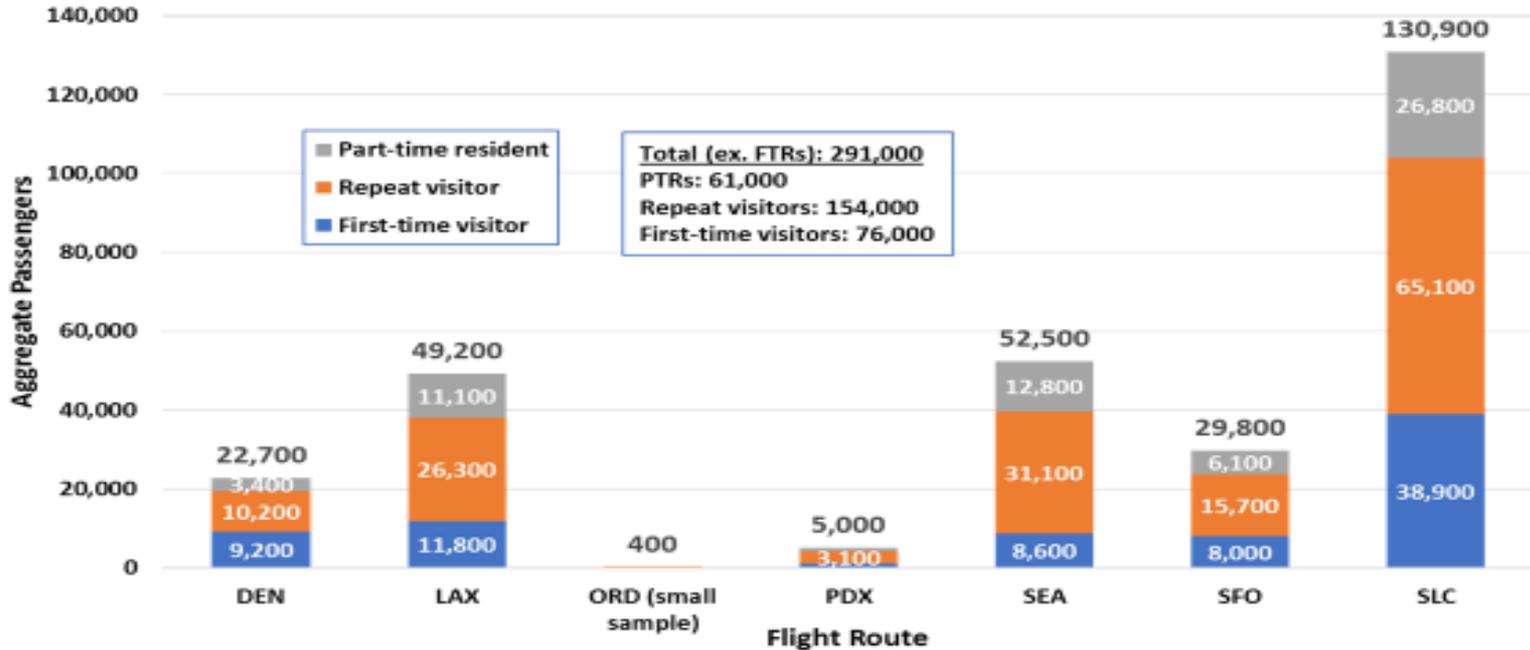


SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

- 76,000 New Visitor SUN air passengers in past 5 years

2014-18 PASSENGERS BY FLIGHT RRC ASSOCIATES.

No. of SUN Passengers by Flight: Summers 2014-18 & Winters 1314-1718



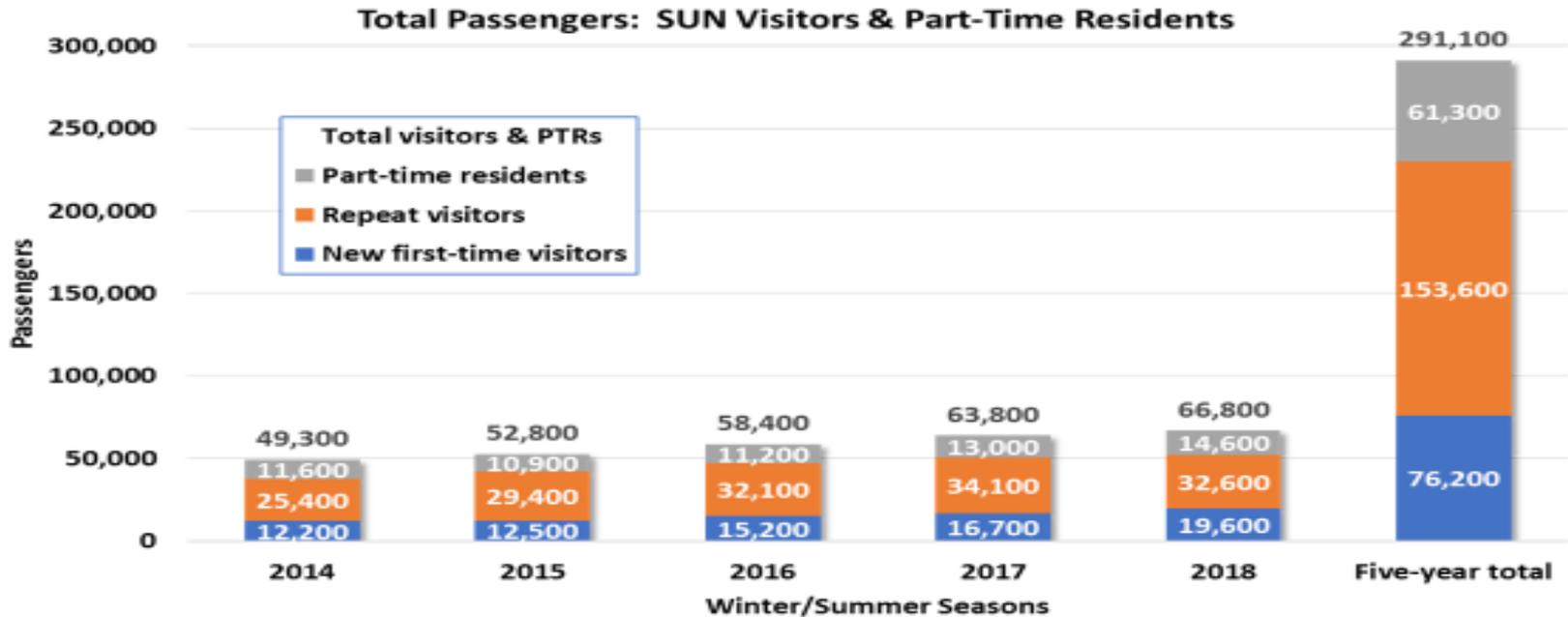
- SLC accounted for the largest volume of Visitors/PTRs in 2014-18 (approx. 130,900 enplanements).
- Following were SEA (52,500), LAX (49,200), SFO (29,800), DEN (22,700), PDX (5,000), and ORD (400).



SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

- 60% Growth in First-Time Visitors; 28% Growth in Repeat Visitors

ENPLANEMENTS BY VISITOR TYPE: 2014-18



- A cumulative total of approximately 291,100 visitors/PTRs have been served by SUN over the past five winters/summers.
 - Includes approximately 76,200 first-time visitors, 153,600 repeat visitors, and 61,300 PTRs.
 - Growth in passengers from 2014 to 2018: first-time visitors +60%, repeat visitors +28%, PTRs +25%.

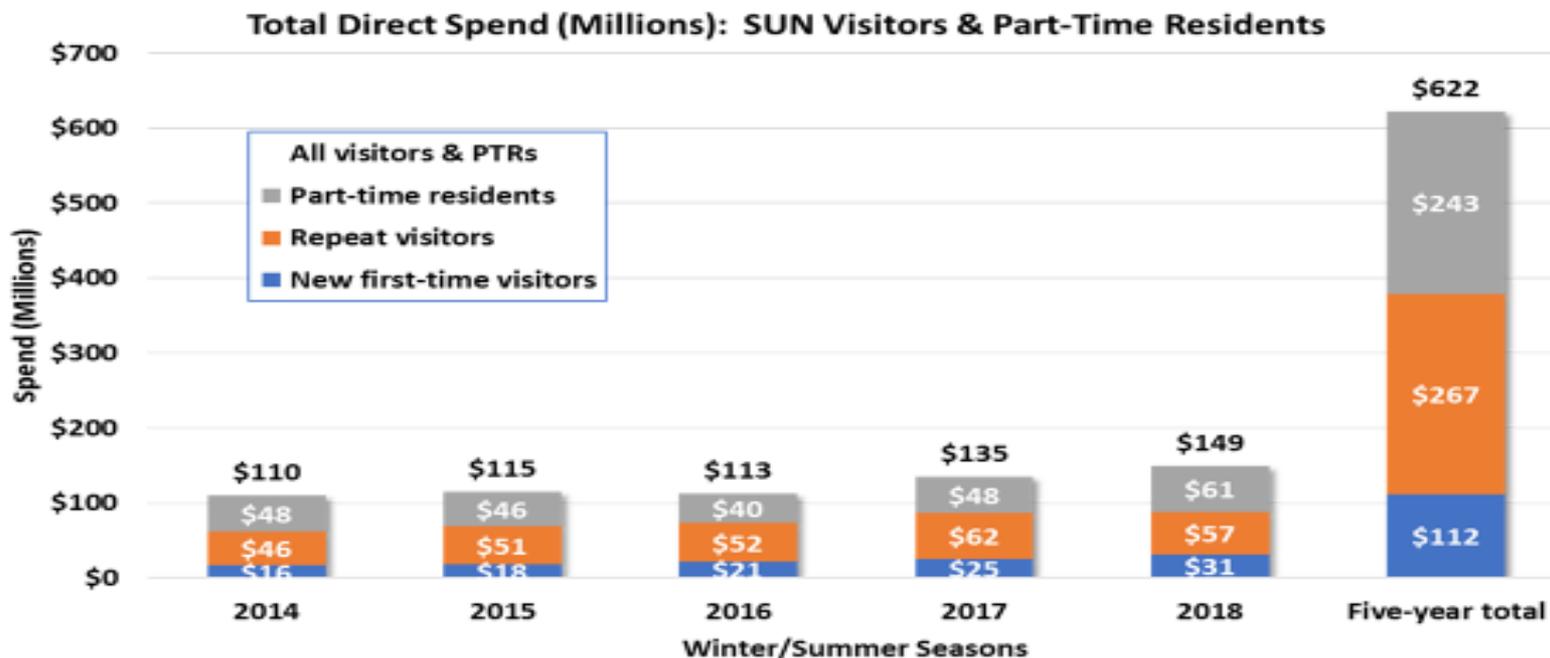


SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

- \$622M economic ROI through SUN Air Traveler Visitor direct spend

ECONOMIC IMPACT: 2014 - 2018

RRC ASSOCIATES.



- A cumulative total of approximately \$622 million in visitor/PTR spending has been attributable to SUN over the past five winters/summers.
 - This includes approximately \$112M from first-time visitors, \$267M from repeat visitors, and \$243M from PTRs.
 - Growth in spend from 2014 to 2018: first-time visitors +88%, repeat visitors +25%, PTRs +27%.



SUN AIR TRAVELER SURVEY – 5 YEAR OVERVIEW

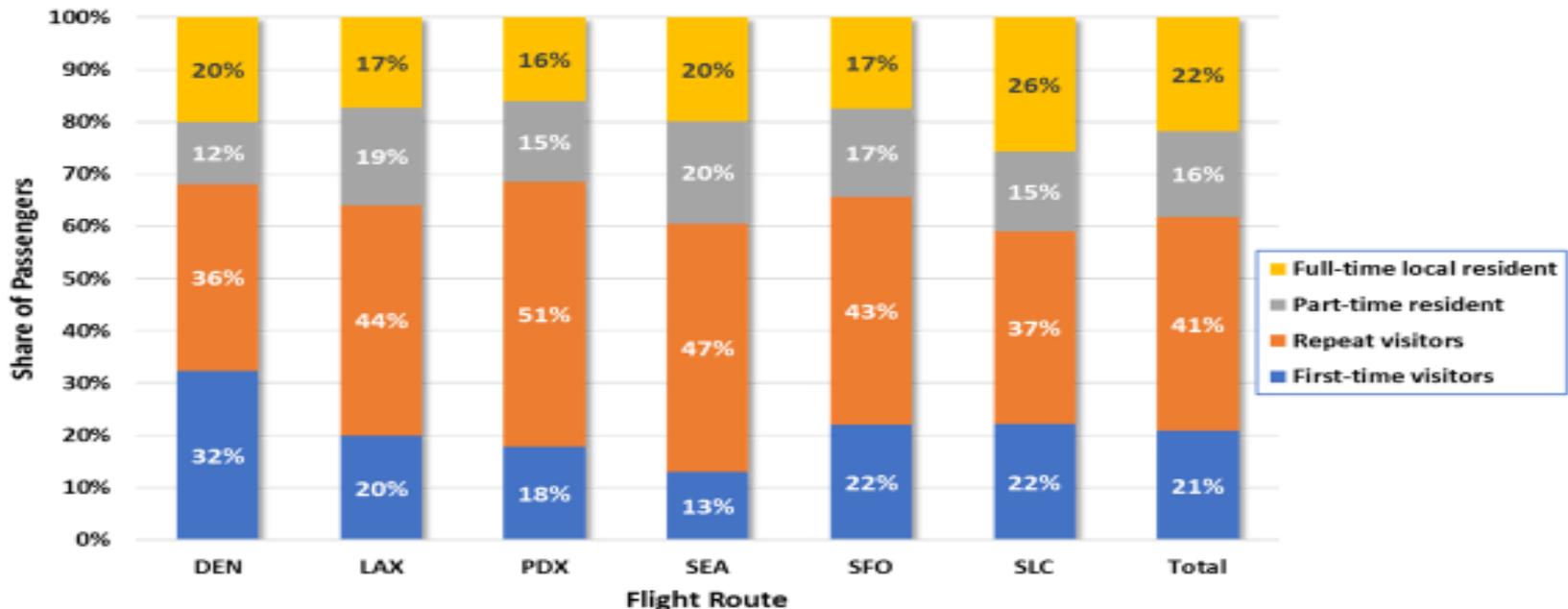
- Nearly 80% of all SUN travelers on all flights were visitors/PT residents
- Passenger mix varies by flight; new flight markets drew more new visitors

2014-18 PASSENGERS BY FLIGHT

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% of SUN Passengers by Flight: Summers 2014-18 & Winters 1314-1718



- First-time visitors: highest share on DEN flights (32%); lowest share on SEA flights (13%).
- Repeat visitors: highest share on PDX (51%); lowest share on SLC (37%).
- PTRs: highest share on SEA (20%); lowest share on DEN (12%).
- FTRs: highest share on SLC (26%); lowest share on PDX (16%). (Small sample for ORD/not shown.)



SUN AIR TRAVELER SURVEY – COMPARISONS

- Some key differences for SUN vs. other resort air travelers
 - More part-time residents; fewer visitors staying in paid lodging, etc.

UNIQUE ASPECTS OF SUN PASSENGERS (VS OTHER ROCKY MTN RESORT AIRPORTS)

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HOW OUR AIR TRAVELERS DIFFER

- MORE WEST COAST VISITORS (51% SUN vs 10% avg other resorts)
- MORE PART-TIME RESIDENTS (16% SUN vs 8% avg other resorts)
- OLDER, MORE AFFLUENT PROFILE OF VISITORS (relative to some resorts)
- FEWER VISITORS STAY IN PAID RENTAL LODGING (46% SUN vs 71% avg other resorts)
- MORE VISITORS STAY IN NON-PAID LODGING
 - ❖ with friends/family who live in area (32% SUN vs 16% avg other resorts),
 - ❖ in vacation units owned by family/friends (21% SUN vs 10% avg other resorts)
- MORE TRAVEL FOR BUSINESS/VISITING FRIENDS & FAMILY: High share of travel for business, visiting family/friends; low share for other leisure/recreation/holiday
- MORE REPEAT VISITORS (relative to some resorts); high frequency of repeat visits
- HIGHER SEASONAL VISIT CROSS-OVER (visitors returning in opposite season)
- SHORTER FLIGHT BOOKING LEAD TIMES (69% SUN book ≤ 60 days advance, vs 40% other)
- TOP OTHER MTN RESORTS WHERE SUN VISITORS GO:
Aspen, Park City, Jackson Hole, Vail, Tahoe, Mammoth, Whistler



FY19 FSVA AIR SERVICE STRATEGIC GOALS

Retain & Improve Air Service

- Retain/support contract nonstop flights: SEA, LAX, SFO, DEN, ORD, SLC (fall/winter)
- Work with airlines/airport to strategically optimize schedules for all flights
- Work with airlines & marketing partners (VSV,SVR others) to increase load factors
- Research/analyze new flight market opportunities
- Support SUN airport improvements
 - Reliability, Infrastructure, Operations

Develop/Implement 5 Year Strategic Plan

- Jointly with VSV for air service + marketing

Research

- Conduct Air Passenger Surveys at SUN (winter/summer/fall)
- Continue competitive analysis, economic impact and air service ROI research

Local Air Marketing/Community Outreach

- Continue local educational/promotional outreach efforts on air service, FLY SUN





JOINT FSVA & VSV STRATEGIC PLANNING FRAMEWORK



Nov 2018 – March 2019

Joint meeting with FSVA & VSV Executive Board & Staff (Nov)

- Discussed key org strategic alignment and increased collaboration

Joint FSV & VSV Board Session (Dec)

- Overview of history & results of air service & marketing program (2013-2018)
- Overview of current analysis work by Dave Madaras – Couloir Consulting

Compile research for situational analysis including: (Jan-March)

- ❖ Competitive Set air orgs & DMO efforts/structure/funding
- ❖ SUN air service/marketing economic impact & ROI by flight; include winter results
- ❖ Current and future opportunities and constraints; airport, funding, flights, marketing
- ❖ Couloir Consulting project info assistance/coordination; other data from SVED, etc.

April (TBD)

Joint FSVA & VSV Board planning session to map out 5 year strategic plan

Including Adversity Planning in case of economic downturn



FY19 WINTER UPDATE - AIR SERVICE

SEATS/FLIGHTS: Winter seat capacity up 11%; more Delta service

- **NEW:** United takes over LAX nonstop service
- **NEW:** Delta adds 3rd daily flight to SLC, Saturday winter service to LAX
- Daily nonstop flights DEN LAX SFO SLC SEA - Weekly ORD, LAX

BOOKINGS: Trailing prior year, but picking up in recent weeks.

Avg days advance flight booking: Visitor-60; PTR-44, FTR-39





SUMMER 2019 UPDATE – AIR SERVICE

Finalizing schedule for summer/fall service –announced in Feb

- United DEN, SFO, LAX flights daily mid-June - early September
- Alaska SEA flights daily early June – Sept, 3x wk in fall
- Delta SLC flights 2x daily April/May, 3x daily in summer
- TBA flight schedule adjustments; working with airlines and FMA





AIR SERVICE & MARKETING = BUSINESS

The investment in air service/marketing is working for our community.

THANK YOU!

