



FY14 RESULTS

FY 15 WINTER UPDATE

Dec 3, 2014

Presented To

SUN VALLEY
AIR SERVICE BOARD





FSVA FY14 GOALS & PERFORMANCE METRICS

Mission: Support & Improve Air Service to Sun Valley

Contract Scope of Work

- Air Service Development – air service contracts/MRGs, other
- Research – SUN air passenger surveys, competitive set analysis
- Local Air Marketing/Community Outreach

Key Goals & Contract Performance Metrics

Retain/Expand Current Air Service

- Retain contracted nonstop SEA, LAX flights; secure new SFO & DEN flights
- Optimize all air service schedules/frequency as feasible (including SLC)

Increase Load Factors & Enplanements - Minimize Air Service Contract Costs

- Work with airlines & marketing partners to increase load factors & minimize contract costs
- Work with airlines to make SUN fares more competitive; reduce passenger leakage.

New Air Service

- Pursue new nonstop flight market (s) for 2016

Research

- Conduct 1000+ air passenger surveys at SUN;
- Continue with competitive analysis, economic impact and air service ROI research.



FY14 RESULTS & SUCCESS



Secured New Regional Jet Service

- ❖ New United SFO-SUN winter & summer 2014 service
- ❖ New United DEN-SUN summer 2014 and winter 2015 service
- ❖ Delta CRJ 700 service SLC-SUN - began in Jan 2014



Secured expanded air service for 2014

- ❖ Alaska Airlines SEA & LAX winter flights daily Dec 14 through April 6, 2014
- ❖ Alaska Airlines SEA summer flights daily June 13 thru Sept 28; weekends Oct 3 – 19
- ❖ Alaska Airlines LAX summer flights daily June 13- Sept 28



❖ 26% INCREASE in seat capacity scheduled to date in 2014

21,863 additional seats *(even with airport closure spring)*



❖ 20% DECREASE in average business and leisure airfares to SUN

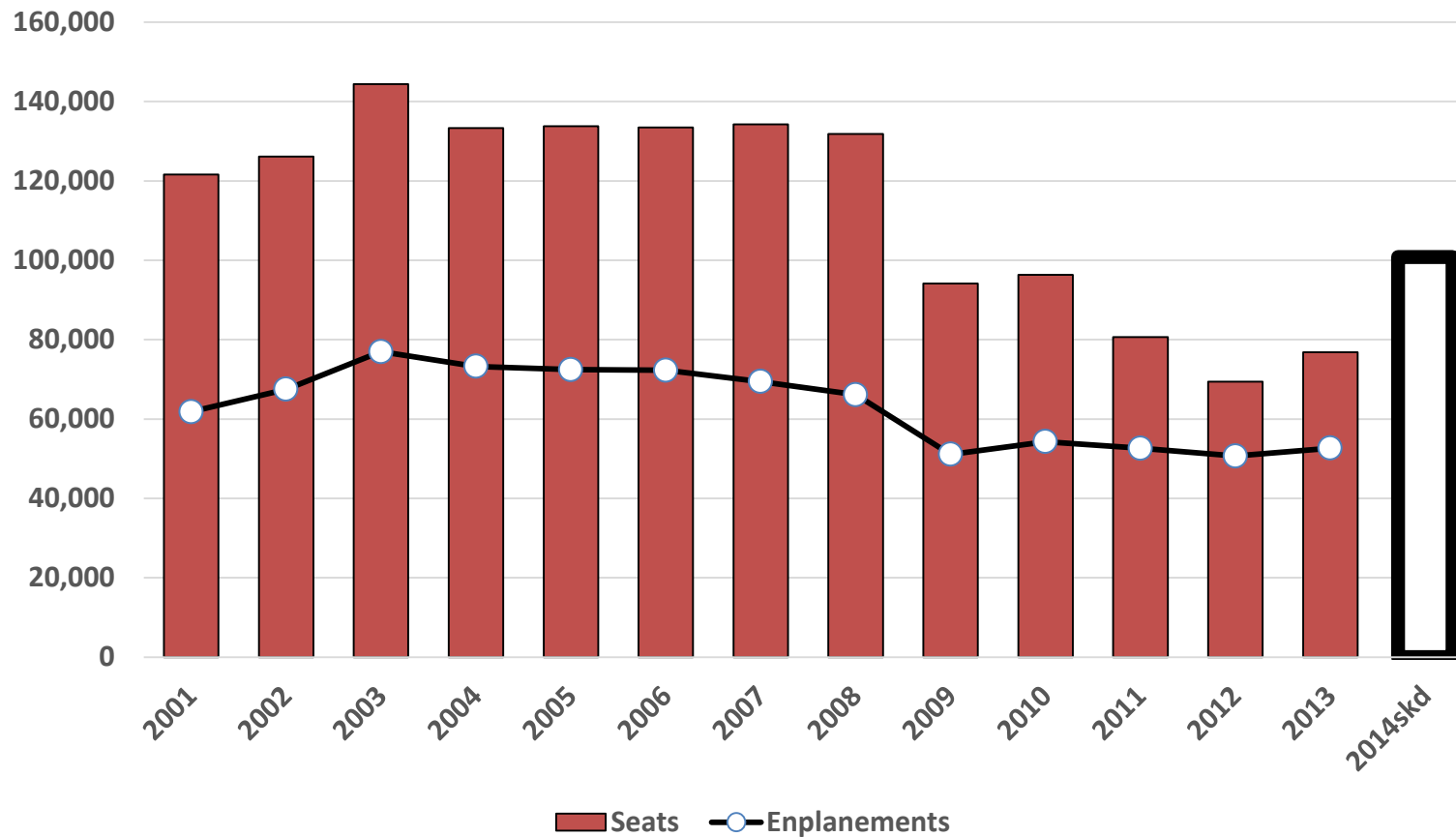
Fly SUN. ✈
Non-stop to DEN, LAX, SEA, SFO, SLC
ONE-STOP TO THE WORLD



THE GOOD NEWS

SEATS = PASSENGERS = BUSINESS

SUN CAPACITY/PASSENGERS 2001-2014 Projected





FY14 RESULTS & SUCCESS

2014 WINTER SEASON (Jan-April)

- 37,515 seats available - up 28%
- 23,199 enplanements - up 16%
- Average Load Factor: 75%

➤ *Note: Passengers/flights diverted to TWF and BOI not included in these stats*

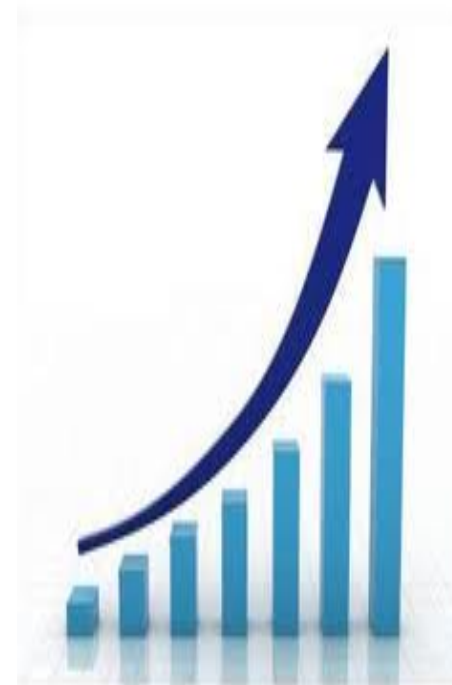
2014 SUMMER/FALL SEASON (June-Oct)

- 52,526 seats available - up 39%*
- 37,139 enplanements - up 49%*
- Average Load Factor: 71%

**Note: Beaver Creek Fire impacted August 2013 seats/enplanements*

2014 YTD (Jan - Oct)

- 85,501 seats available - up 27%
- 61,161 enplanements - up 30%
- Average Load Factor: 72%



Average annual flight load factor at competing Rocky Mtn destinations: 77%



FY14 RESULTS & SUCCESS

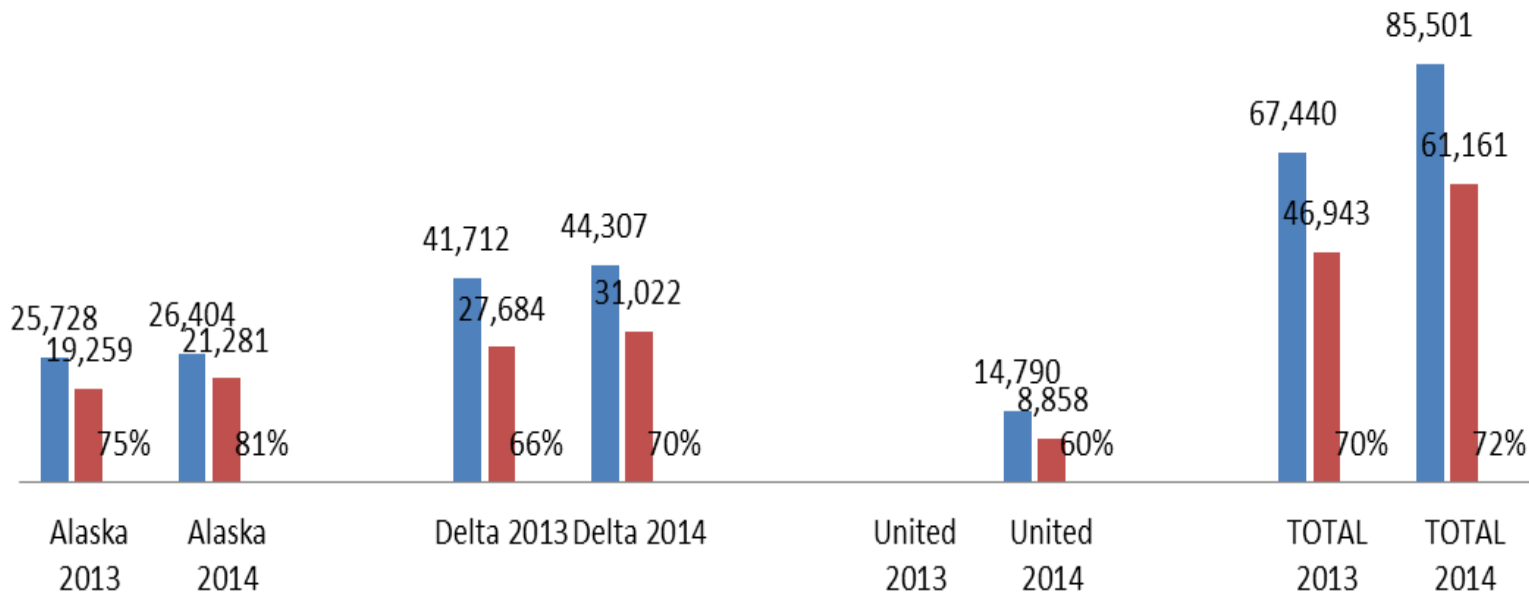
Seats, Enplanements, Load Factors – All UP

Notes: Fire impacted August 2013 seats, enplanements, load factors, so increase YTD unusually high;

Statistics do not include flights, passengers diverted to TWF or BOI in winter

SUN Air Service Growth 2014 vs. 2013 (Jan-Oct YTD)

■ Seats Available ■ Enplanements ■ LF % Avg

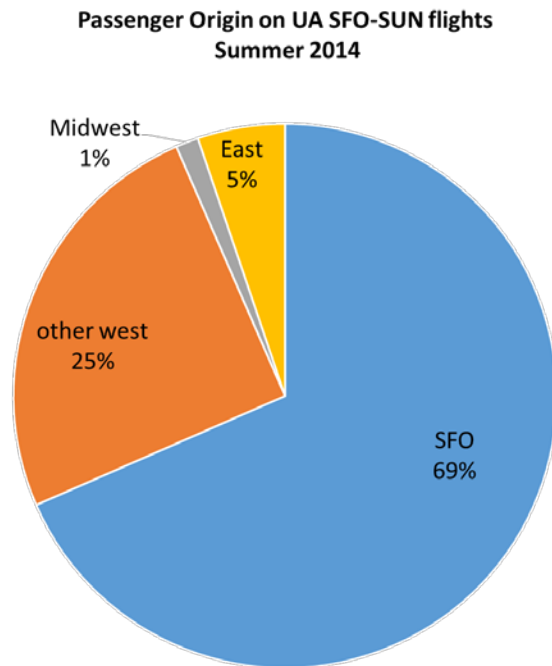




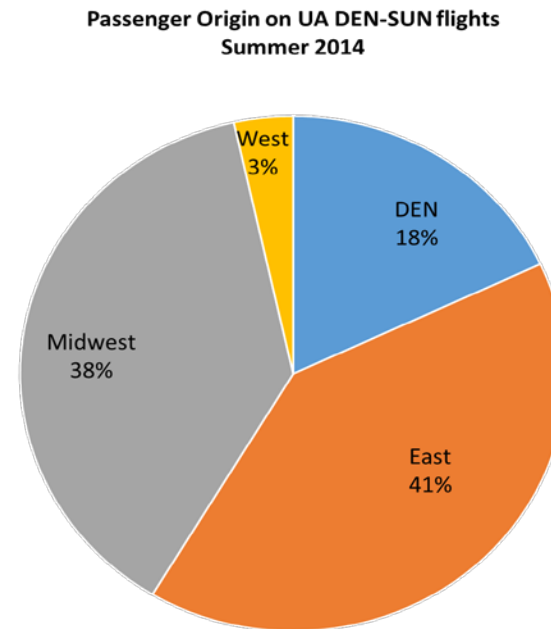
FY14 RESULTS & SUCCESS

VISITOR PASSENGER ORIGIN ON NEW FLIGHTS

Visitor Passenger Origin SFO Flights



Visitor Passenger Origin DEN Flights

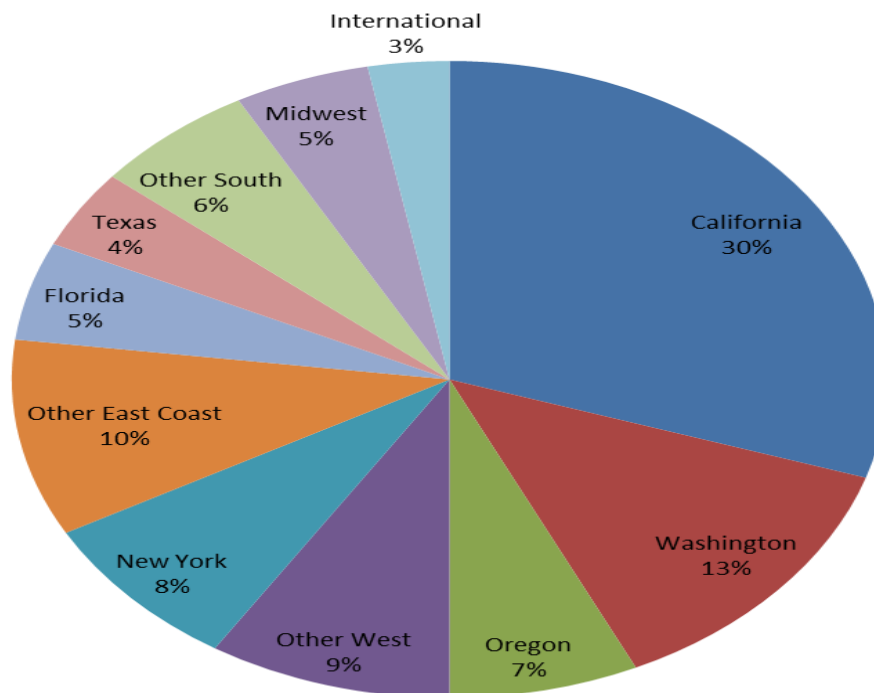




FY14 RESULTS & SUCCESS

ORIGIN OF NEW AIR PASSENGERS

New SUN Air Traveler Visitor Origin 2013-14



West: 59%, East: 18%, South: 15%, Midwest: 5%, International: 3%

- *Estimated from SUN Air Passenger surveys



FY14 RESULTS & SUCCESS

ECONOMIC IMPACT

Direct Spend Economic Impact of SUN Air Visitor Travelers in 2014

(estimated from winter/summer air passenger surveys; visitors + PT residents)

- **2014 = \$105M** (58K total passengers)
- **2013 = \$ 61M** (36K total passengers)
- **INCREASE: \$44M**



Economic Impact of NEW Visitor Air Travelers

- First-time visitor passengers to SV up in 2014 (36%) from 2013 (34%)
 - Estimated 12,244 new visitor passengers in 2014
- In 2014, share of first-time passengers on each flight:
21% SLC 21% LAX 17% SEA 27% DEN, 25% SFO

Direct Spend Impact of NEW Visitor Air Travelers in 2014: \$16.3M

- Plus more frequent trips/spending by PT residents/2nd Homeowners



FY14 RESULTS & SUCCESS

ECONOMIC IMPACTS

OTHER ECONOMIC IMPACTS OF IMPROVED AIR SERVICE

➤ Estimated \$150M + in new infrastructure investments and new jobs

Investment in new & renovated upscale hotel projects

- Auberge Sun Valley - \$ 54M Construction Investment
260 jobs during construction*
100 jobs when open*
- Bald Mtn Lodge - \$ 55M Construction Investment
205 jobs during construction*
57 jobs when open*
- Sun Valley Lodge renovation



Resulting in....

➤ New rooms, more private marketing \$\$ = more visitors, more LOT \$

Investment in SUN airport improvements

- \$34 million 30 jobs during construction




FY15 GOALS & PERFORMANCE METRICS

- **Retain/Expand Current Air Service**
 - Retain contracted nonstop SEA, LAX, SFO, DEN flights
 - Optimize all air service schedules and frequency as feasible
 - Improve diversion bussing passenger experience in winter
- **Increase Load Factors & Enplanements**
- **Reduce 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.
- **New Air Service**
 - Pursue new nonstop flight market for FY16
- **Research**
 - Conduct 1000+ air passenger surveys at SUN
 - Continue with competitive and economic impact analysis and studies



WINTER FY15 UPDATE

WINTER 2014-15 SUN VALLEY (SUN) NON-STOP FLIGHT SCHEDULE

AIRLINE	CITY	AIRPORT	PLANE	DEPARTS CITY	ARRIVES SUN	DEPARTS SUN	ARRIVES CITY	FREQUENCY	DATES
 www.alaskaair.com	Los Angeles	LAX	Q400	1:30pm	4:55pm	11:20am	12:50pm	Daily	Dec 15-Jan 11
								5x week (no Tues/Wed)	Jan 12-Jan 25
								Daily	Jan 26-March 29
	Seattle	SEA	Q400	8:05am	10:45am	5:30pm	6:20pm	Daily	Dec 13-Jan 11
								5x week (no Tues/Wed)	Jan 12-Jan 25
								Daily	Jan 26-March 29
 www.delta.com	Salt Lake City	SLC	CRJ700	11:10am	12:25pm	6:50am	7:50am	Daily	Year-round
				9:45pm	10:55pm	1:00pm	2:00pm	Daily	Year-round
				4:15pm	5:25pm	6:00pm	7:00pm	Daily	Dec 20-23, 26-30, Jan 2-4
				4:50pm	6:00pm	6:25pm	7:25pm	6x week (no Sat)	March 2-April 6
 www.united.com	Denver	DEN	CRJ700	11:15am	1:00pm	1:40pm	3:20pm	Daily	Dec 18-Jan 5
								Sat	Jan 10-Feb 7
								Wed/Sat	Feb 11-March 28
	San Francisco	SFO	CRJ700	10:40am	1:30pm	2:10pm	3:05pm	Daily	Dec 18-Jan 5
								5x week (no Tues/Wed)	Jan 6-Feb 11 (will operate on Jan 20)
								Daily	Feb 12-March 29

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

IMPROVING AIR SERVICE TO SUN VALLEY





WINTER FY15 UPDATE

FSVA Air Service Development Efforts

- **Airline Meetings/Strategic Development**

- Negotiated and secured optimized winter air service contracts w/United and Alaska
- Continued discussions, analysis on performance, fares, etc. with airlines
- Continued pursuit of strategic opportunities for enhanced/new future service
- Initiated improvements to 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 season
- Other ongoing research studies, analysis, etc.

Alaska
Fly from Sun Valley
from as low as
\$65!*

HURRY!
Book by
December 8, 2014

Alaska Airlines offers
nonstop flights to SUN
from Seattle (SEA) and
Los Angeles (LAX),
beginning mid-December.



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 are making great progress - more to come.

THANK YOU

Sun Valley's Air Service is Gaining Altitude

- Fly nonstop to/from 5 cities! DEN, LAX, SEA, SFO, SLC
- New regional jet service on United and Delta
- New lower fares – more flight options
- New SUN airport improvements, including Passenger Terminal Reconfiguration Project (completed in June 2015)



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www.iflysun.com

✓
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Early & Save!

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ONE-STOP TO THE WORLD