



2015 Summer Update

FY16 Contract for Service Scope of Work/Budget

Sept 17, 2015

Presented To

SUN VALLEY
AIR SERVICE BOARD





Summer FY15 Update

- Extended UA, AS summer flight capacity - earlier in June, later in Sept/Oct
- SUN Airport re-opened in May with terminal addition/airfield redesign
 - *Big investment which will have safety and economic dividends for years*
 - *Many positive comments from SUN air travelers*
- Advance flight bookings running ahead of last summer



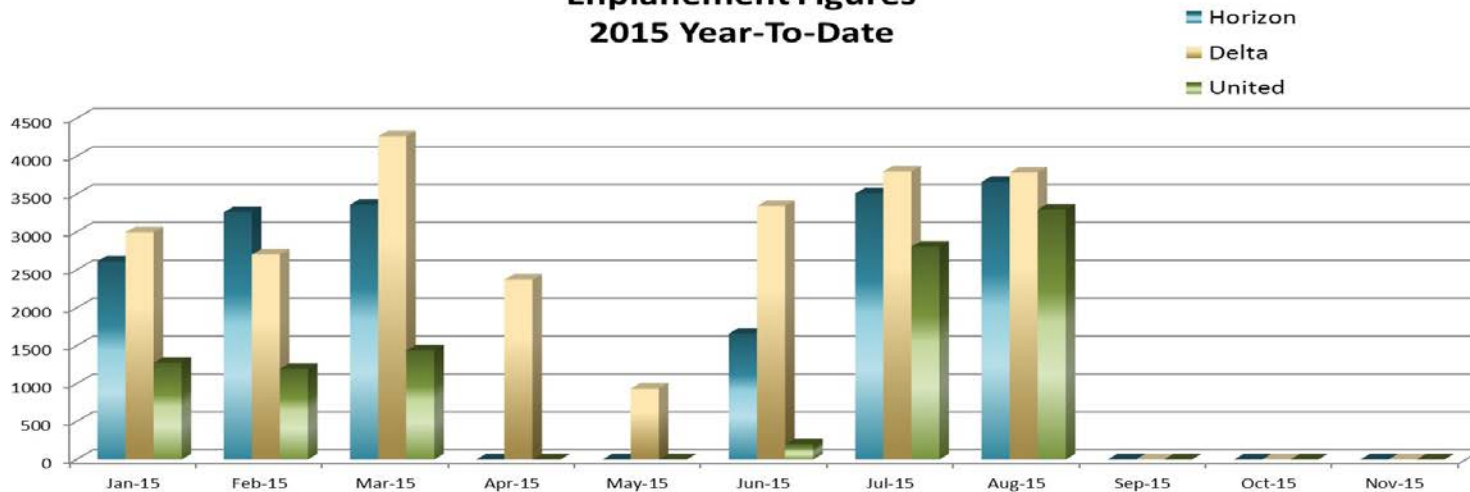


Summer 2015 Update

SUN Seats & Enplanement Stats

SUMMER	Alaska 2014	Alaska 2015	% Change	Delta 2014	Delta 2015	% Change	United 2014	United 2015	% Change	TOTAL 2014	TOTAL 2015	% Change
TOTAL MAY-AUG YTD												
Seats Available	10,608	10,744	1%	18,906	15,180	-20%	8,190	9,122	11%	37,704	35,046	-7%
Enplanements	8,604	8,830	3%	13,143	11,866	-10%	4,987	6,309	27%	26,734	27,005	1%
Load Factor % Avg	81%	82%	1 pt	70%	78%	8 pts	61%	69%	8 pts	71%	77%	6 pts

**Enplanement Figures
2015 Year-To-Date**





Summer/Fall 2015 Efforts

- **Airline Meetings/Strategic Development**

- Met with airline officials from United, Alaska, Delta to review winter results, negotiate contracts for winter FY16 service.
- Met with current/potential new airlines at Jumpstart Airline Conference
- Ongoing monitoring/tracking of bookings, competitive developments
- Planning for continuation of enhanced diversion bussing for winter FY16

- **Research**

- Managed SUN summer air passenger survey

- **Local Air Marketing**

- Promotion of air service and fare sales to local and regional (southern ID) markets.

- **Community Outreach & Education**

- Kept community, consumers, media updated with information via Enews, website, social media, press releases, presentations, etc.

Alaska
Fly from Sun Valley!

Seattle from
\$89! ONE WAY

Los Angeles
from
\$115! ONE WAY

HURRY!
Book by May 4, 2015

Alaska Airlines offers nonstop flights to SUN from Seattle (SEA) and Los Angeles (LAX), beginning June 12.



2015/16 SUN Winter Flights

MORE WINTER FLIGHTS: 13% more seats than last winter

- Daily nonstop flights from SEA, LAX, SFO, SLC this winter
- Daily nonstop flights from DEN during holidays, then 5x week peak season
- 2x daily nonstop flights from SEA during the holidays
- 3x daily nonstop flights from SLC during peak season
- PLUS, continued enhanced service for weather diversion bussing

WINTER 2015-16 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	8:50am	12:19pm	12:55pm	2:27pm	Daily	Dec 17-Mar 28	Except Select Dates
				1:35pm	5:04pm	11:20am	12:52pm		Select Dates	Dec 19, 23, 26, 30, Jan 2
	Seattle	SEA	Q400	1:35pm	4:17pm	4:50pm	5:43pm	Daily	Dec 17-Mar 28	Except Select Dates
				8:00am	10:42am	5:40pm	6:35pm		Select Dates	Dec 19, 23, 26, 30, Jan 2
				8:00am	10:42am	11:20am	12:13pm		Select Dates	Dec 24, 27, 28, 29, 31, Jan 1, 3
				4:40pm	7:22pm	7:55pm	8:48pm		Select Dates	Dec 26, 30, Jan 2
 www.delta.com	Salt Lake City	SLC	CRJ700	11:15am	12:30pm	6:50am	7:50am	Daily	Year-round	
				9:40pm	10:55pm	1:05pm	2:10pm	Daily	Year-round	
				4:50pm	6:00pm	6:25pm	7:25pm	Daily	Dec 19-Jan 4	(no Dec 24-25, Jan 1)
								4x week	Feb 12-21	(no Mon/Tues/Wed)
								Daily	Feb 23-April 3	
 www.united.com	Denver	DEN	CRJ700	11:15am	1:00pm	1:40pm	3:20pm	Daily	Dec 17-Jan 3	
								Wed/Sat	Jan 4-Feb 7	
								5x week	Feb 8-Mar 28	(no Tues/Wed) (will operate on Feb 16)
	San Francisco	SFO	CRJ700	10:40am	1:30pm	2:10pm	3:05pm	Daily	Dec 17-Mar 28	

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





The Competition

We are successfully expanding our air service but so is our competition. Therefore, we are continually working to strategically add more seats and new flights from new markets.

RESORT	2012/13 WINTER			2015/16 WINTER			% change 2012/13-2015/16		
	Deps	Seats	# Nonstop Cities	Deps	Seats	# Nonstop Cities	Deps	Seats	Cities
Jackson Hole (JAC)	1,111	120,702	9	1,592	172,863	13	43%	43%	44%
Vail/Beaver Creek (EGE)	1,438	205,071	10	1,446	186,049	11	1%	-9%	10%
Montrose/Telluride (MTJ)	919	67,966	9	1,116	92,214	11	21%	36%	22%
Steamboat Springs (HDN)	1,003	107,997	8	1,270	120,731	11	27%	12%	38%
Aspen (ASE)	2,402	158,096	6	2,943	202,311	8	23%	28%	33%
Sun Valley (SUN)	757	32,646	3	686	47,801	5	-9%	46%	67%
Mammoth (MMH)	537	37,572	4	344	25,616	4	-36%	-32%	0%
Gunnison/Crested Butte (GUC)	312	33,649	3	343	30,014	5	10%	-11%	67%



FY16 Scope of Work & Budget Proposal

Air Service Development

Secure & Manage Contract Air Service

Alaska for SEA & LAX flights; United for SFO & DEN flights



- Negotiate air service contract terms with airlines, in partnership with SV Resort :
 - Operating season and schedules
 - MRG cap amount; analysis of cost per flight & projected revenues
 - LOC requirements
 - Weather diversion busing provisions

- Monitor bookings on weekly basis; cost & revenue monthly
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare adjustment discussions with airlines where appropriate
- Coordinate airline marketing efforts for SUN with other partners (SVMA, SVR, ITC)
- Assist with coordination of local marketing of flights and fares sales with airlines and local/state partners



FY16 Scope of Work & Budget Proposal

Air Service Development

Manage & Support Non-Contract Air Service

Delta for SLC-SUN flights



- Work with FMAA re: monitoring fares on ongoing basis within our competitive set, plus BOI, TWF
- Continue fare & schedule adjustment discussions as appropriate
- Coordinate airline marketing efforts for SUN w/other partners (SVMA, SVR, ITC)
- Assist with coordination of local marketing of flights and fares sales with airlines and local/state partners



FY16 Scope of Work & Budget Proposal

Research

- Conduct SUN air passenger survey research winter/summer
 - 1000+ surveys to be collected/analyzed
re: trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy, other air service data for SUN and our competitors



Local Air Marketing/ Community Outreach & Education

- Maintain FSVA website, www.flysunvalleyalliance.com content re; SUN air service schedules, info, statistics, news and more
- Ongoing communications via Enews, social media, press releases, media relations, meetings, presentations
- Local marketing/PR re: air service news, fare deals, more
- Discussions on air service needs with local businesses (tourism & non-tourism)



FY16 Scope of Work & Budget Proposal

Additional air service support

- Provide SUN passengers with enhanced service for weather diversion bussing
- Work with FMAA on leakage analysis and recapture strategies, fare analysis & monitoring, service expansion opportunities
- Maintain strong relationships with industry partners/contacts: airlines, consultants, officials, air service program directors in other areas
- Assist with customer service issues at SUN

Air service development

- Identify strategic opportunities for current service expansion
- Research and identify opportunities for new service; provide economic and demographic analyses of our market to prospective airlines
- Attend national industry conferences to meet with airlines
- Keep abreast of new air service development nationally and within our competitive set (other Rocky Mountain resort areas, regional cities)





FY16 Performance Metrics

- **Retain/Expand Current Air Service**
 - Retain contracted nonstop SEA, LAX, SFO, DEN flights
 - Optimize air service schedules/frequency
 - Expand winter and summer service/frequency (including SLC)
- **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
- **New Air Service**
 - Pursue at least one new nonstop flight market for FY17
- **Research**
 - Conduct 1000+ air passenger surveys at SUN; continue with competitive analysis, economic impact and air service ROI research.



FSVA FY16 BUDGET

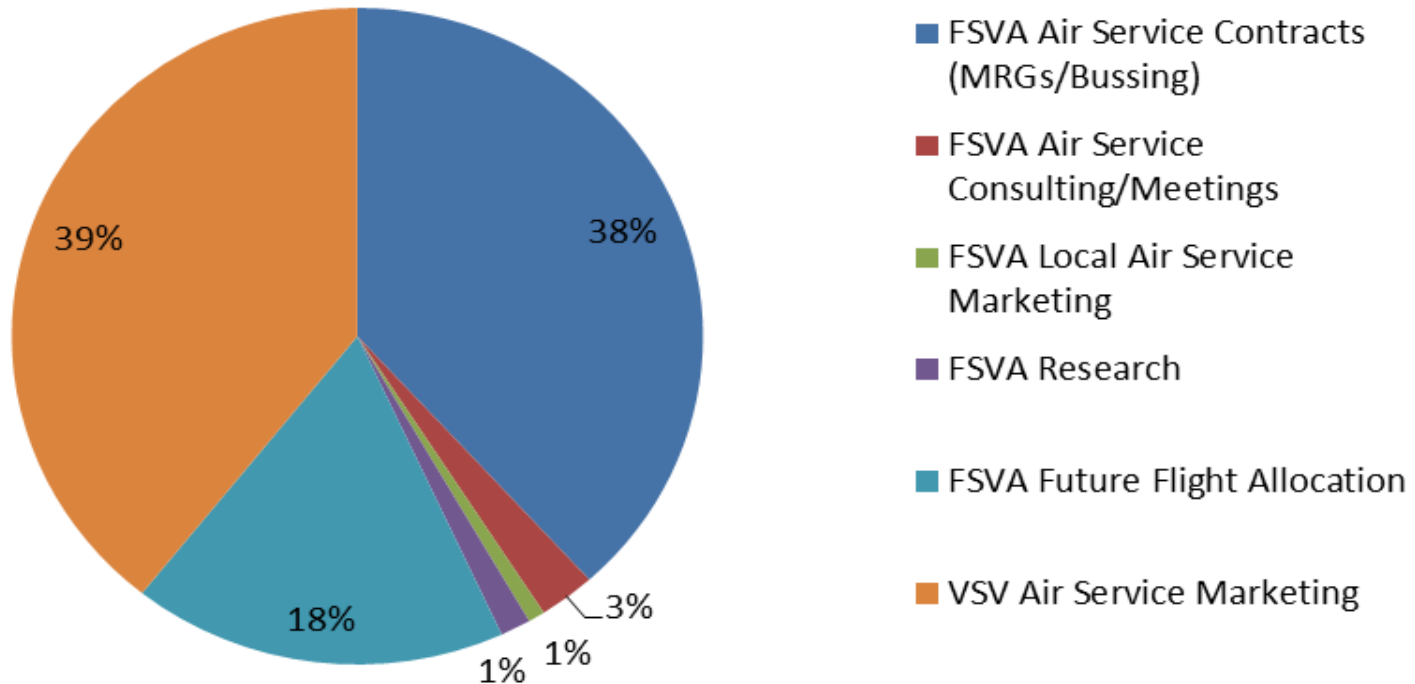
FSVA 1% LOT ASB CONTRACT BUDGET (FYE 9/30/16)

FSVA CONTRACT INCOME	FY14 1% LOT ACT	FY15 1% LOT Proj	FY16 1% LOT Proj
1% LOT Revenues* (Jan-Sept collections)	\$ 900,000	\$ 1,270,000	\$ 1,301,693
TOTAL INCOME	\$ 900,000	\$ 1,270,000	\$ 1,301,693
<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</i>)	\$ 567,689	\$ 1,157,000	\$ 1,185,193
<i>Projected maximum MRG FSVA (50% share with SV Resort) + Bussing</i>			
Air Service Consulting Fees/Meetings/Travel	\$ 39,237	\$ 75,000	\$ 70,000
<i>Mead & Hunt consulting fees, airline meetings</i>			
Local Air Service Marketing (fare sales, etc)	\$ 11,540	\$ 18,000	\$ 25,000
<i>Wood River Valley, southern Idaho</i>			
Research	\$ 21,183	\$ 20,000	\$ 21,500
<i>Winter/summer air passenger surveys, other research</i>			
TOTAL EXPENSE	\$ 639,649	\$ 1,270,000	\$ 1,301,693
Future Flight Allocation	\$ 260,351		
TOTAL FSVA CONTRACT AMOUNT	\$ 900,000	\$ 1,270,000	\$ 1,301,693



FY14 Air Service & Marketing

FY14 ASB CONTRACTS FOR SERVICE
ACTUAL EXPENDITURES: \$1,482,654
Fly Sun Valley Alliance + Visit Sun Valley





FSVA Air Service Support Partners

FLY SUN VALLEY ALLIANCE SUN VALLEY AIR SERVICE KEY PARTNERS

SUN VALLEY
AIR SERVICE BOARD



Private Sector Investment in FSVA

- Realtors for Air (support from 351 SV Board of Realtor members)
- Air Support Ski Passes (over 40 local businesses participate)

Sun Valley Company's investment in air service contracts and marketing is very significant.

Public Sector Investment: 1% LOT

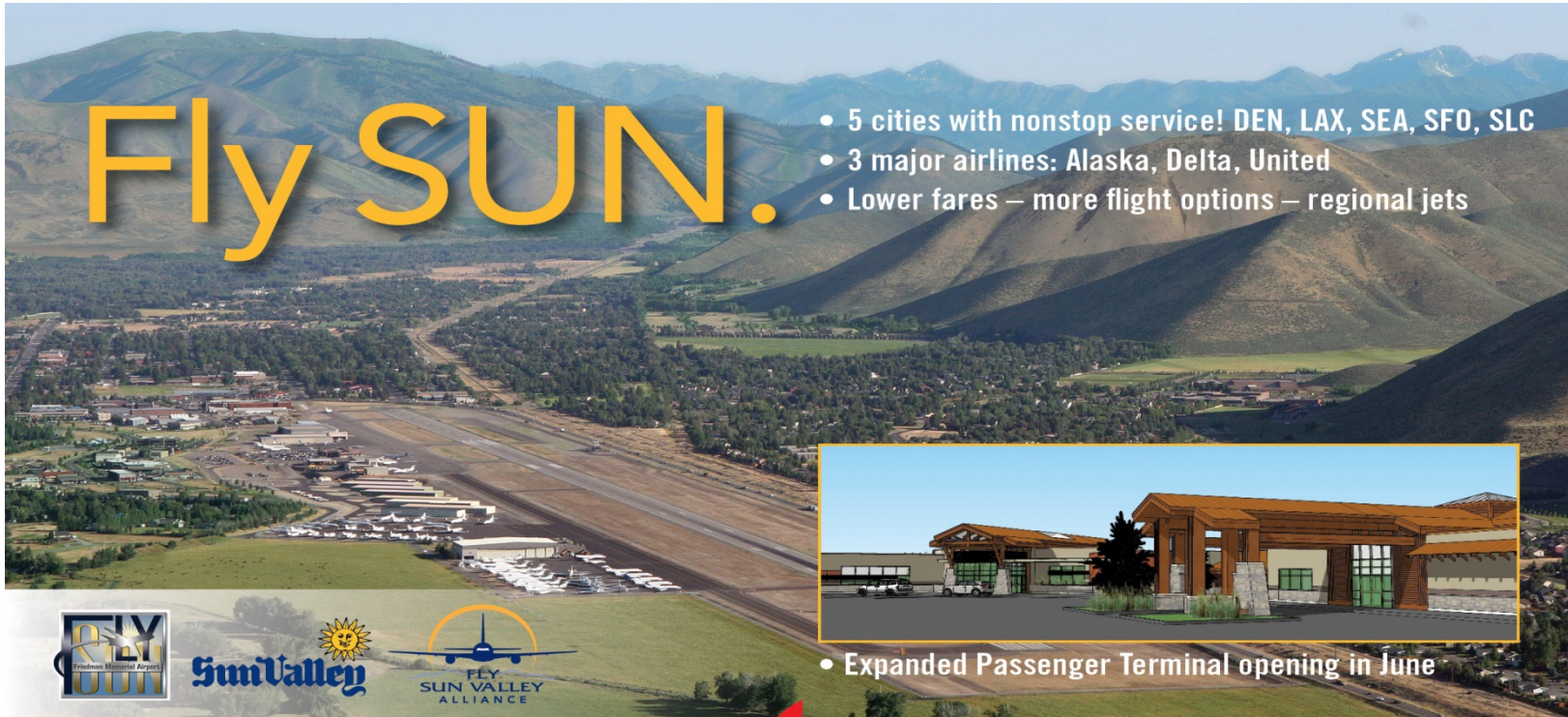
- Supported by Wood River Valley Community & Visitors



AIR SERVICE = BUSINESS

We continue to make great progress - more to come.

THANK YOU



Fly SUN.

- 5 cities with nonstop service! DEN, LAX, SEA, SFO, SLC
- 3 major airlines: Alaska, Delta, United
- Lower fares – more flight options – regional jets



- Expanded Passenger Terminal opening in June



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www.iflysun.com

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Book Early & Save!

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