



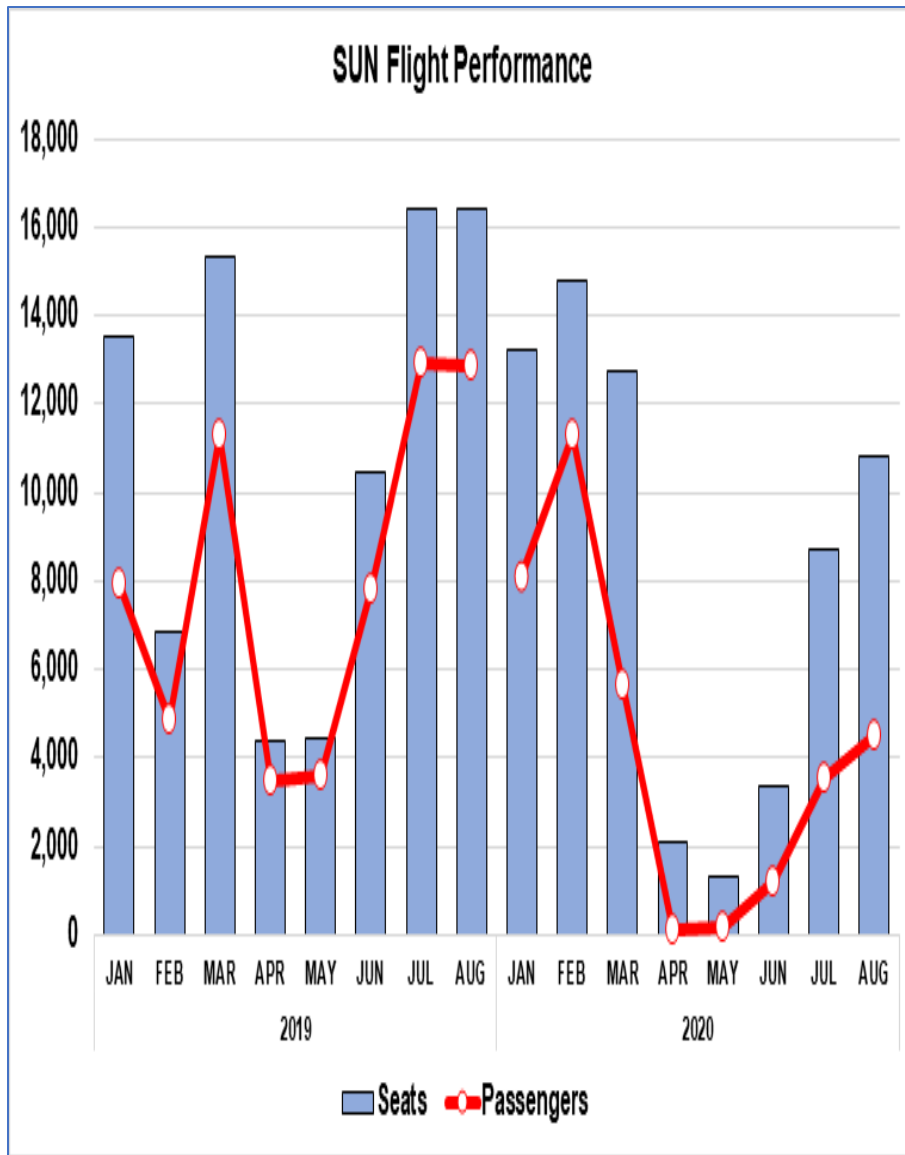
FY20 UPDATE & FY21 BUDGET REQUEST

September 23, 2020

SUN VALLEY
AIR SERVICE BOARD

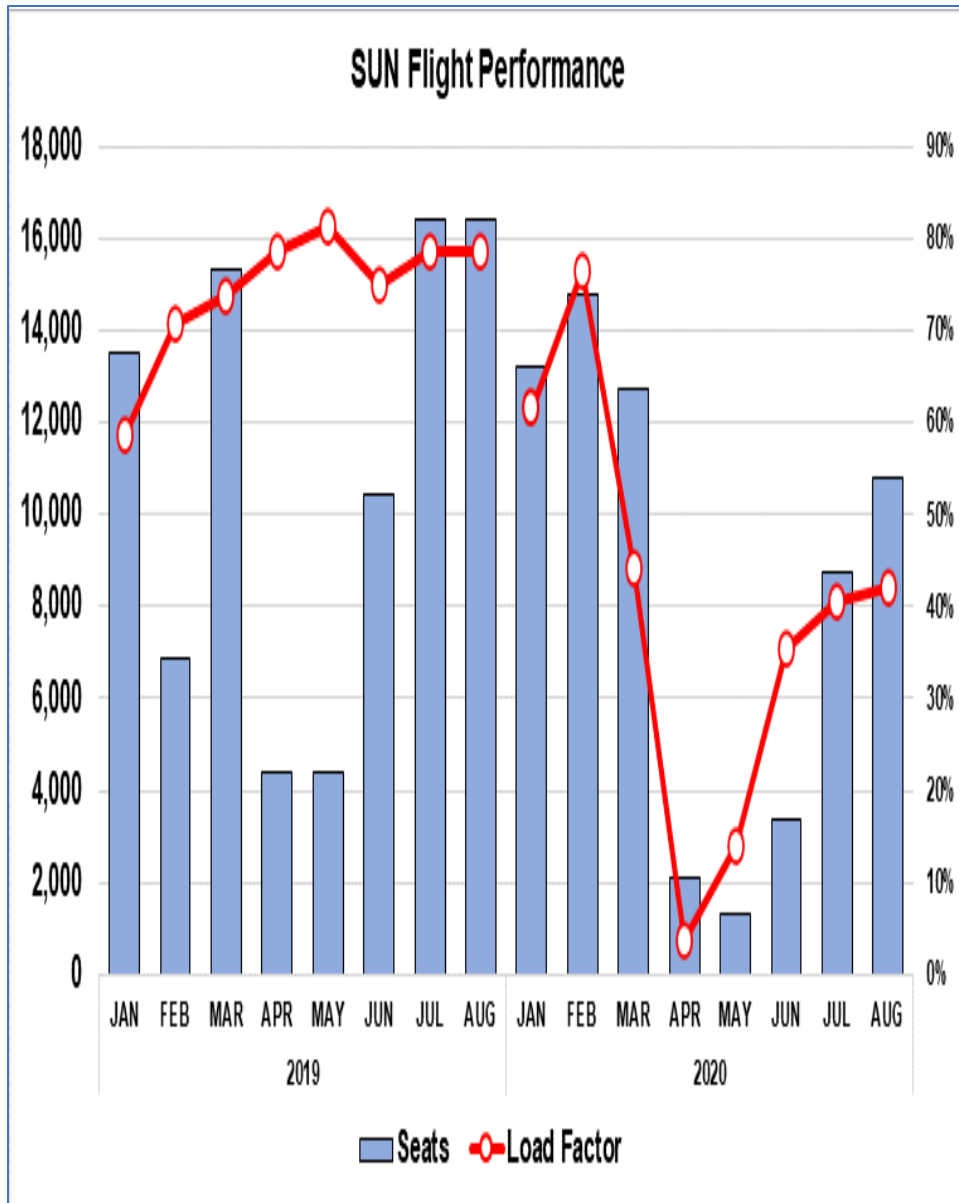


2020 YTD: Great Winter, COVID Spring/Summer



- From Jan 2019 – March 2020, passenger enplanements generally followed capacity, very strong winter.
- From April-Aug 2020 capacity was reduced; passenger demand also much lower
- *Note: This data is for flights operated to SUN. Feb 2020 had significantly fewer diversions and more SEA and ORD flights than Feb 2019.*

2020 YTD - COVID Effects



SUMMER: JUNE-AUGUST

- Summer capacity and passenger traffic picked up June-August after April/May lows, but still far below previous summer.

SUN Seats (June-Aug)

- 2019: 43,465
- 2020: 22,900
- % change: -47%

Sun Passengers (June-Aug)

- 2019: 34,247
- 2020: 9,318
- % change: -73%

SUN Load Factor (June-Aug)

- 2019: 79%
- 2020: 41%
- Change: -38 pts

SUMMER 2020 PERFORMANCE OVERVIEW (June-Aug)

SUN strategy: maintain routes, reduce capacity, minimize risk

MOUNTAIN RESORTS

Seats avg: %

Passengers avg: __

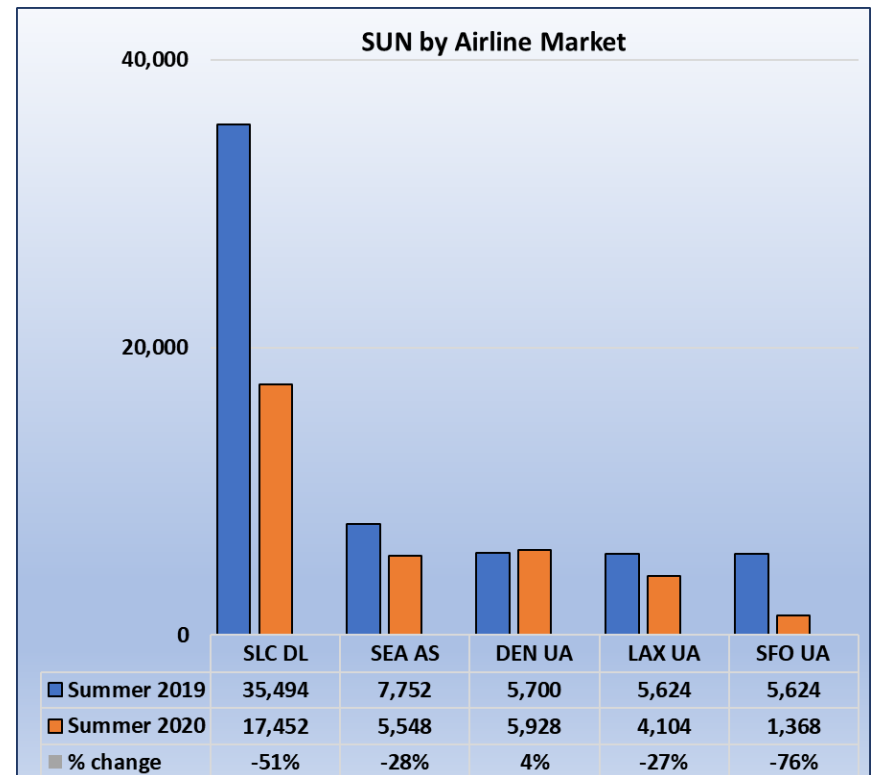
Load Factor avg: __ vs __ in 2019

SUN BY AIR MARKET

Seats - %

Passengers - __%

Load Factor: __ vs __ in 2019



FY21 STRATEGIC PLAN

STRATEGIC AIR SERVICE GOALS

- Year of uncertainty = cautious approach
- **MAINTAIN CORE ROUTES**
- **MINIMIZE RISK**
- **MAXIMIZE PASSENGERS** (as feasible)

KEY FSVA EFFORTS

- **Air Contracts/Schedules:** Finalized for winter
- New Reliability Improvement Contract w/SkyWest
- **Research:** Air pax surveys, monitor demand/trends
- **Budget for FY21:** Taking conservative approach, done in partnership w/VSV and others
- **Adversity planning:** expect to use reserves in FY21 due to less revenue, increased proj costs

WINTER 2020/21 SEAT CAPACITY OVERVIEW

SUN strategy: maintain routes, reduce capacity, minimize risk

MOUNTAIN RESORTS

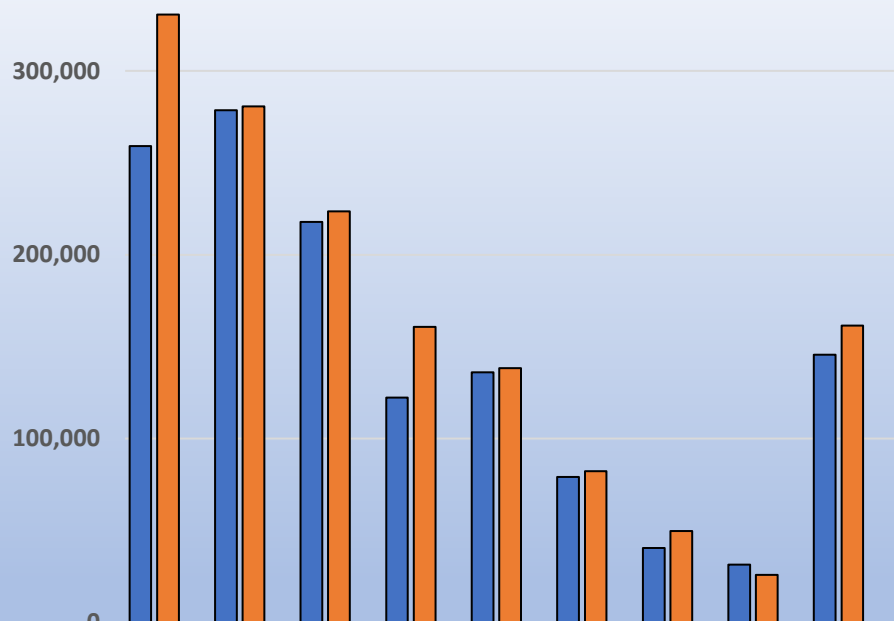
As of 9/20, likely to change

Overall avg +11%

SUN BY AIR MARKET

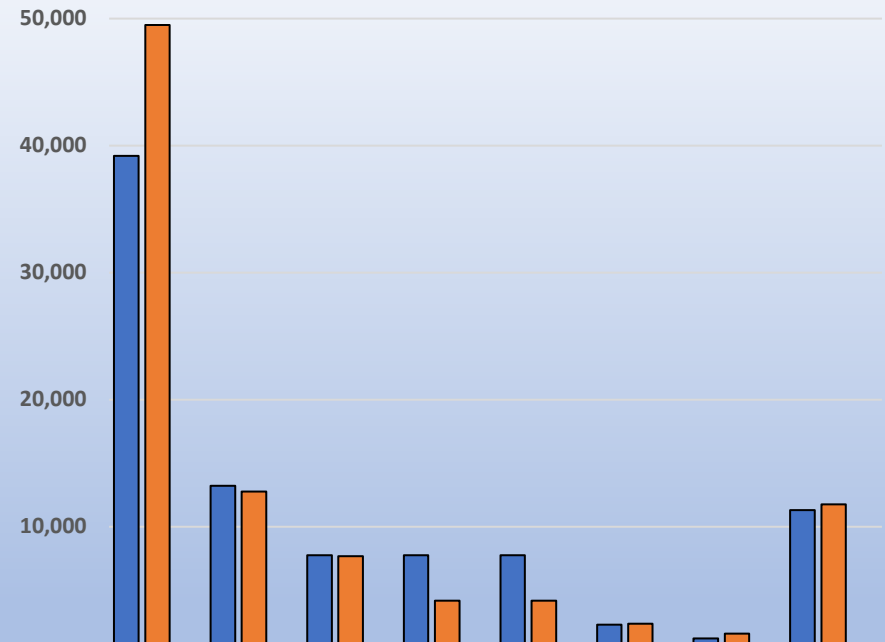
Reduced capacity some routes

Comparative Resorts



	JAC	ASE	EGE	HDN	MTJ	SUN	GUC	MMH	Average
FY20	259,207	278,600	217,853	122,289	136,046	79,160	40,476	31,456	145,636
FY21	330,718	280,765	223,626	160,756	138,358	82,246	49,758	25,970	161,525
Change	28%	1%	3%	31%	2%	4%	23%	(17%)	11%

SUN by Airline Market



	SLC DL	SEA AS	DEN UA	LAX UA	SFO UA	ORD UA	LAX DL	Average
FY20	39,184	13,224	7,752	7,752	7,752	2,280	1,216	11,309
FY21	49,490	12,768	7,676	4,180	4,180	2,356	1,596	11,749
Change	26%	(3%)	(1%)	(46%)	(46%)	3%	31%	4%

WINTER AIR SERVICE – KEY YOY CHANGES

- **DELTA:** Increasing to 4 daily SLC flights (+46%) due to 75% seat capacity fill limit through Jan 6, frequency after holidays may be adjusted based on demand. Also operating daily LAX flights during holidays.
- **UNITED:** Reducing LAX/SFO flights by 46% each route – daily holidays, less than daily rest of season. DEN: daily all season. ORD: daily holidays; then Sat only.
- **ALASKA:** Reducing SEA flights in Oct-Nov to 2x week; increasing flights for winter.

WINTER 2020-21 SUN VALLEY (SUN) NON-STOP FLIGHT SCHEDULE

Flight times and dates may be subject to change. Please check airline websites for most current information.

www.alaskaair.com

www.delta.com

www.united.com



CITY	AIRPORT	AIRLINE	PLANE	DEPARTS CITY	ARRIVES SUN	DEPARTS SUN	ARRIVES CITY	FREQUENCY	DATES	DETAILS
Salt Lake City	SLC	DELTA	E175			6:55am	8:05am	Daily	Year-round	Flight times may vary by date
		DELTA	E175	9:45am	11:00am	11:30am	12:45pm	Daily	Dec 19 - Mar 28	Flight times may vary by date
		DELTA	E175	11:25am	12:45pm	1:10pm	2:25pm	Daily	Dec 19 - Mar 28	
		DELTA	E175	1:50pm	3:00pm	3:25pm	4:30pm		Nov 1 - Mar 29	
		DELTA	E175	10:00pm	11:00pm				Year-round	Flight times may vary by date
Seattle	SEA	Alaska	Q400	9:00am	11:45am	12:25pm	1:20pm	Thurs/Fri/Sun	Oct 1 - Dec 13	Plus Wed Nov 25/no Nov 26
		Alaska	Q400	8:05am	11:00am	11:35am	12:30pm	Daily	Dec 17 - Mar 18	
		Alaska	Q400	2:45pm	5:35pm	6:15pm	7:15pm	Thurs - Mon	Dec 17 - Jan 4	No Tues/Wed
									Feb 11 - Apr 11	No Tues/Wed
Los Angeles	LAX	UNITED	E175	12:15pm	3:45pm	4:30pm	6:10pm	Daily	Dec 17 - Jan 4	Flight times may vary by date
			E175					Thurs/Sun	Jan 5 - Feb 10	2x week
			E175					Thurs - Mon	Feb 11 - Mar 27	No Tues/Wed
		DELTA	E175	2:00pm	5:20pm	11:40am	1:00pm	Daily	Dec 19 - Jan 10	No Dec 25 or Jan 1
San Francisco	SFO	UNITED	E175	8:30am	11:40am	12:10pm	1:30pm	Daily	Dec 17 - Mar 27	Flight times may vary by date
Denver	DEN	UNITED	E175	11:40am	1:50pm	2:30pm	4:20pm	Daily	Dec 17 - Mar 27	Flight times may vary by date
Chicago	ORD	UNITED	E175	10:00am	1:15pm	2:00pm	6:10pm	Daily	Dec 19 - Jan 4	Flight times may vary by date
									Jan 9 - Mar 27	Flight times may vary by date

KEY TRAVEL TRENDS WE ARE MONITORING

OVERVIEW

- **SHORTER BOOKING LEAD-TIME**
 - For air travel and lodging
- **CONSUMER CONFIDENCE GROWING BUT SLOWLY**
 - Confidence is growing for travel, but caution remains
 - Economy, COVID-19 main dampers for travel spending
 - Health safety remains top concern for air travelers, airlines continue working to address with new cleaning and seating protocols, more flexible cancellation and change policies, etc.
- **OUTDOOR RECREATION REMAINS TOP FOR TRAVEL**
 - Destinations like Sun Valley should benefit this winter also
 - Airlines relatively bullish on outdoor oriented ski and beach destinations for winter, business travel and international travel expected to remain significantly off.
- **AIRLINE INDUSTRY CHALLENGES**
 - Many airlines cutting routes, service, frequency, staff
 - MRG contracts are key to retaining core routes at SUN

NEW FOR FY21: IMPROVED RELIABILITY at SUN

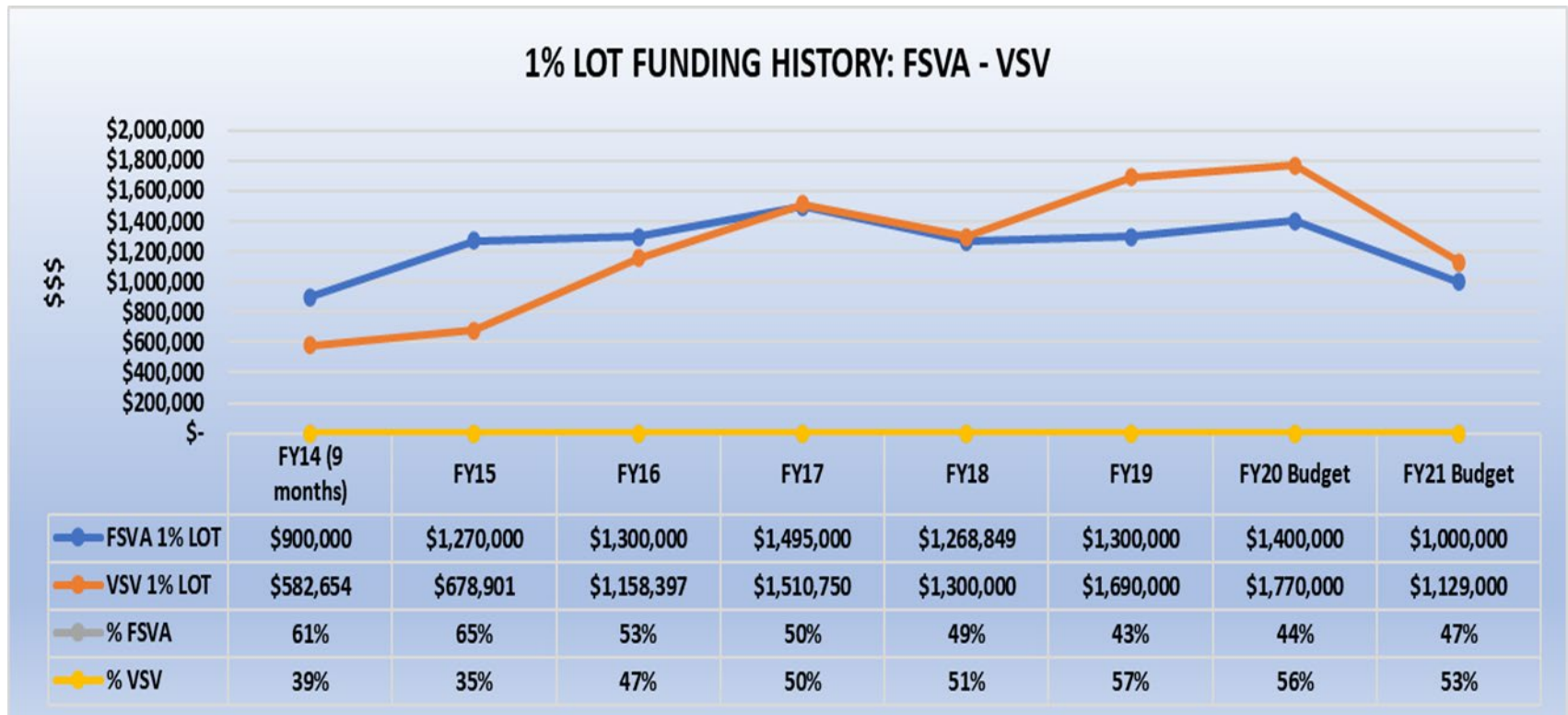
OVERVIEW

- **GAME CHANGER' FOR COMMUNITY & SUN PASSENGERS**
- FMA has spent 2 years getting new approach procedure developed and approved by FAA.
 - *Old Minimums: 1800 feet/4.25 mile visibility*
 - *New Minimums: 300 feet/ 1 mile visibility*
- **KEY BENEFITS:**
- Reduce flight diversions significantly (re: historical data)
- Reduce diversion busing – improve SUN travel experience, especially important for this COVID winter.
- Reduce air passenger leakage, increase airport landing fees
- Can be used by commercial E175 and private aircraft
- **IMPLEMENTATION:**
- Expected to be in use at SUN by mid-December 2020 for Delta and United flights operated by SkyWest.
- SkyWest requires financial incentive to implement due to COVID impacts. FSVA will support with non-public funds.

FSVA-VSV PROPOSED 1% LOT FUNDING

SVASB FY21 BUDGET

- **Total for Contracts: \$2,129,000**
- VSV Contract: \$1,129,000 53%
- FSVA Contract: \$1,000,000 47%



FSVA 1% LOT BUDGET PROPOSED

FSVA 1% LOT ASB CONTRACT BUDGET (FY21)

FSVA CONTRACT INCOME	FY21 1% LOT Budget
1% LOT Revenues/ASB Contract for Services	\$ 1,000,000
Interest	\$ 4,000
TOTAL INCOME	\$ 1,004,000

*Contract for Services with Air Service Board

FSVA AIR SERVICE DEVELOPMENT EXPENSE

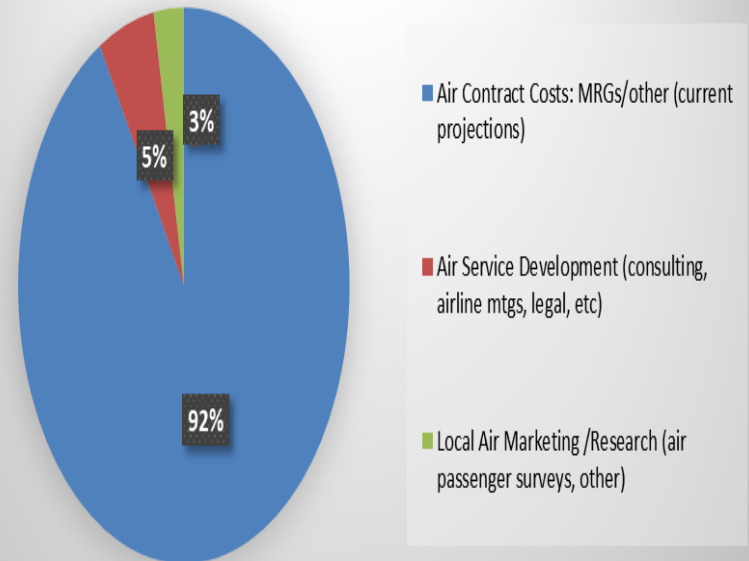
Air Contract Costs: MRGs/other (current projections)	\$ 1,408,000
Air Service Development (consulting, airline mtgs, legal, etc)	\$ 85,000
Local Air Marketing /Research (air passenger surveys, other)	\$ 45,000
TOTAL EXPENSE	\$ 1,538,000
Net to/(from) Reserves	\$ (534,000)

RESERVE SUMMARY

FY20 FSVA 1% LOT Reserve Balance (projected)	\$ 2,605,558
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Note: a portion of the reserves are restricted due to LOC

FY20 FSVA AIR SERVICE DEVELOPMENT EXPENSE



AN IMPORTANT INVESTMENT FOR OUR ECONOMY

Continued investment in air service and marketing is critical to our economic recovery. **THANK YOU!**

FLY SUN

IMPROVING AIR SERVICE TO SUN VALLEY

Fly SUN ✈️ Nonstop to DEN • LAX • ORD • SEA • SFO • SLC ✈️ ONE STOP TO THE WORLD

Alaska  DELTA UNITED 

