



Check SUN fares first when making travel plans
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Friedman Memorial Airport Authority

Regular Board Meeting

June 03, 2014



1616 Airport Circle



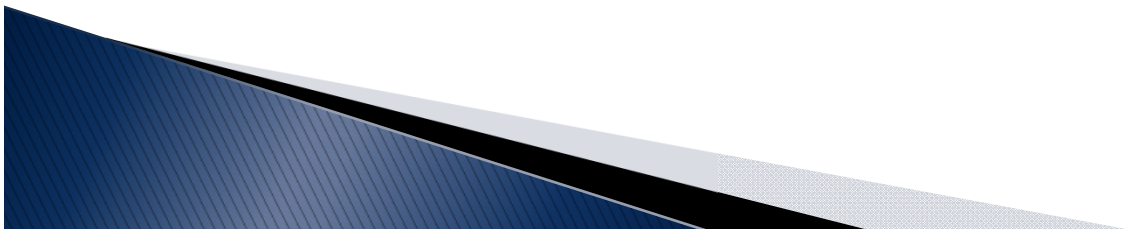
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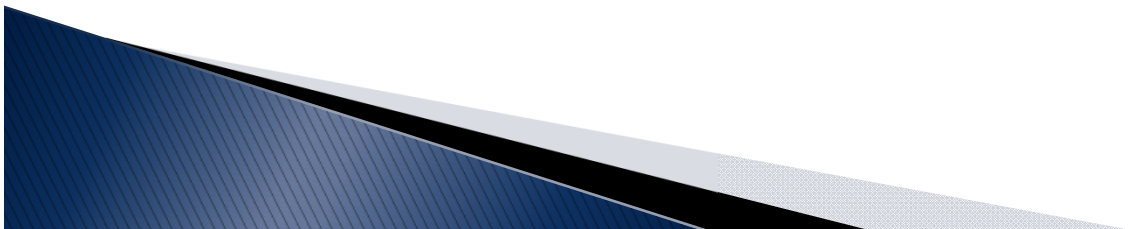
Approve Friedman Memorial Airport Authority Meeting Minutes

- May 6, 2014 Regular Meeting
 - Approval



Reports

- ▶ Chairman Report
- ▶ Blaine County Report
- ▶ City of Hailey Report
- ▶ Airport Manager Report
- ▶ Communication Director Report





AIRPORT STAFF BRIEF QUESTIONS



UNFINISHED BUSINESS

Airport Solutions Existing Site

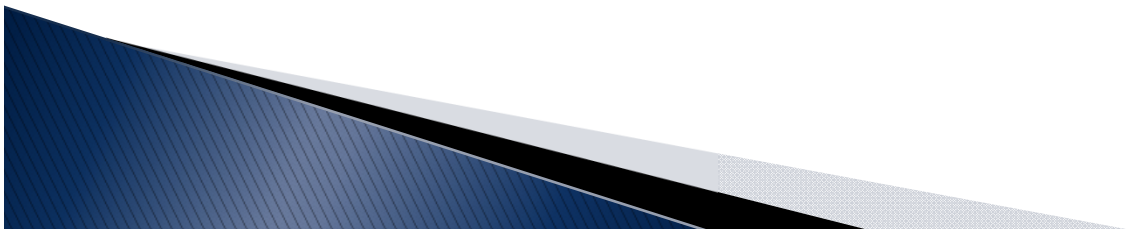
► Plan to Meet 2015 Congressional Safety Area Requirement

- Presented by:
Mr. Dave Mitchell, T-O Engineers
Airport Manager



Formulation

- ▶ Final Summary Report
 - Summarize
 - Document
- ▶ Draft
 - Board/Staff/FAA review
- ▶ Final report at July meeting



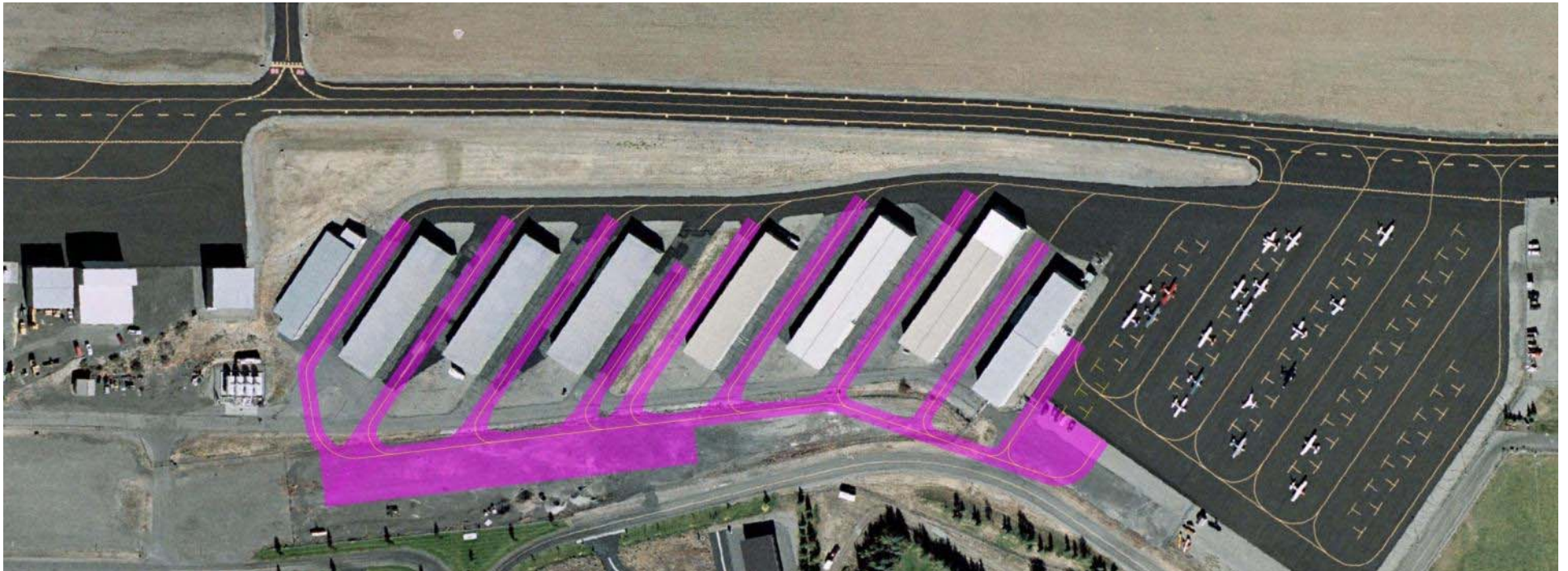
Construction Projects

- ▶ Project 1: Hangar Taxilane and Apron Improvements
- ▶ Project 2: Relocate/Extend Taxiway B and RSA Grading
- ▶ Project 3: Terminal Reconfiguration
- ▶ Project 4: Airport Operations Building
- ▶ Project 5: Terminal Apron/Site Preparation



Project 1 – Taxilanes

- ▶ Paving completed Friday, May 30
- ▶ Working on punch list
- ▶ Expected completion: Thursday, June 5









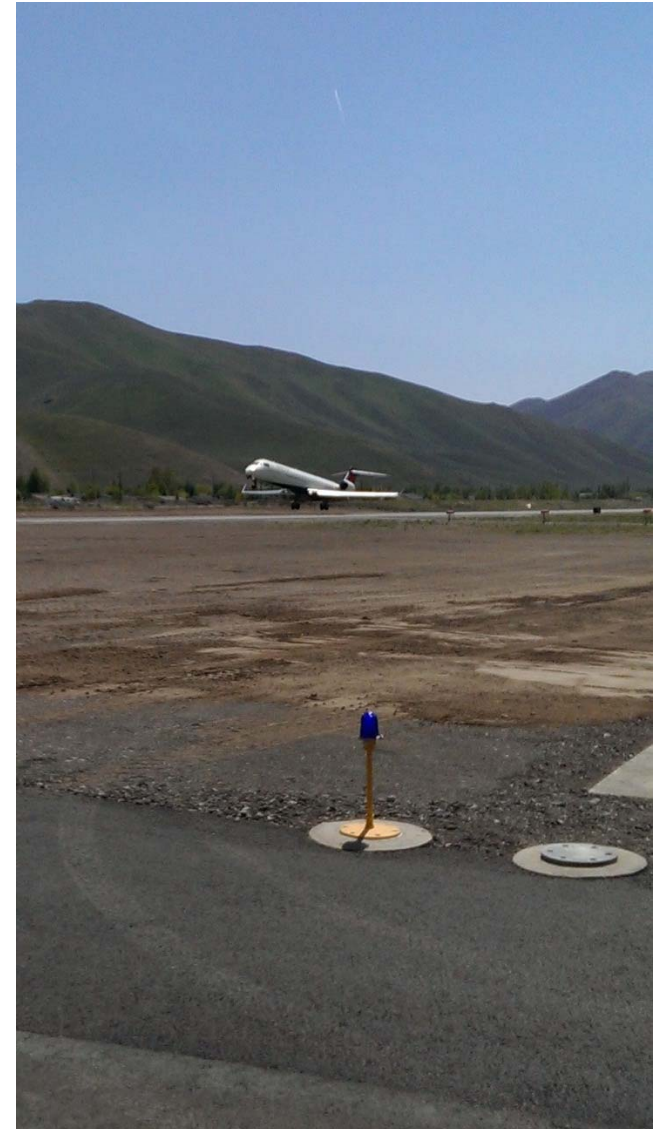




Project 2

Taxiway B Relocation/RSA Grading

- ▶ Phase 1 complete
 - Runway opened on time
- ▶ Phase 2 on schedule
 - Open June 5
- ▶ Phase 3 ahead of schedule



Project 2 Schedule



Apr

May

Jun

Jul

Taxilane

Ph. 1 (25 days)

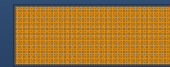
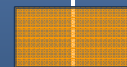
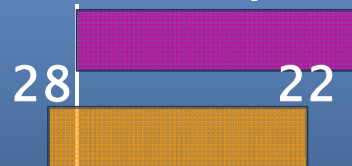
Ph. 2 (14 days)

Ph. 3A (7 days)

Ph. 3B (19 days)

28

22













Projects 3 and 4

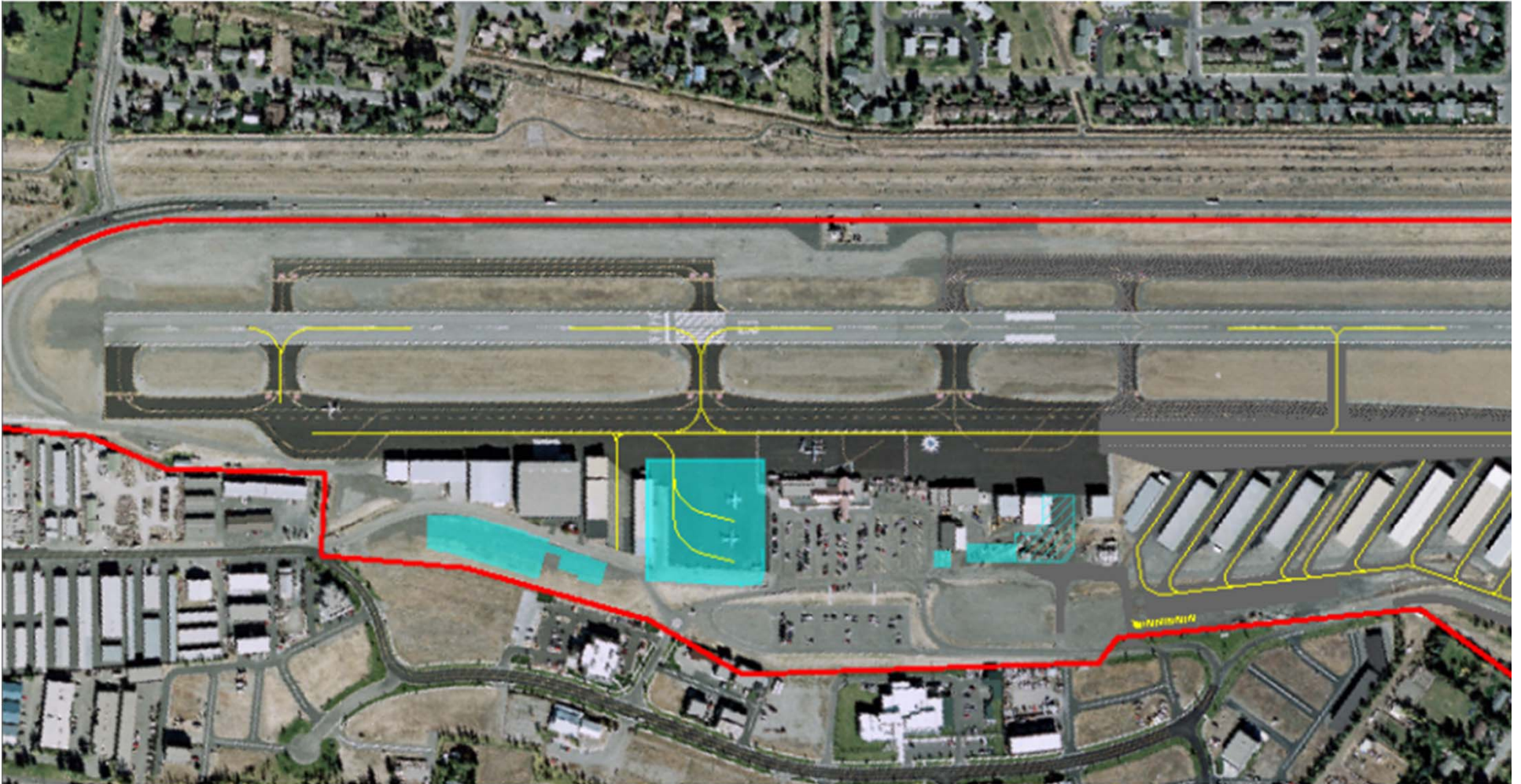
Terminal/Airport Operations Bldg

- ▶ Met with Hailey P&Z for site walkthrough on May 27
- ▶ Hearing: June 9
- ▶ Architectural Committee: June 10?



Project 5

Terminal Apron/Site Preparation



Project 5

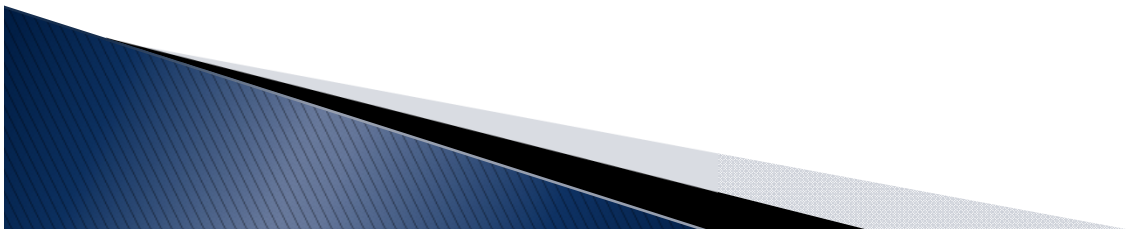
Terminal Apron/Site Preparation

- ▶ Design is underway
- ▶ 65% Design: June 3
- ▶ 95% Design: June 18
- ▶ Plans Available: June 25
- ▶ Open Bids: July 21
- ▶ Award: July 24 (Special Meeting?)
- ▶ Construction Start: Approx. August 15



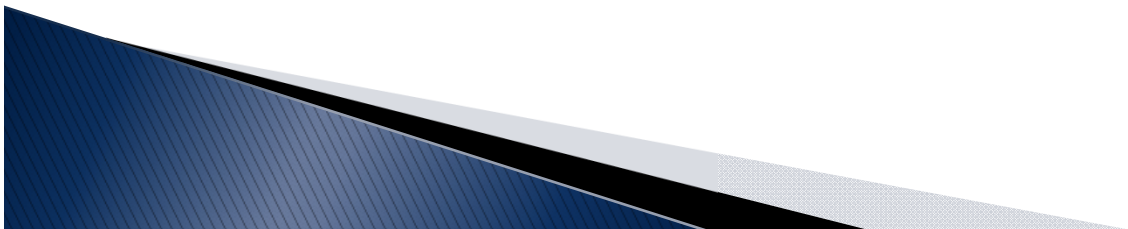
Facility Acquisitions

- ▶ Appraisals and review appraisals were received and are in agreement
- ▶ Offer letters delivered to all hangar owners
 - Four have responded favorably
 - Hope to close by June 30
 - Two plan to reconstruct, two do not
 - Still waiting to hear from final hangar owner
- ▶ Discussions with USFS are ongoing



Fly Sun Valley Alliance Report

- Presented by:
Ms. Carol Waller, Fly Sun Valley Alliance





Friedman Memorial Airport Passenger Survey: Winter 2013/14 Summary



Prepared for: Fly Sun Valley Alliance
in partnership with Friedman Memorial Airport
Prepared by: RRC Associates

May 2014

Outline

- Methodology
- Visitor Demographics
- Trip Planning
- Trip Characteristics
- Ratings of Experience

Methodology

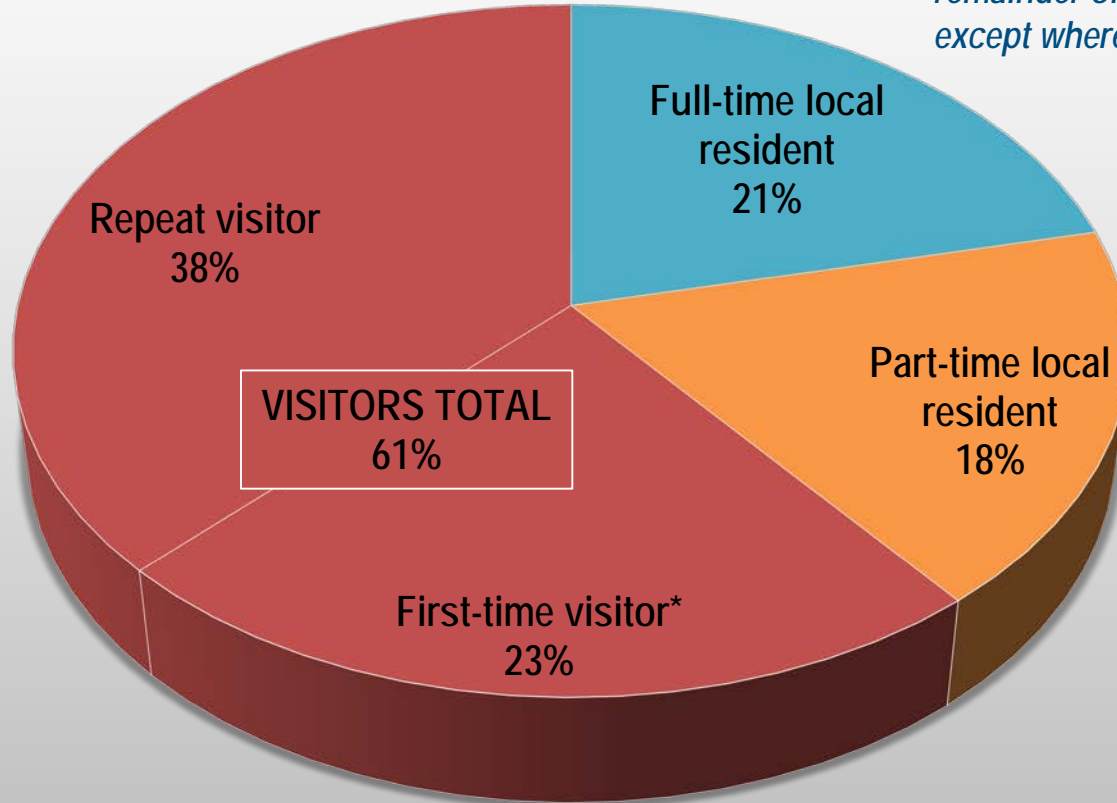
- Intercept survey conducted in SUN passenger waiting area
- 962 survey completes from Dec 27, 2013 – Apr 6, 2014
 - 95% confidence interval +/-3.1% (larger for subgroups)
- Sampling plan designed to capture representative passenger mix by flight
 - Results weighted to be representative of actual flight mix
- Most survey questions focus on visitor experience (but locals surveyed too)
 - Presentation focuses on results for visitors and part-time locals

Outline

- Methodology
- Visitor Demographics
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- Ratings of Experience

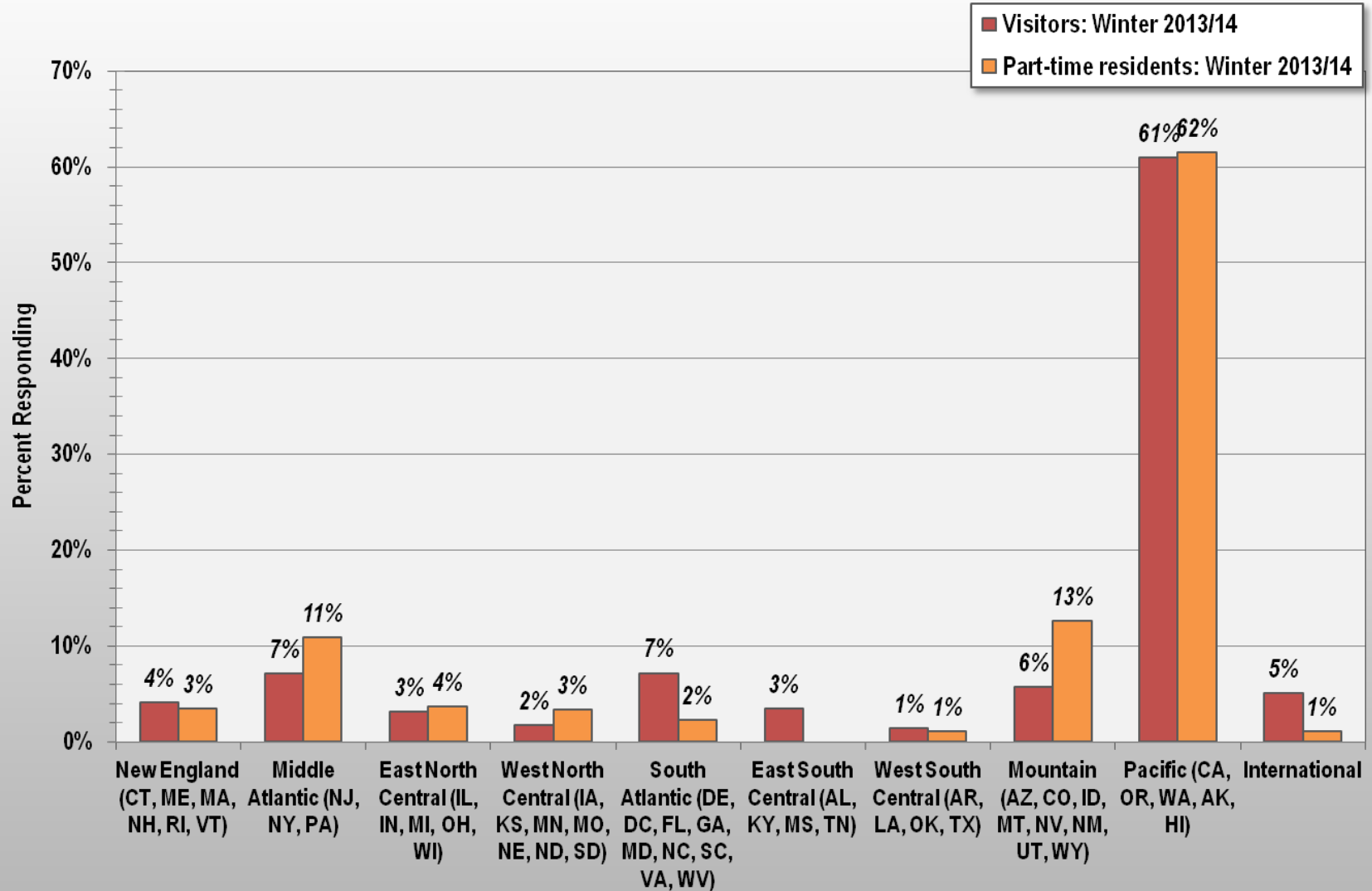
Resident - Visitor Mix

FT residents excluded from remainder of this presentation, except where specifically noted.

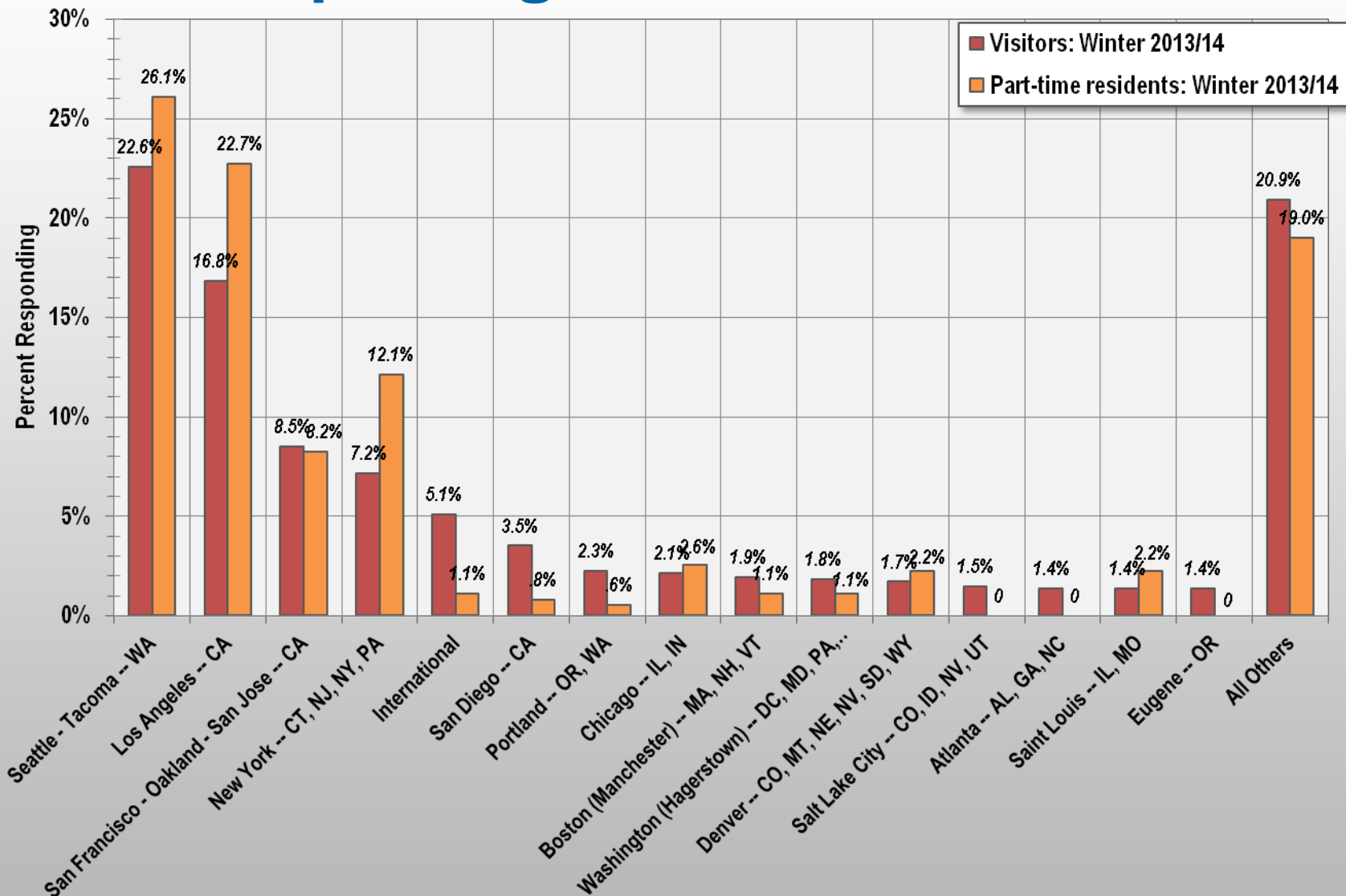


*First time visitors = no previous visits to SV in past 5 winters or summers.
Note: Full-time resident = live in area more than 6 mo/yr.
Part-time resident = live in area less than 6 mo/yr.

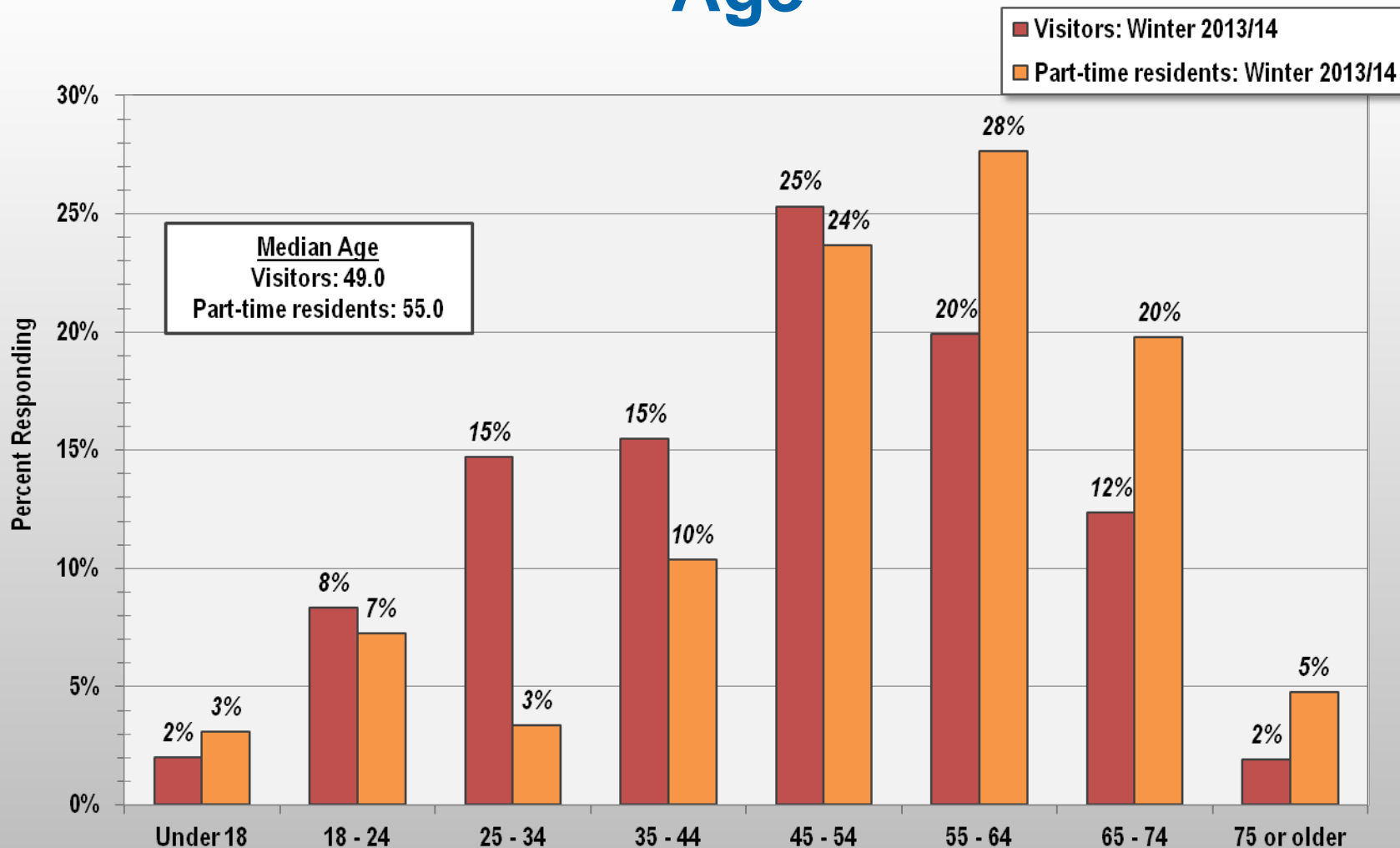
Visitor Origin by US Census Division



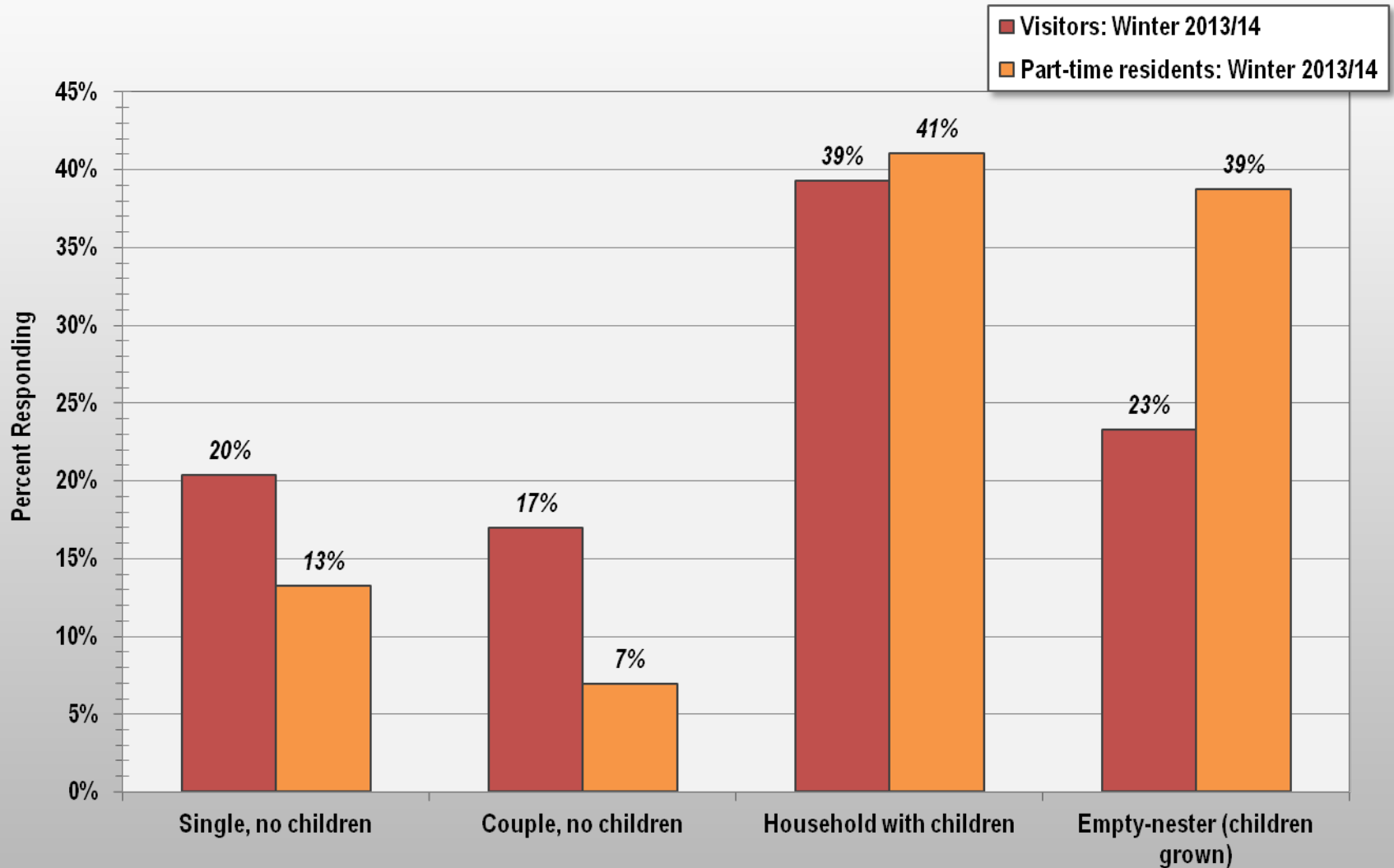
Top Designated Market Areas



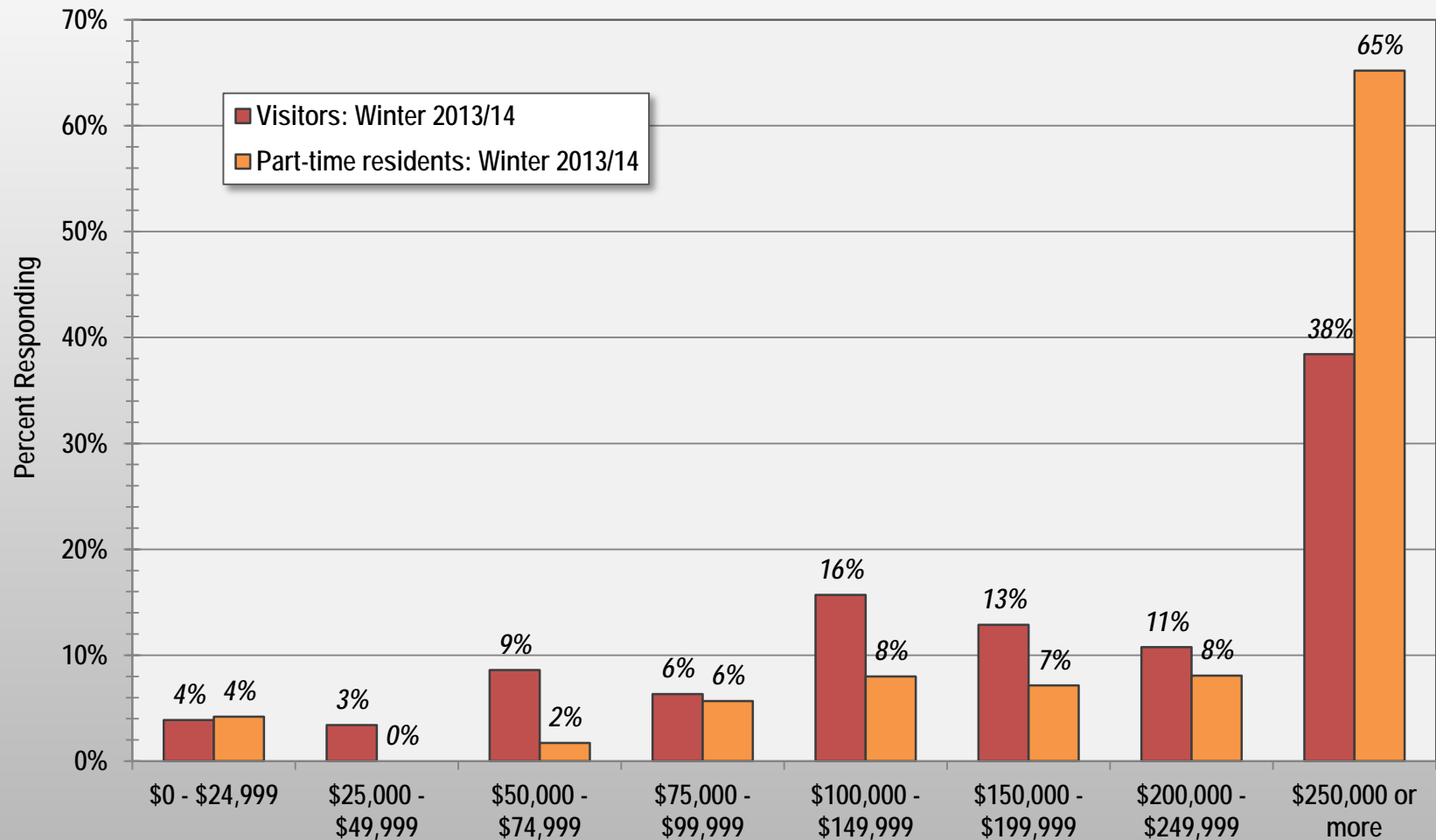
Age



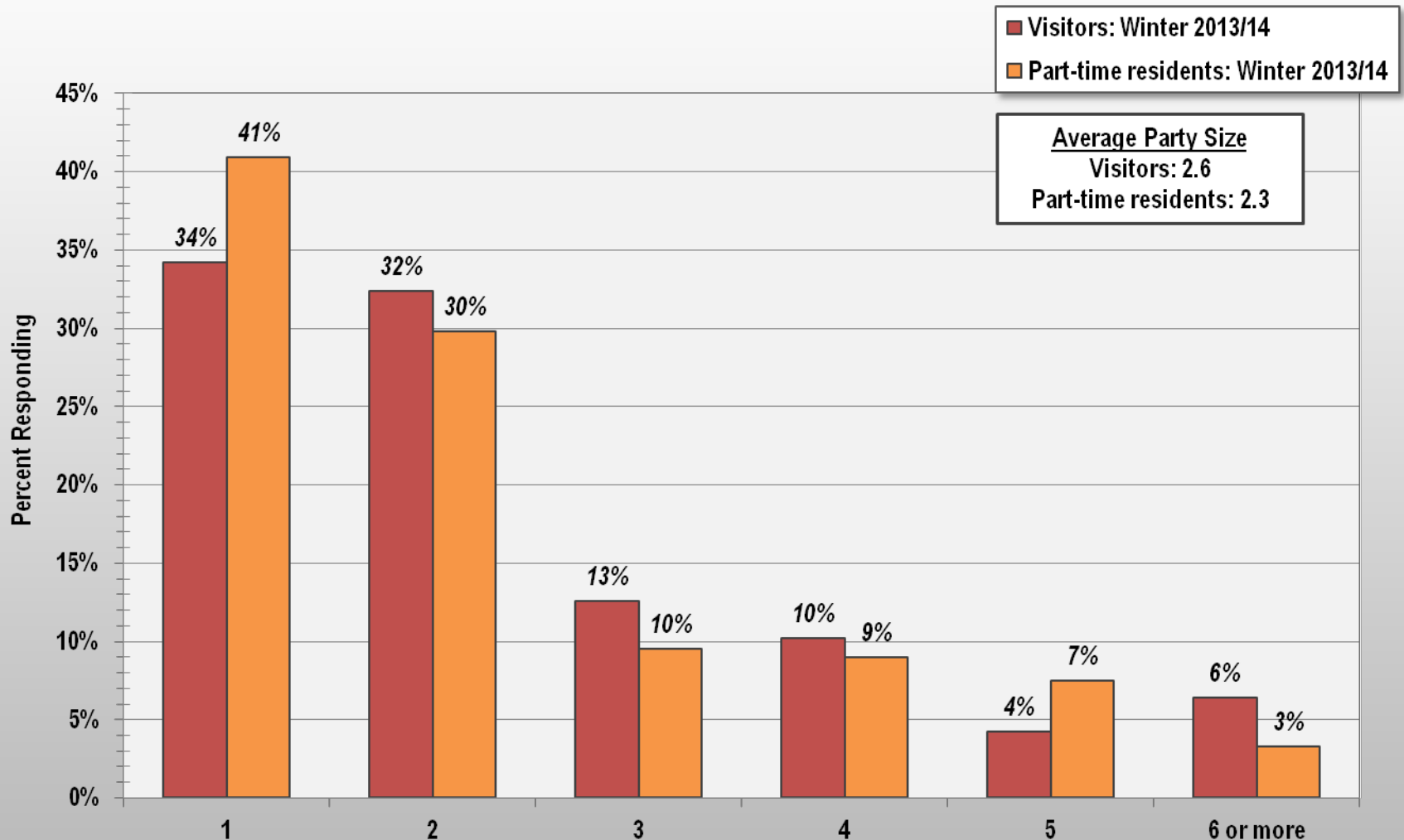
Household/Family Status



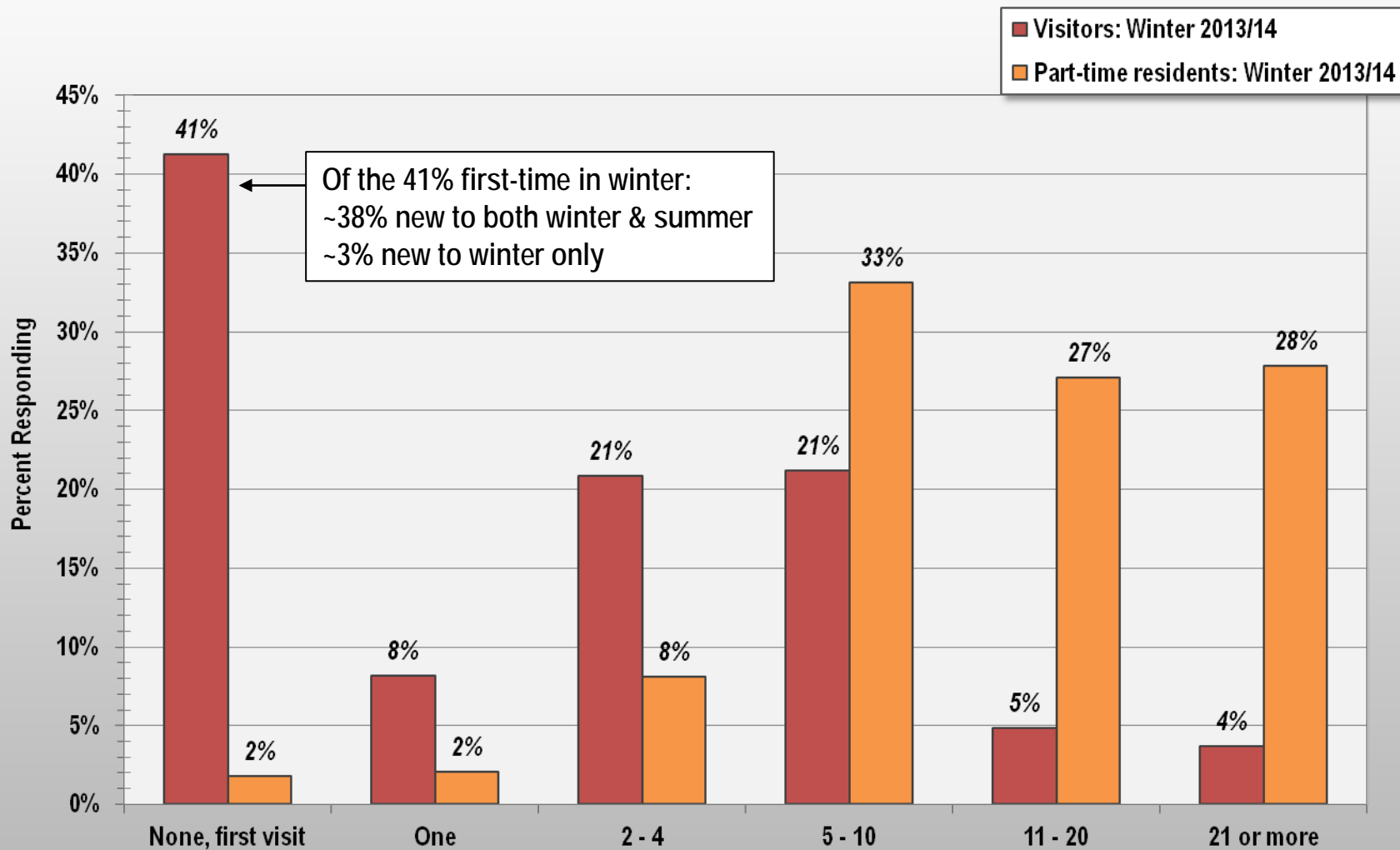
HH Income (before taxes)



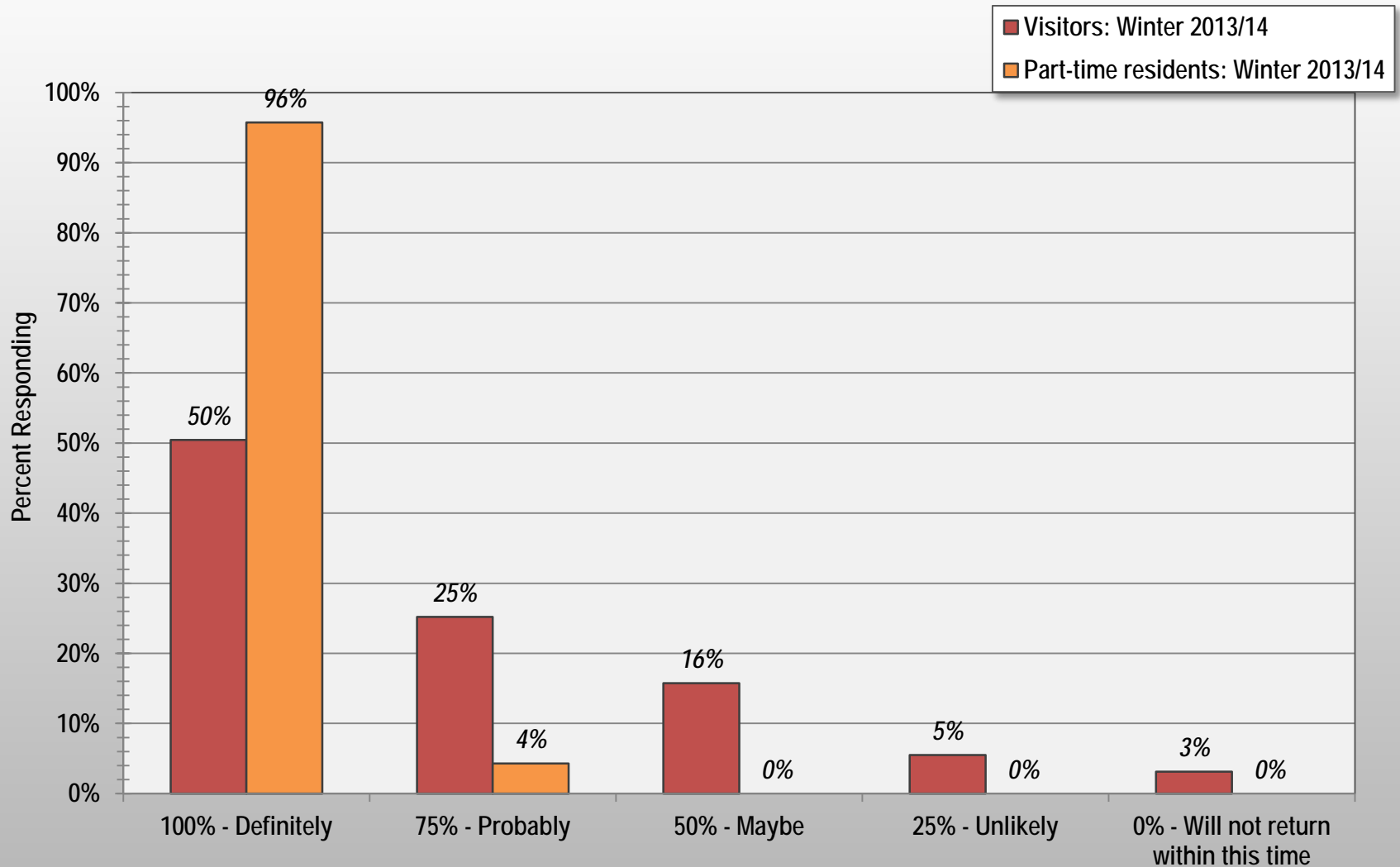
Number of Travelers in Party



Previous Winter Visits in Past 5 Years

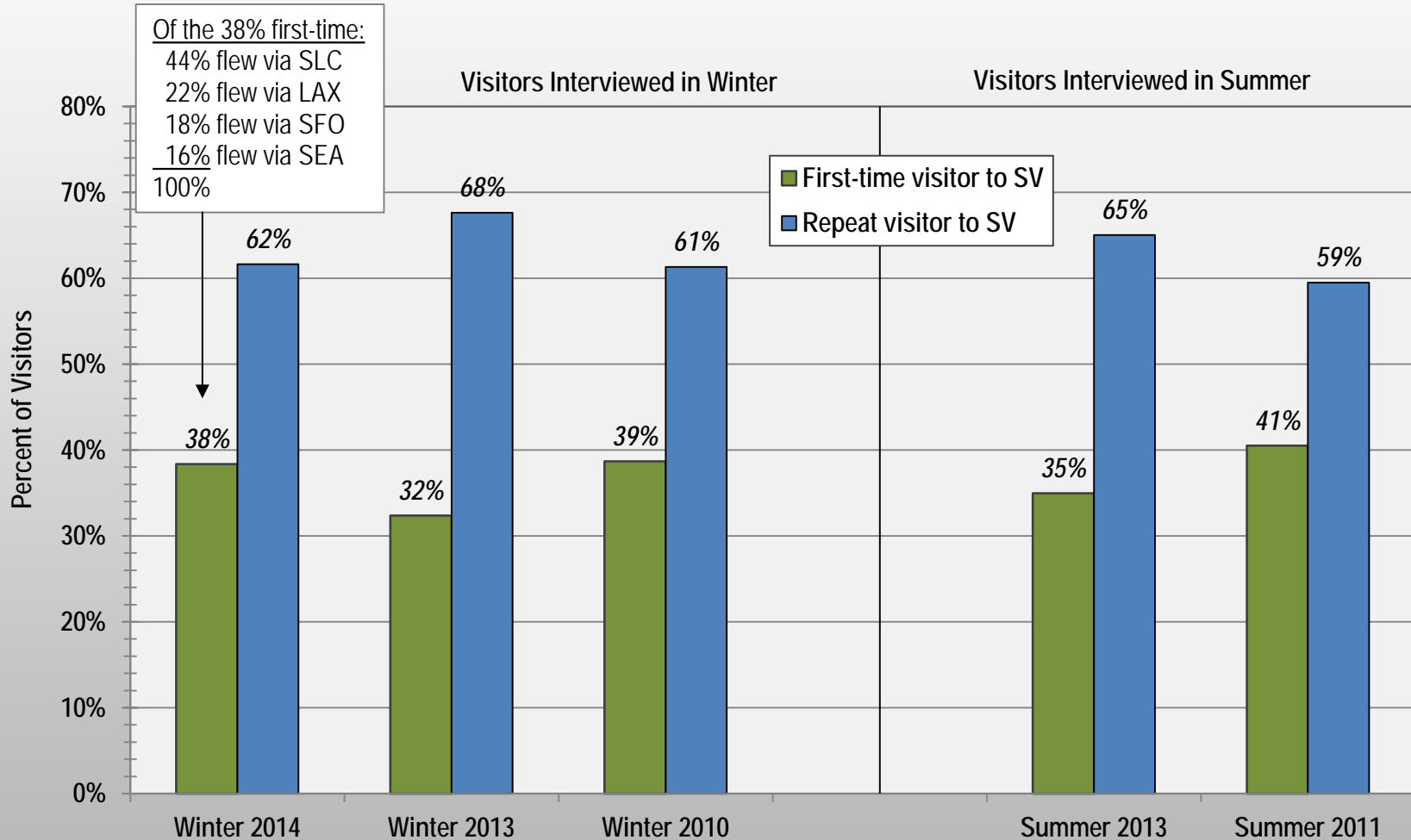


Likelihood of Return Within Next 3 Winters



Share of Visitors on 1st Trip to SV

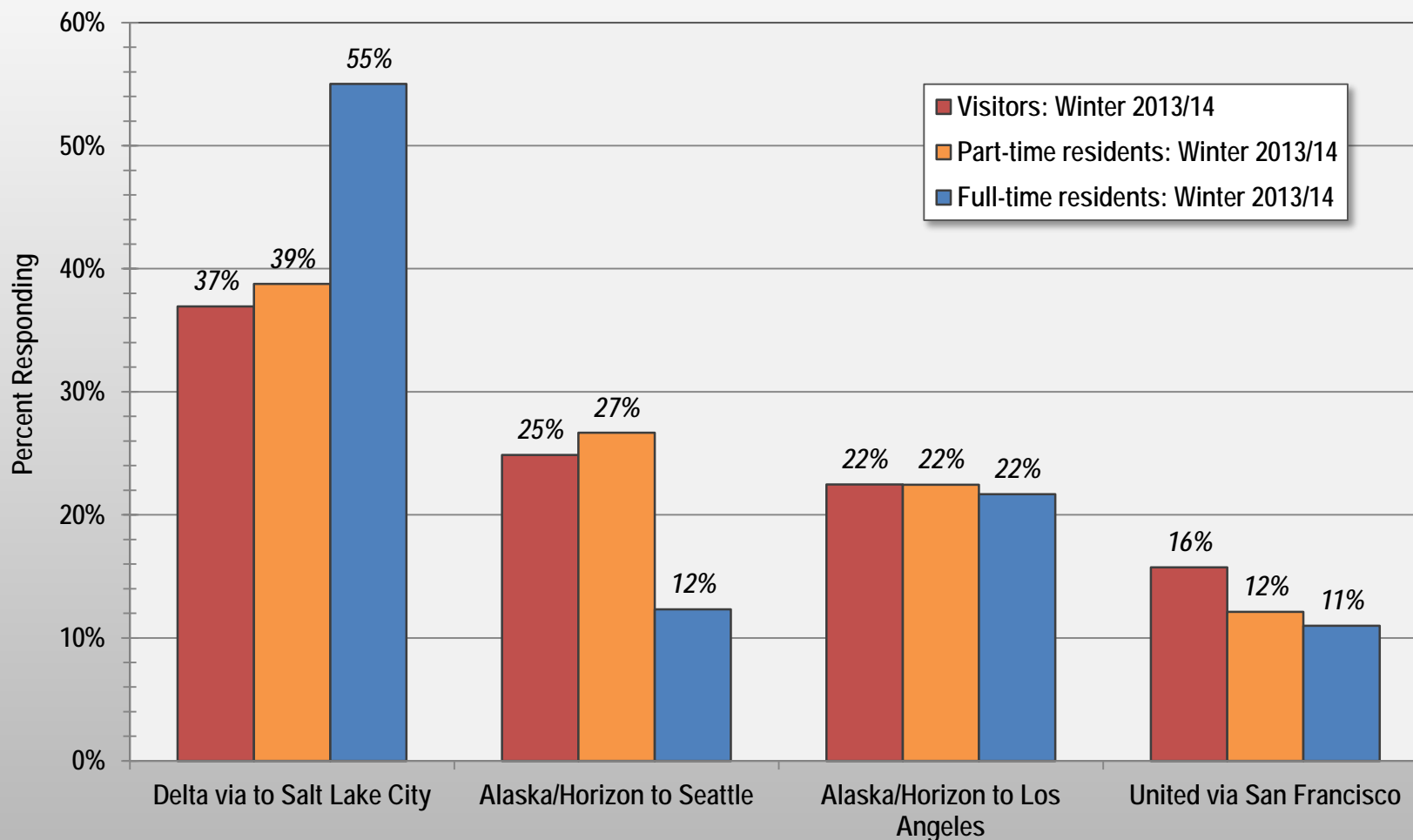
(i.e. No visits in past 5 yrs in either summer or winter)



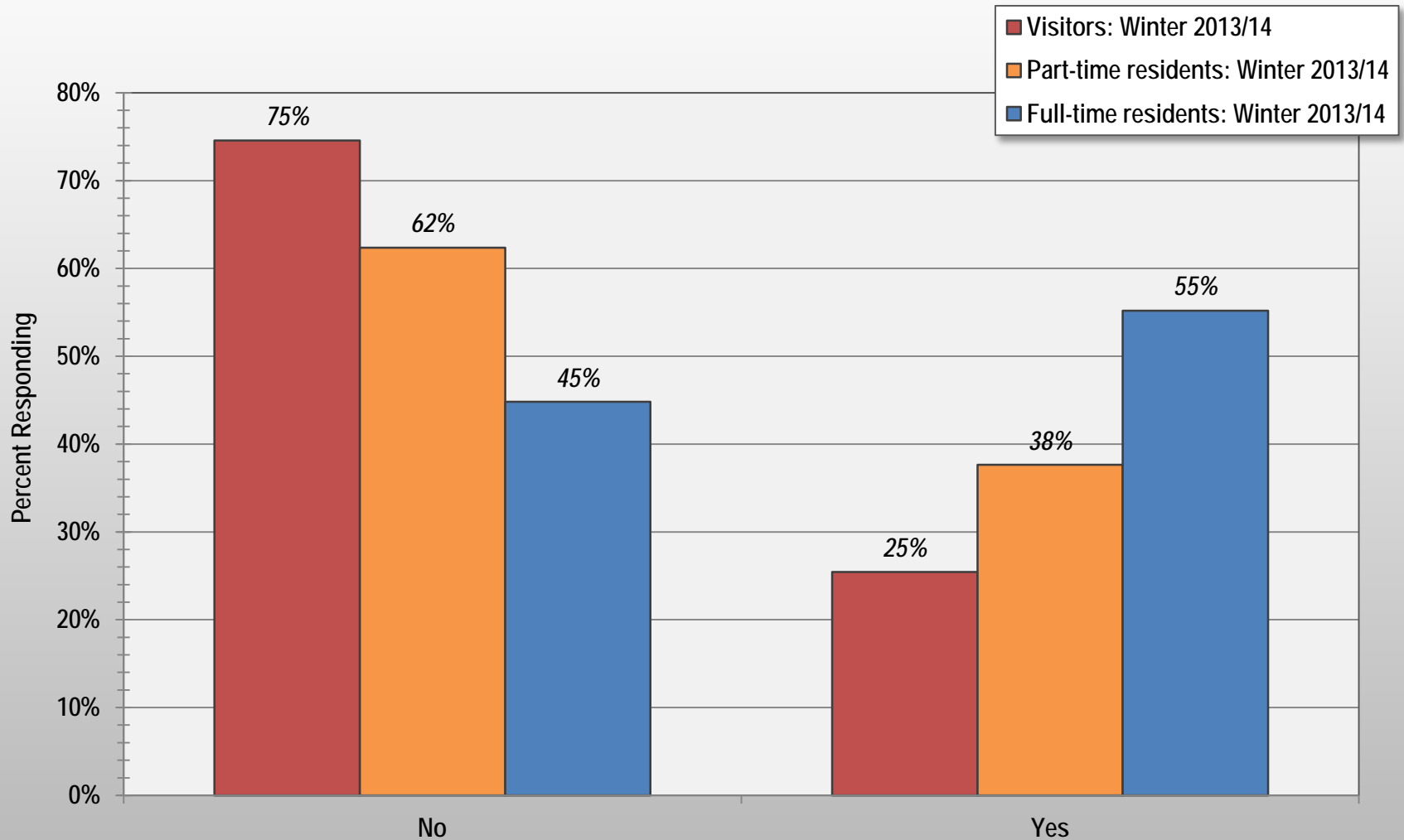
Outline

- Methodology
- Visitor Demographics
- **Trip Planning**
- Trip Characteristics
- Ratings of Experience

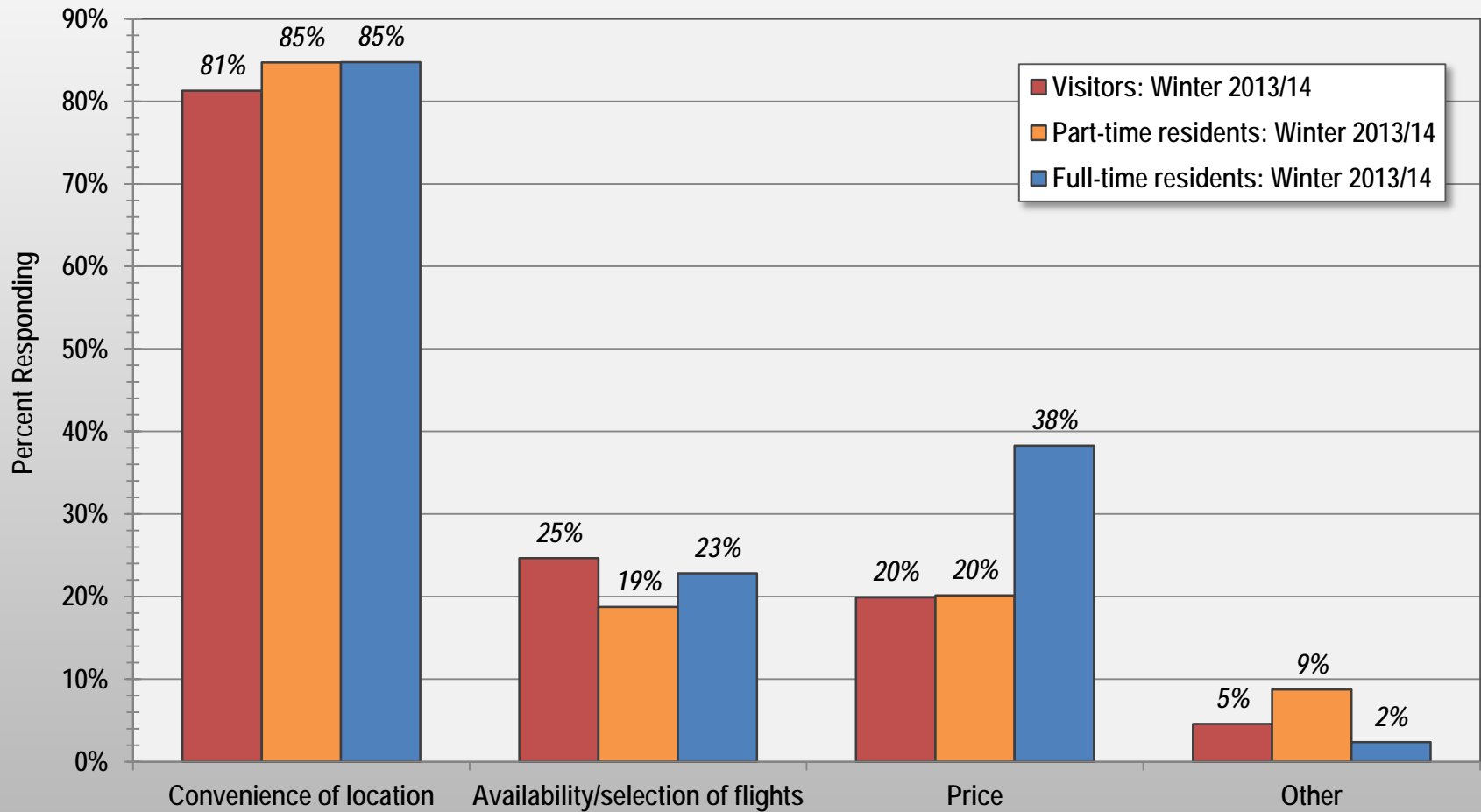
On which flight are you departing today?



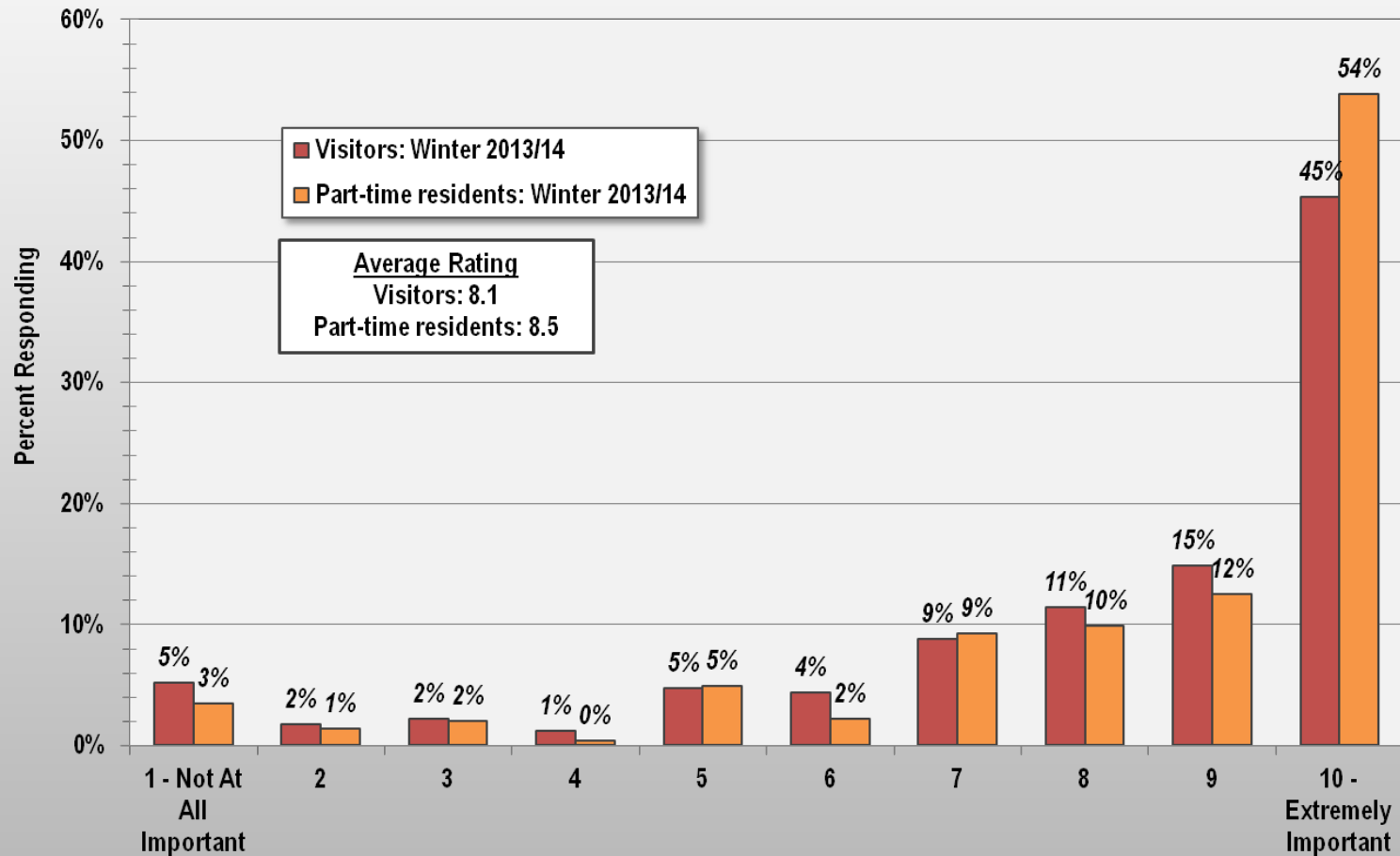
Did you consider other airports for this trip?



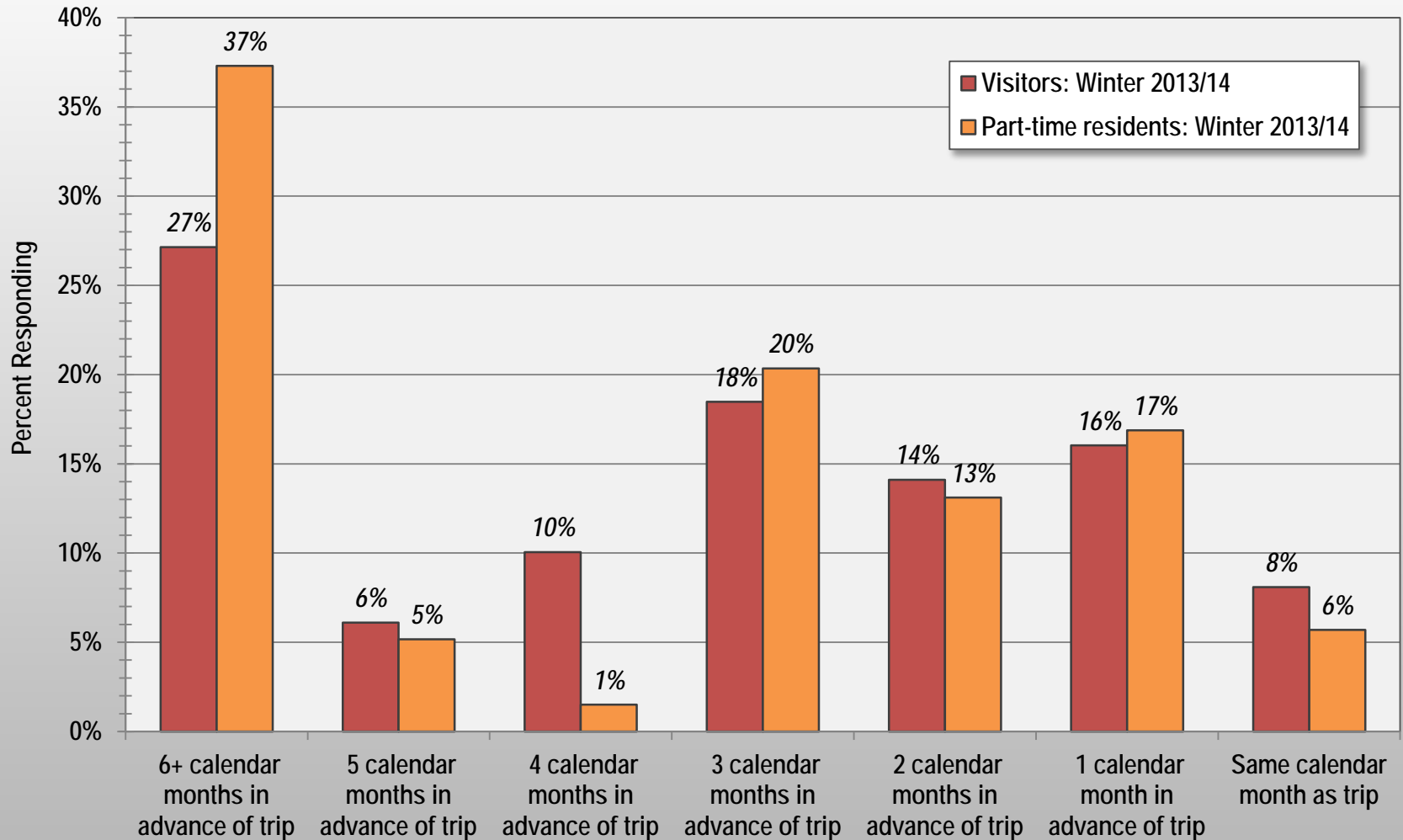
(If considered other airports for this trip) Why did you choose SUN?



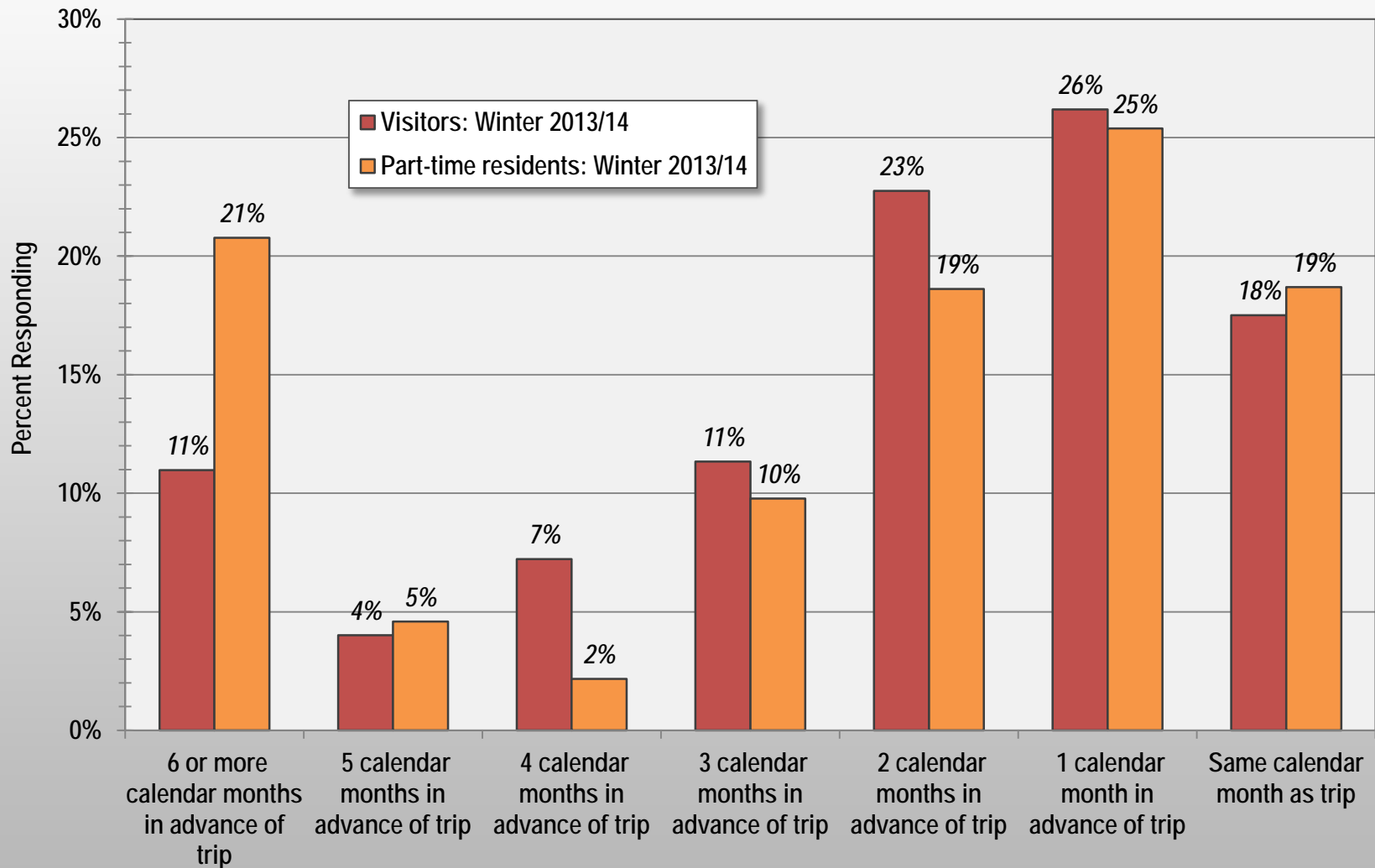
Importance of Flights to SUN in Decision to Visit Sun Valley



Trip Consideration Lead Time



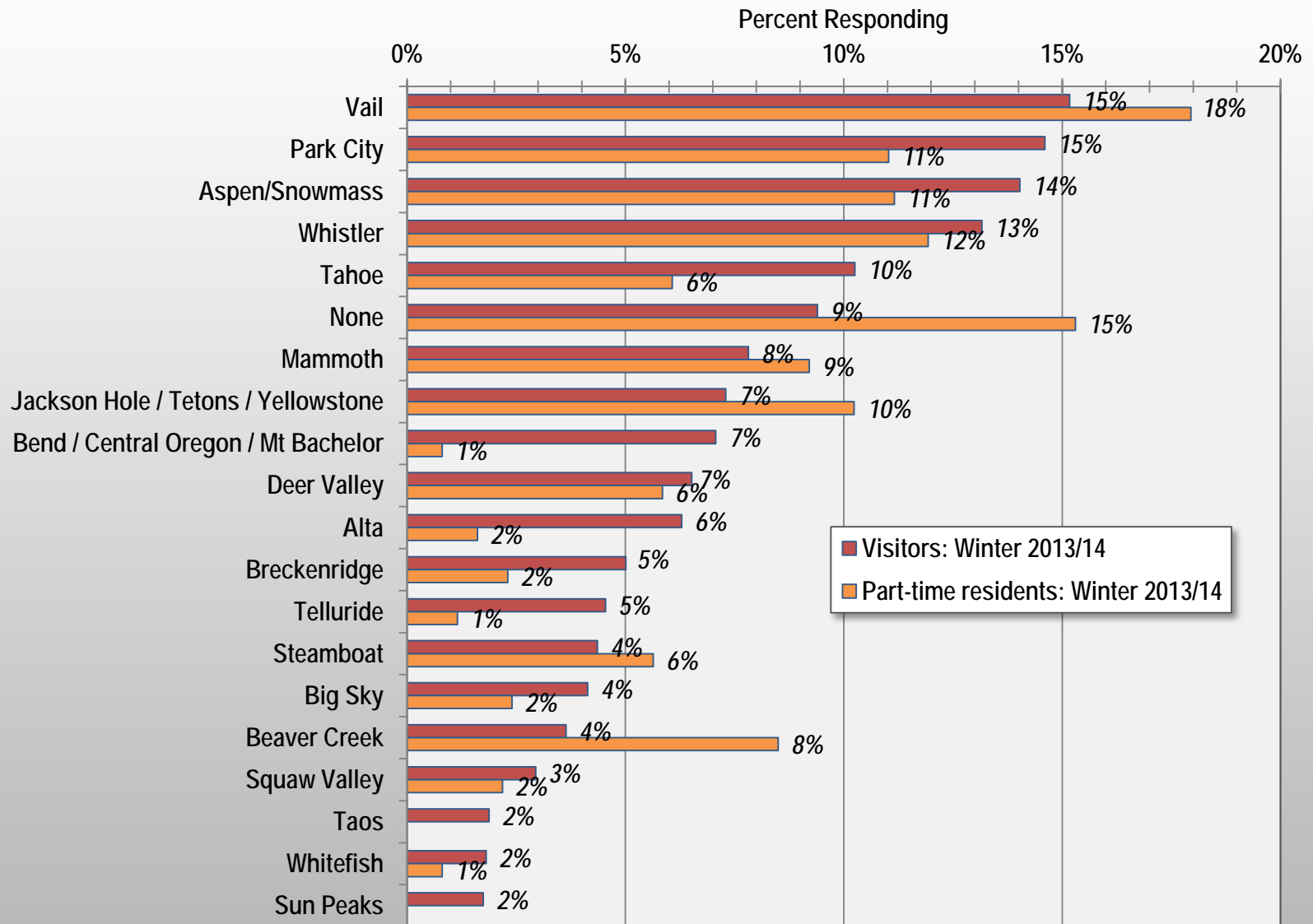
Flight Booking Lead Time



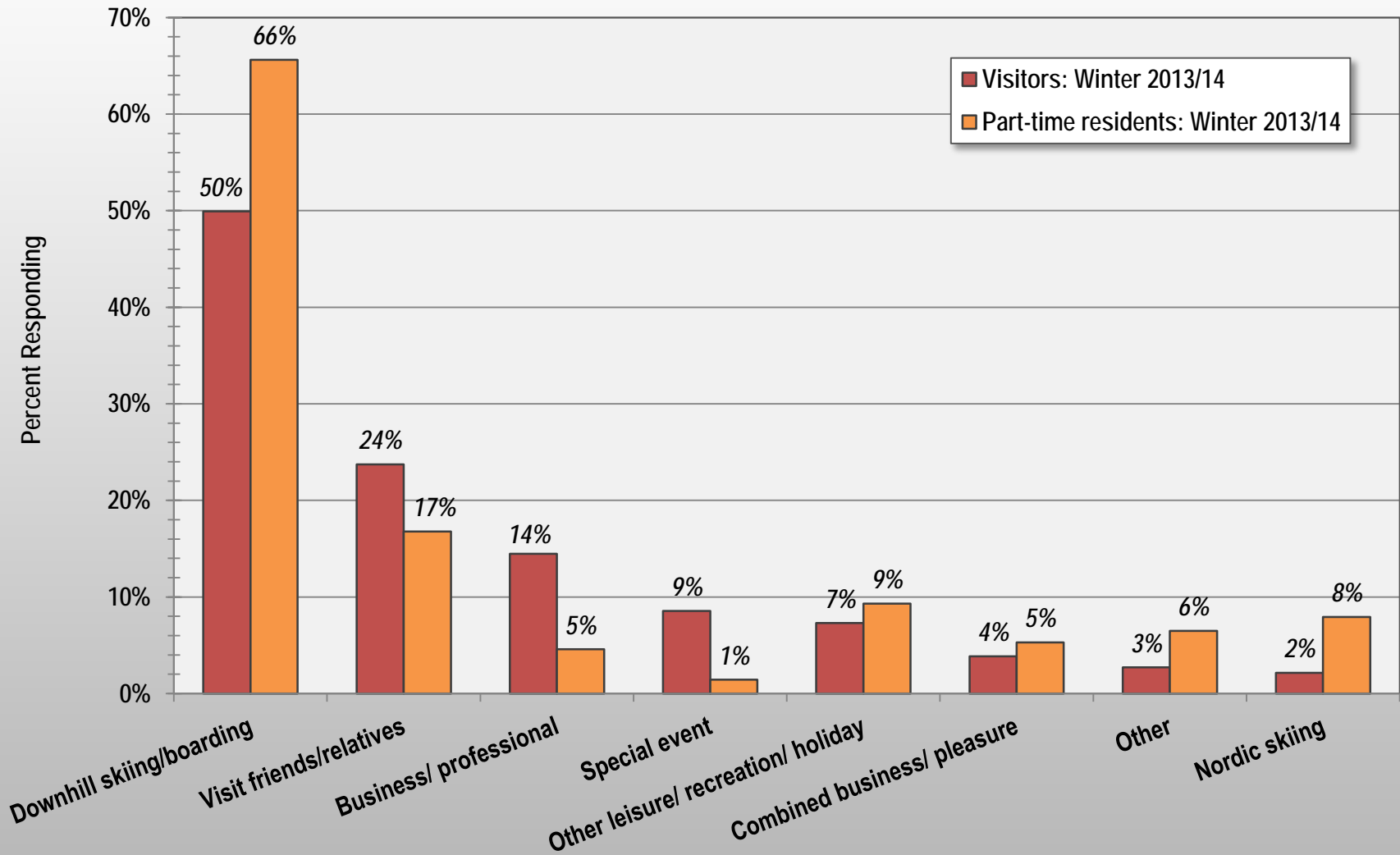
Outline

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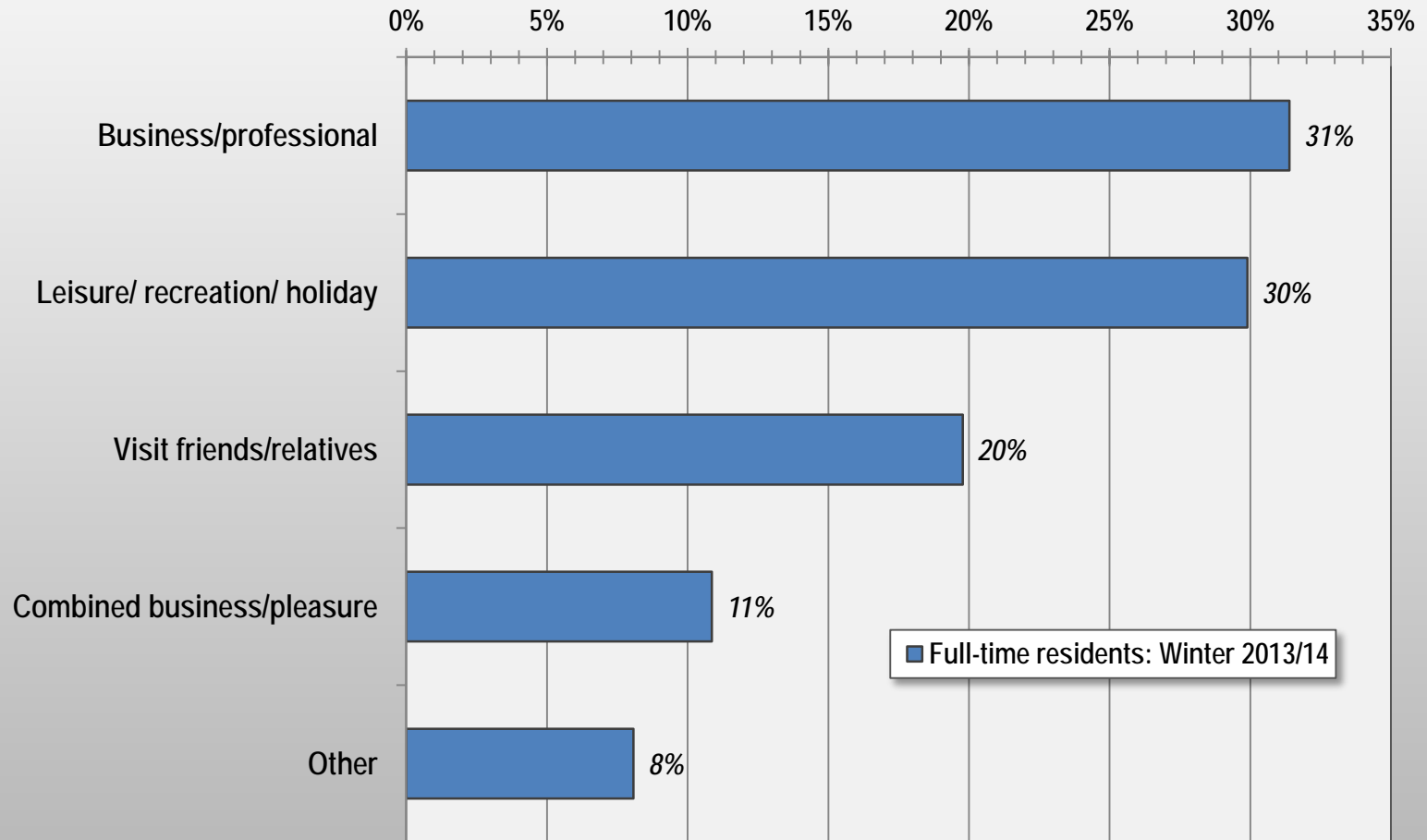
Other Mtn Resorts Visited for Overnight Trips in Past 3 Winters



Main Trip Purpose – Visitors/PT Residents



Main Trip Purpose – FT Local Residents



Average Per Capita Daily Expenditures

	Visitors: Winter 2013/14	PT residents: Winter 2013/14
Lift Tickets	\$64	\$82
On-Mountain Restaurants	\$24	\$23
Lessons/Equipment Rentals/Day Care	\$31	\$21
Other (Incidentals, Tips, Sundries)	\$16	\$22
<i>Subtotal - at ski area</i>	\$135	\$148
Lodging	\$65	\$7
Restaurants/Food and Beverage	\$98	\$98
Shopping/Retail Purchases	\$40	\$61
Entertainment and Amusement	\$8	\$16
Local Transportation	\$18	\$19
Other (Incidentals, Tips, Sundries)	\$8	\$9
<i>Subtotal - in town</i>	\$237	\$210
TOTAL	\$373	\$357

Economic Impact of Visitors & PT Residents (2nd Homeowners)

VISITORS

average length of stay: 4.9 nights

average per person per day spend: \$373

total estimated visitors: 15,220 (61% of ~25,000 ski season 2013/14 enplanements)

TOTAL Visitor Estimated Winter 2013/14 Direct Spend: \$28M

Each visitor spends \$1830 during a visit



PART-TIME RESIDENTS (2ND HOMEOWNERS)

average stay: 10.3 nights

average per person per day spend: \$357

total estimated visitors: 4,455 (18% of ~25,000 ski season 2013/14 enplanements)

TOTAL PT Resident Estimated Annual Direct Spend: \$16M

Each PT Resident spends \$3666 during a visit

TOTAL VISITOR & PT RESIDENT AIR TRAVELERS: ≈20,000

TOTAL VISITOR & PT RESIDENT AIR TRAVELERS DIRECT SPEND:

\$44 MILLION

Economic Impact of First-Time Visitors

New Flights Bring New Visitors

FIRST-TIME VISITORS (All Flights)

average length of stay: 4.3 nights

average per person per day spend: \$370

total estimated first-time visitors: 5,828 (23% of ~25,000 winter season enplanements)

TOTAL First-Time Visitor Estimated Winter 2013/14 Direct Spend: \$9.3M

Each first-time visitor spends \$1600 during a visit

FIRST-TIME VISITORS ON UNITED SFO FLIGHTS

average length of stay: 3.9 nights

average per person per day spend: \$326

total estimated first-time visitors: 1,044 (30% of 3,487 enplanements)

TOTAL First-Time Visitor Estimated Winter 2013/14 Direct Spend: \$1.3M

First-time SFO visitors spent an average of \$1263 per person during their visit



ALL VISITORS & PT RESIDENTS ON UNITED SFO FLIGHTS

average length of stay: 4.9 nights

average per person per day spend: \$368

total estimated visitors/PT residents: 2,906 (83% of 3,487 ski season 2013/14 enplanements)

(Total SFO flight breakdown: 30% new visitor, 38% repeat visitor, 15% PT resident, 17% FT Local resident)

TOTAL Visitor/PT Resident Estimated Winter 2013/14 Direct Spend: \$5.2M

SFO visitors/PT residents spent an average of \$1793 per person during their visit

Changes in SUN Visitor Profile

Winter 2013/14 vs. 2012/13



CHANGES FOR VISITOR & PT RESIDENT SEGMENTS

- More chose SUN for flight selection and price (+8 pts)
- Fewer chose SUN for convenience of location (-8 pts)
- Increased importance of SUN flights in decision to visit (+0.4 pts on 1-10 scale)
- More began considering trip 5+ mo. in advance (+8 pts)
- Fewer began considering 3 or less mo. in advance (-8 pts)
- More booked flight 4+ mo. advance (+7 pts), fewer booked 2 mo. advance (-7 pts)
- Increased share “definitely/probably” likely to return within 3 winters (+6 pts)
- Increased per capita daily expenditures by visitors (+7.8%) & PT residents (+1.5%)

UA SFO Passengers – Notable Characteristics



SFO ✈ SUN IN 2 HOURS.
DAILY NON-STOP FLIGHTS STARTING DECEMBER 12
UNITED.COM

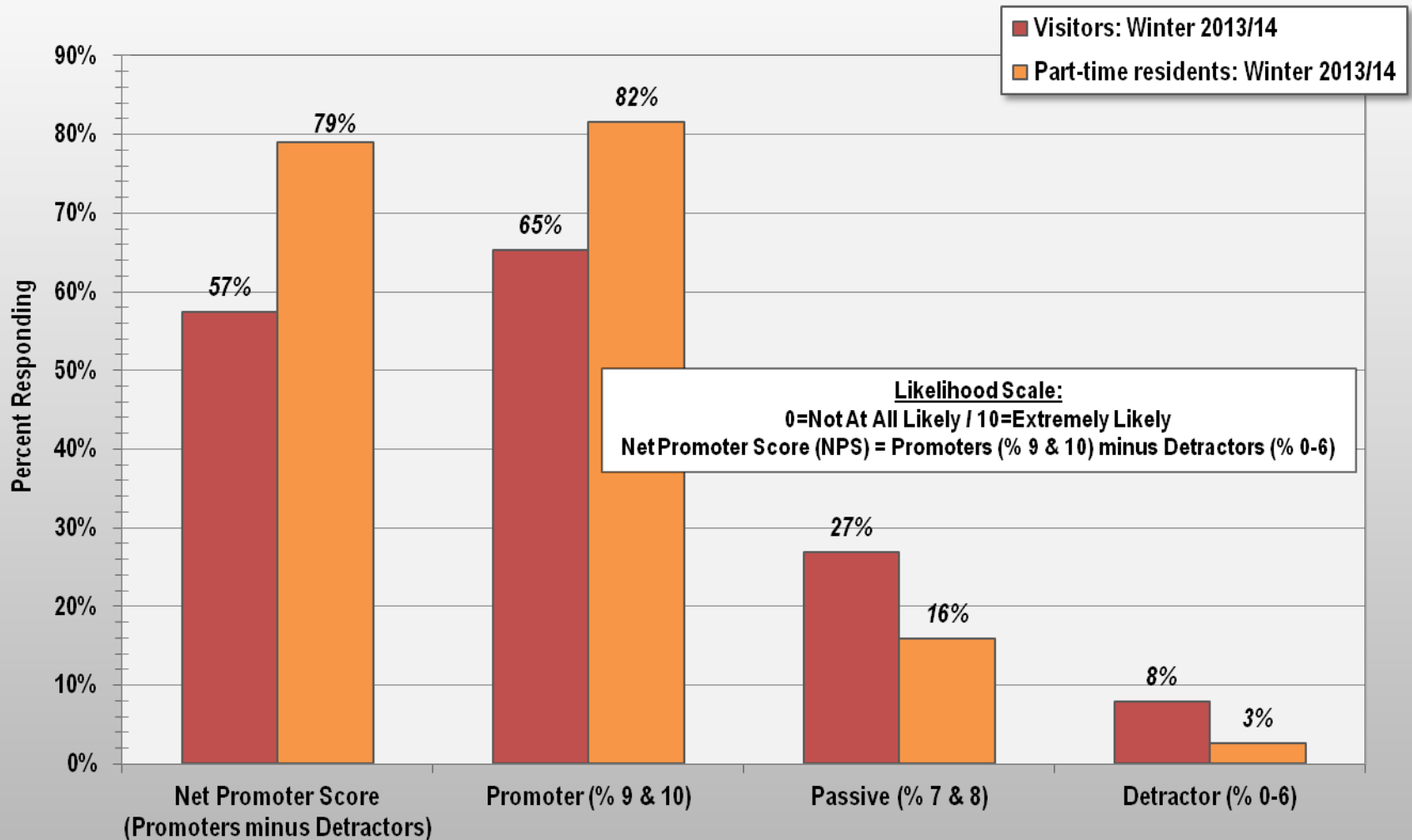


- Above-average share of visitors (68%, vs. 61% overall);
- Below-average share of FT residents (17% vs. 21%); PT residents (15% vs. 18% overall)
- Visitor geographic origin: 79% San Fran DMA, 21% Other
Largest connecting markets: Chicago, Los Angeles, Santa Barbara, Washington DC, Houston, Newark
- Visitors more likely to be on first-time trip to SV (44% vs. 38% overall)
- Visitors have above-average satisfaction w/ air service to SV (7.8 vs. 7.2 overall)
- Visitors place somewhat greater importance on availability of flights to SV in decision to come (8.3 vs. 8.1 overall)
- **Visitor and PT resident economic impact = \$5.2 million**

Outline

- Methodology
- Visitor Demographics
- Trip Planning
- Trip Characteristics
- Ratings of Experience

Likelihood of Recommending Sun Valley (Net Promoter Score)



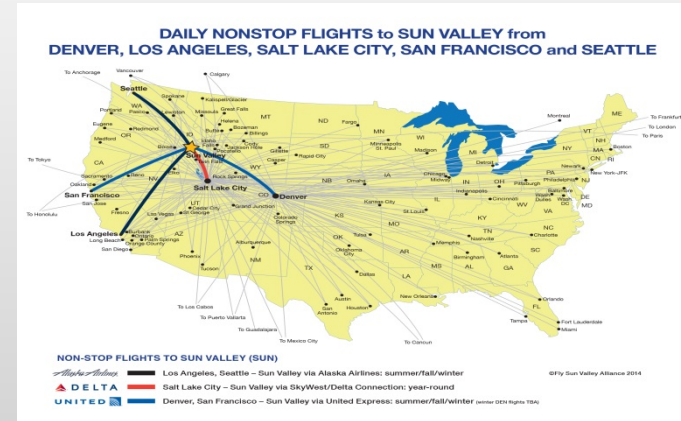
Strengths of Sun Valley vs. Other Mtn Resorts

- Quality of the skiing / ski mountain / snow
- Town experience
- Friendly people
- Scenery / beauty
- Restaurants / food
- Uncrowded
- Weather / sun
- Convenience / accessibility once at the town / resort



Weaknesses of Sun Valley vs. Other Mtn Resorts

- #1: Difficult to get to / limited flight access
- Secondly:
 - Low snow
 - Cost / expense
- Other:
 - Air travel dependability in inclement weather
 - Lack of restaurant / lodging/shopping options
 - Limited nightlife, outlets close early
 - Limited youth/children & young adult activities / offerings



Unique Aspects of SUN Passengers

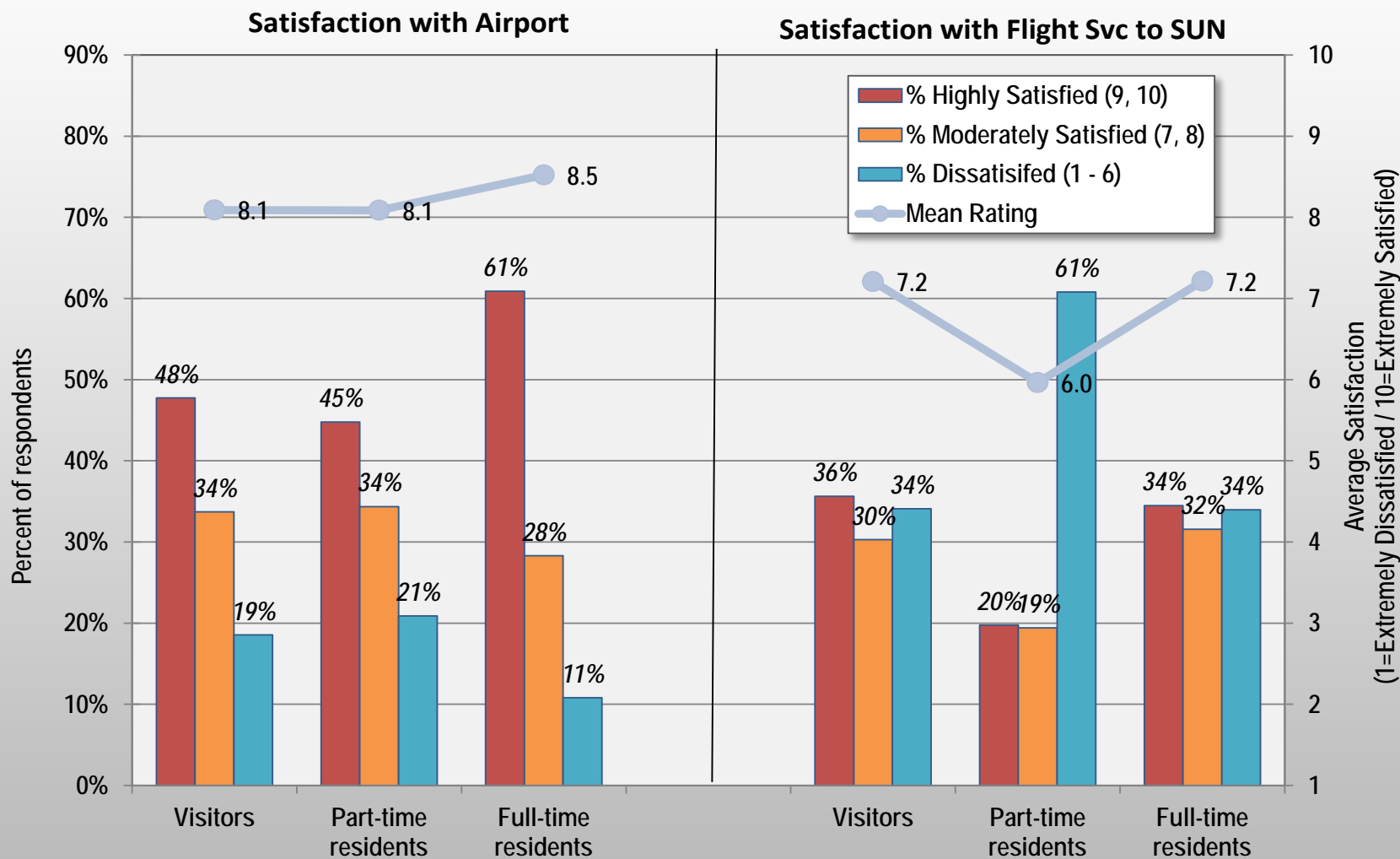
(vs. other mountain resorts)

HOW OUR AIR TRAVELERS DIFFER

- Extremely strong California / Washington focus
- Large part-time resident segment
- Older, affluent profile; high share of solo travelers
- Low share of visitors stay in rental lodging
- Shorter length of stay for visitors
- High share of travel for business, visiting family/friends
- High seasonal crossover (winter visitors coming in summer)
- High restaurant/F&B spend
- Top mountain resort competitors to Sun Valley:
Vail, Park City, Whistler, Aspen/Snowmass, Jackson Hole, Mammoth, Tahoe
- Atypical strengths of SV: town, weather, uncrowded, food
- Atypical weaknesses of SV: flight reliability; lack of young adult & kids activities.



Satisfaction w/ SUN Airport & Flight Service



*Most respondents are highly or moderately satisfied with airport.
Respondents are split between high, moderate and low satisfaction re:
flight service (PT residents mostly dissatisfied).*

Suggestions for improving SUN flights/airport

Add more flight options / nonstop flights to more cities

- Improve bad weather reliability / reduce diversions
- Improve flight connections
- Reduce flight costs
- Improve flight arrival / departure times
- Extend seasonal flights
- More terminal restaurant/bar options



IN SUMMARY – Winter 2013/14

- **SUN PASSENGERS**

- ~80% Visitors/PT Residents, 20% Local Residents

- **ECONOMIC IMPACT** (of SUN Visitors/PT Resident Passengers):

- \$44 Million in winter Direct Spending

- **73% of visitors/PT residents said SUN was very-extremely important factor in their decision to visit.**

- **HOW TO IMPROVE SUN?**

- Add more flights, reduce diversions, lower fares, have food in terminal



Friedman Memorial Airport Passenger Survey: Winter 2013/14 Summary



THANK YOU!

Prepared for: Fly Sun Valley Alliance
in partnership with Friedman Memorial Airport
Prepared by: RRC Associates

May 2014

Air Passenger Survey Update

- Update



» NEW BUSINESS

FY 15'Draft Budget (Operational)

- ▶ Analysis of anticipated operational income compared to anticipated operational expense
 - Does not include anticipated income or expense related to Federal programs (AIP or PFC)

- ▶ FY '15 Budget (Operational)
 - FMAA can meet all of the coming year's operation needs
 - Enables a 2.5% CPI adjustment in Employee compensation
 - Enables a maximum cap for salary adjustment predicated on meritorious performance.
 - Anticipated net income \$742,000.00
 - Anticipated \$865,000.00 in capital improvement expenditures
 - Contingency – \$35,000.00
 - Runway Improvements – \$\$200,000.00
 - Parking Lot Improvement – \$500,000.00
 - New Building Improvements – \$40,000.00
 - Net Income without one-time capital expenditures – positive \$33,000

FY 15'Draft Budget (Operational)

- ▶ New note this budget – Operational Fund Replenishment
 - Reflects a reasonable approval to Operational Fund Replenishment
 - CPI would be applied yearly on balance
 - Board could select a more aggressive replenishment schedule
 - Anticipates \$128,000.00 necessary FY '15
 - Clearly demonstrates that Rates & Charges adjustments are necessary

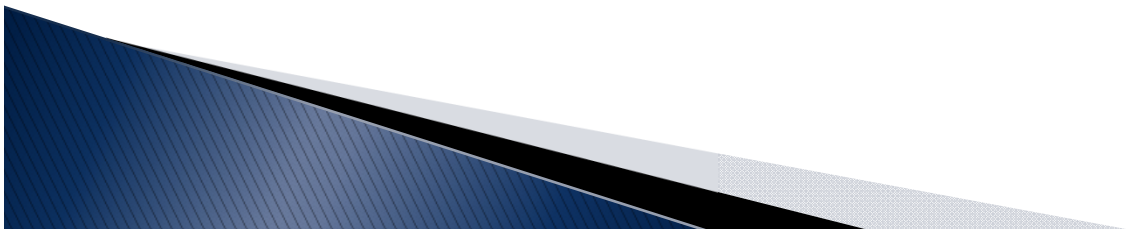


FY 15'Draft Budget (Combined)

- ▶ Includes all anticipated operational income and all anticipated operational expenses
- ▶ Includes all anticipated income and expense related to Federal Programs: AIP and PFC
- ▶ Preliminary budget for FY 15':
 - Enables FMAA to meet all the coming years operational and Safety Area implementation budget needs.
 - Anticipates \$9,375,000.00 in income and expenditures related to AIP 40 (Runway Safety Area Implementations)
 - Anticipates \$990,750 in Non-AIP/PFC expenditures related to the terminal
 - Anticipates \$401,000 Non-AIP/PFC expenditure related to the OPS/Admin building
 - Anticipates \$7,500,000 in income and expenditure related to AIP 41 (Runway Safety Area implementation 3rd grant)

FY 15'Draft Budget (Combined)

- Anticipates \$1,125,000 in FMAA expenditure related to AIP 40 & 41 that will be reimbursed over time by PFC
- Anticipates \$500,000 in FMAA expenditure related to acquiring SRE (Broom) that will be reimbursed over time
- Anticipates \$550,000 in FMAA expenditure related to the Master Planning process that will be reimbursed over time




FY 15'Draft Budget (Combined)

- ▶ FY 2015 net income (4,052,205)
- ▶ Operational net income goal FY' 2015 with this year's rates and charges change: \$150,000
- ▶ Operational net income goal each year after Runway Safety Area implementation project completion \$150,000
- ▶ Forecasted PFC revenue \$250,000 Annually
- ▶ FY 2015 budget process should leave over \$1,200,000 in operational reserves
- ▶ FMAA can anticipate \$150,000 from operational budget and \$250,000 from PFC for a total of \$400,000 in reserve replenishments annually



FY '15 Draft Rates and Charges

- ▶ A review of the Authority's Rates & Charges reveals that many Rates and Charges have not changed in years
 - ▶ Some areas were marginally adjusted last year
 - ▶ Last year's restrained approval to adjustments was to make some very conservative adjustments while waiting for Runway Safety Area Projects formulation and implementation to be solidified
 - ▶ As discussed in previous slides, the path forward is now clear
 - ▶ Preliminary operational budget numbers make it clear that adjustments are necessary
 - ▶ Staff included recommended Rates & Charges adjustment for Board consideration
 - Adjustments are proposed in passenger terminal auto parking fees, A/C landing fees, A/C tie down transient fees
 - Other recommendations may be included during the July meeting
- 

FY '15 Draft Rates and Charges

- ▶ Adjustments are clearly appropriate and conservative
- ▶ Adjustments will allow the Board to reimburse operational reserves at a pace of \$150,000 annually
- ▶ Adjustments are assigned appropriately based on class of operation and relationship to required improvements
- ▶ In many cases, adjustments let FMA remain low in comparison to similar resort airports



» PUBLIC COMMENT



Check SUN fares first when making travel plans
Book early and save



Thank you



1616 Airport Circle



Hailey, ID 83333



208.788.4956