

Progress Report to City of Sun Valley
April 4, 2013



Improving Air Access to Sun Valley

About Fly Sun Valley Alliance

Our Mission: Retain & improve air access to Sun Valley.

Focus areas: Air service MRG support/contracts, research, fundraising, air service development initiatives.

- **FSVA is only valley organization focused solely on this critical economic effort.** *(outside of FMAA, which has statutory limitations on funding MRGs)*
- **FSVA is a 501c6 non-profit organization; with 10 private sector board members and 5 public ex-officio board members representing;**
 - Friedman Memorial Airport
 - Cities of Ketchum, Sun Valley, Hailey, Blaine County
 - Sun Valley Resort, Sun Valley Marketing Alliance, Hailey Chamber of Commerce, Sun Valley Board of Realtors, other area businesses.

Key YTD Performance Metric Progress

1. Retain 24,000 current seats from SEA and LAX in winter 2012/13 and summer 2013.

- * Successfully negotiated/completed 2012/13 winter & 2013 summer flight contracts.
- * Winter 2012/13 season extended thru March 31; summer 2013 extended thru Sept 22

2. Reduce 2012-13 winter & summer MRG payout by 20%

(through combination of negotiated MRG cap, modification of schedule, and yield pricing management, assuming the cost per trip identified by airline remains constant with prior year.)

- ✓ Reduced summer 2012 MRG payout by 75%
- ✓ Negotiated lower MRG cap and improved contract terms for winter 2012-13 & summer 2013

3. Conduct 1500 air passenger surveys in 2012-13 at SUN

- ✓ In progress for winter season

4. Raise at least \$150,000 in private sector funds for air service support by 9/30/13.

- * Raised/received \$220,000 net private sector support YTD 2/28/13.

Other FSVA Key Accomplishments

AIR SERVICE DEVELOPMENT:

- ✓ Continued discussions/meetings with airlines, data gathering re: new service and expanded service.
- ✓ Participated in Network USA air service conference
- ✓ Successfully worked with airlines to secure expanded service – **both SkyWest and Alaska have expanded service for 2013!**

OUTREACH/EDUCATION:

- ✓ Participated in Idaho Business Review's "Setting a Course on Air Travel" forum
- ✓ Made presentations to local stakeholder groups
- ✓ Attended meetings with local large businesses to gather input on their air service needs.
- ✓ Assisted with various air service promotions, fare sales, event sponsorships, boarding pass deal promotions, etc.

Network
USA | 2013
Bringing airlines and airports together

The flyer is titled "YOUR SUN VALLEY BOARDING PASS HAS ITS REWARDS!" and features the Alaska Airlines and Fly Sun Valley Alliance logos. It lists three types of rewards: "Ski FREE the Day You Arrive", "FREE Lessons & Demos After Arrival", and "Get 5th Night FREE". Each reward includes a brief description and a photo. The "Ski FREE" reward shows a person on skis. The "FREE Lessons & Demos" reward shows a group of people on a snowy slope. The "Get 5th Night FREE" reward shows a hotel room. A "Great Deals!" starburst is in the top left. A small "Sun Valley" logo is at the bottom left, and a website URL "www.sunvalley.com" is at the bottom right.

Great Deals!

YOUR SUN VALLEY BOARDING PASS HAS ITS REWARDS!

Passengers on Alaska Airlines flights to Sun Valley will be able to take advantage of some exclusive activity deals being offered by Sun Valley Resort and other area businesses, just by showing their boarding pass.

THESE INCLUDE:

Ski FREE the Day You Arrive

Trade in your Horizon Air Seattle/Sun Valley Boarding Pass for an afternoon of skiing or boarding at Sun Valley – or make tracks at the Sun Valley Nordic Center. Then, enjoy a free, two-hour morning ski/board group lesson the following day.*

FREE Lessons & Demos After Arrival

Present your L.A./Sun Valley boarding pass at any of our ticket windows and get a free demo ski/board package or a free, two-hour morning group lesson the day following your arrival.** Some blackout days apply for free ski lessons and demo package. 12/22/12-1/1/13 and 2/16/13-2/24/13.

Get 5th Night FREE

Stay for 4 nights and get your 5th night FREE at participating area lodging properties when you fly to Sun Valley on Alaska Air. Call (800) 976-4925 to get this deal.

Sun Valley

Present your Alaska Airlines boarding pass at the Sun Valley Recreation Center located at the Sun Valley Village to receive redeemable rewards. www.sunvalley.com

* Must show boarding pass on check-in. www.visitsonvalley.com

FMAA & FSVA: “Relentless Forward Progress”



Business & Other Support Secured

* Business Support/Ski Pass sales

- **\$137,000 net raised**
- 42 local businesses & orgs

* Ski for Air Service Day (Jan 27)

- **\$36,000 net raised**
- SV Resort donates ski tickets
- Ski shops sell tickets & offer 50% off rentals/demos
- Lodging properties offer 50% off lodging
- 4 businesses donated raffle prizes



A promotional poster for 'Ski for Air Service Day' on January 27. The top section features a skier in a red jacket and a yellow sunburst graphic with the word 'WOW!'. Below this, a purple banner reads 'SKI FOR AIR SERVICE DAY' and 'JANUARY 27'. The main offer is '\$40 Full Day Lift Ticket' with 'Advance Purchase January 16-26 ONLY at Participating Ski Shops' and '50% OFF Rentals & Demos' and '50% OFF Select Lodging'. The bottom section lists participating ski shops: Board Bin, Formula Sports, PK's Ski & Sports, Ski Tek, Sturtevant's, and Elevation Sports. It also mentions that the shops listed are also offering 50% off rentals and demos on January 27. The poster includes logos for 'Fly Sun Valley Alliance' and 'Sun Valley' and the website 'www.flysunvalleyalliance.com'. A small box at the bottom left mentions a 3-5pm raffle at River Run Lodge.

Realtors for Air Support Secured

- * RFA was launched by SVBR in June 2012
- * Currently have **187 agents in 16 offices committed**
- * Contribution made on 1% of gross commissions – or set voluntary annual amount per agent.
- * **To date: \$65,000 in RFA commitments, \$49,000+ contributed**
- * **3 firms have exceeded their initial commitment amounts**



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Sun Valley Sotheby's International Realty
The Brokerage
The Kirk Group
Thunder Spring Real Estate
Windermere Real Estate
Wood River Realty



The Sun Valley Board of Realtors would like to recognize these local real estate companies that have enthusiastically and generously contributed to our Realtors For Air program to fund commercial air service at Friedman Memorial Airport by having 100% participation within their offices.



The Next Key Steps for Air Service

Pass 1% LOT for Air in Ketchum & Hailey in Nov 2013

- ❖ LOT passed in SV in 11/12, SV City Council has agreed to not repeal, will wait to see if it passes in Ketchum in 11/13.
- ❖ Citizens for Air Service committee has started meeting to discuss strategy/plans

Secure new non-stop service from key markets

- ❖ As financially feasible, discussions continuing

Make airport improvements including physical site modifications and new technology system to improve reliability.

- ❖ Safety Area Project Formulation and Instrument Procedure Feasibility Underway

Gather more data to address SUN Leakage to BOI, TWF, SLC

- Leakage analysis of visitors/2nd homeowners to other airports and reasons.
- Data tracking of comparative pricing of SUN vs. other airports.

SUN Seat Occupancy & Enplanements

2012 Seat occupancy %/Load Factor: 13% total increase ; average 78% Alaska; 71% SkyWest
 2012 Enplanements: -4% total decrease; Alaska +10%; SkyWest -11% (due to reduced seats)

Friedman Memorial Airport
 February 2013

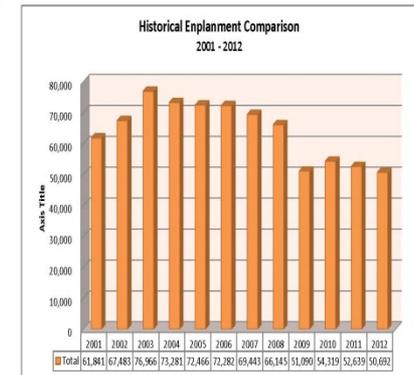
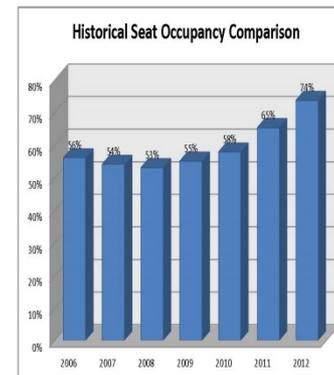
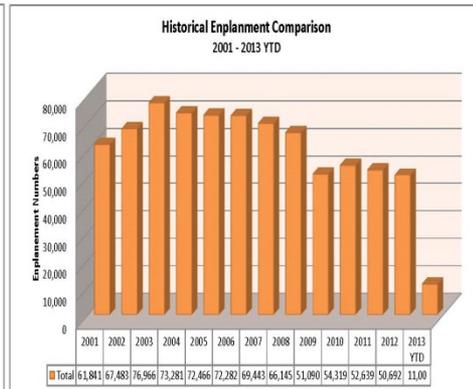
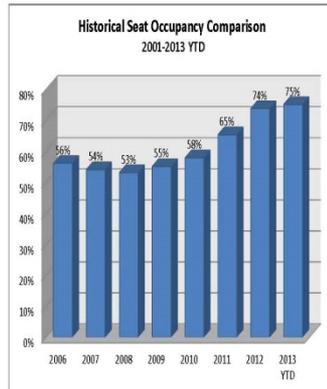
Date	Alaska Airlines				SkyWest Airlines				Annual Seat Occupancy Totals Year-to-Year Comparison			Annual Seat Occupancy Percentages Year-to-Year Comparison		
	Departure Flights	Seats Available	Seats Occupied	Percent Occupied	Departure Flights	Seats Available	Seats Occupied	Percent Occupied	Total Seats Occupied Y-T-D	Total Seats Occupied Prior Y-T-D	Y-T-Y % Change	Current Y-T-D % Occupied	Prior Y-T-D % Occupied	Y-T-Y % Change
Jan-13	59	4,130	3,150	76%	107	3,210	2,113	66%	5,263	5,327	-1%	71.70%	73.37%	-2%
Feb-12	55	3,850	3,374	88%	116	3,480	2,366	68%	11,003	10,431	5%	75.00%	74.99%	0%
Totals	114	7,980	6,524	82%	223	6,690	4,479	67%						

Note: Total of 70 Seats Available on aircraft Total of 30 Seats Available on aircraft Legend: Y-T-D = Year-to-Date Y-T-Y = Year-to-Year

Friedman Memorial Airport
 Year Ended December 31, 2012

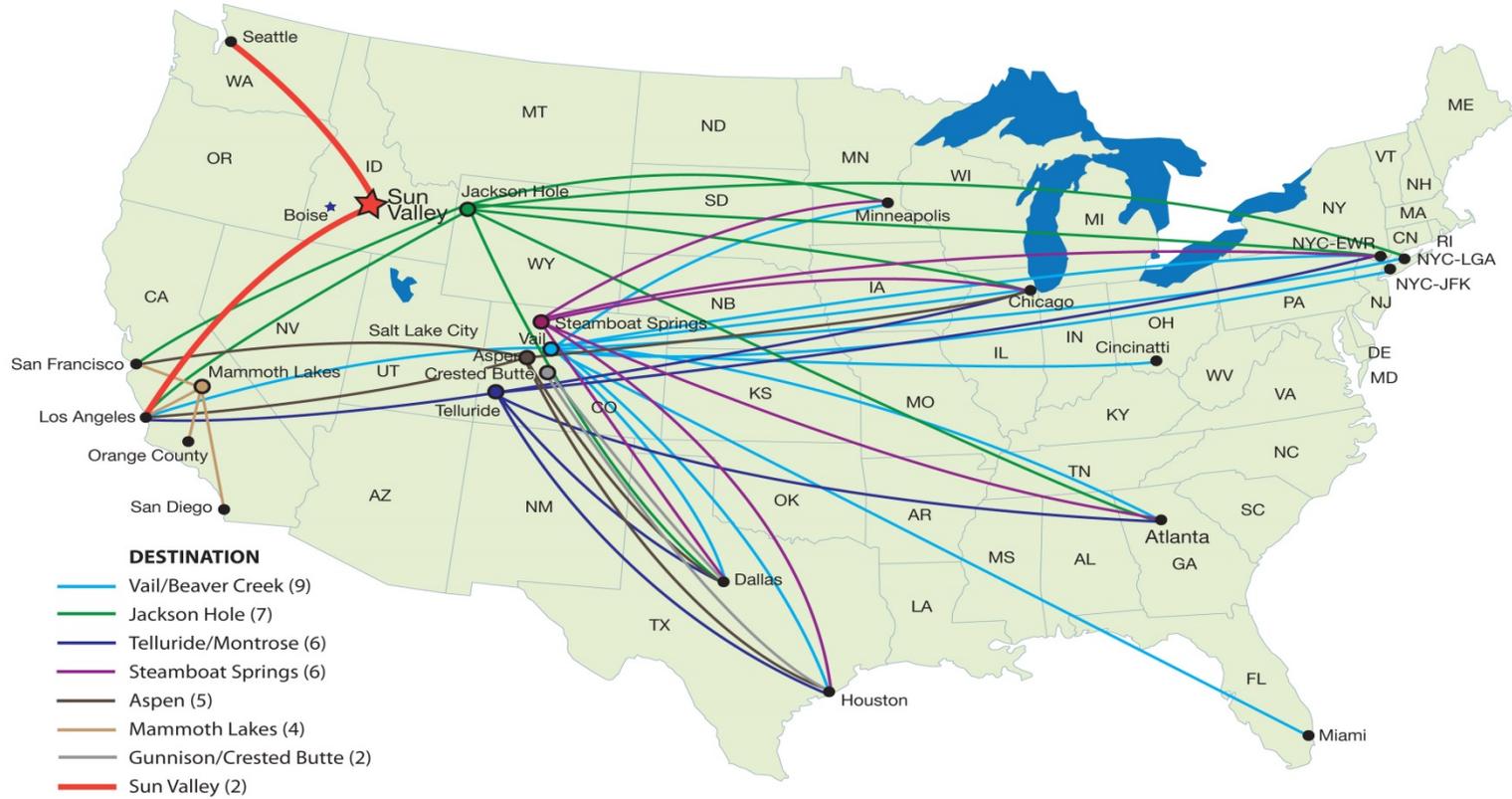
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Jan-12	57	3,990	2,932	73%	109	3,270	2,395	73%	5,327	5,732	-7%	73.37%	66.19%	11%
Feb-12	41	2,870	2,839	99%	126	3,780	2,265	60%	10,431	10,942	-5%	74.99%	66.19%	13%
Mar-12	48	3,360	2,686	80%	122	3,660	2,827	77%	15,944	15,503	3%	76.18%	67.55%	13%
Apr-12	0	0	0	0%	90	2,700	2,151	80%	18,095	17,869	1%	76.58%	66.63%	15%
May-12	0	0	0	0%	91	2,730	1,974	72%	20,069	20,221	-1%	76.13%	63.83%	19%
Jun-12	36	2,520	1,426	57%	133	3,990	2,558	64%	24,053	24,721	-3%	73.18%	59.71%	23%
Jul-12	62	4,340	3,563	82%	184	5,520	3,662	66%	31,278	32,389	-3%	73.20%	61.85%	18%
Aug-12	59	4,130	3,348	81%	171	5,130	3,984	78%	38,610	41,016	-6%	74.26%	64.76%	15%
Sep-12	32	2,240	1,613	72%	131	3,930	3,176	81%	43,399	45,128	-4%	74.62%	65.49%	14%
Oct-12	0	0	0	0%	120	3,600	2,683	75%	46,082	47,754	-4%	74.61%	65.83%	13%
Nov-12	0	0	0	0%	81	2,430	1,804	74%	47,886	49,522	-3%	74.60%	66.11%	13%
Dec-12	24	1,680	1,270	76%	98	2,940	1,536	52%	50,692	52,639	-4%	73.67%	65.25%	13%
Totals	359	25,130	19,677	78%	1,456	43,680	31,015	71%						

Note: Total of 70 Seats Available on aircraft Total of 30 Seats Available on aircraft Legend: Y-T-D = Year-to-Date Y-T-Y = Year-to-Year



A Reminder: Access = Business

ROCKY MOUNTAIN NON-STOP SERVICE FROM MAJOR MARKETS



NOTE: Does not include service from connecting cities such as Salt Lake City and Denver

In Conclusion

**The City of Sun Valley's investment in air service
is making a positive difference!**

*It is critical to your businesses, your residents, your city tax
base and to our entire community's economic future.*

Thank you

