



August Commission Presentation

Director's Report

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Boise Airport Director

AUGUST 1, 2019

July Runway Closures

- **July 1-19: 10L/28R**
Multiple construction projects
- **July 22: 10L/28R, 11:50am – 2:30pm**
Aircraft Incident
- **July 24: 10R/28L, Noon – 6:00pm**
TWY M painting and airfield safety work

UPCOMING CLOSURES

- **August 13-14: 10R/28L**
Public sewer line work, painting, survey work, mowing, misc. airfield work



Cessna Aircraft Incident

July 22, 2019

- Cessna aircraft experience mechanical issue upon landing
- Veered into the safety area
- No injuries or impacts to commercial operations
- North runway closed for approximately 3 hours



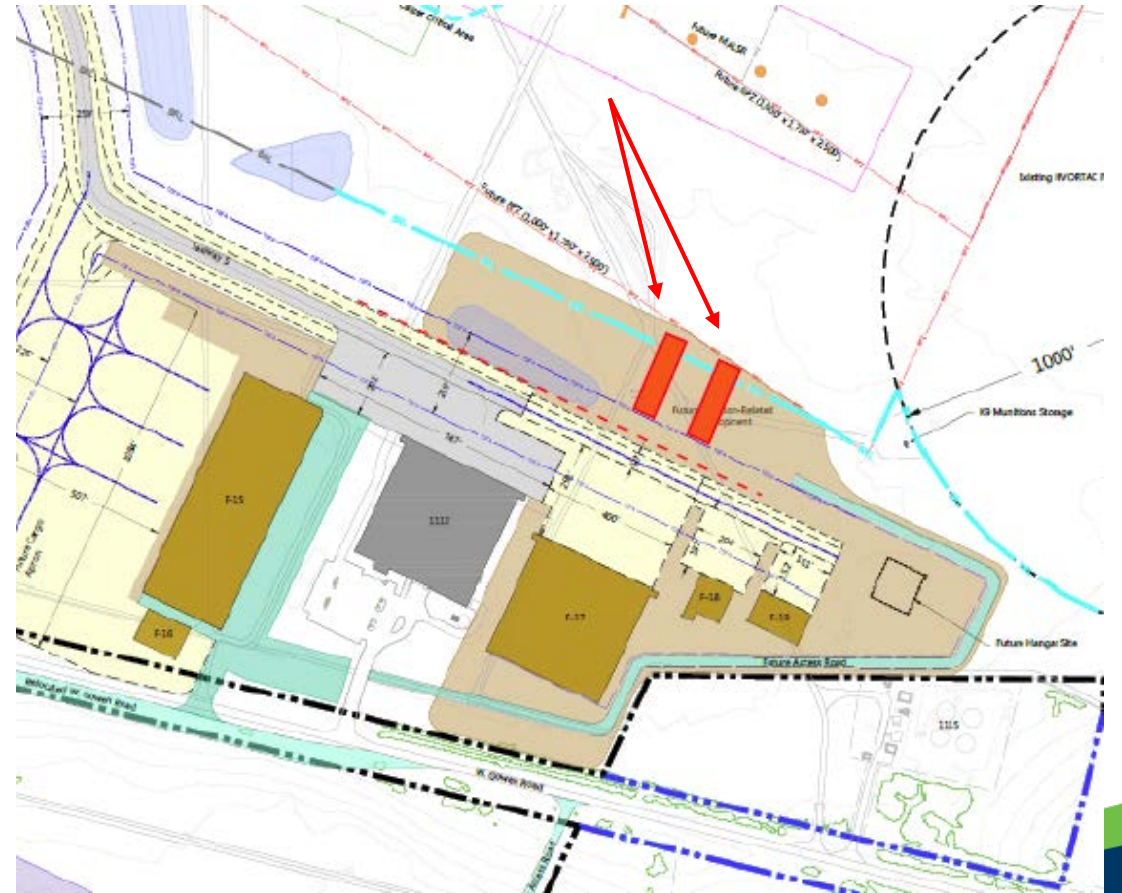
Boeing 737 MAX Operational Effects

- Boise Airport has seen a reduction in frequencies to some destinations
- San Jose, San Diego and Spokane
- All markets still have nonstop service



General Aviation T-Hangar Development

- Multiple parties have expressed interest to build private partnership t-hangars at BOI
- Airport identified a location north of Taxilane Sierra for development



TSA Checkpoint Improvements

- A sixth lane will be added to the security checkpoint at BOI
- Project is set to be completed by end of August
- Will increase throughput and shorten lines during peak morning hours



New Contracts and Leases

- Land Acquisition
 - 2105 Commerce currently leased by Two Men and a Truck
- Simplot site access agreement
 - Allows access to determine feasibility of new hangar construction
- FAA Mobile Asset Staging Area
 - Lease on control tower site, building scheduled to be completed in spring 2020



- Forest Service
 - Temporary lease in ARFF training facility off Gowen Road
- Wildlife Management
 - Renewed agreement with the USDA

Current Formal Bids

- Construction of ITD Aeronautics Hangar & Office
 - Status: Award pending approval
- Rehab and expansion of remote de-ice aprons
 - Status: Award pending approval
- Taxiway Sierra Extension
 - Status: Bid period to open mid-August



Airport Improvement Funds

- Boise Airport to receive over \$5.3 million from FAA
- Funds will be used for improvements including:
 - Apron rehabilitation
 - Taxiway construction
 - Apron expansion



Airport Parking Rate Adjustment

Pending City Council Approval

- The airport's FY 2020 budget proposes airport public parking rate increases
- New rates would begin October 1, 2019
- Hourly rate would remain the same

Parking Location	Current Daily Rate	Proposed Daily Rate
Economy Lot	\$7.50	\$8.00
Long-Term Surface	\$9.00	\$10.00
Long-Term Garage	\$11.50	\$13.00
Short-Term	\$21.50	\$23.00

ALPA Airport of the Year

- The Air Line Pilots Association named Boise Airport as their 2018 Airport of the Year
- They cited our *“collaborative approach to keeping aviation safety the top priority by regularly seeking input from pilots and other industry stakeholders.”*

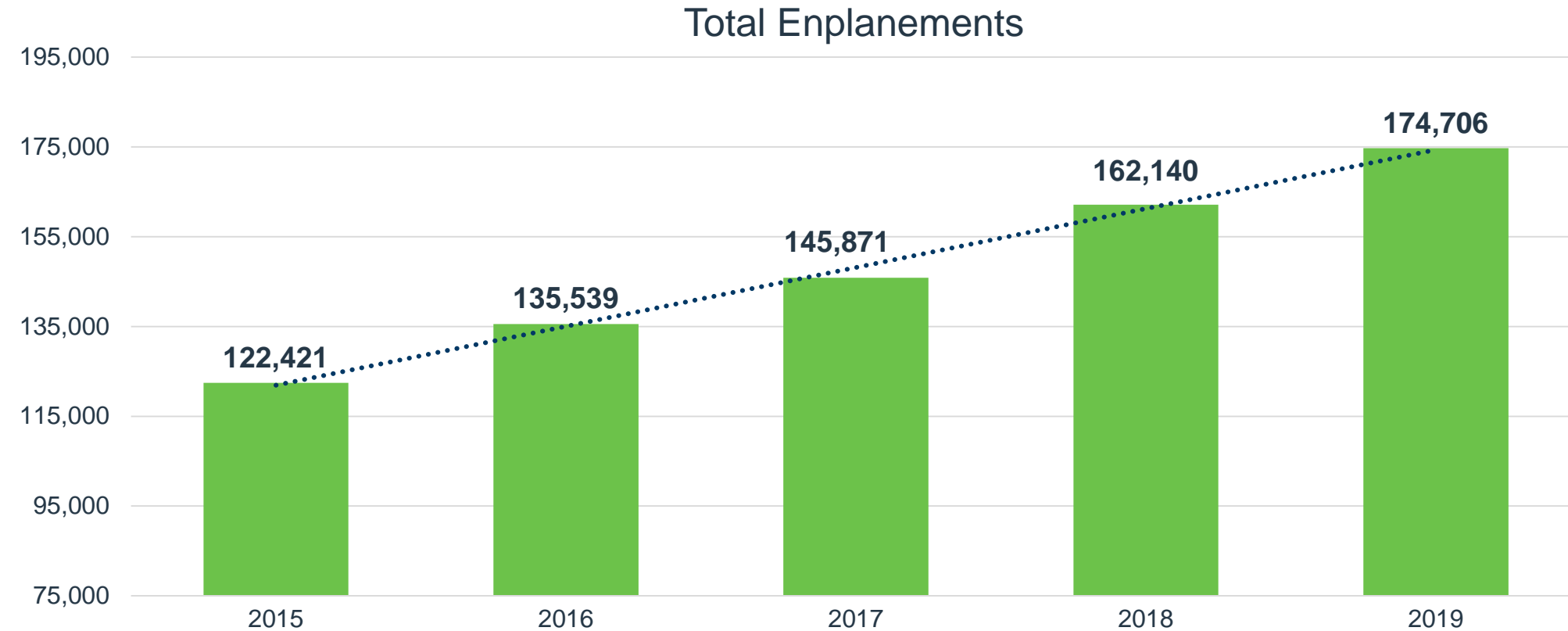


Top 10 Operating Revenue Description	FY 2019	FY 2018	\$ Change	% Change
Parking Lot	\$ 8,928,044	\$ 8,381,400	\$ 546,644	7%
Rental Car Concession	\$ 3,581,744	\$ 3,256,242	\$ 325,502	10%
Industrial Land Rent	\$ 2,772,041	\$ 2,705,910	\$ 66,131	2%
Terminal Rent – Airlines	\$ 2,673,974	\$ 2,633,489	\$ 40,485	2%
Signatory Airline Landing Fees	\$ 2,462,373	\$ 2,284,483	\$ 177,890	8%
Terminal Concession – Food/Beverage	\$ 987,654	\$ 870,448	\$ 117,206	13%
Terminal Concession – Retail	\$ 786,856	\$ 734,580	\$ 52,276	7%
Landing/Freight	\$ 460,785	\$ 452,285	\$ 8,500	2%
Terminal Rent – Non Airlines	\$ 445,324	\$ 428,991	\$ 16,333	4%
Employee Parking Permits	\$ 427,319	\$ 352,034	\$ 75,285	21%
Total Top 10 Operating Revenue	\$ 23,526,115	\$ 22,099,862	\$ 1,426,253	6%
Other Operating Revenue	\$ 2,191,994	\$ 2,215,943	\$ (23,949)	-1%
Total Operating Revenue	\$ 25,718,109	\$ 24,315,805	\$ 1,402,304	6%

Top 10 Operating Expenses Description	FY 2019	FY 2018	\$ Change	% Change
Personnel	\$ 5,683,596	\$ 5,413,614	\$ 269,982	5%
Fire Service	\$ 2,078,228	\$ 1,899,863	\$ 178,365	9%
Policing Service	\$ 1,974,675	\$ 1,894,569	\$ 80,106	4%
Parking Management	\$ 1,153,023	\$ 873,712	\$ 279,311	32%
Indirect Cost Reimbursement	\$ 1,014,592	\$ 940,725	\$ 73,867	8%
Power	\$ 597,470	\$ 815,962	\$ (218,492)	-27%
R/M – Structural/Electrical/Plumbing	\$ 516,846	\$ 449,664	\$ 67,182	15%
R/M – Fleet Management	\$ 333,991	\$ 354,894	\$ (20,903)	-6%
Chemicals	\$ 273,555	\$ 787,378	\$ (513,823)	-65%
Credit Card Fees	\$ 248,081	\$ 281,910	\$ (33,829)	-12%
Total Top 10 Operating Expenses	\$ 13,874,056	\$ 13,712,291	\$ 161,765	1%
Other Operating Expense	\$ 2,928,628	\$ 3,269,941	\$ (341,313)	-10%
Total Operating Expense	\$ 16,802,684	\$ 16,982,232	\$ (179,548)	-1%

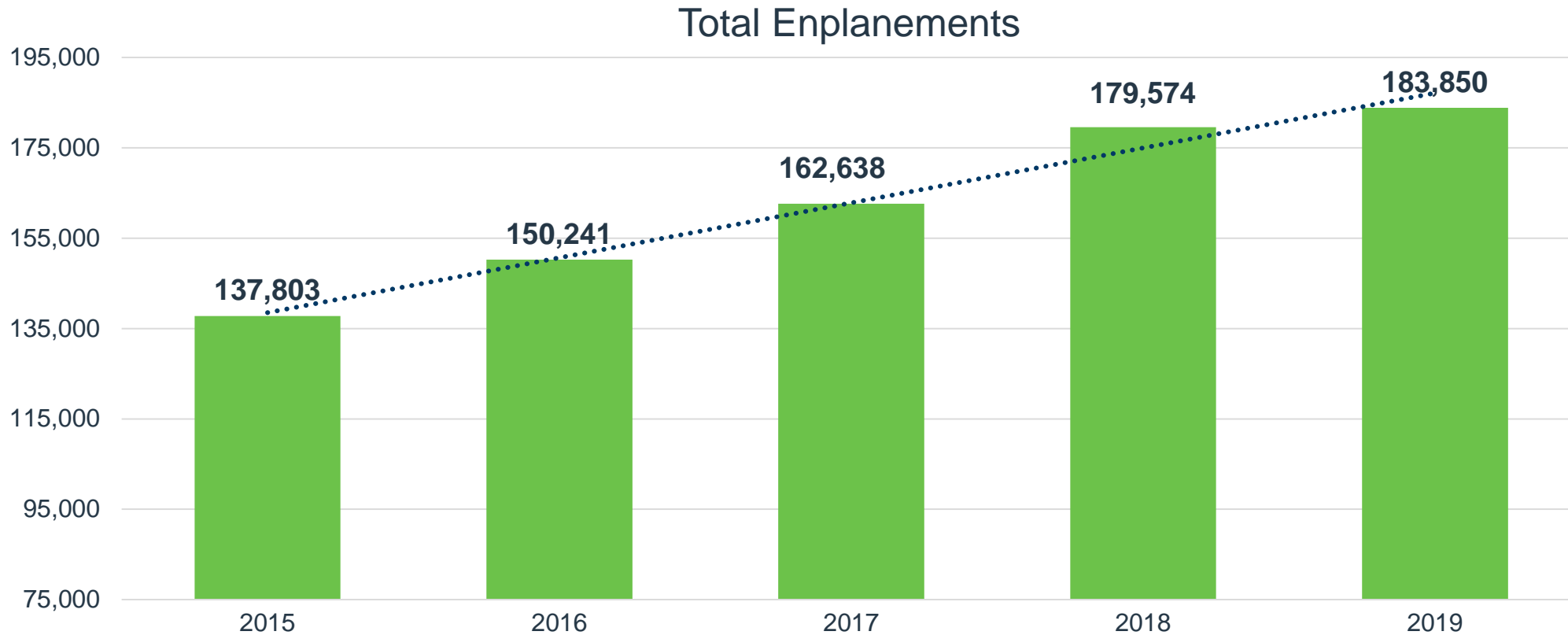
May Enplanements

Up 8% May 2019 over May 2018



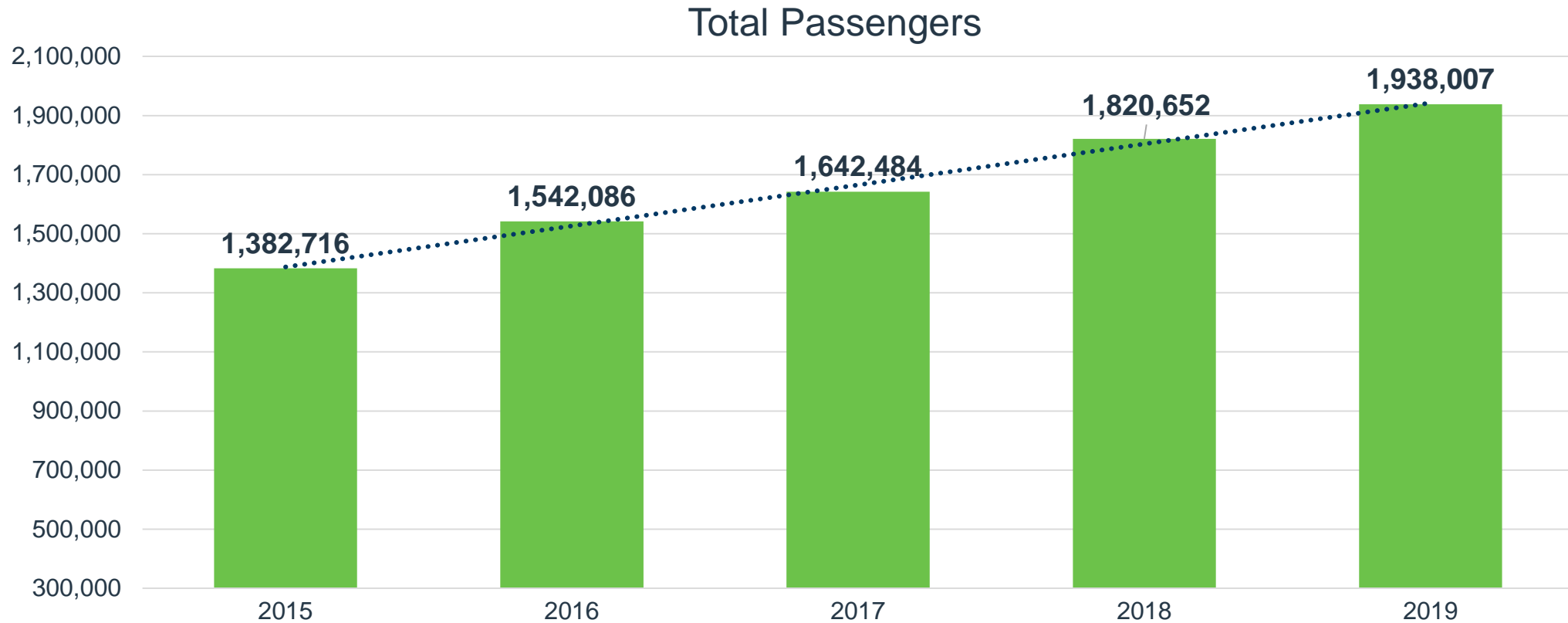
June Enplanements

Up 2% June 2019 over June 2018



2019 Total Passengers

Up 6% over 2018



Upcoming Events

Date	Event
August 8, 2019	Airport Triennial Disaster Exercise
September 5, 2019	Next Commission Meeting – Airfield Master Plan Overview
September 7, 2019 8:00 a.m. – 10:30 a.m.	BOI General Aviation Town Hall Meeting

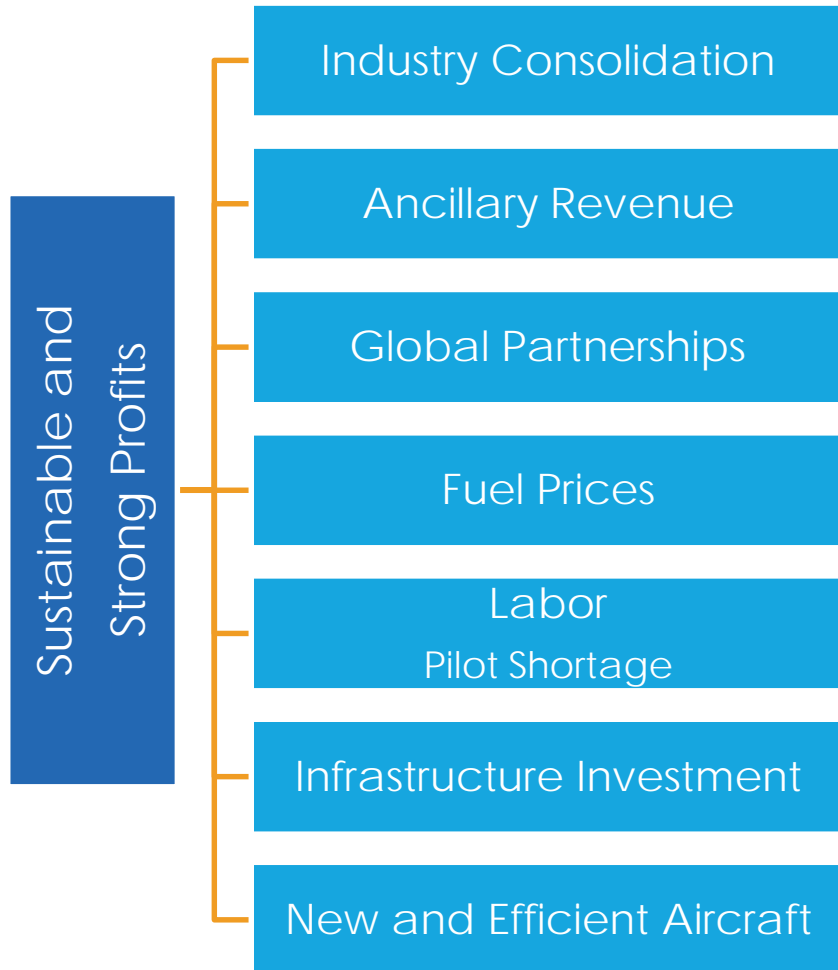
Boise Airport Commission Air Service Overview

August 1, 2019



Industry Trends

U.S. airline industry is stronger than its ever been



Hot off the production line = Plane Demand!

“Delta’s A220, which takes advantage of advanced technology ... designed to deliver considerable improvements in fuel efficiency (~20%).”

A321 NEO



A220



E175



B737 MAX



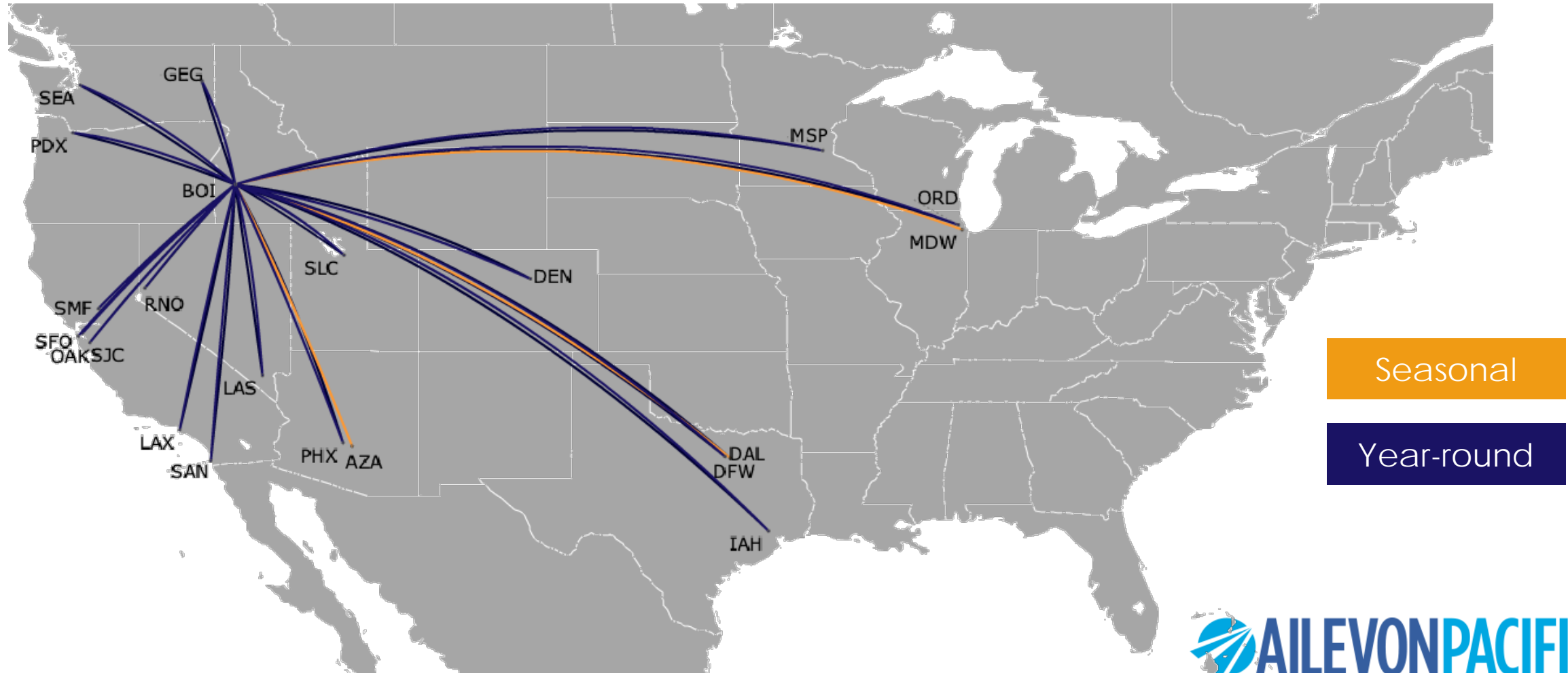
B787



“The spacious E175 offers a passenger experience, that’s on par with much larger jets. ... opens up tremendous new opportunities.”

Market Assessment Highlights

BOI route map: 2019



Seasonal

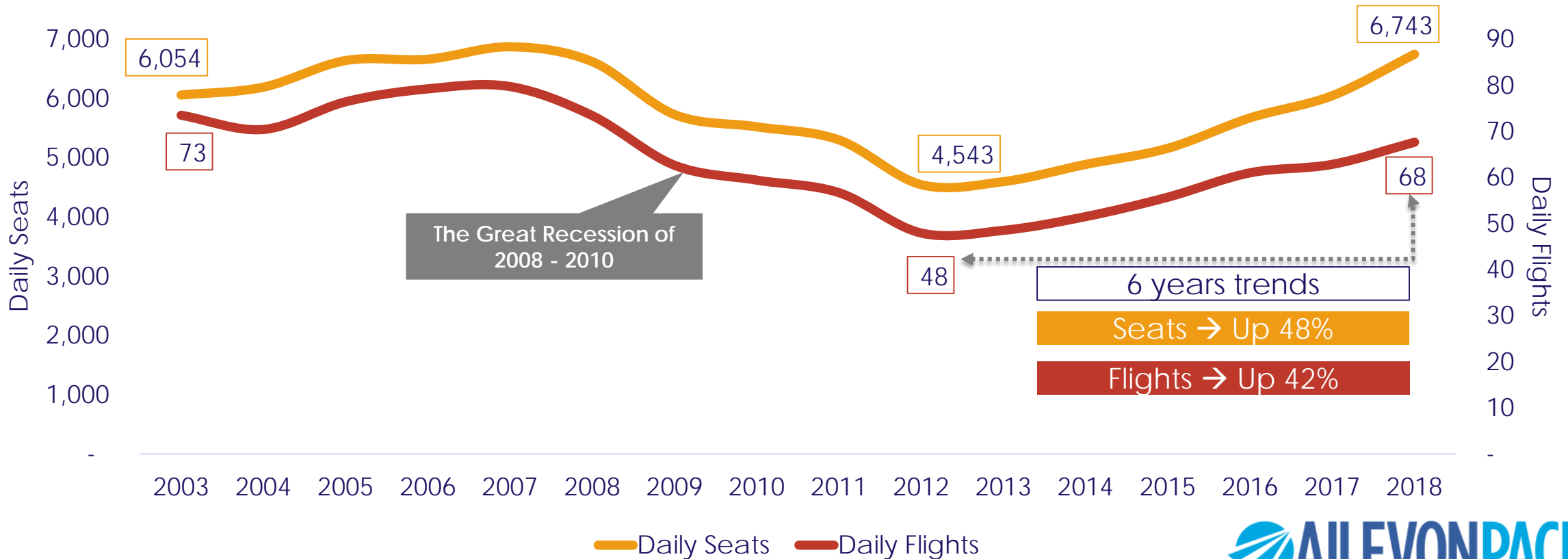
Year-round



Sources: Diio Mi Schedules and Schedule Mapper

Even though flights have decreased over the last 15 years, seats are up 11% due to ...

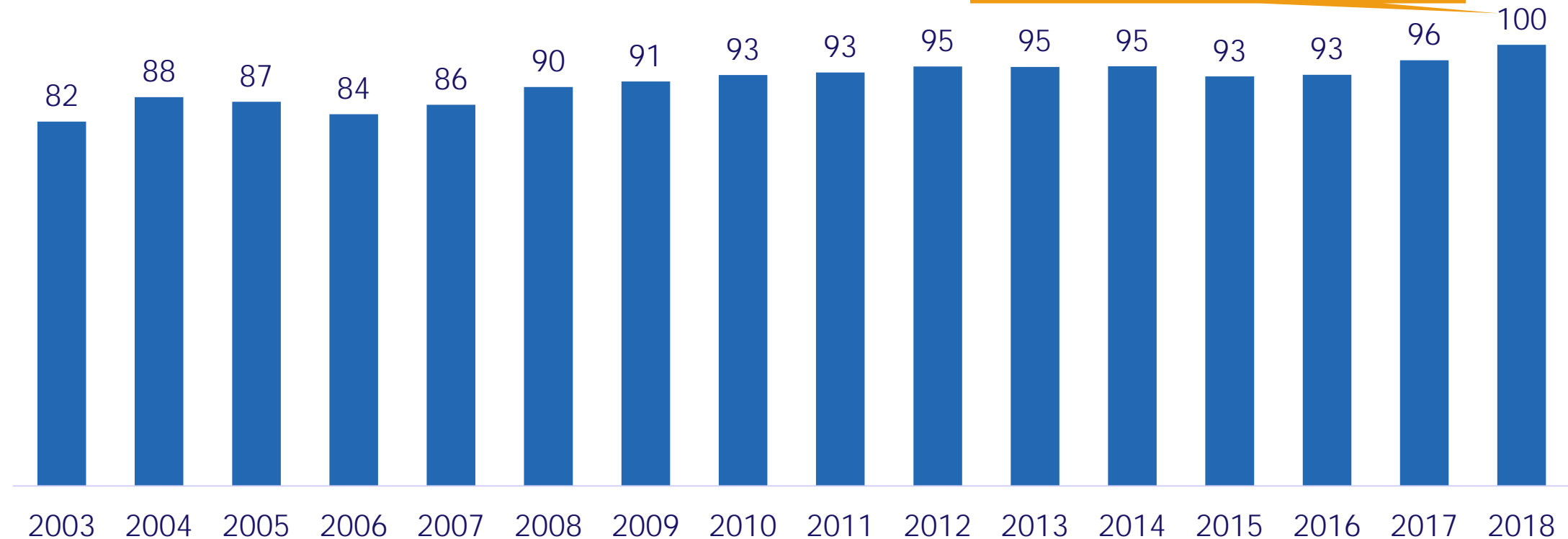
BOI - 15 YEAR TREND: CAPACITY ENVIRONMENT
Average year-ending daily flights vs. daily seats



Source: Diio Mi Schedule Summary

... larger aircraft

BOI - 15 YEAR TRENDS: GAUGE
Average seats per departure

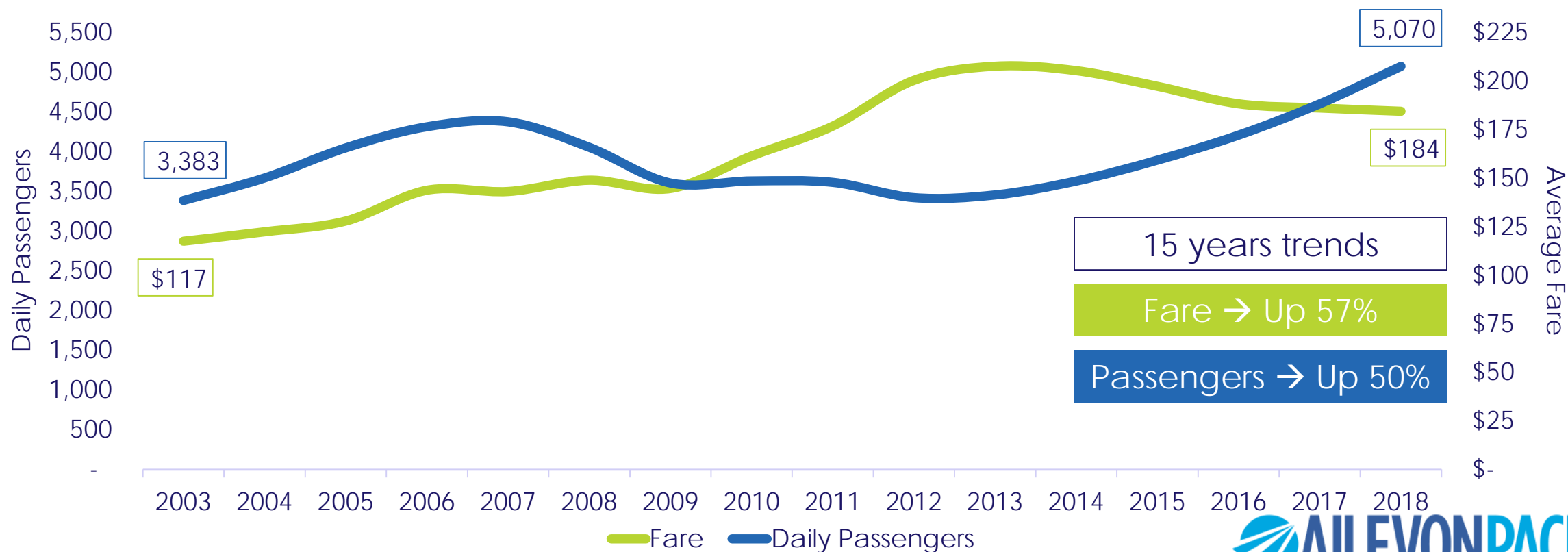


BOI's predominant aircraft in 2018 were the E175s (34% of flights) followed by the B737 family (25% of flights)

Even with flights down and seats up only 11%, demand has grown by 50% while fares have risen by 57% resulting in ...

BOI - 15 YEAR TREND: TRAFFIC AND FARE ENVIRONMENT

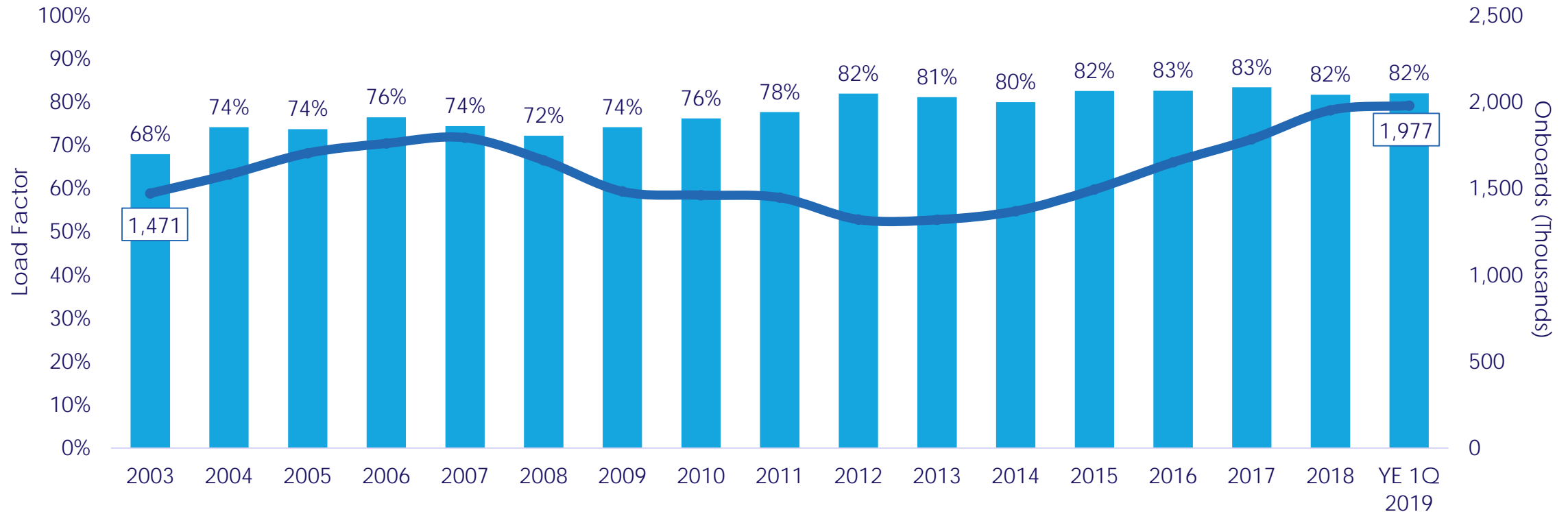
Average year-ending daily passengers vs. average fare



... higher load factors coupled with a record number of passengers in 2019¹

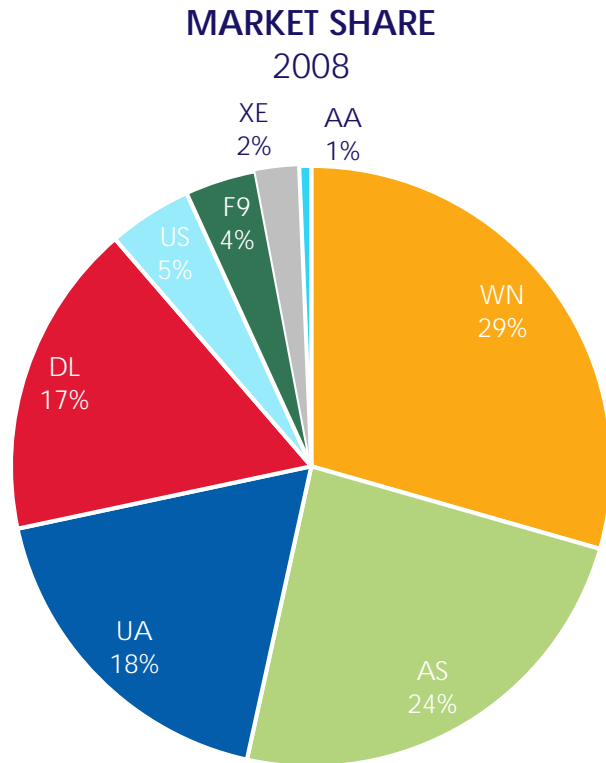
BOI - 15 YEAR TRENDS¹: LOAD FACTOR AND ONBOARDS

Annual onboards (thousands)

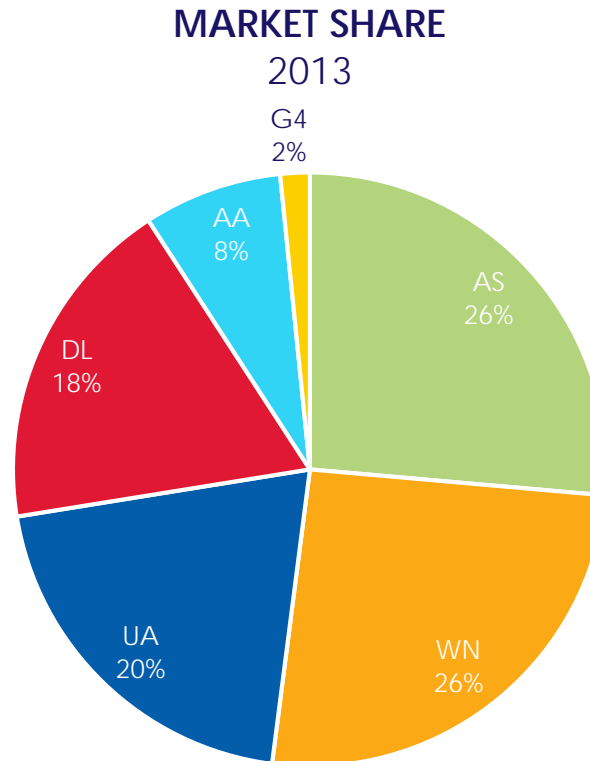


Note 1: All years are year-ending December except 2019; year-ending March 2019
Source: Diio Mi DOT T-100

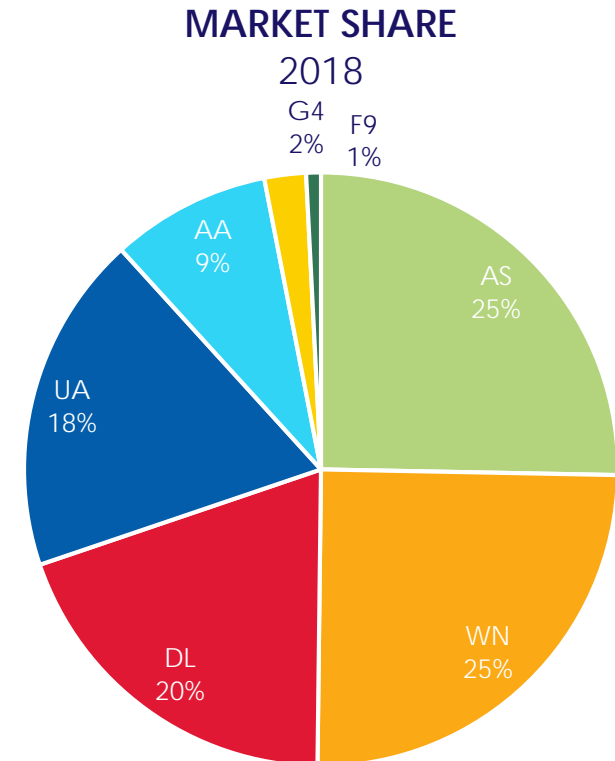
Over the last five years, Alaska and Southwest have always been tied for #1 market share leader



4,052 daily passengers



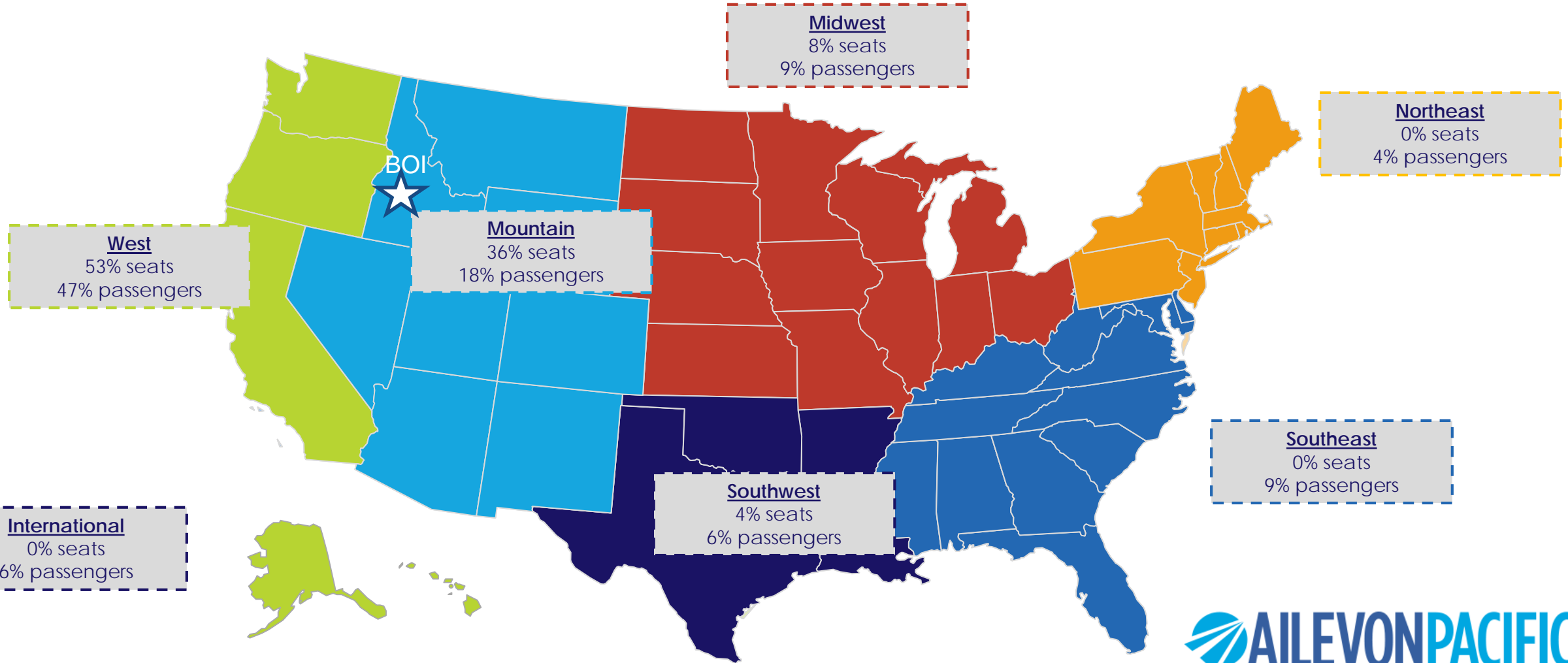
3,453 daily passengers



5,070 daily passengers

Note 1: 2008 combines DL and NW and 2013 combines AA and US
Sources: DiiO Mi O&D Summary

88% of BOI's capacity is to the west and mountain regions whereas 65% of BOI's demand is to those regions

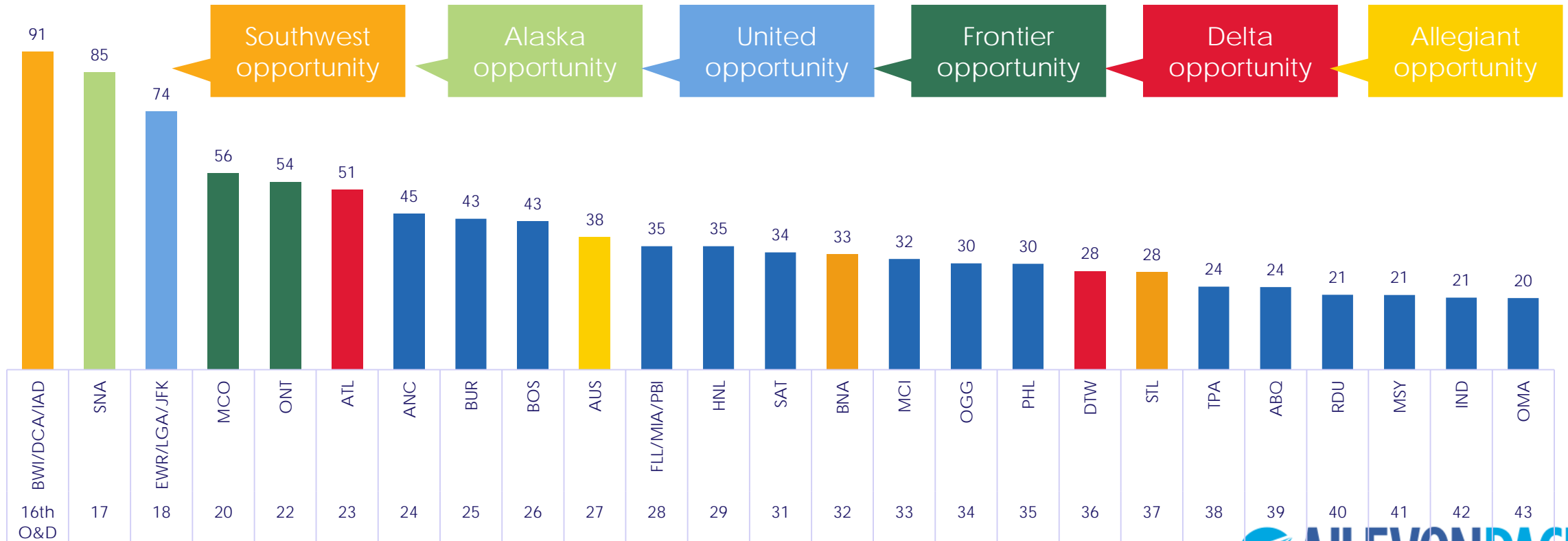


Note 1: Seats and Flights are represented in daily figures
Sources: Diio Mi O&D and Schedule Summary, Census Regions and Divisions of the U.S.

BOI's top 25 unserved markets

BOI – TOP 25 UNSERVED MARKETS¹

Daily passengers²



Note 1: Cotermed AZA/PHX, BWI/DCA/IAD, DAL/DFW, EWR/JFK/LGA, FLL/MIA/PBI, HOU/IAH, MDW/ORD
 Note 2: Some market opportunities can be considered opportunities for two carriers – highlighted the most likely airline
 Source: Diio Mi O&D and Schedule Summary

Boise's current environment (1 of 2)

BOI's Competitive Advantage

- Geography: Boise's Catchment Area is vast
- Closest airport of scale is SLC – 5.5+ hours drive

15 Year Trends

- Seat capacity increased by 11%. Resulted in:
- A 50% increase in demand on top of a 57% fare increase

BOI's Largest Airlines

- Alaska & Southwest: Both capturing 25% of the market
- Delta is BOI's largest legacy airline capturing 20% of the market

International

- International demand has grown by 64% in the last five years
- Four of five top markets are in Mexico

BOI's strategies by airline type

Alaska
AIRLINES

- Grow capacity in key intra-west markets
- Market to watch and improve performance are Spokane and Reno
- Target market: Orange County, California

Southwest

- Improve performance in existing markets
- Target eastbound markets: Baltimore, St. Louis and service extension to Chicago-Midway

Legacy airlines

American Airlines DELTA
UNITED

- Increase capacity to new and existing hubs, focusing on eastbound traffic flows
- Target markets: Atlanta on Delta and additional capacity to Chicago-O'Hare on American and/or United

ULCCs

allegiant FRONTIER
AIRLINES

- Grow access to ULCC networks to benefit residents
- Work with carriers to develop inbound visitor markets

Airlines to target

jetBlue spirit
Moxy sun country
airlines

- Keep close tabs on strategy development, especially for Moxy
- These carriers are not likely near-term opportunities

Questions?