



June Commission Presentation

Director's Report

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Boise Airport Director

JUNE 4, 2020

May Runway Closures

- **May: 10L/28R**
Multiple closures during the day and night to facilitate cleaning/painting the runway along with miscellaneous maintenance

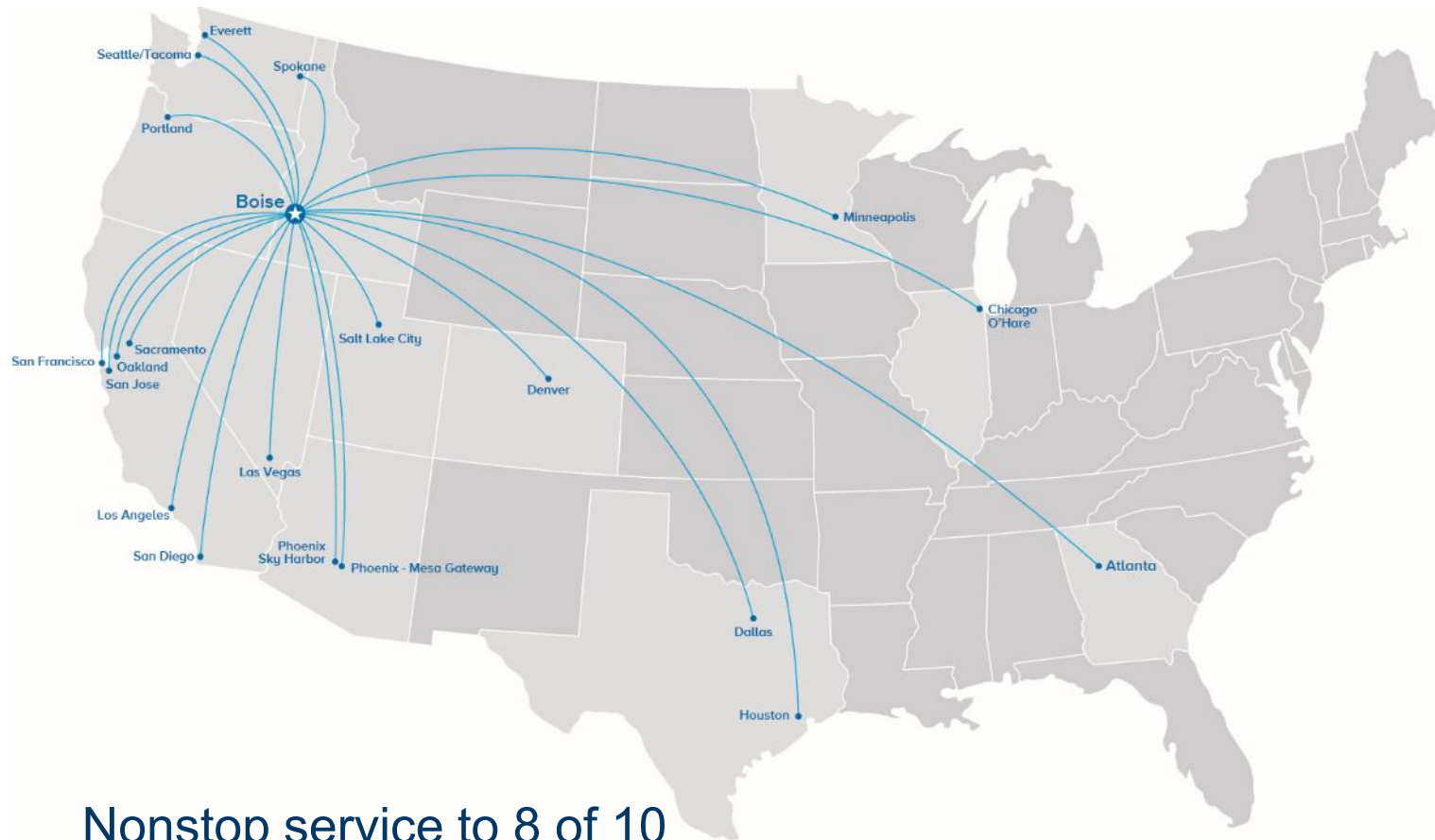
There are no scheduled runway closures for June



Air Service Update



Pre-COVID Nonstop Service



Nonstop service to 8 of 10 busiest airports in the nation.

New nonstop service in 2019

Destination	Airline	Details
Los Angeles	Delta	Add 1 daily flight
Seattle	Delta	Add 2 daily flights
Seattle	Alaska	Add 2 daily flights

New nonstop service in 2020

Destination	Airline	Details
Los Angeles	Alaska	New Route – Two daily flights
Atlanta	Delta	New Route – One daily flight
Everette	Alaska	New Route – One daily flight

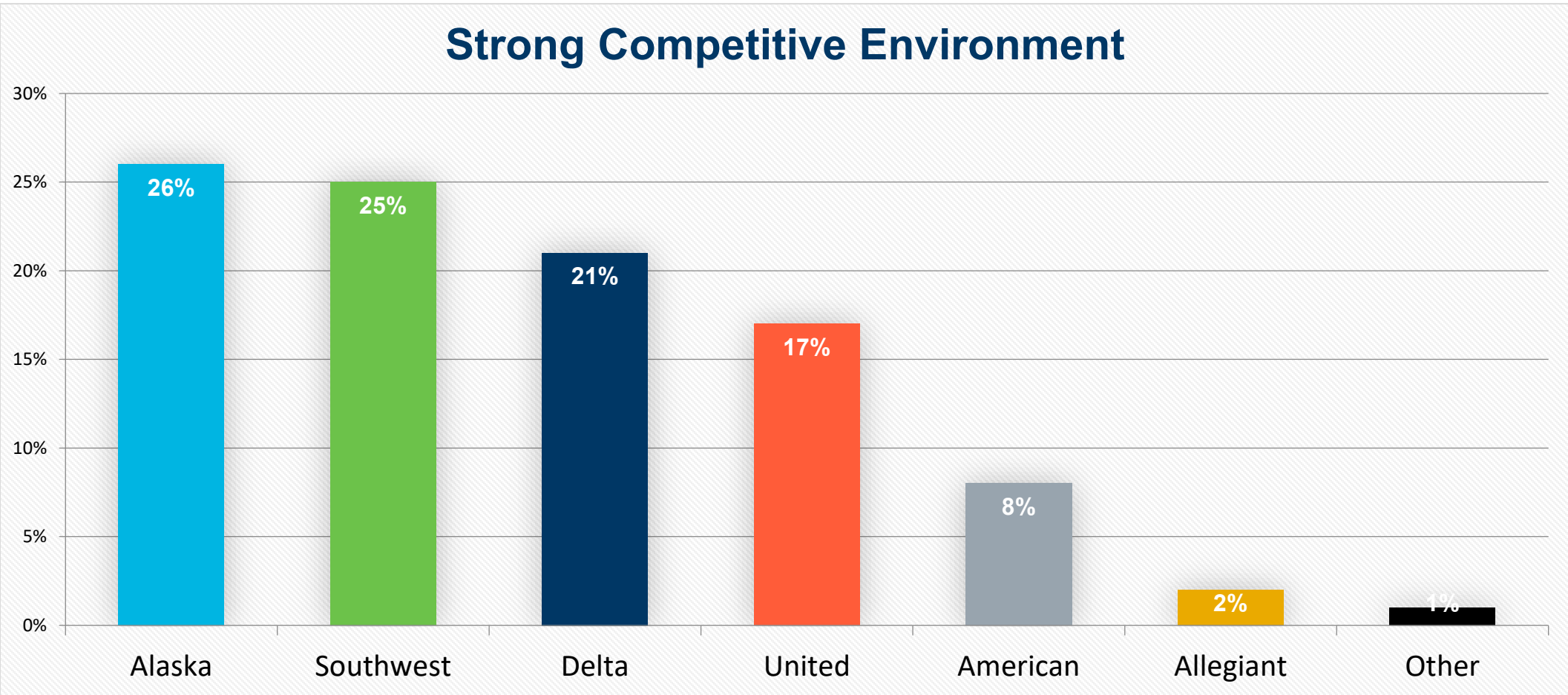
Flight frequencies increased to Denver, San Jose, Phoenix, Sacramento, Los Angeles and Spokane

Current Air Service

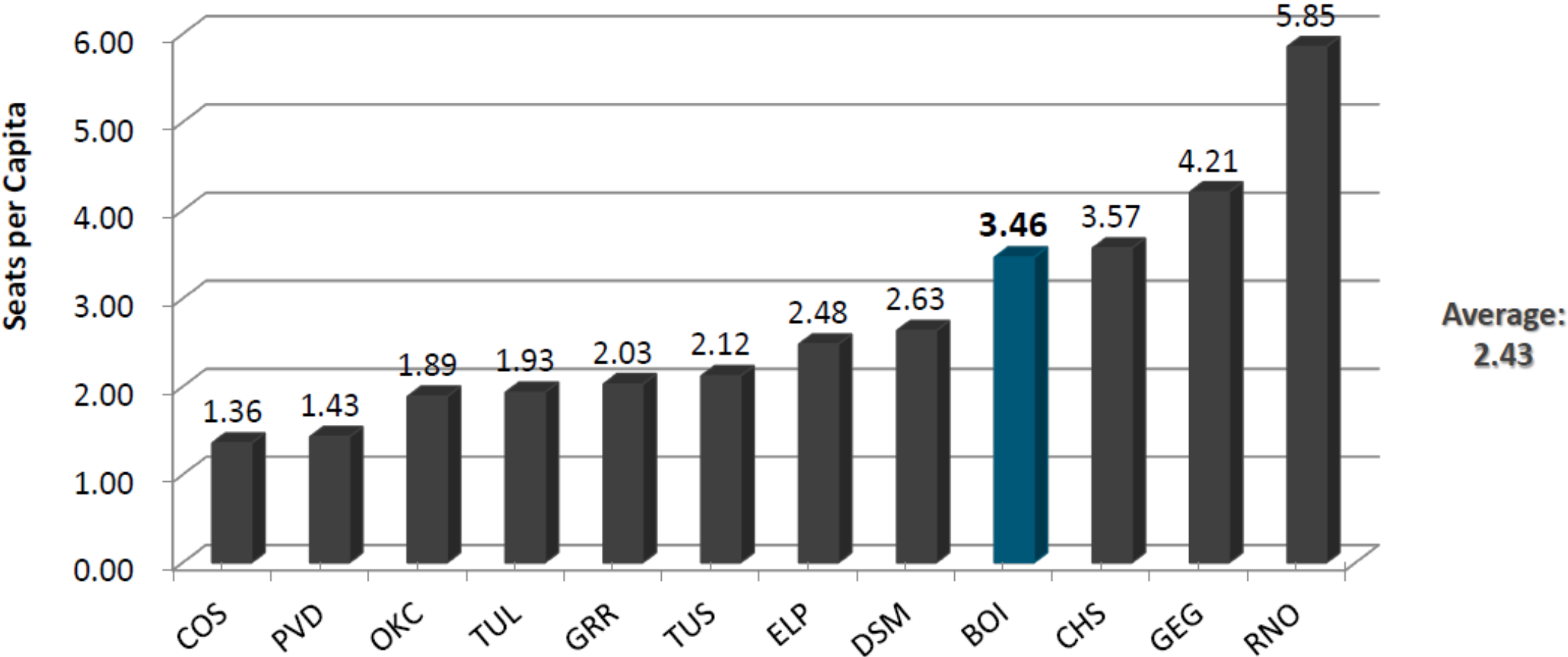
- Delta's service to Atlanta will not occur in 2020, will be revisited next year
- Alaska has indefinitely delayed the start of the Everett, WA service
- The following destinations have been removed from BOI's June flight schedule
 - Minneapolis, Houston, Spokane, Sacramento



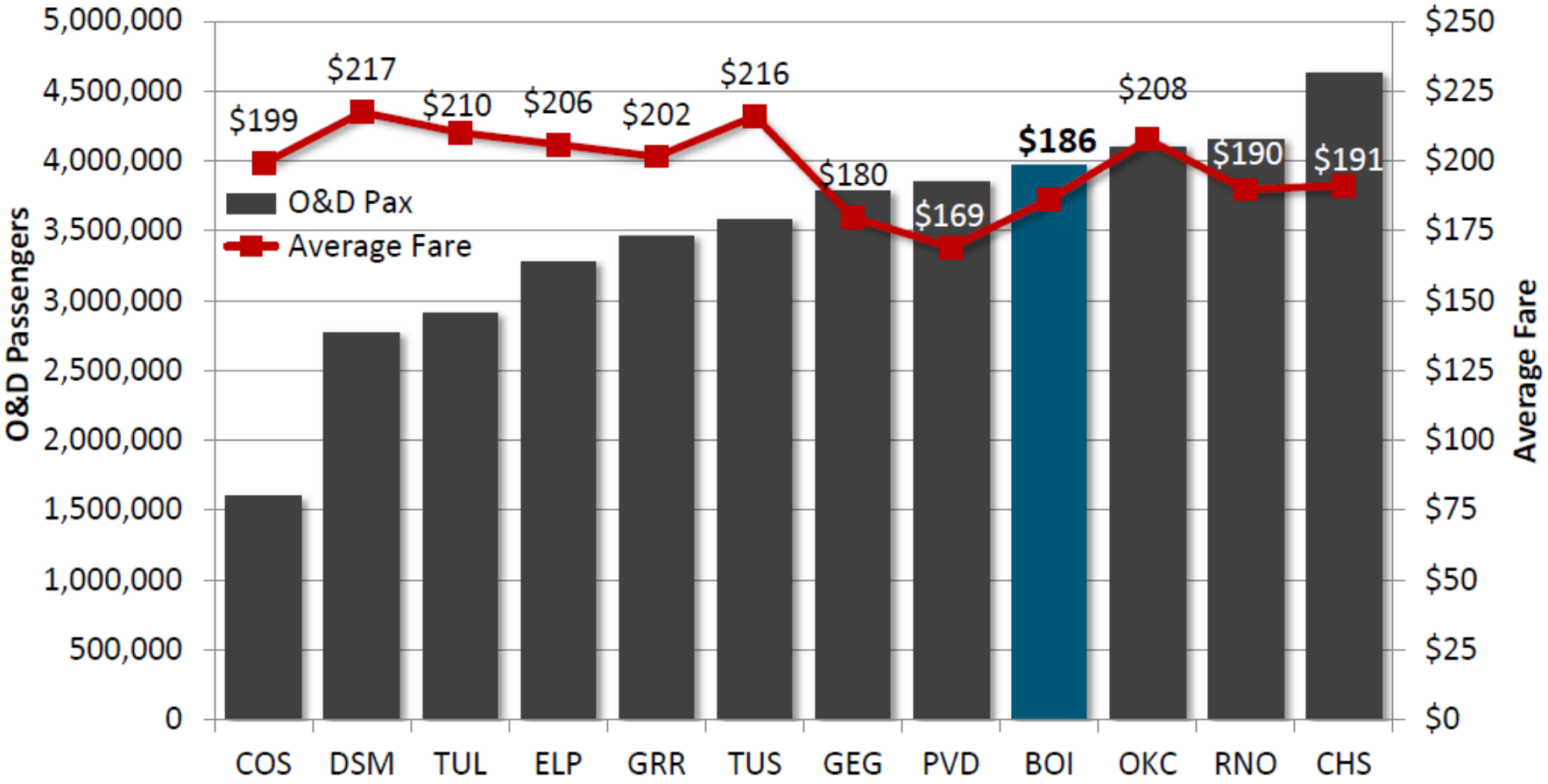
Airline Market Share in Boise



Seats Per Capita Comparisons



Passenger & Airfare Comparisons



BOI had the lowest fare among compare markets with the exception of Spokane and Providence

Boise Forward Looking Schedule

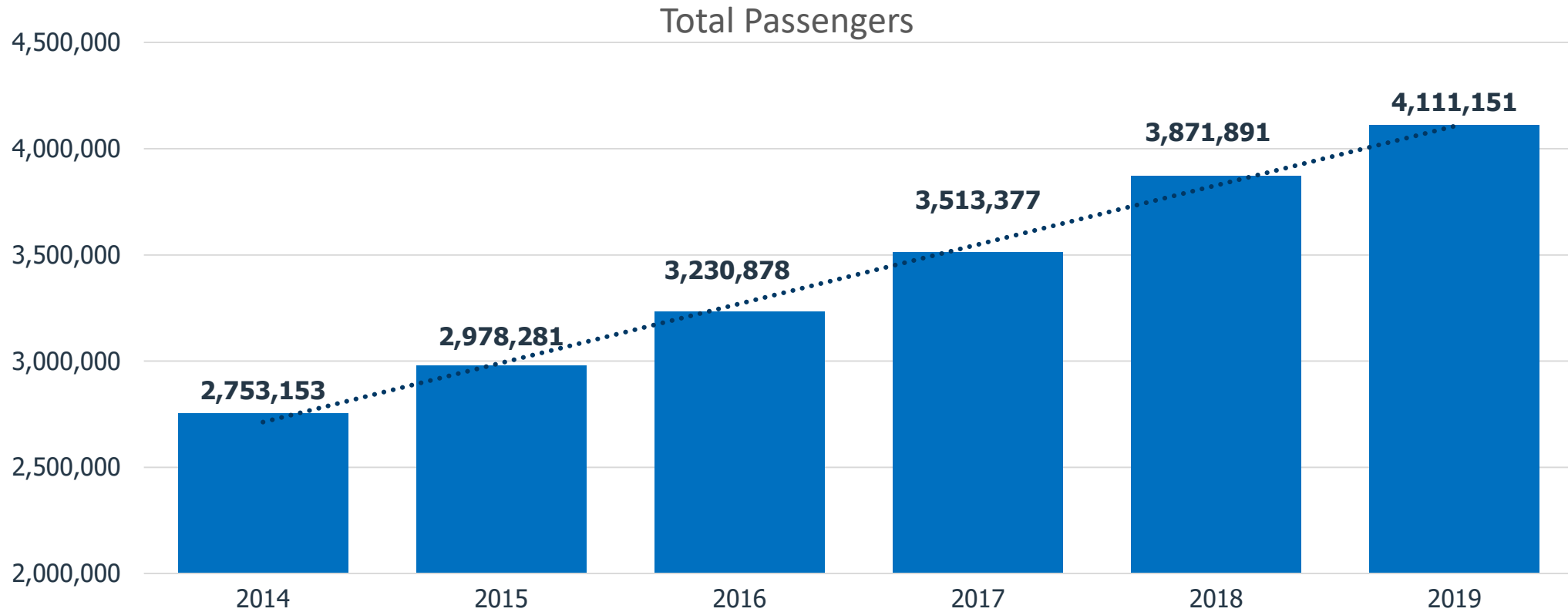


Destination	Airline	Year over Year Change %											
		May 2020		Jun 2020		Jul 2020		Aug 2020		Sep 2020		Oct 2020	
		Flts	Seats	Flts	Seats	Flts	Seats	Flts	Seats	Flts	Seats	Flts	Seats
Total		(42%)	(49%)	10%	4%	18%	17%	16%	15%	15%	15%	14%	18%

Over the next 6 months, BOI’s flights are scheduled to increase by 6% and seats by 4%. However, airlines are making schedule changes on a day-by-day basis, and we expect these numbers to be reduced.

Passenger Growth: 2014 – 2019

Five Year Growth: **49%**



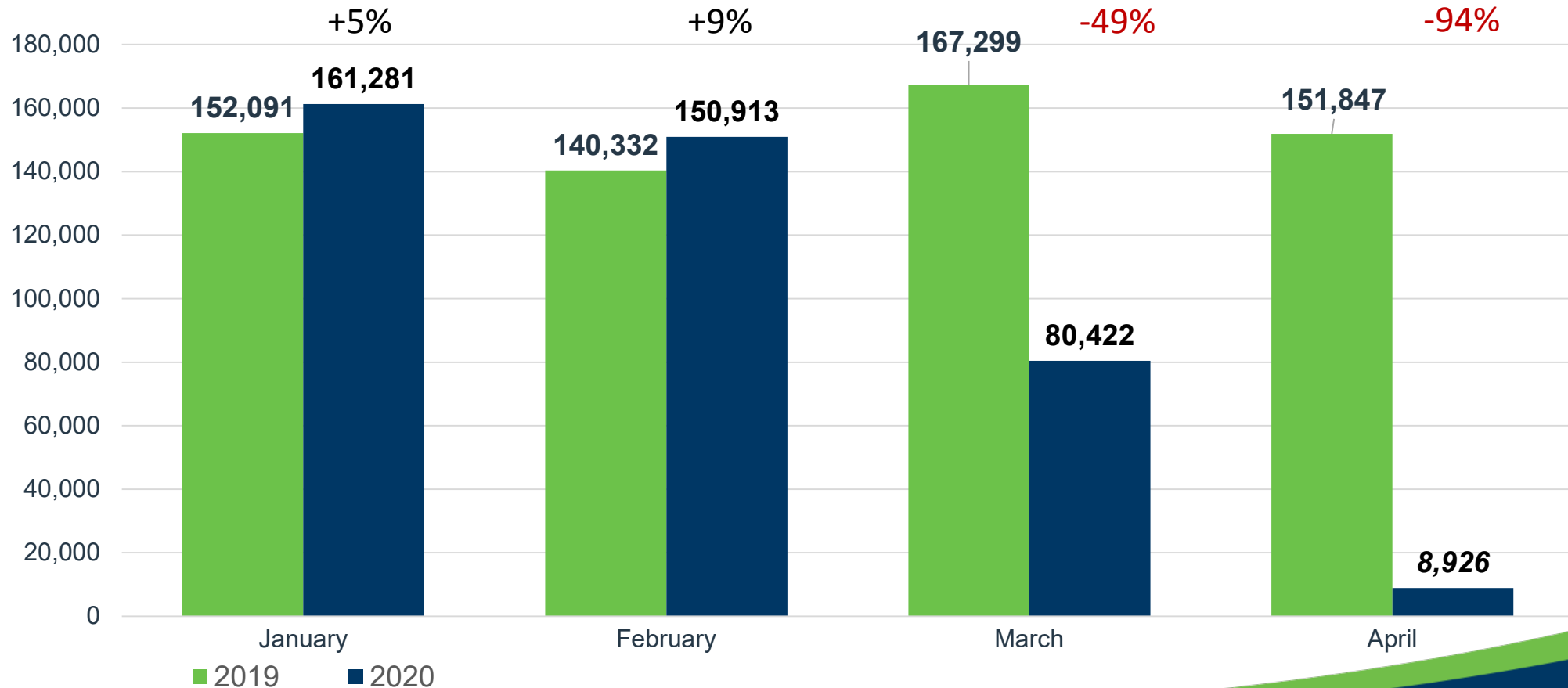
Trends Shaping 2020

COVID-19

- The COVID-19 Pandemic has had an unprecedented negative affect on the world's aviation system
- Domestic airline passenger traffic reduced by 95%
- Airlines have grounded a significant portion of their fleet
- Aviation industry experts predict a 3-5 year recovery



Boise Airport Enplanements 2019 vs 2020



Airport Response to COVID-19

Airport Cleaning and Staffing

- In early February airport increased the frequency of cleaning high-touch areas
 - Restrooms, seating, handrails, elevators, etc.
- CDC recommended for products cleaning
- Employees have proper PPE
- No City of Boise airport employees have been furloughed due to COVID-19
- Many employees are working remotely
- Small crew onsite to staff Operations, Custodial and Airport Maintenance



Passenger Communication

- Social Distancing
 - Airport installed signage, created PA announcement, social posts
- Hand Washing
 - CDC recommended signage placed on our digital network
- Face Coverings Recommended
 - Airport installed signage, created PA announcement, social posts



- City and State policies have been posted to keep passengers informed
- City of Boise Public Health Emergency Order
 - Airport installed signage reminding terminal access is limited to essential business
- State of Idaho Order
 - Airport installed signage with overview of order, including 14-day quarantine for out-of-state visitors

Airport & Tenant Relief Update

CARES Act Funds

- Boise Airport has been allocated nearly \$19 million from the CARES Act
- Provides 8 months of funding applied to operating and maintenance expenses based upon forecasted expenses



Tenant Waivers and Deferrals

Airlines

- The Boise Airport has deferred airline rent, fees, and charges for the months of April – June
- All deferred charges must be paid in FY 2020



Rental Car Companies, Some Terminal Tenants

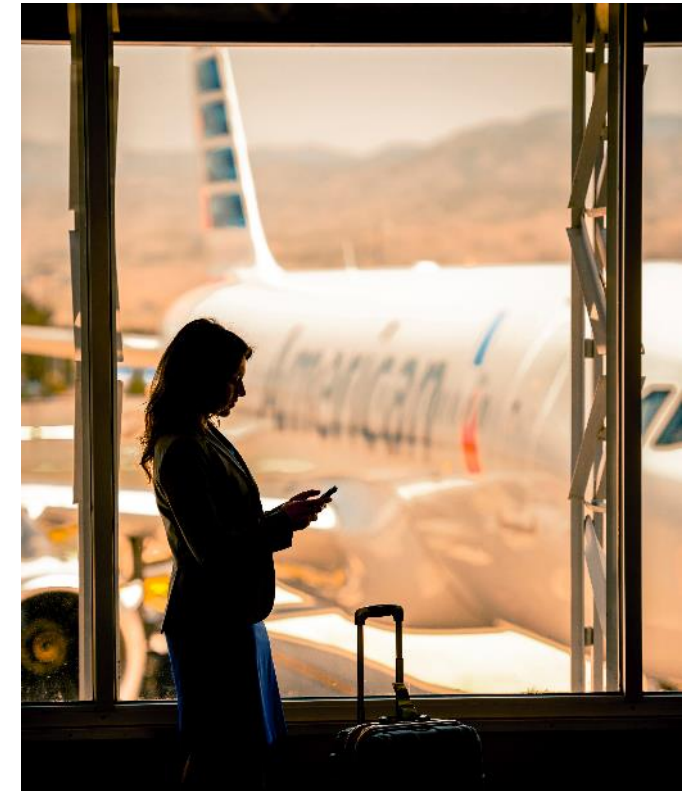
- The Boise Airport has deferred all rent, fees, and charges for the months of April – June
- Minimum Annual Guarantee reduced as outlined in contracts
- Minimum Monthly Guarantee waived in April and May, airport to charge a percentage of revenue
- All deferred charges must be paid in FY 2020

Budget Update

Top 10 Operating Revenue Description	FY 2020	FY 2019	\$ Change	% Change
Parking Lot	\$ 6,070,434	\$ 6,903,316	\$ (832,882)	-12%
Rental Car Concession	\$ 3,262,840	\$ 2,766,457	\$ 496,383	18%
Industrial Land Rent	\$ 2,217,582	\$ 2,132,624	\$ 84,958	4%
Terminal Rent – Airlines	\$ 2,098,508	\$ 2,079,937	\$ 18,571	1%
Signatory Airline Landing Fees	\$ 1,783,818	\$ 1,874,893	\$ (91,075)	-5%
Terminal Concession – Food/Beverage	\$ 747,356	\$ 754,720	\$ (7,364)	-1%
Terminal Concession – Retail	\$ 612,839	\$ 614,252	\$ (1,413)	0%
Landings/Freight	\$ 422,757	\$ 362,150	\$ 60,607	17%
Terminal Rent – Non Airlines	\$ 356,658	\$ 344,221	\$ 12,437	4%
Employee Parking Permit	\$ 260,105	\$ 343,461	\$ (83,356)	-24%
Total Top 10 Operating Revenue	\$ 17,832,897	\$ 18,176,031	\$ (343,134)	--
Other Operating Revenue	\$ 1,690,578	\$ 1,691,189	\$ (611)	0%
Total Operating Revenue	\$ 19,523,475	\$ 19,867,220	\$ (343,745)	-2%

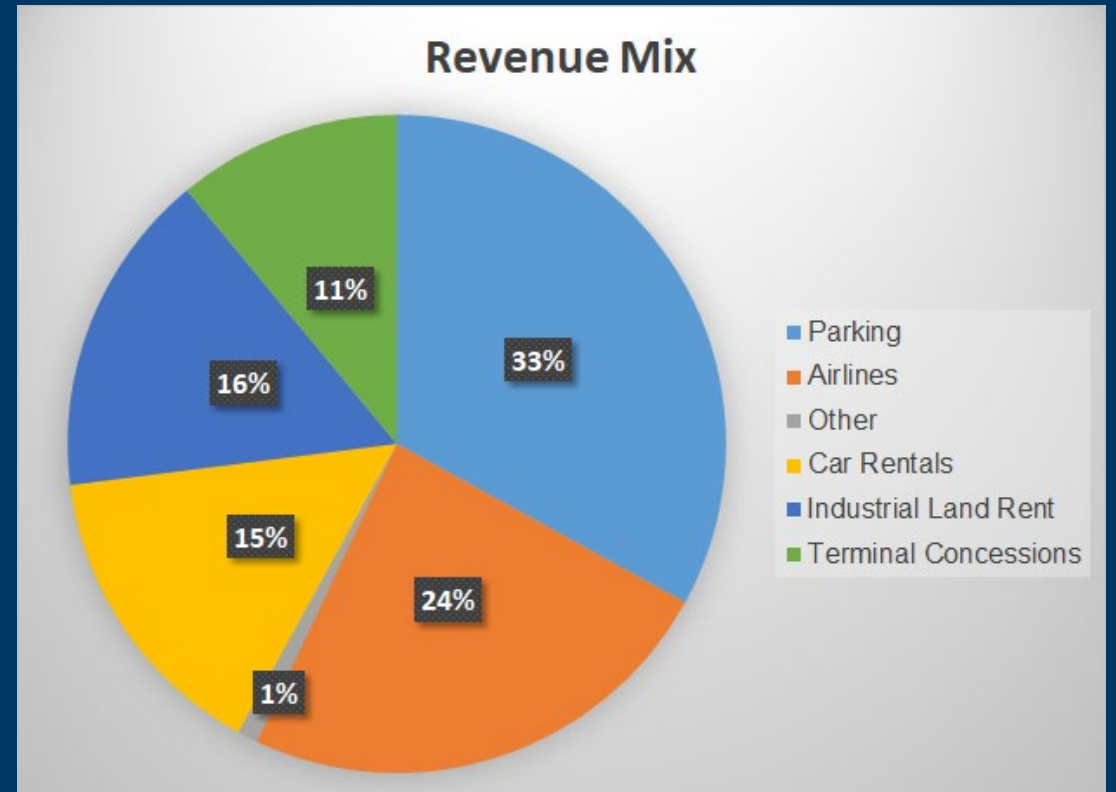
Top 10 Operating Expenses Description	FY 2020	FY 2019	\$ Change	% Change
Personnel	\$ 4,950,108	\$ 4,437,116	\$ 512,992	12%
Fire Service	\$ 1,717,561	\$ 1,616,400	\$ 101,161	6%
Policing Service	\$ 1,709,850	\$ 1,535,858	\$ 173,992	11%
Parking Management	\$ 1,117,956	\$ 877,947	\$ 240,009	27%
Indirect Cost Reimbursement	\$ 1,074,108	\$ 797,161	\$ 276,947	35%
R/M – Structural/Electrical/Plumbing	\$ 678,691	\$ 383,612	\$ 295,079	77%
Power	\$ 435,154	\$ 471,439	\$ (36,285)	-8%
Chemicals	\$ 365,247	\$ 210,051	\$ 155,196	74%
R/M – Fleet Management	\$ 328,053	\$ 244,005	\$ 84,048	34%
Credit Card Fees	\$ 186,950	\$ 187,785	\$ (835)	0%
Total Top 10 Operating Expenses	\$ 12,563,678	\$ 10,761,374	--	--
Other Operating Expense	\$ 2,353,136	\$ 2,374,609	\$ (21,473)	-1%
Total Operating Expense	\$ 14,916,814	\$ 13,135,983	\$ 1,780,831	14%

Cost Per Enplaned Passenger

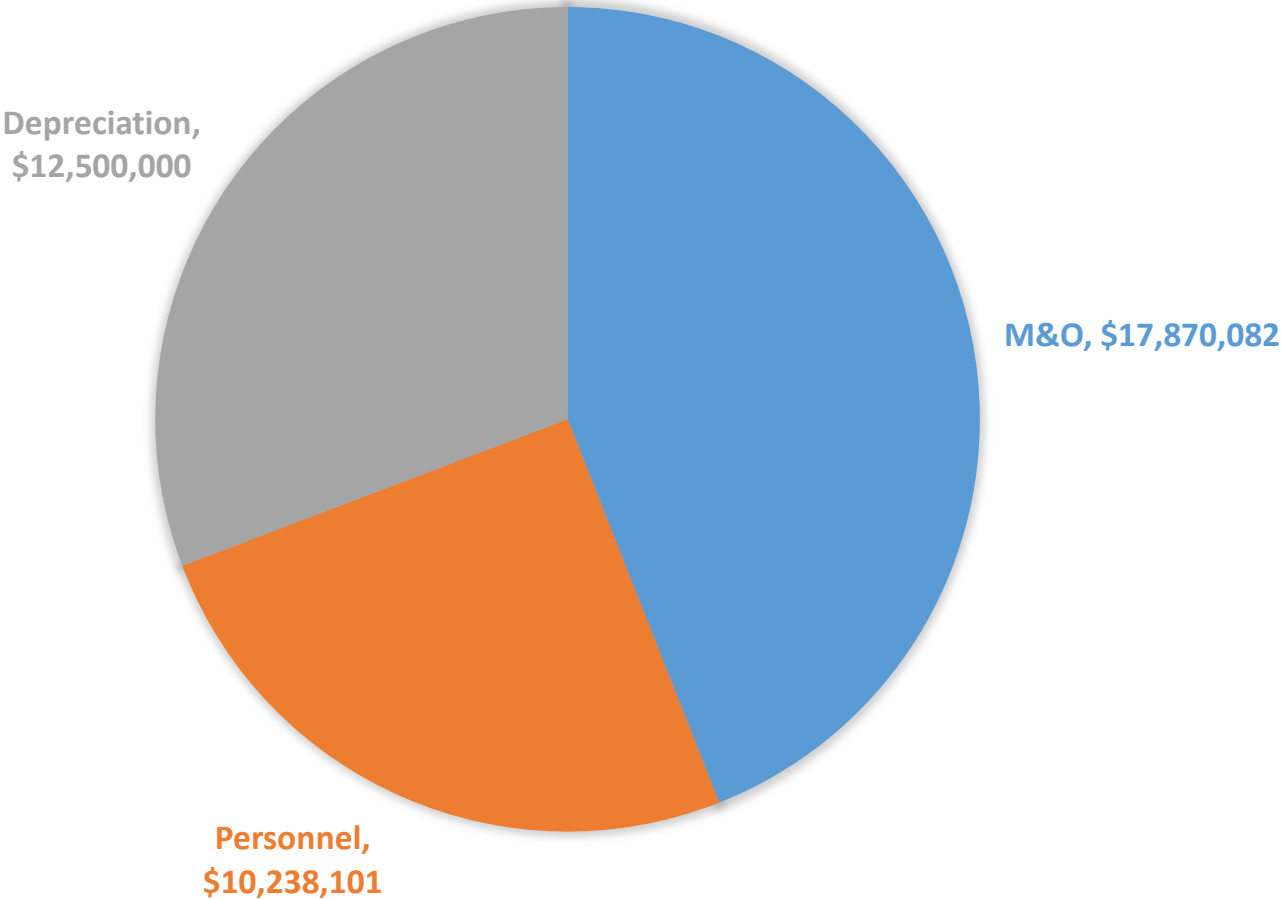


Operating Budget Overview

- Operating Revenue FY '21 – \$25 million
- Operating Expense FY '21 – \$25 million
- Operating Cash Flow –
 - Net zero

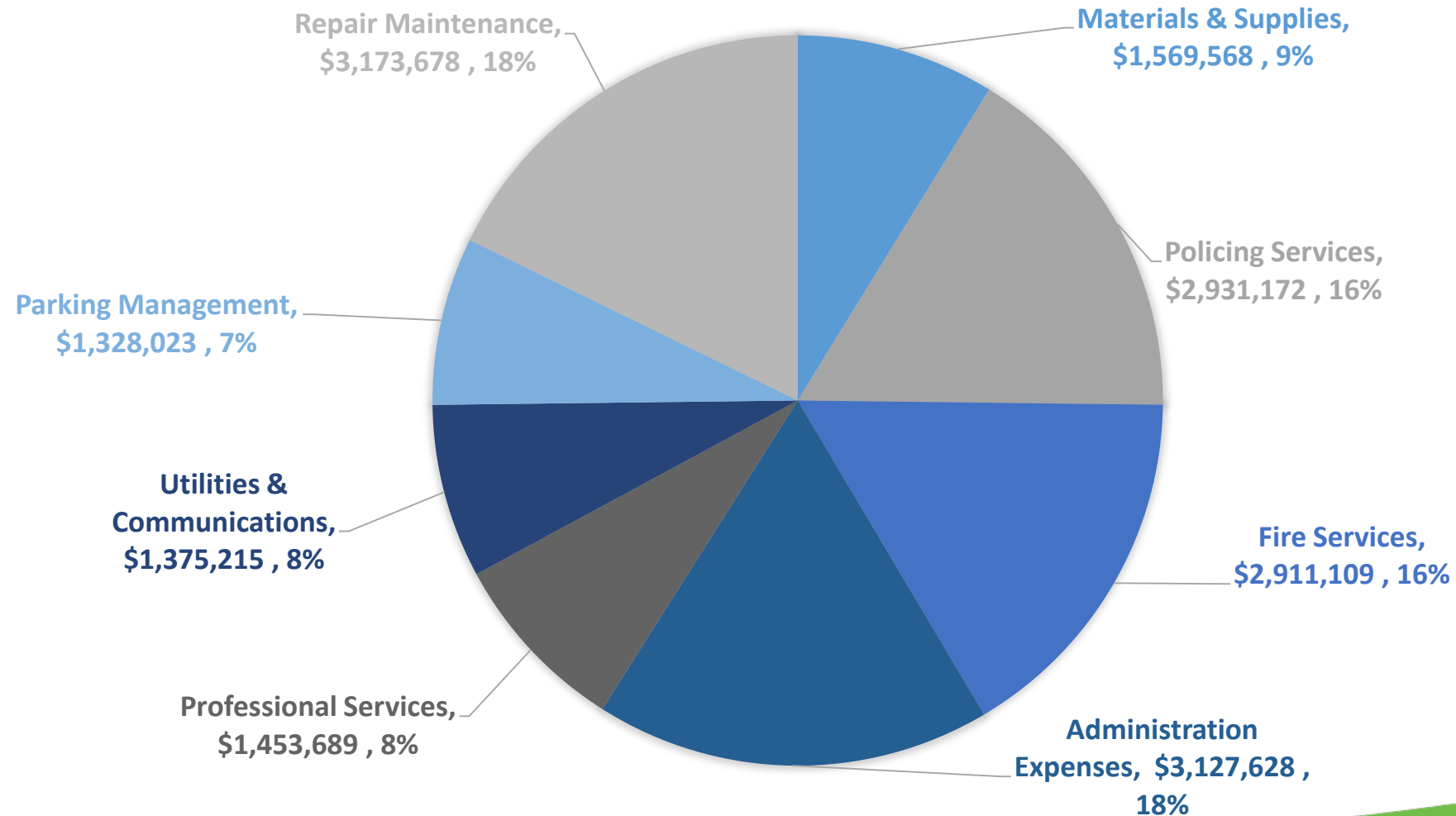


Total Expense Budget: \$38,370,082



Total M&O Expense: \$17,870,082

No Increase to FY 2021 Budget



Budgeted Revenues

- Operating Budget – Decrease of \$9.8 million from fiscal year 2020

Significant Budget Revenue Decreases		
Description	\$ Change YOY	% Change YOY
Parking	(\$4,823,026)	-37%
Airlines	(\$1,977,858)	-25%
Rental Cars	(\$1,749,556)	-31%
Terminal Concessions	(\$1,278,324)	-37%
Other	(\$134,848)	-37%

CIP & Equipment

- Total Capital Budget - \$146,200,000
- Total Equipment Budget - \$1,272,000

Significant Projects for Fiscal Year 2021

Rental Car Facility	\$80,000,000
Public Garage and Exit Plaza	\$33,500,000
Taxiway Upgrades and Construction	20,800,000
Concourse A Apron Design	\$1,500,000
Construct Snow Removal Equipment Facility	\$1,300,000
NAVAIDS Relocation	\$1,000,000

Capital Projects Funding



Grant Revenue
\$6,000,000



PFC Revenue
\$4,000,000



CFC Revenue
\$1,300,000



Operating Cash Flow

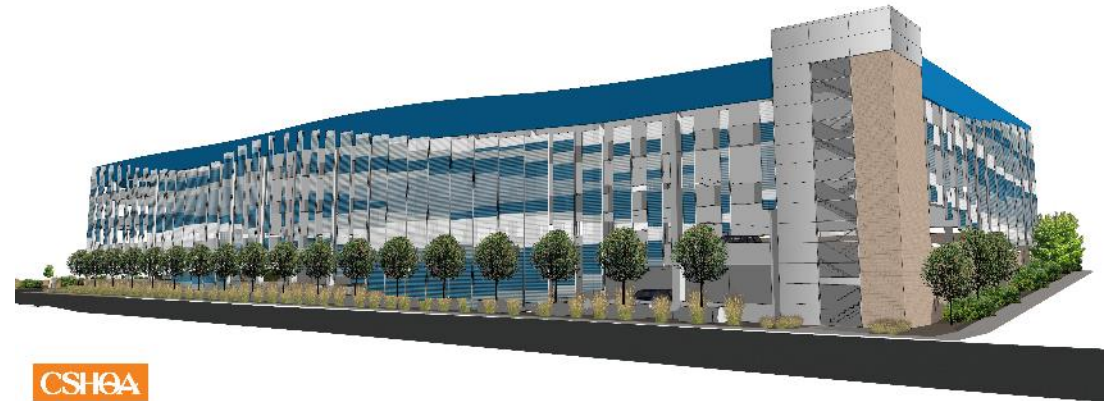
BOI UPGRADE

AIRPORT EXPANSION PROJECT

Terminal Upgrades

New Construction Halted

- Boise Airport is halting all new construction, including cancelling the employee garage project at this time
- The airport will re-evaluate these projects as passenger traffic and the economy improves



Construction Projects Moving Forward

- ITD Division of Aeronautics hangar
- Concourse B apron reconstruction project
- Economy Lot improvements
- BOI office expansion to make room for new employees
- Replacement of drive gates
- Relocation of Taxiway H
- Rehabilitation of Taxiways B & J, and remote de-ice aprons
- Taxilane S extension
- Utility relocation
- Design of public garage, rental car garage, and exit plaza



Boise Airport

www.iflyboise.com