

CITIZEN REVIEW COMMITTEE IDAHO FALLS REGIONAL AIRPORT

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MAY 2014

OBSERVATIONS

Before we summarize the issues we've discussed and our recommendations to the city of Idaho Falls, we on the committee wish to extend our thanks and appreciation to the people at Idaho Falls Regional Airport who make it such an important asset to our community.

For a city the size of Idaho Falls to have an airport like ours is truly remarkable. What you see today started in 1929 with 200 acres well west of city limits. The city's administration, led by Mayor B.W. Clark, recognized the economic importance of making Idaho Falls a stop on the Salt Lake-Great Falls Air Mail route. That sort of vision has driven the airport's development and growth for 85 years, and we on the committee are honored to have a part in its continuing story.

The members of our committee include Paul Menser (chairman), Mike Hart, Roger Blew, Jim Thorsen, Linda Hawley, Steve Laflin, and Kaaren Parsons. Mike, Roger, Jim, Linda and Steve are members of the general aviation community and have expressed a keen desire that GA interests and concerns be heard and noted by the City Council.

What follows are recommendations based on notes from our discussions and reflections put in writing between meetings.

RECOMMENDATIONS

AIRPORT OPERATIONS

Committee members agree unanimously that an Airport Operations Manager position be created, with funding in the next budget. Airport Director Craig Davis is wearing way too many hats. He deals with the regulatory administrative tasks, communicates with a growing number of commercial carriers, manages the marketing, and oversees expansion and remodeling projects. We believe the size and scope of IFRA justify the addition of an operations manager. Estimated salary for this position would be in the range of \$50,000 to \$60,000. The southern expansion of the airport, which begins this summer, is going to make the need for an additional staff person even more urgent.

Impact: Revenue from Frontier Airlines' entry into the Idaho Falls market in June 2014 is projected at \$83,000. Delta's Minneapolis-St. Paul route, also starting in June 2014, will generate additional annual revenue of \$20,000 in landing fees based on three flights a week. It is anticipated this route will be upgraded to six flights a week in the fall of 2014, with the SCASD grant funding a revenue guarantee, increasing the annual revenue to \$40,000. Overall, the addition of these two routes means an extra \$123,000 annually, more than enough to fund the operations manager position.

LEASES

There appears to be a wide range of terms on leases for various hangars and facilities at the IFRA. We recommend that a consistent format and terms be established. As leases come due for renewal or renegotiation, they should be updated with these more consistent terms. Also, all leases should include provisions for annual increases in rates based upon the CPI or some other inflationary index factor.

For the southern expansion, due to begin this year, as well any currently unoccupied lots on the airport grounds, we believe the city should consider basing lease rates upon lot size rather than hangar or building size. This would bring more efficient use of the land for construction and allow the city to more accurately project revenues

from the southern expansion.

Impact: A consistent, uniform policy toward leases reflecting present-day market realities will result in greater revenue for the airport. More tenants in the hangars being built as part of the southern expansion will result in a net revenue increase as well.

RUNWAY 17/35

Many committee members question why the airport's 2010 master plan recommends that Runway 17/35 be closed and that a second runway be built parallel to Runway 2/20. There is a feeling among many general aviation pilots that the master plan was prepared without sufficient input from them and includes some changes that would not be beneficial to IFRA.

We recognize there are a number of FAA compliance issues related to Runway 17/35. Given the desire of the pilot community to keep 17/35, the committee recommends further evaluation of options that might bring it into compliance. These might include changes to taxiways, eliminating runway-obstructions and changing its designation. The most controversial issue is likely to be the extension of leases past 2020 to two businesses in the runway protection zone on the approach to Runway 35. The master plan in Section 3.6.1 states, "It is recommended at the end of the lease that the land no longer be leased to commercial businesses and the buildings be removed." The committee would encourage the city to start an early review of the next update to the master plan and ensure that the review process includes ample opportunity for public review and comment.

Impact: None in the near term. If commercial tenants leave the runway protection zone in 2020, at the end of their leases, this would result in a loss of revenue.

FIXED BASE OPERATOR NO. 2

The southern expansion this year is going open the door for a second fixed base operator. We have a few concerns, the main one being

whether there is enough business at IFRA to support two FBOs. There are plenty of airports in the United States with only one. Committee member Jim Thorsen, the airport director from 1980 to 1999, remembers when there were two FBOs at IFRA, neither of them doing well.

As part of the process, it is our recommendation that the city first put out a Request for Information to gauge the interest and capabilities of various potential suppliers. Multiple responses would be the best indication of market interest. Should the City Council decide then to issue a Request for Proposals, the RFP should be widely advertised and competitively bid. All proposals should be in compliance with the existing IFRA minimum standards document. The RFP should require a minimum investment in comparable facilities as well as a performance bond. Financial fitness must be well documented and thoroughly verified.

Impact: A second FBO at IRFA has the potential to generate additional revenue for the airport and is something we see happening eventually. The question is one of timing. If market conditions are not favorable in the near term for a second FBO, we believe the city should be under no pressure to add one in haste.

SOUTHERN EXPANSION

The FAA-funded \$1.8 million southern expansion of the IFRA represents a major opportunity to grow the general aviation population at the IFRA. A strong GA presence is good for the airport since GA is, and will likely continue to be, a big supporter of the IFRA. One way the city can help increase the GA numbers would be to construct "T" hangars and offer these for short term rent (six or 12 months). The city should make sure there is ample opportunity for the general public to review and comment on the southern expansion plans.

Impact: As noted before, the southern expansion of the IFRA represents a major opportunity for increased revenue.

MARKETING

We are all agreed that "leakage" has been a major problem and there needs to be a marketing campaign to counter the perception that it's cheaper to fly out of Salt Lake City than it is from here. With new service to Minneapolis-St. Paul and a new carrier, Frontier, offering service to Denver, IFRA has an opportunity to market itself to the area as a viable choice over driving to Salt Lake City. While we recognize that neither the city nor IFRA management have any control over commercial airfares, we believe that if you break the numbers down you will see in most instances that it makes just as much sense to fly out of here. Hiring a commercial marketing firm with demonstrated experience and success in marketing similarly sized regional airports could be of great benefit to the IFRA.

Impact: We do not propose spending any more money on marketing than what is already in the budget. Better marketing ought to result in more business at IFRA and a corresponding increase in revenue.

AIRPORT AESTHETICS, APPEARANCE

We feel the airport needs a large welcome sign for incoming passengers, advertising the attractions of Idaho Falls and the surrounding area. We think the spaces in the airport could be better organized with signage and displays, that at present there seems to be no real organization or continuity. Any marketing company we hire, we would like it to address the aesthetics of the lobby and waiting areas. Some sort of display to engage visitors while they wait for their bags would be worth exploring.

Impact: All money for this would be provided for within the budget limitations of the fiscal year.

VOLUNTEER ASSISTANCE

As the airlines reduce their counter staff, shifting customers to kiosk check-in and other automated services, the chances of an airport user having a less than positive experience go up. We believe that

having volunteers to assist with directions and other questions would be helpful and add to the friendly, welcoming atmosphere we need to develop at the airport.

Impact: No budget impact, as this would be integrated into the airport's programs and performed by volunteers.

PARKING, BAGGAGE HANDLING

Unmanaged and illegal parking is an issue at the airport. When it often takes 30 minutes to retrieve luggage, the 20 minutes of free parking does not encourage people to utilize the short term parking area. One hour of free parking, along with increased enforcement of the parking rules, should eliminate some of the congestion at the arrival doors.

Impact: Expanding free parking to one hour should have a minimal effect on the airport's revenue. Greater satisfaction on the part of airport guests should result in an improved atmosphere.

CONCLUSIONS

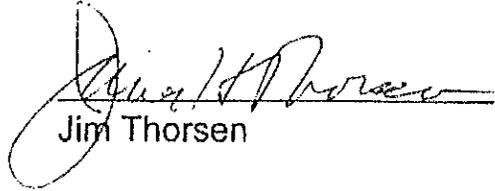
Participating in this committee has been a rewarding opportunity for all of us. Our general aviation members have good information to take back to their fellow pilots. Those of us who are more interested in the economic and community development aspects of IFRA feel like this has been a great way to identify what might need more emphasis or improvement. It has been a pleasure working with Craig, who has been a great source of information and enlightenment. Likewise, we are hopeful that the support he has gotten from us has been encouraging to him.

Although this report represents the culmination of what this committee was established to do, we would like the committee to remain intact and meet quarterly. That way we can keep tabs on everything that is happening at IFRA and offer our own observations and perhaps occasional advice.

Submitted May 18, 2014



Paul Menser, chairman



Jim Thorsen



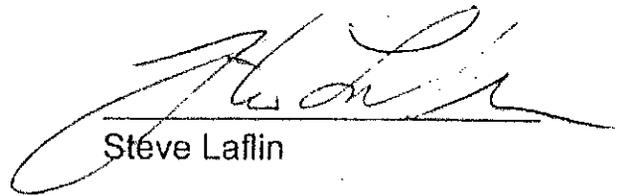
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