

Greater Binghamton Airport Legislative Update 8/8/2022



Disclaimer

Items shared in these meetings is meant for informational purposes only.

The industry changes quickly and this information may not be relevant in the future.

Today's Agenda

- Nationwide Air Service Challenges
- Air Service and Airline progression
 - Delta (current service)
 - Additional Daily Service Options
 - Leisure Service Options
- Realistic service start timelines
- Non-Airline Revenue
- Airport Budgeting
- How we can work together

Challenges the Airlines are Facing

- Estimated recovery 2024
- Pilot shortage
 - Buy outs
 - Pay
 - Small airline difficulties
 - Skywest = EAS
 - Skywest removing seats
- Mechanic (technical services) and staff shortage
- Fuel cost and increased segment costs
- Continued depressed high revenue tickets (business travelers)

Airline Discussions - Delta

- Current Flight – 1 per day 3:00-4:00pm Turn
- Continued 1 flight per day through the end of 2022
 - Good news is they're not leaving BGM's market
 - Bad news is only 1 flight a day
 - Question for the group: What turn time would be most beneficial?
- Efforts to improve connectivity and service
 - Upgrade request for a CRJ-700 (65-69 seats) or CRJ-900 (70-76 seats)
 - Turn time moved back to allow for West Coast connections as seen via ITH's load factors
 - Discussing cost saving ideas for DL to improve BGM position
 - Requested RON again (early morning departure, late night return)

\$2.2 Million Available for Daily Service

<u>Funding Source</u>	<u>Grant</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
Department of Transportation	\$1,000,000			\$1,000,000
Country Government		\$250,000		\$250,000
Airport			\$805,000	\$805,000
Local Business Community		\$100,000		\$100,000
TOTAL	\$1,000,000	\$350,000	\$805,000	\$2,155,000

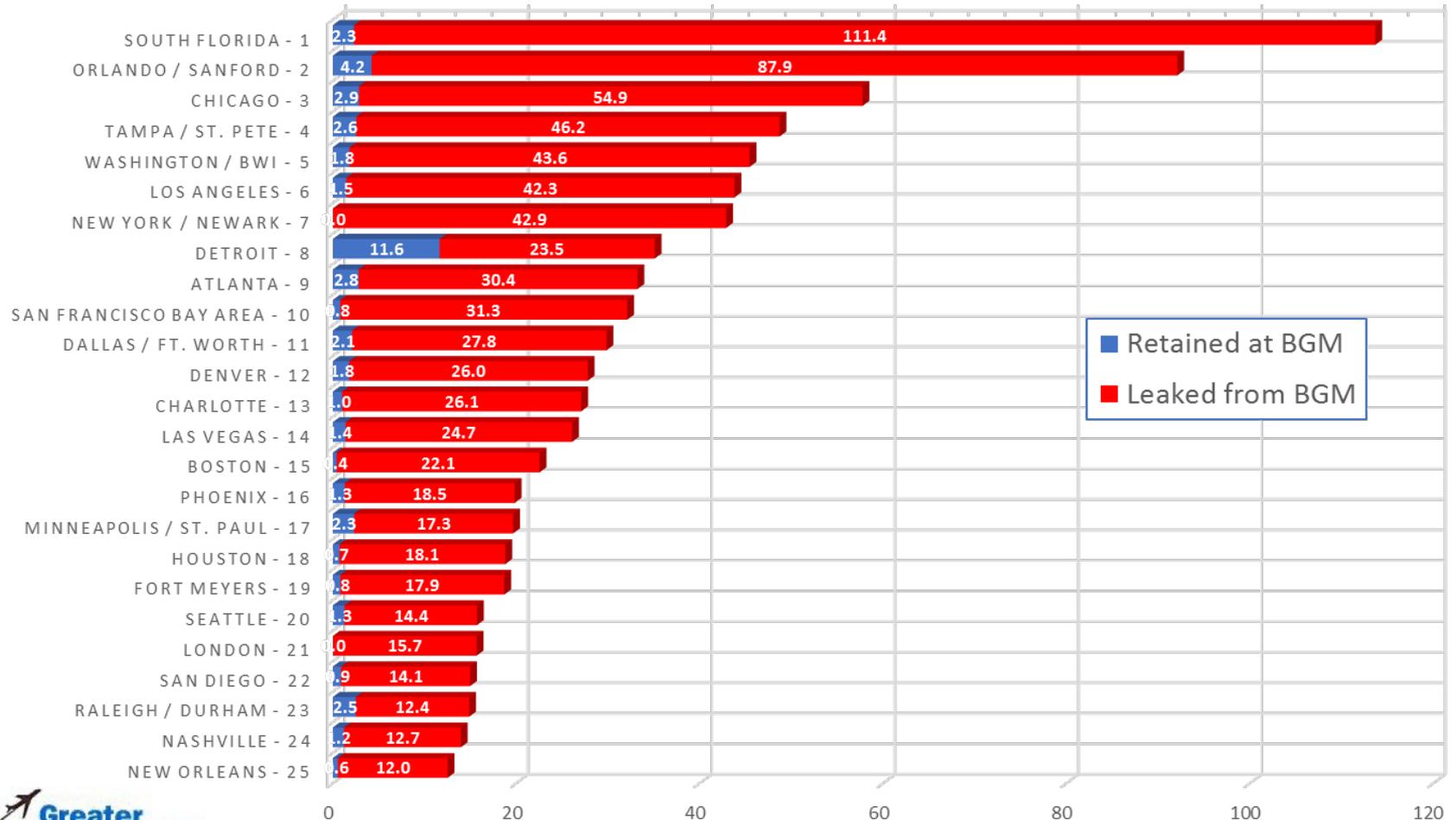
- \$1 million SCASDP Grant (Awarded)
- \$350,000 community cash
 - Min \$250,000 County
 - \$100,000 Business Community
- \$805,000 in-kind airport contributions
 - No Landing Fees
 - No Space Rental Fees
 - No Fuel Flowage Fees



South Florida, Orlando, Chicago, Tampa/St. Pete, and the Washington DC Area Are the Top 5 True Markets for BGM

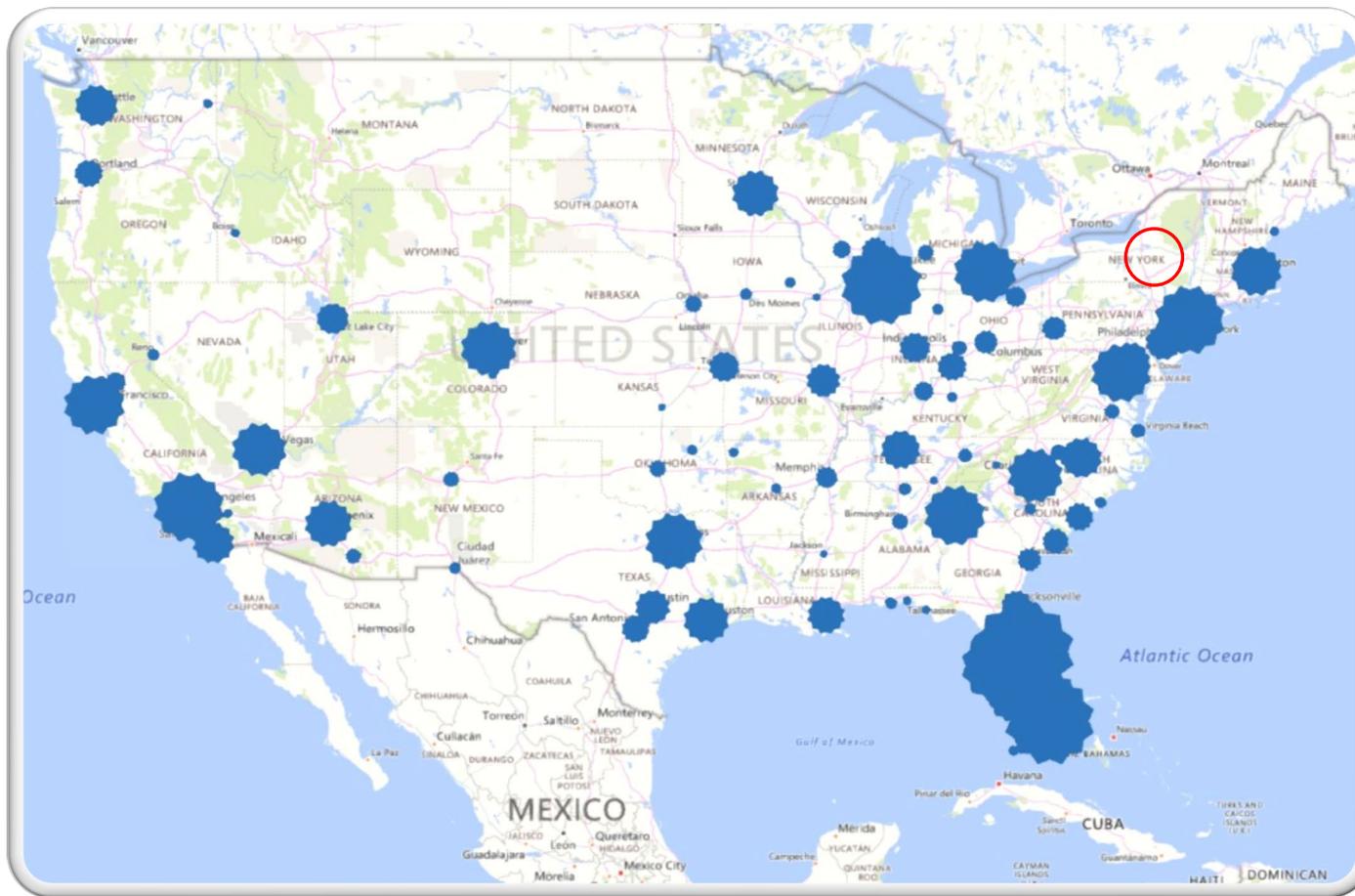
Passengers per Day Each Way (PDEW) in the 25 Largest True Markets at Binghamton

Calendar Year Ended 2Q2018



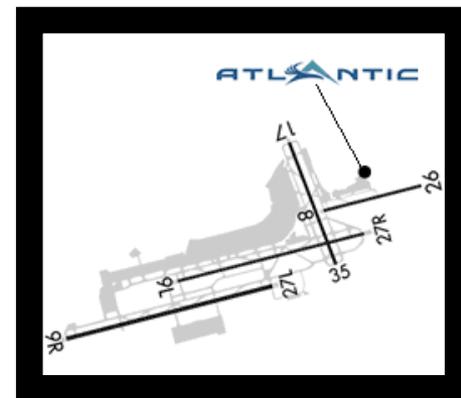
BGM Passenger Traffic is Heavily Weighted Towards Florida, the East Coast, and Midwest

Binghamton Catchment Area Domestic Destinations by Airport Year Ended 2018Q2



Daily Service Options

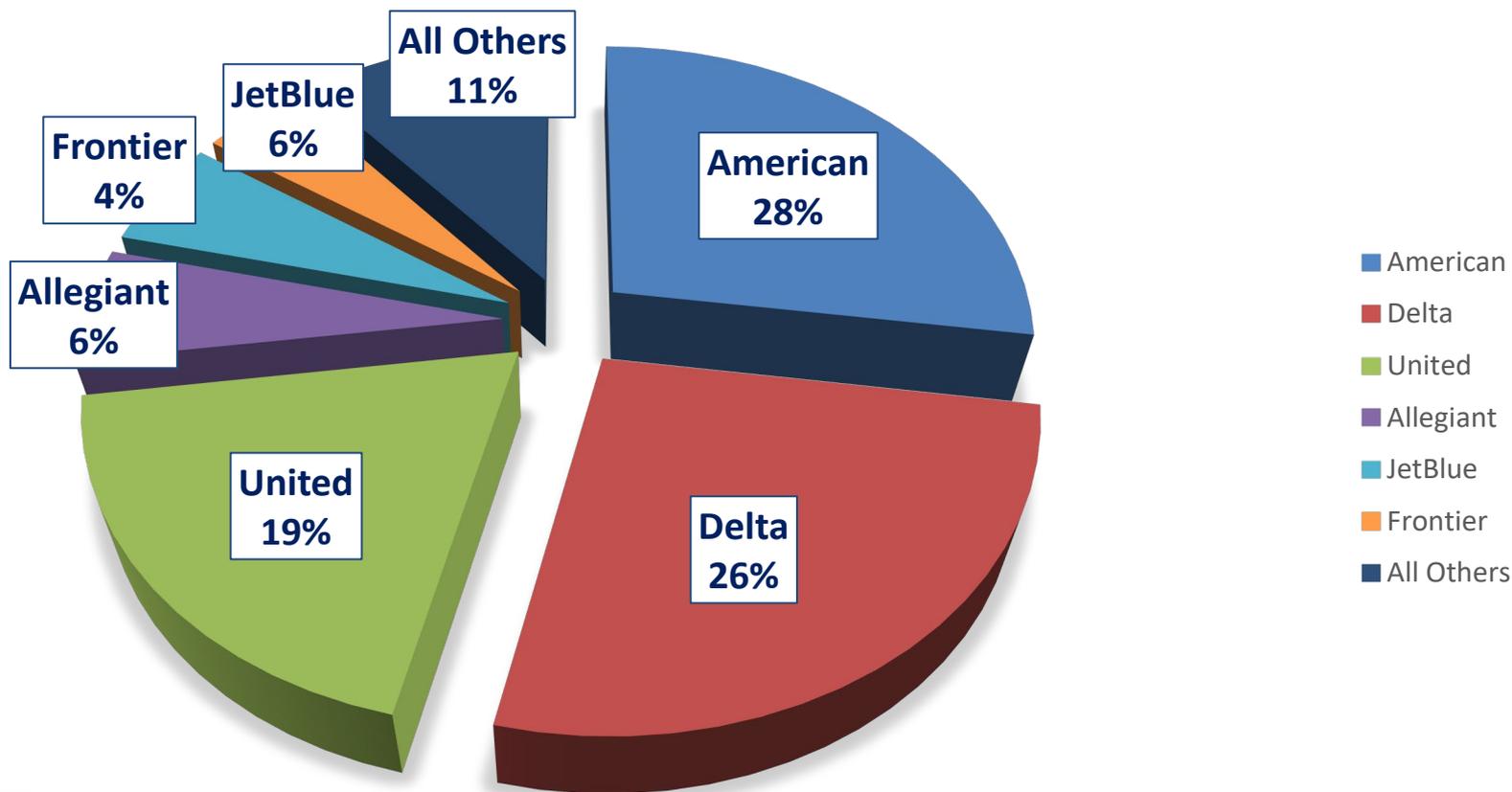
- Desire for service
- Reality of service
- PHL or IAD
 - Why PHL or IAD
 - What's changed at PHL and IAD
- Timeline/ Efforts for service
 - Ongoing negotiations
 - Plane size and Airline size dependent
 - Interline Airline approval (UA/AA/DL)
 - PHL/ IAD incentive program
 - Aircraft availability



The Three Legacy Airlines Share Traffic Originating from the BGM Catchment Area while Lower-Fare Airlines Also Get a Share of the Pie

Market Share by Carrier of Binghamton Catchment Area Traffic

True Market Study/Leakage Report – Year Ended CY 2019



Leisure Service Options

- Ongoing target airlines
- Timeline of efforts
 - Making offers for 10+ years
 - Recent effort
 - Discussion at Summer 2021 Air Service Conference
 - Airport specific discussions January – to present
 - Airport visit by Airline Site Reviewer - March
 - Airport offer revised - March
 - Anticipated service announcements (April, July, December, etc.)
 - Airport/Airline negotiation – April – to present
 - Minimum Revenue Guarantee financial discussion details – June – to present

Air Service Timelines

- Scheduling
 - Schedules set for public 2 months out
 - Schedules internally set 3-6 months
 - Schedules internally proposed 6-10 months
- Announcements
 - 2-6 months prior to service start
- Realistic BGM potential service starts
 - Hub service (example – IAD, DTW, ATL) = 4th Quarter 2022 to 2nd Quarter 2023
 - Leisure service = 100 to 120 days prior to service start
- Examples
 - SYR and Frontier took 7 years to complete the agreement
 - CKB and Allegiant took 5 years

New Non-Airline Revenues

- Old Car Wash
- Cell Towers on Water Tower
- Car Rental Fuel Flowage Lease
- AvGas Self-Serve Fuel
- Terminal Space Leases
- Solar Array Land Leases
- Corporate Hangar Rates
- T-hangar Short Term Rates
- Land for Development Available

Airport Budgeting Efforts

		2022		
		rev	exp	
Admin	2801	185,520	198,277	
Leased Area	2802	27,692	1,500	
Conv Hangars	2803	331,385	95,340	
Debt	2804	21,514	604,646	
Landing Area	2807	177,300	167,650	
Unallocated Maint	2808		164,800	
non-aero leases	2809	14,700	4,500	
Parking Lot	2810	303,993	38,500	
CFR	2811		42,625	
Security	2813		86,211	
T-Hangar	2814	48,960	27,060	
Terminal Area	2815	646,873	262,000	
Customs	2816	60,450	167,750	1,860,109
Salary	2801		1,789,990	Employment exp
	rev	1,818,387	3,650,849	exp
county support		1,832,462		
	from gl		1,825,674	

Expense departments that are directly related to Operational Expenses include:

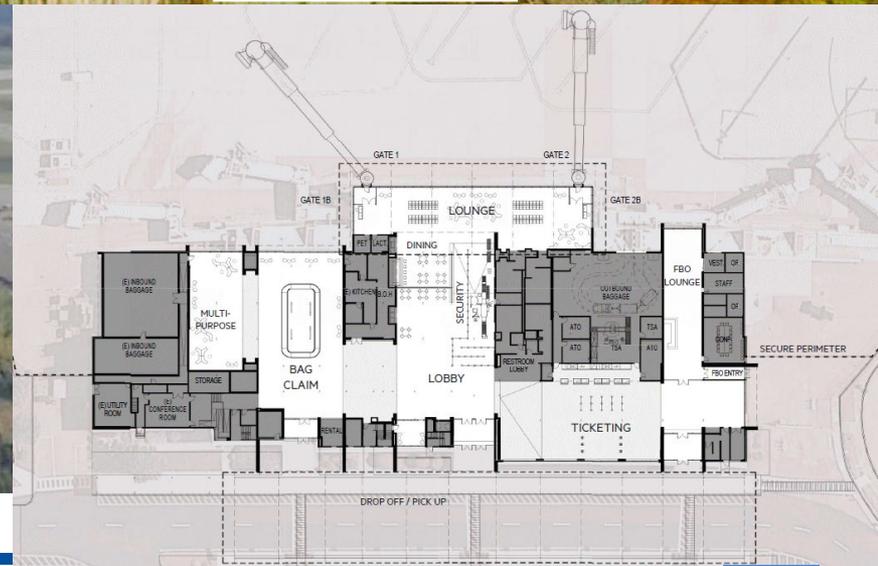
- Admin
- Leased Area
- Conventional Hangars
- Landing Area
- Unallocated Maintenance
- Non-aeronautical leases
- Parking Lot
- CFR
- T-hangars
- Terminal Area
- Debt is an OMB function and is included with the County Debt Sale
- Security is a Chargeback
- Customs is set by DHS
- Salary increases and ancillary costs are dictated by contract negotiations and insurance rates

Upstate Airport Revitalization Competition Grant Submission

- Submission in September 2021 for a total project amount of \$39,780,000.
- Intent: update, reimagine, reconfigure the Airport Terminal to be used by current and potential new users in a new and unique way

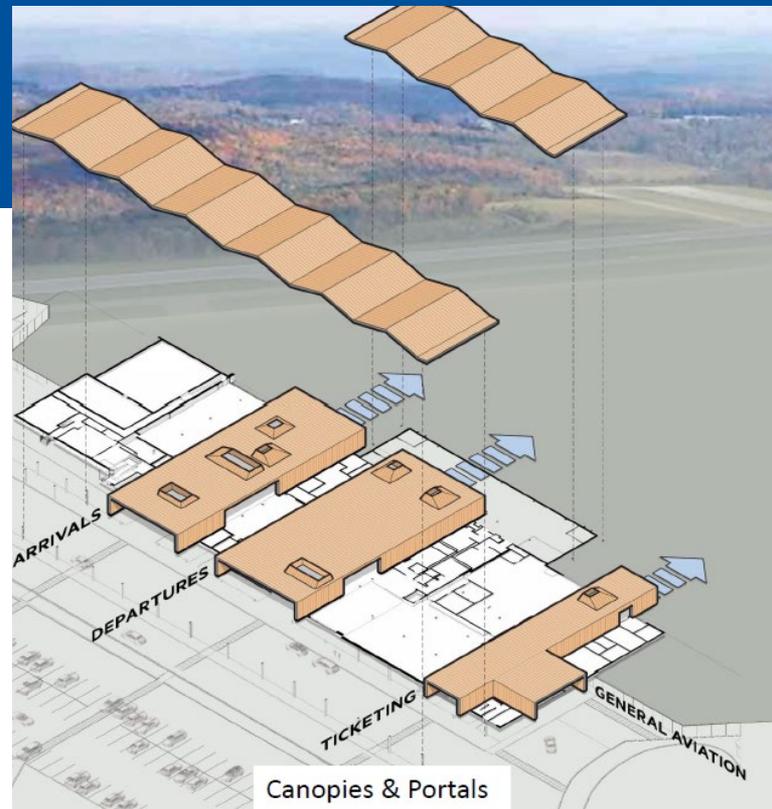


Terminal Exterior (Autumn Day)





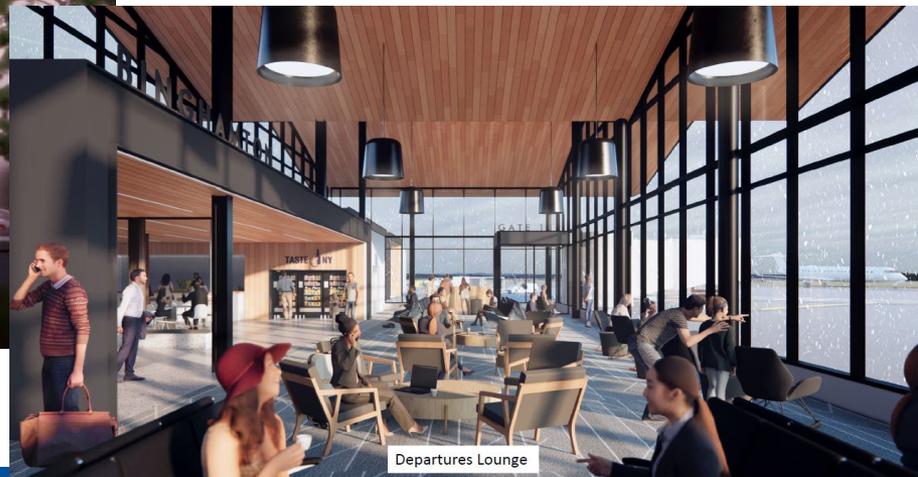
Baggage Claim



Canopies & Portals



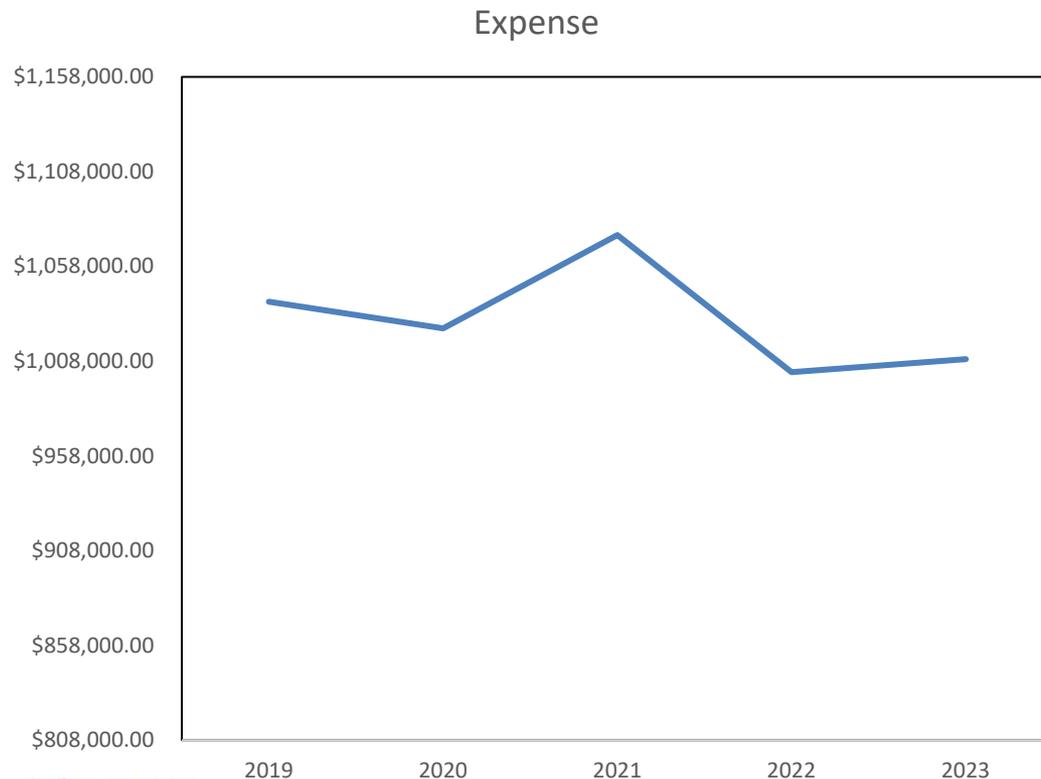
Terminal Exterior (Purple Lighting)



Departures Lounge

Airport Budget Efforts

Operational Expense History



- 3% decrease (2019 to 2023)
- CPI increases YOY
 - 1.4% = 2019-2020
 - 7.0% = 2020-2021
 - 8.6% = 2021-2022
 - Total of 17%
- Revenue decreases = 22% 2019-2022

How Can We Work Together

- Share your real time difficulties
- Support
 - Check BGM and fly when able
 - Monetary support – MRG's
 - Verbal support, spread the right information not rumors
 - Travel habits – Other Airports, bus, drive, etc. data
- Get involved at the Airport for events, advisory board, or idea development



For Additional Information:

Mark Heefner, C.M.

Commissioner of Aviation
Greater Binghamton Airport
Broome County Department of Aviation

2534 Airport Road, Box 16
Johnson City, NY 13790

Mark.Heefner@broomecountyny.gov
(O) 607-763-4452

