



# Great Falls International Airport Authority

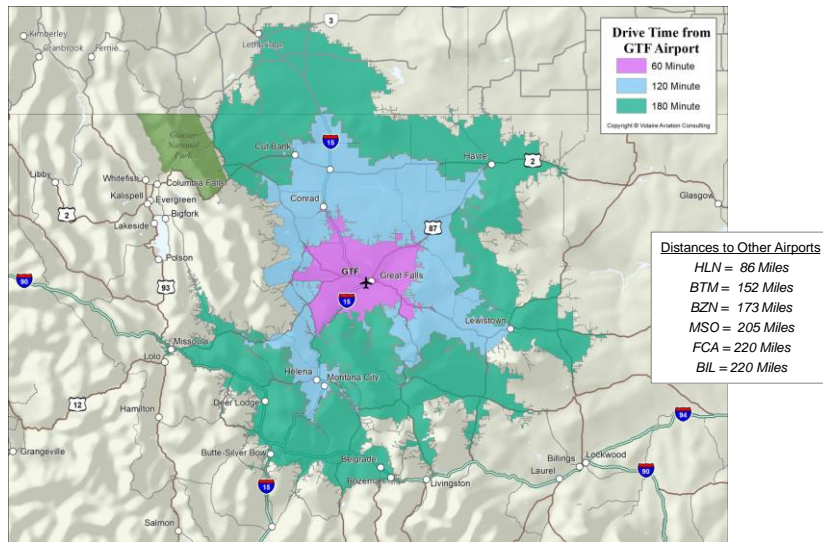
Airport Update to City Commission  
2019

Objective: Grow Commercial Air Travel

**GTF**



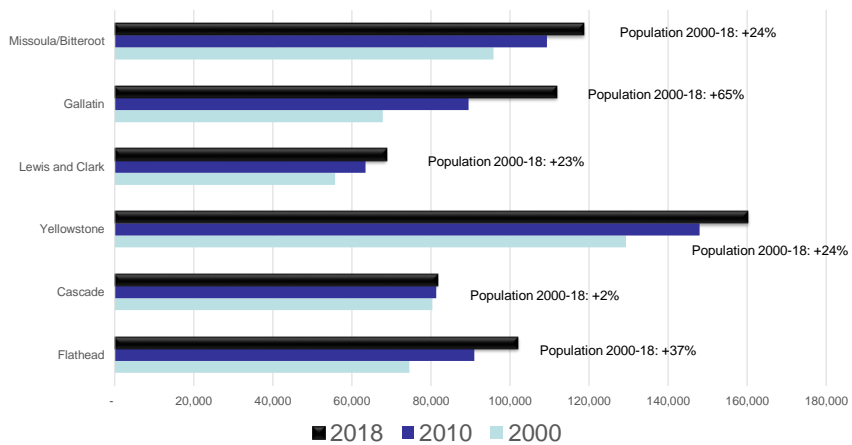
78,928 Residents Live within a 60 Minute Drive of the Airport, 191,661 Residents Live within 120 Minutes, and 576,192 Residents Live within 180 Minutes



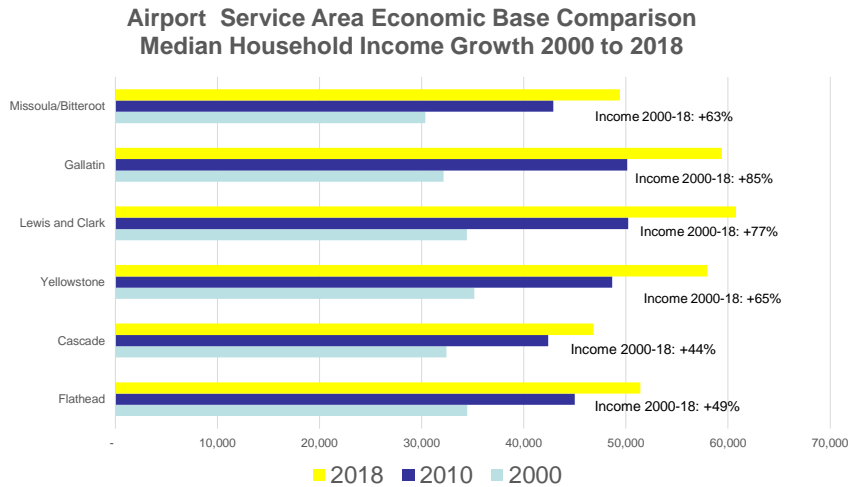
## Growing Where There is No Growth

Population stagnation = headwinds for new flights

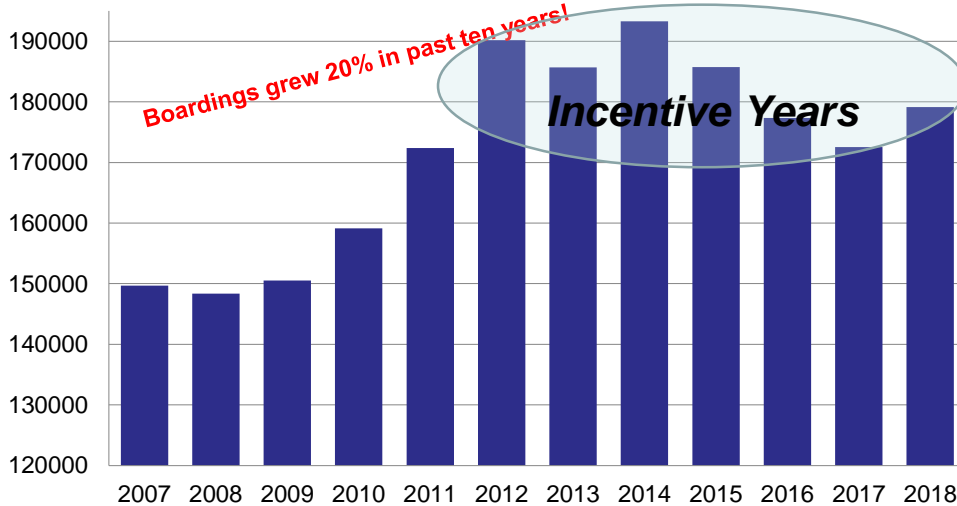
**Airport Base Population Comparison 2000 to 2018**



## Economic Growth in Air Service Region Cascade has lowest and slowest income growth

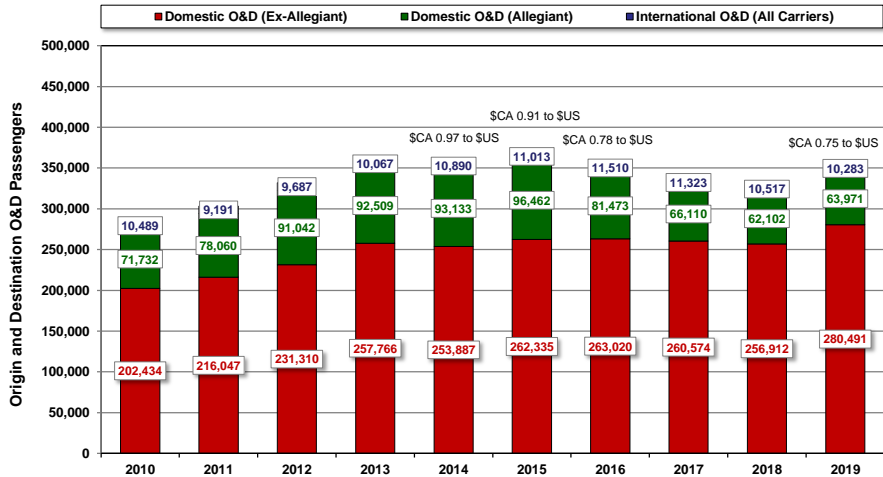


## Despite Slow Regional Growth GTF Achieved Record Boardings With the Help of Airline Incentives



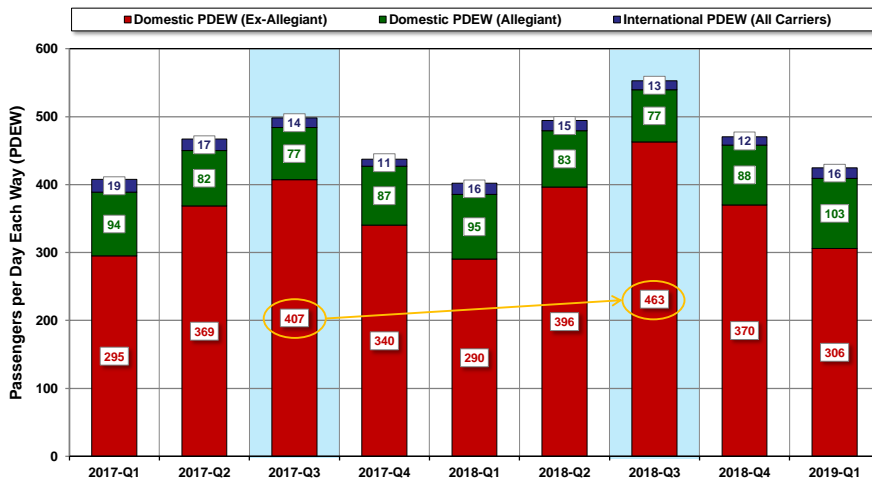
## Non-Allegiant Passenger Volume at All-time Highs Allegiant Traffic subsides with Weak Canadian Dollar

**Great Falls Domestic and International O&D Passengers**  
Year-End First Quarter



## With no Demographic Growth, Inbound Tourism is Best Target; Domestic Traffic Increased 13.6% in 3Q 2018 Relative to 3Q 2017

**Great Falls Domestic and International Passengers per Day Each Way (PDEW)**  
Quarterly Data – First Quarter 2017 through First Quarter 2019



## Low Cost Airfare Initiative Partnership

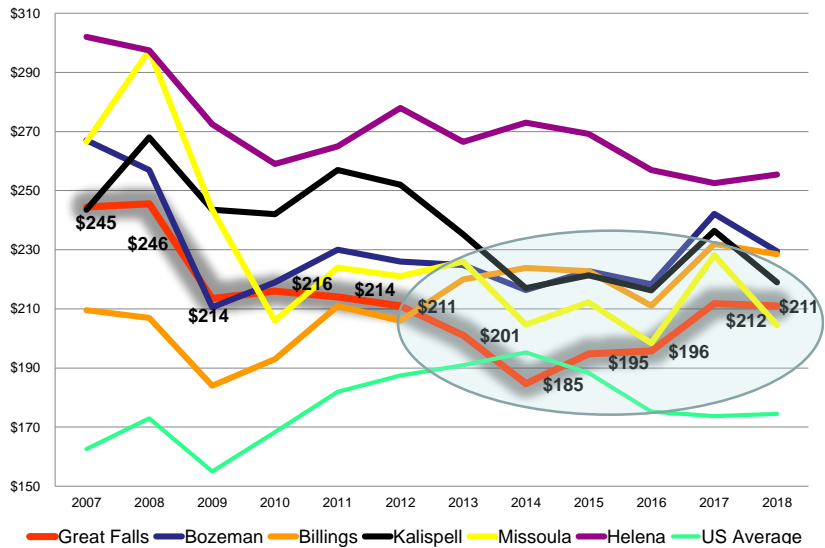
Airports are prohibited from directly incentivizing airlines



## Low Cost Airfare Initiative Partnership of GTF/Chamber/TBID

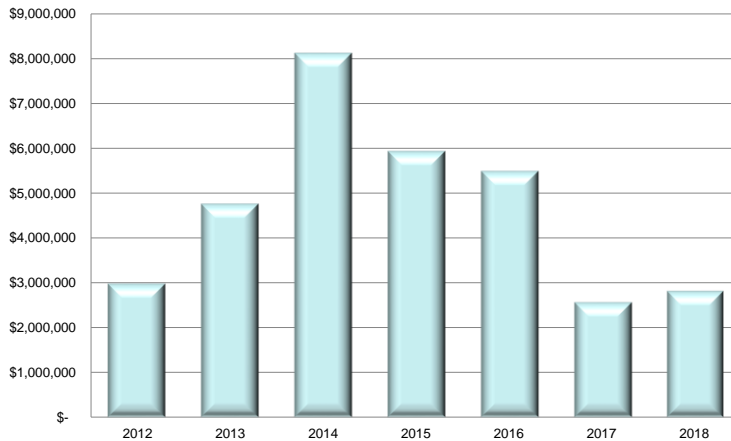
- 2011: Initial Fundraising created current incentive pool. Dollars held by Chamber
- 2012: Frontier Airlines Announces GTF
  - GTF has four busiest years in airport history. Volume remains at elevated levels
  - GTF achieves lowest average ticket price in Montana 2013 to 2017
- 2016: Airport leverages incentive with \$380k grant-United adds Chicago
  - 2017 – UA expands initial Chicago service by over 50%
  - 2018 – UA expands summer Chicago flights to daily adding 186% more seats
  - 2018 – UA expands Denver service in second half of year
  - 2019 – UA extends daily Chicago flights to Labor Day
- 2019: Incentive pool exhausted. New funding effort needed!

**More Air Service = Lower Airfare**  
**Allegiant entry in '08 and Frontier in '14 both Lowered fares \$30**



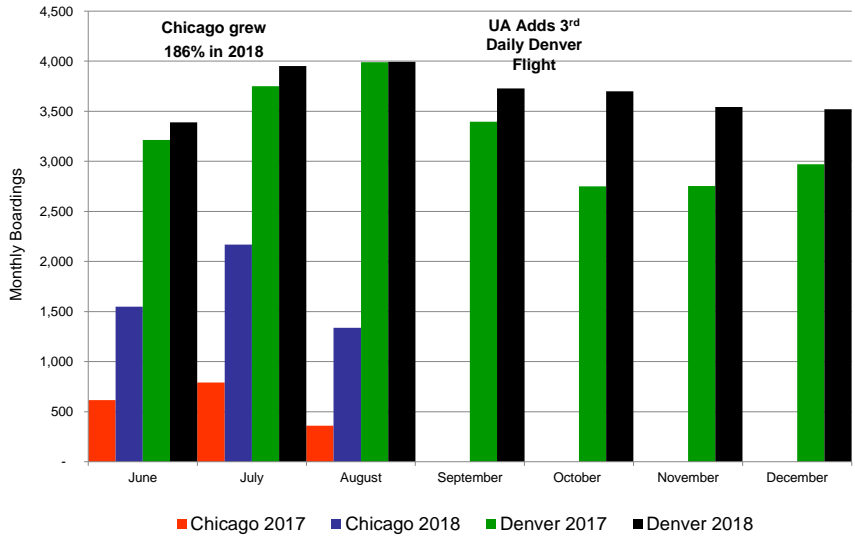
**Incentives saved GTF Travelers \$32 million**  
**With 180,000 boardings small airfare change = big impact**

**GTF Airfare Savings per Year during Incentives**  
 (calculated using Avg airfare from 2007-2011)



# United Growth of 20% in 2<sup>nd</sup> Half of 2018!

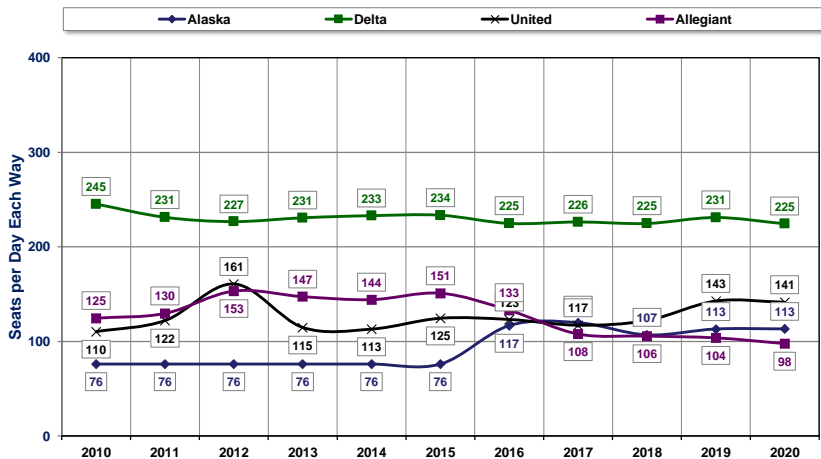
Expansion in both Denver and Chicago led to new Record UA Boardings



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## Despite Slow Regional Growth Capacity Growth has come from New United Flights including Chicago and Expanded Alaska Service

Seats per Day Each Way by Carrier  
Year-End First Quarter



Seat count excludes seats operated by Alaska on GTF-BZN-GTF and GTF-HLN-GTF flight segments

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In 2010, Alaska captured 13% and United 22% of Total GTF Market Share  
 Alaska charged \$188 per ticket while United charged \$257

PDEW, Share and One-Way Fare in the 30 Largest Great Falls Markets Frontier Could Serve via Denver  
 Year-End Fourth Quarter 2010

Market	Alaska			Allegiant			Delta			United			All Carriers		
	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	GTF POO	Fare
1 LAS	0.3	0%	\$185	58.6	88%	\$86	5.7	8%	\$194	2.3	3%	\$164	66.9	85%	\$98
2 PHX/AZA	0.3	1%	\$272	45.9	88%	\$77	4.6	9%	\$200	1.1	2%	\$219	52.0	68%	\$93
3 SEA	25.9	99%	\$159				0.3	1%	\$210				26.1	44%	\$159
4 DEN	0.1	0%	\$243				2.0	10%	\$147	18.4	90%	\$198	20.5	42%	\$193
5 LAX/SNA/ONT/BUR/LGB	1.2	9%	\$203				9.8	73%	\$202	2.3	17%	\$190	13.3	49%	\$200
6 DCA/IAD/BWI	0.1	1%	\$219				6.4	54%	\$299	5.3	45%	\$281	11.8	56%	\$293
7 MSP	0.1	1%	\$234				9.1	92%	\$222	0.7	7%	\$218	10.0	55%	\$222
8 SFO/OAK/SJC	2.6	30%	\$184				5.0	57%	\$185	1.1	13%	\$192	8.7	49%	\$186
9 SLC							7.9	96%	\$225	0.3	4%	\$195	8.2	41%	\$224
10 ATL							7.1	88%	\$279	0.9	11%	\$296	8.1	52%	\$281
11 PDX	5.9	74%	\$174				2.1	26%	\$209	0.0	0%	\$119	8.0	44%	\$183
12 LGA/JFK/EWR	0.1	1%	\$240				3.8	61%	\$278	2.4	38%	\$246	6.2	51%	\$265
13 DFW/DAL	0.2	3%	\$321				2.9	47%	\$272	2.8	45%	\$263	6.1	50%	\$276
14 MCO/SFB	0.1	1%	\$315				3.6	60%	\$223	2.3	39%	\$259	6.0	85%	\$239
15 ORD/MDW	0.1	1%	\$199				3.0	51%	\$245	2.7	47%	\$264	5.8	50%	\$253
16 SMF	1.5	28%	\$191				3.4	61%	\$198	0.6	11%	\$228	5.5	46%	\$199
17 SAN	0.5	10%	\$183				3.9	72%	\$214	0.9	18%	\$212	5.4	62%	\$210
18 ANC	4.2	88%	\$192				0.6	12%	\$315				4.7	57%	\$208
19 IAH/HOU	0.1	1%	\$105				2.1	46%	\$238	2.4	52%	\$287	4.6	47%	\$262
20 SAT							1.7	44%	\$312	2.0	50%	\$294	3.9	62%	\$307
21 BOS							2.1	61%	\$244	1.3	38%	\$267	3.5	50%	\$256
22 STL							2.1	61%	\$278	1.3	38%	\$280	3.4	50%	\$279
23 HNL	0.8	24%	\$269				1.3	39%	\$287	1.2	36%	\$281	3.4	88%	\$282
24 ABQ							1.5	46%	\$298	1.3	40%	\$311	3.2	56%	\$273
25 MIA/LL/PBI							2.5	81%	\$257	0.4	14%	\$319	3.1	72%	\$275
26 MCI							1.7	57%	\$262	1.3	42%	\$288	3.0	58%	\$273
27 DTW							2.1	79%	\$241	0.5	20%	\$259	2.7	64%	\$244
28 TPA/PIE							1.2	45%	\$221	1.4	53%	\$285	2.6	57%	\$256
29 PHL							1.4	55%	\$297	1.1	42%	\$300	2.5	51%	\$300
30 OMA							1.1	49%	\$227	1.2	51%	\$246	2.3	50%	\$237
30 Largest Markets	43.9	14%	\$173	104.5	34%	\$82	101.8	33%	\$235	59.5	19%	\$239	111.6	61.4%	\$176
All Markets	52.0	13%	\$188	104.5	26%	\$82	147.2	37%	\$249	88.1	22%	\$257	197.2	59.1%	\$199

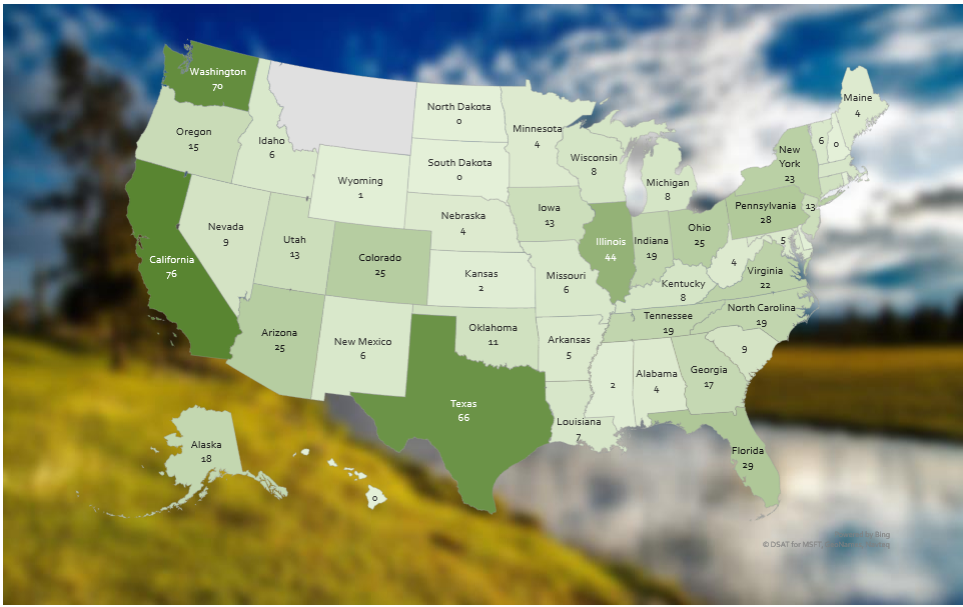
Alaska and United both Gained 5% More Market Share Since 2010  
 Alaska's Avg Ticket Price down \$10 while United is down \$14

PDEW, Share, GJT POO and Average One-Way Fare in the 30 Largest Great Falls Domestic Markets (All Carriers)  
 Year-End First Quarter 2019

Market	Alaska			Allegiant			Delta			United			All Carriers		
	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	Share	Fare	PDEW	GJT POO	Fare
1 PHX/AZA	47.0	85%	\$62	1.2	2%	\$226	5.2	9%	\$238	1.8	3%	\$223	55.2	66%	\$87
2 LAS				1.7	3%	\$150	6.6	13%	\$193	1.1	2%	\$202	50.0	82%	\$85
3 DEN				0.6	2%	\$168	1.4	4%	\$269	35.2	95%	\$177	37.2	48%	\$180
4 SEA				36.1	98%	\$148	0.8	2%	\$215				36.9	49%	\$149
5 LAX/SNA/ONT/BUR/LGB				5.2	25%	\$155	11.2	55%	\$208	4.1	20%	\$173	20.5	51%	\$187
6 SLC							18.6	100%	\$187	0.0	0%	\$328	18.7	46%	\$187
7 MSP				0.4	3%	\$246	14.2	93%	\$220	0.6	4%	\$255	15.2	55%	\$222
8 DCA/IAD/BWI				0.1	1%	\$170	6.6	55%	\$285	5.4	44%	\$307	12.1	56%	\$294
9 SFO/OAK/SJC				5.0	46%	\$153	3.6	33%	\$222	2.3	21%	\$217	10.9	44%	\$189
10 PDX				8.1	78%	\$181	2.4	22%	\$234				10.5	44%	\$193
11 ORD/MDW				1.2	13%	\$177	3.1	34%	\$240	4.7	52%	\$270	9.0	51%	\$247
12 LGA/JFK/EWR				0.4	5%	\$220	4.5	51%	\$270	3.9	44%	\$253	8.9	55%	\$260
13 DFW/DAL				0.7	9%	\$207	3.9	50%	\$253	3.2	41%	\$246	7.8	56%	\$246
14 ATL				0.1	2%	\$186	5.9	78%	\$317	1.5	20%	\$283	7.5	57%	\$308
15 SAN				1.8	26%	\$176	3.8	55%	\$205	1.3	19%	\$208	6.9	60%	\$198
16 SMF				3.3	54%	\$167	2.3	37%	\$193	0.6	10%	\$205	6.2	41%	\$180
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18 MCO/SFB				0.1	3%	\$227	3.6	68%	\$286	1.6	29%	\$296	5.3	73%	\$288
19 MCI				0.4	7%	\$202	2.5	47%	\$225	2.4	46%	\$240	5.3	52%	\$230
20 BOS				0.3	6%	\$201	2.2	48%	\$288	2.2	46%	\$314	4.7	44%	\$294
21 BNA				0.0	1%	\$171	2.1	45%	\$255	2.5	54%	\$259	4.6	56%	\$256
22 SAT				0.1	2%	\$305	1.8	40%	\$274	2.6	58%	\$282	4.5	57%	\$279
23 ANC				4.0	97%	\$301	0.1	2%	\$638	0.0	1%	\$421	4.1	51%	\$310
24 DTW				0.0	1%	\$200	2.9	72%	\$256	1.1	27%	\$239	4.0	57%	\$251
25 AUS				0.7	17%	\$192	1.2	29%	\$214	2.2	54%	\$223	4.0	47%	\$215
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All Markets	87.6	19%	\$62	85.9	18%	\$178	169.9	36%	\$246	128.4	27%	\$243	471.9	56%	\$199



**New Flights Attract Nationwide Visitation:  
1,000 passenger origin survey IL was 4th PA was 6th!**



**GTF to Host North American Airline Industry in 2020**  
Bringing the airlines to our community



Sponsored by



# GTF The Future of Air Service

## Is Great Falls moving forward or backward?



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### Assessing the airline industry

#### Despite healthy airlines, no growth mindset remains

- **It's a Desert.** Airline routes remain an economic scarcity. Virgin America, US Airways, Continental and Northwest all had last flight in past ten years.
    - Fact: Fewer airlines seats operate today than in 2000.
  - **Dog Eat Dog.** Pilot Shortages and aircraft retirements have made new expansion non-existent. Instead airlines exchange promising new routes for non-performers.
  - **Risky Business.** Airline management is still influenced by record breaking losses that ended with \$100 oil just four years ago.
- = **Airline Incentives from community are absolute necessity for any new service.**

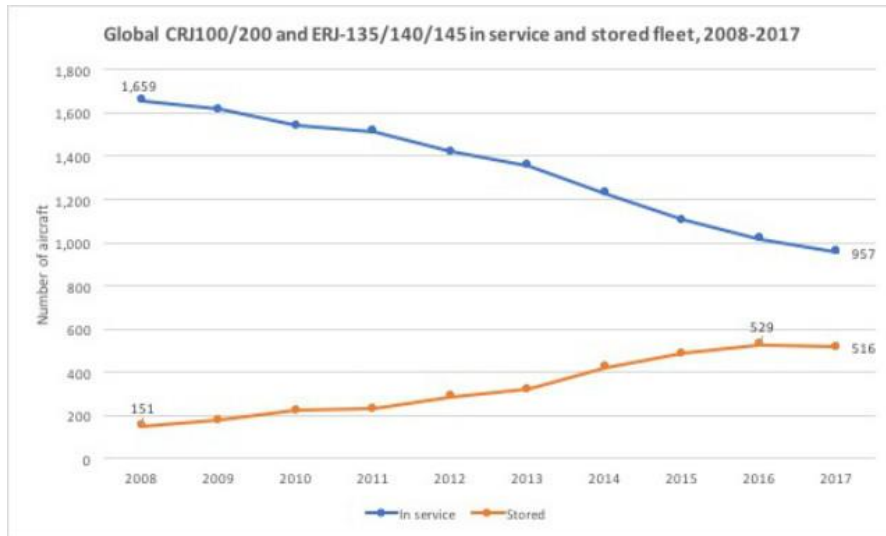
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## Incentives make growth a reality! Growing air service in small communities takes \$

- **Bozeman:** \$8 million in new community incentives in past ten years brought new direct markets, American Airlines and Jet Blue. One of fastest growing airports in US
- **Billings:** \$1.6 million in community incentives for American Airlines to Dallas
- **Missoula:** \$1.4 million in community incentives for American Airlines to Dallas and Chicago
- **Kalispell:** Estimated \$2 million in incentives for American Airlines to Dallas, Chicago, Los Angeles
- **Great Falls:** Small funding pool exhausted after 2019

## Are we Headed to Extinction?! GTF's backbone, the 50-seat jet are timing-out & vanishing



# Why Great Falls must Urgently grow out of the 50-seater

**Flight Global, Feb 2018:** "An abundance of 50-seaters is simply unsustainable these days"

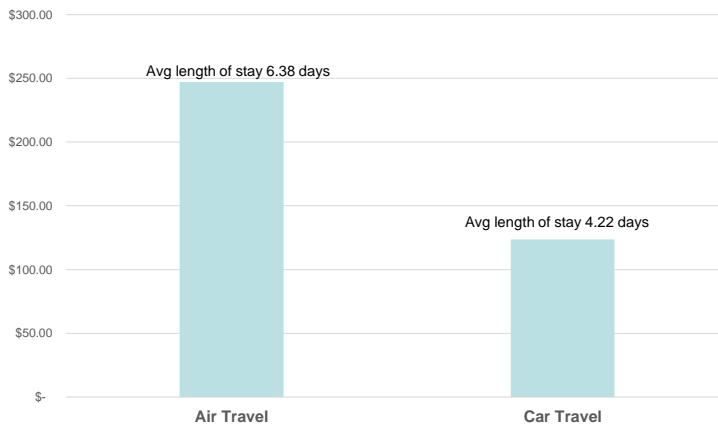
**Flight Global, Feb 2019:** "no 50-seat jets have been in production since Bombardier and Embraer shifted to manufacturing larger jets more than a decade ago"

**MRONetwork.com, Jan 2016:** "Going forward, the number of dots on the airline map will be fewer....with the disproportionate impact being felt at the smaller markets"

**AirlineGeeks.com, Oct 2017:** "there are over 200 50-seat planes removed from US carrier's fleets may lead some fliers to look at previously avoided routes or hubs to fly through since the 50-seat planes are slowly being transitioned out"

# Consider a Pledge Today! Targeting lower fares and more access for Great Falls

**Daily Tourist Spending by Mode of Arrival**  
Air travelers generate 2x spending per day vs drivers and stay 51% longer



# 2016 MDOT Economic Impact for GTF

Annual direct impact over \$160 million, nearly \$100 million more in downstream benefit



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## Objective: Enable Growth of Private and General Aviation Development **GTF**



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September 2019

## Eagle Jet - MT's Largest Private Hangar

Headliner for over 20 acres of mixed private aviation development



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September 2019

## Tenant Profile: Eagle Jet

New Tenant Spreading its Wings

**Current Project:** \$5 million hangar is largest private hangar in MT

**Primary Business:** Private aircraft sales, leasing and management

**Secondary Business:** Purchased Front Range Aviation in 2019 now operating fixed base operator as Great Falls Jet Center. Providing fueling, maintenance and other aeronautical services to private aircraft.

**Expansion Plans:** Multi-million dollar aircraft ramp expansion planned for 2020.

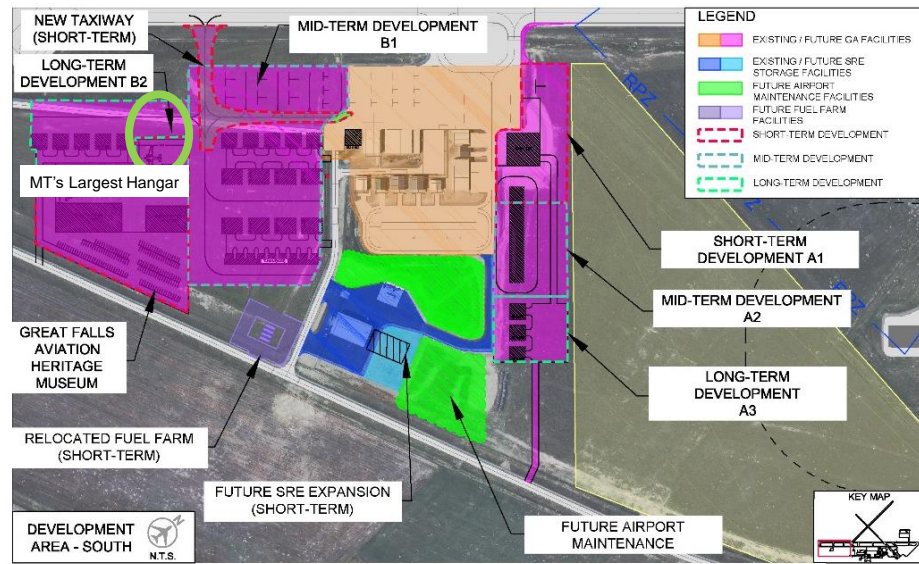
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# Master Plan: Future General Aviation Development

For first time, utility served hangar pads are Now Available!



## Objective: Grow and Diversify Authority Revenue Streams



## Financial sustainability for the Airport

Economic Development for Great Falls



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## Non-Passenger Revenue

Provides stability in economic downturn and moderates fees to airlines

### Revenue Growth, Diversification and Economic Benefit:

- IState opens \$5 million location at GTF in 2015.
- AvMax opens aircraft parts warehouse at GTF in 2019.
- Holman Aviation opens \$4 million fuel farm in 2019.
- Love's starts \$12 million development at GTF starting in 2020.
- FedEx negotiating new lease with GTF in 2020.

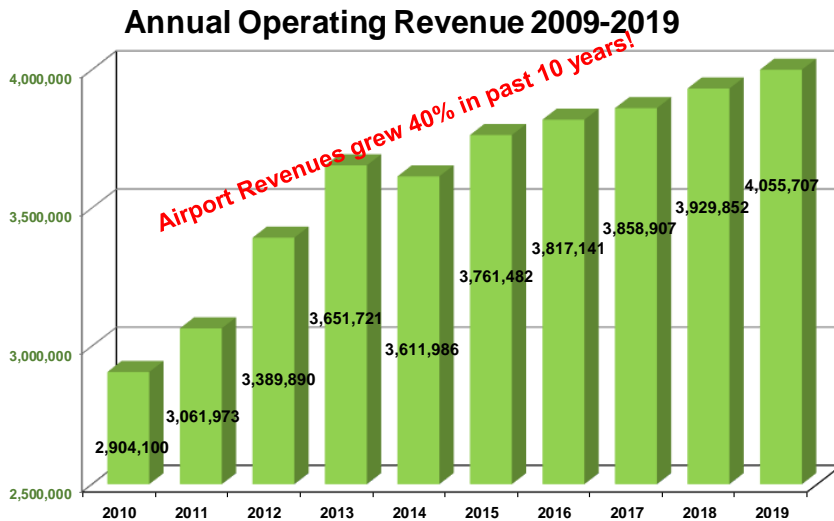
**These projects at GTF impact more than 250 jobs in our community**

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Passenger Revenue and Non-Passenger Revenue Growth  
 GTF Achieved Record Revenue 9 out of Past 10 Years



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Objective: Provide the region with excellent aviation facilities and infrastructure **GTF**



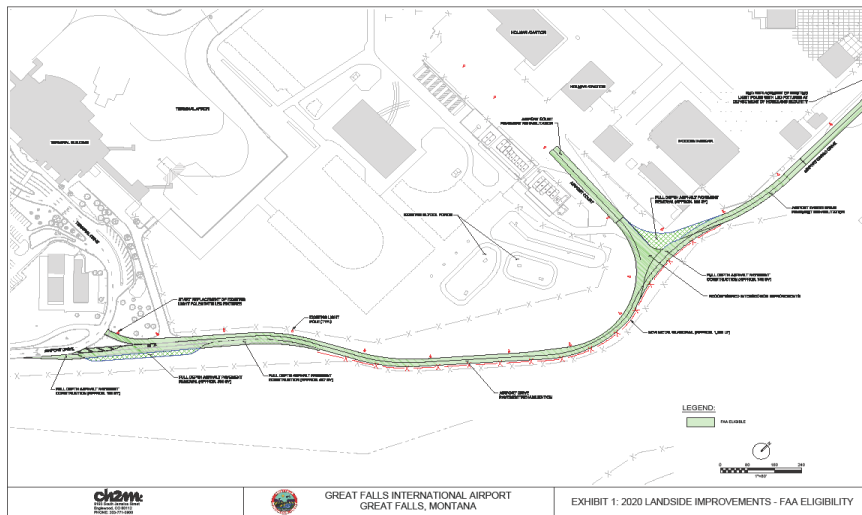
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## Airport Capital Improvement Plan 2019-2021

PROJECT DESCRIPTION	TOTAL
<b>GTF FY2019 (July 2018 - June 2019) = FAA FY2019 (Oct 2018 - Sep 2019)</b>	
Runway 3-21 Improvements Fog Seal, Arrestor Barrier Removal	\$ 1,200,000
Acquire Combination Plow and Tow-Behind Broom Truck	\$ 833,333
Snow Building Expansion	\$ 633,333
Road Improvement North of Terminal to Fed-Ex (Phase II - Design/Bidding Only)	\$ 222,222
Fuel Farm Removal and Mitigation (Design, Bidding, and Construction)	\$ 200,000
Terminal Refresh: New Vestibule Doors and Carpet	\$ 120,000
Terminal Refresh: Furniture Replacement 2nd Floor Lobby & Bag Claim	\$ 35,000
Terminal LED Project (Phase II)	\$ 75,000
<b>Total FY2019</b>	<b>\$ 3,318,889</b>
<b>GTF FY2020 (July 2019 - June 2020) = FAA FY2020 (Oct 2019 - Sep 2020)</b>	
Resurface Roadways North of Terminal to Fed-Ex ( Construction)	\$ 2,083,333
Terminal Refresh: Remodel Bag Claim Bathroom Bank Refresh	\$ 250,000
Centralized Deicing Facility with Pond Improvements (Design/Bidding Only)	\$ 388,889
<b>Total FY2020</b>	<b>\$ 2,722,222</b>
<b>GTF FY2021 (July 2020 - June 2021) = FAA FY2021 (Oct 2020 - Sep 2021)</b>	
Centralized Deicing Facility with Pond Improvements (Construction)	\$ 4,222,222
Bag Claim Carpet Refresh	\$ 150,000
Terminal Refresh: Pre-security Signage Replacement Phase II	\$ 50,000
Loading Bridge Renovation (Gate 2)	\$ 150,000
Landside Improvements: Hwy to MANG (Phase III - Design/Bidding)	\$ 444,444
<b>Total FY2021</b>	<b>\$ 5,016,667</b>

## Resurface Roadways FY 2020 Phase II Terminal to FedEx including intersection realignment





## Airside Deicing and Parking Pads - 2021



May 31, 2016

Great Falls International Airport  
Board Meeting

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## Airport Capital Improvement Plan 2022-2024

<b>GTF FY2022 (July 2021 - June 2022) = FAA FY2022 (Oct 2021 - Sep 2022)</b>	
Terminal Improvements (Roof replace, HVAC, 2nd Floor Bathrooms, Entry Concrete)	\$ 2,350,000
Terminal Improvements (Design/Bidding)	\$ 800,000
Public Pay Parking Expansion (Design, Bidding, and Construction)	\$ 500,000
<b>Total FY2022</b>	<b>\$ 3,650,000</b>
<b>GTF FY2023 (July 2022 - June 2023) = FAA FY2023 (Oct 2022 - Sep 2023)</b>	
Landside Improvements: Hwy to MANG (Phase III - Construction)	\$ 2,016,667
Employee and Rental Car Lot Expansion (Design, Bidding, and Construction)	\$ 550,000
Taxiway A Fog Seal and Striping (Design, Bidding, and Construction)	\$ 277,778
Terminal Improvements (Construction)	\$ 15,000,000
<b>Total FY2023</b>	<b>\$ 17,844,444</b>
<b>GTF FY2024 (July 2023 - June 2024) = FAA FY2024 (Oct 2023 - Sep 2024)</b>	
Southwest GA Improvements: Taxiway and GA Ramp (Phase II - Construction)	\$ 1,166,667
SRE Facility Expansion (Phase III - Design and Bidding)	\$ 277,778
SRE Facility Expansion (Phase III - Construction)	\$ 1,111,111
<b>Total FY2024</b>	<b>\$ 2,555,556</b>
<b>Total FY2019 - FY2024</b>	<b>\$ 35,107,778</b>

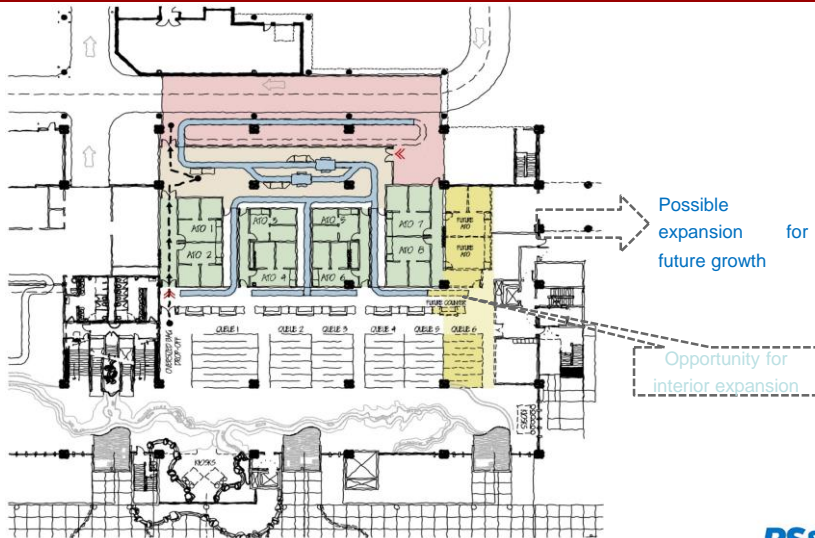


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## Terminal Refresh – Ticketing Area

### More Ticketing queuing and centralized bag screening area

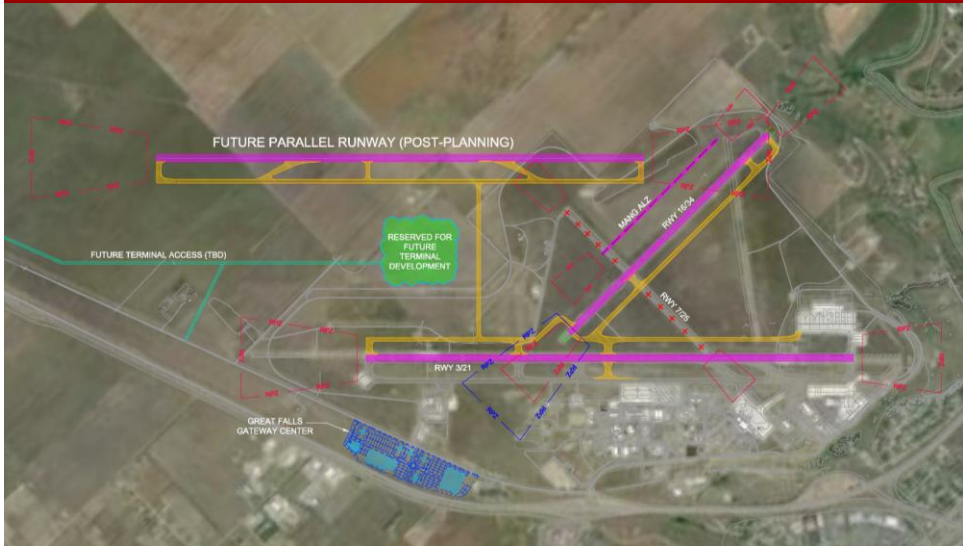


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**RS&H**  
**ch2m:**

# Long-Term Vision 20+ Years

Terminal likely moved to green field location



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September 2019

## For Additional Information

### Contact

**John Faulkner**  
**Airport Director**  
**Great Falls International Airport Authority**

**2800 Terminal Drive**  
**Great Falls, MT 59404**

**406-727-3404**

**john@flygtf.com**

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