



Mono Inyo Airport Working Group Special Meeting

Friday, April 7, 2023, 3:00 p.m.

Dual Location: Inyo County Consolidated Office Building and Mammoth Lakes Council Chambers

Inyo County Consolidated Office Building 1360 N. Main St. Room 101 Bishop, CA 93514

Mammoth Lakes Council Chamber 437 Old Mammoth Rd., Ste Z Mammoth Lakes, CA 93546

Members of the Committee

Town of Mammoth Lakes Councilmember John Wentworth, Mono County Supervisor Bob Gardner,
City of Bishop Councilmember Karen Schwartz, Inyo County Supervisor Trina Orrill

NOTE: The Mono Inyo Airport Working Group is a Subcommittee of the Eastern Sierra Council of Governments (ESCOG) Joint Powers Authority (JPA).

NOTE: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Clerk at (760) 965-3615. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 13.102-35.104 ADA Title II)

NOTE: Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Town Offices located at 437 Old Mammoth Road, Suite 230 during normal business hours. Such documents are also available on the ESCOG website at www.escog.ca.gov subject to staff's ability to post the documents before the meeting.

NOTE: You may watch this meeting on the Town of Mammoth Lakes' (TOML) website at <https://pub-townofmammothlakes.escribemeetings.com/?Year=2023>, via Zoom or on TOML's local government cable channel 18.

Zoom Information

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://monocounty.zoom.us/j/86995336130>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 444 9171 or +1 669 900 6833 or +1 346 248 7799 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 305 224 1968 or 833 928 4610 (Toll Free) or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free) or 833 928 4608 (Toll Free) or 833 928 4609 (Toll Free) *To raise your hand press *9, To Unmute/Mute press *6

Webinar ID: 869 9533 6130

International numbers available: <https://monocounty.zoom.us/j/86995336130>

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

Notice to the Public: This time is set aside to receive public comment on matters not calendared on the agenda. When recognized by the Chair, please state your name and address for the record and please limit your comments to three minutes. Under California law the Mono Inyo Airport Working Group is prohibited from generally discussing or taking action on items not included in the agenda; however, the Mono Inyo Airport Working Group may briefly respond to comments or questions from members of the public. Therefore, the Mono Inyo Airport Working Group will listen to all public comment but will not generally discuss the matter or take action on it. Public comments may be submitted to the Clerk at clerk@townofmammothlakes.ca.gov before and during the meeting or may be made via Zoom or in person.

4. POLICY MATTERS

4.1 Discussion on Regional Air Service

5. ADJOURNMENT



**Eastern Sierra Council of Governments (ESCOG)
Mono Inyo Airport Working Group (MIAWG)**

STAFF REPORT

To: ESCOG MIAWG Committee
From: Dan Holler, Mammoth Lakes Town Manager
Nate Greenberg, Inyo County Administrative Officer
Subject: Discussion on Regional Air Service
Meeting date: April 7, 2023
Prepared on: April 5, 2023
Attachments: A) April 5, 2023 Air Service Update
B) Inyo County Update on BIH Air Service

Reliable, Regional Air Service

The goal of having successful regional, reliable air service has been discussed intently over the past few years. The current air service structure includes commercial service provided by United Airlines through the Inyo/Bishop Airport (BIH) and Scheduled Charter service provided by Advanced Airlines through Mammoth Yosemite Airport (MMH). As part of the discussion to transition commercial air services, the Mammoth Inyo Air Working Group (MIAWG) was set up under ESCOG. This sub-committee met several times along with other partners (Mammoth Lakes Tourism and MMSA/ALTERRA) and engaged with the FAA throughout this process.

Since 2013 the Mammoth Lakes Tourism Business Improvement District and Mammoth Mountain Ski Area (MMSA) has provided financial support for air service. The TBID support for air service provides marketing support and supports the minimum revenue guarantee (MRG) to air service providers, generally referred to as a “subsidy”. The subsidy is used to secure the service by limiting the financial risk borne by the provider. Without a subsidy, carriers would not accept the financial risk of a small market, like our region. The provision and value of regional air service is a broader policy discussion topic that extends to each of the regional governmental agencies and other key

partners. The MIAWG is a current form that may provide the public forum for setting the course for current and future air service in the region. While this discussion is focused on air service, the planning and investment in the Airports by Mammoth Lakes and Inyo County is linked to the type and level of air service to be provided.

The most recent air service update report showing load factors by carrier and locations served provided to the MLT Board is attached (information through March). Winter United air service will end on April 9th, with the last flights from San Francisco for BIH. The current 4 day a week Charter service at MMH will end on April 17. The service will extend from April 20 to June 25. A copy of the recent update provided by Inyo County staff is also attached as background information.

Mammoth Inyo Air Working Group

Using the MIAWG as the initial public forum to continue a regional discussion on air service is a first in looking to the future of have successful, reliable, regional air service. There are also key decisions to be made by each of the ESCOG partners as well as the others. The discussion below focuses on the renewal of the Mammoth Lakes Tourism Business Improvement District (TBID), which provides the majority of the financial support for air service. The TBID is currently up for renewal consideration. The financial partners include Inyo County, the Town of Mammoth Lakes and MLT (outside of TBID), and MMSA.

While the funding structure to support air service the overall structure of the discussion on air service may be seen as a three-legged stool, with the top being ‘reliable, regional air service’:

- 1) Defining the goal of current and future air service
- 2) Determining the governance and funding structure for air service subsidies
- 3) Airport infrastructure and operations – Required to support any level of air service

Each one of the ‘legs’ has its own set of policy questions. The purpose of this MIAWG meeting is to begin to refine the policy questions and to set a path forward for future discussions. Staff has attempted to lay out the initial framework for this discussion, knowing that items noted will not be addressed in a single meeting.

Policy Questions Set 1. The question of governance or public oversight of Air Service which is directly tied to the supporting infrastructure is a question directed at the regional nature of air service. Currently only two of the MIAWG members provide direct funding for air service and provide the existing infrastructure. While air service provides a regional service, the financial and infrastructure support is tied to Mammoth Lakes and Inyo County, as governmental agencies. Additional direct and indirect support is provided by private sector partners.

Initial set of questions:

- a. Is the MIAWG (ESCOG) the proper forum for a regional air service discussion?
- b. Should the governance model be structured to reflect financial partners only?
- c. Is a different governance model preferred – i.e., a public/private entity?
- d. What is the mechanism for general public discussion?
- e. Is the current funding structure sustainable for partners and air service?

- f. What other options are available for funding air service?

Policy Questions Set 2. In working with partners do we need a clear definition of what is meant by the statement: Successful, Reliable, Regional Air Service? This definition will drive the level of financial support needed to achieve the articulated goal over time. Initial set of questions:

- a. How is successful, reliable, regional air service defined?
- b. Has the region achieved successful, reliable, regional air service?
- c. Is region based simply on airport location and/or markets served?
- d. Is success measured by passenger numbers, markets serviced or subsidy level?
- e. Is success defined by having some level of year-round air service or just seasonal?
- f. What is missing to achieve the original articulated goal?

Policy Question Set 3. The success of commercial air service and other airport related benefits depends on the ability of the Airport operators (Mammoth Lakes and Inyo County) to maintain and operate the physical airport. Initial set of questions:

- a. Are there deficiencies in the operations and maintenance of airports to meet goals?
- b. Is there awareness that the capital planning process is driven in part by air service?
- c. Is capital investment funding the sole responsibility of the Airport owner?
- d. How to address the shift in funding from air services to infrastructure?

Staff is not looking for a final answer on each question and may not have identified all the questions to be address. The first question is to confirm if this is the proper forum for ongoing air service discussion or is there an alternative governance structure to consider? Beyond that, is there additional information that is needed to move forward in the discussion on regional air service?

Overview Air Service Marketing and Subsidy – Mammoth Lakes TBID

Air Service-related funding is the second primary purpose of the TBID (the first being general Marketing). TBID support for air service is based on the linkage of bringing in destination visitors by air, which creates enhanced direct benefits to assessed businesses. This is seen in the generation of longer stays and higher spending levels within the community. Balanced with other marketing efforts the requirement of the TBID is to provide a specific benefit to the assessed businesses by having these visitors supporting the various businesses. The current efforts are also based on information that generally 80%+/- of those flying are visitors that support businesses within Mammoth Lakes. This limits the amount of TBID funds that may be used to support air service. The proposed Mammoth Tourism Improvement District Management Plan (MDP) also places a cap on the amount of TBID funds that may be used for the MRG or subsidy for air service to 85% of the budget allocated for Air Service Marketing and Subsidy (proposed total budget for Air Marketing and Subsidy \$3,000,712).

Having air service to the region is based on the ability of the air carriers to generate revenues at a level that justifies the service versus having the same aircraft and crews committed to other routes that generate better revenue to the provider. To secure air service, an MRG or subsidy level is negotiated with each provider. The value of air service to the community extends beyond just visitation. Air service is used by residents for both pleasure and business. The air service supports

the airports through FAA grants for infrastructure. The airports provide for general aviation services (private aircraft), staging areas for firefighting air support, air ambulance services and search and rescue operations. Delivery services utilize the airports, and the Air National Guard and others use them for training missions. While the primary focus for the TBID discussion is on generating visitor-based activity, the support generated through this activity generates grants and other revenues supports a much broader community resource.

Supporting the concept of successful, reliable, regional air service requires the Town Council of Mammoth Lakes, MLT and other partners to address several policy questions. At this point in time, with the renewal of the TBID moving forward, the basic question for the Town Council is whether or not the current use of TBID assessment revenue and the limits put in place are acceptable. If the structure and use of these revenues are acceptable, then the following policy questions need to be addressed, which will include discussions with partners engaged in air service funding. The following chart is provides information on the funding structure for Winter 2023 air service. The final amounts to be paid will change based on the success (number of passengers and value of tickets sold) and cost of the service provided. The charts reflect the maximum financial resources committed to Air Service. While the charts show the total amounts, keep in mind that the TBID amount is less due to the limit based on an allocation of support of 80% linked to the percentage of visitors expected to come to Mammoth Lakes.

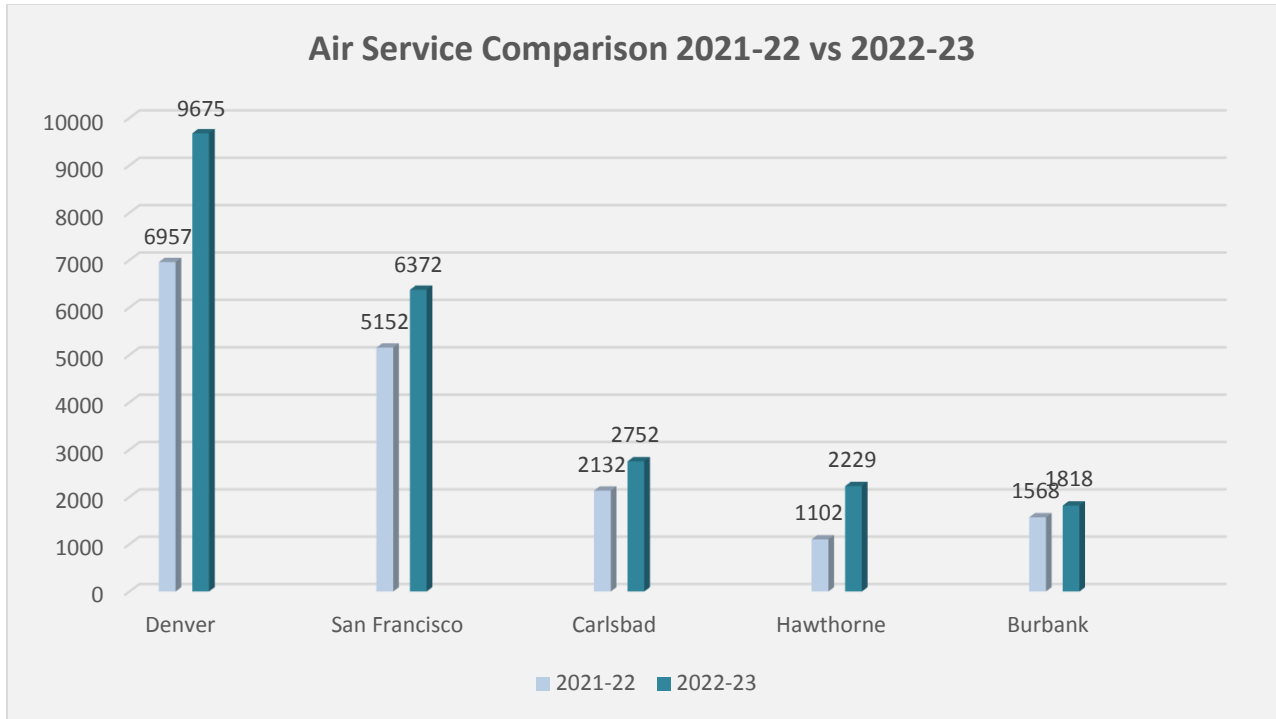
	Winter 2023
Advanced Airlines Maximum Revenue Guarantee (Cap)	\$875,000
Mammoth Lakes Tourism Initial Commitment	\$425,000
Town of Mammoth Lakes Maximum Commitment	\$200,000
Mammoth Lakes Tourism Additional Maximum Commitment	\$250,000

	Winter 2023
United Airlines Maximum Revenue Guarantee (Cap)	\$2,347,000
Mammoth Lakes Tourism Commitment	\$1,410,000
Inyo County Maximum Commitment	\$500,000
Mammoth Mountain Ski Area Maximum Commitment	\$437,000

*TBID Support est. \$450,000.

Air Service Update 4-5-23

Bookings



Year-over-year roundtrips

- Denver is up 2,718, which is 39% over last year.
- San Francisco is up 1,220, which is 24% over last year.
- Carlsbad is up 620, which is 29% over last year.
- Hawthorne is up 1,127, which is 102% over last year.
- Burbank is up 250, which is 16% over last year.

Total we are up 5,935 round trips across all markets – roughly 2,967 individual passengers.

Summer Service

United summer schedule SFO-BIH loaded for June 23 – September 4th.

Advanced Airlines has been extended for spring to fly twice weekly (Friday and Sunday) to Hawthorne (HHR) starting April 20 through June 25. Ten packs from this winter will be extended as well at least through this period if not through the summer but that is TBD.

Airline Completion Rates

While the winter was challenging due to record snowfall and highway closures, completion rates on both airlines were very good considering.

Advanced Airlines

Advanced Airlines ability to divert to BIH when weather at MMH makes it impossible to land mean that an additional 17.2% of flights were able to be completed and not cancelled.

In comparison to 2017 with JSX– we saw a completion rate of just **87.1%** compared to a completion rate of **90%** this year which is a slight improvement.

MMH/KMMH					
Monthly Tracking of Completed & Diverted Flights @ MMH					
Total roundtrip flights are counted.					
Advanced Air (AN) - FRJ					
Month	# Flights Skd	# Flights Flown to/from MMH	% Completed MMH	# Flights Diverted to/from BIH	% Completed with Diversions
November	12	12	100.0%	0	100.0%
December	54	43	79.6%	11	100.0%
January	54	39	72.2%	9	88.9%
February	48	35	72.9%	4	81.3%
March	24	14	58.3%	7	87.5%
April					
Total	180	131	72.8%	31	90.0%

United Airlines

United had weather challenges in areas other than BIH that cause some of our cancellations including Denver, Aspen and San Francisco which effected our completion rates.

In comparison to 2017 when United flew into MMH – we saw a completion rate of just **79.9%** compared to a completion rate of **95.6%** this year which is a major improvement.

BIH/KBIH					
Monthly Tracking of Completed & On-Time Flights @ BIH					
Total Bi-Directional Flights are included. On-Time = < 15 minutes late.					
SkyWest Airlines (OO) - CRJ700					
Month	# Flights Skd	# Flights Flown	% Completed	# Flights On- Time	% On-Time
December	68	67	98.5%	45	66.2%
January	102	97	95.1%	73	71.6%
February	100	92	92.0%	69	69.0%
March	96	94	97.9%	73	76.0%
April					
Total	366	350	95.6%	260	71.0%

Bishop Airport and Air Service Update

March 28, 2023



Airport Operations Report

- Staffing: Deputy Public Works Director – Airports
Airport Operations Supervisor
Airport Operations Technicians (2 full + 1 part)
Office Technician
- Responsibilities: Fueling
Airfield maintenance
Aircraft Rescue & Fire Fighting
Snow Removal
Operating 3 other General Aviation airports

Operations Budget Overview

Fiscal Year 21/22			
Expenses		Revenue	
Staffing	\$ 612,753	Rents, Leases & Parking	\$ 269,781
Maintenance	\$ 27,720	Landing, Tie-Down & Ramp Fees	\$ 114,860
Fuel for Resale	\$ 1,157,473	Fuel Sales	\$ 1,418,493
General Operations	\$ 197,139	Misc.	\$ 17,367
LADWP Lease	\$ 95,558	Operating Transfer	\$ 250,000
County Cost Plan	\$ 71,825		
Total	\$ 2,162,468	Total	\$ 2,070,501

Fiscal Year 22/23 Through 3/15/23			
Expenses		Revenue	
Staffing	\$ 403,961	Rents, Leases & Parking	\$ 210,267
Maintenance	\$ 19,505	Landing, Tie-Down & Ramp Fees	\$ 93,454
Fuel for Resale	\$ 1,071,825	Fuel Sales	\$ 1,480,872
General Operations	\$ 190,096	Misc.	\$ 21,883
LADWP Lease	\$ 105,091	Operating Transfer	\$ 150,000
County Cost Plan	\$ 59,812		
Total	\$ 1,850,290	Total	\$ 1,956,476

Capital Improvement Projects

Airport Improvement Program Projects

Year	Project Description	Federal Funds	Local Funds	Total
2024	Runway 12-30 Runway Safety Area Improvement Project: Grading & Fencing	\$ 2,025,000.00	\$ 202,500.00	\$ 2,250,000.00
2024	Master Plan Update	\$ 675,000.00	\$ 75,000.00	\$ 750,000.00
2028	Perimeter fencing upgrades	\$ 900,000.00	\$ 100,000.00	\$ 1,000,000.00

Airport Infrastructure Grant Projects/Acquisitions

Year	Project Description	Federal Funds	Local Funds	Total
2023	Purchase snow removal & maintenance equipment	\$ 270,000.00	\$ 30,000.00	\$ 300,000.00
2024	Replace rotating beacon (on existing tower)	\$ 45,000.00	\$ 5,000.00	\$ 50,000.00
2026	Construct ARFF, SRE, Maintenance Building	\$ 2,020,500.00	\$ 224,500.00	\$ 2,245,000.00

Air Service – First Two Seasons

Load Factors

		DEN	SFO	LAX	Combined
Winter 21/22	December	53.6%	43.7%	34.7%	44%
	January	49.9%	27.2%	27.9%	39%
	February	58.4%	47.5%	38.3%	49%
	March	74.4%	46.7%	41.6%	56%
Summer 22	June	-	31.0%	-	45.7%
	July	-	48.1%	-	
	August	-	48.7%	-	
	September	-	49.6%	-	
Winter 22/23	December	60.4%	48.1%	-	51.2%
	January	64.2%	45.1%	-	56.8%
	February	76.4%	61.3%	-	69.7%
	March*	76.0%	63.8%	-	70.0%
	*Bookings as of 3/13				

Air Service – First Two Seasons

Reliability

Cancellations 21/22				
	Weather in Bishop	Weather elsewhere	Mechanical	Crew
SFO	0	0	4	4
DEN	0	1/2	1/2	1
LAX	0	0	2	2
Total	0	1/2	6 1/2	7

Overall Cancellation
Rate: 4.7%

Cancellations 22/23 as of 3/15/2023				
	Weather in Bishop	Weather elsewhere	Mechanical	Crew
SFO	2	2	1/2	0
DEN	2	1	0	0
Total	4	3	1/2	0

Overall Cancellation
Rate: 4.8%

Air Service – Minimum Revenue Guarantee

Winter 22/23 Minimum Revenue Guarantee:

Mammoth Mountain Direct Support

3rd Tier Subsidy

Local Agency Support

2nd Tier Subsidy

Mammoth Lakes Tourism Business Improvement District Support

1st Tier Subsidy

Air Service – Future

Where do we go from here?

Regional discussions

- ESCOG / MIAWG
- Long term funding of the MRG
- Year-round service?
- Additional winter destinations?
- Additional airlines?
- Capital investments required for air service

Future Commercial Service and Apron

The Vision:

- A terminal and apron in a new location
- Construction impacts minimized
- Separation of commercial & general aviation activities

The Steps:

- Demand Study
- Environmental review
- Funding
- Construction

