Salina Airport Authority Board of Directors Regular Meeting

JANUARY 19, 2022



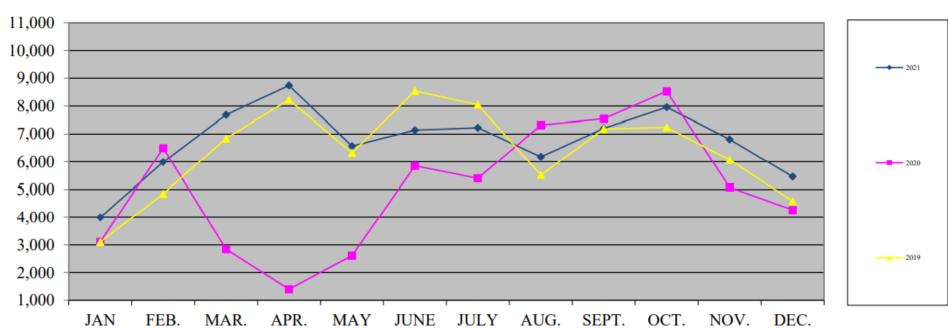
Agenda Review

- Scheduled air service growth and development
- Provide adequate terminal building space and parking for passengers
- Leasing available Airport Authority office space

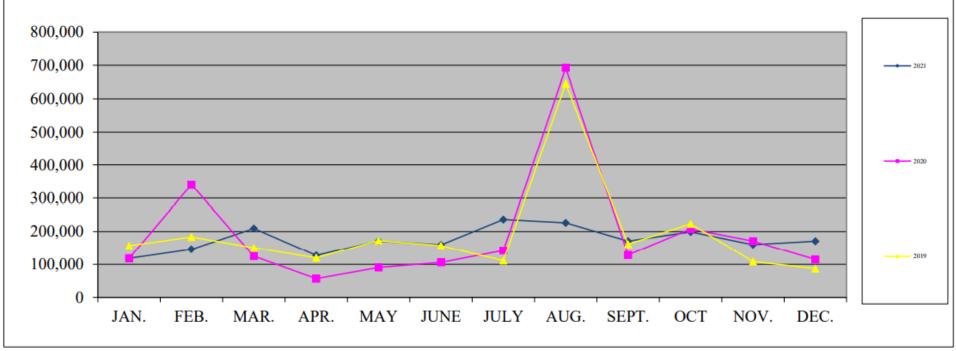
Review of Airport Activity and Financial Reports for the Month and Calendar Year ending December 31, 2021

TIM ROGERS, A.A.E.
SHELLI SWANSON, C.M.

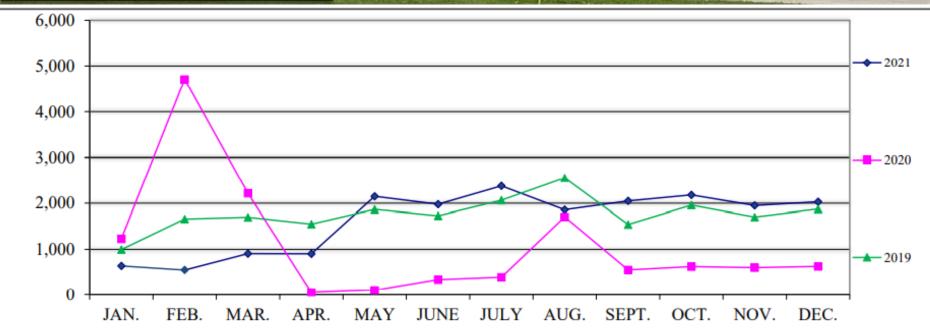


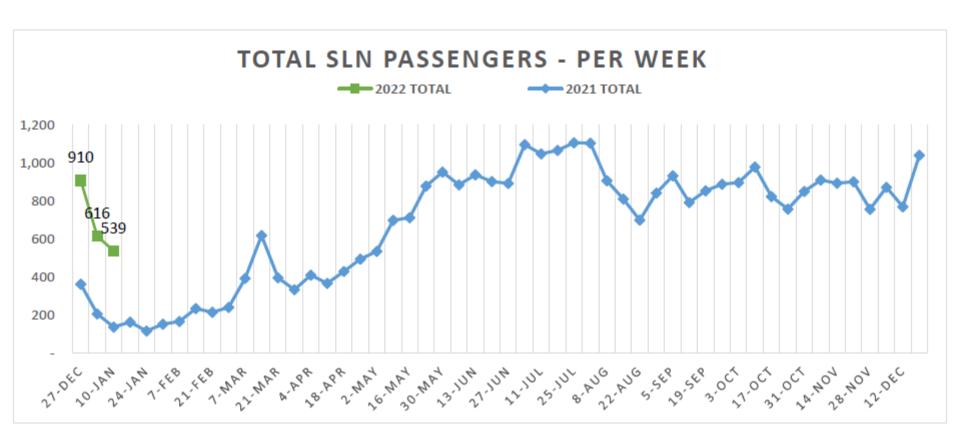






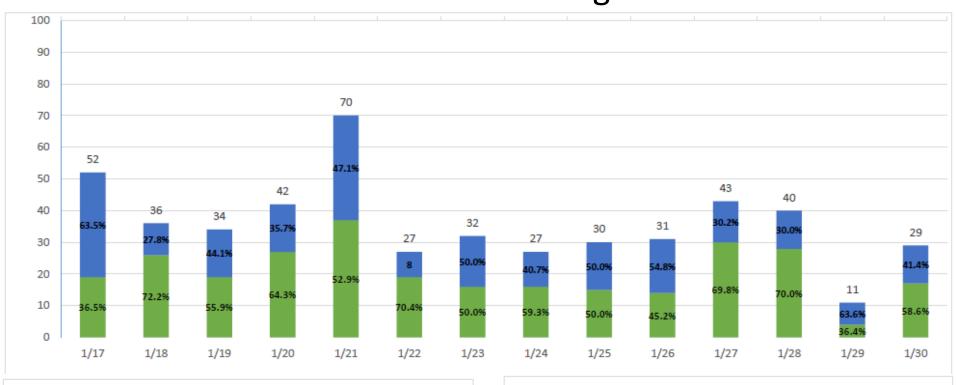


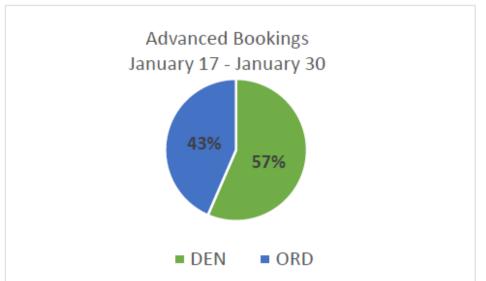


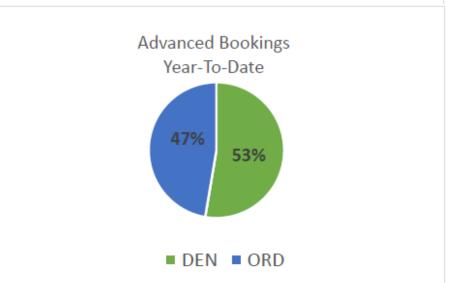


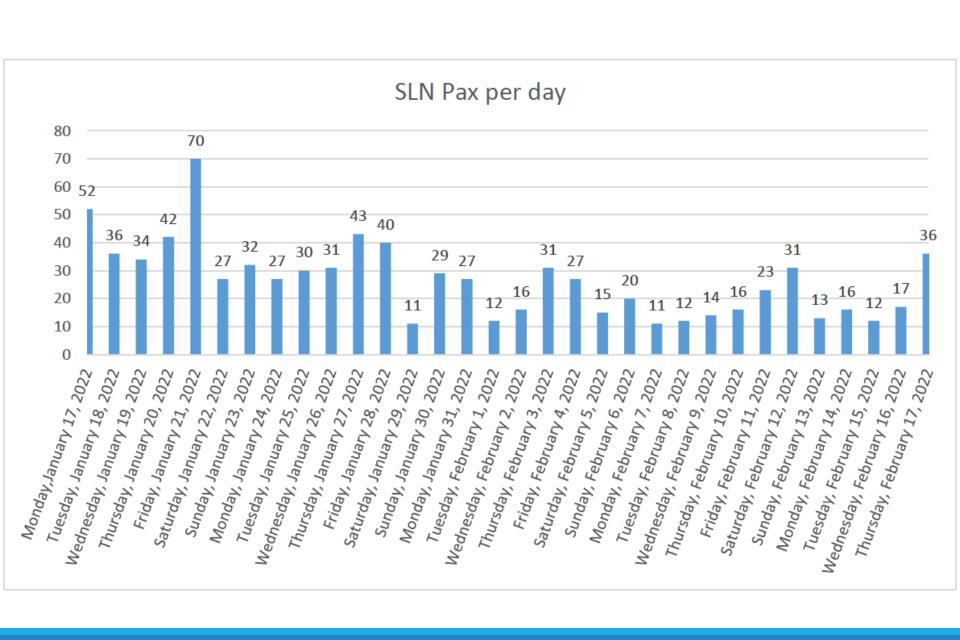
^{*} Passenger numbers reported are unaudited by SKW and subject to change

Advanced Bookings









Financial Reports

Salina Airport Authority Profit & Loss Prev Year Comparison January through December 2021

5:03 PM 01/18/2022 Accrual Basis

0/ Change

	Jan - Dec 21	Jan - Dec 20	\$ Change	% Change
Ordinary Income/Expense				
Income				
Total Airfield revenue	1,083,642.20	941,238.40	142,403.80	15.13%
Total Building and land rent	1,687,913.11	1,543,756.16	144,156.95	9.34%
Total Other revenue	119,167.04	167,351.91	-48,184.87	-28.79%
Uncategorized Income	0.00	0.00	0.00	0.0%
Total Income	2,890,722.35	2,652,346.47	238,375.88	8.99%
Gross Profit	2,890,722.35	2,652,346.47	238,375.88	8.99%
Expense				
Total Administrative expenses	1,737,867.58	1,630,020.15	107,847.43	6.62%
Total Maintenance expenses	1,071,444.47	841,704.64	229,739.83	27.3%
Total Expense	2,809,312.05	2,471,724.79	337,587.26	13.66%
Net Ordinary Income	81,410.30	180,621.68	-99,211.38	-54.93%
Total Other Income	4,029,455.13	2,346,749.93	1,682,705.20	71.7%
Total Other Expense	3,671,296.48	3,832,974.05	-161,677.57	-4.22%
Net Other Income	358,158.65	-1,486,224.12	1,844,382.77	124.1%
et Income	439,568.95	-1,305,602.44	1,745,171.39	133.67%

Financial Reports

Salina Airport Authority

Capital Additions Budget vs. Actual

As of December 31, 2021

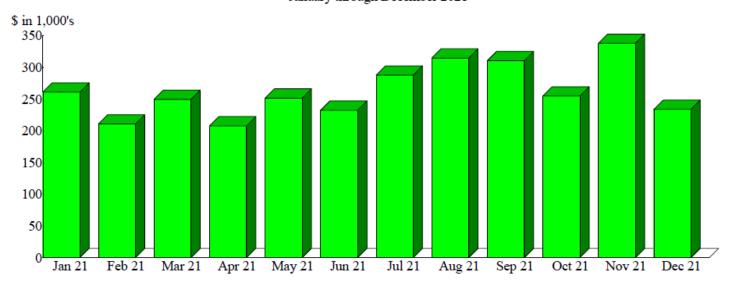
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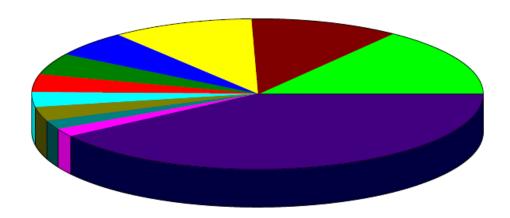
01/18/2022

Accrual Basis

	Dec 21	Jan - Dec 21	Annual Budget	+/- Annual Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Total Airfeld	35,371	674,823	1,785,001	-1,110,178	38%
Total Buildings & Improvements	332,587	1,572,815	3,454,244	-1,881,429	46%
Total Equipment	68,107	768,685	1,118,185	-349,500	69%
Total Land		46,198	25,000	21,198	185%
Total Fixed assets at cost	436,065	3,062,521	6,382,430	-3,319,909	48%



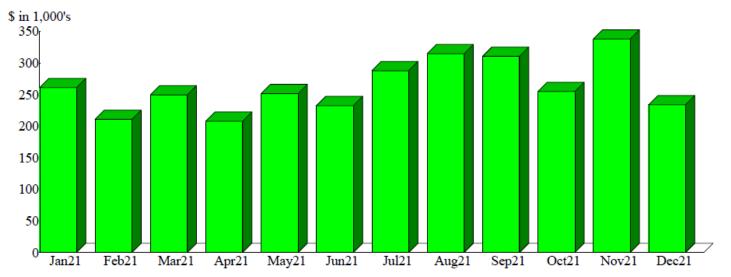
Sales Summary January through December 2021



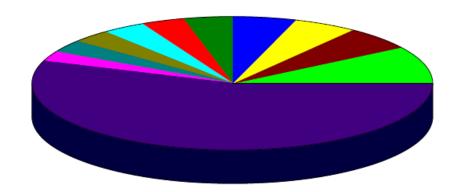
Kansas Erosion Products, LLC	C. 14.86%
1 Vision Aviation, PLLC	10.70
Avflight Salina	10.29
SFC Global Supply Chain	5.62
Stryten Salina, LLC	4.66
Universal Forest Products (UF	P) 3.82
K-State Salina	3.20
NASA	3.08
Durham School Service, L.P.	2.05
AGCO Corporation	1.91
Other	39.81
Total	\$3,151,454.23

By Customer

Sales by Month January through December 2021



Sales Summary January through December 2021



H-00959-1 (Hangar Facility H959 - 2044	S 9.15%
B-01021 (Building #1021 located at 3600	5.82
Utility Reimbursement (Utility Reimburse	5.21
FFF-Avflight Salina (Fuel Flowage Fee @	5.17
B-00655-3 (Bldg. #655 (96,611 SF) - 2656	6 4.04
B-00620-1 (Building #620 (30,000 SF) as	n 3.63
H-0606-1 (Hangar 606 - 2630 Arnold Ct.	3.54
pptx (2021 Real Estate Taxes (see attach	3.22
B-00626-1 (Manufacturing facility #626 (3.08
H-0600-4 (Hangar 600 - 2720 Arnold Cou	irt 2.45
Other	54.70
Total	\$3,151,454.23

By Item

Demand & Capture Study: Calendar Year 2021 Salina Regional Airport Prepared November 2021 – January 2022

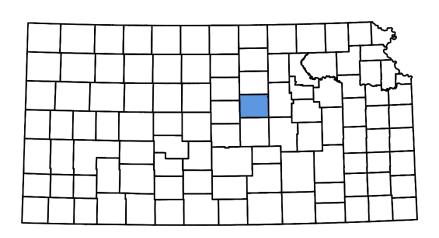


Location, Demographics and Economy



Saline County (est. 1860) sits at the crossroads of I-70 and I-135, anchored by the city of Salina

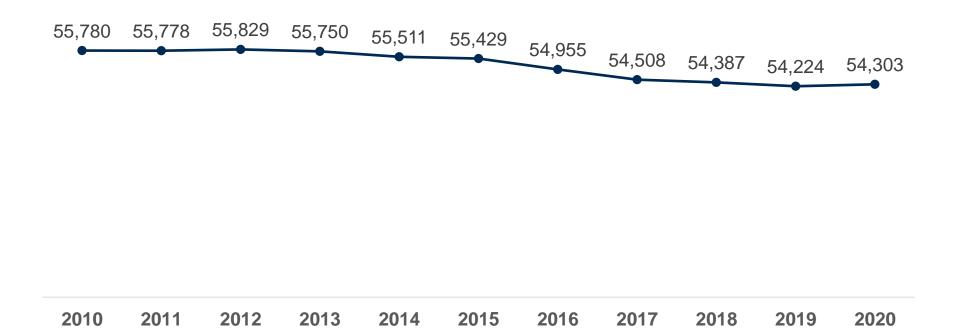
Saline County - Key Demographics



The location of the Salina MSA (shown in blue) within the state of Kansas

Population	54,303
Square Miles	720.2
Population per Square Mile	75.4
Median Age	38.6
Per Capita Income	\$28,813
Number of Households	21,959
Median Household Income	\$52,200

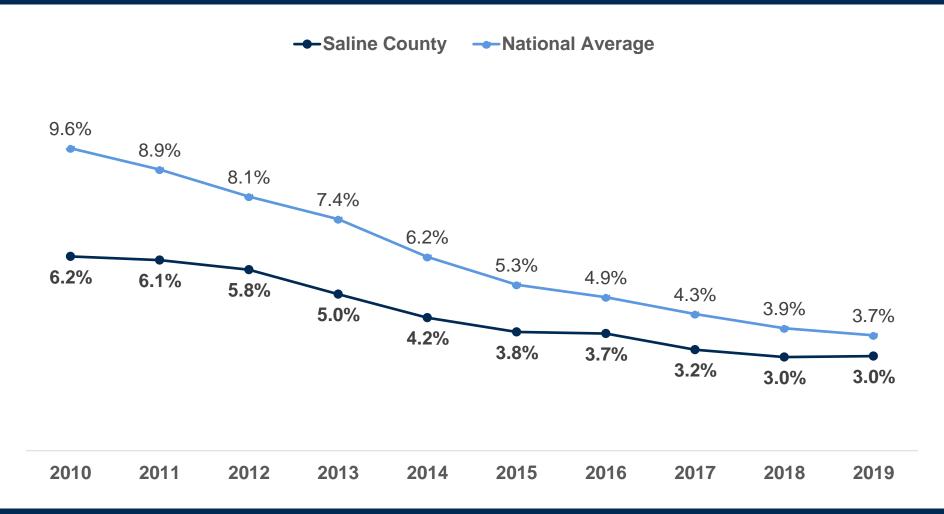
Saline County – Population, 2010-2020





Saline County enjoys a lower unemployment rate than the nation at large and is at full employment by many economists' measures

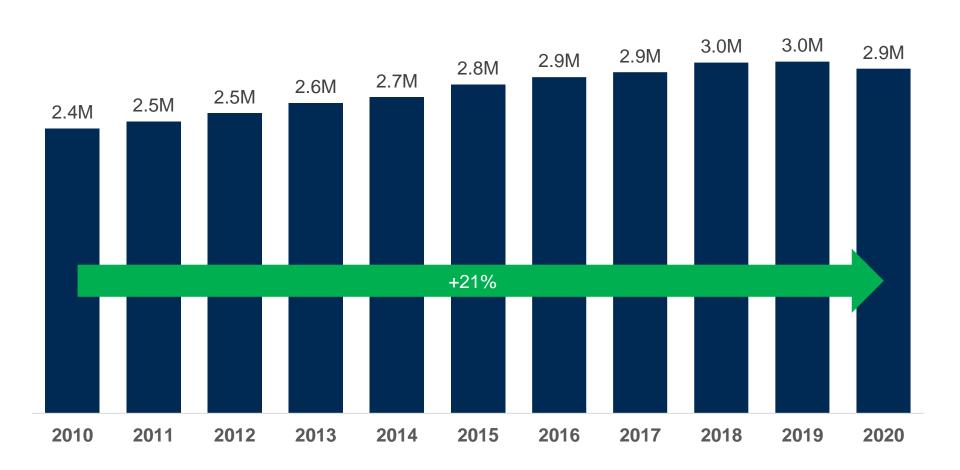
Saline County vs. National Average – Unemployment Rate, 2020-2019





Saline County – Gross Domestic Product (All Industries), 2010-2020

Thousands of Chained 2012 Dollars



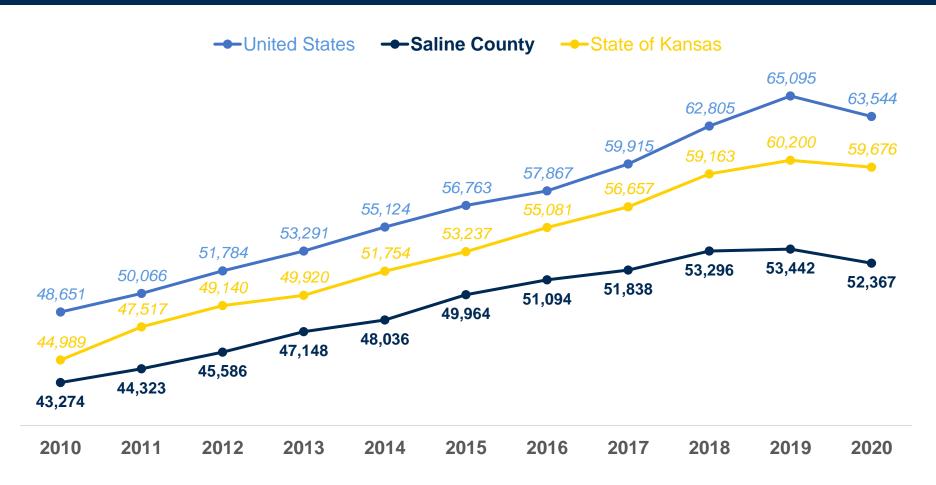


Per Capita GDP

Per Capita GDP grew consistently between 2010 and 2019. The county and state experienced less of a dip in 2020 than the nation at large

Saline County; State of Kansas and United States – Per Capita Gross Domestic Product (All Industries), 2010-2020

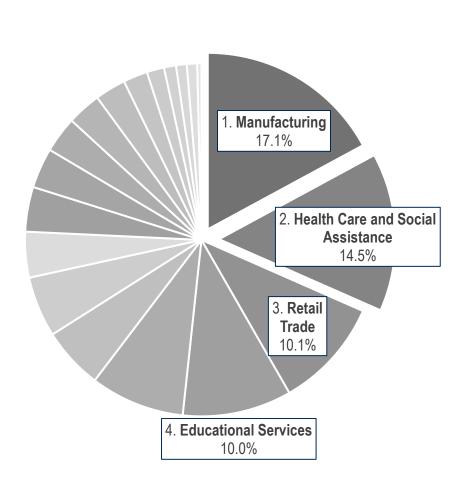
Chained 2012 Dollars





Manufacturing, Health Care, Retail Trade and Education account for 52% of all Saline County employment

Saline County – Civilian Employment by Industry



5. Accommodation and Food Service 8.6%
6. Other Services 5.7%
7. Construction 5.6%
8. Public Administration 4.2%
9. Professional, Scientific and Technical Services 4.1%
10. Finance and Insurance 3.7%
11. Transportation and Warehousing 3.3%
12. Waste Management Services 3.1%
13. Wholesale Trade 2.8%
14. Arts, Entertainment and Recreation 2.2%
15. Agriculture, Forestry, Fishing and Hunting 1.6%
16. Real Estate and Rental 1.1%
17. Utilities 1.0%
18. Information 1.0%
19. Mining, Quarrying, Oil and Gas Extraction 0.4%



Saline County – Top Employers



























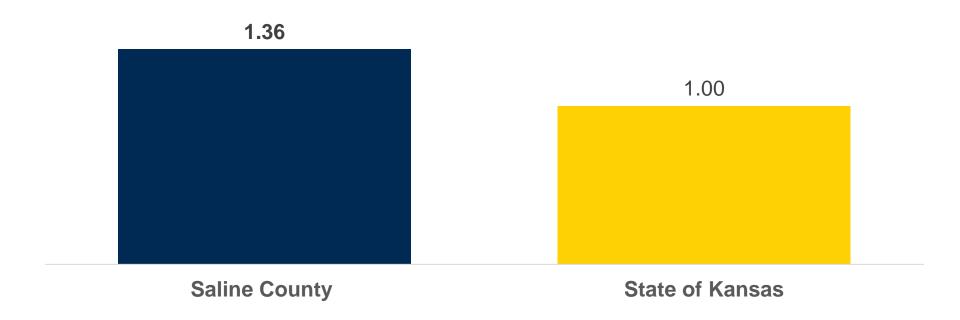


Trade Pull Factor

Underscoring Salina's role as an outsized regional center for trade, Saline County has the fifth highest Trade Pull Factor of the 105 counties of Kansas

Saline County vs. State of Kansas – Trade Pull Factor FY 2021

- > Trade Pull Factors measure the relative strength of a city's ability to attract retail shoppers
- → A Trade Pull Factor greater than 1 means that non-residents of Saline County spend more within Saline County than Saline County residents spend outside of the county
- → Saline County was 36% higher than the average Kansas county in FY 2021





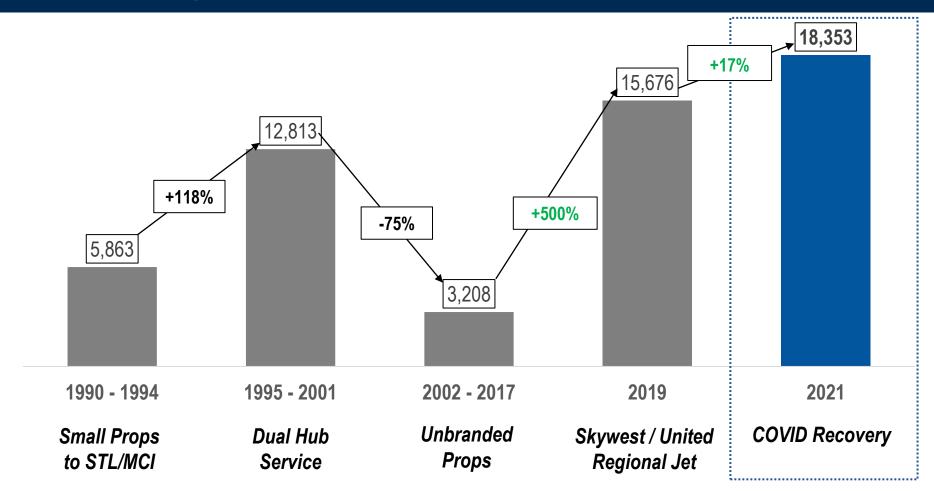
Air Service History and Current Performance



Air Service History

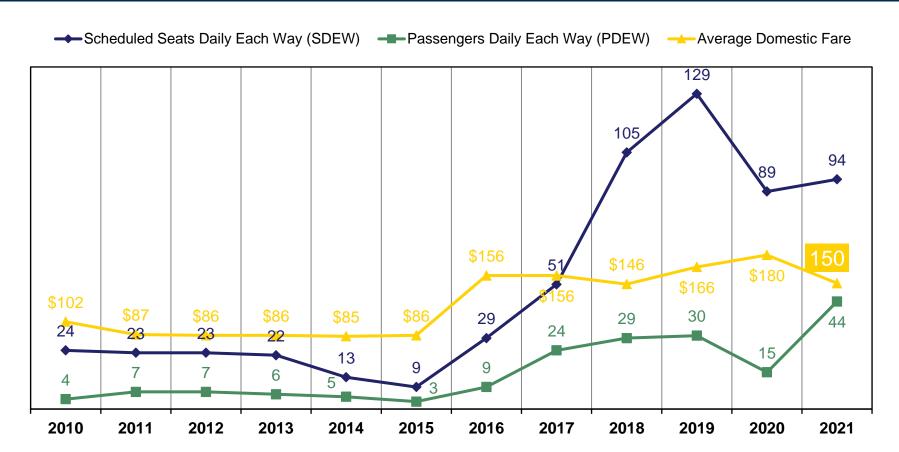
Despite pandemic-related challenges, Salina enplaned 17% more passengers in 2021 than in 2019, a record that goes back 43 years to 1979

Average Annual Outbound Enplanements by Era of Service at SLN



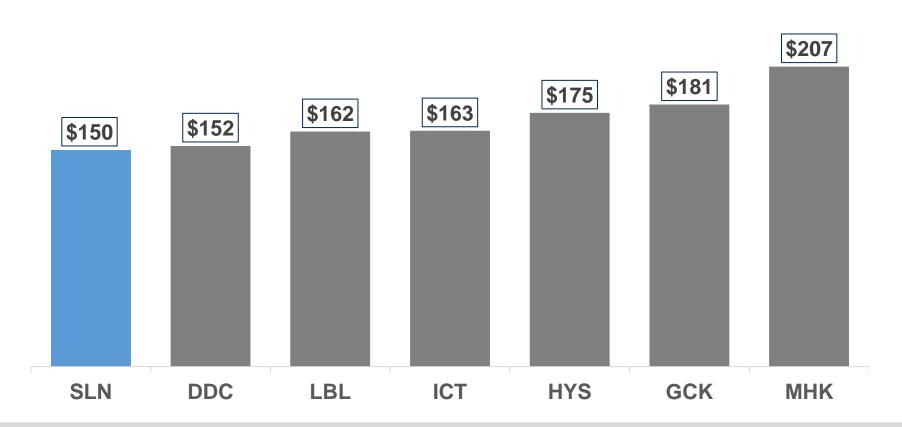
Overview of Salina (SLN) Air Service History

Calendar Year 2004 - 2021



*Average Domestic Fare for 2021 is a weighted average of Q1 through Q3, as Q4 data is not yet available

Average One-Way Domestic Fares Paid by Origin Airports in Kansas Average of Q1, Q2 and Q3 2021



^{*}Average Domestic Fare for 2021 is an average of Q1 through Q3, as Q4 data is not yet available

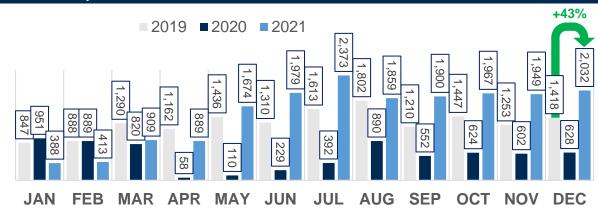
Enplanements

The 17% gain versus 2019 for the full year has been increasing recently. December enplanements were up over 40% versus the same month in 2019 one-way and roundtrip

Salina <u>Outbound</u> Passenger Enplanements

January 2019 to December 2021

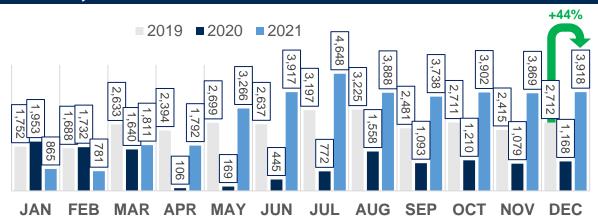




Salina Roundtrip Passenger Enplanements

January 2019 to December 2021





Competitor Airports

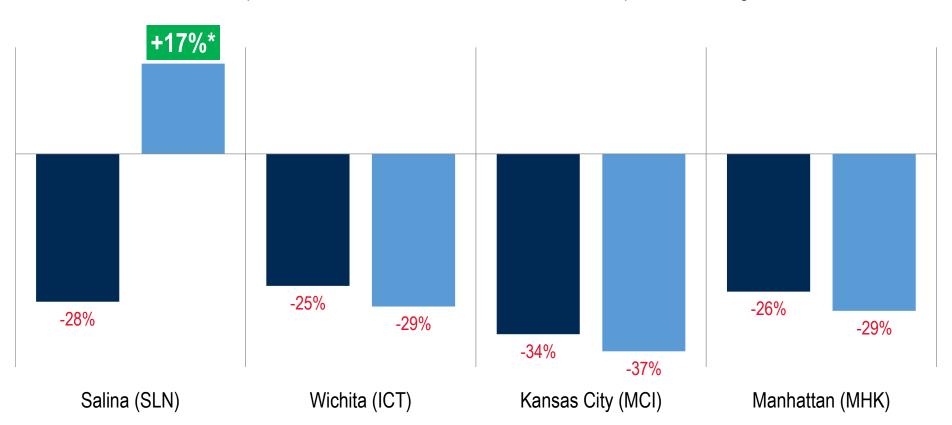
While 2021 capacity was reduced similarly at ICT, MCI and MHK, traffic plummeted at the others versus 2019 -- underscoring the strength of the Salina marketing strategy supported by lower fares

Capacity and Traffic vs. ICT, MCI and MHK

January through October 2019, vs. January through October 2021







*Note: SLN enplanement figures are for the full year, as data is available and ties to prior slide.

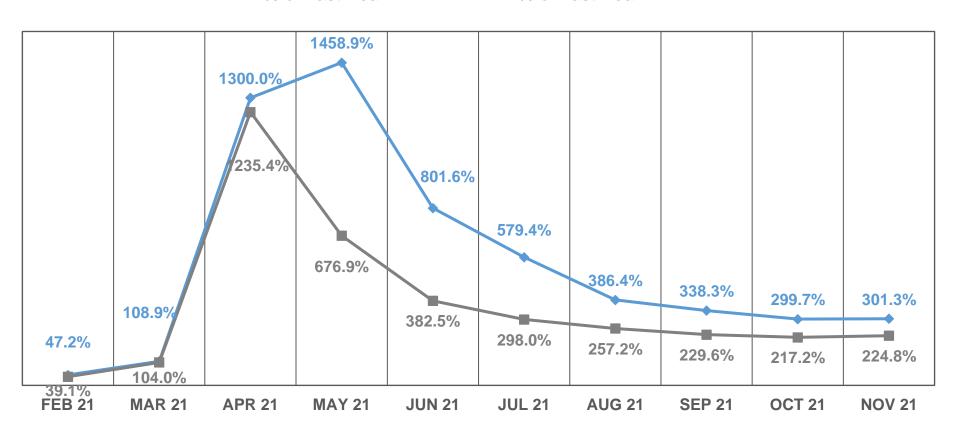


SLN is likewise outperforming airports across the country as traffic has returned at a faster rate than the national average

TSA Screenings at SLN vs. All Airports Nationally

As a Percentage of 2020

- → Salina TSA Screenings % of Last Year
- National TSA Screenings % of Last Year

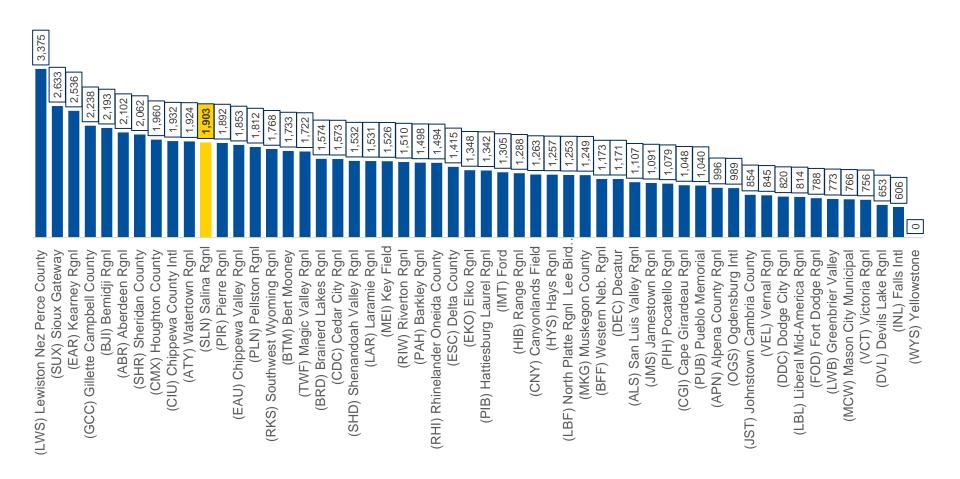


Traffic vs. Other "At Risk" Markets

In the 28-day period ending December 18, Salina recorded 1,903 passenger screenings, placing it 11th among the 54 SkyWest "At Risk" markets – placing it in the first quartile

TSA Throughput in SkyWest Prorate Markets (Where SkyWest is Sole Operator)

28 Days Between November 21 and December 18, 2021 (Latest 28 Days of Data Available as of January 6, 2022)

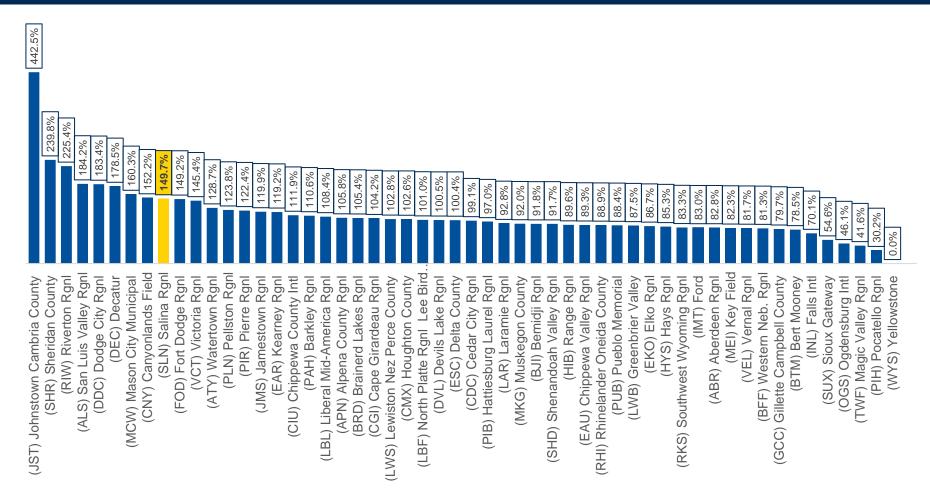




Traffic vs. Other "At Risk" Markets

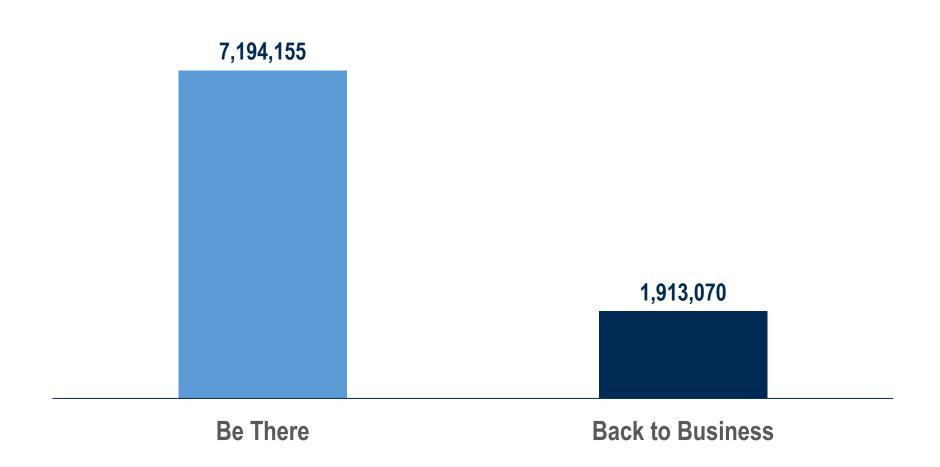
Salina is the 9th most improved SkyWest "At Risk" market when compared to the same 28 days in 2019, placing it Likewise in the first quartile

TSA Throughput as a % of 2019 in SkyWest Prorate Markets (Where SkyWest is Sole Operator)
28 Days Between November 21 and December 18, 2021 vs. Same 28 Days in 2019



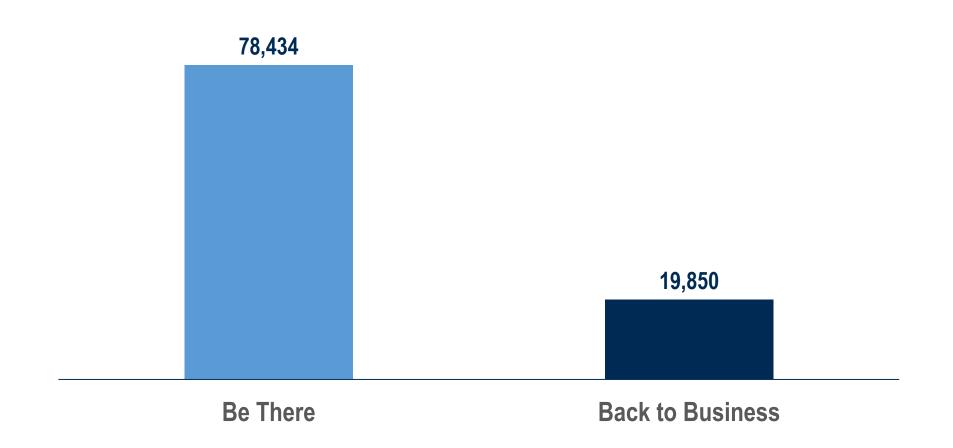
A media campaign that ran from April till year end generated 9.1 MM impressions throughout the Salina area...

Media Campaign Performance – Impressions by Campaign



...with 98k click-throughs to united.com. If just one out of every four made a purchase, this would have resulted in roughly 25,000 bookings

Media Campaign Performance – Click-Throughs by Campaign



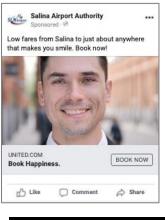
142 ads and 12 television commercials were produced and distributed over five mediums to keep the marketing messages fresh

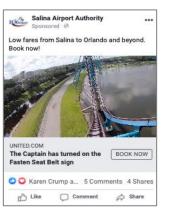
A Selection of SLN Media









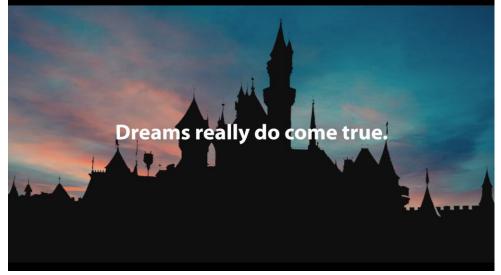






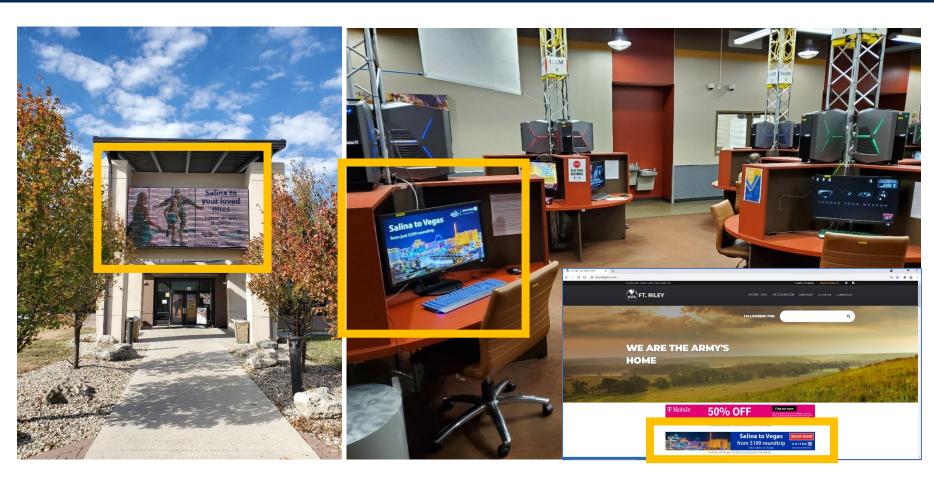






A targeted campaign was also launched at Fort Riley which saw SLN ads on digital screens in public and recreational areas, and on the garrison's Morale, Welfare and Recreation site

A Selection of SLN Media



Catchment Area Demographics and Retention

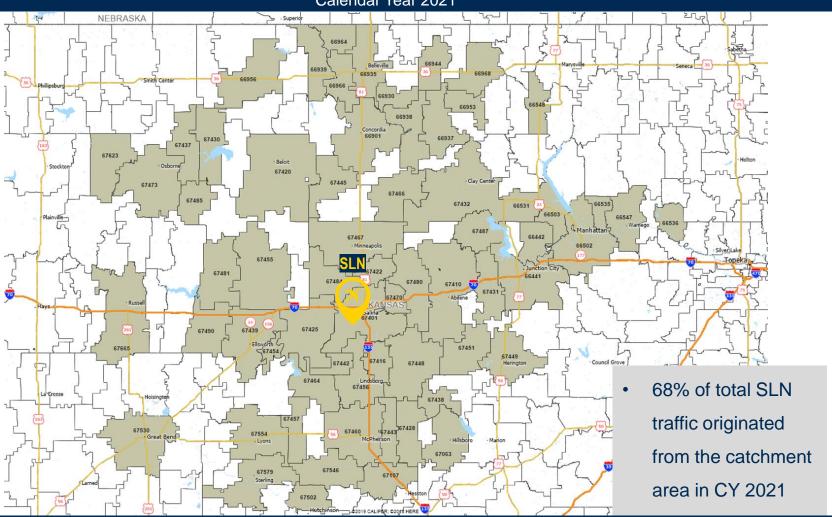


Catchment Area Contours

SLN's catchment area includes 67 zip codes with a combined population of approximately 321,000

Catchment Area – Contours

Calendar Year 2021

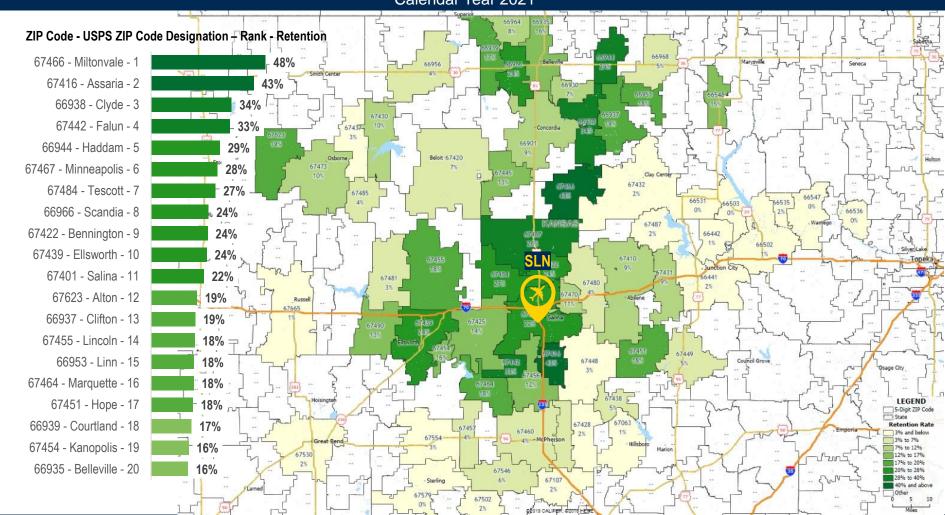


Catchment Area Retention

The heaviest percentage concentration of passengers by zip code is within 35 miles of the airport and to the north

Catchment Area – ZIP Code Retention

Calendar Year 2021

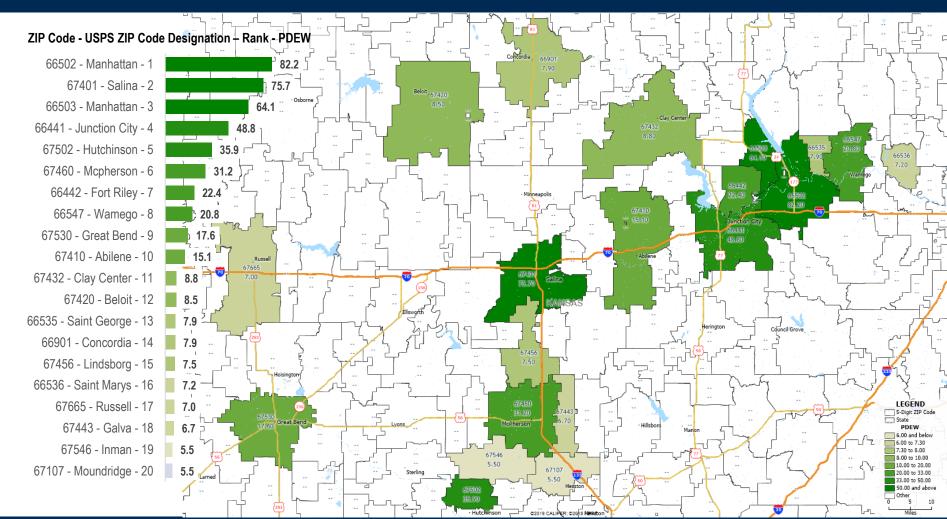




Top Passenger Zip Codes

40% of catchment area traffic comes from just three zip codes – Salina's 67401, and 66502 and 66503 in Manhattan

Catchment Area – Top 20 ZIP Codes by PDEW





Catchment Area Airport Usage

The catchment area generated 550 passengers per day each way, or 401,603 passengers in 2021, departing from 7 airports.

Catchment Area – Airport Usage – Passengers per Day Each Way (PDEW)

Calendar Year 2021 Cedar Rapids **NEBRASKA** Des Moines Chevenne BO DEN MHK HYS 258.2 KANSAS COLORADO MISSOURI **NEW MEXICO**

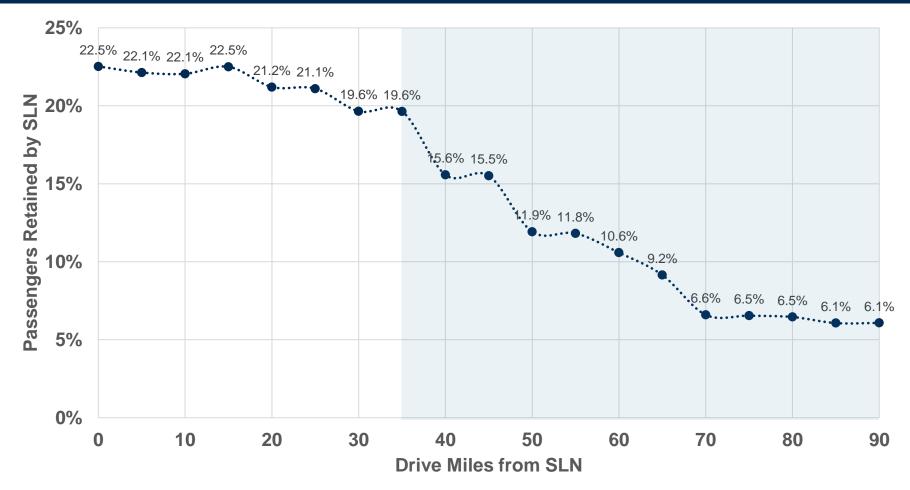


Catchment Area Retention

SLN retained roughly 20% of traffic within a 35-mile drive radius which dropped off sharply thereafter

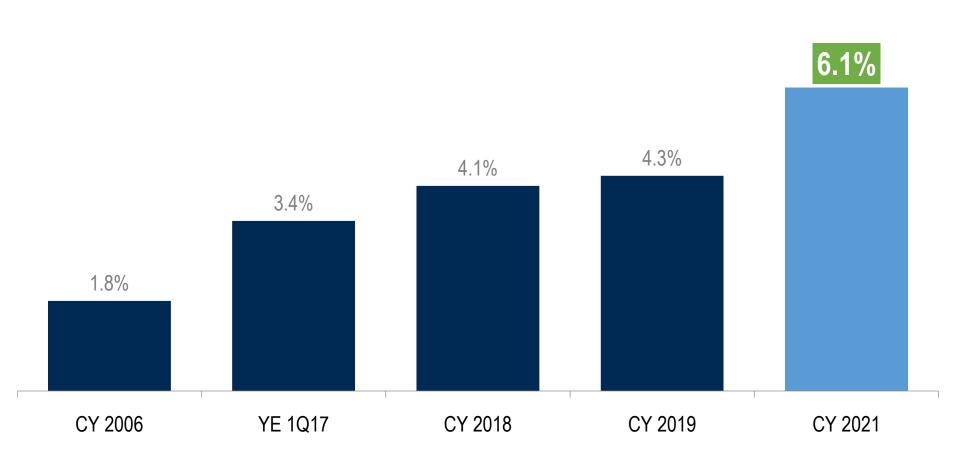
Catchment Area – Cumulative Passenger Retention Rate

Calendar Year 2021



SLN captured 6.1% of catchment area traffic – up 1.8 points or 42% from 2019

Catchment Area – Capture Rates 2006 - 2021





Catchment Area Airport Usage

SLN's traffic gains came largely at the expense of ICT, which fell from capturing 35% of the catchment area in 2019 to 29% in 2021

Catchment Area – Airport Usage Breakdown

Calendar Year 2021

→ 32% of SLN traffic, or 12,051 passengers originated from ZIP codes outside of the airport catchment area

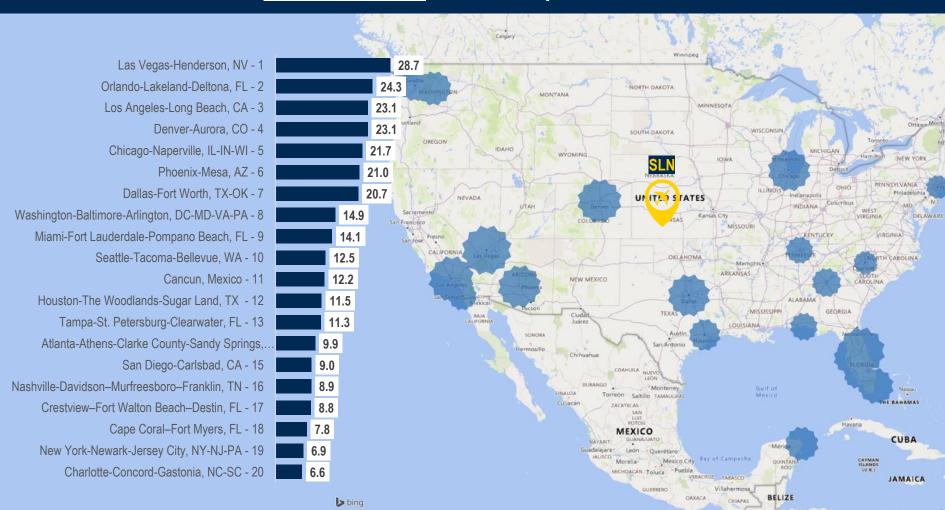
Rank	Airport	Annual Passengers	PDEW	2021 Share	2019 Share
1	Kansas City (MCI)	188,502	258.2	47%	46%
2	Wichita Eisenhower (ICT)	116,941	160.2	29%	35%
3	Manhattan (MHK)	61,020	83.6	15%	10%
4	Salina (SLN)	24,344	33.3	6%	4%
5	Denver (DEN)	6,549	9.0	2%	3.5%
6	Hays (HYS)	2,304	3.2	1%	0.5%
7	Dallas-Fort Worth (DFW)	1,942	2.7	0.5%	0.2%
	Grand Total	401,603	550.1		



Salina Area Top 20 Markets

The top 5 markets for traffic residing in SLN's catchment area were Las Vegas, Orlando, Los Angeles Basin, Denver and Chicago

Catchment Area Traffic – Top 20 Markets

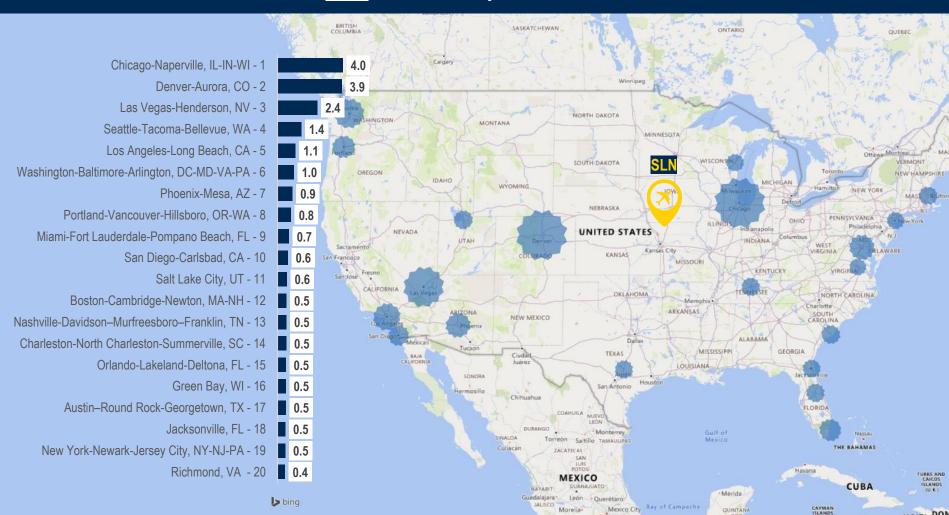




Salina Area Top Markets Captured

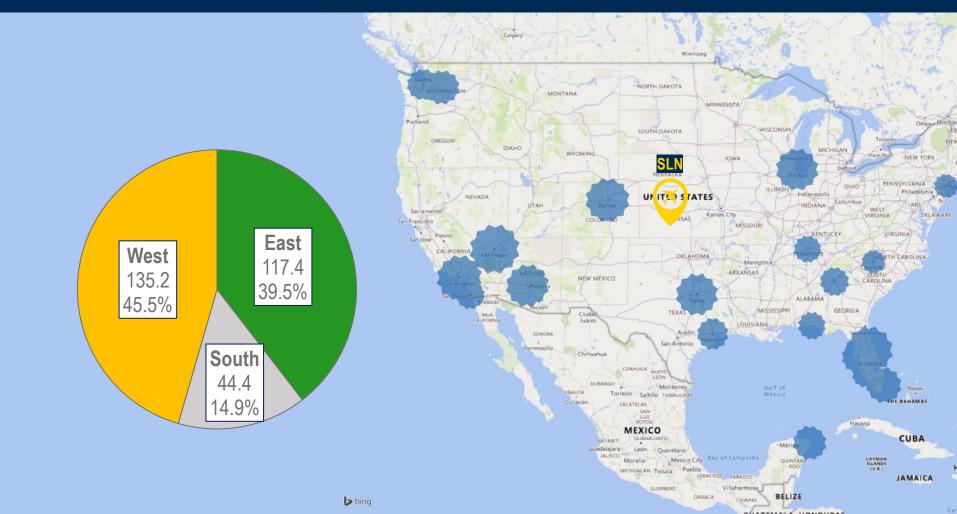
The top 5 markets actually captured were Chicago, Denver, Las Vegas, Seattle and Los Angeles

SLN Traffic – Top 20 Markets





Catchment Area Traffic – Top 20 Markets – Directional Split

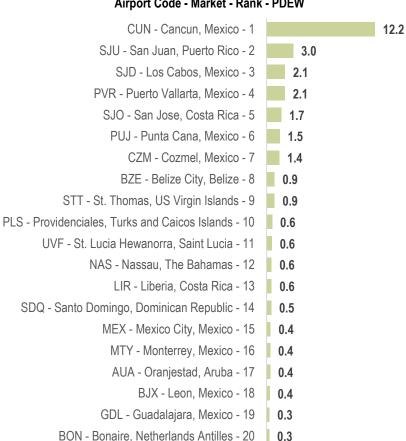


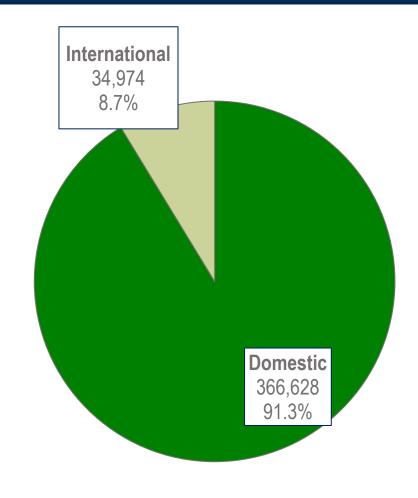


Catchment Area Traffic - Domestic/International Split

Calendar Year 2021

<u>Top 20 International Catchment Area Markets</u> Airport Code - Market - Rank - PDEW



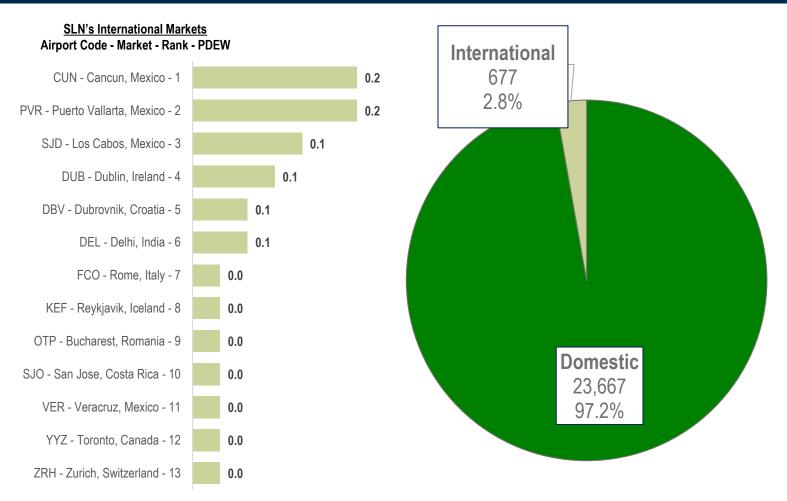


SLN US/Int'l Capture

97% of SLN traffic was domestic, while 3% was international

SLN Traffic – Domestic/International Split

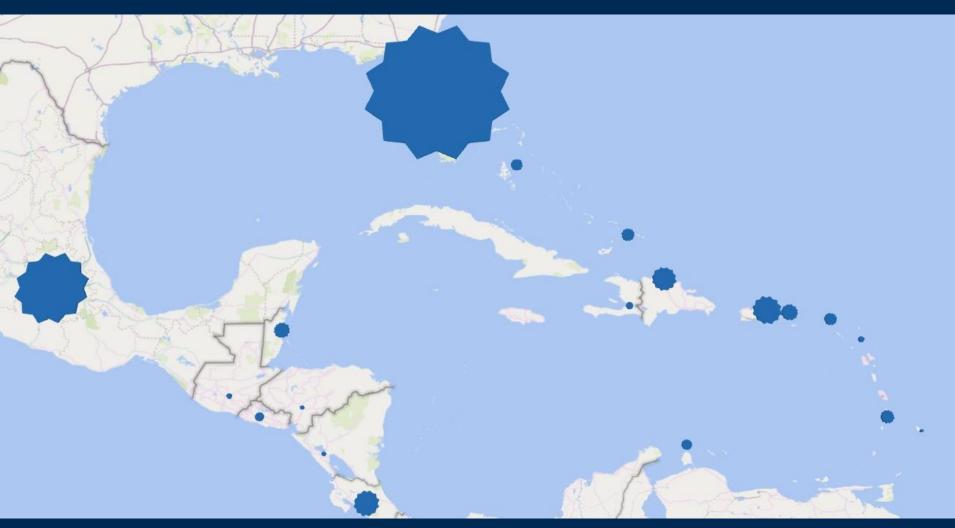
Calendar Year 2021



Catchment Area Traffic South

Hot weather/beach destination traffic exploded in 2021 as people looked to take a break from the pandemic. 89 catchment area PDEW flew to Florida, while 34 passengers flew to the Caribbean, Latin America or South America

Catchment Area Traffic – Florida and Latin America





SLN Capture in Top 20 Area Markets

SLN retains 17% and 18% of catchment area traffic to the Denver and Chicago hubs respectively. It also retains an outsized share of Area traffic at key markets Las Vegas, Washington, DC, Seattle and San Diego

Catchment Area Traffic – 20 Largest True Markets with SLN Retention

Market (Metro Area)	Catchment Area Rank	SLN Rank	Difference	SLN Retention
Las Vegas-Henderson, NV	1	3	▼ -2	8%
Orlando-Lakeland-Deltona, FL	2	10	▼ -8	2%
Los Angeles-Long Beach, CA	3	4	▼ -1	5%
Denver-Aurora, CO	4	2	▲ +2	17%
Chicago-Naperville, IL-IN-WI	5	1	+ 4	18%
Phoenix-Mesa, AZ	6	6	0	4%
Dallas-Fort Worth, TX-OK	7	24	▼ -14	1%
Washington-Baltimore-Arlington, DC-MD-VA-PA	8	7	▲ +1	7%
Miami-Fort Lauderdale-Pompano Beach, FL	9	9	0	5%
Seattle-Tacoma-Bellevue, WA	10	5	▲ +5	11%
Cancun, Mexico	11	22	▼ -11	2%
Houston-The Woodlands-Sugar Land, TX	12	21	▼ -9	4%
Tampa-St. Petersburg-Clearwater, FL	13	12	1 +1	2%
Atlanta-Athens-Clarke County-Sandy Springs, GA-AL	14	26	▼ -11	2%
San Diego-Carlsbad, CA	15	11	+ 4	7%
Nashville-Davidson-Murfreesboro-Franklin, TN	16	20	▼ -4	6%
Crestview–Fort Walton Beach–Destin, FL	17	N/A		0%
Cape Coral–Fort Myers, FL	18	N/A		0%
New York-Newark-Jersey City, NY-NJ-PA	19	17	+ 2	7%
Charlotte-Concord-Gastonia, NC-SC	20	99	▼ -79	0%

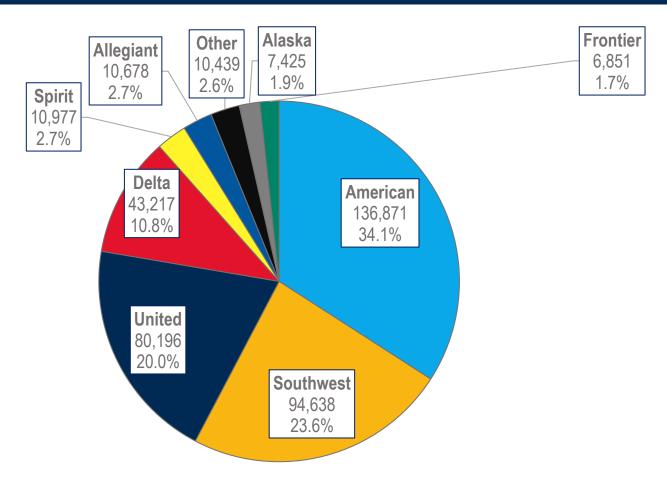


Catchment Area Airline Share

American is capturing the largest share of catchment area traffic by some margin due to its dominance at nearby MHK and ICT airports, along with a large share of capacity at MCI

Catchment Area Traffic – Market Share by Airline

Calendar Year 2021





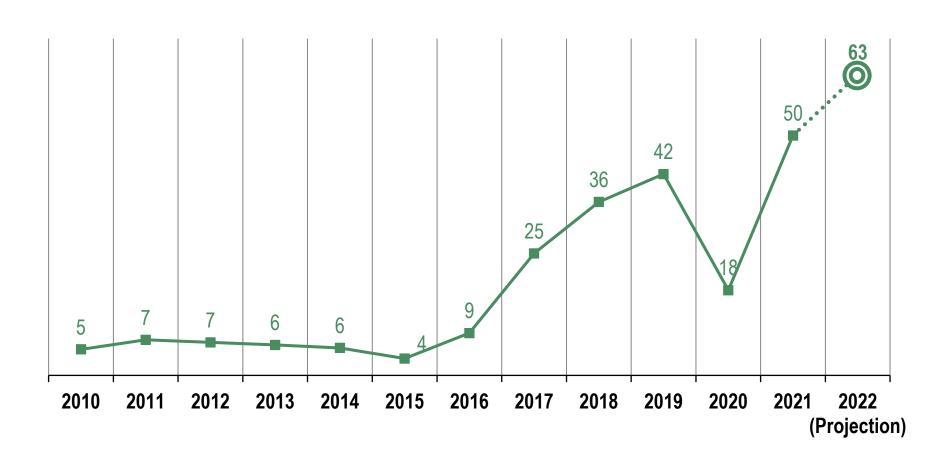
Projections and Going Forward



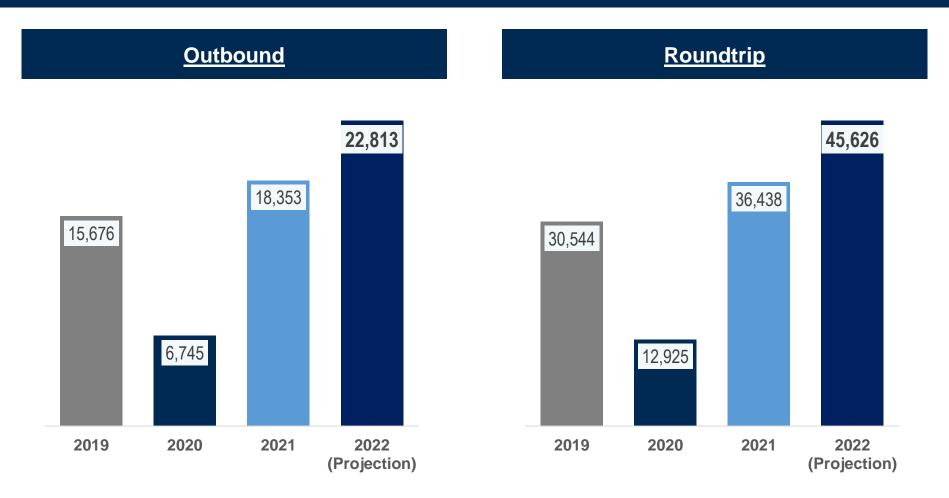
2022 Projection

With the return of business traffic, a continuation of the attractive fare environment and aggressive marketing, we project 2022 to generate 62.5 passengers per day each way

2022 Projection of SLN Passengers per Day Each Way



2022 Projection of Outbound and Roundtrip Enplanements



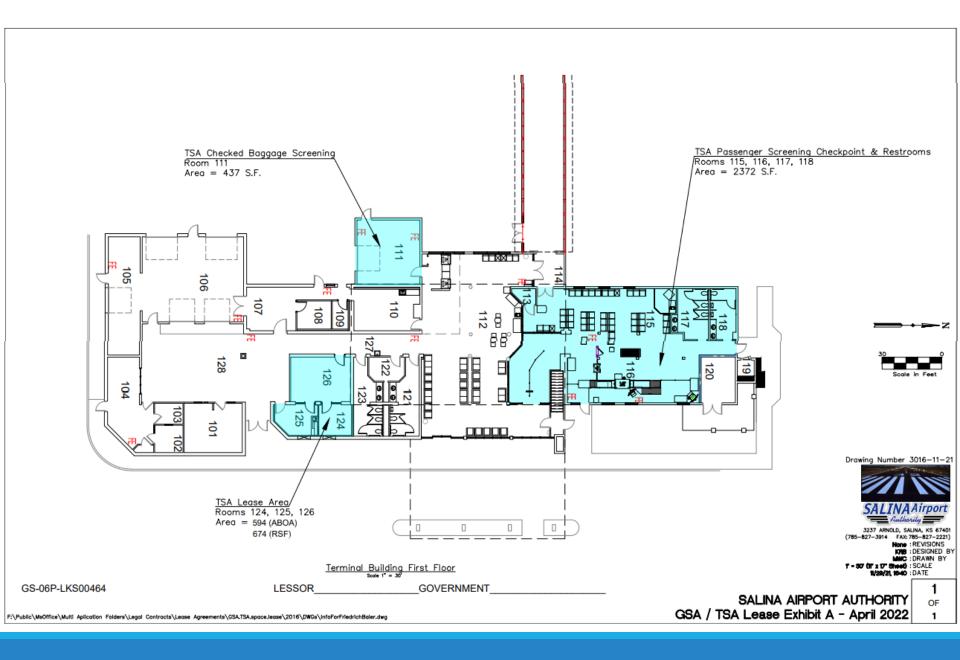


2022 Opportunities

- → Prepare for return of business traffic
 - Ensure high awareness of United Airlines discount and loyalty programs
- → Continue to monitor and iterate with United Airlines Pricing department to attempt to maintain the fare advantage relative to other Kansas airports
- → Capitalize on the fare advantage relative to Manhattan Regional Airport for Fort Riley soldier's personal travel through aggressive on-base advertising
- > Refine the 2022 media campaign
 - More B-2-B ads as the business market returns
 - Production of digital banner ads with "Lowest Fares in Kansas" catch-phrase
 - More top producing google search and Facebook video ads
- → Meeting with SkyWest in late February to discuss IAH
 - The industry has run into pilot-shortage and supply chain headwinds

Approval of GSA lease No. GS-06P-LK00464 for office space provided to the TSA in the M.J. Kennedy Air Terminal

SHELLI SWANSON, C.M.



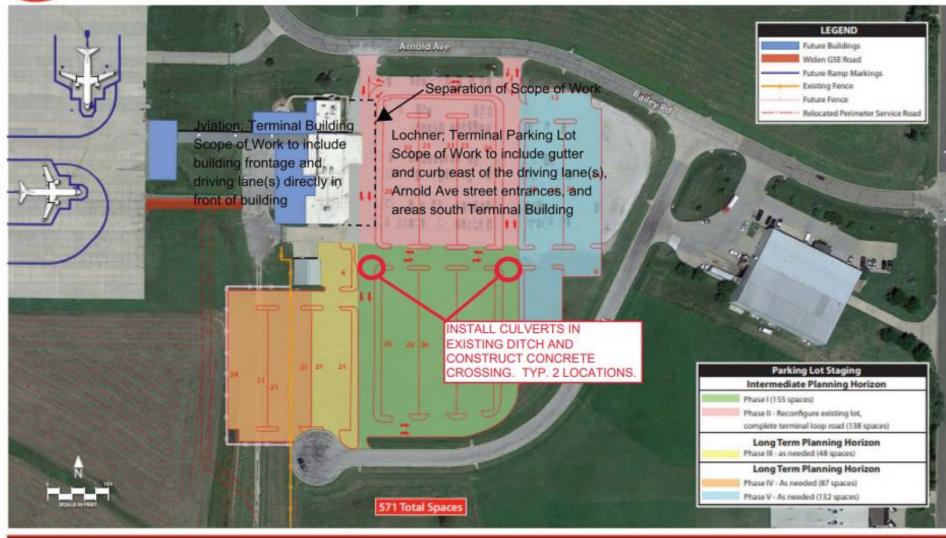
Approval of an engineering contract with H.W. Lochner, Inc. for the design of M.J. Kennedy Air Terminal overflow parking.

TIM ROGERS, A.A.E.

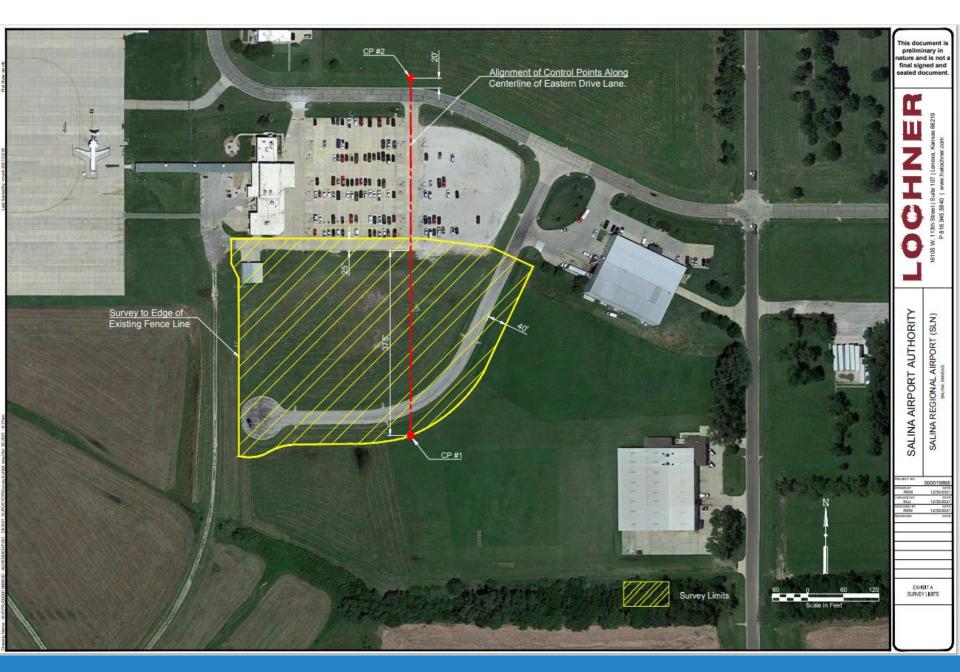
MAYNARD CUNNINGHAM



Recommended Concept | DRAFT FINAL



PARKING AND LOOP ROAD DEVELOPMENT STAGING



Directors' Forum

KRISTIN GUNN, CHAIR

Visitor's Questions & Comments



Staff Reports

TIM ROGERS, A.A.E.

Review of December 15, 2021, windstorm damage to SAA buildings.

MAYNARD CUNNINGHAM SHELLI SWANSON, C.M.

Salina Airport Authority Property Schedule December 20, 2021

				Decem	ber 20, 2021					
SAA Property ID No.	Eldg No.	SAA or Tenant Insured	Assessment Date	Inspection Notes	Photos	Street No	Street Address	Year Built	Construction	Repair hids
B-00120-1	120	SAA		Roof damage under vinyl material, 3 rooftop HVAC units; (2) damaged heat exchangers, (1) damaged electrical components		5237	Amold Ave	1954	Maseury	
B-00505-1	305	SAA		Self fuel station west siding and sign damage	FUELING	2004	Schröng Erad	1962	Masonry	
B-00\$1\$-1	513	SAA	12/22/2021	Back door sustained damage, the pane of glass broke and the door handle no longer locks properly		2854	Armeld and Gartner	1960	Masonary	
B-00394-1	394	SAA	1/11/2022	Tear/rip in roofing material, ceiling tiles damaged from water leak		2541	Carrennal	1955	Frame	
B-00412-1	412	SAA	1/5/2022	Fasteners protruding through roofing material.			Arnold Ave	1974	Masonry	
B-00517-1	517	SAA	12/16/2021	Shingles blown off of east and west sides of roof.		1960	k neubuhi Ci. Scientific Sngineering		Frans	

SAA Property ID No.	Bldg No.	SAA or Tenant Insured	Assessment Date	Inspection Notes	Photos	Street No	Street Address	Year mult	Construction	Repair Hids
B-00595-1	595	SAA		Exterior siding, soffit, and facia damage.		2760	Carriermal	1961	Frank	
B-00820-1	620-A	SAA		Chain link fence blown off of posts. Some posts damaged.			Caperal Jim 2d Universal Forest Products	1942	Maseery	
B-00655-1	655			Semi-trailer tipped over and damaged exterior of building.	155		Scanlan Stryten kifg	1954	Frank	
B-00713-1	713	SAA	12/18/2021	Siding panels blown off of building exterior.		1855	secheralt Ed	1954	Net2	
B-00939-1	939			Exterior soffit, facia, and gutter damage, and roof damage		1952	Scanlan	1954	Mas N-C	
H-0000D-1		SAA	12/16/2021	Structural and hangar door damage. Hangars D7, D8.			Armold ave		Metal	

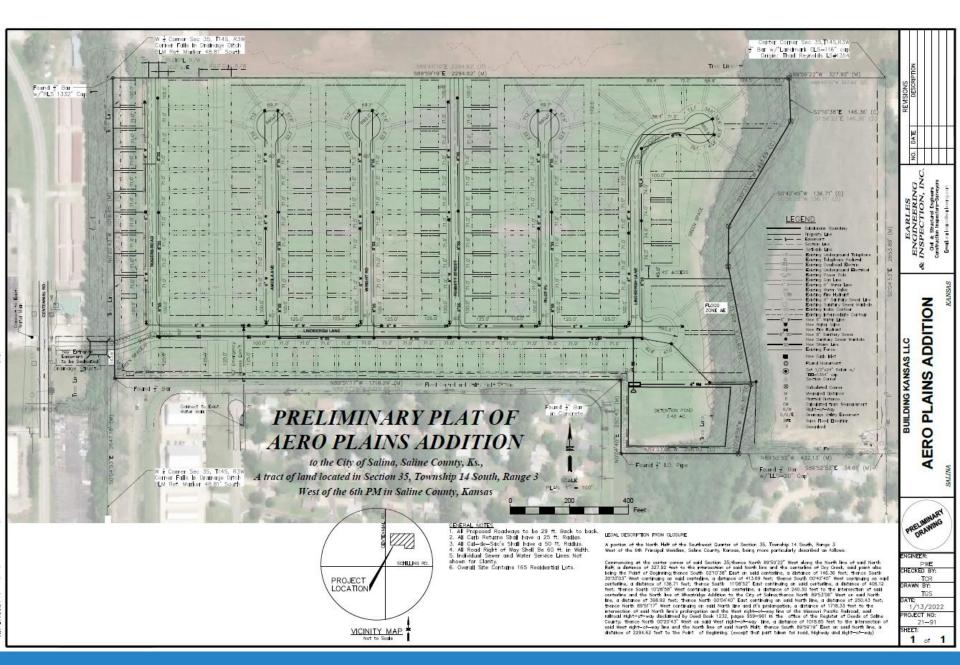
SAA Property ID No.	Bldg No.	SAA or Tenant Insured	Assessment Date	Inspection Notes	Photos	Street No	Street Address	Year ruft	Construction	Repair hids
H-0000F-1		SAA	12/16/2021	Structural and hangar door damage. Hangars P1, P2, P3, P13.			Armold Ave		Metall	
H-0000F-2		SAA	12/16/2021	Structural and hangar door damage. Hangars P1, P2, P3, P18.			Amold ave		Net2	
H-000AB-1		SAA		Structural and hangar door damage. Hangars A8, A7, A8.			amold ave		Met2	
H-00504-1	504	SAA		Interior bathroom and living area ceiling grid, tiles, and insulation blown down. Inulation on the interior of the hangar door blown out. Southeast exterior siding panels blown down, insulation blown out. East exterior wall siding and window trim damaged, insulation blown out.	-ATT	2015	s neubuhi Ct.	1977	Net2	
	606	SAA		Roof edge lifted.			ameld Ct.	1944	Masonry	
H-00626-1	626	SAA	12/16/2021	Exterior siding blown off, windows broken.		2625	Armold Ct.	1944	Masoury	

SAA Property ID No.	Bldg No.	SAA or Tenant Insured	Assessment Date	Inspection Notes	Photos	Street No	Street Address	Year suit	Construction	Repair Hills
H-00724-1	724	SAA	CONTRACTOR OF THE PARTY OF	Siding and Trim damage, north side		1910	Heachtraft 2d	1954	Metal	
H-00959-1	959	SAA	12/20/2021	Roof material damaged. Underlayment redistributed.		2044	Scanian 1Vision	1955	MSTE	
L-00002-1	Fence	SAA	12/16/2021	Multiple locations; 300° Chain link fence blown off of posts and posts damaged. Multiple locations; Gates required repair or adjustment, Gate G1 inoperable.					Metal	
L-00003-1	Fence	SAA	1/6/2022	Airport Rd storage gate \$4 damaged.		3600	Amport Ed			

Other inspection than the Company Property Leaders (IIII)

Review of the preliminary plat for the Aero Plains Addition to the City of Salina.

TIM ROGERS, A.A.E.



Announcements

Dynamic Aviation – (Targeted Aerial Spraying)
 Hangar 600
 February 12-15, 2022



Adjournment