

AGENDA ITEM SUMMARY

DATE: 7/2/2012 DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: _____

SUBJECT:

Friedman Memorial Airport Authority ("FMAA") Meeting

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I just reviewed the FMAA agenda and packet for the FMAA meeting scheduled for July 2, 2012. I am attaching the agenda, the meeting brief and Attachments Nos. 1, 2 and 3. I believe there are two items of interest. First, under Unfinished Business (§ III(A)(5)), the FMAA will review a Scope of Work from T-O Engineers. Attachment No. 1 is an outline of the scope of work, while Attachment No. 2 is the actual scope of work.

Second, under Unfinished Business (§ III(A)(8)(c)), the FMAA will review a Scope of Work from Mead & Hunt. The proposed scope of services (Attachment No. 3) is designed to develop a plan to increase enplanements and to decrease diversions to Boise.

I did not see anything else on the agenda, the meeting brief or any attachment which I feel should be discussed during the City Council meeting. If you want access to the entire FMAA packet, please go to www.flyfma.com and click onto FMAA Meetings & Agendas.

Ned

<u>FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:</u>		Case # _____
Budget Line Item # _____		YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____		Estimated Completion Date: _____
Staff Contact: _____		Phone # _____
Comments: _____		

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___
___ Safety Committee	___ P & Z Commission	___ Police	___
___ Streets	___ Public Works, Parks	___ Mayor	___

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Review and discuss the agenda and meeting brief. If appropriate, direct FMAA representatives on action to be taken at the next FMAA meeting.

FOLLOW-UP REMARKS:

**NOTICE OF A REGULAR MEETING
OF
THE FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

PLEASE TAKE NOTICE that a regular meeting of the Friedman Memorial Airport Authority shall be held Tuesday, July 3, 2012 at 4:00 p.m. at the old Blaine County Courthouse Meeting Room, Hailey, Idaho. The proposed agenda for the meeting is as follows:

**AGENDA
July 3, 2012**

- I. APPROVE AGENDA**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. UNFINISHED BUSINESS**
 - A. Airport Solutions
 - 1. Blaine County Report DISCUSSION
 - 2. City of Hailey Report DISCUSSION
 - 3. Airport Manager Report DISCUSSION
 - 4. Interim Communications Director Report
 - a. Coffee Talk DISCUSSION
 - b. Airport Tour DISCUSSION
 - 5. Existing Site
 - a. Airport Planning Process – Phase I
Scope of Work – Attachments #1 - #2 DISCUSS/DIRECT/ACTION
 - 6. Replacement Airport DISCUSS/DIRECT
 - 7. Interim Communications Director Position DISCUSS/DIRECT/ACTION
 - 8. Retain/Improve/Develop Air Service
 - a. FSV A Report DISCUSS/DIRECT
 - b. First Time Schedule Commercial – Jet Service
Environmental Assessment (EA) Update DISCUSS/DIRECT/ACTION
 - c. Air Service Scope of Work – (Seasonal True Market Estimates &
Airfare Monitoring) – Attachment #3 DISCUSS/DIRECT/ACTION
- IV. FY '13 RATES & CHARGES/BUDGET – Attachments #4 - #5** ACTION
- V. NEW BUSINESS**
 - A. FY '12 Airport Appreciation Day DISCUSS/DIRECT
- VI. APPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. June 5, 2012 Regular Meeting - Attachment #6 ACTION
- VII. AIRPORT STAFF BRIEF**
 - A. Noise Complaints
 - B. Parking Lot Update
 - C. Profit & Loss, ATCT Traffic Operations Count
and Enplanement Data – Attachments #7 - #10
 - D. Review Correspondence – Attachment #11
 - E. Fly Sun Valley Alliance Update – Attachments #12, #13
 - F. Airport Weather Interruptions
 - G. License and Use Agreement Off-Airport Rental Car Operator
 - H. Gifts, Refreshments & Retail Concession
 - I. Operations Brief
- VIII. PUBLIC COMMENT**
- IX. EXECUTIVE SESSION - I.C. §67- 2345 (1)(d)**
- X. ADJOURNMENT**

FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETINGS ARE OPEN TO ALL INTERESTED PARTIES. SHOULD YOU DESIRE TO ATTEND A BOARD MEETING AND NEED A REASONABLE ACCOMMODATION TO DO SO, PLEASE CONTACT THE AIRPORT MANAGER'S OFFICE AT LEAST ONE WEEK IN ADVANCE BY CALLING 788-4956 OR WRITING TO P.O. BOX 929, HAILEY, IDAHO 83333.

III. UNFINISHED BUSINESS

A. Airport Solutions

1. Blaine County Report

This item is on the agenda to permit a County report if appropriate.

BOARD ACTION: 1. Discussion

2. City of Hailey Report

This item is on the agenda to permit a City report if appropriate.

BOARD ACTION: 1. Discussion

3. Airport Manager Report

This item is on the agenda to permit an Airport Manager's report if appropriate.

BOARD ACTION: 1. Discussion

4. Interim Communications Director Report

a. Coffee Talk

BOARD ACTION: 1. Discussion

b. Airport Tour

BOARD ACTION: 1. Discussion

5. Existing Site

a. Airport Planning Process – Phase 1 Scope of Work – Attachments #1 - #2

Following the June Board meeting, the Airport Manager participated in discussions with the FAA about how to move forward with the EIS process for the new airport site. During the discussions, the FAA stated that they felt that, rather than the more detailed planning study that has been discussed; they would prefer a "90-day" study that looked only at alternatives for the existing site be the next step. Based on this information, Airport Manager and T-O Engineers took the initiative to prepare a draft scope outline for such a study and forwarded this to the FAA for comment on June 14 (see Attachment #1). T-O began working on a detailed scope that matched this outline. Despite some initial misgivings about the 90-day study, Airport Manager and T-O agreed that

this approach could work, as it would allow us to focus on the most important questions related to the planning study and get some answers relatively quickly that will help guide the decision-making and planning processes going forward. Airport Manager will elaborate. Attachment #2 is an Airport Alternatives Development Draft Scope of Work.

Dave Mitchell, T-O will be at the meeting to discuss the scope of work and strategy for moving forward with this project. Once a scope is approved by the FAA and Board, fee and agreement negotiations may move forward.

BOARD ACTION: 1. Discuss/Direct/Action

6. Replacement Airport

As you know, since April, Airport Staff and the consultant team has had several discussions with the FAA about the suspended EIS. Each time, the FAA has not been ready for EIS discussions even though action related to finding a Replacement Airport site is an essential part of the community's dual path forward. The FAA believes that the Airport Planning Process discussed above is key to providing vital information related to an EIS discussion. Essentially, the FAA believes that the information will help determine the time line that a Replacement Airport fits in - Is it a mid, long or indefinite planning objective? The FAA believes this information will be valuable to the community as a long term vision is developed. As/if the 90 day study moves forward, Airport Staff and the consultant team will discuss the following paragraphs which came from the Friedman Memorial Replacement Airport Environmental Impact Statement Purpose and Need/Alternatives Working Paper as a matter of necessity.

Purpose and Need:

1.2.2 CONCLUSION

Over the years, the FMAA has undertaken significant steps to maintain a safe and efficient aviation facility. However, the significant limitations at the current airport site are clear, and their impact has been fully studied and documented in numerous analyses conducted over a period of years. While the preceding section provides only a cursory overview of some of the more significant issues at the Airport, this summary of considerations clearly establishes the rationale for a replacement airport. Considering the NPIAS guiding principles, it can be seen that SUN is no longer "located at optimum site" and cannot be "maintained to appropriate standards" nor is the Airport "efficient" given head-to-head operations, the extent of diversions, and the airfield operational restriction that has been established.

While significant effort has been expended to address design requirements, it is also clear that SUN is not "flexible and expandable, able to meet increased demand and to accommodate new aircraft types", and actions to address this capability would be costly and highly disruptive to the community. Given the physical constraints, the long-term viability of the existing airport site must also be questioned, at least the viability of the Airport to serve in its current role.

Taking these factors into consideration, the purpose and need for a replacement airport for the Wood River Region was developed to guide the EIS pre-planning process. Elements of the purpose and need noted above will be incorporated into the formal purpose and need statement that will guide the subsequent Phase Two elements of the EIS.

BOARD ACTION: 1. Discuss/Direct

7. Interim Communications Director Position

The Board entered into an agreement in January 2012 with Anticipate, LLC to provide Strategic Communications Marketing services to the FMAA. The title that was assigned to the agreement/position was Interim Communications Director. Chairman Bowman has placed this item on the agenda to discuss removing the Interim from the position title.

BOARD ACTION: 1. Discuss/Direct/Action

8. Retain/Improve/Develop Air Service

a. FSVR Report

This item is on the agenda to permit a report if appropriate.

BOARD ACTION: 1. Discuss/Direct

b. First Time Schedule Commercial – Jet Service Environmental Assessment (EA) Update

Work is underway on the Environmental Assessment for Operations Specifications approval of regional jet operations at the airport. The project purpose and need and alternatives chapters have been drafted and analysis of the affected environment and environmental consequences is underway. Initial noise modeling is also being completed. A draft document will be available for review by Staff and FAA the week of July 9th. The project is on schedule, with no significant issues or concerns at this time. Dave Mitchell of T-O Engineers will attend the meeting to provide a brief update and answer any questions the Board may have.

BOARD ACTION: 1. Discuss/Direct/Action

c. Air Service Scope of Work – (Seasonal True Market Estimates & Airfare Monitoring) – Attachment #3

During the May Board meeting, the Board considered a proposal for Air Service Consulting Services from Mead & Hunt. This proposal was solicited by Airport Staff to move forward after Mead & Hunt completed the Passenger Demand Analysis (PDA) for the Board in February. It is now

apparent that a significant group of passengers that live in our area are using other airports. In short, Staff's goal by requesting the Proposal was an answer to the question PDA – "What now?" The goal of the Proposal is to begin answering more questions: "What can be done to reduce leakage from our community to other airports?", "What can be done to retain existing air service?" and "What can be done to develop new air service to our community?" Staff did not ask the Board for approval back in May but did ask for comments and/or suggestions. Staff has included the updated proposal as Attachment #3. The proposal has been tweaked based on Board discussion during the May meeting. Staff believes that the fees associated with accomplishing the work highlighted in the proposal are reasonable. Budget line items are available to support the proposal in the FY '13 Draft Budget. Staff would suggest that the Board and community will find the information gathered from this proposal extremely helpful in the future, as the Board endeavors to retain, improve and develop air service. The Board, when appropriate, can consider approving the Scope of Services and authorize the Chair to execute appropriate agreements after Staff and Legal Counsel review.

BOARD ACTION: 1. Discuss/Direct/Action

IV. FY '13 Rates & Charges/Budget – Attachments #4 - #5

During the June Board meeting, Staff and the Finance Committee presented the Board with a preliminary FY '13 Budget and Rates and Charges for review. Staff, based on meeting comments, has reviewed the preliminary budget and has included the revised draft FY '13 budget (Attachment #4) for consideration. The draft budget includes the following adjustments since the June meeting:

<u>Budget Line Item</u>	<u>Preliminary Budget</u>	<u>Adjusted Budget</u>
4400-01 TSA LEO Expense Reimbursement	\$117,000.00	\$0.00
6050-12 Prof. Serv. – Planning – Air Service	\$25,000.00	\$32,000.00
6050-13 Prof. Serv. – Website Design & Maint.	\$5,000.00	\$6,500.00
6080-04 Airport Marketing	\$0.00	\$15,000.00
6110-04 Contracts – COH LEO	\$160,291.54	\$15,000.00
6110-09 Contracts – Website	\$1,656.00	\$2,000.00
7000-33 Passenger Terminal Carpet	\$0.00	\$30,000.00

Staff also reviewed the Rates & Charges (Attachment #5) and has made some adjustments to the "Security/Airport Identification" fees. Staff anticipates that, at a minimum, the Board should anticipate CPI adjustments to most, if not all, the Rates & Charges categories in the FY '14 Budget process to keep up with the agreement made with tenants to make smaller incremental increases on an annual basis instead of infrequent, larger ones.

BOARD ACTION: 1. Direct Staff to establish a Public Hearing for the proposed FY '13 Rates and Charges.

2. Discuss and direct Staff to establish a Public Hearing for the Proposed FY '13 Budget.

V. NEW BUSINESS

A. FY '12 Airport Appreciation Day

Please mark your calendars and plan to attend Airport Appreciation Day on September 15th from 9:00 a.m.-3:00 p.m. Staff expects this event to be well attended and initial planning indicates there will be food served, music, aircraft rides, static displays and kid friendly entertainment.

BOARD ACTION: 1. Discuss/Direct

VI. APPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:

A. June 5, 2012 Regular Meeting – Attachment #6

BOARD ACTION: 1. Action

VII. AIRPORT STAFF BRIEF

A. Noise Complaints:

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT DESCRIPTION	ACTION TAKEN
Chantrelle Sub	6/4	12:27 am	Turbo Prop	Late Arrival	This was an air carrier aircraft that diverted to TWF due to high winds at FMA. The aircraft delayed on the ground until wind conditions were satisfactory for their operation. They returned to FMA at approx. 12:27 am. Caller was notified.

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT DESCRIPTION	ACTION TAKEN
Chantrelle Sub	6/11	6:42 am	Turbo Prop	Early Departure	This aircraft arrived at FMA at 6:35 am. Caller was under the impression that there was a "Curfew" prohibiting aircraft from landing prior to 7:00 am. Ops Chief spoke w/caller and clarified that the Vol. Noise Procedures ask that aircraft not operate prior to 6:00 am and that technically, there is no "Curfew" as the program is voluntary.
Hailey	6/19	9:18 am	Stage II Jet	Loud Arrival	This was a Stage II jet aircraft in a normal operation. Ops Chief had a pleasant discussion with the caller, who was primarily concerned that this noise might be typical of regional jet operations.
Chantrelle	6/23	11:15 am & 5:13 pm	Turbo Props	Low approaches	Caller felt that both approaches, by the same air carrier were extremely low. Research/inquiry by Staff revealed that both approaches were appropriate. Ops Chief responded to caller with that information.
Hailey	6/25	5:51 pm	Turbo Prop	Low approach	Caller reported that a "huge" air carrier aircraft approached the Airport from the North, very low over her daughter's home. Research/inquiry by Staff indicated that the approach from the north was likely predicated by prevailing winds at the time at or above 20 kts, from the South. Inquiry also demonstrated that the aircraft approach was otherwise appropriate.

B. Parking Lot Update

The Car Park Gross/Net Revenues

	FY 2010 Gross	FY 2010 Net	FY 2011 Gross	FY 2011 Net	FY 2012 Gross	FY 2012 Net
May	\$14,294.68	\$6,266.28	\$14,832.19	\$6,015.75	\$13,330.00	\$4,523.03

C. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data - Attachments #7 - #10

Attachment #7 is Friedman Memorial Airport Profit & Loss through April 2012.
 Attachment #8 is air traffic control tower traffic operations data for May 2012.
 Attachment #9 is 2001 - 2012 air traffic control operations data comparison by month.
 Attachment #10 is 2008 - 2012 enplanement data including non-revenue passengers.
 The following revenue and expense analysis is provided for Board information and review:

April 2011/2012		
Total Non-Federal Revenue	April, 2012	\$167,391.79
Total Non-Federal Revenue	April, 2011	\$167,046.05
Total Non-Federal Revenue	FY '12 thru April	\$1,106,384.48
Total Non-Federal Revenue	FY '11 thru April	\$1,079,732.64
Total Non-Federal Expenses	April, 2012	\$131,234.34
Total Non-Federal Expenses	April, 2011	\$145,053.10
Total Non-Federal Expenses	FY '12 thru April	\$1,160,277.86
Total Non-Federal Expenses	FY '11 thru April	\$1,134,631.47
*Net Income to include Federal Programs	FY '12 thru April	\$-168,558.69
*Net Income to include Federal Programs	FY '11 thru April	\$-374,721.34

*Difference in net income is related to federal transactions.

D. Review Correspondence - Attachment #11

Attachment #11 is information included for Board review.

E. Fly Sun Valley Alliance Update – Attachments #12, #13

Attachment #12 is the May 14, 2012 Fly Sun Valley Alliance Meeting Minutes.
 Attachment #13 is the June 11, 2012 Fly Sun Valley Alliance Meeting Agenda.

F. Airport Weather Interruptions for June, 2012

Airline	Flight Cancellations	Flight Diversions
Horizon Air	0	0
SkyWest	2 (wx)	1 (wx)*

*This diversion was the result of high winds at FMA. The Flight diverted to TWF and Waited on the ground until winds at FMA were acceptable and then proceeded to FMA a little after midnight.

Wx: Weather Mech: Mechanical

Horizon Air suspended SUN service March 25. Service will resume June 3 to Seattle and June 22 to Los Angeles.

G. License and Use Agreement Off-Airport Rental Car Operator

Enterprise Rent-A-Car completed all the inspection requirements, presented all the necessary documents, completed an operational location/procedure tour with the Airport Operations Chief and began operating as an Off-Airport operator on June 25th.

H. Gifts, Refreshments & Retail Concession

Staff received a single proposal for the retail concession space at the terminal. The proposal was presented by Erica Niemi, Susan Hilpert and Rachael Stark of Runway Gift Café, LLC. Staff met with Ms. Niemi to review the proposal they presented. Staff is encouraged by Erica's enthusiasm and her expressed interest to grow the business and evolve as needed to meet the needs of the traveling public and, eventually, the surrounding airport community. Staff received approval from Chairman Bowman and Vice Chairman Burke to proceed into negotiations with legal counsel assistance. Staff has completed that negotiation and the lease became effective on June 21st. Staff encourages the Board to stop in and visit Runway Gifts Cafe.

I. Operations Brief

The Airport underwent its annual, FAR 139 Inspection June 20-21. The inspection was conducted by Mr. Rick Schoder, FAA Northwest Mountain Region Airports District Office. We are pleased to report that there were no significant findings or corrections noted. FAR 139 Inspections are truly an opportunity for FMA Staff and FAA to work together in an effort to really "see the Airport" and learn from each other.

Staff has prepared a "Press Release" for the Idaho Mountain Express, advising Wood River Valley residents and neighbors that insofar as we are beginning summer, so to should residents and neighbors anticipate conspicuously elevated levels of air traffic and activity at the Airport.

VIII. PUBLIC COMMENT

IX. EXECUTIVE SESSION - I.C. §67- 2345 (1)(d)

X. ADJOURNMENT

FRIEDMAN MEMORIAL AIRPORT PLANNING STUDY, PHASE 1

SCOPE OF WORK

OUTLINE

The purpose of this planning study will be to investigate alternatives for what can be done to provide a safer airport platform for the type and size of aircraft that use the airport today. Based on the recent request by SkyWest Airlines for Operations Specifications approval to operate the CRJ700 at SUN, this type of operation will also be considered. It should be noted, however, that operations by regional jets are not the driver of this study. The study is necessary to address safety improvements that are needed based on the aircraft that currently use the airport, not to accommodate future demand. When it begins to operate at SUN, the CRJ700 will not be the critical aircraft for airfield design.

The goal of this study will be to develop and evaluate alternatives within 90 days. Alternatives evaluated will be limited to steps that can be taken at the existing site without major impact to the community or significant costs. Essentially, options considered in detail will be improvements that can be made within the existing airport property boundary. Some consideration of more significant improvements that require expansion of the airport will be given, but only to evaluate the general costs and impacts of those alternatives. Significant expansion of the airport property will require a robust public involvement program that will not be possible during the short duration of this study – such improvements will be considered in the Phase 2 study. The safety of alternatives developed during this 90-day effort will be evaluated by a Safety Risk Management panel to determine their acceptability from a safety standpoint.

After the alternatives are developed and analyzed, the study will then proceed to prepare Modification of Standards documentation for areas where meeting standards is not feasible. This documentation will then be submitted for FAA review and approval.

Poor reliability at the existing site has a direct impact on the viability of air service at the airport. For this reason, an evaluation of feasible reliability improvements will also be undertaken to determine what improvements are realistically possible.

Due to the short duration of this study and the importance that the community and all affected FAA Lines of Business work together to achieve the desired outcome, the study will include regular communication and face-to-face meetings with the FAA in Renton, Washington.

After completion of this Phase 1 study, a second study may be entered into, that will include a more formal, longer term planning study for the airport. The Phase 2 study may include location of a new airport site and longer-term options at the existing site, which will only be pursued if a relocated airport is determined to no longer be a viable option. One of the deliverables from the Phase 1 study will be a detailed scope of work for Phase 2.

An outline Scope of Work for this planning study is presented below.

- I. Introduction
 - A. Background
 - B. Project Understanding
 1. Focused on "first tier" safety improvements at the existing site
 2. 90-day look at alternatives
 3. Develop documentation for Modification of Standards
 4. Research potential reliability improvements
 - C. Deliverables

1. Alternatives Report
 2. Modifications of Standards documentation
 3. Reliability Report
 4. Scope of Work for Phase 2 Planning Study
- II. Project Management
- A. Scope development
 - B. Meetings and coordination – extensive coordination and meetings with community and FAA (Airports and other Lines of Business) to ensure that all are working toward the same goal.
- III. Public Involvement
- A. FMAA Board Meetings – one to include a public workshop
 - B. Email/webpage communication
- IV. Inventory Deficiencies – Prepare a matrix that summarizes standards and identifies deficiencies in the following areas:
1. RSA
 2. OFA
 3. Runway-Taxiway Separation
 4. Runway-Aircraft Parking Separation
- V. Alternatives – Develop alternative(s) and associated costs for each of the following areas:
- A. RSA
 - B. OFA
 - C. Runway – Taxiway Separation
 - D. Runway – Aircraft Parking Separation
- VI. Modifications of Standards
- A. Develop documents
 - B. Meetings/Coordination
- VII. Reliability Alternatives
- A. RNP
 - B. Ground-based

SCHEDULE

July 3, 2012	Draft Scope and Fee presented to FMAA/Start work on alternatives analysis.
July 2012	IFE
July 17, 2012	Contract approval.
October 1, 2012	Complete alternatives analysis. Begin Modification of Standards documentation preparation.
January 2013	Complete Modification of Standards documentation/Submit
Spring 2013	Prepare Phase 2 Scope of Work.

Friedman Memorial Airport (SUN) Hailey, Idaho Airport Alternatives Development Draft Scope of Work

June 28, 2012

Sponsor: Friedman Memorial Airport Authority

Consultant: T-O Engineers, Inc.

Introduction

The Friedman Memorial Airport is located in Hailey, Idaho. This airport serves the Wood River Valley region of Idaho, including the Sun Valley resort area. The Airport is currently served by two commercial service air carriers: SkyWest and Horizon Air. A large number of corporate jet and other general aviation aircraft also use the airfield for business, recreation and travel to and from the large number of second homes in the area. The Airport has two sponsors, the City of Hailey and Blaine County, who have entered into a joint powers agreement that formed the Friedman Memorial Airport Authority (FMAA), which governs and manages the airport.

The Airport is located in a high mountain valley and is surrounded by severe terrain. Due to this terrain, precision instrument approaches are not available and inclement weather causes multiple delays and diversions. The Airport also has a limited amount of property and is bounded on three sides by State Highway 75 and an existing light industrial development. Due primarily to this constrained environment, Federal Aviation Administration (FAA) design standards are not met at the existing site, and the community has been working for over 20 years to resolve this issue.

Until recently, the planned solution was to relocate the airport to a new site south of the existing airport and away from the valley cities. The Federal Aviation Administration (FAA) was conducting an Environmental Impact Statement (EIS) study for a new location until the decision was made to suspend the study in August 2011, due to financial and environmental concerns with the sites under consideration.

A relocated airport is still the ultimate solution, as it will provide airport infrastructure that will meet standards, accommodate all foreseeable demand and provide a reliable all-weather airport. Locating a site and building a new airport is likely to take time, however, and some improvements are required in order for the Airport to survive and thrive at the existing site.

This effort is limited to data collection and development of alternatives, including cost estimates, so that the community and FAA can make informed decisions about the next steps in the ongoing process to correct the deficiencies at the airport. The purpose of this study is not to select preferred alternatives, but to develop enough data so that the available alternatives can be considered in the decision-making process.



This analysis will be conducted with an accelerated schedule, with the goal of completing the development of alternatives within approximately 90 days, after which a Safety Risk Assessment will be completed to consider the alternatives. Based on the outcome of the alternatives development and this Safety Risk Assessment, documentation for Modifications of Standards, where needed, will be prepared and submitted.

This document outlines the Scope of Work for this alternatives development effort.

Project Understanding

Available data and public sentiment both indicate that air service is critical to the economy of the Wood River Valley region. The economy of this region is largely driven by tourism and the second home market, both of which rely on commercial and general aviation air service. The community's overarching goal is to retain, improve and develop air service (especially commercial service) at the existing site. The goal is to survive and thrive at the existing site and carry that momentum to a new site, where the airport can continue to grow in its role as a transportation hub and economic engine for the region.

Two main factors threaten the vitality of commercial service at the existing airport site:

1. The airport does not meet current FAA design standards. Traffic by aircraft such as the Bombardier Q400, operated by Horizon Air, and several models of large GA aircraft (e.g., Gulfstream G-V and Bombardier Global Express) dictates that the Airport Reference Code for the airport is C-III. Due to the geometry of the existing site, the airport does not meet standards for many criteria, most critically Runway Safety Area and Runway Object Free Area. Currently, operational restrictions allow the Q400 to operate at the airport, but these restrictions were intended as a temporary measure until the new airport was constructed. Additionally, SkyWest Airlines has recently requested permission from the FAA to operate the Canadair Regional Jet (CRJ) 700 at SUN. The CRJ700 is a C-II aircraft, and the airport does not meet C-II standards, either. Improvements toward meeting these standards must be made, in order to retain and improve air service. Commercial air service operations at an airport are subject to review and approval by the FAA, and these areas where standards are not met could stand in the way of that approval.
2. Reliability of the current airport is poor, especially during the winter months. Due to the severe terrain in the vicinity of the airport, visibility minimums are very high for a commercial airport. This means that when clouds, fog or storms are in the vicinity of the airport, aircraft cannot safely land using existing published procedures. In turn, this requires commercial flights to either be cancelled or to divert to Twin Falls or Boise, where passengers are then bussed to Hailey. Available data indicates that these diversions and cancellations lead travelers to choose not to fly to the airport. Based on initial analysis, existing instrument approach procedures could be improved, or better approaches may be possible. Any improvement in minimums will have an associated improvement in reliability, which will improve air service at the airport.

The purpose of this analysis is to develop alternatives that address the issue of non-compliance with standards. Evaluation of potential reliability improvements will be completed separately. The development of alternatives will be completed quickly, so that the community and FAA will have a more complete picture of what can be done at the existing site and what potential improvements will cost. This knowledge can then be used to make decisions about the future of the Airport, both in terms of what steps to take at the existing airport and regarding the process to find a new site.



Background

The Friedman Memorial Airport Authority (FMAA) has been working for many years to improve their airport to meet FAA design standards and accommodate demand. The following paragraphs summarize significant events that have led to the situation the Airport and community find themselves in today.

An Airport Site Selection and Feasibility Study was completed in 1990 in an attempt to accommodate the ever-increasing use of Friedman Memorial Airport by larger and more demanding aircraft. This study concluded that an alternative airport site existed along U.S. Highway 20, in the vicinity of the Moonstone Ranch. Limitations on FAA funds and a lack of community support at that time dictated that the airport remain at its current location. An airport Master Planning Process was initiated, which concluded with the publication of the 1994 Master Plan Update report. This document recommended a comprehensive improvement program aimed at compliance with Airport Reference Code B-III standards. While significant activity by C-II and D-II private aircraft existed at that time, the B-III standard was compatible with the current and foreseeable air carrier fleet.

A significant aspect of the 1994 plan was a preamble, which established a guiding principle for many planning decisions made since that time. This preamble says, in part (underline added for emphasis):

"The Friedman Memorial Airport is critical to the success of our resort economy, yet it has an enormous impact on the adjacent community. The goals of this Master Plan are to eliminate as many of the safety deviations as possible while not expanding the impact on the adjacent community. We seek the highest quality and safest airport possible, within the physical limitations imposed by the geography and the human use of adjacent lands. As pressure for use reaches the physical limits of the facility, we need to look for alternatives away from the valley cities, rather than expansion at the present site."

It has been reported that during this timeframe FMAA believed, incorrectly, that it had some ability to limit the size of aircraft which could use the airfield. Improvements associated with recommendations contained in this plan included a runway shift to the south, removal/relocation of hangars, relocation of parallel taxiways and relocation of aircraft parking aprons. An Airport Layout Plan update was completed in 1998, which addressed the specifics of how these improvements could be best constructed and what deviations would be eliminated, improved or continue to exist. The principle of "no growth" established in the 1994 plan was adhered to.

A key assumption of the 1994 Master Plan Update was that the Airport would be served by commercial carriers operating the BAe 146 regional jet, a B-III aircraft. These operations never materialized. However, in 2001 Horizon Air commenced operation, with FAA approval, of the Bombardier Q400, an Airport Reference Code C-III aircraft. It should also be noted that the FMAA had no participation in the process allowing use of the aircraft at the Airport. This operation commenced while the improvement program to meet B-III standards was still underway. The FAA directed FMAA at that time to complete planned improvements but to also commence a master planning process to evaluate compliance with C-III design standards.

In order to allow the Q400 to operate at Hailey in the interim, the Air Traffic Control Tower and Airport entered into a Letter of Agreement that established procedures to provide an equivalent level of safety during operations by this aircraft. This Letter of Agreement "sterilizes" (i.e., holds all other aircraft off) all taxiways when the Q400 is landing or taking off. This provides a full Runway Safety Area for this C-III



aircraft. It should be noted that the Letter of Agreement only applies to operations by the Q400 commercial service operations, not to any general aviation traffic.

This master planning process took place during the timeframe of 2002-2004, concluding with the 2004 Master Plan Update. The primary focus of that update was to identify and evaluate airport development alternatives that: remedied the design standard deviations associated with existing aviation demand; accommodate future aviation-related demand; respond to airport and community needs; and maximize revenue generating alternatives; all while remaining a good neighbor to surrounding communities. A series of alternatives were developed, and it was determined that significant expansion outside of the existing airport boundaries would be necessary in order to meet design standards. In addition, estimated costs of these improvements were high and the impacts to the community would be significant.

The FMAA concluded that the scope of improvements was not socially and environmentally acceptable and that the improvements would not resolve all issues related to safety and reliability. The determination was made that achieving C-III compliance could best be accomplished at a new site. An Airport Layout Plan and Capital Improvement Program were developed for the existing site that would focus on continued safety improvements and enhancements to benefit commercial service in the interim (up to 10 years). Proposed improvements were subsequently completed between 2005 and 2007. The Letter of Agreement for operations by the Q400 was an important aspect of these interim improvements. While these improvements were being made, an Airport Site Selection and Feasibility Study was undertaken. The Study was completed in 2006 which included the evaluation of 16 alternate sites, three in detail. The Study concluded that all finalist sites were feasible. Following extensive discussion and public process, the FMAA board decided that Site 10, located closest to the resort community, along State Highway 75 and within Blaine County, was the preferred location. The FAA agreed to proceed with an Environmental Impact Statement (EIS) process, as requested by the Airport Authority.

During the period of 2007 to late Summer 2011, the FAA and their consultant team conducted an independent site evaluation process and assessed possible impacts to the environment. Key elements of this study effort include:

- As required by the National Environmental Policy Act, the study was conducted with an "arm's length" approach that limited community input on the process.
- 17 sites were independently evaluated for ability to meet standards, provide significant improvement to reliability and to accommodate future demand.
- Three finalist sites (all within Blaine County) were selected initially, which was narrowed to two in 2010:
 - Site 10A, located near the original Site 10 in southern Blaine County.
 - Site 12, located along US Highway 20 in western Blaine County, near the Blaine/Camas county line.
- During the EIS process, Western Sage Grouse habitat became a significant concern across the western U.S., leading to calls to list the species. In early 2011, Idaho Fish and Game and the U.S. Fish and Wildlife Service raised significant concerns over the possible impact on sage grouse habitat that would be caused by building an airport at Site 10A.
- Initial planning of the two finalist sites completed in Summer 2011 indicated total project costs for either site to be in excess of \$300 million.

In August 2011, the FAA suspended the EIS process due to concerns with project affordability and environmental issues, primarily the Western Sage Grouse. It was noted that this "pause" in the process would allow the FAA to enter into discussions with the community on affordability and possible



reconsideration of basic assumptions leading to potential site evaluations. On September 13-14, 2011, Donna Taylor, then manager of the FAA Northwest Mountain Region Airports Division, visited the Wood River Valley to explain FAA's position and policies and to answer questions from the Friedman Memorial Airport Authority, elected officials and the public at several meetings and workshops. During the period from mid-September 2011 to March 2012, significant public discussion and technical analysis was conducted relative to airport reliability and possible improvements; value and economic impact of air service to the Wood River Valley; possible improvement options at the airport; passenger demand analysis; and the community's long range vision for aviation service.

This extensive process resulted in three general conclusions:

1. Continued and improved passenger service is extremely important to the community and provides major economic benefit.
2. The ultimate goal remains to build a new airport.
3. The community realizes construction of a new airport will take time, and is willing to make needed improvements to the existing site to retain air service and improve safety.

The Airport's sponsors, Blaine County and City of Hailey have developed policy positions derived from their assessment of community needs and goals. Each sponsor's policies are listed below and will serve as guiding principles for this planning study and its subsequent recommendations.

Blaine County Airport Project Guiding Principles

1. *Robust commercial and general aviation transportation service and infrastructure are vital to the economy of Blaine County.*
2. *Meeting federal design and safety standards in air and ground operations is paramount in planning for air service and related infrastructure.*
3. *Air service and infrastructure improvements are affordable and achievable.*
4. *Minimizing environmental impacts is a high priority in planning for and implementing air service and infrastructure improvements.*
5. *Air Service is an important and interconnected mode of transportation for Blaine County and the region.*
6. *A replacement airport south of Bellevue along State Highway 75 is the long term solution and objective.*

City of Hailey Airport Guiding Principles

1. *The City believes that an airport with commercial service is important to the Wood River Valley.*
2. *The City of Hailey remains committed to the 1994 Master Plan in the long term, which calls for relocation of an airport away from cities.*



3. *The City knows that relocation of the Friedman Memorial Airport may be a very long term process; however, in the meantime, to keep the relocation process moving, the City will request the Friedman Memorial Airport Authority ("FMAA") and the Federal Aviation Administration ("FAA") to restart the EIS process.*
4. *The City knows that the Friedman Memorial Airport may serve as the airport for the Wood River Valley for the short, medium and even long term while airport relocation is pursued.*
5. *The City will support the FMAA and FAA in developing an Airport Layout Plan ("ALP") from the Friedman Memorial Airport that addresses potential reliability improvements, as well as FAA design standard deficiencies. Until the ALP is developed and presented for consideration by the City, the City supports the present configuration and operation of Friedman Memorial Airport.*
6. *In reviewing reliability improvement issues and issues related to FAA design standard compliance, the City will balance any increased reliability with the potential for increased impacts to our citizens and the costs associated with improvements to reliability.*
7. *The City supports the Friedman Memorial Airport; however, that support cannot continue if airport operations and/or physical layout jeopardize the health, safety or quality of life for Hailey citizens (e.g., northern approaches). Safety and quality of life should never be compromised in favor of any other guiding principle.*
8. *The joint governing authorities should develop concrete steps for a dual path approach: short term safety improvements and long term relocation.*

Since the adoption of these guiding principles by both sponsors, two other key events have taken place:

First, SkyWest Airlines requested operations specifications approval to operate the Canadair RJ 700 between Hailey and Salt Lake City, in place of the Embraer EMB120 that the airline currently operates on that route. The role and viability of Regional Jets in the air carrier fleet serving the Wood River Valley has been considered for the last decade as airlines have been replacing their regional turboprop aircraft with 50-, 70-, and 90-passenger Regional Jets. With SkyWest's request, this has become reality for the airport. The CRJ700 is, like most Regional Jets, a C-II aircraft, which exceeds the current airfield's design. Market studies have indicated viable service opportunities via CRJ700 aircraft to both Denver and San Francisco, which would be of major benefit to the community and a major step toward improving air service. SkyWest's request and the viability of additional markets makes it clear that the CRJ700 is the likely aircraft to serve the Airport in the immediate future. These aircraft, along with the existing fleet of the Q400 and private jet aircraft must be considered in planning and analysis.

The second key event was triggered by SkyWest's request. This change of aircraft required modifications to the existing Letter of Agreement at the airport, which in turn required that a Safety Risk Management Panel be convened to analyze the safety risks of these changes. This panel took place at the airport on April 24 and 25, 2012. A formal Safety Risk Management assessment was done on the changes to the operational agreement between the tower and airport, and the result of that assessment was that these operational restrictions could be modified to accommodate the CRJ700. A separate Safety Case Analysis was also conducted, to consider the safety risks related to the non-standard conditions at the airport. This Safety Case Analysis identified several areas of deficiencies that will help to frame the initial



analysis conducted under this Planning Study. It should be noted that this type of safety review is quite new within the FAA and has not been conducted at FMA previously.

This Study will take into account the extensive efforts made in the past twenty-plus years at the airport, including the most recent events. The findings and guiding principles outlined above will be incorporated into the study process and recommendations.

Project Approach

The purpose of this project is to investigate alternatives for what can be done to provide a safer airport platform for the type and size of aircraft that use the airport today. Based on the recent request by SkyWest Airlines to operate the CRJ700 at SUN, this type of operation will also be considered. It should be noted, however, that operations by regional jets are not the driver of this effort. This study is necessary to address safety improvements that are needed based on the commercial and corporate aircraft that currently use the airport, not to accommodate future demand by larger aircraft. When it begins to operate at SUN, the CRJ700 will not be the critical aircraft for airfield design. The CRJ700 is a C-II aircraft and the current Airport Reference Code for the airport is C-III, based on traffic by the Q400, Gulfstream V and other similar aircraft.

The goal of this study will be to develop alternatives within 90 days. Alternatives evaluated will consider full compliance with FAA design standards and other potential alternatives, which may require Modifications of Design Standards. It is expected that the safety of alternatives developed during this 90-day effort will be evaluated by a Safety Risk Management panel to determine their acceptability from a safety standpoint. This panel will be conducted after alternatives have been identified and before the next steps in the study.

After the alternatives are developed and analyzed, the study will then proceed to prepare Modification of Standards documentation for areas where meeting standards is not feasible. This documentation will then be submitted for FAA review and approval.

Due to the short duration of this study and the importance that the community and all affected FAA Lines of Business work together to achieve the desired outcome, the study will include regular communication and face to face meetings with the FAA in Renton, Washington.

The approach to this project will be to move forward quickly with a number of tasks to summarize the current state of the airport and quantify areas of deficiencies. Four major areas of deficiencies have been identified during previous analyses. These four areas were the focus points of discussion during the Safety Case Analysis and are summarized below:

1. Runway Safety Area: The Runway Safety Area does not meet C-II or C-III design standards, due to the location of taxiways or portions of taxiways within the RSA on both sides of the runway.
2. Runway Object Free Area: The existing airport does not meet C-II or C-III design standards, due to the presence of the air traffic control tower, terminal aircraft parking, east perimeter fence and Highway 75, along with other objects.
3. Runway to Parallel Taxiway Separation: Separation standards for runway centerline to parallel taxiway centerline are 300 feet for C-II and 400 feet for C-III. The current separation varies from 180 feet to 335 feet for the various segments of parallel taxiway.
4. Runway to Aircraft Parking Separation: By standards, the distance between runway centerline and aircraft parking should be 400 feet for C-II and 500 feet for C-III airports. Parking nearer than this exists in many locations at the airport.



These deficiencies will be analyzed in detail and alternatives will be developed to address them. Where no feasible solution exists, justification for Modifications of Standards will be developed. It is critical to note that FAA policy does not allow for Modifications of Standards for Runway Safety Areas. For the other areas of deficiencies, it is anticipated that Modifications of Standards in some form will be pursued. The final portion of this effort will be the development and submittal of documentation for required Modifications of Standards.

Individual elements of the Study are described in detail below.

STUDY ELEMENTS

Element 1: Study Design

This element will initiate activities for this Planning Study at Friedman Memorial Airport, particularly to develop the study work scope, fee estimate, Professional Services Agreement, contract negotiation and project schedule.

A detailed scope of services and project schedule are important to guide the project through subsequent phases. Design of the study includes development of a comprehensive scope of services, definition of effort necessary to accomplish the work scope and the preparation of a realistic work effort and cost estimates for completing the work. It also serves to organize the project team, which includes the Consultant Team, Airport Management, and the FAA.

1.1 Scope of Work/Fee

This element includes preparation of a draft scope of work, coordination with FMAA to refine the scope, development of a project schedule and preparation of the final scope of work and fee. Included in this element is communication with the FMAA and FAA related to scope development:

- Attend three regular FMAA meetings to present and receive feedback on the draft and final scope documents.
- Participate in two conference calls with FMAA staff and representatives from the FAA Seattle Airports District Office regarding the specific elements and approach to the Study.
- Regular communication with FMAA Staff during the Scope development process.

Element Deliverables:

- Electronic files of the initial and modified draft Scopes of Work, fee estimates, and project schedule; electronic copy of the final draft version of the project schedule, scope of services, fee estimate; and two (2) paper copies of the Final Approved version of the scope of services, fee estimate, project schedule, and two (2) copies of the executed contract for FAA and Airport records.

Element Cost Assumptions:

- Develop two (2) drafts and one (1) final iteration of the Scope of Work, fee estimate matrix, Professional Services Agreement, project schedule and conduct contract negotiation.



- Two (2) meetings in Hailey with the Airport Board will be conducted to facilitate Scope of Work development.
- Additional individual coordination with FMAA and FAA staff via telephone and email is included.

1.2 Negotiation

Included in this element will be services related to coordination and negotiation of the Agreement. The Consultant will provide an electronic copy of the Scope of Work and a blank fee spreadsheet for Sponsor's use in obtaining an Independent Fee Estimate. After the fee comparison is complete, the Consultant will participate in fee negotiations, as necessary.

Element Deliverables:

- Electronic copy of the final Scope of Work and electronic file of the fee matrix for use by the independent estimator.

Element Cost Assumptions:

- Electronic submittal of Scope of Work and fee matrix.
- Negotiations conducted by conference call.

1.3 Agreement

Consultant shall prepare a Professional Services Agreement for services to be provided under the approved Scope of Work.

Element Deliverables:

- Hard copies of executed Agreements, with attachments.

Element Cost Assumptions:

- Hardcopy agreements to consist of two (2) paper copies of the Final Approved version of the SOW, fee estimate, project schedule, and two (2) copies of the executed contract for FAA and Airport records.

Element 2: Project Management

This element will provide appropriate direction and management for the development of this Planning Study as each assignment is undertaken and completed. Constant management will be required throughout the project, including management of the project team; internal and external communication; quality control; grant administration and budget tracking.

2.1 Project Management

This element is an on-going process throughout the project that includes developing an internal structure for the project processes and communication with the project team. Project management duties include:

- Defining roles and responsibilities for team members.
- Developing a project plan and schedule.
- Developing a project strategy and modifying, as required.
- Initiating project activities in sequence, to maximize efficiency and effectiveness.



- Monitoring progress and making required adjustments.

Deliverables:

- Copies of the schedule and project plan will be provided to the Sponsor and FAA as required.

Cost Assumptions:

- Two hours per month by the PM over an assumed period of six months, dedicated specifically to management and control of the project.
- One day to develop a project plan and conduct an internal kickoff meeting by teleconference.

2.2 Team Communication

This element includes regular formal communication throughout the project to discuss progress, challenges and other issues related to the progress of the work. This formal communication is anticipated to include the following:

- Weekly teleconferences of project managers and key individuals from each firm. It is anticipated that project managers will participate in all calls, and the key individuals participating will vary, based on the work being undertaken at the time.

Deliverables:

- As this is an internal aspect of project management, no deliverables are anticipated.

Cost Assumptions:

- Time for teleconferences as described above.

2.3 Sponsor/FAA Communication

In order to maintain control of the project direction and ensure concurrence from the Sponsor, FAA and Consultant Team, regular communication throughout the project will be critical. This will include formal status reports, emails, teleconferences, and face-to-face meetings, as anticipated below. Communication with the public during this effort will be limited to the monthly status updates to the FMAA board described below. No additional public involvement process is anticipated.

- Prepare for and attend a kickoff meeting to be held at FAA Seattle Airports District Office in Renton, Washington. The purpose of this meeting will be to discuss the goals of the study, schedule and other pertinent elements of the effort. Participation is expected to include T-O Project Manager, project managers from key subconsultants (two total), Airport Staff and representatives from affected FAA Lines of Business.
- Prepare for and attend two additional meetings in Renton to discuss preliminary analysis and issues discovered during the course of the project. Participation is expected to include T-O Project Manager and one additional staff member, Airport Staff and representatives from affected FAA Lines of Business.
- Monthly status reports submitted to the Sponsor and FAA with each month's invoice.
- Regular email and telephone communication with the Sponsor and FAA as needed to address specific issues and coordinate various aspects of the project.



- Bi-weekly teleconferences to discuss project status. It is anticipated that participants will include the Airport Manager, Project Managers from each member of the Consultant Team, FAA representatives and others, as appropriate.
- Monthly status updates to the FMAA board by the Consultant Team's Project Manager.
- Record and collect public comment received at FMAA Board meetings and via email, mail and other means of communication.

Deliverables:

- Monthly status reports.

Cost Assumptions:

- Time and travel expenses for meetings and communication noted above.

2.4 Quality Control

Internal processes will be used to ensure the quality of all work products. These processes will include:

- Periodic assessments of progress by project leaders familiar with the type of work underway.
- Quality assurance/control reviews will be completed by a senior T-O Engineers consultant prior to shipment outside of the Project Team.
- Work prepared by T-O Engineers will be reviewed for quality by a senior member of Mead & Hunt or Aviation prior to shipment.

Deliverables:

- As this is an internal aspect of project management, no deliverables are anticipated.

Cost Assumptions:

- Monthly reviews of project files and current work product throughout the project.
- Quality control reviews of work products by senior consultant staff members prior to shipment.
- It is assumed that all internal transmission of documents will be done electronically.

Element 3 Inventory

In a typical Master Plan study, the inventory process essentially documents the existing use and configuration of the airport. This includes documenting the number of existing facilities, based aircraft, etc. to be used as a baseline for forecasting and developing alternatives to meet future demand. In this case, the purpose is not to accommodate future demand, therefore a different approach will be taken.

The purpose of this element will be to analyze the airport and define areas of deficiencies that must be addressed during this Planning Study. Much of this work has been completed in previous studies and during the recent Safety Case Analysis, and this element will collect and summarize those previous findings. An additional check of the airport relative to design standards will also be completed.

Known areas of non-compliance include: Runway Safety Area (dimensions and transverse grading); Runway Object Free Area; Runway to Parallel Taxiway Separation; and Runway to Aircraft Parking Separation. This Phase 1 study will be limited to evaluating areas of non-compliance in these areas.

Also included in this element will be an evaluation of the current and future aircraft fleet expected to use the airport. This is not a formal traffic forecast, but instead an evaluation of the likely aircraft that will be



used by commercial air carriers and the corporate jet users of the airport in the near future. This will be done based on trends in both areas of aviation, with the basic assumption that significant growth in traffic levels are not anticipated at the airport, but changes in the operations that do exist are anticipated, similar to the change from operations by the Emb120 to the CRJ700 that is currently underway.

Findings from this element will be summarized in a technical memorandum that will describe the existing Airport facility and areas where the facility does not meet standards based on current traffic.

3.1 Summarize Deficiencies

Visit the airport to tour the site, document existing conditions with photographs and conduct limited field measurements. Prepare a matrix that summarizes all design standards for Airport Reference Codes C-II and C-III and compares these standards with existing conditions at the airport. Prepare graphics that illustrate the locations and severity of deficiencies for each of the four major areas identified above, plus a combined graphic. Conduct a peer review of the summary matrix and graphics. This peer-review will be completed by a member of the Consultant Team who is not familiar with the airport or the issues faced at the existing site.

Deliverables:

- Matrix.
- Graphics.

Cost Assumptions:

- On site visit will include Project Manager and one technical staff member from T-O.
- Graphics are assumed to include at least 10 separate depictions of deficiencies (one each for each major area for both C-II and C-III standards, plus one combined graphic for each set of standards).

3.2 Aircraft Fleet Evaluation

Collect and review available operational information for the airport, especially the level of operations by controlling aircraft in the C-II and C-III categories. Research trends in the air carrier and general aviation business regarding Regional Jets, other regional air carrier aircraft and large corporate jets. This research will include both collecting data and interviewing air carriers and corporate operators, such as NetJets to determine their future plans for operations at Friedman Memorial Airport. Prepare a memorandum documenting findings.

Deliverables:

- Memorandum.

Cost Assumptions:

- Airport Staff will provide available operational data.
- Interviews will be conducted by telephone or email communication.
- Trend research not gathered by interviews will be completed using available public information.



3.3 Document Deficiencies

Prepare a summary memorandum documenting the existing deficiencies and research related to the future of Regional Jets and other large corporate jet aircraft at the airport.

Deliverables:

- Draft summary for review.
- Final summary.

Cost Assumptions:

- Draft summary will be submitted in PDF format only.
- Final summary will be submitted in both PDF and hardcopy format.

Element 4 Alternatives

This element will analyze alternatives to address the various areas of non-compliance. This will include both alternatives for physical improvements that will correct each situation and potential Modifications of Standards that will be pursued. The different areas of non-compliance are discussed separately below, but they must be considered together so that solutions for one area do not create a conflict with another standard.

There is a wide spectrum of possible solutions to the design standards deficiencies at the Airport. At one end of this spectrum is the status quo, which would require numerous Modification of Standards to allow operations to continue in the long term. It is understood that this solution will not be acceptable to the FAA. At the other end of the spectrum is full compliance with all standards. Concepts of this approach have been evaluated in the past and these evaluations have shown full compliance to be very expensive with very significant environmental impacts.

This element will analyze alternatives for the five areas identified below.

4.1 Full Compliance

As discussed above, full compliance with standards at the existing site will be very difficult and expensive to accomplish. Full compliance must be considered, however, in order to compare various alternatives with what it would take to accomplish full compliance. This has been evaluated in the past, with three basic approaches:

1. Move the runway east to provide Runway Object Free Area and Runway-Parallel Taxiway Separation on the west side of the airfield.
2. Move the runway west to provide Runway Object Free Area on the east side of the airfield.
3. Retain the current runway alignment and move Highway 75 on the east and buildings on the west side.

Detailed information from this previous analysis is available and the work effort related to this study will be limited to reviewing that analysis and updating cost information.

Deliverables:

- Updated graphics.



- Updated cost information.

Cost Assumptions:

- Deliverables will be submitted in electronic format.

4.2 Runway Safety Area

The existing Runway Safety Area does not meet standards in two ways: parallel taxiways exist in the lateral safety area (i.e., the portion of the safety area on either side of the runway) on both sides and there are some areas where the transverse grading of the safety area is slightly steeper or shallower than standards allow.

Current FAA policy does not permit Modifications of Standards for Runway Safety Area dimensions; therefore a physical solution (i.e., relocating Taxiway B and closing Taxiway A) will be the goal for that deficiency. An alternative that could be considered is expanding operational restrictions to provide an equivalent level of safety. These alternatives will be addressed in detail.

For grading deficiencies, it may be possible to obtain an approved Modification of Standards for this condition, and this will be researched along with options to physically correct the situation.

Deliverables:

- Alternative graphics.
- Memorandum describing alternatives.
- Cost estimates for proposed alternatives.

Cost Assumptions:

- Deliverables will be submitted in electronic format.

4.3 Runway Object Free Area

The Runway Object Free Area, based on the existing aircraft traffic at the airport, is 800' wide. On the west, this area includes the terminal aircraft parking apron, and a portion of one hangar. On the east, the area includes the air traffic control tower, fence, terrain and State Highway 75.

Physical improvements to this situation are possible, but may be very difficult and expensive to implement. This element will analyze alternatives, including the following:

- Relocate terminal aircraft parking to the north side of the terminal, with associated reconfiguration of the terminal building. Alternative parking configurations in the area of the terminal will be considered, along with identification of what modifications to the terminal will be required.
- Removal of hangar(s) that penetrate the Object Free Area.
- Relocation of the air traffic control tower. The Airport has an existing tower siting study that was prepared in 2004 and revisited in 2011. Further analysis will be required to locate two (2) alternate sites for the tower and determine costs to construct a new tower at each location.
- Replace the existing fence with a frangible fence.
- Relocate State Highway 75. Consideration of this alternative will require extensive coordination with the Idaho Transportation Department to determine if relocation of the Highway is possible and determine what alternative locations will be acceptable.



Due to the high cost and impact of some of these alternatives, Modifications of Standards for some of these situations will likely be preferable. Therefore, analysis of where to apply for Modifications of Standards and development of documentation will be an aspect of this element. This will include analysis using ACRP Report 51 to determine what different OFA limits will be acceptable, using risk-based analysis procedures.

Deliverables:

- Terminal parking alternative graphics.
- Memorandum describing required modifications to terminal and associated costs.
- Air traffic control tower siting analysis document.
- Highway 75 relocation graphics for use in coordination with Idaho Transportation Department.
- Alternative graphics.
- Memorandum describing alternatives.
- Cost estimates for proposed alternatives.

Cost Assumptions:

- Deliverables will be submitted in electronic format.
- Two members of T-O Staff will travel to Shoshone, Idaho to meet with ITD personnel regarding Highway 75 relocation alternatives.

4.4 Runway to Parallel Taxiway Separation

The standard separation between runway and taxiway centerlines is 400 feet for C-III and 300 feet for C-II. The current separation at the airport varies from 250 feet to 335 feet for Taxiway B and from 180 feet to 250 feet for Taxiway A.

This element will evaluate various alternatives to meet these standards. Clearly, meeting C-III separation will be extremely difficult, as it will require either moving both Highway 75 and the runway to the east or relocating nearly all of the buildings on the west side of the airport, including the terminal. Achieving C-II standards, while not simple, is much more feasible and options for this approach will be analyzed in detail. Options for Taxiway A are limited, due to the limited space available on that side of the airport. Analysis of Taxiway A will focus on closing that taxiway or limiting its use significantly.

Due to the prohibitively high cost and impacts of achieving C-III separation, it is anticipated that Modification(s) of Standards will be pursued in this area as well. The anticipated end result is a combination of physical improvements and Modifications of Standards that will provide an equivalent level of safety when larger aircraft are operating at the airport. Consideration of Modification of Standards will also include analysis using ACRP Report 51.

Deliverables:

- Alternative graphics.
- Memorandum describing alternatives.
- Cost estimates for proposed alternatives.

Cost Assumptions:

- Deliverables will be submitted in electronic format.



4.5 Runway to Aircraft Parking Separation

The separation standard between runway centerline and aircraft parking is 500 feet for C-III and 400 feet for C-II. There is aircraft parking within these limits in several locations, and this element will analyze options to relocate that parking and/or to apply for Modifications of Standards to permit the parking to remain. As discussed above, it is likely that the terminal aircraft parking apron will need to be relocated to meet Object Free Area standards, but other general aviation parking aprons will require evaluation, as well. It is anticipated that a Modification of Design Standards may be the most reasonable solution to non-compliance in this area, and this will be the focus of the analysis.

Deliverables:

- Alternative graphics.
- Memorandum describing alternatives.
- Cost estimates for proposed alternatives.

Cost Assumptions:

- Deliverables will be submitted in electronic format.

Element 5 Safety Risk Management

Following the development of alternatives, a Safety Risk Management Panel will be conducted by the FAA to evaluate the preferred alternatives using Safety Management System principles. The outcome of this Panel will be a Safety Risk Management Document (SRM-D), which will provide guidance on future planning and implementation of improvements, while also serving as justification for requested Modifications of Standards, as described in Element 7.

This element of the study will include services necessary to prepare for and participate in the Safety Risk Management Panel. It is anticipated that the Consultant's role during the panel will be that of an observer/advisor only.

5.1 Preparation

Assist FMAA Staff to prepare for the panel. This will include preparation of documents, graphics and a PowerPoint presentation to be given to all panel participants.

Deliverables:

- Document summarizing alternatives developed during Element 6.
- Graphics depicting existing conditions and preferred alternatives.
- PowerPoint presentation.

Cost Assumptions:

- Documents and graphics will be submitted in hard copy (assume 12 copies) and electronic format.
- Total number of graphics is assumed to be 12, and will be presented in 11X17 color format.
- PowerPoint presentation will consist of 30 or more slides, submitted electronically.



5.2 Participation

Attend and participate in the Panel as an observer/advisor. Present the PowerPoint presentation developed above and assist throughout the panel's deliberations as needed.

Deliverables:

- None.

Cost Assumptions:

- Two members of Consultant's staff will attend and participate in the Panel.
- The Panel will be held at the airport in Hailey and will require two full days to complete. Travel time and expenses, plus time for participation in the panel will be included.

Element 6 Modifications of Standards

This element will include analysis, calculations and development of documentation to be submitted as Modifications of Standards for areas where a feasible physical solution is not available. This element is anticipated to include a significant amount of meetings and coordination with the FAA, at the Seattle Airports District Office, Northwest Mountain Region and perhaps higher in the FAA organization.

Analysis and calculations will focus on using risk-based justification for the requests for Modifications of Standards. Two documents published by the Airport Cooperative Research Program will be used extensively in this analysis:

- *ACRP Report 50 (2011) – Improved Models for Risk Assessment of Runway Safety Areas (RSA)*
- *ACRP Report 51 (2011) – Risk Assessment Method to Support Modification of Airfield Separation Standards*

Preparation of Modifications of Design Standards documents will require significant effort, as Modifications of Standards are approved at FAA headquarters level and complete justification will be necessary. It is assumed that multiple Modifications of Design Standards documents will be required, to address each area where compliance with design standards cannot be achieved.

6.1 Documentation/Applications

Prepare documentation and application paperwork for each area of non-compliance. It is anticipated this will include a total of four sets of documentation (one each for Runway Safety Area, Runway Object Free Area, Runway-Taxiway Separation and Runway-Aircraft Parking Separation).

Deliverables:

- Documentation packets, with appropriate graphics.

Cost Assumptions:

- Deliverables will be submitted in hardcopy format, total of four copies each.

6.2 Coordination

Coordinate with FMAA Staff and FAA throughout the development of Modification of Design Standards documentation. This coordination will include:



- Two trips to FAA Seattle ADO in Renton, Washington to discuss documentation and strategy.
- Three trips to Hailey, Idaho to brief the FMAA board on progress related to documentation.
- Regular telephone and email communication during preparation of the documents.

Deliverables:

- None.

Cost Assumptions:

- Travel time and expenses related to trips noted above.



Mead & Hunt, Inc.
M & H Architecture Inc.
6501 Watts Road
Madison, Wisconsin 53719
608-273-6380
meadhunt.com

June 27, 2012

Rick Baird
Airport Manager
Friedman Memorial Airport
PO Box 929
Hailey, ID 83333

Subject: Proposal for Air Service Consulting Services

Dear Rick,

Based on our discussions, it is my understanding that you are interested in taking steps to increase enplanements by improving passenger usage at Friedman Memorial Airport (SUN) and reducing passenger diversion to Boise Airport (BOI). Mead & Hunt is pleased to submit this proposal for your review, which includes a scope of services and compensation.

Scope of Services

After acceptance of this proposal, Mead & Hunt shall complete the following tasks:

1. Seasonal True Market Estimates

The February analysis of SUN's true market identified a significant number of passengers using BOI for travel to/from the Sun Valley area. This analysis included detailed community data measuring the difference in SUN usage by passengers from Hailey, Ketchum and other area communities. This information can be used to target areas for improvement and to measure the success of these efforts. Measuring the success of programs designed to increase SUN usage will help the Board identify areas to concentrate their efforts and increase SUN passenger enplanements and related revenues.

There is no perfect source of data for passenger diversion information, and consultants differ on the best way to estimate the size of an air service market. Mead & Hunt addresses this issue by basing passenger diversion estimates on market and destination data developed from airline booking/ticketing information from the Airline Reporting Corporation (ARC) mathematically combined with US Department of Transportation (DOT) reported airline information, creating the best possible estimate for your area. Mead & Hunt uses this method for determining passenger diversion because:

- a) It is our judgment that original airline booking/ticketing information, ARC, combined with US DOT airline data is the best method for determining passenger diversion.

- b) The survey sample is significantly larger than other methods used for collecting passenger diversion information.
- c) ARC data is accepted and used by most airlines.

Mead & Hunt will complete an analysis of the airport's primary catchment area using ARC data and reported origin and destination data following the winter and summer seasons as the data becomes available. By reviewing the true market seasonally, airport usage patterns can be determined and particular areas within the catchment area can be targeted for additional market, etc. by season.

Keep in mind that US DOT data typically lags from three to six months behind. The output of this effort will be a letter and spreadsheet with the top domestic and international true markets with a comparison to prior reporting periods.

2. Airfare Monitoring

The primary purpose of monitoring airfares at SUN is to identify non-competitive airfares with competing airports to prevent local passenger diversion. As carriers like Delta, SkyWest and Alaska have grown, the pricing departments responsible for filing and maintaining airfares have had to rely on systems to track competitive fares. With constant changes it is not uncommon for airfare relationships to change resulting in excessive fare premiums between SUN and BOI fares. Local passengers that are using BOI for their air service needs often do so because of differences in airfares. To reduce passenger diversion, periodic tracking of airfares and follow-up communication with air carriers will help to minimize unintentional pricing disparities.

To monitor airfares at SUN, Mead & Hunt recommends comparing local walk-up, business, and leisure airfares with airfares at BOI, regardless of the air carrier providing the airfare. This report identifies airfares that may be causing diversion from the SUN catchment area. Mead & Hunt will also compare Alaska Airlines and Delta Air Lines walk-up, business, and leisure airfares with airfares that Alaska and Delta offers at the competing airport. This comparison provides the airfare information needed for follow-up communication with individual airlines.

The airfare comparisons will be based on a snapshot of published airfares obtained through one of the Global Distribution/Computer Reservations Systems (GDS/CRS). Fare comparisons will include SUN's top 25 catchment area destinations. Because of pricing dynamics, many airfares (i.e. time sensitive sale airfares) are obsolete within days and perhaps hours; however, overall "structural airfare" relationships tend to be constant, and this is the focus for possible changes. For this reason, time-sensitive (sale) airfares will be ignored.

Mead & Hunt proposes to use the following definitions for monitored airfares:

- | | |
|----------|--|
| Walk-up | No advance purchase, no restrictions, and fully refundable. |
| Business | No Saturday night stay required, no more than a one-day minimum stay requirement, may be non-refundable, and may require a seven-day advance purchase. |

Leisure The lowest published airfare excluding time sensitive sale airfares.

Business fares and leisure fares may require a roundtrip purchase; however, for the purpose of these reports, all fares will be shown as one-way.

Mead & Hunt will provide the airfare comparisons electronically in Excel format. The date of the first monthly report will be determined upon contract signing. Subsequent monthly reports will be completed within 30 days of the end of the previous month. If airfare monitoring shows that carriers are keeping SUN fares in line with BOI the frequency of monitoring will be reduced to a quarterly maintenance basis.

3. Additional services

Additional services may be requested by SUN that are not described above. Additional services typically include but are not limited to: the preparation of ad hoc reports; ongoing performance monitoring; identification of potential new carriers and destinations for further evaluation; use of Mead & Hunt contacts for communication with airlines; coordination with SUN community to solidify support for air service initiatives such as an Airline Travel Bank or Small Community Air Service Development Program; review of marketing initiatives to aggressively promote new or improved service; and other elements as identified on an as needed basis.

For this effort we believe that Mead & Hunt can assist SUN in a number of areas that will need to be evaluated to determine the value to this effort and the work required for completion. Initially we suggest consideration of the following:

- a) Compare results of the true market estimates with recent resort survey data. Depending on the outcome of this exercise Mead & Hunt may recommend the collection of additional travel information via a new survey targeting hospitality properties in the area.
- b) Monitor available leisure airfares from key markets including nonstop markets like Los Angeles and Seattle plus a limited number of other key markets to SUN, BOI and competitive resorts. This would track available fares over time for specific travel periods such as holidays (Christmas, President's Holiday), other peaks like spring break, July 4th, and off-peak periods like mid-January and slack periods between seasons.
- c) Assist SUN in identifying value options for SUN versus BOI including current services (e.g. free Wi-Fi, parking rates, rental car rates, other) and evaluate potential changes that could have a meaningful impact in reducing passenger diversion and increasing SUN enplanements and revenues.

Ongoing monitoring of booking trends will help identify areas for marketing focus and measure improvement over time.

Compensation

Mead & Hunt will be compensated for the work described under Scope of Services as set forth below:

1. True Market Estimate

Mead & Hunt will be compensated on a lump sum basis and will invoice based on the percent of project completed. Work effort is approximated at 50 hours per season.

True Market Estimate (per season)\$8,500

2. Airfare Monitoring

Mead & Hunt will be compensated on a lump sum basis. Work effort is approximated at five to six hours per report.

Airfare monitoring (per month/per report) \$995

3. Additional Services

Additional services provided by Mead & Hunt not described above or in other supporting documentation will be accommodated with a separate task order or billed in accordance with the Standard Billing Rate Schedule, attached hereto and incorporated herein by reference.

The following are Mead & Hunt's Standard Billing Rates for services billed on a time-and-materials basis. Standard billing rates are subject to annual adjustments in January of each year. Mead & Hunt reserves the right to change billing rates based on increases in unforeseen operational costs.

Standard Billing Rates	
Clerical	\$73.00 / hour
Accounting/Administrative Assistant	\$88.00 / hour
Technical Editor	\$100.00 / hour
Senior Editor	\$148.00 / hour
Consultant	\$120.00 / hour
Senior Consultant	\$185.00 / hour
Expenses	
Company or Personal Car Mileage	\$0.90 / mile
Air and Surface Transportation	Cost plus 10%
Lodging and Subsistence	Cost plus 10%
Out-of-Pocket Direct Job Expenses	Cost plus 10%

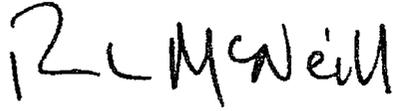
Please send all correspondence to my attention at the following address:

Mead & Hunt, Inc.
152 Ginger Hill Court
Glen Carbon, IL 62034
Phone: 618-656-2848

Rick Baird
June 27, 2012
Page 5

We appreciate the opportunity to submit this proposal to SUN.

Respectfully submitted,
MEAD & HUNT, Inc.

A handwritten signature in black ink that reads "Ron McNeill". The signature is written in a cursive style with a large, stylized "R" and "M".

Ron McNeill
Senior Consultant