

GJT

Grand Junction Regional Airport

Airport Update, October 2018



Presentation Overview

- 2018-2019 GJT Priorities
- Air Service Update
- Aviation Trends
- Airport Project Updates
- Questions

2018-2019 Priorities Focus on Growth and Sustainability

- Expand air service access and affordability
- Make needed improvements to terminal
- Build RWY12-30 within 5-10 years as affordably as possible
- Negotiate new airline use and lease agreements
- Develop a 2030 financial plan
- Modernize airport governance
- Improve business continuity
- Enable employees to do the best work of their lives

GJT has the best on-time performance of any airport in the continental US and one of only three with a five-star rating

- 87% on-time performance
- Over 9,000 departures
- None of the airlines operating at GJT have five-star rating



Delta awarded GJT Q3 2018 domestic station of the quarter; GJT has had almost 300 diversions Q32018 YTD vs. 160 in all of 2017

- On-time performance ticked up slightly YOY this summer



Air Service Update & Aviation Trends

Grand Junction Is Served by American to Phoenix and Dallas/Ft. Worth; Delta to Salt Lake City; United to Denver and Allegiant to Las Vegas and Los Angeles

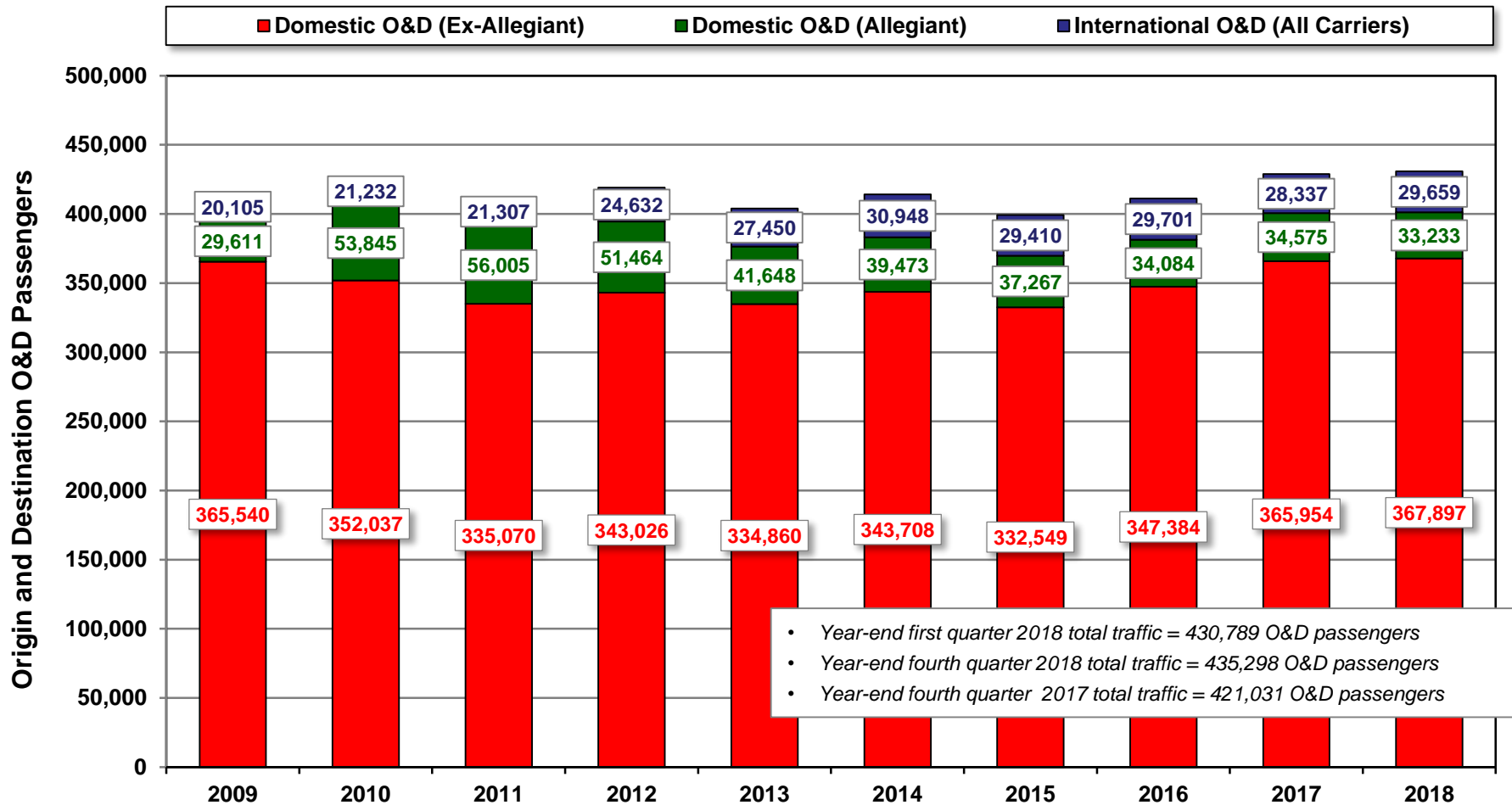


Allegiant LAX service is summer seasonal

Ex-Allegiant Domestic Traffic and Total Traffic Increased to New Highs in the YE 1Q 2018; Total Traffic Increased 0.4% in YE 1Q 2018

Grand Junction Domestic and International O&D Passengers

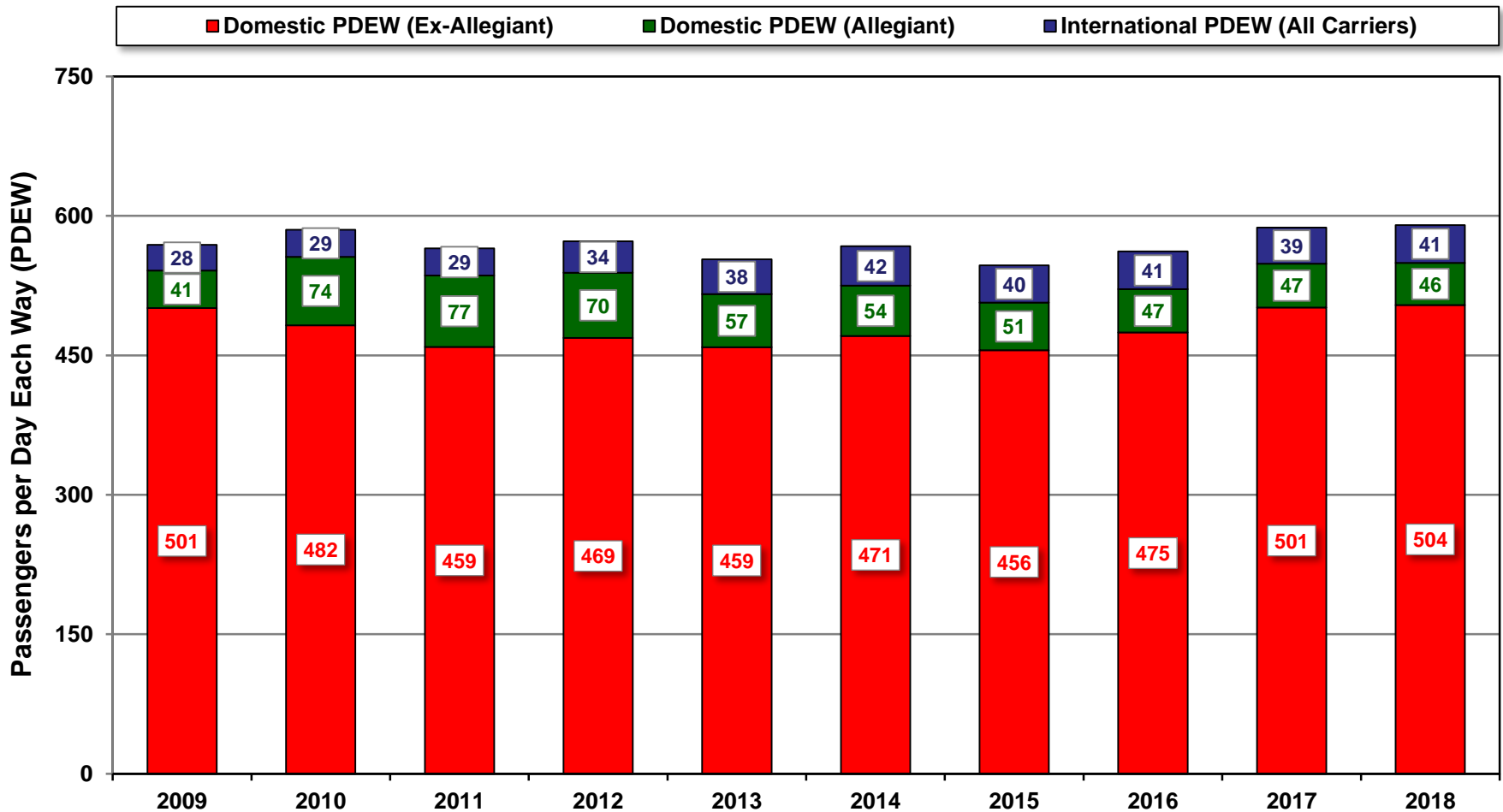
Year-End First Quarter



Nearly 1,200 passengers traveled to/from GJT per day, on average, in YE Q1 2018, the highest average in 10+ years; international traffic grew by almost 50%

Grand Junction Domestic and International Passengers per Day Each Way (PDEW)

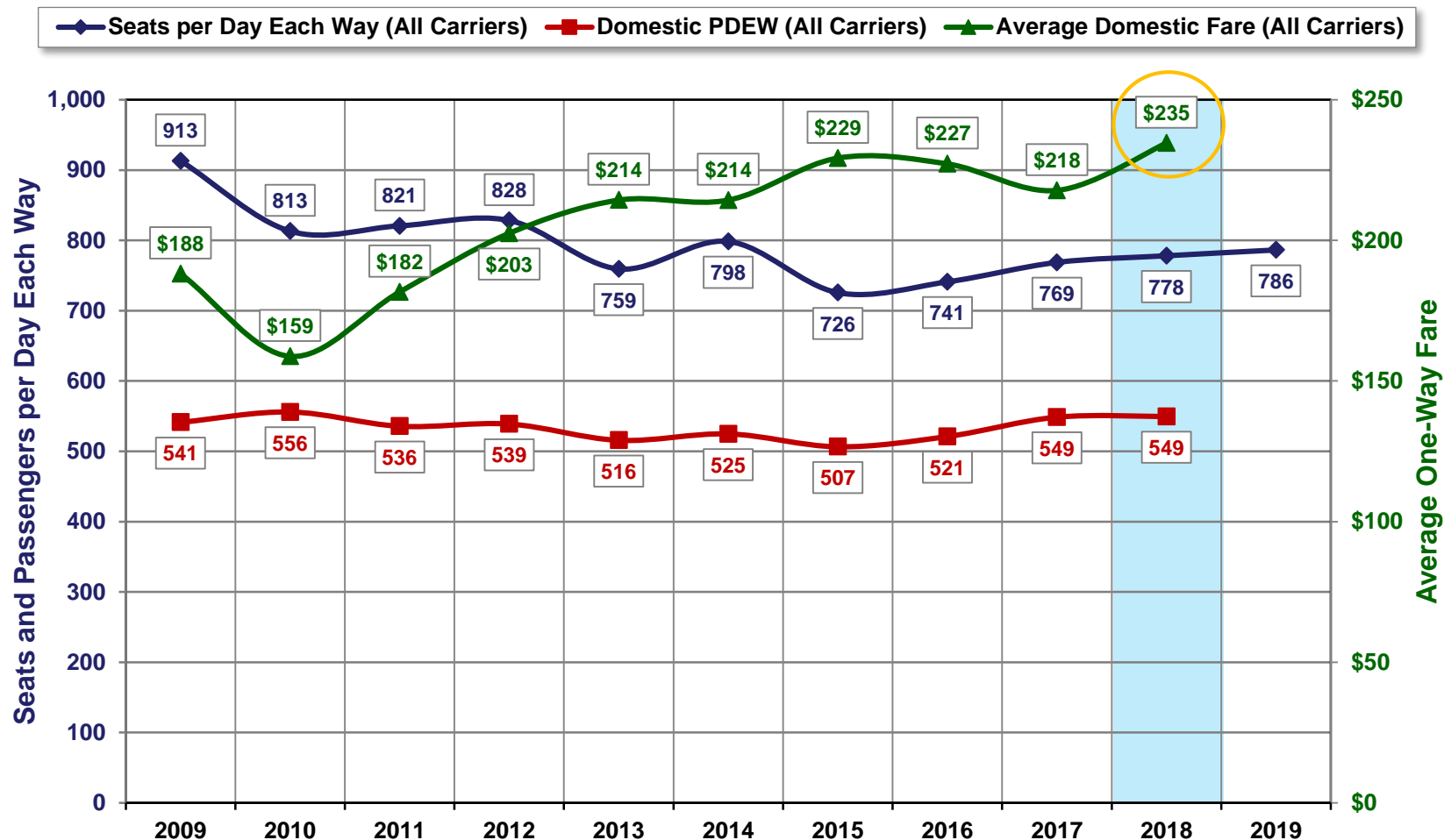
Year-End First Quarter



The Average Domestic Fare Increased to a New High of \$235 in YE 1Q 2018 as Capacity Increased 1.2% and Traffic Increased 0.2% Relative to YE 1Q 2017

Seats per Day Each Way, Passengers per Day Each Way (PDEW) and Average One-Way Fare (All Carriers)

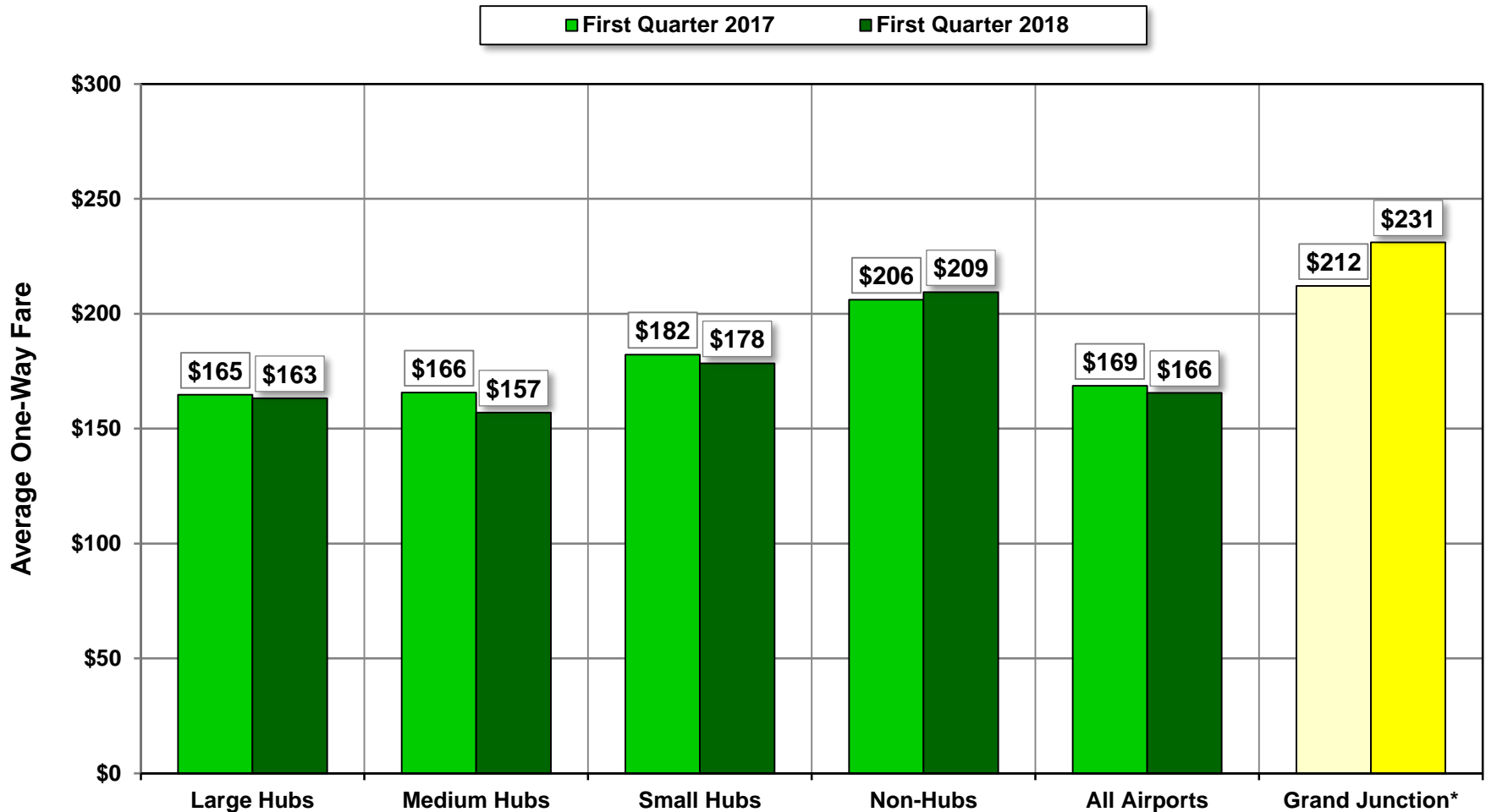
Year-End First Quarter (Domestic Data Only)



Grand Junction's Average One-Way Domestic Fare of \$231 in First Quarter 2018 Was Higher than the Average Fare among All U.S. Airport Size Classifications

Average One-Way Domestic Fare at Grand Junction and U.S. Airport Hub Classifications

First Quarter 2018

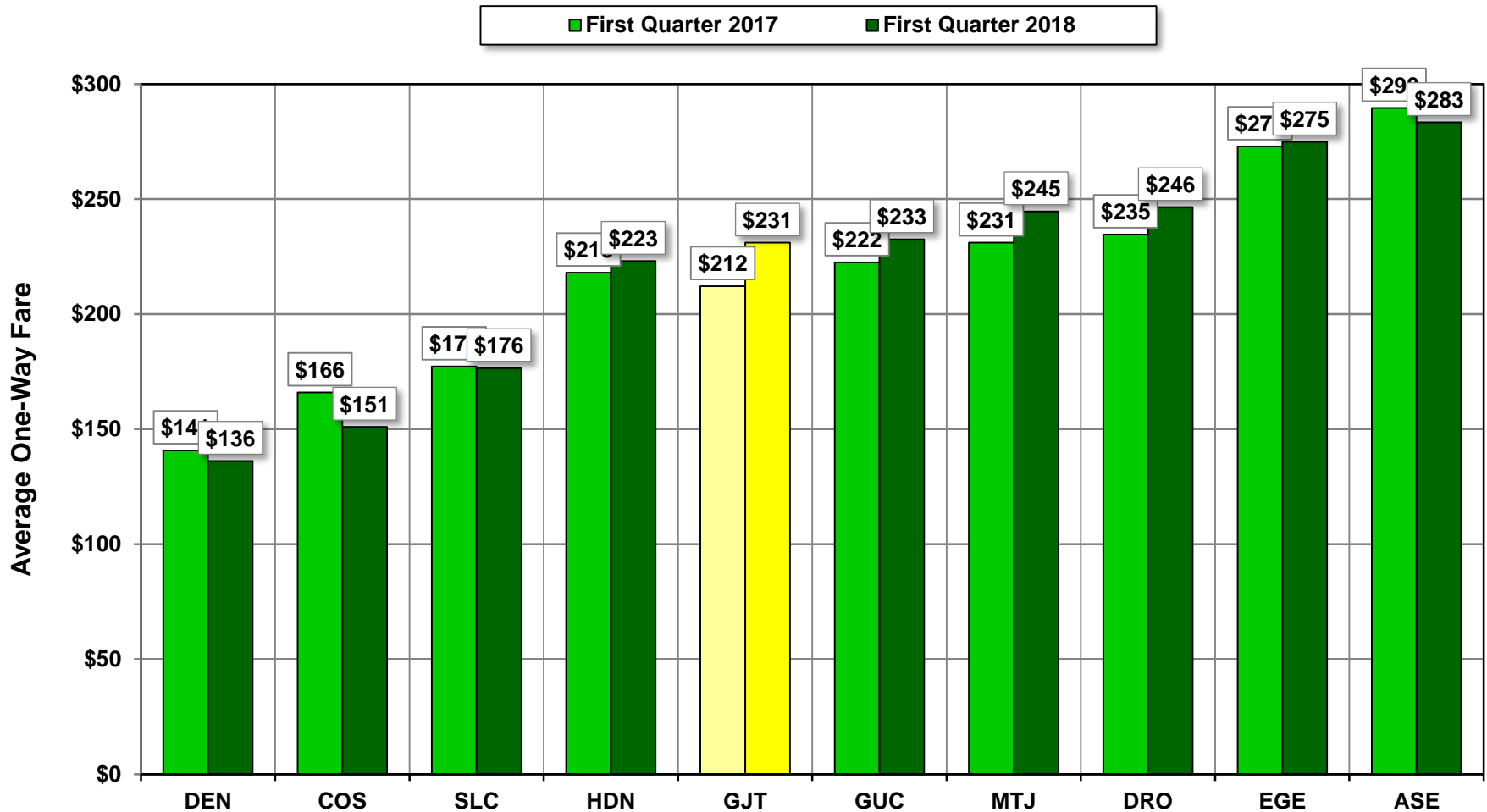


* Grand Junction is classified as a non-hub airport

Fares at all non-hub airports in Colorado except Aspen grew in 1Q 2018, but Grand Junction's grew the most and passed Hayden's

Average One-Way Domestic Fare at Colorado Airports

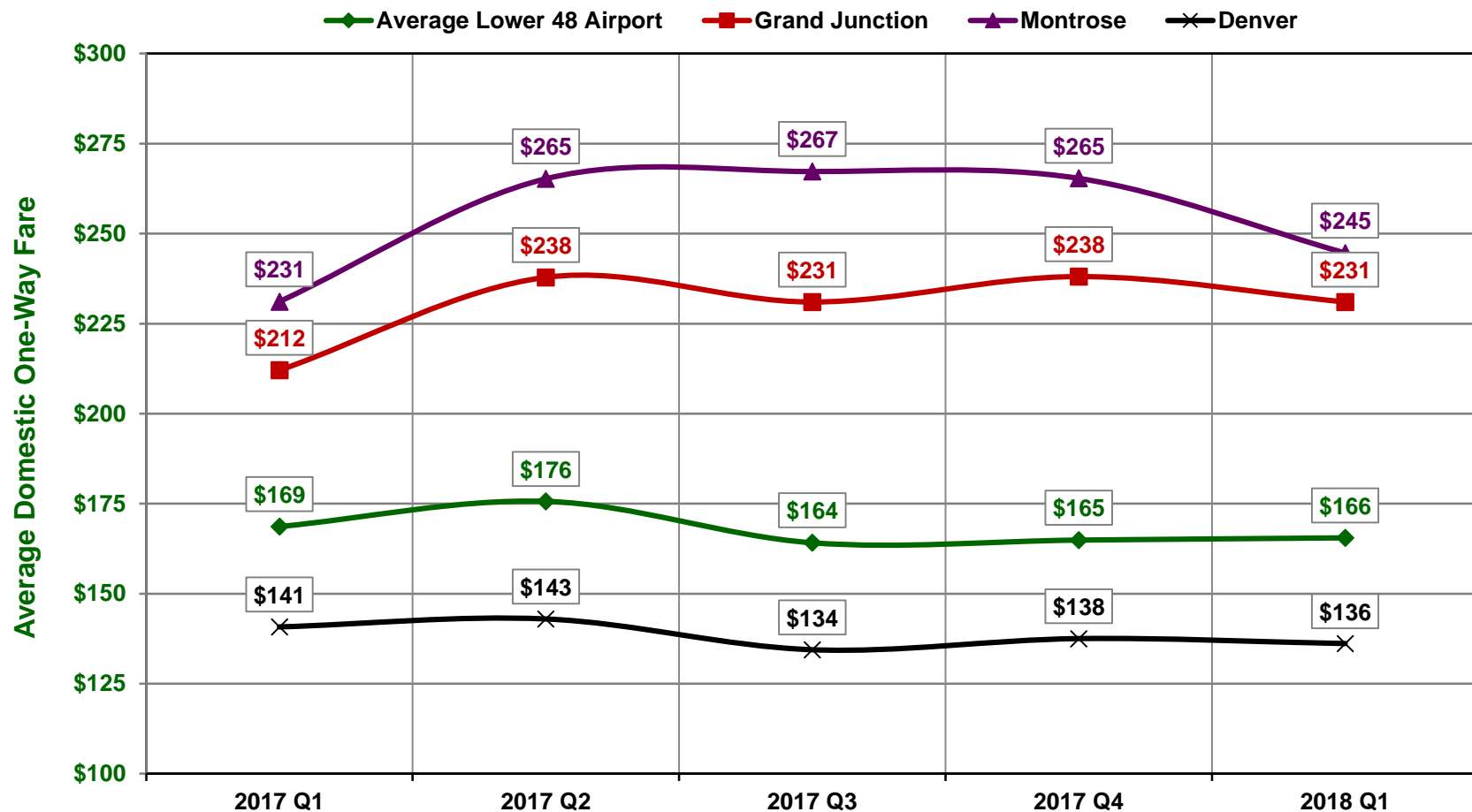
First Quarter 2018



Average Grand Junction and Montrose Domestic Fares Increased from 1Q 2017 to 1Q 2018; Domestic Fares Declined at Denver and the Average Lower 48 Airport

Average Lower 48 Airport, Grand Junction, Montrose and Denver Average Domestic Fare (All Carriers)

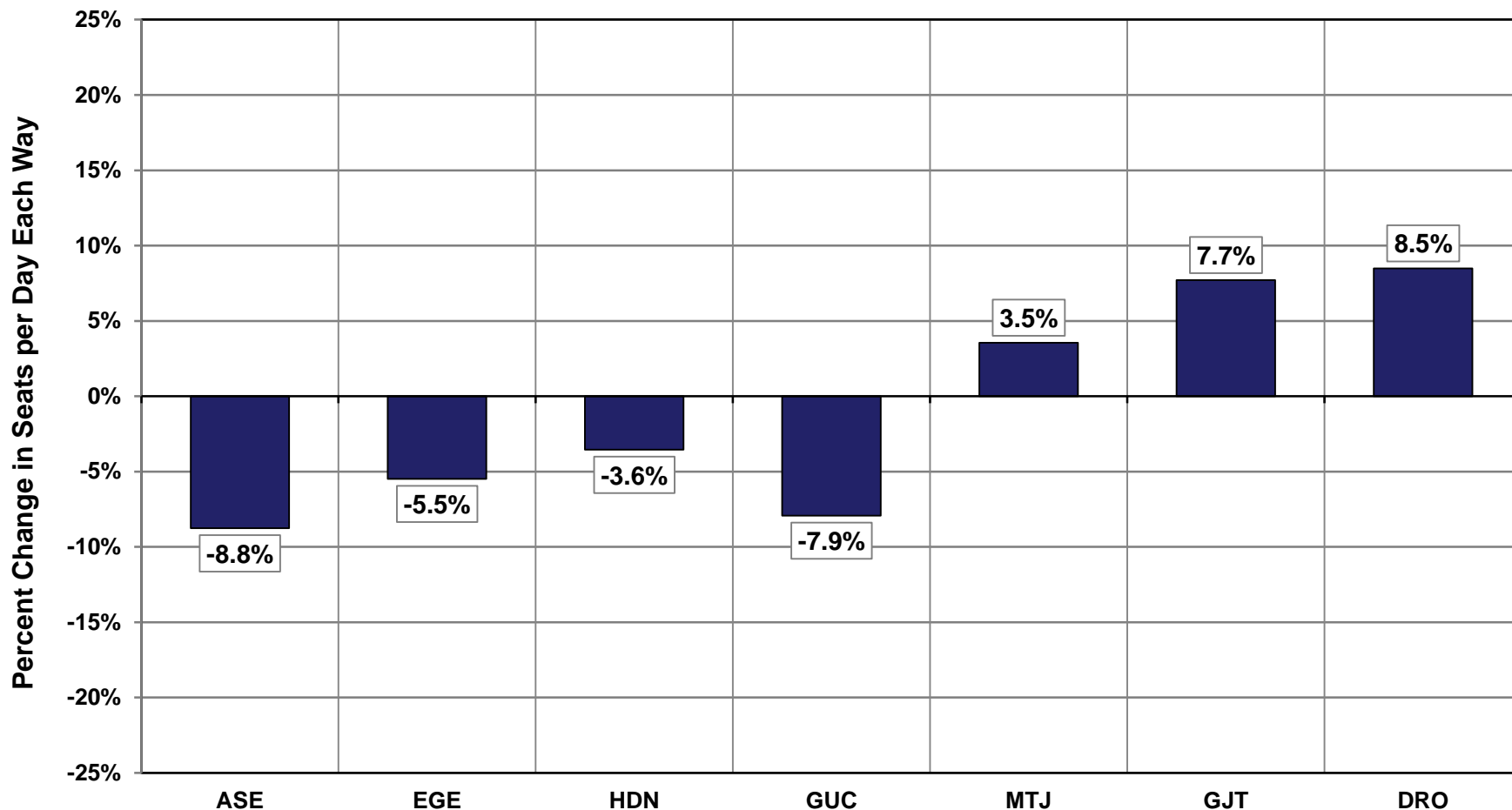
Quarterly Data – First Quarter 2017 through First Quarter 2018



On a Percentage Basis, First Quarter 2019 Capacity Will Increase 7.7% at Grand Junction; Aspen's Capacity Will Decline 8.8%

Percent Change in Seats per Day Each Way at Colorado Non-Hub Airports

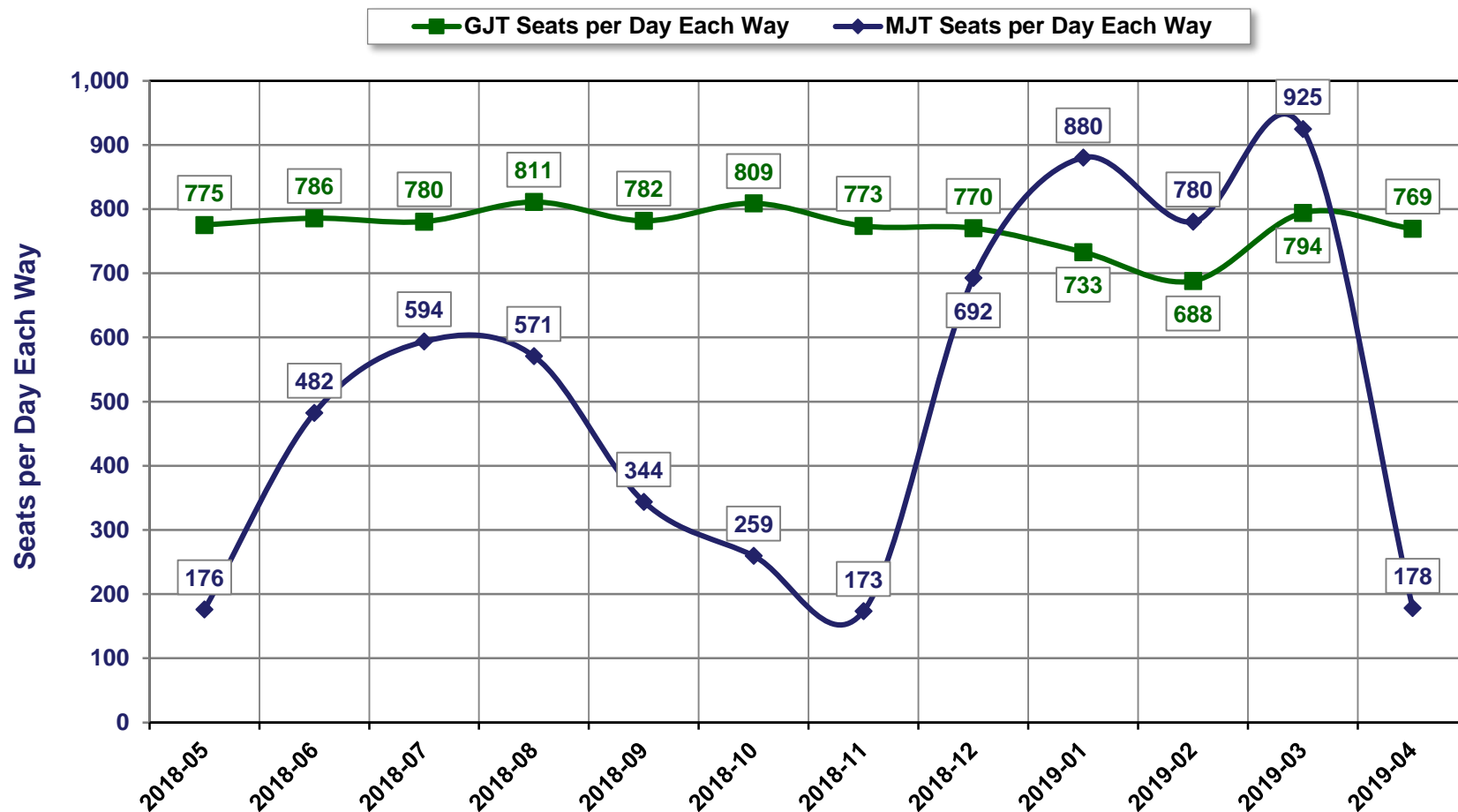
First Quarter 2019 Versus First Quarter 2018



While Montrose Has More Capacity than Grand Junction During Ski Season, Grand Junction Will Have 55% More Capacity than Montrose in the Year-End April 2019

Grand Junction and Montrose Scheduled Seats per Day Each Way

May 2018 through April 2019 (All Carriers Except Key Lime / OAG Data)



Montrose Will Have Service to 12 Unique Destinations in the 2019 Ski Season (January-March); Off-Season Service Is Limited to Dallas/Ft. Worth and Denver

Montrose Scheduled Flights per Day Each Way by Carrier and Market

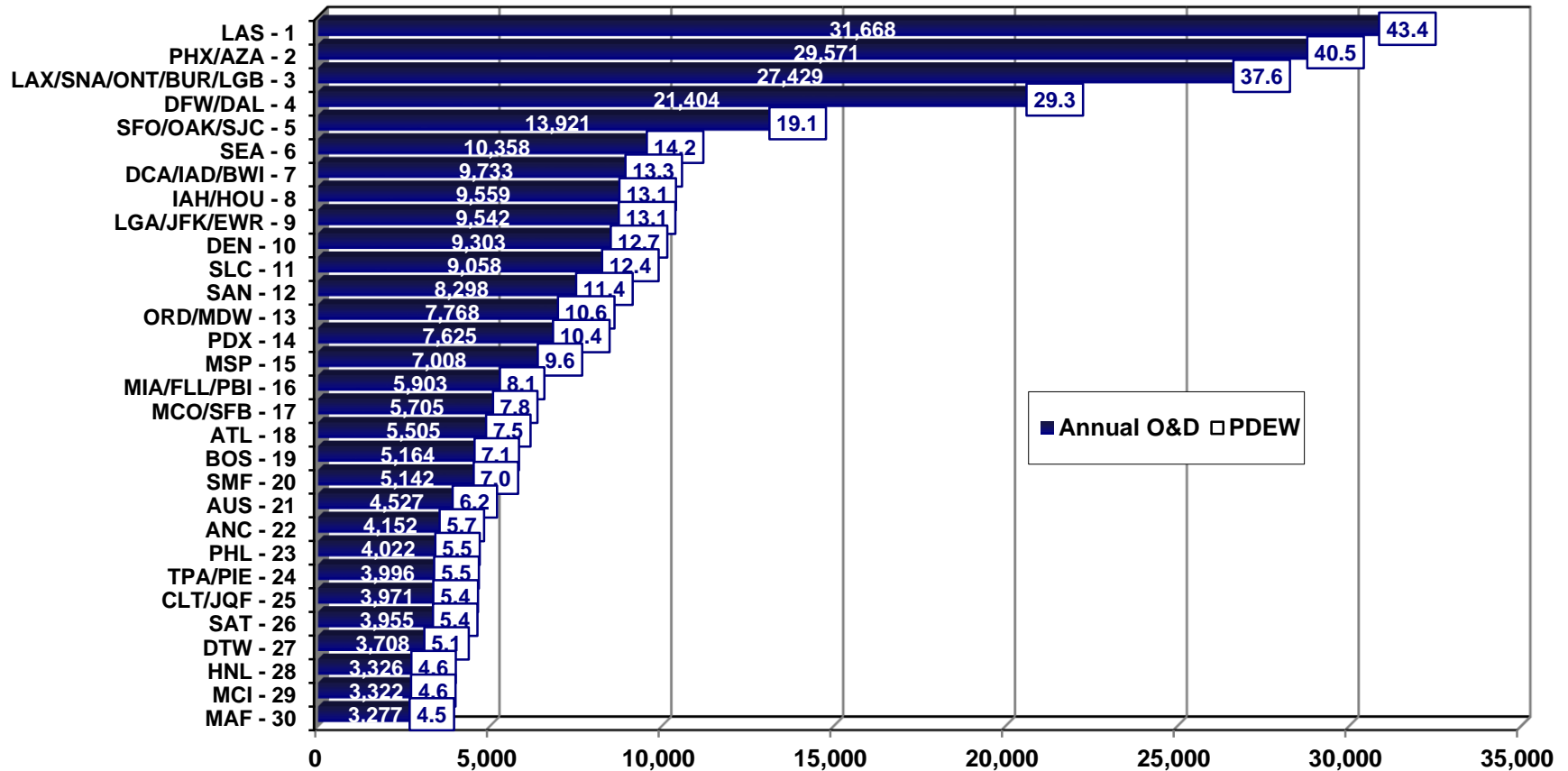
January – April 2019 (OAG Data)

Airline	Destination	January			February			March			April		
		2018	2019	Change	2018	2019	Change	2018	2019	Change	2018	2019	Change
AA	CLT	1/7	1/7	0.0%	1/7	1/7	0.0%	1/7	1/7	0.0%			
	DFW	1 3/7	1 3/7	-4.3%	1 4/7	1 4/7	0.0%	2	2	0.0%	1	1	-3.1%
	LAX	2/7	2/7	0.0%	1/7	1/7	0.0%	1/7	1/7	0.0%			
	ORD	2/7	2/7	42.9%	1/7	1/7	100.0%	1/7	1/7	0.0%			
	PHX	1	1	0.0%	1	1	0.0%	1	1	0.0%	0	0	-50.0%
AA Total		3	3 1/7	1.1%	2 6/7	3	2.5%	3 3/7	3 3/7	0.0%	1 1/7	1	-5.9%
DL	ATL	2/7	1/7	-40.0%	2/7	2/7	0.0%	3/7	3/7	7.7%	0		
	SLC	2/7	0	-71.4%									
DL Total		4/7	2/7	-52.9%	2/7	2/7	0.0%	3/7	3/7	7.7%	0		
G4	LAX	2/7	2/7	0.0%	2/7	2/7	0.0%	2/7	2/7	0.0%			
G4 Total		2/7	2/7	0.0%	2/7	2/7	0.0%	2/7	2/7	0.0%			
UA	DEN	4	4	-3.2%	4	4	1.8%	4	4	-1.6%	2 6/7	2	-31.0%
	EWR	1/7	3/7	140.0%	2/7	2/7	33.3%	2/7	2/7	0.0%	0		
	IAH	1	1 1/7	9.7%	1	1	0.0%	5/7	1	36.4%	1/7		
	LAX	2/7	2/7	0.0%	2/7	2/7	0.0%	2/7	2/7	12.5%			
	LGA	1/7	0	-75.0%	1/7	1/7	-50.0%	1/7	1/7	0.0%			
	ORD	1	1	0.0%	1	1	0.0%	1	1	-3.2%	2/7		
	SFO	3/7	4/7	23.1%	3/7	3/7	0.0%	3/7	3/7	0.0%	0		
UA Total		7	7 2/7	2.8%	7	7 1/7	1.0%	6 6/7	7	2.8%	3 2/7	2	-40.0%
Grand Total		11	10 6/7	-0.6%	10 4/7	10 5/7	1.4%	11	11 2/7	2.0%	4 4/7	3	-31.9%

Las Vegas, Phoenix, the Los Angeles Basin, Dallas/Ft. Worth and the San Francisco Bay Area Were the Five Largest Domestic Markets in the YE 1Q 2018

30 Largest Domestic Markets at Grand Junction Regional Airport (All Carriers)

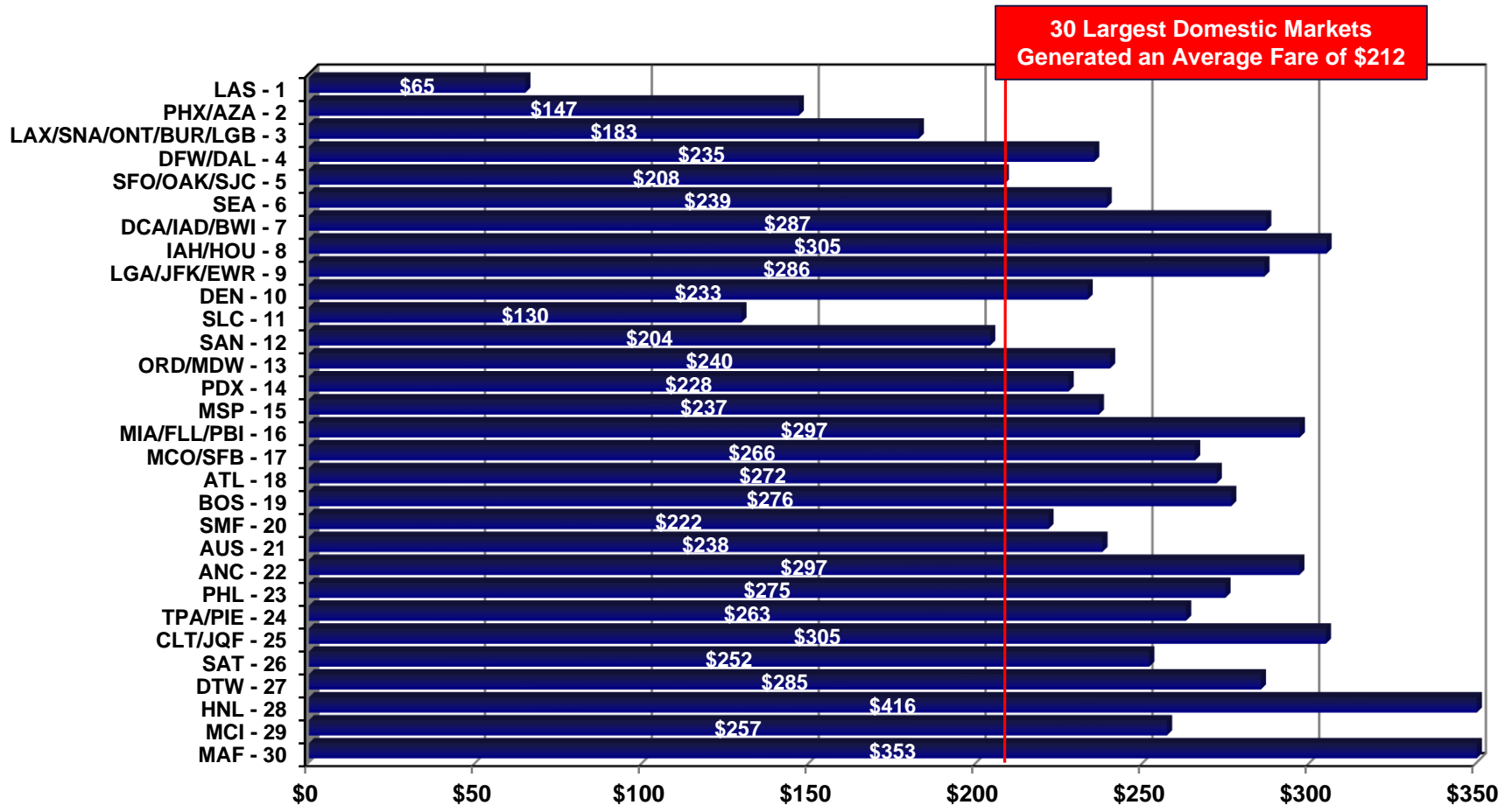
Year-End First Quarter 2018



The Average One-Way Fare in Grand Junction's 30 Largest Domestic Markets Was \$212 in YE 1Q 2018

Average One-Way Fare in the 30 Largest Domestic Markets at Grand Junction Regional Airport (All Carriers)

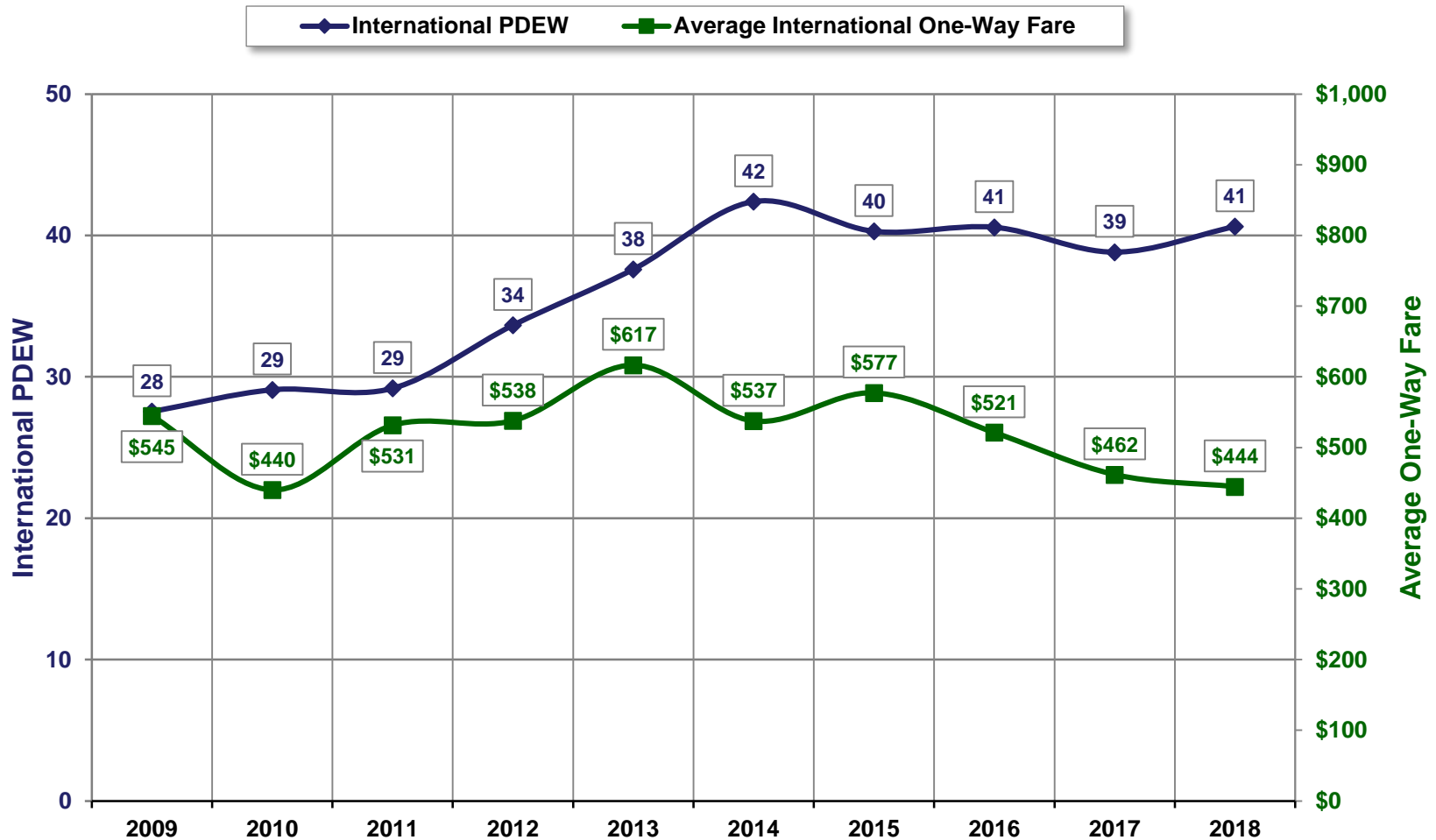
Year-End First Quarter 2018



Grand Junction's International Traffic Has Increased 47.5% from YE 1Q 2009 to YE 1Q 2018 and Stood at 41 PDEW in YE 1Q 2018

International Passengers per Day Each Way (PDEW) and Average One-Way Fare

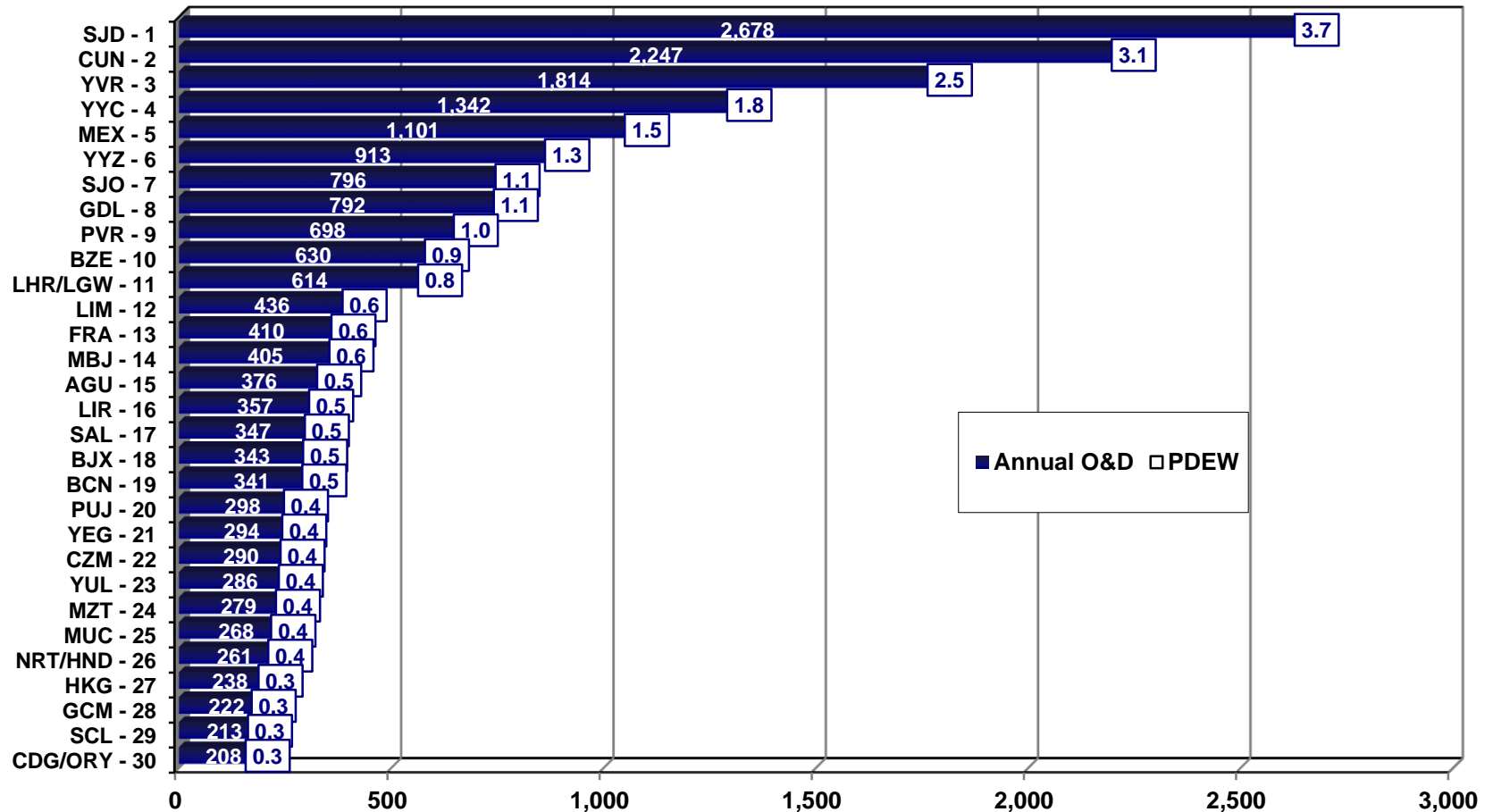
Year-End First Quarter



Los Cabos, Cancun, Vancouver, Calgary and Mexico City Were Grand Junction's Five Largest International Markets in YE 1Q 2018

30 Largest International Markets at Grand Junction Regional Airport

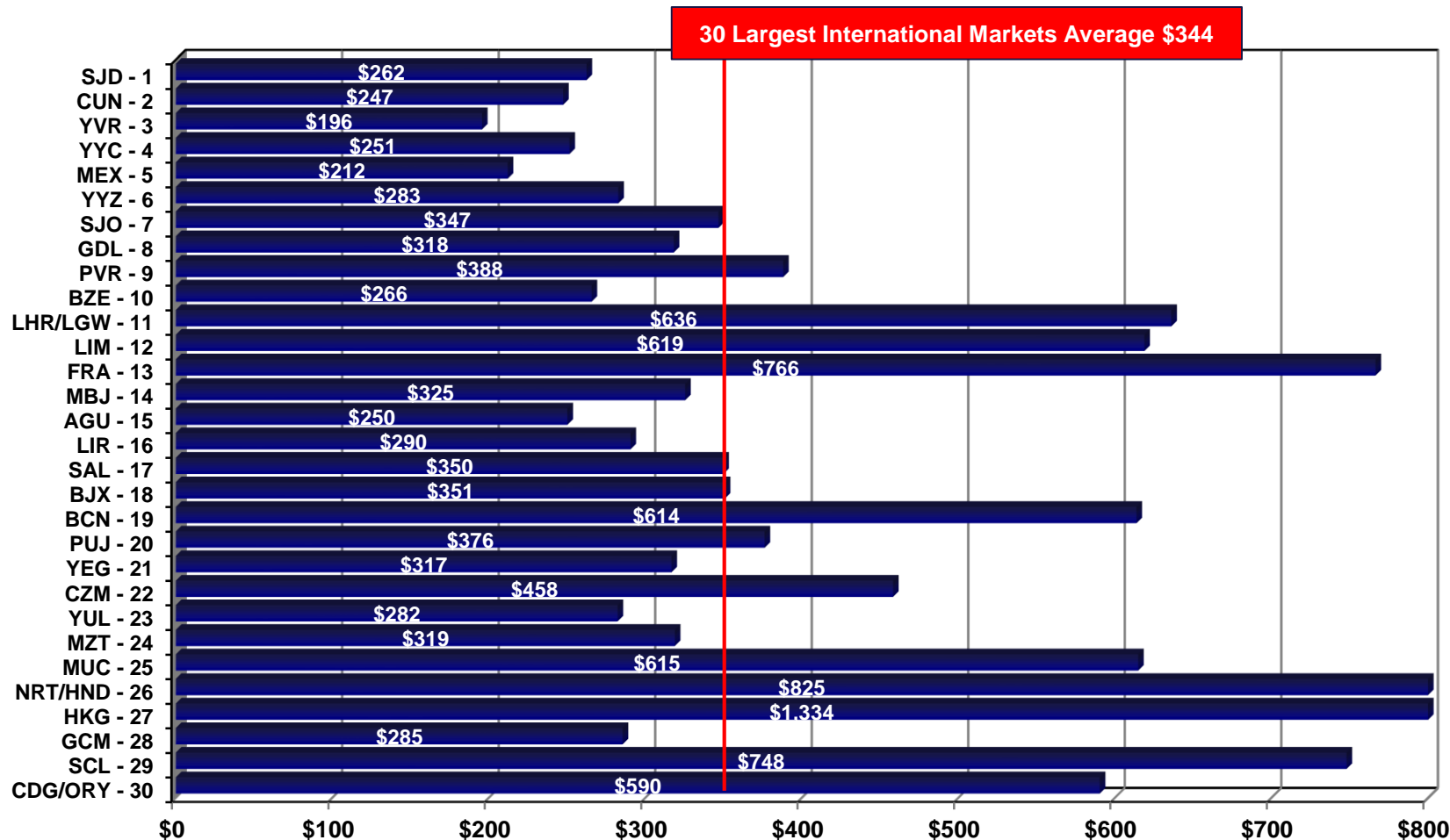
Year-End First Quarter 2018



The Average Fare in Grand Junction's 30 Largest International Markets Was \$344 in Year-End First Quarter 2018

Average One-Way Fare in the 30 Largest International Markets at Grand Junction Regional Airport

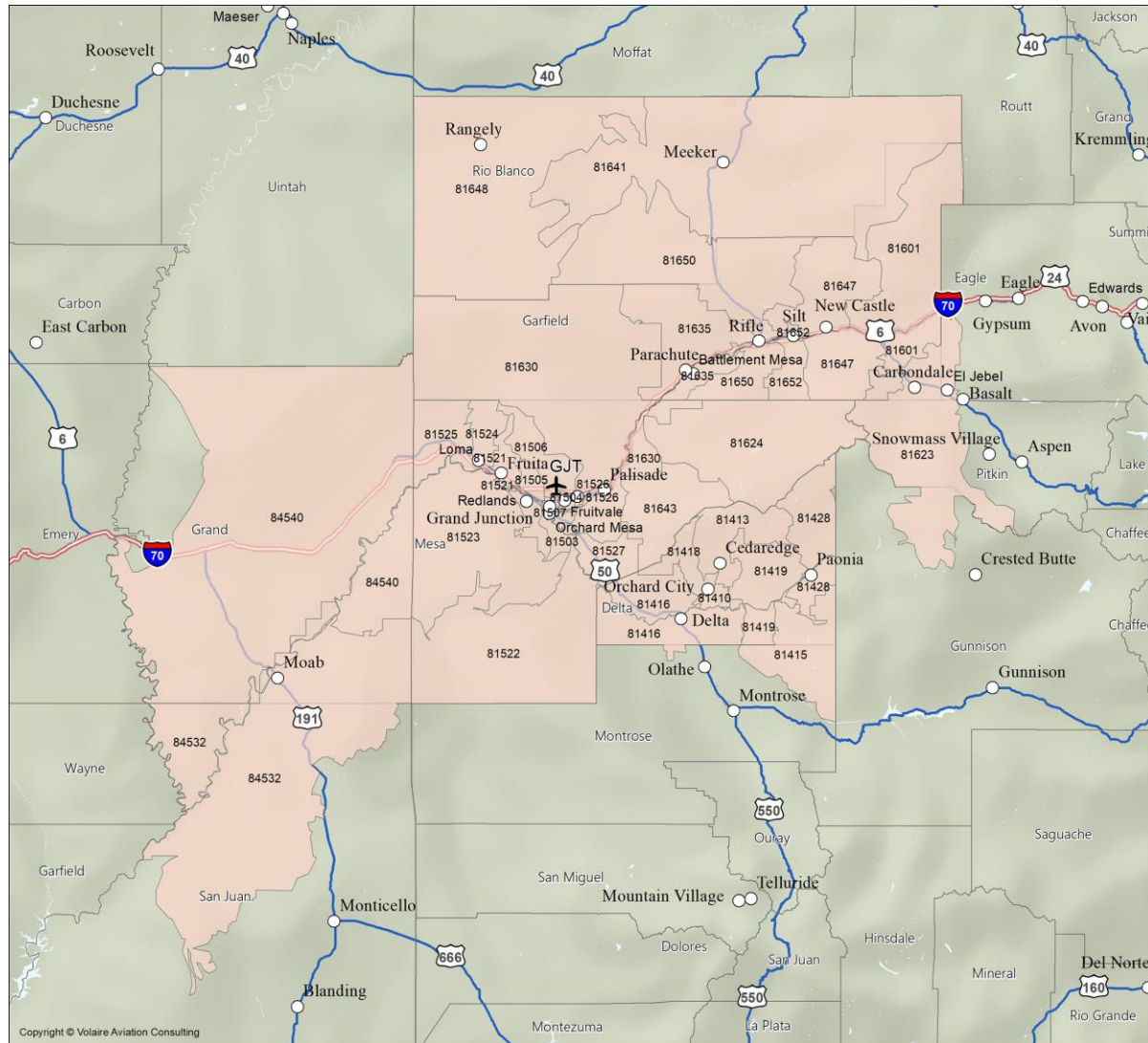
Year-End First Quarter 2018



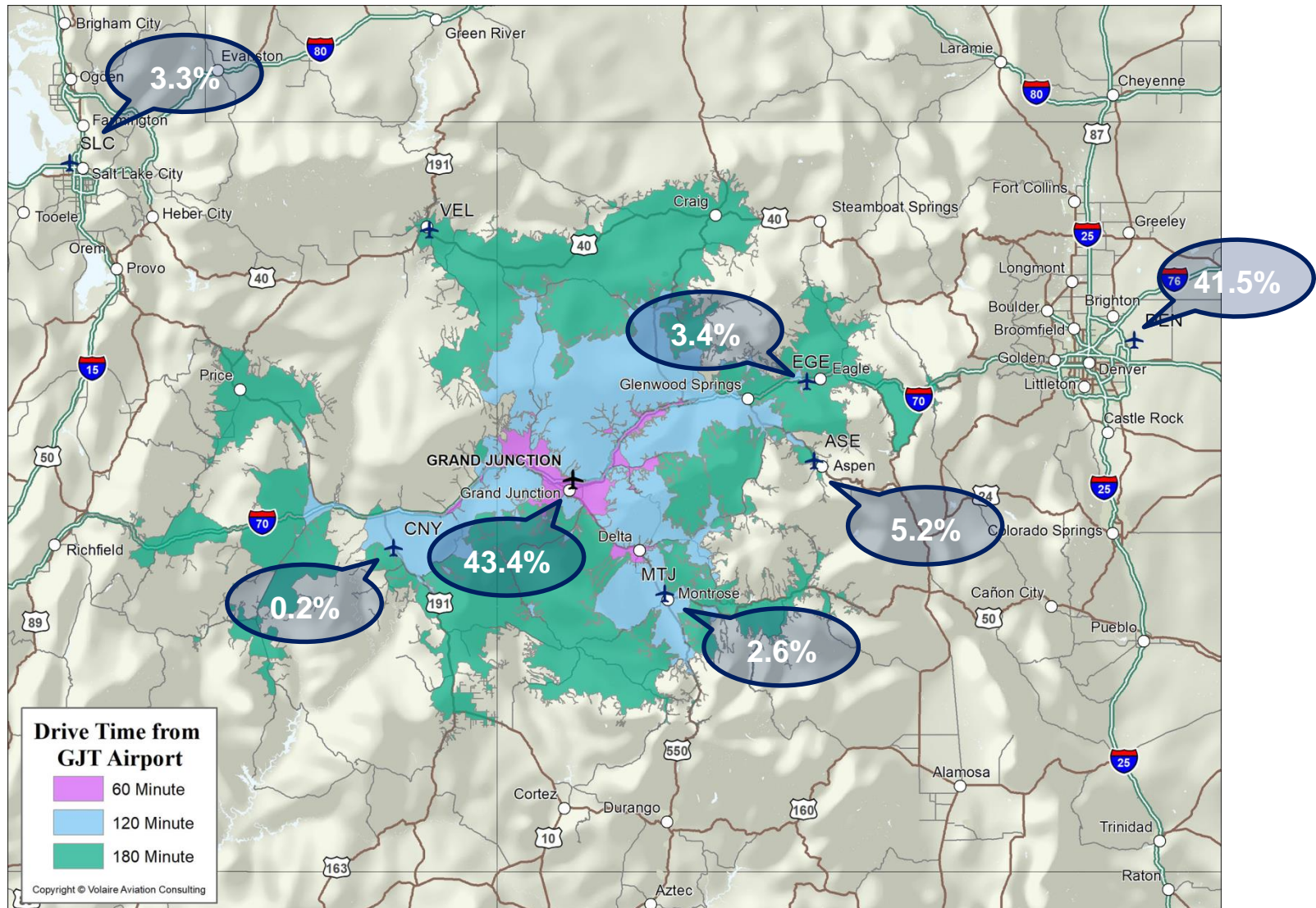
Traffic Retention and Leakage



Grand Junction's Catchment Area Includes 39 Zip Codes in Mesa, Garfield, Delta and Rio Blanco Counties in Colorado and Grand and San Juan Counties in Utah



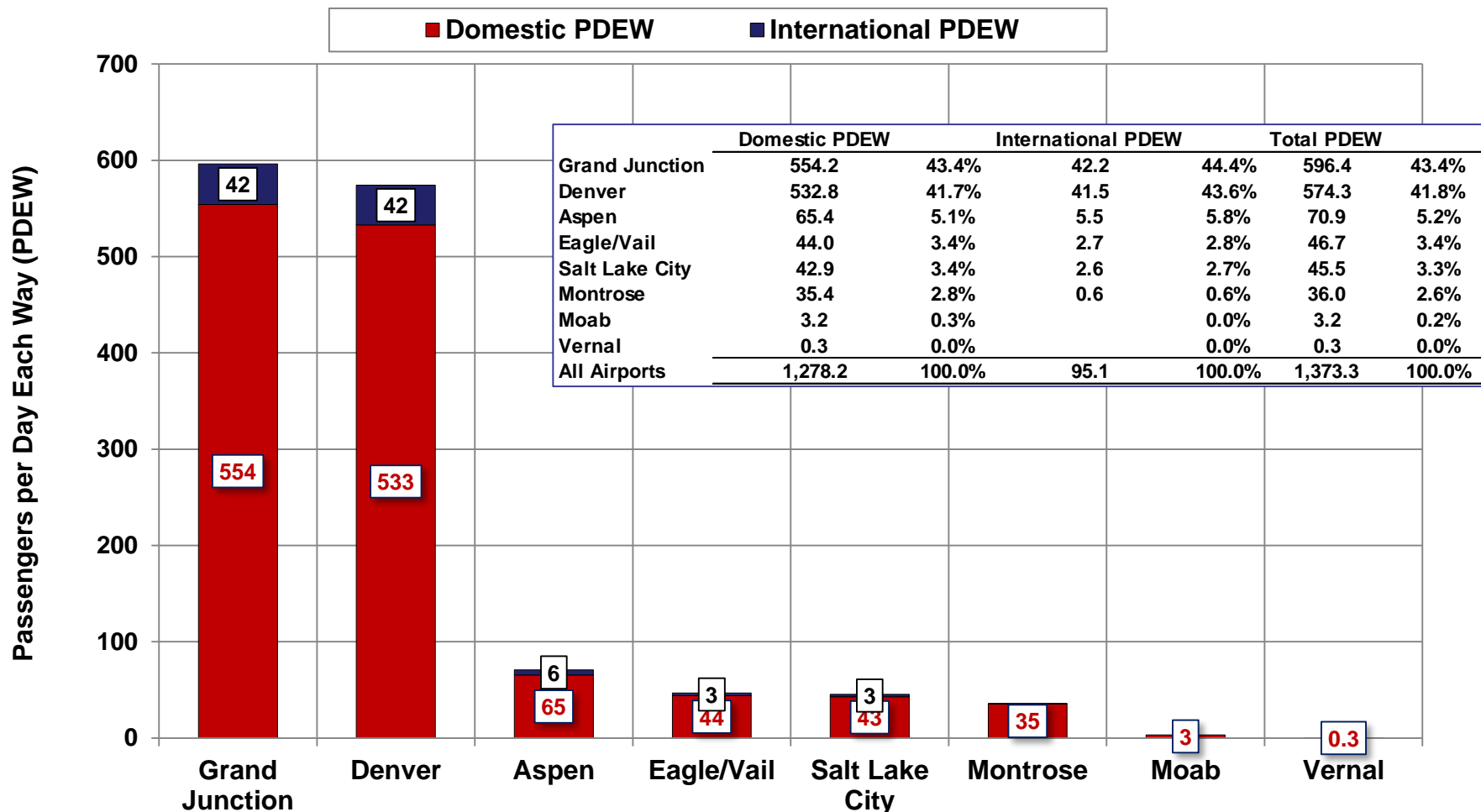
Grand Junction Regional Airport Retains Just 43.3% of the Traffic Generated in Its Catchment Area; Denver Captures 41.5% of the Traffic



778 Passengers per Day Each Way Leak from Grand Junction's Catchment Area to Other Airports in the Region

Domestic and International Passengers per Day Each Way (PDEW) at Grand Junction and Surrounding Airports

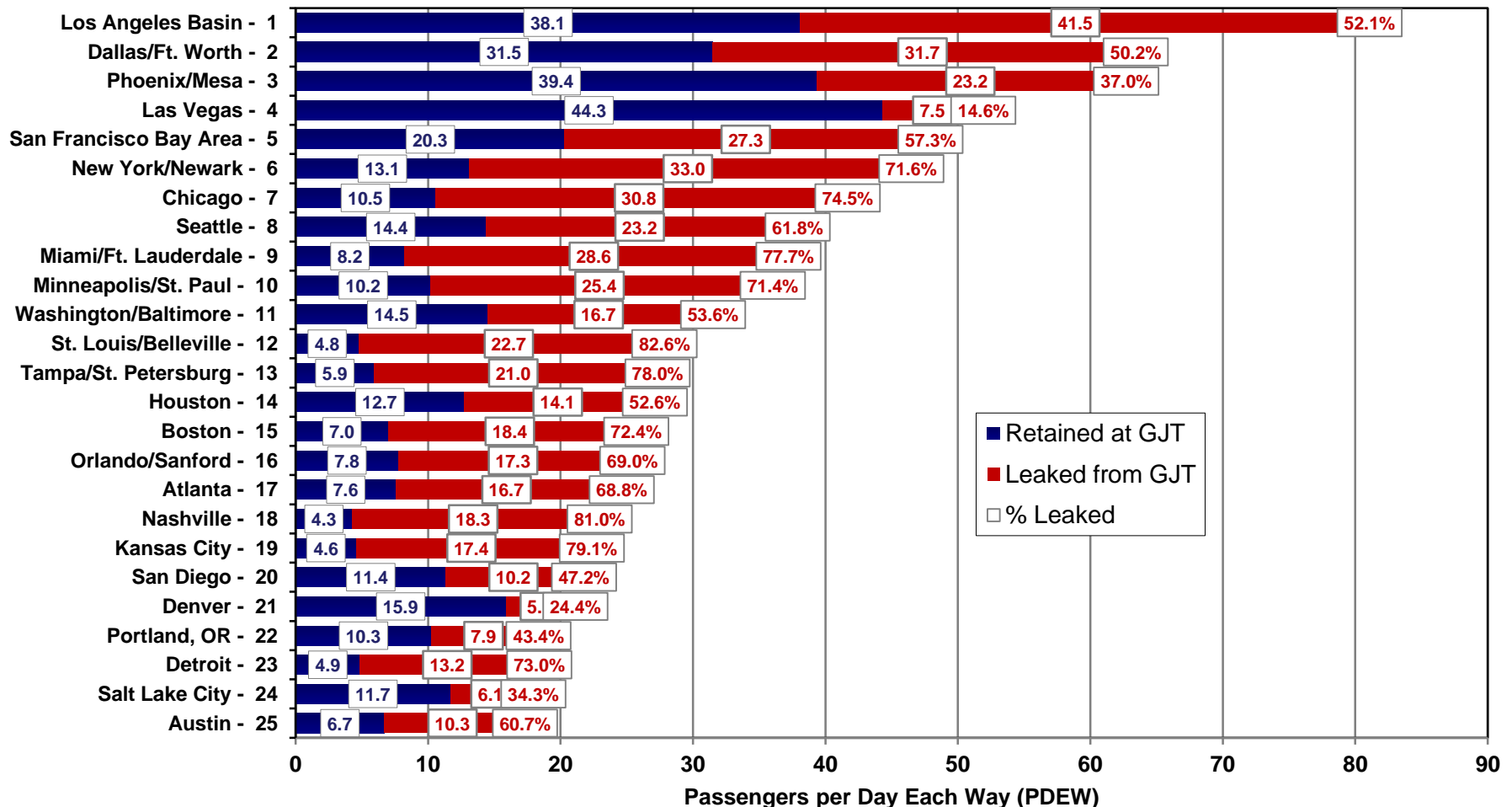
Year-End Third Quarter 2017



The Los Angeles Basin, Dallas/Ft. Worth, Phoenix/Mesa, Las Vegas and the San Francisco Bay Area Are Grand Junction's Five Largest True Markets

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

Year-End Third Quarter 2017



Airport Projects Update

Airport Improvement Program Grant Projects

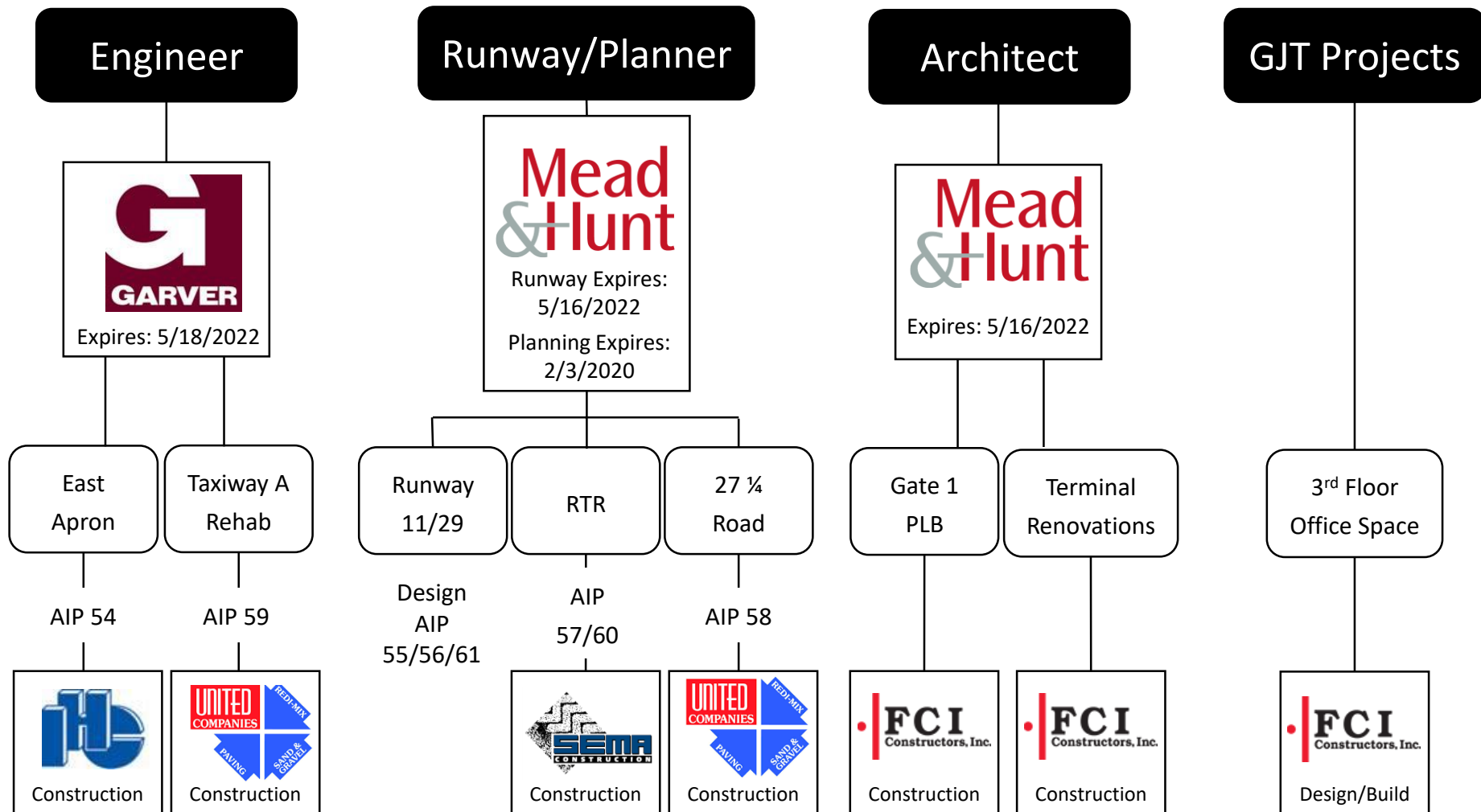
- Runway 12/30 - \$132.3 Million Project (based on 30% design, 2018\$)
 - Relocating in order to minimize impacts to air service
 - Enabling Projects
 - Relocate FAA remote transmitter/receiver \$4 million
 - Relocate 27 ¼ Road \$2.3 million
 - Taxiway A rehabilitation \$1.7 million
- Other projects of Interest
 - Terminal Renovation
 - Passenger Loading Bridge
 - 3rd Floor Administration Office
 - Administration Building Request for Information (public/private partnership)

GJT received over \$8.2 million in new FAA grant awards this summer; currently managing \$18 million in FAA grants

- Grants received from FAA this summer
 - Remote Transmitter/Receiver Grading Construction
 - \$3.2M
 - Relocate 27 ¼ Road Construction
 - \$2.0M
 - Rehabilitate Taxiway A Construction
 - \$1.5M
 - Reimbursable Agreement - FAA Remote Transmitter/Receiver (Building)
 - \$610k
 - 2019 Engineering Services-Mead & Hunt
 - \$900k

*Subject to availability of Federal funds

These projects are managed by a diverse contractor team



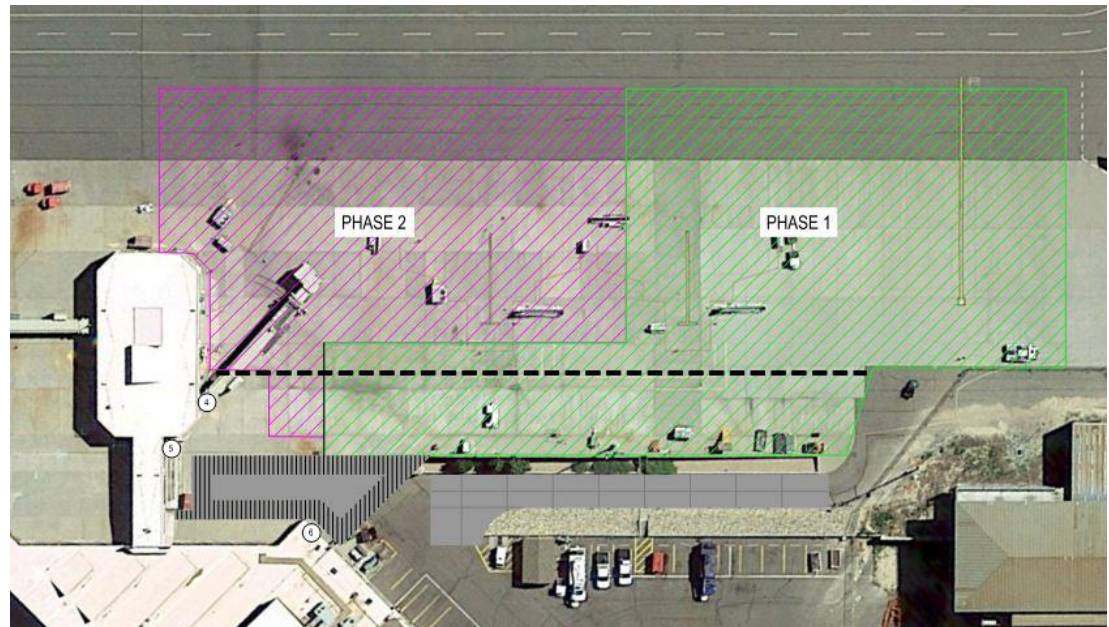
Taxiway A Rehabilitation Update

- Project to Mill and Overlay heavily used ends of Taxiway
- Paving test strip scheduled for first week of October
- Closures to begin on October 11th, 18th, and 25th



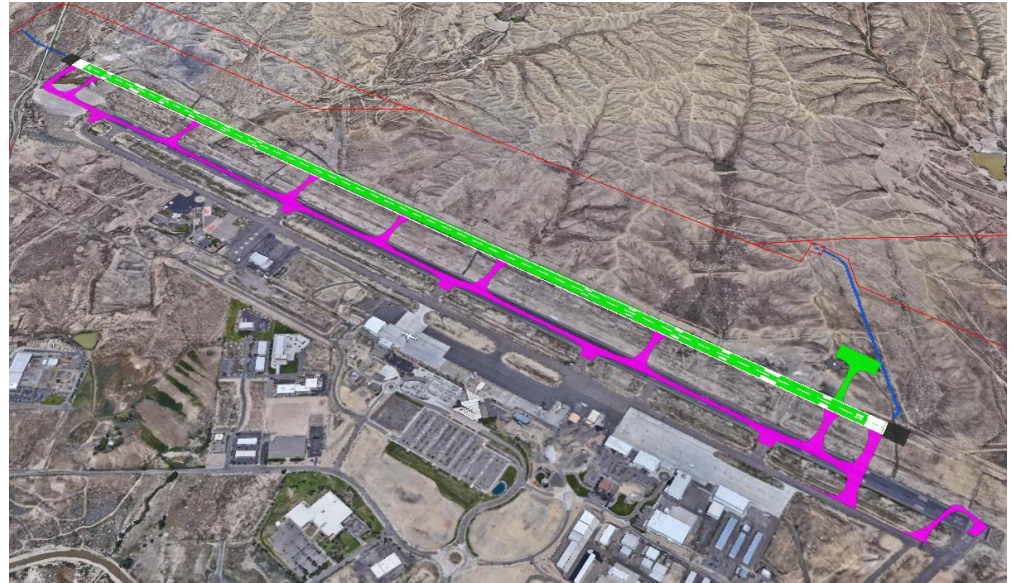
East Terminal Air Carrier Apron Update

- IHC began construction on August 9th
- Phase 1 paving completed on September 11th
- Phase 1 open to traffic October 1
- Phase 2 is underway
- Construction scheduled to be completed before Thanksgiving



Runway 12/30

- Priority to open new runway
 - Convert existing runway to taxiway after new runway open
 - Construct additional connectors after runway is open



Cost Estimate Over \$130M*

Anticipated runway open 2025-2028

*estimate based on 30% design

Subject to the availability of Federal funds

Timeline of Runway

- Project to be constructed in 5 to 10 years depending on success of discretionary grants
 - Opportunity to accelerate construction schedule by capturing end-of-year discretionary funds up to another \$10 million per year
 - Will design construction in \$10 million increments
- Currently at 30% design
- Begin enabling projects 2nd quarter of 2018
- Have 60% design by end of 2018
- Runway construction kicked off in August 2018 (27 ¼ Rd. relocation)

Relocate 27 1/4 Road

- New location outside future runway protection zone
- Airport will help fund a recreation staging area with BLM with this project
- Budget: \$2,321,000
- Scheduled Completion Q4 2018



27 ¼ RD Construction

- Relocate/Reconstruct 27 ¼ RD 1.6 Miles of Roadway
 - 27 ¼ RD access to BLM property to remain open throughout
- Notice of Award Issued - July 17th
 - United Companies
- Notice to Proceed Issued August 27
 - 100 Calendar Day Construction period
- On Schedule



Relocate Remote Transmitter/Receiver

- Relocation outside of new runway airspace
- FAA communication facility
- Includes towers and shed
- Reimbursable agreement with Air Traffic Organization of FAA



- Budget: \$4,002,000
- Scheduled Completion Q2 2019 - pending delivery of FAA shed

RTR Facility Relocation Construction

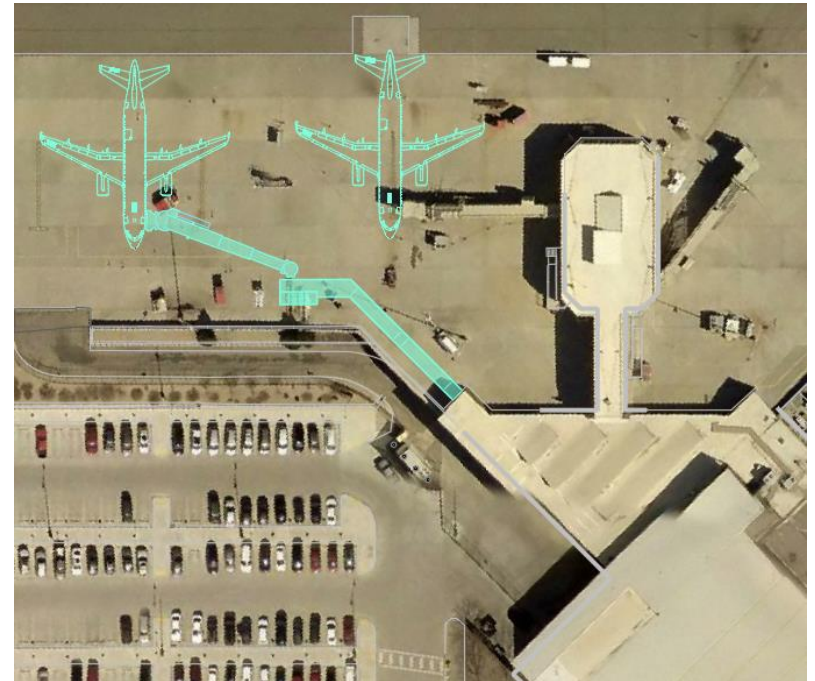
- Relocate the Remote Transmitter Receiver Facility and Grading Phase I
 - Joint project with FAA Air Traffic, Facilities and Equipment (FAA F&E)
 - Airport performs majority of physical infrastructure
 - FAA F&E provide certain materials, remediation, and radio equipment
- Notice of Proceed Issued - August 24, 2018
 - SEMA Construction
 - 150 Calendar Day Construction period (excludes January to May winter shut - down)
 - Mobilization (Submittals) underway
 - Completion Summer 2019
- On Schedule- pending FAA design-build submittals
- Ongoing coordination with FAA Air Traffic Organization for facility

Runway 12-30 2019 Design Package 1

- Notice of Proceed Issued - August 22, 2018
 - Scope: Approximately \$10M package
 - Temporary Run-up Pad
 - Utility Extensions (Xcel)
 - Perimeter Fencing/Road
 - Lighting Vault upgrades
 - Quantities to adjust based on funding
- FAA Pre-design meeting scheduled in Grand Junction, October 10, 2018
- **Goal: Design complete to open bids for April 2019 Grant cycle**

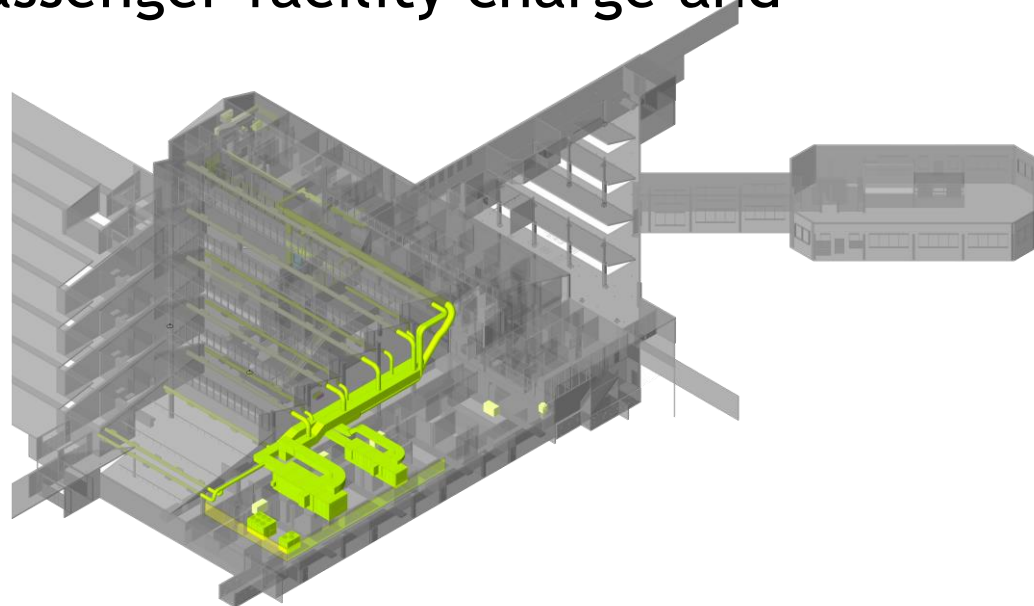
Passenger Loading Bridge

- Converts Gate 1 to fixed covered walkway and passenger loading bridge
 - 757 capable
 - Improves utilization of lower hold room area
-
- Total project: \$1,560,000
 - Scheduled Completion: Nov 2018



Terminal Renovations

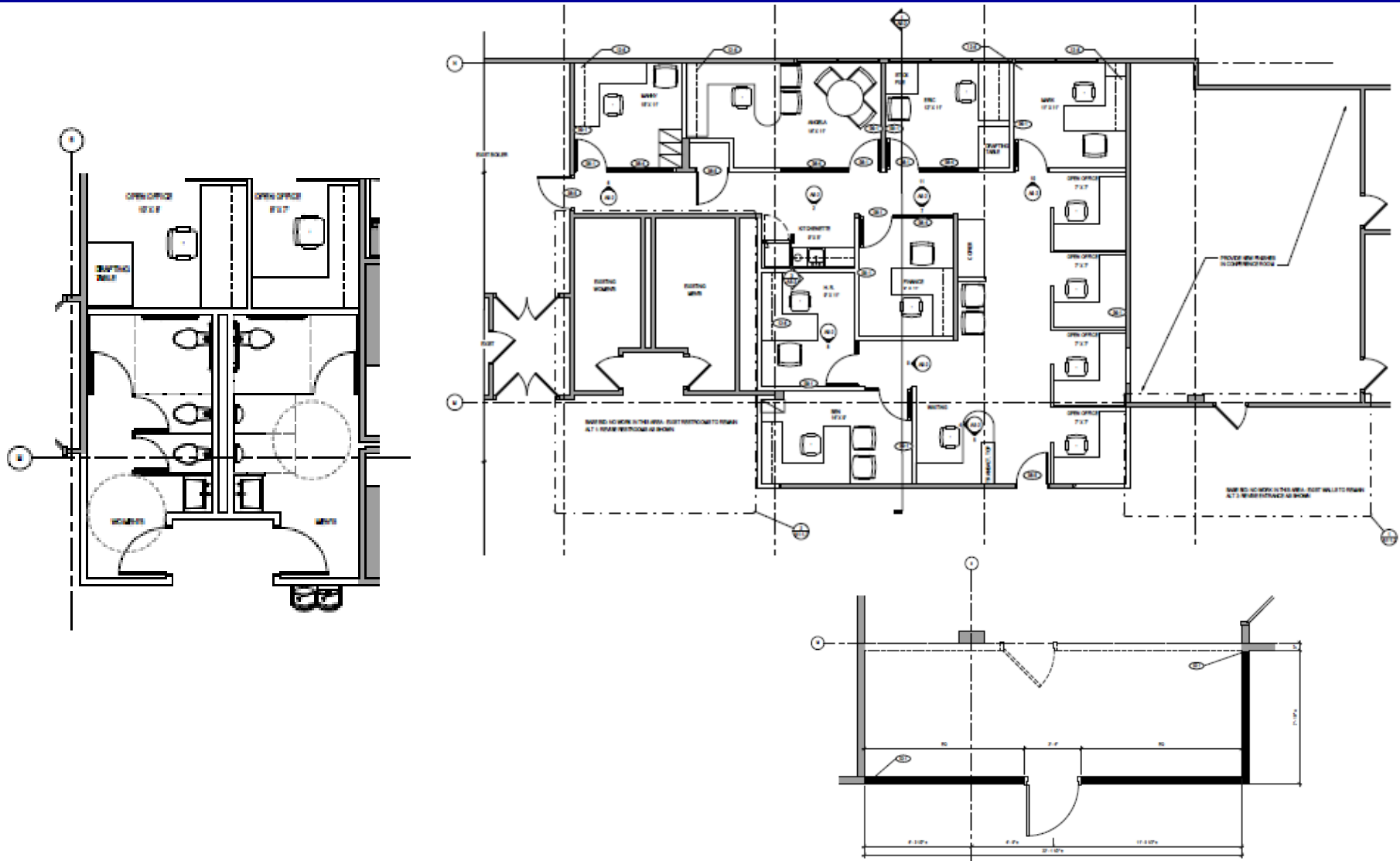
- Extend useful life of Terminal - \$5.45M
- Maintain regular operations as much as possible
- Positive passenger experience
- Project funding from passenger facility charge and bond funds
- Includes:
 - Roof Replacement
 - Escalator Replacement
 - Main Atrium HVAC
 - Backup Power Upgrade



3rd Floor Administration Office

- Consolidate Administrative Staff
- FCI working with Blythe
- Design/Build
- Scheduled Completion end of 2018
- \$530,000

3rd Floor Administration Office



Questions?