

COEUR D'ALENE AIRPORT



Sustainable Business Plan May 2016

Economic parameters to sustain Coeur d'Alene Airport (COE) now and in the future

Executive Summary

Airports are unique. They are usually public facilities, managed by public entities. Unlike many public facilities, however, airports generate revenue. The goal for most airports is to generate enough revenue to offset the costs of building and maintaining the facility. Ideally, revenue will exceed operating costs so that improvements can be made to the airport, increasing its capability to stimulate economic growth. The ultimate goal is that the airport sustains itself economically, environmentally and socially. The goal of this business plan is to evaluate the airport and identify opportunities to improve the airport's business so that it can grow in its role as a significant part of the North Idaho economy.

With beautiful lakes, mountains and many acres of forest, North Idaho is one of the most scenic areas in the United States. Because of this beauty, the area supports a number of resorts and offers unlimited recreation opportunities. Much more than just resorts and recreation, though, the area is a thriving business environment, with steady economic growth.

Coeur d'Alene Airport (COE) is a critical part of the region, providing access to the resorts and recreation opportunities and for business travel and access. The airport also serves a critical role in the community, serving as a base for firefighting operations throughout the region. The airport is a thriving business center in its own right, with multiple businesses located on airport property, including several in the aerospace industry.

The airport is well-run with a national reach. Though not often described as a "resort airport", it should be considered one. Unlike most resort airports, COE has numerous private aircraft hangar leases, a strong aircraft maintenance and operations job base as well as significant non-aviation commercial and industrial land leases.

The management team at COE has done an extraordinary job of obtaining funding for airport improvements while maintaining the airport in a safe condition that is visually pleasing.

The airport maintains its passenger airport certification with FAA which includes keeping its Aircraft Rescue Fire Fighting (ARFF) capabilities up to date. This certification has been maintained so that the airport can support large charter operations and, should the opportunity present itself, scheduled air service. In today's air service world, however, scheduled air service from a major airline will be difficult to attract. There are a number of smaller regional airlines/scheduled charter companies that have started providing service to communities like Coeur d'Alene, though (e.g., Seaport Air). This type of air service provider may be a more likely option.



The number of high paying jobs created at the airport is impressive and the airport should work with tenants to grow their job base and work to find new tenants who may bring additional jobs to the local market.

The airport has been successful at attracting several high end turbine aircraft “type” fly-ins. Working with the resort community, COE should seek out future opportunities for this type of aviation activity, due to their positive impact on the local economy.

While the future of General Aviation remains in flux, business aviation is strong nationwide and at COE. COE has taken advantage of this by leasing property for numerous business aviation hangar facilities. Further actions are anticipated to take advantage of and proportionately increase revenues from this segment of aviation.

The airport was constructed in a rural setting, but as the area has grown, both compatible and incompatible development have encroached upon the airport property. Proposed development that is incompatible in the view of FAA and the airport has caused tensions to escalate between COE, its neighbors and local government agencies. Various efforts are underway to alleviate these tensions, including plans to update the airport’s Master Plan and the recent signing of a memorandum of understanding between Kootenai County and the City of Hayden. Incompatible land use is a threat to the continued business viability of the airport and continued efforts in these areas are very important.

In addition to hundreds of high paying jobs, tenants of the airport pay hundreds of thousands of dollars in property taxes to Kootenai County and other taxing authorities. This positive impact of the airport should be emphasized more publically.

The airport is researching revenue opportunities through a separate rates and charges analysis. The airport management team has done a good job of setting the stage for modern lease business practices and is pursuing revenue opportunities from new revenue sources and by adjusting existing rates.



BACKGROUND

In 2012, the Federal Aviation Administration (FAA) published a very detailed study of general aviation¹ airports in the U.S. This study was entitled General Aviation Airports: A National Asset (http://www.faa.gov/airports/planning_capacity/ga_study/) This study classified Coeur d'Alene Airport (COE²) as a "Regional Airport" which typically would average 90 based aircraft and 3 Jets which supports regional economies by connecting communities to statewide and interstate markets. Based on based aircraft and the area served from COE, the airport more closely meets the criteria for a "National Airport" (200 total based aircraft, 30 jets and "supports the national and state system by providing communities with access to national and international markets in multiple states and throughout the United States").

The Airport has 252 based aircraft, 16 multi-engine aircraft and 8 jets. With COE's 7,400 foot runway, a moderate 2,320 feet MSL and moderate temperatures, business jets routinely fly from the airport to all 50 of the U.S. States as well as Canada, Mexico and Central America. The large presence of national aircraft maintenance and manufacturing as well as headquarters for Empire Airlines makes Coeur d'Alene Airport accomplished in the ranks of U.S. GA airports.

With nearly 87 privately owned hangars, including many with multiple aircraft storage, COE has a significant private GA base.

The region's crystal clear lakes and majestic mountains combined with world renowned resorts and amenities at Lake Coeur d'Alene, Lake Pend Oreille and throughout the area attract business jets from near and far. This has helped attract several aircraft "fly-ins" featuring business aircraft.

COE's Title 14 CFR Part 139³ certificate allows it to accept charter aircraft larger than 30 passenger seats, thus making it an alternate to Spokane International. The maintenance of this certificate also keeps open the possibility for scheduled commercial service.

¹ "General aviation" (often abbreviated GA) is a category of aviation defined by the FAA to include all aircraft other than scheduled commercial service and military. Obviously a very broad category, this includes everything from gliders and helicopters to small single-engine aircraft like the Cessna 152 to business jets and larger. It includes flying for a variety of purposes, including recreation, instruction, business, air cargo, medical transport, among others. A "general aviation airport" is an airport that does not have scheduled commercial service. Again, a very broad category.

² COE is the three-letter identifier for the airport assigned by the FAA.

³ Title 14 of the Code of Federal Regulations establishes and defines the role of the Federal Aviation Administration. Part 139 describes the requirements for airports that serve aircraft providing scheduled air service (ticketed passenger aircraft). This includes a variety of standards that must be met, including airfield markings and signage, security, snow removal and aircraft rescue and firefighting (ARFF).



While Sandpoint and Spokane's Felts Field attract some of the aircraft that could fly to Coeur d'Alene, the airfield's infrastructure, including precision instrument approaches and a longer/wider runway make COE attractive to many pilots and aircraft owners.

Coeur d'Alene Airport has land available for large tract GA development, private aircraft hangars, and industrial/commercial development "outside the fence". Compared with many other airports, COE has a significant amount of land available for these uses.

The airport plays a pivotal role in the North Idaho economy. Not only does the airport provide access to the area, it also is host to a variety of businesses, many with a focus on aerospace. In fact, the area could be seen as an aerospace center, with Empire Airlines and other large employers located on the airport. North Idaho College's Aerospace Center for Excellence also operates at the airport and is an excellent indication of the strength of aerospace in North Idaho.

CURRENT AIRPORT BUSINESS DESCRIPTION

The following sections describe the airport from a business perspective.

Products and Services

Coeur d'Alene Airport provides runways, taxiways, aircraft parking aprons, land to build private storage hangars, land for commercial aviation development, land "outside the fence" for industrial/commercial development and limited FAR Part 139 ARFF services. The airport owns one T-Hangar building and another large hangar facility that it currently leases to one of the Fixed Base Operators (FBOs) on the field. Fueling, aircraft handling, and "terminal facilities" are provided by private businesses.

By staying out of commercial businesses such as fueling and aircraft parking services, COE is blessed with a simple business model of maintaining its core infrastructure, providing the ability for others to do business. However, by not being involved in any of the commercial activities, there is less opportunity to profit from those activities.

Organization and Management

The airport is owned by Kootenai County, Idaho and is organized as a department under the Board of County Commissioners (BOCC).

An airport advisory committee recommends actions to the BOCC, who are the final authority on all county business. COE is certificated under FAR Part 139 Air Carrier Airports as an Index A airport. 48 hours' notice and prior permission are required for unscheduled operations with more than 30



passenger seats (i.e., charter operations). Coeur d'Alene is part of FAA's National Plan of Integrated Airport Systems (NPIAS) and is therefore eligible to receive \$150,000 per year in non-primary Airport Improvement Program (AIP) entitlement funds for qualifying projects. However, the airport has successfully worked with FAA to receive AIP funds from both state apportionment and discretionary sources⁴ on many occasions. COE is served by multiple precision and non-precision approaches. Aviation weather is provided by an FAA-owned Automated Weather Observation System (AWOS). The airport has eight employees and is under the management of an Airport Director.

Marketing and Sales Strategy

The airport is an excellent facility with significant opportunities for a variety of businesses. A more proactive marketing approach would likely be helpful to further develop the potential of these and other aspects of the airport. Currently, marketing and sales activities are limited at COE. Targeted marketing for specific purposes should be considered. The budget does not have very much room for an increased marketing presence and this should be examined.

Fly-Ins by different types of aircraft (e.g., Cessna Citation jets) have been successful over the past few years. This is excellent marketing for the airport and for the region, and there is significant potential to work together with the chamber of commerce and other organizations to jointly promote the airport and the area.

Targeted marketing to specific businesses and industries may also be very effective. This may include one-on-one meetings with specific business leaders, attendance at industry conferences and events or a variety of other approaches.

Airport Finances

The following table summarizes the airport's Fiscal Year 2014 finances. This represents a "snapshot" of the financial situation of the airport, considering operational revenue and expenses only. Capital costs are not included in this table. Most of the capital improvements at the airport are funded primarily through the Airport Improvement Program ('AIP', the FAA's grant program for airports), and this funding varies widely from year to year.

AIP is also used to pay for a large portion of the airfield infrastructure maintenance, such as pavement overlays, reconstruction, etc. The AIP contribution in FY 2014 was \$87,438, funding that

⁴ There are three main "types" of funding for airports in FAA's Airport Improvement Program: entitlement, state apportionment and discretionary. Entitlement funds are allocated to each airport on an annual basis and can be carried over up to four years. State apportionment and discretionary funds are both allocated to airports based on project priority. For example, runway projects have a higher priority than taxiways.



was used to pay for the design of a project to reconstruct a GA parking apron at the airport. This project was constructed in 2015 (using FY 2015 AIP funds), with a project cost of approximately \$588,000. The airport has successfully leveraged AIP funds to maintain and improve the airport for many years and this is an excellent example of that success. Maintenance is not limited to AIP projects, however. A significant portion of the airport's budget is dedicated to maintaining the airfield in safe operating condition. This includes snow removal, crack sealing, mowing, weed control and wide variety of other tasks that are completed by airport staff with airport equipment. AIP funds are not available for these types of tasks.

Currently, airport operational expenses exceed revenue earned on the airport. This difference is made up each year through financial support from the Kootenai County General Fund. One of the goals of this plan is to help the airport get to the point where this support is no longer necessary. It should be noted, however, that airport lessees paid a total of \$262,873 in personal property tax to the County in FY 2014. These tax revenues are not included in the airport budget and should be considered to offset funds provided to the airport from the County's general fund.

REVENUE	
Leases	\$512,823
Fuel Flowage Fees	\$41,344
Use Fees	\$9,922
Misc. Revenue	\$20,503
TOTAL REVENUE	\$584,592
EXPENSES	
Personnel*	\$494,287
Administration	\$98,003
Fuels/Lubricants*	\$63,488
Maintenance (Airfield, Equipment and Grounds)*	\$110,398
Non- AIP Eligible Infrastructure Improvements	\$8,162
TOTAL EXPENSES	\$774,328
REVENUE MINUS EXPENSES	(\$189,736)

*Maintenance of airport facilities is a massive undertaking and includes costs in all of these categories. As described above, FAA funds are also used for large scale maintenance projects.

Property Tax Paid by Lessees	\$262,873
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Revenue Opportunities

Following is a list of potential revenue opportunities.

- Car Rent Fees
 - Consider % of gross receipts Car Rental Fees for on airport car rentals. Due to the low number of car rentals at the airport, the revenue potential here is limited, at this time. If the volume of rentals increases, this revenue source should be developed.
- GA Landing Fees
 - Large GA traffic are the driver for a lot of costs on the airport, but transient aircraft do not pay much in fees
 - A common practice at “resort airports”
 - Most business jets are used to seeing these types of fees
 - Felts Field, McCall and Friedman Memorial (Sun Valley) all charge these fees
 - Alternatives include an increase in Jet A flowage fee or ramp fees as well as minimum fuel purchase for larger aircraft
- Ramp Fees for day use
 - Alternative to landing fee
 - Partially implemented already
 - Consider increasing minimum fuel purchase required
- Fuel Flowage Fees
 - \$0.07 is reasonable for the immediate area, but could be higher.
 - Consider raising Av Gas fee to \$0.08 and a higher rate on Jet A up to \$0.14.
 - Each cent increase should raise about \$5,000 per year
 - Consider a way to increase these costs for transient aircraft only
- Land Lease Fees
 - Continue to develop the north side with assistance from various entities
 - Increase revenues by continuing to lease lots for hangar development
 - COE rates are very attractive as compared to competitive airports – potential for increase
- T-Hangars
 - Fund and construct airport owned t-hangars
 - Significant capital outlay, but diversifies revenue
- Ski and Resort Destination Charters
 - Part 139 certification may be further exploited
 - More charters would bring additional revenue to the airport and spending to the local economy
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Evaluation of Expenditures

Similar to the section above, this section highlights areas for consideration in evaluating the expenses side of the airport's balance sheet.

- Surplus Property
 - COE has done an excellent job of finding surplus federal property and utilizing it for airport purposes
- Capital Expenditures
 - Grant Match
 - Non-Grant Projects
 - Reducing capital expenditures could have an impact on ability to increase revenue. For example, the capital expenditure to develop an area for a new tenant lease is a worthy investment.
- Personnel Expenses
 - As with most public budgets, this is always a large budget item
 - As with most organizations, there is not an abundance of staff
 - Comparing to other airports is difficult due to a lack of information and significant differences in the airport operating structures, accounting systems, etc.
- Maintaining Part 139 Certification
 - This costs money, though the exact amount is difficult to evaluate
 - At some point the airport and community will have to evaluate the cost of certification and weigh that cost relative to the benefit or potential benefit of maintaining it
 - Without certification there is no realistic chance of scheduled air service
 - This investment has value, however, as the efforts to maintain the airfield to Part 139 safety standards help ensure safety and could reduce liability

Jobs and Business Environment

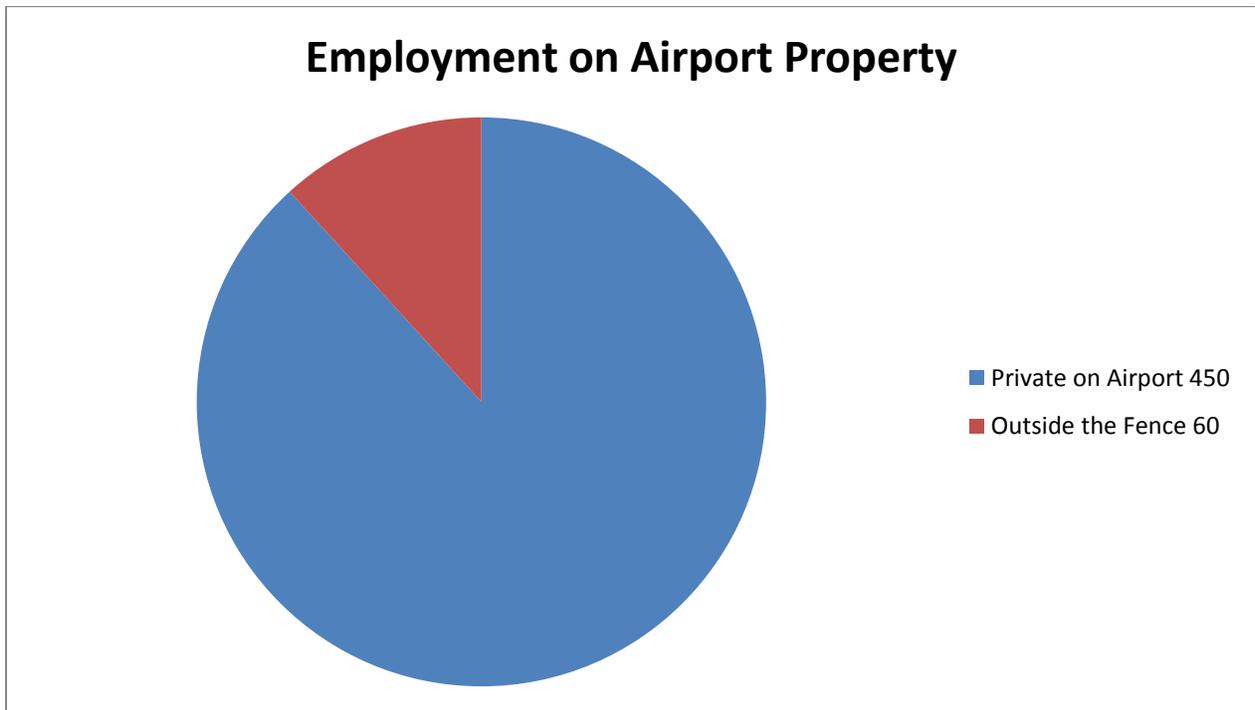
The airport is host to a number of companies that provide a large number of jobs with good wages. The number of jobs on the airport is very unique for an airport of this type and this is a significant strength of the airport. Based on available data, there are 450 private jobs on the airport and 60 jobs "outside the fence" (jobs on the airport, but not associated with the airfield or aviation). The total payroll of these employees is approximately \$25 million, or an average salary of \$49,000 per employee. This aspect of the airport is a critical component in the economic and social sustainability of the airport.

The Panhandle Area Council, headquartered on the airport, has a long track record of economic development throughout North Idaho. Their Business Incubator gives business and industry start-



ups a place to try out new business ideas and concepts. A function like this on the airport is a testament to the positive business environment of the airport.

North Idaho College's Aerospace Center for Excellence provides a well-trained workforce for this industry. This fact is a major selling point that should be used to market the airport to aviation businesses considering relocating to the area.



Airport Data

Item	Information
Airport Name (and identifier)	Coeur d'Alene Airport, Pappy Boyington Field (COE)
Address	10375 Sensor Ave Hayden, ID 83835
Distance/Direction From Business Center	9 miles NW of Coeur d'Alene
Owner	Kootenai County
Governing Body	Kootenai County Board of Commissioners Airport Advisory Board
Manager/Director	Greg Delavan, Airport Director
Size (acres)	1,100
Elevation (MSL)	2,320'
Number of Runways	2
Longest Runway	RWY 06/24: 7,400' X 100'
Weight Bearing Capacity	57.0 Single Wheel 95.0 Double Wheel 165.0 Double Tandem
Other Runway	RWY 02/20: 5,400'x75'
Precision Approaches	ILS RWY 06
Non-Precision Approaches	RNAV, VOR/DME, NDB RWY 06 VOR/DME RWY 02
Air Traffic Control Tower	No
Airport Type	FAR Part 139, Regional GA (FAA Asset Study)
Airport Role	Spokane Reliever, Business & Leisure GA, Resort
Economic Impact (Total)	\$129 Million, 1,000 jobs ⁵
Economic Impact (Direct)	510 jobs (450 private on airport/ 60 "outside the fence") ~\$25 million payroll ~\$49,000 average per employee
Part 139	Yes
Aircraft Rescue/ Firefighting (ARFF)	Index A

⁵ Source: Idaho Airport System Plan, 2010,
<https://itd.idaho.gov/aero/Publications/08SystemPlan/IDAirportSystemPlan.htm>



Item	Information
Fixed Base Operators (FBOs)⁶	Resort Jet Center (7 employees) Southfield Fuel/Heli-Prop Aircraft (6 employees)
Specialized Aviation Service Operators (SASOs)⁷	Aspen Air Heliwagon Manufacture (3 employees) Hubof helicopter Ops (3-10 employees) LP Investments Aerospace MFG (170 employees) Mach Aero, Aerostar (16 employees) Empire Airlines AC Maintenance (120 employees) Life Flight (17 Employees) Transtector Systems (120 employees – probably not considered a SASO)
Private Hangars	87 private hangars and T-Hangar buildings
Outside the Fence	Kootenai County Humane Society, Parks-Water Ways, Noxious Weeds, Sheriff Search & Rescue, Lakes Highway District LP Investments Panhandle Area Council Incubator
Government Tenants	USFS Fire Tanker Base Army Corps of Engineers
Military Tenants	Army Reserve

⁶ A Fixed Base Operator (FBO) is a business granted the right by an airport to operate on the airport and provide aeronautical services such as fueling, hangaring and parking, aircraft rental, aircraft maintenance, flight instruction, etc.

⁷ SASOs are also businesses that operate on an airport, providing specialized services. They differ from FBOs in that they generally have one specific focus, rather than general service to the flying public. At most airports, SASOs do not sell fuel.



Airport Comparison

How does the airport compare with other similar airports in this part of the country? The table below compares COE with three airports in the region that compete or have similarities with Coeur d'Alene for based and transient customers.

<i>Airport Name (and identifier)</i>	Coeur d'Alene (COE)	McCall (MYL)	Felts Field (SFF)	Sandpoint (SZT)
Location	Hayden, ID	McCall, ID	Spokane, WA	Sandpoint, ID
Nautical Air Miles to COE		175 NM	21 NM	33 NM
Owner	Kootenai County	City of McCall	Spokane Airports	Bonner County
Part of a System	No	No	Yes (Spokane)	No
Based Aircraft	252	103	160	79
Aircraft Operations	123,005	43,435	54,750	29,930
Elevation (MSL)	2,320	5,024	1,957	2,131
Number of Runways	2	1	2	1
Longest Runway	7,400 X 100	6,108 x 75	4,499 X 150	5,501 X 75
Capacity (x1,000 lbs)	57.0 SW ⁸	86.5 SW	30 SW	40 SW
Other Runway(s)	5,400 X 75	-	2,650 X 75	-
Precision Approaches	ILS	None	ILS	None
Non-Precision Approaches	1 RNAV 2 VOR 1 NDB	3 RNAV	2 RNAV 1 VOR	RNAV, LOC/DME
Air Traffic Control Tower	No	No	Yes	No
Customs	No	No	Yes	No
Airport Type	Limited 139, GA Reliever	GA	GA	GA
Airport Role	Resort, Business, Personal Maintenance	Resort, Business, Backcountry	Business, Personal	Resort Personal Aircraft MFG TTF
Population Served	Spokane MSA, Kootenai Co	Valley Co./ Central Idaho	Spokane MSA	Bonner Co./ North Idaho

⁸ SW = Single wheel landing gear. (Capacity of runways is published based on type of landing gear.)



<i>Airport Name (and identifier)</i>	Coeur d'Alene (COE)	McCall (MYL)	Felts Field (SFF)	Sandpoint (SZT)
Part 139	Yes	No	No	No
ARFF	Index A	On Airport, Not Certified	No	No
FBOs	2	1	1	1
#Airport Owned T-Hangars	4	None	20	None
Hangar Rent (/Mo.)	\$175	NA	\$230	NA
Privately Owned Hangars	87	70	65	33 on airport Multiple TTF
Ground Rental Rate (per SF)	\$0.18	\$0.35	\$0.22-\$0.24	\$0.18-\$0.85
Fuel Flowage Fee	\$0.07	\$0.08/0.12	\$0.065	\$0.06
Landing Fee	No	\$1.65 >7,500 \$9,500	\$1.64	No
Car Rental Fee	No	10% \$4,500	No	No
Tie-Down Fee	\$7,500 includes other fees	\$50 Single \$75 Twin \$250 Jet \$6,500	\$30/Mo \$25/Day	\$6 per night
USFS/Govt. Fees	\$55,640	\$50,222	\$45,000	Pro-Rated
Operating Income	\$584,592	\$255,258	\$666,256	\$105,000
Personnel	\$494,287	\$151,464	\$70,000	\$40,000
Operating Expense	\$280,041	\$103,899	\$665,778	\$104,000
Sponsor Support	\$189,736 operational only	\$47,115 grant match, capital	\$235,184 for Depreciation	\$30-50k grant match, capital

<u>COE Tiedown Fees</u>				
Aircraft Weight	Night	Month	Quarter	Year
<7,500 lbs	\$5.00	\$31.00	\$81.00	\$288.00
7,501 – 40,000 lbs	\$40.00	\$240.00	\$648.00	\$2,304.00
40,001 – 80,000 lbs	\$60.00	\$360.00	\$972.00	\$3,456.00
>80,000 lbs	\$100.00	\$600.00	\$1,620.00	\$5,760.00



Notes/Observations:

- COE, SFF and SZT all serve general aviation destined for the summer and winter resorts in North Idaho. MYL serves the summer and winter resorts in Idaho's west central mountains.
- COE has the longest runway, greater pavement strength, and a precision instrument approach. While MYL has greater pavement strength capabilities and near precision LPV approaches, its elevation above mean sea level restricts aircraft range.
- COE has Index A ARFF capabilities that the others do not.
- The lack of an ATCT does not deter pilots from flying into the airport. In fact, some pilots prefer to operate at non-towered airports.
- COE does not charge a general aviation landing fee as Felts Field and McCall do and does not charge a car rental fee.
- While all of the airports have numerous privately owned hangars, the lease fee of \$0.18 per square foot is less than Felts Field and McCall
- SFF comes close to balancing its budget if depreciation/grant match are discounted.
- MYL, SFF, and SZT come close to breaking even in their operating budget and use funds from their parent organization to match grants and to fund large equipment purchases and non-grant capital projects.

COE could also be compared with Friedman Memorial Airport (SUN) in Hailey, Idaho in that they are both resort destination airports. SUN has inferior instrument approaches and no industrial aviation job base on the airport. It has scheduled air service and is more remote from competitive airports than COE. The rates and charges at SUN are significantly higher, with hangar land lease rates ranging from \$1.00 per square foot up to \$3.00 per square foot, and general aviation landing fees from \$1.60 to \$4.00 per thousand pounds, fuel flowage fees of \$0.10 for avgas and \$0.12 for Jet A and transient overnight fees from \$15.00 to \$400.00 per night. SUN is operated by an airport authority which balances its budget without the use of property tax revenue.



MISSION AND VISION

Before setting specific goals, it is helpful to evaluate the airport's mission and vision. A mission statement for the airport was established previously in the Sustainability Planning process. Mission and vision statements may be useful to the airport and community as they plan for the future. Even if formal statements are not adopted, the process of evaluating the airport's mission and vision is useful to this process.

What is the difference between mission and vision? A mission statement is focused on the present, providing a statement of why the business exists. Mission statements are intended for those outside the organization. Vision statements, on the other hand, are focused on where the business wants to go and are more intended for those inside, who are working to turn that vision into reality.

Mission Statement

The goal of a mission statement is to clearly and concisely describe the purpose of an organization. The following mission statement was developed as part of this Sustainability Plan:

The mission of the Coeur d'Alene Airport is to preserve and improve the Airport as an economically valuable, socially responsible, and environmentally sustainable facility from which to provide an efficient gateway to the region.

Vision Statement

The goal of a vision statement is to succinctly state the desired future state of the airport, so that airport staff, decision makers and other stakeholders can know where the organization is headed. The attempt here is to develop a vision statement for the economic aspects of the airport, not the airport as a whole.

What existing problems should be solved?

- Balance budget
- The benefits of the airport are not known to aviation and non-aviation businesses
- Prime development areas are unused



- Public (both locally and in among pilots from other regions) is unaware of the benefits of the airport
- Incompatible land use threatens long term viability and growth potential
- No scheduled air service or regular charter operations

What should the airport look like in the future?

- Maintained at the same high level
- Continued full service for GA aircraft
- Maintain FAR Part 139 certification
- Develop scheduled passenger service
- Increased infrastructure for employment/business opportunities for aviation and non-aviation industry
- Balanced budget
- Increased revenue to invest in additional infrastructure
- Continue as an economic engine that provides high paying and sustainable jobs
- Sustained proactive public relations and marketing effort, describing the benefits of the airport to the local economy, as well as the friendly environment for both aviation and non-aviation businesses

Airport Economic Vision Statement

Coeur d'Alene Airport will provide first class airport facilities safely and efficiently, while continuing to provide an exceptional business environment. This will be done in a manner that maximizes opportunities, balances expenses with revenue and reaches out to the public we serve.



Strengths, Weaknesses, Opportunities, Challenges

Evaluating the strengths, weaknesses, opportunities and challenges of and to an organization is useful to analyze where the airport is economically and to help define what needs to be done to improve it.

Strengths and Weaknesses were evaluated internally to the airport (What do we do well/not so well?), while Opportunities and Challenges were evaluated externally (Where can we grow? What is happening outside of us that can limit our growth?). The airport is evaluated in these four areas below:

Strengths – Things done particularly well or unique assets, especially in comparison to other similar airports. *Strengths need to be preserved, built on, and leveraged.*

- **Airport Infrastructure:** COE has precision and non-precision instrument approaches which allow for aircraft operations in most weather conditions. The runways are well maintained and are able to handle business jets and many air carrier aircraft.
- **All Season Resort Access:** The Coeur d'Alene area is home to world class year round resorts and wintertime ski resorts. Unlike many “resort airports”, arrivals and departures from COE are seldom hampered by weather conditions.
- **Commercial/ Business Aviation Land Ready for Development:** COE has large and small tracts of land available for development inside the fence for aviation access and outside the fence for compatible non-aviation development. Much of this land is ready for immediate development with street, water and sewer at or near the site. COE also has tracts of land that could be made ready for development.
- **Airport Certification:** COE maintains Part 139 Air Carrier Airport Certification. It also maintains ARFF capabilities which would make entrance into the market by an air carrier possible. Public and Private charter aircraft can also utilize COE with Prior Permission

Weaknesses – Things that aren't accomplished well, hinder growth or performance or otherwise need to be improved. *Weaknesses need to be addressed and remedied.*

- **Limited Passenger Infrastructure:** Passenger and luggage holding and screening are limited and will be challenging to set up to the satisfaction of air carriers and TSA. If there is true interest from an air carrier to provide scheduled service or regular charter service, this will need to be addressed.
- **Rates & Charges:** Airport revenue currently does not meet operational expenses. Airports with the aircraft activity and leasehold activity that is evident at COE typically



are close to or over the breakeven point financially. A preliminary rates and charges analysis has recently been completed and revisions to existing rates and charges may be justified.

- **Passenger Service:** The airport currently does not have passenger service. In today's aviation world, airlines are very careful about serving new markets. Many airports invest significant efforts and funds into attracting new passenger service, and a major investment would be necessary for COE, especially with relatively close air service at Spokane International. Though the airport maintains its Part 139 certificate, passenger infrastructure such as a terminal, passenger and baggage security and screening and other elements necessary to actually provide passenger service do not exist.

Opportunities - External items that could help the airport grow and achieve its goals. *Opportunities should be seized or capitalized on.*

- **Passenger Service:** COE had airline passenger service in the past and has maintained its FAR Part 139 airport certification. This is a definite advantage in attracting air carrier service. There is a measureable amount of demand for service to the state capital or the Seattle area and there could be a market of ski and resort charters similar to services which other resort area airports see. The realistic opportunity would be charter aircraft, with perhaps small air service to and from Boise and/or the Seattle area. Service by a regional or national airline is not likely.
- **Rates & Charges:** Another area also identified as a weakness, this is also an opportunity. While it is difficult to increase rates and to develop new revenue streams in the public sector, it is better to be at the low end with opportunity to grow than at the high end and have a need to increase revenues. The challenge is to increase revenues while still maintaining the competitive advantage of low rates.
- **Land Development:** This is identified as a strength and also as an underdeveloped opportunity. COE has numerous private hangar leases as well as commercial aviation leases. It also has a diverse non-aviation commercial/industrial development portfolio. Many of these leases have developed numerous well-paying jobs. Plenty of opportunity to continue to grow in this area exists, with all of the developable land available on airport property.
- **Property Tax Contributions:** Private developments on the airport's leased land pay personal property taxes to Kootenai County which in turn makes property tax payments to the taxing agencies underlying COE. These payments are significant but probably not obvious to many. The opportunity here is to "get the word out" and improve the perception of the airport.
- **Employment Hub:** Airport tenants combine to be one of the major employers in Kootenai County with over 500 jobs and over \$25,000,000 in annual payroll. These



employees in turn pay local sales tax, property tax and State Income tax. This should be a major talking point with the airport's discussion with surrounding government agencies and the public.

- **Resort(s) Tie-In:** While COE is much more than just a "resort airport" this tie-in has potential to be further explored. Numerous aircraft type fly-ins have occurred over the past few years. Opportunities to further capture business and leisure private aircraft activity should be explored. A very large fly-in of Citations, PC-12's, or even "backcountry aircraft" will not fill up local hotels, but they may fill up the airport ramp and enhance business on the airport and excitement about the airport within the community. The possibility of ski charters or other resort and recreation focused travel could also be developed. Themed airport events to coincide with resort activities, such as wooden boat shows could be developed. This might feature vintage aircraft which complement the concept of vintage boats.
- **Business Aviation Growth:** Unlike other areas of GA, business aviation is thriving, especially with turbine powered prop and jet aircraft. The most expensive business jets continue to grow as an aviation segment. These aircraft use a proportionately large amount of fuel as compared to single engine Av-Gas burning aircraft and continued growth of this type of traffic will be good for the airport.

Challenges – External forces that could hinder the realization of the airport's goals. Threats need to be managed or, if possible, eliminated.

- **Future of Small GA:** New single engine aircraft production is very slow and the aircraft are very expensive for most pilots. The average age of single engine aircraft is ever increasing and the number of these aircraft not flying is increasing. The average age of pilots is increasing as fewer pilots are being trained.
- **Incompatible Development Adjacent To The Airport:** Like many airports, COE was developed in a rural setting with very little nearby development. Rapid growth in North Idaho has created development conflicts with the airport. Incompatible land use is one of the biggest threats to many airports, as it can severely hamper the airport's ability to grow to meet demand. It also can lead to conflicts with FAA grant assurances, which require the airport sponsor not only to implement sound land planning around the airport, but also to improve the airport (within reason) to keep up with aviation demand. This is not only a direct threat to the airport, it also is the source of much of the disagreement between county and city governments.



AIRPORT BUSINESS GOALS

Based on all of the data and analysis completed to this point, some goals for the airport can be developed. The following list of potential goals was developed by the planning team, for discussion by the committee. Specifics like deadlines and other details are intentionally left out. Goals should be SMART (see sidebar) and should reflect concrete steps to be taken to make the airport's vision reality.

1. **Grow aviation related jobs on the airport by 10% by 2020.**
2. **Be economically sustainable by balancing the airport budget within five years.**
3. **Develop and sustain a marketing and public relations program by June 2016.**
4. **Develop compatible land use zoning by 2018.**

SMART Goals

S: Specific What exactly are we doing? Must be clear.
M: Measurable How will we know when the goal has been met?
A: Assignable Who's going to get it done?
R: Realistic Can it really be done, given our situation?
T: Time-Based When will it be done? Realistic, yet aggressive.

5. **Develop 50 acres of airside land with new lease tenants by 2020.**
6. **Introduce commercial air service by 2020, and ultimately accommodate more than 10,000 enplanements.**
7. **Host at least one fly-in type event per year.**
8. **Host an annual event for the community.**



ACTION PLAN

A defined action plan is critical to successfully completing goals of any kind. The specific actions that will be taken to accomplish the goals defined in the previous section are outlined below.

1. Grow aviation related jobs on the airport by 10% by 2020.

- Develop property on the airport suitable for use by aviation companies. The primary focus of this will be on the north half of the airport. Significant infrastructure investment has been made in this area to accommodate this type of use, but some airfield and other infrastructure improvements (e.g., Taxiway D north improvements) are necessary.
- Actively pursue corporations involved in the aircraft maintenance, assembly, painting, avionics and other industries, marketing the airport and the area.
- As an educated workforce is critical to the success of aviation businesses, assist North Idaho College in their workforce development program.

2. Be economically sustainable by balancing the airport budget within five years.

- Existing budget is already lean, but be vigilant for opportunities to reduce expenditures.
- Increase revenue by:
 - Leasing additional space for commercial, industrial and private use. (This has the greatest potential impact.)
 - Increase fuel flowage fees, especially on itinerant aircraft.
 - Maximize the use of grant funds to develop infrastructure that will contribute directly to revenue (e.g., hangar development areas)

3. Develop and sustain a marketing and public relations program by June 2016.

- Develop and implement a marketing budget.
- Increase social media presence.
- Develop a marketing plan and revisit annually.
- Purchase promotional materials and equipment, including a conference booth display.
- Contract with a professional marketing firm to assist with above steps.



4. Develop compatible land use zoning by 2018.

- Work with Kootenai County to develop land use zoning to protect the airport, consistent with requirements of state law and FAA guidance.
- Undertake a focused effort to reach out to adjacent cities.
 - Communicate with entities regarding existing laws, upcoming changes and the needs of the airport.
 - Seek opportunities to participate in planning projects.
- Incorporate land use zoning education and information into PR program.
- Focus on land use as a major element of upcoming Airport Master Plan Update.

5. Develop 50 acres of airside land with new lease tenants by 2020.

- Develop north side of the airport, including aviation and non-aviation infrastructure.
 - Rehabilitate of Taxiway D North.
 - Construct road/utility improvements.
- Pursue the opportunity to construct and lease a USFS fire base on the airport.
- Work closely with existing businesses/tenants to help them build their businesses on the airport.
- Continue to develop T and common wall box hangars.
- Pursue a lease use for the recently vacated Army reserve facility on the airport.

6. Introduce commercial air service by 2020, and ultimately accommodate more than 10,000 enplanements.

- Hire an air service consultant to assist with research and airline outreach.
- Include as a component in the upcoming Airport Master Plan Update.

7. Host at least one fly-in type event per year.

- Attend aircraft owner organization meetings and promote the airport as a destination.
- Work with the Airport Association volunteer organization to plan and coordinate this type of event.

8. Host an annual event for the community.

- Work with Airport Association and other local community organizations to plan and publicize this type of event each year.

