



Ogden City

City Council Work Session Notice

September 22, 2015

City Council Work Room

Municipal Building – Third Floor

2549 Washington Boulevard, Ogden, Utah 84401

Amended

Notice is hereby given that the City Council will meet in a work session on Tuesday, September 22, 2015 in the Council Work Room on the third floor of the Municipal Building located at 2549 Washington Boulevard in Ogden City, Weber County, Utah.

The work session will begin immediately following the Special Redevelopment Agency and Regular City Council meetings, which begin at 6:00 p.m. The purpose of the work session includes presentations and discussions regarding a proposed Airport Development Feasibility Plan and Council business.

***Pursuant to Section 52-4-207 "Electronic Meetings" of the Open and Public Meetings Law, Vice Chair White will participate in the meeting via teleconference and such electronic means will provide the public body the ability to communicate via the teleconference.

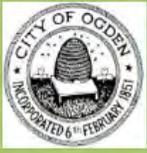
In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings should contact the Management Services Department at 629-8701 (TDD# 629-8949) or by email: ADACompliance@ci.ogden.ut.us at least 48 hours in advance of the meeting.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and/or agenda was posted in three public places within the Ogden City Limits on this 18th day of September, 2015. These public places being: 1) City Recorder's Office on the 2nd floor of the Municipal Building; 2) 2nd floor foyer of the Municipal Building; and 3) the Weber County Library. A copy was posted to the Utah State Public Notice Website and the Ogden City Website, as well as provided to the Standard-Examiner.

TRACY HANSEN, MMC
OGDEN CITY RECORDER

Visit the City Council Meetings page at: councilmeetings.ogdencity.com
Ogden City Council Agenda Information Line – 801-629-8159



City Council Work Session COUNCIL STAFF REVIEW

OGDEN AIRPORT DEVELOPMENT FEASIBILITY STUDY

PURPOSE OF

WORK SESSION: To Receive a Presentation Regarding the Airport Development Feasibility Study

Executive

Summary

Representatives from Community and Economic Development and the Airport will introduce representatives from Airport Development Group, Inc., the consulting firm hired to develop a strategic plan for the Ogden Airport. The consultants will present their findings and recommendations.

Background

February 2015

The City was awarded a grant from the State of Utah to complete a strategic plan for the Ogden Airport.

February 3, 2015

The City entered in a Professional Services Agreement with Airport Development Group, Inc. to develop a strategic plan and assess market demand and conditions relating to various aviation activities for future development at the Ogden Airport. The cost of the initial scope of services was \$257,872. The scope of services was expanded and the contract amount was amended to \$275,872.

June 23, 2015

The City Council adopted Ordinance 2015-26, a budget amendment recognizing and appropriating \$300,000 from the State of Utah to complete an airport development feasibility study.

June 2015

Airport Development Group, Inc., completed the Airport Development-Feasibility Study and submitted a draft report for comments to the City Administration.



City Council Work Session

COUNCIL STAFF REVIEW

September 15, 2015

The Council Office received a summary of the final Airport Development Feasibility Study.

Proposal

The Council will receive a presentation regarding the Ogden Development Feasibility Study.

The Study outlines the goals and objectives for the airport and identifies short and long term goals for meeting those goals and objectives. The Study also addresses the opportunities for growth and development that will come with Hill Air Force Bases F-35 program, both inside and outside “the fence.” The consultants estimate that when the fully developed, the Airport could add more than 4,000 new jobs to the local economy.

Attachment

Professional Services Agreement – Airport Development Group, Inc.

Board Staff Contact: Janene Eller-Smith, (801)629-8165

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, entered into as of the 3rd day of February, 2014⁵
("effective date"), by and between **OGDEN CITY CORPORATION** (hereinafter "City")
and **AIRPORT DEVELOPMENT GROUP, INC.** (hereinafter "Contractor").

RECITALS

WHEREAS, City has established a need for professional consulting services related to conducting an economic impact/feasibility study at the Ogden-Hinckley Airport; and

WHEREAS, Contractor proposes to provide such professional services.

NOW, THEREFORE, in consideration of the mutual covenants and agreements stated herein and of the payments for services hereinafter described, the parties hereto do mutually agree as follows:

1. Performance of Consulting Services. City hereby agrees to engage Contractor, and Contractor hereby agrees to perform the Scope of Services and Project Deliverables set forth in Exhibit "A," attached hereto. **City's RFP and Contractor's Response to RFP dated September 25, 2014 are incorporated herein by reference.**

2. Time of Performance. This Agreement shall commence on the date written above and shall terminate one hundred eighty (180) days after the effective date of this agreement, subject to budgetary appropriations by the Ogden City Council, unless sooner terminated under other terms of this agreement.

3. Compensation. As full compensation for performance of the Scope of Services, City shall pay Contractor **Two Hundred Fifty Seven Thousand Eight Hundred Seventy Two Dollars (\$257,872.00)**. Contractor shall invoice City in three equal installments. The first invoice shall be submitted after sixty (60) days, the second invoice shall be submitted after one hundred twenty (120) days, and the third invoice

shall be submitted within thirty (30) days after delivering final product at one hundred eighty (180) days, after review and any requested corrections or revisions. City shall pay Contractor within fourteen (14) days of receipt of such invoices.

4. Furnishing of W-9: Payment under this Agreement is contingent upon Contractor furnishing City with a completed W-9 IRS tax form, which shall be attached hereto and incorporated herein. Contractor shall cooperate with City in furnishing any additional information City may need to comply with rules and regulations of the Internal Revenue Service.

5. Termination of Agreement for Cause. If, through any cause, a party shall fail to fulfill, in a timely and proper manner, its obligations under this Agreement, or if a party shall violate any of the covenants, agreements or stipulations of this Agreement, the other party shall have the right to terminate this Agreement by giving five (5) days written notice to the party of such termination and specifying the effective date thereof. In the event of termination for cause, Contractor shall be entitled to receive only the pro rata share of the total compensation which is equal to any satisfactory work completed as of the date of termination. Notwithstanding the above, exercise of termination for cause shall not relieve of liability for damages for breach of contract.

6. Termination for Convenience. The City or Contractor may terminate the Agreement at any time by giving written notice to the other and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In the event of termination for convenience, Contractor shall be entitled to receive the pro rata share of the total compensation which is equal to any satisfactory work completed as of the date of termination.

7. Prior Agreements. This Agreement supersedes, supplants and extinguishes any prior agreement between the parties.

8. Attorneys' Fees. In the event either party institutes litigation to enforce its rights under this Agreement, the prevailing party in such litigation shall be entitled to an award of its reasonable attorneys' fees and costs.

9. Notice. Any notice, or notices, required or permitted to be given pursuant to the Agreement, may be personally served on the other party by the party giving such notice, or may be served by certified mail, return receipt requested, to the following addresses:

City: Jon Greiner
Ogden Airport Manager
jongreiner@ogdencity.com
(801) 629-8223

Contractor: Dana P. Hartshorn, P.E.
Principal
Airport Development Group, Inc.
1776 South Jackson Street, Suite 950
Denver, CO 80210
chartshorn@adgairports.com
(303) 782-0882 (phone)
(303) 782-0842 (fax)

10. Independent Contractor. Contractor is independent of Ogden City and shall perform all services according to his own methods without being subject to the control of Ogden City, except as to the results obtained. Contractor is not and shall not be considered an employee of Ogden City. Ogden City shall not pay nor be responsible for any contribution to Social Security, unemployment insurance, federal or state withholding taxes, nor provide any other contributions of benefits, which might be expected in an employer-employee relationship. Contractor, as an independent contractor, shall provide and be responsible for any and all of Contractor, and its employees or agents, federal and state withholding, unemployment compensation contributions and social security tax withholding, etc. Contractor agrees to report and pay any contributions for taxes, unemployment insurance, Social Security, or other benefits that may be due as a result of this Agreement.

11. Insurance. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this agreement. The cost of such insurance shall be paid by the Contractor.

- a The amount of insurance shall not be less than:
 - i) Commercial General Liability: Minimum of \$2,000,000 commercial general liability coverage with \$1,000,000 for each occurrence.. Policy to include coverage for operations, contractual liability, personal injury liability, products/completed operations liability, broad-form property damage (if applicable) and independent contractor's liability (if applicable) written on an occurrence form.
 - ii) Business Automobile Liability: \$1,000,000 combined single limit per occurrence for bodily injury and property damage for owned, non-owned and hired autos.
 - iii) Workers' Compensation and Employer's Liability: Worker's Compensation limits as required by the Labor Code of the State of Utah and employer's liability with limits of \$1,000,000 per accident.
- b. Each insurance policy required by this Agreement shall contain the following clauses:
 - i) "This insurance shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty days prior written notice by certified mail, return receipt requested, has been given to the Ogden City Corporation".
 - ii) "It is agreed that any insurance or self-insurance maintained by Ogden City Corporation, its elected or appointed officials,

employees, agents and volunteers shall be excess of Contractor's insurance and shall not contribute with insurance provided by this policy."

- c. Each insurance policy required by this Agreement, excepting policies for Workers' Compensation, shall contain the following clause in a separate endorsement:
 - i) "Ogden City Corporation, its elected and appointed officials, employees, volunteers and agents are to be named as additional insureds in respect to operations and activities of or on behalf of, the named insured as performed under Agreement with Ogden City Corporation."
- d. Insurance is to be placed with insurers acceptable to and approved by Ogden City Corporation. Contractor's insurer must be authorized to do business in Utah at the time the license is executed and throughout the time period the license is maintained, unless otherwise agreed to in writing by Ogden City Corporation. Failure to maintain or renew coverage or to provide evidence of renewal will be treated as a material breach of contract.
- e. City shall be furnished with original certificates of insurance and endorsements effecting coverage required within, signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received by the City before work begins on the premises.
- f. City reserves the right to require complete, certified copies of all required insurance policies at any time.
- g. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respect to the City, their elected and appointed officials, employees, agents and volunteers; or Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- h. Contractor shall include all of its contractors as insured under its policies or shall furnish separate certificates and endorsements for each contractor. All coverages for Contractor's contractors shall be subject to all of the requirements stated herein.
- i. Nothing contained herein shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from the activities of Contractor or its agents, employees, invitees or contractors upon the Premises during the License Period.

12. Indemnification. Contractor agrees to defend, pay on behalf of, indemnify, and hold harmless Ogden City, its elected and appointed officials, employees, and volunteers and others working on behalf of Ogden City against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any

damages which may be asserted, claimed or recovered against or from Ogden City, its elected and appointed officials, employees, volunteers or others working on behalf of Ogden City, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this contract. Contractor shall also indemnify the City and hold the City harmless from debts arising out of other contracts entered into Contractor, or from any liens or encumbrances.

13. Interest of Contractor. Contractor covenants that Contractor presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services hereunder. Contractor further covenants that in the performance of this Agreement no person having such interest shall be employed.

14. When Rights and Remedies Not Waived. In no event shall any payment or granting of consideration by City hereunder constitute or be construed to be a waiver by City of any breach of conditions or any default which may then exist, or while any such breach or default shall exist, in no way impair or prejudice any right or remedy available to City with respect to such breach or default.

15. Severability of Provisions. If any provisions of this Agreement are held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

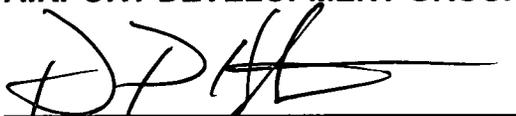
16. Modifications. No oral modifications or amendments to the Agreement shall be effective, but the Agreement may be modified or amended by written agreement.

17. Governing Law. This Agreement, its terms and conditions, shall be governed by Utah law.

18. Employment Status Verification. Contractor shall register and participate in the Status Verification System and comply with Utah Code Ann. Section 63G-12-302 of the Utah Immigration Accountability and Enforcement Act.

IN WITNESS WHEREOF, the parties hereto execute the foregoing instrument as of the day and year first above written.

AIRPORT DEVELOPMENT GROUP, INC.



Dana P. Hartshorn, P.E., Principal

OGDEN CITY CORPORATION



Mark Johnson, CAO

ATTEST:



Tracy Hansco
City Recorder



Exhibit "A"

SCOPE OF SERVICES

- I. Establishing primary mission, vision and assessment of strengths and weakness of airport
 - a. Work with Stake Holders to determine Strategic Plan from:
 - i. Local input
 - ii. State and transportation committee
 - iii. WACOG others as identified including the Weber, Davis, and Cache County Travel/Visitor Groups
 - b. Establish working group that will include representative from these stakeholder groups
 - c. Assemble Important project related data, including related feasibility studies based on inputs
 - d. Gain insight and perspective from comparable emerging airports and steps and plans at moving airport economically and operational forward

- II. Access Market Demand and Conditions
 - a. Commercial Airline and Non-Commercial Aviation (General Aviation and Military/Defense Contractor) National trends and the effects on the local air market
 - b. Potential for Drone/UAV's being worked on and based at KOGD
 - c. Regional trends
 - d. Application of Commercial Airline trends to local market
 - i. Determine, define and evaluate the Ogden airports market characteristic
 1. Determine type(s) airlines services most likely to fit into the market the airport can serve.
 2. Determine facility, (terminal), size, (height) to fit market of (1.) above.
 - a. Gate number
 - b. Baggage processing area
 - c. Counter capacity
 3. Determine impact of major non-commercial airpark resident businesses
 - a. Business (airline) travel needs of companies like NGC, which could depart directly from KOGD in lieu of KSLC
 - ii. Characteristics and conditions that will promote various development options to the airport
 1. Commercial airlines recruitment and targeting plan
 2. Freight airlines recruitment and targeting plan
 3. FTZ development
 - a. Pro or Con
 - b. Costs associated with development
 - iii. Review of Ogden's capacity to impact national air transportation system
 1. Impact Utah's air transportation system

2. Benefit-Cost analysis in anticipation of a Letter of Intent request

- e. **Application of Non-Commercial Aviation trends to local market**
 - i. **Determine, define and evaluate KOGD's market characteristic**
 - 1. **General Aviation (GA) as the historic dominant revenue facilitator**
 - a. **FBO's (Kemp, Mountain Valley, CB) revenue role**
 - i. **KOGD GA (Corporate and private) gateway to Ogden and the Greater Salt Lake Valley (e.g. Interstate 15 is not a toll highway, yet it facilitates tremendous direct, indirect and induced economic benefits providing road access to Ogden. Via FBO's, KOGD provides GA flight access to Ogden.)**
 - ii. **Direct, Indirect, and Induced Revenues from GA aircraft**
 - 1. **Based aircraft**
 - 2. **Itinerate aircraft**
 - b. **Major Maintenance, Repair and Overall (MRO) Facilities—including OEM interior/avionics finishing facilities**
 - i. **E.g., Jet Aviation's Letter of Intent of 2008 with airpark (500,000 sq. ft. of paint/interior/avionics Bombardier facility)**
 - ii. **Logistics of MRO at airpark to service Western States**
 - iii. **Airpark OEM corporate service and support for Western States**
 - iv. **Direct, Indirect, and Induced Revenues of airpark MROs**
 - c. **Aviation and Aerospace OEM Manufacturing at airpark**
 - i. **Logistics of OEMs at KOGD airpark**
 - ii. **OEM vendors at KOGD airpark**
 - iii. **Direct, Indirect, and Induced Revenues of OEMs**
 - d. **4,000 workforce predicted by Thomas Consultants at KOGD airpark**
 - 2. **Airpark Non-Commercial Aerospace and Aviation**
 - a. **Aerospace Defense Contractors**
 - i. **Runway Access (Falcon Hill does not have runway access)**
 - ii. **Proximity to Hill Air Force Base**
 - iii. **Proximity to Restricted Airspace (largest in US)**
 - iv. **Campus Concept of five major defense contractors at airpark**
 - 1. **Proven with NGC**
 - a. **Northrop Grumman's workforce of 260 engineers at airpark Building 2**

- 2. Proposed 3rd Building at airpark—200,000 sq. ft. and workforce of 1,000
 - 3. Capabilities of 4K workforce at north and south business airparks
 - b. Military OEMs at airparks
 - c. 4,000 workforce predicted by Thomas Consultants at KOGD airparks
 - ii. Characteristics and conditions that will promote various development options to the airport for non-commercial aerospace entities
1. Business Environs
 - a. Tax incentives
 - i. EDTIF
 - 1. Proposal to enhance EDTIF to use a portion of the incentive for major defense contractors/OEMs or MROs to pare down construction costs of new facilities to lower long term lease costs
 - b. Build upon existing state-of-the-art aerospace facilities (190,000 sq. ft.) to promote expansion to 1,000,000 sq. ft. (north and south airparks)
 - c. KOGD most suited of GA airports in the Greater Salt Lake region
 - d. Right to work state
 - e. Low cost of living—high quality of living for skilled workforce
 - f. Appeal of Ogden (outdoor Mecca) for executives and workforce (e.g., difficulty of Wichita attracting engineers)
2. Campus concept for Defense Contractors, OEMs, MROs
 - a. Airpark suitability to provide a common location for all major defense contractors to facilitate synergy in the bid process
 - b. An additional UTAH asset to the EUL at Falcon Hill
 - i. Falcon, with over 500 acres, does not have runway access to attract modifiers of military aircraft
 - ii. All KOGD airpark facilities have both road, runway and adjacent rail access
 - iii. Enhanced EDTIF would be used in lieu of EUL
 - c. Campus provides convenient restaurant services for tenant employees and business guests
 - d. OEM and MRO synergy with Defense Contractors
 - e. Airpark allows executive direct access to Defense Contractors, OEMs, and MROs by corporate jet (e.g., a General Dynamics Gulfstream from New York can land at KOGD, deplane at the airpark Executive Terminal, providing immediate access for executives without commute).
- III. Marketing Implementation Plan
 - a. Identifying primary and secondary products that can be developed as identified in the feasibility study
 - b. Target market analysis-airlines, service best approached for location and use of the airport.
 - c. Model marketing team structure
 - i. Size, scope and makeup of marketing team to deliver plan.
- IV. Airport Highest and Best Use Land Analysis Based on potential Market Demands
 - i. Design and Layout Mapping Plan
 - ii. Runway configurations to optimize current and potential uses
 - iii. Noise abatements
 - iv. Operational Efficiency
 - v. Economic and Business Efficiency

- vi. Historic catchment area and demand analysis
- vii. Market share capture analysis
 - 1. Can the Ogden Airport compete for a share of the SLC air traffic
 - 2. Can the Ogden Airport compete for a share of the SLC air freight traffic
 - b. Land use outside of airport highest and best use to support inside airport uses
 - c. Potential other areas for market expansion
- V. Economic and Cost Benefit Analysis
 - a. NOTE: Thomas Consultants projected employment income of \$203,445,710.00 for employees of the airpark. Considering the payroll of NGC's 260 engineers in 2014, this projection seems realistic should facilities be developed as stated above. Multiplying this employment income to determine indirect and induced revenues by 2 to 5x, it can be seen that the airport/airpark can become a major economic engine. Business travel of airpark tenants would boost Airline operations at KOGD and airpark tenants would be motivated to locate at KOGD because of airline service. Thomas Consultants also projected the airpark would ultimately increase airport operations by 89K. An updated, post recession, feasibility study could be very helpful as the Utah legislature considers an enhanced EDTIF where a portion of EDTIF revenues would pare down new construction costs to effectively lower lease costs to attract out of state Defense Contractors/OEMs/MROs.
- VI. Capital Costs associated with meeting mission:
 - a. Capital costs associated with supporting identified airport expansion elements
 - b. Capital costs associated with supporting market demands
- VII. Economic Impact Analysis
 - a. Benefits Due to Construction based on the new land use plan
 - i. Estimated model for absorption of newly developed space
- VIII. Economic Benefits Estimated Benefits from Operating the Input
 - a. Payroll
 - i. Direct airport employees
 - ii. Indirect
 - b. Materials and supplies purchased
 - c. Tax revenues
 - i. RDA
 - ii. Other
 - d. Employee Benefits
 - i. Estimated Distribution of Employees
 - 1. New residents
 - a. County
 - b. Non-county
 - ii. Employee related property Taxes
 - iii. Sales Taxes
- IX. Retail Expenditures Benefits
- X. Indirect Economic Benefits
- XI. Visitor Benefits
 - a. Hotel Nights
 - b. Room Nights
- XII. Operational Issues

- a. Facilities locations, utilities, access roads, environmental impacts
- XIII. Funding Alternatives

PROJECT DELIVERABLES

1. **Global Analysis:** Detailed breakdown of areas detailed in Scope of Services that allow for the City of Ogden to move forward with its desire to be a contributor to the air service and business air service environment of Northern Utah.

2. **Subcontractors:** The following subcontractors are approved in addition to Contractor:

Tri-Star Marketing

Thomas Consulting, Inc.

3. **Form of Data:** Contractor shall compile all relevant data into an electronic database using standard, commonly recognized software. Contractor shall also employ compatible mapping software i.e., AutoCAD or GIS for spatial presentations of environmental data with local use and topographic or cultural features.

4. **Report Form:** Reports and plans shall be submitted in draft form. A final report shall be submitted within five (5) working days of receipt of the City's comments, unless otherwise agreed. The cost for revisions to plans or reports shall be included in the cost estimate submitted with the proposal.

5. **Briefings:** Contractor shall meet regularly—at least once a week—with City representatives to keep them apprised of the progress of the project

ADDENDUM NO. ONE TO
AGREEMENT BETWEEN CITY AND CONTRACTOR
FOR PROFESSIONAL SERVICES

This is an addendum made by and between the OGDEN CITY CORPORATION (CITY) and AIRPORT DEVELOPMENT GROUP, INC. (CONTRACTOR).

WITNESSETH:

WHEREAS, CITY and CONTRACTOR have heretofore entered into an agreement between themselves for professional services related to an economic impact/feasibility study at Ogden – Hinckley Airport, and

WHEREAS, parties hereto do now desire to amend certain provisions of said agreement dated the 3rd day of February, 2015, between themselves, and to reduce said amendment to writing,

NOW, THEREFORE, in consideration of the original agreement between the parties, the premises hereto, the mutual covenants, promises, doings and things hereinafter set forth, the parties hereto do now agree as follows:

Paragraph 1. Performance of Consulting Services: Amend Exhibit "A" – Scope of Services to include examination of defense/military perspective and opportunities as provided by Strategic Outcomes, LLC. The proposed scope and fee from Strategic Outcomes is attached as an amendment to the Exhibit "A".

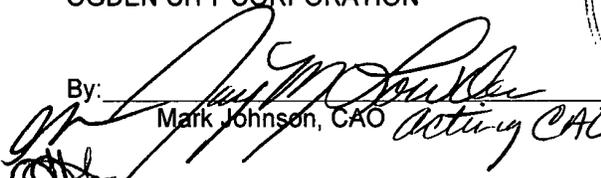
Paragraph 3. Compensation: Amend the full compensation amount to include \$18,000.00 for such services, altering the contract amount from \$257,872.00 to \$275,872.00. Billing for Strategic Outcomes services shall be included in the two final bi-monthly billings

IN WITNESS WHEREOF, the parties hereto have affixed their signatures this 9th day of, April, 2015.

CITY:

OGDEN CITY CORPORATION

By:


Mark Johnson, CAO *Acting CAO*

CONTRACTOR

AIRPORT DEVELOPMENT GROUP, INC.

By:


Dana Hartshorn, Principal

Attest:


Gracy Hausen
City Recorder



2015-140
Retention: Perm
23-13

Ugwen Airport Feasibility Study

Price Proposal

September 26, 2014

| PROJECT TASK |
|--|
| I. Primary Mission/Vision of Airport |
| I a Stakeholder Input for Plan |
| I b Working Group |
| I c Assemble Project Data/ Past Feasibility Studies |
| I d Insight and Perspective from Comparable Airports |
| II. Assess Market Demand and Conditions |
| II a Com Airline and GA and Defense Effects |
| II b UAV Market Potential |
| II c Regional Trends |
| II d Commercial Airline Trends |
| II e.i.1 GA trends to local market |
| II e.i.2 Airpark Non-Commercial Aerospace and Aviation |
| II e.ii Local Promotional Activities |
| II iii Business Environs |
| II iv Campus Concept for Defense Contractors |
| III. Marketing Implementation Plan |
| III a Primary and Secondary Aviation Products |
| III b Airline Targets |
| III c Marketing team structure |
| IV. Highest and Best Use Analysis |
| IV a Design and Layout Plan |
| IV b Runway Reconfiguration |
| IV c Noise Abatement |
| IV d Operational Efficiency |
| IV e Economic and Business Efficiency |
| IV f Historic Catchment Area Demand |
| IV g Market Share Capture Analysis |
| V. Economic and Cost Benefit Analysis to Attract Out of State Con |
| V a Update Thomas Study |
| VI. Capital Costs |
| VI a Capital Costs to Support Expansion |
| VI b Capital Costs to Support Market Demands |
| VII. Economic Impact Analysis |
| VII a Benefits of Construction |
| VIII-XI Estimated Benefits Analysis |
| VIII. Estimated Benefits from Proposed Airport |
| IX Retail Expenditures Benefits |
| X Indirect Economic Benefits |
| XI. Visitor Benefits |
| XII. Operational Issues |
| XII a Facility Locations |
| XII b Utilities |
| XII c Access Roads and Transit Analysis |
| XII d Environmental |
| XIII. Funding |
| XIII a Funding Alternatives |
| Labor Subtotal |

| Strategic Outcomes | | | | |
|-----------------------------|--------------------|--------------------|--------------|-------------------------|
| John Primbs Defense Adv. | Staff 2 Title 2 | Staff 3 Title 3 | TOTAL HRS | TASK DIRECT COSTS |
| \$100.00 | \$0.00 | \$0.00 | | |
| 0 | 0 | 0 | 0 | \$0.00 |
| 0 | 0 | 0 | 0 | \$0.00 |
| 0 | 0 | 0 | 0 | \$0.00 |
| 10 | 0 | 0 | 10 | \$1,000.00 |
| 10 | 0 | 0 | 10 | \$1,000.00 |
| 10 | 0 | 0 | 10 | \$1,000.00 |
| 9 | 0 | 0 | 9 | \$900.00 |
| 0 | 0 | 0 | 0 | \$0.00 |
| 9 | 0 | 0 | 9 | \$900.00 |
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| 9 | 0 | 0 | 9 | \$900.00 |
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| 0 | 0 | 0 | 0 | \$0.00 |
| 9 | 0 | 0 | 9 | \$900.00 |
| 180 | 0 | 0 | 180 | \$18,000.00 |

| EXPENSES | Cost | |
|----------|---------------------|-------------|
| | Per Unit | Total Units |
| Mileage | \$0.59 | \$0.00 |
| Travel | \$225.00 | \$0.00 |
| Printing | \$10.00 | \$0.00 |
| | Subtotal - Expenses | \$0.00 |
| | Subtotal - Labor | \$18,000.00 |
| | Total | \$18,000.00 |

OGDEN CITY COUNCIL TRANSMITTAL

DATE: September 14, 2015

TO: Ogden City Council

THRU: Mark Johnson, CAO

THRU: Tom Christopoulos, CED Director

STAFF CONTACT: Jon Greiner, Airport Manager

REQUESTED TIMELINE: Informational only, no time requests

RECOMMENDATION: Acceptance of Report

DISCUSSION:

Ogden City approached the Utah Legislature during the 2014 Legislative session with a request for \$300,000 to do a Feasibility Study. As a part of that grant Ogden is required to put a 10% match into the process. The purpose of the request was to lay the foundation of the future of the Ogden-Hinckley Airport in a defined, but adjustable, Master Plan. The airport, as many enterprises, had suffered a decline in business as a result of the 2008 economic decline and wanted to know what might be the highest and best utilization of the 725 acres, 1/5 of the city of Ogden, land on its South Western border.

It has been the hope of the CED Department to attract jobs and use the Airport as a recruitment tool for its business recruitment efforts.

Awaiting the Feasibility Study results, the Airport and the CED Department have been able to use this preliminary direction to attract two worthy Airport related businesses and potential commercial providers.

#1 Borsight; A military specific MRO, Maintenance and Repair Operation, focused on the upgrading of software and avionics for military aircraft.

#2 AMRG: Air Medical Resource Group, a private company operating in 10 U.S. states offering air medic/ambulance services. The company has chosen

to use the airport as a MRO for the maintenance of their 80 aircraft fleet which includes small Jets, King Airs, and Helicopters.

#3 Recruitment-- met with sixteen different Commercial Air Service providers at their conventions.

Objectives of Plan:

The primary request of the state funds was to look at several different opportunities for airport economic development and city ordinance upgrade to attract these businesses;

#1 Commercial Aviation opportunities; The Salt Lake City Airport has roughly 325 outbound flights per day. More than 25% of the travelers live closer to Ogden than Salt Lake. Ogden is a full service capable airport with existing assets.

#2 Military overflow opportunities: With the closeness to Hill Air Force Base, and shared Class "D" airspace, the Ogden Airport could be an attractive alternative to military contractors for MRO work.

#3 Air Cargo opportunities: With a UPS distribution center in West Ogden, the Ogden Airport could be an Air Cargo destination.

#4 Retail opportunities: With the close proximity to the airport and the potential Commercial Air Service, the recreational service industry could see an enhanced utilization in the greater Weber County area.

#5 Light manufacturing: The airport adjacency for these type of businesses could be an opportunity for CED recruitment.

Naturally these areas are also opportunities for RDA discussions in the form of;

- a. #1 Zoning and Zoning Actions
- b. #2 Bonding
- c. #3 Loan Guarantees
- d. #4 Budget Amendments/Transfers

- e. #5 CIP Projects
- f. #6 Grant Applications
- g. #7 Unused Revenue Sources

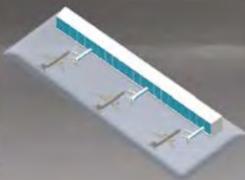
Specific Area Contract work as assigned after a RFP for services from the Ogden Comptroller's office;

- a. #1 Overall coordination of the project was assigned to Airport Development Group, ADG, of Denver, Colorado, who also happens to be the Ogden Airport Engineers for the next 5 years and who work closely with our Denver FAA personnel in acquiring FAA AIP grants.
- b. #2 Tri Star Marketing, a premier Commercial Aviation recruitment company who has done work for the Ogden Airport in the past.
- c. #3 Thomas Consulting, an economic development advisor who has worked for the City of Ogden previously.
- d. #4 Strategic Consulting, a local military consulting company with particular experience with the HAFB systems.
- e. #5 Airport Business Solutions, a national company based in Florida with experience in a number of airport Minimum Standards, Rules and Regulations, and Airport Development ideas. Currently also providing similar services to the Salt Lake City airport.



OGD Development-Feasibility Study

Draft Presentation
for Ogden Council
September 22, 2015



Airline
Terminal



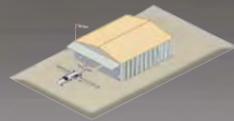
Cargo



MRO



Mixed-Use
Aviation



General
Aviation



Non-Aviation
Commercial
Development



1. STUDY OBJECTIVES AND OVERVIEW

- The Ogden-Hinckley Airport is 40 miles north of Salt Lake City International Airport. It has a primary catchment area of **750,777** residents and a total catchment area of over 1 million residents. The six counties in the primary market area account for 28.2% of the Salt Lake metro area population.

- The Ogden-Hinckley Airport is currently served by Allegiant Airlines. Passenger load factors have been very high at 90% for 2013 and 89%

1.1. OBJECTIVES

- **COMMERCIAL PASSENGER** - Increase Allegiant Airlines flights and add new service; Add new air service to key hub airports in the region; Add new air service to international markets; Have facilities available to accommodate more flights and increased passengers.
- **AIR CARGO** - Attract new air cargo service by FedEx and UPS; Attract new air cargo service by other contract air cargo carriers; Support belly cargo on scheduled flights.
- **GENERAL AVIATION** - Identify requirements to facilitate growth in corporate and general aviation; Provide airport improvements to meet the needs and help existing clients expand business; **Replace aging facilities with new facilities.**

- **NEW BUSINESS AVIATION AND NON-AVIATION** - Identify target aviation related companies that could locate at the Airport; Determine improvements required to meet needs of target companies; Recruit new aviation related business.

1.2. NEXT STEPS, SHORT AND LONG-TERM

In the near-term (2016-2020) - Work with **Allegiant Airlines** to further develop more passengers and **more flights** to **Phoenix-Mesa Airport.**

Discuss new nonstop service to Las Vegas, Los Angeles, and Oakland.

- Meet with **Alaska Airlines** to discuss **new nonstop service** to Los Angeles and Seattle similar to what they provide at Sonoma County Airport.
- Meet with American Airlines to discuss new nonstop regional jet service to Dallas/Ft. Worth and Phoenix-Sky Harbor Airport.

- Meet with Hawaiian Airlines to discuss new nonstop service to Honolulu.
- Meet with United Airlines to discuss new nonstop service to Denver and San Francisco.
- Meet with the Canada and Mexico airlines to discuss new service to these countries.
- Meet with the Delta Air Lines and Southwest Airlines to discuss alternate service.
- Work with Kemp Jet Services and Mountain Valley Aviation in getting additional corporate jets to domicile in Ogden.
- Identify new business opportunities and establish a Marketing Action Plan.

In the long-term (year 2020 and beyond) Upgrade regional jet and prop service to narrow body aircraft; **Improve the facilities to meet increased number of passengers** from new and expanded air service; **Meet the needs of corporate and general aviation clients;** Have **revenue sufficient to cover the cost** of operation and expansion.

3.7 Outside the Fence (OTF) Demand

- HAFB intends to hire approximately 240 graduates for on-base positions each year going forward.
- The number of off-base workers is expected to be double that figure, with 480 new office jobs created every year in Ogden and its surrounding area.
- With 480 jobs created yearly, 805,000 SF of office space will be required in addition to base demand.
- **An estimated 4,270,000 SF of office space will be occupied by 2022.**
- Assuming that the office market achieves a healthy vacancy rate of 10%, approximately 4,745,000 SF of office inventory will be required by 2022.
- Based on projections and regression models, 59,795,000 SF of industrial space is expected to be occupied in 2022.
- Industrial operations arising out of airport/air base activity may require runway access or adjacency.
- Demand for industrial space induced by activity at Hill Air Force Base or Ogden-Hinckley Airport has been considered as 'Inside the Fence'.
- Assuming that the industrial market remains strong and maintains a vacancy rate of 5%, approximately **62,941,000 SF** of office inventory will be required in 2022 to flexibly accommodate the 59.8 Million SF of demand.

- Projected floor space requirements in 2022 exceed current inventory levels by **3,450,000 SF**, which will need to be developed over the next 7 years.
- Ogden Business Exchange (OBE), Business Depot Ogden (BDO), and Eastgate Business Park (EBP) together offer a variety of price points and types of facilities that comprehensively cover the market, but not adjacently.
- Once projections for each employment category were applied to the various regression models, and the results were weighted for accuracy and share of employment, it was estimated that 13,530,000 SF of retail floor space will be occupied in 2022 (in the 'moderate' case).
- This represents an increase of 1,125,000 SF over 2014 levels (**+ 9.1%**).
- It was concluded that a sales performance target of **\$200 per square foot** would be appropriate for new retail, based on industry benchmarks and regional sales.
- In total, the Moderate case would warrant 15,087,000 SF of retail floor space in 2022, assuming a 10% vacancy rate.
- This floor space requirement exceeds current demand by **866,000 SF**.
- At present, up to 397,000 SF of retail space is planned and ready for development, leaving at least 469,000 SF of floor space demand unmet and requiring new development.
- Development opportunity exists in all cases (low, moderate, and

high), and in both the moderate and high cases, further development in addition to what is currently planned will be required.

- Several retail options were considered: Outlet or Regional Mall, Community Center or Strip Mall. **A locally-serving, convenience oriented neighborhood retail center in the magnitude of 50,000 SF is supportable along 4400 South Street or 1900 West Street.**
- Between 20,315 and 133,000 new visitors are projected annually, each of whom are expected to spend an average of 2.5 days (two nights) in the area.
- When combined with current demand in the base case, 2,397 hotel rooms are required, which surpasses the existing supply of 2,282 rooms and creates the opportunity to develop 115 additional rooms.

3.8 Inside the Fence (ITF) Demand

- Due to a number of new contracts at Hill Air Force Base, there is expected to be **sustained growth in demand for mixed office/industrial, some of which could be accommodated at OGD.**
- Hill AFB estimates that they will require approximately 240 new on-base workers each year going forward.
- 637,000 SF of new ITF or runway-accessible floor space will be required by 2022.
- **Defense, aerospace, and advanced composites (DAAC) firms** that require runway access and work on Air Force contracts have an incentive

to locate on or adjacent to OGD.

- With civilian runway access being a potential requirement of these operations, OGD Airport may capture some floor space demand created.
- 851,000 SF of light industrial space is supportable at the OGD Airport site.
- There is an overall demand for 10,300 SF of terminal retail space.

3.9 Economic Impact Analysis

- Hill AFB projections indicate that 480 off-base office jobs will be created annually to support its operations, for a total of 3,840 new full-time jobs through 2022.
- Assuming an economic multiplier of 1.66, as suggested by the Hill AFB Economic Impact Statement 2014, this translates to 6,374 new long-term, full-time jobs over the next eight years.
- Growing employment will stimulate 305,000 SF of office development and generate 96 full-time jobs lasting from 2015 through 2022 (the equivalent of 770 person-years of employment).
- **Active business development efforts could potentially secure tenants with unique needs on a case-by-case basis, which would create varying and unpredictable benefits for the Ogden employment market.**
- Based on US Green Building Council benchmarks, a full-time worker is required for every 463 SF of light industrial (TLOG) space; This equates to approximately 1,840 full-time jobs created at OGD Airport.

- Employees working in transportation and logistics generally present an economic multiplier of 1.70, implying that TLOG operations at OGD Airport would generate an estimated 3,128 long-term, full time jobs in the Ogden area.
- Assuming that a 50,000 SF neighborhood retail center and 10,300 SF of terminal retail is built, with a benchmark economic multiplier of 1.60 for retail employees, approximately 121 long-term, full-time equivalent jobs will be created.
- According to the State of Utah's Tourism, Travel, and Recreation Industry report, every \$58,000 of tourist spending (across all categories) generates one full-time job in the tourism and recreation industry.
- Tri-Star projections estimate that additional tourist traffic resulting from the expansion of OGD Airport will generate \$35,000,000 in additional revenue for the region annually (in the moderate case).
- These figures suggest that employment in the tourism and recreation industries will gain approximately 600 long-term, full-time jobs in response to increasing tourism.
- In summary, if **OGD Airport is fully developed, it could potentially create up to 4,172** long-term full-time jobs and an additional 2,425 person-years worth of full-time employment that otherwise would not be created.

4. SCHEDULED PASSENGER ACTIVITY

This chapter presents the passenger and flight forecast for the Ogden-Hinckley Airport. The objective of the forecast is to identify the long-term trends for the types and levels of aviation activity that could trigger the need for Airport facility expansion or improvement.

This chapter presents a long-term projection of Airport activity through the year 2035. Since Ogden-Hinckley

Airport has had commercial passenger air service for a relatively short period of time, alternate forecast scenarios will be developed to give us a range of forecast for the airport.

The primary passenger market includes **six counties** in the **northern part of Utah** and accounts for over **757,000 people**. The secondary passenger market includes eight counties in the southern part of Idaho and accounts for over 274,000 people.

The **population growth for the 2000 to 2014 time period showed an increase of 31.0% for the primary market** and 14.0% for the secondary market. The total catchment area had an overall increase of 26.6%.

In **September of 2012, Allegiant Airlines started service between Ogden and Mesa Arizona with two flights per week**. Passenger demand at Ogden and Provo has provided Allegiant with good passenger demand and high load factors.

In 2014, Allegiant Airlines had 24,767 origin and destination passengers at Ogden. Ogden experienced a 68.5% increase in passengers from

2013 to 2014.

Experience in other metro markets has shown that passengers located in suburban areas will use their local airport if it is **more convenient and if the flights and fares are comparable**.

The Ogden-Hinckley Airport conducted a Market Assessment Analysis and Leakage Study in early 2015. Based on this analysis, the Ogden catchment area is generating 25% of the passenger bookings for Salt Lake City International Airport.

The best opportunity for new air service will be on Allegiant Airlines. Later, air service to special markets might be considered.

In 2014, there were 125 flights (2.4 flights per week) with an outbound load factor of 89.1%. For the twelve months ending December 31, 2014 the enplaned and deplaned passengers in the Ogden-Phoenix/Mesa market is reported by the Ogden-Hinckley Airport to be 36,035.

A review of the scheduling practices of Allegiant Airlines and the major airlines was undertaken in order to develop a sample flight schedule for

flights at Ogden-Hinckley Airport.

Ogden-Hinckley Airport is estimated to have **five aircraft** remaining overnight (**RON**) and a need for **three gates in the morning**. The **midday turns will also require 3 gates**.

4.1 ESTIMATED LEVELS OF SERVICE; MINIMUM, MID-LEVEL OR MAXIMUM

The following analysis will include estimated expenditures by new visitors using the new passenger air service, new revenue to the Airport, and expenditures for the new air service.

Levels of Passenger Service

- **Minimum Service** – Air service by **Allegiant Airlines** from **Ogden to Phoenix/Mesa Airport, Las Vegas International Airport, Los Angeles International Airport, and Oakland International Airport.**
- **Mid Level Service** – The air service listed above for **Allegiant** and new air service by **Alaska Airlines** to **Los Angeles International Airport** and **Seattle/Tacoma International Airport.** New air service to **Phoenix/Sky Harbor International Airport** by **American Airlines.**
- **Maximum Service** – The air service listed as **mid level service and** new service by **United Airlines to Denver International Airport** and

San Francisco International Airport. New nonstop service to **Honolulu by Hawaiian Airlines.** Additional service by **American Airlines** with flights to **Dallas/Ft. Worth Airport.**

MINIMUM SERVICE

| AIRLINE | MARKET | AIRCRAFT | ANNUAL FLIGHTS | ANNUAL SEATS | ENPLANED PASSENGERS |
|--------------|--------|----------|----------------|----------------|---------------------|
| Allegiant | AZA | A-319 | 260 | 40,560 | 18,250 |
| | LAS | A-319 | 312 | 48,672 | 21,900 |
| | LAX | A-319 | 208 | 32,448 | 13,790 |
| | OAK | A-319 | 208 | 32,448 | 13,790 |
| Total | | | 988 | 154,128 | 67,730 |

| AIRLINE | MARKET | DEPLANED PASSENGERS | PERCENT VISITORS | ESTIMATED VISITORS |
|--------------|--------|---------------------|------------------|--------------------|
| Allegiant | LAS | 21,900 | 32.7% | 7,160 |
| | LAX | 13,790 | 46.6% | 6,425 |
| | OAK | 13,790 | 48.6% | 6,730 |
| Total | | 49,480 | | 20,315 |

| Airport Related Revenue | | | |
|-------------------------|-------------------------------|-----------|---|
| Airline Payroll | Number of Airlines Passengers | 1 | Estimated Jobs in the Travel/Hospitality Industry Created by new Air Service at OGD |
| | Number of Employees | 8 | |
| | Annual Payroll | \$240,000 | |
| Fuel Purchases | Annual New Flights | 365 | Daily Flight Arrivals |
| | Gallons of Fuel | 284,700 | Estimated Jobs Required |
| | New Fuel Expenditure | \$711,750 | Airline |
| Airport Revenue | Landing Fees | \$82,125 | Rental Car |
| | Into Plane Fuel Fee | \$19,929 | Hotel/Motel |
| | Passenger Facility Charge | \$222,660 | Restaurant/Entertainment |
| | Terminal Rent and Charges | \$13,800 | Other |
| | Total Airport Revenue | \$338,514 | Total |

| Visitor Expenditures Generated by New Air Service | | Total Revenue Impact of New Air Service | |
|---|-------------|---|--------------|
| Daily Flight Arrivals | 1.00 | Visitor Expenditures | \$9,080,885 |
| Estimated Visitors | 20,135 | Airline Payroll | 240,000 |
| Average Visit | 2.2 days | Fuel Expenditures | 711,750 |
| Estimated Visitor Days | 44,297 | Airport Revenue | 338,574 |
| Avg. Daily Expenditures | \$205 | Total Revenue | \$10,371,149 |
| Total Visitor Expenditures | \$9,080,885 | Output Multiplier | 2.5 |
| | | Total Revenue Impact | \$25,927,872 |

MID LEVEL SERVICE

| AIRLINE | MARKET | AIRCRAFT | ANNUAL FLIGHTS | ANNUAL SEATS | ENPLANED PASSENGERS |
|--------------|--------|----------|----------------|----------------|---------------------|
| Allegiant | AZA | A-319 | 260 | 40,560 | 18,250 |
| | LAS | A-319 | 312 | 48,672 | 21,900 |
| | LAX | A-319 | 208 | 32,448 | 13,790 |
| | OAK | A-319 | 208 | 32,448 | 13,790 |
| Alaska | LAX | Q-400 | 1,352 | 102,752 | 38,500 |
| | SEA | Q-400 | 730 | 55,328 | 20,750 |
| American | PHX | CRJ-700 | 1,352 | 86,528 | 32,450 |
| Total | | | 4,422 | 398,736 | 159,430 |

| AIRLINE | MARKET | DEPLANED PASSENGERS | PERCENT VISITORS | ESTIMATED VISITORS |
|--------------|--------|---------------------|------------------|--------------------|
| Allegiant | LAS | 21,900 | 32.7% | 7,160 |
| | LAX | 13,790 | 46.6% | 6,425 |
| | OAK | 13,790 | 48.6% | 6,730 |
| Alaska | LAX | 38,500 | 46.6% | 17,940 |
| | SEA | 20,750 | 50.5% | 10,480 |
| American | PHX | 32,450 | 49.1% | 15,930 |
| Total | | 141,180 | | 64,665 |

| Airport Related Revenue | | | |
|-------------------------|-------------------------------|-------------|---|
| Airline Payroll | Number of Airlines Passengers | 3 | Estimated Jobs in the Travel/Hospitality Industry Created by new Air Service at OGD |
| | Number of Employees | 24 | |
| | Annual Payroll | \$720,000 | |
| Fuel Purchases | Annual New Flights | 2,082 | Daily Flight Arrivals |
| | Gallons of Fuel | 1,734,114 | Estimated Jobs Required |
| | New Fuel Expenditure | \$4,335,285 | Airline |
| Airport Revenue | Landing Fees | \$275,287 | Rental Car |
| | Into Plane Fuel Fee | \$121,388 | Hotel/Motel |
| | Passenger Facility Charge | \$635,310 | Restaurant/Entertainment |
| | Terminal Rent and Charges | \$52,500 | Other |
| | Total Airport Revenue | \$1,031,985 | Total |

| Visitor Expenditures Generated by New Air Service | | Total Revenue Impact of New Air Service | |
|---|--------------|---|--------------|
| Daily Flight Arrivals | 6.00 | Visitor Expenditures | \$29,163,915 |
| Estimated Visitors | 64,665 | Airline Payroll | 720,000 |
| Average Visit | 2.2 days | Fuel Expenditures | 4,335,285 |
| Estimated Visitor Days | 142,263 | Airport Revenue | 1,031,985 |
| Avg. Daily Expenditures | \$205 | Total Revenue | \$35,251,185 |
| Total Visitor Expenditures | \$29,163,915 | Output Multiplier | 2.5 |
| | | Total Revenue Impact | \$88,127,962 |

MAXIMUM SERVICE

| AIRLINE | MARKET | AIRCRAFT | ANNUAL FLIGHTS | ANNUAL SEATS | ENPLANED PASSENGERS |
|--------------|--------|----------|----------------|----------------|---------------------|
| Allegiant | AZA | A-319 | 260 | 40,560 | 18,250 |
| | LAS | A-319 | 312 | 48,672 | 21,900 |
| | LAX | A-319 | 208 | 32,448 | 13,790 |
| | OAK | A-319 | 208 | 32,448 | 13,790 |
| Alaska | LAX | Q-400 | 1,352 | 102,752 | 38,500 |
| | SEA | Q-400 | 730 | 55,328 | 20,750 |
| American | PHX | CRJ-700 | 1,352 | 86,528 | 32,450 |
| | DFW | CRJ-700 | 1,352 | 86,528 | 32,450 |
| Hawaiian | HNL | A-321 | 730 | 138,700 | 59,000 |
| United | DEN | CRJ-700 | 1,460 | 93,184 | 34,950 |
| | SFO | CRJ-700 | 1,248 | 79,872 | 29,950 |
| Total | | | 9,212 | 797,020 | 315,780 |

| AIRLINE | MARKET | DEPLANED PASSENGERS | PERCENT VISITORS | ESTIMATED VISITORS | Estimated Jobs in the Travel/Hospitality Industry Created by new Air Service at OGD | |
|--------------|--------|---------------------|------------------|--------------------|---|--------------|
| Allegiant | LAS | 21,900 | 32.7% | 7,160 | Daily Flight Arrivals | 12.7 |
| | LAX | 13,790 | 46.6% | 6,425 | Estimated Jobs Required | |
| | OAK | 13,790 | 48.8% | 6,730 | Airline | 40 |
| Alaska | LAX | 38,500 | 46.6% | 17,940 | Rental Car | 42 |
| | SEA | 20,750 | 50.5% | 10,480 | Hotel/Motel | 170 |
| American | PHX | 32,450 | 49.1% | 15,930 | Restaurant/Entertainment | 102 |
| | DFW | 32,450 | 55.5% | 18,010 | Other | 33 |
| Hawaiian | HNL | 59,000 | 28.2% | 16,640 | Total | 387 |
| United | DEN | 34,950 | 53.1% | 18,560 | Total Revenue Impact of New Air Service | |
| | SFO | 29,950 | 50.5% | 15,125 | Visitor Expenditures | \$59,983,000 |
| Total | | 297,530 | | 133,000 | Airline Payroll | 1,200,000 |

| Airport Related Revenue | | | |
|-------------------------|-------------------------------|--------------|---|
| Airline Payroll | Number of Airlines Passengers | 5 | Estimated Jobs in the Travel/Hospitality Industry Created by new Air Service at OGD |
| | Number of Employees | 40 | |
| | Annual Payroll | \$1,200,000 | |
| Fuel Purchases | Annual New Flights | 4,477 | Daily Flight Arrivals |
| | Gallons of Fuel | 4,594,814 | Estimated Visitors |
| | New Fuel Expenditure | \$11,487,835 | Average Visit |
| Airport Revenue | Landing Fees | \$613,162 | Estimated Visitor Days |
| | Into Plane Fuel Fee | \$321,636 | Avg. Daily Expenditures |
| | Passenger Facility Charge | \$1,338,885 | Total Visitor Expenditures |
| | Terminal Rent and Charges | \$87,000 | |
| | Total Airport Revenue | \$2,360,683 | |

6. MILITARY

Several opportunities were explored in the context of business development for the Ogden Airport. A series of consultations with current and former leadership at Hill Air Force Base (HAFB) along with continuing work by *Strategic Outcomes* revealed some potential synergies with Hill for several platforms.

6.1 HAFB-N

1. The Hill Air Force Base (HAFB) North concept would relocate specific Maintenance, Repair, Overhaul (MRO) activities from HAFB to the Ogden Municipal Airport. It is driven by an Air Force need for additional MRO capacity to provide corrosion control for 3rd, 4th, and 5th Generation Fighters and to also maintain a capability to repaint C-130 aircraft. It is based on direct discussions with Air Force representatives from the Hill AFB North team
 2. The relocation of the 151st Utah Air National Guard Refueling Wing to HAFB. Information on this concept is from news sources and a brief discussion with the 151st Air National Guard Public Affairs Officer.
- The 309th Maintenance Squadron at Hill AFB is presently in a position of declining workload for C-130 aircraft due to a lack of paint facility hangar space for this size of aircraft.
 - There are **viable options** for expanding HAFB capacity through an **off-base** maintenance facility located at the Ogden Municipal Airport.

- A feasibility study was funded in support of a possible future move to Hill AFB by the 151st Air National Guard Air Refueling Wing from Salt Lake City Air National Guard Base, Salt Lake City. Perhaps a **similar effort** could be accomplished supporting Hill AFB North.
- Discussions have been held within the Air Force to consider relocating some of this workload to other Air Force maintenance Complexes.
- In order to maintain current HAFB workloads and to also position to accept new workload assignments, a growth in capacity must occur with emphasis on corrosion/reversion control.
- Given existing constraints on military construction money (there is no money), **leasing facilities at OGD offers an attractive option** for needed facilities expansion by the Air Force. The reasons are: 1- The needs of the Air Force have been validated for the type of facilities required; 2- The military can be provided with a cost effective alternative to MILCON funding which is now non-existent; 3- Both efforts could realize a significant

improvement in their operational efficiencies; 4- The economy of the state will be enhanced by increased stability in the workforce; 5- The facilities and their associated operations fit all of the requirements of the model for Ogden Municipal Airport expansion.

- An ideal situation would be to position for future growth in both the commercial and defense industry sectors. Innovation will drive business model adjustments to accommodate industry trends to survive and thrive in a business environment with ever changing economic trends.
- Potential economic impacts are summarized at the conclusion of this section (section six).

6.2 SCORPION

- A unique situation is unfolding within the Air Force that addresses aircraft selection for conducting the Close Air Support (**CAS**) mission. Current developments in this process could lead to a opportunity for CAS aircraft manufacturing at the Ogden Municipal Airport.

- To save overall costs, efforts are being made to shift the CAS mission of the A-10 Fighter to other aircraft and then retire the A-10 Fighter fleet.
- A new commercially developed Fighter aircraft, the **Scorpion**, has gained the attention of Gen. Hawk Carlisle, the commander of Air Combat Command, and Gen Mark A. Welch, Chief of Staff of the Air Force.
- The resultant need to manufacture a **U.S. Air Force variant** would create an opportunity for pursuing site development of manufacturing facilities as part of Ogden Municipal Airport expansion planning.
- Due to its proximity to Hill Air Force Base (HAFB), the home of the A-10 Fighter Program Office, and the Utah Test and Training Range (UTTR), the Ogden Municipal Airport has a solid argument for co-location of Fighter aircraft program assets.
- From 2-6 March 2015, an Air Combat Command summit was held at the Pentagon. During discussions Gen. Carlisle mentioned that procurement of a new plane is constrained as long as the Budget Control Act remains in force and we “may need more capacity at a lower cost.” The Scorpion platform may fit the bill.
- Since there is a **critical need** for the CAS role as performed by the A-10, a gap is developing for a viable, low cost (relative to other CAS capable platforms) solution. Given the comments made by Gen Carlisle at this year’s CAS summit, the Scorpion has the attention of Air Force leadership and appears to be a contender given its low acquisition and operational costs, and its capability to perform a CAS Fighter.
- **Planning should begin at the earliest convenience to prepare for the possibility of a future Air Force contract award for a new CAS aircraft, and manufacture of the aircraft at the Ogden Municipal Airport.** Preparation should include a full review for any needed updates of present State tax and bonding options that would result in an incentive package for securing Textron Airland, or other system as the case may be, as an Ogden Municipal Airport tenant.
- Taxes, Incentives and the like are summarized near the conclusion of this narrative, potential economic impacts from Scorpion manufacturing at OGD are summarized at the conclusion of this section six, and information about the aircraft follows this page.

9. FUNDING

Airport Improvement Program (AIP)

AIP is a user-based **funding mechanism** that ensures airport upgrade projects in support of the national system. Dollars are appropriated annually by from the Airport and Airway Trust Fund and are distributed by FAA, which assigns the **funds to specific airports via formulae**. In 2015, that amount totaled about \$3.35 billion, a number that has remained essentially flat for years. Funds are made available via revenues from taxes on domestic and international travel, domestic cargo transported by air, and noncommercial aviation fuel.

Passenger Facility Charges (PFC)

Since their inception in 1990 PFC have become a **foundation of airport capital investment**, funding projects that benefit their local communities and meet airline and passenger demands to accommodate future growth and improve levels of service. The charge is currently allowable up to the \$4.50 level per enplaned passenger, per flight segment.

Revenue/General Obligation Bonds (R/GO)

Since the 1960's, airport revenue bonds have been the major financing mechanism for capital improvements at large, medium, and some small hub airports. These financial instruments pledge the **airport's revenue streams to repay bond holders**.

Industrial Revenue Bonds (IRB) / Industrial Development Bonds (IDB) - Counties and municipalities issue IRB's/IDB's to **promote** industrial development and manufacturing facilities in the State of Utah. Funds must be used for manufacturing facilities.

Enterprise Zone Tax Credits

An enterprise zone comprises an area identified by local elected and economic development officials and designated by the state. Certain types of businesses locating or expanding in a designated zone **may claim state income tax credits**.

Commercialization of Public Airport Assets

Commercialization of airport assets is a potential revenues source. For example, at Pittsburgh International Airport, a private terminal operator

has **increased** non-aeronautical **revenues** (food/beverage, retail and duty-free) at the airport from \$23 million in 1991 to \$66 million a number of years ago, while simultaneously receiving praise for customer service.

Tax Increment Financing (TIF)

Cities and counties may award incentives to companies locating in Economic Development Areas (EDA), Urban Renewal Areas (URA) or Community Development Areas (CDA). The city or county determines EDA/URA/CDA areas on a local level. Incentive dollars are generated through the creation of new **"property tax increment" that a development will generate**.

Revolving Loan Funds (RLF)

Numerous RLF programs have been established in the state to promote economic development within Utah. RLF's are a **gap financing measure** used primarily for development and expansion of small businesses. Communities in Utah offer RLF's to provide access to a flexible source of capital to be used in combination with more conventional sources. Often RLF's act as a bridge between the amount a borrower can obtain

through private market funding and the amount needed.

State Infrastructure Bank (SIB)

The purpose of the State Infrastructure Bank (SIB) Loan Fund is to provide loans and assistance to improve transportation infrastructure in the State of Utah. The program is intended to be an **innovative financing tool** that will offer financing options not previously available in meeting infrastructure needs.

Transient Room Tax (TRT)

Utah counties may impose a 4.25% TRT tax on the rental of rooms in hotels, motels, inns, etc. The maximum rate of TRT increased to 4.25% as of October 1, 2006. The county legislative body controls utilization of the TRT, with advice provided by the county Tourism Tax Advisory Board (TAB). Up to 100% of TRT may be used to establish and promote recreation, tourism, film production and conventions, **perhaps on- or adjacent to airport property**. There are other taxes similar to the TRT imposed on tourists to include: Municipality Transient Room Taxes and Tourism Transient Room Tax.

Ogden City (OC)

Traditional revenues from City coffers may be used for/at OGD as directed by the Mayor and Council.

Airport Revenues (AP)

OGD has relatively substantial property holdings, some of which are being leased. These lease leases include aeronautical, non-aeronautical, agricultural and concession. Various fees and charges are levied depending upon the activity and use.

10. PRELIMINARY CONFIGURATION

The **Exhibit** following this page and concluding this narrative depicts the preliminary configuration and **planning-levels** costs by phases:

- Short-Term Future; 0-7 years,
- Long-Term Future; 8-15 years, and
- Ultimate; 16-30 years **and beyond**.

It is important to note that these costs **do not include any tenant or lessee improvements costs**.

The preliminary configuration is intended to be flexible enough to accommodate demand **as, or if**, it may materialize.

Airline Terminal (AT)

Airlines are expected to be accommodated at the current terminal location while the market matures, demand is realized and planning and financing for long-term locations is finalized. The long-term future location then moves across the airfield to a traditional terminal/concourse, while the ultimate configuration shows a relatively new **off-airport terminal concept** allowing easy and convenient **intermodal** access.

The terminal building and function is found on the other side of Highway 79 adjacent to Wasatch Front rail access. Screened passengers would leave the terminal building, travel to dedicated concourse building for boarding. A tunnel under Highway 79 provides access.

MRO

Extensive MRO use is found across the field. In the context of this planning MRO could very well be the traditional function or aircraft manufacturing or cargo and/or a host of other **mostly large-aircraft** aviation-only uses.

GA Redevelopment

Select "older" areas within the current hangar area are identified for reinvigoration. The condition of hangars in these areas is not an appropriate "front door" for Ogden citizens. Replacement hangars, perhaps some with related mixed-use office space is depicted.

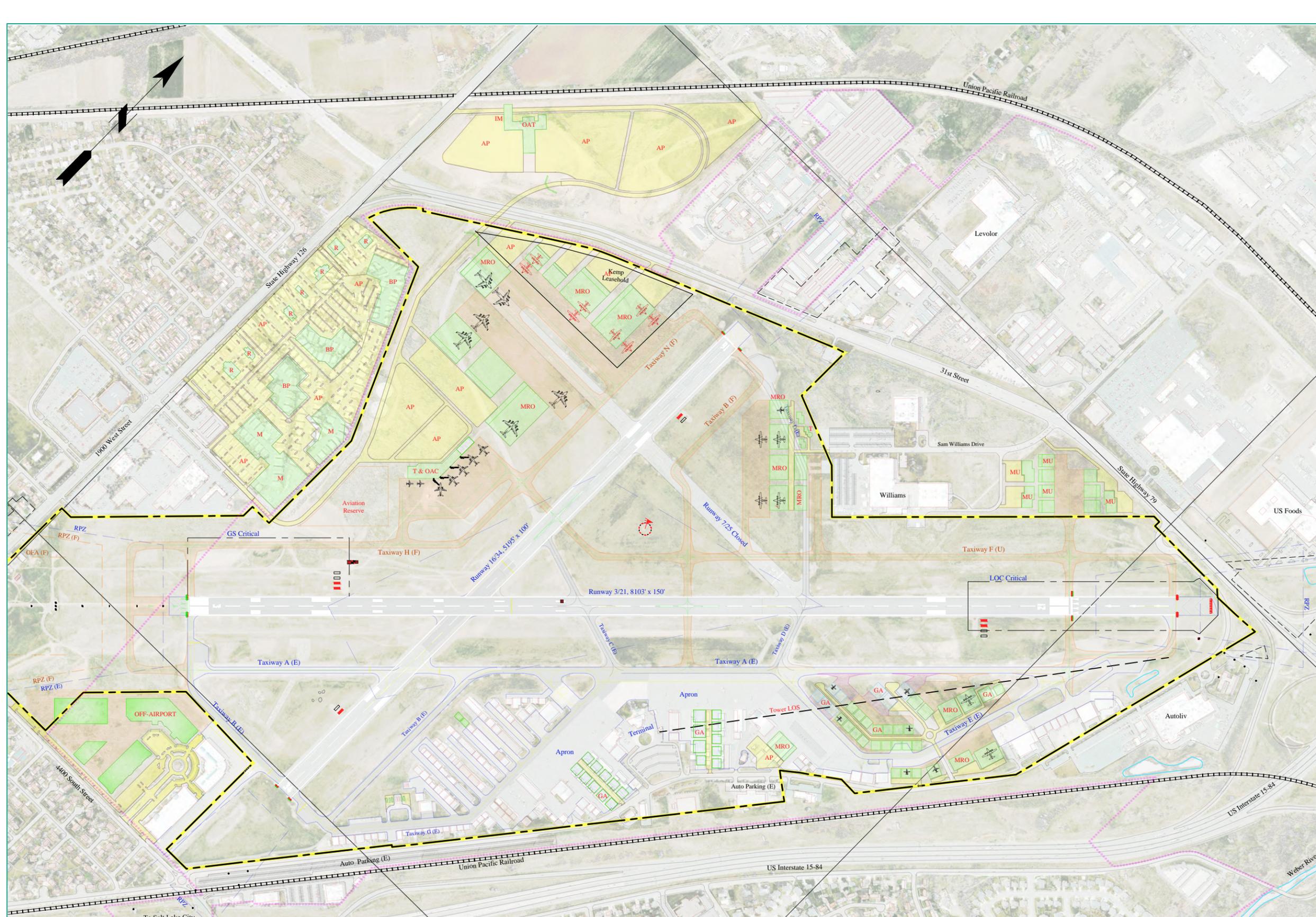
Mixed-Use

Future mixed uses are shown within current or potentially non-obligated property, that is, property not required to have an aviation use, per FAA grant assurances.

Non Aviation Commercial Development

Acquisition and redefinition of the Monte Vista Mobile Home Park is a defining feature of this preliminary configuration. One of the purposes of this effort is to estimate a highest and best use for select aviation and adjoining properties. This reporting **demonstrates a future need for formal retail, manufacturing, business park** uses complementary, but set apart from the Airport. This non-aviation development has the potential to **redefine the airport area** and generate substantial direct and indirect economic benefits not only for Ogden but for adjoining communities. Smaller-box retail is found along S 1900 W and retail, manufacturing, business park or other more intensive uses are found between the road and the airport.

Summarily, a **large amount of land is available** for aviation and non-aviation development. A **large amount of opportunity** is also available. **Funds are insufficient "across the board"** to make a concept a reality. Wheels are turning to try secure funding and **leadership "across the board"** is needed to make it happen.



| PLANNING LEVEL COSTS | | | | | |
|--|--------------------------|--------------------------|------------------------|----------------------|---------------------------------------|
| IMPROVEMENTS AND PHASING | Short Future (0-7 Years) | Long Future (8-15 Years) | Ultimate (16-30 Years) | TOTALS | Potential Funding Sources |
| Runways and Taxiways | \$4,500,000 | \$6,500,000 | \$0 | \$11,000,000 | AIP, AP, UDOT |
| Tower Relocation | \$0 | \$0 | \$7,100,000 | \$7,100,000 | FAA |
| Sub-Total | \$4,500,000 | \$6,500,000 | \$7,100,000 | \$18,100,000 | -- |
| AIRLINE TERMINAL (AT) | | | | | |
| Terminal Buildings | \$1,250,000 | \$15,000,000 | \$13,050,000 | \$29,300,000 | AIP, AP, UDOT, PFC, RB, SIB, TRT |
| Terminal Apron | \$1,750,000 | \$6,200,000 | \$3,600,000 | \$11,550,000 | AIP, AP, UDOT |
| Roads/Intermodal Facilities | \$0 | \$3,500,000 | \$6,900,000 | \$10,400,000 | OC, AP, SIB, GO, TIF, TRT |
| Utilities/Infrastructure | \$1,200,000 | \$1,100,000 | \$1,060,000 | \$3,360,000 | OC, AP, UDOT, PFC, RB, SIB, GO |
| Sub-Total | \$4,200,000 | \$25,800,000 | \$23,510,000 | \$53,510,000 | -- |
| MAINTENANCE, REPAIR, OVERHAUL (MRO) | | | | | |
| Taxilanes | \$850,000 | \$1,300,000 | \$2,300,000 | \$4,450,000 | AIP, AP, UDOT, OC |
| Roads/Access | \$1,050,000 | \$900,000 | \$500,000 | \$2,450,000 | OC, AP, SIB |
| Utilities/Infrastructure | \$540,000 | \$1,210,000 | \$800,000 | \$2,550,000 | OC, AP, SIB |
| Sub-Total | \$2,440,000 | \$3,410,000 | \$3,600,000 | \$9,450,000 | -- |
| REVITALIZE GA | | | | | |
| Acquisitions | \$780,000 | \$1,850,000 | \$0 | \$2,630,000 | OC, AP, SIB |
| Roads/Landside Access | \$1,100,000 | \$500,000 | \$600,000 | \$2,200,000 | OC, AP, SIB |
| Taxilanes | \$1,200,000 | \$1,600,000 | \$900,000 | \$3,700,000 | AIP, AP, UDOT, PFC, RB |
| Utilities | \$0 | \$800,000 | \$0 | \$800,000 | OC, AP, SIB |
| Sub-Total | \$3,080,000 | \$4,750,000 | \$2,850,000 | \$10,680,000 | -- |
| NON AVIATION COMMERCIAL (NACD) | | | | | |
| Acquisitions | \$3,800,000 | \$0 | \$0 | \$3,800,000 | OC, SIB, GO, ID, TIF, TRT, ID, OC, AP |
| Utilities/Infrastructure | \$1,200,000 | \$1,460,000 | \$1,200,000 | \$3,860,000 | AIP, AP, UDOT |
| Roads/Landside Access | \$0 | \$1,650,000 | \$3,900,000 | \$5,550,000 | OC, SIB, GO, ID, TIF, TRT, ID, OC, AP |
| Sub-Total | \$5,000,000 | \$3,110,000 | \$5,100,000 | \$13,210,000 | -- |
| MIXED USE AVIATION (MU) | | | | | |
| Acquisitions | \$550,000 | \$0 | \$0 | \$550,000 | OC, AP, SIB |
| Roads/Landside Access | \$800,000 | \$0 | \$590,000 | \$1,390,000 | OC, AP, SIB |
| Taxilanes | \$0 | \$550,000 | \$990,000 | \$1,540,000 | AIP, AP, UDOT |
| Utilities/Infrastructure | \$0 | \$600,000 | \$0 | \$600,000 | OC, AP, SIB |
| Sub-Total | \$1,350,000 | \$1,150,000 | \$1,580,000 | \$4,080,000 | -- |
| Total | \$20,570,000 | \$44,720,000 | \$43,740,000 | \$109,030,000 | -- |

| Use Abbreviations | |
|-------------------------------|-----|
| Maintenance, Repair, Overhaul | MRO |
| Intermodal Facilities | IM |
| Terminal Building | T |
| Off-Airport Terminal | OAT |
| On-Airport Concourse | OAC |
| Mixed-Use Aviation | MU |
| General Aviation | GA |
| Non-Aviation Business Park | BP |
| Non-Aviation Retail | R |
| Non-Aviation Manufacturing | M |
| Auto Parking | AP |

| Funding Abbreviations | |
|--------------------------------|------|
| Airport Improvement Program | AIP |
| Utah State Aeronautics | UDOT |
| Passenger Facility Charges | PFC |
| Revenue Bonding | RB |
| General Obligation Bonding | GO |
| Industrial Development Bonding | ID |
| Tax Increment Financing | TIF |
| Revolving Loan Funds | RLF |
| State Infrastructure Bank | SIB |
| Transient Room Tax | TRT |
| Ogden City Revenues | OC |
| Ogden Airport Revenues | AP |

| Legend | |
|---------------|----------------------------------|
| (E), (F), (U) | Existing, Future, Ultimate |
| | Runway Protection Zone (RPZ) |
| | Object Free Area (OFA) |
| | Dirt Road |
| | Existing Paved Roads |
| | Future Paved Roads |
| | Existing Pavement |
| | Future Pavement |
| | Ultimate Pavement |
| | Existing Pavement To Be Removed |
| | Existing Buildings |
| | Future Buildings |
| | Ultimate Buildings |
| | Existing Buildings To Be Removed |

Preliminary Concept, August 2015

OGD Development Feasibility Study

AN OPPORTUNITY FOR NEW AIR SERVICE AT OGDEN, UTAH



**ACI – JUMP START - 2015
PRESENTED BY OGDEN-HINCKLEY AIRPORT**

EXECUTIVE SUMMARY

- Ogden, Utah is the gateway for over 1 million residents in 15 counties in Utah, Idaho and Wyoming and provides a fantastic opportunity for new air service.
- The Ogden-Hinckley Airport has an 8,103 foot runway with a Category I Instrument Landing System to Runway 3, an active control tower, no curfew, new gate, TSA checkpoint and a renovated terminal for passenger service (2012).
- Ogden City and its adjacent municipalities have a strong business and recreational traffic demand. The area is home to Hill Air Force Base, the western regional office of the Internal Revenue Service, Weber State University, major Ski Areas, and 38 percent of the manufacturing within the Salt Lake metro region.



EXECUTIVE SUMMARY

- Ogden Airport can be an effective “satellite airport” for passengers similar to Burbank, Long Beach, Ontario, Orange County, San Jose, Sonoma County, and Oakland.
- Almost all of the air passengers in the Ogden market area are traveling via Salt Lake City International Airport. Based on the Market Assessment Study developed from passenger booking data in March of 2015, the Ogden market area generates 25.3% of the passenger bookings for the Wasatch Front.
- Markets that showed the largest passenger demand from Ogden are Denver, Las Vegas, Los Angeles Area, Phoenix, San Francisco Bay Area, and Seattle.



OGDEN CATCHMENT AREA DATA



OGDEN CATCHMENT AREA ECONOMICS

| County | Population | Households | Retail Sales | Buying Income |
|-------------------------|------------------|----------------|------------------------|------------------------|
| Primary Market | | | | |
| Davis, UT | 332,986 | 98,704 | \$3,803,453,059 | \$5,865,600,000 |
| Morgan, UT | 9,999 | 2,893 | \$91,041,991 | \$167,280,000 |
| Weber, UT | 239,896 | 81,357 | \$3,226,560,974 | \$3,931,980,000 |
| Box Elder, UT | 53,181 | 16,990 | \$632,856,985 | \$733,920,000 |
| Cache, UT | 119,276 | 36,959 | \$1,339,522,952 | \$1,584,752,500 |
| Rich, UT | <u>2,643</u> | <u>927</u> | <u>\$13,577,999</u> | <u>\$38,605,000</u> |
| <i>Sub-Total</i> | <i>757,981</i> | <i>237,830</i> | <i>9,107,013,960</i> | <i>12,322,137,500</i> |
| Secondary Market | | | | |
| Bannock, ID | 83,347 | 30,271 | \$1,159,385,963 | \$1,359,825,000 |
| Bear Lake, ID | 5,957 | 2,442 | \$66,140,987 | \$86,420,000 |
| Bingham, ID | 45,269 | 14,650 | \$455,286,994 | \$636,195,000 |
| Bonneville, ID | 108,623 | 36,066 | \$2,367,271,028 | \$1,860,732,500 |
| Caribou, ID | 6,837 | 2,644 | \$81,927,987 | \$113,207,500 |
| Franklin, ID | 13,021 | 4,150 | \$129,216,014 | \$175,642,500 |
| Oneida, ID | 4,184 | 1,579 | \$25,079,994 | \$59,497,500 |
| Power, ID | 7,617 | 2,568 | \$44,037,968 | \$111,437,500 |
| Uinta, WY | <u>20,904</u> | <u>7,290</u> | <u>\$350,692,992</u> | <u>\$443,247,500</u> |
| <i>Sub-Total</i> | <i>295,759</i> | <i>101,660</i> | <i>\$4,679,039,927</i> | <i>\$4,846,205,000</i> |
| Grand Total | 1,053,740 | 339,490 | 13,786,053,887 | 17,168,342,500 |

Source: Source: Utah Economic Development Corporation 2014 and Survey of Buying Power, 2009



THE OGDEN MARKET HAS EXPERIENCED A STRONG POPULATION GROWTH

| | 2000 | 2014 | Growth |
|-------------------------|----------------|------------------|--------------|
| Primary Market | | | |
| Box Elder, UT | 42,751 | 53,181 | 24.4% |
| Cache, UT | 91,391 | 119,276 | 30.5% |
| Davis, UT | 238,994 | 332,986 | 39.3% |
| Morgan, UT | 7,129 | 9,999 | 40.2% |
| Rich, UT | 1,961 | 2,643 | 34.8% |
| Weber, UT | <u>196,533</u> | <u>239,896</u> | 22.1% |
| Sub Total | 578,759 | 757,981 | 31.0% |
| Secondary Market | | | |
| Bannock, ID | 75,565 | 83,347 | 10.2% |
| Bear Lake, ID | 6,411 | 5,957 | (7.1%) |
| Bingham, ID | 42,735 | 45,269 | 5.8% |
| Bonneville, ID | 82,522 | 108,623 | 31.6% |
| Caribou, ID | 7,304 | 6,837 | (6.4%) |
| Franklin, ID | 11,329 | 13,021 | 14.9% |
| Oneida, ID | 4,125 | 4,184 | 1.4% |
| Power, ID | 7,538 | 7,617 | 1.0% |
| Uinta, WY | <u>19,742</u> | <u>20,904</u> | 5.9% |
| Sub Total | 257,271 | 295,759 | 15.0% |
| Grand Total | 835,024 | 1,053,740 | 26.1% |



PROJECTED GROWTH IN THE OGDEN PRIMARY CATCHMENT AREA

| | 2014 | 2019 | Growth |
|------------------------------|----------------|----------------|-------------|
| <i>Primary Market</i> | | | |
| Box Elder | 53,181 | 58,626 | 9.2% |
| Cache | 119,276 | 129,135 | 9.1% |
| Davis | 332,986 | 351,100 | 10.2% |
| Morgan | 239,896 | 10,924 | 8.3% |
| Rich | 2,643 | 2,885 | 5.4% |
| Weber | 239,896 | 252,841 | 5.4% |
| Total | 757,981 | 815,511 | 7.6% |

Source: Utah Economic Development Corporation



OGDEN SHARE OF THE WASATCH FRONT POPULATION

| | Population |
|-------------------------------|------------|
| Ogden Primary Market | 757,981 |
| Salt Lake City Primary Market | 1,257,945 |
| Provo Primary Market | 604,561 |
| Wasatch Front Total | 2,620,487 |
| Ogden Share of Total | 28.9% |

Source: Utah Economic Development Corporation data, 2014



THE OGDEN MARKET HAS A DIVERSE ECONOMY

| Businesses by Industry/Sector | Total | Percent |
|---------------------------------------|----------------|----------------|
| Mining | 515 | 0.2% |
| Construction | 16,058 | 5.7% |
| Manufacturing | 39,635 | 14.2% |
| Trade, Transportation and Utilities | 48,314 | 17.2% |
| Information | 2,907 | 1.0% |
| Financial Activities | 10,502 | 3.7% |
| Professional and Business Services | 31,653 | 11.3% |
| Education, Health and Social Services | 34,872 | 12.4% |
| Leisure and Hospitality | 24,625 | 8.8% |
| Other Services | 7,252 | 2.6% |
| Government | 63,837 | 22.8% |
| Totals | 280,170 | |

Source: Economic Development Corporation of Utah for the counties of Box Elder, Cache, Davis, Morgan Rich, and Weber.



THE OGDEN MARKET HAS LARGE EMPLOYERS

Major Employers

Number of Employees

| | |
|------------------------------|---------------|
| Internal Revenue Service | 5,000 – 6,999 |
| McKay-Dee Hospital Center | 3,000 – 3,999 |
| Weber County School District | 3,000 – 3,999 |
| Autoliv | 2,000 – 2,999 |
| Weber State University | 2,000 – 2,999 |
| Convergys | 1,000 – 1,999 |
| Fresenius | 1,000 – 1,999 |
| Ogden City School District | 1,000 – 1,999 |
| State of Utah | 1,000 – 1,999 |
| Weber County | 1,000 – 1,999 |

Source: Economic Development Corporation of Utah



THE OGDEN MARKET HAS A LOW COST OF LIVING

| Market | Cost of Living Index |
|----------------|----------------------|
| Ogden | 90 |
| Boise | 97 |
| Bozeman | 102 |
| Casper | 100 |
| Denver | 103 |
| Eugene | 109 |
| Las Vegas | 101 |
| Los Angeles | 136 |
| Salt Lake City | 100 |
| Sacramento | 116 |
| San Diego | 132 |



OGDEN HAS HILL AIR FORCE BASE

- Hill Air Force Base is an Air Force Material Command base and is home to the third largest employer in Utah (excluding State and Education employment). There are more than 22,000 military and civilian employees assigned.
- The Ogden Air Logistics Center serves as the host organization; the center provides worldwide engineering and logistics management for the F-16 Fighting Falcon, A-10 Thunderbolt II, Minuteman III intercontinental ballistic missile.
- The base performs depot maintenance of the F-16, A-10 and C-130 Hercules aircraft. It has recently added the F-35 maintenance mission.



OGDEN IS A DESTINATION MARKET

- Short drive from Ogden Airport to Snowbasin, Powder Mountain, Wolf Creek ski resorts (average yearly snowfall of 450 inches), North Fork Campground, Pineview Reservoir, and Art Nord Trailhead.
- Gateway to 11 National Parks within one day drive, 210 miles of USFS maintained biking, hiking, and equestrian trails and 20 federally-maintained campgrounds within 170,000 acres of adjacent National Forest.
- Festivals and events attract thousands of people. The Ogden Marathon, Hurt in the Dirt, Xterra USA Championships, Dew Tour Winter Championships, America's Toughest Stage Race, Harvest Moon Celebration, The Ogden Friends of Acoustic Music Festival, Historic 25th Street Cart Show, represent many of the events and festivals designed to create activity and economic benefit.



OGDEN IS A JOB CREATOR AND ECONOMIC HUB

- Ogden has been consistently ranked as one of the top 10 communities in the nation when it comes to job creation.
- A study by the Brookings Institution ranked the Ogden-Clearfield metro area second among the nation's major metros for a job gain of 1.8 percent during the second quarter of 2011.
- The Bureau of Labor Statistics ranking marks the second time this month that the Ogden-Clearfield metro area has received national recognition for job creation.
- According to a U.S. News analysis of data for large U.S. metropolitan areas (pop. 500,000 or larger), Ogden has the 6th highest median income in the nation relative to the cost of living.



COMPARISON WITH OTHER MARKETS IN THE REGION

| Metro Area Market | Population | Non Stop Destinations |
|--------------------------|-------------------|----------------------------------|
| Ogden Total | 1,053,740 | 1 |
| Ogden Primary | 757,981 | 1 |
| Boise | 717,388 | 16 |
| Colorado Springs | 668,353 | 10 |
| Eugene | 354,542 | 5 |
| Grand Junction | 147,848 | 5 |
| Reno | 587,004 | 15 |
| Spokane | 674,610 | 10 |
| St. George | 144,809 | 2 |

Source: U.S. Census Bureau data 2014 and Official Airline Guide, 4th Quarter 2014.



THE OGDEN AIRPORT



OGDEN AIRPORT FACILITIES

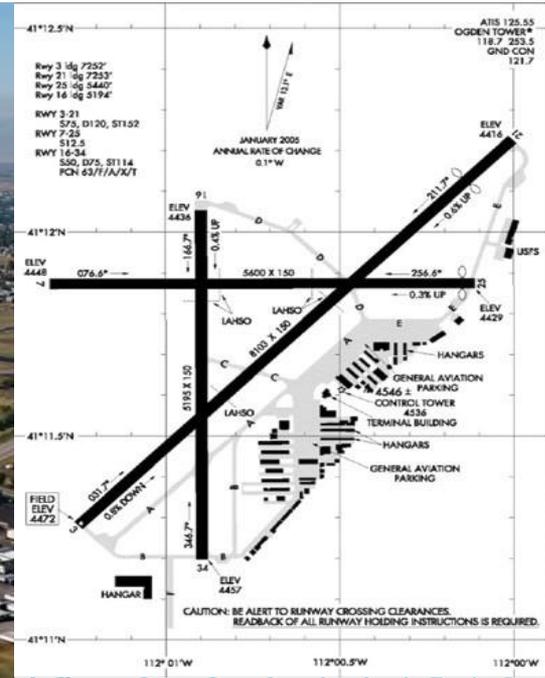
- Airport is adjacent to Interstate 15 giving it easy access to all catchment area communities.
- OGD has an 8,103' x 150' runway with high intensity lighting, 140,000 dual-tandem pound pavement rating, ILS CAT I Approach, and control tower. The Airport regularly accommodates SLC diversions is able to handle all regional and standard twin jets up to a B-757.
- The Main Terminal facilities have been upgraded (2012) for passenger handling. Check-in counter for two airlines, a departure lounge with security, and a common baggage claim area.
- Customer parking right in front of terminal and rental car service currently available in terminal.



OGDEN AIRPORT FEES AND LAYOUT

Landing Fee
Fuel Flowage Fee
Airport Handling Cost

\$0.75 per 1,000 lbs GTOW
\$0.07 per gallon
Negotiable



COMPARISON OF COST

| | Ogden – Hinckley Airport | Salt Lake City International Airport |
|---------------------------|-----------------------------|--|
| Landing Fees | \$0.75/1,000 lbs | \$2.12/1,000 lbs |
| Terminal Rents | \$30.00 sq. ft. | \$68.94 sq. ft. |
| Passenger Facility Charge | 0 | \$4.50/passenger |
| Customer Facility Charge | 0 | \$5.00/day per Rental car |



AIR SERVICE BY ALLEGIANT TO PHOENIX-MESA HAS BEEN VERY SUCCESSFUL

| Month | Enplaned Passengers | Aircraft | Flights | Seats | Load Factor |
|--------------------|---------------------|-------------|------------|---------------|--------------|
| <u>2012</u> | | | | | |
| September | 470 | MD-83 | 4 | 600 | 78.3% |
| October | 1,071 | MD-83 | 8 | 1,200 | 89.2% |
| November | 1,350 | MD-83 | 9 | 1,494 | 90.4% |
| December | <u>1,370</u> | MD-83 | <u>9</u> | <u>1,494</u> | <u>91.7%</u> |
| Total | 4,261 | | 30 | 4,788 | 89.0% |
| <u>2013</u> | | | | | |
| January | 1,036 | MD-83 | 8 | 1,328 | 78.0% |
| February | 1,235 | MD-83 | 8 | 1,328 | 93.0% |
| March | 1,407 | MD-83 | 9 | 1,494 | 94.2% |
| April | 1,340 | MD-83 | 9 | 1,494 | 89.7% |
| May | 1,287 | A-319 | 9 | 1,404 | 91.7% |
| June | 1,136 | A-319 | 8 | 1,248 | 91.0% |
| July | 1,341 | A-319 | 9 | 1,404 | 95.5% |
| August | 1,310 | MD-83/A-319 | 1/8 | 1,414 | 92.6% |
| September | 1,267 | MD-83/A-319 | 2/7 | 1,424 | 89.0% |
| October | 1,185 | A-319 | 8 | 1,248 | 94.9% |
| November | 1,265 | A-319 | 9 | 1,404 | 90.1% |
| December | <u>1,284</u> | A-319 | <u>9</u> | <u>1,404</u> | <u>91.5%</u> |
| Total | 15,093 | | 104 | 16,594 | 90.9% |



AIR SERVICE BY ALLEGIANT TO PHOENIX-MESA HAS BEEN VERY SUCCESSFUL

| Month | Enplaned Passengers | Aircraft | Flights | Seats | Load Factor |
|--------------------|---------------------|--------------|------------|---------------|--------------|
| <u>2014</u> | | | | | |
| January | 1,319 | A-319 | 9 | 1,404 | 93.9% |
| February | 1,218 | MD-83/A-319 | 5/3 | 1,298 | 93.8% |
| March | 1,427 | MD-83 | 9 | 1,494 | 95.5% |
| April | 1,212 | MD-83 | 8 | 1,328 | 91.3% |
| May | 1,318 | A-319 | 9 | 1,404 | 93.9% |
| June | 1,583 | MD-83/A-319 | 1/10 | 1,726 | 91.7% |
| July | 1,463 | MD-83/A-319 | 2/8 | 1,580 | 92.6% |
| August | 1,160 | A-319 | 8 | 1,248 | 92.9% |
| September | 1,284 | MD-83 | 9 | 1,494 | 85.9% |
| October | 2,570 | MD-83 | 18 | 2,988 | 86.0% |
| November | 1,774 | MD-83 | 14 | 2,324 | 76.3% |
| December | <u>1,741</u> | <u>MD-83</u> | <u>12</u> | <u>1,992</u> | <u>87.4%</u> |
| Total | 18,069 | | 125 | 20,280 | 89.1% |

Source: OGD airport data



OGDEN PASSENGER INFORMATION



ORIGIN AND DESTINATION PASSENGERS FOR THE WASATCH FRONT AIRPORTS

| Year | SLC | PVU | OGD | Total |
|------|------------|---------|--------|------------|
| 2011 | 9,829,003 | 28,150 | - | 9,857,153 |
| 2012 | 9,726,480 | 57,809 | 8,465 | 9,792,754 |
| 2013 | 9,764,567 | 39,280 | 30,182 | 9,834,029 |
| 2014 | 10,082,189 | 102,949 | 36,035 | 10,221,173 |

Source: U.S. Department of Transportation data and OGD airport data.



SLCIA PASSENGERS TO TOP MARKETS

| Market | Annual O&D Passengers | Average OW Net Fare |
|---------|--------------------------|------------------------|
| SLC-DEN | 549,268 | \$114.32 |
| SLC-LAX | 522,697 | 147.49 |
| SLC-PHX | 458,394 | 164.11 |
| SLC-SEA | 400,643 | 151.23 |
| SLC-LAS | 356,542 | 124.12 |
| SLC-JFK | 318,037 | 305.23 |
| SLC-LGB | 304,326 | 115.66 |
| SLC-OAK | 296,566 | 162.45 |
| SLC-PDX | 276,039 | 149.73 |
| SLC-SAN | 262,630 | 156.65 |
| SLC-DFW | 256,765 | 228.39 |
| SLC-ATL | 224,194 | 286.55 |
| SLC-MCO | 209,207 | 241.23 |
| SLC-SFO | 207,365 | 199.41 |
| SLC-ORD | 190,599 | 276.63 |
| SLC-IAH | 179,685 | 275.93 |

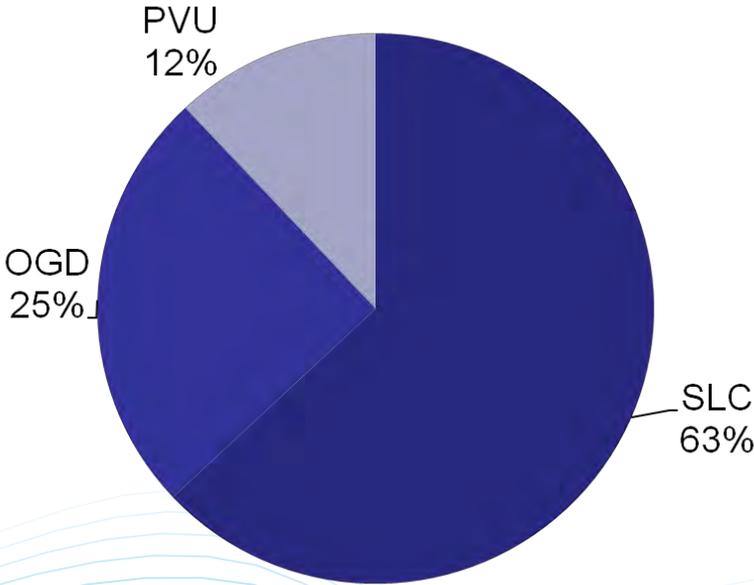


OGDEN CATCHMENT AREA LEAKAGE

- The Market Assessment and Leakage Study was updated in March 2015 using GDS Booking Data to analyze travel patterns for the Ogden catchment area. The study indicated an originating market at 25.3% for OGD of the total passenger bookings for the Wasatch Front Airports.
- Approximately 99% of the passenger bookings in the Wasatch Front were using flights at Salt Lake City International Airport. The preferred airline was Delta with 60% of the passenger bookings and Sky West ran second with 20% of the passenger booking for the Wasatch Front Airports.
- Ogden-Hinckley Airport generated 6% of the Wasatch Front area passengers to the Phoenix area. Provo Municipal Airport generated 8% and Salt Lake City International Airport generated 86%.



SALT LAKE AREA PASSENGER BOOKINGS BY AIRPORT CATCHMENT AREA



COMPARISON OF OGDEN ACTUAL AND BOOKED PASSENGERS

| | |
|--|---------|
| Ogden Booked Passengers to Phoenix | 129,750 |
| Actual OGD-AZA Passengers | 36,035 |
| Actual Passengers Share of Booked Passengers | 27.8% |
| Total SLC-PHX Passengers | 458,394 |
| Ogden Booked Passengers of Total | 28.3% |



PASSENGER FORECAST



PASSENGER FORECAST FOR OGDEN-HINCKLEY AIRPORT

- The passenger forecast presented herein is based on the Ogden-Hinckley Airport catchment area passenger bookings. The estimated passengers are derived by factoring the actual SLC origin and destination passengers for each city pair market by the OGD share of passenger bookings.
- The capture rate for the passenger forecast was derived from historical experience in the Ogden-Phoenix area market and its share of the total Wasatch Front market (SLC, PVU, OGD). This capture rate correlates with the experience in other “satellite airport” markets similar in size to the Ogden market.



PASSENGER FORECAST FOR OGDEN-HINCKLEY AIRPORT

| Market | Annual SLC Passengers | % from OGD Area | Potential OGD Passengers |
|------------------|-----------------------|-----------------|--------------------------|
| Denver | 549,268 | 22.9% | 125,780 |
| Los Angeles | 522,697 | 21.3% | 111,330 |
| Phoenix | 458,394 | 28.3% | 129,750 |
| Seattle/Tacoma | 400,643 | 22.0% | 88,140 |
| Las Vegas | 356,542 | 36.2% | 129,070 |
| New York (JFK) | 318,037 | 21.8% | 69,330 |
| Long Beach | 304,326 | 28.8% | 87,650 |
| Oakland | 296,566 | 31.1% | 92,230 |
| San Diego | 282,630 | 22.2% | 62,740 |
| Portland | 276,039 | 19.1% | 52,720 |
| Dallas/Ft. Worth | 256,765 | 21.0% | 53,920 |
| Atlanta | 224,194 | 25.2% | 56,500 |
| Orlando | 209,207 | 22.7% | 47,490 |
| San Francisco | 207,365 | 21.0% | 43,550 |
| Chicago (ORD) | 190,599 | 25.2% | 48,030 |
| Houston (IAH) | 179,685 | 36.7% | 65,940 |
| Orange County | 175,355 | 27.7% | 48,570 |



PASSENGER FORECAST FOR OGDEN-HINCKLEY AIRPORT

| Market | Annual SLC Passengers | % from OGD Area | Potential OGD Passengers |
|----------------|-----------------------|-----------------|--------------------------|
| Baltimore | 173,094 | 24.2% | 41,890 |
| Boston | 169,404 | 24.0% | 40,660 |
| Minneapolis | 157,404 | 28.9% | 45,490 |
| Washington DC | 153,294 | 14.4% | 22,070 |
| Detroit | 124,196 | 51.3% | 63,710 |
| Philadelphia | 120,447 | 24.7% | 29,750 |
| San Jose | 120,421 | 27.1% | 32,630 |
| Sacramento | 111,430 | 19.7% | 21,950 |
| Newark | 110,367 | 32.5% | 35,870 |
| Honolulu | 109,749 | 31.2% | 34,240 |
| Austin | 100,669 | 20.9% | 21,040 |
| Kansas City | 96,081 | 19.7% | 18,980 |
| Chicago (MDW) | 91,911 | 54.8% | 50,360 |
| St. Louis | 90,304 | 19.4% | 17,520 |
| San Antonio | 89,825 | 14.4% | 12,930 |
| Ft. Lauderdale | 88,052 | 26.5% | 23,330 |
| Ontario | 83,626 | 36.0% | 30,100 |



PASSENGER FORECAST FOR OGDEN-HINCKLEY AIRPORT

| Market | Annual SLC Passengers | % from OGD Area | Potential OGD Passengers |
|---------------------|-----------------------|-----------------|--------------------------|
| Nashville | 74,241 | 22.4% | 16,630 |
| Raleigh/Durham | 73,018 | 27.2% | 19,860 |
| Charlotte | 70,628 | 26.7% | 18,860 |
| Tampa | 69,048 | 24.7% | 17,050 |
| Albuquerque | 67,089 | 20.6% | 13,820 |
| Indianapolis | 65,075 | 23.2% | 15,100 |
| Burbank | 64,625 | 15.4% | 9,950 |
| New York (LGA) | 62,539 | 24.6% | 15,380 |
| Boise | 59,986 | 30.8% | 18,480 |
| Cincinnati | 59,376 | 25.3% | 15,020 |
| Reno | 57,895 | 20.6% | 11,930 |
| Tucson | 56,596 | 12.5% | 7,070 |
| Spokane | 56,096 | 19.8% | 11,200 |
| New Orleans | 52,957 | 19.8% | 10,480 |
| Washington DC (IAD) | 51,418 | 13.6% | 6,990 |
| Anchorage | 50,053 | 19.7% | 9,860 |
| Sub Total | 8,189,227 | 25.3% | 2,072,890 |
| Grand Total | 10,066,437 | 25.3% | 2,546,540 |



OGDEN INCENTIVE PROGRAM AND CONCLUSION



NEW SERVICE SUPPORT PROGRAM

The Ogden Airport and Ogden City will support the new air service by providing the following for the first twelve months:

- Marketing, advertising, and public relations program for the new air service. Program will include advertising in the local newspaper, local radio stations, television.
- Direct mail and email program to be sponsored by Ogden City; <http://www.facebook.com/WhyOgden> and the Ogden CVB to all local businesses and vendors.
- Waiver of airport fees for the new air service.



CONCLUSION

- Current Allegiant service at OGD has been very successful.
- The passenger forecast indicates that OGD is capable of supporting regional jet and standard twin jet service to Dallas, Denver, Las Vegas, Los Angeles, Oakland, Phoenix, San Francisco, and Seattle.
- Passenger service can be conducted at the current air terminal at a very low cost that greatly improves profitability.
- Ogden Airport and Ogden City will support the new air service with funding for marketing and advertising and reduced airport fees.



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