

Fly Salem: ROAR Grant Update



Oregon Board of Aviation Meeting April 14, 2022

Salem Area Chamber of Commerce:

Brent DeHart, Committee Chair; Zachary Sielicky, Director of Business Advocacy



Salem Chamber

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Background

- Awarded \$500,000 ROAR Grant in April 2019
- Purpose: To pay for recruitment expenses for commercial flights to return to the State Capital region
- MRG disconnect: \$50,000 for MRG originally proposed, removed
- Amendment: One amendment to date has been made to move allocation of budgeted uses from Phase 4 to Phase 1 due to delays caused by the Pandemic.

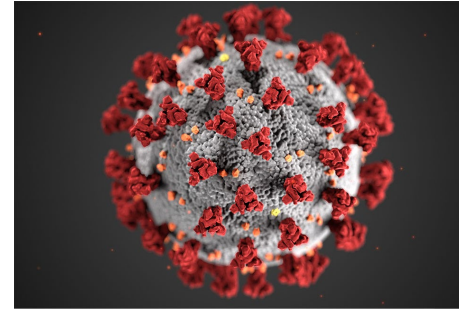


Background- Who is Fly Salem?

- Started in 2018 as a group of interested business community leaders.
- Anchored by the Salem Area Chamber of Commerce, Travel Salem, The City of Salem Airport Manager, and SEDCOR, Fly Salem is still a collaborative community committee
- Grant was awarded to, and is managed by, Salem Area Chamber.
- MRG and marketing effort to be managed by Travel Salem.
- A 501c3 Fly Salem Foundation was formed by members of our committee to promote Salem Airport/McNary Field.



Headwinds and setbacks



- 2019: 737 MAX grounding led to less availability of smaller regional aircraft we need
- 2020: A little thing called Pandemic lead to the largest disruption in aviation history. However, also provided opportunity.
- 2021 and ongoing: Pilot shortages after 10,000 pilots were given early retirement packages.
- 2022: High Fuel costs slowing expansion plans for low cost carriers



Status of Grant Funds



- Salem Area Chamber of Commerce issues monthly requests for reimbursement to ODA staff. Matching funds provided by private fundraising.
- ODA Holds back 10% until project completion- but why?
- Balance to be disbursed: **\$326,296** (through February)
- It's likely an additional amendment to budget will be needed.
 - If granted, SCASD grant will provide \$50,000 in marketing funds for later phases.



Use of Funds to Date



- **Consultant:** Volaire Aviation Consulting, Jack Penning Managing Partner. As a Portland resident he has added authority when he discusses Oregon Markets.
 - Retainer covers range of services and communications
 - SCASD Grant applications – (3)
 - Leakage and retention study for 2017 and 2019
 - Representation and presentation creation at airline meetings
 - Committee and Community appearances, via Zoom mostly
 - <https://www.volaireaviation.com/>

Use of Funds to Date

- **Conferences:** Registration and travel expenses
 - *Take Off!* Conferences (3)
 - *Routes Americas* Conferences (2)
 - *Volaire Aviation* Conference (1)
 - Airline HQ meeting
 - Attendees:
 - Brent DeHart, Salem Chamber Volunteer;
 - Angie Onyewuchi, CEO Travel Salem;
 - Jack Penning and colleagues, Volaire Aviation



Recruitment Progress and Current Status

- Years of educating airlines and their scheduling representatives about the Willamette Valley
 - Largest Market in the West without PHX, LA, or SFO service
 - Largest Capital City in the nation without service
 - Economy and population growth is bigger and faster than like communities in the west that have service
 - Pain point of driving to PDX in terms of VMT, parking, pre-flight hotel by airport, traffic/time.
 - We are our own unique market separate from Metro area
- Success: From “Where’s Salem again?” to “Everyone is talking about Salem” and “Why isn’t anyone there yet?”



Airlines we have met with:



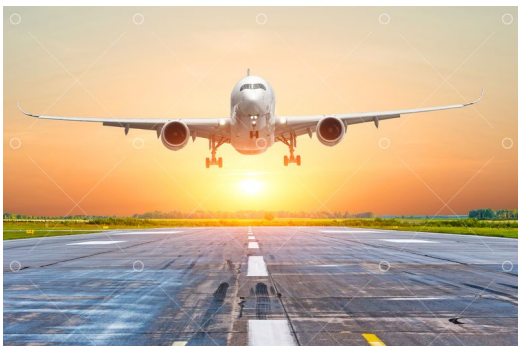
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The GOOD NEWS, finally



- ULCC Airlines have shown a high level of interest.
- High degree of optimism Salem will be awarded a SCASD Grant with two letters of support from airlines and one from US Representative.
- TSA is preparing to federalize the airport and provide screening. Support from Sen Wyden's office
- Funds for needed GSE secured
- Airport is in great shape for start of service
- Political support is deep and wide
- We anticipate 2 carriers starting service before Summer 2023, possibly top 4 destinations within the next 2-3 years.



Change of Priority

- Original and ultimately still our goal: Major Carrier, Major Hub
 - Not expected to be an opportunity for 2-4 years
 - Connect Mid-Valley one stop to the world
 - Bring visitors to the Mid-Valley
- ULCC Market is expanding and looking for new underserved and less expensive markets
- Spirit and Frontier (pre-merger) announced plans to double in size in 5 years. Avelo, Breeze, and aha! enter the market, Airbahn coming.
- **New immediate priority:** Secure non-stop service to top 4 destinations from our region: LA Basin, Las Vegas, Phoenix, SF Bay Area in the next 6-24 months from multiple ULCC carriers.

Questions?



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