

11a) **Mammoth-Yosemite Airport** (Rusty Gregory, CEO Mammoth Mountain Ski Area, Howard Pickett, CMO Mammoth Mountain Ski Area, Rob Clark, Mammoth Lakes Town Manager) - Proposed Mono County participation as a sponsor of spring/summer/fall air service. The Board of Supervisors considered this item at their meeting of April 20, 2010. At that time, the Board requested a follow-up presentation.

M10-141 **Action:** Approve participation as a sponsor for spring/summer/fall air service into Mammoth-Yosemite Airport based on the proposal we have in front of us, in an amount not to exceed \$45,000, with modification that if the total revenue shortfall is less than \$450,000, then Mono County will instead pay 10% of that amount. CAO has authority to sign any contracts to effectuate such participation.

Bauer/Farnetti 3-1 No: Hazard; 1 absent: Hunt

Howard Pickett (CMO, Mammoth Mountain Ski Area):

- Requesting Mono County join in funding air service into Mammoth airport during months it's currently not being offered: April – December.
- Offered history of airport/Horizon Air.
- This proposal goes back to Horizon and adds onto service; as part of this Mono County becomes a third party to assist with subsidy; limiting Mono County's participation to no more than \$40,000.
- Reasons for Mono County to join in on this: there is a huge economic impact to bringing people into our county by air; improves the quality of life for local community (they can get out of town); evidence shows that the more people with a vested interest, the more successful they are.
- Structured to respect request of not paying more than \$45,000 – Mono County pays this amount first, then the Town and the Mountain will pay the remaining amount, split between the two. Or, 10% to county, 45% for Town and 45% to Mountain. Hopefully the subsidy amount drops depending, reduction is pro-rata on three entities.
- He'd like more county input but is very happy to start with this in order to get the county vested.
- This is only a one year commitment to start for Mono County; he would keep everyone apprised of numbers, etc. Trying to balance the good months with the bad months in order to justify offering year round service.
- To use a smaller airplane it would have to be a different airline. Horizon Air has a good safety record.
- It might be a good idea to write some articles in their magazines about Mono County.

- A decision needs to be made today because Horizon is waiting.

BOARD COMMENTS:

Supervisor Farnetti:

- Concerned that numbers might not materialize; he wants bang for his buck and to minimize the county's liability. We don't do airports well.
- Any consideration to using a smaller airplane in the summer?

Supervisor Bauer:

- YARTS will be advertising in the in-flight magazine.
- She knows that times are tough in the county; but when revenues are down you can't afford to cut down advertising; without the airport no one will come here.
- There is a certain niche of people that come here and support our county. The Mountain has been negotiating with Horizon from the beginning.
- Now is the moment when we can make a difference by not having a gap in service. We can help solve this problem now.
- Commends Mr. Pickett for negotiating.

Supervisor Peters:

- Thinks it's a great idea economically.
- He has some experience with this and has seen these types of subsidies succeed.
- Safety of airline/planes/airport?
- Marketing side: would it be possible that we could get our Mono County brochures out there?
- Asked that articles be sent to the Board.
- Structure of partnership? Why would County pay first \$45,000?

Supervisor Hazard:

- Having worked with Alpha Air in the past, their management team had very experienced personnel.

- Horizon is not only going to break even with this proposal, but they are moving into profit area. Issue: they should not get profit year round from our County, they are doing a lot of advertising as well.
- He thinks it's a bad business plan. This has not been negotiated or worked through. He doesn't think Horizon has put any risk into this.
- When he first looked at this, he was looking forward to partnering with the Town but now sees some flaws with proposal. Agrees with Brian that we should pay 5% up front, up to \$45,000 but that money should be paid last.
- We're not making comparisons to Tahoe, Truckee, etc. We just laid off 3 people; our County is coming up against some very hard times. His suggestion is to let the Town and Mammoth Mountain pay to have airline run year round for one year, see what revenues are, then consider a proposal.
- Stephen Kalish submitted an e-mail which expressed concerns about the size aircraft used in this proposal and possible liabilities due to the Mammoth-Yosemite Airport not meeting FAA airport design standards for this aircraft. Hazard requested the e-mail be made part of the record for this agenda item.
- Supervisor Hazard believes that this topic is beyond the scope of this Board and is being reviewed by the FAA, the Airline and their insurance carrier, and the pilots union, and others.

Brian Muir:

- He suggests the County pay 5% and then their amount gets capped at \$45,000.
- Yes, all general fund dollars.

Tim Hansen:

- He flew on the airline last winter.
- He thinks the benefits would outweigh the risks, especially after the YARTS presentation last week.

Andy (the Sheet):

- All General Fund dollars?