

NAME

Meet New Redding Airports Manager Andrew Solsvig.wav

DATE

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DURATION

38m 13s

3 SPEAKERS

Katie

Steve

Andrew

START OF TRANSCRIPT

[00:00:04] Katie

I'm Katie.

[00:00:05] Steve

And I'm Steve, and this is the City of Redding podcast. Today we talk with new airport manager Andrew Salzberg about his vision for Redding airports. He comes to Redding with an impressive background in aviation, working in airports across the country in a variety of roles, from marketing to operations and from North Dakota to Reno-tahoe. He brings a fresh perspective to our area and is excited about the future at Redding Regional Airport.

[00:00:26] Katie

We also dive into topics like airport parking, terminal upgrades, and other locations that might be high on the list for new service. With the recent announcement of a Denver connection, an airport's master plan in the works, and a runway rehabilitation project, the community has a lot to look forward to.

[00:00:42] Steve

Well, thank you Andrew. We are excited to have you on the podcast today. I know it's been on our list for a little while, as you're relatively new to the city and to your role, and we wanted to chat with you today about your background and where you come from and the skill sets that you bring to the city, but also some of the things around your visions for the airports here in Redding and some of the exciting things on the horizon. So maybe we could just start with that. Maybe tell us a little bit about your professional background and what brought you to the role of airports manager here in Redding.

[00:01:05] Andrew

Well, thank you very much. I'm really excited to be here. The journey for my career has been a long one. I grew up in Minneapolis, Minnesota, and learned early on that I potentially wanted to become a pilot for a career. Is that the career job? Fair day. And then I pursued aviation. So in looking at different colleges and schools, I came on the decision to go with the University of North Dakota. They have a very good aviation program there. And as a result, along the way, I took business classes. And you're working toward a degree. But I what I realized early on is after completing my private pilot license that I enjoyed flying. It was fun, but I just didn't see myself doing it every day. And I like the business side of aviation. And so I happened to take an airport management class as an elective, and I was like, this is pretty cool. You get the business, you get the aviation. I want to go that route. And so I changed my, I guess, degree to airport management and then finished off with University of North Dakota. I did an internship at the airport in in Grand Forks, North Dakota, and then post graduate. I interned at Phoenix Sky Harbor, so made the big move to there was only there about three months, and then got hired on by the Reno-tahoe International Airport, where I officially started my career, so to speak, and worked in the airport planning department for a little over six years. And then they, um, saw that I was really good at running committees for fundraising. So they said, why don't you come to the marketing and air service side of of things? So I did that for a couple of years, and then sadly, I ended up getting furloughed along with a bunch of other people because of the recession.

[00:02:49] Andrew

So in 2009, a lot of nationally things were hurting. And so I was let go. But it created a different opportunity for me, which allowed me to become a director in Minot, North Dakota. So I was really young and became a director. Um, moved to a state that was booming because of the oil boom at the time, and it was such a different environment where, like the rest of the nation is going through decline. And here they're saying showing help wanted signs everywhere. Um, so what was exciting about that time is it was the Wild West again with the oil activity. And when you compare passenger enplanements is how airports compare with each other. So for example, Redding, we do about 80 to 85,000 passenger enplanements per year. And so Minot, North Dakota at the time was doing 75,000. They had been doing that for the last 20 years, and it jumped from 75 to 100 and 110 to 160 5 to 220. In three years. And so that was very significant. And we ended up building a new terminal. It was added air service because everybody wanted to be in North Dakota at the time. So that was a really good experience. I spent probably seven and a half years there in total. Got to see a project from beginning to end, and then realized I went through some life stuff and need a change of environment. So I was very fortunate to get hired on by the Eagle-vail Colorado airport. So I moved to Vail and lived there for a little over three years as the basically the operations manager in a sense, and did a few other things, but we had a lot of activity going on there.

[00:04:41] Andrew

I learned snow removal very well, and then, um, decided to pursue a different opportunity and became the director again in Moab, Utah. And then I was there for a little over two years And timing of things just worked out to where my dad was dealing with some personal well, he was dealing with cancer and then I decided to it was need to move back to Reno and be closer to family. And the timing of that worked out. And so I was able to spend the last moments with him last six weeks before he passed away. And then I spent time with my mom. But as a result of that, I was also able to stay in the industry. Although working for a private company, which was called Blast Deflectors, and we did work at airports around the world. So that was fun to work with different airports, mainly domestically, but trying to figure out solutions for what they need as far as safety and protections. But then when the Redding airport, um, position opened up, I wanted to be relatively close to Reno and this community is just mainly so I can, you know, go back and visit my mom and take care of things, visit friends. But then also I wanted to get back into airports. I was getting that itch again and I missed it. And this was just a really good opportunity that I couldn't pass up. So I'm really glad to be here.

[00:06:00] Steve

Wow. That is quite that's.

[00:06:02] Andrew

Quite the story.

[00:06:03] Katie

Quite a story. Quite the journey you've been to a lot.

[00:06:05] Andrew

I've worked at seven different airports and held pretty much every position you can have.

[00:06:10] Katie

That is incredible. So I guess I'm what I might be skipping ahead a little bit, but so given that that you have that breadth of experience and not only different locations and areas, but also different roles like what is what excites you most about Redding and where we are right now with our air service?

[00:06:26] Andrew

Sure. Well, I mean, two weeks on the job, we we announced Denver was coming, so that was I'll take some credit for that. I'm joking, but honestly, there's some work to do on the the Denver, um, route with United. I know the community is working hard to finalize that minimum revenue guarantee. And basically what that is, is guaranteeing when an airline starts a new route, there is risk involved, it's financially risky, and they want to make sure it's going to do well. So what the reason why community fronts up revenue, minimum revenue guarantees is this to assure to reduce that risk. And so that's what we're trying to get at to make help United feel more comfortable. But we feel very confident that's going to happen. And we're excited about them getting it scheduled in the near future.

[00:07:12] Steve

Well, and Andrew, on on the topic of the Denver flight, I know it was announced that the state of the city that ideally it's coming the summer of 2025. Can we talk a little bit more about that? I mean, what's I guess in addition to that revenue guarantee, what holds an airline accountable, I guess what, why wouldn't they just take that revenue guarantee, do it for as long as that guarantee is good for, and then leave for the next revenue guarantee in the next city. I mean, how is it ensuring that Redding and surrounding communities utilize that service enough to show, in this case united, that it's worth their time and money?

[00:07:40] Andrew

Right. The previous time this community did a revenue guarantee was, I believe, for the Los Angeles route. And that has proved to be sustainable. And so that's what we believe Denver is going to do as well. Now there is a risk for the community. There are airlines that will take the money and run. That's happened at many other locations. And so we don't believe that's going to happen in this case. Because Denver is such a major hub for the airline, you can get to pretty much anywhere in the nation, um, from that destination, especially going east. And we think that's going to be popular. So really, once the community embraces the route and we think it's going to last, it's going to be sustainable long term and it's going to stick around. And that's really the intent of it.

[00:08:29] Steve

And Andrew, we also we hear a lot from the community of their wish list. Right? I wish we had a flight again to Portland or to San Diego or to Sacramento even. And I know there's a ton that goes into establishing a new route and ensuring that it's financially feasible and makes the most sense, and our community will support that, I guess, to that point. Can you talk to us a little bit about how that decision is made and what factors are taking into account.

[00:08:51] Andrew

What people need to understand is its supply and demand and how the airlines work is. There's only so much equipment, so there's so many, only so many aircraft out there. Right. And then you have only so many pilots to fly those aircraft. And then when you think of the routes, where are they going to put those aircraft and crew to make it most efficient and actually most revenue generating for them. And so that's what the airlines are thinking and doing and trying to figure out on, on whatever scale they have for their entire network. So when we look at a community for Redding, the reason why we promote flying local is because it goes back to supply and demand. If the demand is there, the supply will come. And so if the demand is not there, that's when we see reductions in capacity or maybe size of aircraft or frequency going to a certain market. We've seen that with Alaska recently, and they're going to be reducing a little bit more in the winter. Now that could be seasonal, and they'll pick back up in the summer when we get busy again or the spring and summer. But again, it's really economics and so and what are the the revenues that they're generating from a certain market. And so being that Sacramento is so close people are willing to drive that.

[00:10:05] Andrew

And hey I don't blame people like it makes sense. They have a great connection. You have Southwest Airlines price point might be a little bit better and you have other direct routes. I do understand it, but that's the reason, like having that strong competition really takes an impact on the opportunities that we have here at Redding. So when we look at really what is the demand? Well, we have the current routes where our most demand is, I think Denver is high in that list, but some of the other ones where we know people are going would be San Diego or Phoenix. Yeah, Portland would be great. I can't remember where they're ranked on our list, but there are some other markets that over time we will continue to talk with the airlines and see if it makes sense to add something or add a route. We would love Salt Lake as well on Delta. That could come in time. Um, Delta and United like to compete with each other. And if we have two eastbound routes, that would be pretty fun to see. So we'll see what happens in time. But again, really the encouragement is flying local because there we need that support.

[00:11:12] Katie

Okay. So I mean other than Denver and talking through the supply and demand of our local area, you've got fresh eyes. You're looking at our region from from a fresh perspective. What's your vision for the future of Redding and Benton? Both airfields. Like where do you think we could go or what do you see happening for Redding?

[00:11:33] Andrew

Sure. Well, I had the opportunity. I did find a strategic plan that I believe was completed in 2022. So I'll just read this real quick and then I'll talk about my own vision. But what is a vision statement describing basically the desired future position of the airport? Right. So what the strategic plan identified is the Redding Regional Airport aspires to be a regional leader providing economic vitality, public safety and resource protection. And we do this only by operating proactively, promoting sustainable growth and remaining engaged in the developing world of aviation. So what I look at that, yeah, it's accurate, but my personal vision and I believe with our teammates or my coworkers would be we want to be self-sustaining financially. That's ultimately a goal. And what does that look like? We can get there through economic development. So the more leases we have, the more development we have on the airport, other ways of modifying our budget or rates and charges so that we can become fully self-sustainable, to be able to do the things that we need to do financially without the dependence on the city from the general fund, or where whatever other payments that come from the city. Right. So that's ultimately one two would be continuing to pursue air service. With air service comes revenue opportunity because it brings in more sales. And since you have more landing fees, you sell more fuel. You people buy more at the the coffee shop, whatever it is. And so that is a revenue opportunity as well.

[00:13:07] Andrew

And again, with people using the airport, whatever, in whatever capacity, parking is usually our number in airport's number one revenue generator. And it's high on our list here. I would say probably in total leases and things like that are probably our number one overall. But parking is important. So we are going to focus as a city to improve the parking lot in the next year, and we'll invest some money into that so that get rid of the trip hazards and it looks fresh and redesigned and all of that. So we're excited about that. And the timing of it is uncertain right now, but we're probably going to tie that in with when the runway project happens, and I'm sure we're going to get into that. But the other piece of the vision would be finishing our airport master plan. That should happen in the next, I would say 6 to 12 months. So we'll have an opportunity for the community to publicly take a look at that and provide comment. But what the reason for the master plan is, it's really identifying what the future of the airport is going to look like maybe in the next 20, 25 years. And then how do we get to the planning process of what that looks like to get to that point? And so we're there's some exciting things that are happening right now, and things are falling into place to, to look at the next five years.

[00:14:28] Steve

Got it. That's exciting. I mean, and I think, like you mentioned, we'll dive into a couple of those. I'm curious initially maybe we can talk about the passenger experience. The I think the vast majority of our community who connects and relates with the airport does so in that passenger flying in flying out experience with regard to general passenger amenities. I mean, are there plans to enhance the terminal? Specifically, I know you meant you touched on the coffee kiosk. I know that was a big deal when Theory Coffee moved into that holding room. And there's been some things over the past few years. But are there additional plans to enhance that, that passenger experience as they as they come and go?

[00:14:57] Andrew

Well, having worked at two different airports where we have done terminal modifications or brand new terminal, I know what to expect or what I'd like to see. Um, here's where we're at on our existing terminal is. As much as I would love to give it a facelift. Um, it certainly needs a facelift. Like, I'd love new carpet, new furniture, what have you. Just brighten it up a little bit. Um, I'd love to bring that local feel into the terminal. Meaning it provides a sense of place, right? I want to be able to walk into the terminal and say, hey, I'm in Redding, and I can see that, um, we're doing an okay job with, uh, I guess our pop up banners and whatnot, but we can do better. So we're going to figure out ways to do that. And so the current terminal is able to handle current capacity, meaning the flights that we have right now and the flights expected in the near future. Our building can handle it. It's not like we're bursting at the seams. Whereas that might have been the case a couple of years ago. I'm not quite sure we are going to move forward with a terminal study, meaning we're going to see what that looks like over time. When is the right time to start planning, and then designing for either an add on to the terminal or a new terminal in general? Because we want to.

[00:16:15] Andrew

It's an old building and we'd love their codes. New codes that we need to take into account and other changes that we need to take into account. So what that might look like in the future, I don't know. But then the big piece of that is how is that going to be financed? Because that's an expensive endeavor. And I don't know what that's going to look like five plus years from now. So that's a big factor that's involved. So I think right now, for the time being, I would love to just try to give a fresh touch on what we have and then we'll see where it goes from there. But again, that's going to cost some money too. And there are some fun, creative ways we can do like updating the art for sense of place, or taking advantage of talking to local businesses and bringing some things in. I just remember walking in on one of my personal trips and I'm like, the music's boring. The carpet's boring. Like, I'm not discounting what we have. It is what it is. But I'm like, we need to do something about this. And that's one of my goals.

[00:17:13] Katie

Agreed. Again, not discounting what we have, but yeah, I think you're you're right on the nose there. Um, you mentioned parking and kind of what a big deal that is, not only to the economics of the airport, but that's also a big deal for people's, um, personal use of the airport. How easy is it to park? How far away do they have to park? What's the cost structure and how easy is it to pay for parking? Can you walk us through what parking looks like now at the airport? And then maybe some visioning for where you think it could go?

[00:17:38] Andrew

Well, one great thing about the location of our airport in the community, it's such easy access. I mean, we have parking right out front and you can get in the terminal. You can get through security like it's all in a matter of minutes, really, unless you have to check a bag or something. So that's one really convenient thing, and everything's so close. Um, I think the parking experience right now is we certainly need improvement. There's just a lot of tree ruts and other cracking going on that has caused issues in the past, and we're trying to do take those safety measures in place to to make sure that they're not an issue. But really what, what our intent is in the next year is to have everything repaved from the employee lot to the paid parking, and even the car rental lots are all going to get redone. So they'll get milled out, they'll be resurfaced, will be new painting, and then getting rid of or relocating a lot of the trees and putting in different types of things so that it's just more safe in general. So I think that's an exciting project we're looking at. Um, it's a pretty penny, like about 1.3 million, 1.4 million currently. And so we're going to put some other things. We have an idea to put in cameras, uh, more cameras. And relatively it's relatively easy for people to play. Like, you just have to know what your spot is. You go to the kiosk, plug in your license plate, and they can pair it there, and you can monitor it via an app. So it's very easy to use. And we encourage people to be honest.

[00:19:12] Steve

And with that in mind. And so you mentioned the app. So you can pay via mobile. You have to pay in the kiosk. And I guess to are you required to pay prior to departing on your flight or when you return? And then thirdly, uh, are there I can't quite recall. I feel like at one point in time there was you could pay by the day, or if you get to a certain amount of days, you can pay weekly or then even multiple weeks. But how flexible is the payment process depending on how long you're traveling for, right?

[00:19:37] Andrew

Well, I'll be honest. I'm still learning all of the details about just airport operations in general. I don't know, everything tied with parking, but I can say is it's preferred to park ahead of time if you are. If your trip is longer or shorter, though, those adjustments can be made upon return. I believe we have the capability on the app, or we will be very soon to be able to modify those changes on an app. And so I know we've had that discussion with our parking administration. And yeah, I mean, it's relatively easy if you just follow the directions, it should follow you step by step. And if we have more specific questions, I mean, we certainly want to communicate that to our users. And we'll get that up there. But we'll see some more improvements coming down the line.

[00:20:24] Steve

Andrew, I'm curious, you're talking about some of these great ideas and kind of things, hopefully, that are coming down the pipe as far as improvements go with regard to community input on both terminal enhancements, but also just general airport improvements across the board. How is community input currently gathered, or how does the community voice play a role in that? And what are your visions for enhancing that effort moving forward?

[00:20:42] Andrew

Oh, sure. Well, um, I'm a firm believer in public outreach. We want whether it's speaking to other organizations, getting invited to groups to go talk to them about what's going on. Uh, whether it's sharing a podcast like this or getting in the news or the newspaper. Public input is very important. We have to remember we're a city entity, and we want people to talk to us or come to our meetings and provide input on what their thoughts are, because it's their airport. It's how I look at it. Um, it's the community's airport to use. And so without their input, we can't go in a very clear direction with what's desired and wanted. So I think especially like master Plan project, we will have a public input period that has not been scheduled yet. We don't know when that's going to be, but when we do figure that out, we'll certainly get the notice out of when that public meeting will be. Even when we get to further along with terminal study or terminal design, we'll have public meetings related to that. So we cover all of our bases. And then my intent, at least for the airports and the tenants of the airports, is I want to have a town hall meeting for both Benton and the Redding airports, probably twice a year. And mainly that's to just give an opportunity to ask some questions and answers to the airports manager and some other folks, but also provide an update on the projects that are coming and what to expect, because I'll give you a quick example. We had a runway project that was postponed this year. We are looking at next year into 2025. That is still grant pending, federal aviation grant pending, but we're hoping for next October. And as part of that process, we will need to make sure to inform everybody that the runway is going to be shut down for how long it's going to be shut down, what kind of operational impacts that's going to be. So we will have a big community, or at least, um, airport effort to notify everybody.

[00:22:47] Katie

Well, that sounds great. I know this community loves to give input, and they've got some great thoughts and feedback on all things city related. So that's really awesome. Let's switch gears and go into the runway rehab project. The runway rehabilitation project I know this was started prior to you getting to Redding and and starting in your position. So can you just give us a little bit of like background on what this project is, where it is today and then how are we moving forward?

[00:23:15] Andrew

The runway rehab project is going to be a closure of the runway for approximately 30 days, to allow us the opportunity to take about four inches off the top and then resurface Surface it. Getting rid of all the safety grooves that we currently have in the runway, along with other cracks, and basically just create another surface that will be usable for the next 15 to 20 years. And so what the project entailed, my understanding was it was bid in March of 24, and the hopes that it would the project would begin in October of of 24. Like just a couple months ago. Now, that didn't happen because there were not enough federal aviation funds for a grant to support that large of a project. So it was postponed. And then when I started here in September, there we started having discussions, even up to this day, where we are now looking at having to make some modifications to the project because of potential funding. And we are going to be having those discussions now. The good news is that the contractor that bid is willing to hold their bid into early June of next year. And that's fantastic for us to work with the FAA to figure out what kind of grant we might be getting when we all get it, and then still continue with the project. Because rebidding a project is time consuming, it costs more money. It's just the whole process of all of that, and we really don't want to do that. And so we're thankful to the risk group for holding that and for working with us. And then our intent right now is if we can get a grant, maybe I don't know when they'll be issued, but let's just say March or April or May, whatever that looks like. Then we can get things rolling and in place to plan for an October runway shutdown and do the project and get it completed.

[00:25:18] Katie

And then, I mean, we wouldn't be going down this route with the runway rehab if the runway didn't need to be rehabilitated. What kind of shape is it in now? And do we have a couple more years to wait? Let's say if grants don't come through in the spring. Like, what's the status of the runway right now?

[00:25:35] Andrew

Well, the runway is usable. It's safe enough to be used like that's fine. We're just dealing with there's certain cracks or certain like it's actually likely ground or shifting of ground where you get these sort of little waves in the runway. Again, it's still perfectly safe to use, otherwise we'd have to shut it down. But it's preventive maintenance for us to be able to go in and fix it. So that's going to last a lot longer.

[00:26:01] Steve

And Andrew, with regard to that 30 day closure, if it does end up happening in October of next year, what do you do during that closure to minimize disruptions to flights? Or is any and all air traffic kind of grounded during those 30 days?

[00:26:11] Andrew

Basically there will be no commercial flights, so we would have no airline flights during that month. We would likely have a portion of our crosswind runway open, and that would be for smaller general aviation aircraft. And the reason why we picked October is because it's historically a really slow month. We want to get through our summer busy season and then pick a month to where the weather is decent enough to do the project, and then slow enough to where it's not. It's reducing as much impact as possible. So that's why we picked that month because of in order to do it quickly and efficiently as possible, you really just need to shut down the whole thing.

[00:26:51] Katie

I'm going to go back in our conversation to something you said and I keyed into it. It you guys track analytics on where people are flying to and from. So you can I mean, you can see where people are going to. How often do you check those those stats to say, hey, our community is really flying here or there. Like, how do you know where people are flying to? Like how do you how do you know that San Diego is one of the top destinations? I mean, Redding doesn't fly directly to San Diego. So how do you know that people are ultimately ending up in San Diego?

[00:27:20] Andrew

Right. So that's a really good question. And I will say airport staff does not collect that data. We have consultants hired consultants that retrieve that information for us. Now they get their information from a variety of sources. Some of it is Department of Transportation historical records. And sometimes they use like like basically using phone tracking. In a sense, there's other data collected, like I think they have four different sources that they pull different pieces of information from. And so that's why we know through all that collection and figuring out from Dot where people are going is relatively easy. So for example, we know people would be going to San Diego, but they are going through LA or San Francisco or somewhere else. We know their final destination is San Diego or whatever it is. Maybe they're going to Dallas, Texas, they're going through another airport, but they're ultimately going to Dallas, Texas. Like we that's easy data for us to get. And so that's why we know according to Final Destinations, what our top ten and top 20 markets are. So when you look at that, we know L.A., Seattle, San Diego, Burbank and Denver. Those are our top five markets currently. We know people are going.

[00:28:35] Andrew

That's why we really want to pursue Denver is because that's a top five market. We know people want to go either there or on eastbound or to another location. What was interesting to us, though, and me in particular, is that Hawaii is so high on our list. Apparently a lot of people in this area want to go to Hawaii, and I know sometimes from a scheduling standpoint, that's difficult to fly in and out of Redding. And so people would use other airports, unfortunately, but that's what they do. Vegas is high. Dallas, Orlando. And then we get into Nashville and Salt Lake and other markets. So again, we know where people are going based on the data. And so that what that does is that we take that information, we talk to airlines and we say, hey, we think this would be a good opportunity. These are the reasons why. And then they'll look at from their end and see if it makes sense, because they have a lot of different factors involved in their decision making and especially in New Market, it's risky. And so do they want to take the risk, um, knowing it could do well or may not do well.

[00:29:39] Katie

So just like hypothetically, if we're running with this, like, okay, you say lots of people fly to Hawaii from our area, what does that look like? If you say, okay, Hawaii is a top destination, we're going to try to get a flight to Hawaii. Where do you start? Who do you talk to? What? How does that. What is that process?

[00:29:54] Andrew

I will tell you right now, we're not getting a flight to Hawaii.

[00:29:57] Katie

I know, I'm sorry. I don't want to get anybody's hopes up, but hypothetically speaking. Yeah. What does that process even look like? If you're like, okay, so what that would.

[00:30:05] Andrew

Look like is working with Alaska Airlines, especially with Alaska merging with Hawaiian Air. And then you have Southwest Airlines, right? So southwest people are going to fly out of a different market. It really doesn't impact us whatsoever because that's their decision and where they want to go. But for us, all right. Whether we have to look at where we're currently going. San Francisco, Los Angeles, Seattle. How would that connectivity make sense for Hawaii or not? Because I believe right now, because they're morning Hawaii flights, like you would need to fly there in the evening, stay overnight and then fly out the next early morning. And so it's really talking to the airline. But again, if it's not a super popular route, um, there's not a whole lot we can do unless getting a very early flight and then hoping you make your connection. Like that's how what that would look like.

[00:30:56] Steve

Got it.

[00:30:56] Steve

And Andrew, you touched on, you mentioned when talking about some of those top destinations that our community travels to. You touched on both Burbank and Vegas, which both happen to be locations that Avelo had flown to and has since pulled out of our market. So how does that happen if the data supports that our community is indeed traveling to those locations? I know Avelo was a little bit different with some of their baggage handler companies or whatnot, but just in general, if the market data supports that, does that still mean that not enough of our community is flying from Redding to those locations directly? Instead, they're still going to Sacramento to fly there.

[00:31:26] Andrew

I think that would be a fair assumption. We don't have enough people on a regular basis to justify full daily routes to go there. And so sometimes what will happen is an airline will pick 2 or 3 days a week. That's very popular with an Allegiant model or some other low cost carrier models where they only fly a few times a week and you just try to pull from your catchment areas as best you can. But again, it's still expensive and risk averse. So carriers, they like the revenue guarantees. I'll give you a quick examples. We have potentially an interested carrier but they want revenue guarantee. And I'm like I can't have that conversation with them because we currently have one going on with United, of which a route that we think is going to last a long time. And so that's where our money is going right at this moment. But I think over time with demand, we'll be able to get some flights back and we'll see what that looks like.

[00:32:27] Katie

And so then I guess based on that, we hear from the community a lot that I flew that and the plane looked full or it seemed full, or people have this perception that like when they're flying, the plane's not empty. So they're thinking, wow, this is a popular route. Um, I guess what else can the community do to help support the airport and make it more feasible to get routes, either new routes added or bring new airlines in?

[00:32:51] Andrew

Pay a lot more. I mean, I'll give you a quick example. Actually, I'll give you a couple of quick examples is although the plane may be full, the yield on that flight might be or the margin I should say could be minimal. Whereas on another route the margin could be a higher percentage. So when we compare to, let's say Arcadia, and I'll give you a quick example from a coworker, is that they were able to fly on a velo from here to Vegas for, let's just say, \$70. But if you were to do it from Arcata, it was \$140 for the same, basically the same thing, a little bit distance. But because they're from that community, like that's just what it was. The price point was higher and people were willing to pay that. And so that means the yield and the margin is higher. So that route's going to be more successful because people are paying more. And that's what airlines look at. They're like, hey, our margin might be okay here, but we can make more over there. And so we're just going to shift our, our fleet or our route to a different market. And I'll give you another quick example. And this happened in North Dakota with frontier is that their load factors, load factor being a percentage of a plane that's full was very high. They were doing great in North Dakota. And after two and a half years they just pull out. They pulled out of 20 markets because they were making big business adjustments on their whole fleet and scheduling and whatever made no sense. But they did it. And that's just what airlines do. Sometimes it's really frustrating, but, you know, they have their own reasons for or against or whatever it is. And that's why it's nice having, uh, I guess legacy carriers in a sense, because they're established, they usually stick around. They want to figure out to make it work, and we'll pursue whatever we can. But we're competing with so many other markets, like even if you think nationally.

[00:34:46] Steve

Andrew, we've talked a lot about some of the challenges that this community faces and that you yourself face in this industry. I mean, with regard to those challenges, weather and funding and competition with larger airports, I mean, overall, do you think that the community has reason for optimism for the future of air travel and the success of air travel in our community?

[00:35:03] Andrew

I really do, and that comes from a an Air Service conference I attended with our economic development person and our consultant. Obviously, we met with a few airlines and Denver is the most promising looking ahead, and if the economy stays strong in a sense and people are have that, I guess extra funding, the two things the airlines look at would be business travelers and leisure travelers. Business travelers typically don't care too much about price point. They're going to travel regardless. So that is some bread and butter for the airlines, right? The leisure travelers are going to be more cautious, cost sensitive, and they're looking for a better price because they're going to be spending money on other things. Right. That does make sense. But in conversations with the airlines, with the demand that we have and the catchment area that we have, keeping Sacramento aside, because they do take a lot of our passengers in this region, is that I think there is promise. I think Salt Lake is realistic. I think we'll have conversations with Alaska to see if maybe San Diego makes sense. Maybe it's a connecting flight from Seattle to Redding to San Diego, and then back up to go San Diego, to Redding to Seattle. Like that would be pretty neat to pursue something like that. So there's some options there. The demand for the Los Angeles area is really high.

[00:36:30] Andrew

It'd be nice to see maybe Burbank or another market in that area. There's a lot of people like to seem to go there, and then we'll just depends on the other airlines of what they seem as realistic right now. We're limited on some range because of the type of aircraft we have. Sky are United and Delta are making modifications to their fleet, so we'll see what kind of adjustments those make. But it's promising. And you know, our big operator here is SkyWest Airlines. So they operate Alaska United and all of the flights. And so it's really having conversations with SkyWest as a regional carrier partner to the legacy carriers to see what makes sense for them. What I'd like to add is this is a, I think, a growing community. I think there's a lot of good things happening here, and we're just on the beginning cusp of what's coming. So with the with the developments in downtown, some other ideas coming, some other businesses potentially coming into the community. There are some developments here at the airport that we're really excited about with our jet center's expanding and doing some cool things. With potentially Denver coming our way, there's a lot of good, positive things that are happening and heading us in the right direction. So I'm really excited to see what the next 2 to 5 years are going to bring.

END OF TRANSCRIPT



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