



ASE Vision Process

Airport Advisory Groups Meeting #4:
Trends in the Air Service Industry: Past, Present and Projected
May 7, 2019 | 4pm – 7pm
Aspen Meadows Doerr-Hosier Center

Meeting Goals and Purpose

- Explore local implications of forecasted industry changes in service, aircraft/fleet and air space in the context of regional growth management
- Establish baseline of past and present air service and current conditions at ASE
- Better understand projected future trends in the air service industry

Welcome and Introductions

Note: A video recording of the meeting can be viewed [here](#).

County Manager Jon Peacock outlined the meeting purpose and agenda. He covered brief announcements, noting that all upcoming ASE meetings and materials can be viewed at www.asevision.com/meetings, and that airport tour opportunities for Advisory Group Members are available for May 20th and 29th.

He introduced the meeting's speakers, Gabe Preston and Linda Perry.

Tonight's Speakers

- **Gabe Preston** | RPI Consulting
 - 19 years of experience as community planner and economic analyst
 - Project lead on over 200 technical planning projects including economic analyses, demographic and market studies, fiscal analyses/impact fees, and transportation/connectivity planning
 - MA, Geography, University of Colorado, Boulder; BA, Mathematics and Philosophy, St. John's College, Santa Fe
- **Linda Perry** | Leigh Fisher
 - 34 years of experience in forecasting and economics
 - Specializes in economic analyses, aviation demand forecasting, and comparative evaluations of airline service, route networks, and airfares
 - Bachelors, Economics and Government, St. Lawrence University; Masters Economics, Boston College

Setting the Growth Context: Roaring Fork Valley (Gabe Preston)

Gabe Preston, project consultant, reviewed indicators that set the context for growth in the area within the following topics:

- Local and regional growth
- Visitor indicators
- Lodging and professionally managed short-term rentals inventory and trends
- Rental by owner inventory and trends
- Current overnight visitor capacity

Data points and details for each topic can be viewed in the [meeting presentation](#). Key takeaways from Gabe Preston's presentation are below.

Key Findings

- **Continued modest growth** in Pitkin County population, jobs, housing units
- Significant **population growth** in Garfield County
- Aspen-Snowmass peak population and occupancy bottomed out in 2009 and again in 2013/2014, have nearly **recovered to pre-recession levels today**
- **Skier days have been on the rise**, so has winter occupancy
- Traditional lodging and professionally managed short-term rentals have been flat/fluctuating since 2009, but **occupancy has risen**
- RBO supply **accelerated** 2014-2017 then leveled off
- Today, RBOs can **accommodate nearly 3,500 visitors** during peak season
- **Peak population** is **34,000** low season and **53,000** peak season
- Existing lodging and RBO inventory could accommodate **3,000-4,500 additional overnight visitors** during peak season



Past, Present and Projected: Air Service, Aircraft/Fleet and Air Space (Linda Perry)

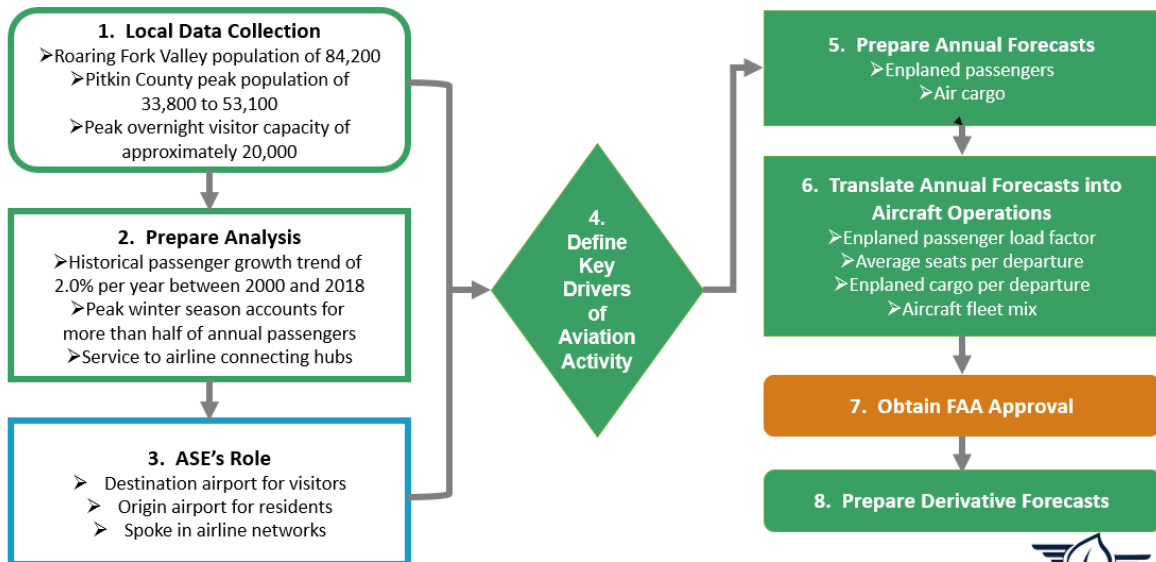
Linda Perry, project consultant, integrated the conversation on growth indicators into the process for forecasting at ASE. Her presentation covered the following topics:

- The aviation forecasting process
- ASE's service region
- Key drivers of airline traffic
- Airport role
- Historical passenger airline traffic
- General aviation activity
- Aviation activity forecasts

Data points and details for each topic covered by Linda Perry can be viewed in the [meeting presentation](#). An overview of the overarching aviation forecasting process and key takeaways are below.

Forecast Approach for ASE

The key elements, decisions and input for preparing forecasts for planning



Key Takeaways

- ASE's overall Airport Service Region includes Pitkin, Eagle, and Garfield counties with a combined population of 132,724 in 2017
- ASE is Spoke in airline networks, a destination airport for visitors, and an origin airport for residents
- Residents accounted for 28% of ASE passengers in 2018; the remaining 72% are visitors
- December through March together account for more than half of ASE's annual passengers
- A shortage of regional airline pilots threatens passenger airline service to small communities
- General aviation operations accounted for 48% of total operations in 2018
- The FAA forecasts enplaned passengers at ASE to increase an average of 0.8% per year between 2018 and 2038



Moderated Q&A

A panel consisting of Gabe Preston, Linda Perry, Airport Director John Kinney and County Manager Jon Peacock answered key questions through a Q&A with attendees, facilitated by technical consultant Mike Hermann. Questions with the associated advisory group and answers are summarized below.

AVC: Airport Vision Committee

CCWG: Community Character Working Group

AEWG: Airport Experience Working Group

TWG: Technical Working Group

FG: Focus Group

Q (N/A): The current terminal was built in 1974. What is the data for size and number of enplanements going back to 1974 (not just back to 2000)? How do people pick Eagle vs. Aspen in terms of competition?

A: USDOT has data back to 1975; the airport might have paper records. The number count of the three counties is based off the data that we have, which is limiting. We don't have a consistent historical series, and we need that in order to relate it to the data for the airport. The size of the airport service region is determined by not only the service at Aspen, but also service at the surrounding airports and fares. So, think of the airport service region as an ameba that changes.

One of the problems is that the census bureau changes their block groups over time. There could be more information in RAFTA's libraries with older reports from Aspen to the Valley region. One of the issues is we have the information on the percentage of passengers that we think are flying locally, but we don't know exactly where those passengers live. The only way to get that is to consistently intercept people at the airport and ask where they're from. If you pull this information from different sources, you are not going to get a very consistent data series and when you try to relate it to the passenger traffic growth, you're not going to get a very strong relationship. We want independent forecasts of whatever drivers we've defined as being important, such as population.

Q (FG): How are service regions defined? What are the Roaring Fork Valley boundaries? Does it assume all of Eagle County?

A: Region is consistent with RAFTA service area boundaries. Essentially from Aspen to Parachute, which includes most of the populated sections of Garfield County.

Q (AEWG): How many redirects are there annually with Skywest and United due to weather (by passenger)? How does that impact visitor experience?

A: We can request data from the carriers on how many people get redirected, how many have flights canceled and, maybe, numbers broken out by times/seasons.

Q (CCWG): What are the origins of the airport service area? Does the FAA or a local entity identify it?

A: Typically the airport service region is connected to what's defined as the metropolitan statistical area for that region. But there is no metropolitan statistical area for this region, which is primarily Pitkin County and whatever parts of the surrounding counties might use the airport. We are in the preliminary stages of establishing what this airport service area is, but don't want to understate it. We are limited by data from each county directly. If the area is smaller than suggested, we could define it as such but need to keep growth rates in mind.



Comment by RAFTA representative: Regarding the population of the service area and how that applies to airport planning, I like the analogy of being an amoeba. About 84,000 seem to be about what we use for our service area population, which is basically all of Garfield, four precincts in Eagle County, Glenwood Springs all the way to approximately Rifle. Sometimes you use a little bit more of Garfield County, depending on what we're doing.

Q (TWG): What does the cost of living in the Valley and visiting the Valley do to those data analyses?

A: The costs here have gone up over time and people keep coming back. Maybe there is some point where it's so expensive that demand stops, but the rate of absorption, of demand, in terms of new people coming in is pretty slow. We have analyzed a cost factor in terms of travel, how much the ticket costs to the passenger, which is one of the critical determinants of whether people take a trip. We are also at somewhat of a disadvantage that we can look at personal income of this region as a measure of how well the region is doing and because the region depends on visitors, the more visitors, the more economic activity, and the higher per capita incomes. But there are a lot of people outside of this who have a lot of money to spend. The fact that we're seeing passenger traffic growth and continued increase in the face of some pretty high fares tells you something about people's sensitivity to paying to come here.

Q (N/A): In ideal conditions what is the maximum safe number of operations in/out of the airport? What is the limiting factor?

A: About 32 operations an hour in perfect conditions. If you were to do that from 7am to 11pm, it would be 512 operations in a day. We don't believe that would be sustainable and have not seen a day like it—peak day operations right now are around 200. Part of the limiting factor is aircraft parking, how many aircraft remain there over time, how many coming and going.

Q (AEWG): For the diversions, airlines have a contractual obligation to get passengers to their final destination. It may be an inconvenience, but passengers will not be permanently stuck in a separate location like Denver. So a statistically high number would ultimately make it to Denver from Aspen, correct?

A: Not in all cases. What's unique about this airport is the busing operation, the Plan B.

There is quite a disparity at our airport of inbound deplanements versus outbound enplanements and it happened during the month of March, where we had record snow in Aspen and at the airport. The completion rate of commercial flights that month was 88.1%, so there were over 100 that were either cancelled or diverted. That's the lowest completion rate that we've been tracking here for the last 5 years because it coincided with the snowiest month. On average the airlines are completing 95% of their flights during the winter months.

Q (TWG): How many more people can we put in beds (pillow count data) over the next 5-10 years and should that be a factor in projecting for the airport?

A: This is a moving target, and we haven't reached this point in the planning process yet. Depending on the season, transportation modes change (in the summer, driving is more common than airplanes), so there is not a 1:1 correlation between flying and lodging capabilities. We need to do more research and to look at planning and zoning information.

Q (FG): What aircraft are involved in the TAF projection for commercial aviation? And what were the wing spans and maximum landing weight?

A: Those are the FAA's preliminary forecasts, which do not require specifics on aircraft design. Our local forecast will include that information.



Q (AVC): At the first meeting it was noted that the airport could become a hub. How would direct flights from more cities change growth forecasts? How do expanded facilities impact growth? How much growth do we want in the summer months?

A: On the classifications of airports, we talked about different volumes in terms of enplanement. There are primary, non-hub, small-hub, medium-hub and large-hub. The airlines then use this terminology from the FAA as a business model. If you look at us as a non-hub and we were going to a small category, that's what was trying to be described. It's not so much that we're turning into a hub, but if our volumes continue to go up we will also go up a classification. That changes some security requirements and also creates some opportunities for funding.

Aspen is currently considered a Group 3 airport, with limitations to wingspan. Depending on the aircrafts that come out and the different types of distances they go, we could accommodate that. Until we hear back from the airlines and see what they're proposing to do with their aircraft types, we don't know. So it's a question back to the community: what service level do you want?

We mentioned load factors in the presentation as the percent of seats that are filled on average. The load factors at Aspen are low; they're in the 60-70% range. In order to operate a larger aircraft from here to Miami or wherever, you would have to have the passengers to fill it. The overall average load factor as a whole in the U.S. is 84%. So the airlines might be able to operate a larger craft in peak season, but not year-round.

Q (CCWG): Are peer airports (Rifle, Grand Junction, Eagle, etc.) being consulted and coordinated with? Are we talking with the other airports and sharing data? Are they going through a similar process?

A: All airports go through the same process for forecasts with the FAA, but for the approval of the forecast it has to be specific to this airport. Rifle is the airport that is going through similar transportation changes as we are, so there have been preliminary conversations with them and they have expressed interest in further conversations about general aviation. We have a lot of general aviation that is going to Rifle because of ramp space. We will keep you updated on those conversations.

Q (N/A): When you have flights cancelled, who is responsible for passengers? Do you get people to Denver, elsewhere by bus or are they responsible for finding their own way?

A: That's primarily an airline responsibility.

Q (CCWG): Can all four of Skywest's planes shown in the presentation serve Aspen? Is Skywest serving other markets?

A: Both the CRJ 700 and CRJ 200 would potentially be able to operate here. The CRJ 700 is the only one that can operate right now. Skywest is focused here, but has agreement with major airlines. So, they do what they can to serve the hubs and honor the airlines.

Next Steps

Mr. Peacock encouraged the group to complete the mid-point evaluation survey on meetings and interactions to-date. He also reminded the group that follow up questions can be sent to info@asevision.com. The next meeting will be on June 6, 2019.