

# Yampa Valley Regional Airport

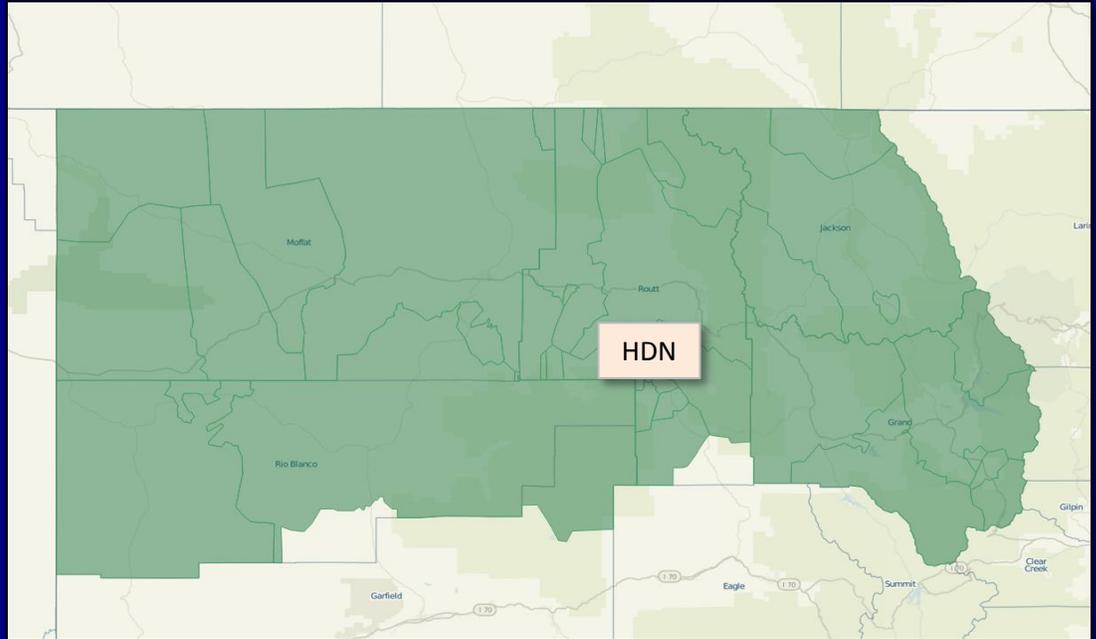
Hayden, Colorado

3Q / 4Q 2012 plus 2Q 2013

February 2014

True Market Study of Resident Traffic Only

Zip Codes Included in This Study Shown below - Hayden Area



Local Resident Traffic Only

## Summary

- The Hayden study area averaged 203 pdew from July through December 2012 and April through June 2013, with 13.8% of those passengers using HDN.
- 5,979 study tickets were combined with US DOT Origin-Destination surveys covering the time period from July through December 2012 and April through June 2013.
- Yampa Valley Regional Airport captured 28 domestic and international passengers per day each way from the Hayden study area.
- The Los Angeles Basin, New York / Newark and Minneapolis generated the largest number of passengers from the Hayden study area.
- United, Southwest and Frontier capture the largest number of passengers among airlines providing service to Hayden study area passengers.



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## Executive Summary

### HDN Passenger Data

- It is estimated that the study area produced 100% of tickets originating at Yampa Valley Regional Airport.
- Yampa Valley Regional Airport handled an average of 37 passengers per day each way from the study area.
- Study area passengers using Yampa Valley Regional Airport generated \$5.5 million in revenue.
- The average one-way airfare for study area passengers using Yampa Valley Regional Airport is \$271.

### True Market Analysis

- A total of 5,979 airline tickets were sampled from travelers in the Hayden study area.
- Airlines reporting tickets to ARC include: United, Frontier, US Airways, American, Delta, Airtran and Alaska.
- Sixel Consulting Group makes adjustments to ARC data to account for LCC underreporting.
- LCC carriers include: Allegiant, Southwest, Spirit and Sun Country.
- After making the adjustment for LCC carriers, an estimated 270 total passengers per day are generated to/from the study area with Hayden capturing 37 passengers per day - 13.8% of the total.
- Those Hayden study area passengers using Denver generated 215 passengers per day - 79.6% of the Hayden study area total, while Grand Junction captured 15 passengers per day - 5.7%.
- 260 Hayden study area passengers per day - 96.1% - travel to/from domestic U.S. airports.
- 11 Hayden study area passengers per day are international passengers.
- United captured the largest share of passengers in the Hayden study area, generating 96 pdew - 35.7% of the total - followed by Southwest (67 pdew, 24.9% share) and Frontier (42 pdew, 15.4% share).
- The Los Angeles Basin is the largest passenger market in the Hayden study area, generating 17 pdew. New York / Newark is the 2nd largest passenger market in the Hayden study area, generating 12 pdew.
- The Hayden study area generated a total of \$27.6 million in revenue.
- The average one-way airfare for Hayden study area passengers is \$186.

## Background / Methodology / Market Areas

### Background

This Ticket Lift/True Market study had three components. The first used only tickets collected from the Airline Reporting Corporation. The second part of the study made an adjustment to ticketing data to take into account error rates from under-reported destinations (sample sizes too small to be accurate) and the effect of low-cost carriers with relatively low ratios of agency-booked tickets. The third part of the study takes into account the population, earnings and GDP from the catchment area to determine the macro level size of enplanements generated in the market. The final adjusted results therefore produce more relevant data.

### Methodology

Sixel Consulting Group has a three-pronged approach to determining the size and characteristics of an airport's catchment area true market. The volume of traffic at carrier destination detail that is currently captured at any airport is recorded in the Department of Transportation's Origin & Destination Survey. This data is analyzed and corrected to account for sampling errors and carriers that do not participate in the survey. The characteristics of leaked traffic are then lifted from an analysis of tickets sold by airlines serving the region that make settlement transactions through the Airline Reporting Corporation (ARC). This data is then evaluated to determine its fitness for inclusion in a representative sample to eradicate any outliers. The volume of leaked traffic is determined by analyzing demographic and socio-economic data in the catchment area relative to regional and national tendencies. This is done using a proprietary basis for disseminating and evaluating population, personal income, and gross domestic product for a defined catchment area.

Specific travel information is recorded on airline ticket stock retained by many airlines and sent to ARC for processing. Sixel Consulting Group, Inc. (SCG) staff collected airline ticket data from ARC-reporting airlines serving the area and collected data of customers located in zip codes within the area. The information collected included: originating airports, destinations, connecting airports, purchase dates, departure and return dates, and airlines utilized. This data is analyzed to accomplish the objectives of the Ticket Lift Survey.

Proprietary analysis was accomplished to determine travel on low-cost carriers such as Southwest and Frontier. While ARC-reporting airlines continue to book a significant portion of travel, low-cost carriers (such as Southwest, jetBlue, Frontier and Sun Country) and scheduled charter airlines (such as Allegiant) get the vast majority of their bookings through company web portals and do not settle transactions through ARC. Therefore, tickets purchased through these non-traditional channels are not collected in the traditional Ticket Lift Survey – or others based on travel agency sales.

For this survey, Sixel Consulting Group has estimated leakage to low-cost carriers at airports throughout the region. By combining the Ticket Lift Survey information with information provided by the airlines to the U.S. Department of Transportation, SCG estimated the "true market" for the local airport. The true market is the total number of air travelers, including those that are using a competing airport, in the geographic area served by Yampa Valley Regional Airport. The "true market" estimate includes the size of the total market, and can also be used to provide estimates for specific destinations.

## Study Airports / Market Areas / Hubs Studied

### Study Airports

HDN  
DEN  
GJT  
SLC

Yampa Valley Regional Airport  
Denver International Airport  
Walker Field Airport  
Salt Lake City International Airport

### Market Areas

Chicago  
Dallas / Ft. Worth  
Houston  
London  
Los Angeles Basin  
Moscow  
New York / Newark  
Norfolk / Newport News  
Orlando / Sanford  
Panama City  
Paris  
Phoenix / Mesa  
San Francisco Bay Area  
South Florida  
South Texas  
Tampa / St. Petersburg  
Washington / Baltimore  
Southwest Florida

ORD / MDW  
DFW / DAL  
IAH / HOU  
LHR / LGW  
LAX / BUR / SNA / ONT / LGB  
SVO / DME  
EWR / JFK / LGA / ISP / HPN  
ORF / PHF  
MCO / SFB / LAL  
PFN / ECP  
CDG / ORY  
PHX / AZA  
SFO / OAK / SJC  
MIA / FLL / PBI  
MFE / HRL / BRO  
TPA / PIE  
DCA / BWI / IAD  
RSW / PGD

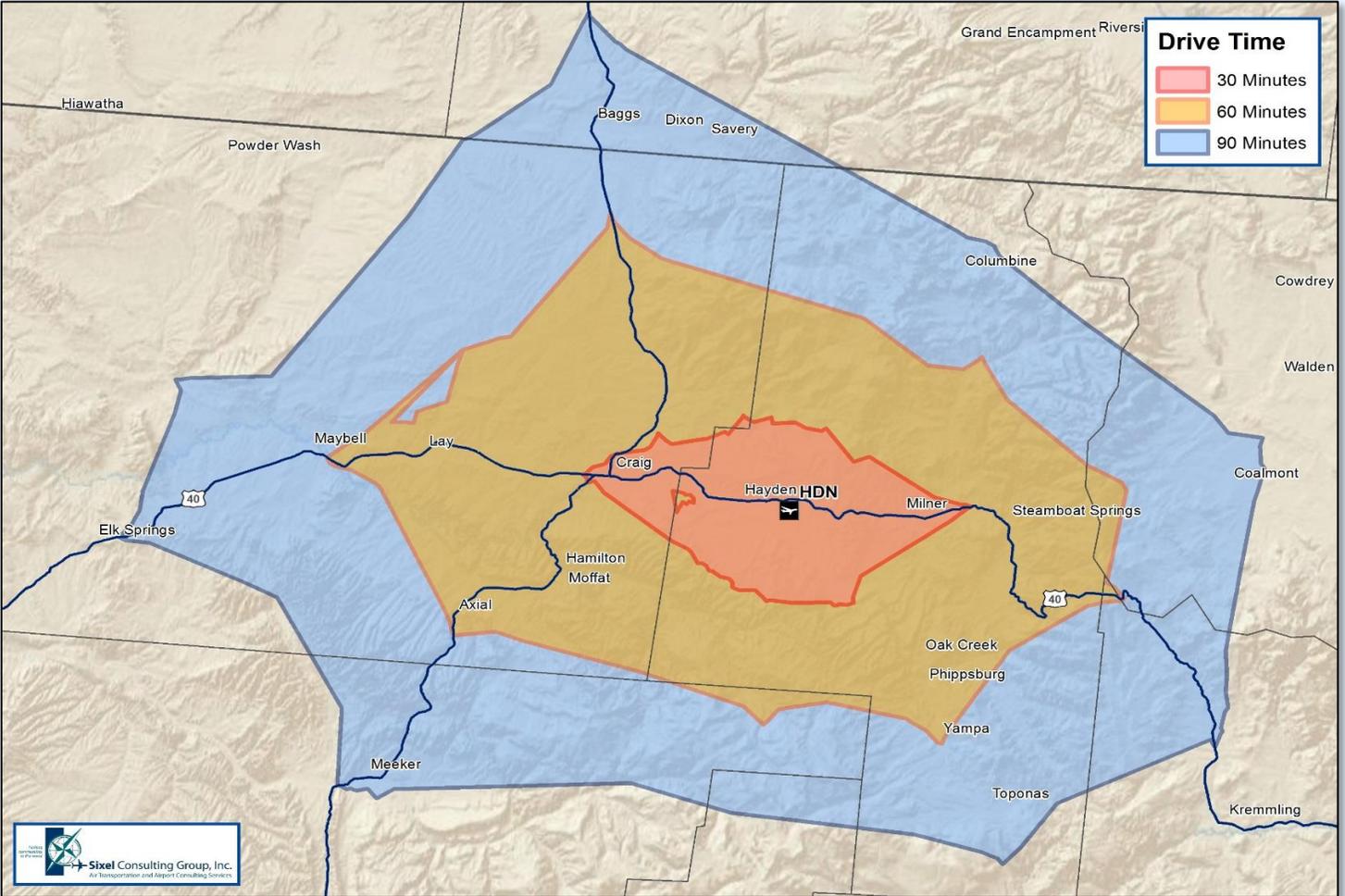
### Hubs Studied

Atlanta / Delta  
Seattle / Alaska  
Boston / American  
Boston / JetBlue  
Charlotte / US Airways  
Chicago / American  
Chicago / Southwest  
Chicago / United  
Cleveland / United  
Dallas / American  
Denver / Frontier  
Denver / Southwest  
Denver / United

Detroit / Delta  
Ft Lauderdale / Spirit  
Houston / United  
Los Angeles / American  
Los Angeles / United  
Miami / American  
Minneapolis / Delta  
Newark / United  
Philadelphia / US Airways  
Phoenix / US Airways  
Salt Lake City / Delta  
San Francisco / United

# Section 1: Passenger Analysis

## Distance / Population



- Approximately 14,112 residents live within a 30 minute drive of Yampa Valley Regional Airport.
- Approximately 35,696 residents live within a 60 minute drive of Yampa Valley Regional Airport.
- Approximately 41,162 residents live within a 90 minute drive of Yampa Valley Regional Airport.