

AIR SERVICE INFORMATION



NORTHERN COLORADO
REGIONAL AIRPORT

FLY

*Serving the Growing
Northern Colorado
Region*



Created Specifically for:

Breeze

Table of Contents



Introduction	3
Location	4
Demographics	5
Travel Demand	6
Colorado Springs Comparison	8
Why Northern Colorado?	9
Airport Information	10
Past Air Service	11
Market Study	12
Catchment Area	13
Market O&D Estimate	14
Top 25 Domestic Destinations	15
Catchment Market Share	16
Proposed Next Steps	17

Introduction



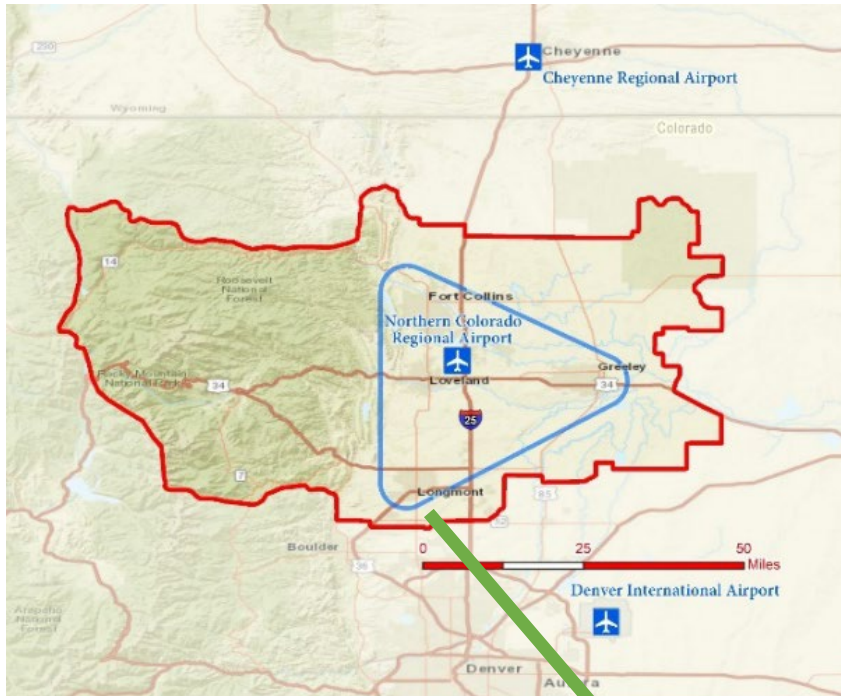
Northern Colorado is a scenic and vibrant area consistently ranked as one of the top places to live and work in the United States. A mild climate, close proximity to abundant outdoor recreational activities, and a resilient regional economy have made the area very popular; resulting in sustained population growth rates nearly three times the national average. Nearly 700,000 people call Northern Colorado home, which has been named one of the top 25 areas in the United States for recession resistance by smartasset.com.

The Northern Colorado Regional Airport (FNL) is centrally located within the region, and is adjacent to major travel corridors along Interstate 25 and US Highway 34. The Airport is positioning itself as an alternative to the Denver Airport investing millions in infrastructure. Projects include providing air traffic control services through a newly constructed and FAA supported remote tower system, enhanced runways and taxiways, and a new airline terminal facility.

Location

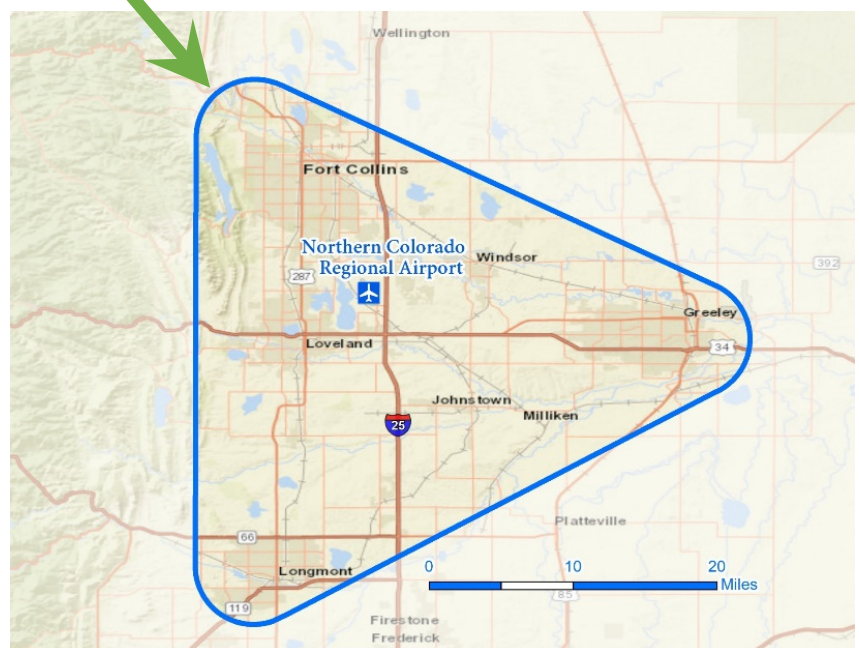


The Northern Colorado Region is located north of the Denver Metropolitan Area. The population of the NOCO region is approximately 700,000 and is projected to continue to grow to over 1 million people by 2040.



The FNL catchment area shown in red includes 32 zip codes. The Airport has excellent ease of access, located directly adjacent to Interstate 25 and US Highway 34.

The Airport is centrally located between the major communities of Fort Collins, Loveland, Longmont, and Greeley. Over 90% of the catchment area's population is located within the blue triangle to the right.

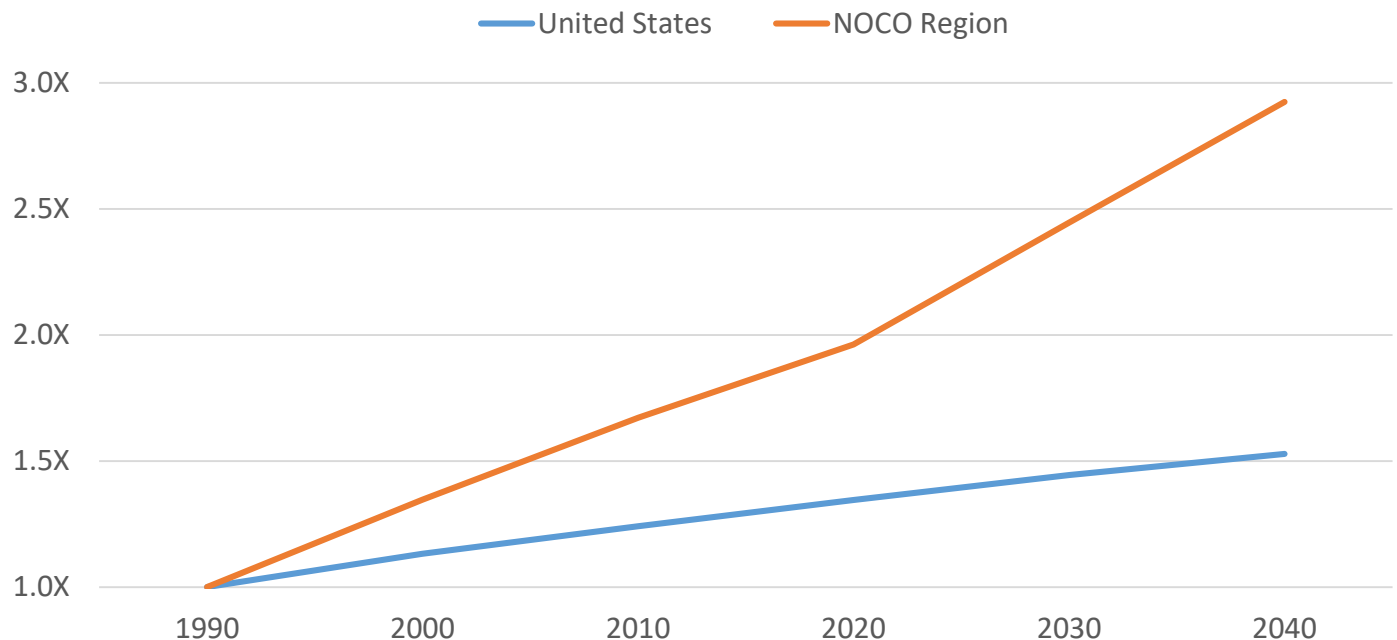


Demographics



The Northern Colorado Region has experienced significant population growth over the past three decades, nearly doubling since 1990. The population within the defined catchment area that the Airport serves has grown from 350,000 people in 1990 to 690,000 estimated in 2020. Much of this growth has been fueled by net migration from other states.

NOCO Region Population Growth Comparison



Area demographics indicate that the NOCO region has an average household income of \$86,000 which is 5% above the national average and a median household income of \$67,000 which is 16% above the national average of \$58,000. Expenditures on airline fares by residents of the region are 6% above the national average.

Historical Population Source: U.S. Census Bureau Population Estimates Program, U.S. Census Bureau American Community Survey (ACS) and Colorado State Demography Office Historical Census.

Forecasted Population Source: U.S. Census Bureau Population Projections and Colorado State Demography Office Population Forecast.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Travel Demand



Understanding and evaluating each market and its potential can be a difficult task. Identifying highly profitable route opportunities at satellite airports can be even more of a challenge. Fortunately FNL has some key indicators that put the Northern Colorado market into perspective. These indicators include area ground transportation offerings and ridership, population growth attributed to migration patterns, area corporations and organizations, the comparison of similar satellite airports, and area attractions. These factors can aid in the evaluation and determination of potential profitability a new route or market offering may realize.

The FNL Airport supports a park and ride facility operated by Groome Transportation. The company provides ground transportation services from FNL to Denver Airport. The company offers 36 daily roundtrips from Northern Colorado and provides an additional 18 for nearby Southeastern Wyoming using 11–29 passenger buses. The lowest rates from the FNL park and ride are \$72 for one person roundtrip between FNL and DEN, and the company estimates they provide an average of 700 passengers transportation to DEN daily. During peak travel demand times the company will accommodate up to 1,300 people daily.



Regional Travel Demand Influences



Satellite Organizations

The region is home to many large companies, with many having a corporate headquarters located elsewhere. This is especially true for many of the Federal Government research centers and the multiple technology companies located nearby, making business travel data challenging to obtain.

Population Migration

Population growth, especially attributed to people relocating from other states over the last three decades can increase travel demands. Many of the relocated populace still have connections in their original locations, mostly from California, Texas, and the Midwest. These travel demand connections are bi-directional and linked to locations of high migration origination.



Higher Education

The region is host to three Universities including Colorado State University with nearly 33,700 enrolled students, University of Northern Colorado with 13,400, and University of Colorado in Boulder with 34,500. The three Universities have 81,600 students enrolled and of that nearly 24,000 are out of state students originating primarily from California, Texas, and Illinois.

Colorado Springs Comparison



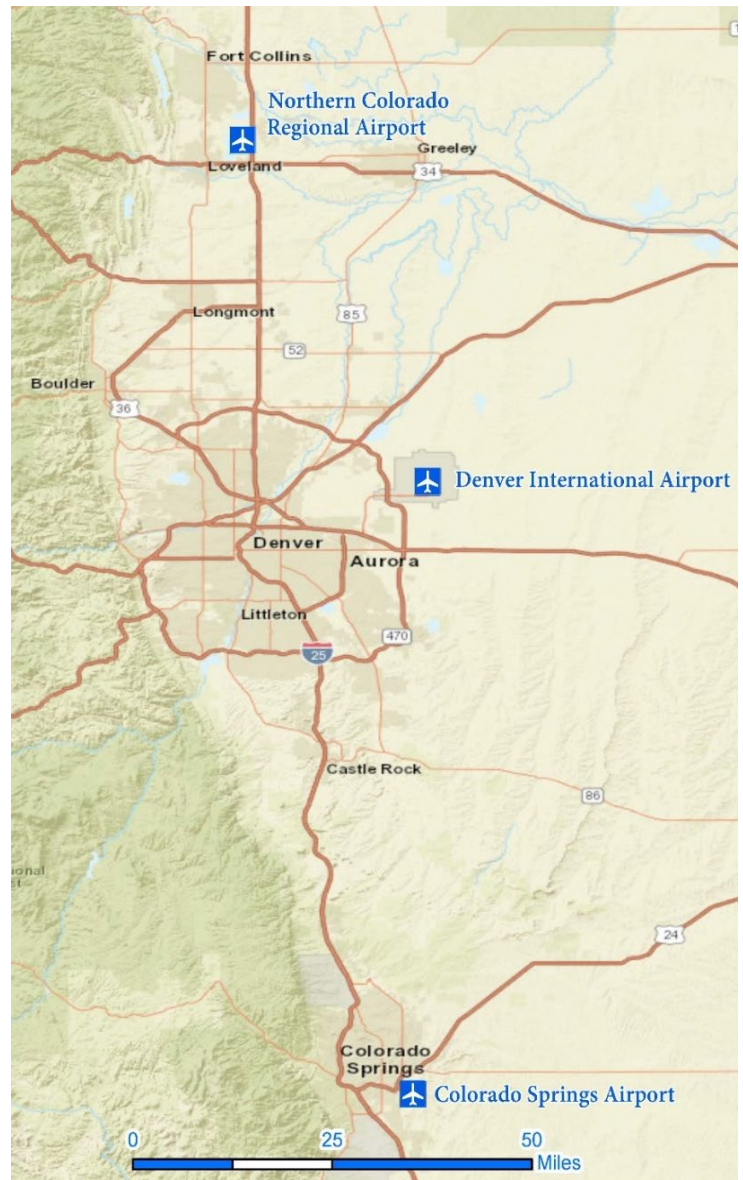
The Northern Colorado Region has many similarities to the Colorado Springs area and a similar proximity to Denver International Airport. Due to the geographical and air service market similarities, it serves as an ideal comparison for air service opportunities.

30-Minute Drive Time Comparison

	FNL	COS
Population	608,894	645,400
Median Household Income	\$65,621	\$62,166
Median Home Value	\$324,591	\$300,804
Bachelor's Degree or Higher	39.2%	36.9%
Annual Expenditures on Airline Fares per Household	\$558.82	\$526.08

Colorado Springs Airport Stats

- 4 Airlines: AA, DL, F9, UA
- 13 Destinations
- Enplanements on the rise
 - 2015: 600,000
 - 2018: 855,000
- 145,000 outbound to DEN



Population, Income, Home Value, Education Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Destination NOCO



Rocky Mountain National Park



Northern Colorado tourism numbers continue to break records every year. Hotel occupancy rates are well above the industry average with several new hotels under construction or expansion to keep up with demand.



Embassy Suites - Airport

Estes Park



Old Town Fort Collins

The region continues to grow in popularity, serving as a destination for many outside the state seeking to reconnect with nature, or to see and explore the many attractions the region has to offer. Whether it is visiting one of the 57 area craft beer breweries, or planning a visit to Rocky Mountain National Park, which set a record last year with 4.6 million visitors, there are a multitude of reasons to travel to and explore NOCO.



The Airport



FNL is an FAA commercially certified airport with an actively operated and maintained TSA security checkpoint. The airfield is designed for the Airbus A320 series aircraft and can easily accommodate all regional and narrow-body aircraft. The Airport has capacity for up to 180 passengers at a time through the existing terminal facilities and has adequate parking and accessibility to support multiple daily flights. FNL is ARFF index C capable, and has the capability to support Boeing 757 aircraft.



A remotely operated air traffic control system is being installed and will begin operations in the summer of 2019. The system is one of two systems currently being evaluated for certification by the FAA. Air traffic controllers will staff this system and another visual tower during system testing by the FAA. The FNL remote tower project is being managed by the FAA and Colorado Aeronautics Division.



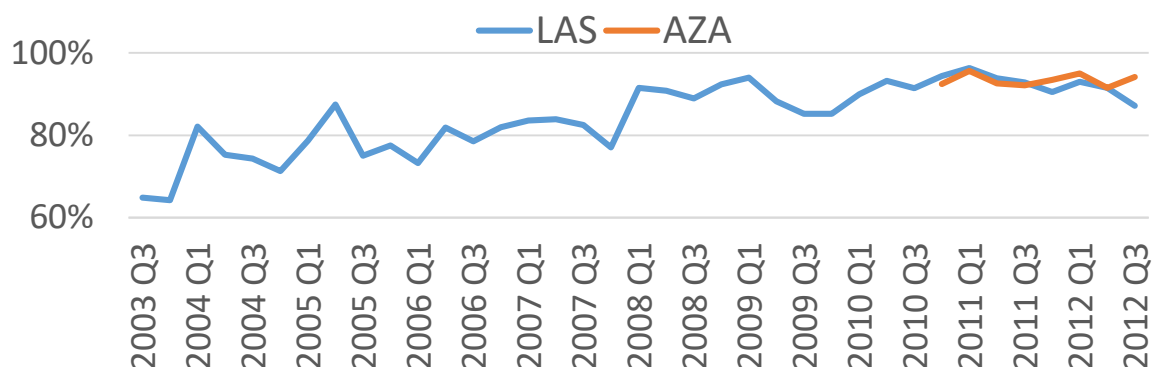
Historical Air Service



In 2003 Allegiant Air began providing air service from FNL to Las Vegas adding another route in 2010 to Phoenix-Mesa. Both routes were discontinued by Allegiant in late 2012 citing operational risk due to the lack of an air traffic control tower. Scheduled available seats peaked for the year ending on March 31, 2012, with 46,350 annual seats and 309 annual flights. The table below provides historical air service figures for calendar years 2004 through 2012.

FNL Historical Scheduled Air Service									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Las Vegas	257	285	284	223	218	227	217	201	153
Phoenix - Mesa							24	98	74
Total Flights	257	285	284	223	218	227	241	299	227
Total Seats	38,550	43,074	42,762	33,612	33,834	34,536	36,312	44,850	34,050

The table below provides FNL's average load factor by market from Q3 of 2003 to Q3 of 2012. For the first several years of service, load factors for Las Vegas (LAS) averaged less than 80 percent. Loads began to increase in 2007 and exceeded 90 percent for the first time in 2008. Strong Loads were maintained until service ended in 2012. At Phoenix-Mesa (AZA), load factors exceeded 90 percent on average in all three years of service, indicating strong passenger performance.



True Market Estimate: Study Methodology



The Passenger Demand Analysis combines ARC ticketed data and U.S. Department of Transportation (DOT) airline data to provide a comprehensive overview of the air travel market. For the purposes of this study, ARC data includes tickets purchased through travel agencies in the FNL catchment area as well as tickets purchased via online travel agencies by passengers in the FNL catchment area. It does not capture tickets issued directly by airline websites (e.g., www.delta.com, www.united.com) or through airline reservation offices. The data used include tickets for the zip codes in the catchment area, NOT all tickets. As a result, ARC data represents a sample to measure the air travel habits of catchment area air travelers.

Data for travel agencies located within the catchment area is reported by the zip code of the travel agency. Online travel agency data (e.g. Expedia, Orbitz and Travelocity) is reported by the customer zip code used to purchase the ticket. Although limitations exist, ARC data accurately portrays the airline ticket purchasing habits of a large cross-section of catchment area travelers, making the data useful to both airports and airlines. A total of 58,554 ARC tickets purchased for the year ending on March 31, 2018, were used for this analysis. Adjustments were made to account for Southwest Airlines and Frontier Airlines since they have limited representation in ARC.

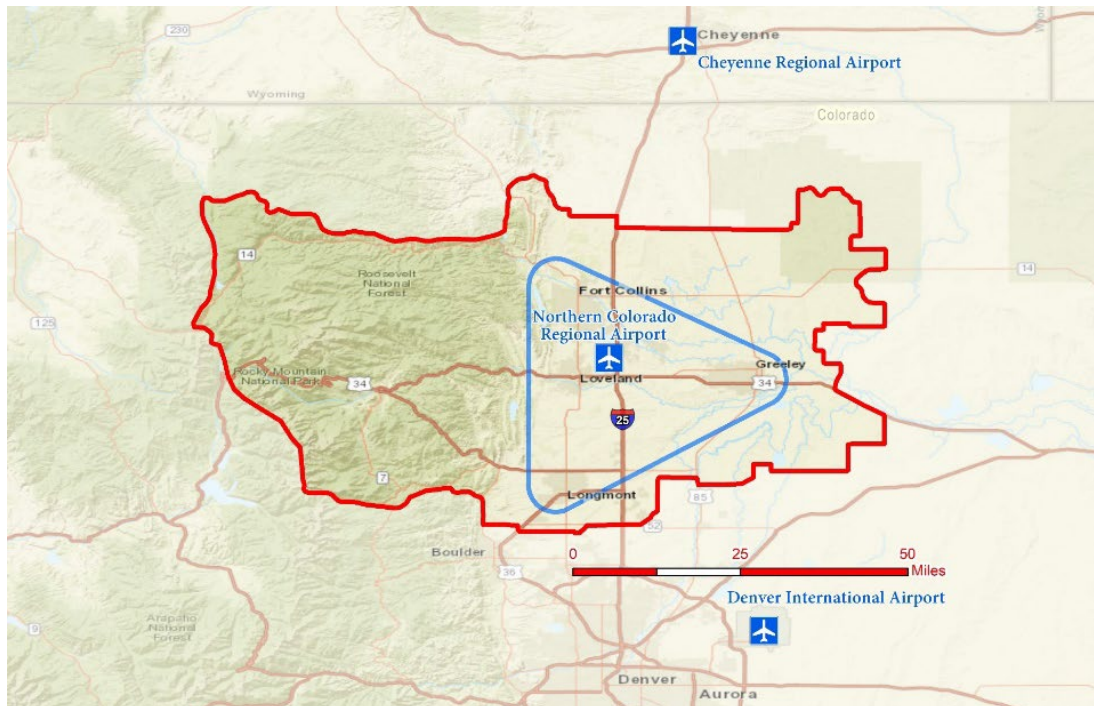


Catchment Area



The NOCO region is home to approximately 700,000 people within 32 zip codes, and serves as the basis for the Northern Colorado Regional Airport's primary local market and identified primary catchment area. The NOCO urban area that immediately surrounds the Airport comprises 90% of the total population or 610,000 people. A conservative approach was used in defining the catchment area, and air service offerings would easily draw travelers from further North and East into SE Wyoming and NW Nebraska capturing an additional 150,000 people.

FNL Catchment Area



The population growth in NOCO and all along the Colorado Front Range has created infrastructure demand challenges. This is especially true with congestion compounding drive times from NOCO to DEN, raising the time needed for travel. Even DEN is having to remodel and expand facilities to accommodate travelers.

Travel to DEN from NOCO can be costly when it typically includes tollway fees, parking, vehicle cost, or shuttle service – which may easily cost travelers \$72 or more roundtrip.

True Market Estimate O&D

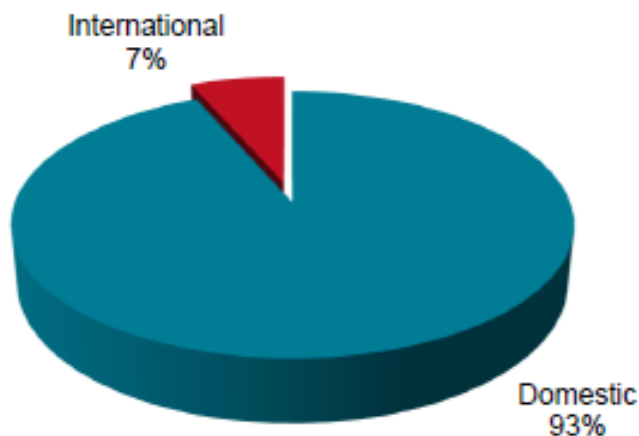


True Market Passengers By Community

The table to the right shows the breakdown of the total true market passengers by community based on ARC data. ARC includes local travel agency data (reported by travel agency zip code) and online travel agency data (reported by the passenger zip code).

The Fort Collins community had the largest share of passengers at 35 percent followed by Longmont at 22 percent and Loveland at 13 percent. The only other community with a share 10 percent or greater was the Greeley community.

COMMUNITY	TRUE MARKET	% OF TOTAL
Fort Collins	810,829	35
Longmont	522,799	22
Loveland	293,182	13
Greeley	226,063	10
Windsor	138,483	6
Johnstown	56,307	2
Berthoud	50,407	2
Estes Park	41,125	2
Lyons	27,108	1
Timnath	26,239	1
Eaton	26,239	1
Evans	24,394	1
Mead	21,431	1
Milliken	13,477	1
Other	55,701	2
Total	2,333,783	100



Domestic Versus International

The graph to the left shows the split between domestic and international itineraries. An estimated 93 percent of passengers fly domestically. The remaining 7 percent of passengers fly to international destinations. The top three International travel destinations include Cancun, London, and Puerto Vallarta.

Top 25 Domestic Destinations



The table to the right provides the top 25 individual airport domestic true markets.

All FNL catchment area passengers used DEN. The top 25 destinations for FNL accounted for 58 percent of the travel to/from the FNL catchment area.

Phoenix-Sky Harbor was the largest independent market with 124,461 annual passengers (170.5 PDEW). Los Angeles was the second largest market with 157.8 PDEW, followed by Seattle with 129.2 PDEW. San Francisco was the fourth largest market with 113.8 PDEW, while Las Vegas rounded out the top five markets with 104.0 PDEW.

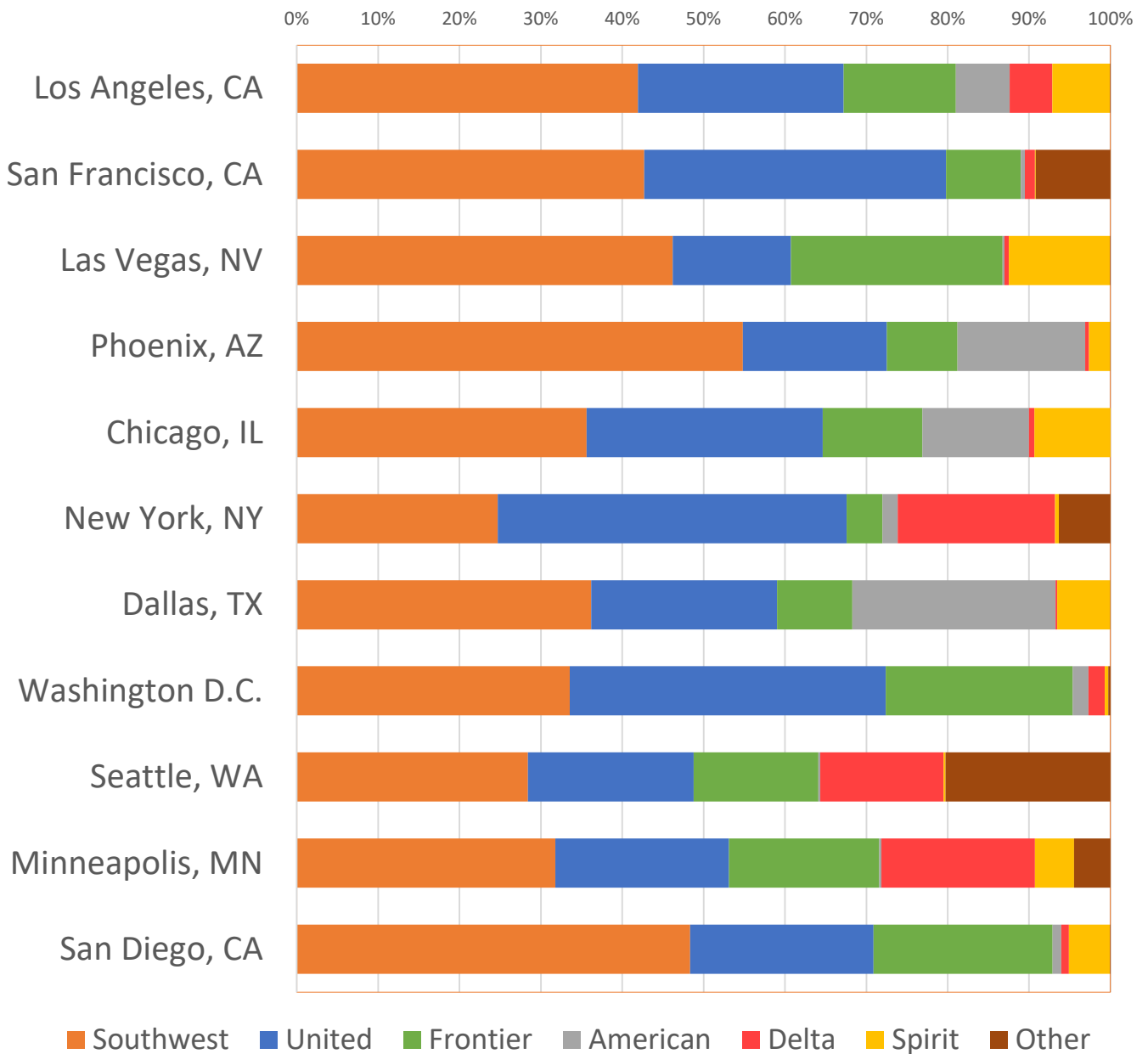
All top five markets had greater than 100 PDEW.

RANK	DESTINATION	TRUE MARKET	PDEW
1	Phoenix, AZ (PHX)	124,461	170.5
2	Los Angeles, CA	115,178	157.8
3	Seattle, WA	94,302	129.2
4	San Francisco, CA	83,089	113.8
5	Las Vegas, NV	75,922	104.0
6	Minneapolis, MN	60,871	83.4
7	Chicago, IL (ORD)	58,860	80.6
8	Dallas, TX (DFW)	58,031	79.5
9	Orlando, FL (MCO)	51,738	70.9
10	San Diego, CA	46,260	63.4
11	Atlanta, GA	46,079	63.1
12	New York, NY (LGA)	44,564	61.0
13	Boston, MA	44,438	60.9
14	Philadelphia, PA	38,510	52.8
15	Orange County, CA	34,486	47.2
16	Portland, OR	33,114	45.4
17	Salt Lake City, UT	32,763	44.9
18	Austin, TX	30,324	41.5
19	Kansas City, MO	29,237	40.1
20	Detroit, MI	29,204	40.0
21	Tampa, FL	28,548	39.1
22	New York, NY (JFK)	28,127	38.5
23	Washington, DC (IAD)	27,619	37.8
24	Chicago, IL (MDW)	27,166	37.2
25	St. Louis, MO	27,072	37.1
Top 25 destinations		1,269,963	1,739.7
Total domestic		2,181,758	2,988.7

Catchment Area Market Share



The chart below shows the 2017 airline market share of the ten highest demand routes from the Northern Colorado catchment area.



Proposed Next Steps



Coordinate a meeting at Breeze Airways headquarters or at FNL to discuss specific opportunities and identify highest demand routes and yield markets. Reasons to consider providing scheduled air service at FNL include:

- FNL has substantial localized demand for multiple sustainable daily routes to numerous destinations
- FNL provides a unique opportunity for an airline to enhance market share in Colorado through the startup of operations at FNL
- FNL is investing in its commercial airline future with the addition of a new terminal facility expected to open in 2024.
- FNL has the capability to provide fully contracted above and below wing services with trained GSC support
- FNL is only 20 minutes further drive time to ski resorts in central Colorado
- FNL has multiple support entities that are ready and willing to assist with marketing and promotion including:
 - Visit Loveland, Fort Collins CVB, Estes Park CVB, Visit Greeley, Longmont Tourism

Contact Information

Jason R. Licon, Airport Director
970-962-2852
jason.licon@cityofloveland.org





FNL Airport Information

Prepared Specifically for:



FNL operates under the model that decouples airline costs with ancillary fees derived from concessions, parking revenues, and other revenue streams keeping costs low for air carriers.

Schedule of Rates and Charges

- Landing Fee \$0.90 per 1,000 lbs.
- ARFF, Security, & Terminal fees \$150 per turn
- Passenger Facility Charge \$4.50

Calculating Average Cost Per Passenger for Breeze

All flights on an Airbus A220-300 133,500 lbs. max landing weight

- \$120 per departure Landing Fees
- \$150 per departure ARFF, Security, & Terminal fees
- \$270 per departure: Total Airport Fees

Passenger load estimates- 126 seats at 85% load factor or 107 passengers

- ***\$2.53 = Average Cost Per Enplaned Passenger***

Incentives

New route fee waivers

- 12 months 100% fee waivers to new routes serving top markets

Marketing contributions

- Up to \$15,000 for <4 flights weekly to one destination
- Up to \$30,000 for >4 flights weekly to one destination



FNL Airport Information



Schedule of Rates

- ✈ Landing Fee \$0.90/1,000 lbs
- ✈ ARFF, Security & Terminal Fees \$150/turn
- ✈ Passenger Facility Charge \$4.50/passenger

Avg Cost/Passenger Assumptions

Airbus A220-300 133,500lb max landing weight

- ✈ Landing Fee/Departure \$120
- ✈ ARFF, Security & Terminal Fees/Departure \$150
- ✈ Total Airport Fees/Departure \$270

Passenger Load Estimates

126 Seats at 85% load or 107 Passengers

- ✈ Cost Per Enplaned Passenger \$2.53

PFC Fees

- ✈ Per Enplaned Passenger \$4.50 (\$4.39 paid to FNL)

Total CPE + PFC = \$6.92

INCENTIVES

- ✈ 12 Months 100% Fee Waivers To New Routes Serving Top Markets
- ✈ Marketing Contributions
 - ✈ Up to \$15,000 for <4 flights weekly to one destination
 - ✈ Up to \$30,000 for >4 flights weekly to one destination

AIR SERVICE INFORMATION



Created Specifically for:

FRONTIER
AIRLINES



NORTHERN COLORADO
REGIONAL AIRPORT



*Serving the Growing
Northern Colorado
Region*

Table of Contents



Introduction	3
Location	4
Demographics	5
Travel Demand	6
Colorado Springs Comparison	8
Why Northern Colorado?	9
Airport Information	10
Past Air Service	11
Market Study	12
Catchment Area	13
Market O&D Estimate	14
Top 25 Domestic Destinations	15
Catchment Market Share	16
Proposed Next Steps	17

Introduction



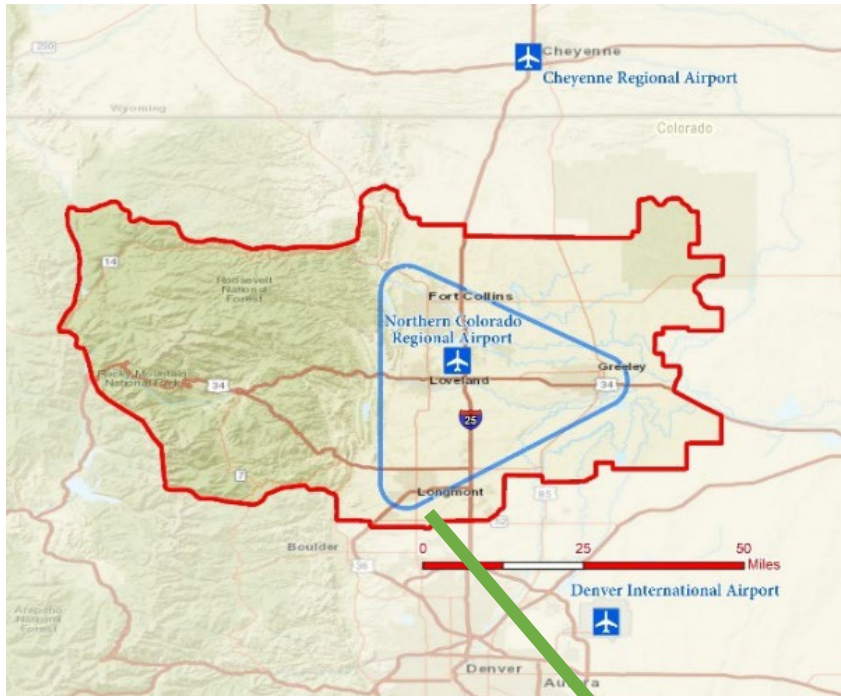
Northern Colorado is a scenic and vibrant area consistently ranked as one of the top places to live and work in the United States. A mild climate, close proximity to abundant outdoor recreational activities, and a resilient regional economy have made the area very popular; resulting in sustained population growth rates nearly three times the national average. Nearly 700,000 people call Northern Colorado home, which has been named one of the top 25 areas in the United States for recession resistance by smartasset.com.

The Northern Colorado Regional Airport (FNL) is centrally located within the region, and is adjacent to major travel corridors along Interstate 25 and US Highway 34. The Airport is positioning itself as an alternative to the Denver Airport investing millions in infrastructure. Projects include providing air traffic control services through a newly constructed and FAA supported remote tower system, enhanced runways and taxiways, and a new airline terminal facility.

Location

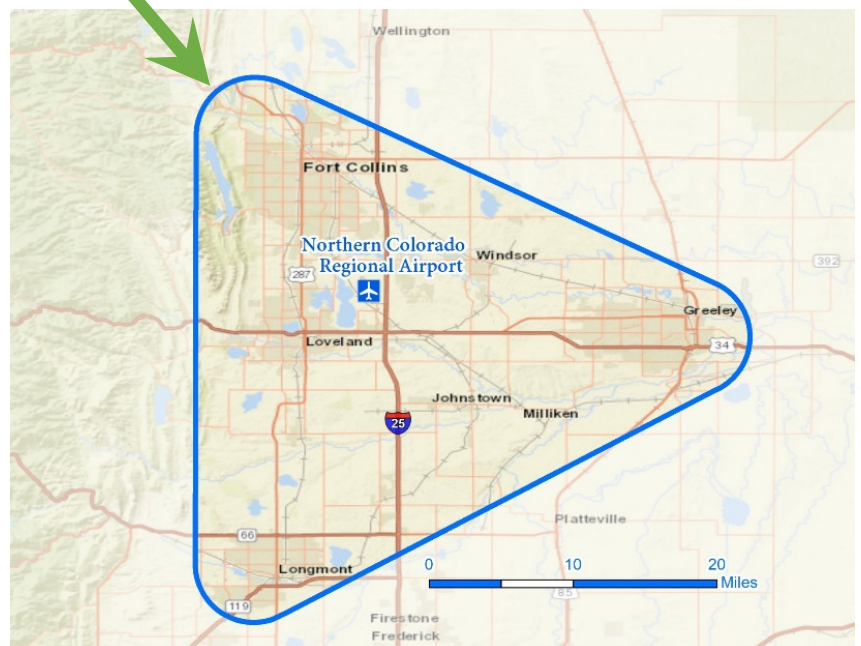


The Northern Colorado Region is located north of the Denver Metropolitan Area. The population of the NOCO region is approximately 700,000 and is projected to continue to grow to over 1 million people by 2040.



The FNL catchment area shown in red includes 32 zip codes. The Airport has excellent ease of access, located directly adjacent to Interstate 25 and US Highway 34.

The Airport is centrally located between the major communities of Fort Collins, Loveland, Longmont, and Greeley. Over 90% of the catchment area's population is located within the blue triangle to the right.

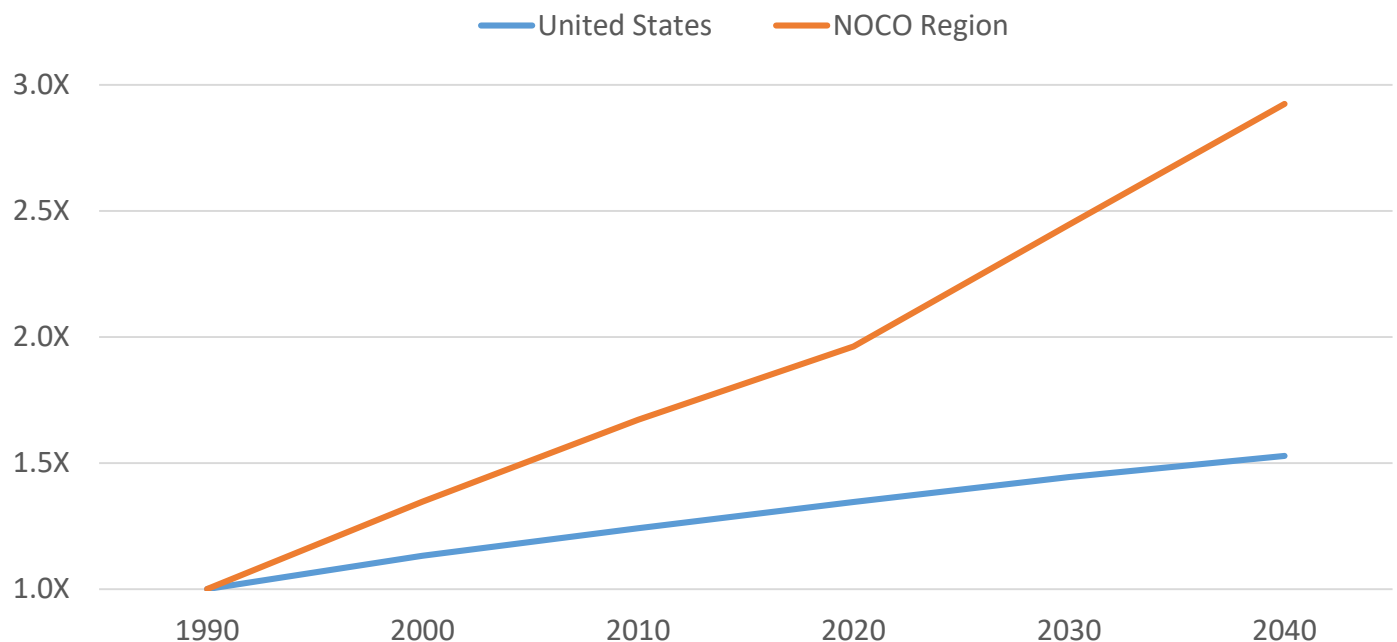


Demographics



The Northern Colorado Region has experienced significant population growth over the past three decades, nearly doubling since 1990. The population within the defined catchment area that the Airport serves has grown from 350,000 people in 1990 to 690,000 estimated in 2020. Much of this growth has been fueled by net migration from other states.

NOCO Region Population Growth Comparison



Area demographics indicate that the NOCO region has an average household income of \$86,000 which is 5% above the national average and a median household income of \$67,000 which is 16% above the national average of \$58,000. Expenditures on airline fares by residents of the region are 6% above the national average.

Historical Population Source: U.S. Census Bureau Population Estimates Program, U.S. Census Bureau American Community Survey (ACS) and Colorado State Demography Office Historical Census.

Forecasted Population Source: U.S. Census Bureau Population Projections and Colorado State Demography Office Population Forecast.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Travel Demand



Understanding and evaluating each market and its potential can be a difficult task. Identifying highly profitable route opportunities at satellite airports can be even more of a challenge. Fortunately FNL has some key indicators that put the Northern Colorado market into perspective. These indicators include area ground transportation offerings and ridership, population growth attributed to migration patterns, area corporations and organizations, the comparison of similar satellite airports, and area attractions. These factors can aid in the evaluation and determination of potential profitability a new route or market offering may realize.

The FNL Airport supports a park and ride facility operated by Groome Transportation. The company provides ground transportation services from FNL to Denver Airport. The company offers 36 daily roundtrips from Northern Colorado and provides an additional 18 for nearby Southeastern Wyoming using 11–29 passenger buses. The lowest rates from the FNL park and ride are \$72 for one person roundtrip between FNL and DEN, and the company estimates they provide an average of 700 passengers transportation to DEN daily. During peak travel demand times the company will accommodate up to 1,300 people daily.



Regional Travel Demand Influences



Satellite Organizations

The region is home to many large companies, with many having a corporate headquarters located elsewhere. This is especially true for many of the Federal Government research centers and the multiple technology companies located nearby, making business travel data challenging to obtain.

Population Migration

Population growth, especially attributed to people relocating from other states over the last three decades can increase travel demands. Many of the relocated populace still have connections in their original locations, mostly from California, Texas, and the Midwest. These travel demand connections are bi-directional and linked to locations of high migration origination.



Higher Education

The region is host to three Universities including Colorado State University with nearly 33,700 enrolled students, University of Northern Colorado with 13,400, and University of Colorado in Boulder with 34,500. The three Universities have 81,600 students enrolled and of that nearly 24,000 are out of state students originating primarily from California, Texas, and Illinois.

Colorado Springs Comparison



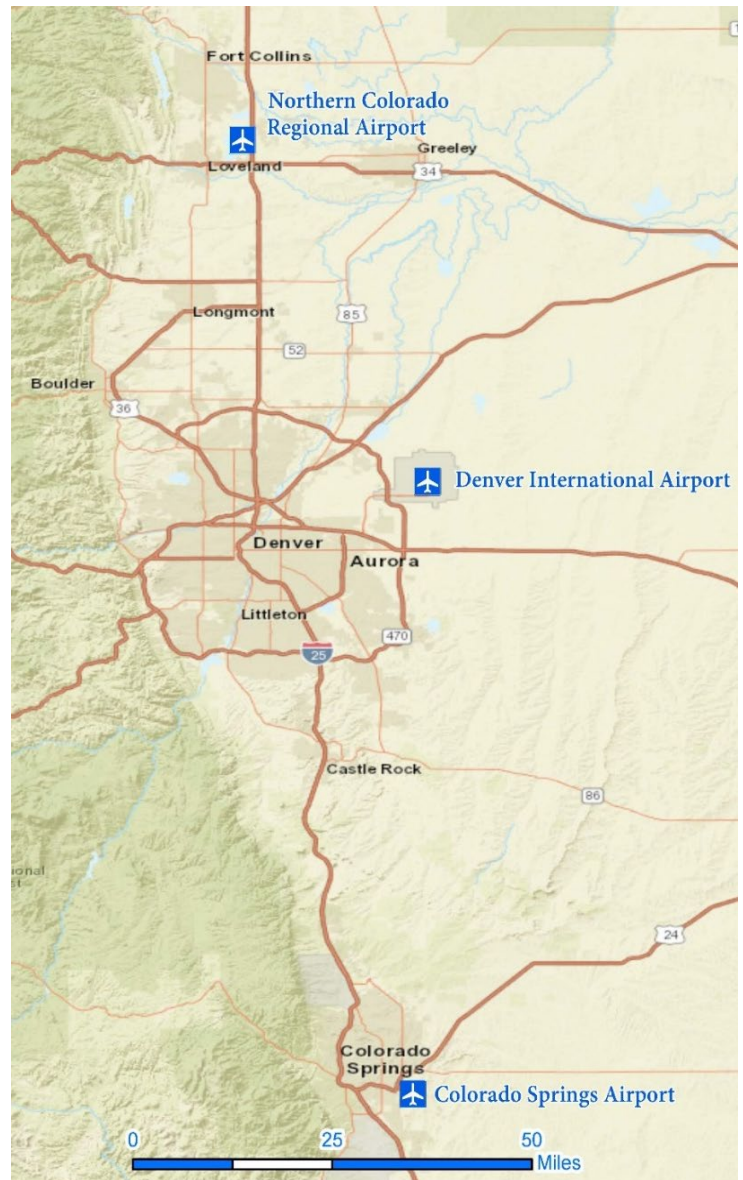
The Northern Colorado Region has many similarities to the Colorado Springs area and a similar proximity to Denver International Airport. Due to the geographical and air service market similarities, it serves as an ideal comparison for air service opportunities.

30-Minute Drive Time Comparison

	FNL	COS
Population	608,894	645,400
Median Household Income	\$65,621	\$62,166
Median Home Value	\$324,591	\$300,804
Bachelor's Degree or Higher	39.2%	36.9%
Annual Expenditures on Airline Fares per Household	\$558.82	\$526.08

Colorado Springs Airport Stats

- 4 Airlines: AA, DL, F9, UA
- 13 Destinations
- Enplanements on the rise
 - 2015: 600,000
 - 2018: 855,000
- 145,000 outbound to DEN



Population, Income, Home Value, Education Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Destination NOCO



Rocky Mountain National Park



Northern Colorado tourism numbers continue to break records every year. Hotel occupancy rates are well above the industry average with several new hotels under construction or expansion to keep up with demand.



Embassy Suites - Airport

Estes Park



Old Town Fort Collins

The region continues to grow in popularity, serving as a destination for many outside the state seeking to reconnect with nature, or to see and explore the many attractions the region has to offer. Whether it is visiting one of the 57 area craft beer breweries, or planning a visit to Rocky Mountain National Park, which set a record last year with 4.6 million visitors, there are a multitude of reasons to travel to and explore NOCO.



The Airport



FNL is an FAA commercially certified airport with an actively operated and maintained TSA security checkpoint. The airfield is designed for the Airbus A320 series aircraft and can easily accommodate all regional and narrow-body aircraft. The Airport has capacity for up to 180 passengers at a time through the existing terminal facilities and has adequate parking and accessibility to support multiple daily flights. FNL is ARFF index C capable, and has the capability to support Boeing 757 aircraft.



A remotely operated air traffic control system is being installed and will begin operations in the summer of 2019. The system is one of two systems currently being evaluated for certification by the FAA. Air traffic controllers will staff this system and another visual tower during system testing by the FAA. The FNL remote tower project is being managed by the FAA and Colorado Aeronautics Division.



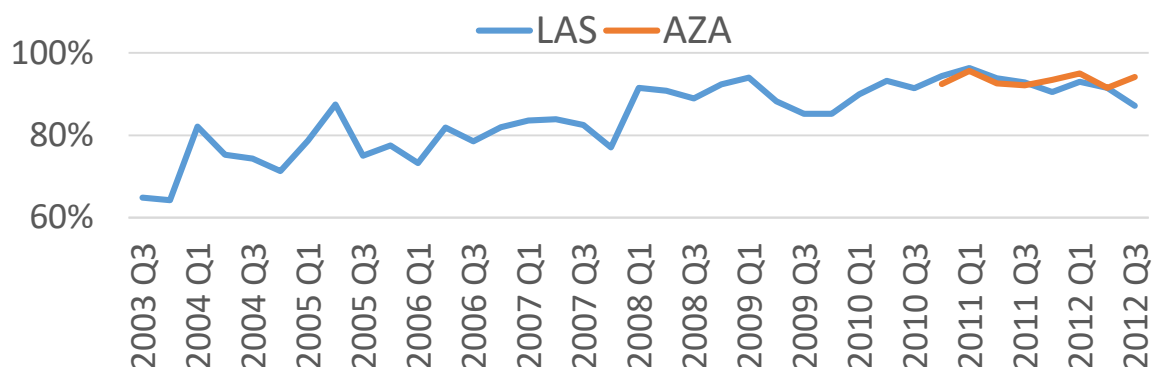
Historical Air Service



In 2003 Allegiant Air began providing air service from FNL to Las Vegas adding another route in 2010 to Phoenix-Mesa. Both routes were discontinued by Allegiant in late 2012 citing operational risk due to the lack of an air traffic control tower. Scheduled available seats peaked for the year ending on March 31, 2012, with 46,350 annual seats and 309 annual flights. The table below provides historical air service figures for calendar years 2004 through 2012.

FNL Historical Scheduled Air Service									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Las Vegas	257	285	284	223	218	227	217	201	153
Phoenix - Mesa							24	98	74
Total Flights	257	285	284	223	218	227	241	299	227
Total Seats	38,550	43,074	42,762	33,612	33,834	34,536	36,312	44,850	34,050

The table below provides FNL's average load factor by market from Q3 of 2003 to Q3 of 2012. For the first several years of service, load factors for Las Vegas (LAS) averaged less than 80 percent. Loads began to increase in 2007 and exceeded 90 percent for the first time in 2008. Strong Loads were maintained until service ended in 2012. At Phoenix-Mesa (AZA), load factors exceeded 90 percent on average in all three years of service, indicating strong passenger performance.



True Market Estimate: Study Methodology



The Passenger Demand Analysis combines ARC ticketed data and U.S. Department of Transportation (DOT) airline data to provide a comprehensive overview of the air travel market. For the purposes of this study, ARC data includes tickets purchased through travel agencies in the FNL catchment area as well as tickets purchased via online travel agencies by passengers in the FNL catchment area. It does not capture tickets issued directly by airline websites (e.g., www.delta.com, www.united.com) or through airline reservation offices. The data used include tickets for the zip codes in the catchment area, NOT all tickets. As a result, ARC data represents a sample to measure the air travel habits of catchment area air travelers.

Data for travel agencies located within the catchment area is reported by the zip code of the travel agency. Online travel agency data (e.g. Expedia, Orbitz and Travelocity) is reported by the customer zip code used to purchase the ticket. Although limitations exist, ARC data accurately portrays the airline ticket purchasing habits of a large cross-section of catchment area travelers, making the data useful to both airports and airlines. A total of 58,554 ARC tickets purchased for the year ending on March 31, 2018, were used for this analysis. Adjustments were made to account for Southwest Airlines and Frontier Airlines since they have limited representation in ARC.

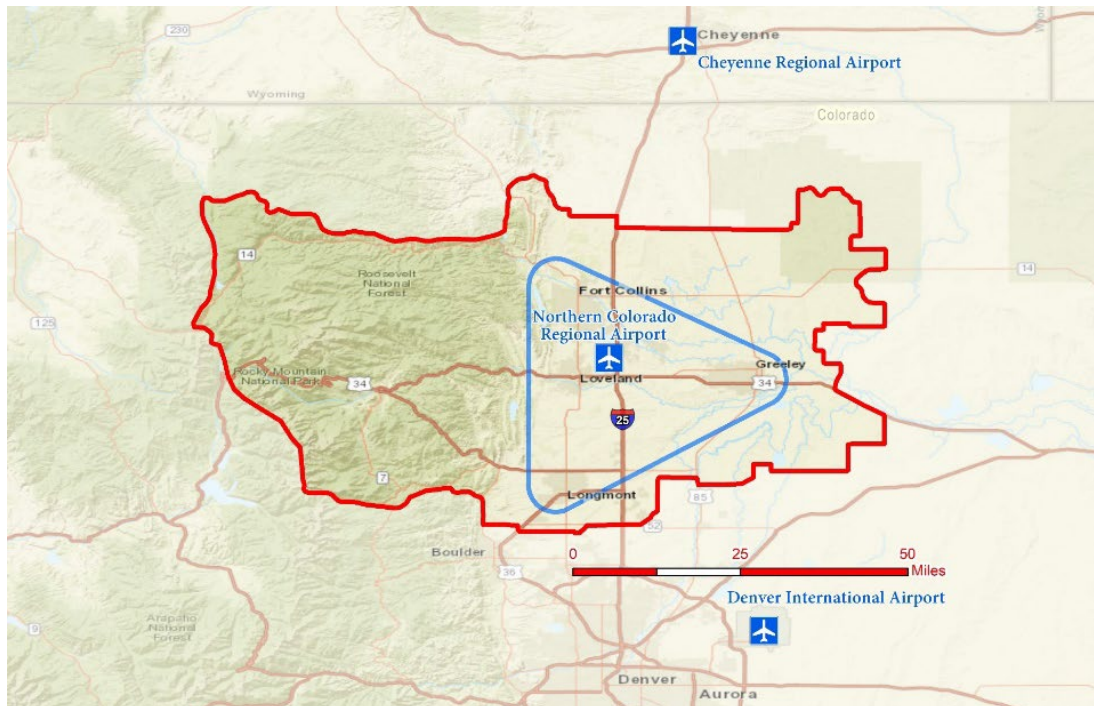


Catchment Area



The NOCO region is home to approximately 700,000 people within 32 zip codes, and serves as the basis for the Northern Colorado Regional Airport's primary local market and identified primary catchment area. The NOCO urban area that immediately surrounds the Airport comprises 90% of the total population or 610,000 people. A conservative approach was used in defining the catchment area, and air service offerings would easily draw travelers from further North and East into SE Wyoming and NW Nebraska capturing an additional 150,000 people.

FNL Catchment Area



The population growth in NOCO and all along the Colorado Front Range has created infrastructure demand challenges. This is especially true with congestion compounding drive times from NOCO to DEN, raising the time needed for travel. Even DEN is having to remodel and expand facilities to accommodate travelers.

Travel to DEN from NOCO can be costly when it typically includes tollway fees, parking, vehicle cost, or shuttle service – which may easily cost travelers \$72 or more roundtrip.

True Market Estimate O&D

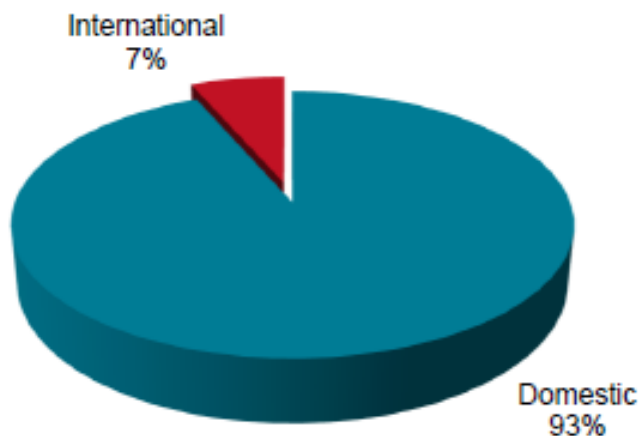


True Market Passengers By Community

The table to the right shows the breakdown of the total true market passengers by community based on ARC data. ARC includes local travel agency data (reported by travel agency zip code) and online travel agency data (reported by the passenger zip code).

The Fort Collins community had the largest share of passengers at 35 percent followed by Longmont at 22 percent and Loveland at 13 percent. The only other community with a share 10 percent or greater was the Greeley community.

COMMUNITY	TRUE MARKET	% OF TOTAL
Fort Collins	810,829	35
Longmont	522,799	22
Loveland	293,182	13
Greeley	226,063	10
Windsor	138,483	6
Johnstown	56,307	2
Berthoud	50,407	2
Estes Park	41,125	2
Lyons	27,108	1
Timnath	26,239	1
Eaton	26,239	1
Evans	24,394	1
Mead	21,431	1
Milliken	13,477	1
Other	55,701	2
Total	2,333,783	100



Domestic Versus International

The graph to the left shows the split between domestic and international itineraries. An estimated 93 percent of passengers fly domestically. The remaining 7 percent of passengers fly to international destinations. The top three International travel destinations include Cancun, London, and Puerto Vallarta.

Top 25 Domestic Destinations



The table to the right provides the top 25 domestic true markets.

All FNL catchment area passengers used DEN. The top 25 destinations for FNL accounted for 58 percent of the travel to/from the FNL catchment area.

Phoenix-Sky Harbor was the largest market with 124,461 annual passengers (170.5 PDEW). Los Angeles was the second largest market with 157.8 PDEW, followed by Seattle with 129.2 PDEW. San Francisco was the fourth largest market with 113.8 PDEW, while Las Vegas rounded out the top five markets with 104.0 PDEW.

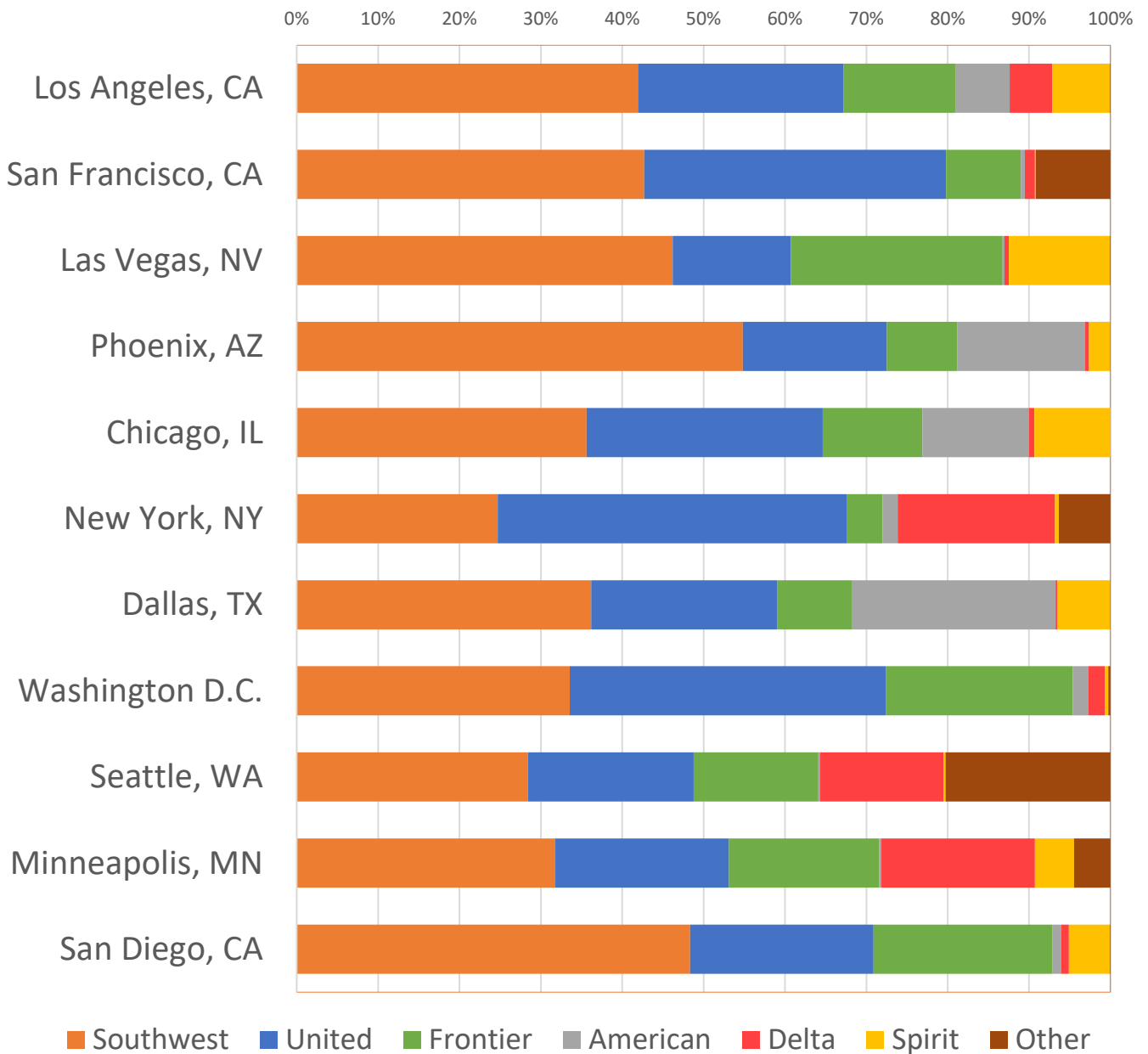
All top five markets had greater than 100 PDEW.

RANK	DESTINATION	TRUE MARKET	PDEW
1	Phoenix, AZ (PHX)	124,461	170.5
2	Los Angeles, CA	115,178	157.8
3	Seattle, WA	94,302	129.2
4	San Francisco, CA	83,089	113.8
5	Las Vegas, NV	75,922	104.0
6	Minneapolis, MN	60,871	83.4
7	Chicago, IL (ORD)	58,860	80.6
8	Dallas, TX (DFW)	58,031	79.5
9	Orlando, FL (MCO)	51,738	70.9
10	San Diego, CA	46,260	63.4
11	Atlanta, GA	46,079	63.1
12	New York, NY (LGA)	44,564	61.0
13	Boston, MA	44,438	60.9
14	Philadelphia, PA	38,510	52.8
15	Orange County, CA	34,486	47.2
16	Portland, OR	33,114	45.4
17	Salt Lake City, UT	32,763	44.9
18	Austin, TX	30,324	41.5
19	Kansas City, MO	29,237	40.1
20	Detroit, MI	29,204	40.0
21	Tampa, FL	28,548	39.1
22	New York, NY (JFK)	28,127	38.5
23	Washington, DC (IAD)	27,619	37.8
24	Chicago, IL (MDW)	27,166	37.2
25	St. Louis, MO	27,072	37.1
Top 25 destinations		1,269,963	1,739.7
Total domestic		2,181,758	2,988.7

Catchment Area Market Share



The chart below shows the 2017 airline market share of the ten highest demand routes from the Northern Colorado catchment area.



Proposed Next Steps



Coordinate a meeting at Frontier Airlines headquarters or at FNL to discuss specific opportunities and identify highest demand routes and yield markets. Reasons to consider providing scheduled air service at FNL include:

- FNL has substantial localized demand for multiple sustainable daily routes to numerous destinations
- FNL provides a unique opportunity for an airline to enhance market share in Colorado through the startup of operations at FNL
- FNL offers higher yields to airlines than DEN or COS due to a low average cost per enplanement
- FNL has the capability to provide fully contracted above and below wing services with trained GSC support
- FNL is only 20 minutes further drive time to ski resorts in central Colorado
- FNL has multiple support entities that are ready and willing to assist with marketing and promotion including:
 - Visit Loveland, Fort Collins CVB, Estes Park CVB, Visit Greeley, Longmont Tourism

Contact Information

Jason R. Licon, Airport Director
970-962-2852
jason.licon@cityofloveland.org



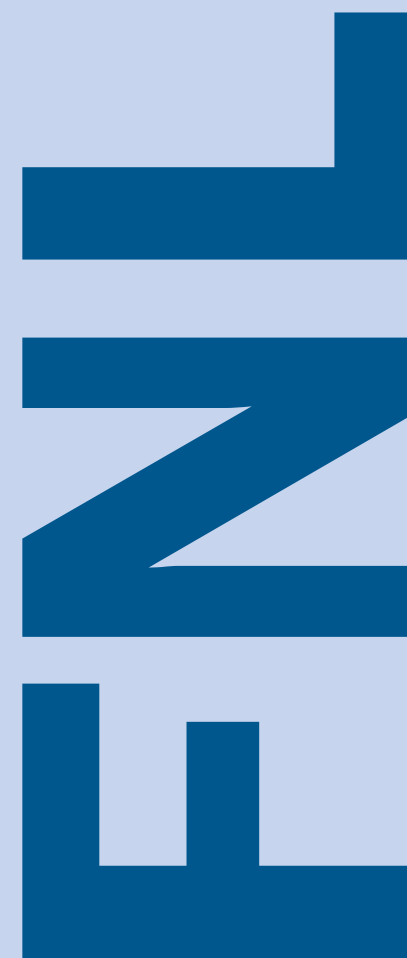
AIR SERVICE PROPOSAL



NORTHERN COLORADO
REGIONAL AIRPORT



American Airlines 



Serving the Growing
Northern Colorado
Region

Table of Contents



Introduction	3
Location	4
Demographics	5
Demand	6
Colorado Springs Comparison	8
Why Northern Colorado?	9
Airport Information	10
Past Air Service	11
Market Study	12
Catchment Area	13
Market O&D Estimate	14
Top 25 Domestic Destinations	15
Catchment Market Share	16
Proposed Next Steps	17

Introduction

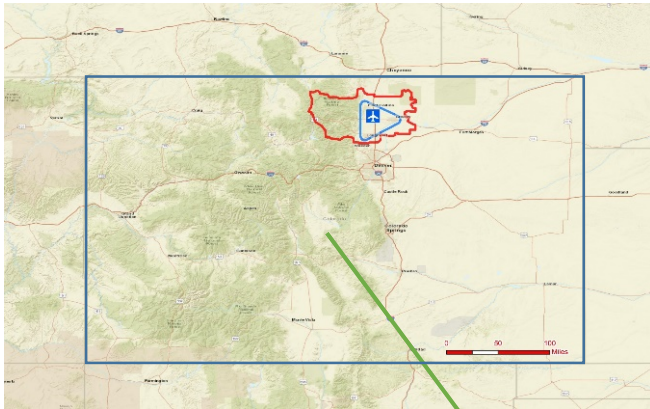


Northern Colorado, commonly referred to as NOCO, is a scenic and vibrant area consistently ranked as one of the top places to live and work in the United States. A mild climate, close proximity to abundant outdoor recreational activities, and a strong regional economy have made the area very popular; resulting in sustained population growth rates nearly three times the national average.

More than half of the area's population have moved to NOCO from other areas, most notably California, Texas, Arizona, and the Midwest. Over the past 25 years over 230,000 people have migrated to Northern Colorado for educational and employment opportunities and the many advantages the region has to offer.

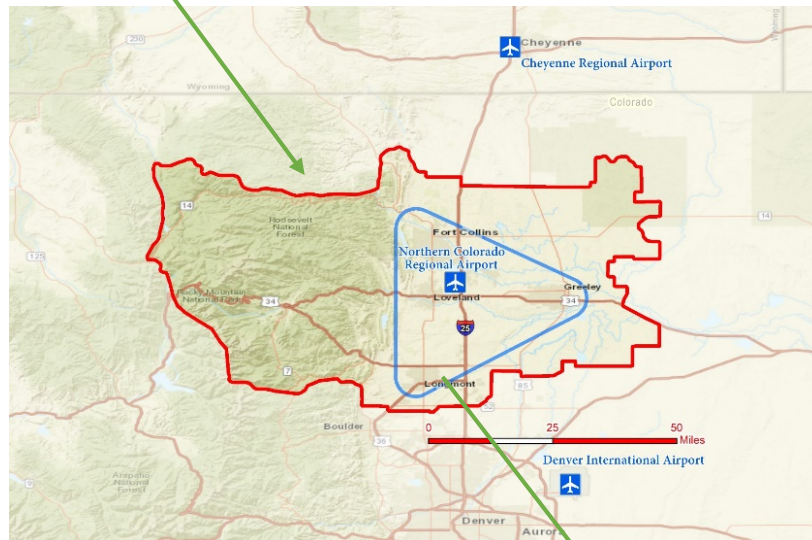
The Northern Colorado Regional Airport (FNL) is centrally located within NOCO and currently does not offer scheduled air service. FNL was served in the past by Allegiant and Continental Airlines, and currently supports unscheduled charter operations by a variety of providers. Over the past few years the Airport has invested millions in infrastructure upgrades including deploying an air traffic control tower solution scheduled to begin operations in the summer of 2019. The region has a high demand for air travel to a variety of locations.

Location Information

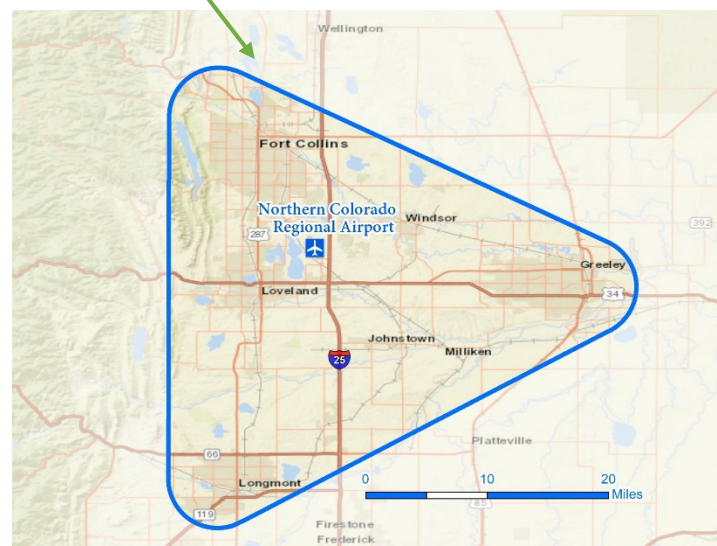


The Northern Colorado Region is located 50 miles north of the Denver Metropolitan Area. The Airport is ideally located adjacent to the intersection of Interstate 25 and US Highway 34. The population of the NOCO region is expected to reach 690,000 by next year and is projected to continue to grow to over 1 million people by 2040.

The FNL catchment area shown in red includes 32 zip codes and a population of approximately 690,000.



The Airport is centrally located between the major communities of Fort Collins, Loveland, Longmont, and Greeley. 610,000 people or 90% of the catchment area's population are located within a 30 minute drive of the airport.

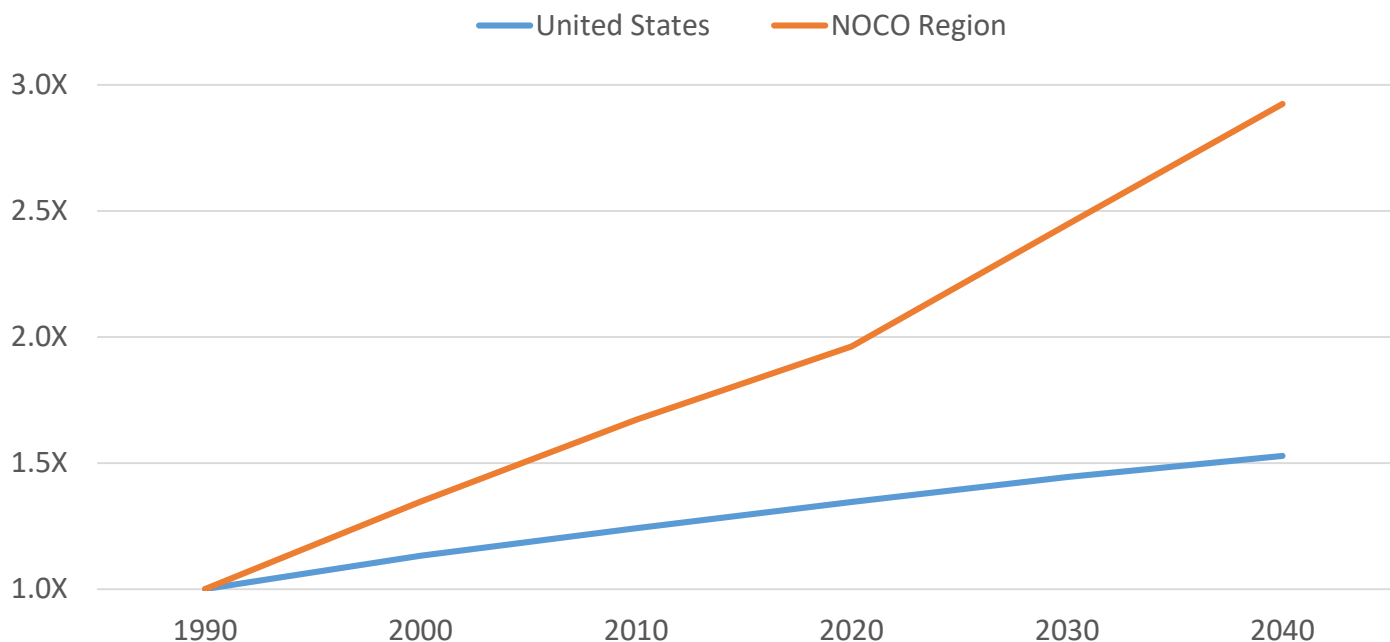


Demographics



The Northern Colorado Region has experienced significant population growth over the past three decades, nearly doubling since 1990. The population within the defined catchment area that the Airport serves has grown from 350,000 people in 1990 to 690,000 estimated in 2020. Much of this growth has been fueled by net migration from other states.

NOCO Region Population Growth Comparison



Area demographics indicate that the NOCO region has an average household income of \$86,000 which is 5% above the national average and a median household income of \$67,000 which is 16% above the national average of \$58,000. Expenditures on airline fares by residents of the region are 6% above the national average.

Historical Population Source: U.S. Census Bureau Population Estimates Program, U.S. Census Bureau American Community Survey (ACS) and Colorado State Demography Office Historical Census.

Forecasted Population Source: U.S. Census Bureau Population Projections and Colorado State Demography Office Population Forecast.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Regional Travel Demand Indicators



Understanding and evaluating each market and its potential can be a difficult task. Identifying highly profitable route opportunities at satellite airports can be even more of a challenge. Fortunately FNL has some key indicators that put the Northern Colorado market into perspective. These indicators include area ground transportation offerings and ridership, population growth attributed to migration patterns, area corporations and organizations, the comparison of similar satellite airports, and area attractions. These factors can aid in the evaluation and determination of potential profitability a new route or market offering may realize.

The FNL Airport supports a park and ride facility operated by Groome Transportation. The company provides ground transportation services from FNL to Denver Airport. The company offers 36 daily roundtrips from Northern Colorado and provides an additional 18 for nearby Southeastern Wyoming using 11–29 passenger buses. The lowest rates from the FNL park and ride are \$72 for one person roundtrip between FNL and DEN, and the company estimates they provide an average of 700 passengers transportation to DEN daily. During peak travel demand times the company will accommodate up to 1,300 people daily.



Regional Travel Demand Influences



Satellite Organizations

The region is home to many large companies, with many having a corporate headquarters located elsewhere. This is especially true for many of the Federal Government research centers and the multiple technology companies located nearby, making business travel data challenging to obtain.

Population Migration

Population growth, especially attributed to people relocating from other states over the last three decades can increase travel demands. Many of the relocated populace still have connections in their original locations, mostly from California, Texas, and the Midwest. These travel demand connections are bi-directional and linked to locations of high migration origination.



Higher Education

The region is host to three Universities including Colorado State University with nearly 33,700 enrolled students, University of Northern Colorado with 13,400, and University of Colorado in Boulder with 34,500. The three Universities have 81,600 students enrolled and of that nearly 24,000 are out of state students originating primarily from California, Texas, and Illinois.

Colorado Springs Comparison



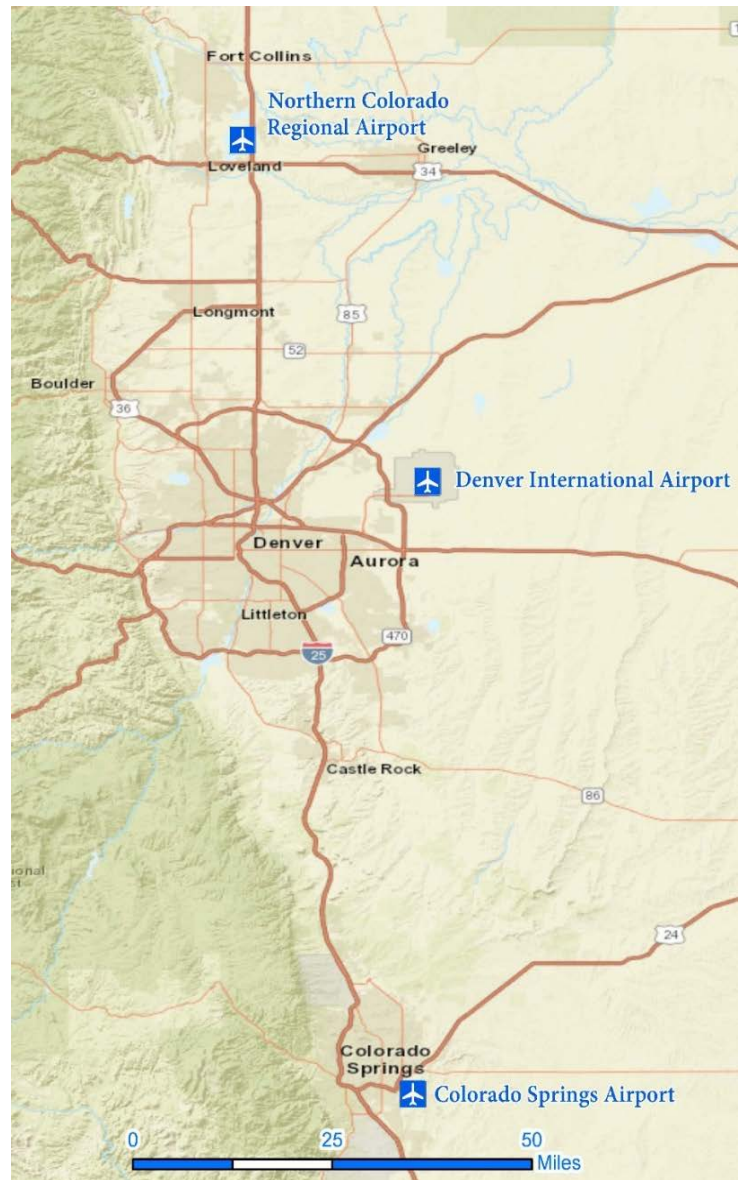
The Northern Colorado Region has many similarities to the Colorado Springs area and a similar proximity to Denver International Airport. Due to the geographical and air service market similarities, it serves as an ideal comparison for air service opportunities.

30-Minute Drive Time Comparison

	FNL	COS
Population	608,894	645,400
Median Household Income	\$65,621	\$62,166
Median Home Value	\$324,591	\$300,804
Bachelor's Degree or Higher	39.2%	36.9%
Annual Expenditures on Airline Fares per Household	\$558.82	\$526.08

Colorado Springs Airport Stats

- 4 Airlines: AA, DL, F9, UA
- 13 Destinations
- Enplanements on the rise
 - 2015: 600,000
 - 2018: 855,000
- 145,000 outbound to DEN



Population, Income, Home Value, Education Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018.

Expenditures Source: Derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Destination NOCO



Rocky Mountain National Park



Northern Colorado tourism numbers continue to break records every year. Hotel occupancy rates are well above the industry average with several new hotels under construction or expansion to keep up with demand.



Embassy Suites - Airport

Estes Park



Old Town Fort Collins

The region continues to grow in popularity, serving as a destination for many outside the state seeking to reconnect with nature, or to see and explore the many attractions the region has to offer. Whether it is visiting one of the 57 area craft beer breweries, or planning a visit to Rocky Mountain National Park, which set a record last year with 4.6 million visitors, there are a multitude of reasons to travel to and explore NOCO.



The Airport



FNL is an FAA commercially certified airport with an actively operated and maintained TSA security checkpoint. The airfield is designed for the Airbus A320 series aircraft and can easily accommodate all regional and narrow-body aircraft. The Airport has capacity for up to 180 passengers at a time through the existing terminal facilities and has adequate parking and accessibility to support multiple daily flights. FNL is ARFF index C capable, and has the capability to support Boeing 757 aircraft.



A remotely operated air traffic control system is being installed and will begin operations in the summer of 2019. The system is one of two systems currently being evaluated for certification by the FAA. Air traffic controllers will staff this system and another visual tower during system testing by the FAA. The FNL remote tower project is being managed by the FAA and Colorado Aeronautics Division.



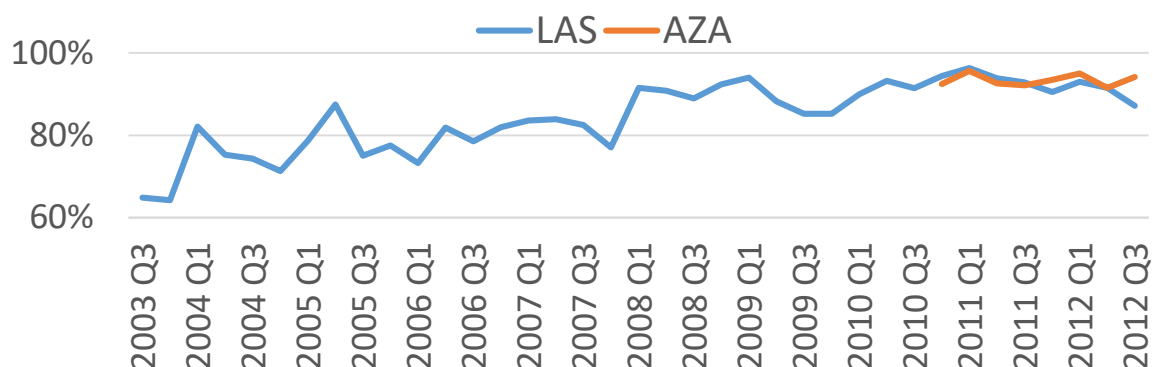
Historical Air Service



In 2003 Allegiant Air began providing air service from FNL to Las Vegas adding another route in 2010 to Phoenix-Mesa. Both routes were discontinued by Allegiant in late 2012 citing operational risk due to the lack of an air traffic control tower. Scheduled available seats peaked for the year ending on March 31, 2012, with 46,350 annual seats and 309 annual flights. The table below provides historical air service figures for calendar years 2004 through 2012.

FNL Historical Scheduled Air Service									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Las Vegas	257	285	284	223	218	227	217	201	153
Phoenix - Mesa							24	98	74
Total Flights	257	285	284	223	218	227	241	299	227
Total Seats	38,550	43,074	42,762	33,612	33,834	34,536	36,312	44,850	34,050

The table below provides FNL's average load factor by market from Q3 of 2003 to Q3 of 2012. For the first several years of service, load factors for Las Vegas (LAS) averaged less than 80 percent. Loads began to increase in 2007 and exceeded 90 percent for the first time in 2008. Strong Loads were maintained until service ended in 2012. At Phoenix-Mesa (AZA), load factors exceeded 90 percent on average in all three years of service, indicating strong passenger performance.



True Market Estimate: Study Methodology



The Passenger Demand Analysis combines ARC ticketed data and U.S. Department of Transportation (DOT) airline data to provide a comprehensive overview of the air travel market. For the purposes of this study, ARC data includes tickets purchased through travel agencies in the FNL catchment area as well as tickets purchased via online travel agencies by passengers in the FNL catchment area. It does not capture tickets issued directly by airline websites (e.g., www.delta.com, www.united.com) or through airline reservation offices. The data used include tickets for the zip codes in the catchment area, NOT all tickets. As a result, ARC data represents a sample to measure the air travel habits of catchment area air travelers.

Data for travel agencies located within the catchment area is reported by the zip code of the travel agency. Online travel agency data (e.g. Expedia, Orbitz and Travelocity) is reported by the customer zip code used to purchase the ticket. Although limitations exist, ARC data accurately portrays the airline ticket purchasing habits of a large cross-section of catchment area travelers, making the data useful to both airports and airlines. A total of 58,554 ARC tickets purchased for the year ending on March 31, 2018, were used for this analysis. Adjustments were made to account for Southwest Airlines and Frontier Airlines since they have limited representation in ARC.

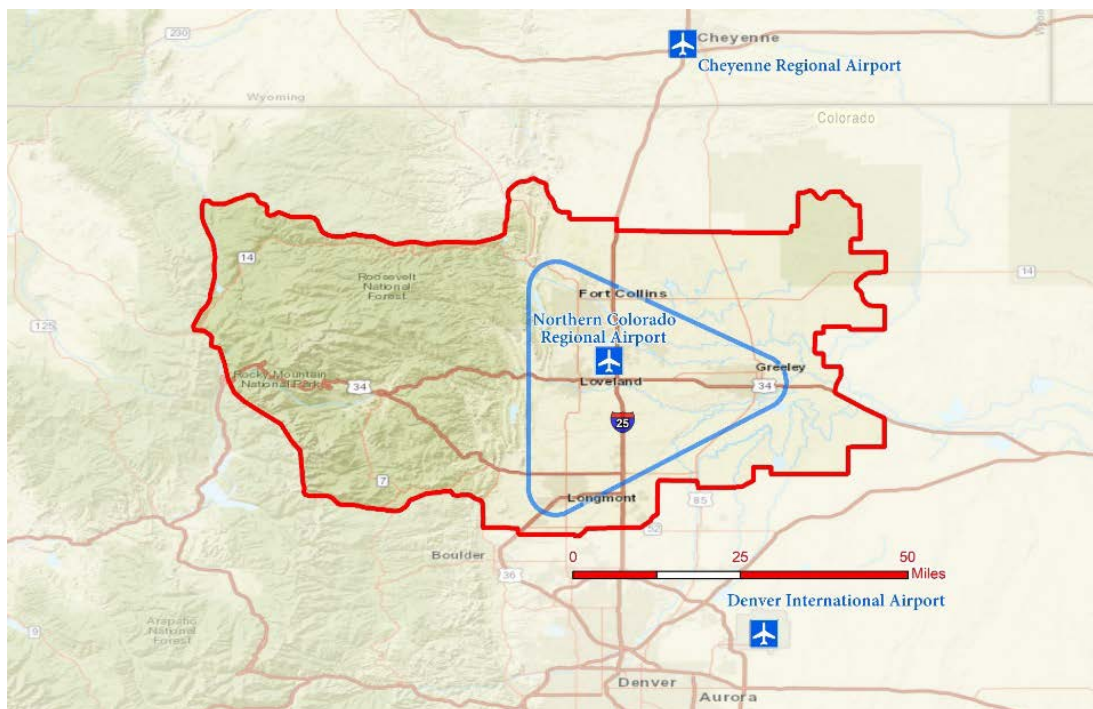


Catchment Area



The NOCO region is home to approximately 690,000 people within 32 zip codes, and serves as the basis for the Northern Colorado Regional Airport's primary local market and identified primary catchment area. The NOCO urban area that immediately surrounds the Airport comprises 90% of the total population or 610,000 people. A conservative approach was used in defining the catchment area, and air service offerings would easily draw travelers from further North and East into SE Wyoming and NW Nebraska capturing an additional 150,000 people.

FNL Catchment Area



The population growth in NOCO and all along the Colorado Front Range has created infrastructure demand challenges. This is especially true with congestion compounding drive times from NOCO to DEN, raising the time needed for travel. Even DEN is having to remodel and expand facilities to accommodate travelers.

Travel to DEN from NOCO can be costly when it typically includes tollway fees, parking, vehicle cost, or shuttle service – which may easily cost travelers \$72 or more roundtrip.

True Market Estimate O&D

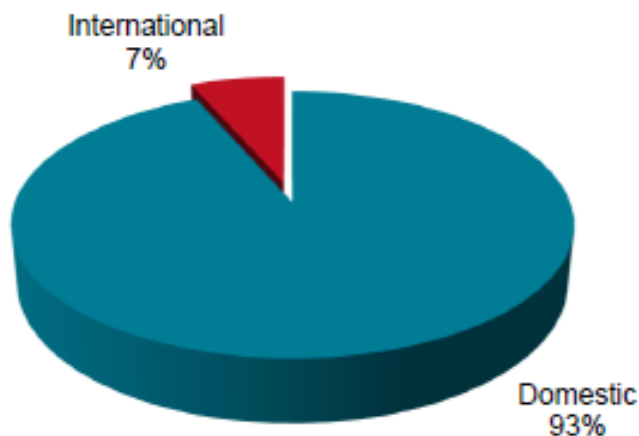


True Market Passengers By Community

The table to the right shows the breakdown of the total true market passengers by community based on ARC data. ARC includes local travel agency data (reported by travel agency zip code) and online travel agency data (reported by the passenger zip code).

The Fort Collins community had the largest share of passengers at 35 percent followed by Longmont at 22 percent and Loveland at 13 percent. The only other community with a share 10 percent or greater was the Greeley community.

COMMUNITY	TRUE MARKET	% OF TOTAL
Fort Collins	810,829	35
Longmont	522,799	22
Loveland	293,182	13
Greeley	226,063	10
Windsor	138,483	6
Johnstown	56,307	2
Berthoud	50,407	2
Estes Park	41,125	2
Lyons	27,108	1
Timnath	26,239	1
Eaton	26,239	1
Evans	24,394	1
Mead	21,431	1
Milliken	13,477	1
Other	55,701	2
Total	2,333,783	100



Domestic Versus International

The graph to the left shows the split between domestic and international itineraries. An estimated 93 percent of passengers fly domestically. The remaining 7 percent of passengers fly to international destinations. The top three International travel destinations include Cancun, London, and Puerto Vallarta.

Top 25 Domestic Destinations



The table to the right provides the top 25 domestic true markets.

All FNL catchment area passengers used DEN. The top 25 destinations for FNL accounted for 58 percent of the travel to/from the FNL catchment area.

Phoenix-Sky Harbor was the largest market with 124,461 annual passengers (170.5 PDEW). Los Angeles was the second largest market with 157.8 PDEW, followed by Seattle with 129.2 PDEW. San Francisco was the fourth largest market with 113.8 PDEW, while Las Vegas rounded out the top five markets with 104.0 PDEW.

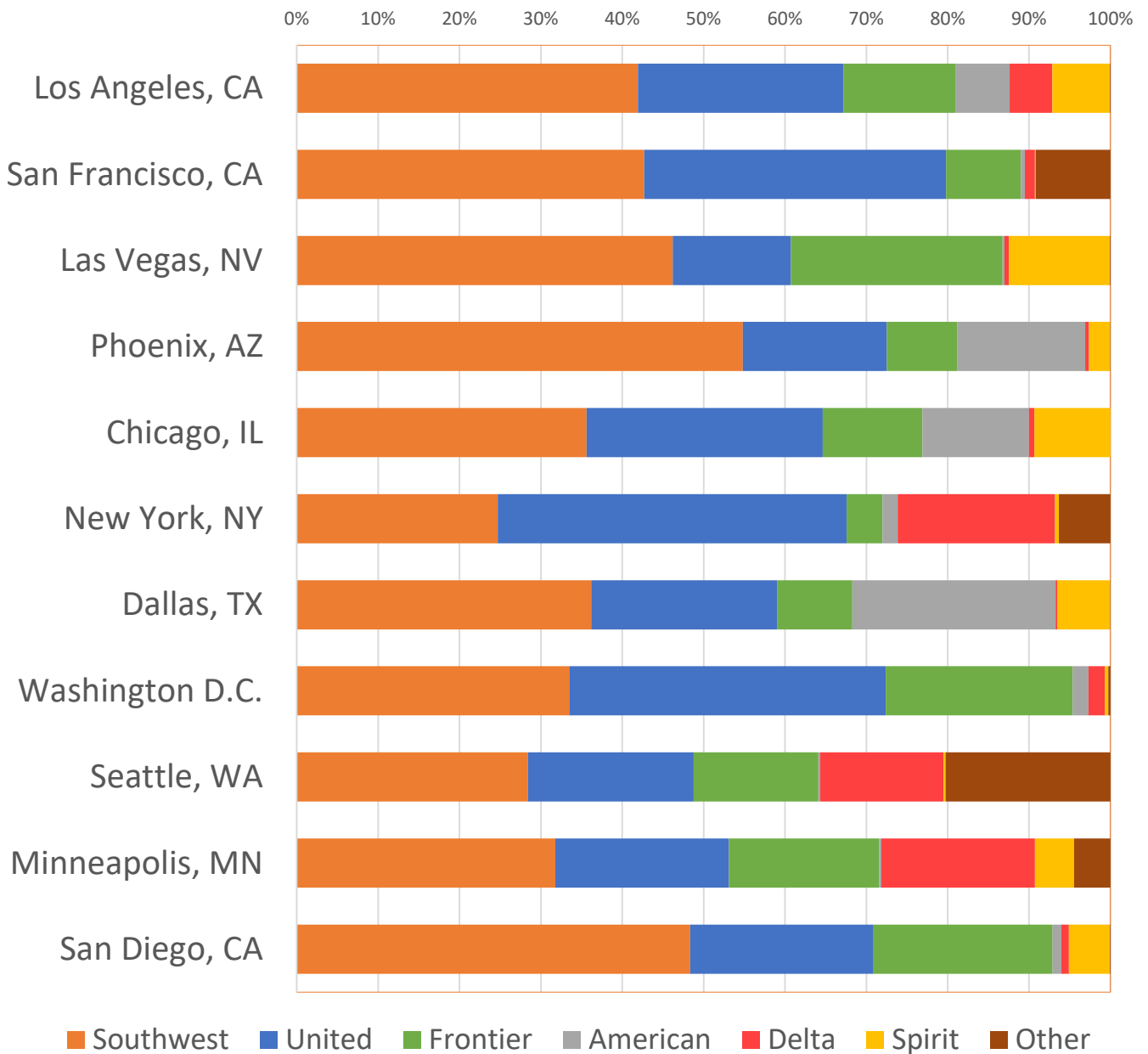
All top five markets had greater than 100 PDEW.

RANK	DESTINATION	TRUE MARKET	PDEW
1	Phoenix, AZ (PHX)	124,461	170.5
2	Los Angeles, CA	115,178	157.8
3	Seattle, WA	94,302	129.2
4	San Francisco, CA	83,089	113.8
5	Las Vegas, NV	75,922	104.0
6	Minneapolis, MN	60,871	83.4
7	Chicago, IL (ORD)	58,860	80.6
8	Dallas, TX (DFW)	58,031	79.5
9	Orlando, FL (MCO)	51,738	70.9
10	San Diego, CA	46,260	63.4
11	Atlanta, GA	46,079	63.1
12	New York, NY (LGA)	44,564	61.0
13	Boston, MA	44,438	60.9
14	Philadelphia, PA	38,510	52.8
15	Orange County, CA	34,486	47.2
16	Portland, OR	33,114	45.4
17	Salt Lake City, UT	32,763	44.9
18	Austin, TX	30,324	41.5
19	Kansas City, MO	29,237	40.1
20	Detroit, MI	29,204	40.0
21	Tampa, FL	28,548	39.1
22	New York, NY (JFK)	28,127	38.5
23	Washington, DC (IAD)	27,619	37.8
24	Chicago, IL (MDW)	27,166	37.2
25	St. Louis, MO	27,072	37.1
Top 25 destinations		1,269,963	1,739.7
Total domestic		2,181,758	2,988.7

Catchment Area Market Share



The chart below shows the 2017 airline market share of the ten highest demand routes from the Northern Colorado catchment area.



Proposed Next Steps



Coordinate a meeting at American Airlines headquarters or at FNL to discuss specific opportunities and identify highest demand routes and yield markets. Reasons to consider providing scheduled air service at FNL include:

- FNL has substantial localized demand for multiple sustainable daily routes to numerous destinations
- FNL provides a unique opportunity for an airline to enhance market share in Colorado through the startup of operations at FNL
- FNL offers higher yields to airlines than DEN or COS due to a low average cost per enplanement
- FNL has the capability to provide fully contracted above and below wing services with trained GSC support
- FNL is only 20 minutes further drive time to ski resorts in central Colorado
- FNL has multiple support entities that are ready and willing to assist with marketing and promotion including:
 - Visit Loveland, Fort Collins CVB, Estes Park CVB, Visit Greeley, Longmont Tourism

Contact Information

Jason R. Licon, Airport Director
970-962-2852
jason.licon@cityofloveland.org

