



*Designing the future*

September 14, 2004

Dave Waggoner  
Airport Director  
Snohomish County Airport/Paine Field  
3220 100th Street SW  
Everett, WA 98204

**Subject: Research Summary, Market Summary, & Options**

Dear Dave,

We are pleased to advise that the analysis of air service potential for the region is complete. The enclosed document is the *Research Summary, Market Summary, & Recommendations* that summarizes our analysis of and recommendations for the airport's air service market. This working paper details results of our research finding that there is a market for regional jet service from Paine Field to some west coast hub markets.

Please call if you have questions regarding the enclosed materials and to set a meeting date. I look forward to meeting with you.

Sincerely,  
Mead & Hunt, Inc.

A handwritten signature in black ink that reads "Mike Boggs". The signature is written in a cursive, slightly slanted style.

Mike Boggs  
Manager – Airport Business Services

Enclosure: Research Summary, Market Summary, & Options

## **Snohomish County Airport/Paine Field Research Summary, Market Summary, & Options**

### **Introduction**

The objective of the Snohomish County air service study was to assess the ability of the Snohomish County Airport/Paine Field catchment area to support commercial scheduled passenger air service. Mead & Hunt, Inc. completed a *Passenger Core Market Analysis* for this purpose. These quantitative findings were further evaluated via an electronic survey, the *Business Travel Survey*, of the local business community. The purpose of this email survey was to collect subjective information regarding area business travelers' interest in scheduled air service and their willingness to support such service.

### **Research summary**

The *Passenger Core Market Analysis* examined 136,634 airline bookings from March 1, 2003 to February 29, 2004 from the Snohomish County Airport/Paine Field catchment area with an estimated population of 1,118,315. It estimated that the area currently generates over 5.75 million origin and destination passengers annually or nearly 2.9 million enplanements per year. This equates to about 7,000 enplanements per day. With the bulk of catchment area travel focused on destinations to the south, 36.7 percent to Arizona, California, and Nevada, air service potential exists in the San Francisco, Los Angeles, Phoenix, and Las Vegas markets. Though passenger volumes are less, convenience needs and a sizeable passenger base suggest that service to an eastbound hub could be supported.

The *Business Travel Survey*, conducted in June, 2004, provided data from 786 area business respondents. The responses indicate an interest in scheduled passenger air service at Snohomish County Airport/Paine Field and a willingness to support such service with various qualifiers regarding the number and identity of markets receiving service. While the survey respondents overwhelmingly supported such service, there were dissenters who opposed such service. It is important to remember that only a portion of those receiving the survey responded and that the target audience was businesses. Accordingly, the survey responses are not necessarily a barometer of uniform community acceptance of commercial scheduled passenger air service at Snohomish County Airport/Paine Field.

### **Market summary**

The northwest Washington populace has a statistically confirmed high propensity for air travel (annual trips per person) which resulted in the Snohomish County Airport/Paine Field catchment area having an estimated air travel potential of nearly 7,000 passengers per day in each direction. Reasonably attainable initial service at the airport would attract a small share of the potential, but the market demand to support scheduled passenger air service exists.

### **Viability of air service**

Based on our research, there is a market for regional jet service from Snohomish County Airport/Paine Field to several west coast hub airports/markets. The following represent the most viable air service markets:

1. Nonstop San Francisco service
2. Nonstop Phoenix service
3. Nonstop Portland/Spokane service
4. Nonstop eastbound service to an intermediate hub airport

Achieving nonstop service is challenging. As with the development of other satellite operations, the major factor is having an airline believe that it can make a profit from the investment required to staff and operate a new route. The benefit to the airline is the opportunity to capture traffic and revenue at the source in a less competitive environment rather than fighting for a share of the traffic and revenue at Seattle-Tacoma International Airport.

#### Nonstop San Francisco service:

The most viable service is regional jet service to San Francisco. Connections through San Francisco to Nevada, Arizona, and southern California points is a more viable service opportunity than direct nonstop service to these points. Regional jet service to San Francisco would provide connecting access to most of the larger catchment area markets.

#### Nonstop Phoenix service:

The second most viable service is regional jet service to Phoenix with accompanying hub connections to points beyond. Phoenix service would provide some similar benefits to the San Francisco service, with additional Sunbelt and Mexico options and a wide array of connections to the east.

#### Nonstop Portland/Spokane service:

The third most viable service is regional jet and/or turboprop service to Portland and Spokane. According to the *Business Travel Survey*, many Snohomish County Airport/Paine Field catchment area travelers to Portland and Spokane have resorted to automobile travel since flying from Seattle-Tacoma International Airport provides minimal time savings. Their preference is to fly, but there must be a commensurate time savings. Satisfying this demand may prove difficult. Horizon Air is the preferred service provider, but they have limited numbers of smaller turboprop equipment and their 70-seat turboprops and regional jets may be too large. Additionally, it may be very difficult to get Horizon Air to consider operating from a second airport in the area due to their extensive interconnecting network with Alaska Airlines at Seattle-Tacoma International Airport. United Express with 30-seat turboprops and 50-seat regional jets is a second possibility, but receptiveness is uncertain.

Nonstop eastbound service to an intermediate hub airport:

Though demand is less, attaining eastbound service to Denver or to Salt Lake City using regional jets is the next most viable market.

Other air service issues

- In the recent past, Aloha Airlines expressed interest in serving Hawaii to Snohomish County Airport/Paine Field with continuing service to Spokane. Although Mead & Hunt has not suggested Hawaii as a primary air service option, Aloha Airlines' interest should be researched. For market, cost, and logistical reasons, Snohomish County Airport/Paine Field may be a viable alternative for Aloha Airlines.
- The issue of an air shuttle to Seattle-Tacoma International Airport has not been addressed since the *Business Travel Survey* indicated little interest. Surface alternatives appear to be a preferable alternative, but not a satisfactory substitute for local air service.
- The *Business Travel Survey* indicated support for better regional bus/rail service to Seattle-Tacoma International Airport.

**Air service support**

For air service to be implemented, it will require airport and community support in the form of (1) passenger facilities and (2) implementation of a marketing/public information program.

Facility improvements:

Airport facilities (airline passenger terminal, parking, etc.) will need to meet commercial air service standards for size and security. This will be a deciding factor in terms of a timetable for scheduled service initiatives. Airport facilities should be sized for a regional airport/regional jet market

Marketing/public awareness campaign:

An effective marketing/public awareness campaign will be needed to make any air service initiative successful at Snohomish County Airport/Paine Field.