



LOCAL marketing DISTRICT

# 2024 Annual Report



# Organizational Overview

## Steamboat Springs Local Marketing District Overview

Approved by district voters in 2004, the Local Marketing District (LMD) oversees funds directed toward providing commercial air service into the Yampa Valley Regional Airport (YVRA or HDN). The LMD and Steamboat Ski & Resort Corporation (SSRC) lead the commercial air program in partnership with YVRA, Routt County, City of Steamboat Springs, Steamboat Springs Chamber and the lodging community.

A five-member volunteer board is appointed by the City Council from the LMD district to serve four-year terms. The LMD Board meets every month at Centennial Hall and currently is composed of the following individuals:

### THE LMD BOARD



Bob Milne, Chair  
Term expires 3/31/27



Jack McEncroe,  
Treasurer  
Term expires 7/19/26



Charles "Chuck" Porter  
Term expires 7/19/26



Michael Feyen  
Term expires 4/1/29



Ryan Van Ness  
Term expires 4/1/25

### SSRC PARTNERS



Katie Brown, VP of Brand  
and Resort Strategy



Janet Fischer, Airline  
Program Director

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## LMD Background

The commercial air program initiated by the SSRC first touched down during the winter of 1986/87. Thirty-seven years later the program remains an important economic driver for Northwest Colorado.

Today, through the partnership of public and private entities including the Steamboat Springs LMD, SSRC, Steamboat Springs Chamber, local lodging companies, City of Steamboat Springs, Yampa Valley Regional Airport (YVRA or HDN) and Routt County, the commercial air program remains a unique collaboration that positions Steamboat to support a robust air program and navigate the challenges, uncertainties and issues facing the industry.

The LMD supported air program offers Steamboat Springs and all of Routt and Moffat counties a unique advantage when it comes to providing easy access for guests to what could be a remote location as well as residents who benefit from the air program for both business and leisure travel.

### SSRC Role

Under the leadership of Katie Brown, SSRC Vice President of Brand and Resort Strategy, and the management of Janet Fischer, Airline Program Director, SSRC is responsible, with input from the LMD, for securing and contracting air service, exploring future winter and summer flight opportunities, providing oversight to achieve maximum revenue and load factors, and maintaining relationships with current and prospective airlines. In addition, the resort hosts the annual Airline Partners' Summit bringing up to 100 key airline contacts to Steamboat.

The SSRC team, on behalf of the LMD, works to balance demand with capacity on contracted flight routes that focus on a variety of factors including origin markets, airline hub airports, airline economics and schedule diversity. Air service is an important foundation for a vibrant resort community, and partners LMD and SSRC are committed to preserving this vital community asset.

- YVRA is projected to generate nearly \$16.8M revenue in 2025, supporting regional economic vitality
- 2025 CDOT Economic Impact of Colorado Airports for YVRA study showed the following impact on Routt County:
  - \$512.7M total business revenues generated; \$110.3M by on-airport activities and \$402.4M generated by visitor spending
  - 3,574 direct and indirect jobs
- Key asset in the support of growing industries like outdoor recreation
- Access to reliable and affordable air service is an important factor when businesses and families are considering their next location

# 04 2024 Air Program Highlights

## Winter 2023/24

- Winter 2023/24 was the third winter to feature 6 airlines and 16 non-stop airports
- Winter 2023/24 was the largest in available seats, in the history of the program, at 236K arriving available seats, +15% over prior winter
- Southwest completed their fourth winter
- Delta daily Atlanta flight went from an A320, capacity 160 to a 757, capacity 199, a 34% increase
- Other carriers expand capacity again in competitive response
- Average Airfares in/out of HDN remain consistently lower than other mountain airports

## Spring, Summer, Fall 2024

- For the fourth year, two year-round carriers: Southwest and United
- United continued with two flights per day in April and May and three flights per day in summer and all of fall
- United Houston non-stop completed it's second summer in 2024 on weekends late June through mid-September
- Seat capacity of 79,037 available arriving seats in non-ski season was a 5% increase over 2023 at 72,204
- Arriving passengers were at 57,392, up 5% from 52,782
- Routt and Moffat County usage remains high since Southwest became second year-round airline in 2021
- Load factor was flat at 73%

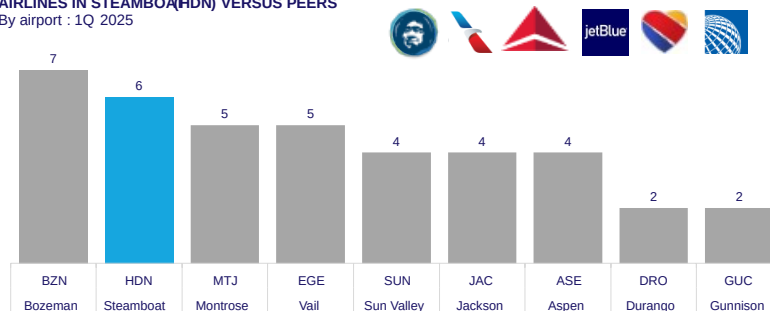
## To follow are several graphs provided by Ailevon Pacific Aviation Consulting.

1. For winter, Steamboat continues to maintain the second highest number of airlines at six, out of peer mountain airport markets.
2. The non-winter months of April – November saw a +230% increase in seats in 2024 over 2019. The winter months saw an 81% increase in seats in 2024/25 from 2018/19.
3. Steamboat has the lowest average fares compared to peer mountain airports.
4. Steamboat has higher average fares than U.S. average or Denver average.

### 1. Steamboat has the second highest number of airlines out of peer ski markets during winter

Steamboat has the **second** highest number of airlines out of peer ski markets

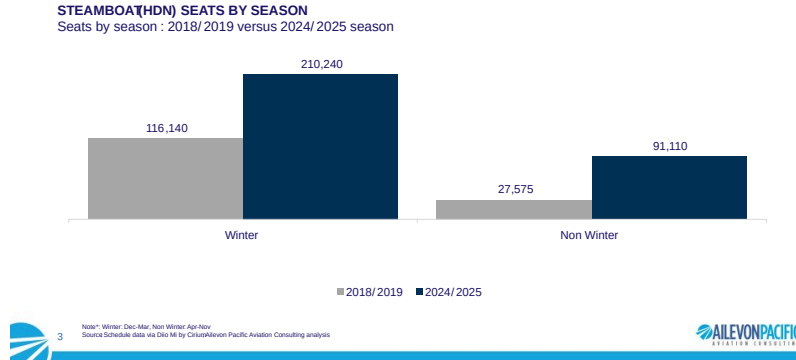
AIRLINES IN STEAMBOAT(HDN) VERSUS PEERS  
By airport : 1Q 2025



# 05 2024 Air Program Highlights

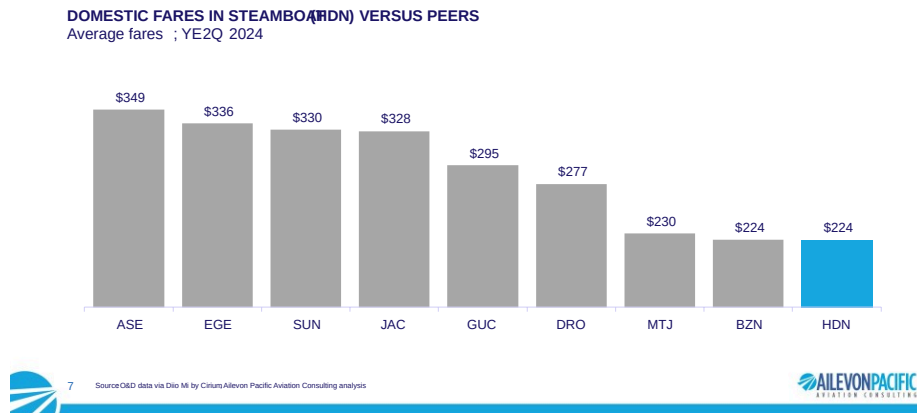
## 2. Steamboat now has significantly more air capacity than 2019 in both winter and non-winter

Steamboat has seen a lot of changes in both seasons over the last seven seasons; up 81% in Winter and up 230% in Non-Winter



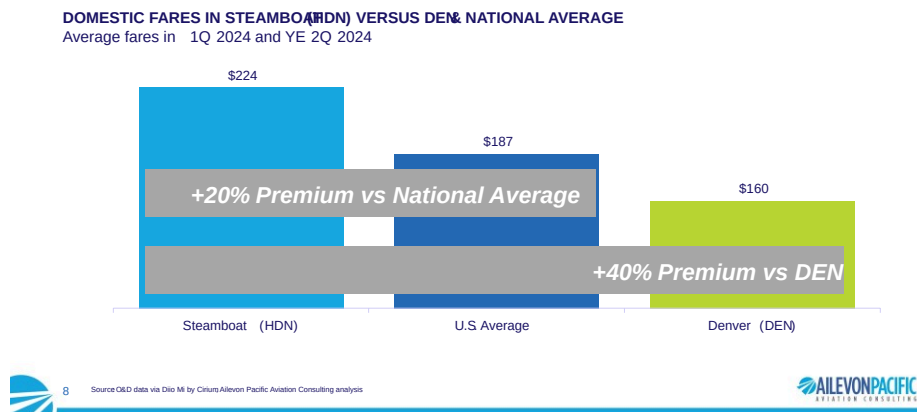
## 3. This level of competition has kept fares in Steamboat low among mountain markets

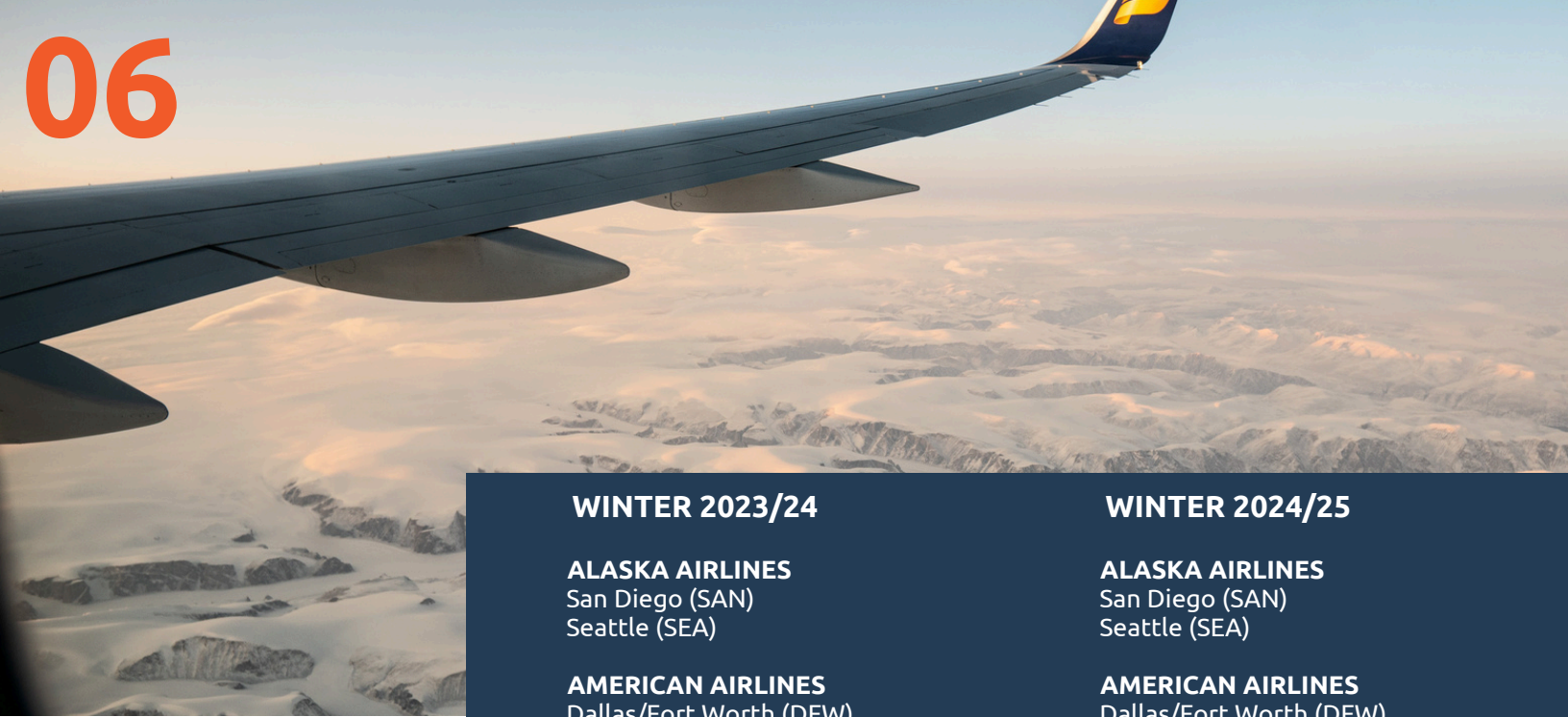
HDN's average domestic one-way fare was \$224 on an annual basis which is the lowest of its peer markets...



## 4. Steamboat retains a 20% fare premium vs. the U.S. Average – which helps assist with air service development efforts

... But also holds a 20% fare premium versus the U.S. Average and 40% versus DEN





## \$1,565

Average amount a winter visitor arriving via YVRA spends per trip (from 2021/22 research).

## 15%

Percentage increase of available seats 2023/24 over 2022/23.

## 9.0

On a scale of 0 to 10, winter passenger rating the importance of direct flights into HDN.

### WINTER 2023/24

#### ALASKA AIRLINES

San Diego (SAN)  
Seattle (SEA)

#### AMERICAN AIRLINES

Dallas/Fort Worth (DFW)  
Chicago (ORD)

#### DELTA AIR LINES

Atlanta (ATL)  
Minneapolis/St Paul (MSP)

#### JETBLUE

Boston (BOS)  
Fort Lauderdale (FLL)

#### SOUTHWEST AIRLINES

Dallas Love Field (DAL)  
Denver (DEN)  
Nashville (BNA)

#### UNITED AIRLINES

Chicago (ORD)  
Denver (DEN)  
Houston (IAH)  
Los Angeles (LAX)  
Newark-NY (EWR)  
San Francisco (SFO)  
Washington-Dulles (IAD)

### SPRING/SUMMER/FALL 2024

#### SOUTHWEST AIRLINES

Denver (DEN)

#### UNITED AIRLINES

Denver (DEN)  
Houston (IAH)

### WINTER 2024/25

#### ALASKA AIRLINES

San Diego (SAN)  
Seattle (SEA)

#### AMERICAN AIRLINES

Dallas/Fort Worth (DFW)  
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#### DELTA AIR LINES

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Chicago (ORD)  
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Houston (IAH)  
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Newark-NY (EWR)  
San Francisco (SFO)  
Washington-Dulles (IAD)

### SPRING/SUMMER/FALL 2025

#### SOUTHWEST AIRLINES

Denver (DEN)

#### UNITED AIRLINES

Denver (DEN)  
Houston (IAH)  
Los Angeles (LAX)

# Financial Performance

Since its first year, the commercial air program has relied on minimum revenue guarantee (MRG) contracts to ensure adequate nonstop flights into the YVRA. Schedule adjustments continue to be proposed to maximize high demand periods and reduce low demand days and dates. It is also important to keep in mind that the airline industry is volatile, currently struggling with aircraft shortages, labor increases, infrastructure issues including air traffic control staffing, extreme weather and fires, volatile fuel costs, and devastating plane crashes.

## ACCOMMODATIONS TAX (2005-PRESENT)

The LMD uses proceeds collected through a 2% tax on nightly accommodations within district boundaries.

## STEAMBOAT SKI & RESORT CORPORATION

Under the current Air Program Contribution Agreement costs are split 33.33% SSRC and 66.67% LMD. The LMD Board and SSRC, due to the nature of the program's funding sources, budget for the entire MRG cost at the maximum contracted amount (CAP). When actual costs come in below CAP, unused funds flow into reserves for future year expenses. This Agreement was renewed on June 30, 2023 and will expire June 30, 2026.

## AIRLINE INDUSTRY INSIGHTS

- New aircraft orders are behind in delivery, resulting in less available airplanes for flight schedules.
- Airline industry adapts to higher labor and operating costs, completing 2024 with profits but lower margins.
- The United States is short 3,000 air traffic controllers and only 36 new ones were certified in 2024. The controller staffing shortages result in more ground stops and flights delays.
- Many major ski destinations are expanding their air programs to maintain a strong position in the competitive landscape. For example, EGE/Vail supports new flight contracts via a recent RTA tax.

## HOW WE CONTRACT

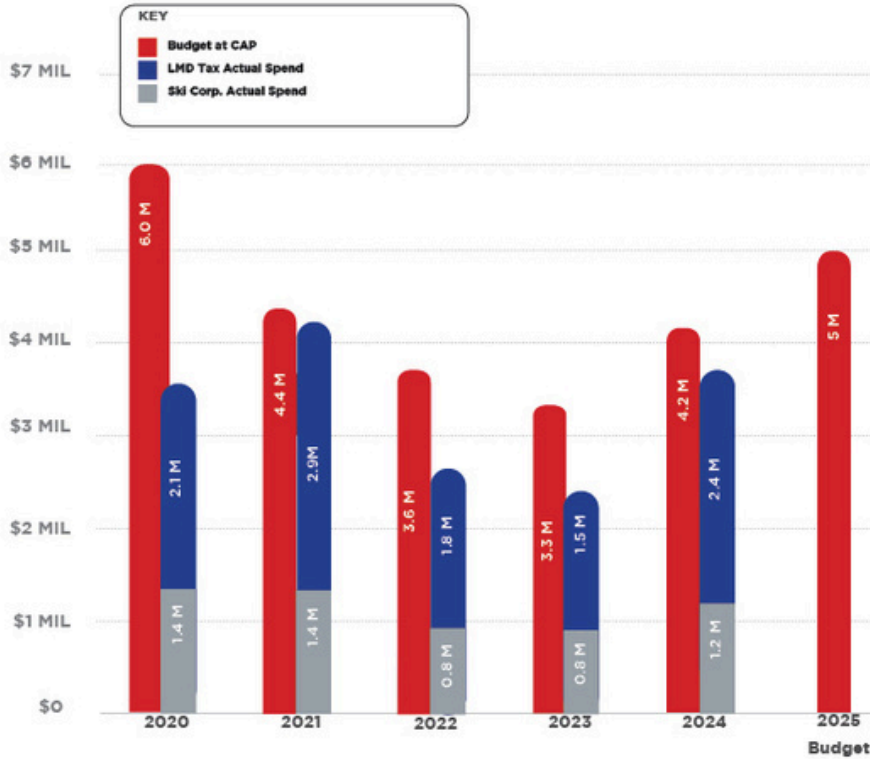
- Historically and currently, without contracts, the airlines would utilize aircraft on more profitable routes, which would negatively impact the capacity at HDN.
- Annually, service to/from major cities is proposed to current airline partners, as well as other prospective airlines for both winter and summer.
- Some flights require MRG contracts to secure the service, which are based on revenue, not seats filled.

## MRGs ARE BASED ON

- Load factor – the ratio of passengers and available seats on each flight.
- Yields – average passenger fare plus ancillary revenues for bags, seat assignments, food, etc.
- Fuel costs – actual fuel costs fluctuate which impacts the MRG.

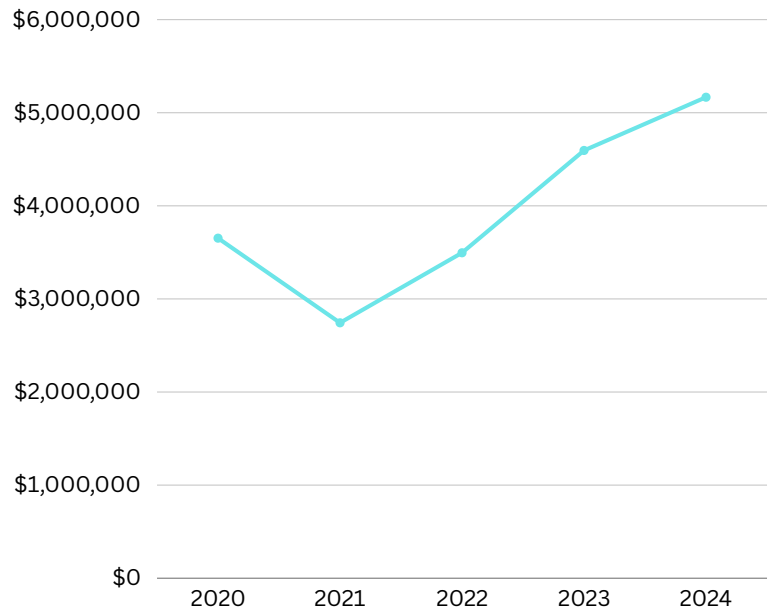
# Funding Summary

## WINTER & SUMMER CONTRACTED AIR Budget vs. Actual Expenditure



Reserves have allowed the LMD and SSRC to maintain a robust program. In recent years, the program has outperformed CAP costs and we've seen a strengthening of the reserves. Strong reserves are critical to mitigate unexpected economic challenges or disruptions in the airline industry. The LMD Board and SSRC continues to ensure the funding and sustainability of reserves to prepare for any future uncertainties. Looking ahead, the Board acknowledges that due to Steamboat's (HDN) demand variances, aircraft shortages and volatile fuel costs, airlines continue to require contracts or some type of incentive for certain flights.

### RESERVES BALANCE



**2020:** \$3,652,735  
**2021:** \$2,743,450  
**2022:** \$3,495,813  
**2023:** \$4,595,018  
**2024:** \$5,166,791

# Air Program Results

- **Airlines:** Winter 2023/24 was the third season to feature six major airlines into HDN
- **Nonstops:** Winter 2023/24 offered nonstop flights from 16 airports, for the third year in a row
- **Capacity:** Winter 2023/24 available seats into HDN were +15% at 236K, the highest ever
- **Passengers:** Winter 2023/24 arriving passengers were +8% with 167K, the highest ever
- **Non-Winter:** Spring, Summer, Fall 2023 was the fourth non-winter to host two airlines with Southwest and United

## WINTER ARRIVING SEATS, PASSENGERS & LOAD FACTOR

SEASON	SEATS	YOY CHANGE	PASSENGERS	YOY CHANGE	LOAD FACTOR
2024/25	220,000	-7%	-	-	-
2023/24	236,036	15%	167,017	8%	71%
2022/23	205,000	2%	153,986	6%	75%
2021/22	201,400	24%	145,337	68%	72%
2020/21	162,065	50%	85,539	9%	53%
2019/20	108,002	-7%	79,281	-9%	73%
2018/19	116,462	-7%	87,066	5%	75%

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## NON-WINTER ARRIVING SEATS, PASSENGERS & LOAD FACTOR

SEASON	SEATS	YOY CHANGE	PASSENGERS	YOY CHANGE	LOAD FACTOR
2024	79,031	6%	57,933	6%	73%
2023	72,204	-8%	52,783	-1%	73%
2022	78,329	-8%	53,175	5%	68%
2021	84,687	237%	50,601	293%	60%
2020	COVID - N/A	COVID - N/A	COVID - N/A	COVID - N/A	COVID - N/A
2019	25,115	-7%	12,884	--	51%



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## Marketing Efforts

The combined marketing efforts of the public/private partnership between the LMD and SSRC are critical to the air program's success.

### 2024 LMD MARKETING - \$500,000

The LMD committed \$500,000 to marketing winter 2023/24 and nonwinter 2024 air service. SSRC manages the LMD marketing funds on top of its overall national sales and marketing campaigns to reach an even wider audience.

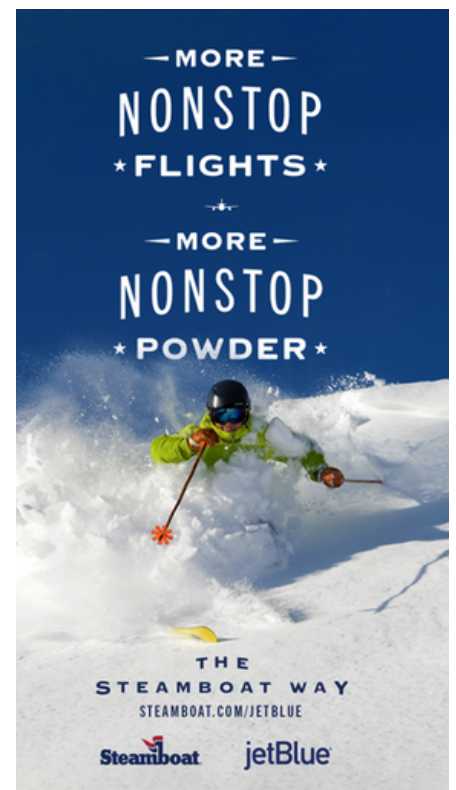
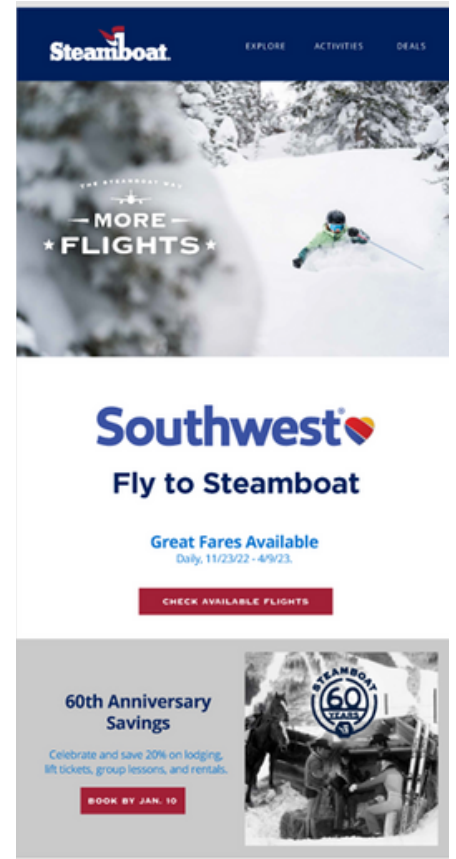
### STEAMBOAT SKI & RESORT CORP. - \$2.5M TO \$3M

In addition to its 33.33% share of air service costs, SSRC also provides a value between \$2.5 and \$3M each year for air service marketing, co-op airline programs, and national and international campaigns.

Focused on the air program's nonstop cities as well as top connecting markets, these efforts center on air-specific online banners, paid social, and video advertising, geo-targeted emails, dedicated web pages, promotions, press releases, public relations initiatives, Ikon stoke events, group sales programs and hosting Steamboat's Annual Airline Partners' Summit event.

Through these efforts, the resort is promoting the winter and summer air program to destination guests across the country as well as locally in Northwest Colorado. These targeted and strategic marketing efforts led by SSRC have a direct impact on the success of each flight and the overall success of the program.

Since the 2019/20 season, SSRC continues to be a lead participant in the Ikon Pass providing broader reach to potential guests in the air program's nonstop and connecting markets.



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## Yampa Valley Regional Airport Impacts

### VIBRANT ECONOMIC GENERATOR & GATEWAY TO THE NORTHERN ROCKIES

A key gateway to Northwest Colorado, the Yampa Valley Regional Airport (HDN) is the eighth busiest commercial airport in Colorado and one of only three airports west of the Front Range with a 10,000-foot runway. The airport not only provides access to a majority of Steamboat Springs' winter destination visitors, but also offers convenient and affordable flights for regional residents and business travelers. These flights are a critical component in attracting new businesses and location neutral professionals to the region.

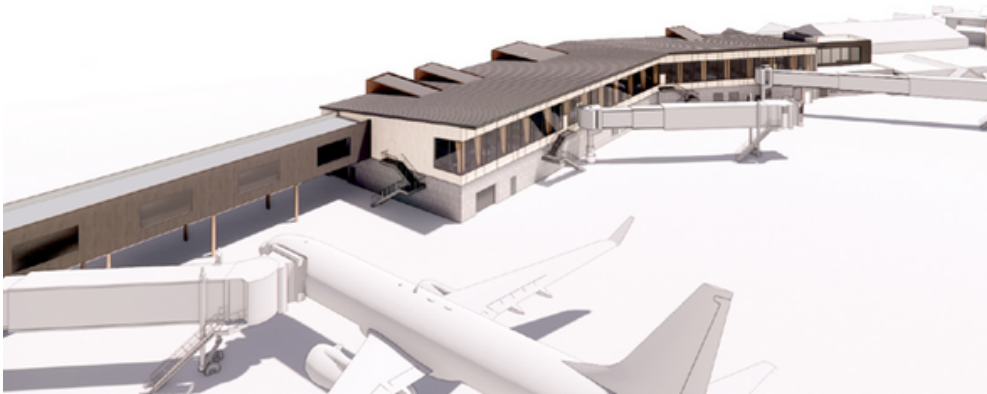
The airport is owned and operated by Routt County. It operates as an enterprise and is self-funded, collecting more than \$11.1M in landing and security fees, sales tax on fuel, rent and concession revenue in 2024. The commercial air service, supported by Minimum Revenue Guarantee (MRG) contracts, assists in bringing in sufficient operating revenues, which allow the facility to operate without Routt County subsidies. The facility has benefited from 10 multi-million-dollar improvements over the past 8 years; the airport also supports dedicated executive jet, charter, general aviation, medevac, firefighting, FedEx and UPS services.



# Yampa Valley Regional Airport Impacts

The Yampa Valley Regional Airport is on a well-planned flight path into the future with improvements built upon a foundation of more than \$40M in recent and current projects supported by Federal, State, County and private funding including:

- **2022** – Constructed an aircraft de-icing facility which doubled aircraft de-icing capacity and reduced commercial aircraft ground times. Initiated design & construction of a rental car wash facility to optimize rental car turn times; a new employee parking lot to increase passenger parking capacity; a Terminal Area Plan (TAP) to guide the next phase of terminal expansion, and address current and future airport requirements; and a General Aviation Development Plan (GADP) to optimize development of a 27-acre parcel on east side of airport and attract aviation-related businesses and jobs.
- **2023** – Completed rental car wash facility, TAP, and GADP; constructed new employee parking lot; relocated County Road 51A/B, extended wildlife fence, and site grading in support of the Aviation Business Park (ABP). Replaced paid parking lot payment and control system. Initiated design of expanded terminal, commercial apron, landside parking and access areas.
- **2024** – Initiated design of Phase 1 of Terminal Expansion Project to add four (4) new gates, four (4) passenger boarding bridges, and food & beverage concessions to the terminal secure area. Coordinated and monitored construction of eight (8) hangars in Phase 1 of the ABP.
- **2025** – Rehabilitate parallel Taxiway A, replace taxiway lighting, add Rwy 28 blastpad, and add one (1) taxiway connector. Widen and strengthen Taxiway B to accommodate ADG III aircraft; extend and relocate utilities in support of the ABP. Complete the design of Phase 1 of Terminal Expansion Project.
- **2026** – Phase 1 of Terminal Expansion Project bid, award and construction start; project duration is expected to be two years (expansion shown below).

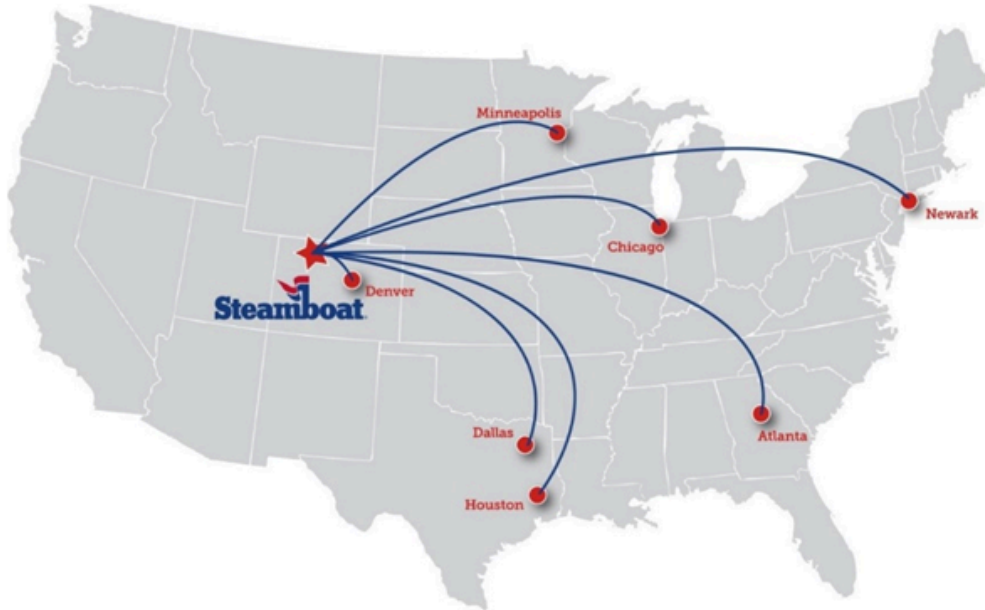


These projects facilitate future business opportunities throughout the terminal and airport property and have a positive impact on current business partners as well as aviation-related businesses of the future.

# Steamboat Air Program Maps

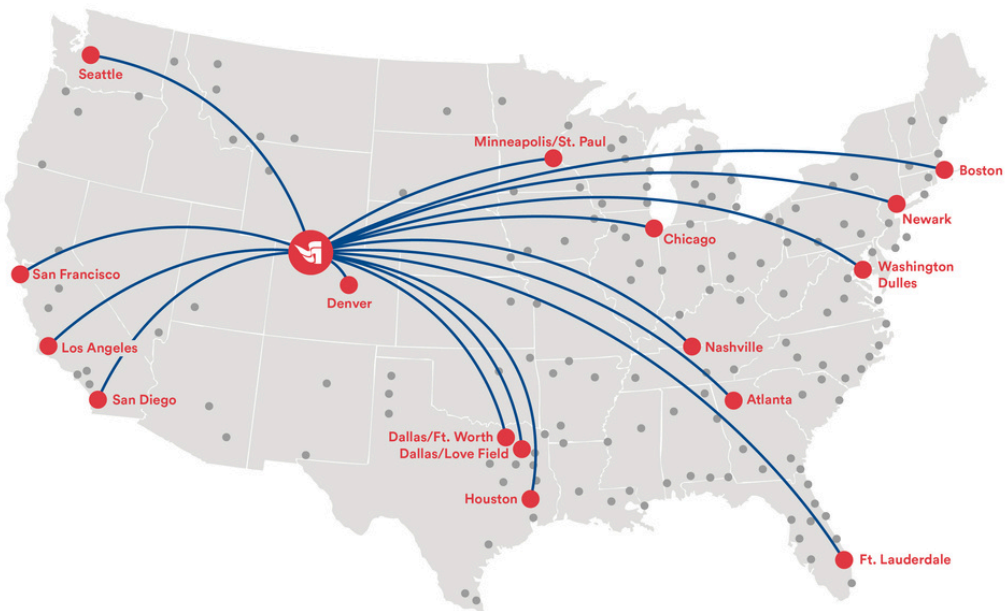
2011/12 WINTER

3 Airlines | 7 Nonstops



2023/24 WINTER

6 Airlines | 16 Nonstops



# 2025 Air Program Highlights

-  For the fourth winter, the 2024/25 air program has six major carriers with nonstop flights to 16 airports, more than any other Colorado mountain airport, offering a variety of destinations and schedules for guests and locals.
-  Total available seats for the 2024/25 winter season are estimated at 220,000, a decrease of 7% over prior year.
-  Southwest entered their fifth winter into HDN from Denver, Dallas Love Field, and Nashville in 2024/25.
-  United, HDN's long-time largest carrier, has added 3% more seats for winter 2024/25, year over year, and 23% more than two winters ago. This demonstrates a continued commitment to the Steamboat market.
-  American expanded the Chicago nonstops to daily over holiday and peak February and March.
-  Delta expanded the Minneapolis nonstops to daily over holiday and Saturday and Wednesday the rest of the season.
-  2025 winter and summer combined CAP is budgeted at \$5.40M, up from \$4.2M in 2024 and \$3.2M in 2023. LMD is responsible for \$3.36M of the 2025 Winter CAP.
-  Southwest is in place for spring, summer, and fall 2025, with one daily flight from Denver in the core of summer and five flights per week in the spring and fall.
-  United is available with two Denver flights per day for April and May, 2025, and three flights per day from Denver for June through November, 2025, including one mainline A319 for all of non-winter, for the first time ever.
-  United will serve Houston nonstop on weekends, June 13 through August 17, 2025, as well as offer a new Los Angeles nonstop on Saturdays, June 14 through August 16, 2025.

*Thank you for your ongoing support of the Steamboat Air Program, a unique public-private partnership working collaboratively for the success of our community and the Yampa Valley.*