

# ATTACHMENT #1

## Forecast of On-Demand Passengers

Over the course of the review of the Forecast of Aviation Demand for the Juneau International Airport Sustainability Master Plan by the TAC and others, the consistent message has been that the forecast of on-demand passengers has been too optimistic. Several reasons were given for this including;

1. NPS regulations regarding the number of helicopter landings permitted on the Mendenhall Glacier. This limitation will suppress the demand for this activity in the future.
2. The historical record for on-demand passengers does not indicate consistent growth over the past 9 years (the period where records are available).
3. The overall economic outlook for Juneau and Southeast Alaska is not as robust as it has been in the past and this will likely depress growth in this arena into the future.

With this information in mind, the forecast for on-demand passengers has been revised.

## The Original Forecast

In the development of the forecast presented in the August 7 review copy, the forecast of On-demand passengers recognized that the on-demand passenger segment was highly seasonal and that the growth rate for the future would reflect the growth in overall passenger levels projected by FAA for both the nation as a whole and for JNU specifically. The assumption being that most of this activity was tourism related and therefore not necessarily related to local population and economic factors. The resultant forecast, which is shown in the following, projected approximately 60% growth over the 20 year forecast period (roughly 3% per year).

	Base Year	2020	2025	2030	2035
National Market Growth (TAF)	64,965	74,751	81,802	89,494	97,750
Juneau Market Growth TAF	64,965	75,572	85,727	97,254	110,336
<b>Preferred Forecast</b>	<b>64,965</b>	<b>75,162</b>	<b>83,764</b>	<b>93,374</b>	<b>104,043</b>
Growth between forecast years		15.70%	11.38%	11.21%	10.97%
Annualized Growth Rate		2.62%	2.28%	2.24%	2.19%

## Revised Forecast

The optimistic assumptions used in these forecasts have been dampened to reflect input from the various reviewers. In making the revisions, the following factors have been considered.

1. NPS regulations limit the number of landings that the on-demand helicopter operators are permitted on the Mendenhall Glacier.

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2. Juneau and Southeast Alaska are not high growth areas. In fact, projections for future economic and population show moderate growth for Juneau and population loss for the Southeast region. This will influence that portion of the on-demand traffic that is not tourism based.
3. Review of the historic number of on-demand passengers (2004 through 2012) shows an inconsistent pattern with gains in some years and losses in others. Significantly between 2007 and 2010 the overall number decreased by 25 percent.

The revised forecast gave consideration to each of these factors and produced new forecasts that are based on the following;

1. The Federal Aviation Administration projections for Commuter Passengers for JNU as published in the Terminal Area Forecasts (TAF) for the years through 2040. These numbers showed an annual growth rate of approximately 3.8 percent per year. This forecast represents the potential for growth from tourism as the growth is based on national rates.
2. Recognizing that some of the growth in the number of on-demand passengers will not be associated with factors typical for aviation related activities, the anticipated growth in the Cruise Industry was explored and used to project on-demand passenger levels. Projections for Cruise Passenger growth were taken from "Cruise Market Watch" website [www.cruisemarketwatch.com](http://www.cruisemarketwatch.com). This organization projects growth of ½ of one percent per year through 2019 for the North American market. Our projection extended this rate through the period covered by the sustainability master plan.
3. A final factor was used to reflect the expectations for the local and regional economies. For this projection, the projected rate of growth for the population of the CBJ was applied to the base year numbers to reflect the impact that the local economy would exert over the final passenger levels

The revised forecast is shown in the following table. The table shows projections using the three indicators, as well as a "preferred forecast" that was derived as an average of the three projections. As shown, the forecast indicates an overall 20 year growth of 38% as opposed to the near 60% growth in the original forecast. It should also be noted that the projected passenger level of 89,694 is less than the number of on-demand passengers recorded for the years 2004, 2005, and 2006.

	Base Year	2020	2025	2030	2035
Juneau Market Growth (TAF)	64,965	82,289	95,394	110,588	128,200
Cruise Industry Growth	64,965	66,012	66,675	67,344	68,020
JNU Population Growth	64,965	67,610	69,317	71,067	72,862
<b>Preferred Forecast</b>	<b>64,965</b>	<b>71,970</b>	<b>77,128</b>	<b>83,000</b>	<b>89,694</b>
Growth between forecast years		10.78%	7.17%	7.61%	8.07%
Annualized Growth Rate		1.80%	1.19%	1.27%	1.34%