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Dear Steamboat Springs City Council,

I am a fourteen year resident and proud Steamboat Springs business investor and representative. I was unable to attend the first reading of the Steamboat Citizens to Ensure Air Service ordinance on June 18, 2018, but would like to voice my/our support to put this issue on the November 2018 ballot.

- Air Service competition continues to increase through the Rocky Mountains and quite specifically, if we are unable to offer competitive air programs, we will certainly see a decline in our more affluent guests and visitors and a correlating decline in our sales and bed tax revenue.
- Air Service is vital to the economic success of Steamboat, drives economy, provides jobs and preserves the quality of life.
- I am proud that Steamboat is home to one of the most robust air programs in the Rocky Mountain region for resort communities. The air tax provides the resources to remain in the position to contract with airlines, and continue to attract destination guests. This not only boosts our economy, but also provides convenient air service to the local community, including location neutral businesses and location neutral employees. As a banker I continue to see and work with families moving to Steamboat because of our great schools, excellent medical community and our access to air service.
- Arriving passengers spend approximately \$1,345 in Steamboat Springs during their trip.
- Surveys show that 87% of our guests say service into Hayden is extremely or very important in their decision to visit Steamboat.
- 89% of our locals say that providing consistent air service into Hayden both summer and winter is a priority for the City to address.
- The proposed air tax will support winter and summer flight opportunities.
- Airline service costs continue to rise as fuel costs increase and airlines merge.
- In addition to the 2% accommodations Local Marketing District (LMD) tax and SSRC's increased contribution, the air tax will be a vital third revenue source to support the air program.
- New service from major carrier JetBlue brings three new nonstop markets for winter 2018-19, which provides a variety of air schedules and competitive fares to guests and local community members.

- Every year, ongoing conversations with existing airlines to expand into new nonstop markets, take place. Additionally, new carriers are pursued for other potential new service in the future.
- There is a need to have the tax on this year's ballot because at the end of 2019, the LMD reserves will be completely depleted or at best be around \$1,000,000. As such, without the third source of funding (air tax), Steamboat's air program for winter 2019-20 as well as summer 2020, will be significantly affected with tough decisions to cut flights, cities or airlines.

Highlights from 2011 ballot

- The sales & use tax increase that passed overwhelmingly with more than 61 percent of local voters support in November 2011, was successfully utilized to significantly enhance nonstop air service to the region.
- The 2011 ballot issue that was collected January 1, 2012 thru December 31, 2016, built a healthy LMD reserves providing the ability to maintain three additional years of strong air service.
- Steamboat doubled the number of nonstop cities served from 7 to 14 and brought in two new major carriers (Alaska and JetBlue); as well as the smaller airline ViaAir.
- Access to Steamboat grew from the west coast adding Los Angeles, Seattle, San Francisco, San Diego and now Long Beach.
- Washington DC, Boston, Ft Lauderdale and Austin, Texas have all been added.

Please take the action necessary to ensure that our air program, a community asset for both visitors and locals, can be sustained and grow well into the future.

Respectfully,



PJ Wharton
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