



**PLANNING
SUCCESSFUL
TOMORROWS**



3 – MARKET AND SERVICE AREA

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I. LOCAL AND REGIONAL DEMOGRAPHICS

A key aspect of identifying the market for a particular airport is demographic data from the local and regional area. Demographics are statistics on the characteristics of a certain population that are relevant to the understanding of what kinds of people make up a particular market. These may include data on the market’s total population, level of education and income, makeup of age, race, and gender, types of occupations and religions, and other statistics that can identify key characteristics that make the market unique. Typically, the demographic data relevant to finding the unique characteristics of the market for a regional airport such as SGU include data on the local and regional population, per capita income, and level of unemployment.

SGU is owned by and located within the city limits of the City of St. George, Utah. St. George is situated in the southwest corner of Utah, approximately 270 miles southwest of Salt Lake City, Utah and 110 miles northeast of Las Vegas, Nevada. According to the US Census Bureau, as of 2019 St. George had an estimated population of 89,587.

SGU is located within Washington County in the southwest corner of Utah. Washington County is bordered by Kane County, Utah to the east, Iron County, Utah to the north, Mohave County, Arizona to the south, and Lincoln County, Nevada to the west. According to the US Census Bureau, as of 2019 Washington County had an estimated population of 177,556, making it the 5th most populous county in Utah.

Historical Population

Historical population growth rates highlight growth in a certain demographic’s economy. A high population growth rate typically signifies economic growth as available opportunities increase as a result of a growing labor force. The historical populations of the City of St. George, Washington County, the State of Utah, and the United States from 1990 to 2019 (estimate) are compared in **Table 3-1**.

City of St. George

St. George has seen rapid population growth in the past three decades. Since 1990, St. George has had an average annual growth rate of 3.90%, an annual growth rate over four times higher than that of the United States.

Washington County

Washington County has seen even higher population growth than St. George in the past three decades. Since 1990, Washington County has had an average annual growth rate of 4.43%, an annual growth rate almost five times higher than that of the United States.

Table 3-1: Historical Population 1990-2019

Year	St. George	Washington County	Utah	United States
1990	28,502	48,560	1,772,850	248,709,873
2000	49,728	90,354	2,233,169	281,421,906
2010	72,897	138,115	2,763,885	308,745,538
2019	89,587	177,556	3,205,958	328,239,523
AAGR	3.90%	4.43%	2.09%	0.93%

Source: US Census Bureau, 2020.

Historical Per Capita Personal Income

Historical real (adjusted for inflation) per capita income levels show how the standard of living has changed over time within a certain demographic. A demographic with a positive per capita income growth rate suggests that the population has been increasingly prosperous. Likewise, per capita income levels may estimate a population’s overall level of disposable income. A higher per capita income suggests the population has more disposable income as compared to an area with a lower per capita income.

Real per capita income in the City of St. George rose from \$24,943 in 2010 to \$32,087 in 2019, an average annual growth rate of 4.32%.

Historical Unemployment

Historical rates of unemployment highlight the strength of the job market over time within a certain demographic. The unemployment rate is the percentage of the labor force that is currently unemployed. A decreasing unemployment rate signifies there is a strengthening job market in the area. It is worthy to note that in each instance below, the unemployment rate was severely affected by the COVID-19 pandemic. Beginning in April 2020, the unemployment rate rapidly increased due to businesses shutting down in response to the pandemic. This increase can be seen as a spike that has been settling back to historic lows since its height in April 2020.

City of St. George

The unemployment rate for the City of St. George had been steadily declining before the COVID-19 pandemic. The January 2010

unemployment rate was 10.6% while the January 2020 unemployment rate was 3.2%, a 10-year decline of 7.4%.

Washington County

The unemployment rate for Washington County carried a similar trend in steady decline before the COVID-19 pandemic. The January 2010 unemployment rate was 11.5% while the January 2020 unemployment rate was 3.4%, a 10-year decline of 8.1%.

II. MARKET UNIQUE FACTORS

The St. George, Utah MSA, synonymous with Washington County and located in the southwest corner of Utah, includes the City of St. George and the surrounding area known for its warm weather and outdoor amenities. Located in the northern extension of the Mojave Desert, the St. George MSA more closely resembles the climate of nearby Las Vegas, Nevada than northern Utah, which is home to well over half the population of the state. This includes northern Utah cities such as Salt Lake City, Ogden, and Provo.

The St. George MSA has seen sustained rapid population growth since 1990 and is expected to be the fastest growing area of Utah in the near future. Washington County is expected to grow 229 percent over the next 50 years.

High-End Leisure & Second Homes

Known for having warm weather in the spring and fall, many northern Utah residents decide to spend time during the colder months, in between summer and the winter ski season, in and around the St. George MSA. While many are merely repeat vacationers, there is also a sizeable population of second homeowners and retirees in the area.

Amenities in the area that may attract vacationers, second homeowners, and retirees seeking warmer weather include the countless outdoor parks, golf courses, trails, restaurants, shopping, and sightseeing. People coming to the St. George MSA typically come for the high-end leisure options available in the area, especially during the spring and fall months.

Outdoor Activities

The St. George MSA is also known for its wilderness and recreation areas such as Sand Hollow State Park, Snow Canyon State Park, Red Cliffs National Conservation Area, the Pine Valley Mountains, and perhaps most famously, Zion National Park. There are also countless other outdoor wilderness and recreation sites throughout southern

Utah and the surrounding area. The outdoor activities available in the St. George MSA attract visitors from all over the globe.

Zion National Park attracts millions of visitors each year and is an increasingly popular national park destination. From 1990 to 2019 the park received an average annual growth rate of 2.65%, yet from 2010 to 2019 the growth rate was 5.96%.

The outdoor activities offered in the area include hiking, mountain biking, rock climbing, boating, fishing, and more. The desert landscape, cliffs, mountains, reservoirs, canyons, and warm weather make the St. George MSA a very diverse and unique place for outdoor recreation.

III. REGIONAL ACCESS

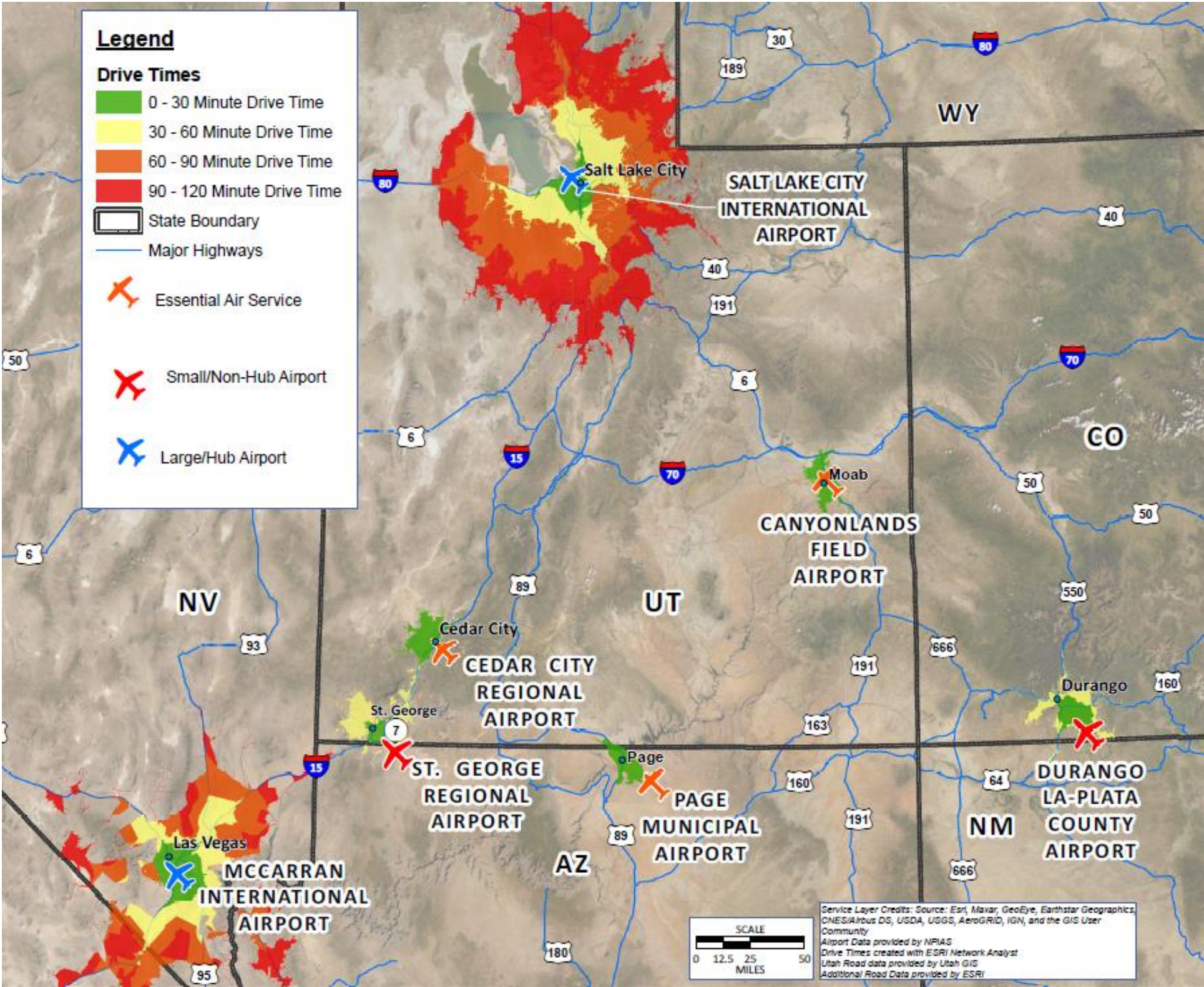
The Airport is located southeast of Interstate 15 (I-15) in St. George. I-15 runs southwest to northeast and is the primary highway connecting Las Vegas and Salt Lake City, and more broadly, runs from San Diego through northern Montana before reaching the Canadian border. I-15 also runs directly through the downtown area of the City of St. George. The Airport’s local roads can be accessed from Exit 2 on I-15 through Utah State Route 7, also known as Southern Parkway. From Exit 7 on Southern Parkway, the Airport can be accessed to the north through Airport Parkway. Airport Parkway leads to a roundabout, which directs traffic to either the northeast (South Airport Parkway) or to the southwest (Desert Canyons Parkway). Currently, Desert Canyons Parkway, in the vicinity of the Airport, only extends as far as the fuel farm, but can be paved in the future to connect to Exit 6 on Southern Parkway, where Desert Canyons Parkway continues south. South Airport Parkway leads directly to the Airport’s passenger terminal roadway and east hangar apron area.

The Airport’s west hangar apron area can be accessed through Airport Road, which begins as Banded Hills Drive as part of a growing neighborhood within the City of St. George. There is no direct highway access to the west side of the Airport.

IV. COMMERCIAL SERVICE AREA

As of 2020, the commercial service airlines operating to and from SGU are American Airlines, Delta Air Lines, and United Airlines, which operate regional service through SkyWest Airlines, although Allegiant Air has previously operated to and from SGU as well. Each regional affiliate of SkyWest Airlines provides service to their respective hub

Figure 3-1: Service Area Drive Times of Regional Airports



Source: McFarland Johnson analysis, 2021.

airports in the region, where passengers may have connecting flights to their destination. American Airlines provides service to and from Phoenix Sky Harbor International Airport (PHX) and Dallas/Ft. Worth (DFW), Delta Air Lines provides service to and from Salt Lake City International Airport (SLC), and United Airlines provides service to and from Denver International Airport (DEN).

Other commercial service airports in the region include Cedar City Regional Airport (CDC) in Cedar City, Utah, and McCarran International Airport (LAS) in Las Vegas, Nevada. CDC is located approximately 50 miles northeast of SGU and is also serviced by SkyWest Airlines, however the only service is through Delta Airlines to and from SLC. LAS is located approximately 110 miles southwest of SGU and is a focus city for Allegiant Air, Frontier Airlines, Southwest Airlines, Spirit Airlines and Sun Country Airlines.

While traditionally a service area of up to 60 minutes is standard for smaller commercial service airports, much of Southern Utah is not in the catchment area for any commercial service airport. Parts of the state could be as much as 3 hours away, yet SGU may be the closest option for an airport with multiple airline and schedule choices. Despite now being depicted in the dedicated service area, SGU's relevance in all of southern Utah is expected to grow as service options increase. **Figure 3-1** depicts a drive-time map of the commercial service area of SGU and the surrounding region.

V. GENERAL AVIATION SERVICE AREA

SGU serves as a general aviation airport as well as a commercial service airport. With a runway length of 9,300 feet, SGU can accommodate a wide variety of general aviation aircraft from small single engine aircraft to large corporate jet aircraft. A comparison of airports within the general aviation service area of SGU is found in **Table 3-2**, and on the accompanying map in **Figure 3-2**.

Within a drive time of approximately one hour from SGU is only one other airport that can accommodate aircraft with a wingspan greater than ADG I. Colorado City Municipal Airport (AZC) in Arizona has two bisecting runways, the longest with a length of 6,300 feet, and can accommodate small jet aircraft.

Other general aviation airports in the region within a drive time of approximately one hour do not have runways with a length that can accommodate aircraft with a wingspan greater than ADG I. General Dick Stout Field Airport (1L8) and Grassy Meadows Airport (UT47) can only accommodate ADG I aircraft.

Table 3-2: General Aviation Service Area Airports

Airport	Runway Length (ft)	Approaches	Jet Fuel (Y/N)	Distance from St. George
St. George Regional	9,300	RNAV, LDA	Y	6.5
General Dick Stout Field	3,283	None	Y	15.5
Grassy Meadows	4,400	None	N	15
Colorado City	6,300	RNAV, NDB	Y	33

Source: FAA Form 5010, 2020.

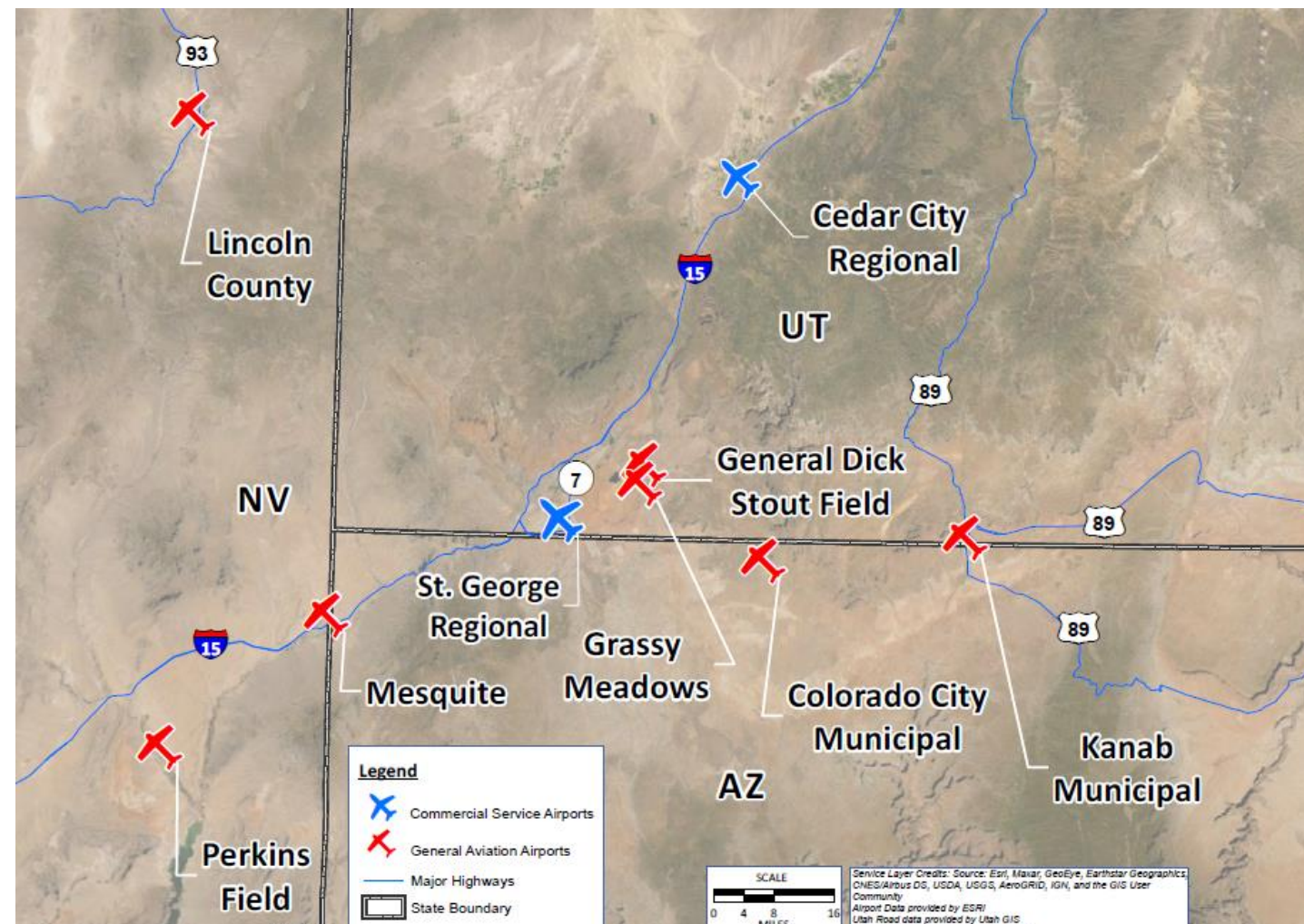
Source: McFarland Johnson analysis, 2021.

General aviation airports outside of a one-hour drive time include:

- Perkins Field Airport (U08)
- Lincoln County Airport (1L1)
- Mesquite Airport (67L)
- Kanab Municipal Airport (KNB)

These airports do not compete with SGU for general aviation activity, conversely, these airports likely rely on SGU for aircraft services and maintenance as these airports likely have limited local options. Cedar City Regional Airport is the only airport offering scheduled air carrier service located outside of a one-hour drive time of the general aviation service area.

Figure 3-2: Surrounding Airports to SGU



Source: McFarland Johnson analysis, 2021.