

Airports and economic development

Airports, aviation and industries related to aviation in Wisconsin have a profound impact on the quality of life and economic prosperity of the state. Airports and aviation create thousands of jobs and provide millions of dollars in sales and income each year.

Wisconsin's eight commercial service airports link residents and businesses to the rest of the nation and the world. These airports are important centers of economic activity, generating a large share of aviation's \$6.9 billion annual contribution to the state's economy.

Convenient access to airline passenger service, air cargo facilities and corporate aviation allows businesses to safely and efficiently move key personnel and products, saving valuable time and increasing productivity.



Chippewa Valley Regional Airport

Communities that are readily accessible by air transportation are at a competitive advantage and may realize economic and quality of life benefits that can affect every citizen.

As an integral part of our state transportation network, the Chippewa Valley Regional Airport plays a critical role in fostering business growth and economic development in the region.

Airport location

Chippewa Valley Regional Airport is located in the west central region of Wisconsin. The airport is located on the north edge of the city of Eau Claire in Chippewa County.



Map of Eau Claire and Chippewa Falls

Serving west central Wisconsin, Chippewa Valley Regional Airport is a key ingredient of the region's strong economy and quality of life. The airport provides a safe and convenient environment for commercial air passenger travel, business aviation, air cargo shipments and deliveries, and related business activities.



Regional economic profiles

Chippewa Valley profile

Population (2013)

Chippewa County – 62,918
Eau Claire County – 99,734

Employment

Chippewa County – 22,481
Eau Claire County – 55,668

Prominent employers

Mayo Health System
Eau Claire Area School District
Menards
TTM Advanced Circuits Inc.
University of Wisconsin-Eau Claire
Saint Joseph's Hospital
Sacred Heart Hospital
Mason Companies Inc.
Walmart
United Health
Silicon Graphics Intl. Corp.

Sources: WI DWD, Bureau of Workforce Training 2013

Airline service is provided by United Airlines operated by SkyWest Airlines to Chicago O'Hare daily.

In 2014, the airport served over 40,000 passengers and recorded 21,500 aircraft operations. Seventy-nine aircraft are based at the airport; it owns eight box hangars, and has 19 privately-owned hangars.

Chippewa Valley Regional Airport is also host to numerous support businesses such as an on-demand business and medical charter, medical transport helicopter, car rental agencies and lounge.



Ramp hangars

The Chippewa Valley's strong mix of industries and educational facilities has created a stable economy.

The area's largest industry categories are healthcare, retail trade, and manufacturing.

Airport services and activity

Owned by Eau Claire County and operated by Eau Claire and Chippewa counties, the airport is classified as a primary commercial service airport in the Federal Aviation Administration's (FAA) *National Plan of Integrated Airport Systems (NPIAS)* and a commercial airport in the *Wisconsin State Airport System Plan (SASP)*.

Airport facilities

Chippewa Valley Regional Airport has two paved runways, associated taxiways, public apron areas, passenger terminal area, and one fixed base operator (FBO).

The primary runway (04/22) is 8,101 feet long by 150 feet wide. The secondary runway (14/32) is 5,000 feet long and 100 feet wide. Navigational aids include an instrument landing system, VOR/DME, and PAPI.



The economic impact of Chippewa Valley Regional Airport

The WisDOT-Bureau of Aeronautics recently completed a study of the contribution of Chippewa Valley Regional Airport to the local and state economy.

The economic impact of Chippewa Valley Regional Airport is the *economic output (sales), employment and wage income* that can be attributed directly and indirectly to the airport.

Economic impacts measure the importance of an airport as a business in terms of the employment it supports and the goods and services it consumes.

The results of the study indicate that Chippewa Valley Regional Airport provided \$72.1 million in economic output, supported 458 jobs and contributed \$15.3 million in wage income to the local and state economy in 2014.

The methodology used to estimate the airport's contribution to the local and state economy is the WisDOT Airport Benefit-Cost (ABC) System.



The WisDOT ABC System is a Microsoft Access database application used for evaluating the economic impact of airports and airport improvement projects.

The WisDOT ABC System was developed based on guidelines established by the FAA in the document "*Estimating the Regional Economic Significance of Airports*," U.S. DOT, September 1992.

The WisDOT ABC System used data from the following three primary sources to estimate the economic impact of the airport to the local and state economy:

1. Airport activity and business survey data on jobs, income and sales at the airport.
2. Data from the *Wisconsin Department of Workforce Development* on industry employment, wages and sales.
3. Regional economic multipliers obtained from the industry transaction tables in the Impact Analysis for Planning Model (IMPLAN) computer model.

IMPLAN is produced for WisDOT by the Minnesota IMPLAN Group. The model estimates purchases and sales between various sectors of the Wisconsin economy.

The model produces statewide multipliers as well as multipliers for specific counties and groups of counties. IMPLAN multipliers for two sectors in the Chippewa Valley economy were used in the analysis.

The regional economic multipliers used in this study for the *Air Transportation Sector* are 1.49 (sales), 1.74 (employment) and 1.51 (wages). Multipliers used for the *Retail/Hotel/Restaurant Sector* are 1.50 (sales), 1.31 (employment) and 1.59 (wages).

The economic contribution of Chippewa Valley Regional Airport is comprised of three types of impacts: *Direct Impact of the Airport, Direct Impact of Airport Users, and the Multiplier Impact.*



Each of these is expressed in terms of their effect on economic output (sales), employment (jobs) and wage income.

Direct impacts of the airport

The direct impact of Chippewa Valley Regional Airport on the local economy reflects the jobs, payroll and sales directly related to airport operations. This includes the management and operation of the airport, commercial airlines, air terminal vendors, and FAA air traffic control tower. It also includes businesses providing aircraft maintenance, fuel, storage, rental, charter sales and leasing activities.

The direct effect of the airport on the Chippewa Valley economy in 2014 totaled 157 employees, a payroll of \$7.8 million and \$41.6 million in economic output.

Direct impacts of airport users

Visitor spending, the direct impact of airport users, is the amount of money flowing into the local economy from air passengers who reside outside the county. Visitors spend money on lodging, meals, ground transportation and retail purchases within the region.

The \$4.3 million of air passenger spending in 2014 supported 70 additional jobs in the Chippewa Valley, with a payroll of \$1.3 million.

Multiplier impact

The multiplier impact considers the effects of two additional airport impacts on the region's economy. The first is the economic activity of local suppliers of goods and services to the airport and Chippewa Valley businesses that host air travelers (hotels, restaurants, entertainment establishments).

The multiplier impact also includes the spending of airport generated payroll and the payroll of businesses serving air visitors to the Chippewa Valley. Workers spend a significant portion of their income throughout the local economy. The IMPLAN multipliers were used to identify the extent of these impacts. In 2014, the multiplier impact of the airport supported 138 additional jobs, provided \$4.8 million in wages, and generated \$22.6 million in economic output.

Employment (FTE jobs)

Direct impact - airport	157
Direct impact - airport users	70
Multiplier impact	138

Local employment impact 365 Jobs

Wage income/payroll

Direct impact - airport	\$ 7.8 million
Direct impact - airport users	\$ 1.3 million
Multiplier impact	\$ 4.8 million

Local payroll impact \$13.9 million

Economic output/sales

Direct impact - airport	\$ 41.6 million
Direct impact - airport users	\$ 4.3 million
Multiplier impact	\$ 22.6 million

Local economic output \$68.5 million

Other benefits

The study also measured public revenue generated at the local and state level from airport and aviation related fees.

In 2014, Chippewa Valley Regional Airport generated \$913,868 from local fees, rents, and



Economic Impact

2014

revenues. The airport also generated \$40,275 in state revenue from aircraft registration fees.

Public revenue – direct impact

Chippewa Valley	State	Total
\$913,868	\$40,275	\$954,143

Local economic impact

The results of the study indicate that the Chippewa Valley Regional Airport provided over \$68.5 million in economic output, supported 365 jobs and contributed \$13.9 million in wage income to the local economy in the Chippewa Valley.

Contribution of Chippewa Valley Regional Airport to the local economy

FTE jobs	Wage income/ payroll	Economic output/sales
365	\$13.9 million	\$68.5 million



Chippewa Valley Regional Airport



Local and state economic impact

Activity at Chippewa Valley Regional Airport in 2014 also generated an additional \$3.6 million in sales, 93 jobs, and \$1.4 million in payroll to the state economy.

When combined with the local impact, the total contribution of Chippewa Valley Regional Airport to the local and state economy in 2014 is \$72.1 million in sales, 458 jobs and \$15.3 million in wage income.

Contribution of Chippewa Valley Regional Airport to the local and state economy

FTE jobs	Wage income/ payroll	Economic output/sales
458	\$15.3 million	\$72.1 million

This report has identified and quantified the economic contribution of the Chippewa Valley Regional Airport 's 2014 activity levels to the Chippewa Valley and the state of Wisconsin.

Note: The results of this report are produced from a basic cost-benefit model and do not completely address all the economic nuances facing every airport.