

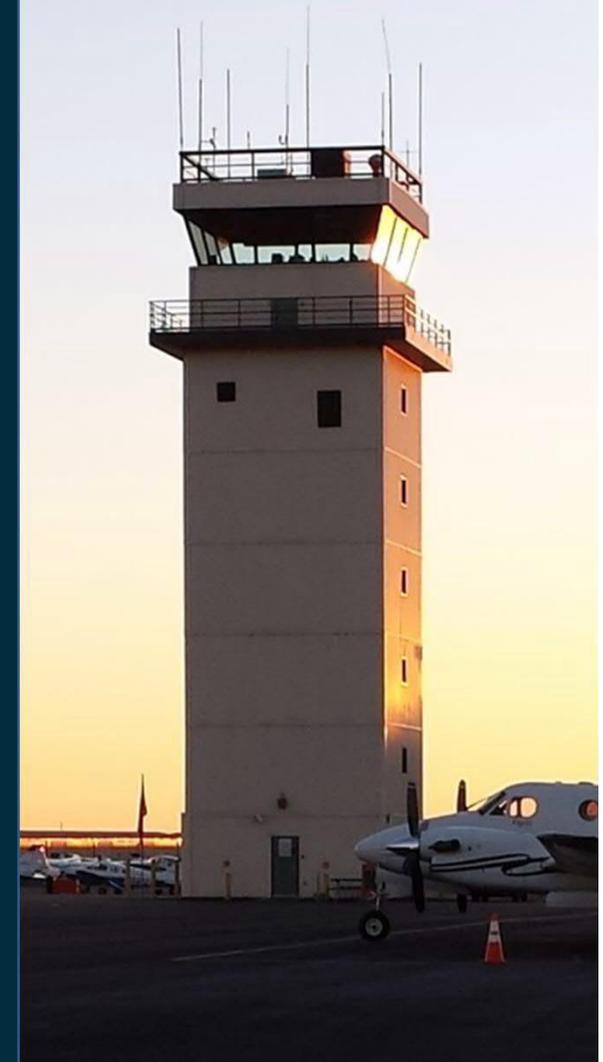
Chandler Municipal Airport

Economic Impact Analysis

City Council Micro Retreat
November 19, 2015



Chandler · Arizona



Background

- 2012 - ADOT study of statewide economic impact of aviation
 - \$58 B including airlines, military, and civilian/defense activity
 - \$24 M in economic impact attributed to Chandler Airport
- 2014 - City Council Micro Retreat
 - Council requested staff devote resources to analyze current and future economic output, establish goals for financial self-sustainability, identify future revenue-generating opportunities, and make recommendations for enhancing the Airport's economic benefit



Background

- November 2014 - City issued Request for Proposals for Economic Impact Study.
- City retained Kimley-Horn and ASU's W.P. Carey Business School
- Study started in March 2015
 - Phase 1: Economic Impact Analysis, Airport Economic Benefit, Self-sustaining Evaluation (\$50,000 budget)
 - Phase 2: Strategic Recommendations & Potential Outcomes



Study Process

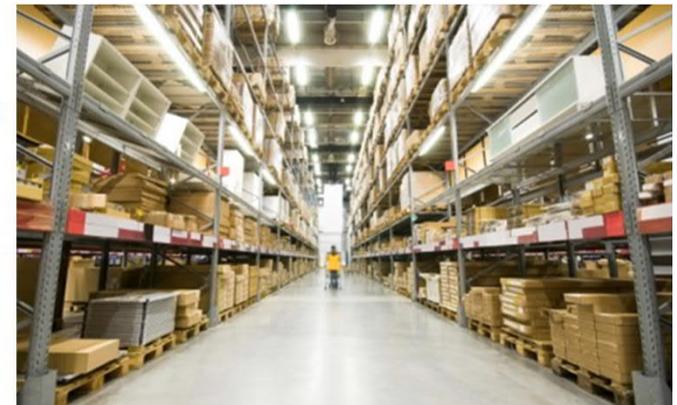
- Survey all Airport employers, including City
- Estimate the impact of visitors arriving via Chandler Airport
 - Using state and hospitality industry data
- Apply IMPLAN economic input/output model
 - FAA-approved methodology
 - Measures revenue, payroll and employment
 - On-airport businesses, on-airport capital improvements, and visitor spending
- Review Airport's supporting services and activities



Examples of Economic Activities



- Aircraft maintenance, fuel sales, flight training
- New construction or repair
- Lodging, food/drink, retail, entertainment & car rental spending
- Businesses supplying the airport or benefitting from airport-initiated activity



Economic Impact Terms



Direct
Airport
Employer
Impacts

Direct
Air Visitor
Impacts

SECONDARY
Indirect &
Induced
Impacts

Total
Economic
Impacts



Term	Economic Definition
Indirect	Goods & services purchased in region with initial business revenues
Induced	Spending by workers generated by direct & indirect business revenues



Economic Impact Results



\$32.52 M Revenues
\$6.89 M Payroll
163 Jobs

+ \$42.5 M Revenues
+ \$15.184 M Payroll
+ 320 Jobs



\$34.04 M Revenues
\$9.385 M Payroll
312 Jobs



\$109.06 M Revenues
\$31.45 M Payroll
795 Jobs



On-Airport Impacts

Sources of Aviation Impacts	IMPACT MEASURES		
	Revenues	Payrolls	Employment
Private Aviation Employers (17)	\$29,815,000	\$5,519,000	145
Capital Improvement Projects (3 yr avg)*	\$458,000	\$186,000	3
Government Agencies (3)	\$2,249,000	\$1,195,000	15
<i>Direct Economic Impacts</i>	<i>\$32,522,000</i>	<i>\$6,890,000</i>	<i>163</i>
Indirect Activity by Suppliers & Vendors	\$11,610,000	\$4,416,000	89
Induced Spending by Workers of Airport Employers	\$9,859,000	\$3,460,000	79
<i>Secondary Economic Impacts</i>	<i>\$21,469,000</i>	<i>\$7,876,000</i>	<i>168</i>
TOTAL ON-AIRPORT IMPACTS	\$53,991,000	\$14,766,000	331

Note: CIP project revenues, payroll and employment is 3 year average from 2012-2014 activity

Comparison of Direct On-Airport Impacts at Other Area Airports

Airport	Revenue	Payroll	Employment
Chandler	\$32,522,000	\$6,890,000	163
Deer Valley	\$42,632,000	\$14,133,000	282
Goodyear *	\$59,601,000	\$37,035,000	515

Source: Economic Impact of the Phoenix Airport System, updated by Arizona State University, 2015

* Includes a major maintenance, repair and overhaul (MRO) facility with employment exceeding 350 workers



Direct Air Visitor Impacts

- Direct off-airport impact of visitors at Chandler Airport is \$34 million
- Key Variables
 - Size and type of plane arriving (number of passengers)
 - Length of stay (overnight v. day visits)
- Size and Type of Plane (average passengers per aircraft)
 - 30% jet-powered aircraft arrivals -> 2.5
 - 25% turboprop-powered aircraft arrivals -> 2.0
 - 44% piston-driven aircraft arrivals -> 1.5
- Average lengths of stay at Chandler
 - for overnight aircraft is 2.5 days.
 - for day visitor aircraft on airport, ranges between 1.9 hours and 5.8 hours

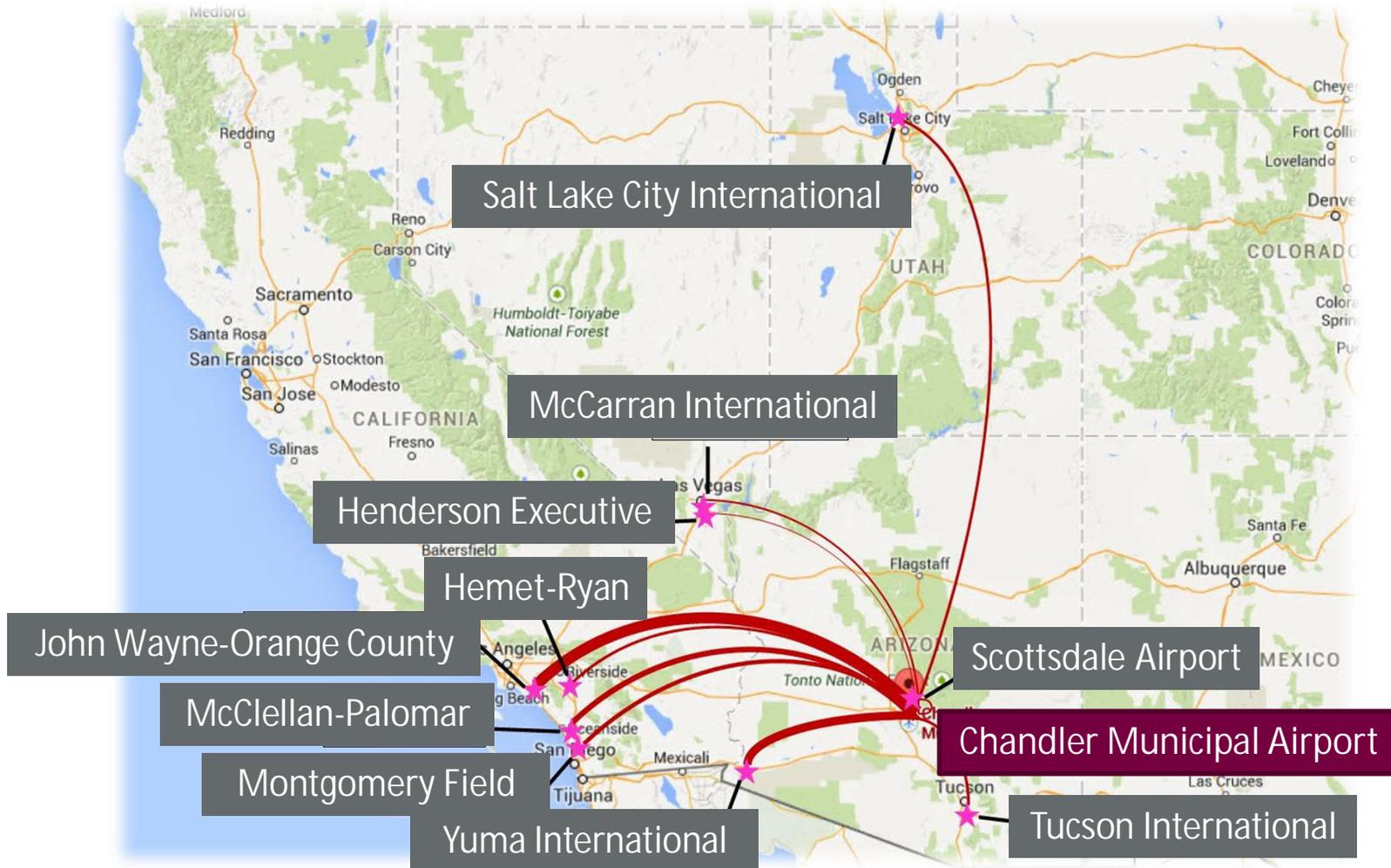


Direct Air Visitor Expenditures

Spending Category	Overnight GA Aircraft	Percent	Day Visitor GA Aircraft	Percent
Lodging	\$897.82	38%		
Food/Drink	\$507.84	22%	\$101.31	29%
Retail	\$443.37	19%	\$89.11	26%
Entertainment	\$184.24	8%	\$36.50	10%
Transportation	\$300.97	13%	\$120.03	35%
TOTAL	\$2,334.14	100%	\$346.95	100%
Number of Aircraft	13,173		9,501	
Number of Visitors	36,730		26,491	
TOTAL SPENDING	\$30,747,626		\$3,296,372	

Source: Derived from FAA flight plan data base and spending estimates from Longwoods International; Visitor and spending figures include passengers and crew; Arizona State University W. P. Carey School of Business

Chandler's Origins & Destinations



An Average Day at Chandler Airport

Activity	Average Day
All Aircraft Operations	610 Aircraft Operations Daily
Itinerant Aircraft Arrivals	110 Itinerant Arrivals Daily
Airport Firms & Agencies	163 On-Airport Jobs & 20 Employers
On-Airport Direct Revenues	\$89,000 Revenues Daily
Air Visitors	324 Visitors in the Region Daily
Air Visitor Spending	\$93,000 Visitor Spending Daily
Total Employment in the Region	795 Regional Jobs Supported
Total Economic Impact	\$299,000 Economic Impact Daily



CHD Supporting Activities

Business Activities

- Air cargo transport
- Manufacturing parts & supplies
- Military training
- Aircraft maintenance
- Business staff transport
- Entertainers/sports figures

Quality of Life Support

- Medical patient transfer
- Search & rescue
- Medical doctor transport
- Traffic condition reports
- Natural resource monitoring
- Law enforcement
- Aerial mapping



Summary

- The Chandler Airport is a significant community asset and economic generator with almost \$300,000 in total economic output created each day.
- Almost 800 jobs are created by the Airport's activities.
- Southern California and southern Arizona are the two primary destinations/origins for Chandler Airport



Next Steps

- Complete Phase I: Finish Self-Sustaining Evaluation
- With Council approval, initiate Phase II – Strategic Recommendations to Support Economic Development Goals and Potential Outcomes If Goals Are Met



Thank you!



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