



**Chandler • Arizona**

# Chandler Municipal Airport

## Economic Impact Analysis

**Chandler Airport Commission**  
January 13, 2016



# 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

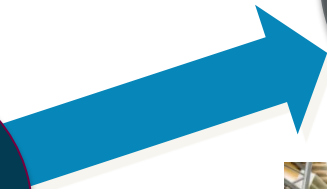
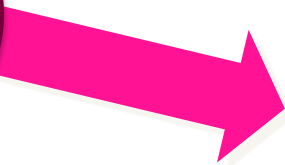


# Economic Impact Terms

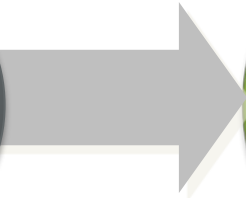


**Direct  
Airport  
Employer  
Impacts**

**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**

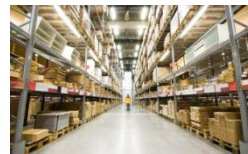
**+ 320 Jobs**

**Direct  
Airport  
Employer  
Impacts**

**Direct  
Air Visitor  
Impacts**

**SECONDARY  
Indirect &  
Induced  
Impacts**

**Total  
Economic  
Impacts**



**\$34.04 M Revenues**

**\$9.385 M Payroll**

**312 Jobs**



**\$109.06 M Revenues**

**\$31.45 M Payroll**

**795 Jobs**

**Chandler Airport Commission  
January 13, 2016**



# 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
<b><i>Direct Economic Impacts</i></b>	<b><i>\$32,522,000</i></b>	<b><i>\$6,890,000</i></b>	<b><i>163</i></b>
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
<b><i>Secondary Economic Impacts</i></b>	<b><i>\$21,469,000</i></b>	<b><i>\$7,876,000</i></b>	<b><i>168</i></b>
<b>TOTAL ON-AIRPORT IMPACTS</b>	<b>\$53,991,000</b>	<b>\$14,766,000</b>	<b>331</b>

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

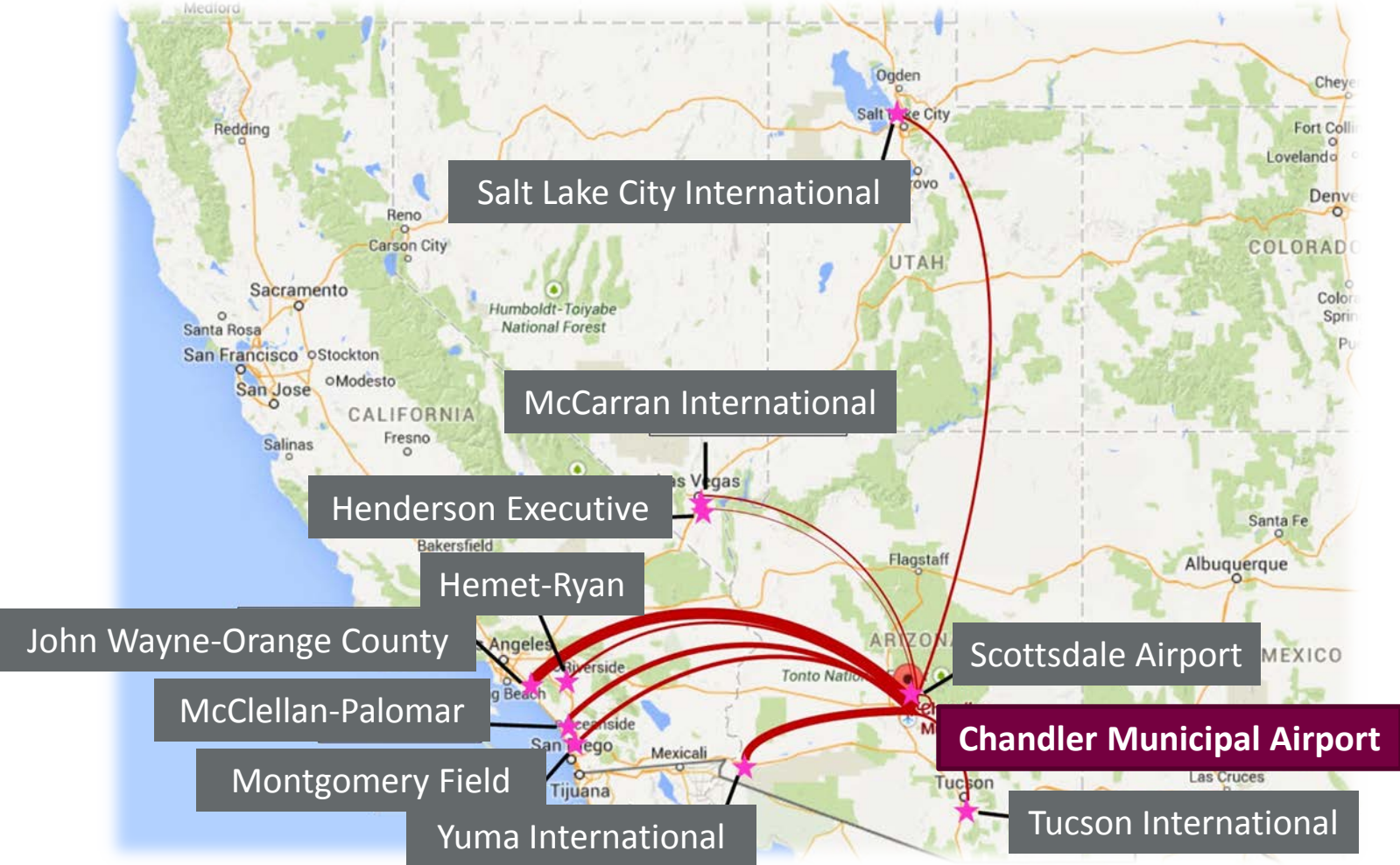


# Direct Air Visitor Expenditures

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%
<b>TOTAL</b>	<b>\$2,334.14</b>	<b>100%</b>	<b>\$346.95</b>	<b>100%</b>
Number of Aircraft	13,173		9,501	
Number of Visitors	36,730		26,491	
<b>TOTAL SPENDING</b>	<b>\$30,747,626</b>		<b>\$3,296,372</b>	

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



Chandler Airport Commission  
January 13, 2016

# 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
- 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
- Military training



# 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!**



**Chandler • Arizona**

