



Chippewa Valley  
**REGIONAL AIRPORT**

**CY2018 ANNUAL REPORT**

Vision

*The Chippewa Valley Regional Airport will provide our users with a safe, efficient and welcoming operation while striving to meet the current and future needs of the community we serve, by ensuring the Chippewa Valley is connected to the world.*

**2018 Accomplishments**

**Commercial Airline Service**

Scheduled daily airline operations at the Chippewa Valley Regional Airport (CVRA) are provided by United Express with service to Chicago O'Hare. Daily service to Chicago allows travelers to connect on more than 500 flights per day to over 130 destinations. Local travelers were also able to take advantage of multiple scheduled charter opportunities in 2018 with flights to Laughlin and Wendover, Nevada. These flights are very popular with area leisure travelers.

Annual revenue passenger enplanements/deplanements for 2018 increased by 5% to 47,262 compared to 44,920 in 2017. While the airport has experienced several years of passenger growth, just 6% of area travelers are choosing to start their travel from the Chippewa Valley Regional Airport. CVRA could support several more flights per day with just 20-30% of the tickets sold in our area traveling local.

In an effort to continue to increase ridership to the level where additional service could be added, Airport marketing efforts continue to focus on public education of local airline service and reminding travelers to consider the full cost of travel when making their travel decisions. In addition to the cost of airfare, there are additional expenses to drive and park at other airports which can add up to at least an additional \$150 on a four-day trip. To assist passengers in determining the true cost of travel, the Airport provides an online cost calculator.

CVRA has provided multiple opportunities for local residents to enroll in the TSA Pre-Check program over the past several years and those opportunities continued in 2018. TSA Pre-Check is an expedited screening program for low risk travelers available at most US airports. Area residents would normally have to travel to Minneapolis-St. Paul to enroll in the program so the local enrollment opportunities are a significant time saver for residents of the Chippewa Valley.

**General Aviation**

The Air Traffic Control Tower at CVRA recorded 21,986 total aircraft operations in its twelfth year of operation. The aircraft operations include airline and general aviation takeoffs and landings during the tower hours of operation which are 5:30 a.m. to 8:30 p.m. Additional aircraft operations occur outside the tower hours but there is no mechanism to count that traffic.

Due to the age, condition and location of existing T-Hangars, construction was completed on a new 10-unit T-hangar on the south side of the Airport in 2018. The new hangars have led to a short term higher than normal hangar vacancy, but in the long term the hangars will allow for additional corporate hangar development on the north side of the airport.

The airports fixed base operator (FBO), Hawthorne Aviation, continues to provide essential services for general and corporate aviation including flight instruction, aircraft rental, fueling, heated hangar rental and on demand business and medical charters. As another sign of growing airport utilization, total gallons of fuel purchased by aircraft operators increased in 2018 to 1,736,335 gallons compared to 1,559,984 gallons in 2017.

### **Airport Partners**

Airport partners businesses also continued to be well utilized in 2018. Cars rented at the airport increased by 24% year over year, which resulted in a significant increase in concession fee revenue over the prior year. Two new car rental options have been added since 2016 and in 2018 the Avis/Budget car rental became a corporate location. These two changes along with increased passenger traffic have led to increased revenue for the airport.

Hangar 54 Grill is a full-service restaurant and bar that opened at the airport in 2016. Hangar 54 also manages the meeting room space at the airport and has been helpful with space utilization for local organizations like the Airport Neighborhood Association. The restaurant continues to be very successful and is an asset welcomed by both Airport users and the community.

### **Airport Commission Strategic Planning**

The Airport Commission participated in an effort to update the Airport Strategic Plan in 2018. The Airport Vision was updated to reflect our goal of meeting both the current and future needs of our community by ensuring the Chippewa Valley is connected to the world. The strategic planning efforts led to six action items to work on over the course of a two year period and includes a focus on facilities, public relations and staff.

### **Airport Capital Improvements**

Design work for the rehabilitation of Runway 14/32 started in 2017 and a federal grant was issued in 2018 to complete the project. The grant funds came too late in 2018 to start construction, so work will commence in 2019 as soon as the weather permits. The work will consist of complete replacement of about 900' of the 5,000' runway and rehabilitation and remarking of the remainder of the pavement. The sections being replaced were meant to be temporary and have far exceeded their useful life. The airport will work closely with airport users to minimize the disruption to airport operations as much as possible. This project will require closure of both runways at various stages of construction.

Design work for rehabilitation of the Airport's main runway began in 2018 and construction is planned in 2019, depending on the timing of federal grant funds. The runway is in pretty good condition overall and the improvements to areas needing repair are expected to extend the useful life of the pavement.

Both projects are federally funded with approximately 90% of the federal funds coming from the Federal Aviation Administration Airport Improvement Program (AIP) through the Airport and Airway Trust Fund (AATF). The AATF provides funding for the federal commitment to the nation's aviation system through several aviation-related excise taxes. Funding currently comes from collections related to passenger tickets, passenger flight

segments, international arrivals/departures, cargo waybills, aviation fuels, and frequent flyer mile awards from non-airline sources like credit cards. A portion of the remaining project funds come from state funding which is primarily user fee funded. Local project commitments are funded with existing airport funds. **No new tax levy dollars are requested for projects.**

**Alignment with Strategic Plan**

<b>Ensure Financial Stability.</b>	<b>Innovate and adapt.</b>	<b>Improve Collaboration</b>
The Airport is pursuing development of airport property to ensure it is well utilized and to generate additional revenue	Increase utilization of on-call staff to support short term staffing needs instead of following the traditional model of hiring full-time or part-time employees.	Monitor highway and courthouse facility planning to see if there are opportunities to partner to meet airport facility needs.
New hangar construction will lead to additional airport revenue and increased utilization of airport facilities.	Capitalize on opportunities to contract service to provide a better customer experience.	Enhance partnerships with local economic development to assist with airport property development.

**2019 Future Opportunities**

Airport representatives will continue efforts to educate the community on the availability of local airline service and the benefits of flying local. The digital and social media campaigns planned for 2019 will continue to target an audience who has indicated an interest in travel instead of just broadcasting to all audiences including those who have no interest in travel. We will also explore opportunities in 2019 to increase collection of feedback from users of the airport so we can determine how to better enhance the customer experience.

New opportunities for development of airport property continue to be a high priority for the Airport Commission. New airport development will allow the airport to generate additional revenue and to better diversify our revenue stream with the goal of ultimately eliminating the reliance on local tax dollars. The Airport will explore opportunities for potential non-aeronautical development of airport property in 2019 to determine if there are opportunities to more fully utilize airport property and generate additional revenue.

We will also explore opportunities to improve our facilities in 2019, as part of our effort to meet the current and future needs of our users. Potential opportunities include exploring the addition of approach lights to Runway 04 to see if lower approach minimums can be implemented; analyzing the possibility of adding an additional 500' to Runway 14/32 to allow the runway to be accessible for a wider range of aircraft; and pursuing supplemental federal funding to make needed improvements to our on airport fire station.

<b>#1 Commercial Airline Service</b>	Budget \$650,056	Levy \$199,515	FTE's 2.80
--------------------------------------	---------------------	-------------------	---------------

The Chippewa Valley Regional Airport provides support for commercial air service operations. The commercial air service program includes everything having to do with facilitating, serving and maintaining commercial air service, including Aircraft Rescue and Firefighting, Federal Aviation Administration Airport Certification, Transportation Security Administration Airport Security Program, air service marketing and public relations, facilities and maintenance for the airfield, terminal building, air traffic control tower, parking lot and entrance road.

**OUTPUTS**

Number of rev. passenger enplanements/deplanements:	<u>2015</u> 38,189	<u>2016</u> 41,494	<u>2017</u> 44,920	<u>2018</u> 47,262	
Number of community presentations:	64	81	78	60	
<b><u>Performance Goal</u></b>	<b><u>Outcome Measures</u></b>	<b><u>Benchmark</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Increase public satisfaction and use of the terminal facility.	80% of commercial passengers will report being satisfied or extremely satisfied with the airport controlled metrics on a customer satisfaction survey administered randomly	80%	83%	87%	85%
Encourage growth of commercial air service.	Maintain percentage change in passenger enplanements at a level equal to or greater than the percentage change in the state average of area airports.	8%	9%	8%	5%
	Commercial air service will be promoted in the community 50 times throughout the year.	50 or more	81	78	60
Maintain safe airfield operations.	100% of Aircraft Rescue and Fire Fighting personnel will successfully meet the response requirement of the Federal Aviation Administration (FAA) as verified by annual testing.	100%	100%	100%	100%
	Airfield inspections (lighting, wildlife, foreign object debris, pavement condition) will be performed every day as verified by the daily inspection log.	100%	100%	100%	100%

<b>#2 General Aviation (GA)</b>	Budget \$717,090	Levy \$199,515		FTE's 2.70
---------------------------------	---------------------	-------------------	--	---------------

The Chippewa Valley Regional Airport provides the infrastructure necessary to facilitate general/corporate aviation operations. Examples: facilities and maintenance for the airfield, hangars, FBO facilities, air traffic control tower, parking lot and entrance road.

**OUTPUTS**

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Number of hangars rented for airport:		50 of 50	48 of 50	47 of 50	52 of 60
Aircraft Operations:		22,922	22,832	20,155	21,986
Gallons of Fuel:		1,766,961	1,664,426	1,559,984	1,736,335
<u>Performance Goal</u>	<u>Outcome Measures</u>	<u>Benchmark</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Maximize rental of existing hangars.	90% of airport owned hangars will be rented.	90%	96%	94%	87%
Maintain or increase the number of aircraft takeoffs/landings.	Maintain percentage change of aircraft operations at a level equal to or greater than the change in the state average.	3%	1%	-12%	9%
Ensure customer satisfaction with airport owned facilities used by general/corporate aviation.	80% of general aviation users will report being satisfied or extremely satisfied with the overall airport experience on a customer satisfaction survey administered randomly.	80%	93%	100%	88%

**#3 Airport Partners**

Budget  
\$88,584

Levy  
\$0

FTE's  
0.50

The Chippewa Valley Regional Airport provides the infrastructure necessary to facilitate airport partner businesses including car rentals, restaurant, and other miscellaneous non-aviation space rentals, including facilities and maintenance for the terminal building, parking lot and entrance road.

**OUTPUTS**

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Percentage of terminal space rented that is available to airport partners:		87%	100%	100%	100%
Car rental concession fee revenue:		\$75,056	\$89,994	\$106,960	\$120,594
<u>Performance Goal</u>	<u>Outcome Measures</u>	<u>Benchmark</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Maximize rental of facility space available to airport partners.	70% of total space available for rental to airport partners will be rented during the year.	70%	100%	100%	100%
Maintain or increase the revenue earned from the airport partners lease agreement.	The current year concession fee earned from car rentals will be greater than or equal to the prior year.	\$106,960	\$89,994	\$106,960	\$120,594
<b>Totals</b>		<b>Budget</b> \$1,455,730	<b>Levy</b> \$399,030		<b>FTE's</b> 6.00