

Economic Impact Report

University of Illinois – Willard Airport

Commissioned by Champaign County Economic Development Corporation

Sponsors



TABLE OF CONTENTS

Section	Page
Executive Summary	3
Study Overview	8
Background	8
Area of Study	9
Study Methodology	11
Major Research Activities	11
Survey Data	11
Airline Traffic	11
Computer Modeling	11
Terms and Definitions	12
Assumptions	13
Champaign County Economic Snapshot	15
On-Airport Jobs and Labor Income	16
Public Sector Jobs and Labor Income	17
Private Sector Jobs and Labor Income	18
Total Airport Public and Private Sector Jobs and Labor Income	19
Airport Transportation Taxes, User Fees, and Rental Fees	20
Federal Transportation and Airport Facility Taxes and Fees	20
Jet and Aviation Fuel Purchases	21
Airport Commercial and Capital Spending	23
Airport-Located Commercial Spending	24
Airport-Located Capital Spending	24
Air Service Economic Impact	26
Scheduled Passenger Air Service Statistics	27
Willard Airport Visitor Economic Impact	29
Key Assumptions for Visitor Economic Impact	29
Hotel/Motel Economic Impact Estimate	30
Visitor Non-Hotel Economic Impact Estimate	30
Total Visitor Spending Economic Impact Estimate	32
State and Local Tax Impact	33
University of Illinois - Willard Airport Economic Impact	35
Intangible Economic Impact of Willard Airport	37
Final Thoughts	38

EXECUTIVE SUMMARY

This economic impact report, conducted by Sixel Consulting Group, Inc., was commissioned by the Champaign County Economic Development Corporation to study the impact of University of Illinois - Willard Airport. The purpose of the study is to determine the local economic impact of the Airport upon the immediate region around the airport. Simply put, this economic impact study quantifies economic activity in Champaign County, Illinois, that would not occur in that area absent the Airport.

Knowing and understanding the economic impact of an airport is beneficial in many ways. It allows for a better understanding by the community and its leaders of the airport's contribution to the local economy. It can also guide Airport Management and Community leaders on economic and spending questions related to Airport.

*“Willard Airport... acts as
a critical lifeline to the
global economy.”*

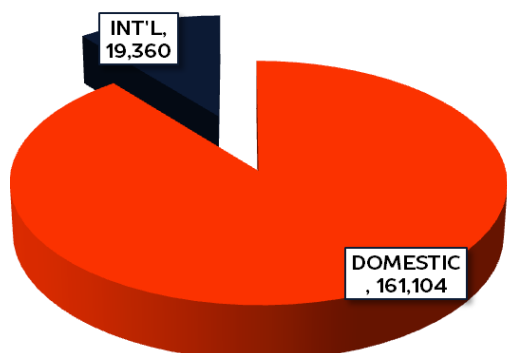
Willard Airport is clearly an important driver of the central Illinois economy. Not only do its associated businesses employ hundreds of people in the region, but it acts as a critical lifeline to the global economy. Champaign County's companies are globally connected. Without the Airport, many would be forced to relocate to better connected communities. While this report shows the current impact of the Airport, directly, on Champaign County, there is clearly impact beyond that estimated for this report, related to the importance of the Airport as a gateway to the region.

Willard Airport's current airline service, provided by American Airlines, has sufficient frequency and connectivity to effectively link the Airport to more than 150 cities around the world in a single stop, with hub connections of less than two hours. American's service between Champaign/Urbana and Chicago O'Hare runs six times a day in each direction, allowing business travelers to make day trips to most large cities east of the Rockies. While Dallas/Ft. Worth service is only once per day, it is perfectly timed for west coast and Asian connections. Air service not only provides connectivity for local businesses, but it brings in tens of thousands of visitors to Champaign County each year, as will be detailed in this report.

As of the most recent period of data available, for the year ended second quarter of 2015, Willard Airport served an average of 494 passengers per day on airline flights, or a total of 180,464 for the 12-month period. Willard serves a high number of international passengers

relative to other airports of its size, with 11% of all passengers flying in and out of the Airport traveling to and from international cities. Willard Airport served almost 20,000 international passengers in the most recent period, with more than 161,000 passengers traveling to and from cities within the United States (see figure 1).

Figure 1: Willard Airport Passengers, YE2Q15
Source: US DOT Table DB1A

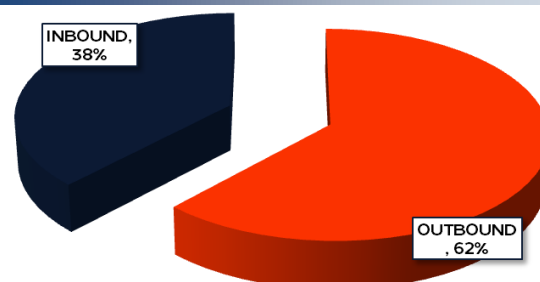


While most passengers using Willard Airport are from east central Illinois, there are still a large number who use the Airport to access Champaign, Urbana, and surrounding communities. The most recent data shows 38% of Willard Airport's passengers are inbound to the region, and live outside central Illinois (see figure 2). Each day, an

average of 188 people travel to Champaign County, through Willard Airport, visiting central Illinois from other parts of the country. Without Willard Airport, many of these visitors would travel elsewhere and spend money elsewhere.

While air service and access to the national air transportation system provided at Willard Airport is the single most important service provided, the Airport is also home to significant Champaign County businesses. The Airport's Fixed Base Operator (FBO), FlightStar, not only provides service for private aircraft, but also operates a large maintenance base for American Airlines' regional partner, Envoy. Envoy operates American's service in Champaign/Urbana as American Eagle. FlightStar's maintenance operation employs more than 100 people and ensures that Willard's air service is secure, as Envoy must overnight at least three aircraft at Willard each night for engine maintenance.

Figure 2: Share of Visiting Passengers, YE2Q15
Source: US DOT Table DB1A



Beyond the runways, taxiways, and terminals, the most important piece of infrastructure at Willard Airport is the FAA control tower and regional approach control facility. Not all airports the size of Willard have 24-hour staffed towers operated by the FAA. Bloomington/Normal, for example, has a tower that is contracted to a private operator and only open from 6am to 11pm. The FAA tower at Willard controls the immediate airspace around the field. In addition to the tower, the FAA operates a Terminal Radar Approach Control (TRACON) facility that oversees

all low level approach and departure traffic throughout central Illinois. Together, these facilities employ 37 people and provide the entire region's air traffic control.

While Willard Airport is no longer home to University of Illinois aviation programs following their closure, the new Parkland College Institute of Aviation is growing. While it only employs six people at Willard, it is ramping up to train potentially hundreds of new pilots and aircraft mechanics. As it grows, Parkland's Institute will be a key component of the regional aviation infrastructure.

Perhaps the Airport's most critical task is connecting the University of Illinois to the world. With an increasingly large number of students from overseas, Willard Airport provides the University with access to a large and vibrant student base. Moreover, the Airport allows the University's faculty and staff access to the knowledge marketplace throughout the world. While it is true those associated with the University could use other airports, isolation from air transportation would do the University no favors. For many of the best and brightest, quick access to airline flights is a key consideration in where to learn, where to teach, and where to do research.

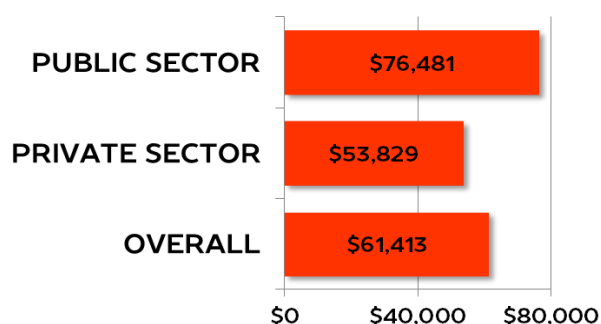
The economic impact statistics generated for this report show a thriving airport community. In fact, Willard Airport is responsible for almost 1% of the total gross regional product of Champaign County – or 1% of all economic activity within the County. At its current level of economic activity, University of Illinois - Willard Airport has the following local economic impact:

- ✈ Willard Airport is responsible, directly or indirectly, for 559.2 local full-time equivalent (FTE) jobs with annual labor income of \$24,611,553;
- ✈ The Airport generates a total annual local economic output of \$74,325,994;
- ✈ 233 on-Airport FTE jobs have annual labor income of over \$14,309,112;
- ✈ The Airport creates another 326.2 local area FTE jobs from indirect or induced economic impact effect;
- ✈ The local ongoing business and operational non-labor spending of all Airport entities and companies totals over \$3,047,711 annually and, after factoring for the local spending component, by itself accounts for another 4.1 local FTE jobs;
- ✈ Airport-located entity capital expenditures total an estimated \$6,487,031 annually;
- ✈ After factoring for local spending in that total, 16.7 local FTE jobs are supported by these capital expenditures;

- ✈ The Airport is an entry portal for an estimated 23,366 visitors per year from all aviation related sources to the Champaign region;
- ✈ These visitors create 112.8 local FTE jobs, which have a labor income of \$2,730,863.

The majority of jobs on the field at Willard Airport are private sector – not public sector. The perception is often that the majority of an airport's jobs are provided by the airport's owner.

Figure 3: Average Airport Employee Wages
Source: Sixel Consulting Group Analysis

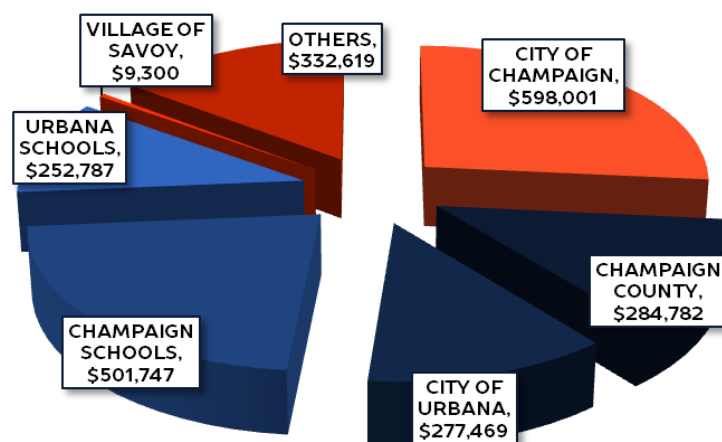


That is not the case with Willard Airport. Due to the presence of companies such as FlightStar, 67% of employees on the field work for private companies, while only a third work in the public sector for the University of Illinois, the Federal Aviation Administration (FAA), and the Transportation Security Administration (TSA).

Willard Airport's businesses spend more than \$14.3 million per year on wages for employees who work on the field. The average employee in Champaign County earns \$48,000 per year. The average employee at the Airport earns 28% more, or \$61,413 per year (see figure 3). Private sector jobs at the Airport pay an average of almost \$54,000 per year, while public sector jobs pay an average of more than \$76,000 per year. Airport employees are highly skilled in specialized fields, and airport businesses tend to pay a premium for strong talent.

Willard Airport is a key component of the regional tax base – in particular the tax base of Champaign County. Each year, the Airport generates \$2.3 million in local taxes and \$3.1 million in State of Illinois taxes. More than a third, or 34%, of the local taxes generated by Willard Airport go to schools (see figure 4). Willard Airport generates more than \$800,000 per year in taxes for schools.

Figure 4: Breakdown of Willard Airport Tax Revenue
Source: Sixel Consulting Group Analysis



The Airport also generates significant taxes for each of the cities and villages in Champaign County, not to mention the County, itself. More than 39% of taxes generated at Willard Airport

go to the cities of Champaign and Urbana (see figure 4). Willard generates almost \$600,000 a year in sales, property, and hotel taxes for the City of Champaign. The Airport generates more than \$277,000 in tax revenue for the City of Urbana and almost \$285,000 in tax revenue for Champaign County.

It is important to note that all of the functions of Willard Airport are interconnected. In terms of Airport revenue, airline service is the most critical component. The passengers that use airline service are the key to support for the Airport's facilities. Passenger facility charges and other sources of airline revenue pay the vast majority of the cost of keeping runways, taxiways, and other infrastructure operational. Even with private aviation activity and a strong Fixed Base

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Operator in FlightStar, the Airport could not afford to stay open without continued airline scheduled service.

At the same time, FlightStar's maintenance base ensures that Willard Airport retains a larger number of flights, as those aircraft must rotate through the airline's system to Willard for scheduled service. Without the maintenance base, it would be easier for the airline to reduce Willard's service level. In Bloomington/Normal, for example, American operates just three flights per day to Chicago, while Champaign/Urbana has six flights.

This report illustrates how critical Willard Airport is to the Champaign County economy. If the Airport were to disappear, the County would lose almost 1% of its economic output overnight and more than 550 jobs. Moreover, it would become increasingly difficult to recruit new business to the region. One of the most important criteria for businesses looking to either move or open new divisions is how interconnected a prospective community is. Most businesses won't even give consideration to communities without air service.

It is important to remember this report only measures the economic impact of Willard Airport upon the date of the study. It is a snapshot in time. Additionally, it only measures economic impact within Champaign County. Willard Airport has impacts throughout central Illinois, and well beyond the County. But it benefits those living in Champaign County the most, driving job growth, tax revenue, and connecting the State's flagship university with the world.

STUDY OBJECTIVE

This economic impact study determines the annual local economic impact of University of Illinois – Willard Airport. This impact is measured in terms of creation of jobs and commerce and the indirect and induced effects of those jobs and commerce on the local economy.

This study quantifies local economic activity that would not occur without the existence of the local Airport. This activity is measured in the following terms:

“This study quantifies local economic activity that would not occur without the existence of the local Airport.”

- ✈ Job creation (employment)
- ✈ Commercial spending by Airport businesses and Airport Administration
- ✈ Capital expenditures by Airport visitors and Airport Administration
- ✈ Economic impact of visitors brought to the area by Champaign air service

Three types of economic impact are measured:

- ✈ Direct impact, economic activity occurring directly at, or as a result of, airport economic activity;
- ✈ Indirect impact, activity resulting indirectly from airport activity;
- ✈ Induced impact, activity driven by payroll dollars from both direct and indirect activity.

Background

University of Illinois - Willard Airport is a public airport located five miles southwest of the central business district of Champaign, Illinois. The Airport is owned and operated by the University of Illinois and is named after former University President Arthur Cutts Willard. It is served by one commercial airline. The Airport covers 1,799 acres and has three runways; 4/22 at 6,501 feet by 150 feet, 14L/32R at 8,102 feet by 150 feet and 14R/32L at 3,817 feet by 75 feet. Instrument Landing System (ILS), VHF Omnidirectional Range (VOR), and Required Navigation (RNAV) runway approaches are available.

The Airport has six rental car agencies and one Fixed Base Operator (FBO). A total of 82 aircraft are based on the field: 69 single engine, 4 multi-engine and 9 civilian jets. In 2013 there were more than 54,750 aircraft operations, of which 55% were local general aviation, 20% were air taxi, 20% were transient general aviation, 4% were commercial airlines, and 1% were military. There is an FAA Control Tower, and the Airport's Crash & Fire Rescue (ARFF) capability index is B. With this level of activity, the Airport is a significant economic engine for the city and region.

The Champaign County Economic Development Corporation and its sponsors commissioned Sixel Consulting Group, Inc., to determine the annual economic impact of the Airport. An understanding of the Airport's annual economic impact can guide community decisions about airport and air service related policies.

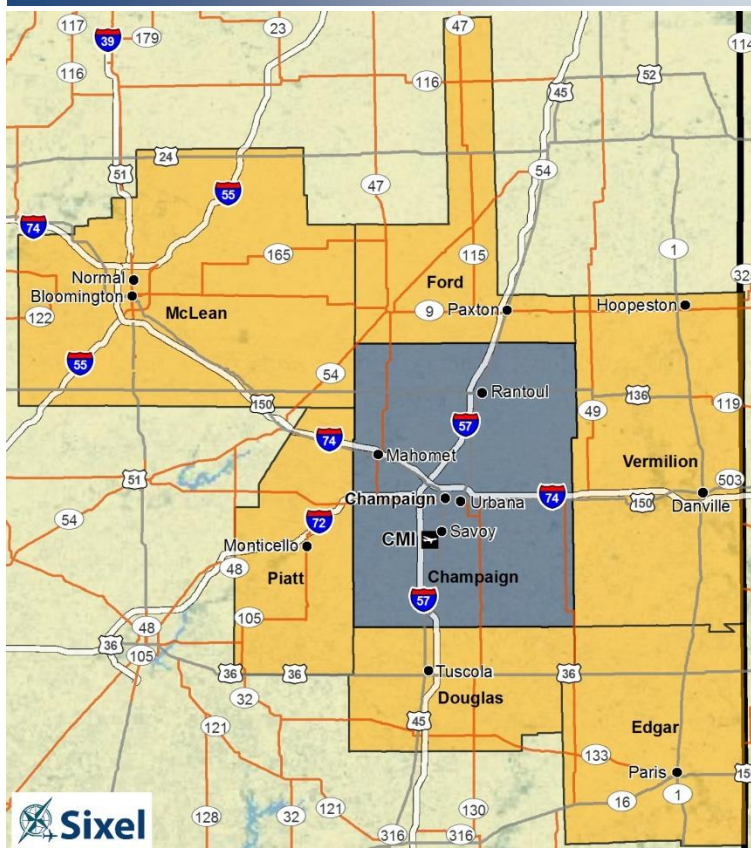
Area of Study

University of Illinois - Willard Airport draws airline customers primarily from a fourteen county area of east central Illinois and west central Indiana. This is called the Airport's air service catchment area. Local air service and general or business aviation activities primarily draw from an area within a one hour drive of the Airport.

Economic impact from job creation and increased economic activity near an airport typically has an impact upon a much smaller and more localized area than the air service catchment area or the general aviation area outlined above.

For this study, Airport related economic impact is calculated for Champaign County only, seen in map 1 in blue. This County has an estimated population, as of 2014 US Census estimates, of 207,133

Map 1: Champaign County and the Study Area
Source: Sixel Consulting Group, Inc.



residents. Small portions of Airport economic activity certainly spill into the neighboring counties. In that sense economic impact studies are not exact, however, it is a well-established norm that Airport economic impact is measured in the area closest to the airport. Thus this study will focus on Champaign County only.

STUDY METHODOLOGY

Several steps are involved in developing the full picture of airport economic impact. Among the most important are survey data collection, visitor traffic and spending pattern estimates, and computer modeling.

Survey Data

Total direct employment, ongoing business spending patterns and payroll and related tax revenue associated with the Airport and all of its economic functions were determined by surveying Airport tenants. This survey was commenced in December of 2015 and completed in February of 2016.

Airline Traffic

Sixel Consulting Group, using its air service databases, has determined the portion of Champaign air carrier traffic that is inbound in origin and that is visiting the Champaign region for business or pleasure. Coupled with per visitor spending data from the State of Illinois, a total visitor spending pattern related to the Airport's air service is then calculated.

Computer Modeling

To compile all economic activity related to the Airport's many economic activities, and to project its overall economic impact, Sixel Consulting Group used the Impact Analysis for Planning (IMPLAN) software system. Developed and produced by the Minnesota IMPLAN Group, Inc., this software is recognized as the industry standard for economic impact analysis. It is commonly used by consultants (in and beyond the airline industry), city planners, academics, and other researchers. The model draws on US Bureau of Economic Analysis data and the survey data inputs discussed above to forecast the impact of any measureable economic activity or change, within a defined community.

IMPLAN computer modeling considers three types of economic impacts with each measured as a combination of sales, employment, and wages. The three types or layers of economic impact are: direct, indirect and induced.

Terms and Definitions

Terms and definitions commonly used in this report include:

Airport Economy – Economic activity at the airport including, jobs, business purchasing and consumer spending.

Full-Time Jobs (Full-Time Equivalents/FTE) – A full-time job is typically considered to be year-round and 40 hours per week. Survey respondents were asked to report employment in FTE equivalents to compensate for part-time employees.

Labor Income – The sum of payroll and benefits paid to workers.

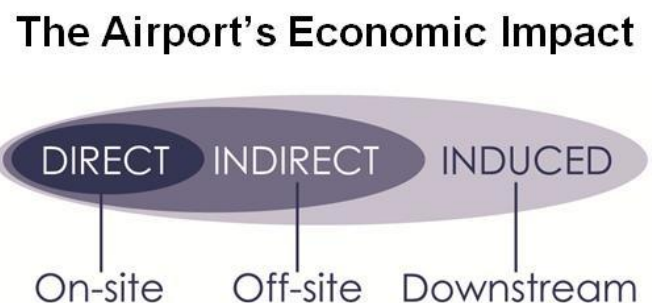
Value Added – The incremental increase(s) in economic production or dollars with each stage of production or round of spending.

Output – The quantity of goods and services created in an economic cycle.

Direct impact refers to the economic impact generated on-site (see figure 5). This includes, for example, employment, payroll, and local expenditures of all organizations located at the Airport.

Indirect impact refers to the off-Airport economic activities and impacts that are driven by on-Airport dollars; the payroll driven local spending of people who work at the airport, the commercial spending of airport business and the Airport administration and the off-Airport spending of Champaign area visitors brought to the area by University of Illinois - Willard Airport air service (see figure 5).

*Figure 5: Types of Economic Impact
Source: Sixel Consulting Group, Inc.*



Induced impact relates to the off-Airport economic benefit derived downstream and beyond the combined direct and indirect impacts (see figure 5 on previous page). Put simply, induced impact is the income generated by subsequent spending downstream and therefore is generally known as the “multiplier effect.” It could refer to the employment and expenditures generated by industries supplying services or goods to organizations that derive business from Airport on-site businesses; for example, jet fuel providers, office supply companies, local restaurants adding employees because airport job holders are dining out.

State and Local Taxes – The sum of sales, property, motor vehicle, severance, corporate, corporate profit, income and other state and local taxes.

Federal Taxes – The sum of social, excise, custom, corporate, corporate profit and personal income and other federal taxes.

Commercial Airlines include most or all flying done for hire, particularly scheduled service on airlines.

Air taxi is a small subset of commercial aviation in which small commercial aircraft make short flights on demand

Transient operations – An aircraft that is temporarily on the ground at an airport other than its home base and is not being used. The aircraft is usually transient because it makes more financial sense to leave it at that airport until the return flight.

Assumptions

This economic impact study is based on a number of assumptions. Core assumptions include:

- ✈ If the Airport did not exist all the economic activity currently associated with the airport would either not occur or would take place at nearby airports. In the case of air service this would mean at nearby Bloomington, Springfield, Indianapolis, Chicago or St. Louis. In the case of general aviation and business aviation the activities would occur at a variety of existing general aviation airports in the region.

- ✈ This analysis is a snapshot of Airport driven economic activity. Economic activity is not static. Air service grows or contracts and general and business aviation activity expands as the national economic does the same.
- ✈ The economic impact of the Airport is assumed to occur in Champaign County. Certainly modest portions occur in neighboring counties. Airport economic impact analysis for an Airport like University of Illinois – Willard Airport is typically assigned to the immediate area around the airport.
- ✈ An economic impact study is only as good as the local economic activity survey data that forms the basis for the economic impact modeling. Some University of Illinois - Willard Airport employers did not respond, or provided limited response to the Economic Impact Survey used to generate this economic impact study. In some instances the report has extrapolated some data based upon other data from similar employers or business enterprises.
- ✈ The economic database used for this report is for the year 2014, the most current annual data available. The IMPLAN economic impact software takes the 2014 economic data of Champaign County and extrapolates it to 2015 data for the generation of the economic impact projections of this report.

CHAMPAIGN COUNTY ECONOMIC SNAPSHOT

As of 2014 US Census data the study area for this report, Champaign County, had a combined population of 207,133 (see figure 6). There are 89,079 households and median household income is \$48,063. Gross Regional Product, the sum of commerce for the region, was calculated at \$10.2 billion dollars and total personal income for the area was calculated at \$8.4 billion dollars. Total area employment was 126,037 for the period.

Figure 6: Champaign County Economic Summary
Source: IMPLAN Software, Calendar Year 2014

IMPLAN ECONOMIC IMPACT SOFTWARE SUMMARY OF CHAMPAIGN COUNTY, IL

Data Year	2014
GRP	\$10,230,734,587
Total Personal Income	\$8,398,816,000
Total Employment	126,037
Number of Industries	238
Land Area (Sq. Miles)	997
Population	207,133
Total Households	89,079
Median HH Income	\$48,063

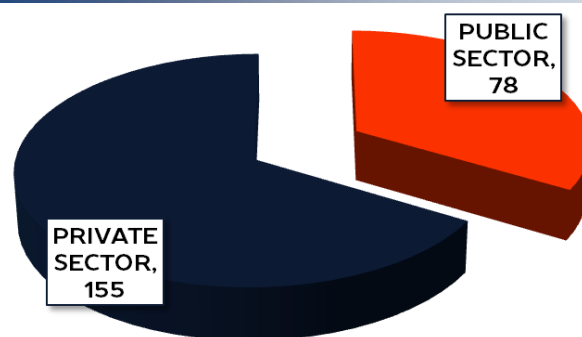
Value Added Economic Output Snapshot	
Employee Compensation	\$5,951,061,941
Proprietor Income	\$469,895,852
Other Property Type Income	\$3,239,239,790
Tax on Production and Import	\$570,537,004
Total Value Added	\$10,230,734,587
Total Economic Output Snapshot	
Households	\$8,287,845,944
State/Local Government	\$4,195,354,952
Federal Government	\$289,691,674
Capital	\$1,251,752,410
Institutional Sales	-\$679,898,639
Total Final Demand:	\$13,344,746,341

ON-AIRPORT JOBS AND LABOR INCOME

University of Illinois - Willard Airport supports 233 permanent full-time equivalent (FTE) jobs directly on the Airport, itself. Airport employment is across a spectrum of aviation related sectors: airport administration, airline ground handling, a Fixed Base Operation (FBO), an airline maintenance facility, six rental car concessions, an aviation flight school, the Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA). The 233 on-Airport jobs generate \$14,309,112 in annual labor income.

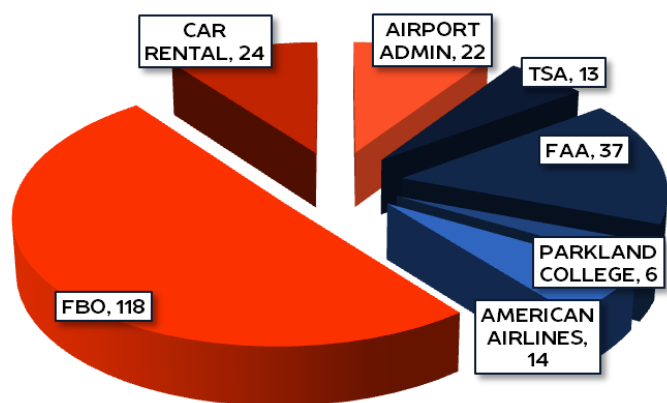
Of the 233 on-field jobs generated by Willard Airport, 155 of them, or 67%, are with private sector firms (see figure 7). Only 33% of jobs on the field are classified as public sector. The public sector, including the University of Illinois, which operates the Airport, along with Parkland College, the TSA, and the FAA, generates 78 full-time jobs on the field.

Figure 7: Breakdown of On-Airport Jobs
Source: Sixel Consulting Group Analysis



FlightStar, Willard Airport's Fixed Base Operator, or FBO, is responsible for 51% of all the jobs on the field (see figure 8). In all, FlightStar employs 118 people, with many working in its function as a maintenance provider for American Airlines partner airline Envoy. Other private employers include the Airport's rental car companies, which employ 24 people, and American Airlines, which employs 14 people.

Figure 8: Jobs by Employer
Source: Sixel Consulting Group Analysis



The FAA is the largest public sector employer at Willard Airport, with 37 full-time equivalent jobs (see figure 8). The Airport's administration and maintenance, through the University of Illinois, employs 22 people, with the TSA employs 13, and Parkland College employs six.

On-Airport Public Sector Jobs and Labor Income

For this analysis, the public sector of the Airport economy includes employees of the Airport Administration, the FAA, Parkland College and the TSA.

The Airport Administration sector employs 22 FTEs, consisting of 19 full-time and 6 part time employees (see figure 9). This sector covers the administration and on-going field and terminal maintenance functions as well as the operation of the Airport parking lot. Annual labor income for these 22 FTEs is \$1,502,261.

There is an FAA Control Tower at the Airport. The Tower employs 27 FTEs and annual labor income is estimated at \$2,617,583 (see figure 9). There is an FAA technical operations function at the Airport with 10 FTEs and \$825,000 in annual labor income. The Transportation Security Administration (TSA) employs 13 FTEs at the Airport and annual labor income is estimated at \$628,560. Parkland College operates the former University of Illinois Aviation Training facility and employs six instructors. Annual labor income is estimated at \$392,146.

The on-airport public sector employment totals 78.0 FTEs (see figure 9). Indirect and induced effect generates another 62.3 FTEs, making total employment impact from on-airport public sector employment 140.3 FTEs. Annual labor income from the total employment is \$7.931 million, economic value added is \$8.7 million and total annual economic output is \$13,689,962. In addition, \$401,088 in annual state and local taxes are generated, along with \$1,169,122 million in annual federal taxes.

Figure 9: On-Airport Public Sector Economic Impact
Source: IMPLAN Software, Calendar Year 2014

WILLARD AIRPORT ON-AIRPORT PUBLIC SECTOR ECONOMIC IMPACT				
On-Airport Jobs & Income				
Airport Administration	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	22.0	\$1,502,261	\$755,641	\$2,811,648
Indirect Effect	9.2	\$503,035	\$732,707	\$1,534,214
Induced Effect	6.2	\$294,945	\$584,420	\$1,015,215
Total	37.4	\$2,300,241	\$2,072,768	\$5,361,077
State & Local Tax				\$85,945
Federal Tax				\$323,020
TSA	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	13.0	\$628,560	\$703,726	\$703,726
Indirect Effect	1.2	\$91,542	\$110,799	\$201,527
Induced Effect	3.4	\$46,246	\$72,001	\$116,003
Total	17.6	\$766,348	\$886,526	\$1,021,256
State & Local Tax				\$43,625
Federal Tax				\$127,671
FAA Tower	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	27.0	\$2,617,583	\$2,952,153	\$2,952,153
Indirect Effect	13.2	\$201,151	\$461,251	\$820,357
Induced Effect	11.1	\$182,987	\$299,975	\$502,003
Total	51.3	\$3,001,721	\$3,713,379	\$4,274,513
State & Local Tax				\$182,078
Federal Tax				\$533,285
FAA Tech Ops	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	10.0	\$825,000	\$613,734	\$969,276
Indirect Effect	9.5	\$407,086	\$499,989	\$801,546
Induced Effect	7.1	\$180,965	\$358,605	\$622,934
Total	26.6	\$1,413,051	\$1,472,328	\$2,393,756
State & Local Tax				\$62,181
Federal Tax				\$105,330
Parkland College	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	6.0	\$392,146	\$441,255	\$441,255
Indirect Effect	0.8	\$37,551	\$70,014	\$118,100
Induced Effect	0.6	\$19,987	\$44,035	\$80,005
Total	7.4	\$449,684	\$555,304	\$639,360
State & Local Tax				\$27,259
Federal Tax				\$79,816
On Airport Employment Public Sector Economic Impact				
Total	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	78.0	\$5,965,550	\$5,466,509	\$7,878,058
Indirect Effect	33.9	\$1,240,365	\$1,874,760	\$3,475,744
Induced Effect	28.4	\$725,130	\$1,359,036	\$2,336,160
Total	140.3	\$7,931,045	\$8,700,305	\$13,689,962
State & Local Tax				\$401,088
Federal Tax				\$1,169,122

On-Airport Private Sector Jobs and Labor Income

Direct private sector employment at the Airport is 155 FTEs (see figure 10). Airport private sector employment falls into three categories: Airline employment, Fixed Base Operator (FBO) and maintenance base employment and rental car concessionaire employment.

The Airline sector consists of all on-airport jobs related to the daily operation of American Airlines' regional jet flights at the terminal building. The airline employs 14 FTEs (ten full-time and eight part-time) at the Airport (see figure 10).

Flightstar Corporation is the Fixed Base Operator (FBO) and maintenance base operation at the Airport. Flightstar employs 117.5 FTEs at the Airport in both the FBO operation and the maintenance base function (see figure 10).

There are six rental car brands available at the Airport, however, the six franchise brands are managed by employees of three Airport rental car entities. The three rental car companies employ 23.5 FTEs (16 full-time and 15 part-time) (see figure 10).

Indirect and induced economic impact generates another 126.8 FTEs, making total employment impact from the on-airport private sector 281.8 FTEs (see figure 10). Annual labor income from the total employment is \$12.635 million, economic value added is \$22.623 million and total annual economic output is \$49.441 million dollars. About 80% of the private sector total labor income and total output is due to the Flightstar FBO and aircraft maintenance function. Additionally, \$4,222,090 in annual state and local taxes are generated, along with \$2,830,610 in annual federal taxes (see figure 10).

*Figure 10: On-Airport Private Sector Economic Impact
Source: IMPLAN Software, Calendar Year 2014*

WILLARD AIRPORT ON-AIRPORT PRIVATE SECTOR ECONOMIC IMPACT				
On-Airport Jobs & Income				
Airline Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	14.0	\$396,652	\$640,082	\$1,903,863
Indirect Effect	7.8	\$278,258	\$461,938	\$968,212
Induced Effect	2.9	\$99,704	\$197,562	\$343,212
Total	24.7	\$774,614	\$1,299,582	\$3,215,287
State & Local Tax				\$91,992
Federal Tax				\$157,617
FBO MX Facility Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	117.5	\$7,100,000	\$11,785,960	\$29,528,391
Indirect Effect	56.1	\$2,098,948	\$3,051,100	\$5,674,949
Induced Effect	47.3	\$1,352,274	\$2,679,667	\$4,654,909
Total	220.9	\$10,551,222	\$17,516,727	\$39,858,249
State & Local Tax				\$3,334,506
Federal Tax				\$2,270,928
Car Rental Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	23.5	\$846,910	\$2,884,842	\$4,752,341
Indirect Effect	7.8	\$291,942	\$584,774	\$1,028,948
Induced Effect	4.9	\$170,245	\$337,285	\$586,035
Total	36.2	\$1,309,097	\$3,806,901	\$6,367,324
State & Local Tax				\$795,592
Federal Tax				\$402,065
On Airport Employment Private Sector Economic Impact				
Total Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	155.0	\$8,343,562	\$15,310,884	\$36,184,595
Indirect Effect	71.7	\$2,669,148	\$4,097,812	\$7,672,109
Induced Effect	55.1	\$1,622,223	\$3,214,514	\$5,584,156
Total	281.8	\$12,634,933	\$22,623,210	\$49,440,860
State & Local Tax				\$4,222,090
Federal Tax				\$2,830,610

Total Airport Public and Private Sector Jobs and Labor Income

The combined public and private sectors of the on-airport economy create 233 on-airport FTEs which, in turn, create 189.1 full-time off-airport jobs either through indirect or induced economic effect in the local region (see figure 11). Combined public/private annual labor income from the 233 on-airport FTEs is \$14,309,112. Total labor income, including that of indirect and induced job creation, is \$20.566 million

Total annual economic output as a result of the on-Airport jobs and the indirect and induced job creation is \$63,130,822, driven primarily by the Flightstar FBO and airline maintenance function on the field (see figure 11).

An estimated \$4,623,178 in annual state and local taxes are generated by the 233 on-Airport jobs plus the 189.1 FTEs created via indirect or induced effect (see figure 11). This same group generates an estimated \$3,999,732 in annual federal taxes.

Figure 11: Total On-Airport Economic Impact
Source: IMPLAN Software, Calendar Year 2014

WILLARD AIRPORT ON-AIRPORT PUBLIC SECTOR ECONOMIC IMPACT				
Public Sector Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	78.0	\$5,965,550	\$5,466,509	\$7,878,058
Indirect Effect	33.9	\$1,240,365	\$1,874,760	\$3,475,744
Induced Effect	28.4	\$725,130	\$1,359,036	\$2,336,160
Total	140.3	\$7,931,045	\$8,700,305	\$13,689,962
State & Local Tax				\$401,088
Federal Tax				\$1,169,122
WILLARD AIRPORT ON-AIRPORT PRIVATE SECTOR ECONOMIC IMPACT				
Private Sector Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	155	\$8,343,562	\$15,310,884	\$36,184,595
Indirect Effect	71.7	\$2,669,148	\$4,097,812	\$7,672,109
Induced Effect	55.1	\$1,622,223	\$3,214,514	\$5,584,156
Total	281.8	\$12,634,933	\$22,623,210	\$49,440,860
State & Local Tax				\$4,222,090
Federal Tax				\$2,830,610
TOTAL WILLARD AIRPORT ON-AIRPORT JOBS ECONOMIC IMPACT				
Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	233.0	\$14,309,112	\$20,777,393	\$44,062,653
Indirect Effect	105.6	\$3,909,513	\$5,972,572	\$11,147,853
Induced Effect	83.5	\$2,347,353	\$4,573,550	\$7,920,316
Total	422.1	\$20,565,978	\$31,323,515	\$63,130,822
State & Local Tax				\$4,623,178
Federal Tax				\$3,999,732

AIR TRANSPORTATION TAXES, USER FEES, AND RENTAL FEES

Revenues to fund the national transportation system and its security are generated through user fees applied to tickets purchased for travel to and through Willard Airport. Airport operating revenues are generated by Airport user fees, which include landing fees, airline and rental car companies rent to use terminal space, and a passenger facility charge on each ticket.

Federal Transportation Taxes and Fees

The airline passenger users of the Airport generated \$2,831,430 in federal fees and taxes for the twelve months ending June of 2015 (see figure 12). This tax revenue goes toward maintaining and securing the national transportation system. Ticket fees collected by the federal government include airline ticket taxes, the airline segment fee, and the 9-11 security fee.

Figure 12: Ticket Taxes Collected at Willard Airport
Source: Sixel Consulting Group, Inc., Year Ended June 2015

TAXES & FEES TO FUND & SECURE THE TRANSPORTATION SYSTEM: YEAR 2015 Q2

Fee Name	Fee	Fee Description	Denominator	Annual Federal Tax Revenue
9/11 Security Fee	\$2.50	Per CMI Enplanement	90,793 CMI enplanements	\$226,983
Airline Ticket Tax	7.5%	Domestic Ticket Tax	CMI Origin Ticket Revenue: \$24,799,267	\$1,859,945
Airline Segment Fee	\$3.70	Per CMI Enplanement	90,793 CMI enplanements	\$335,934
Passenger Facility Fee	\$4.50	Per CMI Enplanement	90,793 CMI enplanements	\$408,569
Total Annual Tax & Fee Revenue Generated By University of Illinois - Willard Airport				\$2,831,430

Airport Facility User Fees and Rental Fees

The Airport's aeronautical infrastructure – its runway, terminal, buildings, hangars, and land, generate significant annual user and rental or lease fees. The Airport was used for approximately 54,750 aircraft operations during 2013, the latest period of finalized data available, or an average of 150 operations per day (see figure 13). Aircraft operations are generated by Airport-based aircraft, by visiting or transient aircraft,

Figure 13: Willard Airport Operations Summary
Source: Federal Aviation Administration, CY2013

CMI BASED AIRCRAFT AND OPERATIONS SUMMARY: 2013

Airport Based Aircraft		Aircraft Ops: Year 2013	
Type	Based Aircraft	Type	Number
Single-engine	69	Air Carrier	4,452
Multi-engine	4	Charter	87
Civilian Jet	9	Air-taxi	8,760
Civilian Helio	0	Military	388
Military	0	GA Local	30,113
		GA itinerant	10,950
Total	82	Total	54,750

and by airline or air taxi service. Also in 2013 the Airport's facilities and infrastructure supported 82 based aircraft, 84% of which were single engine, 5% of which were twin engine, and 11% of which were civilian jets.

Local and transient general aviation flights made up 75% of airport aircraft operations, with air taxi flights making up 16% and commercial flights (defined as scheduled and charter airline) made up 8.3% of total Airport flights (see figure 13 on previous page).

Figure 14: Willard Airport User Fee Summary

Source: Sixel Consulting Group, Inc., CY2015

WILLARD AIRPORT FACILITY USER FEES AND RENTAL FEES				
Airline/GA/Military Ops				
Fee Name	Fee	Fee Description	Denominator	Annual Airport Revenue
Landing fees	\$1.07	Base fee per 1,000 lbs landed, varies	Aircraft landed weight	\$108,387
Airport property rental		Hangar rental	Per space or per square foot	\$91,800
Airport property rental		FBO Lease and Ramp Space	Per space or per square foot	\$70,773
Airport property rental		FBO Royalty Payments	Fee	\$239,944
Terminal Rental		Airline Terminal Space	Per space or per square foot	\$294,916
Terminal Rental		Rental Car Space	Per space or per square foot	\$21,600
Terminal Rental		Rental Car 10% Commission	Per space or per square foot	\$426,977
Terminal Parking	\$5/day	Customer parking fees at Terminal	Per Day	\$539,435
Total Annual Operations and Aeronautical Land Use Fees Generated at the Willard Airport				\$1,793,832

Some of the facility's land is used for aeronautical activities; including private aircraft hangars, the FBO complex, the regional jet maintenance complex and the Parkland College facility. From these other uses, the Airport generated \$1,793,832 in operational fees and rentals in 2015 (see figure 14). 89% of this revenue came from four sources: terminal customer parking fees, airline terminal space rental, rental car space lease and commission, and FBO (including airline maintenance function) space lease and royalty payments. Landing fees only generated 6% (\$108,387) of the total Facility User/Rental fee total. Hangar rentals to private parties generated only 5% of the total Facility User/Rental Fee total.

Jet and Aviation Fuel Purchases

The Airport collects nine cents per gallon of jet fuel or aviation gas that is sold by the FBO. This is defined as the fuel flowage fee. Additionally, the airport collects a penny per gallon uploaded from the Airport's fuel storage tanks, called the fuel inflow fee. During 2015 \$91,150 was

collected from these two fees, implying that 911,500 gallons of fuel was uplifted into aircraft at the Airport during that year (see figure 15).

Total FBO revenue from Jet A or Av Gas fuel sales was not available for this study. Fuel prices declined significantly during 2015 and a significant portion of fuel uplift was, no doubt, for airline regional jets and would thus involve airline bulk fuel purchases at discounted prices. For the purposes of this study we assumed that the average price per gallon to the fuel consumer at CMI in 2015 was \$4.00 (see figure 15).

Figure 15: Willard Airport Fuel Sales Estimate
Source: Sixel Consulting Group, Inc., CY2015

AIRPORT FACILITY FUEL SALES				
Total Fuel Sales				Annual FBO
Fee Name	Fee	Fee Description	Denominator	Revenue
Jet A & Av Gas	\$4.00	Per gallon enplaned	911,500 gallons uplifted	\$3,646,000
Fuel Sales Total	\$4.00	Per gallon enplaned	911,500	\$3,646,000

This \$4 per gallon price constitutes a significant bulk commodity purchase discount. Most of the economic value of this transaction is upstream on the economic chain from the Airport, involving the mining, refining and transportation of fuel to the Airport for consumption. Fuel arrives at the Airport via truck. For this economic impact estimate we have assumed only 10% of the transactional cost to be local in nature, consistent with other airport economic impact studies.

Based on this 10% estimate, \$364,600 in economic impact occurs locally at the Airport FBO (see figure 16). These retail fuel sales generate 3.4 FTEs, \$579,010 in total annual economic output, \$31,979 in state and local taxes and \$23,539 in federal taxes.

Figure 16: Economic Impact of Fuel Sales
Source: IMPLAN Software, CY2014

AIRPORT FBO RETAIL FUEL SALES				
Retail Fuel Sales	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	2.0	\$54,969	\$69,001	\$375,094
Indirect Effect	0.9	\$57,352	\$75,876	\$144,308
Induced Effect	0.5	\$20,406	\$37,917	\$59,609
Total	3.4	\$132,727	\$182,794	\$579,010
State & Local Tax				\$31,979
Federal Tax				\$23,539

AIRPORT COMMERCIAL AND CAPITAL SPENDING

Both public and private sector employers at the Airport spend money day-to-day on materials and services necessary to continue operations. Both public and private sector employers at the Airport have capital expenditures, typically for new or additional equipment or for new or expanded building space.

All of these expenditures have economic impact. One challenge is determining the portion of commercial (material or services) or capital expenditure that is spent in Champaign County, as

opposed to an equipment purchase from a vendor hundreds of miles away for a piece of equipment built at that location.

“Both public and private sector employers at the Airport have capital expenditures, typically for new or additional equipment or for new or expanded building space.”

Economic impact surveying of Airport tenants for commercial and capital spending is also challenging in that survey respondents sometimes do not know or do not want to share expenditure levels and also must often

estimate the portion of an expenditure that is local in nature.

In the case of this study, just a half of the Airport tenant group responded to survey questions about commercial and capital spending patterns. Among those who did respond, most did not provide an estimate of spending that was local vs. spending that was global, either so as to not disclose the number, or because it was difficult to estimate.

Based on spending patterns for survey respondents that did provide data, plus data from other economic impact analyses, and based on accepted rules of thumb for local vs. global portions, Sixel Consulting Group has estimated the economic impact of Airport public and private commercial and capital expenditures for 2015. Note that capital expenditures can vary widely up or down by year, depending on which capital projects are ongoing.

Airport-Located Commercial Spending

Both the public and private sectors at the Airport generate measurable spending in the form of day-to-day expenditures for both materials and services. Spending on materials and supplies by Airport entities, both public and private, totals an estimated \$3,047,711 per year (see figure 17). This study estimates that 20% of that spending, or \$612,921 was local in nature. This estimate is based on findings from other studies in similar markets over the past three years.

Figure 17: Commercial Spending Estimate
Source: Sixel Consulting Group, Inc.

WILLARD AIRPORT EMPLOYER COMMERCIAL SPENDING				
Sector	Annual Spending Type	Spend	Percent Local	Local Spend
Public	Materials	\$820,837	20%	\$164,167
	Services	\$874,874	33%	\$288,708
Private	Materials	\$301,000	20%	\$60,200
	Services	\$1,051,000	10%	\$99,845
Total	Materials	\$1,121,837	20%	\$224,367
	Services	\$1,925,874	20%	\$388,553
Total	Commercial Spending	\$3,047,711	20%	\$612,921

Figure 18: Economic Impact of Commercial Spending
Source: IMPLAN Software, CY2014

AIRPORT EMPLOYER COMMERCIAL SPENDING				
Commercial Spending	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	2.5	\$91,854	\$159,717	\$606,870
Indirect Effect	1.0	\$40,757	\$71,505	\$126,106
Induced Effect	0.7	\$25,403	\$47,224	\$74,204
Total	4.1	\$158,014	\$278,446	\$807,179
State & Local Tax				\$40,088
Federal Tax				\$34,938

This local spending of \$612,921 on materials and services by Airport entities, both public and private, supports a total of 4.1 local FTEs, 2.5 from direct effect, 1.0 from indirect effect and .7 from induced effect (see figure 18). Total annual labor income is \$158,014 and total annual local economic output is \$807,179. An estimated \$40,088 is annual state and local taxes and \$34,938 in annual federal taxes are generated.

Airport-Located Capital Spending

Airport capital expenditures vary from year to year. The Capital Expenditures chart measures capital expenditures for buildings and equipment for year 2015, per the survey results from Airport located businesses and functions. Some Airport located entities provided several years of capital expenditures and in those cases we averaged the years to provide a less volatile expenditure number for that entity. Some survey respondents did not provide any capital expenditure data or only limited data for capital expenditures so we estimated expenditures and used modest local spending percentage assumptions.

Combined public and private capital expenditures for 2015 were an estimated \$6,487,031, with 69% being public sector and 31% being private sector (see figure 19). Combined public and private

sector Airport capital spending supported a total of 16.7 FTEs, consisting of 9.9 by direct effect, 2.8 by indicate effect and 4.0 by induced effect.

These 16.7 FTEs had annual labor income of \$1.024 million (see figure 20). Total local economic output was \$2.477 million. Annual state and local taxes were \$93,074 and annual federal tax generation was \$174,574.

Figure 19: Capital Spending Estimate
Source: Sixel Consulting Group, Inc.

WILLARD AIRPORT CAPITAL EXPENDITURES				
Sector	Annual Spending Type	Spend	Percent Local	Local Spend
Public	Capital Expenditures	\$4,472,031	25%	\$1,118,008
Private	Capital Expenditures	\$2,015,000	25%	\$503,750
Total	Total Capital Expenditures	\$6,487,031	25%	\$1,621,758

Figure 20: Economic Impact of Capital Spending
Source: IMPLAN Software, CY2014

AIRPORT EMPLOYER CAPITAL SPENDING				
Capital Spending	Full Time	Labor	Value	
Output	Equivalents	Income	Added	Output
Direct Effect	9.9	\$702,732	\$729,626	\$1,621,438
Indirect Effect	2.8	\$165,864	\$240,098	\$401,301
Induced Effect	4.0	\$155,375	\$288,751	\$453,866
Total	16.7	\$1,023,971	\$1,258,475	\$2,476,605
State & Local Tax				\$93,074
Federal Tax				\$174,574

AIR SERVICE ECONOMIC IMPACT

University of Illinois - Willard Airport is served by American Airlines, through its regional partner Envoy, doing business as American Eagle. American current provides Champaign/Urbana with daily service to both Chicago O'Hare (six departures per day) and Dallas/Fort Worth (one departure per day) (see map 2). Service is provided primarily with 50-seat regional jets. Envoy also has a maintenance base at the Airport. Because of the maintenance base, the Airport has three overnighting aircraft each night.

Willard Airport competes with several other airline-served airports in the immediate region: the Bloomington, Decatur, Springfield and Peoria airports are all within 90 drive miles of the Champaign metro area, and Indianapolis International is about 120 drive miles from the area.

Map 2: Current Air Service at Willard Airport
Source: Sixel Consulting Group, Inc.



Current service at Willard Airport generated an average of 494 passengers per day in the most recent period available, the year ended second quarter of 2015. Of these passengers, 440 per

day were traveling to and from cities within the United States, while 54 were traveling to and from international cities. An average of 306 passengers per day originated their trip at Willard Airport, while an average of 188 were visiting central Illinois from their origin cities.

Figure 21: Average One Way Fare at Willard Airport
Source: US DOT Database DB1A, YE2Q15



the average domestic one way fare for Willard Airport passengers was a competitive \$234 before taxes and fees (see figure 21). The average one way international fare was \$717, but the average international traveler flew to a city overseas, with Asia and Europe being the most common destinations.

Airline passengers using Willard Airport generated an average of \$142,000 in ticket revenue per day for the year ended second quarter of 2015. The

Scheduled Passenger Air Service Traffic and Key Statistics

Per Department of Transportation (DOT) reports, University of Illinois - Willard Airport's scheduled passenger service, provided by American Airlines regional partner Envoy Air, enplaned 90,793 passengers during the 12 months ended June 30, 2015. During the same period total scheduled airline traffic, including arriving passengers, was 180,464 passengers, including those traveling both in and out of the market (see figure 22).

A total of 4,703 airline flights were scheduled in or out of the Airport during the 12 month period and 4,476 of those flights operated for a 95% completion rate. This means 5% of flights were cancelled and did not operate. The flights that did operate offered 219,380 airline seats in and out of the Airport. Market airline load factor, or percentage of seats filled by paying passengers, was 82.3%. Flights to and from Chicago O'Hare operated at an 82% load factor while flights to and from Dallas/Ft. Worth operated at an 85% load factor.

Figure 22: Passenger Statistics, Willard Airport
Source: Sixel Consulting Group, Inc., YE2Q15

KEY STATISTICS FOR WILLARD AIRPORT AIR SERVICE

Domestic Passengers In & Out (12 months ended 6/30/2015)	161,104
Average Domestic One Way Fare (net of taxes/fees)	\$234.43
Domestic Airline Ticket Revenue	\$37,767,611
Percent of Domestic Traffic Originating Inbound (Visitors by Air)	38.8%
Domestic Traffic Visitors by Air	31,254
International Passengers In & Out	19,360
Average International One Way Fare (net taxes/fees)	\$717.16
International Airline Ticket Revenue	\$13,884,218
Percent of International Traffic Originating Inbound (Visitors by Air)	31.8%
International Traffic Visitors by Air	3,078
Total Passengers In & Out	180,464
Average One Way Fare (net of taxes/fees)	\$286.22
Airline Ticket Revenue	\$51,651,828
Percent of Traffic Originating Inbound (Visitors by Air)	38.0%
Total Visitors by Air Using the Airport	34,332

All traffic data per DOT reports for 12 months ended 6/30/2015

Of the 180,464 passenger trips in or out during the 12 months, 10.7% or 19,362 trips, were international trips and 161,115 were domestic trips (see figure 22). Department of Transportation data suggests that 61.2% of the domestic trips were of local origin, meaning 38.8% of domestic trips originated inbound from another airport and city. For international travelers, 68.2% of trips were of local origin and 31.8% originated outside the United States. From these statistics it is possible to define data that is important to estimating the economic impact of inbound visitors by air.

DOT reports of airline traffic also offer insight into Champaign County visitors that arrive by air. For the twelve-month period ending December 31, 2013, DOT reports show 17,166 individual visitors arriving at the Airport by air (see figure 22 on previous page).

This report will assume that a majority of these inbound visitors-by-air will spend their Illinois visit in Champaign County, simply because, and is noted previously, there are five airline-served airports within a two hour drive, one being the major airport at Indianapolis. Such an abundance of air service options implies that inbound visitors to Champaign are unlikely to be landing and driving outside the immediate area.

The Airport also has a significant pattern of charter airline flights, most associated with the University. During the 12 months ended June 30, 2015, a total of 80 reported air carrier charter flights arrived or departed the Airport. These 80 air carrier charter flights were to or from 30 destinations and carried 4,466 passengers on 11,905 seats with an average flight having 56 passengers filling 149 available seats. Most of the destinations appear to be related to University travel, such as to other Big Ten university cities. Moreover, the low loads on these charters indicate that large aircraft are used with University teams not using most of the capacity of those planes.

WILLARD AIRPORT VISITOR ECONOMIC IMPACT

Visitors come to the Champaign County area for many reasons, including vacation, business, and/or visiting friends or relatives. When they travel to the area they stay at hotels, motels, bed and breakfasts, camp grounds or in private homes. The overwhelming majority of these visitors spend money in Champaign County, even if a few might immediately travel outside the area to surrounding central Illinois or west central Indiana counties.

“The overwhelming majority of these visitors spend money in Champaign County, even if a few might immediately travel outside the area...”

Airline service at Willard Airport was the entry portal for 17,166 annual airline visitors-by-air to the region in the most recent 12 months. For this economic impact analysis we add to that another 2,000 visitors-by-air arriving on general aviation, corporate or charter aircraft, based on the operational statistics for aircraft using the Airport for the same period. In addition, airline flight crews use 4,200 local one-night-stay hotel rooms per year, based on the airline schedule and crew scheduling rules and regulations. That adds-up to a total annual visitors-by-air number of 23,366 created by the Airport.

Key Assumptions for Visitor Economic Impact

In order to determine the economic impact of the Airport visitors these are the key assumptions used for this study:

- ✈ 90% of visitors using the Airport as the entry portal will stay in Champaign County;
- ✈ 90% of those visitors staying in the area will use a local hotel/motel;
- ✈ Average stay in Champaign County is two days and two nights;
- ✈ The average daily spend per visitor is \$140 (US Travel Association);
- ✈ Airline crews will use 4,200 local hotel rooms per year;
- ✈ The average daily rate (ADR or average hotel room cost) in Champaign County in 2015 was \$80.92 according to the Illinois Hotel and Lodging Association.

When combined, these assumptions allow us to determine the local economic impact of Champaign County visitors who used the Airport entry portal.

Hotel/Motel Economic Impact Estimate

Visitors who arrived by Champaign's current air service at Willard Airport generate 20,104 annual Champaign County hotel room nights (see figure 23). This includes 13,904 room nights for visitors-by-air, 2,000 room nights from charter or general aviation or corporate flights and 4,200 room rentals

to airline crew members on overnights. At the Champaign County average daily rental rate of \$80.92 this represents \$1,626,853 in annual area hotel/motel revenue.

Visitor hotel and motel spending creates 22.9 FTEs via direct, indirect and induced effect (see figure 24). Annual labor income for these jobs totals \$655,027. Annual state and local taxes total \$234,666 while annual federal taxes total \$156,656.

Figure 23: Hotel/Motel Demand, Visitors Arriving by Air
Source: Sixel Consulting Group, Inc., CY2014

LOCAL HOTEL/MOTEL DEMAND BY VISITORS ARRIVING VIA WILLARD AIRPORT		
Element	Number	Source
Annual Visitors-by-Air to Champaign County	17,166	DOT traffic reports
Percent Staying Locally	90%	Assumed
Visitors Staying Locally in Champaign County	15,449	Derived
Percent Using Local Hotel/Motel	90%	Estimated
Local Hotel/Motel Individual Stays	13,904	Derived
Average Visitors per Room	2	Estimated
Estimated Stay Events	6,952	Derived
Average Stay in Days	2	Estimated
Annual Room Nights	13,904	Derived
Annual Rooms from Charter/GA/Corporate Flights	2,000	Estimated
Annual Airline Crew Rooms	4,200	Estimated from Airline Schedules
Annual Rooms Created by Willard Airport	20,104	Derived
Average Daily Rental Rate	\$80.92	Illinois Hotel and Lodging Association
Annual Hotel/Motel Revenue	\$1,626,853	Derived

Figure 24: Hotel/Motel Economic Impact
Source: IMPLAN Software, CY2014

LOCAL HOTEL/MOTEL SPENDING ECONOMIC IMPACT				
Hotel/Motel Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	16.0	\$346,889	\$787,106	\$1,626,854
Indirect Effect	4.3	\$209,065	\$318,512	\$564,320
Induced Effect	2.6	\$99,074	\$184,134	\$289,405
Total	22.9	\$655,027	\$1,289,752	\$2,480,579
State & Local Tax				\$234,666
Federal Tax				\$156,656

Visitor Non-Hotel Economic Impact Estimate

Visitor-by-air spending, exclusive of lodging, runs across a wide gamut of sectors of the local economy. These include visitor spending patterns in sectors such as food and drink, retail and services, transportation and activities, and entertainment.

This study has determined non-hotel and rental car spending to be \$99 per visitor day, based on an assumption that the balance of the estimated \$140 per day individual visitor spending (\$41) was allocated to hotel/motel or other lodging expenses. This is based on a local average daily

room rate of \$80.92 and an average of two occupants per room. Airline flight crew daily spending is calculated separately at \$20 per day, given the briefness of stay, and in-line with their current per diem from the carrier.

Figure 25: Willard Airport Visitors Arriving by Air Estimate
Source: Sixel Consulting Group, Inc., CY2014

WILLARD AIRPORT ANNUAL VISITORS-BY-AIR ESTIMATE							
Visitor-by-Air	Visitors	Retained in County	Retained	Avg Stay/Days	Visit Days	Daily Spend Ex Lodging	Daily Spend
From CMI Air Service	17,166	90%	15,449	2	30,899	\$99	\$3,058,981
Via General/Corp Aviation or Charter	2,000	100%	2,000	2	4,000	\$99	\$396,000
Airline Flight Crew Overnights	4,200	100%	4,200	1	4,200	\$20	\$84,000
Total	23,366		21,649		39,099	\$90.51	\$3,538,981

Department of
Transportation

(DOT) airline traffic reports show 17,166 annual visitors-by-air using Willard Airport airline service, with an estimated 15,449 (90%) of those visitors remaining in Champaign County (see figure 25). We add to that number 2,000 visitors-by-air arriving via general or corporate aviation or inbound charter flights, in line with the previous analysis in this report. These 17,449 annual visitors-by-air have an average stay of two days each, based on Champaign County research and similar studies in peer markets. The 4,200 annual airline flight crew overnights spend one day each in the County.

Figure 26: Non-Hotel/Motel Economic Impact
Source: IMPLAN Software, CY2014

VISITOR-BY-AIR NON-LODGING SPENDING BY TYPE				
Visitor Type	Spending Type	Visit Days	Daily Spend	Annual Spend
Airline Visitor-by-Air	Food/Drink	30,899	\$40	\$1,235,960
	Retail/Services	30,899	\$20	\$617,980
	Transportation	30,899	\$20	\$617,980
	Activities	30,899	\$19	\$587,081
General/Corporate/Charter	Food/Drink	4,000	\$40	\$160,000
	Retail/Services	4,000	\$20	\$79,980
	Transportation	4,000	\$20	\$80,000
	Activities	4,000	\$19	\$76,000
Airline Flight Crew	Food/Drink	4,200	\$20	\$84,000
Daily Spend	All			\$3,538,981
Combined	Food/Drink	39,099	\$37.85	\$1,479,960
Combined	Retail/Services	34,899	\$20.00	\$697,960
Combined	Transportation	34,899	\$20.00	\$697,980
Combined	Activities	34,899	\$19.00	\$663,081

A total of 21,649 annual retained visitors come to Champaign County through Willard Airport. The number of visit days is calculated at 39,099, generating \$3,538,981 in annual non-lodging local spending,

based on \$99 in non-lodging spending per visitor day (see figure 26). The chart seen in figure 26 breaks out non-lodging spending by four categories; Food and Drink, Retail & Services, Transportation, and Activities.

With visitor-by-air non-lodging spending allocated by type it is possible to calculate the annual economic impact of that spending on the county. Visitor-by air non-lodging annual spending generates 89.9 local FTE jobs with \$2,075,835 in labor income (see figure 26). Total economic output via direct, indirect and induced effect is \$4,851,797. Annual state and local taxes total \$352,529 while federal taxes total \$371,489.

Total Visitor Spending Economic Impact Estimate

In total, visitors-by-air to Champaign County via Willard Airport generated \$7,332,376 million in annual Champaign County economic output (see figure 27). This output comes from both hotel/motel spending and other visitor spending. A total of 112.8 FTEs are generated with annual labor income of \$2,730,863. Annual state and local taxes total \$587,195 and federal taxes total \$528,145.

Figure 27: Total Visitor Spending Economic Impact
Source: IMPLAN Software, CY2014

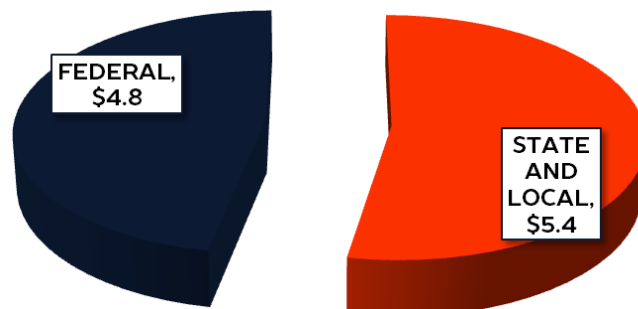
WILLARD AIRPORT LOCAL HOTEL/MOTEL SPENDING ECONOMIC IMPACT				
Hotel/Motel Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	16.0	\$346,889	\$787,106	\$1,626,854
Indirect Effect	4.3	\$209,065	\$318,512	\$564,320
Induced Effect	2.6	\$99,074	\$184,134	\$289,405
Total	22.9	\$655,028	\$1,289,752	\$2,480,579
State & Local Tax				\$234,666
Federal Tax				\$156,656
WILLARD AIRPORT (NON HOTEL/CAR) VISITOR SPEND IMPACT				
Visitor Spend Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	76.5	\$1,604,540	\$1,621,335	\$3,170,458
Indirect Effect	5.6	\$204,832	\$421,779	\$764,098
Induced Effect	7.8	\$266,463	\$528,010	\$917,241
Total	89.9	\$2,075,835	\$2,571,124	\$4,851,797
State & Local Tax				\$352,529
Federal Tax				\$371,489
WILLARD AIRPORT VISITOR BY AIR TOTAL VISITOR SPEND IMPACT				
Visitor Spend Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	92.5	\$1,951,429	\$2,408,441	\$4,797,312
Indirect Effect	9.9	\$413,897	\$740,291	\$1,328,418
Induced Effect	10.4	\$365,537	\$712,144	\$1,206,646
Total	112.8	\$2,730,863	\$3,860,876	\$7,332,376
State & Local Tax				\$587,195
Federal Tax				\$528,145

STATE AND LOCAL TAX IMPACT

University of Illinois – Willard Airport generates \$10.2 million in total annual tax revenue. These taxes come in many forms, from income taxes and property taxes, to sales taxes and hotel taxes. They also include the taxes paid by those who work at the Airport and live in other cities throughout Champaign County, paying taxes for the services they receive in those communities.

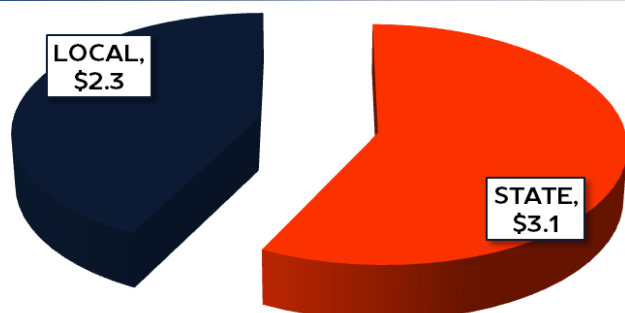
*Figure 28: Willard Airport Tax Revenue Breakdown
Source: IMPLAN Software, CY2014*

Of the \$10.2 million in total taxes generated by Willard Airport, \$5.4 million are local and state taxes, while \$4.8 million are federal taxes (see figure 28). The State of Illinois and the local communities in Champaign County receive 53% of the tax revenue generated by Willard Airport, or an average of more than \$14,700 in daily tax revenue.



Of the \$5.4 million in State and local taxes generated by Willard Airport, \$3.1 million goes directly to the State while \$2.3 million stays in Champaign County (see figure 29). The State share of Willard Airport-generated taxes is 57%, while 43% of the taxes generated by the Airport are paid

*Figure 29: State and Local Tax Revenue Breakdown
Source: Sixel Consulting Group Analysis*



directly to local taxing bodies. It should be noted that much of the money allocated to State taxes eventually comes back to Champaign County in the form of payments to school districts and other government agencies.

The allocation of local taxes generated by Willard Airport within Champaign County is accomplished by analyzing current taxes of all taxing authorities and allocating each dollar based upon the tax share of each taxing authority. For the purposes of this study, Sixel Consulting Group analyzed the fiscal year 2016 budgets of all taxing authorities within Champaign County, including each city, village, and township, each district and authority, and each school district. The total tax collected by each taxing authority within Champaign County for fiscal year 2016 was then aggregated and a share was assigned to each authority. Willard Airport's local taxes generated were then apportioned by share.

Excluding federal taxes, for fiscal year 2016 this research shows 58% of the taxes paid within Champaign County will go to the State of Illinois (see figure 30). This amounts to a total of \$3.1 million in Willard Airport-generated tax that is paid to the State. Again, some of this tax money comes back to Champaign County through State paybacks and grants.

Figure 30: Tax Collections by Entity, Projected for FY2016
Source: Sixel Consulting Group Analysis

Locally, the City of Champaign is the largest beneficiary of Willard Airport-generated tax, collecting more than \$598,000 annually (see figure 30). The Champaign School District collects 9.3% of Willard Airport-generated tax – more than half a million dollars per year. Champaign County, the City of Urbana, and the Urbana School District collect more than a quarter million dollars per year in taxes generated by Willard Airport.

Taxing Body	Share of Taxes	Willard Airport Tax Generated
State of Illinois	58.0%	\$3,118,809
City of Champaign	11.1%	\$598,001
Champaign School Dist.	9.3%	\$501,747
Champaign County	5.3%	\$284,782
City of Urbana	5.2%	\$277,469
Urbana School Dist.	4.7%	\$252,787
Others in County	1.5%	\$79,663
Village of Mohamet	1.4%	\$77,018
Champaign Park Dist.	1.1%	\$58,545
City of Rantoul	0.8%	\$45,038
CU MTD	0.7%	\$37,320
Urbana Park Dist.	0.7%	\$35,036
Village of Savoy	0.2%	\$9,299
Totals	100.0%	\$5,375,514

Tax money generated by Willard Airport does not stay near the Airport – it filters throughout the County. Cities such as Rantoul and villages such as Mohamet see a tax impact from the Airport (see figure 30). Many smaller townships also see taxes from airport employees and airport purchases filter throughout their communities. They are included in this analysis as "Others in County." Together, those small towns and taxing districts earn almost \$80,000 in taxes generated by Willard Airport.

In all, local communities in Champaign County see a net tax benefit from Willard Airport of \$2.3 million per year. While there might be a perception that the Airport actually costs the community money to operate, that couldn't be further from the truth. The Airport is an employment, income, and tax generator for all of Champaign County.

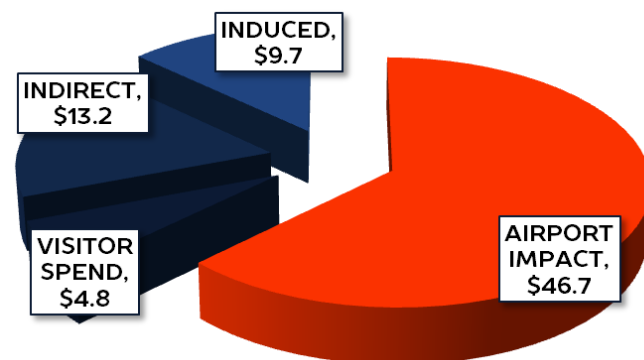
UNIVERSITY OF ILLINOIS – WILLARD AIRPORT ECONOMIC IMPACT

University of Illinois – Willard Airport generates a total impact to Champaign County of \$74.3 million dollars per year. This comes in four basic forms:

- ✈ Direct impact, which is actual spending on the field.
- ✈ Visitor spending by those who fly into Willard Airport and then stay in the community during a visit.
- ✈ Indirect impact, which is the flow of wages earned at the field as the money is spent throughout the County.
- ✈ Induced impact, which is the money spent by Airport wage earners after they have spent it in the community.

Altogether, the Airport's \$74.3 million in annual impact represents almost 1% of the total Champaign County economy. The direct airport impact is the largest portion of the overall economic impact, generating \$46.7 million in Champaign County spending (see figure 31). The Airport, itself pumps an average of \$204,000 per day into the Champaign County economy.

*Figure 31: Overall Economic Impact of Willard Airport
Source: Sixel Consulting Group, Inc.*



Visitors who travel to Champaign County from other parts of the country and the world spend a total of \$4.8 million in the region each year (see figure 31). This is money that would otherwise end-up in other communities were it not for the access Willard Airport provides to east central Illinois.

When the airport impact and visitor spend is filtered through Champaign County, it generates an additional \$13.2 million in indirect spending by airport employees, and \$9.7 million in annual induced impact as the money flows throughout the community (see figure 31). The 233 employees that work on the field, along with the more than 17,000 visitors who arrive in central Illinois through Willard Airport, have far ranging impacts on the regional economy.

University of Illinois – Willard Airport supports 233 FTE jobs directly at the airport across a broad spectrum of public and private aviation related sectors (see figure 32 on next page). These jobs,

and the economic activity they generate, are responsible for, after direct, indirect and induced economic effect are calculated, a total of 559.2 jobs in Champaign County. These 559.2 jobs have an annual labor income of \$24,611,553. Annual state and local tax generation from these jobs and associated Airport economic activity is \$5,375,514. Annual federal tax generation from these jobs is \$4,760,928.

Some 82 aircraft are based at the Airport and 54,750 aircraft movements were recorded in 2013 (see figure 32). Aviation related activities at the Airport generate \$1,793,832 in operational use and land or building fees and taxes. Terminal car parking fees and rental car concession fees generate 54% of these Airport revenues. Aircraft movement or parking fees and rentals plus aeronautical land use fees generate the remaining 46% of this total.

University of Illinois – Willard Airport is a huge economic driver for the region. When taken as a whole, Airport-associated jobs and related Airport commercial and capital spending result in an annual total Willard Airport economic output of \$74,325,994 in Champaign County (see figure 32).

Figure 32: Total Willard Airport Economic Impact
Source: IMPLAN Software, CY2014

TOTAL ON-AIRPORT EMPLOYMENT ECONOMIC IMPACT				
Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	233.0	\$14,309,112	\$20,777,393	\$44,062,653
Indirect Effect	105.6	\$3,909,513	\$5,972,572	\$11,147,853
Induced Effect	83.5	\$2,347,353	\$4,573,550	\$7,920,316
Total	422.1	\$20,565,978	\$31,323,515	\$63,130,822
State & Local Tax				\$4,623,178
Federal Tax				\$3,999,732
AIRPORT FBO RETAIL FUEL SALES				
Retail Fuel Sales	Full Time Equivalents	Labor Income	Value Added	Output
Output				
Direct Effect	2	\$54,969	\$69,001	\$375,094
Indirect Effect	0.9	\$57,352	\$75,876	\$144,308
Induced Effect	0.5	\$20,406	\$37,917	\$59,609
Total	3.4	\$132,727	\$182,794	\$579,011
State & Local Tax				\$31,979
Federal Tax				\$23,539
AIRPORT EMPLOYER COMMERCIAL SPENDING				
Commercial Spending	Full Time Equivalents	Labor Income	Value Added	Output
Output				
Direct Effect	2.5	\$91,854	\$159,717	\$606,870
Indirect Effect	1	\$40,757	\$71,505	\$126,106
Induced Effect	0.7	\$25,403	\$47,224	\$74,204
Total	4.2	\$158,014	\$278,446	\$807,180
State & Local Tax				\$40,088
Federal Tax				\$34,938
AIRPORT EMPLOYER CAPITAL SPENDING				
Capital Spending	Full Time Equivalents	Labor Income	Value Added	Output
Output				
Direct Effect	9.9	\$702,732	\$729,626	\$1,621,438
Indirect Effect	2.8	\$165,864	\$240,098	\$401,301
Induced Effect	4	\$155,375	\$288,751	\$453,866
Total	16.7	\$1,023,971	\$1,258,475	\$2,476,605
State & Local Tax				\$93,074
Federal Tax				\$174,574
CHAMPAIGN COUNTY TOTAL VISITOR SPEND IMPACT				
Visitor Spend	Full Time Equivalents	Labor Income	Value Added	Output
Output				
Direct Effect	92.5	\$1,951,429	\$2,408,441	\$4,797,312
Indirect Effect	9.9	\$413,897	\$740,291	\$1,328,418
Induced Effect	10.4	\$365,537	\$712,144	\$1,206,646
Total	112.8	\$2,730,863	\$3,860,876	\$7,332,376
State & Local Tax				\$587,195
Federal Tax				\$528,145
WILLARD AIRPORT TOTAL ECONOMIC IMPACT				
Output	Full Time Equivalents	Labor Income	Value Added	Output
Direct Effect	339.9	\$17,110,096	\$24,144,178	\$51,463,367
Indirect Effect	120.2	\$4,587,383	\$7,100,342	\$13,147,986
Induced Effect	99.1	\$2,914,074	\$5,659,586	\$9,714,641
Total	559.2	\$24,611,553	\$36,904,106	\$74,325,994
State & Local Tax				\$5,375,514
Federal Tax				\$4,760,928

INTANGIBLE ECONOMIC IMPACT OF WILLARD AIRPORT

Beyond the job creation, labor income, Airport-driven local spending and visitor spending economic impacts of University of Illinois - Willard Airport, there are other significant but intangible economic impacts created by the Airport. This report has summarized the economic impact of economic activity at the Airport that would not exist if it were not for the operation of the Airport. Improvements in, or expansion of, current airline service at the Airport can be expected to have a positive impact on the Airport's contribution to the local economy. The Airport's other aviation activities, including aircraft maintenance and overhaul, Fixed Base

“The lack of service to and through Willard Airport would critically undermine the University's position and standing in the country and around the world.”

Operations, a flight training school, the FAA tower and offices, general and corporate aviation operations and charter flight services, also generate significant economic activity.

Another important, but intangible value of the Airport, is that its air service links Champaign, Urbana, the County, and the surrounding area,

with the entire globe via network carrier air service. Local air service is a critical element to economic health for any region in the country. Retention of existing business and industry and recruitment of new business and industry is always a challenge, that challenge is made more so when a smaller city or region lacks the network carrier air service of a major airline.

Another intangible value of a high quality local Airport is its contribution to the local quality of life. Modern society is mobile and travel, be it for business or vacation, or to visit friends and relatives, is the norm, not the exception. Having local air service makes that travel easier.

Finally, the Airport is a critical component of talent and student recruitment for the University of Illinois' flagship campus. Without the access provided by the University's own Airport, it is reasonable to assume that many talented faculty and staff members would choose to work elsewhere. The same can be said for the many gifted students who choose to study at the University of Illinois. The lack of service to and through Willard Airport would critically undermine the University's position and standing in the country and around the world.

FINAL THOUGHTS

This study makes it clear that University of Illinois – Willard Airport is a local economic asset. Beyond the documented jobs, labor income and economic output it generates, it also serves the local business community, making it possible for local firms to compete on the national and global stage through efficient air transportation options. The University of Illinois - Willard Airport is a significant economic engine for the cities of Champaign and Urbana, Champaign County, and the surrounding region of east central Illinois.

As Champaign County and east central Illinois economic growth continues, the importance of the Airport to that growth should not be understated or underestimated. The quality of the facility, the support infrastructure, and the cost at which the airport provides its services, are all critical to preserving and increasing airline service and general and business aviation activity.

With an annual economic output of more than \$74 million each year, Willard Airport directly supports hundreds of Champaign County families. Future investments into the facilities and into the recruitment of additional air service are likely to pay off in the form of additional jobs, additional connectivity, additional visitors, and increased tax revenue.

“With an annual economic output of more than \$74 million each year, Willard Airport directly supports hundreds of Champaign County families.”

Champaign County Economic Development Corporation
Economic Impact Report
University of Illinois – Willard Airport



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