



Chippewa Valley
REGIONAL AIRPORT

CY2020 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.

2020 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 almost 500 hundred daily flights per day to more than 150 destinations. Scheduled charter flights to Laughlin and Wendover, Nevada were offered for portions of 2020.

Annual revenue passenger enplanements/deplanements were dramatically impacted by the Coronavirus (COVID-19) pandemic in 2020. The year started out very strong with increases in January and February of 7% and 19% respectively when compared to the same months in 2019. The year ended with a 59% decrease in total passengers to 20,247 compared to 49,313 in 2019. CVRA retained airline service throughout the calendar year 2020 but did lose one flight per day for a period of time. The charter flights were also significantly reduced and suspended in some markets for much of the year.

While the COVID-19 pandemic has had profound impacts on the aviation industry, one factor that has not changed is the fact that airports are a significant transportation asset. If anything, the importance of airports to the transportation of goods and essential personnel has been highlighted by COVID-19. CVRA is no different and will continue to play an important role in the economic recovery of the region. To enhance the safety of everyone using the terminal building, the Airport made some long-term investments to combat COVID-19 and other viruses, including the common cold. One of the investments was an Electrostatic sprayer that will be used to disinfect all high touch surfaces in the terminal building. Another investment was for Bi-polar ionization equipment to be installed in the air handlers in the terminal building. Bi-polar ionization produces a high concentration of positive and negative ions. Through the air handlers and within the air stream, ions attach to particles where they combine, become larger and are more easily filtered from the air. When ions come in contact with pathogens, they disrupt the pathogens surface proteins, rendering them inactive. This technology has been commonly used in hospitals and its use is now extending to other public facilities. Bi-polar ionization works to constantly disinfect surfaces without human intervention. We have also worked to improve touchless technology throughout the airport including automatic doors, paper towel dispensers and water bottle filling stations.

General Aviation

Certain segments of the general aviation sector of airport operations did not seem to be as dramatically impacted as the commercial airline and airport partner businesses were at CVRA. Despite a pretty large COVID-19 related reduction in flying by one of the large corporate operators at the airport, the Air Traffic Control Tower at CVRA recorded 17,602 total aircraft operations which was an 11% decrease over 2019. 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.

Airport hangars had 100% occupancy for all of 2020 with 61 of 61 hangars rented. Additional demand continues to exist for larger aircraft storage and, as a result, the airport was able to budget for and build two new 60'x60' hangars in 2020 that are both now occupied.

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. Total gallons of fuel delivered to the airport in 2020 was just over 1 million gallons which was about a 40% reduction over 2019.

Airport Partners

Airport partner businesses, who are somewhat dependent on commercial airline passengers, suffered significantly drops in utilization in 2020 due to COVID-19. Cars rented at the airport decreased by 43% year over year, which resulted in a decrease in concession fee revenue over the prior year. As a result of the pandemic, Hertz filed for bankruptcy and ultimately closed their CVRA location in August 2020. However, Avis, Budget, Enterprise and National car rental options still remain and are able to accommodate our customers.

Hangar 54 Grill, the full-service restaurant and bar that opened at the airport in 2016, has been impacted by COVID-19 and forced to adapt like all other restaurants in the community. They are now offering takeout and delivery options and we will continue to work with them, and all of the businesses at the airport, to do everything we can to ensure their survival through the pandemic.

Airport Capital Improvements

In 2020, we wrapped up construction on the rehabilitation of Runway 14/32; replaced taxiway A north lighting with LED; completed preliminary environmental work on the replacement of the airport perimeter fence; started design of the Aircraft Rescue and Firefighting building replacement; designed and bid snow removal equipment replacement; designed and bid mower replacement; and designed and bid an addition to the airport maintenance building.

Federally funded projects generally have 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. State projects are also funded at least partially by aviation user fees. Local project commitments are funded with existing airport funds. **No new tax levy dollars are requested for airport projects.**

Alignment with Strategic Plan

Ensure Financial Stability.	Innovate and adapt.	Improve Collaboration.
The Airport is aggressively pursuing state and federal aid for airport development projects to minimize the local expenses of improving the airport.	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.	Pursued an opportunity to generate additional revenue and continue providing charter flights to our customers by creating a program to ground handle aircraft.	Pursue other opportunities to collaborate with other County departments, City of Eau Claire and other Airports to minimize expenses.

2021 Future Opportunities/Challenges

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law by the President on March 27, 2020, included funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The CARES dollars were critical for the Airport to offset decreases in revenue and increases in expenses related to the pandemic. CARES dollars also allowed the Airport to provide rent abatement and waivers to some of the public facing businesses operating at the Airport whose business was negatively impacted by the pandemic. CARES dollars will continue to allow us to offset revenue losses and expense increases in 2021.

Continued recovery from the pandemic for the businesses located at the Airport will be key in 2021. Airlines experienced extreme losses in 2020 and it is not yet clear when the pre-pandemic levels of demand for air travel will return. While COVID-19 made community outreach challenging in 2020, we will continue to do everything we can to inform the traveling public about the benefits of flying from their local airport and look for opportunities to grow airline service in the future. Travel in the era of COVID-19 is often safer in less congested airports like CVRA. Travelers do not have to compete with long lines or crowds; they are afforded ample room in our terminal to spread out and avoid confined spaces you might expect at larger airports which is extremely beneficial right now.

We will also need to continue to look for opportunities to grow the corporate and general aviation utilization of the Airport. We have invested in several new hangars in the last few years but there is still a high demand for aircraft storage of both large and small aircraft. Growth in this area of our business is just as important to the long-term success of the Airport as the growth in airline related businesses.

The Airport Commission completed a 2-year strategic plan update in 2020 and work will continue to carry out the action items from that strategic plan in 2021.

Several key projects are planned for 2021. Final negotiations were just completed for a lease agreement which will allow us to develop a new large aircraft hangar to accommodate the growing demand for corporate aircraft storage at CVRA. We hope to begin construction on this new hangar in 2021. We are in the design phase and expect to start construction on a replacement to our aircraft rescue and firefighting building. The current facility has served us well but no longer meets the needs for storage of our fire truck and needs significant upgrades to meet current building code requirements.

Travelers using the airport parking facilities will also see an upgrade in 2021 with the replacement of the parking access and revenue control equipment in the terminal parking lots. The current equipment is over 10 years old and technology in parking controls has evolved significantly since they were installed. We are looking forward to the opportunity to take advantage of the technology advancements to provide a better parking experience for our customers.

Plans are being developed to bid a project in 2021 to rehabilitate the pavement on our primary runway and taxiway. The project will include pavement repairs and markings to extend the useful life of both surfaces. Preliminary design is wrapping up on a project to replace the airport perimeter fence. This project has been a recommendation of the USDA Wildlife Hazard Management Program for many years to aid in the prevention of wildlife from getting under or over the fence. Wildlife and aircraft do not mix well, as one can imagine.

Finally, we are working on a consultant contract to update the Airport Master Plan. The Master Plan process is expected to kickoff in late 2021 and will have several opportunities for public and stakeholder participation. We hope interested parties will make time to provide input on future plans for the Airport.

Commercial Airline Service

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of passenger enplanements/deplanements	41,494	44,920	47,262	49,313	20,247
Number of community presentations	81	78	60	48	38
OUTCOMES	<u>Benchmark</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
80% of commercial passengers will report being satisfied or extremely satisfied with the airport controlled metrics on a customer satisfaction survey administered randomly.	80%	87%	85%	82%	87%
Maintain percentage change in passenger enplanements at a level equal to or greater than the percentage change in the state average of area airports.	-61%	8%	5%	4%	-59%
Commercial air service will be promoted in the community 50 times throughout the year.	50 or more	78	60	48	38

General Aviation

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of hangars rented for airport:	48 of 51	48 of 51	53 of 61	54 of 61	61 of 61
Aircraft Operations:	22,832	20,155	21,986	19,780	17,602
Gallons of Fuel:	1,664,426	1,559,984	1,736,335	1,672,577	1,003,139
OUTCOMES	<u>Benchmark</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
85% of airport owned hangars will be rented.	85%	94%	87%	89%	100%
Maintain percentage change of aircraft operations at a level equal to or greater than the change in the state average.	-18%	-12%	9%	-10%	-11%

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%	100%	88%	93%	96%
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Airport Partners

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Percentage of terminal space rented that is available to airport partners	100%	100%	100%	100%	92%
Car rental concession fee revenue	\$90,065	\$106,960	\$120,594	\$132,956	\$85,372
OUTCOMES	<u>Benchmark</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
70% of total space available for rental to airport partners will be rented during the year.	70%	100.0%	100.0%	100.0%	92%
The current year concession fee earned from car rentals will be greater than or equal to the prior year.	\$132,956	\$106,960	\$120,594	\$132,956	\$85,372