



Chippewa Valley
REGIONAL AIRPORT

CY2022 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.

2022 Accomplishments

Commercial Airline Service

Scheduled daily airline operations at the Chippewa Valley Regional Airport (CVRA) have been provided by United Express with service to Chicago O’Hare since 2010. In March 2022, the United Express carrier serving CVRA, SkyWest Airlines, announced termination of service to CVRA and 28 other airports as the result of a nationwide shortage of pilots. After a US DOT led RFP process, Sun Country Airlines was selected to serve CVRA for a two-year contract period starting on December 1, 2022. Sun Country Airlines was selected as the best opportunity to serve the largest amount of travelers over the next two year term. Despite only being required by the DOT contract to provide two flights per week total, Sun Country is currently providing four flights per week to the Minneapolis-St. Paul International Airport with connections to flights in the Sun Country network and two flights per week to a rotating seasonal destination. The current rotating seasonal destination schedule includes nonstop flights to Fort Myers, FL in the Winter, nonstop flights to Orlando, FL in the Spring/Summer and nonstop flights to Las Vegas, NV in the Fall.

The larger Boeing 737-800 aircraft used by Sun Country has not previously served this airport on a scheduled basis and the new larger aircraft brought significant operational changes. The most significant challenge was a federally mandated change to the airport security program. The new security program was a major change from the prior program and while all the details cannot be shared due to federal regulations, it required a massive amount of staff time to ensure that we had the new program developed and implemented prior to the start of the Sun Country service. Without our entire team working together, we could not have met the deadline.

After a strong year over year increase in passengers at the start of 2022, reduction in frequency of flights leading up to the departure of SkyWest Airlines from the market led to a decrease in airline passengers in 2022 over 2021. However, even with a more than 30% reduction in the number of scheduled airline flights in 2022 versus 2021, CVRA ended 2022 with only 12% less passengers than 2021. Total revenue airline passengers in 2022 were 34,594 compared to 39,167 in 2021.

General Aviation

Demand for general aviation facilities continues to be strong at CVRA. Airport hangars were at 100% occupancy for the first half of 2022 and 95% occupancy for the second half of the year with 60 of 63 hangars rented. Additional demand continues to exist for larger aircraft storage. Design was started on two projects to add general aviation hangar storage space in 2022 with construction planned for 2023.

Tower operations were down slightly in 2022 with 18,999 aircraft operations recorded versus 19,848 aircraft operations in 2021. 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.

The airports fixed base operator (FBO), Hawthorne Aviation, continues to provide essential services for general and corporate aviation including aircraft rental, fueling, heated hangar rental and on demand business and medical charters. Total gallons of fuel delivered to the airport in 2022 was 1,070,834 gallons which was slightly less than the 1,163,738 gallons delivered in 2021.

A new business, Gibson Aviation, started providing flight instruction at CVRA in 2022. Gibson Aviation has been a great addition to CVRA, offering multiple aircraft and flight instructor options for new students interested in flight training.

Airport Partners

Four car rental brands, Avis, Budget, Enterprise and National, were available at CVRA in 2022. Cars rented at the airport continued to increase year over year with a total of 5,193 in 2022 which was an increase of 8% over the 4,794 cars rented in 2021. Increased car rentals continue to keep car rental concession revenue high when compared to prior years.

Hangar 54 Grill, the full-service restaurant and bar that opened at the airport in 2016, continues to be an asset to the airport and the community. With increasing business, Hangar 54 expanded hours of operation back to their pre-COVID schedule in 2022.

Airport Capital Improvements

Construction began on a new airport owned 25,000 square foot hangar in 2022, with the hangar to be leased by Hawthorne Aviation. The new hangar will allow Hawthorne to pursue large cabin business aviation jets that cannot be accommodated currently in any hangar space at CVRA.

A project to rehabilitate the main airport runway and associated taxiway was completed and construction on a replacement Aircraft Rescue and Firefighting (ARFF) building started in 2022. The ARFF facility is designed to accommodate the larger trucks necessary to meet FAA requirements for having airline service. Construction also started on the first phase of the perimeter fence replacement project in 2022 and the airport parking revenue and access control system was replaced.

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. 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

Robust Infrastructure	Vibrant Communities	Quality and Meaningful Relationships
Understand airport stakeholder facility needs and look for opportunities to partner to accommodate those needs to grow the usage of the airport.	Partner on educational opportunities to inform travelers on available transportation options at the Chippewa Valley Regional Airport.	Build relationships with state and federal officials that will help educate them on the impacts of new regulatory standards on airports.
Continue to aggressively pursue state and federal aid for airport development projects to minimize the local expenses of maintaining and improving airport facilities.	Continue to pursue opportunities to expand airline service options for travelers in the region.	Pursue opportunities to collaborate with other County departments, City of Eau Claire and other Airports to provide efficient and cost-effective services to our stakeholders.

2023 Future Opportunities/Challenges

Loss of daily scheduled service in 2022 was very disappointing to many in our region, but many travelers are also very happy to have a low cost carrier like Sun Country Airlines in our market. CVRA is committed to maximizing the number of travelers using our facilities through support of the carrier that is serving the airport by helping to inform the community of the transportation options at the airport. We will also continue to do everything we can to inform the traveling public about the benefits of flying from their local airport. Low cost parking, short security lines and now an ultra low cost airline are advantages to traveling local that we will continue to aggressively promote to travelers in our region.

The shortage of pilots is ongoing and continues to threaten airline service in small communities, but the team at CVRA is committed to continued work toward the opportunity to have daily scheduled service return to our community. We will continue to advocate for both short term and long term legislative change that will help reduce the shortage of pilots and allow regional airlines to return to serving markets like the Chippewa Valley. Ongoing additional efforts related to the new airport security program will continue to have an administrative burden on CVRA that may need to be addressed through additional staff resources.

The CVRA team will also continue to focus on opportunities to grow the corporate and general aviation utilization of the Airport. Despite the continued investments in hangar facilities in the last few years, there is still opportunity to accommodate additional aircraft. Growth in this area of the airport is just as important to long-term success as the growth in airline related business.

Several exciting projects are planned for 2023. The Airport Master Plan Update process will kickoff in 2023 with several opportunities for public and stakeholder input. Another new corporate development partnership agreement is expected to be reached to construct a new hangar at CVRA. Design is also in progress for a new multi-unit box hangar which will accommodate a few of the aircraft currently on our waiting list. A new airport fire truck will be bid in 2023, along with the second phase of the perimeter fence project.

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Number of passenger enplanements/deplanements	47,262	49,313	20,247	39,167	34,594
Number of community presentations	60	48	38	41	51
OUTCOMES	<u>Benchmark</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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%	82%	87%	82%	88%
Maintain percentage change in passenger enplanements at a level equal to or greater than the percentage change in the state average of area airports.	%TBD	4%	-59%	79%	-12%
Commercial air service will be promoted in the community 50 times throughout the year.	50 or more	48	38	41	51

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Number of hangars rented for airport:	53 of 61	54 of 61	61 of 61	63 of 63	60 of 63
Aircraft Operations:	21,986	19,780	17,602	19,848	18,999
Gallons of Fuel:	1,736,335	1,672,577	1,003,139	1,163,738	1,070,834
OUTCOMES	<u>Benchmark</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
85% of airport owned hangars will be rented.	85%	89%	100%	100%	95%
Maintain percentage change of aircraft operations at a level equal to or greater than the change in the state average.	%TBD	-10%	-11%	13%	-4%

80% of general aviation users will report being satisfied or extremely satisfied with the overall airport experience on a customer satisfaction survey administered randomly.	80%	93%	96%	87%	100%
---	-----	-----	-----	-----	------

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Percentage of terminal space rented that is available to airport partners	100%	100%	92%	92%	92%
Car rental concession fee revenue	\$120,594	\$132,956	\$85,372	\$153,033	\$181,400
OUTCOMES	<u>Benchmark</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
70% of total space available for rental to airport partners will be rented during the year.	70%	100.0%	92%	92%	92%
The current year concession fee earned from car rentals will be greater than or equal to the prior year.	\$153,033	\$132,956	\$85,372	\$153,033	\$181,400