



Chippewa Valley
REGIONAL AIRPORT

CY2023 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.

2023 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 number 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 has provided 3-4 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 rotating seasonal destination schedule in 2023 included 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 airport team continues to handle ongoing operational changes related to the new larger aircraft. The most significant challenge is a federally mandated change to the airport security program. The new security program is a major change from the prior program and while all the details cannot be shared due to federal regulations, it requires a significant investment in staff time to ensure that we are following our new security program and staying up to date on changing federal security regulations.

Calendar year 2023 was the first full year of Sun Country service as our scheduled airline and it was a very strong year. Total airline passengers exceeded 50,000 for the first time since 2004. Total revenue airline passengers in 2024 were 50,942 compared to 34,594 in 2023.

General Aviation

Demand for general aviation facilities continues to be strong at CVRA. Airport hangars were at 97% occupancy with 61 of 63 hangar rented for most of 2023. Additional demand continues to exist for larger aircraft storage. Two projects to add general aviation hangar storage space were bid in 2023, but high construction costs have limited our ability proceed. A federal grant for one hangar project that was rebid in late 2023 is being pursued with construction planned for 2024.

Tower operations reached the highest number since 2013 with 23,088 aircraft operations recorded in 2023 versus 18,999 aircraft operations in 2022. Aircraft operations include all aircraft 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 2023 was 802,515 gallons which was slightly less than the 1,070,834 gallons delivered in 2022. This decrease is interesting given the increased number of tower operations, but the fuel decrease is likely primarily attributed to the decrease in airline fuel purchases given the airlines close proximity to their hub in MSP.

Gibson Aviation started providing flight instruction at CVRA in 2022 and continues to be a great addition to CVRA. Gibson Aviation has substantially increased local flight instruction business, 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 2023. Cars rented at the airport continued to increase year over year with a total of almost 6,000 cars rented in 2023, which was the second highest number on record. Cars rented in 2023 totaled 5,959 versus 5,193 in 2022. 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. Hangar 54 expanded their business with some secured area operations for airline passengers during some of the Sun Country seasonal flights in 2023 which we hope they will continue.

Airport Capital Improvements

Construction was completed on a new airport owned 25,000 square foot hangar in 2023. The new hangar is leased by Hawthorne Aviation for the first time allows Hawthorne to hangar large cabin business aviation jets that cannot be accommodated currently in any hangar space at CVRA.

Construction on a replacement Aircraft Rescue and Firefighting (ARFF) building was completed in 2023. The ARFF facility is designed to accommodate the larger trucks necessary to meet FAA requirements for having airline service. Design and bidding were completed on the final phase of the airport fence project with construction in 2024. An expansion to the airport parking lot and a second lane to exit long term parking was started in 2023 with completion in 2024. A new airport fire truck was ordered in 2023 for delivery in 2024 and planning for projects to replace several hangar taxilanes and some airfield lighting started in 2023.

The Master Plan process to look at existing conditions of airport buildings, pavement, and other equipment and space needs continued throughout 2023. The airport and its consulting team are working to develop plans for improvements that include various options (called alternatives) to meet anticipated future demand. This process culminates in the Airport Layout Plan, a map of the airport that shows all its existing and potential improvements to meet those forecasted needs, including future facilities. The process will continue into 2024 and includes coordination with and input from airport staff, the local public, airport tenants and businesses, and federal and state agencies throughout the process.

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.

2024 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 as evidenced by the strong number of travelers in 2023. 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 all advantages to traveling locally 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 continue working toward the opportunity to have daily scheduled service return to our community. The US DOT will likely rebid the Essential Air Service (EAS) contract for CVRA in 2024. We will work with our air service consultant to pursue bids from all potential carriers who can appropriately meet the needs of local travelers and we will work with airport stakeholders to review the options available during the rebid process to recommend the best possible option for our community.

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 an 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.

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, FAA Airport Certification, TSA 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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Number of passenger enplanements/deplanements	49,313	20,247	39,167	34,594	50,942
Number of community presentations	48	38	41	51	61
OUTCOMES	<u>Benchmark</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
80% of commercial passengers will report being satisfied or extremely satisfied with the airport controlled metrics on a customer satisfaction survey.	80%	87%	82%	88%	90%
Maintain percentage change in passenger enplanements at a level equal to or greater than the percentage change in the state average.	%TBD	-59%	79%	-12%	51%
Commercial air service will be promoted in the community 50 times during the year.	50 or more	38	41	51	61

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Number of hangars rented for airport:	54 of 61	61 of 61	63 of 63	60 of 63	61 of 63
Aircraft Operations:	19,780	17,602	19,848	18,999	23,088
Gallons of Fuel:	1,672,577	1,003,139	1,163,738	1,070,834	802,515
OUTCOMES	<u>Benchmark</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
85% of airport owned hangars will be rented.	85%	100%	100%	95%	97%
Maintain percentage change of aircraft operations at a level equal to or greater than the change in the state average.	9%	-11%	13%	-4%	22%
80% of general aviation users will report being satisfied or extremely satisfied with the overall airport experience on a customer satisfaction survey.	80%	96%	87%	100%	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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Percentage of terminal space rented that is available to airport partners	100%	92%	92%	92%	98%
Car rental concession fee revenue	\$132,956	\$85,372	\$153,033	\$181,400	\$190,013
OUTCOMES	<u>Benchmark</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
70% of total space available for rental to airport partners will be rented during the year.	70%	92%	92%	92%	98%
The current year concession fee earned from car rentals will be greater than or equal to the prior year.	\$153,033	\$85,372	\$153,033	\$181,400	\$190,013