

**THE ECONOMIC AND FISCAL IMPACT OF
CHICAGO EXECUTIVE AIRPORT AND ASSOCIATED
ACTIVITIES ON THE COOK COUNTY ECONOMY**

A Report to

CHICAGO EXECUTIVE AIRPORT

from

GRUEN GRUEN + ASSOCIATES

Urban Economists, Market Strategists & Land Use/Public Policy Analysts

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CHAPTER I

INTRODUCTION, FINDINGS AND CONCLUSIONS

INTRODUCTION

The Chicago Executive Airport (“CEA” or “Airport”) engaged Gruen Gruen + Associates (“GG+A”) to estimate the economic and fiscal impacts that CEA Airport operations and associated activities on Airport property generate for the Cook County economy. This report presents the results of research and analysis undertaken to estimate the economic and fiscal impacts generated by the operations and associated activities of the CEA.

The CEA generates economic impacts from two primary sources:

- Expenditures on operations, payroll, and capital improvements for the Airport, including the on-site or within area of influence airfield support businesses, maintenance and avionics and other aviation-related businesses as well as governmental entities; and
- Expenditures of Airport visitors.

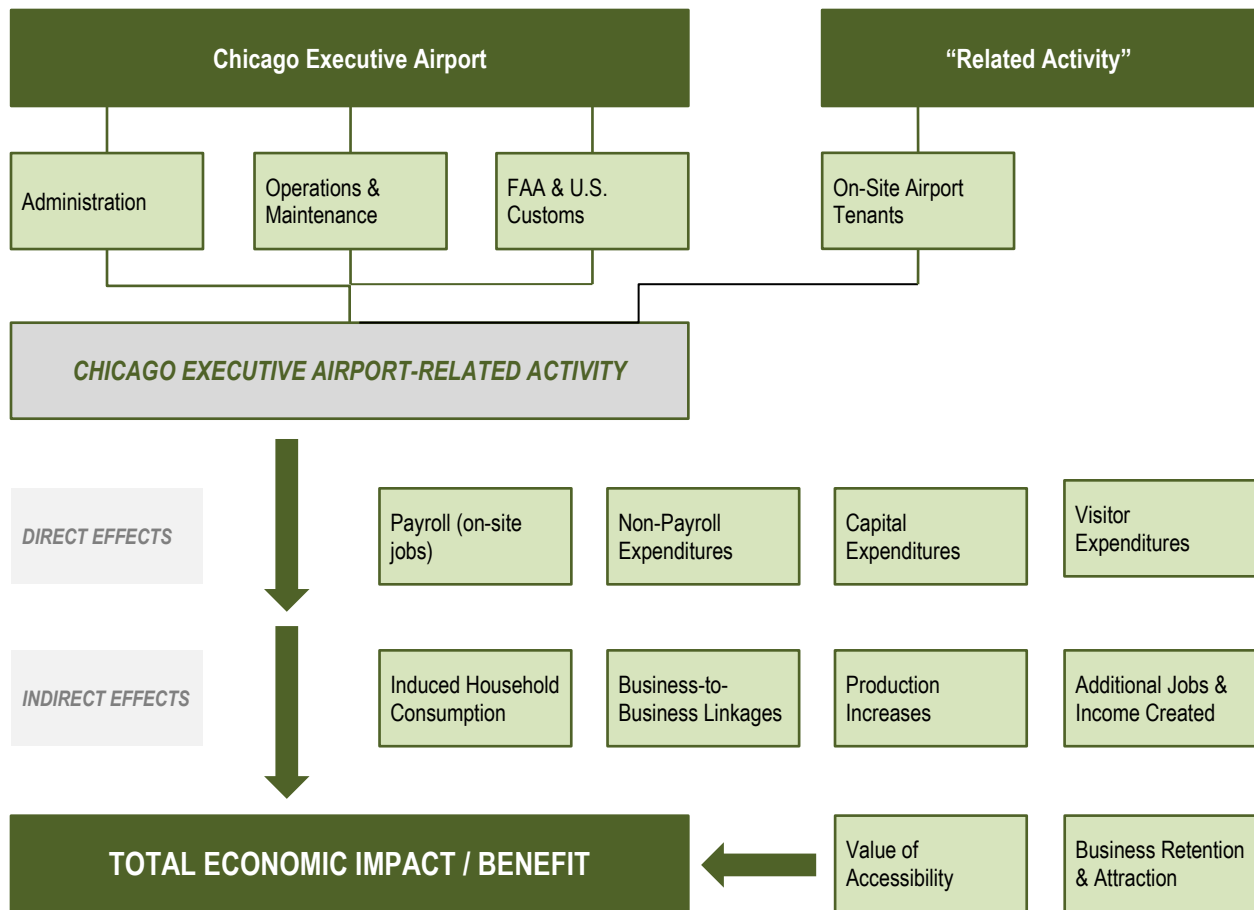
The CEA attracts dollars from outside of Cook County and spends many of these dollars locally on operations, capital improvements, and payroll. Visitor expenditures, in addition to expenditures on operations, increase the purchase of goods and services in Cook County, and as the dollars spent locally circulate through the economy, local incomes expand. The direct expenditures of the Airport and associated activities - and to some degree, the demand that results from the secondary or induced effects of these initial dollars - ripple through the economy creating more activity, jobs, and income.

The Covid-19 pandemic has considerably affected the air service, hospitality and related travel sectors. While commercial aviation, in particular, experienced significant changes in volume and wide swings in employment during the course of the pandemic, the overall sector seems to be recovering. The interviews with Fixed Base Operators at the CEA suggest that charter flights increased while corporate flight departments experienced lower levels of activity during the peak of the pandemic. These interviews indicate that corporate and business flight activity is beginning to increase. Obtaining estimates of employment and other inputs for the impact analysis has also been made more difficult because of the volatility associated with the pandemic. The impact analysis reflects estimates obtained through interviews with the Fixed Base Operators and other on-site businesses and analysis of the Airport budget and fuel sales data.



AIRPORTS POSITIVELY INFLUENCE REGIONAL ECONOMIC DEVELOPMENT

As illustrated below, the CEA contributes in many ways to economic development in Cook County.



Airports serve as essential infrastructure for the attraction, retention, and growth of businesses that value accessibility to airports and high levels of air connections for passenger travel and cargo delivery. The transportation access provided by proximity to airports with adequate air service capacity affects the structure, size, and growth of the economic base of regions. Regions with high-quality and sufficient capacity of airport infrastructure are more successful in attracting, retaining, and fostering growth of businesses that value airport accessibility, particularly the primary drivers of economic growth or transition from old-line manufacturing to high-order service industries. Boeing and Caterpillar relocated to the Chicago metropolitan region (Boeing to Downtown Chicago and Caterpillar to Deerfield) in part because of superior aviation infrastructure.¹

Air passenger facilities are essential to many service-type businesses and industries, while certain goods-producing industries depend upon air-cargo facilities. Advertising, computer and data processing, accounting, and auditing, management/public relations and legal services, for example,

¹ <https://hbr.org/2001/10/inside-boeing-big-move>; <https://www.chicagotribune.com/business/ct-caterpillar-headquarters-deerfield-0420-biz-20170419-story.html>



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

are concentrated in metropolitan areas such as Chicago, Cook County which have excellent air connections. The greater concentration of service sector and finance, insurance and real estate sector industries in metropolitan areas with high-quality airports suggest that excellent air travel connections are a critical location factor for businesses which export their services (i.e., send out service agents or bring in customers by air travel, because they provide their services to customers outside of their region of domicile). Similarly, indirect jobs related to the convention/tourism industry are clearly linked to wide-ranging, frequent and low-priced air travel connections. The Chicago Executive Airport contributes to the supply of air service available in the Chicago region.

The rapid growth of aviation has served as an economic development catalyst.² Just as the growth of the railroad industry facilitated connections and encouraged interdependencies between urban and rural markets, the aviation industry has been a key factor behind globalization and shifts to just-in-time manufacturing and inventory techniques. The ability to quickly vary or customize goods and services to the specifications of the customer base is one of the principal requirements for business success today. Flexibility and speed are key comparative advantages which superior air connections permits firms to exploit. Proximity of an airport is frequently an important factor in site location decisions.³ Communities with access to adequate airport capacity have stronger economic growth and rising incomes than communities without such access.

² Air travel, for example, transformed Phoenix. “Airline travel is a force of concentration on urban form So air travel had the effect of concentrating business activity in fewer, larger cities with substantial airports. Those cities became dominant centers of regional areas, with the big airport being the hub of other transportation modes.” Grady Gammage Jr., *Phoenix in Perspective*, 1999, pg. 33. See also for example: <https://sites.duke.edu/urbaneconomics/?p=1248>.

³ See for example: <https://www.sciencedirect.com/science/article/pii/S0966692317300947>; and <http://www.areadevelopment.com/LocationUSA/2015-US-inward-investment-guide/international-location-decision-issues-to-consider-2727261.shtml>.



Chicago Executive Airport Enhances Accessibility and Benefits Area Companies

While vying between Denver, Dallas and Chicago to locate its world headquarters, Boeing selected Chicago because of its business culture, location, and its air transportation infrastructure.⁴ The Chicago Executive Airport enhances the accessibility advantages companies in Cook County and Lake County enjoy. The Chicago Executive Airport, for example, serves at least 80 corporate flight departments. These firms use the Airport to transport personnel and customers. The proximity of the Airport to their corporate offices is a benefit to these companies. As described in this report, the direct operations of the Airport and related on-site activities serve to increase employment and income opportunities, both directly and indirectly.

The interviews with Fixed Base Operators indicate that during the Covid-19 pandemic the Airport served an important function of transporting passengers safely and efficiently when commercial flights were significantly curtailed or perceived to pose potential health risks.

⁴ Paul O'Connor, Executive Director of World Business Chicago as stated in Ron Starner and Mark Arend "Behind Boeing's Flight Plan: Why the New Chicago Headquarters is Just Part of the Story", Site Selection Magazine. (Electronic Edition), September 2001. Accessed on July 27, 2006 from <http://www.siteselection.com/issues/2001/sep/p572/>.



FINDINGS AND CONCLUSIONS

2021 Economic Impact on Cook County

Table I-1 summarizes the total estimated annual economic impact of the CEA, including the Airport and on-site businesses on the Cook County economy in 2021.

TABLE I-1			
On-going Annual Economic Impact of the Chicago Executive Airport, On-site Businesses and Visitor Spending on the Cook County Economy in 2021¹			
	Output \$	Labor Income \$	Employment # Jobs
Direct	225,513,577	65,981,153	720.7
Indirect	215,611,507	72,904,593	1,413.5
Total	441,125,083	138,885,746	2,134.2
Multiplier	1.96	2.10	2.96
¹ Figures are rounded.			
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			

The total direct and indirect employment impact of the Airport and related activities on the Cook County economy is estimated at 2,134 jobs. The total direct and indirect annual labor income impact is estimated at \$138.9 million, or approximately \$65,100 per job. The total output impact – that is, the total volume of economic activity supported – is estimated at \$441 million annually within Cook County.

Expenditures made by the CEA, on-site businesses, and Airport visitors directly support 721 jobs within Cook County. These expenditures directly generate \$66 million of additional income within Cook County, or approximately \$91,500 of income per job. Total direct annual output associated with the Airport and related activities is estimated at \$225.5 million.

Indirectly, Airport-related spending supports an additional 1,414 jobs within Cook County and \$72.9 million of labor income (approximately \$51,600 of labor income per indirect job supported). The employment and income multipliers are 2.96 and 2.10 respectively, indicating that for every 10 directly-supported jobs, an additional 20 jobs are supported indirectly within Cook County; and for every \$10 in direct income, an additional \$11.00 is created indirectly.



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

Table I-2 summarizes the total one-time economic impact of construction activities of the CEA, including the Airport and on-site businesses on the Cook County economy in 2021.

TABLE I-2			
One-Time Annual Economic Impact of Construction Activities of the Chicago Executive Airport and On-site Businesses on the Cook County Economy in 2021			
	Output \$	Labor Income \$	Employment # Jobs
Direct	13,564,500	4,417,497	72.4
Indirect	10,303,307	2,155,224	50.0
Total	23,867,807	6,572,271	122.4
Multiplier	<i>1.76</i>	<i>1.49</i>	<i>1.69</i>
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			

For the one-time construction impacts of the construction activities of the CEA and on-site tenants, the total (direct and indirect) annual employment impact on the Cook County economy is estimated at approximately 122 jobs. This is full- and part-time jobs, not “full time equivalent” estimates. The total (direct and indirect) income impact on the County is estimated at approximately \$6.6 million, or approximately \$53,700 per job. The total output impact – or the total volume of economic activity supported – is estimated at nearly \$24 million.

2021 Fiscal Impact on Taxing Entities

The CEA, including the Airport and on-site businesses, directly generates the following sources of local and state tax revenue:

- Property and Leasehold Property Taxes;
- Sales Taxes;
- Hotel Taxes; and
- Telecommunication Taxes.



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

As summarized below in Table I-3, activity associated with the Chicago Executive Airport is estimated to generate approximately \$1.3 million of annual tax revenue for the state and \$4.1 million for local taxing entities.

TABLE I-3			
Estimated Total Annual Revenues Induced by the Chicago Executive Airport and On-site Businesses for Local and State Taxing Entities			
	Local ¹ \$	State \$	Total \$
Property and Leasehold Property Tax ²	2,833,600	0	2,833,600
Sales Tax (Direct)	834,700	927,500	1,762,200
Hotel Tax	396,800	373,000	769,800
Telecommunication Tax	29,800	34,700	64,500
TOTAL	4,094,900	1,335,200	5,430,100
¹ Includes local entities such as municipalities within Cook County, the county itself, local school districts, as well as some regional entities collecting taxes such as the RTA. ² Property (2021 taxes for 2020 tax year) and leasehold property taxes (2020 taxes).			
Source: Gruen Gruen + Associates			

Property taxes, including leasehold property taxes, generated by Airport-related activity comprise the largest source of revenue at nearly \$2.8 million. Sales taxes generated by Airport-related activity, including visitor spending, are estimated to comprise the second largest source of local revenue at approximately \$1,762,000 of which \$834,700 are local sales taxes. Hotel taxes comprise the third largest source of tax revenue, estimated at approximately \$770,000 for 2021. Local hotel taxes are estimated at \$396,800. Telecommunication provides an additional \$64,500 of total tax revenue.



CHAPTER II

METHODOLOGY AND DATA INPUTS FOR ECONOMIC IMPACT ANALYSIS

METHODOLOGY

The economic impacts presented in this report are presented in terms of:

1. Employment (both full-time and part-time jobs);
2. Labor Income (wages and salaries and proprietors' income); and
3. Output (value of all goods and services produced).

The economic impacts attributable to operating and capital expenditures of the CEA, on-site businesses, and visitors are estimated using RIMS II multipliers obtained from the Bureau of Economic Analysis, a provider of custom input-output data for local economies. Regional I-O multipliers are constructed from a detailed set of industry accounts which measure the commodities produced by each industry and the use of these commodities by other industries and final users. The multipliers provide a way to estimate economy-wide effects that an initial change in economic activity has on a particular economy – in this case, Cook County.

When one sector of the economy increases its production because of increased demand for its goods or services, firms and institutions in related industries will also experience increased demand for their products. This is referred to as the “multiplier effect” and is represented by a multiplier coefficient. The magnitude of the multiplier depends upon the extent to which firms purchase their inputs from other firms located in the same region, as contrasted with the purchase of inputs from those located outside the region. Multipliers vary among industries and among regions. For example, larger and more diverse regions will tend on average to have larger industry multiplier effects because of a greater likelihood of tighter linkages within the region, or in other words, that an industry’s inputs will be provided by other businesses within the region.

RIMS II provides measures of change in total economic activity that can be estimated – gross output, value added, earnings, and employment. The following explains the three multiplier effects of these measures:

1. “Direct” effects are those that result from the expenditures made by CEA and related activities directly for its operations and maintenance activities and capital improvements and from the spending of visitors;
2. “Indirect” effects are the new economic activities that occur due to the direct expenditures of the CEA and its associated activities. These effects are primarily due to the spin-offs in industry sector-to-industry sector demands that follow from the initial direct spending; and
3. “Induced” effects are the results of spending on wages and salaries for employees, capital outlays, visitor spending, and other non-payroll expenditures that generate new household



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

income and associated proportionate re-spending and employment. These are industry sector-household spending effects.

The multiplier is the coefficient that relates the magnitude of a direct economic impact to a total economic impact that includes both direct and indirect (including induced) impacts. An employment multiplier of 1.3, for example, indicates that for every ten (10) jobs directly supported by an activity or event; an additional three (3) jobs are created elsewhere in the local economy due to industry-to-industry purchases and the re-circulation of wages and salaries paid to employees.

We present our findings of the economic impacts of Chicago Executive Airport in 2021; the figures presented in this report are in 2021 dollars.

DATA INPUTS FOR IMPACT ANALYSIS

This section summarizes the direct inputs or sources of economic or fiscal impact, including direct construction costs estimated to be associated with CEA capital facility and major maintenance improvements.

Direct Output, Employment, and Payroll for the Chicago Executive Airport

Table II-1 summarizes the gross revenues, number of the employees, and associated payroll at the Chicago Executive Airport including on-site tenants.

TABLE II-1	
Gross Revenues, Direct Employment, and Payroll Expenditures for Chicago Executive Airport: 2021	
	CEA Administration & Operations
Budgeted Gross Revenues	\$4,587,172
Total Payroll	\$1,680,509
Total Employment	14.82
Sources: Chicago Executive Airport FY 2021 Annual Budget; Gruen Gruen + Associates.	

In 2021, an estimated 14.82 (full-time equivalent) workers are directly employed at the Chicago Executive Airport. Annual payroll in 2021 is estimated at nearly \$1.7 million. Payroll expenditures made by the CEA stimulate the local economy as a portion of these dollars get recirculated in the form of personal consumption. The extent to which this income gets recirculated, producing induced economic impacts, largely depends on: (1) the proportion of wage and salary payments that become income to local households (i.e., households who reside in Cook County), as opposed to non-local households; and (2) the magnitude of leakage, or purchases of goods and services made outside of the local area, in this case Cook County. Gross revenues for the CEA are estimated to total \$4.6 million in 2021.



Direct Output, Employment, and Payroll for the On-site or within Airport Influence Area Businesses

Table II-2 summarizes estimates of gross revenues, employment, and payroll expenditures for on-site businesses in 2021. Non-payroll operating expenditures for various goods and services - such as supplies, utilities and telecommunications, materials, advertising and public relations, travel, office-related expenses, professional services, insurance, and maintenance operations - increase final demand of the affected industries or businesses for those goods and services produced within Cook County. Purchases by businesses operating on or near CEA property induce multiplier effects when suppliers of goods and services purchase additional inputs from “upstream” suppliers; and when all affected suppliers hire employees, who in turn make consumer purchases.

TABLE II-2	
Gross Revenues, Direct Employment, and Payroll Expenditures for On-site or Within Airport Influence Area Businesses: 2021¹	
	On- Site Businesses
Estimated Gross Revenues	\$212,829,500
Total Payroll	\$62,193,800
Total Employment	641
¹ Direct employment and payroll estimates are based on interviews of on-site and within airport influence area businesses.	
Chicago Executive Airport; Gruen Gruen + Associates.	

In 2021, an estimated 641 (full-time equivalent) workers are directly employed by on-site tenants at the Chicago Executive Airport. Annual payroll in 2021 is estimated at \$62.2 million. On-site tenants purchase fuel directly from the Airport’s three Fixed Base Operators, which in turn purchases fuel within Cook County. Estimates of gross revenues for the on-site tenants is approximately \$212 million in 2021.

Capital Expenditures

Table II-3 presents the estimated capital and major maintenance expenditures budgeted for 2021.

TABLE II-3		
2021 Budgeted Capital Improvements and Major Maintenance for the Chicago Executive Airport and On-Site Businesses		
	Total Capital Expenditures	Estimated Local ¹ Expenditure Share
	\$	%
CEA Admin & Operations	3,184,500	100
On-Site Tenants ²	10,380,000	100
TOTAL	13,564,500	
¹ Share of expenditures made within Cook County.		
² Estimate based on results of on-site tenant interviews and include businesses within area of influence.		
Sources: Chicago Executive Airport; Gruen Gruen + Associates.		



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

The CEA estimates capital project expenditures for 2021 will total approximately \$3.2 million. The CEA building expenditures primarily relate to construction of a new U.S. Customs and Border Protection facility of approximately \$3,184,500. Hangar development by the Fixed Base Operators will constitute the majority of capital expenditures in 2021. Total annual capital spending from on-site tenants is estimated at \$10.4 million in 2021.

Visitor Expenditures

Visitors generate economic and fiscal impacts through their expenditures made on lodging, retail goods, and dining. Table II-4 presents an estimate of visitor expenditures that will occur within Cook County in 2021.

TABLE II-4	
Projection of 2021 Visitor Expenditures in Cook County	
	2021 Total #
Airport Visitors (Estimate of Overnight Visitors)	13,894
Room Night Generation ¹	47,240
Retail and Dining Expenditures ²	\$2,361,980
Hotel Expenditures ³	\$6,613,544
¹ Assumes overnight visitors stay an average of 3.4 nights. ² Daily retail and food expenditures of \$50. ³ Average daily room rate of \$140.	
Sources: Chicago Executive Airport; Gruen Gruen + Associates.	

From January through June 2021, the volume of aviation fuel sold at CEA was 55 percent higher than 2020 levels and 20 percent higher than fuel sale volumes in 2018 and 2019. Utilizing the relationship between estimated visitation and fuel sales from 2018, we estimate 2021 visitation based on the volume of fuel sold at CEA through the first half of the year. This results in an estimate of 13,900 overnight visitors for the year; approximately 18.5 percent higher than 2018 overnight visitation levels. (This estimate is a conservative estimate because it does not reflect visitation induced by tenants that did not participate in the CEA on-site survey conducted previously in 2019).

We assume that visitors will stay overnight for an average stay of 3.4 nights resulting in 47,240 total room nights for 2021. We assume an average daily hotel rate of \$140.⁵ Retail and dining expenditures made within the local area are assumed to total \$50 per night. Accordingly, annual visitor-related expenditures are estimated at nearly \$9.0 million.

⁵ <https://therealdeal.com/chicago/20arc18/10/01/booming-tourism-keeps-chicago-area-hotel-occupancy-steady-report-says/>



CHAPTER III
THE ECONOMIC AND FISCAL IMPACT OF THE
CHICAGO EXECUTIVE AIRPORT AUTHORITY AND
ASSOCIATED ACTIVITIES ON THE COOK COUNTY ECONOMY

INTRODUCTION

As described above, the operation of the Chicago Executive Airport and associated activities directly and indirectly support jobs, income, and economic activity within Cook County. Based on the current operational characteristics of the CEA and on-site and within area of influence businesses, this chapter presents an estimate of the economic impact of Airport-related activities on the Cook County economy.

The CEA and on-site tenants also generate a broad variety of taxes and fees that accrue to local taxing entities. In this chapter, we focus specifically on the increased sources of tax revenue that, due to Airport-related activities, benefit Cook County and local districts and municipalities within Cook County. Because of the inherent difficulty in estimating *indirect* sources of fiscal benefit – such as property value enhancement to nearby industrial and commercial uses or taxes paid by off-site businesses located in the County which utilize the Airport – we primarily focus on the direct tax revenues resulting from Airport-related operations.

2021 CONSTANT DOLLARS

All income, output, and tax revenue estimates in this Chapter are expressed in constant 2021 dollars. That is, the possible effects of inflation or deflation are not considered.

TOTAL 2021 ECONOMIC IMPACT OF THE
CHICAGO EXECUTIVE AIRPORT AND RELATED ACTIVITIES

Table III-1 summarizes the total direct and indirect economic impacts on the Cook County economy of all entities at the CEA including the Airport and on-site or within area of influence businesses and visitor spending. The total economic impacts encompass those related to payroll, non-payroll, capital, and visitor spending. Appendix A presents the impacts in more detail.



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

TABLE III-1			
On-going Annual Economic Impact of the Chicago Executive Airport, On-site Businesses and Visitor Spending on the Cook County Economy in 2021¹			
	Output \$	Income \$	Employment # Jobs
Direct	225,513,577	65,981,153	720.7
Indirect	215,611,507	72,904,593	1,413.5
Total	441,125,083	138,885,746	2,134.2
Multiplier	1.96	2.10	2.96
¹ Figures are rounded.			
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			

The total direct and indirect employment impact of the Airport and related activities on the Cook County economy is estimated at 2,134 jobs. The total direct and indirect annual labor income impact is estimated at \$138.9 million, or approximately \$65,100 per job. The total output impact – that is, the total volume of economic activity supported – is estimated at \$441 million annually within Cook County.

Expenditures made by the CEA, on-site businesses, and Airport visitors directly support 721 jobs within Cook County. These expenditures directly generate \$66 million of additional income within Cook County, or approximately \$91,500 of income per job. Total direct annual output associated with the Airport and related activities is estimated at \$225.5 million.

Indirectly, Airport-related spending supports an additional 1,414 jobs within Cook County and \$72.9 million of labor income (approximately \$51,600 of labor income per indirect job supported). The employment and income multipliers are 2.96 and 2.10 respectively, indicating that for every 10 directly-supported jobs, an additional 20 jobs are supported indirectly within Cook County; and for every \$10 in direct income, an additional \$11.00 is created indirectly.



FISCAL IMPACT OF THE CHICAGO EXECUTIVE AIRPORT AND RELATED ACTIVITIES

SOURCES OF REVENUE

The Airport, including on-site businesses, directly generate the following sources of local tax revenue⁶:

- Property and Leasehold Property Taxes;
- Sales Taxes;
- Hotel Taxes; and
- Telecommunication Taxes.

PROPERTY TAXES

Sources of property tax revenue include privately owned buildings/hangars on Airport property and the leasing of hangar space to commercial tenants. Table III-2 presents an estimate of 2021 property tax revenues generated by these sources.

Appendix B presents the property tax revenue estimates in more detail. Approximately 64 percent of the estimated property tax revenues goes to School District 21 (Wheeling Consolidated) and High School District 214 (Arlington Heights Township). Another 8.9 percent of property tax revenue goes to the Village of Wheeling and 1.3 percent of property tax revenue to the City of Prospect Heights.

TABLE III-2	
Estimate of 2021 Property Tax Revenues Directly Generated by Airport Activities¹	
Source	2021 Property Tax Revenues \$
On-Airport Parcels and On-Site Tenants (Leasehold Property Tax) ²	2,833,600
¹ Figures are rounded.	
² Taxes paid in 2021 for year 2020.	
Source: Cook County Assessor; Gruen Gruen + Associates.	

Property taxes associated with buildings/hangars on Airport property and leasehold properties totaled approximately \$2,833,600 in 2021.

SALES TAXES

Sales Tax Revenues Directly Generated

Sources of sales tax revenue attributable to the CEA include visitors who generate sales tax revenue from their expenditures on food, rental cars, gasoline, and other goods, and some on-Airport tenants

⁶ Includes local entities such as municipalities within Cook County, Cook County itself, local school districts, as well as some regional entities collecting taxes such as the RTA.



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

remit sales taxes due to their business activities at the Chicago Executive Airport. Table III-3 summarizes the estimated sales tax revenues generated by these activities associated with the operations of the Airport. Appendix B presents sales tax revenue estimates in more detail for the on-site tenants.

TABLE III-3	
Estimate of Total Sales Tax Revenue Directly Generated by Airport Activities	
Sources	Total Direct Sales Tax \$
Visitor Spending ¹	224,400
On-Site Tenants ²	1,537,800
TOTAL	1,762,200
¹ Visitation activity based on reported 2021 fuel sales.	
² Based on interviews with FBO representatives.	
Sources: Illinois Department of Revenue; Chicago Executive Airport; Gruen Gruen + Associates.	

Total sales tax revenues directly generated by Airport activity are estimated at nearly \$1.8 million. On-site tenant activities including fuel sales is the largest source of sales tax revenue, which are estimated at over \$1.5 million. Visitors to the Airport are estimated to generate approximately \$224,400 of total sales tax revenues. State sales taxes are estimated at approximately \$927,500. Local sales taxes are estimated at approximately \$834,700.

HOTEL TAXES

Given the estimates of Airport-related visitation and visitor expenditures previously summarized in Chapter II, Table III-4 summarizes an estimate of hotel tax revenues generated by Airport visitation.

TABLE III-4	
Estimate of Hotel Tax Revenue Generated by Airport Visitation	
	2021
Room Nights Generated in Cook County	47,240
Average Daily Rate	\$140
Total Cook County Hotel Revenue	\$6,613,544
Hotel Tax Revenues:	
State¹	\$373,004
Local²	\$396,813
¹ The State of Illinois imposes a six percent hotel operator occupation tax based on 94 percent of gross receipts.	
² Assumes an average municipal hotel tax rate within Cook County of six percent.	
Source: Gruen Gruen + Associates	

Based on an average daily hotel rate of \$140, Airport visitation in 2021 is estimated to support approximately \$6.6 million in Cook County hotel revenue. The State of Illinois imposes a six percent Hotel Operator Occupation tax. This tax applies to 94 percent of gross room revenues. Municipal hotel tax rates in Cook County generally range from three to six percent; we use an average hotel tax



The Economic and Fiscal Impact of the Chicago Executive Airport and Related Activities on the Cook County Economy

rate of six percent of gross receipts.⁷ We estimate that local hotel tax revenue generated by visitors in 2021 will be approximately \$397,000. State hotel tax revenues are projected at approximately \$373,000.

TELECOMMUNICATION

Taxes on the consumption of telecommunications services are imposed at the rate of six percent of the cost of such services by the Village of Wheeling and at a rate of seven percent by the State of Illinois. Thus, the combined telecommunications tax rate in Wheeling is 13 percent. According to the 2021 CEA Budget, telecommunication expenses associated with the operations of the Airport are expected to total approximately \$19,400. This equates to approximately \$1,300 per employee. Accordingly, total telecommunication expenditures related to all Airport activity (including on-site businesses and tenants) are estimated to total approximately \$496,000. Table III-5 presents an estimate of telecommunication tax revenue generated by Airport activities.

TABLE III-5	
Estimate of Direct Telecommunication Tax Revenue Generated by Airport Activities	
	2021
Total On-Site Employment at Airport ¹	382
Telecommunication Expenses per Employee	\$1,300
Total Telecommunication Expenditures	\$496,000
Telecommunication Tax Revenues:	
State	\$34,700
Local	\$29,800
¹ Does not include tenant businesses at FBO's.	
Source: Gruen Gruen + Associates	

Total State and local telecommunication tax revenues are estimated at \$64,500 for 2021.

⁷ The hotel tax rate imposed by the Village of Wheeling, for example, is six percent of gross receipts.



APPENDIX A

DETAILED ECONOMIC IMPACT ESTIMATES

TABLE A-1			
On-going Annual Economic Impacts on Cook County Economy by Component of Airport-related Activity: 2021 ¹			
	Output \$	Income \$	Employment # Jobs
CHICAGO EXECUTIVE AIRPORT:			
Direct	4,587,200	1,680,500	14.8
Indirect	5,041,400	1,879,800	33.8
Total	9,628,600	3,560,300	48.6
<i>Multiplier</i>	<i>2.10</i>	<i>2.12</i>	<i>3.28</i>
ON-SITE OR WITHIN AIRPORT INFLUENCE AREA TENANTS:			
Direct	212,829,500	62,193,800	641.0
Indirect	204,076,900	69,570,200	1,347.8
Total	416,906,400	131,764,000	1,988.5
<i>Multiplier</i>	<i>1.96</i>	<i>2.12</i>	<i>3.10</i>
VISITOR SPENDING:			
Direct	8,096,900	2,106,800	64.9
Indirect	6,493,200	1,454,500	32.0
Total	14,590,100	3,561,400	96.9
<i>Multiplier</i>	<i>1.80</i>	<i>1.69</i>	<i>1.49</i>
TOTAL:			
Direct	225,513,600	65,981,200	720.7
Indirect	215,611,500	72,904,600	1,413.5
Total	441,125,100	138,885,700	2,134.2
<i>Multiplier</i>	<i>1.96</i>	<i>2.10</i>	<i>2.96</i>
¹ Figures are rounded.			
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			



APPENDIX B

DETAILED TAX REVENUE ESTIMATES

TABLE B-1		
Chicago Executive Airport Property Tax Revenue Estimate by Taxing District ¹		
	2021 Tax	Total %
School District 21 (Wheeling Consolidated)	\$1,207,979	42.6
High School District 214 (Arlington Heights Township)	\$614,437	21.7
Village of Wheeling	\$248,369	8.9
Cook County	\$116,851	4.1
Wheeling Park District	\$159,650	5.6
Indian Trails Public Library	\$108,948	3.8
Harper Community College District 512	\$105,501	3.7
City of Prospect Heights	\$36,051	1.3
Metro Water Reclamation District	\$97,505	3.4
Northwest Mosquito Abatement District	\$97,830	3.5
Wheeling Township ²	\$14,961	0.5
Forest Preserve District of Cook County	\$14,961	0.5
Prospect Heights Public Library	\$10,558	0.4
TOTAL	\$2,833,602	100.0
¹ Includes leasehold property tax revenue for on-site tenants.		
² Includes Road & Bridge fund and General Assistance.		
Sources: Cook County Clerk; Gruen Gruen + Associates.		

TABLE B-2		
Direct Fuel Sales Tax Revenue		
	Annual Tax \$	Share % of Total
Village of Wheeling	526,094	34.2
Regional Transportation Authority	202,344	13.2
State of Illinois	809,375	52.6
Total	1,537,813	100.0
Source: Gruen Gruen + Associates		



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