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South Suburban Airport Community and Mobility Benefits

August 2007

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South Suburban Airport Regional Passenger Aviation Forecasts

To compete in modern global markets, metropolitan Chicago requires a global economic reach, which in turn requires aviation. Our prosperity is tied to strong air transportation systems.

As the Chicago area grows, so will air travel. The seven-county metropolitan population is projected to grow from 8.3 million to more than 10 million by 2030. Annual enplanements (aviation boardings) at the South Suburban, Chicago-Midway, Chicago-O'Hare, and Gary-Chicago Airports are forecast to increase from 46 million in 2006 to 81 million in 2030.

To accommodate this projected growth, plans are in place to add airside, terminal, and landside capacity to the air transportation system in metropolitan Chicago. A key element of this plan is the development of a new airport, the South Suburban Airport (SSA), in Will County. South Suburban Airport annual enplanements are expected to reach 4.5 million by 2030.

Table 1 shows the projected growth in enplanements by airport in metropolitan Chicago and Gary.

Table 1
Projected Enplanements (Millions) for Metropolitan Chicago and Gary Airports

<i>Airport</i>	<i>2000(A)</i>	<i>2006(P)</i>	<i>2007(E)</i>	<i>2010(E)</i>	<i>2020(E)</i>	<i>2030(E)</i>
O'Hare	33.8	36.8	36.5	39.8	52.4	63.4
Midway	7.1	8.9	10.8	12.2	12.0	12.0
SSA ('06)	0.0	0.0	0.0	0.1	1.3	4.5
Gary	0.0	0.0	0.1	0.1	0.1	1.3
Total	40.9	45.7	47.4	52.1	67.8	81.2

Notes: A = Actual; P = Preliminary; E= Estimate (Projection); SSA ('06) reflects the baseline estimate prepared by ACG, consistent with information in following tables in relation to jobs and the local economy. 2004 CATS estimates of SSA activity used for the 2006 RTP update were approximately double the ACG estimates above.

Sources: estimates: CMAP (1), ACG (1) actual and preliminary data: FAA (1)

The current baseline estimates may be high or low. Annual enplanements for South Suburban Airport in 2030 may range from 2.2 million to 6.7 million [ACG (1)]. Likewise, subsequent estimates are for the "baseline" or midrange. To see how the estimate varies, consult the source documents.

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Economic Benefits: 2030 Baseline Forecast

The economic impacts of the South Suburban Airport may be substantial. The South Suburban Airport is expected to bring the region wealth and jobs that would otherwise go elsewhere or evaporate. New jobs resulting from the airport will include not only people directly employed in aviation, but also jobs supported by visitor expenditures (indirect jobs) and the economic multiplier impact of these jobs (induced jobs).

In 2030, the total economic output of the region would grow by \$6.2 billion with the airport, under baseline forecast operations. This would translate to \$2.5 billion in labor income. Illinois tax revenues for sales and income taxes would grow to \$157 million per year by 2030.

Here are current summary baseline estimates of the projected impacts in 2030:

Jobs:

- All-Sector Jobs: 7,737 direct jobs; 50,476 total jobs, including indirect and induced jobs.
 - Commercial Passenger Operations: 4,267 direct jobs; 42,130 total jobs, including indirect and induced jobs.
 - Air Freight Operations: 3,424 direct jobs; 8,154 total jobs, including induced jobs.
 - General Aviation: 46 direct jobs; 192 total jobs, including indirect and induced jobs.

Source: ACG (1)

2030 Annual Expenditures and Income (2007 Dollars)

- Value added: \$3.6 billion, including:
 - Labor Income: \$2.5 billion
- Change to gross regional product: \$6.2 billion, including
 - Total visitor expenditures: \$1.3 billion

Source: ACG (1), BLS (1).

Annual Illinois State Tax Revenues (Selected Taxes, 2007 Dollars)

- Total 2030 Illinois Taxes: \$157.0 million
 - Income Tax: \$67.7 million
 - Sales Tax (Illinois residents): \$31.7 million
 - Sales Tax (visitor expenditures): \$57.6 million

Source: ACG (1), BLS (1).

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Job, Household, and Population Locations

The South Suburban Airport is projected to bring not only jobs and additional income to metropolitan Chicago, but additional people and households to strengthen existing communities. Some of the additional population and households will be part of new communities.

Unlike Chicago-O'Hare International Airport or Chicago-Midway Airport, the South Suburban Airport is expected to be set in a large area of land protected from future residential development. Many new households will be induced by the remote airport site to new greenfield housing developments, but many of the new households are expected to locate in established communities, including the City of Chicago and South Cook County communities.

New jobs related to the South Suburban Airport will be overwhelmingly concentrated in Cook and Will Counties. However, the impact of the airport on household formation and population will be spread over more of the region. Table 2 shows how the impacts of the airport are expected to be distributed across the region and beyond.

Table 2
Projected Jobs, Household and Population, 2030 Baseline SSA Impacts

Location	Jobs	Households	Population
City of Chicago	9,498	2,625	6,585
South Cook County	7,625	2,855	7,841
Other Cook County	1,852	826	2,177
Total Cook County	18,975	6,306	16,603
Will County	21,822	6,146	19,214
Other Collar Counties	1,160	4,669	13,569
Total Region	41,957	17,121	49,386
Out of Region	8,544	3,069	8,270
Total	50,501	20,190	57,656

Source: ACG (1)

The Al Chalabi Group's analyses further show that some of the benefits will accrue outside of the seven-county Chicago metropolitan area, but that most of the benefits will remain within our metropolitan area.

South Suburban Airport Personal Mobility Benefits

South Suburban Airport will provide additional mobility for the region. The new airport is expected to provide new low-cost, point-to-point service for trips originating in or destined for Chicagoland. The additional service will provide more travel options and control prices for air travel in the region. Service is expected to be largely domestic [ACG (1)].

Service from SSA is expected to commence where at least moderate passenger volumes (40,000 enplanements annually) can be expected. Under one plausible scenario put forward in the SSA Airport Master Plan, scheduled service might first be established to leisure destinations like Las Vegas, Orlando, and Phoenix, followed by Los Angeles and New York, and followed later by markets like Washington, Miami, Atlanta, Boston, and San Francisco. Thus, a sufficient market is thought to exist at SSA to support service to many prime aviation destinations in the U.S. [ACG (2)].

International destinations are expected to be added later in the operations of the airport. Initial international destinations are expected to be located in Canada, followed by Mexico and the Caribbean. [ACG (2)]

South Suburban Airport will bring new convenience to south suburban residents who now have to travel long distances to air terminals. For residents south of a line from Southeast Chicago through the Palos area to Lockport, the South Suburban Airport will be a quicker trip than a trip to Midway [ACG (2)]. These benefits of a nearby airport have been or are expected to be enhanced by a number of surface transportation improvements in the south suburbs. These highway and rail improvements include:

- I-80/94 Kingery Expressway Reconstruction/Additional Lanes (Complete)
- I-294 Tri-State Reconstruction/Additional Lanes from 95th to I-94 (Under Construction)
- I-80 Additional Lanes from I-55 to US 45 (Planned)
- I-355 Extension to I-80 (Under Construction)
- I-57 Additional Lanes (Planned)
- IL-394 Upgrade and Additional Lanes (Planned)
- Illiana Expressway with IL-394-I-57 Connector (Planned)
- South Suburban Tollway I-80 to I-57 (Planned)
- Metra Southeast Service to Beecher (Planned)
- Metra Southwest Service to Manhattan (Complete)
- Metra Electric Service Extension to Peotone/SSA (Planned)
- STAR Line Elgin Joliet and Eastern Service (Planned)
- Kankakee County Commuter Rail (Planned)

These improvements and arterial improvements will help stitch south suburban Chicago together and will have the added benefit of providing additional access to the South Suburban Airport [CMAP (2)].

South Suburban Airport Freight Benefits

As with passenger traffic, freight usage of the South Suburban Airport is expected to grow slowly. Initial usage of passenger planes by freight handlers may be limited by small aircraft expected at the inaugural airport [ACG (2)]. However, dedicated freight aviation may be marketable, given congestion at other airports and the location of the South Suburban Airport convenient to some freight locations. In particular, ample capacity and excellent highway access may attract a shipper to a substantial presence at South Suburban Airport. However, such a move would be very dependent on a firm's competitive strategy, which is often difficult to predict.

Trips of less than 500 miles rarely make economic sense for air freight. Hence, most of the traffic will be long-distance. Most freight will be domestic, but a substantial portion will be international. South Suburban Airport is expected to handle 8% of the area's domestic air freight tonnage by 2030. For international cargo, SSA is expected to handle 6% of the metropolitan Chicago market by 2030 [ACG (2)].

The baseline estimate for air cargo in 2030 is 402,800 tons. 2030 estimates range from 201,400 tons to 557,900 tons. International cargo for the baseline estimate is projected to comprise 2,669 of 8,051 annual operations in year 2030 [ACG (2)].

The South Suburban Airport has many advantages for the air freight industry that may make the airport attractive:

- Substantial airside capacity;
- Substantial terminal development potential; and
- Substantial landside capacity, with improved highway facilities and additional access planned

Easy access to Interstate Highways 80, 90, 88, 94, 55, 57, and 65 makes the South Suburban Airport site attractive. In addition, bypasses of Chicago congestion are available with I-294, I-355, or I-39. The proposed Illiana Expressway will further improve access.

More information about aviation forecasts is available in the materials cited on the following page. Interested readers are encouraged to look up these materials.

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Sources and Substantiation

ACG (1) The Al Chalabi Group, Ltd., in association with TAMS/EarthTech. 2006. *Airport Master Plan for the South Suburban Airport. Socio-Economic Impact Assessment of Alternative Build/No-Build Forecasts for the South Suburban Airport: Inaugural Airport Program.* http://masterplan.southsuburbanairport.com/pdf/impact_analysis/Rev_SSA_Socio-Economic_Impact_Assessment.pdf Accessed August, 2007.

Specific Page references:

P.2: ACG Table 1, page 11.

P.3: Employment: ACG Table 1, p. ii.; income and expenditures: ACG Tables 26-29, pp. 49-52 (here, "gross regional product" was substituted for its near equivalent "Total Industrial Output."; state tax revenue: ACG Tables 30-33, pp. 53-58.

P.4: Appendix 12, Appendix 15, and Appendix 18. Employment totals vary slightly from p.3 totals because of rounding.

P.5: p. 8.

ACG (2) The Al Chalabi Group, Ltd, TAMS/Earthtech, Global Insight, Inc., L.E.K. Consulting. 2004. *Airport Master Plan for the South Suburban Airport: Projections of Aeronautical Activity for Inaugural Airport Program, South Suburban Airport.* http://masterplan.southsuburbanairport.com/pdf/forecast/Passenger_Forecasts.pdf. Accessed August, 2007.

P. 5: destinations: pp 24—42; international market: pp 48—51; travel times: p. 15

P. 6: small aircraft: p. 53; market share: pp. 95—96; tonnage: p. 98.

BLS (1) [Bureau of Labor Statistics]. 2007. *CPI Detailed Report for June 2007.* <http://www.bls.gov/cpi/cpid0706.pdf>. Accessed August, 2007. See Table 24. CPI-U was used to inflate 2001 dollars reported by ACG to 2007 levels. Indices: 2001: 177.1; 2007: 208.4.

CMAA (1) [Chicago Metropolitan Agency for Planning]. 2005. Internal data used for 2006 regional travel demand models. This data was the result of analysis of Federal Aviation Administration data and estimates by the Illinois Department of Transportation, with input from the Chicago Department of Aviation. A few notes: (a)The estimates which showed higher short-term aviation growth at Midway than O'Hare were correct relatively, but the scale of this projected change in share was over-estimated. (b) Long-term federal terminal area enplanement forecasts were judged significantly too high when the CMAA estimates were initially compiled, especially for Midway. (c) The Al Chalabi Group [ACG (1)] quotes 2003 NIPC enplanement forecasts; these enplanement

South Suburban Airport Sources and Substantiation (Continued)

forecasts were judged too high by CATS when development of the 2006 Capital Element Update of the 2030 Regional Transportation Plan took place, so were reduced as part of the Update. ACG SSA baseline forecasts were even lower.

CMAP (2) *2030 Regional Transportation Plan for Northeastern Illinois*. 2006 Capital Element Update, October 2006. <http://www.sp2030.com>. Accessed August 2007.

FAA (1) [Federal Aviation Administration]. *Passenger and All-Cargo Statistics*. http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/ Accessed August, 2007.

FAA (2) *Terminal Area [Aviation] Forecasts*. http://www.faa.gov/data_statistics/aviation/taf_reports/ Accessed August, 2007.