

**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”) commissioned Gruen Gruen + Associates (“GG+A”) to estimate the economic and fiscal impacts that CEA 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.

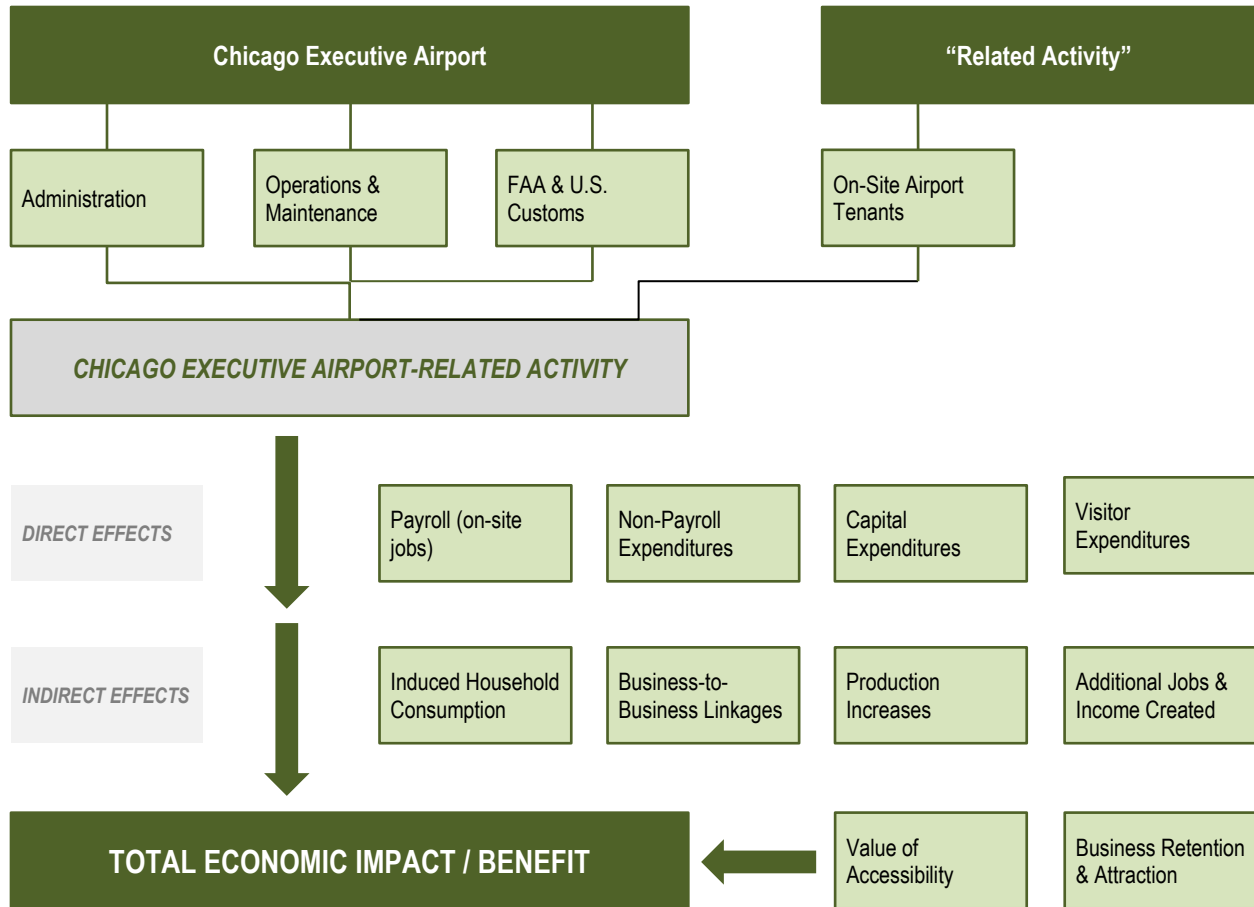
The CEA attracts dollars from outside of Cook County and spends many of these dollars locally on operations, capital improvements, and payroll. Visitor expenditures, in addition to expenditures on operations, increase the purchase of goods and services in Cook County, and as the dollars spent locally circulate through the economy, local incomes expand. The direct expenditure 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.

Air service, hospitality and related travel sectors have been recovering from the severe downturn caused by the Covid-19 pandemic. The interviews with Fixed Base Operators at the CEA suggest that corporate and business flight activity has recovered significantly and is growing. 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 and the broader Chicago Metropolitan area.



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.

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, are concentrated in metropolitan areas such as the Chicago metro 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



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

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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.<sup>1</sup> 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.<sup>2</sup> Communities with access to adequate airport capacity have stronger economic growth and rising incomes than communities without such access.

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<sup>1</sup> 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>.

<sup>2</sup> See for example: [O'Hare key to Chicago's post-pandemic economic recovery | Crain's Chicago Business](#); [What's Prompting HQ Relocations? - Area Development](#);



**Chicago Executive Airport Enhances Accessibility and Benefits Area Companies**

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 businesses. 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.





**FINDINGS AND CONCLUSIONS**

**2023 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 2023.

<b>TABLE I-1</b>			
<b>On-going Annual Economic Impact of the Chicago Executive Airport, On-site Businesses and Visitor Spending on the Cook County Economy in 2023<sup>1</sup></b>			
	<b>Output \$</b>	<b>Labor Income \$</b>	<b>Employment # Jobs</b>
Direct	220,548,900	82,450,000	753.6
Indirect	264,970,240	109,628,400	1,690.3
<b>Total</b>	<b>485,519,100</b>	<b>192,078,400</b>	<b>2,443.9</b>
Multiplier	2.20	2.33	3.24
<sup>1</sup> 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 over 2,400 jobs. The total direct and indirect annual labor income impact is estimated at \$192.1 million, or approximately \$78,000 per job. The total output impact – that is, the total volume of economic activity supported – is estimated at \$485.5 million annually within Cook County.

Expenditures made by the CEA, on-site businesses, and Airport visitors directly support 754 jobs within Cook County. These expenditures directly generate \$82.5 million of additional income within Cook County, or approximately \$109,000 of income per job. Total direct annual output associated with the Airport and related activities is estimated at \$220.5 million.

Indirectly, Airport-related spending supports an additional 1,690 jobs within Cook County and \$109.6 million of labor income (approximately \$65,000 of labor income per indirect job supported). The employment and income multipliers are 3.24 and 2.33 respectively, indicating that for every 10 directly-supported jobs, an additional 23 jobs are supported indirectly within Cook County; and for every \$10 in direct income, an additional \$13 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 2023.

<b>TABLE I-2</b>			
<b>One-Time Annual Economic Impact of Construction Activities of the Chicago Executive Airport and On-site Businesses on the Cook County Economy in 2023<sup>1</sup></b>			
	Output \$	Labor Income \$	Employment # Jobs
Direct	12,700,700	4,088,500	55.8
Indirect	10,272,200	2,230,800	37.5
<b>Total</b>	<b>22,972,900</b>	<b>6,319,300</b>	<b>93.4</b>
Multiplier	1.81	1.55	1.67
<sup>1</sup> Figures are rounded.			
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 93 jobs. This is full- and part-time jobs, not “full time equivalent” estimates. The total (direct and indirect) income impact within Cook County is estimated at approximately \$6.3 million, or approximately \$68,000 per job. The total output impact – or the total volume of economic activity supported within Cook County – is estimated at nearly \$23 million.

**2023 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 in Table I-3, activity associated with the Chicago Executive Airport is estimated to generate approximately \$2.8 million of annual tax revenue for the state of Illinois and \$5.5 million for local taxing entities.

<b>TABLE I-3</b>			
<b>Estimated Total Annual Revenues Induced by the Chicago Executive Airport and On-site Businesses for Local and State Taxing Entities<sup>1</sup></b>			
	Local <sup>2</sup> \$	State \$	Total \$
Property and Leasehold Property Tax <sup>3</sup>	2,913,600	0	2,913,600
Sales Tax (Direct) (Visitor Spending and Fuel Sales)	2,156,100	2,395,700	4,551,800
Hotel Tax	434,500	408,400	842,900
Telecommunication Tax	22,600	26,300	48,900
<b>TOTAL</b>	<b>5,526,800</b>	<b>2,830,400</b>	<b>8,357,200</b>
<sup>1</sup> Figures are rounded.			
<sup>2</sup> 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.			
<sup>3</sup> Property (2021 tax year paid in 2022) and leasehold property taxes (2022 taxes).			
Source: Gruen Gruen + Associates			

Property taxes, including leasehold property taxes, generated by Airport-related activity comprise the largest source of revenue at nearly \$2.9 million. Sales taxes generated by Airport-related activity, including visitor spending and aviation fuel sales, are estimated to comprise the second largest source of local revenue at over \$4.5 million of which \$2.2 million are local sales taxes. Hotel taxes comprise the third largest source of tax revenue, estimated at approximately \$842,900 for 2023. Local hotel taxes are estimated at \$434,500. Telecommunication taxes are estimated to provide an additional \$48,900 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 to the Airport;
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 10 jobs directly supported by an activity or event; an additional three 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 2023; the figures presented in this report are in 2023 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.

<b>TABLE II-1</b>	
<b>Gross Revenues, Direct Employment, and Payroll Expenditures for Chicago Executive Airport: 2023</b>	
	CEA Administration & Operations
Budgeted Gross Revenues	\$6,959,449
Total Payroll	\$2,155,876
Total Employment	15.82
Sources: Chicago Executive Airport FY 2024 Annual Budget; Gruen Gruen + Associates.	

In 2023 (based on FY 2024 budget ending April 30, 2024), an estimated 15.82 (full-time equivalent) workers are directly employed at the Chicago Executive Airport. Annual payroll in 2023 is estimated at over \$2.1 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 nearly \$7.0 million in 2023.



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

**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 2023. 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.

<b>TABLE II-2</b>	
<b>Gross Revenues, Direct Employment, and Payroll Expenditures for On-site or Within Airport Influence Area Businesses: 2023<sup>1</sup></b>	
	On- Site Businesses
Estimated Gross Revenues	\$202,543,300
Total Payroll	\$77,257,000
Total Employment	661
<sup>1</sup> Direct employment and payroll estimates are based on interviews of on-site and within airport influence area businesses.	
Sources: Chicago Executive Airport; Gruen Gruen + Associates.	

In 2023, an estimated 661 (full-time equivalent) workers are directly employed by on-site tenants at the Chicago Executive Airport. Annual payroll in 2023 is estimated at over \$77 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 \$202.5 million in 2023.

**Capital Expenditures**

Table II-3 presents the estimated capital and major maintenance expenditures budgeted for 2023.

<b>TABLE II-3</b>		
<b>2023 Budgeted Capital Improvements and Major Maintenance for the Chicago Executive Airport and On-Site Businesses</b>		
	Total Capital Expenditures	Estimated Local <sup>1</sup> Expenditure Share
	\$	%
CEA Admin & Operations	2,800,700	100
On-Site Tenants <sup>2</sup>	9,900 000	100
<b>TOTAL</b>	<b>12,700,700</b>	
<sup>1</sup> Share of expenditures made within Cook County. Figures are rounded.		
<sup>2</sup> Estimate based on results of on-site FBO interviews.		
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 2023 will total over \$2.8 million. The CEA expenditures primarily relate to capital improvements (fencing/gate/landscaping, pavement repair, and security upgrades), capital outlay expenses, and other expenditures related to apron construction, taxiways, airfield lighting, and the sound insulation program. One new hangar development by a Fixed Base Operator will constitute most capital expenditures from on-site tenants in 2023. Total annual capital spending from on-site tenants is estimated at \$9.9 million in 2023.

**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 2023.

<b>TABLE II-4</b>	
<b>Projection of 2023 Visitor Expenditures in Cook County</b>	
	2023 Total
	#
Airport Visitors (Estimate of Overnight Visitors)	14,200
Room Night Generation <sup>1</sup>	48,280
Retail and Dining Expenditures <sup>2</sup>	<b>\$4,891,000</b>
Hotel Expenditures <sup>3</sup>	<b>\$7,242,000</b>
<sup>1</sup> Assumes overnight visitors stay an average of 3.0 nights.	
<sup>2</sup> Daily retail and food expenditures of \$101.	
<sup>3</sup> Average daily room rate of \$150.	
Sources: Chicago Executive Airport; Gruen Gruen + Associates.	

Utilizing the relationship between estimated visitation and fuel sales trends in prior years by the Airport, and insight from interviews with Fixed Base Operators, we estimate 2023 overnight visitation of approximately 14,200.

We assume that visitors will stay overnight for an average stay of 3.0 nights resulting in 48,280 total room nights for 2023. We assume an average daily hotel rate of \$150. Retail and dining expenditures made within the local area are assumed to total \$101 per night. Accordingly, annual visitor-related expenditures are estimated at nearly \$12.1 million.<sup>3</sup>

<sup>3</sup> [PowerPoint Presentation \(enjoyillinois.com\)](https://www.enjoyillinois.com), Economic Impact of Visitors in Illinois 2021, prepared by Tourism Economics in June 2022 reports average daily non-transportation expenditures including lodging of nearly \$200 per day. This estimate includes both overnight and day visitors.



## 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 – to be conservative we primarily focus on the direct tax revenues resulting from Airport-related operations.

#### 2023 CONSTANT DOLLARS

All income, output, and tax revenue estimates in this Chapter are expressed in constant 2023 dollars. That is, the possible effects of inflation or deflation are not considered.

#### TOTAL 2023 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.

<b>TABLE III-1</b>			
<b>On-going Annual Economic Impact of the Chicago Executive Airport, On-site Businesses and Visitor Spending on the Cook County Economy in 2023<sup>1</sup></b>			
	Output \$	Income \$	Employment # Jobs
Direct	220,548,900	82,450,000	753.6
Indirect	264,970,240	109,628,400	1,690.3
<b>Total</b>	<b>485,519,100</b>	<b>192,078,400</b>	<b>2,443.9</b>
Multiplier	2.20	2.33	3.24
<sup>1</sup> Figures are rounded.			
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			





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

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The total economic impacts encompass those related to payroll, non-payroll, capital, and visitor spending. Appendix A presents the economic impacts in more detail. The total direct and indirect employment impact of the Airport and related activities on the Cook County economy is estimated at over 2,400 jobs. The total direct and indirect annual labor income impact is estimated at \$192.1 million, or approximately \$78,000 per job. The total output impact – that is, the total volume of economic activity supported – is estimated at \$485.5 million annually within Cook County.

Expenditures made by the CEA, on-site businesses, and Airport visitors directly support 754 jobs within Cook County. These expenditures directly generate \$82.5 million of additional income within Cook County, or approximately \$109,000 of income per job. Total direct annual output associated with the Airport and related activities is estimated at \$220.5 million.

Indirectly, Airport-related spending supports an additional 1,690 jobs within Cook County and \$109.6 million of labor income (approximately \$65,000 of labor income per indirect job supported). The employment and income multipliers are 3.24 and 2.33 respectively, indicating that for every 10 directly supported jobs, an additional 23 jobs are supported indirectly within Cook County; and for every \$10 in direct income, an additional \$13 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 revenue<sup>4</sup>:

- 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 2022 property tax revenues generated by these sources based on tax data for each parcel from the Cook County Assessor.

Appendix B presents the property tax revenue estimates in more detail. Approximately 65 percent of the estimated property tax revenues goes to School District 21 (Wheeling Consolidated) and High School District 214 (Arlington Heights Township). Nearly 9.0 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.

<b>TABLE III-2</b>	
<b>Estimate of 2023 Property Tax Revenues Directly Generated by Airport Activities<sup>1</sup></b>	
Source	2022 Property Tax Revenues \$
On-Airport Parcels and On-Site Tenants (Leasehold Property Tax) <sup>2</sup>	2,913,569
<sup>1</sup> Figures are rounded.	
<sup>2</sup> Taxes paid in 2022 for year 2021.	
Source: Cook County Assessor; Gruen Gruen + Associates.	

Property taxes associated with buildings/hangars on Airport property and leasehold properties totaled approximately \$2.9 million in 2022.

<sup>4</sup> 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.



**SALES TAXES**

**Sales Tax Revenues Directly Generated**

Sources of sales and use 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 remit sales taxes due to their business activities at the Chicago Executive Airport. Table III-3 summarizes the estimated sales and use tax revenues generated by these activities associated with the operations of the Airport. Appendix B presents fuel sales tax revenue estimates in more detail for the Airport businesses. As detailed in Appendix B, the Village of Wheeling is estimated to receive nearly \$1.4 million in aviation fuel sales tax.

<b>TABLE III-3</b>	
<b>Estimate of Total Sales Tax Revenue Directly Generated by Airport Activities</b>	
Sources	Total Direct Sales Tax \$
Visitor Spending <sup>1</sup>	464,600
On-Site Tenants – Aviation Fuel Sales <sup>2</sup>	4,087,200
<b>TOTAL</b>	<b>4,551,800</b>
<sup>1</sup> Visitation activity based on estimated 2023 fuel sales. Spending related to eating and drinking and shopping.	
<sup>2</sup> Based on interviews with FBO representatives.	
Sources: Illinois Department of Revenue; Chicago Executive Airport; Gruen Gruen + Associates.	

Total sales and use tax revenues directly generated by Airport activity are estimated at over \$4.5 million. Aviation fuel sales attributable to Airport businesses are the largest source of sales tax revenue, which are estimated at nearly \$4.1 million. This estimate reflects the assumptions that approximately 7.7 million gallons of aviation fuel will be sold in 2023 at an average price per gallon of \$5.59 and a combined state and local tax rate of 9.5 percent.

Visitors to the Airport are estimated to generate approximately \$464,400 in total sales tax revenues from eating and drinking and shipping while visiting the area. The sales tax estimate reflects the assumptions of 14,200 annual visitors, an average stay of three days, and \$101 in spending per day for total annual retail spending of \$4.9 million. Based on a sales tax rate of five percent, state of Illinois sales taxes are estimated at approximately \$244,500. Based on a sales tax rate of 4.5 percent (including the RTA share), local sales taxes are estimated at approximately \$220,100.



**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.

<b>TABLE III-4</b>	
<b>Estimate of Hotel Tax Revenue Generated by Airport Visitation</b>	
	2023
Room Nights Generated in Cook County	48,280
Average Daily Rate	\$150
Total Cook County Hotel Revenue	\$7,242,000
<b>Hotel Tax Revenues:</b>	
<b>State<sup>1</sup></b>	<b>\$408,400</b>
<b>Local<sup>2</sup></b>	<b>\$434,500</b>
<sup>1</sup> The State of Illinois imposes a six percent hotel operator occupation tax based on 94 percent of gross receipts. <sup>2</sup> Assumes an average municipal hotel tax rate within Cook County of six percent.	
Source: Gruen Gruen + Associates	

Based on an assumed average daily hotel rate of \$150, Airport visitation in 2023 is estimated to support approximately \$7.2 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 rate of six percent of gross receipts.<sup>5</sup> We estimate that local hotel tax revenue generated by visitors in 2023 will be approximately \$434,500. State hotel tax revenues are projected at approximately \$408,400.

<sup>5</sup> The hotel tax rate imposed by the Village of Wheeling, for example, is six percent of gross receipts.



**TELECOMMUNICATIONS TAX**

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 FY 2024 CEA Budget, telecommunication expenses associated with the operations of the Airport are expected to total approximately \$21,700. This equates to expenditures of approximately \$1,350 per Airport employee. Accordingly, total telecommunication expenditures related to all Airport activity (including on-site businesses and tenants) are estimated to total approximately \$376,000.

Table III-5 presents an estimate of telecommunication tax revenue generated by Airport activities.

<b>TABLE III-5</b>	
<b>Estimate of Direct Telecommunication Tax Revenue Generated by Airport Activities</b>	
	<u>2023</u>
Total On-Site Employment at Airport <sup>1</sup>	278
Telecommunication Expenses per Employee	\$1,350
Total Telecommunication Expenditures	\$376,000
<b>Telecommunication Tax Revenues:</b>	
<b>State</b>	<b>\$26,300</b>
<b>Local</b>	<b>\$22,600</b>
<sup>1</sup> Does not include tenant businesses at FBO's. Figures are rounded.	
Source: Gruen Gruen + Associates	

Total state and local telecommunication tax revenues are estimated at \$48,900 for 2023. This estimate is based on the estimate of 278 on-site employees and an average telecommunication expense per employee of \$1,350.



APPENDIX A

DETAILED ECONOMIC IMPACT ESTIMATES

Table A-1 summarizes the estimated on-going economic impacts on the Cook County economy of the various Airport-related activities.

TABLE A-1			
On-going Annual Economic Impacts on Cook County Economy by Component of Airport-related Activity: 2023 <sup>1</sup>			
	Output \$	Income \$	Employment # Jobs
<b>CHICAGO EXECUTIVE AIRPORT:</b>			
Direct	6,959,400	2,155,900	15.8
Indirect	7,528,800	2,918,300	41.5
Total	14,488,200	5,074,200	57.3
<i>Multiplier</i>	<i>2.08</i>	<i>2.35</i>	<i>3.62</i>
<b>ON-SITE OR WITHIN AIRPORT INFLUENCE AREA TENANTS:</b>			
Direct	202,543,300	77,257,000	661.0
Indirect	248,372,800	104,579,800	1,611.3
Total	450,916,100	181,836,800	2,272.3
<i>Multiplier</i>	<i>2.23</i>	<i>2.35</i>	<i>3.44</i>
<b>VISITOR SPENDING:</b>			
Direct	11,046,200	3,037,100	76.8
Indirect	9,068,600	2,130,300	37.6
Total	20,114,800	5,167,400	114.4
<i>Multiplier</i>	<i>1.82</i>	<i>1.70</i>	<i>1.49</i>
<b>TOTAL:</b>			
Direct	220,548,900	82,450,000	753.6
Indirect	264,970,240	109,628,400	1,690.3
Total	<b>485,519,100</b>	<b>192,078,400</b>	<b>2,443.9</b>
<i>Multiplier</i>	<i>2.20</i>	<i>2.33</i>	<i>3.24</i>
<sup>1</sup> Figures are rounded.			
Sources: Chicago Executive Airport; RIMSII, Regional Production Division, Bureau of Economic Analysis; Gruen Gruen + Associates.			

Most of the economic impacts are attributable to the businesses operating at the Airport. The on-site, direct impacts include 661 jobs, annual labor income of \$77.3 million, and annual economic output of \$202.5 million. The multiplier or “ripple” effects throughout the Cook County economy are estimated to total an additional 1,611 jobs, associated annual labor income of \$104.6 million, and \$248.4 million in annual economic impact. The total direct plus indirect impacts attributable to the businesses



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

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operating at the Airport are estimated at 2,272 jobs, associated annual labor income of \$181.8 million, and annual economic output of nearly \$451 million.

Visitor-related spending accounts for an estimated 4.7 percent of jobs, 2.7 percent of labor income, and 4.1 percent of economic output. Visitor spending is estimated to generate approximately 114 jobs, \$5.2 million in annual labor income, and \$20.1 million in annual economic output.

The Chicago Executive Airport administrative and operation activities account for approximately 2.3 percent of jobs, 2.6 percent of annual labor income, and nearly three percent of annual economic output. Airport administrative and operations are estimated to generate a total of 57 jobs, annual labor income of \$5.1 million, and \$15.5 million in annual economic output.

In total the Airport is estimated to generate approximately 2,443 jobs, \$192.1 million in annual labor income, and \$485.5 million in economic output.



**APPENDIX B**

**DETAILED TAX REVENUE ESTIMATES**

Table B-1 summarizes the estimate of property tax generated by Airport property for all taxing districts.

<b>TABLE B-1</b>		
<b>Chicago Executive Airport Property Tax Revenue Estimate by Taxing District<sup>1</sup></b>		
	2022 Tax	Total %
School District 21 (Wheeling Consolidated)	\$1,252,667	43.0
High School District 214 (Arlington Heights Township)	\$641,135	22.0
Village of Wheeling	\$253,487	8.7
Cook County	\$107,337	3.7
Wheeling Park District	\$165,499	5.7
Indian Trails Public Library	\$110,304	3.8
Harper Community College District 512	\$109,984	3.8
City of Prospect Heights	\$37,884	1.3
Metro Water Reclamation District	\$91,934	3.2
Northwest Mosquito Abatement District	\$103,021	3.5
Wheeling Township <sup>2</sup>	\$15,403	0.5
Forest Preserve District of Cook County	\$13,959	0.5
Prospect Heights Public Library	\$10,955	0.4
<b>TOTAL</b>	<b>\$2,913,569</b>	<b>100.0</b>
<sup>1</sup> Includes leasehold property tax revenue for on-site tenants.		
<sup>2</sup> Includes Road & Bridge fund and General Assistance.		
Sources: Cook County Clerk; Gruen Gruen + Associates.		

School District 21 (Wheeling Consolidated) receives 43 percent of total property tax revenue or nearly \$1.3 million. High School District 214 (Arlington Heights Township) receives 22 percent of total property tax revenue or \$641,135. The Village of Wheeling receives approximately 8.7 percent of total property tax revenue or \$253,487. The City of Prospect Heights receives 1.3 percent of total property tax revenue or nearly \$38,000. In total, the Airport generates over \$2.9 million in annual property tax revenue for all taxing entities.





**The Economic and Fiscal Impact of the Chicago Executive Airport  
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Table B-2 presents an estimate of the allocation of the estimated annual aviation fuel sales tax revenue of nearly \$4.1 million.

<b>TABLE B-2</b>		
<b>Direct Fuel Sales Tax Revenue</b>		
	Annual Tax \$	Share % of Total
Village of Wheeling	1,398,300	34.2
Regional Transportation Authority	537,800	13.2
State of Illinois	2,151,000	52.6
Total	4,087,100	100.0
Source: Gruen Gruen + Associates		

The Village of Wheeling is estimated to receive over 34 percent of annual total fuel tax revenue at nearly \$1.4 million. The Regional Transportation Authority is estimated to receive over 13 percent of the fuel tax revenue at \$537,800. The State of Illinois is estimated to receive 52.6 percent of total fuel tax revenue at over \$2.1 million.



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