



ELOY

MUNICIPAL AIRPORT
ECONOMIC BENEFIT ANALYSIS



ELOY
ARIZONA

ECONOMIC BENEFIT ANALYSIS

For

ELOY MUNICIPAL AIRPORT

Prepared for

The City of Eloy

Prepared by

Coffman Associates

In association with

**Dr. Lee McPheters
Seidman Research Institute
W.P. Carey School of Business
Arizona State University**

AUGUST 2020

ELOY MUNICIPAL AIRPORT ECONOMIC BENEFIT ANALYSIS

CONTENTS

| | |
|--|----|
| EXECUTIVE SUMMARY | 3 |
| ELOY MUNICIPAL AIRPORT ECONOMIC BENEFITS | 7 |
| Total Economic Benefits | 10 |
| A DAY AT ELOY MUNICIPAL AIRPORT | 11 |
| GOVERNMENTAL REVENUE BENEFITS | 12 |
| Federal Taxes | 12 |
| State and Local Taxes | 12 |
| AIRPORT VISITOR ECONOMIC BENEFITS | 13 |
| Airport Visitor Survey | 13 |
| Airport Visitor Characteristics | 14 |
| Airport Visitor Expenditures | 15 |
| APPENDIX I | 18 |
| APPENDIX II | 19 |

ELOY MUNICIPAL AIRPORT ECONOMIC BENEFIT ANALYSIS

EXECUTIVE SUMMARY

This report provides a comprehensive analysis of economic benefits created by the operation of the Eloy Municipal Airport (E60). The study period is calendar year 2019. The 91-acre airport is classified as a general aviation (GA) airport and has been owned and operated by the City of Eloy since 1969. The airport is situated approximately three miles northwest of downtown Eloy, in Pinal County, Arizona. The latest available Federal Aviation Administration Form 5010 lists 17 based aircraft on the airport, including 9 single engine and 8 multi-engine aircraft. There are currently no based jets. The airport recently has been used as a staging area for helicopters serving the Banner Casa Grande Medical Center. The Airport has one runway (2/20) measuring 3,901 feet in length. The airport administration reported 30,000 operations in 2019, an average of 82 per day.



A unique feature of the Eloy Municipal Airport is the “through-the-fence” access agreement between the City of Eloy and Skydive Arizona, among the largest and most active skydiving centers in the world. The through-the-fence (TTF) agreement grants access across the airport’s property boundary to airside infrastructure from property adjacent to the airport. The Federal Aviation Administration (FAA) supports such agreements only when there are identifiable benefits to the Airport and the community (see FAA *Advisory Circular 150/5190-7*).

The Skydive Arizona center opened in 1991 and now reports up to 150,000 jumps per year, attracting airport visitors from across the region, as well as from other states and internationally. The skydiving presence includes a cluster of related businesses involved in aircraft maintenance, parachute rigging and testing, skydiving sales and equipment, a comprehensive offering of skydiving training programs, and special events throughout the year. In this report, references to “the Airport” include businesses within the Airport property lines and those entities related to Skydive Arizona that operate with through-the-fence access.

The combined activities of employers on the airport and through-the-fence operations create significant economic benefits for the airport service area and the City of Eloy. The methodology for measurement of airport economic benefits has become standardized in recent years by public and private sector aviation analysts (for a current example, see *The Economic Impact of Civil Aviation on the U.S. Economy*, FAA, January 2020). Consistent with the FAA methodology, this study views the Eloy Municipal Airport as a source of measurable benefits that impact Eloy and other communities in the Santa Cruz Valley and Pinal County.

In studying the economic contribution of airports, the established methodology emphasizes three key quantifiable economic benefits:

- **Employment:** the number of jobs supported by economic activity created by the presence of the airport.
- **Payrolls:** the payments received by workers as wages and benefits along with proprietor's income to business owners.
- **Output:** the dollar value of output created/revenue received (output and revenue are interchangeable synonymous terms used throughout this study).

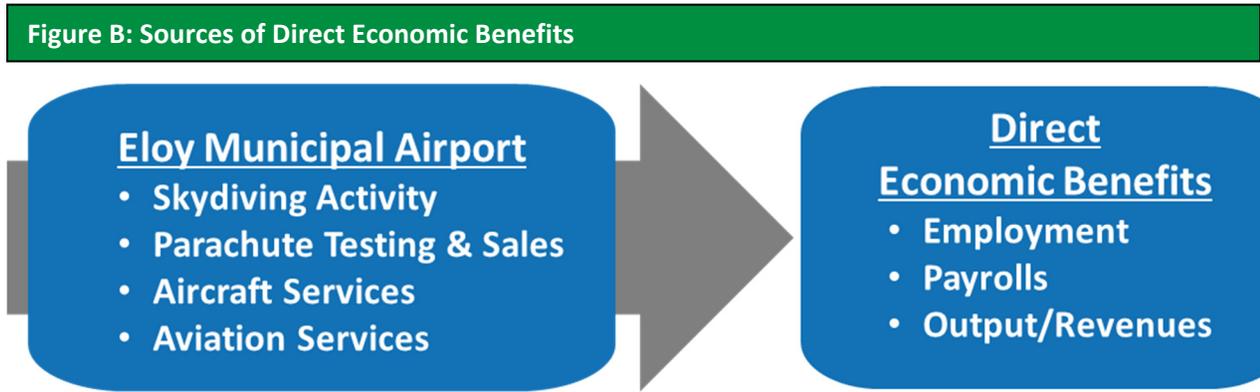
Economic activity (such as the sale of a Skydive training package) creates **direct economic benefits** on the Airport. The sale provides revenues to the skydiving center, and those revenues, in turn, are used to provide wages for workers and for payments to suppliers. As payments are received by suppliers or payrolls spent by workers, the initial direct spending recirculates in the economy to generate **secondary economic benefits**. Summed together, the combined direct and secondary economic benefits provide a measure of **total economic benefits (Figure A)**.

Figure A: Direct, Secondary, and Total Economic Benefits



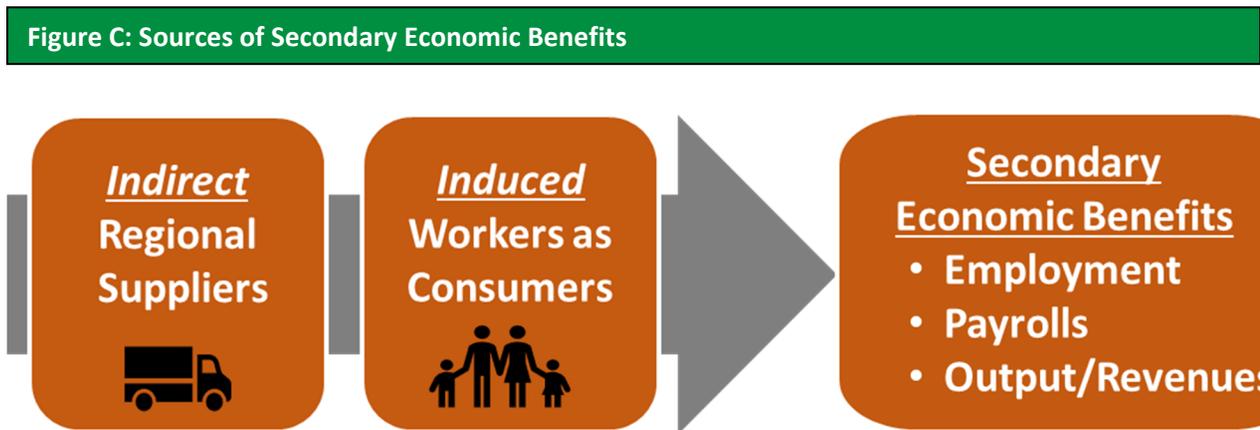
Direct economic benefits (Figure B) originate from activity by firms on the airport and those with through-the-fence access as they create jobs, payrolls, and revenues. The airport provides skydiving experiences and training, equipment testing and sales, aircraft repair and maintenance, along with such services as photography and air charter. In addition, spending by those attracted to the airport for skydiving generates direct economic benefits when visitors pay for lodging, food and drink, or retail goods and services. The on-airport direct benefits were tabulated by obtaining data on revenues received by airport employers, the number of workers, and compensation paid. As explained below,

these initial direct economic benefit flows are the direct “inputs” to an input-output model to estimate secondary and total economic benefits.



Secondary economic benefits are created when the initial direct spending circulates and recycles through the economy. There are two types of secondary economic benefits (**Figure C**).

Indirect benefits include activity by suppliers and vendors who sell to airport businesses, along with the jobs created and incomes paid to workers by these suppliers. For example, businesses on the airport purchase services, such as insurance and hard goods (tools or office furniture) from off-airport providers.

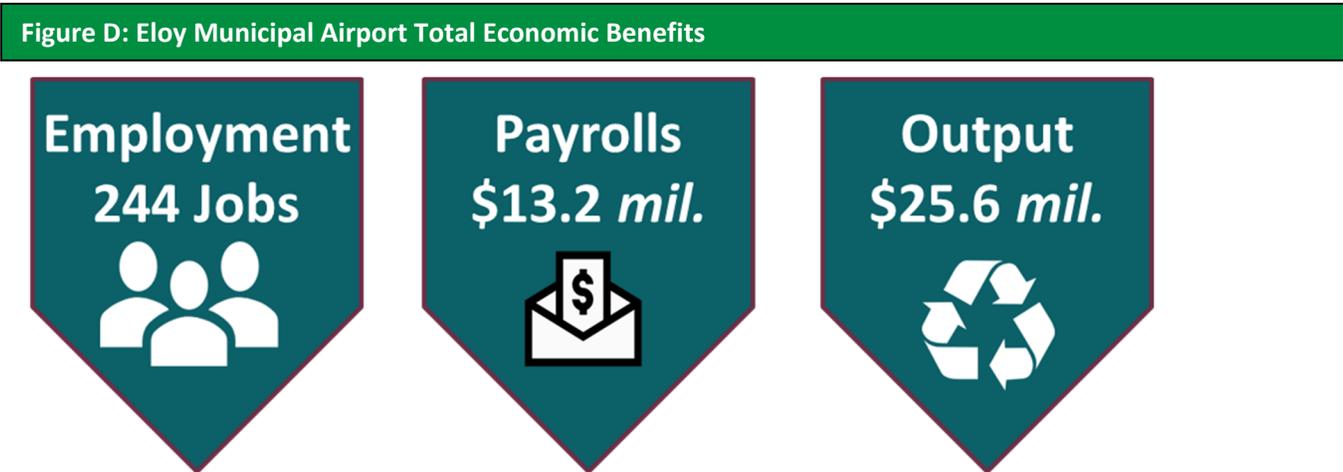


Induced benefits measure the consumer spending of workers who produced both the direct or indirect goods and services. For example, when an aircraft technician’s salary is spent for consumer goods, such as groceries or medical services, this contributes to additional employment and income in the general economy for providers of these goods and services.

Economic benefit studies rely on multiplier factors from input-output models to estimate how direct spending on the goods and services of a particular industry, or set of industries, creates secondary indirect and induced benefits. An input-output model incorporates inter-industry or “supply chain” relationships within the region that account for changes in employment, payroll, and output in related industries set off by a change in demand in the initial industry. An input-output model allows analysts

to track purchases from suppliers (inputs), as well as expenditures by workers on additional output in the form of consumer goods and services. The input-output model used for this study was the IMPLAN (*Impact Analysis for Planning*) model, based on data and coefficients for the Pinal County economy from the U. S. Bureau of Economic Analysis. This model is widely used in airport economic benefit studies.

Figure D illustrates the combined direct and secondary economic benefit data expressed as total economic benefits. In calendar year 2019, Eloy Municipal Airport created total economic benefits of 244 jobs supported, payrolls for workers of \$13.2 million, and output of \$25.6 million.



The components of the Eloy Municipal Airport total economic benefits are shown in Table 1. The direct benefits consisted of on-airport economic output of \$19.1 million, produced by 191 workers who received payrolls of \$11.2 million. Secondary benefits (indirect and induced benefits) included additional output of \$6.5 million, providing employment for 53 workers and payrolls of \$1.9 million. The columns sum to the total economic benefits of output of \$25.6 million, with 244 total jobs and total payrolls of \$13.2 million.

Table 1
Direct, Secondary, and Total Economic Benefits
Eloy Municipal Airport

| SOURCE | EMPLOYMENT | PAYROLLS | OUTPUT |
|--|------------|---------------------|---------------------|
| Direct Benefits: On-Airport Activity | 191 | \$11,254,000 | \$19,150,000 |
| Secondary Benefits: Indirect & Induced | 53 | \$1,917,000 | \$6,497,000 |
| Total Benefits | 244 | \$13,171,000 | \$25,647,000 |

Source: On-site interviews with airport employers. Secondary benefits were computed from the IMPLAN input-output model, with coefficients for Pinal County. Values are in 2019 dollars.

The following sections provide further detail on the sources of the direct, secondary, and total economic benefits created by the Eloy Municipal Airport (see **Table 2**). To highlight the day-to-day economic contribution of the airport, the economic benefits generated on an average day are calculated (**Table 4**).

Governmental tax revenues from airport activity are shown in **Table 5**. The final section of the report reviews demographic and economic data in a series of tables based on a survey of those attending a skydiving event at the airport in December 2019.

ELOY MUNICIPAL AIRPORT ECONOMIC BENEFITS

Economic benefits flow from the employment, payroll, and output created by the various employers at the airport. Information about economic activity at the airport was obtained through in-person interviews with tenants. City of Eloy staff provided substantial data and collaboration in support of this study, facilitated on-site interviews with business owners and managers, and provided specialized knowledge regarding airport operations. Survey participants were assured that the individual employer results were confidential and only aggregate totals would be published. Formal confidentiality agreements were provided covering several businesses.

All employers within and adjacent to the Eloy Municipal Airport are private sector aviation-related firms. There are no public agency employers or non-aviation businesses. The airport does not have an Air Traffic Control Tower (ATCT) or on-site Aircraft Rescue and Fire Fighting (ARFF) unit. The skydiving center occupies three conventional hangars for maintenance and storage of aircraft. The center operates a fleet of 5 Super Otters, 7 Skyvans, a DC-3, a Beech 18, and a Pilatus Porter. Other facilities are used for office space and services for recreational jumpers, as well as training and certification for advanced jumpers and military and security agencies. The center offers on-site lodging facilities for airport visitors who often have extended stays of several days during training or competitive events. These include a hostel



(the “bunkhouse”) and team rooms for up to 10 visitors. Other center structures include a vertical wind tunnel facility, space for sales of skydiving gear and rigging, parking areas, and food services provided by the onsite Bent Prop restaurant for the airport community.

Specialized firms at the airport provide customized skydiving equipment and rigging services, as well as technical testing and evaluation for commercial and military parachute applications. An aircraft engine overhaul and repair firm are also located adjacent to the airport. Additional aviation services available include painting, crop dusting, hot air balloon rides, and aerial photography. For this study, the various lines of business for Skydive Arizona were treated as separate organizations within the input-output model, each with unique input requirements, and different wage structures and output.

For example, the Bent Prop restaurant was categorized as distinct from Skyventure Arizona, the vertical wind tunnel facility. Counting separate Skydive Arizona businesses and all other firms on or adjacent to the airport, a tally of 15 private airport employers was obtained (see the listing in the Appendix). The economic benefits of the airport are shown in **Table 2** and include the following:

- **The direct airport economic benefits resulted from the activity of 15 private employers during 2019. Direct airport output was \$19.1 million annually, providing employment for 191 airport workers and payrolls of \$11.2 million.**
- **The secondary economic benefits, which includes Indirect and Induced, computed through IMPLAN, created an additional \$6.5 million of output, jobs for 53 additional workers, and payroll of \$1.9 million, as the initial spending recycled through the region.**

With 191 workers, the Eloy Municipal Airport is one of the top 3 employment centers in Eloy, second only to a private incarceration facility in the city, and larger than the Eloy public school system.

The largest secondary benefit was \$4.5 million in induced benefits or spending by workers as consumers in the Eloy regional economy, creating 34 jobs and payrolls of \$1.3 million. Indirect benefits, or purchases by airport firms of inputs within the regional economy added 19 jobs and \$2.0 million to regional output.

| Table 2 Direct, Secondary, and Total Airport Economic Benefits Eloy Municipal Airport | | | |
|---|---|---|---------------------|
| SOURCE | EMPLOYMENT | PAYROLLS | OUTPUT |
| Direct Airport Economic Benefits | | | |
| <ul style="list-style-type: none"> • Skydive Training & Jumps • Parachute Rigging & Testing • Aircraft Painting & Maintenance • Engine Overhaul & Repair • Food Service & Retail • Crop Dusting • Aerial Photography |  |  | |
| <i>Direct Benefits</i> | 191 | \$11,254,000 | \$19,150,000 |
| Secondary Airport Economic Benefits | | | |
| Indirect Benefits: Activity by Suppliers & Vendors | 19 | \$595,000 | \$2,011,000 |
| Induced Benefits: Activity by Workers as Consumers | 34 | \$1,322,000 | \$4,486,000 |
| <i>Secondary Benefits</i> | 53 | \$1,917,000 | \$6,497,000 |
| Total Airport Economic Benefits | | | |
| <i>Total Benefits</i> | 244 | \$13,171,000 | \$25,647,000 |

Source: Airport tenant information from on-site interviews. Secondary benefit estimates were computed from the IMPLAN input-output model, with coefficients for Pinal County. Values are in 2019 dollars.

From the IMPLAN input-output model, the regional industries that provide goods and services as inputs to Airport employers can be identified (**Table 3**). The entries illustrate how the “upstream supply chain” supports output and job creation at the Eloy Municipal Airport. Industries in the table are ranked according to dollar volume of inputs purchased by Airport firms during 2019.

The greatest inputs were from companies involved in fuel transport. To produce \$19.1 million of output, the Airport aviation community required \$594,000 of inputs from fuel transport and storage firms in the region.

| Table 3 Purchases From Suppliers & Vendors Eloy Municipal Airport | |
|--|--------------------|
| Industry | Inputs |
| Fuel Transport & Storage | \$594,000 |
| Employment Services | \$127,000 |
| Government Services | \$86,000 |
| Aviation Support Services | \$75,000 |
| Couriers & Messenger Services | \$61,000 |
| Electric Power Transmission | \$47,000 |
| Accounting Services | \$46,000 |
| Financial Services | \$43,000 |
| Marketing and Related Services | \$41,000 |
| Insurance & Brokerages | \$40,000 |
| All Other Suppliers | \$851,000 |
| Input Purchases | \$2,011,000 |

Source: IMPLAN model, Pinal County

The second largest source of inputs was employment services, at \$127,000. This industry includes worker recruitment as well as human resources services. The firms at the Airport also paid government fees of \$86,000, made purchases from other firms in the aviation industry of \$75,000 and paid out over \$60,000 to delivery services. Other local inputs purchased by Airport firms included utilities, accounting, financial services, marketing, and insurance. It is likely that additional inputs were purchased from suppliers outside the Eloy area. These expenditures are known as “leakages” since this spending occurred outside of the local economy and did not create area jobs or output.

TOTAL ECONOMIC BENEFITS

To recap, aviation output produced was valued at \$19.1 million in revenues received by firms on, or adjacent to, the Airport. The dollar value of local inputs required to produce that aviation output at the Airport summed to \$2.0 million. From **Table 2** it can be seen that the \$2.0 million of goods and services provided by the upstream suppliers of inputs to aviation was associated with the creation and support of 19 jobs in

the Eloy regional economy. The total benefits of Airport operations are the sum of the combined direct and secondary benefits. The total benefits of Airport operations include:

- **244 total full-time equivalent jobs supported**
- **\$13.2 million total payroll created annually**
- **\$25.6 million of output contributed annually to the area economy**

Direct airport employment benefits of 191 FTE jobs accounted for 78 percent of total employment benefits, while the secondary (or multiplier) component of 53 jobs accounted for 22 percent. A comparison of the total benefits with the initial direct benefits provides insight into the multiplier process that produces benefits due to the presence of the airport to be distributed across the regional economy. For example, the 191 initial direct airport jobs supported the total employment of 244 workers in the Eloy region, yielding a multiplier value of 1.27. The economic interpretation is that, on average, each 100 direct jobs supported an additional 27 jobs in the Eloy area. Similarly, each million dollars of direct output is associated with additional secondary output of another \$350,000, derived from a calculation of the ratio of total output (\$25,646,000) to direct output (\$19,150,000), equal to 1.34.

Compared to some other Arizona general aviation airports that exhibit employment and output multipliers in the 1.5 to 1.8 range, the multipliers for the Eloy Municipal Airport are somewhat lower. The economic interpretation is that leakages exist because supplier and consumer spending options are not as plentiful for Eloy Municipal Airport firms, so they are making expenditures in other counties, most likely Maricopa or Pima, with a larger economic base of industries. From an economic development perspective, this finding identifies an opportunity for suppliers of inputs and various consumer goods and services in the Eloy area.

A DAY AT ELOY MUNICIPAL AIRPORT

Airports are available to serve the flying public and support the economy every day of the year. The Eloy Municipal Airport is a consistent source of revenues, employment, and income for the airport's service area economy. During an average day in 2019, the airport generated \$70,260 of daily total economic benefits (including direct and secondary or multiplier benefits) and supported 244 area workers, bringing home total daily income of \$36,000 for spending in their home communities (**Table 4**).

Table 4
Economic Benefits for an Average Day
Eloy Municipal Airport

| Activity | Average Day |
|--------------------------|------------------------------------|
| Aircraft Operations | 82 Daily Aircraft Operations |
| Airport Employment | 191 Workers at the Airport |
| Airport Payrolls | \$30,800 Paid to Airport Workers |
| Airport Inputs Purchased | \$5,500 Paid to Regional Suppliers |
| Skydive Jumps | 330 Skydive Jumps* |
| Total Employment | 244 Total Area Jobs Supported |
| Total Payrolls | \$36,000 Paid to Area Workers |
| Total Economic Benefits | \$70,260 Daily Economic Benefits |

*Based on estimates provided by Skydive Arizona

On an average day at the airport, there were 82 operations by aircraft primarily involved in skydiving activity, which was underway every day of the week. In 2019, the airport provided on-site employment for 191 workers, creating payrolls valued at \$30,800 per day used by airport workers for spending for consumer goods and services. Airport businesses purchased goods and services of \$5,500 from suppliers in the Eloy regional economy each day. On an average day in 2019, there were 330 Skydive jumps.

Skydiving activity fluctuates seasonally (heaviest during the winter months) and according to the days of the week, with high activity on the weekend, according to jumper manifest records of Skydive Arizona.

GOVERNMENTAL REVENUE BENEFITS

Because of the output, jobs, and income created by the presence of the Eloy Municipal Airport, the facility is an important source of public revenue (**Table 5**). Tax revenues were derived from the IMPLAN model, based on current rates for Arizona, Pinal County, and federal taxes. The IMPLAN model estimates tax revenues related to employment, worker compensation and output components as reported by the U. S. Bureau of Economic Analysis (BEA). No breakout is available in the BEA data for individual cities, as city and county data are combined and reported at the county level. The Eloy Municipal Airport was the source of the following public revenues in 2019:

- **\$3.5 million combined federal, state, and local tax revenues**
- **\$2.3 million federal tax revenues**
- **\$1.2 million state and local tax revenues**

FEDERAL TAXES

The largest federal component was the social security tax, with contributions from employers and workers of \$1.3 million in 2019. The second largest federal tax revenues were generated from total personal income taxes of \$832,000. Overall, Airport economic activity accounted for \$2.3 million of federal tax revenues, or two thirds of tax collections from all sources of \$3.5 million.

| Table 5 Government Revenue Benefits Eloy Municipal Airport | |
|---|--------------------|
| Federal Taxes | |
| Corporate Profits Tax | \$55,000 |
| Personal Income Tax | \$832,000 |
| Social Security Tax | \$1,310,000 |
| All Other Federal Taxes | \$107,000 |
| Total Federal Taxes | \$2,304,000 |
| State & Local Taxes | |
| Corporate Profits Tax | \$11,000 |
| Property Tax | \$488,000 |
| Sales Tax | \$432,000 |
| Personal Income Tax | \$146,000 |
| All Other State & Local | \$103,787 |
| Total State & Local Taxes | \$1,181,000 |
| Total Federal State and Local Taxes | |
| Total Taxes | \$3,485,000 |

Source: Calculations from the IMPLAN input-output model based on tax rates for Pinal County and Arizona and current federal rates.

STATE AND LOCAL TAXES

State and local tax revenues were \$1.2 million. The largest components of total state and local tax revenues were property taxes (\$488,000) and sales taxes (\$432,000). Personal income taxes of \$146,000 were the third largest revenue source.

AIRPORT VISITOR ECONOMIC BENEFITS

Skydive Arizona at the Eloy Municipal Airport ranks as one of the leading skydiving centers in the world. The center is regularly the site of national and global competitive events, as well as a destination for visitors seeking specialized training, certification, or a unique recreational experience. Each year, thousands of visitors come to the Eloy Municipal Airport to participate in skydiving activity or to simply witness the excitement of free fall from 13,000 feet to a drop zone.

Skydiving visitor expenditures for goods and services accounted for a significant proportion of the \$19.1 million direct output or revenue created at the airport in 2019. Visitors travel to Eloy from across Arizona, many from various U.S. states and from other nations. As such, skydiving dollars are especially “high-powered,” representing outside spending injected into the local economy. In this sense, skydiving is an “export” of the City of Eloy and an important part of the economic base of the Eloy regional economy.

AIRPORT VISITOR SURVEY

To develop an understanding of the characteristics of skydiving visitors and their expenditure patterns, a survey was conducted at the Eloy Municipal Airport at the end of December 2019. At this time, Skydive Arizona featured the annual “Christmas Boogie” event, with 10 days of activities, typically attracting approximately 450 attendees. It should be emphasized that the reported survey results are specific to this event, and other events, such as the World Cup of Skydiving held earlier at the airport (October 2019), might have different spending patterns and visitor characteristics.



Surveys were administered by staff from the Seidman Research Institute in the W. P. Carey School of Business at Arizona State University. Assistance was provided by the City of Eloy and Skydive Arizona. The survey period was 8:00 AM December 28 through 4:00 PM December 29. Respondents were asked to complete the survey *for their entire party*, in order to avoid double counting of data for travel groups. Survey answers were completed by iPad, as respondents clicked on their answers or entered supplemental data as necessary.

The combined overall response frequencies to the survey questions from 141 travel party representatives are shown in Appendix II of this report. Those interested in break-outs of responses by attendees from Arizona, out-of-state, and international origins can request these from the Seidman Research Institute at Arizona State University (480-965-5462).

AIRPORT VISITOR CHARACTERISTICS

Useable results were obtained for 303 attendees, accounting for 2,100 visitor days (**Table 6**). The largest number of airport visitors and travel parties attending the skydiving event were from states other than Arizona. States of origin most often identified were California (7 travel parties), Texas (5 travel parties) and Colorado (4 travel parties). Overall, 24 states and the District of Columbia were represented among survey respondents. Out-of-state visitors reported they were planning to stay 6 days at the event, accounting for 42 percent of visitor days. Average travel party size for out-of-state visitors was 2.4 persons, with several groups of up to 10 persons.

| Table 6 Airport Visitor Characteristics By Origin Eloy Municipal Airport Visitor Survey | | | | |
|--|----------------|-------------------|----------------------|---------------------|
| Category | Arizona | Other U.S. | International | All Visitors |
| Number of Visitors | 110 | 146 | 47 | 303 |
| Share of Visitors | 36% | 48% | 16% | 100% |
| Average Days at Event | 6 | 6 | 12 | 6.9 |
| Visitor Days | 660 | 876 | 564 | 2,100 |
| Share of Visitor Days | 31% | 42% | 27% | 100% |
| Number of Parties | 60 | 61 | 20 | 141 |
| Share of Parties | 42% | 43% | 15% | 100% |
| Average Party Size | 1.8 | 2.4 | 2.3 | 2.1 |

Source: Eloy Municipal Airport Visitor Survey, December 28-29, 2019.

There were 60 travel parties from Arizona, with average size of 1.8 persons, or 110 attendees covered by the survey. Respondents provided 40 separate Arizona zip codes for home addresses distributed across the state. Similar to out-of-state attendees, those from Arizona reported they intended to be on-site at the Eloy Municipal Airport and drop zone area for an average of six days.

International visitors had an intended stay of 12 days, the longest duration of any group. This is not unexpected considering the higher cost of travel and larger investment of time for participants originating from outside the country. In all, 10 nations were represented, with 5 travel parties from Canada and 4 from Germany. There were 47 international survey respondents and 20 travel parties, yielding an average international party size of 2.4 persons. The largest international travel party was a group of 5 from Israel that rented a large recreational vehicle (RV) for travel to the airport and for lodging while on-site at the drop zone.

AIRPORT VISITOR EXPENDITURES

From the survey, expenditures per party were converted to expenditures per person by dividing per party expenditures by party size (**Table 7**). The largest spending category for participants was recreation, which includes all charges associated with jump fees, wind tunnel sessions, and equipment rental or purchases. Recreation/skydiving expenditures accounted for approximately one half of the per person spending for participants, whether from Arizona, U.S. states, or international. Airport visitors from Arizona reported the smallest overall capital outlays per person, at \$487 for their average 6 day stay. Visitors from out-of-state, who also stayed 6 days, had expenditures per person of \$969, double the size of the Arizona per person spending rate. In part due to their longer length of stay (12 days), international visitors reported the greatest expenditures for food, lodging, and other outlays (\$2,236) during the event.

| Category | Arizona | Other U.S. | International | Weighted Average |
|---------------------------------|--------------|--------------|----------------|------------------|
| Lodging | \$91 | \$228 | \$293 | \$189 |
| Food & Drink | \$91 | \$123 | \$170 | \$119 |
| Retail Goods & Services | \$60 | \$76 | \$110 | \$76 |
| Recreation (Includes Skydiving) | \$214 | \$418 | \$1,313 | \$488 |
| Transportation | \$31 | \$124 | \$350 | \$127 |
| Spending per Person | \$487 | \$969 | \$2,236 | \$998 |
| Weighted Average | 0.31 | 0.42 | 0.27 | |

Source: Eloy Municipal Airport Visitor Survey, December 28-29, 2019.



Josh Galemore / Arizona Daily Star

A weighted average was computed across survey respondents based on its share of the total visitors. For example, Arizona visitors made up 31 percent of all visitors, so expenditures by visitors from within Arizona contributed 31 percent to the overall weighted average spending for each category. The resulting figure of \$998 is a measure of average spending across all airport visitors to this specific event in December 2019.

However, the spending figures in Table 6 should not be added to the \$19.2 million direct economic benefits shown in Tables 1 and 2, showing the economic benefits of airport activities. Essentially all airport visitors are at the airport for skydiving activity and, with some exceptions, the major portion of their expenditures are already included in the revenues reported, including Skydive Arizona in Table 1.

One spending category that primarily originates off-airport is transportation. The overall weighted average transportation cost for each visitor was \$127. That figure includes gasoline purchases made off-airport by Arizona residents who drove to the event in their own vehicles. The transportation category includes shuttle services and car rental for those that arrived at airports, such as Phoenix Sky Harbor, Tucson International, or Los Angeles International. Without more detailed information, it appears that most transportation expenditures were made off-airport and not necessarily within Pinal County.

Another spending category creating potential benefits off-airport is lodging. Although Skydive Arizona offers low cost lodging for individual jumpers and teams, some of those attending the December event reported lodging choices away from the airport. Most Arizona travel parties (82 percent) returned to their own homes and had no lodging expenses at all, while 18 percent spent an average of \$88 for the entire party for lodging per day (**Table 8**). However, 90 percent stayed in Eloy, while 5 percent stayed in Casa Grande and 5 percent stayed elsewhere, typically Tucson.

The largest group of airport visitors was from other U.S. states. Of this group, 79 percent paid for lodging, averaging \$696 per party for the entire trip, or \$116 per day. Those out-of-state visitors with paid lodging off-airport were most likely (13 percent) to stay in Casa Grande. International visitors had the lowest lodging expenditures per party per day (\$62) but reported the largest overall lodging costs per party (\$749) because of their extended 12-day average stay in the area. In this survey, 90 percent of international visitor parties reported paying for lodging, and all international visitors stayed in Eloy. From the survey, 55 percent of all visitors paid for lodging during their stay. The weighted average with paid lodging was for those who paid was \$632 and \$96 per party per day. Overall, 88 percent with paid lodging stayed in Eloy, 8 percent in Casa Grande (still in Pinal County), and 4 percent in other areas.

Table 8
Per Party Paid Lodging By Origin
Eloy Municipal Airport Visitor Survey

| Category | Arizona | Other U.S. | International | All Visitors |
|--|--------------|--------------|---------------|--------------|
| Parties With Paid Lodging | 18% | 79% | 90% | 55% |
| Lodging/Party/Trip | \$525 | \$696 | \$749 | \$632 |
| Lodging/Party/Day | \$88 | \$116 | \$62 | \$96 |
| If Lodging - Stay in Eloy | 90% | 83% | 100% | 88% |
| If Lodging - Stay in Casa Grande | 5% | 13% | 0 | 8% |
| If Lodging - Stay in Other Area | 5% | 4% | 0 | 4% |
| Sum | 100% | 100% | 100% | 100% |
| Weighted Average (Share Of Parties) | 0.42 | 0.43 | 0.15 | |

Source: Eloy Municipal Airport Visitor Survey, December 28-29, 2019.

Skydive Arizona typically organizes 6 to 8 special events during the year, as well as ongoing training and recreational jumping. As a first approximation of the net expenditure, the \$988 figure in Table 6 can be reduced by \$127 for transportation and lodging reduced by \$8 (or 4 percent) for lodging outside the county to yield \$853, the addition to direct economic benefits of the Eloy Municipal Airport from one airport visitor. This estimate assumes spending patterns and length of stay are somewhat similar to those in the survey group. Spending for other events with different groups may vary significantly from these survey results.

APPENDIX I

ELOY MUNICIPAL AIRPORT EMPLOYERS

(December 2019)

- **Above All Photos**
- **Adventures in Skydiving**
- **Airborne Support Group**
- **Airborne Systems**
- **Arizona Aeropainting**
- **Bent Prop Saloon & Cookery**
- **Crop First Aviation**
- **Desert Skies Parachute Rigging**
- **High But Dry Balloons**
- **Hot Wings**
- **Rigging Innovations**
- **Skydive Arizona**
- **Skyventure Arizona**
- **Southwest Airmotive**
- **Square2 Parachute Sales & Service**

APPENDIX II

ELOY MUNICIPAL AIRPORT SKYDIVER SURVEY (December 28 – 29, 2019)

Q1. PRIMARY RESIDENCE

| | Frequency | Percent |
|-----------------------------|------------|-------------|
| Arizona Resident | 60 | 42.6% |
| U.S. Resident (non-Arizona) | 61 | 43.3% |
| International | 20 | 14.2% |
| | | |
| Total | 141 | 100% |

Q2. PRIMARY RESIDENCE: ARIZONA ZIPCODE

| | Frequency |
|---|-----------|
| 85004; 85013; 85022; 85031; 85032; 85120; 85122; 85132; 85138; 85142; 85143; 85201; 85203; 85208; 85210; 85225; 85257; 85259; 85268; 85283; 85286; 85301; 85304; 85331; 85365; 85367; 85383; 85712; 85715; 85716; 85718; 86302; 86305 | 1 |
| 85044; 85053; 85123; 85281; 85308 | 2 |
| 85224 | 4 |
| 85131 | 13 |
| | |
| Total | 60 |

Q2. PRIMARY RESIDENCE: OTHER U.S. STATE

| | Frequency |
|----------------|------------------|
| Alaska | 1 |
| California | 8 |
| Colorado | 7 |
| DC | 1 |
| Florida | 1 |
| Georgia | 1 |
| Idaho | 3 |
| Illinois | 1 |
| Kansas | 3 |
| Michigan | 1 |
| Missouri | 2 |
| Montana | 4 |
| Nebraska | 4 |
| Nevada | 1 |
| New Mexico | 1 |
| New York | 2 |
| North Dakota | 1 |
| Oregon | 3 |
| South Carolina | 1 |
| Texas | 5 |
| Utah | 3 |
| Washington | 2 |
| Wisconsin | 3 |
| Wyoming | 1 |
| Missing | 1 |
| | |
| Total | 61 |

Q2. PRIMARY RESIDENCE: INTERNATIONAL

| | Frequency |
|--------------|------------------|
| Australia | 1 |
| Canada | 5 |
| France | 1 |
| Germany | 4 |
| Israel | 1 |
| New Zealand | 1 |
| Norway | 1 |
| Sweden | 2 |
| Switzerland | 2 |
| UK | 2 |
| | |
| Total | 20 |

Q3. HOW MANY DAYS ARE YOU ATTENDING THIS SKY DIVING EVENT IN ELOY?

| | Frequency | Percent |
|--------------|------------------|----------------|
| 1 | 3 | 2.1% |
| 2 | 8 | 5.7% |
| 3 | 21 | 14.9% |
| 4 | 17 | 12.1% |
| 5 | 11 | 7.8% |
| 6 | 7 | 5.0% |
| 7 | 6 | 4.3% |
| 8 | 6 | 4.3% |
| 9 | 6 | 4.3% |
| 10 | 24 | 17.0% |
| 11 | 5 | 3.5% |
| 12 | 3 | 2.1% |
| 13 | 1 | 0.7% |
| 14 | 7 | 5.0% |
| 15 | 3 | 2.1% |
| 18 | 2 | 1.4% |
| 19 | 1 | 0.7% |
| 25 | 1 | 0.7% |
| 30 | 1 | 0.7% |
| 90 | 1 | 0.7% |
| 110 | 1 | 0.7% |
| 180 | 2 | 1.4% |
| 350 | 1 | 0.7% |
| 365 | 1 | 0.7% |
| Missing | 2 | 1.4% |
| | | |
| Total | 141 | 100% |

Q4. ARE YOU PAYING TO STAY OVERNIGHT IN ARIZONA ON THIS TRIP?

| | Frequency | Percent |
|------------------|------------------|----------------|
| Yes | 92 | 65.2% |
| No (Day Visitor) | 49 | 34.8% |
| | | |
| Total | 141 | 100% |

Q5. HOW MANY NIGHTS ARE YOU STAYING IN ARIZONA?

| | Frequency | Percent |
|----------------|------------------|----------------|
| 1 night | 4 | 4.3% |
| 2 nights | 10 | 10.9% |
| 3 nights | 7 | 7.6% |
| 4 nights | 10 | 10.9% |
| 5 nights | 2 | 2.2% |
| 6 nights | 5 | 5.4% |
| 7 nights | 7 | 7.6% |
| 8 nights | 6 | 6.5% |
| 9 nights | 6 | 6.5% |
| 10 nights | 9 | 9.8% |
| 11 nights | 3 | 3.3% |
| 12 nights | 4 | 4.3% |
| 13 nights | 2 | 2.2% |
| 14 nights | 6 | 6.5% |
| Over 14 nights | 11 | 12.0% |
| | | |
| Total | 92 | 100% |

Q6. OVERNIGHT IN WHICH TOWN OR CITY?

| | Frequency | Percent |
|--|------------------|----------------|
| Az City | 1 | 1.1% |
| Casa Grande | 7 | 7.6% |
| Eloy / Drop Zone | 73 | 79.3% |
| Maricopa | 1 | 1.1% |
| Mesa | 1 | 1.1% |
| Picacho | 1 | 1.1% |
| RV | 1 | 1.1% |
| RV at Drop Zone | 1 | 1.1% |
| Scottsdale | 1 | 1.1% |
| SDAZ Camp Ground/Tea Room/ Bunk House | 3 | 3.3% |
| Tucson | 1 | 1.1% |
| Missing | 1 | 1.1% |
| | | |
| Total | 92 | 100% |

Q7. SIZE OF TRAVEL PARTY

| | Frequency | Percent |
|--------------|------------------|----------------|
| 1 person | 77 | 54.6% |
| 2 people | 30 | 21.3% |
| 3 people | 10 | 7.1% |
| 4 people | 12 | 8.5% |
| 5 people | 6 | 4.3% |
| 7 people | 1 | 0.7% |
| 10 people | 4 | 2.8% |
| 11 people | 1 | 0.7% |
| | | |
| Total | 141 | 100% |

Q8. ENTIRE TRAVEL PARTY: LODGING

| | Frequency |
|--------------|------------------|
| \$0 | 43 |
| \$25 | 3 |
| \$50 | 3 |
| \$75 | 6 |
| \$100 | 9 |
| \$150 | 4 |
| \$200 | 9 |
| \$250 | 4 |
| \$300 | 9 |
| \$400 | 6 |
| \$500 | 10 |
| \$600 | 6 |
| \$700 | 2 |
| \$800 | 1 |
| \$900 | 5 |
| Other | 21 |
| | |
| Total | 141 |

Other:

| | Frequency |
|--------------|------------------|
| \$8000 | 2 |
| \$540 | 3 |
| Van | 1 |
| Total | 21 |

Q9. ENTIRE TRAVEL PARTY: FOOD & DRINK

| | Frequency |
|--------------|------------------|
| \$0 | 7 |
| \$25 | 8 |
| \$50 | 16 |
| \$75 | 5 |
| \$100 | 15 |
| \$150 | 9 |
| \$200 | 15 |
| \$250 | 8 |
| \$300 | 11 |
| \$400 | 4 |
| \$500 | 17 |
| \$600 | 4 |
| \$700 | 3 |
| \$800 | 6 |
| \$900 | 4 |
| Other | 9 |
| | |
| Total | 141 |

Other:

| | Frequency |
|--------------|------------------|
| \$1000 | 3 |
| | |
| Total | 9 |

Q10. ENTIRE TRAVEL PARTY: RETAIL SPENDING

| | Frequency |
|--------------|------------------|
| \$0 | 23 |
| \$25 | 10 |
| \$50 | 15 |
| \$75 | 12 |
| \$100 | 19 |
| \$150 | 12 |
| \$200 | 11 |
| \$250 | 8 |
| \$300 | 7 |
| \$400 | 4 |
| \$500 | 5 |
| \$600 | 6 |
| \$700 | 2 |
| \$800 | 1 |
| \$900 | 1 |
| Other | 5 |
| | |
| Total | 141 |

Other:

| | Frequency |
|--------------|------------------|
| \$2000 | 1 |
| \$1000 | 3 |
| | |
| Total | 5 |

Q11. ENTIRE TRAVEL PARTY: RECREATION

| | Frequency |
|--------------|------------------|
| \$0 | 8 |
| \$25 | 1 |
| \$50 | 2 |
| \$75 | 2 |
| \$100 | 3 |
| \$150 | 6 |
| \$200 | 10 |
| \$250 | 7 |
| \$300 | 10 |
| \$400 | 15 |
| \$500 | 8 |
| \$600 | 9 |
| \$700 | 5 |
| \$800 | 5 |
| \$900 | 13 |
| Other | 37 |
| | |
| Total | 141 |

Other:

| | Frequency |
|--------------------|------------------|
| \$175 \$2400 | 1 |
| \$350 \$2600 | |
| \$860 \$4000 | |
| \$1250 \$8000 | |
| \$1600 \$9000 | |
| \$1800 \$10000 | |
| \$1900 | |
| \$7000 | |
| \$1000 | 3 |
| \$2500 | 4 |
| \$2000 | 5 |
| \$1500 | 6 |
| | |
| Total | 37 |

Q12. ENTIRE TRAVEL PARTY: GROUND TRANSPORTATION

| | Frequency |
|--------------|------------------|
| \$0 | 40 |
| \$25 | 17 |
| \$50 | 11 |
| \$75 | 9 |
| \$100 | 11 |
| \$150 | 8 |
| \$200 | 5 |
| \$250 | 3 |
| \$300 | 6 |
| \$400 | 8 |
| \$500 | 1 |
| \$600 | 2 |
| \$700 | 5 |
| \$800 | 5 |
| \$900 | 2 |
| Other | 8 |
| | |
| Total | 141 |

Other:

| | Frequency |
|--------------|------------------|
| \$15 | 1 |
| \$30 | |
| \$200 | |
| \$2600 | |
| \$3000 | |
| \$7000 | |
| \$1500 | 2 |
| | |
| Total | 8 |



www.coffmanassociates.com

KANSAS CITY
(816) 524-3500

237 N.W. Blue Parkway
Suite 100
Lee's Summit, MO 64063

PHOENIX
(602) 993-6999

4835 E. Cactus Road
Suite 235
Scottsdale, AZ 85254