

Cherry Capital Airport on Track for Record Year

By Beth Milligan – The Ticker, August 2017



After welcoming a record-setting number of passengers in 2016, Cherry Capital Airport is on track to have an even bigger year in 2017. Passenger figures released Tuesday show July was the busiest “ever in the history of Cherry Capital Airport,” according to Airport Director Kevin Klein, with overall year-to-date numbers up 4.9 percent over 2016.

An estimated 77,351 total passengers came through the airport last month, a 5.7 percent increase over last July’s 73,194 count. June was also up 3.3 percent this year, bringing in 46,218 passengers compared to 44,720 in 2016. Klein attributes the summer increase to the introduction of direct flights to and from Dallas Ft. Worth for the first time this year.

“The summer numbers being up is purely Dallas,” says Klein. “The first part of the year, though, we had a lot of good growth and that wasn’t Dallas. We had the same amount of flights and same type of airplanes, but more people traveled the first quarter, so our planes were fuller.”

The last Dallas Ft. Worth flight of 2017 flew out of Cherry Capital Airport Monday, ending the program for the season. The introduction of the direct American Airlines flight was backed by a \$750,000 U.S. Department of Transportation grant. “I think it was very successful,” says Klein of the program’s launch. “We know it will be back next year because of the grant dollars, so they’ll do one more year for sure. Our goal will be to prove the service and show that growth, so that after year two it can continue on its own. That will be a decision by the airline.”

A total 263,024 passengers have traveled through Cherry Capital Airport so far in 2017 (2016’s year-end total was 451,346). That equates to approximately 40,000 checked bags to date, compared to 37,500 in 2016. While specific incoming flight figures won’t be available until early 2018, Klein says the airport can broadly identify the most popular origin destinations from which passengers travel to Traverse City. New York City is number one; Chicago and San Francisco follow in second and third place, respectively. Denver, Los Angeles, Dallas, Minneapolis, Boston, Seattle, and Houston round out the rest of the list.

As for future opportunities to expand flights or add new markets or airlines, Klein says the airport’s leadership is “always looking at new markets.”

“I meet with the three carriers (American, Delta and United) at their headquarters at least once a year, and also meet the other carriers at conferences about once a year,” says Klein. “We’re always looking for new opportunities. The East Coast is still a primary target of ours. Cities like Washington, D.C., Boston and Charlotte are targets. We see those markets growing and emerging.”

Klein says Cherry Capital Airport is most successful targeting “hub” cities like those mentioned above because Traverse City’s low population can pose a challenge filling planes. “We don’t have 100 people going to one major city in one day,” explains Klein. “We have 20 going to New York, another 20 going to Boston, and so on. If we can take all those small numbers and put them on an airplane to a hub, they can then disperse throughout the network. So that’s why we target the type of cities that we target.”

In addition to record-breaking numbers for 2017, Cherry Capital Airport officials learned Tuesday that the Michigan Department of Transportation (MDOT) has officially reviewed and approved a report previously released as a draft that estimates the airport's economic impact at nearly \$1 billion. The 2017 Michigan Aviation System Plan – which was last updated in 2008 – measures the direct and indirect economic impacts of more than 100 Michigan airports.

Project Manager Stephanie Ward of Mead & Hunt, which assisted MDOT with the study, told airport officials Cherry Capital Airport is ranked a Tier 1 – or “critical” – airport in the state, and that the facility ranks only behind Detroit Metro and Grand Rapids’ Gerald R. Ford airports in terms of economic impact (those facilities produce \$10.6 billion and \$3.2 billion, respectively). Traverse City’s next closest competitor is Flint-Bishop International, which generates \$407,182 annually in economic activity.

Ward said the report estimated that 114 airports identified as “critical to making the (transportation) system of the state work” produced a total annual economic impact of close to \$22 billion. “You’re 1/22 of the overall impact, which is pretty significant,” she told officials. Visitors to Traverse City also stay longer and spend more money compared to other major competing commercial airline destinations in the state, Ward said.

Klein notes the report – which considers both direct airport revenues, jobs and tenants and off-site jobs and spending in the community supported by air traffic – doesn’t include the recent addition of Costco to airport property or other major planned tenants down the road. “A tenant like Costco will add almost 200 jobs to a report like that,” he says. “The last one of these reports was done about 10 years ago. It’ll be really interesting to see what the next one says in 10 years, what we’ll look like then.”