

Iowa's two major airports deal with growth, cargo shifts

'E-commerce is booming'

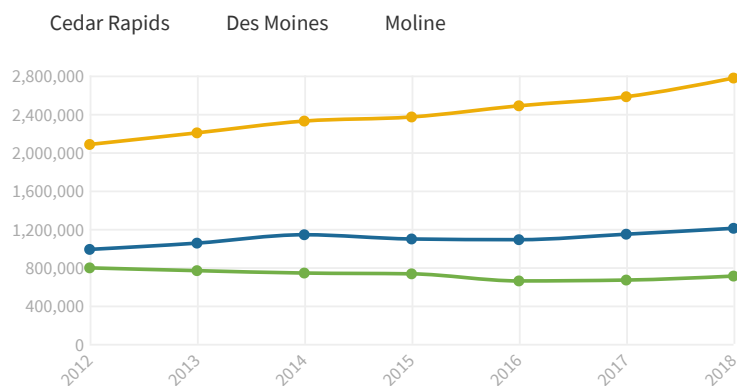
Last year saw record-breaking passenger numbers at Iowa's two largest airports, with officials at both facilities preparing for continued success.

As concerns loom over a nationwide pilot shortage, officials at Des Moines International Airport and Eastern Iowa Airport in Cedar Rapids — which together handle more than 93 percent of the state's air passengers and almost all air cargo in Iowa — remain optimistic.

Marty Lenss, Eastern Iowa Airport director, said growing ridership numbers — as well as increasing airfreight — can be traced back to a strong economy. More people are traveling and purchasing online products.

Total airport passengers

Since 2012, airports in Des Moines and Cedar Rapids have seen record-setting passenger numbers, thanks in part to a strong economy and more travel among Iowans. As Eastern Iowa Airport in Cedar Rapids positions itself to take on even more of the state's share of air cargo, Des Moines International Airport looks to recover from the recent loss of UPS in 2017.



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“When the economy is strong, certainly we see it in passenger numbers,” Lenss said. “And e-commerce is booming, so you see a lot more goods being shipped through the air.”

In terms of cargo, however, a relocation of some UPS services from Des Moines to Illinois have leveled the statewide playing field for airfreight numbers between the two airports — which now find themselves almost evenly splitting Iowa's airfreight numbers.

Passenger Numbers Climbing

Last year, the Cedar Rapids airport saw more than 1.2 million total passengers, marking a 5.4 percent increase from the previous annual passenger record set the year before.

In March of this year, the airport beat its monthly passenger record with a more than 10 percent increase from the previous record set in March 2018. Year-to-date, the airport was up 5.5 percent that month compared to last year.

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Meanwhile, Des Moines International also announced a record-breaking year for 2018, with more than 2.77 million total passengers. Last year marked a 7.6 percent increase from 2017.

The airport saw more than 13 percent more passengers this March compared to the same month last year.

Kevin Foley, Des Moines Airport Authority executive director, said the airport is seeing more than 5 percent annual growth — nearly double the 3 percent growth anticipated.

“In part, that’s due to the number of airlines that we have operating here, which generates competition, and competition lowers ticket prices. It’s that simple,” Foley said.

Tim McClung, planning and outreach manager with the Iowa Department of Transportation’s Office of Aviation, said a strong economy plays a big role into Iowa’s strong passenger numbers. Iowa airports saw about 4.24 million passengers last year, compared to about 3.26 million in 2012.

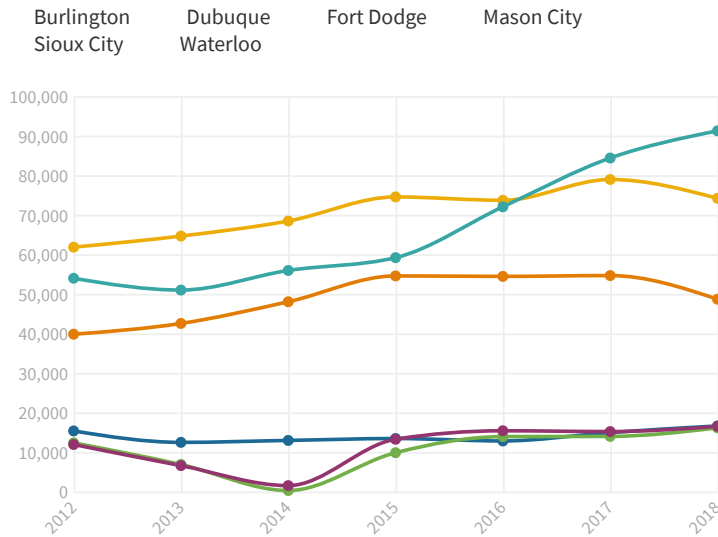
“When it comes to passengers, we’re a good-news state. Positive things are happening in Iowa,” he said. “We’ve seen growth in most of the airports in the state.”

But airports also must remain competitive, he said.

“The top two things people are looking for are reliability of air service and fares,” McClung said.

Total airport passengers

For smaller commercial airports in the area



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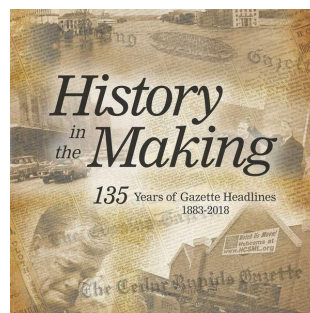
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Lenss attributed much of that cargo growth to the airport's proximity to major thoroughfares such as Interstate 380 and Interstate 80.

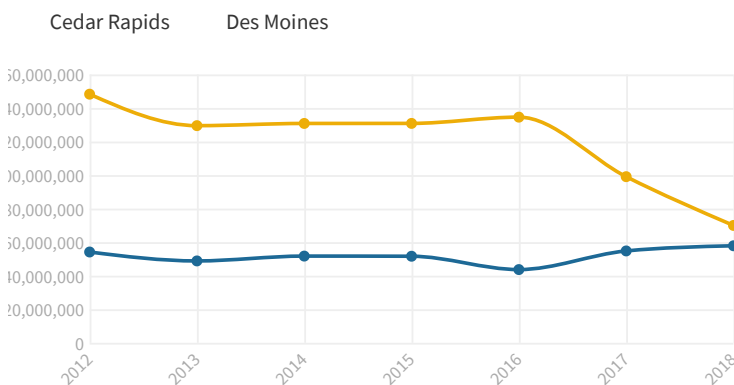
The past few years, on the other hand, have been a bit rocky for Des Moines.

In 2017, the airport lost one of its largest cargo tenants, UPS, which relocated all second-day delivery services from Des Moines to Rockford, Ill.

UPS still manages some services out of Des Moines, but the airport saw total cargo drop from more than 134 million pounds in 2016 to less than 70 million pounds last year, according to data.

Total airport cargo in pounds

Since 2012, airports in Des Moines and Cedar Rapids have seen record-setting passenger numbers, thanks in part to a strong economy and more travel among Iowans. As Eastern Iowa Airport in Cedar Rapids positions itself to take on even more of the state's share of air cargo, Des Moines International Airport looks to recover from the recent loss of UPS in 2017.



A Flourish data visualisation

Foley said officials have estimated the move to result in an approximate \$1.2 million decrease in annual cargo revenues.

However, Foley noted that, after factoring out the loss of UPS, the airport this year has seen a roughly 2 percent increase in airfreight compared to this time last year.

Similar to Cedar Rapids' experience, Foley said the Des Moines airport benefits from proximity to I-80 and I-35, for quick access to ground cargo transport.

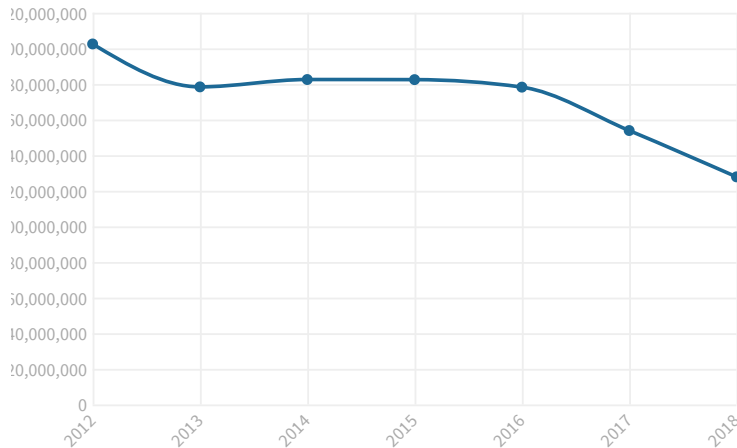
UPS's shift has affected the entire state's cargo

numbers, with the total cargo in Iowa dropping from more than 178 million pounds in 2016 to fewer than 128 million last year.

Total Iowa airport cargo in pounds, 2012-18

For Burlington, Cedar Rapids, Des Moines, Dubuque, Fort Dodge, Mason City, Sioux City and Waterloo

Total cargo for Iowa airports



 A Flourish chart

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In the same span, Des Moines has gone from about 75 percent of the state's cargo to close to 55 percent.

Lenss said the Cedar Rapids airport now handles more than half the state's total air cargo.

Pilot Shortage Looms

Passenger and cargo growth at both airports coincides with mounting concerns that the nation's airline industry is heading toward a shortage of pilots. Officials have estimated the shortage to reach about 5,000 pilots by 2021, which could keep about 500 aircraft out of the skies.

By 2026 the shortage is forecast to reach 15,000 pilots and about 1,500 grounded planes, Eastern Iowa Airport officials said.

According Boeing's pilot and technician outlook for 2018 to 2037, the global demand for new pilots will reach 790,000 over the next 20 years.

"There's a lot of good news out there, but at the same time there are some things that are being watched," McClung said. "The pilot shortage issue is one that the industry is grappling with."

Keeping Up With Growth

Growth at both airports also has driven the need for new developments.

The Cedar Rapids airport is in the midst of a modernization project — Phase 3 is underway and estimated at a cost of about \$31 million — to add 54,000 square feet to the terminal, build two new jet bridges, expand concessions and hold rooms, and add an outdoor patio.

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Work also is in the works on a more-than-\$10 million overhaul of the airport's cargo facilities to realign services and allow for growth.

"That's the thing we're excited about, we're making due with what we have now, but we've needed a new facility," Michael Arndt, area human resources manager with UPS in Des Moines, said of Eastern Iowa Airport's future cargo facility.

The work could be finished later this year.

In Des Moines, the existing terminal — built in 1948 — has surpassed its useful life. While updates are anticipated for the terminal, Foley said the plan is to build a new terminal building in 2026.

"All of that is a result of passenger traffic, the increase of traffic ... we certainly have a demand capacity issue in Des Moines and we're not unique in any stretch of the imagination. Across the nation, the increase in passenger traffic has caused capacity issues in terminals themselves," Foley said.

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How We Cover The News

As The Gazette's transportation reporter, I've been trying to keep up with freight and transit industry trends as they arise.

Topics I've covered in the past have ranged from truck driver shortages to the need for more bus drivers to concerns in the airline industry over not having enough pilots.

Here's how we've covered transportation sector issues in the past:

• Iowa schools need to fill [close to 1,000 bus driver positions every year](#), according to the Iowa Department of Education, out of about 9,000 jobs statewide.

• A [2017 American Trucking Associations truck-driver analysis](#) found the nation's trucking industry was short about 36,500 drivers in 2016. The truck driver deficit is [expected to reach more than 174,000](#) by 2026, according to the study.

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• A report published in the Bureau of Labor Statistics' Monthly Labor Review, however, argues that [trucking industry trends represent a tight labor market](#), rather than an industrywide shortage. The report argues that changes to the market — namely pay increases for drivers — would help address the need for drivers.

• The nation's airline industry — which transports both people and freight — is [expected to be short about 5,000 pilots](#) by 2021. That could keep about 500 aircraft out of the skies, according to Eastern Iowa Airport officials.

By 2026 the shortage is [forecast to reach 15,000 pilots and about 1,500 grounded planes](#).

• Union Pacific employs about 42,000 people — about 1,500 in Iowa — and [last year offered](#) as much as \$10,000 to \$20,000 in hiring incentives to attract the 2,100 new workers needed.

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Mitchell Schmidt
The Gazette



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