

Denver South Economic Development Partnership Industry Cluster Profile AVIATION

The aviation cluster includes companies that manufacture aircraft and provide air transportation services. More specifically, the cluster includes airlines, airports, aircraft manufacturing and technology companies, and support services. With more than 70 commercial reliever and general aviation airports throughout the state, the nine-county Metro Denver and Northern Colorado region¹ supports a strong foundation for the aviation cluster that includes nearly 600 businesses.

Centennial Airport is the center of the aviation industry in the Denver South region,² located just minutes from the Denver Tech Center and only 13 miles from downtown Denver. Centennial Airport is the major local reliever airport for Denver International Airport and is one of the premier business airports in the U.S., generating more than \$897 million for the region annually. The airport is an international facility with a 24-hour U.S. Customs Office and 24/7 FAA-staffed control tower and services such as Flight for Life, law enforcement, medical flights, flight schools, and aircraft maintenance are based at the airport. Centennial Airport has four award-winning Fixed Base Operators providing all customer service needs to small aircraft and jets alike. Further, the airport's three runways range from 4,800 feet to 10,000 feet in length, including a CAT I ILS, and no flight delays. Centennial Airport is also a secure gateway to Reagan National Airport and it has the most decorated snow and ice control team in the Americas.

Noteworthy developments in the Denver South region's aviation cluster included:

- Arapahoe County-based Air Methods Corp. acquired both Texas-based United Rotocraft Solutions and OF Air Holdings Corp. and its subsidiaries including Omniflight Helicopters Inc. The company plans to improve its competitive cost structure, enhance its existing service to local communities, and expand its 300 helicopter and fixed-wing aircraft fleet.
- Mayo Aviation, based at Centennial Airport, is the charter operator of Pilatus Business Aircraft's PC-12 NG single-engine turboprop and was hired to transport a one-of-a-kind, multi-million dollar satellite across the nation in 2011. The PC-12 NG offers the capability to take-off and land on short airstrips and has the largest cabin in its class.

The Denver South region fosters an environment of innovation and collaboration among the aviation, aerospace, software, and cleantech industries.

- The Wings Over the Rockies Air and Space Museum unveiled plans for the Exploration of Flight facility at Centennial Airport. The Exploration of Flight will focus on the future of aerospace and aviation research and provide flight- and experience-based activities, including observation decks and a flight tower. Building completion is slated for mid-2015.
- Arapahoe County-based Jeppesen unveiled its Mobile FliteDeck iPad application that provides en route moving map functionality to assist pilots in implementing a paperless cockpit environment. The new application will replace 38 pounds of charts, handbooks, and logbooks that will save 326,000 gallons of jet fuel each year. United Airlines was the first major airline to switch to the technology.

¹ The nine-county Metro Denver and Northern Colorado region consists of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, and Weld Counties.

² The Denver South region consists of zip codes 80111, 80112, 80124, 80126, 80129, 80130, 80134, and 80237.

AVIATION ECONOMIC PROFILE

The aviation cluster consists of 41, six-digit North American Industry Classification System (NAICS) codes including aircraft manufacturing, passenger and freight air transportation, airport operations, and air traffic control.

	<u>Denver South</u>	<u>Nine-County Region</u>	<u>U.S.</u>
Direct Employment, 2011	1,320	14,652	1,021,260
Number of Direct Companies, 2011	100	590	46,110
One-Year Direct Employment Growth, 2010-2011	2.3%	-2.7%	2.0%
Five-Year Direct Employment Growth, 2006-2011	-24.7%	-4.0%	-0.4%
Avg. Annual Direct Employment Growth, 2006-2011	-5.5%	-0.8%	-0.1%
Direct Employment Concentration	0.6%	0.8%	0.7%

Sources: Dun & Bradstreet, Inc. Marketplace database, July-Sep 2006-2010; Market Analysis Profile, 2011; Development Research Partners.

Aviation Employment

- The aviation cluster directly employed approximately 1,320 people in the Denver South region in 2011.
- The large decline in employment between 2006 and 2011 was due to the closure of Adam Aircraft at Centennial Airport in 2007, resulting in the loss of 500 jobs. The company filed for bankruptcy in 2008.
- Nearly 59 percent of the Denver South region's aviation cluster employees worked in scheduled and nonscheduled air transportation, which includes both passenger and freight services. Airports and other facilities that provide flight support and related services employed another 20 percent.
- More than 94 percent of the Denver South region's aviation employees worked in Arapahoe County.

Wages

Total nine-county payroll in the aerospace cluster was more than \$2.1 billion in 2010. The 2010 average annual salary for an aerospace worker in the nine-county region was \$110,860, compared with the national average of \$90,870.

Denver-Aurora-Broomfield MSA Occupational Salaries, 2010 Annual Average

Air Traffic Controllers	\$120,400
Airline Pilots, Copilots, and Flight Engineers	\$73,980
Aircraft Mechanics and Service Technologies	\$58,210
Aircraft Cargo Handling Supervisors	\$51,720
Avionics Technicians	\$48,310
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	\$42,800

Note: Mean annual salary data is for the 10-county Denver-Aurora-Broomfield Metropolitan Statistical Area (MSA) consisting of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties.

Source: U.S. Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, May 2010, www.bls.gov.

Aviation Companies

- Approximately 100 aviation companies operated in the Denver South region in 2011.
- Nearly 72 percent of the Denver South region's aviation companies employed fewer than 10 people, while one percent employed 250 or more.
- More than 37 percent of the Denver South region's aviation companies provided airport operations and support services. Another 26 percent provided aircraft repair services and scheduled or nonscheduled air transportation, consisting of both passenger and freight services. The remaining companies provided aircraft and parts manufacturing, maintenance, and flight training.

Major Aviation Companies

- Air Ambulance Specialists, Inc.
www.airaasi.com
- Air Methods Corp.
www.airmethods.com
- Jeppesen
www.jeppesen.com
- Key Lime Air
www.keylimeair.com
- Mayo Aviation, Inc.
www.mayoinnovation.com
- Precision Aircraft
www.precision-aircraft.com
- Signature Flight Support
www.signatureflight.com
- Straight Flight
www.straightflight.com

Prepared by:

Development Research Partners, Inc.
10184 West Belleview Ave, Ste 100, Littleton, Colorado 80127
303-991-0070 / www.developmentresearch.net
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