

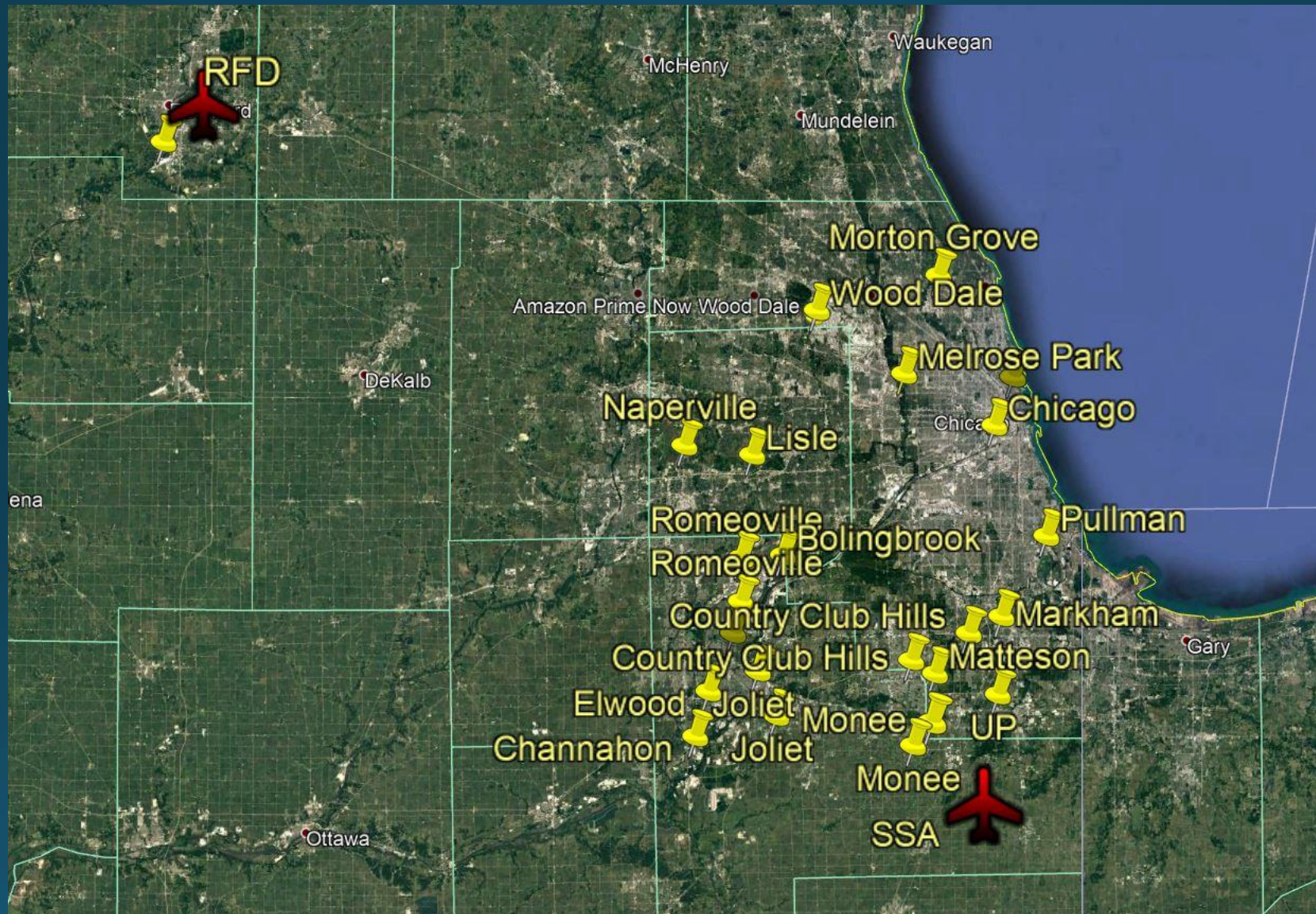


Why SSA?

Companies want to be near airports

Companies are locating distribution operations closer to air cargo ports as they contend with a raft of challenges, particularly higher transportation costs. Transportation comprises 45% to 70% of overall supply chain costs, according to [CBRE Supply Chain Advisory](#), compared with just 3% to 6% for occupancy costs. So locating near airports can be highly cost-effective. The reshoring of some manufacturing operations has been another catalyst for demand in airport markets.

Amazon Sites in Northern Illinois

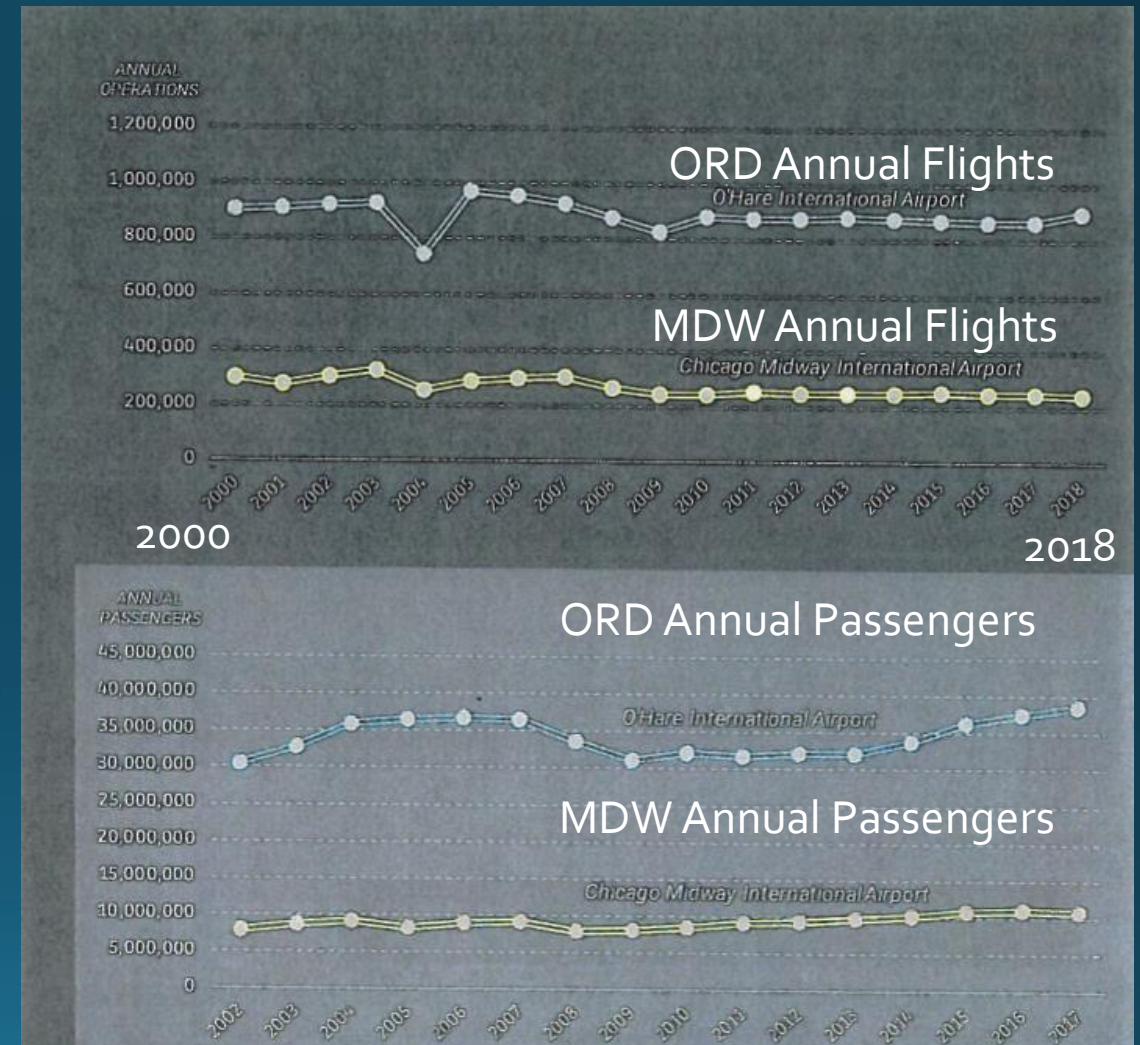


Amazon Clusters and Airports

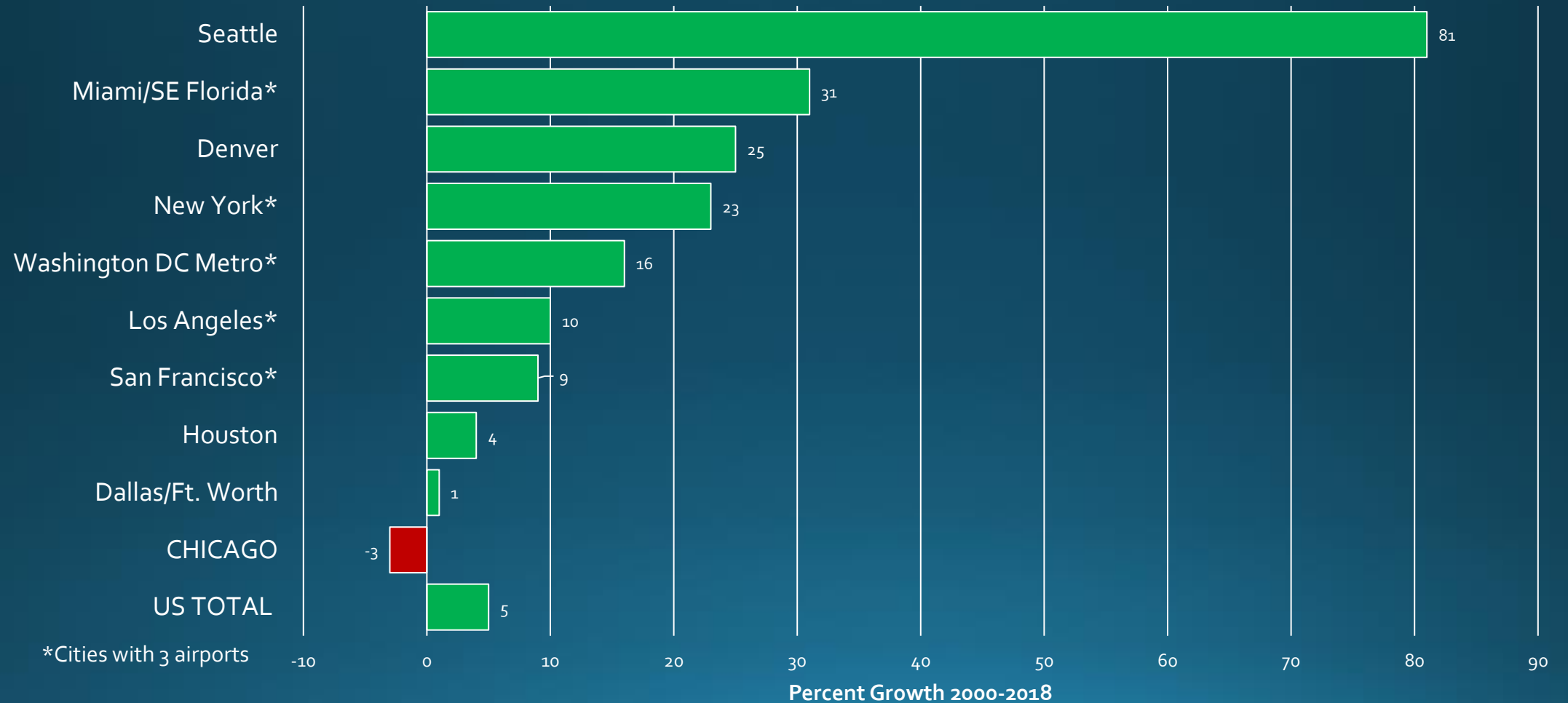


Why Does FAA Want A South Suburban Airport?

- FAA correctly predicted in 1985 that Chicago would hit aviation capacity by 2000 and ordered Illinois to build a 3rd airport.
 - After 20 years and \$20 billion at ORD and MDW, there are still no more flights at either airport.
 - Chicago has lost passenger and cargo market-share since 2000.
 - ORD and MDW cannot expand because they have no more airspace nor available land.

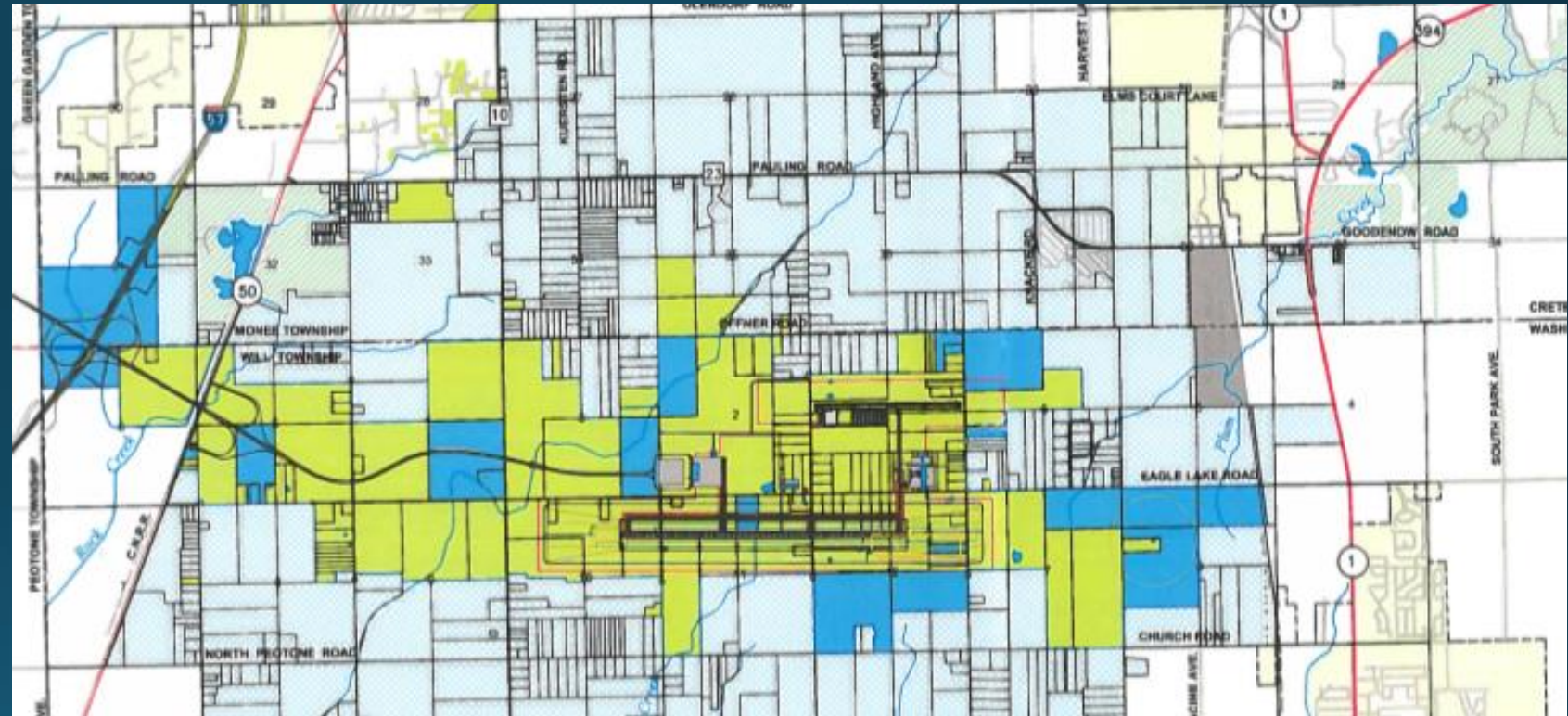


Commercial Passenger Flights Percent Growth: 2000-2018



SSA Status: Planning 90% Complete

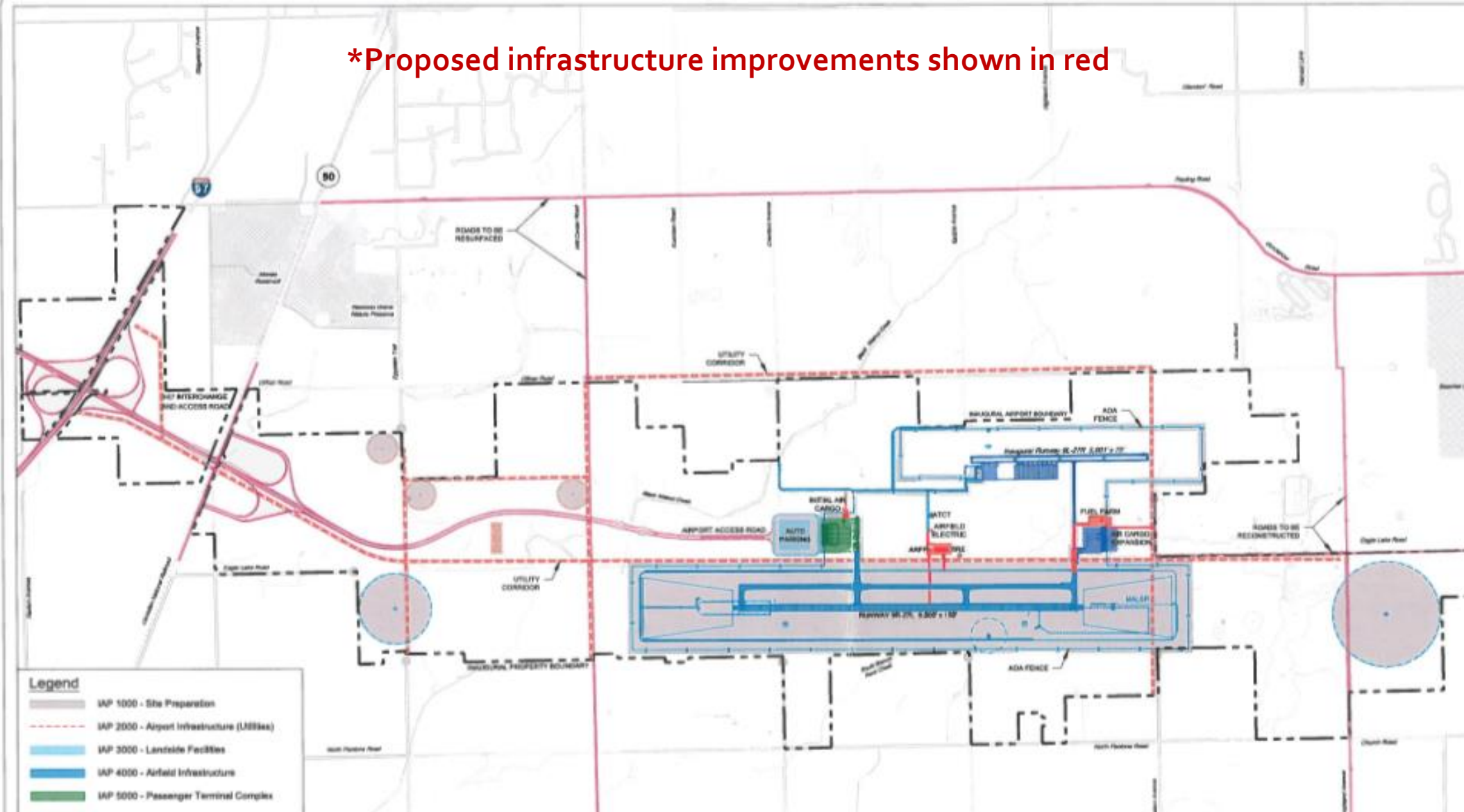
- Land: State owns 89% of inaugural footprint
- FAA has approved:
 - Need
 - Location
 - Size
 - Airspace
 - Ground access
 - Utility access
 - Environmental review
 - Finance options



Green: State-owned
Blue: To be purchased

\$162 Million Approved by ILGA since 2019

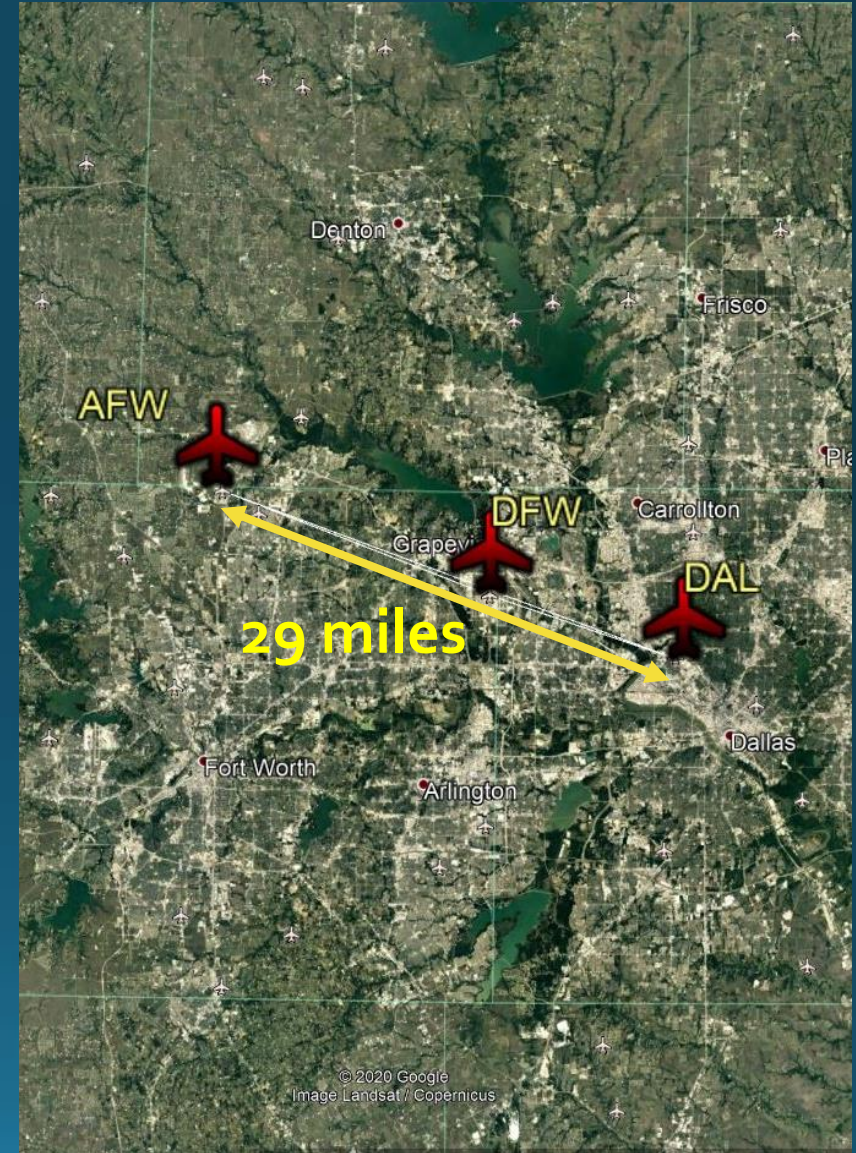
*Proposed infrastructure improvements shown in red



Chicago



Dallas/Ft. Worth



Ft. Worth Alliance Airport



Prototype for SSA?

- Ft. Worth Alliance Airport, a **public private partnership**, opened in **1989**, for cargo. Near highways and railroads, Alliance Gateway is now home to **525 companies** and **65,000 jobs**, which has generated **\$76 billion to the local economy** from logistics, health, manufacturing, tech and entertainment.
- New tenant: Amazon Prime Air.

Amazon Opens 'First of Its Kind' Regional Air Cargo Hub in Fort Worth

US Air Cargo Growth Since 2010:

- Cargo Only Airports – 38%
- Other Airports – 8%

Two Air Cargo Hubs in Same Market

- Dallas/Ft. Worth 21 Miles Apart
- Tampa/St. Pete 42 Miles Apart
- Cincinnati 54 Miles Apart
- Sacramento 57 Miles Apart
- Rockford & SSA 115 Miles Apart

Amazon Air avoids large airports

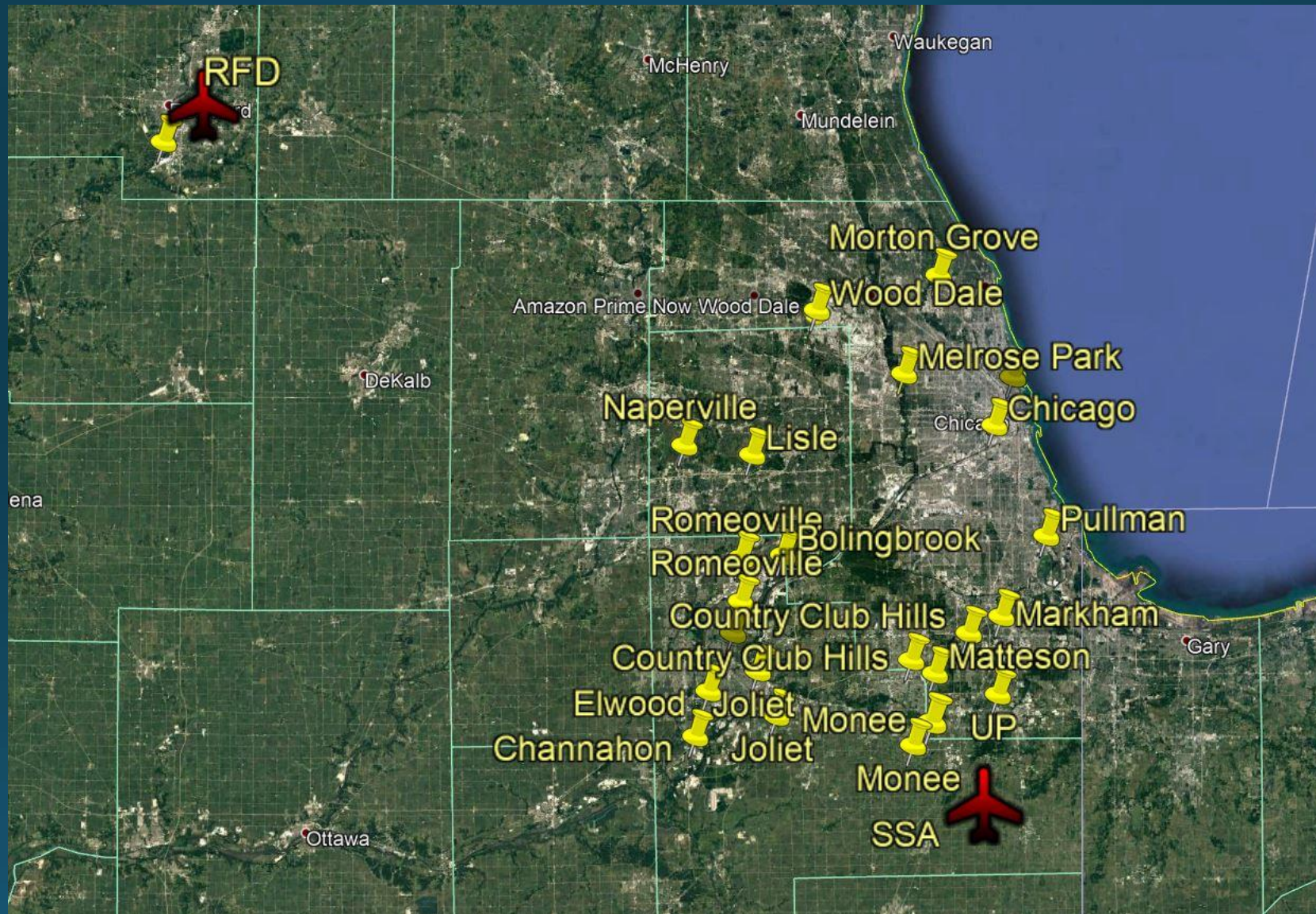
Amazon Air avoids city congestion

Amazon Air locates near its warehouses



Amazon Prime Air purchased 100 cargo planes and is developing regional cargo hubs across US.

Amazon Sites in Northern Illinois





Amazon Air's Summer Surge Strategic Shifts for a Retailing Giant

Chaddick Policy Brief

by Joseph P. Schwieterman, Jacob Walls and Borja González Morgado

September 11, 2020

Our analysis of Amazon Air's summer operations indicates that the carrier...

- ➔ Added nine planes from May – July, the most it has added over a three-month span in its history
- ➔ Has expanded flight activity 30%+ since April through fleet expansion and improved utilization
- ➔ Adheres to a point-to-point strategy, deemphasizing major hubs even more than last spring
- ➔ Significantly changed service patterns in the Northeast and Florida, creating several mini-hubs
- ➔ Continues to deemphasize international flying while adding lift to Hawaii and Puerto Rico

Amazon Air expanded rapidly during summer 2020, a period otherwise marked by sharp year-over-year declines in air-cargo traffic.¹ This fully owned subsidiary of retailing giant Amazon made notable moves affecting its strategic trajectory.²

This brief offers an overview of Amazon Air's evolving orientation between May and late August 2020. The document draws upon publicly available data from a variety of informational sources.

- Data on 1,400 takeoffs and landings of Amazon Air planes from flightaware.com and flightradar24 in April and September 2020.
- Information on fleet registration from various published sources, including Planespotters.com.
- Geographic analysis of the proximity of Amazon Air airports to its 340 fulfillment centers.

The results build upon our [May 2020 Brief](#), showing the dynamic nature of the carrier's schedules, its differences from air-cargo integrators such as FedEx, its heavy emphasis on cargo-oriented airports with little passenger traffic, and why we believe its fleet could grow to 200 planes by 2028.

Six findings from our new analysis stand out.

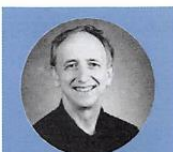


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Cover photo credit: Chaddick Collection - JPS

Please refer to page 15 for author and research-team biographies.



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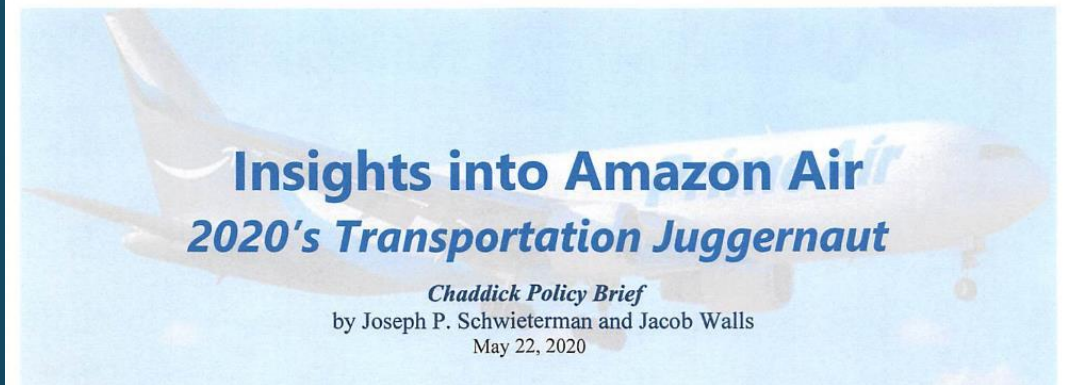
Borja González Morgado

Amazon Air is “deemphasizing major hubs...creating several mini-hubs...”

“We expect the company will continue to take steps to diversify flights in this region beyond those at Chicago Rockford.”

“Amazon Air’s network emphasizes proximity to its fulfillment centers, many of which are a considerable distance from dense urban centers.”

“Our analysis also suggests that there could be a need for additional airports...in metropolitan Chicago.”



Our analysis indicates that Amazon Air is...

- Putting more emphasis on cargo-only airports than most other package-shipment providers
- More oriented toward daytime flights and point-to-point routes than FedEx and UPS
- Expanding its fleet to 70 airplanes by 2021 and could grow to 200 planes in 7-8 years
- Making Cincinnati (CVG), Chicago Rockford, Ontario, Tampa, and Wilmington (OH) focal points
- Creating a CVG megahub that greatly boosts its potential to be a multi-purpose delivery provider

Amazon Air is 2020's transportation juggernaut, flying above the turbulence facing most cargo and passenger airlines during the coronavirus epidemic. This wholly owned subsidiary of retailing giant Amazon is expanding rapidly to help handle surging online buying. Amazon Air's expansion marks one of the most significant developments in the U.S. air-cargo business in years and gives boost to airports seeking to cultivate freight traffic. Amazon Air is not to be confused with the retailer's experimental drone unit, which is known as Amazon Prime Air.

This briefing offers an overview of Amazon Air, providing insights on its size, scope and evolving logistics role. It draws upon data from four primary informational sources to illustrate its economic and geographic orientation.¹

- Data on flight operations from flightaware.com and flightradar24.com
- Analysis of the proximity of Amazon Air airports to 170 fulfillment centers
- Fleet registration info from various sources, including planespotter.net
- Analysis of federal data on passenger and cargo traffic at the airports it serves.


Eight findings from our analysis stand out.



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“Given time, a mature operation could see more than 5,000 jobs supported and more than \$1 billion in impacts per year.”

“The point is this: Chicago is large enough to accommodate a second air cargo hub to augment Rockford, hence another argument for the need for the SSA.”



South Suburban Airport (SSA) **COMPARATIVE ECONOMIC IMPACT ANALYSIS**





2022 SSA Economic Impacts Report

- The FAA and USDOT have responded to heavy freight congestion at the nation's largest airports by aggressively funding dozens of regional airports to serve as reliever options for larger airports.
- The diversion of flights (from Rockford) to Gary Airport began in 2019 when UPS expanded to the only regional airport with room to expand. Amazon, FedEx and other parcel carriers and last-mile logistics providers are in close proximity to SSA.
- SSA is critical link for Illinois to capture new cargo development and keep our inland port at the forefront of the logistics industry.

Footnote: GSU's Supply Chain Innovation Center can play key role in shaping world-class logistics center.

What Makes Ideal Air Cargo Site?

- **Market Area:** Large primary & secondary markets; connectivity to market & cargo services; proximity to distribution centers
- **Location:** Fits with existing networks; close to markets and customers; connectivity to major highways and railroads
- **Infrastructure:** Runways, aprons, redundancy; aircraft parking; space for warehousing; access to intermodals and railyards
- **Affordability:** Financial models show SSA would offer competitive pricing
- **Operational Freedom:** Developable land near runways, minimal congestion

SSA will provide most, if not all, of this.

Will County Air Logistics Center

SSA offers what air cargo carriers need:

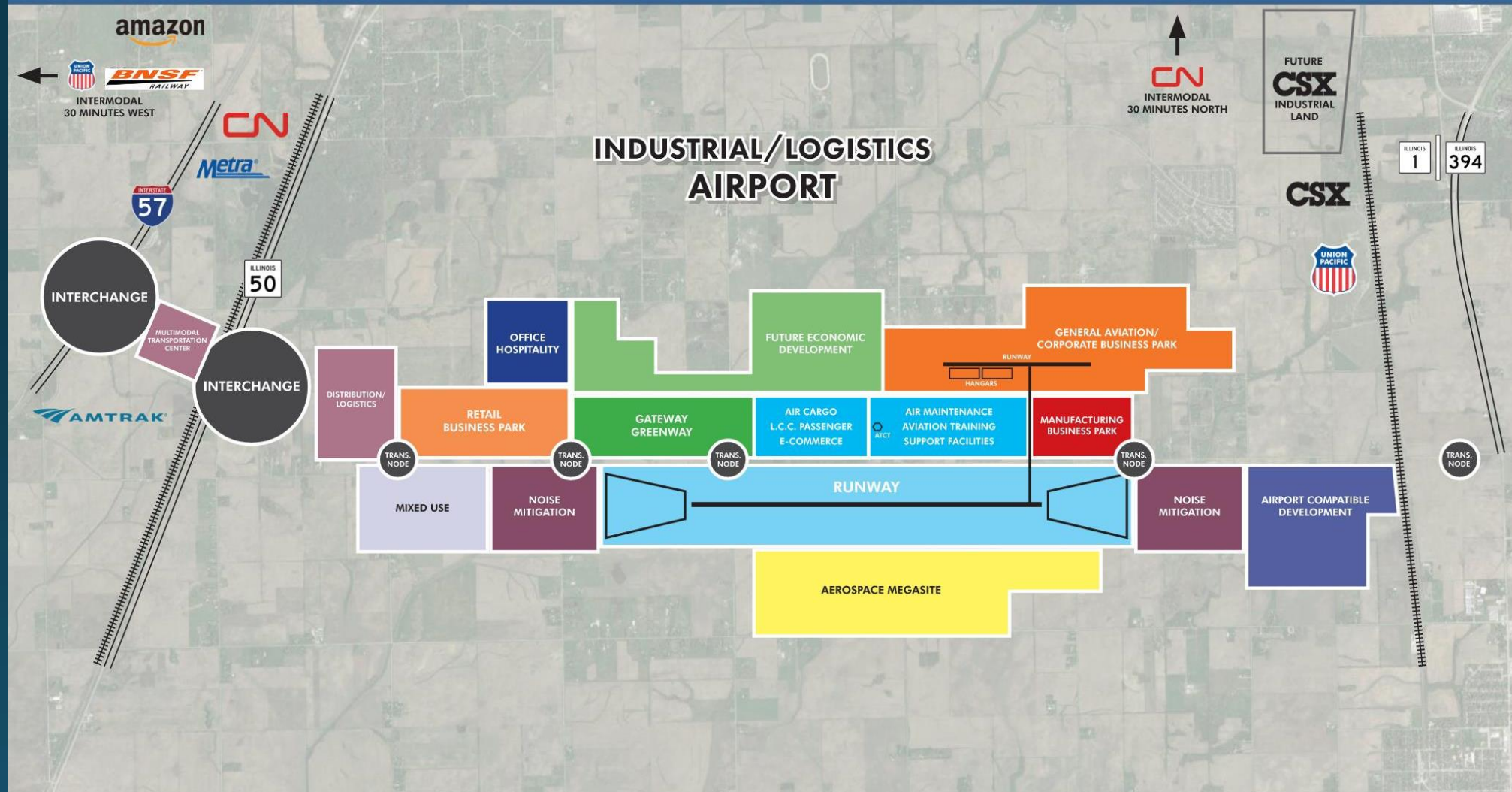
- Strong market location
- Available, developable land
- Premiere infrastructure and multi-modal services:
 - * *Five Class 1 Railroads*
 - * *Four Interstate Highways*
 - * *Three intermodals*
 - * *Three navigable waterway*
 - * *1,500 miles of pipelines*
- Greenfield site is ideal for air logistics center with innovative security, air/ground connections, warehousing, clean energy, operational efficiencies, light industries, and work force.
- Perfect platform for emerging field of Urban Air Mobility (UAM), such as drones, electric planes.

SSA Industrial Airport

BULT FIELD
CHICAGO SOUTHLAND

SSA
SouthSuburbanAirport

DEVELOPMENT MAP

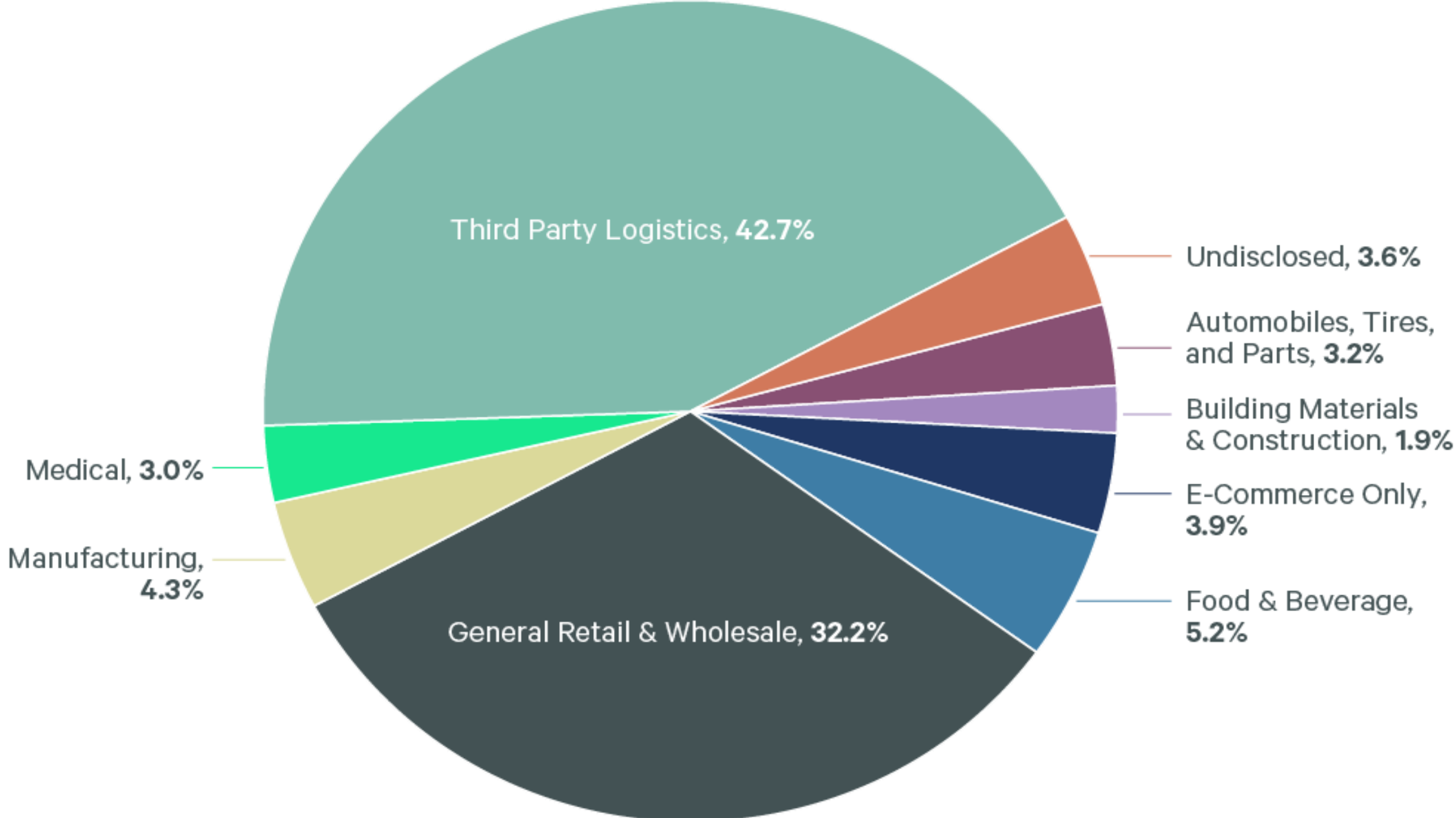


Opportunities for SSA Air Freight

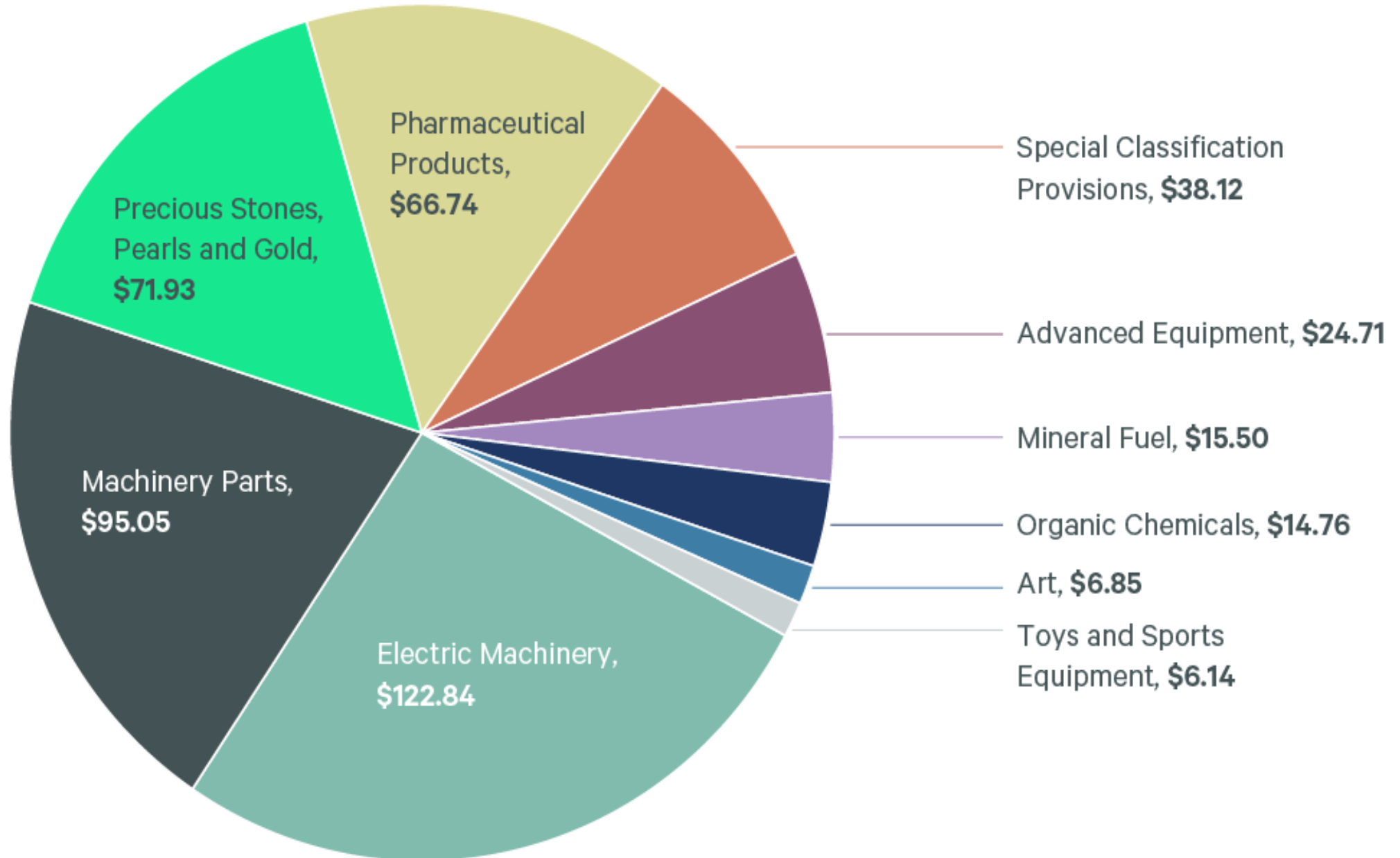
Integrators/All-Cargo Carriers (UPS, FedEx, USPS, Amazon, DHL)

- Strong market base (Cook Co., Will Co.)
- Expansion capacity
- Early delivery / late pick-up
- Quick access S and E to/from metro area
- Peak hours alternative to ORD, RFD, GRR
- **Freight Forwarders/Logistics Companies**
- Airport-based distributors
- E-commerce, local industries
- Charters, specialty services
- Emergency deliveries
- National, international services (FTZ)

Top Businesses Located Near Air Cargo Ports



Types of Items Imported Through Gateway Airports (\$Billion)



Compelling Facts

- Need for 3rd Chicago airport cited by FAA 35 years ago.
- Chicago largest US city without 3 airports.
- Among major US cities, only Chicago lost flights since 2000.
- Growing demand for air cargo requires new hubs.
- Will County: Market appeal, infrastructure nexus, room to grow.
- SSA: catalyst for new jobs, tax base for Will County, State.
- Initial planning & land acquisition nearly complete.
- New \$162 million interchange makes SSA shovel-ready.



Experts agree:

- SSA expands air cargo capacity, options, cost-saving efficiencies.
- Will County fits needs of logistics operations, businesses, and manufacturers: proximity to major markets, infrastructure assets, and developable land.
- Ideal platform for Urban Air Mobility and innovative aviation.
- Rather than compete with existing airports, SSA supplements and fills existing (and future) gaps in booming air freight world.



Companies want to be near airports



Companies are locating distribution operations closer to air cargo ports as they contend with a raft of challenges, particularly higher transportation costs. Transportation comprises 45% to 70% of overall supply chain costs, according to [CBRE Supply Chain Advisory](#), compared with just 3% to 6% for occupancy costs. So locating near airports can be highly cost-effective. The reshoring of some manufacturing operations has been another catalyst for demand in airport markets.