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## As UPS Facility Nears Completion, Eastern Iowa Airport Eyes More Cargo Growth

With the wheels on the roller ball mat ready for packages to glide through UPS Inc.'s new 53,800-square-foot cargo facility, Steve Kenneke has a "field of dreams" at The Eastern Iowa Airport.

**By** John Steppe

**Source** The Gazette, Cedar Rapids, Iowa (TNS)

Jun 30th, 2021

Jun. 30—CEDAR RAPIDS — With the wheels on the roller ball mat ready for packages to glide through UPS Inc.'s new 53,800-square-foot cargo facility, Steve Kenneke has a "field of dreams" at The Eastern Iowa Airport.

"It's going to allow us to have a lot of potential expansion as e-commerce continues to grow," said Kenneke, UPS' vice president of air operations in its central zone.

For the airport, the \$18 million project, which is expected to hire 100 employees, is a step in becoming "known as the cargo airport for the state."

"Cargo is an ever-increasing important part of our business model," said Marty Lenss, director The Eastern Iowa Airport in Cedar Rapids. About half of all of Iowa's air cargo traffic comes through it, he said.

Cedar Rapids had more enplaned cargo than Des Moines in April and May, according to numbers released by the airports, though Des Moines had more enplaned cargo in March. However, it hasn't always been this way, Lenss said: Cedar Rapids used to have only 35 to 40 percent of the state total.

Lenss said.

When the UPS facility officially opens July 12, it will be able to process about 4,000 packages an hour, Kenneke said. It is about eight times larger than UPS' existing facility and gives UPS more distance from commercial air traffic.

Kenneke said some of the jobs created will be part-time, but UPS will provide medical benefits and a pension.

Lenss said Cedar Rapids gains from being geographically close enough for one-day ground transportation to Minneapolis, Chicago, St. Louis and other metropolitan areas in the Midwest.

"We really have a geographic advantage to reach a tremendous number of households within that geographic circle," Lenss said.

Cedar Rapids' proximity to various markets "absolutely" helped in UPS' decision to invest at The Eastern Iowa Airport, Kenneke said.

"Some of the bigger cities are more congested, so you come out here where you got a little more room to breathe," Kenneke said. "Because of not having that congestion, you can service some of those markets just as quickly."

Cedar Rapids City Manager Jeff Pomeranz said UPS' investment in the region shows a "real vote of confidence."

"Warehousing, distribution, this is the really growing area of the economy," Pomeranz said. "We're really pleased to see it expand here and happen here in Cedar Rapids, as opposed to other places."

The UPS project is not the only logistics facility under construction in or near southwest Cedar Rapids. The Cedar Rapids City Council approved tax credits June 22 for FedEx to locate a \$108.6 million warehouse and distribution center at 1035 Commerce Park Drive SW, and Alliant Energy's transportation subsidiary Traverro has a 259,000-square-foot logistics park under construction in Fairfax.

Cedar Rapids' airfreight business is unclear.

"It's too early to tell how much that'll help CID and our airfreight, but it certainly will help," Lenss said. "They'll all complement each other on some level."

'Boxes aren't drinking beer,' but passengers are

Still, while Lenss sees cargo traffic as having increased importance for the airport, he expects commercial air traffic to be the bigger source of revenue.

Air cargo doesn't come with any of the concession sales or parking fees that are lucrative for the airport. "The boxes aren't drinking beer on the patio in the terminal," Lenss said with a laugh.

After a tumultuous 2020, passenger traffic has quickly rebounded in 2021.

Along with the return of all of its pre-pandemic nonstop routes, Cedar Rapids added Phoenix service on American Airlines, which was previously a seasonal route, as a year-round route.

Almost 41,000 people boarded flights in Cedar Rapids in May 2021, which is about 72 percent of the traffic seen in May 2019.

"Every day is a little better than the last," Lenss said. "We're slowly getting there."

Comments: (319) 398-8394; john.steppe@thegazette.com

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