

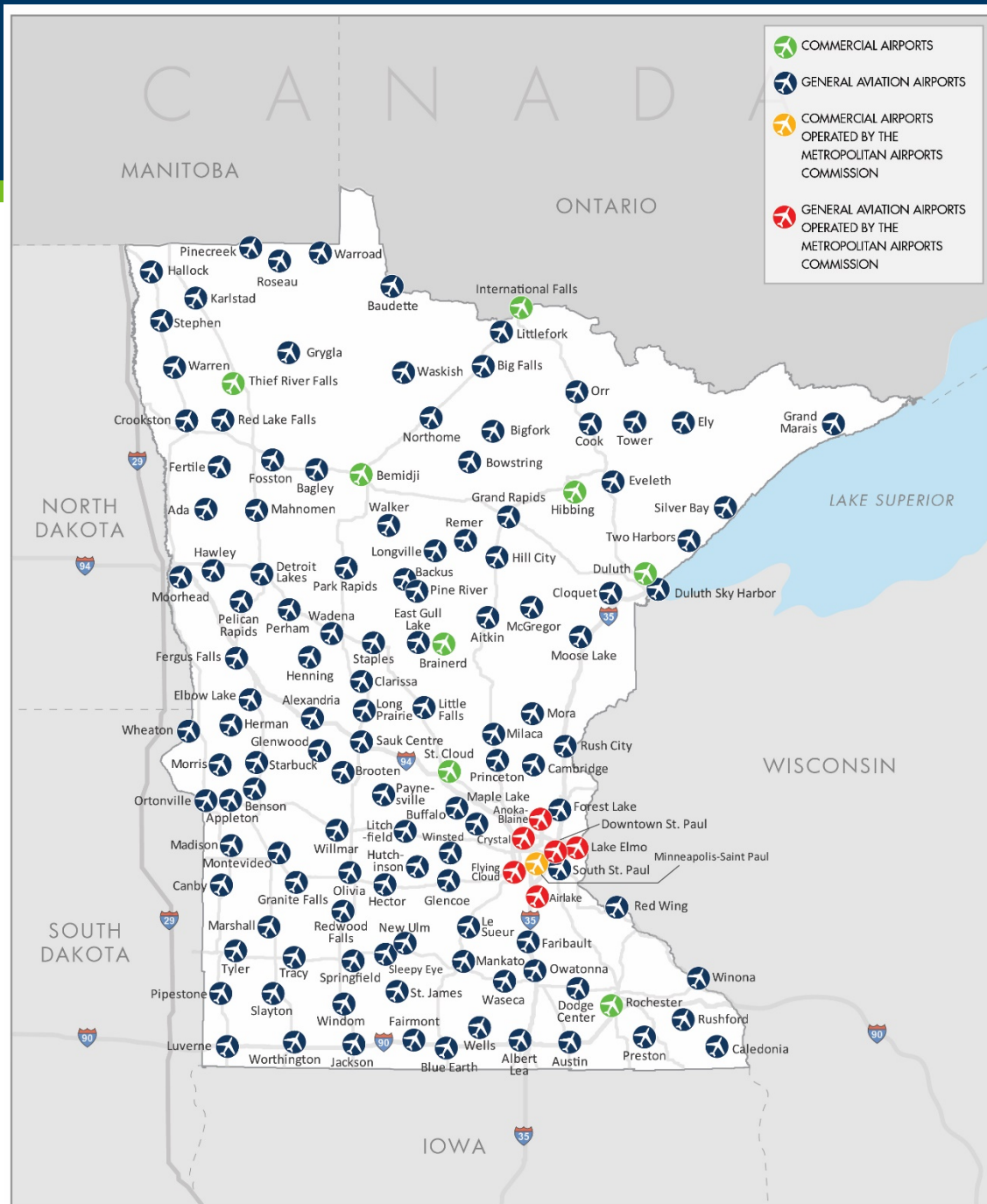


Update on Minnesota Statewide Airport Economic Impact Study

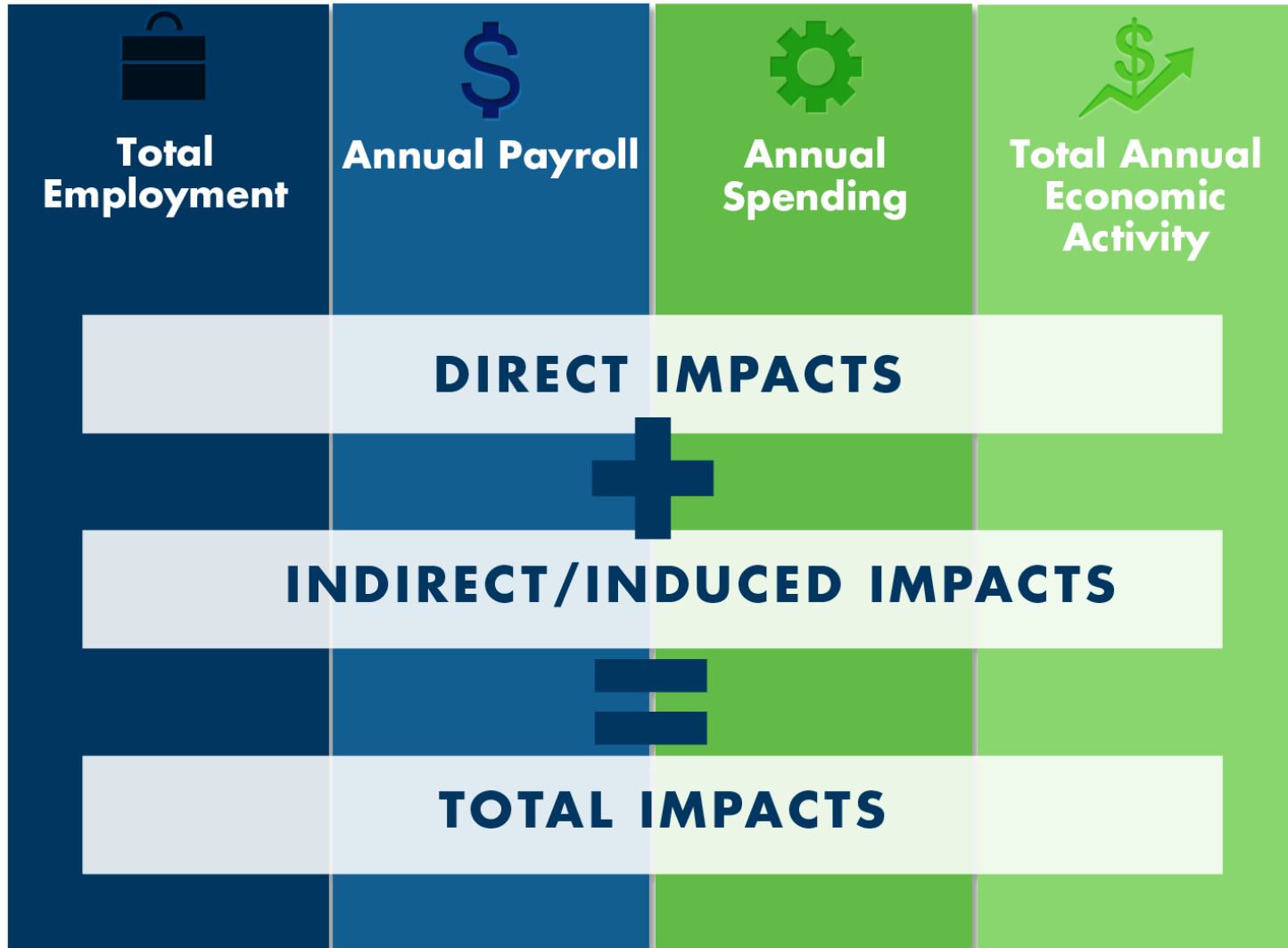
May 2, 2019

Study Airports Direct Impacts

- The MnDOT study includes 127 Commercial and General Aviation
- Impacts for 7 MAC airports will be integrated from a separate study
- Only direct impacts have been identified at this juncture in the study



Process Used to Estimate Annual Economic Impacts



- At this point, only direct impacts have been identified
- For this study, annual economic activity is the sum of payroll and spending
- Indirect/induced impacts will be estimated using the IMPLAN model

Factors Used in the MnDOT Study to Estimate Annual Economic Impact



ECONOMIC IMPACTS COME FROM 5 “BUCKETS”



Airport Management



Airport Business Tenants



**Average Annual Capital
Investment Spending**



**Commercial Visitor
Spending**



**General Aviation Visitor
Spending**

**Business Tenants are defined as revenue generating companies with associated employment doing business on airport property. Government organizations/agencies with on-airport aviation-related employment are also included as tenants.*

Process To Identify Direct Impacts From Airport Management

- Impacts collected through surveys, visits, and phone interviews of airport management representatives
- Many airports have impacts in the airport management category that are located “off-airport”. Cities and counties often have employees who work less than full time in support of the airport
- Some airports are managed by volunteers or an FBO
- All airports provided data on direct impacts for this impact category
- All airports have at least some portion of a job in the management category
- Direct impacts in this and all other impact categories were reviewed by MnDOT and shared with all study airports

Statewide Direct Impacts from Airport Management



Total Statewide Direct Employment: **165**



Total Statewide Direct Payroll: **\$8,120,900**



Total Statewide Direct Spending: **\$19,541,090**

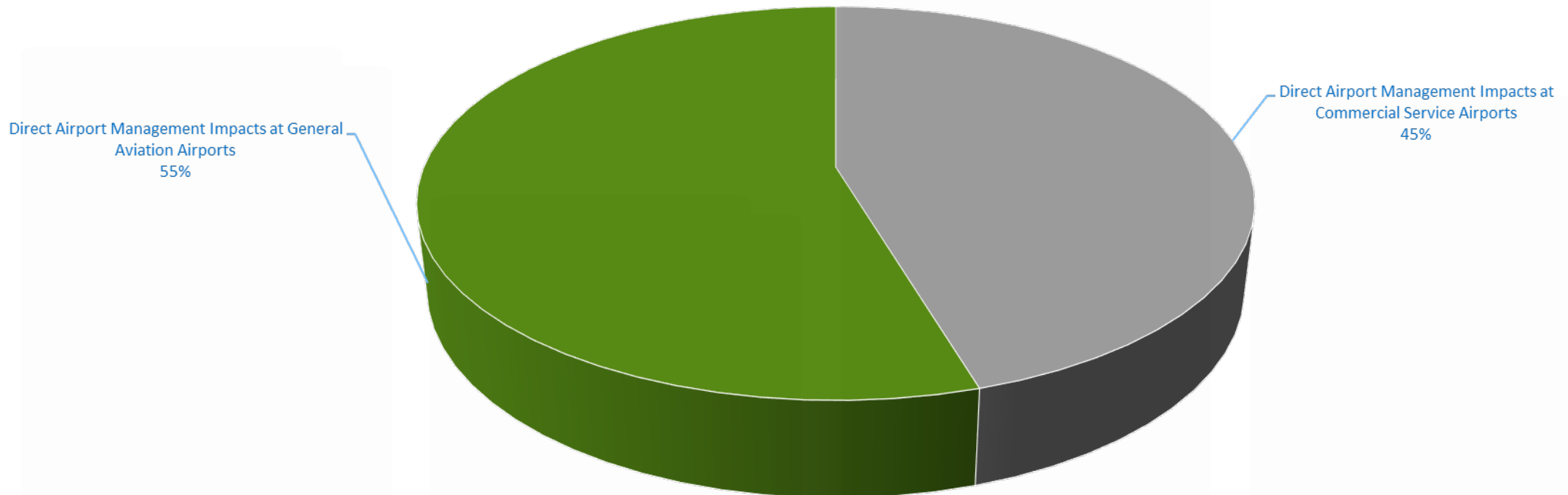


Total Statewide Direct Annual Economic Activity: **\$27,661,990**

Note: Direct Annual Economic Activity is the sum of payroll and spending.

Distribution of Direct Airport Management Impacts

DIRECT MANAGEMENT IMPACTS BY AIRPORT TYPE

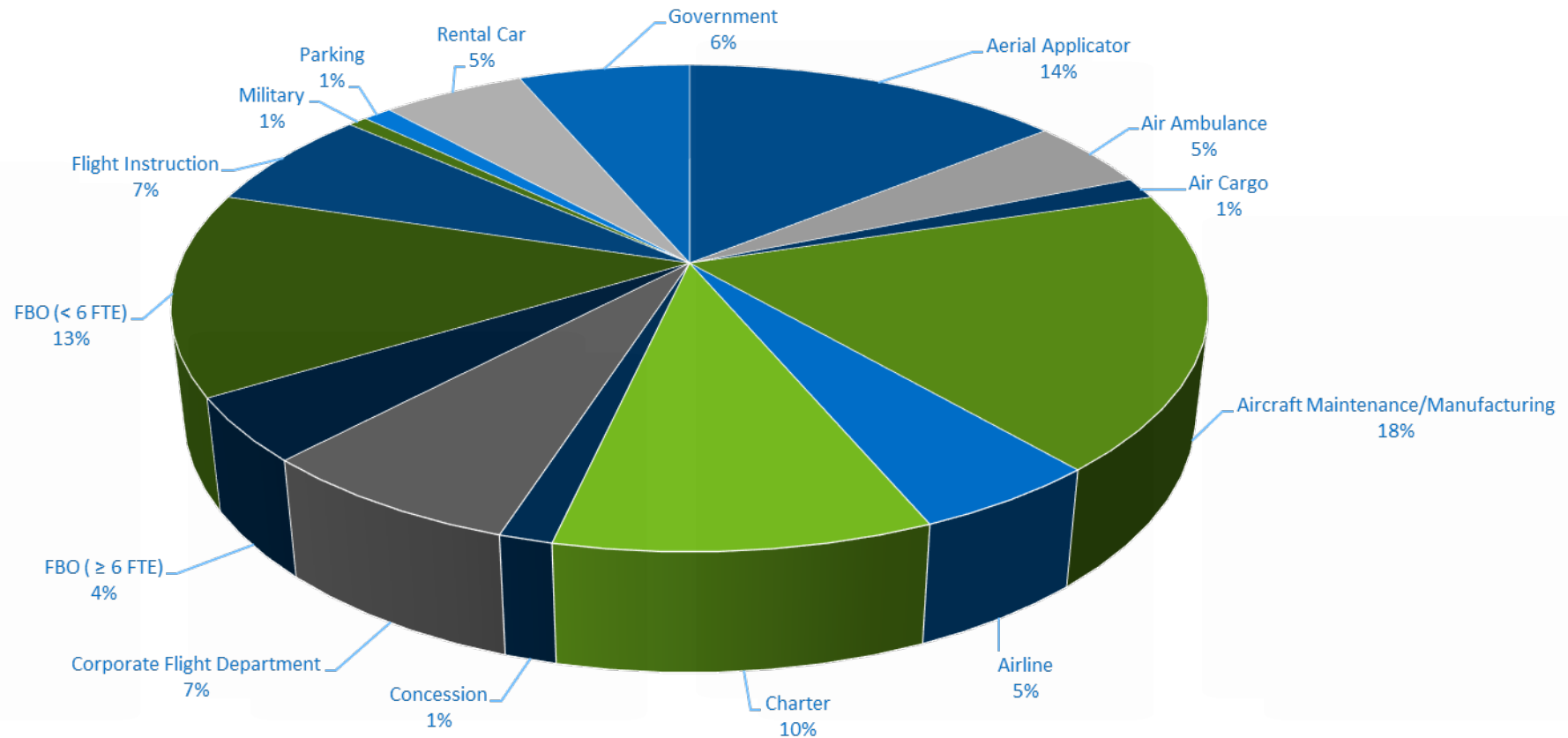


Distribution based on an estimated \$28 million in total annual direct economic activity

Distribution of Tenants/Businesses by Service Type

- Total Business Tenants Identified for all Study Airports: **282**

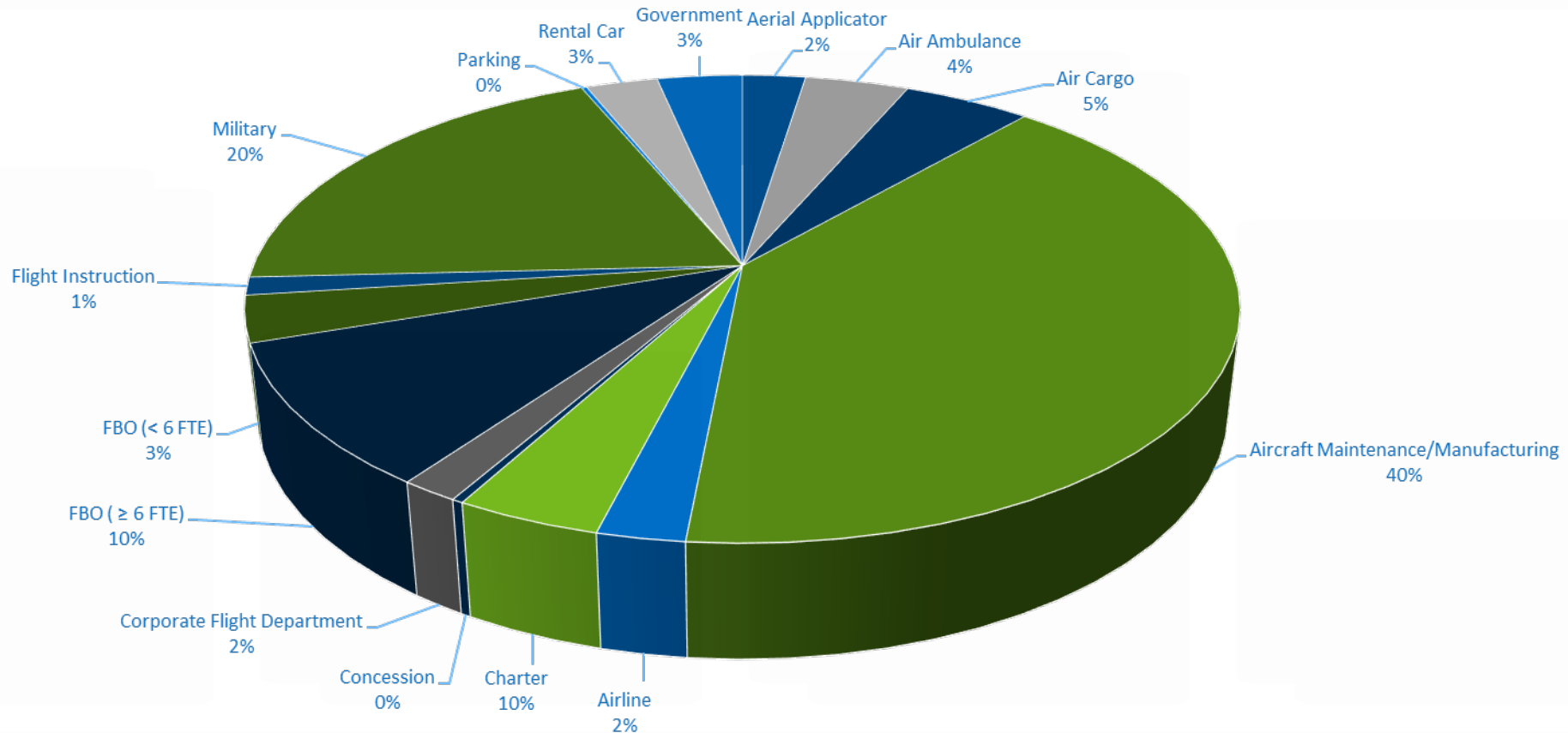
- Total number of statewide business tenant employees: **4,068**



Distribution of Business Tenants by Employment

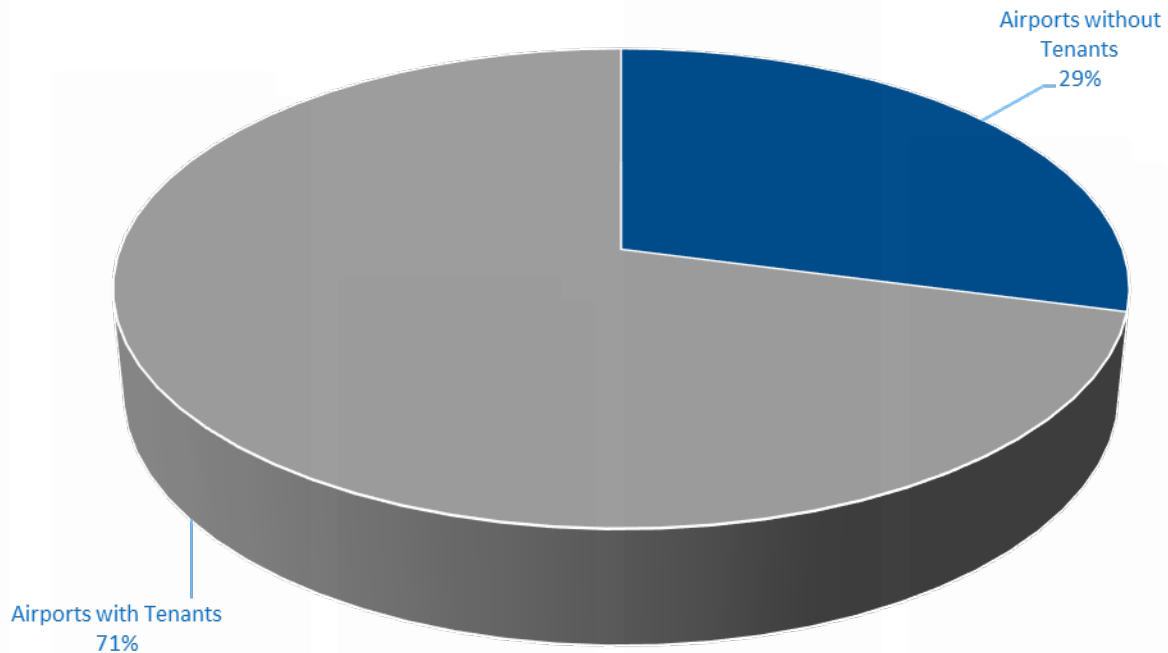
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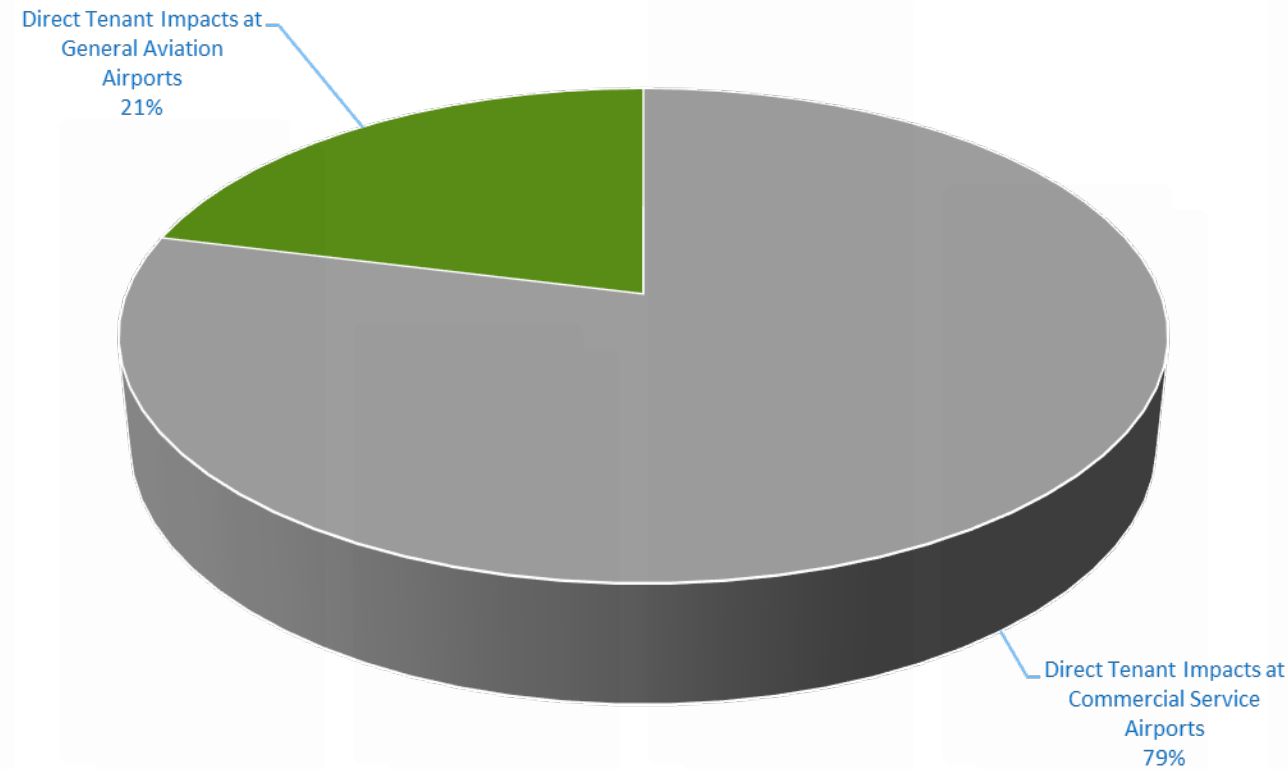


Distribution of Airport Business Tenants

SHARE OF AIRPORTS WITH BUSINESS TENANTS



BUSINESS TENANT DISTRIBUTION BY AIRPORT TYPE



Note: For this study, Airport Business Tenants were classified as revenue generating aviation related employers. Those airports that do not have Airport Business Tenants still support various activities, provide hangar rental space, and have basic services such as fuel.

Statewide Direct Impacts from Airport Business Tenants



Total Statewide Direct Employment: **4,068**



Total Statewide Direct Payroll **\$284,529,770**



Total Statewide Direct Spending **\$457,607,010**



Total Statewide Direct Annual Economic Activity **\$742,136,780**

Note: For this study, Direct Annual Economic Activity is the sum of payroll and spending.

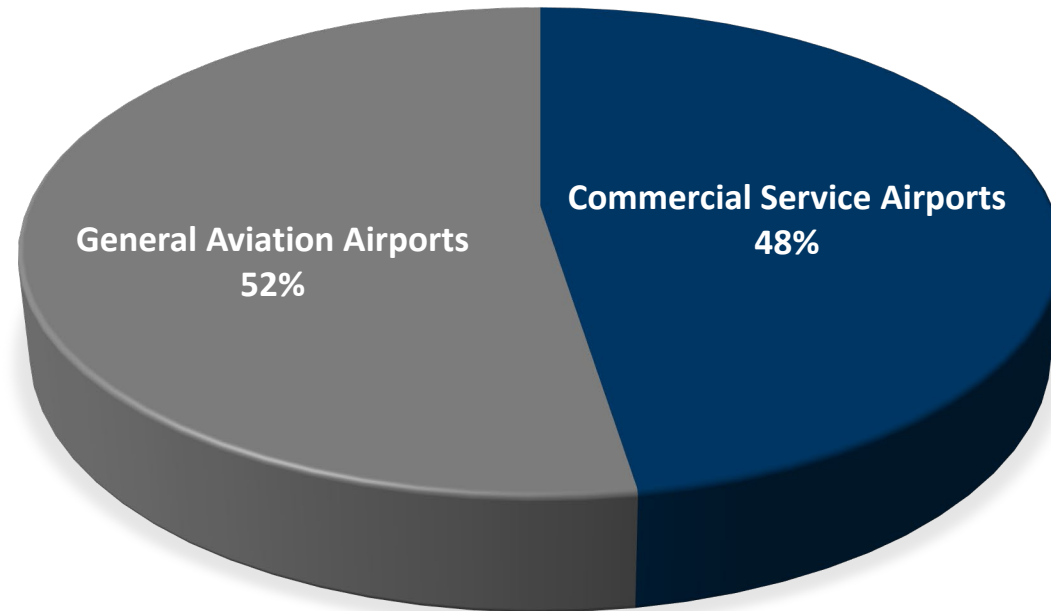
Process to Estimate Direct Impact from Capital Investment

- 5-Year estimates of Average Annual Capital Investment were identified to estimate direct impacts in this category
- Sources for investment: MnDOT, FAA, airports, airport tenants/businesses
- Use IMPLAN ratios to identify employment/payroll supported by total investment
- Employment based on ratio of jobs supported for every \$1 million spent on capital projects
- Total investment represents spending for both goods/materials and labor
- Total annual economic activity “minus” payroll equals spending for materials/supplies

Investment by Airport Type

Total 5-Year Average Statewide Annual Capital Investment All Study Airports: **\$62,006,040**

STATEWIDE AVERAGE ANNUAL CAPITAL INVESTMENT BY AIRPORT



Statewide Direct Impacts from Average Annual Capital Investment



Total Statewide Direct Employment: **326**



Total Statewide Direct Payroll **\$16,555,570**



Total Statewide Direct Spending **\$45,450,470**



Total Statewide Direct Annual Economic Activity **\$62,006,040**

Note: Direct Annual Economic Activity is the sum of payroll and spending. Jobs included in this category include consultants providing airport services.



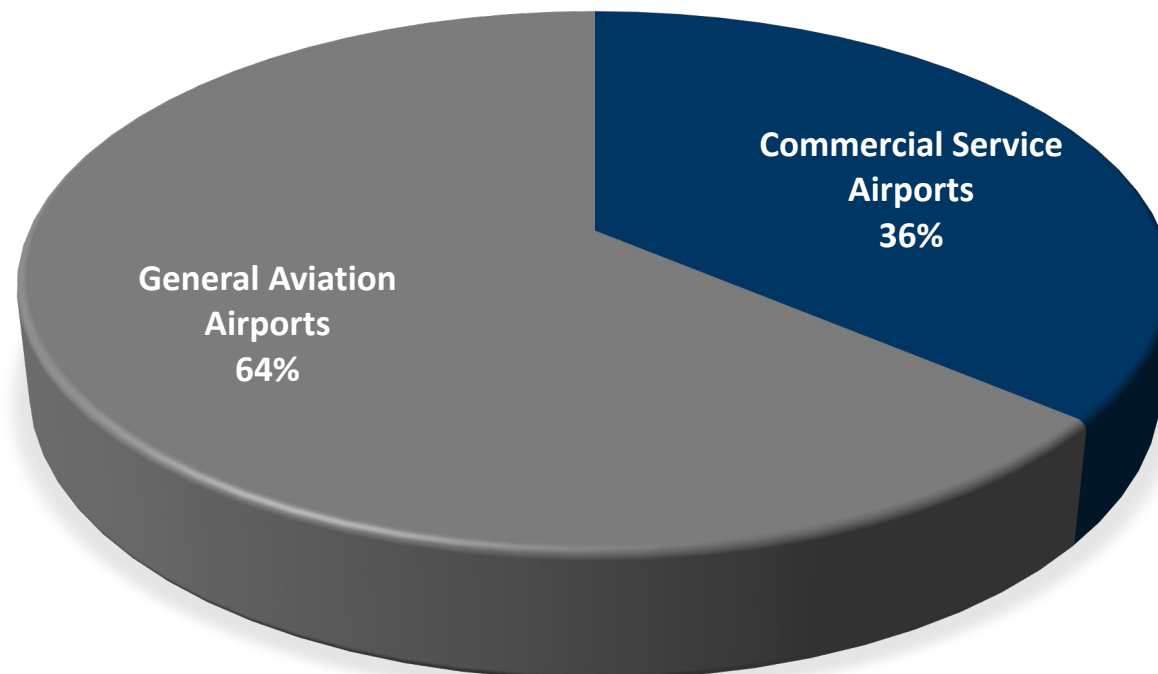
Study Estimates of General Aviation Visitors

- Estimates of general aviation visitors not available from an existing source
- Process started with an estimate of weekly visiting general aviation aircraft arrivals for each airport: source airports and AOPA methodology
- Weekly visiting aircraft arrivals translated to annual visiting arrivals
- Fleet mix for visiting aircraft established for each airport: source airports and FAA NOP data
- Average number of visitors by aircraft type established with airport input
- Annual visiting aircraft, visiting fleet mix, and visitors per visiting plane type yields annual general aviation visitors per airport

Study Estimates of General Aviation Visitors

- Total annual statewide visiting general aviation aircraft arrivals: **79,113**
- Total annual statewide general aviation visitors: **230,538**

GENERAL AVIATION VISITORS BY AIRPORT TYPE



Study Process to Estimate Direct General Aviation Visitor Impacts

- Estimate annual general aviation visitors
- Estimate annual spending associated with all visitors; consider both day and overnight trips
- Statewide “average” spending per general aviation visitor was estimated to range from \$50 to \$270 per trip; this average included day visitors who have limited spending
- Use IMPLAN ratios to identify employment/payroll supported by visitor economic activity
- Employment based ratios of jobs supported for every \$1 million spent
- Total spending represents goods/supplies/infrastructure and labor
- Total annual economic activity “minus” payroll equals spending

Statewide Direct Impacts from General Aviation Visitor Spending



Total Statewide Direct Employment: **946**



Total Statewide Direct Payroll **\$24,039,000**



Total Statewide Direct Spending **\$29,298,000**



Total Statewide Direct Annual Economic Activity **\$53,337,000**

Note: Direct Annual Economic Activity is the sum of payroll and spending.

Commercial Air Visitors

- For each commercial airport, a portion of their annual passenger enplanements are attributed to visitors versus residents
- Airports provided enplanement data and USDOT records provided % visitors at each airport

Information Used to Support Commercial Visitor Spending Estimates

- Total annual visitors for all study airports: **203,121**

- Total annual statewide economic activity for all commercial airport visitors: **\$86,819,000**

FAA ID	Associated City	Airport Name	Percent of Enplanements that are Visitors	Total Annual Commercial Visitors	Average Spending Per Visitor Trip
BJI	Bemidji	Bemidji Regional Airport	42%	12,553	\$ 348
BRD	Brainerd	Brainerd Lakes Regional Airport	35%	7,368	\$ 278
DLH	Duluth	Duluth International Airport	44%	60,963	\$ 402
HIB	Hibbing	Range Regional Airport	32%	5,386	\$ 283
INL	International Falls	Falls International Airport	65%	11,305	\$ 332
RST	Rochester	Rochester International Airport	52%	96,973	\$ 498
STC	St. Cloud	St. Cloud Regional Airport	27%	5,716	\$ 287
TVF	Thief River Falls	Thief River Falls Regional Airport	50%	2,857	\$ 236

Statewide Direct Impacts from Commercial Visitor Spending



Total Statewide Direct Employment: **956**



Total Statewide Direct Payroll **\$24,427,000**



Total Statewide Direct Spending **\$62,392,000**



Total Statewide Direct Annual Economic Activity **\$86,819,000**

Note: Direct Annual Economic Activity is the sum of payroll and spending.

Summary of All Statewide Direct Impacts



Total Statewide Direct Employment: **6,461**



Total Statewide Direct Payroll **\$357,672,240**



Total Statewide Direct Spending **\$614,288,570**



Total Statewide Direct Annual Economic Activity **\$971,960,810**

Note: Direct Annual Economic Activity is the sum of payroll and spending.

Economic Impacts by Category

