



Montana Department of Transportation

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PO Box 201001
Helena MT 59620-1001

Jim Lynch, Director
Brian Schweitzer, Governor

May 7, 2009

Ted Mathis
Gallatin Field
850 Gallatin Field Road #6
Belgrade MT 59714

Subject: Montana Airports Economic Impact Study 2009 Montana State Aviation System Plan

Dear Ted,

I am pleased to announce that the Economic Impact Study of Montana Airports has been completed.

This study was a two-year collaborative effort between the Montana Department of Transportation (MDT) Aeronautics Division, the Federal Aviation Administration, Wilbur Smith and Associates and Morrison Maierle Inc. The enclosed study is an effort to break down aviation's significant contributions in Montana and show how these impacts affect economies on a statewide and local level. Depending on your location, you may also find enclosed several copies of an individual economic summary specific to your airport.

Results of the study clearly show that Montana's 120 public use airports are a major catalyst to our economy. Montana enplanes over 1.5 million passengers per year at our 15 commercial service airports, half of whom are visiting tourists. The economic value of aviation is over \$1.56 billion and contributes nearly 4.5 percent to our total gross state product. There are 18,759 aviation dependent positions in Montana, accounting for four percent of the total workforce and \$600 million in wages.

In addition to the economic benefits, the study also highlights how Montana residents increasingly depend on aviation to support their health, welfare, and safety. Montana airports support critical services for medical care, agriculture, recreation, emergency access, law enforcement, and fire fighting. The airports provide residents and businesses a direct and efficient link to the national and global economy.

The complete technical report and executive summary and 72 individual airport reports will be available in the near future at <http://www.mdt.mt.gov/aviation>. Please contact MDT Aeronautics Division at (406) 444-2506, if additional information is required.

Sincerely,


Jim Lynch
Director

attachments

AIRPORT SPECIFIC ECONOMIC IMPACTS

Associated City	Airport Name	TOTAL IMPACTS		
		Employment	Payroll	Output
Primary Commercial Service Airports				
Billings	Billings Logan International Airport	3,270.5	\$97,114,600	\$279,190,900
Bozeman	Gallatin Field	3,914.5	\$99,686,500	\$282,400,500
Butte	Bert Mooney Airport	355.5	\$9,466,600	\$26,669,700
Great Falls	Great Falls International Airport	3,335.0	\$141,821,900	\$267,982,100
Helena	Helena Regional Airport	1,774.0	\$66,705,500	\$153,659,900
Kalispell	Glacier Park International Airport	889.5	\$27,829,300	\$88,001,500
Missoula	Missoula International Airport	3,084.5	\$91,570,400	\$260,648,800
Primary Commercial Service Subtotal		16,623.5	\$534,194,800	\$1,358,553,400
Commercial Essential Air Service Airports				
Glasgow	Wokal Field/Glasgow International Airport	132.5	\$4,042,000	\$12,893,400
Glendive	Dawson Community Airport	45.0	\$1,327,100	\$3,424,300
Havre	Havre City-County Airport	39.0	\$1,230,000	\$3,132,500
Lewistown	Lewistown Municipal Airport	164.5	\$7,149,200	\$17,718,600
Miles City	Frank Wiley Field	71.5	\$2,139,100	\$8,263,500
Sidney	Sidney-Richland Municipal Airport	105.0	\$2,886,100	\$8,582,200
West Yellowstone	Yellowstone Airport	257.0	\$7,912,100	\$21,577,000
Wolf Point	L M Clayton Airport	47.0	\$1,703,800	\$4,074,800
Commercial Essential Air Service Subtotal		861.5	\$28,389,400	\$79,666,300
High Volume General Aviation Airports				
Baker	Baker Municipal Airport	11.0	\$275,000	\$561,300
Big Timber	Big Timber Airport	13.5	\$331,100	\$822,300
Chinook	Edgar G. Obie Airport	1.0	\$27,100	\$84,100
Choteau	Choteau Airport	2.0	\$66,900	\$459,300
Columbus	Columbus Airport	10.5	\$300,900	\$589,000
Cut Bank	Cut Bank International Airport	9.5	\$267,300	\$794,700
Dillon	Dillon Airport	37.0	\$1,116,200	\$3,675,800
Forsyth	Tillitt Field	7.0	\$164,600	\$362,700
Hamilton	Ravalli County Airport	124.5	\$4,196,700	\$10,420,200
Jordan	Jordan Airport	0.0	\$0	\$17,600
Kalispell City	Kalispell City Airport	359.0	\$10,111,900	\$24,182,800
Laurel	Laurel Municipal Airport	82.0	\$2,111,000	\$5,796,100
Livingston	Mission Field	13.0	\$216,400	\$959,700
Polson	Polson Airport	42.0	\$1,152,100	\$2,631,200
Ronan	Ronan Airport	4.0	\$64,800	\$132,700
Seeley Lake	Seeley Lake Airport	13.0	\$519,700	\$1,131,900
Shelby	Shelby Airport	0.0	\$0	\$55,500
Stevensville	Stevensville Airport	70.5	\$1,727,600	\$9,342,200
Three Forks	Three Forks Airport	3.0	\$37,500	\$192,700
Twin Bridges	Twin Bridges Airport	18.0	\$605,200	\$1,571,500
High Volume General Aviation Airports Subtotal		820.5	\$23,292,000	\$63,783,300

MONTANA ECONOMIC IMPACT OF AIRPORTS STUDY

Associated City	Airport Name	TOTAL IMPACTS		
		Employment	Payroll	Output
Other Select General Aviation Airports				
Anaconda	Bowman Field	4.5	\$81,200	\$229,200
Benchmark	Benchmark Airport	0.0	\$0	\$5,500
Big Sandy	Big Sandy Airport	0.0	\$0	\$1,000
Broadus	Broadus Airport	1.0	\$3,800	\$29,000
Chester	Liberty County Airport	9.0	\$267,700	\$1,960,400
Circle	Circle Town County Airport	3.0	\$55,700	\$90,900
Colstrip	Colstrip Airport	2.0	\$45,700	\$149,300
Conrad	Conrad Airport	6.5	\$200,800	\$1,347,800
Culbertson	Big Sky Field	1.0	\$16,500	\$22,800
Deer Lodge	Deer Lodge City-County Airport	17.5	\$517,900	\$3,800,600
Ekalaka	Ekalaka Airport	0.0	\$0	\$49,500
Ennis	Ennis - Big Sky Airport	7.5	\$63,000	\$225,000
Eureka	Eureka Airport	2.0	\$54,000	\$332,300
Fort Benton	Fort Benton Airport	18.5	\$568,900	\$13,405,000
Gardiner	Gardiner Airport	18.5	\$423,100	\$1,216,900
Geraldine	Geraldine Airport	3.5	\$56,100	\$657,200
Harlem	Harlem Airport	3.0	\$52,400	\$346,700
Harlowton	Wheatland County Airport at Harlowton	1.0	\$5,900	\$27,800
Libby	Libby Airport	23.5	\$638,000	\$2,010,100
Lincoln	Lincoln Airport	0.0	\$0	\$14,800
Malta	Malta Airport	9.5	\$195,000	\$1,309,900
Philipsburg	Riddick Field	1.0	\$24,800	\$128,600
Plains	Plains Airport	18.0	\$330,100	\$4,856,000
Plentywood	Sher-Wood Airport	5.0	\$48,000	\$85,200
Poplar	Poplar Airport	16.5	\$563,100	\$1,703,100
Red Lodge	Red Lodge Airport	13.5	\$213,400	\$602,900
Roundup	Roundup Airport	5.0	\$153,800	\$397,100
Scobey	Scobey Airport	11.5	\$387,400	\$911,700
Stanford	Stanford Airport	3.5	\$42,200	\$453,200
Superior	Mineral County Airport	0.0	\$0	\$10,600
Terry	Terry Airport	0.0	\$0	\$800
Thompson Falls	Thompson Falls Airport	1.0	\$24,800	\$181,800
Townsend	Townsend City-County Airport	4.5	\$101,500	\$364,400
Turner	Turner Airport	0.0	\$0	\$1,100
Valier	Valier Airport	0.0	\$0	\$1,400
White Sulphur Springs	White Sulphur Springs Airport	0.0	\$0	\$17,600
Winifred	Winifred Airport	0.0	\$0	\$5,300
Other Select General Aviation Airports Subtotal		211.0	\$5,134,800	\$36,952,500
Remaining 49 Rural Airports		9.0	\$266,200	\$472,200
All GA Airports – On-Airport Construction		218.0	\$7,710,600	\$16,405,300
All General Aviation Airports Subtotal		1,258.5	\$36,403,600	\$117,813,300
ALL AIRPORTS TOTAL		18,743.5	\$598,987,800	\$1,555,833,000

GALLATIN FIELD AIRPORT BOZEMAN



M O N T A N A
ECONOMIC IMPACT OF AIRPORTS STUDY

GALLATIN FIELD AIRPORT – BOZEMAN

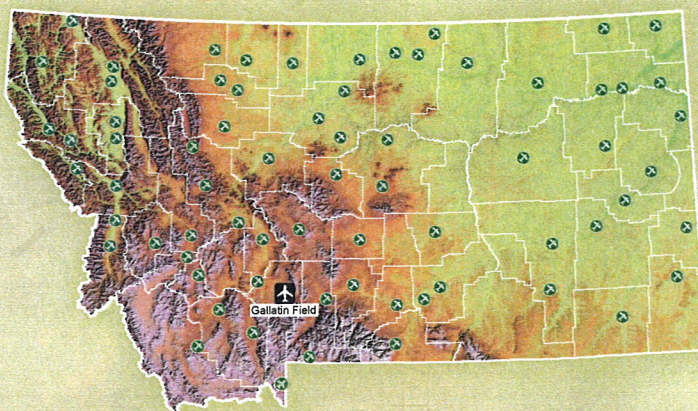
AIRPORT LOCATION

Gallatin Field Airport is located seven miles northwest of Bozeman, Montana, in Gallatin County. Bozeman is one of Montana's major tourism and agriculture centers and offers visitors a diverse range of activities to choose from, including world class outdoor recreation opportunities, outstanding shopping and dining in downtown Bozeman, and exceptional arts, cultural, and historic venues. Bozeman is home to Montana State University, a leading research institution that houses The Museum of the Rockies, which features the world's largest collection of dinosaur fossils and research. Yellowstone National Park and the Gallatin National Forest are also in close proximity. Bozeman is the county seat of Gallatin County.

Bozeman has a population of approximately 35,100. Major employers include: Yellowstone Club, Wal-Mart, Bozeman Deaconess Health Services, Kenyon Noble, Big Sky Ski and Summer Resort, and Bridger Bowl Ski Area.

The 2,481-acre airport's primary runway, Runway 12/30, measures 8,998 feet in length and 150 feet in width. Two additional runways include Runway 3/21 and Runway 11/29. Runway 3/21 measures 2,650 feet in length and 75 feet in width. Runway 11/29 is a turf runway that measures 3,197 feet in length and 80 feet in width. Gallatin Field is one of the few commercial airports in the U.S. with a secondary turf runway.

The airport, with 268 based aircraft, experiences approximately 80,476 aircraft operations annually. Gallatin Field has scheduled airline service on up to 33 flights per day by Delta, Delta Connection, Northwest, Frontier, Horizon, United, and United Express. FedEx and UPS also utilize the airport.



STATEWIDE RESULTS

Economic benefits in the Montana Economic Impact of Airports Study are expressed in terms of jobs, payroll, and annual economic activity or output.

Jobs/Employment

An estimated 18,800 jobs in Montana are in some way supported by the commercial and general aviation airports. These are jobs that are associated with on-airport businesses, tenants, and other activities that are located on commercial or general aviation airports in the State. In addition, spending by visitors arriving in Montana by air helps to support other jobs. When airport improvements are made, additional jobs are supported by the airports over the duration of these projects.

Payroll/Earnings

The 18,800 jobs in Montana that are linked to the commercial and general aviation airports account for over \$600 million in annual payroll. Airport related payroll is a key component of the economic benefit cycle that starts at the airport. It was this economic cycle that was measured by this study's induced benefits. When those employed by on-airport businesses use their paycheck to

purchase groceries, new clothes, or household items, their spending helps to support other jobs in the community and the payroll associated with these jobs. The initial benefits that start at the airports continue to multiply once they enter the State's economy.

Annual Economic Activity/Output

To operate Montana's airports, businesses located on the airports and businesses that support visitors who arrive in Montana via the airports all require the purchase of goods and services. These expenditures are most often in addition to those benefits identified in the payroll and earnings category. Benefits in this category are expressed in this study as total annual economic activity or output. Annual economic output related to the airports is typically assumed to be the sum of annual gross sales and average annual capital expenditures, including capital improvement projects.

JOBS.....18,800

PAYROLL.....\$600 MILLION

OUTPUT.....\$1.56 BILLION

MONTANA ECONOMIC IMPACT OF AIRPORTS STUDY

ECONOMIC IMPACT ANALYSIS

Economic impacts at an airport are measured through employment, payroll, and output (spending). On-airport business and government activities (direct impacts) account for a significant portion of an airport's first-round economic benefits. Additional first-round benefits are also linked to visitors who arrive via the State's system of airports (indirect impacts). Spending by these visitors supports additional employment and associated annual payroll. These first-round impacts create additional spin-off benefits that ripple through the economy. These second-round or induced benefits were measured with Montana-specific IMPLAN multipliers. When combined, first-round and second-round benefits equal the total economic impact associated with each airport.

First-round Impact

In 2008, there were 32 aviation-related tenants on the airport who supported 477 employees. These tenants' first-round or direct employment, payroll, and output impacts were derived from survey data. First-round impacts also include airport sponsor activity and airport related construction. Direct output from all on-airport aviation-related tenants and airport management is estimated at \$53.5 million annually. The estimated direct annual payroll of these tenants and airport management is \$17.3 million. Visitors also create economic impacts. Survey data indicated that approximately 241,289 visitors arrived via Gallatin Field in 2008 on commercial airlines and general aviation aircraft. This visitor-related output (spending) supported an additional 2,271 full-time jobs for employees earning \$44.3 million annually. Output from commercial airline and general aviation visitors is estimated at \$118.4 million.

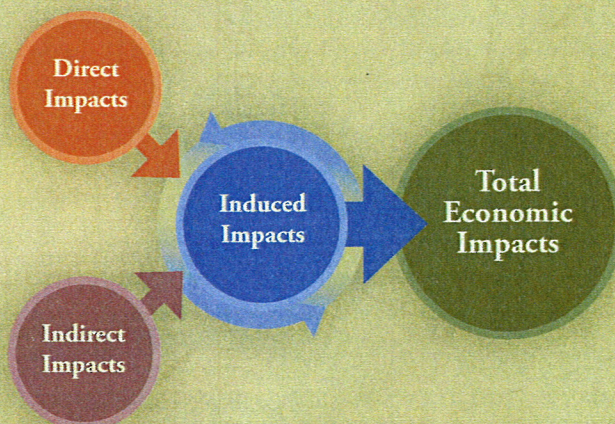
Second-round Impact

The first-round impacts associated with on-airport tenants and general aviation visitors also create second-round impacts throughout the State. Second-round impacts are induced impacts calculated using the Montana specific IMPLAN multipliers. The accompanying table presents the 2008 first-round, second-round, and total impacts for output, payroll, and employment as they relate to on-airport tenants and general aviation visitors.

Total Impact

For 2008, the total output (including first-round and second-round impacts) stemming from all on-airport tenants and all commercial airline and general aviation visitors to Gallatin Field was approximately \$282.4 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 3915 persons, with a total annual payroll (first-round and second-round) of approximately \$99.7 million associated with these jobs.

METHODOLOGY



AIRPORT SUMMARY TABLE

FIRST-ROUND ECONOMIC IMPACTS

On-Airport	Visitor Spending
<ul style="list-style-type: none">• FAA, Other Government• Airport Management• Aircraft maintenance• Vendors• Retail & Restaurant• Car Rental• Parking• Other Ground Transportation• Fixed Based Operators	<ul style="list-style-type: none">• Hotels• Retail & Restaurants• Travel Agents• Convention Centers• Tourist Destinations
477.0 Jobs	2271.0 Jobs
\$17,255,900 in Payroll	\$44,284,500 in Payroll
\$53,530,100 in Economic Output	\$118,429,500 in Economic Output

SECOND-ROUND ECONOMIC IMPACTS

<ul style="list-style-type: none">• Suppliers of Materials & Services to Airports• Air Dependent Businesses• Visitor Dependent Businesses• Consumer Product and Service Sales
1166.5 Jobs
\$38,146,100 in Payroll
\$110,440,900 in Economic Output

TOTAL ECONOMIC IMPACTS

3914.5 Jobs
\$99,686,500 in Wages
\$282,400,500 in Economic Activity

GALLATIN FIELD AIRPORT – BOZEMAN

QUALITATIVE BENEFITS

In addition to the economic benefits described above, Gallatin Field Airport provides access and services that promote the well being of the local community. Aviation activities that take place on a regular basis in addition to commercial airline service include recreational flying, corporate aviation, aerial inspections of utilities, air cargo operations by FedEx and UPS, flight training, visitor access to local resorts, staging for community events, search and rescue operations, aerial photography and surveying, and real estate tours. The Montana Wing of the Civil Air Patrol (CAP) uses the airport to conduct an annual exercise to demonstrate the organization's capabilities in search and rescue, disaster relief, and homeland security operations.

Bozeman Deaconess Hospital in Bozeman, Montana also uses the airport for air ambulance operations. A survey of 35 hospitals in Montana gathered data to obtain information relating to how often hospitals use airports for patient transfer. Survey data indicated Bozeman Deaconess Hospital uses Gallatin Field on average four times per month for emergency patient transfer via air ambulance.

Other aviation activities that occur occasionally at the airport include prisoner transport, police and law enforcement, military exercises and flight training, environmental patrol, forest and rangeland firefighting, and aerial advertising and banner towing.

According to airport management data, the major airport users include Barnard Construction and the Yellowstone Club. FAA data indicates the following businesses utilized the airport for general aviation in 2008:

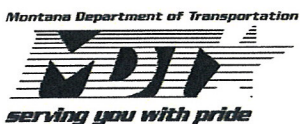
- | | | |
|-------------------------------------|------------------------------|-------------------------------------|
| • Aerophilic Inc. | • Centennial Management Inc. | • Michael Crews Development II Inc. |
| • Azar Development LTD | • Cliffs Real Estate Inc. | • Morris Communications Co. |
| • Black Gold Potato Sales Inc. | • Davidson Companies | • Nebraska Public Power District |
| • Blue Streak Inc. | • Golden Shamrock Associates | • O'Neal Steel Inc. |
| • Bowen Family Homes Inc. | • Guaranty Development Co. | • Platt Electric Supply Inc. |
| • Bozeman Jet Services | • Jaco Oil Co. | • Plise Equipment |
| • Bozeman Technology Incubator Inc. | • Klabzuba Oil & Gas Inc. | • Russell Stover Candies Inc. |
| • BTE Equipment | • Kroger Co. | • Stone Power Sales & Service Inc. |
| • Carolinas of Charleston | • McLane Company | • Waffle House Inc. |

Gallatin Field Airport also brings additional visitors into the area by sponsoring the Gallatin Valley Air Show every six years. The event is held in July and attracts approximately 40,000 attendees. Gallatin Field has a number of private aircraft owners with an assortment of air worthy vintage aircraft that still fly the Montana skies. The airport is home to an AT-6 Texan, a World War II trainer, an aerobatic Harman Rocket, a 1929 WACO Taperwing, a Vultee BT (Basic Trainer)-13, a North American F-86 Sabre (sometimes called the Sabrejet), a T-33 which was used as a trainer aircraft for the USAF and was derived from the Lockheed P-80C "Shooting Star" jet fighter, and an F-100 Super Sabre.

- | | | |
|-------------------------|---|----------------------------------|
| • EBMS | • Montana Department of Natural Resources | • St. Vincent Hospital |
| • First Interstate Bank | • Sarpy Creek Land Co. | • U.S. Bureau of Land Management |

FAA data also indicates the following businesses and government agencies utilized the airport for general aviation in 2008:

- | | | |
|---|-------------------------------|--|
| • AAirmed International | • Franklin Marketing Group | • Northeast Montana STAT Air Ambulance Cooperative |
| • Aplux | • Fremont Motor | • Rice Lake Products |
| • Billings Clinic | • General Parts | • Time Tool |
| • BRS Inc. | • Harper Excavating | • Villages Equipment Co. |
| • California-Oregon Development | • JC Penney Corporation | • Warrington Development |
| • Employee Benefit Management Services Inc. | • Jacksons Food Stores | • Weyerhaeuser |
| • Fastcap | • Legacy Telecommunications | |
| • Federated Corporate Services | • Majestic Equipment Services | |



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