

POLSON AIRPORT – POLSON

QUALITATIVE BENEFITS

In addition to the economic benefits described above, Polson Airport provides access and services that promote the well being of the local community. Aviation activities that take place on a regular basis include recreational flying and flight training by civilian pilots, many of whom are student pilots from Kalispell, Montana. Corporate aviation occurs frequently at the airport as well. Valley Bank has a based aircraft that is used for charter service. Firefighting aircraft often use the airport to refuel. Approximately 20 to 30 shooting enthusiasts fly into Polson Airport each year to shoot sporting clays at a local sportsman's club. Other aviation activities that occur occasionally at the airport include aerial inspections of utilities, police and law enforcement operations, emergency medical evacuation, and medical shipments and patient transfer.

Polson Airport also brings additional visitors into the area by sponsoring an annual fly-in the third Saturday of each August. The event draws approximately 200 attendees and features homebuilt, general aviation, military, and vintage aircraft. The day begins with a pancake breakfast and concludes with a wine festival and art auction.

FAA data indicates the following businesses and government agencies utilized the airport during the past year:

- Bretz Inc.
- Cirrus Design Corp.
- Cogswell Agency
- Country Foods Inc.
- Dionne Corp.
- Gary-Williams Energy Corp.
- Montana Department of Highways
- Navajo Nation
- Oregon State Flying Club Inc.
- Platt Electric Supply Inc.
- Ronan Telephone Company
- Spudaire
- State of Montana
- Tri-State Care Flight
- U.S. Department of Energy



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POLSON AIRPORT POLSON



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

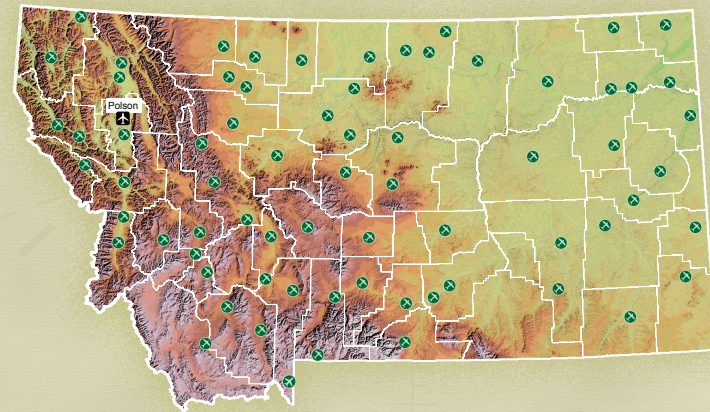
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AIRPORT LOCATION

Polson Airport is located one mile west of Polson, Montana, in Lake County. Located on the Flathead Indian Reservation at the south end of Flathead Lake in northwestern Montana, the lakeside community of Polson provides a perfect vacation spot for visitors. Beautiful scenery and excellent recreation opportunities are available in the Mission Mountains, Mission Valley, Flathead Lake, and Flathead River. Whitewater rafting is popular on the Flathead River, and the National Bison Range at Moiese and Ninepipes and Pablo Wildlife Refuges are favorite wildlife watching areas. Cherry orchards are plentiful in Polson, and the town hosts an annual Cherry Festival. Polson is the county seat of Lake County.

Polson has a population of approximately 4,950. Major private employers in Lake County include Best Western KwaTaqNuk, Jore Corporation, Mission Mountain Enterprises, Plum Creek Mfg., S&K Electronics, St. Joseph Hospital, St. Luke Community Hospital and Wal-Mart.

The 97-acre airport's primary runway, Runway 18/36, measures 4,200 feet in length and 75 feet in width. The airport, with 53 based aircraft, experiences approximately 9,750 aircraft operations annually.



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 four aviation-related tenants on the airport, including airport management, who supported over 14 employees. These tenants' direct or first-round employment, payroll, and output impacts were derived from survey data. Direct output from all on-airport aviation-related tenants is estimated at \$1.2 million annually. The estimated direct annual payroll of these tenants is \$494,100. Operational data indicated that approximately 4,338 visitors used the airport. Visitor-related spending supported an additional seven full-time jobs for employees earning over \$146,300 annually. Indirect output from general aviation visitors is estimated at \$390,500.

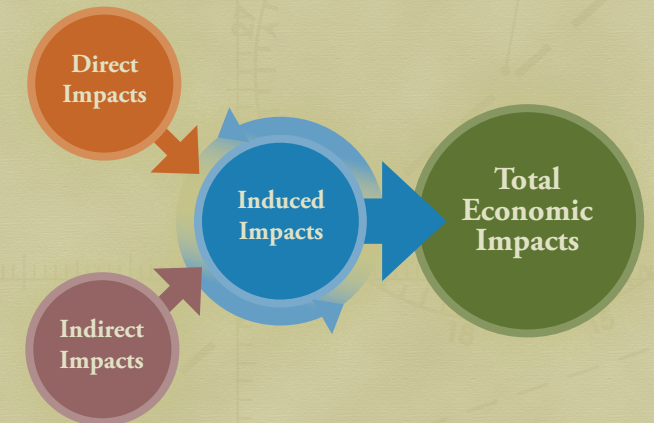
Second-Round Impact

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 general aviation visitors to Polson Airport was approximately \$2.6 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 42 persons, with a total annual payroll (first round and second-round) of approximately \$1.2 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
<p>14.5 Jobs \$494,100 in Payroll \$1,221,300 in Economic Output</p>	<p>7.5 Jobs \$146,300 in Payroll \$390,500 in Economic Output</p>

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
<p>20.0 Jobs \$511,700 in Payroll \$1,019,400 in Economic Output</p>

TOTAL ECONOMIC IMPACTS

<p>42.0 Jobs \$1,152,100 in Wages \$2,631,200 in Economic Activity</p>
