

BILLINGS LOGAN INTERNATIONAL AIRPORT – BILLINGS

QUALITATIVE BENEFITS

In addition to the economic benefits described above, Billings Logan International 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, and air cargo operations by Alpine Aviation, Ameriflight, FedEx, and UPS. Other activities that take place on the airport include flight training and career training provided by Viking Air and Rocky Mountain College, law enforcement operations, visitor access to local resorts, and environmental patrol. The airport's location in North America makes it an excellent refueling facility for cross country traffic. The airport services general aviation aircraft from as far away as South Carolina, Indiana, Washington, Oregon and Alberta, Canada. Nearly every day, several corporate aircraft fly to Billings from airports in Colorado's Front Range Region. Two full service Fixed Based Operators are available to support the aviation activities at the Billings Airport.



A survey of 35 hospitals in Montana gathered data to obtain information relating to how often hospitals use airports in Montana to bring in specialists from out of the area, as well as how often airports are used for patient transfer. Survey data indicated Fort Belknap Health Center in Harlem, Montana uses Billings Logan International Airport on average 24 times per year to bring doctors and specialists to the hospital to conduct clinics. Beartooth Hospital and Healthcare in Red Lodge, Montana uses the airport for emergency patient transfer via air ambulance.

Other aviation activities that occur occasionally at the airport include aerial inspections of utilities, staging for community events, prisoner transport, military exercises and training, forest and rangeland firefighting during the summer months, aerial photography and surveying, and traffic and news reporting. A number of businesses in the energy sector operate in and out of the airport on a regular basis. These include:



- Bachelor Controls
- Basin Electric Power Cooperative
- Devon Energy Management Co.
- Pacific Tank & Pipeline
- Puget Sound Energy
- True Drilling
- U.S. Energy Corp.
- Western Oilfields Supply Co.

According to airport management data, the major airport users include the following businesses and government agencies:

- Agri Systems
- Billings Clinic
- EBMS
- First Interstate Bank
- Montana Department of Natural Resources
- Sarpy Creek Land Co.
- St. Vincent Hospital
- U.S. Bureau of Land Management

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

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



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BILLINGS LOGAN INTERNATIONAL AIRPORT BILLINGS



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

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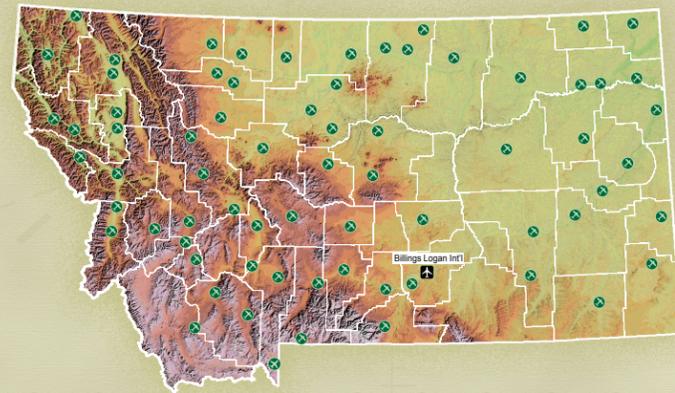
AIRPORT LOCATION

Billings Logan International Airport is located two miles northwest of the center of Billings, Montana, in Yellowstone County. Billings offers the conveniences of a modern city only a short distance from the plains, mountains, working ranches, and farmlands that surround it. Here visitors will find the best western attractions, events, shopping, hospitality, and cuisine in Montana. Major attractions include the MetraPark modern concert, trade show, and rodeo arena, the Alberta Bair Theater for the Performing Arts, Yellowstone Art Museum, and Moss Mansion. Billings is the gateway to national parks and recreational areas such as Yellowstone National Park, Little Bighorn Battlefield National Monument, Bighorn National Recreation Area, and the Absaroka-Beartooth Wilderness. Billings is the county seat of Yellowstone County.

Billings has a population of approximately 100,000. Major employers in the area include Deaconess Billings Clinic, Better Business Systems, St. Vincent Healthcare, First Interstate Bank, Wal-Mart, Wells Fargo, Exxon Mobil, ConocoPhillips, Advanced Personnel Services, and Avitus Group.

The 2,300-acre airport's primary runway, Runway 10L/28R, measures 10,518 feet in length and 150 feet in width. Two additional runways are Runway 7/25 and Runway 10R/28L. Runway 7/25 measures 5,500 feet in length and 75 feet in width. Runway 10R/28L measures 3,800 feet in length and 75 feet in width.

The airport, with 166 based aircraft, experiences approximately 101,000 aircraft operations annually. Billings Logan has scheduled airline service on up to 25 flights per day by Frontier, Horizon, Northwest, United, United Express, Allegiant Air, and Skywest. UPS and FedEx also operate at 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 31 aviation-related tenants on the airport who supported 821 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 \$101.3 million annually. The estimated direct annual payroll of these tenants and airport management is \$32.7 million. Visitors also create economic impacts. Survey data indicated that approximately 240,730 visitors arrived via Billings Logan International Airport in 2008 on commercial airlines and general aviation aircraft. This visitor-related output (spending) supported an additional 1,285 full-time jobs for employees earning \$24.9 million annually. Output from commercial airline and general aviation visitors is estimated at \$67.0 million.

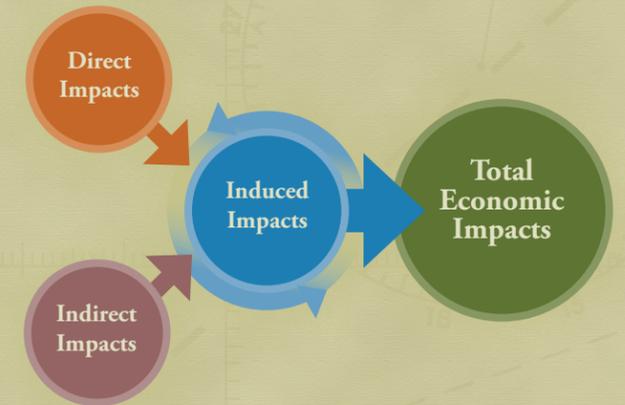
Second-round Impact

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 Billings Logan International Airport was approximately \$279.2 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 3,270 persons, with a total annual payroll (first-round and second-round) of approximately \$97.1 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"> • Visitor Spending • Visitor Dependent Businesses • Hotels • Retail & Restaurants • Travel Agents • Convention Centers • Tourist Destinations
<p>820.5 Jobs \$32,681,700 in Payroll \$101,294,900 in Economic Output</p>	<p>1285.0 Jobs \$25,057,600 in Payroll \$67,025,300 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>1165.0 Jobs \$39,375,300 in Payroll \$110,870,700 in Economic Output</p>

TOTAL ECONOMIC IMPACTS

<p>3270.5 Jobs \$97,114,600 in Wages \$279,190,900 in Economic Activity</p>
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