

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:

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| • 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.

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| • 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:

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| • 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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GALLATIN FIELD AIRPORT BOZEMAN

MONTANA

ECONOMIC IMPACT OF AIRPORTS STUDY

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GALLATIN FIELD AIRPORT – BOZEMAN

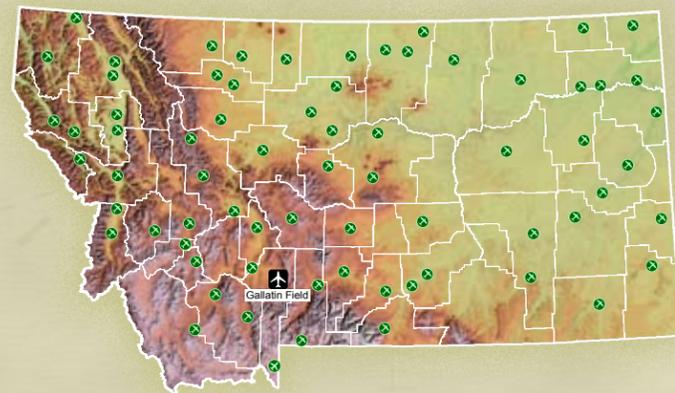
AIRPORT LOCATION

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.

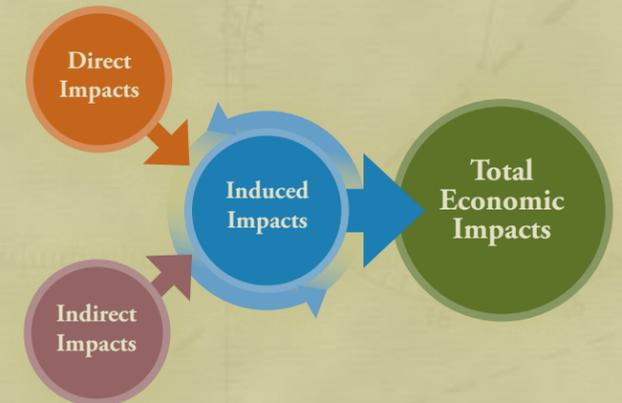
Second-round Impact

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 \$17,255,900 in Payroll \$53,530,100 in Economic Output	2271.0 Jobs \$44,284,500 in Payroll \$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
