

HAVRE CITY-COUNTY AIRPORT – HAVRE

QUALITATIVE BENEFITS

A variety of aviation activities take place at Havre City-County Airport that promote the well being of the local community. The airport is used for tourism access, military exercises, recreational flying, flight training, emergency flights, and several other activities. Aerial applicators use the airport to apply fertilizers, pesticides, and herbicides to crops grown on local farms and ranches.

In addition to civilian flight training at the airport, Montana Air National Guard helicopters fly in from Helena for training at Havre. The National Guard uses the airport approximately twice per month, and Customs and Border Patrol uses the airport two to three times per week. Air cargo is a regular activity at Havre. United Parcel Service, via Executive Air, operates out of Havre City-County Airport five times per week, primarily to Helena but also to Billings.

Environmental and emergency activities are also common at Havre City-County Airport. Medical flights and shipments take place almost daily at the airport. Hutchinson Aviation, in addition to their other FBO activities, also conducts rangeland firefighting on an as needed basis. Transient wildland firefighters occasionally use the airport as a fuel and service stop. In addition, the Bureau of Land Management utilizes the airport to conduct coyote counts and population control by helicopter.

Corporate activity at Havre City-County Airport is common, particularly by the oil and gas industry. Oil and gas companies use the airport for corporate flights and aerial surveys, and to conduct oil field seismographs by helicopter. The Devon Energy Management Company frequently uses the airport, flying to and from Oklahoma City. Klabzuba Oil & Gas also uses the airport, flying between Havre City-County and Centennial Airport in Denver. The Textana Corporation uses the airport to fly to numerous destinations, including Fort Worth, Missoula, and Billings. Technical Products, a local business, also uses the airport on a regular basis, flying to and from Missoula and Billings.

Visitors also use Havre City-County Airport as a gateway to regional recreation and tourism attractions. Hunters often fly into the airport to hunt in the region. Occasionally charter tourism companies also fly in tourists to take part in organized archaeological digs. In addition, the airport hosts the Fly-In Breakfast once a year.



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HAVRE CITY-COUNTY AIRPORT HAVRE



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

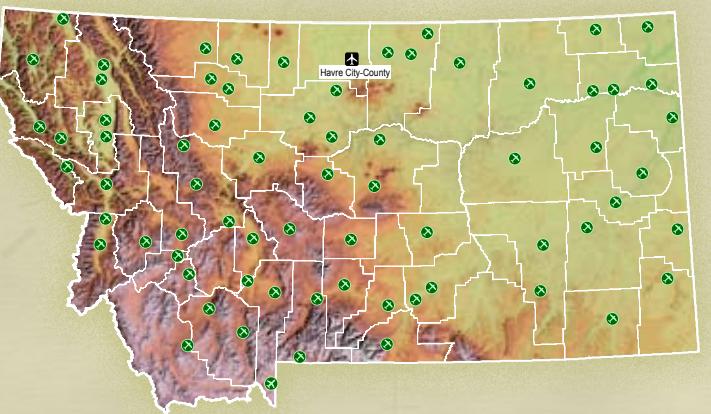
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AIRPORT LOCATION

Havre City-County Airport is located three miles west of Havre, Montana, in Hill County. Located in the rolling plains of north central Montana near the Canadian border, Havre is a rural agricultural and railroad city. The city has a rich history that can be explored at Havre Beneath the Streets, Fort Assinniboine, H. Earl Clack Museum, Havre Residential Historic District, and Buffalo Jump Archeological Site. The surrounding Milk River and Bears Paw Mountains provide outstanding recreation opportunities, including camping, fishing, skiing, and more. Havre is the county seat of Hill County.

Havre has a population of approximately 9,450. Major employment sectors in the area include accommodation and food services, health care and social assistance, educational services, and transportation and warehousing. The largest employers are Northern Montana Hospital, Montana State University-Northern, and the BNSF Railway. Throughout much of the twentieth century, BNSF was the most prominent employer in the city, but the company scaled back its workforce in Havre in the 1990s.

The 720-acre airport's primary runway, Runway 7/25, measures 5,205 feet in length and 100 feet in width. A second runway, Runway 3/21, measures 3,699 feet in length and 60 feet in width. The airport, with 23 based aircraft, experiences approximately 7,200 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

JOB..... 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 six aviation-related tenants on the airport who supported 15 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 \$1.4 million annually. The estimated direct annual payroll of these tenants and airport management is \$552,800. Visitors also create economic impacts. Survey data indicated that approximately 2,400 visitors arrived via Havre City-County Airport in 2008 on commercial airlines and general aviation aircraft. This visitor-related output (spending) supported an additional eight full-time jobs for employees earning \$156,000 annually. Output from commercial airline and general aviation visitors is estimated at \$411,300.

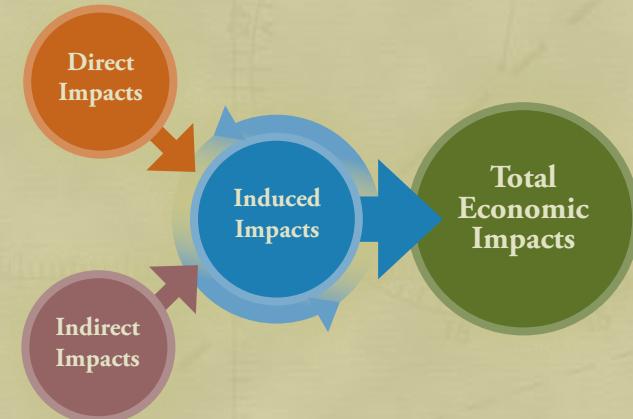
Second-Round Impact

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 Havre City-County Airport was approximately \$3.1 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 39 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 |
|---------------------------------------|-------------------------------------|
| • FAA, Other Government | • Hotels |
| • Airport Management | • Retail & Restaurants |
| • Aircraft maintenance | • Travel Agents |
| • Vendors | • Convention Centers |
| • Retail & Restaurant | • Tourist Destinations |
| • Car Rental | |
| • Parking | |
| • Other Ground Transportation | |
| • Fixed Based Operators | |
| 15.0 Jobs | 8.0 Jobs |
| \$552,800 in Payroll | \$156,000 in Payroll |
| \$1,426,300 in Economic Output | \$411,300 in Economic Output |

SECOND-ROUND ECONOMIC IMPACTS

| |
|---|
| • Suppliers of Materials & Services to Airports |
| • Air Dependent Businesses |
| • Visitor Dependent Businesses |
| • Consumer Product and Service Sales |
| 16.0 Jobs |
| \$521,200 in Payroll |
| \$1,294,900 in Economic Output |

TOTAL ECONOMIC IMPACTS

| |
|---|
| 39.0 Jobs |
| \$1,230,000 in Wages |
| \$3,132,500 in Economic Activity |