

DEER LODGE CITY-COUNTY AIRPORT – DEER LODGE

QUALITATIVE BENEFITS

In addition to the economic benefits described above, Deer Lodge City-County Airport provides access and services that promote the well being of the local community. The airport is primarily a base for recreational flying, corporate aviation, visitors accessing the region's resorts, and agricultural spraying, including aerial application of weed control products, fertilizer, and seed during the summer months. The airport is also used extensively for civilian flight training, law enforcement operations, military exercises and training, medical shipments and patient transfer, and prisoner transport due to the Montana State Prison's location 3.5 miles from the airport.



Montana State Hospital in Warm Springs, Montana also utilizes the airport frequently. A survey of 35 hospitals in Montana gathered data to obtain information relating to how often hospitals use airports in Montana for patient transfer. Survey data indicated Montana State Hospital uses Deer Lodge City-County Airport five times per month on average for emergency patient transfer via air ambulance.

Other flight activity that occurs occasionally at the airport includes aerial inspections of utilities, air cargo operations, forest and rangeland firefighting, aerial photography and surveying, and real estate tours.

Airport management data indicates that the medical patient transfers conducted at the airport typically involve the use of King Air and Lear aircraft. The air charter companies that transport visitors to the region's various resorts primarily use jet aircraft in their operations. FAA data reveal that Avalon Laboratories Inc., Cheyenne Transportation, General Electric Capital Corp., Grayling Trout & Company, and Mar-Tech Engineering utilized the airport during the past year.



Montana Department of Transportation
2701 Prospect Avenue | PO Box 201001
Helena, MT 59620-1001
406.444.6200

Prepared by
WilburSmith
ASSOCIATES

DEER LODGE CITY-COUNTY AIRPORT DEER LODGE



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

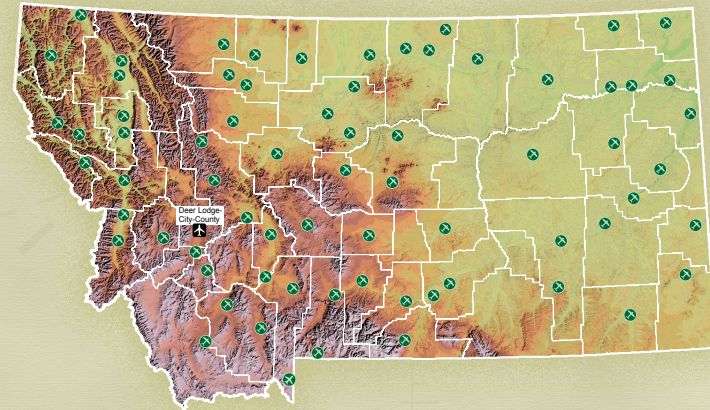
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AIRPORT LOCATION

Deer Lodge City-County Airport is located two miles west of Deer Lodge, Montana, in Powell County. Situated in Deer Lodge Valley and surrounded by mountain ranges to the east and west, the Deer Lodge area offers breathtaking scenery that is best explored on the Trail of the Great Bear. Deer Lodge also boasts more museums and historical towns than any other town in the Northwest. Deer Lodge is the county seat of Powell County.

Deer Lodge has a population of approximately 3,310. Major employment sectors in the area include Sun Mountain Lumber, Colonial Manor, Powell County Memorial Hospital, Rock Creek Cattle Company, Safeway, Scharf's Family Restaurant, and Sun Mountain Logging.

The 460-acre airport's primary runway, Runway 12/30, measures 5,800 feet in length and 75 feet in width. The airport, with 11 based aircraft, experiences approximately 4,050 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 two aviation-related tenants on the airport, including airport management, who supported over seven 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 \$2.2 million annually. The estimated direct annual payroll of these tenants is \$252,700. Operational data indicated that approximately 1,000 visitors used the airport. Visitor-related spending supported an additional 1.5 full-time equivalent jobs for employees earning over \$29,300 annually. Indirect output from general aviation visitors is estimated at \$89,100.

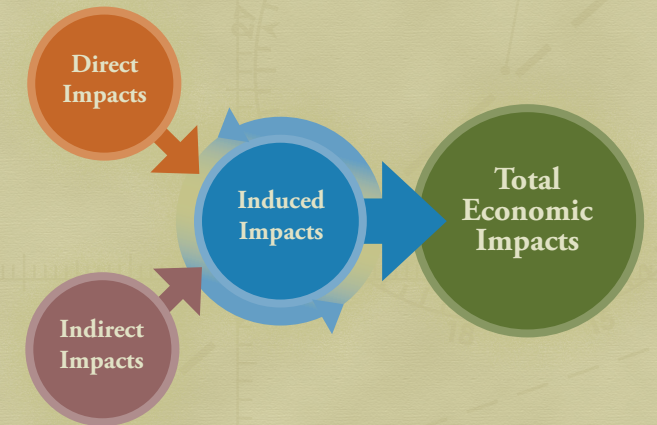
Second-Round Impact

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 Deer Lodge City-County Airport was approximately \$3.8 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 17.5 positions, with a total annual payroll (first round and second-round) of approximately \$517,900 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>7.0 Jobs \$252,700 in Payroll \$2,231,500 in Economic Output</p>	<p>1.5 Jobs \$29,300 in Payroll \$89,100 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>9.0 Jobs \$235,900 in Payroll \$1,480,000 in Economic Output</p>

TOTAL ECONOMIC IMPACTS

<p>17.5 Jobs \$517,900 in Wages \$3,800,600 in Economic Activity</p>
