

RAVALLI COUNTY AIRPORT – HAMILTON

QUALITATIVE BENEFITS

In addition to the economic benefits described above, Ravalli 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, and forest and rangeland firefighting. The airport is also used extensively for wildlife management, visitor access to area resorts, aerial inspections of utilities, air cargo operations, law enforcement, emergency medical evacuation, and real estate tours. It also serves as a fire-fighting base for the Bitterroot National Forest where observation flights and air attack platform flights take place. The Forest Service bases helicopters and single engine attack (SEAT) aircraft at the airport. The airport has three helipads dedicated for this activity.



Civilian flight training is another regular activity at Ravalli County Airport. The training is provided by Mission Mountain Helicopters, Flights of Fantasy Flight School, and North Star Aviation. North Star has two contract instructors and five instructional aircraft. Other flight activity that occurs occasionally at the airport includes military exercises, career training, search and rescue operations, medical shipments and patient transfer, aerial photography, real estate tours, and banner towing. The airport also serves a critical role for emergency medical airlifts for aircraft based in Missoula.



The Montana State Department of Fish, Wildlife and Parks flies regularly out of Hamilton to conduct game counts and to monitor wolf packs, contracting with an on-airport Part 135 charter operation, Osprey Aviation. Osprey Aviation is also very busy during the summer months flying visitors to the backcountry.

Ravalli County Airport also hosts two annual events that provide additional economic benefits to the Hamilton, Montana region. Each Labor Day weekend, the Skydiver Boogie is held at the airport and attracts approximately 200 visitors. The Boy Scouts of America also host an aviation weekend in June. Approximately 100 people attend the event.

According to airport management data, the major airport users include local and regional banks, Rocky Mountain Lumber, Neville Log Homes, Fox Lumber, Shining Mountain, Charles Schwab Inc., and Industrial Lumber Sales. FAA data indicates the following businesses utilized the airport in 2008:

- Carfaye Inc.
- Conquest Services Inc.
- Erickson Petroleum Corporation
- Grouper LLC
- K & M Equipment
- Kelleher Corporation
- Les Schwab Tire
- Mathews Properties Inc.
- On Line Accountant Corp.
- Pacific Cataract and Laser Institute Inc.
- Platt Electric Supply Inc.
- Preco Electronics Inc.
- Rolling Green Enterprises LLC
- Spence Enterprises



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

Prepared by
WilburSmith
ASSOCIATES

RAVALLI COUNTY AIRPORT HAMILTON



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

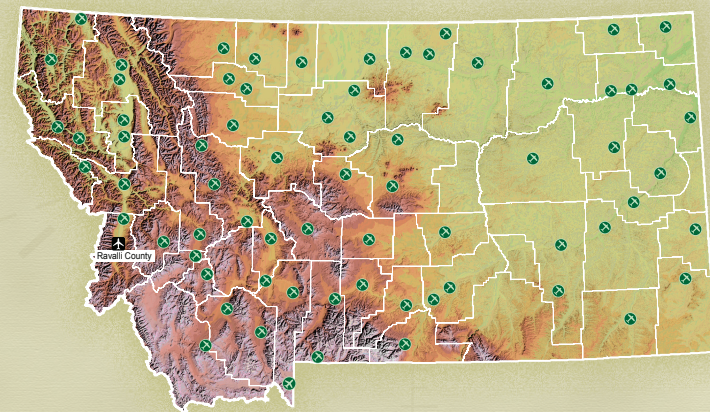
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AIRPORT LOCATION

Ravalli County Airport is located one mile east of Hamilton, Montana, in Ravalli County. Nestled in the Bitterroot Valley between the Bitterroot Range and Sapphire Mountains, the Hamilton area offers excellent recreation opportunities among some of the most spectacular scenery in Montana. Outdoor enthusiasts have easy access to camping, hiking, world class trout fishing on the Bitterroot River, and more. For history buffs, the Daly Mansion and Ravalli County Museum recapture the area's rich history. The Hamilton area also has numerous vacation homes, lodges, and bed and breakfasts that make for a perfect stay in the beautiful Bitterroot Valley. Hamilton is the county seat of Ravalli County.

Hamilton has a population of approximately 4,640. Major employers in the county include US Dept. of Agriculture, Marcus Daly Memorial Hospital, local school districts, Ravalli County, National Institute of Health (Fed. DPHHS), Selway Corporation, GlaxoSmithKline, Discovery Care Center, Farmers State Bank (all branches), Rocky Mountain Log Homes, City of Hamilton, Albertson's, Stock Farm Club, and Fox Lumber Sales.

The 156-acre airport's primary runway, Runway 16/34, measures 4,200 feet in length and 75 feet in width. The airport, with 126 based aircraft, experiences approximately 23,600 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 ten aviation-related tenants on the airport, plus airport management, who supported 57 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 \$5.64 million annually. The estimated direct annual payroll of these tenants is \$2.21 million. Operational data indicated that approximately 7,300 visitors used the airport. Visitor-related spending supported an additional 12.5 full-time jobs for employees earning over \$243,800 annually. Indirect output from general aviation visitors is estimated at \$657,400. Not included in these impacts are benefits derived from on-airport construction projects.

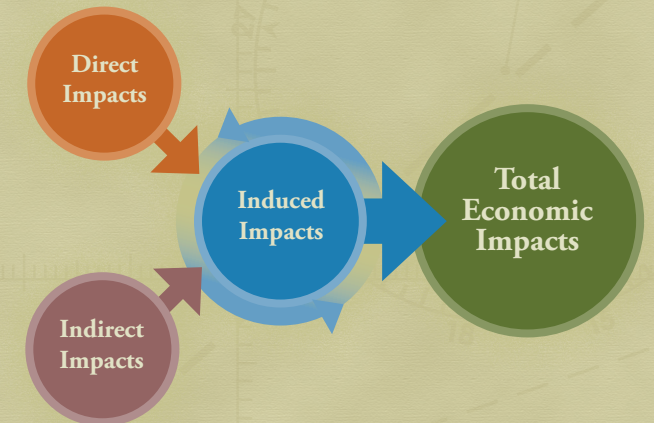
Second-round Impact

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 Ravalli County Airport was approximately \$10.42 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 124.5 persons, with a total annual payroll (first round and second-round) of approximately \$4.20 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 |
| 57.0 Jobs \$2,206,500 in Payroll \$5,638,200 in Economic Output | 12.5 Jobs \$243,800 in Payroll \$657,400 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 |
| 55.0 Jobs \$1,746,400 in Payroll \$4,124,600 in Economic Output |

TOTAL ECONOMIC IMPACTS

| |
|--|
| 124.5 Jobs \$4,196,700 in Wages \$10,420,200 in Economic Activity |
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