

YELLOWSTONE AIRPORT – WEST YELLOWSTONE

QUALITATIVE BENEFITS

Yellowstone Airport provides access and services that promote the well being of the local community. The airport is the closest commercial service airport to any entrance to Yellowstone National Park, and is the most utilized gateway airport to the park. All activity at Yellowstone Airport occurs while the airport is open from June to October. Sky West offers commercial flights at the airport while air charter activity serves tourists on an ad hoc basis. Nonstop charter flights arrive from Salt Lake City, the New York City region, and Orange County, California, among other locations. Many Yellowstone Club members enter the region through Yellowstone Airport.

Corporate jet activity is common at Yellowstone Airport, and companies such as Halliburton and Marathon Oil arrive at the airport several times per year. Boman & Kemp Manufacturing arrives regularly on turbo prop flights between West Yellowstone and the Salt Lake City region. VIPS Industries arrives regularly from Salem, Oregon on their corporate jet while Massachusetts Mutual Life Insurance Company arrives regularly from Bradley International Airport in Connecticut. In addition to these companies, many corporations in the construction, manufacturing, and technology industries use Yellowstone Airport as their gateway to the region.

Other activities at Yellowstone Airport include forest firefighting, environmental patrols, surveying, and emergency medical evacuation. An Inter-Agency Fire Control Center is located at the airport, and uses this base to fight forest fires in the Yellowstone ecosystem, Gallatin National Forest, Beaverhead National Forest, and Targhee National Forest. Aircraft utilized for spotting forest fires also use Yellowstone Airport as a base of operations. The U.S. Forest Service has a smokejumper base at the airport. Finally, due to the secluded location of the airport, it is used to evacuate trauma patients to larger regional hospitals in Salt Lake City or Bozeman. During the winter months, when the Yellowstone Airport is closed, the facility is leased to Nevada Automotive Tire Corporation (NATC). NATC is a Nevada-based engineering and testing firm specializing in tire tread and wear testing. NATC tests snow and cold conditions on a wide range of other products as well. This is a major source of supplemental income for the airport.



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YELLOWSTONE AIRPORT WEST YELLOWSTONE



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

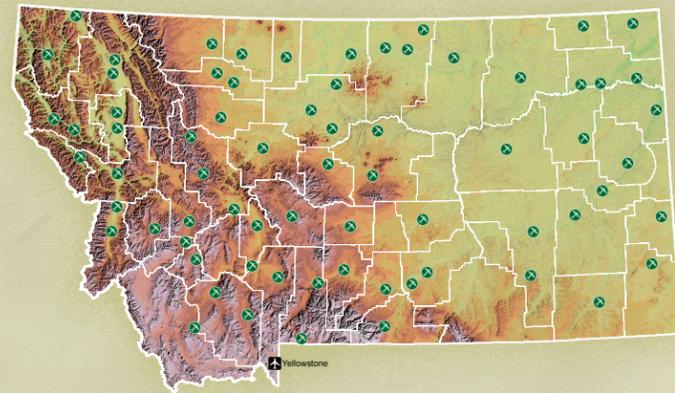
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AIRPORT LOCATION

Yellowstone Airport is located one mile north of West Yellowstone, Montana, in Gallatin County. Known as the western gateway to Yellowstone National Park, West Yellowstone is a charming small town located in southwestern Montana on the Montana-Wyoming border. Visitors to West Yellowstone are treated to an area that provides endless outdoor recreation opportunities and spectacular scenery. The beauty of Yellowstone National Park and Gallatin National Forest are at West Yellowstone's doorstep, with geysers, brilliant hot pools, bubbling mud cauldrons, rugged mountain peaks, majestic waterfalls, streams and beautiful lakes. The West Yellowstone area is an outdoor enthusiast's paradise, with nearly every form of recreation available, including the best trout fishing and snowmobiling. Plenty of cozy lodging, delicious dining, and quaint shops await visitors searching for the perfect vacation spot.

West Yellowstone has a population of approximately 1,230. Major employment sectors in the area include accommodation and food services, retail trade, and education services.

The 735-acre airport's primary runway, Runway 1/19, measures 8,399 feet in length and 150 feet in width. The airport, with 25 seasonally based aircraft, experiences approximately 19,520 aircraft operations annually. During the summer months, West Yellowstone offers up to three daily commercial flights servicing Salt Lake City, Utah via SkyWest Airlines. The facility is closed November through May.



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 11 aviation-related tenants on the airport who supported 97 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 \$9.4 million annually. The estimated direct annual payroll of these tenants and airport management is \$3.5 million. Visitors also create economic impacts. Survey data indicated that approximately 9,306 visitors arrived via Yellowstone Airport in 2008 on commercial airlines and general aviation aircraft. This visitor-related output (spending) supported an additional 66 full-time jobs for employees earning \$1.2 million annually. Output from commercial airline and general aviation visitors is estimated at \$3.4 million.

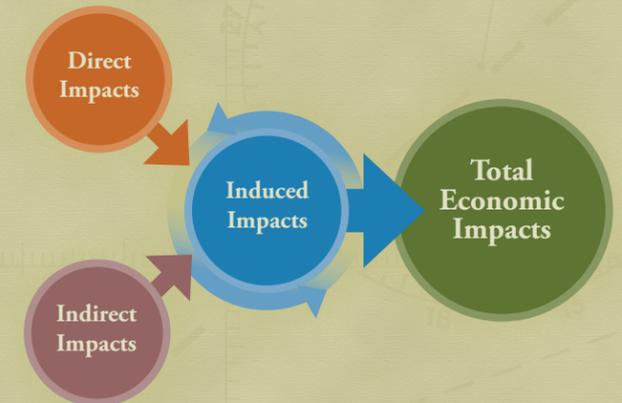
Second-Round Impact

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 Yellowstone Airport was approximately \$21.6 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 257 persons, with a total annual payroll (first-round and second-round) of approximately \$7.9 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
97.0 Jobs \$3,469,200 in Payroll \$9,398,400 in Economic Output	66.0 Jobs \$1,287,100 in Payroll \$3,437,400 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
94.0 Jobs \$3,155,800 in Payroll \$8,741,200 in Economic Output

TOTAL ECONOMIC IMPACTS

257.0 Jobs \$7,912,100 in Wages \$21,577,000 in Economic Activity
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