

LIBBY AIRPORT – LIBBY

QUALITATIVE BENEFITS

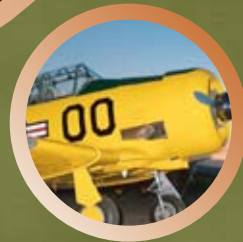
In addition to the economic benefits described above, Libby Airport provides access and services that promote the well being of the local community. The airport is frequently used for recreational flying and corporate aviation activity. Other aviation activities that occur on an as needed basis include forest and rangeland firefighting, emergency medical evacuation, medical shipments and patient transfer, law enforcement, and search and rescue operations. The USFS uses the airport as an airtanker base during the fire season.

FAA data indicates the following businesses and government agencies utilized the airport for general aviation during the past year:

- KA Corp.
- Lewis Slovak & Kovacich PC
- Native American Air Service Inc.
- State of Montana
- Stinger Welding Inc.
- U.S. Department of Energy
- Wilson Construction Co.

While most itinerant aircraft traveled to the airport from within Montana and nearby Rocky Mountain States, FAA data also indicates aircraft traveled from as far away as Yakima, Washington, Portland, Oregon, and Wichita, Kansas.

In 1989, the movie Always was set in the Kootenai National Forest in Montana, with some scenes filmed in and around Libby, Montana. About 500 people from Libby were recruited for the movie as extras to act as wildland firefighters. The Libby Airport was used to double as the Forest Service Headquarters in the movie.



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

Prepared by
WilburSmith
ASSOCIATES

LIBBY AIRPORT LIBBY



MONTANA
ECONOMIC IMPACT OF AIRPORTS STUDY

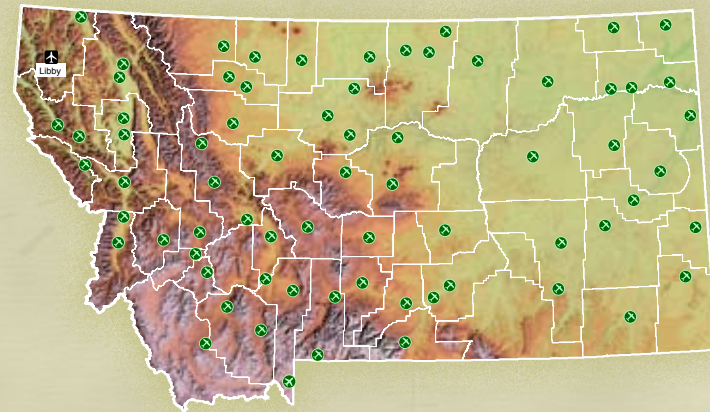
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AIRPORT LOCATION

Libby Airport is located seven miles south of Libby, Montana, in Lincoln County. Libby is located in northwestern Montana, 72 miles south of the Canadian border, 89 miles northwest of Kalispell, Montana, and 35 miles east of the Idaho border. The town of Libby is located in the northwest corner of Montana along the Kootenai River. The Kootenai River, Kootenai National Forest, Lake Koocanusa, and majestic Cabinet and Purcell Mountains provide fantastic recreation opportunities, including hiking, backpacking, camping, fishing, scenic drives, boating, skiing, and more. Other outstanding attractions and events include Kootenai Falls, Libby Creek Recreational Gold Panning Area, Heritage Museum, Ross Creek Cedar Grove Scenic Area, Libby Logger Days, and Nordic Fest. Libby is the county seat of Lincoln County.

Libby has a population of approximately 2,800. Major employment sectors in the area include forestry, agriculture, fishing, and hunting, health care and social assistance, education services, and construction. Lincoln County is the largest producer of wood products in Montana and first in the state in commercial forest land.

The 193-acre airport's primary runway, Runway 15/33, measures 5,000 feet in length and 75 feet in width. The airport, with 18 based aircraft, experiences approximately 5,000 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 10 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 \$1.2 million annually. The estimated direct annual payroll of these tenants is \$325,000. Operational data indicated that approximately 660 visitors used the airport. Visitor-related spending supported an additional one part-time job for employees earning over \$19,500 annually. Indirect output from general aviation visitors is estimated at \$59,400.

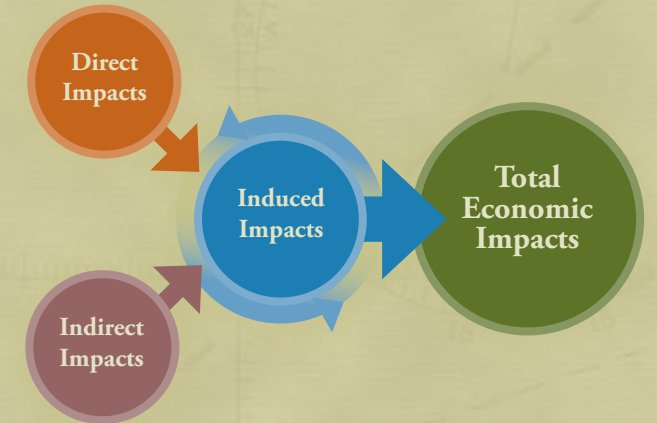
Second-Round Impact

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 Libby Airport was approximately \$2.0 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 24 persons, with a total annual payroll (first round and second-round) of approximately \$638,000 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>10.0 Jobs \$325,000 in Payroll \$1,167,200 in Economic Output</p>	<p>1.0 Jobs \$19,500 in Payroll \$59,400 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>12.5 Jobs \$293,500 in Payroll \$783,500 in Economic Output</p>

TOTAL ECONOMIC IMPACTS

<p>23.5 Jobs \$638,000 in Wages \$2,010,100 in Economic Activity</p>
