

Airports and economic development

The local general aviation airport is fast becoming the principal access route from a community to the nation and world.

As an important part of our statewide transportation network, local airports such as Eagle River Union Airport play a critical role in fostering business growth and economic development.



Eagle River Union Airport

Convenient access to air transportation allows businesses to quickly move goods and key personnel from one site to another, saving valuable time and increasing productivity.

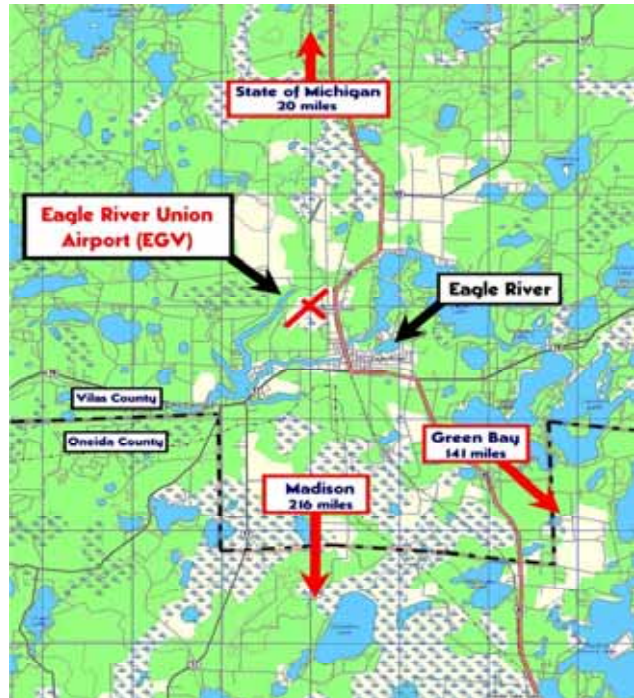
A study by the Wisconsin Department of Transportation (WisDOT) shows that between 1997 and 2001, over 85% of new or expanded manufacturing businesses were located within 15 miles of an airport capable of handling corporate jets. These manufacturers provided 34,064 jobs for Wisconsin residents.

The local airport also provides facilities for emergency medical flights, law enforcement, agricultural spraying, pilot training, and many other important community services.

Communities that are readily accessible by air transportation are at a competitive advantage and may realize economic and quality of life benefits that can affect every citizen.

Airport location

The city of Eagle River is located in Vilas County (north central Wisconsin). It is 20 miles from the Upper Peninsula of Michigan and easily accessible from the interstate system. Eagle River Union Airport is approximately 230 miles north of Madison, 240 miles north of Milwaukee, and 160 miles from Oshkosh. The airport provides convenient access to US 45 and WIS 70.



Regional profile

Since 2000, Vilas County's total population has increased by 4.4% to 21,966, with a labor force of almost 12,000 in 2004. Vilas County has a diversified economic base and workforce.

Economic Impact

2005

Eagle River Union Airport (EGV)

Eagle River, WI

The largest industries in the county are services (30.3%), retail trade (17.3%), and construction (15.5%).

Regional profile

City of Eagle River population – 1,481
Vilas County population – 21,966

Vilas County employment – 10,925
Per capita personal income – \$25,632
Top 10 county public & private employers

- Lac Du Flambeau Band of Lake Superior Chippewa
- Northland Pines Schools
- County of Vilas
- T A Solberg Co. Inc.
- Bonsons Foods Inc.
- Lac Du Flambeau Public School
- Howard Young Medical Group
- North States Utility Contractors Inc.
- Northwoods Medical Center Inc.
- Pukall Lumber Co. Inc.

Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis and the WI Departments of Administration and Workforce Development.

Airport activity and facilities

Eagle River Union Airport is administered by a six person airport commission representing the three owners, the Towns of Lincoln and Washington and the city of Eagle River. The airport is open to the public and classified as a Transport Corporate airport in the *Wisconsin State Airport System Plan: 2020*. The Eagle River Union Airport is designed to handle recreational, corporate, charter, and cargo users needing a runway length of 4,800 to 6,800 feet.

In 2004, the airport recorded 20,626 aircraft operations (take-offs and landings) and served 42 based aircraft, including 33 single-engine, seven multi-engine aircraft, and two jets. Frequent business users of the airport include

the Oldenburg Group, Executive Affiliates, Marmon Aviation, and Surgipath Medical Industries, Goldleaf Development, Cole Publishing Company, J&S Aviation, and Distinctive Enterprises.

Four fixed base operators (FBOs) are located at the airport. Trans North Aviation, LTD. operates a seasonal shuttle service to the Chicago area, in addition to providing charter and air ambulance services. Eagle Fuel Cells-Etc., Inc., repairs and sells aircraft fuel cells. Williams Aviation, Inc., provides aviation maintenance and upholstery repair, and Noble Aviation LLC. offers aircraft maintenance and restoration.

Eagle River Union Airport has many other services for the public and aviators that include fueling operations, civil air patrol, flight lessons, as well as car rentals. Recreational users are increasing too, as the area continues to draw more retirees, summer camps, and vacationers.



The airport has two paved runways and one grass runway. Runway 4/22 is 5,000 feet long and 75 feet wide with Medium Intensity Runway Lights (MIRL), Runway End Identifier Lights (REILS), and Precision Approach Path Indicator (PAPI). The crosswind runway (13/31) was paved in 2005 and is 3,400 feet long and 60 feet wide. A helipad was constructed in 2003 and is regularly used by the medivac helicopter from Marshfield as well as other hospitals and transient users.



Airport facilities also include a rotating beacon and a computer weather information system (MxVision AviationSentry™) located in the terminal building. The terminal building has a pilot lounge, conference room, and flight planning area. The airport currently has 63 hangars and over 30 tie downs.

The economic impact of Eagle River Union Airport

A study of the contribution of Eagle River Union Airport to the local and state economy was recently completed by the Wisconsin Department of Transportation, Bureau of Aeronautics.

The economic impact of Eagle River Union Airport is the *economic output (sales), employment and personal income* that can be attributed directly and indirectly to the airport. Economic impacts measure the importance of an airport as a business in terms of the employment that it supports and the goods and services that it consumes.

ABC Airport Benefit-Cost System

The results of the study estimate that Eagle River Union Airport provided over \$8.4 million in economic output, supported 122 jobs and contributed over \$2.1 million in personal income to the local economy (Vilas County) in 2004.

The methodology used to estimate the contribution of the airport to the local and state economy is the Wisconsin Department of Transportation (WisDOT) Airport Benefit-Cost (ABC) System.

The WisDOT ABC System is a Microsoft Access database application for evaluating the economic impact of airports and airport improvement projects.

The WisDOT ABC System was developed based on guidelines established by the FAA in the document “*Estimating the Regional Economic Significance of Airports*,” U.S. DOT, September 1992.

The WisDOT ABC System uses data from the following three primary sources:

- Airport activity and business survey data for calendar year 2004 was obtained from airport management.
- Data from the *U.S. Bureau of Economic Analysis* on industry employment, wages and sales.
- Regional economic multipliers obtained from the industry transaction tables in the Impact Analysis for Planning Model (IMPLAN) computer model.

IMPLAN is a computer model, produced for WisDOT by the Minnesota IMPLAN Group, Inc., that estimates purchases and sales between various sectors of the Wisconsin economy. The model can produce statewide results or focus on specific counties and groups of counties. Multipliers for two sectors were used in the analysis.

The regional economic multipliers used in this study for the Air Transportation sector are 1.60 (sales), 2.3 (employment) and 2.10 (wages).

Multipliers used for the Retail/Hotel/Restaurant sector are 1.35 (sales), 1.15 (employment) and 1.30 (wages).

The economic role of Eagle River Union Airport is comprised of three types of impacts: *Direct Impacts of the Airport, Direct Impacts of Airport Users and the Multiplier Impacts.*



Each of these impacts is expressed in terms of their effect on economic output, employment and wage income.

Direct impacts of the airport

The direct impact of an airport on the local economy measures the jobs, payroll and sales directly related to airport operations and businesses at the airport. This includes the management and operation of the airport, as well as businesses providing aircraft maintenance, fueling, storage rental, charter sales and leasing activities.

In 2004, the direct impact of the airport on the local economy totaled 39 workers, personal income of \$764,790 and \$6,317,142 in economic output.

Direct impacts of airport users

Visitor spending, or the direct impact of airport users is the amount of money flowing into the local economy from air passengers who reside outside the county. These visitors spend money on lodging, meals, ground transportation and retail purchases within the county.

The \$3,647,912 of visitor spending (sales) generated by the airport in 2004 supported 97 jobs in Vilas County with a payroll of \$1,350,215.

Multiplier impacts

The multiplier impact considers the effect of two additional airport impacts on the regional economy. The first impact is the economic activity of local suppliers to the airport and Vilas County businesses that host air travelers (hotels, restaurants and entertainment establishments).

The multiplier impact also includes the re-spending of the payroll of businesses serving visitors to the area. Employees of these businesses spend a significant portion of their

income throughout the local economy. The IMPLAN multipliers were used to identify the extent of these impacts.

In 2004 the multiplier impact of the airport supported 70 additional jobs, provided \$1,309,086 in wages, and generated \$5,225,027 in economic output.

Employment (FTE jobs)

Direct impact - airport	39
Direct impact – airport users	97
Multiplier impact	70

Total employment impact 206 Jobs

Wage income/payroll

Direct impact - airport	\$ 764,790
Direct impact – airport users	\$1,350,215
Multiplier impact	\$1,309,086

Total payroll impact \$3,424,091

Economic output/sales

Direct impact - airport	\$6,317,142
Direct impact – airport users	\$3,647,912
Multiplier impact	\$5,225,027

Total economic output \$15,190,081



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Other benefits

The study also measured the public revenue generated at both the local and state level from airport related fees. In 2004, Eagle River Union Airport generated \$39,916 in public revenue from aircraft storage. The airport also generated \$83,208 in state revenue from local fees, general aviation fuel taxes and aircraft registration fees for a total of \$123,124 in direct airport and state revenue.

Airport revenue – direct impact

Eagle River Union Airport	State	Total
\$ 39,916	\$83,208	\$123,124

Local economic impact

The results of the study estimate that Eagle River Union Airport provided \$15.2 million in economic output, supported 206 jobs, and contributed over \$3.4 million in wage income to the local economy in 2004.

Contribution of Eagle River Union Airport to the local economy

FTE jobs	Wage income	Economic output/sales
206	\$3,424,091	\$15,190,081

Local and state economic impact

The activity at Eagle River Union Airport in 2004 also generated an additional \$2,648,204 in sales, supported 31 jobs and provided \$631,704 in wage income to the state economy.

When combined with the local impact, the total contribution of Eagle River Union Airport to the local and state economy in 2004 is nearly \$18 million in sales, 237 jobs and over \$4 million in wage income.



Contribution of Eagle River Union Airport to the local and state economy

FTE jobs	Wage income	Economic output/sales
237	\$4,055,831	\$17,838,285

