

## 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 Watertown Municipal Airport play a critical role in fostering business growth and economic development.

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.

The local airport can also provide 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.



Watertown Municipal Airport

As an integral part of our state transportation network, Watertown Municipal Airport in Watertown plays a critical role in fostering

business growth and economic development in the region.

## Airport location

Watertown Municipal Airport is located in Jefferson County (southeastern Wisconsin). The city of Watertown is located in both Jefferson and Dodge counties. Easily accessible from Interstate 94, Watertown Municipal Airport is 35 miles east of Madison and 40 miles west of Milwaukee.



The airport provides a safe and convenient environment for travel, business aviation, and related business activities.

## Regional profile

Jefferson and Dodge counties have a diversified economic base and workforce. Some of the products of the area include bicycle design and manufacturing, healthcare, and services for the elderly and disabled.

The area's largest non-government industry sectors are natural resources, manufacturing, trade, construction, and healthcare and social assistance.

## Jefferson and Dodge County Profile

### Area populations (2011)

City of Watertown – 23,019

Jefferson County – 83,686

Dodge County - 89,810

### Employment (2008)

Jefferson County per capita income – \$33,649

Jefferson County employment – \$34,682

Dodge County employment - \$34,545

Dodge County per capita income - \$38,615

### Major employers in area

- Quad/Graphics Inc.
- Department of Corrections
- UW Health Partners Watertown Hospital
- WIS-Pak
- Fort Health Inc.
- Trek Bicycle Corporation
- County of Jefferson
- Walmart Associates Inc.
- Generac Power Systems Inc.
- Watertown Unified School District

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

## Airport services and activity

Owned and operated by the city of Watertown, the airport is a general aviation airport that is part of the National Plan of Integrated Airports and is classified as a Medium General Aviation Airport in the Wisconsin State Airport System Plan. *Medium General Aviation Airports support most single and multi-engine general aviation aircraft, including those aircraft commonly used by businesses. These airports support regional and in-state air transportation needs.*

In 2010, the airport was home to 77 based aircraft, including 62 single-engine aircraft, 13 multi-engine aircraft, one jet, and one helicopter.

The airport has two businesses located on the airport. Wisconsin Aviation is a Fixed Base Operator (FBO) and Central Aviation is a paint shop. There are 10 T-Hangars, four large hangars, 18 smaller hangars and a maintenance hangar.

## Airport facilities

Watertown Municipal Airport has two paved runways.



The primary runway (05/23) is 4,429 feet long by 75 feet wide with a paved overrun. Lighting aids on this runway include two-light Precision Approach Path Indicators (PAPI), Medium Intensity Runway Lights (MIRL), and Runway End Identifier Lights (REIL).

The secondary runway (11/29) is 2,801 feet long and 75 feet wide. Lighting aids on this runway consist of MIRLs.

Instrument approaches to the airport include a Non Directional Beacon (NDB), Global Positioning System (GPS), and VHF Omnidirectional radio Range (VOR) to runway 05/23, and GPS and VOR approaches to runway 11/29.

## The economic impact of Watertown Municipal Airport

This report documents a recently completed study by WisDOT's Bureau of Aeronautics on the contribution of Watertown Municipal Airport

to the local and state economy. The economic impact of Watertown Municipal Airport is the *economic output (sales), employment, and wage 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.

The results of the study indicate Watertown Municipal Airport provided \$15.4 million in sales, supported 182 jobs and contributed \$4.6 million in wage income to the local and state economy in 2010.

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

## Airport Benefit-Cost (ABC) System

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

The 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.

WisDOT's ABC System used data from the following three primary sources to estimate the economic impact of the airport to the local and state economy:

- Airport activity and business survey data on jobs, income and sales at the airport
- Data from the *U.S. 2010 Census and 2009 Wisconsin Department of Workforce Development Jefferson County Profile*

- 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. The model estimates purchases and sales between various sectors of the Wisconsin economy.

The model produces statewide multipliers as well as multipliers for specific counties and groups of counties. IMPLAN multipliers for two sectors in the Jefferson County economy were used in the analysis.

The regional economic multipliers used in this study for the *Air Transportation Sector* are 1.3 (sales), 1.6 (employment) and 1.87 (wages.) Multipliers used for the *Retail/Hotel/Restaurant Sector* are 1.46 (sales), 1.32 (employment) and 1.46 (wages.)

The economic contribution of Watertown Municipal Airport is comprised of three types of impacts—*direct impact of the airport, direct impact of airport users, and the multiplier impact*. Each of these effects is expressed in terms of their effect on economic output (sales), employment (jobs), and wage income.

## Direct impacts

The direct impact of Watertown Municipal Airport on the local economy reflects the jobs, payroll, and sales directly related to airport operations. This includes the management and operation of the airport, as well as businesses providing aircraft maintenance, fueling, storage, and leasing activities.

The direct effect of the airport on the local economy in 2010 totaled 41 employees, a payroll of \$1.13 million and \$7 million in economic output.

# Economic Impact

2010

Watertown Municipal Airport (RYV)  
Watertown, WI

## Indirect impact

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 million of visitor spending in 2010 supported 55 additional jobs in the community with a payroll of \$988,000.

## Induced impacts

The multiplier, or induced effect, represents the downstream effect of airport operation and visitor spending throughout the local and state economy.

This impact includes the activity of suppliers to the businesses at the airport (including electricity, office supplies, aircraft parts, fuel for resale) and suppliers to the businesses serving visitors. It also includes the activity generated by the airport workers re-spending their income (clothes, groceries, entertainment, and other necessities).

In 2010, the multiplier impact of the airport supported 43 additional jobs, provided \$1.44 million in wages and generated \$3.6 million in economic output.

### Employment (FTE Jobs)

Direct	41
Indirect (visitor spending)	55
Induced (multiplier effect)	43
<b>Total employment impact</b>	<b>139 jobs</b>

### Wage Income/Payroll

Direct	\$1.13 million
Indirect (visitor spending)	\$988,000
Induced (multiplier effect)	\$1.44 million
<b>Total payroll impact</b>	<b>\$3.6 million</b>

## Economic Output/Sales

Direct	\$7 million
Indirect (visitor spending)	\$3 million
Induced (multiplier effect)	\$3.6 million
<b>Total economic output</b>	<b>\$13.6 million</b>



## Other benefits

The study also measured public revenue generated at the local and state level from airport and aviation-related fees.

In 2010, Watertown Municipal Airport generated \$4,499 in revenue from fuel flowage fees.

The airport also generated \$3,355 in state revenue from general aviation fuel taxes and aircraft registration fees of \$8,540 for a total of \$16,394 in direct local and state public revenue.

### Public Revenue – Direct Impact

Jefferson County	State	Total
\$4,499	\$11,895	\$16,394

# Economic Impact

2010

Watertown Municipal Airport (RYV)  
Watertown, WI

## Local economic impact

The results of the study indicate that in 2010 Watertown Municipal Airport provided \$13.6 million in economic output, supported 139 jobs, and contributed \$3.6 million in wage income to the local economy. It should be noted that this time period was at the height of the nation's recession, which resulted in slow economic growth and building.

### *Contribution of Watertown Municipal Airport to the Local Economy*

<b>FTE jobs</b>	<b>Wage income/ payroll</b>	<b>Economic output/sales</b>
<b>139</b>	<b>\$3.6 million</b>	<b>\$13.6 million</b>



Note: The results of this report are produced from a basic cost-benefit model and do not completely address all the economic nuances facing every airport.

## Local and state economic impact

The activity at Watertown Municipal Airport in 2010 also generated an additional \$1.8 million in sales, 43 jobs and \$1 million in payroll to the state economy.

When combined with the local impact, the total contribution of Watertown Municipal Airport to the local and state economy, in 2010, was \$15.4 million in sales, 182 jobs, and \$4.6 million in wage income.

### *Contribution of Watertown Municipal Airport to the Local and State Economy*

<b>FTE jobs</b>	<b>Wage income/ payroll</b>	<b>Economic output/sales</b>
<b>182</b>	<b>\$4.6 million</b>	<b>\$15.4 million</b>



***Providing leadership to maintain and develop a safe and efficient air transportation system***

<http://www.dot.state.wi.us/modes/air.htm>