

Fargo Hector International Airport

LOCAL ECONOMIC IMPACT OF AVIATION 2004

Prepared for the North Dakota Aeronautics Commission
by Flint Communications

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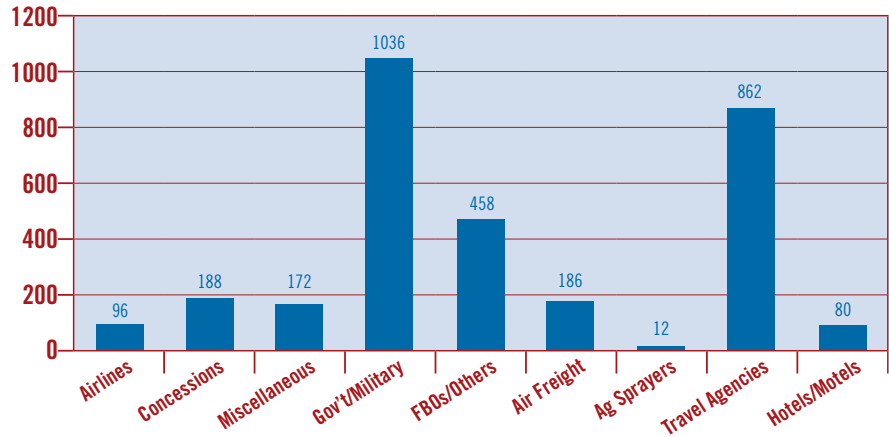




Welcome to the 2004 edition of the study of the economic impact of aviation on North Dakota's economy. This study provides a complete examination of aviation's economic impact on the state and updates similar economic impact and employment data gathered in 1994 and 2004. Economic activity associated with aviation in North Dakota provides jobs and expenditures related to aviation activities. This spending is then spread through local economies throughout the state, creating additional employment, tax revenue and spending.

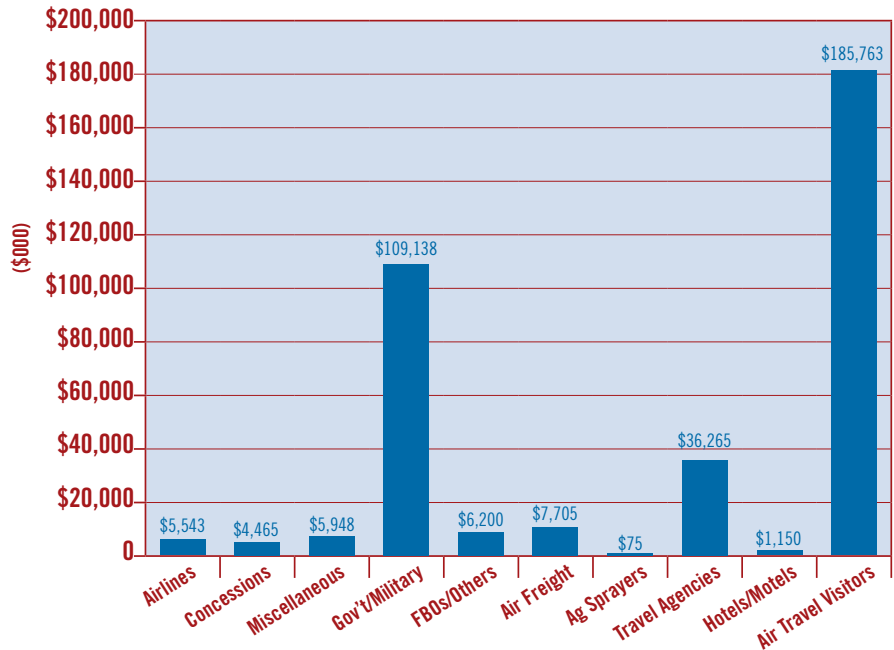
Aviation spending is not limited to airports. Indeed, aviation contributes substantially to agricultural, medical, commercial and industrial growth throughout North Dakota. In addition, the presence of airports and the link air travel creates between North Dakota and the rest of the world substantially improves the lives of North Dakotans on a daily basis.

2004 Economic Impact on Fargo - Employment Total Number of Jobs: 3,090



The table above identifies 2004 aviation-related employment in Fargo broken out by industry. In that year, 3,090 Fargo-area residents worked in aviation-related or aviation-induced jobs—roughly one-third of the state's aeronautics employment.

2004 Economic Impact on Fargo - Expenditures Total Number of Expenditures: \$362,252,000



The table above shows 2004 Fargo aviation-related expenditures by industry. In that year alone, Fargo-area businesses saw \$362.2 million of revenue from aviation impacts. Fargo contributed roughly one-third of the state's total aviation-related spending.





Air Traveler Expenditures at Commercial Service Airports 1994, 2004

Commercial Service Airport	Average Trip Expenditures	Annual Enplanements	Percentage of Visitors ³	Estimated # of Visitors	In Thousands (\$000)		
					Direct	Induced ¹	Total
1994							
Bismarck	\$235	132,287	57%	75,394	\$17,717	\$26,575	\$44,292
Fargo	\$214	208,916	61%	127,438	\$27,272	\$40,908	\$68,180
Grand Forks	\$196	101,241	63%	63,781	\$12,512	\$18,768	\$31,180
Minot	\$217	80,839	48%	38,802	\$8,420	\$12,630	\$21,050
Total	216²	523,283	57%²	305,415	\$65,921	\$98,881	\$164,702
2004							
Bismarck	\$641	159,963	45%	71,983	\$46,141	\$69,212	\$115,353
Fargo	\$675	256,004	43%	110,082	\$74,305	\$111,458	\$185,763
Grand Forks	\$596	89,301	44%	39,292	\$23,418	\$35,127	\$58,545
Minot	\$898	74,085	44%	32,597	\$29,272	\$43,908	\$73,180
Total	\$703²	579,353	44%²	253,954	\$173,136	\$259,705	\$432,841

¹ (Expenditure) Induced = Direct x 1.5
² Weighted average of all airports combined

³ Visitor percentage based on USDOT Ticket Sampling for CY 2004

The table above shows the economic impact of air travelers to the four larger commercial service airports. Numbers reflect passengers' self-reported spending on lodging, food and beverage, entertainment, retail, local transportation

and business expenditures. In Fargo travelers spent more than two and a half times more money than in 1994 to support area businesses, averaging \$675 per visit.



Expenditure and Employment Summary for Aviation Economic Impact in North Dakota 1994, 2004

		Expenditures (\$000)						Employment						
Group	1994			2004			% Change ³ 94-04	1994			2004			
	Direct	Induced ¹	Total	Direct	Induced ¹	Total		Direct	Induced	Total	Direct	Induced	Total	
Commercial Tenants	Airlines	\$12,374	\$18,621	\$30,995	\$10,681	\$16,072	\$26,753	-14	269	269	538	171	171	342
	Concessions	\$8,364	\$12,544	\$20,908	\$5,454	\$8,092	\$13,546	-23	326	326	652	176	176	352
	Gov't/Military	\$56,159	\$84,387	\$141,146	\$64,158	\$96,238	\$160,396	+13	1,364	1,364	2,728	844	844	1,688
	Air Freight	\$8,366	\$12,548	\$20,914	\$10,128	\$15,193	\$25,321	+21	197	197	394	280	280	560
	Miscellaneous	\$716	\$1,075	\$1,791	\$35,122	\$52,684	\$87,806	+4,792	33	33	66	919	919	1,838
Tenants Total ²		\$86,579	\$129,175	\$215,754	\$125,543	\$188,279	\$313,822	+31	2,189	2,189	4,378	2,390	2,390	4,780
Air Travel Visitors	GA Management	\$7,577	\$11,365	\$18,943	\$37,818	\$56,728	\$94,546	+399	78	78	156	127	127	254
	Ag Sprayers	\$18,218	\$27,941	\$46,159	\$32,991	\$49,487	\$82,478	+77	687	687	1,374	425	425	850
	FBOs/Others	\$33,268 ³	\$49,902	\$83,170	\$23,278	\$34,918	\$58,196	-30	914	914	1,828	739	739	1,478
	Travel Agents	\$7,149	\$10,725	\$17,873	\$41,973	\$62,961	\$104,934	+487	349	349	698	1,075	1,075	2,150
	Hotels/Motels	\$2,477	\$3,715	\$6,192	\$1,803	\$2,706	\$4,509	-37	136	136	272	70	70	140
	Comm. Service	\$67,978	\$101,967	\$169,945	\$178,387	\$267,582	\$445,969	+162	-	-	-	-	-	-
	GA/Air Taxi	\$10,556	\$15,834	\$26,390	\$13,081	\$19,622	\$32,703	+24	-	-	-	-	-	-
	Visitor Total ²	\$78,534	\$117,801	\$196,335	\$191,467	\$287,204	\$478,672	+143	-	-	-	-	-	-
	Av. Mfrtg. ⁴	-	-	-	\$47,325	\$70,988	\$118,313	-	-	-	-	1,175	1,175	2,350
	Grand Total ²		\$233,802	\$350,624	\$584,426	\$502,198	\$753,271	\$1,255,470	+114	4,353	4,353	8,706	6,001	6,001

¹ Induced expenditures = Direct x 1.5

² Totals may not add up due to rounding

³ Change in total expenditures

⁴ First year includes 2004 data

The table above compares statewide spending and employment totals by industry from 1994 to 2004. Aviation-related spending has more than doubled in the past decade and now totals over \$1.2 billion. Aviation-related employment has increased by 25 percent to over 12,000 jobs. In both categories, note the shift in numbers between market segments.

The table below identifies spending and employment for each of the eight commercial air service airports for 2004. Together, these charts demonstrate that the economic impact of aviation in North Dakota is diverse, growing and healthy.

Commercial Service Airport 2004 Economic Impact Report

Airport	Expenditures (\$000)			Employment		
	Direct	Induced ¹	Total	Direct	Induced ²	Total
Bismarck	\$71,503	\$107,257	\$178,759	558	558	1,116
Devils Lake	\$2,731	\$4,097	\$6,828	50	50	100
Dickinson	\$12,272	\$18,410	\$30,682	305	305	610
Fargo	\$144,900	\$217,352	\$362,252	1,545	1,545	3,090
Grand Forks	\$43,843	\$65,766	\$109,609	953	953	1,906
Jamestown	\$23,659	\$35,491	\$59,150	647	647	1,294
Minot	\$42,121	\$63,182	\$105,303	394	394	788
Williston	\$3,674	\$5,512	\$9,187	106	106	212
Total Impact	\$344,703	\$517,067	\$861,770	4,558	4,558	9,116

¹ Expenditure Induced = Direct X 1.5.

Note: capital improvement federal, state and local grants impact annual totals for expenditures.

² Employment Induced = Direct X 1.0.



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