

INTRODUCTION

Comprised of three commercial service and 22 general aviation airports, the New Hampshire State Airport System Plan (NHSASP) studied 25 public-use facilities that serve the air transportation needs of over 1.3 million New Hampshire residents, travelers, and the military. The system is an important contributor to state and local economies by supporting thousands of jobs throughout the state while generating millions of dollars annually in state tax revenue.

In addition to the economic effects, the New Hampshire airport system provides benefits to residents and businesses that are not always easily quantifiable. Many businesses rely on their local airport for the transportation of goods or persons. In some cases, the dependency may be so critical that a business would not be located in the region if convenient access to an airport was not available. For other businesses, an airport may contribute to cost savings or increases in market share and revenues, supporting a portion of the business' employees.

Furthermore, each one of the state's airports support a number of aviation and non-aviation services and activities that contribute to the well-being of the local community and the region.

The airport system experiences a consistent and diverse amount of aeronautical activity from single-engine aircraft used for recreation and flight training to multi-engine piston and jet aircraft used for charter and corporate business activities.

In addition to transient business users, flight training activity accounts for a considerable number of operations across the system. The airports are also used to respond to the medical needs of their community by providing a means to conduct medical evacuation operations to local and regional hospitals. Other public service uses of the airports include law enforcement activities and numerous military operations.

Through programs like Angel Flight, local pilots provide free air transportation to individuals for charitable or medically related needs. These activities improve the lives of local residents and serve as valuable community resources.

Finally, each airport provides direct access to the national airspace system for private, corporate, and commercial airline aircraft which enhances the desirability of New Hampshire as a location for businesses, offices, and manufacturing facilities.



Photo credit: Chuck Walla

The economic impact analysis conducted as part of the New Hampshire State Airport System Plan provided an assessment of the economic contribution and benefits of the New Hampshire State Airport System to New Hampshire and its local communities as of 2013. The following types of effects were assessed:

- On-airport Economic Activity
- Off-airport Economic Activity supported by:
 - » Airport Capital Expenditures
 - » Airport and Airport Tenant Operations and Maintenance Spending
 - » Visitor Spending
 - » Travel Time Savings of General Aviation (GA) Business Travelers
 - » Community Benefits of General Aviation

NEW HAMPSHIRE STATE AIRPORT SYSTEM

As presented in the figure to the right, the 25 airports in the system have been classified into one of five airport roles. Based primarily on airport size and function, these roles include: Primary, National, Regional, Local and Basic. They are defined as follows:

General Aviation Basic Airports: Airports that provide the essential elements necessary to support aviation users in the state, sometimes providing the only public landing site for many miles.

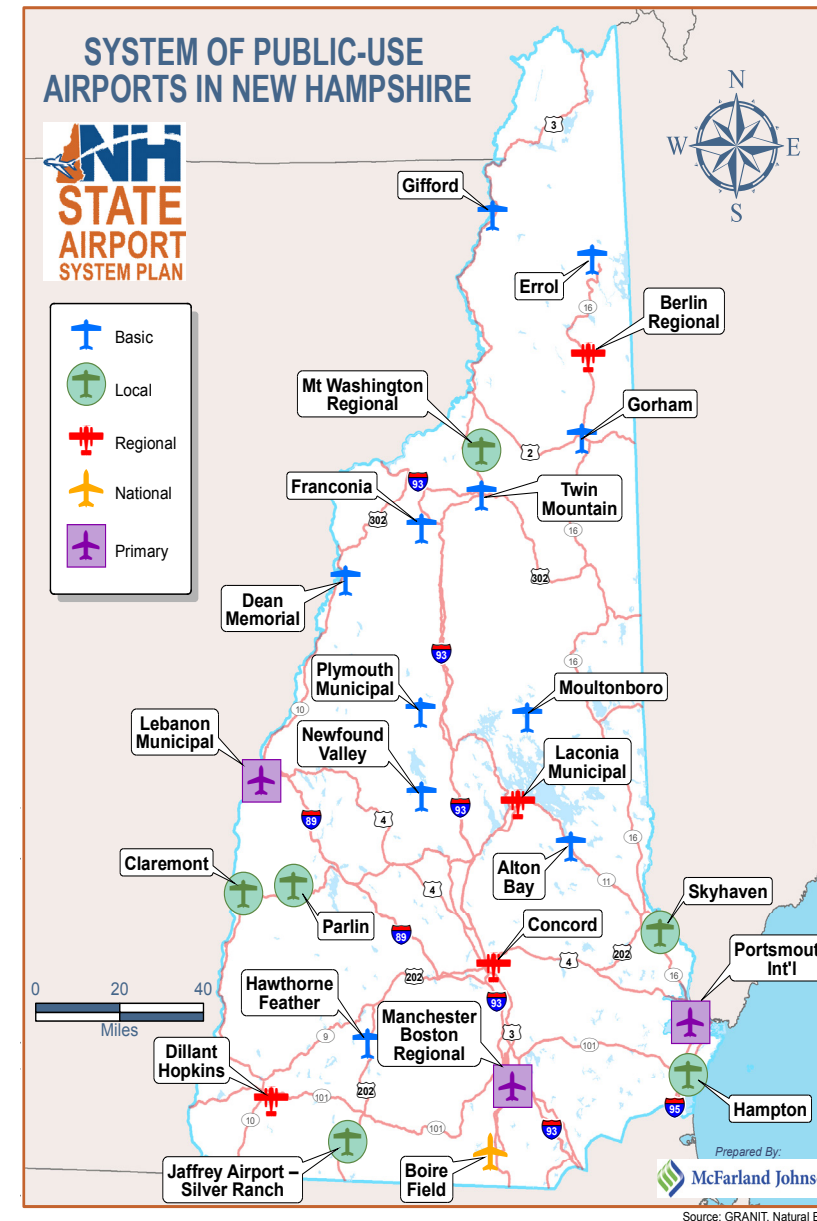
General Aviation Local Airports: Airports similar to Basic Airports in that they provide vital access to the air transportation system for their local community, but offer a greater diversity of additional services.

General Aviation Regional Airports: Airports that provide all the services and facilities of Basic and Local Airports, with more advanced accommodations for an even greater variety and volume of aviation users, serving a wider range of aeronautical activities, including those of military and corporate business.

General Aviation National Airports: Airports that have the capability to provide all services and facility infrastructure required by users and communities served by General Aviation Basic, Local, and Regional Airports. National Airports also provide air access to national and sometimes international markets.

Primary Commercial Service Airports: Airports in the state that fulfill the highest level of access for aviation users, with a main focus on providing access to air transportation for passengers through scheduled commercial airline and air cargo services.

ECONOMIC ASSESSMENT FINDINGS



The New Hampshire State Airport System supported an estimated 9,283 jobs and \$1.16 billion in output throughout the state in 2013. The system also generated \$27.96 million in tax revenue in that same year, including the business enterprise tax, the business profits tax, the meal and lodging tax, and aircraft registration taxes. The majority of the system's impact is generated by commercial air service. However, general aviation airports supported 776 jobs, and resulted in \$101.08 million in output annually.

Not to be overlooked are airport development projects, which generate jobs in the construction and related industries. Based on the average airport project cost per year between 2010 and 2012, an average of 167 jobs in construction, engineering, and related industries are directly supported by Airport Improvement Program (AIP) projects every year. *Through the multiplier effect, capital airport projects support additional jobs throughout the state, providing a total economic contribution of system capital expenditures of 276 jobs, \$15.3 million in labor income, and \$36.2 million in output in NH annually.*

Businesses using general aviation airports realize over \$14 million of cost savings due to reduced travel times. The network of general aviation airports also provides many qualitative benefits, including: emergency preparedness, critical community access, quality-of-life improvements, and other benefits to local communities.

Annual Economic Contribution of Aviation in New Hampshire

12,950 Jobs

\$2.16 billion in output for New Hampshire businesses

\$32.2 million in state tax revenues

While not directly tied to the airport system, manufacturing of aircraft engines and other aircraft parts and auxiliary systems are also key contributors to the state's economy. Several of the largest manufacturers in the state produce aircraft parts and auxiliary equipment, such as: BAE Systems, GE Aviation, Albany Engineered Composites, Elbit Systems Ltd., Timken Aerospace, and Titeflex Aerospace. An estimated total of 3,670 jobs throughout the state are directly or indirectly supported by these companies.

Airports provide critical infrastructure assets for New Hampshire that allow timely movement of goods and people. The NHSASP presented data that states that a \$500 million dollar investment is needed to maintain the airport system over the next 20 years. However, New Hampshire airports also generate over \$1.16 billion in annual output (the value of goods and services related to airports in New Hampshire). Thus the output from New Hampshire's airports from a single year is over twice the total investment needed to support these airports over the next 20 years. Continued investment into the airport system will enable the New Hampshire Department of Transportation Bureau of Aeronautics to: provide a safe, secure and efficient aviation system; enhance, preserve, and maintain state aviation system assets; maximize the economic value of New Hampshire's Airport System; and maximize and diversify connectivity for the state's Aviation Users.

Summary of Multiplier Impacts by Category

CATEGORY	NEW HAMPSHIRE BUSINESS			NH STATE TAX REVENUES
	Output	Jobs	Travel Time Savings	
Primary Airports	\$1,060,360,000	8,507	\$3,620,000	\$25,500,000
GA - National	\$47,619,804	357	\$3,200,000	\$770,000
GA - Regional	\$46,716,669	362	\$6,230,000	\$450,000
GA - Local	\$5,059,604	41	\$940,000	\$60,000
GA - Basic	\$933,923	9	\$90,000	\$50,000
General Aviation Airports¹	\$101,080,000	776	\$10,470,000²	\$1,360,000³
Aircraft Registration				\$1,100,000
Total NH State Airport System	\$1,161,440,000	9,283	\$14,090,000	\$27,960,000
Aircraft Manufacturing	\$998,900,000	3,671		\$4,230,000
GRAND TOTAL	\$2,160,340,000	12,954	\$14,090,000	\$32,190,000

¹The impact of the General Aviation Airports equals the sum of the impact of the (1) GA NPIAS airports listed above, (2) GA Non-NPIAS airports, and (3) statewide capital improvements.

²Includes time savings contributed to Non-NPIAS airports, ³Includes tax revenues contributed to Non-NPIAS airports.

How Aviation's Benefits Are Quantified

AIRPORT MANAGEMENT

Jobs operating and maintaining the airports

AIRPORT TENANTS

Jobs at fixed based operators, aircraft maintenance providers, airlines, government agencies, retail and ground transportation companies

MULTIPLIER EFFECT OF SPENDING BY THE AIRPORT, ITS TENANTS, THEIR EMPLOYEES AND VISITORS ARRIVING BY AIR

- **Capital Expenditures:** Jobs in construction, engineering and supply industries throughout the state
- **O&M Expenditures:** Jobs at vendors supplying on-airport businesses and their suppliers throughout the state
- **Employee Household Spending:** Jobs in education, health care, retail, transportation, entertainment, food production and other industries serving households throughout the state
- **Visitor Spending:** Jobs at hotels, restaurants, car rental, retail and supporting industries serving visitors throughout the state

TRAVEL TIME SAVINGS - A FUNCTION OF GENERAL AVIATION

Shorter travel time to customers, suppliers and business partners, as well as cost savings for local businesses whose employees travel "on-the-clock."

QUALITATIVE COMMUNITY BENEFITS

Improved quality of life for local residents, making New Hampshire a more attractive place to live as well as critical community access, emergency preparedness by facilitating emergency medical transport, and providing police, military, and government support.

Why Preserve and Improve New Hampshire's Airport System?

"Considering the economic impact of New Hampshire's Airports, the \$509 million 20-year cost to maintain and operate the system of the airports in New Hampshire represents one half of the total economic output the airport system provides NH in only one year." - 2015 New Hampshire State Airport System Plan Update

"Without a comprehensive network of reliever (medium) and general aviation (small) airports, the hundreds of thousands of pilots, families, doctors, farmers, and businesses which rely on this network would be forced to operate solely from commercial (large) airports. Further, this would leave many communities without a vital lifeline for disaster relief efforts...and other important emergency services which aviation access provides across America." - Letter from Congress, General Aviation Caucus, 28 SEP 2009



2015



Economic Impact Analysis Summary Report

