Archuleta County - Airport Advisory Commission (AAC)

Proposal to Conduct an

Economic Impact Study (EIS) for Stevens Field Airport

July 05, 2023

<u>Objective:</u> Gain approval from the BoCC to conduct an EIS for Stevens Field

<u>Why do an EIS for Stevens Field?</u>

Educating stakeholders about the quantitative (economic) and qualitative (non-economic) impact of the airport to Archuleta County

Enable the BoCC to make informed budgetary decisions regarding the economic impact of any investments

To Inform the community and improve public relations

To formulate and / or inform economic development / planning initiatives

To supplement the airport system plan. To help obtain financial support from the State of Colorado

To collect data for a robust input to the next Colorado Economic Impact Study (CEIS)

To inform projects and business lines that would add vitality to regional interests. To measure significance of the airport to specific industries (e.g. Tourism, Charter service, etc.)

The results of economic impact analyses are also used by the FAA as back-up documentation in letters of intent, required environmental documents, and evidence in cost–benefit analysis for specific airport improvements

AAC Working Group Summary of Research on EIS Best Practices, Methods, Analysis and Scope (Summary)

National Academies of Science, Engineering & Medicine: Transportation Research Board (EIS Methods and Models)

State Level EIS's reviewed in detail. Some of the best included: Colorado, Vermont, Virginia, Washington, Wisconsin

- *Last Colorado Economic Impact Study (CEIS) completed January 2020 using 2018 data*

- *Next CEIS in January 2025 using 2023 data*

Aircraft Owners and Pilots Association (AOPA) - resources and guidance

National Association of State Aviation Officials (NASAO) - resources and guidance

Aviation Across America (non-profit) - resources and guidance

Discussions and / or coordination with experts:

Colorado Division of Aeronautics

IMPLAN Company - economic modeling and analysis

Community Development Corporation (CDC)

Visit Pagosa

Other EIS's below the State level are generally at the regional level or focused on a major airport (e.g. LAX).

Detailed review of the 2012 Stevens Field EIS

"Small County" or town studies found were deemed to be "not robust".

Principle Findings of EIS Research

1). Surveys a key tool for collecting data:

- Airport managers

- Airport tenants

- General aviation visitors

- Airport-dependent businesses

- Corporate-based aircraft owners

- Air Charter operations

2). Direct data collection thru interviews can substitute for Surveys, in some cases

- More personal interaction

- Increase potential for response, higher fidelity data and proprietary data protection

- Interactive exchange provides the potential for ideas and / or relevant data not initially considered

- Interviews suitable for:

- On-airport businesses (e.g. Fixed Base Operator – AvJet, Classic Air Medical, etc.)

- Airport related businesses

- Airport Manager (e.g. Budget data and employment, leases, fuel flow revenue, airport maintenance, FAA and State funds, etc.)

- Airport improvements (e.g. hangar construction)

3). Analysis

An economic analysis, using the collected data, is key for capturing the total economic benefit of the airport. *Analysis typically measures three separate effects—direct, indirect, and induced effects. In this method, an airport's total economic impact is the sum of the direct, indirect, and induced effects.*

- ***Direct impacts (1st Round Impacts)****: The direct impact results from spending in the local area by visitors who arrive by air, as well as spending in the local area for goods and services by airport tenants.*

- ***Indirect impacts (2nd Round Impacts)****: The estimated flow of dollars generated from the supply of materials, goods, and services attributable to the airport by off-airport entities.*

- ***Induced impacts (3rd Round Impacts)****: The multiplier effect of re-spending the dollars generated through direct and indirect activities. Spending resulting from direct and indirect activities is spent again by the recipient employees and local businesses. Employees use their salaries and wages to purchase goods and services from other businesses. Businesses make their own purchases and hire employees, who also spend their salaries and wages throughout the local, regional, and state economies.*

Three primary economic analysis tools:

1) *RIMS II - The Regional Input–Output Modeling System (RIMS II) is a regional economic model developed and maintained by the US Bureau of Economic Analysis (BEA). Spreadsheet based. Easiest to use and least expensive.*
2) *IMPLAN model - More complex (as compared with RIMS II) and the most commonly used (incl. CDOT studies) application of the input–output approach in its dynamic application of multipliers. IMPLAN uses multiple sources of data on Archuleta County from the U.S. Census Bureau, BEA, Bureau of Labor Statistics, Colorado State, etc. One year license from the IMPLAN company cost $2,500-$5,000 depending on training and support required.*
3) *REMI model - Generally considered to be the most expensive, most labor intensive and complex of the three models.*

Proposed EIS Approach for Stevens Field

The AAC is recommending an approach to this EIS with proven and widely accepted methods and analysis tools. Our key objective is to create an EIS based on accurately collected data and Government created economic analysis factors

Proposed Period of Data Collection: July 01, 2023 through June 30, 2024

- Analysis and report to immediately follow

Principle Methods

1). Surveys for data collection of direct spending and employment:

- Visitor survey

- Business traveler survey

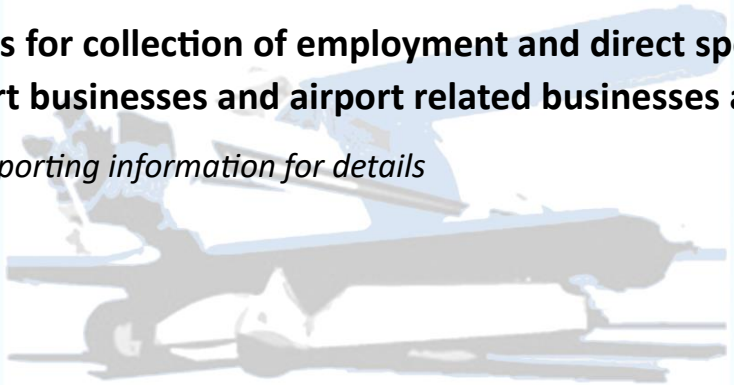
- Air Charter visitor survey

- Part-time Resident survey

- Tenant survey

2). Interviews for collection of employment and direct spending for certain airport businesses and airport related businesses and data

- See supporting information for details



3). Analysis - indirect and induced impacts

Decision on analysis approach does not need to be made until the Spring of 2024

Holding discussions with Region 9 regarding using their analysis resources

- Light Cast analysis tool (similar to IMPLAN)

- Region 9 expert assistance

Budget line item to be added to airport budget if Region 9 assistance does not materialize

- IMPLAN is the preferred analysis tool at this point.

- Robust and widely accepted model using US Government data and factors. $2,500 - $5,000 cost.

- RIMS II could be a viable option. Less comprehensive. Cost $275 (possibly more). Need to learn more about economic multipliers

- Fallback could be to use our data input to the next Colorado Economic Impact Study (CEIS) and have their selected Vendor run the analysis using IMPLAN

- Timing is a concern. CEIS will not be completed until 2025

- CEIS does not include Intra-Colorado economic impacts

- With 66 Colorado airports to analyze, the scope of CEIS will be limited for Stevens Field

4). Capture non-economic impacts

- See supporting information for details

5). Report will include “look back” and “look forward” at the airport development

- See supporting information for details

Risks

Obtaining a robust response to the surveys might be challenging

Businesses and individuals may be reluctant to share economic data (e.g. total salaries, expenditures, etc.)

Conducting interviews, collecting data, conducting analysis and writing a report could require significant volunteer effort

Supporting Information

List of Data Collection for the Period for July 10, 2023 to July 09, 2024

Economic – Collect Employment and Dollars Spent (indirect and induced impacts to be calculated in IMPLAN or alternatives):

Visitors (See Survey for details of requested data)

Tenants (See Survey for details of requested data)

Property Taxes

Lease revenue (Private Hangars and FBO)

Airport direct County employment and expenditures

AvJet Fixed Base Operator (FBO) (direct employment, income and taxes)

Fuel Sales & Taxes

Classic Air Medical (direct employment, income and taxes)

San Juan Flying Club

Local airport services business(s) (i.e. A&P/IA, CFI's, Taxi, Car Rental, Catering, etc.)

Airport Improvement Program construction (e.g. airport construction & maintenance, etc..) including local employment and outside contractors spending on hotels, restaurants, etc.

Construction of new hangars (direct employment, income and taxes)

Payments to utility companies

Fly-In's (e.g. C-180/C-185 fly-in and Sept. Fly-in)

Non-Economic:

Experimental Aircraft Association (EAA) Chapter 1679 – Community Outreach & Young Eagle flights

Medical Evacuation

Firefighting (if a fire event occurs in the period, an economic component with spending on hotels and restaurants will be captured)

San Juan Squadron Flights (Veterans, parades, memorials, etc.)

Airport Open House

Education Programs (i.e. School field trips, Curriculum)

Military Component / Support of National Defense (will contact Public Affairs Officer)

Circumstantial Evidence of community benefit (e.g. The Walmart example).

Other (for our EIS Report):

Review of past years Airport Improvement Funding

Future growth and development (Capital Improvement Plan, FBO expansion, expansion of services, etc.)

Review of past years hangar construction

Number of based aircraft

Number of Visitors

Number of part-time residents utilizing airport