

MARYLAND



THE ECONOMIC IMPACT OF
CAPTAIN WALTER
FRANCIS DUKE
REGIONAL AIRPORT



economic benefits

business development

medical transport

law enforcement

recreation

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The Maryland system of airports is an essential element of the national and statewide transportation network, as well as the global economy. Consisting of Baltimore/Washington International Thurgood Marshall Airport (BWI) and 34 general aviation/commuter airports throughout the state, the system provides a convenient, safe, and efficient mode of transportation.

In order to assess the current fiscal significance of the statewide system of airports, the Maryland Aviation Administration (MAA) initiated an economic impact study for the calendar year 2005 using an industry-standard methodology to defensibly quantify the economic impacts generated by operational, passenger, and cargo activity at Maryland airports. The study is an update to an analysis that was conducted in 2002. The same methodology has been used in both studies so that direct comparisons can be made between the current economic benefits and those reported in the previous analysis.

Economic models were prepared for each system airport to estimate the impacts associated with capital development projects. The economic models also provide an understanding of each airport's economic sensitivity to changes in several factors including passenger levels and trip purpose, freight levels, and general aviation operations in terms of jobs, employee earnings, business revenues, taxes, and local purchases. The study also evaluated the impacts associated with the Washington Air Defense Identification Zone (ADIZ) and Flight Restriction Zone (FRZ) affecting the 14 Maryland airports located within those zones.

General Aviation Activity in Maryland Creates

- 6,800 jobs**
- \$396 million in payroll**
- \$136 million in local purchases**
- \$501 million in business sales**
- \$41 million in tax revenue**

It is estimated that in 2005 more than 104,100 jobs within the State of Maryland were attributable to the statewide aviation system, representing more than five percent of all jobs in the state and over \$3.5 billion in annual personal income. Maryland airports also contributed to the statewide economy approximately \$5.4 billion in business revenues, \$1.6 billion in local purchases for supplies and services, and \$500 million in state and local tax revenues.

It is estimated that more than 5.6 million visitors arrived in Maryland via BWI in 2005. Visitors purchase hotel rooms, pay for meals and entertainment, and make retail purchases, thereby generating induced economic activity within the region. Of the estimated 104,100 jobs attributable to the Maryland system of airports in 2005, nearly 74,660 resulted from commercial passenger expenditures. These visitors spent approximately \$3.1 billion on area hotels, restaurants, retail stores, and entertainment establishments, and generated approximately \$332 million in state and local tax revenues.

Activity at the 34 general aviation/commuter airports generates jobs and personal income to those employed by airport tenants, as well as to local visitor industry firms serving commuter passengers. It was estimated in this study that general aviation accounted for approximately 6,800 jobs, \$396 million in personal income, \$136 million in local purchases, \$501 million in business sales, and \$41 million in state and local tax revenues.

2W6 CAPTAIN WALTER FRANCIS DUKE REGIONAL AIRPORT

The Captain Walter Francis Duke Regional Airport is a public-use general aviation airport located near Leonardtown, Maryland. The Airport has one asphalt runway, Runway 11/29, measuring 4,150 feet in length and 75 feet in width and provides the following services:

- Fuel sales (100LL and Jet A);
- Aircraft maintenance;
- Flight instruction;
- Aircraft rental and sales;
- Charter flights;
- Air ambulance; and
- T-hangars and paved tie-downs.

Some of the notable aviation activities that regularly occur at the Airport include use by the Maryland State Police, medical evacuation operations, air access for tourists, flight instruction, and corporate aviation operations. Businesses using Captain Walter Francis Duke Regional Airport include A.T. Massey Coal Company, Boeing, Coleman Microwave Company, and Washington Hospital Center. The airport is often used by tourists for access to such events as the Budds River Motorcycle Races, the Potomac Jazz and Sea Food Festival, as well as the St. Mary's County Fair.

ECONOMIC IMPACT

In 2005, the Airport and its tenants contributed the following direct, indirect, and induced benefits to the regional economy:

Jobs	105
Personal Income	\$6.0 Million
Total Business Revenues	\$5.7 Million
Local Purchases	\$3.4 Million
Tax Revenues	\$618,000

Revenue Impact

Airport activity generates business revenue as a result of the provision of air passenger service, freight service, and ground support services for commercial and general aviation activity.

Employment Impact

The employment impact of aviation activity consists of four levels of job impacts:

- Direct employment impact – jobs directly generated by airport activity
- Induced employment impact – jobs created throughout the regional economy because individuals directly employed due to airport activity spend their wages locally.
- Indirect employment impact – jobs generated due to the purchase of goods and services by firms dependent upon airport activity.

Income Impact

The income impact is the measure of personal wages and salaries received by individuals directly employed due to airport activity. This direct personal income is re-spent throughout the region, which in turn generates additional jobs, or an induced employment impact.

Tax Impact

State and local tax impacts result from tax payments to the state and local governments by both firms and individuals involved in providing services in support of airport activity. State and local tax impacts include revenues associated with all types of taxes. Also included in the tax impact are federal aviation-specific taxes generated by air passenger and air cargo activity.