

# ECONOMIC IMPACT STUDY

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## SOUTHWEST FLORIDA INTERNATIONAL AIRPORT PAGE FIELD GENERAL AVIATION AIRPORT

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# **ECONOMIC IMPACT STUDY**

## **- Southwest Florida International Airport -**

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# 1. EXECUTIVE SUMMARY - RSW

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The results of the Economic Impact of the Southwest Florida International Airport (Airport or RSW) for 1999 (1999 Study) were finalized in November 2000. The purpose of this study is to update these impacts for 2005. This section presents summary findings of the Economic Impact of the Airport for 2005, prepared for the Lee County Port Authority (Authority).

## 1.1 AIRPORT BACKGROUND



The Airport is located approximately 15 miles southeast of downtown Fort Myers in Lee County, Florida. The Authority currently owns approximately 15,600 acres of land, which includes 7,400 acres of off-Airport mitigation. The primary geographical area served by the Airport encompasses the five Florida counties of Charlotte, Collier, Glades, Hendry, and Lee. **Exhibit 1** presents the geographical location of these five counties in relation to the State

of Florida. As also shown in Exhibit 1, the Airport is relatively isolated from alternative commercial service facilities (i.e., Fort Lauderdale, Miami, Sarasota Bradenton, and Tampa), with minimal diversion of air traffic from its primary service area to these facilities.

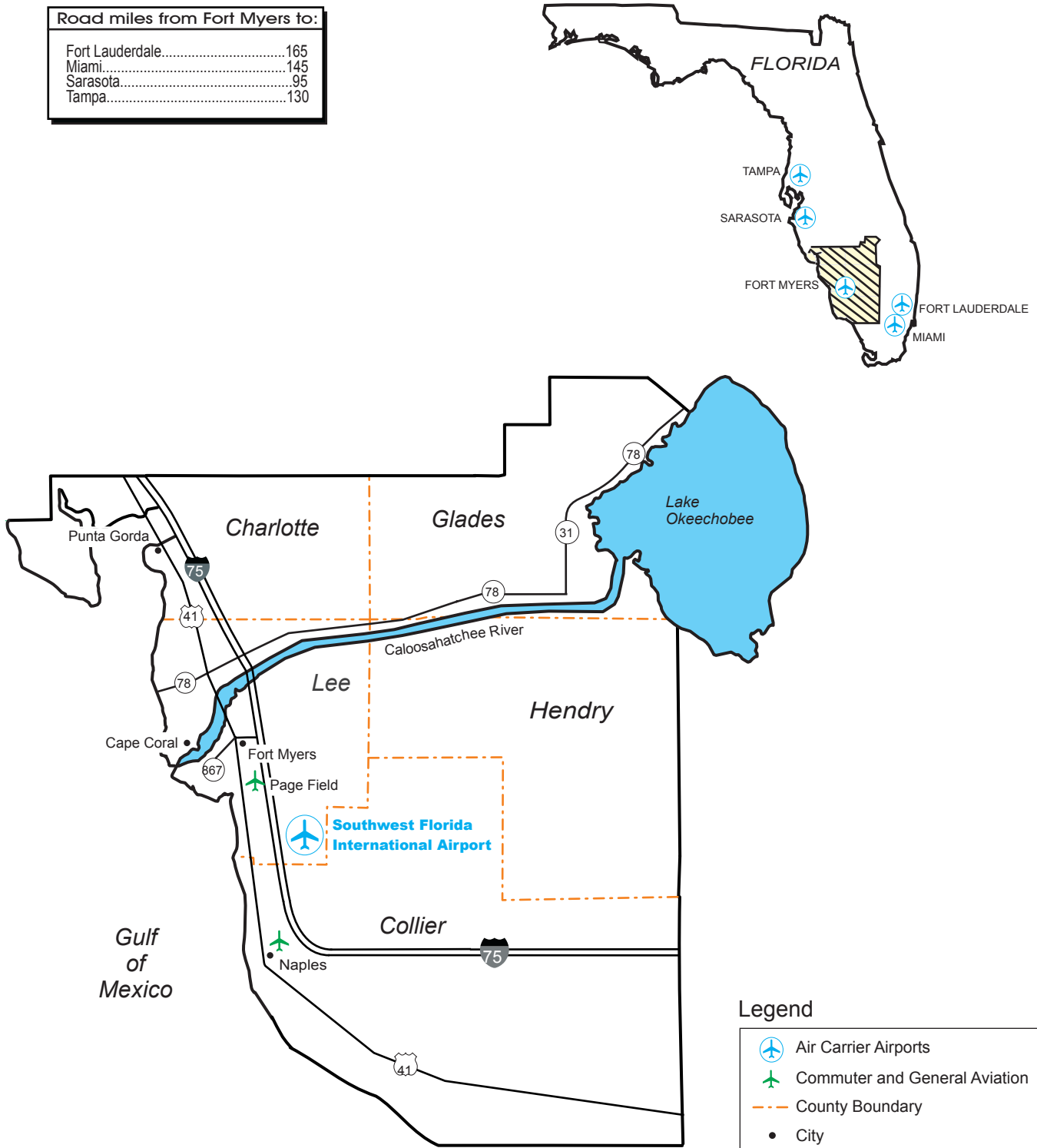
Specific points concerning the Airport's facilities and activity are discussed below:

- The \$438 million new terminal building, a two-story structure with three concourses, opened in September 2005. This 798,000 square foot facility has 28 aircraft gates and the capacity to accommodate 10 million annual passengers. The new terminal has an incremental-expansion design that provides long-term potential for two additional concourses for a total of 65 gates. The new terminal is accessed by a dual roadway system that allows departing passengers to be dropped off at the upper-level curb and arriving passengers to be met on the lower level where the baggage claim facilities are located. The upper level of the new terminal includes ticket counters, security areas, aircraft gates, restaurants, and retail shops.
- A three-story parking garage is located directly across from the new terminal with rental car operations on the ground floor and hourly public parking provided on the second and third floors with approximately 2,500 spaces. In order to meet potential future demand, two floors can be added to the parking garage if necessary. Approximately 8,900 spaces of long-term parking and approximately 1,300 spaces of employee parking can be accessed by shuttles.
- In 2005, the Airport had scheduled passenger service by the domestic air carriers AirTran, American, ATA, Continental, Delta, Frontier, Independence Air, JetBlue, Midwest, Northwest, Southwest, Spirit, Sun Country, United, US Airways, and USA 3000; by the commuter carriers American Eagle, Cape Air, Chautauqua, Comair, and Continental Express; and by the international charter air carriers Air Canada, Condor, Jetsgo, LTU, Skyservice, and WestJet. All-cargo service at the Airport is provided by Airborne Express, FedEx, and United Parcel Service (UPS).
- As of December 2005, daily nonstop service was provided to 35 cities with a total of 130 daily flights, with 18 daily nonstop flights to New York, the Airport's top origin-destination

# 1. EXECUTIVE SUMMARY - RSW

**Road miles from Fort Myers to:**

Fort Lauderdale.....	165
Miami.....	145
Sarasota.....	95
Tampa.....	130



Prepared by: Ricondo & Associates, Inc.

**Exhibit 1**

north  
exhibit not to scale

**Airport Service Area**

# 1. EXECUTIVE SUMMARY - RSW

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(O&D) market. Each of the Airport's top 20 O&D markets are provided nonstop service with a total of 92 daily flights.

- In calendar year (CY) 2005, the Airport was ranked 47<sup>th</sup> among airports nationwide in terms of total passengers with approximately 7.5 million passengers.

## 1.2 2005 ECONOMIC IMPACT

The importance of the Airport extends beyond its typically recognized function of moving people and cargo. In addition to the employees and activity directly associated with the Airport, many businesses and employees benefit economically from the Airport and its day-to-day operations. These groups include the employees whose firms base corporate aircraft at the Airport; the commercial and industrial employers whose shipments arrive or depart via the Airport; the area retail establishments; and the hotels, restaurants, and tourism-related activities whose patrons arrive via the Airport. Almost every employment category in the Airport's market area, even those that never directly use the Airport or its many services, receive some economic benefit from the Airport.

In general, economic impacts associated with the Airport are classified into two types of impacts:

- **Direct Impacts** are consequences of economic activities carried out at the Airport by the various tenants having a direct involvement in aviation (e.g., passenger airlines, airport management, fixed base operators, etc.). Employing labor, purchasing locally produced goods and services, paying taxes, and contracting for capital improvements are examples of activities that generate these direct impacts. Strictly speaking, direct impacts represent economic activities that would not have occurred in the absence of the Airport.
- **Induced Impacts** are the multiplier effects of the direct impacts. These effects are the increases in employment and expenditures created by successive rounds of local spending and hiring.

Three separate components of economic impact for 2005 were estimated for the Airport:

- **Output** for on-Airport tenant benefits is typically assumed to be the sum of annual gross sales, taxes, and average annual capital expenditures. While this definition works well for profit-oriented tenants, it must be modified for airline tenants and government/airport management tenants, as well as air traveler visitor impacts. Government/airport management output is equated with the payroll and annual capital improvement costs that occur at the Airport. For air traveler visitor impacts, output is assumed to equal annual visitor expenditures.
- **Payroll** is the annual gross salary paid to all workers.
- **Employment** is based on full-time equivalent positions. For example, two part-time workers are assumed to equal one full-time position.

Output and payroll impacts should not be summed because elements of economic benefit related to payroll are also contained to some extent in the output estimate. As a result, each of the three impact categories of output, payroll, and employment stands alone as a measure of the Airport's total economic impact.



# 1. EXECUTIVE SUMMARY - RSW

**Table 1** and **Exhibit 2** summarizes the total 2005 economic impact for the Airport, which combines the individual impacts associated with Airport tenants, air traveler visitors, and travel agencies. As shown, total output for the Airport is estimated to be approximately \$3.6 billion in 2005; total payroll is estimated to be approximately \$1.5 billion; and total employment is estimated to be approximately 64,800 full-time positions. It is estimated that the Airport's direct economic impacts represented approximately 8.0 percent of its primary service area's total economy in 2005, compared to 7.0 percent in the 1999 Study. These estimated impacts are just a perspective for 2005 and that, in reality, these impacts will continue to increase as the Airport grows and expands.

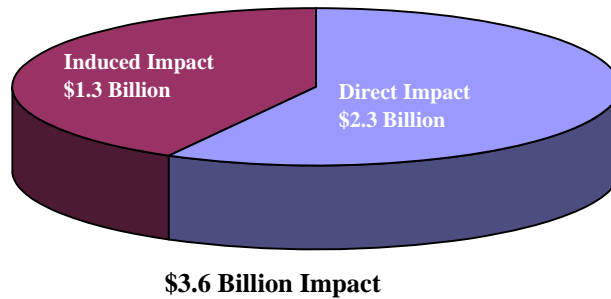
<b>Table 1</b>			
<b>2005 IMPACT – TOTAL AIRPORT</b>			
Impact	Direct	Induced	Total
Output	\$2,267,296,000	\$1,293,262,000	\$3,560,558,000
Payroll	\$993,700,000	\$526,686,000	\$1,520,386,000
Employment	44,750	20,050	64,800

\* \* \* \* \*

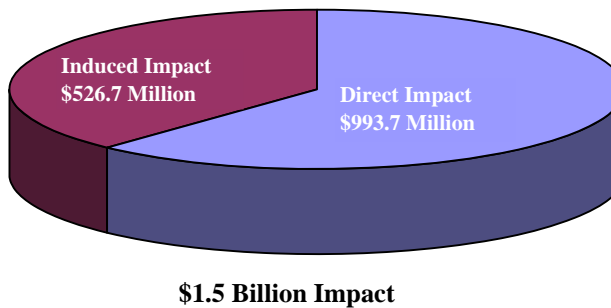
The sections that follow present a detailed description of the economic impact of the Airport in 2005, as well as the methodology and underlying assumptions used in generating these estimated impacts.

## 1. EXECUTIVE SUMMARY - RSW

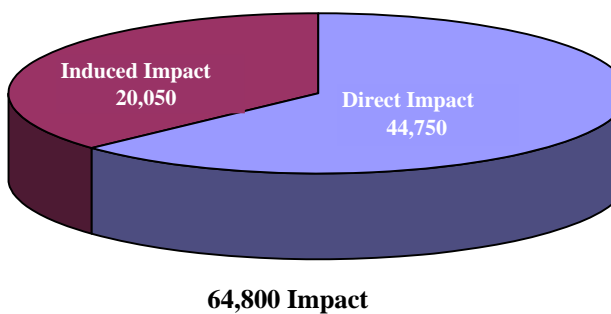
**RSW Economic Impact - Total Output**



**RSW Economic Impact - Total Payroll**



**RSW Economic Impact - Total Employment**



**Exhibit 2**

**Breakout of RSW Economic Impact**

## 2. TECHNICAL APPROACH - RSW

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The Federal Aviation Administration (FAA) states that economic impacts measure the importance of aviation as an industry in terms of the employment it provides and the goods and services it consumes. In addition, economic impacts are the beneficial results that help to generate and sustain public support for airports. In particular, the economic impacts estimated in these analyses are based on the results of Airport tenant and travel agency surveys from the 1999 Study (updated to 2005), the Lee County Visitor and Convention Bureau profile on visitor spending in Lee County, and various rules of thumb typically utilized in economic impact studies.

### 2.1 POPULATION IDENTIFICATION AND DATA COLLECTION

One of the most important aspects of the economic impact analysis is to accurately identify the direct economic impacts associated with the operation of the Airport. In general, four primary aviation-related sectors provide the majority of the direct economic contribution related to the Airport, including:

- **On-Airport Tenants.** This category includes the following Airport tenants that provide aviation-related benefits:
  - air cargo operators
  - airlines
  - concessionaires
  - fixed base operators (FBOs)
  - government agencies
  - rental car companies
  - other tenants
- **Travel Agencies.** This category includes local travel agencies and their aviation-related impacts associated with the Airport.
- **Commercial Service Visitors.** This category includes air traveler visitors arriving at the Airport by scheduled passenger airlines.
- **General Aviation Visitors.** This category includes estimated air traveler visitors arriving at the Airport by private aircraft and air taxi service. For these analyses, these air traveler visitors were assumed to be the transient portion of itinerant general aviation activity at the Airport.

Each of the Airport tenants, identified from Authority records, was contacted via telephone to obtain the number of full-time and part-time employees each tenant currently has at the Airport. Output and payroll economic impacts per full-time equivalent employee ratios were determined from the 1999 Study. These ratios were inflated to 2005 dollars using the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI) for all urban consumers.

Output and payroll economic impacts for travel agencies were determined by inflating the data from the 1999 Study to 2005 dollars using the CPI for all urban consumers. For these analyses, it was assumed that direct full-time equivalent employment from the 1999 Study remained unchanged. The travel agency data collection from the 1999 Study was comprised of American Society of Travel Agents (ASTA) members that were located within a 40-mile radius of the Airport. These agencies were previously requested to estimate the percentage of their business that was aviation-related as

## 2. TECHNICAL APPROACH - RSW

opposed to other areas of transportation (e.g., cruises) to refine the estimates of economic impact for this group.

**Table 2** presents the response rates for each of the tenant categories. As shown, the overall response rate was 62 percent after follow-up procedures were completed subsequent to the initial telephone calls. These follow-up procedures included the receipt of Authority data/information (e.g., number of employee security badges issued to each Airport tenant and number of full-time and part-time employees reported to the Authority).

<b>Table 2</b>			
<b>RESPONSE RATE</b>			
Tenant Category	Number Surveyed	Response Received	Response Rate
Air Cargo	4	4	100%
Airlines	27	11	41%
Concessions/Rental Car	16	11	69%
FBOs/Air Taxi	9	7	78%
Government/Airport Management	9	4	44%
Other Tenants	28	21	75%
<b>TOTAL</b>	<b>93</b>	<b>58</b>	<b>62%</b>

To estimate the economic impact of commercial service visitors, data compiled by the Lee County Visitor and Convention Bureau were utilized. These data include the following components of visitor profiles:

- Length of stay
- Daily expenditures
  - accommodations
  - food/entertainment
  - rental car
  - retail purchases

While the majority of the air traveler visitors to the Fort Myers area use commercial service at the Airport, certain air traveler visitors arrive at the Airport via private general aviation aircraft. To estimate economic impacts associated with these visitors, rules of thumb provided by the Aircraft Owners and Pilots Association (AOPA) and the General Aviation Manufacturers Association (GAMA) were used in conjunction with Airport activity data.

### 2.2 IMPACT MULTIPLIERS

The estimated direct impacts from the four groups discussed above represent the direct economic impacts associated with the Airport. As discussed earlier, there are induced economic impacts that need to be included in the total impact. Estimates of induced impacts are produced through

## 2. TECHNICAL APPROACH - RSW

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econometric modeling. This type of modeling generates mathematical “multipliers” which describe the impacts associated with each industry caused by a one-dollar change in spending associated with the Airport. All spending associated with the Airport then ripples through or “multiplies” within the local economy, resulting in successive waves of spending.

These successive waves of income, employment, and re-spending continue within the regional economy. For each wave of spending beyond the first round, however, a portion of the re-spending takes place outside the region, resulting in economic leakage. Therefore, the amount of the original dollar available to be re-spent is reduced with each successive wave of spending, until it is virtually nonexistent. This cycle is known as the multiplier effect.

One of the most widely accepted methodologies for estimating the multiplier effects of the primary impacts is with the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). The multipliers used in this study were region-specific to the Airport, representing the five counties that comprise the Airport’s primary service area (see *Section I: Executive Summary-RSW*).

**Table 3** depicts the impact multipliers developed for these analyses. The classification of each of the Airport’s tenants and type of visitor expenditure to the various North American Industry Classification System (NAICS) description is also identified. The NAICS code is the most commonly used sector-specific list used to develop multipliers. For example, all impacts resulting from air cargo, airlines, and FBOs/air taxi tenants were classified in the air transportation NAICS code. Concessions NAICS codes include retail trade, food services and drinking places, and parking lots and garages. Rental Car tenants were classified in the automotive equipment rental and leasing NAICS code. Government/airport management tenants at the Airport were classified as either postal service or other governmental enterprises NAICS codes. Travel agencies were classified in the travel arrangement and reservation services NAICS code.

## 2. TECHNICAL APPROACH - RSW

Table 3						
ECONOMIC IMPACT MULTIPLIERS						
IMPACT CATEGORY	North American Industry Classification System (NAICS) Description	IMPACT MULTIPLIERS			Employment Ratio <sup>1</sup>	Earnings Ratio <sup>2</sup>
		Output	Payroll	Employment		
<u>AIRPORT TENANTS</u>						
Air Cargo	Air Transportation	1.66	1.79	2.50		
Airlines	Air Transportation	1.66	1.79	2.50		
Concessions/Rental Car	Retail Trade	1.63	1.56	1.43		
	Food Services & Drinking Places	1.62	1.45	1.23		
	Automotive Equipment Rental & Leasing	1.41	1.77	1.89		
	Parking Lots & Garages	1.54	2.00	1.61		
FBOs/Air Taxi	Air Transportation	1.66	1.79	2.50		
Government/Airport Management	Postal Service	1.58	1.32	1.64		
	Other Government Enterprises	1.60	1.76	1.85		
Travel Agency	Travel Arrangement & Reservation Services	1.74	1.61	1.59		
<u>VISITOR EXPENDITURES</u>						
Accommodations	Hotels & Motels	1.56	1.46	1.39	21.01	0.52
Food/Entertainment	Food Services & Drinking Places	1.62	1.45	1.23	33.98	0.56
Rental Car	Automotive Equipment Rental & Leasing	1.41	1.77	1.89	9.63	0.28
Retail Purchase	Retail Trade	1.63	1.56	1.43	21.40	0.52
<u>CONSTRUCTION EXPENDITURES</u>						
	Construction	1.75	1.60	1.73	18.71	0.60

<sup>1</sup> Per \$1 million of Output

<sup>2</sup> Per \$1 of Output

Source: U.S. Department of Commerce, Bureau of Economic Analysis, RIMS II Multiplier



### 3. 2005 ECONOMIC IMPACT - RSW

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This section presents the estimated 2005 economic impact for each of the populations identified for these analyses.

#### 3.1 AIRPORT TENANTS

The tenants that were included in this study generate a significant economic impact to the Airport through their output, payroll, and employment. In order to preserve the confidentiality of the individual respondents and aid in the discussion of their impacts, Airport tenant impacts were grouped by function. Six general categories were used to summarize the function of on-Airport tenant activities, including:

- Air Cargo
- Airlines
- Concessions/Rental Car
- FBOs/Air Taxi
- Government/Airport Management
- Other Tenants

The direct, induced, and total impacts for each of the Airport tenant categories are discussed below.

##### 3.1.1 Air Cargo



In 2005, there were three all-cargo tenants providing air cargo service at the Airport for the distribution of cargo and express mail via air transportation. In 2005, the Airport was ranked 95<sup>th</sup> among airports nationwide in terms of total cargo enplaned and deplaned with approximately 18,100 tons of freight and mail. This figure includes cargo handled by all-cargo carriers and passenger airlines (via belly-hold cargo), the majority of which was handled by the all-cargo carriers.

As shown in **Table 4**, air cargo tenants generated the following direct and induced impacts:

- Direct output related to air cargo tenants at the Airport in 2005 was approximately \$77.9 million. Induced output was estimated at approximately \$51.5 million, resulting in total output of approximately \$129.4 million.
- Direct payroll was approximately \$7.2 million. Induced payroll was estimated at approximately \$5.7 million, resulting in total payroll of approximately \$12.9 million.
- Total direct employment was the equivalent of 120 full-time employees. Induced employment was estimated at approximately 180 employees, resulting in a total impact of approximately 300 employees.

### 3. 2005 ECONOMIC IMPACT - RSW

Table 4			
ECONOMIC IMPACT - TENANTS			
OUTPUT (Sales, Taxes, Capital Expenditures)			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	\$77,911,000	\$51,452,000	\$129,363,000
Airlines	12,981,000	18,694,000	31,675,000
Concessions/Rental Car	197,489,000	84,764,000	282,253,000
FBOs/Air Taxi	21,779,000	14,383,000	36,162,000
Government/Airport Management	28,817,000	21,594,000	50,411,000
Other Tenants	58,500,000	37,416,000	95,916,000
<b>TOTAL TENANT OUTPUT</b>	<b>\$397,477,000</b>	<b>\$228,303,000</b>	<b>\$625,780,000</b>
PAYROLL			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	\$7,207,000	\$5,725,000	\$12,932,000
Airlines	12,740,000	10,121,000	22,861,000
Concessions/Rental Car	24,670,000	16,657,000	41,327,000
FBOs/Air Taxi	5,426,000	4,310,000	9,736,000
Government/Airport Management	27,131,000	20,576,000	47,707,000
Other Tenants	8,685,000	5,441,000	14,126,000
<b>TOTAL TENANT PAYROLL</b>	<b>\$85,859,000</b>	<b>\$62,830,000</b>	<b>\$148,689,000</b>
EMPLOYMENT			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	120	180	300
Airlines	390	580	970
Concessions/Rental Car	930	600	1,530
FBOs/Air Taxi	160	240	400
Government/Airport Management	590	500	1,090
Other Tenants	380	280	660
<b>TOTAL TENANT EMPLOYMENT</b>	<b>2,570</b>	<b>2,380</b>	<b>4,950</b>

### 3. 2005 ECONOMIC IMPACT - RSW

#### 3.1.2 Airlines



In 2005, the Airport had scheduled and charter passenger service provided by U.S. airlines and foreign flag carriers. As shown in **Table 5**, these passenger airlines enplaned 3.8 million passengers at the Airport in 2005. As a result, the Airport was ranked 47<sup>th</sup> among airports nationwide in terms of total passengers (enplanements and deplanements combined). By comparison, the Airport enplaned 2.5 million passengers in 1999 and was ranked 59<sup>th</sup> among airports nationwide.

Payroll, property taxes, and capital expenditures were combined to estimate output for the airlines since airline ticket revenues do not typically remain in the local economy. As shown in Table 4, the airlines generated the following direct and induced impacts:

- Direct output related to the airlines at the Airport in 2005 was approximately \$13 million. Induced output impacts were approximately \$18.7 million, resulting in total output of approximately \$31.7 million.
- Direct payroll was approximately \$12.7 million. Induced payroll was estimated at approximately \$10.1 million, resulting in total payroll of approximately \$22.9 million.
- Total direct employment was the equivalent of 390 full-time employees. Induced employment was estimated at approximately 580 employees, resulting in a total impact of approximately 970 employees.

#### 3.1.3 Concessions/Rental Car



Individual concessions at the Airport include parking, car rental, ground transportation, food and beverage, retail, and advertising.

Concessions/rental car tenants provided the largest output and employment impacts of Airport tenants in 2005. As shown in Table 4, concessions/rental car tenants generated the following direct and induced impacts:

- Direct output related to concessions/rental car tenants at the Airport in 2005 was estimated at approximately \$197.5 million. Induced output was estimated at approximately \$84.8 million, resulting in total output of approximately \$282.3 million.
- Direct payroll was approximately \$24.7 million. Induced payroll was estimated at approximately \$16.7 million, resulting in total payroll of approximately \$41.3 million.

### 3. 2005 ECONOMIC IMPACT - RSW

Table 5		
2005 ENPLANEMENTS BY AIRLINE		
Airline	Enplanements	Share
<u>Domestic Air Carriers</u>		
Airtran	203,291	5.4%
American	200,799	5.3%
ATA	174,567	4.6%
Continental	275,021	7.3%
Delta	749,053	19.8%
Frontier	33,229	0.9%
Independence Air	57,363	1.5%
JetBlue	373,129	9.9%
Midwest	33,965	0.9%
Northwest	354,013	9.3%
Southwest <sup>1</sup>	73,688	1.9%
Spirit	235,405	6.2%
Sun Country	47,984	1.3%
United	51,925	1.4%
US Airways	407,338	10.8%
USA 3000	247,393	6.5%
Subtotal	3,518,163	92.9%
<u>Commuters</u>		
American Eagle	52,496	1.4%
Cape Air	16,258	0.4%
Chautauqua	33,244	0.9%
Comair	59,750	1.6%
Continental Express	13,718	0.4%
USAir Express	0	0.0%
Subtotal	175,466	4.6%
<u>Charters</u>		
Domestic Charters	14,095	0.4%
International Charters	78,920	2.1%
Subtotal	93,015	2.5%
TOTAL 2005 ENPLANEMENTS	3,786,644	100.0%
Total 1999 Enplanements	2,470,114	
Percentage Change from 1999 to 2005	53.3%	

<sup>1</sup> Southwest began service on October 2, 2005.

Source: Lee County Port Authority

### 3. 2005 ECONOMIC IMPACT - RSW

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- Total direct employment was the equivalent of 930 full-time employees. Induced employment was estimated at approximately 600 employees, resulting in a total impact of approximately 1,530 employees.

#### 3.1.4 FBOs/Air Taxi



Services provided under this category include aircraft rentals, flight instruction, refueling, mechanical work, aircraft painting, and avionics.

As shown in Table 4, FBOs/air taxi tenants generated the following impacts:

- Direct output related to FBOs/air taxi tenants at the Airport in 2005 was approximately \$21.8 million. Induced output was estimated at approximately \$14.4 million, resulting in total output of approximately \$36.2 million.
- Direct payroll was approximately \$5.4 million. Induced payroll was estimated at approximately \$4.3 million, resulting in total payroll of approximately \$9.7 million.
- Total direct employment was the equivalent of 160 full-time employees. Induced employment was estimated at approximately 240 employees, resulting in a total impact of approximately 400 employees.

#### 3.1.5 Government/Airport Management



Government/airport management tenants for the Airport include:

- Lee County Port Authority
- FAA (air traffic control tower)
- Transportation Security Administration (TSA)
- U.S. Customs Service
- U.S. Postal Service
- Other governmental organizations

Payroll, property taxes, and capital expenditures were combined to estimate output for this grouping since government/airport management tenants do not have gross sales. As shown in Table 4, government/airport management tenants generated the following direct and induced impacts:

- Direct output related to government/airport management tenants at the Airport in 2005 was approximately \$28.8 million. Induced output was estimated at approximately \$21.6 million, resulting in total output of approximately \$50.4 million.

### 3. 2005 ECONOMIC IMPACT - RSW

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- Direct payroll was approximately \$27.1 million. Induced payroll was estimated at approximately \$20.6 million, resulting in total payroll of approximately \$47.7 million.
- Total direct employment was the equivalent of 590 full-time employees. Induced employment was estimated at approximately 500 full-time employees, resulting in a total impact of approximately 1,090 full-time employees.

#### 3.1.6 Other Tenants

As shown in Table 4, other tenants generated the following direct and induced impacts:

- Direct output related to other tenants at the Airport in 2005 was approximately \$58.5 million. Induced output was estimated at approximately \$37.4 million, resulting in total output of approximately \$95.9 million.
- Direct payroll was approximately \$8.7 million. Induced payroll was estimated at approximately \$5.4 million, resulting in total payroll of approximately \$14.1 million.
- Total direct employment was the equivalent of 380 full-time employees. Induced employment was estimated at approximately 280 employees, resulting in a total impact of approximately 660 employees.

#### 3.1.7 Airport Tenants Combined

Table 4 also presents the impacts associated with all the tenants at the Airport. As shown:

- Direct output related to the tenants at the Airport in 2005 was approximately \$397.5 million. Induced output was estimated at approximately \$228.3 million, resulting in total output of approximately \$625.8 million.
- Direct payroll was approximately \$85.9 million. Induced payroll was estimated at approximately \$62.8 million, resulting in total payroll of approximately \$148.7 million.
- Total direct employment was the equivalent of approximately 2,570 full-time employees. Induced employment impacts was estimated at approximately 2,380 employees, resulting in a total impact of approximately 4,950 employees.

The total impacts broken out by tenant category at the Airport in 2005 are shown in **Exhibit 3**.

### 3.2 COMMERCIAL SERVICE VISITORS

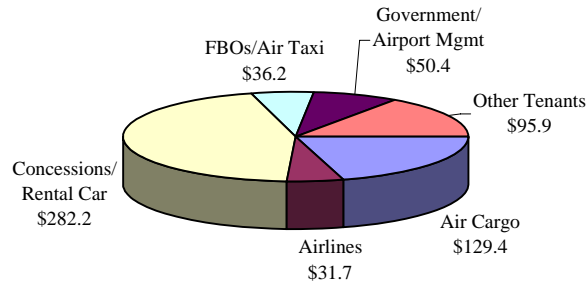
Commercial airline flights to the Airport provide access for air traveler visitors to the area. These visitors contribute significantly to the local economy through expenditures for food, lodging, entertainment, transportation, retail sales, and other goods and services. In addition, numerous other service industries in the area directly benefit from the multiplier effects stemming from spending by commercial service visitors.

To estimate spending patterns for commercial service visitors to the area, the Lee County Visitor and Convention Bureau profile (visitor profile) contains comprehensive analyses on visitor spending

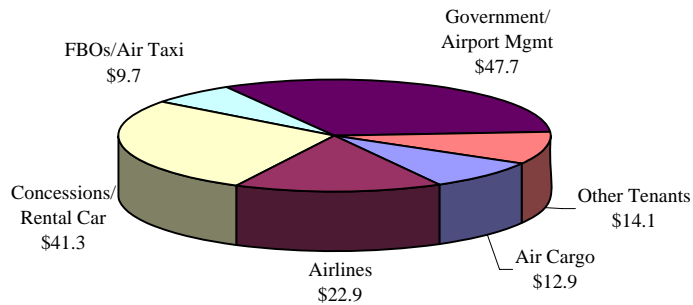


### 3. 2005 ECONOMIC IMPACT - RSW

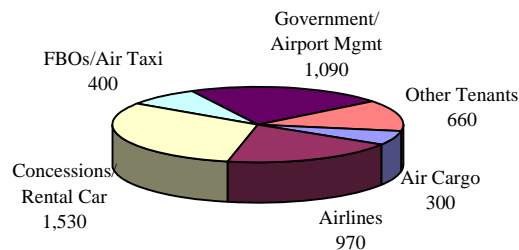
**Tenants Economic Impact - Total Output**  
**\$625.8 Million Impact**



**Tenants Economic Impact - Total Payroll**  
**\$148.7 Million Impact**



**Tenants Economic Impact - Total Employment**  
**4,950 Impact**



**Exhibit 3**

#### Breakout of RSW Total Impact by Tenant Category

### 3. 2005 ECONOMIC IMPACT - RSW

patterns in Lee County for 2005. To estimate the economic impact of commercial service visitors to the area, the following Lee County-specific data were used from the visitor profile:

- Based on the 1999 Study, approximately 65 percent of the total enplanements at the Airport in 1999 represented the total number of commercial service visitors to the primary service area utilizing the Airport. This percentage was used to determine the total number of commercial service visitors to the primary service area utilizing the Airport during 2005. As a result, there were approximately 2.5 million commercial service visitors staying in the primary service area during 2005 (3.8 million enplanements multiplied by 65 percent).
- The visitor profile provided daily spending patterns by visitor, broken out into the following categories:
  - Accommodations
  - Food/Entertainment
  - Rental Car
  - Retail Purchases
- According to the visitor profile, the average commercial service visitor spent approximately \$111 per day and stayed approximately 7 days in the primary service area during 2005.

**Table 6** presents the estimated expenditures by category for commercial service visitors to the primary service area that utilized the Airport in 2005. For these analyses, expenditures by commercial service visitors were equated with direct commercial service visitor output.

<b>Table 6</b>			
<b>2005 COMMERCIAL SERVICE VISITOR EXPENDITURES (OUTPUT)</b>			
Expenditure Category	Average Daily Expenditures <sup>1</sup>	Average Expenditure Per Trip <sup>2</sup>	Total Annual Expenditures <sup>3</sup>
Accommodations	\$54.59	\$357.57	\$880,086,000
Food/Entertainment	32.35	211.88	521,493,000
Rental Car	15.53	101.69	250,296,000
Retail Purchases	9.01	59.02	145,277,000
<b>TOTAL VISITOR EXPENDITURES</b>	<b>\$111.47</b>	<b>\$730.16</b>	<b>\$1,797,152,000</b>

<sup>1</sup> Per person.

<sup>2</sup> The length of stay per person was approximately seven days.

<sup>3</sup> The total number of commercial service visitors to the primary service area utilizing the Airport was approximately 2.5 million people.

Multiplier ratios based on these direct outputs were used to estimate the direct payroll and employment impacts associated with commercial service visitors. Multipliers presented earlier in Table 4 were used in conjunction with these direct impacts to estimate total impacts.

### 3. 2005 ECONOMIC IMPACT - RSW

As shown in **Table 7**, total output generated by commercial service visitors using the Airport was approximately \$2.8 billion in 2005; total payroll impact was estimated at approximately \$1.4 billion; and total employment impact was approximately 59,150 full-time employees.

<b>Table 7</b>			
<b>2005 IMPACT – COMMERCIAL SERVICE VISITORS</b>			
Impact	Direct	Induced	Total
Output	\$1,797,152,000	\$1,011,568,000	\$2,808,720,000
Payroll	\$896,274,000	\$456,974,000	\$1,353,248,000
Employment	41,730	17,420	59,150

#### 3.3 GENERAL AVIATION VISITORS

To estimate economic impacts associated with general aviation visitors, data provided by AOPA, GAMA, and Airport records were used. The data and assumptions made to estimate general aviation visitors at the Airport were as follows:

- Visiting general aviation operations can be correlated with the number of itinerant aircraft arrivals at the Airport. In 2005, the FAA Tower recorded approximately 13,080 general aviation itinerant operations at the Airport, or 6,540 general aviation itinerant arrivals (one-half operations).
- The number of arrivals performed by true transient aircraft is required to calculate general aviation visitor impacts. By definition, true transient flights departed from an airport at least 150 miles away from the Airport. According to AOPA, approximately one-third of general aviation itinerant operations is typically true transient flights. As a result, approximately 2,180 general aviation arrivals at the Airport were estimated to be true itinerant arrivals in 2005.
- According to GAMA, a transient general aviation flight carries an average of 2.5 persons per aircraft. This figure includes only passengers and excludes the pilot. Using this industry-wide rule of thumb, the number of general aviation visitors at the Airport in 2005 was estimated to be approximately 5,450 visitors.

Similar to commercial service visitors, visitors using general aviation aircraft also have expenditures for lodging, food and beverage, transportation, and entertainment; thereby generating economic impacts in the Airport's primary service area. For purposes of these analyses, general aviation visitor expenditures and length of stay were assumed to be comparable to those for commercial service visitors.

**Table 8** presents the estimated expenditures by category for general aviation visitors to the primary service area that utilized the Airport in 2005. For these analyses, expenditures by general aviation visitors were equated with direct general aviation visitor output.

### 3. 2005 ECONOMIC IMPACT - RSW

<b>Table 8</b>			
<b>2005 GENERAL AVIATION VISITOR EXPENDITURES (OUTPUT)</b>			
Expenditure Category	Average Daily Expenditures <sup>1</sup>	Average Expenditure Per Trip <sup>2</sup>	Total Annual Expenditures <sup>3</sup>
Accommodations	\$54.59	\$357.57	\$1,949,000
Food/Entertainment	32.35	211.88	1,155,000
Rental Car	15.53	101.69	554,000
Retail Purchases	9.01	59.02	322,000
<b>TOTAL VISITOR EXPENDITURES</b>	<b>\$111.47</b>	<b>\$730.16</b>	<b>\$3,980,000</b>

<sup>1</sup> Per person.

<sup>2</sup> The length of stay per person was approximately seven days.

<sup>3</sup> The total number of general aviation visitors to the primary service area utilizing the Airport was approximately 5,450 people.

Similar to commercial service visitors, multiplier ratios based on these direct outputs were used to estimate the direct payroll and employment impacts associated with general aviation visitors. Multipliers presented earlier in Table 3 were used in conjunction with these direct impacts to estimate total impacts.

As shown in **Table 9**, total output generated by general aviation visitors using the Airport was approximately \$6.2 million in 2005; total payroll impact was estimated at approximately \$3 million; and total employment impact was approximately 130 full-time employees.

<b>Table 9</b>			
<b>2005 IMPACT – GENERAL AVIATION VISITORS</b>			
Impact	Direct	Induced	Total
Output	\$3,980,000	\$2,240,000	\$6,220,000
Payroll	\$1,985,000	\$1,012,000	\$2,997,000
Employment	90	40	130

#### 3.4 TRAVEL AGENCIES

To estimate the economic impacts associated with travel agencies, the following methodology was utilized in the 1999 Study:

- Travel agencies that were members of ASTA, a national organization for travel agents, were identified within a 40-mile radius of the Airport using zip code analyses.
- The 34 ASTA travel agencies identified within 40 miles of the Airport were sent a survey to estimate their aviation-related economic impact for 1999. Data for eight travel agencies was recorded either from a returned survey or through follow up telephone calls (a 24 percent

### 3. 2005 ECONOMIC IMPACT - RSW

response rate). These data were extrapolated to the entire ASTA group using relevant ratios based on average impacts from the survey results.

- Based on information provided by ASTA, approximately 60 percent of travel agencies in Florida are members of ASTA. As a result, extrapolated figures for ASTA were divided by 60 percent to derive economic impacts for all travel agencies within a 40-mile radius of the Airport.
- Output and payroll economic impacts for travel agencies during 2005 were determined by inflating the data from the 1999 Study to 2005 dollars using the CPI for all urban consumers. Direct full-time equivalent employment from the 1999 Study was assumed to be unchanged.

As shown in **Table 10**, total output generated by travel agencies was approximately \$119.8 million in 2005; total payroll impact was estimated at approximately \$15.4 million; and total employment impact was approximately 570 full-time employees.

<b>Table 10</b>			
<b>2005 IMPACT – TRAVEL AGENCIES</b>			
Impact	Direct	Induced	Total
Output	\$68,687,000	\$51,151,000	\$119,838,000
Payroll	\$9,582,000	\$5,870,000	\$15,452,000
Employment	360	210	570

#### 3.5 TOTAL ECONOMIC IMPACT

**Table 11** summarizes the combined economic impact for Airport tenants, commercial service visitors, general aviation visitors, and travel agencies. As shown, total output for the Airport in 2005 was estimated to be approximately \$3.6 billion; total payroll was estimated at approximately \$1.5 billion; and employment was estimated at approximately 64,800 full-time employees.

<b>Table 11</b>			
<b>2005 IMPACT – TOTAL AIRPORT</b>			
Impact	Direct	Induced	Total
Output	\$2,267,296,000	\$1,293,262,000	\$3,560,558,000
Payroll	\$993,700,000	\$526,686,000	\$1,520,386,000
Employment	44,750	20,050	64,800

#### 3.6 SUMMARY

**Table 12** summarizes the economic impact of the Airport for 2005 by major category.

### 3. 2005 ECONOMIC IMPACT - RSW

<b>Table 12</b> <b>ECONOMIC IMPACT - OUTPUT <sup>1</sup></b> <b>(page 1 of 3)</b>			
Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	\$77,911,000	\$51,452,000	\$129,363,000
Airlines	12,981,000	18,694,000	31,675,000
Concessions/Rental Car	197,489,000	84,764,000	282,253,000
FBOs/Air Taxi	21,779,000	14,383,000	36,162,000
Government/Airport Management	28,817,000	21,594,000	50,411,000
Other Tenants	58,500,000	37,416,000	95,916,000
<b>AIRPORT TENANTS</b>	<b>\$397,477,000</b>	<b>\$228,303,000</b>	<b>\$625,780,000</b>
<b>COMMERCIAL SERVICE VISITORS</b>	<b>\$1,797,152,000</b>	<b>\$1,011,568,000</b>	<b>\$2,808,720,000</b>
<b>GENERAL AVIATION VISITORS</b>	<b>\$3,980,000</b>	<b>\$2,240,000</b>	<b>\$6,220,000</b>
<b>TRAVEL AGENCIES</b>	<b>\$68,687,000</b>	<b>\$51,151,000</b>	<b>\$119,838,000</b>
<b>TOTAL OUTPUT IMPACT</b>	<b>\$2,267,296,000</b>	<b>\$1,293,262,000</b>	<b>\$3,560,558,000</b>

<sup>1</sup> Includes gross sales, taxes, and capital expenditures; airlines and government/airport management categories also include payroll.



### 3. 2005 ECONOMIC IMPACT - RSW

<b>Table 12</b> <b>ECONOMIC IMPACT - PAYROLL</b> <b>(page 2 of 3)</b>			
Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	\$7,207,000	\$5,725,000	\$12,932,000
Airlines	12,740,000	10,121,000	22,861,000
Concessions/Rental Car	24,670,000	16,657,000	41,327,000
FBOs/Air Taxi	5,426,000	4,310,000	9,736,000
Government/Airport Management	27,131,000	20,576,000	47,707,000
Other Tenants	8,685,000	5,441,000	14,126,000
<b>AIRPORT TENANTS</b>	<b>\$85,859,000</b>	<b>\$62,830,000</b>	<b>\$148,689,000</b>
<b>COMMERCIAL SERVICE VISITORS</b>	<b>\$896,274,000</b>	<b>\$456,974,000</b>	<b>\$1,353,248,000</b>
<b>GENERAL AVIATION VISITORS</b>	<b>\$1,985,000</b>	<b>\$1,012,000</b>	<b>\$2,997,000</b>
<b>TRAVEL AGENCIES</b>	<b>\$9,582,000</b>	<b>\$5,870,000</b>	<b>\$15,452,000</b>
<b>TOTAL PAYROLL IMPACT</b>	<b>\$993,700,000</b>	<b>\$526,686,000</b>	<b>\$1,520,386,000</b>

### 3. 2005 ECONOMIC IMPACT - RSW

<b>Table 12</b> <b>ECONOMIC IMPACT - EMPLOYMENT</b> <b>(page 3 of 3)</b>			
Category	Direct Impacts	Induced Impacts	Total Impacts
Air Cargo	120	180	300
Airlines	390	580	970
Concessions/Rental Car	930	600	1,530
FBOs/Air Taxi	160	240	400
Government/Airport Management	590	500	1,090
Other Tenants	380	280	660
<b>AIRPORT TENANTS</b>	<b>2,570</b>	<b>2,380</b>	<b>4,950</b>
<b>COMMERCIAL SERVICE VISITORS</b>	<b>41,730</b>	<b>17,420</b>	<b>59,150</b>
<b>GENERAL AVIATION VISITORS</b>	<b>90</b>	<b>40</b>	<b>130</b>
<b>TRAVEL AGENCIES</b>	<b>360</b>	<b>210</b>	<b>570</b>
<b>TOTAL EMPLOYMENT IMPACT</b>	<b>44,750</b>	<b>20,050</b>	<b>64,800</b>

## 4. COMPARISON OF STUDIES - RSW

This section compares the summary findings of the Economic Impact Studies of the Airport for 1999 and 2005.

**Table 13** summarizes and compares the total economic impact for the Airport in 1999 and 2005, which combines the individual impacts associated with Airport tenants, air traveler visitors, and travel agencies. As shown, total output for the Airport increased from approximately \$2.0 billion in 1999 to approximately \$3.6 billion in 2005; this increase represents a percentage change of 74.1 percent. Total payroll for the Airport increased from approximately \$885.6 million in 1999 to approximately \$1.5 billion in 2005, which represents a percentage change of 71.7 percent. Total employment for the Airport increased from approximately 43,940 full-time positions in 1999 to approximately 64,800 full-time positions in 2005; this increase represents a percentage change of 47.5 percent.

Table 13 COMPARISON OF 1999 & 2005 STUDIES				
Impact	1999 Study	2005 Study	Increase/ (Decrease)	Percentage Change
Total Output	\$2,044,555,000	\$3,560,558,000	\$1,516,003,000	74.1%
Total Payroll	\$885,597,000	\$1,520,386,000	\$634,789,000	71.7%
Total Employment	43,940	64,800	20,860	47.5%

# **ECONOMIC IMPACT STUDY**

## **- Page Field General Aviation Airport -**

Prepared for:



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**August 2006**

## 5. EXECUTIVE SUMMARY - PAGE FIELD

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The results of the Economic Impact of Page Field General Aviation Airport (Page Field) for 1999 (1999 Study) were finalized in November 2000. The purpose of this study is to update these impacts for 2005. This section presents summary findings of the Economic Impact of Page Field for 2005, prepared for the Lee County Port Authority (Authority).

### 5.1 AIRPORT BACKGROUND



Page Field is located on approximately 605 acres immediately adjoining U.S. 41, approximately three miles south of downtown Fort Myers. Until the opening of the Southwest Florida International Airport, Page Field was the only commercial service airport serving the local service area. It is now utilized as an executive and general aviation facility. It also functions to

relieve non-commercial flight operations from the Southwest Florida International Airport. Page Field facilities include a 6,400-foot and a 4,900-foot runway capable of serving all existing executive aviation aircraft; a 76,200-square foot former terminal complex; parking space for 600 vehicles; an airport rescue and fire fighting (ARFF) building; a 4,800-square foot aviation center, and an air traffic control tower.

### 5.2 2005 ECONOMIC IMPACT

The importance of Page Field extends beyond its typically recognized function of moving people and cargo. In addition to the employees and activity directly associated with Page Field, many businesses and employees benefit economically from Page Field and its day-to-day operations. These groups include the employees whose firms base corporate aircraft at Page Field; the commercial and industrial employers whose shipments arrive or depart via Page Field; the area retail establishments; and the hotels, restaurants, and tourism-related activities whose patrons arrive via Page Field. Almost every employment category in Page Field's market area, even those that never directly use Page Field or its many services, receive some economic benefit from Page Field.

In general, economic impacts associated with Page Field are classified into two types of impacts:

- **Direct Impacts** are consequences of economic activities carried out at Page Field by the various tenants having a direct involvement in aviation (e.g., air charter and service providers, airport management, etc.). Employing labor, purchasing locally produced goods and services, paying taxes, and contracting for capital improvements are examples of activities that generate these direct impacts. Strictly speaking, direct impacts represent economic activities that would not have occurred in the absence of Page Field.
- **Induced Impacts** are the multiplier effects of the direct impacts. These effects are the increases in employment and expenditures created by successive rounds of local spending and hiring.

Three separate components of economic impact for 2005 were estimated for Page Field:

## 5. EXECUTIVE SUMMARY - PAGE FIELD

- **Output** for on-Airport tenant benefits is typically assumed to be the sum of annual gross sales, taxes, and average annual capital expenditures. While this definition works well for profit-oriented tenants, it must be modified for government tenants and air traveler visitor impacts. Government/Airport Management output is equated with the payroll and annual capital improvement costs that occur at Page Field. For air traveler visitor impacts, output is assumed to equal annual visitor expenditures.
- **Payroll** is the annual gross salary paid to all workers.
- **Employment** is based on full-time equivalent positions. For example, two part-time workers are assumed to equal one full-time position.

Output and payroll impacts should not be summed because elements of economic benefit related to payroll are also contained to some extent in the output estimate. As a result, each of the three impact categories of output, payroll, and employment stands alone as a measure of Page Field's total economic impact.

**Table 14** and **Exhibit 4** summarizes the total 2005 economic impact for Page Field, which combines the individual impacts associated with tenants and air traveler visitors. As shown, total output for Page Field is estimated to be approximately \$50.7 million in 2005; total payroll is estimated to be approximately \$23.6 million; and total employment is estimated to be approximately 920 full-time positions. Similar to the discussion for Southwest Florida International Airport, these estimated impacts are just a perspective for 2005 and that, in reality, these impacts will continue to increase as Page Field grows and expands.

Table 14			
2005 IMPACT – PAGE FIELD			
Impact	Direct	Induced	Total
Output	\$29,352,000	\$21,320,000	\$50,672,000
Payroll	\$14,608,000	\$9,024,000	\$23,632,000
Employment	580	340	920

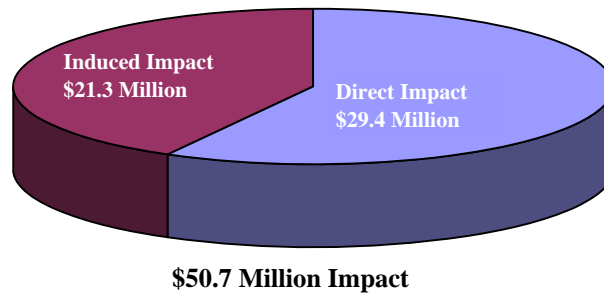
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The sections that follow present a detailed description of the economic impact of Page Field in 2005, including the methodology and underlying assumptions used in generating these estimated impacts.

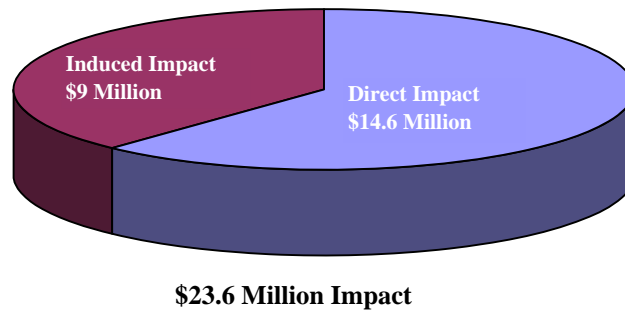


## 5. EXECUTIVE SUMMARY - PAGE FIELD

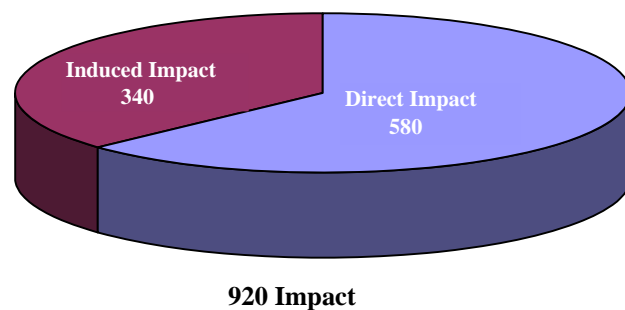
**Page Field Economic Impact - Total Output**



**Page Field Economic Impact - Total Payroll**



**Page Field Economic Impact - Total Employment**



**Exhibit 4**

**Breakout of Page Field Economic Impact**

## 6. TECHNICAL APPROACH - PAGE FIELD

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The Federal Aviation Administration (FAA) states that economic impacts measure the importance of aviation as an industry in terms of the employment it provides and the goods and services it consumes. In addition, economic impacts are the beneficial results that help to generate and sustain public support for airports. In particular, the economic impacts estimated in these analyses are based on the results of Page Field tenant surveys from the 1999 Study (updated to 2005) and various rules of thumb typically utilized in economic impact studies.

### 6.1 POPULATION IDENTIFICATION AND DATA COLLECTION

One of the most important aspects of the economic impact analysis is to accurately identify the direct economic impacts associated with the operation of Page Field. In general, two primary aviation-related sectors provide the majority of the direct economic contribution related to Page Field, including:

- **On-Airport Tenants.** This category includes the following Page Field tenants that provide aviation-related benefits:
  - aircraft maintenance
  - aircraft sales
  - flight school
  - government agencies
  - other
- **General Aviation Visitors.** This category includes estimated air traveler visitors arriving at Page Field by private aircraft and air taxi service. For these analyses, these air traveler visitors were assumed to be the transient portion of itinerant general aviation activity at Page Field.

Each of Page Field tenants, identified from Authority records, were contacted via telephone to obtain the number of full-time and part-time employees each tenant currently has at Page Field. Output and payroll economic impacts per full-time equivalent employee ratios were determined from the 1999 Study. These ratios were inflated to 2005 dollars using the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), for all urban consumers, and applied to the current employment levels.

**Table 15** presents the response rates for each of the tenant categories. As shown, the overall response rate was 88 percent after follow-up procedures were completed subsequent to the initial telephone calls. These follow-up procedures included the receipt of Authority data/information (e.g., number of full-time and part-time employees reported to the Authority).

## 6. TECHNICAL APPROACH - PAGE FIELD

Table 15			
RESPONSE RATE			
Tenant Category	Number Surveyed	Response Received	Response Rate
Aircraft Maintenance/Sales	3	3	100%
Flight School	4	2	50%
Government/Airport Management	6	5	83%
Other Tenants	12	12	100%
<b>TOTAL</b>	<b>25</b>	<b>22</b>	<b>88%</b>

To estimate economic impacts associated with general aviation visitors, rules of thumb provided by the Aircraft Owners and Pilots Association (AOPA) and the General Aviation Manufacturers Association (GAMA) were used in conjunction with activity data for Page Field.

### 6.2 IMPACT MULTIPLIERS

The estimated direct impacts from the two groups discussed above represent the direct economic impacts associated with Page Field. As discussed earlier, there are induced economic impacts that need to be included in the total impact. Estimates of induced impacts are produced through econometric modeling. This type of modeling generates mathematical “multipliers” which describe the impacts associated with each industry caused by a one-dollar change in spending associated with Page Field. All spending associated with Page Field then ripples through or “multiplies” within the local economy, resulting in successive waves of spending.

These successive waves of income, employment, and re-spending continue within the regional economy. For each wave of spending beyond the first round, however, a portion of the re-spending takes place outside the region, resulting in economic leakage. Therefore, the amount of the original dollar available to be re-spent is reduced with each successive wave of spending, until it is virtually nonexistent. This cycle is known as the multiplier effect.

One of the most widely accepted methodologies for estimating the multiplier effects of the primary impacts is with the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). The multipliers used in this study were region-specific to Fort Myers, representing the five counties that comprise the primary service area for Southwest Florida International Airport (see *Section 1: Executive Summary - RSW*).

**Table 16** depicts the impact multipliers developed for these analyses. The classification of each of Page Field’s tenants and type of visitor expenditure to the various North American Industry Classification System (NAICS) description is also identified. The NAICS code is the most commonly used sector-specific list used to develop multipliers. For example, all impacts resulting from aircraft maintenance, aircraft sales, and flight school tenants were included the air transportation NAICS code. Government/airport management tenants at Page Field were grouped into the other governmental enterprises NAICS code.

## 6. TECHNICAL APPROACH - PAGE FIELD

Table 16						
ECONOMIC IMPACT MULTIPLIERS						
IMPACT CATEGORY	North American Industry Classification System (NAICS) Description	IMPACT MULTIPLIERS			Employment Ratio <sup>1</sup>	Earnings Ratio <sup>2</sup>
		Output	Payroll	Employment		
<u>AIRPORT TENANTS</u>						
Aircraft Maintenance/Sales	Air Transportation	1.66	1.79	2.50		
Flight School	Air Transportation	1.66	1.79	2.50		
Government/Airport Management	Other Government Enterprises	1.60	1.76	1.85		
<u>VISITOR EXPENDITURES</u>						
Accommodations	Hotels & Motels	1.56	1.46	1.39	21.01	0.52
Food/Entertainment	Food Services & Drinking Places	1.62	1.45	1.23	33.98	0.56
Rental Car	Automotive Equipment Rental & Leasing	1.41	1.77	1.89	9.63	0.28
Retail Purchase	Retail Trade	1.63	1.56	1.43	21.40	0.52

<sup>1</sup> Per \$1 million of Output

<sup>2</sup> Per \$1 of Output

Source: U.S. Department of Commerce, Bureau of Economic Analysis, RIMS II Multiplier

## 7. ECONOMIC IMPACT - PAGE FIELD

This section presents the estimated 2005 economic impact for each of the populations identified for these analyses.

### 7.1 AIRPORT TENANTS

The tenants that were included in this study generate a significant economic impact to Page Field through their output, payroll, and employment. In order to preserve the confidentiality of the individual respondents and aid in the discussion of their impacts, Airport tenant impacts were grouped by function. Four general categories were used to summarize the function of on-Airport tenant activities, including:

- Aircraft Maintenance/Sales
- Flight School
- Government/Airport Management
- Other Tenants

The direct, induced, and total impacts for each of the Page Field tenant categories are discussed below.

#### 7.1.1 Aircraft Maintenance/Sales



As shown in **Table 17**, aircraft maintenance/sales tenants generated the following direct and induced impacts:

- Direct output related to aircraft maintenance/sales tenants at Page Field in 2005 was approximately \$4 million. Induced output was estimated at approximately \$2.7 million, resulting in total output of approximately \$6.7 million.
- Direct payroll was approximately \$574,000. Induced payroll was estimated at approximately \$456,000, resulting in total payroll of approximately \$1 million.
- Total direct employment was the equivalent of 20 full-time employees. Induced employment was estimated at approximately 30 employees, resulting in a total impact of approximately 50 employees.

#### 7.1.2 Flight School



As shown in Table 17, flight school tenants generated the following impacts:

- Direct output related to flight school tenants at Page Field in 2005 was approximately \$580,000. Induced output was estimated at approximately \$383,000, resulting in total output of approximately \$1 million.

## 7. ECONOMIC IMPACT - PAGE FIELD

Table 17			
ECONOMIC IMPACT - TENANTS			
OUTPUT (Sales, Taxes, Capital Expenditures)			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	\$4,043,000	\$2,670,000	\$6,713,000
Flight School	580,000	383,000	963,000
Government/Airport Management	7,488,000	8,418,000	15,906,000
Other Tenants	2,101,000	1,327,000	3,428,000
<b>TOTAL TENANT OUTPUT</b>	<b>\$14,212,000</b>	<b>\$12,798,000</b>	<b>\$27,010,000</b>
PAYROLL			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	\$574,000	\$456,000	\$1,030,000
Flight School	260,000	207,000	467,000
Government/Airport Management	5,126,000	3,895,000	9,021,000
Other Tenants	1,097,000	616,000	1,713,000
<b>TOTAL TENANT PAYROLL</b>	<b>\$7,057,000</b>	<b>\$5,174,000</b>	<b>\$12,231,000</b>
EMPLOYMENT			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	20	30	50
Flight School	10	10	20
Government/Airport Management	140	120	260
Other Tenants	60	30	90
<b>TOTAL TENANT EMPLOYMENT</b>	<b>230</b>	<b>190</b>	<b>420</b>

## 7. ECONOMIC IMPACT - PAGE FIELD

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- Direct payroll was approximately \$260,000. Induced payroll was estimated at approximately \$207,000, resulting in total payroll of approximately \$467,000.
- Total direct employment was the equivalent of 10 full-time employees. Induced employment was estimated at approximately 10 employees, resulting in a total impact of approximately 20 employees.

### 7.1.3 Government/Airport Management

As shown in Table 17, government tenants generated the following direct and induced impacts:

- Direct output related to government tenants at Page Field in 2005 was estimated at approximately \$7.5 million. Induced output was estimated at approximately \$8.4 million, resulting in total output of approximately \$15.9 million.
- Direct payroll was approximately \$5.1 million. Induced payroll was estimated at approximately \$3.9 million, resulting in total payroll of approximately \$9 million.
- Total direct employment was the equivalent of 140 full-time employees. Induced employment was estimated at approximately 120 employees, resulting in a total impact of approximately 260 employees.

### 7.1.4 Other Tenants

As shown in Table 17, other tenants generated the following direct and induced impacts:

- Direct output related to other tenants at Page Field in 2005 was approximately \$2.1 million. Induced output was estimated at approximately \$1.3 million, resulting in total output of approximately \$3.4 million.
- Direct payroll was approximately \$1.1 million. Induced payroll was estimated at approximately \$616,000, resulting in total payroll of approximately \$1.7 million.
- Total direct employment was the equivalent of 60 full-time employees. Induced employment was estimated at approximately 30 employees, resulting in a total impact of approximately 90 employees.

### 7.1.5 Page Field Tenants Combined

Table 17 also presents the impacts associated with all the tenants at Page Field. As shown:

- Direct output related to the tenants at Page Field in 2005 was approximately \$14.2 million. Induced output was estimated at approximately \$12.8 million, resulting in total output of approximately \$27 million.
- Direct payroll was approximately \$7.1 million. Induced payroll was estimated at approximately \$5.2 million, resulting in total payroll of approximately \$12.2 million.



## 7. ECONOMIC IMPACT - PAGE FIELD

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- Total direct employment was the equivalent of approximately 230 full-time employees. Induced employment impacts was estimated at approximately 190 employees, resulting in a total impact of approximately 420 employees.

The total impacts broken out by tenant category at Page Field in 2005 are shown in **Exhibit 5**.

### 7.2 GENERAL AVIATION VISITORS

To estimate economic impacts associated with general aviation visitors, data provided by AOPA, GAMA, and Airport records were used. The data and assumptions made to estimate general aviation visitors at Page Field were as follows:

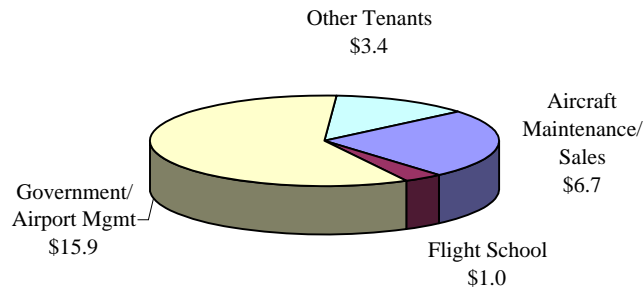
- Visiting general aviation operations can be correlated with the number of itinerant aircraft arrivals at Page Field. In 2005, the FAA Tower recorded approximately 49,764 general aviation itinerant operations at Page Field, or 24,882 general aviation itinerant arrivals (one-half operations).
- The number of arrivals performed by true transient aircraft is required to calculate general aviation visitor impacts. By definition, true transient flights departed from an airport at least 150 miles away from Page Field. According to AOPA, approximately one-third of general aviation itinerant operations are typically true transient flights. As a result, approximately 8,290 general aviation arrivals at Page Field were estimated to be true itinerant arrivals in 2005.
- According to GAMA, a transient general aviation flight carries an average of 2.5 persons per aircraft. This figure includes only passengers and excludes the pilot. Using this industry-wide rule of thumb, the number of general aviation visitors at Page Field in 2005 was estimated to be approximately 20,700 visitors.

Visitors using general aviation aircraft also have expenditures for lodging, food and beverage, transportation, and entertainment; thereby generating economic impacts in Page Field's primary service area. For purposes of these analyses, general aviation visitor expenditures and length of stay were assumed to be comparable to those for commercial service visitors utilizing Southwest Florida International Airport (see *Section 3: 2005 Economic Impact - RSW*).

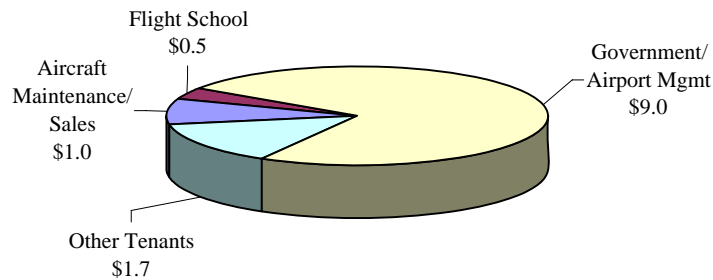
**Table 18** presents the estimated expenditures by category for general aviation visitors to the primary service area that utilized Page Field in 2005. For these analyses, expenditures by general aviation visitors were equated with direct general aviation visitor output.

## 7. ECONOMIC IMPACT - PAGE FIELD

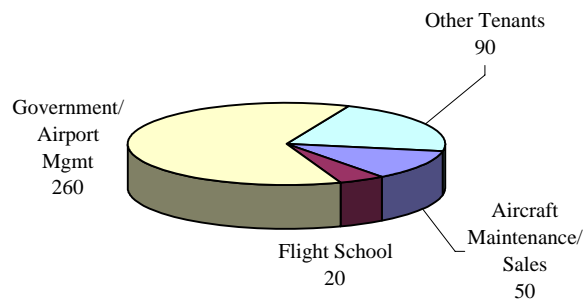
**Tenants Economic Impact - Total Output**  
**\$27 Million Impact**



**Tenants Economic Impact - Total Payroll**  
**\$12.2 Million Impact**



**Tenants Economic Impact - Total Employment**  
**420 Impact**



**Exhibit 5**

**Breakout of Page Field Total Impact by Tenant Category**

## 7. ECONOMIC IMPACT - PAGE FIELD

<b>Table 18</b>			
<b>2005 GENERAL AVIATION VISITOR EXPENDITURES (OUTPUT)</b>			
Expenditure Category	Average Daily Expenditures <sup>1</sup>	Average Expenditure Per Trip <sup>2</sup>	Total Annual Expenditures <sup>3</sup>
Accommodations	\$54.59	\$357.57	\$7,414,000
Food/Entertainment	32.35	211.88	4,393,000
Rental Car	15.53	101.69	2,109,000
Retail Purchases	9.01	59.02	1,224,000
<b>TOTAL VISITOR EXPENDITURES</b>	<b>\$111.47</b>	<b>\$730.16</b>	<b>\$15,140,000</b>

<sup>1</sup> Per person.

<sup>2</sup> The length of stay per person was approximately seven days.

<sup>3</sup> The total number of general aviation visitors to the primary service area utilizing Page Field was approximately 20,700 people.

Similar to commercial service visitors, multiplier ratios based on these direct outputs were used to estimate the direct payroll and employment impacts associated with general aviation visitors. Multipliers presented earlier in Table 16 were used in conjunction with these direct impacts to estimate total impacts.

As shown in **Table 19**, total output generated by general aviation visitors using Page Field was approximately \$23.7 million in 2005; total payroll impact was estimated at approximately \$11.4 million; and total employment impact was approximately 500 full-time employees.

<b>Table 19</b>			
<b>2005 IMPACT – GENERAL AVIATION VISITORS</b>			
Impact	Direct	Induced	Total
Output	\$15,140,000	\$8,522,000	\$23,662,000
Payroll	\$7,551,000	\$3,850,000	\$11,401,000
Employment	350	150	500

### 7.3 TOTAL ECONOMIC IMPACT

**Table 20** summarizes the combined economic impact for Airport tenants and general aviation visitors. As shown, total output for Page Field in 2005 was estimated to be approximately \$50.7 million; total payroll was estimated at approximately \$23.6 million; and employment was estimated at approximately 920 full-time employees.

## 7. ECONOMIC IMPACT - PAGE FIELD

Table 20			
2005 IMPACT – PAGE FIELD			
Impact	Direct	Induced	Total
Output	\$29,352,000	\$21,320,000	\$50,672,000
Payroll	\$14,608,000	\$9,024,000	\$23,632,000
Employment	580	340	920

### 7.4 SUMMARY

**Table 21** summarizes the economic impact of Page Field for 2005 by major category.

## 7. ECONOMIC IMPACT - PAGE FIELD

Table 21			
ECONOMIC IMPACT - OUTPUT <sup>1</sup>			
(page 1 of 3)			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	\$4,043,000	\$2,670,000	\$6,713,000
Flight School	580,000	383,000	963,000
Government/Airport Management	7,488,000	8,418,000	15,906,000
Other Tenants	2,101,000	1,327,000	3,428,000
AIRPORT TENANTS	\$14,212,000	\$12,798,000	\$27,010,000
GENERAL AVIATION VISITORS	\$15,140,000	\$8,522,000	\$23,662,000
TOTAL OUTPUT IMPACT	\$29,352,000	\$21,320,000	\$50,672,000

<sup>1</sup> Includes gross sales, taxes, and capital expenditures; government category also included in payroll.

## 7. ECONOMIC IMPACT - PAGE FIELD

Table 21			
ECONOMIC IMPACT - PAYROLL			
(page 2 of 3)			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	\$574,000	\$456,000	\$1,030,000
Flight School	260,000	207,000	467,000
Government/Airport Management	5,126,000	3,895,000	9,021,000
Other Tenants	1,097,000	616,000	1,713,000
AIRPORT TENANTS	\$7,057,000	\$5,174,000	\$12,231,000
GENERAL AVIATION VISITORS	\$7,551,000	\$3,850,000	\$11,401,000
TOTAL PAYROLL IMPACT	\$14,608,000	\$9,024,000	\$23,632,000

## 7. ECONOMIC IMPACT - PAGE FIELD

Table 21			
ECONOMIC IMPACT - EMPLOYMENT			
(page 3 of 3)			
Tenant Category	Direct Impacts	Induced Impacts	Total Impacts
Aircraft Maintenance/Sales	20	30	50
Flight School	10	10	20
Government/Airport Management	140	120	260
Other Tenants	60	30	90
AIRPORT TENANTS	230	190	420
GENERAL AVIATION VISITORS	350	150	500
TOTAL EMPLOYMENT IMPACT	580	340	920



## 8. COMPARISON OF STUDIES - PAGE FIELD

This section compares the summary findings of the Economic Impact Studies of Page Field for 1999 and 2005.

**Table 22** summarizes and compares the total economic impact for Page Field in 1999 and 2005, which combines the individual impacts associated with Airport tenants and general aviation visitors. As shown, total output for Page Field increased from approximately \$35.4 million in 1999 to approximately \$50.7 million in 2005; this increase represents a percentage change of 43.0 percent. Total payroll for Page Field increased from approximately \$17.6 million in 1999 to approximately \$23.6 million in 2005, which represents a percentage change of 34.2 percent. Total employment for Page Field increased from approximately 850 full-time positions in 1999 to approximately 920 full-time positions in 2005; this increase represents a percentage change of 8.2 percent.

Table 22				
COMPARISON OF 1999 & 2005 STUDIES				
Impact	1999 Study	2005 Study	Increase/ (Decrease)	Percentage Change
Total Output	\$35,441,000	\$50,672,000	\$15,231,000	43.0%
Total Payroll	\$17,616,000	\$23,632,000	\$6,016,000	34.2%
Total Employment	850	920	70	8.2%

## 9. PAGE FIELD COMMONS



Page Field Commons is 322,000-square foot retail development built on 45 acres located at the intersection of U.S. 41 (Cleveland Avenue) and the Fowler Summerlin Connector in Fort Myers. This retail development opened during the summer of 1999 and is adjacent to Page Field. The continual development of U.S. 41 has helped to make this highway a major commercial hub for the surrounding communities. The Fowler Summerlin Connector connects two of Lee County's busiest north/south arteries – Fowler Street and Summerlin Road.

Major tenants at this retail development include:

- Best Buy
- Hallmark
- Hops Grill & Bar
- Linen 'n Things
- Michaels Craft Store
- Office Depot
- Old Navy
- PetSmart
- Pier 1 Imports
- The Bombay Company
- The Men's Wearhouse
- Toys "R" Us

As discussed earlier, one measurement of the economic impact of Page Field is its direct impacts, where direct impacts are consequences of economic activities carried out at Page Field by the various tenants having a direct involvement in aviation. Strictly speaking, direct impacts represent economic activities that would not have occurred in the absence of Page Field. For purposes of these analyses, economic impacts of output, payroll, and employment for Page Field Commons were not included in the total presented for Page Field. However, Page Field Commons' close proximity to Page Field and its anticipated catalyst to the economic development of the local area warranted discussion herein.

The remainder of this section presents photographs of Page Field Commons.

## 9. PAGE FIELD COMMONS



**CHICAGO**

20 North Clark Street  
Suite 1500  
Chicago, IL 60602  
312.606.0611

**CINCINNATI**

36 East Fourth Street  
Suite 1206  
Cincinnati, OH 45202  
513.651.4700

**DENVER**

600 17th Street  
Suite 2800S  
Denver, CO 80202  
303.260.6437

**MIAMI**

6205 Blue Lagoon Drive  
Suite 280  
Miami, FL 33126  
305.260.2727

**ORLANDO**

13000 Avalon Lake Drive  
Suite 301  
Orlando, FL 32828  
407.381.5730

**PHOENIX**

1850 North Central Avenue  
Suite 940  
Phoenix, AZ 85004  
602.253.4554

**SAN ANTONIO**

8610 North New Braunfels  
Suite 700  
San Antonio, TX 78217  
210.829.4685

**SAN FRANCISCO**

221 Main Street  
Suite 1550  
San Francisco, CA 94105  
415.547.1930

**WASHINGTON, DC**

277 South Washington Street  
Suite 120  
Alexandria, VA 22314  
703.519.2181