

# CRYSTAL RIVER AIRPORT

CRYSTAL RIVER  
COMMUNITY AIRPORT



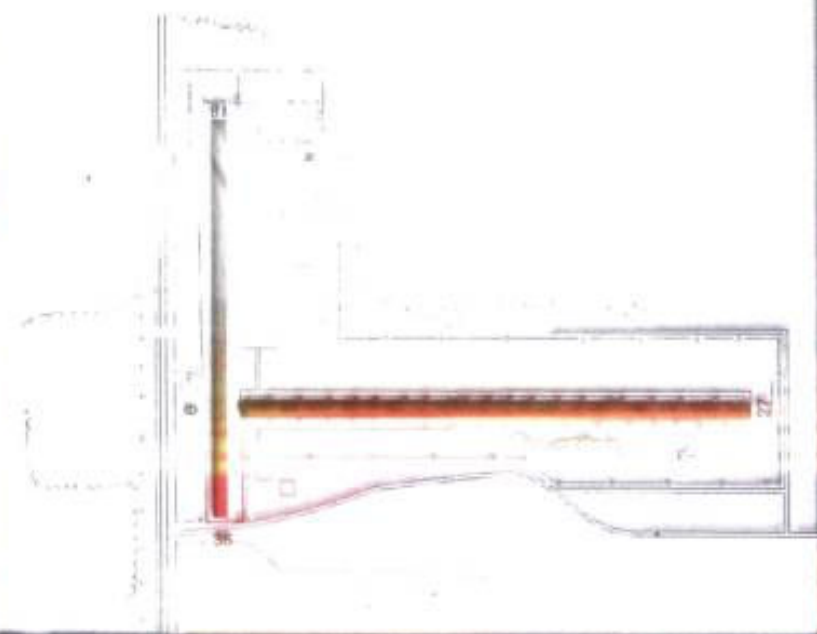
AIRPORT LOCATION

## Crystal River Airport

2007

## Economic Impact Study

October 2007



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## AIRPORTS ARE FOR PEOPLE WHO DON'T FLY

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How can an airport be for people who don't fly? They create jobs and wealth, save lives, helping to enforce the laws of the land and lower the cost of many products. Airports serve countless other needs --- some that haven't even been thought of yet. While airports obviously serve pilots and airplane passengers, what an airport does best is serve people who don't fly. This report shows how.

An airport, regardless of size, is the access point to our nation's major mode of transportation. An airport serves the same basic purpose as river harbors, truck and bus terminals, train stations, your driveway and garage.

The airport is a vital part of the local economy. The many Community Airports throughout America represent an investment of public funds because the circle of benefits and the circle of beneficiaries exceeds the number of persons who can be charged directly for their use, much like our roads and bridges.

Anonymous

# CRYSTAL RIVER AIRPORT

## Introduction

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How often have we heard someone say that the airport is only used by the rich, that the airport is a drain on the taxpayers and does not pay its way! Comments of that nature have been heard from citizens many times at meetings of the Citrus County Board of County Commissioners (BOCC) and the Aviation Advisory Board (AAB). This is certainly not true, but how does one prove the economic benefit of the airport to the community and the vital role that the airport plays in the local economy?

To prove the point that General Aviation (GA) airports provide economic benefits, consider the findings of two studies. In one, the Federal Aviation Administration (FAA) states that a typical GA airport, with 100 based aircraft and no commercial service saves time and reduces the travel costs of those who use the airport over the next best travel alternative. In dollar terms, the transportation benefit alone is estimated to be more than \$1 million annually to a community.

A second study, a 2000 statewide overview by the Florida Department of Transportation, states:

“Florida stands at the threshold of an exciting new era in aviation, an era full of promise, but also with many pitfalls. Over the course of the next three decades, technological advances in aircraft design and computer-assisted navigation are expected to make air travel and transport cheaper, safer and much more convenient. Tourists from around the world will fly to Florida on the new huge planes that are able to cross the globe quickly and without refueling. Once here, visitors will join Florida residents in using small, quiet jets with flexible schedules tailored to the needs of individual travelers, for both business and pleasure. The transportation of the future is aviation, which will give Floridians fast, safe and convenient access to every area of the state.”



**Citrus County must not miss out on this important part of the economic future.**

## Existing Facilities

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The Crystal River Airport has two non-intersecting runways. These runways are Runway 9/27, which is 4,555 feet long and 75 feet wide, and Runway 18/36, which is 2,665 feet long and 100 feet wide. Runway 9/27 is asphalt and in good condition, and Runway 18/36 is turf in very good condition. Runway 9/27 has a full-length parallel taxiway, while the turf Runway 18/36 does not. This GA airport has a Fixed Base Operator (FBO) Community Aviation (CA) terminal building, maintenance hangar and approximately 20 parking spaces for automobiles. The aircraft ramp can accommodate up to 66 aircraft.

## Current and Forecast Demand

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The Crystal River Airport serves a wide range of General Aviation (GA) needs. Business flights comprise about 30% of overall operations. The airport could support significant growth in corporate aviation as well as Small Aircraft Transportation System (SATS) operations. Approximately 16 of the aircraft based at this airport are business related.

Flight training for both domestic and foreign students is a significant part of this airport's GA activity, as reflected in the Master Plan, with associated benefits extending into the surrounding community through housing, food and recreational expenditures. Roughly 40% of this airport's annual operations (an operation is defined as one takeoff or one landing after a 20 mile flight) are related to flight training. Crystal River Airport also attracts a significant amount of transient or visiting aircraft, with approximately 25% of the airport's business originating from transient users. The airport is also conveniently located to support public service functions such as search and rescue, MediVac, forestry and fish and wildlife surveys. These activities account for approximately 5% of the airport's operations.

The largest aircraft that currently uses the airport is a Gulfstream G-II. More commonly, aircraft the size of the Citation, Falcon or King Air frequent the airport. Twenty of the aircraft based here use tie-downs, while 27 others are housed in hangars. Future plans include the addition of more T-hangars, corporate hangars and an expanded paved parking area for 22 aircraft in the future Florida Department of Transportation (FDOT) forecasts 95 aircraft based at the Crystal River Airport in 2012.

The Crystal River Airport provides Part 61 and Part 141 pilot training and holds Veteran's Administration (VA) and Immigration and Naturalization Service (INS) authority. All foreign students must apply for and, after a full background check, acquire a valid visa before coming to the United States. In addition, three full ID checks are performed before training is started.

## Community Services

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In its current role as a Community Airport, Crystal River focuses on serving general aviation aircraft. It currently supports flight training, sport/recreational flying, air-taxi, and transient and public service aircraft. While the airport does not have any military based aircraft, it has supplied tie down space and pilots to fly the Florida Department of Agriculture's aircraft for forest fire surveillance flights. It also supports public safety through staging of U.S. Coast Guard Auxiliary aircraft, medical evacuation, and fish and wildlife survey flights.



The airport's vision for the future is to develop present assets and capabilities to the fullest extent, and to actively pursue capital improvements in support of the primary objective of providing the widest range of aviation services to the public.

As part of this process and to plan for near and long term support needs, airport has identified the following seven initiatives as being needed in the near term:

- Parallel Taxiway Relocation
- Automated Weather Observation System (AWOS) Upgrade
- Runway Extension to 5,000' +
- T – Hangars
- Corporate Hangars
- Security Enhancements
- GPS 9/GPS 27 Instrument Approach Procedures

## Current and Future System Requirements

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Historic and forecast FDOT information on file for the Crystal River Airport is as follows:

	<u>2002</u>	<u>2007</u>	<u>2012</u>	<u>2022</u>
• Based Aircraft	50	52	95	123
• General Aviation Operations	36,600	38,467	40,429	44,659
• Commercial Operations, Fixed Wing	0	0	370	500
• Commercial Operations, Rotary Wing	0	1,140	1,524	2,300
• Itinerant Operations	9,430	11,412	14,000	16,000
• Enplanements	0	0	1,000	5,000

The Crystal River Airport provides and/or supports GA operations in the following categories:

- Recreational/Sport (private, glider, training and general aviation)
- Business/Corporate (banner towing, sightseeing, real estate tours, charter and air-taxi)
- Governmental (city, county, state, federal and U.S. military including coastal patrol/rescue, medical flights and environmental surveys)
- Corporate and Professional (training, testing), for both fixed and rotary wing aircraft.

Surrounding noncompatible land conditions and/or use limits this airport's ability to expand. Therefore, analysis indicates that the Crystal River Airport is best suited to continue its role as a Community Airport pursuing its vision of improving upon the wide range of services it presently provides. Particular attention should be given to the requirements to meet the increasing demands of new AirTaxi/charter and training services.

## Commercial Service Role

	<u>Current Service</u>	<u>Future Service</u>
Tourism	X	X
Business	X	X
Air Cargo	X	X
International	X	X

## Community Airport Service Role

Flight Training	✓	✓
Corporate	✓	✓
Tourism	✓	✓
Recreational / Sport	✓	✓
Business	✓	✓



## The System

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### Florida Aviation System Plan

“The Florida Aviation System Plan (FASP) is the FDOT’s 20 year aviation plan for the development of Florida’s publicly owned airports. The FASP incorporates traditional aviation planning techniques that identify future traffic demands and the facilities required to meet them. It also includes a strategic planning element that allows FDOT to respond to changing aviation and economic trends, including emerging technologies, funding shortfalls and shifting priorities.”

Florida also uses a method called the Continuing Florida Aviation System Planning Process (CFASPP). This process is used within the state to continually monitor the aviation environment and determine the development requirements to best meet projected aviation demands.

#### **Florida Aviation Mission Statement**

**The aviation mission of the Florida DOT is to provide a safe and secure transportation system that ensures the mobility of people and goods, enhances economic prosperity and preserves the quality of our environment and community.**

The Florida Aviation System Plan notes that:

“Florida has about 112 public-use facilities poised to meet the GA needs and provide critical services to their local communities. These airports are referred to as ‘General Aviation (GA) Airports’ in FAA documentation, but in keeping with the contribution to the communities in which they are located, Florida has chosen to call them ‘Community Airports.’ ”

These Community Airports (CA) are located strategically around the state, serving both metropolitan and rural areas. The CAs have proven their worth time and time again. All airports in Florida, even the busiest commercial service airports, accommodate GA aircraft operations.

**Florida's Community Airports, like Crystal River, are important to the Florida Aviation System Plan because:**

- **They provide local jobs and millions of dollars to the total annual economic activity.**
- **Nine million business and leisure travelers use GA aircraft to reach cities throughout Florida that are not in proximity to one of the Commercial Service airports.**
- **Florida ranks among the top three states for the volume of GA demand that its airports serve.**
- **Over 85% of all aircraft operations in Florida are flown by GA aircraft.**
- **Florida is home to over 14,000 based GA aircraft that are primarily housed at the Community Airports. Citrus County has 86 based aircraft**
- **Florida's Community Airports, particularly Crystal River, are leading hosts of much of the world's pilot training.**
- **The Citrus County CAs support vital health, welfare and safety services.**
- **Community Airports, such as those in Citrus County, are needed to attract various types of non-aviation economic development.**



## Economic Benefits

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The economic benefits of an airport to the community it serves are expressed in three ways:

- Direct Benefits:** Monies spent for payroll and other expenditures to operate the airport.
- Indirect Benefits :** Monies spent for hotels, restaurants and other expenses not generated at the airport, but due to the airport's presence.
- Multiplier :** Numerical factor to account for the circulation of money throughout the community which originated as either Direct or Indirect Benefits as a result of the operation of the airport.

The Multiplier used in this study, 92% or 1.92, is the numerical multiplier factor supplied by the U.S. Department of Commerce and recommended by the FDOT.

The method used to determine the dollar amount of the economic benefit of the Crystal River Airport is described in the "Technical Summary for the Florida Airports Economic Impact Study". The study was prepared by Wilbur Smith & Associates, Inc. (WSAI) for FDOT in the year 2000. It was divided into four (4) parts:

- 1) Seven (7) large carrier airports
- 2) Thirteen (13) large commercial service airports
- 3) Twenty-three (23) other GA airports
- 4) Community Airports

**Mission Statement**  
**Citrus County Aviation Advisory Board**

**The mission of the Aviation Advisory Board  
is to advise the Board of County  
Commissioners  
on all matters involving Citrus County  
public aviation facilities.**

Using all the information that was gathered and analyzed, WSAI developed a method using recognized statistical techniques and regression analyses to estimate the economic activity of 86 GA and/or Community Airports.

Based upon this method the WSAI study calculated a coefficient of 268.86, suggesting that at the time of that 2000 study, there was a \$268.86 final demand impact for every itinerant aircraft operation at a public use airport in Florida. This final demand impact of \$268.86 represents Direct Benefit due to the activities of the airport. To account for inflation from 2000 to the present, a minimal factor of 3% a year was used, increasing the coefficient to \$330.66. A new project designed to address the economic impact of each of Florida's publicly owned airports should be implemented by July 2008.

## 2008 Economic Impact Study Crystal River Airport

Based upon the 2005-06 available data, the Total Impact is as follows:

### Direct Benefit Impact :

Itinerant Aircraft Operations	11,412
Coefficient	<u>X \$ 330.66</u>
Subtotal – Direct Benefit Impact	\$ 3,773,492

### Indirect Benefit Impact :

Direct Benefit Impact	\$ 3,773,492
Percentage of Direct Benefit Impact (9.13%)	<u>X 9.13%</u>
Subtotal – Indirect Benefit Impact	\$ 344,520

### Operational Impacts

From Direct	\$ 3,773,492
From Indirect	<u>\$ 344,520</u>
	\$ 4,118,060

### Multiplier Impact:

	\$ 4,118,060
Multiplier	<u>X 1.92</u>
Multiplier impact	\$ 3,788,571

Operational Impact	\$ 4,118,060
Multiplier Impact	<u>+ 3,788,571</u>

**TOTAL ANNUAL ECONOMIC BENEFIT IMPACT** **\$ 7,906,600**

According to the charts utilized by FDOT, this dollar amount supports about 83 jobs both on and off the airport site.

## **SUMMARY AND CONCLUSIONS**

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It should be noted that the Multiplier used in this study, 1.92, is very conservative. Multipliers in other situations have been known to vary up to as high as 5. If we were to use a multiplier of 5 with all other factors remaining the same, the Total Economic Benefit Impact would exceed \$24 million.

Of course, the additional facilities called for in the new Crystal River Master Plan will likely attract more activity and increase the Total Economic Benefit Impact. Everyone wants the Crystal River Airport to “pay its own way” but the conditions necessary to make that happen must be provided.

Crystal River airport is not only training students at all professional levels, from all over the world as many as 5 or 6 countries at a time, but is developing new types of business activity on an international level that will bring more economic activity to Citrus County.

There is also additional direct income to Citrus County that is not reflected here, that being the additional sales tax generated by the additional economic activity. The AOPA in their brochure “What is Your Airport Worth?” states that, “If a state sales tax is in place, the portion of the Direct and Indirect Benefit Total (\$4,118,012) that will be paid as sales tax is typically about one-tenth of one percent (.1%) for each one percent of sales ax.” In this case the sales tax rate is 6%. The portion of the direct and indirect total that will be paid as sales tax is six times one-tenth of 1 percent, or \$21,000. There may be other tax impacts associated with gas, room rentals and fees that would apply.

**As noted earlier in this study, “Citrus County must not miss out on this important part of Florida’s Economic Future.” The Crystal River Airport is not a place of entertainment, like ball fields, but a place of business that generates the cash flow, almost \$8 million a year, to help pay for those ball fields. People from all over the world come to Citrus County to learn about aviation and how to fly. Then they go home, talk about Citrus County, and come back to learn more.**

## **Alternative methods of calculation**

**As mentioned on page 1 of Florida's Technical Summary for the Florida Airports Economic Impact Study dated August 2000 (FASP 2000), "a variety of approaches were used to estimate economic impacts ...." For some airports, "previous economic impact studies were used". For others, "airport-specific surveys were undertaken". For the remaining system airports, impacts were extrapolated based on benefits calculated in this analysis for other similar airports.**

**Further on page 27, "regression was used to develop a statistically valid equation to estimate the total final demand impact of all remaining public use general aviation airports in the Florida system." This method results in the \$7,906,000 yearly result.**

**After reviewing drafts of this report, John Collins, Senior Liaison, Airports of the AOPA, suggested that we might use the formula that is published in the AOPA brochure "What's Your Airport Worth?" This method uses the assumed 2.5 people per itinerant flight and \$100 per stay and results in \$1,425,000 instead of the \$344,500 shown on the chart for the indirect benefit. This results in a total benefit to the community as a whole of \$9,980,000 per year.**

**The Study conducted in 1992-93 used a higher multiplier, 3.00, which of course gave a higher result.**

**We have not elected to change the presentation to the higher numbers in the expectation that we will take part in the statewide effort in July 2008.**

**Note:**

**Even though the economic value of Florida's Community Airports is clear, neither the FDOT Office, nor its consultants, can verify or validate the analysis conducted in this study at this time. The study completed by Wilbur Smith & Associates, Inc. in August 2000 generated an overall estimated economic impact of general aviation in the state based on a sampling of Florida's general aviation airports; that sampling did not include Crystal River Airport but is applicable to Crystal River.**

**CONTRIBUTING AND/OR REVIEW SOURCES**

Aircraft Owners and Pilots Association ( AOPA )

Experimental Aircraft Association ( EAA )

Florida Department of Transportation ( FDOT )

Federal Aviation Administration ( FAA )

Hoyle, Tanner & Associates, Inc.

Wilbur Smith & Associates, Inc.

Crystal Aero Group, Inc.

Citrus County Aviation Advisory Board