



RUTLAND STATE AIRPORT

1. Airport Background and Location

Rutland State Airport is located near Rutland, Vermont in the central portion of the State. The airport is actually located in North Clarendon, approximately six miles south of Rutland. Rutland State Airport is the largest State-owned airport in Vermont, and it is the only State-owned airport with scheduled air passenger service.

Access to the Rutland State Airport is via Airport Road, which is easily accessible from Route 103. The market area for the Rutland State Airport is larger and less defined than the other State-owned airports in Vermont because of the airport's scheduled air passenger service.

Practically speaking, the market for the airport is bounded by Proctor to the north, Manchester to the south, Killington to the east, and Castleton to the west. The market area for air passenger service at Rutland State Airport is larger than this area and probably encompasses much of the southwest portion of the State.

Access to the Rutland area is via Route 7 and Route 4. Route 7 is the main north-south highway in western Vermont, and it is located at the western edge of the Green Mountains. This roadway travels the length of Vermont from the northern border with Canada to southern border with Massachusetts. Route 4 is the largest east-west State highway in Vermont. Route 4 travels the width of central Vermont from its eastern border with New Hampshire to its western border with New York. The City of Rutland is located at the intersection of these two routes, and Rutland State Airport is approximately six miles south of this intersection on Route 7.

2. Facilities and Activity

Rutland has two runways: 1/19 is the longer at 5000 feet, and runway 13/31 is 3170 feet in length. Colgan, a USAirways Express carrier, flies three daily frequencies between Rutland and Boston on nineteen-seat turboprop aircraft, with two direct flights to Boston on the weekdays and two flights consisting of a circuit through Lebanon NH on the weekends. Nearly 5400 people enplaned at Rutland in 2001 on this scheduled commercial service, and 550

tons of cargo passed through the airport. Rutland reported 12,008 local general aviation operations, and 11,700 itinerant GA operations. 832 military operations were also counted. The landside facilities at the airport include a terminal building, auto parking, hangars, and a C.A.P. building. The terminal building contains space for a restaurant, recently vacated by Emilia's Canteen. In addition, the terminal building has the Colgan Air ticket counter; two rental car agency booths; and two passenger service gates. One of the passenger service gates is devoted to Colgan Air's scheduled air service, and the other gate is used to accommodate seasonal carriers who operate in Rutland during winter months to support the area's ski resorts.

Important airport tenants include the Omya Corporation's flight department, SD Air Service Corporation, and Columbia Aviation Services which provides FBO facilities. The airport provides logistical flexibility to the tenants of the adjacent Airport Industrial Park.

3. Airport Related Economic Uses

Review of this airport indicates that a large number of area businesses use the airport. In some cases, these companies can only operate in the area because of the airport. Included in these business-related operations are Colgan Air's flights to and from Rutland and flights by both UPS and FedEx at the airport. FedEx has a distribution center in an industrial park that abuts the airport property, and bases a plane in a hangar at the Rutland State Airport. The scheduled passenger service provided by Colgan Air is important to area businesses because it allows employees and executives to begin scheduled air passenger travel without having to commute to Burlington, Albany, or Lebanon. Access to scheduled air service saves companies time and money and increases employee productivity.

Omya Corporation is a mineral extraction company with operations spanning the entire globe, and the headquarters Omya maintains in Rutland is a great boon to the local economy. Without the flexibility to move critical personnel provided by Rutland Airport, it would be impossible for the company to continue its HQ operation in the area. If access to the airport facilities were somehow limited or became too costly, the company would be forced to move, taking with it millions of dollars paid to the State in taxes and a significant amount of the airport's fuel sales. American Skiing Company also bases an aircraft at the airport. This company is responsible for investing

millions of dollars in the ski areas of Vermont. This investment has and will continue to have a large impact on the State's economy. Executives of the American Skiing Company use Rutland State Airport to travel between ski resorts in Vermont in addition to their other holdings across the country. This company's investments in Vermont's ski areas is creating some of the best and most consistent ski conditions in the East, which will ensure that tourists and tourist dollars continue to flow into the State.

General Electric, who has a facility in Rutland, is also known to be a frequent user of the airport. Discussions with the FBO indicate that on any given day corporate jets from such large international corporations as Nike, Time Warner, and Dow Chemicals operate at the airport. Even though most of these operations are for recreational purposes, some are known to be business-related. These business and recreational visits by executives of such large international corporations bring economic benefits into both the Rutland area and the State of Vermont.

The economic benefits for Vermont associated with business-related use of the airport ranges from job creation to increases in tax revenues, in addition to daily expenditures by these business-related visitors for hotel/motel, food and beverage, and other purchases. The economic benefits of recreational-related use of the airport ranges from the support of the tourism industry to the purchase of second homes by corporate executives.

Rutland is a particularly popular destination due to its close proximity to Killington, among the largest ski resorts on the eastern seaboard. In addition, many individuals have been attracted to build large second homes in the area because of the winter sports and year-round scenery, and among them Rutland State Airport is a popular point of access to the area. Visitors to the Equinox Hotel in Manchester often fly into Rutland State Airport. The Equinox Hotel is a world class hotel that is often used by large corporations to host business related conferences. Access provided by Route 7 from Rutland State Airport to the Manchester area makes this airport, as well as Bennington State Airport, a common destination for business aircraft shuttling executives to these conferences.

4. Other Airport Benefits

In several ways, the Rutland State Airport adds to the area's quality of life. Rutland stages two popular, well-attended flying events sponsored by the Experimental Aircraft Association on an annual basis, which attracts attendance from all over the northeast. The airport is committed to maintaining a constructive relationship with surrounding communities, and holds a yearly open house to better acquaint residents with the facility. A Civil Air Patrol squadron is active at Rutland and provides youth-oriented activities targeted at teamwork and leadership development. The Vermont State Police use the airport for drug enforcement operations, and the Air National Guard uses the airport for training purposes.

The airport hosts an annual Aviation Career Education (“ACE”) Camp. These week-long programs are co-sponsored by the FAA and give pre-teens and teenagers an introduction to the wide array of career opportunities that will one day be available to them in the field of aviation. The program focuses particularly on showcasing aviation-related careers to girls and under-represented minorities.

STARBASE, a nationwide school outreach program funded by the Department of Defense, recently opened a classroom in Rutland and works closely with the Rutland State Airport as part of its curriculum. The educational program brings aviation and aerospace learning to school-age children, teaching math, physics and technology. STARBASE Vermont is under the direction and support of the Vermont National Guard at both the Rutland State Airport and the Burlington International Airport STARBASE sites.

Emergency medical evacuations, performed by the Dartmouth College Hospital Helicopter, occur at the airport when weather conditions do not allow the helicopter to land at other sites.

In discussions with those charged with industrial development and transportation planning in the area, the importance of the airport is not overlooked. There is an industrial park that is located west of Runway 1/19 on land that abuts airport property. The industrial park currently has several tenants, including a FedEx distribution center. There is discussion of possibly expanding the industrial park and providing direct access from the

industrial park to the airport. Direct access to the airport would allow companies like FedEx to taxi aircraft directly to distribution facilities, cutting out one step in the cargo shipping process. Industrial developers stated that access to the airport is an important tool used to draw and to keep businesses in the area.

| Airport Report: | | Rutland State Airport | |
|---|-------------------|------------------------------|---|
| Code: | | RUT | |
| City/Town: | | North Clarendon (Rutland) | |
| County: | | Rutland | |
| Aircraft Operations (take-offs and landings) | | Airport Passengers | |
| Commercial | 2,174 | Commercial | 10,792 |
| Itinerant General Aviation | 11,700 | General Aviation | 22,230 |
| Military | 832 | | |
| Total: | 14,706 | Total: | 33,022 |
| Economic Impact Category | | | Total Output: Business Sales and Public Sector Expenditure |
| | Employment | Payroll (Wages) | |
| On-Airport Primary Impact (1*) | | | |
| Airport Management and Airlines | 7 | \$315,668 | \$694,296 |
| On-Airport Passenger Service | 0 | \$0 | \$0 |
| On-Airport Freight Service | 0 | \$0 | \$0 |
| Other Aviation Services | 14 | \$487,000 | \$2,812,823 |
| <i>Subtotal:</i> | <i>21</i> | <i>\$802,668</i> | <i>\$3,507,119</i> |
| Off Airport Primary Impact | | | |
| Off-Airport Visitor Spending (2*) | 43 | \$516,067 | \$1,348,090 |
| Off-Airport Aviation-Dependent Business Activity (3*) | 197 | \$3,366,765 | \$8,223,674 |
| <i>Subtotal:</i> | <i>240</i> | <i>\$3,882,832</i> | <i>\$9,571,764</i> |
| Spin-Off Effects (4*) of Airports: | | | |
| <i>On Local Economy</i> | <i>147</i> | <i>\$3,027,693</i> | <i>\$7,914,535</i> |
| <i>On Statewide Economy</i> | <i>153</i> | <i>\$3,140,156</i> | <i>\$8,620,924</i> |
| Vermont Airports Total Economic Impact | | | |
| On Own Local Economies Only | 408 | \$7,713,193 | \$20,993,418 |
| On Statewide Economy | 414 | \$7,825,656 | \$21,699,807 |

* Numbers refer to steps detailed in Section 5: Methodology and Findings

In the table above, the estimated number of itinerant general aviation aircraft operations is presented because these operations estimates drove calculations of out-of-state visitors and visitor spending in Vermont. Local general aviation operations (taking off and landing at the same airport, such as touch-

and-go activity), in contrast, were not used to calculate visitors to the State and so are not shown in the table.

Economic Impacts

Public-use airports in Vermont, along with tenant businesses on airport property, contribute measurable benefits to their local areas and to the State economy through business activity that occurs on airport property. This activity is termed the **on-airport primary impact**, and was determined in this Study through visits and interviews with airport managers and tenant business owners.

Airports also provide direct benefits for businesses located off airport property. The **off-airport primary impact** has two components: expenditures by visitors to the State arriving by way of its airports, and off-airport businesses that depend partially or wholly on use of aviation services for transport.

Spending by out-of-state visitors to Vermont adds sales and jobs among off-airport businesses such as hotels, restaurants and retail establishments. Visitor expenditure impact was determined through a calculation of airport visitors and average expenditures as determined in surveys during airport visits.

The airport-dependent business impact was assessed through a mail survey to local businesses. The response rate to this survey varied widely around the State. Among those businesses that responded, the economic importance of airports to their activity is captured by the Study. However, because many businesses did not respond, it should be noted that the numbers are still a conservative estimate of the public-use airports' economic impact; further, directly comparing airport total impacts may yield counter-intuitive results due to the differing response rates of local businesses across the State. For a more relevant comparison of airport economic impacts by individual airport, which separates out this effect, please see Exhibit 12A.

Each dollar that an airport adds directly into an economy (the primary impact, described in the paragraphs above) continues to circulate through that economy. The re-spending of these dollars in consecutive rounds magnifies

the total impact of the single dollar. This additional economic activity is termed the **spin-off impact**. The Study employed IMPLAN to build a model of each local economy, as well as the statewide economy, in order to calculate spin-off impacts.

The total economic impact of each airport is the sum of the primary on-airport impact, the primary off-airport impact and the spin-off impact.

The airport report above presents both the local economic impact in the airport's own community, and its statewide economic impact. The difference lies in the spin-off impact, which is different for a local economy than for the State as a whole.

The local spin-off impact is somewhat smaller than the statewide spin-off impact, because the State economy is larger than local economies and captures a greater percentage of each round of responding. Both impact measures are relevant in different contexts, for example, a State policy maker may find the statewide impact of the airport most relevant for his or her purposes, while a local development official may be most concerned with the total local impact.