

# ECONOMIC IMPACTS OF THE MARANA REGIONAL AIRPORT



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## Executive Summary

The Marana Regional Airport is located approximately five miles west of Interstate 10 on Avra Valley Road, and is owned and operated by the Town of Marana. It has two paved runways including a 6,901 foot long primary runway that is complimented by a 3,892 foot long intersecting crosswind runway. Both runways are serviced by full-length parallel taxiways with connectors. The Marana Regional Airport can accommodate all types of general aviation aircraft, and also has the ability to accommodate larger aircraft. The airport is home to 275 based aircraft and had more than 87,000 takeoffs and landings in FY18.



- The Marana Regional Airport created a total economic impact of \$28.9 million in Marana and an additional \$21.2 million in other parts of Pima County, for a total regional impact of \$50.1 million in FY18. This includes impacts from Town employees and business located at the airport as well as local spending by visitors.
- There are about 124 full-time and part-time employees at the airport, including Town employees and 14 on-airport businesses that create a combined direct impact of \$17.9 million per year. In addition, the airport supports close to 340 indirect and induced jobs and \$32.2 million in output at other local businesses throughout Pima County that benefit from visitor spending, employee spending and vendor purchases. These indirect and induced impacts are detailed below.
- One of the primary sources of impacts from the Marana Regional Airport is visitors. Based on the number of transient operations, there were an estimated 188,000 day trip and overnight visitors that came through the airport in FY2018 who supported an estimated \$5.6 million in annual impacts in Marana from expenditures outside the airport, and an additional \$12.2 million in annual impacts in other parts of Pima County.
- The Town and other on-airport businesses make local purchases, creating an indirect economic impact of \$8.9 million per year, which contributes to the total economic impact.
- Employees at the airport also make local consumer purchase generating an additional \$1.4 million in annual induced impacts in the town and \$4.1 million in other parts of the county. These local purchases also contribute to the total economic impact.
- In addition to the \$50.1 million in annual operating impacts, the Town has made \$862,000 in capital investments in the airport over the past three years. These capital investments generated \$1.0 million in one-time impacts in the community, and \$324,000 in other parts of the county. At the end of November 2018, the Marana Regional Airport is expected to start on a \$6.3 million reconstruction of several aprons and one of the taxiways that will generate additional construction impacts in the upcoming year.

## Introduction

This economic and revenue impact analysis of The Marana Regional Airport is intended to provide a framework for understanding the benefits that the airport generates for the Town of Marana, and for Pima County as a whole. The impacts include airport operations as well as off-site visitor spending. The results are based on actual airport operations data for the past three years as provided by the airport director.



The Marana Regional Airport was built during World War II as a part of a system of auxiliary fields for the Pinal Airpark. During this time, it was primarily used as a military training facility. It was leased by a private owner in 1968 for personal and public use, and in 1999 it was purchased by the Town of Marana and began operations as a regional airport.

The airport includes a 9,500 square foot terminal building with a lobby, conference rooms, a pilot's lounge and offices. The Sky Rider Cafe is located adjacent to the terminal building and is open seven days a week. Tucson Aeroservice Center is the FBO and offers fuel, oxygen service, a passenger terminal, aerial tours, aircraft charters, rentals, maintenance, flight training and avionics sales and service.



There are also 13 other on-airport businesses including several aircraft restoration businesses, military and flight training providers, a sky diving attraction, pilot helmet sales, air medical transport and hangar rentals. The airport has 6 conventional hangers, 232 T-hangers and a 17,000 square foot shade structure that can accommodate 28 aircraft.

In addition to 275 based aircraft, 14 on-airport businesses, and 29,000 local general aviation operations in FY18, the airport had 31,000 itinerant operations in FY18, of which 90 percent were non-local. This is an increase from 28,000 itinerant operations just two years earlier. These non-local planes brought an estimated 75,000 day trip visitors and 113,000 overnight visitors, assuming an average of 3 persons per operation. The military also uses the Marana Regional Airport for over 21,000 training operations a year.



**Table 1**  
**Airport Profile**

	FY16	FY17	FY18
Air Taxi Service			
Operations	5,000	5,000	6,000
Enplanements <sup>1</sup>	8,000	8,000	9,000
General Aviation Activity			
Local Operations	32,000	30,000	29,000
Itinerant Operations	28,000	30,000	31,000
Percent Transient Operations	90%	90%	90%
Military Operations	18,000	20,252	21,000
Total Based Aircraft	250	264	275

<sup>1</sup>An enplanement is a revenue passenger who boarded the aircraft at the Marana Regional Airport.

**Table 2**  
**Marana Regional Airport Businesses**

Company Name	Type of Business	Employees
<b>Transportation Related Services</b>		
ATW Aviation	Restoration	17
Local Government	Law Enforcement	6
Fighting Classics	Restoration	6
LifeNet	Air Medical Transport	14
Marana Sky Diving Center	Parachuting	3
Pima Aviation	Hangar Rentals	1
Pro Flight Gear	Pilot Helmet Sales	1
Sky Rider Café	Restaurant	10
	FBO, Charters, Avionics,	
Tucson Aeroservice Center	Maintenance	20
Velocity Training	Military Training	35
<b>Flight Training</b>		
Marana Flight School	Flight School	2
	Flight School, Aerial Photography,	
Volare Helicopters	Sightseeing Tours	2
SkySurf Flight School	Flight School	2
Flipside Aerobatics	Aerobatic Training	1
<b>Total Airport Employment</b>		<b>120</b>

The Town of Marana is working to leverage opportunities to further increase the level of general aviation activity, allowing the airport to serve as an economic engine and catalyst for future growth in the community. This includes attracting new businesses and services to the airport, along with additional visitors to the community and region.

## Economic Impacts

The economic benefits to Town of Marana resulting from Marana Regional Airport include on-going operations impacts, off-site visitor impacts and one-time capital improvement impacts. Economic impacts measure the effects of economic stimuli or expenditures in the local economy. These impacts include direct, indirect and induced jobs, labor income and output that are generated by the airport. Indirect and induced impacts are the result of the multiplier effect and capture supported supplier and consumer businesses and their employees in the Town of Marana and throughout the metro area that benefit from Regional Airport.

### Capital Improvement Impacts

Over the past three years, the Town has spent \$862,000 on improvements to the airport. The multiplier effect of this \$862,000 in local construction spending resulted in a total increase in economic activity in Marana of about \$1.0 million during the construction period, or a total impact of \$1.3 million countywide, including impacts in Marana (Figure 3). The 10 direct and indirect jobs created by these construction projects resulted in about \$433,000 in increased labor income. While these impacts are non-recurring, they contribute to the overall impacts of the airport during this period. In August of 2018, it was announced that the airport will receive a \$4.8 million grant from the Federal Aviation Administration to reconstruct 1,650,000 square feet of aprons, and Taxiway B. These projects are necessary to maintain the safety and efficiency of the airport and will create significant additional economic impacts in the upcoming year.



**Table 3**  
**Capital Improvement Impacts**

Year	Direct Impact			Total Impact in Marana			Total Impact in Pima County		
	Capital Expenditures	Jobs	Personal Income	Output	Jobs	Personal Income	Output	Jobs	Personal Income
FY16	\$365,792	3	\$122,667	\$423,783	3	\$137,795	\$561,355	4	\$183,724
FY17	\$447,182	3	\$149,961	\$518,076	4	\$168,455	\$686,258	5	\$224,604
FY18	\$49,428	0.4	\$16,575	\$57,264	0.4	\$18,620	\$75,854	1	\$24,826
<b>Total</b>	<b>\$862,402</b>	<b>6</b>	<b>\$289,203</b>	<b>\$999,123</b>	<b>7</b>	<b>\$324,870</b>	<b>\$1,323,466</b>	<b>10</b>	<b>\$433,154</b>

Note: Total impact in Pima County includes impact in Marana.



### Economic Impact of Operations

The Marana Regional Airport supports area businesses and a wide spectrum of aviation activities. Aviation activities include recreational flying and parachuting as well as aerial surveys, law enforcement flights, military exercises, aerial advertising and flight training. The airport helps improve the quality of life in Marana by supporting emergency medical evacuations as well as community activities. The Marana Regional Airport also serves as a gateway for visitors to resorts and attractions in Marana and surrounding cities.



**Table 4  
Principal Activities at  
Marana Regional Airport**

<b>Aviation Activities</b>
Recreational Flying
Flight Training
Corporate/Business Activity
Emergency Medical Aviation
Police/Law Enforcement Operations
Aerial Advertising
<b>Community Activities</b>
Gateway for High Profile Visitors
Staging Area for Community Events
Location for Community Facilities
Promotional Activities



The economic impacts presented here are grouped into direct, indirect and induced impacts. Direct impacts include the operations of the airport and on-airport businesses. Indirect and induced impacts include local vendor purchases made by airport businesses and spending by their employees. Induced impacts also include establishments where visitors make purchases. In turn, these local businesses and their employees make additional purchases that are captured in the total impact estimates. The total impacts are the sum of the direct impacts at Marana Regional Airport and the indirect and induced impacts created by other local businesses and their employees in the Town of Marana and throughout the Tucson metropolitan area.

These indirect and induced impacts are called multiplier effects. Multiplier effects are a way of representing the larger economic effects on the local economy. The multiplier effects translate

an increase in direct output (loosely defined for service industries as gross sales) into a corresponding total increase in jobs, labor income and output. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities. The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software, and are specific to the economic base of the Town of Marana and Pima County. Industry-specific multipliers were used for each category of impacts.

### Visitor Impacts

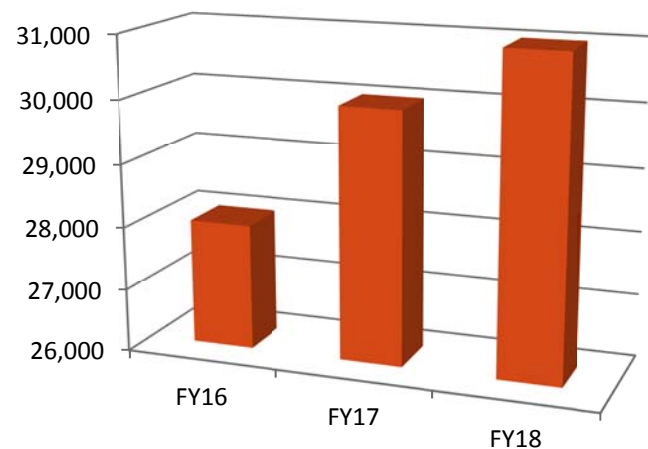
One of the primary impacts on the community from the airport is visitors. The number of annual visitors was estimated based on the number of itinerant operations each year, of which 90 percent are transient and involve non-local visitors. Each transient operation includes two to three visitors. In FY18 there were 31,000 transient operations, resulting in 83,700 visitors. Of that total, 60 percent are overnight visitors whose planes are parked at the airport overnight, and 40 percent are day trip visitors (Table 5). The level of transient operations has consistently increased over the past three years (Figure 1).

**Table 5**  
**Annual Visitor Estimates**

	Non-Local		
	Visitors	Day Trip	Overnight
FY16	50,400	20,160	30,240
FY17	54,000	21,600	32,400
FY18	83,700	33,480	50,220
<b>Total</b>	<b>188,100</b>	<b>75,240</b>	<b>112,860</b>

In order to calculate the impact of visitor spending by non-local visitors, it is necessary to have detailed data on daily spending habits. This analysis uses spending patterns for Southern Arizona from the Arizona Office of Tourism. The average overnight visitor staying in a hotel spends approximately \$274 per day on food, lodging, local transportation, entertainment and retail purchases (Figure 2). About 66 percent of overnight visitors to Southern Arizona stay in hotels. Some of the transient operations from the airport are from day trip visitors who spend an estimated \$73 per person per day.

**Figure 1**  
**Annual Transient Operations**



Next, it is necessary to determine the share of visitor expenditures that are captured in the Town of Marana versus elsewhere in Pima County. For day trip visitors, it is assumed that 100 percent of their expenditures are captured locally, given their choice to fly into the Marana Regional Airport as opposed to some other general aviation facility in the region. For overnight visitors, an estimated 33 percent will stay at a resort hotel in Marana. The remaining overnight visitor expenditures are captured elsewhere in Pima County.



Applying these expenditure levels to the number of annual transient visitors results in total visitor expenditures attributable to the airport of \$7.0 million per year in Marana (including on-airport food and retail spending), and \$7.6 million in other parts of Pima County (Table 6). Visitor spending at establishments in Marana supports an estimated 92 jobs and \$2.3 million in labor income per year, with an additional 149 jobs and \$12.2 million in labor income in other parts of Pima County (Table 7).

**Table 6**  
**Regional Visitor Spending from Airport Visitors**

<b>Spending by Type</b>	<b>Day Trip Spending</b>	<b>Overnight Spending</b>	<b>Total Visitor Spending</b>
Lodging	\$0	\$3,148,794	\$3,148,794
Food	\$842,357	\$3,414,960	\$4,257,317
Entertainment/Recreation	\$407,786	\$1,456,380	\$1,864,166
Retail	\$763,344	\$2,008,800	\$2,772,144
Local Transportation	\$421,848	\$2,109,240	\$2,531,088
<b>Total Spending</b>	<b>\$2,435,335</b>	<b>\$12,138,174</b>	<b>\$14,573,509</b>
Annual Visitors in Marana	33,480	25,110	58,590
<b>Average Daily Spending Per Person</b>	<b>\$73</b>	<b>\$483</b>	<b>\$249</b>

Source: Arizona Office of Tourism, Tucson and Southern Arizona 2017 Year End Data Review.

**Table 7**  
**Annual Visitor Impacts from Local Spending**

	<b>Visitor Spending</b>	<b>Total Impact</b>		
		<b>Output</b>	<b>Jobs</b>	<b>Payroll</b>
Impact in Marana (Off-Airport)	\$6,049,186	\$7,005,309	92	\$2,255,440
Impact Elsewhere in Pima County	\$7,597,282	\$12,179,311	149	\$3,955,126
<b>Total Annual Impacts</b>	<b>\$13,646,468</b>	<b>\$19,184,620</b>	<b>149</b>	<b>\$3,955,126</b>



## Local Vendor Purchases

The next component of the airport economic impact comes from local vendor purchases. The Town spends an estimated \$506,000 locally on behalf of the airport for contractual services, materials and equipment. On-airport businesses make additional purchases, a portion of which are local. These vendor purchases by on-airport businesses are estimated using economic multipliers. Local supplier purchases generate indirect economic impacts and are estimated at \$3.9 million in Marana and \$5.0 million in other parts of Pima County. There are other purchases outside Pima County that are not included here.

## Employee Spending

In addition to impacts from vendor purchases and visitors, the Marana Regional Airport creates economic impacts by virtue of its employees and payroll. A portion of employee payroll is spent at local establishments by employees that live in Marana, and some payroll is spent in other parts of Pima County, in turn supporting other local businesses. Total annual payroll for FY18 for employees working at the airport, including Town staff and other on-airport businesses, is estimated at \$5.4 million.

To calculate the impact of employee spending, information on spending patterns by households was extracted from the IMPLAN model. These household consumption functions account for the wide range of products and services that are purchased by a typical household. Local spending by the employees at the airport, including on-airport businesses and town staff, is estimated about \$3.4 million per year, directly and indirectly supporting about 9 jobs at local businesses in Marana and 35 additional jobs in other parts of the county.

## Summary of Operations Impacts

Table 8 shows a summary of the FY18 annual economic impacts of The Marana Regional Airport (excluding one-time construction impacts). The Town and on-airport businesses directly employ about 124 people with a payroll of \$5.4 million, and indirectly support approximately 360 additional jobs and \$10.7 million in labor income per year at other local businesses in the Town of Marana and throughout the county. The airport created a total economic (output) impact of \$51.5 million in Pima County in FY18, including the direct impacts of on-site operations and the indirect and induced impacts of off-site visitor spending, local vendor purchases and employee spending.

**Table 8**  
**The Marana Regional Airport**  
**Total Annual Economic Impact for FY18**

	Jobs	Payroll	Output
<b>Direct Impact</b>			
Airport Operations	4	\$242,000	\$859,275
Fixed Base Operators	120	\$5,160,000	\$17,065,960
<b>Indirect Impacts in Marana</b>			
Airport Operations	1	\$53,355	\$126,496
Fixed Base Operators	21	\$899,243	\$3,813,511
<b>Induced Impacts in Marana</b>			
Airport Operations	0.4	\$12,695	\$64,888
Fixed Base Operators	8	\$270,682	\$1,383,564
Visitor Impacts	92	\$2,255,440	\$7,005,309
<b>Total Annual Impacts in Marana</b>	<b>246</b>	<b>\$8,893,415</b>	<b>\$30,319,003</b>
<b>Indirect Impacts in Other Pima County</b>			
Airport Operations	2	\$86,861	\$379,488
Fixed Base Operators	46	\$1,801,713	\$4,592,041
<b>Induced Impacts in Other Pima County</b>			
Airport Operations	2	\$61,620	\$182,455
Fixed Base Operators	34	\$1,313,877	\$3,890,369
Visitor Impacts	149	\$3,955,126	\$12,179,311
<b>Total Annual Impacts in Pima County</b>	<b>480</b>	<b>\$16,112,611</b>	<b>\$51,542,667</b>

*Note: Total impact in Pima County includes impact in Marana.*

*The Marana Regional Airport is an important asset to the town, not only in terms of transportation accessibility and as a gateway to the community, but also as an economic development engine, attracting businesses and visitors to the community. The economic benefits of the airport and related on-airport businesses emanate throughout the region.*

