

RUNWAY 6-24 IMPROVEMENT PROGRAM PROVIDES BOOST TO ERIE REGIONAL ECONOMY

The Erie Regional Airport Authority is constructing a 1,920-foot extension to Runway 6-24, which is currently 6,500 ft. long, at Erie International Airport. The first 920 ft. extension is designated as a safety extension. For the 70% of the time when aircraft land and takeoff to the west, the 920 ft. extension would add no usable takeoff or landing runway length – and as a result, the usable length of the runway would remain at 6,500 ft. The additional 1,000 ft extension would increase the usable length of the runway to 7,500 ft., a length more commonly found at U.S. commercial service airports. The 1,000-foot extension would provide the Airport with the ability to accommodate aircraft without the current operational restrictions, creating the potential for new air service at Erie International and the economic benefits that result from new service.

Economic Impact of Construction

Construction of the \$83 million Runway 6-24 Improvement Program will produce 1,822 jobs and a total economic impact (direct, indirect and induced) of \$142.1 million for the Erie region. Bid Package #1, which was approved by the Authority on June 7, 2010, will create 329 jobs and produce a cumulative economic output of \$142 million and \$40.5 million in earnings.

Runway 6-24 Improvement Program	Project Costs	Economic Impacts (a)		
		Output	Earnings	Jobs (b)
Pre-Construction Expenditures	\$ 28,633,556	\$ 40,371,167	\$ 8,503,842	301
Bid Package #1 Award	10,925,079	20,817,739	6,701,444	329
Future Expenditures	43,502,365	80,958,505	25,253,831	1,192
Total	\$ 83,061,000	\$ 142,147,410	\$ 40,459,117	1,822

Note: Economic impact estimates are in 2007 dollars.

(a) Calculated using Type II multipliers which include direct, indirect, and induced impacts. The results are not additive.

(b) Represents the number of jobs created which employ one person for one year over the four-year construction period.

Sources: Multipliers - U.S. Bureau of Economic Analysis Regional Input-Output Modeling System (RIMS II). Construction costs - C&S Engineers

Continuing Economic Impact After Construction

On the basis of a July 2007 report prepared by Eclat (now Oliver Wyman), the new air service expected to accrue from the runway extension would result in at least **\$14.2 million per year in economic benefits** to the local Erie region, as well as the creation of a total of **263 new jobs**, after adjusting for the estimated probabilities of service occurring.

<p>Erie's runway limitations limit its role in the region to that of a secondary airport to the primary airports of Cleveland, Buffalo, and Pittsburgh – all of which have full length runways.</p> <p><i>“There is a major difference between a 6,500 ft. and a 7,500 ft. runway in terms of the ability to operate a fully-loaded aircraft over a longer range. A shorter runway will sacrifice either payload, passengers, or more distant destinations.”</i></p> <p>-- Randy Babbitt, Administrator of the Federal Aviation Administration</p>	<table border="1"> <thead> <tr> <th colspan="2">Runway Lengths (ft.)</th> </tr> </thead> <tbody> <tr> <td>Erie</td> <td>6,500</td> </tr> <tr> <td>Buffalo</td> <td>8,828</td> </tr> <tr> <td>Cleveland</td> <td>9,000</td> </tr> <tr> <td>Pittsburgh</td> <td>11,500</td> </tr> </tbody> </table>	Runway Lengths (ft.)		Erie	6,500	Buffalo	8,828	Cleveland	9,000	Pittsburgh	11,500
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Direct Impact is the output, earnings and employment generated by businesses and government associated with the Runway 6-24 Improvement Program.

Indirect Impact is the output, earnings and employment created by businesses which are not located within the airport but who rely on the airport for their enterprise.

Induced Impact is the additional activity created in the economy by successive rounds of local spending, which stems from the Direct and Indirect Impacts.