

# Wittman Regional Airport Economic Impact Analysis — Detailed Report

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## Introduction

A general aviation airport does not have the public awareness of an airport with commercial airline service, yet it is an important contributor to the economic vitality of the community. Recognizing this fact, in 1998 the Winnebago County Aviation Committee commissioned the Winnebago County UW-Extension office to conduct an economic impact study of the importance of Wittman Regional Airport to Oshkosh and Winnebago County. The data was updated in 2002 and now, once again, in 2007, the County Aviation Committee requested an update of the same study.

The following report includes a summary of the 2007 analysis and a comparison, where appropriate, with the data collected in 1998 and 2002. In 2007, Wittman Regional Airport and businesses located or dependent on the airport were directly responsible for over 580 jobs, \$23.7 million in wage income, and approximately \$1.5 million in annual tax and lease revenues. These businesses also indirectly influence the creation or retention of over 220 additional jobs and \$8.2 million in additional annual income.

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## Wittman Regional Airport

Wittman Regional Airport is a general aviation airport located in Oshkosh, Wisconsin, on the shores of Lake Winnebago. Wittman Regional Airport is home to many businesses including Basler Turbo Conversions (DC-3 plane conversion), Myers Aviation (aircraft rebuilding), Sonex Aircraft, LLC (aircraft manufacturing), NewView Technologies (aircraft maintenance). Two FBOs (fixed based operators), Basler Flight Services and Orion Flight Services, and several flight schools are also located on the airport. The airport is home to nearly a dozen corporate aircraft owned by local businesses which see the economic value of this transportation mode rather than commercial airlines. Wittman Regional Airport is most widely known as the home for the Experimental Aircraft Association (EAA) headquarters, the annual EAA AirVenture Oshkosh and the EAA AirVenture Museum. During the week-long EAA AirVenture Oshkosh, Wittman Regional Airport becomes the busiest airport in the world with 12,000 planes participating in the event.



Wittman Regional Airport was founded in 1927 on 75 acres of land. In 1940, the 125 acre airport was sold to the County and by 1948 there were 4 paved runways on over 300 acres. In 1972, the current terminal was opened and the airport was renamed Wittman Regional Airport after Steve Wittman, the director for 38 years. Wittman Regional Airport is now comprised of 1,400 acres with four runways, a new 145-foot air traffic control tower, 31 multi-purpose hangars, and 77 individual aircraft hangars. Sixteen commercial businesses rent or own hangars and other structures on airport property, while 104 private individuals shelter over 110 aircraft in various hangar facilities. Wittman sees approximately 81,000 take offs and landings each year, 20,000 of which occur during EAA AirVenture. This is nearly 40,000 more operations than Outagamie County Regional Airport, the nearest commercial airline airport.

## Methodology

Over the course of several months, employment, income (i.e., wages) and non-wage expenditure, taxes and lease payment data for calendar year 2007 were gathered through written surveys. Input-output data analysis was completed in August 2009 using a regional economic model called a Social Accounting Matrix (SAM). The method of data analysis was identical to the two previous Wittman Regional Airport Impact studies, however there are differences in the model between the two years that account for some of the differences in output data.

The following report represents a “partial analysis” in that only two economic indicators (employment and income) are

analyzed in detail. The airport has numerous other impacts not covered in this simple analysis. For example, the employment and income created add to the tax-base of the local communities as well as place demands on the services of local governments. The analysis does not attempt to address either the magnitude of such impacts or the balance between them (i.e., whether or not fiscal benefits are greater or less than the demand on local services). Wittman Regional Airport also affects local retail markets (in terms of actual sales levels), housing markets, unemployment levels, and commuting patterns. The analysis reported here does not address or shed light on any of these policy questions.

# Wittman Regional Airport Economic Impact

**Table 1** reports the impact on employment and annual income associated with the airport and its tenants. This is the **Initial Impact** that businesses reported on a written survey.

<b>Table 1. Initial Impact: Jobs and wages (2007, 2002 and 1998)</b>			
	<b>2007</b>	<b>2002</b>	<b>1998</b>
Number of Jobs	581	505	444*
Annual Wages paid	\$23,717,903	\$20,312,706	\$15,212,397

\* in 1998, jobs were split into full time and seasonal. There were 444 full time jobs and 335 seasonal jobs. Only EAA reported seasonal jobs.

**Table 2** reports the total impacts of the **initial and multiplier impacts** resulting from expenditures associated with the airport divided out by economic sector. Multiplier effects are calculated using the SAM model and are based on the idea that employment of one additional person causes ripple effects resulting from this person's consumption of retail, real estate, and other goods in the economy. The implicit (i.e., overall) "income multiplier" used for this analysis was 1.346, meaning that for every \$1.00 of wages paid another \$0.346 in income was created elsewhere. The implicit "employment multiplier" used for this analysis was 1.382, meaning that for every 100 jobs at the airport another 38 were created

elsewhere in the county. It is important to note that in SAM employment is not fulltime equivalent, but rather a mixture of full- and part-time jobs. Some of the employment impacts are then likely to be part-time in nature and must be considered when interpreting the results.

An examination of the impacts reveals that retail trade, construction, manufacturing, and service industries are the most affected. This is expected due to the bulk of the airport impact coming in the form of employees spending their wages in the local economy.

<b>Table 2. Multiplier Effect: Jobs and Wages by Economic Sector (2007)</b>		
<b>Economic Sector</b>	<b>Income (dollars)</b>	<b>Employment (i.e., jobs)</b>
	<b>2007</b>	<b>2007</b>
Agriculture, Forestry, Fish, Hunting and Mining	\$11,380	0.9
Utilities	\$6,443	0.4
Construction	\$4,723,799	67.3
Manufacturing	\$6,907,599	102.8
Wholesale Trade	\$480,643	8
Transportation and Warehousing	\$884,449	39
Retail Trade	\$5,115,794	71.6
Information	\$157,832	2.7
Finance and Insurance	\$651,903	13.8
Real Estate and Rental	\$918,148	23.8
Professional –Scientific and Tech Services	\$907,182	15.2
Management of Companies	\$741,933	6.1
Administrative and Waste Services	\$745,963	24.6
Educational Services	\$3,771,576	240.9
Health and Social Services	\$975,908	22.9
Arts, Entertainment and Recreation	\$49,139	3
Accommodation and Food Services	\$2,328,598	110.7
Other Services	\$372,252	17
Government and non NAICS	\$2,180,232	32.8
<b>Total Multiplier Effect</b>	<b>\$31,930,774</b>	<b>804</b>

When **Initial (Table 1)** and **multiplier impacts** are added together, **the total impact of the Airport is 804 jobs and \$31.9 million of income paid (Table 3).**

<b>Table 3. Summary of Initial and Multiplier Effect (2007, 2002 and 1998)</b>						
	<b>Jobs</b>			<b>Income Paid</b>		
	<b>2007</b>	<b>2002</b>	<b>1998</b>	<b>2007</b>	<b>2002</b>	<b>1998</b>
Initial	581.5	505	512*	\$23.7 mil	\$20.3 mil	\$15.2
Multiplier effect	222.1	222	243	\$8.2 mil	\$9.2 mil	\$8.7 mil
<b>Total</b>	<b>804</b>	<b>727</b>	<b>755</b>	<b>\$31.9 mil</b>	<b>\$29.6 mil</b>	<b>\$23.9 mil</b>
*This is the number used in the model estimated as the total full time jobs plus a fraction of the seasonal jobs — there were 444 full time and 335 seasonal actually reported.						

Data in Table 3 suggest that the airport remained relatively stable, and even experienced some growth between 2002 and 2007. Clusters of related industries, such as what is seen at Wittman Airport, enable healthy competition as well as cooperation, and may allow businesses to benefit from each other’s sales and customers.

**Table 4** summarizes the **initial** and **detailed multiplier impacts** resulting from expenditures associated with the airport and its tenants. The initial impact is due to the entire airport operation, which employs the equivalent of 581 persons with an income of \$23.7 million. Note that this includes the airport itself and all businesses that operate directly on the airport, such as Basler Turbo Conversions and the EAA. Were it not for the airport, the case could be made that these businesses would not be operating in Winnebago County. As in the 2002 study, C.R. Meyer & Sons (a non-aviation related business), is also included in the analysis. C.R. Meyer reported that their business requires an airport and that they would also relocate if the airport were to close.

In Table 4, the multiplier impacts have been aggregated into general categories of impact source (in Table 2 they were reported per economic sector). The “indirect” impact captures the effect of non-wage expenditures (e.g., fuel, office supplies, etc.) associated with the airport. The indirect impact is about \$5.3 million. Appendix A, which compiles study survey responses into a list of businesses patronized by Wittman businesses, puts a face on the indirect impact of airport businesses. The “induced” impact (sometimes called the wage impact) captures the multiplier effect associated with employees spending in the local economy. The induced impact is about \$2.9 million.

**In 2007 Wittman Regional Airport was responsible for over \$31.9 million in increased income and creation of over 800 jobs in Winnebago County.**

<b>Table 4. Total Initial and Detailed Multiplier Impact (2007, 2002 and 1998)</b>						
	<b>Income (dollars)</b>			<b>Employment (i.e., jobs)</b>		
	<b>2007</b>	<b>2002</b>	<b>1998</b>	<b>2007</b>	<b>2002</b>	<b>1998</b>
Initial Impact	\$23,717,903	\$20,312,706	\$15,212,397	581.5	505	512*
Multiplier Effect						
Direct	n/a	7,104,971	n/a	n/a	171	n/a
Indirect	5,276,367	974,305	4,259,166	124.6	23	117
Induced	2,936,500	1,165,554	4,445,994	97.5	29	124
<b>Total</b>	<b>31,930,770</b>	<b>29,557,536</b>	<b>23,917,557</b>	<b>804</b>	<b>727</b>	<b>753 <sup>(1)</sup></b>
*This is the number used in the model estimated as the total full time jobs plus a fraction of the seasonal jobs — there were 444 full time and 335 seasonal actually reported.						
<sup>1</sup> Numbers do not match exactly with tables 2 and 3 due to rounding effects in the model.						

## Fiscal Impacts

Wittman Regional Airport adds to the Winnebago County and City of Oshkosh tax base through personal property and real estate taxes. The airport also utilizes public funds and real estate as part of its operation. As mentioned before, this “partial analysis” did not thoroughly examine the airport’s fiscal impact. It is noteworthy, however, to highlight the impact of two of the airport’s most significant businesses, the EAA and the Hilton Garden Inn. In 2007 the EAA paid real estate, property taxes and lease payments to the Winnebago County and local municipalities totaling over \$519,150, and the Hilton paid over \$206,000 in taxes.

The businesses located at Wittman Regional Airport pay approximately \$847,202 in property and real estate taxes. The tax impacts capture all state and local public revenues (taxes plus fees and charges and other sources of public revenue) generated by the economic activity associated with the Airport.

Additional taxes collected through the multiplier effect totals about \$2.45 million\* for **a total tax impact of \$3.3 million dollars**. In addition, \$657,261 is collected by the county for hangar leases and rental payments by businesses and tenants.

\*Footnote on fiscal impact:

There are three primary reasons the 2007 total tax impact is significantly higher than the 2002 data (which are not shown in this report). 1) The 2007 study used the total number of jobs and wages (direct plus multiplier effect) to calculate the amount of additional taxes generated by these businesses. This methodology differs from the 2002 study, which used only the actual number of jobs and wages to calculate tax impact. 2) The 2002 IMPLAN program used SIC codes versus NAICS codes, which were used in 2007. The difference in how jobs/wages are allocated across industries accounts for some of the difference. 3) 2007 data had higher reported jobs and wages which generates a higher tax impact.

## AirVenture Convention

Another important economic contributor that was not fully taken into account with this study is the EAA AirVenture Convention. A 2008 survey conducted by UW-Oshkosh Center for Community Partnerships cited that the economic impact of the AirVenture is substantial.

This study was authorized and approved by the Winnebago County  
Board of Supervisors Aviation Committee



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## **Appendix A—list of businesses patronized by the Airport and its tenants**

AGA Gas	LaSures	TD Services
Airgas AGC	Levenhagen Corp.	Tom Rothe SC
AmericInn	Linda's Upholstery	Tower Paint
Associated Bank	Loren's Auto Transport	University of Wisconsin-Oshkosh
Aurora Health	Malkowsky Hergert	Valley Pest Control
Badger Mailing & Shipping	McClone Insurance Agency	Valvoline Instant Oil Change
Badger Mill Supply	Menard's	Veolia Environmental Services
Basler Flight Service	Mineral Spring Water	Victory Wash
Basler Turbo	Miscellaneous Retailers (Target, O-Max, etc.)	Viking Electric
Batteries Plus	Myers Aviation, Inc.	Weston Photo
Beez Electric	NAPA	Winnebago County
Belter Tube Bending	New View Technologies, Inc.	Winnebago County Sheriff Dept
Berndt Excavating	NTD	Winnebago County Solid Waste
Black Wolf Design	OEC Graphics	Winnebago Liquid Waste
Block Iron & Steel	Office Max	WPS
Blue Print Service	Orion Flight Service	Zillges Materials
Carpet & Flooring Showcase	Orion-Basler	
Cartridge World	Oshkosh Coil Spring	
City of Oshkosh Water & Sewage	Oshkosh Corporate Hangar, LLC	
CJ Trophies & Gifts	Oshkosh Hilton	
Corporate Aircraft Consulting, LLC	Oshkosh Ironworks	
Custom Fiberglass	Oshkosh Lumber	
D T Truck Repair	Oshkosh Tent & Awning	
Dave Rabe	Oshkosh Trophy	
DPI Printing	Park Plaza Hotel	
Fairfield Inn-Oshkosh	Phillips Tax & Accounting, Inc.	
Falcon Insurance Co.	Pick'n Save	
Fastenal	Pingry Caswell	
Festival Foods	Quality Truck Care Center	
Fleet Farm	Racette Ford	
Fox Valley Metrology	Riester & Schnell	
Fratellos/Fox River Brewing	RJ Albright	
Gartman Mechanical Services	Rustic Road Embroidery	
Griese Construction	Scharpf's Office Products	
Hilton	Service Oil company	
Holiday Inn Express	Sherwin Williams	
Home Planet	SMC	
House of Flowers	SMT, Inc,	
J Stadler Machine	Specialty Enterprises	
Jay Manufacturing	Staples	
Kitz & Pfeil Hardware	Stein Garden & Gifts	
Koch Plumbing	Steinert Printing Company	
Kunde Memorials	Stuarts Landscape	
Kwik Trip	Super 8	
LaQuinta-Oshkosh		