



**MEMORANDUM** Agenda Item No. 11(B).3

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**TO:** Honorable Chairperson Barbara Carey-Shuler, Ed. D. and Members  
Board of County Commissioners

A handwritten signature in black ink, appearing to read "G. Burgess".

**FROM:** George M. Burgess  
County Manager

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**DATE:** October 7, 2003

**SUBJECT:** Report - Economic Impact Study  
for Miami International Airport  
and the General Aviation Airports

Pursuant to the instructions of the Honorable Dennis C. Moss, Chairman of the Transportation Committee, the attached subject Economic Impact Study is provided to the Board. This study is informational only in nature and requires no further action on the part of the Board.

Thank you.

Attachments

**THE ECONOMIC IMPACTS OF  
MIAMI INTERNATIONAL AIRPORT  
AND THE  
GENERAL AVIATION AIRPORTS  
WITHIN THE  
MIAMI-DADE COUNTY AIRPORT SYSTEM**

**2002**

***EXECUTIVE SUMMARY***

**JULY 28, 2003**

**PREPARED FOR:  
THE MIAMI-DADE  
AVIATION DEPARTMENT**

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## EXECUTIVE SUMMARY

This report details the economic impacts of passenger and air cargo activity at Miami International Airport, as well as the economic impacts of the general aviation airports that operate within the Miami-Dade County Airport System – Kendall-Tamiami Executive Airport, Opa-Locka Airport, Homestead General Airport, the Training and Transition Airport in Collier County, and the Opa-Locka West Airport. The impacts on the Miami metropolitan region, as defined by the counties of Broward, Collier, Miami-Dade, Monroe, and Palm Beach, are quantified in terms of:

- ***Jobs***
- ***Employee earnings***
- ***Business revenue***
- ***State and local taxes and Federal airport-specific taxes.***

The impacts are estimated for the passenger and air cargo activity at Miami International and the general aviation airports for the calendar year 2002.

An airport-specific impact model has been developed for each airport, which can be used to estimate the impacts associated with capital construction and expansion projects at the airport, as well as to test the sensitivity of impacts to changes in:

- Passenger levels
- International versus domestic passengers
- Passenger trip purpose
- Peak hour flight levels and mix of aircraft
- Labor productivity and work rules
- Air cargo levels
- New construction projects and runway expansions.

The methodology used in this analysis has been used by Martin Associates to estimate the economic impacts generated by airport activity at major airports such as Hartsfield Atlanta International Airport, San Francisco International Airport, Washington's Ronald Reagan National Airport and Dulles International Airport, Sea-Tac International Airport, Minneapolis International Airport, Sacramento International Airport, Baltimore/Washington International Airport, Milwaukee International Airport, San Jose International Airport and Oakland International Airport.

The airport generated impacts (those generated by passenger, air cargo and general aviation activity at the airports), and the visitor industry impacts (those generated by passenger activity at Miami International and the general aviation airports in the Miami visitor industry) are presented separately in Table E-1, as are the combined impacts.

Table E-1  
 Economic Impacts of the Miami International Airport and the  
 General Aviation Airports Operated Within the Miami-Dade County Airport System

IMPACTS	MIA -SITE GENERATED	MIA VISITOR INDUSTRY	GA-SITE GENERATED	GA VISITOR INDUSTRY	TOTAL IMPACTS
<b>JOBS</b>					
DIRECT	37,425	95,044	1,119	129	133,717
INDUCED	15,849	23,051	449	30	39,379
INDIRECT	<u>22,459</u>	<u>43,593</u>	<u>1,814</u>	<u>59</u>	<u>67,925</u>
<b>TOTAL</b>	<b>75,733</b>	<b>161,688</b>	<b>3,382</b>	<b>218</b>	<b>241,021</b>
<b>PERSONAL INCOME (MILLIONS)</b>					
DIRECT	\$1,524.9	\$1,571.7	\$42.2	\$2.1	\$3,140.9
INDUCED	\$1,539.7	\$1,420.8	\$42.6	\$1.9	\$3,005.0
INDIRECT	<u>\$666.1</u>	<u>\$1,042.2</u>	<u>\$50.1</u>	<u>\$1.4</u>	<u>\$1,759.8</u>
<b>TOTAL</b>	<b>\$3,730.7</b>	<b>\$4,034.7</b>	<b>\$134.9</b>	<b>\$5.5</b>	<b>\$7,905.8</b>
<b>AVERAGE INCOME/DIRECT EMPLOYEE</b>	<b>\$40,745</b>	<b>\$14,906</b>	<b>\$37,683</b>	<b>\$16,550</b>	
<b>BUSINESS REVENUE (MILLIONS)</b>	<b>\$9,483.6</b>	<b>\$8,972.6</b>	<b>\$152.0</b>	<b>\$12.9</b>	<b>\$18,621.1</b>
<b>LOCAL PURCHASES (MILLIONS)</b>	<b>\$1,223.6</b>	<b>\$1,670.2</b>	<b>\$87.4</b>	<b>\$2.3</b>	<b>\$2,983.5</b>
<b>STATE AND LOCAL TAXES (MILLIONS)</b>	<b>\$347.0</b>	<b>\$375.2</b>	<b>\$12.5</b>	<b>\$0.5</b>	<b>\$735.3</b>
<b>FEDERAL GOVERNMENT AVIATION - SPECIFIC TAXES (MILLIONS)</b>	<b>\$404.9</b>	<b>NA</b>	<b>\$0.5</b>	<b>NA</b>	<b>\$405.3</b>

Overall, the passenger and air cargo activity at Miami International and the general aviation airports generated 241,000 jobs in the Miami metropolitan area, \$7.9 billion of direct, induced and indirect personal income, \$18.6 billion of business revenue, \$735 million of state and local taxes, and \$405 million of federal aviation specific taxes.

The majority of the impacts are generated by Miami International Airport. In 2002, 30.1 million passengers used the airport and 1.8 million tons of air cargo was handled at Miami International. Miami International Airport is a key international gateway. Of the 1.8 million tons of air cargo handled at the airport, 1.3 million tons is international air cargo. Similarly, 48% of the passengers using the Miami International Airport are flying on international flights. This passenger and air cargo activity created a significant economic impact throughout the Miami metropolitan area, and it is the purpose of this study to quantify the economic contribution of the airport on the local and regional economies.

***MIAMI INTERNATIONAL AIRPORT EMPLOYMENT IMPACTS***

Activity at the Miami International Airport supported 237,421 direct, induced and indirect jobs in the Miami metropolitan area.

### **Airport Generated Employment Impacts**

In 2002, passenger and airport activity at Miami International Airport generated 37,425 direct jobs, of which the majority, 11,357 jobs were employed directly with airlines serving the airport. About 95 percent of the direct jobs are held by residents of the Miami metropolitan area.

Because of the local purchases by the 37,425 directly employed, an additional 15,849 induced jobs were supported in the local economy. The majority of these induced jobs are supported in the local and state government, professional and personal services sector of the economy, followed by jobs in the local grocery stores and restaurants and with the local housing and real estate sector.

As the result of \$1.2 billion of local purchases by the firms dependent upon the airport, an additional 22,459 **indirect jobs** were supported in local office supply firms, retail and wholesale outlets, telecommunications firms and machine and parts firms.

### **Visitor Industry Employment Impacts**

In 2002, of the 15 million passengers boarding flights at Miami International Airport, 7.3 million were visitors to the Miami area. An in-terminal survey was conducted as part of this study to develop visitor profiles of expenditure activity while in Miami, length of stay in the area, purpose of the trip to Miami, and whether the passenger is a foreign resident or a resident of the United States.

Of these 7.3 million visitors to the Miami area in 2002, about 3.8 million are domestic passengers, while the remaining 3.5 million are international visitors to the Miami area.

These 7.3 million visitors spent nearly \$9.0 billion in the Miami visitor industry in 2002 for food, lodging, entertainment services, retail purchases and transportation services. These \$9.0 billion of visitor industry purchases supported 95,044 direct jobs in the Miami area visitors industry.

As the result of local purchases by these 95,044 employees of the Miami visitor industry, an additional 23,051 induced jobs were supported in the local economy. Furthermore, as the result of \$1.7 billion of local purchases by the firms dependent upon the Miami visitor industry, an additional 43,593 indirect jobs were supported, for a total visitor industry impact of 161,688 direct, induced and indirect jobs.

### **BUSINESS REVENUE IMPACT**

Passenger and air cargo activity at Miami International Airport generated \$18.5 billion of business revenue to firms providing services at the airport and to local visitor industry firms.

### **Airport Generated Business Revenue**

The passenger and air cargo activity at Miami International Airport created \$9.5 billion of business revenue to firms supplying passenger and air cargo services at the airport. The majority of this revenue was received by airlines carrying the enplaning passengers at Miami International Airport, while air cargo operations generated 17 percent of the \$9.5 billion of business revenue.

### **Visitor Industry Revenue Impacts**

In 2002, the local area visitors industry received \$9 billion in revenue from the 7.3 million visitors arriving in the Miami area via Miami International Airport. These purchases were made for lodging, food, retail, entertainment, and transportation services.

### **MIAMI INTERNATIONAL AIRPORT PERSONAL INCOME IMPACTS**

A total of \$7.8 billion of wages and salaries were generated as the result of passenger and air cargo activity at Miami International Airport in 2002, including the re-spending impact and indirect income impact.

### **Airport Generated Income Impacts**

In 2002, the 37,425 direct employees earned \$1.5 billion of wages and salaries from airport activity. This represents an average salary of \$40,745. In contrast, the average salary for the Miami metropolitan area is \$34,968. Thus, those directly dependent on the airport earn about 16.5 percent more than the average salary in the metropolitan area. As a result of the higher salary, direct employees of the airport will tend to have a greater re-spending impact in the local economy, in turn supporting additional induced jobs. Based on data from the U.S. Department of Commerce, Bureau of Economic Analysis, it is estimated that an additional \$1.5 billion of personal income and local consumption expenditures were generated.

In addition, the 22,459 indirect job holders received \$666.1 million of indirect wages and salaries. Combining the direct, induced and indirect income impact, the total local wage impact of the Miami International Airport is estimated at \$3.7 billion in 2002.

### **Visitor Industry Income Impacts**

The 95,044 directly generated jobs in the Miami visitors industry received wages and salaries totaling \$1.6 billion. As the result of re-spending of this income, an additional \$1.4 billion of income and consumption expenditures were generated. Furthermore, the 43,593 indirect job holders supported by the \$1.7 billion local purchases by Miami visitors industry firms dependent upon the visitors using the airport received nearly \$1 billion of indirect wages and salaries.

## ***MIAMI INTERNATIONAL AIRPORT TAX IMPACTS***

Airport activity at Miami International Airport, including visitor industry impacts, generated \$722.2 million of state, county, and municipal taxes; \$405 million of Federal aviation-specific taxes; and \$185.1 million of U.S. Customs revenue.

### **Airport Generated Taxes**

Direct airport activity generated approximately \$347 million of state, county, and municipal taxes in 2002. Of the \$347 million of direct tax revenue, \$179.1 million were received by the State of Florida, and \$167.9 million of tax revenue from airport activity were received by the county and municipal governments.

Finally, as a result of passenger and air cargo activity, \$404.9 million of Federal aviation-specific taxes are generated. These taxes include the domestic passenger departure tax, the air cargo tax, and taxes on departing and arriving international passengers. In addition to the aviation-specific taxes, the federal government also received about \$185.1 million in U.S. Customs receipts from airport activity in 2002.

### **Visitor Industry Tax Impacts**

As the result of the 7.3 million visitors to the Miami metropolitan area, \$375.2 million of state, county and municipal taxes were generated.

## ***GENERAL AVIATION AIRPORTS EMPLOYMENT IMPACTS***

Activity at the general aviation airports operated within the Miami-Dade County Airport System (Kendall-Tamiami Executive Airport, Opa-Locka Airport, Homestead General Airport, Opa-Locka West and the Training and Transition Airport in Collier County) supported 3,600 direct, induced and indirect jobs in the Miami metropolitan area.

### **Airport Generated Employment Impacts**

In 2002, there were about 420,000 operations at the general aviation airports. This activity generated 1,119 direct jobs in the Miami metropolitan area.

Because of the local purchases by the 1,119 directly employed, an additional 449 **induced jobs** were supported in the local economy.

As the result of \$87.4 million of local purchases by the firms dependent upon the general aviation airports, an additional 1,814 **indirect jobs** were supported in local office supply firms, retail and wholesale outlets, telecommunications firms and machine and parts firms.

### **Visitor Industry Employment Impacts**

In 2002, it is estimated that 160,000 passengers passed through Kendall-Tamiami Executive Airport, Opa-Locka Airport, and Homestead General Airport. In-terminal surveys were conducted at each of these airports as part of this study to develop visitor profiles of expenditure activity while in Miami, length of stay in the area, and the purpose of the trip to Miami.

Of these 160,000 passengers to the Miami area moving via these general aviation airports in 2002, about 65,000 are visitors to the area, while the remaining 95,000 passengers are residents of the Miami area.

These 65,000 visitors spent nearly \$13 million in the Miami visitor industry in 2002 for food, lodging, entertainment services, retail purchases and transportation services. These \$13 million of visitor industry purchases supported 129 direct jobs in the Miami area visitors industry.

As the result of local purchases by these 129 employees of the Miami visitor industry, an additional 30 induced jobs were supported in the local economy. Furthermore, as the result of \$2.3 million of local purchases by the firms dependent upon the Miami visitor industry, an additional 59 indirect jobs were supported, for a total visitor industry impact of 218 direct, induced and indirect jobs.

### ***GENERAL AVIATION AIRPORTS BUSINESS REVENUE IMPACT***

Passenger and general aviation activity at the general aviation airports generated \$164.9 million of business revenue to firms providing services at the general aviation airports and to local visitor industry firms.

### **Airport Generated Business Revenue**

The passenger and general aviation activity at the general aviation airports created \$152 million of business revenue to firms supplying passenger and air cargo services at the airport.

### **Visitor Industry Revenue Impacts**

In 2002, the local area visitors industry received \$12.9 million in revenue from the 65,000 visitors using Homestead General, Kendall-Tamiami Executive, and Opa-Locka general aviation airports.

### ***GENERAL AVIATION AIRPORTS PERSONAL INCOME IMPACTS***

A total of \$140.4 million of wages and salaries were generated as the result of general aviation and passenger activity at the general aviation airports, including the re-spending impact and indirect income impact.

### **Airport Generated Income Impacts**

In 2002, the 1,119 direct employees earned \$42.2 million of wages and salaries from airport activity. This represents an average salary of \$37,683. In contrast, the average salary for the Miami metropolitan area is \$34,968. Based on data from the U.S. Department of Commerce, Bureau of Economic Analysis, it is estimated that an additional \$42.6 million of personal income and local consumption expenditures were generated.

In addition, the 1,814 indirect job holders received \$50.1 million of indirect wages and salaries. Combining the direct, induced and indirect income impact, the total local wage impact of the general aviation activity is estimated at \$134.9 million in 2002.

### **Visitor Industry Income Impacts**

The 129 directly generated jobs in the Miami visitors industry received wages and salaries totaling \$2.1 million. As the result of re-spending of this income, an additional \$1.9 million of income and consumption expenditures were generated. Furthermore, the 59 indirect job holders supported by the \$2.3 million local purchases by Miami visitors industry firms dependent upon the visitors using the general aviation airports received nearly \$1.4 million of indirect wages and salaries.

### ***GENERAL AVIATION AIRPORTS TAX IMPACTS***

Airport activity at the general aviation airports, including visitor industry impacts, generated \$13.1 million of state, county, and municipal taxes; and \$0.5 million of Federal aviation-specific taxes from charter passengers.

### **Airport Generated Taxes**

Direct airport activity generated approximately \$12.5 million of state, county, and municipal taxes in 2002. Of the \$12.5 million of direct tax revenue, \$6.5 million were received by the State of Florida, and \$6 million of tax revenue from general aviation airport activity were received by the county and municipal governments.

Finally, as a result of passenger activity on charter flights, \$0.5 million of Federal aviation-specific taxes are generated.

### **Visitor Industry Tax Impacts**

As the result of the 65,000 visitors to the Miami metropolitan area, \$0.5 million of state, county and municipal taxes were generated.

In summary, this analysis of impacts demonstrates the economic development contribution of Miami International Airport and the general aviation airports operated within the Miami-Dade

County Airport System to the Miami regional economy. In order to continue to grow its economic contribution, it is essential that the Miami-Dade Aviation Department continues to adjust and accommodate the growing passenger and air cargo demands with adequate facilities and services.