



**AIRPORT: Kenmore Air Harbor, Inc. SPB (S60)**  
**ASSOCIATED CITY: Kenmore**  
**ARC: A-I**  
**Region: Central Puget Sound**

**AIRPORT DATA AND FACILITIES**

Kenmore Air Harbor Seaplane Base is located in King County on Lake Washington, one mile north of Seattle. There are 100 single-engine seaplanes based at the Seaplane Base. The latest available data indicate that the facility had a total of 16,000 annual operations. In 1998, 14,057 passengers were enplaned at Kenmore Air Harbor Seaplane Base, classifying it as a primary commercial service airport. Kenmore Air provides service from Kenmore to its Lake Union facility, from which it serves Washington's San Juan Islands and various waterways in Victoria, British Columbia. The Seaplane Base has two waterways. Waterway 16-34 is 10,000 feet long and 1,000 feet wide, while Waterway 18-36 is 3,000 feet long and 1,000 feet wide.

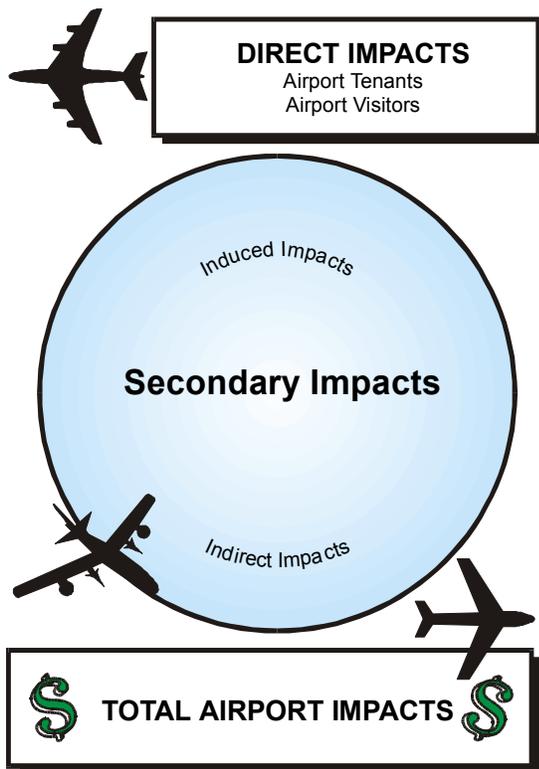


**ECONOMIC IMPACTS**

The economic impacts of Washington's airports were calculated using a methodology which has evolved over the past decade and is nationally recognized as the standard for conducting economic impact studies of airports. The methodology is consistent with analytical models used by the Federal Aviation Administration (FAA), and employs the use of direct survey information and an input/output model (IMPLAN) as developed by the U.S. Department of Commerce to determine multipliers specific to the state of Washington for "secondary" economic impacts.

Types of Economic Impact - This study identified and examined those aviation activities at the public use airports in Washington that created economic impacts. These impacts are generated in three ways: 1) Direct, 2) Indirect, and 3) Induced Effects. Combined, the three impact types yield the total economic impacts of an airport, as described below:





**DIRECT ECONOMIC IMPACTS**

These economic impacts occur as a consequence of providing aviation services. These impacts usually occur at the airports, and comprise the financial expenditures by firms which carry passengers (air carrier, air charter or air taxi) or cargo; firms which serve the air carrier and general aviation functions (airport tenants); governmental agencies which support aviation; ground transport firms; and others. In every instance, the impacts include only expenditures where the recipient is located within each airport's service area.

Kenmore Air owns and operates the Seaplane Base and is the only tenant. There were approximately 4,000 visitors to the facility as a result of general aviation operations. Additionally, there were approximately 5,623 visitors to the facility as a result of commercial service operations.

The total direct output as a result of general aviation and air carrier visitors was approximately \$13,099,977. These first-round expenditures were responsible for nearly 167 jobs, resulting in wages of \$3,769,909.

**INDIRECT ECONOMIC IMPACTS (Secondary Impact)**

These economic impacts occur as a result of the use of aviation service. They include the regional expenditures made by air passengers who visit the region (at hotels, restaurants, ski facilities, etc.); expenditures by the region's residents associated with their use of aviation; and expenditures by firms having economic activity which is dependent on the airport. These indirect impacts accounted for output of \$3,244,480, and employment of nearly 40 jobs, which generated a payroll of \$1,338,506.

**INDUCED ECONOMIC IMPACTS (Secondary Impacts)**

The "indirect" and "direct" impacts represent increases in regional final demand. Such increases do not represent total economic impact; there is also a "multiplier" effect. This multiplier effect comprises the local value of money as it circulates through the local economy and as individuals or firms associated with airport business buy goods and services in the local economy. Induced impacts accounted for output of \$2,906,674. This supported employment of approximately 36 jobs with wages of \$993,777. Each airport's total economic impact is the sum of the three types of impacts.





## TOTAL ECONOMIC IMPACTS

The total economic impact across the state were quantified by adding together the direct, indirect and induced impacts for each airport, and interpreting, comparing, and presenting the results.

The output of the IMPLAN model enabled the presentation of total economic impacts by airport in terms of three economic impact measures: 1) jobs (employment); 2) earnings (payroll), and; 3) economic activity (output). Each of these was determined based on individual multipliers per industry categories. In each case, total impacts include the aviation sector itself, as well as the "multiplier effect" of the aviation sector. The impacts were estimated using Year 1998 data.

All three indicators of economic impact are useful; however, the monetary measures should not be added together, as discussed below:

- **Jobs (Employment)** - The number of employees who are employed in the aviation industry, plus the aviation-oriented share of those that are employed in sectors that support the air passenger (hotels, restaurants, etc.) plus those employed in the industries included in the multiplier effect impacts. The number of jobs attributable to an industry is always greater than simply those in the industry itself, due to the "re-spending" of money. Total employment impact was approximately 243 jobs.
- **Labor Earnings (Payroll)** - The sum of the wages and salaries to all employed persons that the aviation industry pays, directly or indirectly, to deliver the output of final aviation demand. Earnings Impacts are always included in the Economic Activity totals, so they should not be summed with the Economic Activity impact. Earnings are a very conservative proxy for "value added." Earnings may be greater or less than the Direct and Use values depending on the industry type. Total earnings impact was estimated at \$6,102,193.
- **Economic Activity (Sales Output)** - The value of the aviation final demand (aviation or airport service), plus the "multiplier" effect (the sum of all of the intermediate goods and services needed to produce the aviation final demand, plus the induced impacts of increased household consumption). Total economic activity equals the sum of intermediate demands, consumption demand, government demand, investment demand, and net export demand. Economic Activity is always larger than both the Direct and Use values because it includes the multiplier effect. Total economic activity for Kenmore Air Harbor's Kenmore facility was approximately \$19,251,131.





	<b>Direct Impacts</b>	<b>+ Indirect Impacts</b>	<b>+ Induced Impacts</b>	<b>= Total Impacts</b>
<b>Jobs (Employment)</b> 	<b>Number of Jobs Supported</b>	<b>Number of Jobs Supported</b>	<b>Number of Jobs Supported</b>	<b>Total Number of Jobs Supported</b>
	166.8	40.1	36.4	243.4
<b>Labor Earnings (Payroll)</b> 	<b>Annual Salary Supported</b>	<b>Annual Salary Supported</b>	<b>Annual Salary Supported</b>	<b>Total Annual Salary Supported(Dollars)</b>
	\$3,769,909	\$1,338,506	\$993,777	\$6,102,193
<b>Economic (Sales Output)</b> 	<b>Contribution to Economy (Dollars)</b>	<b>Contribution to Economy (Dollars)</b>	<b>Contribution to Economy (Dollars)</b>	<b>Total Contribution to Economy (Dollars)</b>
	\$13,099,977	\$3,244,480	\$2,906,674	\$19,251,131

**SUMMARY**

On an annual basis, Kenmore Seaplane Base’s tenants and its visitors in King County, Washington contributed the following total annual economic benefit:

**Jobs  
(Employment)**



**Total 243.4**

**Labor Earnings  
(Payroll)**



**Total \$6,102,193**

**Economic Activity  
(Sales Output)**



**Total \$19,251,131**

