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Local News

Will a bigger runway boost the local economy?

By Adam Bednar, Times Staff Writer

Sunday, September 20, 2009

Carroll County government officials don't expect a new \$72.08 million runway at the Carroll County Regional Airport will have Fortune 500 companies clamoring to relocate to the area.

But they argue that the new runway, which will be paid for primarily by the Federal Aviation Administration, certainly won't hurt in attracting new businesses.

Larry Twele, the county's director of economic development, said the airport is one of the county's best gateways for business development.

"We get inquiries that look to that facility as supplementing their business," Twele said.

Business leaders don't want to fly

into Baltimore/Washington International Thurgood Marshall Airport and drive an hour if they're going to do business in the county, Airport Manager Joe McKelvey said.



Dylan Slagle/Staff Photo
A plane approaches the Carroll County Regional Airport in Westminster in June 2007.

Having an airport where someone can get off the plane and be at their destination in Carroll County within minutes and leave shortly after finishing meetings is attractive to businesses, he said.

Dan Hubbard, a spokesman for the National Business Aviation Association, said having an airport that can handle corporate aircraft is attractive to companies thinking about where to locate some or all of their business.

"Most of the time businesses use the smaller community airports. ... Having access into those airports can be a very powerful incentive to locate at or near the airport," Hubbard said.

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The airport currently can handle most corporate jets, but the new runway will be longer and will have wider separation between the taxiway and the runway, making it safer to land there, McKelvey said.

Despite the anticipated positives, the county can't specifically say what the new runway will mean in terms of economic impact on the county.

Cindy Parr, chief of administrative services, said judging the value of the new runway by its direct economic impact is only one way to measure the project.

"I think [the new runway] has always been viewed as an enhancement," Parr said.

Sage Policy Group, in an economic assessment done for the county and released in 2007, estimated that the airport would provide 49 jobs directly and provide \$2,703,000 in direct personal income by fiscal year 2010.

The airport will be directly responsible for 60 jobs and more than \$3 million in personal income by 2020, according to the same report.

Opponents of the project are skeptical of the county's assertion that the new runway will result in economic benefits.

"I just don't see how extending an airport will bring more business into Carroll County," said Tad Rau, an Indian Valley Trail resident.

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Others said that because of the state of the economy, they just don't like the amount of money being spent, whether federal or county.

"I object to the [new runway] simply because of the cost," Littlestown Pike resident Harry Baumgardner said.

Predicting the future

It's nearly impossible to nail down the exact economic impact of airport expansions on a specific local economy.

Comparing the impact from one airport to another doesn't work because there are too many variables between locations.

Peter VanDoren, a senior fellow at the Cato Institute, said many transportation economists are skeptical of the impact that federally funded improvements like the one in Carroll County have on local economies.

He said there has been a lack of third-party academic studies to verify government claims that these projects do help local economies.

The Transportation Research Board and its Airport Cooperative Research Program have studied the methods and models for determining the impact of airports on the economy.

However, a survey used in a 2008 Airport Cooperative Research Program report on economic assessments of airports found that most companies that provide the analysis said there is a lack of follow-up done to verify the predictions.

There have been two economic impact studies done on what the runway expansion will bring to Carroll County.

Both studies, one by the Sage Policy Group and the other by Martin and Associates, determined that the benefits of building a new runway outweighed any negatives associated with the project.

The studies predicted increased revenues for the county as well as more money being filtered through the local economy.

But many residents around the airport are skeptical of the future benefits to the community and feel their rights as property owners are being infringed upon. They say the airport expansion will erode their property values. The drop in property values will mean a lower tax base that will adversely affect the county.

"I would expect the values to go down because of the extreme noise and congestion," Indian Trail resident Paul Crone said.

Rau said he doesn't know for sure that the new runway will cause his property values to drop, but said that people that live near the airport are now required to disclose information about the proposed new runway if they intend to sell their house.

Academic studies done on airports throughout the world have shown that there are links between increased noise associated with airports and lower home values.

Most of the research, though, has focused on large airports with existing commercial operations.

The county maintains that the new runway won't lead to higher noise levels for the people surrounding the airport.

Noise levels might go down because new generations of corporate jets are quieter than earlier models and would be able to use the airport once the runway and taxiway changes are made, McKelvey said.

Enterprise fund

Another matter of debate about the economic viability of the airport is whether it can remain a self-sustaining entity or if it will continually need more taxpayer dollars.

The airport is funded through one of five enterprise funds in the county.

Enterprise funds are for self-sustaining entities in the county that don't have to be paid for as a line item in the budget each year.

However, many critics of the airport say it isn't sustaining itself and is a drain on taxpayer dollars.

According to Ted Zaleski, the county's director of management and budget, there is no reason to expect the enterprise fund to run a deficit.

He said the fund is expected to remain solvent for the foreseeable future.

According to figures from the county budget, the airport's expenses outpaced its revenues by more than \$700,000 in fiscal year 2008. This was the first time in at least three years that revenues didn't cover expenses.

The reduction in revenue was the result of the county using enterprise funds to buy out fixed-based operator West Air, as well as revenue lost because of vacant hangars, Parr said.

That loss was erased in fiscal year 2009 and the county doesn't anticipate the fund running a deficit in fiscal year 2010.

In fact, the government is expecting net revenue from fuel sales to increase by \$36,000 in fiscal year 2010.

The new runway will help increase revenue coming into the airport, McKelvey said.

The longer runway will mean that larger corporate jets will be able to take on more fuel.

The current runway is too short for some planes to fuel all the way up and still attain the speed necessary for takeoff.

More fuel being sold means more money going back into the enterprise fund. Excess money from the enterprise fund rolls over from one year into the next and continues to be used for maintaining and operating the airport.

There are no laws preventing the county from taking money out of an enterprise fund and spending it elsewhere, Zaleski said. However there isn't a good reason for the county to spend enterprise money elsewhere, he said.

"The only reason to set up an enterprise fund is to create separation between two pots of money," Zaleski said.

Commercial air service

Even after a new runway is completed, government officials do not expect Carroll County Regional Airport will offer commercial passenger flights.

County government officials deny any interest in bringing a commuter air service to the airport.

Still, several residents during public hearings have expressed concerns that the new runway is just another step toward

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bringing commercial air operations to the county.

"If they build it they will use it," Crone said. "I don't know why you would [build the runway] unless they intend to bring in a commercial flight."

According to the Sage Policy Group's assessment of the airport's anticipated economic impact, the new runway would be able to accommodate Boeing 737 passenger jets.

"However, no current or prospective airport user announced an intention to fly a 737 into [the airport], and all expressed doubt with respect to the likelihood of any user utilizing [the airport] for such a purpose," according to the assessment.

McKelvey said the airport may be able to handle a plane that size landing there, but called the scenario unlikely. The proposed new runway would not be strong enough to handle the pounding of commercial airliners repeatedly landing on it.

Also, he said, offering commercial flights so close to BWI would be "kind of dumb."

Share your thoughts about the airport expansion on the Community Conversations blog at www.carrollcountytimes.com/talk/comm_con.

Reach staff writer Adam Bednar at 410-751-5908 or adam.bednar@carrollcountytimes.com.

Businesses that have used Carroll County Regional Airport

A county list of companies and groups that

- Aircraft Holding Co.
- Avantair Inc.
- Balder Electric
- Baltimore Ravens
- BB&T
- Belk Simpson
- BFA Leasing
- Black Gold
- Borgata
- BunAir Inc.
- Cessna Aircraft Co.
- Citation Shares
- Clay Lacey Aviation
- Commander Aviation
- Corporate Wings Inc.
- Cross and Co.
- El Jefe Aviation
- Emerging Growth Advisors
- First Flight
- Flexjet
- General Dynamics
- General Mills
- Grande Aviation LLC
- Haverfield Aviation
- Howard County Police
- Jadair International Inc.
- JAFU Air
- J.W. Childs
- Jos. A. Bank Clothiers
- Lincoln Construction
- Magna International
- Marada
- Maryland Iron
- Maryland State Police
- Massachusetts Mutual Life Insurance
- Master Brand Cabinets
- Met Life