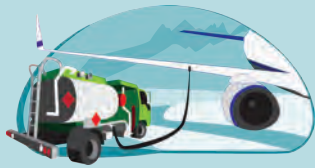


Economic Impact of the Juneau International Airport



JOBS - 1,082

687 direct + 395 indirect/induced



LABOR INCOME - \$63 Million

\$50M direct + \$13M indirect/induced



BUSINESS ON SITE - 50+

TOTAL ECONOMIC EFFECT - \$174 Million

(income + spending, all)



TRAVELERS - 685,740 **(arriving + departing)**

Airline - 620,837
Helicopter - 64,903

A look at the role that the Juneau International Airport plays in Juneau's economy is part of the 2017 Juneau Airport Sustainability Master Plan.

The Airport is Vitrally Important to the Juneau Economy



Demand for air transportation goods and services in Juneau in 2014 created:

- 1,082 jobs
- Over 50 businesses located at the Airport
- \$63 million in labor income
- \$174 million in income and spending
(These totals include direct, indirect, and induced jobs (average annual), income, Capital, and Operations and Maintenance spending.)



If the Airport were an economic sector, its 2014 direct employment (private, federal, CBJ) and wages would make it the same size as Juneau's Construction sector, twice as big as Juneau's Manufacturing sector, larger than Retail Trade's Food and Beverage sector, and about 80% the size of the Mining sector.

The Airport Plays a Critical Role in Juneau and the Region



Juneau residents, businesses and neighboring Southeast Alaskans depend on the Juneau International Airport to transport people, freight, and mail to and from the region.



In combination with Juneau's ports, the Airport is critical to ensuring security, public health and safety, unimpeded economic trade, and public confidence.

The Airport Provides Time-Sensitive Transport Needed by Many



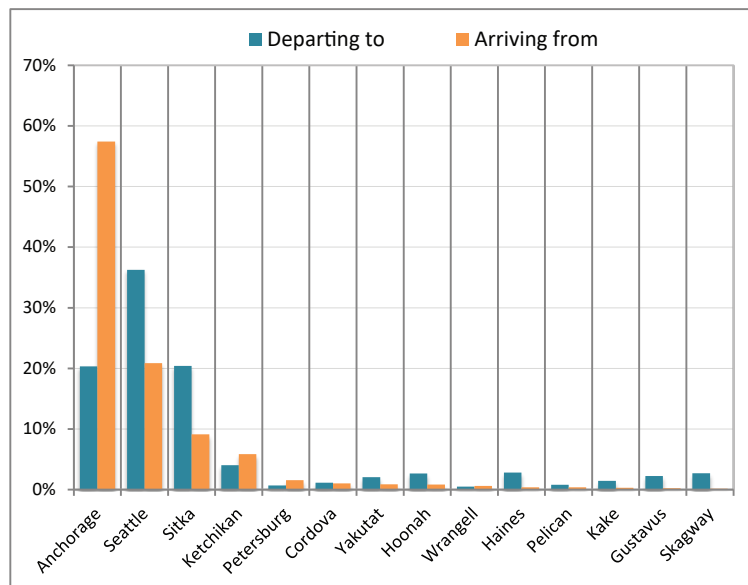
Tourism, Commercial Fisheries and Seafood Processors, the State Legislature, State, Tribal, and Federal Governments, Health Care, and Mining are just some of the industries that depend on the airport for time-sensitive delivery of people and supplies.

The Juneau International Airport ("the Airport" or "JNU," the 3-letter Airport code) is owned by the City and Borough of Juneau (CBJ) and operated by a professional manager and staff, with oversight provided by a 7-member Airport Board of Directors and ultimately by the CBJ Assembly. It is one of only a few airports in Alaska not owned by the State.

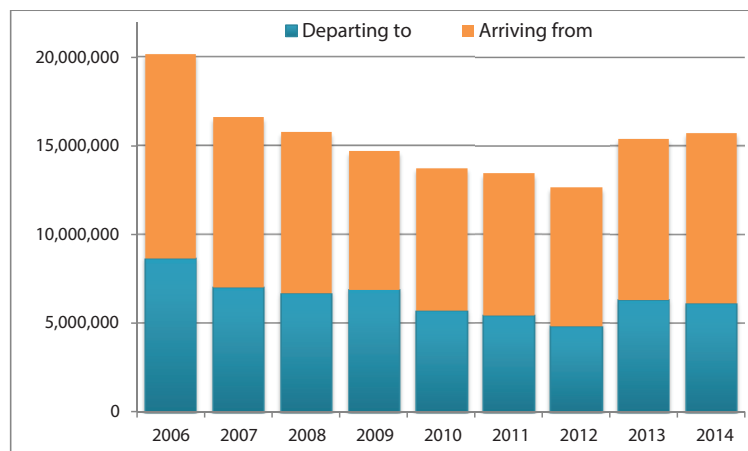
This Economic Assessment uses 2014 data because the survey of businesses at the airport gathered 2014 employment, salary, and spending data. Year 2014 is the data set used by the Master Plan.

Freight & Mail

Arriving and Departing Air Freight in 2014, by Top Juneau - City Pairs



Air Freight-Total Pounds Arriving and Departing in Juneau, by Year



Sources: Top Graph-US BTS T-100 Market Statistics. Bottom Graph-JNU Airport Records.

More Air Freight and Mail Ships to Juneau than Leaves

Depending on the year, up to 27% more air freight arrives in Juneau than is shipped out. Most arriving air freight comes from Anchorage, followed by Seattle then Sitka. While more overall air freight arrives in Juneau than leaves, it is not surprising that this pattern reverses where our Southeast Alaska neighbors are concerned. Juneau typically ships more freight out to these places than it receives. Discussions with the cargo carriers reveal recent growth in air freight linked to online shopping by regional residents.

Air freight departing Juneau is primarily heading to Seattle, followed by Anchorage, then Sitka. Seafood is a primary product shipped from Juneau.

In 2014, Juneau Airport records show that 15.7 million pounds of freight arrived in or departed from JNU on an Alaska Airlines, Delta Air Lines, Empire Airlines, or Alaska Central Express jet. Alaska Seaplanes, Wings of Alaska, Air Excursions, and Ward Air together moved an additional 1.1 million pounds or 7% of Juneau's total air freight between Juneau and neighboring communities according to US Bureau of Transportation Statistics (BTS) records. Alaska Airlines transported 65% of all freight; in addition to its own freight Alaska Airlines carries UPS and most US mail. Empire Airlines (contractor for FedEx) moved 26% of Juneau's air freight in 2014.

BTS segment data shows that in 2014, an added 15+ million pounds of freight "flowed" through Juneau onboard a plane but not offloaded. This is freight that was already on an aircraft from another city, but not removed in Juneau, because the cargo was bound for another destination along the route. For example, this is seafood loaded on a jet in Anchorage or Yakutat that is bound for Seattle, but the plane stops in Juneau along the way. This means that when a jet lands in Juneau, on average half the cargo hold is full.

Like freight, more mail arrives in Juneau than leaves. Similar to national trends, mail volume is steadily declining in Juneau as more communication happens electronically and online commerce delivery is often via private service (e.g. FedEx, UPS) rather than US mail. In 2014, mail volume was less than half that of freight, at 6.0 million pounds either arriving in or departing from Juneau, by large carrier and another 1.3 million pounds moved between Juneau and neighboring communities by small air carrier. Similar to freight, mail volume was greatest between Juneau and Seattle, followed by Juneau and Anchorage in 2014. After that, most outgoing mail was to Ketchikan and Haines, while incoming mail hailed from Sitka and Ketchikan.



Economic Snapshot Juneau International Airport, 2014

| ECONOMIC ENGINE | <i>includes Private, Federal, and CBJ</i> | Direct | Indirect + Induced | Total Output |
|--|--|----------------|-----------------------|-----------------|
| | Jobs <i>(estm. number)</i> | 687 | 395 | 1,082 |
| | Labor Income <i>(estm. wages & benefits, \$ millions)</i> | \$50.4 | \$13.2 | \$63.6 |
| | Operations and Maintenance <i>(\$ millions)</i> | \$51.7 | \$40.6 | \$109.8 |
| | Capital Improvement Projects <i>(\$ millions)</i> | \$17.5 | | |
| | Sales+Property Tax Airport Businesses Paid <i>(\$ millions)</i> | \$0.76 | - | \$0.76 |
| | totals | \$120.5 | \$53.3 | \$173.7 |
| Return on Investment for CBJ CIP Spending | | | 3:1 to 28:1 | |

| COMING + GOING | Airline Passengers <i>(does not include medevacs)</i> | 620,837 |
|-------------------|---|----------------------------|
| | Helicopter Passengers | 64,903 |
| | Freight and Mail | 21.7 million pounds |
| | Aircraft Operations <i>(helicopters traveling together are one operation)</i> | 99,460 |
| | Air Carriers Serving Juneau <i>(in order of airplane passenger volume)</i> | |
| | Alaska Airlines, Alaska Seaplanes, Wings of Alaska, Delta Air Lines, Air Excursions, Ward Air, Era Aviation, Island Air Express, Avjet Corporations. Freight only carriers are Empire Airlines and Alaska Central Express. Helicopter operators are Temsco Helicopters, Coastal Helicopters, and North Star Trekking. | |

| BUSINESS | Active Airport Leases <i>(66% on airfield, 27% in terminal, 6% are landside)</i> | 176 |
|----------|---|----------------------|
| | Rentals, Leases, User Fees to Airport | \$3.0 million |
| | Fuel Flowage Fees | \$619,518 |
| | Landing Fees | \$1.7 million |
| | Active Businesses and Agencies on Airport Property <i>(approx.)</i> | 50 |
| | General Aviation (Hangar) Leases | 73 |

Sources and details in 2017 Juneau International Airport Sustainability Master Plan, AECOM

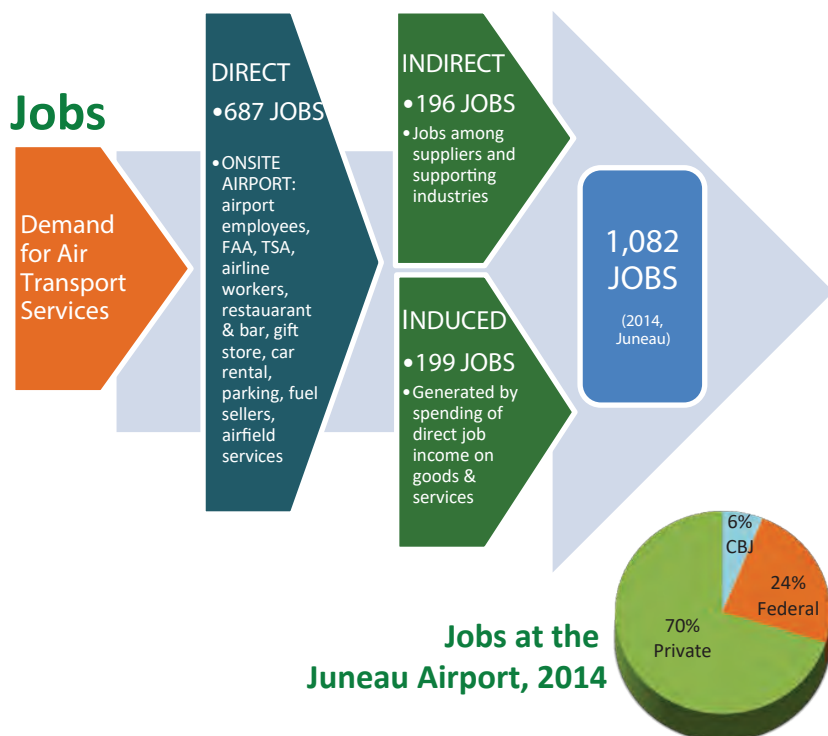


Airport CIPs Create a Significant Return on Investment for CBJ

The return on investment (ROI) for the CBJ on Airport Capital Improvement Projects (CIP) varies from 3:1 to 28:1. This means that every \$1 of CBJ funding brings in from \$3 to \$28 of federal/state funding.

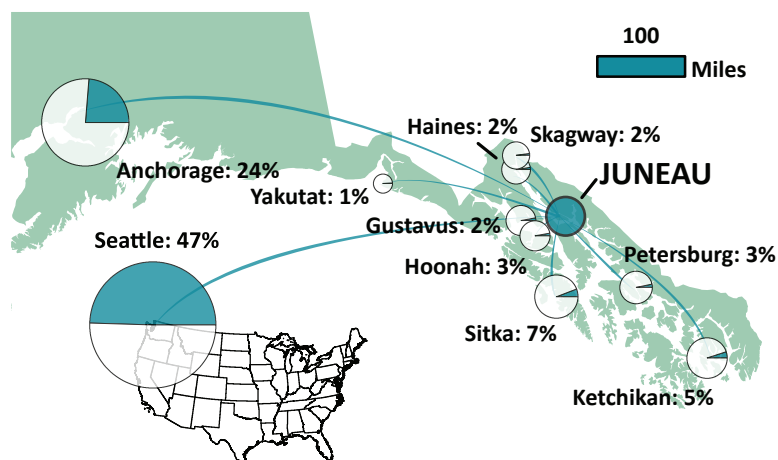
On the last two large JNU Capital Improvement Projects (\$85 million Runway Safety Area construction and \$26 million Runway Rehab Project construction) federal sources funded 93%, with the state and local government each at 3.5%. Each dollar of local funding thus leveraged 28 dollars of federal (primarily) funds. The ROI for the CBJ was 28:1.

The largest near-term planned project is the approximately \$22 million Snow Removal Equipment Facility (SREF); proposed to be paid with \$17 million federal, \$3.5 million state, and \$2 million local funding. (Local funds include repaying close to \$2 million to the FAA.) SREF construction would thus yield a 7:1 ROI for the CBJ; every \$1 of local funding will generate \$7 from federal or state sources.



Passenger Travel

Juneau Passenger Travel by Airport-City Pair, 2014



Airport Passenger Travel by Juneau-City Pair, 2014

| AIRLINE PASSENGERS (all)* | | |
|---------------------------|----------------------------|------------------|
| City | Total Departing + Arriving | Percent of Total |
| Seattle | 291,190 | 47% |
| Anchorage | 149,644 | 24% |
| Sitka | 42,035 | 7% |
| Ketchikan | 33,623 | 5% |
| Petersburg | 18,655 | 3% |
| Hoonah | 16,887 | 3% |
| Gustavus | 14,692 | 2% |
| Haines | 14,218 | 2% |
| Skagway | 11,947 | 2% |
| Yakutat | 7,546 | 1% |
| Wrangell | 5,860 | 1% |
| Kake | 3,754 | 1% |
| Other Areas | 10,786 | 2% |
| Total | 620,837 | 100% |
| HELICOPTER PASSENGERS | | |
| Departing Juneau: | 64,903 | |
| ALL TRAVELERS * | | |
| Grand Total: | 685,740 | |

*does not include medevacs; Sources: BTS T-100 Market Data, Juneau International Airport



Economic Impact of Juneau International Airport by Sheinberg Associates
www.SheinbergAssociates.com
 GIS-based maps by Alaska Map Company www.Akmapco.com
 Digital illustrations and layout by Averyl Veliz www.averylveliz.blogspot.com
 Photographs by Juneau International Airport, Sheinberg Associates, and Alaska Seaplanes

Passenger Travel

In Juneau 620,837 passengers departed or arrived by air in 2014 (not including medevacs), and another 64,903 departed from Juneau by helicopter for work or pleasure. Data for 2015 verifies that the addition of Delta Air Lines jet service to and from Juneau is not cutting into Alaska Airlines travel, rather it is bringing new passengers to town and overall traveler numbers for both carriers have increased.

Almost one-third (29%) of JNU passenger travel was between Juneau and another Southeast Alaskan community.

Nearly half (47%) of all JNU passenger travel is to or from Seattle.

In addition to the passengers listed above, BTS segment data shows that in 2014 there were 155,000 passengers who “flowed” through Juneau onboard a plane but not getting off because they were bound for another destination along the route. For example, these are people who get on in Yakutat but are bound for Seattle though the plane stops in Juneau along the way.

The Juneau International Airport Sustainability Master Plan (AECOM, 2017) forecasts the number of departing (enplaned) passengers from Juneau will increase at an average annual rate of 1.4% through 2035. In 2014, the number of enplaned passengers was 310,945 (does not include helicopter passengers); by 2035 the number is forecast to be 469,780.

The average fare in 2014 for a passenger departing Juneau on a scheduled flight (to all destinations) was \$260, which for the 311,945 departing passengers equals \$81 million in spending just on airfares.

