



Executive Summary

District 3 | 2023



District Overview

Aviation Facilities in FDOT District 3 Contribute Almost \$19 Billion to Florida's Economy

The Florida Department of Transportation (FDOT) manages the state's transportation system through a decentralized model in accordance with state legislative mandates. There are seven districts that each provide individual levels of planning, production, operations, and administrative support to the state's diverse transportation system and users.

FDOT District 3 includes 16 counties in the Florida Panhandle, spanning about 11,500 square miles. Home to over 1.4 million residents, District 3 attracts leisure traffic flocking to the area's famous Emerald Coast, which boasts pristine Gulf beaches such as Panama City Beach, Destin-Fort Walton Beach, and Pensacola Beach. The area also attracts other types of visitors, including government traffic and Florida State University sports fans into Tallahassee. District 3's eastern coast is known as Florida's Forgotten Coast. The area's pristine and unspoiled coastlines offer relaxing and laid-back activities for both travelers and locals alike. This wide range of coastlines and urban centers make District 3 a highly popular vacation spot and an ideal home for Florida residents.

Residents and visitors can access District 3 through one of 15 public-use airports including four commercial service airports. District 3 is also home to several cornerstones of the U.S. military including Eglin Air Force Base and Naval Air Station Pensacola (NAS Pensacola), home to the world-famous Blue Angels flight demonstration team. Eglin Air Force Base alone provides employment to over 16,000 personnel and generates over \$2 billion in economic impact. To provide an updated snapshot of the economic contribution of Florida's airport system, the FDOT Aviation Office (FDOT AO) commissioned the 2022 FDOT Aviation Economic Impact Study (2022 AEIS). The 2022 AEIS measured that aviation activity in FDOT District 3 contributed **\$18.9 billion in total economic impacts (output)** to the state's economy. These impacts supported over **145 thousand jobs**, **\$7.9 billion in payroll**, and **\$7.7 billion in value added**.

FDOT District 3 has the Largest Military Aviation Impact in the State



Note: Off-Airport Air Cargo and Military Aviation impacts, District 3's largest impact categories, will be discussed further on pages 4 and 5.

Economic Impact (Output) of Individual Airports and Military Aviation Facilities



Florida Panhandle Airports Attract Visitor and Businesses Alike

Over the last few years, an increasing number of visitors are discovering Florida's Forgotten Coast, and the Panhandle's four commercial service airports are there to welcome them. Northwest Florida Beaches International Airport (ECP) experienced a record-setting level of activity in 2021, supporting nearly 1.6 million passengers (25 percent higher than the previous record). Similarly, enplanements at Tallahassee International Airport (TLH) grew nearly 24 percent in 2022 and more than doubled since 2020.

In addition to welcoming visitors to the Panhandle, District 3's commercial service airports are also home to significant business tenants. In 2018, VT-MAE, a maintenance, repair, and overhaul (MRO) facility, opened at Pensacola International Airport (PNS). VT-MAE is anticipated to create 400 quality, high-paying jobs and contributes to the City's goal of becoming a robust aerospace center and improving business and job opportunities for Pensacola and Escambia County.

Off-Airport Air Cargo Impacts

From the Panhandle to Anywhere in the World, FDOT District 3 Supports Over \$6 Billion in Off-Airport Air Cargo Impacts

Off-airport industries in Florida rely on cargo transported through the 15 public-use airports in District 3. This includes raw materials used for manufacturing or transporting finished products from producers to consumers. The 2022 AEIS completed a targeted evaluation that measures the economic impact of air cargo flow through Florida's airports and interacts with off-airport industries. Air cargo that doesn't interact with Florida's economy was excluded from the evaluation. Across the state, airports deliver critical support to industries by enabling businesses to transport commodities and finished goods both from suppliers and to customers. Air cargo services provided by Florida's airports connect both long-distance domestic and international markets to companies in the state – positioning Florida as a global business leader. These services enable Florida-based companies to expand customer markets and acquire commodities used for production or to create opportunities for sales around the world. Expanding customer markets through outgoing air cargo generates increased business sales, which in turn brings dollars from other states or nations into Florida.

The 2022 AEIS measured that off-airport air cargo activity in FDOT District 3 contributed **\$6.3 billion in economic impacts (output)** to the state's economy. These impacts supported almost **33,000 jobs**, **\$1.7 billion in payroll**, and **\$2.9 billion in value added**.

Value of Top Commodities Imported to and Exported from District 3



Military Aviation Impacts

The Cradle of Naval Aviation

NAS Pensacola is a significant cornerstone of the U.S. Navy. Supporting over 23,000 jobs and as a host to considerable flight training for the U.S. Navy, pilots can take advantage of ideal year-round climate and the nearby Gulf of Mexico. NAS Pensacola is also the home base to the world-renowned U.S. Navy Blue Angels flight demonstration team. The personnel and activities supported at NAS Pensacola contribute over \$1.3 billion in economic impact to Florida annually!

The 2022 AEIS measured that all military aviation activity in FDOT District 3 contributed **\$5.1 billion in economic impacts (output)** to the state's economy. These impacts supported almost **62,000 jobs**, **\$4.0 billion in payroll**, and **\$1.1 billion in expenditures**.



A Significant Site for Aerospace Research and Development

Bob Sikes Airport (CEW) is a general aviation airport that supports the U.S. military in several ways. Situated close to two significant military aviation installations (NAS Pensacola and Eglin Air Force Base), CEW mainly welcomes military activity and is a site for significant aerospace research and development (R&D). Over 800 employees are based at CEW across several business tenants, most being contractors with the Department of Defense (DoD). To support increasing activity, the airport recently opened a new roadway to improve access to U.S. Highway 90 – a popular route for airport users.

Unlocking International Air Cargo in Tallahassee

Tallahassee International Airport (TLH) is a nonhub commercial service airport serving the City of Tallahassee and the larger Florida Panhandle. The airport recently broke ground on a \$28 million International Passenger Processing Facility that aims to process 22 million pounds of cargo annually.¹ This new facility is sponsored by the FDOT, CARES Act, and the City of Tallahassee, and will help establish TLH as a future hub for international passenger and air cargo activity.²



Source: Capital Outlook

¹ City of Tallahassee
² Tallahassee Reports

Investments in District 3 Airports Drive Economic Prosperity Across the Panhandle

The FDOT's Work Program identifies funding for capital improvement projects on a rolling five-year basis. The 2022 AEIS identified FDOT Work Program obligated funds for Fiscal Years (FYs) 2018 through 2021. Investment is primarily driven by public funds from the FDOT to preserve existing infrastructure, modernize airport facilities, and increase airport capacity across the District. In conjunction with the recent large influx of tourism into northwest Florida, FDOT has made tremendous investment in District 3. Between 2018-2021, the FDOT Work Program identified \$161 million for capital improvements across the District. FDOT's investment has also encouraged more business activity at airports. Since 2017, there has been an estimated 26 percent increase in employment for on-airport business tenants. When compared to investment, for every dollar identified in the FDOT Work Program for airport projects in District 3, there is an estimated **\$470 in total output supporting Florida's economy!**

Calhoun County Airport (F95)

In 2018, Hurricane Michael made landfall as the first Category 5 hurricane on record to impact the Florida Panhandle. Hurricane Michael caused widespread devastation, the impacts of which are still being felt to this day. Calhoun County Airport (F95) and the adjacent industrial park sustained approximately \$3 million in damages. In response, the FDOT Work Program identified over \$2 million for the airport's recovery, including renovating existing hangars and supporting construction of a new 4,000 sq. ft. terminal building in 2020. As a result of these investments, F95 was able to recover quickly and overcome the setbacks brought on by the hurricane. F95 continues to be an important economic catalyst in an area still recovering from Hurricane Michael, **even increasing its economic impact (output) by 93% since 2019!**



Destin-Ft Walton Beach Airport (VPS)

The Florida Panhandle has recently been welcoming an increasing number of out-of-state tourists seeking the quiet and picturesque Gulf Coast beaches. This is apparent at Destin - Ft. Walton Beach Airport (VPS), which has seen a 19 percent growth in visitors since 2019. A joint-use facility with Eglin Air Force Base, the airport is a hub for commercial service and military activity that generates over \$3.7 billion in total economic impact (output)!

VPS had over \$9 million identified in the FDOT Work Program for capital improvements from 2019 to 2021 (VPS did not receive Work Program funding in 2018).

This includes \$4 million for expanding the baggage claim area and \$1.6 million to expand the apron for accommodating more aircraft. FDOT's investment in VPS has encouraged airlines to continue adding new flights to/from the airport and support the billions in economic impact generated annually for Florida.



CALHOUN COUNTY AIRPORT F95
FOXTROT 95

"The airport site as a whole was designated by the state as a state catalyst site. And so it has been a target for our economic development for quite some time. Slowly but surely, we worked to get infrastructure to that site to make it shovel ready and set stage for development."

- Executive Director, Calhoun County Chamber of Commerce

FDOT Work Program Investment Drives Economic Activity



FDOT WORK PROGRAM SUPPORTS AIRPORT IMPROVEMENTS.

VPS receives \$4.0 million for expanding baggage claim capabilities. F95 receives \$2.1 million for terminal and hangar development.



Airport improvements increase aviation activity, which results in greater on-airport employment and visitor spending.



AIRPORT ECONOMIC IMPACT INCREASES!

VPS economic impact (output) increases by \$812 million. F95 economic impact (output) increases by \$5.2 million.



AEIS 2022

Florida Aviation Economic Impact Study . . .

