



**McKINLEY RESEARCH**  
GROUP, LLC

*Formerly McDowell Group*

# LAKE HOOD SEAPLANE BASE

## Economic Impact Study

February 2023

**PREPARED FOR:**

**Anchorage Economic Development Corporation**

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# Executive Summary

Lake Hood is the **world's largest and busiest seaplane base** and is part of the Ted Stevens Anchorage International Airport (ANC) and a statewide aviation network connecting remote communities to Anchorage. The seaplane base is part of Alaska's rich aviation history, with floatplane traffic at the lake dating back 100 years.

The infrastructure at Lake Hood facilitates year-round connections in Alaska, with float operations in the summer, ski operations in winter, and a gravel airstrip open to aircraft all year. Lake Hood continues to play an important role in commercial and recreational aviation, supporting economic activity in Anchorage and business operations across Alaska.



**62,297 Operations**

In 2021, an estimated 62,297 takeoffs and landings occurred at Lake Hood, including floatplane operations on the lake and wheeled aircraft at the airstrip. Traffic peaked in summer months with seasonal commercial flightseeing activity and recreational use by personal aircraft owners. About 1,000 single-engine aircraft are based at Lake Hood, along with 33 multi-engine planes.



**17,000 Flightseeing Customers**

About 17,000 customers (Alaska residents and nonresidents) took a flightseeing excursion from Lake Hood in 2021. Lake Hood plays an important role in Anchorage's visitor industry, offering flightseeing tours across Southcentral and Southwest Alaska, and connecting visitors to remote wilderness lodges, bear viewing opportunities, backcountry fishing, and more. The number of customers taking a flightseeing tour based at Lake Hood increased over the last decade. Activity was impacted by the effects of the COVID-19 pandemic on the visitor industry but rebounded in the 2021 and 2022 visitor seasons.



**Commercial, Nonprofit, and Government Activity**

Lake Hood is also used by other commercial operators transporting professionals and cargo to remote Alaska. Several agencies, such as the Alaska Department of Public Safety and the U.S. Department of the Interior, and nonprofits, including the Alaska Aviation Museum, use Lake Hood as a base for aviation activity.



**150 Direct Employees**

Businesses and sole proprietors at Lake Hood employed an average of 150 people in 2021, with \$13.7 million in earnings. Along with flight traffic, employment at Lake Hood increases seasonally, peaking at 235 people in summer 2021.



**\$63 Million in Total  
Economic Activity**

Spending by businesses located at Lake Hood supports additional economic activity in Anchorage. Accounting for all direct, indirect, and induced spending, operators supported an annual average 265 jobs, \$21.9 million in earnings, and \$63.0 million in total economic activity in the Anchorage economy in 2021.



**\$545,000 in  
Property Taxes**

Lake Hood operations generated \$400,000 in revenue related to land leasing for the Alaska International Airport System (AIAS) in FY2021. Tenants at Lake Hood also contribute to local government revenue, paying \$545,000 in property tax to the Municipality of Anchorage in FY2021.

# Introduction

Despite the state's vast land area, Alaska has very limited road infrastructure. More than 80% of communities across the state rely on aviation as the only year-round way to transport people and goods.<sup>1</sup> Annual statewide passenger volume in Alaska generally far exceeds the national average; prior to the COVID-19 pandemic, about 6.5 enplanements occurred annually for each Alaska resident, compared to the national average of 2.4 enplanements per person.<sup>2</sup> Alaska's extensive network of aviation infrastructure, number of pilots per capita, and registered aircraft all indicate this high level of air transportation activity.

The Lake Hood Seaplane Base (part of ANC) is an important part of this statewide infrastructure, connecting Anchorage to dozens of villages and communities in rural Alaska, wilderness lodges serving visitors and residents, and personal recreation sites. Lake Hood is widely recognized as the world's largest and busiest seaplane base, and the only seaplane facility classified as a "primary" airport in the nation.<sup>3</sup> The infrastructure at Lake Hood facilitates year-round connections to these communities, with float operations in the summer, ski operations in winter, and a gravel airstrip open to aircraft all year.



Source: Federal Aviation Administration

The purpose of this study is to measure the economic impact of Lake Hood Seaplane Base. Lake Hood is recognized as a hub of general aviation activity, which produces employment and payroll impacts from the many businesses, nonprofits, and government agencies located at the seaplane base. This report begins with an overview of Lake Hood's history and continues with a description of activity at the seaplane base and its direct and multiplier impacts.

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<sup>1</sup> Alaska Department of Transportation and Public Facilities.

<sup>2</sup> Federal Aviation Administration. *Alaska Region Aviation Factsheet*. 2016.

<sup>3</sup> Ibid.

# History of Lake Hood Seaplane Base

## Infrastructure Development

Seaplane activity at Lake Hood dates back 100 years to the early days of aviation in Alaska. Infrastructure development began at the base in 1938 when a gravel runway and a channel connecting Lake Hood and Lake Spenard were constructed. These developments predate runway and terminal development at what is now Ted Stevens Anchorage International Airport (ANC).

Along with developments in aircraft, aviation activity in Alaska grew throughout the 1940s and 1950s. Over this period, many early airlines, such as Star Air Services and McGee Airways, operated at Lake Hood. Many of these same airlines would eventually merge to form Alaska Airlines, a mainstay of air transport in Alaska. Expansion in the 1950s included an air traffic control tower (1954) and additional tie downs.<sup>4</sup>

In the late 1960s and 1970s, a new and longer gravel runway was built at Lake Hood, and the original gravel runway was closed. A second channel, parallel to the first, was dug between Lake Hood and Lake Spenard in 1975 to improve taxiway safety between the two lakes. The five current floatplane channel tie-downs were constructed at the same time. Air traffic control operations were moved to the ANC tower, and the Lake Hood tower was closed in 1977. After decommissioning the Lake Hood tower, the seaplane base became part of the broader ANC airport operations.

Today, Lake Hood has three waterways and a gravel runway. About 500 floatplane slips and 500 tie-downs at the gravel runway contribute to Lake Hood's status as the busiest seaplane base in the world, with a 13-year waiting list for floatplane slips, and a three-year wait for tie-down spots.

Lake Hood and Lake Spenard Canal, 1939



Source: Anchorage Museum

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<sup>4</sup> Alaska Aviation Museum and Endowment. [aamendowment.com/historic-recap-aviation-in-anchorage-alaska/](http://aamendowment.com/historic-recap-aviation-in-anchorage-alaska/).



Figure 1. Lake Hood Seaplane Base Map

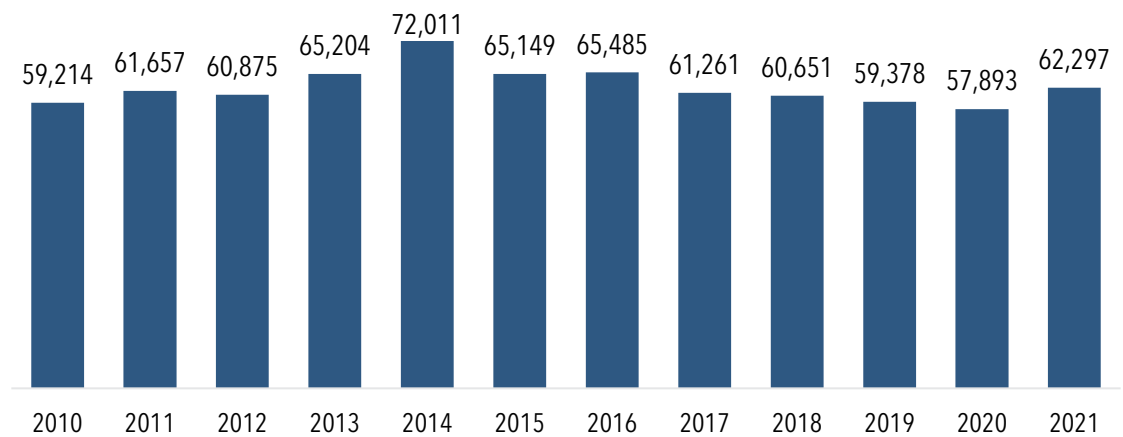


Source: ANC.

## Historical Flight Activity

Lake Hood flight operations vary annually based on frequency and cost of personal travel, the strength of the visitor season, and other aviation activity across Alaska. Over the last decade, takeoffs and landings at Lake Hood peaked in 2014 at 72,011. Traffic at Lake Hood in 2020 was about 3% below 2019 levels, largely due to efforts, such as decreased nonresident and in-state travel, to mitigate the spread of COVID-19. In 2021, aviation activity at the seaplane base rebounded to 62,297 takeoffs and landings.

Figure 2. Annual Flight Operations at Lake Hood, 2010-2021



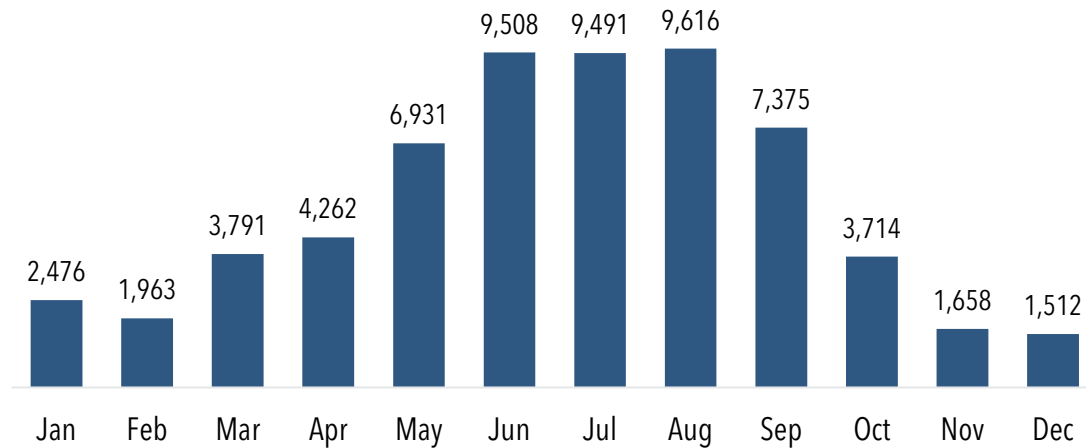
Source: Federal Aviation Administration, McKinley Research Group estimates.

# Overview of Current Activity at Lake Hood Seaplane Base

## Recent Flight Activity

Combined, takeoffs and landings at Lake Hood, including the airstrip, totaled 62,297 operations in 2021. Activity at Lake Hood is highly seasonal. About half (46%) of flight operations took place in June, July, or August, reflecting Lake Hood's role in the visitor industry and personal recreation. Traffic peaked in August at 9,616 operations. December was the slowest month with 1,512 operations.

Figure 3. Monthly Flight Operations at Lake Hood, 2021



Source: Federal Aviation Administration, McKinley Research Group estimates.

Two-thirds (61%) of annual traffic at Lake Hood was transient general aviation in 2021, followed by 25% air taxi (commercial operations), and 14% local general aviation.<sup>5</sup> About 1,000 single-engine aircraft are based at Lake Hood, along with 33 multi-engine planes.

<sup>5</sup> AirNav.com



## Business and Organizational Activity

A variety of businesses, agencies, and nonprofit organizations are based at Lake Hood, providing services, including:

- Aircraft charters, air taxis, and scheduled flights for passengers and freight
- Flightseeing tours
- Aircraft sales and appraisals
- Aircraft maintenance and repair
- Aircraft hangar facilities and other storage (private and commercial)
- Flight training and Federal Aviation Administration (FAA) examinations
- Aviation fuel sales
- Weather observation facilities
- Government-related and nonprofit activities

Operations at Lake Hood support commercial activity in Anchorage and across Alaska, described in more detail below.

### Visitor Industry

Lake Hood is an important part of Anchorage's visitor infrastructure, with operators offering flightseeing excursions and connecting visitors to remote destinations throughout Southcentral and Southwest Alaska.

#### REMOTE ALASKA LODGES

These connections include transportation of visitors to remote wilderness lodges, many of which are accessible only via floatplane. Lodges connected to Anchorage by Lake Hood offer sportfishing, guided hunting, bear and other wildlife viewing, skiing, and other experiences. Some of these lodges operate their own aircraft, while others coordinate with charter operations to bring visitors and supplies to their remote properties. Lodges served by Lake Hood operators are on Lake Clark, Katmai National Park, and other locations in the Bristol Bay area; the Susitna River drainages, such as the Yentna River; the Denali area; and the Kenai Peninsula, among others.

#### FLIGHTSEEING

Several Lake Hood operators offer flightseeing services, which vary from half-hour flights around Anchorage to full-day tours to Denali, Prince William Sound, and other scenic areas. These flightseeing tours bring visitors to some of Alaska's most iconic wilderness areas, highlight glaciers and volcanoes, and provide wildlife viewing opportunities. Most flightseeing activity occurs during the peak summer visitor season; however, select tours, such as Denali flightseeing

or specialized Iditarod tours, are offered in other seasons. Tours range in price from \$140 up to \$1,100 per person.

Many flightseeing operators also offer packaged tours and excursions beyond flightseeing. The scenic nature of the flight and the floatplane experience are additive to these attractions, which are generally marketed based on activities such as wildlife viewing, fishing, or other recreation. Bear viewing at Katmai National Park and Preserve, and Lake Clark National Park are among the most widely offered tour packages by operators based at Lake Hood. These excursions are generally day trips and range in price from \$945 to \$1,145 per person. In addition to the incidental wildlife viewing that happens during flightseeing tours, walrus viewing tours are also offered from Lake Hood.

Other excursions offered through Lake Hood flightseeing operators include guided fishing, river rafting, and multi-day hiking packages. Flightseeing operators either employ guides offering these excursions or partner with other Alaska companies to offer these recreation opportunities. Tour packages prices vary widely based on the use of guides and type of activity and can be as much as \$6,700 per person for a multi-day tour.

In 2021, about 17,000 customers (Alaska residents and nonresidents) took a flightseeing tour or excursion from Lake Hood. The number of customers taking a flightseeing tour based at Lake Hood increased over the last decade. Flightseeing activity was impacted by the effects of the COVID-19 pandemic on the visitor industry, however operators at Lake Hood noted a rebound in 2021 traffic compared to 2020, and further increases in the 2022 summer season.

## Other Commercial Activities and Business Travel

Beyond the visitor industry, flights to and from Lake Hood support commercial and industrial activities around the state. Commercial flights from Lake Hood regularly carry freight to remote communities and work sites. Fishermen, surveyors, and other private and government employees rely on air transport from Lake Hood to get to remote work sites.

Many Lake Hood tenants also use their private aircraft to fly to remote sites for business activities, including real estate sales and appraisals, aircraft repair, engineering work, and fisheries research. Helicopters stationed at Lake Hood also serve film crews, utility companies, and more.

## Community Support

Communities throughout Southcentral and Southwest Alaska are served by aircraft based at Lake Hood. Air taxi services and personal aircraft transport residents, including teachers, medical professionals, and other service providers across the state. These tenants also transport cargo, such as building materials, groceries, and mail, to these destinations.

Communities in Southcentral Alaska, including Kenai Peninsula, Copper River, Cook Inlet, and Prince William Sound receive regular deliveries from Lake Hood flights. Lake Clark and Iliamna, Kodiak Island, and the Bristol Bay region in Southwest Alaska are other frequent flight destinations.

## Government and Nonprofit Organization Activity

Lake Hood is the home base for several government and other nonprofit entities.

### U.S. DEPARTMENT OF INTERIOR

The U.S. Department of the Interior (DOI), Office of Aviation Services (OAS), maintains a hangar and office space at Lake Hood. From this base, OAS oversees the maintenance and inspection of 48 single-engine aircraft owned by DOI. Aircraft in Alaska support DOI agencies, such as the U.S. Fish and Wildlife Service, Bureau of Land Management, National Park Service, Bureau of Indian Affairs, and more. The office at Lake Hood also oversees aviation-related contractors for DOI in Alaska and Hawaii (no DOI aircraft are stationed in Hawaii).

### ALASKA DEPARTMENT OF PUBLIC SAFETY

Lake Hood is the headquarters of the State of Alaska Department of Public Safety (DPS) Aircraft Section. From Lake Hood, Alaska State Troopers, Wildlife Troopers, and others make thousands of flights per year across the state's 263 airports and landing strips. Along with hunting and fishing patrols, the seaplane base serves as the launching point for remote law enforcement response. The Aircraft Section employs 17 workers at Lake Hood, responsible for maintaining the division's 44 aircraft, including helicopters, floatplanes, ski planes, and larger airplanes.

Aircraft maintenance for the division's fleet is based at Lake Hood, as is training for Alaska State Trooper and Alaska Wildlife Trooper pilots. Most division pilots are DPS officers, with a smaller number of civilian pilots based in other communities such as Bethel, Kotzebue, and Fairbanks.

### ALASKA WING CIVIL AIR PATROL

The Civil Air Patrol (CAP) is a national, federally chartered volunteer organization and the civilian branch of the U.S. Air Force. CAP supports local and national disaster relief, search and rescue efforts (CAP conducts more than 90% of inland search and rescue efforts for the U.S. Air Force), and other emergency services. Aerospace education and a cadet program, such as the Lake Hood Cadet Squadron, provide training to youth and adults on aviation-related topics, including flight safety, and STEM lesson plans to educators across the country.<sup>6</sup> Lake Hood hosts the CAP Cadet program in the Anchorage area.

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<sup>6</sup> STEM refers to Science, Technology, Engineering, and Math.

In 2021, CAP in Alaska had almost 500 adult members and 240 cadet volunteers who contributed volunteer time, valued at \$2.8 million. These volunteers conducted or supported about 80 missions in Alaska in 2021, including 43 search and rescue missions.<sup>7</sup>

### **ALASKA AIRMEN'S ASSOCIATION**

The Alaska Airmen's Association is a nonprofit entity that supports general aviation in Alaska through promotion, enhancing aviation safety, and supporting initiatives that grow the general aviation community. The 2,000-plus member association provides scholarships for pilots, aircraft mechanics, aerospace engineers, and related aviation careers. Their offices at Lake Hood have a few slips for members to rent, including both transient slips and short-term slip rentals. The association also hosts a free general aviation trade show every year, attracting more than 25,000 visitors from around the world alongside aviation-related vendors.

### **ALASKA AVIATION MUSEUM**

The Alaska Aviation Museum opened on the shores of Lake Hood in 1988 and serves to preserve, display, educate and honor Alaska's aviation heritage. Aircraft and artifacts representing more than 100 years of Alaska aviation history are on display, including military, commercial, and civilian aircraft. Supported by 20 regular volunteers, the museum is also home to two flight simulators, a restoration hangar, and the Alaska Aviation Hall of Fame. The museum is also often used for special events, such as weddings and celebrations of life.

### **IDITAROD AIR FORCE**

Known as the "Iditarod Air Force," volunteer air transportation services supporting the Iditarod use Lake Hood as a staging area. Each year, about 30 pilots from Alaska and elsewhere volunteer, flying more than 300,000 flight hours to transport sled dogs, veterinarians, judges, checkpoint volunteers, food for humans and dogs, and dropped dogs to and from the 1,000-mile race. Most checkpoints along the race have no runways and rely on ski and wheeled aircraft for access, and moving media, photographers, and essential race support between checkpoints; this activity is largely supported by the all-volunteer force.

Iditarod volunteers represent a variety of Alaska residents, including commercial airline pilots, insurance brokers, business managers, doctors, and more, with some volunteers serving for 30 years. FAA Flight Service specialists and others also volunteer time on the ground to ensure flight safety and coordinate logistics.

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<sup>7</sup> Civil Air Patrol, Alaska Wing 2021 Statistics.

## Personal Use Aviation

Lake Hood plays a significant role in serving personal aviation needs in the Anchorage area, and beyond. While exact statistics are not available, most tie downs, hangar space, and slips are used by private plane owners rather than commercial operators. Private owners at Lake Hood use their aircraft for transportation to remote personal use cabins, personal flightseeing, fishing and hunting, and other recreation. Maintenance and fuel spending by the general aviation community generates local economic activity.



Source: ANC.



# Economic Impact of Lake Hood Seaplane Base

Lake Hood is deeply embedded in Alaska's general aviation community, and the economic impacts of activity there extend to communities whose transportation access is reliant on small aircraft using the seaplane base. Nevertheless, economic impacts associated with Lake Hood are difficult to measure given the range of jobs located on-site, including the self-employed who do not generally appear in published employment statistics.

McKinley Research Group interviewed about 46 representatives of businesses, government, and nonprofit agencies, and pilots with personal aircraft to best capture the economic impacts as described below.

## Direct Employment and Spending

Workers employed at Lake Hood include sole proprietors offering air taxi or cargo services, mechanics, government employees such as State Troopers, and employees of flightseeing operations. In 2021, estimated year-round employment at Lake Hood was 150. The number of workers at Lake Hood increases in summer months with increased visitors and other recreation activity requiring small aircraft, peaking at an estimated 235 workers in summer 2021. While highly seasonal operations did hire additional staff in the summer of 2021, the impacts of the COVID-19 pandemic on Alaska's visitor season likely dampened the typical seasonal hiring increase. Workers based at Lake Hood earned an estimated \$13.7 million in wages and other income in 2021.

Businesses based at Lake Hood contract for a variety of nonpayroll expenses to support their operations, including aircraft maintenance and inspection, fuel, rental fees, insurance, marketing, and many other costs. Many of these goods and services are provided by other Alaska companies on-site. For example, local fuel companies provide on-site fueling services to businesses and personal aircraft. Spending by businesses at Lake Hood, including payroll/proprietors' earnings and other goods and services, totaled an estimated \$37.5 million. Based on interview research conducted for this assessment, more than 80% of goods and services spending by Lake Hood tenants was with Alaska-based providers in 2021.

## Total Economic Impact

Operators based at Lake Hood support additional economic activity as they buy goods and services from other Alaska businesses and spend their income locally. This study measures the total impacts of Lake Hood operations on the Anchorage economy at three levels: direct, indirect, and induced. Collectively, these are known as "multiplier effects". Multiplier effects in this report were estimated using IMPLAN, a widely used input-output economic modeling tool describing how industries and households are linked in an economy.



In total, activity at Lake Hood supported an estimated 265 jobs and \$21.9 million in earnings in the Anchorage economy in 2021. These additional jobs include work related to aviation, such as contracted mechanics not based at Lake Hood or fuel providers, and jobs outside the aviation sector, such as accountants, marketing companies, and other professional services.

**Table 1. Economic Impacts of Lake Hood Operations, 2021**

	Direct	Indirect and Induced	Total
Employment (annual average)	150	115	265
Earnings (\$ millions)	\$13.7	\$8.2	\$21.9
Output (\$ millions)	\$37.5	\$25.5	\$63.0

Source: McKinley Research Group estimates.

## Other Economic Impacts

These measures of employment and income related to Lake Hood do not capture all the economic activity supported by the seaplane base. Many businesses outside Anchorage are supported by aviation from Lake Hood, and the jobs and wages of these operators are not included in the estimates above. The following sections describe several additional economic impacts of Lake Hood, which cannot be quantified but are nevertheless noteworthy.

### Spending in Support of Personal Use Aviation

With more than 1,200 aircraft and several privately owned hangars, a significant portion of activity at Lake Hood is related to personal-use aviation. Pilots at Lake Hood use these aircraft recreationally to support hunting and fishing, access remote cabins, and flightseeing. Aircraft owners generate economic activity as they pay for fuel, aircraft maintenance and inspection, insurance, and other equipment or aircraft accessories. Average annual costs associated with small aircraft ownership at Lake Hood vary by size and age of plane and frequency of use. Some of these costs vary year-to-year. For example, many pilots interviewed reported flying less frequently in 2021 and 2022 in response to rising fuel costs.

Aircraft owners interviewed for this research estimated annual average costs between \$20,000 and \$25,000 per plane, including fuel, maintenance, inspection, insurance, slip or tie-down rental, and other costs. Based on this average cost and the number of aircraft at Lake Hood, spending in support of the 1,200 aircraft based at Lake Hood totaled \$24 million to \$30 million in 2021. A portion of this economic activity is captured in the total economic output of tenants at Lake Hood as described in the previous table; however, a substantial portion of this spending is for a tenant's personal use and not related to a business venture.

Maintenance and inspection services are a significant component of plane-ownership expenses, and vary across owners, aircraft age, and use. Private plane owners interviewed for this research report maintenance costs between \$2,000 and \$15,000 per plane in 2021. About 88% of this spending was with Anchorage-area businesses in 2021, with the remaining 12% with businesses elsewhere in Alaska. Fuel costs are another significant expense, which varies by frequency of use; personal aircraft owners reported spending \$500 to \$8,000 per plane in 2021.

Hangar owners also pay for utilities, land lease, and facilities maintenance expenses in addition to expenses associated with aircraft ownership. These expenses generate additional economic activity in the local economy.

## Support of Alaska's Visitor Industry

The visitor industry brings significant economic activity to Anchorage and Southcentral Alaska. Nonresident visitors spent \$960 million in Southcentral Alaska in 2017, the latest available year with comprehensive data on visitor spending.<sup>8</sup> These visitors supported 20,700 jobs and \$761 million in payroll in Southcentral Alaska, including all direct, indirect, and induced effects. Air transportation infrastructure in Anchorage, including Lake Hood, plays a critical role in bringing visitors to Alaska and transporting them to attractions statewide.

As described earlier, Lake Hood's economic impacts include flightseeing operators and transportation to and from remote lodges and experiences outside Anchorage. These aviation services play an important role in connecting nonresident visitors to a range of Alaska attractions and activities that are not accessible via the state's road system. The infrastructure supported at Lake Hood is required for these visitor-oriented businesses to offer their services.

Lake Hood has been especially important to many remote, wilderness lodges located off Alaska's road system in Southcentral and even Southwest Alaska. While the exact number of visitors to these lodges in 2021 is unknown, these visitors bring economic activity to Anchorage as they pay for hotel rooms, go to restaurants, and buy souvenirs in route to their destinations.

Additionally, Lake Hood itself is a visitor attraction drawing guests to watch floatplane takeoff and landings, using the walking path around the lake, or visit the aviation museum. Tour companies, such as Anchorage Trolley Tours and Salmon Berry Tours, include Lake Hood in Anchorage city tour packages.

## Government Spending and Capital Investment in Lake Hood

Lake Hood is part of ANC, and therefore part of the Alaska International Airport System (AIAS) managed by the Alaska Department of Transportation & Public Facilities (DOT&PF). As a public airport managed under this structure, the state and federal government support operating expenditures and capital improvements at the Lake Hood facilities. ANC employees provide services such as snow removal, air traffic control, and other support for Lake Hood operations. These operating employees generally work airport-wide, and therefore their employment is not included in the previous section describing Lake Hood-specific direct employment and payroll.

Lake Hood operating expenses are partially offset by the seaplane base's operating revenue. In FY2021, Lake Hood revenue totaled about \$400,000, including \$353,000 in aeronautical use land rental and \$47,000 in nonaeronautical use land rental.

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<sup>8</sup> McDowell Group. Economic Impact of Alaska's Visitor Industry 2017. November 2018.

As part of ANC, Lake Hood receives support through the state's annual capital budget. A high proportion of capital project spending across Alaska's airport system is funded by federal government grants through the FAA's Airport Improvement Program. Over the last decade, federal and state capital funding of projects at Lake Hood totaled more than \$25 million. Taxiway reconstruction efforts in FY2017 and FY2018 accounted for nearly half of this capital expenditure.

**Table 2. Lake Hood Capital Improvements, FY2011-FY2021**

Fiscal Year	Improvement	Total Cost
2011	Strip Improvements - Guidance Signs	\$689,272
2011	Bank Stabilization	\$3,930,776
2012	Safety Improvements - Guidance Signs	\$814,268
2015	Parking Improvements at Alpha/Bravo Runways	\$7,721,001
2017	Taxiway Reconstruction	\$3,707,079
2018	Taxiway Reconstruction	\$8,192,323
<b>Total</b>		<b>\$25,054,719</b>

Source: ANC.

## LOCAL GOVERNMENT REVENUE

As part of the AIAS, Anchorage International Airport and Lake Hood do not directly pay property tax to the Municipality of Anchorage. However, Lake Hood-based tenants, such as private plane hangars, are assessed property tax by the Municipality. In FY2021, Lake Hood tenants collectively paid more than \$545,000 in real property taxes.<sup>9</sup>

## Summary

Lake Hood is the world's largest, and busiest seaplane base and is an important part of Southcentral Alaska's aviation community. The seaplane base and airstrip are used by commercial operators offering flightseeing, passenger and cargo charters, and transportation for other professionals to remote Alaska. Personal-use aviation users also support economic activity in Anchorage as they maintain aircraft, buy fuel, and otherwise spend locally. Including all multiplier effects, Lake Hood supported 265 jobs, \$21.9 million in payroll and personal income, and \$63.0 million in total economic output in Anchorage in 2021. Aviation at Lake Hood is also an important part of Anchorage's visitor landscape. Flightseeing services from the seaplane base are an important attraction for nonresidents visiting the city, and aviation from Lake Hood connects visitors to remote wilderness lodges across Southwest and Southcentral Alaska. Lake Hood tenants also contribute to the local tax base, paying about \$545,000 to the Municipality of Anchorage in FY2021.

<sup>9</sup> Based on FY2021 Municipality of Anchorage property tax data for building owned by 43 Lake Hood tenants.



## Appendix: List of Interviewees

- Alaska Aircraft Sales, Inc.
- Alaska Airmen's Association, Inc.
- Alaska Air Taxi, LLC
- Alaska Appraisal & Consulting
- Alaska Aviation Heritage Museum
- Alaska Department of Public Safety, Aviation Section
- Alaska Department of Transportation & Public Facilities
- Anchorage Aero
- Blue Sky Hangars, LLC
- Brent Szumal
- Crowley Alaska, LLC
- Eric Nordstrom
- Federal Aviation Administration
- Floats Alaska
- Gary Miller
- Great Land Hangars Association
- Hangars 907, LLC
- Hangers at Lake Hood, LLC
- Hangar Group, Inc.
- Joseph & Terry Ferguson
- Lake Hood Inn
- Lake Spenard Airpark, LLC
- Little Hangar, LLC
- Municipality of Anchorage
- National Oceanic and Atmospheric Administration
- Nicholas Zerbinos
- Paul Flint
- Peninsula Aero Technology, Inc.
- Regal Air
- Regional Helicopters
- Rust's Flying Service, Inc.
- Skistone
- Sportsman's Air Service, Inc.
- Steven Machida
- Swissport Aircraft Maintenance & Ground Handling
- The Point Association, Inc.
- Tim Grier
- TLC Properties, LLC
- Trinity Investments, LLC
- U.S. Department of the Interior, Office of Aviation Services

## **McKINLEY RESEARCH GROUP, LLC**

3800 Centerpoint Drive, Suite 1100 • Anchorage, AK 99503 • (907) 274-3200  
801 West 10<sup>th</sup> Street, Suite 100B • Juneau, AK 99801 • (907) 586-6126

[info@mckinleyresearch.com](mailto:info@mckinleyresearch.com) • [mckinleyresearch.com](http://mckinleyresearch.com)