

West Virginia Aviation Economic Impact Study (AEIS)

**Project Advisory
Committee Meeting #1**

September 23, 2020



Intros



- **WV Aeronautics Commission Staff**

- **Consultant Team**

- Kimley»Horn
- EBP

- **PAC Members**

- Gerald Sites WVAC
- Jay Wallace WVAC
- Brian Thompson WVAC
- Tracy Miller WVAC
- David Cramer WV DOT Office of Econ. Development
- Rita Pauley WV Department of Highways
- Chelsea Ruby WV Tourism
- Meghan Smith WV Development Office
- Richard Rock WV Airport Mgr. Association/N. Central WV Airport
- Clint Ransom Mercer County Airport
- Matt DiGiulian FAA
- Mike Adkins FAA

Webinar Agenda



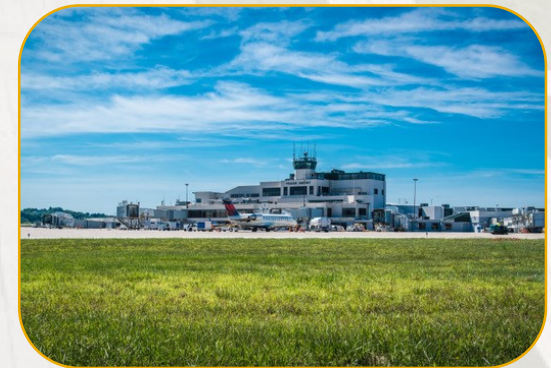
**Purpose & Role
of the PAC**



**Project
Overview**

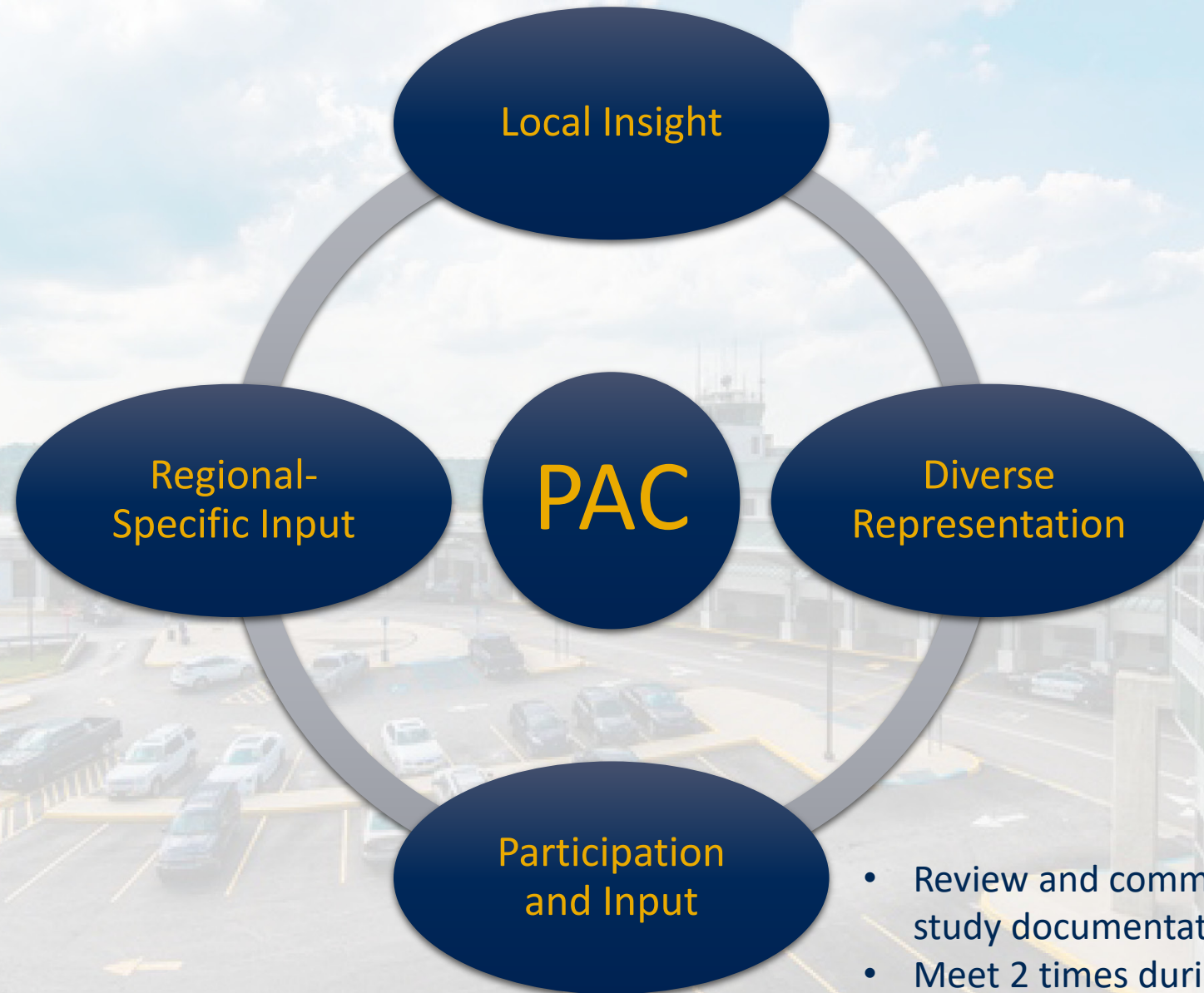


Current Tasks



**Project Schedule
& Next Steps**

Purpose and Role of the PAC



Project Overview



Study Purpose

- Understand the overall role of aviation in supporting and enhancing West Virginia's economy.
- Convey the economic importance of airports and the benefits to West Virginia residents, businesses, and visitors.
- Share the qualitative benefits and aspects of aviation to stakeholders.
- Validate the continued investment in West Virginia's airport system.

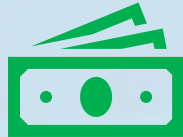


What is Economic Impact?

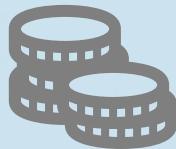
Measure of the spending and employment associated with a sector of the economy, such as civil aviation. Commonly measured four ways:



- Jobs



- Payroll



- Business Revenues (gross dollar value of industrial output produced, reflecting the spending [i.e. capital improvement + revenue] by firms, organizations, and individuals)



- Value Added (gross domestic product [GDP] - monetary value of final goods and services produced locally as a result of economic activity).

Study Benefits

Support for Airport Investments



 **Economic Contribution**

 **Qualitative/Social Benefits**



Agricultural Spraying



Medical Flights



Corporate and Business Activity



Aerial/Wildland Firefighting

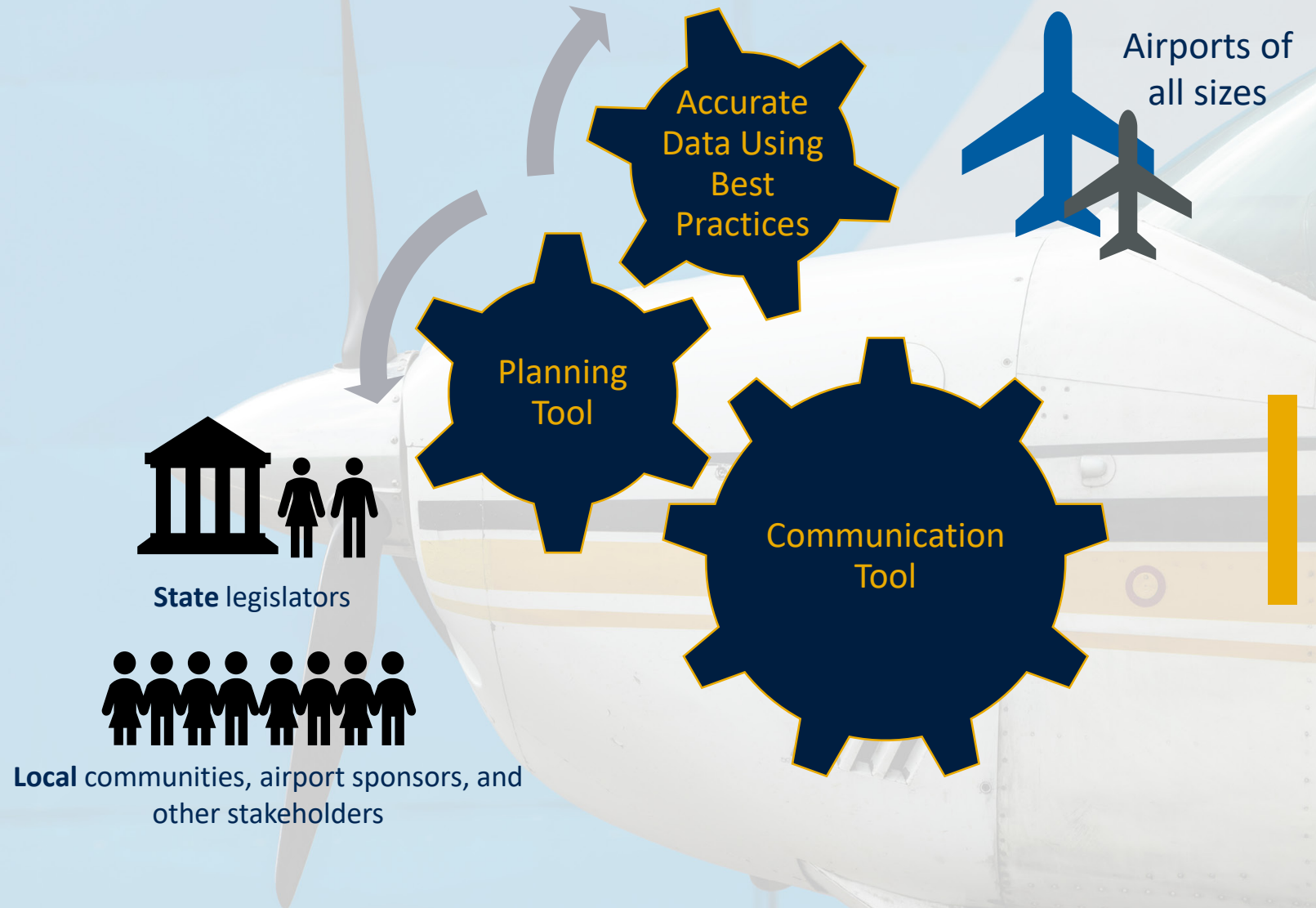


Military Exercise/Training



Law Enforcement

Value of AEIS to Airports and Stakeholders



Primary AEIS Objectives

Identify

On- & Off-Airport
Businesses

Aviation-related
Industries

Calculate

Jobs

Payroll

Business Revenues

Value Added

Tax Impacts

Airport Revenue
Generation

Quantify Qualify

Net Economic
Contributions

Quality of Life Benefits

AEIS Process

01

Quantitative Data
Collection

02

Calibrate Economic
Model

03

Qualitative Data
Collection
(Real Life Stories)

04

Determine Aviation
Economic Impacts
Calculate Tax Impacts
Assess Revenue Generation

05

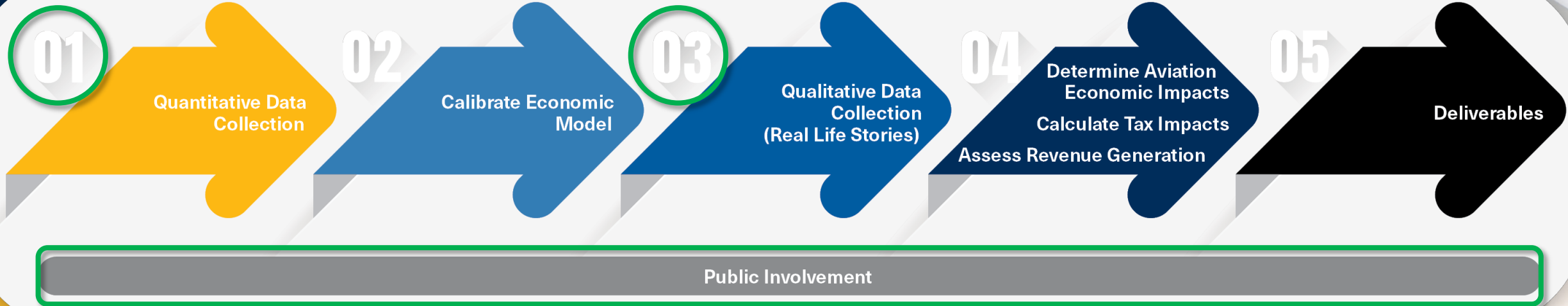
Deliverables

Public Involvement

Current Tasks



AEIS Process

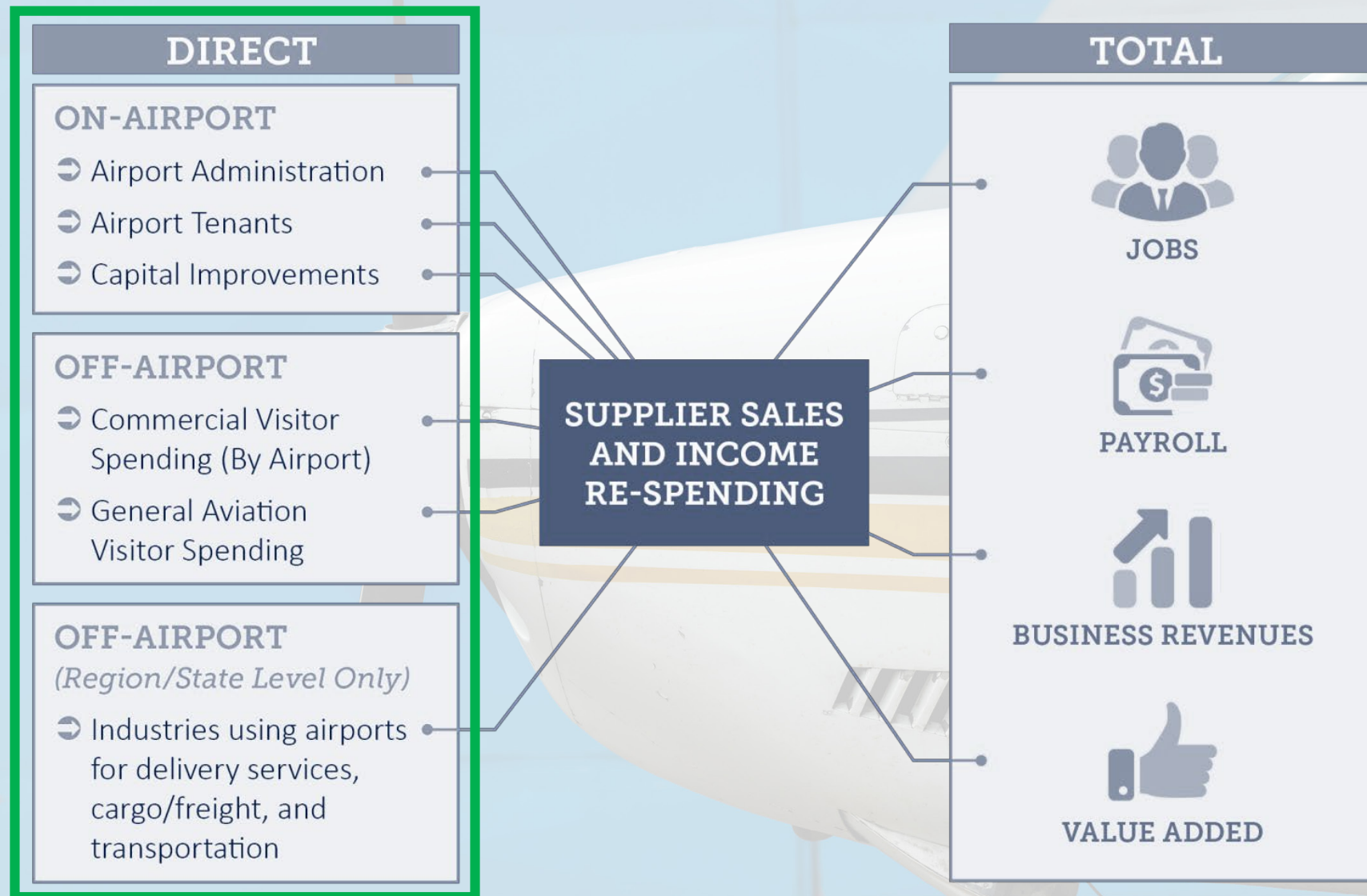


Project Website



www.wvaeis.com

Step 1: Quantitative Data Collection



On-Airport Impacts

Airport Administration

- Airport operations, management, and budget
- May include facility and grounds maintenance and other administrative needs (including city or county staff that support the airport)



On-Airport Impacts

Airport Tenants

- Airlines, FBOs, MROs, avionics, and other aircraft service companies
- Terminal concessions (e.g., restaurants and retailers)
- On-airport businesses that pay rent or fees (e.g., warehouses and hotels)
- May include:
 - Surface transportation providers (e.g., TNCs and taxis)
 - Air cargo operators (off-airport freight/logistics analyzed separately)



On-Airport Impacts



Capital Improvements

- Construction of airside and landside facilities
- Expenditures include airport, federal, state, other funds, as well as tenant expenditures
- Total improvements over the last five years are averaged to represent an “average year”



Off-Airport Impacts

Visitors (Commercial and GA Spending)

- Spending estimates determined through visitor surveys and third parties (e.g., tourism agencies)
- Out-of-state visitors only
- Important to **not** duplicate impacts between on- and off-airport spending



Off-Airport Impacts

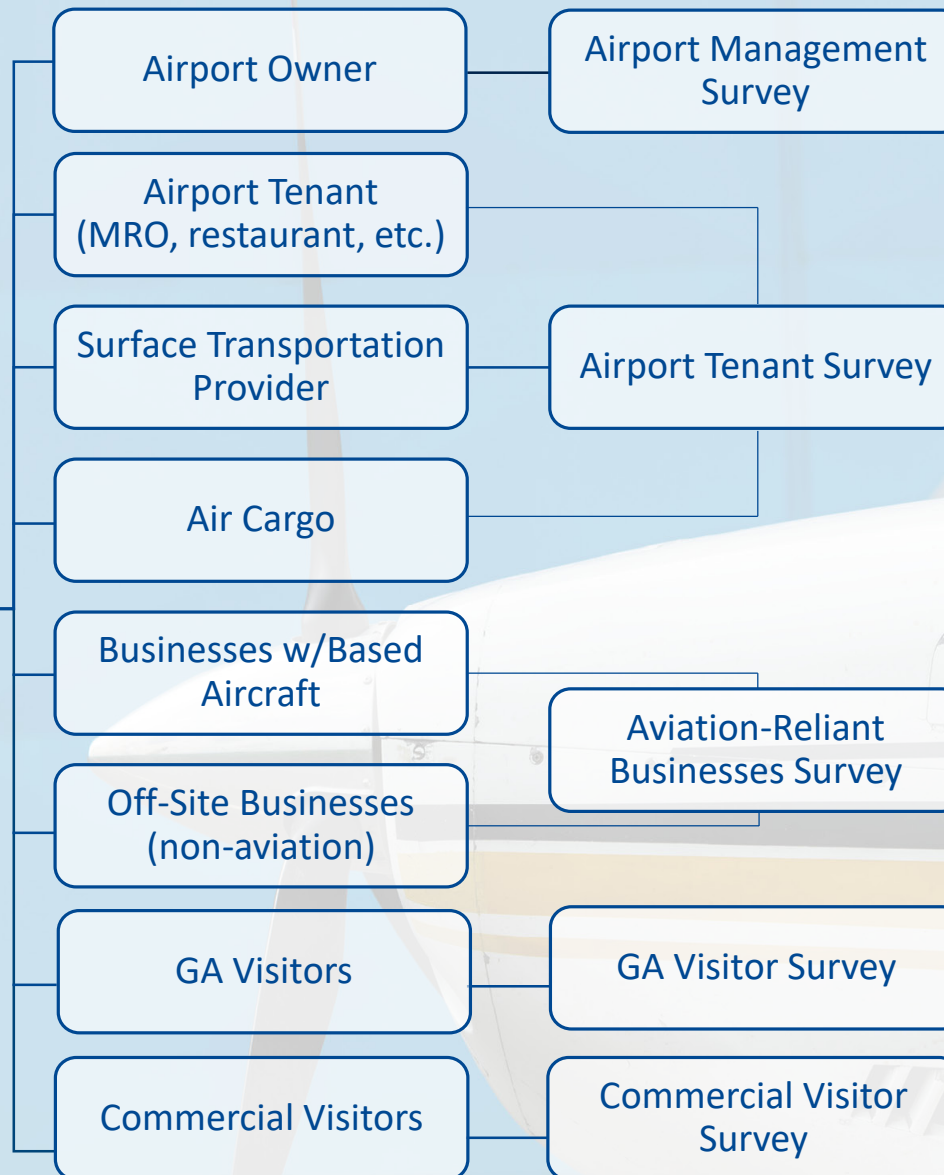


Air Reliance

- Measures how off-airport businesses rely on airports:
 - Companies whose employees use airline service
 - Companies that use airports to bring customers to their offices in West Virginia
 - Companies that use freight/cargo shipments
 - Companies with based aircraft at airport, but no employees at airport
- Conducted on statewide/regional levels because survey results are generally not statistically valid by airport

How do we Collect this Data?

Surveys!



ATTENTION Pilots and Travelers

We Need Your Help!

West Virginia Department of Transportation is studying the economic impacts West Virginia airports have on the state and local communities, and **we want to hear from you.**

PLEASE FILL OUT A SURVEY
(Estimated to take less than 5 minutes)

In-Person
Please drop in box when completed.

Online
Visit surveymonkey.com/r/GAvisitorsurvey or scan the QR code on your phone to directly access the link.

Note: Survey responses are anonymous and individual details will not be included in the final report.

FOR MORE INFORMATION, CONTACT:

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Director of the West Virginia Department of Transportation, Aeronautics Commission

- **2019 vs. 2020**

How do we Collect this Data?

Site Visits*

- Help managers complete any missing survey information
- Meet airport tenants and distribute tenant surveys
- Take photos for deliverables
- Drop off GA visitor surveys, posters, & drop boxes
- Discuss commercial visitor surveys (if applicable)
- Identify potential case study candidates



Step 3: Qualitative Data Collection

Case Studies

- Provide qualitative and anecdotal evidence to garner airport support
- Collection of 10 individuals' stories highlighting the unique aspects of West Virginia's aviation industry
 - ✓ • WV Air National Guard's 167th Airlift Wing at MRB
 - ✓ • HealthNet Aeromedical & patient
 - ✓ • Physician Recruiter for United Health Center
 - Marpat Aviation (aircraft repair)
 - Helicopter Powerline Services
 - ✓ • Marshall University's Bill Noe Flight School
 - Aurora Flight Services
 - Pratt & Whitney
 - ✓ • Mid-Atlantic Aerospace Center
 - WV Air National Guard Aerial Firefighting

Data Collection Timelines (Steps 1 & 3)

WV Aviation Economic Impact Study Data Collection						
Inventory Type and Target Audience	July	August	September	October	November	December
	<u>Airport Managers</u> Airport management and operations					
	<u>Airport Tenants</u> On-airport business tenants and FBOs with employees at a West Virginia airport					
	<u>Businesses with Based Aircraft/Aviation-Reliant Businesses</u> Businesses with based aircraft and off-airport businesses that rely on a West Virginia airport to conduct business activities					
	<u>Commercial and GA Visitors</u> Pilots and passengers visiting West Virginia airports via commercial service and GA					
			<u>Case Studies</u> 10 unique users of WV aviation system			

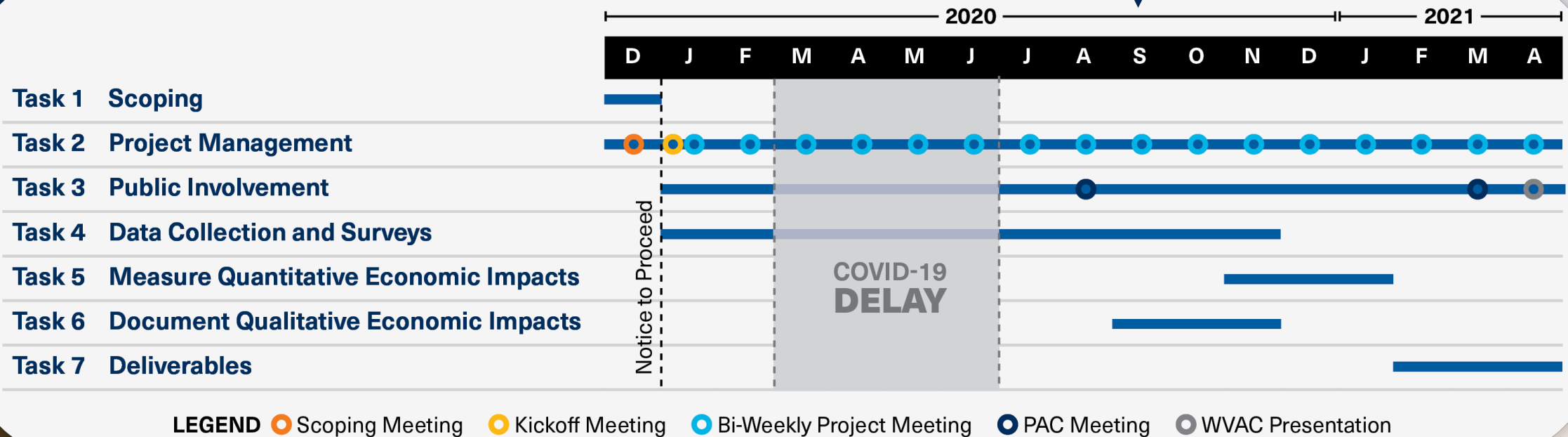
Initial Findings

- **On-Airport Employment**
 - Administration/Operations:
 - ~300 employees
 - Tenants
 - ~140 tenants with ~5,600 employees
- **Visitor Spending**
 - GA Average Spend: \$262/visitor
 - GA Length of Stay: Day trip (51%), 2-3 days (20%)
 - Commercial Service Average Spend: \$117-\$299
 - Commercial Service Length of Stay: 14-21 days (54%), 3-6 days (19%)
- **Aviation-Reliant Businesses**
 - Hotels, restaurants, government, energy, retail

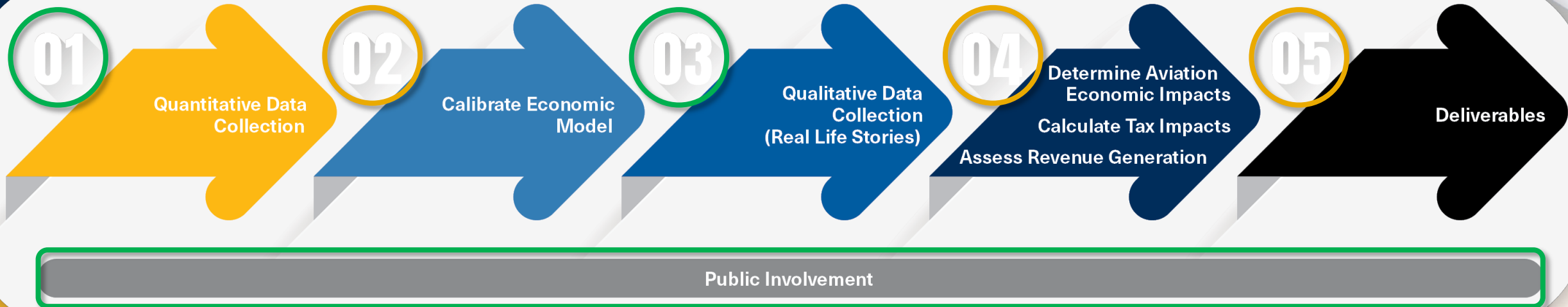
Project Schedule & Next Steps



Project Schedule



Next Steps



Step 2: Calibrate Economic Model

Step 4: Model Impacts

- **Calibrate**
 - Set up model for state and regional analyses, using the 9 regions defined by the West Virginia Tourism Office
- **Model**
 - Estimate on-airport and visitor spending impacts
 - Determine multiplier impacts (supplier purchases and income re-spending)
 - Determine total economic impacts by airport
 - Calculate tax impacts
- **Assess**
 - Analyze revenue generation

Step 5: Deliverables

- **Individual Airport Reports**
 - Reporting direct and multiplier impacts separately and combined
- **Customizable Presentation**
- **Educational Webinar**
- **Other deliverables**
 - Technical Report
 - Executive Summary
 - Study Primer
 - Elected Officials Primer

TOTAL



JOBS



PAYROLL



BUSINESS REVENUES



VALUE ADDED

Open Discussion

- Are there ways you think this study will be particularly useful to your agency/stakeholders?
- Is there anything we can do to help make this study more useful to you?
- Would any of our raw data be of interest to you?
- What questions do you have on the project?

Questions?



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