

West Virginia Aviation Economic Impact Study (AEIS)

Project Advisory Committee (PAC) Meeting #2 Summary

April 21st, 2021
1:30PM – 3:30PM

Attendees:

PAC Members

- Gerald Sites – WVAC
- Jay Wallace – WVAC
- Brian Thompson – WVAC
- Tracy Miller – WVAC, Mid-Atlantic Aerospace Complex (MAAC)
- David Cramer – WV DOT Office of Economic Development
- Chelsea Ruby – WV Tourism
- Samantha Nygard – WV Tourism
- Meghan Smith – WV Development Office
- Richard Rock – WV Airport Manager Association, CKB Manager
- Rita Pauley – WV Dept. of Highways
- Clint Ransom – Mercer County Airport Manager
- Matt DiGiulian – FAA
- Mike Adkins – FAA

Project Team

- Angie Talbott – WVAC
- Sean Hill – WVAC
- Regan Schnug – Kimley-Horn
- Georgia Twyerould – Kimley-Horn
- Steve Landau – EBP
- Naomi Stein – EBP

Introductions and Agenda

- a. Sean from WVAC kicked off the PAC meeting by stating the importance of the study and briefly discussed that he and the WVAC are looking forward to using the study to advocate for the continued development of West Virginia Airports
- b. Regan from Kimley-Horn (KH) briefly introduced the project team from KH and EBP, then lead introductions of the PAC members on the call.
- c. After introductions, Regan provided an overview of the meeting agenda, including:
 - Study Progress
 - Quantitative Impacts
 - Qualitative Impacts
 - Final Deliverables

Study Progress

- a. **Data Collection**
 - Regan provided an overview of the outreach efforts involved in the data collection process and reminded PAC members that 2019 was used as the base year for all data collection.
- b. **Data Analysis**
 - Regan introduced the methodology for collecting and analyzing data, including the secondary sources used to supplement primary data sources and discussed the use of IMPLAN in the study. Regan also provided a refresher of the different terminology used in the study (and in the presentation) to describe economic impacts.

- To better demonstrate how supplier sales and income re-spending (multiplier effects) are generated from direct impacts, Regan presented a “real-life example” flow-chart that depicts how money flows through the economy.
- Before wrapping up the Study Progress section, Regan asked the group if there were any questions, and at this time there were none.

Quantitative Impacts

- Steve from EBP opened the discussion of quantitative impacts by first presenting findings by three economic impact sources:
 - On-airport activity
 - Visitor spending
 - Air cargo
- On-airport Activity**
 - Steve discussed the three main components of on-airport activity (airport administration, airport tenants, and capital improvements) and presented the findings in **Figure 1**.

Figure 1. On-airport Activity Impacts

Category	Jobs	Payroll	Value Added	Business Revenues
Direct	6,412	\$364,910,000	\$530,293,000	\$1,042,534,000
Supplier Sales	756	\$41,053,000	\$64,315,000	\$126,912,000
Income Re-spending	2,102	\$87,883,000	\$131,388,000	\$276,691,000
Total	9,271	\$493,845,000	\$725,997,000	\$1,446,137,000

Note: Totals may not sum exactly due to rounding. Sources: WV AEIS Airport Manager Survey, WV AEIS Tenant Survey; calculations by EBP US using IMPLAN V.3 2018, 2021

- Visitor Spending**
 - Steve discussed that visitors were only accounted for in the study if they traveled by air from out of state and spent money in West Virginia communities and presented the findings in **Figure 2**.

Figure 2. Visitor Spending Impacts

Category	Jobs	Payroll	Value Added	Business Revenues
Direct	790	\$21,553,000	\$35,896,000	\$69,163,000
Supplier Sales	141	\$6,079,000	\$9,092,000	\$18,858,000
Income Re-spending	132	\$6,403,000	\$9,975,000	\$19,226,000
Total	1,063	\$34,035,000	\$54,963,000	\$107,248,000

Note: Totals may not sum exactly due to rounding. Sources: Longwoods International provided by the West Virginia Office of Tourism, Airline Data, Inc., WV AEIS Airport Manager Survey, WV AEIS Commercial Passenger Survey, WV AEIS Transient GA Pilot & Passenger Survey; calculations by EBP US using IMPLAN V.3 2018, 2021

- Steve also compared the spending profiles of visitors who arrived via commercial service and via general aviation (GA).

d. Air Cargo

- Steve discussed the impacts of air cargo activity in the state and specified that these impacts accounted for off-airport activities that are supported by air cargo being shipped out from West Virginia airports or air cargo being shipped in to West Virginia airports to be used in West Virginia. Air cargo impacts are presented in **Figure 3**.

Figure 3. Air Cargo Impacts

Category	Jobs	Payroll	Value Added	Business Revenues
Direct	231	\$14,311,000	\$21,947,000	\$47,354,000
Supplier Sales	74	\$3,986,000	\$6,407,000	\$12,418,000
Income Re-spending	91	\$3,935,000	\$7,180,000	\$12,648,000
Total	396	\$22,232,000	\$35,534,000	\$72,420,000

Note: Totals may not sum exactly due to rounding. Source: Calculations by EBP US using IMPLAN V.3 2018, 2021

e. Total Impacts

- After presenting impacts by source, Steve presented the complete statewide economic impacts for each source, including multiplier effects, as shown in **Figure 4**.

Figure 4. Statewide Economic Impacts



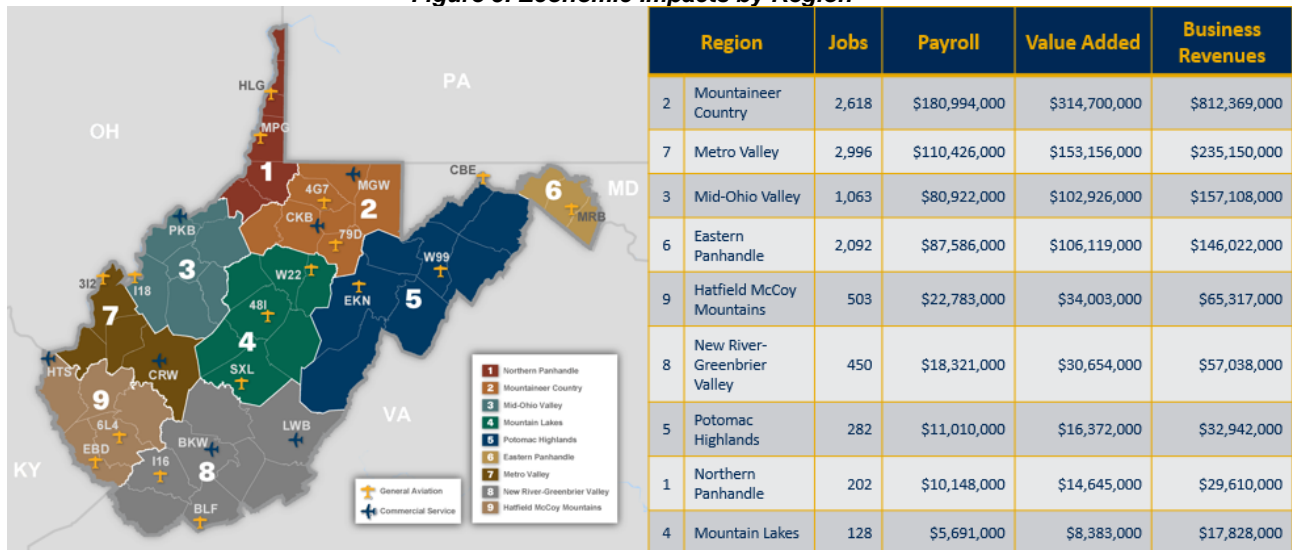
f. Multiplier Effects

- To provide further clarification about the impacts of multiplier effects on the total economic contribution, Steve discussed the percentage of the total impacts attributable to multiplier effects. Roughly 30% of the total impacts across indicators (jobs, payroll, value added, business revenues) are related to impacts of supplier sales and income re-spending.
- Steve also discussed the top industries in West Virginia driving the supplier sales and income re-spending impacts associated with aviation.

g. Regional Impacts

- Steve provided an overview of the economic impact findings by tourism region in West Virginia, as presented in **Figure 5**.

Figure 5. Economic Impacts by Region



h. Tax Impacts

- To conclude the quantitative impacts section, Steve provided an overview of the annual tax revenues generated by aviation-related activity, as presented in **Figure 6**.

Figure 6. Tax Impacts

Service Level	State Tax Revenue	Local Tax Revenue	Total
Commercial Service Airports	\$66,315,800	\$488,300	\$66,804,100
GA - Only Airports	\$7,262,800	\$99,800	\$7,362,600
Sub Total	\$73,578,600	\$588,100	\$74,166,700
Statewide Aviation Fuel Tax			\$1,361,140
Total Tax Revenues from All Sources			\$75,527,840

Note: Totals may not sum exactly due to rounding. Source: WV AEIS Airport Manager Survey; Airport Tenant Survey; Commercial Air Passenger Survey; Transient GA Pilot & Passenger Survey, 2019; WVAC; and state and local tax rates

Quantitative Impacts Discussion

The presentation paused here for an opportunity for audience members to ask questions about anything that had been presented:

Jay Wallace: Asked for an explanation of the multiplier effects as his understanding was that it seemed like money was turning over nine times in the analysis, indicating that findings may be over inflated. Jay’s comment was in reference to the “real-life experience” flow chart presented in Slide 9 (included at the end of this summary as **Figure 7**).

Steve, EBP: Responded by clarifying that the flow chart isn’t associated with any real numbers, rather was intended to present an example of how money can move through the economy and at what stage impacts are considered direct effect, supplier sales, and income re-spending. It does not reflect a specific number of times money is turned over or a specific percentage of that money that is recognized as direct or generating multiplier impacts. Steve further described the modeling process and offered to speak with Jay in greater detail so there’s an opportunity to look at data inputs more closely.

Jay Wallace: Asked how much of the money accounted for in the “capital improvements” component of direct impacts was considered federal funds vs. state funds.

Regan, KH: Responded that airports were asked to provide the amount of capital expenditures made by their airport over the last five years (2015 – 2019) but were not specific in the source of funding as that does not affect the impact calculations. The average over this five-year period was used for the modeling input to flatten any extreme highs or lows associated with large project years at the airports.

Jay Wallace: Responded that he understood that methodology and requested a copy of the airport-level capital expenditure data used for the study. He also requested a copy of the source data for the regional impacts of Potomac Highlands and a copy of the PowerPoint presentation.

Regan, KH: KH will provide this data to Jay and offered to discuss in more detail the modeling process and go over the data inputs with Jay if he'd like.

Qualitative Impacts

- a. Georgia with KH discussed the case-study and stakeholder engagement efforts that were involved in producing the qualitative impacts. During site visits, airports were asked to provide names of individuals who may be good candidates for case study interviews. These individuals were contacted, and one-on-one open-discussion interviews were conducted to learn more about their personal or professional experiences with aviation in West Virginia.
- b. Georgia provided some examples of the case-study contents and directed PAC members to the project website where interested parties can review the Appendix B – Case Studies document in its entirety.

Final Deliverables

- a. Georgia provided a brief overview of the final deliverables associated with the WV AEIS, including the:
 - **Technical Report**
 - *Chapters 1 and 2, and Appendices B and C are finalized and available for review on the project website.*
 - *Chapter 3 and Appendix A are currently undergoing review and will be sent to the PAC for review and comment prior to posting to the project website.*
 - **Airport Brochures**
 - *Each airport will receive an individual airport brochure which will be a very valuable marketing tool that airports can use to engage with local decision makers, planning and development organizations, as well as other user groups and stakeholders.*
 - *Brochures include airport specific information and economic impacts, as well as statewide economic impacts.*
 - **Outreach Toolkit**
 - *The toolkit includes a variety of different documents and tools that can be used to educate stakeholders on the value of WV airports. The toolkit includes:*
 - Elected Officials Primer: Targeted 2-page primers developed for each senate district to highlight the economic impact of airports in their district and support airport development at the local level.
 - WV AEIS Study Brochure: A 2-page brochure designed for readers to quickly understand the study process and easily access study findings.
 - Educational Webinar: Will be hosted by KH to rollout final study findings to the study airports and share how they can be used to support future planning and development efforts.
 - WVAC Final Study Presentation: Will be prepared for WVAC for their use at conferences, stakeholder events, meetings, marketing opportunities, and more.

- **Project Website**

The project website www.wvaeis.com has been maintained and updated throughout the project duration and includes draft final deliverables and blog posts updating the public on the study progress.

Conclusion

Regan thanked PAC members and WVAC for their time and reiterated the study team’s appreciation for all of the airport managers, PAC members, and other individuals involved in making this project a success. Regan encouraged PAC members to reach out to herself or Sean Hill at WVAC with any questions or comments and reminded PAC members that they will be receiving Chapter 3 and Appendix A in their inbox soon for their review.

Figure 7. Real-life Example of Multiplier Effects

