

# Economic Impact of Ohio Airports

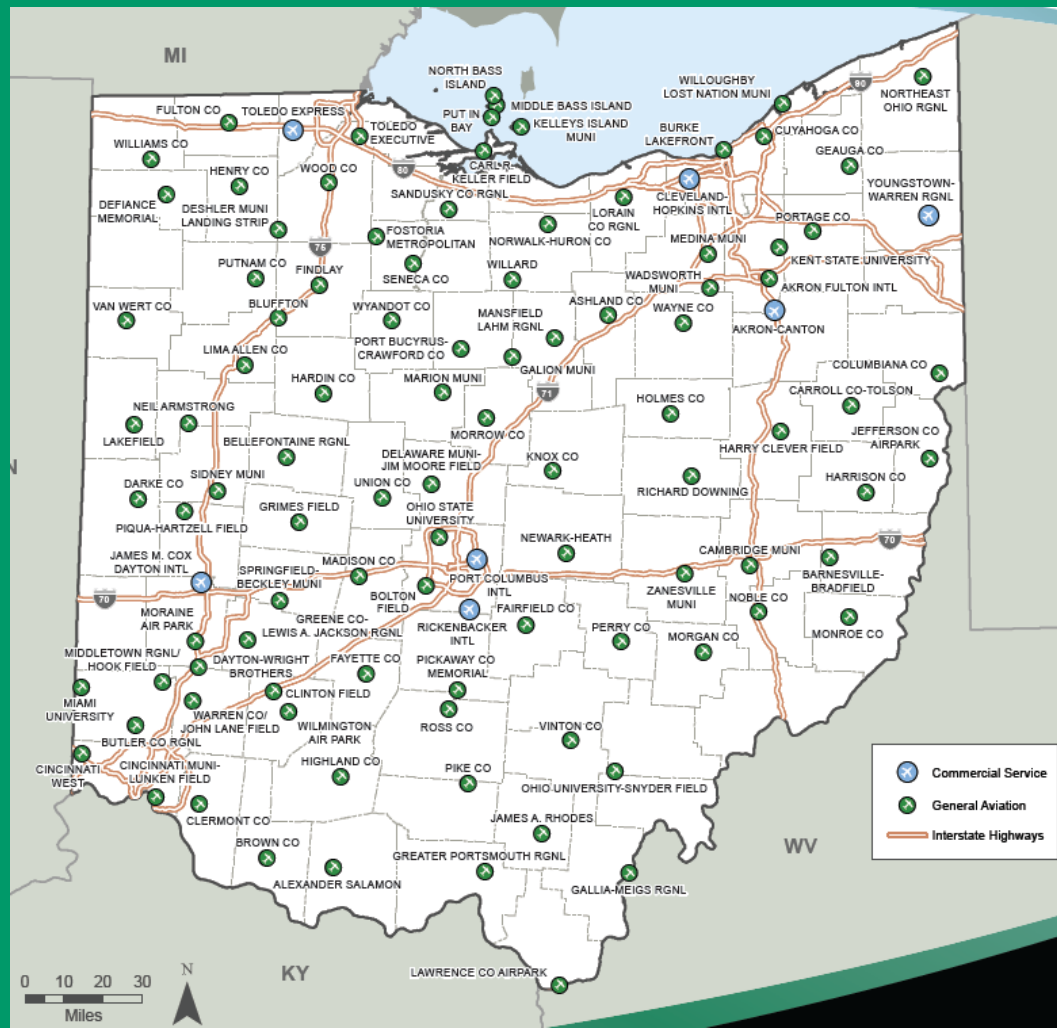


**Presentation to  
Ohio Aerospace and Aviation Technology Committee  
by  
James Bryant, Administrator, ODOT Office of Aviation  
November 30, 2016**

# The State Airport System

- ⦿ **A robust airport system with 104 publicly owned airports**
  - ⦿ 8 Commercial Service airports (scheduled passenger service)
    - ⦿ Receive FAA Passenger Entitlements.
    - ⦿ Rickenbacker receives both FAA Passenger and Cargo Entitlements
  - ⦿ 96 General Aviation (GA) airports
    - ⦿ Most Receive FAA Non-Primary Entitlements of \$150,000 annually
    - ⦿ Are eligible for ODOT Ohio Airport Grants
- ⦿ **98 percent of Ohioans are within 30 minutes of a paved, lighted publicly owned airport**
- ⦿ **Economic impact of the entire system:**
  - ⦿ 123,456 jobs
  - ⦿ \$4.2 billion in annual payroll
  - ⦿ \$13.3 Billion total economic output

# The State Airport System



104 publicly owned airports

# The State Airport System

- The number of airports in the state is largely due to the County Airport Program instituted by Gov. Rhodes starting in 1964
- 84 of Ohio's 88 counties have at least one publicly owned airport
- Counties that do not have a publicly owned airport:
  - Hocking
  - Paulding
  - Preble
  - Washington

# Forecasts of GA Activity

- Moderate overall growth in activity anticipated:

	<u>2012</u>	<u>2032</u>
Based aircraft:	4,687	5,182
Annual operations:	2.7 million	3.0 million

- Relatively high growth in sales and operations of business aircraft (corporate jets, turboprops)

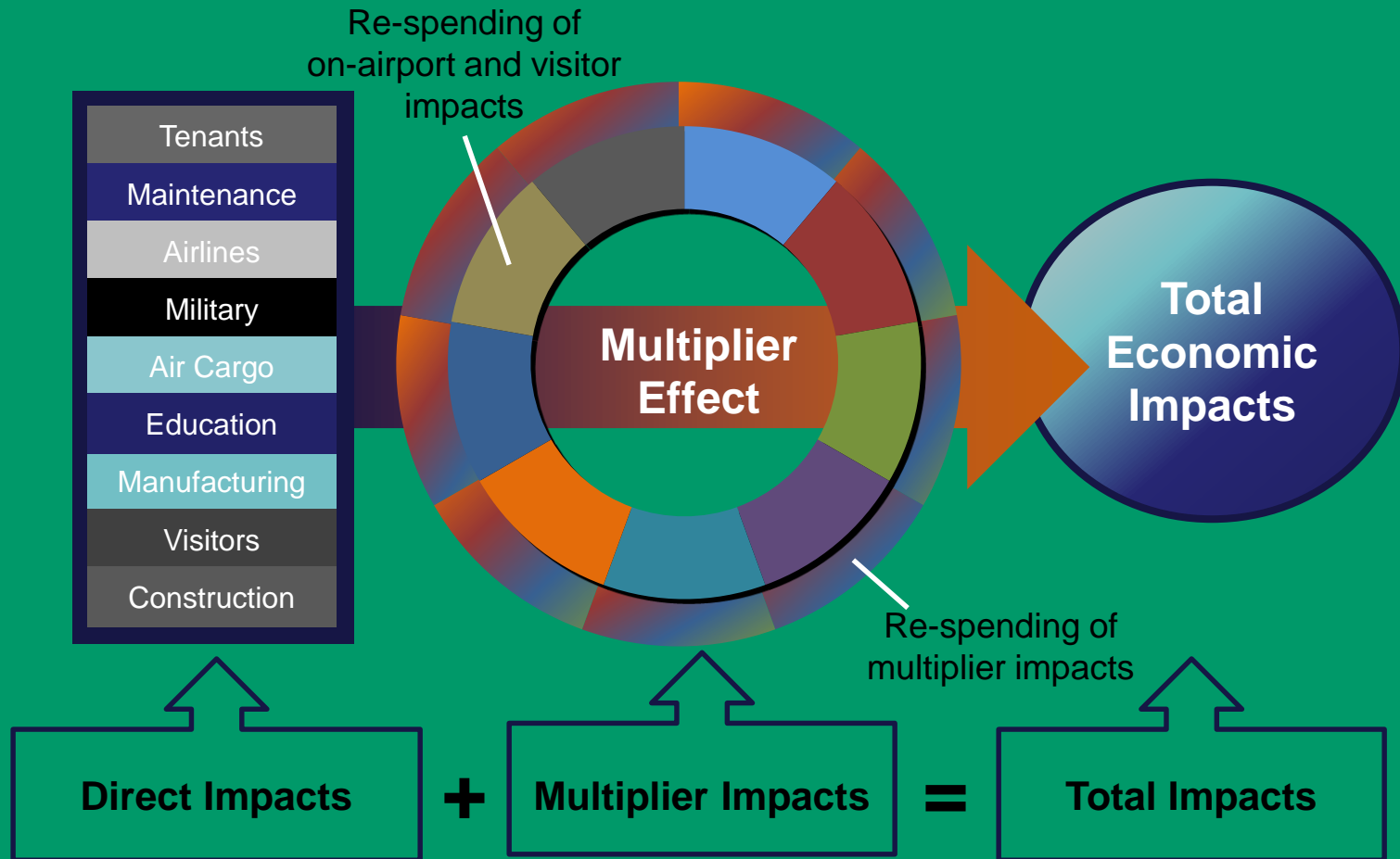
# Total Economic Impact of the Ohio Airport System

- ✈ **\$13.3 Billion in total economic output**
- ✈ **123,456 jobs**
- ✈ **\$4.2 Billion in annual payroll**
- ✈ **Replacement cost of the 96 GA airports is estimated at \$5.2 Billion**

# Data Collection

- ① Surveyed economic development officials in addition to airport officials
- ① Visited and gathered data from all 104 airports and their tenants
- ① Numerous discussions with the project advisory committee
- ① Additional feedback via 21 public meetings throughout the state, online questionnaires, email, phone surveys
- ① Pilot survey
- ① Business use of aviation survey
- ① **Very thorough data collection, unprecedented level of contact with local economic development officials**

# Study followed approved FAA methodology





# Economic impact of eight Commercial Service airports

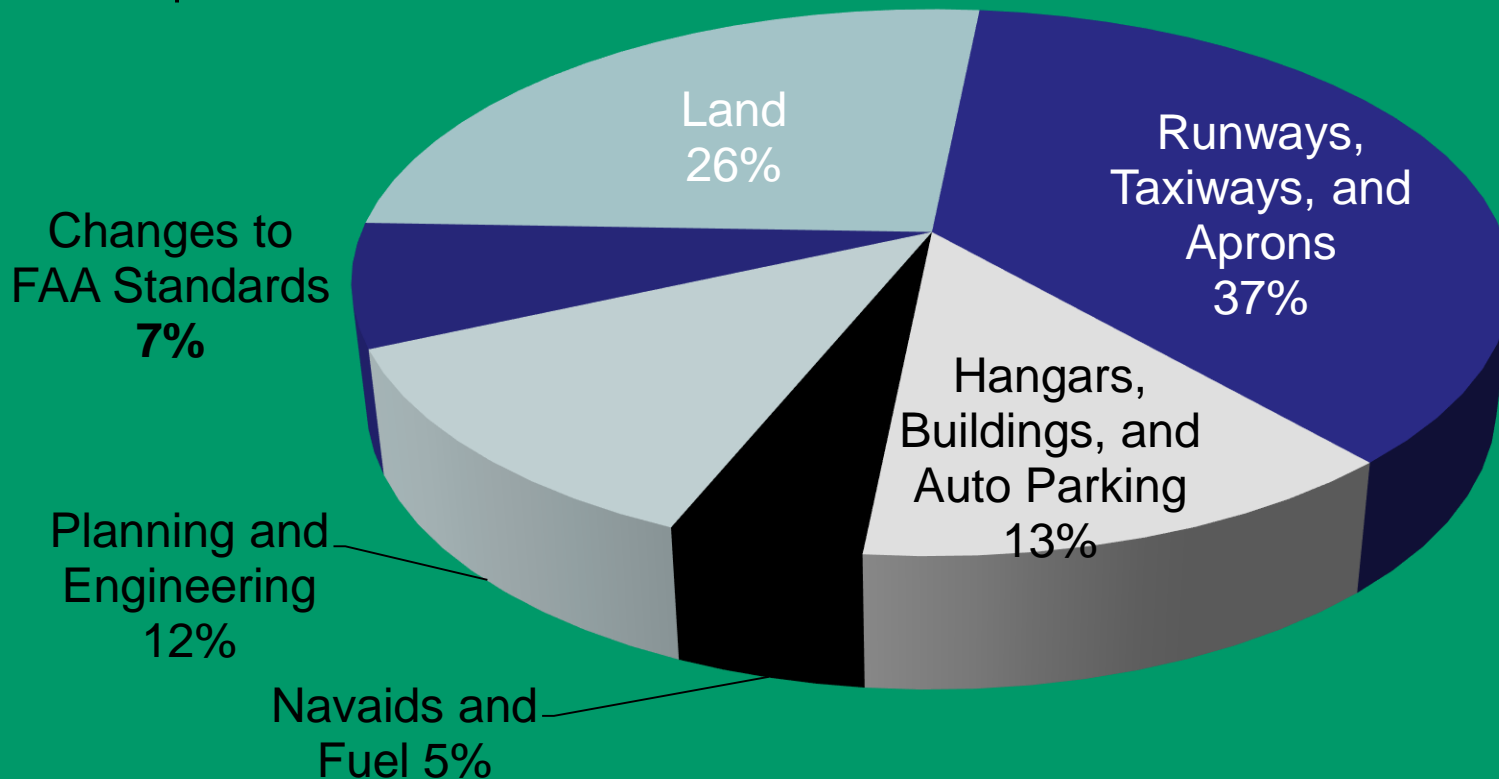
Impact Measure	Impact
Employment	<b>105,956 jobs</b>
Payroll	<b>\$3.5 Billion</b>
Total Economic Output	<b>\$11.5 billion</b>

# Economic impact of 96 General Aviation (GA) airports

Impact Measure	Total for GA
Employment	17,500 jobs
Payroll	\$668 million
Total Economic Output	\$1.8 billion
Valuation of GA Airport System	\$5.2 billion

# General Aviation Airport valuation

- Replacement value of system GA airports:
- \$5.2 billion



# Two of the Top Factors Ohio Businesses Use in Choosing a Location involve Airports

1. Convenient highway access
2. Available trained workforce
3. Quality of life
4. Tax incentives
- 5. Commercial Service airport**
6. Proximity of suppliers
7. Universities or R&D centers
8. Natural resources
9. Urban business district
10. Historic location of business
- 11. General Aviation airport**
12. Rail transportation facilities
13. Water transportation facilities

- **62% of businesses considered proximity of a Commercial Service airport to be of extreme importance**
- **40% of businesses considered proximity of a GA airport to be of extreme importance**



Source: ***Ohio Airports Focus Study*** business survey

# Taxes from General Aviation

- ⦿ Estimated annual tax collections from General Aviation are nearly **\$30 million**
- ⦿ This figure does not include Commercial Service activities, which are exempt from Ohio sales tax
- ⦿ This estimate is from the 2014 Ohio Airports Focus Study and is based on analysis of reported sales of fuel and services
- ⦿ Starting July 1, 2017, Dept. of Taxation will require reporting of all tax payments on aviation fuel sales

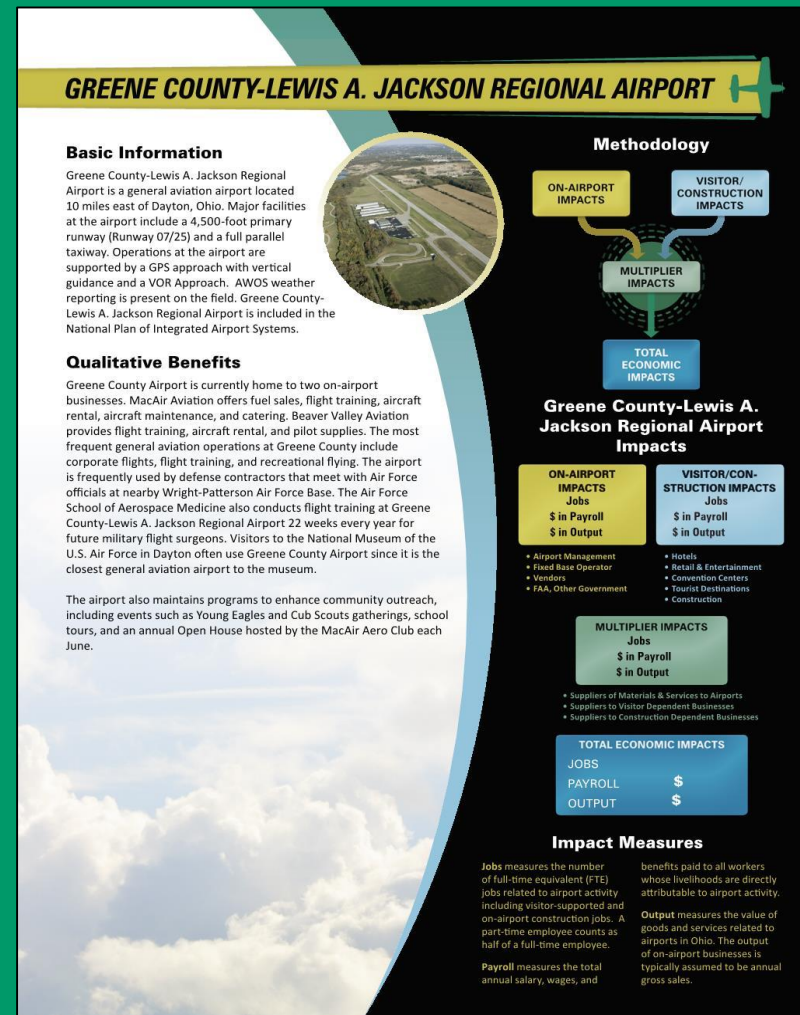
# Sources of Estimated Taxes from General Aviation, Calendar Year 2012

Tax Source	Taxable Sales	Sales Tax
General Aviation Fuel	\$288.8 million	\$15.9 million
Other General Aviation Goods and Services	\$247.6 million	\$13.7 million
<b>Total</b>	<b>\$536.4 million</b>	<b>\$29.6 million</b>



# Economic impact brochures for individual airports

- 🕒 For all publicly owned airports, both GA and Commercial Service
- 🕒 Two page summary
  - 🕒 Front page is airport specific
  - 🕒 Back page covers airports system
- 🕒 Summarizes the airport's economic impact
- 🕒 All are available online at:  
[www.AirportsFocusStudy.ohio.gov](http://www.AirportsFocusStudy.ohio.gov)



# Grant Program: Massive Change

- ☉ By FY2015 total grants awarded had declined to less than \$1,000,000 per year
- ☉ Through the efforts of the Ohio Aviation Association, Rep. Perales, AOPA and many others, GRF funding for grants in the FY16-17 biennium was increased to \$6.0 million per year
- ☉ Grant Program also receives approximately \$450,000 per year from aircraft registration receipts



# Changes to the Grant Program

- ④ **State share increased from 90% to 95%**
- ④ **Program had been limited to pavement rehab and obstruction removal and marking.**
- ④ **Newly eligible projects include:**
  1. RW & TW lighting rehab
  2. Navaids and beacon replacement – PAPI's, REIL's
  3. Pavement marking
  4. AWOS installation and upgrade
  5. Starting in FY18, project design costs (if funding level is maintained)
- ④ **Sponsor no longer has to pay contractors up front in order to receive grant payments**
- ④ **Added program to match FAA grants to GA airports**

# Grant Funding 1998 - 2017



# Size of ODOT Grant Program, 2015 - 2017

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
# of Projects	7	26	14 direct, 51 matching
Amount Funded	\$800,000	\$6.9 million	\$6.8 million

# ODOT Direct Grants, FY2016

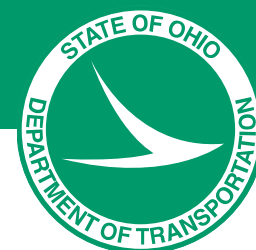
Airport	Project Description	ODOT Share
Akron Fulton	Rehab Aprons C, D, s. ends of E & F	\$307,180
Ashtabula-NE Ohio Reg. Ph. 1	Obst. Rem. - trees	\$49,970
Ashtabula-NE Ohio Reg. Ph. 2	Rehab TW A - west end	\$323,911
Columbus - OSU Airport	Rem. trees, RW 23, 27R Appr.	\$63,650
Dayton Wright Bros.	Rehab apron	\$475,000
Dayton Wright Bros.	Tree removal	\$95,000
Delware Municipal	Reconst. TW C	\$404,368
Fostoria Metro	RW pavement marking	\$54,791
Hamilton-Butler Co.	Rehab PAPI's and REIL's	\$116,993
Lancaster - Fairfield Co.	RW rehab	\$611,876
Lebanon - Warren Co.	Replace beacon, pads for REIL's	\$24,700
Mansfield Lahm	Windcone, windcone lighting rehab	\$59,156
Medina Mun. Ph. 1	Reconst. TW A	\$570,000
Medina Mun. Ph. 2	Rehab apron	\$313,500
Middlefield - Geauga Co.	Obst. Rem. - trees	\$37,273
Middletown - Hook	Rehab Aprons A thru F	\$429,923
Middletown - Hook	TW repair	\$51,034
Middletown - Hook	Overlay TW	\$564,300
Newark-Heath	Resurf. Ramp	\$39,601
Ottawa - Putnam Co. Ph. 1	Obst. Rem. - trees	\$20,107
Ottawa - Putnam Co. Ph. 2	Apron rehab	\$125,875
Port Clinton- Erie-Ottawa	Rehab TW, repair RW 09/27	\$599,673
Sidney Mun.	Rehab RW 5/23	\$85,576
Springfield Beckley	Crack Repair TW B, Rehab TW F	\$370,111
Tiffin - Seneca Co.	Rehab Aprons B & D, TW A & B	\$180,107
Toledo Exec.	Pavement marking	\$75,311
Urbana Grimes	Re-seed & fertilize turf RW	\$5,254
Willoughby - Lost Nation	Crack Repair RW10/28	\$276,810
Wilmington Air Park	Repair section of Apron B	\$161,596
Zanesville Mun.	Rehab RW 16/34	\$404,700
Total:		<b>\$6,897,346</b>

# ODOT Direct Grants, FY2017

Fewer projects, higher amounts per project

Airport	Project Description	ODOT Share
Akron Fulton Int.	Obstruction Lighting & Tree Removal	\$508,393
Northeast Ohio Reg.	Tree Removal & Brush Clearing	\$201,793
Clermont County	Resurface & Widen TW	\$99,145
Noble County	Mark RW, Obst. Rem., RW lighting repair	\$63,413
Ohio State University	RW Repairs	\$1,536,150
Moraine Air Park	RW Rehab	\$501,879
Lorain County	RW 7/25 Pavement Marking	\$109,934
Geauga County	Obstruction Removal -Trees	\$47,025
Knox County	Rehab Apron A	\$479,550
Hartzell Field	Install PAPI	\$280,285
Darke County	TW Repairs	\$52,250
Fulton County	Replace Markers on Turf Runway	\$16,150
Zanesville Municipal	Rehab RW 16/34	\$404,629
Fairfield County	Relocate TXY D	\$379,709
Total:		\$4,680,305

Also, FY17 was first year to match FAA grants



# **FY2017 Matching Grant Program (matching FAA FY2016)**

<b># of projects matched</b>	<b>51 projects at 50 airports</b>
<b>Total FAA funding matched</b>	<b>\$38.8 Million</b>
<b>Total ODOT funding</b>	<b>\$2.2 Million</b>
<b>Total project costs</b>	<b>\$43.0 Million</b>
<b>Ratio of State to Federal funding</b>	<b>18:1</b>

# Matching Grant Program

- First time ODOT has matched FAA grants since 2003
- ODOT will pay half of non-federal share: 90% FAA, 5% State, 5% Local
- ODOT will match ALL FAA grants to GA airports (airports that do not receive passenger or air cargo entitlements). We will contact airports that have not applied. **NO FAA GRANT TO A GA AIRPORT WILL GO UNMATCHED!**
- 91 GA airports eligible for FAA funding
- Leverages Federal funding at a ratio of 18:1
- Estimated ODOT match from State FY17 to match FAA FY16: **\$2.2 million**



# For Further Info on Economic Impact:

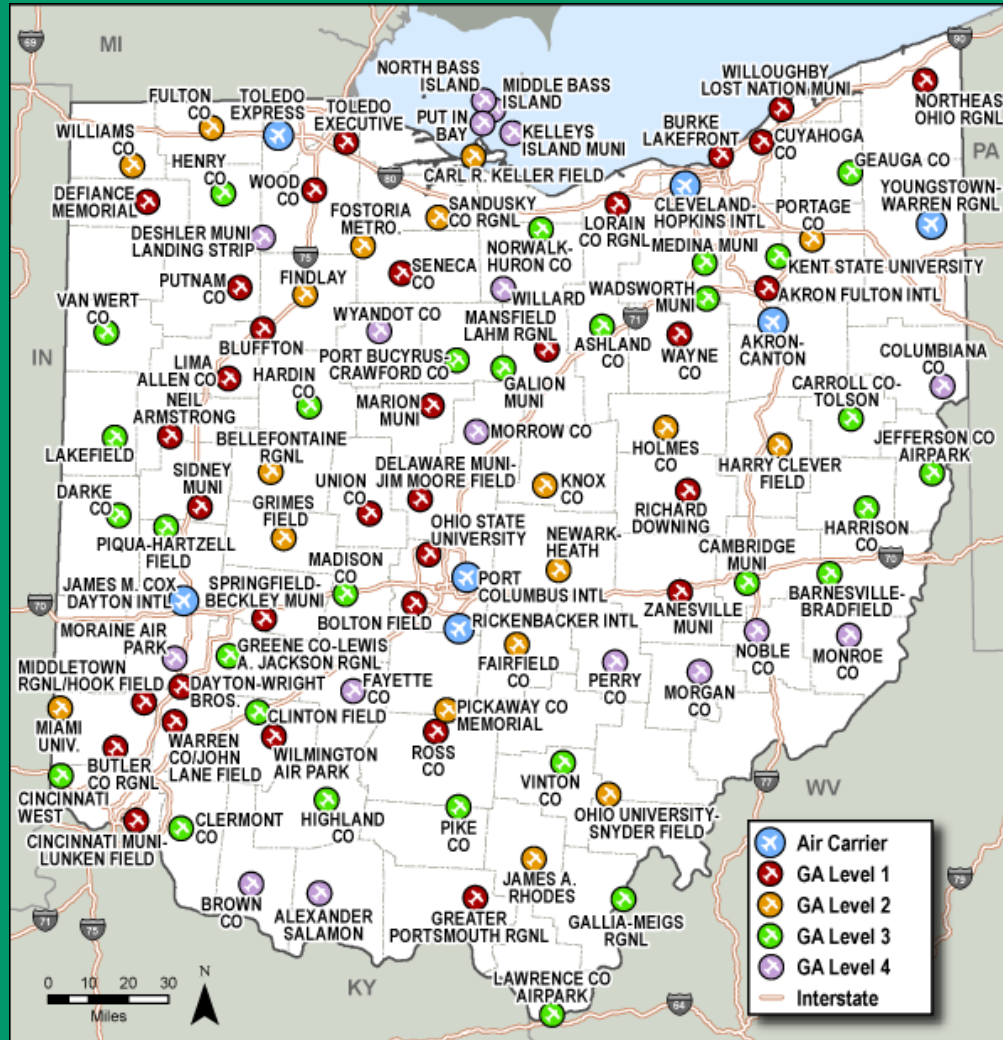
- ④ **Economic Impact Study and Focus Study (state airport system plan) are both available online**
- ④ Go to: **[www.AirportsFocusStudy.ohio.gov](http://www.AirportsFocusStudy.ohio.gov)**
- ④ Click on map for brochures on economic impact of individual airports
- ④ Click on “**Main Reports & Technical Documents**” for Full Report and Executive Summary of both system plan and economic impact study



# For Further Info on Grant Program:

- Ohio Airport Grant Program info is also available online:
  - Go to: [www.dot.state.oh.us/aviation](http://www.dot.state.oh.us/aviation)
  - On the menu on the left click on “Airports”
  - Scroll down to “Ohio Airport Grant Program”
- Includes:
  - Application procedure for direct and matching grants
  - Project lists for FY16 and FY17

# Click Individual Airport for Economic Impact and System Plan Recommendations



# Questions?

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