



Project Advisory Committee Meeting #1

October 16, 2018

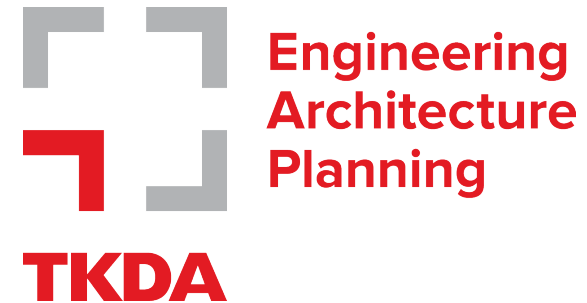
Introductions

- MnDOT Staff
- Members of the PAC
- Consultant

Who is on the Consultant Team?

- Jviation (Prime Consultant)
- TKDA
- Kramer Aerotek

JVIATION[®]



How did we Establish the PAC?

- Considered recently completed studies from other states
- Invited representatives with varied aviation interest and roles
 - Public and Private Sector as well as Not for Profit entities
- Invited representatives with diverse interests outside of, or indirectly benefiting from, aviation
 - Provides balance of viewpoints and helps with impartiality

What is the PAC's Role?

- Be informed on project formulation
- Provide input on making products “Minnesota” specific
- Help lend credibility and acceptance to final study results
- Act as conduit between study and agencies/organizations represented on PAC
- Champion study results and findings

Why and When did MnDOT Initiate This Project?

- MnDOT project formulation
 - State Aviation System Plan in progress – stakeholder feedback suggested economic impact study was most pressing need in aviation “family of plans”
- RFP released and proposals received
 - March 12th
 - April 15th
- Consultant selection
 - May 1st

What is Today's Agenda?

- Agenda
 - Opening
 - Project Approach
 - Going Beyond the Numbers
 - Wrap-Up
- Project Idea Cards

What is the Focus of the Study?

- Measure the annual economic impact of general aviation and commercial airports
- But...go beyond the numbers
- Put a face on each airport
- Show how airports support health, welfare, and business activities



Project Approach

What Factors are Used to Measure Each Airport's Annual Economic Impact?

ECONOMIC IMPACTS COME FROM 5 "BUCKETS"



Airport Management



Commercial Visitor Spending



Airport Tenants



General Aviation Visitor Spending



Average Annual Capital Investment Spending

How Will Direct Impacts for Each Airport be Gathered?

- Airport Management
 - Surveys, Interviews, On-Site Visits
- Airport Tenants
 - Surveys, Interviews, On-Site Visits
- Capital Investment
 - FAA & State Grants, Local Match, Private Investment
- Commercial Visitors
 - Surveys, USDOT Data
- General Aviation Visitors
 - Surveys, Realistic Visitor Estimates



How are Visitor Impacts Measured?

- General Aviation Visitor Surveys
- Commercial Visitor Surveys



How Will Airports be Engaged in the Study?

<u>ACTIVITY</u>	<u>RESPONSIBLE ENTITY</u>	<u>TIMEFRAME</u>
Tenant lists	Airport management	Mid - August
Management survey	Airport management	Early - October
Tenant survey	All airport tenants; management support needed	October
General aviation visitor survey	Airport management; FBOs	August
Commercial visitor survey	Commercial airport IT staff	September
Estimating general aviation	Airport management; FBOs	October-November

How are Study Impacts Measured?



Employment



Annual Payroll

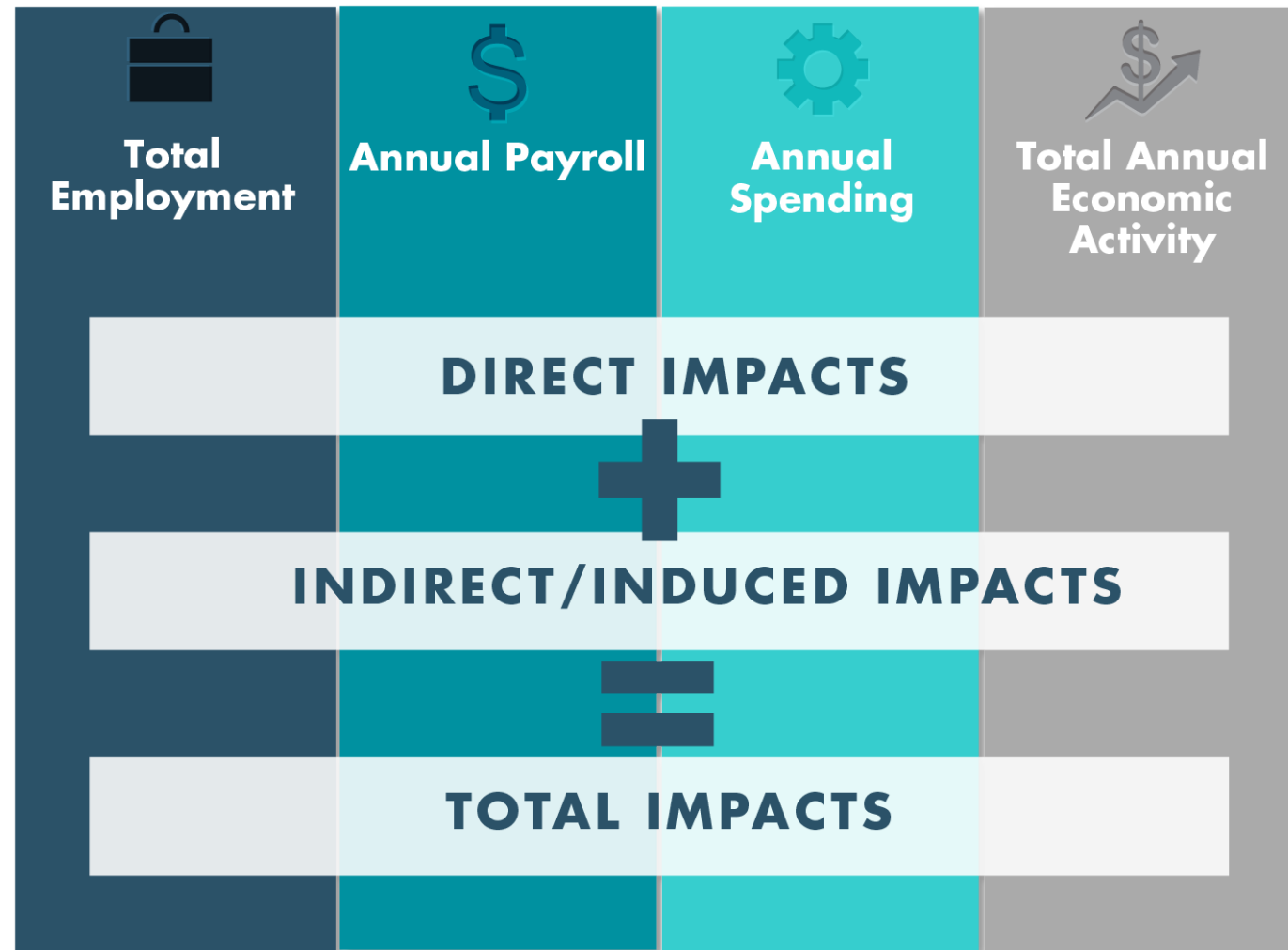


Spending



Annual Economic
Activity

What is the Process Used to Estimate Annual Economic Impacts?

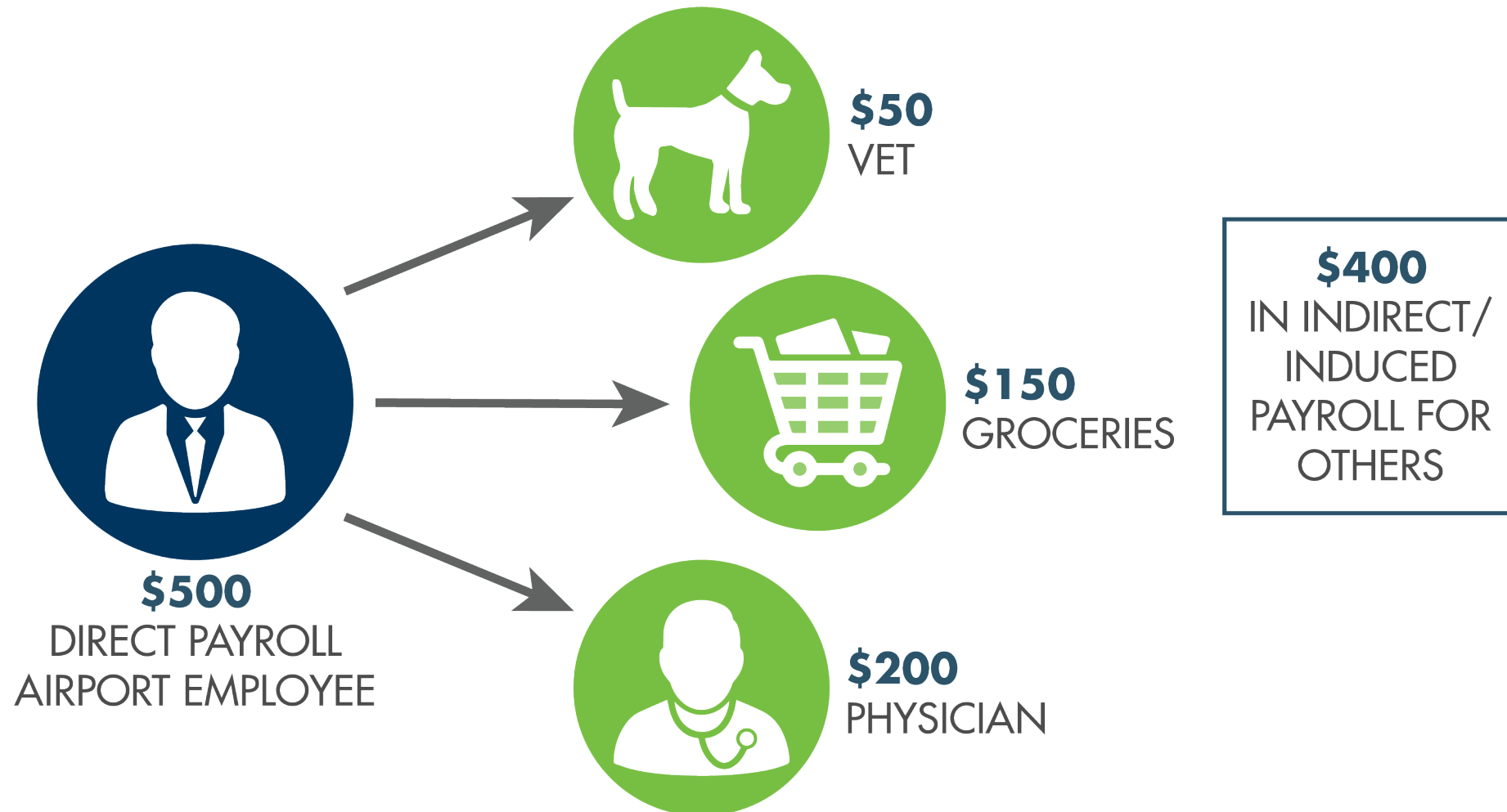


What are Indirect/Induced Impacts?

- \$1 of direct impact enters Minnesota's economy
- The \$1 of direct airport impact is re-spent
- The re-spending is often referred to as the "multiplier" effect



How are Indirect/Induced Impacts Created?



How are Indirect/Induced Impacts Estimated?

- Econometric Model – IMPLAN
- Based on socio-economic, demographic, and business characteristics for all counties in Minnesota
- IMPLAN measures “re-cycling” of the initial direct impacts



Going Beyond the Numbers

How do We Tell the Airport's Story?

DIG....TO FIND THE USERS WHO RELY ON THE AIRPORT



Doctors/hospitals



State/federal agencies
& organizations



Emergency services



Local & visiting businesses



Farms/ranches



Colleges/universities

One Way to Show the Story....Show the Connections

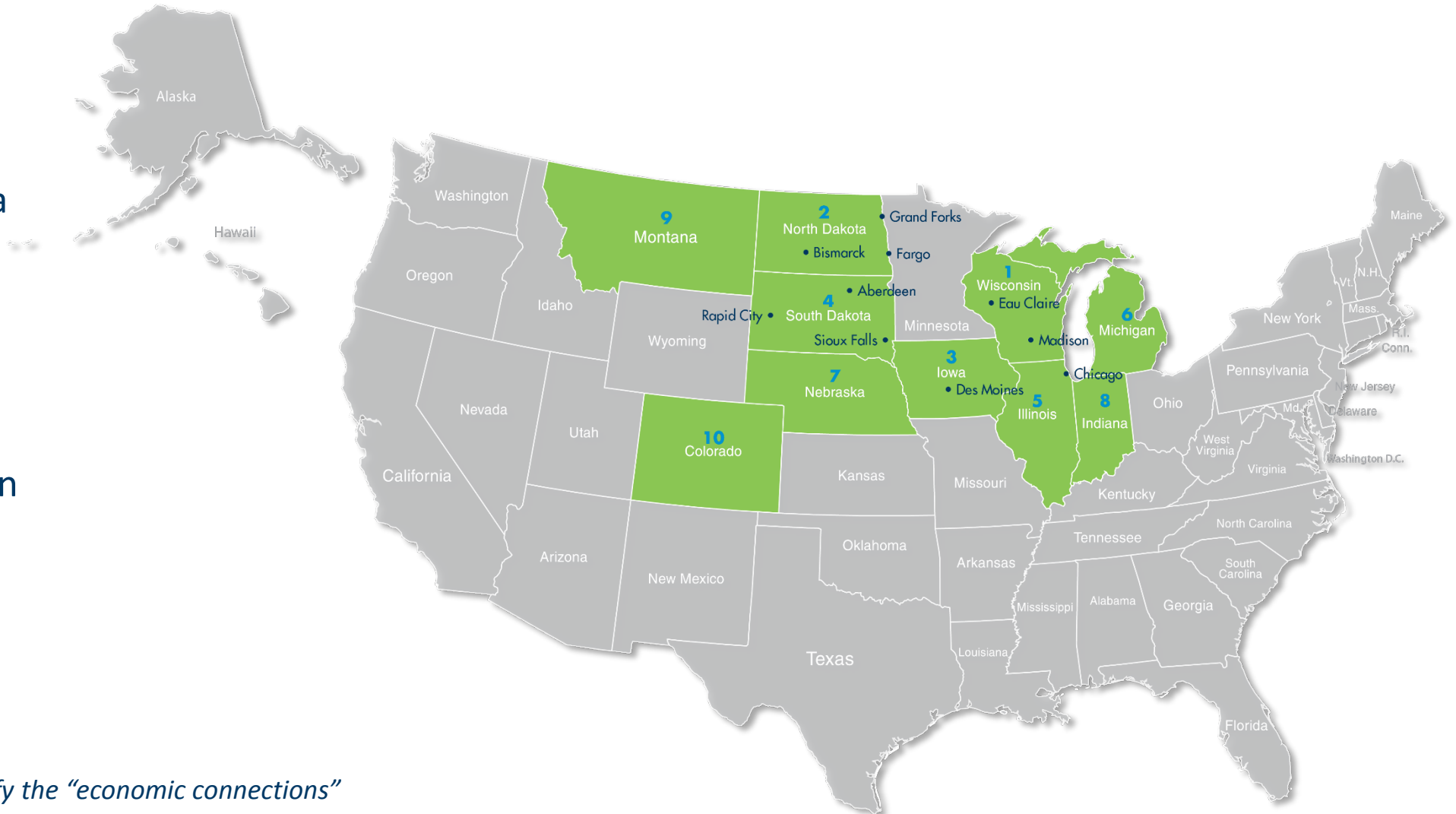
Flight Map for Duluth International Airport



Flights depicted here represent only a percentage of all of airport's origination/destination flights.






What Does the NOP Data Tell Us?

- 36% of all NOP records show flights from one Minnesota airport to another
- Top destinations by volume from Minnesota, states and cities, are shown here.



This information helps identify the “economic connections”

What Other Impacts Will be Measured/Researched?

-  Airport supported tax revenues (state income and sales tax)
-  Aerial applicators
-  Aerial firefighting
-  Unmanned aircraft
-  Jobs that gain “efficiency” from using aviation





How Will Study Results be “Refreshed”?



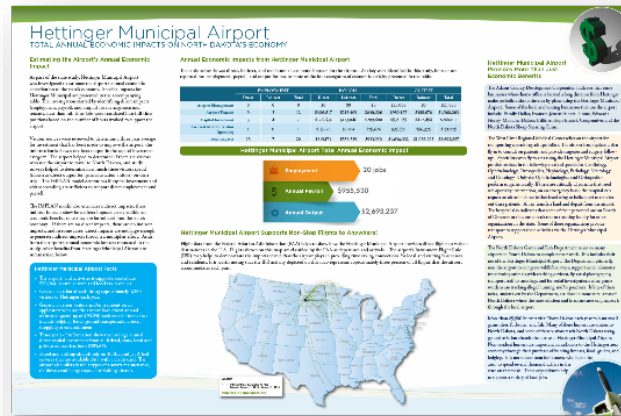
**Economic Impact
Studies Are a
“Snapshot” in Time**

- New economic impact calculator being developed
- Tool will be online
- Enables updates to impacts for management, tenants, capital spending and visitor spending
- Facilitates estimates of “potential” economic impact
- User friendly (training and user’s guide part of the study)



How Will the Study be Documented?

- Technical Report
- Statewide Executive Summary
- Individual Airport Reports
- One Page Factsheet
- PowerPoint Summary



Facts on the Economic Impact of Airports in North Dakota

Airport Economic Impacts
 North Dakota's 8 commercial and 81 general aviation airports provide and support significant annual economic impacts. Airport related benefits come from activities associated with airport management, airport tenants, capital investment, and spending by visitors to North Dakota who arrive on commercial airlines and general aviation aircraft. Economic impacts for the 89 airports are measured using employment, annual payroll and annual economic output.

A 2015 study completed by the North Dakota Aeronautics Commission shows there are significant positive economic impacts associated with the state's public-use airports. As shown below, there has been a notable increase in impacts between 2010 and 2015:

- Annual economic impacts from public-use airports have increased from **\$1.06 billion** to **\$1.56 billion**, a **47%** increase.
- Jobs supported by North Dakota airports have grown from **8,872** to **12,217**, a **38%** increase.
- Annual state and local sales tax revenues from airport related activities have increased **\$1.1 billion**, a **93%** increase.

2015 Total Annual Economic Impacts from Public-Use Airports
 Jobs: 12,217
 Payroll: \$505.2 million
 Output: \$1.56 billion

Air Visitors to North Dakota
 Since 2010, all air visitors to North Dakota have increased from **543,300** to **915,290**, an increase of 68%. Business travel to North Dakota has increased exponentially, leading to significant increases in visitor spending for both visitors arriving on general aviation aircraft and on commercial airline flights. Study surveys show business travelers are staying longer and spending more.

Commercial Visitor Spending Up 43%
 \$105 Million (2010) to \$361 Million (2015)

General Aviation Visitor Spending Up 93%
 \$17 Million (2010) to \$101 Million (2015)

Legend:
 Management
 Tenants
 Investment
 General Aviation Visitors
 Commercial Visitors

STATEWIDE ECONOMIC IMPACT OF AVIATION IN NORTH DAKOTA
 2015 Executive Summary

Increasing Economic Impacts for North Dakota Airports
 One objective the NDAC had for the 2015 update to their Statewide Aviation Economic Impact Study was to determine how economic contributions from the 89 public-use airports have changed since it was measured in 2010. The graphic below provides a comparison of findings from the 2010 and 2015 studies. The comparison shows direct, indirect, and total statewide economic impacts for employment, payroll, and output. The 2015 study took a conservative approach to estimate indirect impacts; as a result, 2015 indirect impacts represent a smaller percentage of total impacts than they did in the 2010 study.

As shown, direct statewide economic impacts for the 89 public-use airports increased between 2010 and 2015 for employment, payroll, and output. Increases in direct impacts contributed to the overall increase for total impacts for all three categories as shown here:

Category	2010	2015	% Increase
Employment	8,872	12,217	38%
Payroll (Millions)	\$925,239	\$1,564,300	69%
Output (Millions)	\$1,289,933	\$2,145,000	66%

How Will We Make Study Results “Usable”?



Methodology Guide



Calculator User's Guide



Training



Legislative Reports

North Dakota
STATEWIDE AVIATION ECONOMIC IMPACT STUDY

STATEWIDE ECONOMIC IMPACT OF AVIATION IN NORTH DAKOTA

Methodology Guide

North Dakota
LEGISLATIVE DISTRICT #42
AIRPORT ECONOMIC IMPACTS

Did you know that residents in your district use North Dakota airports that generate an estimated **\$199 million** in annual economic benefit?

As reported by the North Dakota Statewide Aviation Economic Impact Study, airports are an important part of our state's infrastructure. They provide a means of transportation that is essential to our state's economic growth. The study shows that airports are an important part of our state's infrastructure. They provide a means of transportation that is essential to our state's economic growth.

AIRPORT	EMPLOYMENT	PASSENGERS	OUTPUT
Grand Forks International Airport	1,600	125,000	\$100 million
Minot International Airport	1,000	80,000	\$75 million

STATEWIDE ECONOMIC IMPACT OF AVIATION IN NORTH DAKOTA

Economic Impact of the Statewide Airport System

Category	2010	2011	2012
Airport Management	\$12	\$13	\$14
Airport Terminals	\$10	\$11	\$12
Average Annual Capital Investment	\$100	\$110	\$120
Commercial Vehicle Spending	\$100	\$110	\$120
Domestic Airline Value Spending	\$100	\$110	\$120
Total Statewide Airport System*	\$222	\$244	\$266

For More Information:
North Dakota Statewide Aviation Economic Impact Study
www.nd.gov/aviation



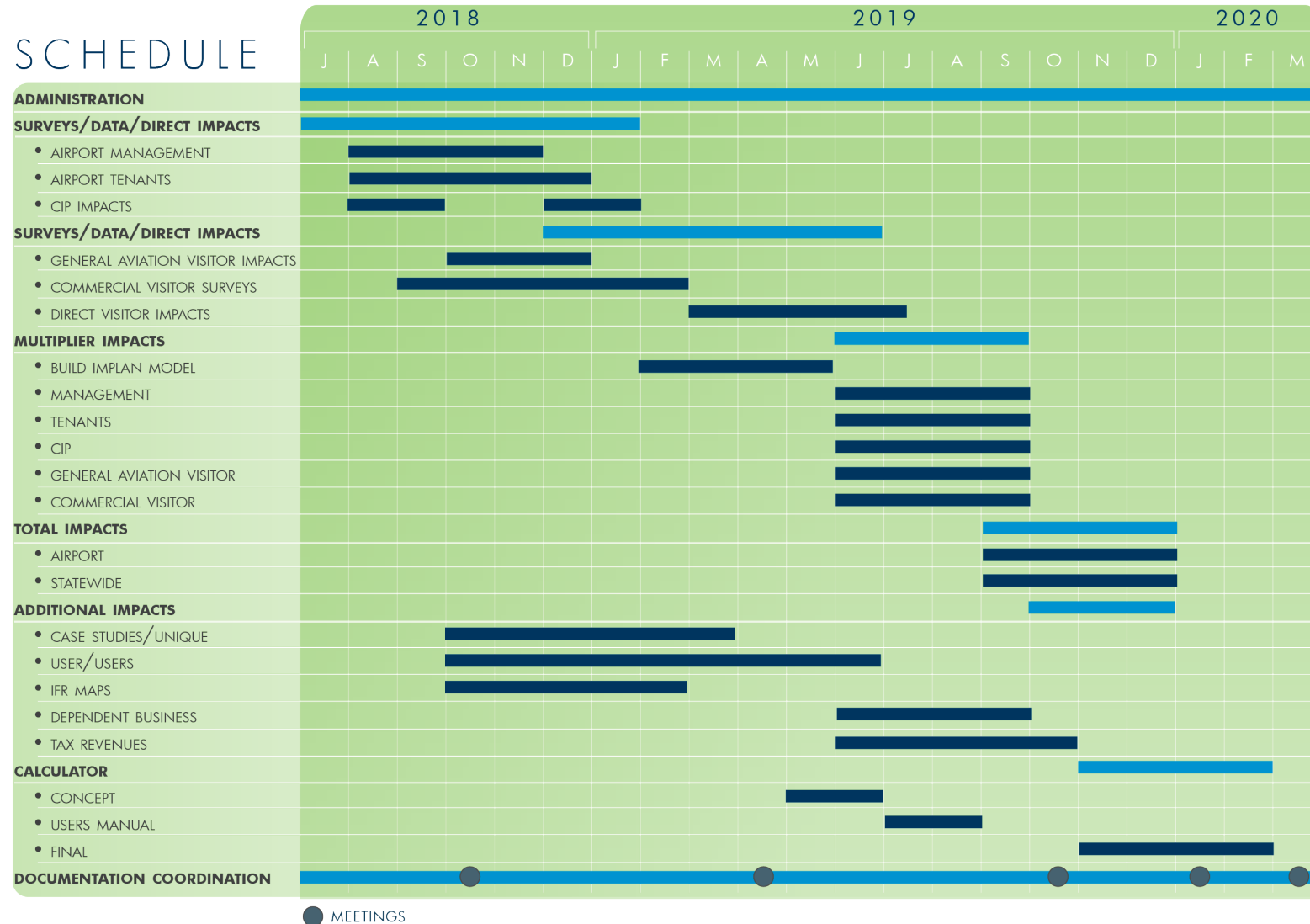
What are the Keys to the Study's Success?

- Airport cooperation
- Persistent data gathering
- Conservative approach for indirect/induced impacts
- Transparent process
- Effective communication
- Training/education



Wrap-Up

What is the Project Schedule?



Upcoming Meetings

- April 2019 – Update on surveys, data collection, direct impacts
- October 2019 – Review economic impact estimates, discuss the modeling process
- January 2020 – Review final impact estimates, tax estimate, case studies
- March 2020 – Provide study findings and Economic Impact Calculator Training (PAC attendance optional – but encouraged!)

How Can I Stay in Touch?

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PROJECT WEBSITE:

Work in progress

