

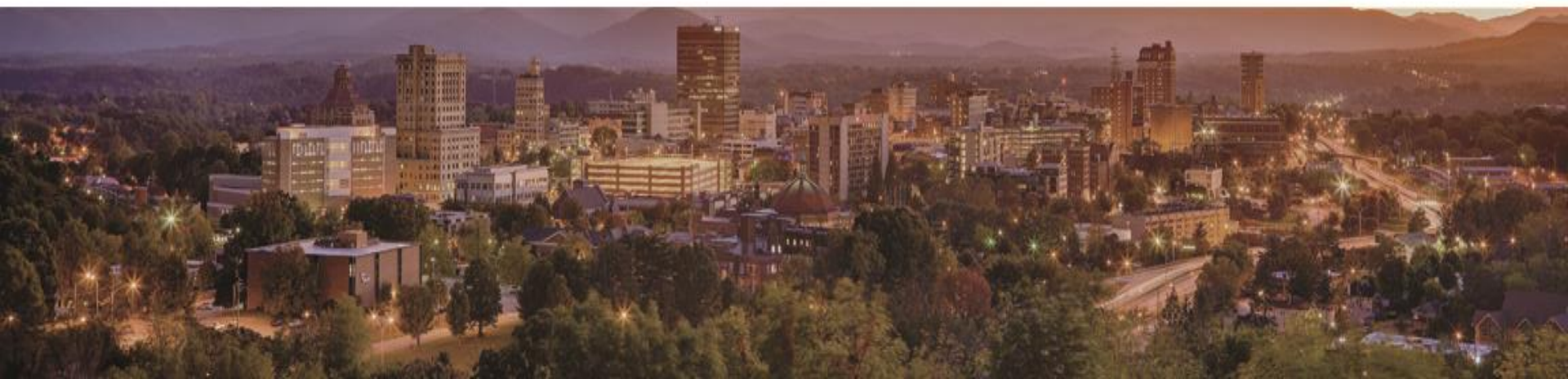


February 1, 2016



Division of Aviation

Bobby Walston, PE, Director



Economic Contribution of NC Airports

- Commercial and General Aviation Airports provide more than **\$31.1 billion in economic impact** each year.
- Commercial Service and General Aviation Airports support over **122,000 jobs** throughout North Carolina.

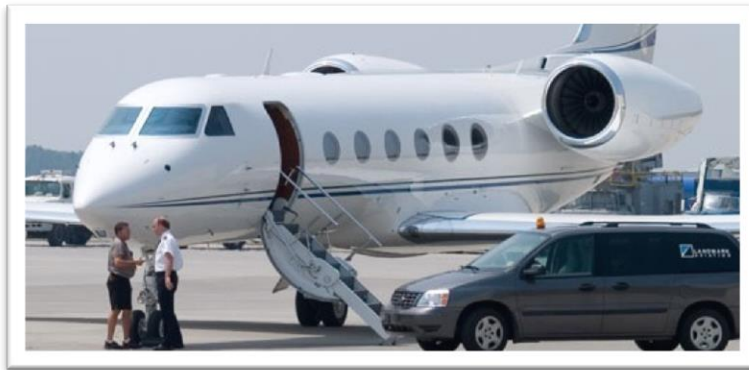


Source: NC State University, Institute for Transportation Research and Education, 2015



Additional Benefits of Airports in NC

- State and local governments received more than \$893 million in sales, property, corporate, and personal taxes due to airport activity.
- Local property tax related to airport activities is about \$329 million (plus an additional \$10.9 million directly from based aircraft).
- North Carolina airports support more than \$4.1 billion in personal income for aviation-related jobs.



Source: NC State University, Institute for Transportation Research and Education, 2015



North Carolina's Aviation System

72 Publicly Owned Airports in North Carolina



Current 10-Year Project Requests

	SYSTEM OBJECTIVE PROJECTS	STI PROJECTS	ECONOMIC DEVELOPMENT PROJECTS
All GA airports and ILM, AVL, FAY, EWN, OAJ, PGV, JQF	\$680 M	\$600 M	Infrastructure Development Opportunities
CLT, RDU, PTI	?	?	Infrastructure Development Opportunities

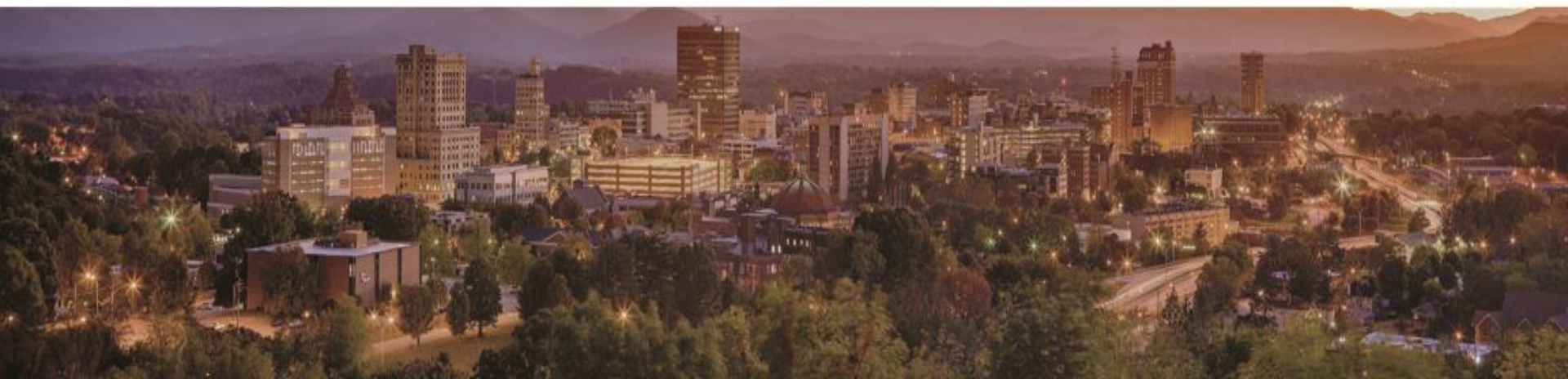


February 1, 2016



NC Aviation Development Task Force

John Lennon, Chairman



NC Aviation Development Task Force



State of North Carolina

PAT McCRORY
GOVERNOR

May 19, 2014

EXECUTIVE ORDER NO. 54

AVIATION DEVELOPMENT TASK FORCE

WHEREAS, the aviation industry, both commercial and general, is directly responsible for over 100,000 jobs in North Carolina and the continued promotion and development of the industry is critical to both maintaining and growing the related employment base; and

WHEREAS, the annual impact of the aviation industry in North Carolina exceeds \$25 billion dollars annually; and

WHEREAS, the vast majority of the airports in North Carolina are locally owned and governed and the direct tax revenue generated by these airports exceeds \$770 million annually. These tax dollars go to the respective counties in which the airports are located; and

WHEREAS, the North Carolina Department of Transportation, Division of Aviation ("DOA") is charged with the oversight of grant money and development of publicly owned airports in the State that are eligible for funding, management of both State and Federal aviation related grants, and the operation of the State owned fleet; and

WHEREAS, the General Assembly enacted the Strategic Transportation Investments bill (HB817) on June 26, 2013 in order to more effectively allocate Department of Transportation capital expenditures, based on State, regional and divisional needs. This legislation combined the process for prioritization for airport projects along with other non-highway modes of transportation; and

WHEREAS, the oversight, promotion of, funding for and development of airports in our State is critical to the continued employment growth and fostering of both our local and Statewide economies.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED.

Section 1. Establishment

The North Carolina Aviation Development Task Force is hereby established (hereinafter "Task Force").

Section 2. Membership

The Task Force shall consist of thirteen (13) members. Members shall be persons experienced in the aviation industry or those industries reliant upon aviation and represent geographically diverse areas of the State. Membership of the Task Force shall include a current member of the North Carolina Board of Transportation and the Secretary of Transportation or his/her designee. All positions shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Governor shall appoint the Chair and Vice Chair of the Task Force who shall likewise serve at the pleasure of the Governor.

Section 3. Meetings

The Task Force shall meet as necessary to properly exercise its functions, but no less frequently than quarterly, or upon the call of the Governor or the Chair.

Section 4. Duties

The Task Force shall, by May 1, 2015, submit a comprehensive report and recommendations to the Secretary of Transportation for the enhancement of the State's Aviation programs. The report shall include, but not be limited to, the following:

1. Review and study of the current programs, published policies and standard operating procedures within the Division of Aviation.
2. Review and study of how revisions to the Division of Aviation's existing programs and policies can enhance its role as an advocate for aviation and publicly owned airports throughout the State.
3. Review of new or alternative funding sources for the Division of Aviation.
4. Recommendations for improving efficiencies within the Division so as to ensure the highest level of customer service.
5. Recommendations on how the Division of Aviation can provide additional assistance to cities, towns, counties and other governmental subdivisions for the enhancement and operations of airports, landing fields and other aviation facilities.
6. Strategies for maximizing the economic impact of publicly owned airports in their respective communities and across the State.
7. Strategies to recruit more aerospace manufacturing in North Carolina.
8. Strategies for the promotion of military aviation and collaboration with existing military in North Carolina.
9. Recommendations on how to recruit retired military personnel to remain in North Carolina to become a part of the aerospace manufacturing industry.
10. Any other duties as assigned by the Governor or the Secretary of Transportation.

Section 5. Administration

The Division of Aviation shall provide administrative and staff support services, including meeting space, as may be required. Members of the Task Force shall serve without compensation, but may receive reimbursement for travel in accordance with State law and the policies and regulations of the Office of State Budget and Management.

Section 6. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until July 1, 2015, pursuant to N.C. Gen. Stat. § 147-16.2(b).

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this nineteenth day of May, in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.


Pat McCrory
Governor

ATTEST:


Elaine F. Marshall
Secretary of State



NC Aviation Development Task Force

Purpose

Produce a report and recommendations to the Secretary of Transportation for the enhancement of the state's aviation programs.

The report shall include:

- Review of the Division of Aviation (DoA) for opportunities to improve programs and policies, streamline procedures, and tap new or alternative funding sources
- Strategies to maximize the economic impact of North Carolina's publicly owned airports
- Strategies to increase attraction of aerospace industries to North Carolina
- How to best promote aviation to active and retired military to support military aviation and to retain this experienced aerospace workforce



NC Aviation Development Task Force

Four Focus Areas

- Economic Development
- Funding
- Military Opportunity
- DoA Processes



Task Force Findings

- Economic Impact: Return on Investment is tremendous - need advocacy group
- Funding: Funding is far less than needs; needs have evolved
- Military Opportunity: NC is doing a good job retaining and recruiting
- DoA Processes: Complicated state and federal requirements, inadequate staffing, communication limitations



Preliminary Recommendations

- **Economic Impact:** Enhance community college programs, EDPNC involvement, marketing and education
- **Funding:** Aviation tax recovery and reinvestment, a sustainable funding stream should be created
- **Military Opportunity:** Database of retired vets, additional tax exemptions on military income, maximize military use of existing airports
- **DoA Processes:** Creation of Aviation Commission, training for airports statewide, continuation of Working Group efforts



Make A Strategic Investment In Your Airports





Sheetz Distribution Center



Economic Impact

	2016	2012	2006	1996
Economic Impact	114.4M	\$71.8M	\$46.0M	\$5.0M



CURRENT TERMINAL

**FUTURE TERMINAL
AIR OPS CENTER**

**HONDA AERO
ENGINE FACILITY**

Honda Aero

Production Facility

- 86K sq. ft. currently
- Breaking ground now on 48K sq. ft.

– *\$65M Investment*

- @ \$0.58 tax rate =
- **\$377K** to City of Burlington
- **\$377K** to Alamance County

Jobs

- 85 today and 283+ over a 5-year period
- Average salary - \$62K

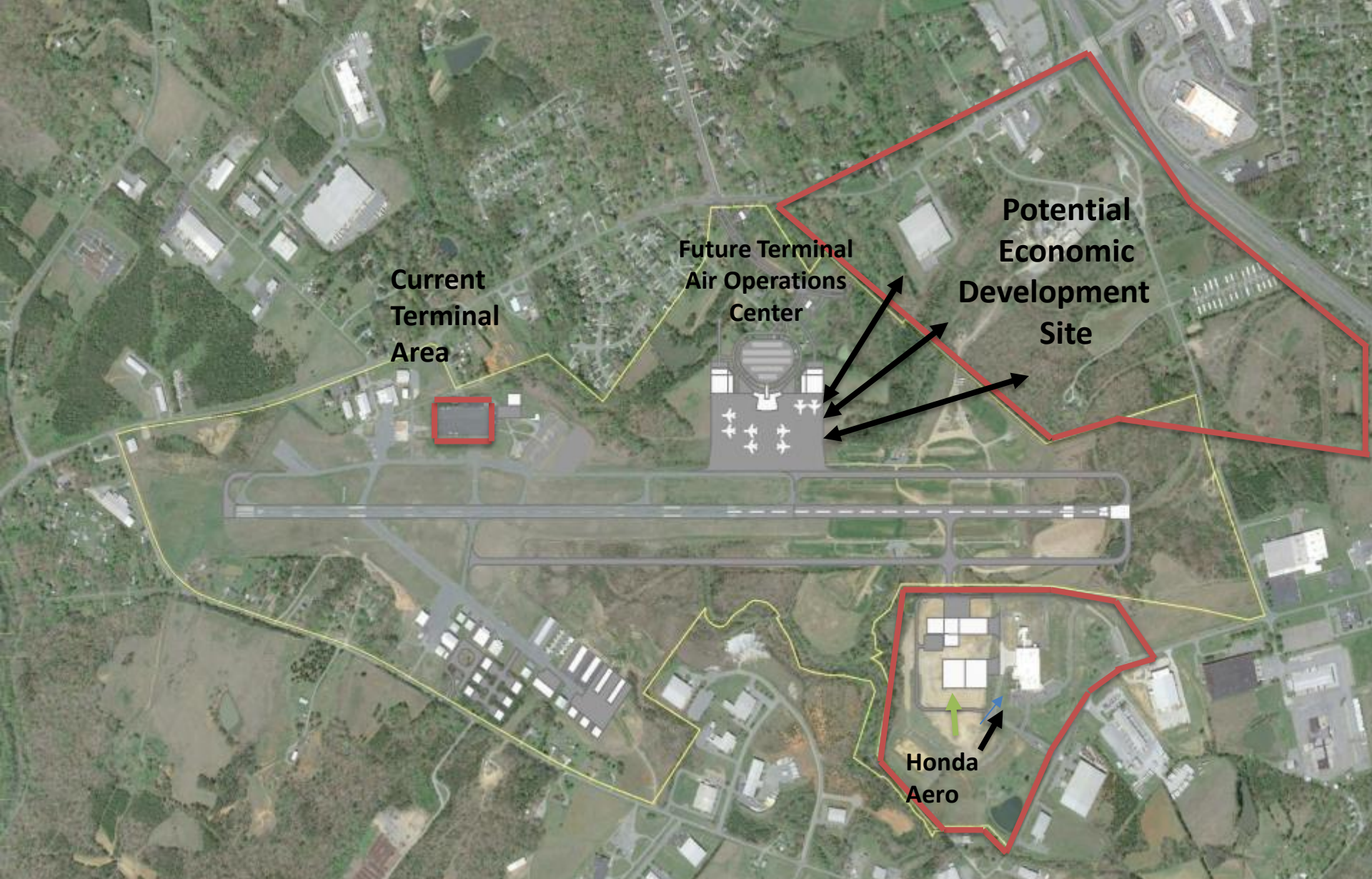


LabCorp Quarterly Board Meeting



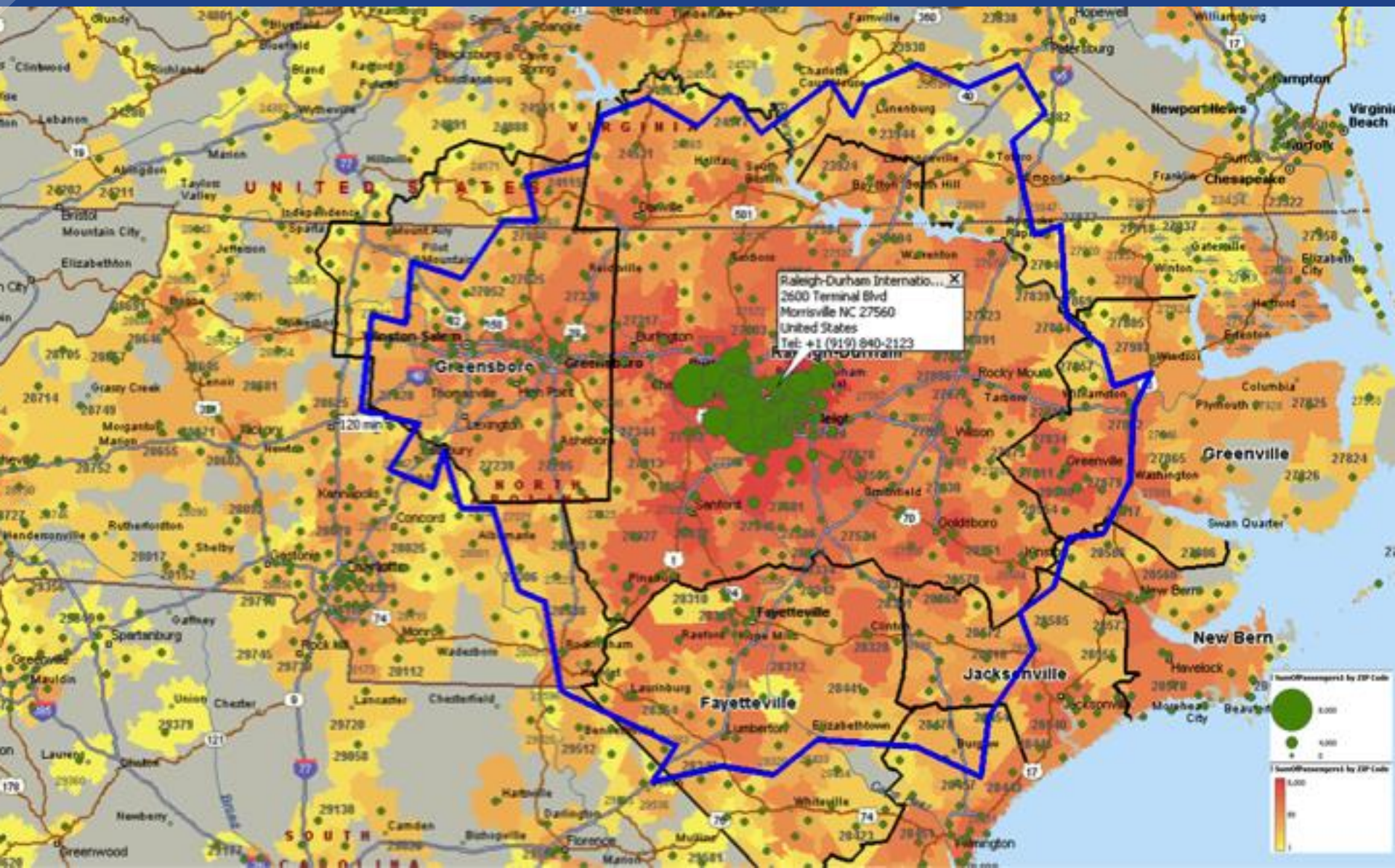


W
THE WILSON GROUP
ARCHITECTS



RDU Video

RDU Serves Central and Eastern NC



NC Airports

economic impact

122,610 JOBS
& **\$31 BILLION**



RDU

economic impact

20,600 JOBS
& **\$8 BILLION**

Air Service Development is Economic Development

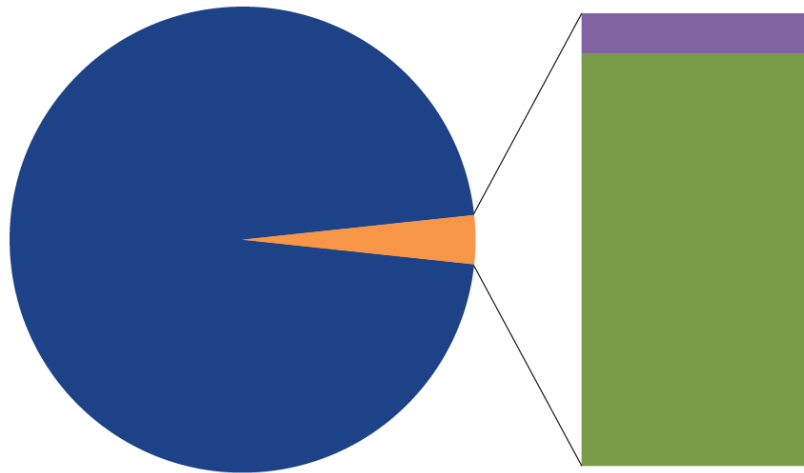
Over a 25-year period, one international flight:

- boosts business activity (GDP) by **\$1.4 billion**
- adds **14,000 jobs** and **\$272 million** to public revenues

-Economic Impact of International Service, Michael Walden, NC State, 2012



RDU's Annual Budget: \$135 Million

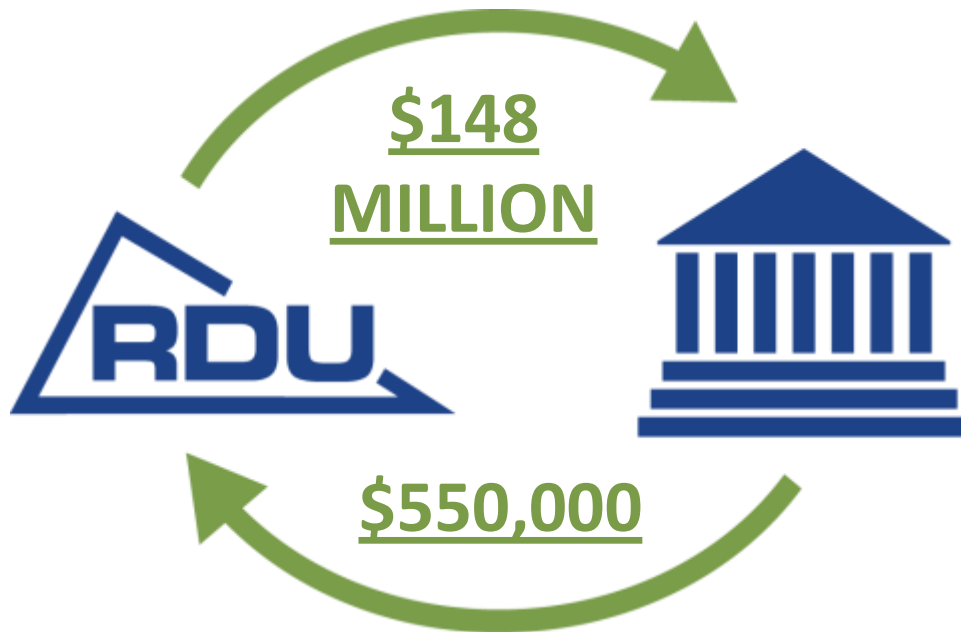


■ **\$50,000** in Local Funding

■ **\$500,000** in State Funding

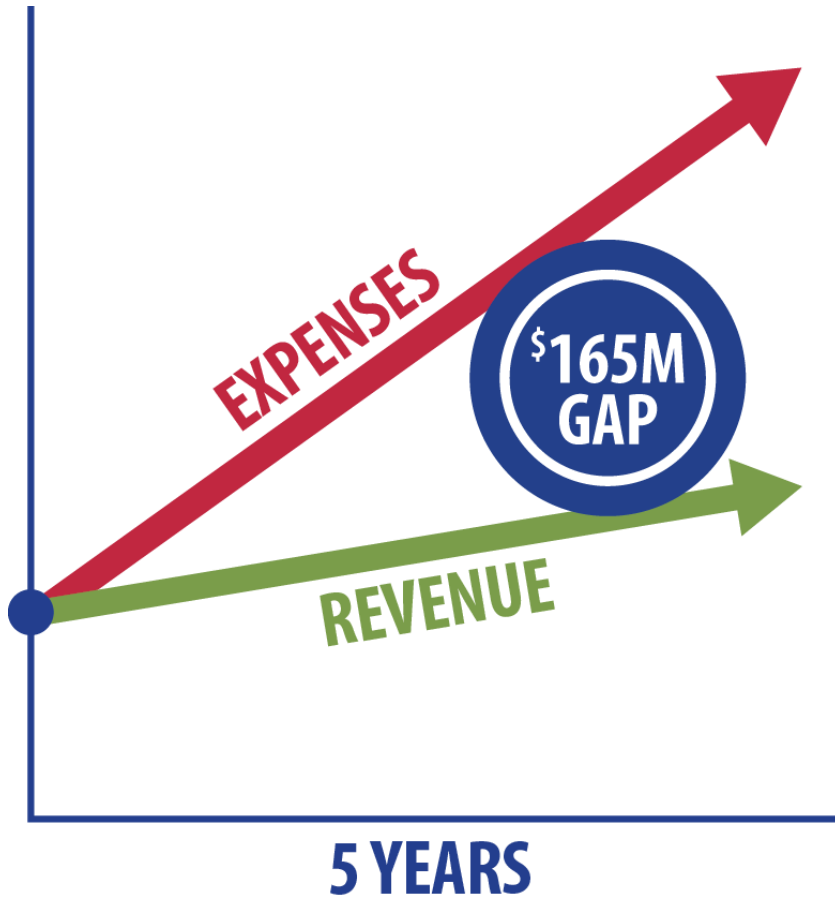
■ **\$550,000** Received

RDU Activity Generates \$148M in Tax Revenues



- ▶ RDU contributes:
 - \$148M annually to state and local tax base
- ▶ RDU receives:
 - \$550,000 from state and local sources under current funding streams

Investment in Airport Infrastructure Needed



After

- ▶ Federal sources (AIP, PFCs)
- ▶ Existing state funding
- ▶ Self-generated revenue

Reinvest in Airports and Generate Revenue



Reinvest existing revenue streams in NC airports on a recurring basis



Options include rental car and sales tax revenues



Asking you to make a strategic investment in one of the key economic engines in the State of North Carolina. Your airports!

