

**Aviation Association of Indiana
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July 1, 2011

To: Indiana Airports
From: Bart Giesler, AAI Executive Director
Subject: ECONOMIC IMPACT STUDY

AAI is conducting a new economic impact study in partnership with the Indiana Department of Transportation Office of Aviation (INDOT) and Conexus Indiana. In the past, AAI's economic impact study looked at the direct contribution of Indiana's airports to their communities. This year, the new report will look at the broader impact of the airport and how many jobs does the airport support.

AAI has always known that airports mean jobs to the community, but has not been able to quantify that number. In the past, the survey only asked for how many jobs are directly supported by the airport. If a local business was an airport tenant, the jobs of the aviation department were included in the survey. The company's non-airport jobs and economic activity were not included in the report. In the new economic impact survey, AAI is attempting to account for the jobs that are supported by aviation in the community. The new survey now asks for all the employees that the airport tenant has in the community, not just the airport tenant employees. The tenant then will be asked what percent of their total revenue is a result of the existence of the airport.

AAI believes that the true impact of the airport is better captured with the revised formula. In the past, AAI asked if the airport went away, what impact would be lost in the community. The only impact that was measured was the loss of the direct jobs at the airport and the spending of the visitors who went through the airport. It did not measure the impact on local businesses that use the airport for their operations. Could the local business operate as efficiently without their local airport and how much revenue would the business lose if it were not for airport? If the airport was not in your community, would the business move to a location that was served by an airport?

As we looked to update our economic impact, AAI realized that we needed additional partners to help research what other states were doing and how they were measuring their economic impact. As a result, we reached out to INDOT and Conexus to utilize their expertise in researching what economic model should we use. INDOT surveyed other state aviation departments and looked at several research studies and recommended the model used by the North Carolina Department of Transportation. Conexus is allowing their research team to working on this project so they can better understand how airports impact the state's economy.

As in the past, there is a survey for the airport to complete and one for the tenants to complete. The survey questions are easier to complete than in the past so we are expecting 100% completion by the airports and tenants. It is the airport's responsibility to get their tenants and users to complete the survey form. The survey will take less than 1 minute for the tenants to complete.

The first survey is the airport management's request for data. The airport will need to use their **best estimate** to determine what types of aircraft use the airport and to determine what is the percentage split between local and transient airport operations. The airport management then must compile a list of airport tenants and the number of employees. The final question requires the airport management to determine who uses the airport that is not a tenant. Please have your FBO assist you in determining who uses the airport.

After the list of tenants and non tenant users are established, the **airport management needs** to send the brief survey to the list. The tenants can send their completed survey back via mail, email or complete the form online. We will use the overall list to determine if a tenant has not returned their survey. All the data will be held confidential and will not be released in any manner. The tenant will be asked to answer three basic questions: what type of business, number of employees, and the percentage of sales that are attributable to the existence of the airport.

As we all know, corporate aviation has come under attack in recent months and the attacks will probably never end. While the media distorts corporate aviation, aviation users know there is more to the story. While there may only be two cars in the parking lot at the GA airport, what do these two cars mean to the community? If these two individuals are selling an order to a customer, does this sales call represent only two jobs or do they represent all the jobs on the local factory line. If these cars belong to individuals who are engineers fixing equipment to keep the factory line running, do they only represent two jobs? If these cars are two executives looking to bring back capital to the community for a company expansion, do they only represent two jobs? The airport serves more than just the people who directly use the airport; it serves the entire community.

AAI recognizes that everyone is busy and that no one likes to complete surveys. However, the survey results will be used locally and at the state level. At the local level, budgets need to be justified now more than ever. Should the local officials spend money on repairing a local street or should that money be invested at the airport? The results will identify the jobs at the airport, but they will now show the link to the jobs in the community. At the state level, AAI will show that Indiana companies use aviation to bring and keep jobs in Indiana. Airports are like the exit ramps on the interstate system to our local communities. As the expression goes, *build one mile of highway and go one mile. Build one mile of runway and go anywhere in the world.*

If you have any questions about the revised survey, please feel free to contact AAI or our partners at INDOT and Conexus. We look forward to sharing the results with you later this year.

Additional information about our partners:

Indiana Department of Transportation – Office of Aviation is responsible for promoting aviation safety throughout the state of Indiana. INDOT strives to maintain a high level of safety within the state aviation system. INDOT is currently in the process of updating the state’s system plan. Similar to an airport’s master plan, this update will serve as the guide for future funding decisions. INDOT has limited resources and it will need to decide how best to invest their resources to benefit the state. For more information, please go to <http://www.in.gov/indot/2395.htm>

Conexus has an unprecedented collaboration of 44 logistics executives and thought leaders from throughout the state representing all sectors of the logistics user community. Conexus is currently exploring short- and long-term issues in all aspects of transportation logistics, opportunities and obstacles to growth in their businesses, and develop strategies to ensure Indiana remains a logistics leader. Conexus has spent the past two years meeting with elected officials, economic development groups and statewide logistics executives to develop the strategies for Indiana’s logistics needs. For more information, please go to <http://www.conexusindiana.com/home>