



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Aeronautics Commission

1900 Kanawha Boulevard East • Building Five • Room 129
Charleston, West Virginia 25305-0440 • (304) 558-3436

Earl Ray Tomblin
Governor

Paul A. Mattox, Jr., P. E.
Cabinet Secretary

March 1, 2012

Mr. Aaron Allred
Legislative Manager
Joint Committee on Government
and Finance
West Virginia Legislature
State Capitol Complex
Building 1, Room E132
Charleston, West Virginia 25305

Dear Mr. Allred:

During the 2009 Regular Session, legislation was passed regarding the taxation on aircraft property, Valuation of Special Aircraft Property, Chapter 11, Article 6H-1-7, effective July 1, 2009. This legislation allows for the valuation of special aircraft property at the "salvage value" as determined by the county assessor in the county where the aircraft is based. As required in the legislation, the Aeronautics Commission is providing this report to the Joint Committee on Government and Finance.

I have attached a spreadsheet which was compiled from information received from airport managers. The spreadsheet includes information on based aircraft and hangars located at the airport, prior to passage of this legislation, and as of June 30, 2011. Although airports attempted to determine the number of new jobs attributed to this legislation, airport managers indicated that is difficult to accurately calculate the number of new jobs as a result of this legislation. (Attachment 1)

The downturn in the economy has prevented the growth of based aircraft that was anticipated. With the recent improvement in the economy and further growth expected, we are optimistic that airports will show a gain in based aircraft. I have provided copies of letters from airport managers who requested that their comments be included in this report. (Attachment 2)

We are grateful for the continued support from the West Virginia Legislature for airports and the state's system of airports. The Aeronautics Commission, airport governing authorities, and airport managers will continue to work closely together to increase the number of based corporate aircraft in the state.

Mr. Aaron Allred
March 1, 2012
Page Two

Thank you for your assistance with providing this information to the Members of the Joint Committee on Government and Finance. If you need any additional information, please contact me at: (304) 558-3436.

Sincerely,

Susan V. Chernenko
Director

SVC:krm

Attachments

cc: Paul A. Mattox, Jr., P. E., Cabinet Secretary
WVAC Members

ATTACHMENT 1

ATTACHMENT 1
WEST VIRGINIA PUBLIC USE AIRPORTS

AIRPORT NAME	CODE	CITY	COUNTY	FY09 NUMBER OF HANGARS		FY10 TOTAL		FY10 TOTAL		FY10 TOTAL		FY11 TOTAL		FY11 TOTAL		Number of new jobs due to "new" legislation as of June 30, 2011
				July 1, 2008 - June 30, 2009	FY09 Total no. of Hangars Leased	FY09 Total no. of Hangars Leased	FY10 Total no. of Hangars Leased	FY10 Total no. of Hangars Leased	FY10 Total no. of Hangars Leased	FY11 Total no. of Hangars Leased	FY11 Total no. of Hangars Leased	FY11 Total no. of Hangars Leased	FY11 Total no. of Hangars Leased			
Phillippi-Barbour County Regional	79D	Phillippi	Barbour	12	10	5	11	1	10	6	11	1	10	7	2	
Eastern West Virginia Regional	MRB	Martinsburg	Berkeley	59	11	11	14	60	13	13	18	60	13	13	51	
Braxton County	481	Sutton	Braxton	11	4	3	13	13	4	3	13	13	4	3	0	
Robert Newlon Field	I41	Huntington	Cabell	--	--	--	--	--	--	--	4	--	--	--	--	
Ona	12V	Milton	Cabell	18	16	16	18	0	18	18	20	0	18	18	0	
Grant County	W99	Petersburg	Grant	24	23	23	17	7	23	23	17	7	23	23	--	
Greenbrier Valley	LWB	Lewisburg	Greenbrier	22	19	19	22	0	19	19	22	0	19	19	0	
New Cumberland-Herron	761	New Cumberland	Hancock	28	40	29	25	0	42	41	32	0	43	39	0	
North Central West Virginia Airport	CKB	Clarksburg	Harrison	52	52	52	52	0	52	52	52	0	52	52	0	
Wade F. Maley Field	6W0	Shinston	Harrison	2	0	0	2	0	0	0	2	0	0	0	0	
Jackson County	118	Ravenswood	Jackson	35	6	6	34	0	6	6	32	0	8	8	0	
Yeager	CRW	Charleston	Kanawha	90	25	25	86	8	25	25	88	8	25	25	--	
Mallory	WV12	South Charleston	Kanawha	75	50	40	72	3	50	40	72	3	50	40	--	
Logan County	6L4	Logan	Logan	10	5	5	10	--	5	5	10	--	7	7	--	
Fairmont Municipal	467	Fairmont	Marion	39	33	30	35	2	33	30	35	2	33	30	--	
Marshall County	74D	Moundsville	Marshall	6	1	0	6	0	1	0	6	0	1	0	0	
Mason County	3I2	Point Pleasant	Mason	16	14	14	16	0	14	14	16	0	14	14	0	
Mercer County	BLF	Bluefield	Mercer	23	5	5	23	0	5	5	26	0	5	5	0	
Greater Cumberland Regional	CBE	Wiley Ford	Mineral	52	59	56	59	10	59	69	58	13	59	71	6	
Mingo County	4I0	Williamson	Mingo	13	13	13	13	0	13	13	13	0	13	13	0	
Morgantown Municipal	MGW	Morgantown	Monongalia	49	44	44	48	1	44	44	48	1	44	44	0	
Richwood Municipal	3I4	Richwood	Nicholas	5	3	3	5	0	3	3	6	0	4	4	0	
Gerald Rader Field	SXL	Summersville	Nicholas	11	2	2	10	0	2	2	7	0	2	2	0	
Wheeling-Ohio County	HLG	Wheeling	Ohio	45	12	12	45	0	12	12	31	16	12	12	0	
Raleigh Memorial	BKW	Beckley	Raleigh	48	35	35	46	12	35	35	45	14	35	35	0	
Boggs Field	USW	Spencer	Roane	16	7	7	16	0	7	7	16	0	7	7	0	
Elkins-Randolph County	EKN	Elkins	Randolph	25	32	25	22	3	32	25	22	4	32	26	0	
Upshur County Regional	W22	Buckhannon	Upshur	20	9	9	11	7	9	9	11	7	9	9	--	
Tri-State	HTS	Huntington	Wayne	35	11	10	17	18	11	11	16	24	11	11	0	
PW Johnson	75D	New Martinsville	Wetzel	1	2	1	1	0	2	1	1	0	2	1	0	
Mid-Ohio Valley Regional	PKB	Parkersburg	Wood	67	37	35	46	24	37	35	43	17	37	35	0	
Kee Field	1I6	Pineville	Wyoming	10	24	10	9	0	24	8	8	0	24	7	0	
Total				919	604	545	804	169	610	574	801	190	616	580	59	

Data as reported by each Airport, as of February 2012 *SPECIAL AIRCRAFT PROPERTY" - AS DEFINED IN WV CODE, CHAPTER 11, ARTICLE 6H

ATTACHMENT 2

Greenbrier Valley Airport and Industrial Park

P.O. Box 329 • Lewisburg, WV 24901
(304) 645-3961 • Fax (304) 645-4683

"Longest Runway In West Virginia"



JERRY O'SULLIVAN
Manager

February 2, 2012

Susan V. Chernenko, Director
West Virginia Aeronautics Commission
1900 Kanawha Boulevard East
Building Five, Room 129
Charleston, WV 25305-0430

Dear Susan:

In response to your January 13, 2012 memorandum on Special Aircraft Property, I have reviewed the number and titles of all aircraft on Greenbrier Valley Airport to determine the change in the number of special and non-special aircraft by date.

	<u>Hangars</u>	<u>Aircraft</u>		
June 30, 2009	19	22		
	<u>Hangars</u>	<u>Non-Special Acft</u>	<u>Special Acft</u>	
June 30, 2010	19	22	0	
	<u>Hangars</u>	<u>Non-Special Acft</u>	<u>Special Acft</u>	
June 30, 2011	19	22	0	

As there was no change in the number of aircraft or any addition of special aircraft, there were no net new jobs created at the airport. However, adding jobs during the significant downturn would not be expected. We have had a number of inquiries and a year ago had a serious inquiry by a major charter outfit that wanted to base three jets here to serve The Greenbrier and they cited the Special Aircraft legislation as a major factor in their interest. With the construction of the international sports medicine clinic at The Greenbrier I expect a number of jobs at the airport and continuing the "Special" category will be very important to getting aircraft to base here in the future. Please tell the legislature we need this program.

Yours truly,



176 Airport Circle • Room 115
Beaver, WV 25813-9475
Phone 304.255.0476 • Fax 304.253.2095

February 1, 2012

Susan Chernenko, Director
West Virginia Aeronautics Commission
1900 Kanawha Boulevard East, Building Five Room 129
Charleston, West Virginia 25305-0430

RECEIVED
FEB 02 2012

RE: Valuation of Special Aircraft Property

Dear Ms Chernenko:

With due respect to your request in reporting the valuation of special aircraft property on our airport to the Joint Committee on Government and Finance, which was the initial agreement we all understood "as a check of progress".

In reporting these results from the Raleigh County Memorial Airport, you will find our numbers are not representative of the potential this legislation projected. The opportunity to witness the true benefits anticipated from this legislation were stifled by the collapse of the financial institutions across our nation and placed challenges on the aviation industry that some will never recover from.

My comments are with no intent in providing an excuse of the demise of our economy, but to the positive direction this legislation offers the aviation system in our state and its future. Our tax for special aircraft in the past has literally driven business opportunities away from our State, especially at the corporate level, which caused a decline in based aircraft at all state airports resulting in a loss of revenue not only to the airport, but to the community as well. Fuel sales, aviation activities, hangar and ground leases are only a portion of the revenue stream losses. Based aircraft also serve as another part of the equation, that translates into FAA funding, addressing FAA mandates of airports compliance and safety issues.



It would be difficult to place a price on the value of the special aircraft legislation and how it formulates into dollars around the state, however with this type of tax relief for special aircraft owners, "we all win" becoming more marketable to the north south corridor of this nation, we have in times past been isolated, being surrounded by our neighboring states that offer a better deal.

I reach out to you and the Aeronautics Board with my appreciation of your continued support on this vital piece of legislation that will, if given the time, produce the results once perceived by those who voted their confidence in West Virginia Aviation.

Sincerely,

A handwritten signature in blue ink that reads "Tom Cochran". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Cochran, Airport Manager
Raleigh County Memorial Airport



PO. Box 4089
Parkersburg, WV 26104
(304) 464-5113 • fax (304) 464-5112
www.flymov.com

January 26, 2012

Supplemental Comments on PKB Airport Report

This Airport doesn't keep the type of statistical information requested. In order to fill out the report the statistics were requested from the assessors' office. I have attempted to match the assessors' numbers to the columns as accurately as possible but I have additional numbers that do not fit that the assessor calls 2012. If these numbers were displayed they would show 47 non salvage aircraft, 20 salvage aircraft. This is again a bump up of 7 additional aircraft from what is indicated in 2011.

The numbers contained herein are a snapshot in time. Resident aircraft vary season to season. Depending upon when the assessor's office acquired their statistics numbers could vary greatly.

It should be noted that during the period of this observation the economy was a disaster, especially for airports. The dramatic change in fuel prices, issues associated with long term FAA funding in Washington DC and the economy in general severely stifled general aviation business. This legislation should be viewed as a success if it prevented a decline in based aircraft rather than a measure of growth. Although more difficult to quantify it is a more realistic measure for these past few years. What is more important to me is maintaining airport customers which, according to the numbers, this legislation has accomplished. It is difficult to predict how many aircraft would have departed this airport had the legislation not been passed, but the loss of business has been this airports greatest concern for the past few years. Selling fuel and renting space is of utmost importance to the fiscal well being of the airport. By maintaining aircraft at this airport those things have been accomplished.

Job creation cannot be quantified by the airport unless the jobs are aviation specific and located at the airport. Certainly, keeping businesses operating out of West Virginia airports has helped to keep jobs in the State by allowing the companies to reapply their tax savings to other aspects of their companies that might have been suffering a decline as a result of the poor economy.

Respectfully,

Terry Moore
Airport Manager

