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# WEST VIRGINIA PUBLIC PORT AUTHORITY



# ADDRESSING ISSUES

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## Ten Questions Commonly Asked About the Regional Airport

### 1) *Why build a new airport?*

In the early 1990s, the West Virginia Legislature directed the Department of Transportation to study the possibility of building a Regional Airport to serve the Charleston-Huntington Metro Valley region. Such a facility would be invaluable in generating jobs by being attractive to new industry, and it would create commercial activity in the region. The increased size of the industrial base of the consolidated airport would mean a boost to the economy, and an enlargement to the tax base, providing a distinct advantage for both the region and the entire State of West Virginia. The Port Authority believes an airport serving the Charleston-Huntington Metro Valley with a population base of about 700,000 people, and a larger service area, will become entrenched with both passenger and cargo operations. It is likely that consolidation of commercial service at a single airport will be a win-win situation, as it could increase air traffic, aircraft size, direct flights, and number of destinations, while reducing airline costs, which in turn could offer a probable reduction in ticket prices.

### 2) *Will the Regional Airport also be an industrial park?*

Since the beginning of the process of selecting a site for the Regional Airport, the Public Port Authority has intended to use the site and surrounding area to support industrial development. This concept has continually been one of the key factors in the site selection. Developable acreage would be created in excess of facility needs to the extent of 138 acres within the proposed property footprint of the airport. Additionally, sites located immediately adjacent to the site represent the potential for 2,472 acres of developable land. In 1995, the economic impact study prepared by Economic Research Associates estimated an investment opportunity in land on or near the Regional Airport to be between \$187 million and \$434 million. Therefore, the Public Port Authority considers industrial development an integral part of the Regional Airport concept.

### 3) *How much will a new facility cost?*

Public Port Authority consultants arrived at the projected figure of \$370 million to create a full-scale Regional Airport. This includes the costs for land and site preparation, including terminal facilities and utility, and two 10,000-ft. runways.

#### ***4) How will a new airport be financed?***

The Federal government will pay a large portion of the airport construction costs from the Aviation Trust Fund or Airport Improvement Program (AIP) funds. This fund is similar to the Highway Trust Fund and recipients are not required to repay these grants. This fund is made from several taxes such as airline ticket tax and a tax on fuel used in noncommercial aircraft. Additional building funds may be generated from the sale of bonds (self-liquidating general obligation bonds), which will be serviced by income generated by the airport. Some financing could come from the private or commercial sector in the form of airport facilities such as hangars, cargo structures, etc. Funding will be requested from the states of Kentucky and Ohio, as their citizens will make up approximately 25% of the passenger activity at a new regional facility. Funding from the state legislature will be primarily in the form of matching funds for Federal dollars that are not otherwise available to the State of West Virginia. The State Legislature will address these funding requirements over a six to eight year period of time. Tax dollar inflow and interest income will commence immediately following construction start-up, and will continue throughout the construction period, helping to offset all state contributions.

#### ***5) How will a new airport effect ticket prices?***

Ticket prices at the existing facilities in Charleston and Huntington have historically been high. The Public Port Authority believes consolidating the traffic from the two markets, and retrieving part of the leakage (flyers using airports outside of West Virginia) can alleviate this problem. With a larger marketplace using a centrally located facility, it appears more likely the region could better create competition to induce lower prices, and even attract a low-cost carrier. An argument has been offered that a new facility would raise ticket prices as airlines make adjustments for higher landing fees, however, at the newly constructed Northwest Arkansas Regional Airport, prices did not go up, and some dropped temporarily during an introductory period.

#### ***6) What are the anticipated benefits of the Regional Airport?***

The West Virginia Public Port Authority believes the benefits that may arise from a Regional Airport are numerous and significant. A 1995 Economic Impact Study prepared by Economic Research Associates showed that compared to the present economic impact of the existing airport system, a new Regional Airport working in conjunction with the remaining airports as general aviation facilities would produce a net increase of \$179 million in annual output, \$68 million in payrolls, and 3,787 jobs. This projection did not include the impact of construction costs.

Development of the Regional Airport will result in the creation of additional industrial land in the state, with immediately adjacent airport infrastructural and roadway systems. A new Regional Airport will complement the existing Interstate highway, railway, and waterway

transportation systems, along with the latest telecommunication technology, i.e. the fiber optic network. The new Regional Airport will create the opportunity to provide and enhance airline service by serving a larger consolidated metropolitan population.

### ***7) What is the airport service area?***

The Service Area defined by Public Port Authority consultants include census tracts in the following counties: West Virginia—Boone, Cabell, Clay, Fayette, Jackson, Kanawha, Lincoln, Logan, Mason, Mingo, Nicholas, Putnam, Raleigh, Roane, Wayne, and Wyoming. Ohio--- Gallia, Lawrence, and Scioto Kentucky---Boyd, Carter, Greenup, Johnson, Lawrence, Martin, and Pike.

### ***8) How do the airlines feel about a new airport?***

Traditionally, airline companies have not been initially supportive of any new construction at old airports or at proposed new airports. This attitude is spawned by their concerns for investing funds in establishing and moving to new operating facilities. Ms. Carroll Hallett, President of the Air Transport Association of America (ATA), a membership organization made up of the major U.S. air carriers, has publicly stated non-support for a Regional Airport in southern West Virginia. However, historically, once construction plans are made, airlines become very interested in participating in design of facilities to enhance their move to and operation at the new location. It is interesting to note that ATA and its member airlines did not support the construction of the new Northwest Arkansas Regional Airport at the outset, but subsequent to the opening of the new facility, virtually every airline that had operated from the old airport at Drake Field had moved to the new Northwest Arkansas Regional Airport. By using an airport which serves a larger market area, the airlines can better protect their interests.

### ***9) What are the next steps in the Regional Airport process?***

Since the West Virginia Public Port Authority has selected a preferred site, it would now progress with several steps, which are mandated by the Federal Aviation Administration and the National Environmental Protection Act. Those steps are: Creating an ownership structure; evaluating general operation framework; investigating financial feasibility and financial options; and steps necessary to engage in a dialogue with potential users of the new and former facilities. This work will include an airport master plan, environmental impact study, a benefit cost analysis, transition plan, and economic impact study, all of which will involve a public outreach program.

### ***10) What is the time frame for the next set of proposed studies?***

It is anticipated the schedule for the master plan, environmental impact study, benefit cost analysis, transition plan, and economic impact study will take approximately two years. Work will proceed on most elements of the various studies simultaneously.