



Wilbur Smith Associates

MEMO

Cincinnati, Ohio
March 9, 2005

TO: Dave Clawson, CRAA

FROM: Mike Maynard

SUBJECT: WOOSE document

Thank you for forwarding the pdf file of the *WOOSE Report on the Ohio State University Airport, February 2005*. We have reviewed the WOOSE (We Oppose Ohio State airport Expansion) organization's critique of the WSA's Economic Impact Analysis. WOOSE's commentary below is in black font while WSA's comment is in blue.

2005 Economic Impact Study

The CRAA issued the Regional Airports Economic Impact Study, dated January 2005, included the Columbus Regional Airport Authority, OSU Airport and Fairfield County Airport. The study can be obtained from the OSU Airport web site and it disclosed the airport "produces \$103.6 million in annual economic activity." A preliminary review of the CRAA's January 2005 EIS report disclosed three incidents of questionable data or faulty methodology pertaining to OSU Airport:

Comment 1. Airport tenants – On page 5-4 the report states "In 2004, there were 21 tenants with on-airport employees located at The OSU Airport.", but on page 5-15 it states a higher number, "In 2004, there were 22 aviation-related tenants, including government agencies, on the airport that supported 339 employees."

WSA Response: Airport management (OSU Airport) is included as a tenant (government agency) in the number on page 5-15.

Comment 2. The first impression of the number of employees (175) and their payroll in the aviation related category at OSU Airport appeared to be high. The payroll amount for these 175 employees is cited as \$14,524,000, which was computed to be an average of \$82,994 per employee. The OSU Airport average is over 2 times the computed average for similar category employees at the other four airports in the CRAA study.

WSA Response: OSU Airport is a unique airport in that it has a very high concentration of corporate pilots; government agency pilots, as well as pilots, nurses, and emergency medical technicians associated with MedFlight. Medflight is the headquarters of one of Ohio's largest air ambulance services. Medflight has a fleet of helicopters as well as fixed wing aircraft. As a result, payroll in the aviation related category is higher than other airports in the study. In addition, 12 of the tenants at the airport in the aviation

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related category are corporate flight departments. Wilbur Smith Associates economic impact studies at various airports throughout the United States have found that the average salary per employee in a corporate flight department is approximately \$104,000 annually.

As a matter of confidentiality, we can not disclose average salaries by businesses in the aviation related category. An excellent example is publicly available at Salary.com. When reviewing Salary.com's average salaries for positions typical to OSU Airport's aviation related category Salary.com average salaries are comparable to the average identified in the study.

The following information was developed using Salary.com's average salaries for the Columbus area:

<u>Job Title</u>	<u>Average Salary</u>
Chief Pilot (Jet Fleet):	\$124,500
Captain/Pilot-in-command (small jet):	\$95,900
Co-Pilot(small jet):	\$73,500
Chief Pilot NonJet Fleet:	\$88,900
Head/Chief Helicopter Pilot:	\$128,300
Helicopter Pilot:	\$76,000
Head ER Nurse:	\$74,600
Nurse Practioner:	\$72,700
Transplant Nurse:	\$62,000

It is noteworthy to describe the other aviation related categories at the other airports in the study. Average wages in the aviation categories for Rickenbacker, Port Columbus and Bolton have lower end pay scales due to the nature of aviation activity. For example, Rickenbacker has a large cargo facility employing hundreds of workers at FedEx and UPS which make \$9 to \$11 per hour. Airlines at CMH pay in a range from \$20,000 to \$45,000 annually. These two airports do not have nearly the concentration of pilots and other high paying jobs as does OSU Airport. It is not possible to make a direct comparison between each Columbus area airport.

Since the CRAA report did not identify what employers at OSU Airport make up the aviation related category, it is not known if the entire Columbus Fire Department personnel payroll costs have again been included nor can it be determined the source of such high salary positions.

WSA Response: Fire Department impacts are aggregated with the Government Category.



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Comment 3. On page 5-11, the table 5-5 entitled "Direct Income Tax Benefits to Columbus Region" double counts the Construction employees payroll category by \$567,000. The effect of this duplication overstates the City and State Taxes, \$11,300 and \$29,500 respectively. The basis for the calculation of tax benefits is table 5-1 on page 5-5, which includes the construction payroll in the total payroll value of \$20,798,100. The two CRAA tables are reproduced below.

WSA Response: The construction payroll tax impacts (14 employees) were inadvertently double counted. It is important to note that the total tax estimates for city and state taxes were off by only 2.7 percent and 3.2 percent, respectively; and as a result, do not undermine the validity of the economic impact analysis.