



Senator Scavello, members of Majority Policy Committee, Aviation Caucus and guests, thank you for the opportunity to present today on behalf of the Aviation Council of Pennsylvania (ACP). I look forward to discussing the importance of Senate Bill 562, which would create Airport Land Development Zones. My name is David Heath. I am a Principal for BBP Solutions, the consulting firm that manages ACP. ACP is a nonprofit trade association which has been representing the aviation industry since 1960. It consists of airports, fixed base operators, flight schools, business aircraft operators, aerospace manufacturers and suppliers, air charter operators, and other aviation organizations and suppliers, all working together to improve and promote the aviation industry throughout the Commonwealth of Pennsylvania.

The Aviation industry is complex and sometimes confusing to understand. Some of this can be attributed to the federalized approach to managing aviation. It is a heavily regulated industry. Aviation though, is far more than the airspace, airports, and airplanes. Every day, general aviation transports blood supplies, vital transplant organs, and other time-critical, life-saving elements. Air ambulances carry out medevac rescues and provide urgent transportation to trauma and other emergency medical centers. General aviation also flies overnight packages to offices, factories, and individuals under next-day time pressures to thousands of small towns where major air carriers don't fly. If scheduled airlines are the nation's air transportation arteries, general aviation is its equally important capillary system. Charter and air taxi flights carry passengers to and from smaller cities, thousands of which have no airline service. Business, cargo, and personal flights reach anywhere, any time—on the traveler's or shipper's schedule, not the airlines'.

It is important to understand the critical factors that all Pennsylvania airports face so that they can continue to be the engine of PA's modern economy. Regional and rural airports are known to speed economic progress. Air transportation is essential for business attraction and retention. Airports play a key role in economic development for many communities and are the gateway to the nation's air transportation system that tap into the world's economy. This is why it is imperative that aviation become a top priority in all transportation discussions within the state, and why we are so appreciative for the commitment to ALDZ.



According to the FAA, Pennsylvania has 732 aviation facilities. Of those facilities we have 124 public use airports, 15 commercial service airports, and 62 airports included in the National Plan of Integrated Airport Systems (NPIAS). According to PennDOT's interim economic impact study update in 2019, Pennsylvania aviation accounts for 322,965 jobs, \$10.6 billion dollars in payroll, and \$28.5 billion in total economic output. Like many other businesses and industries, COVID-19 has severely impacted the aviation industry. The International Finance Corporation estimates that airports will see a revenue reduction as high as 57%. That is why programs like ALDZ are so important to the industry.

This legislation creates the Airport Land Development Zone (ALDZ) program to incentivize development on vacant land and buildings owned by airports and leased to private businesses. The ALDZ designation will encourage a partnership between airports and developers, resulting in significant new investment. Under the program, the developer would receive a \$2,100 per job tax credit for each net-new job they create in Pennsylvania for 10 years. It is important to note, while analyzing the ALDZ program's potential, we conducted a survey and collected as much data as possible to have a true understanding of total acreage available for development. According to our survey, 87% of airports have vacant land or buildings, and 81% of airports would be able to further develop with the addition of this program. I'd be happy to go into greater details regarding the survey we conducted.

In conclusion, we are excited to have this conversation and we look forward to continuing the discussion on the importance of the ALDZ program. We appreciate Senator Scavello's and Senator Langerholc's sponsorship of the legislation and their commitment to aviation, and we appreciate the opportunity to participate in this important meeting today.