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**Joint Legislative Public Hearing
2020-2021 Executive Budget -- Transportation
Grant W. Sussey, NYAMA President**

Thank you, Chair Krueger, Chair Weinstein and members of the Transportation Budget Committee. I am Grant Sussey, President of the New York Aviation Management Association (NYAMA) and Manager of the Watertown International Airport. On behalf of NYAMA, I'd like to express my appreciation for this opportunity to provide comments on the 2020-2021 Executive Budget as it relates to airports and the aviation industry in New York.

New York Aviation Management Association

NYAMA represents over 13,000 members and affiliate members, comprised of 464 commercial service and general aviation airports, fixed based operators, consultants, engineers and various aviation industries and professionals who believe that economic development efforts at the state and regional level necessitate strong public investments in our aviation assets and facilities.

Economic Impact of Airports

The economic benefits of New York State airports are indeed impressive. According to data from the New York State Department of Transportation and updated figures from the Port Authority of NY-NJ, the aviation industry contributes over \$72.3 billion in annual economic activity in New York State and more than 500,000 NY based jobs in aviation or aviation related industries, generating \$25.8 billion in payroll and over \$6 billion in state and local tax revenue annually.

NYAMA seeks to continue our work with the Legislature and the Governor in this effort to realize the full potential of NY's airports and aviation industries as the driver of new, high-quality and sustainable jobs, as well as to attract greater private sector investment.

Executive Budget Highlights

The Governor proposes a two-year transportation capital program that provides state funding for aviation projects. As part of this program, the Capital Projects Budget includes a \$100 million appropriation supported by NYAMA to provide a second round of funding for the Upstate Airport Economic Development and Revitalization Competition.

NYAMA cannot stress enough how the first round of the Upstate Airport Competition investments has succeeded in updating and transforming six gateway airports. These grant dollars leveraged tens of millions of dollars in private sector investments. The grants fund terminal expansion and modernization, cargo receiving and distribution centers, new retail and concession options, general aviation customs facilities, environmental protection projects and much more. These investments increased jobs, enhanced passenger experiences and promoted economic development.

There remain many airports in the state that were eligible for this program in the first round but not awarded funding. This second funding round will reach additional airports that have critical infrastructure needs. These communities will likewise benefit from state investments, particularly to better position these airports to attract more scheduled commercial or charter service in many underserved areas of the state. These

investments are helping New York State reestablish itself as the place for national and international aviation businesses to locate and grow.

NYAMA urges that the Upstate Airport Economic Development and Revitalization Competition program be continued and that this funding level as proposed by the Governor be included in the adopted budget.

AIP and the Aviation Capital Grant Program

State funding for airport improvements and development is provided mainly through two categories of funding: the Airport Improvement Program (AIP), which provides a portion of the local share required to match federal AIP grants, but is currently underfunded at \$4 million per year; and, the Aviation Capital Grant Program that, unlike federal AIP, can be used to finance revenue producing projects at airports such as parking lots, fuel farms, hangar construction and concession development. Both of these programs continue to be funded at previous levels: \$4 million and \$12.5 million respectively.

Aviation Capital Needs

Based on an analysis of FAA-approved documents such as Airport Capital Improvement Plans, Airport Master Plans and Airport Layout Plans, the NYSDOT has estimated that the state will need a \$4.3 billion investment to support its aviation goals for the 20-year period between 2010 and 2030. Which is an average of \$215 million per year. The Executive Budget two-year transportation program must recognize the needs of all the State's airports.

The Aviation Capital Grant Program

The Aviation Capital Grant Program is a critical funding source especially for smaller GA and commercial service airports because it funds projects that are not eligible for funding under the Federal AIP program. For this reason, NYAMA continues to advocate for a minimum state financial commitment of \$40 million per year for the Aviation Capital Grant program. The current five-year transportation capital program that will end March 31 averaged just \$16 million per year for this grant program. For the latest two-year phase of the program, NYSDOT received a total of \$48 million in funding requests by 72 applications from 54 airports for critical projects; of this number, only 31 airports were awarded a total of \$23.6 million.

These numbers reveal the sizable gap between what is required for airport development projects and what is ultimately available through the state budget. Yet this program funding was slashed by \$20 million over the last two years, a 50% cut from previous funding levels.

NYAMA urges the Legislature to support an increase in the Aviation Capital Grant Program from \$12.5 million as proposed in the Executive Budget, to \$40 million annually.

A well-funded aviation capital program for the Empire State's airports is essential to protect jobs and ensure economic health for the state and its residents. To be competitive with surrounding states, nationally and in the global economy, New York must continue to support public investment levels that support the development of world-class aviation facilities for travelers from across the country and internationally.

Thank you for inviting NYAMA to comment and we look forward to continuing to work with you and your legislative colleagues on developing strategies to maximize the economic benefits from state investments in airports and the aviation industry.

Summary of NYAMA 2 Year Capital Plan Request:

Support \$100 million round II funding for Upstate Airport Economic Development and Revitalization Competition (as proposed in Executive Budget)

Support an increase to \$40 million/year Aviation Capital Grant Program (\$12.5 proposed in Executive Budget)

January 28, 2020