

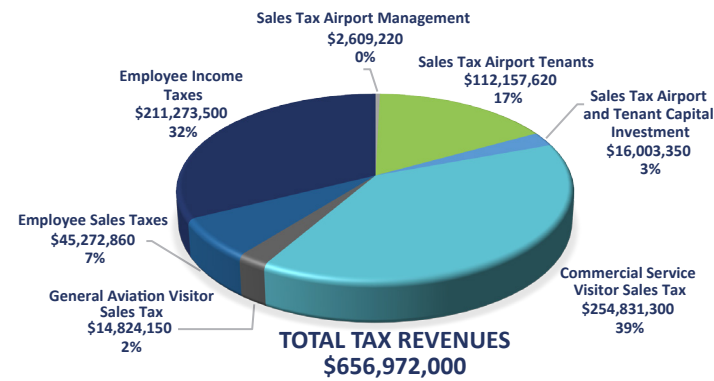
Estimated Statewide Tax Revenues Supported by South Carolina Airports

Airport-related employment and spending are responsible for a variety of annual tax revenues. A conservative approach was taken to estimate airport-related tax revenues; this study considered only direct employment, payroll, and spending when estimating the statewide tax revenues. Tax revenues associated with indirect/induced impacts were not estimated in the SCAC study. Tax revenues estimated in the state study considered the following taxable events:

- » Sales tax paid by visitors on hotels, meals, rental cars, entertainment, and retail spending.
- » Sales tax paid on goods and materials purchased to support capital projects.
- » Sales tax paid on applicable supplies needed to operate airports or tenant businesses.
- » Sales and income taxes paid by employees whose direct jobs are airport-supported.

It is important to note that South Carolina recently removed a 5% tax on rental cars, and that parts and supplies purchased to repair aircraft in the state are tax exempt.

SCAC's economic impact study indicates that annually airports and airport-supported activities contribute an estimated \$657 million in state and local tax revenues.



Significant Economic Benefits from South Carolina's Airports

General aviation and commercial service airports in South Carolina are responsible for supporting an estimated \$16.3 billion in annual economic activity. This estimate includes total statewide direct and indirect/induced impacts in the payroll and spending categories. SCAC measured this statewide annual economic impact by considering benefits associated with airport management, airport tenants, capital investment, and commercial service and general aviation visitor spending. Statewide annual economic impacts for each of the categories measured in the SCAC study are shown in the following table.



Total Annual Statewide Economic Impacts

	EMPLOYMENT	PAYROLL	SPENDING	ECONOMIC ACTIVITY
AIRPORT MANAGEMENT	1,374	\$64.7 M	\$69.1 M	\$133.8 M
AIRPORT TENANTS	10,987	\$495.2 M	\$1.1 B	\$1.6 B
BOEING*	21,773	\$1.52 B	\$2.7 B	\$4.2 B
CAPITAL INVESTMENT	1,567	\$72.4 M	\$219.8 M	\$292.2 M
GENERAL AVIATION VISITORS	4,590	\$137.8 M	\$390.1 M	\$527.9 M
COMMERCIAL VISITORS	82,468	\$2.5 B	\$7.1 B	\$9.6 B
TOTAL	122,759	\$4.8 B	\$11.5 B	\$16.3 B

*REFLECTS BOTH TENANT & CIP IMPACTS FOR BOEING ACTIVITIES IN CHARLESTON
**TOTALS MAY NOT SUM DUE TO ROUNDING

Annual Costs versus Annual Benefits from South Carolina Airports

SCAC's Statewide Aviation System Plan and Economic Impact Study produced the following findings:

- » Airports and airport-supported activities are supporting an estimated \$657 million in state and local tax revenues.
- » Airports and the activities they support are responsible for an estimated \$16.3 billion in total annual economic impact. Of this total annual impact, about \$4.2 billion is associated with Boeing in Charleston.
- » The average annual maintenance and development needs for all airports over the next five years are estimated at \$156 million.
- » Based on the most recent year for state and FAA funding, about 50% of the annual financial needs of the airports could be met. However, if state and FAA funding is more in line with 5-year averages, only 25% percent of the estimated investment needs will be met. A large funding gap is anticipated.

The SCAC reports show that individual public airports in South Carolina, such as Donaldson Field, make important economic and tax contributions to the state. The economic impacts, both statewide and specifically for Donaldson Field summarized in this report, reflect a "snapshot" of conditions and activity that characterized South Carolina airports at the time data collection to support this study was completed. The economic impacts presented in this summary are annual in nature. As long as Donaldson Field continues to be maintained and improved as warranted and activity at the airport stays healthy, the economic impacts associated with Donaldson Field will continue to be realized year-after-year.

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—SUMMARY OF STUDY FINDINGS FOR—

DONALDSON FIELD

Greenville, South Carolina



Airports are essential to South Carolina's transportation infrastructure and economy. To guide the South Carolina airport system and measure how airports contribute to the economy, the South Carolina Aeronautics Commission (SCAC) completed updates to its Statewide Aviation System Plan and Statewide Economic Impact Study. Details on both reports are available at: www.scaeronautics.com. This report provides a summary of important findings and also highlights the contribution that Donaldson Field makes to the estimated statewide economic impact. The role the airport plays in the state airport system is documented and a summary of the investment required for the airport to fulfill its needs and objectives is provided.

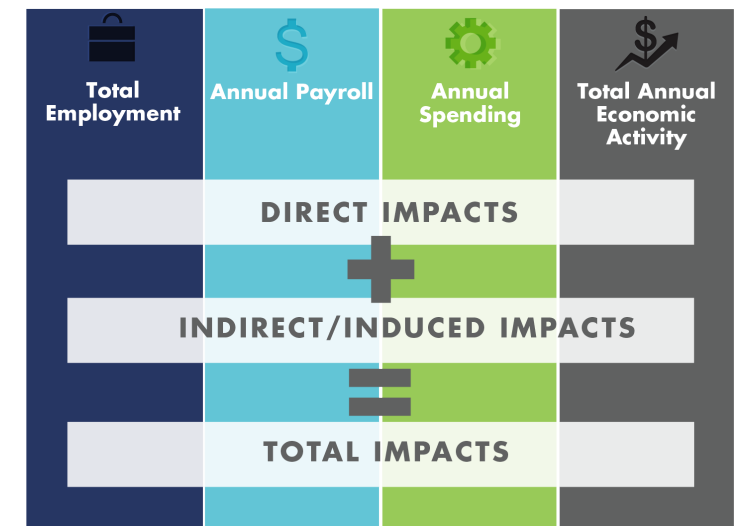
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STATEWIDE IMPACTS
 Economic Impacts from South Carolina Airports

As part of SCAC's research, steps were undertaken to estimate the annual economic impact for Donaldson Field and 56 other study airports. Economic impacts summarized in this report reflect conditions that characterized all airports in 2017. This report provides both statewide and airport specific information on annual economic impacts. Each airport was investigated to identify potential economic impacts related to the five categories shown below:

- » Airport Management
- » Airport Tenants
- » Investment in Capital Projects
- » Spending from Visitors Arriving on General Aviation Aircraft
- » Spending from Visitors Arriving on Commercial Airlines

The SCAC study used four primary measures to express both statewide and airport specific annual economic impacts: employment, payroll, spending, and economic activity. Economic impacts reflect not only direct impacts, but also indirect/induced impacts associated with multiplier effects. Direct and indirect/induced impacts equal total statewide and airport specific annual economic impacts. Using South Carolina specific inputs, the IMPLAN model was used to estimate indirect/induced impacts.



In this study, total annual economic activity is the sum of annual payroll and spending.

- Employment** 122,759
- Annual Payroll** \$4.8 Billion
- Annual Spending** \$11.5 Billion
- Annual Economic Activity** \$16.3 Billion

DONALDSON FIELD

Total Annual Economic Impact on South Carolina's Economy

Estimating the Annual Economic Impact for Donaldson Field

Interviews and surveys were used to document direct impacts for airport management and aviation-related tenants. Some employees in the management category are not located at the airport; some employees split their time between the airport and other government functions. For both management and tenants, not all jobs are full-time. Less-than-full-time positions were converted to full-time equivalent (FTE) jobs using hours worked or salary paid.

Airports use FAA, state, local, and/or private investments to complete capital projects. When capital funds are being expended, such spending helps support employment and associated payroll. Average annual capital investment for the airport, from all sources, for a multi-year period was considered to estimate economic impacts in the capital investment category.

ANNUALLY, 10,338 VISITORS ARRIVE IN SOUTH CAROLINA VIA THE AIRPORT.

Each year, 10,338 visitors arrive at the airport on general aviation planes. Visitors to South Carolina often have expenditures for lodging, food, ground transportation, entertainment, and/or retail purchases. Visitor spending helps support jobs and payroll, primarily in the hospitality industry.

The table on the next panel shows direct, indirect/induced, and total economic impacts for the airport, as these impacts were identified for: airport management and tenants, capital investment, and visitor spending.

THE AIRPORT AND AIRPORT ACTIVITIES SUPPORT ANNUAL TAX REVENUES ESTIMATED AT \$18.0 M.

Airport benefits also come in the form of annual tax revenues. Activities at the airport and off-airport activities that the airport helps to support (primarily visitor spending) are linked to many transactions that are subject to sales tax. South Carolina residents whose jobs are directly supported by airports also pay state income tax. Airport-supported tax revenues benefit state and sales tax.

The report findings estimated that, when only direct economic impacts are considered, the airport contributes approximately \$18.0 M in annual state and local tax revenues.

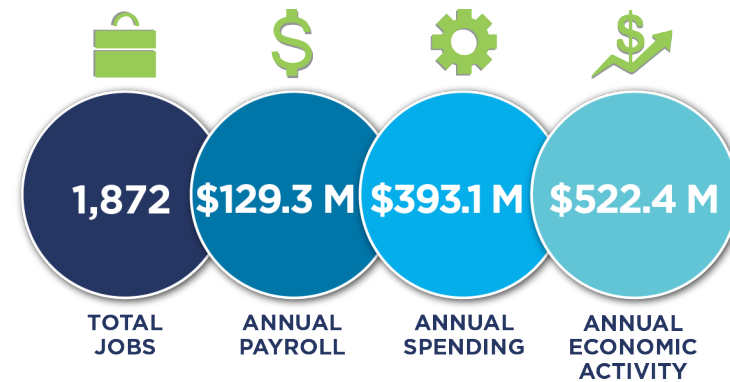
Total Annual Economic Impact for Donaldson Field

The following table reports direct, indirect/induced, and total economic impacts for the airport as estimated in SCAC's study.

	EMPLOYMENT			TOTAL PAYROLL			ANNUAL SPENDING			ANNUAL ECONOMIC ACTIVITY		
	Direct	Indirect/Induced	Total	Direct	Indirect/Induced	Total	Direct	Indirect/Induced	Total	Direct	Indirect/Induced	Total
Airport Management & Tenants	841	960	1,801	\$68,673,380	\$57,960,160	\$126,633,540	\$208,098,640	\$177,329,420	\$385,428,060	\$276,772,020	\$235,289,580	\$512,061,600
Capital Investment	17	11	28	\$869,540	\$498,130	\$1,367,670	\$2,447,440	\$1,608,950	\$4,056,390	\$3,316,980	\$2,107,080	\$5,424,060
General Aviation Visitor Spending	32	11	43	\$795,260	\$468,910	\$1,264,170	\$2,151,850	\$1,505,290	\$3,657,140	\$2,947,110	\$1,974,200	\$4,921,310
Total Impacts	890	982	1,872	\$70,338,180	\$58,927,200	\$129,265,380	\$212,697,930	\$180,443,660	\$393,141,590	\$283,036,110	\$239,370,860	\$522,406,970

DATA SOURCE: SOUTH CAROLINA AERONAUTICS COMMISSION ECONOMIC IMPACT STUDY

ANNUAL ECONOMIC ACTIVITY = PAYROLL + SPENDING

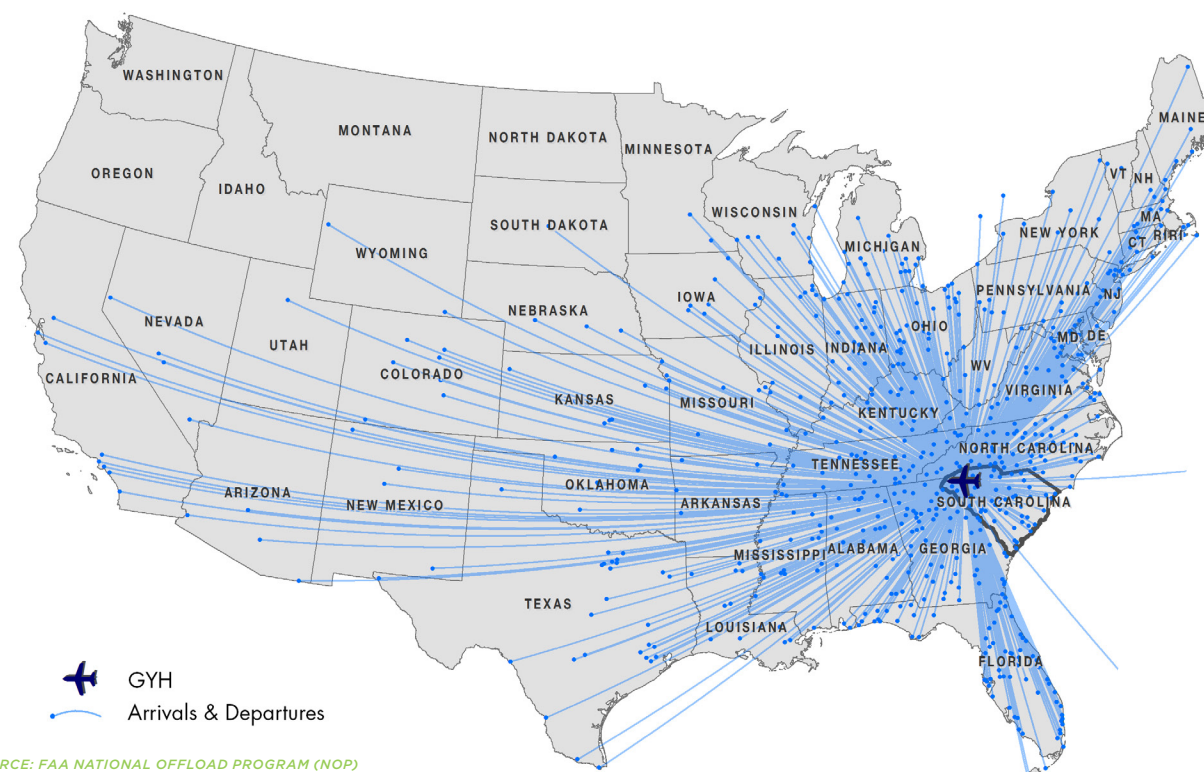


The Airport Helps Connect the Community

When businesses decide to relocate or expand, there are many factors they consider. Access to an airport is a highly-rated decision-making factor. FAA provides an account of some but not all non-stop general aviation flights that arrive and depart from the airport. The map below demonstrates how Donaldson Field connects the community to destinations across the United States.

The flight data for Donaldson Field shown on this map was obtained from FAA's National Offload Program. Flights shown reflect both instrument and visual flight rule activity for arrivals and departures. The map helps to depict non-stop flight destinations to and from the airport. The map reflects a significant portion, but not all of the airport's annual landings and take-offs.

Donaldson Field (GYH) Flight Map



SOURCE: FAA NATIONAL OFFLOAD PROGRAM (NOP)

The Airport's Role in State Airport System

South Carolina's Aviation System Plan helps ensure the state has a balanced and viable system of public airports. Assigning a "role" to each airport helps to achieve this objective. Each airport's role is based on a variety of factors that consider activity, facilities, services, airport location, and market area characteristics. Within the South Carolina system, Donaldson Field is designated as an SC II Corporate/Business Airport. There are four different roles for airports in the system, and each role has a specific set of objectives. Objectives for SC II Airports in South Carolina are shown below.

AIRPORT ROLE

Corporate/Business (SC II)

ROLE CRITERIA

SC II Airports usually serve a multi-jurisdictional service area, offer the full aviation services and instrument approach procedures. A high percentage of the operations at these airports are business related.

FACILITY OBJECTIVES

- Localizer Performance with Vertical Guidance (LPV) approach
- Runway length 5,000 feet with Medium Intensity Runway Lighting (MIRL)
- Runway width 75 feet
- Full parallel taxiway with Medium Intensity Taxiway Lighting (MITL)
- Automated Surface Observing System (ASOS) or Automated Weather Observation System (AWOS)
- Fixed Base Operator (FBO)
- Jet A and 100LL fuel

The system plan summarized the airport's development needs over the next five years. Costs to improve and maintain the airport over that time-frame consider not only projects identified by the system plan, but also projects from SCAC's Statewide Pavement Management Plan and the airport's own locally generated capital improvement plan (CIP). These three sources indicate an estimated \$20,693,166 will be needed to maintain and improve the airport over the next five years; this equates to an average annual investment of \$4,138,633.

As SCAC's Statewide Economic Impact Study has shown, on an annual basis Donaldson Field supports an estimated \$522.4 M in economic benefit. The airport's annual economic impact far exceeds its annual financial need for maintenance and improvement. SCAC's statewide studies show the airport is well worth the investment!

