

THE ECONOMIC IMPACT OF BOB HOPE AIRPORT 2006

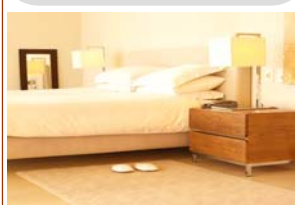
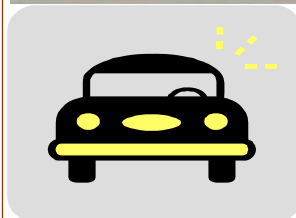
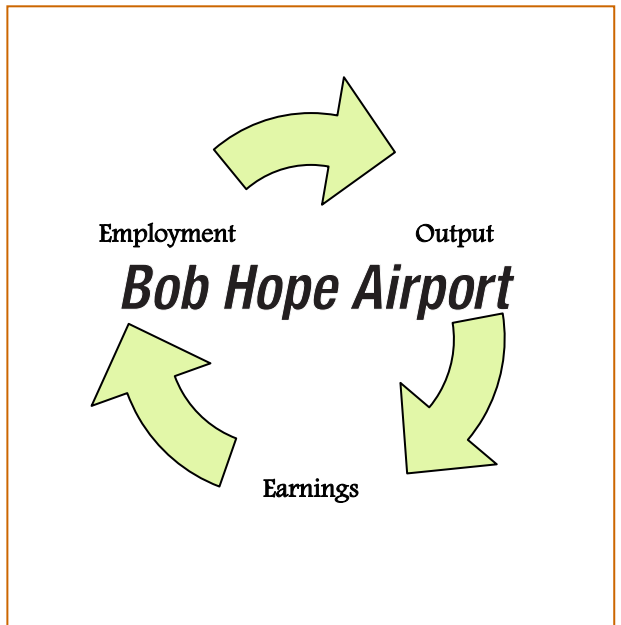
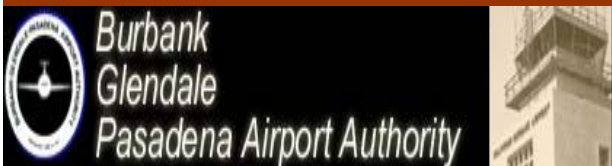
Prepared By:



In Association With:



for



BOB HOPE AIRPORT ECONOMIC IMPACT REPORT

May 2008

FOREWORD

This study, prepared by Unison-Maximus, Inc. in association with UCG Associates, Inc., documents the economic impact of Bob Hope Airport in 2006. The study examines three key types of economic impacts:

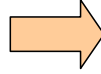
DIRECT IMPACT derived from the economic activity of all parties that provide aviation services at the airport such as the airlines, general aviation operators, ground transportation service providers, and retail concessionaires.

INDIRECT IMPACT derived from the economic activity of local businesses that cater to visitors to the region who arrive through the airport.

INDUCED IMPACT derived from economic activity in the broader economy induced by the first two economic categories, often called the "multiplier effect".

The major findings, summarized in the chart on the following page, are:

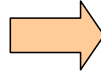
- Bob Hope Airport generated a total economic impact of \$3.9 billion in Southern California in 2006.
- Bob Hope Airport generated 2,400 jobs on the airport itself and indirectly accounted for another 34,000 full-time equivalent jobs in the broader economy.
- Wages earned by workers whose jobs stem from airport activity totaled \$1.2 billion and averaged \$32,342 per job.
- The impact of the airport has increased substantially since a similar 1995 study was published, documenting a total impact of \$878 million and just over 17,000 jobs.



DIRECT IMPACTS IN SOUTHERN CALIFORNIA

Derived from the economic activity of Airport-based providers of aviation and aviation-related services. Direct impacts of BUR amounted to:

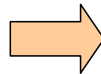
- \$628.1 million in output
- 2,400 full-time equivalent jobs
- \$127.4 million in earnings



INDIRECT IMPACTS IN SOUTHERN CALIFORNIA

Derived from the economic activity of local businesses that cater to the lodging, food & beverage, shopping, ground transportation, recreation and entertainment needs of visitors who arrive in the L.A. area through BUR. Indirect impacts of BUR amounted to:

- \$1.1 billion in output
- 15,800 full-time equivalent jobs
- \$360.3 million in earnings



INDUCED IMPACTS IN SOUTHERN CALIFORNIA

Derived from the direct and indirect impacts and result from the additional economic activity as businesses and workers spend their earnings on various goods and services in the local economy. Induced impacts of BUR amounted to:

- \$2.1 billion in output
- 18,000 full-time equivalent jobs
- \$683.9 million in earnings

TOTAL ECONOMIC IMPACT

- \$3.9 BILLION IN OUTPUT
- 36,000 FULL-TIME EQUIVALENT JOBS
- \$1.2 BILLION IN EARNINGS

The reader is invited to examine the details of the study - methodology, discussion of economic principles, guidelines for estimating airport economic impacts, and the detailed study results - in the pages that follow. The reader is also referred to a companion volume, **Customer Satisfaction Assessment Report**, for details of customer evaluation of services and facilities at Bob Hope Airport derived from a survey conducted at Bob Hope Airport in July 2007.

- Burbank-Glendale-Pasadena Airport Authority
May 2008

GLOSSARY

- BEA:** U.S. Bureau of Economic Analysis
- FTE Job:** Full-time equivalent job
- I-O:** Input-Output
- NAICS:** North America Industry Classification System
- RIMS II:** The BEA's Regional Input-Output Modeling System

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EXECUTIVE SUMMARY

The Burbank-Glendale-Pasadena Airport Authority (BGPAA, or Authority) contracted with Unison-Maximus, Inc. (Unison), in association with UCG Associates, Inc. (UCG), to estimate the economic impacts of Bob Hope Airport (BUR, or the Airport) on the Southern California economy and prepare an Impact Report that documents the direct, indirect, induced, and total impacts derived from Airport operations and provide comparisons with the findings of the 1995 study (based on 1993 data).¹ The methodology adopted for this study is consistent with the theoretical principles of regional economics and relevant aspects of the current Federal Aviation Administration (FAA) guidelines for the estimation of the regional economic significance of an airport.²

A. OVERVIEW OF AIRPORT ECONOMIC IMPACT

FAA guidelines identify four types of economic impact applicable to airports: **direct impact**, **indirect impact**, **induced impact**, and **total impact**.³ The definitions of these impacts follow.

→ Direct Impacts

Direct impacts result from economic activities conducted at the airport or near the airport. These activities include operations by passenger and all-cargo airlines, general aviation operators, ground transportation providers, retail concessionaires, airport management, government agencies, and owners of related businesses located at or near the airport.

¹ Science Applications International Corporation (SAIC). *Burbank-Glendale-Pasadena Airport - Economic Benefits Study*, January 1995.

² FAA. *Estimating the Regional Economic Significance of Airports*, September, 1992.

³ The FAA guidelines distinguish direct impacts as aviation-provision impacts, and indirect impacts as aviation-use impacts. At the date of this Report, the guidelines are being reviewed. It is likely that the updated FAA guidelines will redefine these distinctions to better align with the definition and usage of the impact concepts in regional economics.

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→ **Indirect Impacts**

Indirect impacts result primarily from airport-related economic activities that are conducted off-airport. The distinguishing feature of indirect impacts is that the activity can be attributed to the presence of the airport, even though the actual activity is conducted outside of the airport. For most airports, the primary sources of indirect impacts are in the leisure and hospitality, retail and ground transportation sub-sectors that cater to the lodging, recreation, shopping, and transportation needs of visitors who arrive in the local area through the airport.

→ **Induced (Multiplier) Impacts**

Induced impacts result from the direct and indirect impacts, and represent subsequent economic activities generated in the impact region. The additional economic activities are referred to as the multiplier effects of the direct and indirect impacts. Regional input-output (I-O) multipliers allow for an estimation of the induced impacts specific to the defined impact region.

→ **Total Economic Impacts**

Total economic impacts are the sum of the direct, indirect, and induced impacts, and therefore represent the quantifiable economic contribution of an airport to its impact region.

B. IMPACT MEASURES AND REGIONS

The direct, indirect, induced, and total impacts of BUR are estimated in terms of **employment, earnings, and output**. The employment impact is expressed as the number of full-time equivalent (FTE) jobs attributable to the Airport. The earnings impact represents the annual payroll of FTE employees whose jobs depend directly and indirectly on the presence of the Airport. The output impact is the dollar value of the economic activity attributable to the Airport. Business revenue is a commonly used measure of output. The benchmark year for the study is 2006, which means that the primary and secondary data used in the analysis are for 2006.

Two impact regions are defined for the purpose of estimating the induced and total economic impacts of BUR. Los Angeles County (L.A. County) is defined as the Airport's primary

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impact region. The secondary impact region is Southern California, which for the purpose of this study, is defined as the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura.

C. SUMMARY OF FINDINGS

Table ES-1 summarizes the total economic impact of the Airport in each of the two impact regions. The Airport's total output impact in 2006 amounted to \$3,560.5 million in L.A. County, associated with 29,076 FTE jobs and \$910.3 million in earnings. The Airport's total output impact in the Southern California region amounted to \$3,889.1 million, associated with 36,226 FTE jobs and \$1,171.6 million in earnings. The corresponding average annual wage in L.A. County was \$31,308, while the average annual wage in Southern California was \$32,342 in 2006. Overall, the results indicate that the bulk of the Airport's total economic impact in 2006 was generated within L.A. County.

**TABLE ES-1
BOB HOPE AIRPORT
SUMMARY - TOTAL ECONOMIC IMPACT BY REGION
2006**

| Impact Measure | Impact Region | |
|-------------------------------------|--------------------|---------------------|
| | Los Angeles County | Southern California |
| Output (million) | \$3,560.5 | \$3,889.1 |
| Earnings (million) | \$910.3 | \$1,171.6 |
| Employment (FTE Jobs) | 29,076 | 36,226 |
| Output Per Capita (2006 population) | \$357.9 | \$184.2 |
| Avg. Annual Wage/FTE Job | \$31,308 | \$32,342 |

Figure ES-1 (on the following page) shows the distribution of each impact measure according to source (direct, indirect, and induced). The allocation confirms the expectation that the induced (multiplier) impact constitutes the largest source of the total economic impact attributable to BUR. For example, the multiplier effect accounted for 50.8% of the total output impact of the Airport in L.A. County in 2006.

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**FIGURE ES-1
BOB HOPE AIRPORT
DISTRIBUTION OF TOTAL ECONOMIC IMPACT
LOS ANGELES COUNTY
2006**

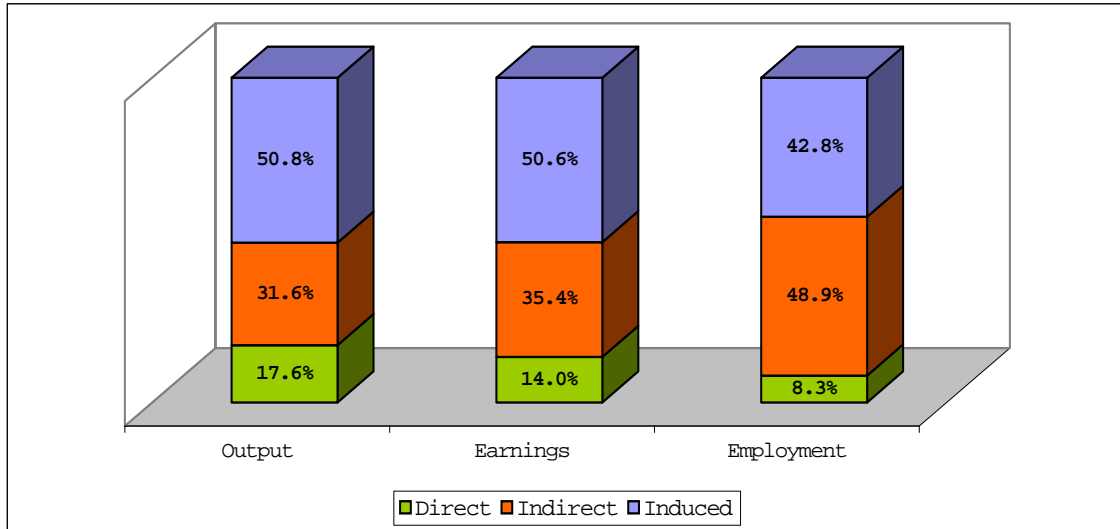


Figure ES-2 (on the following page) illustrates the allocation of the Airport's total economic impact in L.A. County by measure (output, earnings, and employment) and the top five industry sectors. The top industry sectors were all service-related. For example, the top five contributors to the Airport's total output impact in 2006 were providers of lodging and food services, transportation and warehousing, retail trade establishments, businesses that provide entertainment and recreation services, and providers of professional services. This finding is consistent with the fact that the Services sector, which includes both private sector service providers and the government sector, accounted for eight out of every ten jobs in L.A. County in 2006.

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**FIGURE ES-2
BOB HOPE AIRPORT
COMPONENTS OF TOTAL ECONOMIC IMPACT
LOS ANGELES COUNTY
2006**

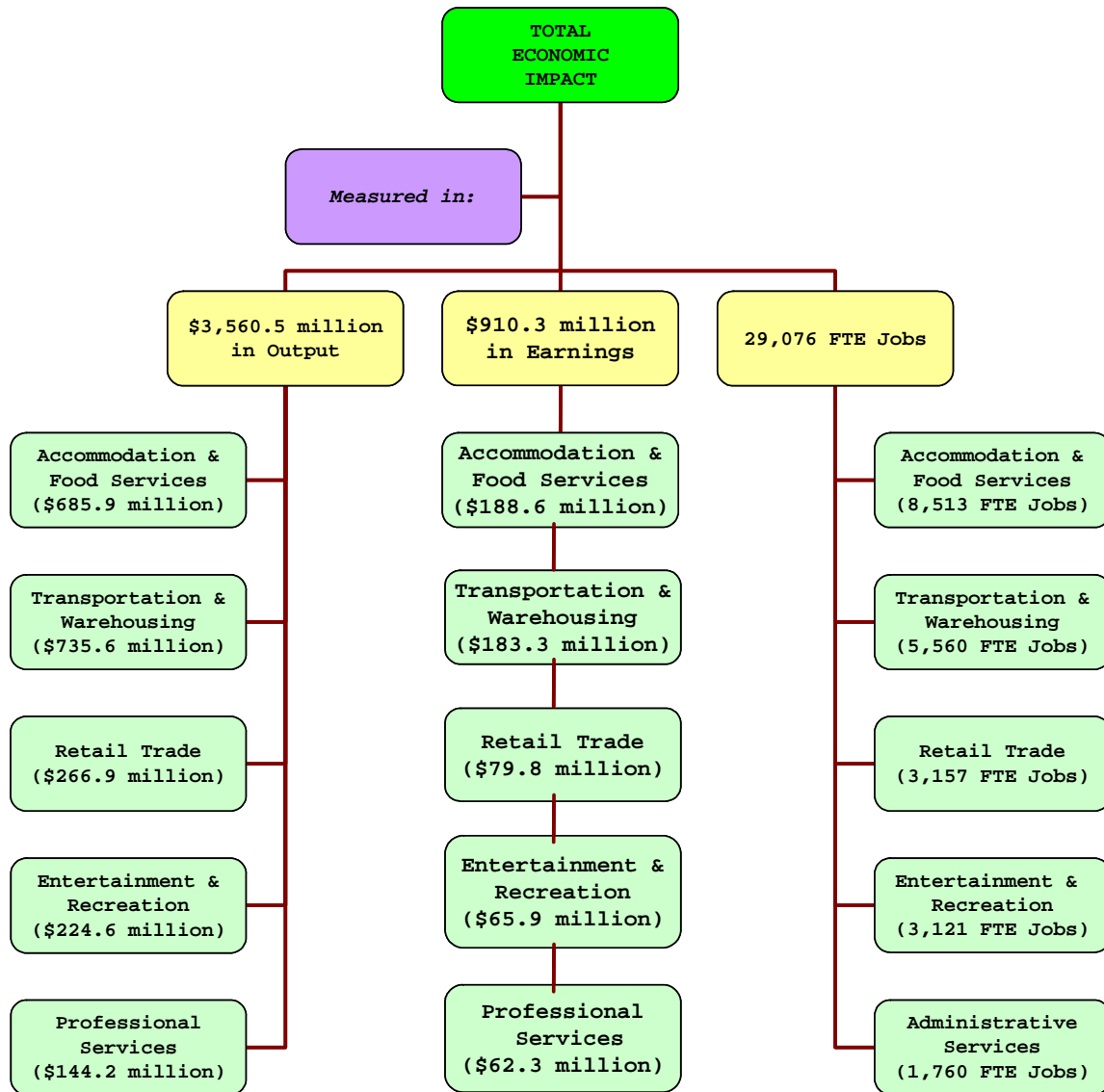


Figure ES-3 (on the following page) shows the distribution of the Airport's total economic impact in Southern California in 2006.

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**FIGURE ES-3
BOB HOPE AIRPORT
DISTRIBUTION OF TOTAL ECONOMIC IMPACT
SOUTHERN CALIFORNIA REGION
2006**

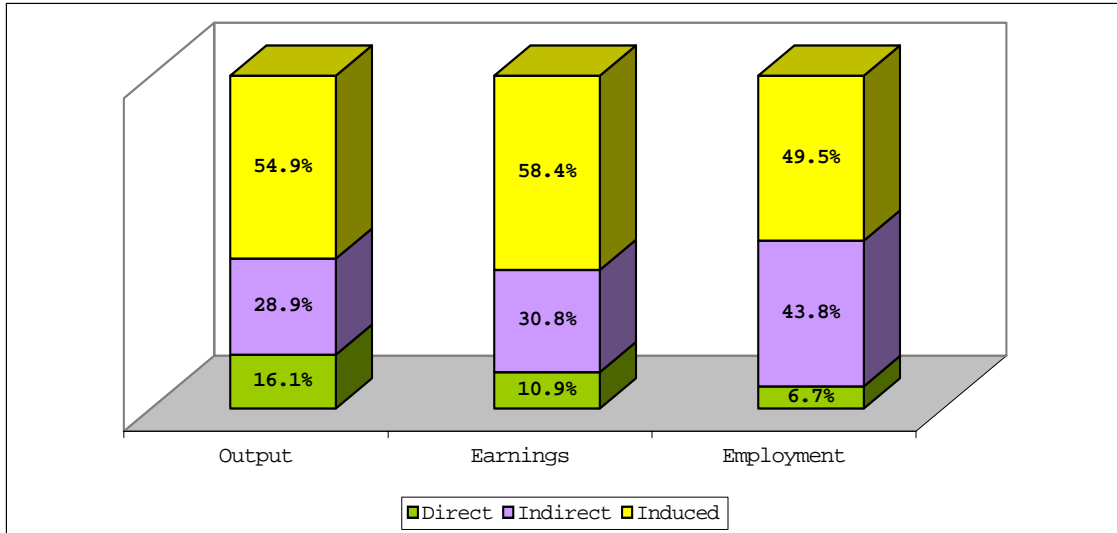


Table ES-2 (on the following page) summarizes the comparison between the 1995 study (based on 1993 data) and the current study (based on 2006 data). Due to conceptual differences, the comparison is limited to the findings on the Airport's total economic impact in the Southern California region. Total output attributable to the Airport more than tripled between 1993 and 2006, and the associated number of FTE jobs more than doubled over that period. However, the differences should be interpreted within the context of the discussion in the main text of this Report.

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**TABLE ES-2
BOB HOPE AIRPORT
COMPARISON OF TOTAL ECONOMIC IMPACT
SOUTHERN CALIFORNIA REGION
1993 and 2006**

| Impact Measure | Southern California Region | | |
|-----------------------|----------------------------|---------|----------|
| | 2006 | 1993 | % Change |
| Output (million) | \$3,889.1 | \$878.2 | 342.8% |
| Employment (FTE Jobs) | 36,226 | 17,115 | 111.7% |

Note:

The differences in the economic impacts shown in this table should be interpreted in the context of the comments included in the text of the Report.

D. STRUCTURE OF THE IMPACT REPORT

The Airport's Impact Report is structured into three sections as follows:

Section 1 introduces the study, and provides the background on BUR, the defined impact regions, and the categories of businesses that operate at the Airport.

Section 2 describes the economic impact methodology, including the types and measures of economic impacts, the data collection process, and the multipliers used in the analysis.

Section 3 documents the estimates of the total economic impact of BUR in L.A. County and Southern California in 2006. The tax component of the impacts in L.A. County are isolated and presented. The section contains a brief comparison of the 1995 study and the current study.

Appendix A contains copies of the BUR tenant and passenger survey questionnaires.

Appendix B highlights key characteristics of BUR passengers.

Appendix C provides brief profiles of Unison and UCG.

**SECTION 1
INTRODUCTION**

A. INTRODUCTION

The regional importance of an airport is typically estimated within one or more defined impact regions. The geographic location of Bob Hope Airport (BUR, or the Airport) primarily in the City of Burbank, but within a 13-mile drive from downtown Los Angeles, and less than 125 miles from several other large cities in Southern California suggested the need to examine the impact of the Airport in multiple regions. Consequently, two impact regions are defined for the economic impact estimation. Los Angeles County (L.A. County) is defined as the Airport's primary impact region. The secondary impact region is Southern California, which for the purpose of this study, is defined as the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura.

The rest of this section of the Report includes a profile of BUR, and its ranking among commercial service airports in Southern California. Relevant demographic and economic trends, which highlight changes that occurred in the region between 1993 and 2006, are presented. Additionally, the section includes a brief discussion of the providers of aviation and aviation-related services at the Airport.

B. BUR AND OTHER COMMERCIAL SERVICE AIRPORTS IN SOUTHERN CALIFORNIA

Commercial service airports are defined as public airports, which receive scheduled passenger service and have 2,500 or more enplaned passengers per year.⁴ The Federal Aviation Administration (FAA) classifies U.S. commercial service airports into four categories on the basis of enplanements. The categories include **large hub**, **medium hub**, **small hub**, and **non-hub** airports.

Large hub airports are those that each account for at least one percent of total U.S. passenger enplanements per year. As of 2006, there were 30 large hub airports in the U.S., and

⁴ Federal Aviation Administration, National Plan of Integrated Airport Systems, (NPIAS), 2007-2011, September 2006, page 6.

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collectively these airports accounted for 69% of total U.S. passenger enplanements that year. Medium hub airports are defined as airports that each account for between 0.25 percent and one percent of total annual U.S. passenger enplanements. There were 37 medium hub airports in the U.S. in 2006, which together accounted for 20% of U.S. total passenger enplanements that year.

Small hubs are those airports that enplane between 0.05 percent and 0.25 percent of total annual U.S. passenger enplanements. There were 72 small hub airports in the U.S. in 2006, and they accounted for 8% of the nation's total passenger enplanements that year. Commercial service airports that enplane less than 0.05 percent of annual U.S. passenger enplanements, but which have more than 10,000 annual enplanements are classified as non-hub airports. A total of 243 U.S. airports were classified as non-hub airports in 2006, and they collectively accounted for 3% of the nation's total passenger enplanements that year.

Table 1 shows the ten commercial service airports in the Southern California region, including their enplanements, hub classification, and ranking in 2006.

TABLE 1
COMMERCIAL SERVICE AIRPORTS IN THE SOUTHERN CALIFORNIA REGION
ENPLANEMENTS, CLASSIFICATION AND RANKING
2006

| Airport | Location ID (Locid) | Enplanements 2006 | Hub Size | Ranking by 2006 Enplanements | | Distance from BUR (miles) |
|--|---------------------|-------------------|---------------|------------------------------|----------|---------------------------|
| | | | | National | Regional | |
| Los Angeles International Airport, Los Angeles | LAX | 29,357,327 | Large | 3 | 1 | 18 |
| San Diego International Airport, San Diego | SAN | 8,724,442 | Large | 29 | 2 | 122 |
| John Wayne Airport, Orange County | SNA | 4,777,896 | Medium | 42 | 3 | 46 |
| Ontario International Airport, Ontario | ONT | 3,404,361 | Medium | 53 | 4 | 44 |
| Bob Hope Airport, Burbank | BUR | 2,843,281 | Medium | 59 | 5 | 0 |
| Long Beach Airport, Long Beach | LGB | 1,343,151 | Small | 80 | 6 | 29 |
| Palm Springs International Airport, Palm Springs | PSP | 771,867 | Small | 96 | 7 | 118 |
| Santa Barbara Municipal Airport, Santa Barbara | SBA | 434,753 | Small | 126 | 8 | 86 |
| McClellan-Palomar Airport, Carlsbad | CRQ | 50,157 | Non-hub | 261 | 9 | 96 |
| Oxnard Airport, Oxnard | OXR | 23,731 | Non-hub | 324 | 10 | 49 |

Note:

For the purpose of this economic impact study, the Southern California Region is defined as the seven-county area comprising the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura.

Source: Airport management records for BUR enplanements; FAA records (www.faa.gov) for the other airports.

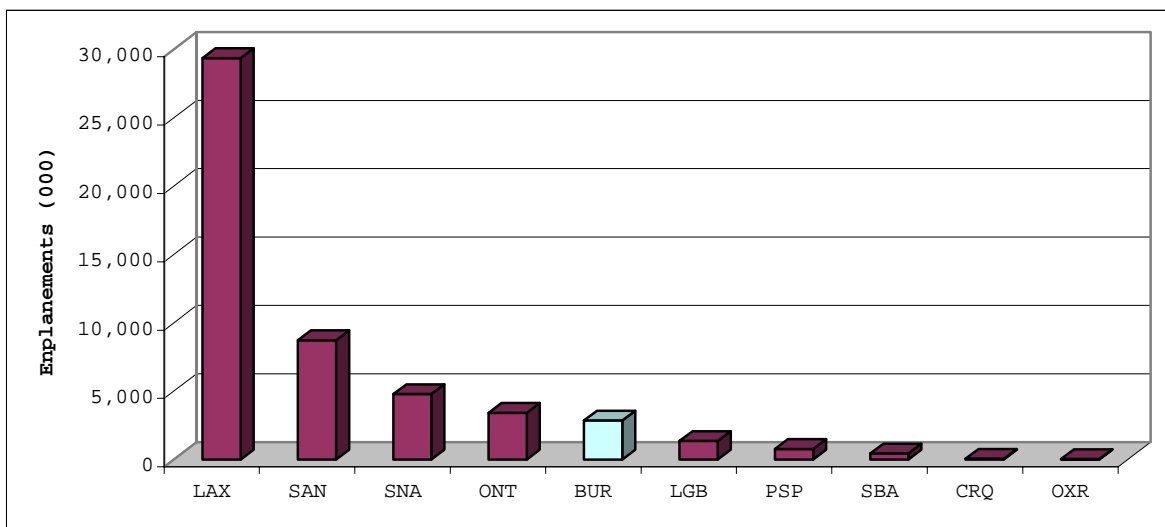
According to FAA hub criteria, there were two large hubs (Los Angeles International Airport and San Diego International Airport), three medium hubs (Bob Hope Airport, John Wayne Airport, and Ontario International Airport), three small hubs (Long Beach Airport, Palm Springs International Airport, and

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Santa Barbara Airport), and two non-hub airports (McClellan-Palomar Airport and Oxnard Airport) in the region in 2006.

BUR was ranked 59th in the nation and 5th in the region in terms of passenger enplanements in 2006. The Airport's enplanements of 2.84 million in 2006 represented a 30.3% increase over its 1993 enplanements of 2.18 million (the data used in the 1995 economic impact study). The Airport is located within 130 miles of the other nine commercial service airports in Southern California. **Figure 1** depicts the regional ranking of the airports based on their reported passenger enplanements in 2006.

**FIGURE 1
COMMERCIAL SERVICE AIRPORTS IN THE SOUTHERN CALIFORNIA REGION
ENPLANEMENTS
2006**



C. THE AIRPORT'S PRIMARY AND SECONDARY IMPACT REGIONS

According to the Airport management, BUR serves residents of Los Angeles City, the San Fernando Valley, West San Gabriel Valley, northern Los Angeles County, and Ventura County. As is further discussed in **Section 2** of this Report, the U.S. Bureau of Economic Analysis (BEA) multipliers used in the estimation of the economic impact of BUR are developed for regions comprising one or more counties. Consequently, L.A. County is defined as the Airport's primary impact region for the purpose of this study, and it is considered a good

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approximation of the service area defined by the Airport management.

Figure 2 shows the Airport's location within its primary impact region. The following includes highlights of the population of the impact regions in 2006, and a review of the economic trends in L.A. County between 1993 and 2006.



1. Population

Table 2 (on page 5) shows the population and shares of the counties in the Southern California region in 2006. L.A. County is clearly the largest in terms of number of residents.

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There were approximately 9.95 million residents in L.A. County in 2006, representing 47.1% of the population of the Southern California region that year. Orange County, which had a little over 3 million residents, was a distant second. Collectively, the seven-county Southern California region accounted for 57.9% of the population of the State of California in 2006.

**TABLE 2
SOUTHERN CALIFORNIA REGION
POPULATION
2006**

| Area | Population | % Share of Southern California |
|--|-----------------------------|---------------------------------------|
| Los Angeles County | 9,948,081 | 47.1% |
| Orange County | 3,002,048 | 14.2% |
| San Diego County | 2,941,454 | 13.9% |
| Riverside County | 2,026,803 | 9.6% |
| San Bernardino County | 1,999,332 | 9.5% |
| Ventura County | 799,720 | 3.8% |
| Santa Barbara County | 400,335 | 1.9% |
| Southern California % of California | 21,117,773 57.9% | |
| CALIFORNIA | 36,457,549 | - |

Source: U.S. Census Bureau at www.census.gov. Population are estimates dated July 1, 2006.

It is noteworthy that the City of Los Angeles dominates L.A. County in terms of its share of the county's population. **Table 3** (on page 6) shows that Los Angeles City was home to approximately 3.8 million people, and accounted for 38.7% of L.A. County population's in 2006. Los Angeles City had more residents than each of the other counties in the seven-county Southern California region in 2006.

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**TABLE 3
LOS ANGELES COUNTY
POPULATION OF SELECT CITIES
2006**

| Area | Population | % Share of Los Angeles County |
|---------------------------|------------------|-------------------------------------|
| Los Angeles City | 3,849,378 | 38.7% |
| Burbank | 104,317 | 1.0% |
| Glendale | 199,463 | 2.0% |
| Pasadena | 144,133 | 1.4% |
| Los Angeles County | 9,948,081 | - |

There were 104,317 residents in the City of Burbank in 2006, which represented 1.0% of L.A. County's population that year. Glendale had 199,463 residents, accounting for 2.0% of L.A. County's population, while the residents of the City of Pasadena numbered 144,133 representing 1.4% of the population of L.A. County in 2006. Collectively, residents of Los Angeles City, Burbank, Glendale, and Pasadena accounted for 43.1% of the population of L.A. County in 2006.

2. Civilian Labor Force

Labor force data for 1993 (the data used in the last BUR impact study) are presented in this section to illustrate relevant trends in the regional economy during the 1993-2006 period.

Table 4 (on page 7) shows that there were approximately 4.86 million people in L.A. County's labor force in 2006, up 11.9% from 4.34 million in 1993. The number of employed persons increased 18.5%, from 3.91 million in 1993 to 4.63 million in 2006. The unemployment situation in 1993 was significantly different from the situation in 2006. L.A. County unemployment rate was at a high of 10% in 1993, but had dropped by over five percentage points to 4.7% in 2006.

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**TABLE 4
CIVILIAN LABOR FORCE
1993 and 2006**

| | Los Angeles County | | |
|----------------------|--------------------|-----------|----------|
| | 2006 | 1993 | % Change |
| Civilian Labor Force | 4,860,600 | 4,342,400 | 11.9% |
| Employment | 4,631,600 | 3,908,500 | 18.5% |
| Unemployment | 229,000 | 433,900 | -47.2% |
| Unemployment Rate | 4.7% | 10.0% | -52.8% |

Source: California Employment Development Department at
www.labormarketinfo.edd.ca.gov.

3. Employment by Economic Sector

In addition to assessing the overall trend in employment, it is helpful to examine the composition of jobs, and identify the sectors that drive job creation in the local economy. **Table 5** (on page 8) compares the allocation of total employment in L.A. County among the major economic sectors in 1993 and 2006. Although the overall sector employment patterns appear similar, noticeable shifts occurred during the 1993-2006 period.

In terms of number of workers, the Services sector was the leading sector in both 1993 and 2006. The number of jobs in the service-providing sector increased 19.2%, from 2.42 million in 1993 to 2.88 million in 2006. This translated into an increase in the share of jobs in service-related private sector businesses from 65.0% in 1993 to 70.3% in 2006. The Manufacturing sector in L.A. County reported a net loss of 189,100 jobs (29.0%) between 1993 and 2006, due in part to the outsourcing of jobs and the relocation of plants outside of the L.A. County area. The Manufacturing sector accounted for 11.3% of L.A. County jobs in 2006, down from a share of 17.5% in 1993.

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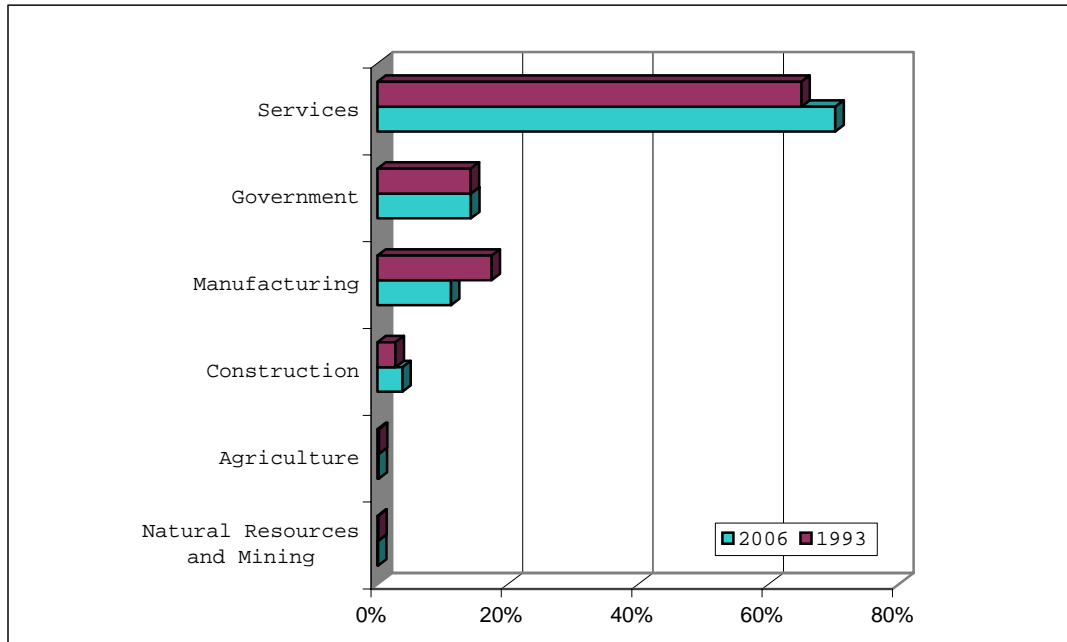
**TABLE 5
LOS ANGELES COUNTY, CALIFORNIA
TOTAL EMPLOYMENT BY ECONOMIC SECTOR
1993 And 2006**

| ECONOMIC SECTOR | EMPLOYMENT (in thousands) | | |
|-------------------------------------|---------------------------|------------------|--------------|
| | 2006 | 1993 | % Change |
| Natural Resources and Mining | 4,000 | 5,400 | -25.9% |
| Agriculture | 7,600 | 9,200 | -17.4% |
| Construction | 156,700 | 102,600 | 52.7% |
| Manufacturing | 462,300 | 651,300 | -29.0% |
| Government | 588,600 | 531,400 | 10.8% |
| Services | 2,881,000 | 2,417,000 | 19.2% |
| Total - All Economic Sectors | 4,100,200 | 3,716,900 | 10.3% |

Source: California Employment Development Department at
www.labormarketinfo.edd.ca.gov.

The Construction sector in L.A. County posted the largest percentage increase in job share between 1993 and 2006, reflecting ongoing residential construction and various capital improvement projects across the county. The urban nature of the L.A. County area is evidenced by the relatively small number of jobs in the Natural Resources and Mining, and Agriculture sectors, both of which reported fewer numbers of jobs in 2006 compared to 1993. The Government sector, which includes the federal, state, and local levels of government, reported a 10.8% increase in the number of jobs, from 531,400 in 1993 to 588,600 in 2006. **Figure 3** (on page 9) summarizes the distribution of employment in L.A. County in 1993 and 2006.

**FIGURE 3
LOS ANGELES COUNTY, CALIFORNIA
DISTRIBUTION OF TOTAL EMPLOYMENT
1993 and 2006**



Source: Based on data from the California Employment Development Department at www.labormarketinfo.edd.ca.gov.

3.1. The Services Sector

As shown in the preceding section, the Services sector is vital to the L.A. County economy judging by the number of workers whose income depends on jobs generated in that sector. In terms of breakdown of service-related jobs, the U.S. Bureau of Economic Analysis (BEA) distinguishes between private sector service-providing jobs and public sector service-providing jobs. Essentially, the three levels of government (local, state, and federal) comprise the public sector service-providing sub-sector. However, the private sector service-providing sub-sector is a collection of sectors including Trade, Transportation and Utilities, Information, Financial Activities, Professional and Business Services, Educational and Health Services, Leisure and Hospitality, and Other Services. Air transportation is classified under the Transportation, Warehousing, and Utilities sub-sector.

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Table 6 presents the breakdown of employment in the Services sector of L.A. County in 1993 and 2006.

**TABLE 6
LOS ANGELES COUNTY, CALIFORNIA
EMPLOYMENT IN THE SERVICES SECTOR BY NAICS
1993 and 2006**

| NAICS | INDUSTRY NAME | Annual Average | | |
|-----------|---|------------------|------------------|---------------|
| | | 2006 | 1993 | % Change |
| 40-000000 | Trade, Transportation and Utilities | 814,100 | 716,100 | 13.7% |
| 41-000000 | Wholesale Trade | 225,200 | 201,600 | 11.7% |
| 42-000000 | Retail Trade | 423,200 | 363,500 | 16.4% |
| 43-000000 | Transportation, Warehousing and Utilities | 165,700 | 151,000 | 9.7% |
| 43-220000 | Utilities | 12,900 | 17,000 | -24.1% |
| 43-400089 | Transportation and Warehousing | 152,900 | 134,000 | 14.1% |
| 43-481000 | Air Transportation | 19,400 | 30,600 | -36.6% |
| 50-000000 | Information | 209,700 | 169,500 | 23.7% |
| 55-000000 | Financial Activities | 248,000 | 240,500 | 3.1% |
| 60-000000 | Professional and Business Services | 594,700 | 496,900 | 19.7% |
| 60-540000 | Professional, Scientific and Technical Services | 262,800 | 212,800 | 23.5% |
| 60-550000 | Management of Companies and Enterprises | 63,200 | 80,500 | -21.5% |
| 60-560000 | Administrative and Support and Waste Services | 268,700 | 203,700 | 31.9% |
| 65-000000 | Educational and Health Services | 481,300 | 361,400 | 33.2% |
| 70-000000 | Leisure and Hospitality | 387,500 | 301,900 | 28.4% |
| 70-713000 | Amusement, Gambling, and Recreation | 37,600 | 27,900 | 34.8% |
| 70-713200 | Gambling Industries | 8,300 | 5,600 | 48.2% |
| 70-713900 | Other Amusement and Recreation | 24,900 | 19,500 | 27.7% |
| 70-713100 | Amusement Parks and Arcades | 4,500 | 2,800 | 60.7% |
| 70-720000 | Accommodation and Food Service | 317,200 | 246,800 | 28.5% |
| 70-721000 | Accommodation | 38,600 | 35,500 | 8.7% |
| 70-722000 | Food Services and Drinking Places | 278,600 | 211,300 | 31.9% |
| 80-000000 | Other Services | 145,700 | 130,700 | 11.5% |
| 08-000000 | Private Service Producing | 2,881,000 | 2,417,000 | 19.2% |
| 90-000000 | Government | 588,600 | 531,400 | 10.8% |
| 90-910000 | Federal Government | 52,300 | 66,700 | -21.6% |
| 90-920000 | State Government | 79,500 | 68,300 | 16.4% |
| 90-930000 | Local Government | 456,800 | 396,400 | 15.2% |
| 07-000000 | TOTAL - SERVICES SECTOR | 3,469,600 | 2,948,400 | 17.7% |

NAICS stands for North American Industry Classification System.

Source: California Employment Development Department at www.labormarketinfo.edd.ca.gov.

The data show that the Education, Healthcare, Leisure, and Hospitality sub-sectors account for a significant percentage of jobs in L.A. County. In addition, the data show that between 1993 and 2006, the number of L.A. County jobs in the air transportation segment of the Services sector dropped from 30,600 in 1993 to 19,400 in 2006, representing a 36.6% reduction. The decrease in air transport jobs reflects a nationwide restructuring of the aviation industry, which has been characterized by significant downsizing of workforce among U.S. commercial airlines, particularly in the post-September 11, 2001 period. However, it should be noted that there are variations in the impact of the industry

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realignment. At some airports, there have been measurable cuts in airport-based jobs, while at other airports there has been little or no change. As is further discussed in **Section 3** of this Report, the number of airport-based jobs at BUR increased from 1,647 in 1993 to 2,418 in 2006.

D. BUSINESSES AT BUR

The composition of sectors and jobs at the Airport reflects the Services sector of the L.A. County economy. BUR is the base of operations for providers of services including passenger, all-cargo, general aviation, retail concessions, ground transportation, diverse administrative, professional, technical, and support services. The Government sector is represented by the FAA, the Airport Police Department, and the Transportation Security Administration (TSA). The day-to-day management of Airport operations is handled by TBI Airport Management Inc., a private management company.

A discussion of the data collection process in **Section 2** of this Report describes the data used in the estimation of the direct economic impacts of businesses at the Airport. **Table 7** (on pages 19 and 20) presents a list of the businesses, by category of service provided, at BUR. The following highlights each business category.

1. Passenger Airlines

In 2006, seven mainline air carriers and two regional/commuter carriers provided scheduled passenger service to domestic destinations from BUR. The mainline carriers include Alaska/Horizon, American, Delta, JetBlue, Southwest, United, and US Airways/America West. Mesa and SkyWest (dba Delta Connection and United Connection) are the two regional carriers. Collectively, these airlines enplaned 2,843,281 passengers in 2006. The top markets served from BUR include Oakland, Las Vegas, Phoenix, Sacramento, and San Jose. JetBlue provides nonstop service to New York. Skybus provided service at BUR between May 2007 and March 2008. However, for the purpose of this study, only those airlines that operated at the Airport in 2006 are included in the analysis.

2. All-Cargo Airlines

Federal Express (FedEx) and United Parcel Service (UPS) provide scheduled all-cargo service from BUR. In 2006, both

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carriers accounted for approximately 82% of enplaned air cargo at the Airport.

3. General Aviation

Fixed base operators (FBOs) and specialized general aviation professionals provide a variety of general aviation and related services at the Airport. Ameriflight, Avjet Corporation, Burbank Air Service, Chartwell Aviation Services, Mercury Air, and Million Air operate at BUR.

4. Ground Transportation

Ground transportation service providers at BUR include on-airport and off-airport rental car companies, taxicab and shuttle operators, and an on-airport parking operator. In 2006, Alamo, Avis, Budget, Enterprise, Hertz, and National operated on-airport, while Advantage, All-Rite, Discovery, and Rent4Less operated off-airport. City Cab/G&S Transit Management provided taxi service through over 80 independent drivers. Paid shuttle service was provided by Express Shuttle, Glendale Airport Van, Prime Time Shuttle, Roadrunner Shuttle, and Arcadia Transit (dba Super Shuttle). In addition, area hotels provide courtesy shuttle for their guests who use BUR. General and valet parking service at BUR is provided by Central Parking System. As part of its quality control, the Airport Authority contracted with Valet Watch to monitor customer service in the Airport's parking lots and parking tram operations.

5. Retail Concessions

Retail concessionaires sell merchandise to meet the traveling public's demand for food and beverages, gifts, news, and sundries, as well as information and communication needs. The Paradies Shops is the largest retail concessionaire at BUR. Alliance Airport Advertising provides advertising services and Twenty-Four Hour Flowers sells flowers. Quick access to phone, information, and banking services is provided by automated machines installed by companies including AT&T, Bank of America, Lockheed Federal Credit Union, Verizon Wireless, and T-Mobile. Metropolitan Culinary Services (MCS) is the sole food and beverage concessionaire at the Airport. MCS operates the Airport's only full-service restaurant.

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6. Airline Support Services

Airline and airport support services including baggage handling, aircraft maintenance, airline food, fire, fuel, janitorial, and landscaping services are provided by nine businesses at the Airport (see list in **Table 7** on pages 19 and 20).

7. Contract and Professional Services

The Airport Authority engages the services of contractors and other professionals for its architectural, construction, financial, legal, and planning needs. Such contracts may be on an as-needed basis, short-term or long-term depending on the nature of the project.

8. Airport Management and Government Agencies

The Burbank-Glendale-Pasadena Airport Authority (BGPAA or the Authority) is a separate government agency created under a joint powers agreement among the cities of Burbank, Glendale, and Pasadena in 1977 for the sole purpose of owning and operating the Airport. The Authority consists of nine commissioners, three from each city.⁵ However, the Authority has no direct employees, except for the staff of the Airport Police Department. The management, operations, and maintenance personnel at the Airport are employees of TBI Airport Management, Inc., which runs BUR under a management contract between TBI and the Airport Authority.⁶ Government agencies with staff based at BUR include the FAA (tower and maintenance), and the Transportation Security Administration (TSA).

Estimates of the economic impacts attributable to the operations of these businesses at BUR are discussed in **Section 3** of this Report.

⁵ This information was obtained from the Airport's website at www.burbankairport.com.

⁶ This information was provided by the representative of the Authority.

SECTION 2 ECONOMIC IMPACT METHODOLOGY

A. INTRODUCTION

This section describes the methodology of economic impact estimation with a particular focus on the estimation of the economic impact of an airport. Included in this section are relevant aspects of FAA guidelines for the conduct of airport economic impact studies, which provide a background to the estimated economic impacts of BUR, presented in **Section 3**.⁷ Descriptions of the types of economic impacts, the measures used to quantify the economic importance of an airport, and the data collection process involved in the impact analysis are presented in this section.

Economic impact analyses are frequently conducted to assess the impacts of existing, new, and proposed projects on affected regions. At the center of an economic impact study are the inter-industry relationships within the impact region, which reflect how the regional economy operates and is likely to respond to a project. Regional input-output (I-O) multipliers, when systematically estimated, provide summary measures of regional inter-industry relationships, which explains the importance of these multipliers in an economic impact study. The U.S. Bureau of Economic Analysis (BEA) has developed a method for estimating regional input-output (I-O) multipliers known as Regional Industrial Input-Output Modeling System II (RIMS II), which is an accounting framework incorporating national and regional economic accounts.⁸ Further discussion of relevant aspects of BEA RIMS II is presented subsequently in this section.

B. TYPES OF AIRPORT ECONOMIC IMPACT

FAA guidelines identify four types of economic impact applicable to airports: **direct impact, indirect impact,**

⁷ FAA, *Estimating the Regional Economic Significance of Airports*, September 1992.

⁸ BEA, *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, third edition, March 1997.

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induced impact, and **total impact**.⁹ The definitions of these impacts follow.

1. Direct Impacts

Direct impacts result from economic activities conducted at the airport or near the airport. These activities include operations by passenger and all-cargo airlines, general aviation operators, ground transportation providers, retail concessionaires, airport management, government agencies, and owners of related businesses located at or near the airport.

2. Indirect Impacts

Indirect impacts result primarily from airport-related economic activities that are conducted off-airport. The distinguishing feature of indirect impacts is that the activity can be attributed to the presence of the airport, even though the actual activity is conducted outside of the airport. For most airports, the primary sources of indirect impacts are in the leisure and hospitality, retail and ground transportation sub-sectors that cater to the lodging, recreation, shopping, and transportation needs of visitors who arrive in the local area through the airport.

3. Induced (Multiplier) Impacts

Induced impacts result from the direct and indirect impacts, and represent subsequent economic activities generated in the impact region. The additional economic activities are referred to as the multiplier effects of the direct and indirect impacts. Regional I-O multipliers allow for an estimation of the induced impacts specific to the defined impact region. Since regional multipliers reflect the underlying inter-industry relationships in a region, regions that are more economically self-sufficient generate higher multiplier effects. The higher multiplier effects suggest a high level of interdependence among local businesses, which means that a relatively high proportion of the induced impact stays within the local economy. By contrast, an economy that

⁹ The FAA guidelines distinguish direct impacts as aviation-provision impacts, and indirect impacts as aviation-use impacts. At the date of this Report, the guidelines are being reviewed. It is likely that the updated FAA guidelines will redefine these distinctions to better align with the definition and usage of the impact concepts in regional economics.

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is low in self-sufficiency (one with high dependence on regional imports) will report relatively low multiplier effects. The low multiplier effects suggest a low level of interdependence among local business, and the leakage of some of the multiplier effects.

Clearly, the multiplier factors used in the estimation of the induced economic impacts must appropriately reflect the degree of self-sufficiency of the impact region. Consistent with FAA guidelines, the estimation of the induced impacts of BUR is based on the BEA RIMS II multipliers specifically developed for the two impact regions defined for the purpose of this study.

4. Total Economic Impacts

Total economic impacts are the sum of the direct, indirect, and induced impacts, and therefore represent the quantifiable economic contribution of an airport to its impact region.

C. MEASURES OF AIRPORT ECONOMIC IMPACT

Direct, indirect, induced, and total impacts are typically measured in terms of **employment, earnings, and output**. A description of each impact measure follows.

1. Employment Impacts

Employment impacts represent the number of full-time equivalent (FTE) jobs that depend directly and indirectly on the presence of an airport. For the purpose of calculating the number of FTE jobs, a part-time job is counted as one-half of a full-time job. Consistent with the types of economic impact measures, the employment impacts of an airport are expressed as direct FTE jobs (typically airport-based), indirect FTE jobs, and induced FTE jobs. Total employment impact is the sum of all three categories of FTE jobs.

2. Earnings Impacts

Earnings impacts represent the annual payroll of FTE employees whose jobs depend directly and indirectly on the presence of an airport. Payroll expenses include wages, salaries, and benefits paid to FTE employees. Total earnings impact is the sum of direct earnings (from airport-based jobs), indirect earnings, and induced earnings.

3. Output Impacts

Output represents the goods and services resulting from an economic activity. The BEA uses the term "**final-demand**" to represent the purchases of good and services by final users, and defines the value of final-demand or "**final-demand change**" as the value of output purchased by final users.¹⁰ Total operating revenues or sales directly and indirectly attributable to the presence of an airport, less the portion that is exported, constitute an acceptable measure of the output impact of the airport. Consistent with the types of economic impacts, the direct output impact represents the local portion of revenues generated by providers of aviation and aviation-related services at the airport. The indirect output impact represents the local portion of revenues generated by related off-airport businesses, and the induced output impact is the revenue resulting from the multiplier effect.

D. TAX IMPACT

Taxes are essentially transfers from consumers and businesses to federal, state, and local government. These taxes are, in one way or another, incorporated in the three measures of economic impacts described in the preceding paragraphs. Consequently, the tax impact of an airport does not represent an additional economic impact. However, since tax revenues fund local public infrastructure and services, it is customary to isolate the dollar amount of the tax component of an airport's total economic impact. This study follows that custom by identifying the principal sources and amount of taxes attributable to BUR. The estimates of tax impact are developed for the primary impact region only.

E. BENCHMARK YEAR FOR THE ANALYSIS

The estimation of economic impact is typically based on annual data, which explains why the impacts are usually assumed to have occurred in a benchmark year. The benchmark year for this study is 2006; hence, the relevant data input is for 2006. The results of the analysis represent the measurable economic impacts of BUR in 2006.

¹⁰ BEA, *ibid*, page 3.

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F. PRIMARY AND SECONDARY DATA COLLECTION

FAA guidelines recommend that data used for the estimation of the direct economic impacts of an airport be collected directly from the businesses at the airport. Primary data collection involves survey design and administration. Secondary data from industry and government sources serve to supplement and validate the primary survey data. The data collection process for the BUR study involved the following tasks:

1. Airport Tenant Survey

The estimation of the direct economic impact of BUR is based on the data collected from a survey of all business and government entities at the Airport. Working with the Airport management, customized questionnaires were designed to obtain the following information from each company and agency in relation to their BUR operations in 2006:

- Number of full-time and part-time employees
- Annual payroll expenses
- Annual non-payroll expenses
- Annual gross revenue at BUR
- Annual capital expenses at BUR over the 2004-2006 period
- Annual state and local taxes paid

The questionnaires were mailed in July 2007. In addition to follow-up telephone calls, reminder copies of the questionnaires were sent by mail and facsimile during August and September. The assistance of the Airport management, particularly with the follow-up process, was instrumental to the success of the survey and the achievement of a 76% tenant response rate. **Table 7** (on pages 19 and 20) lists the businesses and government agencies surveyed. Copies of the tenant survey questionnaires are included in **Appendix A**.

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**TABLE 7
BOB HOPE AIRPORT
CATEGORIES OF AVIATION AND RELATED SERVICE PROVIDERS SURVEYED**

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| Company/Agency Name | Data Source | |
|--|-------------|-----------|
| | Survey | Secondary |
| PASSENGER AIRLINES | | |
| Alaska Airlines/Horizon Air | x | x |
| American Airlines | x | |
| Delta Air Lines | | x |
| JetBlue Airways Corporation | x | |
| Southwest Airlines | | x |
| SkyWest Airlines | x | x |
| United Airlines | x | |
| US Airways/America West/Mesa | | x |
| ALL-CARGO AIRLINES | | |
| Federal Express | x | x |
| United Parcel Service | x | x |
| GENERAL AVIATION | | |
| Ameriflight, Inc. | x | |
| Avjet Corporation | x | |
| Burbank Air Service | | x |
| Chartwell Aviation Services | x | |
| DreamWorks Aviation | | |
| Earth Star, Inc./The Walt Disney Company | x | |
| Million Air - Burbank | x | |
| Mercury Air Center | x | |
| GTC Management Services/Time Warner | x | |
| J.G. Boswell Company | x | |
| RENTAL CAR COMPANIES | | |
| Alamo Rent-A-Car/Vanguard Car Rental | x | |
| Avis Rent-A-Car/Cendant Car Rental Group | x | |
| Budget Rent-A-Car Systems/Cendant Car Rental Group | x | |
| Enterprise Rent-A-Car | x | |
| The Hertz Corporation | | x |
| National Car Rental System/Vanguard Car Rental | x | |
| Advantage Rent-A-Car/Coast Leasing | x | |
| All Rite Rent-A-Car/Alkaha, Inc. | | x |
| Discovery Rent-A-Car/ABA Enterprises | | x |
| Rent4Less/Priceless Cars & Trucks | | x |
| TAXI, SHUTTLE & PARKING | | |
| City Cab/G&S Transit Management | x | |
| Express Shuttle | | |
| Five Star Transportation | | |
| Glendale Airport Van/E&E Airport Shuttle | x | |
| Prime Time Shuttle/Ride Share Port Management | x | |
| Roadrunner Shuttle | x | |
| Arcadia Transit dba Super Shuttle | x | |
| Central Parking System | x | |

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**TABLE 7
BOB HOPE AIRPORT
CATEGORIES OF AVIATION AND RELATED SERVICE PROVIDERS SURVEYED**

Page 2 of 2

| Company/Agency Name | Data Source | |
|---|-------------|-----------|
| | Survey | Secondary |
| RETAIL CONCESSIONS | | |
| MCS, Burbank | x | |
| The Paradies Shops | x | |
| Twenty Four Hour Flowers | x | |
| Alliance Airport Advertising | x | |
| AT&T Wi-Fi Operations | | x |
| AT&T Public Communications | | x |
| Bank of America | x | |
| Burbank Sanitary Supply | | |
| Certified Folder Display | | |
| Conceptual Perceptions, Inc. | | |
| Lockheed Federal Credit Union | x | |
| Smarte Carte | x | |
| T-Mobile USA, Inc. | | |
| Verizon Wireless | | |
| AIRLINE/AIRPORT SUPPORT SERVICES | | |
| Pro-Tec Fire Services, Ltd. | x | |
| Aircraft Services International Group (ASIG) | x | |
| Airport Terminal Services (ATS) | x | |
| Davies Skycap Services, Inc. | x | |
| G & S Airport Conveyor | | x |
| World Service West | x | |
| Wurzel Landscape | x | |
| Servisair & Shell Fuel Services | x | |
| Valet Watch | x | |
| OTHER TENANTS | | |
| Affordable Storage, LLC | x | |
| Desmond's Studio Production Service | x | |
| Sunrise Ford | | |
| Twenty Four/Seven Studio Equipment | x | |
| United Auto & Truck | | |
| CONTRACTORS & CONSULTANTS | | |
| AON Risk Services, Inc. | x | |
| Cushman & Wakefield | | |
| Jacobs Consultancy | x | |
| AIRPORT MANAGEMENT & GOVERNMENT AGENCIES | | |
| TBI Airport Management, Inc. | x | |
| Airport Police Department | x | |
| FAA BUR Tower | x | |
| FAA Maintenance | x | |
| Transportation Security Administration | x | |

2. Visiting Passenger Survey

As discussed in a preceding sub-section, visitors who arrive through an airport represent the primary source of indirect impacts. The visiting passenger survey for this study was conducted over three days in July 2007. The survey instrument was a self-administered questionnaire that was designed to obtain the following information from departing passengers at BUR¹¹:

- Trip purpose
- Duration of visit in the L.A. area
- Whether or not they stayed in a hotel
- Off-airport expenditures on:
 - Food
 - Lodging
 - Retail merchandise
 - Recreation and entertainment
 - Ground transportation
 - Other (optional) items

A total of 708 completed questionnaires were collected from visiting passengers. The survey data were used to estimate the average duration of visit to the Los Angeles area and the average daily expenditures made by visitors on the items listed above. A copy of the passenger survey questionnaire is included in **Appendix A**.

3. Secondary Data Collection

Secondary data were collected from the following sources to validate and supplement the primary data from the tenant and visiting passenger surveys:

- Airport management
- U.S. Bureau of Transportation Statistics databases
- U.S. Bureau of Economic Analysis (BEA)
- U.S. Bureau of Labor Statistics

¹¹ The questionnaire was designed to achieve two data collection objectives: 1) to collect data on the spending habits of visiting passengers for use in this impact study, and 2) to collect data from all passengers, residents and visitors, for use in the assessment of Airport customer satisfaction. The customer satisfaction assessment is presented in a separate report.

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- U.S. Census Bureau
- California Employment Development Department
- California State Board of Equalization
- Air Transport Association
- LA Inc.
- Los Angeles County Economic Development Corporation
- Anaheim/Orange County Visitor and Convention Bureau

G. OVERVIEW OF DATA VALIDATION PROCESS

As mentioned above, the response rate to the tenant survey was 76%, which means that some tenants did not respond to the survey. Gaps in survey data due to non-response or incomplete responses are not uncommon. As shown in **Table 7**, (pages 19 and 20) primary data were obtained from all categories of businesses and government agencies at the Airport, and most companies provided complete operating revenue, earnings, and employee count data. Missing revenue and employee count data for some tenants were supplemented from Airport management records, which were assessed as credible.

The largest data gap was in the operating revenue and payroll expenses for passenger and all-cargo airlines, some of which did not participate in the survey, and others which provided only partial data. All airlines provided employee count data in a separate survey conducted by the Airport Authority in 2006. The U.S. Bureau of Transportation Statistics (BTS) collects, analyzes, and publishes extensive performance data on all aspects of the nation's transportation industry, including employment, operating revenue, expenses, and related data for all U.S. passenger and cargo airlines. Employment and operating revenues for airlines that serve BUR were obtained from the BTS database. An alternative measure of passenger revenue was based on the average airfare for each airline at BUR and the number of passengers they enplaned in 2006. The estimated revenue for each all-cargo airline was based on the tonnage of freight handled at BUR in 2006 and on each carrier's average revenue per ton-mile in 2006.

H. OVERVIEW OF BUREAU OF ECONOMIC ANALYSIS (BEA) RIMS II

As mentioned in a preceding section, multipliers derived from the BEA RIMS II are widely used in estimating airport economic impact. RIMS II is based on the I-O accounting framework, and data derived from the national I-O table and regional economic accounts. BEA RIMS II multipliers are available for any

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region composed of one or more counties, and for any industry or group of industries in the United States.

There are five types of BEA RIMS II multipliers: three final-demand multipliers for output, for earnings, and for employment, and two direct-effect multipliers for earnings and employment. These multipliers are used to estimate the total impact of a change in final demand (output), in earnings, or in employment on a region's economy. The final-demand multipliers for output are the basic multipliers from which all other RIMS II multipliers are derived. The choice of multiplier to use for impact estimation is influenced by various factors, including the availability of data on the initial change in final-demand (output), earnings, and employment. Primary data obtained from the airport tenant and passenger surveys, supplemented with data from secondary sources, were used in the estimation of the direct, indirect, induced, and total economic impacts of BUR presented in **Section 3. Table 8** lists the RIMS II industries included in the analysis.

TABLE 8
BOB HOPE AIRPORT
BUREAU OF ECONOMIC ANALYSIS REGIONAL INPUT-OUTPUT MODELING SYSTEM (RIMS II) IMPACT INDUSTRIES

| AIRPORT BUSINESS CATEGORY | RIMS II MODEL IMPACT INDUSTRY | | |
|------------------------------------|-------------------------------|-----------------------------|---|
| | Aggregate Industry Code | RIMS II Multiplier Industry | Description |
| Airline Operations | | | |
| Passenger | 29 | 380 | Air Transportation |
| All-Cargo | 29 | 380 | Air Transportation |
| General Aviation | 29 | 380 | Air Transportation |
| Ground Transportation | | | |
| | 33 | 384 | Transit and Ground Passenger Transportation |
| | 35 | 386 | Scenic & Sightseeing Transportation & Support Activities |
| | 36 | 388 | Warehousing and Storage |
| | 46 | 410 | General and Consumer Goods Rental |
| Retail Concessions | | | |
| | 28 | 379 | Retail Trade |
| | 41 | 401 | Monetary Authorities and Depository Credit Intermediation |
| | 47 | 424 | Advertising and Related Services |
| | 49 | 433 | Business Support Services |
| | 49 | 436 | Other Support Services |
| | 58 | 458 | Food Services and Drinking Places |
| Airline Support Services | | | |
| | 47 | 427 | All Other Miscellaneous Professional & Technical Services |
| | 49 | 433 | Business Support Services |
| | 49 | 432 | Facilities Support Services |
| | 49 | 435 | Services to Buildings and Dwellings |
| Contractors and Consultants | | | |
| | 7 | 33 | Construction |
| | 23 | 124 | Commercial Printing |
| | 47 | 416 | Architectural and Engineering Services |
| | 47 | 422 | Environmental and Other Technical Consulting Services |
| | 47 | 414 | Legal Services |
| | 47 | 421 | Management Consulting Services |
| Government Agencies | | | |
| | 29 | 380 | Air Transportation |
| | 59 | 472 | Other Government Enterprises |

Source: Regional Economic Analysis Division, U.S. Bureau of Economic Analysis, November 2007.

SECTION 3 ECONOMIC IMPACTS OF BUR

A. INTRODUCTION

Estimates of the economic impact of BUR in 2006 by type and measure are presented in this section. In addition, the tax component of the Airport's total economic impact is isolated and presented. One of the objectives of this project is to compare the findings of the current study with those of the 1995 study (based on 1993 data) conducted by Science Applications International Corporation (SAIC). As discussed in a subsequent sub-section, differences in conceptual framework and reporting style hinder a comprehensive comparison of the two studies. Nonetheless, it is instructive to compare the basic findings of the two studies on the total economic impact of BUR in the Southern California region.

The total economic impact of the Airport was estimated separately for L.A. County (the primary impact region) and Southern California (the secondary impact region). However, it is important to note that the Airport's direct employment, direct earnings, and direct output impacts are the same in both impact regions because the direct impacts result from the aviation and aviation-related operations at or near the Airport. Additionally, the indirect output impact resulting from annual spending by visiting passengers is assumed to be the same for both impact regions. Consequently, the difference in the Airport's total economic impact in the two regions stem essentially from differences in the respective BEA RIMS II regional multipliers.

The results of the analyses are presented in the following order:

1. Direct impacts
2. Indirect impacts
3. Induced (multiplier) and total impacts in L.A. County
4. Induced (multiplier) and total impacts in Southern California

The tax components are presented for the primary impact region (L.A. County). Summary tables and charts are included for the two impact regions to facilitate comparisons of the findings.

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B. DIRECT IMPACTS OF BUR

Table 9 summarizes the direct employment, earnings, and output impacts generated by the providers of aviation and aviation-related services at the Airport in 2006. The direct employment impact amounted to 2,418 FTE jobs, which contributed a total of \$127.4 million in direct earnings impact in 2006. Direct output, measured in terms of business revenues, amounted to \$628.1 million in 2006. Further breakdown of these impacts follows.

**TABLE 9
BOB HOPE AIRPORT
DIRECT IMPACT BY MEASURE AND SOURCE
2006**

| Impact Source | Measures of Direct Impact | | |
|--|---------------------------|-----------------------|---------------------|
| | Employment (FTE Jobs) | Earnings (Million) | Output (Million) |
| Airlines | | | |
| Passenger | 370 | \$26.5 | \$354.7 |
| All-Cargo | 103 | \$7.5 | \$31.8 |
| General Aviation | 478 | \$35.6 | \$109.0 |
| Ground Transportation | | | |
| Rental Car (On-Airport and Off-Airport) | 356 | \$11.6 | \$59.2 |
| Shuttle & Taxi | 207 | \$3.0 | \$5.6 |
| Parking & Storage | 182 | \$5.5 | \$24.9 |
| Ground Transport Support | 2 | \$0.03 | \$0.17 |
| Retail Concessions | | | |
| Food & Beverage | 83 | \$2.4 | \$10.9 |
| Gifts, News, & Sundries | 44 | \$0.7 | \$4.8 |
| Airline Support Services | 169 | \$4.5 | - |
| Information and Finance Services | 44 | \$7.8 | \$6.4 |
| Contract & Professional Services | 28 | \$1.7 | \$1.3 |
| Airport Management & Government Agencies | 352 | \$20.4 | \$19.3 |
| TOTAL - DIRECT IMPACT | 2,418 | \$127.4 | \$628.1 |

Notes

1. Output is measured in terms of business revenue. It is assumed that the business revenues reported by airline support service providers and contractors are payments made to them by airlines and the Airport out of revenues generated at BUR. Consequently, in order to minimize double-counting, the output shown in this table does not include airline support and contractor receipts.

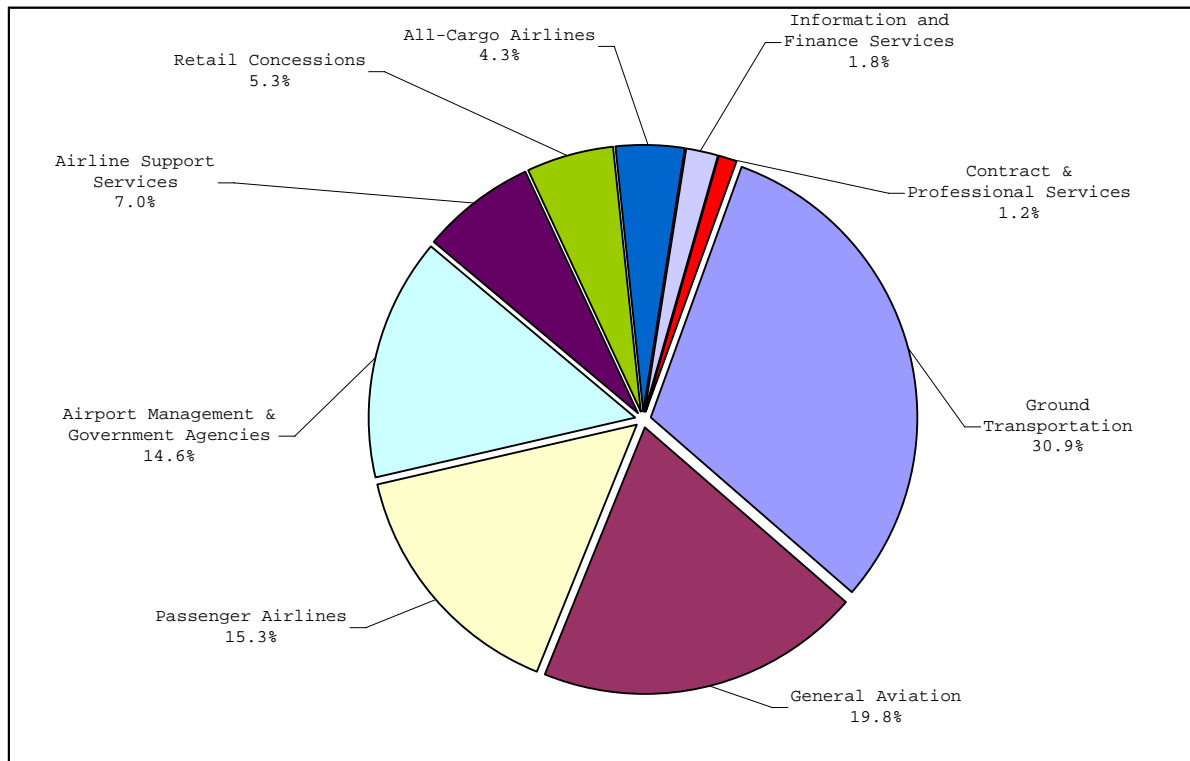
2. Airport-based government agencies are typically non-revenue generating entities. However, the management of BUR is contracted to a private management company. To preserve confidentiality, the data for the management company and government are reported together in this Report.

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1. Direct Employment Impact - 2,418 FTE Jobs

The distribution of the Airport's direct employment impact is shown in **Figure 4**. Ground transportation providers (including rental car companies, shuttle, parking, and support services) accounted for 30.9% of FTE jobs, the largest share of direct jobs in 2006. Employment by general aviation operators represented 19.8% of direct FTE jobs, and passenger airlines accounted for 15.3% of direct FTE jobs in 2006. It should be noted that at least one of the mainline carriers at BUR outsources all of its ground operations and therefore does not have any employees based at the Airport. The Airport management and Airport-based government agencies accounted for the 14.6% of direct FTE jobs in 2006.

**FIGURE 4
BOB HOPE AIRPORT
DISTRIBUTION OF DIRECT EMPLOYMENT IMPACT BY SOURCE
2006**



Using badge data from the Airport management, the direct FTE jobs were allocated by city of residency of employees. The geographic distribution of the direct jobs is presented in **Table 10** (on page 27).

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**TABLE 10
BOB HOPE AIRPORT
GEOGRAPHIC DISTRIBUTION OF DIRECT EMPLOYMENT IMPACT
2006**

| City/Area | Zip Code | Direct FTE Jobs | |
|--|---------------------------|-----------------|---------------|
| | | Number | % of Total |
| Los Angeles | 90003-90068 | 323 | 13.4% |
| Burbank | 91501-91510 | 192 | 7.9% |
| North Hollywood | 91601-91607 | 192 | 7.9% |
| Glendale | 91201-91210, 91225 | 116 | 4.8% |
| Van Nuys | 91401, 91405-91406, 91411 | 109 | 4.5% |
| Sun Valley | 91352 | 90 | 3.7% |
| Sylmar | 91342 | 64 | 2.7% |
| Palmdale | 93550-93552 | 57 | 2.4% |
| Pasadena | 91101-91107 | 45 | 1.9% |
| Valencia | 91354-91355 | 42 | 1.8% |
| Northridge | 91324-91326 | 41 | 1.7% |
| Panorama City | 91402 | 41 | 1.7% |
| North Hills | 91343 | 38 | 1.6% |
| Reseda | 91335 | 37 | 1.5% |
| Simi Valley | 93063, 93065 | 36 | 1.5% |
| Canyon Country | 91351, 91387 | 34 | 1.4% |
| Pacoima | 91331 | 34 | 1.4% |
| Granada Hills | 91344 | 31 | 1.3% |
| Lancaster | 93536 | 31 | 1.3% |
| Arleta | 91331 | 30 | 1.2% |
| San Fernando | 91340 | 29 | 1.2% |
| Saugus | 91350 | 23 | 1.0% |
| Canoga Park | 91303-91304, 91309 | 21 | 0.8% |
| Sunland | 91040 | 21 | 0.8% |
| La Crescenta | 91214 | 19 | 0.8% |
| Santa Clarita | 91350, 91355, 91387 | 19 | 0.8% |
| Tujunga | 91042 | 19 | 0.8% |
| West Hills | 91307 | 18 | 0.7% |
| Inglewood | 90301-90305 | 16 | 0.7% |
| Alhambra | 91801 | 15 | 0.6% |
| Azusa | 91702 | 15 | 0.6% |
| Torrance | 90501-90504 | 15 | 0.6% |
| Winnetka | 91306 | 15 | 0.6% |
| Arcadia | 91006-91007 | 14 | 0.6% |
| Chatsworth | 91311 | 14 | 0.6% |
| Encino | 91316 | 14 | 0.6% |
| Sherman Oaks | 91401-91402, 91411, 91423 | 14 | 0.6% |
| Thousand Oaks | 91360 | 14 | 0.6% |
| Lake View Terrace | 91342 | 12 | 0.5% |
| Long Beach | 90802-90803, 90808 | 12 | 0.5% |
| Mission Hills | 91345 | 12 | 0.5% |
| Stevenson Ranch | 91381 | 12 | 0.5% |
| Studio City | 91604 | 12 | 0.5% |
| Altadena | 91001 | 11 | 0.5% |
| Castaic | 91384 | 10 | 0.4% |
| Newhall | 91321 | 10 | 0.4% |
| Ontario | 91761-91762, 91764 | 10 | 0.4% |
| Woodland Hills | 91364, 91367 | 10 | 0.4% |
| El Monte | 91732 | 8 | 0.3% |
| Hollywood | 90028 | 8 | 0.3% |
| Subtotal - Listed Cities | | 2,027 | 83.8% |
| Other Cities in Southern California | | 391 | 16.2% |
| TOTAL - Direct Jobs | | 2,418 | 100.0% |

Note

Other Cities in Southern California include unlisted cities in Los Angeles County, and cities in the counties of Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura. Individually, those cities account for between 0.1% and 0.2% of employment at the Airport.

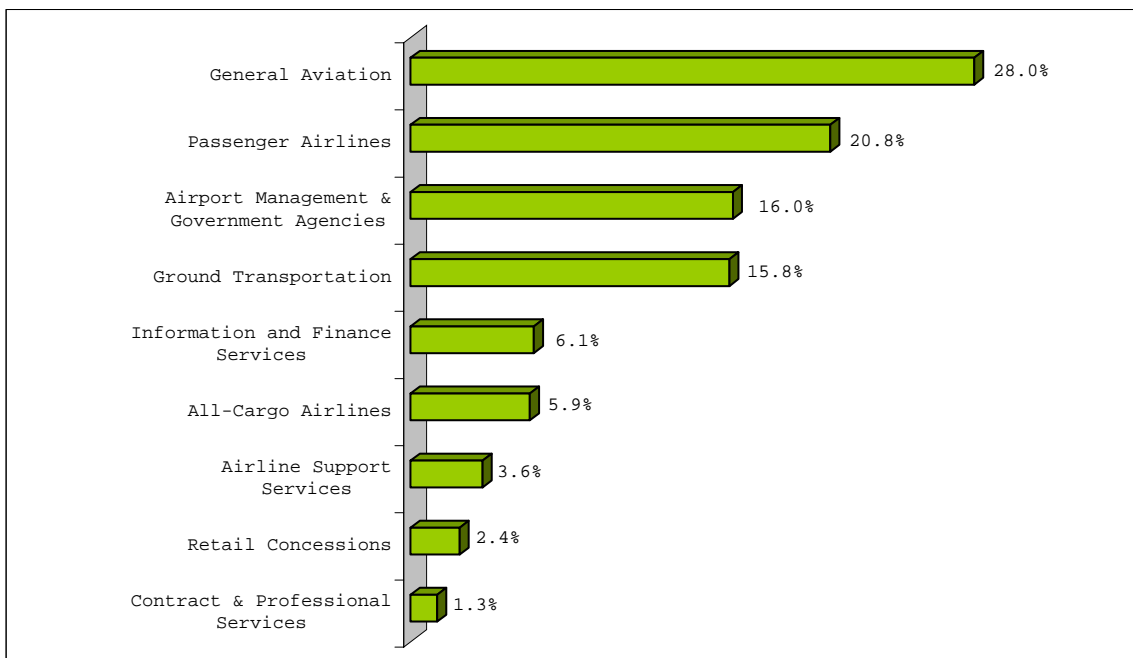
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The highest number of employees lived in Los Angeles City and accounted for 13.4% of direct FTE jobs in 2006. Residents of Burbank and North Hollywood accounted for approximately the same number of Airport-based jobs, representing 7.9%, each, of direct FTE jobs in 2006. Other cities in the top ten, in terms of number of employees at BUR in 2006, were Glendale, Van Nuys, Sun Valley, Sylmar, Palmdale, Pasadena, and Valencia. Employees who lived in the 50 cities shown in the table accounted for 83.8% of direct FTE jobs at BUR, and employees residing in over 100 cities across Southern California accounted for the remaining 16.2% of direct FTE jobs in 2006.

2. Direct Earnings Impact - \$127.4 million

The distribution of the Airport's direct earnings impact is shown in **Figure 5**. General aviation operators contributed the highest amount (\$35.6 million or 28%) of the Airport's direct earnings impact in 2006. The other businesses in the top five were passenger airlines, the Airport management and government agencies, ground transportation, and providers of information and finance services. The estimated average annual earning for an Airport-based FTE job was \$52,688 in 2006.

**FIGURE 5
BOB HOPE AIRPORT
DISTRIBUTION OF DIRECT EARNINGS IMPACT BY SOURCE
2006**

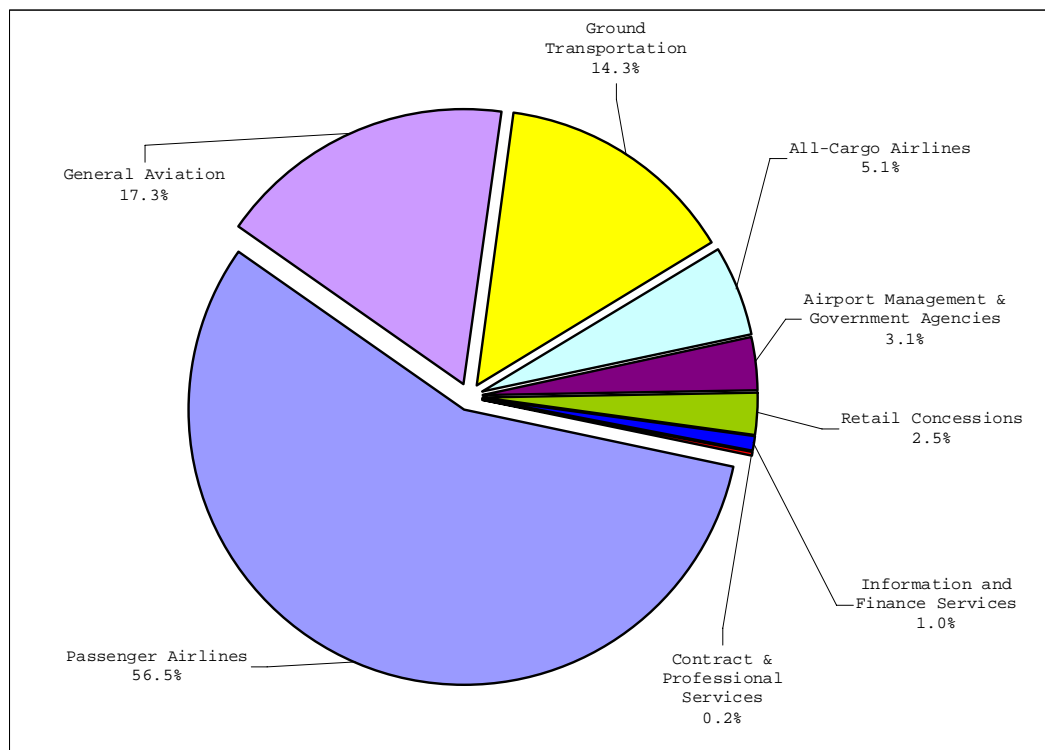


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3. Direct Output Impact - \$628.1 million

Figure 6 shows the distribution of the Airport's direct output impact in 2006. Passenger airlines accounted for the largest share (56.5%) of direct output generated at BUR in 2006. General aviation and ground transportation providers accounted for the second and third largest shares, respectively, of direct output attributable to the Airport in 2006.

**FIGURE 6
BOB HOPE AIRPORT
DISTRIBUTION OF DIRECT OUTPUT IMPACT BY SOURCE
2006**



It should be noted that theoretically, only the portion of output (revenue) that stays in the impact region constitutes direct output impact. Some of the businesses at BUR, such as general aviation operators and airlines, have national and/or global financial obligations, and may transfer significant portions of their receipts at BUR outside of the impact region. It is not practical to estimate the exact fraction of the revenue generated by those companies that remains in the impact region, beyond what they expend on payroll costs, Airport fees and charges, and local taxes. This fact should be taken into account in the interpretation of the Airport's direct output impact.

C. INDIRECT IMPACTS OF BUR

Spending by visiting passengers constitutes the primary source of indirect impacts of the Airport. The estimate of annual visitor spending was based on the data from the passenger survey described in **Section 2** of this Report. The survey showed that 57.6% of departing passengers were non-residents of the Los Angeles area. The top five places of residence (outside of California) for visitors who use BUR include Texas, New York, Arizona, Ohio, and Nevada. A majority of visitors indicated that they were visiting the L.A. area for pleasure or vacation. Additional information about the characteristics of BUR passengers is included in **Appendix B**.¹² In 2006, total enplanements at the Airport were 2,843,281. Assuming that the survey sample is a good approximation of the Airport's passenger mix of visitors and residents, the number of visiting passengers was estimated as 1,637,952 in 2006.

1. Average Daily Visitor Spending - \$174.98

The survey data show that the average duration of trip to the L.A. area was 4.1 days. Responses to spending on a list of items were used to calculate that average daily expenditure for all visitors, including those who reported spending nothing on the expense items indicated in the questionnaire. The results of the survey are summarized in **Table 11** (on page 31).

¹² The reader is referred to the Airport's **Customer Satisfaction Assessment Report** of May 2008, for details of the characteristics of BUR passengers.

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**TABLE 11
BOB HOPE AIRPORT
AVERAGE DAILY EXPENDITURE PER VISITING PASSENGER**

| Expense Category | Average Daily Expenditure Per Visitor | |
|----------------------------|---------------------------------------|------------------|
| | Amount | % of Daily Total |
| Lodging | \$64.84 | 37.1% |
| Recreation & Entertainment | \$29.77 | 17.0% |
| Food and Beverage | \$25.10 | 14.3% |
| Retail Merchandise | \$22.08 | 12.6% |
| Ground Transportation | \$17.25 | 9.9% |
| Gasoline | \$9.41 | 5.4% |
| Other | \$6.54 | 3.7% |
| TOTAL | \$174.98 | 100.0% |

Note:

The data presented in this table were obtained from a three-day survey conducted at BUR in July 2007. The survey asked visitors to include only those expenses incurred off-airport. The average daily expenditure was calculated for the entire sample of visitors, including those who did not make any purchases.

Overall, the average daily expenditure per visitor amounted to \$174.98. Not surprisingly, lodging expense accounted for the largest share (37.1%) of visitor spending per day. Spending on recreation and entertainment took up 17%, and food and beverage expenses accounted for 14.3%.

2. Indirect Output Impact - \$1,124.1 million

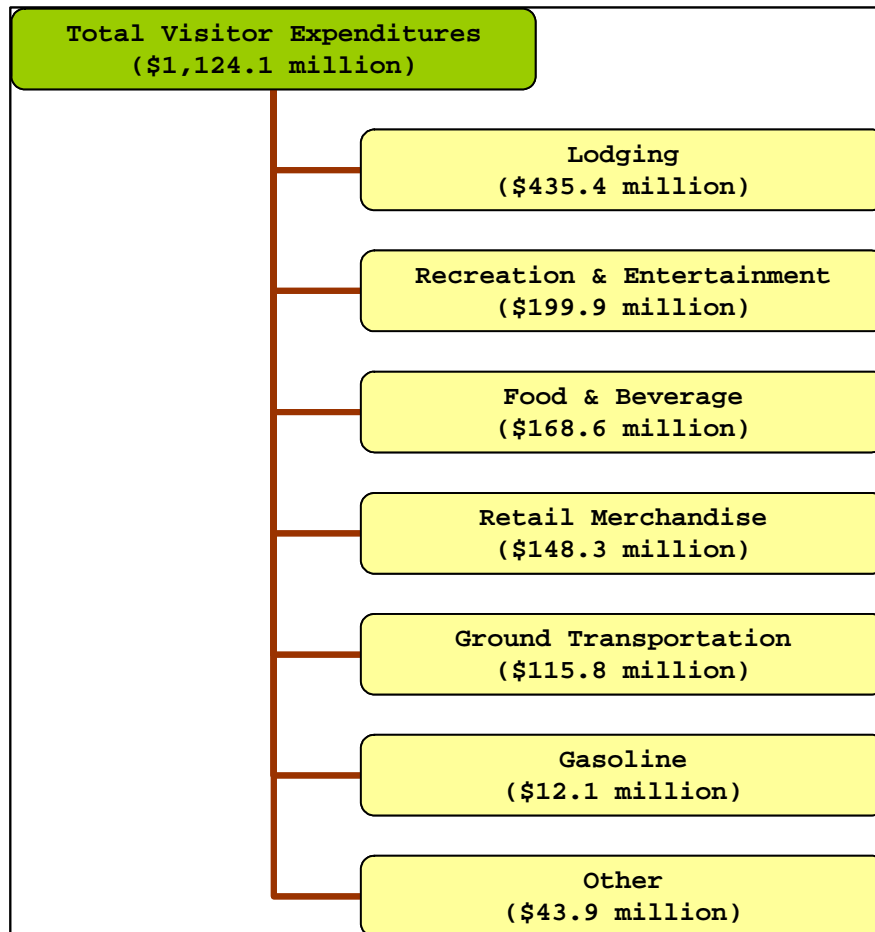
Figure 7 (on page 32) shows that the estimated total visitor expenditure amounted to \$1,124.1 million in 2006. These expenditures constitute receipts by businesses that provided goods and services to visitors and therefore represent an estimate of the indirect output impact attributable to the Airport in 2006. Lodging expenses amounted to \$435.4 million; a total of \$199.9 million was spent on recreation and entertainment, and expenditures on food and beverage amounted to \$168.6 million.

It is noteworthy that the visitor spending data are consistent with the information obtained from an informal survey of area hotels. Unison sent out a one-page questionnaire to a sample of hotels located within a five-mile radius of the Airport. The objective of the survey was to assess, qualitatively, the

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perception of hotel proprietors regarding the importance of the Airport to their enterprise. Without exception all of the respondents indicated that the Airport was "very important" to their business.

**FIGURE 7
BOB HOPE AIRPORT
INDIRECT OUTPUT IMPACT
ANNUAL EXPENDITURES BY VISITING PASSENGERS
2006**



D. INDUCED AND TOTAL ECONOMIC IMPACTS - L.A. COUNTY

The economic activity in one industry (for example, operating an airport) typically requires input (for example, supplies, information, technology, specialized skills, and finance) from other industries. As discussed in a preceding section, regional multipliers capture the relationships and exchanges among industries in the impact region and provide a basis for

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the estimation of the total regional impact of the focus industry.

The estimates of direct and indirect output impacts are used to estimate the induced and total economic impacts of the Airport. In terms of actual implementation, the application of regional final-demand multipliers produces the total economic impacts. The corresponding induced impacts are derived by subtracting the direct and indirect impacts from the total impacts. The estimation of the Airport's total economic impact in L.A. County utilizes the BEA RIMS II final-demand multipliers for L.A. County presented in **Table 12**.

TABLE 12
BOB HOPE AIRPORT
BEA RIMS II TOTAL MULTIPLIERS FOR OUTPUT, EARNINGS, AND EMPLOYMENT BY INDUSTRY AGGREGATION
LOS ANGELES COUNTY

| INDUSTRY AGGREGATE | INDUSTRY CODE | Final-Demand Multiplier | | |
|--|---------------|----------------------------|------------------------------|-----------------------------|
| | | (1) Output (dollars) | (2) Earnings (dollars) | (3) Employment (Jobs) |
| Retail trade | 28 | 1.9992 | 0.5422 | 18.392 |
| Air transportation | 29 | 2.1833 | 0.4398 | 10.5417 |
| Transit and ground passenger transportation* | 33 | 2.3289 | 0.6696 | 26.1434 |
| Other transportation and support activities* | 35 | 1.9963 | 0.6595 | 15.3338 |
| Warehousing and storage | 36 | 1.9605 | 0.6271 | 16.9091 |
| Motion picture and sound recording industries | 38 | 2.4780 | 0.6055 | 14.2776 |
| Broadcasting and telecommunications | 39 | 2.3090 | 0.4533 | 9.3926 |
| Federal Reserve banks, credit intermediation | 41 | 1.8643 | 0.4525 | 9.0891 |
| Professional, scientific, and technical services | 47 | 2.1968 | 0.7164 | 15.1427 |
| Management of companies and enterprises | 48 | 2.1090 | 0.5974 | 11.1868 |
| Administrative and support services | 49 | 2.1286 | 0.6644 | 22.7286 |
| Amusements, gambling, and recreation | 56 | 2.0475 | 0.5351 | 20.7665 |
| Accommodation | 57 | 2.0134 | 0.5225 | 16.5572 |
| Food services and drinking places | 58 | 2.0930 | 0.5216 | 24.4507 |
| Other services* | 59 | 2.1282 | 0.5264 | 16.3398 |

* According to the BEA, these sectors include government enterprises.

BEA Definitions:

1. Each entry in the output column (1) is the total dollar change in output that occurs in all industries (in the impact region) for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in the earnings column (2) is the total dollar change in earnings of households (in the impact region) employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in the employment column (3) is the total change in the number of jobs that occurs in all industries (in the impact region) for each additional one million dollars of output delivered to final demand by the industry corresponding to the entry.

The regional final-demand output multiplier for the air transportation industry is 2.1833, which represents the total dollar change in output in all industries in L.A. County for each (additional) dollar of output generated in the air transportation industry. If output is defined in terms of business revenue, this means that every additional dollar of gross revenue generated by businesses engaged in air transportation stimulates activity in all industries in L.A. County (to varying degrees), resulting in an additional \$2.18

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of gross revenue in the L.A. County economy. The regional final-demand earnings multiplier for the air transportation industry is 0.4398, which means that every additional dollar of revenue generated in the air transportation industry is associated with an additional \$0.44 in total earnings of households employed in all industries in L.A. County. The regional final-demand employment multiplier for the air transportation industry is 10.5417, which means that every additional one million dollars of gross revenue generated by businesses engaged in air transportation stimulates job creation in all industries in L.A. County (to varying degrees), resulting in 10.5 additional jobs in the L.A. County economy.

1. Indirect Earnings and Employment Impacts - L.A. County

The application of appropriate multipliers allows for the estimation of the indirect earnings and indirect employment impacts associated with the initial indirect output impact (\$1,124.1 million) in L.A. County. **Table 13** shows that the indirect output supported 14,204 FTE jobs, which paid a total of \$322 million in earnings in L.A. County in 2006.

**TABLE 13
BOB HOPE AIRPORT
INDIRECT IMPACT BY MEASURE AND INDUSTRY SECTOR
LOS ANGELES COUNTY
2006**

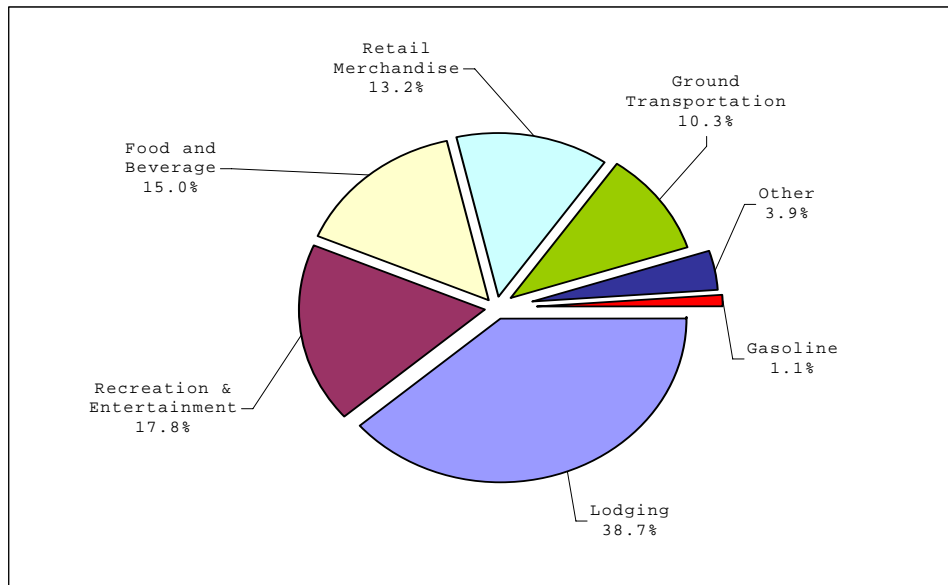
| Industry Sector | Measures of Indirect Impact | | |
|--------------------------------|-----------------------------|-----------------------|--------------------------|
| | Output (Million) | Earnings (Million) | Employment (FTE Jobs) |
| Lodging | \$435.4 | \$119.1 | 4,209 |
| Recreation & Entertainment | \$199.9 | \$56.9 | 2,756 |
| Food and Beverage | \$168.6 | \$46.4 | 2,932 |
| Retail Merchandise | \$148.3 | \$43.9 | 1,734 |
| Ground Transportation | \$115.8 | \$41.3 | 2,043 |
| Gasoline | \$12.1 | \$3.6 | 142 |
| Other | \$43.9 | \$10.9 | 389 |
| TOTAL - INDIRECT IMPACT | \$1,124.1 | \$322.0 | 14,204 |

The distributions of the indirect output, employment, and earnings impacts are illustrated in **Figures 8-10** (on pages 35-36). The lodging industry accounted for the largest share of

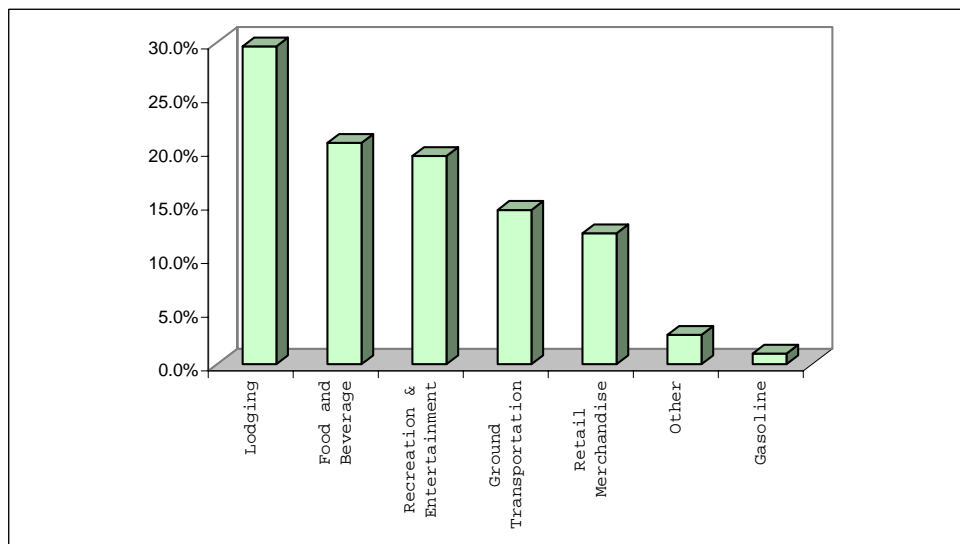
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the Airport's indirect economic impacts in L.A. County in 2006.

**FIGURE 8
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT OUTPUT IMPACT BY INDUSTRY SECTOR
LOS ANGELES COUNTY
2006**

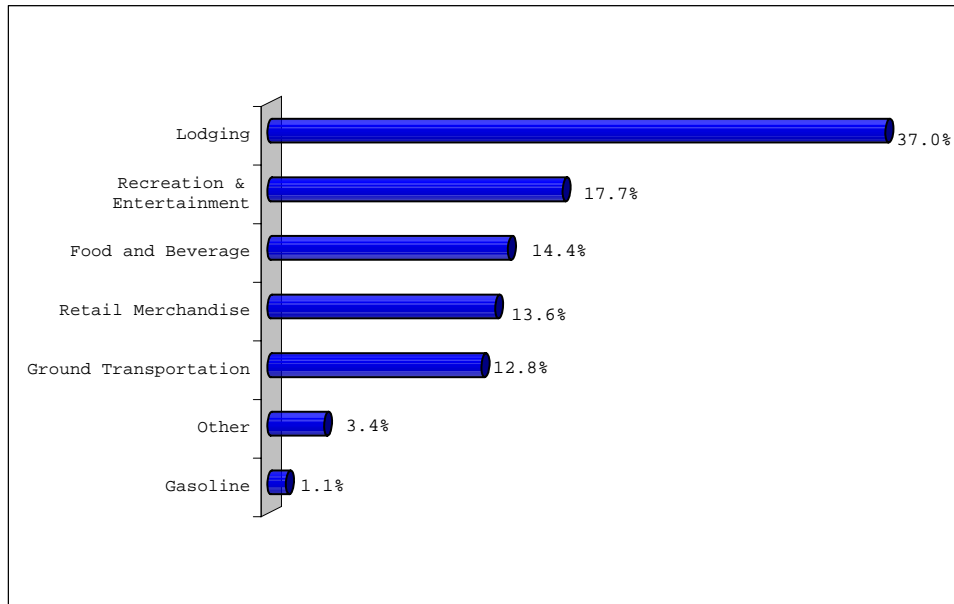


**FIGURE 9
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT EMPLOYMENT IMPACT BY INDUSTRY SECTOR
LOS ANGELES COUNTY
2006**



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**FIGURE 10
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT EARNINGS IMPACT BY INDUSTRY SECTOR
LOS ANGELES COUNTY
2006**



2. Total Economic Impact by Industry Group - L.A. County

Applying BEA RIMS II final-demand multipliers for L.A. County to the direct and indirect output, earnings, and employment impacts produces estimates of the Airport's total economic impact in L.A. County. **Table 14** (on page 37) presents the Airport's total economic impact in L.A. County in 2006 by measure and industry group.

The results are consistent with the structure of the L.A. County economy highlighted in **Section 1** of this Report. For example, the estimates of the impacts support the expected linkages among businesses at the Airport, users of the Airport, and local transportation, lodging, food services, and recreation and entertainment sectors.

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TABLE 14
BOB HOPE AIRPORT
TOTAL ECONOMIC IMPACT BY BUREAU OF ECONOMIC ANALYSIS INDUSTRY GROUP
LOS ANGELES COUNTY
2006

| INDUSTRY AGGREGATES | Total Output | | Total Earnings | | Total Employment | |
|---|------------------|---------------|----------------|---------------|------------------|---------------|
| | Million | % Share | Million | % Share | FTE Jobs | % Share |
| Agriculture, forestry, fishing, and hunting | \$5.9 | 0.2% | \$1.3 | 0.1% | 55 | 0.2% |
| Mining | \$30.1 | 0.8% | \$5.4 | 0.6% | 42 | 0.1% |
| Utilities* | \$63.1 | 1.8% | \$6.8 | 0.7% | 66 | 0.2% |
| Construction | \$14.1 | 0.4% | \$4.3 | 0.5% | 91 | 0.3% |
| Manufacturing | \$300.3 | 8.4% | \$41.8 | 4.6% | 684 | 2.4% |
| Wholesale trade | \$97.6 | 2.7% | \$27.4 | 3.0% | 459 | 1.6% |
| Retail trade | \$266.9 | 7.5% | \$79.8 | 8.8% | 3,157 | 10.9% |
| Transportation and warehousing* | \$735.6 | 20.7% | \$183.3 | 20.1% | 5,560 | 19.1% |
| Information | \$125.0 | 3.5% | \$22.7 | 2.5% | 348 | 1.2% |
| Finance and insurance | \$160.3 | 4.5% | \$42.1 | 4.6% | 603 | 2.1% |
| Real estate and rental and leasing | \$265.6 | 7.5% | \$22.7 | 2.5% | 724 | 2.5% |
| Professional, scientific, and technical services | \$144.2 | 4.0% | \$62.3 | 6.8% | 1,015 | 3.5% |
| Management of companies and enterprises | \$67.8 | 1.9% | \$22.7 | 2.5% | 298 | 1.0% |
| Administrative and waste management services | \$123.8 | 3.5% | \$46.5 | 5.1% | 1,760 | 6.1% |
| Educational services | \$22.1 | 0.6% | \$9.6 | 1.1% | 347 | 1.2% |
| Health care and social assistance | \$110.1 | 3.1% | \$46.9 | 5.2% | 1,165 | 4.0% |
| Arts, entertainment, and recreation | \$224.6 | 6.3% | \$65.9 | 7.2% | 3,121 | 10.7% |
| Accommodation and food services | \$685.9 | 19.3% | \$188.6 | 20.7% | 8,513 | 29.3% |
| Other services* | \$117.6 | 3.3% | \$30.1 | 3.3% | 1,068 | 3.7% |
| TOTAL ECONOMIC IMPACT - LOS ANGELES COUNTY | \$3,560.5 | 100.0% | \$910.3 | 100.0% | 29,076 | 100.0% |

Note

* According to BEA aggregations, these industries include government enterprises.

3. Summary of Total Economic Impact - L.A. County

Table 15 (on page 38) summarizes the total economic impact of BUR in the L.A. County economy in 2006 as follows:

- Direct output impact of \$628.1 million associated with \$127.4 million in earnings, and 2,418 FTE jobs.
- Indirect output impact of \$1,124.1 million, associated with \$322 million in earnings, and 14,204 FTE jobs.
- Induced output impact of \$1,808.4 million, associated with \$461 million in earnings, and 12,454 FTE jobs.
- Total output impact of \$3,560.5 million, associated with \$910.3 million in earnings and 29,076 FTE jobs.

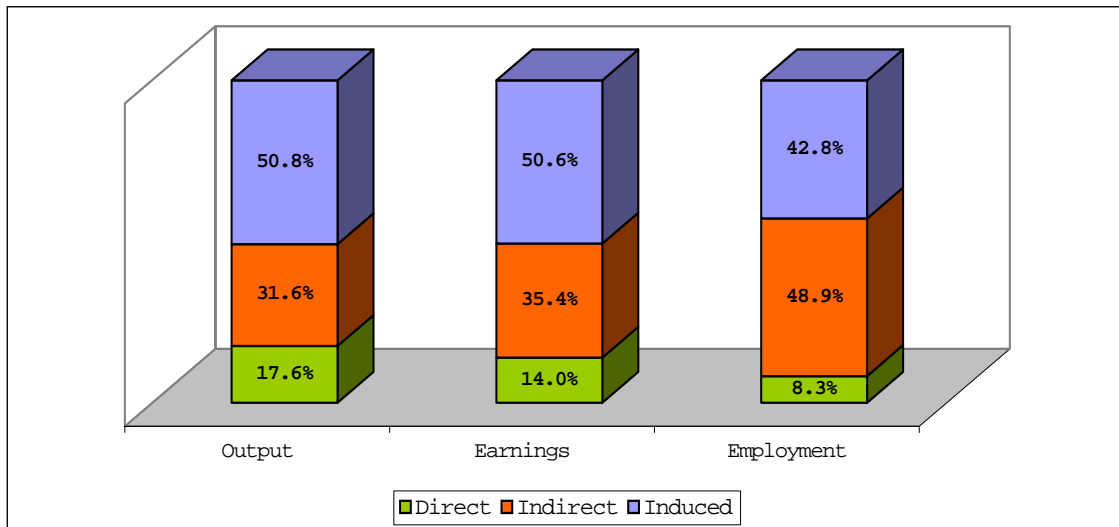
**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

**TABLE 15
BOB HOPE AIRPORT
TOTAL ECONOMIC IMPACT BY MEASURE AND TYPE
LOS ANGELES COUNTY
2006**

| Impact Measure | Economic Impact Type | | | |
|-----------------------|----------------------|-----------|-----------|-----------|
| | Direct | Indirect | Induced | TOTAL |
| Output (million) | \$628.1 | \$1,124.1 | \$1,808.4 | \$3,560.5 |
| Earnings (million) | \$127.4 | \$322.0 | \$461.0 | \$910.3 |
| Employment (FTE Jobs) | 2,418 | 14,204 | 12,454 | 29,076 |

Figure 11 shows the distribution of each impact measure according to source. The allocation confirms the expectation that the induced (multiplier) impact constitutes the largest source of the total economic impact attributable to BUR. For example, the multiplier effect accounted for 50.8% of the total output impact of the Airport in L.A. County in 2006.

**FIGURE 11
BOB HOPE AIRPORT
DISTRIBUTION OF TOTAL ECONOMIC IMPACT
LOS ANGELES COUNTY
2006**



**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

E. INDUCED AND TOTAL ECONOMIC IMPACTS - SOUTHERN CALIFORNIA

As discussed in preceding sections of this Report, the Airport's secondary impact region was defined as the Southern California region comprising the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura. The estimates of *direct* and *indirect* output impacts are the same in both the L.A. County and Southern California analyses. The direct impacts occur at the Airport itself, and the indirect impacts occur predominantly in L.A. County. However, the estimation of the Airport's *induced* and *total* economic impacts in Southern California utilizes the BEA RIMS II final-demand multipliers for Southern California presented in **Table 16**.

TABLE 16
BOB HOPE AIRPORT
BEA RIMS II TOTAL MULTIPLIERS FOR OUTPUT, EARNINGS, AND EMPLOYMENT BY INDUSTRY AGGREGATION
SOUTHERN CALIFORNIA REGION

| INDUSTRY AGGREGATE | INDUSTRY CODE | Final-Demand Multiplier | | |
|--|---------------|-------------------------|--------------------|-------------------|
| | | Output (dollars) | Earnings (dollars) | Employment (Jobs) |
| Retail trade | 28 | 2.2182 | 0.6949 | 23.1112 |
| Air transportation | 29 | 2.3659 | 0.6155 | 14.7254 |
| Transit and ground passenger transportation* | 33 | 2.5039 | 0.8285 | 31.3675 |
| Other transportation and support activities* | 35 | 2.2334 | 0.8469 | 19.9736 |
| Warehousing and storage | 36 | 2.2478 | 0.8518 | 22.9895 |
| Motion picture and sound recording industries | 38 | 2.6656 | 0.7213 | 17.2138 |
| Broadcasting and telecommunications | 39 | 2.4596 | 0.5450 | 11.4338 |
| Federal Reserve banks, credit intermediation | 41 | 2.0067 | 0.5580 | 11.6023 |
| Professional, scientific, and technical services | 47 | 2.4635 | 0.8852 | 19.2343 |
| Management of companies and enterprises | 48 | 2.4303 | 0.8118 | 15.7463 |
| Administrative and support services | 49 | 2.3781 | 0.8308 | 27.8629 |
| Amusements, gambling, and recreation | 56 | 2.2531 | 0.6758 | 25.4079 |
| Accommodation | 57 | 2.2046 | 0.6462 | 20.1022 |
| Food services and drinking places | 58 | 2.2589 | 0.6333 | 28.2071 |
| Other services* | 59 | 2.3841 | 0.7037 | 21.5810 |

* According to the BEA, these sectors include government enterprises.

A comparison of the final-demand multipliers for Southern California (**Table 16**) and the final-demand multipliers for L.A. County (**Table 12** on page 33) shows the implications of the relatively larger size and greater economic interconnectedness of the Southern California region. The values of the multipliers for the Southern California region are generally higher than those for L.A. County. For example, the regional final-demand output multiplier for the air transportation industry in Southern California is 2.3659, compared to the final-demand output multiplier of 2.1833 for the air transportation industry in L.A. County.

**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

1. Indirect Earnings and Employment Impacts - Southern California

The application of appropriate multipliers allows for the estimation of the indirect earnings and indirect employment impacts associated with the initial indirect output impact (\$1,124.1 million) in the Southern California region. **Table 17** shows that the indirect output supported 15,861 FTE jobs, which paid a total of \$360.3 million in earnings in Southern California in 2006.

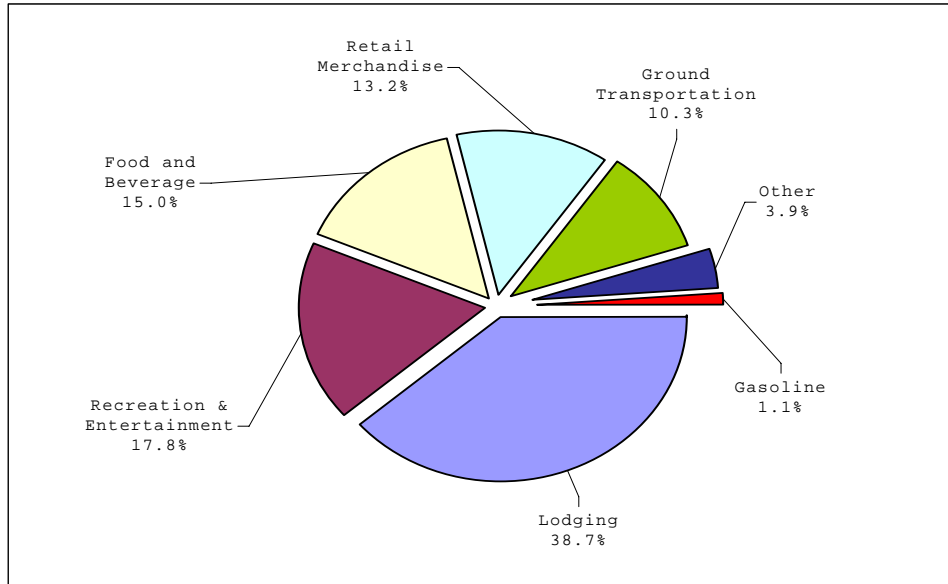
The distributions of the indirect output, employment, and earnings impacts are illustrated in **Figures 12-14** (on pages 41-42). The lodging industry accounted for the largest share of the Airport's indirect economic impacts in Southern California in 2006.

**TABLE 17
BOB HOPE AIRPORT
INDIRECT IMPACT BY MEASURE AND INDUSTRY SECTOR
SOUTHERN CALIFORNIA REGION
2006**

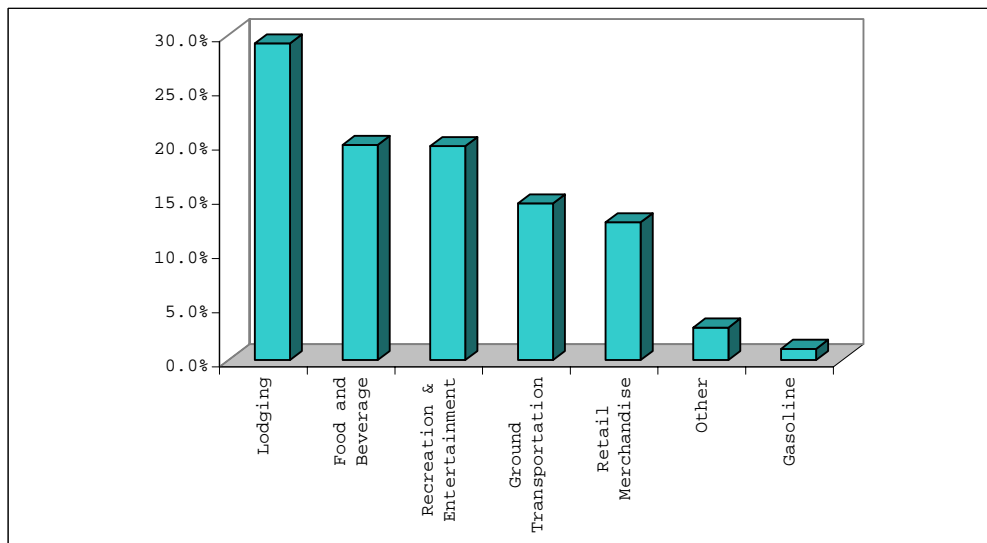
| Industry Sector | Measures of Indirect Impact | | |
|--------------------------------|-----------------------------|-----------------------|--------------------------|
| | Output (Million) | Earnings (Million) | Employment (FTE Jobs) |
| Lodging | \$435.4 | \$131.1 | 4,633 |
| Recreation & Entertainment | \$199.9 | \$64.6 | 3,131 |
| Food and Beverage | \$168.6 | \$49.8 | 3,148 |
| Retail Merchandise | \$148.3 | \$51.0 | 2,015 |
| Ground Transportation | \$115.8 | \$46.3 | 2,292 |
| Gasoline | \$12.1 | \$4.2 | 165 |
| Other | \$43.9 | \$13.4 | 477 |
| TOTAL - INDIRECT IMPACT | \$1,124.1 | \$360.3 | 15,861 |

**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

**FIGURE 12
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT OUTPUT IMPACT BY INDUSTRY SECTOR
SOUTHERN CALIFORNIA REGION
2006**

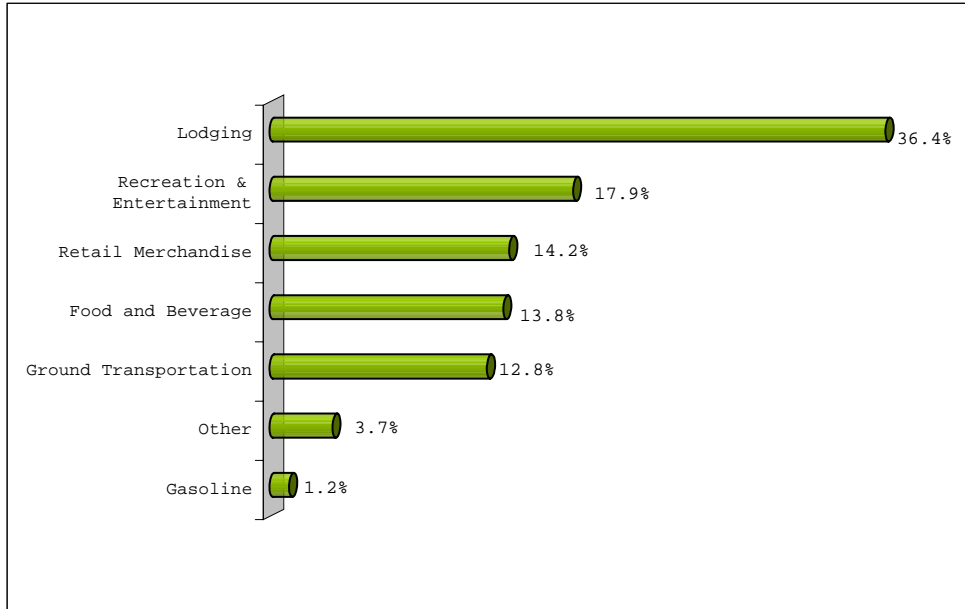


**FIGURE 13
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT EMPLOYMENT IMPACT BY INDUSTRY SECTOR
SOUTHERN CALIFORNIA REGION
2006**



**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

**FIGURE 14
BOB HOPE AIRPORT
DISTRIBUTION OF INDIRECT EARNINGS IMPACT BY INDUSTRY SECTOR
SOUTHERN CALIFORNIA REGION
2006**



2. Total Economic Impact by Industry Group - Southern California

Applying BEA RIMS II final-demand multipliers for Southern California region to the direct and indirect output, earnings, and employment impacts produces estimates of the Airport's total economic impact in Southern California. **Table 18** (on page 43) presents the Airport's total economic impact in Southern California in 2006 by measure and industry group.

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ECONOMIC IMPACT REPORT**

TABLE 18
BOB HOPE AIRPORT
TOTAL ECONOMIC IMPACT BY BUREAU OF ECONOMIC ANALYSIS INDUSTRY GROUP
SOUTHERN CALIFORNIA REGION
2006

| INDUSTRY AGGREGATES | Total Output | | Total Earnings | | Total Employment | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
| | Million | % Share | Million | % Share | FTE Jobs | % Share |
| Agriculture, forestry, fishing, and hunting | \$10.5 | 0.3% | \$2.7 | 0.2% | 107 | 0.3% |
| Mining | \$15.9 | 0.4% | \$3.5 | 0.3% | 29 | 0.1% |
| Utilities* | \$65.0 | 1.7% | \$9.3 | 0.8% | 91 | 0.3% |
| Construction | \$25.0 | 0.6% | \$9.7 | 0.8% | 208 | 0.6% |
| Manufacturing | \$311.5 | 8.0% | \$60.4 | 5.2% | 997 | 2.8% |
| Wholesale trade | \$113.5 | 2.9% | \$39.6 | 3.4% | 662 | 1.8% |
| Retail trade | \$310.1 | 8.0% | \$108.1 | 9.2% | 4,270 | 11.8% |
| Transportation and warehousing* | \$739.8 | 19.0% | \$234.2 | 20.0% | 6,759 | 18.7% |
| Information | \$166.1 | 4.3% | \$31.9 | 2.7% | 472 | 1.3% |
| Finance and insurance | \$201.3 | 5.2% | \$59.6 | 5.1% | 868 | 2.4% |
| Real estate and rental and leasing | \$310.7 | 8.0% | \$30.9 | 2.6% | 990 | 2.7% |
| Professional, scientific, and technical services | \$168.6 | 4.3% | \$80.5 | 6.9% | 1,313 | 3.6% |
| Management of companies and enterprises | \$70.5 | 1.8% | \$29.6 | 2.5% | 387 | 1.1% |
| Administrative and waste management services | \$145.2 | 3.7% | \$61.7 | 5.3% | 2,330 | 6.4% |
| Educational services | \$27.5 | 0.7% | \$13.1 | 1.1% | 474 | 1.3% |
| Health care and social assistance | \$139.6 | 3.6% | \$67.0 | 5.7% | 1,614 | 4.5% |
| Arts, entertainment, and recreation | \$228.5 | 5.9% | \$75.8 | 6.5% | 3,592 | 9.9% |
| Accommodation and food services | \$706.7 | 18.2% | \$212.2 | 18.1% | 9,581 | 26.4% |
| Other services* | \$133.1 | 3.4% | \$41.7 | 3.6% | 1,483 | 4.1% |
| TOTAL ECONOMIC IMPACT - LOS ANGELES COUNTY | \$3,889.1 | 100.0% | \$1,171.6 | 100.0% | 36,226 | 100.0% |

Note

* According to BEA aggregations, these industries include government enterprises.

3. Summary of Total Economic Impact - Southern California

Table 19 (on page 44) summarizes the total economic impact of BUR in the Southern California economy in 2006 as follows:

- Direct output impact of \$628.1 million associated with \$127.4 million in earnings, and 2,418 FTE jobs.
- Indirect output impact of \$1,124.1 million, associated with \$360.3 million in earnings, and 15,861 FTE jobs.
- Induced output impact of \$2,136.9 million, associated with \$683.9 million in earnings, and 17,947 FTE jobs.
- Total output impact of \$3,889.1 million, associated with \$1,171.6 million in earnings and 36,226 FTE jobs.

**BOB HOPE AIRPORT
ECONOMIC IMPACT REPORT**

**TABLE 19
BOB HOPE AIRPORT
TOTAL ECONOMIC IMPACT BY MEASURE AND TYPE
SOUTHERN CALIFORNIA REGION
2006**

| Impact Measure | Economic Impact Type | | | |
|-----------------------|----------------------|-----------|-----------|-----------|
| | Direct | Indirect | Induced | TOTAL |
| Output (million) | \$628.1 | \$1,124.1 | \$2,136.9 | \$3,889.1 |
| Earnings (million) | \$127.4 | \$360.3 | \$683.9 | \$1,171.6 |
| Employment (FTE Jobs) | 2,418 | 15,861 | 17,947 | 36,226 |

Figure 15 shows the distribution of each impact measure according to source. The allocation confirms the expectation that the induced (multiplier) impact constitutes the largest source of the total economic impact attributable to BUR. For example, the multiplier effect accounted for 54.9% of the total output impact of the Airport in the Southern California region in 2006.

**FIGURE 15
BOB HOPE AIRPORT
DISTRIBUTION OF TOTAL ECONOMIC IMPACT
SOUTHERN CALIFORNIA REGION
2006**

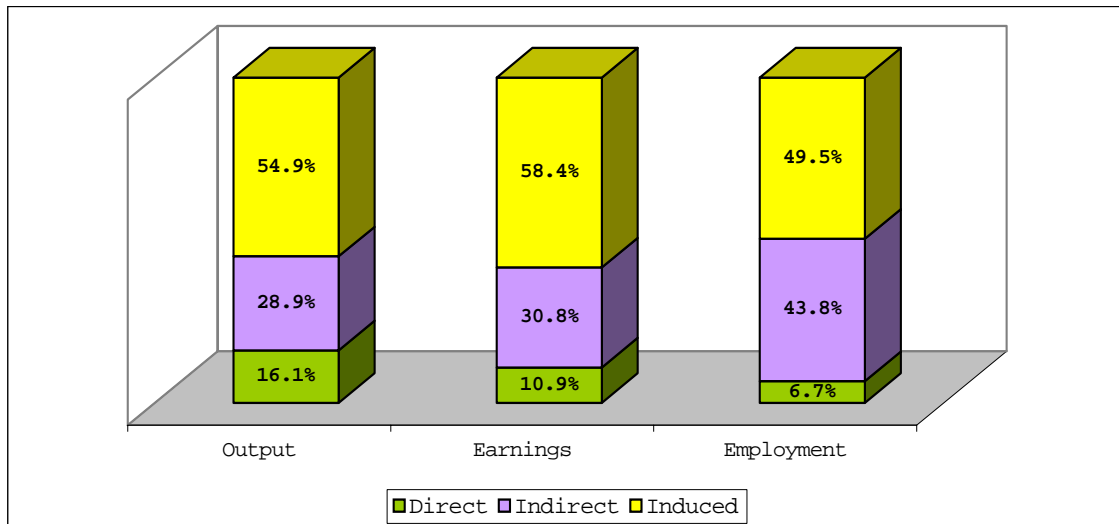


Table 20 (on page 45) summarizes the total impact of the Airport by region. The Airport's total output impact in L.A. County amounted to \$3,560.5 million, associated with 29,076

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FTE jobs and \$910.3 million in earnings. The Airport's total output impact in the Southern California region amounted to \$3,889.1 million, associated with 36,226 FTE jobs and \$1,171.6 million in earnings. The corresponding average annual wage in L.A. County was \$31,308, while the average annual wage in Southern California was \$32,342. In per capita terms, the Airport's total output impact translated into \$357.9 per L.A. County resident and \$184.2 per Southern California resident. Overall, the results show that the bulk of the Airport's economic impact in 2006 was generated in L.A. County.

**TABLE 20
BOB HOPE AIRPORT
SUMMARY - TOTAL ECONOMIC IMPACT BY REGION
2006**

| Impact Measure | Impact Region | |
|-------------------------------------|--------------------|---------------------|
| | Los Angeles County | Southern California |
| Output (million) | \$3,560.5 | \$3,889.1 |
| Earnings (million) | \$910.3 | \$1,171.6 |
| Employment (FTE Jobs) | 29,076 | 36,226 |
| Output Per Capita (2006 population) | \$357.9 | \$184.2 |
| Avg. Annual Wage/FTE Job | \$31,308 | \$32,342 |

F. TAX IMPACT OF BUR - L.A. COUNTY

The tax component of the Airport's total economic impact is isolated by applying the respective prevailing tax rates to the corresponding impact measure. For example, the calculation of the retail and sales tax impact uses the estimated total output of \$3,560.5 million as the tax base. The prevailing California sales and use tax rate is 7.25%. In addition, L.A. County imposes a transit tax rate of 1%. This means that the total retail and use sales tax component is 8.25% of total output. Overall, the tax component of the Airport's total economic impact amounted to \$386.3 million in 2006, with \$260.5 million (67.4%) going to the state, and \$125.8 million (32.4%) going to the local county government (**Table 21** on page 46).

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**TABLE 21
BOB HOPE AIRPORT
TAX COMPONENT OF TOTAL ECONOMIC IMPACT
LOS ANGELES COUNTY
2006**

| Type of Tax | Tax Revenue (Million) | | |
|--------------------------|-----------------------|----------------|----------------|
| | State | Local | Total |
| Retail sales and use tax | \$222.5 | \$71.2 | \$293.7 |
| Property tax | n.a. | \$0.9 | \$0.9 |
| Motor vehicle licenses | \$1.2 | n.a. | \$1.2 |
| Personal income tax | \$34.4 | n.a. | \$34.4 |
| State airline fuel tax | \$2.3 | n.a. | \$2.3 |
| Transient occupancy Tax | n.a. | \$43.5 | \$43.5 |
| Possessory Interest Tax | n.a. | \$9.7 | \$9.7 |
| Other taxes | \$0.05 | \$0.4 | \$0.5 |
| TOTAL | \$260.5 | \$125.8 | \$386.3 |

Notes:

1. Possessory interest tax is based on the Airport's record of unsecured and possessory interest values of \$881.9 million, see BGPAA News Release of June 9, 2006.
2. The analysis assumes a 10% transient occupancy tax rate charged by most cities in Los Angeles County.
3. n.a. = not applicable.

G. COMPARISON OF TOTAL ECONOMIC IMPACT - 2006 and 1993

As indicated in the opening paragraph to **Section 3** of this Report, conceptual differences exist between the 1995 study, which was based on 1993 data, and the current study based on 2006 data. Additionally, the format adopted for reporting the 1995 findings constrains a detailed comparison of the estimates of the Airport's impact in 1993 and 2006. It is nonetheless instructive to compare the basic findings of the two studies for the overall Southern California region.

Table 22 (on page 47) presents the estimates of the Airport's total impact in 1993 and 2006 indicating that the Airport's regional economic impact has grown significantly. Total output attributable to the Airport more than tripled between 1993 and 2006, and the associated number of FTE jobs more than doubled over that period.

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**TABLE 22
BOB HOPE AIRPORT
COMPARISON OF TOTAL ECONOMIC IMPACT
SOUTHERN CALIFORNIA REGION
1993 and 2006**

| Impact Measure | Southern California Region | | |
|-----------------------|----------------------------|---------|----------|
| | 2006 | 1993 | % Change |
| Output (million) | \$3,889.1 | \$878.2 | 342.8% |
| Employment (FTE Jobs) | 36,226 | 17,115 | 111.7% |

Note:

The differences in the economic impacts shown in this table should be interpreted in the context of the comments included in the text of the Report.

The following note explains the rationale for the limited scope of the comparison of the two studies.

1. Differences in the Defined Impact Regions

The 1995 study defined three impact regions for the estimation of the Airport's total economic impact while the current study defines two impact regions. Both studies define a similar Southern California region, but they differ in the definition of the L.A. impact region. According to the 1995 study, a "region of influence" consisting of 13 sub-regions within Los Angeles and Ventura counties (i.e. East San Fernando Valley and the West San Gabriel Valley) was defined. In addition, the study assessed impacts on the communities of Burbank, Glendale, Pasadena, and Los Angeles. As stated in **Section 1** of this Report, the choice of L.A. County as the primary impact region was based on the Airport management's description of the BUR air service area. Secondly, a practical (technical) rationale for the choice of L.A. County is the fact that the BEA RIMS II multipliers used in the analysis are developed for a county or group of counties. There are currently no BEA RIMS II multipliers at the sub-county level.

2. Differences in Conceptual Framework

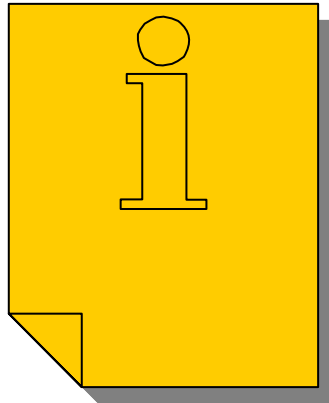
Directly related to the preceding observation are apparent inconsistencies in the definition of the types of impacts in

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the 1995 study, notably the usage of "direct" and "induced" in the depiction of the economic impact model. The current study is consistent with conceptual framework of regional economics, and relevant aspects of FAA guidelines for the conduct of airport economic impact study. Adhering to the theoretical basis of the economic impact modeling ensures that the findings of this study are clearly traceable and comparable with any other similarly structured airport impact study.

3. Differences in Multipliers

The 1995 study appeared to have adopted a "hybrid" approach to the estimation of the multiplier effects. The report describes using industry-specific multipliers obtained from IMPLAN to estimate the "secondary effects" of the Airport on Los Angeles and Ventura counties and "generalized" multipliers (i.e. one aggregate multiplier for all industrial sectors) from another source - the Economic Impact Forecast System developed by the U.S. Army Corps of Engineers Construction Engineering Research Laboratory - to estimate the "secondary effects" on all other counties. The theoretically valid approach is to define an economic impact region as consisting of a county or a group of contiguous counties and use multipliers generated from the same national/regional I-O model for the estimation. The latter approach minimizes possible complications arising from differences in the assumptions and data of the underlying the I-O model.



APPENDIX A:

Survey Questionnaires

July 2, 2007



The Burbank-Glendale-Pasadena Airport Authority has contracted with the firm of Unison-Maximus, Inc. to conduct an economic impact study of Bob Hope Airport (BUR). The study will identify and quantify the employment, payroll and output generated in the local economy that are attributable to the presence of the Airport.

The quality of the study and the usefulness of the findings depend on the information about businesses that serve or use BUR, and your response to the enclosed questionnaire is essential to the success of this endeavor. The questionnaire has been carefully designed to minimize any burden on your resources as we gather the data needed for the study. Please be assured that the information you furnish will be treated *with strict confidentiality*, and the data you provide will be combined with data from other respondents and will be aggregated in the study.

I would like to make a special appeal to you to respond. The Authority has not undertaken an economic impact study since 1995, and the update now underway will be valuable in our collective dialogue with the community at large over the next critical years. Please return the completed questionnaire by mail in the enclosed prepaid envelope or by FAX to the phone number indicated on the form. In order for us to meet the study timeline, please return your completed questionnaire by July 20, 2007.

If you have any questions about this survey, please feel free to contact Victor Gill, Director of Public Affairs and Communications for the Authority, at (818) 729-2223 or Rachel Agheyisi of Unison-Maximus, Inc. at (714) 750-8513.

Upon completion, we expect to make the results of the study available on the Airport's website, www.bobhopeairport.com. Thank you once again for your cooperation with the crucial data collection phase of this study.

Sincerely,

John T. Hatanaka
Deputy Executive Director

Enclosure

BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES

1. AIRLINE OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each airline serving BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific airline. THANK YOU for your cooperation.

1. Airline: _____
Contact Person: _____
Telephone: _____ Fax: _____

2. In calendar year (CY) 2006, how many people were employed by your airline in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|--|---------------------------------|---------------------------------|
| Ground personnel based at BUR (ticket agents, baggage handlers, administrative, maintenance) | | |
| Aircraft crew based in the local area (pilots, engineers, flight attendants) | | |
| TOTAL | | |

3. What was your airline's gross revenue from operations at BUR in CY 2006?

4. Please, provide an estimate of the number of hotel room nights spent by your airline's flight crew (based outside of BUR local area) in CY 2006. For example, one pilot spending one layover night in a local area hotel equals one room night.

Number of hotel room nights in CY 2006: _____

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of the expenditures made by your airline in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|---------------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Fuel costs incurred at BUR | \$ |
| Hotel expenses for layover crew | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

6. Please, provide estimates of annual capital investments made by your airline at BUR in the 3 years shown:

CY 2004: \$ _____
CY 2005: \$ _____
CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR BY FAX to:

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

2. GENERAL AVIATION OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each firm providing general aviation services at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Fuel costs incurred at BUR | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____
CY 2005: \$ _____
CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR **BY FAX to:**

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

3. AIRLINE SUPPORT SERVICES

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each firm providing airline support services at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
Contact Person: _____
Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____
CY 2005: \$ _____
CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR BY FAX to:

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

4. ON-AIRPORT RENTAL CAR OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each rental car company at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____
CY 2005: \$ _____
CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR BY FAX to:

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. OFF-AIRPORT RENTAL CAR OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each rental car company at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR **BY FAX to:**

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**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

6. OTHER GROUND TRANSPORTATION SERVICES

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each firm providing ground transportation services at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR (including drivers) | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR **BY FAX to:**

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

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Attention: Rachel Agheyisi
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**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

7. AIRPORT PARKING OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Please answer the following questions relating to your parking operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____

CY 2005: \$ _____

CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR BY FAX to:

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

8. RETAIL CONCESSIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each tenant at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____
CY 2005: \$ _____
CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR BY FAX to:

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.8513 or 714.656.8327.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

9. CONTRACT OPERATIONS

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each contractor/consultant at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Company Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your company in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. What was your company's gross revenue from operations at BUR in CY 2006?

4. Please, provide estimates of the expenditures made by your company in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|----------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Business-related supplies | \$ |
| State and local taxes paid | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

5. Please, provide estimates of annual capital investments made by your company at BUR in the 3 years shown:

CY 2004: \$ _____

CY 2005: \$ _____

CY 2006: \$ _____

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by TUESDAY, JULY 31, 2007.

BY MAIL (in enclosed envelope) to: OR **BY FAX to:**

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.750.8513.

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

10. AIRPORT MANAGEMENT AND GOVERNMENT AGENCIES

As explained in the attached cover letter, we request your assistance for the successful conduct of the economic impact study of BUR. Each government agency at BUR is requested to answer the following questions relating to its operations at the Airport. Your responses will be CONFIDENTIAL, and will not be disclosed in any way that is attributable to your specific company. THANK YOU for your cooperation.

1. Agency Name: _____
 Contact Person: _____
 Telephone: _____ Fax: _____
-

2. In calendar year (CY) 2006, how many people were employed by your agency in jobs related directly to your operations at Bob Hope Airport?

| Staff Category | # of Full-time Employees | # of Part-time Employees |
|---|---------------------------------|---------------------------------|
| Staff based at BUR | | |
| Staff based off-airport in the local area whose jobs depend on your operations at BUR | | |
| TOTAL | | |

3. Please, provide estimates of the expenditures made by your agency in CY 2006. Please, include only those expenses relating to your operations at BUR.

| Expense Category | Estimated Total – CY 2006 |
|---------------------------|----------------------------------|
| Employee wages & benefits | \$ |
| Airport fees & rent | \$ |
| Other operating expenses | \$ |
| TOTAL EXPENSES | \$ |

**BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES**

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY.

Please return the completed form by FRIDAY, JULY 20, 2007.

BY MAIL (in enclosed envelope) to: OR **BY FAX to:**

Rachel Agheyisi
UNISON-MAXIMUS, INC.
12459 Lewis Street, Suite 201
Garden Grove, CA 92840

714.703.1529
Attention: Rachel Agheyisi
UNISON-MAXIMUS, INC.

If you have any questions regarding this survey, please contact Rachel Agheyisi at 714.750.1995 or 714.656.8327.

BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES

11. PASSENGER SURVEY

As part of an economic impact study, Bob Hope Airport is conducting a survey of the spending habits of air travelers visiting the Burbank-Glendale-Pasadena-San Fernando Valley area. In addition, we want the opinion of resident and visiting air passengers on specific aspects of the Airport's facilities. We request your assistance in answering the following questions. Your responses will be anonymous and confidential and will be used solely for the purpose of the impact study and the assessment of Airport customer satisfaction. **THANK YOU.**

PLEASE CIRCLE OR FILL IN THE BEST RESPONSE FOR EACH OF THE FOLLOWING QUESTIONS

1. Do you live in zip code 91000 - 91699?

1-Yes (Skip to question #12) 2-No (Go to question 2)

2. What was the primary purpose of your visit to the Burbank-Glendale-Pasadena-San Fernando Valley area ("local area")?

1 - Business 3 - Business & pleasure
2 - Conference 4 - Pleasure/ vacation
5 - Other _____

3. How long was your visit to the local area? Please specify.

1- # of Hours _____ 2 - # of Days _____
3 - # of Weeks _____

4. Did you stay in a hotel during this visit?

1-No 2-Yes: → Which Hotel (Name and City)?

5. During this visit, how much, in TOTAL, did you spend on the following?

| | |
|--|----------|
| 1-Food (EXCLUDING food purchased at the Airport) | \$ _____ |
| 2-Merchandise (EXCLUDING purchases at the Airport) | \$ _____ |
| 3-Hotel/Lodging | \$ _____ |
| 4-Recreation - Area tourist attractions | \$ _____ |
| 5-Entertainment | \$ _____ |
| 6-Other | \$ _____ |

6. Did anyone else travel with you on this visit?

1-Yes _____ Go to question # 7
2- No _____ Go to question #8

7. How many people traveled with you on this visit?

Number in Travel Party (including yourself): _____

8. How many people are included in the expenses listed above?

1-Yourself Only 2-Entire Travel Party
3-Other _____ (specify # of people)

9. During this visit, did you take a taxi outside the Airport premises?

1-No
2-Yes: → How much did you spend, in TOTAL, on taxi fare? \$ _____

10. During this visit, did you rent a car outside the Airport premises?

1-No
2-Yes: → How much did you spend on car rental? \$ _____

BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES

→ How much did you spend on gasoline? \$ _____

11. During this visit, did you use any other public transportation?

1-No

2-Yes: → How much did you spend on public transportation? \$ _____

ABOUT YOUR AIRPORT EXPERIENCE:

12. How did you arrive to the Airport today?

- 1 – Private car (answer 12A) 2 – Rental car
3 – Limo/car service 4 – Courtesy shuttle
5 – Taxi 6 – Shuttle 7 - Amtrak 8 - Other

12A. If private car, which parking lot did you use?

- 1 – None; was dropped off 2 - Valet 3 – Short term
4 – Long term 5 – Off-airport lot

13. Where did you check in today?

- 1 – Main ticket counter 2 – Self check-in kiosk
3 – Online, before arriving at Airport 4 – Curbside, with sky cap
5 - Departure Gate

14. How long did you wait in line to get through security?

- 1 – 0 to 4 minutes 2 – 5 to 9 minutes 3 – 10 to 14 minutes
4 – 15 to 20 minutes 5 – 20 to 30 minutes 6 – Over 30 minutes

15A. How much did you spend on merchandise at the Airport (periodicals, gifts, etc.)?

- 1 – Nothing – didn't buy 2 – Under \$5.00 3 - \$5.00 - \$14.99
4 - \$15.00 - \$24.99 5 - \$25.00 or more

15B. Shops visited at the Airport

16A. How much did you spend on food and beverages at the Airport?

- 1 – Nothing – didn't buy 2 – Under \$5.00
3 - \$5.00 - \$9.99 4 - \$10.00 - \$14.99
5 - \$15.00 or more

16B. Restaurants visited at the Airport

BOB HOPE AIRPORT

AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES

Please rate your experience at Bob Hope Airport today using the following scale:

Unacceptable Poor Fair Satisfied Very Satisfied
 1 2 3 4 5

If not applicable, please circle N/A

| 17. Getting to the Airport | | Unacceptable | → | Very Satisfied | | | | | |
|--|-----|--------------|---|----------------|---|---|--|--|--|
| 17A – Airport roadway signs | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17B – Drop off space in front of terminal | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17C – Signs in parking facilities | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17D – Safety/ security in parking facilities | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17E – Availability of parking | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17F – Distance from parking to terminal building | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17G – Parking cost | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 17H – OVERALL Getting to the Airport | N/A | 1 | 2 | 3 | 4 | 5 | | | |

| 18. Checking-in at the Airport | | Unacceptable | → | Very Satisfied | | | | | |
|---|-----|--------------|---|----------------|---|---|--|--|--|
| 18A – Availability of skycaps | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18B – Clarity of check-in signage/procedure | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18C – Waiting time for airline check-in | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18D – Courtesy/helpfulness of airline staff | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18E – Orderliness of check-in area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18F – Cleanliness of check-in area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 18G – OVERALL Checking-in at Airport | N/A | 1 | 2 | 3 | 4 | 5 | | | |

| 19. Security Check | | Unacceptable | → | Very Satisfied | | | | | |
|--|-----|--------------|---|----------------|---|---|--|--|--|
| 19A – Ease finding security check location | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19B – Wait time in security check line | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19C – Professionalism of security staff | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19D – Confidence with security process | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19E – Condition of security check area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19F – Cleanliness of security check area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 19G – OVERALL Security Check | N/A | 1 | 2 | 3 | 4 | 5 | | | |

| 20. Airport Facilities | | Unacceptable | → | Very Satisfied | | | | | |
|---|-----|--------------|---|----------------|---|---|--|--|--|
| 20A – Availability of restrooms | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20B – Cleanliness of restrooms | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20C – Public address system | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20D – Baggage claim | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20E – Adequate number of seats in gate area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20F – Comfort of seating | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20G – Lighting inside terminal | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20H – Climate control in seating area | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20I – Condition/cleanliness of terminals | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20J – Availability of power outlets | N/A | 1 | 2 | 3 | 4 | 5 | | | |
| 20K – Availability of food/ retail near gates | N/A | 1 | 2 | 3 | 4 | 5 | | | |

BOB HOPE AIRPORT
AIRPORT BUSINESS AND PASSENGER SURVEY QUESTIONNAIRES

20L – Availability of services – ATM/bank, Wireless Access, etc. N/A 1 2 3 4 5
20M -OVERALL Airport Facilities N/A 1 2 3 4 5

ABOUT YOU

21. Your gender: 1 – Male 2 – Female

22. Your age group:

1 – Under 24 2 – 25 to 34 3 – 35 to 44 4 – 45 to 54
5 – 55 to 64 6 – Over 65

23. Your education level:

1 – High school or less 2 – Some college/ AA
3 – College degree 4 – Post grad degree

24. Your total annual household income:

1 – Under \$20,000 2 – \$20,000 - \$39,999
3 – \$40,000 - \$59,999 4 – \$60,000 - \$79,999
5 – \$80,000 - \$99,999 6 – \$100,000 - \$149,999
7 – \$150,000 - \$199,999 8 – \$200,000 or more

25. Your home zip code _____

26. How important is CONVENIENCE to your decision to fly out of Bob Hope Airport today? Circle one.

1-Very important 2- Somewhat important 3 - Not important
4-Not at all important 5-Don't know

27. Using the following scale, please rank these Southern California airports in terms of convenience.

Very Convenient Somewhat Convenient Not Convenient Very Inconvenient Have Not Used The Airport
1 2 3 4 5

Los Angeles ____ Long Beach ____ Burbank ____
John Wayne ____ Ontario ____

28. What improvement would you most like to see at Bob Hope Airport?

29. Help us serve you better. Please share any other comments about Bob Hope Airport

THANK YOU FOR PARTICIPATING IN THIS SURVEY. HAVE A SAFE FLIGHT.

To be filled out by Survey Taker:

Survey Date: _____ Time: _____ A.M./P.M

Airport Gate: _____ Airline: _____



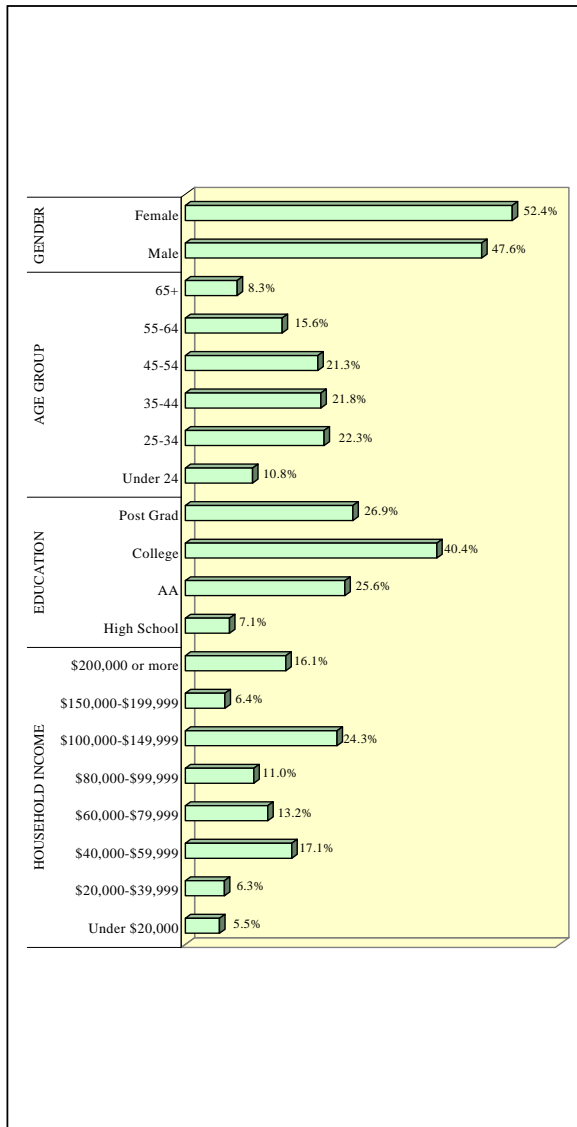
APPENDIX B:
BUR Passenger Profile

BOB HOPE AIRPORT
EXCERPTS FROM CUSTOMER SATISFACTION ASSESSMENT REPORT

PASSENGER CHARACTERISTICS

The demographic and economic characteristics of BUR passengers are summarized in **Figure 1**.

FIGURE 1
BOB HOPE AIRPORT
PASSENGERS - DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS



◇ The Airport serves passengers in all age groups. However, passengers between

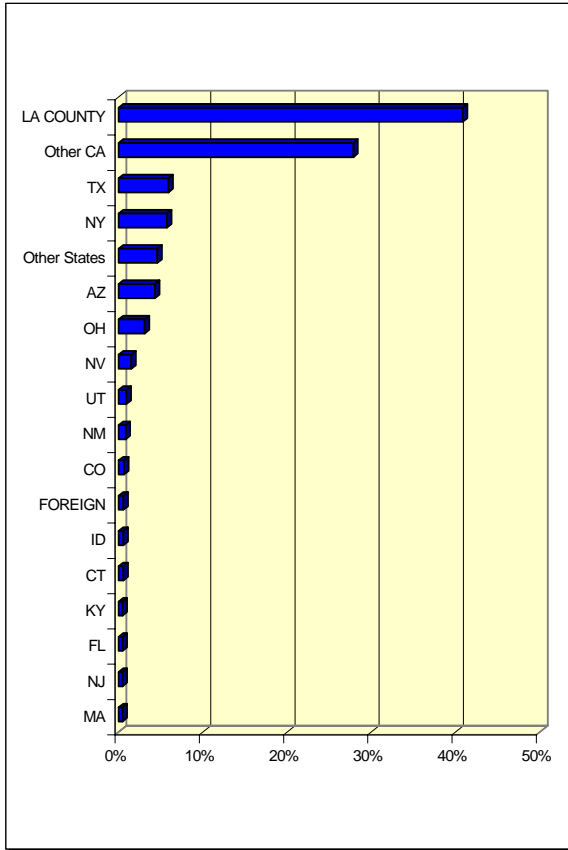
the ages of 25 and 54 years constitute 65.4% of passengers.

- ◇ A majority of the passengers are female, accounting for 52.4% of total passengers.
- ◇ BUR passengers are educated and affluent. A majority of the passengers are college-educated, with 26.9% reporting having had some post-graduate education.
- ◇ Approximately 47% of surveyed passengers reported household incomes of \$100,000 or more.
- ◇ These characteristics bode well for consumer demand in general, and for air travel demand in particular. For example, income and consumer demand tend to be positively related, which means that the higher the income, the higher the demand for most consumer goods and services, including air travel.
- ◇ Most of the passengers that use BUR are local residents (34.3%). For the purpose of the survey, a local resident is a passenger whose primary residence is in the zip code range of 91000-91699.
- ◇ Almost 41% of passengers reside in Los Angeles County (LA County) – including the City of Los Angeles. Another 27.9% of passengers live in other counties in California. Collectively, the numbers show that California is the primary residence of most passengers served at BUR (68.9%).
- ◇ The other top places of residence for passengers who use BUR include Texas, New York, Arizona, and Ohio.
- ◇ Non-US residents accounted for 0.6% of surveyed passengers.

Figure 2 shows the residency data for all passengers.

**BOB HOPE AIRPORT
EXCERPTS FROM CUSTOMER SATISFACTION ASSESSMENT REPORT**

**FIGURE 2
PLACE OF RESIDENCE - ALL PASSENGERS**

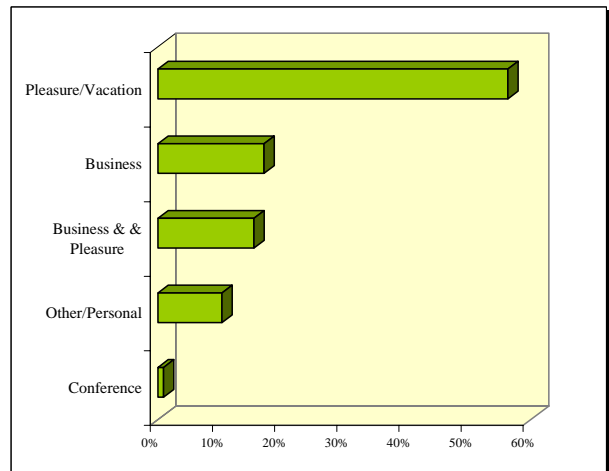


TRIP CHARACTERISTICS

The survey questionnaire was designed to collect information for use in assessing customer satisfaction at BUR and for estimating the economic impact of the Airport in defined impact regions. For the latter purpose, it was important to isolate specific characteristics of visitor experience in the LA area, including the purpose of their visit, and whether or not they had stayed in a hotel during their visit.

Figure 3 shows that a majority of visitors were leisure travelers, with 56.3% indicating they were visiting the LA area for pleasure or vacation, and another 15.4% of visitors were mixing business with pleasure. Among visitors who selected “other/personal” reasons, were those attending weddings and funerals, as well as those visiting family.

**FIGURE 3
VISITING PASSENGERS - TRIP PURPOSE**





APPENDIX C:
Consultant Profiles

CONSULTANT PROFILES



CONSULTING SOLUTIONS Founded in 1989, Unison-Maximus, Inc. (Unison) provides consulting services to airports in four practice areas: (1) Airport Finance and Economics; (2) Airport Retail Concessions Planning and Management; (3) Airport Facilities Planning; and (4) Systems Development. Under its Airport Finance and Economics Practice, Unison conducts various financial and economic analyses including financial feasibility and economic impact studies. Unison also conducts various types of surveys, such as airport tenant and passenger surveys as required in economic impact studies and airport retail concessions planning.

Unison has 43 employees in eight offices at the following locations:

Chicago Office (Headquarters)

409 W. Huron Street,
Suite 400
Chicago, IL 60610

New York Office

JFK International Airport
Terminal 7 - British Airways
Jamaica, NY 11430

Orange County, CA Office

12459 Lewis Street,
Suite 201
Orange, CA 92868

Newark Office

Newark International Airport
35 Terminal B
Newark, NJ 07114

O'Hare Program Management Office

10601 West Higgins Road,
Building 500
Chicago, IL 60606

St. Louis Program Management Office

13723 Riverport Drive,
4th Floor
Maryland Heights, MO 63043

O'Hare Concession Management Office

O'Hare International Airport
Terminal 3 - Mezzanine Level
Chicago, IL 60606

Retail Management

San Antonio International
Airport
9700 Airport Boulevard,
Suite 246
San Antonio, TX 78216



Founded in November 2004, UCG Associates, Inc. (UCG) is an S-corporation that provides leading edge consulting services to airports and transportation agencies in economic and financial analysis; travel demand modeling and forecasting; survey research; management and operations studies; information systems planning, management and development; and public relations, marketing and communications. UCG has six full-time employees in five locations:

**Orange County,
California**
6 Giovanni
Aliso Viejo,
CA 92656

San Antonio Office
P.O. Box 460527
San Antonio TX 78246

Chicago, Illinois
10 S. Riverside
Plaza, Suite 1800
Chicago, IL 60606

Donald C. Arthur
11 Paseo Dalia
Rancho Santa
Margarita
CA 92688

St. Louis, Missouri
11567 Natural Bridge
Road
St. Louis, MO 63044

UCG is a minority/women-owned S-corporation, certified as a Disadvantaged Business Enterprise (DBE) under the California Unified Certification Program (UCP).



Offices:

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Tel. (714) 750-1995 / Fax (714) 703-1529

409 West Huron, Suite 400
Chicago, IL 60610
Tel. (312) 988-3360 / Fax (312) 988-3370

13723 Riverport Drive, 4th Floor
Maryland Heights, MO 63043
Tel. (314) 551-5037 / Fax (314) 551-5038



Offices:

6 Giovanni
Aliso Viejo, CA 92856
Tel./ Fax (949) 425-1019

10 S. Riverside Plaza, Suite 1800
Chicago, IL 60610
Tel. (312) 474-7757 / Fax (312) 474-6099

11567 Natural Bridge Road
St. Louis, MO 63044