

June 2009

Final Technical Report

ECONOMIC VITALITY ANALYSIS STUDY

McClellan-Palomar



Airport



Prepared for:
County of San Diego Airports

Prepared by:



Kimley-Horn
and Associates, Inc.



McCLELLAN-PALOMAR AIRPORT 2008 ECONOMIC VITALITY ANALYSIS

FINAL TECHNICAL REPORT

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EXECUTIVE SUMMARY

OVERVIEW

McClellan-Palomar Airport provides valuable general aviation, corporate and commercial services acting as an economic engine for North San Diego County and the City of Carlsbad, California. The global reach of aircraft and capabilities of the airport, with its international customs operations, serve to provide important linkage for the County to a global economy. The Airport serves as the gateway to world-class resorts and as a means for local and visiting business people to travel to and from the area to conduct business. The Airport is a facilitator for North County jobs. Economic activities related to the Airport generate hundreds of millions of dollars of income and revenue for the surrounding local communities.

STUDY

A 2008 Economic Vitality Analysis Study was conducted to assess the importance, value and economic impact McClellan-Palomar Airport affords the local community, and to understand its vitality as an integral transportation element.

DIRECT IMPACTS

Direct impacts from on-airport activities occurring at McClellan-Palomar Airport by airlines, airport management, fixed base operators, and other tenants in 2008 resulted in the following:

- \$21.96 million in personal income earned by the 360 people employed at the airport; a top 20 employer in the City
- \$116.62 million in business revenue generated by airport industries
- State and local tax revenues of approximately \$10.23 million

INDIRECT IMPACTS

Indirect impacts derived primarily from off-airport economic activities attributed to McClellan-Palomar Airport air passenger, freight movement, and other on-airport aviation business in 2008 included:

- Visitors to the area spend an average of \$273 per day
- \$23.34 million of personal income earned by 692 area employees supported by McClellan-Palomar Airport
- \$61.76 million of business sales generated by visiting passengers for hotels, restaurants, retails store local transportation and other recreational providers
- \$2.72 million in personal income earned by 65 people, and \$6.81 million in revenue generated by expenditures with off-airport businesses
- State and local tax revenues of approximately \$5.23 million.

INDUCED IMPACTS

Induced impacts reflect the multiplier effects of direct and indirect impacts, resulting from increases in employment and income over and above the combined direct and indirect impacts, in the San Diego-Carlsbad-San Marcos area. In 2008, these impacts included:

- 1,446 jobs
- \$44.76 million in personal income
- \$158.35 million in revenue
- State and local tax revenues of approximately \$5.96 million

CONSTRUCTION IMPACTS

Economic impacts from capital project construction activities at McClellan-Palomar Airport in 2008 included:

- \$7.6 million in capital projects completed
- 121 jobs generated resulting in \$5.01 million in personal income and \$15.60 million in revenue

TOTAL IMPACTS

The total economic impacts associated with the McClellan-Palomar Airport in 2008 included:

- 2,684 jobs
- \$97.79 million in personal income
- \$359.14 million in revenues

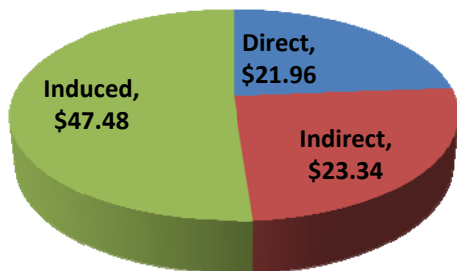
- State and local tax revenues of approximately \$21.42 million

CONCLUSIONS

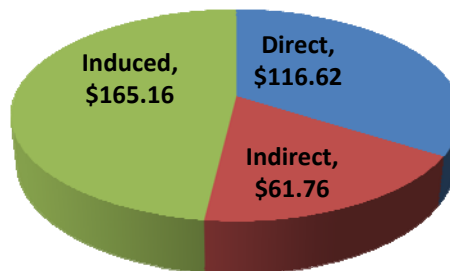
Economic contributions of the McClellan-Palomar Airport are a vital component of the local community. Between 1994 and 2008:

- Employment attributed to Airport activities increased 211.3% from 1,270 to 2,684
- Personal income increased 292.8% from \$33.4 million to \$97.79 million
- Business revenues increased 330.7% from \$108.6 million to \$359.14 million
- State and local tax revenues increased 476.0% from \$4.5 million to \$21.42 million

Personal Income (millions)



Revenue (millions)



Total Economic Impacts of McClellan-Palomar Airport in 2008

Economic Impact	Employment	Income	Revenues
Driven by On-Airport Activities	1,176	\$54,180,000	\$212,590,000
Driven by Off-Airport Visitor Spending	1,306	\$34,720,000	\$118,190,000
Driven by Off-Airport Local Purchases	80	\$3,880,000	\$12,760,000
Driven by Capital Improvement Projects	121	\$5,010,000	\$15,600,000
Total Direct, Indirect, and Induced Impacts	2,684	\$97,790,000	\$359,140,000

Source: Kimley-Horn and Associates, Inc. analysis 2008

Note: Totals may not add up due to rounding.

SECTION 1 – STUDY BACKGROUND

1.1 Introduction

The primary purpose of this report is to quantify the overall economic impact of McClellan-Palomar Airport (CRQ) on the Carlsbad metropolitan area and San Diego County for calendar year 2008. The economic impacts of the Airport were quantified in terms of three basic measures; direct, indirect, and induced activity. Tax revenue and capital project expenditure impacts were also evaluated. The report also compares McClellan-Palomar Airport's economic impacts with those of other similar airports. The report concludes with a brief look at the potential for future growth in the economic impacts for the Airport.



Aerial View of McClellan-Palomar Airport

The report entitled *Estimating the Regional Significance of Airports*, published by the Federal Aviation Administration (September 1992), defines direct, indirect, and induced economic impacts as follows:

Direct impacts are consequences of economic activities carried out at the airport by airlines, airport management, fixed base operators, and other tenants with a direct involvement in

aviation. Employing labor, purchasing locally-produced goods and services, and contracting for airport construction and capital improvements are examples of activities that generate direct impacts. The distinguishing feature of a direct impact is that it is an immediate consequence of airport economic activity (activities that would not have occurred in the absence of the airport).

Indirect impacts derive primarily from off-site economic activities that are attributable to the airport. These activities include services provided by travel agencies, hotels, restaurants, and retail establishments. These enterprises, like airport businesses, employ labor, purchase locally produced goods and services, and invest in capital expansion and improvements. Like direct impacts, indirect impacts should theoretically represent economic activities that would not have occurred in the absence of the airport.

Induced impacts are the multiplier effects of the direct and indirect impacts. These are the increases in employment and incomes over and above the combined direct and indirect impacts, created by successive rounds of spending. For example, most of the take-home income earned by airport employees is spent locally and becomes income to other business owners and their employees. Then part of these second-round incomes are also spent locally and thus become income to another set of individuals. As successive rounds of spending occur, additional income is created.

In general, direct impacts are driven directly by on-airport activities and include an induced component or multiplier effect component. Indirect impacts are driven primarily by off-

airport spending from visitors. This spending is a result of or indirectly related to on-airport activities. These visitor spending indirect impacts also have an induced component.

Indirect impacts also include the purchase of goods and services from off-airport businesses by those businesses located on-airport. These supplies and services provided by off-airport businesses include: wholesale merchandise to be sold by airport stores; furniture and equipment for offices, restaurants, and stores located at the Airport; hotel/motel industry; and banking, insurance, legal and accounting, and technical services for airport businesses. These indirect impacts also include an induced component.

1.2 Methodology for the Economic Vitality Analysis

The first step in the Economic Vitality Analysis was to identify data requirements and to develop an overall strategy for obtaining the reliable data upon which to base the analysis. Data was collected over an extended period of time and through several different means to maximize the inclusive nature of the effort. Significant efforts were made to provide all airport tenants with the opportunity to provide input.

Initially, a web-based survey was conducted to gather data from a wide range of airport tenant and user groups. The groups surveyed online included:

- On-airport businesses, employers and tenants;
- Off-airport businesses and organizations related to airport activities; and
- Air passengers including commercial, air taxi, corporate and general aviation passengers.

The web-based survey was supplemented with hardcopy surveys, research by airport management, and then e-mail and telephone follow up with FBOs and the Carlsbad Convention and Visitors Bureau to collect additional data. Data obtained from the surveys were also supplemented with data from other sources such as the US Department of Commerce and the US Department of Labor.



Aircraft Maintenance Activities (CRQ)

The data gathered from the surveys was analyzed and used to determine direct, indirect and induced economic impacts for on-airport and off-airport activities.

Tax impacts generated by activity at the Airport were also estimated using information provided by the County of San Diego and the California Tax Service Center. These taxes include local and state tax impacts and federal aviation taxes.

Impacts associated with capital projects at the airport were also identified and compiled. The direct employment, personal income and revenues were determined from the survey conducted as well as information provided by airport management.

The aforementioned impacts were added in order to provide an estimate of the total economic impact of McClellan-Palomar Airport.

The current economic impacts of the Airport were also compared to the previous economic study prepared by Coffman Associates in 1995. Economic activity at McClellan-Palomar Airport was also compared to that of five other similar airports.

Future year 2030 economic activity at the airport was analyzed under two different growth scenarios. The first scenario assumes that airport activity would continue to grow at the rate specified in the FAA's TAF. The other scenario assumes that the Airport will be designated as a reliever to San Diego International Airport which would likely cause an increase in the growth rate of commercial passenger operations.



North Side GA Apron (CRQ)

1.3 McClellan-Palomar Airport Activity Overview

McClellan-Palomar Airport is located in the City of Carlsbad, California. The Airport is owned and operated by San Diego County. According to the Federal Aviation Administration's (FAA) most recent inspection report (FAA Form 5010) dated April 11, 2007, the airport's property

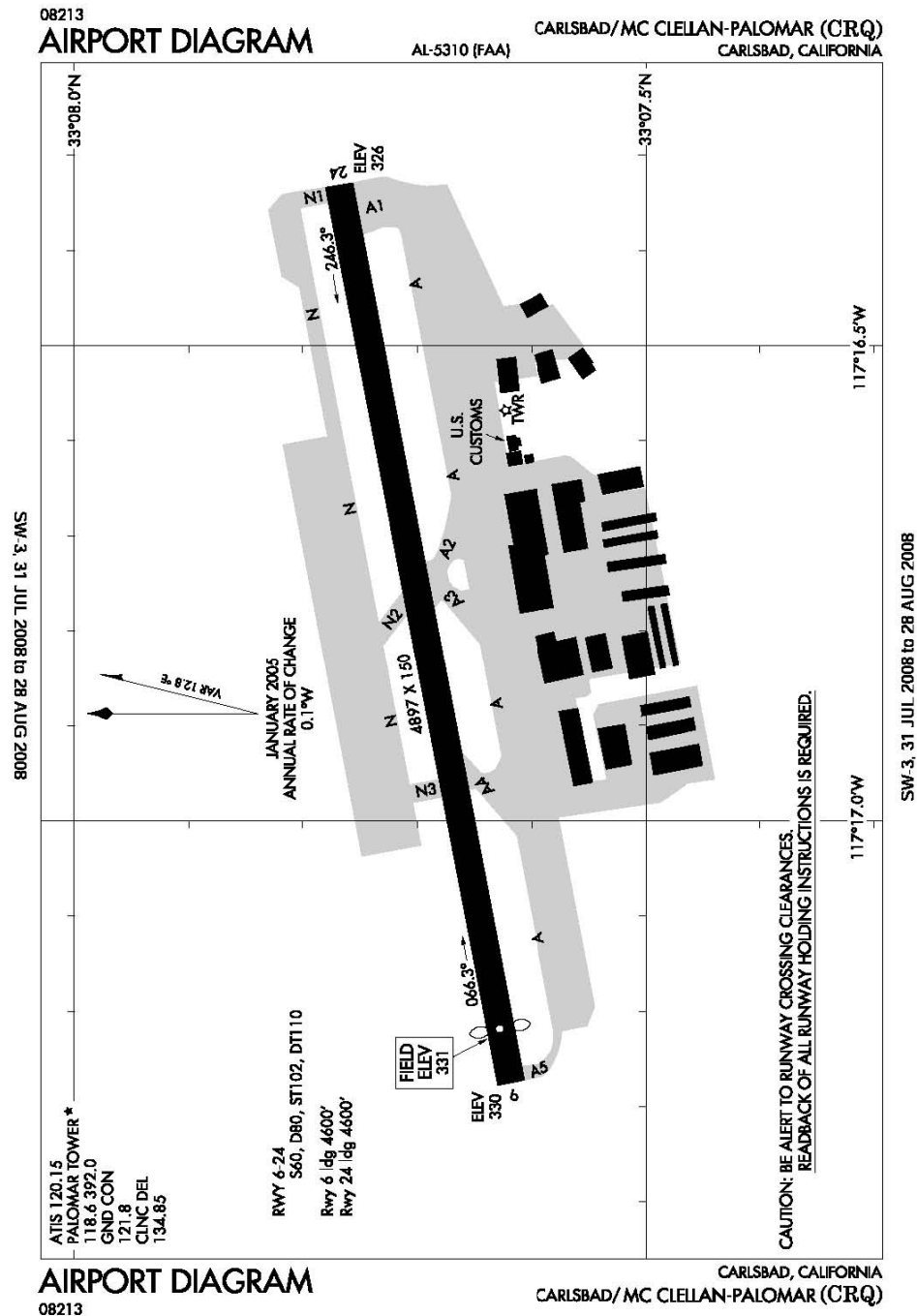
encompasses approximately 466 acres and is home to over 354 based aircraft.

Exhibit 1.1 depicts the Airport's facilities. The existing Runway 6-24, oriented northeast - southwest, has a length of approximately 4,897 feet and a width of 150 feet. Runway 6-24 is constructed of asphalt and has a porous friction course surface from end to end for wet weather turbojet operations. The runway can accommodate up to 110,000 pounds dual tandem wheel aircraft, 80,000 pounds dual wheel aircraft and 60,000 pounds single wheel aircraft. The runway has a High Intensity Runway Lighting (HIRL) system and precision instrument markings for Runway 24.

Commercial air service to the airport is provided by United Express and other chartered airlines and air taxi operators including Vision Airlines, Great Circle Aviation, Schubach Aviation, and Jet Source Inc. There are also four full service fixed base operators (FBO) located at the airport that provide services such as aircraft fueling, storage, and maintenance. Existing aircraft storage facilities at McClellan-Palomar Airport include conventional hangars, T-hangars, and apron facilities such as tie-downs. These facilities are provided by the FBOs, the County, and various airport tenants.

Operational activity at the Airport in 2008 consisted of 14,288 commercial operations, 177,403 general aviation operations and 1,616 military operations. The FAA's Terminal Area Forecast (TAF) for the Airport projects that commercial and general aviation operations will grow to 19,940 and 199,315, respectively, by the year 2025. Military operations are anticipated to remain at current levels throughout the same period.

Exhibit 1.1 Airport Facilities



Source: www.airnav.com

1.4 Regional Socioeconomic Trends

The economic impacts generated by the Airport occur within and are influenced by the overall context of socioeconomic conditions within the region. Socioeconomic conditions and trends within the region have a direct influence on the amount of economic activity at the Airport.

Growth trends within the City of Carlsbad, the North County West Major Statistical Area (MSA), and San Diego County were reviewed to provide a broad perspective of the overall economic setting that the Airport operates within.

Operational activity at the Airport in 2008 consisted of 14,288 commercial, 177,403 general aviation, and 1,616 military operations. The FAA's Terminal Area Forecast for the Airport projects that commercial and general aviation operations will grow to 19,940 and 199,315, respectively by the year 2025. Military operations are anticipated to remain at current levels throughout the same period.

1.4.1 City of Carlsbad and North County West MSA

Over the past seven years the economies of the City of Carlsbad and the North County West MSA, of which the city is a part, have experienced continuous growth. This is evident from population, employment, and median household income data published by the San Diego Association of Governments (SANDAG).

Table 1.1 presents historical and forecast population growth in the City of Carlsbad and the North County West MSA. In the year 2000, the City represented 21 percent of the population of the North County West MSA. During the period from 2000 to 2007, the populations of the City of Carlsbad and North County West MSA increased

at average annual compounded growth rates (AACGR) of 3.8 percent and 1.9 percent, respectively. By the year 2007, the City of Carlsbad was estimated to represent 24 percent of the population of the North County West MSA.

SANDAG anticipates that the population of the City of Carlsbad and North County West MSA will continue to increase over the next two decades. The population of the City is projected to increase at an AACGR of 0.8 percent from 2010 to 2020 and at an AACGR of 0.6 percent from 2020 to 2030. Similarly, the population of the North County West MSA is projected to increase at an AACGR of 0.6 percent from 2010 to 2020 and from 2020 to 2030.



Original Terminal Building (CRQ)

Historical levels of employment within the City of Carlsbad and North County West MSA are presented in **Table 1.2**. In the year 2000, the City generated 30 percent of the total employment in the North County West MSA. During the period from 2000 to 2007, employment increased in the City of Carlsbad and the North County West MSA at AACGRs of 1.7 percent and 0.5 percent, respectively.

In 2007, employment generated in the City of Carlsbad was estimated to represent 33 percent of the total employment in the North County

Table 1.1
Historical and Forecast Population Growth – City of Carlsbad

Year	City of Carlsbad	North County West MSA	City Percent of MSA
Historical ¹			
2000	78,247	364,157	21%
2004	92,695	396,184	23%
2007	101,337	416,225	24%
Forecast ¹			
2010	109,611	434,539	25%
2020	119,095	460,035	26%
2030	127,046	489,859	26%
AACGR ²			
2000 to 2007	3.8%	1.9%	
2010 to 2020	0.8%	0.6%	
2020 to 2030	0.6%	0.6%	

Source: 1. SANDAG Data Warehouse - www.sandag.org
2. Kimley-Horn and Associates, Inc. analysis 2008

Table 1.2
Historical and Forecast Employment Growth – City of Carlsbad

Year	City of Carlsbad	North County West MSA	City Percent of MSA
Historical ¹			
2000	50,787	168,764	30%
2004	54,347	166,922	33%
2007	57,159 ²	174,269	33%
Forecast ¹			
2010	59,970	181,615	33%
2020	68,690	202,478	34%
2030	78,784	230,103	34%
AACGR ²			
2000 to 2007	1.7%	0.5%	
2010 to 2020	1.4%	1.1%	
2020 to 2030	1.4%	1.3%	

Source: 1. SANDAG Data Warehouse www.sandag.org
2. Kimley-Horn and Associates, Inc. analysis 2008

West MSA. The greater proportion of employment in the City of Carlsbad, when compared to its relative population, is indicative of a greater ability of businesses within the City to generate jobs.

SANDAG forecasts that employment within in the City of Carlsbad and the North County West MSA will continue to grow over the next two decades. Employment in the City is projected to increase at an AACGR of 1.4 percent from 2010 to 2020 and from 2020 to 2030. Employment in the North County West MSA is anticipated to increase at an AACGR of 1.1 percent from 2010 to 2020 and at an AACGR of 1.3 percent from 2020 to 2030.

Historical and forecast median household income (stated in 1999 dollars) for the City of Carlsbad and North County West MSA are presented in **Table 1.3**. Median income, in contrast to average income, means that one half of all households earn less and the other half earn more than the median value. Median household income is often

considered a better indicator of the earnings per household than average household income because it is not unduly influenced by unusually high or low earning households in a particular area. In the year 2000, the median household income in the City was 22 percent greater than the median household income in the North County West MSA as a whole.

During the period from 2000 to 2007, there was an overall 1.3 percent increase in the median household income for both the City and North County West MSA. The economic downturn related to the subprime mortgage market crisis that commenced in 2006 is reflected in the slight decline in median household income from 2004 to 2007. In 2007, the median household income in the City was 22 percent greater than the median household income in the overall North County West MSA.

Table 1.3
Historical and Forecast Median Household Income Growth – City of Carlsbad

Year	City of Carlsbad	North County West MSA	City Percent of MSA
Historical ¹			
2000	\$65,854	\$53,920	122%
2004	\$72,580	\$59,387	122%
2007	\$72,195	\$59,094	122%
Forecast ¹			
2010	\$76,562	\$62,425	123%
2020	\$83,845	\$67,641	124%
2030	\$90,646	\$73,106	124%
AACGR ²			
2000 to 2007	1.3%	1.3%	
2010 to 2020	0.8%	0.8%	
2020 to 2030	0.8%	0.8%	

Source: 1. SANDAG Data Warehouse www.sandag.org
 2. Kimley-Horn and Associates, Inc. analysis 2008

During the period from 2000 to 2007, there was an overall 1.3 percent increase in the median household income for both the City and North County West MSA. The economic downturn related to the subprime mortgage market crisis that commenced in 2006 is reflected in the slight decline in median household income from 2004 to 2007. In 2007, the median household income in the City was 22 percent greater than that in the overall North County West MSA.

SANDAG forecasts anticipate that median household income in the City and North County West MSA will increase over the next two decades. Median household income in the City is projected to increase at an AACGR of 0.8 percent from 2010 to 2020 and from 2020 to 2030. Median household income in the North County West MSA is anticipated to increase at the same rate for these time periods.

1.4.2 San Diego County

Both population and employment growth in San Diego County show a positive trend over the past

seven years. **Table 1.4** presents historical and forecast population and employment growth within the County. In the year 2000, the population of the County was 2,813,833 and total employment was 1,384,676. During the period from 2000 to 2007, population and employment grew at AACGRs of 1.4 percent and 1.3 percent, respectively. By the year 2007, the population of the County was 3,098,269 and total employment was 1,511,546.

SANDAG forecasts anticipate that population and employment within the County will continue to grow at comparable rates. The population of the County is forecast to grow at an AACGR of 1.1 percent from 2010 to 2020 and at an AACGR of 0.9 percent from 2020 to 2030. These projections place population growth in the county in line with that of the State of California and United States (US) as a whole.

Table 1.4
Historical and Forecast Population and Employment—San Diego County

Year	Population	Employment
Historical ¹		
2000	2,813,833	1,384,676
2004	3,013,014	1,449,349
2007	3,098,269	1,511,546
Forecast ¹		
2010	3,245,279	1,573,742
2020	3,635,855	1,741,033
2030	3,984,753	1,913,682
AACGR ²		
2000 to 2007	1.4%	1.3%
2010 to 2020	1.1%	1.0%
2020 to 2030	0.9%	0.9%

Source: 1. SANDAG Data Warehouse www.sandag.org
2. Kimley-Horn and Associates, Inc. analysis 2008

The State of California, Department of Finance, in *Population Projections for California and Its Counties 2000-2050*, July 2007, forecasts that the population of California will grow at an AACGR of 1.2 percent from 2010 to 2020 and at an AACGR of 1.1 percent from 2020 to 2030. According to the US Census Bureau, the population of the United States is forecast to grow at an AACGR of 0.8 percent from 2010 to 2020 and from 2020 to 2030.



Lower Level Terminal Parking (CRQ)

SANDAG forecasts anticipate that employment in the County will grow at an AACGR of 1.0 percent from 2010 to 2020 and at an AACGR of 0.9 percent from 2020 to 2030. Comparatively, the California Employment Development Department projects that employment in the State of California will grow at an AACGR of 1.4 percent from 2006 to 2016.

1.5 Current Economic Environment

The last five to seven years have been difficult for the airlines and the aviation industry in general. The September 11, 2001 attack on the World Trade Center crippled an already struggling sector of the economy by sharply decreasing the nation's appetite for air travel. The ensuing

recession has further compounded the problem by limiting any possibility of a quick air travel rebound.

Today the industry must contend with fluctuating oil prices, added costs for ever changing security measures, an influx of low-cost airlines entering the market, and increasing liability insurance costs in the general aviation marketplace. This new set of constraints has made it even more difficult to do business in what has traditionally been one of the world's most competitive industries.

The following is an overview of the economic conditions present at the time of the writing of this report and a brief discussion about the aviation industry and issues affecting that industry's performance.

1.5.1 General Aviation Outlook

A pronounced decline in the general aviation industry began in 1978, and lasted into the mid-1990s. This decline resulted in the loss of over 100,000 manufacturing jobs and a drop in aircraft production from about 18,000 aircraft annually to only 928 aircraft in 1994. Contributing to the decline in general aviation during this period was the increasing number of liability claims against aircraft manufacturers, the loss of Veterans Benefits that covered many costs associated with student pilot training, and the recessionary economy. Product liability lawsuits arising from aircraft accidents resulted in dramatic increases in aircraft manufacturing costs.

Enactment of the General Aviation Revitalization Act (GARA) of 1994 provided significant relief to the aviation industry. This Act established an 18-year Statute of Repose on liability related to the manufactures of all general aviation aircraft and their components where no time limit was

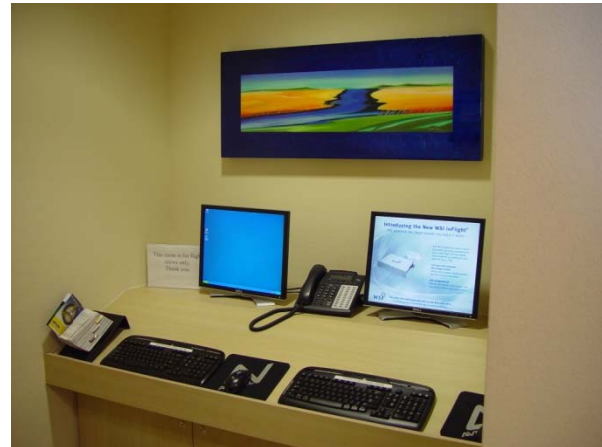
previously established. Some positive impacts the Act has had on the general aviation industry are reflected in recent national statistics. Since 1994, statistics indicate an increase in general aviation activity, an increase in the active general aviation aircraft fleet, and an increase in shipments of fixed-wing general aviation aircraft.

As a result of the terrorist attacks of September 11, 2001, significant restrictions were placed on general aviation flying in many areas of the country. With the exception of the Washington, D.C. area, most of these restrictions have now been lifted. Business and corporate general aviation have experienced some positive gains resulting from the additional use of general aviation aircraft for travel. This trend is tied in part to increasingly time consuming security measures being implemented at commercial service airports.

Business aviation is one of the fastest growing facets of general aviation. Companies and individuals use aircraft as a tool to improve their businesses efficiency and productivity. The terms “business” and “corporate” aircraft are often used interchangeably, as they both refer to aircraft used to support a business enterprise. The FAA defines business use as “any use of an aircraft (not for compensation or hire) by an individual for transportation required by the business in which the individual is engaged.” The FAA estimates that business aircraft conduct slightly more than 11 percent of all aviation activity.

The FAA defines corporate transportation as “any use of an aircraft by a corporation, company or other organization (not for compensation or hire) for the purposes of transporting its employees and/or property, and employing professional pilots for the operation of the aircraft.” An

additional 12 percent of the nation’s general aviation activity is considered corporate. Regardless of the terminology used, the business component of general aviation use is one that has experienced significant recent growth.



FBO Flight Planning Facility (CRQ)

Increased personnel productivity is one of the most important benefits of using business aircraft. Companies flying general aviation aircraft for business have control of their travel. Itineraries can be changed as needed, and the aircraft can fly into destinations not served by scheduled airlines. Business aircraft usage provides the following:

- Employee time savings
- Increased en route productivity
- Minimized time away from home
- Enhanced industrial security
- Management control over scheduling

Many of the nation's employers who use general aviation are members of the National Business Aircraft Association (NBAA). The NBAA’s Business Aviation Fact Book 2004 indicates that approximately 75 percent of all Fortune 500 businesses operate general aviation aircraft and 92 of the Fortune 100 companies operate general

aviation aircraft. Business use of general aviation aircraft ranges from small, single-engine aircraft rentals to multiple aircraft corporate fleets supported by dedicated flight crews and mechanics.

General aviation aircraft use allows employers to transport personnel and cargo efficiently. Businesses often use general aviation aircraft to link multiple office locations and reach existing and potential customers. Business aircraft use by smaller companies has escalated as various chartering, leasing, time-sharing, interchange agreements, partnerships, and management contracts have emerged.

Other new, growing segments of the business aircraft fleet mix include business liners and very light jets (VLJs). Business liners are large business jets, such as the Boeing Business Jet and Airbus ACJ, which are reconfigured versions of passenger aircraft flown by large commercial airlines. Very light jets are a relatively new category of aircraft that includes the Eclipse 500 and Cessna Mustang (among others). These are small jets, seating less than 10 passengers, that cost substantially less than typical business jet aircraft. They have been labeled as “personal jets”.

VLJ aircraft represent a significant departure from the cost of previously available jet aircraft. Certified by the FAA in June 2006, the Eclipse 500 has a purchase price of approximately \$1.6 million and has experienced significant interest with orders for more than 2,500 aircraft to date.

Business aviation is projected to experience additional growth in the future. The Honeywell Business Aviation Outlook projects that more than 14,000 new business aircraft valued at over \$233 billion will be delivered between 2007 and 2017, excluding business liners and very light jets.

The anticipated increased use of business and corporate aircraft and overall changes in the nation’s active general aviation fleet is likely to significantly impact aviation activity at the McClellan-Palomar Airport over the next 10-20 years.

1.5.2 Airline Industry Outlook

The following is a brief review of the airline industry, as it existed at the time of the writing of this report.



Commercial Air Service Activity (CRQ)

Demand - Boeing’s most recent 20-year forecast estimates that worldwide passenger traffic growth will average 5.2% per year and air cargo traffic growth will average 6.2% per year. Airbus’ Global Market Forecast estimates that passenger traffic growth will average 5.3% per year and air cargo traffic growth will average 5.9% per year.

Both forecasts anticipate the bulk of passenger and freight growth to occur in Asia, followed by South America and Europe. Boeing’s forecast states that “because of its maturity the intra-North America market share of world traffic will decline from 24% to 20% as less developed markets grow faster.” Boeing estimates that “air travel growth for North American carriers will average 4.5% annually” at least through 2023,

while Airbus estimates that domestic U.S. passenger traffic will increase by 3.2% over the same period. Airbus estimates that domestic U.S. cargo will increase by 4.2% per year.

Competition - Due to high costs and competitive pressures, most analysts expect the airline industry to continue to perform weakly in the foreseeable future. Traditional network carriers will continue to struggle with high cost and inefficient structures and high debt. Their troubles have only been made worse by high energy costs. Though some have realized short-term relief through labor concessions and bankruptcy protection, their ability to profitably compete in the long-term remains a question. Newer low-cost carriers will continue to squeeze the “legacy” carriers on domestic flight fares.

The primary concern for all airlines is the current and future cost of fuel, one of the biggest cost drivers for the aviation industry. The ever present possibility of high energy costs means that any gains that airlines may have made through structural changes, through labor concessions, or the recent downturn in oil prices, could quickly evaporate. The extremely competitive pricing in the industry has left little room for the absorption of these highly volatile costs.



GA Apron Construction Activity (CRQ)

Legacy Carriers vs. Low-Cost Carriers - The market is currently divided between legacy carriers and low-cost carriers. Of the two, the low-cost carriers seem to be able to make a profit consistently. On the surface it would appear that the primary reason for this is that legacy carriers are burdened with expensive union contracts while low-cost carriers have lower wage structures. While this is true in many instances it is not universal. A deeper look at the industry reveals that other factors such as labor productivity and efficient asset utilization have a greater impact on cost structures and profitability.



Lower Level Parking Pedestrian Bridge (CRQ)

David Eil of Global Insight states in his report entitled Legacy Airlines Could Learn from Low-Cost Competitors, “Low-cost carriers use their resources, both human and material, much more efficiently than legacy airlines, which are locked into old modes of production.” In terms of human capital utilization, legacy carriers with older union contracts suffer from restrictive work rules that lower productivity by idling bodies. Low-cost carriers have been able to negotiate contracts that allow for “more flexible work rules” that allow for “greater cross-utilization of labor, resulting in much improved productivity.”

With regard to capital asset utilization, legacy carriers rely heavily on hub-and-spoke systems, which idle aircraft (and personnel) more than the point-to-point systems employed by low-cost carriers. “In 2002 JetBlue operated each of its aircraft for an average of 12.9 hours per day, while legacy carriers struggled to reach 10 hours per day.”

The productivity drags of restrictive labor contracts and the inefficiencies in asset utilization of the hub-and-spoke system combine to form a structural problem that threatens the long-term viability of legacy carriers. Current efforts to secure wage concessions out of their work forces will do little to improve the long-term competitive position of these airlines. Legacy carriers may not be able to move away from the hub-and-spoke system because of the “huge fixed costs in real estate at their hubs that keep them wedded to this system.”

At an airport such as McClellan-Palomar that relies heavily on connectivity to the hub-and-spoke network of the major legacy carriers, the continued success of the low-cost carriers may provide opportunity for new or enhanced services.

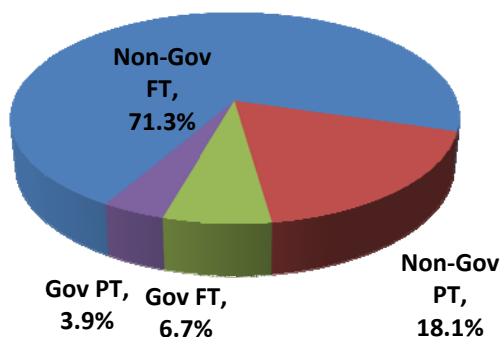
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SECTION 2 – DIRECT AND INDIRECT ECONOMIC IMPACTS OF AIRPORT ACTIVITY

2.1 Direct Employment

The Airport supports a wide variety of aviation-related jobs in transportation, retail, and government services. These jobs include: terminal and airfield operations, security, facility management and building maintenance, airline and aircraft support services, concessionaire services, and ground transportation. Based on the analysis of data obtained from surveys of airport management, on-airport businesses, and tenants, **404** people were employed at McClellan-Palomar Airport in 2008 making it one of the top 20 employers in Carlsbad. Of these, 315 were full-time (FT) jobs and 89 were part-time (PT) jobs. Treating each part-time job as half of a full-time job, results in an estimation of approximately **360** full-time equivalent (FTE) jobs.

Full Time vs Part Time Employment Breakdown



2.2 Direct Income

The personal income earned by these workers employed at the Airport was estimated to be **\$21,960,000** in 2008. The annual personal income of on-airport employees was estimated from tenant survey data and compared to data reported by the U.S. Department of Commerce

Bureau of Economic Analysis (BEA) for the San Diego-Carlsbad-Santa Marcos MSA. Annual payroll data, covering approximately 90 percent of the FTE employees identified, was obtained from the various electronic and paper survey data collection efforts.



Corporate Jet Activity (CRQ)

2.3 Direct Revenues

The total revenue generated by on-airport businesses in 2008, was estimated to be **\$116,620,000**. These total revenues include business sales and government budget expenditures. Direct revenues were obtained from airport management and surveys of on-airport businesses and tenants. Direct revenues were based on average revenues generated per worker at the Airport.

2.4 Indirect Impacts Due to Visitor Spending

Approximately 25 percent of the total air passengers arriving at McClellan-Palomar Airport are visitors. These visitors include those traveling

by commuter airline, air taxi, corporate and general aviation aircraft. The survey data showed that 68 percent of arriving passengers were traveling for business reasons and 32 percent for pleasure or personal reasons.

The survey data was also used to determine average daily expenditures per visitor and average length of stay. On average, each visitor stayed for 4.7 days and spent \$273 per day during their visit. These average expenditure and length of stay data are comparable to those published in other studies by the San Diego and San Diego North Convention and Visitors Bureaus.

Off-airport spending by visitors in the area generated about **\$61,760,000** of business sales for hotels, restaurants, retail stores, local transportation and other recreational providers.

2.4.1 Indirect Employment and Income Generated by Visitor Spending

The total spending by visitors arriving at McClellan-Palomar Airport supported **692 FTE** jobs and generated **\$23,340,000** of personal

income in 2008. Data collected from the off-airport business surveys was used to calculate direct employment and income related to visitor spending. The percentage of business sales, which is actual visitor spending, to the payroll spent were determined for each industry sector and compared with the previous economic benefits study for the airport. Similarly, the average personal income or earnings per worker were also developed by industry sector. **Table 2.1** summarizes the indirect impacts of visitor spending broken down by business sector.

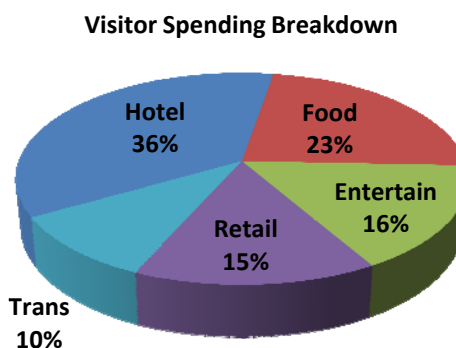


Table 2.1
Off-Airport Impacts Related to Visitor Spending

Business Sectors	Total Visitor Spending	Employment Income	Employment
Hotels	\$22,233,600	\$8,240,000	262
Restaurants/Bars	\$14,204,800	\$4,970,000	220
Entertainment/Other	\$19,145,600	\$7,660,000	159
Transportation	\$6,176,000	\$2,470,000	51
Total Expenditures	\$61,760,000	\$23,340,000	692

Sources: McClellan-Palomar Airport Survey, 2008.
Kimley-Horn and Associates, Inc. analysis 2008

2.5 Summary of Direct and Indirect Impacts

Table 2.2 summarizes the direct impacts from on-airport activities and those from visitor spending on the area. The total direct and visitor spending

impacts of McClellan-Palomar Airport are **1052** FTE local jobs, **\$45,300,000** in personal income, and **\$178,380,000** in business revenues which includes business sales and government budget expenditures.

Table 2.2
Summary of Direct and Indirect Economic Impacts

Economic Impact	Employment	Income	Revenues
Direct Impacts (driven by on-airport activities)	360	\$21,960,000	\$116,620,000
Indirect Impacts (driven by off-airport visitor spending)	692	\$23,340,000	\$61,760,000
Total Direct and Indirect Impacts	1,052	\$45,300,000	\$178,380,000

Source: McClellan-Palomar Airport Survey.
 Kimley-Horn and Associates, Inc. analysis 2008

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SECTION 3 – OTHER INDIRECT AND INDUCED ECONOMIC IMPACTS FROM AIRPORT ACTIVITY

3.1 Other Indirect Employment, Income, and Revenue

The previous section identified indirect impacts due to visitor spending. The direct economic impacts identified in the previous section also generate additional income and revenues in the local economy. These additional income and revenues are referred to as indirect and induced economic impacts. Other indirect revenue impacts include the sales from local businesses that provide supplies to the on-airport or aviation-related businesses.

Business activities serving arriving visitors outside the airport also generate additional orders for goods and services including: fuelling and maintenance for use of off-airport taxi cabs, rental cars, tour buses and public transportation; wholesale merchandise to be sold by airport stores; furniture and equipment for offices, restaurants, and stores located at the Airport; and banking, insurance, legal and accounting, and technical services for airport businesses. These indirect economic impacts were included in the analysis.



Premier Jet FBO (CRQ)

Other indirect impacts of on-airport business activities generated approximately **65 jobs**, **\$2,720,000** in personal income, and **\$6,810,000** in revenue in 2008.

3.2 Induced Employment, Income, and Revenue

Induced economic impacts are generated through the spending of personal income by the employees of on-airport and aviation-related businesses at the Airport. The recipients of that income then spend part of that income in the local economy, thus producing income for other local residents, and so on through the various rounds of spending.

Off-airport businesses serving arriving visitors also generate jobs and personal income. This personal income was spent on consumer purchases such as food, clothing, furnishing, automobiles, houses, services and other investment activities. These induced impacts were included in the analysis.

The induced economic impacts of Airport were calculated by applying the appropriate U.S. Department of Commerce, Bureau of Economic Analysis (BEA) Regional Input-Output Modeling System (RIMS II) multipliers broken down by industry classification. For the purpose of this analysis the relevant industries that are involved include:

- Air Transportation;
- Wholesale trade, for purchases from local suppliers;
- Accommodation;
- Food Services;

- Amusement and Recreation; and
- Ground Passenger Transportation.

activities serving arriving visitors which generated **1,446** jobs, **\$44,760,000** in personal income, and **\$158,350,000** in revenue in 2008.

Table 3.1 presents a summary of the induced impacts of on-airport business activities and

Table 3.1
Summary of Induced Economic Impacts

Economic Impact	Employment	Income	Revenues
Driven by On-airport Activities	817	\$32,220,000	\$95,970,000
Driven by Off-Airport Visitor Spending	614	\$11,380,000	\$56,430,000
Driven by Local Purchases by On-airport Businesses	16	\$1,160,000	\$5,590,000
Total Induced Impacts	1,446	\$44,760,000	\$158,350,000

Source: McClellan-Palomar Airport Survey.
BEA regional multipliers.
Kimley-Horn and Associates, analysis 2008

SECTION 4 – TAX IMPACTS GENERATED BY AIRPORT ACTIVITIES

4.1 State and Local Tax Impacts

McClellan Palomar Airport is a vital source of public revenues. State and local tax revenues are generated from the economic activity at the Airport. Direct tax revenues include property taxes paid by on-airport businesses, personal property assessments of general aviation based at the Airport, and sales taxes from airport tenants. Indirect tax revenues include sales taxes from air traveler spending, hotel occupancy taxes, and taxes paid by businesses that serve air travelers. Induced taxes were determined from those induced sales and income that were generated from the initial direct and indirect sources. Property tax assessments were obtained from the County of San Diego. State tax estimates were based on effective tax rates calculated from data obtained from the California Tax Service Center applied to personal income generated by Airport activities. It was estimated that in 2008, **\$10,230,000** in state and local tax revenue were attributed to direct activities, **\$5,230,000** was attributed to indirect activities,

and **\$5,960,000** to induced effects. Total tax revenues were **\$21,420,000** in 2008. **Table 4.1** presents the results of the analysis.



Western Flight FBO (CRQ)

It should be noted that tax revenues are a component of, and not additive to, the gross revenues created by on-airport and air visitor economic activity calculated for the Airport.

Table 4.1
Estimated 2008 State and Local Tax Impacts

Jurisdiction	Revenues from Direct Activities	Revenues from Indirect Activities	Revenues from Induced Effects	Total Tax Revenues
Local	\$8,470,000	\$5,010,000	\$2,380,000	\$15,860,000
State	\$1,760,000	\$220,000	\$3,580,000	\$5,560,000
Total	\$10,230,000	\$5,230,000	\$5,960,000	\$21,420,000

*Sources: California Tax Service Center
 County of San Diego
 Kimley-Horn and Associates, analysis 2009*

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SECTION 5 –IMPACTS FROM AIRPORT CAPITAL PROJECTS



New Terminal Construction (CRQ)

The Capital Improvement Program (CIP) for McClellan Palomar Airport generated millions of dollars of business revenues in 2008. The proposed CIP for the years 2009 through 2014 are composed of consulting, engineering and construction projects including the following:

- Rehabilitation and reconstruction of Runway 6-24;
- Design and installation of an Engineered Materials Arresting System (EMAS) on the west end of the runway;

- Expansion of the north apron;
- Installation of taxiway guidance signs; and
- Runway safety area improvements.

5.1 Direct Impacts

In 2008, the Airport's CIP generated an estimated **52 jobs** in the local area and paid **\$2,180,000** in personal income, based on approximately **\$7,630,000** in business revenues. **Table 5.1** presents the direct impacts of the CIP in 2008.

5.2 Indirect and Induced Effects

Adjustment factors published by the U.S. Department of Commerce were applied to the direct CIP revenues to estimate total, indirect and induced effects of the CIP. In 2008, indirect and induced effects of the Airport's CIP generated an additional **\$7,967,475** in revenues, supported 69 additional jobs and paid **\$2,829,095** in personal income.

The total regional contribution of the Airport's CIP was **\$15,600,000**, generating **121 jobs** and **\$5,010,000** in personal income as presented in Table 6.1.

Table 5.1
Summary of 2008 Capital Improvement Program Impacts

Economic Impact	Employment	Income	Revenues
Direct	52	\$2,180,000	\$7,630,000
Indirect	27	\$1,110,000	\$3,120,000
Induced	42	\$1,720,000	\$4,850,000
Total CIP Impacts	121	\$5,010,000	\$15,600,000

Source: County of San Diego, Airports
BEA regional multipliers.
Kimley-Horn and Associates, analysis 2009

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SECTION 6 – COMPARISON TO OTHER AIRPORTS

6.1 Comparison with Previous Studies

The findings of the 1994 economic benefits study by Coffman Associates for McClellan-Palomar Airport were reviewed and compared with the findings of this study. Common factors evaluated in the studies were compared. These were mainly related to direct economic impacts from on-airport activities and visitor spending. Indirect and induced economic impacts as well as state and local tax impacts were also compared.

Between 1994 and 2008:

- Employment attributed to Airport activities increased 211.3 percent from 1,270 to 2,684;
- Personal income increased 292.8 percent from \$33.4 million to \$97.8 million;
- Business revenues increased 330.7 percent from \$108.6 million to \$359.1 million; and
- State and local tax revenues increased 476.0 percent from \$4.5 million to \$21.4 million.

6.2 Comparison with Other Airports

The findings of this economic vitality analysis were also compared to the findings of the most recent economic impacts studies from five comparable airports. The airports included in this comparison were:

- Bradley International Airport, Hartford County, Windsor Locks CT
- Bob Hope Airport, Los Angeles County, Burbank CA
- Bowman Field Airport, Jefferson County, Louisville KY

- Ernest A. Love Field Airport, Yavapai County, Prescott AZ
- Willow Run Airport, Wayne County, Detroit MI

The basis for the comparison included one or more of the following:

- The number of based aircraft;
- The total number of airport operations; and
- Socioeconomic factors such as per capita personal income.

Appendix A, presents a comparison of key airport data for these airports including recent airport operations, commercial passenger enplanements, employment on-airport and induced, as well as other socioeconomic indicators in the airports' local areas.



Jet Source FBO (CRQ)

6.2.1 Bradley International Airport

Economic impact data for Bradley International Airport (BDL) was obtained from the February 2006 report "Bradley International Airport Improvements: An Economic Impact Analysis" prepared by the Connecticut Center for Economic

Analysis. This study concerned the impact of the \$235.6 million capital improvement program solely. Total employment to be generated by the BDL capital improvement was 4,690 to 9,352 jobs and resulted in a total income of approximately \$252.35 million to \$495.97 million.

6.2.2 Bob Hope Airport

Economic impact data for Bob Hope Airport (BUR) was obtained from the 2006 report "The Economic Impact of Bob Hope Airport" prepared by Unison Maximus Consulting Solutions. Direct economic activity attributed to BUR was approximately \$628.1 million, while visitor spending was responsible for \$1,124.1 million in economic activity. Based on multipliers, BUR generated approximately \$3.9 billion in total economic activity in 2006. Total employment generated by BUR was 36,000 jobs that resulted in a total income of approximately \$1.2 billion.

6.2.3 Bowman Field Airport

Economic impact data for Bowman Field Airport (LOU) was obtained from the 2005 report "The Economic Impact of Bowman Field on the Louisville Economy 2005" prepared for the Louisville Regional Airport Authority. Direct economic activity attributed to LOU was approximately \$7.5 million. Based on multipliers, LOU generated approximately \$36.5 million in total economic activity in 2005. Total employment generated by LOU was 375 jobs that resulted in a total income of approximately \$11.4 million.

6.2.4 Ernest A. Love Field Airport

Economic impact data for Ernest A. Love Field Airport (PRC) was obtained from the 2006 report "Prescott Airport Economic Impact Study" prepared by William V. Cheek and Associates Aviation consulting. Direct economic activity

attributed to PRC was approximately \$25.37 million. PRC generated approximately \$68.76 million in total economic activity in 2005 and a total employment of approximately 738 jobs.

6.2.5 Willow Run Airport

Economic impact data for Willow Run Airport (YIP) was obtained from the 2007 report "The economic Impact of Willow Run Airport 2007" prepared by the University of Michigan Dearborn School of Management. Direct economic activity attributed to YIP was approximately \$29.6 million, while visitor spending was responsible for \$22.1 million in economic activity in 2007. YIP generated approximately \$200 million in total economic activity in 2007. Total employment generated by YIP in 2007 was 2,000 jobs that resulted in a total income of approximately \$63 million.



New Terminal Building (CRQ)

SECTION 7 – TOTAL ECONOMIC IMPACTS AND ESTIMATE OF FUTURE ECONOMIC IMPACTS

7.1 Total Economic Contribution

The total economic contribution of McClellan-Palomar Airport to the local community is the sum of the business activity associated with the operation of the Airport and its tenants, the spending of its users, the business activity associated with orders to suppliers, the Airport's capital improvement program, and re-spending of workers' income. These contributions to the regional economy are summarized in **Table 7.1**.



New Terminal Building (CRQ)

In 2008, activity at McClellan-Palomar Airport accounted for \$212.6 million in local business

revenue which supported 1,176 local jobs and paid \$54.2 million in personal income. Off-airport visitor spending accounted for \$118.2 million in local business revenue which supported 1,306 local jobs and paid \$34.7 million in personal income. Off-airport purchases by airport tenants from local suppliers of goods and services accounted for \$12.8 million in local business revenue which supported 80 local jobs and paid \$3.9 million in personal income. The Airport's CIP accounted for \$15.6 million in local business revenue which supported 121 local jobs and paid \$5.0 million in personal income.

The total economic contribution of McClellan-Palomar Airport to the Carlsbad/North San Diego County region in 2008 was:

- 2,684 jobs;
- \$97.8 million in personal income; and
- \$359.1 million in revenue.

It should be noted that state and local tax revenues of approximately \$21.4 million were generated as a portion of this total contribution.

Table 7.1

Total Economic Impacts of McClellan-Palomar Airport in 2008

Economic Impact	Employment	Income	Revenues
Driven by On-Airport Activities	1,176	\$54,180,000	\$212,590,000
Driven by Off-Airport Visitor Spending	1,306	\$34,720,000	\$118,190,000
Driven by Off-Airport Local Purchases	80	\$3,880,000	\$12,760,000
Driven by Capital Improvement Projects	121	\$5,010,000	\$15,600,000
Total Direct, Indirect and Induced Impacts	2,684	\$97,790,000	\$359,140,000

Source: Kimley-Horn and Associates, Inc. analysis 2008

Note: Totals may not add up due to rounding.

7.2 Estimate of Future Economic Impact

Estimates of future economic impacts were determined by extrapolating the total 2008 impacts through the year 2030. Two growth scenarios were considered:

- The Airport continues to grow at the rate specified in the FAA's 2008 Terminal Area Forecast (TAF); or
- The Airport is designated as a Reliever Airport as defined in the FAA's National Plan of Integrated Airport Systems (NPIAS).

7.2.1 Growth Scenario One - FAA TAF Growth Rate

This growth scenario **assumes** that commercial passenger enplanements at McClellan-Palomar Airport will continue to grow at an average annual growth rate of 3.55 percent, and that total airport operations grow at an average annual rate of 0.9 percent, from 2008 to 2030. The estimate of future economic impacts was calculated by correlating future growth in commercial passenger enplanements and operations to growth in on-airport business activity, visitor spending, purchases by airport tenants from off-airport businesses, capital improvement projects at the Airport, and the re-spending of workers' incomes.

The estimated future economic contribution of McClellan-Palomar Airport in 2030 under growth scenario one is:

- 4,615 jobs;
- \$155.2 million in personal income;
- \$560.8 million in revenue; and
- \$33.4 million in state and local tax revenues.



Civic Helicopters Construction (CRQ)

Table 7.2 presents the estimated year 2030 economic impacts for growth scenario one. These numbers are presented in year 2007 dollars.

Table 7.2

Estimated 2030 Total Economic Impacts - Growth Scenario One

Economic Impact	Employment	Income	Revenues
Driven by On-Airport Activities	1,447	\$66,660,000	\$261,570,000
Driven by Off-Airport Visitor Spending	2,920	\$77,640,000	\$264,300,000
Driven by Off-Airport Local Purchases	99	\$4,770,000	\$15,700,000
Driven by Capital Improvement Projects	149	\$6,160,000	\$19,190,000
Total Direct, Indirect and Induced Impacts	4,615	\$155,230,000	\$560,760,000

Source: Kimley-Horn and Associates, Inc. analysis 2008

Notes: Totals may not add up due to rounding.

Figures presented in 2008 Dollars value.

7.2.2 Growth Scenario Two – Designation as a Reliever Airport

According to the San Diego County Regional Airport Authority, runway congestion at San Diego International Airport is anticipated when annual aircraft operations reach between 260,000 to 300,000. Unless certain airport improvements occur between 2021 and 2030, runway congestion will not allow further growth. Under circumstances where these improvements are not attainable, airports such as McClellan-Palomar Airport may be evaluated to act as a reliever for certain types of traffic. If this were to occur the Airport could experience operational and enplanement levels in 2030 that are comparable to those of Bob Hope Airport or Ernest A. Love Field Airport.

This growth scenario **assumes** that commercial passenger enplanements at McClellan-Palomar Airport will continue to grow at an average annual rate of 6.0 percent, and that total airport operations grow at an average annual rate of 1.5 percent, from 2008 to 2030. The estimate of future economic impacts was calculated by correlating future growth in commercial passenger enplanements and operations to growth in on-airport business activity, visitor spending, purchases by airport tenants from off-airport business, capital improvement projects at

the Airport, and the re-spending of workers' incomes.



Mercy Air Flight Service (CRQ)

The estimated future economic contribution of McClellan-Palomar Airport in 2030 under growth scenario two is:

- 6,928 jobs;
- \$221.5 million in personal income;
- \$790.8 million in revenue; and
- \$47.2 million in state and local tax revenues.

Table 7.3 presents the estimated year 2030 economic impacts for growth scenario two. These numbers are presented in year 2007 dollars.

Table 7.3
Estimated 2030 Total Economic Impacts – Growth Scenario Two

Economic Impact	Employment	Income	Revenues
Driven by On-Airport Activities	1,657	\$76,310,000	\$299,410,000
Driven by Off-Airport Visitor Spending	4,988	\$132,620,000	\$451,460,000
Driven by Off-Airport Local Purchases	113	\$5,460,000	\$17,970,000
Driven by Capital Improvement Projects	171	\$7,060,000	\$21,970,000
Total Direct, Indirect and Induced Impacts	6,928	\$221,450,000	\$790,810,000

Source: Kimley-Horn and Associates, Inc. analysis 2009

Notes: Totals may not add up due to rounding.

Figures presented in 2008 Dollars value.

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APPENDIX A – AIRPORT DATA COMPARISON TABLE



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Appendix A - Airport Data Comparison Table

Data Specifications	BDL	BUR	LOU	PRC	YIP	CRQ
Operations	141,313 ^{1.}	170,171 ^{1.}	99,865 ^{1.}	227,351 ^{1.}	83,881 ^{1.}	212,023 ^{1.}
Based Aircraft	81 ^{1. & 2.}	113 ^{1. & 2.}	368 ^{1. & 2.}	331 ^{1. & 2.}	244 ^{2.}	403 ^{1.} / 354 ^{2.}
Enplanements	3,475,480 ^{1.}	2,837,859 ^{1.}	0 ^{1.}	3,379 ^{1.}	1,712 ^{1.}	48,489 ^{1.}
Number of Employees (airport wide)	18,000 ^{6.}	2,400 (airport) 34,000 (airport induced employment) ^{4.}	250 ^{4.}	666 ^{10.}	18,700 ^{12.}	
5-year Capital Improvement Program Fund Total	\$99,059,119 ^{7.}	\$62,641,133 ^{7.}	\$6,652,339 ^{7.}	\$22,992,974 ^{7.}	\$64,510,688 ^{7.}	\$25,552,192 ^{7.}
High Level listing of 5-10 Key Tenants	TAC Air (FBO, aircraft parking, passenger terminal & lounge, catering, courtesy transportation); Signature Flight Support ^{2.}	Million Air (FBO, aircraft parking, hangars, passenger terminal and lounge, catering, courtesy transportation); Delta Airlines ; JetBlue Airways ; Federal Express ; UPS ; Ameriflight, Inc. ^{2, 4}	Louisville Executive Aviation (FBO, aircraft parking, hangar leasing, GPU/power cart, passenger terminal & lounge); Central American Airways (FBO, aircraft parking, hangars, passenger terminal & lounge, aircraft charters, aircraft maintenance); Air Center 1 (flight training, aircraft rental, aerial tours, aircraft sales, pilot supplies); Louisville Aviation, Le Relais Restaurant ^{2.}	Legend Aviation (FBO, aircraft parking, aircraft maintainance, avionics repair, courtesy car available, hangar space, gourmet coffee & biscotti); Skyschool (flight training, aircraft rental, pilot supplies, restrooms); Nostalgaire ; Susie’s Skyway Restaurant ^{2.}	AvFlight Willow Run (FBO, Aircraft Parking, Hangars, Passenger Terminal & Lounge, Catering, Rental Cars, Etc.); USA Jet ; Gourmet Airfare (Catering) ^{2.}	Western Flight Services (FBO); JetSource (FBO); Premier Jet (FBO); True North Fuel (FBO)
Description of any nearby business or industrial parks	^{5.} 4 ‘towns’ (East Granby, Suffield, Windsor Locks, Windsor) immediately surrounding BDL with Mach 1 Industrial Park (Suffield) Ahlstrom Plant (manufacturing in Windsor Locks) Walgreens Distribution Center (Windsor) ING Corporate Campus Emhart Glass Research & Development Center Hartford Life Office Campus	Located 13 miles from downtown Los Angeles. Very urban	Residential / Commercial / Golf courses	Residential / Commercial ^{10.}	Yankee Air Museum, Industrial, Technology/ Office, Environmental Zone/Park ^{11.}	Commercial/Industrial zoned parks adjacent to the airport include: Carlsbad Airport Center (zoned Planned Industrial) and Carlsbad Research Center (zoned Heavy Commercial); major tenants include Callaway Golf, Invitrogen, Taylor Made-Adidas Golf, City of Carlsbad, Acushnet, Isis Pharmaceuticals, Abbot Labs, Lowes Western Div, Rubios
Approximate Local Area or Regional Multiplier Utilized	RIMS II & REMI (no exact # found) ^{4.}	2.1833(regional final-demand output multiplier for Los Angeles County) ^{4.}	No number found ^{4.}	0.9 ^{4.}	RIMS II (no exact # found) ^{4.}	
Approximate Population (SMSA) ⁸	1,189,113	12,875,587	1,233,735	212,635	4,467,592	2,974,859
Per Capita Income (SMSA) ⁸	\$47,641	\$41,875	\$37,675	\$27,900	\$39,419	\$44,832
Employment (SMSA) ⁹	638,405	5,640,369	536,855	89,990	965,485	1,863,240

Sources:

1. FAA Forecasts

2. www.airnav.com

3. www.gcr1.com

4. Economic Studies on file

5. www.bradleydevelopment.com

6. 2006 Bradley Annual Report

7. NPIAS
8. www.bea.gov (2007 data)

9. www.bea.gov (2006 data)

10. www.cityofprescott.net/services/airport/admin.php

11. www.willowrunairport.com/business

12. www.metroairport.com/about/facts

BDL – Bradley International Airport, Hartford County, Windsor Locks CT
BUR – Bob Hope Airport, Los Angeles County, Burbank CA
LOU – Bowman Field Airport, Jefferson County, Louisville KY
PRC – Ernest A. Love Field Airport, Yavapai County, Prescott AZ
YIP – Willow Run Airport, Wayne County, Detroit MI
CRQ – McClellan-Palomar Airport, San Diego County, Carlsbad CA



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APPENDIX B – PAPER SURVEYS



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2008 TRANSIENT PASSENGER / PILOT QUESTIONNAIRE

Recognizing that the McClellan-Palomar Airport provides valuable general aviation, corporate and commercial services to North San Diego County and the City of Carlsbad, an Economic Vitality Analysis is being conducted by the San Diego County Department of Airports to assess the importance, value and economic vitality that the Airport affords the local community. This supporting survey is being performed as a means of estimating the economic contribution of the Airport, its tenants and users, upon San Diego County and the City of Carlsbad, and their economies. Please help make a difference in the outcome of this critically important study by completing this survey as soon as possible.

Your input is of great value to the County, the City and the Airport. All of the information you provide on this survey will remain strictly confidential. No individual's data will be published.

1. What airport did you begin your travel from (arriving passengers or transient pilots) or which airport will be your final destination (departing passengers or transient pilots)? _____
2. What is your state/country/ZIP code of residence? _____/_____/_____
3. How many times have you used the Palomar airport in the past 12 months?
☐ 1–2 times ☐ 3–6 times ☐ more than 6 times
4. How many people are traveling in your party today, including yourself? _____
5. What was the purpose of your trip? **Circle One:** Aircraft Services / Business On-Airport/ Business Off-Airport/ Pleasure/ Other(please specify) _____
6. What was your length of stay in the area (number of nights)? _____
7. If you stayed in an area hotel, which hotel did you stay at? _____
8. How did you arrive at or plan to leave the airport, and if applicable, how much did you spend on transportation?
Circle One: Limo / Personal Car / Rental Car / Shuttle / Taxi /
 Other(please specify) _____ **Amount Spent: \$** _____
9. Approximately how much did you spend on each of the following items during your stay? If travelling as a family member or group, please show the combined total of expenditures made by all.

Hotel/ Motel	\$ _____
Food and Beverage	\$ _____
Entertainment	\$ _____
Airfare	\$ _____
Other	\$ _____
10. What can be done to enhance your travel experience to or from McClellan-Palomar Airport?

Once complete, kindly fax, email, or mail your questionnaire to the following:

Peter Drinkwater, Department of Public Works
619-956-4801 (fax)
peter.drinkwater@sdcounty.ca.gov

Gillespie Field Admin Building
1960 Joe Crosson Drive
El Cajon, CA 92020-1236



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2008 AIRPORT TENANT QUESTIONNAIRE

Recognizing that the McClellan-Palomar Airport provides valuable general aviation, corporate and commercial services to North San Diego County and the City of Carlsbad, an Economic Vitality Analysis is being conducted by the San Diego County Department of Airports to assess the importance, value and economic vitality that the Airport affords the local community. This supporting survey is being performed as a means of estimating the economic contribution of the Airport, its tenants and users, upon San Diego County and the City of Carlsbad, and their economies. Please help make a difference in the outcome of this critically important study by completing this survey as soon as possible.

Your input is of great value to the County, the City and the Airport. All of the information you provide on this survey will remain strictly confidential. No individual's data will be published; only analyses and summaries will be reported. The summary findings from this study will be made publicly available by the County upon its completion.

NAME OF TENANT:	_____	CONTACT:	_____
MAILING ADDRESS:	_____	TITLE:	_____
	_____	EMAIL:	_____
TELEPHONE NO:	_____	FAX NO.:	_____

1. Is your company or business headquartered in San Diego County? **YES** or **NO** (circle one)
If not, please indicate the headquarters location. _____

2. What type of service(s) do you provide? Please check all that apply and indicate the percentage of your operation if you provide more than one of these services listed:

☐ Airport/Airline or General Aviation Related	_____ %
☐ Passenger Ground Transportation	_____ %
☐ Freight Transportation	_____ %
☐ Construction or Consulting Services	_____ %

3. Do you currently sublease space to anyone? ☐ Yes ☐ No

If you checked Yes, please supply a list of sublease tenants in the space below. If more space is required, please attach a listing.

_____	_____
_____	_____
_____	_____
_____	_____



4. How many employees are on your payroll and associated with aviation activities at the airport?

Number of Full Time Employees _____
 Number of Part Time Employees _____

5. What was your annual gross payroll for the employees located at the airport in 2007?

Est. Annual Payroll \$ _____

6. What was your annual revenue / total sales associated with aviation activities at the airport in 2007?

Est. Annual Revenue/ Total Sales \$ _____

7. What was your annual expenditure for goods, services, supplies, and equipment associated with aviation activities at the airport in 2007?

Est. Annual Revenue/ Total Sales \$ _____

8. What was your annual expenditure on capital projects associated with aviation activities at the airport in 2007?

Est. Annual Expenditure Capital Projects \$ _____

a. Did you utilize local contractors or make any local purchases for capital projects?

☐ Yes ☐ No

b. If you checked Yes, who were your main local contractors/suppliers and what was your annual expenditure for each?

<i>Contractors/Suppliers Name or Category</i>	<i>Est. Annual Expenditure</i>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

9. What was your annual expenditure on goods, services, supplies, and equipment associated with aviation activities at the airport in 2007?

Est. Annual Expenditure Goods/Services/Etc. \$ _____

a. Did you purchase any of these goods and services locally? ☐ Yes ☐ No



- b. If you checked Yes, who were your main local suppliers and what was your annual expenditure with these suppliers?

<i>Suppliers Name or Category</i>	<i>Est. Annual Expenditure</i>
	\$
	\$
	\$
	\$

NOTE: The survey analysis hopes to reflect the total economic benefit of the McClellan-Palomar Airport; therefore, in cases where your business at the Airport serves at the aviation unit of a larger company in the San Diego County area, please provide your parent company's name, its location and a contact person below. We will inquire about total employment and total company revenues.

PARENT COMPANY:	
LOCATION:	
CONTACT NAME:	
CONTACT PHONE# / EMAIL:	

We wish to express our thanks to your for taking the necessary time to complete this valued questionnaire.

Once complete, kindly email, mail, or fax your questionnaire to the following:

Attn:

Peter Drinkwater
peter.drinkwater@sdcounty.ca.gov
 Department of Public Works
 Gillespie Field Admin Building
 1960 Joe Crosson Drive
 El Cajon, CA 92020-1236
 619-956-4801 (fax)



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