

Economic Impact Study Van Nuys Airport



Van Nuys
Los Angeles
World Airports

Van Nuys Airport Overview

The world's busiest general aviation airport, Van Nuys Airport (VNY) is dedicated to non-commercial air travel. VNY plays a crucial role in the Southern California and national airport system, serving a variety of private, corporate and government aviation needs. More than 100 businesses are located on the 730-acre airport, including six major fixed-base operators. In addition, the airport provides a base and maintenance facilities for fire, air ambulance, search and rescue, and news media aircraft that serve the region.

VNY enhances both safety and efficiency at commercial airports in the greater Los Angeles area. As part of Los Angeles World Airports' (LAWA) regional approach to meeting increasing air traffic demand, VNY reduces congestion and diminishes flight delays at Los Angeles International and other nearby airports. Business travelers and tourists using private, corporate and charter aircraft benefit from VNY's convenient proximity to business, recreation and entertainment centers in the Los Angeles region. VNY creates jobs, promotes business, provides critical general aviation and emergency services,

and overall serves as a valued City of Los Angeles and San Fernando Valley community resource.

For more information about VNY, visit www.lawa.org/vny.





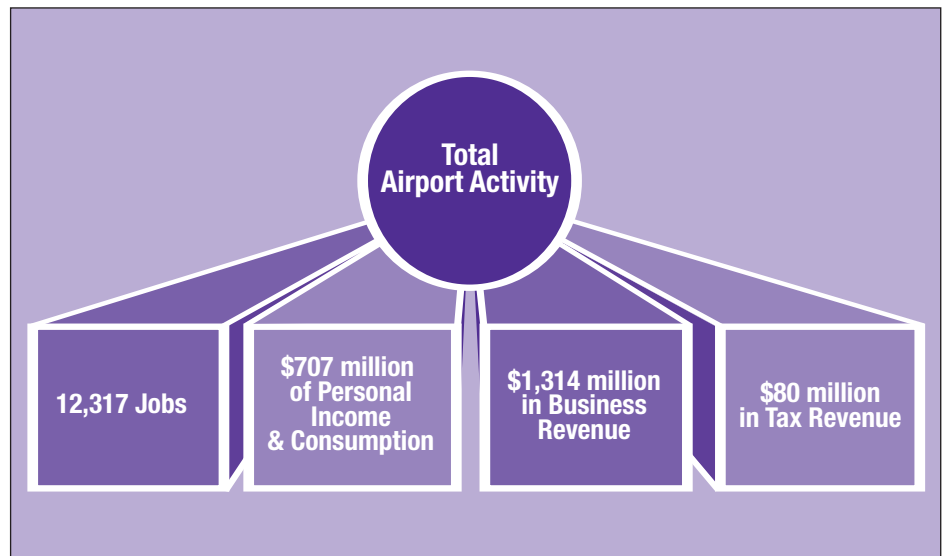
Explanation of Study

Van Nuys Airport, located in the City of Los Angeles' San Fernando Valley, is an economic "engine" in Southern California generating significant economic impacts throughout the region. In 2006, the Los Angeles World Airports (which owns and operates VNY) retained the services of Martin Associates of Lancaster, Pa., to estimate the economic impacts of airport activity at VNY on the local economy. The economic impacts are presented in terms of jobs, personal income, business revenue and state and local taxes generated by general aviation and

passenger activity, as well as by non-aviation real estate activity. The results are based on interviews with 244 firms representing 100% of the business community serving VNY.



Total Economic Impacts of VNY



Economic Impact Structure

The economic impact of VNY estimates the contributions the airport makes to the local and state economy by generating business revenue for local and national firms that provide general aviation, air passenger, and support services, as well as non-aviation business services located at VNY. These firms, in turn, offer employment and income to individuals and pay taxes to state and local governments.

The economic impact of an airport on a local or state economy cannot be reduced to a single number. Instead, airport activity creates several categories of impacts: the *employment impact*, *personal income and consumption impact*, *business revenue impact*, and *tax impact*. These

impacts cannot be added to each other. For example, the personal income impact is a part of the revenue impact, and adding these impacts together would result in double counting.

Economic Impact Sectors

VNY is a diverse economic system. The businesses with employees at Van Nuys Airport cover a wide spectrum of trade and service sectors. For the purposes of this study, the airport economic system is divided into five sectors:

- Airport services;
- Passenger ground transportation;
- Construction/consulting services;
- Visitor industry services; and
- Non-aviation real estate tenants.

Annual Economic Impact of VNY

Impacts	Airport Generated	Visitor Industry	Non-Aviation Real Estate	Total Impact
Jobs				
Direct	2,068	2,031	1,542	5,641
Induced	2,172	666	871	3,709
Indirect	1,639	445	884	2,968
Total	5,879	3,142	3,297	12,317
Personal Income/Consumption (\$1,000):				
Direct	\$130,606	\$42,285	\$57,686	\$230,577
Re-spending/Consumption	\$233,653	\$39,748	\$59,705	\$333,106
Indirect	\$75,808	\$10,747	\$57,070	\$143,624
Total (\$1,000)	\$440,067	\$92,780	\$174,460	\$707,307
Direct Business Revenue (\$1,000)	\$503,583	\$160,986	\$351,573	\$1,016,141
Local Purchases (\$1,000)	\$134,015	\$14,802	\$148,664	\$297,482
Total Revenue (\$1,000)	\$637,598	\$175,788	\$500,237	\$1,313,623
State and Local Taxes (\$1,000)	\$49,728	\$10,484	\$19,714	\$79,926

*Totals may not add due to rounding

Description of Impacts

Economic Impact Generators

Airport-Generated Impacts

Economic impacts created from the airport service sector include aviation service providers, government agencies, fixed-base operators, corporate flight/charter operators, and airport administration (LAWA). Economic impacts from businesses in the ground transportation sector, and construction and consulting sector that provide services to the airport are also included as airport generated.

Non-Aviation Real Estate Sector

Economic impacts created by the non-aviation real estate tenants located on VNY property including offices, manufacturing and construction firms and retail/wholesale companies.

Visitor Industry Sector

Economic impacts created by visitors to the Los Angeles area who have arrived through VNY. These visitors create impacts with area hotels, restaurants, retail outlets, entertainment facilities and local transportation services.

Economic Impact Measurements

Jobs: Direct Job Impact

Jobs directly generated by activity at VNY that would vanish if activity at VNY were to stop.

Jobs: Induced Job Impact

Jobs created throughout the local

economy because individuals directly employed due to airport activity spend their wages locally on goods and services like food, housing and health care.

Jobs: Indirect Job Impact

Jobs generated due to the purchase of goods and services by the firms dependent upon airport activity, such as local machine and parts suppliers, utility companies and office supply firms.

Personal Income/Local Consumption Impact

The measure of personal income received by individuals employed due to airport activity. As with jobs, personal income is measured in terms of direct, indirect and induced impacts. Direct personal income is re-spent throughout the Los Angeles region by those that are directly employed, creating the local consumption impact.

Business Revenue Impact

A measure of the value of sales earned by firms providing VNY services.

Business revenue is measured in terms of direct business revenue and revenue due to local purchases.

State and Local Tax Impact

A measure of the tax revenues received by the state and local governments as a result of airport activity at VNY.

Employment Impacts

More than 12,300 jobs and \$707.3 million in wages and salaries annually are supported by airport activity at VNY, including the general aviation activity, passenger activity and non-aviation real estate tenant activity.

(Airports), ground transportation firms and construction and consulting companies. These airport generated direct jobs earn \$130.6 million in personal income.

Airport-Generated Jobs

Airport Generated Direct Jobs
2,068 jobs are directly dependent on airport activity. These jobs include those at aviation service providers, government agencies, fixed-base operators, corporate flight/charter operators, airport administration (Los Angeles World



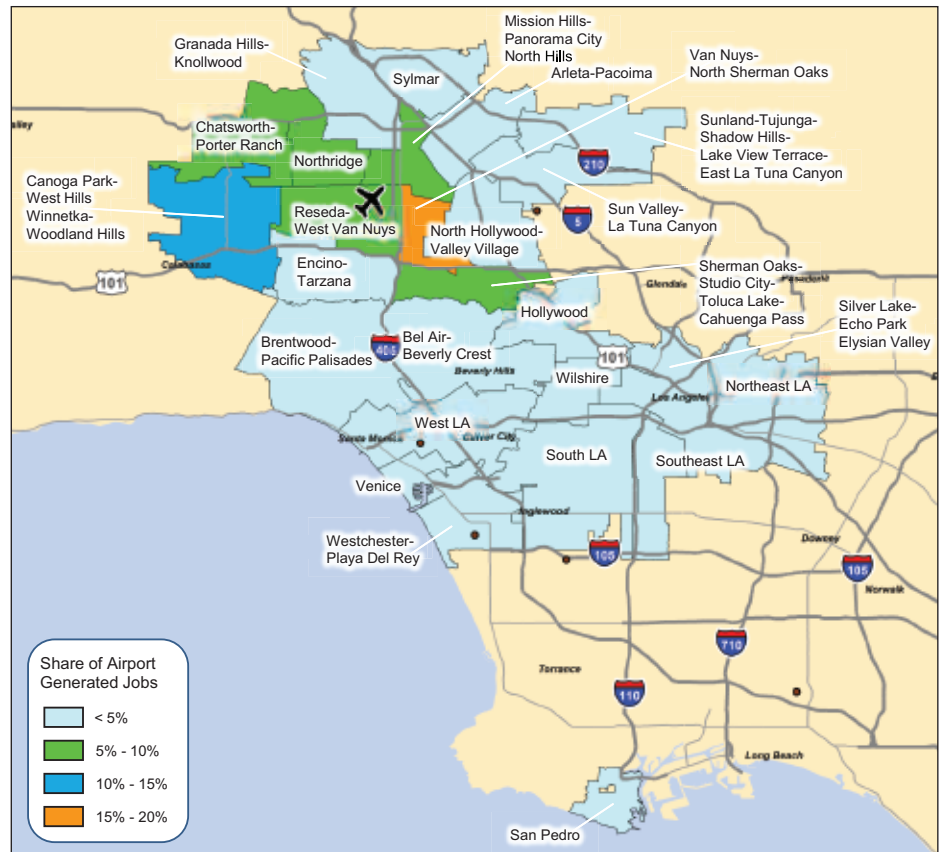
Airport Generated Direct Jobs by Category

Impact Category	Direct Jobs
Airport Service Sector:	
Aviation Service Providers	696
Aviation Services	209
Avionics/Sales	230
Flight School/Ground School	58
Maintenance/Repair	199
Government	202
Fixed-Base Operators	378
Corporate Flight/Charter Operators	480
Airport Administration	96
Total Airport Service Sector:	1,852
Ground Transportation Sector:	
Rental Cars	6
Taxis	37
Limos/Buses/Vans	70
Total Ground Transportation Sector	113
Construction/Consulting Sector	103
Total Airport Generated Direct Jobs	2,068

*Totals may not add due to rounding

Employment Impacts

Employment Within the City of LA by Community Plan Area



About 44% of employees in direct jobs at VNY (919 jobs) live in the City of Los Angeles. Many employees live in the community plan areas closest to the airport.

Airport Generated Induced Jobs

2,172 induced jobs are supported in the local economy due to local purchases by employees working in airport generated direct jobs. These jobs include those in local construction, grocery stores, restaurants, health care facilities, transportation services firms and retail stores. Induced jobs generate \$233.7 million in wages and salaries.

Airport Generated Indirect Jobs

1,639 indirect jobs are supported by purchases made by firms dependent on airport activity to local office supply firms, retail outlets, telecommunications firms and machine and parts firms. Indirect jobs generated more than \$75 million in indirect wages and salaries.

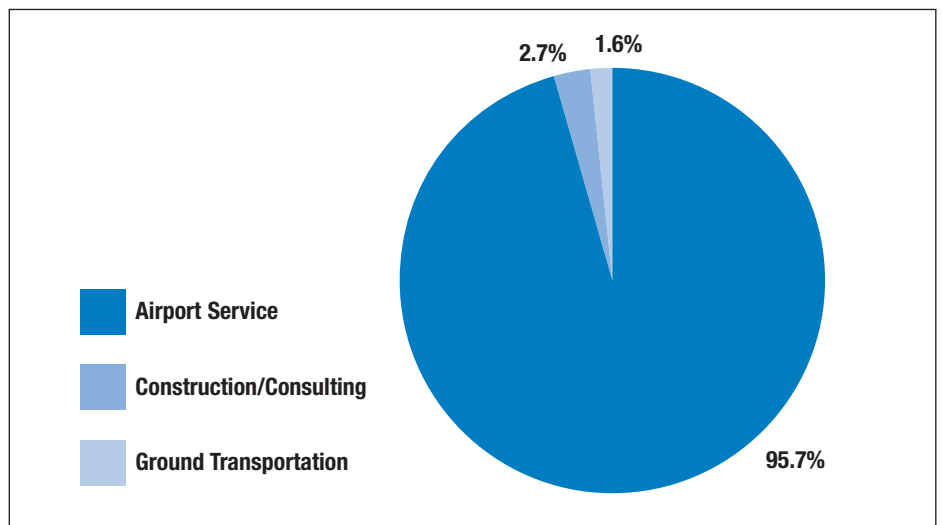
Business Revenue

Airport activity at VNY creates \$1.3 billion in business revenue to the firms providing aviation services at VNY, to the local visitor industry firms and to the non-aviation tenants located at the airport.

More than 60% (\$814 million) comes from airport generated

business activity and visitor industry activity at VNY with the non-aviation real estate tenants generating another \$500 million in business revenue. About 96% of the aviation related business revenue is generated in the airport service sector.

Airport Generated Business Revenue by Sector



Tax Impact

Airport activity generates government revenue through an assortment of tax payments by airport businesses and employees. A total of \$79.9 million per year in state and local taxes is generated by airport activity at VNY.

To break this down, it is estimated that direct airport activity at VNY

generates approximately \$49.7 million in state and local taxes; visitors arriving at VNY generate \$10.5 million in state and local taxes and the non-aviation real estate activity at VNY generates \$19.7 million in state and local taxes.



Visitor Impact

An estimated 320,000 visitors to Southern California fly into VNY annually. These visitors spend about \$176 million per year in the area and are responsible for generating 3,142 direct, induced and indirect visitor industry jobs which in turn generate almost \$93 million in personal income, wages and salaries. This number does not include the substantial economic impact of the business that these visitors conduct while in the region.

Approximately \$176 million of business revenue is generated and

\$10.5 million in tax revenues are received by the state and local governments as a result of the visitors arriving through VNY.



Non-Aviation Real Estate Impacts

3,297 direct, indirect and induced non-aviation real estate tenant jobs are supported in the local economy and generate \$174.5 million in wages and salaries.

The activity of the non-aviation real estate tenants at VNY generates \$500.2 million in business revenue and \$19.7 million in state and local taxes.

Distribution of Non-Aviation Direct Jobs

Impact Category	Direct Jobs
Non-Aviation Real Estate Sector:	
Manufacturing/Construction	450
Miscellaneous	32
Office	332
Property Management	13
Restaurant/Hotel	272
Sales	340
Services	103
Total Non-Aviation Real Estate Direct Jobs	1,542

*Totals may not add due to rounding

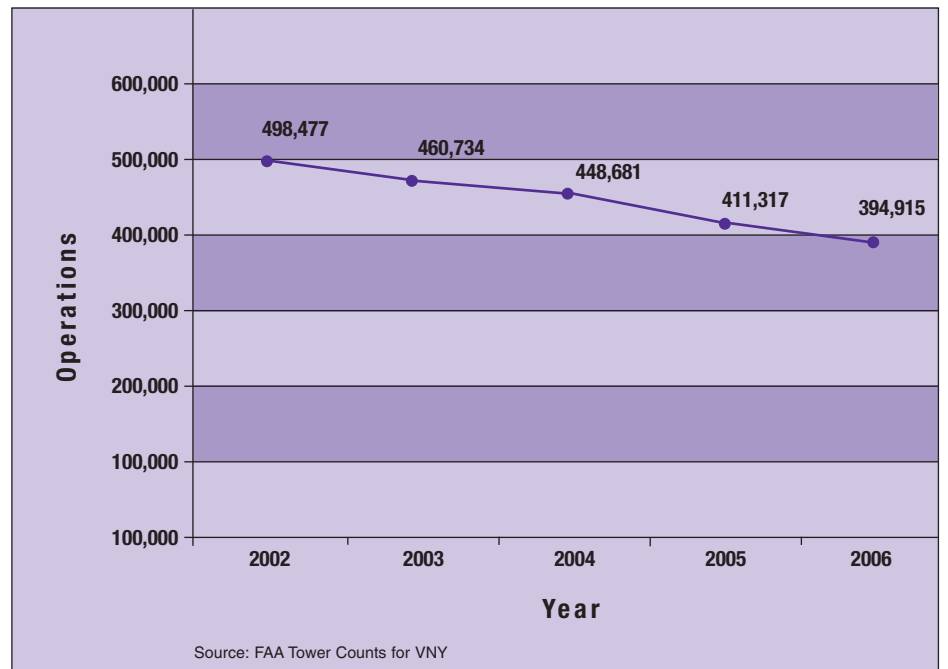


VNY 2006 Operations

Van Nuys Airport handled 394,915 total operations (take-offs and landings) in 2006. Although operations have declined over the last 5 years, VNY is still considered the busiest General Aviation airport in the world.



Annual Aircraft Operations at VNY 2002 to 2006



About LAWA

Los Angeles World Airports (LAWA) is a City of Los Angeles department that owns and operates VNY and three other Southern California airports: Los Angeles International (LAX), LA/Ontario International (ONT), and LA/Palmdale Regional (PMD).

A seven-member, policy-making Board of Commissioners appointed by the Mayor of Los Angeles governs the Los Angeles World Airports system.

For more information, visit www.lawa.org



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