



City of Long Beach

Working Together to Serve

Memorandum

Date: July 18, 2018

To: Patrick H. West, City Manager *T.M.W.*

From: Jess L. Romo, Director, Long Beach Airport *JLR*

For: Mayor and Members of the City Council

Subject: Economic Impact Analysis – Hawaiian Airlines Service at Long Beach Airport

With Hawaiian Airlines commencing service to Honolulu in early June, Long Beach Airport (Airport) undertook a study to assess the economic impact this would have for the City and surrounding region. Over the past few weeks, work has been underway to study the various impacts, which overall present unique and positive contributions for the City. Highlights of the findings include significant visitor, airline and crew spending that show a \$25.6 million annual impact for Long Beach. This amount constitutes a large part of the greater Los Angeles-Orange County impact of \$30.1 million.

The economic impact figures include direct, indirect, and induced economic impacts of the new once-daily service between Long Beach and Honolulu, Hawaii. Activity from the following areas was assessed in terms of spending types:

- **Visitor Spending:** This activity is associated with the annual visitor spending driven by the over 16,000 visitors to the region. Visitor spending includes tourism-related spending on local transportation, such as car rentals, taxis and transit, lodging, restaurants, entertainment and local retail spending. The total value of this spending is \$22.7 million.
- **On-Airport Concession Spending:** This activity includes spending within the Airport on food, drinks, magazines, newspapers, and other such goods. The total value of this spending is approximately \$715,000.
- **Crew Spending:** This activity is associated with spending by the crew, pilots/co-pilots and flight attendants, on lodging, meals, and local transportation. This value of this spending is approximately \$429,000.
- **Airline Spending:** This activity is associated with spending by the airline on fuel, inflight catering, and all other aircraft and traffic handling needs. This total value of this spending is approximately \$1.6 million.
- **Passenger Facility Charges:** This activity is associated with the fee charged to departing and connecting passengers at the airport, and totals approximately \$276,000.
- The route is projected to create over 260 jobs in Long Beach. We will continue to monitor the performance of this route in furtherance of our stated goals of encouraging airlines to support and consider broad, domestic route structures while also ensuring a well-managed operation for air carriers and the Long Beach community.

If you have any questions regarding study, please contact Jess Romo at (562) 570-2605.

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