

ECONOMIC IMPACT STUDY

MACARTHUR AIRPORT: EXPANDING LONG ISLAND TOURISM

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Town of
Islip



NOTE

- The purpose of this Economic Impact Study is to demonstrate how critical both the airport and tourism are to the Long Island economy and to help mobilize the business community to support Long Island MacArthur Airport, Discover Long Island, travel and tourism
- The study is based on forecasts and assumptions regarding overall air travel capacity at Long Island MacArthur Airport and general economic indicators in the Long Island tourism sector

BACKGROUND



- In December 2021, Breeze Airways announced their new home at MacArthur Airport (ISP), with nonstop flights to Norfolk, Virginia and Charleston, South Carolina starting in February 2022
- The airline chose ISP as its first New York airport following HIA-LI's Long Island MacArthur Airport Survey
- The survey showcased support for the airport from the Long Island business community and highlighted the potential untapped revenue that more nonstop destinations could bring to ISP and the region



BREEZE AIRWAYS FLIGHT STATS

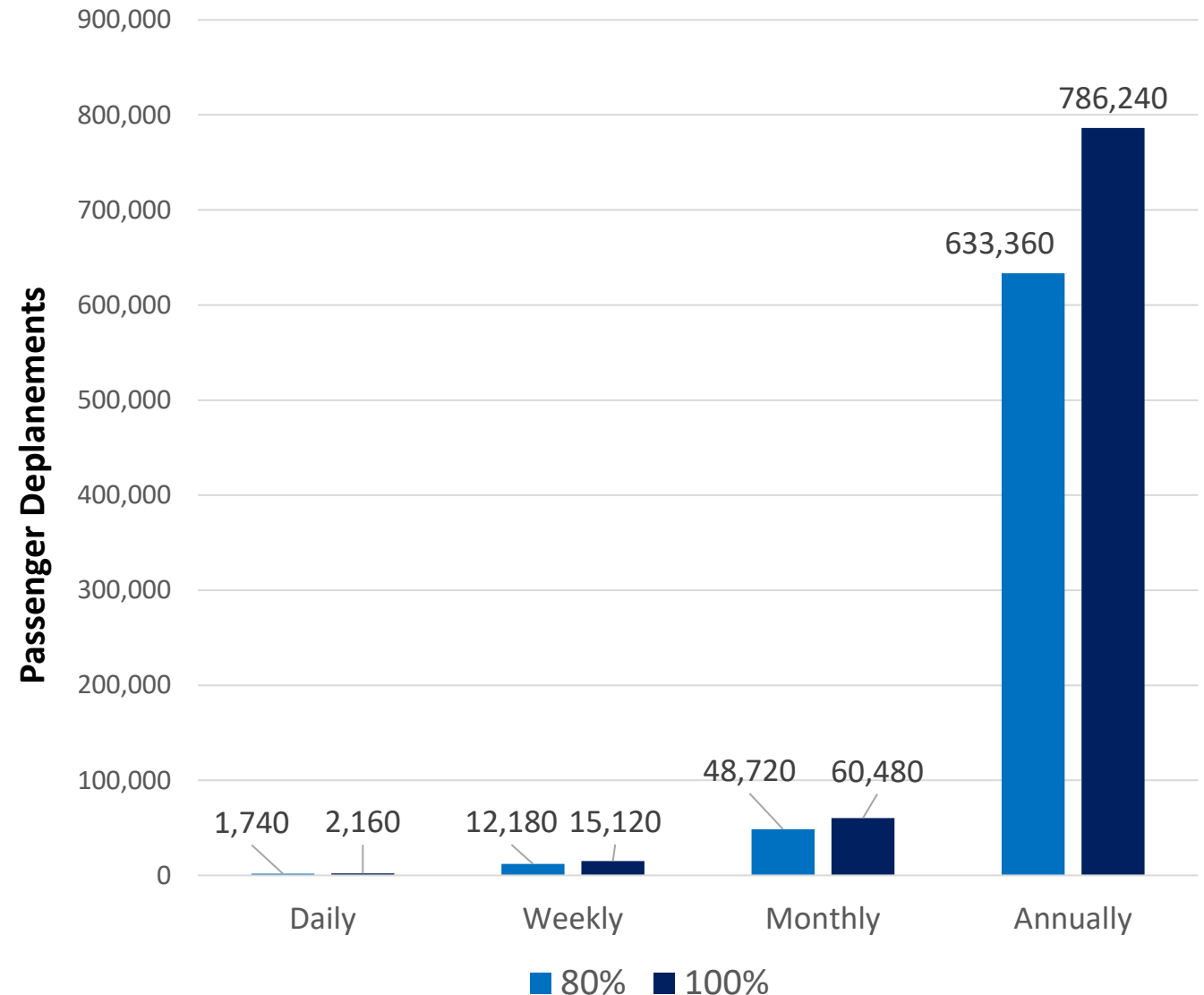
- Breeze currently offers eight nonstop flights a week to these two **brand new destinations**
- However, ISP has the capacity to accommodate approximately 20 inbound Breeze flights a day!
- The following calculations concerning potential economic impact are based on the assumption that ISP would receive 20 inbound Breeze flights a day using the EMB 190 plane, which has 108 seats

BREEZE POTENTIAL PASSENGER IMPACT

- If we assume that ISP's daily maximum Breeze flight capacity is reached (20 inbound flights a day), we can calculate approximately how many potential passengers Breeze can bring to ISP daily, weekly, monthly, and annually assuming 80% capacity (the standard metric) and 100% capacity (a goal of all 108 seats on each plane filled)

*Note: 100% capacity calculations show potential growth, not current data

Potential Breeze Passenger Deplanements Assuming 80% and 100% Capacity and 20 Inbound Flights a Day



BREEZE POTENTIAL PASSENGER IMPACT

- If we assume that the 20 daily incoming Breeze flights are all at 100% capacity, that's 786,240 passenger deplanements a year from Breeze alone
- Currently at ISP, approximately 10% of all passengers are tourists while 90% are Nassau and Suffolk County residents. If we split the 786,240 deplanements...

90% resident deplanements	10% tourist deplanements
707,616 resident passengers	78,624 tourist passengers

- What if more tourists came to Long Island via Breeze and the split shifted to 70% residents and 30% tourists?

70% resident deplanements	30% tourist deplanements
537,768 resident passengers	235,872 tourist passengers

- And lastly, what if half of Breeze passengers were tourists coming to Long Island?

50% resident deplanements	50% tourist deplanements
393,120 resident passengers	393,120 tourist passengers

*Note: 30% and 50% tourist deplanements are used to show potential growth and benefit to the business community in supporting initiatives to grow LI tourism

BREEZE POTENTIAL PASSENGER IMPACT

- Assuming all 108 seats on every Breeze plane are filled...
 - If 10% are tourists, that would mean 78,624 additional tourists a year to Long Island
 - If 30% are tourists, that would mean 235,872 additional tourists a year to Long Island
 - If 50% are tourists, that would mean 393,120 additional tourists a year to Long Island
- Let's take a look at the economic impact and travel spend of these potential additional Breeze tourists a year

*Note: 30% and 50% tourist deplanements are used to show potential growth and benefit to the business community in supporting initiatives to grow LI tourism

BREEZE POTENTIAL TOURISM SPENDING & ECONOMIC IMPACT

- Assuming that around 9 million tourists visit Long Island each year and spend a total of approximately \$6.3 billion dollars, then...
 - The additional **78,624** Breeze tourists a year could have a potential annual spend of **\$55 million**
 - The additional **235,872** Breeze tourists a year could have a potential annual spend of **\$165 million**
 - The additional **393,120** Breeze tourists a year could have a potential annual spend of **\$275 million**
- This can be broken down by sector according to the current Long Island tourism data available via Tourism Economics and their comprehensive study from 2019
- This study shows the scope of the travel sector in terms of direct visitor spending as well as the total economic impact regarding jobs and tax impact in the broader economy

Sources:

Calavia-Robertson, Daysi. "Three sectors drive LI tourism, but key factors hold back growth, experts say." *Newsday*, May 17, 2019.

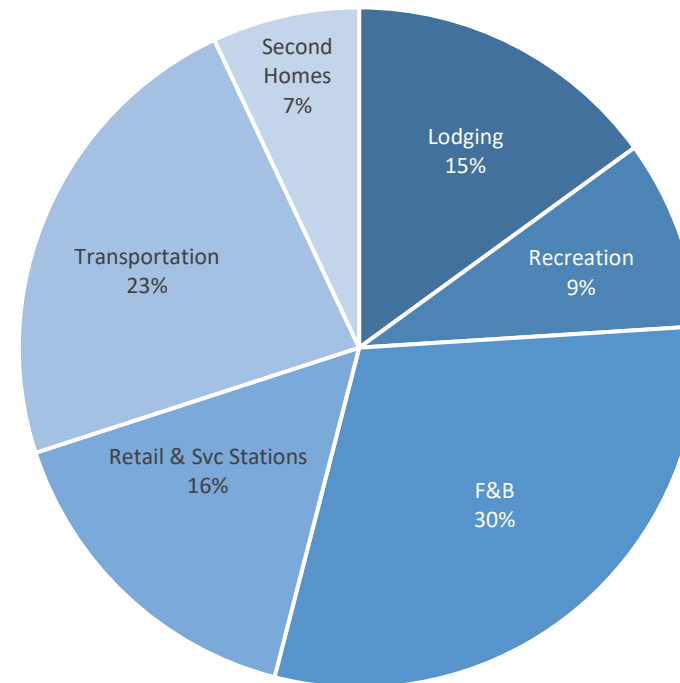
"Economic Impact of Visitors in New York: Long Island Focus." Tourism Economics.



LONG ISLAND TOURISM

- According to Tourism Economics data, Long Island visitor spending can be divided into 6 sectors: Lodging, Recreation, Food & Beverage, Retail & Service Stations, Second Homes, and Transportation (*shown at right*)

Percentage of Long Island Visitor Spend by Sector



LONG ISLAND TOURIST SPENDING

- We also know the total impact of tourist spending by sector for all 9 million tourists in a given year:

Tourist Spending (approximate)

	Lodging	Recreation	F&B	Retail & Svc Stations	Transport
Total	\$965 million	\$542 million	\$1.9 billion	\$1 billion	\$1.4 billion



- This spending translates to the following economic impact of tourism on Long Island:

Tourism Economic Impact (approximate)

	Direct Sales	Labor Income	Employment	Local Taxes	State Taxes
Total	\$6.3 billion	\$3.4 billion	80,101 people	\$414 million	\$345 million



POTENTIAL AIRWAYS TOURIST SPENDING & ECONOMIC IMPACT

- We can then apply the Tourism Economics data regarding tourist impact and spending to the number of potential tourists arriving on Breeze flights
- The following charts represent the total potential impact of tourist spending by sector for the additional Breeze tourist passengers, as well as their overall economic impact, assuming 10%, 30%, or 50% of all Breeze passenger deplanements are tourists:

Total Spend at a Glance

Passengers who are Tourists	Total Tourists	Total Spend
10%	78,624	\$55 million
30%	235,872	\$165 million
50%	393,120	\$275 million

POTENTIAL AIRWAYS TOURIST SPENDING & ECONOMIC IMPACT

Potential Breeze Tourist Spending

Passengers who are Tourists	Lodging	Recreation	F&B	Retail & Svc Stations	Transport
10% (78,624)	\$8 million	\$5 million	\$17 million	\$9 million	\$13 million
30% (235,872)	\$25 million	\$14 million	\$51 million	\$26 million	\$38 million
50% (393,120)	\$42 million	\$24 million	\$84 million	\$44 million	\$62 million

Potential Breeze Tourism Economic Impact

Passengers who are Tourists	Direct Sales	Labor Income	Employment	Local Taxes	State Taxes
10% (78,624)	\$55 million	\$30 million	700 people	\$4 million	\$3 million
30% (235,872)	\$165 million	\$89 million	2,099 people	\$11 million	\$9 million
50% (393,120)	\$276 million	\$149 million	3,499 people	\$18 million	\$15 million

POTENTIAL TOURIST SPENDING & ECONOMIC IMPACT – ISP MAX CAPACITY

- Across all four current airlines, ISP has the capacity to accommodate a total of 100 inbound flights a day

 Breeze

 Southwest

 FRONTIER
AIRLINES

 American
Airlines

- In the following calculations, we assume that each flight has 108 seats (the same plane size used in our earlier calculations) and is at 100% capacity
- The result would be 3.9 million passenger deplanements at ISP per year
- Assuming that only a fraction of these travelers are tourists, then...
 - That's 393,120 tourists if 10% of those travelers are tourists
 - 1.2 million tourists if 30% of those travelers are tourists
 - And 2 million tourists if 50% of those travelers are tourists
- The potential traveler spend and economic impact is shown in the following charts

POTENTIAL TOURIST SPENDING & ECONOMIC IMPACT – ISP MAX CAPACITY

Potential ISP Tourist Spending for all Airlines (Assuming 100 Inbound Flights at 100% Capacity)

Passengers who are Tourists	Lodging	Recreation	F&B	Retail & Svc Stations	Transport
10% (393,120)	\$42 million	\$24 million	\$84 million	\$44 million	\$63 million
30% (1.2 million)	\$126 million	\$71 million	\$253 million	\$131 million	\$188 million
50% (2 million)	\$211 million	\$118 million	\$421 million	\$219 million	\$313 million

Potential ISP Tourism Economic Impact (Assuming 100 Inbound Flights at 100% Capacity)

Passengers who are Tourists	Direct Sales	Labor Income	Employment	Local Taxes	State Taxes
10% (393,120)	\$276 million	\$149 million	3,499 people	\$18 million	\$15 million
30% (1.2 million)	\$827 million	\$446 million	10,496 people	\$54 million	\$45 million
50% (2 million)	\$1.3 billion	\$744 million	17,494 people	\$90 million	\$75 million

CONCLUSION

- When we surveyed the business community on their support for ISP if more nonstop destinations were added, we found that more than \$1 billion in new revenue could be generated annually by the Long Island business community
- Now, we find the potential to generate \$1.3 billion in tourist spending from ISP passenger deplanements across the sectors of Food & Beverage, Transportation, Recreation, Retail & Service Stations, and Lodging
- Through this Economic Impact Study, we have shown that the addition of more nonstop flights into ISP has the potential to generate unprecedented new revenue for Long Island
- This symbiotic relationship creates a win-win scenario to help Long Island thrive