

EXISTING AND MODIFIED USE SCENARIO ASSUMPTIONS

To ensure consistency, the 2020 East Hampton Airport Economic Impact model is based on the model from 2019 which considered two discrete model inputs:

- **Airport Operations (Spending)**
 - Derived from the 2019 [Town of East Hampton Adopted Budget](#) (p.15)
- **Passenger Spending in Town of East Hampton**
 - Derived using the methodology described below.

Passenger Spending Methodology

Passenger Estimates

Commercial / Non-Commercial Aircraft

To estimate the total passenger spending, we first need to understand how many passengers arrived at HTO in 2019. From HMMH, we have the total number of operations at HTO per day broken into *Commercial* and *Non-Commercial* operations. One "operation" is either a take-off or a landing. Since we do not have the total number of arriving flights, we reasonably assume 50% of all operations are arriving flights.

For *Non-Commercial* operations, we conservatively assume that a share of these operations are smaller private aircraft that are still arriving with passengers. To estimate that share we looked to FAA Form 5010, [East Hampton Airport Master Record](#) (2020) which breaks out operations into Itinerant, Local, and Military operations. Here "Local" is defined as either flights within 20 miles, where tourism is highly unlikely, or instructional and practice flights. As both Local and Military operations are known to be non-passenger flights, we find the share of those flights to total operations in order to estimate the upper bound of non-commercial flights that are known to be non-passenger (~50%). Therefore, we conservatively assume that 50% of *Non-Commercial* operations are arriving with passengers.

Passenger Occupancy

Based on conversations with the airport operator, we assume that the average passenger occupancy of *Commercial* flights is 2 passengers on weekdays, and 4 passengers on weekends, with weekends consisting of Friday, Saturday, and Sunday.

For *Non-Commercial* operations, which are likely smaller private aircraft with the pilot also visiting and spending money in the local economy, we assume a universal average occupancy of 2 passengers.

Discretionary Visitors

To only account for passengers who are visitors to East Hampton and not homeowners who would continue to travel via other means, HR&A applies a 33% discount to the *Commercial* passenger amount based on the results of our 2018 Passenger Survey for a final arriving passenger number of 24K.

East Hampton-bound Passengers

HR&A then looked at geolocated cellphone data from transportation planning firm Inrix to look at the origin-destination trends for vehicles departing East Hampton Airport. The analysis found that only 60% of travelers who fly into East Hampton Airport then continue into the Town of East Hampton. We discount our 24K arriving passenger figure by 60% for a final East Hampton-bound passenger number of **14K**.

Passenger Spending

To estimate spending by these users, HR&A extrapolates visitor spending from Total Taxable Sales in the Town of East Hampton. The 2017 [East Hampton Hamlet Business District Plan](#) – Analysis Findings report by RKG Associates lists the Total Taxable Sales in East Hampton in 2014¹ as \$624M (\$667M in 2019 dollars), and estimates that 46% of that spending is by visitors and second home owners in East Hampton, approximately **\$306M**.

To estimate what share of visitor spending comes from Airport users, HR&A finds the ratio of arriving airport passengers to all arrivals in East Hampton derived from the RKG Report. Of an estimated 1.7M arrivals, our 14K airport passengers represent **.8%**.

To account for the disparity in spending power by Airport users and other visitors, HR&A leverages assumptions from MMGY Research's Portrait of American Travelers estimate of spending for luxury travelers as well as data from the Consumer Expenditure Survey comparing the average cost of a vacation for high-income individuals to median income earners. The sources finds that high-income vacationers spend 3-7x more than the median. HR&A weights the 1.3% of Airport users by their spending multiplier to estimate that they account for 7% of all visitor spending, or **\$7M-\$20M**.

To distribute this spending among different expenditure categories, HR&A leverages a [Discover Long Island report](#) by Tourism Economics outlining the average distribution of visitor spending by category.

Note: This assumption uses best available data which is representative of all East Hampton visitors. This potentially includes day trippers who do not stay overnight or spend much in Town which may have the effect of artificially suppressing the average spend of overnight visitors. While best efforts were taken to weight these assumptions to be better reflective of Airport passengers, these numbers are preliminary and will be updated following data from the 2021 Airport Passenger Survey which seeks to better understand passenger spending habits.

Passenger Spending Assumptions

Value of Visitor Spending	Total	Per Passenger
Accommodations	\$1.4-\$4M	\$100 - \$280
Food and Beverage	\$2.7-\$7.8M	\$190 - \$557
General Retail	\$1.4-\$4M	\$100 - \$280
Entertainment	\$0.7-\$2M	\$50 - \$140
Residential Maintenance	\$0.6M-\$1.8M	\$40 - \$130

¹ New York State reports total taxable sales at the County level, a more up-to-date figure for East Hampton in 2019 is not readily available.

EXISTING CONDITIONS

The table on the following page outlines the assumptions used in the Economic Impact Model assuming “typical,” pre-COVID (2019) operational conditions.

Model Inputs	Value	Source
Airport Operations		
2019 East Hampton Airport Budget	\$6,321,919	Town of East Hampton
Passenger Spending		
Airport Flights (Operations)		
Total Operations	30,691	HMMH
Commercial Weekends	9,486	"
Commercial Weekdays	7,657	"
Non-Commercial	13,548	"
Non-passenger share of Non-Commercial flights	51%	FAA Form 5010, HMMH Aircraft Classification. HR&A Analysis (described above)
Arriving Share of Operations	50%	HR&A Estimate based on assuming that roughly half of operations must be arriving.
Arriving Passenger Operations	12,026	
Commercial Weekends	4,743	
Commercial Weekdays	3,829	
Non-Commercial	3,455	
Passenger Occupancy		
Commercial Weekdays	2	Airport Manager
Commercial Weekends	4	
Non-Commercial	2	
Home-owner % of Passengers (deducted)	33%	HR&A 2018 HTO Passenger Survey
Discretionary Visitor % of Passengers	67%	
Passengers	23,525	
Commercial Weekdays	6,356	
Commercial Weekends	10,260	
Non-Commercial	6,909	
East Hampton-Bound Passengers	60%	Inrix; based on anonymized geolocated cell phone data
Total East Hampton Passengers	14,115	
Visitor Spending		
East Hampton Taxable Sales (\$2019)	\$666,943,569	RKG Associates, "East Hampton Hamlet Business District Plan - Analysis Findings" (2017) inflated to 2019 dollars
% of total taxable sales by visitors	46%	"
East Hampton visitor spending (\$2019)	\$306,794,042	
HTO passenger share of visitors	0.8%	
Spending by HTO users	\$7 - \$20M	HR&A Analysis (described above)
Distribution of Visitor Spending		
Accommodations	20%	Long Island Tourism Economics
Food and Beverage	39%	"
General Retail	20%	"
Entertainment	11%	"
Residential Maintenance	9%	"
Value of Visitor Spending		
Accommodations	\$1.4-\$4M	
Food and Beverage	\$2.7-\$7.8M	
General Retail	\$1.\$4-4M	
Entertainment	\$0.7-\$2M	
Residential Maintenance	\$0.6M-\$1.8M	

MODIFIED USE SCENARIO

The following table outlines the changes in assumptions used in the Economic Impact Model assuming the elimination of all Commercial flights, reserving the Airport solely for Non-Commercial aircraft.

Model Inputs	Value	Source
Passengers	14,885	
<i>Non-Commercial</i>	6,909	
<i>Former Commercial Passengers who will continue to visit</i>	7,976	<i>HR&A 2018 HTO Passenger Survey</i>
Total East Hampton Passengers	8,931	
Visitor Spending		
Spending by HTO users	\$5M - \$11M	<i>HR&A Analysis (described above)</i>
Value of Visitor Spending		
Accommodations	\$1-\$2M	
Food and Beverage	\$2-\$4M	
General Retail	\$1-\$2M	
Entertainment	\$0.5-\$1.2M	
Residential Maintenance	\$.5M-\$1M	