

InterVISTAS
CONSULTING INC.

Economic Impact Study of Villeneuve and Cooking Lake Airports

*strategic
transportation
& tourism
solutions*

Prepared for



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1.2 Airport Operation

Edmonton Airports manages the ongoing operations for Edmonton International Airport, Edmonton City Centre Airport, Villeneuve Airport and Cooking Lake Airport. The airport authority currently oversees Canada's 5th busiest leased airport in National Airports System, handling over 4.5 million passengers.

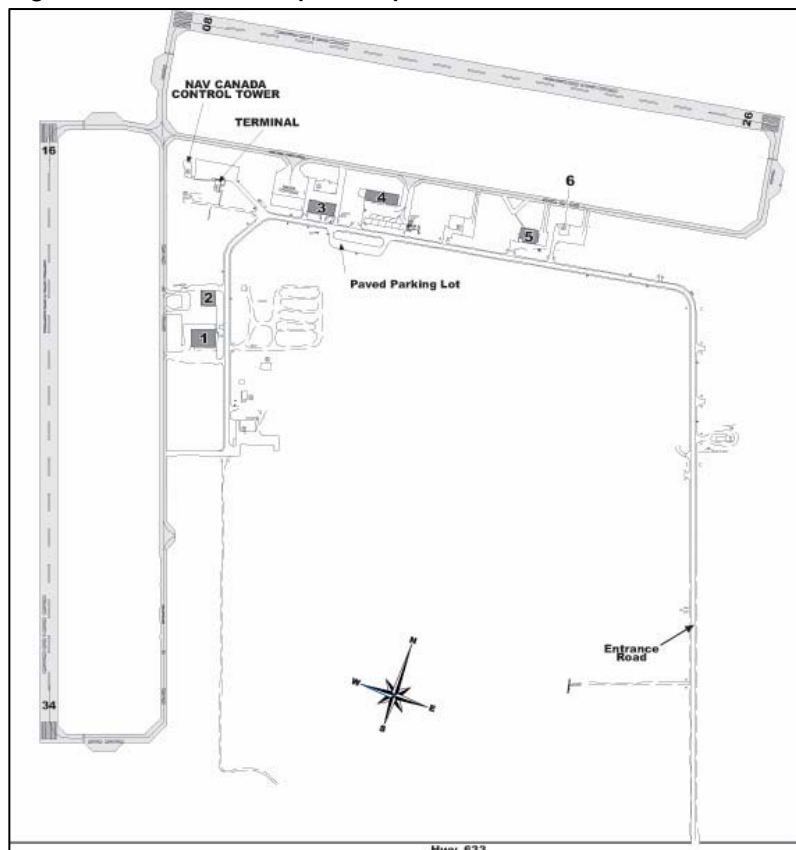
1.2.1 Villeneuve Airport

Villeneuve Airport is the primary flight training facility of the Edmonton region. Businesses offer flight training in a range of aircraft, including helicopters, and the site is often host to air cadet glider training. There are currently two on-site businesses providing flight training and one fixed base operators. Other Villeneuve Airport services include aircraft maintenance and parts suppliers.

Flight instructors and recreational aviators often prefer to operate at Villeneuve Airport since its location minimises flight times to practice areas. Villeneuve Airport also offers its users short aircraft taxi times and uncongested landings/takeoffs.

The Villeneuve Airport aircraft control tower boasts radar capabilities and operates daily from 0800 - 2200 hours. **Figure 2** provides a layout of the Villeneuve Airport facilities.

Figure 1: Villeneuve Airport Map



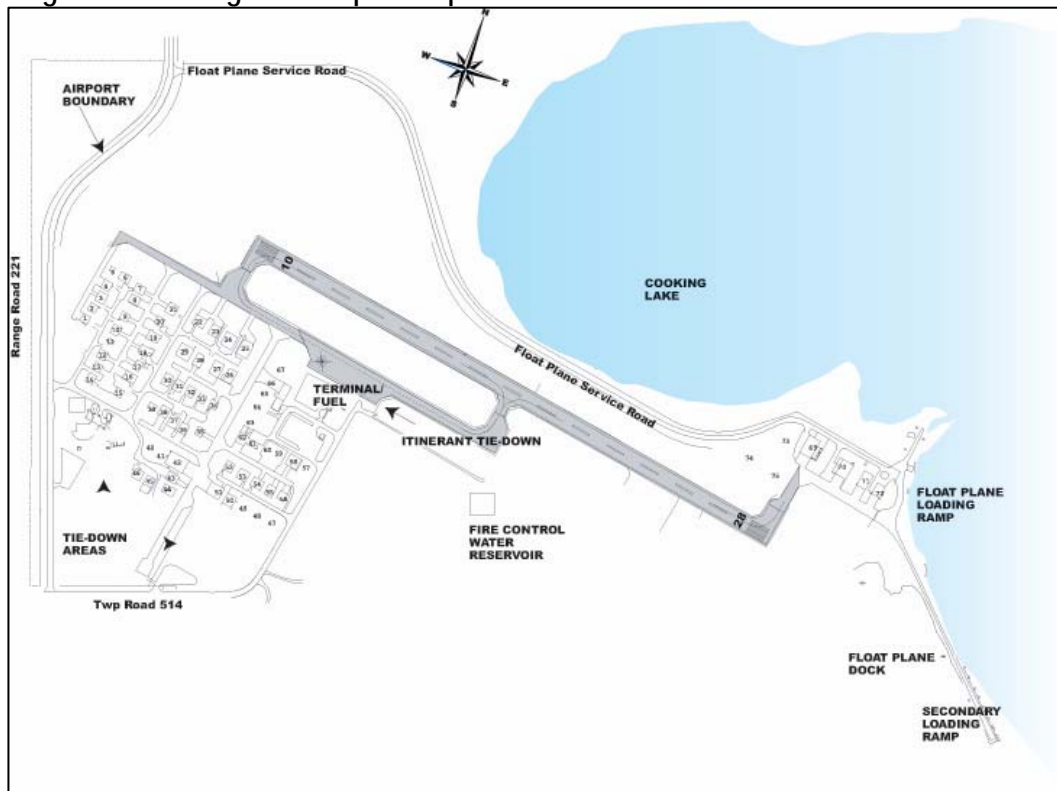
1.2.2 Cooking Lake Airport

Cooking Lake Airport serves as the only combined wheeled plane and floatplane airport in the region. The facility has VFR day/night with a rotating beacon, Visual Approach Slope Indicator System (VASIS), Aircraft Radio Control of Aerodrome Lighting (ARCAL), and an Automated Weather Observation Station (AWOS).

Cooking Lake Airport is host to numerous private aircraft, as well as flight training and air taxi services. Cooking Lake Airport has two on-site flight training businesses and one charter air taxi provider. Other airport services include aircraft maintenance, aviation related manufacturing, and customs brokerage.

The Cooking Lake facility is Canada's only "bare land condominium airport". There are 75 hangar lots at the airport and the owners of these lots comprise the condominium association. In addition to these private hangar facilities, there are over 20 aircraft tie-down leases at the airport. For the purposes of this study, private operators at Cooking Lake Airport have not been surveyed since they do not employ people at the airport. Private aviation, however, is a source of significant value to the airport and serving these aviators is one of the primary purposes of Cooking Lake Airport's on-site businesses. Further description of how their economic activity is captured is explained in section 1.3. Figure 3 provides a layout of the Cooking Lake Airport facilities.

Figure 2: Cooking Lake Airport Map



1.3 What is economic impact?

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project (such as the construction of a new facility), or a change in government policy or regulation. Economic impact can be measured in various ways. Two of the most popular ways to assess economic impact are in terms of the dollar value of industrial output produced, or in terms of person years (full-time equivalents (FTEs)) of employment generated. Other measures include value-added (GDP), or the value of capital used and/or created. All of these are used to express the gross level of activity or expenditure from a sector of the economy, a specific project or a change in policy or regulation. Although, they are not “net” measures that weigh benefits against costs, these measures can be useful in developing an appreciation of projects, investments and economic sectors.

One method to infer economic output and GDP for an economic sector is from employment data using economic multipliers. Statistics Canada produces economic multipliers both for Canada and all of the provinces and territories, and these are both more cost effective and more accurate than obtaining the data from surveys. This method, using Statistics Canada economic multipliers for Alberta is the approach adopted here.

The tax revenues generated annually by employers and employees in the airport region are also estimated. Figures for annual revenues for all tax envelopes and levels of government (federal, provincial and municipal) are provided.

1.4 Economic Impact Summary

Ongoing operations at both Villeneuve and Cooking Lake Airports may support up to a total of 300 jobs province-wide when multiplier impacts are present. Over 120 of these direct jobs are located at or near the airports. Because jobs related to the airport extend far beyond the Edmonton region, the total province wide impact also includes both indirect (100 jobs) and induced employment (75 jobs). Employment can be measured in two ways; one is to count the number of jobs. Because some jobs are part-time or seasonal, another measure is “person years,” where jobs are converted into full-time equivalents.

Villeneuve and Cooking Lake Airports generate direct employment in the Edmonton region and contribute significantly to the Alberta economy. The significance of the airports in terms of the provincial economy is demonstrated by the *direct* economic impact of the airports’ employment on GDP and output; of \$8 million and \$20 million respectively - *total* impacts of \$18 million and \$43 million using economic multipliers.

Table 1 summarises the economic impact of the ongoing operations at Villeneuve Airport and **Table 2** summarises the economic impact of ongoing operations at Cooking Lake Airport. As discussed in the report, the figures for the indirect and induced economic impacts were derived using economic multipliers and thus must be interpreted with caution. The figures in the tables are annual impacts of Villeneuve and Cooking Lake

Airport operations on Alberta's provincial economy. Table 3 shows the combined economic impact results for both airports.

Table 1: Summary of Economic Impacts of On-Going Operations at Villeneuve Airport

Type of Impact	Jobs	Person Years	Wages (\$ million)	GDP (\$ million)	Economic Output (\$ million)
Direct	90	73	\$3.4	\$5.7	\$14.0
Indirect	73	59	\$2.4	\$3.9	\$9.5
Induced	55	45	\$1.9	\$3.3	\$7.1
<i>Total</i>	<i>218</i>	<i>177</i>	<i>\$7.7</i>	<i>\$12.9</i>	<i>\$30.6</i>

Table 2: Summary of Economic Impacts of On-Going Operations at Cooking Lake Airport

Type of Impact	Jobs	Person Years	Wages (\$ million)	GDP (\$ million)	Economic Output (\$ million)
Direct	33	30	\$1.4	\$2.3	\$5.8
Indirect	27	24	\$1.0	\$1.6	\$3.9
Induced	20	19	\$0.8	\$1.4	\$2.9
<i>Total</i>	<i>80</i>	<i>73</i>	<i>\$3.2</i>	<i>\$5.3</i>	<i>\$12.6</i>

Table 3: Combined Summary of Villeneuve and Cooking Lake Airport Economic Impact of Ongoing Operations

Type of Impact	Jobs	Person Years	Wages (\$ million)	GDP (\$ million)	Economic Output (\$ million)
Direct	123	103	\$4.8	\$8.0	\$19.8
Indirect	100	83	\$3.4	\$5.5	\$13.4
Induced	75	64	\$2.7	\$4.7	\$10.0
<i>Total</i>	<i>298</i>	<i>250</i>	<i>\$10.9</i>	<i>\$18.2</i>	<i>\$43.2</i>

1.5 Ongoing Tax Contributions of Villeneuve and Cooking Lake Airports

Villeneuve and Cooking Lake Airports are also important generators of taxation revenues to all levels of government. Total taxes paid on an annual basis, by employers, employees and airport users, are estimated at \$2 million. Combined tax contributions for the two airports amounts to \$1,300,000 to the federal government, \$500,000 to the provincial government, and \$200,000 to their municipal governments.