

***THE ECONOMIC IMPACT OF
THE LETHBRIDGE COUNTY
AIRPORT : 2006***

prepared for

THE COUNTY OF LETHBRIDGE

and

ECONOMIC DEVELOPMENT LETHBRIDGE

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CALGARY, ALBERTA, CANADA

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EXECUTIVE SUMMARY

This report documents the 2006 economic impact activity generated by some 23 firms or agencies operating at the Lethbridge County Airport. Significant benefits are also generated by the spending of non-resident visitors arriving by air and from construction associated with airport capital projects during the year.

The economic impact is reported in terms of full-time equivalents (FTEs), labour income and value-added gross domestic product (GDP). Direct, indirect and induced forms of activity have been considered.

The response rate to the interview process and survey questionnaire was exceptional : a 100 percent completion rate for the data sought.

In 2006, the Lethbridge County Airport supported a significant level of economic activity :

Direct Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
863	\$36.447	\$60.212	\$96.659

Total Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
1901	\$72.320	\$138.399	\$210.719

(in millions, except FTEs)

† 770 full-time jobs are located on the airport

The Lethbridge County Airport has had a long-term relationship with the local manufactured homes sector, dating back to the 1960s - a sector which has shown remarkable growth over the past decade. This study divides aviation and non-aviation related activity as shown below. Additionally, two other important sources of economic activity have been explored : non-resident visitor spending (individuals who arrive by air) and one-time construction benefits attached to capital spending on the airport.

The 2006 economic benefits of the Lethbridge County Airport are distributed :

	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
On-Airport Aviation	10%	10%	12%	12%
On-Airport, Non-Aviation	79%	81%	80%	80%
Visitor Spending	7%	3%	3%	3%
One-Time Construction	4%	6%	5%	5%

In 2006, the Lethbridge County Airport generated over \$210 million of GDP activity within the City and County of Lethbridge.

The Lethbridge County Airport generates \$1 out of every \$17 of economic wealth created in Lethbridge.

The Lethbridge County Airport is the 7th largest employer in the Lethbridge area.

In 2006, the Lethbridge County Airport generated \$65.5 million in taxes.

This total is divided :

Federal Government	\$35.5 million
Province of Alberta	\$19.3 million
Lethbridge Municipal Gov'ts	\$9.7 million

THE ECONOMIC IMPACT OF THE LETHBRIDGE COUNTY AIRPORT : 2006

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Definition of Terms

ATB – airport terminal building.

FTEs – Full time equivalent workers, based upon a 40 hr work week.

GDP – Gross domestic product; the value of all goods and services required to produce a given service or product.

Labour Income – the annual salaries plus benefits of a given workforce, which are generally circulated within the community where that workforce resides.

On-Airport, Non-Aviation – refers to those businesses physically located on airport property but do not have or produce an aviation-related product or service.

One-Time, New Construction – consists of on-airport, new capital construction (ie. new bricks and mortar facilities and/or the refurbishment of existing infrastructure).

Other Expenditures – other annual, non-labour expenditures, by firms for goods and services, excluding labour costs. These monies generally circulate within the community where those purchases are made.

Non-Resident Visitors – passengers arriving at the airport from jurisdictions outside the greater Lethbridge area (ie. other parts of Alberta, other provinces, transborder or international passengers).

Total Value-added GDP – an aggregate of the labour income plus other expenditures totals which denotes the value-added activity created, in this case, by the airport.

Chapter I

Introduction

1.1 About this report

The report was undertaken by RP Erickson & Associates, Aviation Consultants, of Calgary for Economic Development Lethbridge. The purpose of the study is to document the economic impact of the Lethbridge County Airport for calendar year 2006.

Impact assessments are valuable in that they serve to heighten business, community and political awareness as to the importance of an airport; in this case, the Lethbridge airport's contribution to the City and County economies in terms of employment, labour income and value-added gross domestic product activity. The study can also be viewed as a base-line against which future marketing or operational developments may be measured.

Any questions arising from this report should be directed to Ms. Cheryl Dick, Chief Executive Officer, Economic Development Lethbridge at (403) 331-0022.

1.2 Background

The Lethbridge County Airport is owned, operated and managed by the County of Lethbridge. The airport is located 2 km south of the City. The airport is bordered to the east by Highway 5 which runs into the City, and is situated roughly 10 km from the central business district. The airport lies 210 km SSE of the Calgary International Airport; the nearest National System Airport.

Lethbridge has had a long tradition of supporting the aviation sector. The City was one of the first in Alberta to operate an airfield commencing operations in 1920. Several airfields were constructed in the greater municipal area leading to the current airfield complex. Originally named Kenyon Field, the airport consisted of two hard-surfaced runways, connecting taxiways, runway lighting and radio and meteorological services, allowing night and day operations under all-weather conditions. At that time, Trans-Canada Airlines identified Lethbridge as “a critical support point for its flights over the Rocky Mountains” and constructed a substantial hangar which yet exists.

Airport operations commenced in October 1938, and passenger services started in April of the following year. The airport officially opened on June 7, 1939. Air training in support of Canada’s WWII war effort transformed ‘Kenyon Field’. Under the British Commonwealth Air Training Plan the No. 8 Bombing & Gunnery school was established. The airport was leased to the Government of Canada for the duration of the War and was operated as a dual civil and military aerodrome. In 1947, the Department of Transportation converted an RCAF mess hall into the airport's Air Terminal Building (ATB), replacing the TCA passenger facility. In 1948, TCA rerouted its main service to the West Coast through Calgary leading the city to decide against taking responsibility for airport operations; thereby, conceding this responsibility to the federal Department of Transportation (DOT). The DOT assumed full ownership of the facility in 1968 and replaced the Air Terminal Building with the current facility in 1979.

During the same period, the Lethbridge Airport also played an important role in the development of Canada's regional air carrier industry. Serving as a home base to Time Air, a small regional carrier set up by Stubb Ross, a local pilot and businessman, the

airport eventually became southern Alberta's regional air service hub. Time Air initially provided service with commuter-type equipment of the era eventually expanded its network to cover most of Western Canada with larger, regional turbo-prop aircraft.

As a result of industry deregulation and consolidation in the late 1980's, the airline was sold to Pacific Western Airlines and formed the backbone of Canadian Regional Airlines. The carrier subsequently played an increasing role as a feeder airline to Canadian Airlines International's network and traffic focused on the latter developing hubs, primarily at the Calgary and Vancouver International Airports. As a result, by the early 1990s the bulk of Time Air's operations were shifted to Calgary, leaving Lethbridge as a spoke to the Calgary hub – a role it continues to play. With declining aircraft activity, the airport's control tower was decommissioned in 1994 and subsequently demolished.

The management structure of the airport changed significantly in the mid-1990s with the adoption of the National Airports Policy (NAP) by the Government of Canada. Under the NAP, the Federal Government relinquished ownership of regional and local airports to regional and community interests. In accordance with the provisions of the policy, the Lethbridge Airport was acquired by the County of Lethbridge on January 1, 1997. The facility has since been renamed the Lethbridge County Airport and is currently operated as a County Department. Transport Canada continues to ensure safety and security at Canadian airports through appropriate policies, standards, airport certification and regulations.

The Lethbridge County Airport provides the City of Lethbridge and surrounding community with scheduled air services. Lethbridge is a 'CATSA Designated Aerodrome' and, as such, provides full passenger security screening. The airport also serves the region's general aviation requirements, with a number of on-site charter, maintenance, flight training and speciality aviation services. Some 40 commercial, corporate, recreational, flight training, and aerial spray aircraft are based at the airport.

The airport property generally exhibits a flat prairie topography. The reference elevation is 3047' above mean sea level. The airport operates on a 24-hour, 7-day per week basis. The main asphalt runway (05-23) is 6500 x 200'; the crosswind runway (12-30)

is 5500 x 150'. The airfield has runway and approach lighting; electronic navigation and landing aids include an ILS (05-23), VHF, VOR/DME and NDB. An on-site NAV CANADA Flight Services Station (FSS) is located within the terminal building and is operated on a 16 hr per day basis : the facility is a significant airport asset.

The following chart depicts annual scheduled passenger and aircraft movement statistics for the past 10 years :

	<u>Scheduled Passengers</u>	<u>Aircraft Movements</u>
1997	68,564	35,463
1998	68,278	30,190
1999	66,306	38,365
2000	61,236	33,658
2001	63,954	38,915
2002	54,357	34,689
2003	53,470	29,359
2004	56,141	28,430
2005	61,442	29,258
2006	56,359	30,807

(Source : Lethbridge County Airport)

Lethbridge's air passenger traffic base has been in relative decline since the late 1980s when yearly totals exceeded 120,000. This decline can be loosely attributed to the improved road access to Calgary in the form of a 4-lane highway direct to the Calgary International Airport. As a consequence most of Lethbridge's scheduled activity is undertaken by smaller, commuter turbo-prop aircraft in the 19 seat range. Aircraft movement statistics are also down considerably from their 'heyday' in the early 1980s when recreational flying was more popular than current trends indicate; the airport has

also seen the number of flight training schools dwindle to one which has also affected annual aircraft movement numbers.

The Lethbridge airport supports a large number of non-aviation activities, centred around the construction of manufactured homes. This industry was developed in the late 1960s and was initially attracted to the airfield due to the availability of low-cost hangarage left surplus from the airport's greatly reduced RCAF presence. That sector has continued to expand, especially over the past three years and dominates airport employment. There is also a substantial non-aviation presence in the form of the 18th Air Defence Group located on airport who support a major artillery presence within the Canadian Forces. Several retail, service sector and/or warehousing operations have also been attracted to the airport in recent years.

1.3 Methodology

The economic impact of the Lethbridge County airport has been measured in terms of employment [full-time equivalents or FTEs], labour income, and value-added, Gross Domestic Product (GDP) expenditures. These leading indicators are expressed in dollar values and person-years of employment. Direct, indirect and induced forms of activity have been considered for employment and GDP expenditures. Data was obtained for the 2006 calendar year.

The direct data compiled in this study was obtained via a questionnaire circulated amongst firms located on the airport property. In conducting the interview/questionnaire process, key principals at each identified firm were visited by the consultant, where : the underlying rationale for undertaking the study was explained; the objectives of the study examined; the value of their participation fully explored; and, the confidentiality of their data assured - data has only been released in an aggregated format. This approach resulted in an exceptional 100% response rate for all of the data fields sought.

1.4 The economic impact modelling process

Economic impact analysis is based on the premise that operations within various industries in an economy are closely related or linked to each other; that is, an increase in the activity levels in one industry will produce a positive 'domino' or rippling effect on other industries. Economists discuss the impact that one sector has on another in terms of indirect and induced effects. The total economic impact is the sum of the direct, indirect and induced effects.

In this report :

Direct economic effects are the economic activities related to labour, and expenditures emanating from those firms engaged in aviation and non-aviation activities at the Lethbridge County airport.

Indirect + induced economic effects are those related to the economic impact associated with parallel co-activities which support activities at the airport and the overall increase in the goods and services produced within an economy, arising from the spending power of direct and indirect employees. This economic activity is accounted for by multipliers which attempt to quantify the interactive linkages within the local economy impacted by direct economic activity.

The aviation industry is a good example of a highly integrated sectoral activity which has significant linkages throughout the domestic economy. The multipliers associated with aviation are higher than most primary sectors and, as such, the potential impact to an economy linked to an increase or expansion in aviation activity is significant.

The most common economic measures used in economic impact surveys are : employment and value-added gross domestic product [GDP]. For this report, the consultant has chosen to display labour income as a separate category of value-added GDP in addition to total value-added GDP.

In this report :

Employment is measured by FTEs and by annual income plus benefits of those employees required to mount an airport presence. FTEs are expressed in person-years and labour income by dollar value. Employment multipliers are used to generate the associated indirect and induced impacts.

Labour income is the total payroll expense of the canvassed firms, including wages, salaries and employee benefits. Labour income multipliers are used to generate the associated indirect and induced impacts.

Other Expenditures is defined as the amount of value to the local economy created through expenditure activity. A GDP multiplier is used to generate the indirect and induced impacts.

Total Value-added GDP is an aggregate of labour income and other expenditure totals. No multiplier has been applied to this category.

1.5 A word about the multipliers used in this report

Multipliers are used to *infer* indirect and induced economic activity from a measure of direct economic activity. Multipliers are not directly observed; they are inferred from an economic model. By far the direct measure remains the most accurate. Readers are advised that multiplier analysis remains a less-than precise econometric technique and that caution be used in interpreting the indirect and induced impacts contained within this study. However, multipliers are virtually the only cost-effective tool available to identify the impact of a sectoral activity within a local economy.

The consultants have chosen a multiplier set produced by Alberta Finance ('Alberta Industry Multipliers', Department of Statistics, Alberta Finance, October, 2006). This multiplier set is Alberta-specific. Multipliers have been selected in two categories : 'Air & Support Activities for Transportation (used for aviation activities); and Construction (used for Non-Aviation, On-airport Firms – chosen in view of the large, on-site manufactured homes sector); and Construction (used a second time for 'One-Time' Economic Impact from New Construction).

The closed model utilized accounts for economic activity occurring within the local economy. It is fair to note that some 'leakage' of benefits is likely occurring outside the Province which has not been accounted for in our data (eg. aviation components which may be repaired in Winnipeg, Toronto or Montreal, and in particular a significant leakage of benefits related to the wholesale purchase of construction materials used by the manufactured homes sector). A considerable proportion of the net economic benefits generated by the airport does occur within the Lethbridge area (see Section 2.5) as well as the rest of the Province (eg. the benefits attached to the production of oil & gas products, and those building materials used in the manufactured homes sector which are primarily created in northern Alberta).

Chapter II

The Economic Impact of the Lethbridge County Airport

2.1 Economic Impact of the On-Airport Aviation Sector : 2006

As could be expected, on-airport aviation activities are a significant contributor to the economic activity generated by the Lethbridge County airport. Fourteen companies were canvassed though it should be noted that a number of firms operate subsidiary or related parallel businesses – thus the number of companies contacted in this category does not equate to the actual number of firms conducting aviation-related business on the airport. Firms within this category include air carriers, air traffic control, flight training schools, aircraft maintenance/overhaul/repair, ground handling and refuelling, airport administration & operations and several other aviation-specific companies.

Table 1 depicts the economic impact activity undertaken by the On-Airport Aviation sector in 2006.

Table 1.

On-Airport Aviation Sector :
2006 Economic Impact
 (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
87	\$3.761	\$7.524	\$11.285
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
175	\$6.838	\$15.349	\$22.187

For calendar year 2006, a total of 87 annual full-time equivalent employees can be attributed to the On-Airport Aviation sector at the Lethbridge airport. Their aggregate labour income was identified at \$3.761 million. Other Expenditures for this sector were \$7.524 million. Total direct value-added GDP was \$11.285 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the considerable impact of Lethbridge's aviation sector can be realized. Within the City and County of Lethbridge 175 full-time jobs are dependent upon it, generating an annual labour income of \$6.838 million. Other Expenditures in this sector were \$15.349 million. In 2006, the total value-added GDP benefit created by aviation-related activities at the Lethbridge County airport was \$22.187 million.

2.2 Economic Impact of the On-Airport, Non-Aviation Sector : 2006

The attractiveness of the industrial lands located on the Lethbridge airport is reflected in the number of On-Airport, Non-Aviation firms. Due to the unusually large nature of this 'non aviation' sector, the consultants have chosen to highlight this activity separately; further, we have chosen a set of multipliers specific to this sector. Currently 9 firms are included in this sub-group, and they have a significant economic presence, benefits which accrue the City, the County and elsewhere in Alberta.

Table 2 depicts the economic impact activity identified in the On-Airport, Non-Aviation sector in 2006.

Table 2.

On-Airport, Non-Aviation Sector : 2006 Economic Impact (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
683	\$29.493	\$48.163	\$77.656
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
1578	\$59.340	\$115.061	\$174.401

For calendar year 2006, a total of 683 annual full-time equivalent employees can be attributed to the On-Airport, Non-Aviation sector. Their aggregate labour income was identified at \$29.493 million. Other Expenditure activities were \$48.163 million. Total direct value-added GDP was \$77.656 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the significant impact of the On-Airport, Non-Aviation sector can be realized. Within the City and County of Lethbridge 1578 full-time jobs are dependent upon it, generating an annual labour income of \$59.340 million. Other value-added GDP activity was \$115.061 million. In 2006, the total value-added GDP activity created by the On-Airport, Non-Aviation sector at the Lethbridge airport was \$174.401 million.

2.3 Economic Impact generated by Non-Resident Visitor Spending : 2006

Spending by non-resident visitors drawn to Lethbridge and its catchment area due to the presence of the airport make an important contribution to the overall economic impact of the airport. The majority of these visitors arrive on scheduled flights although a noteworthy number arrive via corporate or chartered aircraft for site visits to Lethbridge's larger or national businesses.

US aircraft en route to Alaska clearing Canada Customs on the airport are another source of non-resident spending as a number of these users overnight in the Lethbridge area; some venturing out to attractions throughout southern Alberta. Another less obvious area is attached to the 'personal maintenance' spending of non-resident students undertaken flight training at the airport - in most cases, students pursuing commercial licences spend slightly more than a year in the Lethbridge area.

In attempting to capture the impact attributable to this sector, the consultants have chosen the Conference Board of Canada's Tourism Economic Assessment Model [TEAM]. The TEAM model is a sophisticated, computer-based econometric tool designed to assess the impact of non-resident spending upon a local or provincial economy. The TEAM model output is presented and integrated into the overall study results.

From Table 3 an input total of \$3.561 million of non-resident visitor spending was entered into the TEAM model utilizing locally-derived average length of stay and per diem rates for each visitor category.

The model produced the results displayed in Table 4.

Table 3.

Spending by Non-Resident Visitors : 2006

<u>Non-resident Visitors</u>	<u>2006 Visitor Totals</u> [†]	<u>Total Spending</u> ^{††}
Visitors arriving by scheduled flights	6,000	\$2,962,500
Other aviation visitors	1,000	\$262,500
'Student maintenance' expenditures [†]		<u>\$336,000</u>
	Total	\$3,561,000

[†] RP Erickson & Associates
^{††} Economic Development Lethbridge

Table 4 depicts the economic impact attributable to non-resident, airport visitor spending in the Lethbridge area in 2006.

Table 4.

**Spending by Non-Resident Visitors :
2006 Economic Impact**
(in 000s, except FTEs)

<i>Direct Impact</i>				
	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
	57	\$1.104	\$1.585	\$2.689
<i>Total Impact</i>				
	<u>FTEs</u>	<u>Labour Income</u>	<u>Total Value Expenditures</u>	<u>added GDP</u>
	80	\$2.048	\$3.461	\$5.509

For calendar year 2006, a total of 57 annual full-time equivalent employees can be attributed to non-resident, airport visitor spending. The aggregate labour income was identified at \$1.104 million. Other Expenditure activities were \$1.585 million. Total direct value-added GDP was \$2.689 million.

When the TEAM-generated multipliers are applied to the above direct economic activity, the impact of non-resident, airport visitor spending can be realized. This spending created 80 full-time jobs, generating an annual labour income of \$2.048 million. Other Expenditure activity was \$3.461 million. In 2006, the total value-added GDP activity created by this sector on the local economy was \$5.509 million.

2.4 The 'One-Time' Economic Impact of New Construction at the Lethbridge County Airport : 2006

The 'one-time' impact of the economic contribution accompanying capital spending on the airport is consequential. Capital spending arises from the Lethbridge County airport's capital construction program alongside a range of tenant facility new construction and/or expansion projects. This capital investment has provided work for the local construction industry and the province's construction materials sector.

From the questionnaire survey, in 2006 \$3.259 million of new capital construction on the Lethbridge airport was identified.

Table 5 depicts the 'one-time' economic impact activity associated with capital spending on the Lethbridge airport in 2006.

Table 5.

One-Time, New Construction at the Lethbridge County Airport : 2006 Economic Impact (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
36	\$2.089	\$2.940	\$5.029
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
68	\$4.094	\$4.528	\$8.622

For calendar year 2006, a total of 36 annual full-time equivalent construction and support service jobs can be attributed to on-airport capital spending. The aggregate labour income was identified at \$2.089 million. Other Expenditure activities were \$2.940 million. Total direct value-added GDP was \$5.029 million.

When the indirect and induced multipliers are applied, 'new' on-airport construction spending generated 68 full-time jobs, creating an annual labour income of \$4.094 million. Other Expenditure activity was \$4.528 million. In 2006, the total value-added GDP activity created by new construction on the Lethbridge airport was \$8.622 million.

2.5 The Aggregate Economic Impact of the Lethbridge County Airport : 2006

At the Lethbridge County airport, some 23 aviation and non-aviation firms were interviewed and their 2006 economic activities assessed (Sections 2.1 and 2.2). Additionally, the impact of non-resident visitor spending in the Lethbridge area (Section 2.3) and the economic benefits attached to 'one-time' capital construction expenditures for 2006 (Section 2.4) have been summed to produce Table 6.

Table 6 depicts the aggregate economic impact of the Lethbridge County Airport upon the City and County of Lethbridge for 2006.

Table 6.

**Aggregate Economic Impact of the
Lethbridge County Airport : 2006**
(in 000s, except FTEs)

Direct Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
863	\$36.447	\$60.212	\$96.659

Total Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
1901	\$72.320	\$138.399	\$210.719

For calendar year 2006, a total of 863 annual full-time equivalent employees can be attributed to the Lethbridge County airport; it is noted that there are 770 full-time jobs located on the airport. The aggregate labour income of this workforce was identified at \$36.447 million. Other Expenditure activity was \$60.212 million. Total direct value-added GDP located on the Lethbridge County airport was \$96.659 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the consequential impact of the airport can be realized. The airport creates some 1901 full-time jobs, generating an annual labour income of \$72.320 million. Other Expenditure activity was \$138.399 million. In 2006, the total value-added GDP activity created by the Lethbridge County airport was \$210.719 million.

2.6 Social Benefits of the Lethbridge County Airport

The Lethbridge County Airport provide the residents of its catchment area with significant social benefits generally of a non-monetary dimension. These range from : the societal advantages attached to the travel, tourism and transportation functions of the airport (ie. a crucial entry point to Canada's air transport network); through expansive career development opportunities for on-airport employees; furthering the aviation hobby pursuits of local residents; and, aviation-related opportunities for volunteerism. The airport remains a critical business 'attractor' to Lethbridge in that it facilitates corporate aircraft movements which are vital to a number of local firms (eg. agribusiness, aerospace, and retail distribution,). Additionally, the airport provides access for important air-related environmental and emergency response services. As well, it provides emergency air access to distant, critical health care facilities.

The consultants have identified the following specific social benefits attributable to the airport :

- Alberta Air Ambulance report 271 emergency medical flights to/from the airport in 2006;
- the annual Lethbridge Air Show attracts upwards of 30,000 spectators, and provides the 600 members of its host 'not-for-profit' society with an estimated 18,000 hours of volunteer opportunity. (Note: the Air Show was not undertaken in 2006 but is expected to return in 2007). The airshow furthers the aviation heritage of the airport and community, and no doubt influences younger residents into a career within the sector;
- a second, significant volunteerism opportunity provides the on-site RCAF Association (65 members) with an estimated 1000 hours of annual activities. The Association supports a number of local aviation-related projects, including support for the Lethbridge Air Cadet Squadron. Their facility provides all local residents with a unique social venue;
- the airport's presence permits a variety of corporate aircraft activity, which is invaluable to the community in attracting high tech firms to locate in the Lethbridge area;
- the Lethbridge County Airport acts an alternate for the Calgary International Airport which enhances its viability as an attractive air

service point. Airport management report on average a dozen diversions per year ex-Calgary;

- the airport is in essence a 'full service, international airport' with the same spectrum of navigational, lighting, ANS and radio aids to be found at much larger facilities. As such it plays a pivotal 're-current' training role for southern Alberta, providing the aviation industry (much of which is based elsewhere) with an uncongested, 'full service' airport training environment of invaluable operational and training experience;
- Aviation Alberta's 'Young Eagles' program is accessed through an on-site flight school to encourage an interest in aviation by taking local high school students for an initiation flight;
- the airport supports the 'Thrill of Flight' distance learning education experience which is integrated into Alberta Learning's Grade 6 Science curriculum by facilitating school visits;
- the airport provides Customs Clearance for aviation visitors to Canada;
- the greater runway resources and on-site services means that larger scale providers of aviation environmental and emergency response services choose Lethbridge as a temporary base for operations versus smaller airport facilities, even though they may be closer to the sphere of required actions; and,
- the airport serves not only recreational users with a home base for operations; it is also a base for local amateur built and ultra-light aircraft enthusiasts during the summer flying season.

2.7 Discussion

In addition to providing over 850 direct full-time jobs, the Lethbridge County airport's contribution to total GDP of the Lethbridge area was over \$210 million. This amounted to roughly 6 percent of Lethbridge's 2006 GDP of \$3.708 billion¹. In reviewing the major employers in the Lethbridge area, it is noted that the airport would be the 7th largest in the Lethbridge area².

The distribution of the Economic Impact by sub-category is presented in Table 7.

Table 7.

Distribution of Economic Impacts

The economic benefits of the on-airport firms are distributed :

	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Total Value added GDP</u>
On-Airport Aviation	10%	10%	12%	12%
On-Airport, Non-Aviation	79%	81%	80%	80%
Visitor Spending	7%	3%	3%	3%
One-Time Construction	4%	6%	5%	5%

¹ Economic Development Lethbridge.

² Economic Development Lethbridge.

2.8 Conclusions

In 2006, the Lethbridge County airport supported a significant level of economic and social activity in City and County of Lethbridge.

In direct economic terms, the airport contributed :

- over 850 full-time jobs;
- more than \$35 million in labour income;
- over \$60 million in value-added expenditures; and,
- nearly \$100 million in total direct benefits to the community.

When indirect and induced forms of economic activity are included, the airport contributed :

- 1900 full-time jobs;
- more than \$70 million in labour income;
- nearly \$140 million in value-added expenditures; and,
- over \$210 million in total value-added GDP.

Clearly, the Lethbridge County airport is an important economic and social contributor to both the City of Lethbridge and the County of Lethbridge.