



Tillsonburg Municipal Airport

Economic Impact Study

Draft Report
Revised December 12, 2006

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The Economic Impact of Tillsonburg Municipal Airport

Methodology

This study has been undertaken to measure the total contribution made by Tillsonburg Municipal Airport to the regional economy. To calculate the total economic impact of an airport economists measure three types of impacts: direct, indirect, and induced. The sum of the direct, indirect and induced impact equals the total economic impact of the airport.

- The direct economic impact refers to the employment and revenues attributable to the commercial activities which take place directly at the airport.
- Indirect economic impact measures the purchase of goods and services by airport businesses from other firms, in terms of the employment and revenues related to the incremental business activities resulting from their operations in support of airport operations.
- The induced economic impact estimates the increase in employment resulting from direct and indirect airport activities. The jobs sustained by the direct and indirect airport activity generate an increase in household income. This drives the induced economic impact that results from an increase in purchases at local businesses.

The traditional approach to estimating the economic impact of an airport involves in-depth interviews and detailed review and financial analysis of the operations of the businesses which operate at the airport. An alternative method, which has been used here, is the statistical approach.

For this analysis, the economic impact of Tillsonburg Municipal Airport has been estimated using a model originally formulated by the Transport Institute of the University of Manitoba. The model consists of two econometric formulas and was developed by applying regression analysis to the results of more than forty detailed economic impact studies performed at Canadian airports. It has been used extensively to calculate the economic impact of airports across Canada, and when compared to the results obtained using a survey methodology, the model was found to produce fair and reasonable estimates of an airport's impact on the provincial economy.

The outputs of the model are estimates of the total revenues, or economic output, and employment generated throughout the province by the commercial activity conducted by the airport operator, its tenants and others at the airport. These estimates represent the sum of the direct, indirect and induced employment and revenue generated by airport activities.



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An Overview of the Tillsonburg Area

Location:

The Town of Tillsonburg is located in Oxford County in Southwestern Ontario, approximately two hours from Toronto, Detroit and Buffalo.

Accessed via Highway #3, Tillsonburg is directly connected to Highway 401 and is strategically located with convenient access to major cities in the manufacturing centre of North America.



Source: www.mapquest.com

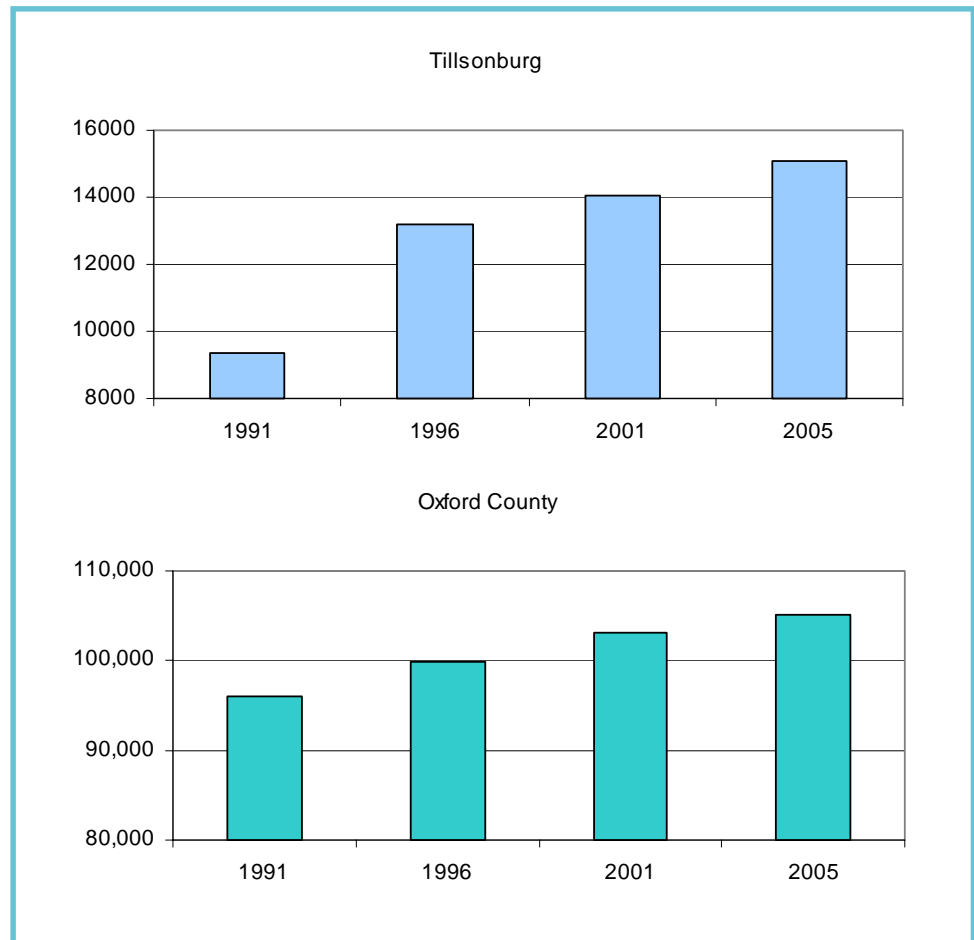


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Population :

The population of the Town of Tillsonburg has experienced strong growth over the past 15 years, reporting a 41% rise in the period 1991 to 1996 and a further 6.3% increase to 2001. The population is currently estimated to be 15,100, representing a total increase of 61% since 1991. Over the same fifteen year period, the population of the Oxford County has grown by 9.6%, and population increases in the county have been driven primarily by growth in Tillsonburg.



Source: www.statcan.ca, www.tillsonburg.ca



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Industry and Labour Force:

The automotive industry is the key economic driver for Tillsonburg. Manufacturing (primarily in the automotive sector), government and education all figure prominently in the local economy. The community has approximately 58 manufacturing operations, of which 31% are related to the automotive industry.

The Town's strategic plan involves further diversification of the economy and is centered on developing a strong downtown core, expanding the tourism sector, and promoting Tillsonburg for new industrial facilities.

Tillsonburg Major Employers :

Oxford Board of Education	Education	1,250
County of Oxford	Government	700
DDM Plastics	Automotive	500
Noma Appliance	Automotive	418
TRW Canada	Automotive	380
Rieter Automotive	Automotive	350
TDS Group	Automotive	320
Johnson Controls	Automotive	303
Roman Catholic School Board	Education	282
Freudenberg NOK	Auto and Aerospace	200
Guardian Industries	Glass products/ Various	130
Fanshaw College	Education	103
Otter Valley Foods	Food Processing	100
Townsend Lumber	Lumber	100



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An Overview of Tillsonburg Municipal Airport

Location:

The Tillsonburg Municipal Airport is located in Southwest Oxford Township, seven kilometres north of the Town of Tillsonburg. Access is from Highway 19, sixteen kilometres south of Highway 401.

Originally constructed by the Royal Canadian Air Force to be used as an emergency grass airfield to support flying training during WWII, the airport is owned and operated by the Town of Tillsonburg.



www.mapquest.com



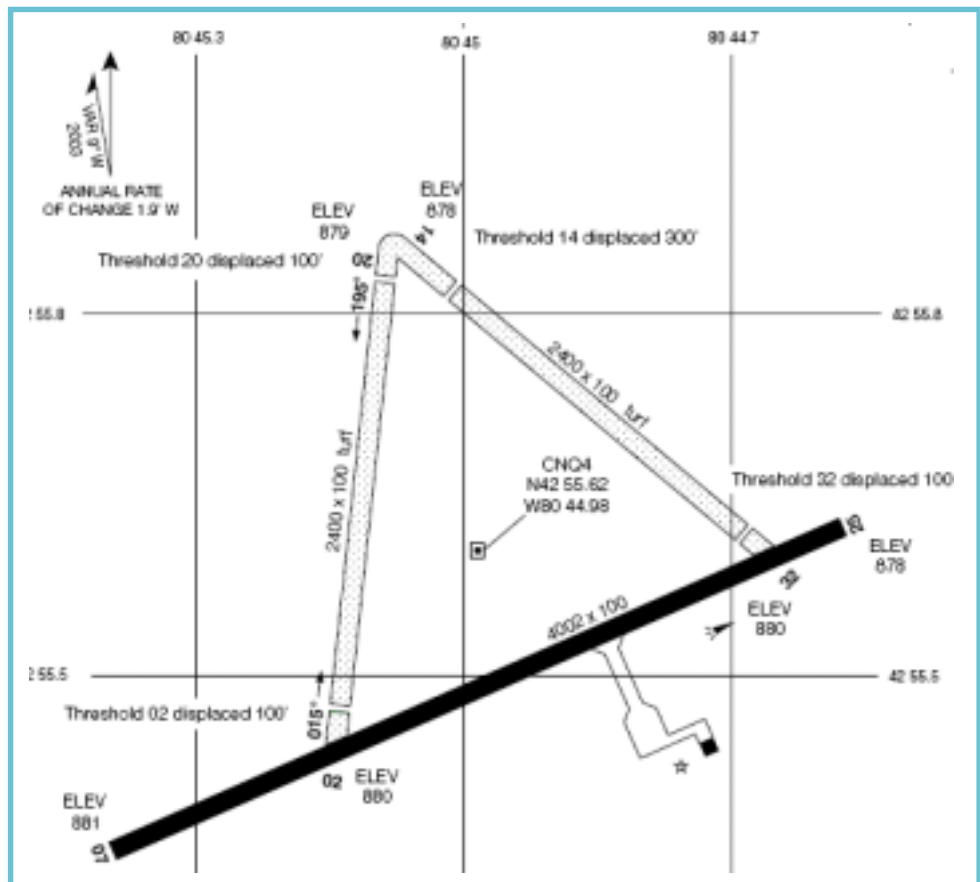
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Airport
Infrastructure:

The following facilities and services are available at Tillsonburg Municipal Airport:

- 4,002 x 100 foot paved runway (07-25), lighted
- Two 2,600 x 100 foot turf runways (02-20 & 32-14)
- Fuel 100 LL, Jet A1 and various kinds of engine oil
- Aircraft maintenance, storage and tie-down



Nav Canada Canadian Airport Charts

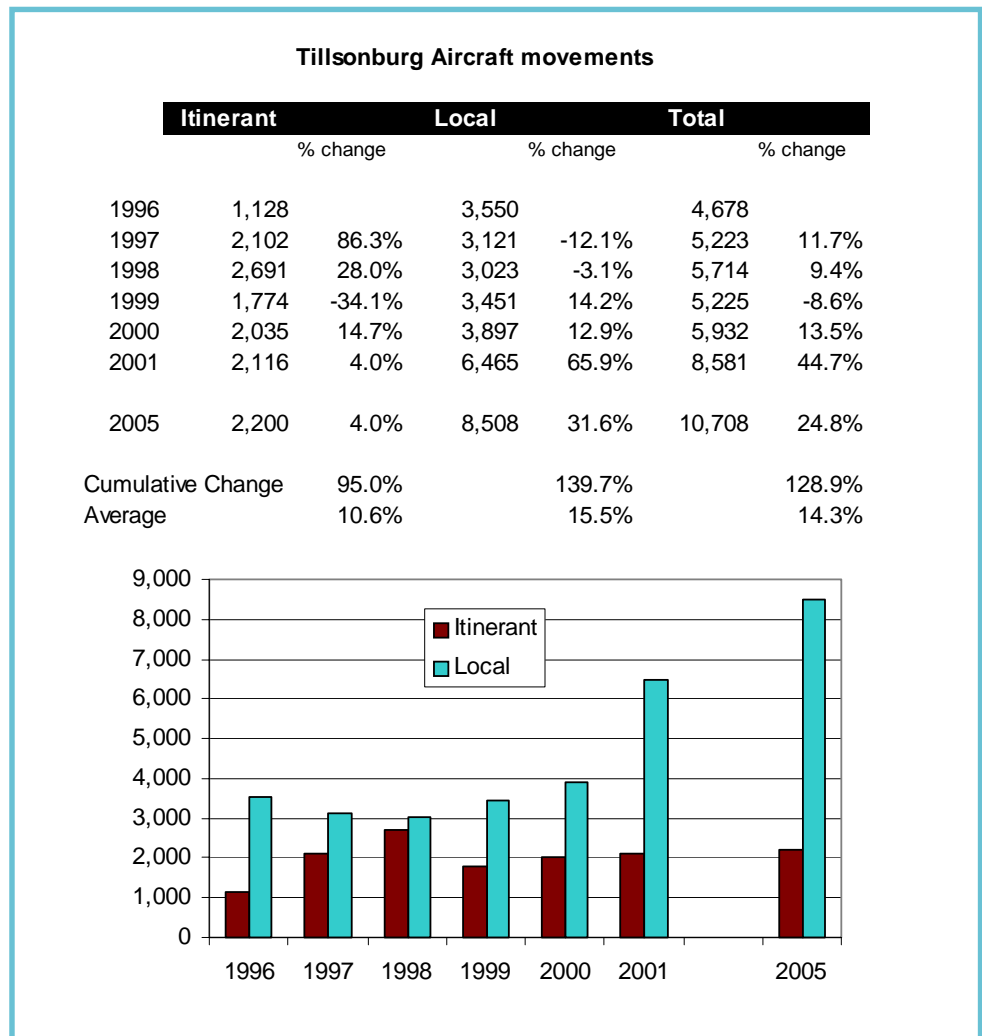


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Aircraft Movements: Aircraft movements have more than doubled at Tillsonburg Municipal Airport since the mid 1990s, primarily driven by growth in local activity. While itinerant and local traffic have both increased significantly over the nine year period, local movements have experienced the greatest growth. Itinerant movements have fluctuated somewhat, and peaked in 1998, the same year that local activity reported its slowest year.

Total aircraft movements for Tillsonburg during 2005 rose above the 10,000 mark, resulting in an average annual increase of 14.3% for the period shown.





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Tenant Operations and Airport Activities:

The following tenants and licensed operators are located at Tillsonburg Municipal Airport. Together with the airport operator, a total of 3 full time staff and 4 part time staff are employed at the airport, representing 5 full time equivalent employees.

Canadian Harvard Aircraft Association:

- A volunteer organization which is dedicated to the restoration, maintenance, preservation and display of Harvard Aircraft
- Fleet includes 6 Harvards, 1 Tiger Moth and 1 Yale aircraft
- Facilities include 2 heated hangars, 2 portables
- Fly Day events generate revenue by selling back seat rides (May through September)
- Total number of volunteers = 103

Spectrum Aviation and Interior:

- painting and interior upholstery for private aircraft, Air Canada, Jazz and others

Lee Aviation:

- Licensed AME
- Recently constructed hangar, expects to be operating full time in April 2007.

Delhi Flight School:

- Successful flight school operated by Retired Brigadier General.
- In operation for 9 years



Economic Impact of Tillsonburg Municipal Airport

Economic Impact of Tillsonburg Municipal Airport - 2005

Employment:	9.0
Gross Revenues:	\$1.53 million

Employment: During the year 2005, Tillsonburg Municipal Airport supported an estimated 9.0 person years of employment.

Through regression analysis, the Transport Institute's comparison of economic impact studies found that a strong correlation exists between the total number of jobs sustained by airport activities, the number of passengers handled throughout the year, and the relative wealth of the community served by the airport (using average housing prices as the benchmark). Because Tillsonburg Airport is a general aviation facility, there are no scheduled passengers. However an estimated 850 corporate and pleasure travellers use the airport each year. The average price of housing for the area is \$164,446. According to the model, these factors indicate that a total of approximately 9.0 full-time jobs were generated by the activities of the airport and its tenants during the year. This figure represents the sum of direct, indirect and induced employment.

Gross Revenues: Total gross revenues generated by activities at Tillsonburg Municipal Airport during 2005 are estimated to be \$1.53 million.

The gross revenues generated by activities at Tillsonburg Municipal Airport were also calculated by applying the relative wealth of the community and passenger volumes to the Transport Institute model. According to the economic impact model, Tillsonburg Municipal Airport generated approximately \$1.53 million for the regional economy during 2005. This figure represents the sum of direct, indirect and induced gross revenues.