



Yorkton Municipal Airport

Economic Impact Study

Final Report
May 2, 2005

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The Economic Impact of Yorkton Municipal Airport

Methodology

This study has been undertaken to measure the total contribution made by Yorkton 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 Yorkton 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 Yorkton Area

Location: The largest municipality on the Yellowhead Highway between Winnipeg and Saskatoon, the City of Yorkton is the economic centre of east-central Saskatchewan.

Yorkton is strategically located at the junction of the Trans Canada Yellowhead Highway, Highway 9 to points north, and Highway 10 to Manitoba. Just 190 kilometres northeast of Regina and 326 kilometres southeast of Saskatoon, the city is also served by the Great Western Railway (operated by Canadian Pacific Railway) and Canadian National Railway.



<http://encarta.msn.com>



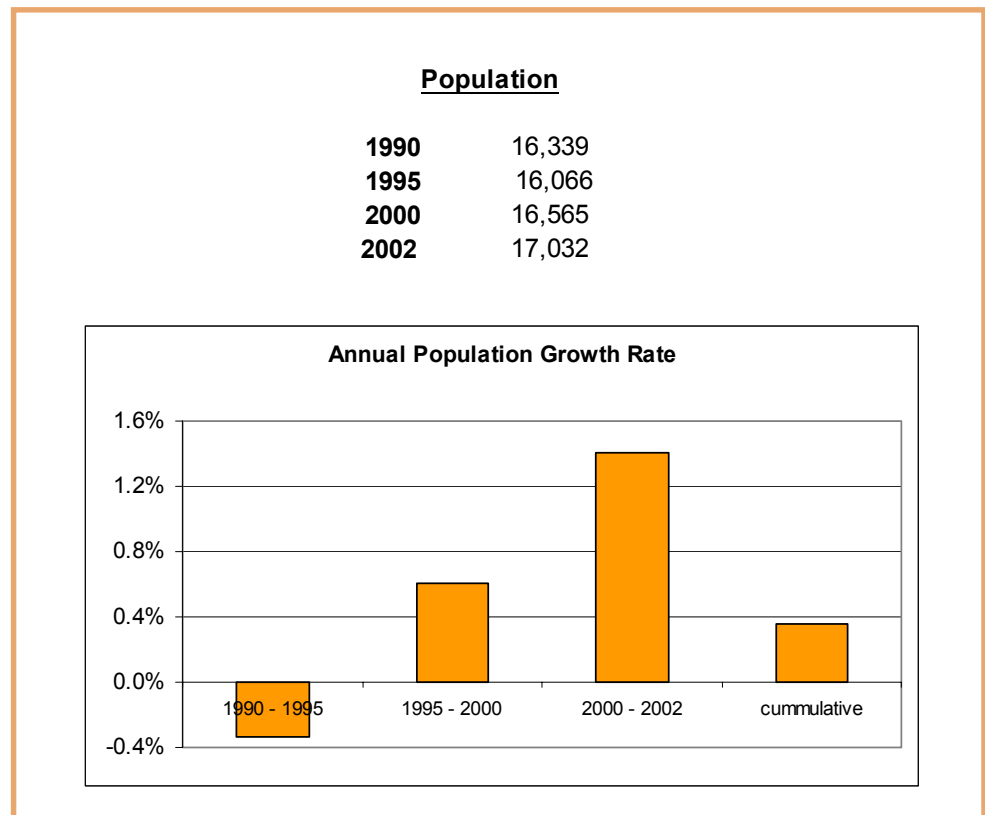
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Population :

The population of the City of Yorkton has experienced gradual but steady growth throughout its history, and increased by a total of 4.2% (an average of 0.35% per year) between 1990 and 2002. The increased rate of growth over recent years is primarily attributed to the trend towards urbanization in Saskatchewan.

The trading area for Yorkton includes all communities within a 150 kilometre radius, reaching a total catchment area population of 111,000.



www.city.yorkton.sk.ca



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Industry and Labour Force:

Agriculture, grain production, purebred beef cattle ranching, and potash mining have historically been important to the economy in the region. Outdoor recreational areas including hundreds of miles of groomed snowmobile trails, together with the region's museums and historically significant sites also assist in attracting visitors to the area. In recent years, the tourism industry has experienced a faster rate of growth, drawing hunting and fishing enthusiasts from Canada and the US and helping to diversify and strengthen the local economy.

- Retail trade and Healthcare and Social Assistance are the leading employers in the Yorkton area, representing more than 18.% of the city's workforce.
- In 1997, an independent study conducted on behalf of the Provincial Action Committee on the Economy (PACE) found that, of 12 cities studied across Canada and the United States, Yorkton had the most competitive business costs.
- Annual retail sales in Yorkton have more than doubled since 1995, and currently exceed \$234 million.
- Yorkton's 500 plus modern hotel rooms, the Parkland Agriplex and 1,000 seat convention centre provide capacity for major events and conferences such as the 1999 Royal Bank Cup and the 2000 Saskatchewan Summer Games.

Labour Force by Industry (2001)

Top Ten

1	Retail Trade	1,335
2	Healthcare and Social Assistance	1,155
3	Accommodation and Food Services	745
4	Manufacturing	610
5	Educational Services	445
6	Transportation and Warehousing	425
7	Construction	420
8	Agriculture, Forestry, Fishing and Hunting	395
9	Public Administration	355
10	Wholesale Trade	345

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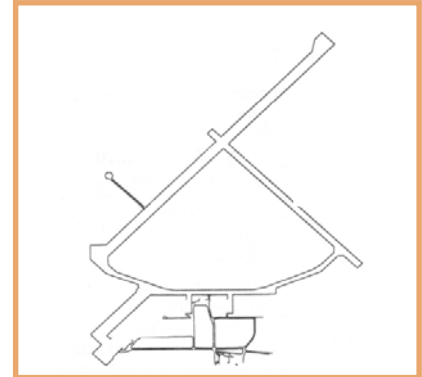
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An Overview of Yorkton Airport

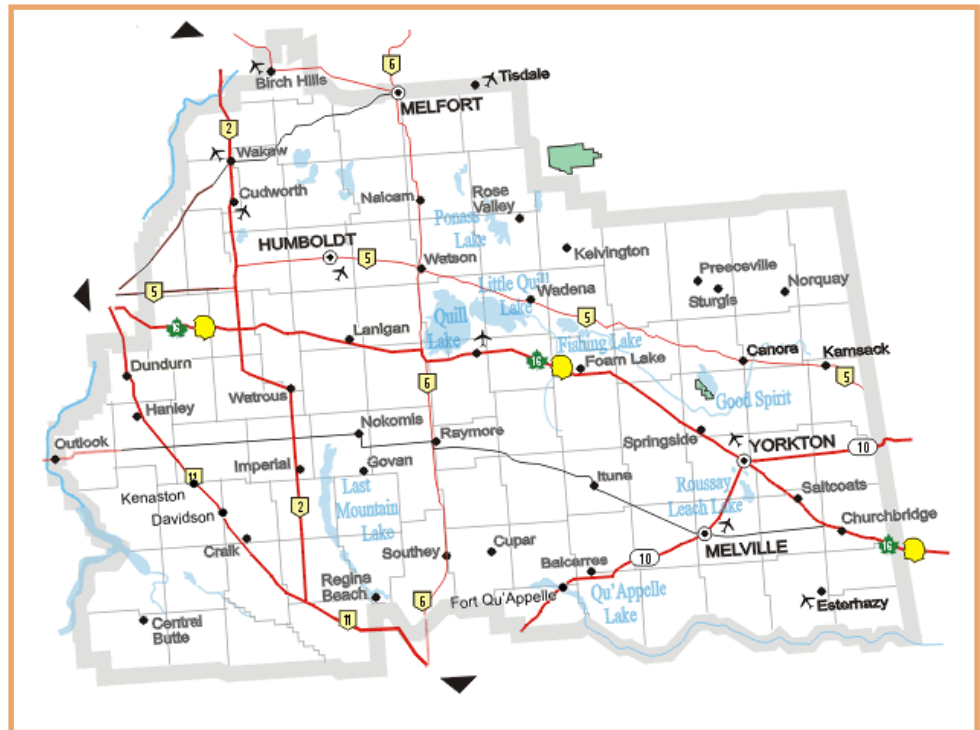
Location:

The Yorkton Municipal Airport covers approximately 720 acres, three kilometres north of the City on Highway 9.

Originally owned and operated by Transport Canada, ownership of Yorkton Airport was transferred to the City of Yorkton in March 1996.



Transport Canada, National Airports Policy



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Airport Infrastructure:

Yorkton Municipal Airport is a general aviation facility, serving both private and commercial helicopter and fixed wing aircraft. The airport is open 24 hours a day, 7 days a week, and is managed by the Airport Manager at the City of Yorkton Engineering office. The airport facilities are leased to various businesses under contractual arrangements, and there are no permanent airport staff on site.

The following facilities and services are available at Yorkton Airport:

- 261 m² Terminal building
- Two runways (longest measuring 4,600 x 150', asphalt)
- 276m² Maintenance garage

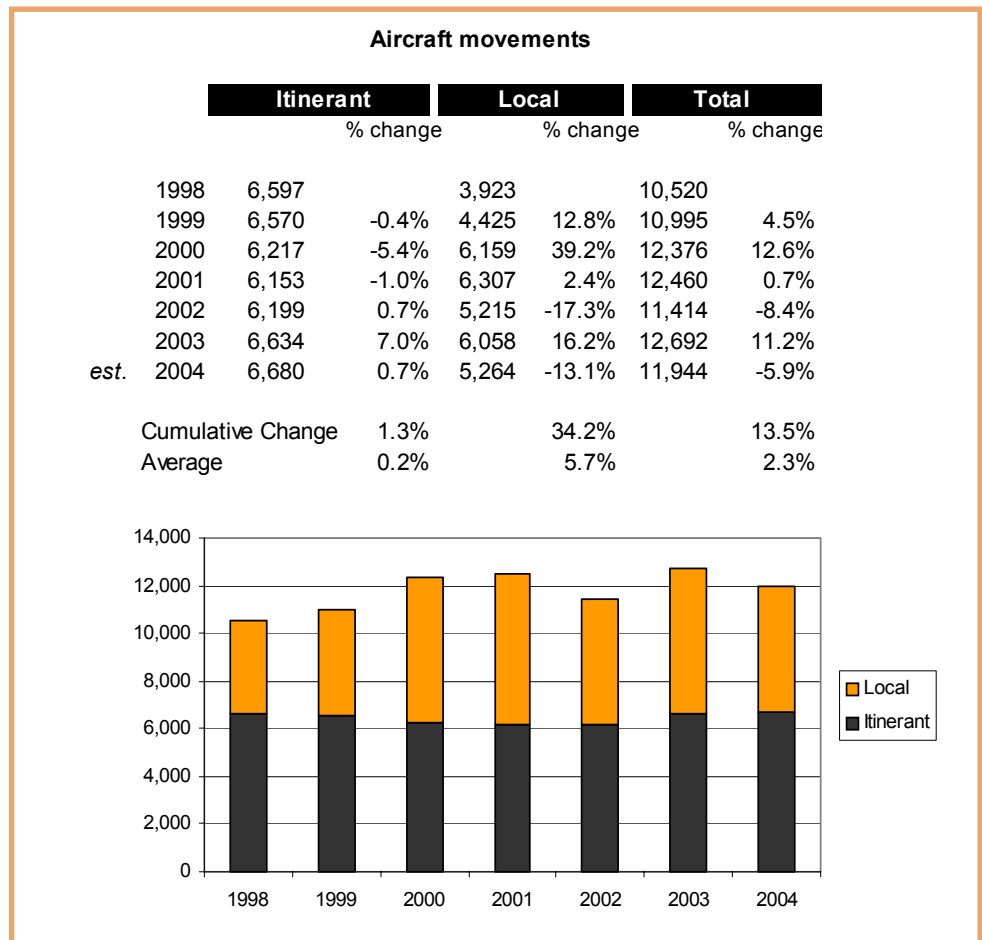


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Aircraft Movements: Local aircraft movements have fluctuated significantly at Yorkton Airport over the period 1998 to 2004. A large increase in local traffic during 2000 (39.2%) was offset somewhat by a 17.3% drop in activity during 2002. This was followed by another rise in movements in 2003 due to the introduction of crop spraying services by Miccar Aerial Applicators. In 2004, however, the airport experienced another low activity year due to a bad agricultural season which negatively affected the demand for crop spraying.

Itinerant movements at Yorkton Airport have remained relatively stable, recording a modest net increase of 1.3% from 1998 to 2004. Total aircraft movements increased by a total of 13.5% over the same period.



Transport Canada TP577



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Tenant Operations and Airport Activities:

Yorkton Airport offers a variety of general aviation services. Flight training, aircraft rentals, charter services, crop spraying, aircraft maintenance and servicing, and charter helicopter operations are provided by the businesses located at the airport.

In addition to tenant operations, the Yorkton Airport is also used for the following:

- Westwind Aviation, which operates ‘bank run’ courier service twice daily
- Occasional C-130 Hercules activity to assist in CANSERA search and rescue exercises.
- Small jets/corporate aircraft serving Walmart, Mosaic, Premium Brands, Wendy’s, McDermott Lumber, and Comfort Inn & Suites
- Military and fire-fighting helicopters
- Air ambulance services in support of the Yorkton regional hospital. In fiscal 03/04, 94 air ambulances used the facility. In fiscal 04/05 (to the end of February 05), 84 medi-vacs occurred

The activities of the airport tenants directly employ 48 FTE (fulltime equivalent) positions.

Yorkton Aircraft	Aircraft servicing & rentals/charter	11
Leading Edge Aviation	Flight training/pipeline work/charters	7
Environment Canada	Weather	4
City of Yorkton	Airport admin & maintenance	1
Heli-Lift International	Charter Helicopter operations	15
Miccar Aerial Applicators	Crop spraying	10
	Total (FTE)	48



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Economic Impact of Yorkton Municipal Airport

Economic Impact of Yorkton Airport – 2004

Employment:	70.8
Gross Revenues:	\$5.7 million

Employment: During the year 2004, Yorkton Municipal Airport supported an estimated 70.8 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 Yorkton Airport is a general aviation facility, there are no scheduled passengers. The average price of housing for the area is \$76,300. According to the model, these factors indicate that a total of approximately 70.8 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 Yorkton Municipal Airport during 2004 are estimated to be \$5.7 million.

The gross revenues generated by activities at Yorkton Airport were also calculated by applying the relative wealth of the community and passenger volumes to the Transport Institute model. In addition, the revenue formula also incorporates large aircraft movements handled by the airport (for aircraft exceeding 35,000 kg). (Although Yorkton Municipal does not receive scheduled aircraft of this weight, occasional military aircraft, search and rescue aircraft and diversions use the airport from time to time.) According to the economic impact model, Yorkton Municipal Airport generated approximately \$5.7 million for the provincial economy during 2004. This figure represents the sum of direct, indirect and induced gross revenues.