

InterVISTAS  
CONSULTING INC.

# Edmonton City Centre Airport Economic Impact Study

*strategic  
transportation  
& tourism  
solutions*

*Prepared for*



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## 1.0 Background

### 1.1 Edmonton City Centre Airport

Edmonton City Centre Airport (ECCA) is home to small charter operations, private and corporate aircraft. ECCA also offers limited scheduled air services. ECCA is home to two fixed based operators who offer its general aviation clientele fuelling and other support services.

### 1.2 What is Economic Impact?

*Economic impact* is a measure of the spending and employment associated with a business, 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 output produced or in terms of person years (also known as full-time equivalents - FTEs) of employment generated. These attempt to assess the gross level of activity or expenditure. As such, they are not “net” measures that weigh benefits against costs, but nevertheless these measures can be useful in developing an appreciation of businesses, projects, investments and economic sectors.

In addition, the ongoing operations of ECCA generate three types of economic impact: direct, indirect and induced economic impacts.

*Direct economic impact* is employment that can be attributed to the operation and management of ECCA including firms on-site at the airport and airport-dependent businesses off-site. Thus, the direct employment base includes employees of airlines, fixed base operators, aircraft maintenance, among others, on-site at the airport.

*Indirect economic impact* is employment in downstream industries that results from the presence of ECCA. For example, suppliers of food to fixed based operators at ECCA would be considered indirect employment. Indirect employment is generated in industries that supply or provide services to the airport employers.

*Induced economic impact* is employment generated from expenditures by individuals employed indirectly or directly. For example, if an airline maintenance firm employee at ECCA decides to expand or re-model his/her home, this would result in additional (induced) employment hours in the general economy. The home renovation project would support hours of induced employment in the construction industry, the construction materials industry, etc.

**This study measured the economic impacts of ECCA including direct, indirect and induced:**

- **Employment**
- **Wages**
- **Economic / Industrial Output**
- **Gross Domestic Product (value-added)**

*Total economic impact* is the sum of direct, indirect and induced effects. The multiplier (indirect and induced) economic impacts represent the maximum potential stimulus to the economy resulting from activity of ECCA related businesses.

### 1.3 Economic Impact Summary

This study found that:

- On-going operations of ECCA support over 950 direct jobs in the Edmonton region, representing over 900 direct person years of employment.
- In round numbers, the direct economic impact of this employment on the provincial economy is:
  - \$69 million in gross domestic product (GDP);
  - \$170 million in economic output;
  - and \$41 million in wages.

Including indirect and induced effects, and in round numbers, the total provincial impacts of on-going operations at ECCA are:

- 2,300 jobs (nearly 2,200 person years of employment);
- \$164 million in GDP;
- \$388 million in economic output;
- and \$99 million in wages.

The economic impacts of on-going operations at ECCA are summarised in **Table 1**.

**Table 1: On-Going Economic Impacts of ECCA**

Type of Impact	Jobs	Person Years	Wages (\$ million)	GDP (\$ million)	Economic Output (\$ million)
Direct	958	910	\$41	\$69	\$170
Indirect	743	706	\$32	\$51	\$125
Induced	579	549	\$25	\$44	\$93
<i>Total</i>	<i>2,280</i>	<i>2,165</i>	<i>\$99</i>	<i>\$164</i>	<i>\$388</i>

The employment survey administered to employers at ECCA also revealed some interesting characteristics of the workforce:

- Over 80% of jobs are full-time positions and nearly all of them (97%) are permanent.

## 1.4 Ongoing Tax Contributions of ECCA

On-going operations at ECCA generate almost \$18 million per annum in government tax revenues. **Figure 1** shows the breakdown of tax revenue by level of government.

This report also estimated the current contribution of ECCA businesses to government revenues through various taxes to all levels of government. On-going economic activity at ECCA contributes an estimated \$18 million annually in tax revenue contributions to all levels of government.

- The federal government was the largest recipient of tax revenue, receiving \$12 million.
- The Alberta government received \$5 million in tax revenue.
- The municipal government received payments of close to \$1 million in the form of property taxes and business taxes paid by ECCA tenants.

**Figure 1: Breakdown of Tax Revenues by Government**

