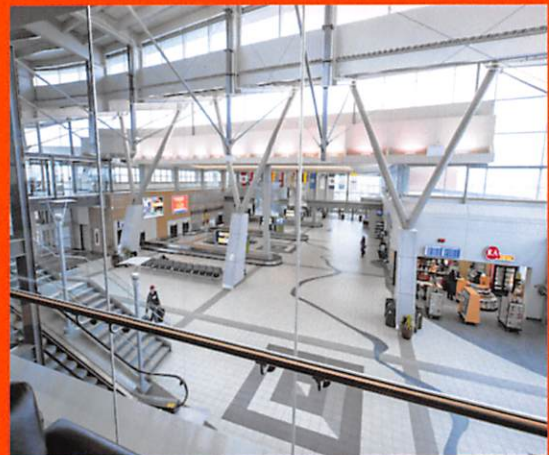


**The 2015 Economic
Impact of the
Regina International Airport**

**Regina
Airport
Authority Inc**

(June 2016)



www.yqr.ca

THE ECONOMIC IMPACT OF THE REGINA INTERNATIONAL AIRPORT: 2015

prepared for

THE REGINA AIRPORT AUTHORITY

RP ERICKSON & ASSOCIATES
AVIATION CONSULTANTS
CALGARY

(JUNE 2016)

EXECUTIVE SUMMARY

The Regina International Airport is an economic engine for the community, generating hundreds of millions of dollars in local economic activity while providing one of the largest employment generators in the region. The Regina Airport Authority is a not-for-profit, non-government corporation whose vision is to operate this community asset to enhance economic growth and air access to Regina and southern Saskatchewan.

This report documents the 2015 economic impact activity generated by 67 on-airport firms and their subsidiaries. The impact is reported in terms of full-time equivalents (FTEs), labour income and economic output. Direct, indirect and induced forms of activity have been considered. The response rate to the survey questionnaire was exceptional: a 96 percent completion rate for the data sought.

In 2015, the Regina International Airport supported a significant level of economic activity :

Direct Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
3,497 †	\$138 million	\$216 million	\$354 million

Total Impact

<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
6,527	\$302 million	\$537 million	\$839 million

† 1078 jobs are located on the airport.

The Regina International Airport generated 839 million dollars of economic activity : roughly 6 percent of Regina's total 2015 GDP.

The Airport is one of the Top 10 Centres of Employment in the Regina area.

The on-airport economic benefits are distributed :

	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
Air Carriers	19%	15%	42%	33%
ATB Concessionaires	7%	6%	9%	8%
General & Corporate Av	7%	6%	9%	7%
Air Cargo	5%	4%	1%	2%
Airport & Gov't Services	37%	39%	17%	25%
On-Airport, Non-Aviation	25%	30%	22%	25%

Each 1000 E&D passengers creates 5.2 full time jobs.

Each 1000 E&D passengers creates \$241,000 of annual labour income.

Each 1000 E&D passengers creates \$668,000 of economic output activity.

Each time a B737 lands and takes off, it generates 1.4 FTEs;
\$63,000 of annual labour income; and \$174,000 of economic output activity.

Each time a Bombardier Q400 lands and takes off, it supports 0.8 FTEs;
\$36,000 of annual labour income; and \$100,000 of economic output activity.

A new daily Bombardier C-Series service between Regina and Ottawa would create 157 FTEs of employment; \$7,254,000 of labour income; and \$20,107,000 of economic output annually largely of benefit to Regina and southern Saskatchewan.

THE ECONOMIC IMPACT OF THE REGINA INTERNATIONAL AIRPORT : 2015

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Definition of Terms

ATB – airport terminal building.

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

E&D passengers – enplaned and deplaned passengers.

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

Economic Output – an aggregate of the labour income plus other expenditures totals which can be considered as the contribution to GDP.

Jobs – the number of workers gainfully employed, either full-time (FTE) or part-time.

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 Regina area (ie. other parts of Saskatchewan, other provinces, transborder or international passengers).

Trans-Border – US originating or departing passengers.

ULD – Unit Load Device, a container used in the large-scale movement of air cargo, typically in support of dedicated freighter aircraft.

Chapter I

Introduction

1.1 About this report

This report was undertaken by RP Erickson & Associates of Calgary for the Regina Airport Authority (RAA). The purpose of the study is to document the economic impact of the Regina International Airport during the 2015 calendar year. This is the fourth economic impact study which the consultants have undertaken for the RAA following our first report 2005, 2008 and again in 2012.

Impact assessments are valuable in that they serve to heighten business, community and political awareness as to the economic importance of an airport within a local economy. This study can also be viewed as a base-line against which future developments may be measured.

Any questions related to this study should be direct to Mr. Dick Graham, President & CEO, Regina Airport Authority (306) 761-7557.

1.2 Background

The Regina International Airport (YQR) is an economic engine pumping hundreds of millions of dollars of economic activity into the provincial economy, predominantly within the greater Regina area. In 2015, the Regina airport handled 1,256,000 enplaned and deplaned passengers. Over the past decade YQR has enjoyed a remarkable average annual growth rate of 4.2 %.

The current downturn in western Canada's oil patch has affected airports across the Prairies. YQR has been perhaps more fortunate than others, with passenger traffic relatively unchanged from previous years. Additionally, the airport welcomed its first large air cargo freighter operator with CargoJet now undertaking weeknight B757F service at the airport.

Senior RAA management has strengthened its commitment to future growth with a robust 2015 capital investment plan, including:

- upgrades to ATB retail and restaurant areas that has increased service offerings;
- an expanded pre-board screen area which has helped to reduce wait lines;
- upgrades to the baggage handling and screening systems will ensure YQR stays at the forefront of growing demand;
- the Multi-Tenant Facility – Airside which will provide a state-of-the-art facility for YQR's future ground handling and airside capabilities, enhancing the ability of all airlines in maintaining their on-time performance;
- the Multi-Tenant Facility – Groundside which will provide state-of-the-art facilities for YQR's growing air cargo and catering sectors; and,
- upgrades to Taxiway 'C' which will increase the RAA's land inventory to facilitate future on-airport development and growth.

Indeed – YQR's current investment priorities will ensure that the airport is 'ready for take-off' now and into the future.

1.3 Methodology

The economic impact of the Regina International Airport has been measured in terms of employment [full-time equivalents or FTEs], labour income, other expenditures and economic output. 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 economic output. Data was obtained for the 2015 calendar year.

The data compiled in the 2015 study was obtained via a questionnaire circulated amongst 67 firms that operate on the airport. It is noted that a number of companies, particularly the airport terminal building (ATB) concessionaires, often include subsidiary businesses operating separate venues, as do several other on-site firms. In all cases, data was sought for an entire operation even though a business entity may have more than one on-airport outlet.

The survey population was separated into 8 sub-categories; the impacts associated with :

- the air carriers & their support services;
- the airport terminal building concessionaires;
- the general and corporate aviation communities;
- the air cargo sector;
- airport support & government agencies;
- on-airport, non-aviation firms;
- the impact associated with the spending activities of non-resident air passengers visiting the Regina area; and,
- the 'one-time' economic impacts of new construction projects on the Regina International Airport.

Each of the above categories is described in more detail in Chapter II (Sections 2.1 through 2.8). Section 2.9 displays the aggregate economic impact of the Regina International Airport for 2015.

In conducting the interview/questionnaire process, key principals at each targeted firm were visited by the consultants, where : the underlying rationale for undertaking the study was explained; the objectives of the study could be examined; the value of their participation fully explored; and, the confidentiality of their data could be assured.

This approach resulted in an exceptional 96 percent response rate. Of the 67 firms surveyed, 64 completed the questionnaire with all firms providing employment data. Incomplete returns were estimated comparing completed results of similar-sized firms involved in like commercial pursuits.

The impact of off-airport passenger spending was undertaken by utilizing the Conference Board of Canada's TEAM econometric model, as explained in Section 2.7.

One last important consideration is worth imparting : this report represents a 'snap-shot' of economic activity in time. The data herein represents the economic activity for the Regina International Airport for calendar year 2015.

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.

The most common economic measures used in economic impact surveys are: employment in terms of jobs and labour come alongside economic output – essentially, the contribution made to gross domestic product. For this study, the consultants have chosen to display labour income as a separate category of economic output.

In this report:

Direct economic effects are the benefits attached to labour and expenditure activities within Saskatchewan;

Indirect economic effects are the result of the increase in goods and services produced largely within the Saskatchewan economy in support of direct activities;

Induced economic effects arise from the spending power of direct and indirect employees and largely benefiting local businesses;

Employment is measured in terms of full-time equivalents (FTEs). FTEs are expressed in person-years and labour income by dollar value. Employment multipliers have been used to generate the associated indirect and induced impacts;

Labour Income is the total payroll expense including wages, salaries and employee benefits. Labour income multipliers have been used to generate the associated indirect and induced impacts;

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

Economic Output is an aggregate of labour income and other expenditure totals, and can be considered as a contribution to gross domestic product (GDP). No multiplier effort has been applied to this category.

The aviation industry is a good example of a highly integrated sectoral activity which has significant linkages throughout a 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.

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 is the most accurate. Readers are advised that multiplier analysis remains an imprecise econometric technique and that caution be used in interpreting the indirect and induced impacts contained in this report. However, multipliers are virtually the only cost-effective tool available to identify the overall impact of a sectoral activity within an economy.

The consultants note that the Saskatchewan Bureau of Statistics does not create provincial economic multipliers. The consultants have chosen the latest available set of Saskatchewan-specific multipliers produced by Statistics Canada, National Input-Output Multipliers. Multipliers have been selected for three categories 'Air Transportation' (used for aviation activities); 'Retail Trade' (used for ATB Concessionaires); and 'Professional Services' (used for Non-Aviation, On-airport Firms).

The closed Statistics Canada model utilized accounts for economic activity occurring within the province. As such, it is fair to note that some 'leakage' of benefits is likely occurring outside the Regina area as well as Saskatchewan as a whole which may not be accounted for in this report. This reinforces our earlier premise of undertaking a conservative approach in assessing the overall impact of the Regina International Airport. Thus, the findings displayed in this report can be viewed as the minimum economic impact created by YQR in 2015.

Readers are advised that multiplier analysis remains an imprecise econometric technique and that caution be used in interpreting the indirect and induced impacts.

Chapter II

The 2015 Economic Impact of the Regina International Airport

2.1 Economic Impact of the Air Carrier & Support Services Sector at the Regina International Airport : 2015

As could be expected, the air carrier sector is a dominant contributor to the economic activity generated by the Regina International airport. The major firms operating within this category include scheduled and charter airlines, ground and passenger handling firms, food catering, aircraft grooming, line maintenance and re-fuelling companies. Noted is a seasonal variation with regard to the substantial sunspot charter activity which occurs at YQR throughout the winter months.

Table 1 depicts the economic impact activity undertaken by the Air Carrier & Support Services sector in 2015.

Table 1.

Air Carrier & Support Services Sector :
2015 Economic Impact
 (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
153	\$8.051	\$37.695	\$45.746
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
427	\$18.356	\$98.007	\$116.363

For calendar year 2015, a total of 153 full-time equivalent employees can be attributed to the Air Carrier & Support sector operating at YQR – within this category 165 direct jobs are located on the airport. Their aggregate labour income was identified at \$8.051 million. Other Expenditures for this sector were \$37.695 million. The direct Economic Output was \$45.746 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the considerable impact of Regina's air carrier sector can be realized. Within the Regina area 427 full-time jobs are dependent upon it, generating an annual labour income of \$18.356 million. Other Expenditures in this sector were \$98.007 million. In 2015, the total Economic Output benefit created by air carriers and their support activities at the Regina International airport was \$116.363 million.

2.2 Economic Impact of the Airport Terminal Building Concessionaire Sector : 2015

Within the Regina Airport Terminal Building (ATB), 16 firms were identified as providing services to passengers and non-resident visitors arriving by air, alongside the meeters & greeters of arriving passengers and employees of the airport. The number of firms canvassed in this grouping does not correlate with the actual number of outlets offering on-site services since a number of firms operate subsidiary or satellite venues. The totals of this sector are dominated by the car rental firms; important too, are the ground transportation and food & beverage providers.

Table 2 depicts the economic impact activity undertaken by the ATB concessionaire sector in 2015.

Table 2.

Airport Terminal Building Concessionaire Sector : 2015 Economic Impact (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
132	\$5.044	\$14.007	\$19.051
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
166	\$6.910	\$20.310	\$27.220

For calendar year 2015, a total of 132 full-time equivalent employees can be attributed to the concessionaires operating within the Regina ATB – within this category 209 direct jobs are located on the airport. Their aggregate labour income was identified at \$5.044 million, lower on average than most other airport workers and reflecting the lower earnings bracket of many workers in this sector. Other Expenditure activities were \$14.007 million. The direct Economic Output was \$19.051 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the overall economic impact of the ATB concessionaires can be realized. Within the Regina area 166 full-time jobs are dependent upon this sector, generating an annual labour income of \$6.910 million. Other Expenditure activities were \$20.310 million. In 2015, the total Economic Output activity created by ATB activities was \$27.220 million.

2.3 Economic Impact of the General & Corporate Aviation Sectors at the Regina International Airport : 2015

The Regina International Airport supports a diverse, on-site general aviation (GA) community alongside a growing corporate aviation presence.

Regina's GA firms undertake a variety of aviation-related activities, including : flight training; aircraft sales and leasing; maintenance/overhaul/repair; alongside a range of specialized support services. The airport is home to several government flight departments and two Fix Base Operators (FBOs) which handle itinerant corporate air traffic and re-fuelling activities. Noteworthy to this sector has been the continuing growth in medium and large corporate aircraft activity by both resident and itinerant aircraft.

Table 3 depicts the economic impact activity undertaken by the GA and Corporate sector in 2015.

Table 3.

General & Corporate Aviation Sector : 2015 Economic Impact
(in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
55	\$2.917	\$7.566	\$10.483
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
154	\$6.651	\$19.672	\$26.323

For calendar year 2015, a total of 55 full-time equivalent employees can be attributed to the general and corporate aviation sector operating at YQR – within this category 71 direct jobs are located on the airport. Their aggregate labour income was identified at \$2.917 million. Other Expenditure activities were \$7.566 million. The direct Economic Output was \$10.483 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the significant impact of Regina's GA and corporate sectors can be realized. Within the Regina area 154 full-time jobs are dependent upon it, generating an annual labour income of \$6.651 million. Other Expenditures activity was \$19.672 million. In 2015, the total Economic Output activity created by general and corporate aviation at the Regina International airport was \$26.323 million.

2.4 Economic Impact of the Air Cargo Sector at the Regina International Airport : 2015

Regina's current air freight industry is dominated by the express courier & mail segment largely due to the lack of air cargo capacity available on the majority of narrow-bodied passenger aircraft in service at YQR. The RAA has made a major investment in a joint use Multi-Tenant Facility – Groundside which has created a significant on-site air cargo resource. Concurrently, the introduction of a CargoJet B757 weeknight freighter service to the airport's overnight courier segment has added a much needed ULD capability to the airport. The combination of these two prominent resources adds immensely to YQR's ability to attract meaningful air cargo flows to the airport.

Table 4 depicts the economic impact activity undertaken by the Air Cargo sector in 2015.

Table 4.

Air Cargo Sector : 2015 Economic Impact (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
44	\$2.021	\$1.185	\$3.206
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
123	\$4.608	\$3.081	\$7.689

For calendar year 2015, a total of 44 full-time equivalent employees work in the air cargo sector – within this category 52 direct jobs are located on the airport. Their aggregate labour income was identified at \$2.021 million. Other Expenditure activities were \$1.185 million. The direct Economic Output was \$3.206 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the overall impact of YQR's air freight sector can be realized. Within the Regina area 123 full-time jobs are dependent upon the movement of air cargo, courier and mail products, generating an annual labour income of \$4.608 million. Other Expenditures activity was \$3.081 million. In 2015, the total Economic Output benefit created by YQR's air freight sector was \$7.689 million.

2.5 Economic Impact of the Airport Support & Government Services Sector at the Regina International Airport : 2015

The second largest on-site contributor to the economic impact of YQR is the Airport Support & Government Services group. This sector includes the Regina Airport Authority and its third-party contractors, as well as, those government agencies operating on the airport. Included in this later group are the Canada Border Services Agency, the Canadian Air Transport Security Authority, the RCMP, the Commissionaires and the Saskatchewan government's flight department. Three other non-government agencies - Nav Canada, the country's air navigation service provider, operating the Regina Air Traffic Control Tower, STARS Air Ambulance – the not-for-profit airborne service provider and the Commissionaires are included in this category.

Table 5 depicts the economic impact activity undertaken by the Airport Support and Government Services sector in 2015.

Table 5.

Airport Support & Government Services Sector :
2015 Economic Impact
 (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
305	\$21.497	\$14.702	\$36.199
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
851	\$49.013	\$38.225	\$87.238

For calendar year 2015, a total of 305 full-time equivalent employees can be attributed to this sector – within this category 326 direct jobs are located on the airport. Their aggregate labour income was identified at \$21.497 million. Other Expenditure activities were \$14.702 million. The direct Economic Output was \$36.199 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the significant impact of the airport & government support sector can be realized. Within the Regina area 851 full-time jobs are dependent upon it, generating an annual labour income of \$49.013 million. Other Expenditure activity was \$38.225 million. In 2015, the total Economic Output activity created by the airport support and government services sector was \$87.238 million.

2.6 Economic Impact of the On-Airport, Non-Aviation Sector at the Regina International Airport : 2015

The attractiveness of the industrial lands located on the Regina airport is reflected in the growing importance of the On-Airport, Non-Aviation sector. Currently 9 firms are included in this sub-group. With its Taxiway 'C' development initiative well underway, airport management will be well-positioned to actively promote its continuing land development strategy. Regina has enjoyed considerable growth over the past several years - as business and commerce continues to flow along the Lewvan Drive bi-pass, airport lands will become increasingly attractive.

Table 6 depicts the economic impact activity identified in the On-Airport, Non-Aviation sector in 2015.

Table 6.

On-Airport, Non-Aviation Sector : 2015 Economic Impact (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
266	\$17.282	\$20.893	\$38.175
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
551	\$37.156	\$50.561	\$87.717

In 2015, a total of 266 full-time equivalent employees are attributed to the On-Airport, Non-Aviation sector – within this category 289 direct jobs are located on the airport.

Their aggregate labour income was identified at \$17.282 million. Other Expenditure activities were \$20.893 million. The direct Economic Output was \$38.175 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 Regina area 551 full-time jobs are dependent upon it, generating an annual labour income of \$37.156 million. Other GDP activity was \$50.561 million. In 2015, the total Economic Output activity created by the sector at the Regina International airport was \$87.717 million.

2.7 Economic Impact generated by Airport Visitor Spending : 2015

Spending by visitors travelling by air to the Regina area is an important contribution to the overall economic impact of the airport. Visitors by air are divided into domestic, transborder or international passengers depending upon point of origin. A smaller subset of visitor spending are the expenditures made by cockpit and cabin crews of air carriers who overnight at hotels in the Regina area for operational or crew rest reasons; additionally, passengers who have been delayed and require overnight accommodation have also been considered in the 'overnight expenses' category.

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 output is presented and integrated into the overall study results.

From Table 7 an input total of \$270.377 million of non-resident visitor/overnight aircrew spending was entered into the TEAM model utilizing Canadian Tourism Committee data supported by Tourism Regina-derived average length of stay and per diem rates for each visitor category. The model produced the results displayed in Table 8.

Table 7.

**Spending by Non-Resident Visitors
Arriving by Air : 2015**

<u>Non-resident Visitors</u>	<u>2015 Visitor Totals</u> †	<u>Total Spending</u> ††
Domestic	395,800	\$181,672,000
Transborder	64,700	\$42,600,000
International	43,500	\$42,325,000
Flightcrew/Pax overnight expenses †††		<u>\$3,780,000</u>
	Total	\$270,377,000

† Regina Airport Authority.

†† Canadian Tourism Commission/Tourism Regina.

††† RP Erickson & Associates.

Note: This spending is attributable to passengers arriving at the Regina International airport in 2015; an unknown number of these visitors continue beyond the immediate Regina market, to southern centres, Saskatoon, northern parts of the province and/or beyond. It is safe to assume that a significant proportion of this spending finds its way into the southern Saskatchewan economy but that exact figure is unknown.

Table 8 depicts the economic impact attributable to non-resident, airport visitor spending in the Regina area in 2015.

Table 8.

Spending by Non-Resident Visitors arriving by Air :
2015 Economic Impact
 (in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
2,542	\$80.784	\$120.376	\$201.160
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
4,002	\$159.992	\$278.760	\$438.752

For calendar year 2015 within the province, a total of 2,542 full-time equivalent employees can be attributed to non-resident, airport visitor spending. The aggregate labour income was identified at \$80.784 million. Other Expenditure activities were \$120.376 million. The direct Economic Output was \$201.160 million.

When the TEAM-generated multipliers are applied to the above direct economic activity, the significant impact of non-resident, airport visitor spending upon the province can be realized. This spending generated 4,002 full-time jobs, generating an annual labour income of \$159.992 million. Other Expenditure activity was \$278.760 million. In 2015, the total Economic Output activity created by this sector on the provincial economy was \$438.752 million.

2.8 The 'One-Time' Economic Impact of New Construction at the Regina International Airport : 2015

The 'one-time' impact of the economic contribution accompanying capital spending on the airport is consequential. Capital spending arises from the RAA'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 Saskatchewan's construction materials sector.

In 2015, an appreciable \$44.341 million of capital construction was undertaken at YQR. Leading the investment was a \$39.95 million RAA capital program including work to : ATB retail improvements; hold baggage screening up-grades; taxiway 'C' relocation work; and, the addition of roughly 400 economy parking stalls. Noteworthy was the construction of two RAA Multi-Tenant Facilities – a Groundside enhancement designed to considerably advance YQR's air cargo and food catering capabilities and the other an industry-leading Airside Facility which will mitigate the equipment challenges facing winter groundside air operations. Each of the multi-use facilities has been constructed with considerable growth potential. The RAA's on-going airport improvements alongside the considerable expansion program accounted for 90 percent of the 2015 capital expenditures on the airfield

Table 9 depicts the 'one-time' economic impact activity associated with capital spending on the Regina airport in 2015.

Table 9.

**One-Time, New Construction at the Regina International Airport :
2015 Economic Impact**
(in 000s, except FTEs)

Total Impact			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
253	\$19.421	\$28.068	\$47.489

For calendar year 2015, a total of 253 annual full-time equivalent construction and support service jobs can be attributed to YQR's capital construction spending. The aggregate labour income was identified at \$19.421 million. Other Expenditure activities were \$28.068 million. The direct Economic Output was \$47.489 million.

2.9 The Aggregate Economic Impact of the Regina International Airport : 2015

At the Regina International Airport, some 67 commercial firms or government agencies were interviewed and their 2015 economic activities assessed. Additionally, the impact of non-resident visitor spending in the Regina area and the economic benefits associated with 'one-time' capital construction expenditures for 2015 have been combined with the data in Sections 2.1 through 2.8 to produce Table 10.

Table 10 depicts the aggregate economic impact of the Regina International Airport for 2015.

Table 10.

**Aggregate Economic Impact of the
Regina International Airport : 2015**
(in 000s, except FTEs)

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
3,497	\$137.596	\$216.424	\$354.020
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
6,527	\$302.107	\$536.684	\$838.791

For calendar year 2015, a total of 3,497 annual full-time equivalent employees can be attributed to the Regina International Airport; it is noted that within this total – 1078 jobs are located on the airport. The aggregate labour income of this workforce was identified at \$137.596 million. Other Expenditure activity was \$216.424 million. The direct Economic Output created by the Regina International airport was \$354.020 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 6,527 full-time jobs, generating an annual labour income of \$302.107 million. Other Expenditures activity was \$536.684 million. In 2015, the total Economic Output benefit created by the Regina airport was \$838.791 million.

2.10 Discussion

In addition to providing over 6500 full-time jobs, the Regina International Airport's contribution to the GDP of the Regina area was nearly \$840 million. This sum amounted to roughly 6 percent of Regina's 2015 GDP of \$14.75 billion¹. In reviewing the major employers in the Regina area, it is noted that the airport is amongst the Top 10 Centres of Employment.

The distribution of the Economic Impact by sub-category is presented in Table 11. This distribution has been calculated on the basis of on-airport activities and does not include the totals created by non-resident visitor spending and the one-time impact associated with new construction.

Table 11.

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>Economic Output</u>
Air Carriers	19%	15%	42%	33%
ATB Concessionaires	7%	6%	9%	8%
General & Corporate Av	7%	6%	9%	7%
Air Cargo	5%	4%	1%	2%
Airport & Gov't Services	37%	39%	17%	25%
On-Airport, Non-Aviation	25%	30%	22%	25%

¹ Regina Regional Economic Development Authority.

Data Generalities – 2015

When the economic impact totals are compared against Regina’s 2015 enplaned and deplaned [E&D] passenger movement data (1,256,000), the results provide some interesting generalities.

Within the Regina area ² :

Each 1000 E&D passengers creates 5.2 full time jobs.

Each 1000 E&D passengers creates \$241,000 of annual labour income.

Each 1000 E&D passengers creates \$668,000 of economic output activity.

* * * * *

Each time a B737 lands and takes off, it generates 1.4 FTEs;
\$63,000 of annual labour income; and \$174,000 of economic output activity.

Each time a Bombardier Q400 lands and takes off, it supports 0.8 FTEs;
\$36,000 of annual labour income; and \$100,000 of economic output activity.

* * * * *

A new daily Bombardier C-Series service between Regina and Ottawa would create 157 FTEs of employment; \$7,254,000 of labour income; and \$20,107,000 of economic output each year - largely of benefit to the Regina area.

* * * * *

² See Appendix III for a methodology for the above data.

In addition to the quantifiable economic benefits displayed in this report, the Regina International Airport provides a wide range of ancillary, qualitative benefits to residents of the Regina area and the province as a whole. These range from societal advantages attached to the travel, tourism and transportation functions of the airport, through expansive career and hobby development possibilities to opportunities for volunteerism.

The Regina airport also provides critical access for air-related environmental and emergency response services; none more importantly than in providing all Saskatchewan residents with access to Regina's extensive health care resources by both fixed wing aircraft alongside the STARS helicopter capability.

Volunteerism - 2015

Airports provide local residents with a number of volunteer opportunities, where local residents can pursue their recreational interests in like company at no cost to any level government. By example, the Regina Flying Club has 300+ members who, by the Club's estimate, average some 15 to 20 hrs per year of volunteer activities. The Club's activities are diverse but include support for local air cadet groups, aviation historical research, and the restoration of historical aircraft. Volunteers also enable the Regina chapter of CASARA to undertake critical search & rescue missions in southern Saskatchewan.

A number of airport firms and agencies host school visits throughout the year. These services are undertaken on a 'no-charge, volunteer basis' and have the significant ancillary benefit of passing Regina and the province's rich aviation heritage on to future generations - not to mention the student visitors who may be attracted to a career in aviation.

2.11 Conclusions

In 2015, the Regina International Airport supported a considerable level of economic activity, primarily in the Regina area but also throughout the province and, to a lesser extent, the national economy.

In direct terms, the airport :

- contributed 3500 full-time jobs;
- generated \$140 million in labour income; and,
- created well in excess of \$200 million in economic output.

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

- over 6500 full-time jobs;
- over \$300 million in annual labour income; and,
- \$840 million dollars of GDP activity.

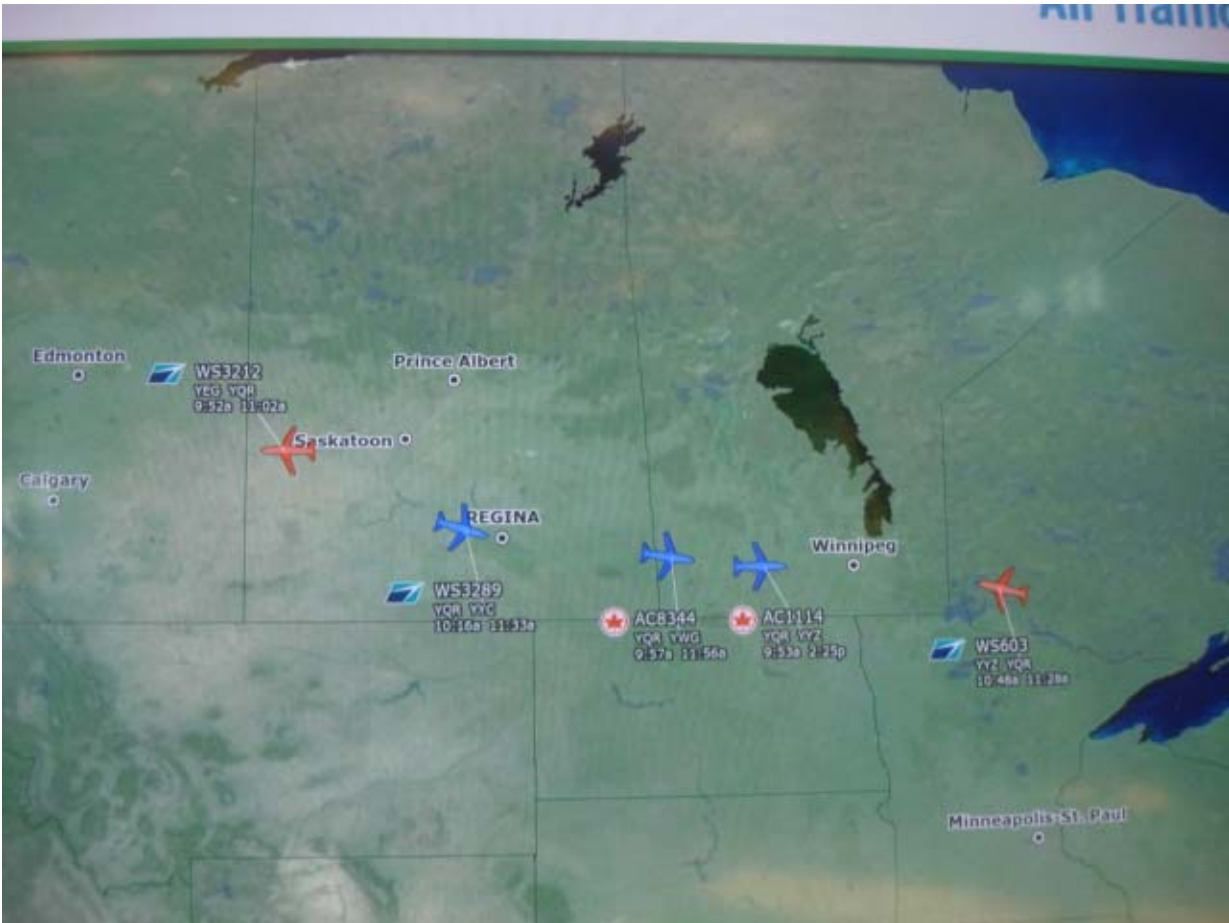
***Clearly – the Regina International Airport is
an important economic and social contributor
to the City of Regina and southern Saskatchewan.***

Picture Report









**Regina Airport
Authority Inc.**

APPENDIX I

SURVEY QUESTIONNAIRE

SURVEY OF THE ECONOMIC SIGNIFICANCE OF THE REGINA INTERNATIONAL AIRPORT

Please complete this survey using data for calendar year 2015 or for your most recent fiscal year. All data will be treated in strict confidence and will not be released in a disaggregated form to any individual or agency. Only aggregate industry data will be included in the final report.

Please answer the questions as completely as you can. If you are not entirely certain of an answer, please give your best estimate - your estimate will surpass by far our best guess in accuracy.

Feel free to direct any questions pertaining to this questionnaire or our study to either :

RP Erickson & Associates
Aviation Consultants
Calgary, Alberta
Tel. (403) 241-9633

Derrick B. Thue CMA, CA
VP Administration & CFO
Regina Airport Authority
Tel. (306) 761-7551

Please **EMAIL** the completed survey to :

rpeassoc@gmail.com

Section A: General Information

{Use the TAB key to move through the fields for data entry. SHIFT+TAB will take you back.}

Name of Firm	
Contact Person	
Telephone Number	
Email address	

Classification

Please choose the classification that best describes your firm's activities

Scheduled Air Carrier	<input type="checkbox"/>
Airport Terminal Concessionaire	<input type="checkbox"/>
General or Corporate Aviation	<input type="checkbox"/>
Government Agency	<input type="checkbox"/>
Cargo or Express	<input type="checkbox"/>
On Airport, non-aviation services	<input type="checkbox"/>
Other, please describe	

Section B: Employment & Expenditures - 2015

We are seeking the impact from that portion of your firm's business activity which pertains to the presence of the Regina International Airport. Please round all financial data to the nearest \$'000.

Employment & Labour Expense - 2015

Number of jobs your firm provides	
Number of full-time employees working for your firm. Please estimate in 40 hr per week, full-time equivalents [eg., 1 part-time worker @ 20 hrs/week = .5 full-time employee].	
Total annual payroll expense for all employees including wages or salaries, plus all employee benefits	

Expenditures for Goods & Services - 2015

Total operating expenditures for goods and services, but not including wages or salaries and employee benefits.	
---	--

Capital Expenditures (New Construction) - 2015

Total capital expenditures for building construction or renovation	
--	--

Section C: General Comments

Do you have any comments regarding the value of the Regina International Airport to our community ? By example - we think our airport provides a great place for career development, to pursue hobby interests in aviation, as a base for protecting our natural resource environment and serves as a critical access point to our health care facilities.

What are your thoughts ?

Thank you for your assistance with our survey – it is appreciated !

APPENDIX II

DATA BREAKDOWN

Direct Impact

	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Exp'tures</u>	<u>Economic Output</u>
Air Carriers & Support Services	153	\$8.051	\$37.695	\$45.746
ATB Concessionaires	132	\$5.044	\$14.007	\$19.051
General & Corporate Aviation	55	\$2.917	\$7.566	\$10.483
Air Cargo	44	\$2.021	\$1.185	\$3.206
Airport Support & Gov't Services	305	\$21.497	\$14.702	\$36.199
On-Airport, Non-Aviation	266	\$17.282	\$20.893	\$38.175
Non-resident Visitor Spending	<u>2,542</u>	<u>\$80.784</u>	<u>\$120.376</u>	<u>\$201.160</u>
Totals	3,497	\$137.596	\$216.424	\$354.020

(in millions, except FTEs)

Total Impact

	<u>FTEs</u>	<u>Labour Income</u>	<u>Other Exp'tures</u>	<u>Economic Output</u>
Air Carriers & Support Services	427	\$18.356	\$98.007	\$116.363
ATB Concessionaires	166	\$6.910	\$20.310	\$27.220
General & Corporate Aviation	154	\$6.651	\$19.672	\$26.323
Air Cargo	123	\$4.608	\$3.081	\$7.689
Airport Support & Gov't Services	851	\$49.013	\$38.225	\$87.238
On-Airport, Non-Aviation	551	\$37.156	\$50.561	\$87.717
Non-resident Spending	4,002	\$159.992	\$278.760	\$438.752
'One-time New Construction	<u>253</u>	<u>\$19.421</u>	<u>\$28.068</u>	<u>\$47.489</u>
Totals	6,527	\$302.107	\$536.684	\$838.791

(in millions, except FTEs)

The above direct data was collated from the survey questionnaire : as detailed in Section 1.3, with the exception of the Non-resident Spending category which was derived from the TEAM econometric model as explained in Section 2.8; and, 'One-Time' New Construction Spending on the Regina International Airport, as discussed in Section 2.9.

APPENDIX III

GENERALITIES METHODOLOGY

Each 1000 E&D passengers creates 5.2 full time jobs.
(6527 FTEs ÷ 1,256,000 annual E&D passengers x 1000)

Each 1000 E&D passengers creates \$241,000 of annual labour income.

(\$302.107 million annual labour income ÷ 1,256,000 annual
E&D passengers x1000)

Each 1000 E&D passengers creates \$668,000 of economic output activity.

(\$838.791 million economic output ÷ 1,256,000 annual E&D passengers x 1000)

***Each time a B737 lands and takes off, it generates 1.4 FTEs;
\$63,000 of annual labour income; and \$174,000 of economic output activity.***
*(B737 at 130 seats average (considers the 600 model @ 120 seats and the 700 model
@ 140 seats) x 2 or a multiple of .26 applied against
the 1000 E&D passenger data set)*

**Each time a Bombardier Q400 lands and takes off, it supports 0.8 FTEs;
\$36,000 of annual labour income; and \$100,000 of economic output activity.**
*(Q400 at 74 seats x2 or a multiple of .15 applied against
the 1000 E&D passenger data set)*

**A new daily Bombardier C-Series service between Regina and Ottawa would
create 157 FTEs of employment; \$7,254,000 of labour income; and \$20,107,000 of
economic output annually of benefit to Regina and southern Saskatchewan.**
*Bombardier C-100 at 110 passengers x 365 days at 75 percent load factor = 30,100
annual passengers; a multiple of 30.1 x the 1000 E&D passenger variables.*