



The Economic Impact of The Comox Valley Airport and the Regional Tourism Industry



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Comox Valley Airport and the regional tourism industry are major economic contributors. The current economic impact of YQQ and tourism in the region includes:

- **Comox Valley Airport**
- **Accommodations**
- **Attractions & outdoor recreation including skiing, golfing, fishing, etc.**

Comox Valley Airport and the Region's Growing Tourism Industry

On-going operations at Comox Valley Airport (YQQ) and the region's tourism industry make considerable contributions to local employment, as well as the provincial and national economies.

Since the last economic impact study was conducted in 2003, traffic at the airport has grown by 60% to nearly 240,000 passengers in 2006, generating new jobs and business opportunities for the region. The airport facilities have also undergone significant changes in recent years. In April 2004, the F/O C. Cottingham Terminal Building was opened, and in 2005, the airport apron was enlarged significantly to accommodate more and larger aircraft. The Comox Valley Airport Commission received capital assistance by way of a \$4 million grant from the community, \$2 million from the Province and \$1.9 million from the federal government for the construction of the \$20 million facility.

Four scheduled air carriers currently serve Comox Valley Airport on a year-round basis, with direct, non-stop service to Vancouver, Calgary and Edmonton. The airport also offers seasonal charter flights to Mexico.

The airport serves a primary catchment area of the Comox Valley and a broader secondary catchment area including all communities north of the Malahat. The airport also plays an important role in facilitating tourism visits to the Central and North Island region as a whole. The area has a wide variety of attractions that generate four-season tourism from around the world, including skiing, outdoor adventures and cultural attractions. Visitors spend money in the region on food and beverage, accommodations, retail, tours and ground transportation, as well as many other activities. All of this spending generates a wide variety of jobs and contributes towards the economic development of the region.

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. There are three types of economic impact:

- **Direct economic impact** is the employment, valued-added or economic output created by Comox Valley Airport businesses and tourism businesses in region. Thus, the direct employment base includes employees at airlines and other airport businesses, accommodations, resorts, outdoor recreation and attraction operators in the region.
- **Indirect economic impact** is the employment, valued-added or economic output generated in industries that supply goods and services to airport and tourism businesses in the region. For example, employment at a food wholesaler that supplies the airport café would be considered indirect employment.
- **Induced economic impact** is the employment, valued-added or economic output generated by the expenditures of individuals employed directly or indirectly by local airport and tourism businesses. For example, airport employees spend their earnings on meals out, groceries, new cars, etc., which generates additional employment in the region.



The Economic Impact of Comox Valley Airport and the Regional Tourism Industry

Employment at Comox Valley Airport has increased dramatically in the last few years, effectively doubling since 2003. Direct employment at the airport was found to be 162 person years (193 jobs), an increase of 103% since 2003.¹ This includes employment related to airlines, airport management, security, food & beverage, retail, ground transportation and other firms at or directly related to the airport.

The tourism industry within Comox Valley Airport's primary and secondary catchment areas supports a further 8,900 person years of employment (11,100 jobs). This represents employment related to accommodations, attractions and outdoor recreation, such as golf courses, ski hills, fishing charters, etc.

The combined airport and tourism operations in the region support 9,100 direct person years of employment, representing 11,300 jobs. The total wages associated with this employment are \$237 million. Including multiplier (indirect and induced) impacts, a total of 12,100 person years of employment are estimated to be generated in British Columbia by the Comox Valley Airport and tourism business community.

In addition to employment, the airport and tourism industry generates roughly \$367 million in direct Gross Domestic Product (GDP) and \$701 million in direct economic output. Including the indirect and induced impact, the airport and tourism in the region generate \$571 million in GDP and \$1.1 billion in economic output for the province of British Columbia.

Type of Impact	Jobs	Person Years	Wages (\$Million)	GDP (\$Million)	Economic Output (\$Million)
Direct	11,300	9,100	\$237	\$367	\$701
Indirect	2,600	2,100	\$54	\$140	\$329
Induced	1,200	900	\$25	\$64	\$121
Total	15,100	12,100	\$316	\$571	\$1,151

Employment is Generated Each Time an Aircraft Lands at Comox Valley Airport

Each departure of a passenger flight from YQQ generates employment and labour hours for individuals involved in handling passengers, baggage, cargo and the aircraft. There are also direct labour hours associated with auxiliary services offered at the airport, such as food concessions and car rental agencies.

- A twice daily domestic jet service to Calgary generates 110 hours of employment per flight or a total of 44 person years annually.
- A new transborder regional jet service would be expected to generate approximately 40 hours of employment per flight or a total of 16 person years annually for a twice daily service.
- A new seasonal non-stop European charter jet service would generate approximately 7 person years of employment annually for a twice weekly service operated over a 20 week summer season.

1. A full-time position for one year constitutes a person year of employment (also known as full-time equivalent). As some jobs are part-time or seasonal, these jobs have been converted into person years.

Comox Valley Airport and the regional tourism industry generate a total of 11,300 direct jobs or 9,100 full-time equivalents.

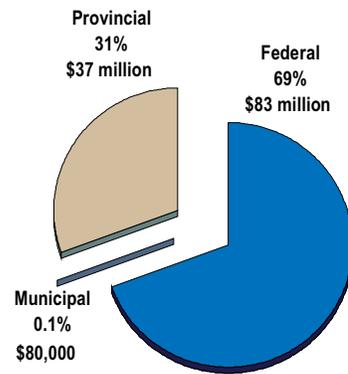
Twice daily jet service between Comox and Calgary generates over 44 person years of employment annually.



Airport and Tourism Businesses Generate Tax Revenues for Governments

Comox Valley Airport and the catchment area tourism industry are important generators of tax revenues for all levels of government:

- The combined tax impact of the airport and the regional tourism industry is approximately \$119 million per annum.
- The federal government is the largest recipient of tax revenues, receiving \$83 million, or 69% of the total amount.
- The B.C. provincial government receives \$37 million, 31% of the total.
- The municipal government receives \$80,000 from the airport and its tenants (less than 1% of the total).



Total Taxes: \$119 million

Future Job Growth

Companies whose business are currently supported, entirely or partly, as a result of air services at Comox Valley Airport stand to grow if passenger volumes increase. In addition, new businesses may be established on the basis of new opportunities facilitated by the airport. Increased passenger traffic at the airport would result in increased employment at the airport and incremental spending by additional tourists arriving by air. Based on the 10-year best case passenger forecasts for Comox Valley Airport, the economic impact generated is estimated to be:

- An additional 740 person years of direct employment (910 direct jobs) at the airport and in tourism businesses in the region, paying wages of \$20 million.
- Incremental direct GDP and economic output of \$27 million and \$58 million, respectively.
- A total of 1,010 person years (1,250 jobs), \$28 million in wages, \$46 million in GDP and \$98 million in economic output across British Columbia when indirect and induced impacts are considered.

Comox Valley Airport also Facilitates and Supports Economic Development in the Region

While the presence of an airport in a region is just one of numerous factors affecting economic growth and development, an airport with good levels of air service can play a strong role in supporting business activity, as well as directing economic activity towards a region. Air services at Comox Valley Airport play an important role in facilitating further economic growth in the Central and North Island economy, in particular for property development.

While growth in residential building and sales activity in recent years has been primarily fuelled by underlying factors such as the general growth of the B.C. economy, the oil boom in Alberta and the recent boom in the Western Canada housing market, the airport's increasing connectivity has played a supporting role in attracting investment in vacation and retirement properties from buyers residing outside of B.C. Interviews with property developers in the region revealed that the air connectivity offered at Comox Valley Airport was a significant contributing factor in location decisions, and that out of town residents, particularly Albertans, represent a growing share of the recreational and second home market.

Comox Valley Airport and the regional tourism industry generate \$119 million per annum in taxes.

Over 740 direct person years of airport and tourism employment could be created if the airport achieves its 10-year best case forecast.



Prepared for
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