



Huronia Municipal Airport Economic Impact Study



Prepared by
Archbold Leclerc Consulting Inc.
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Introduction

It is a great pleasure to introduce the Huronia Municipal Airport ***Economic Impact Study 2009 – 2014.***

The study was carried out by Archbold Leclerc Consulting Inc. Our thanks to the North Simcoe Community Futures Development Corporation; which created the opportunity for funding of this project through the Rural Communities Development Fund.

The study shows that Huronia Airport and its related aviation companies already play an important role in the economic health of the area – providing employment and local spending that in turn stimulates further economic activity and employment. The future outlook for the airport is that it will experience growth in aviation-related manufacture and avionics, which will provide future growth and sustainability of the airport itself, as well as providing new employment opportunities for the people of the region.

The report includes an Executive Summary designed to give a high-level overview of the economic impact of the airport, airport activities and its role in the community. Readers requiring the main thrust of the study and key observations only, can usefully read the Executive Summary without reference to the main body of the report.

Our thanks to the owner principals of the five aviation-related organizations based on or connected to the airport who kindly provided confidential information about their current and future operation. Without this information, the study would not have been possible.

Thanks also to the 31 area employers who responded to a survey on their awareness of the airport and its relevance to their operation.

On behalf of the Huronia Municipal Airport Commission

George H. Cornell, Commission Chair

July 2010

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EXECUTIVE SUMMARY

Study Objectives

- The Airport Commission undertook this *economic impact study* to better understand the importance of the Huronia Municipal Airport to the North Simcoe region and provide information on the current and potential impact of the airport on local employment and economic activity.
- The specific purposes of the study were to communicate to key stakeholders :
 1. The positive *current* financial contribution or *economic impact* that the airport has on the local economy
 2. An estimate of the potential *future* economic impact of the airport, under certain assumptions about growth.
 3. A description of the *non-monetary* role the airport plays in the economic development and quality of life of the supporting municipalities.

Study Methodology

The study considers three main elements of the role of the airport:

1. Direct Spending

Actual expenditures both current and future by the airport itself and other aviation-related organizations on payroll and other expenses.

2. Indirect Spending

Local spending by individuals or organizations during a visit to the area, arriving and departing via the airport.

Estimates are made of the impact of these combined expenditures by calculating their *induced* or *multiplier effect*, to arrive at the estimated *total economic contribution* of the airport to the local economy.

3. Non-Monetary Role

A description of the non-monetary role played by the airport, in both the business environment and the provision of community services such as emergency transfer of critically ill patients (Medevac). Input to this section includes information from a survey of major local employers.

Study Highlights

- The study shows conclusively that the presence of the Huronia Airport has a major economic impact on the surrounding communities, and will under the right circumstances, do so increasingly in the future. The business activity associated with the airport is considerably higher than that found at many municipally-owned airports of comparable size and location.
- The economic benefit enjoyed by the communities far exceeds the annual grant support made by the municipalities towards operation of the airport.
- Huronia is fortunate to have a cluster of four aviation companies located on or adjacent to the airport (an aircraft maintenance and repair firm, two airplane kit manufacturers and an avionics company), and a fifth company specializing in avionics located in Midland, whose presence is directly related to the existence of the airport. It is important to note that a significant portion of the impact of the airport is directly related to the activities of these airport-related aviation companies, both in employment provided and other operating expenditures made locally in the community.
- There is some uncertainty surrounding the future presence of some of these organizations. One of the airplane kit manufacturers (Zenair) has potential financial attractions to move production to the US. Sister avionics companies Midland Instruments and Avionics Design Services have indicated that the lack of a new commercial hangar and office facility at the airport is a constraint on their business growth, and that they are actively considering moving both businesses to Lake Simcoe Regional Airport. The economic impact on North Simcoe of the loss of any of these companies would be significant, and the airport commission and the involved municipalities should make their retention a priority.

Current Impact 2009

- The *total annual spending* by all airport-related organizations in 2009 was over **\$6.5 million**. There was approximately 50% *leakage* i.e. the amount of their annual spending (primarily parts and supplies) that was made outside of North Simcoe, for net estimated local spending of **\$3.3 million**. Only the expenditures made locally actually contribute to the area's economic vitality.

Current Employment

- There are currently 51 individuals employed on a full and part-time basis at airport-related organizations. There was approximately \$2.4 million in payroll expense, of which just over **\$2.0 million** was spent locally.

Indirect Impacts

- The current *indirect spending* by individuals or companies that enter and leave the region via the airport and who spend locally in the community is estimated at approximately **\$60,000**.

Summary of Current Impacts

- The estimated total current (2009) annual economic impact of the airport is just over **\$10 million**.
- This has been assessed using relatively conservative assumptions, and so can be seen as a reliable indicator of the importance of Huronia to the local economy.

Spending Category	Amount
A. Direct Airport-Related Employer Spending	\$6,517,000
B. Amount spent locally (51%)	\$3,324,000
C. Indirect spending – Airport Visitors (est.)	\$60,000
Total Direct And Indirect Spending (B + C)	\$3,384,000
Induced Impact (X 2)	\$6,768,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$10,152,000

Future Impact 2014

Future Direct Impacts (Airport Related Businesses)

- The *total annual spending* projected for airport-related organizations in 2014 is **\$9.3 million**. Future *leakage* is estimated at 52% i.e. the amount of annual spending (primarily parts and supplies) that is made outside of North Simcoe, for net estimated local spending of **\$4.9 million**.

Airport-Related Employment

- There is a significant increase in employment projected for 2014, reflecting the positive future outlook of the aviation companies involved. There are projected to be **89 individuals** (78 full-time and 11 part-time) employed at airport-related companies and the airport itself.
- Projected payroll expense in 2014 is \$3,330,000, of which **\$2,298,000** (91%) is expected to be paid to individuals who live in the immediate area.
- The number of full-time employees will be heavily affected by four aviation organizations (Zenair, Midland Instruments, Avionics Design Services, and Future Flight).

Future Indirect Spending

- Future *indirect spending* by individuals or companies that enter and leave the region via the airport and who spend locally in the community is estimated at **\$70,000**.

Summary of Future Impacts

- The estimated total future economic impact of the airport in 2014 is just under **\$15 million**. As with 2009, this has been assessed using conservative assumptions, and so can be seen as a relatively reliable indicator of the likely future increase in importance of Huronia Airport to the local economy.

Spending Category	Amount
A. Direct Airport-Related Employer Spending	\$9,320,000
B. Amount spent locally (52%)	\$4,890,000
C. Indirect spending – Airport Visitors (est.)	\$60,000
Total Direct And Indirect Spending (A+B)	\$4,950,000
Induced Impact (X 2)	\$9,900,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$14,850,000

Benefits to Individual Communities

- For illustration purposes, we have estimated the relative economic impact of the airport on each of the surrounding municipalities based on where the employees of the airport-related organizations reside.

Caution: The table below is for illustration purposes. The intent is to demonstrate how the economic benefit of the airport might be affecting the four municipalities, if employee spending is in fact concentrated in place of residence as supposed. This provides a rough approximation only of how the airport might be affecting each community.

Location	2009			2014		
	No of Employees	% Total	Est. Share of Impact	No of Employees	% Total	Est. Share of Impact
Midland	14	27%	\$2,800,000	24	27%	\$4,000,000
Penetanguishene	7	14%	\$1,450,000	13	14%	\$2,100,000
Tiny	13	25%	\$2,600,000	22	25%	\$3,700,000
Tay	2	6%	\$624,000	5	6%	\$900,000
Other	12	27%	\$2,800,000	24	27%	\$4,000,000
Total	51	100%	\$10,274,000	89	100	\$14,850,000

Comparison 2009 and 2014

- It is interesting to compare the estimated current economic impact of Huronia Airport in 2009 with the projected impact for 2014. The significant change shown results primarily from the positive expectations of increased business by the aviation-related business associated with the airport. This is shown in the table below.
- It is important that the community recognize the important role that the airport plays in the economic life of North Simcoe – it is a very different role from the common misperception of small airports as an unwanted drain on municipal resources, with little relevance to community life.
- If the annual municipal grant towards operation of the airport of approximately \$110,000 is considered for this discussion as an investment, then the current economic impact of over \$10 million and the projected benefit of almost \$15 million are handsome returns indeed!

Comparison of Projected Economic Impact: 2009 and 2014

Spending Category	2009	2014
A Direct Airport-Related Employer Spending	\$6,517,000	\$9,320,000
B Amount spent locally (52%)	\$3,324,000	\$4,890,000
C Indirect spending – Airport Visitors (est.)	\$60,000	\$60,000
Total Direct And Indirect Spending (A+B)	\$3,384,000	\$4,950,000
Induced Impact (X 2)	\$6,768,000	\$9,900,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$10,152,000	\$14,850,000

Non-Monetary Importance

- The last element of an airport's impact is its non-monetary role. This includes use by local businesses, use in emergency services such as emergency transfer of critically ill patients (Medevac), and the quality of life contribution to local individuals who enjoy recreational flying.

Corporate Use

- The ability to fly executives in or out of the airport, or fly in urgently needed parts or supplies instead of using road transportation has a value. There are a small number of businesses that use the Huronia Airport (primarily for employee travel and customer visits).

Importance to Tourism and Hospitality Industry

- Huronia Airport is not meaningfully involved with the regional tourism and hospitality industry. This is recognized in the airport Business Plan as an area for future improvement.

Medevac Flights

- One of the most important non-monetary roles played by Huronia Airport is the handling of Medevac flights, primarily for transfer of patients to more specialized hospitals with a minimum of delay. In 2009, forty Medevac flights departed Huronia, transporting local individuals who were in need of urgent specialized care.

Military Use

- While not a major user of the airport, there is a small number of military flights in and out of Huronia each year – mostly involved in Search and Rescue activities.

Potential Disaster Relief Centre

- In addition to Emergency Healthcare, and Search & Rescue support, the Huronia Municipal Airport has the ability to act as a self-sustaining disaster relief centre, with an emergency generator that allows it to continue all normal operations. This includes the possibility of long-term support for large numbers of people on site during an emergency.

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BACKGROUND AND OBJECTIVES

Awareness of Airports

- Members of the communities that support an airport are frequently unaware of the benefits that the airport (which is part of the local and regional infrastructure) has on economic activity, growth and community development. Not only can the economic significance of an airport be misunderstood, but there is often poor or misinformation about the actual role of the airport itself. For instance, there is often low awareness that airports can be a key factor in the decision of businesses (who provide valuable local employment) to locate in an area, because of the convenience of managers communicating with distant head offices, or satisfying urgent requirements for key components or skilled personnel.

Study Objectives

- The Airport Commission commissioned this study to better understand the importance of the Huronia Municipal Airport to the North Simcoe region and provide information on the current and potential impact of the airport on employment and economic activity. The specific purposes of the study were to communicate to key stakeholders :
 - The positive financial contribution or *economic impact* that the airport has on the *current* economy
 - An estimate of the potential *future economic impact* of the airport, under certain assumptions about future growth.
 - A description of the *non-monetary role* the airport plays in the economic development and quality of life of the supporting municipalities
 - The information contained in this report should provide useful support for the business cases for potential airport infrastructure improvements

Three-Part Approach

The study consists of three main parts:

1. Current Financial Impact

- Part I of the study provides an assessment of the current total financial contribution made by the airport to the local economy. The most important information in this part of the study is a calculation of the direct impact of the airport i.e. spending on payroll and other expenses by the airport itself and other airport-related organizations.

- A parallel task was to estimate the *indirect* or *induced* financial impact of the airport, which is local spending by individuals or organizations in the area which arise from their use of the airport. The simplest example would be a tourist pilot who arrives by air and spends dollars with local hospitality providers, tourism attractions or retailers.

2. Future Financial Impact

- Part II of the study estimates the potential *future* total economic contribution of the airport using the same methodology. This includes assumptions about future airport activity and the projections of future business growth and expenditures by airport-related organizations.
- The assumptions about the scope of future airport activity of the Airport Commission itself were derived from a pro-forma financial model of the airport entity which was developed for the airport 5-Year Business Plan. This model enables the commission to demonstrate the likely future financial impacts of business development initiatives or infrastructure improvements, and the likely future need for financial grant assistance from the three supporting municipalities.

3. Non-Monetary Role

- This section of the study describes the non-monetary role played by the airport in both the business environment and the provision of community services, such as emergency transfer of critically ill patients (Medevac).
- For instance, manufacturers using the airport to fly in urgently needed parts will enjoy an efficiency saving versus other modes of transportation. It would be difficult to obtain hard financial data on such cost savings, but the efficiencies nevertheless are important to the organizations involved.

How Is Economic Impact Assessed?

- Airport economic impact studies include an estimate of the *induced* or *economic multiplier effect* of the combined direct and indirect financial impacts. *Induced effects* comprise the second and subsequent rounds of spending as the direct spending by airport businesses and the indirect spending by airport visitors circulates in the community. For instance, a large part of the wages paid by airport-based businesses to their employees is re-spent locally on food, household necessities, rent etc, and the employees of the organizations that provide these services in turn spend money with other local providers.
- Indirect spending by visitors e.g. in local hotels, has the same result. The hotels pay wages to their employees, and the employees spend a good part of their wages locally. This creates incremental employment and income for individuals in the region.

- Because induced effects are difficult to measure, a so-called *multiplier factor* is commonly applied to the sum of the direct and indirect economic impact amounts to estimate the induced or total impact as follows:

$$\text{(Direct Spending + Indirect Spending) x Multiplier Factor = Induced Impact}$$

Leakage

- The cycle of spending and re-spending does not continue without end, because of what is termed “leakage”. Some of the expenditures by airport-related organizations or visitors are not made locally, and therefore do not stimulate further expenditures. The *net local spending* is the important amount.
- Also, because of leakage, at each round of spending and re-spending, the dollar amount re-spent progressively diminishes. Leakage is commonly associated with:
 - savings and non-local investment
 - increased tax payments
 - spending on goods and services that are not produced locally (e.g. domestic and foreign imports)
- An area such as North Simcoe is more likely to experience higher levels of leakage than larger more diversified economic clusters e.g. major cities. This is because it is more dependent on the need to buy goods and services produced outside the region’s boundaries.

Induced Impact

- Therefore, choosing a reasonable multiplier involves consideration of the size and level of diversification of the local economy, i.e. the range of goods and services produced locally, as opposed to those brought in from elsewhere creating “leakage” i.e. local dollars leaving the community. For this reason, the multipliers for airports in smaller geographic areas like North Simcoe are usually lower than those used for larger airports in more populous areas. Multiplier effects are industry-specific, and the American Owners & Pilots Association (AOPA) has study information suggesting that a factor in the 2-3 times range is appropriate to calculate the induced effect of an airport of Huronia’s size and considering the limited scope of the business activity in the communities within which it is located.

To recap:

- Total economic activity in the community is influenced or stimulated by the amount of *direct* local spending by airport related organizations, plus *indirect spending* by airport visitors
- A chain of spending and re-spending is set into motion by each amount of local spending (initial economic stimulus)
- "Leakage" occurs from the local economy, so that the cycle of re-spending eventually runs out of steam

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METHODOLOGY

Information Gathering

Data for the study was collected from three primary sources:

1. Direct Impacts – Airport-Related Businesses Survey
2. Indirect Impacts – Estimates of spending by airport visitors
3. Non-Monetary Impacts - Local Major Employer Survey

1. Direct Impacts - Airport related Businesses

Personal Interviews

- Information on airport-related businesses was obtained during personal interviews with the principals of the organizations. The interview process allowed us to both handle questions about the purpose of the study, and to capture views about open-ended topics such as the factors affecting their future business success, including future airport development. The organizations were asked to provide information on their number of employees, payroll cost, other expenses (operating and maintenance costs, taxes and fees) and capital expenditures. [The participating organizations are listed in **Appendix I.**]

Confidentiality

- In order to overcome any confidentiality concerns on the part of airport businesses interviewed, the Airport Commission requested that information be provided on a confidential basis to Archbold Leclerc Consulting Inc. as external consultants. The information was used in aggregate only and detailed information from each organization is not reported here. A letter was sent by the Chair, Airport Commission to all airport organizations requesting their co-operation and assuring confidentiality. [See **Appendix II** for Commission Letter to Airport Organizations].

Common Basis for Data

- Where possible we obtained calendar 2009 financial data to assess current impact. Where this was not readily available, or the organization's financial year-end was other than December 30th, we assumed the latest financial year available was synonymous with 2009.

Airport Expenditures

- The expenditures made by the commission in operating the airport are partially derived from income the commission enjoys from carrying on business in its role as the airport Fixed Base Operator (Fuel sales, aircraft storage fees and facilities leases), and partially from an annual grant from the municipalities. All of the expenditures made by the Commission in running the airport have an economic impact in exactly the same manner as expenditures by the airport-related private businesses.

Capital Investment

- We also obtained information on the total investment in equipment and buildings necessary to operate these businesses. While the sum of this investment is not a direct ongoing impact, it does help portray the importance of economic activity at the airport.

2. Indirect Impacts - Major Local Employer Survey

- We developed a *Major Employer Survey* questionnaire to obtain inputs from local business and other organizations on awareness, use, and relevance of the airport. **[See Appendix VII Major Employer Survey Questionnaire]**
- The database for the survey was developed from a contact list used previously in the North Simcoe Business Retention and Expansion Report April 2009. The list included both businesses and not-for-profit organizations. Organizations with 20 + employees were selected, and the list was then purged of entities such as large chain retailers who have many employees but were not relevant to the study. We also included information from the four businesses located at the airport, as although they fell below the number of employee criterion, their inputs on use and relevance of Huronia is part of the overall airport importance picture.
- The survey was e-mailed to target employers and follow-up made with both reminder emails and telephone calls. **[See Appendix VI Major Employer Contact List]**

Response Rate

- We experienced a 57% response rate (27 completed questionnaires) amongst the 47 organization where we were able to positively confirm current e-mail address and telephone number for the appropriate contact individual. While this is a healthy response rate, the relatively small size of the survey population means that we would have required significantly more responses to achieve a small confidence interval and high confidence percentage. However, for the purpose of the study we feel that we can safely make generalized conclusions about the information gathered.

Employer Profile

The largest group of responding organizations was Manufacturing, followed by organizations involved in Tourism.

Type of Organization	Number	Per Cent
Manufacturing	12	43%
Tourist Attraction	6	21%
Local Municipality	4	14%
Aviation	4	0%
Other	2	7
Hospitality	1	4%
Health and Medical Services	1	4%
Education	1	4%
Energy	1	4%
Financial Services	0	0%
Telecommunications	0	0%
Transportation	0	0%
Technology Development	0	0%
Retail	0	0%
Total	32	100%

Location of Participating Organizations

The location of the organizations providing information is shown below. Note that the four companies located at the airport are included here, which together with the municipal administration accounts for the organizations attributed to Tiny Township.

Location	No.	Per Cent
Midland	19	61%
Penetanguishene	7	23%
Tiny	4	13%
Tay	1	3%
Total	31	100

Number of Employees

- The survey response included organizations with a broad cross section of number of employees:

Responding Employers by No. of Employees		
Range	Number	Per Cent
1-15	5	18%
16-49	16	57%
50 +	10	36%

3. Indirect Impacts – Estimates of Spending by Airport Visitors

- The second component of *indirect economic impact* of the airport is expenditures made in the North Simcoe region by both tourist visitors and corporate users on local accommodation, food, ground transportation, recreation, and shopping resulting from use of the airport.
- Actual data on spending was not available. Conservative estimates were made using airport data on numbers of visitors in 2009, and assumed average spending patterns for both tourist and corporate airport users (based on survey data from another similar airport in Ontario). The actual amount of estimated local visitor spending used is a relatively small part of the overall picture and therefore the degree of accuracy of the estimates does not materially affect the study conclusions.
- Airport visitors typically fall into these categories:
 - *transient recreational flyers*
 - *pilot tourists*
 - *business persons*

Note: Huronia staff is undertaking a pilot survey of visitors in 2010, with the objective of obtaining more formal information on the nature of each incoming arrivals' visit, and on their spending while in the area.

One-Time Economic Impacts

- There is one final impact of airport impact to which we can assign a monetary value - capital spending on construction. The study assessed the value of recent construction of privately-owned hangars at Huronia that has taken place in 2009 and 2010.

Non-Monetary Value

The indirect impact of the airport on the community includes both actual financial expenditures, and non-monetary value i.e. *efficiencies and cost-savings for businesses, use by emergency services etc.* The non-monetary aspects of the airport are not part of the formal quantification of economic impact, but are nevertheless, an important aspect of the airports role, and are described in **Section 5 - Non-Monetary Importance**.

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CURRENT IMPACT - 2009

Overview

- The primary economic impact of Huronia Airport results from the *direct spending* of airport-based organizations on wages, supplies, utilities and taxes. Information on spending by these organizations was obtained by personal interviews described in the **Section III Methodology**.
- The secondary economic impact results from *indirect spending* in the community associated with visitors to the area who arrive and leave via the airport.
- This section assesses the combined effect of these two factors, using 2009 to represent current conditions.

Direct Current Impacts

Airport-Related Organizations

- The direct economic impact of the airport is the total payroll, capital, operating and maintenance costs, taxes and fees incurred by all public and private providers of airport services i.e. private companies and the airport operator.
- The airport commission carries out the role of the airport Fixed-Base Operator (FBO), providing refuelling, aircraft storage, and tie-down services.
- There are currently four established aviation-based (airside) businesses operated on or adjacent to the airport – two on-site, and two located adjacent to the airport boundaries with access to the runways. There is also a fifth organization, located in Midland, which while not on site, is a sister organization of an existing airport tenant. based locally because of the airport.
- The organizations are:
 - **John Dion Aircraft Maintenance** - Aircraft Maintenance & Repair (AMO)
 - **Midland Instruments** – Aircraft Instrument System Design, Installation and Repair
 - **Custom Flight Inc** – Mfr of Float Plane Kits
 - **Zenair** – Mfr of Airplane Kits and Floats

Avionics Design Services – Avionics Design (sister company to Midland Instruments)

Future Air (an established flight training organization that operates out of Collingwood, Holland Landing, and Simcoe Regional), has entered into a 1-year agreement with the Commission to explore the establishment of flight training at Huronia.

Role of Airport Budget

- For clarity, although the airport earns income from fuel sales and building and ground leases, this is not included in the direct impact calculation. As with the other airport-based organizations surveyed, it is the spending by the airport, rather than revenue, that has an economic impact and is used in the calculation.
- In this respect, the annual municipal grants, which form part of the airports spending, contribute to the economic impact of the airport, because these funds are expended on wages and other expenses by the airport commission, and are largely spent locally in the community.

Total Annual Total Spending

- The *total annual spending* by all organizations at the airport in the most recent year was over **\$6.5 million**.
- A proportion of this annual spending (approximately 50%) was sourced from outside of North Simcoe. This degree of leakage is not uncommon for airports located in a region such as North Simcoe, where supplies for manufacturers such as metal sheet stock and parts are not locally available. The net local spending was an estimated **\$3.3 million**.
- It is worth noting that while most of these parts and supplies were actually manufactured outside of the Simcoe region, some were purchased through distributors in the region e.g. in Barrie or Orillia, which does contribute some additional regional impact.

Total Annual Spending			
By Airport-Related Employers			
	Annual Spending	% Spent Locally	Local Spending
Annual payroll expense	2,406,000	84%	2,031,850
Operating Expenditures	3,724,900	29%	1,093,420
Capital Expenditure	337,650	41%	139,939
Taxes	49,000	98%	48,100
Total Expenditures	6,517,550	51%	3,313,309

Employment

- There are currently **51 individuals** (48 full-time and 3 part-time) employed at airport-related companies and the airport itself.
- There was just over \$2,400,000 spent on payroll in 2009, of which **\$2,016,000** (84%) was paid to individuals who live in the immediate area. Two airport-related organization employees live out of province, and a further eight live in locations such as Barrie and Orillia.
- The number of full-time employees is currently heavily affected by three of the aviation organizations. This is not unusual at small general aviation airports, which often have a single or small number of major employers. The remaining airport-related organizations currently have relatively smaller numbers of full-time employees.
- Some of the organizations have experienced varying degrees of diminution in their business activity and requirement for labour resulting from the worldwide downturn in the aviation industry following 9/11, the increase in value of the Canadian dollar, and by the recent worldwide economic downturn. However, as will be seen in Section 6 on airport economic impact in 2014, all of the organizations involved have a more optimistic outlook for the future.

Other Spending at the Airport

- There has been recent capital spending on construction of new privately owned aircraft hangars, with nine hangars completed or nearly completed at the time of this study. These hangars have been largely self constructed by pilot owners, and therefore have not created work for the local construction industry, but have placed demand on local construction materials suppliers. The average cost of materials for the new hangars is approximately \$30,000, or \$270,000 in total, and the estimated cost of five of the hangars has been included in 2009 spending

Invested Capital

- The replacement value of the infrastructure of the airport and the buildings and equipment employed by the airport-related organizations to operate their businesses is estimated to be in the order of **\$7 million**. While this is not a measure of current economic impact (much of the airport facility and some of the equipment of the other organizations was invested sometime ago and is well depreciated), it does add to the picture of the overall financial scope of airport-related activity.

Current Indirect Impacts

- Assessing current *indirect impacts* of an airport is much more challenging than the actual expenditures made by airport-related organizations. Indirect impacts are the financial effect of

local spending in the community by individuals or companies that enter and leave the region via the airport.

2009 Aircraft Traffic Statistics (Movements)

- The annual Huronia flight activity that gives us the overall scope of flights that might create indirect impacts is shown in the *aircraft movements* for 2009 below.

2009 Traffic Statistics	
Local	727
Itinerate (Domestic)	1,793
Itinerate (United States)	57
Military	13
Medevac	40
Total Movements	2,630

- *Local Traffic* is activity by aircraft based at Huronia – each take-off and return landing constitutes one *movement*. Local traffic does not create any indirect spending in the community
- The two categories of movement that do create indirect impacts are *domestic* and *U.S. originating itinerant traffic*. Itinerant aircraft are visitor flights in and out of Huronia, involving aircraft that are not locally based i.e. they arrive from and depart for another location.

Type of Itinerant Airport Visitors

- These *itinerant* visitor flights, both domestic and US originating, fall into three main categories:
 1. Visiting Recreational Pilots from the surrounding region (will typically not leave the airport and account for little spending in the community)
 2. Tourist Visitors (self-piloted or charter - who arrive by air and typically stay at least overnight or longer locally)
 3. Business Usage (primarily employees and client visits, there is very little in-bound freight traffic).
- There is currently no hard data on the numbers of individuals in each visitor category who use the airport for business or recreation, nor of their local spending while in the community. We have therefore estimated the number of visitors in each category and estimated average local spending for each group. While there is little hard data to support the figures generated, they are consistent with a recent study at another somewhat comparable Ontario airport, and the

resulting total estimated visitor spending is not sufficiently large to significantly alter the outcome of the study.

- The amount spent locally is estimated at approximately **\$60,000**. See **Appendix VII** for detailed calculations.

Note: The airport has recently initiated a project to gather information from both private and business visitors to the airport. This includes their point of origin and reasons for using Huronia, together with an estimate of their spending (if any) in the local community. Assuming staff are successful in collecting information from pilots and travelers, the information can be used to update this aspect of the study by the end of 2010.

Summary of Current Impacts

- The estimated total current annual economic impact of the airport is approximately \$10 million.
- This has been assessed using relatively conservative assumptions, and so can be seen as a reliable indicator of the importance of Huronia to the local economy.

Spending Category	Amount
A. Direct Airport-Related Employer Spending	\$6,517,000
B. Amount spent locally (51%)	\$3,324,000
C. Indirect spending – Airport Visitors (est.)	\$60,000
Total Direct And Indirect Spending (B+C)	\$3,384,000
Induced Impact (X 2)	\$6,768,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$10,152,000

Other Airport Spending

- While not included in the estimate of spending in the current year of the study (2009), the airport commission has been approved for government funding contribution of 90% of the construction cost of a new individual hangar building and accompanying taxiway. The estimated \$320,000 cost of this project will contribute substantially in 2010 to the local construction industry and construction materials suppliers.

- The airport has also begun evaluation of the feasibility of constructing a new commercial hangar and office facility on site – largely to meet the needs and ensure retention of existing aviation business tenant Midland Instruments and its sister company Avionics Design Services. Facility design and specific costs are not yet available, but this project would likely require \$500 -750,000 direct spending and would result in an estimated \$1.5-2.25 million total economic impact. **{John/Geo: what cap cost estimate should we use here?}**

Benefits to Individual Communities

- Although supported by Midland, Penetanguishene and Tiny, the airport itself is located in Perkinsfield (Tiny Township), and the majority of employees at the airport live in the four surrounding municipalities (i.e. including Tay), with some living further afield in the Simcoe Region. These employees spend a good portion of their wages locally (but not exclusively) where they live, and within the region.
- There is no exact means of assigning the relative economic impact of the airport on each of these municipalities. We can however assume that in principle, excluding the “leakage” to locations elsewhere in the Simcoe region, the induced impact or secondary spending associated with the airport is likely generally spread amongst the four nearest municipalities. We can therefore hypothesize that the economic impact of the airport is enjoyed by the surrounding municipalities largely based on either where airport organizations’ employees reside or the respective share of population of each municipality.

Share of 2009 Economic Impact by Where Airport Related Employees Live

Location	No of Employees	Where Live %	Share of Economic Impact
Midland	14	27%	\$2,741,040
Penetanguishene	7	14%	\$1,421,280
Tiny	13	25%	\$2,538,000
Tay	3	6%	\$609,120
Other	14	27%	\$2,741,040
Total	51	100%	\$10,152,000

Share of Economic Impact by % of Population

Location	Population	% of Total	Share of Economic Impact
Midland	16,300	35%	\$3,582,852
Penetanguishene	9,354	20%	\$2,056,073
Tiny	10,784	23%	\$2,370,397
Tay	9,748	21%	\$2,142,677
Total	46,186	100%	\$10,152,000

Caution: The tables above are for illustration purposes only. The intent is to demonstrate how the economic benefit of the airport might be affecting the four municipalities, if employee spending is in fact concentrated in place of residence or by share of population as shown. Both tables undoubtedly over-estimate the economic impact of the airport on Tiny and Tay, owing to the relative concentration of retail shopping and other services in Midland and Penetanguishene.

Impact of Other Employment

- A further factor in terms of employment and local spending related to the airport is spending by the individuals who are employed by organizations that say the airport is important to their decision to locate here. While the presence of the airport is only a *contributing factor* in this respect (and not necessarily the most important one), the employees of these organizations do reside throughout the area, and by their spending of wages do contribute to the overall economic well-being of the community.

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FUTURE IMPACT - 2014

Overview

- The preceding section of the study assessed the current (2009) total financial contribution made by Huronia to the local economy. This section provides an assessment of comparable economic impact data for the airport, projected five years out from the present to 2014, i.e. the same period as the airport Business Plan 2010 - 2014.
- The future outlook uses the same methodology as for 2009, i.e. assessment of the *future direct impact* of the airport (spending on payroll and other expenses by airport-related organizations), and an estimate of the future indirect financial impact of spending with local service providers by individuals and organizations who use the airport.
- The participating airport-related organizations provided us with their own estimates of their future business activity on the same basis as they provided information for 2009. The calculation methodology used for 2014 was the same as for 2009. Therefore, subject to the usual caution about the uncertainty of future estimates, the information from the two time-periods can be usefully compared.

Direct Future Impacts- Airport Related Organizations

- The 2014 projections assume the following about organizations operating on or adjacent to the airport:
 - The four established aviation-based (airside) businesses operated on or adjacent to the airport continue to operate:
 - John Dion Aircraft Maintenance** - Aircraft Maintenance & Repair (AMO)
 - Midland Instruments** – Aircraft Instrument System Design, Installation and Repair
 - Custom Flight Inc** – Mfr of Float Plane Kits
 - Zenair** – Mfr of Airplane Kits and Floats
 - **Avionics Design Services**, currently based in Midland, moves its operation to the airport site and is housed together with its sister company **Midland Instruments** in a new commercial hangar/office facility on site.

– A successful **Flight Training School** has been established and trains a projected 15 individuals per year.

- Growth by the existing cluster of aviation businesses will tend to have a synergistic effect on the overall attractiveness of the airport, and the study assumes that one new aviation-related (airside) business will be attracted on site in the fourth year of the airport 5-Year Business Plan and be fully operational in 2014.
- The airport commission continues to carry out the role of the airport Fixed-Base Operator (FBO), providing refuelling, aircraft storage, and tie-down services.

Future Business Outlook

- With the exception of the AMO company (aircraft maintenance and repair) whose level of business is largely related to activity at the airport itself, the other existing organizations all expect positive growth in the future – based on recovering health of the aviation industry, unique aviation expertise, or new product developments aimed at market segments where there is known demand.
- The existing cluster of aviation-related businesses, increased overall airport activity, and a business-friendly stance by the Commission and municipalities should make Huronia more attractive to new aviation-related businesses as airport tenants in future.
- This is consistent with other assumptions in the plan that there will be ongoing minor improvements to airport infrastructure, as well as the development of a commercial hangar/office facility.

Total Annual Total Spending

- The projected *total annual spending* by all airport-related organizations in 2014 is **9.3 million dollars**.

Leakage

- A proportion of this annual spending (approximately 52%) is forecast to be sourced from outside of North Simcoe, with net local spending estimated at **\$4.9 million**.

Projected 2014 Spending By Airport-Related Employers

	2014 Est. Spending	% Spent locally	Est. local Spending
Annual payroll expense	3,283,816	91%	2,979,559
Operating Expenditures	4,536,837	32%	1,452,325
Capital Expenditure	1,450,000	22%	322,800
Taxes	51,000	273%	139,100
Total Expenditures	9,321,653	52%	4,893,785

Employment

- There are projected to be a total of 89 individuals (78 full-time and 11 part-time) employed at airport-related companies and the airport itself in 2014.
- Projected payroll expense in 2014 is \$3,330,000, of which \$2,298,000 (91%) is expected to be paid to individuals who live in the immediate area.
- The projection of numbers of full-time employees is heavily affected by four aviation organizations (Zenair, Midland Instruments, Avionics Design Services, and Custom Flight).
- If we compare the projected number of employees for 2014 with the actual numbers in 2009, we see that there is a significant increase projected, reflecting the positive future outlook of the aviation companies involved. A major change here is that Custom Flight anticipates it will gear up for production of a newly developed airplane kit design.

**No. of Employees at Airport-Related Organizations
Actual 2009 vs. Projected 2014**

	2009 Actual	2014 Projected
Full-time	47	78
Part-time	4	11
Total	51	89

FUTURE INDIRECT IMPACTS

- We have estimated future *indirect* impacts of the airport i.e. the financial effect of local spending in the community by individuals or companies that enter and leave the region via the airport, using the same methodology as for 2009. Projections of 2014 airport movements that form the basis of the calculation were sourced from the Huronia Airport Business Plan 2010-2014.

Hurononia Airport		
Projected 2014 Aircraft Movements		
	Actual	Projected*
	2009	2014
Local Traffic	727	927
Itinerate Traffic	1,793	2,174
Military	13	13
United States	57	73
Medevac	40	40
Total Movements	2,630	4,386

- We have estimated the number of visitors in each category and the estimated average local spending for each group for 2014 using comparable assumptions as 2009 and the projected movement data shown above. The amount spent locally in 2014 is estimated at approximately **\$70,000**. See **Appendix VII** for detailed calculations.
- As with the 2009 data, this estimate should be treated with some caution as it is based on a series of assumptions. However, the estimate does serve to give a sense of the *likely* scope of local spending made by airport visitors, and the amount involved is not sufficiently large to significantly alter the outcome of the study.

Summary of Future Impacts

- The estimated total future economic impact of the airport in 2014 is just under **\$15 million**.
- This has been assessed using conservative assumptions, and so can be seen as a relatively reliable indicator of the likely future increase in importance of Huronia Airport to the local economy.

Spending Category	Amount
A. Direct Airport-Related Employer Spending	\$9,320,000
B. Amount spent locally (52%)	\$4,890,000
C. Indirect spending – Airport Visitors (est.)	\$60,000
Total Direct And Indirect Spending (B+C)	\$4,950,000
Induced Impact (X 2)	\$9,900,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$14,850,000

New Construction

- As discussed in the current assessment section, much of the future economic impact of the airport is dependent on the construction of a new commercial hangar and office facility on site in order to retain important existing aviation business tenant Midland Instruments and its sister company Avionics Design Services. The study assumes that because this project would take place in the near future, there is no direct effect of the construction itself in the projected data for 2014.
- A significant portion of the direct spending estimate for 2014 shown above is directly related to these two companies, and the economic impact on North Simcoe of the loss of either or both companies would be significant. Both companies have indicated that the lack of such a new commercial hangar and office facility at the airport is a constraint on their business growth, and that they are actively considering moving both businesses to Lake Simcoe Regional Airport.

Benefits to Individual Communities

- Using the same methodology as for 2009 to hypothetically attribute the economic benefit of the airport on each of the local municipalities, we have estimated the future 2014 impact as shown below. This assumes that the percentage of airport-related organization employees residing in each location is the same as at present. In the absence of any indication to the contrary, this seems to be a reasonable assumption.

**Share of Projected 2014 Economic Impact by
Where Airport Related Employees Live**

Location	Projected No of Airport-Related Employees Residing	% Total	Est. Share of Economic Impact
Midland	24	27%	\$4,000,000
Penetanguishene	13	14%	\$2,100,000
Tiny	22	25%	\$3,700,000
Tay	5	6%	\$900,000
Other	24	27%	\$4,000,000
Total	89	100%	\$14,850,000*

* Figures do not add due to rounding

Caution: The table above is for illustration purposes only. The intent is to demonstrate how the economic benefit of the airport might affect the four municipalities in 2014, if employee spending is in fact concentrated in place of residence as supposed.

Comparison 2009 and 2014

- Lastly, it is useful to compare the estimated current economic impact of Huronia Airport in 2009 with the projected impact for 2014. The significant change shown results from the positive expectations of increased business by the aviation-related business associated with the airport.
- It is important that the community recognize the vital role that the airport plays as a nexus of aviation companies in the economic life of North Simcoe – it is a very different role from the common misperception of small airports as an unwanted drain on municipal resources with little relevance to community life.
- If the annual municipal grant towards operation of the airport of approximately \$110,000 is considered for this discussion as an investment, then the current economic impact of over **\$10 million** and the projected benefit of almost **\$15 million** are handsome returns to the community indeed!

Comparison of Projected Economic Impact: 2009 and 2114

Spending Category	2009	2114
A. Direct Airport-Related Employer Spending	\$6,517,000	\$9,320,000
B. Amount spent locally (52%)	\$3,324,000	\$4,890,000
C. Indirect spending – Airport Visitors (est.)	\$60,000	\$60,000
Total Direct And Indirect Spending (A+B)	\$3,384,000	\$4,950,000
Induced Impact (X 2)	\$6,768,000	\$9,900,000
TOTAL ECONOMIC IMPACT (Estimated Local Spending + Induced Impact)	\$10,152,000	\$14,850,000

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NON-MONETARY IMPORTANCE

Overview

- The indirect impact of the airport includes both actual financial expenditures described in Section 4 and *non-monetary value* i.e. convenience, efficiencies and cost-savings for businesses, ease of access to the area by tourist visitors, together with community roles such as emergency health services.
- The input of local employers on their awareness, familiarity, usage, and importance of the airport was sought through a survey described in Section 3 Methodology.

Importance and Use of the Airport by Local Businesses

Corporate Use

- The ability to fly executives in or out of the airport, or fly in urgently needed parts or supplies instead of using road transportation, has a value. For example, the use of an airport by local manufacturers for the transportation of Just-In-Time parts results in efficiencies for the manufacturer versus other means of transportation. While detailed financial information on such savings is hard to obtain, there are a number of businesses that use the Huronia Airport and will continue to use it in future. While not a major factor for most, local employers that do use the airport do say that the convenience of the airport improves their efficiency.

Major Employer Familiarity and Use of the Airport

- The majority of respondents (82%) said their organization was familiar with the location and facilities at the Huronia Airport, but there were eight organizations where the responding individual (typically CEO or general manager) felt that their organization was not familiar.
- In some instances, the lack of awareness of the airport appeared to stem from individuals who had only recently moved into the area.
- Both factors above point out the potential value of ongoing communication about Huronia's role to key area employers.

Major Employer Awareness of Airport

(Excluding Airport Based Organizations)

	Number	Per Cent
Aware of airport	19	70%
Not aware	8	30%
Total	27	100%

Use of Airport by Local Employers

- Just over a quarter of the responding employers (excluding aviation businesses at the airport) had used the airport in the past 3 years. If the airport-based businesses are included, the total number of local organizations who use the airport rises to 11, or 35% of responding organizations.

Major Employer Use of the Airport

	All Employers		Employers Excl. Aviation Businesses	
	Number	Per Cent	Number	Per Cent
Used in past 3 years	11	35%	7	26%
Not used	20	65%	20	74%
Total	31	100%	27	100%

Note: Includes multiple uses by some employers

Frequency of Use

- Of the eleven organizations that have used the airport, five use the airport at least monthly (four of which are aviation related companies). The remainder uses it occasionally or very infrequently only.

Frequency of Airport Use By Users

Frequency	Number	Per Cent
Monthly	5	45%
Occasional use through the year	1	9%
Infrequent use only	5	45%
Total	11	99

Type of Employer Use

- The most frequent use of the airport was in employee travel and customer visits to employer's premises. There was almost no emergency in-bound receipt of parts or supplies.
- The use of the airport for employee travel stems from both the relative ease of access to other locations compared to travelling by road, and also the time-saved versus travel and pre-flight check-in to the nearest airport (Pearson) with scheduled service.
- The organizations using the airport for employee travel own small aircraft for this purpose – there is no corporate charter service currently available at Huronia.

Activity by Airport users

	Number	Per Cent
Employee Travel	8	44%
Customer Visit	8	44%
Outbound Shipping	1	6%
Inbound Shipping	1	6%
Total	18	100%

What Kind of Aircraft Can Use Huronia?

- There was survey response and anecdotal evidence that some local employers believe that the length of the Huronia Airport runway is an impediment to corporate use. This will be true in some instances, but the situation varies with each company's circumstances.
- There are certain aircraft that cannot use the airport, because either runway or other facilities do not meet the technical requirements of aircraft of their size, or because insurance coverage requires greater runway length – minimum 5,000 feet is a typical insurance requirement.
- However, the airport has a 3,999-foot runway that allows several types of corporate aircraft of differing payloads and range to operate here, and importantly, fly out of Huronia fully fuelled. Many twin-engine turbo props and popular executive jets, such as Cessna, Citation and Learjet, can land at airports with a balanced field length of 4,000 feet (Balanced field length is the distance required for a fully laden aircraft to stop in the event of engine failure during take-off).
- So there will be some barrier to use of the airport by local businesses, where the parent company or potential visitor uses a larger corporate aircraft. But the extent of foregone use of the airport for this reason is nowhere near sufficient to provide a business case for the significant capital expenditure required to strengthen and extend the runway.

Importance to Employer Users

- On balance, if we consider frequency of use and rated importance of the airport amongst major organizations, Huronia is not a *major factor* in the success of employers in the region (with the possible exception of one major marina). This is consistent with many other small airport locations, where the presence of an airport and use by major local employers is typically modest, and a contributing, but not major, factor in area attractiveness.

Importance to Employer Airport Users		
Importance Rating	Number	Per cent
Very Important	5	42
Somewhat Important	6	50
Not Important at all	1	8
Total	12	100

- However, there are local organizations that consider Huronia to be *very important* to their businesses. These are the aviation industry companies, who are responsible for most of the economic impact of the airport.

- Examples of employer comments on airport use and importance:

“We travel to destinations like Ottawa, Thunder Bay, Peterborough, Goderich and travel by air from Midland is only effective way to reach these destinations. We base both company aircraft at the field”

“We own a small corporate aircraft. The airport is used for fuel and maintenance for our aircraft, arrival and departure point for customer visits as well as for recreational flights. For our company the airport is more a MAJOR convenience than a necessity.”

“We view the airport from the community perspective as a vital piece of infrastructure for many reasons: Air ambulance, Medivac, Emergency/disaster relief, business, recreational and tourism uses, and the potential for a business park”.

“Our use is an incoming corporate jet with personnel from our US head office”

“There are airport improvements important to our business”

“The airport is a very important factor in our captained boats business. Clients who have had their boat crewed to Midland arrive & depart for their vacation via the airport. We also send technicians to deliver parts and/or repair boats when speed is of the essence and the boat may be in a difficult location to access”

“We used to use the airport because our company owned its own corporate jet”

“We used to use the airport to bring in customers from the automotive industry in Detroit – that use stopped entirely in 1996 when the Detroit area industry declined”

“Need a longer runway”

Importance to Tourism and Hospitality Industry

- There was insufficient survey response from participants in the tourism and hospitality industry concerning the airport to report the data meaningfully.
- There is little evidence that the airport currently plays a role in serving or helping develop the tourism industry in the region. This not unusual for small airports, but there is an opportunity for Huronia to more actively engage with tourism organizations and operators in helping to attract tourist visitors to the area.

Importance to Local Marinas

- The exception to the lack of involvement in tourism was a major marina that noted the airport is important to its captained boat. The Midland-based marina has a number of clients who arrive and leave by air each year to meet their boat, which has been sailed to the area for them by a hired captain and crew. These visitors spend a substantial amount locally and elsewhere in the Georgian Bay area, on fuel, food, entertainment, docking fees, limousine pick-up etc.
- The marina also uses Huronia to fly mechanics and parts by float-plane or to the local airport to reach clients who require repair service away from home port.
- The marina considers the presence of the airport is a very important factor in its business and indicated that both its sister marine operations in the area and others likely had similar aspects to their businesses.

Medevac Flights

- One of the most important non-monetary roles played by small airports is the handling of Medevac flights. An organization called ORNGE, co-ordinates all air ambulance services in Ontario on behalf of the provincial government. Medevac flights by ORNGE are most commonly used for providing specialized medical transport for very ill and critically injured patients from one health care facility to another – using either helicopters or fixed-wing aircraft. The close proximity of HMA to the surrounding communities means that patients can be transferred to more specialized hospitals with a minimum of delay.
- In 2009, forty Medevac flights departed Huronia, transporting local individuals who were in need of urgent specialized care.

Military Use

- While not a major use of the airport, there is a small number of military flights in and out of Huronia each year – mostly involved in Search and Rescue activities. There were thirteen military uses in 2009.

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APPENDICES

APPENDIX I	Airport Related Businesses Interview Guide
APPENDIX II	Commission Letter to Airport Related Businesses
APPENDIX III	Airport Related Businesses Interview Guide
APPENDIX IV	Commission Letter to Major Employers
APPENDIX V	Major Employer Survey Questionnaire
APPENDIX VI	Major Employer Survey Participants
APPENDIX VII	Estimated Airport Visitor Spending
APPENDIX VIII	Profile of Airport Related Businesses

Appendix I

Participating Airport-Related Businesses

Organization Name	Business/Activity	Contact
Huronia Airport	(FBO). Fuel & oil sales, tie-downs and aircraft hangar rental	Mr. John E. Smith Airport Manager
John Dion Aircraft Maintenance	(AMO). Licenced Aircraft maintenance/repair services	Mr. John Dion Owner/manager
Custom Flight Inc.	Mfr. Of Float Plane kits	Mr. Morgan Williams Owner/manager
Zenair Ltd.	Designer of Airplane kits; Mfr. of Airplane Floats	Mr. Chris Heintz Owner/Manager
Midland Instruments	Aircraft Instrument Design, Installation & Repair	Mr. Vince Scott President/Owner
Avionics Design Services	Avionics Design	Mr. Gordon Gow

John Dion Aircraft Maintenance

John Dion Aircraft Maintenance is a Transport Canada approved **Aircraft Maintenance Organization (AMO)** located at Huronia Municipal Airport. The company provides general maintenance for local private operators, a flight school that operates out of three other airports in the region, and other aviation operators in the region.

Mr. John Dion, owner/manager is an experienced **aircraft maintenance engineer (AME)**. An AME is a person licenced to carry out maintenance and repair services to ensure that aircraft are airworthy in accordance with Transport Canada requirements. All aircraft, with the exception of certain homebuilt and ultralight planes, must carry a valid Certificate of Airworthiness to be legally allowed to fly. In order for this certificate to remain valid, all maintenance on the aircraft must be certified by a licensed AME.

Custom Flight Inc.

Custom Flight Inc. designs and manufacturers home-build bush plane kits. The company is known throughout the aviation world for designing kit versions of venerable Canadian Float Plane aircraft such as the Super Cub and Beaver. What distinguishes Custom Flight's airplanes is their tubular **steel and fabric construction**, which makes them particularly suitable for operation in remote and hazardous environments.

Owner/manager Mr. Morgan Williams is the chief designer, and is highly respected by purchasers and aviation authorities alike for the high quality of his kits.

Zenair Ltd.

Zenair Ltd manufactures home-build high-performance all metal light aircraft plane kits. The company also manufactures lightweight, affordable float kits for use on light kit planes. The floats have been on the market since the mid 1980's.

Zenair in Midland is managed by owner Mathieu Heintz. His father Chris Heintz a well known aeronautical engineer and leading authority on light aircraft design founded Zenair in 1974 and has designed and developed more than 12 new aircraft models, which have been marketed as kit aircraft around the world. More than 800 Zenair aircraft are presently flying around the world in 48 different countries.

Midland Instruments Ltd.

Midland Instruments Ltd is an **avionics and aircraft instrument company** that provides aircraft instrument design, installation and repair, overhaul, and modification/system design both onsite at

Hurononia Airport and offsite elsewhere. Midland Instruments is a Transport Canada approved **Aircraft Maintenance Organization (AMO)** that repairs and certifies a wide range of products from major avionics manufacturers. The services include repairs or installs of replacement flight control and navigation systems, including custom harness manufacturing, altimeter certifications, transponder/encoder checks, and ELT certifications.

Mr. Vince Scott, President/Owner is a Transport Canada certified AME licenced to provide Turnkey Supplemental Type Certificates (STC) on a wide range of aircraft.

Avionics Design Services

In business for over 10 years, Avionics Design Services is an avionics design company providing design and approval services to the aviation industry for everything from in-flight entertainment to data acquisition to major avionics upgrades. They are experts in avionics systems approvals in all types of aircraft, with a client base that ranges from small avionics shops to major airlines and manufacturers.

President Mr. Gordon Gow leads a staff of 15 with offices in Midland, Toronto and Calgary. The company is a DAO (Design Approval Organization) and a Approved Manufacturing Organization which permits them to carry out design and certification projects ranging from voice warning systems for helicopters, to TSO certifications of Audio Selector Panels, Interior Systems Design for corporate aircraft, Data Acquisition for flight test programmes or avionics retrofits, or special missions aircraft. It is also a CGA (Controlled Goods Approval) certified company.

Appendix II

Commission Letter to Airport-Related Businesses



Huronia Municipal Airport

20 Ed Connelly Drive
P.O. Box 179, Perkinsfield, Ontario L0L 2J0
Ph: (705) 526-8086 Fax: (705) 526-1769

February 17, 2010

Dear _____

Airport Economic Impact Study

I am contacting you and the other businesses based on and adjacent to the airport to inform you about an important study we are undertaking, and to request your assistance in providing input to the project.

There is a need to more fully communicate the role of the airport in community development and economic impact on its surrounding municipalities. To assist in this, the commission is finalizing a 5-Year Business Plan and has retained a consulting firm with experience of small airports to carry out an Economic Impact Study that will quantify the current and projected future benefits of the airport. This will include a survey of major employers and key tourism/hospitality operators in the region.

Your co-operation is requested in providing information about the scope of your businesses activities on a confidential basis to the consulting firm – in particular number of employees and annual spending; no revenue or income data is involved. Any information provided will be treated in strictest confidence and used by the consultants only to aggregate the total economic activity surrounding the airport. No individual company or organization data will be disclosed to airport management, the airport commission or any other third party.

This important project is deserving of your support. Having a strong message about the economic role of the airport is essential to securing support for future airport improvements - which benefit us all.

Mr. David Archbold of Archbold Leclerc Consulting will be in touch with you shortly to arrange a meeting, which should take about 30 minutes of your time. He will explain the methodology of the study more fully when he sees you. If you have any immediate questions, please feel free to contact me directly at 705 526 8086 (airport) or 705 533 1038 (residence).

Thank you for your co-operation.

Sincerely

George Cornell
Chair, Huronia Municipal Airport Commission

Appendix III

Airport-Related Businesses Discussion Guide

Huronia Municipal Airport (HMA) Information Requested from Airport Based/Adjacent Businesses

Company: _____

Contact: _____

1. Financial - On-site Operation

Information on the operation that is directly related to *on-site* activities at HMA

[Data for both latest financial year and 5-Year future financial outlook. Ask if the data for the latest year is atypical for any reason, note this below and obtain average of the past 3 years].

Expenditures

Expenditures	Latest Financial Year	% Spent Locally	Year- 5 Projection	% Spent Locally
1. Annual payroll expense	\$		\$	
2. Operating & Maintenance Expenditures	\$		\$	
3. Taxes & Fees	\$		\$	
4. Capital Expenditure	\$		\$	
5. Other	\$		\$	
Total Expenditures				

2. Employment Information

No of Employees	Latest Financial Year		Year- 5 Projection	
	Fulltime	Part-time	Fulltime	Part-time
Management				
Skilled/Technical				
Admin & Clerical				

Unskilled				
Total				

3. Where Do Employees Reside?

Location	No of Employees
Midland	
Penetanguishene	
Tiny	
Tay	
Other	
Total	

4. Organizations with Offsite Operations

A. For companies with a part of their overall operation or associated company not on site at HMA, but operating within North Simcoe Region, where location is directly related to the presence of HMA.

Company name and location _____

Expenditures

Expenditures	Latest Financial Year	% Spent Locally	Year- 5 Projection	% Spent Locally
6. Annual payroll expense	\$		\$	
7. Operating & Maintenance Expenditures	\$		\$	
8. Taxes & Fees	\$		\$	
9. Capital Expenditure	\$		\$	
10. Other	\$		\$	
Total Expenditures				

5. Capital Invested

Estimate of the total capital invested to run the business

On-site	\$	Off-site	\$
Buildings			
Equipment			
Aircraft			
Other			

6. Future Outlook

Reasons behind the Year-5 projection provided above i.e. why there are/are not growth opportunities:

A. Reasons will grow:

B. Constraints on growth:

Explain growth factors: e.g. new capital investment

7. Relative Importance of Potential Airport Improvements

Importance of the potential *airport improvements* or *business development* activities listed below to the future development of the business.

	Very important	Important	Somewhat important	Not at all important
· Navigational Aid Upgrade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· De-icing & anti-icing capability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Runway/Taxiway Upgrades	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· High Speed Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Airport café	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Main runway extension	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Airport-built T-hangars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Improved airport marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· New Airport Hangar & Offices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· New airside aviation services not currently available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Collaborative marketing by airside service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Other (Note below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Explore importance to future business success of potential improvements

Rank Importance	
	Navigational Aid Upgrade
	De-icing & anti-icing capability
	Runway/Taxiway Upgrades
	High Speed Internet
	Airport café
	Main runway extension
	Airport-built T-hangars
	Improved airport marketing
	New Airport Hangar & Offices
	New airside aviation services not currently available
	Collaborative marketing by airside service providers
	Other

Appendix IV

Commission Letter to Major Employers



Huronia Municipal Airport

20 Ed Connelly Drive
P.O. Box 179, Perkinsfield, Ontario L0L 2J0
Ph: (705) 526-8086 Fax: (705) 526-1769

Region Employer Survey

To North Simcoe Region Employers,

The Huronia Airport Commission has commissioned an Economic Impact Study to assess the impact and relevance of the airport to local organizations and the surrounding communities. Your co-operation is requested in providing information from your organization for use in the study, regardless of whether you have used the airport in the past or not. The information will be used to assess the economic relevance of the airport and its importance in the future economic growth of the North Simcoe region.

The commission has engaged independent consultants, Archbold Leclerc Consulting Inc. to carry out this work on their behalf. We request your co-operation in taking just a few minutes of your time to complete the attached survey and returning it directly to the consultants. We would appreciate return of the information by February 5th, 2010.

Confidentiality The information provided for the study will be held in strict confidence in a password-protected database, and will be used *in aggregate only*. No individual company or organization's data will be disclosed to airport management, the airport commission or any other third party. The data will be destroyed as soon as the aggregation is completed.

Please return your completed questionnaire via email to Archbold Leclerc Consulting Inc. at david@archboldleclerc.com. Or print a copy and mail your completed survey marked "Huronia Survey" to:

Archbold Leclerc Consulting Inc.
195 Roxton Road
Oakville, ON L6H 6M8

If you have any questions about completion of the survey please contact **Mr. David Archbold, Archbold Leclerc Consulting Inc** at **Tel 905 257 3785**

Thank you very much for taking time to assist us with this important project. The results of the study will be made available to the community when completed.

Sincerely

George H. Cornell
Chair, Huronia Municipal Airport Commission

Appendix V

Major Employer Survey Questionnaire

Huronia Municipal Airport North Simcoe Region Employer Survey

SECTION A (To be completed by all)

Please see Commission letter for returning instructions. If responding by email, please place an X beside the appropriate answer to each question.

1. Is your organization familiar with the location and facilities at the Huronia Airport?

1. Yes
2. No
3. Do Not Know

2. Has your organization utilized the Huronia Airport in the past 3 years?

1. Yes
2. No
3. Do Not Know

If NO, please go to Question 7

3. If YES, please indicate which type of use.

1. Employee Travel
2. Customer Visit
3. Outbound Shipping
4. Inbound Shipping
5. Other

Please describe the type of use in more detail:

4. Please indicate how often your organization uses the airport

1. Monthly
2. Occasional use through the year
3. Infrequent use only

5. Please indicate the importance of the airport to your organization

1. Very Important
2. Somewhat Important
3. Not Important at all

If important, please explain further:

6. Does your organization own/lease or otherwise use corporate aircraft?

1. Yes
2. No

7. Please indicate the scope of future use of the airport by your company/organization

1. Will grow
2. About the same
3. Will Decline
4. Not Applicable

8. Are there any changes to the airport facilities or services provided that could result in increased use of the airport by your organization in future?

About your organization

(This information will be used to tabulate the survey only – survey responses about your organization will not be associated with your organization's name)

Name of Organization (Optional) _____

9. Type of organization

1. Manufacturing
2. Financial Services & Administrative
3. Tourist Attraction
4. Hospitality
5. Health and Medical Services
6. Education
7. Police, Emergency & Community Services
8. Telecommunications
9. Aviation
10. Energy
11. Transportation
12. Technology Development
13. Retail
14. Other - Please describe _____

10. Location of your organization

1. Midland
2. Penetanguishene
3. Tay

4. Tiny

11. No of employees

- 1. 1-15
- 2. 16-49
- 3. 50 +

**Thank you again for your co-operation.
Hurononia Airport Commission**

Section B

[To be completed by Tourism and Hospitality Attractions and Operators only.]

12. In the past 3 years, have any of your visitors arrived and departed the region via the Huronia Airport?

- 1. Yes
- 2. No
- 3. Do Not Know

13. If Yes, please indicate which type of visitor has used the airport? (Check all that apply)

- 1. Individual/Family
- 2. Organized Group
- 3. Special Event
- 4. Other
- 5. Do Not Know

* Organized Group/Special Event – Please give example(s)

14. How many visitors of each type use the airport in a typical year?

	1-5	6-10	11 +
1. Individual/Family			
2. Organized Group			
3. Special Event			
4. Other			

15. If possible, please estimate the average spending per visit at your establishment by visitors of each type

	\$0-59	\$60-99	\$100-249	\$250 +

Individual/Family				
Organized Group				
Special Event				
Other				

16. Please indicate your expected future use of the airport by your visitors.

1. Will grow
2. About the same
3. Will Decline
4. Not Applicable

17. How would you rate the potential for future vacationing or weekend visitors accessing the region via the airport?

1. Strong potential
2. Some potential
3. Little potential
4. No potential

Thank you again for your co-operation.

Hurononia Airport Commission

Appendix VI

Major Employer Survey Participants

ADM MILLING CO
BAY PORT YACHTING CENTRE
BAYTECH PLASTICS INC.
BEACON BAY MARINA
BROOKLEA GOLF & COUNTRY
CCL CONTAINER
CENTRAL MARINE
CHRISTIES MILL (Port Severn)
DORAL MARINE
ELCAN OPTICAL TECHNOLOGIES
ELCOMA METAL FABRICATING LTD
FRED HOOK LTD
GEORGIAN COLLEGE
GENERAL MILLS CANADA CORP.
HURONIA HISTORICAL PARKS (Incl. St M among H; Discov
Har)
INDUSTRIAL FILTER MANUFACTURING
PENETANG MENTAL HEALTH CENTRE
MIDLAND POLICE DEPT
THE MIDLAND MIRROR
SAINT-GOBAIN TECHNICAL FABRICS
SCHOTT-GEMTRON (FORMERLY DAYSCO)
TECHFORM PRODUCTS LTD
UNIMIN CANADA LTD
MIDLAND
PENTETANGUISHENE
TINY
TAY
MIDLAND INSTRUMENT
CUSTOM FLIGHT
AVIONICS DESIGN
ZENAIR

Appendix VII

Estimated Airport Visitor Spending

	2009	2014
No of Itinerant Movements	1793	2288
% Recreational Visitors	95%	95%
% Business Visitors	5%	5%
DOMESTIC VISITORS		
No. of Recreational Visitors	1,703	2,174
No of VIP Marina visitors	15	15
Ave. VIP Visitor Spending	\$1,500	\$1,500
VIP Visitor Spending	\$22,500	\$22,500
Balance Recreational Visitors	1,688	2,159
% Regular Itinerant Visitors Spending in Community	10%	10%
No. of Regular Itinerant Visitors Entering Community	169	216
Ave. Regular Visitor Spending	\$75	\$75
Sub total Regular Visitor Spending	\$12,663	\$16,190
Total Domestic Recreational Visitor Spending	\$35,163	\$38,690
No. of Business Visitors	90	114
Ave Spending \$	\$150	\$150
Total Domestic Business Visitor Spending	13,448	17,160
US VISITORS		
	57	73
% Recreational	50%	50%
% Business	50%	50%
No Recreational Visitors	29	37
Assumed Ave Spending \$	\$200	\$200
US Recreational Visitor Spending	\$5,700	\$7,300
No Business Visitors	29	37
Ave Spending \$	\$150	\$150
US Business Visitor Spending	\$4,275	\$5,475
No Business Visitors	29	37
Ave Spending \$	\$150	\$150
US Business Visitor Spending	\$4,275	\$5,475
TOTAL ESTIMATED VISITOR SPENDING	\$58,585	\$68,625