From: Sally Beaven
Sent: Tuesday, August 08, 2006 4:30 PM
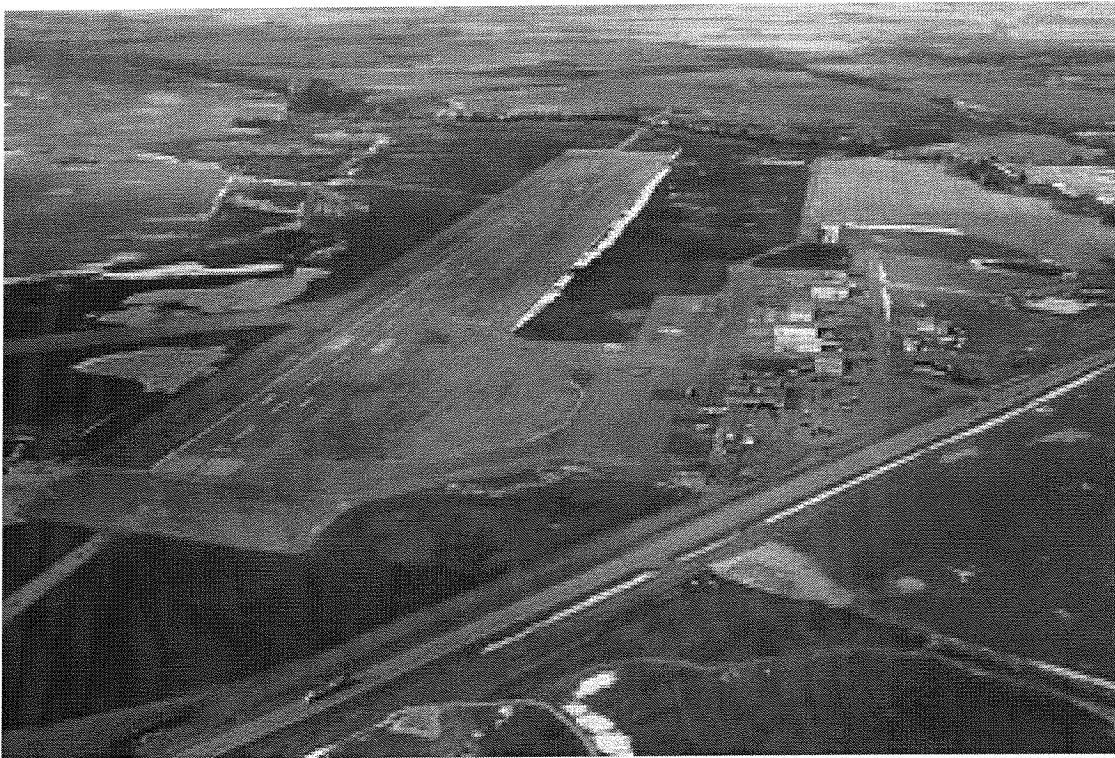**To:** Linda Neufeld
Subject: Plan

Attachments: AIRPORT PLAN 2004.doc

AIRPORT PLAN
2004.doc (3 MB)

THE TOWN OF PEACE RIVER

PEACE RIVER AIRPORT
STRATEGIC PLAN
MARCH 2004

EXECUTIVE SUMMARY

This Peace River Airport Strategic Plan has been prepared to provide the Mayor and Town Council members with insight on the economic and social significance of the Peace River Airport.

The Peace River Airport is a significant transportation centre, which provides scheduled and charter carrier operations for a region with a population of approximately 33,000. This is a convenient facility for the region, providing accessible air transportation.

In 2003 the Peace River Airport handled over 13,000 enplaned and deplaned scheduled passengers and recorded over 15,000 aircraft movements, which also include local and intenerate flights.

Peace River Airport facilities are considered first rate. It is a modern, well-designed terminal built to institutional standards in 1984. The terminal provides a full range of amenities for the traveling public as well as the businesses, which use the facilities. The airport also has land available to accommodate another 25 to 30 airside lots for future expansion. This should be adequate to accommodate future development well in to the next century.

In 2003, the Peace River Airport had a gross economic output of an estimated 15 million dollars, employment at 105 person-years and labour income at 3.8 million dollars. Leakages to external economies are an intrinsic feature of the aviation industry. By calculating the amount of leakage to external economies we can determine a more accurate impact on the region that is attributed to the Peace River Airport. The impact attributed to the airport in 2003 was:

- Gross Economic Output -   15.0 million dollars
- Employment   -   105 person-years
- Labour Income   -   3.8 million dollars.

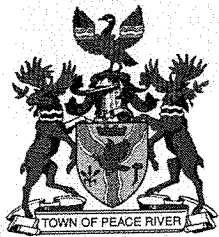**Note: All figures are estimated, with the exception of person years.**

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PART I
INTRODUCTION

1.1   BACKGROUND

The Town of Peace River is located 490 km northwest of Edmonton, roughly 200 km northeast of Grande Prairie. The Town is connected by an excellent road system to Edmonton and to northeastern British Columbia and the Northwest Territories. A CN rail link runs south to McLennan then branches to Edmonton via Slave Lake or to Grande Prairie and also north to Manning, High Level and Hay River NWT. The rail connection from Grande Prairie west to Dawson Creek currently is not in operation while discussions over the repairing the Watino Bridge tracks take place. The modern Peace River Airport is an important aviation and commercial facility providing the closest significant aviation Centre for the Town of Peace River and the surrounding Peace River Region. The total population base served by the airport is estimated at approximately 33,000.

The Peace River Airport is used by scheduled and charter carrier operations and by corporate, government, general aviation and recreational aircraft. Several charter firms of considerable size relative to other Alberta based aviation firms are located at the airport. These charter firms are primarily oriented towards helicopters and medivac operations. Through its activities as a transportation and commercial center, the Peace River Airport provides direct and indirect employment to the local economy. The payroll and expenditure for goods sand services generated by the local aviation community have a positive direct and secondary effect on the economy of the region. In addition, the airport provides the community with convenient nearby access to air transportation. This is an important factor of considerable value in expediting local commerce, in attracting new industries and in facilitating social inks between the community and other centers within Alberta and Canada. The inherent value for this intangible factor to the community should not be underestimated.

In 1995 the Peace River Airport handled 28,491 enplaned and deplaned passengers and recorded 15,113 aircraft movements. Based on 1995 figures, Peace River Airport placed 76th in enplaned and deplaned passengers in Canada and 8th in Alberta. This was an increase of 10.1% from 1994, moving the airport up 5 places on the Canada-wide ranking. It is important to note that charter company figures for enplaned and deplaned passengers are not included in this total and the actual number could be as high as approximately 33,400 passengers. By looking at the Peace River Airport's ranking by enplaned and deplaned passengers on major scheduled services only, it is ranked 39th in Canada and 6th in Alberta. This may be a much more representative rank of Peace River Airport's actual volume.

The airport, which is located in the Municipal District of Peace No. 135, was originally owned by Transport Canada and leased to the Town of Peace River for over 35 years. On September 1 1996 ownership was transferred over to the Town of Peace River.

1.2   ECONOMIC PROFILE OF THE TOWN OF PEACE RIVER

The Town of Peace River serves as a focal point for a large trading area. The region covers an area of approximately 12,500 km^2 and includes a number of towns, villages and municipal districts. On a larger scale, the Peace River trading area can be considered a part of a larger trading area for bigger communities.

The population of the Town of Peace River and its trading region is approximately 33,000 persons. The Peace River Airport will remain the airport for the immediate area, but because of its size it will not be able to attract the level of direct flight services that the larger populated regions like Grande Prairie and Dawson Creek can. The services provided by the Peace River Airport will likely continue to be for local commuting and not for international travel.

The Town of Peace River has experienced a population increase from 5,900 persons in 1980 to its present size of 6,717 persons. This growth of approximately 12% over the past 14 years. The Town of Grimshaw, located 25 kilometers west of Peace River, has seen a population growth of approximately 25% over the past 14 years. Grimshaw has grown from 2,100 persons in 1980 to a present population of 2,812 persons. The reason for the strong growth rate in Grimshaw occurs mostly due to competitive housing prices and a short commute to Peace River. It has spawned into a satellite community for Peace River, with many people residing there and commuting to Peace River. The Municipal District of Peace No. 135 and the surrounding rural areas have experienced stable population over the paste 20 years.

The Town of Peace River's economy comprises mainly of public administration (government agencies), commercial services, person services, technical services, retail trade, construction and transportation. Two of the largest employers in the regions are the Daishowa-Marubeni International Ltd. (DMI) Peace River Pulp Mill and Shell Canada. The DMI Pulp Mill opened in September 1990 and employs 385 employees. Shell Canada employs roughly 80 workers in the region. Estimates from both of these companies suggest that the majority of their employees reside within the Town of Peace River.

The service sector in the regions is getting more diversified as the population of the region grows and as technology improves, even thought the local economy is still mostly tied to the resource extraction and agricultural activities. Because of the regions' diversification and the high proportion of government and professional service workers, the economy has been able to ride out the periodic boom and bust cycles of the resource industries.

Peace River is one of the major service centres for the area's agricultural industry and the business community is actively working towards furthering the Town's role as a forestry support centre. The region is also exhibiting a considerable amount of tourism potential with the scenic river valley and wilderness, museums, parks, good hunting and fishing and through the active promotion of the "Deh Cho" route which lops through Alberta's Peace Region, the Northwest Territories and Northern British Columbia. There are also deposits of high-grade silica and iron ore, which show possible development promise.

PART II

A REVIEW OF THE
PEACE RIVER AIRPORT

2.1   PHYSICAL FACILITIES

The Peace River Airport is a local airport that supports a variety of commercial and charter air services. The airport is operating on a 24 hour basis and provides the necessary range of instrument flight rule aids required to support virtually all forms of commercial, corporate and general aviation. The airport does not have a precision instrument landing system but does have other adequate instruments including a non-directional beam, distance-measuring equipment a high frequency omni-radio beacon. The airfield has runway and approach lighting for the main asphalt runway, which measures at 1524 x 45.7 metres. In case of a power failure a stand-by power system is available to operate the essential electrical services. For light aircraft a crosswind grass runway of 580 x 46 metres is maintained during the summer months only.

Located within the terminal building is a NAV Canada Flight Services Station (FSS), which operates on a 24-hour basis, nine full time employees operate the FSS. Local air traffic control is the responsibility of the Edmonton International Airport. The FSS continuously monitors and provides local weather information.

The main runway is connected to the terminal building by two asphalt taxiways, which lead to and from a 14,000 m² aircraft handling and parking apron adjacent to the terminal building. The parking apron is designed to handle aircraft with a maximum 75,000 pounds takeoff weight. The apron area is adequate to simultaneously handle three to four Dash-8 sized aircraft. A second taxiway of roughly 350 metres in length links the main terminal apron to the on-site commercial hanger facilities. This taxiway is not designed to handle aircraft with a maximum takeoff weight in excess of 15,000 pounds.

Hydrant refueling is unavailable; a fuel truck from either of the fuel operators attends to airside requirements. The apron is of superior construction and is currently in good operational condition. Airport Administration is presently applying to the federal government for funding to overlay the taxiways and runway in the near future.

Peace River Airport's facilities are considered first rate. It is a modern, well-designed terminal built to institutional standards with all public areas finished in durable, low maintenance surfaces. The airport facilities provide a full range of passenger and cargo amenities. The airport began operation in September 1984, with funding for the terminal building provided through the Alberta Heritage Fund. The bi-level terminal provides a total 1,720 m2 excluding the basement. The first floor has large check-in, waiting and departure areas. The second floor contains a comfortable restaurant capable of seating 54 persons. The Flight Service Station occupies the third floor observation cupola. The basement area houses mechanical and storage areas, as well as a large conference room.

According to 2002 estimates, the number of enplaning and deplaning passengers during the peak hour was approximately 20. The terminal has a design threshold of 120 to 150 passengers per peak hour, which is well above the current number of peak time passengers. The terminal could easily handle three to four times the number of passengers it is currently handling. As previously noted, the present apron facilities will handle simultaneous landings of between three to four commuter sized aircraft. Thus the Peace River Airport terminal and runway complex has the potential to handle traffic growth into the next century.

2.1.1 SCHEDULED COMMERCIAL SERVICES

Scheduled commercial services are provided by Peace Air Ltd and Central Mountain Air linking Peace River with direct daily services to the Edmonton Municipal Airport, Edmonton International Airport, Calgary International, High Level, Grande Prairie, Red Deer and Medicine Hat, along with numerous connection to locations across Alberta and British Columbia.

Peace Air currently operates BAE Jet-stream and Pilatus PC-12 aircrafts, while Central Mountain Air operates Beech 1900 aircrafts.

The Peace River Airport has seen a steady decline in passenger movements since 1995; to date we've lost over 50% of the passenger movements in the past 9 years.

2.1.2 STATISTICAL OVERVIEW

Figure #1 illustrates enplaned and deplaned passenger traffic at Peace River Airport for a nine-year period between 1995 and 2003. Passenger traffic declined steadily in the past several years. Figure #2 shows aircraft movements from 1995 to 2003 at the Peace River Airport.

Figure #1 Passenger Movements 1995 to 2003

Town of Peace River Airport Passenger Movement

April 1, 1996 City Centre Airport Operations Transferred to Edmonton Airports

Total Passengers

40000
30000
20000
10000
0

1995 1996 1997 1998 1999 2000 2001 2002 2003
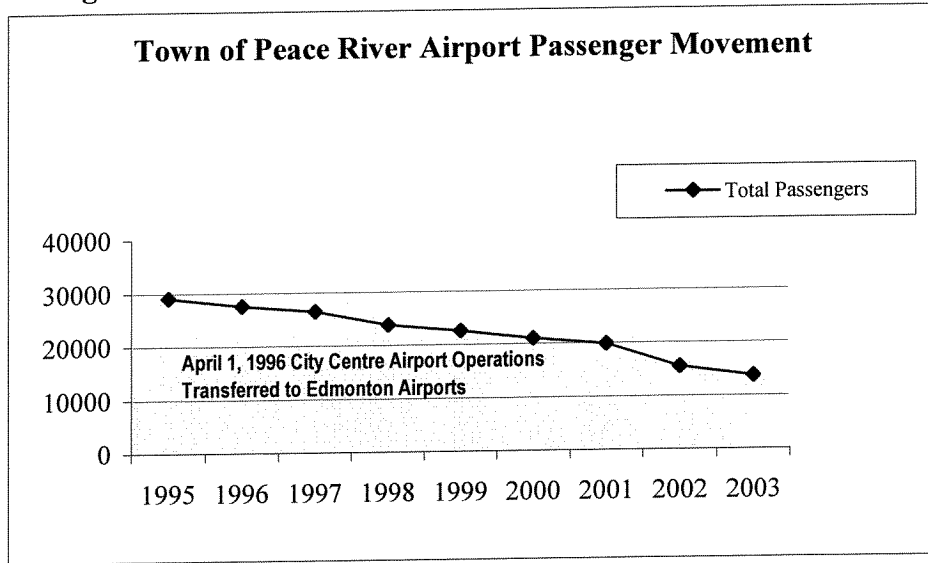
Figure #2 Air Traffic Movements from 1995 to 2003

Air Traffic Movements

Total Movements

April 1, 1996 City Centre Airport Operations Transferred to Edmonton Airports

25000
20000
15000
10000
5000
0

1995 1996 1997 1998 1999 2000 2001 2002 2003
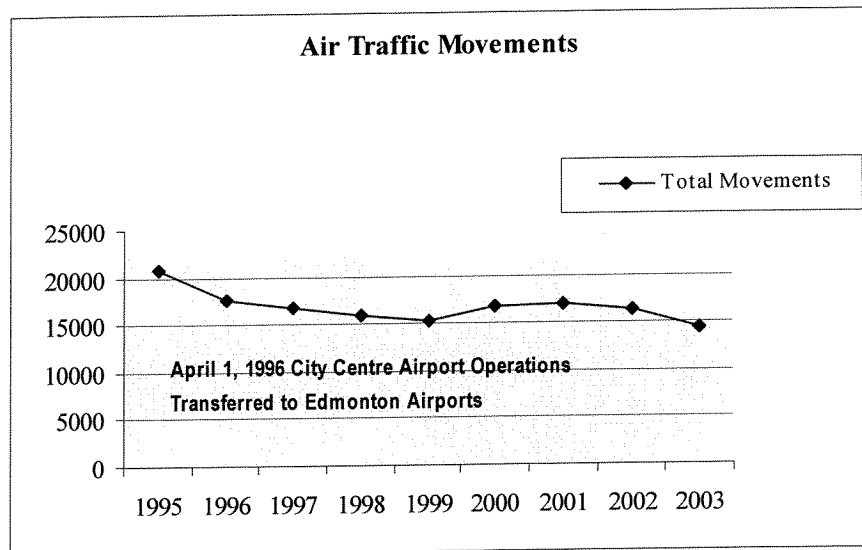
2.4 COMMERCIAL AND GOVERNMENT OPERATIONS

Services provided at the Peace River Airport include:

- Management of the Terminal
- Airfield maintenance
- Air carrier and car rental outlets
- Restaurant
- Concession services (ex. vending machines and taxi services).
- Flight Service Station
- Fuel Sales
- Aircraft Maintenance and Sales
- Flight Training;
- Hangar and Aircraft Storage
- Emergency Medical Services
- Airplane and Helicopter charter operations; and
- The lease of 138 acres of farmland and a single on-site duplex.

Fire & Rescue Services are provided by the Peace River Fire Department located in the Town of Peace River, response time is approximately 15 minutes.

The airfield houses 11 commercial firms involved in various aviation activities. All of these operations have direct access to the airfield, with the exception of PREMS. In total, these firms occupy approximately 1,950 m^2 of hangar and office space.

The airport currently contains 7 parcels of land suitable for development. Each parcel is approximately 5,600 m^2 in area. These parallel parcels extend to the southwest from the existing firms. All of the lots feature airside access although the existing taxiway would have to be extended. The utility corridor and the service road would have to be extended to bring these lots up to standard. With an additional 25 to 30 lots available (each measuring approximately 5,600 m^2), land for possible airside expansion should not be a problem in the near future.
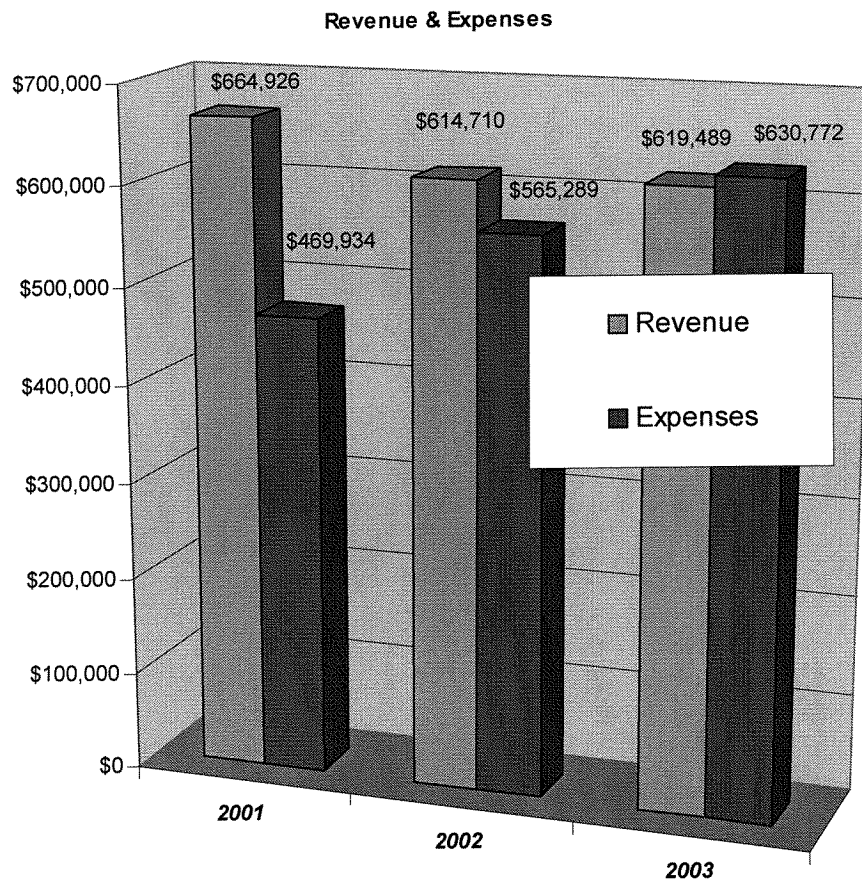
2.5 REVENUES AND EXPENDITURES

The airport is owned and operated by the Town of Peace River. The Town collects revenues from land and building rentals, aircraft landing fees, aircraft parking fees, fuel taxes, concessionaires and other miscellaneous sources. It incurs costs for providing management and administration services and operation and maintenance of airport property, and for payment of property taxes to the Municipal District of Peace No. 135.

Capital Expenses are not included in the charts; all figures are based on operational and maintenance expenses, revenue is also based on reserve funds for 2003 .
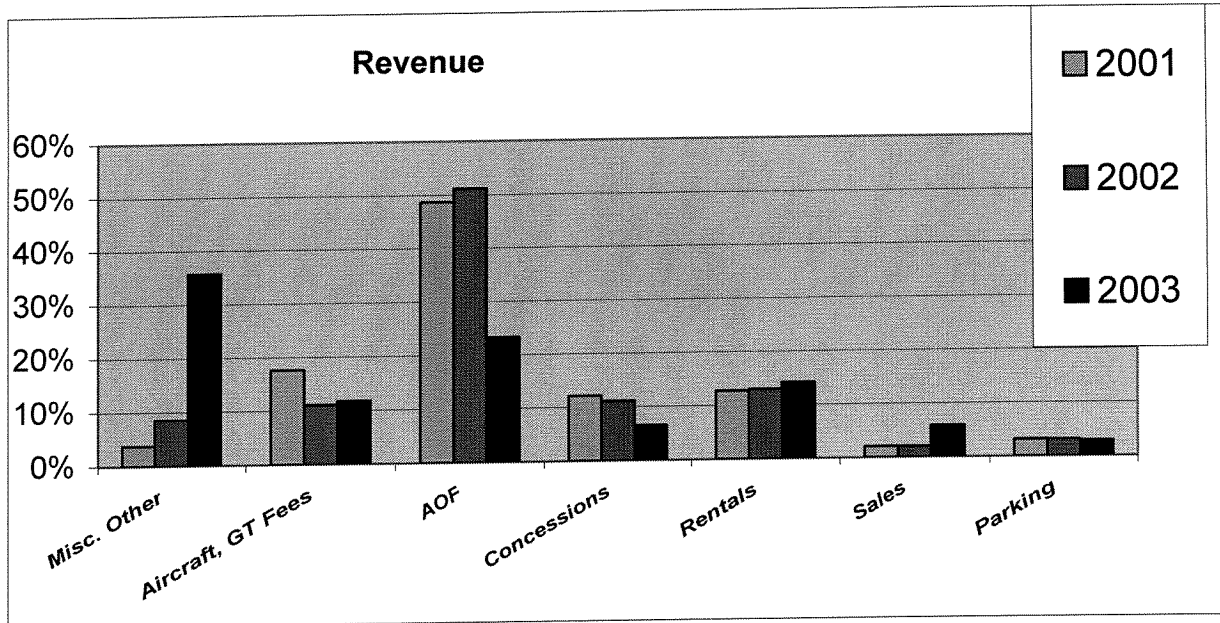
An additional $195,000.00 was received in 2003 from Transport Canada ACAP funding; an additional $212,000.00 will be received in 2004 for capital expenses.

Chart A

Revenue & Expenses

Revenue & Expenses

Revenue

Legend: 2001, 2002, 2003

Categories: Misc. Other, Aircraft, GT Fees, AOF, Concessions, Rentals, Sales, Parking

Note: Revenues for 2003 "Other" also included reserve funds.

2.5.1 FUTURE FINANCIAL IMPLICATIONS

Although Transport Canada owned the Peace River Airport, the Town of Peace River has operated the Airport for the past 35 years. Transport Canada made all the capital investment decisions and provided a large portion of the operating costs. This came in the form of a substantial annual subsidy to the airport of around 70% of the operating costs. On September 1, 1996 ownership of the Peace River Airport was transferred over to the Town of Peace River.

The present and future operating cost of the airport will be in a deficit of approximately 200k per year unless passenger and airline traffic pick up to what they were in the 1990's.

The Town of Peace River has consistently lost business and revenue at the Peace River Air since 2000. We believe the major contributing factor was the reduction of flights and passengers flying to and from the Edmonton Municipal Airport and also the merger of Canadian Regional Airlines and Air Canada, we do not believe the terrorist attacks on Sept 11, 2001 have had a serious effect on air travel in the Peace Region, although some of the security fee increases may have contributed to this.

Strong negotiations are required to entice businesses to the airport. We cannot have the attitude of this is it, take it or leave it. Failure to negotiate with these businesses will result in complete failure of the airport, thus putting the burden back on the taxpayer.

Peace River Airport is not the only airport in western Canada operating in a deficit, 50% of smaller airports that we have discussed this issue with are or will be in the same situation. It must also be noted that all of these airports are owned and operated by municipalities.

2.5.2 Financial Options

Please keep in mind that by raising any fee, we are putting this extra cost back on to the paying customer, therefore we are pushing many of our customers to the Grande Prairie Airport.

The Peace River Airport has a number of options available to them for funding, including:

Assisting Airlines

This venture would assist Peace Air in becoming "the" Alberta Regional Air Carrier with Peace River Airport becoming the "Hub of the North".

Flights could be brought through the Airport from Yellowknife, Hay River, Fort Nelson, Fort St. John, High Level and Fort McMurray.

We have received some information from Airports regarding fees to assist us in this venture, attached are some of those fees.

Fort Nelson Airport

Aircraft Type:	Pilatus	Jet Stream
1. Landing Fees	$25.00	$35.00
2. AOF/AIF	None	
3. General Terminal Fees	$16.00	$40.00
4. Parking Fees		

Airport Manager stated that there would be a slim chance in reducing fees at the Fort Nelson Airport due to the fact that the airport has just seen the a drastic cut in air service since Air Canada has recently ceased service into their airport.

Although we do have the option of writing the Mayor of Fort Nelson, the Municipal District and Airport Committee asking for their support in the additional air service into their community.

Fort McMurray Airport

Aircraft Type:	Pilatus	Jet Stream
1. Landing Fees	$20.00	$28.00
2. AOF/AIF	None	
3. General Terminal Fees	$20.00	$39.01
4. Parking Fees		

In discussion with the Airport Manager at the Fort McMurray Airport, he stated that they would provide their support for this venture and the airport would not charge for landing or air terminal fees the first 3 months of operations.

With the amount of employment in the Wood Buffalo Region at the present time, this is one area that Peace River should concentrate on due to the amount of employees that travel from other areas of the Province and Canada to the worksite in Fort McMurray.

Should the Town of Peace River receive even 1% of the work force that travels to and from Fort McMurray per year, this could mean an additional 10 family's in the Peace River area

Syncrude, Albian Oil Sands and Suncor Energy:

Stated that the best times for flight schedules would be on:

Departure from Fort McMurray

Thursday	1930 or 2000 hours
Friday	1930 or 2000 hours
Sunday	evening

No information was received from Suncor, although information has been requested.

<u>Personnel Stats:</u>

In discussions with both Syncrude and Albian; they do not have files or information on employees on where they live.

Most of the contractors would have that information, but because of privacy issues they cannot give out this information.

However, they did state that our best bet would be to contact the City of Fort McMurray to assist us in our venture.

Airport Operating Fee

This fee could be raised to $10.00 from the current $8.50 per person. Raising this fee would provide us with additional 16% revenue, our current revenue is $155,000.00, and with the increase it would bring our revenue to approximately $183,000.00.

Fuel Concession Fee:

Raising the Fuel Concession Fee to $0.01 per litre from $0.0055 per litre.

Our current revenue is approximately $19,200.00, by raising our fee; it will provide us with approximately $36,500.00 worth of revenue per year.

Other Airports the same size of Peace River receive as much as $10,000.00 to $15,000.00 per month on a fuel concession fee of $0.055 cents per litre.

Landing Fees:

We have the option of raising our landing fees, which would add an additional 25% to our landing fee account.

Current landing fees are approximately $48,000.00 per year, by raising this fee we will acquire an additional $12,000.00 per year, bring our landing fees to approximately $60,000.00 per year.

General Terminal Fees

By raising the current we could expect an additional 25% to our GTF Fee.

Current GTF fees are approximately $20,000.00 per year; by raising our GTF we will acquire an additional $5000.00 per year to a total of $25,000.00.

Leased Land & Office/Counter Space

We have the option of raising our leased property and office counter space; this option would increase our revenues by approximately 15%.

Request Operational Subsidy from Transport Canada

This is an option that we may have to request in the near future should the passenger trends continue. Should this request be made, the Town of Peace River will have to open their books to Transport Canada proving all funds are accountable, this will also include the transfer of funds that Transport Canada gave the Town of Peace River when the airport was transferred in 1996.

On an additional note regarding this issue, there are several airports that continue to receive funding from Transport Canada to operate their airport.

Charlo Airport in New Brunswick closed in 2002 because of the lack of revenue, Transport Canada did not subsidize this airport. It is also my understanding that the airport has since reopened and has purchased an airline to subsidize their costs.

Contract/Lease the Airport Operations

This option may have been feasible a few years ago, but at the present time it does not seem like a feasible option due to the financial outlook of the airport.

Request the M.D. Peace to put tax dollars back into the airport infrastructure

It is understood that there is political animosity between both local governments; this option may not be feasible at the present time.

Fall Equipment/Vehicle Sale

This is being worked on at the present time; we should have answers within a few weeks if this is going to go ahead.

Truck Stop

In my opinion this would be a huge revenue generator for the airport if it owned and operated this business. There is only one company interested in this venture at the moment and that is Husky Energy. All other Oil companies declined our interest in this venture.

Husky has stated that the majority of costs related to this venture would at the cost of the person/company developing the truck stop.

R.V. Park

Again, this would be another revenue generator for the Airport for about 3 to 4 months out of the year.

This should be developed and run by an outside agency.

Motel

Again, this would be another revenue generator for the airport, but once again we have to look at all the costs involved with this item.

Bringing in a developer or a partnership would probably be the route to go with.

Aviation Companies

One of our goals would be to try and entice a large aviation company to move into the Peace River Airport. This may prove difficult because of our location and extra costs of shipping and handling.

Should this happen, the Airport will have to prove to the company that it is viable for them to do this, negotiations will be the key factor in this.

The airport currently has more then enough land to provide almost any company that wishes to move into the airport.

Operate the Airport as an Airport Authority or Airport Commission

This will provide the airport additional negotiating tools in which we can draw additional businesses or partnerships to the airport without having political pressures. This would also hopefully ensure that the airport would be self-sustaining in the future.

There are few benefits of having an airport owned by the municipality that is not a revenue generator.

Most communities cashed in a small windfall when Transport Canada transferred over the airports to their communities, in my opinion it looked like an influx of cash to the community without looking into the future of airports in Canada.

Peace River Airport has also struggled to make ends meet until about 1996 when the Airport introduced the Airport Operating Fee. This was a windfall for a short period of time until the decline in passenger movements, aircraft movements and size of aircrafts crafts dropped off in

the late 1990's/early 2000 when both Canadian Regional and Air Canada discontinued service at the airport.

The airport can only continue to operate over the next several years if we receive additional revenue sources or the Town of Peace River is prepared to use the local tax dollars to fund this entity.

We are all aware on how the Town of Peace River has incorporated the airport into the Towns revenues and losses, but it is also up to the Town of Peace River to ensure that this airport is a viable operation for many years to come.

In a very short and brief study I completed the only airports that seem to be running into financial difficulties are municipality owned and operated, this is mostly on how the books are being presented to the public, but in some cases it is because of the airline industry and also the location of that airport.

Operating as an Airport Authority has both pluses and minuses, which could be detrimental to the Airport.

Should the Airport be operated as an Airport Authority it should have financial backing from all communities and M.D.'s in the Peace River area, as all people from the Peace River Region benefit from the airport, whether it be from local tax dollars from persons working at the airport and living in their community, Air Ambulance Services, Forestry Services to Law Enforcement Services.

The benefit for the Town of Peace River would be that the financial burden would not be on the tax payers of Peace River, but shared throughout the Peace River area.

2.5.3 Capital Expenditures

Transport Canada has provided the Town with substantial capital dollars to meet the needs of the airport in the future; these funds seem to disappearing rapidly to fund other department's needs.

Over the next 5 years the Peace River Airport will require an additional 1.5 million dollars worth of Capital Expenditures including:

1. Taxiway C overlay

2. Water line replacement

3. Sewer line replacement

4. Parking lot overlay

5. Entrance road over lay

6.   Vehicle replacement (2004)

7.   Lawn Mower replacement (2005)

8.   HVAC Replacement

9.   Telephone System Replacement

10.   Maintenance Garage Upgrades

11.   Air Terminal Building Upgrades

PART III

ECONOMIC IMPACT OF THE PEACE RIVER AIRPORT

3.1 BACKGROUND

The economic impact of the Peace River Airport has been measured in terms of gross economic output, employment and labour income for the 1995 calendar year. Quantitative measurements are expressed in monetary values and in terms of person-years of employment. Direct, indirect and induced forms of economic activity have been considered. Direct economic activity refers to commercial enterprises whose primary focuses of operations are with the aviation industry. These firms consume various inputs in order to provide aviation related services. As a result, their consumption supports non-aviation or indirect economic activity. Employees of firms benefiting from direct and indirect endeavors spend a portion of their labour income on goods. The interactions between these sectors' employees and the consumer goods market creates induced economic activity. This rippling effect through the local economy is known as the multiplier effect.

Primary Linkage organizations refer to the transactions of firms or organizations that derive all of their commercial activities from the airport. Organizations in this study include private and public sector users. Secondary linkage organizations are those, which produce or provide output that is consumed by the local aviation industry, although their output is not exclusively dependant on the aviation sector.

Primary linkage organizations are organizations that are aviation-oriented in nature, including:

- Air Carriers – Firms providing schedule air services.

- General Aviation – Firms providing rotary or fixed wing air charter services, corporate air operations and aviation related activities such as refueling, maintenance, training and sales.

- Airport Administration and Operations – Organizations involved in the management, operation and maintenance of the airport.

- Emergency Services – Organizations providing emergency services through the airport.

Secondary linkage organizations are those, which are not exclusively dependant on airport-oriented business for their revenues. These include:

- Commercial services – Firms providing wholesale or retail operations.
- Ground Transportation – Firms providing taxi, car rental, courier and other transportation services between the airport and the local community.
- Tourism, Travel and Hotel Industries – Firms involved in tourism, travel, accommodation and hospitality industries.

3.2 GROSS ECONOMIC OUTPUT

Gross economic output can be described as the total receipts for all goods and services consumed within a particular year (total gross revenues). The air carriers and general aviation with a direct economic output of over 15 million dollars represent the largest contribution. Primary linkage organizations contributed over 12.5 million dollars in direct economic output. The largest contributor to direct economic output in the secondary linkage organizations was the travel, tourism and hotel industries with over 2.5 million dollars. The total in gross economic output that was linked to the existence for the Peace River Airport for all the primary and secondary linkage organizations was an estimated 19 million dollars. When combining the gross direct revenues for all the primary and secondary linkage organizations and their respective multipliers the revenue generated by the Peace River Airport is over 15million dollars worth of economic activity.

3.3   EMPLOYMENT

Figures for employment are listed in terms of person-years of employment. One person-year is the equivalent of one person employed on a full time basis over one year. It should be noted that only permanent employees operating at the Peace River Airport were included. The number of actual workers employed at the Peace River Airport may actually be higher than the person-years of employment indicates.

In 2004 the Peace River Airport was directly responsible for approximately 105 person-years of employment. From this total the aviation sector supplied 63 person-years of employment. The airport created 42 person-years of employment in the secondary industries.

These figures do not include transportation, hotels and delivery companies based in Peace River and Grimshaw.

Peace Air Ltd	32	(28 other employees)
Northern Air Charters	23	
Highland Helicopters	05	
Guardian Helicopters	01	
Central Mountain Air	02	
Advanced Paramedic	09	(6 part-time)
PREMS	16	
Nav Canada	08	
National	01	(1 part-time)
Avis	01	(1 part-time)
Budget	01	(1 part-time)
Town of Peace River	04	
Patty's Grill	02	
Total Full-time	**105**	**(37 Part-time/Other)**

Based on this information alone, an average employee at the airport would make approximately $35,000.00 per year; this generates an estimated $3,675,000.00 in wages alone.

3.4   FORECAST OF ECONOMIC IMPACT

With a market the size of Peace River's, a minor economic shift can have a substantial impact on throughput statistics. This makes it challenging to forecast the future patterns of passenger and aircraft movements at the Peace River Airport.

With the relatively small market population of 33,000 for the Peace River Airport catchments area, the airport is susceptible to most economic factors that affect the region. A downturn in the economy, the downsizing or shut down of a large company or government agency, could have detrimental effects on the airport. This is an important factor in the present operation of the Peace River Airport. The Town of Peace River does not have the financial capability that the federal government has to absorb the operating deficit of the airport. The airport must be able to be self-sustaining monetarily in order to remain in existence.

An important factor contributing to the airport's success is that its general aviation activities combined with administration and operations that contribute the largest portion of the direct and indirect benefits associated with the airport. This is important because as long as there are enough passengers to keep the air carriers and general aviation organizations afloat, then the airport will make significant contributions to the economy. Any construction projects or new businesses can only help improve the airport's impact on the Peace River Regional economy.

Part IV

PEACE RIVER AIRPORT
TENANTS

1. Peace Air Ltd

2. Peace Air Ltd – Esso Aviation

3. Central Mountain Air

4. Highland Helicopters

5. Northern Air Charters

6. Ultralite Aircraft School

7. Advanced Paramedic

8. Peace Regional Emergency Medical Services & 911 Dispatch Services

9. Avis Rent-A-Car

10. Budget Rental Car

11. National Rental Car

12. Nav Canada

13. Peace Regional Airshow

14. Patty's Grill