PRESCOTT AIRPORT
ECONOMIC IMPACT STUDY

Presented to

Prescott Chamber of Commerce

May 3, 2006

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Executive Summary

The Prescott Chamber of Commerce retained an aviation consulting firm to study the economic impact of the Prescott Airport (Ernest A. Love Field) on the community.

Several mail surveys were taken: one went to most current Chamber of Commerce members; another to Airport Users and Tenants; and, a survey was sent to all airports in Arizona similar to the Prescott Airport. In addition, a number of in-person interviews were conducted with the Airport Manager, the Tower and Flight Service Station, the U.S. Forest Service, the business manager of Embry-Riddle Aeronautical University, and several on-airport businesses. The response rate for the Chamber of Commerce membership was over 22%, and the rate for Airport Users and Tenants exceeded 33%.

Economic information such as payroll, employee counts, gross revenues and expenses, as shown in the survey returns and interviews were entered into a data-base and then, certain assumptions were made to try to determine the Direct, Indirect, and Induced impact of the Airport on the area. A number of similar studies, including two that had been done in the past concerning the Airport, were reviewed, the data-base was examined and queried, the interview material examined, and certain findings and conclusions were made by the consulting Team.

A summary of the results follow:

- The Airport is considered vital to the economy of the area by most respondents.
- Many businesses depend on the Airport for their own viability.
- Several major contributors to the economy that depend on the existence of the Airport are Embry-Riddle Aeronautical University, the U.S. Forest Service, and owners/operators of some 349 based-aircraft.
- Many respondents are very unhappy with the commercial air service now provided by Great Lakes Aviation, and have changed their travel habits to avoid using the current air carrier.
- Most respondents believed that a new air terminal would be a very much needed improvement to the Airport and to its contribution to the economy. Some said the community and its leadership through the City Council should be “ashamed” of the current air terminal.
- The Prescott Airport, when compared with 11 other similar Arizona airports, matches up very well in most areas of pricing for hangars, fuel, and other revenue items. (This, despite a perception among aircraft owners that the fuel prices at Prescott were higher than elsewhere).
- There needs to be more aircraft hangars built on the Airport because prospective renters face a two-year wait, at best, for hangar space at this time.

Measured calculations indicate that the Prescott Airport and its users, together with businesses that depend on the Airport for their viability, account for Direct Impact of approximately $25,373,538; Indirect Impact of $10,815,480; and Induced Impact of $32,570,116 for an approximate Total Impact of $ 68,759,134.

I. Preamble

On February 22, 2006, upon request of the Transportation Committee of the Prescott Chamber of Commerce, the Chamber entered into an agreement with a private aviation-consulting firm, William V. Cheek & Associates, of Prescott, Arizona, to conduct a study and render a project report on the economic impact of the Prescott Airport on the area.

William V. Cheek & Associates ("Associates") have done a number of major aviation-related studies, and its current associates all bring long experiences in aviation to the project. (See resumes attached as Exhibits to this Report and view an example of prior airport consulting work at: http://www.mncppc.org/cpd/AirportStudy.html). As concerned citizens of the area who have a sincere interest in the future of the Airport, the Associates volunteered to do the study without a fee, with the exception that some Embry-Riddle Aeronautical University students who helped create a database and collated some of the information will receive an hourly wage. The Chamber has agreed to pay the costs of the printing, mailing and postage, and student hourly wages.

II. Introduction

Why Study the Airport's Economic Contributions to the Area?

The Transportation Committee of the Prescott Chamber of Commerce has determined that a current **Prescott Airport Economic Impact Study** is needed to update one that was done almost eight years ago, to reflect the many changes in the area's economy since 1998. Some earlier studies were done as ***student projects*** at Embry-Riddle Aeronautical University, and while useful, those prior studies are now out of date, although some comparisons to them will be made in this Project Report.

The Chamber has requested that the **Prescott Airport Economic Impact Study ("Study")** specifically address how much the airport activities contribute to the economy of the greater Prescott, Arizona community. A reliable, well-documented study can be of significant benefit to the community, and lead to a realization by its citizens of how important the Airport is to the area. It could also lead to further concentration on the improvement of commercial air services, and development and expansion of the Airport and Airport-related businesses

Setting of Study

Area

Yavapai County is in the west-central part of Arizona, its population in 2003 was 186,885, its labor force was 81,770, and its unemployment was 3.3%, well below the national average. Its principal industries and other economic activities are finance, insurance and real estate, construction, education, public administration, and manufacturing. The Prescott Airport, located seven miles north of the city center, is the only Airport that has commercial air service in the county. The **economy is robust and growing.** According to the City of Prescott Economic Development office, growth indicators such as increases in taxable sales, dollar transfers, postal receipts, new building permits, bank deposits, and net assessed property valuations, are all very positive and trending upward.

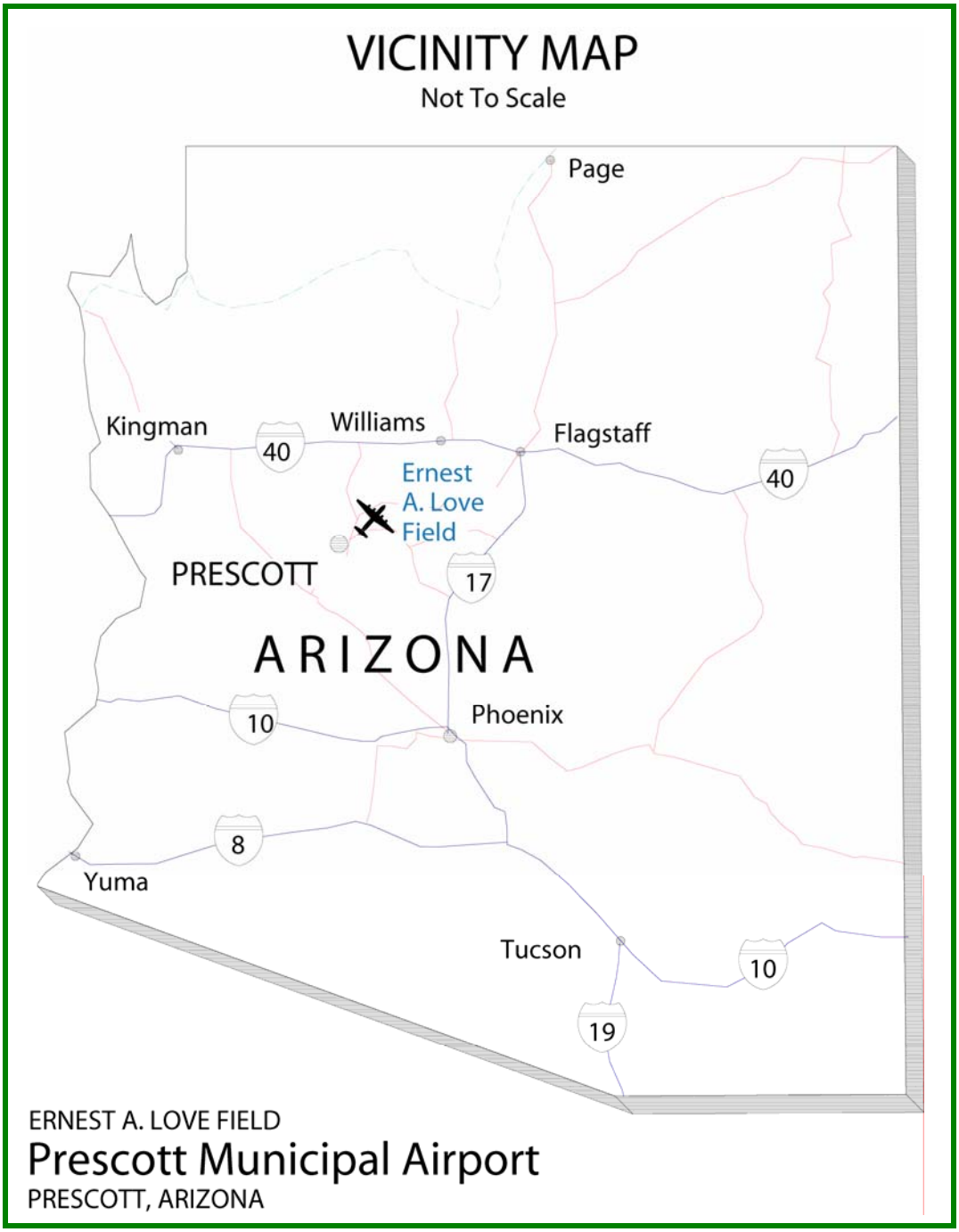


Figure 1: Vicinity Map – Ernest A. Love Field, Prescott, AZ

Population and Income Figures

According to a recent study prepared for the Yavapai College Small Business Development group by ABC Demographic Consultants, Inc., the population of Yavapai County within a 40-mile radius from Prescott was 177,106, representing 74,490 households as estimated based on the 2000 census and certain other data. Household incomes and related data for 2004 were reported as follows:

Annual Household Income	Percentage
$250,000 or more	2.21
$150,000 to $249,999	2.34
$100,000 to $149,999	6.31
$75,000 to $99,999	8.27
$50,000 to $74,999	17.35
$35,000 to $49,999	18.69
$25,000 to $34,999	15.04
$15,000 to $24,999	15.72
Under $14,999	14.06

Table 1: Yavapai County Household Income

Estimated Average Household Income was $51,846; Median Household Income was $38,631, and Per Capita Income was $22,092. Average age was 44.10. Adding a 5% for the two year period until **2006, the estimated Average Household Income would be $54,438.** Overall, a relatively robust economy, and one that can support an Airport and aviation endeavors in general.

Employment

In a separate study by the City of Prescott's Economic Development office, the ten major employers in the Prescott area were identified (2004):

Employer	Type of Business	Employees*
Yavapai County	Government	1,300
Yavapai Regional Medical Center	Hospital	l,154
Veterans Adm. Medical Center	Hospital	662
Wal-Mart	Retail	630
Prescott Unified School District	School	595
State of Arizona	Government	510
City of Prescott	Government	484**
Embry-Riddle Aeronautical Univ.	Univ. (Education)	432
Yavapai College	College (Education)	381
Better-Bilt	Aluminum Products	379

***An upward adjustment of at least 5% is warranted.**
****Includes Airport employees.**

Table 2: Top Ten Employers in Prescott

Note that in 2004, Embry-Riddle Aeronautical University was the eighth-largest employer in the Prescott area. Obviously, the Airport is a critical requirement for this employer, and this Study assumes that if the Airport were not a viable, operating entity, that Embry-Riddle would *not* be in Prescott.

Ernest A. Love Field (Prescott Municipal Airport)

The Prescott Municipal Airport (Ernest A. Love Field) referred to in this Study as "Airport," is a valuable asset of the City of Prescott, Arizona. The Airport serves the entire Yavapai County region. It contains 760 acres of property, three runways, 24 miles of pavement 25 feet in width, and is bounded by 35,000 feet of fencing and gates. On its premises are 15 City-operated buildings, 193 leased aircraft hangars, three City-operated commercial buildings and 19 commercial leases. There are 1,156 lights and signs on the airfield and a fuel storage system, which must be maintained and operated each day of the year. The Airport employs 9 full-time employees and 6 "permanent" part-time employees, which together equate to 11 full-time employees (FTEs). Annual payroll in 2005 was **$ 470,598**, exclusive of benefits. Additional facts about the Airport are in following sections of this report.

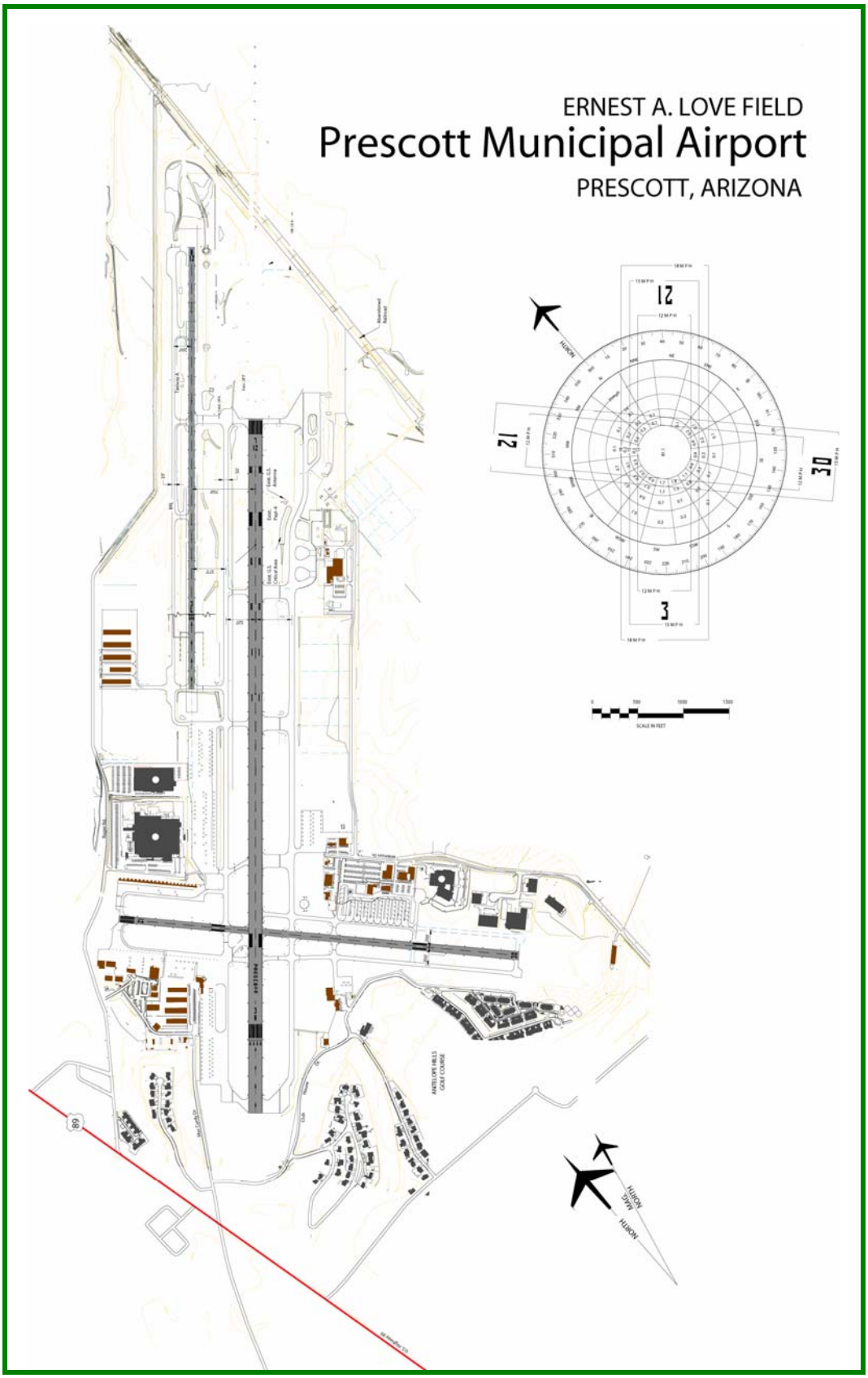


Figure 2: Airport Map – Ernest A. Love Field, Prescott, AZ

III. Methodology of Study

In order to assemble reliable data upon which to base some findings and conclusions, certain processes were undertaken by the Associates. Essentially, the Project Team sought to establish a baseline of financial and other information by conducting a series of written surveys that would provide data from a number of different demographic groups. A computer data-base for survey responses was created; the information collated and analyzed to determine the ***direct, indirect, and induced*** economic impacts.

1. Major Tasks undertaken by the Associates

- Establish overall strategies and prepare surveys.
- Provide guidance and instructions to two student researchers.
- Collect mailing lists and hold preliminary interviews with selected individuals.
- Supervise and accomplish the mailing of all surveys with stamped return envelopes.
- Collate and record all "raw" data from survey returns, and do "follow-up" interviews.
- Analyze the data and assign weights and meaning to the responses.
- Apply conventional and accepted formulas for **direct, indirect, and induced impact** to the data to establish probable economic impact.
- Write up a *Economic Impact Study* report that explains the import of the data, and contains the analyses, findings, and conclusions of the Project Team.
- Arrange for a Power Point presentation with materials taken from the written report for a presentation to the Transportation Committee of the Chamber of Commerce and to its Board, if requested.

2. Surveys Conducted

Pursuant to the specified Tasks, the following surveys were conducted:

- Survey of most all current Prescott Chamber of Commerce members concerning their relationship to the Airport, use of it, and observations by those members concerning the Airport to include payroll data, gross revenues and expenses, if possible, for the past three years, to determine how many members did Airport and Airport-related business;
- Survey that went specifically to all "on-Airport" and Airport-related businesses, to include payroll data, gross revenues and expenses, if possible, for the past three years;

- Survey of the Airport authority itself—to include payroll data, gross revenues and expenses, for the past three years;
- Survey of all airport users, meaning aircraft owners who rent hangars, and other related activities as to their use of the Airport;
- Survey of selected airports around the state of Arizona concerning charges, economic data they may have assembled, and requesting observations or studies of how their airports have impacted their respective economies, if available. Also, information furnished by those Airports show how the Prescott Airport compares with them as to revenue sources, expenses, how the airports are funded and other pertinent information.

3. Selected Interviews

The surveys that were mailed out to Chamber of Commerce members and Airport Tenants and Users, had an optional section which asked the respondents if they were willing to be interviewed, either by telephone or in person. Some 55 respondents answered in the affirmative in the Chamber survey, with 26 respondents answering in the affirmative in the Airport Users and Tenants survey. Accordingly, selected individuals were contacted and the results of the interviews are implicit in some of the findings and conclusions of this Study.

4. Definitions

Direct Impact

As used in this study, **Direct Impact** on the local economy reflects the jobs, payroll, and sales directly related to airport operations and businesses whose existence depends on the viability of the airport (inputs). In this case, airlines, tour operators, government installations/operations, concessionaires, educational facilities, flight schools, maintenance shops, airport administration, aircraft owners and tenants of the Airport were included.

Indirect Impact

Indirect Impact refers to money flowing into the local economy that would come from individuals, businesses, and organizations related to the airport's operations or otherwise involved with Airport business. Tourists, students, and businesses that buy, sell or trade in the community help quantify these inputs.

Induced Impact

Induced Impact refers to the so-called "multiplier" effect, which represents the downstream effect of the airport operations and those of businesses dependent on the Airport's viability. Money

generated by Direct Impact and Indirect Impact create additional jobs, rounds of spending and thereby "multiply" the initial inputs. Typically, the Direct Impact and Indirect Impact figures are added together, then a multiplier is applied to determine the Induced Impact. There are several economic models that represent what an appropriate multiplier should be. The IMPLAN model, constructed by the United States Department of Commerce is used for all government estimates. A recent model generated by the Bureau of Business and Economic Research at Arizona State University (ASU) is another reliable indicator based on relevant studies. Also, the Federal Aviation Administration has constructed a multiplier in an Advisory Circular (AC 150/5000-7) entitled "Estimating the Regional Economic Significance of Airports." That document assigns a multiplier based on the population of the area affected

The IMPLAN "MF" (multiplier factor) is essentially based on job numbers and payroll and would be **0.36**; ASU's number that expands the basis for inputs puts the MF and **0.9,** irrespective of population; and the FAA's MF would be **0.6**, based on a population number of 100,000 to 500,000. Other studies use a factor of up to **two times (2.0)** of the total of the Direct and Indirect Impact figures.

The Associates will use an MF of **0.9,** which is still quite conservative and in the mid-range of economic estimate multipliers.

5. Survey Data

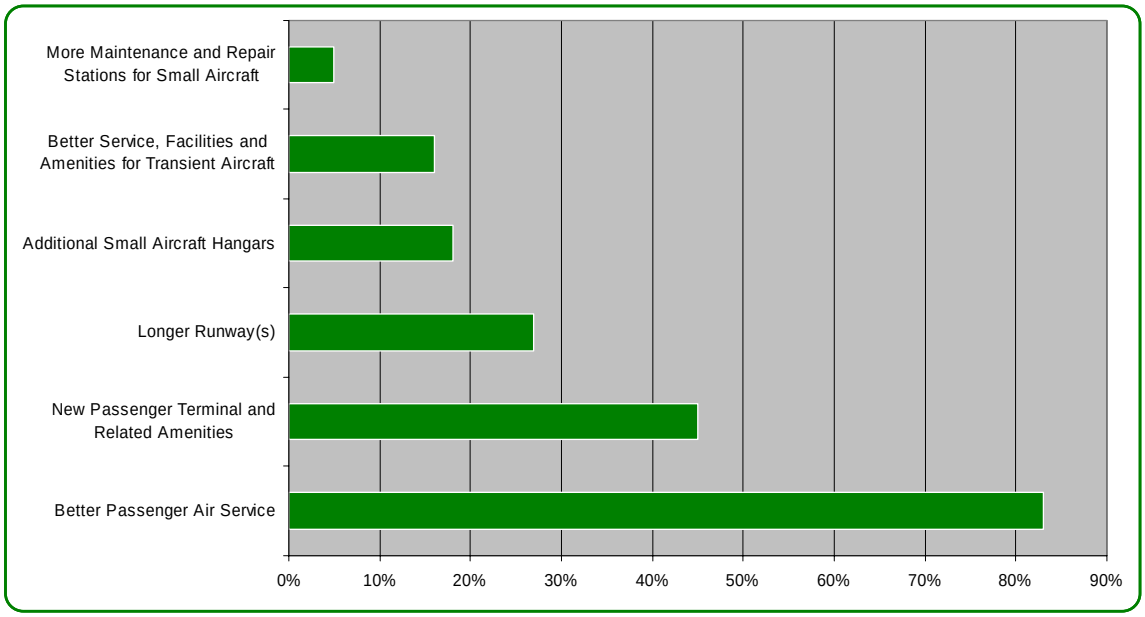
Of the **1,060** surveys sent to most Prescott Chamber of Commerce members, there were **240** responses. This provides a return rate of **22.6%**, which is considered by most experts to be a high rate of return. Therefore, the Associates are comfortable with displaying the results, and the percentages shown, both as to financial data, and other materials in this Report. In reviewing the sources of the responses, it was clear that a number of larger businesses and professional offices in the area were represented in the answers. Following is a short summary of the question posed and the percentage responses:

- As to the question of whether the Prescott Airport is a major contributor to the economy of the area, **63%** of the responders "strongly agreed" or "agreed."
- As to the question of whether the responders did business with the Airport or an Airport-related business (as defined in the Survey) **28%** said "yes," and **72%** said "no."
- As to the question which asked whether the responder's business largely depends on the existence and viability of the Prescott Airport:

Choices	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Responses	9%	10%	34%	29%	16%

(Does not total 100%, because of rounding)

- Of those who said that they either buy or sell products to the Airport/Airport-Related businesses, there were 15% who sell products, and 13% who buy products.
- Of those who said that they either buy or sell services to the Airport/Airport-Related businesses, there were **29%** who **buy** services, and also **29%** who **sell** services, with **12%** marking "other." (Again, rounded).
- As to the average number of employees for the respondents, in 2003, the average was **15.3;** in 2004, the average was **16.1**; and in 2005, the average was **18.5,** indicating area growth in employment.
- As to the question of the **greatest need for change/improvement of the Prescott Airport,** the following response percentages appeared (note: responders could check ***all*** that they believed applied):



Note: Responders could select *all* that they believed applied

Figure 3: Chamber of Commerce Responses: Greatest need for Change/Improvement of the Prescott Airport

A number of respondents added written comments that are summarized in an Appendix to the study and some examples of quotations are listed, but in general, it was clear from the written responses that an **overwhelming majority** are dissatisfied with the current passenger air service, and many have changed their travel habits since Great Lakes Airlines replaced Mesa Airlines.

NOTE: Financial responses and resulting data are reported later in this Report.

6. Airport Operations, Revenues and Expenses

The Airport dispenses about 1,000,000 gallons of fuel annually to customers of locally based and transient aircraft of all types and sizes. There are over 20 acres of paved parking ramps and auto parking lots. To manage and operate this facility, the City has nine full-time and six part-time employees.

By City Council policy, the Airport is an "enterprise fund" department of the City which means that it is expected to earn its own annual revenue to sustain its operating expenses. The City of Prescott pays a proportion of needed Airport Capital Improvements. The Federal Aviation Administration pays about 95% of all eligible Capital Improvement Projects (CIPs), such as runway and taxiway construction, airfield lighting projects, aircraft parking ramps, and internal airport roadways. The Arizona Department of Transportation pays 2.5% of the cost of these eligible items and the City of Prescott pays the balance of 2.5%.

There are only a few ways that the Airport has to earn its own revenue-- building and hangar rentals, ground leases, fuel sales, concession revenues, such as rent cars and the restaurant, and other space rentals. In FY2005, the Airport earned operating revenues of $1,737,846 against operating expenses of $1,608,819, which included debt service of $532,522 for facilities created with public financing. More than 45% of the revenue earned in FY2005 came from fuel sales, which suggest that the Prescott Airport needs to continue selling fuel in order to earn revenues in excess of expenses. However, the rising cost of fuel in the market place, while producing greater revenues for the Airport, has resulted in fewer gallons sold since mid-year FY2005 to the present, when compared with the same period in FY2004.

Investment in the infrastructure of the Airport has been robust since 1997. Airport Capital Improvement Projects have included $5,900,000 in grant-eligible projects and $3,000,000 in commercial projects. These projects have employed local companies and employees adding significantly to the economic benefit of the Airport to the Region, but because these are occasional one-time capital projects, no allowance has been made for their contribution to the Prescott economy in this Report because inclusion of such data would skew the numbers and provide inordinate results for any specific timeframe. Proposed for 2007 are Projects estimated to cost $3,500,000 including land acquisition for the extension of the primary runway, the design of the Runway extension, the completion of a new Air Terminal *design* (not the terminal itself) and a Master Plan Update including a comprehensive drainage study. All of these projects are grant eligible for 97.5% FAA and Arizona Department of Transportation (ADOT) funding, so the City of Prescott's cost for these projects would only be approximately $89,000.

IV. Economic Information as to Airport/Airport Related Businesses and Activities

The responses on both the Chamber of Commerce member survey and the Airport Users and Tenants survey and the financial information derived from those surveys is set forth by category. See Section III.4 for definitions of Direct, Indirect and Induced Impacts.

Air Traffic Control Tower and Flight Service Station

The Federal Aviation Administration (FAA) operates a control tower at the Prescott Airport. It employs 12 controllers, a manager, two supervisors and a secretary. The average annual salary for a controller is $94,575, including managers and supervisors. This does not include allowances for overtime, night and holiday work which represents approximately 10% more per controller. The following equation results:

Assume 15 FAA controllers and management earn an average of $94,575

$94,575 + 10% ($ 9,457) plus one secretary at $40,000 per year = $1,418,625

$1,418,625 + $ 141,862 + $ 40,000 = $1,600,487

Approximate payroll related to the FAA Tower = $1,600,487

Direct Impact (Tower): $1,600,487
Jobs (Tower): 16

Flight Service Station (FSS) which provides weather and other flight information to pilots in the area is also sited on the Airport property. It employs 55 full time personnel at an average annual salary of approximately $72,000 which results in an estimated annual payroll at the FSS of $3,960,000.

ATCT/$1,600,487 + FSS/$3,960,000 = $5,560,487

Thus, the FAA Tower and the FSS result in a total payroll of $5,560,487, all directly related to the Airport's operation. Maintenance and purchasing to support these facilities were estimated at $100,000. (Sources: Prescott ATCT Manager and FAA).

Direct Impact (FSS): $5,560,487
Jobs: (FSS): 55

Total Direct Impact (Tower + Flight Service Station): $ 5,560,487
Indirect Impact: $ 100,000
Induced Impact: $ 5,094,438
Total Impact: $ 10,754,925
Jobs: (Est.): 71 Full-Time

Airport Administration

The following data results from interviews with the Prescott Airport administrators.

Direct Impact:	**$ 470,598**
Indirect Impact:	**$ 50,000**
Induced Impact:	**$ 468,448**
Total Impact:	**$ 988,946**
Jobs:	**11 Full-Time**

Airport Related Businesses

The surveys that went out to the Prescott Chamber of Commerce members asked them to respond to the following question:

From your personal perspective, please react to the following statement:

My business largely depends on the existence and viability of the Prescott Airport.

Choices	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Responses	9%	10%	34%	29%	16%

It was noted that a number of large businesses as well as smaller ones responded to this question, after they had acknowledged in a prior question that that did business with an Airport or Airport-Related Business. Then, the respondents were asked to define what type of products or services they either bought or sold to the Airport or Airport-Related Businesses, and further requested to give the total number of employees, and payroll totals for each of the years 2003, 2004, and 2005.

Further, the respondents were requested to approximate the Gross Sales volume (in dollars) realized from business with the Airport and Airport-Related business, plus approximate expenses so related, and Gross Sales overall. The amounts of specific sales volume, expenses and gross sales overall were in several ranges from $0-25,000 up to more than $150,000.

In order to try to quantify the totals, a mid-point within those ranges was selected to smooth the data. Using that formula, Gross Sales volume for the respondents was calculated and represented over $55,142,405 for 2005, for example. Since the answers of “Strongly Agree” and “Agree” were given, it was determined that it would be appropriate to assess a percentage of **9%** and **one-half of 10%** or an average total of **14%** to the totals given, and then calculate the payroll total on a similar percentage. The following chart shows those results:

Year	2003	2004	2005
Payroll At 14% of Total Reported Employees	$6,956,394	$7,593,300	$7,720,076

Direct Impact: **$ 7,720,000**
Indirect Impact: **$ 3,300,000**
Induced Impact: **$ 9,918,000**
Total Impact: **$ 20,938,000**
Jobs: **205 Full-Time**

Airport Hangar/Tenants/Users

There are 349 "based" aircraft at the Prescott Airport. The Airport User/Tenant survey differed from the one that was sent to Prescott Chamber of Commerce members, and went out to 228 recipients from a list that was collected from various sources. Those recipients were asked *not* to repeat financial data if they had previously answered the Chamber of Commerce membership survey. Some **75 of the 228** surveys were returned, or **33%** (rounded). This represents a high response rate. Here are some of the results of the survey, including aggregate figures derived from Airport Administration figures:

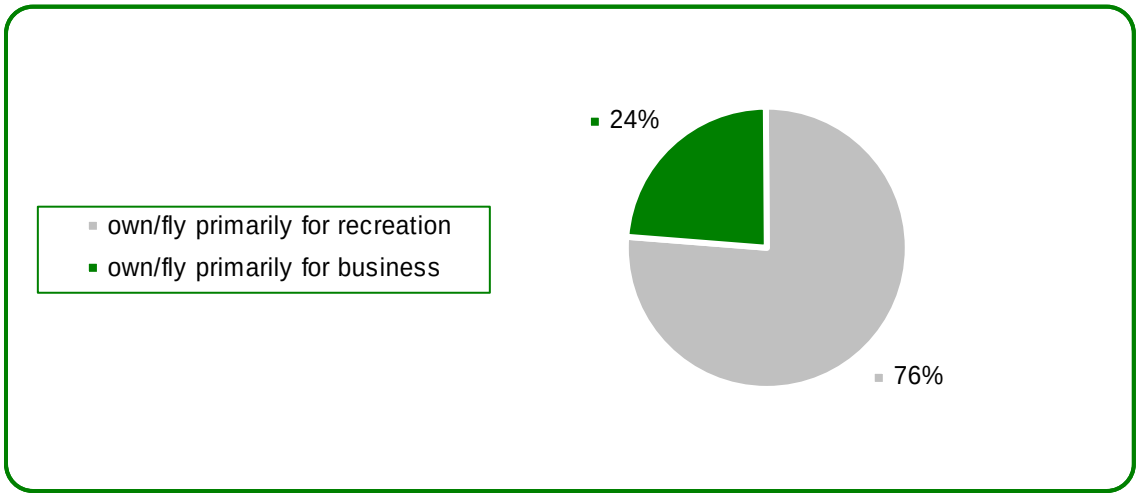


Figure 4: Primary reason for Owning/Flying at the Prescott Airport

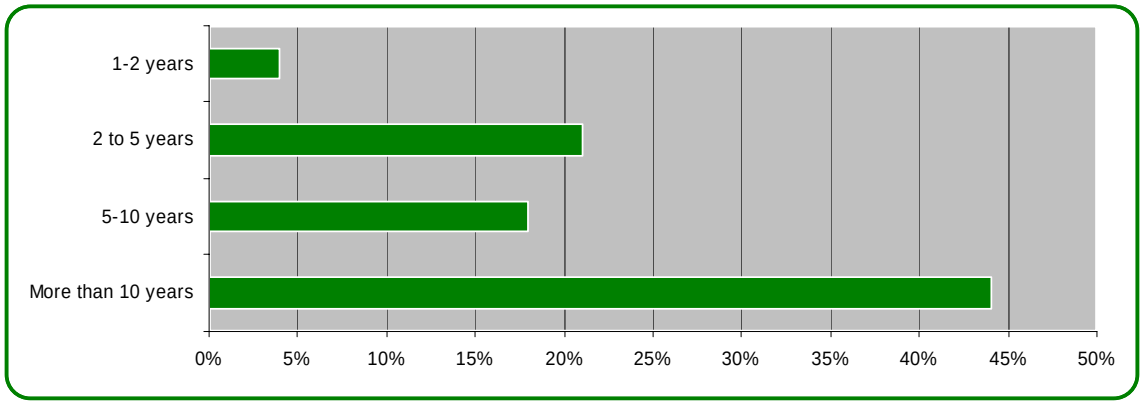


Figure 5: Number of years renting Hangar/Tie-down space at the Prescott Airport

- 89% of respondents said they own and operate an aircraft at the Airport.
- 86% of respondents said they rent hangar/tie-down space at the Airport.
- Aircraft owners spent an average of $272 per month on maintenance and service of their aircraft.

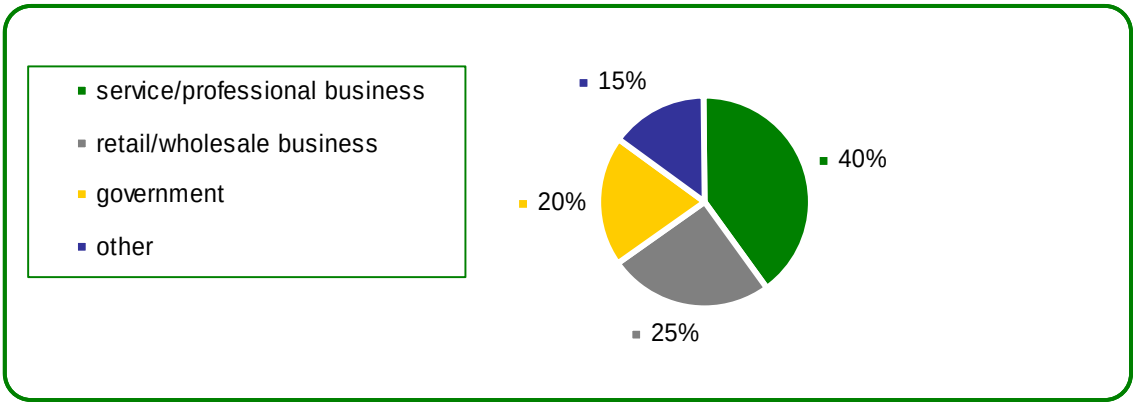
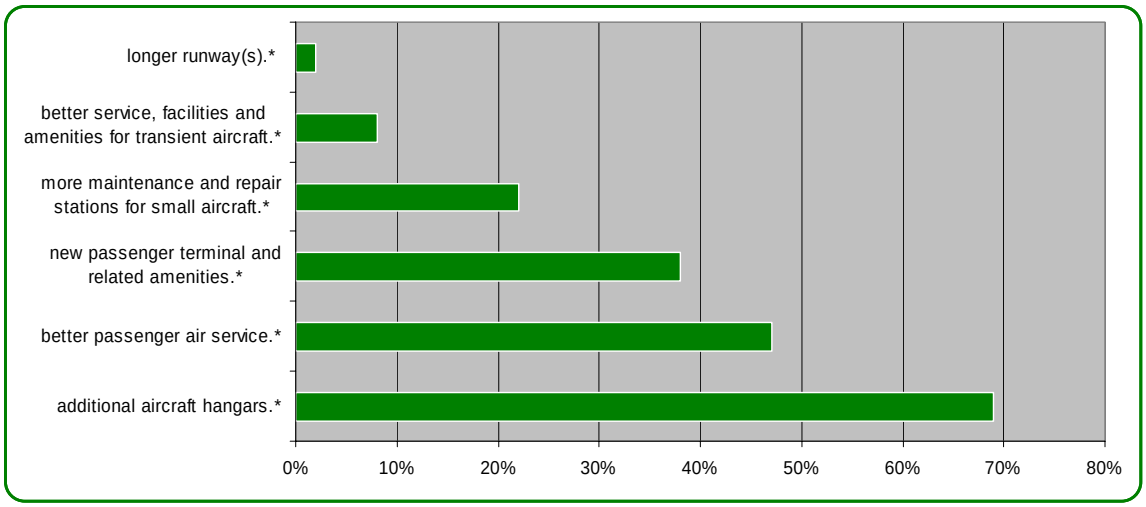


Figure 6: Classification of Business Respondents for Airport Business/Airport-Related Business

- In FY2005, all users spent an aggregate of $725,000 for hangar rents and Tie-downs. (Taken from Airport Administration figures).
- In FY2005, all users spent an aggregate of $1,658,146 on either Jet A or AvGas, this includes the U.S. Forest Service, Embry-Riddle Aeronautical University, and transient aircraft, as well as “based” aircraft. (from Prescott Airport Administration data)



Note: Responders could select *all* that they believed applied

Figure 7: Airport Users/Tenants Responses: Greatest need for Change/Improvement of the Prescott Airport

According to survey data, extrapolated from the owners who listed their actual expense, they spend approximately $ 979,300 annually on aircraft maintenance, $ 689,000 in hangar rents for the 193 leased hangars; $36,000 in Tie-down revenues (per Airport records), and well over $1,000,000 on fuel, a share of which is purchased elsewhere. These totals are exclusive of debt service.

Aircraft Maintenance:

$ 272 average per year per aircraft x 300 private/company aircraft (excludes Embry-Riddle)

$ 272 x 12 mos. x 300* aircraft =	$ 979,300
Hangar and Tie-down rents =	725,000
Total Direct Expense	**$ 1,704,300**

*300 instead of 349 arbitrarily chosen because some aircraft owners have maintenance work done at sites other than the Prescott Airport.

Direct Impact:	**$ 1,704, 300**
Indirect Impact:	**$ 40,000**
Induced Impact:	**$ 1,569,870**
Total Impact:	**$ 3,314,170**
Jobs (Est.):	**36 Full-Time**

U.S. Forest Service - Prescott Fire Center/Henry Y.H. Kim Aviation Facility

The U.S. Forest Service's Henry Y.H. Kim Aviation Facility in Prescott is a major line of defense against a wildfire, a natural disaster, or emergency incident. The Center is located on the southeast side of the Prescott Airport. A highly trained, professional staff coordinates, supports, and assists in the management of interagency, multi-agency, and international services deployed to major emergencies such as earthquakes, floods, and wildland fires.

To carry out its role in the national emergency response system, this Center combines an Aviation Program, a Zone-Incident Coordination and Communication Center (Central West Zone), a National Emergency Incident Supply Center (called the Fire Cache), an Interagency Hotshot Crew, a Helicopter Attack Crew, an Air Tanker Base, and a Fire and Emergency Incident Training Program. It is also home to Prescott National Forest's fire operations staff and engines. In addition, the forest lookouts are supervised from this location. This facility protects thousands of acres of private lands surrounded by U.S. Forest Service land. This facility also provides extensive support to Central Yavapai, Mayer, and Crown King Fire Fighter Stations using a vast communications network, four Fire Trucks and support Crews in the field.

As part of its firefighting capability, the Center's Aviation Program has a state-of-the-art fire retardant mixing and loading system capable of pumping over 100,000 gallons into airplane tankers daily. This is enough to keep eight air tankers loaded and operating at one time. The Center has two air tankers and a helicopter on contract throughout the summer months. In addition to serving as a resource for emergency response and aviation training, the facility is used to support tactical and logistical aircraft missions.

Wildland Fire Management

During Fire Season (April 1 – Oct. 1) approximately four to five (transient) Hotshot Crews will pre-position or "stage" in Prescott to provide support. Each crew is made up of twenty persons. Lodging, Meals and transportation are purchased while staying in town.

Assumptions:

4 Hotshot crews, twenty persons each = 80 persons

Fire season is six months long. (to be conservative a four month estimate will be used)

4 (months) x 30 (days) = 120 total days x 80 persons = 960 person/days

Each person/day includes three meals and one hotel room. Transportation is generally provided.

Off-Season Training

During the off-season, (Nov. 1 – April 1) approximately 100 individuals participate in training at the Henry YH Kim Aviation Facility for about 2 weeks each month. Approximately 80% of these individuals are from "out of town". Lodging, meals and transportation are purchased while staying in town.

Assumptions:
100 persons per month, 80% from out-of-town = 80 persons
Training typically takes place between Nov 1 and April 1and alternates for two-week periods.
(to be conservative a four month estimate will again be used)

4 (months) x 14 (days each month) = 56 total days x 100 persons = 5,600 person/days

Each person/day includes three meals and one hotel room.

Combining the figures from Fire Fighting and Training would yield a total of 6,620 person/days

Federal Government Per Diem = $104 per day (with meals)

6,620 person/days x $ 104 = $ 688,480

Direct Impact:	**$ 1,125,000**
Indirect Impact:	**$ 688,480**
Induced Impact:	**$ 1,632,132**
Total Impact:	**$ 3,445,612**
Jobs (Est.):	**25 Full-Time**
	40 Part-Time
	55 Full-Time Equivalent (FTE)

Airport Building Tenants

Restaurant, car rental, aviation supplies shop and other direct tenants are included in this category. Of the total are rentals of $270,300 per Airport Administration figures, and payrolls of an estimated $350,000.

Direct Impact:	**$ 620,300**
Indirect Impact:	**$ 125,000**
Induced Impact:	**$ 670,770**
Total Impact:	**$ 1,416,070**
Jobs:	**15 Full-Time**

Embry-Riddle Aeronautical University

Embry-Riddle Aeronautical University (Embry-Riddle) is an independent, non-sectarian, not-for-profit, co-educational university with a history dating back to the early days of aviation. The University serves culturally diverse students pursuing careers in aviation and aerospace particularly, but it also offers degrees in a number of disciplines such as computer science, computer engineering, electrical engineering, meteorology, and other sciences that are not necessarily aviation-specific. **The residential campus at Prescott, Arizona, is part of a three-part institution of higher education,** another residential campus is located at Daytona Beach, Florida, and the third portion is an extensive network of off-campus education centers throughout the world.

It is the mission and purpose of the University to provide a comprehensive education that prepares graduates for productive careers and responsible citizenship to support the needs for professionals in aviation and aerospace, and emphasize communication and analytical skills needed in industry and in advanced educational endeavors. Embry-Riddle-Prescott has seven well-defined, current and intellectually rigorous programs in Aeronautical Science, Aerospace Engineering, Computer Science, Space Physics, Applied Meteorology, Electrical Engineering and Computer Engineering. Each represents an intensive program at the undergraduate level which clearly prepares the students for entry-level into industry as well as graduate-level entry. Embry-Riddle is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS), and by the Council on Aviation Accreditation (CAA).

The **Aeronautical Science** degree program has a major impact on the Prescott Airport and upon the economy of the greater Prescott area. It does not consider itself to be in direct competition with other aviation training facilities at the Prescott Airport because it offers a four-year degree program for flight students, while typical flight schools only give ground school and flight lessons. Embry-Riddle occupies a number of buildings on the airport grounds on the east side of the field. It has approximately 50 based training aircraft, both single-engine and multi-engine. It conducts tens of thousands of operations per year and employs instructor pilots, maintenance and support personnel at the field. Some two miles from the airport is the main campus of the school where classes in a number of disciplines are conducted, many specifically aviation-oriented. Generally, academic courses in support of the Aeronautical Science degree are taught at the campus.

In an average year, approximately 45% of its 1,650 (736/1,637, spring 2006) students are in the Aeronautical Science program. There are about 45 full-time academic faculty devoted to that

program, together with support staff at the campus. The facilities at the Airport employ flight instructors, managers, and maintenance personnel.

Annual Payroll for College of Aviation:	$1,134,000*
Annual staff Payroll allocated to the College of Aviation based on 45% of the student body being in that College	$2,065,000*
Annual Payroll-Flight Department	$3,304,000*
Total Payroll Allocated to Aeronautical Science	**$6,503,000***

**Figure rounded and excludes benefits*

Further, the University spends approximately **$4,000,000** in "local" purchases (inputs) or **indirect impact** annually**.** Using the 45% formula allocated to that by the Aeronautical Science students as a percentage of all students, the appropriate allocation is 45% of $4,000,000 for "local" (indirect) spending, resulting in $1,800,000 estimated total.

Direct Impact:	**$ 6,503,000**
Indirect Impact:	**$ 1,800,000**
Induced Impact:	**$ 7,472,700**

Employment:

Faculty	45
Staff allocated to Aeronautical Science	120
Flight Department Staff	116
Total Jobs:	**281**

NOTE: Were it not for a viable airport facility in Prescott, Embry-Riddle would be located elsewhere.

In addition to on-going operating expense, the University is involved in a major construction program in Prescott. Last year, it completed a $10.5 million dollar three-story office and classroom facility. In 2006, it is completing two other major projects—a high-bay engineering laboratory and an office and reception center, together with related major infrastructure expense. In the fall of 2006, it will begin construction of a $5 million library building that will extend the construction period well into 2007. The majority of construction will be performed by local contractors and sub-contractors - adding a significant benefit to the local community. However, no dollar assignments to the airport economy have been added in this Report relating to those expenses because they are one-time in nature, and inclusion would inordinately skew the data.

Students of the University spend significant amounts of money in the local economy. Reliable estimates indicate that student expenditures exceed $400 per student per month, *excluding tuition, books, and fees* in the nine-month academic year. There are also summer terms which represent about one-third of an annual academic year's expense. The exclusions are made to eliminate doubling up of figures since the tuition and fees are part of the University's income stream. However, the $400 per month figure assumes that the students are in residence at the campus. Generally, third-year and fourth-year students live off-campus and their expenditures in the community are nearer to $700 per month, again *excluding tuition, books, and fees*. If approximately half of the Aeronautical Science students live off-campus, then we can derive a sum between $400 and $700 or an average of $550 per month average as a reliable estimate.

If 1,650 full-time students are in the community for nine-months, and 425 are there for the three-month summer sessions, and we divide those numbers by **45%** to reflect the Aeronautical Science students (736/1637—Spring 2006), the following equation results:

1,650 x 9 x $ 550/mo.	= $ 8,167,500	x 45%	=	$ 3,675,375
425 x 3 x $ 550/mo.	= 510,000	x 45%	=	315,562

Total Estimated Annual Student Expenditures (Aeronautical Science) **$ 3,990,837**

(Say: $ 4,000,000)

In addition to the ***indirect impact*** of student spending in the community, those same Aeronautical Science students are involved in the flight program at the Airport and they spend very substantial amounts in expenses for aircraft flight and simulators with the University, but those amounts go into the revenue stream of Embry-Riddle, reflected in payroll and expenses incurred in the area.

Naturally, it could be argued that the 55% of the student body that are **not** Aeronautical Science students spend similar amounts in the community, and were the University not located in Prescott, that indirect impact would also be lost. However, the Associates have determined that the other programs are not, technically, airport connected, and therefore, neither the student spending, nor the direct and indirect spending of the University in the community should not be included in the Study's totals.

Indirect Impact: **$ 4,000,000**
Induced Impact: **$ 3,600,000**
Total Impact: **$ 7,600,000**

Transportation Security Administration (TSA)

The TSA conducts passenger security checks at the Prescott Airport and is a Federally supported activity.

Direct Impact:	**$ 235,000**
Induced Impact:	**$ 211,500**
Total Impact:	**$ 446,500**
Jobs:	**6 Full-Time**

Airport Business/Flight Schools/Maintenance

The Prescott Airport supports a number of "on-airport" businesses which includes Flight Training Facilities, Aircraft Maintenance facilities, Aircraft rental and sales

Direct Impact:	**$ 1,350,000**
Induced Impact:	**$ 1,754,957**
Total Impact:	**$ 3,704,910**
Jobs:	**54 Full-Time**

Great Lakes Aviation

Beginning June 5, 2005, when Great Lakes Aviation replaced Mesa Airlines (a code-share partner of America West Airlines) for air travel to/from Phoenix Sky Harbor, passenger traffic has plummeted. There appear to be several significant reasons: 1) the new carrier was an "unknown" in Arizona; 2) the new carrier did not have a marketing or fare-sharing agreement with America West; 3) the new carrier operates into Terminal 2 at Sky Harbor, and undertakes connections with United Air Lines at that Terminal. Since most Prescott air travelers are destined beyond Phoenix and that America West (now U.S. Airways) has many more flights to dozens of destinations than any carrier in Terminal 2, a passenger bound beyond Phoenix is required to change terminals, go through security processes again. This increases total travel time and since it is only about an hour and half driving time to Phoenix, if there are no realistic fare incentives, passengers opt for either driving or taking one of several vans who operate dozens of schedules daily to/from Phoenix.

Great Lakes Aviation receives a federal Essential Air Service subsidy from the U.S. Department of Transportation for air service to both Kingman and Prescott in the annual amount of $1,057,655 for operation of a Beech 1900, a 19 seat turbo-propeller aircraft.

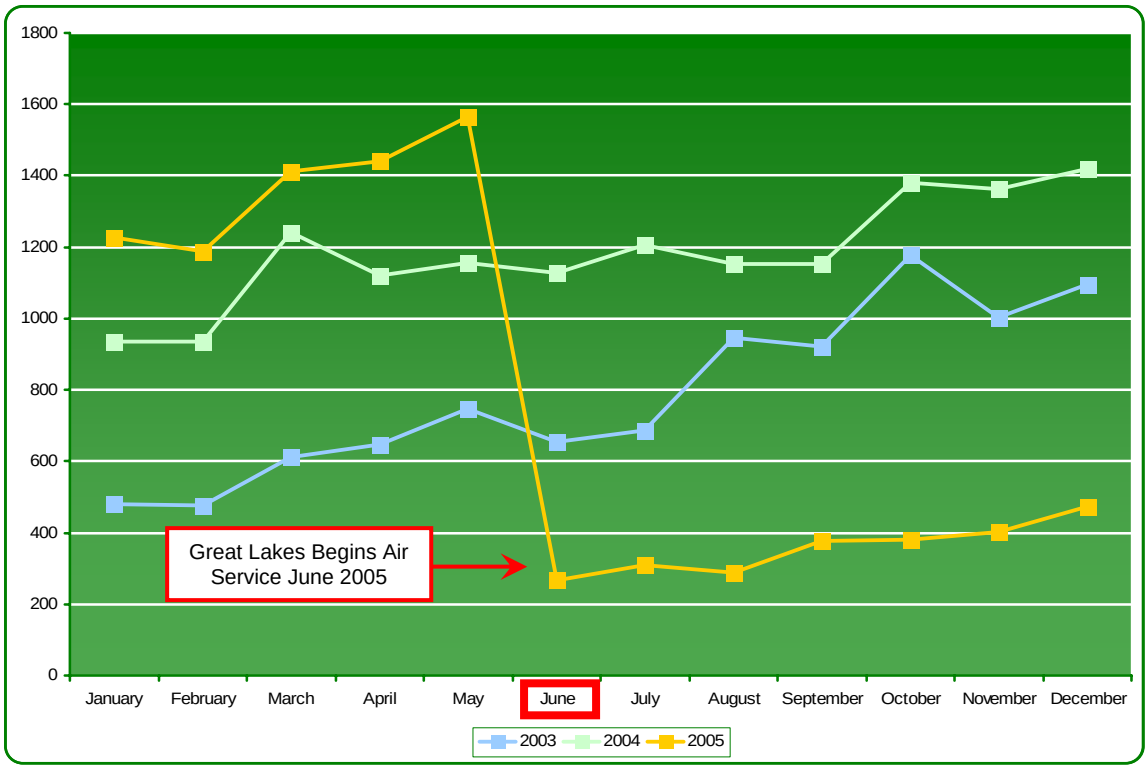


Figure 8: Scheduled Airline Traffic Comparisons 2003-2005
Mesa Airlines vs. Great Lakes Aviation

Mesa Airlines, the previous air carrier, was an America West Airlines code-sharing partner, which operated into the America West terminal at Phoenix Sky-Harbor. It typically carried approximately 1,300 revenue passengers per month to/from Phoenix. However, beginning in June 2005, Great Lakes Aviation began service in place of Mesa Airlines. Traffic dropped precipitously in the months that followed and averaged approximately 400 revenue passengers a month total. The past four months are not reflected in Figure 8. Traffic growth in the past four months has been insignificant.

In real terms, however, the decline has had little effect on the economy of Prescott. Even at its highest point, the previous air carrier brought few tourists, and the ticket revenues went out-of-state. Often, where air traffic is substantial, tourists come to the area and spend money in hotels, restaurants and civic activities. In this case, because no survey was taken of actual passengers, the primary economic benefit to the community has been estimated at a very nominal total. Based on the experience of one of the Associates in the commuter airline business, on occasion, even if the local boarding traffic is not in great numbers, there are inbound passengers who are tourists and short-term visitors—to see graduations, to come for interviews, or holiday visits. A reasonable estimate of 400 inbound passengers annually would be a conservative estimate. Such visitors spend an estimated $250 per person per visit. This indirect impact is listed within

this section to reflect these estimates. The employment by the current airline of two full time and three part-time personnel at the Airport reflects the lack of economic activity that the current airline adds to the community.

In the opinion of the Associates who are going somewhat beyond the "charter" of the Economic Study, irrespective of what carrier serves Prescott, unless larger, more comfortable jet aircraft are available, unless passengers have a nice modern terminal, and price incentives are in place, and unless destinations **other than Phoenix** are in the route system, Prescott is unlikely to see much change in passenger air traffic. The City, the Airport authority, the Airport Advisory Committee, the Chamber of Commerce, and the business leaders of the community need to embark on an aggressive campaign to:

- Attract a carrier that will provide direct convenient service at fair prices to a number of destinations such as Los Angeles, Las Vegas, and Denver in larger jet aircraft to facilitate "local" traffic to such cities, and provide convenient "seamless" connections to a major airline that serves dozens of domestic and international cities.
- Build an attractive, modern passenger terminal.
- Provide runways and facilities appropriate for service by regional jet aircraft.
- Take intermediate steps to replace Great Lakes Airlines. (Note: There are U.S. Department of Transportation processes to seek a replacement carrier, and the Associates would be prepared to work on that, if the City would be interested.)

Direct Impact:	**$ 85,000**
Indirect Impact:	**$ 12,000 local expenses plus estimate of 400 passengers annually at $ 250/per person expenditure or $ 100,000.**
Indirect Impact (total)	**$112,000.**
Induced Impact:	**$ 177,300**
Total Impact:	**$ 374,300**
Jobs:	**4 Full-Time Equivalents**

In interpreting the following table, the Business Entity is first identified, followed by this equation:

Direct Impact (1) + Indirect Impact (2) = Total of those two together (3); the Multiplier is (4) and multiplies numbers in columns (1) and (2) by .9 (the Multiplier Factor "MF"); that total represents the Induced Impact (5) and when that is added back to the total of Direct Impact and Indirect Impact, (7) represents the overall economic impact. Jobs are also listed where they were known or estimated (8).

Summary of Direct Impact, Indirect Impact and Induced Impact

	1		2		3		4		5		6		7	8
Business Entities:	**Direct Impact**		**Indirect Impact**		**Total**		**Multiplier**		**Induced Impact**		**Direct + Indirect**		**Total Impact ($)**	**Jobs**
Tower & Flight Service Station	$ 5,560,487	+	$ 100,000	=	$ 5,660,487	x	0.9	=	$ 5,094,438	+	$ 5,660,487	=	$ 10,754,925	**71**
PRC Airport Administration	470,498	+	50,000	=	520,498	x	0.9	=	468,448	+	520,498	=	988,946	**11**
Airport-Related Businesses	7,720,000	+	3,300,000	=	11,020,000	x	0.9	=	9,918,000	+	11,020,000	=	20,938,000	**205**
Airport Hangar / Users / Tenants	1,704,300	+	40,000	=	1,744,300	x	0.9	=	1,569,870	+	1,744,300	=	3,314,170	**36**
Airport Bus. / Flt Schools / Maint.	1,349,953	+	600,000	=	1,949,953	x	0.9	=	1,754,958	+	1,949,953	=	3,704,911	**54**
Airport Building Tenants	620,300	+	125,000	=	745,300	x	0.9	=	670,770	+	745,300	=	1,416,070	**15**
Embry-Riddle (Aero. Science)	6,503,000	+	1,800,000	=	8,303,000	x	0.9	=	7,472,700	+	8,303,000	=	15,775,700	**281**
Embry-Riddle (Students)	-	+	4,000,000	=	4,000,000	x	0.9	=	3,600,000	+	4,000,000	=	7,600,000	**N/A**
Great Lakes Aviation	85,000	+	112,000	=	197,000	x	0.9	=	177,300	+	197,000	=	374,300	**4**
Transportation Security Admin.	235,000	+		=	235,000	x	0.9	=	211,500	+	235,000	=	446,500	**6**
U.S. Forest Service Aviation Ctr.	1,125,000	+	688,480	=	1,813,480	x	0.9	=	1,632,132	+	1,813,480	=	3,445,612	**55**
Totals	**$ 25,373,538**		**$ 10,815,480**		**$ 36,189,018**				**$ 32,570,116**		**$ 36,189,018**		**$ 68,759,134**	**738**

Table 9: Summary of Direct Impact, Indirect Impact and Induced Impact

V. Prior Economic Impact Studies

The Associates reviewed two prior Airport economic impact studies, one was done by a student group at Embry-Riddle Aeronautical University, and another was done by the Prescott Airport Advisory Committee, both dated in 1998. It appears that many of the estimated figures and the totals were overstated, probably as a result of duplications or "double-charging." In any event, the Associates did not believe it was useful to use any of the data or numbers in those reports, preferring instead to do its own analysis based on its current survey information and other inputs.

VI. Arizona Airport Comparison Data and Other Information

In order to present a complete picture of the economic benefit of the Airport to the City, the Associates surveyed eleven airports similar to Ernest A. Love Field throughout Arizona to compare how the respective communities manage their airport, including charges for such items as hangar rent, fuel, and other fees. Accordingly, here is a summary of relevant findings followed by a listing of each of the survey questions and an analysis of the issues raised by the survey responses. In some cases, some interpolation was necessary because of the wide variation in hangar sizes.

CONCLUSION: As shown in the table on the following page, the Prescott Municipal Airport compares very favorably with the 11 responding Arizona airports in almost every area of performance measurement.

	Prescott (PRC)	Average: All Other 11 Airports
HANGAR RENTS		
-Small T-Hangars	$ 224/month	$ 225/month
-Medium T-Hangars	253/month	273/month
-Large T-Hangars	644/month	730/month
TIE-DOWN RATES	$ 42.75/month	$ 42.98/month
SHADE HANGAR RATES	$ 94.80/month	$ 82.22/month
HANGAR OWNERSHIP		
-Airport Owns All		4
-Airport Owns Some	8 (includes PRC)	
HANGAR RATES METHOD		
-Cost Recovery		3
-Market Value		7 (includes PRC)
-Appraisal Value		1
HANGAR DEVELOPMENT BY THIRD PARTIES	4 Do not permit	8 (includes PRC)
NUMBER OF BASED AIRCRAFT	349	352
FUEL SALES IN GALLONS		
-FY 2003	1,055,722	479,043
-FY 2004	1,021,339	438,170
-FY 2005	956,929	471,884
NUMBER OF ANNUAL * OPERATIONS		
-FY 2003	325,457	95,636
-FY 2004	302,188	117,756
-FY 2005	230,000	122,897

Table 3: Arizona Airport Comparison Data

* An Operation is a landing or a takeoff. Operations are an indicator of airport usage and growth but are influenced by many factors, including the cost of fuel. Rising fuel costs have slowed business and recreational flying at all 12 Arizona Airports, including PRC. At PRC the flight training by ERAU has shifted to a greater use of flight simulators which has resulted if fewer flight operations. Still, Prescott still out performs the other 11 airport in total flight operations.

Following are details of the Airport Survey questions, the data collected and reported, and some commentary by the authors of the Economic Study.

1. Does your airport own and operate all the hangars and T-hangars on your airport?
Four of the 12 responding airports own and operate all the hangars on the airport. (33%)--eight, including Prescott, do not (66%).

2. How have these hangars been financed?
Five airports have developed hangars with Airport Revenues. Two airports have used City Issued Revenue bonds. One has used City General Funds. One has used Private funding and an ADOT loan to build hangars. Two have used Airport System funds (PHX area). Two have used private funding (3rd party development). Prescott has used commercial financing (bank loans). Prescott has contracts pending for 3rd Party development of Large Box hangars and T-hangars. Airport and it will receive ground rent only.

3. Do you permit Hangar Development by 3rd Party Developers?
Eight airports, including Prescott, (66%) permit 3rd party hangar development.
Four (33%) reserve the exclusive right to build hangars at their airports.

4. Have you obtained FAA or ADOT financial assistance in hangar development?
Eight of 12 responding airports, including Prescott (66 %) have used Federal Aviation Administration (FAA) and/or Arizona Department of Transportation (ADOT) grants to provide taxiway access or site preparation in their hangar development. The four (33%) that have not do not own/operate the hangars on their airports.

5. How do you compute your hangar rental rates?
Hangar rental rates computation may have little to do with recovering the cost of developing hangars at the 12 responding airports. Three (25%) reported that their rates are based on cost recovery over the initial term of the hangar leases. Seven (58%) reported that their rates are Market Value rates, which means that the rates are set by determining the rental rates of comparable facilities at other airports within a reasonable distance from the airport. This rate-making technique works best when the cost of building hangar facilities has been recovered by the public entity which expended the funds to create them. Only one airport reported using an appraisal rate-setting method and one reported that the rates for hangars are established by the City Council. Establishing rental rates for hangars owned and operated by airports often tends to be controversial, causing airport management to seek compromises that will appease tenants and avoid show-downs before elected bodies.

6. Do you include an annual inflation factor rate increase in your leases?
All 12 of the responding airports reported that annual inflation factors are included in the basic rental rates. Inflation factors, usually Consumer Price Index (CPI), tend to reduce conflict in hangar rental rate increases, because the adjustments are made automatically on a periodic schedule, at a predictable rate.

7. If you are required to provide major maintenance, do you include a maintenance fee in your hangar rental rates?
The results of this question were surprising. Eight airports, including Prescott, (66%) reported that they do not require a major maintenance fee in the rental rates of the hangars that they own and operate. When leases are silent on major maintenance responsibilities of the owner or tenant, the facilities tend to deteriorate over the term of the lease. If the owner is responsible for the major maintenance usually defined) in the lease agreement, it is acceptable practice to collect a fee that is compounded and reserved over the period of the lease to be used to make the necessary repairs to hangars (usually, doors and roofs.) The most common practice is to require the tenant to be responsible for all repairs and

maintenance and the most common result is that none are made during the lease term, without strong inspection and enforcement by the owner.

8. How long is the initial term of your hangar lease agreements?
The initial term of leases usually is the result of negotiation and depends largely of the length of time required to amortize the cost of the facility. The answers from the responding airports varied from 50 years to 3-10 years and, it is believed, depended largely on the size of the hangar facilities and whether it was a ground lease or facility lease. The results of the replies are inconclusive.

9. Do your leases offer a conditional extension of the original term (option to renew)?
Nine airports (75%), including Prescott, reported that their hangar lease agreements contain "option to renew" clauses. Usually, these clauses give the option to the airport only, to allow for a variety of changing circumstances.

10. What are your current rental rates?
The question dealing with current rental rates is useful in weighing the market value of the rental rates being charged by the Prescott Airport for comparable hangar facilities. However, the answers are difficult to analyze as there is no known standard size of tie downs, T-hangars, large box hangars, or corporate hangars from each of the responding airports. Most of the answers from the responding airports are expressed in square footage rates per month, but some are expressed as square footage rates per year, and some rates are expressed in dollar amounts for certain facilities according to aircraft size. To further compound the problem, Prescott has 193 T-hangars of varying sizes. So to compare rates from the responding airports, we have established the average floor sizes of the Prescott hangars referred to as Small T hangars, at 975 square feet (sf), Medium T-Hangars, at 1,100sf, Large T-Hangars, at 2,227sf, and Portable T-Hangars, at 932sf. The tie downs are assumed at 750sf. and the Shade Hangars are assumed at 900 sf. The Large box hangars are assumed at 3,500sf. Where possible, square footage rates from other airports are applied against this average assumed square footage sizes of Prescott facilities. The results are estimated square footage based monthly rate comparisons for each of the categories of hangars and Aircraft Parking Tie-downs. (A Tie-Down is an open air parking space with appropriate ropes and/or chains to secure the aircraft to the pavement). Thus, the *extrapolated* comparison shows the following:

Location	Size	Comparison to Avg.	Avg. Size
A Hangars	954 sf	Small Hangar Avg.	975 sf
B Hangars	1,195 sf		
C Hangars	985 sf	Medium Hangar Avg.	1,108 sf
D Hangars	1,724 sf		
F Hangars	985 sf	Large Hangar Avg.	2,801 sf
G Hangars	1,127 sf		
H Hangars	1,036 sf.		
I Hangars	1,036 sf		
J Hangars	1,156 sf		
K Hangars	2,780 sf		
L Hangars	1,156 sf		
M Hangars	1,052 sf		
P Hangars	3,900 sf		

(Worksheet shows averages size for comparison purposes only)
*** Square footage average from Deer Valley.**
**** No facilities this size on Prescott Airport.**
***** Rates of all three reporting airports were applied against average.**

Table 4: Prescott Hangar Size Comparison

Airport	Small T-Hangars (approx. 975sf)	Med. T-Hangars (approx.1,100sf)	Large T-Hangars (approx. 2800sf)
Prescott	**$ 224.00/mo.**	**$ 253.00/mo.**	**$ 644.00/mo.**
Deer Valley	173.00/mo	250.00/mo	616.00/mo.
Chandler	159.00/mo	N/A	N/A
Goodyear	130,00/mo	169.00/mo	N/A
Show Low	234.00/mo	263.00/mo.*	668.00/mo.*
Payson	246.00/mo*	277.00/mo*	706.00/mo*
Page	332.00/mo	374.00/mo*	952.00/mo*
Mesa/Falcon Field	183.00/mo*	206.00/mo*	526.00/mo*
Flagstaff	273.00/mo*	308.00/mo*	784.00/mo.*
Kingman	N/A	N/A	N/A
Glendale	300.00/mo*	338.00/mo*	861.00/mo.*
Sedona	N/A	N/A	N/A

*** Rates reported by other airports were applied to the average square footages used for Prescott T-Hangar facilities, in order to estimate approximate hangar rate comparisons.**

Table 5: Arizona Airport T-Hangar Cost Comparison

Airport	Portable T Hangar (approx. 932sf)	Large Box Hangar (approx. 6,200sf)
Prescott	**$ 214/mo**	**N/A**
Deer Valley	N/A	$ 2,294.00/mo.
Chandler	N/A	N/A
Goodyear	N/A	N/A
Show Low	223.00/mo	N/A
Payson	N/A	N/A
Page	N/A	N/A
Mesa/Falcon Field	N/A	N/A
Flagstaff	N/A	2,666.00/mo.**
Kingman	N/A	1,550.00/mo**
Glendale	N/A	N/A
Sedona	N/A	N/A

Table 6: Arizona Airport Hangar Cost Comparison

11. Do you allow other uses (motor vehicle, boat storage, etc.) in your T-Hangars?
It is a common practice for T-hangar tenants to store other objects besides the aircraft, which is the primary purpose of the hangar. In this survey, nine airports (75%) reported that they permit tenants to store automobiles, boats and Recreational vehicles in the hangars if there is sufficient room after the aircraft is stored. Historically, other non complying uses, such as carpentry shops, small manufacturing shops, etc., have been made of T-Hangars. Three of the Airports responding reported that they do not permit any other usage of the T-hangar except Aircraft storage.

12. Do you have a Hangar waiting list?
Ten of the responding airports reported that there are Aircraft owners who have their names listed as needing Hangars. The range of wait listed people ranges from high to low as shown in descending order below.

Airport	Number of persons on Waiting List
Deer Valley	327
Prescott	**303**
Mesa/Falcon Field	290
Chandler	150
Kingman	110
Sedona	40
Goodyear	30
Page	20
Payson	19
Flagstaff	15

Table 7: Arizona Airport Hangar Waiting List Number Comparison

Three airports, which do not provide hangars, did not report having a waiting list for available hangars.

13. Does the waiting list contain names of tenants who already have Hangars on your airport?
Nine (75%) responding airports reported that their hangar waiting list contain the names of people who already lease hangars on the airport. This is a rather common practice which is confusing and misleading when trying to determine how many hangar facilities need to be built to meet demand. The primary reason given for listing a name when they already have a hangar is that some hangar tenants always want a new facility, usually larger with more amenities than older style facilities. Prescott is included in this group. As a result, some airports keep two waiting lists, one for potential new customers and one for those who want an up grade when it comes available. The three airports (25%) that responded “no” to this question do not provide hangars on their airports.

14. How long (on average) can someone on the list expect to wait for a hangar?
This is a related question which indicates how long potential tenants must wait for a hangar to become available on the airport. It is not uncommon for airports or 3rd-party developers to wait until there are sufficient numbers of persons wanting hangars, so that facilities can be planned and built in quantity. The average waiting time at the reporting airports is shown in descending order.

Airport	How Long on Waiting List
Chandler	10 years
Mesa Falcon Field	7-9 years
Kingman	6 years
Sedona	5 years
Prescott	**3 years**
Payson	2-3 years
Page	2 years
Goodyear	1-2 years
Flagstaff	3 months

Table 8: Arizona Airport Hangar Waiting List Time Comparison

15. Does your Airport provide Aircraft into-plane fueling?
Four airports, including Prescott (33%) reported that they provide aircraft fueling services at their airports, while eight (66%) do not. Fuel servicing is handled by Fixed Base Operators at those airports. Airport revenues are enhanced when the airport provides fuel services. Fuel sales account for 45% of the revenues of the Prescott Airport. Instead of the profit from fuel sales from the direct sale of fuel, airports which rely on one or more Fixed Base Operators (FBOs) to sell fuel to aircraft owners receive only a fuel flowage fee from the FBOs, which is a form of a privilege fee, and sometimes is a form of repayment for revenue bonds used by the airport authority to capitalize the construction of the fuel farm. Obviously, airport revenues are greatly reduced if FBOs or concessionaires sell all the fuel at an airport.

16. What is your current (03-16-06) retail price of fuel?
The price of aviation fuel has increased enormously over the past 18 months and continues to grow almost daily. In the survey we asked the airports to take a snapshot of the retail price of fuel at their airport so as to compare it with the price of fuel at the Prescott Airport. These were the prices on or about March 16, 2006.

Airport	AVGAS	JET A
Prescott	**$ 3.69/gal.**	**$ 3.44/gal.**
Goodyear	3.50/gal.	3.47/gal.
Show Low	3.26/gal.	3.25/gal.
Sedona	3.65/gal.	3.30/gal.

Table 9: Arizona Airports - Fuel Price Comparison (Airport Sold)

The following Airports reported fuel prices, but do not sell fuel or provide fueling services. (Fuel sales are provided by one or more FBOs.

Airport	AVGAS	JET A
Glendale	$ 3.60/3.65/gal.	$ 3.50/3.55/gal.
Page	3.70/gal.	3.70/gal.
Payson	3.69/gal	3.59/gal.
Chandler*	3.50/gal.	3.47/gal.

***Chandler also provides a self service fueling facility for based tenants @$3.19/gal.**

Table 10: Arizona Airports - Fuel Price Comparison (FBO Sold)

The following airports did not report fuel prices as the FBO(s) buy and sell the fuel at these airports: Kingman, Flagstaff, Mesa-Falcon Field, Deer Valley.

Amount Purchased	AVGAS	JET A
0-49 gals.	$ 3.76	$ 3.44/gal.
50-99 gals.	3.69	3.44/gal.
100-199 gals.	3.66	3.44/gal.
200-499 gals	3.64	3.44/gal.
500-1499 gals.	3.56	3.44/gal.

Table 11: Prescott Fuel Pricing Schedule (as of March 16, 2006)

17. What were your total annual fuel sales for the past three years?
The total amount of fuel sold at the responding airports compared with fuel sales at Prescott airport is a good indicator of the performance and importance of the airport. The robust fuel sales at Prescott are stimulated by the flying activity of Embry-Riddle Aeronautical University, the U.S. Forest Service, Great Lakes Airlines, and the relatively large number of general aviation aircraft based at the Prescott Airport. Interesting to note is a decline in sales in FY 2004 for several airports which probably represents the first year's reaction to the rapidly increasing cost of fuel. In Prescott it also represents fewer flying hours by Embry-Riddle pilots and trainees, now using flight simulators more extensively, and fewer flying hours by the general aviation population in response to the increased cost of fuel. Three years of data has been reported by the responding airports.

Airport	Fiscal Year	Fuel Sales (gallons)
Mesa/Falcon Field	FY2003	1,001,870
Mesa/Falcon Field	FY2004	1,079,260
Mesa/Falcon Field	FY2005	1,231,806
Prescott	FY2003	1,055,722
Prescott	FY2004	1,021,339
Prescott	FY2005	956,929
Goodyear	FY2003	750,000
Goodyear	FY2004	375,000
Goodyear	FY2005	450,000
Chandler	FY2003	596,640
Chandler	FY2004	628,660
Chandler	FY2005	636,000
Glendale	FY2003	480,000
Glendale	FY2004	570,000
Glendale	FY2005	550,000
Show Low	FY2003	394,969
Show Low	FY2004	303,522
Show Low	FY2005	334,310
Payson	FY2003	120,400
Payson	FY2004	100,800
Payson	FY2005	Not Reported
Page	FY2003	9,425
Page	FY2004	9,952
Page	FY2005	10,714

Note: Flagstaff, Kingman and Deer Valley did not report fuel sales, since FBOs provide the fuel at those airports.

Table 12: Arizona Airports - Annual Fuel Sales (Gallons)

18. What are your total annual Aircraft Operations for each year for the past 3 years?
An “operation” at an airport is defined as a landing *or* a take-off of an aircraft and is a common indicator of the use of the airport by aircraft owners, users, and pilots. Prescott Airport compares very well with the other responding airports in this unit of measurement. Note the impact that the cost of fuel had in FY2004 and FY2005 on the operations at most of the reporting airports. The responding airports are listed in descending order.

Airport	Fiscal Year	Annual Operations
Deer Valley	FY2003	Not Reported
Deer Valley	FY2004	340,439
Deer Valley	FY2005	378,225
Prescott	**FY2003**	**325,457**
Prescott	**FY2004**	**302,188**
Prescott	**FY2005**	**230,000**
Mesa/Falcon Field	FY2003	281,742
Mesa/Falcon Field	FY2004	262,009
Mesa/Falcon Field	FY2005	276,184
Chandler	FY2003	224,435
Chandler	FY2004	229,474
Chandler	FY2005	223,816
Goodyear	FY2003	132,681
Goodyear	FY2004	105,471
Goodyear	FY2005	101,020
Glendale	FY2003	86,000
Glendale	FY2004	118,000
Glendale	FY2005	133,000
Flagstaff	FY2003	51,600
Flagstaff	FY2004	50,253
Flagstaff	FY2005	44,100
Kingman	FY2003	48,000
Kingman	FY2004	48,000
Kingman	FY2005	50,000
Sedona	FY2003	43,000
Sedona	FY2004	49,000
Sedona	FY2005	50,000
Payson	FY2003	42,000
Payson	FY2004	38,000
Payson	FY2005	42,000
Show Low	FY2003	32,618
Show Low	FY2004	34,660
Show Low	FY2005	34,476
Page	FY2003	14,288
Page	FY2004	17,885
Page	FY2005	19,050

Table 13: Arizona Airports - Total Annual Operations (2003 – 2005)

19. How many "based Aircraft" do you have on your airport?

A "based aircraft" is one that is the "home" of the aircraft—where it is hangared or kept and generally these aircraft are owned and operated by people who live reasonably close to the airport. The number of based aircraft on an airport is directly proportionate to the economic importance and viability of an airport and is a strong measurement tool in comparing airport performance. Population numbers greatly influence the number of aircraft based on an airport so

it is not surprising to see more aircraft in the airports located in the Valley of the Sun (Phoenix area) than those located in lower population areas. The number of based aircraft reported by the responding airports are listed in descending order. Phoenix-Sky Harbor, an international high-traffic airport, does not appear in these numbers.

Airport	Number of Based Aircraft
Deer Valley	1,200
Mesa/Falcon Field	900
Chandler	450
Glendale	380
Prescott	**349**
Kingman	243
Goodyear	224
Flagstaff	150
Sedona	109
Payson	80
Show Low	72
Page	70

Table 14: Arizona Airports – Number of Based Aircraft (2006)

20. What other user fees do you charge?

This question was aimed at determining if the Prescott Airport is missing any opportunities to increase its annual revenues. There are limited ways in which an airport can develop revenues. There were no surprises in the responses, but they confirmed that Prescott Airport is not missing any significant revenue opportunity categories, but as shown in some of the other responses, may not be maximizing revenue opportunities.

Landing Fees: Landing fees at smaller airports are charged in lieu of fuel sales or fuel flowage fees if fuel is provided by an FBO. There are some exceptions. Larger aircraft are usually charged landing fees, unless, in the case of the U.S. Forest Service contract aircraft or FAA and military aircraft, they are exempted from landing fees by the Federal Government. Seven airports, including Prescott (58%) reported that they charge landing fees.

Auto Parking Fees: A customary automobile parking fee is charged at many airports that have airline terminal facilities. They may be as simple as honor systems, or parking meters. But they are assessed to offset the cost of providing and maintaining parking lots and to control supply and demand. Interestingly, only three (25%) of the responding airports reported that they charge auto parking fees. Prescott has adequate parking for the demand for terminal usage and does not charge for auto parking.

Terminal Building Rentals: There a wide variety of terminal building space rentals that may be charged by an airport to offset the cost of providing and maintaining these facilities. Eight of the responding airports, including Prescott (66%) indicated that they charge space rentals for airlines, rent cars, advertising, and restaurants.

Land Lease Rent: Many airports grant long-term leases for commercial development as well as aircraft hangar and maintenance facilities, creating a magnet for businesses that might depend on proximity to the airport.

21. Does your Airport receive a General Fund Subsidy from your City or County to assist in funding the operating cost and airport development and improvements costs at your airport?

Governmental units of government that own and operate airports establish policies either by ordinance or by resolution to determine the necessity of General Fund subsidies for operating departments or functions of government. Police and Fire Departments receive all of their annual operational costs from their governing body, as do Park and Recreation Departments, Economic Development functions, and other necessary functions of local government. Local governments may determine that functions of government that can generate revenues should pay their own way and designate them as "enterprise" functions of government. Airports may come under this designation if they can generate sufficient revenues to pay their annual operating costs. As revenue generation at airports may have limited sources, the governing body may decide to grant annual General Fund subsidies to airports to assist with the operating costs and the Capital Improvement Costs (CIP) of the airport, as well. This question was included to determine how many responding airports receive annual Operating Cost subsidies, Capital Improvement Cost subsidies or both. Seven responding airports, including Prescott, (58%) receive monies from their City or County General Funds to assist with either their annual operating costs, or in the case of Mesa Falcon Field and Prescott, receive only matching funds for Capital Improvements projects for which they receive FAA or ADOT grants. On most CIP Projects at Small Hub/General Aviation Airports, the FAA provides 95% of the cost of the project, ADOT provides 2.5% and the City matching share is 2.5%. If the Prescott Airport did not sell fuel (approximately 45% of its annual revenue) it would require a General Fund subsidy from the **City of Prescott,** whereas now, **the gross revenues more than offset the direct operating costs of the Airport.**

VII. Summary & Conclusions

It is clear that the Prescott Airport is a vital and needed contributor to the economy of the Prescott area, but it needs to develop a modern air terminal, more hangar space for private aircraft, and replace the existing air carrier to improve passenger service.

The operation of the Airport appears to be very good and in line with other similar airports around the state.

This Study strongly indicates that the Prescott Airport and its users, together with businesses that depend on the Airport for their viability, account for a Total Impact of $ 68,759,134. That total is derived by adding together the Direct Impact of approximately $ 25,373,538; an Indirect Impact of $ 10,815,480; and an Induced Impact of $ 32,570,116, as those terms are defined in the Study.

Respectfully Submitted:

William V. Cheek & Associates
Aviation Consulting
Prescott, Arizona

VIII. List of Tables and Figures

IX. Disclaimer

The accompanying Prescott Airport Economic Impact Study and Report are the work of William V. Cheek & Associates, plus some students at Embry-Riddle Aeronautical University. The firm bears responsibility for the materials presented in the Report but does not warrant nor guarantee their accuracy since many materials were gathered from independent sources, whose accuracy is not itself warranted, and certain assumptions were made which may or may not be accurate, although every attempt has been made to present properly the data collected and the findings and conclusions therefrom. This Study does not represent the findings, conclusions or otherwise of any other entity, including Embry-Riddle Aeronautical University, the Prescott Chamber of Commerce, the City of Prescott, or any employees of those entities.

X. Credits

Special Thanks to Embry-Riddle Aeronautical University Students

Elliott Pesut
Doug Dickey

Mike Willinger, Chairman of Prescott Chamber of Commerce

David Maurer, CEO, Prescott Chamber of Commerce

Rick Severson, Airport Manager

Paul Winski, PRC Air Traffic Control Tower/Air Traffic Manager

FAA Flight Service Station Personnel

U.S. Forest Service - Prescott Fire Center/Henry Y.H. Kim Aviation Facility - Staff

Dan Carrell, Chancellor, Embry-Riddle Aeronautical University

John Stonecipher, President/CEO Guidance Helicopter

Dan Lawler, SKYschool, Inc. / Air Repair

James Dunn, North-Aire Inc.

Management & Staff of Color Factor

XI. References

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Yavapai College, Office of Workforce & Economic Development: “Tri-City Regional Diversity Steering Committee Report,” (2004).

XII. Appendix

Resumes of Associates

- William V. Cheek
- John Solomon
- David Roy
- Elliott Pesut
- Douglas Dickey

Copies of Surveys

Random Comments from Surveys and Interviews

"Airport Operations and Tower are the best and most friendly I have encountered." (Pilot).

"PRC is a very good airport, but need improved public understanding of its community role. Also, improved priority among elected officials." (Citizen).

"This airport is of VITAL importance not only to Prescott but all of Yavapai County…PRC brings in BIG dollars to the tri-city area…" (Citizen).

"The terminal should be improved and the runway lengths should be increased to improve the type of equipment that can be operated in and out of the Airport." (Business person).

"The City should be ashamed of itself [because of terminal]…Great Lakes [airline] has created inconvenience and I don't use them anymore." (Businessman).

"Passenger count down after Great Lakes entry…need to do something else." (Businessman).

"More air service would negatively impact the environment…don't need more noise." (Resident).

"The existing terminal should be replaced only after increased passenger traffic will justify the cost." (Businessman).

"We stopped flying when Mesa left because of the terminal change and inconvenience, lack of discounted fares with connections." (Citizen).

"I relied on the convenience offered by Mesa—now I do not use our airport at all." (Citizen).

"Air service to southern California badly needed by many customers of our company and employees…" (Businessman).

"All businesses looking to locate in Prescott from another area that will bring good employment to Prescott, arrive here by air. Private and Commercial—we need a new terminal and a fixed base operator to service these folks." (Airport Businessman).

"For the economy of any area , especially on that has such a major tourist component, to prosper, a viable air carrier is a must." (Citizen).

"Get rid of Great Lakes." (Citizen).

"The price of fuel is way too high…I almost always buy fuel elsewhere." (Pilot).

"This questionnaire has a bias and should not be used." (Citizen).

"The Airport is very important to the local economy, but less than on half as important as it would be with the longer runway and new terminal so we could attract a better carrier." (Businessman).

"…the new contract [Great Lakes] has severely diminished both business and tourist visits to Prescott." (Citizen).

"Airport is a critical asset--we all need to support its vitality." (Citizen).

"The quad-city area is on its way to becoming a small metro area—I feel that improving the airport would be extremely beneficial in helping us get to that higher level. The economy and overall quality of life would improve." (Businessman).

"I have many clients fly in and out of the Airport—the better it is—the better the impression of Prescott." (Businessman).

“A return to previous air provider would be an improvement. Better destinations (i.e. Las Vegas) would really help!” (Citizen).

“We need America West back!” (Citizen).

“Awarding contract to Great Lakes over Mesa was extremely detrimental to PRC’s growth and survival!” (Citizen).

RESUMES OF ASSOCIATES

Resume & Experience Summary

January 2006

William V. Cheek, J.D.
3275 Renegade Road
Prescott, AZ 86305
Ph. 928-777-3824 (days); 928-776-8745(eves.); Home Fax 928-717-1392
Email: cheekb@erau.edu

Current: Associate Professor and Grants Coordinator, Embry-Riddle Aeronautical University, Prescott, AZ.(ERAU); Founding partner, William V. Cheek & Associates, Aviation Consulting.

Education: Juris Doctor (J.D.), University of New Mexico, Albuquerque. Political Science & Economics, University of Oregon, Eugene, OR; Graduate Business program, Arizona State University, Tempe, AZ; Liberal Arts/Political Science: Univ. of New Mexico, Albuquerque. Attended numerous Continuing Legal Education and professional seminars/meetings.

Professional Experience:

- Aviation executive, lawyer, consultant, professor; presenter of more than 30 papers on law, aviation economics, and other aviation-related topics at professional meetings; several published papers on airline economics and law; reviewer of three texts—in business law and aviation law.

- Developer and writer of major grant proposals to state, Federal, and private foundations to support work of faculty and produce income for Embry-Riddle Aeronautical University. Several million dollars worth of grants have been derived over the past five years.

- Writer and presenter of more than 30 professional papers to aviation, law, and economics groups; published several papers in peer-reviewed journals and proceedings.

- Managing Partner: William V. Cheek & Associates, Aviation Consulting. Examples of work that the firm has completed: 1) a major Airport Land Use Compatibility study for Prince George's County, Maryland; 2) airport site selection project near Las Vegas, Nevada; 3) analysis of financials in preparation for expert witness testimony given in an airline stock fraud case, Amarillo, Texas; 4) preparation of a financial information statement (private placement memorandum) for presentation to potential airline investors, Boston, MA. 5) consultation regarding proposed school site with airport proximity, Pierce County (Tacoma) Washington. 6) provided expert testimony in several civil suits re airlines and FAA matters.

- Various positions in four different airlines, including, at various times, President, Executive Vice-President, VP-Regulatory Affairs, General Counsel (Alaska Airlines), Ass't Secretary, including two commuter/regional airlines (Swift Aire Lines, San Luis Obispo, CA, and Pioneer Airlines, Denver, CO).

- Aviation Business and Air Science Professor, at four universities or colleges. As adjunct: Southern Illinois Univ. and Arizona State Univ. As full-time: College of St. Teresa (MN), one year; at Embry-Riddle Aeronautical University, Prescott, AZ-12 years, and as part-time, 6 years). Grants coordinator and developer at Embry-Riddle, 5 years).

- General Counsel, Alaska Airlines, Seattle, WA (7 years).

- Trial counsel in more than a dozen major route and airline merger cases before the Civil Aeronautics Board (CAB), including the Transpacific Route Investigation (took over 2 years); subsidy, certification, enforcement matters before the CAB, the FAA, and the U. S. Department of Transportation;

- Participated in prospectus write-ups and filings for four major public financing issues before the U.S. Securities and Exchange Commission.

- Participated as counsel in numerous matters before the Federal Aviation Administration in aeronautics cases, representing airlines, pilots, and mechanics;

- Presenter or counsel before community, county and state agencies, primarily in airport and aviation related matters;

- Principal negotiator airport facilities in numerous cities and towns;

- Principal negotiator airline labor union contracts for airline companies; unions "on the other side" included Air Line Pilots Association, International Association Machinists and Aerospace Workers, Transport Workers' Union; Teamsters' Union; Association of Flight Attendants;

- Designed employee pay structures at two commuter airlines;

- Have been member of Board of Directors, two commuter airlines.

- Department Chair, Aviation Business Department, Embry-Riddle Aeronautical University, Prescott, AZ (4 years), member of Faculty Senate (6 years), various academic committees at ERAU (over ten years).

- Have testified as expert witness on aviation and FAA matters in civil law suits, and in regulatory proceedings.

Professional Organizations: State Bar of New Mexico; Federal Bar; Academy of Legal Studies in Business; American Association of Grant Professionals.

Social and Community Organizations: Past Commandant, Marine Corps League Detachment, Prescott; Currently: Junior Vice Commandant, Department of Arizona, Marine Corps League; past president, Prescott Genealogical Society; and past president, Arizona Genealogical Advisory Board, Mesa, AZ.

List of Courses Taught at University Level:

Undergraduate Level: Airline Economics, Airline Management, Airport Management, Aviation Labor Relations, Aviation Law, Aviation Insurance, Aviation Legislation, Aviation Regulation, Business Law, Commuter Aviation, Corporate and Business Aviation, Marketing, Principles of Management, Organizational Behavior, Transportation Principles, Trends and Current Problems in Air Transportation.

Graduate Level: Regulation, Ethics and the Legal System.

JOHN D. SOLOMON, A.A.E.
1656 Morning Stone Drive
Prescott, Arizona 86305
Telephone (928) 778-7630
Email solojd@cableone.net

PROFILE

Senior level public administrator with more than 39 years experience and accomplishments in airport management at medium hubs, large hubs, and airport systems.

EDUCATION

1954-1958	B.A. Degree Oklahoma State University, Stillwater, Oklahoma
1959-1960	Graduate Studies, Law Oklahoma City University, Oklahoma City, Oklahoma
1960-1961	Graduate Studies, Law University of Oklahoma, Norman, Oklahoma
1967	Certification as an Accredited Airport Executive (A.A.E.) by the American Association of Airport Executives (AAAE)
1963-Present	Continuing Education Courses (CEU) University of Oklahoma - 44 CEU's Embry Riddle University - 4 CEU's The courses include Airport Management, Finance, Safety Security, Federal Rules and Regulations, Airport Planning and Design, Airfield Pavement Design and Testing, Environmental and Land Use Planning, Airport/Aircraft Noise Studies, Airport Accounting, Budgeting and Revenue Generation, Ground Transportation and Parking Issues, and Public Relations.

EXPERIENCE

City of Phoenix Aviation Department - 1997 to 2002

- Senior Assistant Aviation Director/Chief Operations Officer of a three-airport system with 720 employees and $130 million annual operating budget and a $3.5 billion capital improvement program.
- Provide leadership and oversight for the Operations, Facilities and Services, Planning and Development, and General Aviation Divisions.
- Conducted and completed a master plan for Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport, and Phoenix Goodyear Airport.
- Completed major exterior re-signing project for the terminals and roadways at Phoenix Sky Harbor International Airport.
- Initiated a major addition to the Terminal 4 parking garage, the completion of which will more than double the parking capacity.
- Completed a new parking revenue control system to control revenue collection and revenue retention.
- Initiated and completed a new air cargo building and parking apron to accommodate integrated air cargo carriers and provide space to accommodate future growth.
- Initiated a new airline terminal study to accommodate the growing needs at Phoenix Sky Harbor International Airport.
- Initiated a consultant study of the Planning and Development Division resulting in realignment of positions and new positions, policies, and procedures to plan and manage the construction of major capital improvements to the infrastructure of the three airports in the Phoenix Airport System.
- Hired Deputy Aviation Director of the Facilities and Services Division, restructured division management team, resulting in operational efficiencies and improved employee performance, satisfaction, and morale.
- Introduced ideas, such as an Airport Ambassador Program, to enhance customer service for passengers and users; relocation of General Aviation to General Aviation reliever airports; reconstructing runways/taxiways at Phoenix Sky Harbor International Airport to replace asphalt with concrete; merger of fixed base operators to reduce conflict between parties as we approach relocation of General Aviation facilities to provide room for runway redevelopment; creation of group IV parallel taxiways for north and south runway systems to improve ground handling capacity.
- Oversight of development and construction of new concourse and apron for America West Airlines at Terminal 4.
- Management oversight of Y2K review and remediation program for the Aviation Department.
- Daily interaction and communication with Phoenix Aviation Advisory Board, City Manager, and Deputy City Managers, other City departments, airport tenants and users, and neighborhood organizations.
- Management oversight of Land Acquisition Program, west cargo area redevelopment, and development of plans for consolidated rental car facility.
- Served as principal long-range planning manager for the airport system.
- Frequently interact with federal, state, and local officials on legislative matters, federal and state grant issues, and application and multiple operational issues.

Kansas City Airport System - 1991 to 1997

- Director of a three airport system with 460 employees, and $70 million annual budget.
- Improved and increased air service at Kansas City International Airport over five years from 8.4 to 9.5 million passengers per year.
- Conducted and completed a new master plan and noise compatibility study.
- Developed new air cargo facilities and increased air cargo service over 60% in five years.
- Completed construction of two parking garages.
- Completed construction on a new $50 million runway/taxiway system.
- Reconstructed all remaining runways, taxiways, and terminal building ramps at Kansas City International Airport.
- Completed $8 million remodeling of downtown airport terminal building.
- Established new FBO at downtown airport that will remove old hangars and build new corporate hangars.
- Completed US Air Force Base closing and transition to General Aviation airport at Richards-Gebaur Memorial Airport.
- Established annual commercial air show at Richards-Gebaur Memorial Airport.
- Developed a five-year strategic plan for reengineering the management of the airport system.

Houston Airport System - 1988 to 1991

- Deputy Director, Operations and Maintenance Division of a thee-airport system with 925 employees, responsible for daily operations and maintenance programs.
- Responsible for coordination of Police and Fire Departments at three airports.
- Directed $52 million division budget preparation and monitored expenditures.
- Developed long and short range operational policies, plans, and procedures for division.
- Served on cross-functional planning team to plan and construct a $100 million international building.
- Developed privatization task force for citywide underground fuel tank identification and remediation. Established regional fueling locations for all City vehicles.
- Commenced a major reconstruction project at Hobby Airport, including a new roadway/bridge system and second level service road at the terminal.
- Developed an air show at Ellington Airport with the Confederate Air Force.
- Developed operational and utility replacement plan for Ellington Airport.

Landrum and Brown, Inc., Aviation Consultant - 1986 to 1988

- Served as Director and an Airports Management Consultant for the firm, which specialized in facilities, financial, environmental planning, and management studies.
- Planned and administered a new business development marketing plan for a three-office, professional consulting firm.
- Directed the activities of the environmental planning group that prepared noise compatibility studies for numerous clients.
- Developed client leads that resulted in major consulting work for the firm.

McCarran International Airport, Las Vegas, NV - 1977 to 1986

- Director of large hub airport and three General Aviation airports with 340 employees and $40 million annual budget.
- Planned and implemented a $350 million major airport terminal redevelopment program. Project completed on time and on budget.
- Developed award winning public relations program during construction.
- Planned and executed the largest airport revenue bond issue ever accomplished to that date (1982).
- Reconstruction of runways/taxiways and lighting systems at two General Aviation airports.

Will Rogers World Airport, Oklahoma City, OK - 1969 to 1977

- Director of medium hub airport and two General Aviation airports with 125 employees and $16 million annual budget.
- Planned and implemented a $40 million improvement program, including runways/taxiways and terminal and parking improvements.
- Initiated interactive Community Relations Program dealing with noise mitigation at Will Rogers and Wiley Post Airports.
- Increased and improved air service with new routes and new airlines during regulation (the last major Civil Aeronautics Board Case).
- Developed operations and security plans with FAA as a prototype for the Federal Airport Certification Program and the Federal Airport Security Program (screening checkpoints).
- Organized and operated a regional crash-fire-rescue training program serving airports in a five-state region.

Tulsa International Airport - 1966 to 1969

- Assistant Manager responsible for airport operations and maintenance for medium hub and General Aviation airport, with 65 employees and an annual budget of $12 million.
- Conducted lease negotiations, contract administration, capital improvement planning, management studies, and cost/benefit studies.
- Developed maintenance and operations manuals and training programs and employee safety and incentive programs.
- Established preventive maintenance programs replacing reactive maintenance.

Will Rogers World Airport, Oklahoma City, OK - 1963 to 1966

- Served as Administrative Assistant to the Director, handling a large variety of administrative duties.
- Negotiated and prepared concession' lease agreements.
- Served as Public Relations Officer and Operations Duty Officer.
- Promoted to Assistant Airports Manager in 1965.
- Prepared federal grant applications. Administered major land acquisitions and relocation program.
- Conducted studies for crash-fire-rescue privatization, custodial privatization, fuel handling services, and personnel studies.
- Responsible for annual budget preparation.
- Participated in on-the-job, hands-on, management training in Operations, Properties, Maintenance, and Planning and Development.
- Assisted with planning and implementation of a new $40 million terminal complex and parking garage and a new parallel runway/taxiway system.

PERSONAL

Affiliations:

American Association of Airport Executives (AAAE)
Airports Council International - North America

Honors:

1966-1980 - Member, Board of Directors; Officer of AAAE
1975 - AAAE National President's Award
1979 - National President - AAAE
1983 - Member, Government Affairs Committee - AOCI
1984 - Vice Chairman, Government Affairs Committee - AOCI
1985 - Chairman, Government Affairs Committee - AOCI
1986 - Member, Board of Directors - AOCI
1991 - AAAE Distinguished Service Award
1994 - Member, Board of Directors - ACI-NA

References:

Furnished on Request

David Roy

P.O. Box 12852 Prescott, AZ 86304
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928-708-9091(H) / 928-925-4902 (M)

EMPLOYMENT

Manager Flight Standards –Flight Department **November 2004 - Present**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY- **Prescott Campus** PRESCOTT AZ
Manage Flight Standards Team, provide evaluations on behalf of the FAA under 14CFR Part 142 training program

Flight Academics – Instructor, Flight Department **November 2003 - November 2004**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY- **Prescott Campus** PRESCOTT AZ
Taught Commercial Pilot Courses. Created a new model for ground instruction curriculum based on recent FAA guidelines.

Associate Director of Alumni Relations **August 2002 – November 2003**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY- **Prescott Campus** PRESCOTT AZ
Responsible for creating and Managing Alumni activities including Homecoming (Octoberwest)

Assistant General Manager **May 1998 – July 2002**
ASPEN HOMES DEVELOPMENT INC. OGDEN UT
Managed Marketing and Sales; Advertising and Promotion of New Subdivisions. Extensive use of CAD and Adobe Suite for promotional materials, home design / modification and subdivision layout. Local Government liaison including planning and zoning approval and construction permitting.

Aviation Safety Program Manager **May 1994 – May 1998**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY PRESCOTT AZ
Management of all aviation safety functions within flight training program (700 students, 50 aircraft and 85 Instructors.) Responsible for: Safety Education, Hazard Identification & Analysis, Emergency Response

Associate Director, CENTER FOR AEROSPACE SAFETY EDUCATION **December 1995 - 1996**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY PRESCOTT AZ
Responsible for the integration and oversight of aviation safety education within the academic curriculum. Coordination of safety related, aviation industry training courses.

EXPERIENCE

FLIGHT INSTRUCTOR AIRPLANE INSTRUMENT TOTAL FLIGHT TIME: 4300 HOURS
FLIGHT INSTRUCTOR, SINGLE / MULTI-ENGINE LAND Pilot in Command: 3960 Hours
COMMERCIAL Pilot Airplane SINGLE / MULTI-ENGINE LAND

Certificates and Ratings **Flight Time:**
FLIGHT INSTRUCTOR AIRPLANE INSTRUMENT TOTAL FLIGHT TIME: 4000 HOURS
FLIGHT INSTRUCTOR, SINGLE / MULTI-ENGINE LAND Pilot in Command: 3760 Hours
COMMERCIAL Pilot Airplane SINGLE / MULTI-ENGINE LAND
Ground Instructor - Advanced Instruments
FAA - Airmen Certification Representative / Safety Program Counselor

Prescott Air Fair Association **July 2003 – Present**
PRESIDENT/BOARD OF DIRECTORS, PRESCOTT AIR FAIR ASSOCIATION PRESCOTT AZ
Created a community-based non-profit, 501 (C) 3 association to stage an Air Fair at the Prescott Airport. Organized and managed all facets of the event, which attracted an estimated 10,000 people and raised over $50,000 in cash and in-kind donations.

2002 Winter Olympic and Paralympic Games **December 2001 – February 2002**
ALPINE DOWNHILL SKI EVENTS OGDEN UT
MANAGER, WORKERS CITY – SNOWBASIN RESORT
Coordination of all support personnel for Alpine Ski Events at the Snowbasin venue of the Salt Lake City Winter Olympics. Managed over 1,500 volunteers and related resources, interfaced with Olympic Administrative and Resort staff. Directed the installation of Olympic signage for Alpine Ski Events.

2001 World Cup Alpine Race **December 2000**
PLANNING COMMITTEE, AWARDS CEREMONY MANAGER, OGDEN UT
SIGNAGE MANAGER– SNOWBASIN RESORT
Executive member of Planning Committee tasked with designing the volunteer work model for Alpine Ski Events at Snowbasin. Including; resources, facilities, work flow and communications. Designed, and oversaw the installation of all signage. Designed and directed the athlete award ceremonies.

EDUCATION

Candidate Masters of Science in Aeronautical Science **Expected October 2006**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY PRESCOTT AZ

Bachelor of Science in Aeronautical Science **December 1988**
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY PRESCOTT AZ

Associate of Arts in Public Communications **May 1981**
MOUNT WACHUSETT COMMUNITY COLLEGE GARDNER MA

TRAINING

Risk Management in Aviation Operations **December 1997**
SOUTHERN CALIFORNIA SAFETY INSTITUTE LOS ANGELES CA
Risk Assessment and Analysis, Trend Identification, Fault Tree Analysis

Team Development and Interaction **December 1997**
AMERICAN AIRLINES TRAINING FACILITY DALLAS TX
Team Processes, Group Dynamics and Conflict Resolution

Crash Survival Investigation School - Advanced **October 1993**
THE INTERNATIONAL CENTER FOR SAFETY EDUCATION - ICSE PHOENIX AZ
Crash Dynamics Research, Kinematics, Advanced Accident Investigation Techniques, Occupant Impact and Fire Protection

Aircraft Restoration Course **November - December 1992**
SMITHSONIAN INSTITUTION – NATIONAL AIR & SPACE MUSEUM WASHINGTON DC
Study included: Structural, Powerplant, Sheetmetal Chemical, and Fabric

AWARDS

AIR MEDAL - FÉDÉRATION AÉRONAUTIQUE INTERNATIONALE (FAI) **December 2005**
FOR SIGNIFICANT CONTRIBUTION TO THE PROGRESS OF AERONAUTICS AND ASTRONAUTICS DURING THE PREVIOUS YEAR

ASSOCIATIONS

President - Prescott Air Fair Association **June 2003 - Present**

Vice President – Experimental Aircraft Association **Chapter 658** **January 2004 – Present**

COMPUTER SKILLS

Microsoft Office, Adobe products including; Photoshop, Illustrator, PageMaker AutoCad and TurboCad.

ELLIOTT ZIEL PESUT

6807 E. SANDHURST DRIVE
PRESCOTT VALLEY, AZ 86314
(928) 273-3271
pesut571@erau.edu

Certs/Ratings: Commercial Pilot: Airplane Single & Multiengine Land, Instrument
FAA Class One Medical Certificate
Type Aircraft: Cessna 150, Cessna 172 and Piper PA-44 Seminole

Flight Times:

TOTAL TIME	258.7	**TOTAL PIC**	140.2
SINGLE ENGINE	136.7	-SINGLE ENGINE PIC	100.4
MULTI-ENGINE	61.0	-MULTI -ENGINE PIC	39.8
NIGHT	37.7	**XC**	77.4
TOTAL INSTRUMENT	87.4	**FTD/SIMULATOR**	62.7
-SIMULATED INSTRUMENT	86.6	**TURBINE**	1.0
-ACTUAL INSTRUMENT	0.8		

Education: Embry-Riddle Aeronautical University (ERAU) Prescott, AZ
Bachelors of Science: Aeronautical Science
Area of Concentration: Airline Pilot
CGPA: 3.797
Projected Graduation: December 2007

Honors & Scholarships:

Name	Granted By	Date(s)
Mortar Board, Member	Mortar Board	April, 21 2006
Student Employee of the Year, 2006	Embry-Riddle	March, 15 2006
Jack Hunt Scholarship Recipient	Embry-Riddle	AY '05-'06
Flight Leadership/Fellowship Student	Embry-Riddle	2005, 2006, & 2007
Deans List	Embry-Riddle	2003, 2004, 2005
Visionary Leadership of FLASAB	FLASAB	April 27, 2005

Volunteer Work/Community Service:

Service	Organization	Date(s)
Bus-to-Us	Embry-Riddle Flight Line	January 2006
Publisher of FLASAB Newsletter	FLASAB	Fall 2004 - Present
Administrator of 'www.FLASAB.com'	FLASAB	Fall 2005 - Present
Big Brothers Big Sisters	Golden Eagles Flight Team	2004 & 2005
Upward Bound	Embry-Riddle Flight Line	July, 2005
Prescott Air Fair Volunteer	Golden Eagles Flight Team	October, 2004

Leadership Experience:

Flight Line/Air Science Student Advisory Board (FLASAB)	
Director	Spring 2006 - Present
President	Spring 2005 – Spring 2006
Vice President	Fall 2004 – Spring 2005
Board Member	Spring 2004 – Fall 2004
Golden Eagles Flight Team (GEFT)	
Admin Assistant to President	Fall 2004 – Spring 2005
Event Coordinator, Aircraft ID	Fall 2004 – Spring 2005
Loening Committee Chairman	Fall 2003 – Spring 2004
Mortar Board	
Director of Communications	Spring 2006 – Present
Board Member	Spring 2006 – Present

Work Experience:

2005 – Present	Embry-Riddle, Flight Systems Administration – Title: Student Assistant
2004 – 2005	Embry-Riddle, Flight Dispatch – Title: Dispatcher
2000 – 2003	Marsh Supermarkets – Title: Front End Service Clerk

Technical Skills:

Expert in Microsoft Office: Excel, PowerPoint, Word, Publisher, Access and Windows Operating System
Apple: iMove, iDVD, FinalCut, Keynote and MAC OS X Operating System
Adobe: InDesign, Illustrator, Photoshop, GoLive–Creative Suite

Douglas K. Dickey

dicke85b@erau.edu

6807 E Sandhurst Dr – Prescott Valley, AZ 86314 – (206) 849-0869

EDUCATION

Embry-Riddle Aeronautical University — Prescott, AZ
Student – Bachelor of Science, Aeronautical Science — 2003-Current
Minor in Meteorology

Relevant Coursework:

Mathematics	Business Management
Basic Aerodynamics	Computer Science
Physical Science	Ethics & Responsibility

WORK EXPERIENCE

Embry-Riddle Admissions — Prescott, AZ
Tour Coordinator/Tour Guide — 2006-Current
- Created computer database for tracking and scheduling of tours, reports, visitors, and admissions information.
- Schedule tours and plan Admissions events
- In charge of all tour guides and students assistants

Embry-Riddle Flight Department – Standards — Prescott, AZ
Student assistant to Standards and Chief Flight Instructor — 2006-Current
- Assisted in various projects for the flight department
- Provided assistance in Economic Impact of the Prescott Airport Report
- Collaborated with team to update important information

SKILLS

Computer: Expert in all Microsoft Office applications (Word, Excel, Powerpoint, Access, Frontpage); Extremely **s**killed in Adobe Photoshop, Illustrator, GoLive, InDesign, and Acrobat; Proficient in HTML and Web Services

HONORS/ AWARDS

Eagle Scout, Boy Scouts of America, 2000
Nominated, Student Employee of the Year, 2006
Recipient, Various Campus Scholarships, 2000

LEADERSHIP

President, Sigma Pi Fraternity, Int., 2006-Current
Vice – President, Sigma Pi Fraternity, Int., 2005-06
Assistant Scoutmaster, National Youth Leadership Training, 2005-06
Junior Assistant Scoutmaster, Tahoma Junior Leader Training, 2004-05
Senior Patrol Leader – Tahoma Junior Leader Training, 2003-04
Patrol Leader – National Youth Leader Training, 2003

ACTIVITIES

President, Vice President, Secretary, Philanthropy, Fundraising, Sigma Pi Fraternity, Int., 2003-Current
Member, Intra-Fraternity Council, 2006-Current
Member, Flight Line – Air Science Student Advisory Board (FLASAB)
- Web Coordinator, Student Representative
Volunteer, Salvation Army, 2003-Current
Volunteer, Boy Scouts of America, 2000-Current

CHAMBER MEMBER SURVEY

WILLIAM V. CHEEK & ASSOCIATES
AVIATION CONSULTING
PMB #468 1042 WILLOW CREEK RD. SUITE 101
PRESCOTT, AZ 86301-1628
Email: cheekb@erau.edu

PRESCOTT MUNICIPAL AIRPORT - ECONOMIC IMPACT SURVEY

Date: **March 14, 2006**

To: **Members of the Prescott Chamber of Commerce**

From: **William V. Cheek & Associates, Aviation Consultants, acting for the Chamber**

Re: **Request for Economic Survey Data**

We are conducting a survey at the request of the Chamber of Commerce to develop information concerning **the economic impact of our airport/aviation activities on our community/area**. We are asking all businesses and organizations in the community who are members of the Prescott Chamber of Commerce to respond to this short Survey, regardless of whether your company or organization has business with the Airport or Airport-Related businesses. The data you furnish will enable us to make some conclusions about the economic importance of Ernest A. Love Field and environs to the area.

All information WILL BE KEPT STRICTLY CONFIDENTIAL, AND ANY DATA YOU REPORT WILL BE INCLUDED IN INDUSTRY TOTALS ONLY. A return envelope with postage prepaid is included for your convenience.

We would like to have your data for the THREE MOST RECENT YEARS, if it's readily available, or for at least the calendar year 2005, if the three-year period is not available. For purposes of this Survey, the following definitions should be used in thinking about your responses:

AIRPORT BUSINESS: A company or organization that is based at or near the Airport (includes Embry-Riddle Aeronautical University).

AIRPORT-RELATED BUSINESS: A company or organization that is strategically located near the Airport but is not fundamentally an aviation business or organization.

Please respond on or before March 28, 2006 so we may meet our commitment with the Chamber.

1. Please classify what best describes your business / profession / organization:

   ❑ Retail/Wholesale ❑ Service ❑ Manufacturing ❑ Government

   ❑ Other? **Specify:**_____

2. Have you or members of your company or organization used the scheduled air carrier service that operates out of the Prescott Airport in any of the past three years?

   ❑ YES ❑ NO

   If YES, *about* how many total trips: _____

   If YES, approximately what percentage of the trips were for air service BEYOND Phoenix? _____

3. From your personal perspective, please react to the following statement:

   The Prescott Airport is a major contributor to the economy of the area.

   ❑ Strongly Agree ❑ Agree ❑ Neutral ❑ Disagree ❑ Strongly Disagree

4. Do you do business with the Airport or Airport-Related Businesses *other than scheduled air service*?

   ❑ YES ❑ NO

   (If the answer is NO, please skip to Question 12)

---

5. From your personal perspective, please react to the following statement:

   My business largely depends on the existence and viability of the Prescott Airport.

   ❑ Strongly Agree ❑ Agree ❑ Neutral ❑ Disagree ❑ Strongly Disagree

6. How would you define the business you have with the Airport or Airport/Related Businesses?

   Mark all those that apply.

   ❑ Sell Products **to** the Airport or Airport-Related Businesses.

   ❑ Buy Products **from** the Airport or Airport-Related Businesses.

   ❑ Sell Services **to** the Airport or Airport-Related Businesses.

   ❑ Buy Services **from** the Airport or Airport-Related Businesses.

   ❑ Other? **Define:**_____

7. Average number of total employees in your company or organization for each of the last three years?

   2003: _____ 2004: _____ 2005: _____

8. Approximate payroll totals for each of the last three years?

   2003: $_____ 2004: $_____ 2005: $_____

9. In each of the last three years, approximately what amount of Gross Sales volume (in Dollars) did your business or organization realize from business with the Airport or Airport-Related Businesses?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

10. In each of the last three years, approximately what amount of Expenses (in Dollars) did you spend with the Airport or Airport-Related Businesses?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

11. In each of the last three years, approximately what amount of Gross Sales <u>overall</u> (in Dollars) did you realize in your business or organization?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

12. In your opinion, what is the greatest need for change/improvement of the Prescott Airport?

Check all that you think apply.

- ❑ Better Passenger Air Service;
- ❑ New Passenger Terminal and Related Amenities;
- ❑ Additional Small Aircraft Hangars;
- ❑ Longer Runway(s);
- ❑ Better Service, Facilities, and Amenities for Transient Aircraft;
- ❑ More Maintenance and Repair Stations for Small Aircraft;
- ❑ Other? Specify:_____

13. Any comments about the Airport that you wish to make (anonymously) that we could quote in a Report?

_____

_____

_____

_____

14. PLEASE SIGN AND LIST THE NAME OF YOUR BUSINESS/ORGANIZATION**. (Optional)**:

_____

If you have signed above, would you be willing to do a short telephone or in-person interview?

❑ Yes ❑ No

If Yes, who should we ask for, phone number, and best time to call:

_____

THANK YOU VERY MUCH FOR YOUR ASSISTANCE ON THIS IMPORTANT PROJECT.

A FINAL REPORT WILL BE RENDERED CONCERNING THE ECONOMIC IMPACT OF THE AIRPORT.

SUMMARIES OF THE FINDINGS AND CONCLUSIONS WILL BE PUBLISHED AND COPIES OF THE FULL REPORT WILL BE AVAILABLE AT THE PRESCOTT CHAMBER OF COMMERCE OFFICE.

ARIZONA AIRPORT SURVEY

WILLIAM V. CHEEK & ASSOCIATES
AVIATION CONSULTING
PMB #468 1042 WILLOW CREEK RD. SUITE 101
PRESCOTT, AZ 86301-1628
Email: cheekb@erau.edu

We are conducting a survey at the request of the City of Prescott Chamber of Commerce to develop information concerning the economic impact of our airport/aviation activities. In addition to a survey distributed to local businesses, we are also seeking comparative data on other airports within the State of Arizona.

ALL INFORMATION WILL BE KEPT STRICTLY CONFIDENTIAL, ANY DATA YOU REPORT WILL BE INCLUDED IN INDUSTRY TOTALS ONLY.

A return envelope with postage prepaid is included for your convenience.

---

1. Does your airport own and operate all the hangars and T-hangars on the Airport?

   YES ❑ NO ❑

2. How have these hangars been financed? (Answer all that apply)

   - Airport Revenues _____
   - Revenue Bond financing _____
   - Other _____ (Please explain)

3. Have you obtained FAA or ADOT financial assistance in hangar development?

   YES ❑ NO ❑

   If YES, how did the FAA/ADOT participate?

   - Access taxiways? YES ❑ NO ❑
   - Site preparation? YES ❑ NO ❑
   - Hangar Construction? YES ❑ NO ❑
   - Other (Please explain)

4. Do you permit Hangar Development by 3rd Party developers?

   YES ❑ NO ❑

   If YES, do you lease or sell Airport Property to the Developer?

   LEASE❑ SELL ❑

5. How do you compute your hangar rental rates?
    - Total Project cost recovery spread over lease term? YES ❑ NO ❑
    - Current Market Rate? YES ❑ NO ❑
    - Appraised Value? YES ❑ NO ❑
    - Other? (Please explain)

6. Do you include annual inflation factor rate increase in your leases?

    YES ❑ NO ❑

7. If you are required to provide major maintenance, do you include a maintenance fee in your hangar rental rates? YES ❑ NO ❑

8. How long is the initial term of your hangar lease agreements?

    10 yrs ❑ 20 yrs ❑ 25 yrs ❑ Other _____

9. Do your leases offer a conditional extension (option to renew) of the original term?

    YES ❑ NO ❑

10. What are your current hangar rental rates?
    - Tie Down space _____ per Sq. Ft.
    - Shade Hangars _____ per Sq. Ft.
    - Nested T-Hangars _____ per Sq. Ft.
    - Portable T-Hangars _____ per Sq. Ft.
    - Large Box Hangars _____ per Sq Ft.
    - FBO or Service Hangars _____ per Sq Ft.

11. Do you allow other uses (motor vehicle, boat storage, etc.) in your T-Hangars?

12. Do you have a Hangar waiting list? YES ❑ NO ❑

    Approximately how many names are on your list? _____

13. Does the list include names of tenants who already have hangars on your airport?

    YES ❑ NO ❑

14. How long (on average) can someone on the list expect to wait for a hangar?

    _____ WEEKS _____MONTHS _____YEARS

15. Does your airport provide AC into plane fueling? YES ❑ NO ❑

16. What is your current retail price of fuel? **Avgas** _____
Jet A _____
Fuel _____

17. What are your total annual fuel sales for the past three fiscal years?
FY 2002 _____ **FY 2003** _____ **FY 2005** _____

18. What are your total annual Aircraft Operations for each year for the past 3 fiscal years?
FY 2002 _____ **FY 2003** _____ **FY 2005** _____

19. How many "Based Aircraft" do you have on your airport? _____

20. What other user fees do you charge?
- Landing Fees? YES ❑ NO ❑
- Auto Parking Fees? YES ❑ NO ❑
- Terminal Building Rentals? YES ❑ NO ❑
- Other? (Please explain)

21. Does your airport receive a General Fund Subsidy from your City or County to assist in funding the operating cost and airport development and improvements costs at your airport? YES ❑ NO ❑

Request: **If possible, would you please attach a copy of your annual budget and summary of Revenues and Expenses for the past three years? – Thank you!**

AIRPORT USER / TENANT SURVEY

WILLIAM V. CHEEK & ASSOCIATES
AVIATION CONSULTING
PMB #468 1042 WILLOW CREEK RD. SUITE 101
PRESCOTT, AZ 86301-1628
Email: cheekb@erau.edu

PRESCOTT MUNICIPAL AIRPORT - ECONOMIC IMPACT SURVEY

Date: **March 20, 2006**

To: **Prescott Airport Tenants & Users**

From: **William V. Cheek & Associates, Aviation Consultants, acting for the Chamber**

Re: **Request for Economic Survey Data**

****

NOTE: IF YOU RECEIVED AND RESPONDED TO A SIMILAR SURVEY THAT WAS MAILED TO PRESCOTT CHAMBER OF COMMERCE MEMBERS, SIMPLY ANSWER THE FIRST 8 QUESTIONS, IF APPLICABLE, THEN SIGN IT ON PAGE 4 AND MAIL IT IN THE ENCLOSED SELF-ADDRESSED, STAMPED ENVELOPE.

IF YOU DID NOT RECEIVE A SURVEY AS A MEMBER OF THE CHAMBER OF COMMERCE, WE DEFINITELY NEED YOUR INPUT, SO PLEASE RESPOND TO THIS SURVEY, SIGN IT AND MAIL IT IN THE ENCLOSED SELF-ADDRESSED, STAMPED ENVELOPE.

****

We are conducting a survey at the request of the Chamber of Commerce to develop information concerning **the economic impact of the Prescott Airport/aviation activities on our community/area**. We are asking all tenants/users of the Prescott Airport to respond to this short Survey. The data you furnish will enable us to make some conclusions about the economic importance of Ernest A. Love Field and environs to the area.

All information WILL BE KEPT STRICTLY CONFIDENTIAL, AND ANY DATA YOU REPORT WILL BE INCLUDED IN INDUSTRY TOTALS ONLY. A return envelope with postage prepaid is included for your convenience.

Please respond on or before March 31, 2006 so we may meet our commitment with the Chamber.

1. I (or my company/organization) own and operate an airplane that's hangared/based at the Prescott Airport

   ❑ Yes ❑ No

   More than one?

   ❑ Yes ❑ No If yes, how many:_____

If the either answer to QUESTION 1 is, YES, please proceed to the next Question,

If the answer is NO, please skip to Question 9.

2. I (or my company/organization) rent hangar/tie-down space(s) at the Prescott Airport.

   ❑ Yes ❑ No

3. I (or my company/organization) have been renting hangar/tie-down space(s) at the Prescott Airport for:

   ❑ Less than a year
   ❑ 1 > 2 years
   ❑ 2 > 5 years
   ❑ 5 > 10 years
   ❑ 10 years or more

4. I (or my company/organization) pay(s) approximately $ _____ per month to rent Hangar / Tie-down space(s) at the Prescott Airport.

5. I (or my company/organization) purchase an average of approximately _____ gallons of aviation fuel per month at the Prescott Airport.

6. **Excluding fuel, hangar/tie-down rent, and debt service,** I spend an average of approximately $ _____ **per month** for aircraft services and maintenance at the Prescott Airport.

7. I (or my company/organization) own and fly (flies) airplane(s) **primarily** for **Recreation** purposes.

   ❑ Yes ❑ No

8. I (or my company/organization) own and fly (flies) airplane(s**) primarily** for **Business** purposes.

   ❑ Yes ❑ No

If the answer to QUESTION 8 is YES, please proceed to the next Question,
If the answer is NO, please skip to Question 17.

For purposes of this Survey, the following definitions should be used in thinking about your responses:

> **AIRPORT BUSINESS:** A company or organization that is based at or near the Airport (includes Embry-Riddle Aeronautical University) and is fundamentally an aviation business or organization.
>
> **AIRPORT-RELATED BUSINESS:** A company or organization that is strategically located near the Airport but is **NOT** fundamentally an aviation business or organization.

9. My company/organization is **PRIMARILY AN AIRPORT BUSINESS.**

   ❑ Yes ❑ No

10. My company/organization is **PRIMARILY an AIRPORT-RELATED BUSINESS.**

   ❑ Yes ❑ No

NOW, We would like to have financial data for the THREE MOST RECENT YEARS, if it's readily available, or for at least the calendar year 2005, if the three-year period is not available.

11. Please classify what best describes your business/profession/organization:
   ❑ Retail/Wholesale ❑ Service ❑ Manufacturing ❑ Government

   ❑ Other? **Specify:**_____

12. Average number of total employees in your company or organization for each of the last three years?

   2003: _____ 2004: _____ 2005: _____

13. Approximate payroll totals in your company or organization for each of the last three years?

   2003: $_____ 2004: $_____ 2005: $_____

14. In each of the last three years, approximately what amount of Gross Sales volume (in Dollars) did your business or organization realize from business with the Airport or Airport-Related Businesses?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

15. In each of the last three years, approximately what amount of Expenses (in Dollars) did you spend with the Airport or Airport-Related Businesses?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

16. In each of the last three years, approximately what amount of Gross Sales <u>overall</u> (in Dollars) did you realize in your business or organization?

2003: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2004: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

2005: Range: ❑ $0-25,000 ❑ $25,001-50,000 ❑ $50,001-75,000
❑ $75,001-100,000 ❑ $100,001-125,000 ❑ $125,001-150,000;
❑ $150,000 (specific range to nearest $25,000): $_____

17. From your personal perspective, please react to the following statement:

My business largely depends on the existence and viability of the Prescott Airport.

❑ Strongly Agree ❑ Agree ❑ Neutral ❑ Disagree ❑ Strongly Disagree

18. From your personal perspective, please react to the following statement:

The Prescott Airport is a major contributor to the economy of the area.

❑ Strongly Agree ❑ Agree ❑ Neutral ❑ Disagree ❑ Strongly Disagree

19. In your opinion, what is the greatest need for change/improvement of the Prescott Airport?

Check all that you think apply.

- ❑ Better Passenger Air Service;
- ❑ New Passenger Terminal and Related Amenities;
- ❑ Additional Small Aircraft Hangars;
- ❑ Longer Runway(s);
- ❑ Better Service, Facilities, and Amenities for Transient Aircraft;
- ❑ More Maintenance and Repair Stations for Small Aircraft;
- ❑ Other? Specify:_____

20. Any comments about the Airport that you wish to make (anonymously) that we could quote in a Report?

_____

_____

_____

_____

_____

_____

_____

21. PLEASE SIGN AND PROVIDE YOUR NAME OR THE NAME OF YOUR BUSINESS/ORGANIZATION**. (Optional)**:

_____

If you have signed above, would you be willing to do a short telephone or in-person interview?

❑ Yes ❑ No

If Yes, who should we ask for, phone number, and best time to call:

_____

THANK YOU VERY MUCH FOR YOUR ASSISTANCE ON THIS IMPORTANT PROJECT.
A FINAL REPORT WILL BE RENDERED CONCERNING THE ECONOMIC IMPACT OF THE AIRPORT. SUMMARIES OF THE FINDINGS AND CONCLUSIONS WILL BE PUBLISHED AND COPIES OF THE FULL REPORT WILL BE AVAILABLE AT THE PRESCOTT CHAMBER OF COMMERCE OFFICE.

RANDOM COMMENTS FROM SURVEYS AND INTERVIEWS

"Airport Operations and Tower are the best and most friendly I have encountered." (Pilot).

"PRC is a very good airport, but need improved public understanding of its community role. Also, improved priority among elected officials." (Citizen).

"This airport is of VITAL importance not only to Prescott but all of Yavapai County…PRC brings in BIG dollars to the tri-city area…" (Citizen).

"The terminal should be improved and the runway lengths should be increased to improve the type of equipment that can be operated in and out of the Airport." (Business person).

"The City should be ashamed of itself [because of terminal]…Great Lakes [airline] has created inconvenience and I don't use them anymore." (Businessman).

"Passenger count down after Great Lakes entry…need to do something else." (Businessman).

"More air service would negatively impact the environment…don't need more noise." (Resident).

"The existing terminal should be replaced only after increased passenger traffic will justify the cost." (Businessman).

"We stopped flying when Mesa left because of the terminal change and inconvenience, lack of discounted fares with connections." (Citizen).

"I relied on the convenience offered by Mesa—now I do not use our airport at all." (Citizen).

"Air service to southern California badly needed by many customers of our company and employees…" (Businessman).

"All businesses looking to locate in Prescott from another area that will bring good employment to Prescott, arrive here by air. Private and Commercial—we need a new terminal and a fixed base operator to service these folks." (Airport Businessman).

"For the economy of any area , especially on that has such a major tourist component, to prosper, a viable air carrier is a must." (Citizen).

"Get rid of Great Lakes." (Citizen).

"The price of fuel is way too high…I almost always buy fuel elsewhere." (Pilot).

"This questionnaire has a bias and should not be used." (Citizen).

"The Airport is very important to the local economy, but less than on half as important as it would be with the longer runway and new terminal so we could attract a better carrier." (Businessman).

"…the new contract [Great Lakes] has severely diminished both business and tourist visits to Prescott." (Citizen).

"Airport is a critical asset--we all need to support its vitality." (Citizen).

"The quad-city area is on its way to becoming a small metro area—I feel that improving the airport would be extremely beneficial in helping us get to that higher level. The economy and overall quality of life would improve." (Businessman).

"I have many clients fly in and out of the Airport—the better it is—the better the impression of Prescott." (Businessman).

“A return to previous air provider would be an improvement. Better destinations (i.e. Las Vegas) would really help!” (Citizen).

“We need America West back!” (Citizen).

“Awarding contract to Great Lakes over Mesa was extremely detrimental to PRC’s growth and survival!” (Citizen).