

GRANDE PRAIRIE AIRPORT AREA

ECONOMIC FRAMEWORK



Executive Summary | May 1, 2025

Preface

MXD Development Strategists ('MXD') was retained by the City of Grande Prairie ('the City') in 2024 to evolve the Grande Prairie Regional Airport ('GPA') Economic Development Visioning Strategy ('EDVS'). The EDVS was conducted in collaboration with City staff, key local stakeholders, and elected officials through the latter half of 2024. The EDVS focused on identifying strategic opportunities to leverage the development of GPA in support of the City's long-term economic and land-use objectives.

Following the completion of the EDVS, MXD was further engaged by the City in 2025 to prepare a more comprehensive Economic Framework for the Airport Area, which is the subject of this summary report. Key objectives of the Grande Prairie Airport Area Economic Framework are to explore a Strategic Framework Concept for future development of GPA's properties and the areas surrounding GPA and investigate potential operating and development models to optimize GPA and its key role as an economic enabler for the region.

The figures presented in the report are based on an evaluation of the current general level of the economy in the local market, and neither consider, nor make provisions for the effect of any sharp rise or decline in local or general economic conditions.

MXD Development Strategists, Ltd. do not warrant that any estimates contained within the study will be achieved, but that they have been prepared conscientiously based on information obtained during this analysis. Any tenant references made in this report are for illustrative purposes only.

Reference material used for this report was derived from MXD's research including interviews with key Stakeholders, as well as from public and private sectors, and prior Prairie airport landside development projects MXD has worked on. This information was supplemented by our experience in the planning and development of real estate projects throughout North America and internationally.

Grande Prairie Airport Area Economic Framework

Executive Summary

Table of Contents

	Page
Methodology & Scope of Work	E2
Background	E3
Real Estate Market Overview	E6
Grande Prairie Airport Area Framework Concept	E7
Prioritization Strategy	E18
Preliminary Financial Feasibility & Economic Impacts	E20
Airport Operating & Development Models	E22
Preferred Partner Alliance Strategy	E25
Implementation Action Plan	E26

Executive Summary

Executive Summary

Methodology & Scope of Work

MXD Development Strategists ('MXD') was retained by the City of Grande Prairie (the 'City') in 2024 to evolve the Grande Prairie Regional Airport ('GPA') Economic Development Visioning Strategy ('EDVS'). The EDVS was conducted in collaboration with City staff, key local stakeholders, and elected officials through the latter half of 2024. The EDVS focused on identifying strategic opportunities to leverage the development of GPA in support of the City's long-term economic and land-use objectives.

Following the completion of the EDVS, MXD was further engaged by the City in 2025 to prepare a more comprehensive Economic Framework for the Airport Area, which is the subject of this summary report. Key objectives of the Grande Prairie Airport Area Economic Framework are to explore a Strategic Framework Concept for future development of GPA's properties and areas surrounding GPA, as well as to investigate potential operating and development models that could optimize GPA and its key role as an economic enabler for the region.

A fundamental presumption is that the City will retain ownership of GPA and its properties, regardless of which Airport Operating and Development Models are embraced.

The following key considerations drive the Economic Framework articulated in this report:

- 1. How should GPA's and surrounding properties be strategically planned and developed to pursue the EDVS opportunities?**
- 2. What operating, investment, and development models should be used to seek partners for implementing the EDVS and Economic Framework to optimize GPA and surrounding properties?**
- 3. How will the City collaborate with preferred partners to advance GPA EDVS and Economic Framework?**

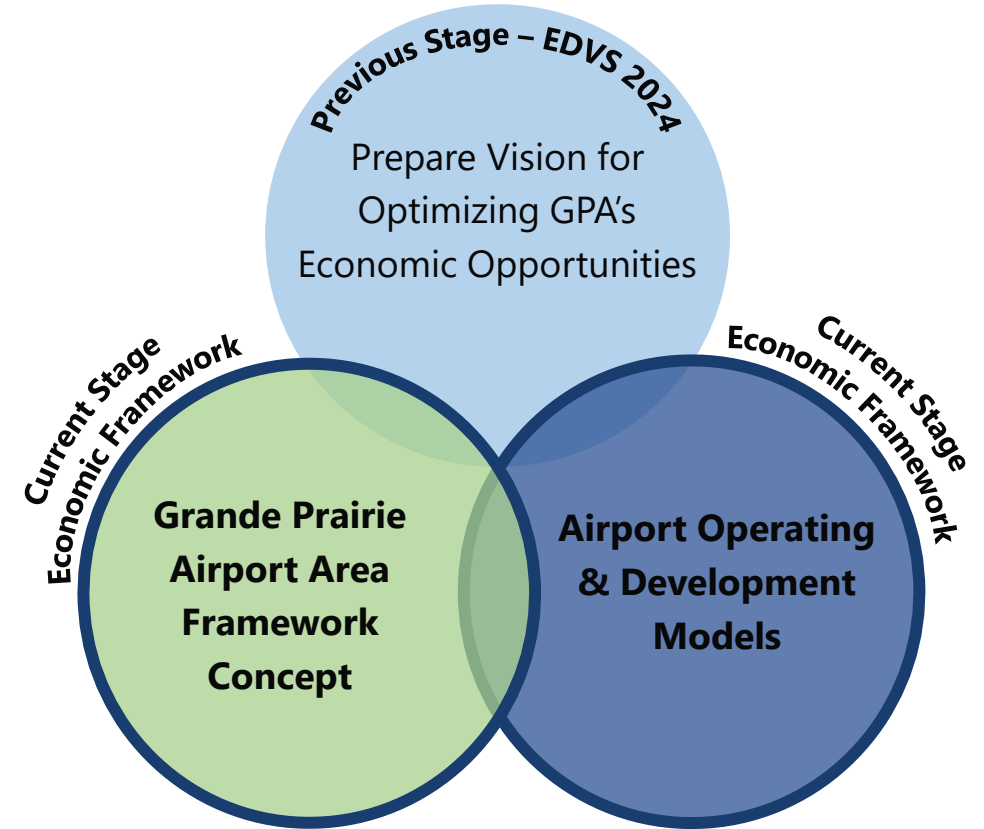


Figure E.1: Optimizing GPA's Role

Executive Summary

Background

Airports, when combined with regional multi-modal connectivity, enabling land uses, and transportation frameworks, are significant generators of economic activity.

Grande Prairie currently serves as Northern Alberta's most significant urban area with a robust economy driven by the convergence of Alberta's three major economic resource sectors – **Oil and Gas, Agriculture, and Forestry**.

The City is also a connecting point for facilitating supply chain management and a regional service hub for healthcare and retail, for Northern Alberta, BC, the Yukon and Northwest Territories. With Grande Prairie's robust economy and growing, young, skilled workforce, there are several opportunities for GPA to expand its role to facilitate a broad range of economic sectors, while pursuing greater air connectivity for the region.

As Northwest Alberta's Multi-Modal Hub, GPA sits at the convergence of existing and emerging economic corridors including 116th Street, 100th Avenue, the CANAMEX Corridor, and Highway 40.

To help grow traditional airport operations, there is an opportunity for GPA to leverage its connectivity (for moving people and products) and position itself as an enabler of economic growth and diversification within the regional economy. By acting as a hub that links both existing and emerging sectors, GPA can stimulate new business activities while enhancing regional connectivity.

The 2024 EDVS was prepared by MXD and the City to explore how GPA's properties and the surrounding area could be optimized to stimulate and enhance this type of economic growth and connectivity for the City.



Figure E.2: Inter-Regional Multi-Modal Connectivity

Executive Summary

Previous Stage: Economic Development Visioning Strategy

The EDVS 2024 explored where emerging new economic sectors that could benefit from GPA's connectivity could evolve within the context of the GPA area. The core of the EDVS revolves around properties situated between GPA and Grande Prairie Regional Hospital ('GPRH') and Northwest Polytechnic, where existing roads and sanitary sewer services are readily available.

When considering the economic sectors and land uses that are emerging around other progressive regional airports, paired together with the economic anchors of the City of Grande Prairie, the following opportunities drive the EDVS, as illustrated in **Figure E.3**:

- **Aviation and Aerospace** Training, Technology, Manufacturing, and Support on Airport properties.
- **Established Oil and Gas Energy Sector, as well as Renewable Green Energy** to embrace emerging technologies and energy options.
- **Northwest Alberta and Northern Canada's Distribution Hub.**
- **Value-Added Local Food Processing** supporting regional food security across the Peace Region and the North.
- **Healthcare Innovation**, leveraging GPA's regional connectivity, proximity to GPRH, as well as exploring models in the delivery of healthcare services to remote areas.
- **Incubators and Accelerators** within targeted sectors to build cross-industry relationships and help scale emerging businesses.

The full EDVS is attached at **Appendix 2**.



Figure E.3: Potential Future Economic Activity Clusters around GPA

Executive Summary

Current Stage: Grande Prairie Airport Area Economic Framework

Building on the work conducted in 2024, the first component of the Grande Prairie Airport Area Economic Framework sought to understand:

“How should GPA’s and surrounding properties be strategically planned and developed to pursue the EDVS Opportunities?”

In response to this question, the **Grande Prairie Airport Area Framework Concept** (**‘GPA AFC’**) focused on the study area illustrated in **Figure E.4**, including properties within the GPA property boundary, as well as immediately adjacent properties.

This study area was identified to recognize its important role in managing the next stage of growth of the City, with its proximity to key regional economic drivers including the Airport, the GPRH, Northwestern Polytechnic campus, and existing commercial activity along 100th Avenue.

The Grande Prairie Airport Area Framework Concept is based on integration of several previous planning and policy documents and considerations, including:

- **Municipal Development Plan**
- **Land Use Bylaw, Area Structure Plans**
- **AviaNG/InterVISTAS Airport Master Plan 2023-2043**
- **Noise Exposure Forecast (NEF) Contours 2033 and Obstacle Limitation Surfaces (AviaNG/InterVISTAS)**
- **Existing City Public Services & Utilities**

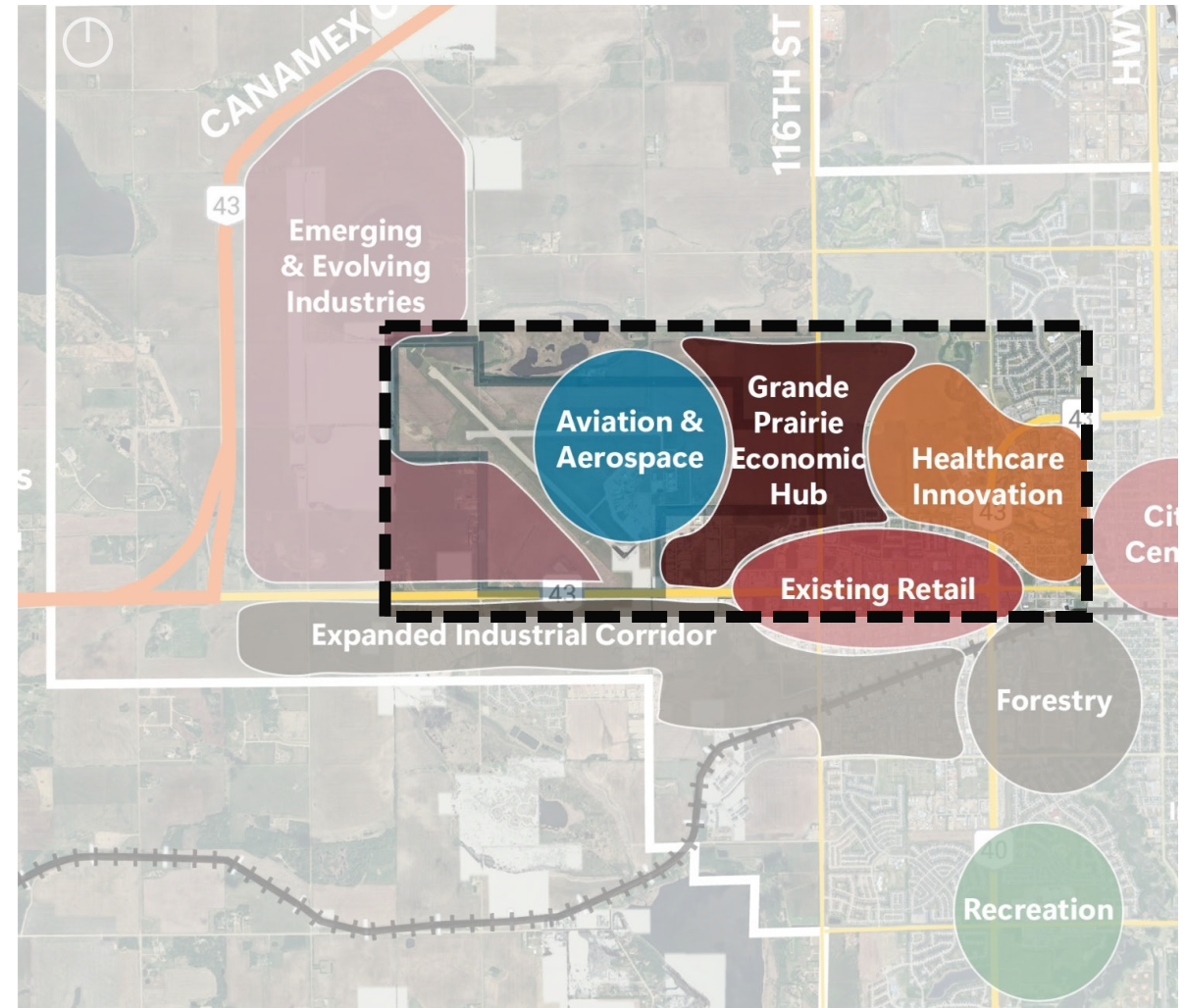


Figure E.4: Study Area for GPA Area Concept Strategy

Executive Summary

Real Estate Market Overview

A Real Estate Market Overview for the Grande Prairie Airport Area identified potential real estate development opportunities at and around GPA. This baseline analysis, reflecting on historic absorption trends, forecasted demand for industrial, office, retail, and hotel uses over a 20-year horizon, as illustrated in **Table E.1**. These demand forecasts provide a foundational understanding of existing market-supported development for GPA and surrounding properties.

The Grande Prairie Airport Area Framework Concept builds on this foundation, identifying a wider set of potential economic development opportunities that could exceed traditional market expectations, considering new aviation-adjacent industries and innovation-oriented businesses.

Under a **moderate growth** scenario for the 20-year horizon, the Real Estate Market Overview suggested that properties within the GPA area could support:

- **81 acres of industrial land**, driven by resource-sector logistics, maintenance operations, and niche aviation-related uses.
- **11 acres of office development**, accommodating regional service providers, aviation-oriented firms, and government or training facilities.
- **13 acres of retail space**, serving airport users, the surrounding community, and inflow business and tourist visitors, with food, convenience, and specialty services.

The availability of developable land, combined with niche industry alignment, such as **Maintenance, Repair and Overhaul (MRO) services, Tech and Medical Innovation, and Specialized Logistics**, suggests an opportunity to explore an optimized Framework Concept for economic development at and around GPA that would potentially transcend current real estate market absorption trends.

It is noted that future infrastructure upgrades within the airside area including terminal enhancements, runway extension, customs facilities, and other aviation enhancements could further enhance investment appeal and real estate demand.

The full Real Estate Market Analysis is provided at **Appendix 3**.

Table E.1: Potential 20-Year Development Absorption at GPA

LAND USE	CONSERVATIVE SCENARIO	MODERATE SCENARIO	AGGRESSIVE SCENARIO
Industrial	50 AC	81 AC	112 AC
Office	9 AC	11 AC	14 AC
Retail	6 AC	13 AC	19 AC
Hotel	120 ROOMS 3 AC	180 ROOMS 4 AC	240 ROOMS 6 AC
TOTAL	580,000 SF 68 AC	940,000 SF 109 AC	1,310,000 SF 151 AC

Executive Summary

Grande Prairie Airport Area Framework Concept

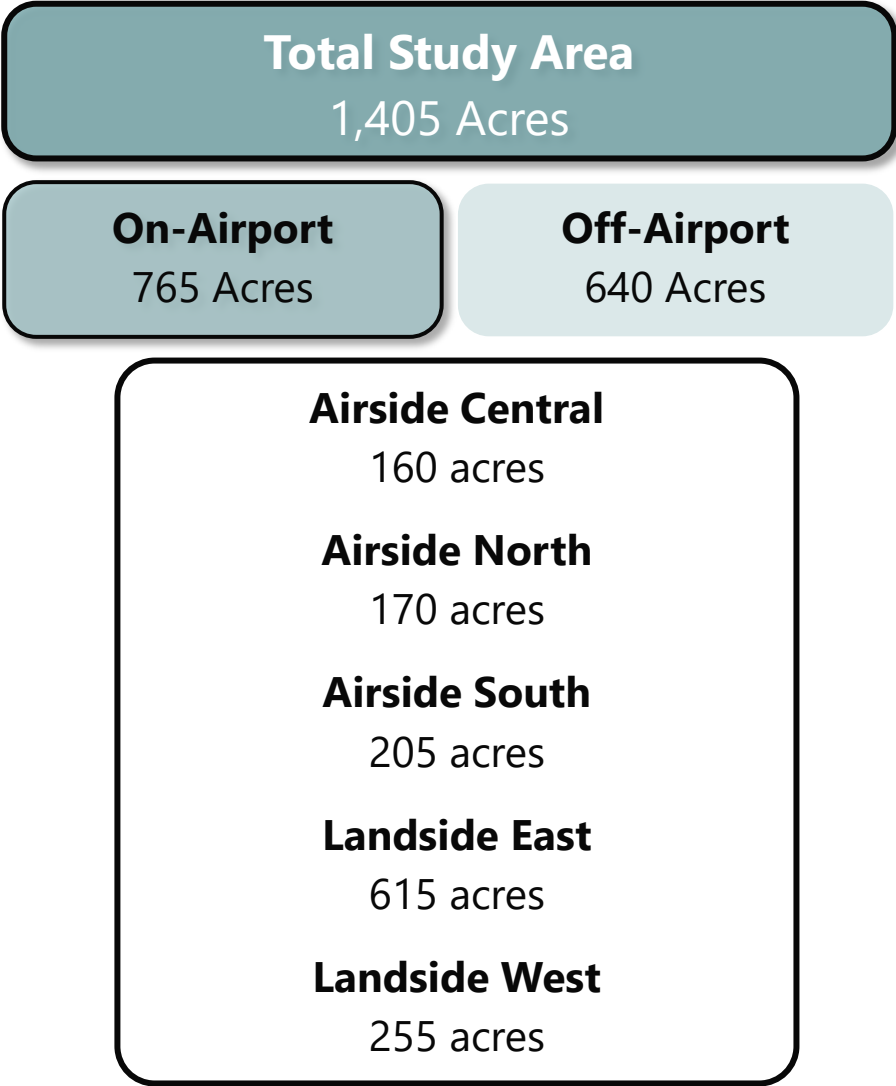
Several land-use and connectivity concept alternatives were explored for properties at and around GPA, to optimize the important role of GPA’s connectivity to stimulate economic development and real estate demand. These alternatives reflected on the findings of the EDVS 2024 and the Real Estate Market Overview.

These alternatives also considered and respected existing City plans, policies and studies. All alternative explored are included at **Appendix 1**.

Through collaboration with City Staff, Elected Officials, and potential partners a preferred alternative for the **Grande Prairie Airport Area Framework Concept** (**‘Framework Concept’**) was established.

The Framework Concept is allocated across five **‘Districts’** as illustrated in **Figure E.5** on the following page. These five Districts span across On-Airport and Off-Airport properties, totalling **1,405 acres** of land. This figure does not include the Airside system such as runways and taxiways.

Importantly, this Framework Concept recognizes that market forces and investor interest will ultimately drive development in and around GPA. The intent of this work is to ensure that lands are proactively prepared, positioned, and serviced in a way that responds to known real estate market opportunities and airport development trends—so that when the market is ready, the City and GPA are equally ready to act, in alignment with the community’s long-term economic goals.



Executive Summary

Grande Prairie Airport Area Framework Concept - Districts

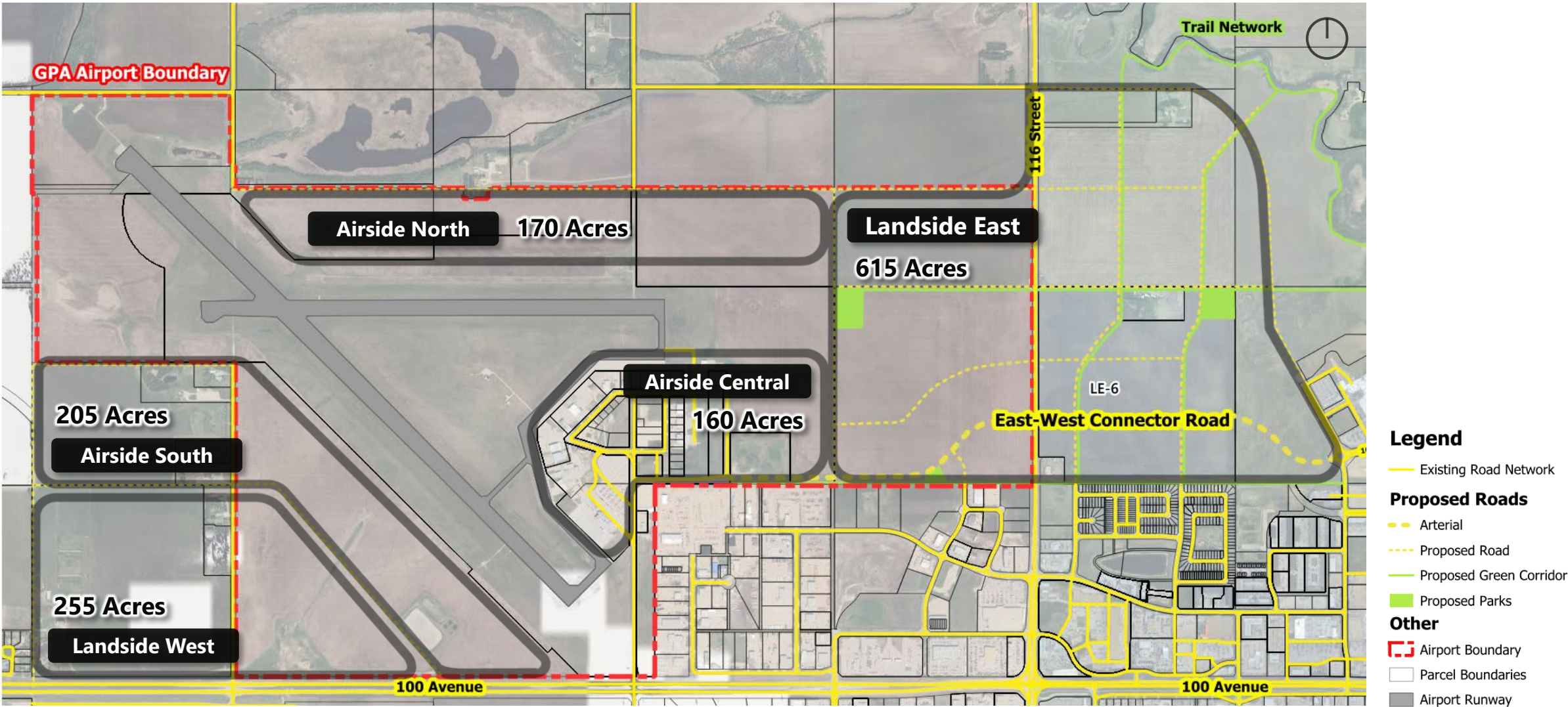


Figure E.5: Grande Prairie Airport Area Framework Concept - Districts

Executive Summary

Grande Prairie Airport Area Framework Concept Preferred Connectivity Option

To enable and support development across the five Districts, a **Strategic Connectivity Network** is recommended to unlock potential development parcels with accessibility, enhanced viability, and alignment with regional transportation, and land use plans and policies. The Preferred Connectivity Option is illustrated in **Figure E.6**.

Key recommendations include:

- **Constructing an East-West Connector Road** linking GPA with GPRH, creating an economic corridor on the urban fringe of the City, ideal for Flex Tech, Bio-Life, and Business Tech uses.
- **Providing for a potential Western Extension of Runway 07-25**, while maintaining flexibility pending a future cost-benefit assessment of all extension options.
- **Integrating with the major road networks** outlined in the Northwest ASP and the Municipal Development Plan, ensuring continuity with broader city planning and policies.
- **Adjusting internal road alignments** to support development-ready parcels suited to target uses such as Flex Tech, Bio-Life, and Light Industrial.
- **Establishing a connected Trail Network** that links the GPA, GPRH, Bear Creek, the Reservoir, and surrounding residential areas, enhancing environmental connectivity and community livability.

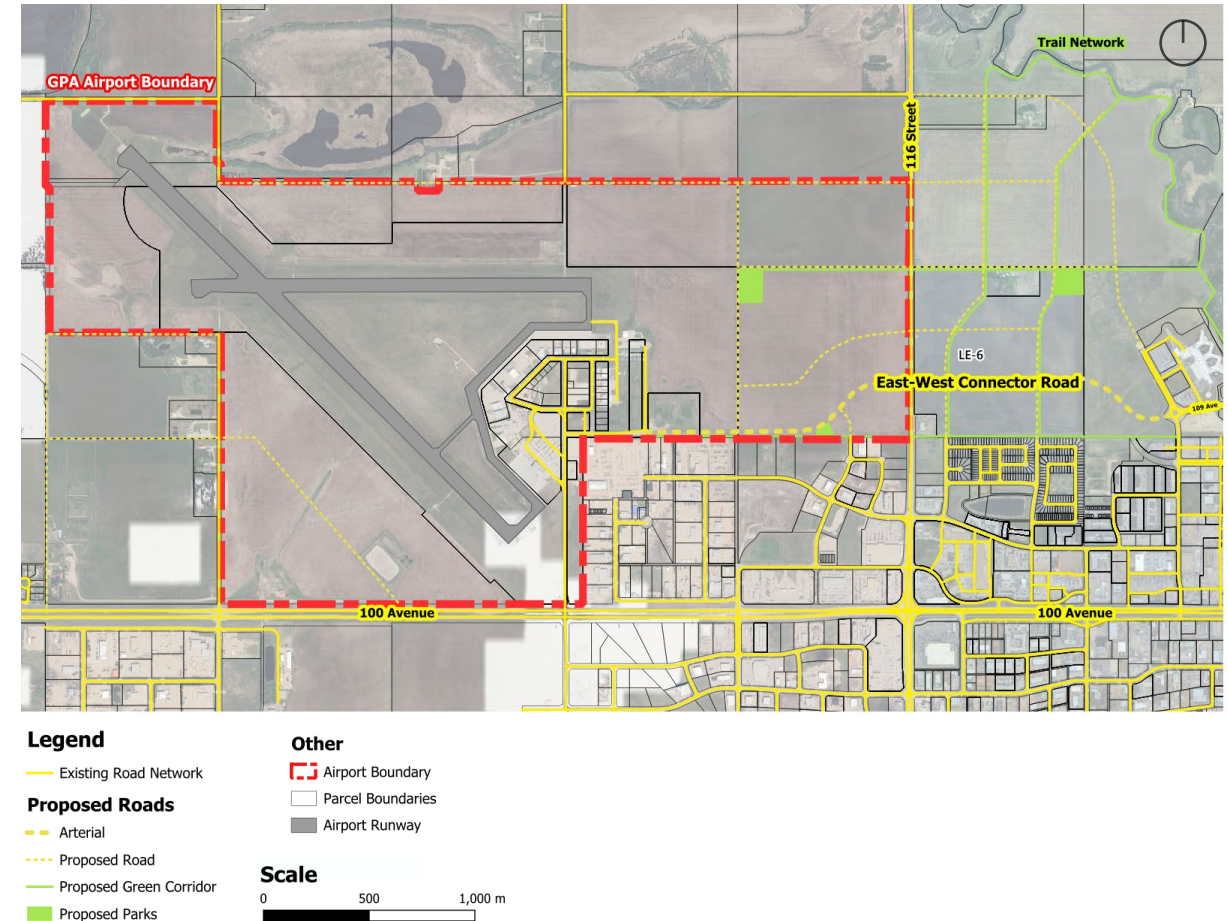


Figure E.6: Grande Prairie Airport Area Framework Concept Preferred Connectivity Option

Executive Summary

Grande Prairie Airport Area Framework Concept – Preferred Land Use Option

Building upon the proposed connectivity framework, the **Preferred Alternative for the Grande Prairie Airport Area Framework Concept**, as illustrated in **Figure E.7**, outlines a **framework that balances aviation, employment, commercial, institutional, and residential uses**, which is aligned with market demand opportunities, as well as long-term strategic economic positioning of on-and-off airport lands.

While a **Framework Concept** at and around GPA is illustrated for strategic guidance, future refinement to the land-use, transportation, and servicing plans would be necessary, as well as public consultation, as part of the City's community planning, zoning, and public works processes.

Key land use considerations and recommendations include:

- **Airside Optimization:** Prioritize the planning of on-airport properties to support both airside and landside development opportunities, in line with emerging regional, national, and global trends in airport-connected economic development, and the 2023 GPA Master Plan.
- **Airside Central District as the Core of Aviation:** Concentrate aviation-related uses within the Airside Central district, leveraging existing infrastructure and optimizing airside-accessible land for hangars, charter operations, and aviation services.
- **Reserve Strategic Airside Lands:** Protect lands adjacent to current and potential future runway extensions to accommodate long-term airside activity and airport expansion, ensuring airport operational flexibility.
- **Flex Tech Corridor:** Establish a cluster of 'Flex Tech' employment uses along a new East-West Connector Road, enabling integration between landside innovation uses and airside-centric operations.
- **Highway-Fronting Commercial Nodes:** Create commercial development nodes at key regional gateways, including key frontages on the proposed new East-West Connector Road, 116th Street and 100th Avenue, to support retail, services, and hospitality uses tied to both airport and regional traffic.
- **Bio-Life/Healthcare/Wellness Cluster Near GPRH:** Establish a Bio-Life/Health Care/Wellness node adjacent to GPRH, supporting an Urban Wellness Village, research and medical facilities, and building on momentum from recent health infrastructure investments.
- **Mixed-Use and Residential Integration:** Introduce compatible mixed-use and residential development in the eastern portions of the study area near the Bear Creek corridor, aligning with the Northwest ASP and Municipal Development Plan, while respecting GPA's future operational overlays such as NEF contours and Obstacle Limitation Surfaces.

Executive Summary

Grande Prairie Airport Area Framework Concept – Preferred Alternative

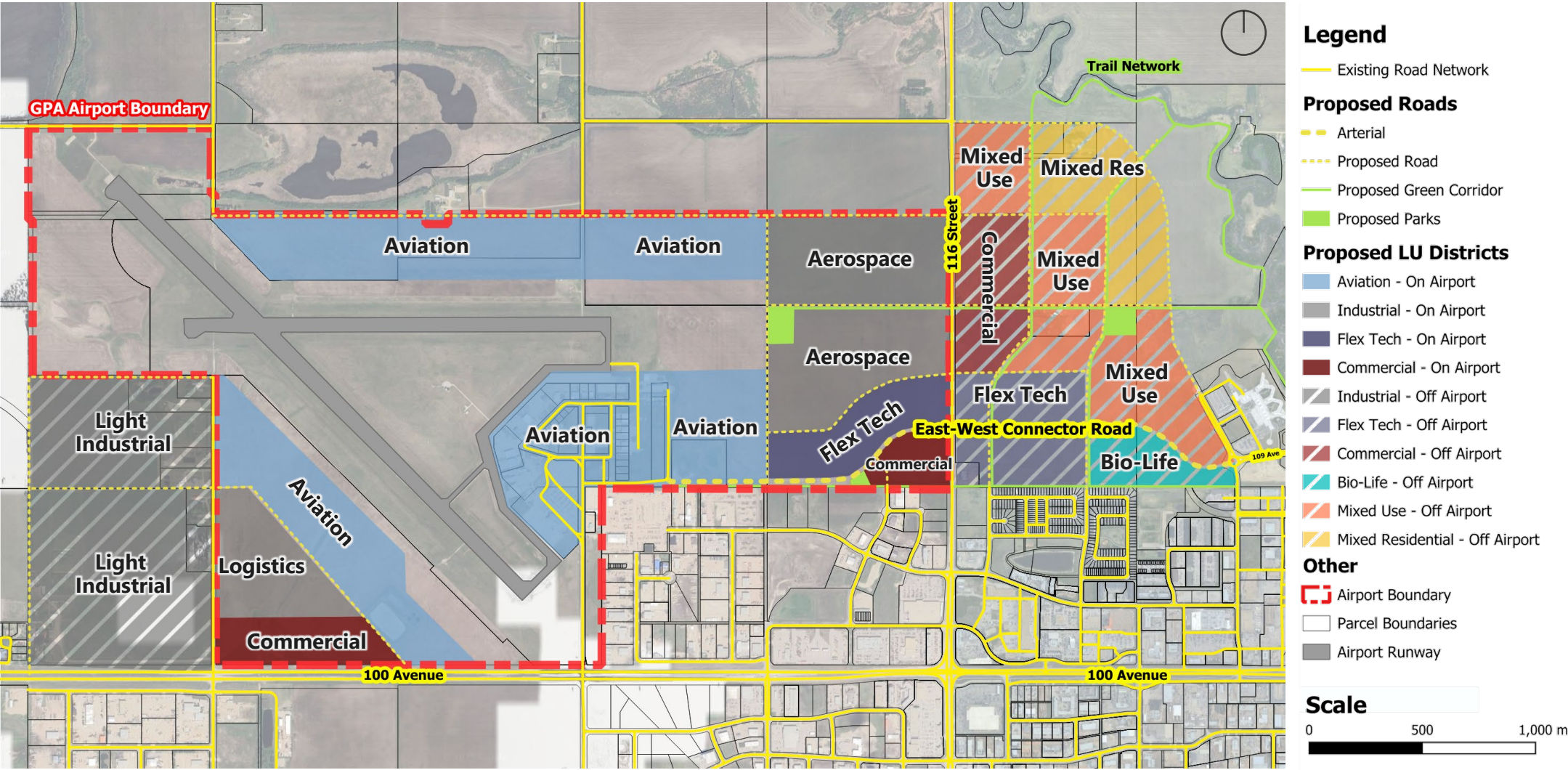


Figure E.7: Grande Prairie Airport Area Framework Concept – Preferred Land Use and Connectivity Option

Executive Summary

Grande Prairie Airport Area Framework Concept – Overall Program

Table E.2 articulates the recommended **Overall Program** across the study area, based on the **Sub-Area Map** illustrated in **Figure E.8** on the following page.

In summary, full-build out of the Grande Prairie Airport Area Framework Concept could include the following key land-uses:

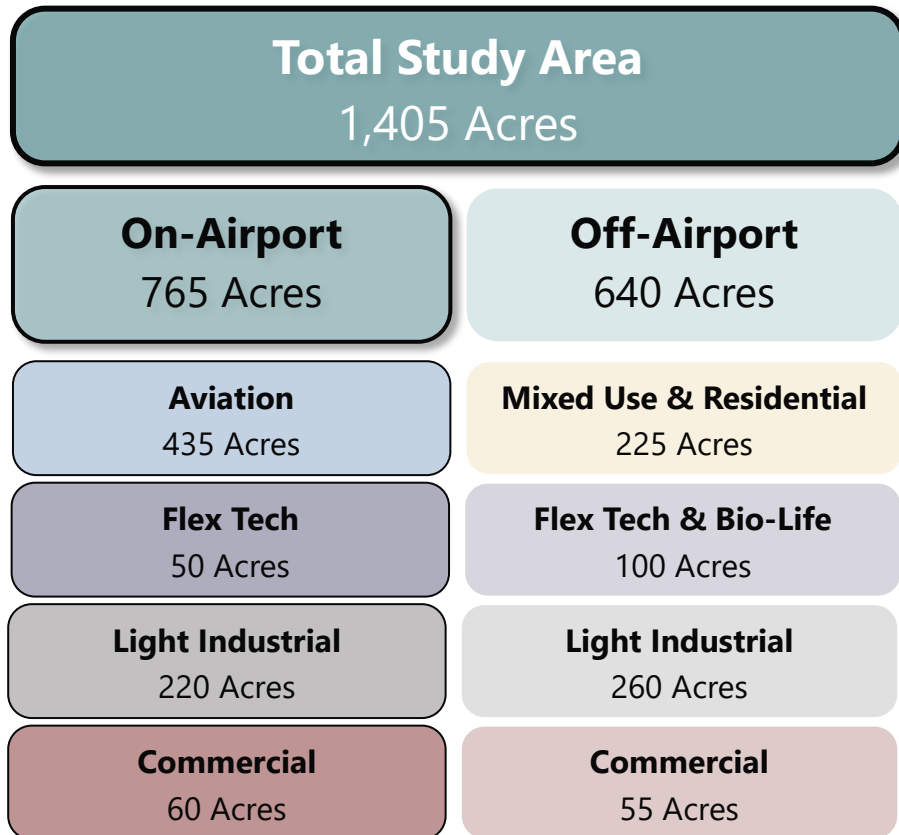


Table E.2: Grande Prairie Airport Area Framework Concept – Overall Program

DISTRICT	SUB-AREA WITHIN DISTRICT	DEVELOPMENT USE	GROSS DEVELOPABLE AREA (ACRES)
Airside Central (AC)	AC-1	Aviation - Existing Airside Row	105
	AC-2	Aviation - MROs, FBOs, Hangars, Airport Training	55
			160
Airside North (AN)	AN-1	Aviation Expansion - MROs, FBOs, Drone Testing, SAF Fueling	45
	AN-2	Aviation Expansion - MROs, FBOs, Drone Testing, SAF Fueling	125
			170
Airside South (AS)	AS-1	Airside Reserve - Airside Cargo, Logistics	105
	AS-2	Airside Innovation - Cargo, Logistics, Drone Testing etc.	100
			205
Landside East (LE)	LE-1	Commercial – Retail, Office, Hotels	20
	LE-2	Flex Tech - Flex Tech, Business Industrial, Light Industrial	50
	LE-3	Aerospace Innovation - Flex Tech, Light Industrial, Logistics	85
	LE-4	Aerospace Innovation - Flex Tech, Light Industrial, Logistics	80
	LE-5	Bio-Life Innovation - Wellness Village, Outpatient Clinics, Multi-Tenant Flex Offices, Flex Tech	30
	LE-6	Tech Innovation - Flex Tech, Multi-Tenant Flex Office	70
	LE-7	Mixed-Use – Neighbourhood Commercial, Multi-Family Residential, Single-Family Residential	60
	LE-8	Mixed-Use – Neighbourhood Commercial, Multi-Family Residential, Single-Family Residential	60
	LE-9	Commercial – Retail, Office, Hotels	55
	LE-10	Mixed-Use – Neighbourhood Commercial, Multi-Family Residential, Single-Family Residential	30
	LE-11	Residential – Multi-Family Residential, Single-Family Residential	75
			615
Landside West (LW)	LW-1	Highway Commercial - Commercial, Truck Stop, Retail, Hotels, Light Industrial	40
	LW-2	Logistics - Light Industrial, Logistics, Cargo	55
	LW-3	Industrial Economic Development - Logistics, Light Industrial, Greenhousing, Data Centres	160
			255
			1,405

Executive Summary

Grande Prairie Airport Area Framework Concept – Sub-Area Map

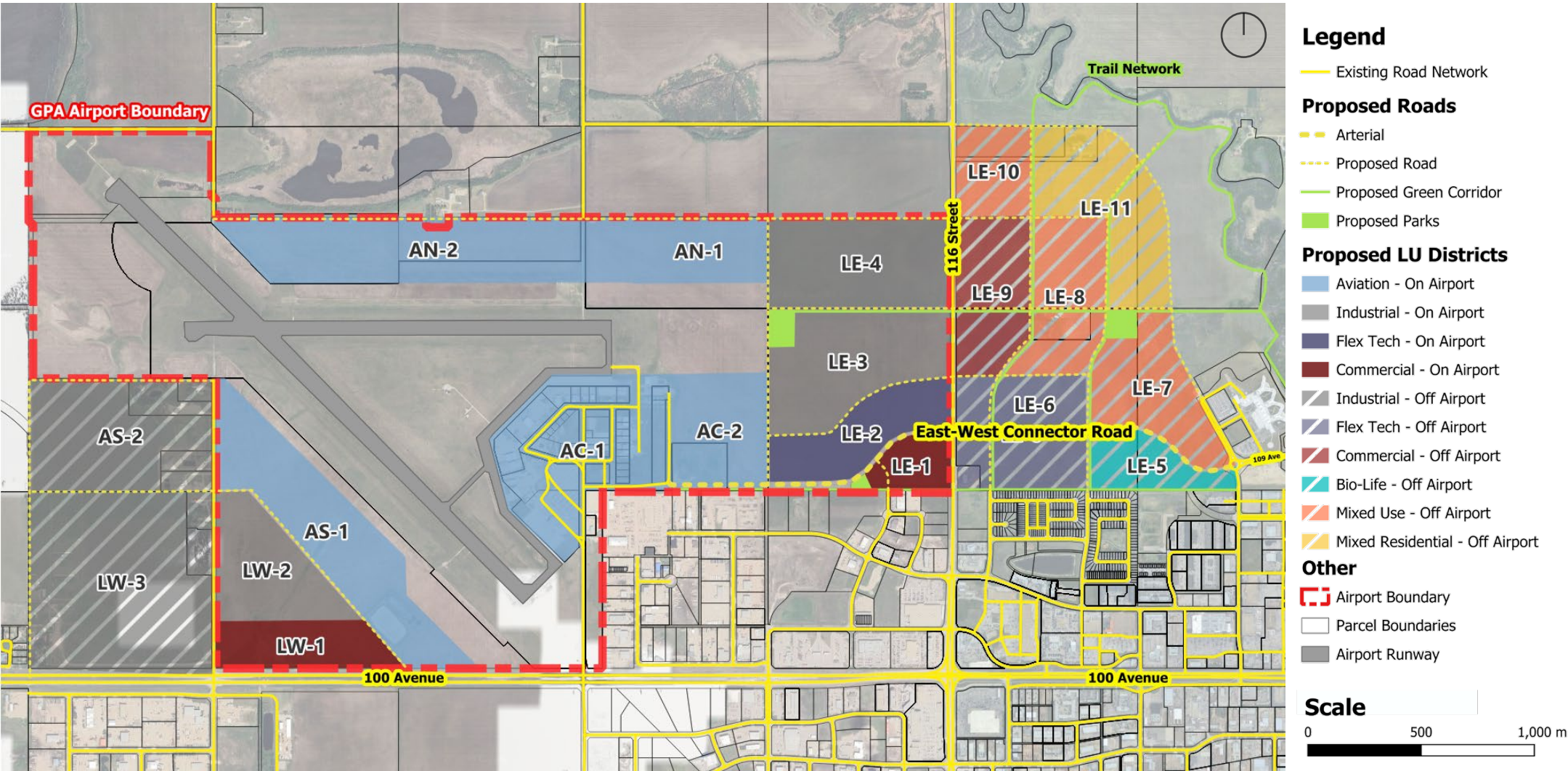


Figure E.8: Grande Prairie Airport Area Framework Concept – Sub-Area Map

Executive Summary

Grande Prairie Airport Area Framework Concept – Development Typologies

The following pages present **Target Development Typologies for each District** within the Grande Prairie Airport Area Framework Concept. These typologies are intended to illustrate potential development types and end-user tenants for Aviation & Airside Uses, Flex Tech & Light Industrial, Commercial, Mixed-Use, and Institutional areas across GPA's on-airport lands, and adjacent off-airport lands within the five Districts.

Airside Central District



Aviation Innovation & Training Hub
Seneca Polytechnic's School of Aviation, ON



Maintenance, Repair & Overhaul (MROs)
Brandon Municipal Airport, MB



Fixed Based Operators (FBOs)
HUB FBO, Montreal Saint-Hubert Airport, QC



Drone Operations
Unmanned Aircraft Systems Test Range, AB

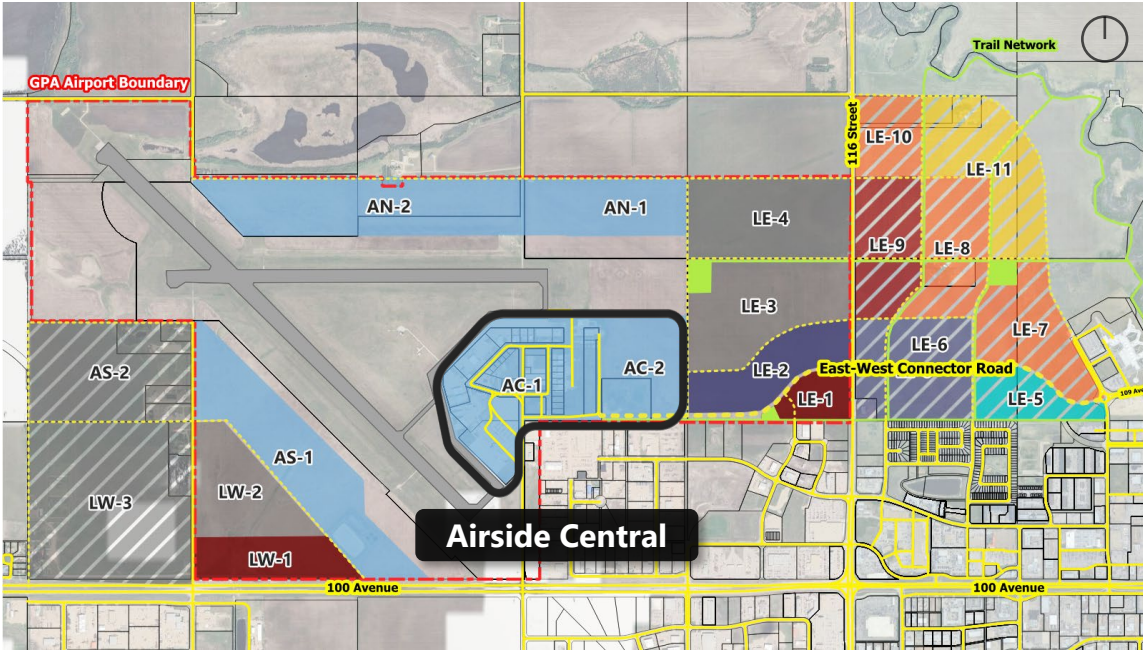


Figure E.9: Grande Prairie Airport Area Framework Concept – Airside Central



Air Ambulance Expansion
YEG STARS Ambulance Facility




Flex Tech
Stock Image

Executive Summary

Grande Prairie Airport Area Framework Concept – Development Typologies

Airside South District



Logistics & Distribution
Stock Image



Micro-Utility
Chattanooga Airport On-Site Solar

Airside North District



Sustainable Aviation Fueling
Fuel Farm, Munich Airport, Germany



Airside Reserve & Logistics
*YEG Air Cargo Facility –
Cargo Jet, DHL*

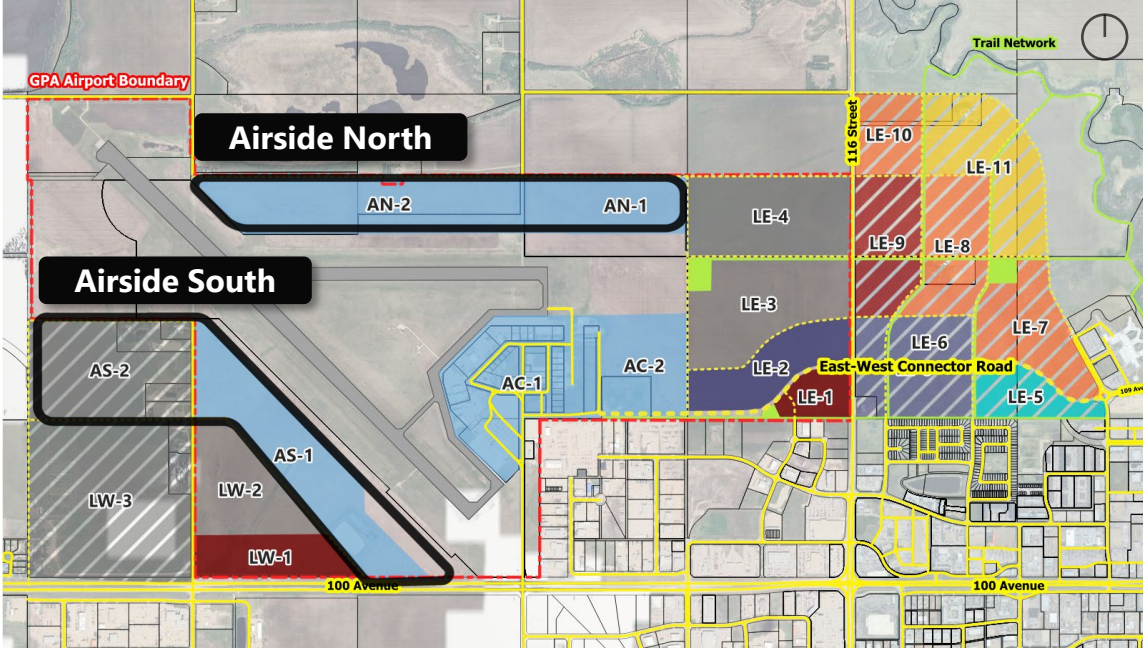


Figure E.10: Grande Prairie Airport Area Framework Concept – Airside North & South

Executive Summary

Grande Prairie Airport Area Framework Concept – Development Typologies

Landside East District



Flex Tech / Multi-Tenant Office
Stock Image



Bio-Life
*Urban Wellness Village
Covenant Health, Edmonton AB*



Advanced Manufacturing
TCAT Chattanooga



Commercial
*The Shops at Airport and Bovaird
Brampton, Ontario*

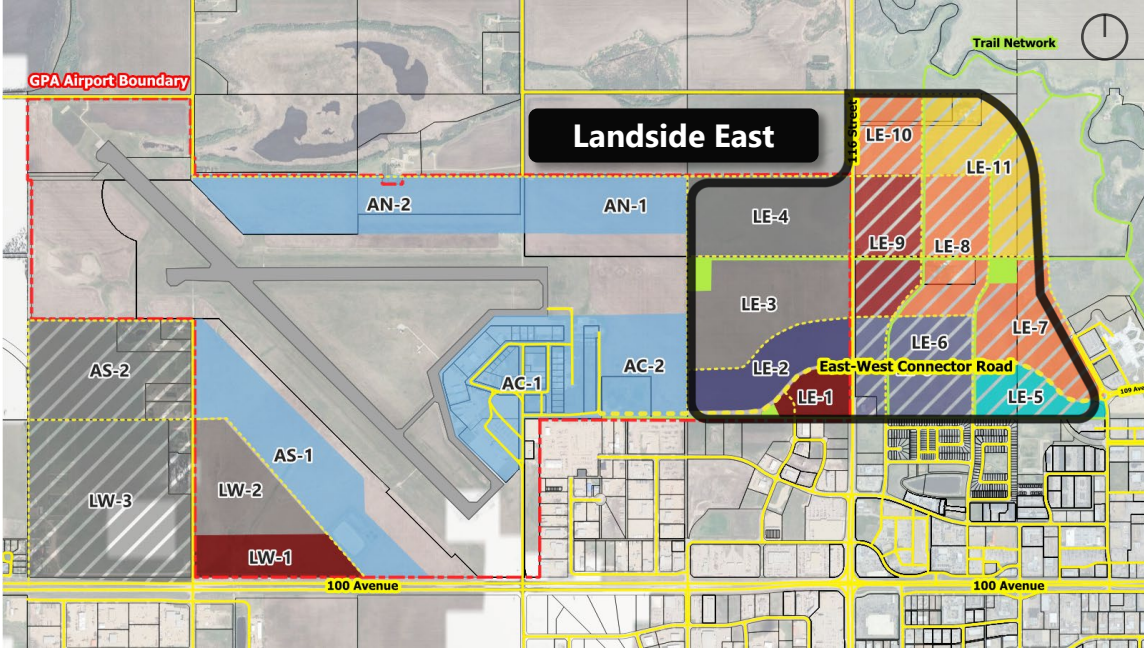


Figure E.11: Grande Prairie Airport Area Framework Concept – Landside East

Executive Summary

Grande Prairie Airport Area Framework Concept – Development Typologies

Landside West District



Industrial Economic Development
Robotically Operated Greenhouses
Bevo Farms Ltd, Edmonton AB



Logistics & Distribution
Stock Image



Truck Stop & Servicing Complex
Sidney, Ohio



Highway Commercial
Stock Image

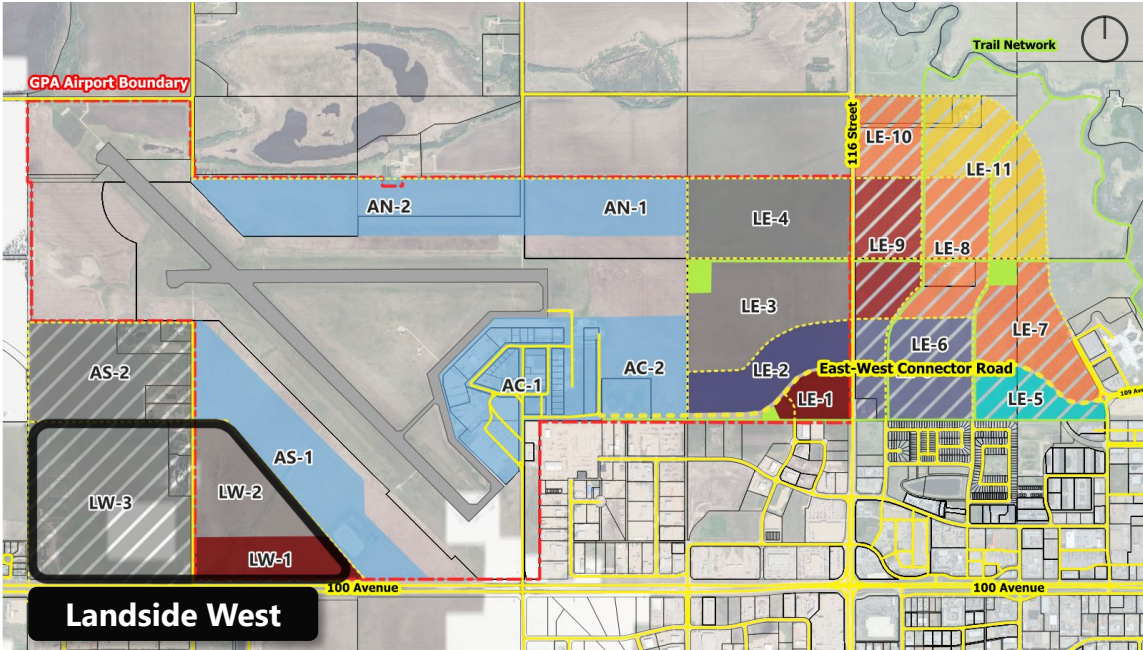


Figure E.12: Grande Prairie Airport Area Framework Concept – Landside West

Executive Summary

Prioritization Strategy

To guide implementation of the Grande Prairie Airport Area Framework Concept, **Catalyst Projects** and a **Prioritization Strategy** were defined.

The Prioritization Strategy is based on key considerations including:

- **City Ownership:** Considering whether land is located within the GPA Property Boundary and owned by the City.
- **Accessibility:** Considering whether land is currently accessible via the existing road network.
- **Servicing:** Considering whether land is currently serviced by public utilities.
- **Demand Drivers:** Considering primary drivers of demand for development of the land, such as real estate market trends, economic development initiatives, or airside growth requirements.

Sub-Areas within the Districts were allocated as **Priority 1, 2 or 3**, based on the following timeframes, as illustrated in **Figure E.13** on the following page.

- **Priority 1 – Years 1 to 10**
- **Priority 2 – Years 11 to 20**
- **Priority 3 – Years 20+**

Catalyst Projects

To kick-start implementation of the Grande Prairie Airport Area Framework Concept, key **Catalyst and Enabling Infrastructure Projects** were identified for the City and Airport to consider as immediate priorities:



Terminal and Airside Operations

Improve and enhance Terminal and Airside Operations within Airport Central.



Bio-Life

Create Bio-Life/Health Care/Urban Wellness node adjacent to the GPRH.



East-West Connector Road

Build East-West Connector Road from GPA to the GPRH and GP Bypass.



Aerospace Innovation and Training

Establish Aerospace Innovation and Training node within Airport Central including Drone Testing SAF, etc.



Runway 07-25 Extension

Explore Costs-Benefits for potential extension of Runway 07-25 to the west and/or east.

Executive Summary

Grande Prairie Airport Area Framework Concept – Prioritization Strategy

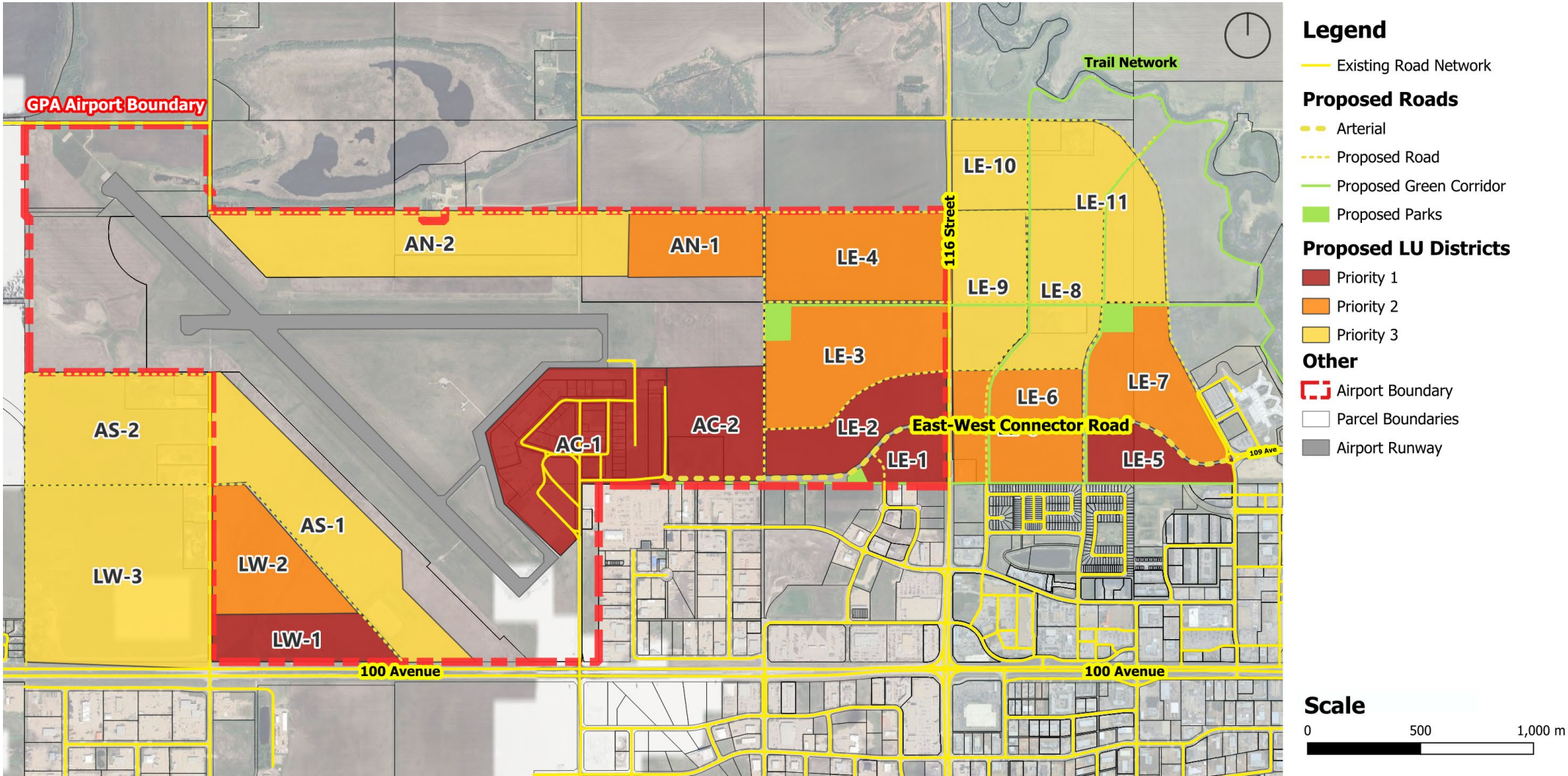


Figure E.13: Grande Prairie Airport Area Framework Concept – Prioritization Strategy

Executive Summary

Grande Prairie Airport Area Framework Concept – Preliminary Financial Feasibility

A **Financial Analysis Discounted Cash Flow (DCF) model** was created to explore the preliminary **financial feasibility** of the initial “**Priority 1**” areas within the proposed Grande Prairie Airport Area Framework Concept, as well as for the ultimate **full build-out of GPA’s developable properties**.

This analysis is preliminary and is predicated on various assumptions regarding absorption, infrastructure investment, and land values. As illustrated in **Tables E.3 and E.4**, the preliminary financial feasibility analysis identified that based on the Framework Concept, **development of GPA’s On-Airport properties is feasible, with Internal Rates of Return (IRRs) exceeding 15% for the initial development and at full build-out. Net Present Value (NPV) is estimated at \$23M for Priority 1 GPA On-Airport Areas and \$53M at full build-out of GPA’s On-Airport Properties.**

Table E.3: Priority 1 GPA On-Airport Properties – Financial Feasibility Overview

Return Measures		
IRR	15.0%	<i>Unleveraged IRR</i>
NPV (\$M)	\$23.2	<i>10% Discount Rate</i>
Breakeven Year	Year 8	<i>Based on Cumulative Cash Flow</i>
20-Yr Land Lease Revenue (\$M)	\$134	<i>Total with Escalation, Excluding Reversion Value</i>
40-Yr Land Lease Revenue (\$M)	\$330	<i>Total with Escalation, Excluding Reversion Value</i>
Cost to GPA (\$M)	\$43	<i>Total with Escalation</i>

Table E.4: Full Build-Out of GPA On-Airport Properties – Financial Feasibility Overview

Return Measures		
IRR	15.5%	<i>Unleveraged IRR</i>
NPV (\$M)	\$53.3	<i>10% Discount Rate</i>
Breakeven Year	Year 8	<i>Based on Cumulative Cash Flow</i>
20-Yr Land Lease Revenue (\$M)	\$244	<i>Total with Escalation, Excluding Reversion Value</i>
40-Yr Land Lease Revenue (\$M)	\$1,119	<i>Total with Escalation, Excluding Reversion Value</i>
Cost to GPA (\$M)	\$216	<i>Total with Escalation</i>

Internal Rates of Return (IRRs)

Priority 1
On-Airport Areas

15.0%

Full Build-Out of
On-Airport Areas

15.5%

Net Present Value (NPV)

Priority 1
On-Airport Areas

\$23M

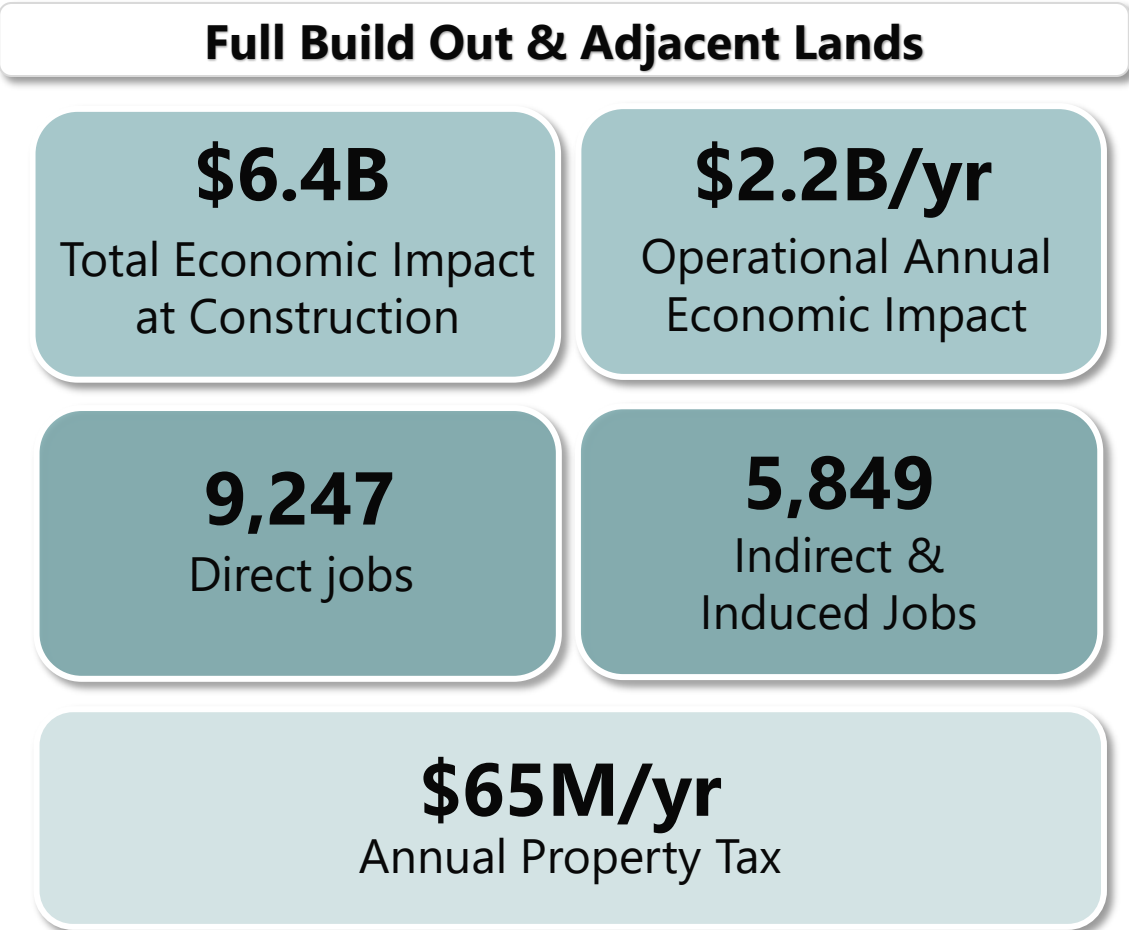
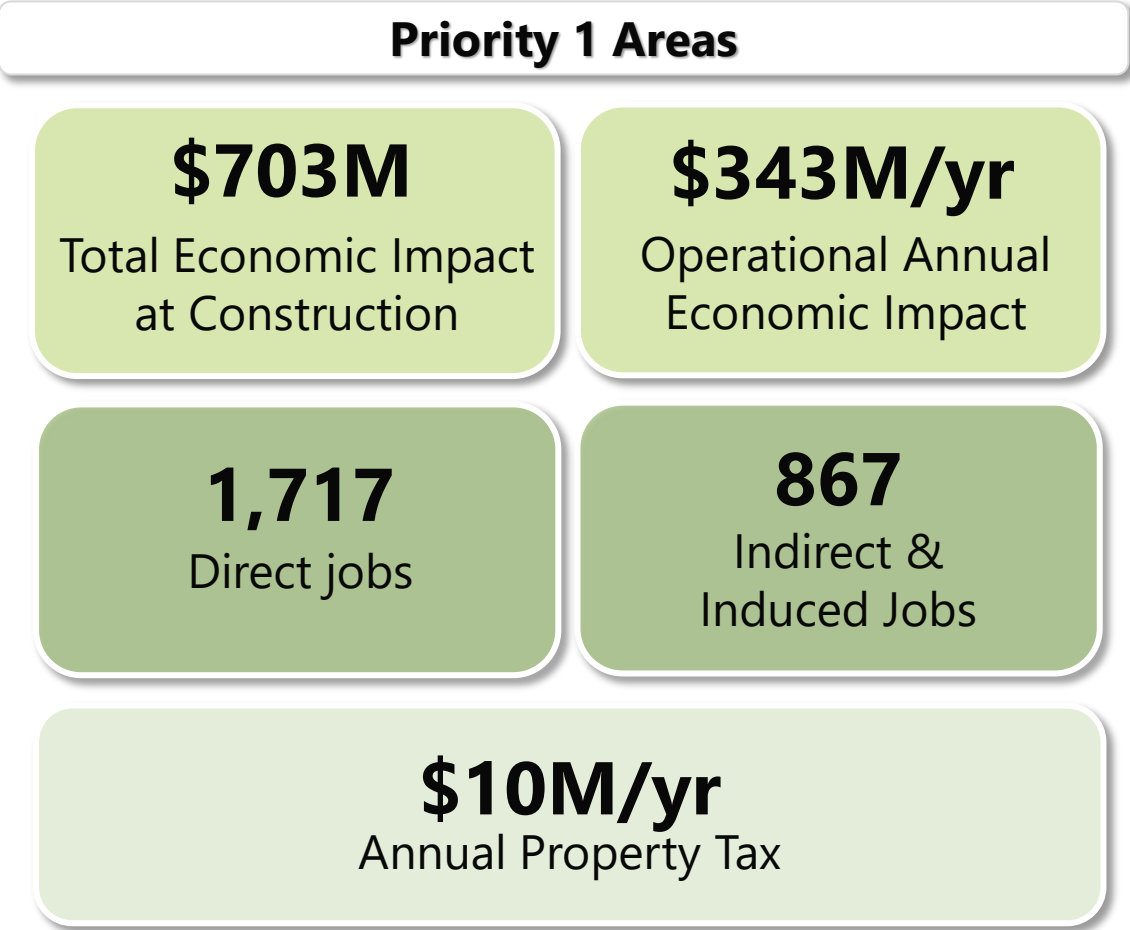
Full Build-Out of
On-Airport Areas

\$53M

Executive Summary

Grande Prairie Airport Area Framework Concept – Economic Impacts

Economic impacts of the Grande Prairie Airport Area Framework Concept were estimated using an industry-standard model and multipliers specific to the Province of Alberta. Key economic impacts were estimated for Priority 1 areas as well as for full build-out of the GPA On-Airport properties and adjacent areas outside the GPA boundary. Results of this analysis are as illustrated below:



Executive Summary

Airport Operating & Development Models

The second component of the Grande Prairie Airport Area Economic Framework explored the following:

“What operating, investment, and development models should be used to seek partners for implementing the EDVS and Economic Framework to optimize GPA and surrounding properties?”

The objective was to explore optimal **Airport Operating and Development Approaches** that would simultaneously support **enhancement of Airport Operations, Real Estate Optimization, and broader Economic Development** objectives, as illustrated in **Figure E.14**.

This research involved a comprehensive scan of airport management and development companies with a proven track record in similar contexts, as well as a review of governance and partnership models used at Canadian airports.

Given the significant amount of land at GPA under the City’s ownership, Airport Operating and Development Models were explored to better optimize these properties, in alignment with the City’s long-term economic development goals.

A fundamental presumption is that the City will retain ownership of GPA and its properties, regardless of which Airport Operating and Development Model is embraced.



Figure E.14: Considerations for Airport Operating & Development Models

Executive Summary

Airport Management & Development Companies

Through a benchmarking and evaluation process, **Airport Management & Development Companies** were researched and evaluated based on their ability to support the City of Grande Prairie's strategic goals for the management, operations, future real estate development, and broader economic development at GPA. This analysis considered each organization's strengths across several criteria:

Airport Operations

Airport Operations expertise including safety, security, passenger services, cargo services, and infrastructure management.

Real Estate Development

Real Estate Development capabilities and experience particularly related to aviation-centric, industrial, commercial, and innovation-oriented uses.

Economic Development

Participation in stimulating economic development at and around airports.

Canadian & Similar Sized Airport Experience

Experience operating or advising similar-sized Canadian or mid-tier international airports.

Existing Relationship

Existing connectivity, partnerships, or working relationships with the Grande Prairie region or other Alberta jurisdictions.

Evaluation of Airport Management Companies

An evaluation was performed to categorized Airport Management & Development Companies into 'Strong', 'Moderate', and 'Low' groups, based on how well their capabilities and strategic focus matched the City of Grande Prairie's long-term objectives.

Companies in the 'Strong' evaluation group, as listed below demonstrated comprehensive airport operational knowledge, a proven track record in development delivery, and a willingness to collaborate on regionally impactful economic projects. These organizations represent viable proven potential partners for advancing GPA's future growth through flexible models, including strategic alliances, service agreements, or investment partnerships.

Airport Development & Management Companies with 'Strong' and 'Moderate' Alignment to the City of Grande Prairie:

- Edmonton International Airport (YEG)
- Winnipeg Airport Services Corporation (WASCO)
(Subsidiary of Winnipeg Airports Authority)
- Vantage Group
- AVPORTS/AFCO

Edmonton International Airport (YEG) scored highest in this evaluation, based on their local and global expertise in airport operations, real estate development and economic development, as well as their existing connectivity with GPA and experience with similar sized airports (in land area) such as Villeneuve Airport.

Executive Summary

Operating & Partnership Structures

In parallel with the assessment of Airport Management and Development Companies, a **range of potential Operating and Partnership Structures were evaluated to determine suitable models for advancing the Grande Prairie Airport Area Economic Framework.**

These structures were analyzed based on their ability to support airport operations, real estate development, and broader economic goals, while ensuring the City retains appropriate governance and financial flexibility.

Options ranged from Real Estate Joint Ventures and Special Purpose Vehicles (SPVs), to Independent Airport Authorities and the role of Regional Economic Development Corporations.

Evaluation criteria for the assessment of these potential structures included:

- **Managing airport operations**
- **Optimizing real estate**
- **Driving economic development**
- **Unlocking land value**
- **Attracting private investment**
- **Maintaining governance control**
- **Financial flexibility**
- **Implementation complexity**
- **Administrative burden**

Evaluation of Operating & Partnership Structures

Structures with the strongest alignment with GPA's long-term needs include the following models, which offer scalable and flexible approaches for optimizing Airport Operations, Real Estate Development, Economic Development, and Governance:

- **Special Purpose Vehicles (SPVs)** for distinct development mandates such as operations, real estate, economic development, or utilities.
- **Independent Airport Authority** with a dedicated governance model focused on operational excellence and long-term planning.
- **Development Authorities** that focus on strategic land assembly, planning, and implementation.
- **Real Estate Joint Venture Partnerships (JVs)** for specific commercial or industrial development projects.

These structures provide varying levels of control, scalability, and investment attraction, and could be implemented individually or in combination as GPA grows.

These structures are well-suited to complement the City's ownership framework by enabling targeted delivery, enhancing access to capital, and reducing implementation risk, while allowing the City to retain full ownership, and strategic oversight over GPA's long-term direction.

Executive Summary

Preferred Partner Alliance Strategy

Building on the evaluation of Airport Management and Development Companies and the analysis of potential Partnership Structures, a **recommended Preferred Partner Alliance Strategy** (shown in **Figure E.15**) has been identified as an effective pathway to advance the Grande Prairie Airport Area Economic Framework.

This Strategy is predicated on a Master Partnership Alliance, which would then grow into the identified SPVs for specific areas of the optimization of GPA.

To implement this Framework, the City should explore a strategic alliance with Edmonton International Airport (YEG), supported by a series of integrated Special Purpose Vehicles (SPVs) to optimize GPA's airport operations, real estate opportunities, and economic development.

This Alliance Strategy would deliver the following key benefits:

- **City retains full ownership** of GPA and its properties, while gaining access to operational expertise and development capacity.
- **Provides enhanced opportunities for air service development**, including improved route connectivity between GPA, YEG and abroad.
- **Unlocks value**, improving access to capital, and managing the City's risk and financing.
- **Optimizes real estate opportunities** by tapping into broader range of end-user tenants.
- **Enables collaboration on regional economic development initiatives**, supporting Northern Alberta's priorities in aviation, healthcare logistics, food security, and emergency preparedness.

While this model offers strong long-term potential, it will also require contractual and governance arrangements. It is recommended that the City proceed with formal discussions with YEG to explore and define responsibilities, delivery mechanisms, and next steps.

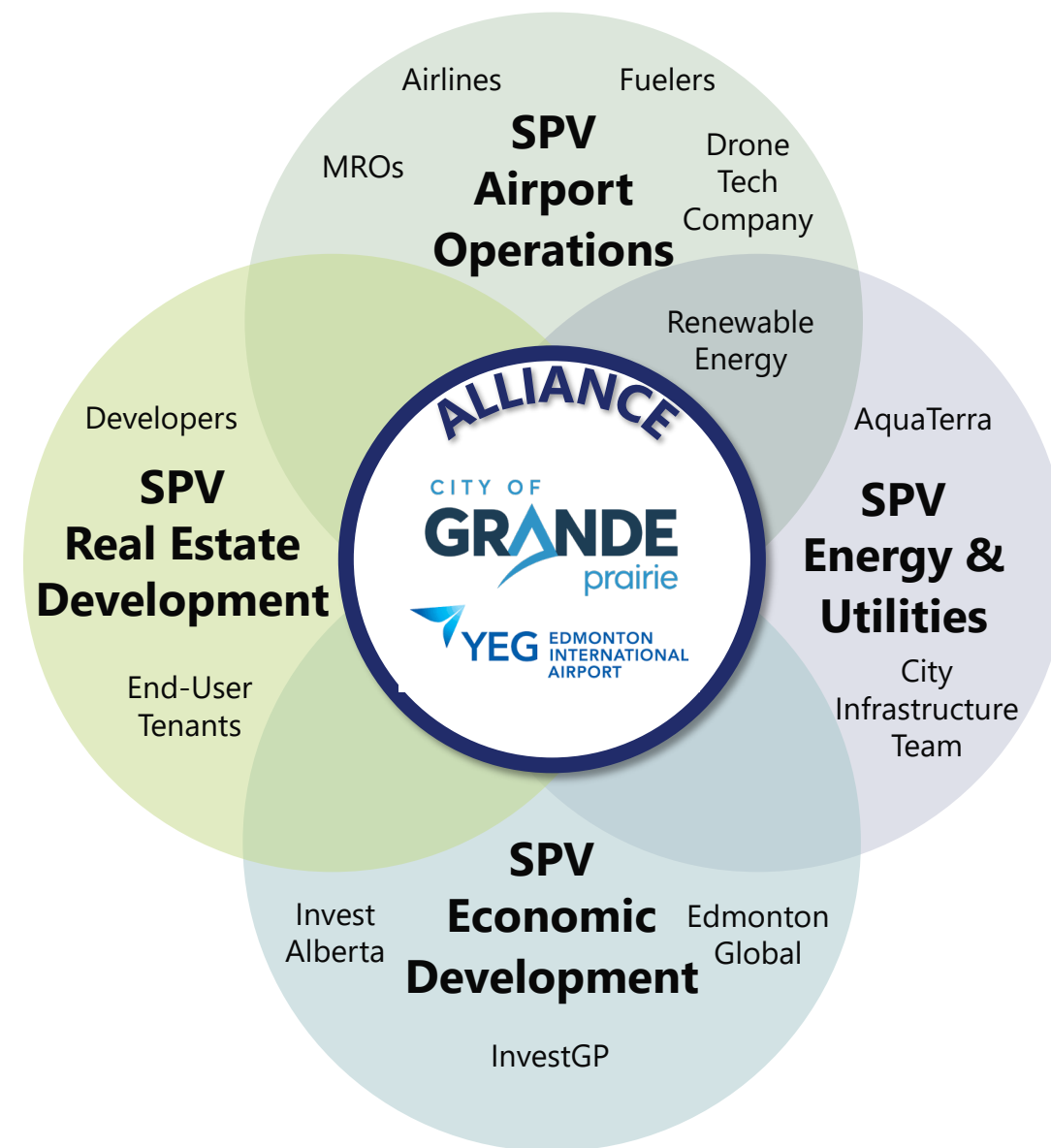


Figure E.15: Preferred Partner Alliance Strategy

Executive Summary

Implementation Action Plan

To advance the Grande Prairie Airport Area Economic Framework, an **Implementation Action Plan** was created to outline key phases for establishing the Alliance Strategy between the City of Grande Prairie and YEG (the Preferred Partner), as well as to initiate Catalytic Projects defined by the GPA Framework Concept that are aligned with the City’s long-term economic development objectives. These Phases include:

Phase 1

Q1/Q2 2025

- Continue Discussions with YEG to align on strategic priorities.
- Engage with the Grande Prairie Airport Commission to build alignment and determine direction for an Alliance Strategy with YEG.
- Define and approve an Alliance Strategy with YEG that supports optimization of Airport Operations, Real Estate Development, and Broader Economic Goals.
- Draft and execute a Memorandum of Understanding between the City and YEG to formalize collaboration on future GPA development and operational strategies.

Phase 2:

Q3/Q4 2025

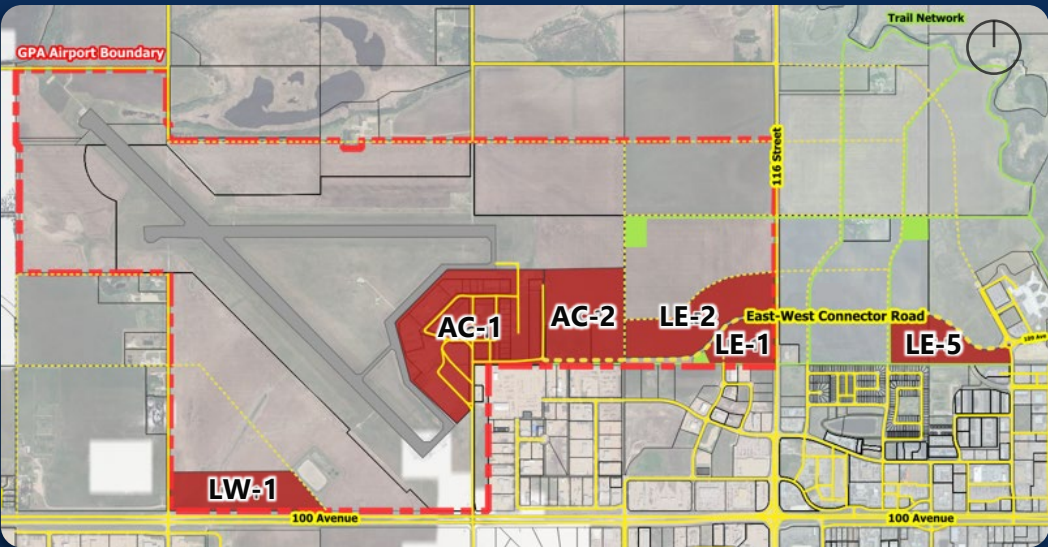
- Establish Legal and Organizational Framework for the recommended Preferred Partner Alliance Strategy.
- Develop Implementation Agreements and Special Purpose Vehicles (SPVs) for targeted Activities.

Phase 3:

Q1/Q2 2026

- Launch initial Priority 1 & Catalytic Projects.

Priority 1 & Catalyst Projects



AC-1 Improve and Enhance Airside Operations	Y1 to Y5
Runway 07-25 Extension Cost-Benefit Analysis	Y1 to Y3
AC-2 Aerospace Innovation & Training Node	Y2 to Y5
LE-5 Bio-Life/Health Care/Wellness Innovation Node	Y2 to Y5
East-West Connector Road (West)	Y2 to Y5
East-West Connector Road (East)	Y2 to Y5
LE-1 Tech Innovation & Flex Industrial	Y6 to Y10
Servicing into LW District	Y6 to Y10
LW-1 Highway Commercial	Y6 to Y10

