Niagara Airport Project

COTW May 2, 2019
Overview

• Background and current state of Airport project
• About the Airports
  • Presented by NDA, NCDRA
• Next steps and timelines of project
Most Recent Council Position

On September 22, 2016 Regional Council approved the following motions:

1. That Niagara Region **SUPPORT IN PRINCIPLE** adopting sole-responsibility for operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);

2. That, subject to completion of a phase 2 environmental assessment (completed) paid for by the current owners/operators, Regional staff **BE AUTHORIZED** to initiate detailed negotiations with the current funding partners of both the NDA and the NCDRA to transition responsibility to Niagara Region;

3. That a transition plan **BE DEVELOPED** with the current funding partners, including transitional funding and budget implications for ongoing operations and capital requirements during the transition period for inclusion in the Regional budget deliberations, and a proposal for a new governance structure satisfactory to Regional Council; (in progress)
Niagara’s Airports

Niagara District Airport (NDA)
• Certified International Airport

Niagara Central Dorothy Rungeling Airport (NCDRA)
• Registered Aerodrome
Niagara District Airport Today

- A certified international airport that is the “Gateway to the peninsula”
- 40,000+ aircraft movements per year (36% increase over the last 5 years)
  - Private planes and jets
  - Tour operators
  - FlyGTA scheduled service (30% increase over last year)
  - Flight school
- Approximately 100,000 people pass through the airport every year (5% scheduled service; 7% helicopter tours)
- Canadian Border Security Agency airport of entry
- 14 businesses employing 75 to 100 people
- 2 aprons – 4 taxiways – 3 runways (longest is 5,000 ft)
- 161,462 square metres of pavement
- 362 acres of land (50+ acres available for development)
Niagara District Airport Tomorrow

- **Passenger demand will more than double** to 110 million by mid-2040s in Southern Ontario
  - Airports surrounding Pearson are readying themselves to take on the excess capacity
- **Capacity at NDA is seven times current passengers** for total of approximately 750,000
  - Capacity could be increased if current runway (5,000 ft) is expanded
- **NDA’s Advantage**
  - **Tourism leader** attracting 13 million visitors annually – 1 in 3 visitors is international as compared to 1 in 10 for Ontario average
  - **Location** – highway access, within 10 minutes of major tourism attractions Niagara Falls & wine country
  - **Proximity to Toronto Pearson and Billy Bishop** – conveniently located for maintenance and repair operations
  - **Demand for hangars** to park private planes
Achieving Our Potential
2017-2020 Strategic Plan

VISION – Niagara Region’s hassle-free aviation hub offering VIP service to leisure and business travelers, and recreational flyers

MISSION – Contribute to the economic prosperity of the Niagara Region by providing air connectivity for business and leisure travelers

KEY PRIORITIES

1. Increase aviation revenue (e.g. expand scheduled service to domestic and international destinations)
2. Increase non-aviation revenue (e.g. construct hangars to meet the demand for lease space)
3. Offer outstanding VIP airside service to differentiate ourselves with our target customers
4. Engage partners to promote the airport
5. Build our reputation for organizational excellence and strive for financial self-sufficiency in the operations of the airport
Niagara Central Dorothy Rungeling Airport (NCDRA)
Southern Ontario Airport Network

- Finding Niagara’s aviation niche to support forecasted demand. Working as a network to better support local economic development and increase competitiveness of Southern Ontario.

Growing regions need multiple assets to support demand.

The Southern Ontario region could see approximately 110 million passengers by the mid 2040’s.
Airport as an Economic Asset: Benefits of an airport to a Municipal Region

- Transportation for residents, visitors and businesses
  - Can facilitate access as a transportation hub for goods, tourism, business travel, commercial growth
- Contributes to economic health and growth
  - Can attract new businesses and improve region’s ability to interact with a larger, international market
  - Land assets can be leveraged to support on-site airport-related development and employment opportunities
- Economic Development: Business Study of Niagara’s airports
  - A formal updated review of the potential uses for each the airport and aerodrome, and economic benefits
  - Consideration of what can be done with existing assets, and with further investment
Financial Considerations - NDA

- $1.4 million total annual operating cost (base-case scenario)

- Operational Budget
  - $0.36 million annual net operating budget plus $1.04 million in capital financing

- Capital Budget
  - $1.6+ million (2016$) average per year over next 3 years
  - $20.7 million total to 2037 (excluding passenger services)
    - Long term potential towards self-sustaining operations through correct balance of airport services
  - Eligible to apply for grant funding through the Airports Capital Assistance Program (ACAP) administered through Transport Canada
Financial Considerations - NCDRA

- $0.84 million total annual operating cost (base-case scenario)

- Operational Budget
  - $0.05 million annual net operating budget plus $0.79 million in capital financing

- Capital Budget
  - $2.6+ million (2016$) average per year over next 3 years
  - $14.6 million to 2037 (50% of this investment required by 2021)
Airport Project Timeline

- **March 22, 2016**
  TSC-C 1-2016
  Consultant report update on Niagara Airport Review outlining financial forecasts, risk analysis and passenger service assessment.

- **July 26, 2016**
  TSC-C 12-2016
  TSC-C 13-2016
  Reports for each NDA and NCDRA, direction to staff to continue work on governance structure.

- **March 2, 2017**
  CAO 3-2016
  Report providing update on project and requesting Region to pay for EA (defeated).

- **May 2, 2019**
  Airport Review Presentation
  Staff overview and update on Airport project with Council to re-affirm Regional commitment to adopting sole-responsibility of airports.

- **May 3, 2016**
  Airport Review Presentation
  Staff presentation outlining next steps on the consultant review.

- **September 15, 2016**
  PWC-C 23-2016
  Regional Council supports in principle, adopting sole responsibility for both operations and governance of airports pending Environmental Assessments (EAs) as paid for by current owners.

  Motions were also approved that negotiations with current funding partners and transition plan (transitional funding and proposed new governance structure) be developed.

- **Q1 2018**
  Regional staff member seconded to NDA to support LAMs in building partnerships and governance

- **Q2 2019**
  Pending Council direct, staff to flush out transition plan and Region-specific actions. Staff directed to negotiate with LAMs and bring back proposal for Council consideration.

- **Q4 2017**
  Environmental Assessments for both NDA and NCDRA completed.

- **Q2-Q4 2019**
  Airport Business Model Study & review of potential future usage of both airports conducted to inform future capital investments and transition planning.

- **Q3 2019**
  Airport Decision Point
  Staff to bring back recommendation and terms of adopting sole Regional operation and governance of both airports for Council

- **Q1/Q2 2020**
  Staff completes transition, Region adopts operation and governance of NDA and NCDRA airports.
Action Plan – Immediate Actions

Current Activities

- Regional Council commitment to pursue sole Regional ownership through the approval of the Action Plan
- An Airport Taskforce to be established to negotiate the Terms of Transfer
- A cross-functional staff working group has been established to define the transition plan
Action Plan – Next Steps

2019

- Business Model Study to inform future potential based on assets of each airport, commissioned through the Economic Development Division
- Staff to negotiate the Terms of Transfer for both airports: negotiated through a CAO Taskforce
- Terms of Transfer are brought back to Regional Council for final approval and direction
- Staff to develop a Transition Plan for Council consideration:
  - Preparation of Capital and Operating budget options with a review of long term financial investment requirements
  - Governance model recommendations based on sole Regional ownership
  - Administrative management model for the operations of both airports
- Capital and Operational budget requests brought forward for Council consideration through Regional budget planning process
- Recommended governance and administrative models brought to Council for final approval

2020

- Execution of the transition plan, and transfer of airports to Regional operation
Questions?