

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

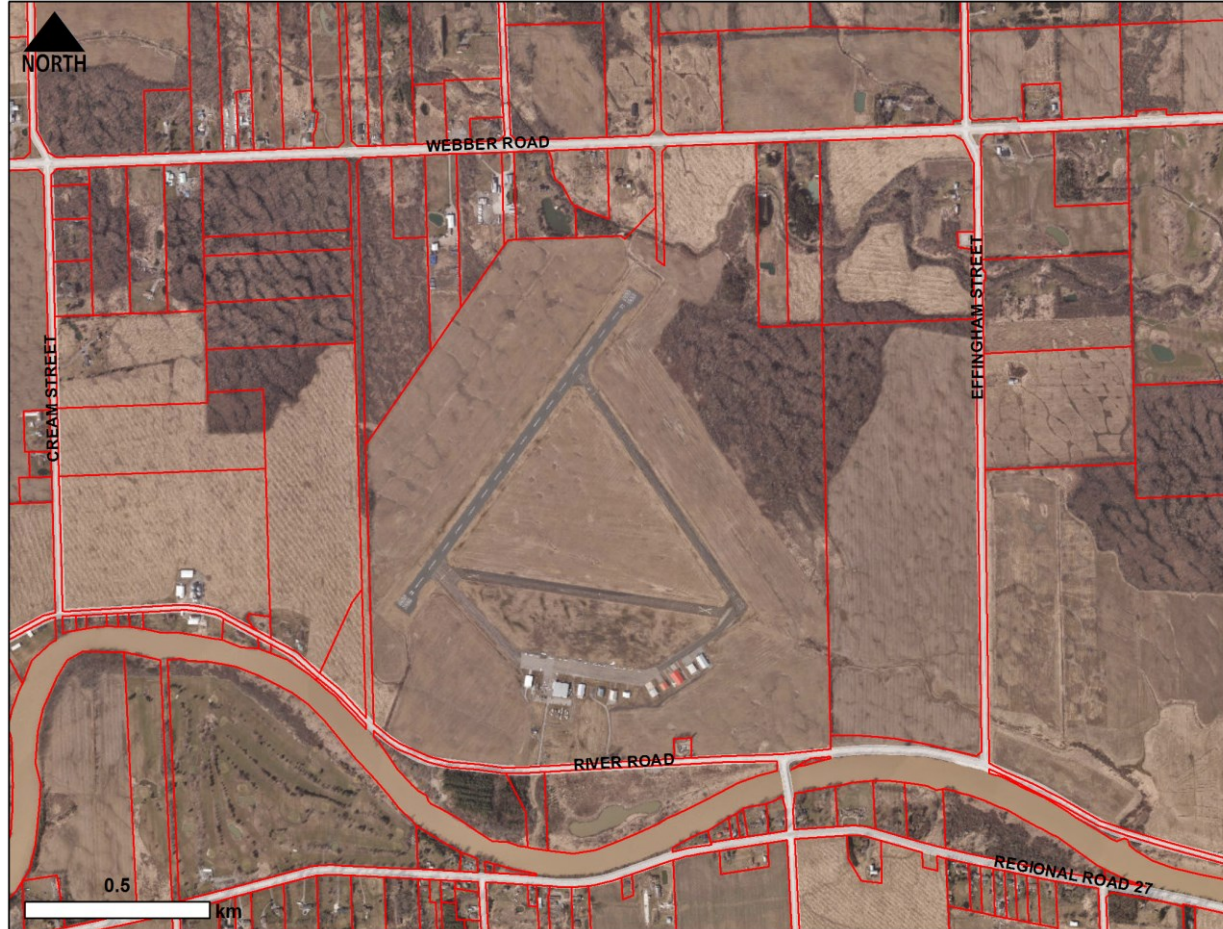
VISION – Niagara Region’s hassle-free aviation hub offering VIP service to leisure and business travelers, and recreational flyers

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



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

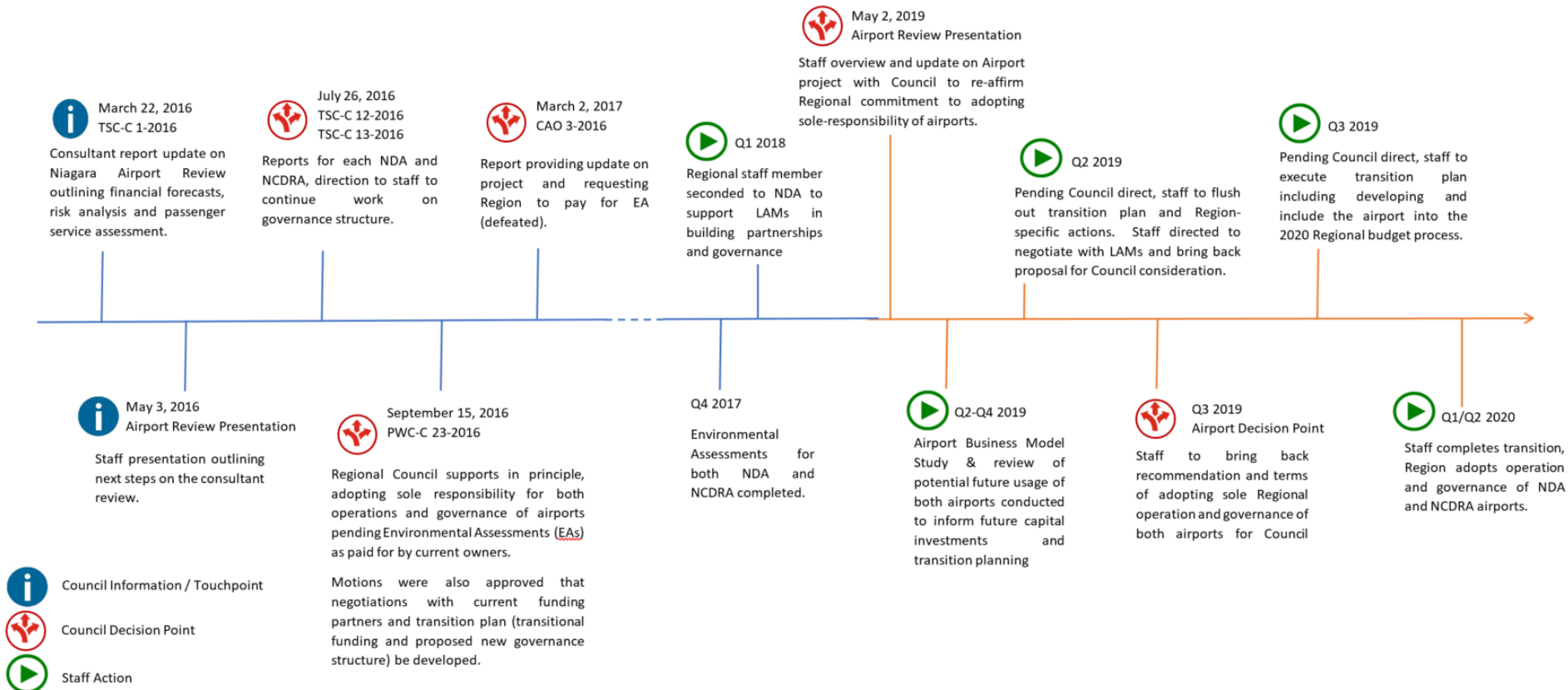
Financial Considerations - NDA

- \$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









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?

