

# Hurononia Airport

## Business Review 2019



# Agenda

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- Project Overview
- Summary of Recommendations and Growth Opportunities
- Airport Background and Overview
- Findings
- Governance Review and Recommendations
- Economic Review and Impact
- Foreign Investment Review
- Strategic Positioning
- Growth Opportunities
- Questions

# Project Overview

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- Collect and review of relevant background information including stakeholder consultations and public survey
- Regional economic review and economic impact assessment of the Huronia Airport
- Infrastructure and commercial inventory review
- Overview of current and potential governance options
- Foreign investment review
- Opportunity costs, value add proposition and costs estimate for the future development of the airport
- Strategic positioning for Huronia Airport
- Passenger activity forecasts and overall growth outlook and projections

# Airport Background

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- Runway - 3996 feet
- Private and Publicly Owned Hangar and Aircraft Storage
- Onsite Private Maintenance Facility
- Adjacent business Zenair (aircraft kit manufacturer)
- Full service fueling
- Services for medical emergency including air ambulance
- Air travel for business community (private)

# Summary of Recommendations and Growth Opportunities

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Require the creation of mission, goals and tactics to identify specifically how the airport is going to grow and earn revenue

- Focus on General Aviation and Pilot Training
- Connecting with regional tourism initiatives and events

Economic impact to region yields positive ROI with current investment at the airport

Airport governance would be improved with

- Municipal staff involvement on annual operations budget and capital project planning
- Improved ongoing updating and reporting to council
- Expertise of aviation contractor on long-term basis

# Findings

## (Stakeholder Consultations & Survey Themes)

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- Internet access is very poor
- Lack of awareness of airport activities, events and overall benefit to community
- Disconnected from tourism offerings and attraction guides, not identified in regional economic strategy
- Data collection on users, transient traffic and purpose of flights would be beneficial to strategy
- Current airport users are generally happy, enjoy low cost fuel, friendly staff, relaxed atmosphere
- Streamlined building approvals would reduce the overall cost of investment for hangar owners
- Card-lock fuel system would be helpful for after hours and early morning flights (support the use of the airfield for business travel)
- Operational equipment breakdowns have caused interruptions during winter storms

# Findings

## (Infrastructure Review)

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- Urgency for Fuel System Replacement (project out for RFP) – **system replacement in progress**
- Instrument Approach has been reinstated (August 2019)
- Slope in runway a significant hazard
  - Because the runway is primarily used by local traffic, incidents have been avoided, the addition of a flight school or increased transient traffic could be reason for higher concern
- Runway Lighting, Visual Approach Slope Indicators and airfield guidance signs should also be considered for upgrades or replacement when preparing future capital budgets
- Runway and taxiway surface could benefit from crack sealing
- Obstacle Limitation Surface survey would identifying trees that could cause hazards on approach

# SWOT Analysis

## Strengths

- Lower cost (fuel, lease, tie down, landing fee)
- Proximity to tourism destinations
- Adequate infrastructure (length of runway, terminal building, onsite natural gas and hydro)
- Room to grow (300+ acres), development land prepared
- Low tax rate
- Streamlined construction process

## Weaknesses

- Internet access is limited
- Runway is sloped
- \*Slow and outdated fuel system
- \*Website is lacking information and not user friendly
- Aging operations equipment
- \*Instrument approach is currently unavailable
- Marketing and communication gaps

## Opportunities

- Improve communications about events and general info through social media and community agencies
- Sight seeing tours for visitors
- Charter flights (connecting QC demand and great lakes cruises)
- Development lands prepared for commercial business

## Threats

- Strict environmental regulations to remove older in ground fuel tanks
- North Simcoe growth is lagging relative to Simcoe County
- Airport has higher than average snowfall
- Competitive area for general aviation traffic



# Governance Review

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- Airport Commission
  - Comprised of councillor from each municipality and 4 representatives from surrounding communities
- Monthly Commission Meetings
- Annual Budget Presentation to Council
- Oversee the Annual Operations Budget
- Propose Capital Projects

# Governance Recommendation

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## Recommended Revisions

- Airport Board or Committee (Skills based)
  - Comprised of Municipal Staff (director level or above) from each municipality
  - Aviation community members and airport users
- Explore option to outsource management function to private contractor
- Increase the frequency of status reports to councils
- Review and advise on strategic planning
- Advise on the annual operations budget
- Advocate for airport growth and initiatives

# Governance Recommendation

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## Recommended Revisions

- Revised airport management accountabilities
  - Daily budget and expense oversight
  - Executing on revenue opportunities
  - Planning for airport development and expansion
  - Working with community agencies to support economic development and tourism initiatives
- Accountable for Airport Operations and Compliance
  - Obstacle Limitation Surface
  - Maintaining instrument approaches
  - Airport Operations Manual
  - Emergency Response Plans
  - Safety Management System, Airport Operation and TP312 Regulations

# Governance Recommendation

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## Current Subsidy Breakdown

Township	Subsidy	Percentage	Population	per capita subsidy
Midland	\$57,668.50	50%	16,864	\$3.42
Penetanguishene	\$32,294.36	28%	8,962	\$3.60
Tiny	\$25,374.14	22%	11,787	\$2.15
<u>Current</u>	<b>\$115,337.00</b>		<b>37,613</b>	<b>\$3.07 average subsidy</b>

# Governance Recommendation

## (Partnering with Tay Township)



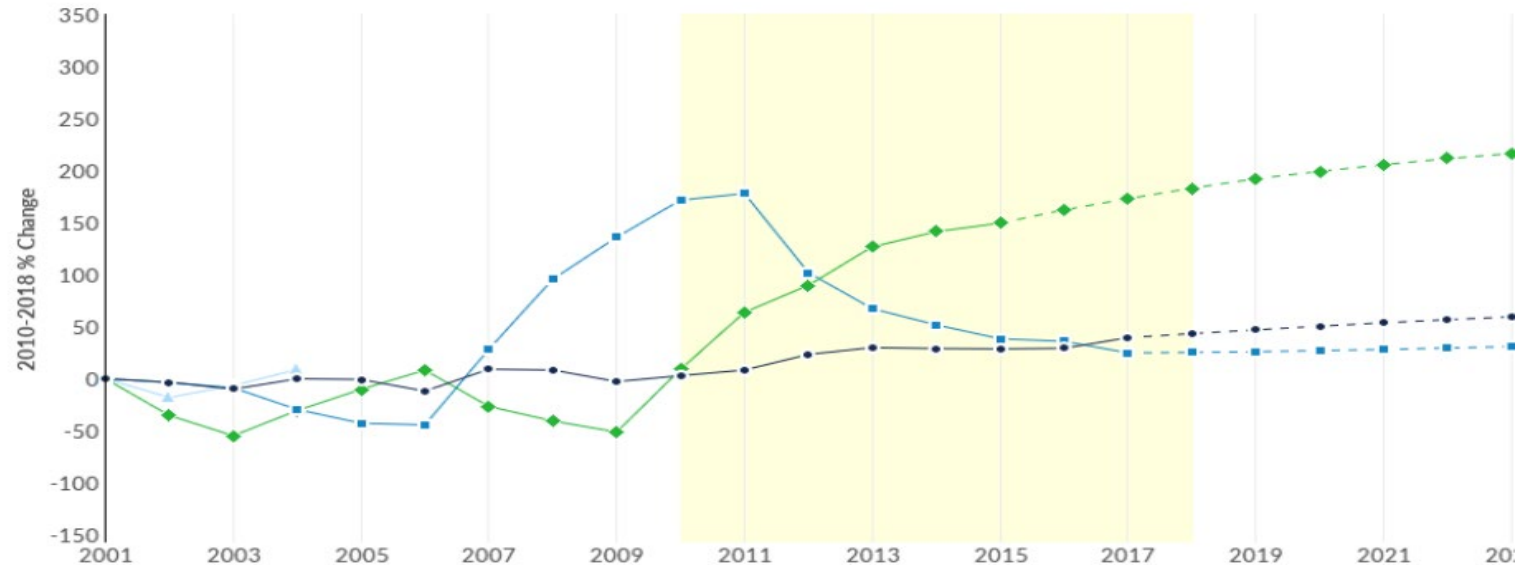
- Existing Synergies in North Simcoe
  - EDCNS, Heart of Georgian Bay, Heads of Council for North Simcoe
  - Integrated policy decision making, leveraging all assets in North Simcoe Region
- Share the burden/costs across larger stakeholder group
- Airports inherently have regional benefits to catchment area outside municipal borders

Township	Population	Percentage	Subsidy	per capita subsidy
<b>Midland</b>	16,864	35%	\$40,367.95	\$2.39
<b>Penetanguishene</b>	8,962	19%	\$21,914.03	\$2.44
<b>Tiny</b>	11,787	25%	\$28,834.25	\$2.44
<b>Tay</b>	10,033	21%	\$24,220.77	\$2.41
<b><u>Combined</u></b>	<b>47,646</b>		<b>\$115,337.00</b>	<b>\$2.42</b>

hypothetical scenario to calculate subsidy using percentage of regional population including Tay Township

# Economic Review

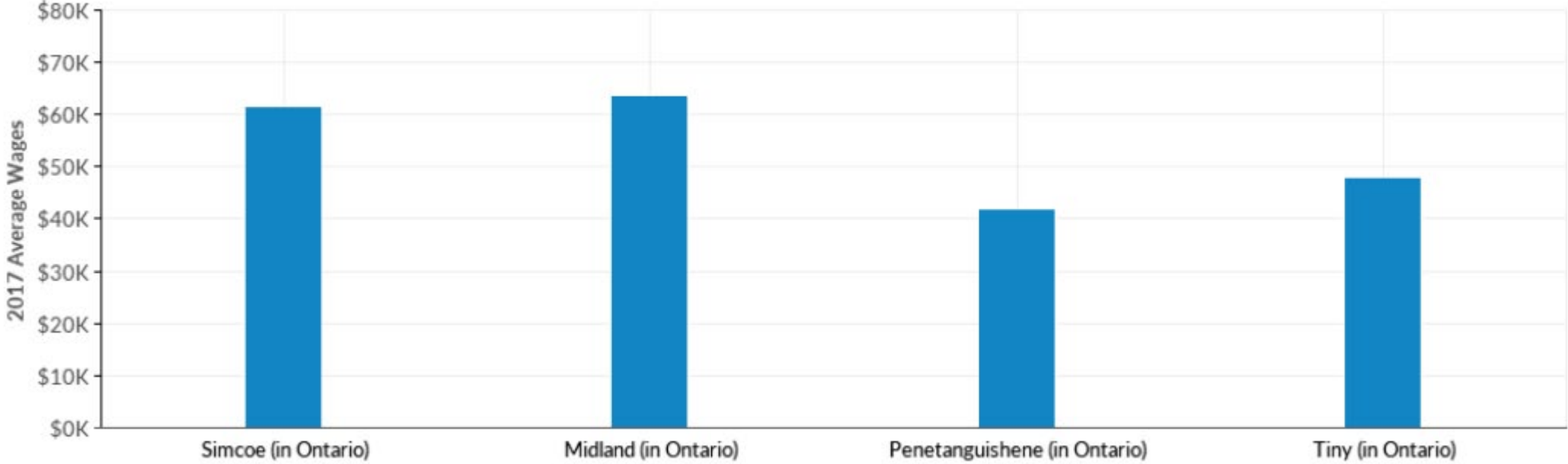
## (Aviation and Aerospace Sector)



Region	2010 Jobs	2018 Jobs	Change	% Change
● Simcoe (in Ontario)	1,258	1,752	494	39%
■ Midland (in Ontario)	87	40	-47	-54%
▲ Penetanguishene (in Ontario)	12	4	-8	-67%
◆ Tiny (in Ontario)	11	58	47	427%

# Economic Review

## (Regional Wage Comparison)



# Economic Impact

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## Methodology

- Assuming 50% of expenditures are local
- Using the accepted multiplier of 2 for the aviation sector
- Using the estimated value per job of \$111,334
- Using operational budget of \$348,764 and Fuel Tank Replacement Budget of \$450,000
- **Reported Jobs At Huronia Airport (24 FTE)**
  - Airport Staff – 2FT and 1PT
  - Zenair – 18 FT
  - Duker Aviation – 2 FT
  - Aircraft Sales – 1 FT and 1 PT



# Economic Impact

	Total	Job Equivalents (FTE)
Impact from Airport Operations	\$348,764	3
Capital Project	\$450,000	4
Airport Employment	\$2,338,014	21
<b>Total Airport</b>	<b>\$3,135,000</b>	<b>28</b>
Tourism Impact (TREIM) (assuming reported 3000 visitors per year)	\$200,000	2
<b>Total Including Tourism</b>	<b><u>\$3,335,000</u></b>	<b><u>30</u></b>

# Foreign Investment Review

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## **Canadian Aerospace Sector**

- National Aerospace Economic Impact of \$31B and over 213,000 jobs nationwide
- Positive year over year growth in revenue, GDP and jobs
- Canadian Aerospace ecosystem is interlinked with the defence sector and 70% of the industry's activity (GDP) is dedicated to manufacturing

## **Ontario Aerospace Sector**

- National Aerospace Economic Impact of \$6B and over 21,000 jobs provincially
- Leaders in turboprop, business jet, turbine engines, landing gear systems, avionics

# Foreign Investment Review

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- EDCNS Initiatives
  - Focused on Manufacturing, Agribusiness, Healthcare and Tourism
  - Review investment readiness of the airport
- Simcoe County
  - Utilize work being done by the county in aerospace and aviation
  - The County priority is Lake Simcoe Regional Airport
  - Huronia Airport and North Simcoe has a labour price advantage and unique tourism destination
- Southern Ontario Airport Network (SOAN)
  - Gaining momentum and taking a global approach to grow the aviation, aerospace and air travel sectors in Ontario

# Strategic Positioning

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Currently serving General Aviation (GA) sector

## **Recommendation**

Develop a Mission and Vision statement

Full Service GA airport

- Maintenance and Repair
- Pilot Training and Flight School

Destination Airport

- Charter flights for cottaging and tourism
- Charter flights to connect to Great Lakes Cruises

# Growth Opportunities

Aviation Related Opportunities	
High Prospect	Medium to Low Prospect
Private Hangar Development	Fixed Based Operator
Public Owned T-Hangar	
Inbound Charter Flights	
Fly-In Packages for General Aviation Pilots	
Flight Training School	
Attracting Aviation/ Aerospace Businesses	

# Growth Opportunities

Non-Aviation Related Opportunities	
High Prospect	Medium to Low Prospect
Special Event Space	Government Agencies
Self-Storage and Outdoor Storage	Builders and Construction Contractors
Professional Service Offices	Restaurant
Recreational Facility	
Warehousing and Logistics Centre	
Professional Business Offices	

# Recommendations

## (Infrastructure)



Timeline	Goals/Tasks	Estimated Cost
<b>Short-Term</b> <b>2019-2024</b>	<ul style="list-style-type: none"> <li>• Improve internet connectivity</li> <li>• Fuel tank upgrade</li> <li>• General maintenance of runway and taxiway surfaces</li> <li>• Identify major risks</li> <li>• Operational preparedness</li> </ul>	\$475,000 - \$705,000
<b>Medium-Term</b> <b>2025-2030</b>	<ul style="list-style-type: none"> <li>• Extend current taxiway</li> <li>• Construct revenue generating hangars</li> <li>• Airfield lighting and signage</li> <li>• Tree removal</li> <li>• Access road connection</li> </ul>	\$760,000 - \$868,400
<b>Long-Term</b> <b>2031-2040</b>	<ul style="list-style-type: none"> <li>• Runway extension and resurfacing</li> <li>• Removing slope hazard</li> <li>• Regrade the sloping property</li> <li>• Construct Airfield Maintenance Building</li> </ul>	\$10,000,000

# Questions

